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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

IPPE LIQUID (US), L.P.

a Delaware Limited Partnership

August 2023

IPPE LIQUID (US), L.P.

DIRECTORY

Please direct investor inquiries to Investor Services at the Administrator (Telephone No.: (914) 225-8885; E-mail: fs-investor-services@msfundservices.com).

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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

IPPE LIQUID (US), L.P.

IPPE Liquid (US), L.P. (the “**Fund**”) is currently offering the Interests described in this Confidential Private Placement Memorandum (this “**Memorandum**”) to certain qualified investors that, if accepted, will become limited partners of the Fund (the “**Limited Partners**”).

Prospective investors should carefully read this Memorandum in its entirety. However, the contents of this Memorandum should not be considered to be investment, legal or tax advice, and each prospective investor should consult with its own counsel and advisers as to all matters concerning an investment in the Fund.

There will be no public offering of the Interests. No offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful.

This Memorandum has been prepared for the information of the person to whom it has been delivered (the “**Recipient**”) by or on behalf of the Fund, and may not be reproduced or used for any other purpose. By accepting this Memorandum, the Recipient agrees (i) not to reproduce or distribute this Memorandum, in whole or in part, without the prior written consent of the Fund or its authorized representatives, (ii) to return this Memorandum to the Fund or its authorized representatives upon request and (iii) not to disclose any information contained in this Memorandum or any other information relating to the Fund, including Fund performance and financial statements, to any person who is not a trustee, director, officer, employee, auditor, agent, attorney, financial adviser or other professional adviser responsible for matters relating to the Fund or who otherwise has a need to know such information in connection with such person’s responsibilities with respect to the Recipient and who is under an obligation to keep such information confidential, except to the extent such information is in the public domain (other than as a result of any action or omission of the Recipient or permitted person to whom the Recipient has disclosed such information). Notwithstanding anything in this Memorandum to the contrary, each investor (and each employee, representative or other agent of such investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Fund and the Master Fund and (ii) any of the Fund’s or the Master Fund’s transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to such investor relating to such tax treatment and tax structure, it being understood that “tax treatment” and “tax structure” do not include the name or the identifying information of (i) the Fund or the Master Fund, or (ii) the parties to a transaction.

This Memorandum is accurate as of its date in all material respects, and no representation or warranty is made as to its continued accuracy after such date. None of the Fund or any of its authorized representatives has any obligation to update this Memorandum at any time in the future. Information contained in this Memorandum is subject to modification, supplementation and amendment at any time and from time to time. Each investor will be required to acknowledge that it made an independent decision to invest in the Fund and that it is not relying on the Fund, the General Partner, the Administrator, the Investment Manager or any other person or entity (other than such investor’s own advisers) with respect to the legal, tax, financial, risk or other

considerations involved in an investment in the Fund. Past performance is no guarantee of future results.

Certain information contained in this Memorandum constitutes “forward-looking statements”, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”, or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results of the actual performance of any investment made by the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

Each prospective or current investor, when making its decision to subscribe for an Interest or making a subsequent investment decision with respect to the Fund, can rely only on information included in the Fund Documents or the Investment Manager’s Form ADV (irrespective of any other information furnished to such investor).

The Interests are suitable only for sophisticated investors (i) that do not require immediate liquidity for their investments, (ii) for which an investment in the Fund does not constitute a complete investment program and (iii) that fully understand and are willing and able to assume the risks of an investment in the Fund. Each subscriber for Interests will be required to represent that it is acquiring the Interests for its own account, for investment purposes only and not with a view toward distributing or reselling the Interests in whole or in part. There is no established secondary market for the Interests, and none is expected to develop.

The Interests are subject to limited liquidity and significant restrictions on transferability and resale. Investors will be required to bear the financial risks of an investment in the Fund for an indefinite period of time. Investment in the Fund involves the risk of loss of the entire value of an investor’s investment in the Fund.

The Interests have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any U.S. state securities laws or the laws of any other jurisdiction and, therefore, cannot be resold, reoffered or otherwise transferred unless they are so registered or an exemption from registration is available. The Interests will be offered and sold under the exemption provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder and other exemptions of similar effect under U.S. state laws and the laws of other jurisdictions where the offering will be made.

The Interests have not been filed with, registered, approved by or disapproved by the U.S. Securities and Exchange Commission (the “SEC”) or any other governmental agency, regulatory authority or national securities exchange of any country or jurisdiction. No such agency, authority or exchange has passed upon the accuracy or adequacy of this Memorandum or the merits of an investment in the Interests offered hereby. Any representation to the contrary is a criminal offense.

