CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
VIXY HEDGE LP
(A DELAWARE LIMITED PARTNERSHIP)

PRIVATE PLACEMENT MEMORANDUM

7/21/2026

***VIXED HEDGE LLC** AS THE GENERAL PARTNER, WITH ITS REGISTERED OFFICE LOCATED AT 16192 COASTAL HIGHWAY, LEWES SUSSEX COUNTY, DELAWARE 19958.*

This Confidential Private Placement Memorandum dated 7/21/2026 (the "**Private Placement Memorandum**") is being furnished on a confidential basis so that a prospective investor may consider becoming a limited partner (a "**Limited Partner**") of Vixy Hedge LP, a Delaware limited partnership (the "**Partnership**"). This Private Placement Memorandum and the information contained herein may not be reproduced by or provided to others who are not directly concerned with the prospective investor's decision regarding the investment without the prior written permission of Vixed Hedge LLC, the Partnership's general partner (the "**General Partner**").

THE LIMITED PARTNERSHIP INTERESTS (THE "**INTERESTS**") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA, OR THE SECURITIES LAWS OF ANY OTHER COUNTRY OR ANY OTHER JURISDICTION, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THESE LAWS. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") OR ANY STATE REGULATORY AUTHORITY, NOR HAS THE SEC OR ANY STATE REGULATORY AUTHORITY REVIEWED OR PASSED UPON THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE AND NON-U.S. SECURITIES LAWS, PURSUANT TO REGISTRATION THEREUNDER OR EXEMPTION THEREFROM, AND AS PERMITTED UNDER THE PARTNERSHIP'S AGREEMENT OF LIMITED PARTNERSHIP (AS IT MAY BE AMENDED FROM TIME TO TIME, THE "**PARTNERSHIP AGREEMENT**"). LIMITED PARTNERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

The Partnership will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Consequently, investors will not be afforded the protections of the Investment Company Act. There is no public market for the Interests, and no such market is expected to develop in the future. The Limited Partners should be aware of their limited rights to sell the Interests of the Partnership, and of the limited liquidity of an investment in the Partnership.

In arriving at an investment decision, Limited Partners must rely on their own examination of the Partnership, the Partnership Agreement and the terms of the offering, including the merits and risks involved. Investment in the Partnership involves a high degree of risk and is suitable only for sophisticated investors. No assurance can be given that the Partnership's investment objective will be achieved, and its investment results may vary substantially on a monthly, quarterly or annual basis. See "*Risk Factors and Potential Conflicts of Interest*." Prospective Limited Partners should carefully read and retain this Private Placement Memorandum. The contents of this Private Placement Memorandum, however, should not be considered to be legal, tax, investment, regulatory, financial or other advice, and each prospective Limited Partner should consult with its own counsel and advisors as to all legal, tax, investment, regulatory, financial and related matters concerning an investment in the Partnership.

The distribution of this Private Placement Memorandum, and the offer and sale of the Interests, may be restricted by law in various jurisdictions. This Private Placement Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any Interests in any jurisdiction in which an offer, solicitation or sale would be unlawful, or to any person to whom it would be unlawful to make an offer or sale in the jurisdiction. No action has been, or will be, taken to permit a public offering of Interests in any jurisdiction where action would be required for that purpose. Accordingly, the Interests may not be offered or sold, directly or indirectly, and this Private Placement Memorandum may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in the jurisdiction. The General Partner will cause a Limited Partner to withdraw from the Partnership if the Limited Partner's continued investment would not be legally permitted.

The offering of Interests in the Partnership is being made solely pursuant to this Private Placement Memorandum, and any information regarding the Partnership or Interests in the Partnership that is not contained herein shall not constitute an offering of Interests in the Partnership. Any supplement furnished by the Partnership that specifically references this Private Placement Memorandum shall be incorporated herein by reference. No person has been authorized to give any information or to make any representations other than as contained in this Private Placement Memorandum, and any representation or information not contained herein must not be relied upon as having been authorized by the Partnership, by the General Partner or by any of their officers, directors, limited partners, members or affiliates. The delivery of this Private Placement Memorandum does not imply that the information herein is correct as of any time subsequent to the date on the cover hereof. No person, other than the Partnership and the General Partner, has participated in the preparation of this Private Placement Memorandum, is responsible for its contents or has independently verified any information contained in this Private Placement Memorandum.

Certain information contained in this Private Placement Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth in "*Risk Factors and Potential Conflicts of Interest,*" actual events or results or the actual performance of the Partnership may differ materially from those reflected or contemplated in such forward-looking statements.

This Private Placement Memorandum contains confidential, proprietary, trade secret and other commercially sensitive information, and should be treated in a confidential manner. Your acceptance of this document constitutes your agreement to: (i) keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document (collectively, the "**Confidential Information**") and not disclose any such "Confidential Information" to any other person, (ii) not use any of the Confidential Information for any purpose other than to evaluate an investment in the Partnership, (iii) not to use the Confidential Information for purposes of trading any security, and (iv) promptly return this document and any copies hereof, together with all other documents provided in connection with a proposed investment in the Interests, to the General Partner upon the General Partner's request, in each case subject to the confidentiality provisions more fully set forth in this Private Placement Memorandum and any written agreement between the recipient and the General Partner, if any.

Each prospective Limited Partner is invited to meet with the Partnership, the General Partner and their representatives, and to discuss with, ask questions of and receive answers from them concerning the terms and conditions of this offering of the Interests, and to obtain any additional information, to the extent they possess this information or can acquire it without unreasonable effort or expense, necessary to verify the information contained in this Private Placement Memorandum. This Private Placement Memorandum contains a summary of the Partnership Agreement and of the other documents referred to in this Private Placement Memorandum. However, the discussions set forth in this Private Placement Memorandum do not purport to be complete. They are subject to, and qualified in their entirety by, reference to the Partnership Agreement and to these other documents, copies of which will be provided to any prospective Limited Partner upon request, which should be reviewed for complete information concerning the rights, privileges and obligations of the Limited Partners.

Prospective investors may request additional information regarding the Partnership or the Interests described herein by contacting the General Partner at david@vixedhedge.com.

INTERESTS IN THE PARTNERSHIP ARE NOT FREELY MARKETABLE AND INVOLVE A HIGH DEGREE OF RISK. SEE THE DISCUSSION UNDER "*Risk Factors and Potential Conflicts of Interest*" AND ELSEWHERE HEREIN.

STATE OFFERING LEGENDS

The following state offering legends are provided in compliance with applicable state securities laws and regulations. The Partnership has not been registered under any state securities laws and is being offered only in states where the offering is exempt from registration or where a state exemption applies.

FOR RESIDENTS OF ALABAMA

The interests offered hereby have not been registered under the Alabama Securities Act and are offered in reliance upon exemptions from registration under said act. The securities may not be resold or transferred except as permitted under the act and regulations promulgated thereunder.

FOR RESIDENTS OF ALASKA

The interests have not been registered under the Alaska Securities Act. This offering is exempt from registration pursuant to Alaska Securities Act, and the securities may not be transferred or resold except in a transaction that is exempt or otherwise compliant with the act.

FOR RESIDENTS OF ARIZONA

The interests have not been registered under the Arizona Securities Act and may not be resold except pursuant to a registration or an exemption therefrom.

FOR RESIDENTS OF ARKANSAS

The securities are issued pursuant to an exemption under the Arkansas Securities Act and are subject to restrictions on transferability and resale and may not be transferred except as permitted under that act.

FOR RESIDENTS OF CALIFORNIA

The sale of the securities described in this Private Placement Memorandum has not been qualified with the Commissioner of Corporations of the State of California, and the issuance of such securities or the payment or receipt of any part of the consideration for such securities prior to such qualification is unlawful, unless the sale of securities is exempt from the qualification requirements. The rights of all parties to this transaction are expressly conditioned upon such qualification being obtained, unless the sale is so exempt.

FOR RESIDENTS OF COLORADO

The securities have not been registered under the Colorado Securities Act and may not be transferred or sold unless pursuant to an effective registration statement or an exemption from registration.

FOR RESIDENTS OF CONNECTICUT

These securities have not been registered under the Connecticut Uniform Securities Act and are being offered pursuant to an exemption from registration under said act.

FOR RESIDENTS OF DELAWARE

These securities have not been registered under the Delaware Securities Act and may not be sold or transferred unless pursuant to an effective registration or an exemption.

FOR RESIDENTS OF DISTRICT OF COLUMBIA

The securities have not been registered under the District of Columbia Securities Act and may not be resold unless registered or exempt from registration.

FOR RESIDENTS OF FLORIDA

Each Florida resident who purchases securities must irrevocably agree to waive any right of withdrawal within three days after the first tender of consideration is made for the purchase of such securities. Such waiver must be executed as part of the subscription agreement.

FOR RESIDENTS OF GEORGIA

The securities offered hereby have not been registered under the Georgia Securities Act of 1973, as amended, and are being offered and sold pursuant to an exemption therefrom. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and applicable state securities laws.

FOR RESIDENTS OF HAWAII

These securities have not been registered under the Hawaii Uniform Securities Act and are offered in reliance upon an exemption from registration.

FOR RESIDENTS OF IDAHO

The securities have not been registered under the Idaho Securities Act. They may not be sold or transferred without registration or an exemption.

FOR RESIDENTS OF ILLINOIS

These securities have not been approved by the Secretary of State of Illinois or any other Illinois authority and are offered under an exemption from registration provided by the Illinois Securities Law of 1953, as amended. The purchaser of securities offered hereby is acquiring these securities for investment and not with a view to resale or distribution.

FOR RESIDENTS OF INDIANA

These securities are not registered under the Indiana Securities Act and are offered pursuant to an exemption from registration.

FOR RESIDENTS OF IOWA

The securities offered have not been registered under the Iowa Uniform Securities Act, and the securities may not be resold unless the resale is registered or exempt.

FOR RESIDENTS OF KANSAS

The interests have not been registered under the Kansas Uniform Securities Act. The securities may not be resold unless pursuant to a registration or exemption from registration under the act.

FOR RESIDENTS OF KENTUCKY

The securities have not been registered under the Kentucky Securities Act and are offered under an exemption from registration under the act.

FOR RESIDENTS OF LOUISIANA

The securities have not been registered under the Louisiana Securities Law and may only be transferred pursuant to registration or an exemption from registration.

FOR RESIDENTS OF MAINE

The securities offered have not been registered under the Maine Uniform Securities Act, and the transfer of such securities is restricted pursuant to applicable exemptions.

