Name of Investor: ______________________ Copy No.: ______________________

SYMFONIE ANGEL VENTURES, LP

a Delaware Limited Partnership

TAXATION SUPPLEMENT TO THE PRIVATE PLACEMENT INFORMATION MEMORANDUM

15 July 2013

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This Supplement to the Private Placement Information Memorandum (hereafter "Memorandum") provides additional disclosure regarding U.S. Taxation of the Partnership and the Partnership Interests in respect of U.S. Investors. Prospective Partners are urged to carefully review this Information Memorandum and the related materials and to consult their own advisors as appropriate prior to subscribing for Partnership Interests.

THE INFORMATION CONTAINED IN THIS SUPPLEMENT IS SUBJECT TO CHANGE. NO PARTNER OR PROSPECTIVE PARTNER SHOULD RELY SOLELY ON THE INFORMATION CONTINAED HEREIN FOR THE PURPOSES OF MAKING AN INVESTMENT DECISION NOR FOR THE PURPOSES OF MAKING ITS OWN JUDGEMENT AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION. EACH PARTNER IS RESPONSIBLE FOR MAKING ITS OWN DETERMINATION AS TO HOW ITS INTEREST IN THE PARTNERSHIP SHOULD BE TREATED FOR TAX PURPOSES.

THIS INFORMATION MEMORANDUM IS CONFIDENTIAL. IT IS NOT INTENDED FOR PUBLIC DISTRIBUTION AND IS NOT AN OFFER TO SELL OR SOLICIT AN OFFER TO BUY THE PARTNERSHIP INTERESTS DESCRIBED HEREIN.

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PREFACE TO THIS SUPPMENT

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY DISCUSSION OF U.S FEDERAL TAX ISSUES CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX INVESTMENT ADVISOR.

The following is a summary of certain aspects of the U.S. federal income taxation of the Partnership and investment in the Partnership by Limited Partners. The Partnership has not sought a ruling from the Internal Revenue Service (the "Service") or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Partnership, nor has it obtained an opinion of counsel with respect to any tax issues.

For purposes of the following summary, a "U.S. Person" is (i) an individual who is a citizen or resident of the United States, (ii) a corporation or other entity treated as a corporation for U.S. federal income tax purposes that is created or organized under the laws of the United States or any state thereof, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust (a) the administration over which a U.S. court can exercise primary supervision and all of the substantial decisions of which one or more U.S. persons have the authority to control or (b) that has a valid election in place under the U.S. Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

In the case of a Limited Partner that is treated as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of a partner therein will generally depend on the status of the partner and upon the activities of the partnership. Partners in partnerships purchasing Interests should consult their own tax advisors.

This summary does not address tax consequences that may apply to tax-exempt investors (i.e., investors that are exempt from U.S. federal income tax under Section 501(a) of the Code) or to non-U.S. investors. Such investors should consult their own tax advisers regarding all aspects and consequences of acquiring, holding and disposing of Interests.

This summary of certain aspects of the U.S. federal income tax treatment of the Partnership is based upon the Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, Treasury Regulations (the "Regulations") and rulings in existence on the date hereof, all of which are subject to change. This summary does not discuss the impact of various proposals to amend the Code which could change certain of the tax consequences of an investment in the Partnership. This summary also does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the U.S. federal income tax laws, such as banks, dealers in securities, tax-exempt entities and insurance companies. In addition, these summaries do not discuss any aspect of

U.S. state, local, or non-U.S. tax law and is written for investors that will hold their Limited Partnership Interests as capital assets within the meaning of Section 1221 of the Code.

EACH PROSPECTIVE LIMITED PARTNER SHOULD CONSULT WITH ITS OWN TAX ADVISER IN ORDER FULLY TO UNDERSTAND THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP.

KEY SUMMARY INFORMATION

The following summary highlights headline information and is intended purely for the convenience of investors. It is not by itself complete and should not be relied upon for anything more than the basic information.

INVESTORS ARE URGED TO REVIEW THIS DOCUMENT IN ITS ENTIREY AND TO CONSULT WITH THEIR OWN TAX ADVISORS.

- The Partnership is a partnership for the purposes of U.S. taxation is generally not subject to taxation in the U.S.

