

Memorandum # _____

NAME OF FUND, L.P.
(A Delaware Limited Partnership)

CONFIDENTIAL

PRIVATE OFFERING MEMORANDUM

This memorandum (the "Memorandum") has been prepared solely for prospective investors considering the purchase of limited partnership interest (the "Interest") in **Name of Fund, LP**, a **Delaware** limited partnership (the "Fund"). Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of its contents without the prior written consent of the Fund, is prohibited.

In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. The Interests have not been recommended by any U.S. federal or state or any non-U.S. securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

There are "Forward-Looking Statements" throughout this Memorandum. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe", "expect" or "anticipate" will occur and other similar statements), you must remember that our expectation may not be correct, even though we believe they are reasonable. We do not guarantee that the offering and events described in the Memorandum will happen as described (or that they will happen at all). You should read this Memorandum completely and with understanding that actual future results may be materially different from what we expect. We will not update these Forward-Looking Statements, even though our situation may change,

The Interest have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and will be offered and sold for investment only to qualifying recipients of this Memorandum pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof and in compliance with any applicable state or other securities laws. The Interests may not be transferred or resold except as permitted under the Securities Act and the applicable state of other securities laws pursuant to registration or exemption therefrom. In addition, such Interest may not be sold, transferred, assigned or hypothecated, in whole or in part, except as provided in the Limited Partnership Agreement referred to herein. Accordingly, investors should be aware that they will be required to bear the financial risks of an investment in the Interests 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 Interest under the Securities Act or any state securities laws.

The Interest are offered subject to prior sale, and subject to the right of **Name of Management Company, LLC**, the General Partner of the Fund, to reject any subscription in whole or in part.

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I. EXECUTIVE SUMMARY

Overview

Name of Fund, L.P. (the “Partnership” or the “Fund”) is a Delaware limited partnership established by Name of Management Company, LLC (the “General Partner” or the “Manager”) to make private equity investment in companies across a broad spectrum of businesses in the manufacturing, distribution and service industries. The Fund is seeking capital commitments of \$xx million. The General Partner anticipates that the Fund’s investment will be focused on the smaller end of the middle market and, as such, will generally be made in companies with an enterprise value of less than \$xx million. Based on the experience of the General Partner’s investment professionals, investments in this segment of the market have historically been made at lower relative valuations than similar transactions involving larger companies.

The Fund’s investments are expected to range in size from \$x million to \$x million; however, investments in any single portfolio company (excluding bridge financings) will not exceed xx% of the Fund’s total capital commitments. It is expected that the Fund will make investments in xx to xx portfolio companies over its life. The Fund will invest in a diversified mix of leveraged buyout, and later stage growth equity opportunities. Such a diversified mix has proven in the past to provide attractive and consistent results. This strategy is designed to build a relatively lower risk private equity portfolio with a high percentage of successful investments.

The General Partner’s investment team is comprised of professionals with a strong track record and over xx years of combined experience in private equity investing [and other relevant experience]. The Name of Management Company investment team has the unique ability to create proprietary deal flow and to assist in evaluating, structuring, and executing potential investment.

The three managing partners, Messrs. Jones, Smith and Davis (collectively, the “Principals”), have worked together for over xx years at ...

- Mr. Jones (short three or four sentence bio)...
- Mr. Smith (short three or four sentence bio)...
- Mr. Davis (short three or four sentence bio)...

The Principals believe that the Fund represents a highly attractive risk-adjusted investment opportunity for the following reason:

- **Experienced Management Team** – The principals have more than xx years of combined experience in private equity and have demonstrated the ability to creatively structure transactions to minimize risk. [Add other relevant experience that your team brings to the table; e.g. turnaround experience, management experience. Anything that dovetails into the franchise of your Fund]

- **Proactive Transaction Sourcing** – Over the past **xx** years, the Principals have developed business relationships and proprietary transaction sourcing that historically have resulted in a higher percentage of negotiated transactions, which typically translate into more reasonable valuations.
- **Proven Investment Strategy** – the Fund will follow a disciplined strategy that maximizes risk-adjusted investment returns by focusing on fundamental analysis and extensive due diligence the Principals have successfully followed this strategy....
- **Advisory Board** – the Fund’s Advisory Board will consist of...
- **Investment Merit #5** – Reason #5 why the Fund will perform.

