CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

FIRST MOVER FUND, LP

A DELAWARE LIMITED PARTNERSHIP



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REV. APRIL 15TH, 2026



FIRST MOVER FUND, LP

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM, AS IT MAY BE AMENDED FROM TIME TO TIME (THIS "MEMORANDUM") IS BEING FURNISHED ON A CONFIDENTIAL BASIS TO A LIMITED NUMBER OF QUALIFIED PROSPECTIVE INVESTORS FOR THEIR CONSIDERATION IN CONNECTION WITH THE PRIVATE OFFERING (THIS "OFFERING") OF LIMITED PARTNER INTERESTS (THE "INTERESTS") IN FIRST MOVER FUND, LP (THE "FUND"). BY ITS ACCEPTANCE HEREOF, EACH RECIPIENT AGREES THAT THIS MEMORANDUM MAY NOT BE REPRODUCED OR PROVIDED TO OTHERS, IN WHOLE OR IN PART, NOR MAY ITS CONTENTS BE DISCLOSED WITHOUT THE PRIOR WRITTEN CONSENT OF FIRST MOVER GP LLC, THE GENERAL PARTNER OF THE FUND (THE "GENERAL PARTNER"), AND THAT THE RECIPIENT WILL KEEP CONFIDENTIAL ALL INFORMATION CONTAINED HEREIN NOT ALREADY IN THE PUBLIC DOMAIN AND WILL USE THIS MEMORANDUM FOR THE SOLE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT IN THE FUND.

THE FOREGOING SHALL NOT LIMIT THE DISCLOSURE OF THE TAX TREATMENT OR TAX STRUCTURE OF THE FUND (OR ANY TRANSACTIONS UNDERTAKEN BY THE FUND). AS USED IN THIS PARAGRAPH, THE TERM "TAX TREATMENT" REFERS TO THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT AND THE TERM "TAX STRUCTURE" REFERS TO ANY FACT THAT MAY BE RELEVANT TO UNDERSTANDING THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT; PROVIDED THAT, FOR THE AVOIDANCE OF DOUBT, (A) EXCEPT TO THE EXTENT OTHERWISE ESTABLISHED IN PUBLISHED GUIDANCE BY THE U.S. INTERNAL REVENUE SERVICE, TAX TREATMENT AND TAX STRUCTURE SHALL NOT INCLUDE THE NAME OF, CONTACT INFORMATION FOR, OR ANY OTHER SIMILAR IDENTIFYING INFORMATION REGARDING THE FUND OR ANY OF ITS INVESTMENTS (INCLUDING THE NAMES OF ANY EMPLOYEES OR AFFILIATES THEREOF) AND (B) NOTHING IN THIS PARAGRAPH SHALL LIMIT THE ABILITY OF INVESTORS OR PROSPECTIVE INVESTORS FROM MAKING ANY DISCLOSURE TO SUCH PERSONS' TAX ADVISORS OR TO THE U.S. INTERNAL REVENUE SERVICE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS HAVE NOT BEEN APPROVED OR RECOMMENDED BY ANY FEDERAL, STATE OR FOREIGN SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER LAW OF ANY OTHER JURISDICTION. THE INTERESTS WILL BE OFFERED AND SOLD PURSUANT TO REGULATION D AND/OR REGULATION S UNDER THE SECURITIES ACT.

EACH PURCHASER OF THE SECURITIES OFFERED HEREUNDER (EACH, A "LIMITED PARTNER") MUST BE AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN REGULATION D.

THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), WHICH MEANS THAT INVESTORS WILL NOT BE AFFORDED THE PROTECTION OF THE INVESTMENT COMPANY ACT.

THE INTERESTS ARE BEING SOLD FOR INVESTMENT ONLY AND ARE SUBJECT TO SIGNIFICANT RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED, IN WHOLE OR IN PART, EXCEPT AS PERMITTED UNDER THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF THE FUND (AS FURTHER AMENDED AND/OR RESTATED, THE "PARTNERSHIP AGREEMENT"), AND ANY APPLICABLE SECURITIES LAWS RELATING TO THE REGISTRATION OF THE INTERESTS OR THE EXEMPTION OF THE INTERESTS FROM REGISTRATION. ACCORDINGLY, AN INVESTMENT IN THE FUND IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISKS AND LACK OF LIQUIDITY INHERENT IN AN INVESTMENT IN THE FUND FOR AN INDEFINITE PERIOD OF TIME. THERE WILL BE NO PUBLIC MARKET FOR THE INTERESTS, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE INTERESTS UNDER ANY SECURITIES LAW. PRIOR TO THE INITIAL CLOSING OF THE FUND, THE GENERAL PARTNER AND ITS AFFILIATES RESERVE THE RIGHT TO MODIFY ANY OF THE TERMS OF THIS OFFERING AND THE INTERESTS DESCRIBED HEREIN. THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PARTNERSHIP AGREEMENT AND THE SUBSCRIPTION AGREEMENT OF THE FUND (THE "SUBSCRIPTION AGREEMENT"), WHICH ARE AVAILABLE TO PROSPECTIVE INVESTORS UPON REQUEST. IN THE EVENT THAT THE DESCRIPTIONS OR TERMS DESCRIBED HEREIN ARE INCONSISTENT WITH OR CONTRAST TO THE DESCRIPTIONS IN OR TERMS OF THE PARTNERSHIP AGREEMENT OR THE SUBSCRIPTION AGREEMENT, THE PARTNERSHIP AGREEMENT AND THE SUBSCRIPTION AGREEMENT, AS APPLICABLE, SHALL CONTROL.

THE INTERESTS ARE OFFERED SUBJECT TO PRIOR SALE AND SUBJECT TO THE RIGHT OF THE GENERAL PARTNER TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART. AN INVESTMENT IN THE INTERESTS WILL INVOLVE SIGNIFICANT RISKS, INCLUDING RISK OF LOSS OF CAPITAL, AND POTENTIAL INVESTORS SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION UNDER SECTIONS II. "CERTAIN INVESTMENT CONSIDERATIONS," IV. "CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS AND V. "CERTAIN REGULATORY CONSIDERATIONS."

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, INVESTMENT OR OTHER ADVICE. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INQUIRIES AND CONSULT ITS ATTORNEYS, BUSINESS ADVISORS AND TAX ADVISORS AS TO THE FUND AND THIS



OFFERING AND AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE INTERESTS AND THIS OFFERING.

NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS MEMORANDUM, THE PARTNERSHIP AGREEMENT AND THE SUBSCRIPTION AGREEMENT AND ANY REPRESENTATION OF INFORMATION NOT CONTAINED THEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND, THE GENERAL PARTNER OR ANY OF THEIR AFFILIATES. NONE OF THE FUND, THE GENERAL PARTNER OR ANY OF THEIR RESPECTIVE AGENTS OR AFFILIATES, IS MAKING A REPRESENTATION OR WARRANTY TO ANY INVESTOR REGARDING THE LEGALITY OF ANY INVESTMENT IN THE FUND OR ABOUT THE INCOME AND OTHER TAX CONSEQUENCES TO ANY PERSON OF ANY INVESTMENT IN THE FUND. BEFORE SELLING ANY INTERESTS, THE GENERAL PARTNER WILL GIVE PROSPECTIVE INVESTORS THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS AND ADDITIONAL INFORMATION FROM, IT AND ITS REPRESENTATIVES REGARDING THIS OFFERING AND OTHER RELEVANT MATTERS.

EXCEPT WHERE OTHERWISE INDICATED, THE INFORMATION CONTAINED IN THIS MEMORANDUM HAS BEEN COMPILED AS OF THE DATE ON THE COVER PAGE OF THIS MEMORANDUM**.** NEITHER THE FUND NOR THE GENERAL PARTNER HAS ANY OBLIGATION TO UPDATE THIS MEMORANDUM. UNDER NO CIRCUMSTANCES SHOULD THE DELIVERY OF THIS MEMORANDUM CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FUND SINCE THE DATE ON THE COVER PAGE OF THIS MEMORANDUM. THIS MEMORANDUM SHALL REMAIN THE PROPERTY OF THE FUND. THE FUND RESERVES THE RIGHT TO REQUIRE THE RETURN OF THIS MEMORANDUM (TOGETHER WITH ANY COPIES OR EXTRACTS THEREOF) AT ANY TIME. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION TO ANY PERSON OR ENTITY TO WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

CERTAIN OF THE ECONOMIC, FINANCIAL AND MARKET INFORMATION CONTAINED HEREIN (INCLUDING CERTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION) HAS BEEN OBTAINED FROM PUBLISHED SOURCES AND/OR PREPARED BY OTHER PARTIES. WHILE SUCH INFORMATION IS BELIEVED TO BE RELIABLE FOR THE PURPOSES USED HEREIN, NONE OF THE FUND, THE GENERAL PARTNER, VANDERSTYN INC (THE "MANAGEMENT COMPANY") OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, BOARD MEMBERS, PARTNERS, MEMBERS, SHAREHOLDERS OR AFFILIATES ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

CERTAIN INFORMATION CONTAINED IN THIS MEMORANDUM CONSTITUTES "FORWARD-LOOKING" STATEMENTS WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD,"



"EXPECT," "ANTICIPATE," "ESTIMATE," "INTEND," "PROJECT," "TARGET," "CONTINUE" OR "BELIEVE" OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. DUE TO THE VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE SET FORTH UNDER SECTION II. "CERTAIN INVESTMENT CONSIDERATIONS," ACTUAL EVENTS OR RESULTS OR THE ACTUAL PERFORMANCE OF THE FUND MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS.

THE INTERESTS ARE NOT OBLIGATIONS OF, OR GUARANTEED BY, THE GENERAL PARTNER OR ANY OF ITS AFFILIATES.



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EXECUTIVE SUMMARY

First Mover Fund, LP (the "Fund") is a Delaware limited partnership seeking up to $25 million in capital commitments. It is managed by First Mover GP LLC (the "General Partner") and Vanderstyn Inc. (the "Management Company"), with S.A.M. Duijvestijn serving as Principal and John Collins as Head of U.S. Investor Relations. The Fund targets (i) a preferred return of 8% per annum (the "Preferred Return"), calculated on a time-weighted basis, and (ii) an annualized cash distribution target of approximately 8%, paid quarterly. The Fund operates under a time-weighted capital allocation model, whereby all economic outcomes are determined based on:
(i) the amount of capital contributed; and (ii) the duration such capital is invested.
Periodic distributions are intended to provide current cash flow and are treated as advance distributions. Final investor returns will be determined through a time-weighted reconciliation (True-Up) at realization or liquidation.

The Fund's investment strategy is centered on taking control of distressed or underutilized land in what the Management Company believes are high-potential regions and attempting to transform these assets into productive, income-generating landscapes. Through its team of environmental, agronomic and financial experts, the Management Company intends to revitalize these properties to produce both environmental assets and tangible commodities such as coffee, cocoa and other high-value commodities. The Management Company believes that this dual-output approach unlocks both immediate and long-term value across multiple revenue streams.

A key feature of the Fund is its use of a convertible debt structure, which should enable it to generate consistent quarterly income while retaining upside participation through equity conversion rights. This approach supports the Fund's goal of delivering stable 8% annual distributions (paid quarterly) to investors, with additional profit potential realized at exit or project monetization.

The Fund's projects are developed and managed to meet rigorous third-party certification standards, ensuring that each investment achieves both environmental credibility and market relevance. The Fund also participates selectively in secondary market transactions within the environmental commodity space to with the goal of enhancing portfolio liquidity and performance.

For certain investors, the Fund offers rare access to a traditionally opaque and institutionally dominated market segment. By engaging early and actively in land restoration and commodity development, the Fund maintains greater control over project outcomes, while diversifying risk across regions and asset types.

The Fund offers investors the opportunity to achieve strong financial returns while contributing to climate-positive land use, ecosystem regeneration, and sustainable commodity production. Each investment not only reduces or removes emissions but also revitalizes landscapes and creates socio-economic value. With a transparent approach and a disciplined structure for both income and growth, the Management Company believes that the Fund is uniquely positioned at the intersection of environmental impact and real asset investing.

Organizational Update Disclosure

As of the date of this Memorandum, Vanderstyn, Inc., which serves as the management company of the Fund, operates independently, as a stand-alone entity. However, within the next ninety (90) days, Vanderstyn, Inc. is expected to be integrated under the corporate umbrella of Green Earth Group N.V. .

This restructuring initiative is part of a strategic consolidation effort and is not expected to affect the Fund's investment strategy, structure, terms, or operations or the management team Investors will be notified upon the completion of these corporate transitions.

I. SUMMARY OF PRINCIPAL TERMS

The following is a summary of certain information about First Mover Fund, LP (the "Fund") and an investment in limited partnership interests therein (the "Interests"). This summary is qualified in its entirety by reference to the amended and restated limited partnership agreement of the Fund (as further amended and/or restated, the "Partnership Agreement") and the Subscription Agreement of the Fund (the "Subscription Agreement"). To the extent that any terms set forth below are inconsistent with those of the Partnership Agreement and/or the Subscription Agreement, the Partnership Agreement and/or the Subscription Agreement, as applicable, will control.

The Fund: First Mover Fund, LP is a Delaware limited partnership (the "Fund").

The General Partner: First Mover GP LLC, a Delaware limited liability company, is the general partner of the Fund ("General Partner").

The Management Company: The Fund will engage Vanderstyn Inc, a Delaware corporation, to act as the Fund's management company ("Management Company"). The individual primarily responsible for the Fund's investments is S.A.M. Duijvestijn (the "Principal"). The Management Company is not registered, or required to be registered, with the Securities and Exchange Commission (the "SEC") as an investment adviser. The Principal and the Management Company are based in Heerenveen, the Netherlands, and are in full compliance with the laws and regulations applicable to investment advisers in the Netherlands and is in full compliance with the laws and regulations applicable to investment advisers in the Netherlands. For more information about the Management Company and the Principal, please see Appendix A.

Administrator: The Fund has entered into an administration agreement with Opus Fund Services (Bermuda) Ltd. (the "Administrator"). The Fund pays the Administrator a fee based on its standard schedule of fees charged by the Administrator for similar services as provided for in the Administration Agreement.

Investment Objective and Strategy: The Fund is structured to generate strong, risk-adjusted returns by investing in a diversified mix of environmental commodities and land-based sustainability projects. The Fund's core investment philosophy is rooted in the belief that long-term value originates from the land – specifically through its restoration, cultivation, and responsible management. By deploying capital into strategically selected Portfolio Investments and Portfolio Projects (as such terms are defined below), the Fund seeks to capture both the economic and environmental upside inherent in nature-based solutions.

The Fund primarily provides upfront capital to early-stage Portfolio Projects through structured streaming agreements, often in the form of

convertible debt. These transactions enable the Fund to support the development of environmental assets from inception while securing preferential access to future revenue streams. The Management Company believes that this approach will enable the Fund to provide investors with an annualized quarterly cash flow of 8% and a targeted double-digit internal rate of return (IRR) over the life of the Fund, combining stable income with long-term capital appreciation. Actual investor-level returns will be determined based on a time-weighted allocation of total Fund performance. The Fund's return profile is structured around a combination of periodic cash distributions and long-term capital appreciation. While the Fund targets quarterly distributions, actual investor returns will be determined based on a **time-weighted allocation of total Fund performance**, rather than interim valuation measures. **However, there can be no assurances that the Fund will be able to deliver the quarterly cash flow and/or the IRR described above.**

"Portfolio Investments" refer to the diverse mix of environmental commodities and sustainably certified physical goods in which the Fund invests. These include, but are not limited to:

- *Carbon Credits*: Units representing the avoidance or removal of one metric tonne of carbon dioxide equivalent (CO_2e). This includes Verified Carbon Units (VCUs) issued under Verra's Verified Carbon Standard, Verified Emission Reductions (VERs) under other voluntary carbon standards, and Certified Emission Reductions (CERs) under the Kyoto Protocol's Clean Development Mechanism. Project types may include, without limitation, reforestation, afforestation, biochar, clean cookstoves, and other nature-based or technology-based solutions.
- *Renewable Energy Certificates (RECs)*: Tradable environmental commodities that certify the generation of one megawatt-hour of renewable electricity. These include RECs in the United States, Guarantees of Origin (GOs) in the European Union, and International RECs (I-RECs) in other jurisdictions.
- *Plastic Credits*: Instruments representing the collection, recycling, or responsible disposal of one metric tonne of plastic waste. These credits are designed to promote circular economy practices and reduce environmental pollution.
- *Waste Management Credits*: Credits derived from the treatment, diversion, or recycling of industrial or municipal waste streams in accordance with environmental best practices and recognized protocols.
- *Natural Capital Credits*: Units quantifying positive ecological outcomes, including biodiversity credits and habitat credits, often generated through habitat banking, restoration programs, or conservation initiatives.
- *Water-Related Environmental Instruments*: This includes wetland mitigation credits and water quality trading credits that support the



protection, restoration, or improvement of water bodies and watershed health.

