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PRIVATE PLACEMENT MEMORANDUM

[DST]

[DST Healthcare 1]

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[JANUARY 2014]

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I. EXECUTIVE SUMMARY

The US healthcare sector, comprising 17% of US GDP, faces tremendous productivity challenges. Driven by an aging population and the emergence of new, more expensive treatments, the rate of growth of healthcare expenditures is unsustainable. Furthermore, healthcare lags other industries in adopting technology-enabled process improvements and improving operational performance. These dynamics create opportunities for new disruptive technologies aimed at increasing efficiency and cutting cost.

Information technology (IT) applied to biology and medicine has the potential to drive a technological revolution in the health care sector. This IT-bio-medicine revolution has similar characteristics to the most transformative technological revolutions in history: linking of new and old industries to create networks and transformative business models. This type of revolution occurred with the advent of the steam engine, transforming the industrial revolution by carrying coal and iron into the motive revolution of steam ships and railways. It happened again when cheap microprocessors, which combined ubiquitous electricity and mass production, led us into the information age. And it is now occurring as digital “big data” transforms health care and life sciences.

In the healthcare and life sciences industries, the emerging digital big data revolution is being stimulated by a number of new technologies: low cost next-generation DNA sequencing instruments, wearable data-generating sensors, and electronic medical records/provider clinical data. Large amounts of data are being generated – and increasingly digitized – through payor activity (claims), patient behavior/tracking and sentiment data. Furthermore, advances in IT, hardware and software technology are increasing the ability to generate, store, visualize, analyze and apply these data and changing how medicine is practiced.

This new wave of innovation creates investment opportunities with a more favorable investment profile than the typical health care investment: less regulated, more capital efficient and with a shorter time to commercialization. At the institutional level, we see opportunities to dramatically reduce inefficiencies in the diagnosis, treatment and delivery of health care at the convergence of molecular medicine, electronic sensor technology and communication platforms. On the other end of the spectrum, the evolution of the technologies related to personalized medicine are creating alternative channels to go direct to newly empowered patient/consumers. Finally, advances in drug research and development will have major implications for patient diagnosis and treatment touching all aspects of the health care sector. We are already seeing a wave of initial applications, products and pioneering companies, some of which we have co-funded.

The DST Healthcare Fund (the “Fund”) is not funding traditional drug, diagnostic and device discovery and development opportunities. Instead, the Fund is focused on actively seeking out the most interesting opportunities in a few strategic areas at the intersection of life science and digital technology that are relevant to generation and application of big data to healthcare. In an environment of healthcare reform requiring quality, affordable care, the DST Healthcare Fund will invest in companies with transformative technologies and business models that create financial value either through making healthcare more efficient and/or serving consumers directly.

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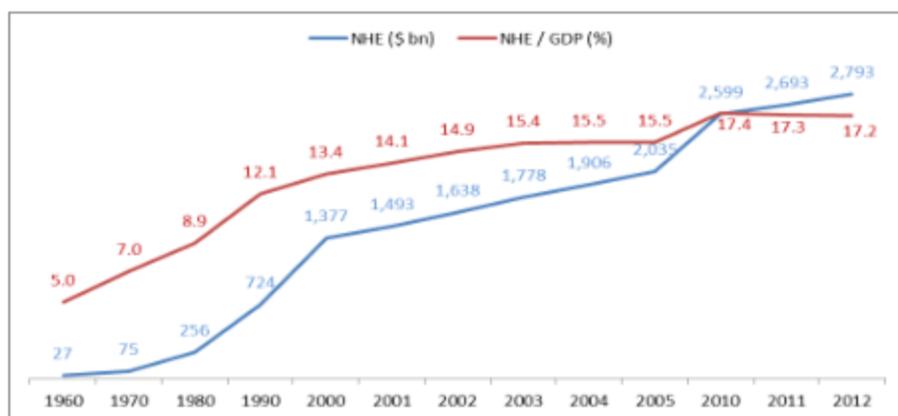
II. MARKET OPPORTUNITY AND ENVIRONMENT

Large and unsustainable healthcare spend in US

According to World Health Organization c. \$7 trillion was spent on global health expenditure in 2011. At 10%+¹ this represents, one of the largest sectors of global GDP.

At \$2.8² trillion, healthcare spend in Unites States is the largest globally and represents 17.2% of the US GDP. Moreover, the expenditure on healthcare has grown significantly faster than GDP in 44 of the 52 years since 1960. Healthcare expenditure cumulatively grew by 103x during that time period vs. GDP growth of 30x.

US Healthcare spend (\$bn) and share of GDP (%):



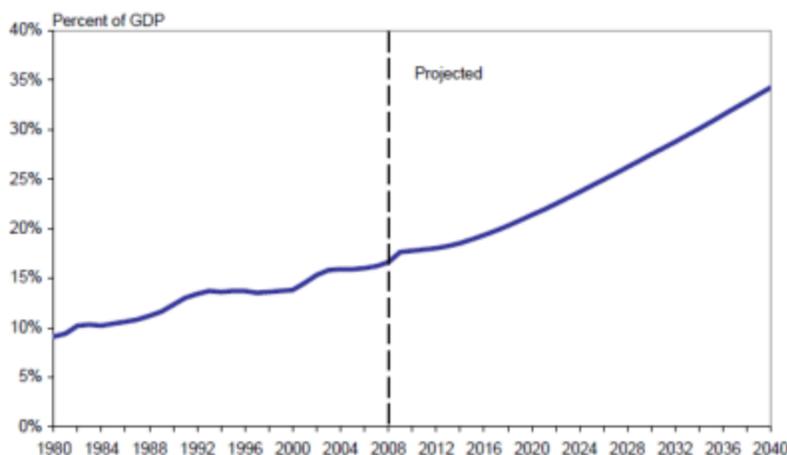
Despite a modest decline in healthcare spend growth rate in recent years, the level of healthcare spend in US is unsustainable. According to CMS estimates, healthcare spend in US is expected to grow at a CAGR of 6% to \$5 trillion in 2022 and represent c. 20% of GDP.

According to a report published by the White House in 2009, US healthcare spend could be up to 34% of GDP by 2040.

US Healthcare spend as % of GDP:

¹ Source: World Health Organization Global Health Expenditure Database

² Source: CMS NHE data for 2012



The high levels of healthcare spending and its seemingly relentless growth are problematic for the US. Public spending on healthcare—primarily through the Medicare and Medicaid programs—is crowding out other state and national priorities, including education, social security, national defense, and deficit reduction. High healthcare costs for private employers inhibits the hiring of workers and puts upward pressure on the prices of goods and services. Private health care spending has also taken a large bite out of the discretionary spending of US families, leaving the average middle-income family worse off financially than a decade ago. This rapid growth in US healthcare spending is attributable to numerous factors, including: an aging population, the prevalence of chronic diseases, and the use of expensive advanced medical technology. Similar problems associated with rising healthcare costs can be observed in other developed countries.

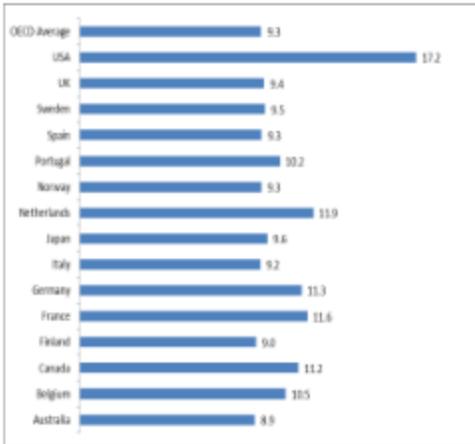
Inefficiencies in US Healthcare

The US spends more money on health than any other nation, whether measured in terms of spending per capita or spending as a percentage of GDP. Mckinsey estimates that US spends \$600bn (3.7% of GDP) on healthcare, more than the expected benchmark for a nation of the US's size and wealth.

Healthcare Expenditure / GDP %³:

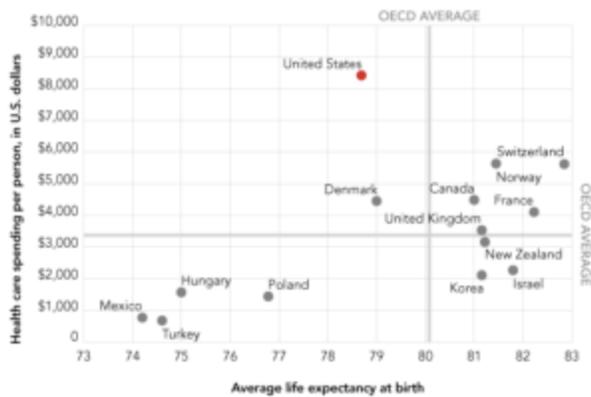
Healthcare expenditure per capita (\$ PPP)³:

³ Source: CMS 2012 data for US, OECD 2011 data for rest



The high healthcare spend has not translated into better outcomes with Americans having a lower life expectancy than the OECD average.

Healthcare spending per capita vs. life expectancy at birth⁴:



Potential of technology and big data in healthcare and life sciences

⁴ OECD 2011 data

We believe that technology and big data can play a major role in helping resolve some of the inefficiencies in the US healthcare system. Other industries such as retail, banking, etc. have successfully employed technology and big data to increase sales and reduce costs. The big data opportunity is especially compelling in complex business environments experiencing an explosion in the types and volumes of available data. In the healthcare and life sciences industries, data growth is generated from several sources, including the R&D process itself, retailers, patients, and caregivers.

Oliver Wyman estimates that more than \$1 trillion in value will move from old to new healthcare service models. MGI estimates that applying big data solutions could lead to \$300-450 billion in reduced health-care spending.

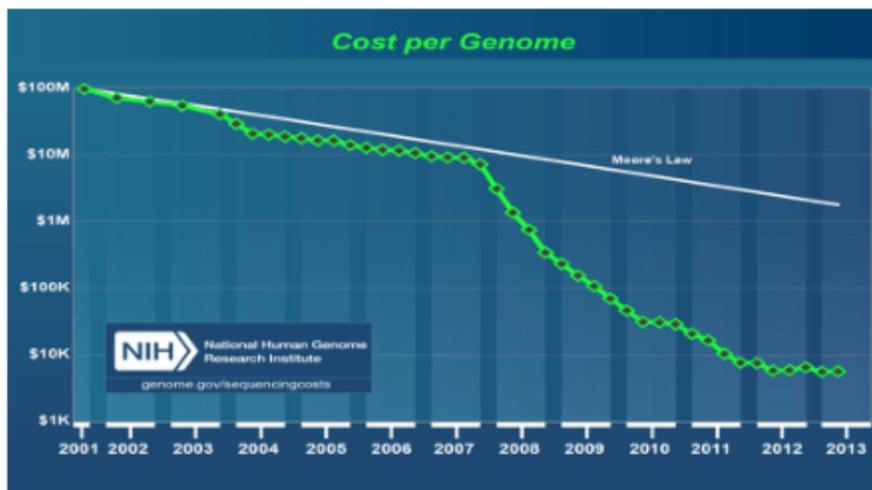
Emerging Trends leading to value creation potential

We believe that a few key trends will enable companies to build successful businesses by leveraging technology and big data in healthcare and life sciences.

Costs and speed of DNA sequencing

The Human Genome Project began in 1990 and took over 13 years and \$3 billion to map the first human genome. Since then there has been monumental improvement in both speed as well as cost of DNA sequencing. Today a human genome can be sequenced at 30x coverage in a day for \$1,000.

The rise of molecular medicine is a classic technology-based transformation similar to the advent of the digital information era. Advances in semiconductor technology drove down the cost of computing, which allowed a growing number of users to apply powerful computing technology to routine activities. The growing user base attracted more innovators to create applications and uses, which then expanded the applicable user population yet again, creating a virtuous cycle. In the case of DNA sequencing, technology improvements are occurring at an even faster rate.



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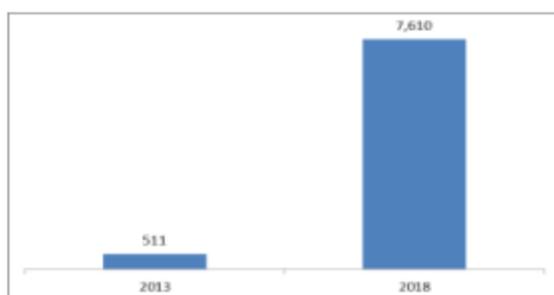
Mckinsey estimates that genomics will have an economic impact of up to \$1.6 trillion by 2025. Fast and cheap DNA sequencing will lead to fundamental changes and revolution in disease diagnosis and treatment, as well as drug discovery.

Molecular diagnostics

DNA sequencing enables a new disease taxonomy where diseases are characterized based on cell biology rather than symptoms or point of origin. Molecular profiling based on this taxonomy will allow for highly accurate and differentiated diagnostics. The sequencing-based molecular diagnostics market is expected to grow at a CAGR of 72% from \$511m in 2013 to \$7.6bn in 2018⁵.

Molecular profiling will also enable better risk prediction and prognosis. Genomics will have the highest impact on cancer prediction and prognosis. Cancer is a disease that is driven entirely by complex and highly individual DNA changes. Most current treatments are indiscriminate, extremely costly, and often ineffective.

Clinical next generation sequencing market (\$mm)²:



Personalised medicine

The practice of medicine will undergo a fundamental revolution in the next decade, becoming increasingly more data and computation intensive. Ongoing research will lead to creatiun of large data sets linking molecular profile to diseases. Armed with this information as well as the patient's DNA sequence, doctors will tailor treatments for individual patients based on their molecular signature.

Although personalized medicine is in the early stages of development, impressive initial successes have been reported, particularly in the field of cancer. More than 800 targeted therapies are either available or in the pipeline to target cancer⁶.

⁵ Source: BCC research, July 2013

⁶ http://www.businessweek.com/magazine/content/11_26/b4234024330707.htm

Next Generation Drug Development

The use of molecular information will radically improve the efficiency and productivity of drug discovery and development. As molecular information leads to better understanding of disease and its progression, many more drug targets will arise. Meanwhile, using molecular information to select patients for clinical trials should accelerate drug development timelines and improve the probability of drug approval. Together, these changes will likely improve the return on invested capital of pharmaceutical and biotechnology companies. At the same time, drugs will likely be increasingly applicable to smaller subsets of diseases, improving their effectiveness but shrinking their addressable markets. Drug companies will need to adapt their marketing strategies accordingly.

Novartis CEO Joe Jimenez called out the explosion in DNA sequencing as a driver for R&D productivity “allowing new areas of discovery that have never been possible before.” For example, molecular strategies aided in the development of Gleevec, Novartis’s blockbuster treatment for certain forms of chronic myeloid leukemia with annual revenues of \$4 billion.

Smart sensors and remote monitoring

Smart sensors allow for the collection and analysis of data for a number of areas such as health and lifestyle management, early detection and diagnosis, disease monitoring and treatment adherence. The use of data from remote monitoring systems can reduce patient in-hospital bed days, cut emergency department visits, improve the targeting of nursing home care and outpatient physician appointments, and reduce long-term health complications and costs.

Several trends have converged leading to an expectation of explosive growth in remote monitoring and other healthcare applications:

- Increasing smartphone penetration: 148m people (62% of mobile phone users) in US owned a smartphone as of November 2013⁷. Increasing smartphone penetration has led to an explosion in people both monitoring their health/lifestyle as well as accessing health-related information on the go.
- Technology advancements: Sensors are becoming smaller, affordable, and more accessible. Material science has advanced to create wearable sensors that can take measurements passively. Wireless communication allows data to be transmitted securely. Data storage is cheap and secure. Increased computing power with cloud computing enables data analysis and access to data globally.
- Chronic diseases: An aging population has led to more than 130 million patients in the US suffering from chronic diseases such as diabetes, congestive heart failure, and hypertension. Treatment for such chronic diseases accounts for more than 75% of health system costs. Remote patient monitoring systems can be highly useful for treating such patients.

Wireless health, including fitness as well as health-oriented devices and applications, is globally a

⁷ Source: Comscore

\$8bn market in 2013 and expected to grow to \$59bn by 2020⁸. ABI research expects the market for wearable health and fitness devices to grow from 30m in 2012 to 170m in 2017 .

Digital Health Platforms

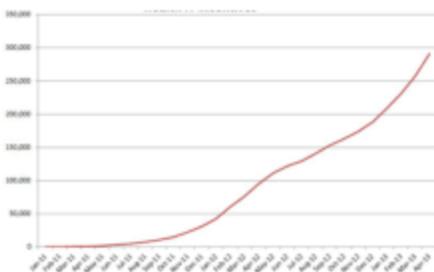
Digitisation of medical and other health data has led to a proliferation of companies utilizing technology and big data for better diagnosis, monitoring, efficient healthcare delivery, disease management and treatment. At the same time, patients ability to access their own medical and health data has led to emergence of business models targeting patients as consumers of healthcare services.

Government policy and reform is also emerging as an important driver for change. Some of the policies adopted in the HITECH act of 2009 are likely to play an important role in the creation of a digital health ecosystem by accelerating the development of necessary healthcare IT infrastructure:

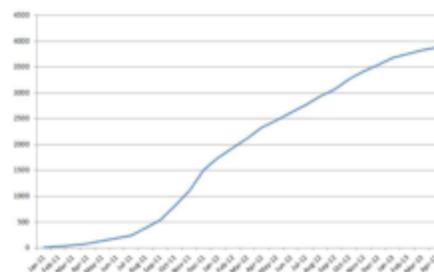
- More than \$17bn will be spent to incentivize hospitals and providers to use electronic health records.
- Another \$2bn will be spent to support healthcare IT infrastructure as well as other training and research.

More than 50% of doctor offices and 80% of hospitals now have electronic health records⁹.

Physicians/other providers with basic EHR¹¹:



Eligible hospitals with basic EHR¹¹:



Regulatory and reimbursement progress

Regulation and reimbursement will continue to be important drivers in the success of healthcare companies. There is evidence to suggest that both FDA policies and insurance company policies are evolving to support rather than hinder technology-based innovation in the healthcare space.

FDA has shown its support for technology-based innovation through various actions such as:

- Granting de-novo 510(k) approval to Illumina's Miseq next generation sequencing platform

⁸ Source: Allied market research Nov-2013

⁹ Source: <http://www.hhs.gov/news/press/2013pres/05/20130522a.html>

- Granting 510(k) approval to iPhone based ECG monitoring device Alivecor
- Laid out clear guidelines for the categories of mobile apps that it would seek to regulate – the FDA has already approved more than 100 health apps¹⁰
- Having extensive dialogue with industry on regulation of molecular tests while allowing them to operate as LDTs

Several factors on the reimbursement front favor companies providing innovative healthcare solutions:

- Consumerization of healthcare as patients play an increasingly important role in their treatment – \$328bn or 11.7% of the healthcare expenditure is paid out-of-pocket by patients
- New models such as Accountable Care Organizations reward providers for positive patient outcomes and incentivize them to use the most cost effective solutions

¹⁰ Source: <http://mobihealthnews.com/27645/analysis-103-fda-regulated-mobile-medical-apps/>

III. INVESTMENT STRATEGY

Philosophy

DST Healthcare Fund will invest in companies at the intersection of life sciences and digital technology. We believe that technology and big data can play a major role in helping resolve inefficiencies in the healthcare system. The Fund does not plan on investing in traditional drug discovery, diagnostic and device development companies.

Recent advances in DNA sequencing, sensor and communication technology and digitization of health records create an opportunity to dramatically reduce inefficiencies in the diagnosis, treatment and delivery of healthcare. Similar to other industries, the life sciences and healthcare sectors are ready to be transformed by new business models enabled by disruptive technology. In an environment of health care reform requiring quality, affordable care, the DST Healthcare Fund will invest in companies with transformative technologies and business models that create financial value either through making healthcare more efficient and/or serving consumers directly.

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Author

We seek superior risk-adjusted returns by targeting and investing in later stage companies with proven technology and low regulatory and reimbursement risks. We seek to invest \$10-15 million of growth capital in companies and will target exits in the form of IPO or M&A in a 3-5 year timeframe.