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II. EXECUTIVE SUMMARY OF KEY TERMS

The following information is presented as a summary of certain of the Partnership's key terms and conditions only and is qualified in its entirety by reference to the "Summary of Terms and Conditions" in Section V herein and to the limited partnership agreement of the Partnership and the subscription agreements relating thereto, copies of which will be provided to qualified investors prior to closing.

The Partnership	Name of Fund, L.P., a Delaware Limited Partnership.
General Partner	Name of Management Company, LLC, a Delaware Limited Liability Company.
Offering Size	\$xx million, subject to increase or decrease at the discretion of the General Partner.
Minimum Commitment	\$x million, subject to lesser amounts being accepted at the discretion of the General Partner.
General Partner Investment	At least x% of total Commitments.
Commitment Period	Six (6) years from the initial Closing.
Term	Ten (10) years, subject to two (2) consecutive one-year extensions.
Distributions of Proceeds from Realized Investments	<p>In general, proceeds from realized investments with respect to each partner will be distributed as follows:</p> <ol style="list-style-type: none">a return of capital of all invested capital;a Priority Return of 8% on such invested capital;100% to the General Partner as a "catch-up" until the General Partner has received 20% of distributed profits; and thereafter80% to the partners and 20% to the General Partner.
Clawback	Yes
Management Fee	During the Commitment Period, 2.0% per annum of total capital commitments. Thereafter, 2.0% per annum on funded commitments.
Directors' and Company Monitoring Fees	Any directors' fees and monitoring fees received in connection with a fund investment shall be credited 100% against the Management Fee, net of un-reimbursed expenses, but not below zero.
Offering and Organizational Expenses	The Partnership will bear up to \$xxx,xxx of organizational expenses, excluding placement fees, if any, which will be borne by the General Partner

III. INVESTMENT STRATEGY

The Fund intends to make investments in middle market private companies with enterprise values below \$xx million. The General Partner anticipates that investments will be made in a variety of transaction, including management buyouts, recapitalizations, and later stage growth financings, and in a variety of industries. Securities purchased will include preferred stock and common equity instruments.

Elements of Strategy

- Proven Business Models - The Fund will look for companies that have well defined business models that occupy strong, defensible positions in niche markets. Pricing, margin and cost assumptions need to have been validated by market experience, whether they are long-established manufacturing companies or relatively new, high-growth service businesses.
- Risk Control - The Fund will control the risk in its investments by various means, including structuring transactions to protect value in downside scenarios, making sure that key assets have strategic or franchise value, and developing multiple exit strategies. The Fund will try to avoid situations where uncontrollable factors or adverse market conditions might result in total loss of the investment.
- Consistency of Returns - The Fund has a strong preference for a portfolio that has a larger percentage of successful investments as opposed to a more typical venture capital portfolio where a few highly successful investments make up for a large number of poor performers. The Fund's investment strategy is designed to yield a high "batting average" rather than a few "home runs".
- Focus on Smaller Transactions - The Fund will focus on transactions on the smaller end of the middle market. This market is defined by transaction sizes or enterprise values of less than \$xx million and where the total equity investment will be \$x million to \$x million.
- Avoidance of Volatile Sectors - As part of its strategy to limit risk and produce consistent returns, the Fund will avoid industries that tend to produce highly variable investment outcomes or where external risks cannot be overcome by good management execution. Examples of such higher risk industries include high technology in general (although not service companies using externally developed technology), commodity businesses such as oil and gas or real estate, new retailing concepts or new consumer products as well as certain highly regulated businesses where changes in government policy can impact investment outcomes. In addition, the Fund will avoid start-up situations due to the high risk of early failure.
- Influence on Desired Outcomes - The General Partner will seek to add value to the Fund's investment positions through participation at the Board level, either through one or more Board seats. The General Partner will seek to involve itself actively in all issues affecting an investment's outcome, including the timing and method of exit.

Types of Investments

The General Partner and the Principals have developed a two-pronged approach to capitalizing on private equity opportunities in its targeted markets. This approach involves the delivery of two products that give Name of Fund added flexibility in capitalizing on its deal flow. These products are

- Buyout Capital – to act as sole or lead investor in leverage buyouts in conjunction with management.
- Growth Capital – to act as lead or participating investor in later stage growth and consolidation equity financings in selected industries.

Each of these product types will be staffed by distinct teams of experienced professionals and led by one of the Principals.