- *Compliance-Based Environmental Instruments*: These include allowances and credits under government-regulated carbon markets such as European Union Allowances (EUAs) under the EU Emissions Trading System (EU ETS), Assigned Amount Units (AAUs), Removal Units (RMUs) under the Kyoto Protocol, and eligible units under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

"Portfolio Projects" refer to the underlying environmental, sustainability, and natural resource projects that generate the above-described credits and/or physical commodities. These projects may include:

- Forestry and reforestation initiatives
- Agroforestry systems producing certified commodities
- Waste management and plastic recovery operations
- Renewable energy installations
- Habitat and biodiversity restoration programs
- Water conservation and wetland protection efforts

Portfolio Projects may also include the cultivation, processing, and distribution of sustainable commodities, such as coffee, avocados, cacao, or other agricultural products produced in compliance with recognized international sustainability standards (e.g., Rainforest Alliance, Fairtrade, USDA Organic). These products not only offer revenue-generating potential but also reinforce the Fund's impact objectives related to rural development, biodiversity, and climate resilience.

Together, the Portfolio Investments and Portfolio Projects comprise a diversified, mission-aligned investment universe designed to deliver both measurable environmental impact and attractive financial returns. Further, these Portfolio Investments provide the Fund with exposure to liquid and semi-liquid markets, offering opportunities to enhance portfolio liquidity and performance through selective secondary market trading.

Many Portfolio Projects are anticipated to be developed or sponsored by Green Earth Group NV ("GEG"), a vertically integrated environmental project developer, and affiliate of the Management Company and the General Partner. S.A.M. Duijvestijn, the Fund's Principal, also serves as CEO of GEG. To mitigate potential conflicts of interest related to GEG-originated projects ("GEG Portfolio Projects"), the Fund requires third-party valuation or index pricing prior to investing in a GEG Portfolio Project. If the proposed investment value of a GEG Portfolio Project exceeds the independent valuation or benchmark by 20% or more, approval will be sought from either the Fund's Advisory Committee or a majority in interest of the Limited Partners.



In sum, the Fund's strategy blends early-stage direct investment in high-impact Portfolio Projects with opportunistic acquisition and monetization of verifiable Portfolio Investments. This integrated model aims to generate measurable environmental benefits alongside attractive financial returns.

Capital Commitments: The Fund is targeting capital commitments ("Capital Commitments") of up to $25 million. However, the General Partner may, in its sole discretion, accept total Capital Commitments of a lesser or greater amount.

Minimum Capital Commitment: The minimum Capital Commitment of each of the Limited Partners is $200,000 ("Minimum Capital Commitment"). However, the General Partner, in its sole discretion, may agree to accept a Capital Commitment from a Limited Partner of a lesser amount.

General Partner Capital Commitment: On or about the Final Closing (as defined below), the Principal, the General Partner, the Management Company, their affiliates and/or their respective owners, members, shareholders, partners, agents and/or employees ("GP Affiliated Persons") will make an aggregate Capital Commitment to the Fund at least equal to 1.0% of Capital Commitments from the Limited Partners that are not GP Affiliated Persons.

Capital Calls: The General Partner intends to call capital from Limited Partners equal to 100% of their respective Capital Commitments on or about the date on which the Limited Partners are admitted to the Fund. Upon receipt of a capital call notice, Partners will have at least 10 business days to make a capital contribution to the Fund (each, a "Capital Contribution"). "For the avoidance of doubt, although Capital Contributions are generally called in full upon a Limited Partner's admission to the Fund, the Fund's time-weighted allocation methodology shall apply to account for differences in admission dates and the duration of invested capital among Limited Partners."

Closings: The date of the initial closing of the Fund (i.e., when a Limited Partner other than the initial Limited Partner of the Fund, as described in the Partnership Agreement, is admitted to the Fund) (the "Initial Closing") will be determined by the General Partner in its sole discretion. The General Partner may accept new Limited Partners and permit existing Limited Partners to increase their Capital Commitments (such new Limited Partners or, with respect to existing Limited Partners making additional Capital Commitments, the existing Limited Partners to the extent of the increase in their Capital Commitments, "Additional Limited Partners") at one or more subsequent closings (each, a "Subsequent Closing"). The General Partner shall determine the date of each Subsequent Closing. The final Subsequent Closing (the "Final Closing") shall occur within 18 months of the Initial Closing, provided that the General Partner may extend the date of the Final Closing by six additional months with the consent of the Advisory Committee (as defined below) or a majority in interest of the Limited Partners.

Additional Limited Partners: Additional Limited Partners may be admitted to the Fund at one or more subsequent closings as determined by the General Partner in its sole discretion. Any such Additional Limited Partner shall be admitted on substantially the same economic terms and conditions as existing Limited Partners, except as otherwise provided herein.

No fees, premiums, interest charges, or other economic adjustments shall be applied to a Partner's Capital Contribution based solely on the timing of such Partner's admission to the Fund. In particular, the Fund shall not impose any "equalization interest," "late entry fee," or similar mechanism designed to retroactively adjust a Partner's economic position relative to earlier investors.

Instead, all Partners—regardless of admission date—shall participate in the Fund pursuant to a **time-weighted capital allocation methodology**, as more fully described in Annex I.

Under this methodology: Each Partner's economic participation in the Fund shall be determined solely by (i) the amount of capital contributed; and (ii) the duration such capital is invested in the Fund. Capital contributed at different times shall naturally result in different economic outcomes based on time-weighted participation, without the need for artificial equalization adjustments. All allocations of income, gain, loss, and expense, as well as all distributions (including satisfaction of the Preferred Return and participation in residual profits), shall be determined on a **time-weighted basis**.

The General Partner shall implement and administer this methodology in good faith and in a manner intended to ensure **equitable treatment among all Partners**, such that no Partner is advantaged or disadvantaged solely as a result of its admission date.

For the avoidance of doubt: Early investors are compensated for earlier capital deployment through greater time-weighted participation; Later investors are not subject to penalties, but will participate proportionately based on their actual time in the Fund; and Final economic outcomes shall be reconciled through the Fund's **True-Up mechanism**, ensuring that each Partner ultimately receives its appropriate share of Fund profits based on time-weighted capital participation.

Capital Account: The Fund will establish and maintain a "Capital Account" for each Partner. Each Capital Account's balance will be: (i) increased by: (A) a Partner's Capital Contributions and (B) a Partner's allocated share of Fund profits; and (ii) decreased by: (A) cash distributions and in-kind distributions (using their fair market value at the time of distribution) made by the Fund to a Partner and (B) a Partner's allocated share of Fund losses. Capital Accounts shall reflect each Partner's economic participation in the Fund, taking into account both the **amount and duration of invested capital**.



Investment Period: The General Partner may deploy the Fund's capital into new Portfolio Projects during the period commencing as of the Initial Closing and ending on the 5th anniversary of the Initial Closing (the "Investment Period"). After the sooner to occur of the expiration or termination of the Investment Period or the commencement of a Suspension (as defined below), until such Suspension has been lifted, the Fund's capital will only be used (i) to pay Fund Expenses (as defined below), (ii) to make investments related to or intended to preserve or enhance the value of investments in existing Portfolio Projects ("Follow-On Investments"), provided that in the case of a Suspension, only if such Follow-On Investments are approved by the Advisory Committee or a majority in interest of the Limited Partners, (iii) potential Portfolio Project investments under active consideration by the Fund prior to the end of the Investment Period or, in the case of a Suspension, prior to the date of such Suspension, pursuant to a written memorandum of understanding, letter of intent or other written commitment ("Follow-Up Investments"), and (iv) to make investments in Portfolio Carbon Credits.

Fund Expenses: The Fund will pay for all expenses incurred in connection with organizing and forming the Fund and offering Interests to prospective investors of the Fund ("Organizational Expenses") up to $250,000 ("Organizational Expense Cap"). To the extent the Organizational Expenses exceed the Organizational Expense Cap, the General Partner, the Management Company and/or their affiliates shall be responsible for such excess. Organizational Expenses include, without limitation, fees, costs and expenses related to structuring and forming the Fund, traveling domestically and/or internationally to meet with prospective investors or attend conferences to meet prospective investors, preparing the Fund's offering documents, drafting, reviewing and negotiating side letters with prospective investors (including preparing, distributing and implementing any most favored nations provisions).

The Fund will also pay for all expenses incurred in connection with the Fund's activities and investments, including the fees, costs and expenses related to sourcing, diligencing, negotiating, evaluating, acquiring, structuring, monitoring and disposing of potential or actual Portfolio Investments; expenses related to forming, organizing and maintaining entities through or in which investments will be made; registered office and agent expenses; transfer, capital, stamp and other taxes or governmental charges, duties and fees; reasonable travel expenses incurred by the General Partner or the Management Company to investigate, evaluate, assess and monitor investments or potential investments; fees, costs and commissions related to banking, brokerage, legal, custodial, administrative, appraisal, valuation, auditing, accounting, tax compliance (including fees incurred to prepare the Fund's financial statements, tax returns and similar reports) and consulting expenses incurred by the Fund or the General Partner on behalf of the Fund; expenses of any Advisory Committee (as defined below) meetings; fees,



costs and expenses of reporting to investors and investor meetings and any other Fund-specific reporting, notification or other filing obligations; fees, costs and expenses incurred in connection with amending the Partnership Agreement; costs of Fund's compliance with applicable law; reasonable premiums for insurance; costs of winding up and liquidating the Fund including any entities formed for the purpose of making or holding investments; expenses incurred in connection with a Limited Partner that defaults in respect of a Capital Commitment to the Fund; the Management Fees; extraordinary expenses such as litigation, workout and restructuring and indemnification expenses, if any; and any other expense reasonably attributable to the Fund (collectively, "Fund Expenses").

Management Company and General Partner Expenses: The Management Company and the General Partner will each bear its own organizational expenses and operating expenses, including without limitation, salaries, rent, office costs and utilities. If a placement agent is retained by the Fund, the Management Company and/or the General Partner will pay for the placement agent's fees and any related expenses.

Management Fee: The Fund will pay the Management Company and/or one or more of the GP Affiliated Persons, in advance, a management fee with respect to a Limited Partner (the "Management Fee") equal to 2.0% (per annum) of the Capital Commitment of such Limited Partner for each year during the Term (as defined below), not including any extensions of the Term. 100% of the total Management Fee will be paid upfront.

If the Term is extended, as described below, the Fund will pay an annual Management Fee, in advance, with respect to a Limited Partner, for each extension and such Management Fee shall equal 2.0% of the Capital Commitment of such Limited Partner. Management Fees paid during any extension shall be charged to the Limited Partners at the beginning of each extension and shall be paid out of the Fund's assets.

The GP Affiliated Person(s) that have made Capital Commitment(s) to the Fund shall not be charged, or subject to, a Management Fee.

No Management Fee Offset: One or more of the Principal, the Management Company, the General Partner and/or their affiliate(s) may receive transaction fees, closing fees or break-up fees in connection with the Fund's investments or potential investments in the Portfolio Projects or from a Portfolio Project ("Transaction Fees"). In addition, one or more of the Principal, the Management Company, the General Partner and/or their affiliate(s) may receive other fees or compensation, including non-cash forms of compensation, such as options and warrants, for providing consulting or advisory services to a Portfolio Project ("Consulting Fees"). The Transaction Fees and Consulting Fees will not offset the Management Fees. In the event that the Consulting Fees are paid for by the Fund, the General Partner shall make commercially reasonable efforts to ensure that the Consulting Fees are at market rates and on terms no less favorable than



those available from an unaffiliated third-party for a comparable level of quality and service.

Distributions: The General Partner shall have sole and absolute discretion with respect to the timing and amount of any distributions made by the Fund, subject to applicable law and the terms set forth herein. The Fund intends, but is not obligated, to make periodic cash distributions to Limited Partners at a target annualized rate of approximately 8% (the "Target Distribution Rate"), payable on a quarterly basis. The Target Distribution Rate is designed to provide investors with current cash flow during the term of the Fund and does not represent a guaranteed return or a prediction of actual Fund performance. All distributions made by the Fund are not guaranteed and may vary in timing and amount, and shall be treated as advance distributions against a Limited Partner's ultimate economic entitlement. Such distributions may be derived from net investment income, realized capital gains, and/or return of capital, and accordingly may exceed or fall short of the Fund's actual economic performance during any given period.

All distributions shall be applied toward satisfaction of each Limited Partner's Preferred Return, which is calculated at a rate of 8% per annum on such Limited Partner's time-weighted invested capital. The Preferred Return shall accrue from the date capital is contributed and shall be reduced by distributions made to such Limited Partner on a dollar-for-dollar basis. To the extent distributions exceed the accrued Preferred Return, such excess shall be treated as advance distributions toward the Limited Partner's overall economic entitlement in accordance with the Fund's allocation provisions. All distributions shall be allocated among Limited Partners in accordance with the Fund's time-weighted capital allocation methodology, as more fully described in Annex I, pursuant to which each Limited Partner's participation reflects both the amount of capital contributed and the duration such capital has been invested in the Fund. Accordingly, Limited Partners admitted at different times will receive distributions proportionate to their time-weighted economic participation, without the application of any admission-based adjustments, premiums, or penalties. All carried interest allocations shall be provisional and subject to the Fund's final True-Up reconciliation, which shall govern the ultimate economic allocation among the Partners.

Because distributions are made on an interim basis, the Fund shall perform a final reconciliation (the "True-Up") upon liquidation of the Fund, or at such earlier time as determined by the General Partner, to ensure that each Limited Partner ultimately receives its appropriate share of the Fund's cumulative net profits, determined on a time-weighted basis after taking into account all Capital Contributions, the accrual and satisfaction of the



Preferred Return, and all prior distributions. As part of this process, any over-distributions shall be treated as advances and may be offset against future or final distributions, and any under-distributions shall be satisfied through additional distributions from available proceeds. Limited Partners acknowledge that interim distributions are not intended to precisely match economic performance at any given time, that the Fund does not rely on interim mark-to-market valuations to determine investor returns, and that final economic outcomes will be based on realized performance and the True-Up process. The General Partner may, in its discretion, establish reserves for anticipated expenses, liabilities, or contingencies, withhold amounts necessary to satisfy Fund obligations or comply with applicable law, and defer distributions where appropriate to preserve Fund liquidity or investment flexibility. The General Partner may also make such allocations, adjustments, and determinations as it reasonably deems necessary to implement the foregoing distribution framework in a manner consistent with the Fund's economic intent. To the extent of any inconsistency, the Fund's economic intent—namely time-weighted capital participation and satisfaction of the Preferred Return—shall control.

Tax Distributions: The General Partner may receive cash distributions from the Fund to enable it and its members to pay any tax liabilities (including estimated tax liabilities) arising from the General Partner's receipt of Carried Interest from the Fund. Any such distributions shall be treated as an advance of, and shall reduce, future distributions of Carried Interest from the Fund to the General Partner. A Limited Partner may also receive cash distributions from the Fund to enable the Limited Partner to pay any tax liabilities arising from the Limited Partner's ownership of an Interest. Tax distributions paid to a Limited Partner shall be treated as an advance of, and shall reduce, future distributions to such Limited Partner. Tax distributions shall be treated as advance distributions and included in the True-Up reconciliation.

Reinvestment: Upon the receipt of proceeds from a Portfolio Investment during the Investment Period, the General Partner, in consultation with the Management Company, may either (i) reinvest (or reserve for reinvestment) or use (or reserve for later use) all or part of such proceeds, or (ii) distribute such proceeds to the Partners that increase each Partner's unfunded Capital Commitment by an amount equal to the amounts distributed to it (and such amounts will be subject to recall by the Fund for any purpose that Capital Contributions may be called). Notwithstanding the foregoing, the aggregate cost basis of all Portfolio Investments made by the Fund will not exceed 120% of aggregate Capital Commitments.

General Partner Clawback: As promptly as practicable (but not more than 90 days) after the Fund's final liquidating distribution, the General Partner will determine whether



there was an Over Distribution. An "Over Distribution" means the positive amount determined by *subtracting* (i) the cumulative distributions that would have been received by the General Partner as Carried Interest determined in accordance with the Fund's time-weighted allocation methodology and final True-Up reconciliation to the Partners on the date of the Fund's final liquidating distribution, *from* (ii) the cumulative distributions that the General Partner actually received as Carried Interest over the Fund's term. In the event there is an Over Distribution, the General Partner shall contribute to the Fund for distribution to all Limited Partners (other than Defaulting Partners, as defined below) pro rata the amount of the Over Distribution; provided, that in no event shall the General Partner be required to return an amount greater than the Carried Interest distributions actually received by the General Partner, net of taxes thereon.

The General Partner shall deposit an amount equal to 20% of all amounts that would otherwise have been distributed to the General Partner as Carried Interest into a separate, segregated account of the Fund, which shall be held as security for the General Partner's clawback obligation.

"For purposes of calculating any Over Distribution, carried interest shall be recalculated based on the Fund's time-weighted allocation methodology."

Return of Distributions: If the Fund incurs any liability or obligation and the amount of reserves and the unfunded Capital Commitments are less than the amount of such liability or obligation, the General Partner may require the Partners to return distributions to the Fund in an amount sufficient to satisfy all or any portion of such liability or obligation; provided, that (i) no distribution may be recalled following the second anniversary of the Fund's dissolution (except in respect of pending liabilities or obligations) and (ii) the total amount recalled from any Partner shall not exceed the lesser of (A) 25% of such Partner's Capital Commitment and (B) the aggregate amount of distributions made to such Partner from the Fund.

