MLM SYMMETRY FUND, LP

CONFIDENTIAL OFFERING MEMORANDUM

CLASS A SHARES

The information contained herein is confidential and private. It is for the exclusive use of persons selected by Mount Lucas Management LP (the "General Partner"), the general partner of MLM Symmetry Fund, LP (the "Partnership"). The Partnership's investment objective is appreciation of its assets through trading and investments. The Partnership invests substantially all of its assets in MLM Symmetry Master Fund Ltd. (the "Master Fund"), which has the same investment objective as the Partnership and conducts substantially all of the trading and investment activities on behalf of the Partnership. The Master Fund seeks to achieve attractive rates of return that are relatively independent of returns in major financial markets. The Master Fund seeks to achieve its investment objective through quantitative trading and investments (other than cash) that are related to equities, fixed income, futures and currencies. The Master Fund invests primarily through exchange-traded, liquid instruments. The General Partner of the Partnership also serves as the investment manager ("Investment Manager") of the Master Fund. *There can be no assurance that the trading, investments and asset allocations accomplished by the Investment Manager of the Master Fund will enable the Partnership to meet its investment objective.*

Except as otherwise provided herein, this Confidential Offering Memorandum ("Offering Memorandum") may not be reproduced or circulated to any persons other than those selected by the General Partner of the Partnership, with the exception that such recipients may show it to their professional advisors. This Offering Memorandum must be returned upon request by the General Partner.

Memorandum No. _____

Furnished to _____ on _____, 201____.

The securities offered hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. Furthermore, the securities offered hereby have not been approved or disapproved by the U.S. Securities and Exchange Commission ("SEC") or the securities commission or other regulatory authority of any state, nor has any of the foregoing authorities passed upon the accuracy or adequacy of this document or endorsed the merits of this offering. Any representation to the contrary is a criminal offense.

Pursuant to an exemption from the Commodity Futures Trading Commission ("CFTC") for certain commodity pools under its regulation section 4.7, this offering memorandum is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a commodity pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or any offering memorandum for this pool.

You should rely only on the information contained in this Offering Memorandum. The General Partner has not authorized anyone to provide you with information that is different. This Offering Memorandum does not constitute an offer by any person within any jurisdiction

to any person to whom such offer would be unlawful. The delivery of this Offering Memorandum at any time does not imply that information contained herein is correct as of any time after the date hereof.

THIS OFFERING MEMORANDUM IS FOR "CLASS A" SHARES ONLY. THE FUND ALSO OFFERS "CLASS B" SHARES REPRESENTING THE "FOUNDERS CLASS" WHICH OFFER A MINIMUM SUBSCRIPTION REQUIREMENT OF $10 MILLION AND INCORPORATES A MANAGEMENT FEE OF 1% PER ANNUM BUT DOES NOT PAY ANY PERFORMANCE-BASED INCENTIVE ALLOCATION TO THE GENERAL PARTNER.

The date of this Confidential Offering Memorandum is September 1, 2014.

MLM Symmetry Fund, LP
405 South State Street
Newtown, PA 18940
United States of America
Telephone: 267-759-3500
Fax: 267-759-3501

MLM SYMMETRY FUND, LP
A Delaware Limited Partnership

This Offering Memorandum describes the offering of Class A interests ("Interests") in the Partnership. Persons acquiring Interests will be admitted as partners ("Limited Partners") of the Partnership. The Partnership has been formed to seek, as its investment objective, to achieve capital appreciation through trading and investments. The Partnership executes its investment strategy by investing all or a substantial portion of its assets in the Master Fund, which has the same investment objective.

Interests may be purchased by investors that meet the suitability and minimum purchase amount requirements provided in this confidential offering memorandum ("Subscribers"), as determined in the sole discretion of the General Partner. Subscribers are being offered Interests up to a maximum of $500,000,000, with a minimum purchase requirement of $1,000,000 for each Subscriber. Purchases of less than $1,000,000 of Interests may be made in the sole discretion of the General Partner. The General Partner, in its discretion, may aggregate certain client relationships for the purpose of meeting the minimum purchase requirement. The General Partner, in its discretion, may increase the aggregate amount of Interests being offered with the consent of the Limited Partners. The General Partner may suspend, limit, or terminate this offering at any time. The Interests are being offered only to Subscribers who are "accredited investors" as defined in Regulation D under the Securities Act and "qualified purchasers" ("Qualified Purchasers") as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules promulgated thereunder.

Subscription payments must be made by wire transfer or check made payable to the Partnership. Monies received in payment for a subscription are held in a Partnership account until the subscription payment is booked to the Subscriber's Partnership capital account, or until the related subscription is rejected by the General Partner. Subscribers will not be paid any interest earned on their funds prior to acceptance or rejection of their subscriptions by the General Partner. A subscription payment generally will be booked to the Subscriber's Partnership capital account as of the first day of the month following the month in which the related subscription is accepted.

The initial offering and organizational expenses were paid by the General Partner. Investors will pay no selling commissions in connection with this offering, although the General Partner may from time to time engage finders or selling agents whom it will compensate directly.

The trading of, and investments in, futures contracts, other commodity interests, securities, financial instruments, currencies, and interests therein and in related indices and the investment in Interests of the Partnership involve a high degree of risk. There can be no assurance that the Partnership will make any profits at all or will be able to avoid incurring substantial losses. Transferability and redemption of the Interests are restricted.

No person is authorized to give any information or to make any representation not contained in this Offering Memorandum in connection with the matters described herein, and, if given or made, such information or representation must not be relied upon as having been authorized. This Offering Memorandum does not constitute an offer by any person within any jurisdiction to any person to whom such offer would be unlawful. The delivery of this Offering Memorandum at any time does not imply that information contained herein is correct as of any time subsequent to the date of its issue.

U.S. COMMODITY FUTURES TRADING COMMISSION
RISK DISCLOSURES

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN DOING SO, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, BEGINNING AT PAGE 10.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS THAT OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

NOTICES

IN MAKING AN INVESTMENT DECISION PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), NOR UNDER THE SECURITIES ACT OF ANY STATE. THE SECURITIES DESCRIBED HEREIN ARE BEING OFFERED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND THE SECURITIES ACTS OF CERTAIN STATES. THESE SECURITIES HAVE NOT BEEN APPROVED NOR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION. NEITHER HAS THE SEC NOR ANY STATE SECURITIES COMMISSION PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS ARE ALSO BEING OFFERED IN A MANNER SO AS NOT TO REQUIRE REGISTRATION OF THE PARTNERSHIP UNDER THE 1940 ACT, BY VIRTUE OF SECTION 3(c)(7) THEREOF AND THE RULES THEREUNDER (THE "3(c)(7) EXEMPTION"). ACCORDINGLY, INTERESTS ARE BEING OFFERED ONLY TO "QUALIFIED PURCHASERS" (AS DEFINED IN SECTION 2(a)(51) OF THE 1940 ACT). IN ADDITION, INTERESTS ARE NOT BEING OFFERED TO AN INVESTOR THAT IS A COMPANY, SUCH AS A COMPANY RELYING ON THE EXCLUSION FROM SUCH REGISTRATION PURSUANT TO SECTION 3(c)(1) OF THE 1940 ACT (A "3(c)(1) COMPANY"), THAT WAS FORMED FOR THE SPECIFIC PURPOSE OF ACQUIRING THE INTERESTS OFFERED BY THE PARTNERSHIP (AS THE PARTNERSHIP IS EXCLUDED FROM THE DEFINITION OF INVESTMENT COMPANY BY THE 3(c)(7) EXEMPTION), UNLESS EACH BENEFICIAL OWNER OF THE COMPANY'S SECURITIES IS A "QUALIFIED PURCHASER."

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

INTERESTS ARE AVAILABLE ONLY TO PERSONS WILLING AND ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT. THE INTERESTS ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. THE INTERESTS ARE NOT TRANSFERABLE WITHOUT THE GENERAL PARTNER'S CONSENT AND HAVE LIMITED REDEMPTION RIGHTS. SPECIFICALLY, INTERESTS MAY NOT BE REDEEMED EXCEPT AS OF THE LAST DAY OF THE RELEVANT MONTH-END.

THIS OFFERING MEMORANDUM CONSTITUTES AN OFFER ONLY IF THE NAME OF AN OFFEREE APPEARS IN THE APPROPRIATE SPACE PROVIDED ON THE COVER PAGE OF THIS OFFERING MEMORANDUM AND ONLY IF DELIVERY OF THIS OFFERING MEMORANDUM IS PROPERLY AUTHORIZED BY THE GENERAL PARTNER. THIS OFFERING MEMORANDUM HAS BEEN PREPARED BY THE GENERAL PARTNER

SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE PROPOSED SALE OF THE INTERESTS, AND ANY REPRODUCTION OF THIS OFFERING MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER, IS PROHIBITED. ANY CONTRARY ACTION MAY PLACE THE PERSON OR PERSONS TAKING SUCH ACTION IN VIOLATION OF STATE AND FEDERAL SECURITIES LAWS. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, A PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF (i) THE PARTNERSHIP AND (ii) ANY TRANSACTIONS DESCRIBED HEREIN, AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE.

THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL.

THE CONTENTS OF THIS OFFERING MEMORANDUM SHOULD NOT BE CONSTRUED AS INVESTMENT, LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO SEEK INDEPENDENT INVESTMENT, LEGAL AND TAX ADVICE CONCERNING THE CONSEQUENCES OF INVESTING IN THE PARTNERSHIP.

THIS OFFERING MEMORANDUM CONTAINS A SUMMARY OF THE MATERIAL TERMS OF THE INFORMATION PURPORTED TO BE SUMMARIZED HEREIN. HOWEVER, THIS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, REFERENCE IS MADE TO THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT ("LIMITED PARTNERSHIP AGREEMENT") OF THE PARTNERSHIP AND THE OTHER AGREEMENTS, DOCUMENTS, STATUTES AND REGULATIONS REFERRED TO HEREIN FOR THE EXACT TERMS OF SUCH LIMITED PARTNERSHIP AGREEMENT AND OTHER AGREEMENTS, DOCUMENTS, STATUTES AND REGULATIONS.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS OFFERING MEMORANDUM IN CONNECTION WITH THE MATTERS DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS OFFERING MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

THE INTERESTS ARE SUITABLE FOR SOPHISTICATED INVESTORS FOR WHOM AN INVESTMENT IN THE PARTNERSHIP DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE PARTNERSHIP'S TRADING AND INVESTMENT PROGRAM. THE PARTNERSHIP'S TRADING AND INVESTMENT PRACTICES, BY THEIR NATURE, MAY BE CONSIDERED TO HAVE A SUBSTANTIAL DEGREE OF RISK.

EACH PROSPECTIVE INVESTOR IS INVITED TO MEET WITH AUTHORIZED REPRESENTATIVES OF THE GENERAL PARTNER TO DISCUSS WITH, ASK QUESTIONS

OF, AND RECEIVE ANSWERS FROM SUCH PERSONS CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING OF THE INTERESTS, AND TO OBTAIN ANY ADDITIONAL INFORMATION (TO THE EXTENT THE GENERAL PARTNER POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE) NECESSARY TO VERIFY THE INFORMATION CONTAINED HEREIN.

Prospective investors from any of the following states must carefully consider the applicable legend, required by state securities laws, before deciding whether to invest in the Partnership.

Notice to Florida investors:

IF THE PROSPECTIVE INVESTOR IS NOT A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY AS DEFINED IN THE 1940 ACT, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), THE PROSPECTIVE INVESTOR ACKNOWLEDGES THAT ANY SALE OF THE INTERESTS TO THE PROSPECTIVE INVESTOR IS VOIDABLE BY THE INVESTOR EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE INVESTOR TO THE ISSUER, OR AN AGENT OF THE ISSUER, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE INVESTOR, WHICHEVER OCCURS LATER.

Notice to Tennessee investors:

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

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SUMMARY OF OFFERING

The following summary is intended to highlight certain information contained in the body of this Offering Memorandum. It is qualified in its entirety by the more detailed information appearing in the remainder of this Offering Memorandum. All capitalized terms not otherwise defined herein have the meanings set forth in the Limited Partnership Agreement of the Partnership attached hereto as Exhibit A (the "LP Agreement").

General Partner.

The General Partner of the Partnership is Mount Lucas Management LP, a Delaware limited partnership. *See* "The General Partner" below for information regarding the principals of the General Partner.

The Partnership.

MLM Symmetry Fund, LP is a limited partnership organized under the Delaware Revised Uniform Limited Partnership Act, Delaware Code Title 6, Sections 17-101 et seq., as amended and in effect on the date hereof (the "Act"). (*See* the LP Agreement attached as Exhibit A hereto.)

The Master Fund.

The MLM Symmetry Master Fund Ltd. is a Cayman Islands exempted company incorporated with limited liability. The Partnership, as a shareholder of the Master Fund, bears its proportionate share of the Master Fund's costs and operating expenses, such as brokerage, administrative, legal and audit costs. **As the Partnership invests substantially all of its assets in the Master Fund, all references herein to the investment or trading activities of the Partnership refer to the combined activities of the Partnership and the Master Fund, unless the context otherwise requires.**

Securities Offered.

The Partnership is offering available Interests, up to an aggregate of $500,000,000, with a minimum purchase requirement of $1,000,000 for each Subscriber. The General Partner, in its discretion, may increase the aggregate amount of Interests offered to an amount exceeding $500,000,000. The General Partner may approve purchases of less than the minimum requirement of $1,000,000 in the sole discretion of the General Partner. The General Partner, in its reasonable discretion, may aggregate certain client relationships that are connected through a third party introduction or referral for the purpose of meeting the minimum purchase requirement. Subscribers may purchase Interests as of the first business day of each calendar month. Upon notice to the Limited Partners, the General Partner may suspend, limit or terminate this offering at any time. The General Partner reserves the right to reject any subscription, in whole or in part, for any reason. All subscriptions for Interests are irrevocable by the Subscribers.

In addition to the Interests being offered by way of this Offering Memorandum, the Partnership is also offering Class B interests that are not being offered by way of this Offering Memorandum but a separate offering memorandum. The Class A interests ("Ordinary Class") and the Class B Interests ("Founders Class") shall be identical in all respects except for certain

differences in fees and minimum investment amounts as described in the respective offering memoranda.

Eligible Investors.

Interests are being offered in a private placement exempt from registration under the Securities Act, pursuant to Section 4(2) thereof and Regulation D thereunder. The Partnership will not be registered as an investment company under the 1940 Act, pursuant to an exclusion from registration in Section 3(c)(7) thereof and the rules thereunder. Moreover, the General Partner has filed, on behalf of itself, the Partnership and the Master Fund, notices of exemption with the U.S. Commodity Futures Trading Commission ("CFTC") based on Rule 4.7 under the Commodity Exchange Act, as amended ("CEA"). As a result of these exemptions and other requirements, Interests are being offered only to persons who are Qualified Purchasers. The requirements necessary to satisfy the requirements for a Qualified Purchaser are set forth in the Subscription Documents, attached hereto as Exhibit B.

Expenses of the Offering.

No sales commissions will be payable in connection with this offering. The General Partner will pay all of the Partnership's and the Master Fund's organizational and initial offering expenses, including legal and printing fees.

Business.

The Partnership's investment objective is appreciation of its assets through trading and investments. It seeks to achieve attractive rates of return that are relatively independent of returns in major financial markets. The Partnership trades and invests, directly or indirectly, in securities and financial instruments related to equities, fixed income, futures and currencies. The Partnership invests substantially all of its assets in the Master Fund. *See* "Trading Strategies."

Brokerage.

The Partnership executes and clears trades through various unaffiliated brokers and dealers selected by the Investment Manager. The Partnership and the Master Fund pay brokerage commissions and fees in connection with their trading activities at negotiated rates. With respect to the brokerage commissions paid, the Investment Manager expects to obtain favorable rates for the Partnership. However, no assurance can be given that these rates will be competitive with the charges of other broker-dealers or that the Partnership's broker-dealers will not charge other customers lower rates.

Management Fee/Expenses of Administration.

The General Partner receives as compensation for the management services that it renders on behalf of the Partnership a monthly management fee in an amount equal to 0.0833% of the balance of the Limited Partners' Capital Accounts at the end of the calendar month (which equals 1.00% per annum) prior to any additions, redemptions or profit allocation as of such month end. The management fee is charged only at the Partnership level and no additional management fee is charged at the Master Fund level. The management fee will be pro-rated for any partial month. The General Partner in its sole discretion, and for any reason, may waive any portion of the management

fee payable by a Limited Partner. The management fee is payable whether or not the Partnership's trading and investments are profitable. The Partnership pays all of its transaction fees incurred in connection with its trading and investment activities, any taxes payable by the Partnership and any extraordinary expenses, and its *pro rata* share of the same expenses of the Master Fund. The Partnership also pays all ordinary bookkeeping, accounting, auditing and legal expenses of the Partnership and its *pro rata* share of the same expenses of the Master Fund and the Master Fund's offshore administration and regulatory expenses. *See* "Charges to the Partnership."

Profit Allocation.

At the end of each Fiscal Year, the General Partner is allocated a profit allocation equal to 10% of the of the excess of each Class A Limited Partner's Net New Profit at the end of the Partnership's Fiscal Year (as defined in the Limited Partnership Agreement). The General Partner in its sole discretion may waive any portion of the profit allocation attributable to a Limited Partner for any reason. Upon redemption of a Limited Partner's Interest in the Partnership as of a date other than the end of a Fiscal Year, or upon termination of the Partnership, a profit allocation is allocated to the General Partner from the Limited Partner's redemption proceeds as described in the Partnership Agreement.

Profit and Loss Allocation among Limited Partners.

Profits and losses of the Partnership (after management fees and other expenses of the Partnership) are allocated each month-end among the Limited Partners based on the balance in each Limited Partner's Capital Account at the beginning of the month. Taxable income and loss generally is allocated in such manner as to reflect as nearly as possible the amounts credited or charged to each Limited Partner's Capital Account. *See* LP Agreement attached hereto as Exhibit A.

Distributions and Redemptions.

The Partnership may make distributions to Limited Partners, on a pro rata basis, at the discretion of the General Partner. The General Partner, however, does not currently intend to cause the Partnership to make any such distributions. Subject to certain requirements, Limited Partners are permitted to redeem their Interests, in whole or in part, at each month-end; provided, however, that such Limited Partners must submit to the General Partner a written redemption request at least ten (10) days prior to the month-end. The General Partner in its sole discretion may waive some or all of these requirements. *See* LP Agreement attached hereto as Exhibit A.

