Name of Offeree: _____ Copy No. _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

THE INSIDERS FUND, L.P.

A Delaware Limited Partnership

LIMITED PARTNERSHIP INTERESTS

MINIMUM INVESTMENT: $200,000

GENERAL PARTNER:

ALPHA WEALTH FUNDS

JUNE, 2017

The Insiders Fund, L.P.

1887 Gold Dust Lane, Ste. 203A
Park City, UT 84060

This Confidential Private Placement Memorandum (the "***Memorandum***") has been prepared on a confidential basis and is intended solely for the use of the recipient named on the cover hereof in connection with this offering. Each recipient, by accepting delivery of this Memorandum, agrees not to make a copy of the same or to divulge the contents hereof to any person other than a legal, business, investment or tax advisor in connection with obtaining the advice of any such persons with respect to this offering.

The Memorandum relates to the offering (the "***Offering***") of limited partnership interests (the "***Interests***" or "***Partnership Interests***") of The Insiders Fund, L.P., a Delaware limited partnership (the "***Partnership***"). Partnership Interests are suitable only for sophisticated investors (a) who do not require immediate liquidity for their investments, (b) for whom an investment in the Partnership does not constitute a complete investment program and (c) who fully understand and are willing to assume the risks involved in the Partnership's investment program. The Partnership's investment practices, by their nature, involve a substantial degree of risk. See "*Investment Program*" and *"Risk Factors*." The Offering is made only to certain qualified investors. See "*Qualification of Investors*." Prospective investors should carefully consider the material factors described in "*Risk Factors*," together with the other information appearing in this Memorandum, prior to purchasing any of the Partnership Interests offered hereby.

THE PARTNERSHIP INTERESTS OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "*SEC*" OR "*COMMISSION*") OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE COMMISSION OR ANY SUCH AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE PARTNERSHIP INTERESTS ARE BEING OFFERED PURSUANT TO EXEMPTIONS FROM REGISTRATION WITH THE COMMISSION AND STATE SECURITIES REGULATORY AUTHORITIES; HOWEVER, NEITHER THE COMMISSION NOR ANY STATE SECURITIES REGULATORY AUTHORITY HAS MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREIN ARE EXEMPT FROM REGISTRATION.

THE INFORMATION IN THIS MEMORANDUM IS GIVEN AS OF THE DATE ON THE COVER PAGE, UNLESS ANOTHER TIME IS SPECIFIED, AND INVESTORS MAY NOT INFER FROM EITHER THE SUBSEQUENT DELIVERY OF THIS MEMORANDUM OR ANY SALE OF INTERESTS THAT THERE HAS BEEN NO CHANGE IN THE FACTS DESCRIBED SINCE THAT DATE.

This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Partnership Interests by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

No offering literature or advertising in any form other than this Memorandum and the agreements and documents referred to herein shall be considered to constitute an Offering of the Interests. No person has been authorized to make any representation with respect to the Partnership Interests except the representations contained herein. Any representation other than those set forth in this Memorandum and any information other than that contained in documents and records furnished by the Partnership upon request, must not be relied upon. This Memorandum is accurate as of its date, and no representation or warranty is made as to its continued accuracy after such date.

Sales of Partnership Interests may be made only to investors deemed suitable for an investment in the Partnership under the criteria set forth in this Memorandum. The Partnership reserves the right, notwithstanding any such offer, to withdraw or modify the Offering and to reject any subscriptions for the Partnership Interests in whole or in part for any or no reason.

The Partnership Interests being offered have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), and have not been registered under the securities laws of any state, but are being offered and sold for purposes of investment and in reliance on the statutory exemptions contained in Sections 4(2) and/or 3(b) of the Securities Act and in reliance on applicable exemptions under state securities laws. Such Partnership Interests may not be sold, pledged, transferred or assigned except in a transaction which is exempt under the Securities Act and applicable state securities laws, or pursuant to an effective registration statement thereunder or in a transaction otherwise in compliance with the Securities Act, applicable state securities laws, this Memorandum and the Partnership's Limited Partnership Agreement. THERE IS NOT A PUBLIC MARKET FOR THE PARTNERSHIP INTERESTS AND NONE IS EXPECTED TO DEVELOP IN THE FUTURE.

The Partnership is not registered as an investment company under the Investment Company Act of 1940, as amended (the "***Investment Company Act***"), in reliance upon Section 3(c)(1) thereof. As a result of its reliance upon Section 3(c)(1), the Partnership Interests may not at any time be owned by more than 100 beneficial owners (as determined under the Investment Company Act).

Prospective investors are invited to meet with their advisors to discuss, and to ask questions and receive answers, concerning the terms and conditions of this Offering of the Interests, and to obtain any additional information, to the extent the General Partner or its delegate possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein.

NASAA Uniform Disclosure:

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN

RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

CFTC Matters

WHILE THE PARTNERSHIP WILL TRADE COMMODITY FUTURES AND/OR COMMODITY OPTIONS CONTRACTS, THE GENERAL PARTNER IS EXEMPT FROM REGULATION AS A COMMODITY POOL OPERATOR ("***CPO***") WITH THE COMMODITY FUTURES TRADING COMMISSION ("***CFTC***") PURSUANT TO CFTC RULE 4.13(a)(3) WITH RESPECT TO THE PARTNERSHIP. THEREFORE, UNLIKE A NON-EXEMPT CPO, THE GENERAL PARTNER IS NOT REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE LIMITED PARTNERS, NOR IS IT REQUIRED TO PROVIDE LIMITED PARTNERS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOs.

THE GENERAL PARTNER QUALIFIES FOR THE EXEMPTION UNDER CFTC RULE 4.13(a)(3) ON THE BASIS THAT, AMONG OTHER THINGS (I) EACH LIMITED PARTNER IS EITHER: (A) AN "ACCREDITED INVESTOR" AS DEFINED UNDER SECURITIES AND EXCHANGE COMMISSION RULES, (B) A TRUST FORMED BY AN "ACCREDITED INVESTOR" FOR THE BENEFIT OF A FAMILY MEMBER, (C) A NATURAL PERSON WHO IS A "QUALIFIED ELIGIBLE PERSON" AS DEFINED IN CFTC RULE 4.7(a)(2) OR (D) A NON-NATURAL PERSON THAT IS A "QUALIFIED ELIGIBLE PERSON" AS DEFINED UNDER CFTC RULE 4.7; AND (II) THE PARTNERSHIP MEETS ONE OF THE FOLLOWING TWO TESTS: (A) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH COMMODITY INTEREST POSITIONS DO NOT EXCEED 5% OF THE LIQUIDATION VALUE OF THE PARTNRSHIP'S PORTFOLIO, OR (B) THE AGGREGATE NET NOTIONAL VALUE OF SUCH POSITIONS DOES NOT EXCEED 100% OF THE LIQUIDATION VALUE OF THE PARTNERSHIP'S PORTFOLIO.

YOU SHOULD BE AWARE THAT THIS COMMODITY POOL MAY TRADE NON-U.S. FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS THAT OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS.

FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-U.S. JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

Florida Residents:

IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE (3) DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

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EXECUTIVE SUMMARY

The Insiders Fund, L.P., was organized as a Delaware limited partnership (the "***Partnership***") on January 15, 2010 to operate as a private investment partnership. The Partnership's investment objective is to employ high turnover to maximize return on capital.

ALPHA WEALTH FUNDS, a limited liability company, serves as the general partner (the "***General Partner***") of the Partnership. Under the Partnership's Limited Partnership Agreement (as the same may be amended, supplemented or revised from time to time, the "***Partnership Agreement***"), the General Partner is primarily responsible for the management of the Partnership. The office of the General Partner is located at 1887 Gold Dust Lane, Ste.203A, Park City, UT 84060 and its telephone number is 435.658.1934. The managing member of the General Partner is Harvey Sax.

The Partnership is presently accepting subscriptions from a limited number of sophisticated investors (as described in the "*Summary of Key Terms*," below), generally in minimum amounts of not less than $200,000. The Partnership will generally accept capital contributions as of the first business day of any calendar month, or at any other time the General Partner chooses to accept such initial or additional contributions.

Investors in the Partnership will generally be subject to (i) a monthly management fee, payable in advance equal to 1/12 of 2% of such investor's capital account balance as of the beginning of such month; and (ii) an annual performance allocation equal to 20% of each investor's ratable share of the Partnership's profits for such year, but only to the extent that such profits exceed such investor's "high water mark."

Investors will generally be permitted to make withdrawals of capital as of the close of business on the last day of each month, *provided* the withdrawing investor notifies the General Partner not less than 30days in advance of the applicable withdrawal date of its intent to make a withdrawal.

DIRECTORY

The Partnership:	The Insiders Fund, L.P. c/o ALPHA WEALTH FUNDS 1887 Gold Dust Lane,Ste 203A Park City, UT 84060 Tel: 435-658-1934 Fax: 206-984-4109
Legal Advisor:	The Investment Law Group of Gillett Mottern & Walker LLP 1230 Peachtree Street, NE Suite 2445 Atlanta, GA 30309 Tel: 404-607-6940 Fax: 678-840-2126
Prime Broker:	TradeStation Prime Services New York Office 400 Madison Avenue Suite 12A New York, NY 10017 (212) 847-5900
Administrator:	Fund Associates, LLC 1230 Peachtree Street, NE Suite 2445 Atlanta, GA 30309 Tel: 404-607-6945 Fax: 678-840-2126
Accountant:	Akram & Associates 201 Shannon Oaks Circle Suite 200 Cary, NC 27511 Phone: (919) 654-6900 www.aifundservices.com

INVESTMENT PROGRAM

Investment Objective

The Partnership's investment objective is to employ high turnover to maximize return on capital. The Fund views its capital as its inventory, seeking to find that equilibrium between the most efficient inventory turnover and maximum ROI.

Investment Strategy

THE INSIDERS FUND is a long-short equity fund. This strategy involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. The General Partner intends to invest exclusively in "Level I" assets such as stocks, bonds, publicly traded funds, or any other assets that have a regular "mark-to-market" mechanism for pricing.

The General Partner maximizes returns by constantly evaluating portfolio holdings for daily or even intra-day price movements utilizing it's proprietary technical buy and sell algorithms as part of its trading strategy. All positions are reviewed daily with the philosophy of starting each day from the previous night's close, not the original cost. The General Partner will often trade the same security multiple times, opportunistically buying and exiting in order to generate superior performance. Therefore, it is likely that the Partnership will generate mostly short-term capital gains and losses. This is not to be confused with day trading, as all positions are analyzed from a fundamental, and not strictly technical, point of view.

Fundamental analysis starts with the precept that no one knows a business as well as the people running it. The General Partner therefore prefers, but is not restricted, to trade securities or sectors that have significant insider purchases or unusual selling patterns. The General Partner deploys a 10-point checklist that includes but not limited to discounted cash flow valuation, PEG and PE ratios, analyst opinions as well as significant catalysts; such as adverse or positive litigation outcomes, drug and medical invention approvals or denials, and patent disputes.

As an opportunistic long/short hedge fund, the General Partner occasionally uses leverage in Partnership investments. The Fund has no mandate to be invested at all times and may hold large cash balances and/or hedge positions with futures, options, ETFs, and/or derivatives.

Possible Master-Feeder Structure in the Future

In the future, the General Partner or affiliated entities may sponsor the formation of an offshore company (the "***Offshore Feeder***") which will offer its interests primarily to non-U.S. individuals and U.S. tax-exempt entities. In such event, the Partnership, together with the

Offshore Feeder (when and if established), will place all or substantially all of its assets in, and conduct its investment activities primarily through, a master fund structured as an offshore company or limited partnership (the "***Master Fund***") utilizing a "Master-Feeder" structure. When and if such events occur, the General Partner or an affiliate will serve as the investment manager to the Offshore Feeder and the Master Fund and will conduct the investment activities of the Master Fund, managing its day-to-day activities. The Partnership and the Offshore Feeder would participate on a *pro rata* basis in the profits and losses of the Master Fund and would bear a *pro rata* portion of all expenses of the Master Fund based on the net asset value of their respective interests in the Master Fund. The purpose of establishing the Master Fund would be to achieve trading and administrative efficiencies.

Limits of Description of Investment Program

The General Partner is not limited by the above discussion of the investment program. Further, the investment program is a strategy as of the date of this Memorandum only. The General Partner has wide latitude to invest or trade the Partnership's assets, to pursue any particular strategy or tactic, although the General Partner will only cause a material change to the Partnership's investment strategy with the consent of a majority in interest of Limited Partners. The investment program imposes no significant limits on the types of instruments in which the General Partner may take positions, the type of positions it may take, its ability to borrow money, or the concentration of investments. The foregoing description is general and is not intended to be exhaustive. Prospective investors must recognize that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality, and subjectivity of such processes. In addition, the description of virtually every trading strategy must be qualified by the fact that trading approaches are continually changing, as are the markets invested in by the General Partner.

There can be no assurance that the Partnership will achieve its investment objective or avoid substantial losses. An investor should not make an investment in the Partnership with the expectation of sheltering income or receiving cash distributions. Investors are urged to consult with their personal advisers before investing in the Partnership. Because risks are inherent in all the investments in which the Partnership engages, no assurances can be given that the Partnership's investment objectives will be realized.

MANAGEMENT OF THE PARTNERSHIP

ALPHA WEALTH FUNDS, a limited liability company, serves as the General Partner of the Partnership. Under the Partnership Agreement, the General Partner is primarily responsible for the management of the Partnership. The office of the General Partner is located at 188 Gold Dust Dr,., Suite 203A, Park City, UT 84098 and its telephone number is 435.658.1934. The managing member of the General Partner is Harvey Sax (the "***Principal***"). A biography of the Principal is set forth below.

The General Partner is not registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the "***Advisers Act***"), but is registered as an investment adviser in Utah.

The General Partner is not currently registered as a commodity pool operator ("***CPO***") or as a commodity trading advisor under the Commodity Exchange Act ("***CEA***") in reliance on the exemption under Commodity Futures Trading Commission ("***CFTC***") Rule 4.13(a)(3). The General Partner has filed a Notice of Claim for Exemption with the National Futures Association ("***NFA***") with respect to the Partnership pursuant to CFTC Rule 4.13(b)

Harvey Sax. *Principal.* Mr. Sax has a broad background in the technology and financial services industries. He has served as a Vice President and Senior Vice President at such firms as Bear Stearns, Paine Webber, D. Blech & Co. and Oppenheimer. Mr. Sax was the founder and CEO of one of the first publicly traded Internet companies, highlighted by Deloitte & Touche naming it as #219 in the 500 Fastest Growing Tech Companies in 2000. Having sat at most seats at the investment table, Mr. Sax's view is uniquely shaped by his 360° perspective. Mr. Sax has spent the last nine years managing personal investments.

Partnership Interests held by the General Partner and its affiliates will not be subject to the Management Fee or the Performance Allocation (as such terms are defined elsewhere in this Memorandum), but will share *pro rata* in all other expenses and liabilities of the Partnership.

The General Partner and the Principal may, from time to time, provide investment advice to separate account clients and other pooled investment vehicles that may, from time to time, invest in some of the same financial instruments and pursue similar investment strategies as those of the Partnership. The General Partner may amend the Partnership Agreement in certain circumstances without the consent of the Limited Partners.

A copy of Part II of the General Partner's Form ADV is attached to this Memorandum.

SUMMARY OF KEY TERMS

The following is a summary of certain of the principal terms governing an investment in The Insiders Fund, L.P. This summary is not complete and is qualified in its entirety by reference to the more detailed information set forth elsewhere in this Memorandum and by the terms and conditions of the Partnership Agreement, each of which should be read carefully by any prospective investor before investing. Prospective investors are urged to read the entire Memorandum and to seek the advice of their own counsel, tax consultants and business advisors with respect to the legal, tax and business aspects of investing in the Partnership. Capitalized terms used herein and not otherwise defined will have the same meaning as set forth in the Partnership Agreement. If any disclosure made herein is inconsistent with any provision of the Partnership Agreement, the provision of the Partnership Agreement will control.

THE PARTNERSHIP: The Partnership was organized as a Delaware limited partnership on January 15, 2010 to operate as a private investment partnership.

THE GENERAL PARTNER: The General Partner of the Partnership is ALPHA WEALTH FUNDS, a Utah limited liability company. Under the Partnership Agreement, the General Partner is primarily responsible for the management of the Partnership.

ELIGIBLE INVESTORS: Interests in the Partnership are being offered under the 3(c)(1) exemption of the Investment Company Act for investment by up to one hundred (100) persons who are "accredited investors" as defined in Rule 501(a) of Regulation D under the Securities Act and who are "qualified clients" as defined in Rule 205-3 under the Advisers Act.

The Interests will not be registered under the Securities Act or the securities laws of any state or any other jurisdiction, nor is any such registration contemplated.

An investment in the Partnership will be suitable only for investors who have adequate means of providing for current needs and personal contingencies, can bear the economic risk of the investment, and have no need for liquidity in the investment. Investors will be required to make representations to the foregoing effect to the Partnership as a condition to acceptance of their subscription.

THE OFFERING:

No minimum amount of subscriptions must be received for the Partnership to begin business. There is no maximum dollar amount of capital contributions the Partnership may accept.

Capital contributions may be made in cash (by means of a wire transfer or check) or, in the sole discretion of the General Partner, an in-kind contribution of securities, at the time of subscription.

The Partnership may issue additional classes of Interests in the future which may differ in terms of, among other things, the Management Fee and/or the Performance Allocation, minimum investment amounts, withdrawal rights and other rights. The terms of such additional classes will be determined by the General Partner, without the approval of the Limited Partners, and may be described in a supplement to this Memorandum.

INITIAL CAPITAL CONTRIBUTION:

The minimum initial capital contribution to the Partnership is $200,000 subject to the General Partner's sole discretion to accept subscriptions for lesser amounts. The General Partner may, in its sole discretion, elect to temporarily or permanently suspend the offering of Interests. The General Partner may, in its sole discretion, reject any subscription request for any reason or no reason.

The Partnership will establish and maintain on its books a capital account ("***Capital Account***") for each limited partner (each, a "***Limited Partner***," and collectively with the General Partner, the "***Partners***") into which its capital contribution(s) will be credited and in which certain other transactions will be reflected. (See "*Profits and Losses*," below). At the beginning of each accounting period, an allocation percentage (the "***Allocation Percentage***") will be determined for each Partner by dividing such Partner's Capital Account balance as of the beginning of such period by the aggregate Capital Account balances of all Partners as of the beginning of such period.

ADMISSIONS; ADDITIONAL CAPITAL CONTRIBUTIONS:

New Limited Partners may be admitted to the Partnership, and existing Limited Partners may make additional capital contributions in amounts to be determined by the General Partner, as of the first business day of any calendar month, or at any other time the General Partner chooses to accept such initial or additional contributions. The General Partner may, in its sole discretion, elect to temporarily or permanently suspend the ability of investors to contribute capital to the Partnership.

CUSTODY: The amounts paid by an investor to the Partnership shall be placed directly in an account with one or more financial institutions or brokerage firms selected by the General Partner, under appropriate arrangements.

SELLING COMMISSIONS: Selling commissions and/or referral fees may be paid in connection with the offering of the Partnership Interests; in such cases, Limited Partners will be required to acknowledge the amount of the commission by executing a separate compensation disclosure statement. A portion of the Management Fee and/or Performance Allocation may be remitted to third parties introducing Limited Partners to the Partnership, or the General Partner may use its own resources to compensate third parties for such introductions. The General Partner may also direct brokerage from Partnership trades to broker-dealers which introduce Limited Partners to the Partnership, subject to applicable laws.

LIMITATION OF LIABILITY: The Partnership Agreement provides that the General Partner and its affiliates, shareholders, members, partners, managers, directors, officers and employees shall not be liable, responsible nor accountable in damages or otherwise to the Partnership or any Partner, or to any successor, assignee or transferee of the Partnership or of any Partner, for (i) any acts performed or the omission to perform any acts, within the scope of the authority conferred on the General Partner by the Partnership Agreement, except by reason of acts or omissions found by a court of competent jurisdiction upon entry of a final non-appealable judgment to have been made in bad faith or to constitute fraud, willful misconduct or gross negligence; (ii) performance by the General Partner of, or the omission to perform, any acts on advice of legal counsel, accountants, or other professional advisors to the Partnership; (iii) the negligence, dishonesty, bad faith, or other misconduct of any consultant, employee, or agent of the Partnership, including, without limitation, an affiliate of the General Partner, selected or engaged by the General Partner with reasonable care and in good faith; or (iv) the negligence, dishonesty, bad faith, or other misconduct of any person in which the Partnership invests or with which the Partnership participates as a partner, joint venturer, or in another capacity, which was selected by the General Partner with reasonable care and in good faith.

WITHDRAWALS: A Limited Partner will be generally permitted to make withdrawals from its Capital Account as of the last business day of any calendar month, or such other date as the General Partner

may determine in its discretion (each such date, a "***Withdrawal Date***") (or more frequently in the sole discretion of the General Partner), *provided that* the Partnership receives at least thirty (30) days written notice of such withdrawal prior to the applicable Withdrawal Date.

In the event of a partial withdrawal, a Limited Partner must withdraw a minimum of $10,000, and shall maintain a minimum Capital Account balance, after giving effect to the withdrawal, of not less than $200,000. The General Partner, in its sole discretion, may waive or alter these minimum amounts.

Payments for withdrawals are generally made within thirty (30) days of the effective Withdrawal Date; *however,* in the event a Partner withdraws 90% or more of the funds from such Partner's Capital Account (or if a withdrawal, when combined by all other withdrawals effected by such Partner during the preceding twelve (12) months, would result in such Partner having withdrawn 90% or more of its Capital Account during such period), a portion (generally not to exceed 10%) of the withdrawal payment will be retained in the General Partner's discretion pending completion of the annual audit of the Partnership's financial statements for the fiscal year in which the withdrawal occurs. A Limited Partner shall not be entitled to interest on the amount of any retained withdrawal payment.

In certain circumstances, the General Partner, in its sole and absolute discretion, may suspend the valuation of the Partnership's property, the right or obligation to honor withdrawal requests (including the right to receive withdrawal proceeds), and/or extend the period for payment on withdrawal. (See the Partnership Agreement, Section 4.03 "*Limitations on Withdrawals*.") The General Partner has reserved the right, in its sole discretion and without notice, to require any Limited Partner to withdraw entirely from the Partnership, for any reason or no reason.

The General Partner may establish reserves for expenses, liabilities or contingencies (including those not addressed by U.S. generally accepted accounting principles ("***GAAP***")) which could reduce the amount of a distribution upon withdrawal. (See the Partnership Agreement, Section 4.05 "*Withholding from Distributions*.")

At the discretion of the General Partner, any withdrawal by a Limited Partner may be subject to a charge, as the General

Partner may reasonably require, in order to defray the costs and expenses of the Partnership in connection with such withdrawal including, without limitation, any charges or fees imposed by any Partnership investment in connection with a corresponding withdrawal or redemption by the Partnership from such investment or any other costs associated with the sale of any of the Partnership's portfolio investments.

PROFITS AND LOSSES: At the end of each accounting period of the Partnership, any net capital appreciation or depreciation is allocated to the Capital Accounts of all Partners in proportion to their respective Allocation Percentages for such period. For this purpose, each accounting period shall end at the close of each month, at any other time a Partner makes an additional capital contribution or effects a withdrawal, and at such other times as the General Partner may determine. Net capital appreciation and depreciation are determined on an accrual basis of accounting in accordance with GAAP and are deemed to include net unrealized profits or losses on security positions as of the end of each accounting period, as well as Partnership expenses.

In addition, the General Partner shall receive a performance profit allocation (the "***Performance Allocation***") in an amount equal to twenty percent (20%) of the net capital appreciation allocated to each Limited Partner during each calendar year; *provided, however*, that such Performance Allocation shall be subject to a loss carry-forward provision, also known as a "High Water Mark," so that the Performance Allocation will only be deducted from a Limited Partner's Capital Account to the extent that such Limited Partner's *pro rata* share of such appreciation causes its Capital Account balance, measured on a cumulative basis and net of any losses, to exceed such Limited Partner's highest historic Capital Account balance as of the end of any prior year or, if higher, such Limited Partner's Capital Account immediately following its admission to the Partnership (as adjusted for any withdrawals at a time when a Limited Partner's Capital Account balance is below the applicable "High Water Mark"). (See "*Cumulative Loss Account*" in the Partnership Agreement). The Performance Allocation may be computed at any time, in the sole discretion of the General Partner, for a Partner who makes a partial or complete withdrawal.

The General Partner may, in its sole discretion, enter into arrangements with Limited Partners under which the Performance Allocation is reduced, waived or calculated differently with respect to such Limited Partners, including,

without limitation, Limited Partners that are members, affiliates or employees of the General Partner, members of the immediate families of such persons and trusts or other entities for their benefit, or Limited Partners that make a substantial investment or otherwise are determined by the General Partner in its sole discretion to represent a strategic relationship.

ERISA and current IRS regulations prohibit fee payments to oneself and/or an affiliate from one's IRA or other self-directed retirement account. Accordingly, such an account of an officer of the General Partner (or of his spouse) will not be subject to the Management Fee or Performance Allocation.

NEW ISSUES:

Under the General Partner's current policy, net profit or net loss from "new issues" (as defined in Rule 5130 of the Financial Industry Regulatory Authority (the "***New Issues Rule***")) will be allocated to all Limited Partners, *provided, that*, Limited Partners that are "restricted persons" under the New Issues Rule (or who have elected to be treated as such) (the "***Restricted Partners***") will be limited in their participation in the profits and losses attributable to new issues to the lesser of such Restricted Partners' collective interest in the Partnership or 10% (or any other permissible amount under any amendment, supplement or interpretation to the New Issues Rule). Absent an available exemption under the New Issues Rule, for purposes of allocating profits and losses from "new issues" to a Limited Partner that is an entity (such as an investment fund, corporation, partnership or trust), such entity will be considered a Restricted Partner if such entity allocates profits and losses from "new issues" to any of its restricted beneficial owners. The General Partner reserves the right to vary its policy with respect to the allocation of "new issues" as it deems appropriate for the Partnership as a whole, in light of, among other things, existing interpretations of, and amendments to, the New Issues Rule and practical considerations, including administrative burdens and principles of fairness and equity.

FEES & EXPENSES:

A management fee (the "***Management Fee***") is paid monthly in advance to the General Partner. The Management Fee is equal to 1/12 of 2.0% (2.0% *per annum*) of the beginning Capital Account balance of each Limited Partner for such month.

A *pro rata* portion of the Management Fee will be paid out of any initial or additional capital contributions to the Partnership on any date that does not fall on the first day of a month, based on the number of days remaining in such partial month. No

portion of the Management Fee will be refunded in connection with any withdrawals from a Limited Partner's Capital Account during a month.

The General Partner may, in its sole discretion, enter into arrangements with Limited Partners under which the Management Fee is reduced waived or calculated differently with respect to such Limited Partners, including, without limitation, Limited Partners that are members, affiliates or employees of the General Partner, members of the immediate families of such persons and trusts or other entities for their benefit, or Limited Partners that make a substantial investment or otherwise are determined by the General Partner in its sole discretion to represent a strategic relationship.

All expenses of the Offering and organization of the Partnership (including legal and other expenses) ("***Organizational Expenses***") will be paid by the General Partner.