Key Persons: If, prior to the sooner to occur of the end of the Investment Period or the date of the initial closing of a Successor Fund (as defined below), the Principal (i) transfers more than 50% of his interest in the General Partner to a third party, (ii) dies or (iii) ceases to be involved in the management of the Fund for a period of 180 consecutive days, a "Key Person Event" shall be deemed to occur.

In the event that a Key Person Event is deemed to occur, the General Partner will give prompt written notice thereof to the Limited Partners and the Investment Period shall be suspended ("Suspension"). Upon a Suspension, the Fund may not make any new investments without the



approval of the Advisory Committee (as defined below) or a majority in interest of the Limited Partners, other than (i) Follow-On Investments that are approved by the Advisory Committee or a majority in interest of the Limited Partners, or (ii) Follow-Up Investments existing prior to the Key Person Event.

Upon the commencement of a Suspension, the Advisory Committee or a majority in interest of the Limited Partners will have 180 days from the date of the Key Person Event to approve a remediation plan for such Key Person Event (thereby lifting the Suspension and allowing the Fund to recommence normal investment activities). If the Advisory Committee or a majority in interest of the Limited Partners does not approve a remediation plan for such Key Person Event within 180 days of the date of the Key Person Event, then the Investment Period shall automatically and immediately be terminated and the Fund may be dissolved.

Parallel Fund; Feeder Fund: To accommodate the legal, regulatory, tax and/or other considerations of certain Limited Partners, the General Partner may form one or more investment vehicles that will invest alongside the Fund (each, a "Parallel Fund") or form one or more investment vehicles that will invest in the Fund (each, a "Feeder Fund"), in each case, a Parallel Fund and/or a Feeder Fund shall have substantially the same terms as, or terms that are generally comparable to those of, the Fund. The Fund and each Parallel Fund will generally co-invest in each Portfolio Investment proportionately and make and dispose of each Portfolio Investment on substantially the same terms. A Feeder Fund shall not be subject to any additional Management Fees or Carried Interest at the Feeder Fund-level.

Alternative Investment Vehicles: In connection with any investment, the General Partner may form and direct that the Capital Contributions of some or all of the Partners be effected through one or more alternative investment vehicles if, in the sole discretion of the General Partner, the use of such vehicles would allow the Fund to overcome legal or regulatory constraints, be more tax-efficient and/or facilitate participation in certain types of investments. Except as otherwise set forth in the Partnership Agreement, any such vehicles will contain terms and conditions generally comparable to those of the Fund and will be managed by the General Partner, the Management Company or an affiliate thereof.

Co-Investment: The General Partner may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. In exercising its discretion to allocate co-investment opportunities with respect to a particular Portfolio Investment to and among potential co-investors and the terms thereof, the General Partner, in consultation with the Management Company, may consider some or all of a wide range of factors.



Successor Funds: Without the prior written consent of the Advisory Committee or a majority in interest of the Limited Partners, none of the General Partner, the Management Company or the Principal will accept subscriptions for interests in a new fund (other than a Parallel Fund, Feeder Fund, Alternative Investment Vehicle or co-investment vehicle) with investment objectives and strategies substantially similar to those of the Fund (a "Successor Fund") until the earlier of (i) the date when at least 75% of the total Capital Commitments have been invested, expended, committed, allocated to or reserved for Portfolio Investments (including any Follow-On Investments and/or Follow-Up Investments) and/or for reasonably anticipated Fund Expenses and obligations or liabilities of the Fund, (ii) the end of the Investment Period or (iii) the winding up and dissolution of the Fund.

Default Provisions: If any Limited Partner fails to pay its required Capital Contribution with respect to any portion of its unfunded Capital Commitment or other obligation to the Fund when called by the General Partner, the General Partner will have the right, but not the obligation, to treat such Limited Partner as a "Defaulting Partner." As specified in the Partnership Agreement, a Defaulting Partner may be subject to significant penalties, including forfeiture of its interest in the Fund. Non-defaulting Limited Partners may be required to make additional Capital Contributions if a Limited Partner defaults, but not in excess of their unfunded Capital Commitments.

Transferability of Interests: A Limited Partner's Interest may not be sold, assigned, transferred or pledged, except under certain limited circumstances and then only with the prior written consent of the General Partner.

Advisory Committee: The Fund may establish an advisory committee made up of at least one and not more than three representatives of the Limited Partners approved by the General Partner (the "Advisory Committee"), provided that such Limited Partners are not GP Affiliated Persons. If formed, the Advisory Committee will review (and determine whether to approve) (i) certain actions described in the Partnership Agreement and (ii) any conflicts of interests or potential conflicts of interest that the General Partner reasonably determines are material with respect to the Fund and were not disclosed to investors prior to their admission to the Fund. Advisory Committee decisions will be authorized by a majority of the Advisory Committee members.

Indemnification: The Fund will indemnify the GP Affiliated Persons and members of the Advisory Committee (including any Limited Partner represented by a member of the Advisory Committee) and all persons who previously served in such capacities (each, an "Indemnified Person") against all liabilities incurred in connection with such Indemnified Person's acts or omissions or alleged acts or omissions arising out of their activities on



behalf of the Fund, provided that such Indemnified Person acted in a manner reasonably believed by such Indemnified Person to be in the best interest of the Fund and so long as such acts or omissions did not constitute (i) bad faith, fraud, gross negligence (as defined under the laws of the State of Delaware) or willful misconduct or (ii) an intentional and material (A) breach of the Partnership Agreement or (B) violation of applicable law; provided, further, that in the case of an Indemnified Person who is a member of the Advisory Committee (including any Limited Partner represented by a member of the Advisory Committee), such conduct was not taken by such Indemnified Person in bad faith.

Side Letters: The General Partner, without any further act, approval or vote of any Limited Partner, may enter into side letters or other similar agreements with one or more Limited Partners that have the effect of altering or supplementing the terms of the Partnership Agreement (including, without limitation, economic terms) with respect to such Limited Partners.

Term: Subject to earlier termination under certain circumstances, the Fund will be wound up and dissolved 7 years after the Initial Closing (the "Term"), subject to extension by the General Partner for up to two additional one-year periods. The General Partner may further extend the Term for one or more additional one-year periods with the consent of the Advisory Committee or a majority in interest of the Limited Partners. The Management Company may, with the approval of the Advisory Committee or a majority in interest of the Limited Partners, sell one or more of the Fund's Portfolio Investments to a Successor Fund prior to or in connection with winding up and dissolving the Fund.

Reports: The Fund will make commercially reasonable efforts to furnish annually to all Partners audited financial statements and IRS Schedule K-1 within 120 days after the end of its fiscal year. For the first three quarters of each year, each Limited Partner will be furnished with unaudited financial statements, a statement of capital account and a schedule of new and existing investments. Reports and information will be subject to confidentiality restrictions and limitations as set forth in the Partnership Agreement. Each Limited Partner will be required to maintain information provided to it about the Fund or its business in the strictest confidence and to not disclose the information except in certain limited circumstances.

Tax Aspects: The Fund intends to operate as a partnership and, accordingly, should not be subject to federal income tax. Each Limited Partner will be required to report on its own annual tax return such Limited Partner's distributive share of the Fund's taxable income or loss. Except as otherwise provided in the Partnership Agreement, the General Partner will use its commercially reasonable efforts to (i) avoid having the Fund treated as income effectively connected with the conduct of a trade or business within the United States ("ECI") under the Internal Revenue Code of 1986,



as amended (the "Code"), and (ii) conduct the affairs of the Fund to ensure that no tax exempt Limited Partner (or any of its equity owners) will be allocated unrelated business taxable income ("UBTI") within the meaning of Section 512 of the Code; provided, however, that the foregoing shall not apply to any UBTI attributable to indebtedness and guarantees.

Securities Law Matters: The Fund will not be registered under the U.S. Investment Company Act of 1940, as amended, pursuant to an exemption set forth in Section 3(c)(1) thereof. Investors must be "accredited investors" within the meaning of Regulation D of the Securities Act of 1933, as amended, and meet certain other eligibility criteria.

ERISA Considerations: Investors subject to ERISA should consult their own advisors as to the effects of ERISA on an investment in the Fund. The Fund will use commercially reasonable efforts to conduct the affairs and operations of the Fund in such a manner so that the assets of the Fund will not be treated as "plan assets" of any ERISA Plan for purposes of ERISA.

Risk Factors and Conflicts of Interest: An investment in the Fund involves a high degree of risk and is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. There can be no assurance that the Fund's investment objectives will be achieved or that a Limited Partner will receive a return of its Capital Contributions. Each prospective investor should consult with his, her or its personal legal, tax and financial advisers and carefully consider and evaluate the risks before making an investment in the Fund.

One or more of the GP Affiliated Persons engage, or may engage, in a broad range of activities, including investment activities for their own account. In the ordinary course of conducting its activities, the interests of the Fund may conflict with the interests of one or more of the GP Affiliated Persons.

Auditor: Cherry Bekaert Advisory LLC

Administrator: Bolder Fund Services

Bank: Wintrust

Legal Counsel: Winston & Strawn LLP

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II. CERTAIN INVESTMENT CONSIDERATIONS

An investment in the Fund involves a high degree of risk, and is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. The Management Company is focused on maximizing risk-adjusted returns for investors. The Management Company will seek to mitigate the risks as much as possible at all stages of the investment process, but there can be no assurance that such risks can be sufficiently mitigated. There can be no assurance that the Fund's investment objectives will be achieved, or that a Limited Partner will receive a return of its Capital Contributions. *Each prospective investor should consult with his, her or its personal legal, tax and financial advisers and carefully consider and evaluate the risks before making an investment in the Fund.* Investors may be subject to a number of risks, only some of which are set forth below.

Investment Risks

Dual Focus on Financial Returns and Environmental Objectives. The Fund's investment strategy is characterized by a dual focus on seeking attractive financial returns while also making a positive impact on the environment. This approach may result in the Fund making investment decisions that consider environmental benefits along with financial returns, which could adversely affect the Fund's performance compared to funds with a sole focus on financial returns.

No Assurance of Returns. An investment in the Fund is highly speculative, involves a high degree of risk and could result in the loss of part or all of a Limited Partner's investment in the Fund. There can be no assurance that the Investor will receive distributions from the Fund in an amount equal to its Capital Contributions to the Fund. The timing of profit realization, if any, is highly uncertain. The Management Company expects the initial expenses of the Fund to result in initial losses for the Fund. The Fund will pay a Management Fee and various other fees and expenses related to its ongoing operations regardless of whether or not the Fund's investment activities are profitable. These fees and expenses will require that the Fund's investment activities generate sufficient revenues in excess of these expenses in order to become profitable.

Risk Inherent in the Fund's Investments. The types of investments that the Fund anticipates making involve a high degree of risk. In general, financial and operating risks confronting Portfolio Investments can be significant. A loss of a Limited Partner's entire Capital Contribution is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Fund's life, while successes often require a long period of time for an investment to mature. The performance of any prior fund or any personal investments affiliated with the Principal is not necessarily indicative of the Fund's future results. While the Management Company intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.



Availability of Investment Capital. Early-stage Portfolio Projects often require several rounds of capital infusions before the Portfolio Project reaches maturity. Although it will be the Fund's policy to maintain sufficient liquidity to allow it to participate in follow-on rounds of financings, the Fund does not intend to provide all necessary follow-on financing and may not provide any follow-on financing. Accordingly, third-party sources of financing will be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Fund. Furthermore, the Fund's capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of Portfolio Project financing.

Portfolio Investment Risks. Portfolio Investment prices fluctuate widely and may be affected by numerous factors, including:

- *Market Volatility and Price Fluctuation*. The price of Portfolio Investments can be highly volatile. Factors influencing price include changes in regulation, market demand, technological advancements and broader economic conditions. This volatility can lead to significant price swings, affecting the returns on investments.

- *Regulatory Risk.* The carbon market is heavily regulated, and changes in policy can have a direct impact on the value of Portfolio Investments. New regulations or changes in international agreements can alter the demand for Portfolio Investments or the rules governing their use and verification.

- *Verification and Validation Challenges*. Portfolio Investments must be verified and validated to ensure that they represent actual, quantifiable, and real reductions in emissions. Failures in project validation or issues in reporting can lead to invalid Portfolio Investments, which can undermine investment value and lead to regulatory penalties.

- *Project Performance Risk*. Investments in Portfolio Investments are tied to specific projects. These projects carry inherent operational risks, including underperformance, technical failures or impacts from climate change such as wildfires or floods.

- *Other Investors.* Trading activity of Portfolio Investments by other investors, such as hedge funds, commodity funds, carbon ETFs and other speculators, as well and the investment, trading and hedging activities of carbon emissions producers and suppliers can negatively impact the liquidity and price of the Fund's Portfolio Investments.

- *Competition.* Increased competition in the carbon markets could lead to challenges in securing project funding and sustaining a competitive advantage.

- *Liquidity Risk*. Portfolio Investments may have limited liquidity, making it difficult for the Fund to dispose of its Portfolio Investments or realize their full value in a timely manner.

- *Valuation Risk*. Valuing Portfolio Investments and related projects can be complex and subjective, leading to potential mispricing and inaccurate reporting of the Fund's net asset value.



- *Counterparty Risk*. The Fund may be exposed to the credit risk of counterparties involved in the trading, verification, and settlement of Portfolio Investment transactions.

- *Political and Regulatory Risk.* Changes in government policies, regulations or international agreements related to the Portfolio Investments could significantly impact the demand for and value of the fund's Portfolio Investments.

- *Fraud Risk*. The fund's Portfolio Investments are susceptible to fraudulent activities, such as double-counting or over-crediting, which could undermine the credibility and value of the Fund's investments.

- *Tax Risk*. Changes in tax laws or interpretations related to the fund's Portfolio Investments could adversely affect the Fund's after-tax returns.

Lack of Liquidity. The Fund's investment portfolio will consist of investments in early-stage portfolio projects and environmental commodities. The marketability and value of each such investment will depend upon many factors beyond the General Partner's control. Generally, the investments made by the Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Fund's investment, a Portfolio Project may lack one (1) or more key attributes necessary for success. There may be no readily available market for the Fund's investments, many of which will be difficult to value, and the disposal of an investment in a Portfolio Project or Portfolio Investment by the Fund may be prohibited, not practicable or delayed many years from the date of initial investment, including for legal and/or regulatory reasons.

Lack of Diversification. The Fund assets will consist primarily of early-stage portfolio projects and environmental commodities. This lack of diversification would have a significantly negative impact on the Fund's performance if the underlying markets suffered a collapse or a significant economic decline.

Non-Controlling Investments. The Fund will be a passive investor in the Portfolio Projects and, therefore, may have a limited ability to protect its position in the Portfolio Projects. However, as a condition to an investment in a Portfolio Project, it is expected that appropriate rights generally will be sought to protect the Fund's interests to the extent possible. There can be no assurance that such minority investor rights will be available.

Competition for Investments. The Fund will compete with other entities in making its investments in Portfolio Projects and/or Portfolio Investments. Such competition may come from groups such as institutional investors and other investment managers that have greater resources than the Fund. There may be intense competition for investments of the type in which the Fund intends to invest, and such competition may result in less favorable investment terms than would otherwise be the case. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objective. There can, therefore, be no assurance that the Fund will meet its investment objective or that the Fund will be able to invest all of its available capital.

Unspecified Investments. The Limited Partner must rely upon the ability of the Management Company in making investments consistent with the Fund's investment objectives and policies. A



Limited Partner will not have the opportunity to individually evaluate the relevant economic, financial and other information that will be utilized by the Management Company in its selection of investments or otherwise approve of such investments.

Terrorist Action. There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear but could have a material effect on general economic conditions and market liquidity.

Non-U.S. Investments. The Fund intends to invest in Portfolio Projects that are located outside of the United States, its territories and possessions. The Fund's investments in non-U.S. Portfolio Projects involve risks not typically associated with the Fund's investments in U.S. Portfolio Projects, including: (i) differences in standards and market practices regarding documentation, settlement, stakeholder rights and other matters; (ii) less publicly available information; (iii) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less (or more) government supervision and regulation; (iv) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (v) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (vi) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability, including the risk sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation; (vii) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (viii) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for the Fund and/or the Partners; (x) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Fund's non-U.S. investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another; and (xi) political hostility to investments by foreign investors.

Foreign Exchange Risk. Given the Fund's global perspective, fluctuations in foreign exchange rates could have an impact on the Fund's performance.

Global Health Risk. There is a risk that disease, illness, pandemic, and other health risk could impact the United States and elsewhere causing significant loss of life, supply chain disruption, sales disruption, market loss, recession, economic collapse, interest rate change and general disruptions in global markets. These could include issues like SARS, MERS, COVID-19 and others. These could impact Portfolio Projects. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity. COVID-19 will likely slow or inhibit public offerings and may substantially reduce valuations of potential or existing Portfolio Projects.

Time-Weighted Allocation Risk: The Fund utilizes a time-weighted allocation methodology. As a result: Investors entering at different times will receive different economic outcomes, Periodic



distributions may not reflect actual performance, and Final returns are dependent on the timing and realization of Fund investments. Investors may receive distributions that exceed or fall short of their ultimate entitlement, which will be adjusted through the Fund's final reconciliation process.