Investment Criteria

The Fund typically looks for the following key characteristics in target companies before considering an investment:

1. Strong CEO and Team

The primary and most important asset of a company is its people. In particular, strong and capable leadership is essential for retention and motivation of key employees.

DST places considerable emphasis on the CEO and senior management team. We focus our analysis on understanding the ability, background, integrity, underlying motivations and overall ambitions of the CEO of any company in which we invest.

2. Significant and proven technology advantage within few well-defined strategic areas

We seek to invest in companies with transformational technology representing a new diagnostic or therapeutic approach or innovative service delivery capabilities, rather than incremental improvements to existing products or technologies. We invest in companies where the underlying technology and its superiority has been established, rather than conceptual technologies.

3. Commercial or clear path to commercialisation

A large number of healthcare companies struggle with regulation and reimbursement which can have significant negative impact on returns. We focus on companies that are already generating commercial sales or have a clear path to commercialization with limited regulatory and

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reimbursement risks. We work to minimize traditional healthcare risks of clinical efficacy, regulatory approval and reimbursements.

4. Large addressable market

We seek companies that are targeting large markets in terms of number of people that can be impacted by the technology whether through physicians or consumers directly. We also seek companies preparing to launch already successful products or services to the global healthcare market.

IV. INVESTMENT PROCESS

Deal Sourcing

Deal sourcing is a strategic focus for the Fund which includes identifying the right companies and creating the opportunity to invest in them. We believe that access to the highest-quality and well-differentiated deal flow is one of our key strengths.

Principals of the Fund have a unique set of long-standing relationships with leading entrepreneurs, inventors, scientists & academicians, pharmaceutical and biotech company executives and physicians. We have strong relationships with entities such as public and global health organizations, foundations, national scientific bodies and organizations, insurers and other corporate payers. These networks not only provide access to the highest quality entrepreneurs and early stage companies, but also provides unique insights for investment decisions. Our past experience of co-investing and relationship-building with some of the top-tier venture investors will allow for joint exposure to promising portfolio companies.

We receive insights and referrals from several unique sources including: founders of technology and healthcare companies that we have invested in or know; Breakthrough Life Sciences Prize recipients; DST technology investment team, and; entities associated with our anchor investor Bill Gates, such as Bill Gates Ventures and the Bill and Melinda Gates Foundation. We are in the process of entering into an agreement with Illumina, the leading DNA sequencing vendor globally, that would provide us unique access to sequencing application start-ups that join their incubator program.

We receive inbound interest from inventors, company founders, management teams and shareholders who are looking for high quality knowledgeable investors. Our international network brings together valuable flows of information, perspective on opportunities, and resources that is highly beneficial to portfolio companies.

We research the target industry sectors extensively, and closely track private companies that fit our investment criteria. We strive to maintain very close relationships with key decision makers for the companies that we track.

Due Diligence

We apply a rigorous due diligence process to each potential investment as we believe that detailed and well executed due diligence of critical risks is key to investment success.

We believe that the complementary skillsets and backgrounds of the Principals will allow for the identification of critical issues and risks. We work closely with our network of founders, scientists & academicians, pharmaceutical and biotech company executives and physicians to evaluate investment opportunities.

In our due diligence process, we emphasize understanding and evaluating the following:

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- 1) Management: We place key emphasis on the quality of people. We believe that a strong and experienced management team is key to the success of a company. We spend considerable time and energy on referencing management. We are biased toward portfolio company teams with whom we have previous experience.
- 2) Underlying science and technology: We spend considerable time understanding the underlying science of the potential investment and the resulting technical advantage. We reach out to our extensive network of science and domain experts to better understand the technology advantage and risks. [Where needed we will also engage consultants to help us evaluate the underlying science and technology]
- 3) Market potential, business model and competition: We leverage our network of experts to understand and test the market potential, the company's business model, and its ability to capture the market. We perform extensive research into the size and growth prospects of a company's target market and conduct extensive interviews with existing or potential customers to understand their perspective. Given our extensive network, we can often also speak to most of the competitors in a particular space before deciding upon an investment. In order to evaluate threats from existing or new competition
- 4) Intellectual Property: We engage experienced attorneys in specific fields to validate freedom-to-operate, validate exclusivity position and identifying blocking IP.

The investment team will discuss potential investments on a weekly basis to enable various team members to provide input on direction of diligence and raise potential concerns. While each prospective investment will be led by one of the Principals, no potential investment will proceed to in-depth due diligence without all Principals having met the key management team to help evaluate the quality of people.

Once due diligence has been satisfactorily completed, the investment opportunity will be submitted for approval of the Investment Committee of the General Partner. The Investment Committee is expected to meet on an ad-hoc basis when required to discuss a potential investment opportunity. The Investment Committee will make the determination on all investments. While we will strive for consensus in the Investment Committee, a transaction can be approved by any two Principals unless one of the Principals decide to veto based on a strong objection.

Portfolio Management

The Fund will actively engage in frequent dialogue with top management of our portfolio companies. We have historically dedicated, and expect to continue to dedicate, time to develop deep relationships with key decision makers in our portfolio companies.

Our portfolio companies also appreciate our previous experience in investing and monitoring the industry, as well as our strong connections globally. Where appropriate, we provide advice and introductions to our portfolio companies.

We typically take a Board Observer seat and/or ask for regular updates on business progress from our portfolio companies. Our Board participation, regular updates and active monitoring of other available information regarding our portfolio companies and their competitors allow us to remain up-to-date on the growth and competitive environment of our investments.

We will seek to increase our stake in a portfolio company if the asset is performing at or above our expectations, and if the valuation is consistent with our return expectations.

Our strategy for exiting an investment is expected to be an IPO or sale to a strategic buyer. In case we receive public securities in an IPO, the Investment Committee will decide on timing of their sale or distribution.

V. INVESTMENT TEAM

Yuri Milner

Yuri started investing in technology companies in 1999. In 2005, he founded Mail.ru Group to focus on technology investments in the Russian speaking world. Under his leadership, Mail.ru Group built what is now the leading Russian language website in terms of users. Core assets of Mail.ru Group are the seventh most popular web destination globally in terms of page views.

In September 2009, Yuri launched DSTG I as a vehicle for international Internet investments, followed by DSTG II in December 2010 and DSTG III in November 2011. Across various vehicles, DSTG and its affiliates have invested approx. \$3.5 billion in leading global technology companies.

In June 2011, Yuri started investing in healthcare companies and has invested over \$50 million in personal capital in several promising early stage companies.

During his career, Yuri held a number of management positions in Russia, including CEO of the main operating company (or subsidiary) of Mail.ru Group between 2001 and 2003. Currently, Yuri serves on the board of directors of Telecominvest. Yuri also serves as a member of the Presidential Commission for Modernisation and Technological Development of Russia's Economy.

Yuri graduated from Moscow State University in 1985 with an advanced degree in theoretical physics and subsequently conducted research at the Institute of Physics in the Russian Academy of Sciences between 1985 and 1989. He attended the Wharton Business School MBA program between 1990 and 1992 and subsequently joined the World Bank where he was involved in the development of the financial sector in Russia.

Boris Nikolic

Dr. Boris Nikolic is a Chief Advisor for Science and Technology to Bill Gates at Bill Gates Catalyst 3 (bgc3), Bill Gates Ventures (BGV) and at the Bill & Melinda Gates Foundation (BMGF).

Boris has led investment activities at these Gates-affiliated organizations on both the for-profit and non-for-profit aspects of Bill Gates' activities.

On the for-profit side, Boris led investments in various life science/health care companies such as Foundation Medicine, Research Gate, Schrodinger and Nimbus through Bill Gates Ventures.

On the non-for profit side, Boris co-managed BMGF's \$1.5 billion strategic investment pool focused on program-related investments in global health, as well as in other program areas (agriculture, digital payments and US education). Boris focused on biotech investments specifically, and pioneered direct equity investments by a US foundation in companies with platform technologies applicable to global health. BMGF's biotech portfolio includes five biotech companies: Liquidia, Genocera, Visterra, Atreca and Anacor. At BMGF, Boris also led discovery program of novel diagnostics platform technologies, molecular diagnostics point-of-care applications, novel

immunological detection systems, vaccination and surveillance technologies.

Boris Nikolic received his MD from Zagreb Medical School and his clinical training from the University's Medical Center, University of Zagreb, Croatia. In 1994, Dr. Nikolic joined the Harvard Graduate Program in Immunology. Subsequently, Boris continued to serve in roles of increasing authority including postdoctoral fellowship in transplantation immunology, Instructor in Surgery, Instructor in Medicine to Assistant Professor in Medicine at Harvard Medical School. Between 2002 and 2010, he led an advanced immunology laboratory for tolerance induction/stem cell transplantation in the Renal Unit, Department of Medicine, Massachusetts General Hospital/Harvard Medical School. In October 2007, Boris joined Bill and Melinda Gates Foundation and in April 2010, he joined bgC3.

Boris is the author of over 70 articles, patents and patent applications and co-founder of three biotechnology companies.

Boris co-founded IMDx, Inc., which is focused on developing and distributing FDA approved rapid molecular and serological diagnostic products and services that link diagnostics with therapeutics; emphasis on developing multiplexed diagnostic tests capable of diagnosing complex syndromes and providing therapeutic guidance. Boris is inventor of the "symptom-based" diagnostic methodology based on nucleic acid and antibody testing for major medical conditions (e.g. pneumonia, meningitis, septicemia, diarrhea).

Boris co-founded Aquatrove, Inc., a biotechnology company focused on developing unique conception-promoting and infertility diagnostics products. He invented and developed novel therapeutic agents, designed to increase sperm and tissue viability. The current product, Conceive Plus, a proprietary fertilization-enhancing personal lubricant, was launched on 2008 year and currently distributed to most large retail chains.

His Academic research at Harvard focused on the area of immunogenetics and translational immunology, investigating immunological tolerance induction for transplantation and a therapy of autoimmunity. Dr. Nikolic received numerous international and national awards, managed international teams of scientists and supervised over forty Ph.D. and medical students as well as research and clinical fellows in immunology, haematology, infectious diseases and transplantation surgery. He has been selected as a field expert scientist for peer review committees, study sections, and professional associations. In addition, he served as an advisor for private equity and venture capital firms evaluating numerous medical diagnostics, medical devices and biotechnology companies worldwide.

Saurabh Gupta

Saurabh is a Partner at DST, having joined in March 2011 to initially focus on technology investments in US.

He either led or was deeply involved with investments in several technology companies including Twitter, airbnb, Lending Club and Box. Saurabh has also been leading all of Yuri's investments in healthcare companies since June 2011.

Saurabh previously worked in the investment banking team of J.P. Morgan, London. He has an MBA from MDI Gurgaon (2004-2006) and a Bachelor of Engineering from NIT, Ahmedabad (2000-2004).

VI. INVESTMENT HISTORY AND PERFORMANCE

DST Global (DSTG)

At DSTG, the team led by founder Yuri Milner has invested \$[3]bn in 13 global internet companies since September 2009 generating Gross IRR of [91%¹¹].

[TO BE UPDATED]

	Fund Vintage	Capital Invested	Realised Proceeds	Unrealised Value	Total Value	Gross IRR	Gross Multiple
DSTG I	2009/10	\$826m	\$3,547m	\$238m	\$3,785m	154%	4.6x
DSTG II	2011	\$827m	\$134m	\$668m	\$1,002m	13%	1.2x
DSTG III	2012/13	\$250m	\$35m	\$204m	\$239m	-4%	1.0x
Co-investments	n/a	\$1,168m	--	\$1,271m	\$1,271m	6%	1.1x
Total		\$3bn	\$3.7bn	\$2.6bn	\$6.2bn	91%	2.1x

Some of the companies that DSTG invested in include: Facebook, Twitter, Alibaba Group Aibnb, Spotify, Lending Club, [REDACTED] and 360buy amongst others

Healthcare investments

Additionally the Principals have invested¹² over \$[m] in healthcare and lifesciences companies since November 2011

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¹¹ See Appendix B — Valuation Methodology and IRR Calculation.

¹² Yuri Milner and Saurabh Gupta invested their personal capital, Boris Nikolic invested on behalf of Gates Ventures

Sm	Date	Amount	Entry valuation	Current valuation	Gross IRR	Gross multiple
Omicia	Nov-11	0.5	14.9	20.1	14.7%	1.35x
Invitae	Oct-12	0.5	57.9	150.1	46.4%	1.61x
Foundation Medicine	Dec-12	11.0	204.2	900.0	293.3%	3.54x
23andme	Dec-12	30.0	311.2	311.2	–	–
Twist	Jul-13	0.8	17.0	17.0	–	–
Boreal	Aug - Oct 13	12.4	52.7	58.0	33.5%	1.10x
Genapsys	Nov-13	10.0	236.5	236.5	–	–
Dr Chrono						
Jawbone						
Schrodinger						
Nimbus						
ResearchGate						

Omicia

Omicia is a leading bioinformatics company providing genome interpretation software and solutions to research and clinical customers. As advances in whole-genome sequencing technology are paving the way for genome analysis to become a routine part of healthcare delivery, interpretation of genomes is one of the key factors limiting their utility for clinical applications. Omicia's Opal genome interpretation software empowers researchers and clinicians to analyze genomes and prioritize disease-causing variants and genes with an easy to use and scalable cloud based solution.

The Principals invested \$0.5m in November 2011 in the form of convertible notes. Other investors included Leroy Hood and John Stupelngel. In Oct 2013 – Jan 2014, Omicia raised a Series A round of \$6.8m led by Artis Ventures and Laboratory Corporation of America.

Invitae

Inviate is a molecular diagnostic company started by Randy Scott in 2012. Specializing in genetic diagnostics for hereditary disorders, Inviate is making genetic testing more accessible and affordable than ever before. For \$1,500, Inviate deliver results for more than 200 genes in an average of two weeks.

The Principals invested \$0.5m in October 2012 at a valuation of \$58m. Other investors in the round included Randy Scott and Genomic Health. In December 2013, Inviate raised a \$40m Series E round at a valuation of \$150m post money.

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Foundation Medicine

Foundation Medicine is a molecular information company focused on fundamentally changing the way patients with cancer are treated. FMI's proprietary molecular information platform generates actionable genomic information about a patient's individual cancer, enabling physicians to optimize treatments in clinical practice and enabling biopharmaceutical companies to develop targeted oncology therapies more effectively. The Company's first clinical product, FoundationOne™, is the first commercially available comprehensive molecular information product designed for use in the routine care of patients with cancer. In 2013, Foundation Medicine generated revenue of \$29m.

In December 2012, the Principals invested \$11m at a valuation of \$204m. Other investors in the round included Kleiner Perkins, Google Ventures, Roche and Labcorp. In September 2013, J.P. Morgan and Goldman Sachs led the IPO of Foundation Medicine. As of 24th January 2014, Foundation Medicine had a market capitalization of \$900m.

23andme

23andme is the leading direct to consumer genomics¹³ company providing ancestry as well as 200 health and disease risk reports to individuals based on their genomic profile. Since being founded by Anne Wojciki in April 2006, 23andme has sold over 700,000 kits to customers for genomic testing – over 500,000 of these sales happened in the last one year post our investment. 23andme generated c. \$36m in revenue between Jan-Nov 2013 – a growth of 160% over the same period in 2012.

In December 2012, the Principals invested \$30m at a valuation of \$311m post money. Other investors included Sergey Brin, Anne Wojciki, NEA, Johnson & Johnson, Roche, Illumina, MPM Capital and Google Ventures.

Twist

Twist is a synthetic genomics company that is working on a novel oligo and gene synthesis technology that would allow for up to 25kb gene constructs to be created at a price 100x lower than currently available with perfect accuracy and with a short turnaround time. The company is still in R&D phase and has successfully demonstrated achievement of key technology milestones in the last 6 months.

In July 2013, the Principals agreed to invest \$0.8m at a valuation of \$17m post money. Other investors included Illumina and Arch Ventures.

Boreal

Boreal is a molecular information company focused on cancer detection and monitoring in circulating tumour DNA through a simple blood draw. Boreal's OnTarget assay performs highly

¹³ 23andme suspended sales of its genomics testing product under FDA directive in November 2013. However the company continues its sales to pharmaceutical customers as well as sales of its ancestry product directly to consumers.

sensitive mutation detection to enable accurate tumor profiling and real-time monitoring of tumor evolution. The OnTarget assay reveals tumor mutations that are undetectable with other methods to help guide selection of therapy, improve clinical trial efficiency, and accelerate drug development programs. The OnTarget assay improves mutation detection sensitivity to below 0.01% mutant content compared to 0.1% sensitivity of standalone next-generation sequencing.

In October 2013, The Principals invested \$11m in Boreal at a valuation of \$58m post money. Other investors in the round included Illumina and Arch Ventures. Additionally the Principals also purchased stock worth c. \$2.4m from existing investors.

Genapsys

Genapsys is a DNA sequencing technology company working on an ultra low cost pue electric sequencing technology. Genapsys is developing a cost-disruptive, easy-to-use genomic diagnostic system based on our simple label-free proprietary technology with the potential to deliver up to 100x improvement in cost and speed over current sequencing technology. These innovations will enable a new era of medicine through the widespread acquisition of genomic data for research and testing of genetic disease, cancer, and microbes. Genapsys was founded by Dr. Hesaam Esfandyarpour, and incubated over 6 years at the Stanford Genome Technology Center. The company was awarded an additional \$4m grant from NHGRI (representing over 20% of the \$18.7M allocated for projects to improve gene sequencing) in September 2012.

In November 2013 the Principals invested \$10m at a valuation of \$236m post money. Other investors in the round included Decheng Capital and Stanford Startx.

Schrodinger

Schrodinger develops and sells leading computational drug design software applications for pharmaceutical and biotechnology research. Schrödinger is a scientific leader in computational chemistry, providing software solutions and services for life sciences and materials research. The company's full product offerings range from general molecular modeling programs to a comprehensive suite of drug design software, as well as a state-of-the-art suite for materials research. Schrödinger is developing enterprise level software that can be deployed throughout an entire research organization, and the company is committed to helping its customers realize its products' full potential benefits through unparalleled support and collaborations

The Principals invested ~\$30.0M to date. Other investors included D.E. Shaw and related entities and Rich Friesner

Nimbus

Nimbus Discovery uses computational technology to develop medicines against hard-to-drug targets. Nimbus Discovery harnesses cutting-edge computational technologies to uncover breakthroughs in small molecule pharmacology. Nimbus focuses on medically important and highly sought-after disease targets that have proven inaccessible to traditional industry approaches. Nimbus' robust pre-clinical pipeline includes novel agents for the treatment of cancer, metabolic disease and

inflammation. Founded in 2009, Nimbus partnered with Schrödinger to invent and apply a physics-based approach that establishes a new standard for rational drug design

The principals invested \$2.3M (Fully-Diluted Equity Ownership: ~7.0%) in November 2012. Other Investors include Atlas Venture, SR One, Lilly Ventures and Schrodinger (9.5%).

Research Gate

ResearchGate is developing a social networking site for the research scientist community. At ResearchGate, more than 3.5 million researchers already share and curate their data and results. The site has been described as a mashup of "Facebook, Twitter and LinkedIn" that includes "profile pages, comments, groups, job listings, and 'like' and 'follow' buttons".

The Principals invested \$10M in June 2013 at a valuation of \$144.3M post-money. Other investors include Benchmark, Founders Fund, and Tenaya.

VII. SUMMARY OF PRINCIPAL TERMS OF THE FUND

[NEEDS LEGAL REVIEW]

This summary is qualified in its entirety by reference to information appearing elsewhere in this Private Placement Memorandum and the Fund's Limited Partnership Agreement (the "Partnership Agreement"), which prospective Investors are advised to read carefully.

