Confidential

TAX AND REGULATORY APPENDIX TO

Offering Memorandum For

TRIPHAMMER VENTURES

EACH TRIPHAMMER VENTURES FUND
(COLLECTIVELY, THE "TRIPHAMMER VENTURES FUNDS" OR "FUND FAMILY")
IS A SERIES OF LAUNCH ANGELS FUNDS, LLC
DBA

ALUMNI VENTURES GROUP FUNDS

This appendix (the "*Tax and Regulatory Appendix*" or this "*Appendix*") is incorporated by reference and made part of the offering memorandum (the "*Memorandum*") of the series in which an investment is being considered (the "*Fund*"), which must be read together with this Appendix. All defined terms not defined in this Appendix are as defined in the Memorandum, and references in this Appendix to "this Memorandum" are to the Memorandum and this Appendix together.

Each Triphammer Ventures Fund has materially different portfolio holdings, risk-reward profiles, investors, investment performance, and, in some cases, terms from each other Triphammer Ventures Fund. An investor should not expect that the investment performance of one Triphammer Ventures Fund will be similar to that of another.

FOR USE WITH SERIES OFFERED AFTER MAY 17, 2018

CERTAIN REGULATORY CONSIDERATIONS

The Investment Company Act. The Fund intends to limit the number of beneficial owners of Units to fewer than 100, or intends to permit only "qualified purchasers" to acquire Units, so that it will not be subject to the registration requirements of the Investment Company Act pursuant to Investment Company Act Section 3(c)(1) or 3(c)(7). Any prospective Member that acquires 10% or more of the Fund's total Units, or that is formed for the purpose of investing in the Fund, will be required to furnish supplemental information to the Manager to enable the Fund's counsel to review compliance by the Fund with the Investment Company Act.

The Investment Advisers Act. The Manager is not registered as an investment adviser under the Advisers Act as it has not reached the relevant assets threshold, and investors in the Fund will generally not be entitled to the benefits of the Advisers Act. The Manager may, but does not currently undertake to, register in the future.

Exempt Investment Adviser-Massachusetts. The Manager is not registered as an investment adviser under the Massachusetts Uniform Securities Act in reliance on 950 CMR 12.205(2)(c), "Registration Exemption for Certain Private Fund Advisers," as an adviser solely of private funds and, as to this Fund, as an adviser to a venture capital fund.

The Securities Act. The Units are being offered without registration under the Securities Act by reason of the exemption from the registration requirements set forth in Rule 506(c) of Regulation D and Section 4(a)(2) of the Securities Act. The Manager will generally solicit and advertise the Units by means of its website, social media, and advertising channels. The Fund and the Manager have controls in place that are designed to ensure that in so offering the Fund, the specific conditions of Rule 506(c) are fully complied with. Specifically, the Units will only be sold to investors that the Manager and/or the Fund verify are accredited investors. The Units will be "restricted securities" under Rule 144 of the Securities Act, and as such the Units cannot be resold in the United States except as permitted under the Securities Act, pursuant to registration thereunder, or exemption therefrom. Certain restrictions set forth in the Operating Agreement preclude the Members from reselling Units without the Manager's consent.

Anti-Money Laundering Controls. To the extent that the Fund is responsible for the prevention of money laundering, the Manager may require a detailed verification of a prospective investor's identity, any beneficial owner thereof, and the source of the capital contributed to the Fund. The Manager reserves the right to request such information as is necessary to verify the identity of a prospective investor in the Fund and any beneficial owner thereof. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Manager may refuse to accept a subscription. The Manager, by written notice to any Member, may suspend the right of a Member to receive distributions from the Fund if the Manager reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Fund, the Manager, or any member or affiliate thereof. Each prospective investor and Member is required to make such representations to the Fund as it and the Manager require in connection with such anti-money laundering programs.

ERISA Considerations. It is anticipated that employee benefit plans subject to ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended ("*Code*") will purchase Units in

the Fund. Please review the "ERISA AND TAX-EXEMPT INVESTORS" section below for more information related to ERISA matters.

Fiduciary Responsibility. The Manager is accountable to the Fund as fiduciary under the Advisers Act and, consequently, is required to exercise good faith and integrity in all their dealings with respect to Fund affairs. In addition, the Manager has a fiduciary responsibility for the safekeeping and use of all funds and assets of the Fund.

