

# Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2016 or other tax year beginning JUL 1, 2016, and ending JUN 30, 2017

# 2016

Department of the Treasury  
Internal Revenue Service

▶ Information about Form 990-T and its instructions is available at [www.irs.gov/form990t](http://www.irs.gov/form990t).  
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for  
501(c)(3) Organizations Only

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) <b>McKnight Brain Research Foundation</b> Number, street, and room or suite no. If a P.O. box, see instructions. <b>200 South Orange Avenue, SOAB 10</b> City or town, state or province, country, and ZIP or foreign postal code <b>Orlando, FL 32801</b>	<b>D</b> Employer identification number (Employees' trust, see instructions.) <b>65-6301255</b>  <b>E</b> Unrelated business activity codes (See instructions.) <b>900000</b>
---	---------------	--	---

<b>C</b> Book value of all assets at end of year <b>31,922,442.</b>	<b>F</b> Group exemption number (See instructions.) ▶ <b>N/A</b>	<b>G</b> Check organization type ▶ <input type="checkbox"/> 501(c) corporation <input checked="" type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust
--	--	--

**H** Describe the organization's primary unrelated business activity. ▶ **Investment in partnerships**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ..... ▶  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation. ▶

**J** The books are in care of ▶ **SunTrust Bank** Telephone number ▶ **(407) 237-4485**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
<b>1 a</b> Gross receipts or sales			
<b>b</b> Less returns and allowances			
<b>c</b> Balance	<b>1c</b>		
<b>2</b> Cost of goods sold (Schedule A, line 7)	<b>2</b>		
<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b>		
<b>4 a</b> Capital gain net income (attach Schedule D)	<b>4a</b>		
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4b</b>		
<b>c</b> Capital loss deduction for trusts	<b>4c</b>	-3,000.	-3,000.
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)	<b>5</b>	-25,208.	-25,208.
<b>6</b> Rent income (Schedule C)	<b>6</b>		
<b>7</b> Unrelated debt-financed income (Schedule E)	<b>7</b>		
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	<b>8</b>		
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>		
<b>10</b> Exploited exempt activity income (Schedule I)	<b>10</b>		
<b>11</b> Advertising income (Schedule J)	<b>11</b>		
<b>12</b> Other income (See instructions; attach schedule)	<b>12</b>		
<b>13 Total.</b> Combine lines 3 through 12	<b>13</b>	-28,208.	-28,208.

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.)  
(Except for contributions, deductions must be directly connected with the unrelated business income.)

<b>14</b> Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>	
<b>15</b> Salaries and wages	<b>15</b>	
<b>16</b> Repairs and maintenance	<b>16</b>	
<b>17</b> Bad debts	<b>17</b>	
<b>18</b> Interest (attach schedule)	<b>18</b>	
<b>19</b> Taxes and licenses	<b>19</b>	
<b>20</b> Charitable contributions (See instructions for limitation rules) <b>Statement 17 See Statement 14</b>	<b>20</b>	0.
<b>21</b> Depreciation (attach Form 4562)	<b>21</b>	
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return	<b>22a</b>	
<b>23</b> Depletion	<b>23</b>	
<b>24</b> Contributions to deferred compensation plans	<b>24</b>	
<b>25</b> Employee benefit programs	<b>25</b>	
<b>26</b> Excess exempt expenses (Schedule I)	<b>26</b>	
<b>27</b> Excess readership costs (Schedule J)	<b>27</b>	
<b>28</b> Other deductions (attach schedule) <b>See Statement 15</b>	<b>28</b>	15,662.
<b>29 Total deductions.</b> Add lines 14 through 28	<b>29</b>	15,662.
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	<b>30</b>	-43,870.
<b>31</b> Net operating loss deduction (limited to the amount on line 30) <b>See Statement 16</b>	<b>31</b>	
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	<b>32</b>	-43,870.
<b>33</b> Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	<b>33</b>	1,000.
<b>34 Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	<b>34</b>	-43,870.

**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: <b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ <b>b</b> Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ <b>c</b> Income tax on the amount on line 34			<b>35c</b>	
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 34 from: <input checked="" type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)			<b>36</b>	0.
<b>37 Proxy tax.</b> See instructions			<b>37</b>	
<b>38 Alternative minimum tax</b>			<b>38</b>	
<b>39 Tax on Non-Compliant Facility Income.</b> See instructions			<b>39</b>	
<b>40 Total.</b> Add lines 37, 38 and 39 to line 35c or 36, whichever applies			<b>40</b>	0.

**Part IV Tax and Payments**

<b>41a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	<b>41a</b>		
<b>b</b> Other credits (see instructions)	<b>41b</b>		
<b>c</b> General business credit. Attach Form 3800	<b>41c</b>		
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827)	<b>41d</b>		
<b>e Total credits.</b> Add lines 41a through 41d	<b>41e</b>		
<b>42</b> Subtract line 41e from line 40	<b>42</b>		0.
<b>43</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	<b>43</b>		
<b>44 Total tax.</b> Add lines 42 and 43	<b>44</b>		0.
<b>45a</b> Payments: A 2015 overpayment credited to 2016	<b>45a</b>	15,000.	
<b>b</b> 2016 estimated tax payments	<b>45b</b>		
<b>c</b> Tax deposited with Form 8868	<b>45c</b>		
<b>d</b> Foreign organizations: Tax paid or withheld at source (see instructions)	<b>45d</b>		
<b>e</b> Backup withholding (see instructions)	<b>45e</b>		
<b>f</b> Credit for small employer health insurance premiums (Attach Form 8941)	<b>45f</b>		
<b>g</b> Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	<b>45g</b>		
<b>46 Total payments.</b> Add lines 45a through 45g	<b>46</b>		15,000.
<b>47</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>47</b>		
<b>48 Tax due.</b> If line 46 is less than the total of lines 44 and 47, enter amount owed	<b>48</b>		
<b>49 Overpayment.</b> If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	<b>49</b>		15,000.
<b>50</b> Enter the amount of line 49 you want: Credited to 2017 estimated tax 15,000.   Refunded	<b>50</b>		0.

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

<b>51</b> At any time during the 2016 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
		X
<b>52</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
<b>53</b> Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here**  
 Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Trustee \_\_\_\_\_ Title \_\_\_\_\_  
 May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer Use Only**  
 Print/Type preparer's name: Julia W. James  
 Preparer's signature: *Julia W. James*  
 Date: 01/31/18  
 Check  if self-employed  
 PTIN: P01772503  
 Firm's name: Batts Morrison Wales & Lee, P.A.  
 Firm's address: 801 North Orange Avenue, Suite 800, Orlando, FL 32801  
 Firm's EIN: 20-4193611  
 Phone no.: 407-770-6000

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation ► **N/A**

1	Inventory at beginning of year .....	1		6	Inventory at end of year .....	6			
2	Purchases .....	2		7	<b>Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2 .....	7			
3	Cost of labor .....	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? .....			Yes	No
4a	Additional section 263A costs (attach schedule) .....	4a							
b	Other costs (attach schedule) .....	4b							
5	<b>Total.</b> Add lines 1 through 4b .....	5							

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ..... ► 0.  
 (b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ... ► 0.

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> .....			Enter here and on page 1, Part I, line 7, column (A). 0.	Enter here and on page 1, Part I, line 7, column (B). 0.
<b>Total dividends-received deductions</b> included in column 8 .....			0.	0.

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
<b>Totals</b> .....			0.	0.

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
<b>Totals</b> .....		0.		0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.
<b>Totals</b> .....	0.	0.				0.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) .....	0.	0.				0.

**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b> .....	<b>0.</b>	<b>0.</b>				<b>0.</b>
<b>Totals, Part II (lines 1-5)</b> .....	Enter here and on page 1, Part I, line 11, col. (A). <b>0.</b>	Enter here and on page 1, Part I, line 11, col. (B). <b>0.</b>				Enter here and on page 1, Part II, line 27. <b>0.</b>

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 .....			<b>0.</b>

Form 990-T	Contributions	Statement 14
Description/Kind of Property	Method Used to Determine FMV	Amount
Foundation for the National Institutes of Health	N/A	1,186,364.
University of Alabama at Birmingham	N/A	73,716.
University of Miami	N/A	659,770.
University of Arizona	N/A	1,274,968.
University of Florida Foundation	N/A	3,975.
Total to Form 990-T, Page 1, line 20		3,198,793.

Form 990-T	Other Deductions	Statement 15
Description		Amount
Legal fees		4,725.
Accounting fees		9,390.
Other Professional fees		1,547.
Total to Form 990-T, Page 1, line 28		15,662.

Form 990-T	Net Operating Loss Deduction			Statement 16
Tax Year	Loss Sustained	Loss Previously Applied	Loss Remaining	Available This Year
06/30/14	37,188.	37,188.	0.	0.
06/30/15	38,279.	0.	38,279.	38,279.
06/30/16	77,377.	77,377.	0.	0.
NOL Carryover Available This Year			38,279.	38,279.

Form 990-T

Contributions Summary

Statement 17

## Carryover of Prior Years Unused Contributions

For Tax Year 2011	2,226,187	
For Tax Year 2012	2,046,581	
For Tax Year 2013	1,807,324	
For Tax Year 2014	2,508,265	
For Tax Year 2015	2,609,847	
	<hr/>	
Total Carryover		11,198,204
Total Current Year 50% Contributions		3,198,793
		<hr/>
Total Contributions Available		14,396,997
Taxable Income Limitation as Adjusted		0
		<hr/>
Excess 50% Contributions		14,396,997
Total Excess Contributions		14,396,997
		<hr/>
Allowable Contributions Deduction		0
		<hr/>
Total Contribution Deduction		0
		<hr/> <hr/>

Form 990-T	Income (Loss) from Partnerships		Statement 18
Partnership Name	Gross Income	Deductions	Net Income or (Loss)
Lighthouse Global Long/Short Fund, L.P.	-22,812.	0.	-22,812.
Lighthouse Diversified Fund (QP) II, L.P.	-14,923.	0.	-14,923.
Lighthouse Credit Opportunities Fund, L.P.	13,923.	0.	13,923.
HCP Private Equity Fund V, LP	-1,396.	0.	-1,396.
Total to Form 990-T, Page 1, line 5	-25,208.	0.	-25,208.



**SCHEDULE D  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to Form 1041, Form 5227, or Form 990-T.

▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10.

▶ Information about Schedule D and its separate instructions is at [www.irs.gov/form1041](http://www.irs.gov/form1041).

OMB No. 1545-0092

**2016**

Name of estate or trust

**McKnight Brain Research Foundation**

Employer identification number

**65-6301255**

**Note:** Form 5227 filers need to complete only Parts I and II.

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1 a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
<b>1 b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked .....				
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked .....				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked .....				
<b>4</b> Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 .....				<b>4</b>
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts .....				<b>5</b> -7,379.
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2015 Capital Loss Carryover Worksheet .....				<b>6</b> ( 2,465. )
<b>7</b> <b>Net short-term capital gain or (loss).</b> Combine lines 1a through 6 in column (h). Enter here and on line 17, column (3) on page 2 .....				<b>7</b> -9,844.

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8 a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
<b>8 b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked .....				
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked .....				
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked .....				
<b>11</b> Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 .....				<b>11</b>
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts .....				<b>12</b> -32,419.
<b>13</b> Capital gain distributions .....				<b>13</b>
<b>14</b> Gain from Form 4797, Part I .....				<b>14</b>
<b>15</b> Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2015 Capital Loss Carryover Worksheet .....				<b>15</b> ( 4,882. )
<b>16</b> <b>Net long-term capital gain or (loss).</b> Combine lines 8a through 15 in column (h). Enter here and on line 18a, column (3) on page 2 .....				<b>16</b> -37,301.

<b>Part III Summary of Parts I and II</b>		(1) Beneficiaries'	(2) Estate's or trust's	(3) Total
<i>Caution: Read the instructions before completing this part.</i>				
17	Net short-term gain or (loss) .....	17	-9,844.	-9,844.
18	Net long-term gain or (loss):			
a	Total for year .....	18a	-37,301.	-37,301.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.) .....	18b		
c	28% rate gain .....	18c		
19	Total net gain or (loss). Combine lines 17 and 18a .....	19	-47,145.	-47,145.

**Note:** If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 18a and 19, column (2), are net gains, go to Part V, and don't complete Part IV. If line 19, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

<b>Part IV Capital Loss Limitation</b>			
20	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of:		
a	The loss on line 19, column (3) or b \$3,000 .....	20	( 3,000. )

**Note:** If the loss on line 19, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part **only** if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

**Caution:** Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 18b, col. (2) or line 18c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

**Form 990-T trusts.** Complete this part **only** if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 18b, col. (2) or line 18c, col. (2) is more than zero.

21	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) .....	21		
22	Enter the smaller of line 18a or 19 in column (2) but not less than zero .....	22		
23	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) .....	23		
24	Add lines 22 and 23 .....	24		
25	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- .....	25		
26	Subtract line 25 from line 24. If zero or less, enter -0- .....	26		
27	Subtract line 26 from line 21. If zero or less, enter -0- .....	27		
28	Enter the smaller of the amount on line 21 or \$2,550 .....	28		
29	Enter the smaller of the amount on line 27 or line 28 .....	29		
30	Subtract line 29 from line 28. If zero or less, enter -0-. This amount is taxed at 0% .....	30		
31	Enter the smaller of line 21 or line 26 .....	31		
32	Subtract line 30 from line 26 .....	32		
33	Enter the smaller of line 21 or \$12,400 .....	33		
34	Add lines 27 and 30 .....	34		
35	Subtract line 34 from line 33. If zero or less, enter -0- .....	35		
36	Enter the smaller of line 32 or line 35 .....	36		
37	Multiply line 36 by 15% (0.15) .....	37		
38	Enter the amount from line 31 .....	38		
39	Add lines 30 and 36 .....	39		
40	Subtract line 39 from line 38. If zero or less, enter -0- .....	40		
41	Multiply line 40 by 20% (0.20) .....	41		
42	Figure the tax on the amount on line 27. Use the 2016 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) .....	42		
43	Add lines 37, 41, and 42 .....	43		
44	Figure the tax on the amount on line 21. Use the 2016 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) .....	44		
45	Tax on all taxable income. Enter the smaller of line 43 or line 44 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) .....	45		

Schedule D	Capital Loss Carryover Worksheet	Statement 19
1. Enter the amount from Form 990-T, line 34 . . . . .		-43,870
2. Enter the loss from Schedule D, line 20, as a positive amt . .		3,000
3. Combine lines 1 and 2. If zero or less, enter -0- . . . . .		0
4. Enter the smaller of line 2 or line 3 . . . . .		0
Note: If line 7 of Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.		
5. Enter the loss from Sch D, line 7, as a positive amount . . .		9,844
6. Enter any gain from Schedule D, line 16 . . . . .	0	
7. Add lines 4 and 6 . . . . .		0
8. Short-term capital loss carryover to 2017. Subtract line 7 from line 5. If zero or less, enter -0- . . . . .		9,844
Note: If line 16 of Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.		
9. Enter the loss from Schedule D, line 16, as a positive amt . .		37,301
10. Enter any gain from Schedule D, line 7 . . . . .	0	
11. Subtract line 5 from line 4. If zero or less, enter -0- . . . . .	0	
12. Add lines 10 and 11 . . . . .		0
13. Long-term capital loss carryover to 2017. Subtract line 12 from line 9. If zero or less, enter -0- . . . . .		37,301

**McKnight Brain Research Foundation**  
**EIN 65-6301255**  
**Form 990-T**  
**Year ended June 30, 2017**

**Passive Activity Loss Limitations**

Reconciliation of UBI per 990-T and 990-PF

	Ordinary Income (Loss)	Capital Gain (Loss)	Total
Lighthouse Diversified Fund (QP) II, LP; EIN 65-1137821 - UBI	\$ (14,923)	\$ (7,738)	\$ (22,661)
Lighthouse Global Long/Short Fund, LP; EIN 59-3789085 - UBI	(22,812)	(958)	(23,770)
Lighthouse Credit Opportunities Fund, LP; EIN 57-1140919 - UBI	13,148	(32,041)	(18,893)
HCP Private Equity Fund V, L.P.; EIN 27-2665727 - UBI	(1,479)	939	(540)
	<hr/>		
Total UBI per Form 990-PF	(26,066)	(39,798)	(65,864)
	<hr/>		
Lighthouse Credit Opportunities Fund, LP - current year disallowed passive activity losses	775		775
HCP Private Equity Fund V, LP - current year disallowed passive activity losses	83		83
Capital Loss limitation		36,798	36,798
	<hr/>		
Total UBI before deductions	(25,208)	(3,000)	(28,208)
	<hr/>		
Other UBI deductions reported on 990-T	(15,662)	-	(15,662)
	<hr/>		
Total UBI per 990-T	\$ (40,870)	\$ (3,000)	\$ (43,870)

Schedule K-1 (Form 1065)

2016

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning \_\_\_\_\_, 2016 ending \_\_\_\_\_, 20\_\_\_\_\_

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 59-3789085
B Partnership's name, address, city, state, and ZIP code LIGHTHOUSE GLOBAL LONG/SHORT FUND, L.P. 3801 PGA BOULEVARD, SUITE 500 PALM BEACH GARDENS, FL 33410-2757
C IRS Center where partnership filed return E-FILE
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 65-6301255 #68
F Partner's name, address, city, state, and ZIP code EVELYN MCKNIGHT BRAIN RESEARCH FOUNDATION C/O SUNTRUST BANK P.O. BOX 620005 ORLANDO, FL 32862
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I1 What type of entity is this partner? EXEMPT ORG.
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 0.880800% 0.762371%
Loss 0.880800% 0.762371%
Capital 0.878393% 0.872014%
K Partner's share of liabilities at year end:
Nonrecourse \$ 3,628,509
Qualified nonrecourse financing \$
Recourse \$

L Partner's capital account analysis:
Beginning capital account \$ 3,214,685
Capital contributed during the year \$
Current year increase (decrease) \$ 4,565
Withdrawals & distributions \$ ( )
Ending capital account \$ 3,219,250
Tax basis GAAP Section 704(b) book
Other (explain)
M Did the partner contribute property with a built-in gain or loss?
Yes No
If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Code, and Amount. Rows include Ordinary business income (loss), Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), Credits, Foreign transactions, Alternative minimum tax (AMT) items, Distributions, and Other information.