- The Partnership intends to arrange its affairs so that it is not subject to taxation as a permanent establishment in any country outside of the U.S.

- Some foreign countries may require taxes to be withheld at source in respect of certain types of income the Partnership may receive. There is no guarantee such withholdings can be recovered.

- The Partnership reports to each Investor annually a summary of the Partners' pro-rata share of partnership gains and losses and a summary of any capital distributed to partner's and the valuation of each partner's investment in the Partnership.

- Partners who are subject to U.S. taxes are required to report their share of Partnership gains and losses on their U.S. tax return.

- Foreign Partners who are not subject to U.S. taxes are not required to file a tax return in the U.S.

- Many non-U.S. jurisdictions treat an investment in the Partnership similar to any other investment in a security or investment fund and subject to taxation only the income or capital gains distributions the Partnership pays to investors and only the capital gain investors receive upon sale or liquidation of their Partnership Interest.

EACH PARTNER MUST MAKE ITS OWN DETERMINATION OF HOW TO TREAT ITS INVESTMENT IN THE PARTNERSHIP FOR PURPOSES OF TAXATION ACCORDING TO THE PARTNER'S TAX DOMICILE.

U.S. TAX TREATMENT OF PARTNERSHIP OPERATIONS AND CLASSIFICATION OF THE PARTNERSHIP

Status of the Partnership for U.S. Tax Purposes

The Partnership intends to operate as a partnership for U.S. federal income tax purposes and not as an entity taxable as a corporation. Unless otherwise indicated, references in the following discussion to the tax consequences of Partnership investments, activities, income, gain and loss, include the direct investments, activities, income, gain and loss of the Partnership, and those indirectly attributable to the Partnership as a result of it being a member of the Partnership.

The Partnership intends to operate as a partnership for U.S. federal income tax purposes that is not a publicly traded partnership taxable as a corporation. If it were determined that the Partnership should be taxable as a corporation for U.S. federal income tax purposes (as a result of changes in the Code, the Regulations or judicial interpretations thereof, a material adverse change in facts, or otherwise), the taxable income of the Partnership would be subject to U.S. federal corporate income tax when recognized by the Partnership; distributions of such income, other than in certain redemptions of Interests, would be treated as dividend income when received by the Partners to the extent of the current or accumulated earnings and profits of the Partnership; and Partners would not be entitled to report profits or losses realized by the Partnership.

As a partnership, the Partnership is not itself subject to U.S. federal income tax. The Partnership files an annual partnership information return with the Service which reports the results of operations.

U.S. persons are required to attach Schedule K-1 to their U.S. tax return. The Partnership will endeavor to deliver Schedules K-1 to Limited Partners prior to April 15th of each year, but may not be able to do so. Accordingly, Limited Partners may be required to obtain extensions for filing their U.S. federal, state and local income tax returns each year. The Partnership will provide Limited Partners with estimated annual U.S. federal income tax information prior to April 15th, assuming the Partnership is able to obtain such information.

A Partner who is required under U.S. law to submit tax returns is required to report separately on its income tax return their distributive share of the Partnership's net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss. Each U.S. Partner is taxed on its distributive share of the Partnership's taxable income and gain regardless of whether it has received or will receive a distribution from the Partnership.

Income the Partnership derives from non-U.S. sources may be the subject of withholding tax at source. The Partnership will specify to each Partner it's *pro rata* share of tax that was withheld at source. Depending on each Partner's specific tax domicile and the applicable rules and regulations Partners may be able to re-claim such tax. However, there can be no assurance or guarantee that taxes withheld at source can be reclaimed, credited or otherwise deducted from reported income. Each Partner must rely on the advice of its own tax advisor.

U.S. Taxation on Allocation of Profits and Losses

Under the Partnership Agreement, the Partnership's net capital appreciation or net capital depreciation for each accounting period is allocated among the Partners and to their capital accounts without regard to the amount of income or loss actually recognized by the Partnership for U.S. federal income tax purposes. The Partnership Agreement provides that items of income, deduction, gain, loss or credit actually recognized by the Partnership for each fiscal year generally are to be allocated for income tax purposes among the Partners pursuant to the principles of Regulations issued under Sections 704(b) and 704(c) of the Code, based upon amounts of the Partnership's net capital appreciation or net capital depreciation allocated to each Partner's capital account for the current and prior fiscal years.