The Partnership shall pay for all ordinary operating and other expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses and investment banking expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with the General Partner's compliance obligations under applicable federal and/or state securities and investment adviser laws arising out of its relationship to the Partnership, as well as extraordinary legal expenses); the Management Fee; accounting fees and audit expenses; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Partnership; director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of the General Partner; costs of printing and mailing reports and notices; and other similar expenses related to the Partnership, as the General Partner determines in its sole discretion. Notwithstanding the foregoing, the General Partner may, in its sole discretion, elect to pay for part or all of any of

the aforementioned Partnership expenses.

BROKERAGE COMMISSIONS: The General Partner may enter into one or more "soft dollar" arrangements with brokers that execute trades for the Partnership's account. Under these "soft dollar" arrangements, the broker would provide certain products and services (or arrange for and pay third parties to provide such products and services) based upon the volume of commissions generated by the Partnership's trading activities. Subject to the General Partner's duty to obtain best execution, these arrangements may not result in the execution of trades at the lowest available commission rates. As a result of these arrangements, the Partnership may pay higher commissions than would be the case in the absence of such arrangements. In all events, the General Partner will always seek to obtain best execution for the Partnership's portfolio transactions.

PRIME BROKER: The Partnership's prime broker will be Fidelity Brokerage Services LLC. The Partnership reserves the right to use other and/or additional firms for prime brokerage services.

RISK FACTORS: In general, investment in the Partnership Interests involves various and substantial risks, including (but not limited to) the risk that the Partnership assets may be invested in high risk investments, risks for certain tax-exempt investors, risks related to the limited transferability of a Limited Partner's interest in the Partnership, the lack of operating history of the Partnership, the Partnership's dependence upon the General Partner, and certain tax risks. (See "*Risk Factors*.")

DIVERSIFICATION: The Partnership does not have fixed guidelines for diversification and may concentrate its investments in particular countries, issuers or types of investments and may utilize different investment strategies, depending on the General Partner's assessment of the available investment opportunities.

LEVERAGE: The Partnership may utilize leverage in its investment program when the General Partner considers it appropriate. However, the use of leverage may, in certain circumstances, maximize the adverse impact to which the Partnership's investment portfolio may be subject.

NET ASSET VALUE: The Net Asset Value of the Partnership ("***Net Asset Value***") will be determined as is required by the Partnership Agreement or as may be determined by the General Partner, but in any case

no less than monthly. Each Partner's share of the Net Asset Value is determined by multiplying the total value of the Partnership's investments and other assets less any liabilities, by the Partner's Allocation Percentage. (See "*Valuation of Investments*.")

RESTRICTIONS ON TRANSFER: A Limited Partner may not pledge, assign, sell, exchange or transfer its Interest (or any portion thereof), and no assignee, purchaser or transferee may be admitted as a substitute Limited Partner, except with the consent of the General Partner, which consent may be given or withheld in its sole and absolute discretion.

FISCAL YEAR: The Partnership's fiscal year shall end on December 31.

REPORTS: The Partnership's books of account will be audited at the end of each fiscal year by a firm of certified public accountants selected by the General Partner. Books of account will generally be kept by the Partnership, in accordance with GAAP. The General Partner will furnish audited financial statements to all Limited Partners within 120 days, or as soon thereafter as is reasonably practicable, following the conclusion of each fiscal year. Notwithstanding the foregoing, the audit of the Partnership's books of account and the furnishing of audited financial statements may be waived for any fiscal year upon the unanimous consent of the Partners. In addition, all Limited Partners will receive the information necessary to prepare federal and state income tax returns following the conclusion of such fiscal year as soon thereafter as is reasonably practical.

All Limited Partners will also receive unaudited performance reports and such other information as the General Partner determines on a monthly basis. The General Partner will not be required to provide information with regard to specific investment transactions of the Partnership.

TERM: The Partnership shall continue until the earlier of (i) the termination, bankruptcy, insolvency or dissolution of the General Partner, (ii) the death of the Principal or an adjudication in a final non-appealable decision on the merits of a court of competent jurisdiction that the Principal is physically or mentally incapable of making investment decisions on behalf of the General Partner, or (iii) a determination by the General Partner that the Partnership should be dissolved.

AMENDMENT OF THE The Partnership Agreement provides that the General Partner

PARTNERSHIP AGREEMENT:	has the right to amend the Partnership Agreement to, among other things, conform to applicable laws and regulations, to correct any ambiguous, false, or erroneous provision, or to otherwise amend the Partnership Agreement; *provided*, that no such amendment shall adversely affect the rights, privileges, and powers of the Limited Partners as a group, unless agreed to by the holders of a majority of Allocation Percentages held by Limited Partners. The General Partner is authorized on its own motion to institute proceedings for adoption of a proposed amendment to the Partnership Agreement. The General Partner may seek the approval of Limited Partners to such amendments by means of a "negative consent" process. Investors should note that Limited Partners have no voting rights except in very limited and specific situations.
LEGAL COUNSEL:	The Investment Law Group of Gillett Mottern & Walker, LLP ("***ILG***") acts as legal counsel to the General Partner and the Partnership in connection with the organization of the Partnership, the offering of Interests and other ongoing matters, and does not represent Limited Partners in any capacity.
AUDITOR:	The Partnership's independent certified public accountant is Joseph Decosimo and Company, PLLC. The Partnership reserves the right to use other and/or additional firms for audit services.
ADMINISTRATOR:	The Partnership's administrative services will be provided by Fund Associates, LLC. The Partnership reserves the right to use other and/or additional firms for administration services.
SUBSCRIPTION PROCEDURE:	Persons interested in subscribing for Interests will be furnished, and will be required to complete and return to the General Partner, subscription documents.

RISK FACTORS

An investment in the Partnership involves a number of significant risks. The risk factors set forth below are those that, at the date of this Memorandum, the General Partner deem to be the most significant. The following is not intended to be a complete description or an exhaustive list of risks. Other factors ultimately may affect an investment in the Partnership in a manner and to a degree not now foreseen. Prospective investors should carefully consider, in addition to the matters set forth elsewhere in this Memorandum, the factors discussed below. An investment in the Partnership should form only a part of a complete investment program, and an investor must be able to bear the loss of its entire investment. Prospective investors should also consult with their own financial, tax and legal advisors regarding the suitability of this investment.

General

General Investment Risks. The Partnership's success depends on the General Partner's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Partnership will be successful under all or any market conditions.

The Partnership may increase its cash position to up to 100% of its assets when the General Partner deems it prudent or when a defensive position is warranted in light of market conditions. During such times, interest income will increase and may constitute a large portion of the return and the Partnership will not participate in market advances or declines to the extent that it would have if it had been more fully invested.

A potential investor in the Partnership should note that the prices of the securities and other instruments in which the Partnership invests may be unavailable. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

Investment and Trading Risks. All investments involve the risk of a loss of capital. The General Partner believes that the Partnership's investment program and its research and risk-management techniques moderate this risk through the careful selection of securities and other financial instruments. No guarantee or representation is made that the Partnership's investment program will be successful, and investment results may vary substantially over time. The Partnership's investment program will utilize such investment techniques as option transactions,

limited diversification, margin transactions, short sales and futures and forward contracts, which practices can, in certain circumstances, maximize the adverse impact to which the Partnership may be subject.

Instruments Traded

Equity Securities. The value of the equity securities held by the Partnership are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.

Debt and Other Income Securities. The Partnership may invest in fixed-income and adjustable rate securities. Income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Because of the resetting of interest rates, adjustable rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase or decrease significantly in value when market interest rates fall or rise, respectively. Market risk relates to the changes in the risk or perceived risk of an issuer, industry, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities. Income securities denominated in non-U.S. currencies are also subject to the risk of a decline in the value of the denominating currency relative to the U.S. dollar.

The debt securities in which the Partnership may invest are not required to satisfy any minimum credit rating standard, and may include instruments that are considered to be of relatively poor standing and have predominantly speculative characteristics with respect to capacity to pay interest and repay principal. The Partnership may invest in bonds rated lower than investment grade, which may be considered speculative. The Partnership may also invest a substantial portion of its assets in high-risk instruments that are low rated, unrated or in default.

High-Yield Securities. The Partnership may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Partnership may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. (The Partnership is not required to hedge, and may choose not to do so.) High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly

leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Small- and Medium-Capitalization Stocks. The Partnership may invest its assets in stocks of companies with smaller market capitalizations. Small- and medium-capitalization companies may be of a less seasoned nature or have securities that may be traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that stock prices may decline over short or even extended periods, such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. Additionally, stocks of such companies may be more volatile in price and have lower trading volumes than larger capitalized companies, which results in greater sensitivity of the market price to individual transactions. Accordingly, investors in the Partnership should have a long-term investment horizon.

Small- and medium-capitalization securities may be followed by relatively few securities analysts with the result that there tends to be less publicly available information concerning these securities compared to what is available for exchange-listed or larger companies. The securities of these companies have more limited trading volumes than those of larger issuers and may be subject to more abrupt or erratic market movements than the securities of larger, more established companies or the market averages in general, and the Partnership may be required to deal with only a few market makers when purchasing and selling these securities. Transaction costs in small- and medium-capitalization stocks may be higher than those involving larger capitalized companies. Companies in which the Partnership may invest may also have limited product lines, markets or financial resources and may lack management depth and may be more vulnerable to adverse business or market developments.

New Issues. The Partnership may invest in "New Issues" as that term is defined in the New Issues Rule. Such investments offer the opportunity for significant appreciation; however, they are speculative and involve a high degree of risk. It is characteristic of the initial public offerings market that certain companies may be extremely successful, while a much higher percentage of new public companies fail. Thus, the risk of investing in initial public offerings is substantially greater than investing in the stock market as a whole. Restricted Partners may be precluded from participating, in whole or in part, in the Partnership's investments in New Issues, subject to the "*de minimis*" exception under the New Issues Rule. To the extent that a potential Partner is "restricted," an investment in the Partnership may not yield the performance results that may be achieved by those investors that are entitled to receive allocations with respect to New Issues. Any Partner who does not provide the Partnership with sufficient information to show that such Partner is not a restricted person will be presumed to be a restricted person and may receive reduced allocations with respect to New Issues and any profit therefrom.

Exchange Traded Funds. The Partnership may invest in a type of investment company called an exchange-traded fund ("***ETF***"). ETFs are a recently developed type of investment

security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. As a relatively new type of security, the trading characteristics of ETFs may not yet be fully developed or understood by potential investors. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Convertible Securities. Convertible securities ("***Convertibles***") are generally debt securities or preferred stocks that may be converted into common stock. Convertibles typically pay current income as either interest (debt security convertibles) or dividends (preferred stocks). A Convertible's value usually reflects both the stream of current income payments and the value of the underlying common stock. The market value of a Convertible performs like that of a regular debt security; that is, if market interest rates rise, the value of a Convertible usually falls. Since it is convertible into common stock, the Convertible generally has the same types of market and issuer risk as the underlying common stock. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risks, credit spread expansion and ultimately default risk, as discussed below. Convertibles are also prone to liquidity risk as demand can dry up periodically, and bid/ask spreads on bonds can widen significantly.

An issuer may be more likely to fail to make regular payments on a Convertible than on its other debt because other debt securities may have a prior claim on the issuer's assets, particularly if the Convertible is preferred stock. However, Convertibles usually have a claim prior to the issuer's common stock.

In addition, for some Convertibles, the issuer can choose when to convert to common stock, or can "call" (redeem) the Convertible. An issuer may convert or call a Convertible when it is disadvantageous for the Partnership, causing the Partnership to lose an opportunity for gain. For other Convertibles, the Partnership can choose when to convert the security to common stock or to put (sell) the Convertible back to the issuer.

Because Convertible arbitrage also involves the short sale of underlying common stock, this strategy is also subject to stock-borrow risk, which is the risk that the Partnership will be unable to sustain the short position in the underlying common shares.

Derivative Investments. Derivatives are financial contracts whose value depends on, or is derived from, an underlying product, such as the value of a securities index. The risks generally

associated with derivatives include the risks that: (1) the value of the derivative will change in a manner detrimental to the Partnership; (2) before purchasing the derivative, the Partnership will not have the opportunity to observe its performance under all market conditions; (3) another party to the derivative may fail to comply with the terms of the derivative contract; (4) the derivative may be difficult to purchase or sell; and (5) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

Derivatives markets can be highly volatile. The profitability of investments by the Partnership in the derivatives markets depends on the ability of the General Partner to analyze correctly these markets, which are influenced by, among other things, changing supply and demand relationships, governmental, commercial and trade programs and policies designed to influence world political and economic events, and changes in interest rates. In addition, the assets of the Partnership may be pledged as collateral in derivatives transactions. Thus, if the Partnership defaults on such an obligation, the counterparty to such transaction may be entitled some or all of the assets of the Partnership as a result of the default.

Option Transactions. The purchase or sale of an option by the Partnership involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying investment for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received.

Futures Contracts and Options on Futures Contracts. In entering into futures contracts and options on futures contracts, there is a credit risk that a counterparty will not be able to meet its obligations to the Partnership. The counterparty for futures contracts and options on futures contracts traded in the United States exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse who are required to share any financial burden resulting from the non-performance by one of its members and, as such, should significantly reduce this credit risk. In cases where the clearinghouse is not backed by the clearing members, it is normally backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing members or clearinghouse will be able to meet its obligations to the Partnership.

In addition, under the CEA, futures commission merchants are required to maintain customers' assets in a segregated account. If the Partnership engages in futures and options contract trading and the futures commission merchants with whom the Partnership maintains accounts fail to so segregate the Partnership's assets or are not required to do so, the Partnership will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. Even where customers' funds are properly segregated, the Partnership might be able to recover only a pro rata share of its property pursuant to a distribution of a bankrupt futures commission merchant's assets.

Futures Cash Flow. Futures contracts gains and losses are marked-to-market daily for purposes of determining margin requirements. Option positions generally are not, although short option positions will require additional margin if the market moves against the position. Due to these differences in margin treatment between futures and options, there may be periods in which positions on both sides must be closed down prematurely due to short-term cash flow needs. Were this to occur during an adverse move in the spread or straddle relationships, a substantial loss could occur.

Each exchange on which futures are traded and the CFTC typically have the right to suspend or limit trading in the contracts that each such exchange lists. Such a suspension or limitation could render it impossible for the Partnership to liquidate its positions and thereby expose it to losses. In addition, there is no guarantee that exchange and other secondary markets will always remain liquid enough for the General Partner to close out existing futures positions. It is also possible that an exchange or the CFTC could order the immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Futures Markets May Be Illiquid. Most United States commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can be either taken or liquidated unless traders are willing to effect trades at or within the limit. Futures prices have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the General Partner from promptly liquidating unfavorable positions and could subject the Partnership to substantial losses, which could exceed the margin initially committed to such trades.

Futures Trading is Highly Leveraged. The margin deposit required to enter into a futures position is typically 2-10% of the total value of the contract. As a result, if the Partnership's account is margined, a relatively small price movement in a commodity futures contract may result in a loss to the investor equal to or substantially greater than the amount of the deposit. Combined with the volatility of futures prices, the leveraged nature of futures trading can cause futures traders to sustain large and sudden losses of their capital. When the market value of a particular open position changes to a point where the margin on deposit in a participating investor's account does not satisfy the applicable maintenance margin requirements imposed by the Partnership's futures commission merchant ("***FCM***"), the Partnership, and not the General Partner, will receive a margin call from the FCM. If the Partnership does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the FCM will close out the Partnership's position.

Possible Effects of Speculative Positions and Trading Limits. The CFTC and certain commodity exchanges have established limits referred to as "speculative position limits" on the maximum net long or short position which any person may hold or control in a particular commodity futures contract. The General Partner does not anticipate that current position limits

will adversely affect the contemplated trading of the Partnership, but no assurance is given that such limits may not adversely affect such accounts in the future.

Asset-Backed Securities Risk. Asset-backed securities are a form of derivative securities. Asset-backed securities may be asset-backed notes or pass-through certificates, in each case issued by a trust or other special-purpose entity. Asset-backed notes are secured by, and pass-through certificates represent an interest in, a fixed or revolving pool of financial assets. Such financial assets may consist of secured or unsecured consumer or other receivables, such as automobile loans or contracts, automobile leases, credit card receivables, home equity or other mortgage loans, trade receivables, floor plan (inventory) loans, automobile leases, equipment leases, and other assets that produce streams of payments. Asset-backed securities are subject to credit risks associated with the performance of the underlying assets.

Asset-backed notes generally are issued pursuant to indentures and pass-through certificates generally are issued pursuant to pooling and servicing agreements. A separate servicing agreement typically is executed in connection with asset-backed notes (such servicing agreements, indentures and pooling and servicing agreements, the "***Asset-Backed Agreements***"). The Asset-Backed Agreements provide for the appointment of a trustee and the segregation of the transferred pool of assets from the other assets of the transferor. Such segregation generally is only required to the extent necessary to perfect the interest of the trustee in the assets against claims of unsecured creditors of the transferor of the assets. Where so required by the Uniform Commercial Code (the "***UCC***") (for instance, home equity loan notes) certain of the documents evidencing the underlying receivables are delivered to the possession of the trustee or other custodian for the holders of the Asset-backed Securities. In the case of most assets, either no documents evidence the receivables (for instance, credit card receivables) or documents exist, but the UCC does not require their possession to perfect a transfer (for instance, automobile installment sales contracts). In these cases, the transferor segregates the assets only on its own books and records, such as by marking its computer files, and perfects the trustee's interest by filing a financing statement under the UCC. This method of segregation and perfection presents the risk that the trustee's interest in the assets could be lost as a result of negligence or fraud, such that the trustee and the asset-backed security holders become unsecured creditors of the transferor of the assets.

Mortgage-Related Securities Risk. Mortgage-related securities are subject to credit risks associated with the performance of the underlying mortgage properties. In certain instances, the credit risk associated with mortgage-related securities can be reduced by third-party guarantees or other forms of credit support. Improved credit risk does not reduce prepayment risk (the risk that the mortgages underlying the security will be prepaid prior to maturity), which is unrelated to the rating assigned to the mortgage-related security. Prepayment risk can lead to fluctuations in value of the mortgage-related security, which may be pronounced. If a mortgage-related security is purchased at a premium, all or part of the premium may be lost if there is a decline in the market value of the security, whether resulting from changes in interest rates or prepayments on the underlying mortgage collateral. Certain mortgage-related securities that may be purchased by the Partnership, such as inverse floating rate collateralized mortgage obligations, have coupons that move inversely to a multiple of a specific index, which may result in a form of leverage. As with other interest-bearing securities, the prices of certain mortgage-related

securities are inversely affected by changes in interest rates. However, although the value of a mortgage-related security may decline when interest rates rise, the converse is not necessarily true, since in periods of declining interest rates the mortgages underlying the security are more likely to be prepaid. For this and other reasons, a mortgage-related security's stated maturity may be shortened by unscheduled prepayments on the underlying mortgages. Therefore, it is not possible to predict accurately the security's return to the Partnership. Moreover, with respect to certain stripped mortgage-backed securities, if the underlying mortgage securities experience greater than anticipated prepayments of principal, the Partnership may fail to fully recoup its initial investment even if the securities are rated in the highest rating category by a rating agency. During periods of rapidly rising interest rates, prepayments of mortgage-related securities may occur at slower than expected rates. Slower prepayments effectively may lengthen a mortgage-related security's expected maturity, which generally would cause the value of such security to fluctuate more widely in response to changes in interest rates.

Mortgage-Backed and Asset-Backed Securities. The Partnership may invest in securities that represent an interest in a pool of mortgages ("***MBS***") and credit card receivables or other types of loans ("***ABS***"). The investment characteristics of MBS and ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time.

CMOs and MBS Derivative. The collateralized mortgage obligation ("***CMO***") and stripped MBS markets were developed specifically to reallocate the various risks inherent in MBS across various bond classes ("***tranches***"). For example, CMO "companion" classes typically experience much greater average life variability than other CMO classes or MBS pass-throughs. Interest-only pass-through securities experience greater yield variability relative to changes in prepayments. "Inverse floaters" experience greater variability of returns relative to changes in interest rates. To the extent that the Partnership concentrates its investments in these or other "derivative" securities, the prepayment risks, interest rate risks and hedging risks associated with such securities will be severely magnified.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) occur on loans underlying MBS and ABS will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, mortgage obligors tend to prepay their mortgages when prevailing mortgage rates fall below the interest rates on their mortgage loans. Although ABS are generally less likely to experience substantial prepayments than are MBS, certain of the factors that affect the rate of prepayments on MBS also affect the rate of prepayments on ABS. However, during any particular period, the predominant factors affecting prepayment rates on MBS and ABS may be different.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many MBS will be discount securities

when interest rates are high, and will be premium securities when interest rates are low, these MBS may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Partnership in two ways. First, particular investments may experience outright losses, as in the case of an interest-only security in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the General Partner may have constructed for these investments, if any, resulting in a loss to the Partnership. In particular, prepayments (at par) may limit the potential upside of many MBS to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

Index Risk. The Partnership also may invest in structured notes, variable rate MBS and ABS, including adjustable-rate mortgage securities, which are backed by mortgages with variable rates, and certain classes of CMO derivatives, the rate of interest payable under which varies with a designated rate or index. The value of these investments is closely tied to the absolute levels of such rates or indices, or the market's perception of anticipated changes in those rates or indices. This introduces additional risk factors related to the movements in specific indices or interest rates that may be difficult or impossible to hedge, and that also interact in a complex fashion with prepayment risks.

Subordinated Securities. Investments in subordinated MBS and ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of MBS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities ("first loss securities") absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

Mortgage-Backed Securities Risk. Mortgage-backed securities represent an interest in a pool of mortgages. Investing in mortgage-backed securities involves the general risks typically associated with investing in traditional fixed-income securities (including interest rate and credit risk) and certain additional risks and special considerations (including the risk of principal prepayment and the risk of investing in real estate). When market interest rates decline, more mortgages are refinanced and the securities are paid off earlier than expected. Prepayments may also occur on a scheduled basis or due to foreclosure. When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage re-financings and prepayments slow, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed-income securities. Further, different types of mortgage-backed securities are subject to varying degrees of prepayment risk. Finally, the risks of investing in such instruments reflect the risks of investing in real estate securing the underlying loans, including the effect of local and other economic conditions, the ability of tenants to make payments, and the ability to attract and retain tenants.

Risks Related to Structured Credit Products. Special risks may be associated with the Partnership's investments in structured credit products, collateralized debt obligations and synthetic credit portfolio transactions. For example, synthetic portfolio transactions may be structured with two or more classes of tranches that receive different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that the Partnership may incur losses on its investments in structured products regardless of their ratings by S&P or Moody's. Additionally, the securities in which the General Partner is authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

Repurchase Agreements and Reverse Repurchase Agreements. The Partnership may use repurchase agreements and reverse repurchase agreements to finance the purchase of assets. In a repurchase agreement, the Partnership sells a financial instrument at one price and simultaneously agrees to buy it back from the purchaser at a higher price on a later date. This type of arrangement is effectively a secured borrowing by the Partnership. The use by the Partnership of repurchase agreements involves many of the same risks of leverage since the proceeds derived from such repurchase agreements may be invested in additional investments. Repurchase agreements involve the risk that the market value of the investments acquired with the proceeds of the repurchase agreement may decline below the price of the financial instrument the Partnership has sold but is obligated to repurchase. If the buyer of the financial instrument under a repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the Partnership's obligation to repurchase the financial instrument, and the Partnership's use of the proceeds of the repurchase agreement may effectively be restricted pending such decision. Also, the Partnership would bear the risk of loss to the extent that the proceeds of the repurchase agreement are less than the value of the financial instrument subject to such agreement.

In a reverse repurchase agreement, the Partnership buys a financial instrument at one price and simultaneously agrees to sell it back to the seller at a higher price on a later date. This type of arrangement is similar to financing the purchase of financial instruments in that it permits the Partnership to borrow a financial instrument while not paying for the use of such instrument until a later date. Reverse repurchase agreements could involve risks in the event of a default or insolvency of the other party to the agreement, including possible delays or restrictions upon the Partnership's ability to dispose of the underlying financial instrument.

Interest Rate, Credit Default and Total Return Swaps. Swap agreements are types of derivatives. The Partnership may enter into interest rate, credit default or total return swap transactions. Interest rate swaps involve the exchange by the Partnership with another party of their respective commitments to pay or receive interest (for example, an exchange of floating rate payments for fixed-rate payments). In interest rate swap transactions, there is a risk that yields will move in the direction opposite of the direction anticipated by the Partnership, which

would cause the Partnership to make payments to its counterparty in the transaction that could adversely affect Partnership performance.

In a credit default swap transaction, the buyer of the swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of an entity. In addition to the risks applicable to swaps generally, credit default swap transactions involve special risks because they are difficult to value, are highly susceptible to liquidity and credit risk, and generally pay a return to the party that has paid the premium only in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial difficulty).

Total return swap transactions involve the exchange by the Partnership with another party to pay or receive the total return of a defined asset in return for receiving or paying a stream of cash flows. In total return swap transactions there are the risks that the counterparty will default on its payment obligation to the Partnership in the transaction and that the Partnership will not be able to meet its obligations to the counterparty in the transaction.

Non-U.S. Exchanges and Markets. The Partnership may engage in trading on non-U.S. exchanges and markets. Trading on such exchanges and markets may involve certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of those exchanges may not provide the same assurances of the integrity (financial and otherwise) of the marketplace and its participants, as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on those exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. Investment in non-U.S. markets would also be subject to the risk of fluctuations in the exchange rate between the local currency and the dollar and to the possibility of exchange controls. Foreign brokerage commissions and other fees are also generally higher than in the United States.

Currency Risk. The value of the Partnership's assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when the Partnership changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. The Partnership may seek to mitigate the risk of currency exchange fluctuation through the active and systematic use of currency hedges.

Emerging Markets. The securities markets of emerging countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of the U.S. and developed foreign markets. Disclosure and regulatory standards in many respects are less stringent than in the United States and developed foreign markets. Accounting and auditing standards in many markets are different, and sometimes significantly differ from those applicable in the United States or Europe. There is substantially less publicly available information about companies located in emerging markets than there is about companies in other more developed jurisdictions. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations has been extremely limited.

Many emerging countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging countries.

Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of countries with emerging markets may also be predominantly based on only a few industries or dependent on revenues from particular commodities. In addition, custodial services and other costs relating to investment in foreign markets may be more expensive in emerging markets than in many developed foreign markets, which could reduce the Partnership's income from such securities.

In many cases, governments of emerging countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the capacity of issuers of emerging country debt instruments to make payments on their debt obligations, regardless of their financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause the Partnership to suffer a loss of any or all of its investments and, in the case of fixed-income securities, interest thereon.

Many emerging countries are undergoing important political and economic changes that are making their economies more free-market oriented. However, there could be future political and economic changes that may return the situation to closed and centrally controlled economies with price and foreign exchange controls. Many of these countries lack the legal, structural and cultural basis for the establishment of a dynamic, orderly, market-oriented economy. Many of the promising changes that are being seen at present could be reversed, causing significant impact on the Partnership's investment returns.