Limited Transferability.

The transfer, assignment, pledge or encumbrance of Interests, without the consent of the General Partner, is restricted by the LP Agreement. Transfers or assignments of Interests may be made without restriction between affiliated parties of the Limited Partners. *See* LP Agreement — Section 10 – Admission of Additional Partners; No Assignments.

Federal Income Taxes.

The Partnership and Master Fund are characterized as partnerships for U.S. federal income tax purposes. Therefore, the Partnership's taxable income or loss for a taxable year, including the Partnership's pro rata share of the Master Fund's taxable income or loss, will not be taxable to the Partnership, but will be allocated to the Limited Partners. A prospective investor is responsible for,

and should consider carefully, all of the potential tax consequences of an investment in the Partnership and should consult with the investor's tax advisor before subscribing for an Interest.

The Partnership is not a publicly-traded partnership or an association taxable as a corporation. Trading and investment activity of the Partnership, including the Partnership's allocable share of the Master Fund's trading and investment activity, will result primarily in capital gains and capital losses. Substantial interest income as well as other ordinary income or loss may be generated. Part or all of the interest income and gain allocable to a Limited Partner that is a tax-exempt organization, qualified pension plan, or individual retirement plan could be treated as unrelated business taxable income ("UBTI") and could be subject to income tax. Limited Partners who are non-U.S. persons will be subject to U.S. tax. See "Certain Federal Income Tax Consequences" herein, including the material therein under "Notice Pursuant to IRS Circular 230."

ERISA.

Subject to considerations discussed under "Certain ERISA Considerations" herein, Interests may be purchased by employee benefit plans or other retirement accounts. Prospective employee benefit plan or other retirement account investors should consult their own legal and tax advisors to determine the ERISA and other consequences of investing in the Partnership. *See* "Certain ERISA Considerations."

Risks and Conflicts of Interest.

An investment in the Partnership is speculative and involves substantial risks due in part to the nature of the Partnership's trading and investment activities, the leveraged, unregulated and frequently volatile markets in which the Partnership trades and invests and the significant charges that the Partnership pays regardless of whether any profits are realized. *See* "Risk Factors" and "Charges to the Partnership." The General Partner potentially has conflicts of interest with the Partnership. *See* "Conflicts of Interest and Responsibility of the General Partner."

Plan of Distribution.

The Partnership is offering Interests on a continuous basis. The General Partner, in its discretion, may increase the aggregate amount of Interests being offered without the consent of the Limited Partners. The General Partner may suspend, limit, or terminate this offering at any time. Monies received in payment for a subscription are held in a Partnership account until the subscription payment is booked to the Subscriber's Partnership capital account, or until the related subscription is rejected by the General Partner. Subscribers will not be paid any interest earned on their funds prior to acceptance or rejection of their subscriptions by the General Partner.

The initial offering and organizational expenses were paid by the General Partner. Investors will pay no selling commissions in connection with this offering, although the General Partner may from time to time engage finders or selling agents whom it will compensate directly.

THE GENERAL PARTNER; OFFSHORE MANAGEMENT

The General Partner.

Mount Lucas Management LP, a Delaware limited partnership, is the General Partner of the Partnership and the Investment Manager of the Master Fund. The address and telephone number of the General Partner are 405 South State Street, Newtown, PA 18940, United States of America; telephone: 267-759-3500 (fax: 267-759-3501). The General Partner is registered as an investment adviser with the U.S. Securities and Exchange Commission ("SEC") and as a Commodity Pool Operator and Commodity Trading Advisor with the CFTC. The General Partner is a member of the National Futures Association (the "NFA").

The responsibilities of the General Partner are described below under "Conflicts of Interest and Responsibility of the General Partner" and in the LP Agreement, in Section 12 "Management." The General Partner makes all trading and investment decisions for the Partnership. The General Partner also manages numerous other investment vehicles and may manage additional investment vehicles in the future, which will trade and invest pursuant to the same strategy as, or a different strategy from, the Partnership. As of November 30, 2013, the General Partner's assets under management were approximately $ 1.4 billion.

The LP Agreement requires the General Partner to maintain its General Partner contribution to the Partnership in an amount at least equal to $10,000. The General Partner may make additional contributions and may withdraw amounts credited to its capital account, except that no withdrawal shall be permitted if, after giving effect to such withdrawal, total General Partner contributions would be less than $10,000. The principals and employees of the General Partner may also make investments in the Partnership. The General Partner and its principals and employees currently have substantial investments in other investment vehicles trading pursuant to a similar strategy as the Partnership and may invest in the Partnership.

The principals of the General Partner are Roger E. Alcaly, Paul R. DeRosa, Raymond E. Ix, Jr., James A. Mehling, John R. Oberkofler, Gerald L. Prior III and Timothy J. Rudderow Sr .

Roger E. Alcaly became a principal and Director of the General Partner when it merged with CA Limited Partners, Inc., a company he formed with Messrs. Rudderow and Vannerson in 1990. Prior to helping form CA Limited Partners, Mr. Alcaly was active in leveraged acquisitions, merger arbitrage, and value-oriented equity investing, first as a partner of Kellner DiLeo & Co. and KD Equities, and then at Riverside Capital, a company he formed after leaving those firms in May 1987. Before joining Kellner DiLeo, Mr. Alcaly served as Assistant Director of the Council on Wage and Price Stability and as a Senior Economist at the Federal Reserve Bank of New York, and taught Economics at Columbia University. Mr. Alcaly holds a B.A. from Amherst College and a Ph.D. in Economics from Princeton University.

Paul R. DeRosa became a principal and Director of the General Partner when it merged with CA Limited Partners, Inc., which he joined in January 1999. Mr. DeRosa began his career in the securities industry as the money market economist in Citibank's bond trading division. He later became the bank's chief proprietary bond trader and subsequently head of Citibank's financial derivative and capital markets businesses in North America. In 1986 Mr. DeRosa joined E.F. Hutton Co. as co-head of bond trading with particular responsibility for mortgage trading and finance. In

1989 he helped to establish Eastbridge Holdings Inc., a bond and currency trading company in New York, and served as President and CEO from June 1995 to June 1998. Mr. DeRosa holds a Ph.D. in Economics from Columbia University.

Raymond E. Ix, Jr. is a Senior Vice President of the General Partner. Mr. Ix joined Mount Lucas Management Corporation in 1992 and is responsible for institutional marketing and client service. From 1989 to 1992, Mr. Ix was employed by Little Brook Corporation of New Jersey where he was involved in implementing the firm's technical trading systems. Before joining Little Brook, Mr. Ix was the Fixed Income Administrative Manager at Delaware Management Partnership. Mr. Ix received a B.S. in accounting from Saint Joseph's University in 1986.

James A. Mehling is a Vice President and Chief Operating Officer of the General Partner. Before joining Mount Lucas Management Corporation in June 1999, Mr. Mehling had served as President and Chief Investment Officer of Monitor Capital Advisors beginning in 1991. Mr. Mehling started his career in financial services with Merrill Lynch in 1976 and eventually managed a trading desk for Merrill Lynch Government Securities. He is a CFA® charter holder and has served as a volunteer on the CFA® examination grading committee. Mr. Mehling received a B.S. in Aviation Engineering from Western Michigan University in 1970.

John R. Oberkofler is a Vice President and Director of Trading for the General Partner. From 1986 to 1999, he was employed as Senior Trader by Little Brook Corporation of New Jersey. From 1990 to 2000, he was registered as a commodity trading advisor in his own name. Mr. Oberkofler received a B.S. in Finance from Seton Hall University in 1982.

Gerald L. Prior III is a Vice President of the General Partner. Mr. Prior joined Little Brook Corporation upon graduation from college. He began his career on the trading desk automating trade flow processes. Presently he heads up Quantitative Research for futures. Before taking on his present responsibilities he was Director of Technology. He holds a B.S. in Mathematics from Villanova University.

Timothy J. Rudderow Sr is President of the General Partner which he helped to establish in 1986. Prior to the mergers which took place in October 1999, Mr. Rudderow was also a principal of Little Brook Corporation of New Jersey, which he joined in 1983 as Director of Research and Development, and of CA Limited Partners, Inc., a company he helped form in 1990. From 1984 to 2000, he was registered as a commodity trading advisor in his own name. Prior to joining Little Brook, Mr. Rudderow was employed by Commodities Corporation with responsibilities for the design and management of technical trading systems. Before joining Commodities Corporation, Mr. Rudderow taught Economics at Drexel University. Mr. Rudderow received a B.A. in Mathematics from Rutgers University in 1977 and an M.B.A. in Management Analysis from Drexel University in 1979.

Offshore Management.

The Master Fund is managed by a Board of Directors which currently is composed of the following individuals: Roger E. Alcaly; Paul R. DeRosa; Raymond E. Ix; Timothy J. Rudderow Sr, Alan Tooker; and Damian Juric. Biographical information regarding Messrs. Alcaly, DeRosa, Ix, and Rudderow is set forth above.

Alan Tooker is Managing Director of A.R.C. Directors Ltd., a Cayman Islands domiciled company providing directorships to offshore hedge funds. He has over twenty years' experience in

the hedge fund and futures industry and his previous positions include Managing Director of DPM Europe Ltd from 2003 to 2005, Chief Operating Officer of GNI Fund Management Ltd. from 1999 to 2003, Finance Director and Compliance Officer of Sabre Fund Management Ltd., from 1998 to 1999, and Finance Director and Compliance Officer of IG Index Ltd. from 1987 to 1998. Prior to joining IG Index Ltd., Mr. Tooker was Finance Director of Tricon Trading Ltd., the European subsidiary of Tricon USA Inc. He began his career as an FCA with Arthur Young & Co., after earning a B.A. in Economics from Manchester University.

Damian Juric is a Principal of A.R.C. Directors Ltd. He has ten years of experience in advising sponsors, fund managers, directors and investors on the structuring, formation and regulation of onshore and offshore investment funds, including hedge funds, private equity funds and venture capital funds. His previous positions include Senior Associate at Campbells Attorneys at Law (Cayman Islands), Associate at Kaye Scholer LLP (London) and Associate at Linklaters LLP (Amsterdam) and Baker & McKenzie N.V. (Amsterdam), where he specialized in the areas of investment funds and general corporate law. Mr. Juric holds a Bachelor of Business Science (B Bus Sc), Bachelor of Laws (LLB) and a Master of Laws (LLM)(Commercial Law) from the University of Cape Town (South Africa), and a Master of Laws (LLM) from Cornell University (USA). Mr. Juric is admitted to practice law in the Cayman Islands (2010), the State of New York (2004) and South Africa (2000).

The Master Fund's board of directors meets at least annually to review the trading, investment and administrative affairs of the Master Fund.

The Master Fund's directors have delegated administrative responsibility for the Master Fund to BNY Mellon Alternative Investment Services Ltd (the "Administrator"). Pursuant to an administration agreement entered into between the Administrator and the Master Fund (the "Offshore Administration Agreement"), the Administrator is responsible, under the ultimate supervision of the Master Fund's board of directors, for all matters pertaining to the administration of the Master Fund, including: (a) maintaining the financial books and records of the Master Fund; (b) transmitting monthly and annual net asset value ("NAV") reports to shareholders of the Master Fund; (c) computing and publishing the NAV of the shares; (d) providing registrar and transfer agency services in connection with the issuance, transfer and redemption of the Master Fund's shares; and (e) performing all other accounting and clerical services necessary in connection with the administration of the Master Fund. The Offshore Administration Agreement may be terminated for cause at any time and otherwise may be terminated upon 90 days' prior written notice. The Offshore Administration Agreement provides that in the absence of any gross negligence, malfeasance, willful misconduct or material breach of the Offshore Administration Agreement on the part of the Administrator, it will be indemnified by the Master Fund against liabilities in connection with the performance of its services. Pursuant to the Offshore Administration Agreement, the Master Fund pays a monthly fee to the Administrator.

The Master Fund's directors have delegated investment and trading authority to Mount Lucas Management LP ("the Manager"). Pursuant to the Investment Management Agreement ("IMA") entered into between the Master Fund and the Manager, the Manager has full discretion over the management of the trading and investment activities of the Master Fund. The IMA provides that the Manager shall not be liable to the Master Fund or its shareholders for any acts or omissions in the performance of its services provided such conduct does not constitute willful misconduct, gross negligence, reckless disregard of its duties, or material breach of the IMA and was done in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Master Fund.

The IMA contains provisions for the indemnification of the Manager by the Master Fund against liabilities to third parties arising in connection with the performance of its services to the Master Fund.

TRADING AND INVESTMENT STRATEGY

The Partnership's investment objective is appreciation of its assets through trading and investments. It seeks to achieve attractive rates of return that are relatively independent of returns in major financial markets. The Partnership invests in, equities, fixed income, futures and currencies primarily through exchange-traded, liquid instruments. In general, the Partnership's trading and investments tend to have option-like characteristics. That is, they have relatively well-known and limited downsides, and less well-known, but relatively large, upsides. One common characteristic of such trading and investments is that they may require many months to develop successfully. Hence a long-term perspective, rather than a focus on month-to-month returns or intra-month fluctuations, is an essential requirement of an investor in the Partnership.

The Partnership utilizes a wide variety of futures contracts, securities and financial instruments to implements its strategy, including, but not limited to, stocks, futures, swaps and options. Regardless of the specific security, the Partnership invests primarily in exchange-traded and highly liquid instruments but may also invest in over-the-counter derivatives. The Partnership also utilizes leverage in trading and making its investments. In doing so it may borrow money from banks and other lenders, finance investments through repurchase agreements, and trade and invest in securities and futures on margin. Substantial leverage also is inherent in a number of instruments in which the Partnership trades and invests. There is no set limit on the amount of leverage that may be employed in the Partnership's trading and investments. The use of leverage is taken into account when determining the amount of Partnership capital to be allocated to its various strategies and positions.

The Partnership's trading and investment strategies involve substantial risk. *See* "Risk Factors."

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. THERE IS NO GUARANTEE THAT THE PARTNERSHIP WILL ACHIEVE ITS OBJECTIVES, HAVE ANY PROFITS OR WILL NOT EXPERIENCE SUBSTANTIAL LOSSES.

INVESTMENT FACTORS

The General Partner wishes to call the following potential advantages of an investment in the Partnership to prospective Subscribers' attention:

Favorable Risk/Return Profile.

The Partnership's trading and investment methodology attempts to achieve relatively high returns with relatively low risk. The methodology's risk/return ratio has historically compared favorably with those of other investment performance benchmarks for the stock and bond markets. However, past performance is not necessarily indicative of future results.

Limited Exposure to Market Direction.

The Partnership's trading and investment methodology and scope is designed to be relatively uncorrelated with the major financial markets. As a consequence, the Partnership's returns are expected to be relatively independent of returns in major financial markets. Accordingly, the Partnership's profit potential does not depend to any significant extent on favorable financial market conditions and it may be as profitable (or unprofitable) during periods of declining stock and bond prices as during rising periods.

Professional Management.

All Partnership trading and investment decisions are made by the General Partner utilizing proprietary trading models developed by such principals. The principals and employees of the General Partner have substantial experience in trading and investing, including particularly trading futures, options on futures and other commodity interests, which might not otherwise be available to an individual investor.

Limited Liability.

Investors dealing directly in the markets utilized by the Partnership may incur unlimited liability and may, due to the highly leveraged nature of trading and investing in such markets, lose substantially more than they invest. A Limited Partner, however, cannot lose more than the amount of his investment in the Partnership, including profits and distributions with respect thereto, and is not personally subject to any margin calls on trading or investment activities of the Partnership. No assurance can be given to a Limited Partner, however, as to the amount, if any, the Limited Partner will receive on redemption of the Limited Partner's Interests in the Partnership, because the possibility of executing trades or redeeming Interests under unfavorable conditions, as well as expenses of liquidation, may completely deplete the Partnership's assets. **THERE CAN BE NO ASSURANCE THAT THE PARTNERSHIP WILL MAKE ANY PROFITS AT ALL OR WILL BE ABLE TO AVOID INCURRING SUBSTANTIAL LOSSES.**

Reduced Brokerage Commissions.

The Partnership pays brokerage commissions at competitive rates. The Partnership's rates generally will be lower than those available to individual investors because of the volume of the Partnership's trading and investment activity. Nevertheless, the Partnership may not pay the lowest brokerage rates available. **THE PARTNERSHIP WILL BE SUBJECT TO SUBSTANTIAL FEES AND EXPENSES.** ***SEE*** **"CHARGES TO THE PARTNERSHIP."**

Administrative Convenience.

The Partnership will relieve Limited Partners of the need to attend to the administrative details involved in engaging directly in the trading and investment activities conducted by the Partnership, such as bookkeeping, reviewing confirmations and other reports and maintaining relations with dealers, banks and brokers.

RISK FACTORS

An investment in the Partnership entails certain significant risks. Investment in the Interests should be made only after consulting with independent, qualified sources of investment and tax advice. Among the risks involved are the following:

Partnership Risks.

1. **Concentration**. The Partnership's investments will be concentrated substantially in investments in the Master Fund and the returns on the Partnership's investments will be entirely dependent on the successful generation of capital appreciation and revenue by the Master Fund. There can be no assurance that the Master Fund will generate returns comparable to those previously generated by the Investment Manager.

2. **Multiple Levels of Fees and Expenses**. Returns to the Partnership's Limited Partners in respect of the Partnership's investments in the Master Fund will be reduced by the costs and expenses of the Master Fund. Returns to the Partnership's Limited Partners in respect of the Partnership's investments in the Master Fund will also be reduced by the fees and expenses of the Partnership itself. The General Partner will pay its own overhead costs and expenses, but the returns generated by the Partnership will be reduced by the costs and expenses of the Partnership and the costs and expenses of administration, accounting, compliance, legal services and, if any, taxes. The General Partner also receives a management fee at an annual rate of 1.00% on a monthly basis prior to any additions, redemptions or profit allocation at such month end. The General Partner does not, however, receive a management fee or incentive allocation from the Master Fund.

3. **All Decisions Exclusively by the General Partner**. All decisions with respect to the trading and investment management of the Partnership and the Master Fund and with respect to the administrative management of the Partnership and the Master Fund will be made exclusively by the General Partner. Limited Partners have no right or power to take part in the management or affairs of the Partnership or the Master Fund or to participate in the trading or investment decisions of the Partnership and the Master Fund.