Partnership Risks

Dependence on the Management Team. The Fund will be dependent on the activities of the management team. The Limited Partners will be relying on the management expertise of the General Partner and the Management Company in identifying, acquiring, administering and disposing of the Fund's investments. Past investment performance by the members of the General Partner or the Management Company provides no assurance of future results. The loss of any individual at the General Partner or the Management Company could have a material, adverse effect on the Fund. Additional members may be admitted to the General Partner or the Management Company following the Initial Closing, and the Limited Partners will not be able to prevent any specific person from being admitted to the General Partner as a member thereof. If for any reason a member of the General Partner or the Management Company should cease to be involved in the investment management of the Fund, suitable replacements may be difficult to obtain, with the result that the performance of the Fund may be adversely affected.

Operating History. The Fund has no operating history upon which prospective investors can evaluate its likely performance. Although the Management Company and/or the Principal may have prior investment experience, there can be no assurance that the Fund's investments will achieve results similar to those previously attained by the Management Company and/or the Principal. Moreover, the Fund's investment objective and strategies may differ from the investment objectives and strategies previously employed by the Management Company and/or the Principal in a number of respects, including target returns, the amount of risk associated with a particular investment, the size of the investment, types of Portfolio Projects, the types of industry sectors, the structure of the transactions and the holding periods for investments.

Long-Term and Illiquid Investment. An investment in the Fund is a long-term commitment. The Interests are highly illiquid and have no public market value. No secondary market for the Interests exists, and no such market will be established or supported by the General Partner. Voluntary withdrawals by a Limited Partner are not permitted, except in limited instances when required or when necessary to comply with the laws or regulations applicable to a Limited Partner. Furthermore, the transfer of Interests is subject to approval of the General Partner and other restrictions contained in the Partnership Agreement. Consequently, Limited Partners may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in the Fund is suitable only for persons and entities which have no need for liquidity with respect to their investment. The Interests have not been registered under the Securities Act, nor is any such registration contemplated.

Default. If a Limited Partner defaults on its obligation to make required Capital Contributions to the Fund, it may be difficult for the Fund to make up the shortfall from other sources. Any such default by one (1) or more Limited Partners could have a material adverse effect on the Fund, its investments, and the interests of the other Limited Partners, including without limitation by



subjecting the Fund to significant penalties that could have a material adverse effect on the Fund and the Limited Partners, including the non-defaulting Limited Partners.

Side Letter Agreements. The General Partner, on behalf of the Fund, may enter into separate agreements with certain investors in its discretion to allow such investors to invest on different terms than those specifically described in this Memorandum and the Partnership Agreement, including, without limitation, the calculation of Carried Interest and the Management Fee and the liquidity or depth of information provided to such investors concerning the Fund. Such information may provide the recipient greater insights into the Fund's activities than is included in the standard reports to the Limited Partners, thereby enhancing the recipient's ability to make investment decisions with respect to the Fund. Limited Partners subject to a reduced or no Management Fees or Carried Interest may experience substantially greater performance from their investment in the Fund than will other Limited Partners. The General Partner will not be required to notify any or all of the other Limited Partners of any such agreements, nor will the General Partner be required to offer such additional or different rights to any or all of the other Limited Partners. The other Limited Partners will have no recourse against the Fund, the General Partner or any of their affiliates in the event that certain Limited Partners receive additional or different rights as a result of such agreements.

Exculpation and Indemnification. The assets of the Fund generally may be available to satisfy the liabilities and other obligations of the Fund, including, without limitation, the indemnification rights of the GP Affiliated Persons. If the Fund becomes subject to a liability, the parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular Portfolio Project or investment, such as the Portfolio Project or investment giving rise to the liability. In addition, the Partnership Agreement will limit the circumstances under which the GP Affiliated Persons may be held liable to the Fund and the Partners. If the Fund's assets are insufficient, the Fund may recall distributions to meet indemnification obligations (and other liabilities), subject to certain limitations set out in the Partnership Agreement.

Size of the Fund. There can be no assurance that the Fund will successfully raise Capital Commitments in the amount of its target size. If the actual size of the Fund is less than its target, fewer investments may be made by the Fund and the average size of investments may be reduced. This could increase the risk that the Fund may not attain its investment objectives.

Effect of Fees and Expenses on Returns. The Fund will pay Management Fees to the Management Company and will bear the expenses related to the Fund's organization, offering of Interests and operations. These fees and expenses will reduce the actual returns to investors. Most of the fees and expenses will be paid regardless of whether the Fund produces positive investment returns. If the Fund does not produce positive investment returns in excess of such fees and expenses, the cumulative distributions made to a Limited Partner would be less than the amount such Limited Partner invested in the Fund.

Partnership Agreement. In addition to the foregoing, the Partnership Agreement contains other provisions of which prospective Limited Partners should be aware. Prospective Limited Partners are urged to carefully read the Partnership Agreement.

Legal, Tax and Regulatory Risks



Legal, Tax and Regulatory Risks. Legal, tax, and regulatory changes could occur during the term of the Fund that may adversely affect the Fund, the Portfolio Projects, or the Limited Partners. For example, changes in laws and regulations applicable to taxation of carried interest may result in certain types of investments and/or investment returns being treated differently and accordingly may influence the General Partner's decisions as to how to best structure the investment profiles of the Fund.

Regulatory Considerations. While the Fund may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the Investment Company Act and, accordingly, the Limited Partners are not accorded with protections of the Investment Company Act. The General Partner and the Management Company are not registered as investment advisers under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or any state law and do not intend to register as such. Accordingly, the Fund and the Limited Partners will not be subject to the protections of the Advisers Act in so far as it relates to registered investment advisers. The Management Company and the General Partner intend to rely on exemptions from registration under the Advisers Act or state law.

Cybersecurity Risk. As part of its business, the Management Company processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund and personally identifiable information of the Limited Partners. Similarly, service providers of the Management Company or the Fund, especially the fund administrator, may process, store and transmit such information. The Management Company uses commercially reasonable efforts to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Management Company may be susceptible to compromise, leading to a breach of the Management Company's network. The Management Company's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of the Management Company's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Limited Partners to be lost or improperly accessed, used or disclosed.

The service providers of the Management Company and the Fund are subject to the same electronic information security threats as the Management Company. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of the Limited Partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Management Company's or the Fund's proprietary information may cause the Management Company or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Limited Partners' investments therein.



Tax Information. The Fund may not be able to provide final annual tax information to the Limited Partners for any given fiscal year until after April 15 of the following year. The General Partner will use its reasonable efforts to provide the Limited Partners with annual tax information on or before such date, but final annual tax information will not be available until the Fund has received tax-reporting information from the Portfolio Projects necessary to prepare final annual tax information. The Limited Partners should plan to obtain extensions of the filing dates for their U.S. federal, state and local income tax returns. Each prospective Limited Partner should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

FATCA. The Fund may take such action as it considers necessary in relation to a Limited Partner's holding or distributions, as a result of relevant legislation and regulations, including, but not limited to FATCA requirements in the United States and any other relevant jurisdiction. Such action may include disclosure by the Fund, the General Partner or a service provider or delegate of the Fund, of certain information relating to a Limited Partner to the Service.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS TO DETERMINE THE TAX EFFECTS OF AN INVESTMENT IN THE FUND, ESPECIALLY IN LIGHT OF EACH INVESTOR'S PARTICULAR FINANCIAL SITUATION.



III. CONFLICTS OF INTEREST

The General Partner and/or the Management Company engage, or may engage, in a broad range of activities, including investment activities for their own account. In the ordinary course of conducting its activities, the interests of the Fund may conflict with the interests of the General Partner and/or the Management Company. A description of certain of these potential conflicts of interest is provided below. The discussion below does not necessarily describe all conflicts that may arise. Any references to the General Partner and/or the Management Company, will be deemed to include the Principal, the General Partner, the Management Company and their respective affiliates, partners, members, shareholders, officers, directors and employees, as applicable.

GEG Investments. The Fund expects to invest in one or more Portfolio Projects developed by *Green Earth Group NV* ("GEG"). The Principal is the CEO of GEG. Accordingly, a conflict of interest would exist with respect to any investment by the Fund in any Portfolio Project developed by GEG ("GEG Portfolio Project"). In order to mitigate the conflict of interest, the Management Company will use a third party index or valuation service prior to causing the Fund to invest in any GEG Portfolio Project and the Management Company and/or the General Partner will obtain the consent of the Advisory Committee or a majority in interest of the '"Limited Partners" prior to investing in any GEG Portfolio Project that is priced 20% or higher above the value given by the third party index or valuation service.

Transactions with Funds Managed by the Management Company. Certain pooled investment vehicles managed by the Management Company (each, an "Other Fund"), such as a Successor Fund, liquidating trust or continuation fund, may purchase Portfolio Carbon Credits or Portfolio Projects from the Fund. Because the Management Company controls the Fund's investments and the Other Fund's investments, a potential conflict of interest exists. To mitigate this potential conflict of interest, a Fund's assets will only be sold to an Other Fund at fair market value, as determined in accordance with the Management Company's valuation policies and procedures, which is set forth on Appendix B.

Management of the Fund; Other Activities. Except as otherwise provided in the Partnership Agreement, the General Partner and/or the Management Company will devote only such portion of their time to the affairs of the Fund as they consider reasonably necessary in their respective judgment to manage effectively the affairs of the Fund. Other activities of the General Partner and/or the Management Company with which they are associated, or with which they may become associated in the future, may require them to devote substantial amounts of their time to matters unrelated to the business of the Fund. As noted above, the Principal is the CEO of GEG and will devote a significant portion of his time to managing the affairs and operations of GEG. The Principal's role at GEG would limit the amount of time he is able to devote to the Fund, the General Partner and/or the Management Company. To mitigate this conflict of interest, the Principal has retained the services of a number of individuals to assist him with the execution of the Fund's strategy and manage the day-to-day operations of the Fund, the General Partner and the Management Company.

The General Partner and/or the Management Company may work on projects for themselves or other clients that do not relate to the Fund. Conflicts of interest may arise in allocating investment



opportunities, management time, services or functions of the General Partner and/or the Management Company. In addition, the General Partner and/or the Management Company may have similar responsibilities with respect to future pooled investment vehicles and client accounts.

In addition, the General Partner and/or the Management Company may, through other investments, including other investment funds, have interests in investments in which the Fund invests as well as interests in investments in which the Fund does not invest, including but not limited to investment in projects and/or carbon credits that were reviewed by the Fund but in which the Fund did not invest as a Portfolio Project or Portfolio Carbon Credit. As a result of the foregoing, the General Partner and/or the Management Company may have conflicts of interest in allocating their time and activity between the Fund and other entities, in allocating investments among the Fund and other entities and in effecting transactions for the Fund and other entities, including ones in which the General Partner and/or the Management Company may have a greater financial interest.

Investor Due Diligence Information. Due in part to the fact that potential investors in the Fund may ask different questions and request different information, the General Partner may provide certain information to one or more prospective investors that it does not provide to all of the prospective or current investors of the Fund. In addition, certain Limited Partners may invest on terms that provide access to information that is not generally available to other Limited Partners and, as a result, may be able to act on such additional information that other Limited Partners do not receive.

Diverse Limited Partner Group. The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Fund. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner and/or the Management Company, including with respect to the nature or timing of dispositions of investments, and such decisions may be more beneficial for one investor than for another, especially with respect to the investors' individual tax situations. In making such decisions, the General Partner and/or the Management Company will consider such investment and tax objectives of the Fund and its Limited Partners as a whole, not the investment, tax or other objectives of any Limited Partner individually.

Carried Interest. The existence of the General Partner's carried interest may create an incentive for the General Partner to operate the Fund in a riskier or more speculative manner than would be the case absent such arrangement. Pursuant to the Tax Cuts and Jobs Act signed into law on December 22, 2017 (the "Tax Act"), in order for the General Partner (or its direct or indirect equity holders) to benefit from certain favorable rates applicable to long-term capital gains with regard to its carried interest, the holding period for an underlying asset must be more than three years. In contrast, a Limited Partner who is a non-corporate U.S. person will be eligible for long-term capital gains rates if the holding period in any such asset is more than one year. The Tax Act may therefore create an incentive for the General Partner and/or the Management Company, in the interest of the General Partner, to hold investments on behalf of the Fund for longer than it would otherwise hold them in the absence of such new rule applicable to the General Partner.

Other Fees. One or more of the Principal, the Management Company, the General Partner and/or their affiliate(s) may receive transaction fees, closing fees or break-up fees in connection with the Fund's investments or potential investments in the Portfolio Projects or from a Portfolio Project.



In addition, one or more of the Principal, the Management Company, the General Partner and/or their affiliate(s) may receive other fees or compensation, including non-cash forms of compensation, such as options and warrants, for providing consulting or advisory services to a Portfolio Project. For the avoidance of doubt, these fees will not offset the Management Fees.

Allocation of Investment Opportunities. As discussed more thoroughly above in the Section entitled "Management of the Fund; Other Activities," and subject to the limitation described in Section I. "SUMMARY OF PRINCIPAL TERMS – Successor Funds," Other Funds may invest in assets eligible for purchase by the Fund. The investment objective, strategies and policies, fee arrangements and other circumstances of the Fund may vary from those of Other Funds. The Management Company may, from time to time, be presented with investment opportunities that fall within the investment objectives of the Fund and Other Funds, and in such circumstances the Management Company expects to allocate such opportunities among the Fund and such Other Funds on a basis that the Management Company determines in good faith is appropriate taking into consideration such factors as the Management Company determines, including but not limited to the capital available to the Fund and such Other Funds, any restrictions on investment, the sourcing of the transaction, the size of the transaction and the other Portfolio Investments of the Fund and such Other Funds, the relation of such opportunity to the investment strategy of the Fund and such Other Funds, reasons of portfolio balance, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Fund and each such Other Fund, potential conflicts of interest, including whether the Fund or such Other Fund has an existing investment in the opportunity in question, tax, legal or regulatory considerations and other considerations deemed relevant by the Management Company. The Management Company's investment decision with respect to the Fund may differ from the Management Company's investment decision with respect to any Other Fund.

Co-Investment Opportunities. Decisions regarding whether and to whom to offer co-investment opportunities relating to Fund investments are made in the sole discretion of the General Partner or its related persons or other participants in the applicable transactions, such as co-developers. Co-investment opportunities typically will be offered to some and not other investors in the Fund, in the sole discretion of the General Partner, and investors may be offered a smaller amount of co-investment opportunities than originally requested or in an amount that it is not pro rata in accordance with capital commitments to the Fund. There can be no assurances with respect to the amount of any co-investment opportunity that will be made available to an investor in the Fund, and nothing in this Memorandum constitutes a guarantee, prediction or projection of the availability to an investor of future co-investment opportunities. In addition, investing in the Fund does not entitle any investor to allocations of co-investment opportunities, and such co-investment opportunities may be offered to certain persons other than investors in the Fund (*e.g.*, third parties) in the sole discretion of the General Partner. Non-binding acknowledgements of interest in co-investment opportunities do not require the General Partner and/or the Management Company to notify the recipients of such acknowledgements if there is a co-investment opportunity. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the potential co-investors, the General Partner may consider some or all of a wide range of factors, which include, but are not limited to, the size of an investor's commitment to the Fund, commercial considerations relating to the applicable Portfolio Investments, a Limited Partner's stated desire to participate in co-investments, the General Partner's determination of the appropriateness of offering a co-investment opportunity, the General Partner's assessment of a



potential co-investor's ability to efficiently and expeditiously participate in the investment opportunity, confidentiality concerns the General Partner has in connection with providing the potential co-investor with information relating to the investment opportunity, the General Partner's past experiences relating to previous investment opportunities offered to such potential co-investor, and the General Partner's determination of whether the profile or characteristics of the potential co-investor may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Fund to take advantage of such opportunity.

Because co-investments will not be made through the Fund, any compensation received in connection with a co-investment does not arise out of the investment activities of the Fund or actions taken directly or indirectly by the General Partner and/or the Management Company on behalf of the Fund and, therefore, none of such fees and other co-investor-related compensation will reduce or offset the Management Fee paid by the Fund.

In the event that a transaction in which a co-investment was to be sought ultimately is not consummated, all obligations, liabilities and out-of-pocket fees (including any break-up fees), costs and expenses relating to such unconsummated transaction will be borne by the Fund and not by any prospective co-investors, subject to any restrictions set forth in the Partnership Agreement.

Legal Counsel. Winston & Strawn LLP ("Winston") represents the General Partner, the Management Company and their respective affiliate(s) in connection with the formation of the Fund and the issuance of interests therein. Separate counsel has not been engaged to act on behalf of investors in the Fund. Winston is not representing and will not be deemed to owe any obligations or duties to, any prospective investor or investors absent an express agreement to the contrary with such prospective investors or investors in connection with their investments in the Fund and the transactions contemplated hereby whether or not Winston has in the past represented or is currently representing such prospective investor with respect to other matters. Representation by Winston of the General Partner, the Management Company and their respective affiliate(s) is limited to specific matters as to which they have been consulted by such persons. There may exist other matters which could have a bearing on the Fund, the General Partner, the Management Company and/or their respective affiliate(s) or Portfolio Projects as to which Winston has not been consulted. In addition, Winston does not undertake to monitor the compliance of the Management Company, the General Partner and their respective affiliate(s) with the investment program and other guidelines and terms set forth in this Memorandum and the Partnership Agreement, nor does Winston monitor the Management Company, the General Partner and their respective affiliate(s)' compliance with applicable laws. Such counsel has not passed upon the adequacy of this Memorandum or the fairness of the disclosure herein, and prospective investors must consult with their own counsel with regard to such matters.



