

restructuring of a debt obligation acquired by the Access Fund at a discount amounts to a “significant modification” that should be treated as a taxable event even if the Access Fund did not so treat the restructuring on its U.S. federal income tax return.

Furthermore, the Access Fund may be deemed to invest in derivatives with complex or uncertain U.S. federal income tax consequences to Limited Partners.

In addition, the Access Fund may invest in any entity treated as partnership for U.S. federal income tax purposes, and the Access Fund’s U.S. federal income tax consequences will depend on the nature of the investments and activities of such entity.

Furthermore, for taxable years beginning after December 31, 2017, and before January 1, 2026, non-corporate taxpayers generally will be allowed a deduction in an amount equal to 20% of the domestic “qualified business income” they received through a partnership. Qualified business income generally does not include investment income or income from services businesses, including investment management businesses, and therefore the 20% deduction is unlikely to be available in respect of income allocable to a Limited Partner from its investment in the Access Fund.

Finally, U.S. Tax-Exempt Investors (as defined herein) should be aware that certain investments of the Access Fund may cause them to have material amounts of UBTI, which is subject to federal income taxation and may be subject to state and local taxation as well. See discussion below under “Tax-Exempt Investors.”

Prospective investors should consult their own tax advisors regarding the application of these rules to their investment in the Access Fund.

**Work-Outs.** It is possible that a company in which the Access Fund invests will face financial difficulty, requiring the holder to work-out or otherwise restructure its investment in the company. It is not possible to predict the terms of any such restructuring and accordingly any such restructuring could give rise to adverse U.S. federal income tax consequences to the Access Fund (and therefore the Limited Partners).

**Passive Foreign Investment Companies.** The Access Fund may invest in a non-U.S. corporation that is classified as a “passive foreign investment company” (“PFIC”), which would cause Limited Partners to be subject to taxation under Sections 1291 through 1298 of the Code. In general, a non-U.S. corporation is classified as a PFIC if (i) 75% or more of its gross income constitutes “passive income” (generally, interest, dividends, royalties, rent and similar income, and gains on disposition of assets that generate such income), or (ii) 50% or more of its assets produce passive income or are held for the production of such income.

If the Access Fund invests in a company that is classified as a PFIC, the Limited Partners may be subject to increased tax liability upon the Access Fund’s disposition of that company’s stock or upon the receipt of certain distributions. In certain cases, a Fund may be able to make an election to have an alternative tax treatment apply with respect to a PFIC.

We cannot predict at this time whether any company in which the Access Fund invests may be subject to the PFIC regime, nor can it predict the effect of any applicable elections which may be made by a Fund. The application of the PFIC rules to the Access Fund and its Limited Partners is complex. Limited Partners should consult their own tax advisors about the applicability and U.S. federal income tax consequences of the PFIC rules to their investment in the Access Fund.

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