

Income Taxes (ASC 740)-Standard Disclosure With No Tax Liability or Uncertain Tax Positions

Hedge Fund Partnership/LLC

The Partnership is not subject to income taxes in any jurisdiction. Each partner is responsible for the tax liability, if any, related to its proportionate share of the Partnership's taxable income. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. Certain foreign securities held by the Partnership may be subject to foreign taxation on gains, dividends and interest income received. Foreign taxes due, if any, are recorded based on the tax laws in the applicable foreign jurisdictions and are shown net of foreign income taxes withheld. For all open tax years and for all major taxing jurisdictions, the General Partner (The Investment Manager) has concluded that the Partnership is a pass-through entity and there are no uncertain tax positions that would require recognition in the financial statements. If the Partnership were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the period ended December 31, 20XX. The General Partner does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months. However, the General Partner's (The Investment Manager's) conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with [if applicable] U.S., State and Foreign income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. Generally, Federal, State and Local authorities may examine the Partnership's tax returns for three years from the date of filing and the current and prior three years remain subject to examination as of December 31, 20XX.

Hedge Fund Partnership/LLC (MASTER FUND)

Under current legislation, the Master Fund is not subject to direct taxation in Bermuda. For United States income tax purposes, the Master Fund qualifies as a partnership and each investor in the Master Fund is treated as the owner of its proportionate share of the net assets, income, expense and realized and unrealized gains and losses of the Master Fund. Each investor is responsible for the tax liability, if any, related to its proportionate share of the Master Fund's taxable income. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. Certain foreign securities held by the Master Fund may be subject to foreign taxation on gains, dividends and interest income received. Foreign taxes due, if any, are recorded based on the tax laws in the applicable foreign jurisdictions and are shown net of foreign income taxes withheld.

For all open tax years and for all major taxing jurisdictions, the General Partner (The Investment Manager) has concluded that the Master Fund is a pass-through entity and there are no uncertain tax positions that would require recognition in the financial statements. If the Master Fund were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the period

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ended December 31, 20XX. The General Partner does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months. However, the General Partner's (The Investment Manager's) conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with [if applicable] U.S., State and Foreign income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. Generally, Federal, State and Local authorities may examine the Master Fund's tax returns for three years from the date of filing and the current and prior three years remain subject to examination as of December 31, 20XX.

Offshore Fund

Under current legislation, the Fund is not subject to direct taxation in Bermuda and any income subject to tax has been satisfied through withholdings by such tax jurisdiction's at prevailing treaty or standard withholding rates, accordingly, no provision for income taxes is reflected in the accompanying financial statements. Certain foreign securities held by the Fund may be subject to foreign taxation on gains, dividends and interest income received. Foreign taxes due, if any, are recorded based on the tax laws in the applicable foreign jurisdictions and are shown net of foreign income taxes withheld. For all open tax years and for all major taxing jurisdictions, the Investment Manager has concluded that the entity is exempt from income taxes (other than withholding taxes noted above) and there are no uncertain tax positions that would require recognition in the financial statements. If the Fund were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the period ended December 31, 20XX. The Investment Manager does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months. However, the Investment Manager's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with [if applicable] U.S., State and Foreign income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. The Fund is subject to income tax examinations by major taxing authorities for all tax years since its inception.

Offshore Fund – subject to Federal, State and Local income tax

If the Fund is engaged in activities that constitute a trade or business (other than trading or investing securities for its own account), the Fund will be subject to Federal, State and Local income taxes. (ECI-effectively connected income) – Therefore if the Fund is subject to income taxes in any jurisdiction and if material – modifications to the above note, other disclosures or a full SFAS 109 (ASC 740) income tax footnote may be necessary.

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Foreign Issued Securities – **ADD THE FOLLOWING LANGUAGE TO THE ABOVE
NOTE IF APPLICABLE**

GUIDANCE: If all foreign issuers are located in countries that recognize pass through status for the Onshore fund, the footnote for the Onshore fund should not change. If a foreign issuer is located in a country that does not recognize pass through status, modifications to the above note and the following note, other disclosures or a full SFAS 109 (ASC 740) income tax footnote may be necessary if material. Since pass through status is generally unavailable for the offshore fund and the Master Fund with respect to its offshore investors, modifications to the above or the following note, other disclosures or a full SFAS 109 (ASC 740) income tax footnote also may be necessary if material.

Certain foreign securities held by the Partnership/Fund may be subject to foreign taxation on gains, dividends and interest income received. Foreign taxes due, if any, are recorded based on the tax laws in the applicable foreign jurisdictions and are shown net of foreign income taxes withheld.