IV. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

[The following is a summary of certain aspects of the U.S. federal income taxation of the Fund and its Limited Partners that should be considered by a prospective purchaser of an Interest, and is based upon the Internal Revenue Code of 1986, as amended (the "Code"), regulations promulgated under the Code ("Treasury Regulations"), court decisions, and administrative rules, practices, and interpretations of law of the Internal Revenue Service (the "IRS" or the "Service") as in effect on the date of this Memorandum. Future legislative or administrative changes or court decisions may significantly change the conclusions expressed herein, and any such changes or decisions may have a retroactive effect.

For purposes of this summary, a "U.S. Limited Partner" means a beneficial owner of an Interest that is not exempt from U.S. federal income tax under the Code and that is, for U.S. federal income tax purposes, any of (i) a citizen or resident of the United States; (ii) a corporation or other entity taxable as a corporation organized under the laws of the United States or any state thereof; (iii) an estate whose income is subject to U.S. federal income tax regardless of its source; (iv) a trust if a court within the United States can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or the trust has a valid election in effect to be treated as "United States person"; or (v) an entity that is disregarded as separate from its owner for U.S. federal income tax purposes if all of its interests are owned by a single person described in clauses (i) through (iv).

For purposes of this summary, a "Non-U.S. Limited Partner" means a beneficial owner of an Interest that is not a U.S. Limited Partner or a partnership or other pass-through entity for U.S. federal income tax purposes.

This summary does not purport to deal with all aspects of U.S. federal income taxation that may affect Limited Partners, particularly in light of their specific circumstances, nor does it address Limited Partners that may be subject to special treatment under the U.S. federal income tax laws, such as banks or other financial institutions, insurance companies, government instrumentalities or agencies, tax-exempt entities (other than to the limited extent specifically described below), "controlled foreign corporations" or "passive foreign investment companies" (as such terms are defined under the Code) or their shareholders, pass-through entities (e.g., grantor trusts, partnerships and Subchapter S corporations) and their owners, part-year non-resident aliens, U.S. expatriates or former U.S. citizens or long term residents, individual retirement accounts, U.S. Limited Partners whose functional currency is not the U.S. dollar, U.S. Limited Partners subject to the alternative minimum tax, or persons holding Interests other than as a capital asset.

This summary does not address any consequences relating to U.S. federal non-income taxes (e.g., estate and gift tax) or all consequences relating to U.S. state or local taxes, non-U.S. taxes, or tax treaty considerations. Furthermore, this discussion does not address the tax consequences to a shareholder, beneficiary or other owner of a U.S. Limited Partner.

No representation is made, and no opinion of legal counsel is being obtained, as to the tax consequences of the operations of the Fund. Moreover, the Fund generally will not be managed in order to minimize the tax liability of Limited Partners or otherwise in light of the particular tax status of one or more Limited Partners. The Fund has not sought and will not seek a ruling from



the IRS with respect to any U.S. federal income tax consequences, and counsel's views on any such consequences are not binding on the IRS or the courts. Terms in quotes not otherwise defined herein have the meaning ascribed to them under the Code and the Treasury Regulations.

For U.S. federal income tax purposes, income earned through an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes is attributed to its partners or owners. Accordingly, if a partnership or other pass-through entity invests in the Fund, the U.S. federal income tax treatment of a partner or owner of such entity generally will depend on the status of the partner or other owners and the activities of the partnership or other pass-through entity that invests in the Fund. Tax consequences to partners or owners of a partnership or other pass-through entity that is a Limited Partner in the Fund are not discussed in this summary and such prospective Limited Partners should consult their own tax advisors in order to understand fully the U.S. federal, state, local, non-U.S. tax and tax treaty consequences of an investment with respect to the prospective Limited Partner's particular situation.

Each prospective Limited Partner should seek advice from an independent tax advisor based on the prospective Limited Partner's particular situation.

Fund Status

A publicly traded partnership ("PTP") generally is treated as a corporation for U.S. federal income tax purposes. If the Fund were treated as a PTP taxable as a corporation for U.S. federal income tax purposes, the Limited Partners would not be treated as partners for U.S. federal income tax purposes, and income or loss of the Fund would not be passed through to the Limited Partners. Instead, the Interests of the Limited Partners in the Fund would be treated as ownership of stock of a U.S. corporation. Thus, the Fund would be treated as a U.S. corporation in which the Limited Partners owned stock and the Fund would be subject to U.S. federal income tax on its income at the rates applicable to corporations, and distributions made by the Fund to the Limited Partners could be taxable to them as dividends (to the extent of current and accumulated earnings and profits) or capital gains. Accordingly, status of the Fund as a PTP taxable as a corporation could materially reduce the after-tax return to a Limited Partner from its investment in the Fund.

A partnership will be considered a PTP if interests in the partnership are "traded on an established securities market" or "readily tradable on a secondary market (or the substantial equivalent thereof)." Redemptions or transfers of Interests in the Fund by Limited Partners could cause such Interests to be considered "readily tradable on a secondary market (or the substantial equivalent thereof)." However, the General Partner does not anticipate that the Fund will be classified as a PTP because it expects to satisfy the requirements of the so-called "private placement" safe harbor for avoiding such classification. To the extent that such exception is not available, the Fund also may rely upon other safe harbors from PTP status provided under Treasury Regulations to the extent available. However, the continued availability of the private placement safe harbor and other safe harbors cannot be known at present, and there is no assurance that the Fund would qualify under any such safe harbors.

Even if no such safe harbor is available, the Fund may be able to avoid taxation as a corporation if at least 90% of its gross income for the current and each previous taxable year consists of "qualifying income," including interest, dividends and gains from the sale or disposition of stocks



and securities held as capital assets. In general, the income that the Fund receives from its investments is expected to constitute "qualifying income." However, there can be no assurance that the Fund will satisfy the 90% qualifying income test in any particular year. The remainder of this summary assumes that the Fund will be classified as a partnership (and not a PTP taxable as a corporation) for U.S. federal income tax purposes.

Taxation of U.S. Limited Partners

Each U.S. Limited Partner will be liable for taxes on its allocable share of Fund income regardless of whether the Fund has made any distributions to the Limited Partners. Thus, it is possible that a U.S. Limited Partner's income tax liability in any particular fiscal year attributable to Fund income will exceed the cash distributed to the U.S. Limited Partner by the Fund.

Upon any partial or complete withdrawal of the Interest of a U.S. Limited Partner in the Fund, the Fund may specially allocate separate Fund items of income, gain, loss, and deduction to a withdrawing U.S. Limited Partner to the extent necessary for the withdrawing U.S. Limited Partner to have an adjusted tax basis in its Interest equal to the withdrawal payment. This will commonly be done by allocating income, gains, or losses to U.S. Limited Partners withdrawing all or a part of their investments in the Fund. The General Partner generally retains sole discretion in determining the character of any such items that are specially allocated to a particular withdrawing U.S. Limited Partner. Although the General Partner believes that it is appropriate to report these special allocations for U.S. federal income tax purposes, there are no assurances that such allocations could not be successfully challenged.

To the extent that these special allocations are not made, or are made but successfully challenged, for U.S. federal income tax purposes, the U.S. Limited Partner would not have an adjusted tax basis in its Interest equal to the withdrawal payment. In that case, cash paid as part of a withdrawal to a U.S. Limited Partner in excess of the adjusted tax basis of its Interest will be treated as an amount received on the sale or exchange of its Interest and generally will be taxable as capital gain. Further, in that case, a U.S. Limited Partner may not recognize a loss upon a partial withdrawal of its Interest or partial withdrawal of its capital account, and may recognize a loss only upon a complete withdrawal or the redemption or termination of its entire interest in the Fund after the U.S. Limited Partner has received all distributions and payments in respect of such complete withdrawal, redemption, or termination. In such case, the Limited Partner generally would recognize a capital loss to the extent of any remaining tax basis in its Interest. Any capital gain or loss so recognized by a U.S. Limited Partner upon withdrawal (or upon a distribution, redemption, termination, or other disposition) of Interests generally would be long-term capital gain or loss to the extent of the portion of the Limited Partner's Interests that are held for more than twelve months, and short-term capital gain or loss to the extent of the portion of the Limited Partner's Interests that are held for 12 months or less. For this purpose, a Limited Partner would begin a new holding period in a portion of its Interests each time it makes an additional investment in the Fund.

Finally, in such case, where the Fund makes a distribution that constitutes a "substantial basis reduction" distribution (e.g., the complete withdrawal of a Limited Partner's Interests, where the Limited Partner recognizes a tax loss in excess of $250,000), the Fund generally is required to adjust its tax basis in its assets in respect of all Limited Partners. (The Fund also is required to



adjust its tax basis in its assets in respect of a transferee Limited Partner in the case of a sale or exchange of an Interest, or a transfer upon death, when there exists "substantial built-in loss" (i.e., in excess of $250,000) in respect of Fund property immediately after the transfer or when the transferee partner would be allocated a loss of more than $250,000 if the Fund assets were sold for cash equal to their fair market value immediately after such transfer.) For this reason, the Fund will require (i) a Limited Partner who receives a distribution from the Fund in connection with a complete withdrawal, (ii) a transferee of an Interest (including a transferee in case of death), and (iii) any other Limited Partner in appropriate circumstances to provide the Fund with information regarding its adjusted tax basis in its Interest.

An in-kind distribution of property other than cash generally will not result in taxable income or loss to any Limited Partner. For purposes of the foregoing, a distribution of "marketable securities" is treated as a distribution of cash, unless treated as a distribution of marketable securities by an "investment partnership" to an "eligible" partner. The investment partnership exception generally may apply to distributions from the Fund to a Limited Partner, although no assurances may be given that such will be the case.

Gain or Loss on Sale of Investments; Dividends

Generally, most of the gains and losses realized by the Fund on the sale of investments should be capital gains or losses (subject to any ordinary income treatment required with respect to certain "unrealized receivables" or "inventory" within the meaning of Code Section 751), except to the extent noted below in "*Controlled Foreign Corporations"* and *"Passive Foreign Investment Companies*." Generally, investments must be held for more than 12 months for the gain from the sale of the investments to qualify as long-term capital gains. Gains or losses on sales of investments that are held for 12 months or less are treated as short-term gains or losses and are taxed at ordinary income rates.

The Fund also may realize other income, including income from dividends. Currently, U.S. Limited Partners that are individuals, estates or trusts may be eligible for preferential rates with respect to dividend income received by the Fund that constitutes "qualified dividend income." Dividends are treated as qualified dividend income if the taxpayer meets certain holding period requirements with respect to the shares on which dividends are paid and, in the case of dividends paid by a foreign corporation, the corporation is not a PFIC (as described below) and either (i) the foreign corporation is eligible for the benefits of a comprehensive income tax treaty with the U.S. that the IRS has determined to be satisfactory for this purpose and that includes an exchange of information program or (ii) shares of the foreign corporation are readily tradable on an established securities market in the U.S. (other than with respect to certain non-"qualified foreign corporations"). Qualified dividend income does not include payments "in lieu of" dividends received from stock lending transactions or dividends received on stock to the extent the taxpayer is obligated to make related payments with respect to substantially similar or related property. To the extent a distribution with respect to stock exceeds the distributing corporation's current or accumulated earnings and profits, the distribution will be treated as a return of capital and will reduce the basis in such stock, thus increasing the gain (or decreasing the loss) which may be realized on a sale, redemption or exchange of such stock. To the extent such distributions exceed the basis in the stock, such excess will be taxed as capital gain. Generally, a distribution paid in



stock of the distributing corporation with respect to common stock does not result in the recognition of gross income by the recipient.

Original Issue Discount, Market Discount, and Bond Premium

The Fund may directly or indirectly invest in bonds or other debt instruments. The Fund may acquire bonds and other debt instruments for less than their face amount. The amount of the discount will generally be treated as original issue discount ("OID") for debt instruments purchased at issue or as "market discount" for instruments purchased in the secondary market. Any OID or market discount that accrues during a taxable year will be reported as interest income by the Fund in that year and an applicable portion will be passed through to the U.S. Limited Partners, although the Fund may not receive payments corresponding to this income until the maturity of or the disposition by the Fund of the debt instrument. Taxable income from OID and market discount recognized by the Fund will result in appropriate adjustments in any gain or loss recognized upon a sale, exchange, or repayment of such obligations.

Foreign Currency Transactions

The Fund may engage in transactions involving forward contracts on foreign currency. Such contracts generally will give rise to ordinary income or loss. Special rules provide that if the Fund follows certain procedures and makes certain elections it can obtain capital gain and loss treatment for qualifying transactions. If the Fund obtains financing denominated in a foreign currency, then it may recognize gain or loss attributable to fluctuations in such currency relative to the U.S. dollar. The Fund also may recognize gain or loss on currency fluctuations occurring between the time the Fund obtains and disposes of foreign currency, between the time it accrues and collects income denominated in a foreign currency (including as described above for OID, interest income, and gains on sales), or between the times it accrues and pays liabilities denominated in a foreign currency. Such gains or losses generally will be treated as ordinary income or loss.

Warrants

The Fund generally will not recognize gain or loss upon the exercise of a particular warrant. If a warrant lapses unexercised, the Fund generally will recognize a taxable loss in the amount of its adjusted tax basis in the warrant. Gain or loss recognized by the Fund on a sale of a warrant (and loss upon lapse of a warrant) will be treated in the same manner as gain or loss from the sale of the underlying stock or securities to which the warrant relates. If a warrant is exercised by the Fund, gain or loss on the underlying stock or security acquired generally will be deferred until such stock or security is sold. The holding period of the stock or security received pursuant to the exercise of a warrant issued to the Fund generally will start upon that exercise date.

Net Investment Income Tax

In addition to the taxes described above, Code Section 1411 imposes a "net investment income tax" ("NIIT") of 3.8% on the lesser of "net investment income" or the excess of modified adjusted gross income of certain individuals, trusts, and estates for a taxable year over a threshold amount (i.e., $250,000 for married taxpayers filing jointly, $125,000 for each married taxpayer filing separately, and $200,000 for other individual taxpayers). In the case of an estate or trust, the tax will be imposed on the lesser of (1) undistributed net investment income or (2) the excess adjusted

gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins. Among other items, "net investment income" generally includes gross income from interest, dividends that are not derived in the ordinary course of a trade or business and certain net gains, as well as all gross income derived from a trade or business of trading in financial instruments (which may be offset by losses from trading) and may be offset by certain allocable deductions.

It is anticipated that a U.S. Limited Partner's allocable share of the Fund's gross income and/or net gain (whether or not the Fund is engaged in the trade or business of trading in financial instruments), as well as any net gain from the redemption or sale of an Interest in the Fund, generally will be included in the U.S. Limited Partner's "net investment income" subject to this 3.8% surtax. Prospective U.S. Limited Partners should consult their own tax advisors concerning the possible implications of the NIIT based on their particular circumstances.

Limitations on the Ability of U.S. Limited Partners to Deduct Fund Losses and Expenses

The Code provides many restrictions and limitations that may prevent a U.S. Limited Partner from receiving the full tax benefit from Fund expenses and losses, if any, passed through to the U.S. Limited Partners. These restrictions and limitations include the following:

"At Risk"/Tax Basis of Interests. A U.S. Limited Partner will be entitled to deduct its share of Fund taxable losses only to the extent such taxable losses do not exceed the adjusted tax basis of such U.S. Limited Partner's Interests as of the end of the Fund taxable year in which such loss occurs. Further, with respect to a U.S. Limited Partner who is an individual, trust, estate, or a closely held C corporation, such U.S. Limited Partner's share of Fund taxable losses that are passed through to it will be deductible on such U.S. Limited Partner's income tax return only to the extent such U.S. Limited Partner's tax basis in its Interests as of the end of the Fund's taxable year in which such loss occurs is considered to be "at risk." For this purpose, a U.S. Limited Partner's "at risk" amount will not include certain types of non-recourse borrowing that the U.S. Limited Partner uses to finance its Interest.

Capital Losses/ Loss Carryovers. The excess of a noncorporate U.S. Limited Partner's capital loss over capital gain in any year is deductible only against ordinary income up to $3,000. Net capital losses that exceed this limitation may be carried forward to subsequent years and deducted against capital gains in those years plus $3,000 of ordinary income. A noncorporate U.S. Limited Partner generally may not carry back net capital losses to previous taxable years. A corporate U.S. Limited Partner's net capital loss in any year generally may be carried back to each of the three taxable years preceding the loss year and carried forward to each of the five taxable years succeeding the loss year. As a result of these limitations, a U.S. Limited Partner's share of net capital losses of the Fund, if any, usually will not materially reduce (if at all) the amount of such U.S. Limited Partner's U.S. federal income tax on ordinary income.