Under the Partnership Agreement, the General Partner has the discretion to allocate specially an amount of the Partnership's ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) for U.S. federal income tax purposes to a withdrawing Partner to the extent that the Partner's capital account exceeds, or is less than, as the case may be, its U.S. federal income tax basis in its partnership interest. There can be no assurance that, if the General Partner makes any such special allocations, the Service will accept such allocations. If such allocations are successfully challenged by the Service, the Partnership's tax items allocable to the remaining Partners would be affected.

Partnership Tax Elections; Partnership Tax Returns; Partnership Tax Audits

The Code generally provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner and transfers of partnership interests (including by reason of death) provided that a partnership election has been made pursuant to Section 754 of the Code. Under the Partnership Agreement, the General Partner, in its sole discretion, may cause the Partnership to make such an election. Any such election, once made, cannot be revoked without the Service's consent. The actual effect of any such election may depend upon whether the Partnership 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 election.

The General Partner decides how to report the tax items on the Partnership's tax returns, and all Partners are required under the Code to treat the items consistently on their own returns, unless they file a statement with the Service disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the Service may not agree with the manner in which the Partnership's items have been reported. In the event the income tax returns of the Partnership are audited by the Service, the tax treatment of the Partnership's income and deductions generally is determined at the limited partnership level in a single proceeding rather than by individual audits of the Partners. The General Partner, designated as the "Tax Matters Partner", has considerable authority to make decisions affecting the tax treatment and procedural rights of all Partners. In addition, the Tax Matters Partner has the authority to bind certain Partners to settlement agreements and the right on behalf of all Partners to extend the statute of limitations relating to the Partners' tax liabilities with respect to Partnership items.

Alternative Minimum Tax

In certain circumstances, individuals, corporations and other taxpayers may be subject to an alternative minimum tax in addition to a regular tax. A Limited Partner's potential alternative minimum tax liability may be affected by reason of an investment in the Partnership. The extent, if any, to which the alternative minimum tax applies will depend on each Limited Partner's particular circumstances for each taxable year.

Mandatory Basis Adjustments

The Partnership and the Partnership are generally required to adjust their tax basis in their assets in respect of all Partners in cases of partnership distributions that result in a "substantial basis reduction" (i.e., in excess of $250,000) in respect of the relevant partnership's property. The Partnership and the Partnership also are required to adjust their tax basis in their assets in respect of a transferee Partner in the case of a sale or exchange of an Interest, or a transfer upon death, when there exists a "substantial built-in loss" (i.e., in excess of $250,000) in respect of Partnership property immediately after the transfer. For this reason, the Partnership will require (i) a Partner who receives a distribution from the Partnership in connection with a complete withdrawal, (ii) a transferee of an Interest (including a transferee in case of death) and (iii) any other Partner in appropriate circumstances to provide the Partnership with information regarding its adjusted tax basis in its Interest.

Tax Consequences to a Withdrawing Limited Partner

A Limited Partner receiving a cash liquidating distribution from the Partnership, in connection with a complete withdrawal from the Partnership, generally will recognize capital gain or loss to the extent of the difference between the proceeds received by such Limited Partner and such Limited Partner's adjusted tax basis in its partnership interest. Such capital gain or loss will be short-term, long-term, or some combination of both, depending upon the timing of the Limited Partner's contributions to the Partnership. However, a withdrawing Limited Partner will recognize ordinary income to the extent such Limited Partner's allocable share of the Partnership's "unrealized receivables" exceeds the Limited Partner's basis in such unrealized receivables (as determined pursuant to the Regulations). For these purposes, accrued but untaxed market discount, if any, on securities held by the Partnership will be treated as an unrealized receivable, with respect to which a withdrawing Limited Partner would recognize ordinary income. A Limited Partner receiving a cash nonliquidating distribution will recognize income in a similar manner only to the extent that the amount of the distribution exceeds such Limited Partner's adjusted tax basis in its partnership interest.

