

The AIFM Directive became effective in July 2011 and was required to have been implemented by EU Member States by July 22, 2013. Before the AIFM Directive can be implemented in each individual EU Member State, detailed implementing measures must be drawn up and adopted by the legislative body of that EU Member State. Details of the full impact of the Directive on the operation of the Master Fund and the Feeder Funds will not be known until those implementing measures have been finalized.

Lack of Transferability or Redemption of Interests. In light of the fact that there are restrictions on withdrawals, transfers and redemptions and the Interests are not registered under the U.S. federal or state securities laws or similar laws of any non-U.S. jurisdiction, an investment in a Feeder Fund will be an illiquid investment. There will not be any market for the Interests. Investments in the Feeder Funds should therefore be considered only by persons financially able to maintain their investment for an extended period of time, who can afford a loss of all or a substantial part of their investment and have the financial ability to satisfy capital calls. Even if the Onshore Feeder Fund's investment (and the Offshore Feeder Fund's indirect investment) in the Master Fund proves successful, it is unlikely to produce a realized return to Limited Partners for a period of years.

Limited Voting Rights. Whenever the Onshore Feeder Fund has voting and consent rights with respect to its interest in the Master Fund, the Investment Manager will solicit instructions from the Limited Partners prior to exercising such rights on behalf of the Onshore Feeder Fund. Whenever the Offshore Feeder Fund has voting and consent rights with respect to its interest in the Onshore Feeder Fund, the Offshore Feeder Fund will solicit instructions from Limited Partners of the Offshore Feeder Fund prior to exercising such rights on behalf of the Offshore Feeder Fund. The Investment Manager will not cast a divided vote on behalf of the Onshore Feeder Fund and Limited Partners who do not respond to a solicitation for instruction will be deemed to have voted in accordance with the voting instructions received from a majority in interest of the Limited Partners that respond to the solicitation for instruction; therefore, votes cast by the Onshore Feeder Fund may not reflect the preferences of each individual Investor in the Onshore Feeder Fund.

Investment Concentration. The Onshore Feeder Fund will invest solely in the Master Fund and the Offshore Feeder Fund will invest solely in the Onshore Feeder Fund. Although the Master Fund Manager follows diversification guidelines with respect to the Master Fund's investments, a significant portion of the Master Fund's aggregate commitments may be invested in a single co-investment in a portfolio company or in a single investment on the secondary market. As a result, any single loss may have a significant adverse impact on the Master Fund and the Feeder Funds.

Recycling; Reinvestment. The Master Fund General Partner has the right to recall capital contributions, including (i) distributions from an investment received by the Master Fund within 13 months of the date on which such investment was made (but only to the extent of capital invested by the Master Fund in such investment), (ii) following the termination of the investment period of the Master Fund, an amount equal to any and all distributions