The Fund	[DST Healthcare I], a Cayman Islands exempted limited partnership, ("DSTH" or the "Fund").
Investment Objective	To make non-controlling investments in early-stage private companies in the healthcare industry with a pre-money valuation of less than \$500 million. We expect the companies the Fund invests in to be located primarily in North America.
Size	\$150 million in commitments ("Capital Commitments") from qualified investors; provided that the General Partner reserves the right to form the Fund with a lesser or greater amount of such commitments.
General Partner	[DST Health Managers Limited], a Cayman Islands exempted company incorporated with limited liability (the "General Partner").
Management/ Advisory Company	TO BE DISCUSSED WITH LEGAL ON CORRECT STRUCTURE
Minimum Capital Commitment:	\$10 million, provided that the General Partner reserves the right to waive this minimum from qualified investors ("Limited Partners" and collectively with General Partner the "Partners").
General Partner's Capital Commitment	[\$30] million.
Term	The Fund's term will terminate on the tenth anniversary of the of the date of the Final Closing Date; provided that the General Partner may extend the term of the Fund for up to two additional one-year periods.
Investment Period	The Partners will have no obligation to make capital contributions to fund new investments after the sixth anniversary of the Final Closing Date; provided, however, that after the end of such period (the "Investment Period") the Partners will have a continuing obligation to make contributions to finance portfolio investments which were in process as of the end of the Investment Period, to finance follow-on investments and to pay Fund expenses.
Management Fee	The Fund will pay the General Partner an annual management fee of 2% of the Fund's aggregate Capital Commitments, payable in advance on a quarterly basis from the Initial Closing until the sixth anniversary of the

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Final Closing Date. From the sixth anniversary of the Final Closing Date until the tenth anniversary of the Final Closing Date, the management fee will be reduced by 0.25% each year. Thereafter, the management fee will be reduced by 0.5% each year. All transaction fees, advisory fees, break-up fees or other similar fees received by the General Partner from portfolio companies (other than as reimbursement of expenses) will be applied to offset the management fee.

Carried Interest Rate 20% until each Limited Partner receives two times their aggregate capital contribution, 25% thereafter

Timing and Form of Distributions The General Partner intends that investment proceeds generally will be distributed as soon as practicable after the disposition or other event giving rise to such investment proceeds.

Distribution Priorities Each distribution of investment proceeds from the sale or other disposition of securities ("Realized Portfolio Securities") shall initially be apportioned among the Partners in proportion to their capital contributions used to fund such Realized Portfolio Securities. The amount apportioned to the General Partner shall be distributed to the General Partner. Each Limited Partner's apportioned share of any distribution shall be distributed as follows:

Return of Capital Contributions: First, 100% to such Limited Partner until such Limited Partner has received cumulative distributions equal to such Limited Partner's aggregate capital contributions as of the date of distribution;

80/20 Split: Thereafter, 80% to such Limited Partner and 20% to the General Partner ("Carried Interest") until such Limited Partner has received cumulative distributions equal to two times such Limited Partner's aggregate capital contributions as of the date of distribution;

75/25 Split: Thereafter, 75% to such Limited Partner and 25% to the General Partner ("Carried Interest").

General Partner's Clawback Upon liquidation of the Fund, if the General Partner has received distributions on account of its Carried Interest in excess of the percentage of the Fund's cumulative net gain which has been allocated to the General Partner since inception (other than in respect of the General Partner's capital contributions to the Fund), then the General Partner will return to the Fund the amount of such excess distributions; provided that the General Partner shall not be required to repay an amount in excess of the amount of Carried Interest distributions it received, reduced by an amount equal to the income tax imposed on the aggregate income allocated to the General Partner with respect to such

	Carried Interest distributions.
Capital Calls	In general, the Partners will make capital contributions in respect of their Capital Commitments on an “as needed” basis, on ten (10) calendar days’ notice.
No Reinvestment	Proceeds from investments other than short-term investments of cash (“Portfolio Investments”) will not be reinvested in new or follow-on Portfolio Investments.
Borrowing / Leverage	The Fund will not borrow or use other recourse leverage in its investment activities, except for short-term borrowings pending receipt of capital contributions.
Initial and Subsequent Closings	An initial closing of the Fund (the “Initial Closing”) will be held once the General Partner determines that a sufficient minimum amount of commitments has been obtained. Subsequent closings may occur at the discretion of the General Partner; provided that such closings shall occur no later than six months following the date of the Initial Closing (the “Final Closing Date”).
	Each investor that becomes a Limited Partner (or that is already a Limited Partner and increases its capital commitment) at any closing subsequent to the Initial Closing will be required to make a capital contribution at admission equal to the same percentage of its commitment as has been required to be contributed by the other Limited Partners prior to such date (net of previous contributions for a Limited Partner increasing its commitment).
Management of the Fund	The General Partner will have the exclusive right and power to manage and operate the Fund.
Investor Advisory Committee	An Investor Advisory Committee of at least three and no more than six members will be appointed by the General Partner (the “Advisory Committee”), all of whom shall be representatives of the Limited Partners.
	The Investor Advisory Committee will have the authority to approve or disapprove certain transactions, in-kind distributions and the waivers of the investment restrictions, as described in the Partnership Agreement, but generally will have no other power to participate in the Fund’s management. The Investor Advisory Committee will not necessarily represent the interests of the Limited Partners and the members of the Investor Advisory Committee may be subject to conflicts of interest. See Section VIII. — Certain Investment Considerations and Risk Factors — Conflicts of Interest.

Limitations on Investments	Without the prior approval of the Investor Advisory Committee, the Fund will not (a) invest more than 15% of its aggregate capital commitments in any single Portfolio Company, (b) invest more than 10% of its aggregate capital commitments in publicly-traded equity securities, (c) invest more than 15% of its aggregate capital commitments in companies outside healthcare and life sciences
Early Termination	The Fund may be dissolved at any time upon the vote of 80%-in-interest of the Limited Partners.
Expenses	<p>The General Partner will pay all of its own normal operating expenses (including employee salaries and benefits, rent, communications, travel and other expenses incurred in investigating or evaluating investment opportunities).</p> <p>The Fund will pay all other expenses including, without limitation: (i) expenses associated with the organization of the General Partner or the Fund or the syndication of interests therein (up to a maximum of \$1,000,000) (ii) Management Fee, (iii) legal, accounting, audit, custodial, consulting and other professional fees; (iv) consulting fees relating to services rendered to the Fund that could not reasonably have been rendered by the General Partner in the ordinary course of their activities; (v) banking, brokerage, broken-deal, registration, qualification, finders, depositary and similar fees or commissions; (vi) transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of Fund assets as well as legal and accounting expenses incurred in investigating, evaluating or monitoring investments or investment opportunities (whether or not consummated); (vii) expenses associated with meetings of Limited Partnership and the Investor Advisory Committee; (viii) insurance premiums, indemnifications, costs of litigation and other extraordinary expenses; (ix) costs of financial statements and other reports to Partners as well as costs of all governmental returns, reports and other filings; (x) interest expenses; (xi) amounts paid to or for the benefit of portfolio companies other than as capital contributions thereto or in exchange for Securities issued thereby; (xii) advertising and public notice costs; and (xiii) any other expenses not listed in the preceding clauses (i) through (xii) that are reasonably related to the activities of the Fund.</p>
Key Persons	Key Persons shall be Yuri Milner, Boris Nikolic and Saurabh Gupta (the "Principals"). If two of the three Key Persons cease to be actively involved in the management of the Fund, the Investment Period shall be suspended and the Limited Partners will not be required to make any additional capital contributions to finance investments in new Portfolio Companies. The General Partner shall have twelve months from the date of such suspension to prepare and present a plan regarding the

future management of the Fund and obtain the approval of such plan from the Investor Advisory Committee. If such approval is obtained, the suspension shall be lifted and the Investment Period shall be extended by the amount of time during which the Investment Period was suspended.

Successor Fund

Without the prior consent of the Investor Advisory Committee, neither the General Partner nor any Principal shall invest on behalf of another limited partnership with the same investment objectives as the Fund until the earlier of (a) the termination of the Investment Period, (b) the date on which at least 70% of the Fund's capital commitments have been invested, expended, committed and reserved for future investments in existing Portfolio Companies and for reasonably anticipated Fund expenses, and (c) the dissolution of the Fund; provided that this limitation shall not apply to any Parallel Funds, any co-investment vehicle, holding company or other special purpose vehicle organized solely for the purpose of facilitating a portfolio investment, or subsequent closings of Other Funds (defined as any other investment funds, whether currently existing or formed in the future without violation of the Partnership Agreement, in which the General Partner plays a principal investment management role) for the purpose of follow-on investments.

Parallel Funds

The General Partner may form one or more limited partnerships or other investment vehicles or investment advisory programs to invest in parallel with the Fund (each a "Parallel Fund") in order to comply with securities laws or to address tax, legal, regulatory, policy, investment restriction or similar issues of investors. Except (i) where restricted or prohibited by law, rule, regulation, policy or other applicable restriction, or (ii) where the potential returns to investors in the Fund or a Parallel Fund would be unattractive due to tax, legal, regulatory, policy, or other considerations, each Parallel Fund shall invest in every investment made by the Fund (other than short-term investments) at the same time and on substantially the same terms as the Fund.

Exclusivity:

From the initial closing of the Fund until the earlier of (a) the end of the Investment Period; and (b) such time after the Final Closing Date as the Fund is Fully Invested, investment opportunities appropriate for the Fund will be offered first to the Fund and any Parallel Funds (and among them based on their relative capital commitments). Provided however that (a) any investment opportunity in excess of what the General Partner determines is appropriate for the Fund may be offered to third-party co-investors, directly or through co-investment vehicles in which GP-Related Persons and/or Other Funds may participate, provided that such co-investment must be made at the same time with, and on substantially the same terms as the Fund, (b) the General Partner may determine to allocate an investment between the Fund and a

successor fund, in equal amounts or on such other basis as the General Partner determines to be reasonable under the circumstances or (3) a Principal may need not offer to the Fund any investment opportunity in entities in which the Principal has an investment interest which was acquired prior to the Initial Closing.

- Reports and Meetings** Limited Partners will receive quarterly unaudited summary financial information as well as annual audited financial statements of the Fund. In addition, each Limited Partner will be provided annually an IRS Schedule K-1 and such other information as may reasonably be requested by such Limited Partner as necessary for the completion of federal income tax returns.
- Legal Counsel** Goodwin Procter LLP, Tulloch & Co, and (as to matters of Cayman Islands law only) Maples and Calder will represent the General Partner and the Fund (but will not represent any Limited Partner) in connection with the organization of the Fund and the preparation of the Partnership Agreement.
- Auditors** Ernst & Young will be the auditor of the Fund. Trident Trust Company (Cayman) Limited will be the Fund Administrator.

VIII. CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS

[NEEDS TO BE REVIEWED AND ADAPTED FOR THE HEALTHCARE FUND]

An investment in the Fund involves a high degree of risk, and is suitable only for Investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. In addition to factors set forth elsewhere in this Memorandum, prospective Investors should carefully consider the following.

Risks Associated with Portfolio Investments

Identifying and participating in attractive investment opportunities and assisting in the success of Internet companies is difficult. There is no assurance that the Fund's investments will be profitable and there is a substantial risk that the Fund's losses and expenses will exceed its income and gains. Any return on investment to the Limited Partners will depend upon successful investments made on behalf of the Fund by the General Partner. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by the General Partner will be dependent upon the ability of the Fund's investment team (the "DST Team") to obtain relevant information from non-public sources, and the General Partner often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the General Partner's control. Typically, the Fund will hold minority positions in portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes. Specifically, the Fund may invest in common or "ordinary" shares instead of preferred shares of a company (which would be typical of other venture capital and private equity funds) and therefore the Fund may not have a "liquidation preference" that would otherwise provide downside price protection for the Fund's investment. Portfolio companies will generally have limited histories of operations and may have substantial variations in operating results from period to period, face intense domestic and international competition, and experience failures or substantial declines in value at any stage. Such companies may have a history of operating losses and may not be able to operate profitably or sustain positive cash flow in future periods. Portfolio companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. The Fund's investment in such companies may be diluted in multiple rounds of portfolio company financing, either because the Fund's capital is limited or because the Fund's investment concentration limits have been met. Until an IPO, the Fund will be limited in its ability to transfer securities in a private company or otherwise monetize its investment because of legal and contractual transfer restrictions. The public market for Internet companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Fund to dispose of investments, even after an IPO, and the value of investment securities on the date of sale or distribution by the Fund. In particular, the receptiveness of the public market to IPOs by the Fund's portfolio companies may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an IPO at the proper time. Even if a portfolio company effects a successful public offering, the Fund or the portfolio company's securities typically will be subject to contractual "lock-up," securities laws or other restrictions which may, for a material period of time, prevent the Fund or the Limited Partners from disposing of such securities. Similarly, the receptiveness of potential acquirors to the

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Fund's portfolio companies will vary over time and, even if a portfolio company investment is disposed of via a merger, consolidation or similar transaction, the Fund's stock, security or other interests in the surviving entity may not be marketable. There can be no guarantee that any portfolio company investment will result in a liquidity event via public offering, merger, acquisition or otherwise, and there is a significant risk that the Fund's investments will yield little or no return. Generally, the investments made by the Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Fund's investment, a portfolio company may lack one or more key attributes necessary for success. Many or most of the Fund's portfolio companies will be dependent for their success upon the development, implementation, marketing and customer acceptance of new Internet business models that can be rendered obsolete or otherwise unattractive at any time. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition. It is likely that the Fund will still hold some illiquid securities at the time of the Fund's dissolution, with the result that such securities may be distributed in-kind or sold for a price that reflects their illiquid nature.

Risks Related to the Fund's Investment Pipeline

DST has a current pipeline of potential investments that may be suitable for the Fund and that are in various stages of examination, due diligence review and negotiation (together, the "Pipeline Deals"). Notwithstanding the Fund's expectations with regard to the Pipeline Deals, until binding transaction agreements are signed for such investments and the transactions close, there can be no assurance that any Pipeline Deal will become an investment of the Fund. It is the General Partner's experience that investments currently being examined (or even investments not currently under consideration) can proceed at an extremely fast pace. Consequently, investors may be required to make capital contributions equal to some or all of their total Capital Commitment soon after their admission into the Fund, and because of the blind pool nature of the Fund and as further described below, other than as provided in this Memorandum and any supplement hereto, no additional information will be provided to potential investors or Limited Partners of the Fund about any such investments. Although it is anticipated that by the Fund's Final Closing Date no Pipeline Deal will exceed the Fund's concentration limits, there can be no assurance that any further fundraising efforts by the Fund will be successful. Because of the potential for high concentration of investments, a loss with respect to even one investment may have a significant impact on the returns of the Fund as a whole.

Each of the Pipeline Deals is subject to the risks described elsewhere in this Section VIII. Without limiting the foregoing, see: — Risks Associated with Portfolio Investments, — Changes in Environment, — Conflicts of Interest, — Relationship with General Partner Affiliates, — Limited or No Control over Portfolio Companies, and — Limited Access to Information.

Because prospective investors in the Fund are not being provided with the identity or certain other information (including industry segment, valuation and financial information) of the Pipeline Deal companies, investors will not have the opportunity to conduct any of their own due diligence or investment analysis with respect to that investment. Investors will be making an investment decision to invest in the Fund (and to participate indirectly in any Pipeline Deal that is completed by the Fund) without such information and analysis, recognizing that the performance of the Pipeline Deal company could have a material impact on the performance of the Fund.

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Risks Related to Investments in Emerging Countries

The Fund may invest in companies based in emerging countries such as China and India that have legal and regulatory environments that are significantly different from those of the United States or western Europe. Specifically, investments in such companies may be subject to (i) economic, market, political and local risks related to the governmental systems in such countries, (ii) the risk of nationalization, expropriation, or confiscation of company property by the government; (iii) the risk that future company growth may be limited because the emergence of a domestic consumer class is still at an early stage and because of the country's heavy dependence on exports; and (iv) the risk that legal judgments may be more difficult to obtain and/or enforce because the country's legal system is still developing. See also risks related to foreign currency exchange rate fluctuations, — Functional Currency, below.

Risks Related to Co-Investment

The Fund may invest in companies in which DSTG I, DSTG II or other entities affiliated with DST have a pre-existing interest. Approval of the Investor Advisory Committee will be required for the Fund to invest in any company in which any one or more GP-Related Persons, Other Funds, DST special purpose investment vehicles or certain substantial DST investors has invested more than \$1 million dollars, valued at cost for all such DST-related investors. Since such earlier investments may have been made at prices and on terms different from those of the Fund's investment, conflicts of interest may arise for the General Partner related to such investments. For example, it is possible that future transactions could arise that are beneficial to the holders of the earlier investments but not to the Fund. The General Partner will seek to resolve such conflicts in a way that is fair to all parties, but there can be no assurance that such conflicts will be resolved in a manner that is most favorable to the Fund and its Partners.

The General Partner may also offer certain significant Limited Partners, existing investors in Other Funds, co-investment vehicles in which GP-Related Persons (including the Key Man) and/or Other funds may participate, or third parties of strategic commercial importance the opportunity to co-invest with the Fund, provided that such co-investment must be made at the same time with, and on substantially the same terms as the Fund. Such co-investments will only benefit those participating co-investors, and not all of the Partners, and there is a potential for additional conflicts of interest between the Fund and such co-investors since they may have diverging interests.

If the Fund co-invests with other entities affiliated with DST or GP-Related Persons, DST intends to treat them similarly to the extent practicable. However, there can be no assurance that the Fund and such other investors will always be treated the same. For example, if there is an opportunity to dispose of an investment in a company, and that opportunity is not large enough to permit the Fund and those of all other DST-related investors to dispose of all of their investments in that company, then DST may, in its discretion, permit other DST-related investors to dispose of their investments first, on a first-in, first-out basis, before the Fund would be permitted to dispose of its investment. There can be no guarantee that, in such circumstance, the Fund will subsequently be able to dispose of its investment as profitably as those other investors, or even avoid a loss.

Risks Associated with Use of Cayman Islands Fund Entity

The Fund is being organized under the laws of the Cayman Islands, which differ in significant respects from U.S. law and the laws of other jurisdictions. In particular, certain provisions of the Fund's Partnership Agreement (e.g., penalty provisions) that would be enforceable under Delaware law may not be enforceable under the laws of Cayman Islands. Any failure of enforceability of the Fund's Partnership Agreement could be disruptive to the smooth operation of the Fund or otherwise frustrate the expectations of the Partners.

Long-Term Investment

An investment in the Fund is a long-term commitment and there is no assurance of any distribution to the Limited Partners.

Limited Transferability of Interests

The Fund's Partnership Agreement and applicable securities laws will impose substantial restrictions upon the transferability of Fund interests. A Limited Partner's interest in the Fund generally may be transferred only with the consent of the General Partner, except for transfer to family members and wholly-owned affiliates. Transferees will be bound by all applicable provisions of the Partnership Agreement including, without limitation, provisions governing the transfer of Fund interests. There is no public or other market for Fund interests and it is not expected that such a market will develop.

Withdrawals

Except for the mandatory withdrawals for legal reasons, a Limited Partner will not be permitted to withdraw from the Fund or otherwise cease to be a Limited Partner without the consent of the General Partner, which consent may be granted or withheld in the General Partner's sole and absolute discretion. The General Partner may require a Limited Partner to withdraw in whole or in part under circumstances set forth in the Partnership Agreement, such as if: (i) the Limited Partner has used or disclosed information in violation of the Partnership Agreement; or (ii) the General Partner determines in its reasonable discretion that continued undiminished membership of the Limited Partner in the Fund would (x) constitute or give rise to a violation of applicable law or (y) otherwise subject the Fund or the General Partner to material onerous legal, tax or other regulatory requirements that cannot reasonably be avoided.