4. **General Partner's Other Businesses**. The General Partner is engaged and will continue to be engaged in several lines of business and will not be required or expected to expend all or a majority of its time and resources on the trading and investment management of the Partnership or the Master Fund and on the administrative management and related business activities of the Partnership or the Master Fund.

5. **Loss of Key Personnel**. If the General Partner were to lose a key person or personnel, it may have a substantial effect on the ability of the General Partner to achieve investment returns and to provide effective administrative management to the Partnership and the Master Fund.

6. **No Assurance of Investment Appreciation or Distributions**. There is no assurance that the Partnership's investments will appreciate in value, can ever be sold at a profit, or can be operated at a profit. It is possible that some or all of the Partnership's investments in the Master Fund may be sold by the Partnership at a net sales price which will be less than the acquisition costs paid on account of such investments.

7. **Fees and Expenses**. The Partnership will bear all expenses incurred in connection with its operations. All of these expenses and fees are deducted from cash funds generated by the operations and disposition of investments of the Partnership prior to a determination of whether funds are available for distribution to the Limited Partners. Moreover, the General Partner may, in its discretion, retain any portion of the Partnership's available cash for working capital reserve purposes of the Partnership.

8. **Limited Liability for Partnership Debts or Obligations**. A Limited Partner will not be personally liable for any of the obligations of the Partnership. Under the Delaware Limited Partnership Act, as amended (the "Act"), however, a Limited Partner may, under certain circumstances, be liable to return any distributions to or withdrawals by the Limited Partner that were made in violation of the Act. To the extent that the Partnership is required to return an amount previously paid to it by the Master Fund, the Partnership may, in the discretion of the General Partner, require a Limited Partner to return amounts previously distributed to that Member in accordance with the Limited Partner's share of any liabilities arising out of events occurring in any Accounting Period in which the Member held Interests in the Partnership. Notwithstanding the foregoing, no Limited Partner will be obligated to return any distribution or withdrawal received from the Partnership after the third anniversary of the applicable distribution or withdrawal date.

9. **Limited Transferability and Illiquidity of Interests**. Purchase of the Interests should be considered a long-term investment.

- **Restrictions on Transfer**. Transfer of the Interests is subject to significant restrictions. The Interests will not be registered under the Securities Act by reason of specific exemptions afforded by the provisions of that act, which depend, in part, upon the agreement of the purchasers not to transfer their Interests except under certain circumstances. Sales or other transfers of the Interests may be made only in compliance with the Securities Act or applicable exemptions thereunder, the exclusions under Section 3(c)(7) of the 1940 Act, applicable state securities laws or applicable exemptions thereunder, the CEA and regulations or exemptions thereunder, and certain limitations set forth in the LP Agreement.

- **Restrictions on Withdrawal and Distributions In-Kind Upon Withdrawal**. There are severe restrictions on a Limited Partner's withdrawals of funds from the Partnership and on transfers of Interests. Subject to certain notice requirements, withdrawals or redemptions of Interests are permitted only at each month-end. The prior written consent of the General Partner, in its sole discretion, will be required for a transfer of the Interests of any Limited Partner prior to the time that Limited Partners are permitted to withdraw capital or have their positions in the Partnership voluntarily liquidated.

- **Effect of Withdrawal of Member's Interest**. The Limited Partners may make withdrawals from their Capital Accounts subject to certain limitations. A Limited Partner generally may withdraw any or all of the balance of Interests in an Investment Account as of any month-end. If one or more Limited Partners withdraw a substantial amount of Interests in the Partnership, the Partnership may have to withdraw a substantial amount of its investments from the Master Fund. The loss of these investments in the Master Fund could disrupt the trading and investment program of the Partnership and the Master Fund and investment returns for the remaining Limited Partners. Such a disruption in

investments could also cause high portfolio turnover and related brokerage and tax expenses.

10. **Amendments of LP Agreement Without Consent of All Limited Partners**. The terms and provisions of the LP Agreement may be amended, modified or supplemented from time to time by the General Partner in any manner that does not adversely affect the rights of any Limited Partner. Any amendment that adversely affects the rights of a Limited Partner will require the written consent of a Majority Interest of the Limited Partners and the affirmative vote of the General Partner. All Limited Partners are entitled to redeem their interests prior to the effective date of any amendment, modification or supplement.

Master Fund Risks.

1. **Exchange Risks**. Each exchange on which securities or futures are traded typically has the right to suspend or limit trading in the securities which it lists. Such a suspension or limitation could render it impossible for the Master Fund to liquidate its positions and thereby expose it to losses. In addition, there is no guarantee that exchanges and other secondary markets will always remain liquid enough for the Master Fund to close out existing positions.

2. **Illiquidity of Investments of the Master Fund**. It is anticipated that the Master Fund's investments may consist of some securities for which there is no public market and/or that are subject to restrictions on sale because they were acquired from the issuer in "private placement" transactions or because such restrictions are imposed as a condition of purchase (such privately placed and illiquid securities, collectively, "Illiquid Securities"). Limitations on sale of these investments could prevent a successful sale thereof, delay sales at times that are otherwise desirable or reduce the amount of proceeds that might otherwise be realizable. Investments in Illiquid Securities may be held in a separate side pocket account, at the discretion of the Investment Manager, and until such investments are reallocated to the Capital Account of the Partnership (e.g., upon a sale or disposition of the investment), a Limited Partner may not make cash withdrawals from its Capital Account that are related to the value of any Illiquid Securities held in a side pocket account. As a result of these types of investments, the portfolio of the Master Fund will not be as liquid as would have been the case had the Master Fund invested solely in liquid securities.

3. **Risks of Leverage**. The Master Fund's investments may be highly leveraged. If the Master Fund is unable to generate adequate cash flow to meet redemptions of its Interests or its margin, option obligations, or debt service obligations, it is probable that the Partnership will fail to realize anticipated returns on its investment in the securities, futures, options or other investment positions it has taken through the Partnership's indirect investment in the Master Fund, and all or a portion of such investment may be lost. In addition, other general business risks, such as increased interest rates, reduced availability and cost of credit, labor problems, casualty losses, natural disasters, terrorism, war, civil unrest, and other events that require additional capital resources, will have a more aggravating effect on leveraged companies. To a limited extent, the Master Fund may increase the number and extent of its "long" positions by borrowing (e.g., by purchasing securities on margin). Entering into short sales may also increase the use of leverage by the Master Fund. Moreover, the amount of any borrowing by the Master Fund may be limited by applicable regulations and by the availability and cost of credit. The Master Fund does not expect to incur indebtedness in connection with its operations, other than interest on margin debts.

4. **Unspecified Investments**. Limited Partners must rely upon the ability of the General Partner, as Investment Manager to the Master Fund, to select appropriate investments on behalf of the Master Fund. A Limited Partner will not have the opportunity to evaluate personally the relevant economic, financial and other information which is utilized by the General Partner in the selection and evaluation of investments by the Master Fund.

5. **Short Selling and Other Hedging Activities**. The Master Fund may also engage in short selling if the Investment Manager believes that certain share or futures prices have become overvalued due to gains in the market price of the shares. The Master Fund makes money when the market price of the stock or future goes down after the short sale. Conversely, if the price of the stock or future goes up after the sale, the Master Fund will lose money because it will have to close out the short position at a higher price than the price at which it sold the stock or future short. A short sale involves the risk of theoretically unlimited liability in the amount of an increase in the market price of the securities or futures involved above the price at which the securities were sold short or, for futures the sale price set in the futures contract. Consequently, the Master Fund will know the maximum amount of any gain from the short sale (the value of the securities at the short sale price or, for futures, the value of the underlying instrument or commodity at the sale price in the futures), but will not know the maximum liability (as the price of the securities sold short or for futures, the price of the underlying instrument or commodity, may increase to greatly more than such short sale price).

6. **Options**. The Master Fund may make use of options. The Investment Manager may purchase or sell put and call options on behalf of the Master Fund that are traded on national securities exchanges or over-the-counter markets, as well as on electronic communications networks (ECN's). Options can be used in many ways, such as to increase market exposure (i.e., for purposes of leverage), to reduce overall market exposure (i.e., for hedging purposes), to increase the portfolio's current income, or to reduce the cost basis of a new position. As the writer of a call option (for which the Master Fund does not own the underlying security or instrument), the Master Fund has a potentially unlimited liability for any increase in the price of the underlying security or instrument above the exercise price of the option. As the writer of a put option, the Master Fund will incur a loss should the underlying security or instrument decrease in value below the exercise price. Any loss, however, will be offset at least in part by the premium received from the sale of the option.

7. **Futures Contracts, Options on Futures Contracts and Commodity Interests Positions**. The Master Fund may purchase and sell commodities interests, including, but not limited to, futures contracts and options on futures contracts. Such contracts and options are standardized and traded on a contract market or exchange.

- **Futures Contracts**. A futures contract is an obligation to buy or sell a specified security or commodity at a set price on a specified future date. A stock index futures contract is an agreement to take or make delivery of an amount of cash based on the difference between the value of the index at the beginning and end of the contract period. A currency futures contract is an agreement to take or make delivery of a specified amount of currency at a future date at a price set at the time of the contract.

- **Options on Futures**. If the Master Fund buys a call option on a futures contract, it has the right (but not the obligation) to purchase the futures contract at the set exercise price at any time until the option expires. If the Master Fund buys a put option on a futures contract, it has the right (but not the obligation) to sell the futures contract at the set exercise price at any time until the option expires. The Master Fund pays premiums to buy options on futures, which are not repaid. Futures and options on futures are considered "derivative securities" because their value depends on the value of an underlying security, index or asset. If the Master Fund sells or writes a put or call option, it is contractually obligated under the call option, to sell a futures contract, or under the put option, to buy a futures contract, at the exercise price if the buyer of the option exercises its right. As the writer of a call option on a futures contract (for which the Fund does not own the underlying futures contract), the Master Fund would theoretically be subject to potentially unlimited liability for any increase in the price of the underlying futures contract above the exercise price of the option. As the writer of a put option on a futures contract, the Fund will incur a loss if the underlying futures contract decreases in value below the exercise price. If the value of the underlying futures contract decreases to less than the exercise price of the put option and the put option is exercised, the Fund, as the writer of the put option, will be required to buy the futures contract at the exercise price despite the fact that the futures contract may be worth little or nothing or entail a liability (to purchase an asset or commodity at a price above the then current market price, or to sell an asset or commodity at a price below the then current market price.) The loss, however, will be offset at least in part by the premium received from the sale of the put option.

- **Use of Futures and Options on Futures**. The Master Fund may use financial futures contracts and related options on futures for investment management purposes or to hedge against changes in the market value of its portfolio securities, commodity interests, or other assets, or other securities or assets that it intends to purchase. A financial futures contract or an option thereon (such as an interest rate futures contract or securities index futures contract) could be purchased to protect against a decline in the value of the portfolio or to gain exposure to securities, commodity interests, or other assets that the Master Fund otherwise wishes to purchase. Historically, prices in the futures market have tended to move in concert with, and have maintained a fairly predictable relationship to, prices in the cash market. Consequently, the Master Fund may possibly protect against a decline in the market value of securities, commodity interests, or other assets in the portfolio to a considerable extent by gains realized on futures contracts sales. Similarly, the Master Fund may possibly, by purchasing futures contracts, protect against an increase in the market price of securities, commodity interests, or other assets that the Master Fund may wish to purchase in the future. The Master Fund may also use futures contracts and/or options on futures to (1) help manage risks relating to targeted percentages in long or short positions for its portfolio and other market factors, (2) increase liquidity, (3) invest in a particular instrument in a more efficient or less expensive way, (4) quickly and efficiently cause new cash to be invested in the securities markets, commodity interests, or other assets and/or (5) convert fund positions to cash, if cash is needed to meet requests to redeem interests in the Master Fund.

- **Margin on Futures Contracts and Premiums to Purchase Options on Futures**. Commodity futures contracts, including index futures and other financial futures, are customarily bought or sold on margin, which may be less than 5% of the purchase price of the contract being traded. Initial margin is the minimum deposit necessary to initiate a futures position and variation margin is the minimum deposit necessary to continue to maintain a position each business day after the futures position is initiated, as determined by the FCM that is retained by the Master Fund under the rules of the applicable futures contract market. The Partnership pays a premium to purchase an option on a futures contract, in a similar manner as for the purchase of options on securities. Once the Partnership has paid the premium, it cannot recoup the premium, but the amount the Partnership earns upon exercise of the option may be enough or more than enough for the Partnership to recoup the amount of the premium it has paid.

- **Risks of Futures and Options on Futures**. The performance of derivative investments, such as futures and options on futures depends, at least in part, on the performance of an underlying asset.

    - Derivative investments involve costs to make the investment, may be volatile, with large upward or downward swings in price and/or value, and may involve a small investment relative to the risk assumed.

    - Other risks include failure to obtain delivery of the contracts, underlying securities or other assets purchased, or default by the other party to the contract or option. There is also the risk of loss by the Master Fund of margin deposits in the event of bankruptcy of an FCM with whom the Master Fund has an open position in a futures contract or option.

    - Some derivatives are particularly sensitive to changes in interest rates, with relatively greater upward or downward swings in price and/or value for small changes in interest rates.

    - The successful use of futures and options on futures will depend on the Investment Manager's ability to predict market movements. The effectiveness of a futures or options transaction for hedging will depend on the degree that price movements in the underlying securities, index, commodity interest or asset correlate with price movements in the relevant portion of the Master Fund's portfolio. The Master Fund bears the risk that the prices of its portfolio securities, commodity interests, or other assets will not move in the same amount as the futures or option on futures it has purchased, or that there may be a negative correlation that would result in a loss on both the underlying securities, commodity interests, or other assets and the derivative instrument.

    - In addition, adverse market movements could cause the Master Fund to not recoup the premium paid (for an option bought) for an options contract that expires unexpired and/or to experience substantial losses on an investment in a futures contract.

- There can be no assurance that a liquid market will exist for any particular futures contract at any specific time. Futures exchanges may limit fluctuations in futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Consequently, it may not be possible to close a particular futures position. The inability to close futures positions may have an adverse impact on the Master Fund's ability to effectively manage its portfolio. Furthermore, if the Master Fund is unable to close out a futures position and if prices move adversely, the Master Fund will have to continue to make daily cash payments to maintain its required variation margin on the futures contract.

8. **Foreign Exchanges**. The Master Fund purchases and sells securities through the facilities of securities exchanges and markets located outside the U.S. and may be required to effect such transactions through an account with a securities broker that is a member of such securities exchange. Foreign securities exchanges and their member firms are not generally subject to U.S. regulation or a comparable level of regulation in the relevant country. There is also no assurance that such rules as may apply will be enforced. Clearing and settlement procedures on exchanges located in emerging market countries may be quite different from the procedures applicable in more developed countries, and it is possible that such procedures may lead to delays in settling transactions. Such delays could cause the Master Fund to miss profit opportunities or to incur losses. In addition, it is possible that the clearing and settlement mechanism could fail or brokerage firms could fail, causing loss to the Master Fund. Costs for transactions on foreign markets are generally higher than comparable costs on U.S. markets and might also include the cost of purchasing a foreign currency.

9. **Foreign Investments**. Overseas investments may entail risks not present in U.S. markets. These risks include the possibilities that foreign markets may not be as developed or efficient as those in the U.S., that securities of some foreign issuers may be less liquid than those of comparable U.S. issuers, that volume and liquidity in most foreign markets are less than in the U.S., and that at times volatility of price can be greater than in the U.S. In addition, applicable regulations may be less stringent or different than in the U.S., less information may be publicly available, and non-U.S. issuers may not be subject to accounting and financial reporting standards, practices and requirements comparable to those applicable to U.S. issuers. Moreover, since evidences of ownership of such instruments may be held outside the U.S., the Master Fund may be subject to additional risks, including possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of governmental restrictions, which might adversely affect payments on foreign instruments or might restrict payments to foreign investors.

10. **Other Investments**. The Investment Manager may also invest the assets of the Master Fund in short-term United States Government obligations, certificates of deposit, commercial paper and other money market instruments, including repurchase agreements with respect to such obligations, to enable the Master Fund to make investments quickly and to serve as collateral with respect to certain of its investments. If the Investment Manager believes that a defensive position is appropriate because of expected economic, market or business conditions or the outlook for security prices, or when the Investment Manager determines that opportunities for trading or investing are unattractive, a greater percentage of Master Fund assets may be invested in such obligations. The Master Fund may also engage in securities lending activities. From time to time, in the sole discretion of the Investment Manager, cash balances in the Master Fund's brokerage account may be placed in a money market fund.

11. **No Assurance of Low Correlation**. Not only is the past performance of the Master Fund not a guarantee of future results, but also there can be no assurance the Master Fund's performance results will be relatively uncorrelated with (i.e., unrelated to) the major financial markets. If the Master Fund's performance is not relatively uncorrelated with these markets, the Partnership cannot help diversify an investor's overall portfolio for such purpose.

12. **Prime Broker Risk**. The Master Fund ranks as one of the Prime Broker's unsecured creditors in relation to assets of the Master Fund which the Prime Broker (as defined below) borrows, lends, pledges or hypothecates and, in the event of the insolvency of the Prime Broker (as defined below), the Master Fund might not be able to recover equivalent assets in full.

Market Risk Factors.

With respect to the trading and investment strategies utilized by the Partnership and the Master Fund, there is always some, and occasionally a significant, degree of market risk.

1. **Market Risks**. The Partnership's trading and investment strategies require liquid, properly functioning markets. In extraordinary circumstances, such as the U.S. stock market break in October 1987 or the global financial crises of 1998 and 2008, the liquidity of some trading instruments may be impaired and pricing mechanisms may not function properly. The Partnership might be exposed to substantial loss should it find it necessary to liquidate positions under such conditions.

2. **Fluctuations in Market Prices**. The prices of the instruments the Partnership trades are highly volatile, market movements are difficult to predict and financing sources and related interest and exchange rates are subject to rapid change. One or more markets in which the Partnership trades may move against the positions held by it, thereby causing substantial losses. Prices are affected generally, among other things, by trade, fiscal, agricultural, monetary and exchange control programs and policies of governments, supply and demand relationships, national and international political and economic events and policies. Market volatility may not be as expected, thereby affecting the success of trading strategies. The profitability of the Partnership depends on successful trading and investment over the long term taking into account such fluctuations in market prices.