As described in the Operating Agreement, neither the Manager, nor the members of the Investment Committee, nor any affiliate of the Manager or any member of the Investment Committee will have any liability to the Fund, and will be held harmless by the Fund for losses suffered or incurred by the Fund in connection with any act or omission by the Manager or the Investment Committee, provided the act or omission does not involve fraud, a criminal act of moral turpitude, intentional misapplication of funds, deceit, or willful misconduct. Notwithstanding any of the foregoing to the contrary, this discussion shall not be construed so as to relieve (or attempt to relieve) any party of any liability to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law.

As is further described in the Operating Agreement, to the extent permitted by law, the Fund will indemnify the Manager and its affiliates against liability and related expenses (including attorneys' fees) incurred in connection with the Fund, provided that the conduct of the Manager and its affiliates is consistent with the standard previously described. A successful claim for such indemnification would deplete Fund assets by the amount paid.

TO THE EXTENT INDEMNIFICATION PROVISIONS PURPORT TO INCLUDE INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE SECURITIES ACT, IT IS THE POSITION OF THE SEC THAT SUCH INDEMNIFICATION IS AGAINST PUBLIC POLICY AND UNENFORCEABLE. Accordingly, the Manager and its affiliates will not be indemnified against liabilities arising out of violations of federal or state securities laws associated with the offer and sale of the Units. However, indemnification may be allowed for settlements and related expenses of lawsuits alleging violations of securities laws and for attorneys' fees and costs regarding the successful defense of any such action, provided a court approves such settlement and finds that indemnification of the settlement and related costs should be made, or approves indemnification of litigation costs if a successful defense is made, in each case after being apprised of the positions of applicable state securities administrators and the SEC with respect to indemnification for securities laws violations.

As described in the Operating Agreement, the Manager and its affiliates shall at all times be free to engage generally in strategies similar to the Fund's investment strategy for other entities or for their own account, without any obligation to include the Fund or any investor in such activity. These activities may be in direct competition with the Fund.

FEDERAL INCOME TAX CONSIDERATIONS

General

In this section of the Memorandum, we describe some of the more important federal income tax considerations of acquiring and holding Units in the Fund. No information regarding state and local taxes is provided. The following discussion is only a summary and is limited to those areas of federal income tax law that are considered to be most important to individual investors holding Units. Although the Fund will furnish prospective investors with such information regarding the Fund as is required for income tax reporting purposes, each Member will be responsible for preparing and filing its own tax returns.

The following summary of the tax aspects is based on the Code, on existing Treasury Department regulations ("**Regulations**"), and on administrative rulings and judicial decisions interpreting the Code. The summary generally assumes that the investor is an individual and is a United States citizen or resident.

No rulings have been requested from the IRS with respect to the matters discussed in this section, and the Fund does not intend to obtain any such rulings.

THE DISCUSSION BELOW CANNOT BE RELIED UPON TO AVOID ANY PENALTIES THAT MAY BE PROPOSED BY THE IRS. THERE IS NO ASSURANCE THAT THE IRS MAY NOT SUCCESSFULLY CHALLENGE THE ANTICIPATED FEDERAL INCOME TAX TREATMENT OF SOME OR ALL ITEMS AS DISCUSSED HEREIN.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THEIR INDIVIDUAL CIRCUMSTANCES (ESPECIALLY IF THE PROSPECTIVE INVESTOR IS NOT AN INDIVIDUAL) AND THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES ARISING OUT OF THEIR PARTICIPATION AS A UNIT HOLDER IN THE FUND. IN EVALUATING THE INVESTMENT, A PROSPECTIVE INVESTOR SHOULD TAKE INTO ACCOUNT THE COST OF OBTAINING SUCH ADVICE.

Series Tax Treatment

Based upon proposed regulations issued by the Internal Revenue Service, for federal income tax purposes, the Manager intends to treat the Fund as a separate entity from the other series of Alumni Ventures Group. IRS Proposed Regulation Section 301.7701(a)(5) provides that a State statute creating a "series" where the assets are segregated from other "series" of the same LLC will be treated as a separate legal entity for federal income tax purposes. The exceptions to this general rule do not apply to the Fund.

Classification of the Fund

An entity classified as a "partnership" for federal income tax purposes generally incurs no federal income tax liability. Instead, each partner of the partnership is required to take into account an allocable share of the entity's net income or loss and an allocable share of certain specially characterized items (*e.g.,* capital gains and losses) in computing the partner's income tax liability.

Distributions by a partnership to a partner generally are not taxable unless the distributions exceed the partner's adjusted basis in his partnership interest.