Upon withdrawal of a Limited Partner, the General Partner, in its sole discretion, may liquidate the withdrawing Limited Partner's Fund interest by: (i) causing the Fund to distribute to the withdrawing Limited Partner, in cash or in kind, or by means of a promissory note, a redemption amount equal to the withdrawing Limited Partner's capital account balance (amounts payable in kind generally will be paid ratably in proportion to the value of each security held by the Fund and may be paid by designating restricted securities to be distributed on a delayed basis); or (ii) selling the withdrawing Limited Partner's Fund interest and remitting the proceeds to such withdrawing Limited Partner.

Competition

The business of investing in Internet companies is highly competitive, and has become more so in recent years due to a substantially increased flow of capital into venture capital and private equity

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funds and similar investment organizations targeting “social media” companies. The Fund and the General Partner will be competing with other new and established funds and investment organizations with more substantial resources and experience. Moreover, the volume of attractive investment opportunities varies greatly from period to period. There can be no assurance that the Fund will be able to make investments on attractive terms, and it is possible that the Fund’s term will expire before the Fund has invested all of its available capital.

Changes in Environment

The Fund’s investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Fund operates is expected to undergo substantial changes, some of which may be adverse to the Fund. The General Partner will have the exclusive right and authority (within limitations set forth in the Fund’s Partnership Agreement) to determine the manner in which the Fund shall respond to such changes, and Limited Partners will have no right to withdraw from the Fund or to demand specific modifications to the Fund’s operations in consequence thereof. Prospective Investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures exercised by the DST Team in the past may not be successful, or even practicable, during the Fund’s term. Within the limitations set forth in the Fund’s Partnership Agreement, the General Partner will have the right and authority to cause the Fund’s investment sourcing, selection, management and liquidation strategies and procedures to deviate from those described in this Memorandum.

Reliance on Individual Members of the DST Team

The Fund will be particularly dependent upon the efforts, experience, contacts and skills of Yuri Milner and the other individual members of the DST Team. The loss of any such individual could have a material, adverse effect on the Fund, and such loss could occur at any time due to death, disability, resignation or other reasons. Moreover, the members of the DST Team will not be required to devote their time and attention exclusively to the Fund. Additional persons may be admitted to the DST Team following the Fund’s initial closing and the Limited Partners will have no control over that decision. The Limited Partners will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the General Partner in making decisions. Except as specifically provided in the Partnership Agreement, the General Partner will have the exclusive right and power to manage the Fund’s business and affairs.

Limited Fund Management Experience of DST Team

Some or all of the members of the DST Team may lack substantial prior experience managing an investment fund such as the Fund and/or working with other DST Team members. There can be no assurance that their experience in making investments through other vehicles will result in satisfactory returns for the Fund.

Any prior experience that members of the DST Team may have in making investments of the type expected to be made by the Fund necessarily was obtained under different market conditions and

with different technologies at the forefront of development. There can be no assurance that the DST Team will be able to duplicate prior levels of success.

The General Partner may appoint or admit certain persons to advisory or other committees or boards intended to assist the General Partner by providing advice, industry contacts, deal flow, technical expertise or other benefits. Under most circumstances, such persons will have no contractual or other obligation to continue as members of such committees or boards or to provide any particular benefits. In evaluating an investment in the Fund, prospective Investors should not depend upon any specific benefits accruing to the General Partner or the Fund in respect of any such advisory or other committees or boards or the members thereof.

Individuals that are members of the DST Team may actually conduct their affairs (including, without limitation, their participation in the General Partner or the Advisory Company) through one or more wealth management, estate planning, tax planning, liability limiting or regulatory compliance entities. The use of such entities may, among other potential consequences, limit the ability of the Limited Partners to obtain direct recourse against such individuals in the case of breach of any duty or obligation.

DST is Not a Unitary Enterprise

"DST" is defined broadly in this Memorandum as the parties and entities related to DST Advisors Limited and its affiliates, which provided advisory services to Mail.ru Group up until its IPO in November 2010 and DST Global Advisors Limited and its affiliates, which provides advisory services to DSTG I and DSTG II. Prospective Investors are cautioned that DST is not a unitary enterprise, but rather is a collection of related individuals and entities partially bound together by overlapping interests, activities and branding. While it is anticipated that the Fund will derive some degree of benefit from being part of the DST family of entities, prospective Investors must not rely upon any specific benefits and must not assume that any such benefits as do arise will have a material impact upon the Fund's performance.

Reliance on Third Parties

The General Partner and the Fund will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents. Failure by any of these third parties to perform their duties or otherwise satisfy their obligations to the Fund could have a material adverse effect upon the Fund.

Limited Partner Defaults

Limited Partners generally will not contribute the full amount of their capital commitments to the Fund at the time of their admission to the Fund. Instead, they will be required to make incremental contributions pursuant to capital calls issued by the General Partner from time to time, on ten (10) calendar days prior written notice. If a Limited Partner fails to satisfy any capital call on a timely basis, the General Partner may elect to cause the defaulting Partner to forfeit 50% of the defaulting Partner's then existing capital account balance. The General Partner may, in the alternative, offer the defaulting Partner's interest to the non-defaulting Limited Partners at a purchase price equal to 50% of the defaulting Partner's then existing capital account balance. The General Partner may also

pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by the defaulting Partner.

Nevertheless, Limited Partners may default upon capital calls for a variety of reasons including their own insolvency, bankruptcy or subjective determination that default is more attractive than compliance. In addition, under certain circumstances, some Limited Partners may be excused from making capital contributions under the terms of the Fund's Partnership Agreement or applicable law. Any failure by Limited Partners to make timely capital contributions in respect of their capital commitments may impair the ability of the Fund to pursue its investment program, force the Fund to borrow, or cause other damage. Non-defaulting Limited Partners may be required to contribute relatively more to the Fund upon such a default than they would otherwise, but subject always to the maximum amount of their Capital Commitments.

Reserves

In managing the Fund, the General Partner may establish reserves for operating expenses (including Management Fees payable to the General Partner), Fund liabilities, and other matters. The General Partner will not make any capital calls for follow-on investments after the end of the Investment Period. Estimating the amount necessary for such reserves will be difficult, particularly because follow-on investment opportunities will be directly tied to the success and capital needs of portfolio companies. As set forth in the Fund's Partnership Agreement, the General Partner's authority to cause the Fund to borrow will be strictly limited, which may result in the reserve amount being incorrect. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the Limited Partners. For example, if reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilution. If reserves are excessive, the Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Dilution

Following the Fund's initial closing, the General Partner will be authorized to admit additional Limited Partners (or accept increased capital commitments from existing Limited Partners) until the Final Closing Date. Generally, for purposes of allocating Fund profit and loss, all capital commitments made prior to the Final Closing Date will be treated as if made at the Fund's initial closing.

Conflicts of Interest

The Fund will be subject to various potential conflicts of interest. For example, members of the DST Team may receive directors fees or similar compensation from portfolio companies of the Fund. As set forth in the Fund's Partnership Agreement, the members of the DST Team will be permitted to manage other investment funds and similar vehicles during the Fund's term, any of which may compete with the Fund for investment opportunities (subject to the exclusivity provision of the Fund as summarized in Section VII — Summary of Principal Terms of the Fund above), management time and attention, or otherwise. Under certain circumstances, the Fund may invest in companies in which members of the DST Team have a pre-existing interest. Provisions contained within the Fund's Partnership Agreement that authorize the General Partner and members of the

DST Team to engage in investment, management or other activities separate and apart from, or alongside with, the Fund, or to cause the Fund to make investments in respect of which members of the DST Team have conflicting interests, will override common law and statutory fiduciary duties that would apply in the absence of such provisions. The Fund's Partnership Agreement will contain certain protections for Limited Partners against conflicts of interest faced by the General Partner and DST Team members, but will not purport to address all types of conflicts that may arise. Moreover, as a practical matter, it may be difficult for Limited Partners to subject the behavior of the General Partner and the members of the DST Team to close scrutiny.

Under the Partnership Agreement, certain transactions that involve conflicts of interest between the General Partner and the Fund may be submitted to the Investor Advisory Committee for resolution. However, the Investor Advisory Committee will not necessarily represent the interests of all the Limited Partners and the members of the Investor Advisory Committee may themselves be subject to various conflicts of interest (including as investors in other entities related to DST Team members or as participants in other investments giving rise to interests that are adverse to the Fund or other Limited Partners). In general, the Limited Partners will not be entitled to control the selection of Investor Advisory Committee members or to review the actions or deliberations of the Investor Advisory Committee.

During the Fund's term, many different types of conflicts of interest may arise and this Memorandum does not purport to identify all such conflicts. Limited Partners ultimately will be heavily dependent upon the good faith of the General Partner and the members of the DST Team.

Risks relating to conflicts of interest are not limited to conflicts affecting the General Partner or members of the DST Team. The Limited Partners are expected to have widely differing interests on a variety of tax, regulatory, business, investment profile and other issues. Certain significant investors in the Fund have previously invested with the DST Team through DSTG I, DSTG II and other vehicles. As result such investors may have interests that are more allied with the General Partner than other Limited Partners. Such factors, among others, may give rise to a number of risks that the Limited Partners as a group will not act in a manner consistent with the best interests of the Limited Partners as a group or the best interests of the Fund itself. For example, a Limited Partner may decline to provide its consent to an action by the Fund or the General Partner due to goals or incentives that are unique to such Limited Partner and in conflict with the interests of the Fund or other Limited Partners.

Placement Agents

The General Partner has agreed to compensate one placement agent with respect to certain investors, and in the future may agree to compensate one or more third parties facilitating investments in the Fund. Such compensation to a placement agent or such third parties ("Placement Fee") will initially be paid by the Fund and recaptured by the Fund through subsequent offsets against the Management Fee or Carried Interest distributions received by the General Partner. Such Placement Fees may be based on the capital commitments of the Limited Partners and investment representatives of a placement agent or such third parties will have an incentive to recommend the Fund interests to prospective investors. Employees of a placement agent or such third parties may be directly compensated based on an investor's decision to invest in the Fund interests.

The Fund generally will be primarily responsible for paying a Placement Fee, but any payment of Placement Fee by the Fund will cause a corresponding reduction of Management Fee or Carried Interest distributions otherwise payable to the General Partner. In the event there is insufficient Management Fee or Carried Interest distributions to offset and the General Partner or one of its affiliates does not pay the Placement Fee, the Fund and therefore investors may bear the cost of such Placement Fee. To the extent that, with respect to a particular investor, there are legal or regulatory restrictions applicable to such investor on paying the Placement Fee in this manner, if such investor has notified the General Partner of such restrictions on or prior to the date that such investor submits its subscription agreement, then the General Partner may pay the Placement Fee in respect of such investor directly (rather than through an offset of the Management Fee or Carried Interest distributions), and the Fund interest of such investor will specifically not be charged with any payment of the Placement Fees by the Fund.

The Fund will indemnify and hold harmless each such placement agent or third party, its affiliates and any agent against any losses, claims, damages or liabilities (or actions in respect thereof), joint or several, to which such placement agent or third party may become subject.

If a Placement Fee is payable with respect to a potential investor, such investor may receive additional disclosures about the placement agent or third party facilitating investments in the fund and the arrangements with such placement agent or third party in a supplement to this Memorandum.

Relationship with General Partner Affiliates

While it is the general intention of the General Partner that investment opportunities will be apportioned among the Fund and other clients and investment funds affiliated with the General Partner on a fair and reasonable basis, there is no assurance that the Fund will be offered any specific investment opportunities that come to the attention of the General Partner or that the Fund will be permitted to invest the full amount it desires to invest in any such opportunity that is made available. In many cases, the apportionment of investment opportunities among affiliates of the General Partner will be subject to the General Partner's discretion.

Economic Interest of General Partner

Because the percentage of profits distributed to the General Partner will exceed the capital contribution percentage of the General Partner, the General Partner may have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the Limited Partners or were compensated on a basis not tied to the performance of the Fund.

Side Agreements

In accordance with common industry practice, the General Partner may enter into one or more "side letters" or similar agreements with certain Limited Partners pursuant to which the General Partner grants to such Limited Partners specific rights, benefits or privileges that are not made available to Limited Partners generally. Such side letters may grant certain Limited Partners economic and other terms that are substantially more favorable than those granted to other Limited Partners.

Capital Calls

Capital calls will be issued by the Fund from time to time, on ten (10) calendar days notice, at the discretion of the General Partner, based upon the General Partner's assessment of the needs and opportunities of the Fund. To satisfy such calls, Limited Partners may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash. Except as specifically set forth in the Fund's Partnership Agreement, each Limited Partner's obligation to satisfy capital calls will be unconditional. Without limitation on the preceding sentence, a Limited Partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the Fund or upon any assessment thereof provided by the General Partner. Notwithstanding the foregoing, the General Partner will not be obligated to call 100% of the Limited Partners' capital commitments during the Fund's term.

Distributions in Kind

Although the General Partner intends to distribute cash rather than marketable securities, the Fund may from time to time distribute portfolio company securities to the Partners. Except as specifically provided in the Fund's Partnership Agreement, such distributions will be made solely at the discretion of the General Partner.

Distributed securities may be subject to a variety of legal or practical limitations on sale. In particular, immediately following a distribution of securities, trading volume may be insufficient to support sales by the Partners without such sales triggering a price decline which makes it difficult or impossible for all Partners to sell such securities at the distribution price. Nevertheless, the distribution price of such securities will be established under the provisions of the Fund's Partnership Agreement and will not be adjusted to reflect actual sale prices obtained by the Partners.

No Assurance of Confidentiality

As part of the subscription process and otherwise in their capacity as Limited Partners, Investors will provide significant amounts of information about themselves to the General Partner and the Fund. Under the terms of the Fund's Partnership Agreement as well as applicable laws, such information may be made available to other Limited Partners, third parties that have dealings with the Fund, and governmental authorities (including by means of securities laws-required information statements that are open to public inspection).

Concentration of Investments

The Fund's portfolio will be concentrated in a limited number of companies in the Internet sector, increasing the vulnerability of the portfolio as compared with a portfolio that is more diversified over a larger number of companies and industries. Moreover, as few as two investments can comprise almost half the Fund's portfolio, thus further increasing the risks associated with a concentrated investment pool.

Functional Currency

The functional currency of the Fund will be U.S. dollars. Capital commitments of the Partners, capital contributions, and distributions of cash generally will be stated, made or payable in U.S.

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dollars. An Investor whose functional currency is not U.S. dollars will bear substantial risks associated with fluctuating currency exchange rates, particularly with regard to capital contributions that may not become due for several years. The Fund may make investments denominated in currencies other than the dollar, in which case the Fund's investment will be subject to risks associated with fluctuating currency exchange rates, which the Fund may or may not seek to hedge against.

Key Individuals May Be Based Outside of Investor's Home Jurisdiction

Certain of the members of the DST Team may reside outside the home jurisdiction of an Investor and have a substantial portion of their assets outside that jurisdiction. Therefore, it may be difficult to serve process or subpoenas or enforce a judgment obtained in that jurisdiction against those persons.

Limited or No Control over Portfolio Companies

The General Partner generally will not seek control over the management of the portfolio companies in which the Fund invests, and the success of each investment generally will depend on the ability, expertise and success of the company founder(s) and other senior management of the portfolio company. The Fund will almost always invest in companies in which other private investment funds have made equity investments. Unlike many private investment funds, the Fund typically will not have the right to designate a member of the board of directors of its portfolio companies, with the result that other investors are expected to have more influence in decisions made by and affecting portfolio companies. In some instances, the Fund will grant a proxy to vote its securities to portfolio company founders or chief executive officers. The mere fact that the General Partner disagrees with decisions made by other investors in a portfolio company likely will not trigger any particular ability of the Fund to dispose of its investment in such portfolio company, with the result that the value of the Fund's investment in a portfolio company may be materially impacted by the decisions of other investors. The Fund's portfolio companies will face a number of business challenges, risks and uncertainties, with respect to which the Fund will be entirely dependent on company management. See — Risks Associated with Portfolio Investments, above. For example, the Fund will be dependent on company management to: establish and build partnerships with third parties, such as content providers and third-party distribution channels, attract and retain skilled employees, and expand into foreign markets in order to continue the company's growth.

Material Non-Public Information

By virtue of the Fund's status as a significant shareholder of a portfolio company, members of the DST Team may become subject to duties which adversely affect the Fund. For example, the Fund may be unable to sell or otherwise dispose of portfolio securities if a member of the DST Team is in possession of material, non-public (i.e., "inside") information relating to the issuer thereof. Nevertheless, the Fund's Partnership Agreement will not preclude members of the DST Team from advising portfolio companies and acquiring material, non-public information regarding portfolio companies.

In general, if there is a conflict between the duties of the General Partner or a member of the DST Team to a portfolio company and such person's duties to the Fund or the Limited Partners, such person's fiduciary duties to the portfolio company will prevail.

Litigation Risks

The Fund will be subject to a variety of litigation risks, particularly if one or more portfolio companies face financial or other difficulties during the term of the Fund's investment. For example, it is anticipated that individual members of the DST Team may actively assist portfolio companies in differing capacities (including, without limitation, by serving as officers, directors, or advisors). The Fund may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing, vote portfolio company shares in a manner contrary to the interests of other shareholders, or be exposed to flow-through liability for portfolio company debts and obligations (e.g., under laws governing liability for environmental damage). In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of the Fund or the General Partner), it is possible that the Fund, the General Partner, or the members of the DST Team may be named as defendants. Under most circumstances, the Fund will indemnify the General Partner and DST Team members for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect the Fund in a variety of ways, including by distracting the General Partner and harming relationships between the Fund and its portfolio companies or other investors in such portfolio companies.

To the extent set forth in the Fund's Partnership Agreement, Limited Partners may be required to return distributions previously received by them from the Fund in order to enable the Fund to make indemnification payments to indemnified persons.

More generally, Limited Partners may be required to return distributions previously received by them from the Fund to the extent required by applicable law. Such a return obligation may occur, for example, if the Fund makes a distribution at a time when it is technically insolvent or otherwise unable to satisfy the claims of creditors.

Regulatory Concerns

The Fund will be subject to a variety of securities laws and other types of governmental regulation that may limit the scope of its operations or impose material compliance costs and other burdens.

While the General Partner believes that the Fund will not be subject to the registration requirements of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), there can be no assurance that this belief is, or will continue to be, correct. If the Fund were subject to such registration requirements, the Fund's performance could be materially adversely affected.

The General Partner intends to engage DST Investment Management Limited, which is in the process of obtaining a license from the Hong Kong Securities and Futures Commission (the "HKSF"), as its primary Advisory Company. There can be no guarantee that the HKSF will grant such license in a timely manner, without undue delay or expense, or at all. In such event, the General Partner may be required to designate another affiliated company as the Fund's primary

Advisory Company, but the potential delay and disruption that could cause to the management of the Fund could have an adverse impact on the Fund's operations in the short term.

In general, the General Partner will seek to balance the costs and benefits of governmental regulation and oversight to which the General Partner and the Fund are subject. While it is anticipated that less regulation will reduce compliance and other costs, it may also eliminate a variety of investor protections (including certain protections arising under the Securities Act, the U.S. Securities Exchange Act of 1934, the Investment Company Act, the U.S. Investment Advisers Act of 1940 (the "Advisers Act")), that would be available if the General Partner and the Fund were subject to greater governmental regulation and oversight. See Section IX — Certain Tax, ERISA and Regulatory Considerations. In particular, prospective Investors are cautioned against assuming the applicability of investor protections generally associated with public offerings of securities. This Memorandum is not a "prospectus" and does not purport to describe or otherwise address all material considerations relating to an investment in the Fund.

To the maximum extent permitted by applicable law, the General Partner and the Fund (together with their respective related persons) hereby disclaim any duties, obligations, or status as an advisor, finder, agent, broker or dealer on behalf or in respect of any person in connection with such person's actual or proposed investment in the Fund.

