

Partners or to cover defaults, the Access Fund may no longer be able to fully meet its capital contribution obligations towards the Underlying Fund and may be treated as a defaulting investor for purposes of the Underlying Fund LPA.

**Cash Management; Over-commitment.** To help manage cash flows and ensure sufficient amount of the Limited Partner's subscriptions are available to pay expenses of the Access Fund, the General Partner may, in its sole discretion, choose not to commit up to 10% of the Limited Partners' Subscriptions to the Access Fund for investment into the Underlying Fund. However, the General Partner is not required to set aside any such amounts, and may commit up to 100% of the Limited Partners' Subscriptions to the Underlying Fund. If the General Partner over-commits the Access Fund to the Underlying Fund (i.e., commits an amount to the Underlying Fund, which together with any expenses of the Access Fund, is greater than the total amount of the Limited Partners' Subscriptions to the Access Fund) the General Partner may need to fund Access Fund expenses or future capital calls by the Underlying Fund through the distributions received from the Underlying Fund (in such case the Limited Partners will be allocated income without corresponding cash to pay taxes on such income) or through borrowings. However, if there is a delay in the return of capital, or insufficient capital is returned from the Underlying Fund and the Access Fund is not able to borrow sufficient funds, the Access Fund may no longer be able to fully meet its capital contribution obligations towards the Underlying Fund.

**Lack of Diversification.** The Access Fund only intends to invest in the Underlying Fund. Accordingly, the assets of the Access Fund are subject to greater risk of loss than if they were more widely diversified. Poor performance on the part of the Underlying Fund will cause poor performance of the Access Fund. If the Access Fund is not able to raise enough capital, it will also invest less in the Underlying Fund than originally contemplated.

**Forward-Looking Statements.** Statements contained in this Memorandum that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the General Partner and the Investment Manager. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained in this Memorandum constitutes "forward-looking" statements, which often can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," "plan," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Access Fund and the Underlying Fund may differ materially from those reflected or contemplated in such forward-looking statements.

**Disqualification of Certain "Bad Actors" from Rule 506 Offerings.** The Interests are offered in reliance upon the exemptions from registration provided in the Securities Act and/or Regulation D promulgated thereunder. The Access Fund would be disqualified from relying on Rule 506 of Regulation D ("Rule 506") for any offer or sale of Interests if certain "bad actors" are involved in such offering, unless the disqualification could not have been identified by the Access Fund in the exercise of reasonable care or has been waived by the SEC staff. The Access Fund has implemented certain procedures to prevent any "Covered Person" (as defined in Rule 506(d)) subject to a "disqualifying event" (as defined in Rule 506(d)(1) of Regulation D) from participating in the offering of Interests or investing in the Access Fund. Covered Persons include, but are not limited to, the General Partner, the Placement Agents and beneficial owners of 20% or more of the Access Fund's voting equity securities. The General Partner may, in its sole discretion, involuntarily redeem all or a portion of a Limited Partner's Interest to satisfy the conditions set forth in Rule 506. Nevertheless there is a risk that the Access Fund will be required to terminate the offering of Interests in the event that an affiliate, Limited Partner holding 20% or more of the Access Fund's voting

*Proprietary and Confidential*