As discussed above, the Partnership Agreement provides that the General Partner may specially allocate items of Partnership ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) to a withdrawing Partner to the extent its capital account would otherwise exceed or be less than, as the case may be, its adjusted tax basis in its partnership interest. Such a special allocation of income or gain may result in the withdrawing Partner recognizing ordinary income and/or capital gain, which may include short-term capital gain, in the Partner's last taxable year in the Partnership, thereby reducing the amount of long-term capital gain recognized during the tax year in which it receives its liquidating distribution upon withdrawal. Such a special allocation of deduction or loss may result in the withdrawing Partner recognizing ordinary loss and/or capital loss, which may include long-term capital loss, in the Partner's

last taxable year in the Partnership, thereby reducing the amount of short-term capital loss recognized during the tax year in which it receives its liquidating distribution upon withdrawal.

Distributions of Property

A partner's receipt of a distribution of property from a partnership is generally not taxable. However, under Section 731 of the Code, a distribution consisting of marketable securities generally is treated as a distribution of cash (rather than property) unless the distributing partnership is an "investment partnership" within the meaning of Section 731(c)(3)(C)(i) of the Code and the recipient is an "eligible partner" within the meaning of Section 731(c)(3)(C)(iii) of the Code. The Partnership will determine at the appropriate time whether it qualifies as an "investment partnership." Assuming it so qualifies, if a Limited Partner is an "eligible partner", which term should include a Limited Partner whose contributions to the Partnership consisted solely of cash, the recharacterization rule described above would not apply.

Adjusted Tax Basis for Interests

In general, a Limited Partner’s adjusted tax basis for its Interest in the Partnership will equal the Limited Partner’s capital contributions to the Partnership, increased by any income and gain allocated in respect of such Interest and decreased for loss allocated or distributions made in respect of such Interest. For purposes of determining basis, a Limited Partner will be deemed to have made a contribution to the Partnership in the amount of the member’s allocable share of any “non-recourse liability” (generally, any liability for which no Partner bears the risk of loss) of the Partnership and any other liability of the Partnership to the extent the Limited Partner’s unfunded capital commitments can be called to repay the liability. Any increase or decrease in the Limited Partner’s share of a Partnership liability will be treated as a constructive contribution to the Partnership by the Limited Partner, or as a distribution of cash by the Partnership to the Limited Partner, respectively.

Tax Treatment of Partnership Investments

Certain of the Partnership’s investment practices are subject to special and complex U.S. federal income tax provisions that may, among other things: (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert lower taxed, long term capital gain into higher taxed, short term capital or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause the Partnership to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the timing as to when a purchase or sale of stock or securities is deemed to occur, and (vi) adversely alter the characterization of certain complex financial transactions.

The Partnership’s Gains and Losses on Securities

The Partnership expects to act as a trader or investor, and not as a dealer, with respect to its securities transactions. A trader and an investor are persons who buy and sell securities for their own accounts. A dealer, on the other hand, is a person who purchases securities for resale to customers rather than for investment or speculation.

Generally, the gains and losses realized by a trader or an investor on the sale of securities are capital gains and losses. Capital gains and losses recognized by the Partnership may be long-term or short-term

depending, in general, upon the length of time the Partnership maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than one year generally will be eligible for long-term capital gain or loss treatment. The application of certain rules relating to short sales, to so-called "straddle" and "wash sale" transactions and to Section 1256 Contracts (defined below) may serve to alter the treatment of the Partnership's securities positions.

The Partnership may also realize ordinary income and losses with respect to its transactions. The Partnership may hold debt obligations with "original issue discount." In such case the Partnership would be required to include amounts in taxable income on a current basis even though receipt of such amounts may occur in a subsequent year.

The maximum ordinary income tax rate for individuals is 35%[1] and, in general, the maximum individual income tax rate for "Qualified Dividends"[2] and long-term capital gains is 15%[3] (unless the taxpayer elects to be taxed at ordinary rates - see "Limitation on Deductibility of Interest and Short Sale Expenses" below), although in all cases the actual rates may be higher due to the phase out of certain tax deductions, exemptions and credits. The excess of capital losses over capital gains may be offset against the ordinary income of an individual taxpayer, subject to an annual deduction limitation of $3,000. For corporate taxpayers, the maximum income tax rate is 35%. Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

The Partnership's Possible "Mark-to-Market" Election

To the extent that the Partnership is directly engaged in a trade or business as a trader in "securities," it may elect under Section 475 of the Code to "mark-to-market" the securities held in connection with such trade or business. Under such election, securities held by the Partnership at the end of each taxable year will be treated as if they were sold by the Partnership for their fair market value on the last day of such taxable year, and gains or losses recognized thereon will be treated as ordinary income or loss. Moreover, even if the Partnership determines that its securities activities will constitute trading rather than investing, there can be no assurance that the Service will agree, in which case the Partnership may not be able to mark-to-market its positions.