FOR RESIDENTS OF MARYLAND

These securities have not been registered under the Maryland Securities Act and may not be transferred or resold unless pursuant to a registration or an exemption from registration.

FOR RESIDENTS OF MASSACHUSETTS

These securities have not been registered under the Massachusetts Uniform Securities Act. They are offered under an exemption and are subject to resale restrictions.

FOR RESIDENTS OF MICHIGAN

The securities have not been registered under the Michigan Uniform Securities Act and may not be sold or transferred except pursuant to a registration or an exemption.

FOR RESIDENTS OF MINNESOTA

The securities offered have not been registered under the Minnesota Securities Act and may not be resold except pursuant to a registration or exemption from registration.

FOR RESIDENTS OF MISSISSIPPI

The securities have not been registered under the Mississippi Securities Act. The resale of such securities is subject to restrictions under the act.

FOR RESIDENTS OF MISSOURI

These securities are being offered pursuant to an exemption under the Missouri Securities Act and are subject to restrictions on transfer.

FOR RESIDENTS OF MONTANA

The securities offered herein have not been registered under the Montana Securities Act and are offered in reliance upon an exemption from registration.

FOR RESIDENTS OF NEBRASKA

The securities have not been registered under the Nebraska Securities Act and are offered in reliance upon an exemption from registration under said act.

FOR RESIDENTS OF NEVADA

These securities have not been registered under the Nevada Uniform Securities Act and are offered in reliance on an exemption.

FOR RESIDENTS OF NEW HAMPSHIRE

The securities offered hereby have not been registered under the New Hampshire Uniform Securities Act, and they may not be transferred except in a transaction that is exempt under said act.

FOR RESIDENTS OF NEW JERSEY

The securities offered have not been registered under the New Jersey Uniform Securities Law. The resale or transfer of the securities is restricted except pursuant to an effective registration statement or exemption.

FOR RESIDENTS OF NEW MEXICO

These securities have not been registered under the New Mexico Securities Act of 1986 and are offered pursuant to an exemption from registration under the act.

FOR RESIDENTS OF NEW YORK

This Private Placement Memorandum has not been filed with or reviewed by the Attorney General of the State of New York prior to its issuance. The Attorney General of the State of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

FOR RESIDENTS OF NORTH CAROLINA

The securities have not been registered under the North Carolina Securities Act. These securities may not be transferred or sold unless pursuant to a registration statement or exemption from registration.

FOR RESIDENTS OF NORTH DAKOTA

The securities offered hereby have not been registered under the North Dakota Securities Act and are subject to restrictions on transferability.

FOR RESIDENTS OF OHIO

The securities have not been registered under the Ohio Securities Act. They are being offered pursuant to an exemption and may not be resold unless registered or exempt.

FOR RESIDENTS OF OKLAHOMA

The securities are offered in reliance upon an exemption from registration under the Oklahoma Securities Act and may not be transferred without compliance with the act.

FOR RESIDENTS OF OREGON

These securities have not been registered under the Oregon Securities Law and are offered in reliance upon an exemption.

FOR RESIDENTS OF PENNSYLVANIA

The securities are not registered under the Pennsylvania Securities Act and are offered pursuant to an exemption. Transfer restrictions apply.

FOR RESIDENTS OF RHODE ISLAND

The securities are not registered under the Rhode Island Uniform Securities Act and are subject to restrictions on transfer or resale.

FOR RESIDENTS OF SOUTH CAROLINA

The securities have not been registered under the South Carolina Uniform Securities Act and may not be transferred without registration or an exemption from registration.

FOR RESIDENTS OF SOUTH DAKOTA

These securities have not been registered under the South Dakota Securities Act and are being offered in reliance on exemptions from registration.

FOR RESIDENTS OF TENNESSEE

The securities offered hereby have not been registered under the Tennessee Securities Act and are offered in reliance on exemptions from registration.

FOR RESIDENTS OF TEXAS

The securities offered hereby have not been registered under the Texas Securities Act and may not be offered or sold except as permitted under the Texas Securities Act and applicable regulations promulgated thereunder.

FOR RESIDENTS OF UTAH

The securities have not been registered under the Utah Uniform Securities Act and may not be transferred except as allowed under the act.

FOR RESIDENTS OF VERMONT

The securities offered hereby are being offered pursuant to an exemption under the Vermont Securities Act and may not be resold except pursuant to a registration or an exemption.

FOR RESIDENTS OF VIRGINIA

The securities have not been registered under the Virginia Securities Act. Any transfer of the securities must be made in accordance with applicable law.

FOR RESIDENTS OF WASHINGTON

The securities offered herein have not been registered under the Washington Securities Act and are offered in reliance upon an exemption from registration.

FOR RESIDENTS OF WEST VIRGINIA

The securities have not been registered under the West Virginia Uniform Securities Act and are offered in reliance upon an exemption from registration.

FOR RESIDENTS OF WISCONSIN

The securities have not been registered under the Wisconsin Uniform Securities Law. These securities may not be resold unless pursuant to an exemption.

FOR RESIDENTS OF WYOMING

These securities have not been registered under the Wyoming Securities Act and are offered in reliance on an exemption from registration.

SUMMARY TERMS OF THE OFFERING

The following is a summary only and is qualified in its entirety by reference to the other information set forth elsewhere in this Private Placement Memorandum and to the other documents described herein, including the Partnership Agreement. A prospective Limited Partner should read this entire Private Placement Memorandum and the Partnership Agreement carefully before making any investment decision regarding the Partnership and should pay particular attention to the "*Risk Factors and Potential Conflicts of Interest*" section herein. In addition, a prospective Limited Partner should consult its own advisors in order to understand fully the consequences of an investment in the Partnership. Unless specifically noted otherwise, references throughout this Private Placement Memorandum to the Partnership will include the General Partner and any agent authorized to act on the Partnership's behalf.

The Offering

The Company is offering two different fixed-rate investment programs to accredited investors pursuant to Rule 506(c) of Regulation D under the Securities Act. The Company is utilizing general solicitation and general advertising in connection with this offering, as permitted under Rule 506(c). All purchasers in this offering must be accredited investors as defined in Rule 501 of Regulation D, and the Company will take reasonable steps to verify the accredited status of each investor as required by Rule 506(c).

The Company is offering two distinct fixed-rate investment programs, each with tiered rates of return based on the amount invested. The programs and their corresponding rates are set forth in the table below.

Offering Terms Summary

Program	Investment Level	Fixed Rate	Notes
Timberview Audience – Class A1	$100,000	24%	Minimum investment tier
Timberview Audience – Class A2	$200,000	26%	Mid-tier investment
Timberview Audience – Class A3	$500,000	28%	Premium tier investment
Cobb Club Audience – Class B1	$100,000	28%	Minimum investment tier
Cobb Club Audience – Class B2	$200,000	30%	Mid-tier investment
Cobb Club Audience – Class B3	$500,000	32%	Premium tier investment

The minimum investment accepted from any single investor is $100,000. The maximum aggregate offering amount is $100m subject to the Company's right to increase or decrease the offering size. The offering will remain open until the offer closes or until the maximum offering amount is reached, whichever occurs first, unless extended by the Company in its sole discretion.

The Partnership:	Vixy Hedge LP is a Delaware limited partnership (the "**Partnership**"). The Partnership's registered office is located at 16192 Coastal Highway, Lewes Sussex County, Delaware 19958.
General Partner:	Vixed Hedge LLC, a Delaware limited liability company, is the general partner of the Partnership (the "**General Partner"**). Under the Agreement of Limited Partnership of the Partnership (as the same may be amended or restated from time to time, the "**Partnership Agreement**"), management and control of the Partnership is vested with the General Partner.
Investment Objective: Offering of Limited Partner Interests:	The Partnership's investment objective is to achieve long-term capital appreciation by investing in a diversified portfolio of Exchange-Traded Funds ("**ETFs**") and Exchange-Traded Notes ("**ETNs**"). The Partnership aims to capitalize on opportunities in various asset classes, including equities, fixed income, commodities, and alternative investments, by leveraging the liquidity, transparency, and cost-efficiency that ETFs and ETNs provide. The Partnership seeks to generate attractive risk-adjusted returns through a combination of strategic and tactical asset allocation. The General Partner will employ a disciplined, research-driven approach to identify and take advantage of macroeconomic trends, market inefficiencies, and sector-specific opportunities. Additionally, the Partnership may employ hedging strategies to manage market risk and protect capital during periods of heightened volatility. While the Partnership will strive to deliver absolute returns, there can be no assurance that the investment objective will be achieved. The Partnership's investments are subject to market risk, including the potential loss of capital. The Partnership is offering commitments to purchase limited partnership interests (the "**Interests**") through a private placement on a continuous basis to persons who are "accredited investors" (as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "**Securities Act**"). In no event during the term of the Partnership shall there be in excess of

	two thousand (2,000) Partners (as defined below), in the Partnership.
Acceptance of Subscriptions:	Prospective investors will be offered an opportunity to become limited partners of the Partnership (the "**Limited Partners**," and together with the General Partner, the "**Partners**"). The Partnership may accept subscriptions from new Limited Partners as of the first business day of any calendar month, or at such other times as the General Partner may determine in its discretion. A placement agent may or may not be used by the Partnership in connection with the offering of the Interests. If a placement agent is used, the Partnership will not bear any related placement fee, other than a placement fee paid by the Partnership and offset against the Management Fee (as defined below) on a dollar-for-dollar basis.
Side Letters:	The Partnership may from time to time enter into agreements with certain investors which provide for terms of investment that are more favorable to those investors than the terms described in this Private Placement Memorandum (collectively, "**Side Letters**"). The Partnership will enter into Side Letters only if and to the extent they are consistent, and implemented in accordance, with the governing documents of the Partnership and applicable law, including the fiduciary duties owed by the General Partner to the Limited Partners. Investors should be aware that side letter arrangements have been the subject of increased regulatory scrutiny in recent years.
Minimum Investment:	Limited Partners will be required to make a minimum investment of $100,000 for individuals and $200,000 for institutions, subject to reduction by the General Partner in its discretion. The General Partner, in its sole discretion, may accept or reject any initial or subsequent subscription, in whole or in part.
Capital Accounts:	The Partnership will establish a capital account (a "**Capital Account**") for the General Partner and for each Limited Partner. A Partner's Capital Account will be credited with the amount of any capital contributions made by the Partner and any income or gains allocated to the Partner, and will be debited by the amount of any withdrawals made by the Partner and any expenses, losses or deductions allocated to the Partner.
Capital Contributions:	An investor's initial capital contribution will be due immediately upon the acceptance of the investor's subscription for an Interest. In the discretion of the General Partner, a Limited Partner will be permitted to make additional capital contributions to the Partnership on the first business day of any calendar month.

