

KCA Advantage Fund, Limited Partnership - 30 June 2017 Fund Expense Explanation

Please find below an explanation of expenses incurred by the Fund.

Management Fee Expenses

Calculated as committed capital multiplied by Management Fee percentage

Organizational Expenses

Organizational Expenses are expenses incurred in connection with the formation and organization of the Special Limited Partner, the formation and organization of and initial offering of interests in, the Fund and any Parallel Funds, as determined by the General Partner, including but not limited to any out-of-pocket legal, accounting, consulting, financial, printing, travel, regulatory filing fees and expenses incurred by the General Partner or any placement agent appointed by the General Partner, including Placement Fees.

Major expense items incurred as of 30 June 2017 include:

Expense Item	Approximate Amount
Deloitte – Tax structuring advice	\$75,000
Baker McKenzie – Legal fund formation (1 st tranche)	\$135,000
VISTRA – Fund formation services	\$70,000
Maples & Calder – Cayman fund formation advice	\$30,000
General Partner – out of pocket expenses	\$275,000

Investment Expenses

As per LPA, Investment Expenses are defined in Fund Expenses Section (b): fees and expenses relating to prospective and/or consummated Portfolio Investments, unconsummated investments (including Bridge Investments), indebtedness (including interest thereon), guarantees and Temporary Investments, including the evaluation, structuring, negotiation, acquisition, holding and disposition thereof, to the extent that such fees and expenses are not reimbursed by a Portfolio Company or other third Person, including without limitation any referral fees paid to any Person (which may include a Limited Partner) for recommending Portfolio Investments to the Fund.

Investment expenses include out-of-pocket travel, 3rd party due diligence and legal expenses. Investment expenses are tracked on a project basis. Major expense items incurred as of 30 June 2017 include:

Expense Item	Approximate Amount
Project FOX	\$13,200
Project FLOOR	\$12,300
Project FILTER	\$4,500
Project LASER	\$64,900
Project TRAVEL	\$125,000

Administrative Expenses

Accrual of expense for fund administration services by VISTRA.

Other Expenses

Bank charges of \$1,569 and foreign exchange loss on revaluation of \$79.

Sincerely,



Cheng Lu

Chief Operating Officer