Per the Regulations, a domestic unincorporated organization, such as a limited liability company, with two or more equity owners, will be treated as a partnership for federal income tax purposes absent an affirmative election to be taxed as a corporation. The Fund will not make any election to the contrary and expects to be classified as a partnership under the Regulations. The Fund will not request a ruling from the IRS regarding its status for federal income tax purposes and there is no assurance that the IRS will not challenge such classification.

If the Fund were to be classified as a corporation for federal income tax purposes, Members would be treated as shareholders of a corporation, with the result, among other things, that: (i) items of income, gain, loss, deduction and credit of the Fund would not flow through to Members for reporting on their individual federal income tax returns; (ii) cash distributions, if any, would be treated as distributions from a corporation and possibly as taxable dividends; and (iii) the taxable income of the Fund would be subject to the federal income tax on corporations (thereby reducing cash available for distributions).

The discussion that follows is based on the assumption that the Fund will be classified as a partnership for federal income tax purposes.

Taxation of Limited Liability Membership

General. No federal income tax is generally paid by a limited liability company classified as a partnership. Instead, each member is required to report on his income tax return his distributive share of a limited liability company's income, gain, loss, deduction or credit (and items of tax preference), regardless of whether any actual distribution is made to that partner during his taxable year. Consequently, a partner's share of a limited liability company's taxable income may exceed the cash, if any, actually distributed to that partner. Conversely, actual (or constructive) distributions of money from a limited liability company will be taxable only to the extent that such distributions exceed the adjusted basis of the partner's interest in the limited liability company, regardless of whether the Fund has current income. The characterization of an item of income or loss generally will be the same for the members as it is for the limited liability company.

Allocations of Income and Losses. Member's distributive share of items of income, gain, loss, deduction or credit will be determined in accordance with the allocations set forth in the Operating Agreement as long as such allocations are respected for federal income tax purposes. The IRS will respect the allocation provisions in the Operating Agreement only if they are considered to have "substantial economic effect" or are in accordance with the members' "interest in the partnership." There is no assurance that the IRS will agree with the allocation provisions set forth in the Operating Agreement. However, the Manager does not expect that any reasonable adjustments which may be required by the IRS would substantially increase the income allocable to the Members.

Cash Distributions. Under Code section 731, cash distributions by the Fund to a Member will not result in taxable gain to that holder unless the distributions exceed the holder's adjusted basis for his Units, in which case the holder will recognize gain in the amount of such excess.

Gain, if any, resulting from cash distributions will be treated as a gain from the sale or exchange of his interest in the Fund. *See* "Federal Income Tax Considerations – Sale or Other Disposition of Units" below.

Distributions of Securities. Code section 731(c) generally treats marketable securities as money (in an amount equal to their fair market value) for purposes of determining the amount of gain recognized on distribution of Securities from the Fund to the Members. Accordingly, unless the distribution is one that falls within one of the exceptions to the general rule, a Member will recognize gain to the extent the Member receives marketable securities, the fair value of which, together with the amount of any money distributed, exceeds the basis of the Member's interest in the Fund immediately before the distribution.

Code section 731(c) is inapplicable if (1) the distributed Securities were not actively traded on the date acquired by the Fund and the entity to which the Securities relate had no outstanding actively traded securities on that date, (2) the Securities were held by the Fund for at least six months before they became actively traded, and (3) the Securities were distributed within five years of the date upon which they became actively traded. In addition, Code section 731(c) will be inapplicable to a distribution of marketable securities from an investment partnership to an eligible partner. Code section 731(c)(3)(A)(iii) defines an eligible partner as one who contributed only investment assets to the partnership. An investment partnership is a partnership that has never been engaged in a trade or business and substantially all of whose assets consists of specified investment type assets.

Tax Basis of Units

A Member's basis for its interest initially will be equal to the amount of cash contributions to the Fund. Subsequently, a Member must adjust its basis to reflect certain Fund transactions. Member's basis will be increased by: (a) any additional capital actually paid to the Fund by that holder; (b) that holder's distributive share of the Fund's income; and (c) that holder's share of any Fund nonrecourse debt, but such increase will be limited to the fair market value of the property securing such indebtedness. Member's basis will be decreased, but not below zero, by: (a) the amount of that holder's distributive share of items of Fund loss and deduction; (b) the amount of any money distributed, or constructively distributed (e.g., a reduction in the amount of nonrecourse debt allocated to a Member due to payment of all or a portion of such nonrecourse debt), to that holder; and (c) the adjusted basis of property other than money distributed to that holder.

Taxation of Transactions in Securities

Sale of Fund Investments. The treatment of any gain or loss on the sale, exchange or other disposition of the Fund's Securities will be dependent upon all of the facts and circumstances existing at the time of disposition, although such gain or loss generally should result in capital gain or loss to the Fund. Capital losses of individuals in excess of $3,000 are deductible only against capital gains, although the excess capital losses may be carried forward indefinitely.