\*See attached statement for additional information.
For IRS Use Only

**This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.**

**1. Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

Passive loss	Report on
Passive income	See the Partner's Instructions
Nonpassive loss	Schedule E, line 28, column (g)
Nonpassive income	Schedule E, line 28, column (h)
	Schedule E, line 28, column (j)

**2. Net rental real estate income (loss)**

**3. Other net rental income (loss)**

Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions

**4. Guaranteed payments**

**5. Interest income**

**6a. Ordinary dividends**

**6b. Qualified dividends**

**7. Royalties**

**8. Net short-term capital gain (loss)**

**9a. Net long-term capital gain (loss)**

**9b. Collectibles (28%) gain (loss)**

	Schedule D, line 5
	Schedule D, line 12
	28% Rate Gain Worksheet, line 4
	(Schedule D instructions)
	See the Partner's Instructions
	See the Partner's Instructions

**9c. Unrecaptured section 1250 gain**

**10. Net section 1231 gain (loss)**

**11. Other income (loss)**

<b>Code</b>	
<b>A</b> Other portfolio income (loss)	See the Partner's Instructions
<b>B</b> Involuntary conversions	See the Partner's Instructions
<b>C</b> Sec. 1256 contracts & straddles	Form 6781, line 1
<b>D</b> Mining exploration costs recapture	See Pub. 535
<b>E</b> Cancellation of debt	Form 1040, line 21 or Form 982
<b>F</b> Other income (loss)	See the Partner's Instructions

**12. Section 179 deduction**

**13. Other deductions**

<b>A</b> Cash contributions (50%)	} See the Partner's Instructions
<b>B</b> Cash contributions (30%)	
<b>C</b> Noncash contributions (50%)	
<b>D</b> Noncash contributions (30%)	
<b>E</b> Capital gain property to a 50% organization (30%)	
<b>F</b> Capital gain property (20%)	} See Form 4952, line 1
<b>G</b> Contributions (100%)	
<b>H</b> Investment interest expense	
<b>I</b> Deductions—royalty income	
<b>J</b> Section 59(e)(2) expenditures	
<b>K</b> Deductions—portfolio (2% floor)	
<b>L</b> Deductions—portfolio (other)	
<b>M</b> Amounts paid for medical insurance	
<b>N</b> Educational assistance benefits	
<b>O</b> Dependent care benefits	
<b>P</b> Preproductive period expenses	
<b>Q</b> Commercial revitalization deduction from rental real estate activities	
<b>R</b> Pensions and IRAs	
<b>S</b> Reforestation expense deduction	
<b>T</b> Domestic production activities information	
<b>U</b> Qualified production activities income	
<b>V</b> Employer's Form W-2 wages	
<b>W</b> Other deductions	

**14. Self-employment earnings (loss)**

**Note:** If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

<b>A</b> Net earnings (loss) from self-employment	Schedule SE, Section A or B
<b>B</b> Gross farming or fishing income	See the Partner's Instructions
<b>C</b> Gross non-farm income	See the Partner's Instructions

**15. Credits**

<b>A</b> Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	} See the Partner's Instructions
<b>B</b> Low-income housing credit (other) from pre-2008 buildings	
<b>C</b> Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
<b>D</b> Low-income housing credit (other) from post-2007 buildings	
<b>E</b> Qualified rehabilitation expenditures (rental real estate)	
<b>F</b> Other rental real estate credits	
<b>G</b> Other rental credits	
<b>H</b> Undistributed capital gains credit	
<b>I</b> Biofuel producer credit	
<b>J</b> Work opportunity credit	
<b>K</b> Disabled access credit	Form 1040, line 73; check box a
	} See the Partner's Instructions

<b>Code</b>		<b>Report on</b>
<b>L</b> Empowerment zone employment credit	} See the Partner's Instructions	
<b>M</b> Credit for increasing research activities		
<b>N</b> Credit for employer social security and Medicare taxes		
<b>O</b> Backup withholding		
<b>P</b> Other credits		
<b>16. Foreign transactions</b>		
<b>A</b> Name of country or U.S. possession	} Form 1116, Part I	
<b>B</b> Gross income from all sources		
<b>C</b> Gross income sourced at partner level		
<i>Foreign gross income sourced at partnership level</i>		
<b>D</b> Passive category	} Form 1116, Part I	
<b>E</b> General category		
<b>F</b> Other		
<i>Deductions allocated and apportioned at partner level</i>		
<b>G</b> Interest expense	Form 1116, Part I	
<b>H</b> Other	Form 1116, Part I	
<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
<b>I</b> Passive category	} Form 1116, Part I	
<b>J</b> General category		
<b>K</b> Other		
<i>Other information</i>		
<b>L</b> Total foreign taxes paid	Form 1116, Part II	
<b>M</b> Total foreign taxes accrued	Form 1116, Part II	
<b>N</b> Reduction in taxes available for credit	Form 1116, line 12	
<b>O</b> Foreign trading gross receipts	Form 8873	
<b>P</b> Extraterritorial income exclusion	Form 8873	
<b>Q</b> Other foreign transactions	See the Partner's Instructions	
<b>17. Alternative minimum tax (AMT) items</b>		
<b>A</b> Post-1986 depreciation adjustment	} See the Partner's Instructions and the Instructions for Form 6251	
<b>B</b> Adjusted gain or loss		
<b>C</b> Depletion (other than oil & gas)		
<b>D</b> Oil, gas, & geothermal—gross income		
<b>E</b> Oil, gas, & geothermal—deductions		
<b>F</b> Other AMT items		
<b>18. Tax-exempt income and nondeductible expenses</b>		
<b>A</b> Tax-exempt interest income	Form 1040, line 8b	
<b>B</b> Other tax-exempt income	See the Partner's Instructions	
<b>C</b> Nondeductible expenses	See the Partner's Instructions	
<b>19. Distributions</b>		
<b>A</b> Cash and marketable securities	} See the Partner's Instructions	
<b>B</b> Distribution subject to section 737		
<b>C</b> Other property		
<b>20. Other information</b>		
<b>A</b> Investment income	Form 4952, line 4a	
<b>B</b> Investment expenses	Form 4952, line 5	
<b>C</b> Fuel tax credit information	Form 4136	
<b>D</b> Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions	
<b>E</b> Basis of energy property	See the Partner's Instructions	
<b>F</b> Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
<b>G</b> Recapture of low-income housing credit (other)	Form 8611, line 8	
<b>H</b> Recapture of investment credit	See Form 4255	
<b>I</b> Recapture of other credits	See the Partner's Instructions	
<b>J</b> Look-back interest—completed long-term contracts	See Form 8697	
<b>K</b> Look-back interest—income forecast method	See Form 8866	
<b>L</b> Dispositions of property with section 179 deductions	} See the Partner's Instructions	
<b>M</b> Recapture of section 179 deduction		
<b>N</b> Interest expense for corporate partners		
<b>O</b> Section 453(f)(3) information		
<b>P</b> Section 453A(c) information		
<b>Q</b> Section 1260(b) information		
<b>R</b> Interest allocable to production expenditures		
<b>S</b> CCF nonqualified withdrawals		
<b>T</b> Depletion information—oil and gas		
<b>U</b> Reserved		
<b>V</b> Unrelated business taxable income		
<b>W</b> Precontribution gain (loss)		
<b>X</b> Section 108(f) information		
<b>Y</b> Net investment income		
<b>Z</b> Other information		

**SCH K-1 SUPPORTING SCHEDULES****ITEM L - RECONCILIATION OF INCOME**

INCOME (LOSS) FROM SCH. K-1, LINES 1-11	395,584
LESS: DEDUCTIONS FROM SCH. K-1, LINES 12, 13, 16L AND 16M	398,434
	-----
TOTAL INCOME PER SCHEDULE K-1	-2,850
	=====
PLUS: INCOME RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
NET CHANGE IN TAX UNREALIZED GAIN/(LOSS) FROM INVESTMENTS	7,415
	-----
<b>TOTAL INCOME PER ITEM L, CURRENT YEAR INCREASE (DECREASE)</b>	<b>4,565</b>
	=====

**LINE 5 - INTEREST INCOME**

OTHER INTEREST INCOME	12,623
	-----
<b>TOTAL INTEREST INCOME</b>	<b>12,623</b>
	=====

**LINE 11 - OTHER INCOME (LOSS)**

<b><u>C - SEC. 1256 CONTRACTS &amp; STRADDLES</u></b>	
SEC. 1256 CONTRACTS & STRADDLES	7,087
	-----
<b>TOTAL BOX C</b>	<b>7,087</b>
	=====

**F - OTHER INCOME (LOSS)**

NET IRC SEC. 475(F) INCOME/(LOSS)	91,740
NET IRC SEC. 988 GAIN/(LOSS)	5,105
NET SWAP INCOME/(EXPENSE)	22,309
SHORT-TERM CAPITAL GAIN/(LOSS)	162,056
LONG-TERM CAPITAL GAIN/(LOSS)	-7,435
OTHER INCOME/(LOSS)	786
	-----
<b>TOTAL BOX F</b>	<b>274,561</b>
	=====

**LINE 13 - OTHER DEDUCTIONS**

<b><u>H - INVESTMENT INTEREST EXPENSE</u></b>	
INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES	175,136
INVESTMENT INTEREST EXPENSE FROM INVESTING ACTIVITIES	266
	-----
<b>TOTAL BOX H</b>	<b>175,402</b>
	=====

**W - OTHER DEDUCTIONS**

OTHER TRADE OR BUSINESS EXPENSES	166,619
	-----
<b>TOTAL BOX W</b>	<b>166,619</b>
	=====

SCH K-1 SUPPORTING SCHEDULES

---

LINE 16 - FOREIGN TRANSACTIONS

D - PASSIVE CATEGORY

DIVIDEND INCOME	39,503
INTEREST INCOME	3,055

**TOTAL BOX D**

-----  
42,558  
=====

I - PASSIVE CATEGORY

L - TOTAL FOREIGN TAXES PAID

TOTAL FOREIGN TAXES PAID - DIVIDEND INCOME	5,714
--	-------

**TOTAL BOX L**

-----  
5,714  
=====



**SCH K-1 SUPPORTING SCHEDULES**

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, BOX 16  
=====

H. DEDUCTIONS ALLOCATED/APPORTIONED AT PARTNER-OTHER

YOUR SHARE OF GROSS LOSSES SOURCED AT PARTNER LEVEL IS:	3,268,987
YOUR SHARE OF DEDUCTIONS ALLOCATED TO GROSS INCOME SOURCED AT PARTNER LEVEL IS:	160,527

L. TOTAL FOREIGN TAXES PAID

IN ACCORDANCE WITH INTERNAL REVENUE CODE SECTIONS 901(K) (1) (A) AND 901(L) (1) (A), THE FOLLOWING AMOUNT COMPRISING ON BOX 16L OF YOUR SCHEDULE K-1 SHOULD BE DEDUCTED AND NOT TAKEN AS A CREDIT ON YOUR 2016 INCOME TAX RETURN. PLEASE CONSULT YOUR TAX ADVISOR.

194

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, BOX 20  
=====

V. UNRELATED BUSINESS TAXABLE INCOME

FOR TAX EXEMPT ORGANIZATIONS ONLY  
-----

UNRELATED BUSINESS TAXABLE INCOME (UBTI) INCLUDED IN YOUR SCHEDULE K-1 DISTRIBUTIVE SHARE ITEMS IS AS FOLLOWS:

NET UBTI ORDINARY INCOME/(LOSS):	-22,812
NET UBTI CAPITAL GAIN/(LOSS):	-958

Y. NET INVESTMENT INCOME REPORTING

UNLESS OTHERWISE NOTED, THE DISTRIBUTIVE SHARE OF ALL ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE COMPONENTS OF NET INVESTMENT INCOME AS DEFINED IN TREAS. REG. 1.1411-4 AND MAY BE SUBJECT TO THE NET INVESTMENT INCOME TAX PURSUANT TO IRC SECTION 1411. PLEASE CONSULT YOUR TAX ADVISOR.

THE FOREIGN TAXES PAID REPORTED TO YOU ON BOX 16, CODE L CAN ONLY BE USED AS AN ALLOCABLE EXPENSE AGAINST NET INVESTMENT INCOME TO THE EXTENT THEY ARE TAKEN AS A DEDUCTION FOR REGULAR TAX PURPOSES UNDER CHAPTER 1 OF THE INTERNAL REVENUE CODE. NO FOREIGN TAX CREDIT IS ALLOWED TO BE USED AS A CREDIT AGAINST THE NET INVESTMENT INCOME TAX. PLEASE CONSULT YOUR TAX ADVISOR.

**SCH K-1 SUPPORTING SCHEDULES**

---

## Z. OTHER INFORMATION

FOR CORPORATE PARTNERS: THE AMOUNT OF DIVIDEND INCOME REPORTED ON BOX 6A THAT QUALIFIES FOR THE DIVIDENDS RECEIVED DEDUCTION UNDER IRC SEC. 243 IS: 31,884

THE FOLLOWING AMOUNT OF QUALIFIED DIVIDEND INCOME REPORTED ON BOX 6B IS FROM FOREIGN SOURCES: 30,870

NO DETERMINATION HAS BEEN MADE WHETHER YOU MATERIALLY PARTICIPATE IN THE OPERATION OF THE PARTNERSHIP. IF YOU ARE A NON-MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES REPORTED TO YOU ON BOX 13H IS SUBJECT TO THE NET INVESTMENT INCOME LIMITATION. IF YOU ARE A MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE MAY BE TREATED AS TRADE OR BUSINESS INTEREST EXPENSE. PLEASE CONSULT YOUR TAX ADVISOR.

