

CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

Limited Partner Interests in

RUBY RED MARKET NEUTRAL FUND, L.P.

General Partner

Ruby Red Capital Management, LLC

September 8, 2014

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CRIMINAL OFFENSE.**

RUBY RED MARKET NEUTRAL FUND, L.P.
A Texas Limited Partnership

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NOTICES

This Confidential Private Placement Memorandum (this “**Memorandum**”) is being furnished on a confidential basis solely to certain accredited investors considering the purchase of limited partner interests (the “**Interests**”) in Ruby Red Market Neutral Fund, L.P. (the “**Fund**”). This Memorandum is not to be reproduced or distributed to others, at any time, without the prior written consent of Ruby Red Capital Management, LLC (the “**General Partner**”). The information contained in this Memorandum supersedes all prior versions hereof and all other information potential investors may have received from the General Partner or the Fund.

Each recipient agrees to keep all information contained herein confidential (except as provided in the following sentence) and to use this Memorandum for the sole purpose of evaluating a possible investment in the Fund. Notwithstanding the foregoing, each investor (and each employee, representative or other agent of the investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Fund and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure. Acceptance of this Memorandum by a recipient constitutes an agreement to be bound by the foregoing terms.

Prospective investors are not to construe the contents of this Memorandum as legal, tax, investment or other advice. Each prospective investor should consult its own advisors as to legal, business, tax, and other related matters concerning an investment in the Interests.

In making an investment decision, investors must rely on their own examination of the Fund and the terms of this offering, including the merits and risks involved. The Interests have not been recommended by any federal or state, or any non-U.S., securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The Interests have not been, and will not be, registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any state or other securities laws, and will be offered and sold for investment only to qualifying recipients of this Memorandum pursuant to the exemption from the registration requirements of the Securities Act provided by Regulation D promulgated thereunder, and in compliance with any applicable state or other securities laws. The Fund will not be registered as an investment company under the Investment Company Act of 1940, as amended. The Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and any applicable state or other securities laws, pursuant to registration or an exemption therefrom. The transferability of the Interests is further restricted by the terms of the limited partnership agreement of the Fund as amended from time to time (the “**Partnership Agreement**”). Investors should be aware that they will be required to bear the financial

risks of an investment in the Interests for an indefinite period of time. There will be no public market for the Interests, and there is no obligation on the part of any person to register the Interests under the Securities Act or any state securities laws.

This Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any state or other jurisdiction where, or to or from any person to or from whom, such offer or solicitation is unlawful or not authorized.

No person has been authorized to give any information or to make any representation concerning the Fund or the offering of the Interests other than the information contained in this Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by the Fund or the General Partner. Neither the delivery of this Memorandum nor the issue of Interests will under any circumstances create any implication or constitute any representation that the affairs of the Fund have not changed since the date hereof.

The Interests are offered subject to the right of the General Partner to reject any subscription in whole or in part.

An investment in the Interests involves significant risks. Potential investors should pay particular attention to the information in the section entitled "Risk Factors and Potential Conflicts of Interest." Investment in the Interests is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks inherent in an investment in the Interests. No assurance can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital.

You should carefully consider whether your financial condition permits you to participate in a private investment fund such as the Fund.

This brief statement cannot disclose all the risks and other factors necessary to evaluate your participation in this private investment fund. Therefore, before you decide to participate in this private investment fund, you should carefully study this Memorandum, including the section entitled "Risk Factors and Potential Conflicts of Interest."

This Memorandum does not purport to be, and should not be construed as, a complete description of the Partnership Agreement, a copy of which is attached hereto as Exhibit A. Each prospective investor in the Fund is encouraged to review the Partnership Agreement carefully, in addition to consulting appropriate legal and tax counselors. To the extent of any inconsistency between this Memorandum and the Partnership Agreement, the terms of the Partnership Agreement shall control.

Certain information contained in this Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those

described in “Risk Factors and Potential Conflicts of Interest,” actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

RUBY RED MARKET NEUTRAL FUND, L.P.

A Texas Limited Partnership

EXECUTIVE SUMMARY

The objective of Ruby Red Market Neutral Fund, L.P. (the “**Fund**”) is to achieve capital appreciation primarily through the trading of U.S. securities on a “paired” long-short basis. The General Partner will select the securities in the Fund’s portfolio via fundamental analysis and will establish an industry bias in its portfolio selection. The Fund is a new private investment fund with no proprietary trading history as such.

The general partner of the Fund is Ruby Red Capital Management, LLC (the “**General Partner**”), a Texas limited liability company. The managing member of the General Partner is John Matthew Olszewski. The General Partner serves as the General Partner of the Fund and has responsibility for all investment and trading decisions by the Fund. The General Partner is registered as an investment adviser with the Texas State Securities Board; however, this registration does not imply that the General Partner has any special investment ability.

The Fund invests in a range of U.S.-listed securities using fundamental analysis based on industry trends. The Fund establishes an investment bias with respect to two companies within a selected industry. One of the selected companies is expected to outperform the market; the other is expected to underperform the market. The Fund will purchase shares of the company expected to outperform the market and will sell short the shares of the company expected to underperform the market. The Fund is expected to use moderate leverage in order to enhance returns.

The Fund is seeking subscriptions only from investors that qualify as “accredited investors.” Accredited investors that are also “qualified clients” as defined in SEC Rule 205-3 promulgated under the Investment Advisers Act (such Act, the “**Advisers Act**”) (such investors, “**Class A Investors**”) qualify for a lower management fee, with the General Partner receiving a performance allocation of 20% of the Class A Investors’ profits above their “high water mark.”

Accredited investors that are not qualified clients (“**Class B Investors**”) are charged a fee of 5% of their assets under management with the Fund, with no performance allocation.

The Fund seeks subscriptions from accredited investors in a minimum amount of \$100,000. The Fund is generally open for subscriptions as of the beginning of each calendar month (with funds to be received at least three (3) business days prior to the date of subscription). The General Partner’s managing member maintains commitment to the Fund’s investment program with an investment in the Fund.

The Partnership Agreement provides that the capital account of each Class A Investor is charged a management fee at the annual rate of two percent (2%) of such Class A Investor’s account in

the Fund, calculated and paid monthly in arrears. In addition, the General Partner is entitled to an annual performance-based profits allocation (the “*Performance Allocation*”) at the end of each fiscal year, equal to twenty percent (20%) of the net profits attributable to the capital account of each limited partner in the Fund for such fiscal year, but only to the extent that such profits exceed any losses carried forward from prior years, based on a “high water mark” formula.

Class B Investors are not charged a Performance Allocation; rather, their capital account is charged a management fee of 5% per year, calculated and paid monthly in arrears.

Each limited partner is permitted to make withdrawals on thirty (30) days’ prior written notice of such limited partner’s interest in the Fund as of the close of each fiscal quarter occurring at least twelve (12) months after its initial investment in the Fund.

The General Partner in its sole discretion may agree with certain limited partners to a variation of the terms set forth in the Partnership Agreement, including a different management fee, Performance Allocation, or withdrawal rights.

INVESTMENT PROGRAM

Investment Objective

The objective of the Fund is to achieve capital appreciation primarily through a market neutral investment strategy. Specifically, the Fund's trading program is based upon the trading of equity securities listed for trading on U.S. exchanges on a paired long-short basis.

Investment Strategy

The General Partner will primarily attempt to achieve its objective through medium- to long-term investment in companies and industries selected by fundamental analysis. The General Partner will select the securities of two companies within the same industry. One of these companies is selected as a long investment; the other is selected as a short investment. The General Partner will then purchase shares of the long position and sell short shares of the short position. Such a paired long-short position is referred to herein as a "**Position**." In this manner, the Fund will take a concentrated position within an industry.

The General Partner's fundamental analysis evaluates operational performance and current financial position of analyzed companies through study of income statements, cash flow statements, and balance sheets. In addition to fundamental analysis, valuation analysis of company equity value and stock price is also used to inform investment selection. Finally, comparative competitive analysis is used to compare current and future anticipated profitability and growth of companies; analyzed companies within the same industry are compared and evaluated based on current macroeconomic conditions and anticipated outlook for the industry within which the companies are competing against each other.

Company analysis is gauged by the comparison of companies' relative operating income margin percentages as well as through comparative analysis between companies' income statement line item accounts (e.g., cost of goods sold, sales, general and administrative expenses, etc.). In addition to analysis of current period operational performance, comparative analysis is also made of companies' changes in performance over time, in order to attempt to identify companies which are either improving or deteriorating in operational efficiency.

Current financial position of companies is evaluated based on balance sheet items such as amount of debt and working capital levels. Comparative financial position of companies is also evaluated by examining changes in financial position over time, in order to identify companies which are either improving or deteriorating in financial health.

Valuation analysis is conducted in order to evaluate current company equity valuation and to

compare this to both valuation of industry competitors as well as to compare a company's current valuation with its own valuation in the past. Valuation is analyzed through ratios such as price to sales, price to book value, price to current earnings, among other valuation metrics. In addition, valuation is analyzed both by current and historical performance (*i.e.*, trailing twelve months price to sales), as well as forward looking valuation analysis based on estimated future performance (*i.e.*, forward price to sales ratio based on future year estimated sales).

Comparative competitive analysis of companies within the same industry is used to evaluate pairs of companies in order to identify two companies with significantly different financial position and anticipated future profitability. Additionally, valuation of company pairs is used with a goal of identifying an undervalued strong performing company which can be paired against an overvalued, comparatively weaker performing company. Within this comparative competitive analysis, macroeconomic industry factors such as industry anticipated growth rates and changes in industry input costs are evaluated.

Technical analysis is not used.

Because of the short sale of securities, moderate leverage is used. The leverage ratio of the Fund will generally be 300%. However, there may be times where the Fund's leverage ratio exceeds this amount temporarily in certain circumstances, such as a large decline in a Position held by the Fund or the need to liquidate investments for redemptions.

The Fund will generally maintain approximately 20% of its assets in cash.

While the Fund's assets under management are \$5 million or less, the Fund intends to limit the size of each Position to 10% of the Fund's assets. When the Fund exceeds \$5 million in assets under management, the Fund may decrease the limit on the size of each Position to 5% of the Fund's assets under management.

The General Partner will monitor the Fund's investment portfolio and will regularly review Positions in order to determine whether the reasoning behind the initial investment selection remains valid.

If a Position in which the Fund is invested sustains a 10% unrealized loss, the General Partner will reevaluate the Position in order to determine whether the loss is likely a temporary situation due to market volatility or other factors, or whether the underlying investment thesis for that Position has changed. If the General Partner determines that the parameters for successful investment are not met, then the Fund intends on liquidating the Position.

The investment strategy used by the Fund was developed by John Matthew Olszewski, the managing member of the General Partner. Mr. Olszewski developed this strategy and has used it in his own personal investment account since 2007. Verified trading results since January 1, 2012 are available and included with this Memorandum.

The General Partner will primarily use news sources (business magazines, newspapers, etc.) to

identify possible trading ideas and research companies through research and analysis of filings with the Securities and Exchange Commission (“**SEC**”). Published company reports are also used.

The Fund’s Positions will likely be held between 3 months and 12 months, with an average holding period of 6 months.

The trading strategy to be followed by the General Partner does not assure successful trading.

The General Partner believes that the development of an investment program is a continual process. As a result of further analysis and research, changes may be made from time to time in the specific manner in which the General Partner’s trading program evaluates price movements in various markets. As a result of such modifications, the trading method that may be used by the General Partner in the future may differ from that used by the General Partner in the past and might differ from that presently being used.

The General Partner’s trading program is a proprietary and confidential trading methodology. The foregoing description is of necessity general and is not intended to be exhaustive. Consequently, investors will not be able to determine the full details of this method, or whether this method is being followed. There can be no assurance that any trading strategy of the General Partner will produce profitable results or will not result in losses.

Examples of Investment Strategy

Following are examples of two winning trades and two losing trades made by Mr. Olszewski in his personal trading account, and the analysis behind the decision to open and close each Position. These trades represent the investment strategy that the Fund intends to pursue.

Winning Trades

BKE/ARO Position: In May 2012, The Buckle, Inc. (BKE) had a trailing twelve months average operating income margin of 21.7% of net sales, up slightly from the average prior five year operating income margin of 21.0% of net sales. However, the price of the company’s stock compared to its future year estimated sales (*i.e.*, forward price to sales ratio) had decreased slightly to 1.83 from the historical price to sales ratio average of the prior five years of 2.11.

On the other hand, Aeropostale, Inc. (ARO) demonstrated a severe deterioration in its trailing twelve months average operating income margin of 4.7% of net sales, down from the average prior five year operating income margin of 12.9% of net sales. Notwithstanding the severe operating performance deterioration, the forward price to sales ratio had decreased only to 0.74 from the historical price to sales ratio average of the prior five years of 1.05. Neither company had significant levels of long-term debt.

Aeropostale had been engaging in highly promotional activity to maintain revenue levels, offering up to 40% discounts on merchandise, while The Buckle engaged in less promotional activity.

Aeropostale appeared to be in a so-called “race to the bottom” to be a low cost provider in comparison to the more premium market focus of The Buckle.

The contrast between a strong performing company and a company with a dramatically weakened operating performance but with a comparatively small decrease in valuation appeared to present a potentially profitable investment opportunity.

As a result of the foregoing analysis, from May 15, 2012 to April 5, 2013, Mr. Olszewski purchased 468 shares of BKE at prices ranging from \$37.19 to \$46.98. During the same period (but not necessarily on the same dates), he sold short 1,623 shares of ARO at prices ranging from \$12.39 to \$19.58.

On September 9, 2013, Mr. Olszewski closed both positions, selling the BKE stock for \$52.75, and buying back the ARO stock for \$8.46 per share. This resulted in a gain of \$4,455.53 on the BKE stock, \$10,830.12 on the ARO stock, and a gain of \$15,285.65 on the entire Position, which equates to a 38.7% gain on the capital invested in that Position.

On April 3, 2013, Aeropostale, Inc. submitted its 10-K annual report to the SEC. The performance results indicated that the company’s operating performance had continued to deteriorate, exhibiting a negative average operating income margin for the trailing twelve months. Since a negative operating or negative net income margin significantly increases the difficulty in developing a reliable comparative analysis of a company’s relative competitive strength or weakness, the Position was closed.

CTB/TWI Position: In May 2013, Cooper Tire, Inc. (CTB) had improved its trailing twelve months average operating income margin to 10.9% of net sales, more than doubling its operational efficiency from the prior five year average operating income margin of 5.1% of net sales. Notwithstanding the substantial improvement in profitability, the company’s forward price to sales ratio had remained roughly the same at 0.34 compared to the historical price to sales ratio average of the prior five years of 0.32.

On the other hand, Titan International Inc. (TWI) demonstrated a comparatively smaller increase in its trailing twelve months average operating income margin to 7.1% of net sales, up from the prior five year average operating income margin of 6.3% of net sales. Similar to Cooper, Titan’s forward price to sales ratio had remained essentially the same at 0.59 compared to the historical price to sales ratio average of the prior five years of 0.60.

Titan held significantly greater debt compared to Cooper, with Titan having a long-term debt to total assets ratio of 0.31 compared to 0.12 for Cooper, nearly triple the amount of long-term debt as a proportion of assets.

Cooper operates in a more premium tier of the tire market selling primarily through retail channels. However, Titan operates primarily as a tire maker for equipment manufacturers, suggesting that Titan would be in a comparatively weaker position by having less ability to control pricing to its customers compared to Cooper.

On the one hand, CTB was exhibiting extraordinary improvement in profitability but without the improvement having been reflected in its valuation. On the other hand, TWI showed comparatively limited improvement in operating performance with a current valuation also essentially unchanged. Because of the contrasts between these companies, this appeared to be a potentially profitable investment opportunity.

On May 24, 2013, Mr. Olszewski purchased 748 shares of Cooper Tire, Inc. (CTB) at \$25.33 per share and sold short 815 shares of Titan International Inc. at \$23.31.

On June 14, 2013, Mr. Olszewski closed the Position, selling the CTB stock for \$33.61 per share and buying back the TWI stock for \$17.47 per share. This generated a gain of \$6,189.98 on the CTB stock, and a gain of \$4,761.64 on the TWI stock, for a gain of \$10,951.62 on the entire Position, which equates to a 29.1% gain on the capital invested in that Position.

On June 7, 2013, Titan announced an update to its full-year profit guidance, announcing that other market participants in the rubber and tire industry had recently begun dumping millions of dollars in tires into the aftermarket, which negatively impacted the company. In addition, on June 12, 2013, Apollo Tyres of India announced its intention to acquire Cooper at a price that was 40% above Cooper's price at that time. Mr. Olszewski determined that further profitability of the Position was limited due to the acquisition of Cooper. As a result, the Position was closed.

Losing Trades

CNX/ANR Position: In June 2013, the trailing twelve months average operating margin for Consol Energy, Inc. (CNX) had decreased to 22.6% compared to the prior five years average operating margin of 26.0%, and the forward price to sales ratio had decreased to 1.26 from the prior five year average of 1.51.

In comparison, the trailing twelve months average operating margin for Alpha Natural Resources, Inc. (ANR) had decreased to 13.3% compared to the prior five year average operating margin of 16.2%, and the forward price to sales ratio had decreased significantly to 0.24 from the prior five year average of 0.90. However, comparing the trailing twelve months estimated operating earnings yield of both companies (trailing twelve months total operating earnings divided by current market capitalization) with the prior five years estimated operating earnings yield (prior five year average annual operating earnings divided by current market capitalization), both companies appeared overvalued while operating in a coal industry that was imposing serious operational constraints on industry participants due to the steadily depressed prices for coal during the prior year as well as due to the limited reason for optimism for relief going forward. Notwithstanding the significant decrease in valuation for Alpha, the estimated operating earnings yields for each of the companies suggested that Alpha was still significantly overvalued compared to Consol.

Alpha's operating margin decreased to 13.3%; therefore, the company was more at risk of heading toward an operating loss compared to Consol's operating margin of 22.6%. In addition, on October 7, 2013 Moody's Investors Service lowered its credit rating of Alpha due to the company's

recent deterioration in performance.

With respect to long-term debt, over the trailing four quarters, Consol had maintained the same amount of debt at \$3.2 billion. For Alpha, the level of debt had increased from \$2.9 billion to \$3.3 billion, and Alpha's ratio of long-term debt to assets had increased from 0.22 to 0.26 while Consol's ratio remained unchanged at 0.25. Subsequently to this Alpha's debt increased more both in absolute amount as well as compared to total assets, while Consol's debt remained the same.

Evaluating the increase of debt and its concomitant increase in ongoing interest costs in conjunction with the deterioration in performance, Alpha appeared exposed to a serious risk of sliding into a self-perpetuating cycle leading to corporate financial crisis.

On June 17, 2013, Mr. Olszewski bought 620 shares of Consol Energy, Inc. (CNX) at \$32.16 per share. On the same date, he sold short 3,448 shares of Alpha Natural Resources at \$5.80.

On November 11, 2013, Mr. Olszewski closed the Position, selling the CNX shares at \$36.55 per share, generating a gain of \$2,721.80. On the same date, Mr. Olszewski bought back the ANR shares at \$8.25 per share, generating a loss of \$(8,457.58). This resulted in a loss of \$(5,735.68) on the entire Position, which equates to a 14.1% loss on the capital invested in that Position.

Within about one month from October 9, 2013, the price of Alpha had increased by 46% while that for Consol had increased only 8%. During this time, ANR's third quarter earnings were released, which beat analysts' expectations. As a result, one analyst upgraded his rating on ANR stock, which led to increased gains.

Additionally, on October 28, 2013, Consol announced a divestiture of approximately half of its coal production volume, and that going forward it would begin to focus more on natural gas production. Because of Consol's change in business model and because of the significant increase in the price of ANR, the Position was closed.

KALU/AA Position: In September 2013, the trailing twelve months average operating margin for Kaiser Aluminum (KALU) had more than doubled to 15.3% compared to the prior five year average operating margin of 7.0%, and the forward price to sales ratio had increased somewhat to 0.89 from the prior five year average of 0.68.

On the other hand, the trailing twelve months average operating margin for Alcoa, Inc. (AA) had decreased slightly to 9.3% compared to the prior five year average operating margin of 9.7%, and the forward price to sales ratio had decreased to 0.34 from the prior five year average of 0.52.

Both companies had similar levels of long-term debt as a proportion of total assets with long-term debt to assets ratios of 0.22 for Kaiser and 0.20 for Alcoa. Notwithstanding the improved operational efficiency and increased company valuation of Kaiser and the slightly worsened operational efficiency and decreased company valuation of Alcoa, a comparison of the estimated operating earnings yields of both companies suggested that Kaiser was undervalued and also that Alcoa was overvalued.

The price of aluminum had been steadily depressed over the preceding two years dropping from \$2,500 per ton in the middle of 2011 to \$1,800 in the middle of 2013. Alcoa operates throughout the aluminum production process from the upstream mining of bauxite and converting it into alumina, to smelting alumina into aluminum ingots, to the downstream manufacturing of engineered aluminum products for the aerospace and automotive industrial products markets, with the majority of company revenue derived from the upstream alumina and smelting segments. On the other hand Kaiser focuses almost exclusively on the downstream market segment of fabricated aluminum products for the aerospace, automotive and industrial markets. Because of Kaiser's market position further downstream compared to Alcoa, Kaiser would be expected to be more insulated from negative impacts from depressed aluminum prices, with prices for products able to be set more with regard to the value added by Kaiser's engineering rather than having product pricing set by fluctuations in the commodity price of aluminum like Alcoa.

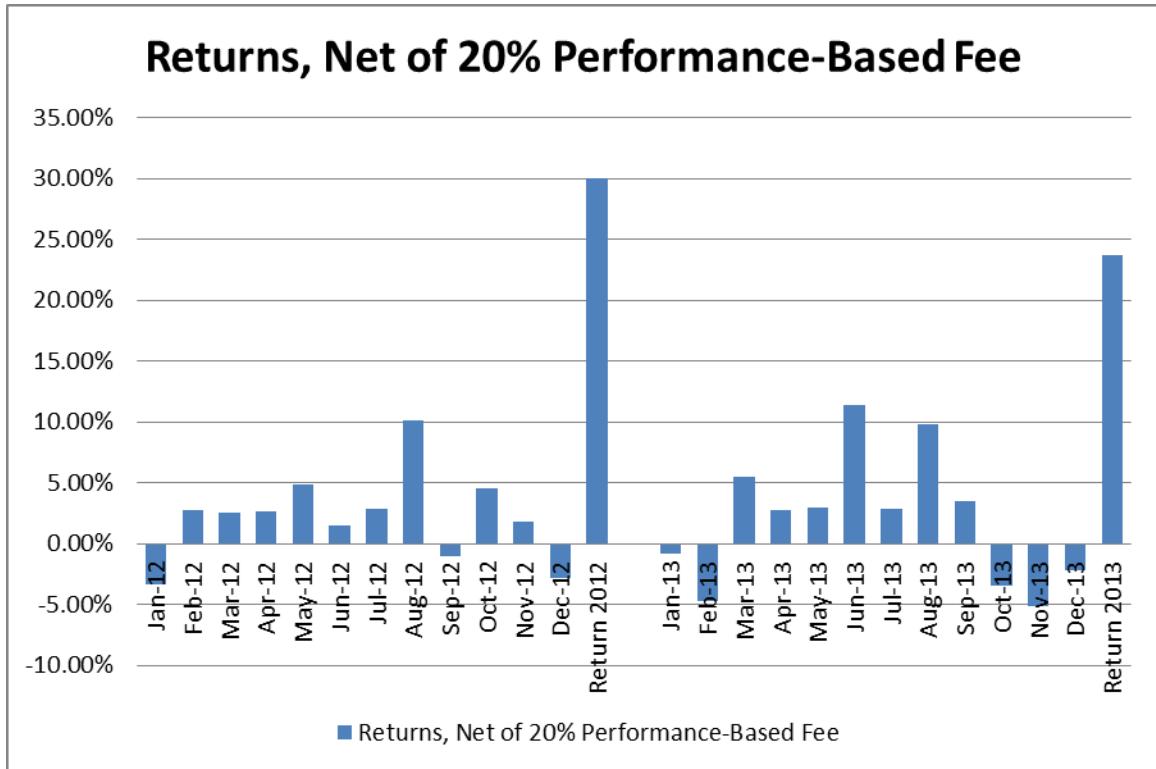
As a result, on September 9, 2013, Mr. Olszewski bought 321 shares of Kaiser Aluminum (KALU) at \$69.99 per share. On the same date, he sold short 2,788 shares of Alcoa, Inc. (AA) at \$8.07 per share.

On October 28, 2013, Mr. Olszewski sold the KALU shares at \$67.03 per share, resulting in a loss of \$(951.12). On the same date, he bought back the AA shares at \$9.52 per share, generating a loss of \$(4,042.60). This resulted in a loss of \$(4,993.72), which equates to a 10.9% loss on the capital invested in that Position.

On October 8, 2013, Alcoa announced quarterly earnings results and the trailing twelve months average operating margin had increased from 9.3% to 11.0%. On October 17, 2013, Kaiser announced quarterly earnings results and the trailing twelve months average operating margin had decreased from 15.3% to 14.3%. The company that was sold short for this position (Alcoa) had improved in performance and the company that was purchased (Kaiser) had deteriorated. After evaluating the changes in performance and comparing the estimated operating earnings yields of both companies, it was concluded that the Position would not be a potentially profitable opportunity. As a result, the Position was closed.

Past Performance

The Fund is a new entity and as such, has no trading history of its own. However, the managing member of the General Partner, John Matthew Olszewski, has been implementing the trading strategies described herein in his personal brokerage account for over 6 years. Below is a chart showing the returns achieved by Mr. Olszewski during this time. This chart was prepared using the Independent Accountants' Report on Applying Agreed-Upon Procedures prepared by Sanford, Baumeister & Frazier, LLP (the "**Report**"). The full Report is set forth as Exhibit D to this Memorandum.



The investment objectives and methods summarized above represent the General Partner's current intentions. Depending on conditions and trends in the securities markets and the economy in general, the General Partner may pursue any objectives, employ any investment techniques or purchase any type of security or instrument or make any investment that it considers appropriate and in the best interests of the Fund whether or not described in this section. The foregoing discussion includes and is based upon numerous assumptions and opinions of the General Partner concerning financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Fund's investment strategy will achieve profitable results. Past performance of the Fund, the General Partner or their affiliates is not indicative of future results of the Fund. Limited Partners risk the loss of their entire investment.

MANAGEMENT

The General Partner

The general partner of the Fund is Ruby Red Capital Management, LLC (the “**General Partner**”), a Texas limited partnership. The managing member of the General Partner is John Matthew Olszewski. The General Partner is a registered investment adviser registered with the Texas State Securities Board; however, this registration does not imply that the General Partner has any special investment ability.

John Matthew (“Matt”) Olszewski

Mr. Olszewski graduated from the University of Houston in 1996 with a Bachelor of Science degree in psychology and anthropology. He received a Master’s Degree in English Rhetoric and Composition from Texas A&M University-Kingsville in 2001. In 2008, Mr. Olszewski received a Master’s in Business Administration from Texas A&M University.

Mr. Olszewski taught English conversation in South Korea with Dongeui University, Catholic Universtiay of Korea, and Myongji University from 2001 to 2007. He is currently employed by the General Services Administration in Fort Worth, Texas as a project manager.

Mr. Olszewski began trading the strategies used by the Fund in his personal brokerage account in 2007. As a result of the success he enjoyed from these strategies, he decided to form the General Partner, seek investment adviser registration, and form the Fund to pursue these investment strategies.

The Administrator

The Fund intends to engage Sanford, Baumeister & Frazier, LLP as its administrator (the “**Administrator**”). The Administrator is a certified public accountancy firm which provides audit and attestation services to public and private companies.

The General Partner anticipates that the Administrator will be responsible for, among other things: (i) maintaining the register of Partners of the Fund and processing the admission and withdrawal of Limited Partners; (ii) disseminating the net asset value of the Fund’s assets in accordance with the Partnership Agreement; (iii) processing requests for withdrawal of capital; (iv) keeping books and records of the Fund; and (v) performing other services as agreed in connection with the administration of the Fund.

SUMMARY OF TERMS

The following Summary of Terms governing a limited partner's investment in the Fund is qualified in its entirety and should be read in connection with the limited partnership agreement of the Fund, as amended from time to time (the "***Partnership Agreement***"), the form of which is attached hereto as Exhibit A. By executing the attached subscription agreement and purchasing an Interest in the Fund, each investor is agreeing to and is bound by the terms of the Partnership Agreement.

The Fund

Ruby Red Market Neutral Fund, L.P. is a limited partnership organized under the laws of the State of Texas.

General Partner

Ruby Red Capital Management, LLC, a Texas limited liability company, serves as general partner to the Fund (the "***General Partner***"). The General Partner is controlled by John Matthew Olszewski (the "***Principal***"). The General Partner is responsible for the day-to-day management and investment decisions of the Fund.

Eligible Investors

Limited partner interests ("***Interests***") may be purchased only by investors who qualify as "accredited investors" as defined in the Fund's subscription application materials.

The General Partner reserves the right to reject any investor for any reason or for no reason in its sole discretion.

Class A Interests are available only to "qualified clients" as defined in SEC Rule 205-3 promulgated under the Advisers Act or to persons otherwise exempt from Section 205(a) of the Advisers Act.

Class B Interests are available to "accredited investors" who are not qualified clients.

Subscriptions

Subscriptions for Interests may be accepted as of the beginning of each calendar month (or at other times in the General Partner's discretion), generally subject to the receipt of cleared funds at least three

(3) business days prior to the acceptance date. The minimum investment is \$100,000, although the General Partner may accept investments in a lesser amount.

A subscriber admitted to the Fund (a “*Limited Partner*”) receives, in exchange for the initial capital contribution and any subsequent capital contribution, a limited partner interest representing a proportionate share of the net assets of the Fund at that time.

There is no minimum aggregate amount of subscriptions that is required for the initial acceptance of subscriptions, nor has the General Partner established any maximum amount of subscriptions that may be accepted.

To comply with applicable anti-money laundering requirements, the General Partner may require additional information as necessary as provided in the subscription application materials.

Investment by Affiliates

The Principal has invested \$50,000 in the Fund and intends to maintain an investment at this level throughout the life of the Fund.

Borrowing and Leverage

The Fund may invest using margin and arrange with banks, brokers and others to borrow money against a pledge of assets in order to employ leverage when the General Partner deems such action appropriate. The Fund anticipates having a leverage ratio of approximately 300%.

Fees and Expenses

The management fee charged to Class A Partners is 2% per annum plus a performance fee of 20% of the appreciation of the investor’s account over the prior fiscal year, subject to a high water mark provision.

The management fee charged to Class B Partners is 5% per annum.

The expenses of the organization of the Fund and the initial offering of Interests (including legal and accounting fees, travel, and other out-of-pocket

expenses) were borne by the General Partner.

The Fund bears all costs and expenses directly related to its investment program, including expenses related to proxies, underwriting and private placements, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on the Fund. The Fund also bears all out-of-pocket costs of the administration of the Fund, including accounting, audit and legal expenses, costs of any litigation or investigation involving the Fund's activities, and costs associated with reporting and providing information to existing and prospective Limited Partners.

The Fund does not have its own separate employees or office, and does not reimburse the General Partner for salaries, office rent and other general overhead costs of the General Partner (collectively, "***Overhead Costs***"). A portion of the commissions generated on the Fund's brokerage transactions may generate "soft dollar" credits that the General Partner or the General Partner is authorized to use to pay for research and other non-research related services and products used by the General Partner, including Overhead Costs. See "Brokerage and Custody Arrangements".

Allocation of Net Profit and Loss

Net profit or net loss of the Fund is allocated among the General Partner and the Limited Partners (the "***Partners***") as of the close of each fiscal month, at any other time when the Fund receives an additional capital contribution or effects a withdrawal or distribution, or at such other times as the General Partner may determine.