Original Issue Discount. The Fund may acquire investments that are debt instruments issued with original issue discount ("*OID*") for federal income tax purposes. Generally, OID equals the difference between the principal amount of an instrument (or, in case of an instrument

in which fixed interest payments are not periodically made, the aggregate amount of all payments regardless of how denominated) and its issue price. Holders of an instrument issued with OID must include OID in gross income for federal income tax purposes as it accrues, in accordance with a constant interest method based upon a compounding of interest, which may result in the recognition of income in advance of the receipt of the payments attributable thereto. Consequently, a Member in the Fund may have to report taxable income without receiving any associated distributions of cash.

Holding of Securities. While not anticipated, in the event any Portfolio Company that is a corporation pays dividends with respect to Securities held by the Fund, the dividends will be subject to taxation at the then current rate of taxation of such dividends. For Portfolio Companies that are pass-through entities, such as limited partnerships or limited liability companies, the Fund will receive a distributive share of such Portfolio Company's income and losses, which is anticipated to be primarily ordinary income or losses. Any losses allocated to the Fund and re-allocated to Members may be subject to limitations on deductibility by a Member under the passive activity loss limitation rules. Any income allocated to the Fund and re-allocated to Members may be "unrelated business taxable income" with respect to Members that are tax-exempt entities.

Limitation on Deductibility of Management Fee

The Management Fee paid to the Manager under the Operating Agreement may be subject to a limitation on deductibility. Investment expenses (such as the Management Fee) of an individual are deductible only to the extent they exceed 2% of the taxpayer's adjusted gross income. In addition, for Members where adjusted gross income exceeds a specific amount of investment expenses in excess of 2% of adjusted gross income may only be deducted to the extent such excess expenses (when aggregated with certain other itemized deductions) exceed the lesser of (i) 3% of the excess of the individual's adjusted gross income over a specified amount or (ii) 80% of the amount of certain itemized deductions otherwise allowable for the taxable year.

Deductibility of Organization and Syndication Costs

Expenses of organizing the Fund and of promoting the sale of Units must be capitalized by the Fund. The Fund, however, may elect to deduct a limited amount of certain organizational expenses (but not syndication expenses such as sales commissions, professional fees for preparing a placement memorandum and printing costs) and amortize the remaining organizational expenses over a period of 180 or more months.

Under Code section 709(a), expenses paid in connection with the syndication of a partnership must be capitalized without the benefit of amortization. Per Regulations under section 709(a), included within the definition of syndication expenses are legal fees of the issuer for securities law advice and for tax advice pertaining to the adequacy of tax disclosures in the placement memorandum and accounting fees for the preparation of representations to be included in the offering materials.

Sale or Other Disposition of Units

Sale of a Unit. Gain from the sale of a Unit generally should be treated as capital gain and taxed at the applicable capital gains rates that vary depending on whether the Unit has been held for more than 12 months prior to sale. Any loss realized by a holder on the sale of a Unit should generally be treated as a capital loss. However, gain or loss will be separately computed and taxed as ordinary income or loss to the extent the gain or loss is attributable to "Section 751 Assets." Section 751 Assets include unrealized receivables, which presumably would include dividend income earned but not received by the Fund at the time of the sale of a Unit. Accordingly, it is likely that some of the gain attributable to the sale of a Unit could be characterized as ordinary. The amount of gain realized on the sale of a Unit will be the sales price received by the holder, plus that holder's allocable share of Fund nonrecourse debt relieved, if any, less the adjusted basis of the Unit in the holder's hands.

While it is not anticipated, it is possible that the taxable income resulting from the sale of a Unit could exceed the cash received from this sale. If the taxable income is significant, the income taxes resulting from such income could exceed the cash received on the sale.

In the event of a sale or other transfer of a Unit, the distributive share of income, gain, loss, deduction or credit for the entire year allocable to such a Unit generally will be allocated between the transferor and the transferee, based upon the period of time during the taxable year that each owned the Unit sold, notwithstanding the timing or amounts of any distributions. Gain or loss from the extraordinary sale of Fund property, however, will be only allocated to those persons that are Members on the date of sale.

Gift of a Unit. Generally, no gain or loss is recognized for income tax purposes as a result of a gift of property. If a gift of a Unit is made at a time when the holder's allocable share of the Fund's indebtedness exceeds the adjusted basis of the Unit in the holder's hands, however, that holder may realize gain for income tax purposes to the extent of such excess. Such gain generally should be treated as capital gain, except to the extent it is attributable to Section 751 Assets, which generally will be treated as ordinary income. Gifts of Units also may be subject to a gift tax.

