

Partnership Audit Legislation. Under the Bipartisan Budget Act of 2015, legislation was enacted that significantly changes the rules for U.S. federal income tax audits of partnerships (the “BBA Rules”). Such audits will continue to be conducted at the partnership level, but with respect to U.S. federal income tax returns for taxable years beginning after December 31, 2017, and, unless a partnership qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the partnership. Under the elective alternative procedure, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If the Access Fund does not or is not able to make such an election, then (1) the then current Partners of the Access Fund, in the aggregate, could indirectly bear income tax liabilities in excess of the aggregate amount of taxes that would have been due had the Access Fund elected the alternative procedure, and (2) a given Partner may indirectly bear taxes attributable to income allocable to other Partners or former Partners, including taxes (as well as interest and penalties) with respect to periods prior to such Partner’s ownership of Interests. Amounts available for distribution to the Partners may be reduced as result of the Access Fund’s obligations to pay any taxes associated with an adjustment. While we cannot provide any assurance, the General Partner generally intends to seek to ensure that the BBA Rules do not materially modify the current allocation of tax costs among Partners. Under the Partnership Agreement, current and former Partners may be required to indemnify the Access Fund for any tax costs that are allocable to them. In addition, if any taxes (including any interest and penalties) are borne directly by a “tax partnership” in which the Access Fund invests (directly or indirectly), the General Partner generally intends to appropriately allocate the burden of such taxes among the Partners and any former Partners. We cannot provide assurance that the Access Fund will be eligible to make an election under the alternative procedure or that it will, in fact, make such an election for any given adjustment. Furthermore, the Underlying Fund must comply with the BBA Rules as well, and therefore the Limited Partners may indirectly suffer adverse consequences as a result. Many issues and the overall effect of the BBA Rules on the Access Fund and the Underlying Fund are uncertain, and prospective investors should consult their own tax advisors regarding all aspects of this legislation as it affects their particular circumstances.

Other Tax Risks. An investment in the Access Fund involves complex U.S. federal, state and local and foreign income tax considerations that will differ for each Limited Partner. Prospective Limited Partners are advised to seek the advice of a qualified expert on matters of U.S. federal, state and local and foreign taxation of the Access Fund and ownership of the Interests. In judging whether to invest in the Access Fund, a prospective Limited Partner should consider the tax consequences thereof which include, but are not limited to:

- the possibility of adverse changes in applicable tax laws;
- the possibility that a Limited Partner may be required to file tax returns and pay tax in jurisdictions in which the Access Fund’s Assets are deemed to be located and where the Access Fund is considered to be conducting business;
- the possibility that the Interests could decline in value with a Limited Partner realizing a capital loss if the Access Fund is liquidated or the Limited Partner disposes of its Interests, with limitations on the deductibility of any such capital loss;
- the possibility of substantial taxation of the Access Fund or Limited Partners, including imposition of state, local and foreign taxes (including withholding taxes), alternative minimum taxes and the net investment income tax; and

Proprietary and Confidential