BUYOUT CAPITAL

The Buyout Capital team originates and sponsors leveraged buyout, primarily in transaction sizes of \$xx million to \$xx million. On occasion, the team will also co-invest at the equity level in transactions originated by other deal sponsors. The Fund's approach to its sponsored transactions involves a relatively modest use of financial leverage and a large equity contribution.

The areas targeted for investment by the Buyout Capital team include niche manufacturing companies with high market shares, value-added distributors, and selected service businesses, particularly where there is a consolidation opportunity.

The size range for the Fund's investment in transactions of this type is generally expected to range from \$xx million to \$xx million, although the General Partners expects to consider investments of up to \$xx million for investment buy the Fund.

GROWTH CAPITAL

The Growth Capital team acts as both a lead and participating investor in high growth companies in selected industries. The Fund expects to invest at later stages in a company's development, after the business model has been proven and market acceptance of the company's product or service has been demonstrated. In most cases, the companies are already generating significant revenues and may already be profitable at the time of the Fund's investment. The Fund has also found that many of the companies in which it has invested have been able to enhance growth and profitability through acquisitions.

The General Partner expects that a majority of the Fund's growth capital investments will be in the Sector #1 and Sector #2 services sectors, with the balance in a variety of other industries. The General Partners favors the Sector #1 and Sector #2 sectors because they are large, dynamic industries where there are many opportunities for investments in proven business models and experiences management teams. In addition, many companies in these sectors rapidly develop

strategically valuable assets such as a service network or a customer base that has significant value to larger acquirors and can provide downside protection. With a solid foundation of experience in these sectors, the Principals will continue to actively seek investments in the Sector #1, and Sector #2 sectors.

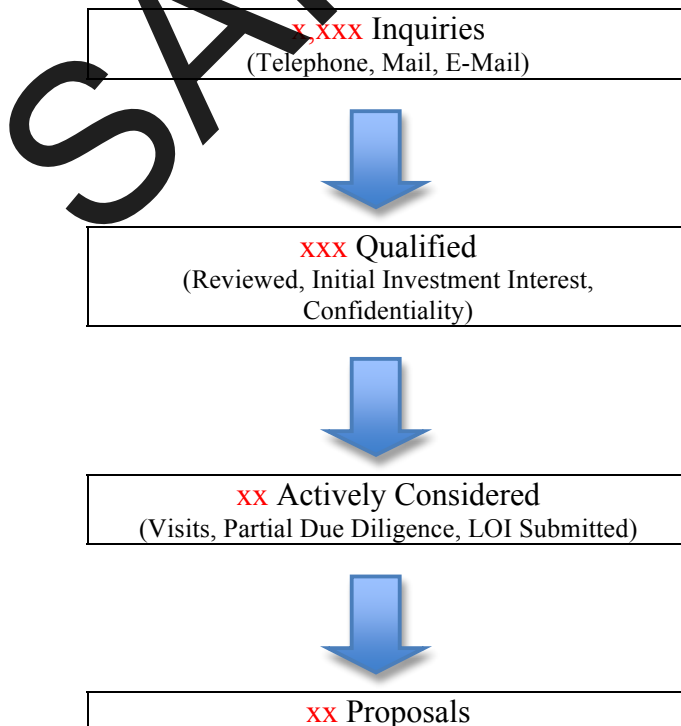
The balance of the Growth Capital portfolio for the Fund is expected to be comprised largely of business services companies, particularly where outsourcing is a growing trend in the target market, although the Fund may also invest in some niche manufacturing companies and valued added distributors.

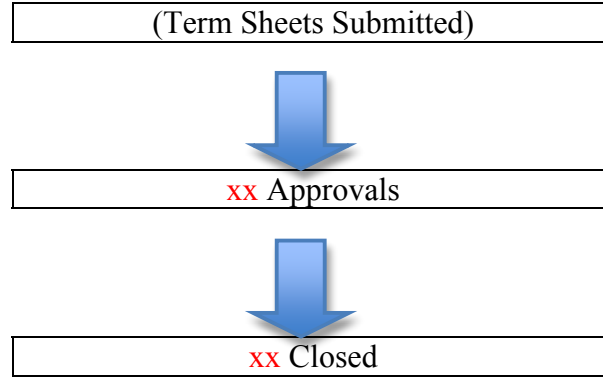
The size range for the Fund's investment in transactions of this type is generally expected to range from \$xx million to \$xx million, although the General Partners expects to consider investments of up to \$xx million for investment buy the Fund.