Neither the Fund nor the Master Fund has been or will be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the “Company Act”). Consequently, the Fund will not be required to adhere to certain restrictions and requirements under the Company Act, and investors will not be afforded the protections of the Company Act.

While the Master Fund (and the Fund, through the Master Fund) may trade commodity interests, the General Partner, with respect to the Fund and the Master Fund, is exempt from registration with the U.S. Commodity Futures Trading Commission (the “CFTC”) as a commodity pool operator (a “CPO”) pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a registered CPO, the General Partner is not required to deliver a CFTC disclosure document to prospective Limited Partners, nor is it required to provide Limited Partners with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

The General Partner, with respect to the Fund and the Master Fund, qualifies for the exemption under CFTC Rule 4.13(a)(3) on the basis that, among other things (i) each Limited Partner is an “accredited investor”, as defined under SEC rules; (ii) the Interests are exempt from registration under the Securities Act and are offered and sold without marketing to the public in the United States; (iii) participations in the Fund and the Master Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets; and (iv) at all times that the Master Fund (or the Fund, through the Master Fund) establishes a commodity interest or security futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5% of the liquidation value of the Fund’s or the Master Fund’s portfolio, respectively; or (b) the aggregate net notional value of such positions will not exceed 100% of the liquidation value of the Fund’s or the Master Fund’s portfolio, respectively.

The Master Fund is a regulated mutual fund for the purposes of the Mutual Funds Act (As Revised) of the Cayman Islands (the “Mutual Funds Act”). The Master Fund is registered with the Cayman Islands Monetary Authority (the “Authority”) pursuant to section 4(3) of that law. Such registration does not imply that the Authority or any other governmental body has commented on or approved the terms or merits of this Memorandum or passed judgment on the offering of Interests hereunder. (See “Regulatory Matters — Cayman Islands Mutual Funds Act”.)

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND. FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

The Master Fund is not hereby offering any securities and, accordingly, this Memorandum is not to be regarded as having been authorized or issued by the Master Fund. The Master Fund does not have an offering document or equivalent document. A copy of the Master Fund Partnership Agreement is available on request from the Investment Manager.

Whenever in this Memorandum the General Partner, the Investment Manager, their affiliates or any other person is permitted or required to make a decision (i) in its “discretion” or under a grant of similar authority or latitude, such person may consider such interests and factors as it desires, including its own interests to the extent such consideration is not inconsistent with ERISA (if applicable), or (ii) in its “good faith” or under another express standard, such person will act under such express standard to the extent such express standard is not inconsistent with ERISA (if applicable).

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IPPE LIQUID (US), L.P.

SUMMARY OF TERMS

The following is a summary of the principal terms of the Fund. This summary is qualified in its entirety by the more detailed information set forth in this Memorandum, any Supplement to this Memorandum, the Partnership Agreement and the Master Fund Partnership Agreement, each of which is available upon request from, or may be inspected upon reasonable notice at the office of, the Investment Manager, and each Limited Partner's Subscription Agreement (collectively, the "**Fund Documents**"). This summary should be read in conjunction with such detailed information. In the event that any information in this Memorandum contradicts information set forth in any other Fund Document, the applicable Fund Document will control.

THE FUNDS:

The Fund

The Fund is a Delaware limited partnership formed on September 2, 2022 to operate as a private investment fund primarily for the benefit of taxable U.S. investors and certain tax-exempt U.S. investors. The Fund commenced operations on March 1, 2023.

The Master Fund

To effect its investment objective, the Fund invests all of its investable assets through a "master-feeder" fund structure in IPPE Liquid Master Fund, L.P. (the "**Master Fund**"), an exempted limited partnership established for an unlimited duration and registered with the Registrar of Exempted Limited Partnerships in the Cayman Islands under the laws of the Cayman Islands on September 7, 2022.

As the Fund conducts all of its investing and trading activities through, and invests all of its investable assets in, the Master Fund, references to the term "Master Fund" as used in this Memorandum in the context of the Master Fund's portfolio, investment program and related risks should be understood to mean the Master Fund, any other vehicle through which the Master Fund makes investments or enters into transactions, and, indirectly through its investment in the Master Fund, the Fund.

The Offshore Fund

IPPE Liquid (Cayman), L.P. (the "**Offshore Fund**") is an exempted limited partnership established for an unlimited duration and registered with the Registrar of Exempted Limited Partnerships in the Cayman Islands under the laws of the Cayman Islands on September 7, 2022 to operate as a private investment fund for the benefit of non-U.S. investors and certain tax-exempt U.S. investors. The Offshore Fund follows an investment

program substantially similar to that of the Fund and invests all of its investable assets in the Master Fund.