THE AMOUNT REPORTED IN BOX 19, CODE A OF YOUR SCHEDULE K-1 REPRESENTS THE CASH DISTRIBUTIONS THAT WERE PAID TO YOU DURING THIS TAXABLE YEAR. IF YOUR SCHEDULE K-1 IS MARKED FINAL, THE DISTRIBUTION AMOUNT REPORTED IN BOX 19, CODE A REPRESENTS YOUR FINAL CASH DISTRIBUTION IN EXCHANGE FOR THE LIQUIDATION OF YOUR PARTNERSHIP INTEREST. IF YOU HAD A COMPLETE LIQUIDATION OF YOUR PARTNERSHIP INTEREST IN THE CURRENT YEAR AND YOUR SCHEDULE K-1 IS NOT MARKED FINAL, YOU WILL RECEIVE A FINAL SCHEDULE K-1 NEXT YEAR WITH YOUR FINAL CASH DISTRIBUTION REPORTED IN BOX 19, CODE A. THE TAX RULES RELATED TO A LIQUIDATION OF A PARTNERSHIP INTEREST ARE COMPLEX, PLEASE CONSULT YOUR TAX ADVISOR. THE AMOUNT OF YOUR CURRENT YEAR DISTRIBUTION THAT WILL BE PAID OUT TO YOU AND REPORTED ON YOUR SCHEDULE K-1 IN THE FOLLOWING YEAR IS:

NONE

THE AMOUNT REPORTED ON BOX 20A INCLUDES INVESTMENT INCOME FROM BOXES 5 AND 6A OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON OTHER BOX 11 ITEMS MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

THE AMOUNT REPORTED ON BOX 20B INCLUDES INVESTMENT EXPENSE FROM BOX 13K OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON BOX 13W MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

PARTNER PERCENTAGES REFLECTED IN ITEM J ARE CALCULATED PURSUANT TO IRS INSTRUCTIONS; TAXABLE INCOME REPORTED ON YOUR SCHEDULE K-1 IS ALLOCATED CONSISTENT WITH THE PARTNERSHIP AGREEMENT. CHANGE IN OWNERSHIP DURING THE YEAR IS REFLECTED IN THE PROFIT, LOSS, AND CAPITAL PERCENTAGES REPORTED ON YOUR SCHEDULE K-1, ITEM J.

PLEASE NOTE, NONE OF THE DISTRIBUTIVE SHARE ITEMS REPORTED ON YOUR SCHEDULE K-1 ARE CONSIDERED AS DERIVED FROM A PASSIVE ACTIVITY UNDER TREASURY REGULATION 1.469-1T(E)(6).

Schedule K-1 (Form 1065)

2016

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning \_\_\_\_\_, 2016 ending \_\_\_\_\_, 20\_\_\_\_\_

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 65-1137821
B Partnership's name, address, city, state, and ZIP code LIGHTHOUSE DIVERSIFIED FUND (QP) II, L.P. 3801 PGA BOULEVARD, SUITE 500 PALM BEACH GARDENS, FL 33410-2757
C IRS Center where partnership filed return E-FILE
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 65-6301255 #229
F Partner's name, address, city, state, and ZIP code EVELYN MCKNIGHT BRAIN RESEARCH FOUNDATION C/O SUNTRUST BANK P.O. BOX 620005 ORLANDO, FL 32862
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I1 What type of entity is this partner? EXEMPT ORG.
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 0.894352% 0.908704%
Loss 0.894352% 0.908704%
Capital 0.904689% 0.927997%
K Partner's share of liabilities at year end:
Nonrecourse \$ 3,611,113
Qualified nonrecourse financing \$ 76
Recourse \$

L Partner's capital account analysis:
Beginning capital account \$ 3,130,902
Capital contributed during the year \$
Current year increase (decrease) \$ 61,553
Withdrawals & distributions \$ ( )
Ending capital account \$ 3,192,455
Tax basis GAAP Section 704(b) book
Other (explain)
M Did the partner contribute property with a built-in gain or loss?
Yes No
If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Amount, and Code. Rows include Ordinary business income (loss), Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), Credits, Foreign transactions, Alternative minimum tax (AMT) items, Tax-exempt income and nondeductible expenses, Distributions, and Other information.

\*See attached statement for additional information.
For IRS Use Only

**This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.**

	<i>Code</i>	<i>Report on</i>
<b>1. Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		
	<i>Report on</i>	
Passive loss	See the Partner's Instructions	
Passive income	Schedule E, line 28, column (g)	
Nonpassive loss	Schedule E, line 28, column (h)	
Nonpassive income	Schedule E, line 28, column (j)	
<b>2. Net rental real estate income (loss)</b>	See the Partner's Instructions	
<b>3. Other net rental income (loss)</b>		
Net income	Schedule E, line 28, column (g)	
Net loss	See the Partner's Instructions	
<b>4. Guaranteed payments</b>	Schedule E, line 28, column (j)	
<b>5. Interest income</b>	Form 1040, line 8a	
<b>6a. Ordinary dividends</b>	Form 1040, line 9a	
<b>6b. Qualified dividends</b>	Form 1040, line 9b	
<b>7. Royalties</b>	Schedule E, line 4	
<b>8. Net short-term capital gain (loss)</b>	Schedule D, line 5	
<b>9a. Net long-term capital gain (loss)</b>	Schedule D, line 12	
<b>9b. Collectibles (28%) gain (loss)</b>	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	
<b>9c. Unrecaptured section 1250 gain</b>	See the Partner's Instructions	
<b>10. Net section 1231 gain (loss)</b>	See the Partner's Instructions	
<b>11. Other income (loss)</b>		
<i>Code</i>		
<b>A</b> Other portfolio income (loss)	See the Partner's Instructions	
<b>B</b> Involuntary conversions	See the Partner's Instructions	
<b>C</b> Sec. 1256 contracts & straddles	Form 6781, line 1	
<b>D</b> Mining exploration costs recapture	See Pub. 535	
<b>E</b> Cancellation of debt	Form 1040, line 21 or Form 982	
<b>F</b> Other income (loss)	See the Partner's Instructions	
<b>12. Section 179 deduction</b>	See the Partner's Instructions	
<b>13. Other deductions</b>		
<b>A</b> Cash contributions (50%)	} See the Partner's Instructions	
<b>B</b> Cash contributions (30%)		
<b>C</b> Noncash contributions (50%)		
<b>D</b> Noncash contributions (30%)		
<b>E</b> Capital gain property to a 50% organization (30%)		
<b>F</b> Capital gain property (20%)		
<b>G</b> Contributions (100%)		
<b>H</b> Investment interest expense	Form 4952, line 1	
<b>I</b> Deductions—royalty income	Schedule E, line 19	
<b>J</b> Section 59(e)(2) expenditures	See the Partner's Instructions	
<b>K</b> Deductions—portfolio (2% floor)	Schedule A, line 23	
<b>L</b> Deductions—portfolio (other)	Schedule A, line 28	
<b>M</b> Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	
<b>N</b> Educational assistance benefits	See the Partner's Instructions	
<b>O</b> Dependent care benefits	Form 2441, line 12	
<b>P</b> Preproductive period expenses	See the Partner's Instructions	
<b>Q</b> Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	
<b>R</b> Pensions and IRAs	See the Partner's Instructions	
<b>S</b> Reforestation expense deduction	See the Partner's Instructions	
<b>T</b> Domestic production activities information	See Form 8903 instructions	
<b>U</b> Qualified production activities income	Form 8903, line 7b	
<b>V</b> Employer's Form W-2 wages	Form 8903, line 17	
<b>W</b> Other deductions	See the Partner's Instructions	
<b>14. Self-employment earnings (loss)</b>		
<b>Note:</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
<b>A</b> Net earnings (loss) from self-employment	Schedule SE, Section A or B	
<b>B</b> Gross farming or fishing income	See the Partner's Instructions	
<b>C</b> Gross non-farm income	See the Partner's Instructions	
<b>15. Credits</b>		
<b>A</b> Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	} See the Partner's Instructions	
<b>B</b> Low-income housing credit (other) from pre-2008 buildings		
<b>C</b> Low-income housing credit (section 42(j)(5)) from post-2007 buildings		
<b>D</b> Low-income housing credit (other) from post-2007 buildings		
<b>E</b> Qualified rehabilitation expenditures (rental real estate)		
<b>F</b> Other rental real estate credits		
<b>G</b> Other rental credits		
<b>H</b> Undistributed capital gains credit		Form 1040, line 73; check box a
<b>I</b> Biofuel producer credit		
<b>J</b> Work opportunity credit		
<b>K</b> Disabled access credit	See the Partner's Instructions	
<b>L</b> Dispositions of property with section 179 deductions	} See the Partner's Instructions	
<b>M</b> Recapture of section 179 deduction		
<b>N</b> Interest expense for corporate partners		
<b>O</b> Section 453(f)(3) information		
<b>P</b> Section 453A(c) information		
<b>Q</b> Section 1260(b) information		
<b>R</b> Interest allocable to production expenditures		
<b>S</b> CCF nonqualified withdrawals		
<b>T</b> Depletion information—oil and gas		
<b>U</b> Reserved		
<b>V</b> Unrelated business taxable income		
<b>W</b> Precontribution gain (loss)		
<b>X</b> Section 108(f) information		
<b>Y</b> Net investment income		
<b>Z</b> Other information		
<b>16. Foreign transactions</b>		
<b>A</b> Name of country or U.S. possession	} Form 1116, Part I	
<b>B</b> Gross income from all sources		
<b>C</b> Gross income sourced at partner level		
<i>Foreign gross income sourced at partnership level</i>		
<b>D</b> Passive category	} Form 1116, Part I	
<b>E</b> General category		
<b>F</b> Other		
<i>Deductions allocated and apportioned at partner level</i>		
<b>G</b> Interest expense	Form 1116, Part I	
<b>H</b> Other	Form 1116, Part I	
<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
<b>I</b> Passive category	} Form 1116, Part I	
<b>J</b> General category		
<b>K</b> Other		
<i>Other information</i>		
<b>L</b> Total foreign taxes paid	Form 1116, Part II	
<b>M</b> Total foreign taxes accrued	Form 1116, Part II	
<b>N</b> Reduction in taxes available for credit	Form 1116, line 12	
<b>O</b> Foreign trading gross receipts	Form 8873	
<b>P</b> Extraterritorial income exclusion	Form 8873	
<b>Q</b> Other foreign transactions	See the Partner's Instructions	
<b>17. Alternative minimum tax (AMT) items</b>		
<b>A</b> Post-1986 depreciation adjustment	} See the Partner's Instructions and the Instructions for Form 6251	
<b>B</b> Adjusted gain or loss		
<b>C</b> Depletion (other than oil & gas)		
<b>D</b> Oil, gas, & geothermal—gross income		
<b>E</b> Oil, gas, & geothermal—deductions		
<b>F</b> Other AMT items		
<b>18. Tax-exempt income and nondeductible expenses</b>		
<b>A</b> Tax-exempt interest income	Form 1040, line 8b	
<b>B</b> Other tax-exempt income	See the Partner's Instructions	
<b>C</b> Nondeductible expenses	See the Partner's Instructions	
<b>19. Distributions</b>		
<b>A</b> Cash and marketable securities	} See the Partner's Instructions	
<b>B</b> Distribution subject to section 737		
<b>C</b> Other property		
<b>20. Other information</b>		
<b>A</b> Investment income	Form 4952, line 4a	
<b>B</b> Investment expenses	Form 4952, line 5	
<b>C</b> Fuel tax credit information	Form 4136	
<b>D</b> Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions	
<b>E</b> Basis of energy property	See the Partner's Instructions	
<b>F</b> Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
<b>G</b> Recapture of low-income housing credit (other)	Form 8611, line 8	
<b>H</b> Recapture of investment credit	See Form 4255	
<b>I</b> Recapture of other credits	See the Partner's Instructions	
<b>J</b> Look-back interest—completed long-term contracts	See Form 8697	
<b>K</b> Look-back interest—income forecast method	See Form 8866	

**SCH K-1 SUPPORTING SCHEDULES****ITEM L - RECONCILIATION OF INCOME**

INCOME (LOSS) FROM SCH. K-1, LINES 1-11	276,550
LESS: DEDUCTIONS FROM SCH. K-1, LINES 12, 13, 16L AND 16M	265,691
	-----
TOTAL INCOME PER SCHEDULE K-1	10,859
	=====
LESS: EXPENSES RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
NONDEDUCTIBLE EXPENSES	147
PLUS: INCOME RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
TAX-EXEMPT INTEREST INCOME	1,023
NET CHANGE IN TAX UNREALIZED GAIN/(LOSS) FROM INVESTMENTS	49,818
	-----
<b>TOTAL INCOME PER ITEM L, CURRENT YEAR INCREASE (DECREASE)</b>	<b>61,553</b>
	=====

**LINE 5 - INTEREST INCOME**

INTEREST INCOME FROM U.S. GOVERNMENT OBLIGATIONS	1,942
OTHER INTEREST INCOME	59,939
	-----
<b>TOTAL INTEREST INCOME</b>	<b>61,881</b>
	=====

**LINE 11 - OTHER INCOME (LOSS)****A - OTHER PORTFOLIO INCOME (LOSS)**

OTHER PORTFOLIO INCOME/(LOSS)	24
NET IRC SEC. 988 GAIN/(LOSS)	-209
NET SWAP INCOME/(EXPENSE)	3,530
NET IRC SEC. 987 GAIN/(LOSS)	-248
	-----
<b>TOTAL BOX A</b>	<b>3,097</b>
	=====

**E - CANCELLATION OF DEBT****F - OTHER INCOME (LOSS)**

OTHER INCOME/(LOSS)	1,112
NET IRC SEC. 475(F) INCOME/(LOSS)	83,426
NET IRC SEC. 988 GAIN/(LOSS)	3,858
NET SWAP INCOME/(EXPENSE)	1,623
OTHER ORDINARY INCOME/(LOSS)	-26
SHORT-TERM CAPITAL GAIN/(LOSS)	69,067
LONG-TERM CAPITAL GAIN/(LOSS)	-49,250
OTHER TRADE OR BUSINESS EXPENSE	-57
OTHER INTEREST INCOME	9
INCOME/(LOSS) FROM LENDING ACTIVITIES	507
NET IRC SEC. 986 GAIN/(LOSS)	-13
FOREIGN INCOME INCLUSION	74
	-----
<b>TOTAL BOX F</b>	<b>110,330</b>
	=====

**LINE 13 - OTHER DEDUCTIONS****H - INVESTMENT INTEREST EXPENSE**

INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES	85,212
INVESTMENT INTEREST EXPENSE FROM INVESTING ACTIVITIES	1,541
	-----

**SCH K-1 SUPPORTING SCHEDULES**

<b>TOTAL BOX H</b>	86,753
	=====
J - SECTION 59(E) (2) EXPENDITURES	34
K - DEDUCTIONS - PORTFOLIO (2% FLOOR)	57,791
L - DEDUCTIONS - PORTFOLIO (OTHER)	2
<u>T - DOMESTIC PRODUCTION ACTIVITIES INFORMATION</u>	
GROSS RECEIPTS FROM ALL SOURCES - OIL & GAS	232
DOMESTIC PRODUCTION GROSS RECEIPTS - OIL & GAS	198
COST OF GOODS SOLD ALLOCABLE TO DPGR - OIL & GAS	92
COST OF GOODS SOLD FROM ALL SOURCES - OIL & GAS	117
EXPENSES DIRECTLY ALLOCABLE TO DPGR - OIL & GAS	82
EXPENSES DIRECTLY ALLOCABLE TO NON DPGR - OIL & GAS	14
W-2 ALLOCABLE TO DPGR - OIL & GAS	32
 <u>W - OTHER DEDUCTIONS</u>	
OTHER TRADE OR BUSINESS EXPENSE	117,937
	-----
<b>TOTAL BOX W</b>	117,937
	=====
 <b><u>LINE 16 - FOREIGN TRANSACTIONS</u></b>	
H - OTHER	5,895,963
I - PASSIVE CATEGORY	1,235
L - TOTAL FOREIGN TAXES PAID	2,983
M - TOTAL FOREIGN TAXES ACCRUED	171
 <b><u>LINE 17 - ALTERNATIVE MINIMUM TAX (AMT) ITEMS</u></b>	
D - OIL, GAS, & GEOTHERMAL-GROSS INCOME	520
E - OIL, GAS, & GEOTHERMAL-DEDUCTIONS	1,010
F - OTHER AMT ITEMS	19

**SCH K-1 SUPPORTING SCHEDULES**

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, BOX 16

=====

IN ACCORDANCE WITH INTERNAL REVENUE CODE SECTIONS 901(K) (1) (A) AND 901(L) (1) (A), THE FOLLOWING AMOUNTS COMPRISING ON BOXES 16L AND 16M OF YOUR SCHEDULE K-1 SHOULD BE DEDUCTED AND NOT TAKEN AS A CREDIT ON YOUR 2016 INCOME TAX RETURN. PLEASE CONSULT YOUR TAX ADVISOR.