Code Section 754 Election. A partnership is permitted to make an election under Code Section 754, which results in various items of the partnership's income, gain, loss, deduction and credit being treated differently for tax purposes than for accounting purposes. Under that election, the Code provides for adjustments to the basis of the partnership's property for measuring gain upon distributions of partnership property and transfers of any partnership interests. The general effect of such an election is that transferees of any Units are treated, for purposes of computing depreciation and gain, as though they had acquired a direct interest in the Fund assets and the Fund is treated for such purposes, upon certain distributions to partners, as though the Fund had acquired a new cost basis for such assets. Any such election, once made, cannot be revoked without the IRS's consent.

In view of the inherent tax accounting complexities and the substantial expense that would result in making a Code section 754 election, the Fund does not intend at present to make such an election, although the Operating Agreement empowers it to do so. Accordingly, no benefits may be available to the Members by reason of such adjustments.

Liquidation or Termination of the Fund

Termination of Partnership for Federal Income Tax Purposes. If interests in a partnership representing 66 2/3% or more of the total interest in the capital and profits of the partnership are sold or exchanged within any consecutive 12-month period, the partnership will be considered terminated for federal income tax purposes. A termination of a partnership for federal income tax purposes will cause the company's taxable year to end with respect to all partners and could have potentially adverse federal income tax consequences, including a bunching of more than one year's taxable income from the partnership within a single taxable year of any partner whose taxable year does not coincide with the partnership's calendar taxable year. The Manager intends to limit the transfers of Units to prevent a deemed termination.

Liquidation of a Partnership. Upon liquidation of a partnership, any gain or loss recognized from a distribution to its partners generally will be considered as gain or loss from the sale or exchange of a capital asset. Gain to a partner on the distribution will be recognized to the extent that any money received, together with any reduction in such partner's share of the partnership debt, exceeds such partner's adjusted basis in his interest. A loss will not be recognized unless the partner receives no property in the distribution other than money, unrealized receivables or appreciated inventory, and then only to the extent that the money and the basis to the partner of the unrealized receivables and appreciated inventory are less than the adjusted basis of the interest in the partner's hands.

Risk of Audit and Disallowance of Deductions

Informational returns filed by the Fund are subject to audit by the IRS. An audit of the Fund's returns may lead to adjustments, in which event the Members may be required to file amended personal federal and state income tax returns. In addition, any such audit may lead to an audit of a Member's individual tax return, which may result in adjustments to income and expense items other than those relating to investment in the Fund. Under certain circumstances, the Manager, as the "partnership representative" of the Fund, can enter into settlement agreements with the IRS concerning Fund audits that would be binding upon all Members, and may make any related election with the IRS in its discretion.

The IRS may contest the treatment of items of income, expense or amortization as reported by the Fund that could result in the unexpected allocation of taxable income or disallowance of expenses, deductions or losses allocated to the Members. Such allocations of income or disallowances of deductions could result in additional taxes due, which could result in Members also being charged interest on the tax deficiency at the generally prevailing prime rate on such additional amounts from the time the additional tax was originally due until such additional tax is paid, and might result in imposition of penalties.

There is the further risk that even if some deductions are not disallowed entirely, a different tax treatment may be given various items other than as reported in the information returns of the Fund.

Changes in Federal Tax Laws

The Code is subject to further change by Congress, and interpretations of the Code may be modified or affected by judicial decisions, by the Treasury Department through changes in Regulations and by the IRS through its audit policy, announcements and published and private rulings. Significant tax law changes affecting the Fund may be enacted by Congress. Although significant changes historically have been given prospective application, no assurance can be given that any changes made in the tax law affecting an investment in the Fund would be limited to prospective effect. Accordingly, the ultimate effect on a Member's tax situation may be governed by laws, regulations or interpretations of laws or regulations that have not yet been proposed, passed or made, as the case may be.

State and Local Taxes

Depending upon applicable state and local laws, deductions that are available to the investors for federal income tax purposes may not be available to an investor for state or local tax purposes. In addition, certain states may impose a minimum income tax on items of preference. Prospective investors are urged to consult with their own tax advisors with respect to state and local taxation.

Certain Income Tax Risk Considerations

General Tax Considerations. The Fund and Members are subject to current tax laws and further changes in the tax laws that may result through future legislative action, judicial decisions, or administrative interpretations. Numerous changes in the federal tax law have increased the tax risks associated with an investment in the Fund. The Fund is not expected to generate deductions to Members that could be used to offset income from other sources.