The net profit or net loss for any fiscal month or other valuation period will reflect, with respect to all positions (i) the dividends and interest accrued during the period, (ii) the net realized gains or losses from the sale or other disposition of investments during the period, (iii) the net change in the unrealized appreciation or depreciation of investments during the period (*i.e.*, the difference

between the fair market value of each investment at the end of the period compared with either the fair market value at the commencement of the period or, in the case of any investment made after the commencement of the period, the cost) and (iv) the expenses of the Fund incurred or accrued during the period. As of the close of each accounting period, the net profit or net loss will be allocated *pro rata* among the capital accounts of the Partners in proportion to their percentage interests as of the commencement of the period. Each Partner's percentage interest as of the commencement of any period is based on the value of the Partner's capital account at such time, in relation to the total value of the Fund's net assets at such time.

Allocations to each Partner of net profit or net loss are subject to periodic adjustment to give effect to the General Partner's performance allocation, as described below.

Performance Allocation

As of the close of each fiscal year and subject to the limitations described below, a performance allocation equal to twenty percent (20%) of each Limited Partner's allocable share of net profits of the Fund for the fiscal year (the "**Performance Allocation**") is debited against the capital account of each Class A Limited Partner and simultaneously credited to the capital account of the General Partner.

The Performance Allocation is subject to a "high water mark" limitation. Thus, after the first year in which a performance allocation is earned, the Performance Allocation for subsequent years only applies to the extent that a Limited Partner's *pro rata* share of net profits measured on a cumulative basis, net of any losses, for all years since admission exceeds the highest level of such cumulative net profits achieved through the close of any prior quarter since admission. If a Limited Partner makes a withdrawal at a time when his capital account balance is below its historic "high water mark" level, the level is ratably reduced to reflect such withdrawal.

If a Class A Limited Partner incurs a loss after a Performance Allocation has been made, the Performance Allocation will not be rebated and the General Partner will retain the payment, but no further Performance Allocation will be made in subsequent years until the Class A Limited Partner's account has reached a new "high water mark," as described above.

The Performance Allocation is generally calculated and charged to each Class A Limited Partner at the end of each fiscal year. A Performance Allocation is also calculated and charged (i) with respect to any Class A Limited Partner permitted or required to withdraw or transfer all or a portion of such Limited Partner's Interest, and (ii) with respect to a Class A Limited Partner making a partial withdrawal or transfer of such Limited Partner's capital account, as of any time other than the close of a month on the basis of net profits allocated to such Limited Partner through the withdrawal or transfer date (but only with respect to the amount withdrawn or transferred on a *pro rata* basis in the event of a partial withdrawal or transfer).

The Performance Allocation with respect to any Class A Limited Partner may be waived or altered by the General Partner in its sole discretion.

Class B Investors are not assessed a Performance Allocation.

Distributions; Withdrawals

Subject to the quarterly withdrawal privilege described below, all earnings of the Fund are ordinarily retained for investment. Each Limited Partner is permitted to make complete or partial withdrawals of such Limited Partner's Interest as of the close of business on the last day of each fiscal quarter, provided that such Limited Partner has held an Interest for at least twelve (12) complete consecutive calendar months prior to such withdrawal.

Written notice of any withdrawal must be given at

least thirty (30) days prior to the proposed withdrawal date. The General Partner may, in its sole discretion, waive such notice requirements.

No withdrawal fee is payable upon withdrawal by a Limited Partner of amounts from its capital account.

The General Partner reserves the right, in its sole discretion, to compel the withdrawal of any Limited Partner's interest in the Fund, in part or in its entirety, as of the end of an accounting period on not less than thirty (30) days' prior written notice (or immediately if the General Partner determines in its sole discretion that such Limited Partner's continued participation in the Fund may cause the Fund or the General Partner to violate any applicable law). Settlements are made in the same manner as voluntary withdrawals.

The General Partner is permitted to make cash withdrawals from its capital account at any time without notice to the Limited Partners.

Transfers

Interests are not transferable except with the prior written consent of the General Partner, which consent may be granted, withheld, or conditioned in the General Partner's sole discretion. The transferee or assignee of a Limited Partner Interest will become bound by the Partnership Agreement upon such assignment. If the General Partner does not consent to the assignment, then the Limited Partner Interest shall be redeemed at the next quarterly redemption date.

Duty of Care; Indemnification

The Partnership Agreement provides that the General Partner and its affiliates are not liable to the Fund or the Limited Partners for any loss or damage arising by reason of being or having been the General Partner or from any acts or omissions in the performance of its services as General Partner in the absence of willful misconduct, recklessness, or gross negligence or as otherwise required by law, and contains provisions for the indemnification of the General Partner and their affiliates by the Fund (but not by the Limited Partners individually) against any

liabilities arising by reason of being or having been the General Partner or in connection with the Partnership Agreement or the Fund's business or affairs to the fullest extent permitted by law. The General Partner is not personally liable to any Limited Partner for the repayment of any positive balance in such Limited Partner's capital account or for contributions by such Limited Partner to the capital of the Fund or by reason of any change in the federal or state income tax laws applicable to the Fund or its investors.

Non-Exclusivity; Allocation of Opportunities

None of the partners, officers, managers, members, employees or affiliates of the General Partner or the Investment Manager are precluded from engaging in or owning other business ventures or investment activities of any kind, whether or not such ventures are competitive with the Fund. See "Risk Factors and Potential Conflicts of Interest."

Valuations

The General Partner shall value or have valued the investments and other assets of the Fund as of the close of business on the last day of each fiscal month.

Valuation of investments made pursuant to the Partnership Agreement must be based on all relevant factors and is expected to comply generally with the following guidelines:

- (1) For securities held long or short, the last sale price, or
- (2) For securities lacking a sufficient trading market, or if the General Partner determines that the last sale price does not accurately reflect the fair market value of such security, then at the closing bid price if held long or the closing asked price if held short, provided that if such security is traded on more than one stock exchange, such security shall be valued on the exchange designated as the primary market for such investment by the General Partner, or
- (3) For securities for which a last sale price, closing bid price (in the case of securities held long) or

	closing asked price (in the case of securities held short) is not available, such value as the General Partner in its reasonable discretion determines after such consultation as it deems appropriate.
Reserves	Appropriate reserves may be accrued and charged against net assets and proportionately assessed against the capital accounts of the Partners for contingent liabilities, such reserves to be in the amounts (subject to increase or reduction) that the General Partner in its sole discretion deems necessary or appropriate.
Fiscal Year	The Fund has a fiscal year ending on December 31 of each calendar year.
Reports to Partners	The Fund will furnish to its Partners as soon as practicable after the end of each taxable year (or as otherwise required by law) audited financial statements examined by the Fund's independent auditors as well as such tax information as is necessary for each Partner to complete federal and state income tax or information returns, along with any other tax information required by law. The Fund intends to provide to Limited Partners semi-annual reports of the Fund's portfolio. The General Partner selects the Fund's independent accountants in its sole discretion.
Dissolution and Liquidation	Dissolution of the Fund will occur upon the General Partner's election, in its sole discretion, to withdraw as general partner of the Fund, upon the election of the General Partner to dissolve the Fund that is approved by a majority in interest of the Limited Partners, or upon the Fund having no Limited Partners. Upon the occurrence of any such event, the General Partner (or a liquidator elected by a majority in interest of the Limited Partners, if the General Partner is unable to perform this function) is charged with winding up the affairs of the Fund, liquidating its assets to the extent feasible and making liquidating distributions (in cash or in other assets, whether readily or not readily marketable) <i>pro rata</i> in accordance with each Partner's capital account balance.

Tax Status

The Fund should not itself be subject to U.S. federal income taxation. Each Limited Partner otherwise subject to U.S. federal income tax is required to include in such Limited Partner's taxable income such Limited Partner's share of the Fund's income and gains, when realized by the Fund (regardless of cash distributions from the Fund to such investor), and may claim, to the extent allowable, such Limited Partner's share of the Fund's losses and deductions. Due to the nature of the Fund's activities, the Fund's income or loss for U.S. federal income tax purposes for a particular taxable period may differ from its financial or economic results. The deductibility of a Limited Partner's share of any Fund losses or deductions may be limited. See "Taxation".

Amendment of the Limited Partnership Agreement

The Partnership Agreement may be amended by the General Partner with the consent of a majority in interest of the Fund's Limited Partners. However, Limited Partner Interests may not be converted into General Partner Interests and the method or order of allocations cannot be modified without the consent of each Limited Partner adversely affected thereby.

Notwithstanding the foregoing, the General Partner may amend the Partnership Agreement without the consent of any Limited Partner at any time (i) to comply with applicable laws and regulations; (ii) to make changes that do not adversely affect the rights or obligations of any Limited Partner; or (iii) to effect the intent of the Partnership Agreement.

The General Partner has the absolute discretion to agree with a Limited Partner to waive or modify the application of any provision of the Partnership Agreement with respect to such Limited Partner without obtaining the consent of any other Limited Partner.

Legal Counsel

Whitley LLP Attorneys at Law ("Whitley LLP"), 11767 Katy Freeway, Suite 425, Houston, Texas 77079, serves as counsel to the Fund and the General Partner and their affiliates (collectively, the "**Ruby Red Entities**") in connection with the

formation of the Fund and the offering of Interests as well as other matters which the Ruby Red Entities may engage Whitley LLP from time to time. Whitley LLP disclaims any obligation to verify the Ruby Red Entities' compliance with their obligations either under applicable law or the governing documents of the Fund. In acting as counsel to the Ruby Red Entities, Whitley LLP does not and will not, however, represent any individual Limited Partner or member of the Ruby Red Entities. Whitley LLP also does not purport to represent the separate interests of the Limited Partners or members and has assumed no obligation to do so. Accordingly, potential investors and Limited Partners in the Fund have not had the benefit of independent counsel in the structuring of the Fund or determination of the relative interests, rights and obligations of the General Partner and the Limited Partners. In assisting in the preparation of this Memorandum, Whitley LLP has relied on information provided by the Ruby Red Entities and certain of their other service providers (including, without limitation, the Principal's biographical data, summaries of market conditions, the planned investment strategy of the Fund and the performance of the Fund, its investments or any predecessor fund) without verification and does not express a view as to whether such information is accurate or complete.

Auditors

The General Partner has selected CF & Co., LLP to serve as auditor to the Fund. The General Partner may dismiss or appoint the Fund's auditors in its sole discretion.

The foregoing description is only a summary of some of the terms of the Partnership Agreement and does not purport to set out all the terms of the Partnership Agreement. In case of any conflict between the foregoing summary and the terms of the Partnership Agreement, the Partnership Agreement shall control.

RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

Risk Factors

Prospective investors should give careful consideration to the following factors (among others) in evaluating the merits and suitability of an investment in a limited partner interest in the Fund. The following discussion does not purport to be an exhaustive list of all risks applicable to an investment in the Fund. You should consider any factors applicable to your specific situation.

Investment and Trading Risks

Investment and Trading Risks in General. All investments risk the loss of capital. No guarantee or representation is made that the Fund's program will be successful, and investment results may vary substantially over time. The Fund's investment program uses margin transactions and short sales, which can, in certain circumstances, increase potential losses for the Fund.

Securities Trading is Speculative and Volatile. Securities prices are highly volatile. Price movements for securities are influenced by, among other things, changing supply and demand relationships, agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments, domestic and foreign political and economic events, changes in domestic and foreign interest rates and rates of inflation, currency devaluations and revaluations, and emotions of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence prices directly. None of these factors can be controlled by the Fund and no assurance can be given that the General Partner's advice will result in profitable trades for the Fund or that it will not incur substantial losses.

Short Sales. The Fund will effect short sales. Short selling is the practice of selling investments which are not owned by the seller, generally when the seller anticipates a decline in the price of the investments or for hedging purposes. To complete a short sale, the seller must borrow the investments from a third party in order to make delivery to the buyer. The seller generally will be required to pay a brokerage commission or interest which will increase the cost to the seller of selling such investments.

The proceeds of the short sale plus additional cash or investments must be deposited as collateral with the lender of the investments to the extent necessary to meet margin requirements; the amount of the required deposit will be adjusted periodically to reflect any change in the market price of the investments which the seller is required to return to the lender. The seller generally will be entitled to receive payments from the lender with respect to the short sale proceeds and additional cash on deposit with the lender, at negotiated rates typically based on the lender's short-term borrowing costs. The seller will be obligated to return the investments equivalent to those borrowed at any time on demand of the lender of the investments borrowed by purchasing them at the market price at the time of replacement. Until the investments are replaced, the seller will be required to pay to the lender

amounts equal to any dividends or interest which accrue during the period of the loan of the investments.

Leverage. The Fund may trade on margin, engage in other forms of borrowing to finance its operations and use other forms of financial leverage. As a result of leverage, a small change in the price of a stock can produce large losses for the Fund. The level of interest rates and the rates at which the Fund can borrow will affect the operating results of the Fund. Fluctuations in the market value of the portfolio of a heavily leveraged partnership can have a disproportionately large effect in relation to the capital of that partnership. Any event which may adversely affect the value of Positions held by the Fund could significantly affect the net asset value of the Fund. The Fund may also borrow funds from time to time as the General Partner deems appropriate.

Adverse Stock Selection. The Fund's investment program is highly dependent on security selection by the General Partner. If the General Partner's investment analysis is incorrect or the underlying investment thesis is flawed, losses could result.

Position Sizing. While the Fund's assets under management are \$5 million or less, the Fund intends to limit the size of each Position to 10% of the Fund's assets. When the Fund exceeds \$5 million in assets under management, the Fund may decrease the limit on the size of each Position to 5% of the Fund's assets under management. The Fund will generally liquidate investments if they reach a 20% loss, which means that each Position may cause a drawdown in the Fund of up to 2% if the above position sizing limits are complied with.

Industry Concentration. The Fund's investment strategy by its very nature requires industry concentration by taking a simultaneous long position in one security and a short position in another security. In addition, the Fund may establish multiple Positions in the same industry. This could elevate risk in case the industry as a whole performs differently than expected.

Liquidation of Collateral. If a security held by the Fund is purchased on margin and has adverse price movement (*i.e.*, a decline if held long by the Fund, an increase if held short by the Fund), and the Fund's brokerage account holds less than the minimum amount of margin required by the broker, the Fund's broker may liquidate any of the Fund's positions in order to bring the Fund's overall account into compliance with the broker's margin requirements. The broker may liquidate any security in the Fund's portfolio in order to fulfill this requirement. These sales may be made at times or at prices detrimental to the Fund.

Turnover. The Fund may invest on the basis of short-term market considerations. The portfolio turnover rate of these investments may be significant, potentially involving substantial brokerage commissions and fees. Neither the General Partner nor the Principal will receive a portion of such commissions and fees.

Competitive Markets. The investments industry in general, and the markets in which the Fund intends to trade, are extremely competitive. In pursuing its trading methods and strategies, the Fund will compete with investment firms, including many of the larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks

and broker-dealers. In relative terms, the Fund has little capital and may have difficulty in competing in markets in which its competitors have substantially greater financial resources, larger research staffs, and more trading professionals than the Fund has or expects to have in the future. In any given transaction, investment and trading activity by other firms will tend to narrow the spread between the price at which an investment may be purchased by the Fund and the price it expects to receive upon consummation of the transaction.

Distributions. Since the Fund does not generally intend to pay distributions, an investment in the Fund is not suitable for investors seeking current income. Moreover, an investor is required to report and pay taxes on his allocable share of income from the Fund, even though no cash is distributed by the Fund.

Risks Relating to the Fund and the General Partner

Lack of Operating History. The Fund does not have an operating history for prospective investors to evaluate prior to making an investment. Although the Principal has prior experience trading the investment strategy to be used by the Fund, the Fund is a recently formed entity and has little prior history. Limited Partners risk the loss of their entire investment.

Business Dependent Upon Key Individual. The success of the Fund depends upon the ability of the General Partner and Mr. Olszewski in particular, to develop and implement investment strategies that achieve the Fund's investment objective. If Mr. Olszewski were to become unable to participate in the management of the Fund, the consequences to the Fund could be material and may lead to the premature termination of the Fund.

Other Employment. Mr. Olszewski is currently a full-time employee with the General Services Administration in Fort Worth (“**GSA**”). Mr. Olszewski has no plans to abandon this position until such time as the Fund becomes a viable entity and produces sufficient fee income to the General Partner to permit the payment of sufficient compensation to Mr. Olszewski. Mr. Olszewski’s schedule currently permits him to devote one full day every week to the Fund; however, Mr. Olszewski’s schedule may later change. While employed at the GSA, Mr. Olszewski intends to set up trading positions weekly on Fridays. Mr. Olszewski may attempt to devote additional time to the Fund during other days of the week during trading hours, but he cannot guarantee that he will be able to devote such additional time to the Fund due to his employment commitments with GSA.

Performance Allocation. The Performance Allocation made to the General Partner 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 Performance Allocation. The Fund’s Performance Allocation may result in higher payments than alternative compensatory arrangements to other portfolio managers in the industry. Further, the Performance Allocation will be based on realized gains and losses resulting both from sales or exchanges during the taxable year and from marking to market the Fund’s securities held at the end of the year. As a result, profit shares could be allocated on marked-to-market gains which may never in fact be realized.

Possible Effect of Substantial Withdrawals. Substantial withdrawals from the Fund could

require the Fund to liquidate its investments more rapidly or at times or prices than otherwise desired in order to raise the cash necessary to fund the withdrawals. This could result in losses or a decrease in the net asset value of the Fund.

Lack of Transferability. Interests are subject to significant restrictions on transfer including the requirement that the General Partner consent to any such transfer. Prospective investors in the Fund will be required to represent that they are acquiring their Interest for investment purposes only and not with a view to or for resale or distribution. The Interests have not been registered under the Securities Act of 1933, as amended, and therefore are subject to restrictions on transfer under such Act. There is no market for Interests and it is not anticipated that such a market will develop.

Limited Protection Under Investment Management Statutes. The Fund will not register as an investment company under the Investment Company Act of 1940, as amended (the “**Company Act**”). Consequently, many of the protections afforded by the Company Act (which, among other things, require investment companies to have a majority of disinterested directors and regulate the relationship between the adviser and the investment company) will not be applicable.

Business and Regulatory Risks of Investment Funds. Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund.

Potential Failure of the Fund’s Broker. Rule 15c3-3 under the Securities Exchange Act of 1934, as amended, requires a broker-dealer (“**BD**”) to segregate a customer’s securities and funds. If the BD fails to do so, the Fund may be subject to a risk of loss of the assets held by the BD in the event of the BD’s bankruptcy. In the event of a failure of a BD used by the Fund, the United States Securities Investor Protection Corporation (“**SIPC**”) provides a maximum of \$500,000 of account insurance, only \$100,000 of which may be taken in cash. Since the Fund’s assets on deposit will exceed these amounts, the Fund may receive only a *pro rata* share of the remaining assets deposited with the failed BD.

Costs. The Fund will incur obligations to pay brokerage commissions, option premiums, “bid-ask” spreads, and other transaction costs to brokers. The Fund will also incur operating, legal, accounting, and auditing fees. The Limited Partners accounts with the Fund will be assessed a monthly management fee. The foregoing expenses are payable regardless of whether the Fund realizes any profits.

Class B Management Fee. A management fee of 5% of the Class B Investors’ capital account is calculated and paid monthly in arrears. This fee is in excess of the industry norm and similar advisory services can be obtained for less.

Valuation of Fund Assets. From time to time, certain situations affecting the valuation of the Fund’s investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Fund) could have an impact on the net asset value of the Fund, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Fund is not required to make retroactive adjustments to prior subscription or withdrawal

transactions or Performance Allocations based on subsequent valuation data.

No Participation by Limited Partners. Substantially all decisions with respect to the management of the Fund are made exclusively by the General Partner. Limited Partners have no right or power to take part in the management of the Fund. The General Partner makes all of the trading and investment decisions of the Fund.

Tax Risks. The Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the Internal Revenue Service, there could be a materially adverse effect on the Fund.

In addition, a tax audit of the Fund may result in an audit of the returns of some or all of the Limited Partners, which examination could result in adjustments to the tax consequences initially reported by the Fund and affect items not related to a Limited Partner's investment in the Fund. If such adjustments result in an increase in a Limited Partner's federal income tax liability for any year, such Limited Partner may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund. The cost of any audit of a Limited Partner's tax return will be borne solely by the Limited Partner.

The taxation of partnerships and partners is complex. Potential investors are strongly urged to review the discussion below under "Taxation" and to consult their own tax advisors.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL OF THE RISKS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS SHOULD READ THIS MEMORANDUM AND THE PARTNERSHIP AGREEMENT IN THEIR ENTIRETY BEFORE DETERMINING WHETHER TO SUBSCRIBE FOR AN INTEREST.

In view of the foregoing considerations, an investment in Interests is suitable only for investors who are capable of bearing the relevant investment risks.

Potential Conflicts of Interest

The General Partner may manage other client accounts, some of which may have objectives similar to those of the Fund, including other collective investment vehicles which may be managed by the General Partner or any of its affiliates and in which the General Partner or any of its affiliates may have an equity interest. There may exist financial incentives to favor other client accounts over the Fund due to the difference in advisory fees charged to those accounts as opposed to those charged to the Fund. Other individual or pooled client accounts may compete with the Fund with respect to entering into and liquidating positions for the Fund.

The Partnership Agreement does not place any restrictions on the nature or timing of investments for the account of the Fund and for the General Partner's own accounts or for other accounts that the General Partner or its affiliates may manage. The General Partner is not obligated to

devote any specific amount of time to the affairs of the Fund and is not required to accord exclusivity or priority to the Fund in the event of limited investment opportunities arising from the application of speculative position limits or other factors.

The Principal of the General Partner, as well as the employees and officers thereof and of organizations affiliated with the General Partner, may make investments for their own account or the account of others, but may not buy investments from or sell investments to the Fund (other than Interests of the Fund).

The General Partner's authority to use "soft dollar" credits generated by the Fund's brokerage transactions to pay for expenses that might otherwise have been borne by the General Partner may give the General Partner an incentive to select brokers or dealers for the Fund's transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the General Partner rather than giving exclusive consideration to the interests of the Fund. See "Brokerage and Custody Arrangements."

Whitley LLP Attorneys at Law ("Whitley LLP"), 11767 Katy Freeway, Suite 425, Houston, Texas 77079, serves as counsel to the Fund, the General Partner and their affiliates (collectively, the "**Ruby Red Entities**") in connection with the formation of the Ruby Red Entities and the offering of Interests as well as other matters which the Ruby Red Entities may engage Whitley LLP from time to time. Whitley LLP disclaims any obligation to verify the Ruby Red Entities' compliance with their obligations either under applicable law or the governing documents of the Fund. In acting as counsel to the Ruby Red Entities, Whitley LLP does not and will not, however, represent any individual Limited Partner or member of the Ruby Red Entities. Whitley LLP also does not purport to represent the separate interests of the Limited Partners or members and has assumed no obligation to do so. Accordingly, potential investors and Limited Partners in the Fund have not had the benefit of independent counsel in the structuring of the Fund or determination of the relative interests, rights and obligations of the General Partner and the Limited Partners. In assisting in the preparation of this Memorandum, Whitley LLP has relied on information provided by the Ruby Red Entities and certain of their other service providers (including, without limitation, the Principal's biographical data, summaries of market conditions, the planned investment strategy of the Fund and the performance of the Fund, its investments or any predecessor fund) without verification and does not express a view as to whether such information is accurate or complete.

INQUIRIES

Inquiries concerning the Fund and Interests should be directed to:

Ruby Red Market Neutral Fund, L.P.
Attn.: Ruby Red Capital Management LLC
6080 South Hulen Street, Suite 360, Box #311
Fort Worth, Texas 76132-4810

Telephone: (817) 217 - 4710
Email: matt.olszewski@rubyredcapital.com
Attention: John Matthew Olszewski

Inquiries concerning subscription procedures should be directed to:

Sanford, Baumeister & Frazier, LLP
Attn.: Candace Blair
512 Main Street, Suite 1500
Fort Worth, Texas 76102

Telephone: (817) 877 - 5000
Faxsimile: (817) 877 - 5330
Email: Candace.Blair@sbf-cpa.com

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This Memorandum does not purport to be and should not be construed as a complete description of the Partnership Agreement, the form of which is attached hereto as Exhibit A. Any potential investor in the Fund is encouraged to review the Partnership Agreement carefully, in addition to consulting appropriate legal and tax counselors.

ANTI-MONEY LAUNDERING COMPLIANCE

In response to increased regulatory concerns with respect to the identification of sources of funds used to make an investment in the Fund, the General Partner and/or its affiliates have implemented policies and procedures (“**AML Program**”) designed to guard against and identify money laundering activities. Pursuant to the Fund’s AML Program, the General Partner and/or its affiliates will request prospective investors and, in some instances, existing Limited Partners, to provide additional documentation verifying, among other things, such person’s identity and the source of funds used to purchase its Interest in the Fund. The General Partner may decline to accept a subscription based upon this information or if this information is not provided.

Pursuant to the Fund’s AML Program, the General Partner and/or its affiliates will undertake enhanced due diligence procedures prior to accepting investors the General Partner believes present high risk factors with respect to money laundering activities. Examples, although not comprehensive, of persons posing high risk factors are persons resident in or organized under the laws of a “non-cooperative jurisdiction” or other jurisdictions designated by the Department of the Treasury as warranting special measures due to money laundering concerns, and any person whose capital contributions originate from or are routed through certain banking entities organized or chartered in a non-cooperative jurisdiction.

In addition, the Fund’s AML Program prohibits the acceptance of subscriptions from or on behalf of:

- persons on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Asset Control;
- the Annex to Executive Order 13224;
- such other lists as may be promulgated by law or regulation; and
- foreign banks unregulated in the jurisdiction they are domiciled in or which have no physical presence.

Governmental regulators are continuing to consider appropriate measures to implement anti-money laundering laws as they apply to private investment funds such as the Fund. The General Partner and/or its affiliates will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures that may be required by governmental regulators. The specific policies and procedures that the Fund may be required to implement remain unclear, although such steps may include additional measures to confirm the identity of each investor, including the principal beneficial owners of the investor, if applicable, and/or reporting suspicious transactions to governmental regulators.

The requirements for the General Partner to guard against and identify money laundering

activities in deciding whether to accept subscriptions are in addition to the discretion that the General Partner has in deciding whether to accept subscriptions.

BROKERAGE AND CUSTODY ARRANGEMENTS

Brokerage Arrangements

The General Partner is responsible for the placement of the portfolio transactions of the Fund and the negotiation of any commissions paid on such transactions. Purchases of portfolio instruments through brokers involve a commission to the broker. Securities transactions are executed by brokers selected by the General Partner in its sole discretion.

Currently, Interactive Brokers LLC (“**IB**”) serves as the Fund’s clearing broker to execute and clear the Fund’s futures and equities transactions and provide other brokerage-related services. IB is a futures commission merchant and broker dealer regulated by the U.S. Commodity Futures Trading Commission and the U.S. Securities and Exchange Commission. IB is a member of the Financial Industry Regulatory Authority and the New York Stock Exchange.

IB is headquartered at One Pickwick Plaza, Greenwich, CT 06830.

Neither IB, nor any affiliate, officer, director or employee thereof have passed on the merits of this Memorandum or offering, or give any guarantee as to the performance or any other aspect of the Fund.

In placing portfolio transactions, the General Partner will seek to obtain the best execution for the Fund, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker’s ability to establish and maintain a short position; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the General Partner’s other selection criteria.

The General Partner is authorized to pay higher prices for the purchase of investments from or accept lower prices for the sale of investments to brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if the General Partner determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. The General Partner is not required to weigh any of these factors equally. Information so received is in addition to and not in lieu of services required to be performed by the General Partner, and the General Partner’s management fee is not reduced as a consequence of

the receipt of such supplemental research information. Research services provided by broker-dealers used by the Fund may be utilized by the General Partner or its affiliates in connection with its investment services for other accounts and, likewise, research services provided by broker-dealers used for transactions of other accounts may be utilized by the General Partner in performing its services for the Fund. Since commission rates in the U.S. are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

In addition to research services, the General Partner may be offered other non-monetary benefits by broker-dealers that it may engage to execute transactions on behalf of the Fund. These benefits may take the form of payment of all or a portion of the General Partner's costs and expenses of operation such as supplies, salaries, employee benefits, telephone, postage, transportation, travel, meals and entertainment, placement fees and other marketing costs, office equipment, computers and other hardware, telecommunications, computer networking, news wire and data processing charges, legal, consulting and accounting fees, quotation services and periodical subscription fees and all other trading related expenses. These benefits may be available for use by the General Partner in connection with transactions in which the Fund will not participate. The availability of these benefits may influence the General Partner to select one broker rather than another to perform services for the Fund. Nevertheless, the General Partner will attempt to assure either that the fees and costs for services provided to the Fund by brokers offering these benefits are not materially greater than they would be if the services were performed by equally capable brokers not offering such services or that the Fund also will benefit from the services.

The General Partner has the option to use "soft dollars" generated by the Fund to pay for the research and non-research related services described above. The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the General Partner, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the General Partner. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the United States Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), provides a "safe harbor" to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment advisers in the performance of investment decision-making responsibilities. In the event the General Partner elects to use its soft dollars for payment of all or a portion of the General Partner's costs and expenses of operations such as supplies, salaries, employee benefits, telephone, postage, transportation, travel, meals and entertainment, placement fees and other marketing costs, office equipment, computers and other hardware, telecommunications, computer networking, news wire and data processing charges, legal, consulting and accounting fees, quotation services and periodical subscription fees, such uses of soft dollars are not within the safe harbor afforded by Section 28(e) of the Exchange Act.

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the General Partner creates a conflict of interest between the

General Partner and the Fund, because the Fund pays for such products and services that are not exclusively for the benefit of the Fund and that may be primarily or exclusively for the benefit of the General Partner. To the extent that the General Partner is able to acquire these products and services without expending its own resources (including its management fee), the General Partner's use of "soft-dollars" would tend to increase the General Partner's profitability. In addition, the availability of these non-monetary benefits may influence the General Partner to select one broker rather than another to perform services for the Fund.

Custody

IB serves as the Fund's custodian as well.

TAXATION

The tax information contained in this document is not given in the form of a covered opinion, within the meaning of Circular 230 issued by the United States Secretary of the Treasury. Thus, we are required to inform you that you cannot rely upon any information contained in this document for the purpose of avoiding United States federal tax penalties. The tax information contained in this document was written to support the promotion or marketing of the transactions or matters described in this document. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Introduction

The following is a summary of certain aspects of U.S. federal income taxation of the Fund and its Limited Partners arising from the purchase, ownership and disposition of an interest in the Fund (an “*Interest*”) by U.S. persons. No ruling from the Internal Revenue Service (the “*Service*”) or any similar state or local authority with respect to any of the tax issues affecting the Fund will be sought.

A “U.S. person” for these purposes means a citizen or resident of the U.S., a corporation created or organized in the U.S. or under the laws of the U.S. or any state, an estate whose income is includable in gross income for federal income tax purposes regardless of its source or a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. In addition, to the extent provided in Treasury Regulations, certain trusts in existence on August 20, 1996, and treated as U.S. persons prior to such date, which elect to continue to be treated as U.S. persons will also be U.S. persons for these purposes.

This summary is based on U.S. tax laws, regulations, judicial decisions, undertakings and rulings in force on the date of this Memorandum. Changes in existing laws or regulations and their interpretation may occur after the date of this Memorandum and could alter the income tax consequences of an investment in the Fund. This summary does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the federal income tax laws, and does not take into account the particular circumstances of each prospective investor. This Memorandum is not addressed to investors that are banks, thrifts, insurance companies, “closely-held” corporations, individual retirement accounts and other tax-deferred accounts, investors that mark their securities to market, investors that will invest in Interests as part of a position in a “straddle” or as part of a “hedging” or “conversion” transaction or as part of an “integrated transaction” for United States federal income tax purposes, investors that are non-U.S. persons, or investors that hold their investment in the Fund as other than a capital asset. Except where

specifically addressing considerations applicable to tax-exempt investors, the following discussion assumes that the Limited Partner is a U.S. person, as defined for U.S. federal income tax purposes, that is not generally exempt from U.S. federal income tax.

EACH PROSPECTIVE LIMITED PARTNER IS URGED TO CONSULT ITS TAX ADVISOR IN ORDER TO UNDERSTAND FULLY THE FEDERAL, STATE, LOCAL AND ANY FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP IN ITS PARTICULAR SITUATION.