3. **Financial Difficulties of Institutions and Custodians**. There is the possibility that institutions, including brokerage firms and banks, with which the Partnership does business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties or bankruptcy proceedings that may impair the operational capabilities or the capital position of the Partnership.

4. **Commodity Exposure**. A significant portion of the Partnership's capital is invested in equities and other instruments representing interests in commodity companies. As a result, the Partnership is exposed to risks associated with commodity price fluctuations as such fluctuations impact the prices of such equities and other instruments. Such commodity prices are highly volatile and no assurance can be given that the Master Fund's investment strategy will result in profitable trades or that the Partnership will not incur substantial losses.

5. **Competitive Markets**. There is no assurance that the Master Fund will be able to locate and invest in suitable investments. The competition for suitable investment opportunities could adversely affect the pricing at which the Master Fund invests in securities, futures, or other investment vehicles, the timing of investments and the timing of the disposition of such investments and distributions to the Partnership as an interest-holder of the Master Fund, or otherwise lead to investments that are less attractive than preferred by the Master Fund and the Partnership. The markets in which the Master Fund intends to invest are extremely competitive. In pursuing its investing methods and strategies, the Master Fund competes with larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks and broker-dealers. Accordingly, the Master Fund may have difficulty in competing in markets in which its competitors have substantially greater financial resources, larger research staffs, and more investment professionals than the Master 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 Master Fund and the price it expects to receive upon consummation of the transaction.

6. **Common Stocks, Preferred Stocks and Other Equity Securities**. The Master Fund may invest in equity securities ("Equities"), which generally take the form of common stock or preferred stock, as well as securities convertible into common stocks. Equities represent a proportionate share of the ownership of a company; their value is based on the success of the company's business and the value of its assets, as well as general market conditions. The purchaser of Equities typically receives an ownership interest in the company as well as certain voting rights. The owner of Equities may participate in a company's success through the receipt of dividends, which are distributions of earnings by the company to its owners. Owners of Equities may also participate in a company's success or lack of success through increases or decreases in the value of the company's shares as traded in the public trading market for such shares or through exchange offers or tender offers for such shares. Preferred stockholders typically receive greater dividends but may receive less appreciation than common stockholders and may have different voting rights as well. Equities may also include warrants or rights. Warrants or rights give the holder the right to buy a common stock at a given time for a specified price.

- The prices of individual Equities may go up and down dramatically. These price movements may result from factors affecting individual companies or industries, or the securities market as a whole. A slower-growth or recessionary economic environment could have an adverse effect on the price of the various Equities held by the Master Fund.

7. **Counterparty Risk**. Many of the instruments in which the Partnership may trade or invest are traded in markets in which performance is the responsibility only of the individual counterparty and not of an exchange or clearinghouse. In these cases, the Partnership is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

Tax Risks.

The following are certain tax aspects prospective investors should consider in evaluating the Interests for purchase. See "Certain Federal Tax Considerations" for a discussion of various tax aspects of an investment in the Partnership.

To ensure compliance with Internal Revenue Service ("IRS") Circular 230, Subscribers and Limited Partners are hereby notified that: (A) any discussion of U.S. federal income tax issues in this Offering Memorandum is not intended or written to be used, and it cannot be used by Subscribers and Limited Partners, for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code of 1986, as amended (the "Code"); (B) such discussion is written to support the promotion or marketing of the transactions or matters addressed herein; and (C) Subscribers and Limited Partners should seek advice based on their particular circumstances from an independent tax advisor (i.e., a tax advisor other than the General Partner, its affiliates or persons providing professional services or advice to the Partnership).

1. **Partnership Status**. Each of the Partnership and Master Fund is classified as a "partnership" for U.S. federal income tax purposes and not as an association taxable as a corporation. As a partnership, the Partnership itself will not be subject to U.S. federal income tax. If the Partnership is not treated as a partnership for U.S. federal income tax, both the Partnership and each Limited Partner will be subject to U.S. federal income taxes. If the Master Fund is not treated as a partnership for U.S. federal income tax purposes, the Limited Partners of the Partnership will be treated as owning shares, indirectly, in a passive foreign investment company and/or controlled foreign corporation with potentially adverse results to the Limited Partners. Whether the Partnership or Master Fund will be treated as a partnership under the various state and local laws that may apply to Limited Partners depends on the specific laws of each such jurisdiction.

2. **Taxable Income May Exceed Cash Distributions**. The federal income tax liability of a Limited Partner, resulting from (a) the disposition by the Partnership, including the Partnership's allocable share of any gain from the disposition by the Master Fund, of investments, (b) the disposition of an Interest or (c) the ongoing operations of the Partnership, may substantially exceed the cash, if any, received by the Limited Partner as a result of such disposition or operations.

3. **Risk of Audit of the Partnership; Penalties and Interest**. An audit of any of the tax returns of the Partnership, including of the Partnership's pro rata share of the Master Fund's taxable income or loss, may result in adjustments to its tax returns, which would require an adjustment to each Limited Partner's personal tax return. An audit may also result in an audit of non-Partnership items on a Limited Partner's tax return. Any audit of a Limited Partner's return may involve substantial accounting and/or legal fees and other costs to the Limited Partner for which the Limited Partner will have no right to reimbursement from the Partnership or the General Partner/Investment Manager. **NO REPRESENTATION OR WARRANTY OF ANY KIND IS MADE WITH RESPECT TO THE DEDUCTIBILITY OR THE CAPITALIZATION OF ANY ITEM BY THE PARTNRSHIP OR A LIMITED PARTNER.** Pursuant to the audit procedures under the Code, items of Partnership income, gain, loss, deduction and credit will generally be determined at the Partnership level in a unified Partnership audit. The statute of limitations on assessment of tax applies separately for Partnership items. With respect to each Limited Partner, therefore, the statute of limitations may be open with respect to Partnership items even though the non-Partnership aspects of the Limited Partner's tax return may be closed under the rules generally applicable to individual and corporate taxpayers. In addition, the "tax matters partner" (the General Partner in the case of the Partnership) is permitted to extend the statute of limitations with respect to tax items attributable to the Partnership by agreement with the IRS on behalf of the Partnership without the consent of the Limited Partners.

4. **Schedule K-1**. A Schedule K-1 for Limited Partners of the Partnership may not be available by April 15. **As a result, Limited Partners may be required to obtain extensions of the filing date of their income tax returns at the federal, state and local levels.**

PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX ADVISERS REGARDING POSSIBLE TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP. THESE CONSEQUENCES MAY BE MATERIAL TO A PARTICULAR INVESTOR'S DECISION AS TO WHETHER TO INVEST IN AN INTEREST, AND NO ATTEMPT IS MADE IN THIS MEMORANDUM TO GIVE ANY TAX ADVICE. *SEE* "CERTAIN INCOME TAX CONSEQUENCES."

Other Risks

1. **Special Tax Considerations for ERISA Fiduciaries and Other Tax-Exempt Entities**. A fiduciary of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or other tax-exempt entity should bear in mind certain important considerations in determining whether the plan should invest in the Partnership. As discussed in greater detail under "CERTAIN TAX CONSIDERATIONS – Unrelated Business Taxable Income" a portion of the income of the Partnership and, therefore, a portion of the income allocated to each Limited Partner, including ERISA plans and other tax exempt entities (such as individual retirement accounts, and charitable organizations and foundations, etc), may be unrelated business taxable income subject to Federal income taxation (to the extent it exceeds the allowable specific deduction). A charitable remainder trust that has any unrelated business taxable income in a taxable year is subject to an excise tax equal to the amount of such unrelated business taxable income.

2. **No Independent Underwriter**. No extensive in-depth due diligence investigation has been conducted by an independent underwriter concerning the proposed business activities of the Partnership or the General Partner/Investment Manager.

3. **Conflicts of Interest**. The General Partner, its affiliates and their personnel (i) will devote only such time and efforts to the business of the Partnership as each of them determine are necessary, respectively, and (ii) are not prohibited from engaging in activities that are competitive with the Partnership. It is expected that the General Partner and affiliates of the General Partner, and their personnel may act in similar roles in the future. Performance of the functions assigned to the General Partner in the LP Agreement and of those functions assigned to affiliates of the General Partner on behalf of other entities may present conflicts of interest. The General Partner and its affiliate will attempt to resolve these conflicts of interest in a manner consistent with their individual fiduciary duties to the respective entities with which they are affiliated.

THE GENERAL PARTNER AND ITS AFFILIATES WILL RECEIVE SUBSTANTIAL FEES AND OTHER COMPENSATION IN CONNECTION WITH THIS OFFERING AND THE OPERATION OF THE PARTNERSHIP. THE GENERAL PARTNER WILL ALSO BE ENTITLED TO AN INCENTIVE ALLOCATION. SEE "EXPENSES OF ADMINISTRATION AND PROFIT ALLOCATION." THE GENERAL PARTNER HAS BEEN AND WILL BE SUBJECT TO CONFLICTS OF INTEREST IN ESTABLISHING CERTAIN OF THOSE FEES AND OTHER COMPENSATION. THE DUAL ROLE OF THE GENERAL PARTNER OF THE PARTNERSHIP AS INVESTMENT MANAGER OF THE MASTER FUND ALSO CREATES CERTAIN CONFLICTS OF INTEREST. SEE "CONFLICTS OF INTEREST" BELOW.

CHARGES TO THE PARTNERSHIP

The Partnership is subject, directly or indirectly, to substantial charges, which are described in more detail below:

The General Partner.

The General Partner receives a monthly management fee at a rate of 1.00% per annum of the balance of the Limited Partners' Capital Accounts (as defined in the LP Agreement) for each month (prior to any additions or redemptions as of such month-end) in consideration for providing the investment management, trading, recordkeeping and administrative services required in connection with the Partnership's activities.

The General Partner is allocated a profit allocation equal to 10% of the excess of each Class A Limited Partner's Net New Profit at the end of the Partnership's Fiscal Year. (The Partnership's Fiscal Year is the calendar year.) Net New Profit is the amount by which the amount of Profit credited to a Limited Partner's Capital Account at the end of a Fiscal Year (before deduction of any profit allocation allocable in respect of such Fiscal Year) exceeds (i) in the case of Limited Partner's initial year, zero, or (ii) in all other cases the highest amount of Profit credited to such Capital Account as of the end of any prior Fiscal Year, after deduction of any profit allocation allocated in respect of such prior Fiscal Year and after adjusting for intervening distributions and redemptions. Profit is the aggregate amount of net profit (realized and unrealized), including net interest income, allocated to a Limited Partner's Capital Account in accordance with the Limited Partnership Agreement on a cumulative basis since the date when such Limited Partner's capital contribution was

booked to its Capital Account, before any allocation of profit allocations (so that, in calculating profit allocations, Profit is not reduced by any previous profit allocation).

In the event of a redemption of a Limited Partner's Interest or the termination of the Partnership as of a date other than the end of a Fiscal Year, a profit allocation will be allocated to the General Partner as described in the Limited Partnership Agreement. Although any overlap in profit allocation periods described in the Limited Partnership Agreement may cause a profit allocation to be higher than if calculated with no overlap, only one profit allocation will be payable in respect of any particular period.

The General Partner shall be entitled to retain the profit allocations allocated in respect of a Limited Partner's Capital Account in the event that a loss is subsequently charged to such Account. No further profit allocation will be allocated in respect of such Account, however, until the loss has been made up.

The General Partner paid all of the Partnership's initial organizational and offering expenses.

The General Partner, in its sole discretion, may waive any portion of the management fee for any Member. The General Partner may share a portion of its management fees with registered broker-dealers.

Brokers.

The Partnership executes and clears trades through various unaffiliated brokers and dealers selected by the General Partner. The Partnership pays brokerage commissions and fees in connection with its trading activities at negotiated rates. The Partnership also pays interest on margin loans at negotiated rates. The General Partner expects to obtain favorable rates for the Partnership. However, no assurance can be given that these rates will be competitive with the charges of other broker-dealers, or that the Partnership's broker-dealers will not charge other customers lower rates. Dealers are compensated from the bid/offer spread that is quoted in dealing with the Partnership. A customary mark-up is included in the price of the contract or the premium in the case of an option contract. As a shareholder, the Partnership pays its pro rata share of all investment expenses of the Master Fund.

Others.

The Partnership pays operating expenses actually incurred, including legal, accounting, auditing, ordinary bookkeeping, other administrative expenses and fees and any extraordinary expenses. As a shareholder of the Master Fund, the Partnership also pays its pro rata share of similar expenses of the Master Fund and the Master Fund's offshore administration and regulatory expenses.

CONFLICTS OF INTEREST AND RESPONSIBILITY OF THE GENERAL PARTNER

The responsibilities of the General Partner to the Partnership include making trading and investment decisions for the Partnership and engaging brokers and dealers to execute trades on behalf of the Partnership. *See* "The Limited Partnership Agreement — Management of Partnership Affairs." The following potential conflicts of interest must be reconciled with these and other responsibilities and should be considered by Subscribers.

The General Partner and its principals may trade for their own accounts, and records and results of such trading will not be made available to Limited Partners due to their confidential nature. In addition, the General Partner and its principals are currently and may in the future be affiliated with other entities, including the Master Fund, engaged in the trading of instruments and contracts similar to those invested in and traded by the Partnership. Such entities may hold positions either similar to or opposite to positions taken by the Partnership, and the compensation received by the General Partner or its affiliates from such other entities may differ from the compensation received from the Partnership. The General Partner has a fiduciary obligation to the Partnership. Subject to that obligation, the General Partner and its principals are free to manage accounts for investors, themselves, and their respective managers, members, officers, directors, partners, shareholders, employees and their families, and are free to trade on the basis of methods similar or identical to those employed by the General Partner in the performance of services for the Partnership, or methods that are entirely independent of such methods, and are free to compete for the same positions as the Partnership or take positions opposite to the Partnership, where such actions do not knowingly or deliberately favor any such person or client over the Partnership.

The General Partner has a conflict between limiting expenses and the benefits it receives from the different fees and compensation paid to it (where such fees and compensation were established without arm's-length negotiation). While no representation is made that the compensation payable to the General Partner is the lowest available, it has attempted to establish its fees to be competitive with other firms providing similar services.

The profit allocation arrangement for other classes may create an incentive for the General Partner to engage in trading or make investments that is riskier or more speculative than would be the case in the absence of a profit allocation.

The General Partner may have a conflict of interest in selecting brokers and dealers because of continuing business dealings with certain brokers, dealers, and futures commission merchants ("FCMs").

It is possible that orders for the account of the General Partner or its principals may be entered in advance of the Partnership for legitimate and explainable reasons such as a neutral order allocation system, a different trading program, or a higher risk level of trading. However, any such proprietary trading is subject to the duty of the General Partner to exercise good faith and fairness in all matters affecting Limited Partners.

The Partnership's brokers, dealers, and FCMs, their officers, directors, partners and employees and their families may from time to time trade for their own accounts. It is possible that such persons may take positions either similar or opposite to positions taken by the Partnership and that the Partnership and such persons may from time to time be competing for either similar or opposite positions in the markets. In certain instances, the Partnership's brokers, dealers, and FCMs may have orders for trades from the Partnership and orders from themselves, their officers, directors, partners, or employees. The Partnership's brokers, dealers, and FCMs might be deemed to have a conflict of interest with respect to the sequence in which such orders will be executed or transmitted to the trading floor unless such conflict is alleviated by a policy of transmitting all proprietary and customer orders to separate locations on exchange floors for execution or, where orders flow to a single source on the exchange floor, by executing orders in the sequence in which they are received, regardless of source. Brokers, dealers, and FCMs utilized by the Partnership may or may not have such policies.

In acting as both the General Partner to the Partnership and as the Investment Manager of the Master Fund the General Partner has an inherent conflict between its duty to the Partnership to select the most qualified investment adviser and its decision to act as the sole Investment Manager to the Partnership and the Master Fund. The General Partner has a disincentive to replace itself as Investment Manager, even if such replacement may be in the best interest of the Partnership and/or the Master Fund.

Selling agents who are compensated directly by the General Partner will have a financial incentive to encourage Limited Partners to purchase and not to redeem their Interests. However, selling agents are expected to act in the best interest of their clients, notwithstanding any personal interests to the contrary, including disclosure of compensation received for making such recommendations.

In evaluating these potential conflicts of interest, an investor should be aware that the General Partner has a responsibility to the Limited Partners to exercise good faith and fairness in all dealings affecting the Partnership. The responsibility of a general partner to non-general partners is a rapidly developing and changing area of the law, and Limited Partners who have questions concerning the responsibilities of the General Partner should consult their counsel.

Subscribers should be aware of the exculpatory provisions in the LP Agreement and in the investment management agreement between the Master Fund and the Investment Manager. Such exculpatory provisions provide, to the extent permitted by applicable law, that the Investment Manager, its officers, directors, stockholders, employees, agents and affiliates and each person who controls any of them will not be liable to the Partnership or the Limited Partners except by reason of acts or omissions due to gross negligence or breach of fiduciary duty. In addition, the Partnership has agreed, to the extent permitted by applicable law, to indemnify the General Partner and its officers, directors, stockholders, employees, agents and affiliates and each person, if any, who controls any of them from and against any loss, liability, damage, cost or expense (including legal fees and expenses incurred in defense of any demands, claims or lawsuits) actually and reasonably incurred resulting from actions or omissions relating to the Partnership, provided that such actions or omissions were not the result of gross negligence or breach of the General Partner's fiduciary obligations to the Partnership. These exculpations and indemnification provisions may not be enforceable with respect to certain statutory liabilities, such as liabilities resulting from violations of federal securities laws.

THE LIMITED PARTNERSHIP AGREEMENT

This Offering Memorandum contains an explanation of the more significant terms and provisions of the LP Agreement, a copy of which is attached as Exhibit A hereto and is incorporated herein by reference. The following description is a summary only, is not intended to be complete, and is qualified in its entirety by such reference.

Nature of the Partnership.

The Partnership has been formed as a limited partnership under the Act. Interests purchased and paid for pursuant to this offering will be fully paid and non-assessable. A Limited Partner's capital contribution is subject to the risks of the Partnership's business, but a Limited Partner will not be personally liable for any debts or losses of the Partnership beyond the amount of his capital contributions and profits attributable thereto, if any (including, to the extent provided by law and

under the Partnership Agreement, distributions, and amounts received on redemption of his Interest). Under certain circumstances, the General Partner may find it advisable to establish a reserve for contingent liabilities. In such event, the amount receivable by a Limited Partner on redemption of his Interest will be reduced by his proportionate share of the reserve. A Limited Partner who receives an unlawful distribution from the Partnership may be liable to the Partnership for the amount of the distribution.