Capital contributions may be made in cash or, in the discretion of the General Partner, in kind.

Net Asset Value: The net asset value (the "**Net Asset Value**") of the Partnership will be determined as of the close of business of the last business day of each calendar month and at such other times as the General Partner may determine in its discretion. The Net Asset Value of the Partnership is equal to the value of the assets of the Partnership (including accrued interest and dividends) less all liabilities of the Partnership (including accrued expenses). The General Partner's determination of the value of the Partnership's assets and liabilities will be final and conclusive.

Allocation of Profits and Losses: At the end of each fiscal period (whether a calendar year or an interim period as determined by the General Partner), the Partnership's net profits and losses will be allocated pro rata among the Partners (including the General Partner) based on the ratio of each Partner's Capital Account balance to the aggregate Capital Account balances of all of the Partners as of the beginning of that fiscal period, as adjusted to reflect contributions and withdrawals. The Partnership's profits and losses will be determined on the accrual basis of accounting and will include net realized or unrealized profits or losses on investment positions as of the end of each fiscal period.

Incentive Allocation:

Program	Investment	Fixed Rate	Notes
Timberview Audience – Class A1	$100,000	24%	Min.-Tier
Timberview Audience – Class A2	$200,000	26%	Mid-Tier
Timberview Audience – Class A3	$500,000	28%	Premium Tier
Cobb Club Audience – Class B1	$100,000	28%	Min.-Tier
Cobb Club Audience – Class B2	$200,000	30%	Mid-Tier
Cobb Club Audience – Class B3	$500,000	32%	Premium Tier

General Partner Structure:	**General Partner Structure.** Vixed Hedge L.L.C (the "General Partner") is a Delaware limited liability company that manages and controls the business and affairs of Vixy Hedge L.P (the "Partnership"). The General Partner is solely responsible for all investment, operational, and administrative decisions of the Partnership and has unlimited liability with respect to such management activities. In contrast, the Partnership is a Delaware limited partnership formed to serve as the investment vehicle through which Limited Partners participate economically in the Partnership's investment program. Limited Partners hold interests in the Partnership but do not take part in its management, have no authority to bind the Partnership, and their liability is limited to the amount of their capital contributions. This structure allows the General Partner to exercise centralized management authority while providing Limited Partners with limited liability and passive economic participation.
Withdrawals:	Limited Partners may request a withdrawal of all or a portion of their capital once per calendar year, subject to the notice and timing requirements described herein. The Partnership will open a **one-month withdrawal window each year**, during which Limited Partners may submit written withdrawal requests to the General Partner. Any request made outside this designated window will be processed during the next annual withdrawal period. Withdrawals will be funded as soon as practicable following the close of the withdrawal window, and will be based on the Net Asset Value as of the last business day of such period. The General Partner may, in its discretion, delay or suspend withdrawals in circumstances where doing so is necessary to protect the Partnership or its investors.
Mandatory Withdrawals:	The General Partner may cause a Limited Partner to withdraw all or any part of the Limited Partner's Capital Account balance where the continued investment by the investor would be reasonably likely to result in a materially adverse legal, regulatory or taxation effect for the Partnership or the Limited Partners, after giving effect to the Incentive Allocation at the time of the withdrawal.
Payment of Proceeds of Withdrawals:	**Withdrawals and Priority of Distributions.** Limited Partners may request a withdrawal of all or a portion of their capital once per calendar year, subject to the procedures described herein. The Partnership will establish a **one-month Withdrawal Window** each year, during which Limited Partners may submit written withdrawal requests to the General Partner. Any request

submitted outside the Withdrawal Window will be processed during the next annual period.

All withdrawals and distributions to Limited Partners shall be made **prior to any distributions, fees, or payments to the General Partner**, and no amounts shall be paid or allocated to the General Partner until all Limited Partner withdrawal requests for the applicable period have been fully satisfied. This priority is absolute and applies to all forms of distributions, including withdrawals, preferred returns, fixed-rate distributions, and any other amounts payable to Limited Partners under this Agreement.

Suspension Events: The General Partner may suspend the determination of the Partnership's Net Asset Value, the acceptance of capital contributions and the processing of requests for withdrawals:

(i) during any period in which any market on which a material part of the assets of the Partnership are quoted is closed or has materially limited or suspended dealings;

(ii) during the existence of any state of affairs (including the restriction of trading in one or more markets) which, in the opinion of the General Partner, makes the determination of the price or value or the disposition of a material part of the Partnership's investments impractical or prejudicial to its Partners;

(iii) during any breakdown in any of the means normally employed by the Partnership in ascertaining the value of a material part of its assets or for any other reason the General Partner is of the opinion that the Partnership cannot reasonably ascertain the value of a material part of its assets on the valuation date concerned;

(iv) during any period where the conversion and remittance of funds which would or might be involved in the realization or acquisition of a material part of the Partnership's investments (whether actual or hypothetical for valuation purposes) could not in the opinion of the General Partner be carried out at normal rates of exchange and without undue delay;

(v) during any period in which distributions or withdrawals would, in the opinion of the General Partner, result in a violation of applicable law; or

(vi) in the event of the dissolution and winding-up of the Partnership.

All Limited Partners will be notified of any suspension, and the termination of any suspension, by means of a promptly delivered written notice. If monthly withdrawals are suspended as a result of the foregoing events, withdrawal requests will be honored as of the end of the calendar month next following the termination of any suspension.

“New Issues” Allocations: The Partners’ Capital Account balances will reflect special allocations of profits and losses in connection with the Partnership’s investments in “new issues,” as this term is defined under Financial Industry Regulatory Authority, Inc. (“**FINRA**”) Rules 5130 and 5131 (together, the “**FINRA Rule**”), if any, to ensure that Limited Partners that are proscribed from participating in the purchase of new issues do not have any beneficial ownership in new issues acquired by the Partnership. Prospective investors who are “restricted persons” under the FINRA Rule (including prospective investors who provide insufficient information to permit the General Partner to ascertain their status or who indicate that they are unwilling or unable to participate in new issues) will not have a beneficial interest in and will not participate in allocations of profits and losses from, new issues acquired by the Partnership. Limited Partners, who are restricted persons, will instead receive an imputed overnight LIBID interest allocation on any amounts invested in new issues securities.

If a Limited Partner’s status as a “restricted person” or “unrestricted person” under the FINRA Rule changes any time after the Limited Partner’s original capital contribution, subsequent profits and losses will be allocated to the Limited Partner in accordance with its new status. The General Partner will attempt to update its information on the new issues status of each Limited Partner on an annual basis.

Offering and Organizational Expenses: The Partnership shall pay the costs and expenses (including legal fees and expenses) of organizing the Partnership and all expenses (including legal fees and expenses and travel and entertainment) incurred by the General Partner or the Partnership in connection with (i) the private placement of Interests in the Partnership, and (ii) the registration, qualification or exemption of the Partnership under any applicable federal or state laws (together, “**Offering and Organizational Expenses**”).

Certain of the Partnership’s Offering and Organizational Expenses may, for accounting purposes, be amortized by the Partnership for up to a 60-month period from commencement of the Partnership. Amortization of such expenses over a period that is up to sixty (60) months is a divergence from U.S. generally accepted accounting principles ("**GAAP**"), which may, in certain circumstances, result in a qualification of the Partnership's annual audited financial statements. In such instances, the General Partner may decide to (i) avoid the qualification by causing the Partnership to recognize the unamortized expenses or (ii) make GAAP conforming changes for financial reporting purposes, but amortize expenses for purposes of calculating the Partnership's Net Asset Value. There will be a divergence in the Partnership's fiscal year-end net asset value and in the net asset value reported in the Partnership's financial statements in any year where, pursuant to clause (ii), GAAP conforming changes are made only to the Partnership's financial statements for financial reporting purposes. If the Partnership is terminated within sixty (60) months of its commencement, any unamortized expenses will be recognized. If a Limited Partner withdraws all or part of its limited partnership interest prior to the end of the 60-month period during which the Partnership is amortizing expenses, the General Partner may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

Operating and Administrative Expenses:

The Partnership shall pay the costs and expenses of (i) all transactions carried out by it or on its behalf and (ii) the administration of the Partnership, including (A) the charges and expenses of legal advisers, accountants and auditors, (B) brokers' commissions (if any), borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions, (C) all entity-level taxes and corporate fees payable to governments or agencies, (D) interest on borrowings, including borrowings from prime brokers and custodians, (F) communication expenses with respect to investor services and all expenses of meetings of Limited Partners and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (G) the cost of insurance (if any) for the benefit of the General Partner, (H) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (I) fees and expenses in connection with the prime broker and custodian and (J) all other operating expenses of the Partnership (together, "**Operating Expenses**").

In addition to the General Partner's receipt of the Incentive Allocation, the Partnership shall be solely responsible for and shall pay the following fees and expenses incurred by the General Partner in connection with the provision of its investment management services to the Partnership, including, for the avoidance of doubt and without limitation, (a) the costs of research and market analysis, (b) the costs of travel, including a vehicle to be used in connection with business purposes, and entertainment in connection with due diligence visits to the issuers of securities in which the Partnership has invested or may invest, (c) all data, connectivity, terminal usage and similar fees and expenses imposed by securities data vendors retained by the General Partner in connection with research and market analysis on behalf of the Partnership, and (d) all salaries, bonuses and employee benefit expenses of employees of the General Partner and a pro rata share of office overhead (including rent, utilities and other similar items) resulting from the activities of such employees in connection with middle and back office operations conducted by the General Partner on behalf of the Partnership, such as recording trades, interfacing with brokers and custodians to effect clearance and settlement of trades, trade reconciliation, and calculation of daily profit and loss as additional Operating Expenses.

Indemnification and Exculpation:

Under the Partnership Agreement, none of the General Partner, any affiliate of the General Partner, nor any officer, director, member, manager, employee or agent of the General Partner (each, an "**Indemnified Person**") will be liable in damages or otherwise to the Partnership or to any Limited Partner for any act or omission by it in connection with the Partnership's activities, except for any liability that results from the Indemnified Person's gross negligence, willful misconduct or fraud.