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[1] This rate is scheduled to increase to 39.6% in 2011.

[2] A "Qualified Dividend" is generally a dividend from certain domestic corporations, and from certain foreign corporations that are either eligible for the benefits of a comprehensive income tax treaty with the United States or are readily tradable on an established securities market in the United States. Shares must be held for certain holding periods in order for a dividend thereon to be a Qualified Dividend.

[3] The maximum individual long-term capital gains tax rate is 20% for sales or exchanges on or after January 1, 20011. The 15% maximum individual tax rate on Qualified Dividends is scheduled to expire on December 31, 2010.

Deductibility of Partnership Investment Expenditures and Certain Other Expenditures

Investment expenses (e.g., Investment Advisory fees) of an individual, trust or estate are deductible only to the extent they exceed 2% of adjusted gross income.[4] In addition, the Code further restricts the ability of an individual with an adjusted gross income in excess of a specified amount to deduct such investment expenses. Moreover, such investment expenses are miscellaneous itemized deductions which are not deductible by a noncorporate taxpayer in calculating its alternative minimum tax liability.

It is unclear whether all or a portion of the Partnership's operations will qualify as trading - rather than investment - activities, the expenses for which would not be treated as investment expenses. Therefore, pursuant to Temporary Regulations issued by the U.S. Treasury Department, these limitations on deductibility may apply to a noncorporate Limited Partner's share of the expenses of the Partnership, including the Management Fee, the fee paid to the Accountant and payments made on certain derivative instruments.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, non-corporate Limited Partners should consult their tax advisers with respect to the application of these limitations.

Organization expenses, in general, may not be deducted by either the Partnership or any Partner. An election may be made by the Partnership to amortize organizational expenses over a 180-month period.

A Limited Partner will not be allowed to deduct syndication expenses attributable to the acquisition of an Interest, including placement fees, paid by such Limited Partner or the Partnership. Any such amounts will be included in the Limited Partner's adjusted tax basis for its Interest.

Section 470 of the Code may defer certain deductions of the Partnership and the Partnership to the extent any direct or indirect investors of the Partnership and the Partnership are U.S. tax exempt persons, non-U.S. persons, and any domestic government organizations or instrumentalities thereof. If applicable, this provision could have an adverse effect on taxable investors in the Partnership. There is some uncertainty regarding the scope of the new provision and its applicability to the Partnership and the Partnership, which may be addressed in future guidance or legislation. Investors should consult their tax Investment Advisors regarding the consequences of this new provision with respect to an investment in the Partnership.

Application of Rules for Income and Losses from Passive Activities for Purposes of U.S. Taxation

The Code restricts the deductibility of losses from a "passive activity" against certain income which is not derived from a passive activity. This restriction applies to individuals, personal service corporations

[4] However, Section 67(e) of the Code provides that, in the case of a trust or an estate, such limitation does not apply to deductions or costs which are paid or incurred in connection with the administration of the estate or trust and would not have been incurred if the property were not held in such trust or estate. There is a disagreement among three Federal Courts of Appeals on the question of whether the Investment Advisory fees incurred by a trust are exempt (under Section 67(e)) from the 2% of adjusted gross income floor on deductibility. Limited Partners that are trusts or estates should consult their tax Investment Advisors as to the applicability of these cases to the investment expenses that are allocated to them.

and certain closely held corporations. Pursuant to Temporary Regulations issued by the Treasury Department, income or loss from the Partnership's securities investment and trading activity generally will not constitute income or loss from a passive activity. Therefore, passive losses from other sources generally could not be deducted against a Limited Partner's share of such income and gain from the Partnership. Income or loss attributable to certain activities of the Partnership, including investments in partnerships engaged in certain trades or businesses may constitute passive activity income or loss.