The LP Agreement provides that the death, insolvency or dissolution of a Limited Partner will not terminate or dissolve the Partnership. Neither a Limited Partner nor the legal representative of a deceased, insolvent or dissolved Limited Partner has any right to withdraw such Limited Partner's Interest or obtain the value thereof except in accordance with the terms of the LP Agreement. Each Limited Partner, in the event of his death, insolvency or dissolution, waives on behalf of himself and his estate or legal representative the furnishing of any inventory, accounting or appraisal of Partnership assets or any right to an audit or examination of the books of the Partnership.

Management of Partnership Affairs.

The Limited Partners will not participate in the management or operations of the Partnership. Any participation by a Limited Partner in the management of the Partnership may jeopardize the limited liability of the Member. Under the LP Agreement, responsibility for managing the Partnership, including the making of investment decisions, is vested solely in the General Partner. Responsibilities of the General Partner include, but are not limited to, the following: trading and investing the assets of the Partnership; determining whether the Partnership will make cash distributions to Limited Partners; administering redemption of Interests; causing reports to be prepared and transmitted to the Limited Partners; selecting and maintaining of relations with brokers and dealers; executing various documents on behalf of the Partnership and the Limited Partners pursuant to powers of attorney; and supervising the liquidation of the Partnership if an event causing termination of the Partnership occurs. To facilitate the execution of various documents on behalf of the Partnership and the Limited Partners, the Limited Partners will appoint each person from time to time serving as an officer of the General Partner, with power of substitution, as their attorney-in-fact by executing the LP Agreement. Documents that may be executed on behalf of the Limited Partners pursuant to such powers of attorney include, without any limitation other than the fiduciary responsibility of the General Partner and the express provisions of the LP Agreement, amendments to the LP Agreement and the Certificate of Formation.

Sharing of Profits and Losses.

1. **Partnership Accounting**. Each Member, including the General Partner, has a Capital Account with an initial balance equal to the amount of the Member's initial capital contribution. Each Member's Capital Account is increased by the amount of any additional capital contributions and reduced by expenses and distributions and by any amount paid to a Member on redemption of all or a part of the Interest of such Member. On a monthly basis the Partnership's Net Assets are determined and its profit or loss are calculated and appropriate charges or credits are made to the Capital Account of each Member in the ratio that the balance of such Member's Capital Account bore to the aggregate balance of all Capital Accounts as of the beginning of the month. Capital contributions are generally credited to Limited Partners' Capital Accounts as of the first business day of each month.

2. **Federal Tax Allocations.** For federal income tax purposes, net recognized profit (or loss) for a fiscal year of the Partnership are allocated first to each Member who has redeemed an Interest in whole or in part to the extent that the amounts received on such redemption are greater (or less) than the amount of such Limited Partner's Capital Account attributable to the Interest (or portion thereof) redeemed. Net recognized profit (or loss) remaining after such allocations are allocated among the Limited Partners in proportion to the increases (or decreases) in their Capital Accounts for such fiscal year. *See* "Certain Federal Income Tax Consequences" herein including the material therein under "Notice Pursuant to IRS Circular 230".

Distributions and Redemptions.

The LP Agreement gives the General Partner sole discretion in determining what distributions (other than distributions in redemption of Interests), if any, the Partnership will make to Limited Partners, provided that all distributions to Limited Partners shall be pro rata in accordance with the Limited Partners' respective Capital Accounts. There is no requirement for regular or periodic cash distributions, and the General Partner does not currently intend to cause the Partnership to make any other distributions.

Subject to certain notice requirements, a Limited Partner may cause all or part of his Interest to be redeemed by the Partnership as of the last business day of a month for an amount equal to the proportionate balance of his Capital Account at the close of business on the redemption date after taking into account any accrued profit allocation, less any amount owing by such Member to the Partnership. Generally redemption requests must be submitted at least ten (10) days in advance of the redemption date. Accordingly, the actual redemption amount may differ substantially from the NAV at the time redemption is (irrevocably) requested. In addition, the General Partner has the right to cause the Partnership to redeem a Member's Interest in whole or in part as of the last day of any month upon ten (10) business days' prior notice to the Member for any reason. In such an event, the Member shall be entitled to receive from the Partnership an amount equal to the proportionate balance of his Capital Account at the close of business as of the last day of the applicable month after taking into account any accrued profit allocation, less any amount owing to the Partnership.

With respect to all redemptions, 90% of the redemption proceeds will ordinarily be paid within three (3) business days after the redemption date and the remainder will ordinarily be paid within twenty (20) days of the relevant redemption date. Under special circumstances including, but not limited to, the inability on the part of the Partnership or the Master Fund to liquidate positions or default or delay in the payments due the Partnership or the Master Fund from brokers, banks or other persons, or delay in payments to the Partnership of redemption proceeds from the Master Fund in which the Partnership invests, the Partnership may delay payment to Limited Partners whose Interests are being redeemed. Under certain circumstances, the General Partner may find it advisable to establish a reserve for contingent liabilities. In such an event, the amount receivable by a Limited Partner on redemption of his Interest will be reduced by his proportionate share of the reserve. Following final resolution of the contingent liability, the General Partner will remit any unapplied balance of the reserved amount charged against a redeeming Limited Partner's Capital Account, so long as the amount to be remitted is, in the sole opinion of the General Partner, material. A Limited Partner's right to redeem Interests is contingent upon the Partnership and the Master Fund having property sufficient to discharge their respective liabilities on the date of redemption. The Partnership may charge a redeeming Limited Partner reasonable legal and bank wire expenses and costs related to the redemption, which shall be deducted from the redemption proceeds payable to the Limited Partner.

The General Partner may suspend redemptions of Interests if (i) the determination of NAV has been suspended as set forth under "Valuation of Interests" above or (ii) the redemption of Interests would, in the reasonable judgment of the General Partner based on consultation and advice of competent counsel, result in a violation of applicable law. In the event of any suspension of redemption rights, a Limited Partner may withdraw any pending request for redemption. Any such withdrawal must be in writing and shall only be effective if actually received by the General Partner before the termination of the suspension period. If the request is not so withdrawn, the redemption of the Interests shall be made at NAV calculated at the close of business on the redemption date next following the end of the suspension.

Under the Act, the Partnership is prohibited from making a distribution to a Limited Partner if, after giving effect to the distribution, the Partnership's liabilities, other than liabilities to Limited Partners on account of their Interests and on recourse liabilities, would exceed the fair value of its assets (treating property subject to a non-recourse liability as an asset only to the extent, if any, of the excess of its fair value over the amount of the liability). A Limited Partner who receives a distribution in violation of that prohibition, and who knows of the violation at the time of the distribution, is liable to the Partnership under the Act for the amount of the distribution. A Limited Partner who receives a wrongful distribution may also have liability under other laws, such as laws permitting the avoidance of fraudulent conveyances.

Withdrawals.

The LP Agreement does not permit Limited Partners to withdraw their capital contributions or net profits except through redemption of their Interests or upon termination of the Partnership.

Additional Limited Partners.

The LP Agreement provides that the General Partner may admit additional Limited Partners as of the first business day of each calendar month.

Restrictions on Assignments.

The LP Agreement provides that Interests may not be assigned, transferred, pledged or encumbered without consent of the General Partner except as between affiliated parties of the Limited Partners. Such consent will not unreasonably be withheld. The Interests have not been registered under the Securities Act, or under any applicable state securities or blue sky laws, and cannot be resold unless they are so registered or unless an exemption from registration is available.

Termination of the Partnership.

At the election of the General Partner, the Partnership may be terminated upon 60 days' notice if the General Partner deems such termination to be in the best interest of the Limited Partners. The Partnership may also be dissolved and terminated upon (i) the insolvency, bankruptcy, termination or dissolution of the General Partner, if there is no successor General Partner; (ii) any event which shall make unlawful the continued existence of the Partnership; and (iii) judicial dissolution pursuant to the Act.

Upon liquidation, if there are sufficient assets to pay or to make reasonable provision to pay, all claims and obligations of the Partnership, including all costs and expenses of the liquidation and

all contingent, conditional, or unmatured claims and obligations that are known to the General Partner but for which the identity of the claimant is unknown, such claims and obligations shall be paid in full and any such provision shall be made in full. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims and obligations of equal priority, ratably to the extent of assets available therefore. Any remaining assets shall be distributed as follows:

(i) First, to creditors, including Limited Partners in their capacities as creditors, in the order of priority as provided by law; and

(ii) Second, to Limited Partners in accordance with their respective positive Capital Accounts, after giving effect to all contributions, distributions and allocations for all Fiscal Periods completed prior to termination of the Partnership.

Amendments.

The terms and provisions of the LP Agreement, including all schedules hereto, may be amended, modified or supplemented from time to time by the General Partner in any manner that does not adversely affect the rights of any Limited Partner. Any amendment that adversely affects the rights of a Limited Partner will require the written consent of a Majority Interest of the Limited Partners and the affirmative vote of the General Partner. All Limited Partners are entitled to redeem their interests prior to the effective date of any amendment, modification or supplement. ("Majority Interest" means more than 50% of the Limited Partnership Interests of the Limited Partners, Non-General Partners, or General Partners, as the case may be, or such larger percentage as may be required by law for the specific purpose for which the Limited Partners, Non-General Partners, or General Partners, as the case may be, are being polled.) The General Partner may, at any time, amend the LP Agreement without the consent of any Limited Partner, provided that the Limited Partners affected by such change are given the opportunity to redeem their Limited Partnership Interests prior to the effectiveness of such change.

Reports to Limited Partners.

The Partnership's books shall be audited annually by independent certified public accountants. The Partnership shall use its best efforts to cause each Member to receive (i) any reports required by any governmental authority that has jurisdiction over the activities of the Partnership, in such detail as required by such governmental authority, (iii) as soon as practicable after the close of each Fiscal Year such tax information concerning the Partnership as is necessary for a Limited Partner to complete its federal income tax return. Information regarding positions held by the Partnership, to the extent deemed proprietary or confidential by the General Partner, will not be made available to Limited Partners except as required by law.

THE PRIME BROKER

Credit Suisse Securities (USA) LLC ("Credit Suisse Securities (USA) LLC" or the "Prime Broker") acts as the prime broker and custodian to the Master Fund pursuant to the terms and conditions of a Customer Agreement together with a Prime Brokerage Annex to Customer Agreement (the "Credit Suisse Securities (USA) LLC Prime Brokerage Agreement"). Credit Suisse Securities (USA) LLC is based in New York, with offices worldwide. Credit Suisse Securities (USA) LLC will provide prime brokerage services to the Master Fund under normal

commercial terms pursuant to the Credit Suisse Securities (USA) LLC Prime Brokerage Agreement. These services will include the provision to the Master Fund of clearing, settlement and foreign exchange services pursuant to which Credit Suisse Securities (USA) LLC or its affiliates will enter into transactions with the Master Fund on either a principal or agency basis. The Prime Broker does not charge a separate custodial fee but instead charges brokerage commissions payable by the Fund at normal commercial rates.

In accordance with applicable U.S. law, including but not limited to, the rules and regulations of the SEC, all of the assets of the Master Fund will be held in the name of the Master Fund and beneficial ownership thereof will be recorded on the books of Credit Suisse Securities (USA) LLC as belonging to the Master Fund. The rules of the SEC require that Credit Suisse Securities (USA) LLC hold all fully-paid and excess margin customer securities either physically or in a control location. Credit Suisse Securities (USA) LLC will have a security interest in all securities and other property of the Master Fund that are held in an account at Credit Suisse Securities (USA) LLC or its affiliates to secure the payment and performance by the Master Fund of its obligations to Credit Suisse Securities (USA) LLC and its affiliates. To the extent of applicable U.S. law, such securities and other property will not be available to the creditors of Credit Suisse Securities (USA) LLC. Credit Suisse Securities (USA) LLC is authorized, within the limits of applicable U.S. law, to lend to itself or to others and to pledge, re-pledge, hypothecate or re-hypothecate assets of the Master Fund which are held as margin, in which event the Master Fund will only have a right to the return of equivalent assets.

Credit Suisse Securities (USA) LLC may appoint sub-custodians of the assets of the Master Fund. Credit Suisse Securities (USA) LLC will exercise reasonable skill, care and diligence in the selection of any such sub-custodian and will be responsible to the Master Fund for satisfying itself as to the ongoing suitability of such sub-custodian to provide custodian services to the Master Fund, will maintain an appropriate level of supervision over such sub-custodian and will make appropriate enquiries periodically to confirm that the obligations of such sub-custodian continue to be competently discharged.

Credit Suisse Securities (USA) LLC is a registered broker-dealer with the SEC and is a registered FCM with the CFTC. Credit Suisse Securities (USA) LLC has no decision-making responsibility relating to the Master Fund's investments, which decisions remain the responsibility of the Master Fund at all times. Credit Suisse Securities (USA) LLC has no responsibility for any of the Master Fund's assets that are not held by Credit Suisse Securities (USA) LLC or its affiliates. Credit Suisse Securities (USA) LLC and the Master Fund may amend the terms of the Credit Suisse Securities (USA) LLC Prime Brokerage Agreement in writing at any time. Credit Suisse Securities (USA) LLC and the Master Fund may terminate the Credit Suisse Securities (USA) LLC Prime Brokerage Agreement at any time upon notice as set forth in the Credit Suisse Securities (USA) LLC Prime Brokerage Agreement.

Credit Suisse Securities (USA) LLC has no responsibility for the preparation of this Memorandum or the activities of the Master Fund or its affiliates and accepts no responsibility for any information contained herein.

The Master Fund reserves the right to change the prime brokerage and custodian arrangements described above by agreement with Credit Suisse Securities (USA) LLC and/or, in its discretion, by a resolution of the Directors of the Master Fund to appoint additional or alternative

prime broker(s) and custodian(s) without prior notice to Shareholders. Shareholders will be notified in due course of any appointment of additional or alternative prime broker(s) and custodian(s).

THE CLEARING BROKERS

The General Partner may appoint one or more clearing brokers. Any clearing brokers appointed will be regulated by the U.S. and/or UK regulatory authorities.

Brokerage agreements that may be entered into from time to time will contain provisions whereby the Partnership or the Master Fund, as applicable, will indemnify the clearing broker in the event of losses arising from certain violations by the Partnership or the Master Fund. The clearing brokers are compensated as described under "Summary of Offering – Brokerage."

THE ADMINISTRATOR

BNY Mellon Alternative Investment Services Ltd (the "Administrator"), a Bermuda company, acts as the administrator of the Fund and the Master Fund. The Administrator is licensed as an administrator by the Bermuda Monetary Authority.

Pursuant to an Administration Agreement between the Administrator, the Master Fund, the Partnership, and other relevant feeder funds, the Administrator is responsible, under the ultimate supervision of the Board of Directors, for all matters pertaining to the administration of the Master Fund, including: (a) maintaining the financial books and records of the Master Fund; (b) transmitting monthly and annual net asset value reports to Shareholders of the Master Fund; (c) computing and publishing the NAV of the Shares; (d) providing registrar and transfer agency services in connection with the issuance, transfer and redemption of the Shares; and (e) performing all other accounting and clerical services necessary in connection with the administration of the Master Fund. The Administration Agreement may be terminated for cause at any time and otherwise may be terminated upon 90 days' prior written notice.

The Administration Agreement provides that in the absence of any gross negligence, malfeasance, willful misconduct or material breach of the Administration Agreement on the part of the Administrator, the Administrator will be indemnified by the Master Fund, the Partnership and the other relevant feeder funds against liabilities in connection with the performance of its services.

Pursuant to the Administration Agreement, the Partnership is not directly responsible for payment of any fee to the Administrator for its services. The Master Fund pays the Administrator a monthly fee based on a percentage of the Master Fund's assets. As an investor, the Partnership will bear indirectly its pro rata share of the Master Fund's administration costs.

VALUATION

The Partnership's NAV is the value of its assets (substantially all of which will be comprised of its investments in the Master Fund) ("Partnership Assets") less its liabilities determined by the Administrator in accordance with accounting principles generally accepted in the United States, including any unrealized profits and losses on its open positions. More specifically, the Partnership's NAV shall mean the total assets of the Partnership including all cash and cash equivalents (valued at market plus accrued interest), accrued interest, the liquidating value (or cost of liquidation) of all futures and option positions, and the market value of all open spot, forward and options contracts, securities, and other assets held or maintained by the Partnership, less the market value of all liabilities and reserves of the

Partnership, including accrued but unpaid management and incentive fees charged to Limited Partners, and determined in accordance with the principles specified herein and, where no principle is specified, in accordance with U.S. generally accepted accounting principles. Profit Allocations for Capital Accounts that have different Fiscal Period (as defined in the LP Agreement) beginning dates will be accrued and allocated separately.

Valuation of Portfolio Holdings. Accrued interest on all positions shall be calculated through and including the date of valuation. The Partnership's portfolio holdings positions will be valued as follows:

(1) Positions in spot and option contracts shall be valued at current market value as determined by the General Partner in its sole discretion on a consistent basis.

(2) The market value of a forward contract shall be determined by the dealer with which the Partnership has traded the contract.

(3) The liquidating value of a commodity futures contract, option on a futures contract or other derivative instruments that is

(a) not traded on a United States commodity exchange shall mean the liquidating value, based upon policies established by the General Partner on a basis consistently applied for each different variety of contract or derivative instrument; and

(b) traded on a United States commodity exchange is based upon the settlement price on the commodity exchange on which the particular commodity futures contract or option is traded; provided that, if a contract or option cannot be liquidated on the day with respect to which NAV is being determined, the basis for determining the liquidating value of such contract or option shall be such value as the General Partner may deem fair and reasonable.

(4) The liquidating value of other derivatives, investment contracts or financial instruments shall be assigned the value that the General Partner in good faith determines to reflect the fair market value thereof in its sole discretion on a consistent basis; and

(5) The Administrator may use methods of valuing commodity interests, futures contracts and options on futures, forward contracts and other options, derivatives, investment contracts and other financial instruments other than those set forth herein if it believes the alternate method is preferable in determining the fair market value of such contracts and instruments. A description of any alternate method shall be furnished to the Limited Partners prior to or in connection with the first report to Limited Partners in which the use of an alternate method has a material effect on the total value of the commodity interests, futures contracts and options on futures, forward contract or other options, derivatives, investment contracts or other financial instruments owned by the Partnership. All values assigned to commodity interests, futures contracts and options on futures, forward contracts and other options, derivatives, investment contracts and other financial instruments by the Administrator shall be final, binding and conclusive on all of the Limited Partners.

