

Dilution from subsequent closings

Investors subscribing for Interests after the First Closing will participate in existing investments of the Fund, diluting the interest of existing Investors therein. Although such Investors will contribute their pro rata share of prior Fund drawdowns (plus interest), there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional Interests are subscribed for.

Indemnification

The Fund will indemnify, and hold harmless, the General Partner, the Second GP, the Manager and each of their respective affiliates who have acted directly or indirectly on behalf of the Fund; each of the current and former officers, directors, employees, managers, agents of any of the General Partner, the Second GP, the Manager and each of their respective affiliates who have acted directly or indirectly on behalf of the Fund; each person serving, or who has served, as a member of the Fund Advisory Committee (and, with respect to claims or damages arising out of or relating to such service only, the Investor that such person represents and each of such Investor's officers, directors, employees, partners, members, managers, agents and other representatives); and any other third party designated by the General Partner as a covered person who serves at the request of the General Partner or the Manager directly or indirectly on behalf of the Fund from and against any liabilities, actions, proceedings, claims, costs, demands and expenses to which they may become subject by reason of their activities on behalf of the Fund, unless such liabilities, actions, proceedings, claims, costs, demands and expenses result from certain conduct of such indemnified person as specified in the Fund Partnership Agreement. Indemnification of these indemnified persons may impair the financial condition of the Fund and its ability to acquire investments or otherwise achieve its investment objective or meet its obligations. Furthermore, the Investors may be required to return certain distributions for the purpose of satisfying any claim under such indemnity, subject to certain limitations.

Short-term investments

Amounts drawn down from Investors will be invested by the Fund in short-term instruments pending investment in secondaries transactions. During such interim periods, these short-term investments may produce lower returns for Investors than the returns earned by direct investors in the underlying private equity funds in which the Fund invests (or by direct investors in portfolio companies) for the same period.

Follow-on investments

The Fund may be called upon to provide follow-up funding for portfolio companies or have the opportunity to increase its investment in such portfolio companies. There can be no assurance that the Manager will wish to make follow-on investments or that the Fund will have sufficient funds to do so. Any decision by the Manager not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Fund's ability to influence the portfolio company's future development.

Risks upon disposition of investments

In connection with the disposition of an investment in a portfolio company or otherwise, the Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Investors. The Fund Partnership Agreement contains provisions to the effect that if there is any such claim in respect of a portfolio company, it may be funded by the Investors to the extent that they have received distributions from the Fund, subject to certain limitations.

Furthermore, the Investors may, under certain circumstances, be required to return certain distributions for the purpose