United States Taxation Matters

Classification of the Fund

The General Partner believes that, under the provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the Treasury Regulations promulgated under the Code (the “**Regulations**”) as currently in effect, the Fund is treated, for federal income tax purposes, as a partnership and not as an association taxable as a corporation.

Certain “publicly traded partnerships” are treated as associations that are taxable as corporations for U.S. federal income tax purposes. A publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). Interests in the Fund will not be traded on an established securities market. Regulations concerning the classification of partnerships as publicly traded partnerships provide certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent thereof). Depending on the number of partners, the Fund may qualify for a safe harbor exemption for partnerships that are offered to investors in a private placement.

U.S. Federal Income Taxation of the Fund and Partners Generally

If the Fund is treated as a partnership, the Fund will not be subject to federal income tax. Each Limited Partner will be required to report separately on its income tax return its distributive share of the Fund’s net long-term capital gain or loss, net short-term capital gain or loss, and net ordinary income and deductions and credits in accordance with the allocations set forth in the Partnership Agreement. Each Limited Partner will be liable for any taxes owed upon its distributive share of the income or gains realized by the Fund, and may claim deductions for its distributive share of the Fund’s losses and deductions and credits for its distributive share of the Fund’s credits, to the extent allowed under the Code. Each Limited Partner will be taxed on its distributive share of the Fund’s taxable income and gain regardless of whether it has received or will receive a distribution from the Fund.

The Fund will file an annual partnership information return with the Service that reports the results of its operations for the taxable year, and will distribute annually to each Limited Partner a form showing its distributive share of such Fund items of income, gain, loss, deduction or credit. The General Partner will have the authority to decide how to report the Fund items on the Fund’s tax returns. An audit by the Service of the tax treatment of the Fund’s income and deductions generally

will be determined at the Fund level in a single proceeding rather than by individual audits of the Limited Partners. In this regard, the General Partner, as the “Tax Matters Partner,” will have the authority to bind certain Limited Partners to settlement agreements and the right on behalf of all Limited Partners to extend the statute of limitations relating to the Limited Partners’ tax liabilities with respect to Fund items.

Under the Partnership Agreement, for Federal income tax purposes, the General Partner has the discretion to allocate specially amounts of Fund gains or losses (or items of gross income or losses or deduction) to a withdrawing Partner to the extent that the Partner’s capital account differs, either positively or negatively, from its Federal income tax basis in its Interest. There can be no assurance that, if the General Partner makes such a special allocation, the Service will accept such allocation. If such allocation is successfully challenged by the Service, the Fund’s gains and losses allocable to the remaining Partners would change.

The Fund expects to act as a trader or investor, and not as a dealer, with respect to its investment program. Generally, the gains and losses realized by a trader or investor on the sale of securities are capital gains and losses. Thus, the Fund expects that its gains and losses from its securities transactions typically will be capital gains and capital losses. These capital gains and losses may be long-term or short-term depending, in general, upon the length of time that the Fund maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than 12 months generally will be eligible for long-term capital gain or loss treatment.

The Fund may derive ordinary interest income and dividends on securities, and may be required to recognize income in respect of certain securities prior to receipt of any payment in respect of such securities. For instance, the Fund may hold debt obligations with “original issue discount.” In such case, the Fund will be required to include a portion of such discount in its taxable income on a current basis, and allocate such income to the Limited Partners, even though receipt of such amounts by the Fund may occur in a subsequent tax year. The Fund also may acquire debt obligations with “market discount.” Upon disposition of such an obligation, which might include the receipt of securities of the issuer in a recapitalization exchange, the Fund generally will be required to treat any gain realized (and required to be recognized) as ordinary interest income to the extent of the market discount that accrued during the period the debt obligation was held by the Fund. Recapitalization exchanges involving securities held by the Fund also may result in the recognition of taxable gains prior to the receipt of cash or readily tradable property.

Limited Partners who are taxed as individuals for U.S. tax purposes may be eligible for capital gains tax treatment on certain dividend income earned by the Fund.

The Fund may, in its discretion, make an election under Section 475 of the Code to apply a mark to market system of recognizing unrealized gains and losses on securities as if the securities were sold for fair market value at the close of any taxable year of the Fund. The amount recognized when gain or loss is subsequently realized would be adjusted for amounts recognized in marking to market. The election would apply only with respect to securities held in connection with the Fund’s trade or business as a trader in securities. The election would not apply to any securities that the Fund could demonstrate, to the satisfaction of the Service, are held for investment. Once a Section 475 election is

made, it can be revoked only with the consent of the Service. In the event that the Fund makes such an election, the Fund's gains and losses from marking securities to market (and gain or loss recognized before the end of the taxable year with respect to any security that would have been marked to market) would be treated as ordinary income and losses. The rules relating to appreciated financial positions under Section 1259 and wash sales under Section 1091 would not apply to the securities to which the election applies and the Section 1092 straddle rules would not have any effect where all the offsetting positions of a straddle are marked to market.

Pursuant to various "anti-deferral" provisions of the Code (the "Subpart F" and "passive foreign investment company" provisions), any investments by the Fund in certain foreign corporations may cause a Limited Partner to (i) recognize taxable income prior to the Fund's receipt of distributable proceeds, (ii) pay an interest charge on receipts that are deemed as having been deferred or (iii) recognize ordinary income that, but for the "anti-deferral" provisions, would have been treated as long-term or short-term capital gain.

Taxation of Distributions and Withdrawals

Cash nonliquidating distributions and withdrawals, to the extent they do not exceed a Limited Partner's basis in its Interest, will not result in taxable income to that Limited Partner, but will reduce its tax basis in its Interest by the amount distributed or withdrawn. Cash distributed to a Limited Partner in excess of the basis of its Interest is generally taxable as capital gain.

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

Distributions of property other than cash, whether in complete or partial liquidation of a Limited Partner's Interest, 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 Fund's unrealized receivables). However, a distribution of marketable securities will be treated as a distribution of cash (which, as described above, can require the recognition of gain by the recipient Limited Partner), unless the distributing partnership is an "investment partnership" and the recipient is an "eligible partner" as defined in Section 731(c) of the Code. The General Partner cannot provide any assurances of whether the Fund is an "investment partnership" for these purposes.

As discussed above, under the Partnership Agreement, the General Partner has the discretion to allocate specially amounts of Fund gains or losses (or items of gross income or losses or deductions) for Federal income tax purposes to a withdrawing Partner to the extent that the Partner's capital

account differs from its Federal income tax basis in its Interest. Such a special allocation may result in the withdrawing Partner recognizing taxable income, which may include short-term capital gain or loss, in the Partner's last taxable year in the Fund, thereby reducing the amount of long-term capital gain or loss recognized during the tax year in which the Partner receives its liquidating distribution upon withdrawal. Generally, special allocations of losses (or items of expense, loss or deduction) to a withdrawing Partner will result in a greater allocation of taxable income or gain, or a decreased allocation of losses, to the remaining Partners.

Assuming the Fund has not made an election pursuant to Section 754 of the Code and the General Partner does not exercise its discretion to specially allocate losses to a withdrawing Limited Partner, distributions of property or cash by the Fund to a Limited Partner in redemption of its Interest in certain circumstances where the Fund has a substantial built-in loss may require the Fund to reduce the tax basis of its remaining property.

Limitations on Losses and Deductions

Limited Partners that are individuals or certain types of corporations may be limited in their ability to deduct expenses or losses of the Fund. For instance, if or to the extent that the Fund's operations do not constitute a "trade or business" within the meaning of Section 162 and other provisions of the Code, an individual Limited Partner's distributive share of the Fund's expenses (including any amounts that are treated for tax purposes as expenses of the Fund) would be deductible only as itemized deductions, subject to the limitations of Sections 67 and 68 of the Code. In this regard, if all or a portion of the performance allocation to the General Partner were re-characterized for tax purposes as an expense of the Fund, each non-corporate Limited Partner's share of such expense could be subject to such limitations. Itemized deductions are non-deductible in computing such Limited Partner's alternative minimum taxable income and alternative minimum tax liability.

The ability of a noncorporate Limited Partner to deduct its share of the Fund's ordinary losses attributable to interest and certain short sale expenses may be subject to the "investment interest limitation" under Section 163(d) of the Code. In general, a noncorporate taxpayer's investment interest (including interest and certain short sale expenses) in the current year is not deductible to the extent it exceeds its "net investment income," consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, any long-term capital gain is excluded from net investment income unless the taxpayer elects to pay tax on such amount at ordinary income tax rates. The Fund's activities may be treated as giving rise to investment income for a Limited Partner, and the investment interest limitation may apply to a noncorporate Limited Partner's share of the interest and short sale expenses attributable to the Fund's operation. Accordingly, a noncorporate Limited Partner may be denied a deduction for all or a part of its distributive share of the Fund's ordinary losses attributable to interest and short sale expenses unless it has sufficient investment income from all sources including the Fund. Any amount not deducted as a result of the application of the investment interest limitation may be carried forward to future years, subject to certain limitations.

Further, income, gains and losses of the Fund generally will not be treated as passive income or

losses for purposes of the passive activity loss limitations of Section 469 of the Code. Accordingly, individuals, personal service corporations and certain closely-held corporations that have passive activity losses from other activities are restricted in their ability to use such losses to offset income and gains from the Fund, although losses of the Fund will not be subject to the passive activity loss limitation.

Investor Tax Filings and Record Retention.

U.S. Treasury Department regulations, designed to assist the Service in identifying abusive tax shelter transactions, require investors in specified transactions (including partners in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties may be imposed (in addition to penalties that generally may be applicable as a result of a failure to comply with applicable Treasury regulations) for failure to comply with these tax filing and record retention rules.

The regulations are broad in scope, and it is conceivable that the Fund may enter into transactions that will subject the Fund and certain investors to the special tax filing and record retention rules. Additionally, under the regulations, an investor's recognition of loss upon its disposition of its Interest could cause the investor to become subject to special tax filing and record retention rules. The General Partner intends to provide information to investors necessary to enable investors to satisfy any tax filing and record retention requirements that may arise as a result of any transactions entered into by the Fund.

State and Local Taxes

In addition to the federal income tax consequences described above, prospective Limited Partners should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident.

The Fund is a Texas limited partnership and is intended to qualify as a "passive entity" for purposes of the Texas franchise tax. Under the Texas franchise tax and related rules, passive entities do not pay tax on their income as long as 90% of the entity's income consists of (in pertinent part) dividends, interests, distributive shares of partnership income, and net gains from the sales of securities.

The State of Texas does not impose a personal income tax, and therefore, income attributable to Limited Partners (whether or not Texas residents) will not be reported to the Texas Comptroller of Public Accounts, nor are Limited Partners required to file tax returns with the Texas Comptroller of Public Accounts.

Other Taxes

The Fund and its Limited Partners may be subject to other taxes, such as the alternative minimum tax, and estate, inheritance or intangible property taxes that may be imposed by various domestic jurisdictions, as well as foreign withholding or gains taxes. Each prospective investor should consider the potential consequences of such taxes on an investment in the Fund. It is the responsibility of each prospective investor to satisfy itself as to, among other things, the legal and tax consequences of an investment in the Fund, under the laws of the state(s) of its domicile and its residence, by obtaining advice from its own tax counsel or other advisor, and to file all appropriate tax returns that may be required.

Other Taxation

Although there can be no assurance, it is intended that the affairs of the Fund will be conducted such that the Fund will not be subject to regular income taxation in any other jurisdiction.

Income and gains from investments held by the Fund may be subject to withholding taxes or taxes in jurisdictions other than those described herein, subject to the possibility of reduction under applicable tax treaties. Limited Partners generally may be entitled, subject to applicable limitations, to a credit against U.S. income tax for creditable foreign income taxes paid on the foreign source income and gains of the Fund (which may not include all of the Fund's gains). The foreign tax credit rules are complex, and may, depending on each Limited Partner's particular circumstances, limit the availability or use of foreign tax credits.

The foregoing is a summary of some of the important tax rules and considerations affecting the Limited Partners, the Fund, and the Fund's proposed operations and does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding an Interest. The foregoing does not address tax considerations affecting investors that are not U.S. persons. Each prospective investor in the Fund is urged to consult its own tax advisor in order to understand fully the federal, state, local and any foreign tax consequences of such an investment in its particular situation.

EXHIBIT A

LIMITED PARTNERSHIP AGREEMENT

**LIMITED PARTNERSHIP AGREEMENT
OF
RUBY RED MARKET NEUTRAL FUND, L.P.**

DATED: October 1, 2014

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**LIMITED PARTNERSHIP AGREEMENT
OF RUBY RED MARKET NEUTRAL FUND, L.P.**

THIS LIMITED PARTNERSHIP AGREEMENT OF RUBY RED MARKET NEUTRAL FUND, L.P. is dated as of the date first written above, and is entered into by and between Ruby Red Capital Management, LLC, a Texas limited liability company, as the General Partner, and John Matthew Olszewski, an individual residing in the State of Texas, as the Organizational Limited Partner, together with any other Persons who become Partners in the Partnership or parties hereto as provided herein. In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 *Definitions*.

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

“*Advisers Act*” means the Investment Advisers Act of 1940, 15 U.S.C. § 80b-1 *et seq.*, as amended.

“*Affiliate*” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“*Agreement*” means this Limited Partnership Agreement of Ruby Red Market Neutral Fund, L.P. as it may be amended, supplemented or restated from time to time.

“*Assignee*” means a Person who acquires, or purports to acquire, a Partnership Interest from a Partner.

“*Assignment*” means the sale, assignment, gift, exchange or any other disposition whether voluntary, involuntary, or by operation of law or otherwise, of a Limited Partner Interest, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

“*Capital Account*” means an account established and maintained throughout the full term of the Partnership for each Partner pursuant to Section 5.2. The initial Capital Account of each Partner shall consist of the Capital Contributions made by such Partner in accordance with Section 5.3.

“*Capital Contribution*” means any cash, cash equivalents or other property that a Partner contributes to the Partnership pursuant to this Agreement.

“*Certificate*” means a certificate, in such form as may be adopted by the General Partner, issued by the Partnership evidencing ownership of one or more Partnership Interests.

“*Certificate of Limited Partnership*” means the Certificate of Limited Partnership of the Partnership filed with the Secretary of State of the State of Texas as referenced in Section 7.3, as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

“Class” means a class of Limited Partner Interests as described in Section 5.3.

“Class A Limited Partner” means a Limited Partner holding a Class A Limited Partner Interest.

“Class B Limited Partner” means a Limited Partner holding a Class B Limited Partner Interest.

“Code” means the Texas Business Organizations Code, as it may be amended, supplemented or restated from time to time, and any successor to such statute.

“Counsel” means an attorney or law firm selected by the General Partner to represent the Partnership (who may be regular counsel to the Partnership or the General Partner).

“Fiscal Month” means a calendar month.

“Fiscal Quarter” means each three month period commencing from the beginning of the Fiscal Year.

“Fiscal Year” means the taxable year of the Partnership as set forth in Section 8.2.

“General Partner” means Ruby Red Capital Management, LLC, a Texas limited liability company, and its successors and permitted assigns that are admitted to the Partnership as general partner of the Partnership, in their capacity as general partner of the Partnership (except as the context otherwise requires).

“General Partner Interest” means the management and ownership interest of the General Partner in the Partnership (in its capacity as a general partner without reference to any Limited Partner Interest held by it), and includes any and all benefits to which the General Partner is entitled as provided in this Agreement, together with all obligations of the General Partner to comply with the terms and provisions of this Agreement.

“Indemnitee” means (a) the General Partner, (b) any Person who is or was an Affiliate of the General Partner, (c) any Person who is or was a member, manager, partner, director, officer, employee, agent, fiduciary or trustee of any Limited Partner or the General Partner or any Affiliate of any Limited Partner or the General Partner, (e) any Person who is or was serving at the request of the General Partner or any Affiliate of the General Partner as a member, manager, partner, director, officer, employee, agent, fiduciary or trustee of another Person; *provided* that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, and (f) any Person the General Partner designates as an indemnitee for purposes of this Agreement.

“Limited Partner” means, unless the context otherwise requires, (a) the Organizational Limited Partner prior to its withdrawal from the Partnership, and (b) each additional Person that becomes a Limited Partner pursuant to the terms of this Agreement.

“Limited Partner Interest” means the ownership interest of a Limited Partner in the Partnership (irrespective of Class), and includes any and all benefits to which such Limited Partner is entitled as provided in this Agreement, together with all obligations of such Limited Partner to comply with the terms and provisions of this Agreement.

“Liquidation Date” means the date on which an event giving rise to the dissolution of the Partnership occurs.

“Majority” means at least fifty and one-tenth percent (50.1%) of the Percentage Interest.

“Management Fee” means the management fee to be paid to the General Partner as described in Section 7.1(b).

“Market Value” means the value of any securities determined as of the close of business of the day in question, using (a) in the case of securities held long or short, its last sale price, or (b) if the security in question lacks a sufficient trading market, or if the General Partner determines that the last sale price does not accurately reflect the fair market value of such security, then at the closing bid price if held long or the closing asked price if held short, provided that if such security is traded on more than one stock exchange, such security shall be valued on the exchange designated as the primary market for such investment by the General Partner, or (c) in the case of securities for which a last sale price, closing bid price (in the case of securities held long) or closing asked price (in the case of securities held short) is not available, such value as the General Partner in its reasonable discretion determines after such consultation as it deems appropriate. Financial, stock index and other futures (and options in respect thereof) shall be valued at their last sale prices on the date of determination. Restricted securities and all other assets of the Partnership shall be valued as the General Partner in its reasonable discretion determines, after such consultation as it deems appropriate.

“Net Loss” shall mean the net operating loss of the Partnership as described in Section 6.3(a).

“Net Profit” shall mean the net operating profit of the Partnership as described in Section 6.3(a).

“Opinion of Counsel” means a written opinion of counsel (who may be regular counsel to the Partnership or the General Partner) acceptable to the General Partner unless the context requires otherwise.

“Organizational Limited Partner” means John Matthew Olszewski in his capacity as the organizational limited partner of the Partnership pursuant to this Agreement.

“Partners” means the General Partner and the Limited Partners.

“Partnership” means Ruby Red Market Neutral Fund, L.P., a Texas limited partnership.

“Partnership Interest” means an interest in the Partnership and includes the General Partner Interest and Limited Partner Interests.

“Percentage Interest” means as of any date of determination, the proportion of such Partner’s Capital Account at such time to the aggregate Capital Accounts of all Partners (irrespective of Class) as of such date.

“Partnership Start Date” means July 1, 2014, the date that the Partnership’s Certificate of Formation was filed with the Secretary of State of Texas.

“Performance Allocation” means the allocation of Net Profits for the General Partner as described in Section 6.3(c).

“Person” means an individual or a corporation, firm, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“Qualified Client” means a Person meeting the definition of “qualified client” set forth in Rule

205-3 or any other Person otherwise exempt from Section 205(a) of the Advisers Act.

“*Record Date*” means the date established by the General Partner or otherwise in accordance with this Agreement for determining (a) the identity of the Partners entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Partners entitled to receive any report, notice or distribution or to participate in any offer.

“*Record Holder*” means a holder of a Limited Partner Interest as of the Record Date.

“*Rule*” means a rule promulgated by the Securities and Exchange Commission pursuant to the Advisers Act.

“*Side Letter*” means a side letter or similar agreement to or with one or more Limited Partners.

“*Tax Code*” means the Internal Revenue Code of 1986, as it may be amended, supplemented or restated from time to time, and any successor to such statute.

“*Trustee*” means one or more Persons selected by the General Partner to perform the functions described in Section 12.3 as liquidating trustee of the Partnership.

Section 1.2 Construction.

Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the terms “include”, “includes”, “including” or words of like import shall be deemed to be followed by the words “without limitation”; and (d) the terms “hereof”, “herein” or “hereunder” refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II

ORGANIZATION

Section 2.1 Formation.

The General Partner and the Organizational Limited Partner formed and established a limited partnership pursuant to Section 3.011 of the Code on the Partnership Start Date. The General Partner shall be the general partner of the Partnership and the Organizational Limited Partner shall be a Limited Partner in the Partnership until his withdrawal.

Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Code. All Partnership Interests shall constitute personal property of the owner thereof for all purposes.

Section 2.2 Name.

The name of the Partnership shall be "Ruby Red Market Neutral Fund, L.P." The Partnership's business may be conducted under any other name or names as determined by the General Partner, including the name of the General Partner. The words "Limited Partnership," the letters "L.P." or similar words or letters shall be included in the Partnership's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The General Partner may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

Section 2.3 Registered Office; Registered Agent; Principal Office; Other Offices.

Unless and until changed by the General Partner, the registered office of the Partnership in the State of Texas shall be located at 6080 South Hulen Street, Suite 360, Box #311, Fort Worth, Texas 76132-4810, and the registered agent for service of process on the Partnership in the State of Texas at such registered office shall be the General Partner.

The principal office of the Partnership shall be located at 6080 South Hulen Street, Suite 360, Box #311, Fort Worth, Texas 76132-4810, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Texas as the General Partner shall determine to be necessary or appropriate.

The registered office of the General Partner shall be 6080 South Hulen Street, Suite 360, Box #311, Fort Worth, Texas 76132-4810, or such other place as the General Partner may from time to time designate by notice to the Limited Partners.

Section 2.4 Purpose of the Partnership.

The purpose of the Partnership is to invest in, purchase, sell, borrow, trade in and lend securities of any nature or kind. The Partnership may execute, deliver, and perform all contracts and other undertakings and engage in all activities and transactions as in the opinion of the General Partner may be necessary or advisable to carry out the Partnership's purpose. In addition, the Partnership may engage in any business that may be lawfully conducted by a limited partnership organized pursuant to the Code; *provided, however*, that the General Partner shall not cause the Partnership to engage, directly or indirectly, in any business activity that the General Partner determines would cause the Partnership to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes. Furthermore, if the General Partner shall reasonably determine, the Partnership may engage directly in, enter into or form, hold and dispose of, or invest in any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in such activities. To the fullest extent permitted by law, the General Partner shall have no duty or obligation to propose or approve, and may in its sole discretion decline to propose or approve, the conduct by the Partnership of any business and, in declining to so propose or approve, shall not be required to fulfill any other standard imposed by this Agreement or under the Code or any other law, rule or regulation or at equity.

Section 2.5 Powers.

The General Partner shall be empowered to do any and all acts and things necessary and appropriate for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Partnership.

Section 2.6 Power of Attorney.

(a) Each Limited Partner hereby constitutes and appoints the General Partner and each of its authorized officers and attorneys-in-fact, as the case may be, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements hereof or thereof) that the General Partner determines to be necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Texas and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all certificates, documents and other instruments that the General Partner determines to be necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the General Partner determines to be necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article IV, Article X, Article XI or Article XII; and (E) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger, consolidation or conversion of the Partnership; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments that the General Partner determines to be necessary or appropriate to (A) make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or consistent with the terms of this Agreement or (B) effectuate the terms or intent of this Agreement; *provided*, that when required by Section 13.2 or any other provision of this Agreement that establishes a percentage of the Limited Partners required to take any action, the General Partner may exercise the power of attorney made in this Section 2.6(a)(ii) only after obtaining the necessary vote, consent or approval of such percentage of the Limited Partners, as applicable.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and, to the maximum extent permitted by law, not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Limited Partner and the transfer of all or any portion of such Limited Partner's Limited Partner Interest and shall extend to such Limited Partner's heirs, successors, assigns and personal representatives. Each such Limited Partner hereby agrees to be bound by any representation made by the General Partner acting in good faith pursuant to such power of attorney; and each such Limited Partner, to the maximum extent permitted by law, hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under such power of attorney. Each Limited Partner shall execute and deliver to the General Partner within 15 days after receipt of the request therefor, such further designation, powers of attorney and other instruments as the General Partner may request in order to effectuate this Agreement and the purposes of the Partnership.

(c) Nothing contained in this Section shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article XIII or as may be otherwise expressly provided for in this Agreement.

Section 2.7 Term.

The term of the Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Code and shall continue until the dissolution of the Partnership in accordance with the provisions of Article XII. The existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate of Limited Partnership as provided in the Code.

Section 2.8 Title to Partnership Assets.

Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof.

ARTICLE III
RIGHTS OF LIMITED PARTNERS

Section 3.1 Limitation of Liability.

The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or the Code.

Section 3.2 Management of Business.

No Limited Partner, in its capacity as such, shall participate in the operation, management or control (within the meaning of the Code) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership.

Section 3.3 Rights of Limited Partners.

(a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 3.3(b), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, upon reasonable written demand stating the purpose of such demand, and at such Limited Partner's own expense:

(i) to obtain true and full information regarding the status of the business and financial condition of the Partnership;

(ii) promptly after its becoming available, to obtain a copy of the Partnership's federal, state and local income tax returns for each year;

(iii) to obtain a current list of the name and last known business, residence or mailing address of each Partner;

(iv) to obtain a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with copies of the executed copies of all powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed;

(v) to obtain true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Partner and that each Partner has agreed to contribute in the future, and the date on which each became a

Partner; and

(vi) to obtain such other information regarding the affairs of the Partnership as is just and reasonable.

(b) The General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner deems reasonable, (i) any information that the General Partner reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the General Partner determines (A) is not in the best interests of the Partnership, or (B) could damage the Partnership or its business.

ARTICLE IV

ASSIGNMENT OF PARTNERSHIP INTERESTS

Section 4.1 Assignment Generally.

No Assignment shall be valid unless made in accordance with the terms and conditions set forth in this Article IV. Any Assignment or purported Assignment of a Limited Partner Interest not made in accordance with this Article IV shall be null and void.

Section 4.2 Registration and Assignment of Limited Partner Interests.

(a) The General Partner shall keep or cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of this Agreement, the Partnership will provide for the registration and Assignment of Limited Partner Interests.

(b) Limited Partner Interests may be transferred only in the manner described in this Section. The transfer of any Limited Partner Interests and the admission of any new Limited Partner shall not constitute an amendment to this Agreement.

(c) No Limited Partner shall effect (or purport to effect) an Assignment of its Limited Partner Interest without the consent of the General Partner, which consent may be granted, withheld, or conditioned in the General Partner's sole discretion. Any Assignment to which the General Partner does not consent shall result in such Limited Partner Interest being mandatorily redeemed as of the next Fiscal Quarter following such Assignment in accordance with Section 4.4.

(d) By acceptance of the transfer of any Limited Partner Interests in accordance with this Section, each Assignee (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so transferred to such Person when any such transfer or admission is reflected in the books and records of the Partnership and such Limited Partner becomes the Record Holder of the Limited Partner Interests so transferred, with or without execution of this Agreement, (ii) shall become bound by the terms of this Agreement, (iii) represents that the transferee has the capacity, power and authority to enter into this Agreement, (iv) grants the powers of attorney set forth in this Agreement and (v) makes the consents and waivers contained in this Agreement.

Section 4.3 Restrictions on Assignments.

(a) No Assignment of any Partnership Interest shall be made if such Assignment would

(i) terminate the existence or qualification of the Partnership under the laws of the jurisdiction of its formation, or (ii) cause the Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed).

(b) The General Partner may impose restrictions on the Assignment of Partnership Interests if it determines, with the advice of Counsel, that such restrictions are necessary or advisable to avoid a significant risk of the Partnership becoming taxable as a corporation or otherwise becoming taxable as an entity for U.S. federal income tax purposes.

(c) Class A Limited Partner Interests may only be transferred to Qualified Clients, except for transfers by gift, bequest, separation of property pursuant to divorce, or as otherwise permitted by Rule 205-3(c)(3).

Section 4.4 Redemptions by Limited Partners.

(a) No Partner (except the Organizational Limited Partner pursuant to Section 5.1(b)) shall be entitled to the withdrawal or return of its Capital Account before the date that is one year after the date of the Partner's admission to the Partnership. After such date, a Limited Partner desiring to withdraw from the Partnership shall give the General Partner written notice of the Limited Partner's desire to withdraw all or part of its Capital Account. The Partnership shall pay to the Limited Partner its Capital Account as stated in the notice of withdrawal on the first day of the Fiscal Quarter following the expiration of 30 days after the date of the Partnership's receipt of the Limited Partner's redemption notice.

(b) The General Partner may allow a Limited Partner to withdraw or return part or all of its Capital Account before the expiration of said one year period in extraordinary circumstances, such as death, disability, or extreme financial need of the Limited Partner. The decision of whether to grant such waiver shall be in the General Partner's sole discretion. The General Partner may condition the grant of such waiver on the payment of a reasonable redemption fee to the Partnership.

(c) The General Partner may expel from the Partnership any Limited Partner that the General Partner determines in its reasonable discretion presents a distraction to the Fund's operations. In case of such expulsion, the Limited Partner will be notified of such expulsion and his Capital Account shall be paid to him.

ARTICLE V

CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS

Section 5.1 Organizational Contributions.

(a) In connection with the formation of the Partnership, the General Partner made an initial Capital Contribution to the Partnership of one hundred dollars (\$100.00) in cash. In exchange for said Capital Contribution, the General Partner was issued a General Partner Interest equal to one hundred percent (100%) of the General Partner Interest and has been admitted as the General Partner. The General Partner shall not be obligated to make any additional Capital Contributions to the Partnership.

(b) In connection with the formation of the Partnership, the Organizational Limited Partner made an initial Capital Contribution to the Partnership of fifty thousand dollars (\$50,000.00) in cash. In

exchange for said Capital Contribution, the Organizational Limited Partner was issued a Class B Limited Partner Interest and has been admitted as a Limited Partner of the Partnership.

Section 5.2 Capital Accounts.

- (a) An individual Capital Account shall be maintained for each Partner.
- (b) “*Capital Account*” means an account established and maintained throughout the full term of the Partnership for each Partner in accordance with the following rules:
 - (i) Each Partner’s Capital Account shall be increased by (i) the amount of money contributed by such Partner to the Partnership, (ii) the fair market value of property contributed by such Partner to the Partnership (as such fair market value shall be mutually agreed upon by the Partners and net of liabilities secured by such contributed property that the Partnership is considered to assume or take subject to under Section 752 of the Tax Code), (iii) allocations to such Partner of Net Profit, and (iv) gain of all types.
 - (ii) Each Partner’s Capital Account shall be decreased by (i) the amount of money distributed to such Partner by the Partnership, (ii) the fair market value of property distributed to such Partner by the Partnership (as such, fair market value shall be mutually agreed upon by the Partners, net of liabilities secured by such distributed property that such Partner is considered to assume or take subject to under Tax Code Section 752), (iii) allocations to such Partner of expenditures of the Partnership described in Tax Code Section 705(a)(2)(B) and (iv) allocations to such Partner of Net Loss, and (v) for Class A Limited Partners, the Performance Allocation set forth in Section 6.3(c).
 - (iii) The initial Capital Account of each Partner shall consist solely of the capital contributions made by such Partner in accordance with Sections 5.3 and 5.4.

Section 5.3 Classes of Limited Partnership Interests.

- (a) The Partnership shall have two Classes of Limited Partner Interests, to-wit, Class A Limited Partner Interests and Class B Limited Partner Interests. The rights of the Partners of each Class shall be identical except as otherwise set forth herein.
- (b) Only Qualified Clients may subscribe to and be issued Class A Limited Partner Interests.
- (c) Any Person that is not a Qualified Client may subscribe to and be issued Class B Limited Partner Interests upon acceptance by the Partnership of the Person’s subscription.
- (d) A Qualified Client may also subscribe to and be issued Class B Limited Partner Interests.

Section 5.4 Contributions by Limited Partners.

- (a) Each Person purchasing Limited Partner Interests from the Partnership shall contribute to the Partnership cash in an amount equal to at least one hundred thousand dollars (\$100,000). On the first day of the month following acceptance of such Person’s subscription, the Partnership shall issue to such Person a Limited Partner Interest of the Class subscribed in exchange for such Capital Contribution. Such Person’s Limited Partner Interest shall be equal to the Person’s Capital Contribution divided by the aggregate amount of the Capital Accounts on the date of issuance.
- (b) No interest on Capital Contributions shall be paid by the Partnership.

Section 5.5 Fully Paid and Non-Assessable Nature of Limited Partner Interests.