118

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, BOX 20

=====

T. DEPLETION INFORMATION - OIL AND GAS

A) TOTAL SUSTAINED DEPLETION 402  
B) COST DEPLETION INCLUDED IN SUSTAINED DEPLETION 386

V. UNRELATED BUSINESS TAXABLE INCOME

FOR TAX EXEMPT ORGANIZATIONS ONLY:

-----

UNRELATED BUSINESS TAXABLE INCOME (UBTI) INCLUDED IN YOUR SCHEDULE K-1 DISTRIBUTIVE SHARE ITEMS IS AS FOLLOWS:

ORDINARY INCOME/(LOSS): -14,923  
NET CAPITAL GAIN/(LOSS): -7,738

Y. NET INVESTMENT INCOME REPORTING

UNLESS OTHERWISE NOTED, THE DISTRIBUTIVE SHARE OF ALL ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE COMPONENTS OF NET INVESTMENT INCOME AS DEFINED IN TREAS. REG. 1.1411-4 AND MAY BE SUBJECT TO THE NET INVESTMENT INCOME TAX PURSUANT TO IRC SECTION 1411. PLEASE CONSULT YOUR TAX ADVISOR.

THE PARTNERSHIP HAS DIRECTLY/INDIRECTLY INVESTED IN PASSIVE ACTIVITIES. YOUR DISTRIBUTIVE SHARE OF PASSIVE ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE REPORTED IN DETAIL IN THE "PASSIVE ACTIVITY SCHEDULE" LATER IN THIS SCHEDULE K-1. UNLESS YOU MATERIALLY PARTICIPATE IN SUCH ACTIVITIES, YOUR DISTRIBUTIVE SHARE OF SUCH ITEMS ARE ALL COMPONENTS OF NET INVESTMENT INCOME AS DEFINED IN TREAS. REG. 1.1411-4 AND MAY BE SUBJECT TO THE NET INVESTMENT INCOME TAX PURSUANT TO IRC SEC. 1411. PLEASE CONSULT YOUR TAX ADVISOR.

THE FOREIGN TAXES PAID REPORTED TO YOU ON BOX 16, CODES L AND M CAN ONLY BE USED AS AN ALLOCABLE EXPENSE AGAINST NET INVESTMENT INCOME TO THE EXTENT THEY ARE TAKEN AS A DEDUCTION FOR REGULAR TAX PURPOSES UNDER CHAPTER 1 OF THE INTERNAL REVENUE CODE. NO FOREIGN TAX CREDIT IS ALLOWED TO BE USED AS A CREDIT AGAINST THE NET INVESTMENT INCOME TAX. PLEASE CONSULT YOUR TAX ADVISOR.

AN ELECTION UNDER TREAS. REG. 1.1411-10(G) HAS BEEN MADE WITH RESPECT TO THE CONTROLLED FOREIGN CORPORATIONS ("CFC") AND/OR PASSIVE FOREIGN INVESTMENT CORPORATIONS ("PFICS") THAT HAVE ELECTED TO BE QUALIFIED ELECTING FUNDS ("QEFs") THAT THE PARTNERSHIP DIRECTLY/INDIRECTLY OWNS. AS A RESULT, THE AMOUNTS REPORTED TO YOU ON SCHEDULE K-1 FOR REGULAR INCOME TAX PURPOSES AS SUBPART F INCOME UNDER IRC SECTION 951(A) OR QEF INCLUSIONS UNDER IRC SECTION 1293(A) ARE ALL COMPONENTS OF NET INVESTMENT INCOME AS DEFINED IN TREAS. REG. 1.1411-4 AND MAY BE SUBJECT TO THE NET INVESTMENT INCOME TAX PURSUANT TO IRC SECTION 1411. PLEASE CONSULT YOUR TAX ADVISOR.

**SCH K-1 SUPPORTING SCHEDULES**

## Z. OTHER INFORMATION

FOR CORPORATE PARTNERS: THE AMOUNT OF DIVIDEND INCOME REPORTED ON BOX 6A THAT QUALIFIES FOR THE DIVIDEND RECEIVED DEDUCTION UNDER IRC SEC. 243 IS: 16,140

THE AMOUNT OF QUALIFIED DIVIDEND INCOME REPORTED ON BOX 6B FROM FOREIGN SOURCES IS: 14,067

THE AMOUNT OF EXPENSES REPORTED ON BOX 13H OF YOUR SCHEDULE K-1 ALLOCABLE TO THE PRODUCTION OF INTEREST FROM U.S. GOVERNMENT OBLIGATIONS IS: 221

THE AMOUNT OF EXPENSES REPORTED ON BOX 13W OF YOUR SCHEDULE K-1 ALLOCABLE TO THE PRODUCTION OF INTEREST FROM U.S. GOVERNMENT OBLIGATIONS IS: 172

THE AMOUNT OF EXPENSES REPORTED ON BOX 13H OF YOUR SCHEDULE K-1 ALLOCABLE TO THE PRODUCTION OF TAX-EXEMPT INTEREST IS: 13

THE AMOUNT OF EXPENSES REPORTED ON BOX 13W OF YOUR SCHEDULE K-1 ALLOCABLE TO THE PRODUCTION OF TAX-EXEMPT INTEREST IS: 124

THE AMOUNT REPORTED IN BOX 19, CODE A OF YOUR SCHEDULE K-1 REPRESENTS THE CASH DISTRIBUTIONS THAT WERE PAID TO YOU DURING THIS TAXABLE YEAR. IF YOUR SCHEDULE K-1 IS MARKED FINAL, THE DISTRIBUTION AMOUNT REPORTED IN BOX 19, CODE A REPRESENTS YOUR FINAL CASH DISTRIBUTION IN EXCHANGE FOR THE LIQUIDATION OF YOUR PARTNERSHIP INTEREST. IF YOU HAD A COMPLETE LIQUIDATION OF YOUR PARTNERSHIP INTEREST IN THE CURRENT YEAR AND YOUR SCHEDULE K-1 IS NOT MARKED FINAL, YOU WILL RECEIVE A FINAL SCHEDULE K-1 NEXT YEAR WITH YOUR FINAL CASH DISTRIBUTION REPORTED IN BOX 19, CODE A. THE TAX RULES RELATED TO A LIQUIDATION OF A PARTNERSHIP INTEREST ARE COMPLEX, PLEASE CONSULT YOUR TAX ADVISOR. THE AMOUNT OF YOUR CURRENT YEAR DISTRIBUTION THAT WILL BE PAID OUT TO YOU AND REPORTED ON YOUR SCHEDULE K-1 IN THE FOLLOWING YEAR IS: NONE

THE AMOUNT REPORTED ON BOX 20A INCLUDES INVESTMENT INCOME FROM BOXES 5, 6A, 7, AND 11A, IF ANY, OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON BOXES 8, 9A, AND OTHER BOX 11 ITEMS, IF ANY, MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

THE AMOUNT REPORTED ON BOX 20B INCLUDES INVESTMENT EXPENSE FROM BOXES 13I, 13K, AND 13L, IF ANY, OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON BOX 13W, IF ANY, MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.



SCH K-1 SUPPORTING SCHEDULES

NO DETERMINATION HAS BEEN MADE WHETHER YOU MATERIALLY PARTICIPATE IN THE OPERATION OF THE PARTNERSHIP. IF YOU ARE A NON-MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES REPORTED TO YOU ON BOX 13H IS SUBJECT TO THE NET INVESTMENT INCOME LIMITATION. IF YOU ARE A MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE MAY BE TREATED AS TRADE OR BUSINESS INTEREST EXPENSE. PLEASE CONSULT YOUR TAX ADVISOR.

TAXABLE INCOME REPORTED ON YOUR SCHEDULE K-1 IS ALLOCATED CONSISTENT WITH THE PARTNERSHIP AGREEMENT. CHANGE IN OWNERSHIP DURING THE YEAR IS REFLECTED IN THE PROFIT, LOSS, AND CAPITAL PERCENTAGES REPORTED ON YOUR SCHEDULE K-1, ITEM J.

PASSIVE ACTIVITY SCHEDULE

PLEASE NOTE (WITH THE EXCEPTION OF ITEMS INDICATED BELOW), NONE OF THE DISTRIBUTIVE SHARE ITEMS REPORTED ON YOUR SCHEDULE K-1 ARE CONSIDERED AS DERIVED FROM A PASSIVE ACTIVITY UNDER TREASURY REGULATION 1.469-1T(E) (6).

THE PARTNERSHIP HAS DIRECTLY/INDIRECTLY INVESTED IN PASSIVE ACTIVITIES. YOUR DISTRIBUTIVE SHARE OF PASSIVE INCOME/(LOSS) ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE REPORTED IN DETAILS BELOW. PASSIVE LOSSES MAY BE SUBJECT TO LIMITATION PURSUANT TO IRC SEC. 469. PLEASE CONSULT YOUR TAX ADVISOR.

BOX 1	- ORDINARY TRADE OR BUSINESS INCOME	53
BOX 2	- NET RENTAL REAL ESTATE INCOME/(LOSS)	6
BOX 3	- OTHER NET RENTAL INCOME/(LOSS)	NONE
BOX 7	- ROYALTY INCOME	1
BOX 9	- NET LONG-TERM CAPITAL GAIN/(LOSS)	23
BOX 10	- NET SECTION 1231 GAIN/(LOSS)	1
BOX 11E	- CANCELLATION OF DEBT	650
BOX 11F	- INCOME/(LOSS) FROM LENDING ACTIVITIES	507
BOX 11F	- OTHER INCOME/(LOSS)	-86
BOX 13A	- CASH CONTRIBUTIONS (50%)	NONE
BOX 13J	- SECTION 59(E) (2) EXPENDITURES	34

AHYDO INTEREST

INCLUDED ON BOX 1 OF THE K-1 IS AN INTEREST EXPENSE DEDUCTION THAT MAY BE SUBJECT TO THE APPLICABLE HIGH YIELD DISCOUNT OBLIGATION (AHYDO) PROVISIONS UNDER I.R.C. SECTION 163(E) (5) AND 163(I), AND THE TREAS. REG. SECTION 1.701-2(F), EX.1. IF APPLICABLE, CORPORATE PARTNERS ARE SUBJECT TO AN AHYDO LIMITATION. IF YOU ARE A CORPORATE PARTNER, YOU SHOULD CONSULT YOUR TAX ADVISOR TO DETERMINE THE APPLICABILITY OF THE SECTION 163(E) (5) AND 163(I) PROVISIONS TO YOUR MEMBERS/PARTNERS SHARE OF THE INTEREST EXPENSE. THE AHYDO LIMITATIONS ARE:

ENTITY: EIG PECOS MIDSTREAM, LLC	
TOTAL OID EXPENSE:	36
DISQUALIFIED PORTION (IRC SECTION 163(E) (5) (A) (I)):	8
SECTION 163(E) (5) (II) DEFERRED OID:	28
INTEREST PAID IN 2016:	5

EFFECTIVELY CONNECTED INCOME ("ECI")

LIGHTHOUSE DIVERSIFIED FUND (QP) II, L.P. MAY HAVE EFFECTIVELY CONNECTED INCOME PASS THROUGH FROM ITS UNDERLYING INVESTMENTS. DETAILS TO THIS INFORMATION ARE AVAILABLE UPON REQUEST.

Schedule K-1 (Form 1065)

2016

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning \_\_\_\_\_, 2016 ending \_\_\_\_\_, 20\_\_\_\_\_

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 57-1140919
B Partnership's name, address, city, state, and ZIP code LIGHTHOUSE CREDIT OPPORTUNITIES FUND, L.P. 3801 PGA BOULEVARD, SUITE 500 PALM BEACH GARDENS, FL 33410-2757
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 65-6301255 #148
F Partner's name, address, city, state, and ZIP code EVELYN F. MCKNIGHT BRAIN RESEARCH FOUNDATION C/O SUNTRUST BANK P.O. BOX 620005 ORLANDO, FL 32862
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I1 What type of entity is this partner? EXEMPT ORG.
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 3.178184% 3.493828%
Loss 3.178184% 3.493828%
Capital 3.106331% 4.149121%
K Partner's share of liabilities at year end:
Nonrecourse \$ 2,522,861
Qualified nonrecourse financing \$
Recourse \$

L Partner's capital account analysis:
Beginning capital account \$ 2,143,063
Capital contributed during the year \$
Current year increase (decrease) \$ 57,435
Withdrawals & distributions \$ ( )
Ending capital account \$ 2,200,498
Tax basis GAAP Section 704(b) book
Other (explain)
M Did the partner contribute property with a built-in gain or loss?
Yes No
If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Code, and Amount. Rows include Ordinary business income (loss), Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), Credits, Foreign transactions, Alternative minimum tax (AMT) items, Distributions, and Other information.