Deduction of Fees. The Code provides that, for noncorporate taxpayers who itemize deductions when computing taxable income, investment advisory fees and other "miscellaneous itemized deductions" will not be deductible for any taxable year beginning and before January 1, 2026 and will be deductible thereafter only to the extent such deductions exceed 2% of such taxpayer's adjusted gross income. In addition, with respect to any taxable year beginning after December 31,



2025, if a non-corporate taxpayer's adjusted gross income exceeds a threshold amount (adjusted for inflation each year), the amount of certain itemized deductions otherwise allowable are further reduced by the lesser of (i) 3% of the non-corporate taxpayer's adjusted gross income in excess of a threshold amount that is increased annually to account for inflation or (ii) 80% of the amount of the itemized deductions otherwise allowable during the taxable year. Moreover, "miscellaneous itemized deductions" are not deductible by a noncorporate taxpayer in calculating its alternative minimum tax.

The Fund will determine, based on the activities of the Fund, whether it will report a noncorporate U.S. Limited Partner's allocable share of Management Fees and other operating expenses of the Fund as trade or business expenses, or as investment expenses, which would not be deductible for any taxable year beginning before January 1, 2026 and would be deductible thereafter only to the extent that such share, together with the U.S. Limited Partner's other miscellaneous itemized deductions, exceeds 2% of its adjusted gross income. Whether a U.S. Limited Partner's allocable share of Management Fees and other operating expenses constitutes a trade or business expense or an investment expense may turn on whether such fees and expenses are incurred at the level of the Fund. This limitation may result in a noncorporate U.S. Limited Partners having to report taxable income in excess of its economic profits from the Fund.

Investment Interest Expense. A noncorporate U.S. Limited Partner's allocable share of interest expense and deductions in connection with certain investments made by the Fund and interest incurred by a noncorporate U.S. Limited Partner to acquire or carry its Interest may be investment interest, deductible only to the extent of the net investment income of the U.S. Limited Partner for the year (i.e., the excess of income from interest, dividends, and gains from the disposition of investment property over expenses incurred in earning such income). In computing net investment income, both long-term capital gains and dividends that would otherwise be taxable at preferential rates are includable only if the noncorporate U.S. Limited Partner elects to have such gains and dividends taxed at the same rate as ordinary income. Excess investment interest expense may be carried over to and deducted in subsequent years to the extent it would be deductible if incurred in that year. This limitation, if applicable, will be computed separately by each U.S. Limited Partner and not by the Fund.

Income and Losses from Passive Activities. Losses claimed by a U.S. Limited Partner who is an individual, estate, trust, personal service corporation, or closely held C corporation from business activities in which the U.S. Limited Partner does not materially participate ("passive activities") generally are deductible only to the extent of income from other passive activities. Treasury Regulations provide that gross income from the activity of buying, holding and selling of stocks, bonds and other financial securities on established financial markets is not a passive activity, regardless of whether such activity is a trade or business. Accordingly, it appears that the income or loss of the Fund generally should not be treated as passive activity income or loss, and therefore a U.S. Limited Partner's allocable share of Fund income should not be offset by losses that the U.S. Limited Partner may have from passive activities.

Trade or Business Losses. Code Section 461(l) denies a deduction to non-corporate taxpayers for any excess business loss. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer (determined without regard to the limitation of the provision), over the sum of aggregate gross income or gain of the

taxpayer plus a threshold amount (generally $250,000, or $500,000 for married taxpayers filing jointly). To the extent those losses exceed the threshold amount, they become part of a taxpayer's net operating loss and are carried forward to subsequent years. Each U.S. Limited Partner should consult its own tax advisor with respect to the consequences of Code Section 461(l).

Passive Foreign Investment Companies

A foreign corporation in which the Fund makes an equity investment may constitute a PFIC for U.S. federal income tax purposes. In general, a foreign corporation will constitute a PFIC if (i) 75% or more of the gross income of such corporation for the taxable year is passive income, or (ii) the average percentage of assets held by such corporation during the taxable year that produced passive income or that are held for the production of passive income is at least 50%. For purposes of applying the gross income and assets tests, "look-through" rules are provided with respect to 25% or greater subsidiaries of the foreign corporate issuer. Passive income for this purpose generally includes dividends, interest, royalties, rents and the excess of gains or losses from securities and commodities transactions. Under a special so-called "once-a-PFIC-always-a-PFIC" rule, a corporation's status as a PFIC for one year may implicate the tax treatment of its shareholders even where the corporation no longer satisfies the income or assets test for treatment as a PFIC in a subsequent year, unless the PFIC taint is purged.

The Fund may file an election to treat the PFIC as a qualified electing fund ("QEF"). If the Fund makes such a QEF election, each U.S. Limited Partner would be required to include in gross income as ordinary income its distributive share of the Fund's pro rata share of the non-U.S. issuer's ordinary earnings and, as long-term capital gain, its distributive share of the Fund's pro rata share of the non-U.S. issuer's net capital gain, whether or not distributed. Thus, a U.S. Limited Partner may recognize income in a taxable year with respect to shares of a non-U.S. issuer held by the Fund and passed through to the U.S. Limited Partner in amounts greater than such U.S. Limited Partner's share of the distributions received by the Fund from the non-U.S. issuer, and passed through to the U.S. Limited Partner, in a particular taxable year. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the Fund may be permitted to elect to defer payment of some or all of the taxes on the QEF's income subject to an interest charge on the deferred amount.

Each U.S. Limited Partners should consult its own tax advisor with respect to these PFIC reporting requirements. The foregoing discussion assumes that the issuer does not constitute a CFC as to which the Fund is treated as a "U.S. Shareholder" as discussed below.

Controlled Foreign Corporations

If the Fund were to acquire, directly, indirectly, or by application of stock attribution rules, 10% or more of the total combined voting power or 10% or more of the total value of shares of all classes of stock of a corporation which was classified as a CFC, the Fund would be required, subject to certain exceptions, to include in gross income (and pass through an allocable portion to the U.S. Limited Partners) at the end of the taxable year of the issuing non-U.S. corporation an amount equal to the Fund's pro rata share of the "subpart F income" of the non-U.S. corporation. For this purpose, a non-U.S. corporation will constitute a CFC if more than 50% of the shares of the corporation, measured by reference to the combined voting power or value, are held, directly



or indirectly, by "U.S. Shareholders." A "U.S. Shareholder," for this purpose, is, in general, any United States person that owns 10% or more of the total combined voting power or 10% or more of the total value of shares of all classes of shares of a non-U.S. corporation. Among other items, and subject to certain exceptions, subpart F income includes interest, gains from the sale of securities, and income from certain transactions with related parties. If the Fund satisfies the share ownership test for treatment as a U.S. Shareholder of a CFC, as defined above, the Fund would also be required to include in gross income (and pass through an allocable portion to the U.S. Limited Partners) at the end of the taxable year its pro rata share of the earnings of the CFC to the extent that such earnings were invested in U.S. property, as defined in the relevant CFC provisions. Such inclusions do not constitute dividend income and thus, would not be eligible for preferential rates of tax. In addition, under certain circumstances, gain realized by the Fund with respect to the sale of stock of a corporation that is or was a CFC may be recharacterized in whole or in part as a dividend. Such a deemed dividend would be taxable at ordinary income rates rather than capital gains rates (except to the extent that the deemed dividend constituted "qualified dividend income," as described above).

Each U.S. Limited Partner should consult its tax advisor regarding the foregoing U.S. income tax rules applicable to indirect investments in CFCs in connection with its investment in the Fund.

Reporting of Transfers of Cash to Foreign Corporations

In the event that the Fund transfers cash to a non-U.S. corporation, each U.S. Limited Partner will be treated as a transferor of its respective proportionate share of the cash transferred. In the event that a U.S. Limited Partner owns, immediately after the transfer, an indirect interest of at least 10% by vote or value of the non-U.S. issuer or if the U.S. Limited Partner's proportionate share of the funds transferred, when aggregated with all related transfers under the applicable regulations, exceeds $100,000, the U.S. Limited Partner will be required to file IRS Form 926. It is possible, although unlikely, that a U.S. Limited Partner may be required to file certain other IRS information reporting forms as a result of an investment in the Fund. Significant penalties are imposed for a failure to make required IRS or Treasury Department filings, including, in certain circumstances, a statute of limitations tolling provision.

Each U.S. Limited Partner will be responsible for complying with all applicable U.S. information reporting requirements. Each U.S. Limited Partner should consult its own tax advisor with respect to applicable tax information reporting filing requirements.

Investment by Tax-Exempt Limited Partners

Each Limited Partner that is a "United States person" (within the meaning of Code Section 7701(a)(30)) and is otherwise exempt from U.S. federal income tax (including charitable organizations, private foundations, and individual retirement accounts ("IRAs")) (a "Tax-Exempt Limited Partner") generally is subject to tax on its unrelated business taxable income ("UBTI"), and must file a U.S. federal income tax return reporting such income. UBTI generally is defined as income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose. UBTI generally does not include dividends and, with certain exceptions, gains or losses from the sale, exchange or other disposition of property held as a capital asset. However, a tax-exempt entity's "debt-financed income" will be included in computing UBTI, regardless of



whether such income would otherwise be excluded as dividends, capital gains or other non-UBTI income. Consequently, if a Tax-Exempt Limited Partner's acquisition of Interests is debt-financed or if the Fund's acquisition of its investments is debt-financed, all or a portion of such Limited Partner's income attributable to the Fund will be included in UBTI.

For certain types of tax-exempt entities, the receipt of UBTI may have adverse consequences different from those discussed above. For example, any UBTI earned by a charitable remainder trust is subject to a 100% excise tax.

Certain tax-exempt entities are subject to a "penalty" excise tax for being a party to (A) a "prohibited tax shelter transaction" if the transaction is a "prohibited tax shelter transaction" at the time the tax-exempt entity became a party to the transaction or (B) a "subsequently listed transaction". The term "prohibited tax shelter transaction" means (i) any listed transaction or (ii) certain "confidential transactions" or certain transactions with "contractual protections." A tax-exempt entity will be treated as a "party" to a transaction if it (1) facilitates the transaction by reason of its tax-exempt, tax-indifferent, or tax-favored status, or (2) is identified in published guidance, by type, class or role, as a party to a prohibited tax shelter transaction.

Prospective Tax-Exempt Limited Partners should consult their own tax advisors concerning the possible implications of an investment in the Fund based on their particular circumstances.

U.S. Federal Income Tax Audits and Resulting Liabilities

Under the partnership audit rules, a partnership appoints one person (the "Partnership Representative") to act on its behalf in connection with IRS audits and related proceedings. The Partnership Representative's actions, including the Partnership Representative's agreement to adjustments of the Fund's income in settlement of an IRS audit of the Fund, will bind all Limited Partners. Pursuant to the Partnership Agreement, the General Partner or its delegate will be designated as the Partnership Representative, and the Limited Partners are required, if necessary, to consent to such designation.

Under these rules, U.S. federal income taxes (and any related interest and penalties) attributable to an adjustment to the Fund's income following an IRS audit or judicial proceeding will, absent an election by the Fund to the contrary, have to be paid by the Fund in the year during which the audit or other proceeding is resolved, if such adjustment results in an increase in U.S. federal income tax liability (as determined under these rules). If an adjustment to the Fund's income following an IRS audit or judicial proceeding results in a reduction in U.S. federal income tax liability (as determined under these rules), such favorable adjustment will flow through to the Limited Partners based on their interests for the year in which the audit or other proceeding is resolved. This could cause the economic burden of U.S. federal income tax liability (or the economic benefit of a favorable adjustment) arising on audit of the Fund to be borne by (or, in the case of a favorable adjustment, to benefit) Limited Partners based on their interests in the Fund in the year during which the audit or other proceeding is resolved, even though such tax liability (or benefit) is attributable to an earlier taxable year in which the Interests or identities of some or all of the Limited Partners were different.



These partnership audit rules generally should apply to audits of any entity in which the Fund owns an interest that is treated as a partnership for U.S. federal income tax purposes.

Any U.S. federal income taxes (and any related interest and penalties) paid by the Fund, or by an entity treated as a partnership in which the Fund owns an interest, in respect of IRS audit adjustments at the Fund level or at the level of such entity will be allocated by the General Partner to, and will be indemnified by, the Limited Partners pursuant to the terms of the Partnership Agreement. The General Partner will seek to make any such allocations on a fair and equitable basis. At the direction of the Partnership Representative, the Fund may offset withdrawal payments, distributions and other amounts that any Limited Partner would otherwise be entitled to receive under the Partnership Agreement against such indemnification obligation.

As an alternative to the foregoing, the Partnership Representative may elect to apply alternative procedures that may allow the Fund to avoid such entity-level U.S. federal income tax liability in some cases if certain conditions are satisfied. These alternative procedures may require Limited Partners (based on their Interests in the Fund in the prior tax year under audit) to either file amended returns and pay any tax that would be due for the prior tax year under audit, or adjust the tax liability reported on their income tax returns for the year in which the audit is resolved.

Limited Partners, in certain circumstances, may be required to provide certain information to the Fund (including information about the owners of Limited Partners classified as partnerships) in connection with the calculation of taxes imposed on the Fund as the result of an audit.

Limited Partners should discuss with their own tax advisors the possible implications of the partnership audit rules (including any similar provision of state or local law) with respect to an investment in the Fund.

Non-U.S. Limited Partners

In general, a non-U.S. person that invests in a partnership that is engaged in trade or business within the United States is itself considered to be engaged in trade or business within the United States for U.S. federal income tax purposes and is subject to U.S. federal income tax, withholding and income tax return filing requirements with respect to its allocable share of the partnership's effectively connected income or "ECI." A corporate non-U.S. Partner may also be subject to the 30% "branch profits" tax on its ECI.

Certain categories of income that would result in UBTI for a tax-exempt investor also result in ECI for a non-U.S. Partner (e.g., investments in operating partnerships). It is also possible that reductions in management fees resulting from the receipt of fees by the manager or its affiliates would be taxed as ECI to non-U.S. Partners.

If it were ultimately established that the Fund is engaged in a U.S. trade or business, the Fund generally would be required to withhold and remit to the IRS a percentage of the Fund's net income and gains that are both effectively connected with that trade or business and allocated to any Non-U.S. Limited Partner, and would be liable for interest and penalties with respect to amounts which were not so withheld. The relevant withholding percentage generally is the maximum U.S. federal income tax rate for individuals or corporations, as applicable. In addition, Non-U.S. Limited Partners generally would be required to file U.S. federal income tax returns and pay tax in respect



of their shares of the Fund's effectively connected income including capital gains, but would also be allowed a credit against U.S. federal income tax liability for amounts withheld by the Fund on their behalf. Moreover, if any portion of the gain (if any) on any disposition of an Interest would be treated under as effectively connected with the conduct of a trade or business within the United States, the transferee of an Interest would generally be required to withhold 10% of the amount realized on the sale or exchange of the Interest unless the transferor certifies that it is not a foreign person and provides a U.S. taxpayer identification. However, a Non-U.S. Limited Partner generally should be able to obtain a refund of such withheld amounts unless the Non-U.S. Limited Partner is a resident alien individuals of the United States (generally, individuals lawfully admitted for permanent residence, or who have a "substantial presence," in the United States) or for whom their allocable share of Fund income and gain, and the gain realized on the sale or disposition of an Interest is otherwise effectively connected with their conduct of a U.S. trade or business. In such cases, the Non-U.S. Limited Partner would be subject to U.S. federal income taxation on such income and gains.

Certain categories of income from U.S. sources realized by the Fund — such as dividends and interest that are not effectively connected with a U.S. trade or business — will generally be subject to U.S. federal income tax, collected by withholding at a 30% rate on the gross amount of that income allocable to Non-U.S. Limited Partners, when included in the distributive shares of Non-U.S. Limited Partners of the Fund. A Non-U.S. Limited Partner whose distributive share of such income is subject to this U.S. tax withholding may be able to claim a refund of all or a portion of the amounts withheld, or an exemption or a reduced rate of withholding under a tax treaty or convention between the U.S. and that Partner's country of residence. In order to claim the benefits of a tax treaty to reduce U.S. federal income tax withholding on U.S.-source interest and dividends paid on securities that are not actively traded, a Non-U.S. Limited Partner — and any direct or indirect equity owner of a Non-U.S. Limited Partner seeking treaty benefits for itself because the Non-U.S. Limited Partner is considered fiscally transparent in that equity owner's jurisdiction — generally will be required to obtain a U.S. taxpayer identification number from the Service and provide that number and certain other documentation to the Fund. Other exemptions may be available for certain types of interest income.

Tax Shelter Regulations; Disclosure

Treasury Regulations directed at abusive tax shelter activity apply to transactions not conventionally regarded as tax shelters. Among other things, the current Treasury Regulations require specified disclosures by certain persons that directly or indirectly participate in a "reportable transaction." While there are exclusions that generally cover most customary trading activity, they do not cover certain types of arbitrage and foreign currency transactions, among others. Accordingly, it is possible that the Fund might participate in one or more reportable transactions. In that event, the Fund would be required to file an IRS Form 8886 with its tax return, which may increase the likelihood of an audit, and maintain a list identifying those Limited Partners (if any) that were allocated tax losses from the reportable transaction(s) equal to or greater than certain specified amounts. A Limited Partner that is allocated tax losses from reportable transactions equal to or greater than the specified amounts must file an IRS Form 8886 with its own tax return for each year that the Limited Partner reports tax losses from the reportable transaction(s). In addition, a Limited Partner's recognition of a loss upon its disposition of an Interest in the Fund also could constitute a transaction that requires disclosure to the IRS.