A discussion of certain United States federal income tax consequences of holding Units is provided herein. This discussion is provided solely to describe the anticipated United States federal income tax consequences.

THE DISCUSSION OF CERTAIN TAX CONSEQUENCES IS ONLY FOR INFORMATIONAL PURPOSES AND PROVIDED IN CONNECTION WITH THE OFFERING OF UNITS AND CANNOT BE RELIED UPON TO AVOID PENALTIES THAT MAY BE PROPOSED BY THE IRS. THERE CAN BE NO ASSURANCE THAT THE INTENDED TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND WILL BE ACHIEVED. PERSONS HOLDING UNITS SHOULD SEEK INDEPENDENT TAX ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES.

No Internal Revenue Service Rulings. The Fund has not obtained and does not intend to seek a ruling from the IRS as to the Fund's status as a "partnership" for federal income tax purposes, that the method of allocation of income and expenses as specified in the Operating Agreement will be respected or as to any other tax consequences of the Fund's intended operations. Thus, positions taken by the Fund as to tax consequences could differ from positions ultimately taken by the IRS in auditing Fund tax returns or otherwise. There is no assurance that the intended tax consequences of an investment in the Fund will be achieved.

Partnership Status. Economic benefits anticipated to be derived from holding Units in the Fund depend to a significant degree on the Fund being treated as a partnership for federal income tax purposes. There can be no absolute assurance of the Fund's tax status because no ruling from the IRS with respect to such status has been requested and obtained.

If the Fund were to be classified as an association taxable as a corporation, the after-tax investment return to the Members in all likelihood would be reduced. In that event, only the Fund, and not the Members, would be entitled to deductions for expenses. The Fund would be taxed on its income, and the Members would be taxed on distributions from the Fund as dividends.

Allocations of Income and Losses. The Operating Agreement provides for allocations of items of income and losses. The allocations are intended to reflect the economic arrangement of the Members, and should be respected by the IRS under current tax law. However, no assurance can be given that the specific allocations will not be challenged by the IRS or held to be invalid by a court. If special allocations made with respect to the Fund, if any, are not respected, the income and expenses of the Fund allocated to Members will be determined in accordance with all of the Members' interests in the Fund, taking into account all facts and circumstances.

Income and Distributions. Each Member will be required to report and will be taxed on the Member's share of Fund income, regardless of whether any cash distribution is made to the Member. Income allocated and distributions made to Members may not be equal in any calendar year. The Fund may make distributions to the Managers and the Members to pay tax obligations arising from the allocation of Fund income to them; however, the Fund is not obligated to do so. Further, the Fund may not have sufficient cash available for distribution in order to make distributions for payment of tax obligations at the time such obligations arise. Accordingly, the inability of the Fund to make distributions of cash could result in the Members having taxable income, and possibly income tax obligations, in excess of the actual cash distribution for any given year. To the extent that the Fund purchases Securities that are structured as pass-through entities, the Fund may receive allocations of taxable income with respect to such Securities without receiving a corresponding distribution of cash with respect to such Securities. In such a case, the Fund will have income in excess of cash available for distribution to the Members, and the Members consequently will be subject to income tax liability payable out of their personal funds. This is known as "*phantom income*," meaning a tax must be paid on the allocation to each Member of income without the Member receiving any cash from the Fund to pay the tax. No person should purchase Units unless such person can afford to pay tax on any phantom income from sources other than distributions from the Fund.

ERISA and Tax-Exempt Investor Risks. Under *ERISA*, certain trustees and certain other parties in interest of ERISA plans are subject to special standards. Tax-exempt investors, including individual retirement accounts, are also subject to special rules that may affect their status and exemption from taxation.

Risk of Audit and Disallowance of Deductions. Informational returns filed by the Fund are subject to audit by the IRS. An audit of the Fund's returns may lead to adjustments, in which event the Members may be required to file amended personal federal and state income tax returns. In addition, any such audit may lead to an audit of a Member's individual tax return, which may result in adjustments to income and expense items other than those relating to investment in the Fund.

Under certain circumstances, the Manager, as the "partnership representative" of the Fund, can enter into settlement agreements with the IRS concerning Fund audits, which would be binding upon all Members.

The IRS may contest the treatment of items of income, expense, or amortization as reported by the Fund, which could result in the unexpected allocation of taxable income or disallowance of expenses, deductions, or losses allocated to the Members. The disallowance of other deductions or losses by the IRS resulting in additional taxes due could result in Members also being charged interest on the tax deficiency at the generally prevailing prime rate on such additional amounts from the time the additional tax was originally due until such additional tax is paid, and might result in imposition of penalties.