Deal Flow

A basic investment parameter of the Partnership will be to build a diverse portfolio of investments from a variety of sources. To this end, the Principals will capitalize on its broad network of transactions sources. These sources include, among others, commercial banks, business brokers, investment banks, other private equity firms, law firms, accounting firms, and personal relationships.

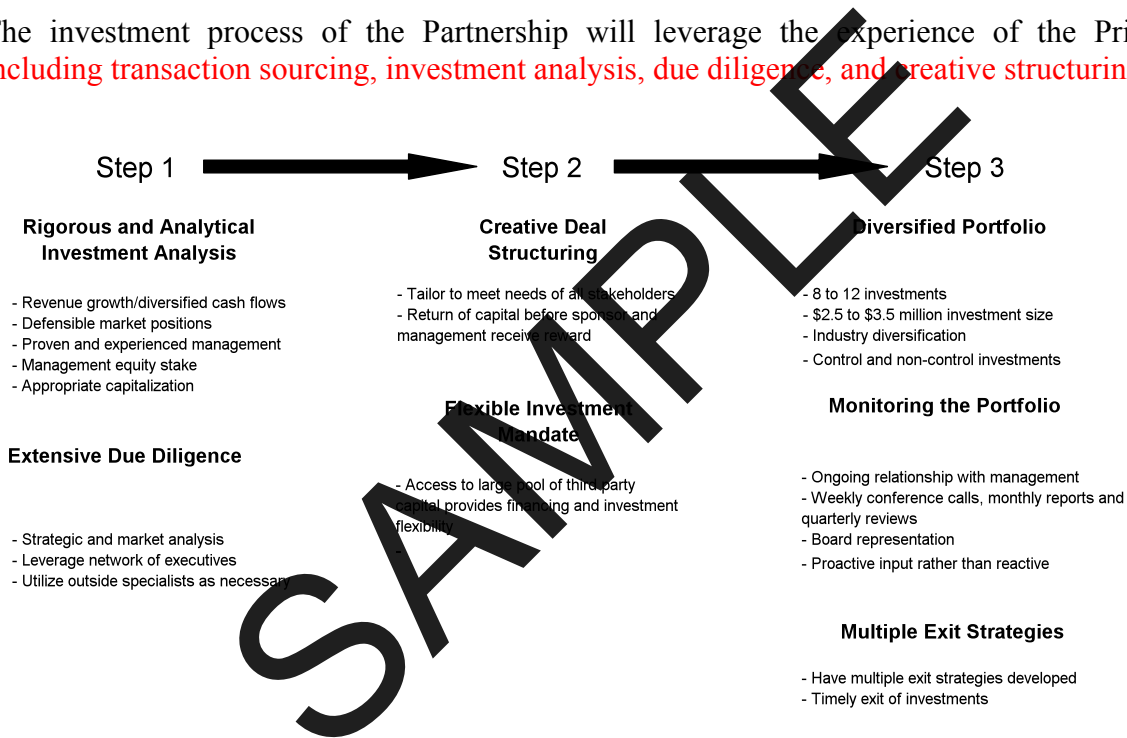
Prior to establishing the Partnership, the Principals made leveraged buyouts through name of prior firm. The Principals screened over x,xxx potential investments, or which xxx were qualified to be potential investment opportunities. Of these xxx qualified opportunities, xx investments were closed. The diagram below presents the principal's deal flow funnel:





Investment Process

The investment process of the Partnership will leverage the experience of the Principals, including transaction sourcing, investment analysis, due diligence, and creative structuring skills.



Due Diligence

The General Partner will subject each investment opportunity to an investment analysis and evaluation process focused on identifying the risks and rewards of each opportunity. The principals have evaluated hundreds of transactions in multiple industries across various economic and financing environments, which has led them to apply a healthy level of skepticism when considering any investment. The investment analysis and evaluation is a systematic process designed to evaluate the risks and merits of an investment by focusing on several areas.