The Partnership will indemnify each Indemnified Person for any loss or damage incurred by the Indemnified Person in connection with the Partnership's activities, except for losses or damages that result from the gross negligence, willful misconduct or fraud of the Indemnified Person. The satisfaction of any indemnification will be from and limited to the assets of the Partnership, and no Limited Partner will have any personal liability therefor. The Partnership will also periodically reimburse Indemnified Persons for legal or other expenses incurred in connection with any proceeding in which they become involved relating to the Partnership Agreement or to the Partnership's business or affairs.

The General Partner and its affiliates may consult with legal counsel or accountants selected by each of them. Any act or omission by the General Partner or its affiliates on behalf of the Partnership, or in furtherance of Partnership business, in good faith in reliance on and in accordance with the advice of counsel or accountants will be full justification for the act or omission, and the Indemnified Person will be protected fully in so acting or

	omitting to act if the counsel or accountants were engaged, selected, monitored and retained with reasonable care. Nothing contained in the Partnership Agreement will constitute a waiver or limitation of any Limited Partner's rights under the U.S. federal and state securities laws.
Confidentiality:	The Limited Partners will be required to keep confidential all matters relating to the Partnership and its affairs (including communications from the General Partner or the Partnership), except as otherwise required by law. Notwithstanding anything to the contrary herein, each Limited Partner (and each employee, representative, or other agent of such Limited Partner) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Partnership and (ii) any of their transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Limited Partner relating to such tax treatment and tax structure.
Investments By Non-U.S. Investors	Investments from non-U.S. investors are permitted.
Term and Termination:	The Partnership will continue from year to year until dissolved. The Partnership may be dissolved at any time by the General Partner, in its discretion, upon thirty (30) days' prior written notice to the Limited Partners, whereupon the Partnership's affairs will be wound-up by the General Partner.
Amendments of the Partnership Agreement:	The terms of the Partnership Agreement may generally be amended with the approval of the General Partner and a majority in interest of the Limited Partners. The General Partner will have the right to amend any provision of the Partnership Agreement, without the approval of any Limited Partner, to make a change that: (i) is not materially adverse to any Limited Partner; (ii) is necessary or desirable in order for the Partnership, the General Partner or any affiliate of the General Partner not to be in violation of any material law, regulation or guideline applicable to the Partnership, the General Partner or an affiliate of the General Partner; or (iii) will, in the opinion of the General Partner in its sole and absolute discretion, likely adversely affect the Limited Partners in a material respect (including, without limitation, amendments to the Partnership's trading program, to fees charged to the Partnership by the General Partner, and to the liquidity terms of the Interests), provided that such amendment does not become effective until after the affected Limited Partners

have been given prior notice of such change and have had the opportunity following receipt of such notice to request a withdrawal from the Capital Accounts of the Interests so affected, and any such withdrawal requests have been effected.

Transferability of Interests:	A Limited Partner's Interest will not be assignable or transferable without the prior written consent of the General Partner, which consent may be given or withheld in its discretion, except for transfers that occur by operation of law. Transfers of Interests will be subject to certain additional restrictions set forth in the Partnership Agreement. Notwithstanding, Limited Partners shall hold any securities or interests for a minimum period of one year from the date of acquisition before being eligible for transfer, unless otherwise approved by the General Partner in writing.
Reports:	The Partnership will provide Limited Partners with an audited annual report and monthly reports of the Net Asset Value of the Partnership and each Limited Partner's Capital Account balance. The Partnership's annual report will include audited financial statements and will be delivered to the Limited Partners within one hundred and twenty (120) days of the fiscal year end. The Partnership's financial statements will be prepared in accordance with consistently applied GAAP. Promptly following the end of each month, the Partnership will deliver to each Limited Partner an estimate of the Partnership's Net Asset Value and the Limited Partner's Capital Account balance. These estimates will be computed net of the Management Fee and will reflect the accrued Incentive Allocation. A final monthly report will be sent to each Limited Partner within thirty (30) days of the end of the month. In addition to the foregoing reports, the General Partner may provide individual investors or groups of investors with more frequent disclosure or provide additional information not contained in the above mentioned reports.
Risk Factors and Potential Conflicts of Interest:	Investment in the Partnership entails a high degree of risk and investment results may vary substantially on a monthly, quarterly or annual basis. In addition, the General Partner and its affiliates may have potential conflicts of interest. For a discussion of these matters, prospective Limited Partners should refer to "*Risk Factors and Potential Conflicts of Interest.*"

Tax Aspects:	The Partnership operates as a partnership and not as an association or a publicly traded partnership taxable as a corporation for Federal tax purposes. Accordingly, the Partnership should not be subject to Federal income tax, and each Limited Partner will be required to report on its own annual tax return such Limited Partner’s distributive share of the Partnership’s taxable income or loss.
Auditors:	Harmonious Capital Administration
Administrator:	Harmonious Capital Administration
Custodian:	Velocity Clearing LLC & Goldman Sachs
Subscription Matters:	Persons interested in investing in the Partnership are required to complete and return to the General Partner a copy of the Subscription Agreement and Investor Questionnaire, which will be made available to each prospective Limited Partner. Prospective Limited Partners will make binding subscription commitments to the Partnership through the execution and delivery of the Subscription Agreement and Investor Questionnaire. Subscriptions for Interests may be accepted or rejected in whole or in part in the discretion of the General Partner. Under the terms of the Subscription Agreement and the Partnership Agreement, a Limited Partner must make its entire initial capital contribution to the Partnership on or prior to the closing date for the purchase of its Interest. Each Limited Partner is required to represent in the Subscription Agreement and Investor Questionnaire that the Interests to be acquired by it is for investment purposes only and not with a view to resale or distribution, as well as other customary private placement representations. Subscriptions will accepted only from persons who are (i) “accredited investors” as defined in Regulation D under the Securities Act, and (ii) “accredited investors” as defined in Section 2(a)(51)(A) of the Investment Company Act.

RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

An investment in the Partnership involves substantial risks, including but not limited to those described below. There can be no assurance that the Partnership's investment objective will be achieved or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly or annual basis. The Interests are a potentially suitable investment only for sophisticated investors for whom an investment in the Partnership does not represent a complete investment program and who, in consultation with their own investment and tax advisors, fully understand and are capable of assuming the risks of an investment in the Interests.

THE FOREGOING SPECIAL CONSIDERATIONS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS AND POTENTIAL CONFLICTS OF INTERESTS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS MUST READ THE ENTIRE PRIVATE PLACEMENT MEMORANDUM, AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISORS, BEFORE DETERMINING TO INVEST IN THE PARTNERSHIP.

Lack of Extensive Operating History

Although the principals of the General Partner include experienced investment professionals who have pursued the majority of the Partnership's investment strategies at other organizations, neither the Partnership nor the General Partner has an extensive operating history on which prospective investors may base an evaluation of future performance. The limited historical performance of the Partnership should not be viewed as a prediction of its future performance. There can be no assurance that the Partnership will achieve or sustain profitable operations.

Reliance on the Principals

The Limited Partners have no part in the management or control of the business of the Partnership and have no rights under any circumstances to make investment decisions or recommendations or to remove the General Partner. The success of the Partnership will depend in large part upon the skill and expertise of the principals of the General Partner. Although the General Partner believes the success of the Partnership is not dependent upon any one principal, there can be no assurance that any of the principals will continue to be associated with the General Partner. In the event that certain of the principals are no longer actively involved in the business of the General Partner, it is possible that a significant number of Limited Partners would exercise their withdrawal rights. There can be no assurance that the Partnership's portfolio could be liquidated in an efficient manner to accommodate these withdrawals, and the Partnership and its Limited Partners could experience losses as a result. In addition, there can be no assurance that sufficient Limited Partners would remain invested in the Partnership to make it feasible to continue the Partnership's investment operations.

Lack of Liquidity

The Interests are subject to restrictions on transferability and resale, and may not be transferred or resold except as permitted under the Partnership Agreement, the Securities Act and other applicable securities laws, pursuant to registration thereunder or exemption therefrom. The

Limited Partners should be aware of their limited rights to sell Interests in the Partnership and of the limited liquidity of an investment in the Partnership. Limited Partners should be aware that they will be required to bear the financial risks of an investment for an indefinite period of time. There is no public market for the Interests, and no such market is expected to develop in the future. In addition, withdrawals are limited pursuant to the Partnership Agreement.

Effect of Substantial Withdrawals

If there is a substantial demand for withdrawals, it may be more difficult for the Partnership to generate the same percentage level of profits operating on a smaller capital base. Moreover, the General Partner may find it difficult to adjust the Partnership's asset allocation and trading strategies to the reduced amounts of assets under management. The Partnership might have to liquidate its positions at an inappropriate time, or on unfavorable terms, to be able to fund Limited Partner withdrawals, potentially resulting in losses to the Partnership.

Suspension of Withdrawals

The right of any Limited Partner to make a withdrawal from the Partnership is subject to the provision by the General Partner for Partnership liabilities in accordance with generally accepted accounting principles and reserves for contingencies. In addition, the General Partner may, in its sole discretion during the existence of any state of affairs that, in the opinion of the General Partner, make the determination that the price, value or disposition of the Partnership's investments is impractical or prejudicial to the non-withdrawing Limited Partners.

Absence of Insurance and Regulation

The Interests offered hereby are not insured by any governmental or private agency, and they are not guaranteed by any public or private entity. Likewise, the Partnership is not regulated or subject to examination in the same manner as commercial banks and thrift institutions. The Partnership is not a commercial bank or savings/thrift institution.

Availability of Investment Strategies

The success of the Partnership's investment and trading activities will depend on the General Partner's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the capital markets. Identification and exploitation of the investment strategies to be pursued by the Partnership involves a high degree of uncertainty. No assurance can be given that the General Partner will be able to identify suitable investment opportunities in which to deploy all of the Partnership's capital. A reduction in the volatility of or supply-demand imbalances in the markets in which the Partnership will seek to invest, as well as other market factors (such as the entry of capital employed in similar strategies), may reduce the pool of profitable investment strategies for the Partnership.

Certain of the investment strategies employed by the Partnership are based on historical relationships among prices, exchange rates and interest rates. There can be no assurance that these historical relationships will continue and no representation is made by the General Partner as to what results the Partnership will or is likely to achieve based on these trends and relationships.

Investment Strategies May Evolve

While the General Partner intends generally to apply the investment strategy and investment process described herein, the General Partner may pursue a wide variety of investment strategies and may modify or depart from the investment strategy and investment process described herein if it identifies investment opportunities that it believes are sufficiently attractive on a risk/reward basis. In the event that the General Partner should choose to do so, the General Partner shall provide reasonable notice to Limited Partners of its intention to do so, permitting time for investor withdrawals.