All Limited Partner Interests issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Limited Partner Interests in the Partnership, except as such non-assessability may be affected by Section 153.210 of the Code.

ARTICLE VI

DISTRIBUTIONS AND ALLOCATIONS

Section 6.1 Distributions to Partners.

(a) The amount and timing of any distributions from the Partnership shall be determined by the General Partner in its sole discretion.

(b) Any distributions from the Partnership shall be made *pro rata* to the Limited Partners in proportion to their Percentage Interests. Distributions to Class A Limited Partners and Class B Limited Partners shall be *pari passu*.

Section 6.2 No Other Preferences Allowed.

No preference in distribution shall be allowed to any Partner other than as contained in this Article VI.

Section 6.3 Allocations of Profits and Losses.

(a) “Net Profit” or “Net Loss” shall mean the net operating profit or net operating loss, as the case may be, for each Fiscal Month of the Partnership determined on the accrual basis of accounting and in accordance with the following:

(i) Net Profit and Net Loss shall mean for each securities position held by the Partnership, the realized or unrealized appreciation or depreciation, as the case may be, calculated as follows: (x) for positions for which there is a realized profit or loss, the difference between the net proceeds of such position minus the cost basis of such position, (y) for positions for which there is not a realized profit or loss, the difference between the Market Value of such position at the end of the Fiscal Month minus (A) the cost basis of such position, if such position was established during the Fiscal Month, or (B) the Market Value of such position at the end of the prior Fiscal Month, if such position was established in a prior Fiscal Month. There shall also be included in Net Profit and Net Loss all dividends or other income (for instance, options premiums or interest) accrued during such Fiscal Month.

(ii) There shall be taken into account in computing Net Profit and Net Loss the actual or estimated expenses of the Partnership, including without limitation, the Management Fee and fees and expenses for accounting and legal services in respect of a Fiscal Month (whether performed in such Fiscal Year or thereafter), as well as reserves for contingent liabilities and actual and estimated expenses of the Partnership as determined by the General Partner in good faith.

(b) Net Profit and Net Loss shall be allocated in the same manner as distributions made under Section 6.1 except as otherwise set forth herein.

(c) If, as of the end of any Fiscal Year, the Net Profits allocated to the Capital Account of a Class

A Limited Partner exceed the Net Losses allocated to the Capital Account of such Class A Limited Partner in respect of such Fiscal Year, then an amount equal to twenty percent (20%) of such excess (the “*Performance Allocation*”) shall be debited to such Class A Limited Partner’s Capital Account and credited to the Capital Account of the General Partner; provided, however, that the Performance Allocation shall only be allocated if and to the extent that, after giving effect thereto, the amount of such Class A Limited Partner’s Capital Account will equal or exceed the sum of all Capital Contributions made by such Class A Limited Partner minus any withdrawals.

(d) If a Class A Limited Partner withdraws all or a portion of the balance of its Capital Account as of any date other than the end of a Fiscal Year, then the Performance Allocation will be calculated on the amount of such Class A Limited Partner’s withdrawal and credited to the Capital Account of the General Partner on the amount of the withdrawal as though the date of such withdrawal were the end of the then current Fiscal Year even though the General Partner may not be entitled to a Performance Allocation had the withdrawn amount been held through the end of the Fiscal Year due to losses incurred subsequent to the withdrawal of such Limited Partner.

(e) Notwithstanding the foregoing, the Net Loss allocated to any Limited Partner shall not exceed the maximum amount of Net Loss that may be so allocated without causing any Limited Partner’s Capital Account to be less than zero. All Net Loss in excess of such limitation shall be allocated to the General Partner. To the extent that allocations of Net Loss are made to the General Partner in order to comply with this limitation, the General Partner shall make such offsetting allocations in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner’s Capital Account balance is, to the extent possible and in compliance with the requirements of Section 704 of the Code and the regulations thereunder, equal to the Capital Account balance it would have had if the allocations made to satisfy such limitation had not been made.

(f) If the above provisions do not result in an allocation of Net Profit or Net Loss with substantial economic effect, then the Partnership shall follow the rules set forth in Treasury Regulation 1.704-1(b)(3) in allocating such Net Profit or Net Loss.

Section 6.4 Distributions in Liquidation.

All distributions from the Partnership upon the liquidation and termination of the Partnership shall be governed by Article XII hereof.

Section 6.5 Distributions in Insolvency.

All Partners shall be required to return *pro rata* to the Partnership any distribution to the extent that, immediately after giving effect to the distribution, the liabilities of the Partnership exceed the fair value of the Partnership assets in violation of Section 153.210 of the Code.

ARTICLE VII

MANAGEMENT AND OPERATION OF THE PARTNERSHIP

Section 7.1 Management of the Partnership.

(a) Commencing on the Partnership Start Date, the General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and no Limited Partner shall have any management power over the business and affairs

of the Partnership. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or that are granted to the General Partner under any other provision of this Agreement, the General Partner, shall have full power and authority to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Partnership, to exercise all powers set forth in Section 2.5 and to effectuate the purposes set forth in Section 2.4, including the following:

- (i) the opening and continuing of bank accounts and safe deposit boxes, the making of any expenditures, the appointment of custodians or nominees for holding securities or valuables, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including indebtedness that is convertible or exchangeable into Partnership Interests, and the incurring of any other obligations;
- (ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;
- (iii) the acquisition of assets from third parties or the General Partner, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person;
- (iv) the use of the assets of the Partnership (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership;
- (v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the General Partner or its assets other than its interest in the Partnership, even if that results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case);
- (vi) the distribution of Partnership profits;
- (vii) the selection and dismissal of Partnership employees (including employees having titles such as “president,” “vice president,” “secretary” and “treasurer”) and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring, all of which may be employees of the General Partner;
- (viii) the maintenance of insurance for the benefit of the Partnership, the Partners and Indemnitees;
- (ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations, limited liability companies or other relationships subject to the restrictions set forth in Section 2.4;
- (x) the voting of any proxy or the taking of any action relating to the Partnership’s property;
- (xi) the control of any matters affecting the rights and obligations of the Partnership,

including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation, arbitration or mediation and the incurring of legal expense and the settlement of claims and litigation; and

(xii) the indemnification of any Person against liabilities and contingencies to the extent permitted by law.

(b) The Partnership shall pay as compensation to the General Partner a management fee (the “*Management Fee*”). The Management Fee shall be charged to the Limited Partners as follows:

(i) The Management Fee shall be two percent (2%) per annum of the Capital Accounts of Class A Limited Partners.

(ii) The Management Fee shall be five percent (5%) per annum of the Capital Accounts of Class B Limited Partners.

The Management Fee shall be calculated and paid monthly in arrears at 1/12th of the rate of the applicable Management Fee. The Partnership may sell Partnership assets in order to pay the Management Fee. The General Partner may voluntarily reduce the Management Fee assessed against any Limited Partner or Class or group of Limited Partners in its sole discretion.

(c) The General Partner, on behalf of the Partnership, may delegate certain administrative responsibilities of the Partnership to a third-party administrator; *provided, however,* that the General Partner shall remain responsible for such duties that are so delegated. Any duty imposed on the Partnership or the General Partner which has been delegated to a third-party administrator shall be deemed to be an act of the Partnership, or of the General Partner, as the case may be.

Section 7.2 Partnership Expenses.

The General Partner shall bear all general administrative and overhead expenses of the Partnership, including office rent, secretarial services, telephone, printing and stationery, employee insurance and payroll taxes. The Partnership, rather than the General Partner, shall bear all fees and expenses relating to the Partnership’s investment activities, including but not limited to, legal and accounting fees and expenses, audit fees, administration fees and expenses, ongoing offering fees and expenses, investment-related expenses, service contracts for quotation equipment and news wires, brokerage commissions, interest charges, borrowing charges and dividends payable with respect to securities sold short, dealer spreads, exchange fees, costs of data processing and research services, taxes, custody fees, bank service charges and all other expenses related to the purchase, sale, clearance and holding of securities. The Partnership shall also bear its extraordinary fees and expenses. The General Partner may (but does not have the obligation to) pay any expense of the Partnership and be reimbursed by the Partnership for the actual cost of the same. In addition, the General Partner may (but does not have the obligation to) pay any expense of the Partnership on the Partnership’s behalf and waive reimbursement for the same from the Partnership.

Section 7.3 Certificate of Limited Partnership.

The General Partner has caused the Certificate of Limited Partnership to be filed with the Secretary of State of the State of Texas as required by the Code. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents that the General Partner determines to be necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Texas or any other state in which the Partnership may elect to do business or own property. To the extent the

General Partner determines such action to be necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership or other entity in which the limited partners have limited liability) under the laws of the State of Texas or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 3.3(a), the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Limited Partner.

Section 7.4 Outside Activities.

(a) The Limited Partners acknowledge and agree that the Affiliates of the General Partner have substantial other business, professional, and personal interests which precede the organization and operation of the Partnership. The Limited Partners acknowledge and agree that the Affiliates of the General Partner have no intention of abandoning such other business interests and will devote such time and attention to the Partnership's business as they deem appropriate. In addition, the General Partner may engage in other future business interests, including the organization and operation of entities with businesses similar to the Partnership. Although the General Partner and its Affiliates will endeavor to avoid conflicts of interest with the Partnership, such other business interests may compete with the Partnership. The General Partner and its Affiliates may act as a general partner or managing member, as the case may be, of the Partnership and any other partnership or limited liability company of which the Partnership is, directly or indirectly, a partner or member and to undertake activities that are ancillary or related thereto (including being a limited partner in such partnership or limited liability company). The General Partner may invest its own monies in investment opportunities presented to the Partnership, and the Partnership shall have no right to share in the returns of such investments made by the General Partner for its own account.

(b) Each Indemnitee shall have the right, directly or indirectly, to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Limited Partner, independently or with others. No Limited Partner or any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any Indemnitee.

Section 7.5 Indemnification.

(a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, all Indemnitees shall be indemnified and held harmless by the Partnership from and against any and all threatened, pending or completed losses, claims, damages, liabilities, joint or several, expenses (including attorneys' fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee; *provided*, that the Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was unlawful. Any indemnification pursuant to this Section shall be made only out of the assets of the Partnership, it being agreed that the General Partner and its Affiliates shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) Each of the parties to this Agreement hereby agrees and acknowledges that the foregoing indemnity shall be applicable to any losses, claims, damages, liabilities, expenses (including attorneys' fees and expenses), judgments, fines, penalties, interest, settlements or other amounts that have resulted from or are alleged to have resulted from the active or passive or the sole, joint or concurrent ordinary negligence or, to the fullest extent permitted by law, gross negligence, of an Indemnitee.

(c) To the fullest extent permitted by law, expenses (including attorneys' fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 7.5(a) in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to a final and non-appealable determination that the Indemnitee is not entitled to be indemnified upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section.

(d) The indemnification provided by this Section shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the holders of a Majority, as a matter of law, in equity or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(e) The Partnership may purchase and maintain (or reimburse the General Partner for the cost of) insurance, on behalf of the General Partner, the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against, or expense that may be incurred by, such Person in connection with the Partnership's activities or such Person's activities on behalf of the Partnership, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(f) In no event may an Indemnitee subject the Limited Partners or the General Partner or their Affiliates to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement or pursuant to the Code or if the Indemnitee is otherwise entitled to indemnification pursuant to the Code.

(h) The provisions of this Section are for the benefit of the Indemnitees and their heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify any such Indemnitee under and in accordance with the provisions of this Section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.6 Liability of Indemnitees.

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership, the Limited Partners, or any other Persons who have

acquired Partnership Interests, for losses sustained or liabilities incurred as a result of any act or omission of an Indemnitee unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was criminal.

(b) Subject to its obligations and duties as General Partner set forth in Section 7.1(a), the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

(c) To the extent that, at law or in equity, an Indemnitee has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, the General Partner and any other Indemnitee acting in connection with the Partnership's business or affairs shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement.

(d) Any amendment, modification or repeal of this Section or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.7 Standards of Conduct and Modification of Duties.

(a) Whenever the General Partner makes a determination or takes or declines to take any other action in its capacity as the general partner of the Partnership, whether under this Agreement, or any other agreement contemplated hereby or otherwise, then, unless another express standard is provided for in this Agreement, the General Partner shall make such determination or take or decline to take such other action in good faith and shall not be subject to any other or different standards imposed by this Agreement, any other agreement contemplated hereby or under the Code or any other law, rule or regulation or at equity. In order for a determination or other action to be in "good faith" for purposes of this Agreement, the Person or Persons making such determination or taking or declining to take such other action must subjectively believe that the decision or action made or taken (or not made or not taken) is in the best interests of the Partnership.

(b) Whenever this Agreement or any other agreement contemplated herein or therein provides that the General Partner is permitted or required to make a decision in its "sole discretion" or "discretion," or that it deems "necessary or appropriate" or under a grant of similar authority or latitude, the General Partner (i) shall be entitled to consider only such interests and factors as it desires (including its own), (ii) shall have no duty or obligation to give any consideration to any interest of, or factors affecting, the Partnership, any Limited Partner, or any Assignee and (iii) shall not be required to fulfill any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Code or any other law, rule or regulation or at equity. For the avoidance of doubt, whenever the General Partner votes its General Partner Interest, to the extent permitted under this Agreement, or refrains from voting or transferring its General Partner Interest, as appropriate, such action shall be deemed to have been taken in its sole discretion. The General Partner's organizational documents may provide that determinations to take or decline to take any action in its discretion or sole discretion may or shall be determined by its members, if the General Partner is a limited liability company, stockholders, if the General Partner is a corporation, or the members or stockholders of the General Partner's general partner, if the General Partner is a limited partnership.

(c) The Limited Partners expressly acknowledge that the General Partner is under no obligation to consider the separate interests of the individual Limited Partners (including, without limitation, the individual tax consequences to Limited Partners), as opposed to the Limited Partners taken as a whole, in deciding whether to cause the Partnership to take (or decline or take) any actions, and that the General Partner shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by Limited Partners in connection with such decisions.

Section 7.8 Other Matters Concerning the General Partner.

(a) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the advice or opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers or agents, a duly appointed attorney or attorneys-in-fact or the duly authorized officers of the Partnership or any Limited Partner.

Section 7.9 Reliance by Third Parties.

Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner and any officer or agent of the General Partner authorized by the General Partner to act on behalf of and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any authorized contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner or any such officer or agent as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner or any such officer in connection with any such dealing. In no event shall any Person dealing with the General Partner or any such officer or agent or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or any such officer or agent or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VIII

BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 8.1 Records and Accounting.

The General Partner shall keep or cause to be kept appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Limited Partners any information required to be provided pursuant to Section 3.3(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including the record of the holders of Partnership Interests, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard drives, magnetic tape, photographs, micrographics or any other information storage device; *provided*, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained according to the accrual method of accounting for tax purposes. The financial statements of the Partnership shall be prepared in accordance with Generally Accepted Accounting Practices (United States).

Section 8.2 Fiscal Year.

The Fiscal Year of the Partnership shall end December 31.

ARTICLE IX

TAX MATTERS

Section 9.1 Tax Returns and Information.

The Partnership shall timely file all returns of the Partnership that are required for federal, state and local income tax purposes according to such methods as the General Partner shall determine and the taxable year or years that it is required by law to adopt, from time to time, as determined by the General Partner. The tax information reasonably required by Partners for federal and state income tax reporting purposes with respect to a taxable year shall be furnished to them as soon as practicably possible after the close of the Partnership's Fiscal Year ends.

Section 9.2 Tax Elections.

(a) The Partnership may make the election under Section 754 of the Tax Code in accordance with applicable regulations thereunder, subject to the reservation of the right to seek to revoke any such election upon the General Partner's determination that such revocation is in the best interests of the Limited Partners.

(b) Except as otherwise provided herein, the General Partner shall determine whether the Partnership should make any other elections permitted by the Tax Code.

Section 9.3 Tax Controversies.

Subject to the provisions hereof, the General Partner is designated as the Tax Matters Partner (as defined in the Tax Code and Treasury Regulations) and is authorized and required to represent the Partnership in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner to conduct such proceedings.

Section 9.4 Withholding.

Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that may be required to cause the Partnership and other Limited Partners to comply with any withholding requirements established under the Tax Code or any other federal, state or local law including pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required or elects to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to any Partner or Assignee (including by reason of Section 1446 of the Tax Code), the General Partner may treat the amount withheld as a distribution of cash pursuant to Section 6.2 in the amount of such withholding from such Partner.

ARTICLE X
ADMISSION OF PARTNERS

Section 10.1 Admission of Limited Partners.

(a) Upon the issuance by the Partnership of Limited Partner Interests, the purchasers of such interests shall automatically be admitted to the Partnership as Limited Partners. For the avoidance of doubt, the foregoing applies to the issuance of Limited Partner Interests to the Organizational Limited Partner.

(b) By acceptance of the transfer of any Limited Partner Interests in accordance with Article IV or the acceptance of any Limited Partner Interests issued pursuant to Article V or pursuant to a merger or consolidation of the Partnership, each Assignee of, or other such Person acquiring, a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so transferred or issued to such Person when any such Assignment, issuance or admission is reflected in the books and records of the Partnership and such Limited Partner becomes the Record Holder of the Limited Partner Interests so transferred, (ii) shall become bound by the terms of this Agreement, (iii) represents that the transferee has the capacity, power and authority to enter into this Agreement, (iv) grants the powers of attorney set forth in this Agreement and (v) makes the consents and waivers contained in this Agreement, all with or without execution of this Agreement by such Person. The transfer of any Limited Partner Interests and the admission of any new Limited Partner shall not constitute an amendment to this Agreement. A Person may become a Limited Partner or Record Holder of a Limited Partner Interest without the consent or approval of any of the Partners.

(c) The name and mailing address of each Limited Partner shall be listed on the books and records of the Partnership maintained for such purpose by the Partnership. The General Partner shall update the books and records of the Partnership from time to time as necessary to reflect accurately the information therein.

Section 10.2 Admission of Successor General Partner.

A successor General Partner may be approved by all Limited Partners upon an Event of Withdrawal (as defined in Article XI).

Section 10.3 Amendment of Agreement and Certificate of Limited Partnership.

To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary or appropriate under the Code to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practicable an amendment to this Agreement and, if required by law, the General Partner shall prepare and file an amendment to the Certificate of Limited Partnership, and the General Partner may for this purpose, among others, exercise the power of attorney granted pursuant to Section 2.6.

ARTICLE XI

WITHDRAWAL OR REMOVAL OF THE GENERAL PARTNER

The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an “*Event of Withdrawal*”):

- (a) The General Partner voluntarily withdraws from the Partnership by giving written notice to the other Partners;
- (b) The General Partner (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (iii) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any law; (iv) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (i) through (iii) of this Article XI; or (v) seeks, consents to or acquiesces in the appointment of a trustee (but not a debtor-in-possession), receiver or liquidator of the General Partner or of all or any substantial part of its properties;
- (c) A final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against the General Partner; or
- (d) (i) in the event the General Partner is a corporation, a certificate of dissolution or its equivalent is filed for the General Partner, or 90 days expire after the date of notice to the General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation; (ii) in the event the General Partner is a partnership or a limited liability company, the dissolution and commencement of winding up of the General Partner; (iii) in the event the General Partner is acting in such capacity by virtue of being a trustee of a trust, the termination of the trust; (iv) in the event the General Partner is a natural person, his death or adjudication of incompetency; (v) in the event that the General Partner is a limited liability company, the death, disability, or adjudication of incompetency of its sole manager or its sole member; and (vi) otherwise in the event of the termination of the General Partner.

If an Event of Withdrawal specified in subparagraphs (b), (c) or (d)(i), (ii), (iii) or (vi) occurs, the withdrawing General Partner shall give notice to the Limited Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section shall result in the withdrawal of the General Partner from the Partnership.

ARTICLE XII

DISSOLUTION AND LIQUIDATION

Section 12.1 *Dissolution*.

The Partnership shall not be dissolved by the admission of additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, if a successor General Partner is elected pursuant to Section 10.2, the Partnership shall not be dissolved and such successor General Partner is hereby authorized to, and shall, continue the business of the Partnership. The Partnership shall dissolve, and its affairs shall be wound up, upon:

- (a) an Event of Withdrawal of the General Partner as provided in Article XI (other than subparagraph (a) of such Article XI if a successor General Partner is selected);
- (b) an election to dissolve the Partnership by the General Partner that is approved by the holders of a Majority;
- (c) the entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Code;
- (d) upon the closing, dissolution, liquidation, conservatorship, receivership of the Partnership or the filing of a petition in bankruptcy by or against the Partnership;
- (e) at any time there are no Limited Partners, unless the Partnership is continued without dissolution in accordance with the Code.

Section 12.2 Appointment of a Trustee.

Upon dissolution of the Partnership, the General Partner shall select one or more Persons to act as Trustee for winding up the affairs of the Partnership. For the avoidance of doubt, the General Partner may serve as the Trustee, but shall be under no obligation to do so. The Trustee (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by the General Partner (or if there is no General Partner, a Majority). The Trustee shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) necessary or appropriate to carry out the duties and functions of the Trustee hereunder for and during the period of time required to complete the winding up and liquidation of the Partnership as provided for herein.

Section 12.3 Liquidation.

The Trustee shall proceed to dispose of the non-cash assets, if any, of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Trustee, subject to Section 153.502 through 153.504 of the Code and the following:

- (a) The non-cash assets, if any, may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Trustee and such Partner or Partners may agree. The Trustee may defer liquidation or distribution of the Partnership's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Partnership's non-cash assets, if any, would be impractical or would cause undue loss to the Partners.
- (b) Liabilities of the Partnership include amounts owed to the Trustee as compensation for serving in such capacity and amounts owed to Partners otherwise than in respect of their distribution rights under Article VI.

(c) All property and all cash in excess of that required to discharge liabilities as provided in this Section shall continue to be distributed to the Partners in the same manner and according to the same percentages as prescribed in Section 6.2.

Section 12.4 Cancellation of Certificate of Limited Partnership.

Upon the completion of the distribution of Partnership cash and property as provided in Section 12.3 in connection with the liquidation of the Partnership, the Partnership shall be terminated and the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Texas shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 12.5 Return of Contributions.

The General Partner and its Indemnitees shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate the return of the Capital Accounts of the Limited Partners, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

Section 12.6 Waiver of Partition.

To the maximum extent permitted by law, each Partner hereby waives any right to partition of the Partnership property.

ARTICLE XIII

AMENDMENT OF PARTNERSHIP AGREEMENT; RECORD DATE

Section 13.1 Amendments to be Adopted Solely by the General Partner.

Each Partner agrees that the General Partner, without the approval of any Partner, may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that the General Partner determines to be necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state or to ensure that the Partnership will not be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;

(d) a change that the General Partner determines (i) does not adversely affect the Limited Partners (including any particular Class as compared to other Classes) in any material respect, (ii) to be necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Code), or (iii) is required to effect the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) a change in the Fiscal Year or taxable year of the Partnership and any other changes that the General Partner determines to be necessary or appropriate as a result of a change in the Fiscal Year or taxable year of the Partnership including, if the General Partner shall so determine, a change in the dates on which distributions are to be made by the Partnership;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership, or the General Partner or its directors, officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, or “plan asset” regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the General Partner determines is necessary to prevent the Partnership from being considered a blank check company, blind pool, or other similar entity;

(h) any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;

(i) an amendment effected, necessitated or contemplated in connection with a plan of merger;

(j) an amendment that the General Partner determines to be necessary or appropriate to reflect and account for the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Partnership of activities permitted by the terms of Sections 2.4 or 7.1(a);

(k) an amendment that is necessary or advisable, in the Opinion of Counsel, to avoid a violation of the Advisers Act, or any rule or regulation promulgated thereunder; or

(l) any other amendments substantially similar to the foregoing.

Section 13.2 Amendment Procedures.

(a) Except as provided in Section 13.1, all amendments to this Agreement shall be made in accordance with this Section.

(b) If the General Partner determines that an amendment to this Agreement is necessary or desirable, then it shall propose such amendment to the Limited Partners. The Limited Partners shall vote on such amendment, and such amendment shall become effective if approved by a Majority and the General Partner. The General Partner shall notify all Limited Partners of the results of any such vote.

(c) No amendment to this Agreement may (i) convert a Limited Partner Interest into a General Partner Interest or modify the limited liability of a Limited Partner without the consent of the affected Limited Partner, or (ii) except to the extent set forth in Section 13.1, modify the method provided in Article 6 for determining allocations or the order of such allocations without the consent of each Partner adversely affected by such modification.

(d) The General Partner may waive any requirement imposed upon a Limited Partner in its sole discretion without such waiver being deemed an amendment of this Agreement or a violation by the Partnership or the General Partner of this Agreement.

(e) The Partners agree that the Partnership and/or the General Partner may enter into Side

Letters with one or more Limited Partners regarding the matters set forth in this Agreement and any terms contained in a Side Letter to or with one or more Limited Partners shall govern with respect to such Limited Partner(s) notwithstanding the provisions of this Agreement or of any other instrument, to the extent permissible under the Code.

(f) Any amendment that would have a material adverse effect on the rights or preferences of any Class in relation to other Classes must be approved by the holders of a Majority of the Class so affected; *provided, however*, that this Section shall not prohibit the General Partner's power to adopt amendments to this Agreement without the approval of Limited Partners to the extent set forth in Section 13.1.

Section 13.3 Record Date.

For purposes of determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners or to give approvals without a meeting as provided in Section 13.5, the General Partner may set a Record Date. Unless otherwise specified by the General Partner, the Record Date shall be the Record Date for determining the Limited Partners entitled to give approvals without a meeting shall be the close of business on the day immediately preceding (a) the date of the meeting or (b) in the event that approvals are sought without a meeting, the date by which Limited Partners are requested in writing by the General Partner to give such approvals. The General Partner may choose a different Record Date, which shall not be more than 60 days before (a) the date of the meeting or (b) in the event that approvals are sought without a meeting, the date by which Limited Partners are requested in writing by the General Partner to give such approvals.

Section 13.4 Conduct of a Meeting.

The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting, which may be the same Person. All minutes shall be kept with the records of the Partnership maintained by the General Partner. The General Partner may make such other regulations consistent with applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

Section 13.5 Action Without a Meeting.

If authorized by the General Partner, any action that may be taken at a meeting of the Limited Partners may be taken without a meeting, without a vote and without prior notice, if an approval in writing setting forth the action so taken is signed by Limited Partners owning not less than the minimum percentage of the Limited Partner Interests (including Limited Partner Interests deemed owned by the General Partner) that would be necessary to authorize or take such action at a meeting at which all the Limited Partners were present and voted. Prompt notice of the taking of action without a meeting shall be given to the Limited Partners who have not approved in writing. The General Partner may specify that any written ballot, if any, submitted to Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Limited Partner Interests held by the Limited Partner, the Partnership shall be deemed to have failed to receive a ballot for the Limited Partner Interests that were not voted. Nothing contained in this Section shall be deemed to require the General Partner to

solicit all Partners in connection with a matter approved by the requisite percentage of holders of Limited Partner Interests acting by written consent without a meeting.

Section 13.6 Right to Vote and Related Matters.

Only the General Partner and Record Holders on the Record Date set pursuant to Section 13.3 shall be entitled to notice of, and to vote at, a meeting of Limited Partners or to act with respect to matters as to which the holders of the Limited Partner Interests have the right to vote or to act. Class A Limited Partners and Class B Limited Partners shall have equal voting rights. Votes shall not be counted separately by Class.

ARTICLE XIV

GENERAL PROVISIONS

Section 14.1 Addresses and Notices; Written Communications.

(a) Any notice, demand, request, report or proxy required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Partner at the address described below. Any notice, payment or report to be given or made to a Partner hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Partnership Interests at his address as shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Partnership Interests by reason of any assignment or otherwise. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section executed by the General Partner or a mailing organization shall be *prima facie* evidence of the giving or making of such notice, payment or report. If any notice, payment or report given or made in accordance with the provisions of this Section is returned marked to indicate that such notice, payment or report was unable to be delivered, such notice, payment or report and, in the case of notices, payments or reports returned by the United States Postal Service or any established commercial delivery service (or other physical mail delivery service outside the United States of America), and any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Partnership of a change in his address) or other delivery if they are available for the Partner at the principal office of the Partnership for a period of one year from the date of the giving or making of such notice, payment or report to the other Partners. Any notice to the Partnership shall be deemed given if received by the General Partner at the principal office of the Partnership designated pursuant to Section 2.3. The General Partner may rely on and shall be protected in relying on any notice or other document from a Partner or other Person if believed by it to be genuine.

(b) The terms "in writing", "written communications," "written notice" and words of similar import shall be deemed satisfied under this Agreement by use of e-mail and other forms of electronic communication.

Section 14.2 Further Action and Assurances.

The parties shall execute and deliver all further documents, certificates and assurances, and provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 14.3 Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 14.4 Integration.

This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 14.5 Creditors.

None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 14.6 Waiver.

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 14.7 Third-Party Beneficiaries.

No Person that is not a party to this Agreement shall be a third party beneficiary hereto except that any Indemnitee shall be entitled to assert rights and remedies hereunder as a third party beneficiary with respect to those provisions of this Agreement affording a right, benefit or privilege to such Indemnitee in its capacity as such.

Section 14.8 Counterparts.

This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a Person acquiring a Limited Partner Interest, pursuant to Section 10.1(a) without execution hereto.

Section 14.9 Applicable Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas, without regard to the principles of conflicts of law.

Section 14.10 Invalidity of Provisions.

If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 14.11 Consent of Partners.

Each Partner hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Partners, such action may be so taken upon the concurrence of less than all of the Partners and each Partner shall be

bound by the results of such action, provided that the holders of the requisite Percentage Interest approve such action in accordance with this Agreement.

Section 14.12 Facsimile Signatures.

The use of facsimile signatures affixed to this Agreement is expressly permitted.

Section 14.13 Power of Attorney.

In addition to any other power of attorney granted in this Agreement, a Person may be bound by this Agreement by executing a separate instrument acknowledging receipt and consent to this Agreement provided that he receives a copy of this Agreement, and upon execution of such other instrument and receipt of this Agreement, such Person grants the General Partner a limited power of attorney to execute this Agreement on such Person's behalf, without execution hereto by such Person directly.

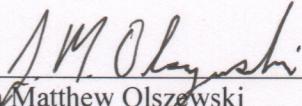
SIGNATURE PAGE FOLLOWS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of
October 1, 2014.

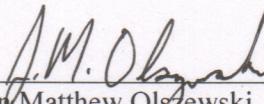
GENERAL PARTNER:

RUBY RED CAPITAL MANAGEMENT, LLC

By:


John Matthew Olszewski
Manager

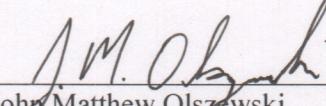
ORGANIZATIONAL LIMITED PARTNER:


John Matthew Olszewski

LIMITED PARTNERS:

RUBY RED CAPITAL MANAGEMENT, LLC
General Partner

By:


John Matthew Olszewski
Manager, on behalf of all the Limited Partners*

*All Limited Partners now and hereafter admitted as Limited Partners of the Partnership, pursuant to powers of attorney now and hereafter executed in favor of, and granted and delivered to the General Partner or without execution hereof pursuant to Section 14.13 hereof.

EXHIBIT B

SUBSCRIPTION AGREEMENT

Subscription Agreement

Print Name of Subscriber: _____

Dollar Purchase Amount (Minimum \$100,000): \$ _____

Class of Interests Subscribed (A or B): _____

Number of Interests (Minimum 1): _____

To: Ruby Red Market Neutral Fund, L.P.
c/o Ruby Red Capital Management, LLC
6080 S. Hulen St., Ste. 360, Box # 311
Fort Worth, Texas 76132-4810

Gentlemen:

The undersigned (the “**Purchaser**”) desires to purchase one or more limited partner interests (the “**Interests**”) offered by Ruby Red Market Neutral Fund, L.P. (the “**Fund**”) by the Fund’s Confidential Private Offering Memorandum (such memorandum, the “**Memorandum**”) (such offering, the “**Offering**”) as indicated at the end of this Subscription Agreement in accordance with the terms and conditions of the Fund’s Limited Partnership Agreement (“**Partnership Agreement**”). In connection therewith, the Purchaser hereby represents, warrants and agrees as follows:

1. **Receipt of Memorandum.** The Purchaser hereby acknowledges receipt of the Memorandum and the Partnership Agreement. The Purchaser hereby specifically accepts and adopts each and every provision of the Partnership Agreement.