Strategy Risks

Systems Risks. The Partnership depends on the General Partner to develop and implement appropriate systems for the Partnership's activities. The Partnership relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Partnership's activities. The ability of its systems to accommodate an increasing volume of transactions could also constrain the General Partner's ability to manage the portfolio. In addition, certain of the Partnership's and the General Partner's operations interface with or depend on systems operated by third parties, including prime brokers and market counterparties and their respective sub-custodians, and other service providers, and the Partnership or General Partner may not be in a position to verify the risks or reliability of such third party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Partnership. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Partnership's ability to monitor its investment portfolio and its risks. The General Partner is not liable to the Partnership for losses caused by systems failures or due to any breakdown in the means of the communication normally used to ascertain the value of the Partnership's investments or to conduct trading in such investments.

Execution of Orders. The Partnership's trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments selected by the General Partner. The Partnership's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to employees, brokers, agents or other service providers. In such events, the Partnership might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Partnership might not be able to make such adjustment. As a result, the Partnership would not be able to achieve the market position selected by the General Partner, and might incur a loss in liquidating its position.

Operational Risks. The volume and complexity of the Partnership's transactions may place substantial burdens on the General Partner's operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, collateral and margin maintenance, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error, system failure or other problems with any of these processes could result in material losses or costs, which will generally be borne by the Partnership.

Lack of Diversification. Although the Partnership will structure its portfolio so that investments (both individually and in the aggregate) have desirable risk/reward characteristics and so that the Partnership may be able to satisfy Limited Partners' requests for withdrawals, the Partnership is not subject to any restrictions with respect to investments in any particular issuer, industry, geography or type of investment. The Partnership may have a non-diversified portfolio and may have large amounts of Partnership assets invested in a small number of investments.

Such lack of diversification substantially increases market risks and the risk of loss associated with an investment in the Partnership.

Portfolio Turnover. The Partnership may, from time to time, engage in short-term trading. Short-term trading refers to the practice of selling securities held for a short time, ranging from several months to less than a day. The objective of short-term trading is to take advantage of what the General Partner believes are changes in a market, industry or individual company. Short-term trading increases the Partnership's transaction costs, which could affect the Partnership's performance, and could result in higher levels of taxable realized gains to Limited Partners.

Short Selling. The Partnership may engage in short selling as part of its general investment strategy. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Partnership to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. The Partnership's obligations under its short sales will be marked to market daily and collateralized by the Partnership's assets held at the broker, including its cash balance and its long securities positions. Because short sales must be marked to market daily, there may be periods when short sales must be settled prematurely, and a substantial loss would occur. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes the Partnership to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise. Short sales may be utilized to enhance returns and hedge the portfolio. The Partnership anticipates that the frequency of short sales will vary substantially in different periods. There are no prescribed limits to the amount of Partnership assets that may be subject to short sales.

Hedging. The General Partner on behalf of the Partnership will not, in general, attempt to hedge all market or other risks inherent in their respective portfolio positions, and will hedge certain risks, if at all, only partially. The Partnership may choose not, or may determine that it is economically unattractive, to hedge certain risks – either in respect of particular positions or in respect of its overall portfolio. The Partnership's portfolio composition will commonly result in various directional market risks remaining unhedged.

The General Partner on behalf of the Partnership generally may enter into hedging transactions with the intention of reducing or controlling risk. Even if the General Partner is successful in doing so, the cost of hedging may have the effect of reducing returns. Furthermore, it is possible that the General Partner's hedging strategies will not be effective in controlling risk, due to unexpected non-correlation (or even positive correlation) between the hedging instrument and the position being hedged, increasing rather than reducing both risk and losses.

To the extent that the General Partner hedges, its hedges may not be static but rather might need to be continually adjusted based on the General Partner's assessment of market

conditions, as well as the expected degree of non-correlation between the hedges and the portfolio being hedged. The success of the General Partner's hedging strategy may depend on its ability to implement this dynamic hedging approach efficiently and cost effectively, as well as on the accuracy of the General Partner's ongoing judgments concerning the hedging positions to be acquired.

Leverage and Margin Transactions. In order to raise additional cash for investment, the Partnership may borrow money from banks and other sources and will pay interest thereon. Any investment gains made with the additional monies in excess of interest paid will cause the Net Asset Value of the Partnership to rise faster than would otherwise be the case. On the other hand, if the investment performance of the additional securities purchased fails to cover their cost (including any interest paid on the money borrowed) to the Partnership, the Net Asset Value of the Partnership will decrease faster than would otherwise be the case. This is the speculative factor known as "leverage." The amount of money the Partnership may borrow is limited by applicable margin limitations imposed by regulations adopted by the Federal Reserve Board. The Partnership may also purchase securities in uncovered margin transactions. In the event of adverse market movements or other factors, the Partnership may have to meet calls for substantial additional margin which may limit the Partnership's assets available for other investments at an inopportune time. In addition, a change in the general level of interest rates may adversely affect the Partnership.

Highly Volatile Instruments. The prices of financial instruments in which the Partnership may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Partnership's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Partnership is subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

Failure of Broker-Dealers. Institutions, such as brokerage firms or banks, may hold certain of the Partnership's assets in "street name." Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Partnership. In addition, as the Partnership may borrow money or securities, the Partnership will post certain of its assets as collateral securing the obligations ("***Margin Securities***"). The Partnership's broker generally holds the Margin Securities on a commingled basis with margin securities of its other customers and may use certain of the Margin Securities to generate cash to fund the Partnership's leverage, including pledging such Margin Securities. Some or all of the Margin Securities may be available to creditors of the Partnership's broker in the event of its insolvency. The Partnership's broker has netting and set off rights over all the assets held by it (which may indirectly include amounts held for the Partnership's benefit in the special segregated bank account) to satisfy the Partnership's obligations under its agreements with the Partnership's broker, including obligations relating to any margin or short positions.

Risk of Default of Exchanges. Exchange-traded futures and/or options on futures contracts may be utilized by the General Partner and although these exchanges are highly

regulated and have never defaulted in the past, there is a risk that these exchanges could fail to perform in clearing executed transactions.

Stop Loss may not be effective. The placement of contingent orders by the General Partner, such as a "stop-loss" or "stop-limit" orders, will not necessarily limit the Partnership's losses to the intended amounts, since market conditions may make it impossible to execute such orders.

Spread position may be riskier. A "spread" position may not be less risky than a simple "long" or "short" position.

The General Partner Methodology. Trading decisions of the General Partner are on a discretionary basis using fundamental and/or technical analysis and no assurance can be given that such trading strategies used by the General Partner will be successful, or that losses could not occur. Commodity and futures trading typically involves a much higher frequency of trading and higher turnover of positions that would be found in other types of investments. Trade duration can range from a few seconds to a few months with intra-day trades being a common occurrence. In entering orders into Partnership's accounts, the General Partner will use market, limit, stop, and other qualified orders, if in its judgment, that appears appropriate under given market conditions. In addition, when liquidating a position, the General Partner may place a reversal order, *i.e.*, the current position is liquidated and an opposite one is established.

OTC Transactions. It is possible that the Partnership may engage in transactions involving securities traded on "over the counter" ("***OTC***") markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes the Partnership to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Therefore, to the extent that the Partnership engages in trading on OTC markets, the Partnership could be exposed to greater risk of loss through default than if it confined its trading to regulated exchanges.

Management Risks

Reliance on the General Partner and no Authority by Limited Partners. All decisions regarding the management and affairs of the Partnership will be made exclusively by the General Partner. Accordingly, no person should invest in the Partnership unless such person is willing to entrust all aspects of management of the Partnership to the General Partner. Limited Partners will have no right or power to take part in the management of the Partnership. As a result, the success of the Partnership for the foreseeable future depends solely on the abilities of the General Partner.

Dependence on Key Personnel. The General Partner is dependent on the services of Mr. Sax and there can be no assurance that it will be able to retain Mr. Sax, whose credentials are described under the heading "*Management of the Partnership*." The departure or incapacity of

Mr. Sax could have a material adverse effect on the General Partner's management of the investment operations of the Partnership.

Changes in Investment Strategies. The Partnership's investment strategies may be altered from time to time with the approval of a majority-in-interest of Limited Partners. In such event, a Limited Partner who does not consent to such change may nevertheless be out-voted by other Limited Partners in which case the opposing Limited Partner may only withdraw from the Partnership pursuant to the terms of the Partnership Agreement and subject to the limitations described therein.

Discretionary Decision Making May Result in Missed Opportunities. The Partnership's trading strategies do involve some discretionary aspects. Discretionary decision-making may result in failure to capitalize on certain price trends or unprofitable trades in a situation where a strictly systematic approach might not have done so.

Proprietary Nature of Investment Strategy. All documents and other information concerning the Partnership's portfolio of investments will be made available to the Partnership's auditors, accountants, attorneys and other agents in connection with the duties and services performed by them on behalf of the Partnership. However, because the General Partner's investment techniques are proprietary, the Partnership Agreement will provide that neither the Partnership nor any of its auditors, accountants, attorneys or other agents will disclose to any person, including investors in the Partnership, any of the investment techniques employed by the General Partner in managing the Partnership's investments or the identity of specific investments held by the Partnership at any particular time.

Limitations on the General Partner's Liability and Indemnification. The Partnership Agreement provides that the General Partner and its affiliates, shareholders, members, partners, managers, directors, officers and employees shall not be liable, responsible nor accountable in damages or otherwise to the Partnership or any Partner, or to any successor, assignee or transferee of the Partnership or of any Partner, for (i) any acts performed or the omission to perform any acts, within the scope of the authority conferred on the General Partner by the Partnership Agreement, except by reason of acts or omissions found by a court of competent jurisdiction upon entry of a final non-appealable judgment to have been made in bad faith or to constitute fraud, willful misconduct or gross negligence; (ii) performance by the General Partner of, or the omission to perform, any acts on advice of legal counsel, accountants, or other professional advisors to the Partnership; (iii) the negligence, dishonesty, bad faith, or other misconduct of any consultant, employee, or agent of the Partnership, including, without limitation, an affiliate of the General Partner, selected or engaged by the General Partner with reasonable care and in good faith; or (iv) the negligence, dishonesty, bad faith, or other misconduct of any Person in which the Partnership invests or with which the Partnership participates as a partner, joint venturer, or in another capacity, which was selected by the General Partner with reasonable care and in good faith. Furthermore, the Partnership, in the General Partner's sole discretion, will indemnify and hold harmless the General Partner and its affiliates, shareholders, members, partners, managers. directors, officers and employees and the legal representatives of any of them (an "***Indemnified Party***"), from and against any loss, liability, damage, cost or expense suffered or sustained by an Indemnified Party by reason of (i) any acts,

omissions or alleged acts or omissions arising out of or in connection with the Partnership, the Partnership Agreement or any investment made or held by the Partnership, including, without limitation, any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim, *provided that* such acts, omissions or alleged acts or omission upon which such actual or threatened action, proceeding or claim are based are not found by a court of competent jurisdiction upon entry of a final non-appealable judgment to have been made in bad faith or to constitute fraud, willful misconduct or gross negligence by such Indemnified Party, or (ii) any acts or omissions, or alleged acts or omissions, of any broker or agent of any Indemnified Party, *provided that* such broker or agent was selected, engaged or retained by the Indemnified Party with reasonable care. The Partnership Agreement also provides that the Partnership will, in the sole discretion of the General Partner, advance to any Indemnified Party attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding which arises out of such conduct.

Limited Reporting. The Partnership will provide monthly unaudited reports of Partnership activity. As a result, Limited Partners will not be able to evaluate the Partnership's activity at shorter intervals. Additionally, as a result of side letter arrangements, questions, due diligence requests, meetings or other communications, certain Limited Partners may receive information that is not generally available or otherwise provided to other Limited Partners, which may affect such Limited Partners' decision to request a withdrawal of their respective Capital Accounts or take other actions on the basis of such information.

Other Risks

No Operating History. The Partnership is a recently formed entity and has no operating history upon which prospective investors can evaluate its likely performance. There can be no assurance that the Partnership will achieve its investment objective.

Start-Up Periods. The Partnership may encounter start-up periods during which it will incur certain risks relating to the initial investment of newly contributed assets. Moreover, the start-up periods also represent a special risk in that the level of diversification of the Partnership's portfolio may be lower than in a fully invested portfolio.

Risk of Loss. A Limited Partner could incur substantial, or even total, losses on an investment in the Partnership. An investment in the Partnership is only suitable for persons willing to accept this high level of risk.

Effect of Performance Allocation. The General Partner will receive a Performance Allocation based on a percentage of any net realized and unrealized profits. Performance allocations may create an incentive for the General Partner to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. In addition, the General Partner's performance allocations will be based on unrealized as well as realized gains. There can be no assurance that such unrealized gains will, in fact, ever be recognized. Furthermore, the valuation of unrealized gain and loss may be subject to material subsequent revision.

Effect of Substantial Withdrawals. Substantial withdrawals by Limited Partners within a short period of time could require the Partnership to liquidate its investments more rapidly than would otherwise be desirable, possibly reducing the value of the Partnership's assets and/or disrupting the Partnership's investment strategies. Reduction in the Partnership's size could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Partnership's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Lack of Liquidity. The Partnership's withdrawal provisions place certain restrictions on the right of a Limited Partner to withdraw all or part of its Interest, transfer its Interest and pledge or otherwise encumber its Interest. Thus, it is unlikely that a Limited Partner will be able to liquidate its Interest in the event of an unanticipated need for cash. Interests may not be transferred or pledged except in compliance with significant restrictions on transfer as required by federal and state securities and commodities laws and as provided in the Partnership Agreement. The Partnership Agreement does not permit a Limited Partner to transfer or pledge all or any part of its Interest to any person without the prior written consent of the General Partner, the granting of which is in the General Partner's sole and absolute discretion. These limitations, taken together, will significantly limit a Limited Partner's ability to liquidate an investment in the Partnership quickly. As a result, an investment in the Partnership would not be suitable for an investor who needs liquidity.

Suspension of Withdrawals and Deferment of Withdrawal Proceeds. In certain circumstances, the General Partner, in its sole and absolute discretion, may suspend the valuation of the Partnership's property, the right or obligation to honor withdrawal requests (including the right to receive withdrawal proceeds), and/or extend the period for payment on withdrawal. In addition, the General Partner may suspend the right of withdrawal or postpone the date of payment for any period during which there is an extraordinary circumstance as determined in good faith by the General Partner.

Contingency Reserves. Under certain circumstances, the Partnership may find it necessary to set up one or more reserves for contingent or future liabilities or valuation difficulties and, upon withdrawal by a Limited Partner, withhold a portion of that Limited Partner's withdrawal proceeds. This could happen, for example, if the Partnership or the issuer of portfolio securities were involved in a dispute regarding the value of its assets, in litigation, or subject to a tax audit at the time the withdrawal request would otherwise be satisfied.

Tax Considerations; Distributions to Limited Partners and Payment of Tax Liability. It is not possible to provide here a description of all potential tax risks to a person considering investing in the Partnership. Prospective investors are urged to consult their own legal counsel and tax advisors with respect thereto. The Partnership will not seek a ruling from the Internal Revenue Service ("***IRS***") with respect to any tax issues affecting the Partnership.

It should also be noted that the Partnership's tax return may be audited by the IRS, and any such audit may result in an audit of the returns of the Limited Partners for the year(s) in question or unrelated years. Further, any adjustment resulting from an audit would also result in

adjustments to the tax returns of the Limited Partners and may result in an examination and adjustment of other items in such returns unrelated to the Partnership. Limited Partners could incur substantial legal and accounting costs in litigation of any IRS challenge, regardless of the outcome. (*See "Federal Tax Aspects."*)

The Partnership does not intend to make periodic distributions of its net income or gains, if any, to Limited Partners. A Limited Partner will be required each year, however, to pay applicable U.S. federal and state income taxes on its share of the Partnership's taxable income, and will have to obtain cash from other sources in order to pay such applicable taxes. The amount and timing of any distributions will be determined in the sole discretion of the General Partner.

Undistributed Income. The General Partner in its sole discretion may, but is not required to, make distributions to Limited Partners during the term of the Partnership. Taxable income realized in any year by the Partnership will be taxable to the Partners in that year regardless of whether they have received any distributions from the Partnership. Accordingly, Limited Partners may recognize taxable income for federal, state, and local income tax purposes without receiving any or a sufficient distribution from the Partnership with which to pay the taxes thereon. The General Partner may consider such possible tax liability of the Limited Partners when determining whether to make distributions, but no assurance is given that distributions, if made, will equal the amount of any Limited Partner's tax liability.

Restrictions on Transfer. The Partnership Interests are subject to certain restrictions on transfer, including a requirement that the General Partner consent to any such transfer. There is no present market for the Partnership Interests, and no market is likely to develop in the future. Accordingly, Limited Partners may not be able to liquidate their investment in the event of an emergency or for any other reason, and Interests may not be readily acceptable as collateral for loans. Interests should be purchased only by prospective Investors who can bear the economic risk of their investment, who can afford to have their funds committed to an illiquid investment according to the withdrawal provisions in the Partnership Agreement and who, if necessary, can afford a complete loss of their investment. (*See "Restrictions on Transfers of Interests."*)

Lack of Insurance. The assets of the Partnership are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by the Federal Deposit Insurance Corporation or with brokers insured by the Securities Investor Protection Corporation and such deposits and securities are subject to such insurance coverage. Therefore, in the event of the insolvency of a depository or custodian, the Partnership may be unable to recover all of its funds or the value of its securities so deposited.

Undisclosed Investing Strategy. The General Partner's investment strategy and the techniques it will employ to attempt to reach the Partnership's goal are proprietary and will not be disclosed to potential investors (or to Limited Partners). As a result, a potential investor's decision to invest in the Partnership must be made without the benefit of being able to review and analyze the General Partner's strategy and techniques.

Side Letters. The General Partner may enter into agreements with certain Limited Partners that will result in different terms of an investment in the Partnership than the terms applicable to other Limited Partners. As a result of such agreements, certain Limited Partners may receive additional benefits which other Limited Partners will not receive (*e.g.*, additional information regarding the Partnership's portfolio, different withdrawal terms, lower Management Fee rates or Performance Allocations). The General Partner will not be required to notify the other Limited Partners of any such agreement or any of the rights and/or terms or provisions thereof, nor will the General Partner be required to offer such additional and/or different terms or rights to any other Limited Partner. The General Partner may enter into any such agreement with any Limited Partner at any time in its sole discretion.

Regulations Under Investment Company Act of 1940. The Partnership's operations are similar to an investment company as defined under the Investment Company Act, because the Partnership engages in the business of purchasing securities for investment. The Partnership is currently not required to register under the Investment Company Act due to an exemption for an entity which is beneficially owned by not more than one hundred (100) persons and which does not intend to make any public offering of its securities. Accordingly, the provisions and extensive regulations of the Investment Company Act, which might otherwise govern the activities of the Partnership, will not be applicable.

Risks for Certain Benefit Plan Investors Subject to ERISA. Prospective investors that are benefit plan investors subject to the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), and Department of Labor Regulations issued thereunder should read the section hereof entitled *"ERISA Considerations"* in its entirety for a discussion of certain risks related to an investment by benefit plan investors in the Partnership.

Revised Regulatory Interpretations Could Make Certain Strategies Obsolete. In addition to proposed and actual accounting changes, there have recently been certain well-publicized incidents of regulators unexpectedly taking positions which prohibited trading strategies which had been implemented in a variety of formats for many years. In the current unsettled regulatory environment, it is impossible to predict if future regulatory developments might adversely affect the Partnership.

Future Regulatory Change is Impossible to Predict. The securities and derivatives markets are subject to comprehensive statutes, regulations and margin requirements. In addition, the Securities and Exchange Commission, the CFTC, and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of securities and derivatives both inside and outside the United States is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Partnership is impossible to predict, but could be substantial and adverse.

Importance of General Economic Conditions. Overall market, industry or economic conditions, which the General Partner cannot predict or control, will have a material effect on performance.

Risks Relating to Markets. The value of those securities in which the Partnership invests and that are traded on exchanges or over-the-counter and the risks associated therewith vary in response to events that affect such markets and that are beyond the control of the Partnership and the General Partner. Market disruptions such as those that occurred during October of 1987 and on September 11, 2001 could have a material effect on general economic conditions and market liquidity which could result in substantial losses to the Partnership.

There is no guarantee that securities exchanges and markets can at all times provide continuously liquid markets in which the Partnership can close out its positions in those securities that the Partnership purchases that are publicly traded. The Partnership could experience delays and may be unable to sell securities purchased through a broker or clearing member that has become insolvent due to the deterioration of industry conditions in general. In that event, positions could also be closed out fully or partially without the Partnership's consent.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Partnership. Prospective Limited Partners should read the entire Memorandum and the Partnership Agreement and consult with their own advisers before deciding whether to invest in the Partnership. 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.

POTENTIAL CONFLICTS OF INTEREST

The General Partner and/or its affiliates, shareholders, members, partners, managers, directors, officers and employees (collectively the "***Affiliated Persons***") will only devote so much time to the affairs of the Partnership as is reasonably required in the judgment of the General Partner. The Affiliated Persons will not be precluded from engaging directly or indirectly in any other business or other activity, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with securities and other investments for their own accounts, for the accounts of family members, for the accounts of other funds and for the accounts of individual and institutional clients (collectively, "***Other Accounts***"). Such Other Accounts may have investment objectives or may implement investment strategies similar to those of the Partnership. The Affiliated Persons may also have investments in certain of the Other Accounts. Each of the Affiliated Persons may give advice and take action in the performance of their duties to their Other Accounts that could differ from the timing and nature of action taken with respect to the Partnership. The Affiliated Persons will have no obligation to purchase or sell for the Partnership any investment that the Affiliated Persons purchase or sell, or recommend for purchase or sale, for their own accounts or for any of the Other Accounts. The Partnership will not have any rights of first refusal, co-investment or other rights in respect of the investments made by Affiliated Persons for the Other Accounts, or in any fees, profits or other income earned or otherwise derived from them. If a determination is made that the Partnership and one or more Other Accounts should purchase or sell the same investments at the same time, the Affiliated Persons will allocate these purchases and sales as is considered equitable to each. No Limited Partner will, by reason of being a Limited Partner of the Partnership, have any right to participate in any manner in any profits or income earned or derived by or accruing to the Affiliated Persons from the conduct of any business or from any transaction in investments effected by the Affiliated Persons for any account other than that of the Partnership.

The Affiliated Persons will attempt to allocate investment opportunities that come to their attention on a fair and equitable basis among the Partnership and the Other Accounts for which participation in the respective opportunity is considered appropriate *pro rata* in proportion to the relative net worth of each such account. In determining whether participating by an account is appropriate, the Affiliated Persons shall take into account, among other considerations: (a) whether the risk-return profile of the proposed investment is consistent with the objectives of the Partnership, which objectives may be considered (i) solely in light of the specific investment under consideration or (ii) in the context of the portfolio's overall holdings and available capital; (b) the potential for the proposed investment to create an imbalance in the portfolio of the Partnership; (c) liquidity requirements of the Partnership; (d) potential tax consequences; (e) legal or regulatory restrictions; (f) the need to re-size risk in the portfolio of the Partnership; and (g) whether the Partnership and/or Other Accounts have a substantial amount of investable cash (*e.g.*, during a "ramp-up" period). Notwithstanding the foregoing, there can be no assurance that an investment opportunity which comes to the attention of any of the Affiliated Persons will not be allocated to an Other Account, with the Partnership being unable to participate in such investment

opportunity or participating only on a limited basis. In addition, there may be circumstances under which the Affiliated Persons will consider participation by Other Accounts in investment opportunities in which the Affiliated Persons do not intend to invest, or intend to invest only on a limited basis, on behalf of the Partnership. Because these considerations may differ for the Partnership and the Other Accounts in the context of any particular investment opportunity, investment activities of the Partnership and the Other Accounts may differ considerably from time to time.

As a result of the foregoing, the Affiliated Persons may have conflicts of interest in allocating their time and activity between the Partnership and the Other Accounts, in allocating investments among the Partnership and the Other Accounts and in effecting transactions for the Partnership and the Other Accounts, including ones in which the Affiliated Persons may have a greater financial interest.

The Affiliated Persons and Other Accounts may derive direct or indirect benefits from the use of "soft" or commission dollars to pay for expenses that the General Partner would otherwise be required to pay itself. Accordingly, there may be a conflict of interest created between the General Partner's duties to the Partnership and its desire to maximize its effective compensation. The relationships with brokerage firms that provide "soft dollar" services may influence the General Partner's judgment in allocating brokerage business and create a conflict of interest in using the services of those brokers or dealers to execute the Partnership's brokerage transactions. (See "*Brokerage and Custody*," below).

The Partnership and the General Partner are not represented by separate professional advisers. The legal firm for the Partnership has represented the Affiliated Persons in the past and it is anticipated that such representation will continue in the future. Without independent legal and other professional representation, investors may not receive legal and other advice regarding certain matters that might be in their interests but contrary to the interest of the Affiliated Persons. However, should a dispute arise between the Partnership and any Affiliated Person, or should there be a need in the future to negotiate and prepare contracts and agreements between the Partnership and any of the Affiliated Persons, other than those existing or contemplated on the date of this Memorandum, the General Partner will cause the Partnership to retain separate counsel and, if necessary, other professionals for such matters.

VALUATION OF INVESTMENTS

The Net Asset Value of the Partnership will be determined as of such times as is required by the Partnership Agreement or as may be determined by the General Partner, but in any case no less than monthly.

Each Partner's share of the Net Asset Value of the Partnership is determined by multiplying (i) the sum of the value of the securities held by the Partnership plus any cash or other assets (including interest and dividends accrued but not yet received) minus all liabilities (including accrued expenses), by (ii) the Partner's Allocation Percentage.

The following general guidelines apply to the determination of the value of the Partnership's investments:

(a) Securities which are listed on one or more United States or foreign securities exchanges or are traded on a recognized over-the-counter market (including the NASDAQ), or for which market quotations are available shall be valued at their last reported sales price on the date of determination on the primary exchange or market on which such Securities are traded or, if no sale occurred on the valuation date, the value for long positions shall be the "last bid" and the value for short positions shall be the "last ask" (or, if on such date securities markets were closed, then the last preceding business day on which they were open).

(b) Securities in the form of options listed on a securities exchange will be valued at the last reported sales price on the date of determination on the primary exchange or market on which such Securities are traded or, if the last sales price does not fall between the "last bid" and "last ask" price for such options on such date, such options will be valued at the mean between "last bid" and "last ask" prices on the date of determination.

(c) Commodity future contracts will be valued at the most recent available closing quotation on the commodity exchange on which the commodity futures contract is traded by the Partnership. Foreign currency exchange contracts will be valued at the current cost of covering or offsetting such contracts. Futures instruments will be valued at the settlement price on the exchange on which that futures interest is traded on the day the value is being determined. However, if a futures interest could not have been liquidated on that day because of the operation of daily limits or other rules of the exchange or otherwise, the settlement price on the first subsequent day on which the futures interest could be liquidated will be the market value of that futures interest for that day.

(d) Securities generally traded on an established securities market but for which no recorded sales information or quotations of bid and ask prices are available on such date (or, if applicable, the last preceding business day) shall be valued by the General Partner in good faith with reference to (i) the most recently reported bid and ask prices (in that order), (ii) bid and ask price information as of such date not generally reported but secured from a reputable broker or investment banker, and (iii) such other information as the General Partner believes in good faith is relevant.