(6) With respect to Securities,

(a) Securities which are traded on a national securities exchange in the United States shall be valued at their last reported sales price on the date as of which the value is being determined on the national securities exchange on which such securities are principally traded or on a consolidated tape which includes such exchange, whichever shall be selected by the Partnership; provided that such sales

price is between the closing "bid" and "ask" price. If there are no sales on such date on such exchange or consolidated tape, or if the last sales price is not between "bid" and "ask", such securities will be valued at the mean between the "bid" and "ask" prices at the close of trading on such exchange;

(b) Other securities for which market quotations are readily available shall be valued at the bid price (in the case of long positions) or the asked price (in the case of short positions) at the close of trading on the date on which value is being determined, as reported by any reputable source selected by the General Partner;

(c) Securities for which market quotations are not readily available shall be valued in such manner as the General Partner shall determine in its sole discretion on a consistent basis, provided that if unrealized capital appreciation of such securities is taken into account for the purpose of calculating NAV, unrealized capital depreciation of such securities shall also be taken into account for that purpose; and

(d) The Administrator may use methods of valuing securities other than those set forth herein if it believes the alternate method is preferable in determining the fair market value of such securities. A description of any alternate method shall be furnished to the Limited Partners prior to or in connection with the first report to Limited Partners in which the use of an alternate method has a material effect on the total value of the securities owned by the Partnership. All values assigned to securities by the Administrator shall be final, binding and conclusive on all of the Limited Partners.

The NAV of the Master Fund will be calculated in the same manner.

The Partnership may establish a reserve for contingencies.

The General Partner may at any time suspend the determination of the calculation of NAV for the whole or any part of any period (i) in which trading is restricted on any one or more markets which, in the opinion of the General Partner constitute primary markets for significant portions of the Partnership's or the Master Fund's assets, or (ii) during the existence of any state of affairs which, in the opinion of the General Partner, makes the determination of the price, value or disposition of the Partnership's or the Master Fund's assets impossible, impractical or prejudicial to the Master Fund, the Partnership or the Limited Partners. Such suspension shall be notified to the Limited Partners and shall take effect at such times as the General Partner shall specify but not later than the close of business of the business day next following the declaration thereof and thereafter there shall be no determination of the Partnership's NAV until the General Partner shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first business day on which (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorized under this paragraph exists. The NAV of the Partnership will be determined monthly in U.S. dollars.

PRIVACY DISCLOSURE

The following privacy policy describes the standards the General Partner follows for the collection, use and protection of the Limited Partners' nonpublic personal information.

Information the General Partner Collects.

The General Partner collects nonpublic personal information about Limited Partners from the following sources: (i) information on applications and forms; and (ii) information about Limited Partners' transactions with the General Partner.

Information the General Partner Discloses.

The General Partner does not disclose to anyone any nonpublic personal information that it collects about current and former Limited Partners except as is expressly permitted by law.

Protection of Information.

The General Partner restricts access to the nonpublic personal information it has about Limited Partners to its employees with a legitimate business need for the information. In addition, the General Partner maintains physical, electronic and procedural safeguards that comply with federal standards to guard such information.

ANTI-MONEY LAUNDERING DISCLOSURES

In order to comply with laws and regulations aimed at the prevention of money laundering and prohibiting transactions with certain countries, organizations and individuals, the Partnership may request such information as it reasonably believes is necessary to verify the identity of a Subscriber or a Member, and the source of the payment of subscription monies and to determine whether a Subscriber is permitted to be a Limited Partner in the Partnership under such laws and regulations. In the event of delay or failure by a Limited Partner to produce any information required by the Partnership for these purposes, the Partnership may require mandatory redemption of the Member's Interest, and may refuse to accept the subscription of a Subscriber. Likewise, after reviewing the information provided, it is possible that the Partnership may determine to redeem a Limited Partner's Interest or refuse to accept a Subscriber's subscription. In certain circumstances, the Partnership may be required to provide information about Limited Partners to regulatory authorities and to take any further action as may be required. Neither the Partnership nor the General Partner will be liable for any loss or injury to a Limited Partner or Subscriber that may occur as a result of disclosing such information, rejection of a subscription or refusing or redeeming Interests.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain federal income tax consequences that may be relevant to a prospective Limited Partner. The discussion of various aspects of federal taxation contained herein is based on the Internal Revenue Code of 1986, as amended (the "Code"), existing laws, judicial decisions, and administrative regulations, rulings and practice, any of which is subject to change. This discussion does not purport to deal with all aspects of federal income taxation that may be relevant to Limited Partners in light of their personal investment circumstances nor, except for limited discussions of particular topics, to certain types of Limited Partners subject to special treatment under the federal income tax laws (e.g., financial institutions, broker-dealers, life insurance companies and tax-exempt organizations). Therefore, each prospective Limited Partner should consult his own tax advisor to satisfy himself or herself as to the federal income tax consequences to such Limited Partner of this investment.

Notice Pursuant to IRS Circular 230

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN BY THE PARTNERSHIP OR ITS COUNSEL TO BE USED, AND CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED UNDER U.S. TAX LAWS. THIS DISCUSSION IS PROVIDED TO SUPPORT THE PROMOTION OR MARKETING BY THE PARTNERSHIP OF THE INTERESTS OFFERED HEREBY. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE POTENTIAL TAX CONSEQUENCES OF INVESTMENT IN THE INTERESTS.

Certain "reportable transactions" require that participants and certain other persons file disclosure statements with the IRS, and impose significant penalties for the failure to do so. (See "Tax Shelter Reporting" below). *An 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 Partnership 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, except to the extent that such disclosure is restricted by applicable securities laws.*

Classification of Partnership as a "Partnership".

Since, under applicable Regulations and subject to the discussion of "publicly traded partnerships" herein, the Partnership will be classified under certain default rules as a "partnership" for federal income tax purposes, no federal income tax will be payable by it as an entity. Instead, each Limited Partner will be treated as a partner in a partnership and will be required to take into account such Limited Partner's allocable share of the items of income, gain, loss, deduction and credit of the Partnership determined under the LP Agreement. This assumes that: (i) no election is made by the Partnership to be excluded from the provisions of Subchapter K of the Code; and (ii) the Partnership is organized and operated throughout its term in accordance with the Act and the LP Agreement.

Further, because it is anticipated as discussed below that the Master Fund will be classified as a partnership for U.S. federal income tax purposes, each Member's allocable share of the items of income gain, loss, deduction and credit of the Partnership will include the items of income, gain, loss, deduction and credit allocable to the Partnership with respect to the Partnership's interests in the Master Fund.

The Code contains certain provisions that apply to "publicly traded partnerships". Section 7704(b) of the Code defines a publicly traded partnership as any partnership whose interests are either (i) traded on an established securities market or (ii) readily tradable on a secondary market (or the substantial equivalent thereof). A publicly traded partnership is subject to U.S. federal income taxation as a corporation unless at least 90% of its gross income for the taxable year and each prior taxable year for which it was a publicly traded partnership constituted certain "qualifying income." The IRS has promulgated regulations with respect to publicly traded partnerships. These regulations provide a safe harbor for avoiding classification as a publicly traded partnership pursuant to which interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent thereof if (i) all of the partnership interests are issued in a transaction or transactions that are not registered under the Securities Act of 1933 and (ii) the partnership does not

have more than 100 partners (the "Private Placement Safe Harbor"). The Partnership may satisfy the Private Placement Safe Harbor, although it is not required to by the LP Agreement. The General Partner intends that the principal activity of the Partnership will consist of investing in Master Fund whose principal activity will consist of buying and selling equities, commodities and currencies primarily through exchange-traded, liquid instruments, and that at least 90% of the Partnership's gross income for each taxable year will constitute qualifying income in the form of gains from such trading and other qualifying income, including dividend and interest income. Assuming the Partnership so invests, the Partnership would not be subject to tax as a corporation pursuant to the provisions applicable to publicly traded partnerships, even if the Partnership did not satisfy the Private Placement Safe Harbor. If the Partnership satisfies the Private Placement Safe Harbor, or if at least 90% of its gross income for each taxable year is qualifying income, the Partnership will not be subject to U.S. federal income taxation as a corporation.

If the Partnership were treated for federal income tax purposes as a corporation, income, deductions, gains, losses and credits of the Partnership would be reflected on its tax return rather than being passed through to the Limited Partners, as summarized below in paragraph (1) of "Other Tax Factors." In such event, the Partnership would be required to pay federal income tax at corporate tax rates, thereby substantially reducing the amount of cash available to be distributed to the Limited Partners. Furthermore, all or a portion of any distributions made to Limited Partners could be treated as dividends. The amount of such distributions would not be deductible by the Partnership in computing its taxable income. In addition, losses of the Partnership would not be allowed as deductions to Limited Partners on their individual returns.

The requirements for an entity such as the Partnership to qualify as a partnership for state tax purposes can vary from state to state. Limited Partners should consult their tax advisors concerning the status of their Interest in the Partnership as an interest in a partnership for purposes of state taxation and the state tax consequences generally with respect to their investment in the Partnership.

Classification of Master Fund as a "Partnership"

If a business entity is not classified as a per se corporation under one of the categories of Treasury Regulations Section 301.7701-2(b), then under Treasury Regulations Section 301.7701-3, the entity is an eligible entity that may elect its classification for federal income tax purposes as either a corporation or partnership (assuming the entity has more than one interest holder). Subject to the discussion of "publicly traded partnerships" herein, the Master Fund is an "eligible entity" that has elected on Form 8832 to be classified as a "partnership" for U.S. federal income tax purposes. Absent such an affirmative election, the Master Fund likely would be classified under certain default rules as a corporation. Based on such election, each member of Master Fund, including Partnership, will be treated as a partner in a partnership and will be required to take into account such member's allocable share of the items of income, gain, loss, deduction and credit of the Master Fund determined under the Master Fund's organizational documents.

Furthermore, it is not intended that the Master Fund, as currently structured and intended to operate, will be classified as a publicly traded partnership either because the Master Fund satisfies the Private Placement Safe Harbor or least 90% of the Master Fund's gross income for each taxable constitutes qualifying income. The Partnership expects that the Master Fund will satisfy such conditions as discussed in "Classification of Partnership as a 'Partnership'" above.

If the Master Fund were treated for federal income tax purposes as a corporation, the Master Fund would be classified as a passive foreign investment company ("PFIC"). A PFIC is any foreign corporation if (1) 75% or more of its gross income for its tax year is passive income, or (2) the average percentage of assets held by the corporation during the tax year which produce, or are held for production of, passive income is at least 50%. In general, the PFIC provisions of the Code impose tax at ordinary income tax rates plus an interest charges on gains from the sale of, and on certain distributions with respect to, shares of a PFIC owned directly or indirectly by a U.S. shareholder. In addition, the Master Fund might also be classified as a controlled foreign corporation in which case persons treated as U.S. shareholders (a United States person that owns or is treated as owning 10% or more of the total combined voting power of all classes of stock entitled to vote) would be taxed on its undistributed income each year.

The following discussion assumes both the Partnership and Master Fund are classified as partnerships for U.S. federal income tax purposes.

Other Tax Factors.

1. **Limited Partners, Not Partnership, Subject to Tax**. The Partnership reports its operations, including for this purpose its allocable share of Master Fund's operations, for tax purposes on the accrual method of accounting for each year and files a partnership information return. Each Limited Partner, in computing his own federal income tax liability for a taxable year, will take into account his allocable share of all items of Partnership income, gain, loss, deduction and credit for the taxable year of the Partnership ending within or with such taxable year of the Limited Partner, regardless of whether the Limited Partner has received or will receive any cash distributions from the Partnership. Consequently, a Limited Partner's share of the taxable income of the Partnership may exceed the cash actually distributed to him. Furthermore, the income tax payable by a Limited Partner with respect to his allocable share of taxable income could exceed the cash distributed, if any, to the Limited Partner. Each Limited Partner will be entitled to report on his personal income tax return his share of the Partnership's realized net losses, if any, to the extent of his adjusted basis in his Interest in the Partnership or, if less, the amount to which he is "at risk" as of the end of the Partnership's taxable year in which such loss occurred. See paragraphs (5) and (7) below.

2. **Limited Partners' Distributive Shares**. For federal income tax purposes, a Limited Partner's distributive share of each item of Partnership income, gain, loss, deduction and credit will be determined by the LP Agreement, unless an allocation under the Agreement does not have "substantial economic effect." The allocations provided by the LP Agreement are described under "The LP Agreement — Allocation of Profits and Losses." These allocation provisions are designed to reconcile tax allocations to economic allocations. The Partnership's tax allocations may not satisfy federal income tax regulations with respect to tax allocations by partnerships. No assurance can be given that the IRS will not challenge such allocations. If the allocations provided by the LP Agreement were not recognized for federal income tax purposes, the amount of income or loss allocated to Limited Partners under the LP Agreement may be increased or decreased and the timing and character of income or loss recognized by a Member in respect of the Partnership will be affected.

3. **Gains and Losses from Commodities, Options, Securities and Other Capital Transactions.** In this summary of "Gains and Losses from Commodities, Options, Securities and Other Capital Transactions," references to the Partnership generally should be read to also include references to any partnerships (including the Master Fund) in which the Partnership invests.

(a) Stock Transactions.

In general, Limited Partners will treat their distributive share of dividends and capital gains and losses on stock sales (including short sales) by the Partnership as dividend income or capital gain or loss, as the case may be. Gain or loss from the short sale of stock is capital gain or loss to the extent the property used to close the short sale is a capital asset. If on the date of the short sale by the Partnership, substantially identical property to the property sold short is held by the Partnership and the holding period of such substantially identical property is not more than one year on the date of the short sale, or if substantially identical property is acquired by the Partnership after the date of the short sale and on or before the closing of such short sale, gain on the closing of the short sale will be short-term capital gain regardless of the holding period of the stock used to close the short sale and the holding period of the substantially identical property will be considered to begin on the date of the closing of the short sale. In addition, if on the date of a short sale of stock substantially identical property has been held for more than one year, capital loss on the closing of such short sale will be long-term capital loss regardless of the holding period of the property used to close the short sale. In addition, no deduction is allowed if stock is sold at a loss and within the period beginning 30 days prior to such sale and ending 30 days after the date of such sale the Partnership has acquired or has entered into a contract or option to acquire substantially identical stock. In that case, the basis of the substantially identical stock acquired would be the basis of the stock sold, adjusted for any difference between the acquisition price of such stock and the sale price of the stock that was sold. If any loss is realized on a closing of a short sale of stock and within the period beginning 30 days prior to closing and 30 days after such date substantially identical stock is sold or another short sale of substantially identical stock is entered into, the loss on the short sale is subject to the deduction disallowance rules described above.

(b) Treatment of Single Positions.

(1) *Section 1256 Contracts*.

The Code provides specific rules for "Section 1256 Contracts," a class of property interests that includes futures and certain option contracts traded on a U.S. board of trade and foreign currency contracts. A foreign currency contract is defined in the Code as a contract "(i) which requires delivery of, or the settlement of which depends on the value of, a foreign currency which is a currency in which positions are also traded through regulated futures contracts, (ii) which is traded in the interbank market, and (iii) which is entered into at arms' length at a price determined by reference to the price in the interbank market."

Section 1256 Contracts are subject to a "mark-to-market" system of taxation, which requires that all Section 1256 Contracts held by the Partnership on the last business day of its taxable year be treated as having been sold for their fair market value on that day. Unrealized gains and losses in these open positions must be recognized in the year in which the deemed sale occurs. All gains and losses from Section 1256 Contracts (subject to the discussion below with respect to foreign currency contracts which are Section 1256 Contracts), whether realized through termination of the position or under the mark-to-market rule, are treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss (the "60/40 rule"), regardless of the actual holding period of the position. The character of a Member's distributive share of Partnership profits or losses, including the Partnership's allocable share from the Master Fund, from Section 1256 Contracts will, therefore, be 60% long-term capital gain or loss and

40% short-term capital gain or loss. Each Member's distributive share of such gain or loss will be combined with other items of capital gain or loss for the taxable year in computing the federal income tax liability of the Member. The above-described rules will apply with respect to a Section 1256 Contract that is a foreign currency contract only if the position is a capital asset (which is not part of a straddle) for which the Partnership has made an election under Section 988 of the Code at the time the position is entered into to treat the gain or loss in accordance with the above-described rules. In the case of a Section 1256 Contract that is a foreign currency contract for which this election is not made, the gain or loss will be ordinary income or loss for federal income tax purposes, and each Member's distributive share thereof will be ordinary income or loss to such Member.

(2) *Non-Section 1256 Positions*.

Gain or loss with respect to positions that are not Section 1256 Contracts ("Non-Section 1256 Positions") and are not positions of a mixed straddle are includible for tax purposes only when realized. Such gains and losses are not subject to the 60/40 rule, but will be characterized as long- or short-term capital gain or loss in accordance with general holding period and other applicable rules, subject to the following discussion. The above-described rules will apply with respect to gain or loss on a Non-Section 1256 Position in foreign currency only if the position is a forward contract, futures contract or option that is a capital asset (and not part of a straddle) for which the Partnership has made an election under Section 988 of the Code at the time the position is entered into to treat the gain or loss thereon as capital gain or loss. In the case of such Non-Section 1256 Positions for which a Section 988 election is not made, any gain or loss will be ordinary income or loss for federal income tax purposes.

(c) Treatment of Straddles.

The tax consequences described above apply to single Section 1256 Contracts and single Non-Section 1256 Positions. Those consequences may, however, be limited or modified if the positions are positions of a straddle. The term "straddle" is defined as offsetting positions in personal property. Two or more positions are offsetting if the taxpayer's risk of loss from holding one position in personal property is substantially diminished by reason of holding one or more other positions in personal property. It is anticipated that the Partnership will hold offsetting positions in the course of its trading activity.

