

by the Manager or its affiliates, or the receipt of payment by an Investor in respect of such fees, would be taxed as UBTI to tax-exempt Investors in whole or in part. If sufficient interest is indicated by potential tax-exempt Investors, the Fund may offer a "blocker" structure through which such Investors may invest in the Fund.

Non-US Investors. Below is a discussion of certain US federal income tax considerations applicable to a non-resident alien individual or non-US corporation that is considering an investment in the Fund and does not purport to address all of the US federal income tax consequences that may be applicable to any particular Investor. This discussion does not address the tax consequences of investing in the Fund to non-US Investors subject to special rules under US federal income tax laws, such as non-US governments, trusts, former US citizens or residents, and individual non-US Investors that have a "tax home" in the US. Non-US Investors are urged to consult with their own tax advisers with reference to their specific tax situations. The discussion assumes that a non-US Investor is not and will not be engaged in a trade or business within the US, has and will have no US source income, other than as a result of its investment in the Fund, and in the case of a non-US individual, has not been (and will not be) present in the US for 183 days or more in any taxable year.

Interest, dividends, etc. A non-US Investor is subject to US federal withholding tax at the rate of 30% (or a lower treaty rate, if applicable) on its distributive share of any US source interest (subject to certain exemptions), dividends and certain other income received by the Fund.

Effectively connected income. In general, a non-US person that invests in a partnership that is (directly or through entities treated as disregarded from their owners or as partnerships for US federal income tax purposes) "engaged in trade or business within the United States" is itself considered to be engaged in trade or business within the US and is subject to US federal income tax (including, possibly, in the case of a non-US corporation, the "branch profits" tax), withholding and income tax return filing requirements with respect to its income effectively connected (or treated as effectively connected) with the US trade or business ("ECI"). A non-US person that fails to file a timely US federal income tax return in respect of its ECI may subsequently be precluded from claiming deductions related to the ECI and may be subject to interest and penalties.

The Manager anticipates that, in order for the Fund to pursue certain investment opportunities, it may (including indirectly through Fund Secondaries) make investments (such as investments in certain Operating Partnerships) that will generate ECI. In the case of an investment in an Operating Partnership that is engaged in trade or business within the US, the following may be considered ECI to a non-US Investor:

- the non-US Investor's share of the items of income, gain, loss, deduction and credit derived from the investment (whether or not distributed) as determined under US federal income tax rules (including interest allocation rules) generally applicable to non-US persons (which may produce a result different from merely applying US tax rates to the non-US Investor's share of the net income of the Operating Partnership);
- the non-US Investor's share of any gain realised by the Fund upon the disposition of the investment; and
- the portion of any gain realised by the non-US Investor upon the disposition of its Interest that is attributable to the investment.

It is also possible that reductions in the General Partner's Share resulting from the receipt of fees by the Manager or its affiliates, or the receipt of payment by an Investor in respect of such fees, would be considered ECI to non-US Investors in whole or in part.

A non-US Investor is subject to tax on its allocable share of ECI at a maximum rate of 35% for a non-US corporation and 39.6% for a non-US individual. It is possible that in any given year the tax withheld on ECI with respect to a non-US Investor may be in excess of that Investor's US federal income tax liability for the year. In such event, the non-US Investor would be entitled to a refund of the overpayment.

A non-US corporate Investor may also be subject to the 30% branch profits tax on its ECI. The branch profits tax is a tax on the "dividend equivalent amount" of a non-US corporation, which is approximately equal to the amount of the corporation's earnings and profits attributable to ECI that is not treated as reinvested in the US. The effect of the branch profits tax is to increase the maximum US federal income tax rate on ECI from 35% to 54.5%. Some US income tax treaties provide exemptions from, or reduced rates of, the branch profits tax for "qualified residents" of the treaty country. The branch profits tax is payable by the non-US Investor and not collected by way of withholding. If sufficient interest is