

**Controlled Foreign Corporations.** Special rules apply to U.S. persons who own, directly or indirectly and applying certain attribution rules, 10% or more of the total combined voting power or total value of all classes of stock of a non-U.S. corporation (each, a “**United States Shareholder**”) that is a “controlled foreign corporation” (“**CFC**”). A non-U.S. corporation generally will be a CFC if United States Shareholders collectively own more than 50% of the total combined voting power or total value of the corporation’s stock on any day during any taxable year.

If the Access Fund invests in a CFC and is a United States Shareholder, its Limited Partners who are U.S. persons will be subject to tax under the CFC rules. As a result, each such Limited Partner must include in its gross income for U.S. federal income tax purposes its distributive share of certain earnings and profits of the CFC. In addition, under Section 1248 of the Code, each such Limited Partner must treat a portion of its distributive share of any gain realized by the Access Fund upon disposition of the stock of the CFC as dividend income to the extent of certain earnings and profits of the CFC attributable to such stock. Further, if a Limited Partner disposes of its Interests, the Limited Partner may be required to recognize ordinary income under Section 751 of the Code equal to its distributive share of any Section 1248 income that would have been triggered if the Access Fund had sold its interest in the CFC at fair market value.

Moreover, under the 2017 Tax Legislation, the deferred earnings of certain foreign corporations will be deemed repatriated, and treated as if they were distributed to their United States Shareholders. Consequently, if the Access Fund invests in a foreign corporation and is a United States Shareholder, its Limited Partners who are U.S. Persons may be deemed to receive their distributive share of certain accumulated earnings and profits of such foreign corporation.

The application of the CFC and deemed repatriation rules to the Access Fund and Limited Partners is complex. Limited Partners should consult their own tax advisors about the applicability and U.S. federal income tax consequences of the CFC and deemed repatriation rules to their investment in the Access Fund.

**Foreign Currency Gain or Loss.** A Limited Partner’s distributive share of any profit or loss realized by the Access Fund on the conversion of U.S. dollars into non-U.S. currency, or of non-U.S. currency into U.S. dollars, generally will be treated as ordinary income or loss rather than capital gain or loss. Further, if the Access Fund invests in a debt investment or effectively becomes the obligor under a debt instrument or enters into certain other transactions, any of which is denominated in terms of a currency other than its functional currency, fluctuations in the value of that currency relative to its functional currency generally will result in foreign currency gain or loss. Any foreign currency gain or loss realized by the Access Fund generally will be treated as ordinary income or loss rather than capital gain or loss, and any Limited Partner will be subject to tax on its allocable share of such income or loss.

**Tax-Exempt Investors.** The Underlying Fund may (i) invest in operating entities that are treated as flow-through for U.S. federal income tax purposes, (ii) generate unrelated debt-financed income if they borrow funds, or (iii) generate some income, for example, from break-up fees or transaction fees, each of which may cause investors that are U.S. Tax-Exempt Investors to incur material amounts of UBTI. A U.S. Tax-Exempt Investor’s allocable share of Access Fund income constituting UBTI would be subject to federal income taxation and might be subject to state and local taxation as well. U.S. Tax-Exempt Investors should only invest in the Access Fund if they are willing to receive material amounts of UBTI.

Potential U.S. Tax-Exempt Investors should be aware that the Underlying Fund may use leverage that would be treated as acquisition indebtedness resulting in a material portion of the income from the Access Fund being taxable as UBTI to U.S. Tax-Exempt Investors.

*Proprietary and Confidential*