Application of Basis and "At Risk" Limitations on Deductions for Purposes of U.S. Taxation

The amount of any loss of the Partnership that a Limited Partner is entitled to include in its income tax return is limited to its adjusted tax basis in its Interest as of the end of the Partnership's taxable year in which such loss occurred. Generally, a Limited Partner's adjusted tax basis for its Interest is equal to the amount paid for such Interest, increased by the sum of (i) its share of the Partnership's liabilities, as determined for U.S.federal income tax purposes, and (ii) its distributive share of the Partnership's realized income and gains, and decreased (but not below zero) by the sum of (i) distributions (including decreases in its share of Partnership liabilities) made by the Partnership to such Limited Partner and (ii) such Limited Partner's distributive share of the Partnership's realized losses and expenses.

Similarly, a Limited Partner that is subject to the "at risk" limitations (generally, non-corporate taxpayers and closely held corporations) may not deduct losses of the Partnership to the extent that they exceed the amount such Limited Partner has "at risk" with respect to its Interest at the end of the year. The amount that a Limited Partner has "at risk" will generally be the same as its adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of the Partnership or any amount borrowed by the Limited Partner on a non-recourse basis.

Losses denied under the basis or "at risk" limitations are suspended and may be carried forward in subsequent taxable years, subject to these and other applicable limitations.

U.S. Tax Implications of "Phantom Income" From Partnership Investments

Pursuant to various "anti-deferral" provisions of the Code (e.g., the "Subpart F," and "passive foreign investment company" provisions), investments (if any) by the Partnership in certain foreign corporations may cause a Limited Partner to (i) recognize taxable income prior to the Partnership's receipt of distributable proceeds, (ii) pay an interest charge on receipts that are deemed as having been deferred or (iii) recognize ordinary income that, but for the "anti-deferral" provisions, would have been treated as long-term or short-term capital gain.

Tax Reporting Requirements for U.S. Partners

Regulations generally impose an information reporting requirement on a U.S. person's direct and indirect contributions of cash or property to a non-U.S. partnership such as the Partnership (i) where, immediately after the contribution, the U.S. person owns (directly, indirectly or by attribution) at least a 10% interest in the non-U.S. partnership or (ii) the value of the cash and/or property transferred during the twelve-month period ending on the date of the contribution by the transferor (or any related person) exceeds $100,000. Under these rules, a Limited Partner will be deemed to have transferred a proportionate share of the cash and property contributed by the Partnership to the Partnership. Furthermore, if a U.S. person was required to report a transfer to a non-U.S. partnership of appreciated property under the first sentence of this paragraph, and the non-U.S. foreign partnership disposes of the

property while such U.S. person remains a direct or indirect partner, that U.S. person must report the disposition by the partnership. However, a Limited Partner will not be required to file information returns with respect to the events described in this paragraph if the Partnership complies with the reporting requirements. The Partnership intends to file the required reports with the Service so as to relieve the Limited Partners of these reporting obligations.

Regulations also generally impose a reporting requirement on any U.S. Limited Partner which, at any time during the taxable year of the Partnership, owns (indirectly or by attribution) more than 50% of the capital or profits of the Partnership. The General Partner will notify any Limited Partner who owns the requisite indirect interest in the Partnership and will assist such person in meeting their reporting obligations.

The foregoing discussion is only a brief summary of certain information reporting requirements. Substantial penalties may apply if the required reports are not made on time. Partners are strongly urged to consult their own tax advisers concerning these reporting requirements as they relate to their investment in the Partnership.

Partnership Tax Reporting of Currency Gains or Losses

If the Partnership makes an investment or obtains financing denominated in a currency other than the U.S. dollar, then the Partnership may recognize gain or loss attributable to fluctuations in such currency relative to the U.S. dollar. The Partnership may also recognize gain or loss on such fluctuations occurring between the time it obtains and disposes of non-U.S. currency, between the time it accrues and collects income denominated in a non-U.S. currency, or between the time it accrues and pays liabilities denominated in a non-U.S. currency. Such gains or losses generally will be treated as ordinary income or loss.

Foreign Taxes Paid by the Partnership

It is possible that certain dividends and interest directly or indirectly received by the Partnership from sources within countries other than the United States will be subject to withholding taxes imposed by such countries. In addition, the Partnership or the Partnership may also be subject to non-U.S. capital gains taxes in some of the countries where they purchase and sell securities. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict in advance the rate of non-U.S. tax the Partnership will pay since the amount of the Partnership's assets to be invested in various countries is not known.

