

therefore, Deutsche Bank's and its affiliates' losses in the Master Fund and Feeder Funds will be limited to losses attributable to the ownership interests in the Master Fund and Feeder Funds held by Deutsche Bank and any affiliate in their capacities as investors in the Master Fund or Feeder Funds or as beneficiary of a restricted profit interest held by Deutsche Bank or any affiliate.

**AIFM Directive.** The implementation of the AIFM Directive may have an adverse effect on certain aspects of the operation of the Master Fund and the Feeder Funds and the ability to market Interests to EU Investors.

The AIFM Directive will apply in relation to any investment fund other than a fund authorized under the UCITS Directive (an "AIF"), including hedge funds, private equity funds, commodity funds, real estate funds, and infrastructure funds, and will apply to most managers of AIFs (each an "AIF Manager") established in the EU and to any AIF Managers established outside the EU who market their AIFs in the EU or manage AIFs established in the EU.

The AIFM Directive provides, inter alia, that AIF Managers established in the EU must be authorized and regulated under the Directive in order to manage AIFs and AIF Managers established outside the EU must be authorized and regulated under the Directive in order to manage AIFs established in the EU. The Directive imposes new regulatory obligations on authorized AIF Managers in respect of their activities and the AIFs that they manage, and also regulates the marketing in the EU by AIF Managers (whether established in the EU or elsewhere) of AIFs (whether established in the EU or elsewhere).

Neither the General Partner nor the Investment Manager is authorized under the AIFM Directive as of the date of this Memorandum, and the substantive requirements applicable to an authorized AIFM under the AIFM Directive are not applicable to the General Partner or the Investment Manager with respect to the Feeder Funds apart from certain specific requirements that may apply in certain EU countries as a result of the marketing of Interests to EU investors.

However, the Master Fund is expected to be treated as an AIF established in the EU that is managed by an AIF Manager that is also established in the EU. Accordingly, the Master Fund Manager has applied for authorization in the United Kingdom by the FCA to the extent required under the AIFM Directive and its implementing legislation and as of the initial closing of the Master Fund expects to be authorized and regulated in the United Kingdom by the FCA thereunder. The Master Fund Manager will be the Master Fund's AIFM under the AIFM Directive and will assume responsibility, and be subject to all applicable requirements, as such.

The application of the AIFM Directive with respect to the Master Fund and the Feeder Funds may have a material impact on certain aspects of the organization of the Master Fund and the Feeder Funds and their respective organizational and operating expenses, as more fully described in the Master Fund Offering Memorandum.