

itemized deductions will be reduced by the lesser of (i) 3% of the excess of adjusted gross income over an "applicable amount" (ranging from \$125,000 to \$300,000 depending on the identity of the individual taxpayer), or (2) 80% of the amount of the itemized deductions otherwise allowable for such taxable year (as it was prior to the enactment of the Tax Cuts and Jobs Act).

### Deduction for Qualified Business Income

Under provisions recently passed by Congress as part of the Tax Cuts and Jobs Act, a member that is an individual, estate or trust generally may deduct up to 20% of its qualified business income, which could include some income generated by EDGE196™ and allocable to the member; provided, that, such deduction is subject to various limitations and restrictions, several of which are determined at the member level in light of such member's particular circumstances. Unless amended, this deduction applies only to taxable years beginning prior to December 31, 2025. Each prospective purchaser is encouraged to consult its own tax advisor in determining its eligibility to take such deduction with respect to income allocable to it from EDGE196™.

### Tax Rates

Under current law, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 37% and the highest U.S. federal income tax rate applicable to long-term capital gains (generally, capital gains on assets held for more than 12 months) of individuals is 20%. In addition, there is a 3.8% Medicare tax ("NIIT") on net purchase income earned by certain individuals, estates and trusts. Prospective purchasers are urged to consult with their tax advisors as to the impact of the NIIT on an investment in EDGE196™. EDGE196™ anticipates earning capital gain income (short term and long term) and other passive streams of income such as dividend income. These streams of income and their source will retain their tax character as allocated to members. As EDGE196™ anticipates purchasing in foreign companies, it is possible that U.S. tax resident members could be subject to deemed Subpart F or Global Intangible Low Taxable Income ("GILTI") inclusions to the extent EDGE196™ owns 10% or more of an underlying foreign Fund's equity or profits interest and the foreign company is classified as a Controlled Foreign Corporation.