(e) Securities not listed or traded on any exchange or on the over-the-counter market shall be valued based upon quotations obtained from independent market makers, dealers or pricing services, and if no such quotations are available, shall be considered as having no ascertainable market value and shall be valued at cost or fair value based on information available to the General Partner regarding the value or worthlessness of such securities.

For purposes of these guidelines, sales and bid and ask prices reported in newspapers of general circulation, or in electronic quotation systems or in standard financial periodicals or in the records of securities exchanges or other markets, any one or more of which may be selected by the General Partner, shall be accepted as evidence of the price of a security.

A security purchased, and awaiting payment against delivery, shall be included for valuation purposes as a security held, and the cash account shall be adjusted by the deduction of the purchase price, including brokers' commissions or other expenses of the purchase. A security sold but not delivered pending receipt of proceeds shall be valued at the net sales price.

Net Asset Value will include any unrealized profit or loss on open positions and any other credit or debit accruing to the Partnership but unpaid or not received by the Partnership. Interest earned on the Partnership's brokerage account, if any, will be accrued at least monthly. The amount of any distribution declared by the Partnership, and of any withdrawal proceeds due but not yet paid, will be treated as a liability from the day when the distribution is declared, or the related withdrawal is effective, as applicable, until it is paid.

The General Partner may make adjustments to the value of securities to best reflect their fair market value. All matters concerning the valuation of securities, the allocation of profits, gains, and losses among the Partners, and accounting procedures not specifically and expressly provided for by the terms of the Partnership Agreement, shall be determined by the General Partner and shall be final and conclusive as to all of the Partners.

SPECIAL ALLOCATION PROVISIONS

Purchase of New Issues

From time to time the Partnership may purchase equity securities issued in initial public offerings registered under the Securities Act ("***New Issues***"). The Financial Industry Regulatory Authority, Inc. ("***FINRA***") under FINRA Rule 5130 (the "***New Issues Rule***") has taken the position that members of the FINRA may not sell such securities to an account in which a member, or person affiliated with or related to a member, of the FINRA has an interest. Similar restrictions apply in the case of senior bank officers and certain other persons, including officers of registered investment advisory firms. The New Issues Rule does, however, permit New Issues allocations with regard to an account in which "restricted persons," as defined by the New Issues Rule ("***Restricted Persons***"), hold, in the aggregate, 10% or less of the beneficial ownership. In addition, an account owned more than 10% by Restricted Persons may participate in a New Issue provided that Restricted Persons may not receive, in the aggregate more than 10% of the profits and losses from New Issues. Brokers participating offerings of New Issues are required to comply with the New Issues Rule. Therefore, unless the conditions of the exception described above are strictly observed, the New Issues Rule prohibits these brokers from selling New Issues to the Partnership if any of the Limited Partners is a Restricted Person.

Under the General Partner's current policy, net profit or net loss from New Issues will be allocated to all Limited Partners, *provided, that*, Limited Partners that are Restricted Persons (or who have elected to be treated as such) (the "***Restricted Partners***") will be limited in their participation in the profits and losses attributable to new issues to the lesser of such Restricted Partners' collective interest in the Partnership or 10% (or any other permissible amount under any amendment, supplement or interpretation to the New Issues Rule). In such cases, the General Partner may, but is not required to, debit the capital accounts of the participating investors with an interest-like charge on the purchase price of such investment and credit the capital accounts of all Partners with such amounts. Absent an available exemption under the New Issues Rule, for purposes of allocating profits and losses from New Issues to a Limited Partner that is an entity (such as an investment fund, corporation, partnership or trust), such entity will be considered a Restricted Partner if such entity allocates profits and losses from New Issues to any of its restricted beneficial owners. The General Partner reserves the right to vary its policy with respect to the allocation of New Issues as it deems appropriate for the Partnership as a whole, in light of, among other things, existing interpretations of, and amendments to, the New Issues Rule and practical considerations, including administrative burdens and principles of fairness and equity.

To assist the General Partner in complying with the New Issues Rule, each Limited Partner subscribing for an Interest must provide information demonstrating whether such Limited Partner is a Restricted Person, an exempt account or entity, or otherwise not a Restricted Person. In order for a Limited Partner (such as another private fund) which is a non-exempt

investment account or entity to avoid being considered a Restricted Person, such Limited Partner must demonstrate that is itself a qualifying account, as described above. Because of the administrative burden associated with the determination of whether each investor is eligible to participate in New Issues and the need to specially allocate profits and losses from New Issues, the General Partner may, in its sole discretion (i) decline to cause the Partnership to participate in New Issues, (ii) decline to permit Restricted Persons to participate in New Issues, or (iii) treat any Limited Partner as a Restricted Partner.

SERVICE PROVIDERS

Legal Counsel

ILG will represent the Partnership and the General Partner in connection with the organization of the Partnership, the offering of Interests and other ongoing matters. In preparing this Memorandum, ILG has relied upon certain information furnished to it by the Partnership, the General Partner and its affiliates and has not investigated or verified the accuracy or completeness of such information. ILG has not been engaged to protect the interests of prospective Limited Partners or the Limited Partners. Prospective Limited Partners should consult with and rely upon their own counsel concerning an investment in the Partnership, including the tax consequences to Limited Partners of an investment in the Partnership. No independent counsel has been retained to represent the Limited Partners of the Partnership.

ILG's representation of the Partnership is limited to the organization of the Partnership, the offering of Interests and to certain other specific matters as to which ILG has been consulted by the Partnership and/or the General Partner. There may exist other matters which could have a bearing on the Partnership and/or the General Partner as to which ILG has not been consulted. In addition, ILG does not undertake to monitor the compliance of the General Partner and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does ILG monitor compliance with all applicable laws. In the course of advising the Partnership, there are times when the interests of the Limited Partners may differ from those of the General Partner and its affiliates. For example, issues may arise relating to trade errors, expenses to be charged to the Partnership, withdrawal rights of Limited Partners and other terms of the Partnership Agreement, such as those relating to amendments and indemnification. ILG does not represent the Limited Partners' interests in resolving such issues.

Prime Broker

In the sole discretion of the General Partner, the Partnership may utilize a prime broker (including, but not limited to, Fidelity Brokerage Services LLC (the "***Prime Broker***")) who will clear (generally on the basis of payment against delivery) the securities transactions for the Partnership which are effected through other brokerage firms. The Partnership is not committed to continue its prime brokerage relationship with any Prime Broker(s) for any minimum period, and the General Partner may select other or additional brokers to act as a prime broker for the Partnership. Subject to the considerations described above, the selection of a broker (including a prime broker) to execute transactions, provide financing and securities on loan, hold positions, cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: commitment of capital, access to company management, access to deal flow, capital introduction and marketing assistance.

Auditor

The General Partner, in its sole discretion, may select the auditor which will complete the year-end audit for the Partnership. The Partnership's books of account shall be audited as of the close of each fiscal year by Joseph Decosimo and Company, PLLC or any other independent accounting firm designated by the General Partner. Within 120 days after the end of each fiscal year, or as soon thereafter as is reasonably practicable, annual reports containing audited financial statements will be sent to all Limited Partners. Notwithstanding the foregoing, the audit of the Partnership's books of account and the furnishing of audited financial statements may be waived for any fiscal year upon the unanimous consent of the Partners.

Administrator

The General Partner, in its sole discretion, may enter into an administration agreement pursuant to which an Administrator may perform administrative, registrar, transfer agency and other services for the Partnership, subject to the overall direction of the General Partner. The Partnership expects that it would pay the Administrator such customary fees for its services as the Partnership and the Administrator negotiate from time to time. The Partnership's administrative services will be provided by Fund Associates, LLC.

BROKERAGE AND CUSTODY

The Partnership's accounts will be maintained with the Prime Broker. The General Partner has complete discretion regarding the selection of such brokers and the amount of brokerage commissions and fees paid to such brokers. Brokerage fees paid by the Partnership to brokers vary and may be greater than those typical for investment funds similar to the Partnership if the General Partner has determined that the research, execution and other services rendered by a particular broker merit greater than typical fees.

The General Partner makes investment decisions and arranges for the placement of buy and sell orders and the execution of portfolio transactions for the Partnership. In arranging for the execution of portfolio transactions on behalf of the Partnership, the General Partner seeks to obtain best execution at favorable prices on behalf of the Partnership. The General Partner has discretion to execute trades, select broker-dealers and negotiate commissions. In selecting broker-dealers, the General Partner seeks those broker-dealers who can provide best execution of transactions under the circumstances. The principal factors determining this selection are: (1) a broker's ability to execute the types of transactions occurring in client accounts; (2) the net prices for such transactions; and, (3) trading ideas generated by brokers. "Best execution" is not synonymous with lowest brokerage commission. Consequently, in a particular transaction the Partnership may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction.

The General Partner may generate "soft dollars" with respect to the Partnership's trades; if it does so, the General Partner intends to comply with the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under "soft dollar" arrangements, the brokerage firms would provide or pay the costs of certain services, equipment or other items for the benefit of the Partnership, the General Partner, or one or more of their affiliates in consideration of the allocation to the firm of brokerage transactions (with resulting commission income) made on behalf of the Partnership on both an agency and net basis. Services that may be furnished or paid for by brokers or dealers may include, without limitation (in addition to the research products and services described below) special execution capabilities, clearance, settlement, net pricing, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, performance measurement data, consultations, financial strength and stability, efficiency of execution and error resolution, availability of stocks to borrow for short sales, custody, recordkeeping and similar services. Although these soft dollar arrangements may benefit the Partnership and the General Partner by reducing their respective expenses, the amount of the Management Fees payable to the General Partner will not be reduced. Because such services could be considered to benefit the General Partner and its affiliates, and the "soft dollars" used to acquire them are the assets of the Partnership, the General Partner/IM] could be considered to have a conflict of interest in allocating brokerage business on behalf of the Partnership. The General Partner believes, however, that to the extent it makes allocations of brokerage business and soft dollar arrangements, these would generally

enhance the Partnership's ability to obtain research and optimal execution, as well as other benefits to the Partnership. Notwithstanding the foregoing, the Partnership will not necessarily benefit from all such soft dollar services. The General Partner and its affiliates and the Other Accounts they may advise may also derive substantial benefits from these services, particularly to the extent the General Partner uses soft dollars to pay for expenses it would otherwise be required to pay itself. Furthermore, because the extent of the products and services provided by these brokers will be based largely on the volume of commissions generated by the Partnership's trading activities, these soft dollar arrangements may create an incentive for the General Partner to increase the volume of the Partnership's trading activities.

Under Section 28(e) of the U.S. Securities Exchange Act of 1934, the General Partner's use of the Partnership's commission dollars to acquire "research" products and brokerage services is not a breach of the General Partner's fiduciary duty to the Partnership--even if the brokerage commissions paid are not the lowest available--as long as (among other requirements) the General Partner determines that the commissions are reasonable in relation to the value of the brokerage services and the "research" acquired. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to the General Partner in making investment decisions for all of its clients. The types of "research" the General Partner may acquire include: research reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment and other computer hardware for use in running software used in investment decision making; and other products or services that may enhance the General Partner's investment decision making. Research obtained by the use of "soft dollars" arising from the Partnership's portfolio transactions may be used by the General Partner or its affiliates in its other investment activities and may benefit the Other Accounts, and the Partnership therefore may not, in any particular instance, be the direct or indirect beneficiary of the research provided. Where a product or service obtained with soft dollars provides assistance both within the safe harbor created by Section 28(e) and outside of the safe harbor, the Partnership will make a reasonable allocation of the cost that may be paid for with soft dollars and pay the remaining portion using the General Partner's own hard dollars. The "safe harbor" is not available where the transactions that compensate a broker-dealer for "research" services or products are effected on a principal basis, with a markup or markdown paid to the broker-dealer (e.g., in transactions with market makers).

The General Partner intends generally to consider the amount and nature of services provided by brokers as well as the extent to which such services are relied on, and will attempt to allocate a portion of the brokerage business of the Partnership and any such Other Accounts and entities on the basis of such considerations. The services received from brokers, however, may be used by the General Partner, its affiliates and principals in servicing some or all of such Other Accounts and entities, but not all such information may be used by the General Partner in connection with the Partnership. The General Partner believes that such an allocation of brokerage business will help the Partnership to obtain research and execution capabilities and provides other benefits to the Partnership.

If, in the General Partner's reasonable judgment, the aggregation of sale and purchase orders of securities for the Partnership with similar orders for the Other Accounts is reasonably likely to result in administrative convenience or an overall economic benefit to the Partnership based on an evaluation that the Partnership is benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors, the General Partner may place "bunched orders" with respect to such trades. A bunched order is a group of orders for more than one client entered as one order. Bunched orders will be allocated to client accounts in a systematic non-preferential manner. If the bunched order does not fill at one price, resulting in partial fills, allocations to client accounts will be made on an average pricing basis. Average pricing amounts to adding up all the buys or sells at their particular price levels, multiplied by the number of contracts at each particular price level, and dividing by the total number of contracts to determine an average price for the whole bunched order. This is standard industry practice and the Prime Broker's back office will facilitate the process.

The General Partner is authorized to determine the brokers or dealers to be used for each securities transaction for the Partnership. Custody of the Partnership's investments will be maintained at one or more financial institutions or brokerage firms selected by the General Partner, under appropriate arrangements.

QUALIFICATION OF INVESTORS

AN INVESTMENT IN THE PARTNERSHIP IS SUITABLE ONLY FOR INVESTORS OF SUBSTANTIAL FINANCIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THIS INVESTMENT. The Partnership intends to sell Partnership Interests only to "eligible investors." An "eligible investor" in the Partnership must be both (1) an "accredited investor," as defined in Rule 501(a) of Regulation D under the Securities Act, and (2) a "qualified client," as defined in Rule 205-3 under the Advisers Act.

In order to satisfy the criteria for an "***accredited investor***," in the case of individuals, an investor must have either (i) an annual income of not less than $200,000 for each of the previous two years (or a combined income with such person's spouse of not less than $300,000), and reasonably anticipate the same level of income for the current year, or (ii) a net worth in excess of $1,000,000 (including such person's home, furnishings and automobiles). Other types of accredited investors permitted to invest in the Partnership include (i) banks or savings and loan associations acting in an individual or fiduciary capacity, (ii) broker-dealers registered under the Securities Exchange Act of 1934, as amended, (iii) insurance companies, (iv) any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of making the investment, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D, and (v) a corporation, business trust or partnership not formed for the purpose of making the investment (x) which has total assets in excess of $5,000,000, or (y) in which all of the equity owners are accredited investors.

Employee benefit plans and individual retirement accounts ("***IRAs***") will qualify as accredited investors if either (i) the investment decision is made by a plan fiduciary which is a bank, savings and loan association, insurance company or investment adviser registered under the Advisers Act, (ii) the plan, including plans established by a state or its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of employees, has total assets in excess of $5,000,000, or (iii) the plan is a self-directed plan with investment decisions made solely by persons who are accredited investors. Foundations, endowments and other tax-exempt investors must not be formed for the purpose of investing in the Partnership and must have total assets in excess of $5,000,000. Other types of accredited investors include (i) any investment company registered under the Investment Company Act or a business development company as defined in Section 2(a)(48) of that Act; (ii) any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; (iii) any private business development company as defined in Section 202(a)(22) of the Advisers Act; or (iv) any entity in which all of the equity owners are accredited investors.

The Performance Allocation will only be applied to the Capital Accounts of Limited Partners who are "qualified clients." A "***qualified client***" is any person who comes within any of

the following categories, or who the General Partner reasonably believes comes within any of the following categories, at the time of such Limited Partner's admission to the Partnership:

- A natural person who, or a company that, immediately after entering into the contract, has at least $1,000,000 under the management of the General Partner and its affiliates;

- A natural person who, or a company that, immediately prior to entering into the contract has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $2,100,000 at the time the contract is entered into; or

- A qualified purchaser as defined in Section 2(a)(51)(A) of the Investment Company Act at the time the contract is entered into.

The Partnership reserves the right to reject subscriptions in its sole discretion. Each purchaser will be required to represent that such purchaser's overall commitment to investments which are not readily marketable is not disproportionate to such purchaser's net worth, and that such purchaser's investment in the Partnership will not cause such overall commitment to become excessive; that such purchaser can sustain a complete loss of such purchaser's investment in the Partnership and has no need for liquidity in such purchaser's investment in the Partnership; and that such purchaser has evaluated the risks of investing in the Partnership.

Limited Partners may not be able to liquidate their investment in the event of an emergency or for any other reason because there is not now any public market for the Partnership Interests and none is expected to develop.

The Partnership will not be registered as an investment company under the Investment Company Act of 1940, in reliance on Section 3(c)(1) thereof. As a Section 3(c)(1) fund, the Partnership may offer Interests in a private placement and may have no more than one hundred (100) beneficial owners. The Partnership Interests therefore may not be resold except in a transaction registered under the Securities Act and the laws of certain states or in a transaction exempt from such registration. (See "*Restrictions on Transfer of Interests*.")

Investors who reside in certain states may be required to meet standards different from or in addition to those described above. Investors will be required to represent in writing that they meet any such standards that may be applicable to them. The General Partner may, without the consent of the existing Limited Partners, admit new Partners to the Partnership. The General Partner may reject a subscription for an Interest for any reason in its sole and absolute discretion. If a subscription is rejected, the payment remitted by the Investor will be returned without interest.

EACH PROSPECTIVE INVESTOR SHOULD CONSIDER WHETHER THE PURCHASE OF THE SECURITIES OFFERED HEREBY IS SUITABLE FOR HIM OR HER IN LIGHT OF HIS OR HER INDIVIDUAL INVESTMENT OBJECTIVES.

FEDERAL TAX ASPECTS

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON THE 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 ADVISER.

The following material describes certain Federal income tax aspects of an investment in the Partnership. No consideration has been given to state and local income tax consequences. This summary provides only a general discussion and does not represent a complete analysis of all income tax consequences of an investment in the Partnership, many of which may depend on individual circumstances, such as the residence or domicile of a Limited Partner. Capitalized terms used herein and not otherwise defined will have the same meaning set forth in the Partnership Agreement.

The summary is based on the Code, the regulations thereunder (the "***Regulations***") and judicial and administrative interpretations thereof, all as of the date of this Memorandum. No assurance can be given that future legislation, Regulations, administrative pronouncements and/or court decisions will not significantly change applicable law and materially affect the conclusions expressed herein. Any such change, even though made after a Limited Partner has invested in the Partnership, could be applied retroactively. Moreover, the effects of any state, local or foreign tax law, or of federal tax law other than income tax law, are not addressed in these discussions and, therefore, must be evaluated independently by each prospective investor.

No ruling has been requested from the Internal Revenue Service ("***IRS***") or any other federal, state or local agency with respect to the matters discussed below; nor has the General Partner asked its counsel to render any legal opinions regarding any of the matters discussed below. This summary does not in any way either bind the IRS or the courts or constitute an assurance that the income tax consequences discussed herein will be accepted by the IRS, any other federal, state or local agency or the courts. The Partnership is not intended and should not be expected to provide any tax shelter.

THIS SUMMARY IS INCLUDED FOR GENERAL INFORMATION ONLY. NOTHING HEREIN IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE TO ANY INVESTOR. EACH PROSPECTIVE LIMITED PARTNER IS URGED TO CONSULT

SUCH LIMITED PARTNER'S PERSONAL TAX ADVISOR WITH RESPECT TO THE STATE AND FEDERAL INCOME TAX CONSEQUENCES OF HIS PARTICIPATION AS A LIMITED PARTNER IN THE PARTNERSHIP.

Partnership Status

The Federal income tax consequences to the Partnership and its Partners will depend primarily upon the characterization of the Partnership as a partnership for Federal income tax purposes rather than as a corporation. If the Partnership were treated as a corporation for Federal income tax purposes, all items of income, gain, loss, deduction, and credit would be those of the corporation and would not be passed through to the Partners, and distributions to Partners would be treated as dividends to the extent of current and accumulated earnings and profits. The General Partner has not requested, nor does it intend to request, a private letter ruling from the IRS that for Federal income tax purposes, the Partnership will be treated as a partnership and not as an association taxable as a corporation.

Recently issued Treasury Regulations provide a default classification as a partnership for Federal tax purposes for any entity formed after 1996 as a limited partnership under state law. Such an entity may elect to be treated as a corporation for Federal tax purposes. The Partnership was formed as a Delaware limited partnership and does not intend to elect to be treated as a corporation for federal tax purposes. Accordingly, the Partnership will be classified as a partnership for federal tax purposes.

A partnership is not a taxable entity subject to Federal income tax. Accordingly, the Partnership will report its operations for each calendar year and annually will file a United States partnership return of income. Each individual Partner should report on his tax return his distributive share of the Partnership's income, loss, deductions, and credits, if any, for the taxable year of the Partnership ending within or with his taxable year. Each Limited Partner's distributive share of such items is determined in accordance with his allocable share of Net Profit and Net Loss as provided in *Article III* of the Partnership Agreement. As soon as reasonably practicable following the end of the taxable year of the Partnership, the Partnership will provide each Limited Partner with reports showing the items of income, gain, loss, deductions, or credits allocated to the Limited Partner for use in the preparation of the tax return. It should be noted that a Limited Partner may recognize taxable income attributable to his Partnership Interest without receiving any cash distribution with which to pay the taxes thereon.

Publicly Traded Partnership Status. Under the Code, a "publicly traded partnership" generally is treated as a corporation. A partnership is a publicly traded partnership if interests therein (1) are traded on an established securities market (as defined under the applicable Regulations ("***PTP Regulations***")) or (2) are readily tradable on a secondary market (or the substantial equivalent thereof) ("readily tradable"). The Interests will not be listed for trading on an established securities market, and the Partnership will use its best efforts to ensure that its Interests will not be readily tradable.

The PTP Regulations include a "private placement safe harbor" under which partnership interests can avoid being treated as readily tradable. The PTP Regulations provide that this safe

harbor applies if (1) the partnership interests were issued in a transaction or transactions not requiring registration under the Securities Act and (2) the partnership has no more than 100 partners.

For purposes of determining the number of partners, a person owning a partnership interest through a partnership, grantor trust or S corporation (a "flow-through entity") is counted as a partner only if substantially all the value of that person's interest in the flow-through entity is attributable to the underlying partnership and a principal purpose for using a tiered structure was to satisfy the 100-partner condition. Because the offering of Interests is not required to be registered under the Securities Act, if the Partnership has no more than 100 Limited Partners (as determined in accordance with the rules regarding "flow-through" entities noted above), the Partnership will meet this "private placement safe harbor" and thus should not be treated as a publicly traded partnership for federal tax purposes. The Partnership Agreement of the Partnership restricts the total number of Limited Partners to 100 (as determined in accordance with the rules regarding "flow-through" entities). Thus, the Partnership should qualify for the "private placement safe harbor."

Taxation of Operations

The tax consequences to investors of the Partnership's trading activities in securities are very complex. Prospective investors should consult with tax advisers who have substantial expertise with this aspect of the tax law.

Gains and Losses from Securities Transactions. The Partnership expects to deal with its securities as a trader or investor (generally, a person that buys and sells securities for its own account for purposes of investment) and not as a dealer (generally, a person that buys from and sells securities to customers with a view to the gains from those transactions). Accordingly, except as discussed below (see "*Market Discount*") the Partnership generally expects that gains and losses recognized on the sale of its securities will be capital gains and losses, which will be long-term or short-term depending, in general, on the length of time it held the securities and, in some cases, the nature of the transactions. There can be no assurance that the IRS will not determine that, for tax purposes, the Partnership is a dealer (or should for other reasons be comparably treated). In the event the IRS were to prevail on this issue, transactions which would otherwise have received capital gain or loss treatment may result in ordinary income or loss being recognized by a Limited Partner.

Gains from property held for more than one year generally will be eligible for favorable tax treatment. As of the date of this memorandum, the maximum Federal income tax rate applicable to a noncorporate taxpayer's net capital gain (the excess of net long-term capital gain over net short-term capital loss) recognized on the sale or exchange of capital assets held for more than one year is 15% through 2010 and 20% thereafter. Tax rates are subject to change.

Gain or loss from the disposition of securities generally is taken into account for tax purposes only when realized. However, a taxpayer that is engaged in a trade or business as a trader in securities (defined to include, among other instruments, corporate stock, bonds and other evidences of indebtedness, certain notional principal contracts and interests and derivative

financial instruments in any of the foregoing or a currency, including any option, futures contract, forward contract, short position and similar financial instrument in such a security or currency) may elect under Section 475(f) of the Code to "mark to market" the securities it holds at the end of each taxable year (that is, to recognize gain or loss with respect to those securities as if the trader sold them for their fair market value on the last business day of the year). The election applies to the year in which it is made and all subsequent taxable years and to all securities held in connection with the trader's trade or business. The Partnership's mark-to-market elections cannot be revoked without the consent of the IRS. Any gain or loss recognized pursuant to the election will be treated as ordinary income or loss. Although the Partnership believes that substantially all of its gains and losses will be subject to the mark-to-market rules of Section 475 of the Code and thereby treated as ordinary income or loss, the IRS might assert that some or all of the Partnership's tax losses should be capital losses rather than ordinary losses, on the theory that (a) the Partnership is ineligible to make the mark-to-market elections because it is an investor as opposed to a trader engaged in a trading business or (b) some of the Partnership's positions are not securities or commodities. Capital losses generally may be deducted only to the extent of capital gains, except in the case of non-corporate taxpayers who are allowed to deduct $3,000 of excess capital losses per year against ordinary income. Corporate taxpayers may carry back unused capital losses for three years and may carry forward such losses for five years; non-corporate taxpayers may not carry back unused capital losses but may carry forward unused capital losses indefinitely. The Partnership does not intend to make this "mark to market" election, but may do so if deemed, in the General Partner's sole discretion, to be in the best interest of the Partnership.

Constructive Sales. If the Partnership has an "appreciated financial position" – generally, an interest (including an interest through an option, futures contract, forward contract or short sale) with respect to any stock, debt instrument (other than "straight debt") or partnership interest the fair market value of which exceeds its adjusted basis – and enters into a "constructive sale" of the position, it will be treated as having made an actual sale thereof, with the result that gain will be recognized at that time. A constructive sale generally consists of a short sale, an offsetting notional principal contract, a futures contract or a forward contract entered into by the Partnership or a related person with respect to the same or substantially identical property. In addition, if the appreciated financial position is itself such a short sale or such a contract, acquisition of the underlying property or substantially identical property will be deemed a constructive sale. In general, however, a transaction will not be considered a constructive sale if it is closed by the Partnership within 30 days after the end of the taxable year in which it was originally entered into and the Partnership holds the related appreciated financial position unhedged for 60 days after that closing (i.e., at no time during that 60-day period is the Partnership's risk of loss regarding that position reduced by reason of certain specified transactions with respect to substantially identical or related property, such as having an option to sell, being contractually obligated to sell, making a short sale or granting an option to buy substantially identical stock or securities).