There is the further risk that even if some deductions are not disallowed entirely, a different tax treatment may be given various items other than as reported in the information returns of the Fund.

State and Local Taxation. Depending upon applicable state and local laws, deductions that are available to the investors for federal income tax purposes may not be available to an investor for state or local tax purposes. Certain states may impose a minimum income tax on items of preference. Prospective investors are urged to consult with their own tax advisors with respect to state and local taxation.

Series Tax Treatment. Based upon proposed regulations issued by the Internal Revenue Service, for federal income tax purposes, the Manager intends to treat the Fund as a separate entity from the other series of Alumni Ventures Group. As a separate entity for federal income tax purposes, the Fund will be treated as a partnership and the Manager will not elect to treat the Fund as a corporation.

Additional Tax Issues Affecting the Fund. The income tax effects of an investment in the Fund on particular investors are unique. The Fund will not undertake to advise the individual investor of all possible income tax consequences associated with an investment in the Fund. The unique situation of a potential investor may require the investor to seek independent advice on the tax consequences of an investment in the Fund.

EACH INVESTOR SHOULD CONSULT HIS OWN PERSONAL TAX ADVISOR REGARDING THE POTENTIAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

ERISA AND TAX-EXEMPT INVESTORS

Employee Benefit Plan Regulations. The U.S. Department of Labor ("*DOL*") has issued regulations ("*Plan Asset Regulations*") that may affect an employee benefit plan's investment in the Fund. The Plan Asset Regulations generally provide that when an employee benefit plan is subject to ERISA invests in an entity such as the Fund, the plan's assets include both the plan's interest in the Fund and an undivided interest in each of the underlying assets of the Fund, unless: (a) the equity participation in the Fund by benefit plan investors is not "*significant*"(defined as

25% of any class of the Fund's equity interests); or (b) the Fund qualifies for another exception under the Plan Asset Regulations. If the underlying assets of the Fund were to be considered plan assets of the ERISA plan investor, the Manager would be an ERISA fiduciary and the Fund would be subject to undesirable ERISA requirements.

Investments in the Fund through benefit plans will be accepted only at the discretion of the Manager and will be limited to less than 25% of the sale of Units. By limiting these investments, the Manager will not be considered a fiduciary under ERISA, and the underlying assets of the Fund are intended not be deemed "*plan assets*" of any ERISA plan investor.

Prospective purchasers of Units that are subject to ERISA should consult with their counsel and other advisors as to the provisions of ERISA applicable to an investment in the Fund. In particular, the fiduciary of an ERISA plan should consider whether an investment in the Fund meets the prudence and diversification requirements of ERISA and is consistent with the terms of the plan's underlying documents.

Prohibited Transactions. Notwithstanding the exemption available under the Plan Asset Regulations discussed above, and the likelihood that the Fund's assets would not be considered "*plan assets,*" a fiduciary of an investing qualified plan in Units is still subject to the prohibited transaction rules of Code Section 4975 and ERISA Section 406(a) for ERISA Plans. If the IRS determines that an investment in the Units constitutes a prohibited transaction, an excise tax may be imposed on any disqualified person (as defined in Code Section 4975(e)(2)) who participates in the prohibited transaction and the transaction may have to be reversed.

Prohibited transactions are defined in Code Section 4975(c) and Section 406(a) of ERISA. These prohibitions are imposed upon fiduciaries and parties-in-interest to deter them from exercising the authority, control or responsibility that makes such persons fiduciaries when they have interests that may conflict with the interest of the plans for which they act. AS A RESULT, EACH FIDUCIARY OF AN INVESTING QUALIFIED PLAN INVESTING IN UNITS MUST INDEPENDENTLY DETERMINE WHETHER SUCH INVESTMENT CONSTITUTES A PROHIBITED TRANSACTION UNDER CODE SECTION 4975(c) OR SECTION 406(a) OF ERISA.

Potential Conflicts upon Investment. Affiliates of the Manager and the Investment Committee members and affiliates of the members of the Investment Committee are or may become associated in management and other capacities with respect to similar investments currently outstanding in the commercial community. Such investments could result in the Manager or Investment Committee members being deemed to be a service provider (a class of party-in-interest) or a fiduciary with respect to qualified plans holding interests in such investments. Thus, the rule prohibiting the sale or exchange of property between a party-in-interest and a qualified plan could be violated if a qualified plan purchases Units from the Manager at a time when the Manager or entities bearing certain relations to it are parties-in-interest with respect to such qualified plans by virtue of such outstanding investments.