Significant penalties may be imposed on a taxpayer who participates in a "reportable transaction" and fails to timely make the required disclosure.

Each Limited Partner should consult with its own tax advisor concerning the possible application of the foregoing disclosure and investor list maintenance requirements to this investment in the Fund.

U.S. State and Local Taxes

Each Limited Partner may be required to file returns and pay state and local tax on its share of Fund income (including possibly on its gross income) in the jurisdiction in which it is a resident and/or other jurisdictions in which the Fund earns income. The Fund may be required to withhold and remit payment of taxes to one or more state or local jurisdictions on behalf of the Limited Partners. In certain cases, the Fund may be subject to entity-level state and local taxes in states in which the profits of the Fund are deemed to be sourced. State and local taxing authorities may assert that the profits of the Fund should be sourced in a manner that differs from the manner in which the Fund reports the source of profits for state and local purposes; as a result, Limited Partners may be required to pay additional state and local taxes, interest and possibly penalties. Limited Partners may also be subject to such taxes, interest and penalties as a result of being unable to file state and local tax returns on a timely basis.

Each Limited Partner is advised to consult its own tax advisor regarding state and local taxes that may be payable in connection with an investment in the Fund and the deductibility of such taxes.

Backup Withholding and Information Reporting

Under certain circumstances, backup withholding of U.S. tax and information reporting requirements may apply to proceeds from withdrawal of Interests that are paid to certain Limited Partners that fail to provide to the Fund an accurate taxpayer identification number or otherwise fail to comply with, or establish an exemption from, the backup withholding requirements. In general, a U.S. Limited Partner may comply with these identification and certification procedures by providing the Fund with a duly executed and properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Backup withholding is not an additional tax and may be refunded or credited against the Limited Partner's U.S. federal income tax liability if certain required information is timely furnished to the IRS. The information reporting requirements may apply regardless of whether backup withholding is required. See also "Foreign Account Tax Compliance Act" below, for a discussion of withholding obligations under the Foreign Account Tax Compliance Act.

Foreign Account Tax Compliance Act

Very generally and with limited exceptions, pursuant to Code Sections 1471 through 1474, Treasury Regulations promulgated thereunder and IRS official guidance (commonly known as "FATCA"), if a Limited Partner fails to meet certain requirements that are mandated by FATCA, certain U.S. source income paid to such Limited Partner will, in general, be subject to a 30% withholding tax. Pursuant to FATCA, a 30% withholding tax will be imposed on certain U.S. source payments such as dividends, and other fixed or determinable annual or periodical income, paid to (1) a "foreign financial institution" (as specifically defined in the legislation), whether such



foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution provides a certification that it has agreed to verify, report and disclose its United States "account" holders (as specifically defined in the legislation) and meets certain other specified requirements, (2) a non-financial foreign entity, whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such entity provides a certification that the beneficial owner of the payment does not have any substantial United States owners or provides the name, address and taxpayer identification number of each such "substantial United States owner" (as defined under the Code and applicable Treasury Regulations) and certain other specified requirements are met, or (3) a United States person, whether such United States person is the beneficial owner or an intermediary, unless such United States person provides a certification that the beneficial owner of the payment is a United States person. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules.

The Fund will be required to withhold at a 30% rate on the payments described above to a Limited Partner if the Limited Partner fails to timely provide the Fund with sufficient information, certification or documentation that is necessary for the Fund to determine (i) whether or not the Limited Partner is a United States person within the meaning of the Code, and (ii) if the Limited Partner is a foreign entity, for the Fund to determine that the Limited Partner meets the requirements applicable to a foreign financial institution or a non-financial foreign entity described above.

In addition, certain of the Fund's investments may be in "foreign financial institutions," any of which may be subject to withholding tax as described above if such entity fails to timely comply (and is not otherwise exempt from complying) with the requirements of FATCA. Persons or Fund investments located in a jurisdiction that has entered into an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

U.S. tax authorities may be required to disclose certain identifying information to the tax authorities in a Non-U.S. Limited Partner's home country under a treaty or a broad information exchange agreement. Prospective Limited Partners should consult their own tax advisors regarding the possible implications of FATCA on an investment in the Fund, including requirements of FATCA with respect to the provision of information and documentation.

Qualified Small Business Investments

Capital Gain Exclusion for Qualified Small Business Investments. In general, under section 1202 of the Code, non-corporate investors that, directly or via a pass-through entity such as the Fund, hold qualified "small business stock" for more than five years are permitted to exclude from taxable income any gain subsequently recognized upon a sale or exchange of such stock. For each non-corporate investor, the amount of gain eligible for the exclusion generally is limited to the greater of: (i) 10 times the investor's basis in the stock or (ii) a total of $10 million with regard to stock in the issuing corporation.

To be treated as small business stock eligible for the exclusion, the stock must have been acquired at original issue from a "qualified small business." In general, a qualified small business is a domestic "C" corporation that, immediately after issuing the stock in question, has $50 million or



less in gross assets and satisfies certain other requirements. Because several of these requirements must continue to be satisfied after the issuance of qualified stock, it is possible that the stock may cease to qualify as small business stock due to events occurring after the issue date. Further, the benefits of section 1202 of the Code will be available to non-corporate Limited Partners who purchase, hold and sell qualified small business stock indirectly through the Fund if the non-corporate Limited Partner held its interest in the Fund at all times that the Fund held the qualified small business stock. Accordingly, there can be no assurance that any stock acquired directly or indirectly by the Fund would qualify for the exclusion, even if such stock qualifies as small business stock at the time of acquisition.

Rollover for Qualified Small Business Stock. Under section 1045 of the Code, if any taxpayer other than a corporation (i) realizes gain on a sale of qualified small business stock (as defined above) that has been held by the taxpayer for more than six months, and (ii) within 60 days after such sale, purchases new qualified small business stock, the taxpayer generally is required to recognize (and pay tax on) such gain only to the extent that the net sale proceeds from the original stock exceed the cost of the newly purchased stock. If gain from any sale of qualified small business stock is not recognized by reason of this rollover rule, such gain will be applied to reduce the basis for determining gain or loss of any qualified small business stock which is purchased during the 60-day period following the sale or other disposition of the stock as to which gain was not recognized.

Provided that the General Partner consents to the election by the Fund under section 1045 of the Code in respect of a Fund investment (as is required by the Partnership Agreement), the benefits of section 1045 of the Code will be available to non-corporate Limited Partners who purchase, hold and sell qualified small business stock indirectly through the Fund if the non-corporate Limited Partner held its interest in the Fund at all times that the Fund held the qualified small business stock. In addition, if qualified small business stock is distributed to non-corporate Limited Partners who held their interest in the Fund during the entire period that the Fund had an investment in such stock, the sales proceeds could also qualify under section 1045 of the Code if the non-corporate Limited Partner purchases other qualified small business stock within the requisite time period.

No assurances can be given that section 1045 of the Code rollovers of qualified small business stock will be available to Partners in the Fund or that the General Partner will have or provide to Partners information about any particular stock investment necessary to determine its eligibility for a section 1045 of the Code rollover, or to satisfy applicable tax reporting requirements related to a rollover.

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The foregoing is a summary of some of the important tax considerations affecting certain investors in the Fund and the proposed operations of the Fund and is not intended as a substitute for careful tax planning, particularly since the income tax consequences of an investment in the Fund may not be the same for all taxpayers. The foregoing does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks involved in purchasing or holding Interests. ACCORDINGLY, PROSPECTIVE LIMITED PARTNERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS WITH



SPECIFIC REFERENCE TO THEIR TAX SITUATION UNDER FEDERAL LAW AND THE PROVISIONS OF APPLICABLE STATE, LOCAL, NON-U.S., AND OTHER LAWS AND TAX TREATIES BEFORE SUBSCRIBING FOR INTERESTS.]



V. CERTAIN REGULATORY CONSIDERATIONS

Securities Act

The Interests being offered hereby will not be registered under the Securities Act of 1933, as amended (the "Securities Act") in reliance on the exemption from registration provided by Regulation D and/or Regulation S under the Securities Act.

As the Interests have not been registered under the Securities Act, they cannot be sold unless they are subsequently registered under the Securities Act or an exemption from registration is available. The Partnership Agreement also places substantial limits on the transfer of Interests, including that the Interests may not be sold or transferred without the consent of the General Partner (which it may grant or deny in its discretion), and substantially limit the ability of Limited Partners to withdraw their Interest. Therefore, each Limited Partner must bear the economic risk of its investment in the Fund for an indefinite period of time. It is not contemplated that any registration under the Securities Act will ever be effected or that certain exemptions provided by rules promulgated under the Securities Act will be available.

Investment Company Act

The Fund will not be subject to the provisions of the Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance upon Section 3(c)(1) of the Investment Company Act, which exempts issuers whose outstanding securities are owned by not more than 100 investors.

Investment Advisers Act

The Management Company does not intend to register with the U.S. Securities and Exchange Commission (the "SEC") as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), nor with any state as an investment adviser. Instead, the Management Company is relying on an exemption from registration as an investment adviser with the SEC.

An entity such as the Management Company, advising a pooled investment vehicle, such as the Fund, in the absence of an applicable exemption, would need to register as an investment adviser under the Advisers Act or state law, as applicable.

The Management Company believes that it will be able to rely on an exemption from registration under the Advisers Act or state law, as applicable, as of the Initial Closing. No assurances can be given, however, that the Management Company will be able to rely on such exemption on an ongoing basis.



ERISA Considerations

General

The fiduciary responsibility standards and prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") apply to most employee retirement and welfare benefit plans maintained by private corporate employers ("ERISA plans"). Although ERISA does not (with certain exceptions) apply to certain types of plans, such as individual retirement accounts, plans covering only self-employed individuals *(i.e.,* sole proprietors and partners) and their respective spouses, or corporate plans covering only a corporation's sole shareholder and his or her spouse, these plans (as well as most ERISA plans) are subject to the prohibited transaction excise tax provisions of Section 4975 of the Code, which are substantially similar to the prohibited transaction restrictions of ERISA. Neither ERISA nor Section 4975 of the Code applies to employee benefit plans established or maintained by government entities, plans established and maintained by churches or certain entities associated with churches (and which have designated themselves as church plans under ERISA), plans maintained outside the U.S. primarily for the benefit of nonresident aliens, and certain other plans excluded by statute. However, certain employee benefit plans may be subject to laws or regulations that are substantially similar to ERISA or Section 4975 of the Code ("Similar Laws"). An investing employee benefit plan that is not a "benefit plan investor" will be required to represent whether or not such plan is subject to Similar Laws.

ERISA's fiduciary standards require that the person with investment discretion on behalf of an ERISA Plan (the "Plan Fiduciary") (and each other Plan Fiduciary under ERISA) perform his or her services with respect to the ERISA Plan solely in the interest of, and act for the exclusive benefit of, the ERISA Plan's participants and beneficiaries, and act with the care, skill, prudence and diligence under the circumstances that a prudent person, in a similar capacity and familiar with such matters, would use when acting for a similar enterprise with like aims under the circumstances. In addition, ERISA requires that a Plan Fiduciary diversify Plan investments unless it is clearly prudent not to do so and further requires that the Plan Fiduciary act in accordance with the written plan documents (unless such documents are contrary to ERISA).

The following summary, while not exhaustive, is intended to be representative of certain aspects of ERISA and Section 4975 of the Code, and is based upon the statutes, judicial decisions, and guidance, regulations and rulings of the U.S. Department of Labor ("DOL") in existence on the date hereof. This summary is general in nature and does not address every issue under ERISA or Section 4975 of the Code that may be applicable to the Fund or a particular investor. The provisions of ERISA and the Code are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA and the Code contained herein may be affected by future publication of regulations and rulings. Accordingly, each prospective investor should consult with its own counsel in order to understand such issues affecting the Fund or the investor.

Investment Considerations

The assets of the Fund will be invested in accordance with the investment policies and objectives described in this Memorandum and the Partnership Agreement. Accordingly, an authorized fiduciary of an employee benefit plan proposing to invest in the Fund should, in consultation with

its advisers, consider whether the investment would be permissible under the terms of the ERISA Plan, and consistent with the terms of the ERISA Plan's governing documents and applicable law. The fiduciary of an ERISA Plan, for example, should give appropriate consideration to the role that an investment in the Fund would play in the plan's portfolio, taking into consideration whether the investment is designed reasonably to further the plan's purposes, the risk and return factors associated with the investment, the composition of the plan's total investment portfolio with regard to diversification, the liquidity and current return of the plan's portfolio relative to its anticipated cash flow needs, and the projected return of the plan's portfolio relative to its objectives. Whether or not the plan is subject to ERISA, the fiduciary also should consider, among other things, (i) the fact that the Partners may consist of a diverse group of investors (possibly including taxable and tax-exempt entities) and that the General Partner necessarily will not take investment objectives of any particular Partner that are not consistent with those of the Fund into account in managing the investments, (ii) limitations on the plan's right to redeem or transfer Interests, (iii) the implications arising from whether or not the assets of the Fund are treated as "plan assets" for purposes of ERISA and Section 4975 of the Code, and (iv) the tax effects of an investment in the Fund.

As described elsewhere in this Memorandum, the General Partner is entitled to receive Carried Interest. The appropriate fiduciary of an investing plan should satisfy itself that it understands the Carried Interest determinations and the risks associated with it and that an investment in the Fund is prudent and in the interests of the plan, taking Carried Interest into account. The fiduciary of an investing plan will be required to represent, among other things, that it understands and agrees to the fee arrangements described in the Memorandum, including the Management Fee and the Carried Interest, and has obtained information (and has had the opportunity to request additional information) regarding the Carried Interest and the associated risks, as necessary to enable the fiduciary to conclude that the Carried Interest arrangements are reasonable and consistent with the interests of the plan.

Therefore, before proceeding with an investment in the Fund of any portion of the assets of an ERISA Plan, the Plan Fiduciary, after taking into account the particular facts and circumstances of the ERISA Plan, should give special attention to its fiduciary obligations under ERISA or other applicable law, including the prudence of an investment in the Fund considering all of the facts and circumstances which the Plan Fiduciary knows or should know are relevant to the investment or a series or program of investments in which an investment in the Fund is a part. Finally, it is important for the Plan Fiduciary to also carefully consider the DOL's regulations regarding the definition of plan assets (as discussed below) and the impact of such regulations upon the Plan Fiduciary's decision to invest in the Fund.

NEITHER THE GENERAL PARTNER NOR THE PARTNERSHIP IS RESPONSIBLE FOR DETERMINING, AND NEITHER OF THEM MAKES ANY REPRESENTATION REGARDING, WHETHER A PURCHASE OF INTERESTS IS A PRUDENT OR SUITABLE INVESTMENT FOR ANY EMPLOYEE BENEFIT PLAN.

Prohibited Transactions

In addition to ERISA's fiduciary standards, Plan Fiduciaries of ERISA Plans or plans subject to Section 4975 of the Code may not enter into certain transactions (each, a "Prohibited Transaction")



involving Plan Assets and any "party in interest" (or related party) with respect to an ERISA Plan or a plan subject to Section 4975 of the Code, unless an exemption applies. For example, a purchase of Interests by an employee benefit plan having a relationship with the General Partner or any of its affiliates outside the Fund could, under certain circumstances, be considered a transaction prohibited under ERISA or Section 4975 of the Code or under a Similar Law or other federal, state, local, foreign or other law. In addition, the prohibited transaction restrictions of ERISA prohibit a fiduciary of a plan from causing the plan to engage in a transaction if the fiduciary knows or should know the transaction would involve a "party in interest" of the plan. "Parties in interest" of an ERISA plan include, among others, persons providing services to the plan and certain affiliates of such persons. Transactions between ERISA Plans and parties in interest that are prohibited include, among others, any direct or indirect sale or exchange of property between the plan and a party in interest and any transfer of plan assets to, or use of plan assets by or for the benefit of, a party in interest. Section 4975 of the Code prohibits substantially similar transactions between plans subject to that Section and "disqualified persons" of such plans, defined to include substantially the same persons as parties in interest for ERISA purposes. Although the General Partner believes that the Fund itself should not be considered a party in interest (or disqualified person) with respect to investing plans subject to ERISA or Section 4975 of the Code, the application of ERISA, Section 4975 of the Code, or applicable state laws depends upon the particular facts and circumstances of each situation.

If the General Partner or any of its affiliates serves as a fiduciary for a prospective investor that is an ERISA Plan or a plan subject to Section 4975 of the Code or a fund or other entity whose assets are deemed to include "plan assets" of such plans (see *"Plan Assets"* below), a fiduciary for that plan or entity who is independent of the General Partner and its affiliates must make the decision to invest in the Fund (without reliance on any advice provided by the General Partner) and must execute the Subscription Agreement on behalf of the plan or entity. Such fiduciary also will be required to represent that neither the General Partner nor any of its affiliates, agents, or employees (i) exercises any authority or control with respect to the management or disposition of assets of the plan used to purchase the Interests, (ii) renders investment advice for a fee (pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions and that such advice will be based on the particular investment needs of the plan), with respect to such assets of the plan, or has the authority to do so, or (iii) is an employer maintaining or contributing to, or any of whose employees are covered by, the plan. In addition, an authorized fiduciary of such plan may be required to represent, among other things, that the ERISA Plan's purchase and holding of Interests will not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or under any Similar Law or other federal, state, local, foreign or other law applicable to the plan and its investments.