Limited Access to Information

The rights of Limited Partners to information regarding the Fund and its portfolio companies will be specified, and strictly limited, in the Fund's Partnership Agreement. In particular, it is anticipated that the General Partner will obtain certain types of material information that will not be disclosed to Limited Partners. For example, the General Partner may obtain information regarding portfolio companies (e.g., via members of the DST Team serving as advisors to, or officers/directors of, portfolio companies) that is material to determining the value of securities issued by such portfolio companies. Such information may be withheld from Limited Partners in order to comply with duties to such portfolio companies or otherwise to protect the interests of such portfolio companies or the Fund.

Decisions by the General Partner to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example: (a) a Limited Partner that seeks to sell its interest in the Fund may have difficulty in determining an appropriate price for such interest; (b) decisions by the General Partner to withhold information may make it difficult for Limited Partners to subject the General Partner to rigorous oversight; and (c) each communication from the General Partner to one or more Limited Partners must be interpreted in light of the realistic possibility that the General Partner is in possession of undisclosed information relating to the Fund or its portfolio companies that could be material to a comprehensive assessment of such communication. Overall, prospective Investors should not expect the Fund to be operated with the same degree of "transparency" as a publicly traded corporation.

Exculpation and Indemnification

The Fund's Partnership Agreement will contain provisions that relieve the General Partner and members of the DST Team of liability for certain improper acts or omissions. For example, the

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General Partner and DST Team members generally will not be liable to the Limited Partners or the Fund for acts or omissions that constitute ordinary negligence. Under certain circumstances, the Fund may even indemnify the General Partner and members of the DST Team against liability to third parties resulting from such improper acts or omissions.

Furthermore, the General Partner is structured as a limited company and the individual members of the DST Team generally will not be personally liable for the General Partner's debts and obligations. In consequence, Limited Partners may have little or no recourse to the personal assets of the individual members of the DST Team even if the General Partner breaches a duty to the Limited Partners or the Fund.

Taxation

Risks associated with tax matters are discussed below under the heading "Certain Tax, ERISA and Regulatory Considerations," which prospective Investors should read carefully. Prospective Investors are urged to consult their own tax advisors with respect to their own tax situations and the effects of an investment in the Fund.

This Memorandum does not contain tax disclosure relating to potential home jurisdictions of the Fund's portfolio companies. Moreover, tax laws change on a frequent and unpredictable basis. Prospective Investors should assume that home tax laws will have a significant impact upon the operations and financial performance of the Fund and may even impose direct obligations (such as return filing obligations) upon Limited Partners.

ERISA

Each prospective employee benefit plan Investor is urged to read the section entitled "Certain ERISA Considerations" below and consult with its own legal counsel regarding ERISA matters. Without limitation, a prospective Investor that is a fiduciary under ERISA should carefully consider whether an investment in the Fund would be consistent with its fiduciary duties.

Legal Counsel

Documents relating to the Fund, including the subscription agreement to be completed by each Investor as well as the Fund's Partnership Agreement, will be detailed and often technical in nature. Legal counsel to the Fund will represent the interests solely of the General Partner and the Fund, and will not represent the interests of any Investor. Moreover, under the Fund's Partnership Agreement, each Investor will be required to waive any actual or potential conflicts of interest between such Investor and legal counsel to the Fund. Accordingly, each Investor is urged to consult with its own legal counsel before investing in the Fund or making any other decisions regarding Fund matters.

In advising as to matters of law (including matters of law described in this Memorandum), legal counsel to the Fund has relied, and will rely, upon representations of fact made by the General Partner and other persons. Such advice may be materially inaccurate or incomplete if any such representations are themselves inaccurate or incomplete. Legal counsel to the Fund generally has not undertaken and will not undertake independent investigation with regard to such representations. Legal counsel's representation of the General Partner and the Fund is and will be limited to specific matters and will not address all legal or related matters that may be material to the General Partner or

the Fund. Moreover, legal counsel has not undertaken to monitor the compliance of the General Partner or the Fund with any laws, regulations, agreements or other matters. It will be the responsibility of the General Partner to monitor such compliance and to obtain the advice of counsel as the General Partner deems necessary or appropriate.

Maples and Calder, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the General Partner. In connection with the offering of Interests and subsequent advice to the General Partner, Maples and Calder will not be representing Limited Partners. No independent legal counsel has been retained to represent the Limited Partners. Maples and Calder's representation of the General Partner is limited to specific matters as to which it has been consulted by the General Partner. There may exist other matters that could have a bearing on the Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the General Partner and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the General Partner, there are times when the interests of the Limited Partners may differ from those of the General Partner and the Fund. Maples and Calder does not represent the Limited Partners' interests in resolving these issues. In reviewing this Memorandum, Maples and Calder has relied upon information furnished to it by the General Partner and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund.

Factual Statements/Track Record Information

Certain of the factual statements made in this Memorandum are based upon information from various sources believed by the General Partner to be reliable. The General Partner and the Fund have not independently verified any of such information and shall have no liability for any inaccuracy or inadequacy thereof. Except to the extent that legal counsel has been engaged solely to advise as to matters of law, no other party (including legal counsel to the Fund and the General Partner) has been engaged to verify the accuracy or adequacy of any of the factual statements contained in this Memorandum. In particular, neither legal counsel nor any other party has been engaged to verify any statements relating to the experience, track record, skills, contacts or other attributes of the members of the DST Team or to the anticipated future performance of the Fund.

Investors are cautioned about relying upon information within this Memorandum that presents, or is based upon, valuations of private company securities or securities that are otherwise subject to limitations on marketability (such as underwriters' lock-ups or restrictions associated with a board of directors position held by a member of the DST Team). It is difficult to determine the true fair market value of such securities, and the General Partner's ability to present information regarding the value of specific companies may be impaired due to contractual or fiduciary obligations to those companies or other third parties, with the result that the General Partner (like many other participants in the venture capital/private equity industry) often is called upon to determine valuations based upon reasonable estimates or various "rules of thumb" common within the industry. While all such information in this Memorandum is presented by the General Partner in good faith, there can be no assurance that explicit or implicit valuations of such securities reflect true fair market value (or even

all of the information in the possession of the General Partner). Similar considerations apply to securities that are otherwise marketable, but held in such large amounts that they could not be sold without overwhelming market demand or otherwise influencing market prices.¹⁴

Investment track record and other background information presented in this Memorandum with respect to members of the DST Team is not comprehensive. In particular, the information set forth in this Memorandum should not be interpreted as an exhaustive presentation of outcomes of investments with which such persons have been involved, their professional and other accomplishments, or their business experience.

Investors in the Fund will not participate in any of the prior investments of Mail.ru, DSTG I or DSTG II described in this Memorandum. There can be no guarantee that the investments to be made by the Fund will be profitable or will have returns comparable to those prior investments. Performance data labeled “Gross IRRs” and “Gross Multiples” do not reflect the fees, expenses and carried interest payable by Mail.ru, DSTG I and DSTG II, which may be substantial.

During the term of the Fund, the General Partner will provide to the Limited Partners reports and other information regarding the condition and prospects of the Fund and its portfolio companies. The General Partner’s duties, obligations and liability to the Limited Partners with respect to the content, completeness and accuracy of such information will be determined solely under the Fund’s Partnership Agreement.

Definitive Terms and Conditions

Portions of this Memorandum describe specific terms and conditions expected to be set forth in the Fund’s Partnership Agreement. The actual terms and conditions set forth in the Partnership Agreement may vary materially from those described in this Memorandum for a variety of reasons including negotiations between the General Partner and prospective Limited Partners prior to the Fund’s initial closing as well as formal amendments to the Partnership Agreement following such closing. Moreover, the Partnership Agreement will contain highly detailed terms and conditions, many of which are not described fully (or at all) in this Memorandum. In all cases, the Fund’s Partnership Agreement will supersede this Memorandum. Prospective Investors are urged to carefully review the Fund’s Partnership Agreement. In general, the Partnership Agreement may be amended with the consent of the General Partner and a majority in interest of the Limited Partners, if such amendment would have an adverse effect on the Limited Partners. Consequently, certain types of amendments to the Partnership Agreement may be adopted with the consent of less than all Limited Partners.

Industry-Specific Terminology

Investors are cautioned that certain terms and phrases of common usage within the private equity industry may be misleading to those unfamiliar with such usage. In particular, individuals who participate in the management of a fund often are referred to, in a colloquial sense, as “managing partners” or “general partners” even though they are not actually partners of any partnership. The

¹⁴ See Appendix B — Valuation Methodology and IRR Calculation.

Fund is a limited partnership, the General Partner of the Fund is a limited company, and the Key Man or his designees will direct the management of the General Partner through his beneficial ownership of the General Partner and the Advisory Company and drawing advice from the Advisory Company. It is not intended that the Fund will have any general partner other than the General Partner or that any actual general partnership will in any manner be associated with the formation, operation, dissolution or termination of the Fund. Prospective Investors must not presume or rely upon the existence of any actual legal entities other than the Fund, the General Partner and the Advisory Company. With respect to all matters involving industry specific terminology, prospective Investors are urged to consult with their own legal and other advisors.

Additional Risks for Investors in Second or Later Closings

On or before the Final Closing Date, subject to the \$2 billion limit on aggregate Capital Commitments, the Fund may admit additional Limited Partners or accept increased Capital Commitments from existing Limited Partners at one or more additional closings. Except as otherwise provided in the Partnership Agreement, the fact that certain Capital Commitments may be attributable to closings held after the initial closing will generally be disregarded for purposes of allocating Fund profits and losses (i.e., all Capital Commitments will be treated as if made at the initial closing).

A Limited Partner that is admitted to the Fund, or increases its Capital Commitment, after the initial closing will be required to immediately contribute that portion of its entire Capital Commitment that it would have been required to contribute if such entire Capital Commitment had been made at the initial closing. In addition, such Limited Partner will be required to immediately contribute (which contributions will not reduce the amount of the Limited Partner's undrawn Capital Commitment) an additional amount at a floating rate of interest equal to the London Interbank Offered Rate plus 200 basis points per annum, calculated on an annually compounded basis and appropriately prorated for any period that is less than 12 months, on the amount such Limited Partner is required to contribute in connection with its admission to the Fund or with the increase in its Capital Commitment, as applicable; provided that, in the event of significant appreciation in the value of one or more of the Fund's investments made prior to a subsequent closing, each later-admitted Limited Partner will "buy-in" to such investments at their fair market value as of such subsequent closing (in lieu of payment of such additional interest amount described above), but only if the General Partner has reasonably determined that such adjustment is appropriate to reflect the relative economic interests of the Partners. This "buy-in" amount will not increase the later-admitted Limited Partner's Capital Commitment. However, if the Fund's initial investments appreciate in value before the Fund's Final Closing Date, later-admitted Limited Partners may have a smaller relative interest in such investments than earlier-admitted Partners with the same sized Capital Commitment. Events that could cause significant appreciation in value, and hence such an adjustment in ownership interests, include, but are not limited to, the closing of a new round of financing by the issuer of the relevant Portfolio Securities at a higher price, or a secondary transaction of at least one-half of one percent (.5%) of the outstanding shares of such Portfolio Securities, in each case higher than the price paid by the Fund for such Portfolio Securities.

Following the Fund's initial closing, the Fund will continue to engage in a variety of investment and investment-related activities. In connection with such activities, the Fund and the General Partner likely will obtain confidential information regarding actual or potential portfolio companies. The

General Partner and the Fund generally will not disclose such information to prospective Investors in connection with their consideration of an investment in the Fund. As a more general matter, any person considering an investment in the Fund (including an existing Limited Partner that is considering an increase to its Capital Commitment) subsequent to the Fund's initial closing should assume that the General Partner and the Fund will be in possession of information (such as information relating to actual or prospective portfolio companies, to actual or prospective Limited Partners, or to other matters arising subsequent to such initial closing) which information both: (a) would be material to such person's evaluation of an investment in the Fund; and (b) will not be disclosed to such person by the General Partner or the Fund in connection with such evaluation. The General Partner and the Fund explicitly disclaim any obligation to update this Memorandum to include (or otherwise inform prospective Investors of) any such information.

Under some circumstances, a person considering an investment in the Fund may be provided with copies of the Fund's financial statements for periods following the initial closing. Any such person is cautioned that it will be inherently difficult to determine the value of private company securities held by the Fund and that, accordingly, it would be inappropriate to interpret any information set forth in such statements as a representation or warranty regarding the true fair market value of any such securities.

Additional Risks for Investors in Parallel Funds

References in this Memorandum to the "Fund" are to DST Global III, L.P. a Cayman Islands exempted limited partnership (the "Cayman Partnership"). In addition, the General Partner or an affiliate may organize one or more limited partnerships, other investment vehicles, other investment advisory programs or other entities to invest in parallel, subject to the \$2 billion limit on aggregate capital commitments of the Fund and any parallel investment vehicles, with the Cayman Partnership in order to facilitate investment by certain investors (depending on applicable legal and/or tax requirements). These parallel investment vehicles (the "Parallel Funds") may be created with a legal structure which may be the same or different from that of the other Parallel Funds, but will have substantially the same economic terms.

Each of the Parallel Funds will generally invest proportionately, based on their respective capital commitments, in all investments, on substantially the same terms and conditions subject to any restrictions applicable to such Parallel Fund.

The General Partner may also form, or consent to the formation of, special purpose entities to invest in the Fund ("Feeder Funds"), which will invest on the same terms as other Limited Partners, except for certain "look-through" provisions relating to voting and default.

Investors in Parallel Funds are cautioned that the limited partnership or operative agreements of such Parallel Funds may contain terms and conditions that deviate significantly from those described in this Memorandum or in the Fund's Partnership Agreement. Nevertheless, prospective parallel fund investors are urged to carefully consider the risk factors, legends and other disclosure materials in this Memorandum, many or most of which will apply in corresponding manner to the Parallel Funds.

IX. CERTAIN TAX, ERISA AND REGULATORY CONSIDERATIONS

[NEEDS LEGAL REVIEW]

Certain Material U.S. Federal Income Tax Considerations

To ensure compliance with the U.S. Treasury Department Circular 230, investors are hereby notified that: (a) any discussion of U.S. federal tax issues in this Memorandum is not intended or written to be relied upon, and cannot be relied upon, by investors for the purpose of avoiding penalties that may be imposed on investors under the Code (as defined below); (b) such discussion is included in this Memorandum in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) investors should seek advice based on their particular circumstances from an independent tax advisor.

For the purposes of the following discussion, references to the "Partnership" shall mean the Cayman Partnership. Investors participating in a Parallel Fund other than the Cayman Partnership, should consult their own tax advisers.

The following summary outlines certain material U.S. federal income tax considerations relating to an investment in the Partnership by U.S. Investors (as defined herein) and, to a limited extent, Non-U.S. Investors (as defined herein). This summary does not contain a complete discussion of the federal tax aspects of an investment in the Partnership and is intended only to provide general information for Investors that hold their interests in the Partnership as a capital asset and is not intended as a substitute for careful tax planning. This summary does not address the tax considerations that may be relevant to Investors subject to special treatment under the Internal Revenue Code of 1986, as amended (the "Code"), such as U.S. expatriates or dealers in securities, tax-exempt entities (except to the limited extent discussed below) or to other types of Investors, such as corporations, partnerships, trusts and estates. Such persons should consult with their own tax advisors as to the U.S. federal income tax consequences of an investment in the Partnership, which may differ substantially from those described herein. This summary also does not address any U.S. state or local, or foreign (except to the limited extent discussed below) tax consequences of an investment in the Partnership.

As used herein, the term "U.S. Investor" means an Investor that, for U.S. federal income tax purposes, is (a) a citizen or resident of the U.S., (b) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the U.S. or of any political subdivision thereof, (c) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust that is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person. The term "Non-U.S. Investor" means any Investor that is not a U.S. Investor and who, in addition, is not (x) a partnership or other fiscally transparent entity, (y) an individual present in the U.S. for 183 days or more during a taxable year who meets certain other conditions, or (z) subject to rules applicable to certain expatriates or former long-term residents of the U.S.

The following discussion is based upon current provisions of the Code, existing and currently proposed Treasury Regulations under the Code (the "**Treasury Regulations**"), legislative history, administrative rulings and judicial decisions, any of which could be changed by legislation or

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otherwise. Thus, no assurance can be given that changes, including retroactive changes, will not be forthcoming which would affect the accuracy of any statements herein. Prospective Investors should be aware that, although the Partnership intends to adopt positions it believes are in accord with current interpretations of the U.S. federal income tax laws, the Internal Revenue Service ("IRS") may not agree with the tax positions taken by the Partnership and that, if challenged by the IRS, the Partnership's tax positions might not be sustained by the courts.

Partnership Status

It is intended that the Partnership will be treated for U.S. federal income tax purposes as a partnership and not as an association, taxable mortgage pool or publicly traded partnership (a "PTP"), taxable as a corporation. A partnership is a PTP if interests in the partnership are traded on an established securities market or are readily tradable on a secondary market. The General Partner intends to operate the Partnership so it will not be treated as a PTP. The Partnership intends to obtain and rely on appropriate representations and undertakings from each Limited Partner in order to ensure that the Partnership is not treated as a PTP.

The discussion below assumes that the Partnership will be treated as a partnership for U.S. federal income tax purposes. No application has been or is contemplated to be made to the IRS for a ruling on the classification of the Partnership for U.S. federal income tax purposes.

Taxation of Partnership and Limited Partners

As a partnership, the Partnership is not itself subject to U.S. federal income tax. Each Partner will be required to take into account, in the Partner's taxable year during which a taxable year of the Partnership ends such Partner's distributive share of all items of Partnership income, gain, loss, deduction, or credit for such taxable year of the Partnership. A Partner must take such items into account even if the Partnership does not make any distributions to such Partner during its taxable year. Consequently, a Limited Partner may recognize taxable income during a period in which the Partner receives no distribution from the Partnership or experiences an economic loss or even when such income has not yet been received by the Partnership.

A Limited Partner that participates in the Early-Bird Closing may be required to take into account as income, immediately after the Early-Bird Closing, an amount equal to the difference between (i) the fair market value of its interest in contributed Facebook shares and (ii) the Early-Bird Closing valuation of such interest in contributed Facebook shares. The Partnership is unlikely to make cash distributions sufficient to satisfy tax liabilities relating to such recognition of taxable income. Each Limited Partner may elect not to have the Early-Bird Closing valuation apply, in which case (x) no taxable income will be recognized by such Limited Partner in connection with the Early-Bird Closing and the contributed Facebook shares and (y) any appreciation in the Facebook shares prior to the contribution of such shares to the Partnership will be retained by the contributing partners.

Each prospective U.S. Investor participating in the Early-Bird Closing is urged to consult with its tax advisor as to the desirability of electing out of the Early-Bird Closing valuation.

Limitations on Deductibility of Partnership Deductions and Losses

A Limited Partner is allowed to deduct its allocable share of Partnership losses (if any) only to the extent of such Limited Partner's adjusted tax basis in its Interest at the end of the taxable year in which the losses occur. In addition, Limited Partners who are individuals, trusts, or certain closely held corporations could be subject to various limitations on their ability to deduct their allocable share of deductions and losses of the Partnership against other income. Such limitations include those relating to "passive losses" (as defined under Section 469 of the Code), amounts "at risk" (as defined under Section 465 of the Code), "investment interest" (as defined under Section 163 of the Code), and miscellaneous itemized deductions (under Sections 67 and 68 of the Code). Because of some of these limitations, it is possible that in a situation in which the Partnership has losses, certain Partners may not be able to use those losses against other income they may have. Also, if the Partnership has losses from some activities and income from different activities, certain Partners may not be able to net such Partnership losses against such Partnership income.

The Management Fee, together with certain other Partnership expenses, will likely be treated as "miscellaneous itemized deductions" of the Partnership for U.S. federal income tax purposes. For U.S. federal income tax purposes, individuals and certain trusts and estates that hold interests in the Partnership may deduct such expenses in a taxable year only to the extent that their aggregate miscellaneous itemized deductions for the year exceed 2% of their adjusted gross incomes for the year. Thus, in the case of certain Limited Partners, all or a portion of the above expenses may not be deductible in certain taxable years.