- Management Capability – Partnering with senior management teams that have demonstrated operating expertise is a core component of the Manager’s process. Management will be expected to have played a key role in growing its business and have a firm grasp on the

The decision making process begins with the initial deal screening and culminates with the closing of a specific transaction. Once screened, qualified opportunities are logged into the Manager's deal tracking system by the responsible deal team and reviewed throughout the investment cycle at the Manager's weekly staff meetings. Deals proceed from the proposal stage through due diligence to the Investment Committee stage only with continuous and satisfactory review of each opportunity by the General Partner's investment professionals. Since detailed analysis and pricing negotiations are conducted by each deal team, receiving and responding to feedback at the staff meetings, or at ad hoc meeting of the Principals, is critical to bringing a specific transaction to a satisfactory conclusion. Deals may be turned down at any point in the process and deal sources are kept informed of the Manager's progress on a regular basis. There is an acute focus on valuation during this entire process to assure that investments are made at prudent and conservative price levels given market conditions at the time of the investment. This discipline approach provides solid downside protection while positioning the transaction for attractive return potential. Prospective investment proceed as long as the pricing, terms and conditions of the investment, as well as the due diligence, indicate an acceptable risk/return opportunity for the Manager. Final approval for investment by the Manager requires support by at least two of the three Principals.

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IV. MANAGEMENT

The General Partner will be managed by the three Principals, each of whom will serve on the Fund's Investment Committee. The Principals each have over **xx** years experience – as principals and as advisors - identifying, analyzing, structuring, negotiating, and financing **middle market companies** across a broad range of transaction structures, including **management and leveraged buyouts, recapitalizations, corporate divestitures, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, and growth investments.**

Principal #1, Age, Managing Partner. [Insert Bio]

Principal #2, Age, Managing Partner. [Insert Bio]

Principal #3, Age, Managing Partner. [Insert Bio]

Individual #1, Age, Vice President. [Insert Bio]

Individual #2, Age, Vice President. [Insert Bio]

Individual #3, Age, Analyst. [Insert Bio]

SAMPLE

V. SUMMARY OF TERMS AND CONDITIONS

The following information is subject to the detailed provisions of the Agreement of Limited Partnership of Name of Fund, L.P. (the “Partnership Agreement”) and is qualified in its entirety by reference to such Partnership Agreement.

The Partnership	Name of Fund, L.P. , a Delaware Limited Partnership (the “Partnership” or the “Fund”)
General Partner	Name of Manager , LLC (the “General Partner”, or the “Manager”)
Investment Objective	The Partnership will invest in equity and equity-linked securities issued by privately-held middle market companies in which the Partnership is buying a controlling interest. Target companies will generally have revenue from \$xx million to \$xx million and EBITDA from \$xx million to \$ xx million.
Offering Size	The Partnership is seeking up to \$xx million of aggregate capital commitments (“Commitments”), although the Partnership may accept more or less than that amount in the sole discretion of the General Partner.
Investor Eligibility	Each Limited Partner must be an “accredited investor” as defined under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.
Minimum Commitment	The Minimum Commitment to the Partnership shall be \$x million, although the Partnership may accept commitments of lesser amounts in the sole discretion of the General Partner.
General Partner’s Capital Commitment	The General Partner and its affiliates will make capital commitments to the Partnership of at least x.x % of the Partnership’s Commitments.
Closing	The initial closing will occur as soon as practicable (the “Initial Closing”). The General Partner may establish the Partnership with minimum Commitments of \$xx million. Subsequent closings (“Subsequent Closings”) may be staged and may held at the discretion the General Partner; provided, that no Subsequent Closing shall occur later than twelve months subsequent to the Initial Closing.
Subsequent Closing	Each Limited Partner that is admitted or increases its capital commitment to the Fund in a Subsequent Closing will make a Capital Contribution for its pro rata share of the Fund’s Capital Contributions previously made for any investments still held by the Fund at the time of such Subsequent Closing, and a Capital Contribution for Partnership Expenses (plus a prorated additional amount equal to the Prime Rate (as defined in the

Income shall mean any transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees, director fees, or other fees. Management Fee reductions will be carried forward if necessary.

Organizational Expenses

The Partnership shall be liable for **100%** of the Partnership's organizational expense and start-up expenses, including legal, accounting, filing, capital raising and other expenses ("Organizational Expenses") which shall not exceed \$xxx,xxx. **The General Partner will be responsible for 100% of placement fees, if any.**

Partnership Expenses

The Partnership will pay all liabilities and expenses related to its operations, including:

- expenses related to the purchase or sale of investments including third-party expenses incurred in connection with unconsummated transactions (to the extent not reimbursed by a portfolio company);
- fees and expenses of custodians, outside council and independent accountants;
- costs of reporting to Partners including preparation of financial statements, tax returns, and K-1s;
- expenses of the Advisory Board and annual meetings of Limited Partners;
- any insurance or litigation expense; and
- any taxes, fees or other governmental charges levied against the Partnership.