2. **Receipt of Form ADV Information.** Purchaser acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if the client is entering into a wrap fee program sponsored by the General Partner. If the appropriate disclosure statement was not delivered to the Purchaser at least 48 hours prior to the Purchaser entering into any written or oral advisory contract with the General Partner, the Purchaser has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

3. **Representations, Warranties, Covenants and Agreements of the Purchaser.**
In order to induce the Fund to execute and deliver this Subscription Agreement and to issue and sell the Interests to the Purchaser, the Purchaser represents and warrants to, and covenants and agrees with, the Fund as follows:

(a) The Purchaser (i) has thoroughly reviewed and understood the Fund’s investment strategy, and (ii) has had the opportunity to ask questions of, and to receive

Purchaser’s Initials: _____

answers from the Fund's General Partner concerning the Fund and its business, affairs, operations, and the transaction contemplated by this Subscription Agreement, and to obtain any additional information necessary to verify the accuracy of the Fund disclosure documents. The Purchaser acknowledges that the Fund's General Partner has answered all inquiries made on behalf of the Purchaser to the satisfaction of the person or persons making such inquiry.

(b) The Purchaser is an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act of 1933 (the "*Act*"), as set forth in the attached investor questionnaire.

(c) (Applicable only if the Purchaser is purchasing Class A Interests) The Purchaser is a "qualified client" as defined in Rule 205-3 promulgated under the Investment Advisers Act of 1940, as amended, as set forth in the attached investor questionnaire.

(d) The Purchaser acknowledges and is aware that there is no assurance as to the future profitable performance of the Fund. The Purchaser further acknowledges the risks set forth in the Memorandum.

(e) The Purchaser has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his/her or its current needs and personal contingencies, has no need for liquidity in the Interests, and could afford a loss of his/her or its entire investment in the Offering.

(f) The Purchaser's overall commitment to invest in the Interests is not disproportionate to his/her or its net worth and his/her or its investment in the Offering will not cause such overall commitment to become excessive.

(g) The Purchaser has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Fund.

(h) The Purchaser acknowledges his/her or its understanding that (A) the Interests have not been registered under the Act, or the securities laws of any State in reliance on specific exemptions from registration, (B) the Memorandum has not been filed, nor is it required to be filed with or reviewed by, the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Fund, and (C) the Offering is intended to be exempt from registration pursuant to Section 4(a)(2) of the Act and the rules promulgated thereunder by the Securities and Exchange Commission.

(i) The Purchaser understands that this Subscription Agreement is subject to the Fund's acceptance and may be rejected by the Fund in its sole discretion.

Purchaser's Initials: _____

(j) The Purchaser acknowledges that this Subscription Agreement shall become binding upon the Purchaser when it is countersigned by the Fund and the Purchaser is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Fund, except as otherwise provided in this Subscription Agreement.

(k) The Purchaser understands and acknowledges that the Interests are not readily marketable.

(l) The Purchaser represents and warrants to the Fund that the Interests are for investment purposes only and are not being acquired by the Purchaser with a view to, or for resale in connection with, any “distribution” within the meaning of the Act.

(m) The Purchaser acknowledges that the Fund is a partnership for federal income tax purposes, and that the Fund has no made representations or warranties as to the Purchaser’s own individual tax situation. The Purchaser is encouraged to consult his tax advisor regarding the tax effects of his investment in the Fund.

(n) The Purchaser hereby represents and warrants that the Purchaser is not, nor is it acting as an agent, representative, intermediary or nominee for, a person identified on the list of blocked persons maintained by the Office of Foreign Assets control, U.S. Department of Treasury. In addition, the Purchaser has complied with all applicable U.S. laws, regulations, directives, and executive orders relating to anti-money laundering, including but not limited to the following laws: (1) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism Act of 2001, Public Law 107-56, and (2) Executive Order 13224 (blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism) of September 23, 2001.

4. **Acceptance or Rejection of Subscription.** The Purchaser understands and agrees that the Fund reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the Purchaser will be notified by the Fund as promptly as practicable as to whether his/her or its subscription has been accepted or rejected. If the Purchaser’s subscription is accepted, in whole or in part, by the Fund, then the Fund will issue the Interests to the Purchaser. If this subscription is rejected by the Fund, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Fund, in the case of a rejection of the subscription in part, will be returned to the Purchaser as promptly as practicable. If this subscription is rejected in whole by the Fund, this Subscription Agreement (other than this section) shall be null, void and of no effect.

5. **Power of Attorney.** Subject only to the acceptance of this Subscription Agreement by the General Partner, the Purchaser hereby (a) joins in and agrees to be bound by the Partnership Agreement as a limited partner and (b) makes, constitutes and appoints the General Partner, acting through any of its authorized partners and officers and with power of substitution, the Subscriber’s true and lawful agent and attorney, with full power and authority in such Purchaser’s name, place and stead, to execute the Partnership Agreement.

Purchaser’s Initials: _____

6. **Purchase of Interests.** The Purchaser agrees to purchase the number of Interests set forth above and hereby tenders the appropriate amount as the purchase price therefor.

IN WITNESS WHEREOF, the Purchaser has executed this Subscription Agreement this ____ day of _____, 20____.

Make check payable to:
Ruby Red Market Neutral Fund, L.P.
Address: 6080 South Hulen Street,
Suite 360, Box 311
Fort Worth, Texas 76132-4810

Please contact Matt Olszewski at
817-217-4710 if you desire
wiring instructions

Signature of Investor

Name of Investor - Please Print

Address

City, State, ZIP

Tax Identification or Social Security Number

Telephone Number – Home

Telephone Number – Business

The above subscriber's subscription is accepted, subject to the terms of the Subscription Agreement and the Partnership Agreement.

RUBY RED MARKET NEUTRAL FUND, L.P.

By: Ruby Red Capital Management, LLC
General Partner

By: _____
John Matthew Olszewski
Manager

Purchaser's Initials: _____

EXHIBIT C

ACCREDITED INVESTOR QUESTIONNAIRE

ACCREDITED INVESTOR QUESTIONNAIRE

To: Ruby Red Market Neutral Fund, L.P.
c/o Ruby Red Capital Management, LLC
6080 S. Hulen St., Ste. 360, Box # 311
Fort Worth, Texas 76132-4810

Gentlemen:

I hereby furnish the information contained below to Ruby Red Market Neutral Fund, L.P. (the “**Fund**”) and its investment adviser and general partner, Ruby Red Capital Management, LLC (the “**General Partner**”) so that they may determine whether I am a suitable investor in the Fund’s offering of limited partner interests (“**Interests**”).

I understand that this information is needed for you to determine whether you have reasonable grounds to believe (i) that I am an “accredited investor” as that term is defined in Regulation D promulgated under the Securities Act of 1933 (“**Securities Act**”), (ii) that my prospective purchase of the Interests is in accordance with the suitability standards established by the Fund, and (iii) whether I constitute a “qualified client” under Rule 205-3 promulgated by the Securities and Exchange Commission (“**SEC**”).

I understand that (a) you will rely on the information contained herein for purposes of such determination, (b) the Interests will not be registered under the Securities Act, and (c) the Interests will not be registered under the securities laws of any state in reliance upon certain exemptions.

The Fund and the General Partner, and their agents, employees or representatives, will keep information contained in this questionnaire confidential. I understand, however, that the Fund or the General Partner may have the need to present it to certain government agencies in order to establish the applicability under any federal or state securities laws of an exemption from registration.

In accordance with the foregoing, the following representations and information are hereby made and furnished:

Please answer all questions. If the answer is “none” or “not applicable,” please so state. If you are an investor other than a natural person (*i.e.*, a corporation, partnership, or trust) (an “**Entity Investor**”), then each equity owner of the Entity Investor must complete this questionnaire.

INFORMATION REQUIRED OF EACH PROSPECTIVE INVESTOR:

1. Name: _____
2. Age: _____
3. Marital Status: _____
4. Citizenship: _____

5. Residence Address: _____

6. Telephone Number: _____

7. E-mail address: _____

8. State in which you:

Are licensed to drive? _____

Are registered to vote? _____

File income tax returns? _____

9. Employer and Position _____

10. Business Address: _____

11. Business Telephone Number: _____

12. (For Entity Investors Only)

Name and Type of
Entity: _____

Business Address: _____

Telephone Number: _____

Federal Tax ID Number (EIN): _____

Nature of Business: _____

13. Please circle the category of “accredited investor” which applies to you:

- ◆ Net worth or joint net worth exceeds \$1 million - The term “net worth” means the excess of total assets over total liabilities, excluding the value of your principal residence and any debt associated with your principal residence.
- ◆ Individual income in excess of \$200,000 in each of the two most recent years.
- ◆ Joint income in excess of \$300,000 in each of the two most recent years.

- ◆ Any bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Securities Act; any investment company registered under the Investment Company Act of 1940 (“**Investment Company Act**”) or business development company as defined in Section 2(a)(48) of the Investment Company Act; any small business investment company licensed by the US Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 (“**ERISA**”), if the investment decision is made by a plan fiduciary, as defined in Section 3(2) of ERISA, which is either a bank, a savings and loan association, insurance company, registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

- ◆ Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

- ◆ Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or company not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

- ◆ Any trust, with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506 of Regulation D;

- ◆ Any entity in which all of the equity owners are accredited investors.

14. Are you a “qualified client”? (Definition below) Yes____ No____

If so, circle the category of “qualified client” which applies to you:

- ◆ “Company” means a corporation, a partnership, an association, a joint-stock company, a trust, or any organized group of persons, whether incorporated or not, but does not include a “private investment company”, as defined below.

- ◆ “Private investment company” means a company that would be defined as an investment company under Section 3(a) of the Investment Company Act of 1940 but for the exception provided from that definition by Section 3(c)(1) of the Investment Company Act;

- ◆ A natural person or company which, including this investment, has at least \$1,000,000 under the management of the General Partner;

- ◆ A natural person who individually or jointly with his or her spouse has a net worth of more than \$2,000,000 (excluding the value of the person's primary residence and any debt secured by such residence up to the value of the residence; any debt in excess of such value must be counted as a liability);
- ◆ A company that has a net worth of more than \$2,000,000;
- ◆ A private investment company owned solely by qualified clients;
- ◆ A "qualified purchaser" under applicable SEC rules;
- ◆ An executive officer, director, trustee, general partner, or person serving in a similar capacity of the General Partner;
- ◆ An employee of the General Partner (other than an employee performing solely clerical, secretarial or administrative functions) who, in connection with his or her regular functions or duties, participates in the investment activities of the General Partner and has participated in such activities for the past 12 months.

15. I understand the full nature and risk of an investment in the Interests, and I can afford the complete loss of my entire investment. Yes No
16. I have adequate means for providing for my current needs and personal contingencies and have no need for liquidity of this investment. Yes No
17. If I purchase one or more Interests, I certify that they are being acquired for investment purposes only and not with a view to, or for resale in connection with, any distribution of the Interests under the Securities Act. Yes No
18. Have you participated in a private placement of securities before? Yes No
19. I certify that I have received a copy of the Fund's Confidential Private Offering Memorandum. Yes No

I understand that the Fund will be relying on the accuracy and completeness of my responses to the foregoing questions and I represent and warrant to the Fund and the General Partner as follows:

- (i) The answers to the above questions are complete and correct and may be relied upon by the Fund and the General Partner in determining whether the offering in which I propose to participate is exempt from registration under the Act and the securities laws of certain states;
- (ii) I will notify the Fund immediately of any material change in any statement made herein occurring prior to the closing of any purchase by me of an Interest in the Fund; and
- (iii) I have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment; and

(iv)I am able to bear the economic risk of the investment and currently could afford a complete loss of such investment.

IN WITNESS WHEREOF, I have executed this Accredited Investor Questionnaire this _____ day of _____, 20____, and declare that it is true and correct to the best of my knowledge.

Signature of Prospective Investor

EXHIBIT D

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

RUBY RED CAPITAL MANAGEMENT, LLC

**INVESTMENT RETURN
AGREED-UPON PROCEDURES**

YEARS ENDED DECEMBER 31, 2012 AND 2013



Certified Public Accountants and Consultants
April 15, 2014

Mr. Matt Olszewski
6080 South Hulen Street
Suite 360, Box 311
Fort Worth, TX 76132

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by you, solely to assist you with respect to the accompanying Schedule of Investment Returns and Leverage Used by Month ("the Schedule"). You are responsible for the Statement. The Schedule shows the computations of total monthly and annual investment return, pro-forma net monthly and annual investment return, and leverage used by month for the years ended December 31, 2012 and 2013. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained the following information from you for performance of the calculations in the Schedule above:
 - a. Monthly brokerage statements on account #U [REDACTED] 86 for the period from January 1, 2012 to December 31, 2013.
 - b. Example fee policy for the management fee and the performance-based fee of the fund in order to calculate pro-forma net investment returns.
2. We reviewed the monthly investment statements to determine if any new funds were investment or withdrawn during the period of January 1, 2012 to December 31, 2013.
3. We scheduled the activity from the investment statements and calculated the monthly investment returns, monthly pro-forma net investment returns (using the fee policy above), and leverage used by month. We also calculated the annual total investment return and annual pro-forma net investment return.
4. Summarized the results of our calculations as shown in the attached Schedule.

Our calculations involved certain assumptions, described as follows:

- For purposes of calculating the performance-based fee, the fund was treated as one investor, with deposits and withdrawals occurring at the beginning of the month.
- No performance-based fee was deducted from pro-forma net investment returns until losses were recouped from prior months. For purposes of calculating the performance-based fee, calculations of recouped losses were based on the annual cumulative sum of the percentage rates of gross investment return each month.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we conducted an audit of the specified accounts and items in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use by you and certain potential investors as determined by you, and is not intended to be and should not be used by anyone other than these specified parties.

Sanford, Baumeister & Frazier, LLP

SANFORD, BAUMEISTER & FRAZIER, LLP
Fort Worth, Texas

Keeping you in the black, not in the dark

Fort Worth
North Dallas

512 Main Street, Suite 1500
4004 Beltline Road, Suite 235

Fort Worth, TX 76102
Addison, TX 75001

817.877.5000 main
972.385.3180 main

817.877.5330 fax
972.385.3389 fax



www.sbf-cpa.com

RUBY RED CAPITAL MANAGEMENT, LLC
SCHEDULE OF INVESTMENT RETURNS AND LEVERAGE USED BY MONTH
YEARS ENDED DECEMBER 31, 2012 AND 2013

MONTH	GROSS RETURN	RETURNS, NET OF 2% MGMT FEE	RETURNS, NET OF 20% PERFORMANCE-BASED FEE	LEVERAGE USED
January 2012	-3.16%	-3.32%	-3.32%	3.47
February 2012	2.89%	2.73%	2.73%	2.62
March 2012	3.18%	3.02%	2.56%	2.50
April 2012	3.42%	3.26%	2.61%	2.52
May 2012	6.16%	6.00%	4.80%	2.55
June 2012	2.00%	1.84%	1.47%	2.89
July 2012	3.70%	3.54%	2.83%	2.64
August 2012	12.81%	12.65%	10.12%	3.13
September 2012	-1.09%	-1.25%	-1.00%	3.01
October 2012	5.81%	5.65%	4.52%	2.76
November 2012	2.47%	2.31%	1.85%	2.87
December 2012	-3.41%	-3.57%	-2.86%	2.93
TOTAL ANNUAL RETURN - 2012	39.53%	37.53%	30.02%	
January 2013	-0.64%	-0.80%	-0.80%	3.04
February 2013	-4.52%	-4.68%	-4.68%	3.15
March 2013	5.65%	5.49%	5.49%	3.07
April 2013	3.58%	3.42%	2.74%	3.32
May 2013	3.90%	3.74%	2.99%	3.22
June 2013	14.43%	14.27%	11.42%	3.01
July 2013	3.71%	3.55%	2.84%	2.90
August 2013	12.35%	12.19%	9.75%	2.34
September 2013	4.57%	4.41%	3.53%	2.65
October 2013	-4.14%	-4.30%	-3.44%	2.40
November 2013	-6.22%	-6.38%	-5.10%	2.56
December 2013	-2.62%	-2.78%	-2.22%	2.59
TOTAL ANNUAL RETURN - 2013	31.66%	29.66%	23.73%	

MAJOR ASSUMPTIONS:

1. For purposes of calculating the performance based fee, the fund was treated as one investor, with deposits and withdrawals occurring at the beginning of the month.
2. No performance based fee was deducted from pro-forma net investment returns until losses were recouped from prior months. For purposes of calculating the performance based fee, calculations of recouped losses were based on the annual cumulative sum of the percentage rates of gross investment return each month.
3. Leverage Used was calculated as the total fair value of investment assets to the net portfolio position.

EXHIBIT E

PORFOLIO ANALYSIS JANUARY 1, 2013 TO
DECEMBER 31, 2013

PortfolioAnalyst

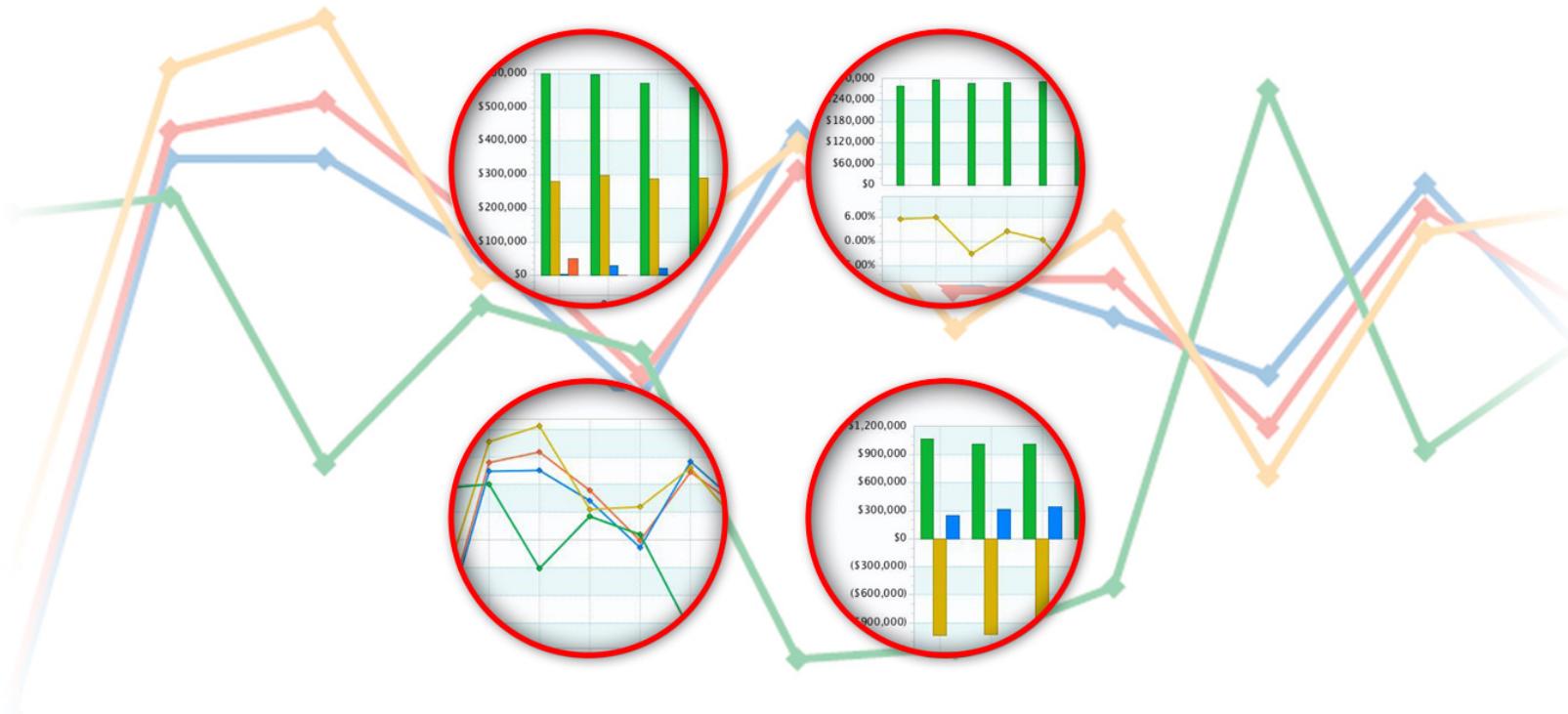


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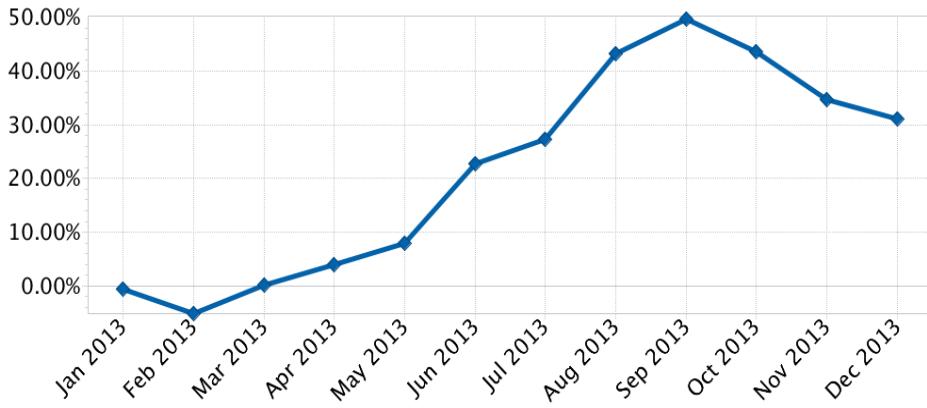
Introduction

Name: John M Olszewski
Account: U [REDACTED] 86
Alias: N/A
Base Currency: USD
Account Type: Individual
Analysis Period: Jan 2013 to Dec 2013 (Monthly)
Performance Measure: TWR

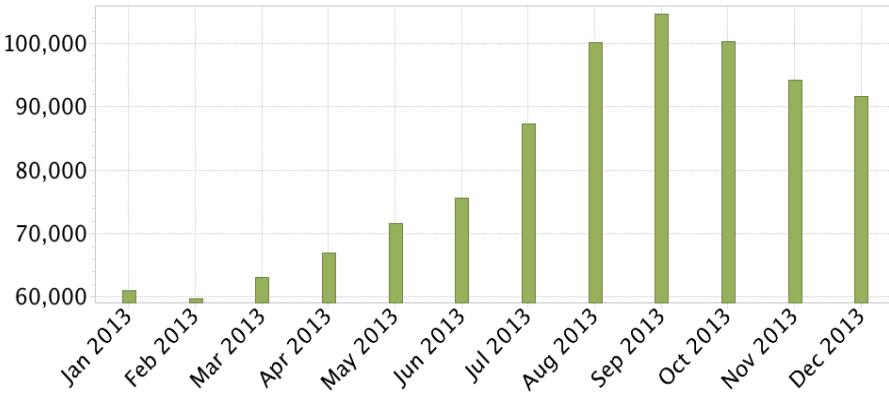


Account Overview

Cumulative Return



Net Asset Value

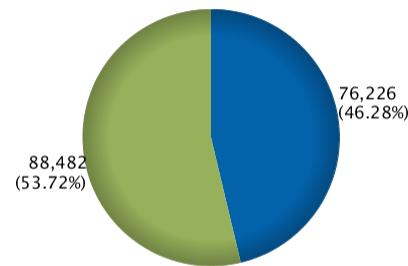


Key Statistics

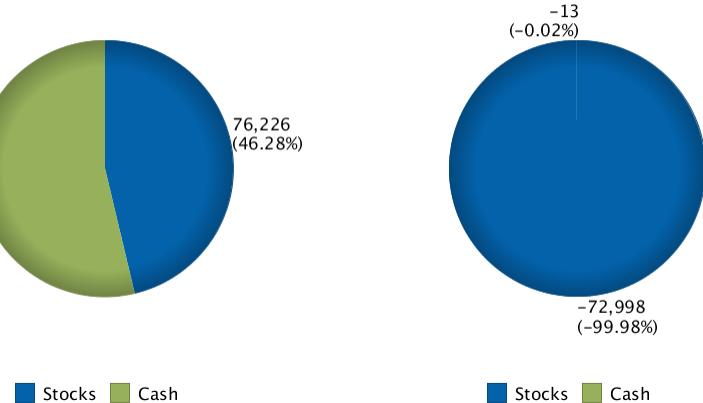
Beginning NAV:	61,408.57
Ending NAV:	91,697.27
Cumulative Return:	31.06%
1 Month Return:	-2.62% (Dec 2013)
3 Month Return:	-12.44% (Oct 2013 - Dec 2013)
Best Return:	13.74% (Jun 2013)
Worst Return:	-6.21% (Nov 2013)
Deposits/Withdrawals:	9,600.00

Ending Asset Allocation

Long Allocation By Asset Class



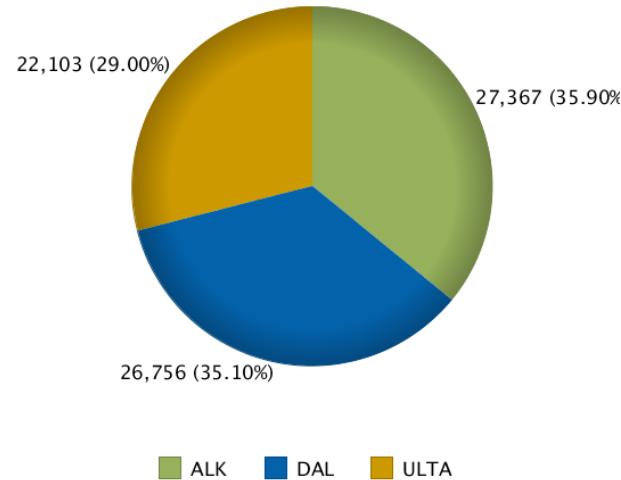
Short Allocation By Asset Class



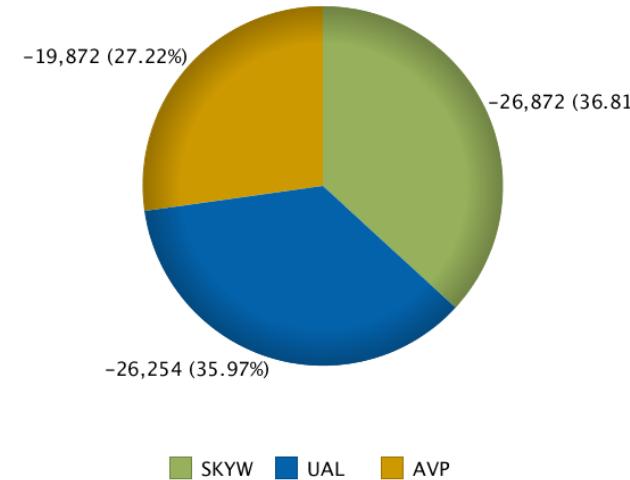


Open Position Summary

Long Positions By Value In Base
(76,225.87 as of 12/31/2013)



Short Positions By Value In Base
(-72,997.86 as of 12/31/2013)



ALK DAL ULTA

SKYW UAL AVP

Symbol	Description	Sector	Quantity	Close Price	Value	% Of Net	Base Value
Long Open Positions							
Stocks							
USD							
ALK	ALASKA AIR GROUP INC	Consumer Cyclicals	373	73.37	27,367.01	35.90%	27,367.01
DAL	DELTA AIR LINES INC.	Consumer Cyclicals	974	27.47	26,755.78	35.10%	26,755.78
ULTA	ULTA SALON COSMETICS & FRAGR	Consumer Cyclicals	229	96.52	22,103.08	29.00%	22,103.08
Total In USD							76,225.87
Total Stocks In USD							76,225.87
Short Open Positions							
Stocks							
USD							
AVP	AVON PRODUCTS INC	Consumer Non Cyclicals	-1,154	17.22	-19,871.88	27.22%	-19,871.88
SKYW	SKYWEST INC	Consumer Cyclicals	-1,812	14.83	-26,871.96	36.81%	-26,871.96
UAL	UNITED CONTINENTAL HOLDINGS	Consumer Cyclicals	-694	37.83	-26,254.02	35.97%	-26,254.02

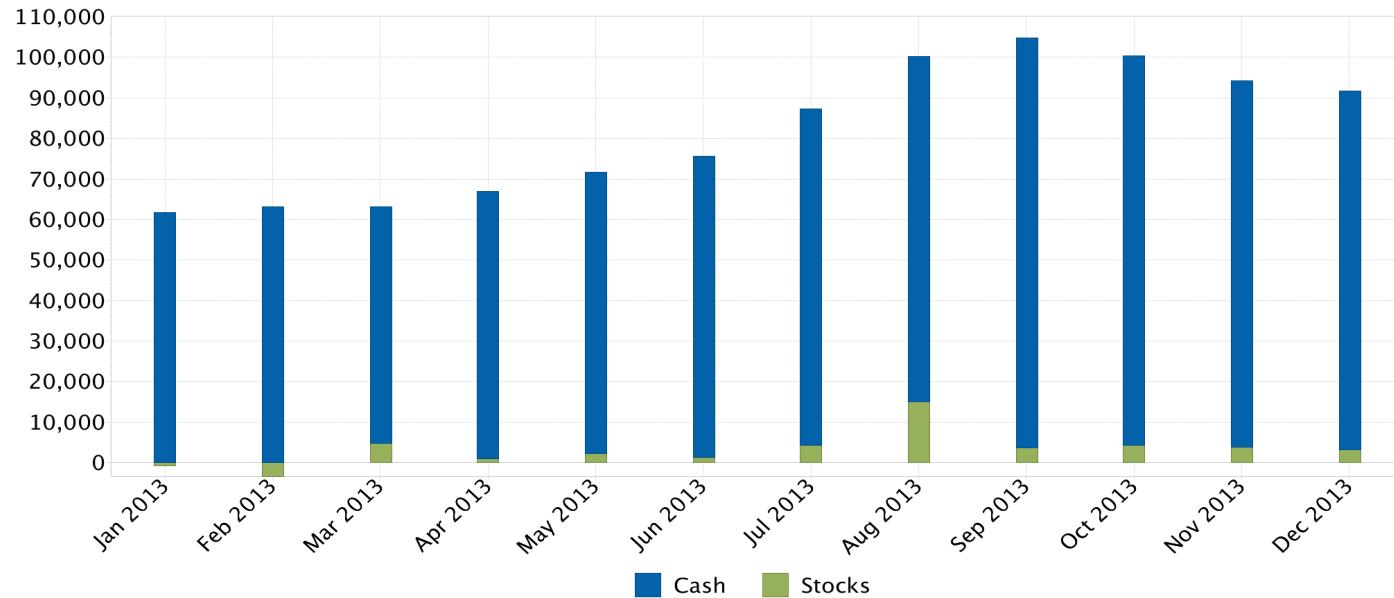


Open Position Summary (Cont.)