In addition, interest on indebtedness incurred to purchase or carry property held for investment is generally deductible by non-corporate taxpayers only to the extent it does not exceed net investment income. Interest expense incurred by a Limited Partner to acquire or carry its interest in the Partnership generally will be investment interest. In addition, a Limited Partner's allocable share of interest expense incurred by the Partnership, if any, may be treated as investment interest expense. For this purpose, any long-term capital gain and certain qualified dividend income are excluded from investment income unless the taxpayer elects to pay tax on such amount at ordinary income tax rates. Any investment interest disallowed as a deduction in a taxable year solely by reason of the limitation above is treated as investment interest paid or accrued in the succeeding taxable year.

Considerations Regarding Non-U.S. Investments

The Partnership may own stock or securities of non-U.S. corporations. The discussion below is only a brief summary of some of the tax issues that may apply in such case. Each prospective Investor should consult with its own tax advisors regarding the tax consequences to it of such stock or securities ownership by the Partnership.

Non-U.S. entities in which the Partnership invests could be treated as "controlled foreign corporations" ("CFCs"), or "passive foreign investment companies" ("PFICs") for U.S. tax purposes. An investment in a CFC or PFIC could cause a U.S. Investor to recognize income prior to the receipt of distributions from the CFC or PFIC, or in the case of a PFIC require the U.S. Investor to pay an interest charge on the tax associated with distributions or sales of stock. U.S. Investors could also be taxable in whole or in part at ordinary income rates rather than the currently more favorable capital gains rates upon the sale of stock of a CFC or PFIC. Generally, the Code provides

for certain U.S. federal income tax elections (such as the “qualified electing fund” election under Section 1295 of the Code with respect to PFICs) that could mitigate some of the adverse tax consequences of holding interests in foreign companies; however, the Partnership can provide no assurance that any foreign portfolio company will provide the information necessary for a U.S. Investor to make any such election.

U.S. Investors that own (directly or through the Partnership) stock in foreign corporations, including CFCs and PFICs, are subject to special reporting requirements under the Code. Each prospective Investor should consult with its own tax advisor regarding such reporting requirements.

Foreign Tax Credit Limitations

The Partnership’s income or gains may be subject to withholding, net income or other taxation in jurisdictions where the investments are located; the applicability of any such taxes are not addressed in this Memorandum.

With respect to creditable foreign taxes paid on the income or gains of the Partnership, U.S. Investors may be entitled to claim either a foreign tax credit, or, subject to limits generally applicable to all deductions, a deduction for their share of such foreign taxes. However, the rules for determining eligibility for and limits on foreign tax credits are extremely complex and depend on a number of factors that are unique to each U.S. Investor’s particular circumstances. For example, a credit for foreign taxes is subject to the limitation that it may not exceed the U.S. Investor’s federal tax (before the credit) attributable to its total foreign source income in the relevant category. Furthermore, foreign taxes paid by a foreign corporation in which the Partnership holds a direct or indirect equity investment generally cannot be claimed as a credit by a U.S. Investor unless the U.S. Investor is a corporation that is treated as owning (actually or constructively) at least 10% of the voting stock of the foreign corporation and certain other conditions are satisfied. U.S. Investors should consult with their own tax advisors regarding all aspects of the rules applicable to foreign tax credits and the potential availability of foreign tax credits to them with respect to the income or taxes of the Partnership.

Unrelated Business Taxable Income

A U.S. Investor that is a tax-exempt entity is generally exempt from U.S. federal income tax on its income, except to the extent of its unrelated business taxable income (“UBTI”). UBTI is defined generally as the gross income derived from any trade or business that is regularly carried on by the tax-exempt entity and unrelated to its exempt purposes, less any directly connected deductions, and subject to certain modifications. If a tax-exempt entity is an investor in an entity treated as a partnership for U.S. federal income tax purposes that incurs income that would be UBTI if incurred directly by the tax-exempt entity, the tax-exempt entity’s distributive share of such partnership’s income constitutes UBTI. For the purposes of computing UBTI, the Code generally excludes from gross income certain investment income, including gain or loss from the sale or other disposition of property (other than property that constitutes inventory or that is held primarily for sale in the ordinary course of a trade or business, referred to as “dealer property”), dividends, interest, and certain rents from real property. In addition, UBTI includes “unrelated debt-financed income,” which generally is defined as any income derived from property in respect of which there is “acquisition indebtedness,” even if the income would otherwise be excluded in computing UBTI.

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Thus, if a tax-exempt investor has acquisition indebtedness with respect to its Interests, it may incur UBTI with respect to the Partnership's investments.

Each prospective tax-exempt U.S. Investor is urged to consult with its tax advisor as to the applicability of the rules relating to UBTI.

Non-U.S. Investors

The federal income tax treatment of a Non-U.S. Investor investing in the Partnership is complex and will vary depending upon the circumstances of the Non-U.S. Investor and the activities of the Partnership. If the Partnership were deemed to be engaged in a U.S. trade or business (e.g., as a result of investing in an operating business organized as a pass-through entity for U.S. federal income tax purposes), then a Non-U.S. Investor would be subject to federal income tax each year on its distributive share of the taxable income of the Partnership deemed to be effectively connected with a U.S. trade or business ("ECI"), as if such Investor were a U.S. person, regardless of whether the Partnership makes any cash distributions (and certain corporate Non-U.S. Investors could be subject to an additional 30% branch profits tax, subject to reduction by treaty). The Non-U.S. Investor would also be required to file a U.S. federal income tax return. The Partnership will be required to withhold, generally at the rate of 35%, on a Non-U.S. Investor's allocable share of any taxable income of the Partnership that is ECI (whether or not such income is distributed). Such withholding tax may be claimed as a credit against such Non-U.S. Investor's substantive U.S. tax liability. Non-U.S. Investors should be aware that the Partnership could incur ECI.

In addition, to the extent that the Partnership realizes U.S. source fixed, determinable, annual or periodical income (such as U.S. source interest and dividend income) that is not ECI, the Non-U.S. Investor's allocable share of such income generally will be subject to a 30% withholding tax. Such withholding tax may be reduced or eliminated with respect to certain types of such income under an applicable income tax treaty between the U.S. and the Non-U.S. Investor's country of residence or under the "portfolio interest" rules contained in Code Section 871 or 881, provided that the Non-U.S. Investor provides proper certification as to its eligibility for such treatment. The portfolio interest exemption generally applies to interest paid to a non-bank that owns less than 10% of the voting stock of the borrower. A Non-U.S. Investor that is a governmental entity qualifying under Code Section 892 may be exempt from the 30% withholding tax.

Regardless of whether the Partnership's activities constitute a U.S. trade or business giving rise to ECI, under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), a Non-U.S. Investor's share of any gain or loss that is realized in connection with the disposition of a "U.S. real property interest" (as defined below) generally will be treated as ECI and will be subject to federal net income and withholding tax, and, in the case of corporate Non-U.S. Investors, the branch profits tax. However, the branch profits tax generally does not apply to gain from the disposition of stock in a USRPHC (as defined below). "U.S. real property interest" generally means an ownership interest in real property located in the U.S. or the Virgin Islands, in any partnership that holds U.S. real property interests, and in a domestic corporation if 50% or more of the value of its real estate and business assets consist of U.S. real property interests ("USRPHC").

Non-U.S. Investors intending to rely on a tax treaty between the U.S. and their jurisdiction of residence should also be aware that there are various limitations, both under U.S. domestic law and certain tax treaties, on the ability of a Non-U.S. Investor to claim the benefits of a tax treaty.

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Non-U.S. Investors generally will be personally liable to the Partnership with respect to any withholding tax not satisfied out of their share of any distributions by the Partnership.

Each Non-U.S. Investor is urged to consult with its own tax advisers regarding U.S. federal, state and local and foreign tax treatment of an investment in the Partnership.

Partner Information Reporting Requirements

The U.S. tax rules impose certain information reporting requirements on U.S. Investors who (a) own, directly or indirectly, more than certain threshold amounts of capital interests or profits interests in foreign entities treated as partnerships for U.S. federal income tax purposes, such as the Partnership or a foreign company into which the Partnership invests, or (b) contribute, in their capacity as partners, more than \$100,000 to a non-U.S. partnership, such as the Partnership or a foreign company into which the Partnership invests, during any twelve-month period.

Partner Reporting Requirements Regarding Foreign Bank and Financial Accounts and Other Foreign Financial Assets

Effective for taxable years beginning after 18 March 2010, certain individuals (and, if provided in future guidance, certain domestic entities) must disclose annually their interests in “specified foreign financial assets” on IRS Form 8938, to be attached to their U.S. federal income tax returns. The IRS has not yet released a copy of the Form 8938 and has suspended the requirement to attach Form 8938 for any taxable year for which an income tax return is filed before the release of Form 8938. Following Form 8938’s release, individuals will be required to attach to their next income tax return required to be filed with the IRS a Form 8938 for each taxable year for which the filing of Form 8938 was suspended. Until the IRS provides more details regarding this reporting requirement, including in Form 8938 itself and related Treasury regulations, it remains unclear under what circumstances, if any, a Partner’s interest in the Partnership and/or a Partner’s indirect interest in the Partnership’s “specified foreign financial assets,” if any, will be required to be reported under these rules. In addition, Partners that are U.S. persons and own, directly or indirectly, more than 50% of the Partnership’s capital or profits could be required to report annually their “financial interest” in the Partnership’s “foreign financial accounts,” if any, on Treasury Department Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. Penalties for failing to comply with these reporting requirements can be severe. Limited Partners should consult a tax advisor regarding the applicability to them of both of these reporting requirements.

Other Reporting and Withholding Requirements

Rules enacted in March 2010 require the reporting to the IRS of direct and indirect ownership of foreign financial accounts and foreign entities by U.S. persons. Failure, including by a U.S. person, to provide this required information can result in a 30% withholding tax on certain payments (“withholdable payments”). Withholdable payments include U.S.-source dividends and interest made on or after January 1, 2014, and gross proceeds from the sale or other disposal of property that can produce U.S.-source dividends or interest made on or after January 1, 2015. The withholding could apply to payments made to the Partnership, as well as at the Partnership level with respect to

the Partners. Limited Partners are urged to consult a tax advisor regarding this new reporting and withholding regime, in light of their particular circumstances.

Non-U.S., State and Local Taxes

In addition to the U.S. federal income tax consequences described above, prospective Investors should consider potential non-U.S. and U.S. state and local tax consequences of an investment in the Partnership, including the likelihood that Investors will be required to file tax returns and pay tax in jurisdictions where the Partnership, its subsidiaries, or portfolio companies hold real property, do business or are organized. The Partnership and other entities through which it invests may be subject to non-U.S. and U.S. state or local income or similar taxes, including non-U.S. and U.S. state or local tax withholding or reporting requirements.

Prospective Investors should consult their own tax advisers for further information about U.S. federal, state and local, non-U.S. and other tax consequences of investing in the Partnership.

Certain Cayman Islands Tax and Law Matters

Taxation - Cayman Islands

The General Partner has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the General Partner or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the General Partner or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the General Partner to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Partnership or the Limited Partners. Interest, dividends and gains payable to the Partnership and all distributions by the Partnership to Limited Partners will be received free of any Cayman Islands income or withholding taxes. The Partnership has registered as an exempted limited partnership under Cayman Islands law and the Partnership will apply for, and expects to receive, an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Partnership or to any Partner thereof in respect of the operations or assets of the Partnership or the interest of a Partner therein; and may further provide that any such taxes or any tax in the nature of estate duty or inheritance tax shall not be payable in respect of the obligations of the Partnership or the interests of the Partners therein. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Partnership.

Mutual Funds Law – Cayman Islands

The Partnership is not required to register or be regulated as a mutual fund under the Mutual Funds Law (2009 Revision) of the Cayman Islands. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

Anti-Money Laundering – Cayman Islands

In order to comply with regulations aimed at the prevention of money laundering in any applicable jurisdictions, the Partnership may require prospective investors to provide evidence to verify their identity. Accordingly, the General Partner reserves the right to request such information as it considers necessary to verify the identity of a prospective investor. The General Partner may refuse to accept any subscription application if a prospective investor delays in producing or fails to produce any information required by the General Partner for the purpose of verification and, in that

event, any funds received by the General Partner will be returned without interest to the account from which the moneys were originally debited.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Law (2009 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Requests for Information

The Partnership, the General Partner or any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2010 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2009 Revision) or Reporting of Savings Income information (European Union) Law (2007 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Partnership, the General Partner or any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

The Partnership

The Partnership is to be constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law (2011 Revision) (the “**ELP Law**”). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any property of the exempted limited partnership shall be held or deemed to be held by the general partner, and if more than one then by the general partners jointly upon trust, as an asset of the partnership in accordance with the terms of the partnership agreement. Similarly, the general partner for and on behalf of the partnership incurs the debts or obligations of the exempted limited partnership. Registration under the ELP Law entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of the ELP Law.

The business of an exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent the Partnership has insufficient assets. As a general matter, a limited partner of an exempted limited partnership will not be liable for the debts and obligations of the exempted limited partnership save (i) as expressed in the partnership agreement, (ii) if such limited partner becomes involved in the conduct of the partnership's business and holds himself out as a general partner to third parties or (iii) if such limited partner is obliged pursuant to section 14(1) of the ELP Law to return a distribution made to it where the exempted limited partnership is insolvent.

Certain ERISA Considerations

The advice set forth below was not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding U.S. federal tax penalties that may be imposed on the taxpayer. The advice was written to support the promotion or marketing of the transaction(s) or matter(s) addressed herein. Each taxpayer should seek advice based upon the taxpayer's particular circumstances from an independent tax advisor. The foregoing language is intended to satisfy the requirements under the regulations in Section 10.35 of Circular 230.

For the purposes of the following discussion, references to the "Partnership" shall mean the Cayman Partnership. Investors participating in a Parallel Partnership other than the Cayman Partnership, should consult their own legal advisers.

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to the provisions of Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification. In addition, ERISA requires the fiduciary of an ERISA Plan to maintain the indicia of ownership of the ERISA Plan's assets within the jurisdiction of the U.S. district courts. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above in "Investment Strategy," the fact that the Partnership has a limited history of operations, only one of the Partnership's investments have been selected as of the date of the Memorandum and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Interests.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A "party in interest" or "disqualified person" who engages in a non-exempt prohibited transaction may be subject to non-deductible excise taxes and other penalties and liabilities under ERISA and the Code, and the transaction might have to be rescinded.

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Interests.

The Plan Assets Regulation

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The U.S. Department of Labor has issued a regulation, 29 CFR Section 2510.3-101 (as modified by Section 3(42) of ERISA, the "Plan Assets Regulation"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and Section 4975 of the Code. Under the Plan Assets Regulation, if a Plan invests in an "equity interest" of an entity (which is defined as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features) that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that "benefit plan investors" hold less than 25% of the equity interests in the entity. The Interests would constitute an "equity interest" in the Partnership for purposes of the Plan Assets Regulation, and the Interests will not constitute "publicly offered securities" for purposes of the Plan Assets Regulation. In addition, the Partnership will not be registered under the Investment Company Act.

The 25% Limit

Under the Plan Assets Regulation, and assuming no other exemption applies, an entity's assets would be deemed to include "plan assets" subject to ERISA on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interests in the entity is held by "benefit plan investors" (the "25% Limit"). For purposes of this determination, the value of equity interests held by a person (other than a benefit plan investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee with respect to such assets (or any affiliate of such a person) is disregarded. The term "benefit plan investor" is defined in the Plan Assets Regulation as (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (b) any plan that is subject to Section 4975 of the Code and (c) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (to the extent of such plan's investment in the entity). Thus, while the assets of the Partnership would not be considered to be "plan assets" for purposes of ERISA so long as the 25% Limit is not exceeded, no assurance can be given that the 25% Limit will not be exceeded at all times. The Partnership has not yet determined whether to rely on this aspect of the Plan Assets Regulation.

Operating Companies

Under the Plan Assets Regulation, an entity is an "operating company" if it is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. In addition, the Plan Assets Regulation provides that the term operating company includes an entity qualifying as a venture capital operating company ("VCOC"). An entity will qualify as a VCOC if (a) on its "initial valuation date" and on at least one day during each "annual valuation period," at least 50% of the entity's assets, valued at cost, consist of "venture capital investments," and (b) the entity, in the ordinary course of business, actually exercises management rights with respect to one or more of its venture capital investments. The Plan Assets Regulation defines the term "venture capital investments" as investments in an operating company (other than a VCOC) with respect to which the investor obtains management rights. The "initial valuation date" is the date on which an entity first makes an investment that is not a short-term investment of funds pending long-term commitment. An entity's "annual valuation

period” is a pre-established period not exceeding 90 days in duration, which begins no later than the anniversary of the entity’s initial valuation date.

If the 25% Limit is exceeded, the General Partner intends to use commercially reasonable efforts to operate the Partnership in a manner that will enable the Partnership to qualify as a VCOC or to meet such other exception as may be available to prevent the assets of the Partnership from being treated as assets of any investing Plan for purposes of the Plan Assets Regulation. Accordingly, the General Partner believes, on the basis of the Plan Assets Regulation, that the underlying assets of the Partnership should not constitute “plan assets” for purposes of ERISA. However, no assurance can be given that this will be the case.

If the Partnership’s assets are deemed to constitute “plan assets” under ERISA, certain of the transactions in which the Partnership might normally engage could constitute a non-exempt “prohibited transaction” under ERISA or Section 4975 of the Code. In such circumstances, the General Partner, in its sole discretion, may void or undo any such prohibited transaction, and may require each Investor that is a “benefit plan investor” to withdraw from the Partnership in accordance with the Partnership Agreement. In addition, if the Partnership’s assets are deemed to be “plan assets,” the General Partner may be considered to be a fiduciary under ERISA.

A fiduciary of an ERISA plan or other plan that proposes to cause such entity to purchase any Interests should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of ERISA.

The sale of Interests to a Plan is in no respect a representation by the Partnership, the General Partner or any other person associated with the offering of the Interests that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Form 5500

Plan administrators of ERISA Plans that acquire Interests in the Partnership may be required to report compensation, including indirect compensation, paid in connection with the ERISA Plan’s investment in the Partnership on Schedule C of Form 5500 (Annual Return/Report of Employee Benefit Plan). The descriptions in this Memorandum of fees and compensation, including the fees paid to the General Partner, are intended to satisfy the disclosure requirement for “eligible indirect compensation,” for which an alternative reporting procedure on Schedule C of Form 5500 may be available.

Certain U.S. Securities Law Matters

The Interests have not been registered under any U.S. federal or any state securities laws. The offer and sale of the Interests in the U.S. is being made solely to selected Investors who qualify as “accredited investors” (a) in reliance on the “private placement” exemption from registration provided in Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder and (b) in reliance on appropriate exemptions from state registration and qualification requirements where available. Each prospective U.S. Investor will be required to execute a subscription agreement

which, among other things, contains representations and warranties as to its accredited investor status, as defined in Regulation D, and general suitability for an investment in the Fund.¹⁵

In order to assure that an investment in the Fund is suitable for the Investor, the Investor must also represent and warrant in the subscription agreement that, among other things, (a) it has the financial ability to bear the economic risk of its entire investment in the Fund for an indefinite period, (b) it has no need for liquidity with respect to its investment in the Fund, (c) it is experienced in evaluating entities such as the Fund and (d) it has read this Memorandum and the Partnership Agreement and has determined that an investment in the Fund is suitable for it. An Investor must also represent and warrant that (a) it is acquiring the Interests for its own account, for investment only and not with a view for the resale or distribution thereof and (b) it is aware that the Interests have not been registered under the Securities Act or any applicable state securities laws, there is currently no market for the Interests and no market is likely to develop and the right to transfer the Interests is restricted by the Securities Act, applicable state securities laws and the Partnership Agreement.