\*See attached statement for additional information.
For IRS Use Only

**This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.**

	<i>Code</i>	<i>Report on</i>
<b>1. Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		
	<i>Report on</i>	
Passive loss	See the Partner's Instructions	
Passive income	Schedule E, line 28, column (g)	
Nonpassive loss	Schedule E, line 28, column (h)	
Nonpassive income	Schedule E, line 28, column (j)	
<b>2. Net rental real estate income (loss)</b>	See the Partner's Instructions	
<b>3. Other net rental income (loss)</b>		
Net income	Schedule E, line 28, column (g)	
Net loss	See the Partner's Instructions	
<b>4. Guaranteed payments</b>	Schedule E, line 28, column (j)	
<b>5. Interest income</b>	Form 1040, line 8a	
<b>6a. Ordinary dividends</b>	Form 1040, line 9a	
<b>6b. Qualified dividends</b>	Form 1040, line 9b	
<b>7. Royalties</b>	Schedule E, line 4	
<b>8. Net short-term capital gain (loss)</b>	Schedule D, line 5	
<b>9a. Net long-term capital gain (loss)</b>	Schedule D, line 12	
<b>9b. Collectibles (28%) gain (loss)</b>	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	
<b>9c. Unrecaptured section 1250 gain</b>	See the Partner's Instructions	
<b>10. Net section 1231 gain (loss)</b>	See the Partner's Instructions	
<b>11. Other income (loss)</b>		
<i>Code</i>		
<b>A</b> Other portfolio income (loss)	See the Partner's Instructions	
<b>B</b> Involuntary conversions	See the Partner's Instructions	
<b>C</b> Sec. 1256 contracts & straddles	Form 6781, line 1	
<b>D</b> Mining exploration costs recapture	See Pub. 535	
<b>E</b> Cancellation of debt	Form 1040, line 21 or Form 982	
<b>F</b> Other income (loss)	See the Partner's Instructions	
<b>12. Section 179 deduction</b>	See the Partner's Instructions	
<b>13. Other deductions</b>		
<b>A</b> Cash contributions (50%)	} See the Partner's Instructions	
<b>B</b> Cash contributions (30%)		
<b>C</b> Noncash contributions (50%)		
<b>D</b> Noncash contributions (30%)		
<b>E</b> Capital gain property to a 50% organization (30%)		
<b>F</b> Capital gain property (20%)		
<b>G</b> Contributions (100%)		
<b>H</b> Investment interest expense	Form 4952, line 1	
<b>I</b> Deductions—royalty income	Schedule E, line 19	
<b>J</b> Section 59(e)(2) expenditures	See the Partner's Instructions	
<b>K</b> Deductions—portfolio (2% floor)	Schedule A, line 23	
<b>L</b> Deductions—portfolio (other)	Schedule A, line 28	
<b>M</b> Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	
<b>N</b> Educational assistance benefits	See the Partner's Instructions	
<b>O</b> Dependent care benefits	Form 2441, line 12	
<b>P</b> Preproductive period expenses	See the Partner's Instructions	
<b>Q</b> Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	
<b>R</b> Pensions and IRAs	See the Partner's Instructions	
<b>S</b> Reforestation expense deduction	See the Partner's Instructions	
<b>T</b> Domestic production activities information	See Form 8903 instructions	
<b>U</b> Qualified production activities income	Form 8903, line 7b	
<b>V</b> Employer's Form W-2 wages	Form 8903, line 17	
<b>W</b> Other deductions	See the Partner's Instructions	
<b>14. Self-employment earnings (loss)</b>		
<b>Note:</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
<b>A</b> Net earnings (loss) from self-employment	Schedule SE, Section A or B	
<b>B</b> Gross farming or fishing income	See the Partner's Instructions	
<b>C</b> Gross non-farm income	See the Partner's Instructions	
<b>15. Credits</b>		
<b>A</b> Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	} See the Partner's Instructions	
<b>B</b> Low-income housing credit (other) from pre-2008 buildings		
<b>C</b> Low-income housing credit (section 42(j)(5)) from post-2007 buildings		
<b>D</b> Low-income housing credit (other) from post-2007 buildings		
<b>E</b> Qualified rehabilitation expenditures (rental real estate)		
<b>F</b> Other rental real estate credits		
<b>G</b> Other rental credits		
<b>H</b> Undistributed capital gains credit		Form 1040, line 73; check box a
<b>I</b> Biofuel producer credit		
<b>J</b> Work opportunity credit		
<b>K</b> Disabled access credit	See the Partner's Instructions	
<b>L</b> Empowerment zone employment credit	} See the Partner's Instructions	
<b>M</b> Credit for increasing research activities		
<b>N</b> Credit for employer social security and Medicare taxes		
<b>O</b> Backup withholding		
<b>P</b> Other credits		
<b>16. Foreign transactions</b>		
<b>A</b> Name of country or U.S. possession	} Form 1116, Part I	
<b>B</b> Gross income from all sources		
<b>C</b> Gross income sourced at partner level		
<i>Foreign gross income sourced at partnership level</i>		
<b>D</b> Passive category	} Form 1116, Part I	
<b>E</b> General category		
<b>F</b> Other		
<i>Deductions allocated and apportioned at partner level</i>		
<b>G</b> Interest expense	Form 1116, Part I	
<b>H</b> Other	Form 1116, Part I	
<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
<b>I</b> Passive category	} Form 1116, Part I	
<b>J</b> General category		
<b>K</b> Other		
<i>Other information</i>		
<b>L</b> Total foreign taxes paid	Form 1116, Part II	
<b>M</b> Total foreign taxes accrued	Form 1116, Part II	
<b>N</b> Reduction in taxes available for credit	Form 1116, line 12	
<b>O</b> Foreign trading gross receipts	Form 8873	
<b>P</b> Extraterritorial income exclusion	Form 8873	
<b>Q</b> Other foreign transactions	See the Partner's Instructions	
<b>17. Alternative minimum tax (AMT) items</b>		
<b>A</b> Post-1986 depreciation adjustment	} See the Partner's Instructions and the Instructions for Form 6251	
<b>B</b> Adjusted gain or loss		
<b>C</b> Depletion (other than oil & gas)		
<b>D</b> Oil, gas, & geothermal—gross income		
<b>E</b> Oil, gas, & geothermal—deductions		
<b>F</b> Other AMT items		
<b>18. Tax-exempt income and nondeductible expenses</b>		
<b>A</b> Tax-exempt interest income	Form 1040, line 8b	
<b>B</b> Other tax-exempt income	See the Partner's Instructions	
<b>C</b> Nondeductible expenses	See the Partner's Instructions	
<b>19. Distributions</b>		
<b>A</b> Cash and marketable securities	} See the Partner's Instructions	
<b>B</b> Distribution subject to section 737		
<b>C</b> Other property		
<b>20. Other information</b>		
<b>A</b> Investment income	Form 4952, line 4a	
<b>B</b> Investment expenses	Form 4952, line 5	
<b>C</b> Fuel tax credit information	Form 4136	
<b>D</b> Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions	
<b>E</b> Basis of energy property	See the Partner's Instructions	
<b>F</b> Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
<b>G</b> Recapture of low-income housing credit (other)	Form 8611, line 8	
<b>H</b> Recapture of investment credit	See Form 4255	
<b>I</b> Recapture of other credits	See the Partner's Instructions	
<b>J</b> Look-back interest—completed long-term contracts	See Form 8697	
<b>K</b> Look-back interest—income forecast method	See Form 8866	
<b>L</b> Dispositions of property with section 179 deductions	} See the Partner's Instructions	
<b>M</b> Recapture of section 179 deduction		
<b>N</b> Interest expense for corporate partners		
<b>O</b> Section 453(f)(3) information		
<b>P</b> Section 453A(c) information		
<b>Q</b> Section 1260(b) information		
<b>R</b> Interest allocable to production expenditures		
<b>S</b> CCF nonqualified withdrawals		
<b>T</b> Depletion information—oil and gas		
<b>U</b> Reserved		
<b>V</b> Unrelated business taxable income		
<b>W</b> Precontribution gain (loss)		
<b>X</b> Section 108(f) information		
<b>Y</b> Net investment income		
<b>Z</b> Other information		

**LIGHTHOUSE CREDIT OPPORTUNITIES  
FUND, L.P.  
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919  
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

**ITEM L - RECONCILIATION OF INCOME**

INCOME (LOSS) FROM SCH. K-1, LINES 1-11	64,867
LESS: DEDUCTIONS FROM SCH. K-1, LINES 12, 13, 16L AND 16M	144,928
	-----
TOTAL INCOME PER SCHEDULE K-1	-80,061
	=====
LESS: EXPENSES RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
NONDEDUCTIBLE EXPENSES	25
PLUS: INCOME RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
NET CHANGE IN TAX UNREALIZED GAIN/(LOSS) FROM INVESTMENTS	137,521
	-----
<b>TOTAL INCOME PER ITEM L, CURRENT YEAR INCREASE (DECREASE)</b>	<b>57,435</b>
	=====

**LINE 5 - INTEREST INCOME**

INTEREST INCOME FROM U.S. GOVERNMENT OBLIGATIONS	474
OTHER INTEREST INCOME	110,795
	-----
<b>TOTAL INTEREST INCOME</b>	<b>111,269</b>
	=====

**LINE 11 - OTHER INCOME (LOSS)**

<b><u>A - OTHER PORTFOLIO INCOME (LOSS)</u></b>	
OTHER PORTFOLIO INCOME/(LOSS)	69
NET IRC SEC. 988 GAIN/(LOSS)	-115
NET IRC SEC. 987 GAIN/(LOSS)	-855
	-----
<b>TOTAL BOX A</b>	<b>-901</b>
	=====
<b><u>C - SEC. 1256 CONTRACTS &amp; STRADDLES</u></b>	<b>6,971</b>
<b><u>E - CANCELLATION OF DEBT</u></b>	<b>3,051</b>
<b><u>F - OTHER INCOME (LOSS)</u></b>	
OTHER INCOME/(LOSS)	-291
NET IRC SEC. 475(F) INCOME/(LOSS)	55,114
NET IRC SEC. 988 GAIN/(LOSS)	3,306
NET SWAP INCOME/(EXPENSE)	-5,644
SHORT-TERM CAPITAL GAIN/(LOSS)	16,607
LONG-TERM CAPITAL GAIN/(LOSS)	-172,908
OTHER TRADE OR BUSINESS EXPENSE	-20
OTHER INTEREST INCOME	40
INCOME/(LOSS) FROM LENDING ACTIVITIES	1,813
NET IRC SEC. 986 GAIN/(LOSS)	-59
FOREIGN INCOME INCLUSION	346
	-----
<b>TOTAL BOX F</b>	<b>-101,696</b>
	=====

LIGHTHOUSE CREDIT OPPORTUNITIES  
FUND, L.P.  
SCH K-1 SUPPORTING SCHEDULES

57-1140919  
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH

**LINE 13 - OTHER DEDUCTIONS**

H - INVESTMENT INTEREST EXPENSE

INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES	63,788
INVESTMENT INTEREST EXPENSE FROM INVESTING ACTIVITIES	420

**TOTAL BOX H**

-----  
64,208  
=====

J - SECTION 59(E) (2) EXPENDITURES

158

K - DEDUCTIONS - PORTFOLIO (2% FLOOR)

32,581

L - DEDUCTIONS - PORTFOLIO (OTHER)

11

T - DOMESTIC PRODUCTION ACTIVITIES INFORMATION

GROSS RECEIPTS FROM ALL SOURCES - OIL & GAS	1,090
---	-------

DOMESTIC PRODUCTION GROSS RECEIPTS - OIL & GAS	928
--	-----

COST OF GOODS SOLD ALLOCABLE TO DPGR - OIL & GAS	433
--	-----

COST OF GOODS SOLD FROM ALL SOURCES - OIL & GAS	548
---	-----

EXPENSES DIRECTLY ALLOCABLE TO DPGR - OIL & GAS	385
---	-----

EXPENSES DIRECTLY ALLOCABLE TO NON DPGR - OIL & GAS	68
---	----

W-2 ALLOCABLE TO DPGR - OIL & GAS	150
-----------------------------------	-----

W - OTHER DEDUCTIONS

OTHER TRADE OR BUSINESS EXPENSE	47,725
---------------------------------	--------

**TOTAL BOX W**

-----  
47,725  
=====

**LINE 16 - FOREIGN TRANSACTIONS**

H - OTHER

1,470,781

I - PASSIVE CATEGORY

1,334

L - TOTAL FOREIGN TAXES PAID

244

**LINE 17 - ALTERNATIVE MINIMUM TAX (AMT) ITEMS**

D - OIL, GAS, & GEOTHERMAL-GROSS INCOME

2,438

E - OIL, GAS, & GEOTHERMAL-DEDUCTIONS

4,739

F - OTHER AMT ITEMS

89

**LIGHTHOUSE CREDIT OPPORTUNITIES  
FUND, L.P.  
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919  
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, BOX 20  
=====

T. DEPLETION INFORMATION - OIL AND GAS

A) TOTAL SUSTAINED DEPLETION	1,886
B) COST DEPLETION INCLUDED IN SUSTAINED DEPLETION	1,810

V. UNRELATED BUSINESS TAXABLE INCOME

FOR TAX-EXEMPT ORGANIZATIONS ONLY:  
-----

UNRELATED BUSINESS TAXABLE INCOME (UBTI) INCLUDED IN YOUR SCHEDULE K-1  
DISTRIBUTIVE SHARE ITEMS ARE AS FOLLOWS:

ORDINARY INCOME/(LOSS):	13,148
NET CAPITAL GAIN/(LOSS):	-32,041

Y. NET INVESTMENT INCOME REPORTING

UNLESS OTHERWISE NOTED, THE DISTRIBUTIVE SHARE OF ALL ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE COMPONENTS OF NET INVESTMENT INCOME AS DEFINED IN TREAS. REG. 1.1411-4 AND MAY BE SUBJECT TO THE NET INVESTMENT INCOME TAX PURSUANT TO IRC SECTION 1411. PLEASE CONSULT YOUR TAX ADVISOR.

THE PARTNERSHIP HAS DIRECTLY/INDIRECTLY INVESTED IN PASSIVE ACTIVITIES. YOUR DISTRIBUTIVE SHARE OF PASSIVE ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE REPORTED IN DETAIL IN THE "PASSIVE ACTIVITY SCHEDULE" LATER IN THIS SCHEDULE K-1. UNLESS YOU MATERIALLY PARTICIPATE IN SUCH ACTIVITIES, YOUR DISTRIBUTIVE SHARE OF SUCH ITEMS ARE ALL COMPONENTS OF NET INVESTMENT INCOME AS DEFINED IN TREAS. REG. 1.1411-4 AND MAY BE SUBJECT TO THE NET INVESTMENT INCOME TAX PURSUANT TO IRC SEC. 1411. PLEASE CONSULT YOUR TAX ADVISOR.

THE FOREIGN TAXES PAID REPORTED TO YOU ON BOX 16, CODE L CAN ONLY BE USED AS AN ALLOCABLE EXPENSE AGAINST NET INVESTMENT INCOME TO THE EXTENT THEY ARE TAKEN AS A DEDUCTION FOR REGULAR TAX PURPOSES UNDER CHAPTER 1 OF THE INTERNAL REVENUE CODE. NO FOREIGN TAX CREDIT IS ALLOWED TO BE USED AS A CREDIT AGAINST THE NET INVESTMENT INCOME TAX. PLEASE CONSULT YOUR TAX ADVISOR.

Z. OTHER INFORMATION

FOR CORPORATE PARTNERS: THE AMOUNT OF DIVIDEND INCOME REPORTED ON BOX 6A THAT QUALIFIES FOR THE DIVIDEND RECEIVED DEDUCTION UNDER IRC SEC. 243 IS:	6,947
--	-------

THE FOLLOWING AMOUNT OF QUALIFIED DIVIDEND INCOME REPORTED ON BOX 6B IS FROM FOREIGN SOURCES:	1,165
---	-------

THE AMOUNT OF EXPENSES REPORTED ON BOX 13H OF YOUR SCHEDULE K-1 ALLOCABLE TO THE PRODUCTION OF INTEREST FROM U.S. GOVERNMENT OBLIGATIONS IS:	26
--	----

THE AMOUNT OF EXPENSES REPORTED ON BOX 13W OF YOUR SCHEDULE K-1 ALLOCABLE TO THE PRODUCTION OF INTEREST FROM U.S. GOVERNMENT OBLIGATIONS IS:	9
--	---

THE AMOUNT REPORTED IN BOX 19, CODE A OF YOUR SCHEDULE K-1 REPRESENTS THE CASH DISTRIBUTIONS THAT WERE PAID TO YOU DURING THIS TAXABLE YEAR. IF YOUR SCHEDULE K-1 IS MARKED FINAL, THE DISTRIBUTION AMOUNT REPORTED IN BOX 19, CODE A REPRESENTS YOUR FINAL CASH DISTRIBUTION IN EXCHANGE FOR THE LIQUIDATION OF YOUR PARTNERSHIP INTEREST. IF YOU HAD A COMPLETE LIQUIDATION OF YOUR PARTNERSHIP INTEREST IN THE CURRENT YEAR AND YOUR SCHEDULE K-1 IS NOT MARKED FINAL, YOU WILL RECEIVE A FINAL SCHEDULE K-1

**LIGHTHOUSE CREDIT OPPORTUNITIES  
FUND, L.P.  
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919  
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

NEXT YEAR WITH YOUR FINAL CASH DISTRIBUTION REPORTED IN BOX 19, CODE A. THE TAX RULES RELATED TO A LIQUIDATION OF A PARTNERSHIP INTEREST ARE COMPLEX, PLEASE CONSULT YOUR TAX ADVISOR. THE AMOUNT OF YOUR CURRENT YEAR DISTRIBUTION THAT WILL BE PAID OUT TO YOU AND REPORTED ON YOUR SCHEDULE K1 IN THE FOLLOWING YEAR IS:

NONE

THE AMOUNT REPORTED ON BOX 20A INCLUDES INVESTMENT INCOME FROM BOXES 5, 6A, 7, AND 11A, IF ANY, OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON BOXES 8, 9A, AND OTHER BOX 11 ITEMS, IF ANY, MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

THE AMOUNT REPORTED ON BOX 20B INCLUDES INVESTMENT EXPENSE FROM BOXES 13I, 13K, AND 13L, IF ANY, OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON BOX 13W, IF ANY, MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

NO DETERMINATION HAS BEEN MADE WHETHER YOU MATERIALLY PARTICIPATE IN THE OPERATION OF THE PARTNERSHIP. IF YOU ARE A NON-MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES REPORTED TO YOU ON BOX 13H IS SUBJECT TO THE NET INVESTMENT INCOME LIMITATION. IF YOU ARE A MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE MAY BE TREATED AS TRADE OR BUSINESS INTEREST EXPENSE. PLEASE CONSULT YOUR TAX ADVISOR.

TAXABLE INCOME REPORTED ON YOUR SCHEDULE K-1 IS ALLOCATED CONSISTENT WITH THE PARTNERSHIP AGREEMENT. CHANGE IN OWNERSHIP DURING THE YEAR IS REFLECTED IN THE PROFIT, LOSS, AND CAPITAL PERCENTAGES REPORTED ON YOUR SCHEDULE K-1, ITEM J.