Symbol	Description	Sector	Quantity	Close Price	Value	% Of Net	Base Value
Total In USD					-72,997.86		
Total Stocks In USD					-72,997.86		



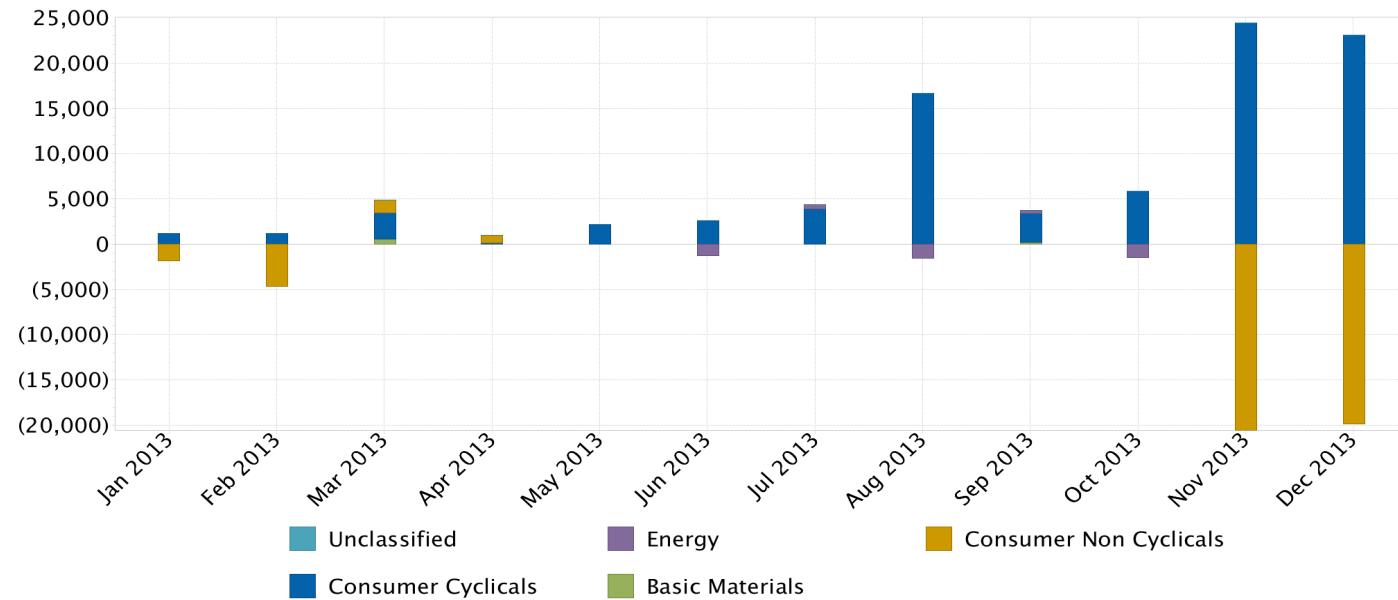
Allocation By Asset Class



Date	Stocks	Cash	NAV
Jan 2013	-697.23	61,714.12	61,016.89
Feb 2013	-3,431.16	63,136.97	59,705.81
Mar 2013	4,833.41	58,252.99	63,086.40
Apr 2013	965.00	65,933.80	66,898.80
May 2013	2,169.71	69,416.56	71,586.27
Jun 2013	1,326.35	74,263.33	75,589.68
Jul 2013	4,342.53	82,935.95	87,278.48
Aug 2013	15,040.36	85,107.78	100,148.14
Sep 2013	3,699.67	101,027.61	104,727.28
Oct 2013	4,332.76	96,065.56	100,398.32
Nov 2013	3,886.40	90,281.05	94,167.45
Dec 2013	3,228.01	88,469.26	91,697.27
Average	3,307.98	78,050.42	81,358.40



Allocation By Sector





Time Period Performance Statistics



Date	U █ 86
Jan 2013	-0.64%
Feb 2013	-4.52%
Mar 2013	5.66%
Apr 2013	3.62%
May 2013	3.90%
Jun 2013	13.74%
Jul 2013	3.69%
Aug 2013	12.46%
Sep 2013	4.57%
Oct 2013	-4.13%
Nov 2013	-6.21%
Dec 2013	-2.62%

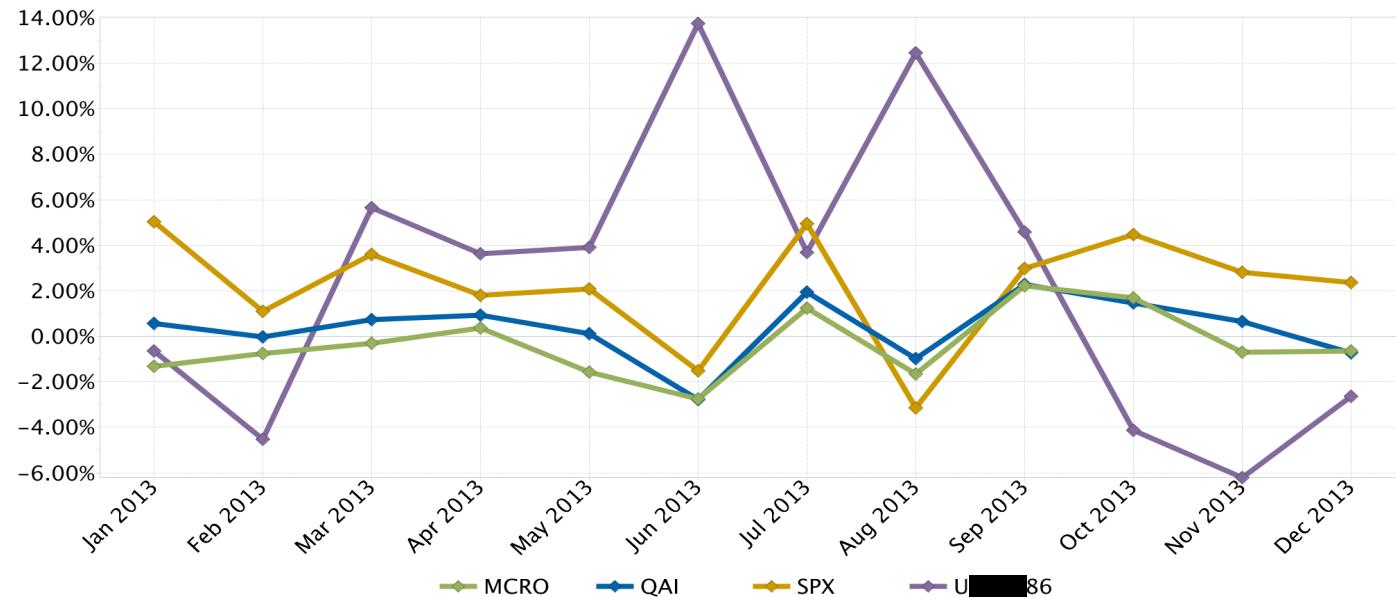
Average	2.46%
---------	-------

Key Statistics

Beginning NAV:	61,408.57
Ending NAV:	91,697.27
Cumulative Return:	31.06%
1 Month Return:	-2.62% (Dec 2013)
3 Month Return:	-12.44% (Oct 2013 - Dec 2013)
Best Return:	13.74% (Jun 2013)
Worst Return:	-6.21% (Nov 2013)
Deposits/Withdrawals:	9,600.00



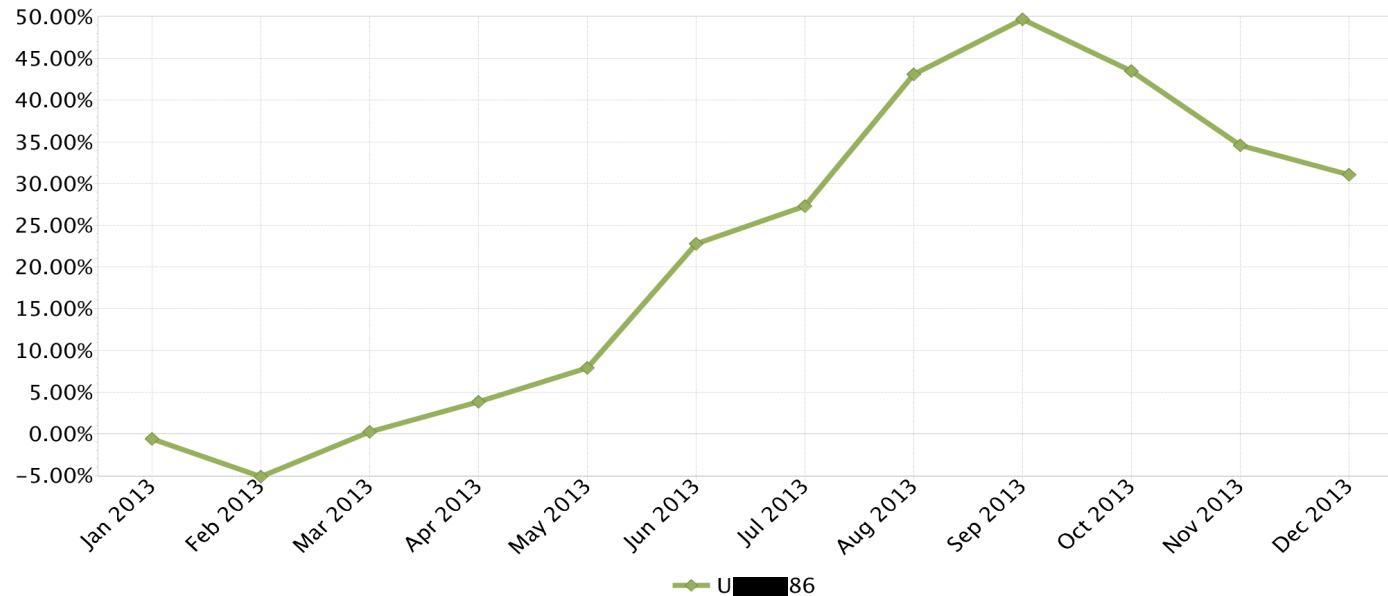
Time Period Benchmark Comparison



Date	MCRO	QAI	SPX	U [REDACTED] 86
Jan 2013	-1.33%	0.57%	5.04%	-0.64%
Feb 2013	-0.75%	-0.03%	1.11%	-4.52%
Mar 2013	-0.30%	0.75%	3.60%	5.66%
Apr 2013	0.37%	0.93%	1.81%	3.62%
May 2013	-1.56%	0.11%	2.08%	3.90%
Jun 2013	-2.76%	-2.78%	-1.50%	13.74%
Jul 2013	1.25%	1.95%	4.95%	3.69%
Aug 2013	-1.65%	-0.99%	-3.13%	12.46%
Sep 2013	2.23%	2.29%	2.97%	4.57%
Oct 2013	1.68%	1.47%	4.46%	-4.13%
Nov 2013	-0.71%	0.66%	2.80%	-6.21%
Dec 2013	-0.64%	-0.72%	2.36%	-2.62%
Average	-0.35%	0.35%	2.21%	2.46%



Cumulative Performance Statistics



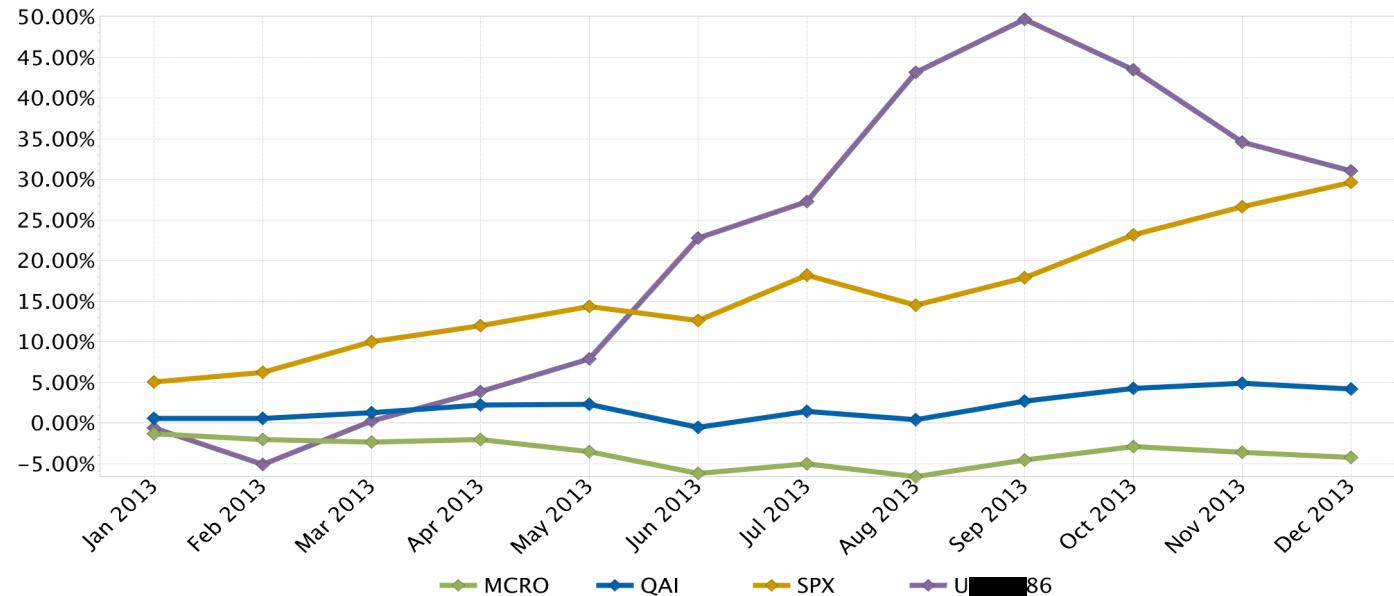
Date	U █ 86
Jan 2013	-0.64%
Feb 2013	-5.13%
Mar 2013	0.24%
Apr 2013	3.87%
May 2013	7.92%
Jun 2013	22.75%
Jul 2013	27.28%
Aug 2013	43.13%
Sep 2013	49.68%
Oct 2013	43.49%
Nov 2013	34.59%
Dec 2013	31.06%
Jan 2013 to Dec 2013	31.06%

Key Statistics

Beginning NAV:	61,408.57
Ending NAV:	91,697.27
Cumulative Return:	31.06%
1 Month Return:	-2.62% (Dec 2013)
3 Month Return:	-12.44% (Oct 2013 - Dec 2013)
Best Return:	13.74% (Jun 2013)
Worst Return:	-6.21% (Nov 2013)
Deposits/Withdrawals:	9,600.00

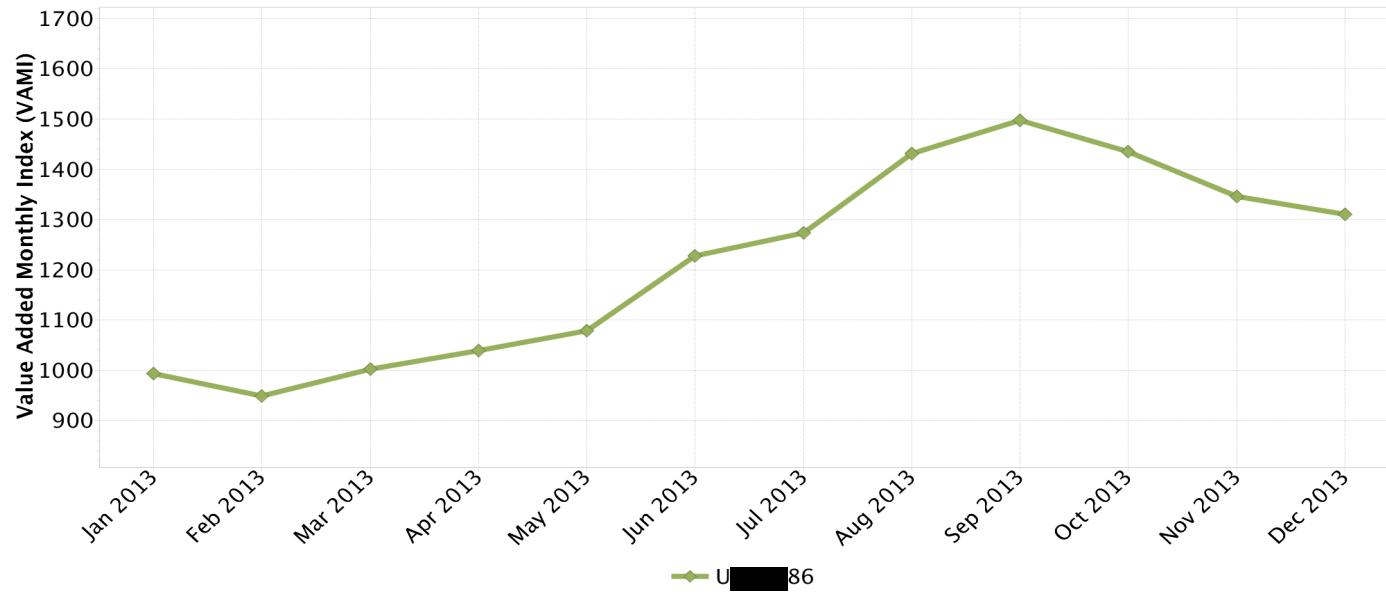


Cumulative Benchmark Comparison



Date	MCRO	QAI	SPX	U [REDACTED] 86
Jan 2013	-1.33%	0.57%	5.04%	-0.64%
Feb 2013	-2.07%	0.54%	6.20%	-5.13%
Mar 2013	-2.36%	1.29%	10.03%	0.24%
Apr 2013	-1.99%	2.23%	12.02%	3.87%
May 2013	-3.53%	2.34%	14.34%	7.92%
Jun 2013	-6.19%	-0.50%	12.63%	22.75%
Jul 2013	-5.02%	1.44%	18.20%	27.28%
Aug 2013	-6.59%	0.43%	14.50%	43.13%
Sep 2013	-4.51%	2.73%	17.91%	49.68%
Oct 2013	-2.91%	4.24%	23.16%	43.49%
Nov 2013	-3.60%	4.93%	26.62%	34.59%
Dec 2013	-4.22%	4.17%	29.60%	31.06%
Jan 2013 to Dec 2013	-4.22%	4.17%	29.60%	31.06%

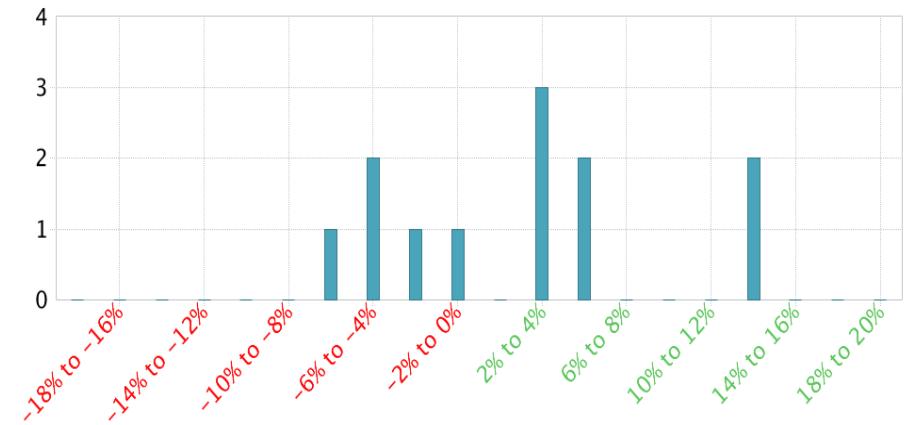
Risk Measures



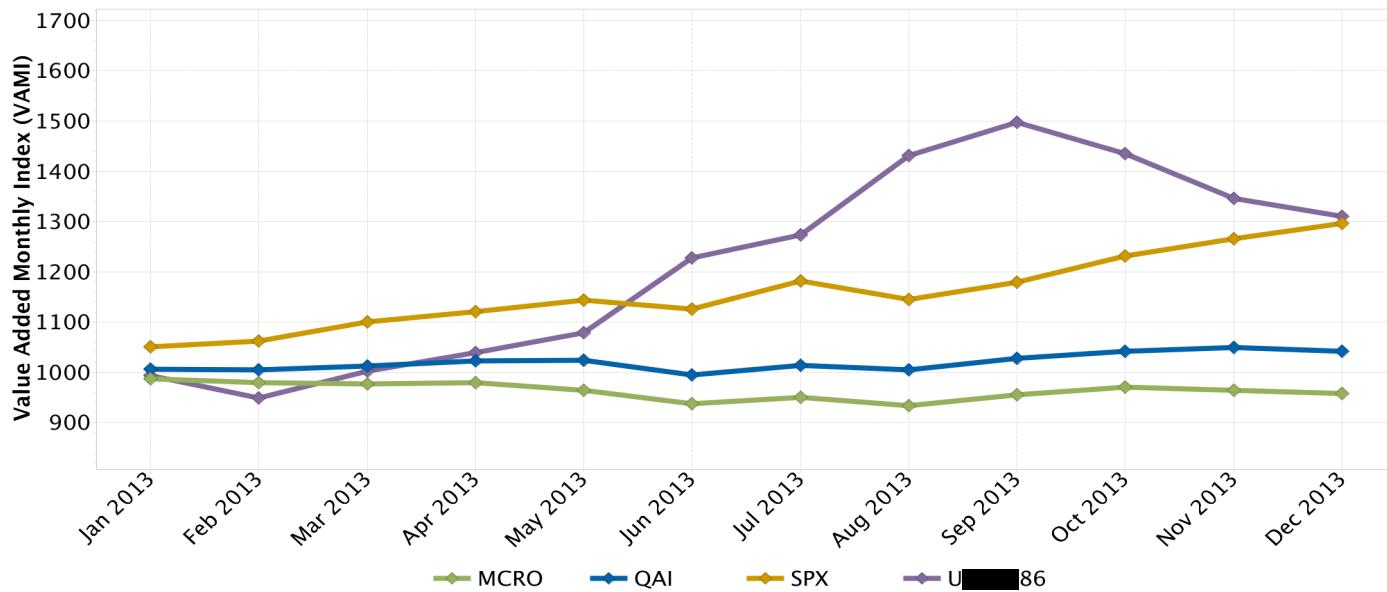
Risk Analysis

Ending VAMI	U █ 86
Max Drawdown:	1,310.56
Peak-To-Valley:	12.44%
Recovery:	Sep 13 - Dec 13
Sharpe Ratio:	Ongoing
Sortino Ratio:	1.33
Calmar Ratio:	2.08
Standard Deviation:	2.50
Downside Deviation:	6.39%
Mean Return:	3.01%
Positive Periods:	2.46%
Negative Periods:	7 (58.33%)
	5 (41.67%)

Distribution of Returns



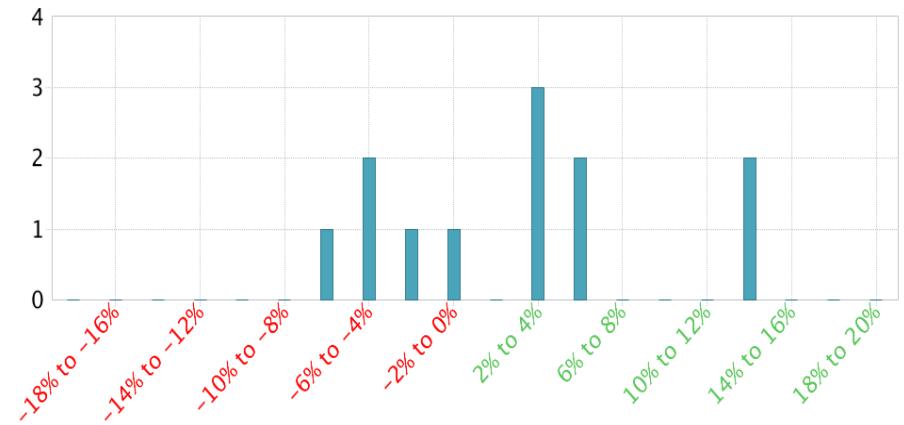
Risk Measures Benchmark Comparison



Risk Analysis

	MCRO	QAI	SPX	U [REDACTED] 86
Ending VAMI	957.84	1,041.71	1,296.01	1,310.56
Max Drawdown:	5.34%	2.71%	2.85%	12.44%
Peak-To-Valley:	Jan 13 - Aug 13	May 13 - Jun 13	Jul 13 - Aug 13	Sep 13 - Dec 13
Recovery:	Ongoing	3 Months	2 Months	Ongoing
Sharpe Ratio:	-0.82	0.86	3.10	1.33
Sortino Ratio:	-2.11	-0.88	4.30	2.08
Calmar Ratio:	-0.79	1.54	10.37	2.50
Standard Deviation:	1.48%	1.39%	2.47%	6.39%
Downside Deviation:	1.64%	1.19%	1.26%	3.01%
Mean Return:	-0.35%	0.35%	2.21%	2.46%
Positive Periods:	4 (33.33%)	8 (66.67%)	10 (83.33%)	7 (58.33%)
Negative Periods:	8 (66.67%)	4 (33.33%)	2 (16.67%)	5 (41.67%)

Distribution of Returns





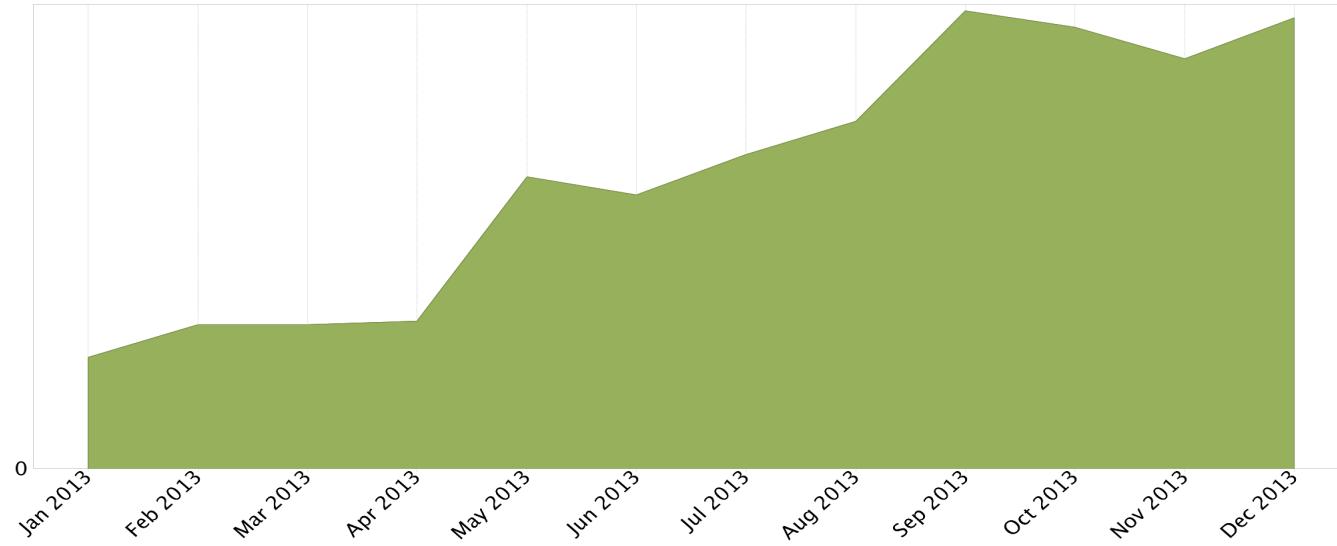
Performance Attribution vs. S&P 500

Sector	Beginning Weight			Ending Weight			Average Weight		
	U █ 86	SPX	+/-	U █ 86	SPX	+/-	U █ 86	SPX	+/-
Basic Materials	0.00%	3.49%	-3.49%	0.00%	3.28%	-3.28%	-0.05%	3.25%	-3.30%
Communications	0.00%	11.25%	-11.25%	0.00%	11.93%	-11.93%	0.00%	11.30%	-11.30%
Consumer Cyclicals	0.29%	9.11%	-8.82%	25.19%	9.65%	15.54%	7.09%	9.48%	-2.40%
Consumer Non Cyclicals	-0.94%	21.44%	-22.39%	-21.67%	21.74%	-43.41%	-3.56%	22.09%	-25.65%
Diversified	0.00%	0.04%	-0.04%	0.00%	0.05%	-0.05%	0.00%	0.05%	-0.05%
Energy	0.00%	11.06%	-11.06%	0.00%	10.35%	-10.35%	-0.20%	10.73%	-10.93%
Financials	0.00%	16.12%	-16.12%	0.00%	16.60%	-16.60%	0.00%	16.65%	-16.65%
Industrials	0.00%	10.26%	-10.26%	0.00%	11.00%	-11.00%	0.00%	10.50%	-10.50%
Technology	0.00%	13.88%	-13.88%	0.00%	12.55%	-12.55%	0.00%	12.73%	-12.73%
Utilities	0.00%	3.37%	-3.37%	0.00%	2.85%	-2.85%	0.00%	3.21%	-3.21%
Cash	100.66%	0.00%	100.66%	96.48%	0.00%	96.48%	96.64%	0.00%	96.64%
Unclassified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.00%	0.08%

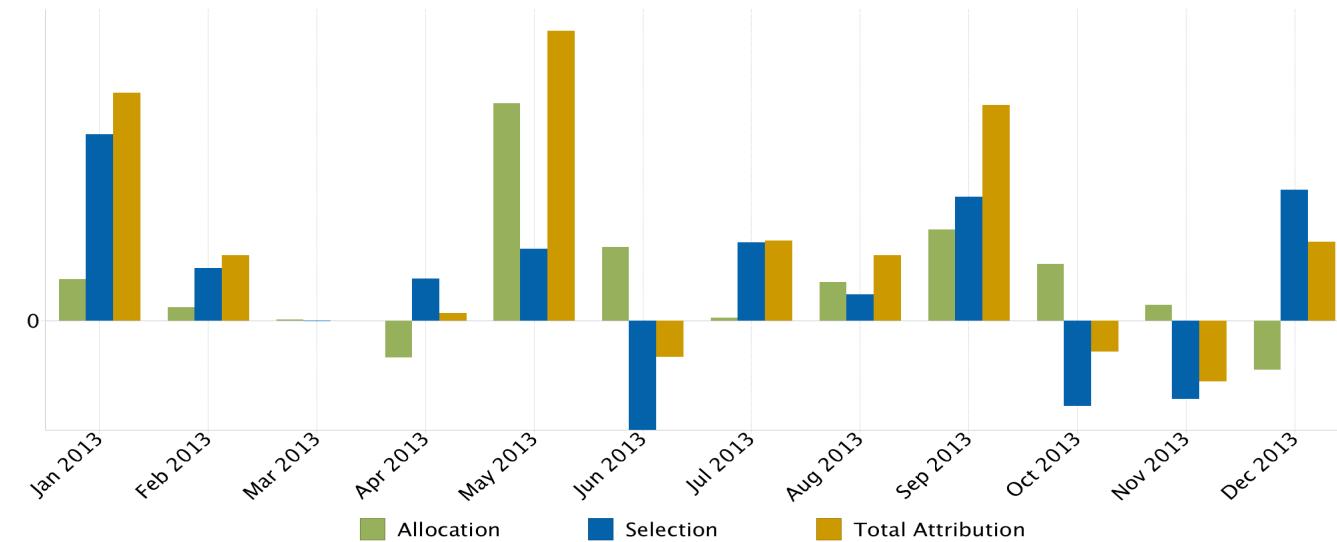
Sector	Period Return			Contribution to Return			Attribution Effect		
	U █ 86	SPX	+/-	U █ 86	SPX	+/-	Allocation	Selection	Total
Basic Materials	1,347.98%	-3.09%	1,351.06%	0.21%	-0.10%	0.31%	0.01%	0.21%	0.21%
Communications	0.00%	-1.61%	1.61%	0.00%	-0.18%	0.18%	-0.16%	0.00%	-0.16%
Consumer Cyclicals	-20.27%	-1.40%	-18.87%	3.02%	-0.13%	3.15%	-0.14%	3.07%	2.93%
Consumer Non Cyclicals	-1,724.67%	-4.97%	-1,719.70%	1.12%	-1.12%	2.24%	0.58%	1.04%	1.63%
Diversified	0.00%	3.16%	-3.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Energy	-1,687.94%	-2.22%	-1,685.72%	-1.48%	-0.24%	-1.24%	-0.08%	-1.49%	-1.57%
Financials	0.00%	-4.93%	4.93%	0.00%	-0.84%	0.84%	0.34%	0.00%	0.34%
Industrials	0.00%	-2.80%	2.80%	0.00%	-0.30%	0.30%	-0.02%	0.00%	-0.02%
Technology	0.00%	-0.31%	0.31%	0.00%	-0.04%	0.04%	-0.34%	0.00%	-0.34%
Utilities	0.00%	-0.69%	0.69%	0.00%	-0.02%	0.02%	-0.07%	0.00%	-0.07%
Cash	-0.02%	0.00%	-0.02%	-0.02%	0.00%	-0.02%	2.87%	-0.02%	2.85%
Unclassified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	-	-	-	2.84%	-2.95%	5.79%	3.02%	2.77%	5.79%

Performance Attribution vs. S&P 500 (Cont.)

Total Cumulative Attribution Effect



Attribution Effect



Performance Attribution vs. S&P 500 (Cont.)