Restrictions on Transfer

The Interests have not been registered under the Securities Act and are, therefore, “restricted securities” for purposes of the Securities Act. Accordingly, the Interests may not be resold in the U.S. unless registered under the Securities Act and applicable state securities laws or an exemption from such registration is available. There is no public market for the Interests and none is expected to develop. Further, the Partnership Agreement provides that, except in very limited circumstances, any transfer of the Interests shall be subject to the prior written approval of the General Partner.

U.S. Investment Company Act Matters

The Fund is not registered under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), and it is not intended that the Fund will operate as a registered investment company thereunder. Therefore, the Fund will not be subject to regulation under the Investment Company Act, which includes rules for the protection of Investors that: (a) require investment companies to have a majority of disinterested directors, (b) mandate segregation of securities held in custody from the securities of any other person, and (c) regulate the relationship between an investment adviser and an investment company. The Investors in the Fund will, therefore, not have these protections under the Investment Company Act. Investors will be required to make certain representations and warranties in the subscription agreement in order to establish an exemption for the Fund from registration under the Investment Company Act.

U.S. Investment Advisers Act Matters

Neither the General Partner nor the Advisory Company are registered, and currently do not intend to register, as investment advisers under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”), in reliance upon the exemption from registration available pursuant to Rule 203(m)-1 under the Advisers Act for an adviser with a principal place of business outside the United

¹⁵ See Appendix A — Certain Securities Law Matters for Investors

States that manages less than \$150 million in private fund assets from a place of business in the United States. The Advisers Act imposes certain disclosure and reporting obligations and compensation restrictions on registered investment advisers, which are intended to protect their clients. The Investors in the Fund will, therefore, not have these protections under the Advisers Act.

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X. ADDITIONAL INFORMATION

Prior to the consummation of the offering, the General Partner will provide to each Investor and such Investors' representatives and advisers, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain additional information which the General Partner may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective Investor. Any such question should be directed to:

Mr. Alastair Tulloch

Tulloch & Co.
4 Hill St.
London W1J 5NE
United Kingdom

Tel: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

Appendix A – Certain Securities Law Matters for Investors

Andorra

Notice to Investors in Andorra

Interests in the fund are being offered for sale in the Andorran market only to professional and other investors referred to in sections 1, 2, 3, 4, and 5 of the law “Lei De Regulacio De Les Facultats Operatives Dels Diversos Components Del Sistema Financer” of 19th December 1996. This confidential offering memorandum has not been submitted to or approved by the Institut Nactional Andorra De Finances (Inaf) pursuant to sections 3, 4 and 5 of the law “Llei De Regulacio Del Regim Disciplinari Del Sistema Financer” of 27th November 1997.

Australia

Notice to Investors in Australia

DST Global III, L.P. (Cayman) (“Fund”) is not registered as managed investment scheme in Australia.

The provision of this document to any person does not constitute an offer of interests to that person or an invitation to that person to apply for interests. Any such offer or invitation will only be extended to a person if that person is:

- a Sophisticated or Professional Investor for the purposes of section 708 of the Corporations Act of Australia; and
- a wholesale client for the purpose of section 761G of the Corporations Act of Australia.

This document is issued by the Fund. The Fund is not authorised to provide financial product advice in relation to the interests in Australia. An investor in the interests will not have cooling off rights.

This document is not a prospectus or product disclosure statement under Australian law. It is not required to, and does not, contain all the information which would be required in an Australian prospectus or product disclosure statement. It has not been lodged with the Australian Securities and Investments Commission.

As a prospectus or product disclosure statement is not required to be prepared or lodged with the Australian Securities and Investments Commission in respect of the interests, any person to whom an interest is issued or sold must not, within 12 months after the issue, offer, transfer, assign or otherwise alienate that interest to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act of Australia.

This document is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. It is being supplied to you solely for your information and may not be reproduced, forwarded to any other person or published, in whole or in part, for any purpose.

Nothing contained on this document constitutes investment, legal, business, tax or other advice. In particular, the information in this document does not take into account your investment objectives, financial situation or particular needs. In making an investment decision, you must rely

on your own examination of the Fund and the terms of the offering, including the merits and risks involved. If, after reading this document, you have any questions about the offer of the interests set out in the document, you should contact your stockbroker, solicitor, accountant or other professional advisor.

This document does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make the offer or invitation.

Austria

Notice to Investors in Austria

Interests in the Fund may only be offered in the Republic of Austria in compliance with the provisions of the Austrian Capital Market Act, the Austrian Investment Funds Act and other laws applicable in the Republic of Austria governing the offer, issue and sale of the interests in the Republic of Austria. Interests in the Fund are being offered exclusively to a limited number of institutional investors in Austria and are therefore not subject to the public offering requirements of the Austrian Capital Market Act. Interests in the Fund are not registered or otherwise authorized for public offer either under the Capital Market Act, the Investment Fund Act or any other securities regulation in Austria. The recipients of this Memorandum and other selling material in respect to interests in the Fund have been individually selected and are targeted exclusively on the basis of a private placement. This offer may not be made to any other persons than the recipients to whom this Memorandum is personally addressed. Any investor intending to offer and resell interests in the Fund in Austria is solely responsible that any offer and resale takes place in compliance with the applicable provisions of the Austrian Capital Market Act, the Investment Fund Act or any other applicable securities regulation.

Bahamas

Notice to Investors in the Bahamas

No invitation will be made to the public of the Bahamas to subscribe for the interests.

Kingdom of Bahrain

Notice to Investors in the Kingdom of Bahrain

This offer is a private placement. It is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities and the extensive disclosure requirements and other protections that these regulations contain. This Memorandum is therefore intended only for financially sophisticated institutional investors in Bahrain. Interests in the Fund offered pursuant to this Memorandum may only be offered in minimum subscriptions of \$250,000 or its equivalent in foreign currencies. The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this Memorandum and expressly disclaims any liability whatsoever arising from reliance upon the whole or any part of the contents of this Memorandum.

Belgium

Notice to Investors in Belgium

The Fund has not been and will not be registered with the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank-, Financier- en Assurantiewezen / Commission Bancaire, Financière et des Assurances*) ("CBFA") as a foreign collective investment institution referred to under Article 127 of the Belgian Act of July 20, 2004 relating to certain forms of collective management of investment portfolios. This Memorandum and the offering of interests in the Fund have not been and will not be notified to, and have not been approved or disapproved by, the CBFA. The public offering of interests in the Fund in Belgium within the meaning of the Belgian Act of July 20, 2004, and the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to listing on a regulated market has not been authorized by the Fund. The offering may therefore not be advertised, and interests in the Fund may not be offered, sold, transferred or delivered to, or subscribed to by, and no memorandum, information circular, brochure or similar document may be distributed to, directly or indirectly, any individual or legal entity in Belgium, except (a) to "qualified investors" as referred to in Article 10, § 1 of the aforementioned Act of June 16, 2006, (b) subject to the restriction of a minimum investment of €50,000 per investor or (c) in any other circumstances in which the present offering does not qualify as a public offering in accordance with the aforementioned Act of June 16, 2006. This Memorandum has been issued to the intended recipient for personal use only and exclusively for the purpose of the offering. Therefore, it may not be used for any other purpose, nor passed on to any other person in Belgium.

Bermuda

Notice to Investors in Bermuda

Interests in the Fund may not be marketed, offered or sold directly or indirectly to the public in Bermuda and neither this Memorandum, which is not subject to and has not received approval from either the Bermuda Monetary Authority or the Registrar of Companies and no statement to the contrary, explicit or implicit, is authorized to be made in this regard, nor any offering material or information contained herein relating to interests in the Fund, may be supplied to the public in Bermuda or used in connection with any offer for the subscription or sale of interests in the Fund to the public in Bermuda. Bermuda investors may be subject to foreign exchange control approval and filing requirements under the relevant Bermuda foreign exchange control regulations, as well as offshore investment approval requirements.

Brazil

Notice to Investors in Brazil

This private placement has not been and will not be registered with the "Comissão de Valores Mobiliários" (the Brazilian Securities Commission). The interests may not be offered or sold in the Federative Republic of Brazil except in circumstances that do not constitute a public offering or distribution of securities under Brazilian laws and regulations. This memorandum may not be reproduced or used for any purpose other than this private placement, nor provided to any other person other than the recipient.

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British Virgin Islands

Notice to Investors in the British Virgin Islands

The fund is not recognized or registered as a mutual fund, as defined in the mutual funds act, 1996 (as amended) in the British Virgin Islands. As an unregulated foreign mutual fund, the fund cannot solicit an individual within the British Virgin Islands to purchase its interests. However, the fund may provide information or sell interests to an individual if the provision of information or the sale was the result of an initial approach made by the individual. Individual means individual persons and includes residents, citizens and individuals who are physically present in the British Virgin Islands.

Brunei

Notice to Investors in Brunei

This Memorandum has not been delivered to, licensed or permitted by the Authority as designated under the Brunei Darussalam Mutual Funds Order 2001.

Canada

Notice to Investors in Canada

The interests are being offered on a private placement basis to “accredited investors” in each of the provinces and territories of Canada (the “Canadian Jurisdictions”). Each Canadian investor who purchases interests will be deemed to have represented to the fund, the investment advisor and any dealer who sells interests to such purchaser that: (a) the purchaser is resident in one of the Canadian Jurisdictions; (b) the purchaser is purchasing, or is deemed to be purchasing, the interests as principal and not as agent; (c) the purchaser: (1) is an “accredited investor” as defined in National Instrument 45-106—Prospectus And Registration Exemptions—of The Canadian Securities Administrators (“NI 45-106”); (2) if the purchaser is resident in the Province of Ontario, is not an individual unless it is purchasing the interests from or through a dealer that is registered as a limited market dealer under the Securities Act (Ontario) or from or through a dealer that is a fully registered dealer within the meaning of Section 204 of the regulation to the Securities Act (Ontario); and (3) was not created and is not being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106; (d) the purchaser has been notified through this confidential Private Placement Memorandum that: (1) the following information will be provided to one or more of the securities regulatory authorities of the Canadian Jurisdictions: (a) the full name, address and telephone number of the purchaser; (b) the number and type of interests purchased by the purchaser; (c) the total purchase price for the interests, expressed in Canadian dollars; (d) the Canadian statutory exemption relied upon; and (e) the date of distribution of the interests (collectively, the information described in (a) through (e) is called the “Information”); (2) the Information is being collected indirectly by the applicable securities regulatory authority under the authority granted to it in securities legislation, (3) the information is being collected for the purposes of the administration and enforcement of the securities legislation of the Canadian Jurisdictions, and (4) the title, business address and business telephone number of the public official in Ontario who can answer questions about the Ontario Securities Commission’s indirect

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collection of the information is: Administrative Assistant to the Director of Corporate Finance, Ontario Securities, Commission Suite 1903, Box 5520 Queen Street West Toronto, Ontario M5H 3S8, tel: (416) 593-8086; and (e) the purchaser has authorized and consented to the indirect collection of the information by the securities regulatory authorities of the Canadian Jurisdictions.

Each purchaser will also be required to enter into, and to make such representations, warranties, certifications or acknowledgements in a separate subscription agreement.

Cayman Islands

Notice to Investors in the Cayman Islands

This is not an offer or invitation to the public in the Cayman Islands to subscribe for Limited Partnership Interests.

China

Notice to Investors in China

Interests in the Fund may not be marketed, offered or sold directly or indirectly to the public in China and neither this Memorandum, which has not been submitted to the Chinese Securities and Regulatory Commission, nor any offering material or information contained herein relating to interests in the Fund, may be supplied to the public in China or used in connection with any offer for the subscription or sale of interests in the Fund to the public in China. Interests in the Fund may only be marketed, offered or sold to Chinese institutions which are authorized to engage in foreign exchange business and offshore investment from outside China. Chinese investors may be subject to foreign exchange control approval and filing requirements under the relevant Chinese foreign exchange regulations, as well as offshore investment approval requirements.

Denmark

Notice to Investors in Denmark

The Fund is offered to a limited number of institutional and sophisticated investors. Pursuant to section 11 of the Prospectus Order (Ministerial Order No. 223 of March 10, 2010 on the prospectus requirements for offerings of a value above €2,500,000) issued in accordance with section 23(8) of the Danish Securities Trading Act (Consolidated Act No. 795 of August 20, 2009) the following types of offerings are exempted from prospectus registration requirements:

- offerings to accredited investors
- offerings to non-accredited investors if the offer is directed at less than 100 private or legal persons in Denmark
- offerings for which the value of each interest exceeds €50,000, or
- offerings where participation is conditional upon payment of more than €50,000 per investor.

This Memorandum may only be distributed to and the offering may only be subscribed by

investors that satisfy one or more of the conditions set out above. Accordingly, this Memorandum has not been and will not be registered with the Danish Financial Supervisory Authority or the Danish Commerce and Companies Agency under the relevant Danish acts and regulations on the offering in Denmark of interests in the Fund.

Finland

Notice to Investors in Finland

As the Fund is a closed-end fund, the marketing of interests in the Fund is not interpreted to be subject to the provisions of the Finnish Act on Mutual Funds (*sijoitusrahastolaki*, 29.1.1999, as amended, the "MFA"). Accordingly prospective investors should acknowledge that this Memorandum is not a fund prospectus as meant in the MFA and the marketing of interests in the Fund is not subject to a marketing permission from the Financial Supervisory Authority (*Finanssivalvonta*; "FIN-FSA"). Furthermore, even if interests in the Fund were to be construed as "securities" as defined in the Finnish Securities Markets Act (*arvopaperimarkkinalaki*, 26.5.1989/495, as amended the "SMA"), based on the exemptions set forth in Decree 452/2005 issued by the Ministry of Finance, the offering of interests in the Fund would be exempted from the prospectus requirements of the SMA (based on the limited number of Finnish offerees and the minimum investment and transfer restrictions specified herein). Accordingly prospective investors must acknowledge that this Memorandum is not a prospectus within the meaning set forth in the SMA. Prospective investors should also note that neither the General Partner or the Advisory Company is an investment firm (*sijoituspalveluyritys*) meant in the Finnish Investment Firms Act (*laki sijoituspalveluyrityksistä*, 922/2007) and they are not subject to the supervision of the FIN-FSA. Any prospective investors should acknowledge that they will not be treated as clients of any placement agents engaged by the General Partner in connection with the placement of interests in the Fund and such placement agents may not be under any duty to safeguard the interests of prospective investors. Furthermore, the Fund is not property fund as meant in the Finnish Act on Property Funds (*kiinteistörahastolaki*, 1173/1997). The FIN-FSA has not authorized any offering for the subscription of interests in the Fund; accordingly, interests in the Fund may not be offered or sold in Finland or to residents thereof except as permitted by Finnish law. This Memorandum has been prepared for private information purposes only and it may not be used for, and shall not be deemed, a public offering of interests in the Fund. This Memorandum is strictly for private use by its holder and may not be passed on to third parties or otherwise distributed publicly.

France

Notice to Investors in France

This Memorandum (including any amendment, supplement or replacement thereto) is not being distributed in the context of a public offering in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*). This Memorandum has not been and will not be submitted to the French *Autorité des marchés financiers* ("AMF") for approval in France and accordingly may not and will not be distributed to the public in France.

Pursuant to Article 211-3 of the AMF General Regulation, French residents are hereby informed that:

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1. the transaction does not require a prospectus to be submitted for approval to the AMF;

2. persons or entities referred to in Point 2°, Section II of Article L.411-2 of the Monetary and Financial Code may take part in the transaction solely for their own account, as provided in Articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the Monetary and Financial Code; and

3. the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Monetary and Financial Code.

This Memorandum is not to be further distributed or reproduced (in whole or in part) in France by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that such recipients will only participate in the issue or sale of the Partnership Interests for their own account and undertake not to transfer, directly or indirectly, the Partnership Interests to the public in France, other than in compliance with all applicable laws and regulations and in particular with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

Germany

Notice to Investors in Germany

This Memorandum has not been and will not be submitted to, nor has it been and will not be approved by, the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the German Federal Financial Services Supervisory Authority). The Interests in the Fund may not be distributed within Germany by way of a public offer, public advertisement or in any similar manner except to persons who buy or sell securities or alternative investment products as defined in Sec. 8f para 1 of the German Sales Prospectus Act (*Verkaufsprospektgesetz*) as part of their profession or trade for their own account or for the account of others, and this Memorandum and any other document relating to interests in the Fund, as well as information contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of interests in the Fund to the public in Germany. This Memorandum and other offering materials relating to the offer of the Partnership Interests are strictly confidential and may not be distributed to any person or entity other than the recipients hereof.

Greece

Notice to Investors in Greece

Neither the Fund nor a securities prospectus in respect of interests in the Fund has been, or is intended to be, registered with and approved by the Greek Capital Market Committee. Interests in the Fund are therefore not eligible for advertising, placement or public circulation in Greece. The information provided in this Memorandum is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer interests in the Fund in Greece to or for the benefit of any Greek person or entity. This Memorandum is not to be distributed or reproduced, in whole or in part, in Greece by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that its recipients will only participate in the issue of interests in the Fund outside of

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Greece on their own account and undertake not to transfer, directly or indirectly, interests in the Fund to the public in Greece.

Guernsey

Notice to Investors in Guernsey

The Fund is a Cayman Islands exempted limited partnership and has not been authorised by the Guernsey Financial Services Commission (the "Commission") under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Accordingly, any marketing material or prospectus in relation to the Fund may not be circulated within the Bailiwick of Guernsey, and there should be no onward distribution of the same.

Holland

Notice to Investors in the Netherlands

The Fund is not subject to a licensing requirement pursuant to the Financial Supervision Act (*Wet op het financieel toezicht*) in respect of the issuance of interests in the Fund. Neither is the Fund under the supervision of the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) in this respect.

Hong Kong

Notice to Investors in Hong Kong

The contents of this Memorandum have not been reviewed or approved by any regulatory authority in Hong Kong. This Memorandum does not constitute an offer or invitation to the public in Hong Kong to acquire interests in the Fund. Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Memorandum or any advertisement, invitation or document relating to interests in the Fund, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than in relation to interests in the Fund which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) (the "SFO") and the subsidiary legislation made thereunder) or in circumstances which do not result in this Memorandum being a "prospectus" as defined in the Companies Ordinances of Hong Kong (Cap. 32) (the "CO") or which do not constitute an offer or an invitation to the public for the purposes of the SFO or the CO. The offer of interests in the Fund is personal to the person to whom this Memorandum has been delivered by or on behalf of the Fund, and a subscription for interests in the Fund will only be accepted from such person. No person to whom a copy of this Memorandum is issued may issue, circulate or distribute this Memorandum in Hong Kong or make or give a copy of this Memorandum to any other person. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Memorandum, you should obtain independent professional advice.

Iceland

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Notice to Investors in Iceland

This Memorandum has been issued to the recipient, for personal use only, exclusively in connection with a private placement of interests in the Fund. Accordingly, this Memorandum may not be used by the recipient for any other purpose nor forwarded to any other person or entity in Iceland. The offering of interests in the Fund described in this Memorandum is a private placement under Icelandic law and the interests in the Fund may only be offered and sold (as well as resold) in Iceland to a person or entity that is a Qualified Investor as defined in Item No. 9 of Article 43 of the Icelandic Act on Securities Transactions. Also, any subsequent transfer or resale of interests in the Fund in Iceland will need to comply with the applicable provisions of the Icelandic Act on Securities Transactions. Prospective Icelandic investors should consult with their own tax advisors as to the tax consequences of an investment in the Fund.

Ireland

Notice to Investors in Ireland

This Memorandum and the information contained herein are private and confidential and are for the use only of the persons to whom such material is addressed and may not be distributed in Ireland. No person receiving a copy of this Memorandum may treat it as constituting an invitation to them to subscribe for an interest or a solicitation to anyone other than the addressee. Accordingly, this Memorandum does not constitute an offer or solicitation to anyone other than the addressee and does not constitute an offer for sale to the public in Ireland within the meaning of the Unit Trusts Act, 1990 in Ireland.

