
provided by the other Investors may be returned to them without having been invested and will be subject to recall. If a defaulting Investor's Interest is forfeited, the total Commitments may be reduced, which will limit both the number of investments the Fund can still make, and the diversity of its investments including those that it has already made. Further, in the event that an Investor fails to comply with its obligations under the Fund Partnership Agreement to provide certain information, and comply with certain procedures, to enable the Fund to comply with the recently enacted US Hiring Incentives to Restore Employment Act, such failure may subject an Investor to severe consequences as set out in the Fund Documents.

Amounts and timings of payments to the Fund are uncertain

Drawdowns may occur at any point, and for any amount (up to an Investor's undrawn commitment to the Fund), during the life of the Fund, including after the termination of the Investment Period.

Risks associated with unspecified transactions

There are risks and uncertainties to Investors with respect to the selection of investments. Investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Fund and, accordingly, will be dependent upon the judgement and ability of the Manager in sourcing suitable transactions and in investing and managing the assets of the Fund. No assurance can be given that the Fund will be successful in obtaining suitable investments at attractive prices or that it will be able to fully invest Commitments.

Valuation risk

The Fund will be relying upon the Manager for valuation of its investments. The Fund's investments in many cases will be difficult to value due to various factors, including the nature of private equity assets, the absence of readily ascertainable market values and comparables, and limited sources of useful valuation information. In addition, the valuation of an investment may not always be consistent with, and therefore may be higher than, the price at which the investment could be sold on any particular valuation date. Such valuations will be subject to inherent uncertainty, and will be made under a number of assumptions which may not ultimately be realised. There can be no assurance that the valuations will in fact represent the actual value of the investments or the amounts that could at such time or may ultimately be realised with respect to the investments. Valuation uncertainties may be compounded if there are problems with the economies of the markets in which the Fund operates.

Tax risks

The Fund and/or the Investors could become subject to additional or unforeseen taxation in jurisdictions in which the Fund operates or invests. In addition, withholding taxes and other local source taxes may be imposed on the Fund's earnings. These taxes may not be creditable or deductible by the Fund or its subsidiaries or the Investors. While it is intended that the activities of the Fund, the General Partner, the Second GP, the Manager and their respective offices should not create a permanent establishment or other form of taxable presence of the Fund or any of its subsidiaries in any jurisdiction in which the Fund or any of its subsidiaries, or the General Partner, the Second GP, the Manager or any of their respective offices, operates or invests, there is a risk that the relevant tax authorities in one or more of such jurisdictions could take a contrary view. If for any reason the Fund or any of its subsidiaries is held to have a permanent establishment or other such presence in any such jurisdiction, the Fund or such subsidiary could be subject to significant taxation in such jurisdiction.

Global taxes

The Manager may make certain decisions to maximise pre-tax returns that result in tax-exempt Investors incurring greater tax costs than might otherwise be the case. For example, in some cases, the Manager may forego certain actions with regard to acquisition, financing, management and disposition of investments that would reduce taxes because such actions would reduce overall pre-tax returns to all the Investors.