Straddles consisting solely of Section 1256 Contracts are subject to the mark-to-market and 60/40 rules discussed above, and are not subject to the straddle provisions of Code Section 1092 (discussed below). In the event the Partnership takes delivery under or exercises any position of a straddle consisting solely of Section 1256 Contracts, then each position of the straddle will be treated as terminated on the day on which the Partnership takes delivery or exercises its position.

Section 1092 and the temporary regulations promulgated thereunder (the "Temporary Regulations") limit the deductibility of losses incurred on positions of a straddle in which all of the positions are Non-Section 1256 Positions. Those rules provide that a loss may be deducted only to the extent it exceeds unrecognized gains at year end in (a) offsetting positions, (b) successor positions and (c) offsetting positions to successor positions. A successor position is a

position that was entered within 30 days before or after the loss position was disposed of and which offsets a second position which was offsetting to the loss position. This rule prevents the taxpayer from recognizing losses in one year while deferring recognition of corresponding gains until a subsequent year. The disallowed losses may be recognized in a subsequent year if there is no unrecognized gain in the offsetting positions, successor positions, or offsetting positions to the successor position at year end. Further, the Temporary Regulations apply a modified wash sale rule which requires deferral of loss if, during the 61-day period surrounding disposition of the loss position, the taxpayer acquires, or enters into a contract to acquire, stock or securities that are substantially identical to those sold at a loss. The Temporary Regulations also set forth rules applying the principles of the short sale rules to straddles consisting solely of Non-Section 1256 Positions.

A mixed straddle is a straddle in which, one but not all of the positions is a Section 1256 Contract. Under Section 1256 and the Temporary Regulations, the Partnership may elect to treat its mixed straddles under the mixed straddle account rules.

(d) Foreign Currency Transactions.

Under Section 988, special rules are provided for certain transactions in a foreign currency other than the taxpayer's functional currency (*i.e.*, unless certain special rules apply, currencies other than the U.S. dollar). In general, foreign currency gains or losses from certain forward contracts, from futures contracts that are not regulated futures contracts, and from unlisted options will be treated as ordinary income or loss. As discussed above, in certain circumstances where transactions are not undertaken as part of a straddle, the Partnership may elect capital gain or loss treatment for such transactions. Alternatively, the Partnership may elect ordinary income or loss treatment for transactions in regulated futures contracts and listed options on foreign currency that would otherwise produce capital gain or loss. In general, gains or losses from a foreign currency transaction subject to Section 988 will increase or decease the amount of the Partnership's ordinary income, rather than increasing or decreasing the amount of the Partnership's net capital gain. Income or loss attributable to notional principal contracts relating to a foreign currency (*e.g.*, currency swaps) is also ordinary income or loss under Section 988. Also, gains or losses attributable to fluctuations in exchange rates that occur between the time the Partnership accrues interest or other receivables or accrues expenses or other liabilities denominated in a foreign currency and the time the Partnership actually collects such interest or receivables or pays such expenses or liabilities may be treated as ordinary income or loss.

(e) Conversion Transactions.

Under Section 1258, a taxpayer shall not be entitled to capital gain treatment for gain on the disposition or termination of any positions held as a part of a "conversion transaction" that would otherwise qualify for capital gains treatment. In general, a conversion transaction is one (1) in which substantially all of the taxpayer's expected return is attributable to the time value of the taxpayer's net investment in the transaction and (2) which involves the taxpayer taking two or more offsetting positions with respect to property (but only if such property was acquired and such offsetting positions were entered into a substantially contemporaneous basis) or entering into certain straddle positions. If applicable, Section 1258 would recharacterize a portion of the taxpayer's gain as ordinary income to the extent of interest which would have accrued on the taxpayer's net investment in the conversion transaction for the period ending on the date of such disposition at a rate equal to 120% of the relevant applicable federal rate. Section 1258(c)(2)(D) gives the Treasury Department broad authority to promulgate regulations to define the concept of conversion transactions.

Although the Partnership does not believe that its trading strategies will result in its engaging in conversion transactions, it is possible that the Treasury Department could draft regulations which provide that some of the Partnership's trades will be treated as conversion transactions. Such regulations could have a retroactive effect.

(f) Constructive Sales of Certain Appreciated Financial Positions.

Code Section 1259 provides for constructive sale treatment for appreciated financial positions. Code Section 1259 provides that if there is a "constructive sale" of an "appreciated financial position," the taxpayer recognizes gain as if such position were sold, assigned or otherwise terminated at its fair market value on the date of such constructive sale. The holding period of such position is deemed to begin on the date of such constructive sale and any gain or loss subsequently realized with respect to such position is to be adjusted for any gain taken into account by reason of the earlier constructive sale of such position.

It is possible that the Partnership may enter into some transactions that could constitute constructive sales of certain appreciated investments held by the Partnership, which could have the affect of accelerating gain recognition with respect to such investments by Limited Partners.

4. **Organization and Offering Expenses**. The Partnership is not entitled to deduct its organization and offering expenses except to the extent amortization of certain organization expenditures is permitted. The General Partner paid all of the organization and offering expenses upon creation of the Partnership.

5. **Calculation of Limited Partner's "Adjusted Basis" and "At Risk Basis."** Each Limited Partner's adjusted basis in his Interests will be equal to his purchase price thereof, (a) increased principally by (i) any additional contributions made by the Limited Partner to the Partnership, (ii) the Limited Partner's allocable share of any Partnership profit, income or gain, including income and gain exempt from tax, and (iii) the amount, if any, of the Limited Partner's share of the Partnership indebtedness; and (b) decreased, but not below zero, principally by (i) distributions from the Partnership to the Limited Partner, (ii) the amount of the Limited Partner's allocable share of Partnership deductions and losses, including expenditures that are neither properly deductible nor properly chargeable to his capital account, and (iii) any reduction in the Limited Partner's share of Partnership indebtedness. In the case of non-liquidating distributions other than cash (and other than certain ordinary income type assets, like accounts receivable) basis is reduced (but not below zero) by the basis of the property distributed.

Generally, a taxpayer will be considered "at risk" for an activity with respect to the amount of money and the adjusted basis of property contributed to that activity and amounts borrowed for use in an activity, to the extent that the taxpayer is personally liable for the repayment of such borrowed amounts or has pledged property, other than property used in such activity, as security for such borrowed amounts. A Limited Partner who is an individual, trust, estate, subchapter S corporation, or a specific type of closely-held corporation will be allowed to deduct his share of Partnership losses only to the extent of his "at-risk" basis for his Partnership Interest.

6. **Current Distributions by Partnership; Redemptions**.

(a) Current Distributions. A current cash distribution by the Partnership with respect to an Interest held by a Limited Partner will result in gain to the distributee Limited Partner only to the extent that the amount of cash distributed exceeds the Limited Partner's adjusted basis in his Interest. A current distribution will reduce the distributee Limited Partner's adjusted basis in his

Interest, but not below zero. Generally, gain recognized as a result of such distributions will be considered as gain from the sale or exchange of the Interest of the distributee Limited Partner. Under certain circumstances, a portion of the gain may be taxable as ordinary income. Loss will not be recognized by a Limited Partner as a result of a current distribution by the Partnership.

(b) Liquidation of a Limited Partner's Entire Interest in the Partnership. Generally, a distribution or series of distributions by the Partnership to a Limited Partner in termination of his entire Interest in the Partnership will result in gain to the distributee Limited Partner only to the extent that cash, if any, distributed exceeds the Limited Partner's adjusted basis in his Interest. Under certain circumstances, a portion of any such gain may be taxable as ordinary income. When only cash and unrealized receivables are distributed, loss will be recognized to the extent that the Limited Partner's adjusted basis in his Interest exceeds the amount of cash distributed and the basis to the Member of any unrealized receivables distributed. Any gain or loss recognized as a result of such distributions will be considered as gain or loss from the sale or exchange of the Interest of the distributee Limited Partner.

7. **Tax Treatment of Capital Gains and Losses**. Amounts realized from the sale or exchange of assets of the Partnership, including the Partnership's allocable share from the Master Fund, will generally be treated as amounts realized from the sale or exchange of capital assets. Present law taxes both long-term and short-term capital gains of corporations at the rates applicable to ordinary income. However, in general, for Limited Partners other than corporations, net long-term capital gains (i.e., the excess of net long-term capital gain over net short-term capital loss) are taxed at a maximum marginal rate of 20%, while short-term capital gains are taxed at a maximum marginal rate of 39.6%. A net capital loss allocated to a Member may be used to offset other capital gains. For a taxpayer other than a corporation, such net capital loss also may be used to offset ordinary income up to $3,000 per year. In general, for taxpayers other than corporations, the unused portion of such loss may be carried forward indefinitely, but not carried back. However, a taxpayer, other than a corporation, may elect to carry back for three years net losses resulting from Section 1256 Contracts, but only to the extent of previously reported gain attributable to Section 1256 Contracts. In the case of a corporate taxpayer, such capital loss may be offset only against capital gains, but generally may be carried back three years or forward five years. Further, the amount that may be carried back is limited to an amount which does not cause or increase a net operating loss in a carryback year.

In general, the 20% maximum tax rate for individual taxpayers on long-term capital gains applies to most capital assets held for more than 12 months. The distributive share of an individual Limited Partner of the 60% portion of capital gain on a Section 1256 Contract treated as long-term capital gain under Code Section 1256 (including 60% of the gain realized on Section 1256 Contracts held by the Partnership at the end of the taxable year under the mark-to-market rules of Section 1256), is subject to a maximum federal income tax rate of 20%. In general, the distributive share of an individual Limited Partner of capital gain on a Non-Section 1256 Position, stock or debt obligations will be long-term capital gain subject to a maximum federal income taxable rate of 20% for individual Limited Partners if the position was held for more than 12 months at the time the gain was realized.

Limited Partners should consult their tax advisor (i) with respect to taxation of capital gains, and (ii) with respect to state, local and foreign taxes on capital gains.

8. **Limitation on Deduction of Investment Interest**. The deduction by noncorporate taxpayers of interest on amounts borrowed by the Partnership to acquire or carry investment assets is limited to net investment income. The interest expense, if any, incurred by a non-corporate Limited Partner to acquire or carry its Interest(s) (as well as other investments) is subject to this limitation. Net

investment income is the excess of investment income over the expenses directly incurred in earning such income. A non-corporate taxpayer's net capital gain from the disposition of investment property is included in investment income to the extent the taxpayer elects to make a corresponding reduction in the amount of net capital gain that is subject to the long-term capital gain tax rate of 20%. The amount disallowed may be carried forward to subsequent tax years within certain limits. This limitation, if applicable, is computed separately by each Member and not by the Partnership.

9. **Limitation on Deductibility of Section 212 Expenses**. Under Code Section 212, expenses incurred by an individual in the production of income are deductible only to the extent they exceed 2% of the individual's adjusted gross income. The deductible portion of such expenses is further reduced (i.e., phase-out) by an amount generally equal to 3% of the individual's adjusted gross income over certain threshold amounts. Under regulations promulgated by the Treasury Department, the determination of whether Partnership expenses are subject to this provision is made at the entity level. The Partnership intends to report expenses incurred in its trading activities, including management and administrative fees, as ordinary and necessary business expenses allowable under Code Section 162. On audit, the IRS might assert that the Partnership's expenses are allowable under Code Section 212, and therefore subject to the 2% floor and the 3% reduction previously described.

10. **Passive Activity Income or Loss**. Under IRS regulations, the trading activity of the Partnership will not constitute a passive activity. Accordingly, neither the income nor the loss of the Partnership will be subject to the passive activity rules.

11. **Tax Elections**. The Code provides for optional adjustments to the basis of Partnership property upon distribution of Partnership property to a Member (Code Section 734) and transfers of Interests (including by reason of death) (Code Section 743), provided that a Partnership election has been made pursuant to Code Section 754. The general effect of such an election is that transferees of Interests are treated, for purposes of computing gain or loss, as though they had acquired a direct interest in the Partnership assets. Any such election, once made, is irrevocable without the consent of the IRS. As a result of the complexities and added expense of the tax accounting required to implement such an election, the General Partner does not presently intend to make such an election. However, even if such an election is not made, under certain circumstances the Partnership may be required to adjust the basis in the assets if under such an election the Partnership would have had a substantial basis reduction, or adjust a Member's basis in the Partnership assets if the Partnership has a substantial built in loss with respect to its assets. The fair market value of the Partnership's interests may be affected either favorably or adversely if the Partnership makes the election or is otherwise required to adjust the basis of its assets.

12. **Alternative Minimum Tax**. The Code currently imposes an alternative minimum tax at the maximum rate of twenty-eight percent (28%) for non-corporate taxpayers and twenty percent (20%) for corporate taxpayers on the alternative minimum taxable income of a taxpayer in excess of an exemption amount. A taxpayer is liable for the alternative minimum tax in addition to, but only to the extent it exceeds, the taxpayer's regular tax. A taxpayer's alternative minimum taxable income is essentially its taxable income, as adjusted for certain items and increased by items of tax preference.

The alternative minimum tax is not imposed on the Partnership. Instead, each Limited Partner takes into account its share of the Partnership's tax preference and other items for the purpose of computing its liability for the alternative minimum tax. Therefore, prospective investors are urged to consult their own tax advisors with respect to the effect of an investment in the Partnership or their own alternative minimum tax situation.

13. **Tax Returns; Audits**. The General Partner will arrange for the preparation and filing of all necessary tax returns for the Partnership and will furnish necessary instructions and information to the

Limited Partners for their individual federal income tax returns. The fiscal year of the Partnership will end December 31.

The Code generally provides that upon audit of a partnership return, the tax treatment of any "partnership item" (including, among other things, items of partnership income, gain, loss, deduction, and credit) will be determined at the partnership level in one uniform proceeding rather than in separate proceedings with the partners. The period for assessment with respect to Partnership items, including the Partnership's allocable share of such items from the Master Fund, generally will not expire before three years from the date of filing the Partnership return or, if later, the last date prescribed for filing such return determined without regard to extension. Under some circumstances, the provisions of the Code extend the period for assessment and, in addition, the period may be extended with respect to any Limited Partner by agreement with such Limited Partner, or, for all Limited Partners, by agreement with the designated "Tax Matters Limited Partner." The General Partner will be the Tax Matters Partner of the Partnership within the meaning of Code Section 6231(a)(7).

Additionally, Limited Partners must report Partnership items on their tax returns in a manner consistent with the treatment of such items on the Partnership information return, or notify the IRS of any inconsistency. Failure to report the inconsistency will allow the IRS to assess automatically and collect any deficiency resulting from an adjustment to conform the treatment of the item to that presented on the Partnership tax return and could result in the imposition of certain penalties.

The Code and the IRS regulations contain certain so-called reportable transaction requirements which could apply to the Partnership and a Limited Partner. If such requirements did apply but were not complied with, penalties could apply for noncompliance.

14. **United States Tax on Foreign Investors**. A nonresident alien individual or foreign corporation (a "Foreign Person") is generally subject to U.S. income tax on all income that is effectively connected with the conduct of a U.S. trade or business. A Foreign Person who is a partner in a partnership is generally considered to be engaged in a U.S. trade or business if the partnership is so engaged.

Pursuant to a safe harbor provision of the Code, a Foreign Person will not be considered to be engaged in a trade or business within the U.S. solely because such Foreign Person is a limited partner of a partnership that effects transactions in the U.S. in stocks, securities or commodities for the partnership's own account, provided that (1) the partnership is not a dealer in stocks, securities or commodities, and (2) the partnership only trades commodities that are of a kind customarily dealt in on an organized commodity exchange in transactions of a kind customarily consummated on such an exchange. Although not free from doubt, it is currently anticipated that most, if not all, of the stock, security and commodity trading activities of the Partnership will qualify under the foregoing exemption. Accordingly, Foreign Persons (who or which are not dealers in commodities) investing in the Partnership generally should not be required to pay any federal income tax on Partnership gains derived from such trading. If future transactions of the Partnership do not come within the foregoing exemption, a Foreign Member's entire allocable share of income of the Partnership could become reportable for U.S. income tax purposes and subject to U.S. income tax and, if the Member is a corporation, an additional 30% U.S. branch profits tax. Also, in that event, the Partnership could be required to withhold income taxes from income or gain allocable to a Foreign Member (*see* Code Section 1446) at the highest applicable rate (currently 35% in the case of an individual and 35% in the case of a corporation). Any tax withheld under this provision would be deducted from the Foreign Member's capital account and paid over to the U.S. Treasury. The withheld tax would be treated as a credit against the Foreign Member's U.S. income tax liability and would be refundable to the extent that it exceeds such liability.

Foreign Persons are also generally subject to a 30% withholding tax ("Withholding Tax") (unless reduced or exempted by treaty) on certain types of investment income that are not effectively connected with the conduct of a U.S. trade or business. The Withholding Tax must be withheld by the person having control over such income. The Withholding Tax generally applies to dividends on stocks of U.S. companies, subject to possible partial reduction under a tax treaty, if applicable, to a Foreign Member. The Withholding Tax generally does not apply to (i) original issue discount on Treasury bills and other debt obligations having a maturity of 183 days or less, (ii) commercial bank deposits, (iii) gains on capital assets, unless the Foreign Person (in the case of an individual) is present in the U.S. for more than 183 days during the taxable year, and (iv) interest income attributable to U.S. Treasury obligations and other debt obligations in "registered form" issued after July 14, 1984, if the Foreign Member provides the Partnership with a Form W-8BEN or the equivalent.

The Partnership believes its investment activities will be conducted in a manner that will not give rise to withholding obligations, except with respect to dividend income, and also any interest income that does not come within the exceptions to Withholding Tax described above, assuming in the case of a Foreign Person who is an individual that such individual is not present in the U.S. for more than 183 days during the taxable year. However, to the extent that trading strategies evolve, additional withholding may be required. Foreign persons may also be subject to U.S. estate tax and are subject to special certification requirements to avoid U.S. backup withholding or obtain the benefits of any treaty between such person's country of residence and the U.S.

Foreign Persons who are considering investing in the Partnership should consult their own tax advisors with respect to their potential U.S. income tax liability and filing requirements.

