

***Sale of Interests.*** A Limited Partner generally will recognize capital gain or loss on the sale of Interests, except for any gain attributable to unrealized receivables or inventory items (which are broadly defined for this purpose) held by the Access Fund at the time of the sale. The difference between the amount realized upon a sale of Interests and the Limited Partner's adjusted tax basis in the Interests would determine the amount of gain or loss recognized. For this purpose, the amount realized would include the Limited Partner's share of any Access Fund liabilities, as discussed above.

In general, the sale of Interests by a Limited Partner will not affect the Access Fund's ongoing operations. If, however, Interests representing 50% or more of the Access Fund were to be sold within a twelve-month period, then the Access Fund would terminate for U.S. federal income tax purposes. The Partnership Agreement generally prohibits transfers of Interests without the consent of the General Partner.

***Tax Basis Adjustments.*** The Partnership Agreement does not require the General Partner to make an election under Section 754 of the Code to adjust the tax basis of its assets upon the sale or other disposition of Interests or upon the distribution to Partners of cash or assets in-kind, nor does it prohibit the General Partner from doing so. Any such election, once made, cannot be revoked without the IRS' consent. The actual effect of any such election may depend upon whether the Underlying Fund also makes such an election. As a result of the complexity and added expense of the tax accounting required to implement such an election, the General Partner presently does not intend to make such an election. If the Access Fund makes the election or otherwise must make an adjustment to the tax bases on its assets, any transferee of Interests must reimburse the Fund its costs incurred to make any tax basis adjustments required pursuant to the election.

A Fund generally would be required to adjust the tax basis of its assets in the same manner as if a Section 754 election were in effect upon (i) transfers of interests in that Fund at a time when the adjusted tax basis of its assets exceeds their fair market value by more than \$250,000 and (ii) distributions of cash or property to a partner that would have produced a downward adjustment in the tax basis of the assets of the Fund of more than \$250,000 had a Section 754 election been in effect. In lieu of the adjustment described in clause (i) of the preceding sentence, if a Fund qualifies to make an election to be an "electing investment partnership," as defined in Section 743 of the Code, the Fund could elect to preclude the transferee of the Fund's interests from deducting its allocable share of any loss realized by the Fund on the sale or exchange of the Fund's assets to the extent the transferor Partner realized a loss on the original transfer of its interests in such Fund. Each Fund would determine at the appropriate time whether it qualifies to make an election to be an "electing investment partnership," and we can be no assurance that it would so qualify. In addition, because of the limited relief provided by such election and the complexity required to determine the amount of loss that the transferee partner could not deduct, even if the corresponding Fund so qualifies, such Fund may determine that such election should not be made.

***Limitation on Deductibility of Interest Expense.*** For non-corporate taxpayers, Section 163(d) of the Code limits the deduction for "investment interest" (i.e., interest or short sale expenses for "indebtedness properly allocable to property held for investment"). Investment interest is not deductible in the current year to the extent that it exceeds the taxpayer's "investment income," consisting of net gain and ordinary income derived from investments in the current year. Long-term capital gain is excluded from investment income for this purpose unless the taxpayer elects to pay tax on such amount at ordinary income tax rates. The deduction for any investment interest that is disallowed under Section 163(d) of the Code for any year may generally be carried forward and used in subsequent years, subject to the limitations of Section 163(d) in the subsequent years.

*Proprietary and Confidential*