Futures, Foreign Currency Contracts and Options. Certain futures, foreign currency contracts and listed non-equity options (such as those on a securities index) in which the Partnership invests may be subject to Section 1256 of the Code ("***Section 1256 contracts***"). Any Section 1256 contracts the Partnership holds at the end of each taxable year generally must be

"marked-to-market" (that is, treated as having been sold at that time for their fair market value) for Federal income tax purposes, with the result that unrealized gains or losses will be treated as though they were realized. Sixty percent of any net gain or loss recognized on these deemed sales, and 60% of any net realized gain or loss from any actual sales of Section 1256 contracts, will be treated as long-term capital gain or loss, and the balance will be treated as short-term capital gain or loss. The Partnership may elect not to have the foregoing rules apply to any "mixed straddle" (that is, a straddle, clearly identified by the Partnership in accordance with the Regulations, at least one (but not all) of the positions of which are Section 1256 contracts).

Original Issue Discount. The Partnership may acquire certain debt instruments that are subject to the original issue discount ("***OID***") rules of Section 1272 of the Code. A debt instrument subject to such rules (which apply to most debt instruments) is treated as having OID if its "stated redemption price at maturity" exceeds its "issue price" by more than a *de minimis* amount. Generally, the stated redemption price of a debt instrument includes all amounts payable other than "qualified stated interest" (i.e., payments that are unconditionally required to be paid at least annually at a single fixed rate over the term of the instrument). Thus, if and to the extent the Partnership acquires debt instruments bearing OID, the Partnership (and, therefore, its Limited Partners) would be required to include in ordinary income OID, based on a constant yield method, before the receipt of cash attributable to such income, regardless of the Partnership's regular method of accounting. OID accrues daily in accordance with a constant yield method based on a compounding of interest. The OID allocable to any accrual period will be equal to the product of the adjusted issue price of the debt instrument as of the beginning of such period and the yield to maturity of the debt instrument. In the case of debt instruments acquired by the Partnership at their original issue, the adjusted issue price of the debt instrument as of the beginning of any accrual period will equal its issue price to the Partnership, increased by the amount of OID previously included in the gross income of the Partnership and decreased by the amount of any payments made to the Partnership on the debt instruments. If, on the other hand, the Partnership acquires debt instruments bearing OID subsequent to their original issuance, the Partnership will also be required to include OID in income, but the inclusion thereof may vary depending on the price paid by the Partnership for such debt instruments. If the Partnership purchases a debt instrument at less than its adjusted issue price, the Partnership will have market discount in addition to the remaining OID on such debt instrument (see "*Market Discount*"). If the price paid by the Partnership exceeds such adjusted issue price but is less than the stated redemption price at maturity, the Partnership will have acquisition premium equal to such excess and may offset OID accruals by the amortization of such acquisition premium. If the price paid by the Partnership for a debt instrument exceeds its stated redemption price at maturity, the Partnership may elect to amortize such excess under rules relating to acquisition premium.

Market Discount. If the Partnership purchases, subsequent to its original issuance, a debt instrument for a price that is less than its adjusted issue price, the Partnership (and, therefore, its Limited Partners) may be subject to the rules relating to accrued market discount. Generally, any gain recognized by the Partnership upon a sale or other disposition of a debt instrument will be treated as ordinary income rather than capital gain to the extent of that portion of the market discount that accrued prior to such disposition. Market discount generally accrues on a straight-line basis over the remaining term of a debt instrument, but the holder can elect to compute

accrued market discount based on the economic yield of the debt instrument. If the Partnership's purchase is debt-financed, the Partnership will not be entitled to deduct interest expense allocable to accrued market discount until it recognizes the corresponding income. However, the Partnership may elect to include the market discount in income as it accrues. If this election is made, any gain recognized on a disposition of the debt instrument would be entirely capital gain and the rules deferring the deduction of interest expense on related loans would not apply.

Disallowance of Certain Itemized Deductions

The Partnership will be required each year to make the determination as to whether it will take the position for Federal income tax purposes that it is (i) a trader in securities or (ii) an investor in securities. This determination will be made separately each year based primarily on the level of the Partnership's securities activities during the particular year. Accordingly, the Partnership's status as a trader or an investor may vary from year to year and is difficult to predict in advance. If the Partnership is characterized as a trader, each partner who is an individual may deduct his share of the expenses of the Partnership (other than interest expense, but including the Management Fee) under Code Section 162 as a business expense. Alternatively, if the Partnership is characterized as an investor, the expenses of the Partnership (other than interest expense, but including the Management Fee) would constitute "miscellaneous itemized deductions", and as such, would be deductible by an individual only to the extent that his share of such expenses, when combined with his other "miscellaneous itemized deductions", exceeds 2% of his adjusted gross income. Further, the amount in excess of such 2% floor would be subject to the overall limitation on itemized deductions imposed by Code Section 68. In addition, the amount in excess of such 2% floor would be considered a tax preference item in computing the alternative minimum tax for an individual taxpayer.

The Partnership may also take a more aggressive tax position than a Partner might. Should the IRS disallow any such position, Partners could be audited and required to pay back taxes, interest and perhaps penalties. Under the Code, neither interest nor any penalties incurred in such circumstances would be deductible. Further, the Code provides for centralized resolution of tax disputes where partnerships are involved. As a result, the resolution of tax disputes affecting Partners' returns may ultimately be controlled by the General Partner. Any audit activity at the Partnership level could also result in the audit of individual Partners' returns with respect to items unrelated to the Partnership's activities.

Allocation of Income, Deductions, or Loss

The Partnership Agreement provides that Net Profits shall be allocated to the Partners, including the General Partner, according to their Allocation Percentages. For each Fiscal Year of the Partnership, Net Loss shall be allocated to the Partners in accordance with their Allocation Percentages.] Section 704(b) of the Code honors allocations of profits and losses as set forth in partnership agreements provided that such allocations have "substantial economic effect." The General Partner believes that the allocations provided for by the Partnership Agreement have substantial economic effect. However, if an allocation is determined not to have "substantial economic effect", a Partner's allocable share of the item or items involved must be determined on the basis of the Partner's Interest in the Partnership after taking into account all the facts and

circumstances. No assurance can be given that the IRS will not challenge the allocation of income, gain, loss, deductions or credits contained in the Partnership Agreement, or in modifications to the Partnership Agreement. If such a challenge is made, no assurance can be given that a court will uphold the allocations so made.

Tax Elections

The Code generally provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner and transfers of partnership interests (including by reason of death) provided that a partnership election has been made pursuant to Section 754. Under the Partnership Agreement, the General Partner, in its sole discretion, may cause the Partnership to make such an election. Any such election, once made, cannot be revoked without the IRS's consent. As a result of the complexity and added expense of the tax accounting required to implement such an election, the General Partner presently does not intend to make such election.

Mandatory Basis Adjustments

The Partnership is generally required to adjust its tax basis in its assets in respect of all Partners in cases of partnership distributions that result in a "substantial basis reduction" (i.e., in excess of $250,000) in respect of the partnership's property. The Partnership is also required to adjust its tax basis in its assets in respect of a transferee, in the case of a sale or exchange of an interest, or a transfer upon death, when there exists a "substantial built-in loss" (i.e., in excess of $250,000) in respect of partnership property immediately after the transfer. For this reason, the Partnership will require (i) a Partner who receives a distribution from the Partnership in connection with a complete withdrawal, (ii) a transferee of an Interest (including a transferee in case of death) and (iii) any other Partner in appropriate circumstances to provide the Partnership with information regarding its adjusted tax basis in its Interest.

Alternative Minimum Tax

The extent, if any, to which the federal alternative minimum tax will be imposed on any Limited Partner, will depend on the Limited Partner's overall tax situation for the taxable year. Prospective investors should consult with their tax advisers regarding the alternative minimum tax consequences of an investment in the Partnership.

General Rules Applicable to Tax-Exempt Organizations

A tax-exempt organization generally is exempt from Federal income tax on its passive investment income, such as dividends, interest, and capital gains, whether realized by the organization directly or indirectly through a partnership in which it is a partner. (Tax-exempt organizations which are private foundations currently are subject to a 2% tax on their "net investment income.")

The general exemption from tax afforded to tax-exempt organizations does not apply to their "unrelated business taxable income" ("***UBTI***"). A type of UBTI is income or gain derived

directly or through a partnership from "debt-financed property", which is any income-producing property with respect to which there is "acquisition indebtedness" at any time during the taxable year. Gain from the sale or exchange of, and derived from, debt-financed property generally is taxable in the proportion in which the property is financed by "acquisition indebtedness." The Partnership Agreement allows the Partnership to incur indebtedness (through the purchase of securities on margin and otherwise). Tax-exempt organizations which are Partners will be subject to Federal income tax on such portion of their income from the Partnership that is considered to be UBTI.

There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Partnership. Charitable remainder trusts should consult their own tax advisers concerning the tax consequences of such an investment on their beneficiaries. In particular, a charitable remainder trust will not be exempt from federal income tax under Code Section 664(c) for any year in which it has UBTI. Moreover, the charitable contribution deduction for a trust under Code Section 642(c) may be limited for any year in which the trust has UBTI.

Option Transactions - Tax Consequences to Tax-Exempt Organizations

Code Section 512(b) excludes from UBTI (i) all gains or losses from the sale, exchange, or other disposition of capital assets, and (ii) all gains on the lapse or termination of options, written by a tax-exempt organization in connection with its investment activities, to buy or sell securities. The latter exclusion applies whether or not the organization owns the securities upon which the option is written, that is, whether or not the option is "covered."

Options written on a securities index are technically not options to buy or sell the underlying securities; however, the gain realized upon the exercise, lapse, or termination of securities index options is treated as gain derived from the sale of a capital asset under Sections 1234 or 1256 of the Code. Accordingly, pursuant to Section 512(b)(4) of the Code, such gain should not constitute UBTI.

The exclusion of option writing income from UBTI does not, by its terms, prevent the IRS from attempting to tax the option writing income as "debt-financed income," which, as noted above, is a type of UBTI. Section 512(b)(4) of the Code, in effect, provides that, notwithstanding the general exclusion of certain types of income such as interest, dividends, and capital gain from UBTI, if such income is "debt-financed," it is taxable as a type of UBTI. However, since no borrowing or "acquisition indebtedness" is incurred by the writer of an option, option writing income of the Partnership should not be taxable as debt-financed income. Nevertheless, a prospective Limited Partner subject to the rules of UBTI should consult its tax adviser concerning the foregoing matters.

Passive Activity Losses

Generally, when a person is a Limited Partner in a partnership, Net Profits or Losses allocated to him constitute passive income or passive losses and can only be used to offset income or losses from other passive activities. Pursuant to Temp. Treas. Reg.

§1.469-1T(e)(6)(i), however, the activity of trading personal property for the account of owners of interests in the activity is not a passive activity. Moreover, an example issued pursuant to such regulation expressly provides a partnership is not engaged in a passive activity if its activities consist of trading stocks, bonds, and other securities where the capital employed by the partnership consists of amounts contributed by the partners in exchange for their partnership interests and funds borrowed by the partnership. Therefore, to the extent the Partnership limits its activities to trading stocks, bonds, and other securities, the income or loss allocated to a Limited Partner will not constitute passive income or passive loss. Consequently, any income allocated to a Limited Partner will be portfolio income which cannot be used to shelter passive losses from a Limited Partner's other investments.

Distributions

A distribution by a partnership to a partner generally is not taxable to the partner except to the extent the distribution consists of cash (and, in certain circumstances, marketable securities) and exceeds the partner's adjusted basis of its interest in the partnership immediately before the distribution. A partner who receives a distribution of property other than cash may recognize gain if such partner contributed appreciated property (other than the property being distributed) to the partnership within seven years before the distribution. In addition, a partner who has contributed appreciated property to a partnership may recognize gain if such property is distributed to another partner within seven years after the property was contributed. Ordinarily, any such excess will be treated as gain from a sale or exchange of the partner's interest. However, the Partnership does not generally intend to make distributions to its Limited Partners.

Sale of Interest

A Limited Partner receiving a cash liquidating distribution from the Partnership, in connection with a complete withdrawal from the Partnership generally will recognize capital gain or loss to the extent of the difference between the proceeds received by such Limited Partner and such Limited Partner's adjusted tax basis in its Partnership Interest. Such capital gain or loss will be short-term or long-term depending upon the Limited Partner's holding period for its interest in the Partnership. However, a withdrawing Limited Partner will recognize ordinary income to the extent such Limited Partner's allocable share of the Partnership's "unrealized receivables" exceeds the Limited Partner's basis in such unrealized receivables, as determined pursuant to the Regulations. For these purposes, accrued but untaxed market discount, if any, on securities held by the Partnership will be treated as an unrealized receivable with respect to the withdrawing Limited Partner.

As discussed above, the Partnership Agreement provides that the General Partner may specially allocate items of Partnership capital gain or loss, including short-term capital gain or loss, to a withdrawing Limited Partner to the extent its liquidating distribution would otherwise exceed its adjusted tax basis in its Partnership interest. Such a special allocation may result in the withdrawing Partner recognizing capital gain or loss, which may include short-term gain or loss, in the Partner's last taxable year in the Partnership, thereby reducing the amount of long-term capital gain or capital loss recognized during the tax year in which it receives its liquidating distribution upon withdrawal.

Except as provided below, distributions of property other than cash, whether in complete or partial liquidation of a Limited Partner's interest in the Partnership, generally will not result in the recognition of taxable income or loss to the Limited Partner, except to the extent such distribution is treated as made in exchange for such Limited Partner's share of the Partnership's unrealized receivables. Gain generally must be recognized where the distribution consists of marketable securities unless the distributing partnership is an "investment partnership" and the recipient is an "eligible partner" as defined in Code Section 731(c). While there can be no assurance, it is anticipated that the Partnership will qualify as an "investment partnership." Thus, if a Limited Partner is an "eligible partner," which term should include a Limited Partner whose sole contributions to the Partnership consisted of cash, the non-recognition rule described above should apply.

Audit of Tax Returns

The IRS is applying greater scrutiny to a proper application of the tax laws to partnerships. An audit of the Partnership's information returns may precipitate an audit of the income tax returns of the Limited Partners. Any expense involved in an audit of a Limited Partner's return must be borne by the Limited Partner. If the IRS successfully asserts an adjustment of any item of income, gain, loss, deduction, or credit reported on a Partnership information return, corresponding adjustments will be made to the income tax returns of the Limited Partners. Further, any audit might result in the IRS making adjustments to items of non-Partnership income or loss. If a tax deficiency is determined, the taxpayer is liable for interest on the deficiency from the due date of the return and possible penalties.

In general, the tax treatment of items of partnership income, gain, loss, deduction, or credit is to be determined at the partnership level in a unified partnership proceeding, rather than in separate proceedings with the partners. Generally, the "tax matters partner" ("TMP") would represent the Partnership before the IRS and may enter into a settlement with the IRS as to the partnership tax issues, which generally will be binding on all the partners. Similarly, only one judicial proceeding contesting an IRS determination may be filed on behalf of a partnership and all partners. The TMP may consent to an extension of the statute of limitations for all partners with respect to partnership items. The Partnership has designated the General Partner as the TMP.

Tax Shelter Disclosure

Certain rules require taxpayers to disclose -- on their Federal income tax returns and, under certain circumstances, separately to the Office of Tax Shelter Analysis -- their participation in "reportable transactions" and require "material advisors" to maintain investor lists with respect thereto. These rules apply to a broad range of transactions, including transactions that would not ordinarily be viewed as tax shelters, and to indirect participation in a reportable transaction (such as through a partnership). For example, a Limited Partner that is an individual will be required to disclose a tax loss resulting from the sale or exchange of his or her Interest under Code Section 741 if the loss exceeds $2 million in any single taxable year or $4 million in the taxable year in which the transaction is entered into and the five succeeding

taxable years -- those thresholds are $10 and $20 million, respectively, for Limited Partners that are C corporations and $50,000 in any single taxable year for individuals and trusts, either directly or through a pass-through entity, such as the Partnership, from foreign currency transactions. Losses are adjusted for any insurance or other compensation received but determined without taking into account offsetting gains or other income or limitations on deductibility. Prospective investors are urged to consult with their own tax advisers with respect to the regulations' effect on an investment in the Partnership.

State and Local Taxation

In addition to the Federal income tax considerations summarized above, prospective investors should consider potential state and local tax consequences of an investment in Interests. A Limited Partner's distributive share of the Partnership's taxable income or loss generally will be required to be included in determining the Limited Partner's taxable income for state and local tax purposes in the jurisdiction in which it is resident. However, state and local laws may differ from the Federal income tax law with respect to the treatment of specific items of income, gain, loss, and deduction.

ERISA CONSIDERATIONS

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.

THE FOLLOWING SUMMARY OF CERTAIN ASPECTS OF ERISA IS BASED UPON ERISA, JUDICIAL DECISIONS, DEPARTMENT OF LABOR REGULATIONS AND RULINGS IN EXISTENCE ON THE DATE HEREOF. THIS SUMMARY IS GENERAL IN NATURE AND DOES NOT ADDRESS EVERY ERISA ISSUE THAT MAY BE APPLICABLE TO THE PARTNERSHIP OR A PARTICULAR INVESTOR. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN COUNSEL IN ORDER TO UNDERSTAND THE ERISA ISSUES AFFECTING THE PARTNERSHIP AND THE INVESTOR.

General

Persons who are fiduciaries with respect to a U.S. employee benefit plan or trust within the meaning of and subject to the provisions of ERISA (an "***ERISA Plan***"), an individual retirement account or a Keogh plan subject solely to the provisions of the Code[1] (an "***Individual Retirement Fund***") should consider, among other things, the matters described below before determining whether to invest in the Partnership. ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, U.S. Department of Labor ("***DOL***") regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of Limited Partners to withdraw all or any part of their Interests or to transfer their

[1] References hereinafter made to ERISA include parallel references to the Code.

Interests. Before investing the assets of an ERISA Plan in the Partnership, a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Partnership may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

Plan Assets Defined

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which benefit plan investors ("***Benefit Plan Investors***") invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the prohibited transaction provisions of Section 4975 of the Code, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors. Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an "equity interest" in an entity that is neither: (a) a "publicly offered security"; nor (b) a security issued by an investment fund registered under the Investment Company Act, then the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an "operating company"; or (ii) the equity participation in the entity by Benefit Plan Investors is limited. Under ERISA, the assets of an entity will not be treated as "plan assets" if Benefit Plan Investors hold less than 25% (or such higher percentage as may be specified in regulations promulgated by the DOL) of the value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA. The Benefit Plan Investor percentage of ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the redemption.

Limitation on Investments by Benefit Plan Investors

It is the current intent of the General Partner to monitor the investments in the Partnership to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed 25% of the value of any class of the Interests in the Partnership (or such higher percentage as may be specified in regulations promulgated by the DOL) so that assets of the Partnership will not be treated as "plan assets" under ERISA. Interests held by the General Partner and its affiliates are

not considered for purposes of determining whether the assets of the Partnership will be treated as "plan assets" for the purpose of ERISA. If the assets of the Partnership were treated as "plan assets" of a Benefit Plan Investor, the General Partner would be a "fiduciary" (as defined in ERISA and the Code) with respect to each such Benefit Plan Investor, and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. In such circumstances, the Partnership would be subject to various other requirements of ERISA and the Code. In particular, the Partnership would be subject to rules restricting transactions with "parties in interest" and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Code unless the Partnership obtained appropriate exemptions from the DOL allowing the Partnership to conduct its operations as described herein. The Partnership reserves the right to require the withdrawal of all or part of the Interest held by any Limited Partner, including, without limitation, to ensure compliance with the percentage limitation on investment in the Partnership by Benefit Plan Investors as set forth above.

Representations by Plans

An ERISA Plan proposing to invest in the Partnership will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan's investments are, aware of and understand the Partnership's investment objectives, policies and strategies, and that the decision to invest plan assets in the Partnership was made with appropriate consideration of relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA. WHETHER OR NOT THE ASSETS OF THE PARTNERSHIP ARE TREATED AS "PLAN ASSETS" UNDER ERISA**,** AN INVESTMENT IN THE PARTNERSHIP BY AN ERISA PLAN IS SUBJECT TO ERISA. ACCORDINGLY, FIDUCIARIES OF ERISA PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA OF AN INVESTMENT IN THE PARTNERSHIP.

ERISA Plans and Individual Retirement Funds Having Prior Relationships with the General Partner or its Affiliates

Certain prospective ERISA Plan and Individual Retirement Fund investors may currently maintain relationships with the General Partner or other entities that are affiliated with the General Partner. Each of such entities may be deemed to be a party in interest to and/or a fiduciary of any ERISA Plan or Individual Retirement Fund to which any of the General Partner or its affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the Code with respect to Individual Retirement Funds. ERISA Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in the Partnership is a transaction that is prohibited by ERISA or the Code. The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings.

Potential investors should consult with their legal advisors regarding the consequences under ERISA of the acquisition and ownership of Interests.

RESTRICTIONS ON TRANSFER OF INTERESTS

The Partnership Interests offered hereby have not been registered under the Securities Act, in reliance upon the exemptions provided by the Act and Regulation D thereunder, nor have the Interests been registered under the securities laws of any state in which they will be offered in reliance upon applicable exemptions in such states. Therefore, the Partnership Interests cannot be re-offered or resold unless they are subsequently registered under the Securities Act and any other applicable state securities laws or an exemption from registration is available under the Securities Act or such other laws. Pursuant to the terms of the Subscription Agreement, Limited Partners shall agree to pledge, transfer, convey or otherwise dispose of their Interests only in a transaction that is the subject of (i) an effective registration under the Securities Act and any applicable state securities laws or (ii) an opinion of counsel satisfactory to the Partnership to the effect that the registration of such transaction is not required. Accordingly, prospective investors in the Partnership must be willing to bear the economic risk of an investment in the Partnership for the period of time stipulated in the withdrawal provisions of the Partnership Agreement.

ADDITIONAL INFORMATION

Prospective investors should understand that the discussions and summaries of documents in this Memorandum are not intended to be complete. Such discussions and summaries are subject to and are qualified in their entirety by reference to such documents. The Partnership will deliver to any prospective investor, upon request, a copy of any and all such documents. The General Partner will afford prospective investors and their purchaser representatives the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and to obtain any additional information which the Partnership possesses or can acquire without unreasonable effort or expense.

PRIVACY NOTICE

The Insiders Fund, L.P.

Current regulations require financial institutions (including investment funds) to provide their investors with an initial and annual privacy notice describing the institution's policies regarding the sharing of information about their investors. In connection with this requirement, we are providing this Privacy Notice to each of our investors.

We do not disclose nonpublic personal information about our investors or former investors to third parties other than as described below.

We collect information about you (such as name, address, social security number, assets and income) from our discussions with you, from documents that you may deliver to us (such as subscription documents) and in the course of providing services to you. In order to service your account and effect your transactions, we may provide your personal information to our affiliates and to firms that assist us in servicing your account and have a need for such information, such as the advisor, fund administrator, accountants or auditors. We do not otherwise provide information about you to outside firms, organizations or individuals except as required or permitted by law. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose.

The General Partner of The Insiders Fund, L.P.
ALPHA WEALTH FUNDS
1887 Gold Dust Lane, Ste. 203A
Park City, UT 84060

EXHIBIT A – LIMITED PARTNERSHIP AGREEMENT

LIMITED PARTNERSHIP AGREEMENT

OF

THE INSIDERS FUND, L.P.

Dated as of February 18, 2010

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This Limited PARTNERSHIP AGREEMENT (the "***Agreement***") of The Insiders Fund, L.P. is made and entered into as of this 18 day of February, 2010, by and among ALPHA WEALTH FUNDS, a limited liability company, as the General Partner and the Limited Partners.

WITNESSETH

WHEREAS, the parties hereto desire to form a limited partnership for the purposes hereinafter provided.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

ARTICLE I – FORMATION AND PURPOSE

1.01 Formation. The parties hereby form a Limited Partnership and agree to conduct the Partnership as a Limited Partnership pursuant to the terms hereof. The General Partner has executed a Certificate and caused it to be filed as required by the Act and shall from time to time execute and file elsewhere a similar certificate when required by applicable law or permitted by applicable law and advisable for the Partnership to do so.

1.02 Name. The name of the Partnership shall be: The Insiders Fund, L.P. (the "***Partnership***"), and the business of the Partnership shall be conducted under the name "***The Insiders Fund, L.P.***"

1.03 Offices. The registered office of the Partnership in the state of Delaware is located at c/o Business Filings, Inc., 108 West 13th Street, Wilmington, DE 19801. The Partnership's initial registered agent for service of process at such address shall be Business Filings, Inc. The business office of the Partnership is 1887 Gold Dust Lane, Ste.203A, Park City, UT 84060. The Partnership may have such additional offices at such other places as the General Partner shall deem advisable.

1.04 Term. The Partnership shall continue until the earlier of (i) the termination, bankruptcy, insolvency or dissolution of the General Partner, (ii) the complete withdrawal of the General Partner from the Partnership, unless a successor general partner is appointed pursuant to *Section 4.02(b)* hereof, (iii) entry of a decree of judicial dissolution under Section 17-802 of the Act, (iv) the death of either of the Principals or an adjudication in a final non-appealable decision on the merits of a court of competent jurisdiction that either of the Principals is physically or mentally incapable of making investment decisions on behalf of the General Partner, or (v) a determination by the General Partner that the Partnership should be dissolved.

1.05 Purpose of Partnership.

(a) The Partnership is organized for the purpose of investing in Securities and engaging in all activities and transactions as the General Partner may deem necessary or

advisable in connection therewith and doing such other lawful acts as the General Partner may deem necessary or advisable in connection with the maintenance and administration of the Partnership.

(b) The Partnership may engage in other activities and businesses incidental to the purpose of the Partnership as may be necessary or desirable, in the opinion of the General Partner, to promote and carry out the principal purposes of the Partnership, as set forth above; *provided, however*, that, without the written consent of all of the Partners: (i) the purpose of the Partnership shall not be changed, and (ii) the Partnership shall not engage in any substantial business endeavor other than those consistent with the purpose of the Partnership, or incidental thereto.

1.06 Investment Management Techniques Proprietary. The investment management systems, techniques and methods employed by the General Partner in the management of the Partnership's investments shall be the sole property of the General Partner, and neither the Partnership nor any Limited Partner shall have any interest in or right or claim with respect to such investment management systems, techniques or methods or in any of the research products or recommendations generated through their use.

1.07 Definitions. Capitalized terms used and not defined herein shall have the meaning attributed to such terms in the definitions set forth in Appendix A hereto, or in the relevant section of this Agreement listed on Appendix A.

ARTICLE II – ADMISSION OF PARTNERS; CAPITALIZATION

2.01 Admission of Partners. The General Partner may admit one or more new Partners at such times and on such terms as the General Partner deems appropriate, subject only to the conditions that:

(a) Each new Partner shall execute a Subscription Agreement pursuant to which it agrees to be bound by the terms and provisions hereof;

(b) In the case of admission of a general partner other than the General Partner, such new general partner controls, is controlled by, or is under common control with the General Partner;

(c) The total number of Limited Partners may not at any time exceed one hundred (100) (as interpreted under Section 3 of the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder); and

(d) The General Partner reasonably believes that any new Partner satisfies the minimum investor suitability standards established by the General Partner.