Weighting Effects



1 - Basic Materials

2 - Communications

3 - Consumer Cyclicals

4 - Consumer Non Cyclicals

5 - Diversified

6 - Energy

7 - Financials

8 - Industrials

9 - Technology

10 - Utilities

11 - Cash

12 - Unclassified



Deposits and Withdrawals

Date	Type	Description	Amount
02/07/2013	Deposit	Cash Receipts / Electronic Fund Transfers	1,500.00
04/04/2013	Deposit	Cash Receipts / Electronic Fund Transfers	1,500.00
05/01/2013	Deposit	Cash Receipts / Electronic Fund Transfers	2,000.00
06/17/2013	Withdrawal	Disbursement Initiated By John M Olszewski	-6,000.00
07/05/2013	Deposit	Cash Receipts / Electronic Fund Transfers	6,500.00
07/10/2013	Deposit	Cash Receipts / Electronic Fund Transfers	1,100.00
07/24/2013	Deposit	Cash Receipts / Electronic Fund Transfers	1,000.00
08/28/2013	Deposit	Cash Receipts / Electronic Fund Transfers	2,000.00
Total			9,600.00



Corporate Actions

Date	Type	Description	Quantity
01/23/2013	CUSIP/ISIN	WPI CUSIP/ISIN change	-148
01/23/2013	CUSIP/ISIN	WPI CUSIP/ISIN change	148



Dividends

Pay Date	Ex-Date	Symbol	Note	Quantity	Dividend Per Share	Estimated Forward Dividend Yield %	Estimated Annual Dividend	Amount
01/04/13	N/A	SKYW	Payment In Lieu	-1,189	0.04	0.00	-190.24	-47.56
01/29/13	01/16/13	WFM	Dividend Payment	136	0.20	0.90	108.80	27.20
04/05/13	03/26/13	SKYW	Payment In Lieu	-1,189	0.04	1.02	-190.24	-47.56
04/26/13	04/11/13	BKE	Dividend Payment	468	0.20	1.68	374.40	93.60
05/15/13	04/23/13	KALU	Dividend Payment	243	0.30	2.04	291.60	72.90
06/28/13	05/30/13	CTB	Dividend Payment	748	0.11	1.64	314.16	78.54
07/05/13	06/26/13	SKYW	Payment In Lieu	-1,506	0.04	1.16	-240.96	-60.24
07/26/13	07/11/13	BKE	Dividend Payment	468	0.20	1.46	374.40	93.60
08/22/13	08/02/13	ALK	Dividend Payment	373	0.20	1.28	298.40	74.60
08/23/13	08/07/13	CNX	Dividend Payment	620	0.12	1.61	310.00	77.50
09/10/13	08/07/13	DAL	Dividend Payment	887	0.06	1.14	212.88	53.22
10/04/13	09/26/13	SKYW	Payment In Lieu	-1,506	0.04	1.07	-240.96	-60.24
11/15/13	10/23/13	KALU	Dividend Payment	321	0.30	1.82	385.20	96.30
11/26/13	11/04/13	DAL	Dividend Payment	970	0.06	0.90	232.80	58.20



Dividends (Cont.)

Pay Date	Ex-Date	Symbol	Note	Quantity	Dividend Per Share	Estimated Forward Dividend Yield %	Estimated Annual Dividend	Amount
11/26/13	11/04/13	DAL	Payment In Lieu	4	0.06	0.90	0.96	0.24
12/02/13	11/13/13	AVP	Payment In Lieu	-1,154	0.06	1.39	-276.96	-69.24
12/04/13	11/15/13	ALK	Dividend Payment	371	0.20	1.05	296.80	74.20
12/04/13	11/15/13	ALK	Payment In Lieu	2	0.20	1.05	1.60	0.40
Total								515.66



Interest Details

Date	Description	Amount
01/04/2013	USD Debit Interest Paid for December 2012	-1.24
01/04/2013	USD Net Stock Interest Paid for December 2012	-49.70
02/05/2013	USD Debit Interest Paid for January 2013	-3.92
02/05/2013	USD Net Stock Interest Paid for January 2013	-73.06
03/05/2013	USD Debit Interest Paid for February 2013	-2.92
03/05/2013	USD Net Stock Interest Paid for February 2013	-63.49
04/03/2013	USD Debit Interest Paid for March 2013	-9.31
04/03/2013	USD Net Stock Interest Paid for March 2013	-16.64
05/03/2013	USD Debit Interest Paid for April 2013	-15.56
05/03/2013	USD Net Stock Interest Paid for April 2013	-9.32
06/05/2013	USD Debit Interest Paid for May 2013	-21.56
06/05/2013	USD Net Stock Interest Paid for May 2013	-17.95
07/03/2013	USD Debit Interest Paid for June 2013	-12.01
07/03/2013	USD Net Stock Interest Paid for June 2013	-16.44
08/05/2013	USD Debit Interest Paid for July 2013	-4.03
08/05/2013	USD Net Stock Interest Paid for July 2013	-14.89
09/05/2013	USD Debit Interest Paid for August 2013	-2.06
09/05/2013	USD Net Stock Interest Paid for August 2013	-22.22
10/03/2013	USD Net Stock Interest Paid for September 2013	-17.56
11/05/2013	USD Net Stock Interest Paid for October 2013	-18.94
12/04/2013	USD Net Stock Interest Paid for November 2013	-11.23
Total		-404.05

Notes



1. The Net Asset Value (NAV) consists of all positions by asset class (stock, securities options, warrants, bonds, cash, etc.). All non-base currency amounts are converted to the base currency at the close of period rate.
2. The deposit/withdrawal amount displayed in the Account Overview report includes internal transfers along with cash and position transfers.
3. There are no open futures positions, as the gain or loss for futures contracts settles into cash each night.
4. Dividend and interest accruals are included in Cash amounts throughout the report.
5. Price valuations are obtained from outside parties. Interactive Brokers LLC shall have no responsibility for the accuracy or timeliness of any such price valuation.
6. The Allocation by Sector report includes only the following asset classes; stocks (except ETFs) and options. All other asset classes are included in Unclassified sector.
7. Amounts are formatted to two decimal places. If amounts are greater than two decimal places, Interactive Brokers LLC uses "half-even" rounding. This means that Interactive Brokers LLC rounds such amounts up to the nearest even number.
8. The benchmark returns do not include dividends.
9. As of January 31, 2013 the historical annual return since inception of the S&P 500 was 7.82%. This rate was used to calculate the downside deviation. As of December 31, 2012 the US 3 Month Treasury Bill was 0.05%. This was the risk free rate used to calculate the sharpe and sortino ratio.
10. The mean return is the average TWR for the period.
11. Frongello is the method used for mathematical smoothing in the Performance Attribution report. It has been developed by Andrew Scott Bay Frongello.
12. The modified dietz method is used to calculate MWR.



Glossary

Allocation Effect

The percent effectiveness of an account's asset allocation to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes negatively or positively to an account's overall return.

Asset Class

A category of investment products in your portfolio. Cash, stocks, options, futures, etc. are examples.

Attribution Effect

The percent effectiveness of asset allocation and selection of securities on the portfolio's performance when compared to the performance of a benchmark over a specified time period.

Benchmark

A standard against which the performance of your portfolio can be measured.

Calmar Ratio

A ratio used to determine return versus drawdown risk.

Contribution To Return

The percent contribution of certain portfolio constituents (symbols, sectors) to the account's overall return.

Cumulative Return

Geometric linking of single period returns. Cumulative return is presented as a percentage.

Downside Deviation

The standard deviation for all negative returns in your portfolio in the specific time period.

Max Drawdown

The largest cumulative percentage decline in the Net Asset Value of your portfolio from the highest or peak value to the lowest or trough value after the peak.

Mean Return

The average time weighted return of your portfolio for a specified time period.

Money Weighted Return (MWR)

Money Weighted Return (MWR) is used to measure performance during the specified report period. MWR is influenced by the time of decisions to contribute or to withdraw funds, as well as the decisions made by the portfolio manager of the fund.

Negative Periods

The number of occurrences of negative performance returns. For example, if you select a monthly report with 12 months, each month with a negative return would be a negative occurrence.

Net Asset Value (NAV)

The total value of your account.

Peak-to-Valley

The time period during which the Max Drawdown (largest cumulative percentage decline in the NAV) occurred.

Period Return

A performance measure that calculates the return you have received over a period of time.

Positive Periods

The number of occurrences of positive performance returns. For example, if you select a monthly report with 12 months, each month with a positive return would be a positive occurrence.

Recovery

The time it took for the NAV of your account to recover from the valley (lowest NAV) back to the peak (highest NAV).

Sector

A firm's general area of business. Financials, Communications and Energy are all examples of sectors.

Selection Effect

A percentage that measures the ability to select securities within a sector relative to a benchmark.

Sharpe Ratio

A ratio that measures the excess return per unit of risk. The ratio is used to characterize how well the return compensates the account holder for the risk taken.



Glossary (Cont.)

Sortino Ratio

The ratio measures the risk adjusted return of the account. The ratio penalizes only those returns that fall below the required rate of return.

Standard Deviation

Standard deviation is a statistical measurement of variability. It shows how much variation or dispersion there is from the average.

Time Period Return

The return your portfolio has gained or lost for the specific time period. Time period performance is presented as a percentage.

Time-Weighted Return (TWR)

TWR measures the percent return produced over time independent of contributions or withdrawals. TWR eliminates the impact of the timing of inflows and outflows and isolates the portion of a portfolio's return that is attributable solely to the account's actions.

Value-Added Monthly Index (VAMI)

A statistical figure that tracks the daily/monthly/quarterly performance of a hypothetical \$1000 investment.



Disclaimer

This Portfolio Analysis was generated using Interactive Brokers Portfolio Analyst tool, which allows IB customers to generate reports concerning the customer's account using the trade and account data contained in Interactive's systems and market data provided by third parties.

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EXHIBIT F

PORFOLIO ANALYSIS JANUARY 1, 2012 TO
DECEMBER 31, 2012

PortfolioAnalyst

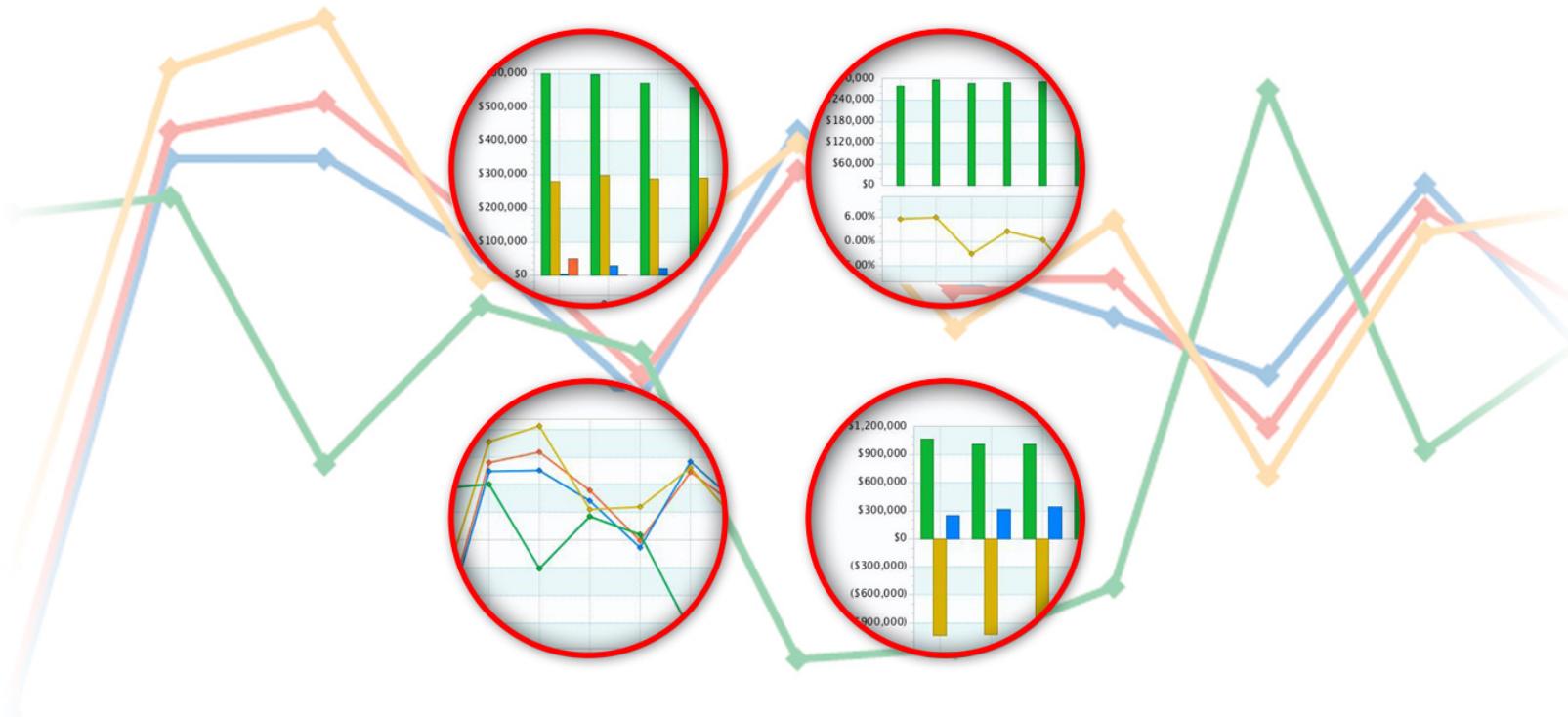


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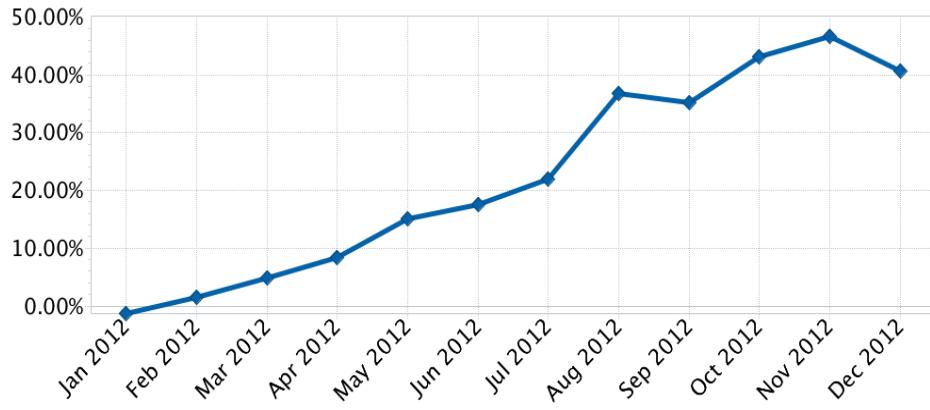
Introduction

Name: John M Olszewski
Account: U [REDACTED] 86
Alias: N/A
Base Currency: USD
Account Type: Individual
Analysis Period: Jan 2012 to Dec 2012 (Monthly)
Performance Measure: TWR



Account Overview

Cumulative Return



Net Asset Value

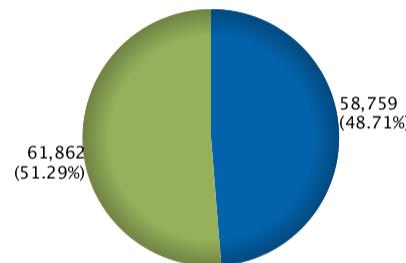


Key Statistics

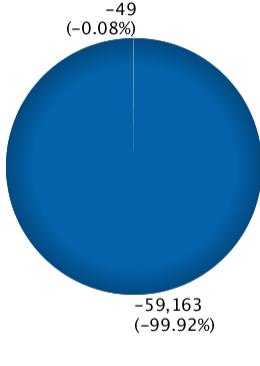
Beginning NAV:	6,041.59
Ending NAV:	61,408.57
Cumulative Return:	40.57%
1 Month Return:	-4.12% (Dec 2012)
3 Month Return:	4.04% (Oct 2012 - Dec 2012)
Best Return:	12.14% (Aug 2012)
Worst Return:	-4.12% (Dec 2012)
Deposits/Withdrawals:	42,941.54

Ending Asset Allocation

Long Allocation By Asset Class

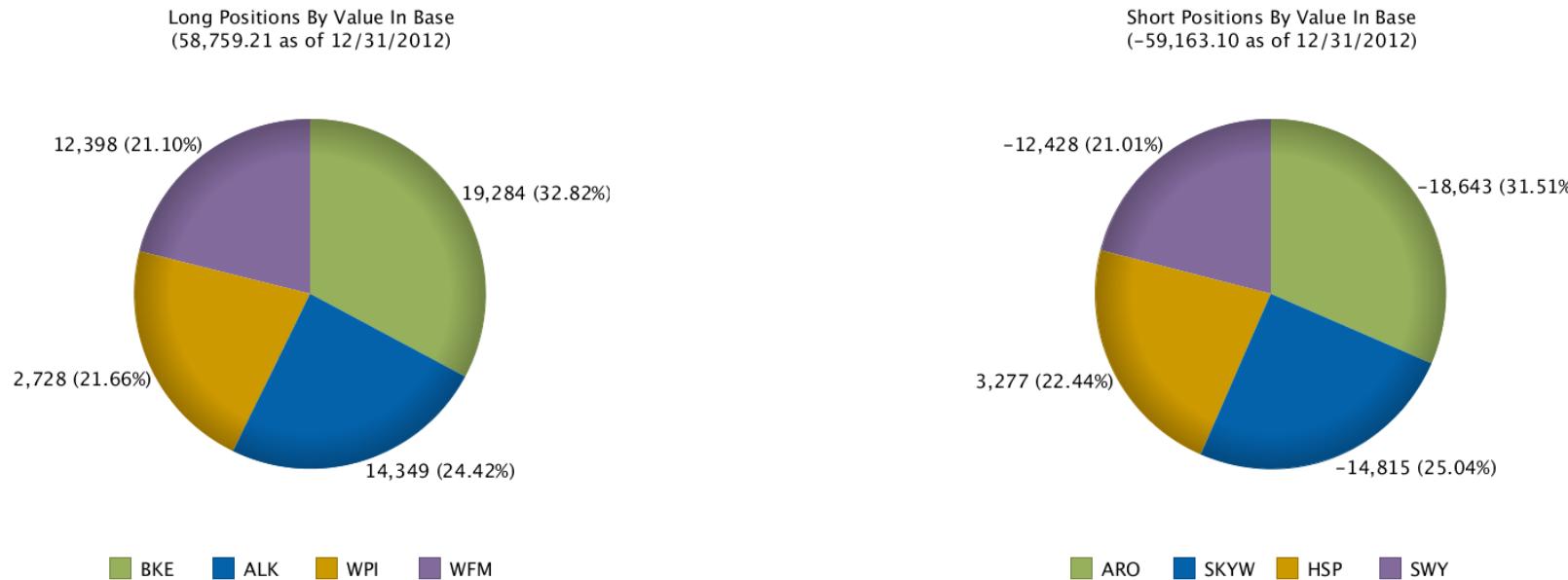


Short Allocation By Asset Class





Open Position Summary



Symbol	Description	Sector	Quantity	Close Price	Value	% Of Net	Base Value
Long Open Positions							
Stocks							
USD							
ALK	ALASKA AIR GROUP INC	Consumer Cyclicals	333	43.09	14,348.97	24.42%	14,348.97
BKE	BUCKLE INC/THE	Consumer Cyclicals	432	44.64	19,284.48	32.82%	19,284.48
WFM	WHOLE FOODS MARKET INC	Consumer Non Cyclicals	136	91.16	12,397.76	21.10%	12,397.76
WPI	WATSON PHARMACEUTICALS INC	Consumer Non Cyclicals	148	86.00	12,728.00	21.66%	12,728.00
Total In USD							58,759.21
Total Stocks In USD							58,759.21
Short Open Positions							
Stocks							
USD							
ARO	AEROPOSTALE INC	Consumer Cyclicals	-1,433	13.01	-18,643.33	31.51%	-18,643.33
HSP	HOSPIRA INC	Consumer Non Cyclicals	-425	31.24	-13,277.00	22.44%	-13,277.00

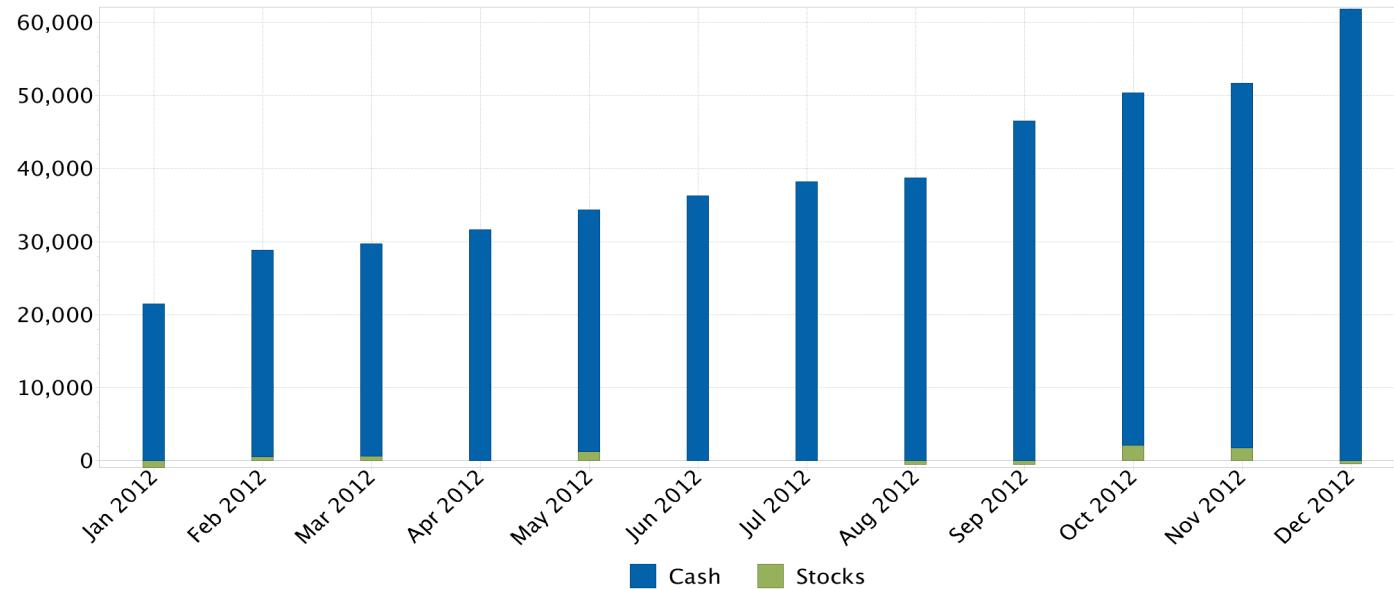


Open Position Summary (Cont.)

Symbol	Description	Sector	Quantity	Close Price	Value	% Of Net	Base Value
SKYW	SKYWEST INC	Consumer Cyclicals	-1,189	12.46	-14,814.94	25.04%	-14,814.94
SWY	SAFEWAY INC	Consumer Non Cyclicals	-687	18.09	-12,427.83	21.01%	-12,427.83
Total In USD							-59,163.10
Total Stocks In USD							-59,163.10



Allocation By Asset Class



Date	Stocks	Cash	NAV
Jan 2012	-922.33	21,441.36	20,519.03
Feb 2012	525.84	28,303.98	28,829.82
Mar 2012	682.87	29,065.20	29,748.07
Apr 2012	31.69	31,559.73	31,591.42
May 2012	1,222.07	33,160.17	34,382.24
Jun 2012	24.22	36,284.90	36,309.12
Jul 2012	52.58	38,107.00	38,159.58
Aug 2012	-463.84	38,697.16	38,233.32
Sep 2012	-499.86	46,529.43	46,029.57
Oct 2012	2,182.74	48,219.23	50,401.97
Nov 2012	1,798.61	49,849.64	51,648.25
Dec 2012	-403.89	61,812.46	61,408.57
Average	352.56	38,585.86	38,938.41

Allocation By Sector





Time Period Performance Statistics



Date	U █ 86
Jan 2012	-1.32%
Feb 2012	2.89%
Mar 2012	3.19%
Apr 2012	3.50%
May 2012	6.19%
Jun 2012	2.11%
Jul 2012	3.71%
Aug 2012	12.14%
Sep 2012	-1.19%
Oct 2012	5.89%
Nov 2012	2.47%
Dec 2012	-4.12%

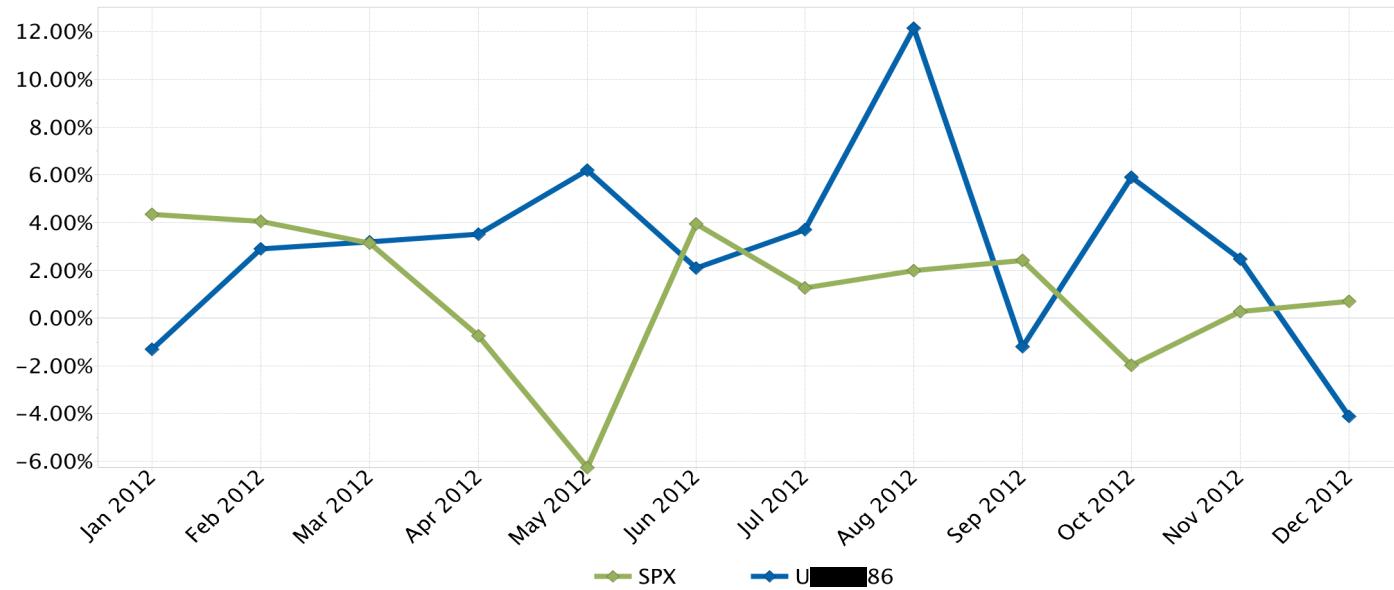
Average	2.95%
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Key Statistics

Beginning NAV:	6,041.59
Ending NAV:	61,408.57
Cumulative Return:	40.57%
1 Month Return:	-4.12% (Dec 2012)
3 Month Return:	4.04% (Oct 2012 - Dec 2012)
Best Return:	12.14% (Aug 2012)
Worst Return:	-4.12% (Dec 2012)
Deposits/Withdrawals:	42,941.54



Time Period Benchmark Comparison



Average

1.10%

2.95%



Cumulative Performance Statistics



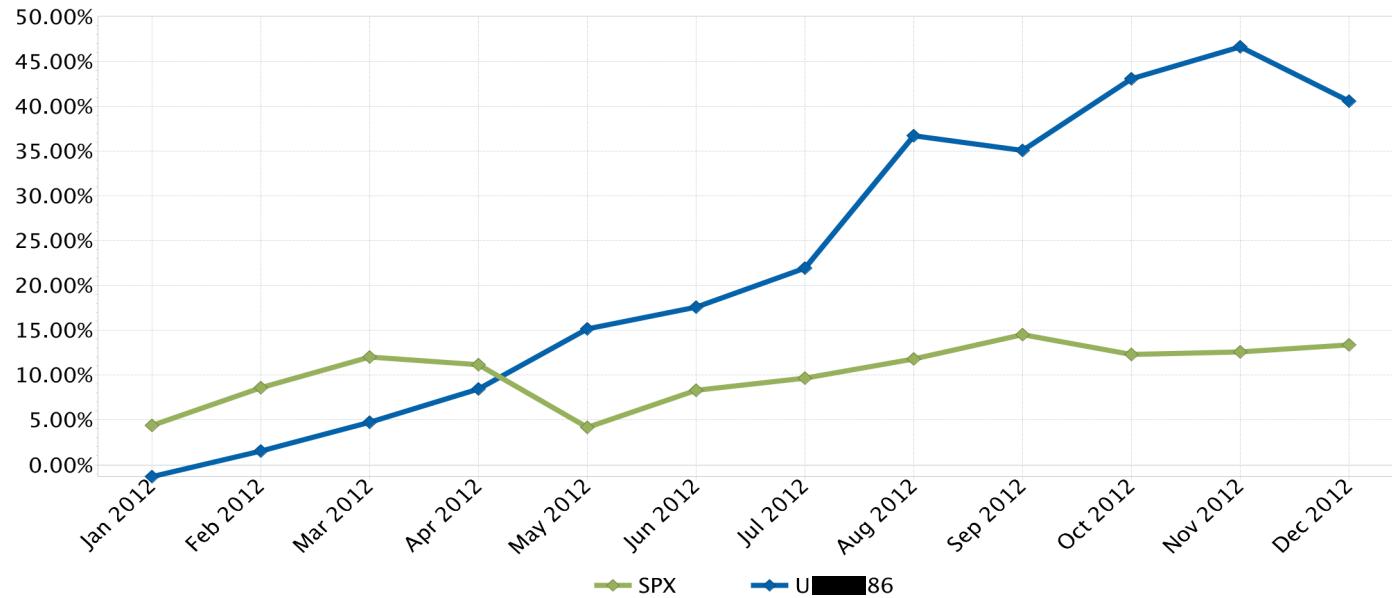
Date	U █ 86
Jan 2012	-1.32%
Feb 2012	1.54%
Mar 2012	4.77%
Apr 2012	8.44%
May 2012	15.15%
Jun 2012	17.57%
Jul 2012	21.94%
Aug 2012	36.74%
Sep 2012	35.11%
Oct 2012	43.07%
Nov 2012	46.61%
Dec 2012	40.57%
Jan 2012 to Dec 2012	40.57%

Key Statistics

Beginning NAV:	6,041.59
Ending NAV:	61,408.57
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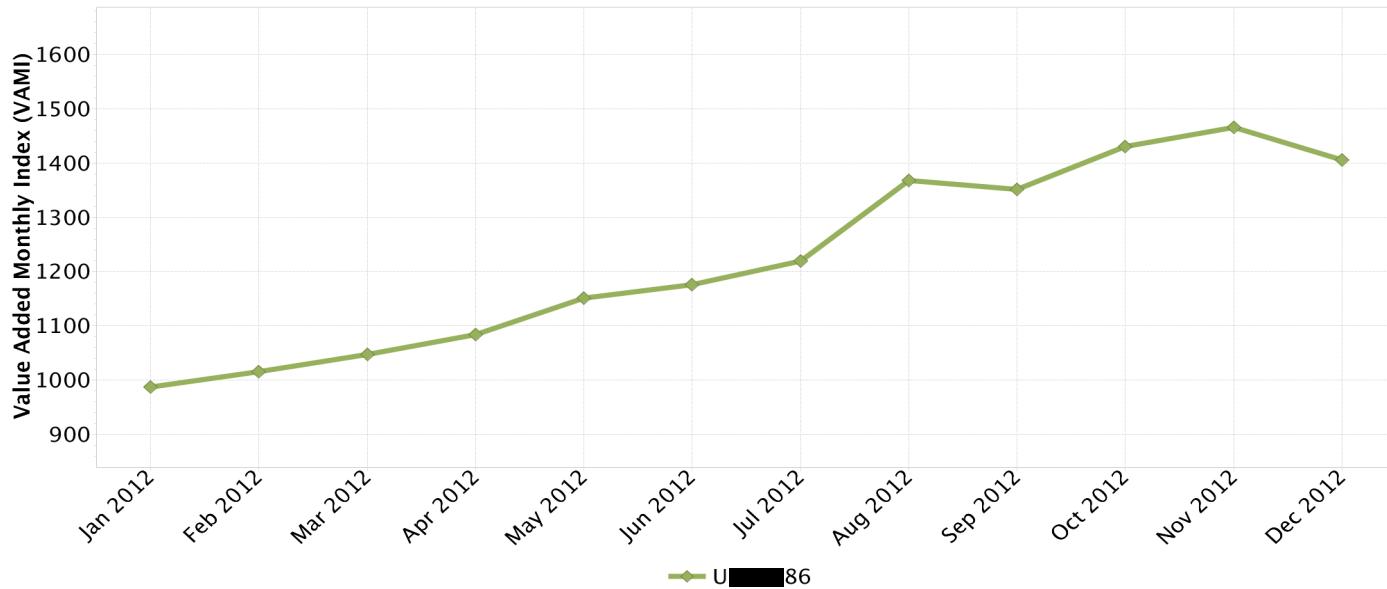