Legal and Regulatory Risks

Legal and regulatory changes could occur which may adversely affect the Partnership or the General Partner. For example, the regulatory environment for hedge funds is evolving, and changes in the direct or indirect regulation of hedge funds may adversely affect the ability of the Partnership to pursue its investment objectives and/or trading strategies. In addition, certain jurisdictions have recently imposed restrictions and reporting requirements on short selling. Further, regulators and exchanges are authorized to regulate trading or other activities with respect to certain markets and may impose other restrictions that could have significant adverse effects on the Partnership's portfolio and the ability of the Partnership to achieve its investment objectives. The U.S. SEC, the U.S. Commodity Futures Trading Commission (the "**CFTC**"), other regulators and self-regulatory organizations and exchanges are authorized to intervene, directly and by regulation, in certain markets, and may restrict or prohibit market practices, such as the short-selling of certain stocks. The duration of such restrictions and type of securities affected may vary from country to country and may significantly affect the value of the Partnership's holdings and its ability to pursue its investment strategies. The effect of any regulatory change on the Partnership could be substantial and adverse.

In 2010, the U.S. Congress passed financial reform legislation known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which includes provisions that impose additional regulations on advisers registered under the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), such as the General Partner. The Dodd-Frank Act includes requirements to keep records and to report information to the SEC, which could in turn be supplied to the Federal Reserve Board, a federal systemic risk oversight council, or other U.S. governmental agencies or the U.S. Congress. Certain financial institutions deemed to be systemically relevant, including hedge funds and private equity funds, could be subject to systemic risk regulation such as capital, leverage, or risk-based requirements and registration with the Federal Reserve Board, among other things. These requirements and other potential increases in regulation may require a significant amount of time and attention from the staff of the General Partner, impose additional costs and could place restrictions on the investment or other operations of the Partnership or the General Partner.

Investing in Europe over the past decade has been subject to regulatory changes, most notably the Markets in Financial Instruments Directive II and Markets in Financial Instruments Regulation, the implementation of which is ongoing throughout the European Union member states. This directive and regulation introduced more extensive requirements for most firms engaged in financial services and investment in the European markets, including regulatory measures involving short selling. The regulatory landscape in Europe continues to evolve, and significant changes in such regulation may adversely affect the Partnership and its investments. It is difficult to foresee what additional interim or permanent government restrictions may be imposed on the markets or the effect of such restrictions on the Partnership.

Diversification

The Partnership's concentration target limits will be determined pursuant to the General Partner's overall risk control system, and their efficacy will be subject to the risks relating to the system. See "*—Risk Control Framework*" below. To the extent the General Partner concentrates the Partnership's investments in a particular issuer, security, market or investment strategy, or if the application of the risk control framework at any time has the effect of or indicates the appropriateness of the concentration, the Partnership's investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular issuer, security, market or investment strategy.

Use of Borrowed Funds and Other Forms of Financial Leverage

The Partnership may borrow on a secured or unsecured basis for any purpose, including to increase investment capacity, cover operating expenses and make redemption payments or for clearance of transactions. The Partnership intends to make extensive use of borrowed funds in its investment activities. The Partnership may issue debt obligations that are senior to the equity of the Partners but subordinated to the Partnership's general creditors, either to raise additional capital or to satisfy withdrawals without liquidating the assets of the Partnership. There are no limits on the amount of borrowing, gearing or leverage that the Partnership may use.

The interest expense and other costs incurred in connection with the borrowing may exceed the income earned on the investments purchased or carried with borrowed funds. Gains realized with borrowed funds may cause the Partnership's Net Asset Value to increase at a faster rate than would be the case without borrowings. Leverage is a two-edged sword, however, and the presence of leverage could result in the Partnership's Net Asset Value decreasing faster than if there had been no borrowings. In addition, unanticipated increases in applicable margin requirements could adversely affect the liquidity of the Partnership and, therefore, adversely affect the Partnership's performance.

Illiquidity of the Partnership's Assets

The Partnership may invest in investment instruments that are subject to legal and other restrictions on transfer or for which no liquid market exists. Markets for relatively illiquid investments tend to be more volatile than markets for more liquid investments. To the extent the Partnership invests in illiquid assets, its ability to dispose of these assets at prices and times that it wishes to do so may be restricted. These risks will be more pronounced, and the Partnership may be affected by widening bid-offer spreads, if the Partnership is required to liquidate its positions to generate cash to fund withdrawals or meet other obligations. This liquidation may lead to the need for the Partnership to incur capital losses in connection with the disposition of assets to meet these cash requirements.

The Partnership may be adversely affected by a decrease in market liquidity in normally liquid markets. These market events may impair the Partnership's ability to adjust its positions, balance sheet and risk in response to trading losses or other adverse developments. The size of the Partnership's positions may magnify the effect of a decrease in market liquidity for the instruments traded by the Partnership. Changes in overall market leverage also may adversely affect the Partnership's positions (for example, due to changes caused by deleveraging or liquidations by other market participants of the same or similar positions).

Risks of Actively Trading Securities and Investments

The business of actively trading securities and investments involves numerous risks. If the Partnership's trades are delayed, the Partnership may be unable to effect the trade at the desired price, if at all. If the broker used by the Partnership to execute trades does not make fast, timely executions and confirmations of the Partnership's trades to the General Partner, then the General Partner will have no way of knowing whether the Partnership is in or out of a position and this lack of information about a trade can cause a loss to the Partnership. If the General Partner places an order to purchase or sell a particular security or investments "at the market rate" the Partnership is agreeing to purchase or sell the specific number of shares of that security at the price at which a matching sale or purchase can be found on the exchange at the time that the order is received on the trading floor of the exchange. If the broker used by the Partnership does not timely place the order and execute the trade, the Partnership may be purchasing or selling the security at a higher or lower price than the intended purchase or sale. This may result in part because the market price of the security can move quickly. The securities and investments held by the Partnership will regularly fluctuate in value; therefore, there can be no assurance that the Partnership will maintain a stable Net Asset Value over a short period of time. As a result, it is possible that a Limited Partner's request to withdraw his/her/its investment may ultimately be processed at a different Net Asset Value than the value at the time the request was originally received by the Partnership.

Convergence Risk

The Partnership expects to take long positions in investment instruments believed to be undervalued and short positions in investment instruments believed to be overvalued. If the perceived mispricings underlying the Partnership's trading positions were to fail to converge toward, or were to diverge further from, the relations expected by the General Partner, the Partnership would incur a loss.

Credit Risk

Because many purchases, sales, financing arrangements, securities lending transactions, and derivative transactions in which the Partnership will engage involve investment instruments that are not traded on an exchange but are instead traded between counterparties based on contractual relations, the Partnership is subject to the risk that a counterparty will not perform its obligations under the related contracts. Although the Partnership intends to enter into transactions only with counterparties which the General Partner believes to be creditworthy, will attempt to reduce its exposure through the use of two-way collateralized mark-to-market agreements and will pursue its remedies under any of these contracts, there can be no assurance that a counterparty will not default and that the Partnership will not sustain a loss on a transaction as a result.

In situations where the Partnership is required to post margin or other collateral with a counterparty, the counterparty may fail to segregate the collateral or may commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, the Partnership's collateral may be subject to the conflicting claims of the counterparty's creditors, and the Partnership may be exposed to the risk of a court treating the Partnership as a general unsecured creditor of the counterparty, rather than as the owner of the collateral.

The Partnership is subject to the risk that issuers of the investment instruments in which it invests and trades may default on their obligations under those investment instruments, and that certain events may occur that have an immediate and significant adverse effect on the value of those investment instruments. There can be no assurance that an issuer of an investment instrument in which the Partnership invests will not default, or that an event that has an immediate and significant adverse effect on the value of an investment instrument will not occur, and that the Partnership will not sustain a loss on a transaction as a result.

Transactions entered into by the Partnership may be executed on various U.S. and non-U.S. exchanges, and may be cleared and settled through various clearing houses, custodians, depositories and prime brokers throughout the world. Although the Partnership will attempt to execute, clear and settle the transactions through entities the General Partner believes to be sound, there can be no assurance that a failure by any such entity will not lead to a loss to the Partnership.

Contractual Risk

Because many transactions in which the Partnership will engage are traded between counterparties based on contractual relations, the Partnership is subject to the risk of failing to comply with these contracts or otherwise breaching their provisions. For example, these contracts may terminate upon the departure of a certain number of the principals, the fluctuation of the Net Asset Value beyond certain parameters, the termination of the General Partner as investment manager or other events or circumstances. The Partnership may sustain a loss on a transaction that terminates prematurely in accordance with the terms of the underlying contract.

Counterparty Insolvency

The Partnership's assets may be held in one or more accounts maintained for the Partnership by counterparties, including their prime brokers. There is a risk that any of such counterparties could become insolvent. The insolvency of the Partnership's counterparties is likely to impair the operational capabilities or the assets of the Partnership. Although the General Partner regularly monitors the financial condition of the counterparties it uses, if one or more of the Partnership's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the U.S. Securities Investor Protection Act or the U.S. Bankruptcy Code), there exists the risk that the recovery of the Partnership's securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, the Partnership may use counterparties located in various jurisdictions outside the United States. Such non-U.S. counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Partnership's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is difficult to assess the potential impact of their insolvency on the Partnership and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Partnership, which could be material.

Short Sales

A short sale involves the sale of a security that the Partnership does not own. To make delivery to the buyer, the Partnership must borrow the security, and the Partnership is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Partnership. When the Partnership effects a short sale, it may be obligated to leave the proceeds thereof with the broker and also deposit with the broker an amount of cash or other securities (subject to requirements of applicable law) that is sufficient under any applicable margin or similar regulations to collateralize its obligation to replace the borrowed securities that have been sold. If the price of the security sold short increases between the time of the short sale and the time the Partnership replaces the borrowed security, the Partnership will incur a loss; conversely, if the price declines, the Partnership will realize a gain. Any gain will be decreased, and any loss will be increased, by the transaction costs incurred in connection with the short sale. Although the Partnership's gain is limited to the price at which it sold the security short, its potential loss is theoretically unlimited because there is no limit on how much the price of a security may appreciate before the short position is closed out. In addition, the supply of securities which can be borrowed fluctuates from time to time. The Partnership may be subject to losses if a security lender demands return of the loaned security and an alternative lending source cannot be found, or if the Partnership is otherwise unable to borrow securities which are necessary to hedge its positions. In addition, purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. The extent to which the Partnership engages in short sales depends upon its investment strategy, and the Partnership has no policy limiting the amount of capital that it may deposit to collateralize its obligation to replace borrowed securities sold short.