2.02 Capital Contributions of Limited Partners. Upon admission to the Partnership, each Limited Partner shall contribute Cash (or, in the sole discretion of the General Partner, an in-kind contribution of Securities) in the amount set forth in such Partner's Subscription Agreement. Each Limited Partner who has contributed or may contribute Securities to the Partnership shall,

prior to the date of any such contribution, furnish to the Partnership evidence, satisfactory to the General Partner, as to his dates of acquisition of such Securities, his unencumbered ownership thereof and his adjusted basis thereof for federal income tax purposes. Each Limited Partner who contributes Securities to the Partnership shall consent and agree to pay to the Partnership, concurrently with such contribution, or, alternatively, to have deducted from such contribution, an amount as the General Partner, in its sole discretion, may determine to cover the costs of selling such Securities and investing the proceeds. The minimum initial capital contribution to the Partnership by a Limited Partner is generally $200,000 subject to the General Partner's sole discretion to accept subscriptions for lesser amounts or, upon giving notice to the Limited Partners, to require a higher minimum. Limited Partners may be admitted on the first business day of any calendar month, or at any other time the General Partner chooses to accept initial capital contributions. The General Partner may, in its sole discretion, reject any initial subscription request.

2.03 Additional Capital Contributions. A Partner may make additional contributions in Cash to the Partnership in amounts to be determined by the General Partner. Additional capital contributions may be accepted from existing Limited Partners on the first business day of any calendar month, or at any other time the General Partner chooses to accept such additional capital contributions. The General Partner may, in its sole discretion, reject any additional subscription request.

2.04 No Interest on Contributions. No Partner shall be entitled to receive interest on its capital contributions.

2.05 No Right to Return of Capital Contribution. No Partner shall have the right to withdraw from the Partnership or to demand a return of all or any part of his capital contribution during the term of the Partnership except as provided in *Article IV* hereof.

2.06 Liability of Limited Partners. Notwithstanding any other term or provision of this Agreement to the contrary, in no event shall any Limited Partner be liable for (i) any debts, obligations, liabilities or indemnifications of the Partnership in an amount that exceeds the capital contribution of such Limited Partner or for (ii) any debts, obligations, liabilities or indemnifications of any other Partner, nor shall the Limited Partners have any personal liability for contributing any capital to the Partnership.

ARTICLE III – CAPITAL ACCOUNTS; PROFITS AND LOSSES

3.01 Capital Accounts.

(a) A Capital Account shall be established and maintained on the books of the Partnership for each Partner. The amount of each Partner's initial capital contribution shall be credited to its Capital Account at the beginning of the Accounting Period in which such capital contribution is accepted. At the end of such Accounting Period (and each Accounting Period thereafter), the Capital Account of each Partner shall be (i) increased or decreased by the amount credited or debited to the Capital Account of such

Partner pursuant to *Section 3.02(a) through (c)*. At the beginning of each Accounting Period thereafter, the Capital Account of each Partner shall be increased by the amount of any additional capital contributions made by such Partner on the first day of such Accounting Period, and decreased by (i) the amount of any withdrawals made by such Partner pursuant to *Article IV* as of the end of the immediately preceding Accounting Period. At the beginning of each Accounting Period that begins on the first day of a month, each Limited Partner's Capital Account shall be decreased by the amount of the Management Fee then due pursuant to *Section 5.06(a)*.

(b) Capital Account balances and the value of any capital or Securities contributed to the Partnership shall be determined by application of the capital accounting rules in Regulations Section 1.704-1(b)(2)(iv).

3.02 Interests in Profits and Losses; Performance Allocation.

(a) The Net Profit or Net Loss for each Accounting Period shall be tentatively allocated as of the last day of such Accounting Period to each Partner's respective Capital Account in proportion to the Partner's Allocation Percentage for such Accounting Period, subject only to reduction pursuant to *Section 3.02(b) and (c)*. For purposes of calculating Net Profit or Net Loss, the Partnership will include both realized and unrealized gains and losses on its investments. In the case of the General Partner, the entire amount initially allocated to its Capital Account pursuant to the first sentence of this *Section 3.02(a)* shall be finally allocated to its Capital Account at the close of the Accounting Period.

(b) Subject to the limitations set forth in *Section 3.04 through 3.08*, at the end of each Fiscal Year, the aggregate Net Profit, if any, allocated to each Limited Partner for such Fiscal Year shall be finally allocated as follows:

(i) First, to such Limited Partner until such time as the balance, if any, in such Limited Partner's Cumulative Loss Account has been eliminated (but in no event more than the balance existing in such account),

(ii) Second, to such Limited Partner until it has received 80% of any excess over the amount allocated to such Limited Partner pursuant to the foregoing *Section 3.02(b)(i)*, and

(iii) Third, the remaining 20% of such excess shall be allocated to the General Partner] (such amount allocated to the General Partner, the "***Performance Allocation***").

The final allocations set forth in this *Section 3.02(b)* (and *3.02(c)* below) may be computed at the end of an Accounting Period, in the sole discretion of the General Partner, for a Limited Partner who effects a partial or complete withdrawal from its Capital Account at the end of such Accounting Period as if the applicable Withdrawal Date were the last day of a Performance Allocation Period, by multiplying (i) the portion of the Net Profits allocable to the withdrawing Limited Partner pursuant to this *Section 3.02* in excess of the balance, if any, existing in such Limited Partner's Cumulative Loss

Account, by (ii) the ratio obtained by dividing the amount being withdrawn by the balance in such Limited Partner's Capital Account immediately prior to the withdrawal. If such Limited Partner is making a partial withdrawal of its Capital Account, the allocations set forth in this *Section 3.02* for the remainder of the Performance Allocation Period in which such Accounting Period occurs shall be based on such Limited Partner's Allocation Percentage and Cumulative Loss Account immediately following such withdrawal. The General Partner may, in its sole discretion, enter into arrangements with Limited Partners under which the Performance Allocation is reduced, waived or calculated differently with respect to such Limited Partners, including, without limitation, Limited Partners that are members, affiliates or employees of the General Partner, members of the immediate families of such persons and trusts or other entities for their benefit, or Limited Partners that make a substantial investment or otherwise are determined by the General Partner in its sole discretion to represent a strategic relationship.

(c) Subject to the limitations set forth in *Section 3.04 through 3.08*, at the end of each Fiscal Year, the aggregate Net Loss, if any, allocated to each Limited Partner for such Fiscal Year shall be finally allocated to such Limited Partner (and such Limited Partner's Cumulative Loss Account shall be adjusted accordingly).

3.03 Allocations of New Issues. The General Partner may cause the Partnership to invest in or otherwise participate in the profits and losses of equity Securities which are purchased in an initial public offering ("***New Issues***") whose distribution is subject to Rule 5130 of the Financial Industry Regulatory Authority (the "***New Issues Rule***"). In the event the Partnership invests in or otherwise participates in the profits and losses of New Issues, such investments shall be made in accordance with the following provisions:

(a) Any such investment made in a particular Accounting Period shall be made in a special account (the "***New Issues Account***"), which account may be a separate brokerage account with a separate brokerage number or memorandum account recorded as such on the books of the Partnership. The General Partner may cause the Partnership to have multiple New Issues Accounts if it deems it appropriate in the administration of the Partnership.

(b) The General Partner, in its sole discretion, shall classify each Limited Partner, for purposes of compliance with the New Issues Rule, as either a Limited Partner whose participation in New Issue investments is not restricted under the New Issues Rule (an "***Unrestricted Investor***") or a Limited Partner whose participation in New Issues is subject to restrictions under the New Issues Rule (a "***Restricted Investor***"). The General Partner shall obtain and keep in the records of the Partnership the certifications, representations, and confirmations of each Limited Partner in order to ensure that each Limited Partner is properly classified. The General Partner's classification of each Limited Partner shall, for all purposes, be final and conclusive. Moreover, the General Partner may classify as a Restricted Investor any Unrestricted Investor if the General Partner determines that such classification is necessary or convenient in the interest of the Partnership or the ease of its administration.

(c) If, during any Accounting Period, Restricted Investors beneficially hold, on an aggregate basis, no more than 10% of the Allocation Percentages of the Partnership, each

Limited Partner (whether a Restricted Investor or an Unrestricted Investor) shall have a beneficial interest in the New Issues Account in proportion to its Allocation Percentage for such Accounting Period; *provided, however*, that the General Partner may, in its sole discretion, determine that no Restricted Investor shall have any interest in the New Issues Account.

(d) If, during any Accounting Period, Restricted Investors beneficially hold, on an aggregate basis, more than 10% of the Allocation Percentages of the Partnership and unless the General Partner determines in its sole discretion that no Restricted Investor shall have any interest in the New Issues Account, all Restricted Investors shall, in the aggregate, be limited to a 10% (or such lesser percentage as the General Partner may determine from time to time in its discretion) beneficial interest in the New Issues Account, and all Unrestricted Investors shall, in the aggregate, hold the remaining percentage of the beneficial interests in the New Issues Account, with each Investor's beneficial interest in the New Issues Account calculated as follows:

(1) The percentage of each Restricted Investor's beneficial interest in the New Issues Account shall be equal to the product of (i) 10% (or such lesser percentage as the General Partner has determined) *multiplied by* (ii) the proportion which (A) such Restricted Investor's Capital Account at the beginning of such Accounting Period bears to (B) the sum of the Capital Accounts of all Restricted Investors at the beginning such Accounting Period; and

(2) The percentage of each Unrestricted Investor's beneficial interest in the New Issues Account shall be equal to the product of (i) the remaining percentage *multiplied by* (ii) the proportion which (A) such Unrestricted Investor's Capital Account at the beginning of such Accounting Period bears to (B) the sum of the Capital Accounts of all Unrestricted Investors at the beginning of such Accounting Period.

(e) As of the last day of each Accounting Period in which a particular investment or investments are or were purchased or held in the New Issues Account:

(1) Any profits or losses during such Accounting Period with respect to the New Issues Account shall be allocated to Limited Partners' Capital Accounts in accordance with their beneficial interests in the New Issues Account for such Accounting Period; and

(2) The General Partner may in its discretion, but is not required to, accrue a liability against the Capital Accounts of the Limited Partners participating in the New Issues Account ("***Participating Investors***") *(pro rata* in accordance with their beneficial interests in the New Issues Account for such Accounting Period) in an amount equal to the product resulting from the multiplication of:

(A) The *per annum* interest rate being paid by the Partnership from time to time during such Accounting Period for borrowed funds or, if funds have not been borrowed by the Partnership during such month, at the *per annum* interest rate that the General Partner in good faith determines would have been paid if funds had been borrowed by the Partnership during such Accounting Period, multiplied by a fraction the numerator of which is the number of days in the Accounting Period and the denominator of which is 365; and

(B) The aggregate purchase price of all investments purchased or held in the New Issues Account during such Accounting Period.

(3) The amount so accrued shall then be credited to the Capital Accounts of all Partners *(pro rata* in accordance with the relative values of their Capital Accounts at the beginning of such Accounting Period).

(f) A New Issues Account may be eliminated and the proceeds of sales in a New Issues Account or Securities held in the New Issues Account that are no longer restricted by the New Issues Rule may be transferred back to the Capital Accounts of the Partners, *provided, however*, that any profits or losses with respect to such New Issues Account shall be allocated as described above.

(g) For avoidance of doubt, any amounts credited to or debited from a Partner's Capital Account pursuant to this *Section 3.03* shall be included in the calculation of any Net Profit, Net Loss, Performance Allocation or adjustments to a Limited Partner's Cumulative Loss Account.

(h) The General Partner is hereby authorized to make such other allocations or modifications to the allocations described in this *Section 3.03* to the extent the General Partner in its reasonable discretion deems it necessary or appropriate to comply with the New Issues Rule or otherwise to treat the Limited Partners fairly and equitably with respect to New Issues.

3.04 Limitation on Allocations. Any Net Losses or items of loss or deduction allocated to a Limited Partner pursuant to this *Article III* shall not exceed the maximum amount of such items that can be allocated without causing the Partner to have a negative Capital Account balance, after giving effect to the following adjustments: (a) debit to such Capital Account balance the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6), and (b) credit to such Capital Account balance the sum of (i) the amount that the Partner is obligated to restore to the capital of the Partnership, and (ii) the amount that the Partner is deemed to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c)(1) and (2). The Partnership shall allocate all Net Losses or items of loss or deduction in excess of the limitations set forth in this *Section 3.04* first to any Limited Partners to whom the limitation in the preceding sentence does not apply, in proportion to their respective Allocation Percentages. Any Net Losses that the Partnership

cannot allocate to any Limited Partner as a result of the limitation set forth in the first sentence of this *Section 3.04* shall be allocated to the General Partner.

3.05 Qualified Income Offset. In the event that any Partner unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that cause a deficit balance in such Partner's Capital Account, the Partnership shall allocate items of Partnership income and gain to that Partner in an amount and manner sufficient to eliminate the deficit balance as quickly as possible, *provided that* the Partnership shall make an allocation pursuant to this *Section 3.05* only if and to the extent that a Partner would have a deficit Capital Account balance after the Partnership makes all other allocations provided for in this *Article III* as if this *Section 3.05* were not in the Agreement. For purposes of any allocation pursuant to the preceding sentence, in determining any deficit balance in a Partner's Capital Account, the Partnership shall (a) reduce the Partner's Capital Account by expected adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), and (b) increase the Partner's Capital Account by any amount that the Partner must restore to the deficit balance of his Capital Account or that Regulations Section 1.704-1(b)(2)(ii)(c) deems the Partner to restore to the deficit balance of his Capital Account.

3.06 Gross Income. In the event that any Partner has a deficit balance in its Capital Account as of the end of any Fiscal Year in excess of the sum of the amount such Partner is obligated to restore to the capital of the Partnership pursuant to any provision of this Agreement, or that such Partner is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c)(1) and (2), then the Partnership shall allocate to each such Partner items of income and gain for such Fiscal Year and subsequent Fiscal Years, if necessary, in an amount and manner sufficient to eliminate as quickly as possible such Capital Account deficit. The Partnership shall make an allocation pursuant to this *Section 3.06* if and only to the extent that such Partner would have such an excess deficit balance in its Capital Account after the Partnership tentatively has made all other allocations pursuant to this *Article III* as if *Section 3.05* and this *Section 3.06* were not in this Agreement.

3.07 Section 754 Adjustments. To the extent that the Partnership makes an election pursuant to Code Section 754 and *Section 7.06* hereof, the amount of any adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or 743(b) that is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) and the gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Regulations section.

3.08 Curative Allocations. The Partnership intends that any allocations made pursuant to the last sentence of *Section 3.04* or pursuant to *Section 3.05, Section 3.06 or Section 3.07* (collectively, "***Regulatory Allocations***") comply with certain requirements of the Regulations. The Partnership also intends that, to the extent possible, the Partnership offset all Regulatory Allocations either with other Regulatory Allocations or with special allocations pursuant to this *Section 3.08*. Therefore, notwithstanding any other provisions of this *Article III* (other than the Regulatory Allocations), the Partnership shall make such offsetting special allocations in

whatever manner it determines appropriate so that, after it makes the offsetting allocations, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account balance the Partner would have had if the Regulatory Allocations were not part of the Agreement and the Partnership allocated all items pursuant to the remaining Sections of this *Article III*.

3.09 Priority of Allocations. The Partnership shall make the allocations pursuant to *Section 3.02* through *Section 3.08* in the following order and priority: (a) first, the Partnership shall make the Regulatory Allocations in the order and priority in which they appear in this Agreement; and (b) next, the Partnership shall make the allocations pursuant to *Section 3.02* through *Section 3.04*.

3.10 Contributed and Revalued Property. For Federal income tax purposes, any income, gain, loss or deduction with respect to property contributed by a Partner to the Partnership that has a fair market value different from its adjusted basis for Federal income tax purposes shall be allocated among the Partners in accordance with Code Section 704(c) and the Regulations Section 1.704-3, using any method prescribed in Regulations Section 1.704-3 determined by the General Partner. With respect to any Partnership asset that is revalued pursuant to the terms hereof, subsequent allocations of income, gain, loss and deduction with respect to the asset shall take into account any variation between the adjusted basis of such asset for Federal income tax purposes and its fair market value at the time of revaluation in the same manner as under Code Section 704(c) and Regulations Section 1.704-3, using any method prescribed therein as determined by the General Partner.

3.11 Varying Partnership Interest. In the event of the transfer of a Partnership Interest during a Fiscal Year, or in the event that a Partner's percentage interest changes during a Fiscal Year, the Net Profits, Net Losses or items of income, gain, loss or deduction allocated for the Fiscal Year during which the transfer occurs shall (a) be prorated between the transferor and transferee as of the date of the transfer, or (b) be prorated between the portion of the Fiscal Year prior to the change in percentage interest and the portion of the Fiscal Year after the change, using any method that the Partnership determines in good faith reasonably and fairly represents the portion of the Net Profits, Net Losses or items of income, gain, loss and deduction properly allocable to the Partners.

3.12 Tax Items. Except as otherwise provided herein, any allocation to a Partner of a portion of the Net Profits, Net Losses or items of income, gain, loss or deduction for a Fiscal Year shall be deemed to be an allocation to that Partner of the same proportionate part of each item of income, gain, loss, deduction or credit that is earned, realized or available by or to the Partnership for Federal income tax purposes. In addition, all items of gain or loss recognized from the sale, exchange or other disposition of Securities (including closing a position or determining a security worthless) in any tax period will generally be allocated among the Partners, so that to the extent possible, consistent with a fair allocation of such items of gain or loss among all of the Partners, each Partner's gain or loss for tax purposes is equal to the amount of gain or loss allocated to his Capital Account in respect of such transactions.

3.13 Stuffing Provision. As of the close of each Fiscal Year, the capital gains and capital losses of the Partnership shall be allocated to the Partner's Capital Account so as to

minimize, to the extent possible, any disparity between the "book" Capital Account and the "tax" Capital Account, consistent with the principles set forth in section 704 of the Code. To the extent permitted by the Treasury Regulations (or successor regulations) in effect under Code Sections 704(b) and 704(c), allocations of capital gain that have been realized up to the time a Capital Account was completely withdrawn may be allocated first to each Capital Account that was completely withdrawn during the applicable Fiscal Year to the extent that the "book" Capital Account as of the Withdrawal Date exceeds the "tax" Capital Account at that time, and allocations of capital loss that have been realized up to the time a Capital Account is completely withdrawn may be allocated first to each Capital Account that was completely withdrawn during the applicable Fiscal Year to the extent that the "tax" Capital Account as of the Withdrawal Date exceeded the "book" Capital Account of such Capital Account at that time. Notwithstanding anything herein to the contrary, capital gain or capital loss recognized with respect to Securities contributed to the Partnership, if any, shall be specifically allocated to the contributing Partner in the amount and manner required by Code Section 704(c) and the regulations thereunder, and, to the extent so allocated, shall be excluded from the computation of the Partnership's capital gain or capital loss, as applicable, for the relevant fiscal year.

ARTICLE IV – DISTRIBUTIONS OF CASH FLOWS; WITHDRAWALS

4.01 Withdrawals of Limited Partners' Capital Account.

(a) A Limited Partner will be generally permitted to make withdrawals from its Capital Account as of the last business day of any calendar month, or such other date as the General Partner may determine, in its sole discretion (each such date, a "***Withdrawal Date***") subject to the provisions of this *Section 4.01*, by delivering to the General Partner a request in writing for withdrawal in the form of *Appendix A* to the Subscription Agreement *provided that* the Partnership receives notice of such withdrawal not less than 30 days prior to the applicable Withdrawal Date. In the event of a partial withdrawal, a Limited Partner must withdraw a minimum of $10,000, and shall maintain a minimum Capital Account balance, after giving effect to the withdrawal, of not less than $200,000. A Limited Partner failing to maintain the minimum Capital Account balance may be required to withdraw the balance of its Capital Account at any time without notice. The General Partner, in its sole discretion, may waive these minimum amounts.

(b) Payments for withdrawals are generally made within 30 days of the applicable Withdrawal Date; *provided, however*, in the event a Partner withdraws 90% or more of the balance of such Partner's Capital Account (or if a withdrawal, when combined by all other withdrawals effected by such Partner during the preceding twelve (12) months, would result in such Partner having withdrawn 90% or more of the sum of (i) the aggregate amount of all prior withdrawals during such 12 month period, and (ii) such Partner's Capital Account balance as of the date of the most recent withdrawal request), a portion (generally not to exceed 10%) of the withdrawal payment will be retained in the General Partner's discretion pending completion of the audit of the Partnership's annual financial statements for the Fiscal Year in which the applicable

Withdrawal Date occurs. A Limited Partner shall not be entitled to interest on the amount of any retained withdrawal payment.

(c) The General Partner may in its sole discretion require or permit any Partner, for any reason or no reason and at any time, with or without notice, to effect a complete or partial withdrawal of amounts contained in his Capital Account in accordance with the procedures outlined in this *Section 4.01* except that in such case (i) any dollar limitations may be waived by the General Partner and (ii) the General Partner may, in its sole and absolute discretion, distribute to such Partner up to one hundred percent (100%) of his or her Capital Account at any time prior to the date on which that Partner would have been entitled to receive such a distribution had the Partner properly requested such a complete withdrawal. The undistributed remainder, if any, of such a Capital Account shall be distributed pursuant to the provisions of *Section 4.01(b)*.

(c) Any Partner who effects a withdrawal during a Fiscal Year shall be obligated upon notice by the General Partner to reimburse the Partnership in Cash or immediately available funds for any overpayment made pursuant to such withdrawal, as determined after completion of the annual accounting of the Partnership's books for that Fiscal Year and after any adjustments to the Capital Accounts of the Partners as are necessary in light of accounting; *provided, however*, that such reimbursement shall be required only to the extent that the overpayment exceeded the aggregate of any amount retained by the Partnership and any balance remaining in such Partner's Capital Account at the time of such determination. Any obligation of a Partner arising under the provisions of this section to reimburse the Partnership for an overpayment shall terminate unless notice of the amount of the overpayment and a reasonable explanation of the calculation of such overpayment amount has been given on or before the thirtieth (30th) day following completion of the audit of the Partnership's annual financial statements for the Fiscal Year in which the subject withdrawal was made. In the event that proper reimbursement has not been received by the Partnership within thirty (30) days after proper notice, the amount of an overpayment shall begin to bear interest payable to the Partnership beginning as of the date that proper notice of the overpayment has been given, with the rate of interest equal to the greater of (i) 10% per annum compounded monthly or (ii) the prime rate announced by the Wall Street Journal, as of the date of such proper notice plus two percent (2.0%), compounded monthly and readjusted and re-amortized at the beginning of the next calendar month thereafter.

(d) At the discretion of the General Partner, any withdrawal by a Limited Partner may be subject to a charge, as the General Partner may reasonably require, in order to defray the costs and expenses of the Partnership in connection with such withdrawal including, without limitation, any charges or fees imposed by any Partnership investment in connection with a corresponding withdrawal or redemption by the Partnership from such investment or any other costs associated with the sale of any of the Partnership's portfolio investments.

4.02 Withdrawals of General Partner's Capital Account.

(a) Except as set forth elsewhere in this *Section 4.02*, the General Partner shall have the same withdrawal rights as a Limited Partner.

(b) If the General Partner provides a notice of resignation pursuant to paragraph (a) above or is disqualified pursuant to *Section 4.06* hereof, the Partnership shall dissolve and thereafter conduct only those activities necessary to wind up its affairs in accordance with the provisions of *Article IX* hereof, unless within 90 days after receipt of notice of such resignation or disqualification Limited Partners representing a majority of the Allocation Percentages of all Limited Partners vote to continue the Partnership and in connection therewith appoint a successor general partner. For the avoidance of doubt, if no successor general partner is appointed and the Partnership dissolves, all unsatisfied withdrawal requests and pending distributions shall be postponed until the completion of the winding up of the Partnership and a final accounting pursuant to *Article IX*.

(c) If the Limited Partners appoint a successor general partner in accordance with paragraph (b) above, the Partnership shall pay to the General Partner or its legal representatives the General Partner's ending Capital Account balance (after computation of any applicable Performance Allocation) within 30 days of the appointment of such successor general partner (and the date of such appointment shall be deemed the end of an Accounting Period for all purposes under this Agreement); *provided, however*, that a portion (generally not to exceed 10%) of the withdrawal payment will be retained pending completion of the audit of the Partnership's annual financial statements for the Fiscal Year in which the appointment of such successor general partner occurs.

4.03 Limitations on Withdrawals. The General Partner may suspend the right of withdrawal or postpone the date of payment for any period during which (i) any stock exchange or over-the-counter market on which a substantial part of the Securities owned by the Partnership are traded is closed, (other than weekend or holiday closings) or trading on any such exchange or market is restricted or suspended, (ii) there exists a state of affairs that constitutes a state of emergency, as a result of which disposal of the Securities owned by the Partnership is not reasonably practicable or it is not reasonably practicable to determine fairly the value of its assets, (iii) a breakdown occurs in any of the means normally employed in ascertaining the value of a substantial part of the assets of the Partnership or when for any other reason the value of such assets cannot reasonably be ascertained, (iv) a delay is reasonably necessary, as determined in the reasonable discretion of the General Partner, in order to effectuate an orderly liquidation of the Partnership's investments in a manner that does not have a material adverse impact on the Partnership or the non-withdrawing Limited Partners, or (v) in such other extraordinary circumstances as determined in good faith by the General Partner. At the conclusion of such period, the General Partner shall resume permitting withdrawals otherwise permitted pursuant to this *Article IV* and shall resume any payments pursuant to such withdrawals as soon as reasonably practicable.

4.04 Distributions. Except as otherwise set forth in this *Article IV*, a Partner who has satisfied the applicable notice requirements set forth herein with respect to withdrawal requests shall receive a distribution (or distributions) in Cash in accordance with the provisions of *Section 4.01(b)*.

4.05 Withholding from Distributions. The General Partner may establish reserves for expenses, liabilities or contingencies (including those not addressed by GAAP) arising from events occurring during the period of time during which a withdrawing Limited Partner was a Limited Partner of the Partnership including, without limitation, contingent liabilities relating to pending or anticipated litigation, IRS audits or other governmental proceedings, which could reduce the amount of a distribution upon withdrawal. All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment, distribution or allocation to the Partnership or to the Partners shall be treated as amounts distributed to the Partners pursuant to this *Article IV* for all purposes of the Agreement. The Partnership is authorized to withhold from distributions, or with respect to allocations, to the Partners and to pay over to any federal, state or local government any amount required to be withheld pursuant to the Code or any provisions of any other federal, state or local law and may allocate any such amounts among the Partners in any manner that is in accordance with applicable law. If there are any assets that, in the judgment of the General Partner, cannot be valued properly until sold or realized or cannot be sold without sacrificing a substantial portion of the value thereof, such assets may be excluded from the valuation of assets for purposes of computing the amount available for distribution to a Limited Partner upon withdrawal of any portion of its Capital Account pursuant to this *Article IV*. Any Partner's *pro rata* interest in such assets shall not be paid until such time as the General Partner, in its sole and absolute discretion, determines that circumstances no longer require such assets to be so excluded (in whole or in part). If there is any contingent liability of the Partnership or any pending transaction or claim by the Partnership as to which the withdrawing Partner's share of such liability or claim cannot, in the judgment of the General Partner, then be determined, the probable loss or liability, or value of the claim, as the case may be, may be excluded from the valuation of assets or liabilities for purposes of computing the amount owing to any Partner upon its withdrawal pursuant to this *Article IV*. No amount shall be paid or charged to any such Partner's Capital Account on account of any such contingency, transaction or claim until its final settlement or such earlier time as the General Partner shall determine. The Partnership may retain from sums otherwise due such Partner an amount that the General Partner estimates to be sufficient to cover the share of such Partner of any probable loss or liability on account of such contingency, or the probable value of the transaction or claim. Any amount so withheld from a Partner shall be held in a segregated interest-bearing account (which may be commingled with similar accounts of other Partners). Any unused portion of such reserve shall be distributed with interest accrued thereon once the General Partner has determined that the need therefor has ceased. Upon determination by the General Partner that circumstances no longer require the exclusion of assets or retention of sums as provided in this *Section 4.05*, the General Partner shall, at the earliest practicable time, pay such sums or the proceeds realized from the sale of such assets to each Partner from whom such sums or assets have been withheld.