Co-Investment Policy

The General Partner may, but will be under no obligation to, provide co-investment opportunities to one or more Limited Partners. However, if any such co-investments are provided, they will be side-by-side with the Partnership at substantially the same time and on substantially the same terms and conditions as the Partnership.

Advisory Board

The General Partner will establish an advisory board (the "Advisory Board") composed of **not less than five (5) and not more than seven (7)** Limited Partner representatives and other persons unaffiliated with the General Partner. The Advisory Board will provide advice and counsel as is requested by the General Partner in connection with the Partnership investments, actual or potential conflicts of interest, and other matters of the Partnership. Decisions by the Advisory Board will generally be advisory in nature, and except as expressly specified in the Partnership Agreement, will not be binding on the Partnership and the Partners. The General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Partnership, including, but not limited to, investment decisions.

Future

Unless consented to by the Board of Advisors, neither the General

Partnerships

Partner nor any person that is then an active member, officer or employee of the General Partner will actively market, other than to the Limited Partners and their affiliates, or commence the operation of another pooled investment partnership with primary objectives substantially similar to those of the Partnership until the earlier of: (i) the end of the Commitment Period; or (ii) such time as at least two-thirds of the aggregate commitments have been invested, committed or allocated for investment, used for Partnership expenses or organizational expenses, or reserved for follow-on investments or reasonably anticipated expenses of the Partnership.

Reports

The Partnership will furnish the Limited Partners:

- (i) Annual tax information necessary for each Partner's tax returns;
- (ii) Tax basis financial statement and a capital account reconciliation annually; and,
- (iii) Unaudited summary financial and descriptive investment information for each portfolio company quarterly and annually.

Limited Partner Meetings

The Partnership will hold annual meetings of Limited Partners to review and discuss the Partnership's investment activities until the cost basis of the Partnership's Portfolio Investments are less than 20% of the Partnership's Commitments.

Borrowing and Guarantees

The Fund shall have the right, at its option at any time through the termination of the Fund, to cause to incur or assume indebtedness from any person for any Partnership purpose including, without limitation, to cover Partnership Expenses, make Investments (including follow-on investments), provide permanent financing or provide interim financing to the extent necessary to consummate the purchase of Investments prior to completion of the permanent debt financing thereof or prior to the receipt by the Fund of Capital Contributions, or for any other purpose whatsoever. The Fund shall have the right to cause the Limited Partners to make Capital Contributions in order to repay any borrowing, or fund any guarantee at any time for up to four (4) years after the Expiration Date, and to the extent related to a payment of the Fund Management Fee or Partnership Expense, at any time through the termination of the Fund.

The Fund may pledge assets of the Fund as collateral for any such borrowing and withhold from any distributions amounts necessary to repay such borrowings. Each of the General Partner and The Fund shall have the right at its option to pledge the obligations of the Limited Partners to make Capital Contributions. Each Limited Partner shall upon the written request from the General Partner, for the benefit of one or more lenders or other person extending credit to the Fund, execute an investor acknowledgement in a form customarily required by

VIII. CERTAIN ERISA, TAX AND LEGAL MATTERS

Employee Benefit Plan Regulations

The U.S. Department of Labor (the “DOL”) has issued regulations under ERISA (the “Plan Asset Regulations”) which provide, generally, that, when an employee benefit plan which is subject to ERISA invests in an entity such as the Partnership, the plan’s assets include both the limited partnership interest and an undivided interest in each of the underlying assets of the Partnership, unless (i) the equity participation in the Partnership by benefit plan investors is not “significant” (Defined as 25% of any class of the Partnership equity interests), (ii) the Partnership complies with the “venture capital operating company” (“VCOC”) exception or (iii) the Partnership qualifies for another exception under the Plan Asset Regulations. If the underlying assets of the Partnership were to be considered plan assets of the ERISA plan investor, the General Partner of the Partnership would be an ERISA fiduciary and the Partnership would be subject to undesirable ERISA requirements with which the General Partners could not comply.