The Partners will be informed by the Partnership as to their proportionate share of the non-U.S. taxes paid by the Partnership and the Partnership which they will be required to include in their income. The Limited Partners generally will be entitled to claim either a credit (subject to the limitations discussed below and provided that, in the case of dividends, the foreign stock is held for the requisite holding period) or, if they itemize their deductions, a deduction (subject to the limitations generally applicable to deductions) for their share of such non-U.S. taxes in computing their U.S. federal income taxes.

Generally, a credit for non-U.S. taxes is subject to the limitation that it may not exceed the Partner's U.S. federal tax (before the credit) attributable to its total non-U.S. source taxable income. A Limited Partner's share of the Partnership's dividends and interest from non-U.S. securities generally will qualify as non-U.S. source income. Generally, the source of gain and loss realized upon the sale of personal

property, such as securities, will be based on the residence of the seller. In the case of a partnership, the determining factor is the residence of the partner. Thus, absent a tax treaty to the contrary, the gains and losses from the sale of securities allocable to a Partner that is a U.S. resident generally will be treated as derived from U.S. sources (even though the securities are sold in other countries). For purposes of the "foreign tax credit limitation" calculation, investors entitled to the 15% tax rate on Qualified Dividends and long-term capital gains described above (see "Tax Treatment of Partnership Investments – In General"), must adjust their "foreign tax credit limitation" calculation to take into account the preferential tax rate on such income to the extent it is derived from foreign sources.

The limitation on the "foreign tax credit" is applied separately to non-U.S. source passive income, such as dividends and interest. In addition, for "foreign tax credit limitation" purposes, the amount of a Partner's non-U.S. source income is reduced by various deductions that are allocated and/or apportioned to such non-U.S. source income. One such deduction is interest expense, a portion of which will generally reduce the non-U.S. source income of any Partner who owns (directly or indirectly) non-U.S. assets. For these purposes, non-U.S. assets owned by the Partnership will be treated as owned by the investors in the Partnership and indebtedness incurred by the Partnership will be treated as incurred by investors in the Partnership.

Because of these limitations, Limited Partners may be unable to claim a credit for the full amount of their proportionate share of the non-U.S. taxes paid by the Partnership. The foregoing is only a general description of the "foreign tax credit" under current law. Moreover, since the availability of a credit or deduction depends on the particular circumstances of each Partner, Limited Partners are advised to consult their own tax advisers.

The Partnership's Reportable Transactions for U.S. Tax Purposes

The Regulations require the Partnership to complete and file Form 8886 ("Reportable Transaction Disclosure Statement") with its tax return for any taxable year in which the Partnership participates in a "reportable transaction." Additionally, each Partner treated as participating in a reportable transaction of the Partnership is required to file Form 8886 with its tax return. The Partnership and any such Partner, respectively, must also submit a copy of the completed form with the Service's Office of Tax Shelter Analysis. The Partnership intends to notify the Partners that it believes (based on information available to the Partnership) are required to report a transaction of the Partnership, and intends to provide such Limited Partners with any available information needed to complete and submit Form 8886 with respect to the Partnership's transactions.

A Partner's recognition of a loss upon its disposition of an interest in the Partnership could also constitute a "reportable transaction" for such Partner requiring such Partner to file Form 8886.

A significant penalty is imposed on taxpayers who participate in a "reportable transaction" and fail to make the required disclosure. The penalty is generally $10,000 for natural persons and $50,000 for other persons (increased to $100,000 and $200,000, respectively, if the reportable transaction is a "listed" transaction). Investors should consult with their own Investment Advisors concerning the application of these reporting obligations to their specific situations.

State and Local Taxation of U.S. Investors

In addition to the U.S. federal income tax consequences described above, prospective investors should consider potential U.S. state and local tax consequences of an investment in the Partnership. State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit.

A Partner's distributive share of the taxable income or loss of the Partnership generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. A partnership in which the Partnership acquires an interest may conduct business in a jurisdiction which will subject to tax a Partner's share of the partnership's income from that business and may cause Partners to file tax returns in those jurisdictions. Prospective investors should consult their tax advisers with respect to the availability of a credit for such tax in the jurisdiction in which that Partner is a resident.