4.06 Disqualification.

(a) For the purposes of this Agreement, a Partner shall be deemed to be "disqualified" upon the occurrence of any of the following events:

(i) If the Partner is a natural person, upon his death, his adjudication as an incompetent, his becoming bankrupt or adjudicated insolvent, or his making an assignment for the benefit of creditors; or

(ii) If the Partner is not a natural person, upon its voluntary dissolution or liquidation, its bankruptcy or adjudication of insolvency, its making an assignment for the benefit of creditors, or its becoming subject to involuntary reorganization or liquidation proceedings and such proceedings not being dismissed within ninety (90) days after filing.

(b) Neither the withdrawal nor the disqualification of a Limited Partner shall dissolve the Partnership. Upon the disqualification of a Limited Partner, the successor-in-interest of the Limited Partner shall become a transferee of the Limited Partner and be credited or paid, or charged with, as the case may be, all further allocations and distributions on account of the Interest of the disqualified Limited Partner; *provided*, no such successor-in-interest shall become a substituted Limited Partner without first obtaining the written consent of the General Partner, whose consent may be withheld for any or no reason, and without complying with the provisions of *Section 8.02* hereof.

(c) The disqualification of the General Partner shall cause the dissolution of the Partnership unless a successor general partner is appointed in accordance with the terms of *Section 4.02* hereof.

4.07 Status of Withdrawn Partner. From and after the effective Withdrawal Date applicable to a Partner who has withdrawn all or any portion of its Capital Account, such Partner shall be deemed a creditor of the Partnership with respect to the withdrawn portion after all adjustments to such Capital Account pursuant to *Article III* and any applicable limitations set forth in this *Article IV* to the extent that such withdrawn portion has not been distributed to such Partner pursuant to *Section 4.04* hereof. Such Partner shall thereafter be deemed a Partner only to the extent that such Partner withdraws less than all of its Capital Account.

ARTICLE V – POWERS, DUTIES AND RIGHTS OF GENERAL PARTNER

5.01 Management of the Partnership. The assets, affairs and operations of the Partnership shall be managed by the General Partner.

5.02 Powers of General Partner. All references herein to any action to be taken by the Partnership shall mean action taken in the name of the Partnership and on its behalf by the General Partner. Except as otherwise provided in this Agreement, the General Partner will have

exclusive management and control of the business of the Partnership and will (except as otherwise provided in any other agreements) make all decisions affecting the Partnership and the Partnership's assets. Notwithstanding any other provision of this Agreement, the General Partner will not change the investment strategy of the Partnership from that described in the Partnership's confidential private placement memorandum accompanying this Agreement without the consent of Limited Partners holding a majority of the Allocation Percentages of all Limited Partners at such time. In addition to the rights, powers, and authority granted elsewhere in this Agreement and by law, the General Partner will have the right, power, and authority to obligate and bind the Partnership and, on behalf of and in the name of the Partnership, to take any action of any kind and to do anything it deems necessary or advisable in pursuit of the Partnership's purposes, including, without limitation, the following:

(a) To purchase, hold, sell (including to "write" put and call options), sell short, lend, borrow or otherwise deal in Securities (on margin or otherwise), and in furtherance of the foregoing, to:

(i) Exercise all rights, powers, privileges and other incidents of ownership with respect thereto (including, without limitation, voting rights with respect to Securities);

(ii) Acquire a long or short position with respect to any Security and to make purchases or sales increasing, decreasing or liquidating such position, without any limitations as to the frequency of the fluctuation in such positions or as to the frequency of the changes in the nature of such positions;

(iii) Enter into contracts for or in connection with investments in Securities;

(iv) Liquidate Securities that have been distributed to the Partnership in-kind;

(v) Engage in repurchase agreements, swap transactions and transactions involving structured or derivative instruments; and

(vi) Delegate the authority to engage in such activities as to some or all of the Partnership's assets to one or more investment managers, and to pursue such activities through investment in one or more pooled investment vehicles;

(b) To borrow funds on behalf of the Partnership and to pledge and hypothecate Securities and other assets of the Partnership for such loans, and to lend (with or without security) any Securities or other assets of the Partnership;

(c) To open, maintain, conduct, and close accounts, including margin accounts with broker-dealers, futures commission merchants, and with banks or other custodians for Partnership assets, each as selected by the General Partner, and to draw checks or other orders for the payment of money by the Partnership, and in furtherance of the foregoing, to:

(i) Issue instructions and authorizations to broker-dealers regarding Securities and/or money held in accounts of the Partnership with such broker-dealers;

(ii) Enter into prime broker agreements, clearing agreements, custodial agreements, margin account agreements and agreements with executing brokers and futures commission merchants;

(iii) Pay or authorize the payment and reimbursement of brokerage commissions (or in the case of riskless principal transactions, spreads) that may be in excess of the lowest (or smallest spreads) available that are paid to broker-dealers who execute transactions for the account of the Partnership and who (a) supply, or pay for (or rebate a portion of the Partnership's brokerage commissions to the Partnership for payment of) the cost of brokerage, research or execution services utilized by the Partnership or the Other Accounts (as defined below) and/or (b) "step out" of a portion of the transaction in favor of a broker-dealer that has provided or is willing to provide research or execution products or services; *provided that* the General Partner considers, among other things and without limitation, in selecting a broker-dealer (that may be of benefit to the Partnership, the General Partner and the Affiliated Persons (as defined below), and the Other Accounts): (i) commission rates, (ii) historical net prices (after mark-ups, mark-downs or other transaction-related compensation) on other transactions, (iii) execution, clearance and settlement capabilities, (iv) willingness to commit capital, (v) reliability, responsiveness and financial stability, (vi) size of the transaction, (vii) availability of Securities to borrow for short sales, (viii) the value of any research provided, and (ix) other products and/or services provided by such broker-dealers to the General Partner and Affiliated Persons or the Partnership, including, among other things, referral of prospective Limited Partners and payment of all or a portion of the Partnership's or the General Partner's or the Affiliated Person's costs of operations (including, for example, supplies, salaries, employee benefits, telephone, office equipment, news wire and data processing charges, attorneys' and accountants' fees, office rent, travel and entertainment expenses related to the General Partner's or the Partnership's business, quotation services, periodical subscription fees, and custody, record keeping and similar services);

(iv) Combine purchase or sale orders on behalf of the Partnership with orders for the Other Accounts and allocate Securities or other assets so purchased or sold, on an average-price basis or by any other method of fair allocation, among such accounts; and

(v) Enter into arrangements with broker-dealers to open average price accounts wherein orders placed during a trading day are

placed on behalf of the Partnership and Other Accounts and are allocated among such accounts using an average price;

(d) To employ from time to time, at the expense of the Partnership, persons required for the Partnership's business, including portfolio managers or other managers to manage any asset of the Partnership, accountants, attorneys, investment advisers, financial consultants, and others (who may be affiliated with the General Partner) on such terms and for such compensation as the General Partner determines to be reasonable; and to give receipts, releases, indemnities, and discharges with respect to all of the foregoing and any matter incident thereto as the General Partner may deem advisable or appropriate;

(e) To engage in any transaction with the General Partner's affiliates to the extent permitted by applicable securities laws (including, without limitation, the ability to effect on behalf of the Partnership any "agency cross transaction" (as contemplated in Rule 206(3)-2 under the Investment Advisers Act of 1940, as amended) through the General Partner or any affiliate of the General Partner that is registered as a broker or dealer);

(f) To purchase, from or through others, contracts of liability, casualty and other insurance which the General Partner deems advisable, appropriate or convenient for the protection of the Securities acquired by the Partnership or other assets or affairs of the Partnership or for any purpose convenient or beneficial to the Partnership, including policies of insurance insuring the General Partner and/or the Partnership against liabilities that may arise out of the General Partner's management of the Partnership;

(g) To make all tax elections required or permitted to be made by the Partnership, including elections under Section 754 of the Code;

(h) To file, conduct and defend legal proceedings of any form, including proceedings against Partners, and to compromise and settle any such proceedings, or any claims against any person, including claims against Partners, on whatever terms deemed appropriate by the General Partner;

(i) To admit Limited Partners or additional or successor General Partners to the Partnership and to remove Limited Partners;

(j) To maintain for the conduct of the Partnership's affairs one or more offices and in connection therewith rent or acquire office space, and do such other acts as the General Partner may deem necessary or advisable in connection with the maintenance and administration of the Partnership;

(k) To waive or reduce, in whole or in part, any notice period, minimum amount requirement, or other limitation or restriction imposed on capital contributions or withdrawals of capital; waive, reduce or, by agreement with any Limited Partner, otherwise vary any fee or special allocation to the General Partner, and/or any

requirement imposed on that Limited Partner by this Agreement. The General Partner will have such right, power and authority regardless of whether such notice period, minimum amount, limitation, restriction, fee, or special allocation, or the waiver or reduction thereof, operates for the benefit of the Partnership, the General Partner or fewer than all the Limited Partners;

(l) To retain an investment manager affiliated with the General Partner or other persons, firms or entities selected by the General Partner to provide certain management and administrative services to the Partnership and to cause the Partnership to compensate such Persons for such services in accordance with the terms of investment management agreements pursuant to which such investment manager will have discretionary investment authority over the Partnership's assets;

(m) To amend this Agreement in accordance with *Section 11.05*;

(n) To re-organize the Partnership into a "Master-Feeder" structure whereby the Partnership would contribute all of its assets to a master fund (the "***Master Fund***"), organized outside of the United States, in exchange for an interest in the Master Fund and all portfolio investments would be made at the Master Fund level;

(o) To authorize any member, officer, employee or other agent of the General Partner to act for and on behalf of the Partnership in all matters incidental to the foregoing; and

(p) To do any and all acts on behalf of the Partnership as it may deem necessary or advisable in connection with, or incidental to the accomplishment of, the purposes of the Partnership or the maintenance and administration thereof.

5.03 Consent of the Partners. Notwithstanding *Section 5.02* to the contrary, without the consent of all of the Partners, in no event shall the General Partner take any action outside the scope of the purposes of the Partnership.

5.04 Duties of General Partner. Subject to the limitations in *Section 5.03*, the General Partner shall be charged with the full responsibility for managing and promoting the Partnership's purpose and business. The General Partner shall devote its diligent efforts to the business and affairs of the Partnership, including such time as shall be required, in the reasonable opinion of the General Partner, for the proper conduct of the business of the Partnership. The General Partner shall not assign its duties under this Agreement except pursuant to the terms of *Section 8.05* hereof. The General Partner shall have authority in its sole discretion to delegate any responsibilities hereunder to third parties with whom it contracts to provide services on behalf of the Partnership. No such delegation shall relieve the General Partner from its duties or obligations hereunder.

5.05 Other Activities of the General Partner. The General Partner and its affiliates, shareholders, members, partners, managers, directors, officers and employees (collectively, the "***Affiliated Persons***") will only devote so much time to the affairs of the Partnership as is

reasonably required in the judgment of the General Partner. The Affiliated Persons will not be precluded from engaging directly or indirectly in any other business or other activity, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with Securities and other investments for their own accounts, for the accounts of family members, for the accounts of other funds and for the accounts of individual and institutional clients (collectively, "***Other Accounts***"). Such Other Accounts may have investment objectives or may implement investment strategies similar to those of the Partnership. The Affiliated Persons may also have investments in certain of the Other Accounts. Each of the Affiliated Persons may give advice and take action in the performance of their duties to their Other Accounts that could differ from the timing and nature of action taken with respect to the Partnership. The Affiliated Persons will have no obligation to purchase or sell for the Partnership any investment that the Affiliated Persons purchase or sell, or recommend for purchase or sale, for their own accounts or for any of the Other Accounts. The Partnership will not have any rights of first refusal, co-investment or other rights in respect of the investments made by Affiliated Persons for the Other Accounts, or in any fees, profits or other income earned or otherwise derived from them. If a determination is made that the Partnership and one or more Other Accounts should purchase or sell the same investments at the same time, the Affiliated Persons will allocate these purchases and sales as is considered equitable to each. No Limited Partner will, by reason of being a Limited Partner of the Partnership, have any right to participate in any manner in any profits or income earned or derived by or accruing to the Affiliated Persons from the conduct of any business or from any transaction in investments effected by the Affiliated Persons for any account other than that of the Partnership.

5.06 Compensation and Reimbursement.

(a) A management fee (the "***Management Fee***") is paid monthly in advance to the General Partner. The Management Fee is equal to 1/12 of 2.0% (2.0% *per annum*) of the beginning Capital Account balance of each Limited Partner for such month. A *pro rata* portion of the Management Fee will be paid out of any initial or additional capital contributions to the Partnership on any date that does not fall on the first day of a month, based on the number of days remaining in such partial month. No portion of the Management Fee will be refunded in connection with any withdrawals from a Limited Partner's Capital Account during a month. The General Partner may, in its sole discretion, enter into arrangements with Limited Partners under which the Management Fee is reduced, waived or calculated differently with respect to such Limited Partners, including, without limitation, Limited Partners that are members, affiliates or employees of the General Partner, members of the immediate families of such persons and trusts or other entities for their benefit, or Limited Partners that make a substantial investment or otherwise are determined by the General Partner in its sole discretion to represent a strategic relationship.

(b) All expenses of the offering of Limited Partnership Interests and organization of the Partnership (including legal and other expenses) ("***Organizational Expenses***") will be paid by the General Partner. The Partnership shall pay for all ordinary operating and other expenses, including, but not limited to, investment-related expenses (*e.g.*, brokerage commissions, clearing and settlement charges, custodial fees,

interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses, and investment banking expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with the General Partner's compliance obligations under applicable federal and/or state securities and investment adviser laws arising out of its relationship to the Partnership, as well as extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); the Management Fee; accounting fees and audit expenses; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Partnership; director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of the General Partner; costs of printing and mailing reports and notices; and other similar expenses related to the Partnership, as the General Partner determines in its sole discretion. Notwithstanding the foregoing, the General Partner may, in its sole discretion, elect to pay for part or all of any of the aforementioned Partnership expenses.

5.07 Reliance on Authority of General Partner. No Person dealing with the General Partner or the Partnership shall be required to determine the authority of the General Partner to make any undertaking on behalf of the Partnership or to determine any fact or circumstance bearing upon the existence of such authority. No purchaser of any property or interest owned by the Partnership shall be required to determine the sole and exclusive authority of the General Partner to execute and deliver, on behalf of the Partnership, any and all documents and instruments in connection therewith or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

5.08 Limitation of Liability; Indemnification.

(a) The General Partner and each Affiliated Person shall not be liable, responsible nor accountable in damages or otherwise to the Partnership or any Partner, or to any successor, assignee or transferee of the Partnership or of any Partner, for (i) any acts performed or the omission to perform any acts, within the scope of the authority conferred on the General Partner by this Agreement, except by reason of acts or omissions found by a court of competent jurisdiction upon entry of a final non-appealable judgment to have been made in bad faith or to constitute fraud, willful misconduct or gross negligence; (ii) performance by the General Partner of, or the omission to perform, any acts on advice of legal counsel, accountants, or other professional advisors to the Partnership; (iii) the negligence, dishonesty, bad faith, or other misconduct of any consultant, employee, or agent of the Partnership, including, without limitation, an Affiliated Person of the General Partner, selected or engaged by the General Partner with reasonable care and in good faith; or (iv) the negligence, dishonesty, bad faith, or other misconduct of any Person in which the Partnership invests or with which the Partnership participates as a partner, joint venturer, or in another capacity, which was selected by the

General Partner with reasonable care and in good faith. The General Partner and each Affiliated Person shall not be liable to the Partnership or to any Partner, or any successors, assignees, or transferees of the Partnership or any Partner, for any loss, damage, expense, or other liability due to any cause beyond its reasonable control, including, but not limited to, strikes, labor troubles, riots, fires, blowouts, tornadoes, floods, bank moratoria, trading suspensions on any exchange, acts of a public enemy, insurrections, acts of God, acts of terrorism, failures to carry out the provisions hereof due to prohibitions imposed by law, rules, or regulations promulgated by any governmental agency, or any demand or requisition by any government authority.

(b) To the fullest extent permitted by law, the Partnership, in the General Partner's sole discretion, shall indemnify and hold harmless the General Partner and each Affiliated Person and the legal representatives of any of them (an "***Indemnified Party***"), from and against any loss, liability, damage, cost or expense suffered or sustained by an Indemnified Party by reason of (i) any acts, omissions or alleged acts or omissions arising out of or in connection with the Partnership, this Agreement or any investment made or held by the Partnership (including, without limitation, any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim), *provided that* such acts, omissions or alleged acts or omission upon which such actual or threatened action, proceeding or claim are based are not found by a court of competent jurisdiction upon entry of a final non-appealable judgment to have been made in bad faith or to constitute fraud, willful misconduct or gross negligence by such Indemnified Party, or (ii) any acts or omissions, or alleged acts or omissions, of any broker or agent of any Indemnified Party, *provided that* such broker or agent was selected, engaged or retained by the Indemnified Party in accordance with reasonable care.

(c) The Partnership shall, in the sole discretion of the General Partner, advance to any Indemnified Party reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding that arises out of such conduct. In the event that such an advance is made by the Partnership, the Indemnified Party shall agree to reimburse the Partnership for such fees, costs and expenses to the extent that it shall be determined that it was not entitled to indemnification under this *Section 5.08*.

(d) Notwithstanding any of the foregoing to the contrary, the provisions of this *Section 5.08* shall not be construed so as to provide for the indemnification of the General Partner or any Affiliated Person for any liability (including liability under federal or state securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law, but shall be construed so as to effectuate the provisions of this *Section 5.08* to the fullest extent permitted by law.

ARTICLE VI – POWERS, RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

6.01 Powers and Rights. Except as expressly set forth herein, the Limited Partners shall not take part in, or interfere in any manner with, the conduct or control of the Partnership business, or have any right or authority to act or sign for, or to obligate the Partnership. The Limited Partners shall not at any time be entitled to withdraw all or any part of their contribution to the capital of the Partnership except to the extent they are entitled to withdrawals pursuant to the provisions of *Article IV* hereof. Except as expressly set forth herein, the Limited Partners shall have no right to amend or terminate the Partnership, or to appoint, select, vote for or remove the General Partner or its agents, or to otherwise participate in the business decisions of the Partnership. The Limited Partners shall have no right to demand and receive any property other than Cash in return for their contributions, and, prior to the dissolution and liquidation of the Partnership pursuant to *Article IX* hereof, their right to Cash shall be limited to the rights set forth in *Article IV* hereof.

6.02 BHCA Subject Persons. Notwithstanding any other provision of this Agreement to the contrary, solely for purposes of any provision of this Agreement that confers voting rights on the Limited Partners and any other provisions hereof regarding consents of or action by the Limited Partners, any BHCA Subject Person that shall have given the Partnership a written notice to the General Partner of its election not to be treated as a BHCA Subject Person, and shall not thereafter have given the Partnership a notice of revocation of such election, and that at any time has an Allocation Percentage in excess of four and nine-tenths percent (4.9%) of the aggregate Allocation Percentages of the Limited Partners entitled to participate in such voting or the giving of any consent or the taking of any action, shall be deemed to hold an Allocation Percentage of only four and nine-tenths percent of the aggregate Allocation Percentages of the Limited Partners (after giving effect to the limitations imposed by this *Article VI* on all such Limited Partners), and such Allocation Percentage in excess of said four and nine-tenths percent shall be deemed held by the Limited Partners who are not BHCA Subject Persons, *pro rata* in proportion to their respective Allocation Percentages; *provided that* this limitation shall not prohibit a Limited Partner from voting or participating in giving or withholding consent or taking any action under any provision of the Agreement up to the full amount of its Allocation Percentage in situations where such Limited Partner's vote or consent or action is of the type customarily provided by statute or stock exchange rules with regard to matters that would significantly and adversely affect the rights or preference of the affected Interest. The foregoing voting restriction shall continue to apply with respect to any assignee or other transferee of such BHCA Subject Person's Limited Partnership Interest; *provided, however*, that the foregoing voting restriction shall not continue to apply if the Limited Partnership Interest is transferred: (i) to the Partnership; (ii) to the public in an offering registered under the Securities Act of 1933, as amended (the "***Securities Act***"); (iii) in a transaction pursuant to Rule 144 or Rule 144A under the Securities Act in which no person acquires more than two percent (2%) of the aggregate Capital Account balances of the Limited Partners; or (iv) in a single transaction to a third party who acquires at least a majority of the aggregate Capital Account balances of the Limited Partners without regard to the transfer of Interests to which such Capital Accounts relate.

ARTICLE VII – ACCOUNTING, BOOKS AND RECORDS; REPORTS TO PARTNERS

7.01 Accounting Methods. The General Partner shall prepare the accounting statements for the Partnership on an accrual basis in accordance with GAAP, and shall be empowered to make any changes of accounting method that it shall deem advisable.

7.02 Books and Records. The General Partner shall keep or cause to be kept, at the Partnership's expense, full, complete and accurate books of account and other records showing the assets, liabilities, costs, expenditures, receipts, Net Profits and Net Losses of the Partnership, the respective Capital Accounts of the Partners and such other matters required by the Act. Such books of account shall be the property of the Partnership, shall be kept in accordance with sound accounting principles and procedures consistently applied, and shall be open to the reasonable inspection and examination of the Partners or their duly authorized representatives upon notice to the General Partner. The books of account shall be maintained at the principal office of the General Partner or at the office of the Partnership's accounting or administrative firm, as determined by the General Partner in its sole discretion. Notwithstanding the foregoing, however, the General Partner is not obligated to show any Partners records detailing the actual Securities trades placed by the Partnership. Information regarding the Partnership's trading and specific investments is proprietary.

7.03 Tax Matters Partner. The General Partner is hereby designated as the "tax matters partner," pursuant to Code Section 6231 and the Regulations thereunder. The tax matters partner shall represent the Partnership in all Federal income tax matters, and shall hire attorneys, accountants and other professionals at Partnership expense, as it deems necessary to defend the positions taken by the Partnership for Federal income tax purposes.

7.04 Reports to Partners. The General Partner will furnish audited financial statements to all Limited Partners within 120 days, or as soon thereafter as is reasonably practicable, following the conclusion of each Fiscal Year. Financial statements will include a balance sheet or statement of financial condition, an income statement or statement of operations, and a cash flow statement. Notwithstanding the foregoing, the audit of the Partnership's books of account and the furnishing of audited financial statements may be waived for any fiscal year upon the unanimous consent of the Partners. In addition, all Limited Partners will receive the information necessary to prepare federal and state income tax returns following the conclusion of such Fiscal Year as soon thereafter as is reasonably practical.

All Limited Partners will also receive unaudited performance reports and such other information as the General Partner determines on a monthly basis. With regard to these reports, the General Partner is not required to provide information about specific investment transactions of the Partnership.

7.05 Preparation of Reports. In the preparation of any reports required to be delivered pursuant to *Section 7.04*, Securities shall be valued at their Fair Market Value, and any change in such Fair Market Value shall be treated as an item of Net Profit or Net Loss.

7.06 Adjustment of Tax Basis. In the event of a transfer of a Partnership Interest in accordance with the terms of this Agreement, upon the request of any Partner, the General Partner shall cause the Partnership to elect, pursuant to Section 754 of the Code ("***Section 754 Election***"), to adjust the basis of the Partnership property if (a) the effect of such adjustment is to increase the adjusted basis of Partnership property and (b) such requesting Partner agrees to bear any additional expense attributable to accounting and recordkeeping required as a result of the Partnership's Section 754 Election.

ARTICLE VIII –TRANSFER AND ASSIGNMENT OF PARTNERSHIP INTERESTS

8.01 General Prohibition. No Limited Partner shall assign, convey, sell, transfer, encumber or in any way alienate all or any part of his or her Limited Partnership Interest without the prior written consent of the General Partner, which consent may be withheld in the General Partner's sole and absolute discretion.

8.02 Requirements upon Transfer. Any transfer of a Limited Partnership Interest permitted under *Section 8.01* hereof or any other provision of this Agreement shall be subject to the following:

(a) The permitted transferee shall have executed a written agreement, in form and substance reasonably satisfactory to the General Partner, to assume all of the duties and obligations of the transferor Limited Partner under this Agreement and to be bound by and subject to all of the terms and conditions of this Agreement;

(b) The transferor Partner and the transferee shall have executed a written agreement, in form and substance reasonably satisfactory to the General Partner, to indemnify and hold the Partnership and the Partners harmless from and against any liabilities, losses, costs and expenses arising out of the transfer, including, without limitation, any liability arising by reason of the violation of any securities laws of the United States, any State of the United States, or any foreign country;

(c) The transferor Partner has delivered to the General Partner an opinion of counsel reasonably acceptable to the General Partner that such transfer would not violate the Securities Act, as amended, or any blue sky laws (including any investor suitability standards);

(d) The transferor Partner demonstrates that such transfer, when added to the total of all other sales or exchanges of Interests within the preceding 12 months, would not result in the Partnership being considered to have terminated within the meaning of Section 708 of the Code and that such transfer will not result in the Partnership being treated as a publicly-traded partnership within the meaning of Section 7704 of the Code;

(e) The transferor Partner has demonstrated that such transfer will not cause the assets of the Partnership to be "plan assets" for purposes of ERISA;

(f) The transferee shall have executed a power of attorney substantially identical to that contained in *Article X* hereof, and shall execute and swear to such other documents and instruments as the General Partner may deem necessary to effect the admission of the transferee as a Partner;

(g) The transferee shall have executed, in favor of the Partnership and the General Partner, an instrument containing representations by such transferee substantially identical to the representations and investment qualifications of the Limited Partner set forth in the Subscription Agreement;

(h) The transferee shall have paid the reasonable expenses incurred by the Partnership in connection with the admission of the transferee to the Partnership; and

(i) The transferee shall only effect a transfer on the first business day of any calendar month.

8.03 Unauthorized Transfer. Any purported transfer of a Limited Partnership Interest not expressly permitted by this *Article VIII* or consented to by the General Partner shall be null and void and of no effect whatsoever.

8.04 Interest of the Transferee. In the event that a Limited Partner shall have obtained the consent of the General Partner to a transfer of all or a portion of its Limited Partnership Interest in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent that the Capital Account relates to the transferred Interest.

8.05 General Partner Transfers. Without the approval of Limited Partners whose Allocation Percentages represent more than fifty percent (50%) of the aggregate Allocation Percentages of all Limited Partners on the relevant date of determination, the General Partner may not transfer its Interest as General Partner in the Partnership; *provided however*, that the General Partner may transfer its Interest as General Partner without the consent of any Limited Partner (i) to any entity controlled by, controlling or under common control with it or any of the Principals, or (ii) pursuant to a transaction not deemed to involve an "assignment" of this Agreement within the meaning of the Investment Advisers Act of 1940, as amended. In the case of any transfer pursuant to the preceding clauses (i) and (ii), the transferee shall be admitted to the Partnership as a substitute General Partner, all references herein to the General Partner shall thereafter be deemed references to the transferee General Partner, and the General Partner will promptly notify the Limited Partners of any such transfer of its Interest.