The payment by the Fund to the General Partner of the fees and other charges will not be a Prohibited Transaction under Section 406(a) of ERISA or Section 4975(c)(1)(A)-(D) of the Code as long as the requirements for the exemption set forth in Section 408(b)(2) of ERISA and Section 4975(d)(2) of the Code permitting payment for necessary services are met. These requirements generally are that the services performed by the General Partner are appropriate and helpful to the Plan in carrying out the purposes for which the Plan is maintained, and that the arrangement with the Fund for provision of such services and the fees paid by the Fund are reasonable. The Plan Fiduciary must determine whether these requirements are satisfied with respect to the payment of fees (including the payment of management fees and incentive fees) by the Fund.



In the event of a nonexempt Prohibited Transaction, significant excise taxes may apply to the party in interest involved in the transaction and corrective measures including rescission would be required. If the General Partner reasonably believes that a transaction by the Fund has resulted or is likely to result in a nonexempt Prohibited Transaction, the General Partner may need to restrict subscriptions, or force redemptions or transfers of Interests, or take such other actions as the General Partner, in its discretion, deems appropriate in light of the Prohibited Transaction rules of ERISA and the Code and to the extent not prohibited by law, including liquidating certain investments. However, there can be no absolute assurance that the General Partner will be able to determine whether a Prohibited Transaction has occurred or might occur or whether any corrective measures taken by the General Partner will have any negative consequences on a Plan Fiduciary.

"Plan Assets"

ERISA and regulations issued by the DOL indicate that, if a plan subject to ERISA or Section 4975 of the Code acquires an "equity interest" (such as the Interests) in a private investment fund or similar entity (such as the Fund), and if benefit plan investors in the aggregate hold 25% or more of the value of any class of equity interests in the fund, the fund's assets will be treated as "plan assets" for purposes of the fiduciary responsibility standards and prohibited transaction restrictions of ERISA and the parallel prohibited transaction excise tax provisions of Section 4975 of the Code. In such case, each ERISA Plan or plan subject to Section 4975 of the Code will be considered to hold an undivided interest in each of the Fund's underlying assets and, consequently, each investment the Fund may make and each transaction in which the Fund may engage will be treated as if the investment or transaction is made directly by or for each of the investing plans.

ERISA defines the term "benefit plan investor" for purposes of the 25% computation described above to include employee benefit and other plans subject to ERISA and/or Section 4975 of the Code (which excluded government plans, foreign plans, and non-electing church plans), as well as private investment funds and other entities whose underlying assets are treated as "plan assets" of such plans. (In addition, assets of the general account of an insurance company may, in certain circumstances, be considered "plan assets.") ERISA and the regulations require that any equity interests held by a person having discretionary authority or control over the assets of the entity or providing investment advice for a fee with respect to such assets or any affiliate of such person (as defined in the DOL regulations), other than interests held by such person through a benefit plan investor, be disregarded in making the 25% computation.

The General Partner has the right, in its discretion, to permit or restrict investments in the Fund by benefit plan investors. The General Partner presently intends to restrict investments by benefit plan investors so that the assets of the Fund will not be treated as "plan assets" for purposes of ERISA or Section 4975 of the Code. Because the 25% limit described above (which excludes Interests held by the General Partner or certain of its affiliates) is ongoing, not only may initial or additional investments by benefit plan investors be restricted, but existing benefit plan investors may be required to redeem Interests if other investors redeem their Interests. Such rejections or mandatory redemptions will be effected in such manner as the General Partner, in its discretion, determines to be reasonable and appropriate under the circumstances.



Certain ERISA Considerations if Fund Assets are "Plan Assets"

Although it is not anticipated that the assets of the Fund will be treated as "plan assets," the General Partner, in its discretion, may choose not to restrict investments in the Fund by benefit plan investors. If at any time benefit plan investors are permitted to acquire 25% or more of the value of any class of Interests, the General Partner and any other person exercising discretionary authority or control over the Fund or its assets will be a "fiduciary" (as defined by ERISA) with respect to investing plans subject to ERISA and will be subject to the obligations and liabilities imposed on fiduciaries by ERISA. The General Partner also would be subject to certain restrictions on self-dealing and conflicts of interest and would be required to avoid causing the Fund to engage in transactions with parties in interest of investing ERISA plans and disqualified persons of investing plans subject to Section 4975 of the Code, unless an exemption applies.

An ERISA Plan's Fiduciary will need to appoint an investment adviser to manage the assets of the ERISA Plan. Such investment adviser must meet the requirements of an "investment manager" under Section 3(38) of ERISA and the Plan Fiduciary's liabilities and obligations will be partially limited with respect to the investment adviser's management of the ERISA Plan's assets. Although the Plan Fiduciary will be responsible for the prudence of selecting the investment adviser, and for monitoring the investment adviser's actions, the Plan Fiduciary generally will not be responsible for any failure of the investment adviser to comply with ERISA's fiduciary standards or otherwise have any obligation to manage or invest any assets which are subject to the management of the adviser (unless the Plan Fiduciary has actual knowledge of a breach of the investment adviser's fiduciary duties). In connection with the offering of the Interests, pursuant to the Fund's subscription documents, the Plan Fiduciary will have appointed the General Partner as an investment adviser of the ERISA Plan's undivided interest in the Fund to the extent the Fund is treated as Plan Assets. However, if any of the conditions described above are not satisfied, the Plan Fiduciary will be responsible for both the selection and monitoring of the General Partner as well as the General Partner's compliance with ERISA's fiduciary standards and the Prohibited Transaction rules of ERISA and the Code. If and during any such time as the assets of the Fund are treated as "plan assets," the General Partner will use commercially reasonable best efforts to discharge its duties consistent with applicable requirements of ERISA and Section 4975 of the Code.

Reporting and Disclosure

ERISA and the Code require that a Form 5500 (Annual Return/Report) be filed by each ERISA Plan subject to ERISA or Section 4975 of the Code investing in a Fund. Pursuant to DOL regulations, ERISA Plans subject to ERISA or Section 4975 of the Code investing in the Fund must include on their Form 5500 information relating to the fair market value of the ERISA Plan's investment in such Fund as of the close of the ERISA Plan's year, and the Plan's acquisition or disposition of any Interests. If such Fund was treated as Plan Assets, detailed information regarding such Fund's assets and liabilities and even the Fund's investment transactions may need to be reported on the ERISA Plan's Form 5500, unless the General Partner elects to make a filing directly with the DOL pursuant to 29 CFR § 2520.103-12, within the deadlines specified therein.

Nonetheless, and in any event, if the ERISA Plan's year differs from that of the Fund's, such ERISA Plan investor may not be able to obtain valuation information on its Interests or on the



underlying assets of such Fund as of the last day of the ERISA Plan's year. Also, any Prohibited Transaction must be reported on the ERISA Plan's Form 5500 and any disqualified person involved in a Prohibited Transaction is subject to self-reporting.

Considerations for Non-Plan Investors

Prospective investors should note that this summary does not include a discussion of any laws, regulations, or statutes that may apply to prospective investors that are not employee benefit plans or that impose fiduciary responsibility requirements in connection with the investment of assets of governmental plans and other plans not subject to ERISA or Section 4975 of the Code. Such investors should consult their own professional advisers about these matters.

FIDUCIARIES OF EMPLOYEE BENEFIT PLANS SHOULD CONSULT THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA, SECTION 4975 OF THE CODE, OR OTHER APPLICABLE LAW OF AN INVESTMENT IN THE PARTNERSHIP.



Annex I

Capital Accounts, Allocations, and Distributions

Each Partner shall contribute to the Fund the amount set forth in such Partner's Subscription Agreement (each, a "Capital Contribution"). The full amount of each Capital Contribution shall be credited to such Partner's Capital Account and shall be available for investment by the Fund. No fees, premiums, interest charges, or other economic adjustments shall be imposed on any Partner's Capital Contribution solely as a result of the timing of such Partner's admission to the Fund, and all Partners shall participate on a gross capital basis, subject only to the time-weighted allocation provisions set forth herein.

A separate capital account (each, a "Capital Account") shall be established and maintained for each Partner in accordance with Section 704(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder. Each Partner's Capital Account shall be increased by (i) such Partner's Capital Contributions and (ii) allocations of income and gain and decreased by (i) distributions to such Partner and (ii) allocations of loss and expense. The Capital Accounts are intended to reflect the Partners' respective economic interests in the Fund, taking into account both the amount of capital contributed and the duration for which such capital is invested.

All items of income, gain, loss, and expense shall be allocated among the Partners based on their respective time-weighted Capital Account balances. For purposes hereof, "time-weighted" shall mean that each Partner's participation in the Fund's economic results is determined by reference to (i) the amount of capital contributed by such Partner and (ii) the length of time such capital has been invested in the Fund. No Partner shall receive preferential allocation treatment based solely on the timing of admission to the Fund, and any differences in economic outcomes among Partners shall arise solely from differences in the amount of capital contributed and the duration of such contributions.

Each Limited Partner shall be entitled to a preferred return (the "Preferred Return") equal to eight percent (8%) per annum, calculated on such Limited Partner's time-weighted invested capital. The Preferred Return shall accrue from the date each Capital Contribution is made, shall be computed on a time-weighted basis consistent with the foregoing allocation principles, and shall be reduced (but not below zero) by distributions made to such Limited Partner. The Preferred Return is intended to represent a minimum return threshold that must be satisfied prior to the allocation of carried interest to the General Partner.

The General Partner shall have sole and absolute discretion with respect to the timing and amount of any distributions made by the Fund, subject to applicable law and this Agreement. The Fund intends, but is not obligated, to make periodic distributions at a target annualized rate of approximately eight percent (8%), payable quarterly (the "Target Distribution Rate"). All such distributions shall be treated as advances against a Partner's ultimate economic entitlement and shall be applied first toward the satisfaction of such Partner's Preferred Return and thereafter toward return of capital and allocations of profit, as applicable. Such distributions may be derived from income, realized gains, or return of capital. The Target Distribution Rate is a target only and is not guaranteed.



No carried interest or performance-based allocation shall be made to the General Partner unless and until all Limited Partners have received distributions sufficient to satisfy their respective Preferred Returns. Thereafter, subject to the final reconciliation described below, remaining profits shall be allocated eighty percent (80%) to the Limited Partners and twenty percent (20%) to the General Partner. All such allocations shall be determined on a time-weighted basis consistent with the principles set forth herein.

Upon the liquidation of the Fund, or at such earlier time as the General Partner may determine, the General Partner shall cause the Fund to perform a final reconciliation (the "True-Up") of all allocations and distributions. The True-Up shall be designed to ensure that each Partner has received distributions equal to such Partner's economic entitlement, determined on a time-weighted basis after giving effect to (i) all Capital Contributions, (ii) the accrual and satisfaction of the Preferred Return, and (iii) all prior distributions. To the extent any Partner has received distributions in excess of such Partner's entitlement, such excess shall be treated as an advance and may be offset against subsequent or final distributions. To the extent any Partner has received less than such Partner's entitlement, such deficiency shall be satisfied from available proceeds. No additional adjustments, premiums, or penalties shall be imposed based on the timing of a Partner's admission to the Fund.

The provisions of this Section are intended to ensure that all Partners are treated equitably and that all economic outcomes are determined based solely on the amount of capital contributed and the duration for which such capital is invested. To the extent of any ambiguity, this Section shall be interpreted and applied in a manner consistent with the foregoing economic intent. The General Partner is authorized to make such allocations, adjustments, and determinations as it deems necessary or appropriate to give effect to the provisions of this Section.



Appendix A

Marketing Deck



Appendix B

FIRST MOVER FUND VALUATION POLICY

The Fund employs a comprehensive and disciplined valuation policy to determine the fair value of its Portfolio Investments and Portfolio Projects. The valuation approach is tailored to reflect the nature, liquidity, and stage of development of each asset type, with a particular emphasis on transparency, consistency, and alignment with industry best practices.

- **I. Portfolio Investments**

A. Actively Traded Environmental Commodities
For liquid and actively traded environmental commodities—such as Verified Carbon Units (VCUs), Renewable Energy Certificates (RECs), and EU Allowances (EUAs)—the Fund applies a **market-based valuation** methodology. Fair value is determined using observable market data, including:

- Quoted prices on recognized carbon or environmental exchanges
- Third-party pricing services specializing in environmental markets
- Indicative bids and offers from reputable brokers

Wherever possible, the Fund triangulates prices from multiple sources to establish a fair value, adjusted for transaction costs, bid-ask spreads, and creditworthiness of counterparties if relevant.

B. Illiquid or Non-Traded Environmental Commodities
For environmental commodities that are infrequently traded or lack a reliable market price (e.g., emerging plastic credits, biodiversity credits, or region-specific instruments), the Fund may use:

- Recent arms-length transaction data (if available)
- Broker indications with supporting documentation
- Discounted cash flow (DCF) models based on forecasted value and market comparables
- External appraisals or valuation opinions, where appropriate

- **II. Portfolio Projects**

For early-stage carbon credit-generating Portfolio Projects and other developmental environmental projects, the Fund utilizes a **hybrid staged valuation methodology**. This method incorporates both cost basis and fair value estimates linked to specific project milestones, recognizing the appreciation in asset value as the project progresses through key development phases.

A. Valuation Framework for Carbon Credit Projects

1. **Early-Stage (Cost Basis)**
   At the time of initial investment, the Fund acquires forward carbon credits (pre-issuance) at a discounted, pre-purchase price reflecting project risk and illiquidity.
   Valuation Formula:
   Number of Units × Prepurchase Price per Unit

2. **Post-Validation**
   Once the project achieves validation—i.e., third-party audit approval of the project's methodology and emission reduction potential—the Fund adjusts the valuation to reflect reduced risk and proximity to credit issuance.
   Valuation Formula:
   Number of Units × 50% × Market Price at Valuation Date

3. **Post-Verification (Issuance)**
   Upon issuance of the carbon credits, following verification of actual emissions reductions, the Fund recognizes the full market value of the credits.
   Valuation Formula:
   Number of Units × Market Price at Valuation Date

This staged model is intended to reflect the increasing certainty, liquidity, and fair market value of the underlying credits as each milestone is reached. Each stage's valuation supersedes the previous and is reviewed regularly for updates based on project status and market conditions.

B. Sustainable Commodities and Natural Capital Projects
For Portfolio Projects involving certified physical commodities (e.g., organic coffee, avocados, cacao) or ecosystem restoration with embedded cash flows, the Fund applies valuation methods consistent with real asset investing, including:

- Cost-basis or book value adjusted for agricultural development stage
- Comparable transaction analysis for certified commodity markets
- Discounted projected cash flows from commodity sales (for producing or near-producing assets)
- Third-party appraisals when appropriate

Valuations are updated quarterly, or more frequently if a material event occurs that may affect the fair value of a Portfolio Investment or Portfolio Project. The Fund may engage independent valuation agents or auditors to validate methodologies and underlying assumptions, especially where internal valuation inputs are relied upon.

The Fund does not rely on interim mark-to-market valuations for purposes of determining investor returns.

Final investor outcomes are determined based on realized performance and allocated on a **time-weighted basis** at the time of realization or liquidation.



Appendix C

Administrator Disclosures:

The Fund has appointed Bolder Fund Services (USA), LLC a Delaware limited liability company as its administrator, registrar and transfer agent. The Administrator is an affiliate of Bolder, an international group providing management, accounting and corporate finance services to private clients, companies and institutions from its offices in the Netherlands, the British Virgin Islands, the Cayman Islands, Curacao, Hong Kong, Luxembourg, Nevis, the Philippines, Singapore, Slovakia, Switzerland, the United Kingdom and the United States.

Pursuant to an administration, registrar and transfer agency agreement, the Administrator will be responsible, among other things, for the following matters, under the general supervision of the Board of Directors:

- Communicating with shareholders;
- Administrative processing of subscriptions, redemptions and transfers of Shares;
- Maintaining the share register of the Fund;
- Maintaining the financial and accounting records of the Fund;
- Determining the Net Asset Value and the Net Asset Value per Share;
- Arranging for the provision of accounting, clerical and administrative services; and
- Disbursing payments of fees, costs and expenses to be paid by the Fund.

It should be noted that in providing services as an administrator, registrar and transfer agent, the Administrator does not act as a guarantor of the Shares herein described.

Moreover, the Administrator is not responsible for any investment decisions of the Fund, or the effect of such investment decisions on the performance of the Fund. The Administrator shall not, in any way and at any time, be involved with any investment decision to be made on behalf of the Fund, nor with the execution thereof.

Further, the Administrator will not be responsible for verifying that the investment objective and policy, in particular any investment restrictions and limitations as contained herein, are being adhered to by the Fund.

The Administrator and its directors, officers, employees and agents and their respective authorized representatives, successors in title and estates shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings and demands as well as any fees, costs and expenses whatsoever which may be incurred or suffered by the Administrator arising out of its appointment except where the same shall arise through the willful intent or gross negligence of the Administrator.

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