Securities Lending

The Partnership may borrow and lend securities in the ordinary course of its business. Third parties that borrow securities from the Partnership may not be able to return these securities on demand (possibly causing the Partnership to default on its obligations to other parties) and may also default on the payment obligations owed to the Partnership in connection with such securities loans, potentially resulting in substantial losses to the Partnership. The Partnership may lose the entire value of the securities it lends to defaulting borrowers.

Exposure to Material Non-Public Information

From time to time, the General Partner may receive confidential or material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Partnership may be prohibited (by law, policy or contract) for a period of time from unwinding a position, establishing an initial position or taking any greater position, or from pursuing other investment opportunities related to the issuer. In the event of the foregoing, the Partnership will not be free to act upon any such information. Due to these restrictions, the Partnership may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Investments in Companies That the Partnership Does Not Control

Investments by the Partnership will include debt instruments and equity securities of companies that it does not control. Such instruments and securities may be acquired by the Partnership through market transactions or through purchases of securities directly from the issuer or other shareholders. Those investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Partnership does not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the Partnership's shares. In addition, the Partnership may make investments in which it shares control over the investment with co-investors, which may make it more difficult for the Partnership to implement its investment approach or exit the investment when it otherwise would. If any of the foregoing were to occur, the values of investments by the Partnership could decrease and its financial condition, results of operations and cash flow could suffer as a result.

Investments in Unlisted Securities

Although the Partnership invests primarily in listed securities, it may, on occasion, take long and short positions in unlisted securities of U.S. and non-U.S. companies. Because of the absence of any trading market for these investments, it may take longer or be more difficult to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by the Partnership. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. Such unlisted securities may also be difficult to value and such valuation may require the exercise of substantial discretion by the General Partner.

Exchange-Traded Funds

The Partnership may invest in ETFs. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed generally to correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, adversely affecting the value of an equity or fixed income ETF. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of their expenses and other factors.

Exchange-Traded Notes

The Partnership may also invest in ETNs. The value of ETNs may be subject to significant volatility and can fluctuate based on the performance of the underlying assets, indices, or strategies they are linked to. The Partnership's investments in ETNs may experience declines in value due to market conditions, which could result in substantial losses for investors. ETNs are also unsecured debt obligations issued by financial institutions. If the issuer of an ETN experiences financial difficulties or defaults on its obligations, the value of the ETN may decline or become worthless, regardless of the performance of the underlying index or asset. The Partnership may face a total loss of investment if an issuer defaults.

ETNs may have limited liquidity, especially in stressed market conditions. Although ETNs are traded on exchanges, there may be times when the market for an ETN is not active, which could make it difficult for the Partnership to sell its position without a significant impact on price. ETNs are also designed to provide returns that track a particular asset or index. However, due to fees, market conditions, or changes in the underlying index, ETNs may not perfectly track the performance of the underlying assets or index, leading to tracking errors and underperformance. If the Partnership uses leverage in conjunction with its ETN investments, this could magnify both the potential gains and losses. Leverage can amplify the impact of market volatility, resulting in more significant fluctuations in the value of the Partnership's investments and an increased risk of loss.

Emerging Markets Risk

The Partnership may invest in emerging markets. The risks of foreign investments are usually much greater for emerging markets. Emerging markets include those in countries defined as emerging or developing by the World Bank, the International Finance Corporation or the United Nations. Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. They are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging markets have far lower trading volumes and less liquidity than those in developed markets. Since these markets are often small, they may be more likely to suffer sharp and frequent price changes or long-term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. In addition, traditional measures of investment value used, such as price to earnings ratios, may not apply to certain small markets. Also, there may be less publicly available information about issuers in emerging markets than would be available about issuers in more developed capital markets, and such issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which U.S. companies are subject.

Many emerging markets have histories of political instability and abrupt changes in policies. As a result, their governments are more likely to take actions that are hostile or detrimental to private enterprise or foreign investment than those of more developed countries, including expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments. In the past, governments of such nations have expropriated substantial amounts of private property, and most claims of the property owners have never been fully settled. There is no assurance that such expropriations will not reoccur. In such an event, it is possible that the strategies could lose the entire value of their investments in the affected market. Some countries have pervasiveness of corruption and crime that may hinder investments. Certain emerging markets may also face other significant internal or external risks, including the risk of war, and ethnic, religious and racial conflicts. In addition, governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth. National policies that may limit the strategies' investment opportunities include restrictions on investment in issuers or industries deemed sensitive to national interests.

Emerging markets may also have differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other foreign or U.S. governmental laws or restrictions applicable to such investments. Sometimes, they may lack or be in the relatively early development of legal structures governing private and foreign investments and private property. In addition to withholding taxes on investment income, some countries with emerging markets may impose differential capital gains taxes on foreign investors.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the strategies will need to use brokers and counterparties that are less well capitalized, and custody and registration of assets in some countries may be unreliable. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognize ownership exists in some emerging markets, along with other factors, could result in ownership registration being completely lost. The Partnership would have to absorb any loss resulting from such registration problems and may not have any successful claim for compensation. In addition, communications between emerging market countries may be unreliable, increasing the risk of delayed settlements or losses of security certificates.

Turnover

The turnover rate of the Partnership's investment portfolio may be significant, potentially involving substantial brokerage commissions and fees and other transaction costs.

Risk Control Framework

The General Partner has implemented a risk control system to help the Partnership manage its risk exposure. No risk control system is fail-safe, and no assurance can be given that the General Partner's risk control framework will achieve its objective. The target risk limits developed by the General Partner will be based upon historical trading patterns for the investment instruments in which the Partnership trades and will rely upon pricing models for the behavior of the investment instruments in response to various changes in market conditions. No assurance can be given that the historical trading patterns will accurately predict future trading patterns or that the pricing models will necessarily accurately predict the manner in which the investment instruments are priced in financial markets in the future.

Business Continuity and Disaster Recovery

The Partnership depends on the efficient and uninterrupted operations of the computer network systems, software and data centers maintained by the General Partner and other service providers of the Partnership. These service providers may not have fully redundant systems. Their systems and operations could be exposed to damage or interruption from fire, natural disaster, power loss, telecommunications failure, unauthorized entry, computer viruses and acts of war and terrorism. In the event of a business continuity interruption, the Partnership could be adversely affected by the failure or inability of these service providers to provide necessary services and manage the Partnership's investments and operations.

Electronic Trading

The General Partner trades on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies, and trading limitations or requirements. There are also differences regarding qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risks with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail. Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure, which may adversely impact the trading activities of the Partnership.

Risk Models

The General Partner has developed and maintains proprietary risk models which seek to estimate risk and potential for returns based on numerous factors, including observed historical volatilities and correlations. These models, among other things, forecast relative returns for risk levels, volatilities of, and correlations among, strategies and investments. These models are also used to evaluate the long-term approximate annual targeted risk of the investment portfolio of the Partnership. The models used by the General Partner employ a combination of historical, fundamental, quantitative and qualitative inputs, including historical volatilities and correlations, which the General Partner believes reasonably approximate certain characteristics of the Partnership's investment portfolio. These models may, for a variety of reasons, fail to accurately predict relative returns for risk levels, volatilities of, and correlations among, strategies and investments. This may be because of scarcity of historical data with respect to certain strategies and investments, erroneous underlying assumptions, and incorrect estimates for certain data or other defects in inputs and the models, or due to the fact that future events may not necessarily follow historical norms.

Quantitative Strategies and Trading

The General Partner uses quantitative models that rely on patterns inferred from historical prices and other financial data in evaluating prospective investments. However, most quantitative models cannot fully match the complexity of the financial markets and, therefore, sudden and unanticipated changes in underlying market conditions can significantly affect the performance of the Partnership. Further, as market dynamics shift over time, a previously highly successful model may become outdated, perhaps without the General Partner recognizing that fact before substantial losses are incurred by the Partnership. Moreover, there are likely to be an increasing number of market participants who rely on models that may be similar to those used by the General Partner, which may result in a substantial number of market participants taking the same action with respect to an investment and some of these market participants may be substantially larger than the Partnership. Should one or more of these other market participants begin to divest themselves of one or more positions, a "correlation crisis" or "flash crash" independent of any fundamentals and similar to the crises that occurred in August 2007 and on May 6, 2010, could occur, thereby causing the Partnership to suffer material losses.

The General Partner's quantitative models have not been reviewed by third-party information technology consultants or vendors or subjected to other forms of third-party quality assurance. Therefore, these models may contain economic data or securities price data errors, mathematical or statistical errors, or computer coding errors or other errors that could produce results inconsistent with the intent of the personnel of the General Partner who designed the models. These errors may result in material losses to the Partnership before being discovered and may not in fact be discovered during the General Partner's ordinary, day-to-day operations, but may require extreme adverse events before manifesting themselves.

Risks Relating to Markets

As the securities and other investments in which the Partnership invests are traded on exchanges, the value of such investments and the risks associated therewith vary in response to events that affect such markets which are beyond the control of the Partnership. Market disruptions such as those that occurred during the fourth quarter of 1987, August 2007 and on May 6, 2010 could result in substantial losses to the Partnership.

There is no guarantee that securities can at all times provide continuously liquid markets in which the Partnership can close out its positions. The Partnership could experience delays and may be unable to purchase or sell securities. In that event, positions could also be closed out fully or partially without the Partnership's consent.

The General Partner may purchase a security that is or becomes illiquid for a variety of reasons (i.e., limited trading in the stock or limited number of securities holders). If a security becomes illiquid, a Limited Partner cannot easily convert their securities holdings into cash or purchase securities holdings with cash. Accordingly, if the Partnership is in a position in an illiquid security, it may not be able to sell that security at all or at the price the General Partner intended. Conversely, if a security is illiquid and the General Partner wants to purchase the security, the Partnership may not be able to purchase the security that the General Partner wants or at a favorable price and risks losing the opportunity to profit.