Cumulative Benchmark Comparison



Date	SPX	U [REDACTED] 86
Jan 2012	4.36%	-1.32%
Feb 2012	8.59%	1.54%
Mar 2012	12.00%	4.77%
Apr 2012	11.16%	8.44%
May 2012	4.19%	15.15%
Jun 2012	8.31%	17.57%
Jul 2012	9.68%	21.94%
Aug 2012	11.85%	36.74%
Sep 2012	14.56%	35.11%
Oct 2012	12.29%	43.07%
Nov 2012	12.61%	46.61%
Dec 2012	13.41%	40.57%
Jan 2012 to Dec 2012	13.41%	40.57%

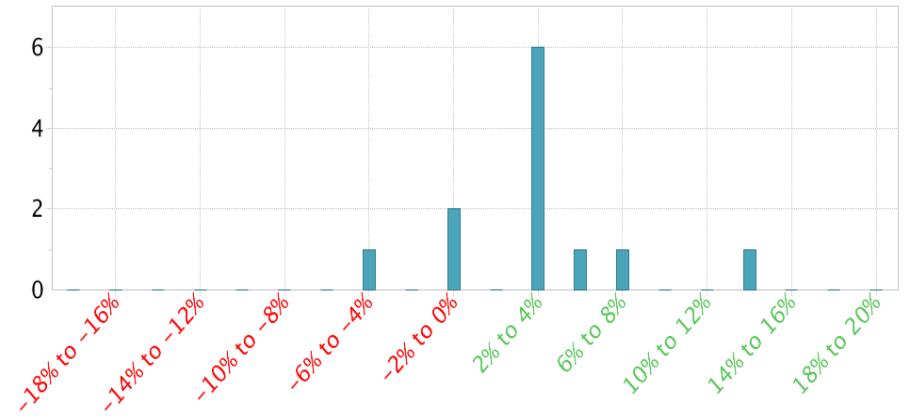
Risk Measures



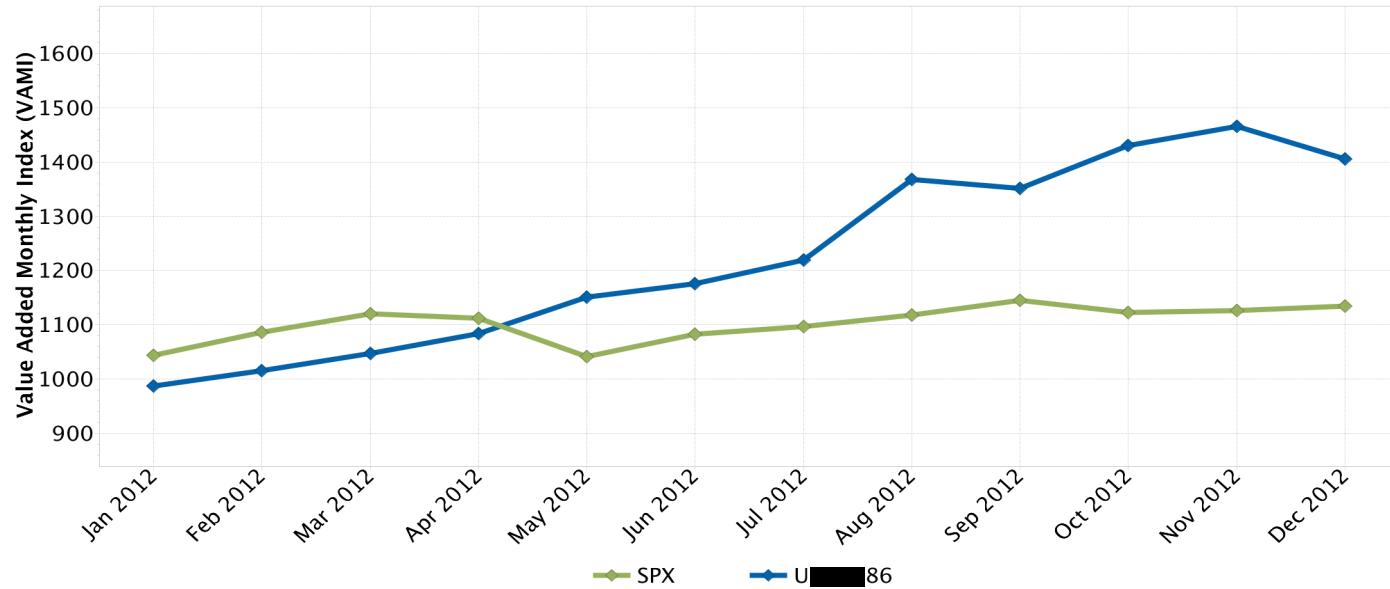
Risk Analysis

Ending VAMI	U █ █ █ 86
Max Drawdown:	1,405.68
Peak-To-Valley:	4.12%
Recovery:	Nov 12 - Dec 12
Sharpe Ratio:	Ongoing
Sortino Ratio:	2.45
Calmar Ratio:	5.04
Standard Deviation:	9.84
Downside Deviation:	4.17%
Mean Return:	1.58%
Positive Periods:	2.95%
Negative Periods:	9 (75.00%)
	3 (25.00%)

Distribution of Returns



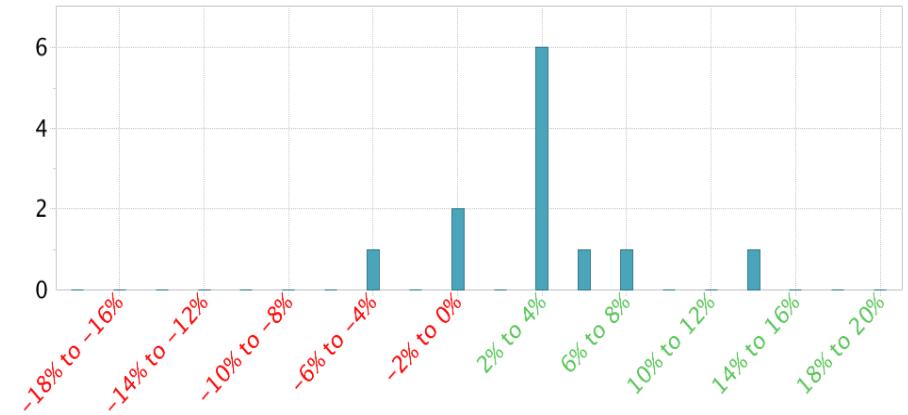
Risk Measures Benchmark Comparison



Risk Analysis

	SPX	U █ 86
Ending VAMI	1,134.06	1,405.68
Max Drawdown:	6.81%	4.12%
Peak-To-Valley:	Mar 12 - May 12	Nov 12 - Dec 12
Recovery:	4 Months	Ongoing
Sharpe Ratio:	1.24	2.45
Sortino Ratio:	0.71	5.04
Calmar Ratio:	1.97	9.84
Standard Deviation:	3.05%	4.17%
Downside Deviation:	2.18%	1.58%
Mean Return:	1.10%	2.95%
Positive Periods:	9 (75.00%)	9 (75.00%)
Negative Periods:	3 (25.00%)	3 (25.00%)

Distribution of Returns





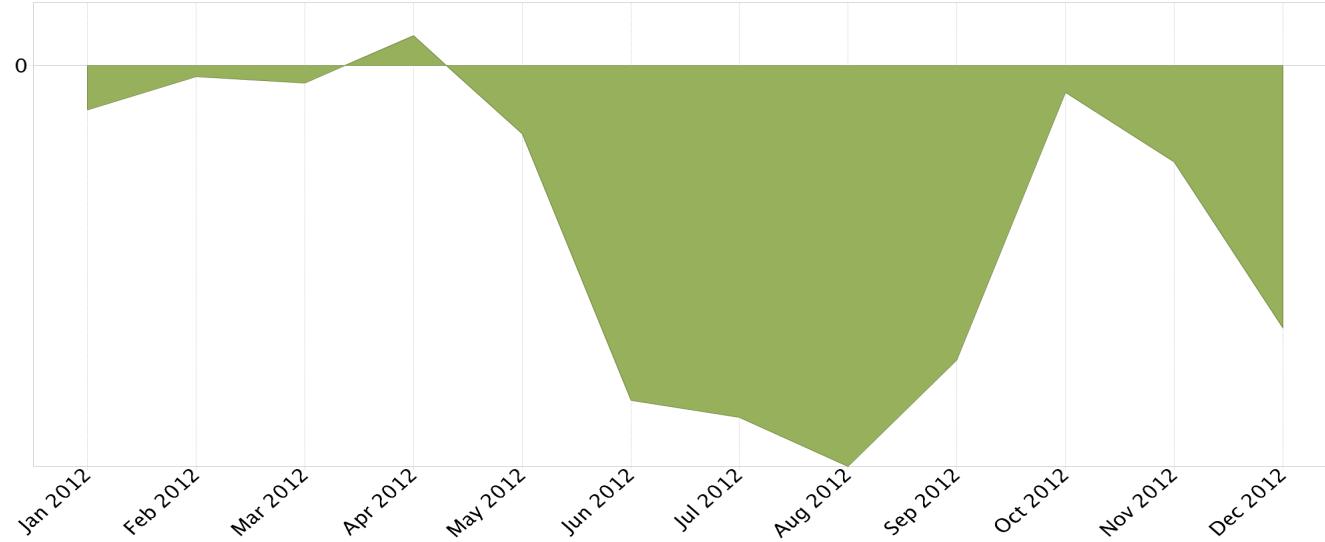
Performance Attribution vs. S&P 500

Sector	Beginning Weight			Ending Weight			Average Weight		
	U █ 86	SPX	+/-	U █ 86	SPX	+/-	U █ 86	SPX	+/-
Basic Materials	-0.34%	3.37%	-3.71%	0.00%	3.49%	-3.49%	-0.10%	3.35%	-3.44%
Communications	0.02%	10.64%	-10.62%	0.00%	11.25%	-11.25%	0.22%	10.74%	-10.52%
Consumer Cyclicals	0.00%	8.96%	-8.96%	0.29%	9.11%	-8.82%	1.06%	8.96%	-7.90%
Consumer Non Cyclicals	1.38%	22.68%	-21.31%	-0.94%	21.44%	-22.39%	0.08%	21.82%	-21.74%
Diversified	0.00%	0.04%	-0.04%	0.00%	0.04%	-0.04%	0.00%	0.04%	-0.04%
Energy	0.00%	12.34%	-12.34%	0.00%	11.06%	-11.06%	0.02%	11.37%	-11.35%
Financials	0.00%	13.33%	-13.33%	0.00%	16.12%	-16.12%	0.00%	14.77%	-14.77%
Industrials	0.00%	10.76%	-10.76%	0.00%	10.26%	-10.26%	0.06%	10.48%	-10.42%
Technology	0.00%	14.08%	-14.08%	0.00%	13.88%	-13.88%	0.00%	14.98%	-14.98%
Utilities	0.00%	3.79%	-3.79%	0.00%	3.37%	-3.37%	0.00%	3.48%	-3.48%
Cash	98.95%	0.00%	98.95%	100.66%	0.00%	100.66%	98.57%	0.00%	98.57%
Unclassified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.00%	0.09%
Total	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%

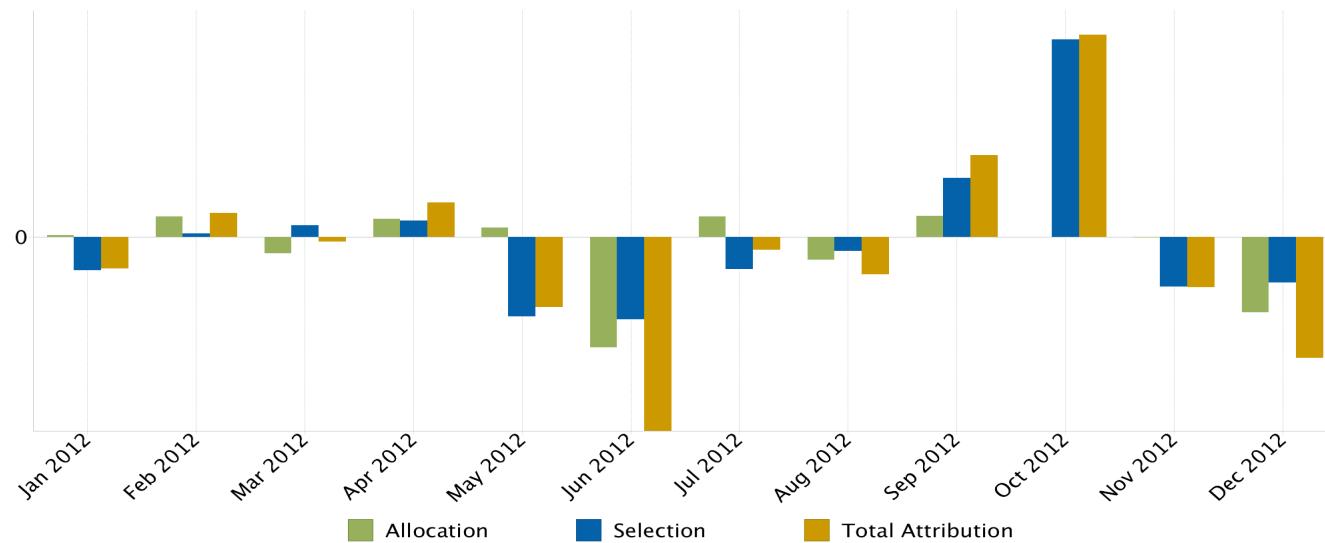
Sector	Period Return			Contribution to Return			Attribution Effect		
	U █ 86	SPX	+/-	U █ 86	SPX	+/-	Allocation	Selection	Total
Basic Materials	-83.80%	2.19%	-85.99%	0.56%	0.07%	0.49%	0.05%	0.50%	0.55%
Communications	-11.09%	3.59%	-14.68%	0.99%	0.39%	0.59%	-0.06%	1.00%	0.94%
Consumer Cyclicals	-85.58%	2.05%	-87.62%	-0.82%	0.19%	-1.00%	0.12%	-0.89%	-0.78%
Consumer Non Cyclicals	-189.58%	1.76%	-191.34%	-1.28%	0.38%	-1.67%	0.29%	-1.25%	-0.96%
Diversified	0.00%	-3.03%	3.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Energy	-89.50%	3.72%	-93.22%	-0.43%	0.39%	-0.82%	-0.06%	-0.44%	-0.50%
Financials	0.00%	5.19%	-5.19%	0.00%	0.78%	-0.78%	-0.29%	0.00%	-0.29%
Industrials	6.07%	2.34%	3.73%	0.06%	0.24%	-0.18%	0.07%	0.07%	0.14%
Technology	0.00%	3.17%	-3.17%	0.00%	0.45%	-0.45%	-0.01%	0.00%	-0.01%
Utilities	0.00%	5.06%	-5.06%	0.00%	0.17%	-0.17%	-0.06%	0.00%	-0.06%
Cash	-0.09%	0.00%	-0.09%	-0.09%	0.00%	-0.09%	-3.01%	-0.09%	-3.11%
Unclassified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	-	-	-	-1.01%	3.06%	-4.11%	-2.94%	-1.19%	-4.13%

Performance Attribution vs. S&P 500 (Cont.)

Total Cumulative Attribution Effect

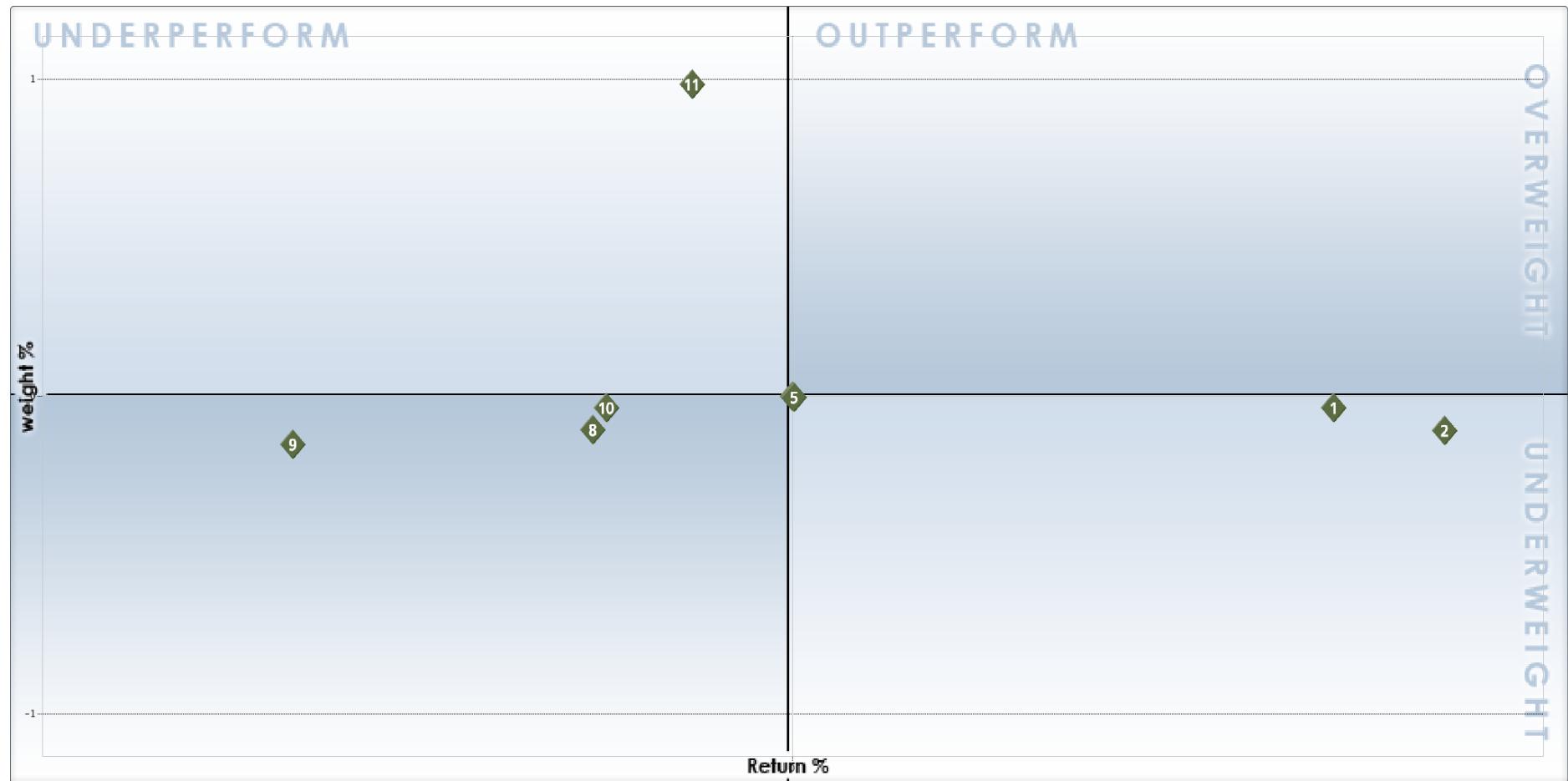


Attribution Effect



Performance Attribution vs. S&P 500 (Cont.)

Weighting Effects



1 - Basic Materials

2 - Communications

3 - Consumer Cyclicals

4 - Consumer Non Cyclicals

5 - Diversified

6 - Energy

7 - Financials

8 - Industrials

9 - Technology

10 - Utilities

11 - Cash

12 - Unclassified



Deposits and Withdrawals

Date	Type	Description	Amount
01/09/2012	Deposit	Cash Receipts / Electronic Fund Transfers	3,750.00
01/17/2012	Deposit	Cash Receipts / Electronic Fund Transfers	11,250.00
02/01/2012	Deposit	Cash Receipts / Electronic Fund Transfers	7,500.00
04/05/2012	Deposit	Cash Receipts / Electronic Fund Transfers	800.00
05/02/2012	Deposit	Cash Receipts / Electronic Fund Transfers	416.43
05/31/2012	Deposit	Cash Receipts / Electronic Fund Transfers	395.61
06/01/2012	Deposit	Cash Receipts / Electronic Fund Transfers	229.50
06/28/2012	Deposit	Cash Receipts / Electronic Fund Transfers	1,000.00
07/25/2012	Deposit	Cash Receipts / Electronic Fund Transfers	500.00
08/13/2012	Withdrawal	Disbursement Initiated By John M Olszewski	-4,500.00
09/04/2012	Deposit	Cash Receipts / Electronic Fund Transfers	7,500.00
09/13/2012	Deposit	Cash Receipts / Electronic Fund Transfers	600.00
09/27/2012	Deposit	Cash Receipts / Electronic Fund Transfers	200.00
10/03/2012	Deposit	Cash Receipts / Electronic Fund Transfers	1,600.00
12/19/2012	Deposit	Cash Receipts / Electronic Fund Transfers	11,700.00
Total			42,941.54



Corporate Actions

Date	Type	Description	Quantity
01/06/2012	CUSIP/ISIN	HANS CUSIP/ISIN change	-25
01/06/2012	CUSIP/ISIN	HANS CUSIP/ISIN change	25

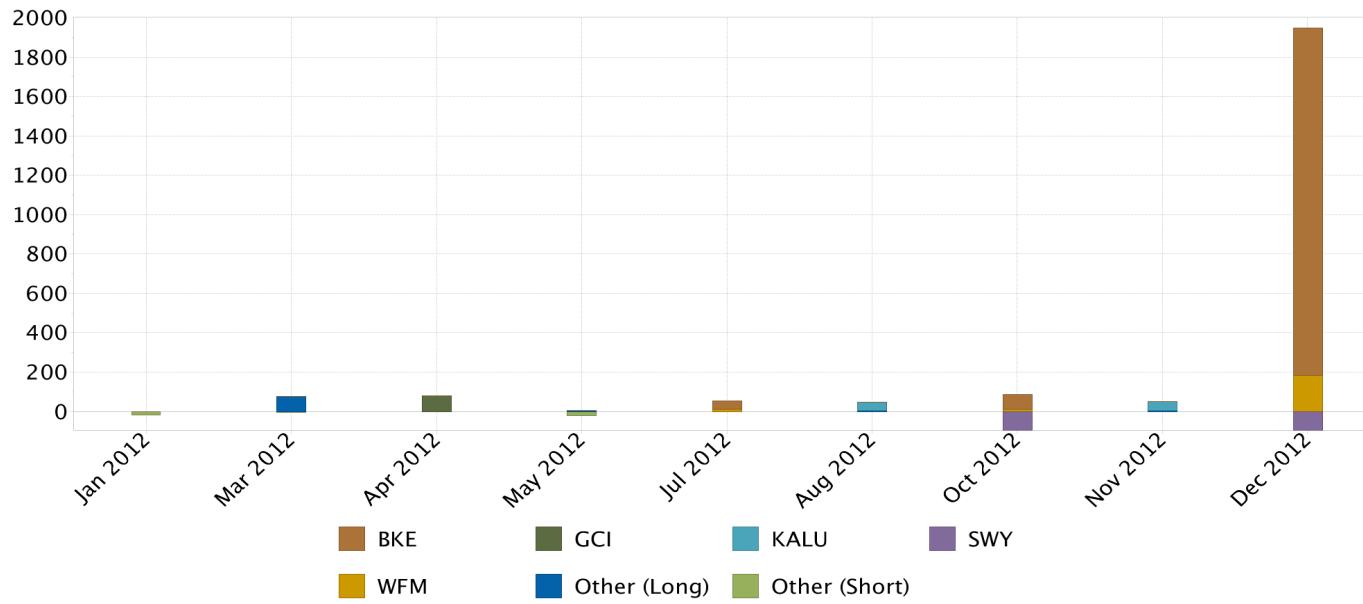


Fee Summary

Date	Description	Amount
01/04/2012	Balance of Monthly Minimum Fee For Dec 2011	-3.65
04/05/2012	Balance of Monthly Minimum Fee For Mar 2012	-2.09
07/05/2012	Balance of Monthly Minimum Fee For Jun 2012	-2.77
08/02/2012	Balance of Monthly Minimum Fee For Jul 2012	-0.26
09/06/2012	Balance of Monthly Minimum Fee For Aug 2012	-6.68
10/03/2012	Balance of Monthly Minimum Fee For Sep 2012	-8.04
11/06/2012	Balance of Monthly Minimum Fee For Oct 2012	-10.00
Total		-33.49



Dividends



Pay Date	Ex-Date	Symbol	Note	Quantity	Dividend Per Share	Estimated Forward Dividend Yield %	Estimated Annual Dividend	Amount
01/06/12	12/15/11	DPS	Payment In Lieu	-59	0.32	3.39	-75.52	-18.88
03/01/12	02/22/12	AVP	Dividend Payment	332	0.23	4.80	305.44	76.36
03/30/12	03/13/12	RRC	Payment In Lieu	-93	0.04	0.26	-14.88	-3.72
04/02/12	03/07/12	GCI	Dividend Payment	395	0.20	5.48	316.00	79.00
05/01/12	03/28/12	DDS	Dividend Payment	80	0.05	0.32	16.00	4.00
05/30/12	04/30/12	FAST	Payment In Lieu	-114	0.17	1.43	-77.52	-19.38
05/30/12	04/30/12	FAST	Dividend Payment	-10	0.17	1.43	-6.80	-1.70
07/10/12	06/27/12	WFM	Dividend Payment	92	0.14	0.58	51.52	12.88
07/27/12	07/11/12	BKE	Dividend Payment	201	0.20	2.04	160.80	40.20
08/01/12	06/27/12	DDS	Dividend Payment	98	0.05	0.31	19.60	4.90
08/15/12	07/24/12	KALU	Dividend Payment	172	0.25	1.96	172.00	43.00
10/09/12	09/26/12	WFM	Dividend Payment	92	0.14	0.57	51.52	12.88
10/11/12	09/18/12	SWY	Payment In Lieu	-546	0.18	4.20	-382.20	-95.55
10/26/12	10/11/12	BKE	Dividend Payment	375	0.20	1.79	300.00	75.00



Dividends (Cont.)

Pay Date	Ex-Date	Symbol	Note	Quantity	Dividend Per Share	Estimated Forward Dividend Yield %	Estimated Annual Dividend	Amount
11/01/12	09/26/12	DDS	Dividend Payment	134	0.05	0.27	26.80	6.70
11/15/12	10/23/12	KALU	Dividend Payment	172	0.25	1.70	172.00	43.00
12/21/12	12/05/12	BKE	Dividend Payment	375	0.20	1.58	300.00	75.00
12/21/12	12/05/12	BKE	Dividend Payment	375	4.50	8.91	1,687.50	1,687.50
12/21/12	12/06/12	WFM	Dividend Payment	92	2.00	2.15	184.00	184.00
12/31/12	12/13/12	SWY	Payment In Lieu	-546	0.18	3.92	-382.20	-95.55
Total								2,109.64

Notes



1. The Net Asset Value (NAV) consists of all positions by asset class (stock, securities options, warrants, bonds, cash, etc.). All non-base currency amounts are converted to the base currency at the close of period rate.
2. The deposit/withdrawal amount displayed in the Account Overview report includes internal transfers along with cash and position transfers.
3. There are no open futures positions, as the gain or loss for futures contracts settles into cash each night.
4. Dividend and interest accruals are included in Cash amounts throughout the report.
5. Price valuations are obtained from outside parties. Interactive Brokers LLC shall have no responsibility for the accuracy or timeliness of any such price valuation.
6. The Allocation by Sector report includes only the following asset classes; stocks (except ETFs) and options. All other asset classes are included in Unclassified sector.
7. Amounts are formatted to two decimal places. If amounts are greater than two decimal places, Interactive Brokers LLC uses "half-even" rounding. This means that Interactive Brokers LLC rounds such amounts up to the nearest even number.
8. The benchmark returns do not include dividends.
9. As of January 31, 2013 the historical annual return since inception of the S&P 500 was 7.82%. This rate was used to calculate the downside deviation. As of December 31, 2012 the US 3 Month Treasury Bill was 0.05%. This was the risk free rate used to calculate the sharpe and sortino ratio.
10. The mean return is the average TWR for the period.
11. Frongello is the method used for mathematical smoothing in the Performance Attribution report. It has been developed by Andrew Scott Bay Frongello.
12. The modified dietz method is used to calculate MWR.



Glossary

Allocation Effect

The percent effectiveness of an account's asset allocation to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes negatively or positively to an account's overall return.

Asset Class

A category of investment products in your portfolio. Cash, stocks, options, futures, etc. are examples.

Attribution Effect

The percent effectiveness of asset allocation and selection of securities on the portfolio's performance when compared to the performance of a benchmark over a specified time period.

Benchmark

A standard against which the performance of your portfolio can be measured.

Calmar Ratio

A ratio used to determine return versus drawdown risk.

Contribution To Return

The percent contribution of certain portfolio constituents (symbols, sectors) to the account's overall return.

Cumulative Return

Geometric linking of single period returns. Cumulative return is presented as a percentage.

Downside Deviation

The standard deviation for all negative returns in your portfolio in the specific time period.

Max Drawdown

The largest cumulative percentage decline in the Net Asset Value of your portfolio from the highest or peak value to the lowest or trough value after the peak.

Mean Return

The average time weighted return of your portfolio for a specified time period.

Money Weighted Return (MWR)

Money Weighted Return (MWR) is used to measure performance during the specified report period. MWR is influenced by the time of decisions to contribute or to withdraw funds, as well as the decisions made by the portfolio manager of the fund.

Negative Periods

The number of occurrences of negative performance returns. For example, if you select a monthly report with 12 months, each month with a negative return would be a negative occurrence.

Net Asset Value (NAV)

The total value of your account.

Peak-to-Valley

The time period during which the Max Drawdown (largest cumulative percentage decline in the NAV) occurred.

Period Return

A performance measure that calculates the return you have received over a period of time.

Positive Periods

The number of occurrences of positive performance returns. For example, if you select a monthly report with 12 months, each month with a positive return would be a positive occurrence.

Recovery

The time it took for the NAV of your account to recover from the valley (lowest NAV) back to the peak (highest NAV).

Sector

A firm's general area of business. Financials, Communications and Energy are all examples of sectors.

Selection Effect

A percentage that measures the ability to select securities within a sector relative to a benchmark.

Sharpe Ratio

A ratio that measures the excess return per unit of risk. The ratio is used to characterize how well the return compensates the account holder for the risk taken.



Glossary (Cont.)

Sortino Ratio

The ratio measures the risk adjusted return of the account. The ratio penalizes only those returns that fall below the required rate of return.

Standard Deviation

Standard deviation is a statistical measurement of variability. It shows how much variation or dispersion there is from the average.

Time Period Return

The return your portfolio has gained or lost for the specific time period. Time period performance is presented as a percentage.

Time-Weighted Return (TWR)

TWR measures the percent return produced over time independent of contributions or withdrawals. TWR eliminates the impact of the timing of inflows and outflows and isolates the portion of a portfolio's return that is attributable solely to the account's actions.

Value-Added Monthly Index (VAMI)

A statistical figure that tracks the daily/monthly/quarterly performance of a hypothetical \$1000 investment.



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