**PASSIVE ACTIVITY SCHEDULE**

PLEASE NOTE (WITH THE EXCEPTION OF ITEMS INDICATED BELOW), NONE OF THE DISTRIBUTIVE SHARE ITEMS REPORTED ON YOUR SCHEDULE K-1 ARE CONSIDERED AS DERIVED FROM A PASSIVE ACTIVITY UNDER TREASURY REGULATION 1.469-1T(E) (6).

THE PARTNERSHIP HAS DIRECTLY/INDIRECTLY INVESTED IN PASSIVE ACTIVITIES. YOUR DISTRIBUTIVE SHARE OF PASSIVE INCOME/(LOSS) ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE REPORTED IN DETAILS BELOW. PASSIVE LOSSES MAY BE SUBJECT TO LIMITATION PURSUANT TO IRC SEC. 469. PLEASE CONSULT YOUR TAX ADVISOR.

BOX 1 - ORDINARY TRADE OR BUSINESS INCOME	-154
BOX 2 - NET RENTAL REAL ESTATE INCOME/(LOSS)	19
BOX 3 - OTHER NET RENTAL INCOME/(LOSS)	1
BOX 7 - ROYALTY INCOME	4
BOX 9 - NET LONG-TERM CAPITAL GAIN/(LOSS)	106
BOX 10 - NET SECTION 1231 GAIN/(LOSS)	4
BOX 11A - OTHER PORTFOLIO INCOME/(LOSS)	-30
BOX 11E - CANCELLATION OF DEBT	3,050
BOX 11F - OTHER INCOME/(LOSS)	-404
BOX 11F - INCOME/(LOSS) FROM LENDING ACTIVITIES	1,813
BOX 13A - CASH CONTRIBUTIONS (50%)	NONE
BOX 13J - SECTION 59(E) (2) EXPENDITURES	158

**AHYDO INTEREST:**

INCLUDED ON BOX 1 OF THE K-1 IS AN INTEREST EXPENSE DEDUCTION THAT MAY BE SUBJECT TO THE APPLICABLE HIGH YIELD DISCOUNT OBLIGATION (AHYDO) PROVISIONS UNDER IRC SECTION 163(E) (5) AND 163(I), AND THE TREAS. REG. SECTION 1.701-2(F), EX.1. IF APPLICABLE, CORPORATE PARTNERS ARE SUBJECT TO AN AHYDO LIMITATION. IF YOU ARE A CORPORATE PARTNER, YOU SHOULD CONSULT YOUR TAX ADVISOR TO DETERMINE THE APPLICABILITY OF THE SECTION 163(E) (5) AND 163(I) PROVISIONS TO YOUR

**LIGHTHOUSE CREDIT OPPORTUNITIES  
FUND, L.P.  
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919  
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

MEMBERS/PARTNERS SHARE OF THE INTEREST EXPENSE. THE AHYDO LIMITATIONS ARE:

ENTITY: EIG PECOS MIDSTREAM, LLC	
TOTAL OID EXPENSE:	171
DISQUALIFIED PORTION (IRC SECTION 163(E)(5)(A)(I)):	39
DEFERRED OID (IRC SECTION 163(E)(5)(A)(II)):	132
INTEREST PAID IN 2016:	23

EFFECTIVELY CONNECTED INCOME ("ECI")

=====

LIGHTHOUSE CREDIT OPPORTUNITIES FUND, L.P. MAY HAVE EFFECTIVELY CONNECTED INCOME PASS THROUGH FROM ITS UNDERLYING INVESTMENTS. DETAILS TO THIS INFORMATION ARE AVAILABLE UPON REQUEST.



Schedule K-1 (Form 1065)

2016

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning \_\_\_\_\_, 2016 ending \_\_\_\_\_, 20 \_\_\_\_\_

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 27-2665727
B Partnership's name, address, city, state, and ZIP code HCP PRIVATE EQUITY FUND V, L.P. ONE MARITIME PLAZA, 5TH FLOOR SAN FRANCISCO, CA 94111
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 65-6301255
F Partner's name, address, city, state, and ZIP code PARTNER #30 SUNTRUST BANK AS CO-TRUSTEE WITH JLD, MD, NR, JGC, MCKNIGHT BRIAN PO BOX 620005 ORLANDO, FL 32862
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I1 What type of entity is this partner? TRUST
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 1.4106% 1.4247%
Loss 1.4106% 1.4247%
Capital 1.4321% 1.4322%
K Partner's share of liabilities at year end:
Nonrecourse \$ 24,411
Qualified nonrecourse financing \$
Recourse \$

L Partner's capital account analysis:
Beginning capital account \$ 1,104,901
Capital contributed during the year \$ 30,000
Current year increase (decrease) \$ 123,924
Withdrawals & distributions \$ (85,000)
Ending capital account \$ 1,173,825
Tax basis GAAP Section 704(b) book
Other (explain)
M Did the partner contribute property with a built-in gain or loss? Yes No
If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Amount, and Code. Rows include Ordinary business income (loss), Credits, Net rental real estate income (loss), Other net rental income (loss), Foreign transactions, Guaranteed payments, Interest Income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Alternative minimum tax (AMT) items, Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Tax-exempt income and nondeductible expenses, Other income (loss), Distributions, Section 179 deduction, Other deductions, Other information, Self-employment earnings (loss).

\*See attached statement for additional information. For IRS Use Only

**This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.**

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.	Code	Report on
Passive loss	L Empowerment zone employment credit	See the Partner's Instructions
Passive income	M Credit for increasing research activities	
Nonpassive loss	N Credit for employer social security and Medicare taxes	
Nonpassive income	O Backup withholding	
	P Other credits	
<b>2. Net rental real estate income (loss)</b>	<b>16. Foreign transactions</b>	
<b>3. Other net rental income (loss)</b>	A Name of country or U.S. possession	Form 1116, Part I
Net income	B Gross income from all sources	
Net loss	C Gross income sourced at partner level	
<b>4. Guaranteed payments</b>	<i>Foreign gross income sourced at partnership level</i>	
<b>5. Interest income</b>	D Passive category	Form 1116, Part I
<b>6a. Ordinary dividends</b>	E General category	
<b>6b. Qualified dividends</b>	F Other	
<b>7. Royalties</b>	<i>Deductions allocated and apportioned at partner level</i>	
<b>8. Net short-term capital gain (loss)</b>	G Interest expense	Form 1116, Part I
<b>9a. Net long-term capital gain (loss)</b>	H Other	Form 1116, Part I
<b>9b. Collectibles (28%) gain (loss)</b>	<i>Deductions allocated and apportioned at partnership level to foreign source income</i>	
<b>9c. Unrecaptured section 1250 gain</b>	I Passive category	Form 1116, Part I
<b>10. Net section 1231 gain (loss)</b>	J General category	
<b>11. Other income (loss)</b>	K Other	
Code	<i>Other information</i>	
A Other portfolio income (loss)	L Total foreign taxes paid	Form 1116, Part II
B Involuntary conversions	M Total foreign taxes accrued	Form 1116, Part II
C Sec. 1256 contracts & straddles	N Reduction in taxes available for credit	Form 1116, line 12
D Mining exploration costs recapture	O Foreign trading gross receipts	Form 8873
E Cancellation of debt	P Extraterritorial income exclusion	Form 8873
F Other income (loss)	Q Other foreign transactions	See the Partner's Instructions
<b>12. Section 179 deduction</b>	<b>17. Alternative minimum tax (AMT) items</b>	
<b>13. Other deductions</b>	A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
A Cash contributions (50%)	B Adjusted gain or loss	
B Cash contributions (30%)	C Depletion (other than oil & gas)	
C Noncash contributions (50%)	D Oil, gas, & geothermal—gross income	
D Noncash contributions (30%)	E Oil, gas, & geothermal—deductions	
E Capital gain property to a 50% organization (30%)	F Other AMT items	
F Capital gain property (20%)	<b>18. Tax-exempt income and nondeductible expenses</b>	
G Contributions (100%)	A Tax-exempt interest income	Form 1040, line 8b
H Investment interest expense	B Other tax-exempt income	See the Partner's Instructions
I Deductions—royalty income	C Nondeductible expenses	See the Partner's Instructions
J Section 59(e)(2) expenditures	<b>19. Distributions</b>	
K Deductions—portfolio (2% floor)	A Cash and marketable securities	See the Partner's Instructions
L Deductions—portfolio (other)	B Distribution subject to section 737	
M Amounts paid for medical insurance	C Other property	
N Educational assistance benefits	<b>20. Other information</b>	
O Dependent care benefits	A Investment income	Form 4952, line 4a
P Preproductive period expenses	B Investment expenses	Form 4952, line 5
Q Commercial revitalization deduction from rental real estate activities	C Fuel tax credit information	Form 4136
R Pensions and IRAs	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
S Reforestation expense deduction	E Basis of energy property	See the Partner's Instructions
T Domestic production activities information	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
U Qualified production activities income	G Recapture of low-income housing credit (other)	Form 8611, line 8
V Employer's Form W-2 wages	H Recapture of investment credit	See Form 4255
W Other deductions	I Recapture of other credits	See the Partner's Instructions
	J Look-back interest—completed long-term contracts	See Form 8697
<b>14. Self-employment earnings (loss)</b>	K Look-back interest—income forecast method	See Form 8866
<b>Note.</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.	L Dispositions of property with section 179 deductions	See the Partner's Instructions
A Net earnings (loss) from self-employment	M Recapture of section 179 deduction	
B Gross farming or fishing income	N Interest expense for corporate partners	
C Gross non-farm income	O Section 453(l)(3) information	
	P Section 453A(c) information	
<b>15. Credits</b>	Q Section 1260(b) information	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	R Interest allocable to production expenditures	
B Low-income housing credit (other) from pre-2008 buildings	S CCF nonqualified withdrawals	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	T Depletion information—oil and gas	
D Low-income housing credit (other) from post-2007 buildings	U Reserved	
E Qualified rehabilitation expenditures (rental real estate)	V Unrelated business taxable income	
F Other rental real estate credits	W Precontribution gain (loss)	
G Other rental credits	X Section 108(i) information	
H Undistributed capital gains credit	Y Net investment income	
I Biofuel producer credit	Z Other information	
J Work opportunity credit		
K Disabled access credit		

<b>11</b>	<b>OTHER INCOME (LOSS)</b>	
	A* OTHER PORTFOLIO INCOME (LOSS)	(1,915)
	C* SEC. 1256 CONTRACTS & STRADDLES	25
	E CANCELLATION OF DEBT	12
	F* OTHER INCOME (LOSS)	(487)
<b>13</b>	<b>OTHER DEDUCTIONS</b>	
	A CASH CONTRIBUTIONS (50%)	8
	H* INVESTMENT INTEREST EXPENSE	1,327
	I DEDUCTIONS—ROYALTY INCOME	17
	J SECTION 59(E)(2) EXPENDITURES	989
	K* DEDUCTIONS—PORTFOLIO (2% FLOOR)	25,849
	L DEDUCTIONS—PORTFOLIO (OTHER)	5
	T* DOMESTIC PRODUCTION ACTIVITIES INFORMATION	SEE STATEMENT
	W OTHER DEDUCTIONS	290
<b>15</b>	<b>CREDITS</b>	
	J WORK OPPORTUNITY CREDIT	27
	L EMPOWERMENT ZONE AND RENEWAL COMMUNITY EMPLOYMENT CREDIT	2
	M CREDIT FOR INCREASING RESEARCH ACTIVITIES	10
	N CREDIT FOR EMPLOYER SOCIAL SECURITY AND MEDICARE TAXES	3
<b>16</b>	<b>FOREIGN TRANSACTIONS</b>	
	A NAME OF COUNTRY OR U.S. POSSESSION	VARIOUS
	B GROSS INCOME FROM ALL SOURCES	67,777
	C GROSS INCOME SOURCED AT PARTNER LEVEL	43,254
	D PASSIVE CATEGORY	7,008
	E GENERAL CATEGORY	569
	G INTEREST EXPENSE	937
	H OTHER	2,507
	I PASSIVE CATEGORY	2,361
	J GENERAL CATEGORY	352
	L TOTAL FOREIGN TAXES PAID	120
	M TOTAL FOREIGN TAXES ACCRUED	325
<b>17</b>	<b>ALTERNATIVE MINIMUM TAX (AMT) ITEMS</b>	
	A POST-1986 DEPRECIATION ADJUSTMENT	93
	B ADJUSTED GAIN OR LOSS	(1)
	D OIL, GAS, & GEOTHERMAL—GROSS INCOME	750
	E OIL, GAS, & GEOTHERMAL—DEDUCTIONS	356
	F OTHER AMT ITEMS	249
<b>20</b>	<b>OTHER INFORMATION</b>	
	A INVESTMENT INCOME	10,612
	B INVESTMENT EXPENSES	25,871
	N INTEREST EXPENSE FOR CORPORATE PARTNERS	693
	V* UNRELATED BUSINESS TAXABLE INCOME	(540)
	Y* NET INVESTMENT INCOME	SEE STATEMENT

**PART II, ITEM L, CURRENT YEAR INCREASE (DECREASE)**

INCOME (LOSS) FROM SCH. K-1, BOXES 1 - 11	72,964
LESS: DEDUCTIONS FROM SCH. K-1, BOX 12, 13, 16L & 16M	28,934
TOTAL INCOME (LOSS) PER SCHEDULE K-1	<u>44,030</u>
UNREALIZED GAIN (LOSS) ON INVESTMENTS	79,949
NONDEDUCTIBLE EXPENSES	(55)
CURRENT YEAR INCREASE (DECREASE)	<u><u>123,924</u></u>

**BOX 5 - INTEREST INCOME**

U.S. GOVERNMENT INTEREST INCOME	-
OTHER INTEREST INCOME - U.S. SOURCED	4,164
OTHER INTEREST INCOME - FOREIGN SOURCED	925
TOTAL INTEREST INCOME	<u><u>5,089</u></u>

**BOX 6A - ORDINARY DIVIDENDS**

NON-QUALIFIED DIVIDENDS - U.S. SOURCED	891
NON-QUALIFIED DIVIDENDS - FOREIGN SOURCED	2,323
QUALIFIED DIVIDENDS (SEE 6B DETAIL BELOW)	4,174
TOTAL ORDINARY DIVIDENDS	<u><u>7,388</u></u>

**BOX 6B - QUALIFIED DIVIDENDS**

QUALIFIED DIVIDENDS - U.S. SOURCED	1,408
QUALIFIED DIVIDENDS - FOREIGN SOURCED	2,766
TOTAL QUALIFIED DIVIDENDS	<u><u>4,174</u></u>

**BOX 11, CODE A - OTHER PORTFOLIO INCOME (LOSS)**

IRC SEC. 988 INCOME (LOSS) (FOREIGN CURRENCIES) (1040 FILERS ENTER ON SCH. E, PART II, INCOME - COL. J, (LOSS) - COL. H)	(492)
IRC SEC. 987 INCOME (LOSS) (FOREIGN CURRENCIES)	(1,451)
OTHER PORTFOLIO INCOME	28
TOTAL OTHER PORTFOLIO INCOME (LOSS)	<u><u>(1,915)</u></u>

**BOX 11, CODE C - SECTION 1256 CONTRACTS & STRADDLES**

NET SECTION 1256 GAIN (LOSS) FROM TRADING ACTIVITIES (1040 FILERS ENTER ON FORM 6781, LINE 1, GAIN COL. C (LOSS) COL. B)	25
TOTAL SECTION 1256 CONTRACTS & STRADDLES	<u><u>25</u></u>

**BOX 11, CODE F - OTHER INCOME (LOSS)**

**AMOUNTS COMPRISING BOX 11, CODE F OF YOUR SCHEDULE K-1 ARE FROM THE FOLLOWING "NON-PASSIVE" TRADE OR BUSINESS SOURCES, UNLESS IDENTIFIED AS DERIVED FROM PASSIVE ACTIVITIES IN THE ACCOMPANYING FOOTNOTES:**

NET ORDINARY INCOME FROM TRADE OR BUSINESS ACTIVITY BEFORE DIVIDEND INCOME (SEE SEPARATE FOOTNOTE BELOW FOR DETAILS) (1040 FILERS ENTER ON SCH. E, PART II, INCOME COL. J, (LOSS) COL. H)	(487)
TOTAL OTHER INCOME (LOSS)	<u><u>(487)</u></u>

**DETAIL OF NET ORDINARY INCOME (LOSS) FROM TRADE OR BUSINESS ACTIVITY BEFORE DIVIDEND INCOME INCLUDED ON SCH. K-1, BOX 11, CODE F:**

IRC SEC. 988 INCOME (LOSS) (FOREIGN CURRENCIES)	28
OTHER ORDINARY INCOME	(515)
TOTAL ORDINARY INCOME (LOSS)	<u><u>(487)</u></u>

**BOX 13, CODE H - INVESTMENT INTEREST EXPENSE**

TRADE OR BUSINESS INVESTMENT INTEREST EXPENSE MAY BE SUBJECT TO THE INVESTMENT INTEREST EXPENSE DEDUCTION LIMITATIONS FOR PARTNERS WHO DO NOT MATERIALLY PARTICIPATE IN THE ACTIVITY. SEE IRC SECTION 163(d). TRADE OR BUSINESS INTEREST EXPENSE REPRESENTS INTEREST INCURRED IN CONNECTION WITH A TRADE OR BUSINESS THAT IS DEEMED "NON-PASSIVE" UNDER TREASURY REGULATIONS SECTION 1.469-1T(e)(6) AS DISCUSSED ABOVE.