Israel

Notice to Investors in Israel

The interests in the Fund described in this Memorandum have not been registered and are not expected to be registered under the Israeli Securities Law — 1968 (the “Securities Law”) or under the Israeli Joint Investment Trust Law - 1994. Accordingly, the interests in the Fund described herein will only be offered and sold in Israel pursuant to applicable private placement exemptions, to either (i) qualified investors described in Section 15A(b)(1) of the Securities Law or (ii) to 35 or fewer offerees as determined for purposes of the Securities Law. If any recipient in Israel of a copy of this Memorandum is not qualified as such, such recipient should promptly return this Memorandum to the Fund. Neither the Fund nor the Fund’s manager is a licensed investment marketer under the Law for the Regulation of Provision of Investment Advice, Marketing Investments and Portfolio Management – 1995 (the “Investment Advisor Law”) and neither the Fund nor the Fund’s manager maintains insurance as required under such law. Accordingly, the interests in the Fund described herein will only be offered and sold in Israel to parties which qualify as “eligible customers” for purposes of Section 3(a)(11) of the Investment Advisor Law. The Fund and Fund’s manager may be deemed to be providing investment marketing services but are not investment advisors for purposes of Israeli law. Any investment advice which may be deemed provided under Israeli law in connection with an investment in the Fund is deemed provided on a one time only basis and neither the Fund nor the Fund’s manager will provide any ongoing investment marketing services to the investor.

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Italy

Notice to Investors in Italy

The Fund is not a UCITS fund. The offering of interests in the Fund in Italy has not been nor will it be authorized by the Bank of Italy and the Commissione Nazionale per la Società e la Borsa. Interests in the Fund are offered upon the express request of the investor, who has directly contacted the Fund or its sponsor on the investor's own initiative. No active marketing of the Fund has been made nor will it be made in Italy, and this Memorandum has been sent to the investor at the investor's unsolicited request. The investor acknowledges and confirms the above and hereby agrees not to sell or otherwise transfer any Interests in the Fund or to circulate this Memorandum in Italy unless expressly permitted by, and in compliance with, applicable law.

India

Notice to Investors in India

No public offer of the shares is being made under Indian law. The interests mentioned herein are being offered to a select number of Indian residents for sale or subscription and are not and will not be registered and/or approved by the Securities and Exchange Board of India or any other legal or regulatory authority in India. The issuer has not obtained and shall not obtain any regulatory or exchange control permission of the issue of the shares to an Indian resident. Indian investors should consult their legal and tax advisors prior to taking any decision to acquire the interest. Indian residents are required to obtain the necessary permissions and authorizations from the relevant governmental authorities prior to making an investment.

Japan

Notice to Investors in Japan

Interests in the Fund are a security set forth in Article 2, Paragraph 2, Item 6 of the Financial Instruments and Exchange Law of Japan (the "FIEL"). No public offering of interests in the Fund is being made to investors resident in Japan and in accordance with Article 2, paragraph 3, Item 3, of the FIEL, no securities registration statement pursuant to Article 4, paragraph 1, of the FIEL has been made or will be made in respect to the offering of Interests in the Fund in Japan. The offering of interests in the Fund in and investment management for the Fund in Japan is made as "Special Exempted Business for Qualified Institutional Investors, Etc." under Article 63, Paragraph 1, of the FIEL. Thus, interests in the Fund are being offered only to a limited number of investors in Japan. Neither the Fund nor any of its affiliates is or will be registered as a "financial instruments firm" pursuant to the FIEL. Neither the Financial Services Agency of Japan nor the Kanto Local Finance Bureau has passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of interests in the Fund to investors resident in Japan.

Jersey

Notice to Investors in Jersey

No public offering of interests in the Fund is being made to investors resident in Jersey.

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Interests in the Fund are being offered only to a limited number of institutional and sophisticated individual investors in Jersey.

Kuwait

Notice to Investors in Kuwait

Interests in the Fund have not been licensed for offering in Kuwait by the Ministry of Commerce and Industry, the Kuwait Central Bank or any other relevant Kuwaiti governmental agency. The offering of interests in the Fund in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990, as amended, and Ministerial Order No. 113 of 1992, as amended. No private or public offering of interests in the Fund is being made in Kuwait, and no agreement relating to the sale of interests in the Fund will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market interests in the Fund in Kuwait.

Luxembourg

Notice to Investors in Luxembourg

No public offering of interests in the Fund is being made to investors resident in Luxembourg. Interests in the Fund are being offered only to a limited number of sophisticated and professional investors in Luxembourg. The Commission de Surveillance du Secteur Financier of Luxembourg has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of interests in the Fund to investors resident in Luxembourg.

Malaysia

Notice to Investors in Malaysia

The offering made under this Memorandum does not constitute, and should not be construed as constituting, an offer or invitation to subscribe for or purchase any securities in Malaysia. The Fund, by the dispatch of this Memorandum, has not made available any securities for subscription or purchase in Malaysia. This Memorandum is distributed in Malaysia for information purposes only. This Memorandum does not constitute and should not be construed as offering or making available any interest in the Fund for purchase in Malaysia.

Netherlands Antilles

Notice to Investors in the Netherlands Antilles

This confidential private placement memorandum may not be distributed, interests may not be directly or indirectly offered, sold or delivered and no funds or other property may be raised or obtained in or from the Netherlands Antilles for purposes of participating in the Fund, unless the Fund has obtained: (a) an exemption from the Netherlands Antilles Central Bank.

Exempting the fund from the prohibitions contained in the National Ordinance On The Supervision Of Funds And Administrators (N.G. 2002, no. 137, the "Ordinance"); or (b) a license

from the Netherlands Antilles Central Bank allowing the Fund to operate as an investment institution under the Ordinance. This confidential private placement memorandum has not been submitted to or approved by the Netherlands Antilles Central Bank.

New Zealand

Notice to Investors in New Zealand

The provision of this document to any person does not constitute an offer of interests to that person or an invitation to that person to apply for interests. Any such offer or invitation will only be extended to a person if that person is:

(a) a person whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invests money; or

(b) a person to whom an offer of the interests may be made in circumstances that do not constitute an offer to the public for the purposes of section 3 (excluding section 3(2)(a)(iia)) of the Securities Act 1978 (NZ) (or any statutory modification or re-enactment of, or statutory substitution for, that Act) (the **NZ Securities Act**).

This document is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This document is supplied to you solely for your information and may not be reproduced, forwarded to any other person or published, in whole or in part, for any purpose.

This document is not intended to constitute an offer of securities to the public in New Zealand in terms of the NZ Securities Act. In no circumstances is the document intended to be construed as an advertisement for a public offer of financial products or services, either in New Zealand or overseas.

This document is not required, or intended, to constitute a prospectus or an investment statement in terms of the NZ Securities Act. This document has not been registered with any Governmental agency in New Zealand. Accordingly, in choosing to invest in the Fund, you will be doing so on the basis of different information than is generally available to the investing public in New Zealand.

No person has been authorised to give any information or to make any representation in relation to the Fund other than those contained in the document. Nothing contained in the document constitutes investment, legal, business, tax or other advice. In particular, the information in the document does not take into account your investment objectives, financial situation or particular needs and does not deal with all tax considerations that may be relevant to specific investors or classes of investors, and has not been tailored to consider the tax implications for New Zealand investors under the fair dividend rate method of taxing foreign investments. In making an investment decision, you must rely on your own examination of the document and the terms of the offering, including the merits and risks involved. If, after such examination, you have any questions about the offer of the interests set out in the document, you should contact your stockbroker, solicitor, accountant or other professional advisor. This document does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make the offer or invitation.

Norway

Notice to Investors in Norway

This Memorandum does not constitute an invitation or a public offer of securities in the Kingdom of Norway. It is intended only for the original recipient and is not for general circulation in the Kingdom of Norway. The offer herein is not subject to the prospectus requirements laid down in the Norwegian Securities Trading Act. This Memorandum has not been nor will it be registered with or authorized by any governmental body in Norway. Interests in the Fund may only be solicited, acquired or offered in or from Norway to investors for a total face value of at least €50,000.

Oman

Notice to Investors in Oman

This Memorandum, and the interests in the Fund to which it relates, may not be advertised, marketed, distributed or otherwise made available to the general public in Oman. In connection with the offering of the interests, no prospectus has been registered with or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other regulatory body in the Sultanate of Oman. The offering and sale of interests in the Fund described in this Memorandum will not take place inside Oman. Interests in the Fund are being offered on a limited private basis, and do not constitute marketing, offering or sales to the general public in Oman. Therefore, this Memorandum is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Panama

Notice to Investors in Panama

The interests have not and will not be registered with the Comisión Nacional De Valores of the Republic of Panama and may not be offered or sold in a primary offering within Panama, except in certain transactions exempt from the registration requirements of Panama's securities laws.

Philippines

Notice to Investors in Philippines

The securities being offered or sold have not been registered with the Securities and Exchange Commission under the Securities Regulation Code. Any future offer or sale thereof is subject to registration requirements under the Code unless such offer or sale qualifies as an exempt transaction.

Qatar

Notice to Investors in Qatar

Interests in the Fund described in this Memorandum have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a

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manner that would constitute a public offering. This Memorandum has not been reviewed or registered with the Qatari Central Bank or any other Qatari government authorities and does not constitute a public offer of securities in the State of Qatar under Qatari law. Therefore, this Memorandum is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any person other than the intended recipient hereof.

Russia

Notice to Investors in Russia

Under Russian law, interests in the Fund may be considered securities of a foreign issuer. Neither the Fund nor a securities prospectus in respect of interests in the Fund has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation, and hence interests in the Fund are not eligible for advertising, initial placement and public circulation in the Russian Federation. The information provided in this Memorandum (including any amendment or supplement thereto or replacement thereof) is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer interests in the Fund in the Russian Federation to or for the benefit of any Russian person or entity.

This Memorandum is not to be distributed or reproduced (in whole or in part) in the Russian Federation by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that its recipients will only participate in the issue of interests in the Fund outside the Russian Federation on their own account and undertake not to transfer, directly or indirectly, interests in the Fund to the public in the Russian Federation.

Saudi Arabia

Notice to Investors in Saudi Arabia

Neither this Memorandum nor the interests in the Fund have been approved, disapproved or passed on in any way by the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia, nor has the Fund received authorization or licensing from the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia to market or sell interests in the Fund within the Kingdom of Saudi Arabia. This Memorandum does not constitute and may not be used for the purpose of an offer or invitation. No services relating to interests in the Fund, including the receipt of applications and the allotment or redemption of such interests, may be rendered by the Fund within the Kingdom of Saudi Arabia.

Singapore

Notice to Investors in Singapore

This Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Memorandum and any other document or material in connection with the offer sale, or invitation for subscription or purchase of interests in the Fund may not be circulated or distributed, nor may interests in the Fund be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in

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Singapore other than an institutional investor pursuant to Section 274 of the Securities and Futures Act ("SFA"), pursuant to an offer that is made on terms that interests in the Fund are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, or pursuant to and in accordance with the conditions of any other applicable provisions of the SFA.

Spain

Notice to Investors in Spain

Interests in the Fund may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (Ley 24/1988, de 28 de Julio, del Mercado de Valores) as amended and restated, Royal Decree 1310/2005, on securities admission to trade on secondary official markets, public offerings or subscriptions, and prospectus required to such effects, and/or subject and in compliance with the requirements contained in such regulations (Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos) ("R.D. 1310/2005"), and subsequent legislation. This Memorandum is neither verified nor registered with the Comisión Nacional del Mercado de Valores, and therefore a public offer of interests in the Fund will not be carried out in Spain.

South Africa

Notice to Investors in South Africa

Neither this Memorandum nor the interests in the Fund have been approved, disapproved or passed on in any way by the Financial Services Board or any other governmental authority in South Africa, nor has the Fund received authorization or licensing from the Financial Services Board or any other governmental authority in South Africa to market or sell interests in the Fund within South Africa. This Memorandum is strictly confidential and may not be reproduced, used for any other purpose or provided to any person other than the intended recipient.

South Korea

Notice to Investors in South Korea

Neither the Fund nor any of its affiliates is making any representation with respect to the eligibility of any recipients of this Memorandum to acquire interests in the Fund therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. Interests in the Fund have not been registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea, and none of the interests in the Fund may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, interests in the Fund may not be re-sold to Korean residents unless the purchaser of the interests complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under

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the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the interests in the Fund.

Sweden

Notice to Investors in Sweden

This Memorandum has not been nor will it be registered with or approved by *Finansinspektionen* (the Swedish Financial Supervisory Authority). Accordingly, this Memorandum may not be made available, nor may the interests in the Fund offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) *om handel med finansiella instrument*). Accordingly, the offering of interests in the Fund will only be directed to persons in Sweden who subscribe to interests in the Fund for a total consideration of at least €50,000 per investor.

Switzerland

Notice to Investors in Switzerland

Under the Collective Investment Schemes Act of June 23, 2006 (the "CISA"), the offering, sale and distribution of units in foreign collective investment schemes in or from Switzerland are subject to authorization by the Swiss Financial Market Supervisory Authority. The concept of "foreign collective investment schemes" covers, inter alia, foreign companies and similar schemes (including those created on the basis of a collective investment contract or a contract of another type with similar effects) created for the purpose of collective investment, whether such companies or schemes are closed ended or open ended. Units in a foreign investment scheme which has not been authorized by the Swiss Financial Market Supervisory Authority may only be promoted in or from Switzerland provided that no public solicitation, offering or advertising is carried out by persons operating in or from Switzerland. There are reasonable grounds to believe that the Fund would be characterized as a foreign collective investment scheme from a Swiss legal point of view. As the interests in the Fund have not been and can not be registered or authorized for distribution under the CISA, any offering of interests in the Fund, and any other form of solicitation of investors in relation to the Fund (including by way of circulation of offering materials or information, including this Memorandum), must be made by way of private placement, e.g. by limiting the offer to investors considered as qualified investors as defined in the CISA and in Circular 08/8 Public Offering of the Swiss Financial Market Supervisory Authority dated 20 November 2009). Failure to comply with the above-mentioned requirements may constitute a breach of the CISA.

UAE

Notice to Investors in the United Arab Emirates

Neither this Memorandum nor the interests in the Fund have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates, nor has the Fund received authorization or licensing from the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates to market or sell interests in the Fund within the United Arab Emirates. This Memorandum does not

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constitute and may not be used for the purpose of an offer or invitation. No services relating to interests in the Fund including the receipt of applications and/or the allotment or redemption of such interests may be rendered within the United Arab Emirates by the Fund. No offer or invitation to subscribe for interests or sale of interests in the Fund is valid or permitted in, or to any persons in, or from, the Dubai International Finance Centre.

United Kingdom

Notice to Investors in the United Kingdom

In the United Kingdom this memorandum is issued by Digital Sky Finance LLP, acting as appointed representative of Hutchinson Lilley Investments Limited, which is authorised and regulated by the Financial Services Authority (FNR: 192402). It is exempt from the restriction on financial promotion contained in section 21 of the U.K. Financial Services and Markets Act 2000 ("FSMA") because it is directed only at persons who are exempt from the financial promotion restriction by reason of the FSMA (Financial Promotion) Order 2005 (the "FPO"), specifically:

- Persons who have professional experience in matters relating to investments, being Investment Professionals as defined in article 19 of the FPO
- High Net Worth Companies, Unincorporated Associations, etc. as defined in article 49 of the FPO;
- Certified High Net Worth Individuals, as defined in article 48 of the FPO, being an individual who has signed a prescribed form of certificate confirming that he has either:
 - had, during the immediately preceding financial year, an annual income to the value of £100,000 or more; or
 - held, throughout the immediately preceding financial year, net assets to the value of £250,000 or more (excluding the property which is his primary residence or any loan secured on that residence; any rights of his under a qualifying contract of insurance within the meaning of the FSMA 2000 (Regulated Activities) Order 2001 or any benefits (in the form of pensions or otherwise) which are payable on the termination of his service or on his death or retirement and to which he is (or his dependants are), or may be, entitled),
 - and he understands that signing the certificate will result in the loss of significant regulatory protections;
- Self-certified sophisticated investors, as defined in Article 50A of the FPO, being an individual who has signed a prescribed form of certificate within the last 12 months , confirming that at least one of the following applies
 - he is a member of a network or syndicate of business angels and has been so for at least the previous 6 months

- he has made more than one investment in an unlisted company in the previous 2 years;
- he is working, or has worked in the previous 2 years, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises;
- he is currently , or has been in the previous 2 years, a director of a company with an annual turnover of at least £ 1 million,
- and that he recognises that he can lose his property and other assets from making investment decisions based on financial promotions, and that by signing the certificate he may lose significant rights.
- any other person to whom it may lawfully be communicated.

Any person in doubt about the investments to which this memorandum relates should consult an authorised person specialising in advising on investments of this kind.

This memorandum is not directed at, and must not be distributed to or acted on by, any person in the United Kingdom who does not fall within one of the above categories, and no other person should rely or act on the information contained in it. Recipients must not distribute, publish, reproduce or disclose this memorandum in whole or in part to any other person.

No prospectus is required under Section 85 of FSMA and any offer of interests in the Fund will be:

- limited to fewer than 100 persons in any EEA state; and/or
- made on the basis that the minimum consideration payable by any investor in the Fund will be not less than €50,000 (or equivalent amount).

United States of America

Notice to Investors in the United States of America

THE LIMITED PARTNERSHIP INTERESTS IN THE FUND OFFERED HEREBY (THE "INTERESTS") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE U.S. OR TO "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. HEDGING TRANSACTIONS INVOLVING THE INTERESTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

YOU SHOULD MAKE YOUR OWN DECISION AS TO WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL.

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NO STATE ADMINISTRATOR HAS REVIEWED THIS DISCLOSURE. THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION OR QUALIFICATION. INVESTORS MAY BE REQUIRED TO HOLD THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. OTHER IMPORTANT RISK FACTORS ARE EXPLAINED IN DETAIL IN THIS DOCUMENT. THE NATURE OF THE OFFERING'S RISK REQUIRES THAT INVESTORS MEET MINIMUM ASSET/INCOME CONDITIONS.

For Florida Residents Only:

THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES. IF SALES ARE MADE TO FIVE OR MORE FLORIDA PURCHASERS, EACH SUCH SALE IS VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT, OR WITHIN THREE DAYS AFTER AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

For New Hampshire Residents Only:

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE NEW HAMPSHIRE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER NEW HAMPSHIRE RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE NEW HAMPSHIRE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Privacy Notice to U.S. Investors

In the normal course of its formation, operation and dissolution, the Fund will collect and disclose certain private information about its Limited Partners. Personal financial information about the Limited Partners, such as their names, addresses, social security numbers, assets and incomes, will be obtained from subscription agreements and other documents. Other personal information about the Limited Partners, such as capital account balances, account data and information about their participation in other investments, will be obtained in the course of transactions between the Limited Partners and the Fund or its affiliates.

Except as described below, this private information will be disclosed only as permitted by applicable law to the Fund's affiliates and service providers, including the Fund's accountants, attorneys, broker-dealers, custodians, transfer agents, and any other parties whose services are necessary or convenient to the formation, operation or dissolution of the Fund. Any party receiving private

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information about the Limited Partners pursuant to the preceding sentence will be authorized to use such information only to perform the services required and as permitted by applicable law. No party receiving a Limited Partner's personal information will be authorized to use or share that information for any other purpose.

With respect to personnel of the Fund and its affiliates, access to private information about the Limited Partners will be restricted to individuals who require such access to provide services to the Fund and the Limited Partners. The Fund will maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard private information about its Limited Partners.

In all events, the Fund may disclose Limited Partner information: (a) to other Limited Partners as required or permitted under the Partnership Agreement; and (b) as otherwise required by applicable law.

The foregoing privacy notice reflects a privacy policy that has been adopted by the General Partner. It may be updated from time to time upon notice to the Limited Partners.

Appendix B – Valuation Methodology and IRR Calculation

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Appendix C – Legal Structure of the Fund

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