

Backup Withholding and Other Withholding

Although each U.S. person purchaser is required to provide EDGE196™ with an executed IRS Form W-9, EDGE196™ may nevertheless be unable to accurately or timely determine the tax status of the Fund's members for purposes of determining whether U.S. withholding applies to payments made by EDGE196™ to some or all of the members. In such a case, payments made by EDGE196™ to members who are individual citizens or residents of the United States may be subject to U.S. "backup" withholding at the applicable rate (currently 24%) or other U.S. withholding taxes (potentially as high as 30%).

Such member would be able to treat as a credit its allocable share of any U.S. withholding taxes paid in the taxable year in which such withholding taxes were paid and, as a result, such member may be entitled to a refund of such taxes.

In the event a member transfers or otherwise disposes of some or all of its digital assets, special rules may apply for purposes of determining whether such member or the transferee of such digital assets is subject to U.S. withholding taxes in respect of income allocable to, or distributions made on account of, such digital assets and/or entitled to refunds of any such taxes withheld.

New Code Section 1446(f) imposes a 10% withholding tax on the disposition of a partnership interest, unless the transferor receives a specified certification from the transferee. Prospective purchasers are urged to consult their own tax advisors regarding the treatment of U.S. withholding taxes.

Alternative Minimum Tax

Some taxpayers must pay an "alternative minimum tax" ("AMT") if the AMT exceeds the taxpayer's regular federal income tax liability for the year.

For non-corporate taxpayers, the AMT is imposed on "alternative minimum taxable income" ("AMTI") that is above an exemption amount. The AMTI is based on a different computation of taxable income, which is increased by tax preference items, and other adjustments to taxable income are made.

The Tax Cuts and Jobs Act, for tax years beginning after December 31, 2017 and before January 1, 2026, temporarily increases both the AMT exemption amount and the phase-out of AMT exemption amount. The Tax Cuts and Jobs Act repeals the corporate AMT for tax years beginning after December 31, 2017. However, the Tax Cuts and Jobs Act continues to allow prior year minimum tax credits to offset a corporate taxpayer's regular tax liability for any tax year. For tax years beginning after 2017 and before 2022, with respect to corporate taxpayers, the prior year