Conflicts of interest that could result in violations of one or more of the prohibited transaction rules also could occur if Units are purchased by Member upon the decision or recommendation of a fiduciary or any other party-in-interest with respect to investing qualified

plans in a position to affect the determination as to whether or not to purchase Units if such party also bears any affiliation to the Manager or any Investment Committee member (other than through the ownership by the Member of Units purchased from the Manager). Neither the Manager nor the Investment Committee is in a position to make representations as to the existence or absence of such relationships and, therefore, makes no such representations.

If one or more of the parties responsible for making the investment decisions of, or providing investment advice to a qualified plan, do in fact bear an affiliation to the Manager, it may be possible to avoid a violation by vesting with an independent fiduciary the authority to determine whether to make the purchase. However, proscribed transactions that are not specifically excepted by statute or the grant of an exemption by the DOL could determine the purchase to be a technical violation of the prohibited transaction rules despite the fact that the spirit of ERISA is not violated.

Potential Conflicts in Operation. If the Manager and/or Investment Committee members are deemed to be a fiduciary, the question arises as to whether the performance of the management duties and the receipt of the various commissions and fees by the Manager and/or Investment Committee members would violate the prohibited transaction rule against the direct or indirect furnishing of goods, services or facilities between qualified plans and parties-in-interest. Even assuming that the Manager and/or an Investment Committee member is a fiduciary, the Manager believes that the rendition of such services should not violate the multiple services rule as it would not be exercising its management powers to engage itself or an affiliate to perform additional services. Rather, the Manager would be pre-appointed as a Manager and the various commissions and fees would be pre-established pursuant to the offering documents, which appointment, commissions and fees would be ratified by the named fiduciaries of the investing qualified plans through their decision to invest. In addition, such services and fees should fall within the exceptions set forth at section 408(c)(2) of ERISA and Code Section 4975(d)(10), each of which exempt from the prohibited transaction rules the receipt of reasonable compensation for services rendered or for the reimbursement of expenses properly and actually incurred in the establishment or operation of qualified plans. No assurance can be given as to the applicability of those exceptions, however, since they could be deemed to apply only to the payment for services and the reimbursement of expenses incurred in the administration of qualified plans as opposed to those incurred in connection with investments.

With respect to each of the potential conflicts of interest described above, the broad manner in which ERISA is drafted precludes the making of a definitive statement as to whether any such potential conflicts would be deemed to be violations of the prohibited transaction rules. If a violation of a prohibited transaction rule occurs, any person participating in such transaction could be subject to prohibited transaction excise taxes under the Code. If a fiduciary participates in the violation, he can be held liable for any losses incurred by the ERISA Plan that are occasioned by the misconduct. Furthermore, all aspects of the activity comprising the violation could be required by the DOL to be reversed.

Tax-exempt Investors. A tax-exempt Member's distributive share of the Fund's income will consist principally of dividends, interest, and gains from the Securities. However, income, if any, allocated to the Fund from a pass-through Portfolio Company will in all likelihood include ordinary operating income. Income from annuities, and from dividends, interest, and gains from

the sale of Securities are excluded from "*unrelated business taxable income*" within the meaning of Code Section 512 ("*UBTI*"). Any operating income allocated from a pass-through Portfolio Company will, in all likelihood, be UBTI. If any income characterized as UBTI is allocated by the Fund to a tax-exempt entity, the entity will be required to report and pay taxes on the net amount of such income.

If a tax-exempt investor borrows any amount to fund its capital commitment, some or all of its distributive share of income from the Fund could be UBTI, which could be taxable to the tax-exempt Unit Holder (and could give rise to additional tax liability for certain limited categories of tax-exempt Unit Holders). Moreover, debt incurred either by the Fund directly or by an entity the securities of which constitute a UBTI investment could give rise to UBTI to a tax-exempt Unit Holder.

No assurance can be given that the IRS will concur with the conclusions regarding the tax consequences set forth above. No ruling has been or will be requested by the Fund from the IRS as to such matters.

THIS MEMORANDUM DOES NOT ADDRESS ALL OF THE INCOME TAX AND ERISA CONSEQUENCES OF AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS WHO ARE SUBJECT TO ERISA OR WHO ARE TAX-EXEMPT ARE URGED TO CONSULT WITH THEIR OWN LEGAL AND TAX COUNSEL WITH RESPECT TO ANY INVESTMENT IN THE FUND.