15. **Taxation of Qualified Pension and Other Exempt Organizations**. Tax-exempt organizations, qualified pension plans and individual retirement accounts generally are not subject to federal income tax. However, such entities are subject to tax under Code Section 511, at regular rates, on "unrelated business taxable income" derived from an "unrelated trade or business." An unrelated trade or business of a tax-exempt entity is any trade or business the conduct of which is not substantially related (aside from the need of the entity for income or the use it makes of the profits derived) to the exercise or performance by such entity of its charitable, educational or other exempt purpose or function. Unrelated business taxable income is gross income derived from any unrelated trade or business regularly carried on by the entity, less certain deductions attributable to such trade or business. Both the gross income derived from, and the deductions attributable to, an unrelated trade or business are subject to certain modifications in determining unrelated business taxable income. One such modification is that items of capital gain and interest income are excluded from the definition of unrelated business taxable income unless such gain or income is derived with respect to "debt-financed property." Debt-financed property is any property held to produce income and with respect to which there is "acquisition indebtedness" at any time during the taxable year. Acquisition indebtedness means generally the amount of indebtedness incurred by a tax-exempt entity in acquiring or improving property. The portion of any capital gain and interest income derived with respect to debt-financed property that is included in unrelated business taxable income is the same percentage of the total gross income derived during the taxable year from or on account of such property as (i) the average "acquisition indebtedness" for the taxable year with respect to the property is of (ii) the average amount of the adjusted basis of such property during the period it is held by the entity during such taxable year. An equal percentage of the deductions directly connected with such debt-financed property is also allowed in the determination of unrelated business taxable income.

An investment in the Partnership by a tax-exempt organization, qualified pension plan, or individual retirement account will be treated as an unrelated trade or business. Subject to the debt-financed property exception, the profits of the Partnership (principally capital gain and interest income) generally should be excludable from unrelated business taxable income. The Partnership, however, will

likely incur debt, such as by purchasing securities on margin, that will constitute acquisition indebtedness. **ACCORDINGLY, PART OR ALL OF THE INTEREST INCOME AND GAIN ALLOCABLE TO A LIMITED PARTNER THAT IS A TAX-EXEMPT ORGANIZATION, QUALIFIED PENSION PLAN OR INDIVIDUAL RETIREMENT PLAN WILL BE TREATED AS UNRELATED BUSINESS TAXABLE INCOME AND WILL BE SUBJECT TO TAX UNDER CODE SECTION 511.** The Partnership anticipates that it will distribute annually to each such Limited Partner, after the end of the Partnership's fiscal year, the information necessary for that Member to determine the portion of its distributive share of each item of income, gain and deduction that is to be taken into account in the determination of unrelated business taxable income.

In addition, certain tax exempt entities and entity managers are subject to excise taxes and reporting requirements in connection with the participation by the tax-exempt entity in (A) a "prohibited tax shelter transaction" if the transaction is a "prohibited tax shelter transaction" at the time the tax-exempt entity became a party to the transaction or (B) a "subsequently listed transaction." The term "prohibited tax shelter transaction" means (i) any listed transaction or (ii) certain "confidential transactions" or certain transactions with "contractual protections." A tax-exempt entity will be treated as a "party" to a transaction if it (1) facilitates the transaction by reason of its tax-exempt, tax indifferent or tax-favored status, or (2) is identified in published guidance, by type, class or role, as a party to a prohibited tax shelter transaction. While the General Partner does not believe that an investment in the Interests would cause a Limited Partner to be a party to a prohibited tax shelter transaction as currently identified in published guidance, by type, class or role, there can be no assurances in this regard.

16. **Future Changes in Applicable Law.** The foregoing description of U.S. federal income tax consequences of an investment in and the operations of the Partnership is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Partnership to income taxes or subject shareholders to increased income taxes.

17. **Tax Shelter Reporting**. Treasury regulations require that each taxpayer participating in a "reportable transaction" to disclose such participation to the IRS. The scope and application of these rules is not completely clear. An investment in the Partnership may be considered participation in a "reportable transaction" if, for example, the Partnership directly or by attribution through the Master Partnership recognizes certain significant losses in the future. In the event an investment in the Partnership constitutes participation in a "reportable transaction," each investor who must file a U.S. federal income tax return may be required to file Form 8886 with the IRS, including attaching it to such return, thereby disclosing certain information relating to the Partnership to the IRS. In addition, the Partnership and its advisors may be required to maintain a list of the investors and to furnish this list and certain other information to the IRS upon its written request. Prospective investors are urged to consult their tax advisors regarding the applicability of these rules to an investment in the Partnership.

State, Local and Other Taxes

In addition to the federal income tax consequences described above, the Partnership and the Limited Partners may be subject to various other taxes. The applicability of such other taxes will depend upon factors unique to particular investors, as well as on the laws of other potentially affected taxing jurisdictions. Prospective investors are urged to consult with their own tax advisors regarding the potential applicability of state, local, foreign and other taxes on their respective shares of Partnership income.

Foreign Income Taxes

The Partnership may pay or accrue foreign income taxes in connection with its trading, and a Limited Partner may (subject to certain limitations) elect each taxable year to treat its share of these foreign income taxes as a credit against its U.S. income tax liability or to deduct such amount from its U.S. taxable income. However, a Limited Partner's ability to obtain a credit for such taxes depends upon the particular circumstances applicable to that Limited Partner, and it is possible that a Limited Partner may get little or no foreign tax credit benefit with respect to its share of foreign taxes paid or accrued by the Partnership. In those cases in which a Limited Partner can fully utilize foreign tax credits for a particular year, such tax credits would increase the effective return on its investment in the Partnership as compared with the effective return if the Limited Partner deducted such taxes in determining its U.S. taxable income.

Partnership Investments in Other Partnerships

The Partnership invests in the Master Fund, which either under certain default rules or by affirmative election intend to be treated as a partnership for U.S. federal income tax purposes) which hold various positions in securities and commodities. In this summary of certain tax consequences to Limited Partners, references to the Partnership generally should be read to also include references to the Master Fund in which the Partnership invests. Accordingly, if a partnership in which the Partnership invested were to be treated for federal income tax purposes as a corporation, the income, deductions, gains, losses and credits of such partnership would be reflected on its tax return rather than being passed through to its partners, including the Partnership. In that circumstance, such partnership: (1) if organized under the laws of the United States or any state thereof, would be required to pay federal income tax at corporate tax rates, thereby substantially reducing the amount of cash it distributes to its partners, including the Partnership, which in turn would reduce the cash available to the Partnership to be distributed to Limited Partners; and (2) if organized under the laws outside the United States, would be classified as a passive foreign investment company and/or controlled foreign corporation with certain potentially adverse consequences to Limited Partners as described in "Classification of Master Fund as a 'Partnership'" above. In addition, losses by such partnership would not be allowed as deductions to Limited Partners on their individual returns. In general, the Partnership will be allocated its distributive share of items of income, gain, loss, deduction and credit with respect to partnerships (including the Master Fund) in which it invests, and the Limited Partners in turn will be allocated their share of such items (see paragraph (2) above). The character of such items to the Limited Partners generally will be the same as if such item were realized directly by the Partnership (see paragraphs (2) and (3) above), but elections and determinations available to the partnerships in which the Partnership invests may affect the timing and/or character of income realized by the Partnership and in turn realized by the Limited Partners. For example, if a partnership in which the Partnership invests holds foreign currency positions subject to Code Section 988, the gain or loss on such positions will be ordinary income or loss to the Limited Partners unless that partnership has made an election under Section 988 of the Code to treat the gain or loss as capital gain or loss (see paragraphs (3)(d), (9) and (11) above). Also, if a partnership in which the Partnership invests borrows to finance positions (including purchasing securities on margin), this will cause part or all of the income from such positions allocable to a Member which is a tax-exempt organization to be unrelated business taxable income in the same manner as if the Partnership borrowed to finance such positions directly (see paragraph (14) above).

THE FOREGOING ANALYSIS IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL INCOME TAX PLANNING. PROSPECTIVE LIMITED PARTNERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE EFFECTS OF THIS INVESTMENT ON THEIR OWN TAX SITUATIONS.

CERTAIN ERISA CONSIDERATIONS

The fiduciary and prohibited transaction provisions of Sections 404 and 406 of ERISA, and the corresponding provisions of Section 4975 of the Code may affect the business and operations of the Partnership and may impose limitations on investment in the Partnership by employee benefit plans that are subject to ERISA or plans subject to Section 4975 of the Code (including individual retirement accounts ("IRAs") and Keogh plans), or any entity deemed to hold plan assets of the foregoing (each, a "Plan").

General Restrictions on Investment in Partnership by Plans.

Fiduciaries of Plans, in consultation with their advisors, should consider the impact of ERISA and the regulations issued thereunder on an investment in the Partnership, to the extent applicable. Among other considerations, the fiduciary of a Plan should take into account the composition of the Plan's portfolio with respect to diversification by type of asset; the cash flow needs of the Plan and the effects thereon of the liquidity of the investment; the Plan's investment objectives; the tax effects of the investment and the tax and other risks described in "Certain Federal Income Tax Consequences" and "Risk Factors"; the fact that the investors in the Partnership will consist of a diverse group of investors and that the management of the Partnership will not take the particular objectives of any investor or class of investors into account; the fact the Partnership is not intended to hold plan assets of any of the investors and, therefore, that neither the General Partner nor any of its affiliates, agents or employees will be acting as a fiduciary under ERISA to the Plan, either with respect to the Plan's purchase or retention of its investment or with respect to the management and operation of the business and assets of the Partnership.

In addition, fiduciaries of Plans should consider whether an investment in the Partnership could involve a direct or indirect transaction with a "party in interest," as defined in Section 3(14) of ERISA, or "disqualified person," as defined in Section 4975 of the Code, with respect to such Plan, or a prohibited conflict of interest for the fiduciary acting on behalf of the Plan. A "prohibited transaction," as defined in Section 406 of ERISA and in Section 4975 of the Code, could arise if the fiduciary acting on behalf of the Plan has any interest in, relationship with, or affiliation with the Partnership or the General Partner. In the case of an IRA, a prohibited transaction that involves the beneficial owner of the IRA could result in disqualification of the IRA.

The prohibited transaction rules of ERISA and the Code are very complex and may prohibit certain Plans from making an investment in the Partnership. The U.S. Department of Labor has issued several class exemptions that may provide relief from the prohibited transaction provisions of ERISA and the Code for investments in the Partnership by Plans depending upon the identity of the Plan fiduciary making the investment decision. However, there can be no assurance that any of these exemptions will be available with respect to an investment in the Partnership by a Plan.

ERISA Restrictions if the Partnership Holds Plan Assets.

If the Partnership is deemed to hold plan assets of the investors that are Plans, any transaction the Partnership enters into would be deemed to be a transaction for each Plan investor. Such treatment could generally prohibit the Partnership from entering into transactions (such as acquisitions, sales, financings or brokerage transactions) with "parties in interest" or "disqualified persons" to any Plan investor. If the Partnership were subject to ERISA, certain aspects of the current structure and terms of the Partnership may also violate ERISA. Under a regulation (the

"Regulation") issued by the U.S. Department of Labor, generally, a Plan's assets would be deemed to include an undivided interest in each of the underlying assets of the Partnership unless investment in the Partnership by "Benefit Plan Investors" (as defined below) is not "significant," or if other exceptions, not here relevant, apply.

Significant Investment by Benefit Plan Investors.

For the purpose of the Regulation, the term "Benefit Plan Investors" includes all employee benefit plans that are subject to ERISA, IRAs, Keogh Plans and other plans subject to Section 4975 of the Code, and entities whose underlying assets are deemed to include plan assets by reason of the investment in that entity by Benefit Plan Investors, such as group trusts, bank collective investment trusts, insurance company separate accounts, and certain insurance company general accounts. Investment by a Benefit Plan Investor would not be significant for purposes of the Regulation if less than 25% of the value of equity interests in the Partnership (excluding the interests of the General Partner and any other person who has discretionary authority or control, or provides investment advice for a fee with respect to the assets of the Partnership, and affiliates of any of the foregoing persons (a "Management Affiliate")) is held by Benefit Plan Investors. The Partnership does not currently intend to limit investment in the Partnership by Benefit Plan Investors so that participation by such investors could be significant within the meaning of the Regulation. Each Plan subject to ERISA will be required to appoint the General Partner as a fiduciary and investment manager with respect to such Plan's assets invested in the Partnership.

Each prospective investor and transferee will be required to represent whether it is a Benefit Plan Investor or a Management Affiliate, and the Partnership reserves the right to reject subscriptions for any reason, including that the prospective investor is a Benefit Plan Investor. The Partnership will have the right to restrict any transfer of Interests in the Partnership so as to prevent investment by Benefit Plan Investors from becoming significant. In addition, the Partnership will have the right to require that existing investors withdraw from the Partnership if participation in the Partnership by Benefit Plan Investors would otherwise become significant.

Governmental Plans.

Governmental Plans, as defined in Section 3(32) of ERISA, are not subject to Title I of ERISA, and are also not subject to the prohibited transaction provisions under Section 4975 of the Code. However, state laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above. Accordingly, fiduciaries of governmental plans, in consultation with their advisors, should consider the impact of their respective state laws on investments in the Partnership, and the considerations discussed above, to the extent applicable.

ACCEPTANCE OF A SUBSCRIPTION OF A PLAN IS IN NO RESPECT A REPRESENTATION BY THE PARTNERSHIP, THE GENERAL PARTNER OR ANY OTHER PERSON THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY SUCH PLAN OR THAT SUCH AN INVESTMENT IS APPROPRIATE FOR SUCH PLAN.

PLAN OF DISTRIBUTION

Subscribers are being offered available Interests up to a maximum of $500,000,000, with a minimum purchase requirement of $1,000,000 for each Subscriber. The General Partner, in its discretion, may aggregate certain client relationships that are connected through a third party introduction or referral for the purpose of meeting the minimum purchase requirement. You may only purchase Interests if you meet the established suitability standards. The General Partner may pay a portion of its management fee and performance allocation to authorized selling agents appointed by the General Partner for Interests sold by such selling agents.

Subject to applicable securities laws, the Partnership intends to offer Interests on a continuous basis. The General Partner, in its discretion, may increase the aggregate amount of Interests being offered with notice to the Limited Partners. The General Partner may suspend, limit or terminate this offering at any time.

SUBSCRIPTION PROCEDURE

To purchase Interests, you must (a) complete and execute the subscription documents attached as Exhibit B; (b) wire funds or deliver a check made payable to the Partnership for the amount of your investment; (c) deliver the subscription documents in a timely manner; and (d) meet established suitability standards. You may not revoke your subscription once you have submitted it. The General Partner may reject your subscription, in whole or in part, for any reason.

The Interests may only be purchased by Subscribers. Each Subscriber must satisfy the conditions set forth below and must represent in writing to the Partnership that such Subscriber is an "accredited investor" as that term is interpreted for purposes of Regulation D promulgated by the SEC and for purposes of any similar state securities laws and regulations, to the extent applicable. In addition, each Subscriber must represent in writing to the Partnership that such investor is a "qualified purchaser" as defined in Section 2(a)(51) of the 1940 Act and the rules promulgated thereunder and that if such investor is

(1) an investment company registered under the 1940 Act, a company that relies on the exclusion from such registration under Section 3(c)(1) of the 1940 Act (a "3(c)(1) Partnership"), or a business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), that each of the equity owners of such investor is a "Qualified Client" as defined in Rule 205-3 under the Advisers Act, such as a "Qualified Purchaser" or a natural person who invests at least $750,000 in the investor; or

(2) a company, such as a 3(c)(1) Partnership, that was formed for the specific purpose of acquiring the Interests offered by the Partnership (as the Partnership is relying on the exclusion from the definition of investment company in Section 3(c)(7) of the 1940 Act), that each beneficial owner of the company's securities is a "Qualified Purchaser."

Investors with questions as to whether they qualify as "accredited investors" and "qualified purchasers" are urged to refer such questions to the General Partner or their own legal advisors.

Monies received in payment for a subscription are held in a Partnership account until the subscription payment is booked to the Subscriber's Partnership Capital Account, or until the related subscription is rejected by the General Partner. Subscribers will not be paid any interest earned on their funds prior to acceptance or rejection of their subscriptions by the General Partner. A subscription payment will generally be booked to the Subscriber's Partnership Capital Account as of the first day of the month following the month in which the related subscription is accepted.

The General Partner generally must receive your subscription documents and sufficient funds at least two business days before the last day of the month in which your subscription is submitted for you to become a Member as of the first business day of the next month. In the General Partner's sole discretion, sufficient funds received on the first business day of the month may be deemed timely received. The General Partner will determine the NAV applicable to the Interests you purchase and send you a confirmation of your subscription.

This continuous offering is not registered under the Securities Act, in reliance upon an exemption from registration provided by Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder. Accordingly, you must be an accredited investor to purchase an Interest and the Interest you purchase cannot be resold unless it is registered under the Act or unless an exemption from registration is available.

To purchase an Interest, you must be an accredited investor (as that term is defined in Rule 501(a) of Regulation D) and a "qualified purchaser" as defined in Section 2(a)(51) of the 1940 Act and the rules promulgated thereunder and if the investor is

(1) an investment company registered under the 1940 Act, a company that relies on the exclusion from such registration under Section 3(c)(1) of the 1940 Act (a "3(c)(1) Partnership"), or a business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), each of the equity owners of such investor must be a "Qualified Client" as defined in Rule 205-3 under the Advisers Act, such as a "Qualified Purchaser" or a natural person who invests at least $750,000 in the investor; or

(2) a company, such as a 3(c)(1) Partnership, that was formed for the specific purpose of acquiring the Interests offered by the Partnership (as the Partnership is relying on the exclusion from the definition of investment company in Section 3(c)(7) of the 1940 Act), each beneficial owner of the company's securities must be a "Qualified Purchaser."

You should only purchase an Interest if your financial condition permits you to bear the risk of a total loss of your investment in the Partnership for at least the two years before you can redeem the Interests. You should consider an investment in an Interest as a long-term investment.

LEGAL MATTERS

Crow & Cushing ("Crow") acts as counsel generally for the General Partner and advises it with respect to its responsibilities as General Partner of the Partnership. Crow does not represent the Partnership or its Limited Partners.

ADDITIONAL INFORMATION

The information contained in this Offering Memorandum is a summary of certain information about these securities, the Partnership, and the Master Fund. The description of the Partnership herein does not purport to be exhaustive. Unless specified otherwise, information contained in the Offering Memorandum is as of the date set forth on the cover page.

The General Partner offers each Subscriber, and his qualified representative or agent, the opportunity to obtain additional information and to ask questions and receive answers concerning the Partnership and the terms and conditions of this offering. The General Partner will furnish to any Subscriber, upon written request, a copy of any document referred to in this Offering Memorandum that is not included as an exhibit hereto.