

Fortress Intellectual Properties Opportunity Fund II, LP

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New Category	LP
Investment Manager	Fortress Investment Group LLC
Fund Status	Open
Archive	No
Custodian	SEI Global Services
Jurisdiction	Cayman Islands
T1135 Reporting	Yes (If 10% or more income is allocated to Canadians, the T1135 reporting must be filed by the fund)
Currency	USD
Tax Slip	K-1 (K-1 estimates in March and K-1 final in summer)
Receiver of Tax Receipt	RFO/Client
Tax Slips Expected	March
Statements Expected	Quarterly
Accounting Treatment	Per K-1 for income pickup. When contributions are made you will increase the ACB of the investments and when distributions are received you will decrease the ACB of the investment until the tax information is received at year-end and then reclassify accordingly

**Tax Memo/
Tax Treatment**

The Partnership will own 100% of a foreign corporation (the "Blocker"). To the extent the Blocker earns passive income, Canadian investors will need to pick up their share of the FAPI generated by the Blocker. To the extent the Blocker controls other foreign corporations, they will be considered controlled foreign affiliates of the Fund and the FAPI regime will be applicable. Loans made by the Fund must also be Canadianized, in order to compute the realized FX on the loan repayments.

US Tax Return Required

No

Type

Partnership

**Nature
of Investment**

Underlying is a private equity and debt related to intellectual property ("IP") investments. The Fund will acquire IP assets that are undervalued patent portfolios or companies that hold patents. The Fund will also make loans to these companies with the IP or patent as collateral.

Notes