The Partnership will not limit investment by benefit plan investors and, therefore, it is possible that investment by benefit plan investors will be significant. However, the Partnership has been designed and is intended to be managed to comply with the VCOC exception. If it qualifies for the VCOC exception, the General Partner will not be considered a fiduciary under ERISA, and the underlying assets of the Partnership will not be deemed “plan assets” of any ERISA plan investor. The Partnership will qualify as a VCOC if (i) it has direct contractual rights to substantially participate in or substantially influence the management of operating companies comprising at least 50% of its portfolio (measure by cost) and (ii) in the ordinary course of business, actively exercises such management rights with respect to at least one of the operating companies in which it invests. An “operating company” is an entity engaged in the production or sales of a product or service, distinguished from a reinvesting entity. Determination as to whether the Partnership qualifies as a VCOC is made at the time when the Partnership makes its first long-term investment and thereafter during a ninety-day annual valuation period each year, the first day of which shall begin no later than the anniversary of the Partnership’s first long-term investment. The Partnership must meet the requirements for a VCOC on at least one day of each such ninety-day annual valuation period. Special rules apply to any wind-up of the Partnership when it enters into its “distribution period” as defined in the Plan Asset Regulations.

Prospective limited partners, which are subject to ERISA or are individual retirement accounts should consult with their counsel and other advisors as to the provisions of ERISA applicable to and investment in the Partnership. In particular, the fiduciary of an ERISA plan should consider whether an investment in the Partnership meets the prudence and diversification requirements of ERISA and is consistent with the terms of the plan’s underlying documents.

United States Tax Status

The Partnership will receive at the initial closing an opinion of counsel for the Partnership that the Partnership will be classified for Federal income tax purposes as a partnership rather than as an association taxable as a corporation under currently applicable tax laws. Opinions of counsel, however, are not binding on the Internal Revenue Service (“IRS”) or the courts, and no ruling

Except as described in the following paragraph, a tax-exempt Limited Partner's distributive share of the Partnership's income should consist principally of income from dividends, interest and capital gain from corporate stock and corporate securities – types of income which (subject to the discussion of debt-financing below) is expressly excluded from “unrelated business taxable income” within the meaning of Section 512 of the Code (“UBTI”).

However, the Partnership may invest in securities (including equity interests in partnership and limited liability companies) that will generate UBTI (“UBTI Investments”). Each tax-exempt Limited Partner generally would be subject to U.S. federal income tax on its share of any UBTI earned by the Partnership (and the receipt of UBTI could give rise to additional tax liability for certain limited categories of tax-exempt investors).

If a tax-exempt Limited Partner borrows any amount to fund its capital commitment, some or all of its distributive share of income from the Partnership could be UBTI, which could be taxable to such tax-exempt Limited Partners (and which could give rise to additional tax liability for certain limited categories of tax-exempt Limited Partner). Moreover, debt incurred either by the Partnership directly or by an entity the securities of which constitute a UBTI investment could give rise to a tax-exempt Limited Partners. The Partnership may incur debt to purchase corporate stock or corporate securities to the extent such borrowing is needed to bridge the funding of a capital call.

Any break-up fees, closing fees, monitoring fees, directors' fees or other similar fees from portfolio companies (collectively, “Portfolio Company Fees”) will be paid directly to the General Partner or an affiliate, which will then, subject to the terms of the Partnership Agreement, reduce future Management Fees otherwise payable by the Partnership. A tax-exempt investor should not be deemed to have received any portion of such Portfolio Company Fees. There is, however, a risk that the IRS might take the position that a tax-exempt investor should be treated as having received a portion of such fees and, if such fees were regularly received by the Partnership, the tax-exempt investor's share of such fees could be treated as UBTI.

Certain U.S. Tax Considerations for Foreign Investors

Limited Partners not otherwise subject to U.S. Federal income tax generally should not be subject to U.S. Federal income tax on gains from the sale of investments. Dividend paid by portfolio companies generally will, and interest paid by portfolio companies and capital gains upon realization of certain investments may, in certain circumstances, be subject to withholding taxes, including U.S. withholding taxes, but such taxes may be reduced or eliminated by treaty. If the Partnership invests in partnerships of other persons that generate income effectively connected with a U.S. trade or business, however, Limited Partners will be subject to U.S. Federal income tax, including withholding tax (and possibly the branch profits tax) on their share of such income and on their share of gain realized on the Partnership's disposition of its interest in such other partnership's (or other person's) assets attributable to such U.S. trade or business, and they will be required to file appropriate returns.

Other Important Tax Disclosures