Conflicts of Interest

In addition to managing the activities of the Partnership, the General Partner may act as investment manager or general partner for other clients, accounts, funds and collective investment vehicles, including collective investment vehicles pursuing similar or varied investment strategies. Because the General Partner owes each of its clients a duty of fairness, the General Partner must avoid unfairly favoring some client accounts over others. Therefore, the General Partner will allocate investment opportunities among its clients in a manner that is fair and equitable. However, the General Partner may give advice, and take action, with respect to any of those clients, accounts, funds and collective investment vehicles that may differ from or be identical to the advice given, or the timing or nature of action taken, with respect to the Partnership. The General Partner, its affiliates, and the principals, officers, directors, managers, employees and agents of the General Partner and its affiliates may engage in transactions or investments, or cause or advise other clients to engage in transactions or investments, that may differ from or be identical to the transactions or investments engaged in by the General Partner for the Partnership's account. There can be no assurance that an investment opportunity which comes to the attention of the General Partner and its affiliates will not be allocated (i) wholly or primarily to another advisory client, with the Partnership being unable to participate in this investment opportunity or participating only on a limited basis, or (ii) wholly or primarily to the Partnership, with the other advisory client not sharing the risks of the investment. The Partnership could be disadvantaged because of activities conducted by the General Partner for the General Partner's other clients as a result of, among other things: legal restrictions on the combined size of positions which may be taken for all accounts managed by the General Partner, thereby limiting the size of the Partnership's position; and the difficulty of liquidating an investment for more than one account where the market cannot absorb the sale of the combined positions.

The General Partner may aggregate the Partnership's securities transactions with those of the General Partner's other clients that are being made simultaneously, if the General Partner believes aggregation is reasonably likely to result in an overall economic benefit to the Partnership and the General Partner's other clients in the aggregate. This belief may be based on an evaluation that the Partnership and the General Partner's other clients are benefited by relatively better purchase and sale prices, lower commission expenses, beneficial transaction timing and other similar factors. Purchase and sale orders may be combined for the Partnership and the General Partner's other clients with each entity paying its proportionate share of the total commission and paying or receiving its proportionate share of the total cost or sales proceeds. However, the aggregate order may not be filled in its entirety or may be filled at different times and prices. To address allocation of “split fills” (i.e., transactions filled at different prices throughout the trading day) or “partial fills” (i.e., transactions not filled in their entirety on the same trading day), the General Partner will rotate accounts on a daily cycle to determine which accounts will receive the most favorable fills for a given day. If the General Partner does not aggregate the Partnership’s transactions with the General Partner’s other clients, the Partnership and other advisory clients may be competing for similar positions and, depending on whose order is placed first, the difference in timing may result in some clients receiving better execution than others. From the standpoint of the Partnership, simultaneous identical portfolio transactions for the Partnership and the General Partner’s other clients may decrease the prices received, and increase the prices required to be paid, by the Partnership for its portfolio sales and purchases.

The General Partner may purchase property or obtain services from, sell property or provide services to, or otherwise deal with the General Partner, any Limited Partner or any person in which an investment has been, or is proposed to be made, or any affiliate of any such persons, provided that any such dealing shall be on terms no less favorable to the Partnership than would be obtained on an arm’s-length basis, as determined by the General Partner in good faith. Any affiliate of the General Partner who performs services for the Partnership will be entitled to be compensated by the Partnership, or reimbursed for any offering and organizational or operating and administrative expenses incurred on behalf of the Partnership.

Non-Arms’-Length Agreements

Certain agreements and arrangements, including those relating to compensation, expense reimbursements and indemnification between the Partnership and among the General Partner and its affiliates are not the result of arms’-length negotiations. The General Partner will determine whether the various affiliates of the General Partner and the Partnership are, in accordance with the terms of the Partnership Agreement, entitled to exculpation and indemnification.

Other Business Activities

Although the principal business of the General Partner and its principals and employees is alternative investment management, from time to time the General Partner’s principals and employees may serve on the boards of directors or as officers of entities whose businesses or activities are independent of the General Partner. Principals and employees may also serve on the boards of directors or as officers of companies in which the Partnership or other of the General Partner’s advisory clients invest. The General Partner and its principals and employees are permitted to engage in other business activities, including engaging in other business ventures and other investment partnerships whether or not they compete with the Partnership.

Standard of Care; Trade Error

Under the Partnership Agreement, no Indemnified Person will be liable in damages or otherwise to the Partnership or to any Limited Partner for any act or omission by it in connection with the Partnership’s activities, except for any liability that results from the Indemnified Person’s gross negligence, willful misconduct or fraud. This standard of care will result in the Partnership bearing the costs of any trade errors committed by the General Partner and its principals and employees, so long as the errors do not evidence gross negligence, willful misconduct or fraud. Examples of common trades errors committed by investment advisers include executing a purchase instead of a sale (or vice versa), marking a short sale as a long sale, purchasing or selling a security in the incorrect amount, or purchasing or selling the wrong security.

Portfolio Valuation

Valuations of the Partnership's investment instruments, which will affect the amount of the Incentive Allocation, may involve uncertainties and subjective determinations. Third-party pricing information may at times not be available regarding certain of the Partnership's securities, derivatives and other investments. A disruption in the secondary markets for the Partnership's portfolio investments may limit the ability of the Partnership to obtain accurate market quotations for purposes of valuing its portfolio investments and calculating its Net Asset Value. In addition, material events occurring after the close of a principal market upon which a portion of the securities or other assets of the Partnership are traded may require the General Partner to make a determination of the effect of a material event on the value of the securities or other assets traded on the market for purposes of determining the Net Asset Value on a valuation date. Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by the Partnership from time to time, the liquidation values of the Partnership's securities and other investments may differ significantly from the interim valuations of these investments derived from the valuation methods described herein. If the Partnership's valuations should prove to be incorrect, the Net Asset Value of the Partnership could be adversely affected. Absent bad faith or manifest error, valuation determinations in accordance with the Partnership's valuation policy will be conclusive and binding.

Effect of the Incentive Allocation

The General Partner's Incentive Allocation may create incentives for the General Partner to cause the Partnership to make investments that are riskier or more speculative than would be the case if the General Partner were paid only a fixed fee. In addition, since the Incentive Allocation is calculated on a basis that includes unrealized appreciation of the Net Asset Value of the Partnership, it may be greater than if it were based solely on realized gains. Moreover, to the extent that investment instruments are valued by the General Partner, these values will affect the Incentive Allocation to the General Partner and the Capital Account balances of the Limited Partners.

Execution of Securities Transactions

The General Partner is solely responsible for choosing the brokers or dealers used for each of the Partnership's securities transactions. In making its decisions regarding the allocation of brokerage transactions for its advisory clients (including the Partnership), the General Partner seeks to obtain the best execution, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer; (iv) the quality, comprehensiveness and frequency of available research services considered to be of value to the General Partner and its advisory clients (including the Partnership); (v) the value of brokerage services over and above trade execution provide to the General Partner and its clients; and (vi) the competitiveness of commission rates in comparison with other broker-dealers satisfying the General Partner's other selection criteria. Although the General Partner generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

The General Partner does not intend to seek lower brokerage commissions to the extent that doing so may detract from receiving valuable brokerage and research services. The commissions or equivalents charged by any one broker-dealer may be greater than the amount another firm would charge for executing the same transactions if the General Partner determines in good faith that the amount of such commissions is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer. Selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. These brokerage and research services are used to service all accounts advised by the General Partner.

The General Partner is authorized to use “soft dollars” to pay for brokerage and research services. Generally speaking, “soft dollar” arrangements are understood to be ones where products or services other than the execution of securities transactions are obtained by an investment adviser from a broker-dealer in exchange for the direction of client brokerage transactions to the broker-dealer. “Soft dollars” would be that portion of the brokerage commission that exceeds the lowest rate available from other broker-dealers for basic execution services. Payment of this excess amount is frequently referred to as “paying up.”

Where possible, the General Partner intends to comply with the “safe harbor” provided by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, which permits the use of soft dollars from commissions (i.e., “paying up”) to obtain “brokerage and research” services that provide lawful and appropriate assistance to the investment adviser in the performance of its investment decision-making responsibilities. Conduct outside the safe harbor afforded by Section 28(e) is subject to the applicable standards of fiduciary duty under applicable law and the Advisers Act. Notwithstanding the General Partner’s good faith determination that the amount of commissions paid is reasonable in relation to the value of brokerage and research services provided, to the extent that the General Partner uses commission dollars to obtain administrative and non-research assistance, the arrangements may be outside the parameters of Section 28(e).

The products and services available from brokers include both internally generated items (such as proprietary research reports prepared by employees of the broker-dealer), as well as items acquired by the broker-dealer from third parties (such as outside research prepared by third-party research firms, market data feeds, and computer software). Research services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; specialized financial publications; news, quotation, statistics and pricing services, as well as discussions with research personnel; and software, data bases and other technical services utilized in the investment management process. Brokerage services may include, but are not limited to, trade execution (including telecommunications services and equipment, algorithmic trading software, and direct market access systems), clearance, settlement and custody, securities lending and financing, and post-trade record keeping. Brokerage may also include “capital introduction” services (introductions between potential investors and the General Partner).

Relations with broker-dealers providing soft dollar services to the General Partner may influence the General Partner’s judgment in allocating brokerage business, and may create a conflict of interest in using the services of these broker-dealers to execute a client’s securities transactions.

The General Partner has an incentive to select or recommend a broker-dealer based on its interest in research or other products and services rather than the clients' interests in receiving the most favorable execution. While the General Partner believes the research and other services obtained will be beneficial to its clients, selecting broker-dealers on the basis of considerations other than applicable commissions may at times result in higher transaction costs than would otherwise be the case. The General Partner is expected to derive substantial direct and indirect benefit from these services, because when the General Partner uses client commissions to obtain research or other products and services, the General Partner does not have to produce or pay for the research or other products and services. It should be noted that there is a limited universe of broker-dealers capable of providing the execution services needed by the General Partner to pursue its strategies, and that the General Partner may have a limited ability to negotiate a reduction of commissions on its clients' brokerage transactions, especially in certain products and markets.

The General Partner does not pay broker-dealers separately for research services but receives these services from broker-dealers that execute securities transactions on behalf of its clients. If a particular broker-dealer's research services were significant in making an investment decision, the resulting securities transactions may be directed to that broker-dealer, assuming that the commissions charged are reasonable in relation to the value of the brokerage and research services provided. The General Partner has a policy of not pre-committing a specific amount of commissions to broker-dealers that provide research services. In any particular instance, a given client may or may not be the direct or indirect beneficiary of the research services provided, and these research services may, in fact, benefit the General Partner in its other investment activities, even though the client bears the attendant soft dollar costs.