AMOUNT OF INTEREST EXPENSE ATTRIBUTABLE TO INVESTMENT ACTIVITIES	1,327
TOTAL INVESTMENT INTEREST EXPENSE	<u><u>1,327</u></u>

**BOX 13, CODE K - DEDUCTIONS - PORTFOLIO (2% FLOOR)**

MANAGEMENT FEE EXPENSE	9,500
OTHER PORTFOLIO DEDUCTIONS	16,349
TOTAL DEDUCTIONS - PORTFOLIO (2% FLOOR)	<u><u>25,849</u></u>

**BOX 13, CODE T - DOMESTIC PRODUCTION ACTIVITIES INFORMATION**

IN ADDITION TO THE INFORMATION PROVIDED ON SCHEDULE K-1, THE PARTNERSHIP PROVIDES THE FOLLOWING INFORMATION RELATING TO BOX 13, CODE T: ALL OF THE PARTNERSHIP'S ITEMS RELATE TO NON-DOMESTIC PRODUCTION ACTIVITIES. IF YOU OTHERWISE HAVE SECTION 199 ACTIVITIES, PLEASE NOTE THAT GROSS INCOME BEING REPORTED IN BOX 16, CODE B IS NET OF LOSSES FROM CAPITAL ASSETS. THIS AMOUNT ALSO REPRESENTS GROSS RECEIPTS. ADDITIONAL INFORMATION, IF NEEDED, IS AVAILABLE UPON REQUEST.

GROSS RECEIPTS FROM ALL SOURCES	9,501
DOMESTIC PRODUCTION GROSS RECEIPTS	2,737
COST OF GOODS SOLD FROM ALL SOURCES	3,499
COST OF GOODS SOLD ALLOCABLE TO DPGR	746
COST OF GOODS SOLD ALLOCABLE TO NON DPGR	43
TOTAL DEDUCTIONS, EXPENSES AND LOSSES DIRECTLY ALLOCABLE TO DPGR	4,397
TOTAL DEDUCTIONS, EXPENSES AND LOSSES NOT DIRECTLY ALLOCABLE TO DPGR	1,690
DIRECT EXPENSES FROM ALL SOURCES	204
INDIRECT COSTS ALLOCABLE TO DPGR	(2)
NON-DPGR RECEIPTS	90
FORM W-2 WAGES	226

**BOX 20, CODE V - INFORMATION FOR TAX-EXEMPT ENTITIES REGARDING UNRELATED BUSINESS TAXABLE INCOME:**

THE PARTNERSHIP HAS GENERATED UNRELATED BUSINESS TAXABLE INCOME DURING THE YEAR. YOUR ALLOCABLE SHARE IS:

ORDINARY INCOME (LOSS)	(1,479)
SHORT TERM CAPITAL GAINS (LOSSES)	(1,038)
LONG TERM CAPITAL GAINS (LOSSES)	1,977

**BOX 20, CODE Y - OTHER INFORMATION:**

**NET INVESTMENT INCOME:**

THE PARTNERSHIP IS A "FUND OF FUNDS", WHICH INVESTS, HOLDS AND SELLS INTERESTS IN VARIOUS TRADER OR INVESTOR FUND PARTNERSHIPS, PASSIVE FOREIGN INVESTMENT COMPANIES (PFICs), AND/OR CORPORATE INVESTMENTS. ACCORDINGLY, YOUR DISTRIBUTIVE SHARE OF ITEMS REPORTED ON SCHEDULE K-1 ARE CONSIDERED NET INVESTMENT INCOME AS DEFINED UNDER SECTION 1411. PLEASE CONSULT YOUR TAX ADVISOR.

**PARTNER FOOTNOTES**

**GROSS INCOME FROM ALL SOURCES (BOX 16, CODE B) AND GROSS INCOME SOURCED AT THE PARTNER LEVEL (BOX 16, CODE C):**

YOUR SHARE OF GROSS INCOME INCLUDES BOTH GAINS AND LOSSES. ADDITIONAL INFORMATION, IF NEEDED, IS AVAILABLE UPON REQUEST. PLEASE CONSULT YOUR TAX ADVISOR.

**FOREIGN GROSS INCOME SOURCED AT PARTNERSHIP LEVEL, BOX 16, CODES D, E:**

FOREIGN QUALIFIED DIVIDENDS ARE INCLUDED IN BOX 16, CODES D, E (AS WELL AS IN BOXES 6A AND 6B AND IN BOX 11F, IF APPLICABLE). PLEASE CONSULT YOUR TAX ADVISOR REGARDING WHETHER ADJUSTMENTS SHOULD BE MADE TO THIS AMOUNT OR ANY OTHER AMOUNTS APPEARING IN BOX 16 FOR PURPOSES OF CALCULATING YOUR FOREIGN TAX CREDITS ON FORM 1116.

**DEDUCTIONS ATTRIBUTABLE TO FOREIGN SOURCE INCOME, BOX 16, CODES I, J:**

YOUR SHARE OF DEDUCTIONS AND LOSSES APPLICABLE TO FOREIGN SOURCE INCOME REFLECT THOSE AMOUNTS REPORTED TO THE FUND AND IS REFLECTED IN BOX 16, CODES I, J. THIS AMOUNT SHOULD BE CONSIDERED FOR FOREIGN TAX CREDIT PURPOSES. THE PROPER TREATMENT OF THIS AMOUNT ON YOUR TAX RETURN DEPENDS UPON SEVERAL FACTORS INCLUDING WHETHER YOU ARE A CORPORATE OR NON-CORPORATE PARTNER, A GENERAL OR LIMITED PARTNER, AND YOUR PERCENTAGE INTEREST IN THE PARTNERSHIP. THE FOREIGN TAX CREDIT RULES ARE COMPLEX. PLEASE CONSULT YOUR TAX ADVISOR.

**DIVIDENDS RECEIVED DEDUCTION**

CORPORATE PARTNERS MAY TREAT THE FOLLOWING DIVIDENDS REPORTED ON SCHEDULE K-1 AS ELIGIBLE FOR THE DIVIDENDS RECEIVED DEDUCTION UNDER IRC SECTION 243, SUBJECT TO APPLICABLE LIMITATIONS:

461

**EFFECTIVELY CONNECTED INCOME**

THE FOLLOWING AMOUNT IS INCLUDED ON YOUR SCHEDULE K-1 AND REPRESENTS YOUR SHARE OF U.S. EFFECTIVELY CONNECTED INCOME:

4,961

**PARTNER FOOTNOTES ASSOCIATED WITH SCHEDULE K-1, BOX 20**

AMOUNTS REPORTED IN BOX 20, CODE A AND BOX 20, CODE B DO NOT REFLECT INCOME, GAINS, LOSSES OR EXPENSES FROM TRADING ACTIVITIES REPORTED ELSEWHERE ON THE SCHEDULE K-1. PLEASE CONSULT YOUR TAX ADVISOR.

YOU SHOULD CONSULT YOUR TAX ADVISOR TO DETERMINE YOUR TAX BASIS IN YOUR PARTNERSHIP INTEREST. YOU SHOULD DETERMINE WHETHER LOSSES OR EXPENSES APPEARING ON YOUR K-1 ARE SUBJECT TO SUSPENSION AND WHETHER OTHER LIMITATIONS OR ISSUES MAY ARISE BY VIRTUE OF THE STATUS OF YOUR TAX BASIS CAPITAL ACCOUNT.

**SPECIAL NOTE WITH RESPECT TO PFICs:**

YOUR SCHEDULE K-1 INCLUDES YOUR SHARE OF THE FUND'S GROSS INCOME THAT IS ATTRIBUTABLE TO THE FUND'S DIRECT AND INDIRECT INVESTMENTS IN PASSIVE FOREIGN INVESTMENT COMPANIES ("PFICs") WITH RESPECT TO WHICH QUALIFIED ELECTING FUND ("QEF") ELECTIONS AND/OR MARK-TO-MARKET ELECTIONS UNDER IRC SECTIONS 1295 AND 1296, RESPECTIVELY, WERE MADE. FOR 2016, THE IRS NO LONGER REQUIRES THAT INVESTORS IN U.S. PARTNERSHIPS, SUCH AS THE FUND, COMPLETE THEIR OWN FORM(S) 8621 TO REPORT THESE AMOUNTS WHEN FORM(S) 8621 HAVE ALREADY BEEN FILED BY THE APPLICABLE U.S. PARTNERSHIP(S). SINCE FORM(S) 8621 HAVE ALREADY BEEN FILED BY THE APPLICABLE U.S. PARTNERSHIP(S), DETAILED INVESTOR INFORMATION RELATING TO FORM(S) 8621 IS NO LONGER REQUIRED TO BE PROVIDED.

HCP PRIVATE EQUITY FUND V, L.P. MADE A TIMELY QUALIFIED ELECTING FUND ("QEF") ELECTION WITH RESPECT TO ITS INVESTMENTS IN UNDERLYING PASSIVE FOREIGN INVESTMENT COMPANIES ("PFICs") AND FILED THE REQUIRED FORMS 8621. AS THE FIRST U.S. SHAREHOLDER THAT MADE A QEF ELECTION FOR A PFIC, HCP PRIVATE EQUITY FUND V L.P. IS REQUIRED TO INCLUDE INCOME CURRENTLY UNDER IRC SECTION 1293 AND TO FILE FORM 8621. YOUR DISTRIBUTIVE SHARE OF SUCH AMOUNT, IF ANY, HAS BEEN INCLUDED IN YOUR SCHEDULE K-1 AND PURSUANT TO REGULATION SECTION 1.1298-1T(b)(2)(ii), IS NOT REQUIRED TO BE FURTHER REPORTED ON AN ADDITIONAL FORM 8621. THEREFORE, HCP PRIVATE EQUITY FUND V L.P. HAS NOT PROVIDED FORM 8621 OR THE INFORMATION NECESSARY TO PREPARE FORM 8621 TO ITS PARTNERS. PLEASE CONSULT YOUR TAX ADVISOR.

THE PARTNERSHIP HAS MADE A CONFORMITY ELECTION UNDER §1.1411-10(G) (THE G ELECTION) IN 2014 AND WILL CONTINUE TO DO SO GOING FORWARD.

**IRC SECTION 453A INFORMATION:**

YOUR SHARE OF THE DEFERRED AMOUNT OF GAIN IS:	499
YOUR SHARE OF THE PARTNERSHIP OBLIGATION OUTSTANDING IS:	419



**INFORMATION REGARDING TRANSFER OF PROPERTY TO FOREIGN CORPORATIONS**

THE FOLLOWING INFORMATION IS BEING PROVIDED FOR PURPOSES OF COMPLETING FORM 926.  
PLEASE CONSULT YOUR TAX ADVISOR TO DETERMINE WHETHER YOU ARE REQUIRED TO FILE FORM 926.

TRANSFeree #1

NAME OF TRANSFEREE:	KRONA HOLDING (LUXEMBOURG) II SARL
ADDRESS:	ZI HANEBOESCH, L-4562, NIEDERCOM LUXEMBOURG
COUNTRY CODE:	LU
IDENTIFYING NUMBER:	98-1344468
FOREIGN LAW CHARACTERIZATION:	CORPORATION
IS THE TRANSFEREE A CONTROLLED FOREIGN CORPORATION?	NO
TYPE OF PROPERTY:	CASH
DATE OF TRANSFER:	10/31/16
FMV ON DATE OF TRANSFER:	3,236
TRANSFEROR'S PERCENTAGE INTEREST BEFORE THE TRANSFER:	0.0000%
TRANSFEROR'S PERCENTAGE INTEREST AFTER THE TRANSFER:	0.0005%

TRANSFeree #2

NAME OF TRANSFEREE:	LONDON REAL ESTATE DEVELOPMENTS LTD
ADDRESS:	1 ADAM STREET, LONDON WC2N 6LE, UNITED KINGDOM
COUNTRY CODE:	UK
IDENTIFYING NUMBER:	N/A
FOREIGN LAW CHARACTERIZATION:	CORPORATION
IS THE TRANSFEREE A CONTROLLED FOREIGN CORPORATION?	NO
TYPE OF PROPERTY:	CASH
DATE OF TRANSFER:	VARIOUS
FMV ON DATE OF TRANSFER:	798
TRANSFEROR'S PERCENTAGE INTEREST BEFORE THE TRANSFER:	0.0012%
TRANSFEROR'S PERCENTAGE INTEREST AFTER THE TRANSFER:	0.0012%

TRANSFeree #3

NAME OF TRANSFEREE:	DAKOTA S.P.A.
ADDRESS:	VIA NAZIONALE, 35 TAVAGNACCO, UD 33010, ITALY
COUNTRY CODE:	IT
IDENTIFYING NUMBER:	N/A - FOREIGN
FOREIGN LAW CHARACTERIZATION:	CORPORATION
IS THE TRANSFEREE A CONTROLLED FOREIGN CORPORATION?	NO
TYPE OF PROPERTY:	CASH
DATE OF TRANSFER:	01/13/16
FMV ON DATE OF TRANSFER:	1,585
TRANSFEROR'S PERCENTAGE INTEREST BEFORE THE TRANSFER:	0.0000%
TRANSFEROR'S PERCENTAGE INTEREST AFTER THE TRANSFER:	0.0007%

**TRANSFeree #4**

NAME OF TRANSFEREE:	OCM LUXEMBOURG PEGASUS HOLDINGS S.A.R.L.
ADDRESS:	26A, BOULEVARD ROYAL, L-2449 LUXEMBOURG
COUNTRY CODE:	LU
IDENTIFYING NUMBER:	98-1074218
FOREIGN LAW CHARACTERIZATION:	CORPORATION
IS THE TRANSFEREE A CONTROLLED FOREIGN CORPORATION?	NO
TYPE OF PROPERTY:	CASH
DATE OF TRANSFER:	VARIOUS
FMV ON DATE OF TRANSFER:	720
TRANSFEROR'S PERCENTAGE INTEREST BEFORE THE TRANSFER:	0.0012%
TRANSFEROR'S PERCENTAGE INTEREST AFTER THE TRANSFER:	0.0012%

**TRANSFeree #5**

NAME OF TRANSFEREE:	OCM LUXEMBOURG EPF III BPL HOLDINGS S.A.R.L.
ADDRESS:	26A, BOULEVARD ROYAL, L-2449 LUXEMBOURG
COUNTRY CODE:	LU
IDENTIFYING NUMBER:	98-1245873
FOREIGN LAW CHARACTERIZATION:	CORPORATION
IS THE TRANSFEREE A CONTROLLED FOREIGN CORPORATION?	NO
TYPE OF PROPERTY:	CASH
DATE OF TRANSFER:	VARIOUS
FMV ON DATE OF TRANSFER:	683
TRANSFEROR'S PERCENTAGE INTEREST BEFORE THE TRANSFER:	0.0012%
TRANSFEROR'S PERCENTAGE INTEREST AFTER THE TRANSFER:	0.0012%