Certain states impose limitations on deductions that can be claimed for purposes of determining state and local income tax liability. For example, certain states impose limitations on the amount of itemized deduction, including, for example, investment interest, that can be claimed for state and local income tax purposes.

One or more states may impose reporting requirements on the Partnership and/or its Limited Partners in a manner similar to that described in “Reportable Transactions.” Investors should consult with their own advisers with respect to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

Each Limited Partner is urged to consult its own tax Investment Advisor to determine the U.S. state and local tax considerations relating to an investment in the Partnership and the most tax efficient structure for such investment.

TAX TREATMENT OF PARTNERSHIP OPERATIONS OUTSIDE THE U.S.

Foreign Taxation of the Partnership

The General Partner and the Investment Advisor intend to conduct their affairs and the affairs of the Partnership so that the Partnership is not treated as being resident for tax purposes in any country outside the United States. Accordingly, provided that the Partnership does not carry on a trade in the through a fixed place of business or an agent that constitutes a "permanent establishment", the Partnership not be subject to corporation tax on its income and capital gains anywhere outside of the U.S.

Regulations concerning tax withholding and the processes for establishing whether or not withholding tax is applicable and how any exemptions can be obtain vary to from country to country. Certain interest and other income received by the Partnership outside the U.S. may be subject to withholding tax at source. The General Partner will use its reasonable efforts to arrange the Partnership's affairs so that that interest paid to the Partnership receives income from sources outside the U.S. is paid either with a reduced rate of withholding tax or entirely gross of withholding tax.

The Partnership will report to its Partners the amount of income, if any, that was withheld at source. The General Partner will use its reasonable efforts avail the Partnership of opportunities to reclaim withholding tax. In certain circumstances Partners may be able to exercise rights to reclaim their pro-rata share of tax withheld from the tax authority in the country where withholding tax was paid. Partners may also be able to claim tax relief in their home country with respect to taxes withheld at source.

TAX TREATMENT OF FOREIGN PARTNERS IN THE PARTNERSHIP

Foreign Partners generally will not be subject to U.S. tax in respect of their income, gains and losses from the Partnership. Foreign Partners are subject to the prevailing tax rules in their country of domicile.

Limited Partners who are non-U.S. persons may be liable to pay taxes on income and capital gains with respect to their investment in the Partnership in the jurisdiction in which they are domiciled.

Limited Partners will receive annual statements from the Partnership detailing the valuation of their investment in Partnerships and their pro-rata share of Partnership net income, including information as to what amounts, if any, where withheld at source and the countries in which those withholdings took place.

Each non-U.S. investor is responsible for reporting and paying tax in the country of its residence or domicile applicable rules and regulations. Investors should consult their individual tax advisors as to the treatment of income and gains allocated or paid to them by the Partnership.

Many jurisdictions outside the U.S. subject only the actual realized income and or capital gain to taxation. Consequently, foreign investors in the Partnership generally can expect their investment in the Partnership to be treated identically any investment scheme or securities investments.

Prospective Limited Partners should consult their own tax advisers regarding the tax treatment consequences of an investment in the Partnership. and the extent to which their income from the Partnership would, be subject to tax in their respective domicile.

Under U.S. law interest income paid from U.S. sources paid to non-U.S. persons that qualifies as portfolio interest income as defined by the Code is not subject with withholding tax. Also, foreign source interest income would not be subject to a U.S. withholding tax.

Unless the General Partner determines that the Partnership is required to withhold tax on Partnership income allocated or distributed to a foreign Partner, the Partnership will not subject non-U.S. Partners to tax withholding. If, in its sole and absolute discretion the General Partner, determines to do the Partnership will withhold tax from non-U.S. Partners at whatever are the prevailing applicable withholding rates. Presently the withholding rate for most types of income the Partnership expects to distribute is 30%, unless otherwise specified in an applicable tax treaty between the U.S. and the non-U.S. Partner's domicile country.

For purposes of U.S. Federal, state and local taxation, the Partnership is a pass-through vehicle. However, outside of the U.S. the tax treatment of allocated and distributed income is subject to the prevailing law of that jurisdiction. Investors must rely on the advice of their own tax advisor as to the treatment of allocated and distributed Partnership income.