ARTICLE IX – DISSOLUTION OF PARTNERSHIP

9.01 Dissolution. The Partnership shall be dissolved upon the expiration of the term of the Partnership as set forth in *Section 1.04* hereof. In the event that the Partnership is dissolved on a date other than the last day of a Fiscal Year, the date of such dissolution shall be deemed to be the last day of an Accounting Period and a Fiscal Year for purposes of adjusting the Capital

Accounts of the Partners. For purposes of distributing the assets of the Partnership upon dissolution, the General Partner shall be entitled to a return, on a *pari passu* basis with the Limited Partners, of the amount standing to its credit in its Capital Account and, with respect to its share of profits, based upon its Allocation Percentage.

9.02 Winding Up and Distribution of Assets.

(a) Upon the dissolution of the Partnership, the Partnership shall continue in existence for a reasonable period of time for the purpose of winding up its affairs, and the General Partner (or any Liquidating Agent appointed pursuant to *Section 9.02(b)* below) shall wind up the Partnership's affairs and cause the sale of the Partnership's assets (except those to be distributed in kind or retained pursuant to *Section 9.03* below) as expediently as is practicable and prudent and in such manner as the General Partner or Liquidating Agent, in its sole discretion, determines appropriate to obtain the best prices. Nothing herein shall preclude a sale of any asset of the Partnership to any Partner or affiliate of a Partner. Any property distributed in kind in the liquidation shall be valued at Fair Market Value in determining the amount distributed to Partners. Whether any assets of the Partnership shall be liquidated through sale or shall be distributed to the Partners in kind shall be a matter left to the sole discretion of the General Partner or Liquidating Agent. The General Partner or Liquidating Agent shall conduct (or cause to be conducted) a full accounting of the assets and liabilities of the Partnership and cause a balance sheet of the Partnership to be prepared as of the date of dissolution and a profit and loss statement for the period commencing after the end of the preceding Accounting Period and ending on the date of dissolution, and such financial statements shall be furnished to all of the Partners.

(b) The proceeds of the sale of the Partnership's property and assets, plus any unsold assets to be distributed in-kind, shall be distributed in the following order of priority:

(i) Payment of the debts and liabilities of the Partnership incurred in accordance with the terms of this Agreement, and payment of the expenses of liquidation;

(ii) Setting up of reserves as set forth in *Section 9.03* below, as the General Partner or Liquidating Agent may deem reasonably necessary, for any contingent or unforeseen liabilities or obligations of the Partnership or any obligation or liability not then due and payable; *provided*, any unspent balance of the reserves shall be distributed in the manner hereinafter provided when deemed reasonably prudent by the General Partner or Liquidating Agent;

(iii) Payment, on a *pro rata* basis, of any loans from or debts incurred in accordance with the terms of this Agreement owed to Partners; and

(iv) Payment to the Partners, on a *pro rata* basis, of the remaining positive balances of their Capital Accounts, adjusted to the date of payment as set forth in *Article III*.

(c) The Partnership may, from time to time, enter into (and modify and terminate) agreements with a liquidating agent or trustee selected by the General Partner if the General Partner is unwilling to manage the winding up process or, in the event the General Partner is disqualified pursuant to *Section 4.02(b)* or otherwise is unable to manage the winding up process, such person as may be designated by Limited Partners holding more than 50% of the Allocation Percentages held by Limited Partners (in either such case, a "***Liquidating Agent***"), authorizing the Liquidating Agent to wind up the Partnership's affairs; *provided that* the total compensation the Partnership may become obligated to pay to such Liquidating Agent(s) during such winding up period will not exceed the aggregate amount of the Management Fee the Partnership would otherwise pay the General Partner pursuant to *Section 5.06(a)* hereof during such winding up period.

(d) In the event that the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), the distributions made pursuant to this *Section 9.02* shall be made in compliance with 1.704-1(b)(2)(ii)(b)(2). In the event that the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), but the Partnership has not dissolved pursuant to *Section 9.01* above, the Partnership shall be deemed to distribute the Partnership's property to the Partners, who shall be deemed to assume and take such property subject to the Partnership's liabilities, all in accordance with the balances of their respective Capital Accounts. Immediately thereafter, the Partners shall be deemed to recontribute such property in kind to the Partnership, who shall be deemed to assume and take such property subject to all such liabilities. Notwithstanding anything in this Agreement to the contrary, no Partner shall have any obligation to restore any negative or deficit balance in its Capital Account upon dissolution or liquidation of the Partnership, or otherwise.

9.03 Reserves

(a) If there are any assets that, in the judgment of the General Partner or Liquidating Agent, cannot be valued properly until sold or realized or cannot be distributed properly in kind or cannot be sold without sacrificing a substantial portion of the value thereof, such assets may be excluded from the valuation of assets for purposes of computing the amount available for distribution upon dissolution and termination of the Partnership pursuant to this *Article IX*. Any Partner's *pro rata* interest in such assets shall not be paid or distributed in kind to it until such time as the General Partner or Liquidating Agent, in its sole and absolute discretion, determines that circumstances no longer require such assets to be so excluded (in whole or in part).

(b) If there is any contingent liability of the Partnership or any pending transaction or claim by the Partnership the remaining value of which cannot, in the judgment of the General Partner or Liquidating Agent, then be determined, the probable loss or liability, or value of the claim, as the case may be, may be excluded from the valuation of assets or liabilities for purposes of computing the amount available for distribution upon dissolution and termination of the Partnership pursuant to this *Article IX*. No amount shall be paid or charged to any such Partner's Capital Account on account of any such contingency, transaction or claim until its final settlement or such earlier time as the General Partner or Liquidating Agent shall determine. The Partnership may retain from sums otherwise due each Partner an amount that the General Partner or Liquidating Agent estimates to be sufficient to cover the share of such Partner of any probable loss or liability on account of such contingency, or the probable value of the transaction or claim. Any amount so withheld from a Partner shall be held in a segregated interest-bearing account (which may be commingled with similar accounts of other Partners). Any unused portion of such reserve shall be distributed with interest accrued thereon once the General Partner or Liquidating Agent has determined that the need therefor has ceased.

(c) Upon determination by the General Partner or Liquidating Agent that circumstances no longer require the exclusion of assets or retention of sums as provided in subsections (a) and (b) hereof, the General Partner or Liquidating Agent shall, at the earliest practicable time, pay such sums or distribute such assets or the proceeds realized from the sale of such assets to each Partner from whom such sums or assets have been withheld.

9.04 No Action for Dissolution. The Partners acknowledge that irreparable damage will be done to the Partnership (on account of a premature liquidation of the Partnership's assets, loss of goodwill and reputation, and other factors) if any Partner seeks to dissolve, terminate or liquidate the Partnership by litigation or otherwise. The Partners further acknowledge that this Agreement has been drawn carefully to provide fair treatment of all parties and equitable payments in liquidation of the Interests of all Partners, and that the Partners entered into this Agreement with the intention that the Partnership continue until dissolved and liquidated in accordance with the terms of this Agreement. Accordingly, each Partner hereby waives and renounces any right to dissolve, terminate or liquidate the Partnership, or to obtain the appointment of a receiver or trustee to liquidate the Partnership, except as specifically set forth in this Agreement.

9.05 No Further Claim. Each Partner shall look solely to the assets of the Partnership for the return of its investment in the Partnership (including capital contributions and loans from a Partner to the Partnership), and no Partner shall have any liability or obligation to the Partnership or to any other Partner to repay any unreturned capital contributions or loans made by any Partner to the Partnership.

ARTICLE X – POWER OF ATTORNEY

10.01 Grant and Scope of Power. Each Partner hereby irrevocably constitutes and appoints the General Partner as its true and lawful agent and attorney-in-fact, with full power of substitution, in its name, place and stead, to make, execute and acknowledge, swear to, record, publish and file:

(a) Any agreement, document or instrument pertaining to the sale, transfer, conveyance or encumbrance of all or any portion of the property of the Partnership in accordance with the terms of this Agreement;

(b) Any document or instrument with respect to the Partnership that may be required or permitted to be filed under the laws of any state or of the United States, or which the General Partner shall deem necessary, desirable or advisable to file; and

(c) Any document that might be required to effectuate the dissolution, termination and liquidation of the Partnership.

The foregoing power of attorney is coupled with an interest, shall be irrevocable and shall survive the death, incompetency, dissolution, merger, consolidation, bankruptcy or insolvency of each of the Partners. The Partners shall execute and deliver to the General Partner, within five (5) days after receipt of the General Partner's request therefor, such further designations, powers of attorney and other instruments as the General Partner reasonably deems necessary to carry out the purposes of this Agreement.

ARTICLE XI – MISCELLANEOUS

11.01 Additional Documents. At any time and from time to time after the date of this Agreement, upon the request of the General Partner, the Partners shall do and perform, or cause to be done and performed, all such additional acts and deeds, and shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such additional instruments and documents, as may be required to best effectuate the purposes and intent of this Agreement.

11.02 Applicable Law. This Agreement shall be governed by, construed under, and enforced and interpreted in accordance with, the laws of the State of Delaware.

11.03 Jurisdiction. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the State of Utah, and each of the parties consents to the jurisdiction of such courts in any such action or proceeding and waives any objection to venue laid therein.

11.04 Notices. Any notices required by this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered in person, (ii) if mailed postage prepaid, by certified or registered mail with return receipt requested, (iii) if transmitted by electronic mail, telex or facsimile, (iv) if sent by second day service by Federal Express or any other nationally

recognized courier service, postage prepaid or (v) if sent by Federal Express or any other nationally recognized overnight courier service or overnight express U.S. Mail, postage prepaid, to the Partner at the address set forth below in its execution of this Agreement, or to such other address of which the General Partner subsequently shall have been notified in writing by such Partner. Notices personally delivered or transmitted by electronic mail, telex or facsimile shall be deemed to have been given on the date so delivered or transmitted. Notices mailed shall be deemed to have been given on the date three (3) business days after the date posted, notices sent in accordance with (iv) above shall be deemed to have been given on the date two business days after the date posted, and notices sent in accordance with (v) above shall be deemed to have been given the next business day after delivery to the courier service or U.S. Mail (in time for next day delivery).

11.05 Agreement; Amendments. This Agreement constitutes the entire agreement between the parties and supersedes any prior understanding or agreement among them respecting the subject matter hereof. There are no representations, arrangements, understandings or agreements, oral or written, among the parties hereto relating to the subject matter of this agreement, except those fully expressed herein. No change or modification of this Agreement or waiver of any provision hereof shall be valid or binding on the parties hereto, unless such change, modification or waiver shall be in writing and signed by or on behalf of the parties hereto, and no waiver on one occasion shall be deemed to be a waiver of the same or any other provision hereof in the future. Notwithstanding the foregoing sentence, amendments can be effected pursuant to the following conditions:

(a) Except as set forth elsewhere in this *Section 11.05,* this Agreement may be amended from time to time, in whole or in part, with the written consent of Limited Partners having in excess of 50% of the Capital Account balances then held by all Limited Partners (and the affirmative vote of the General Partner).

(b) The General Partner may, without the consent of the other Limited Partners, issue side letters to investors providing a materially different fee schedule and liquidity structure and may also amend this Agreement (i) to change the Partnership's name, registered office or business office, (ii) to make a change that is necessary or, in the General Partner's opinion advisable, to qualify the Partnership as a partnership (or other entity in which the Limited Partners have limited liability) under the laws of any state and/or to preserve the Partnership's classification for federal tax purposes as a partnership that is not a "publicly traded partnership" treated as a corporation under Code Section 7704, (iii) to make any amendment hereof as long as such amendment does not adversely affect the Limited Partners in any material respect, (iv) to make any change that is necessary or desirable to satisfy any requirements, conditions, or guidelines contained in any opinion, directive, order, statute, ruling, or regulation of any federal or state entity applicable to the Partnership or the General Partner, so long as such change is made in a manner that minimizes any adverse effect on the Limited Partners, (v) to prevent the Partnership from, in any manner, being deemed an investment company subject to registration under the Investment Company Act, (vi) if the Partnership is advised that any allocations of income, gain, loss or deduction provided herein are unlikely to be respected for Federal income tax purposes, to amend the allocation provisions hereof,

on advice of legal counsel, to the minimum extent necessary to effect the plan of allocations and distributions provided herein, (vii) to create a new class or series of Interests, which shall have such rights (including voting rights), powers, duties and obligations, including the payment of fees and performance allocations, as the General Partner may specify, (viii) to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, or (ix) to take such actions as may be necessary or appropriate to avoid the assets of the Partnership being treated for any purpose of ERISA or Code Section 4975 as assets of any "employee benefit plan" as defined in and subject to ERISA or of any plan or account subject to Code Section 4975 (or any corresponding provisions of succeeding law) or to avoid the General Partner's engaging in a "prohibited transaction" as defined in Section 406 of ERISA or Code Section 4975(c).

(c) Nothing contained herein shall permit the amendment of this Agreement to reduce a Limited Partner's Capital Account or Allocation Percentage, permit assessments on the Limited Partners or to increase the Management Fees or Performance Allocations chargeable with respect to a Limited Partner without the prior consent of the affected Limited Partner(s); nor shall the following provisions hereof be amended without the consent of each of the Limited Partners adversely affected thereby and the General Partner: *Sections 2.06, 4.01*, *5.08*, *9.01* and this *Section 11.05*.

(d) Copies of each amendment of this Agreement (other than an amendment pursuant to paragraph (b)) shall be delivered to each Limited Partner at least ten days prior to the effective date thereof; *provided that* any amendment that the General Partner determines is necessary or appropriate to prevent the Partnership from being a publicly traded partnership treated as a corporation under Code Section 7704 shall be effective on the date provided in the instrument containing such amendment. Amendments approved in accordance with this *Section 11.05* shall be binding on all Limited Partners, including any that did not vote to approve the same, except as set forth in *Section 11.05(c)*.

(e) Limited Partners shall have no right (i) to amend (except to the extent provided in *Section 11.05(a)*) or terminate this Agreement, (ii) to appoint, select, vote for, or remove the General Partner or its agents, or (iii) to exercise voting rights or otherwise participate in the Partnership's management or business decisions or otherwise in connection with the Partnership property.

11.06 Consent by Failure to Respond to Notice. In the event that the General Partner seeks in writing the consent or approval of Limited Partners for any purposes hereunder (including, without limitation, any amendment hereof pursuant to *Section 11.05*), a Limited Partner to whom notice has been delivered shall be deemed to have consented to the matter, unless the General Partner receives, within the time period specified in such notice, a written response from such Limited Partner indicating that the Limited Partner does not consent to the proposed action or matter described in the initial notice.

11.07 Severability. If any portion of this Agreement is held illegal or unenforceable, the Partners hereby covenant and agree that such portion or portions are absolutely and completely severable from all other provisions of this Agreement and such other provisions shall constitute the agreement of the Partners with respect to the subject matter hereof.

11.08 Successors. Subject to the provisions hereof imposing limitations and conditions upon the transfer, sale or other disposition of the Interests of the Partners in the Partnership, all the provisions hereof shall inure to the benefit of and be binding upon the heirs, successors, legal representatives and assigns of the parties hereto.

11.09 Counterparts. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement.

11.10 Section Headings. Section and other headings contained in this Agreement are for reference purposes only and are in no way intended to define, interpret, describe or limit the scope, extent or intent of this Agreement or any provision hereof.

11.11 Time. Time is of the essence in this Agreement.

11.12 Pronouns. All pronouns used in this Agreement in reference to any Partner shall include the neuter, masculine and feminine genders and the singular and the plural, as the context requires.

[Signatures on following page.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

GENERAL PARTNER:

ALPHA WEALTH FUNDS

By:_____
Name:
Title: Managing Member

LIMITED PARTNERS:

Each person who shall sign an Investor Signature Page in the form attached in the Subscription Agreement and accepted to the Partnership as a Limited Partner

Appendix A

Definitions

"***Accounting Period***" shall initially mean the period beginning on the effective date of the first capital contribution to the Partnership and ending on the first to occur of the events set forth in (a) through (e) of this definition. Each subsequent Accounting Period shall commence immediately after the close of the preceding Accounting Period and will continue until the close of business on the earlier to occur of (a) the last business day of each calendar month, (b) the first business day immediately preceding the effective date of a capital contribution by a new or existing Partner, (c) a date on which one or more Partners effects a withdrawal from their Capital Accounts, (d) the date of the dissolution of the Partnership, or (e) such other dates as the General Partner determines, in its sole discretion].

"***Act***" shall mean the Delaware Revised Uniform Limited Partnership Act, (6 Del. C. 17-101 et. seq.), including amendments from time to time.

"***Affiliated Persons***" shall have the meaning set forth in *Section 5.05*.

"***Allocation Percentage***" shall mean with respect to any Partner for any Accounting Period the quotient obtained by dividing (i) the Capital Account balance for such Partner as of the beginning of such Accounting Period (as determined pursuant to *Section 3.01*) by (ii) the Capital Account balance for all Partners as of the beginning of such Accounting Period (as determined pursuant to *Section 3.01*).

"***BHCA***" means the Bank Holding Company Act of 1956, as amended.

"***BHCA Subject Person***" shall mean any Limited Partner that is subject, directly or indirectly, to the provisions of Section 4 of the BHCA and the regulations of the Board of Governors of the Federal Reserve System promulgated thereunder.

"***Capital Account***" shall mean, with respect to any Partner, the account established and maintained on the books of the Partnership for such Partner, which shall be credited with the amount of such Partner's capital contributions, and increased, or decreased, from time to time as provided in this Agreement.

"***Cash***" shall mean, with reference to the payment in cash of all or any part of a capital contribution or distribution, payment by check or by wire transfer of funds between banks or other financial institutions.

"***Certificate***" shall mean the certificate of Limited Partnership required to be filed pursuant to the Act.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended.

"***Cumulative Loss Account***" refers to a memorandum account to be recorded on the books and records of the Partnership for each Limited Partner that shall have an initial balance of zero and that shall be adjusted at the end of each Performance Allocation Period, after all tentative allocations of Net Profits or Net Losses have been made for the period, as follows: the balance of the Cumulative Loss Account shall be increased by the amount if any by which (A) the sum of Net Losses allocated to the Capital Account of a Limited Partner during the Performance Allocation Period exceeds (B) the sum of Net Profits allocated to the Capital Account of the Limited Partner for the same period, and shall be reduced by the amount if any by which (X) the sum of Net Profits allocated to the Capital Account of the Limited Partner during the Performance Allocation Period exceed (Y) the sum of Net Losses allocated to the Capital Account of the Limited Partner for the same period, *provided that* the cumulative amount of such adjustment for any period shall not reduce the balance of the Cumulative Loss Account below zero. In the event that there is a positive balance in the Limited Partner's Cumulative Loss Account at the time the Limited Partner makes a withdrawal from its Capital Account, such positive balance shall be reduced (effective as of the date of such withdrawal) in the proportion which the amount of the withdrawal bears to the balance of the Limited Partner's Capital Account immediately prior to giving effect to such withdrawal.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"***Fair Market Value***" shall be determined by using the following method:

(a) Securities which are listed on one or more United States or foreign securities exchanges or are traded on a recognized over-the-counter market (including the NASDAQ), or for which market quotations are available shall be valued at their last reported sales price on the date of determination on the primary exchange or market on which such Securities are traded or, if no sale occurred on the valuation date, the value for long positions shall be the "last bid" and the value for short positions shall be the "last ask" (or, if on such date securities markets were closed, then the last preceding business day on which they were open).

(b) Securities in the form of options listed on a securities exchange will be valued at the last reported sales price on the date of determination on the primary exchange or market on which such Securities are traded or, if the last sales price does not fall between the "last bid" and "last ask" price for such options on such date, such options will be valued at the mean between "last bid" and "last ask" prices on the date of determination.

(c) Commodity future contracts will be valued at the most recent available closing quotation on the commodity exchange on which the commodity futures contract is traded by the Partnership. Foreign currency exchange contracts will be valued at the current cost of covering or offsetting such contracts. Futures instruments will be valued at the settlement price on the exchange on which that futures interest is traded on the day the value is being determined. However, if a futures interest could not have been liquidated on that day because of the operation of daily limits or other rules of the

exchange or otherwise, the settlement price on the first subsequent day on which the futures interest could be liquidated will be the market value of that futures interest for that day.

(d) Securities generally traded on an established securities market but for which no recorded sales information or quotations of bid and ask prices are available on such date (or, if applicable, the last preceding business day) shall be valued by the General Partner in good faith with reference to (i) the most recently reported bid and ask prices (in that order), (ii) bid and ask price information as of such date not generally reported but secured from a reputable broker or investment banker, and (iii) such other information as the General Partner believes in good faith is relevant.

(e) Securities not listed or traded on any exchange or on the over-the-counter market shall be valued based upon quotations obtained from independent market makers, dealers or pricing services, and if no such quotations are available, shall be considered as having no ascertainable market value and shall be valued at cost or fair value based on information available to the General Partner regarding the value or worthlessness of such Securities.

(f) For purposes of this definition, sales and bid and ask prices reported in newspapers of general circulation, or in electronic quotation systems or in standard financial periodicals or in the records of securities exchanges or other markets, any one or more of which may be selected by the General Partner, shall be accepted as evidence of the price of a Security.

(g) A Security purchased, and awaiting payment against delivery, shall be included for valuation purposes as a security held, and the cash account shall be adjusted by the deduction of the purchase price, including brokers' commissions or other expenses of the purchase.

(h) A Security sold but not delivered pending receipt of proceeds shall be valued at the net sales price.

(i) The General Partner may make adjustments to the value of Securities to best reflect Fair Market Value. All matters concerning the valuation of Securities, the allocation of profits, gains, and losses among the Partners, and accounting procedures not specifically and expressly provided for by the terms of this Agreement, shall be determined by the General Partner and shall be final and conclusive as to all of the Partners.

"***Fiscal Year***" of the Partnership shall be the calendar year; *provided, however*, that the first Fiscal Year shall commence on the date of this Agreement and shall end on the December 31 next following the date of this Agreement.

"***GAAP***" means generally accepted accounting principles, consistently applied.

"***General Partner***" shall mean ALPHA WEALTH FUNDS, and shall also mean any Person who becomes General Partner pursuant to the provisions of *Section 4.02* and any Person who succeeds to all or a portion of the General Partner's Interest pursuant to *Section 8.05* of this Agreement.

"***Interest***" shall mean, for each Partner, all rights and interests of that Partner in the Partnership in its capacity as a Partner together with any and all obligations imposed on it hereunder or under the Act.

"***Limited Partners***" shall mean those persons whose Subscription Agreements to become a limited partner shall have been accepted by the General Partner on behalf of the Partnership, or anyone subsequently admitted as a Limited Partner, but excluding any Limited Partner who has withdrawn from the Partnership or been removed from the Partnership under *Article IV* hereof. Reference to a "Limited Partner" shall mean any one of the Limited Partners.

"***Limited Partnership Interest***" shall mean the Interest of each Limited Partner.

"***Management Fee***" shall have the meaning set forth in *Section 5.06(a)*.

"***Net Asset Value***" means the net asset value of the assets of the Partnership determined on the last day of an Accounting Period by:

(a) Adding:

(i) the aggregate Fair Market Value of the Partnership's investments;

(ii) the aggregate uninvested cash balances of the Partnership (such cash balances being adjusted as required under the sub-sections (g) and (h) of the definition of "*Fair Market Value*"),

(iii) the aggregate Fair Market Value of such assets as would generally be considered pre-payments of expenses to be amortized over future periods;

(iv) the aggregate Fair Market Value of all dividends and distributions payable in cash, stock or other property received by the Partnership and the face value of all notes and other receivables; and

(v) the aggregate Fair Market Value of such other assets of the Partnership as should be considered assets in accordance with GAAP (*provided that* the name and goodwill of the Partnership shall not be included in calculating the Net Asset Value of the Partnership).

(b) Deducting from the total sum obtained pursuant to sub-Section (a) above any liabilities and expenses due (including management fees payable for the current calendar month) in accordance with GAAP.

All amounts under sub-sections (a) and (b) above shall be stated in United States Dollars, with assets and liabilities denominated in currencies other than United States Dollars to be converted to United States Dollars at published exchange rates in effect on the last day of such Accounting Period. The resulting Net Asset Value at the end of such Accounting Period shall constitute the initial Net Asset Value for the subsequent Accounting Period after adjustment to reflect withdrawals pursuant to *Article IV* and additional capital contributions by Partners and the admission of new Partners pursuant to *Article II*. Whenever ratios or percentages are to be calculated based upon or relating to Partners' Capital Accounts, they shall be calculated to four decimal places with any adjustments resulting from rounding charged or credited to all of the Partners' Capital Accounts proportionally.

"***Net Profit***" or "***Net Loss***" shall mean, with regard to any Accounting Period, the difference between the Net Asset Value of the Partnership at the beginning of the Accounting Period (after giving effect to withdrawals for the preceding Accounting Period and capital contributions for the current Accounting Period) and the Net Asset Value of the Partnership at the close of the same Accounting Period (before giving effect to withdrawals for such Accounting Period). Any increase in Net Asset Value shall be deemed a Net Profit and any decrease in Net Asset Value shall be deemed a Net Loss.

"***Other Accounts***" shall have the meaning set forth in *Section 5.05*.

"***Partners***" shall mean, collectively, the General Partner and the Limited Partners, and reference to a "***Partner***" shall mean any one of the Partners.

"***Performance Allocation***" shall have the meaning set forth in *Section 3.02(b)*.

"***Performance Allocation Period***" shall mean each performance period over which the allocations provided for in *Section 3.02(b) and (c)* are measured.

"***Person***" shall mean an individual, partnership, joint venture, association, corporation, trust or any other legal entity.

"***Principal***" shall mean Harvey Sax.

"***Regulations***" shall mean Treasury Regulations promulgated under the Code as such Regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

"***Securities***" shall mean securities and other financial instruments of United States and foreign entities, including, without limitation, capital stock; shares of beneficial interest; partnership interests and similar financial instruments; interests in real estate and real estate related assets; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; commodities; interest rate, currency, commodity, equity and other derivative products, including, without limitation, (i) futures contracts (and options thereon) relating to stock indices, currencies, United States Government securities and securities of foreign governments, other financial instruments and all other commodities, (ii) swaps, options,

warrants, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; asset-backed and mortgage-backed obligations; loans; credit paper; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds; money market funds; obligations of the United States or any state thereof, foreign governments and instrumentalities of any of them; commercial paper; certificates of deposit; bankers' acceptances; trust receipts; and any other obligations and instruments or evidences of indebtedness of whatever kind or nature; in each case, of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable.

"***Subscription Agreement***" means any subscription booklet, including a subscription agreement containing appropriate representations, warranties, acknowledgments, agreements, indemnifications, confirmations and reciting and evidencing such qualifications as are deemed necessary or appropriate in the General Partner's discretion, prescribed by the General Partner as a condition precedent to becoming a Limited Partner.

EXHIBIT B – SUBSCRIPTION DOCUMENTS