**TRANSFeree #6**

NAME OF TRANSFEREE:	VERONA PHARMA PLC
ADDRESS:	3 MORE LONDON RIVERSIDE, LONDON SE 2RE, UNITED KINGDOM
COUNTRY CODE:	UK
IDENTIFYING NUMBER:	N/A
FOREIGN LAW CHARACTERIZATION:	CORPORATION
IS THE TRANSFEREE A CONTROLLED FOREIGN CORPORATION?	NO
TYPE OF PROPERTY:	CASH
DATE OF TRANSFER:	VARIOUS
FMV ON DATE OF TRANSFER:	841
TRANSFEROR'S PERCENTAGE INTEREST BEFORE THE TRANSFER:	0.0007%
TRANSFEROR'S PERCENTAGE INTEREST AFTER THE TRANSFER:	0.0011%

**ADDITIONAL INFORMATION**

THE ANSWERS BELOW PERTAIN TO THE TRANSFERS LISTED ABOVE:  
LINE 10: IRC SECTION 351 CASH/CAPITAL CONTRIBUTION  
LINE 11-15: NO  
LINE 16: YES  
LINE 17: NO

# Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868) .**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile), click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
<b>Type or print</b>	Name of exempt organization or other filer, see instructions. <b>McKnight Brain Research Foundation</b>	Employer identification number (EIN) or <b>65-6301255</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>200 South Orange Avenue, SOAB 10</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Orlando, FL 32801</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 6

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**SunTrust Bank**

• The books are in the care of ▶ **200 South Orange Avenue - Orlando, FL 32801**  
Telephone No. ▶ **(407) 237-4485** Fax No. ▶ \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 6-month extension of time until **May 15, 2018**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year \_\_\_\_\_ or  
▶  tax year beginning **JUL 1, 2016**, and ending **JUN 30, 2017**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	15,000.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Product: **Exempt Extension**  
 Name: **McKnight Brain Research Foundation**  
 FEIN: **\*\*\*\*\*1255**

Category: **990-T Extension**

IRS Center: **Ogden**  
 e-Postmark: **11/14/2017 12:04 PM**

Notification:

Fiscal Year Begin Date: **7/1/2016**

Fiscal Year End Date: **6/30/2017**

eSigned:

**Return Information**

<b>Date</b>	<b>Type of Activity</b>	<b>Submission ID</b>	<b>Refund/(Due)</b>	<b>Updated By</b>	<b>eSign Date</b>
11/14/2017	Upload Started				
11/14/2017	Ready to Release by Customer				
11/14/2017	Released for Transmission - Validation in Progress			136453	
11/14/2017	Ready to transmit - Validation Complete				
11/14/2017	Transmitted to FD - 990-T Extension	59536020173180361e38			
11/14/2017	Accepted by FD - 990-T Extension on 11/14/2017				

## **GUIDE TO IRS PUBLIC DISCLOSURE REQUIREMENTS FOR PRIVATE FOUNDATIONS**

Treasury Regulations require private foundations to provide copies of their Forms 990-PF and their applications for recognition of tax exemption (Form 1023) to the public upon request. A private foundation can avoid the requirement to provide copies if it makes the documents “widely available” in a manner that complies with the regulations. The regulations are effective for 990-PF’s due on or after March 13, 2000 and to applications for recognition for exemption regardless of their filing date. The regulations also require private foundations to make their Forms 990-PF (due on or after March 13, 2000) and their Forms 1023 available for public inspection at their offices, as described below.

### **To what forms do the regulations apply?**

The public inspection and copy requirements apply to each Form 990-PF for a period of three years beginning on the date the return is required to be filed or the date it is actually filed, whichever is later. The requirements apply to applications for recognition of exemption (Form 1023) permanently. An exception applies to applications if an organization’s application for recognition of exemption is still pending with the Internal Revenue Service or if the organization filed its application before July 15, 1987, and did not have a copy of the application on July 15, 1987.

Forms available for inspection or copies must include all related attachments and exhibits and, in the case of applications for recognition of exemption, must include any statement or other supporting document submitted by an organization in support of its application and any letter or other document issued by the Internal Revenue Service concerning the application. Unlike public charities, private foundations may not exclude from public inspection and copies information about individual donors and the amounts they contributed.

### **From what locations must organizations provide public inspection or copies?**

The regulations require that a foundation make the applicable forms available for public inspection or copies at its “principal, regional and district offices.” The rules define a regional or district office as “any office of a tax-exempt organization, other than its principal office, that has paid employees, whether part-time or full-time, whose aggregate number of paid hours a week are normally at least 120.” A site is not considered a regional or district office, however, if the only services provided at the site further exempt purposes (e.g., day care, health care, etc.) and the site does not serve as an office for management staff other than managers who are involved solely in the exempt function activities at the site. An organization which does not maintain a permanent office may comply with the regulations by permitting public inspection at a “reasonable location of its choice.” Such inspection should occur normally within two weeks of the request and at a “reasonable time of day.” An organization without a permanent office may opt to provide copies in lieu of allowing a personal inspection.

### **When must inspection and copies be made available?**

An organization is required to permit public inspection and make copies available during the regular business hours of the organization. An organization which has very limited or no office hours may make its documents available in the manner prescribed for organizations without a permanent office, as described above.

When a request is made in person at an organization’s office for copies, the organization is required to provide the copies on the day the request is made unless “unusual circumstances” exist. If “unusual circumstances” exist making it unreasonable to fulfill a request for copies on the same business day, the organization is required to provide the copies no later than the next business day following the day that the unusual circumstances cease to exist or on the fifth business day after the date of the request, whichever occurs first. Examples cited of unusual circumstances include receipt of a volume of requests that exceeds the organization’s daily capacity, requests received shortly before the end of regular business hours, or requests received on a day when the organization’s staff is unavailable.

An organization receiving a written request for copies is required to mail the copies within 30 days from the date it receives the request. If the organization requires payment in advance (see “Fees for copies” – below), it is required to provide the copies within 30 days from the date it receives payment.

### **Requests for copies of parts of a document**

The regulations require an organization to fulfill a request for any specific part or schedule of its application for recognition or Form 990-PF so long as such request specifically identifies the requested part or schedule.

### **Fees for copies**

Organizations are permitted to charge a reasonable fee for providing copies. The regulations stipulate that a fee is reasonable only if it is no more than the per-page copying charge levied by the Internal Revenue Service for providing copies, plus no more than the actual postage costs incurred by the organization to provide the copies. Current regulations set the maximum charge at 20¢ for each page. An organization may require payment in advance, and must accept cash and money orders at a minimum for requests made in person. For requests made in writing, the organization is required to accept payment by certified check, money order, and either personal check or credit card. An organization may accept other forms of payment. If an organization provides copies for a charge but does not require prepayment, it must obtain approval from the requester before providing copies for which the fee will exceed \$20.

**Example** – An organization has a Form 990-PF which, along with its attached schedules, comprises 15 pages. The organization determines that first-class mail charges for mailing the form will be \$1.50. The organization may charge up to \$4.50 for the copy and the related postage.

### **Harassment campaigns**

If an organization believes it is the subject of a harassment campaign resulting in extraordinary demand for copies of its documents, it may seek relief from the Internal Revenue Service related to the public inspection and copy requirements. An organization which believes it is the subject of such harassment should consult professional tax counsel in determining how to deal with the circumstances.

### **Making forms “widely available”**

An organization which makes its forms “widely available” is not required to provide copies of the forms to individuals. The regulations state that an organization’s forms will be considered “widely available” if they are posted on the organization’s World Wide Web page in a format which meets the following two criteria:

- 1) Any individual with access to the Internet must be able to access, download, view and print the posted document in a format which exactly reproduces the image of the original document filed with the Internal Revenue Service, except for any information permitted to be withheld from public disclosure, and
- 2) The format must allow any individual with access to the Internet to access, download, view and print the posted document without payment of a fee to either the tax-exempt organization or the entity maintaining the World Wide Web page and without special computer hardware or software other than software that is readily available to members of the public free of charge.

The IRS has indicated in its introduction to the new regulations that the Portable Document Format (PDF) currently satisfies the criteria set forth above. The Service noted that documents in the PDF format can be viewed, navigated and printed by anyone using freely available reader software.

### **Penalties**

Penalties of up to \$20 per day may be assessed on the individuals who fail to comply with the public inspection and copy provisions. Willful failure to comply can result in more severe penalties.



## Public Disclosure Requirements for 501(c)(3) Organizations That File Form 990-T

Prior to the enactment of the Pension Protection Act of 2006, the Internal Revenue Code required that 501(c)(3) organizations make a copy of their Forms 990 available for public inspection.

The Pension Protection Act of 2006 expanded this provision by requiring that 501(c)(3) organizations make copies of their Forms 990-T available for public inspection as well. The new rule for Forms 990-T applies to returns filed after August 17, 2006.

Therefore, any 501(c)(3) organization required to file a Form 990-T (including those organizations not required to file a Form 990, such as churches and their integrated auxiliaries) must make its Form 990-T available for public inspection, under the same provisions applicable to the public inspection of Forms 990.

Information relating to a trade secret, patent, process, style of work, or apparatus of the organization may be withheld from the public inspection copy of the Form 990-T if the IRS determines that public disclosure of such information would adversely affect the organization. Requests for withholding such information must be submitted to the IRS at the address where the organization files its Form 990-T.

The current Form 990-T includes a section requiring disclosure of the compensation allocated to and the percentage of time devoted to an unrelated trade or business of any officer or director whose compensation is allocated (in whole or in part) to the organization's unrelated trade or business activities. Therefore, the new public disclosure requirements related to the Form 990-T may potentially expose information about compensation paid by a church (or other 501(c)(3) organization not required to file a Form 990) to its officers and directors that was not publicly available prior to the new provision.

A detailed guide to the public disclosure requirements for 501(c)(3) organizations that file Form 990-T is enclosed.

**Regulatory Disclosure:** Pursuant to newly-enacted regulations related to practice before the Internal Revenue Service, please be advised that anything in this communication (including any attachments) that might constitute written tax advice is not intended or written to be used, and cannot be used, by any recipient for the purposes of (1) avoiding penalties that may be imposed on the taxpayer under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any tax-related matter addressed herein.

## **GUIDE TO IRS PUBLIC DISCLOSURE REQUIREMENTS FOR 501(c)(3) ORGANIZATIONS THAT FILE FORM 990-T**

The Pension Protection Act of 2006 added a provision to the Internal Revenue Code which requires all 501(c)(3) organizations that file a Form 990-T to provide copies of Form 990-T to the public upon request. A 501(c)(3) organization can avoid the requirement to provide copies if the organization makes the documents “widely available” in a manner that complies with the Treasury Regulations applicable to public disclosure of the Form 990-T and other information returns filed by 501(c)(3) organizations.

### **Public inspection required**

Federal law requires 501(c)(3) organizations that file Form 990-T to make such forms available for public inspection at their principal office for a period of three years from the date the returns are filed with the Internal Revenue Service.

### **Copies must be provided**

In addition to making their Forms 990-T available for public inspection, 501(c)(3) organizations must provide copies of those forms upon request.

### **To what forms does the provision apply?**

The public inspection and copy requirements apply to each Form 990-T filed after August 17, 2006, for a period of three years beginning on the date the return is required to be filed or the date it is actually filed, whichever is later.

Forms available for inspection or copies must include all related attachments and exhibits. An organization may, however, exclude from public inspection and copies information relating to a trade secret, patent, process, style of work, or apparatus of the organization (the public disclosure of which would adversely affect the organization), but only if prior approval of such exclusion is received from the IRS. Requests for withholding such information must be submitted to the IRS at the address where the organization files its Form 990-T.

A charity that files a Form 990-T solely to request a refund of the federal telephone excise tax is not required to make that Form 990-T available for public inspection and copying. However, if a charity files a Form 990-T to request a refund of the federal telephone excise tax and to report unrelated business taxable income under section 511, the charity is required to make that Form 990-T available for public inspection and copying in its entirety.

### **From what locations must organizations provide public inspection or copies?**

The regulations require that a 501(c)(3) organization make the Form 990-T available for public inspection or copies at its “principal, regional and district offices.” The rules define a regional or district office as “any office of a tax-exempt organization, other than its principal office, that has paid employees, whether part-time or full-time, whose aggregate number of paid hours a week are normally at least 120.” A site is not considered a regional or district office, however, if the only services provided at the site further exempt purposes (e.g., day care, health care, etc.) and the site does not serve as an office for management staff other than managers who are involved solely in the exempt function activities at the site. An organization which does not maintain a permanent office may comply with the regulations by permitting public inspection at a “reasonable location of its choice.” Such inspection should occur normally within two weeks of the request and at a “reasonable time of day.” An organization without a permanent office may opt to provide copies in lieu of allowing a personal inspection.

### **When must inspection and copies be made available?**

A 501(c)(3) organization is required to permit public inspection and make copies available during the regular business hours of the organization. An organization which has very limited or no office hours may make its documents available in the manner prescribed for organizations without a permanent office, as described above.



When a request is made in person at an organization's office for copies, the organization is required to provide the copies on the day the request is made unless "unusual circumstances" exist. If "unusual circumstances" exist making it unreasonable to fulfill a request for copies on the same business day, the organization is required to provide the copies no later than the next business day following the day that the unusual circumstances cease to exist or on the fifth business day after the date of the request, whichever occurs first. Examples cited of unusual circumstances include receipt of a volume of requests that exceeds the organization's daily capacity, requests received shortly before the end of regular business hours, or requests received on a day when the organization's staff is unavailable.

An organization receiving a written request for copies is required to mail the copies within 30 days from the date it receives the request. If the organization requires payment in advance (see "Fees for copies" – below), it is required to provide the copies within 30 days from the date it receives payment.

#### **Requests for copies of parts of a document**

The regulations require an organization to fulfill a request for any specific part or schedule of its Form 990-T so long as such request specifically identifies the requested part or schedule.

#### **Fees for copies**

Organizations are permitted to charge a reasonable fee for providing copies. The regulations stipulate that a fee is reasonable only if it is no more than the per-page copying charge levied by the Internal Revenue Service for providing copies, plus no more than the actual postage costs incurred by the organization to provide the copies. Current regulations set the maximum charge at 20¢ for each page. An organization may require payment in advance, and must accept cash and money orders at a minimum for requests made in person. For requests made in writing, the organization is required to accept payment by certified check, money order, and either personal check or credit card. An organization may accept other forms of payment. If an organization provides copies for a charge but does not require prepayment, it must obtain approval from the requester before providing copies for which the fee will exceed \$20.

**Example** – An organization has a Form 990-T which, along with its attached schedules, comprises 15 pages. The organization determines that first-class mail charges for mailing the form will be \$1.50. The organization may charge up to \$4.50 for the copy and the related postage.

#### **Harassment campaigns**

If an organization believes it is the subject of a harassment campaign resulting in extraordinary demand for copies of its documents, it may seek relief from the Internal Revenue Service related to the public inspection and copy requirements. An organization which believes it is the subject of such harassment should consult professional tax counsel in determining how to deal with the circumstances.

#### **Making forms "widely available"**

An organization which makes its forms "widely available" is not required to provide copies of the forms to individuals. The regulations state that an organization's forms will be considered "widely available" if they are posted on the organization's World Wide Web page in a format which meets the following two criteria:

- 1) Any individual with access to the Internet must be able to access, download, view and print the posted document in a format which exactly reproduces the image of the original document filed with the Internal Revenue Service, except for any information permitted to be withheld from public disclosure, and
- 2) The format must allow any individual with access to the Internet to access, download, view and print the posted document without payment of a fee to either the tax-exempt organization or the entity maintaining the World Wide Web page and without special computer hardware or software other than software that is readily available to members of the public free of charge.

The IRS has indicated in its introduction to the regulations that the Portable Document Format (PDF) currently satisfies the criteria set forth above. The Service noted that documents in the PDF format can be viewed, navigated and printed by anyone using freely available reader software.

#### **Penalties**

Penalties of up to \$20 per day may be assessed on the individuals who fail to comply with the public inspection and copy provisions. Willful failure to comply can result in more severe penalties.