As noted above, the General Partner executes securities transactions with multiple executing brokers, many of whom provide the General Partner with access to proprietary research and brokerage services (e.g., standard investment, securities and economic research and credit reports, securities price and market data, and direct voice and data lines), which are used to service all accounts at the General Partner. To the best of the General Partner's knowledge, these services are generally made available to all institutional investors doing business with these broker-dealers. These bundled services are made available to the General Partner on an unsolicited basis and without regard to the rates of commissions charged or paid by the General Partner's clients or the volume of business the General Partner directs to these broker-dealers. Since these products and services are merely made available by broker-dealers as part of a bundled business package to the General Partner, who may or may not use them, it is the General Partner's understanding that broker-dealers do not set discrete prices for these products and services. Accordingly, the General Partner does not separately compensate these broker-dealers for the provision of these services and does not believe that it "pays-up" for the broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for the services in question.

Capital Introduction

Prime brokers used by the Partnership for financing, clearing, settlement and custody may provide "capital introduction" services as part of the overall prime brokerage service offering. These bundled services are made available to the General Partner on an unsolicited basis and without regard to the rates of commissions charged or paid by the General Partner's clients or the volume of business the General Partner directs to these broker-dealers. The General Partner has an incentive to recommend selection or retention of a prime broker based on capital introduction services rather than in the clients' interests in receiving the most favorable execution. The General Partner's recommendation to the Partnership to select or maintain prime brokers was not based primarily on the prime brokers' provision of these capital introduction services and this was at most an incidental consideration.

Principal and Agency Cross Transactions

In accordance with applicable legal requirements, the General Partner may, on behalf of a client, purchase securities or other instruments from, or sell securities or other instruments to, the General Partner or any of its affiliates, and the General Partner or any of its affiliates may be authorized to engage in transactions in which one of them acts as a broker for both the client and its investors, on the one hand, and for another person on the other side of the transaction, on the other hand, which may be another client. In this event, the General Partner or its affiliates may have a potential conflicting division of loyalties and responsibilities regarding both parties to these transactions. Where the consent of the client is required under Section 206(3) of the Advisers Act, the consent may be given by client's management, an independent representative, or an investor advisory committee acting on behalf of the client.

The General Partner may also enter into "rebalancing" transactions between investment funds when contributions or withdrawals of capital to or from the investment funds change the ratio of assets of one investment fund to another. The purpose of the rebalancing transactions is to bring each investment fund's exposure to a commonly held investment into line with the investment fund's percentage of total risk-adjusted capital. An investment fund could be a purchaser or a seller in these rebalancing transactions. All rebalancing transactions are effected at the prevailing market price, and if executed through a broker, generally do not involve any brokerage commission fee (except for customary transfer fees, or in the case of certain markets where customary brokerage fees must be paid) or other remuneration.

Recourse to the Partnership's Assets

The Partnership's assets, including any investments made by the Partnership and any funds held by the Partnership, are available to satisfy all liabilities and other obligations of the Partnership. If the Partnership becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Partnership's assets generally and not be limited to any particular asset, such as the asset representing the investment giving rise to the liability. Accordingly, Limited Partners could find their interests in the Partnership's assets adversely affected by a liability arising out of an investment in which they did not participate, such as a "new issues" investment.

U.S. Investment Company Act of 1940

The Partnership will not be subject to the provisions of the Investment Company Act applicable to "investment companies." These provisions, among other things: (i) place restrictions on certain investment practices, such as short sales and leverage, (ii) require investment companies to have a majority of disinterested directors, (iii) require securities held in custody for the account of the investment company to be segregated from the securities of any other person and marked to clearly identify the securities as the property of the investment company, and (iv) regulate the relationship between the investment company and its investment adviser and affiliates.

CERTAIN REGULATORY CONSIDERATIONS

U.S. Securities Act of 1933

The Interests have not been and will not be registered under the Securities Act. The Interests are being offered in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and Rule 506(c) of Regulation D promulgated thereunder. Each prospective investor will be required to represent, among other customary private placement representations, that it is an "accredited investor" as defined in Regulation D, and is acquiring an Interest for its own account for investment purposes only and not for resale or distribution. The Interests may not be transferred or resold except as permitted under the Partnership Agreement and unless registered under the Securities Act or pursuant to an exemption from registration. In light of the restrictions imposed on a transfer of the Interests, an investment in the Partnership should be viewed as illiquid and subject to risk.

U.S. Investment Company Act of 1940

The Partnership will be exempt from the provisions of the Investment Company Act, pursuant to the exemption contained in Section 3(c)(7) thereunder. Section 3(c)(7) exempts issuers who are not making and do not presently propose to make a public offering of their securities and whose outstanding securities are beneficially owned solely by "accredited investors" as defined in Section 2(a)(51)(A) of the Investment Company Act. To ensure that the Partnership may rely upon this exemption, the Partnership will obtain appropriate representations and undertakings from its investors.

U.S. Investment Advisers Act of 1940

The General Partner is registered with the SEC as an investment adviser under the Advisers Act.

U.S. Employee Retirement Income Security Act of 1974

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Before authorizing an investment in the Partnership, fiduciaries of pension, profit-sharing or other employee benefit plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (an "ERISA Plan" and "ERISA," respectively), should consider (i) the fiduciary standards under ERISA, (ii) whether the investment in the Partnership satisfies the prudence and diversification requirements of ERISA, including whether the investment is prudent in light of limitations on the marketability of interests in the Partnership, and (iii) whether the fiduciaries have the authority to make the investment under the appropriate plan investment policies and governing instruments and under Title I of ERISA. Fiduciaries of an Individual Retirement Account ("IRA") should also consider that an IRA may make only investments that are authorized by the appropriate governing instrument.

Any ERISA Plan or IRA fiduciary should also consider (i) prohibitions in ERISA relating to improper delegation of control over or responsibility for "plan assets," (ii) prohibitions in ERISA and in the U.S. Internal Revenue Code of 1986, as amended (the "Code") relating to an ERISA Plan or an IRA engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the plan, and (iii) other provisions in ERISA dealing with "plan assets." These prohibited transaction provisions are complex and may prohibit an investment in the Partnership by certain ERISA Plans and IRAs.

Under the Pension Protection Act of 2006, the U.S. Department of Labor has been authorized to adopt regulations relating to the definition of "plan assets." However, under any such regulations, the assets of any entity shall not be treated as "plan assets" if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by "benefit plan investors." The term "benefit plan investor" is defined in the Pension Protection Act of 2006 and means an employee benefit plan subject to Part 4 of Subtitle B of Title I of ERISA, any plan to which Section 4975 of the Code applies, and any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. The definition of benefit plan investor does not, by its terms, include pension or benefit plans not subject to Part 4 of Subtitle B of Title I of ERISA, such as church plans, governmental plans and non-U.S. employee pension and benefit plans.

If the assets of the Partnership were deemed to be "plan assets" of ERISA Plans or IRAs that are Limited Partners, Subtitle A and Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code would extend to investments made by the Partnership. This would result, among other things, in (i) the application of the prudence and other fiduciary standards of ERISA (which impose liability on fiduciaries) to investments made by the Partnership, which would materially affect the operations of the Partnership, (ii) potential liability of persons having investment discretion over the assets of ERISA Plans investing in the Partnership should investments made by the Partnership not conform to ERISA's prudence and fiduciary standards under Part 4 of Subtitle B of Title I of ERISA, unless certain conditions are satisfied, and (iii) the possibility that certain transactions that the Partnership might enter into in the ordinary course of its business and operations might constitute "prohibited transactions" under ERISA and the Code. A prohibited transaction, in addition to imposing potential personal liability upon fiduciaries of ERISA Plans, may also result in the imposition of an excise tax under the Code upon the party in interest or disqualified person with respect to the ERISA Plan or IRA.

If equity participation in the Partnership by benefit plan investors resulted in 25% or more of the total value of any class of equity interests in the Partnership being held by "benefit plan investors," the assets of the Partnership could be deemed to be assets of ERISA Plans and IRAs investing in the Partnership. If the assets of the Partnership were deemed to constitute the assets of an investing ERISA Plan, the investment of the ERISA plan's assets in the Partnership could give rise to an unauthorized delegation of fiduciary responsibility and transactions involving the assets of that Partnership could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code and other provisions of ERISA. Similarly, the assets of IRAs investing in the Partnership could be subject to the prohibited transaction provisions of Section 4975 of the Code.

Accordingly, the General Partner will use its reasonable best efforts to adopt procedures with the intent to limit participation by or on behalf of benefit plan investors so that equity participation in the Partnership by benefit plan investors will not equal or exceed 25% of any class. The General Partner reserves the right to cause a Limited Partner to withdraw all or any portion of its Capital Account balance in order to ensure that participation by or on behalf of benefit plan investors will not equal or exceed 25% of any class. In order to limit equity participation in the Partnership by benefit plan investors to less than 25% of any class, investors in the Partnership will be required to identify the portion, if any, of their investment being made with assets of a benefit plan. In addition, to the extent that the investor is an insurance company acting on behalf of its general account, the investor must (i) represent and warrant to the Partnership, as of the date it acquires Interests, that less than 25% of the assets of its general account (as determined in accordance with the methodology set forth in PTE 95-60) constitute assets of benefit plan investors, and (ii) agree that, at any time after its initial investment, for so long as it holds Interests in the Partnership, and upon the request of the Partnership, it will represent and warrant as of that time that less than 25% of the assets of its general account (as determined in accordance with the methodology set forth in PTE 95-60) constitute assets of benefit plan investors.

Potential employee benefit plan investors should consult with their respective counsel regarding the consequences under ERISA or other similar statutes of their acquisition and ownership of Interests of the Partnership.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS AND POTENTIAL CONFLICTS OF INTEREST INVOLVED IN THIS OFFERING OR AN INVESTMENT IN THE PARNTERSHIP. IN ADDITION, AS THE PARTNERSHIP'S INVESTMENT PROGRAM DEVELOPS AND CHANGES OVER TIME, AN INVESTMENT IN THE PARTNERSHIP MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISK FACTORS AND CONFLICTS.

THE TAX ASPECTS OF THE PARTNERSHIP SUMMARIZED ABOVE ARE GENERAL IN NATURE, AND THIS DISCUSSION IS NOT INTENDED TO INCLUDE A COMPLETE EXPLANATION OF THE FEDERAL INCOME TAX RESULTS OF INVESTING IN THE PARTNERSHIP. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN TAX ADVISOR FOR DETAILED INFORMATION.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, INVESTORS ARE HEREBY NOTIFIED THAT (I) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED ON, AND CANNOT BE RELIED ON BY ANY INVESTOR OR ANY OTHER PERSON, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE CODE; (II) THAT DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING (WITHIN THE MEANING OF IRS CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (III) EACH INVESTOR SHOULD SEEK ADVICE BASED ON THE INVESTOR'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.