

where the Access Fund has a significant ownership interest (generally 80% or more) in such portfolio company, there is a potential risk that the Access Fund and any portfolio company could be subject to controlled group liability under ERISA. These liabilities generally include funding obligations to single-employer pension plans and withdrawal liability from union-sponsored multiemployer pension plans. In July 2013, the U.S. Federal Court of Appeals for the First Circuit held that the portfolio company management activities of a private equity fund could cause the fund to be regarded for ERISA controlled group liability purposes as engaging in a “trade or business” (the “**2013 Sun Capital Case**”). Further, in March 2016, the U.S. District Court for the District of Massachusetts held that affiliated private equity funds investing in the same portfolio company may form a “partnership-in-fact.” The District Court found that the affiliated funds forming the de facto partnership would be subject to controlled group liability if the funds together held 80% or more of the portfolio company in question (together with the 2013 Sun Capital Case, the “**Sun Capital Cases**”). Although the extent of the impact of the holdings in the Sun Capital Cases is unclear, the possibility of trade or business characterization remains a risk for the Access Fund and private equity funds generally, especially in the First Circuit. Furthermore, the ownership interest of the Access Fund in some or all of its portfolio companies could be sufficient to create a controlled group relationship, especially if the ownership interests of related and/or parallel funds are aggregated when applying the controlled group ownership tests. Although many practitioners believe that such aggregation should not be required, there is some risk that a court might find otherwise, especially in the District of Massachusetts. To the extent relevant, the Access Fund currently intends to take the position that it is not engaged in a trade or business for ERISA controlled group liability purposes, that related and/or parallel funds will not have formed a de facto partnership and that ownership interests of any such related and/or parallel funds are not to be aggregated when applying the controlled group ownership tests.

No Recourse Against the Underlying Fund. Limited Partners of the Access Fund will not be limited partners of the Underlying Fund, will have no direct interest in the Underlying Fund and will have no standing or recourse against the Underlying Fund, Glendower, their respective affiliates or any of their respective advisors, officers, directors, employees, partners or members.

Lack of Transferability or Redemption of Interests. In light of the fact that there are restrictions on withdrawals, transfers and redemptions, and the Interests are not registered under the U.S. federal or state securities laws or similar laws of any non-U.S. jurisdiction, an investment in the Access Fund will be an illiquid investment. There will not be any market for the Interests. Investments in the Access Fund should therefore be considered only by persons financially able to maintain their investment for an extended period of time, who can afford a loss of all or a substantial part of their investment and have the financial ability to satisfy capital calls. Even if the Access Fund’s investment in the Underlying Fund proves successful, it is unlikely to produce a realized return to Limited Partners for a period of years.

No Rights to Vote or Participate. In the event that there is an issue to be voted upon by the investors of the Underlying Fund, the General Partner and/or the Investment Manager, and not the Limited Partners, will determine how the Access Fund’s interest in the Underlying Fund will be voted. In addition, none of the Access Fund, the General Partner or the Limited Partners will have an opportunity to participate in the control, management or operations of the Underlying Fund.

Investment Concentration. The Access Fund will invest solely in the Underlying Fund (and in co-investments, if any, with the Underlying Fund or its respective affiliates). Because the sole purpose of the Access Fund is to acquire an interest in the Underlying Fund, all investment risks set forth in the Underlying Fund PPM will be relevant when considering an investment in the Access Fund. The Underlying Fund may only make a limited number of investments and accordingly a significant portion of the Underlying Fund’s aggregate commitments may be invested in any one industry, region or country. As a result, any single loss

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