The Investment Manager reserves the right to vary the structure of the aforementioned entities for tax, regulatory, operational and other similar reasons.

**INVESTMENT
PROGRAM:**

The Master Fund will employ an investment strategy that seeks to significantly outperform the market and deliver above-average absolute returns on investor capital, measured net of all fees over a prolonged period of time (at least three to five years).

The Investment Manager believes one of its key competitive advantages in implementing the Master Fund's investment program is the ability to leverage the expertise of the public markets investment team and its private markets investment team. The Investment Manager fosters a highly collaborative environment that encourages the public markets team and the private markets team to work together to enhance each team's strengths. The core aim of the Investment Manager is to seek to identify and to invest in the highest quality public companies across the technology, software, and internet sectors.

The Master Fund's strategy is to hold a concentrated portfolio of publicly traded securities, of which the top twenty positions are expected to make up a substantial majority of investable assets. The attractiveness of these investments is expected to be determined using a bottom-up approach, underpinned by deep fundamental research. The underwriting process for a new investment is lengthy and focuses intently on a prospective investment's product offering and roadmap, as well as proprietary future free cash flow analysis. The Master Fund is expected to make investments in public companies that the Investment Manager believes have a superior product and whose free cash flow profile may be misunderstood by the market, which the Investment Manager believes is the key indicator for future stock price performance.

The Investment Manager's investment approach necessitates a long-term orientation, and believes that performance for the Master Fund will be best measured in years, not in days, months, or quarters. The Investment Manager's theses on investments tend to be multi-year in nature, and the Investment Manager utilizes proprietary models to inform decisions on the optimal time to buy, sell, or hold any particular position. (See "Investment Program".)

The descriptions set forth in this Memorandum of specific strategies in which the Master Fund may engage or specific investments the Master Fund may make should not be understood to limit in any way the Master Fund's investment activities. The Master Fund may engage in any investment strategy and make any investment, including any not described in this Memorandum, that the Investment Manager considers appropriate to pursue the Master Fund's investment objective. The Master Fund's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Master Fund will be achieved. (See "Certain Risk Factors".)

MANAGEMENT:

The Investment Manager

Insight Venture Management, LLC (the "**Investment Manager**" or "**Insight**"), a Delaware limited liability company, serves as the investment manager of the Fund. The Investment Manager also serves as the investment manager of the Master Fund and the Offshore Fund.

John Wolff (the "**IPPE Principal**") serves as the Chief Investment Officer for the Investment Manager's public equities investment strategy and is the Portfolio Manager of the Master Fund.

The General Partner

IPPE Liquid GP, LLC (the "**General Partner**", and together with the Limited Partners, the "**Partners**"), a Delaware limited liability company formed on September 19, 2022 and registered as a foreign company in the Cayman Islands, serves as the general partner of the Fund, the Offshore Fund and the Master Fund. The General Partner has ultimate responsibility for decisions relating to management and operations made on behalf of the Fund, the Offshore Fund and the Master Fund and the investment decisions made on behalf of the Master Fund.

ADVISORY BOARD:

The General Partner has established an advisory board of the Fund, the Offshore Fund and the Master Fund (the "**Advisory Board**"), the purpose of which is to advise the General Partner and, on behalf of the Limited Partners and the investors in the Offshore Fund, review and consent or withhold consent regarding matters brought to the Advisory Board by the General Partner in its sole discretion. Such matters may include transactions involving potential conflicts of interest, matters requiring investor approval under applicable law, such as principal transactions involving the Master Fund pursuant to the

U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and any other matter deemed appropriate by the General Partner. The General Partner may also ask the Advisory Board to review the Fund’s, the Offshore Fund’s and the Master Fund’s financial statements and performance. A majority of the Advisory Board members are and will be unaffiliated with the General Partner or any limited partner of the Fund or the Offshore Fund. The Advisory Board may not approve any transaction that would give rise to a prohibited transaction under ERISA, if applicable. (See “Management—Advisory Board”)

INSIGHT INVESTMENT: The Investment Manager-Related Investors (as defined below), directly or through the General Partner, subscribed to the Fund and the Offshore Fund in an amount equal to at least 2% of the aggregate subscriptions to the Fund and the Offshore Fund on the initial closing date by limited partners that were not Investment Manager-Related Investors.

“**Investment Manager-Related Investor**” means the IPPE Principal and any other member, partner, affiliate or employee of the General Partner or the Investment Manager, any member of the immediate family of any such person, and any trust or other entity established for the benefit of any such person that invests directly or indirectly in the Fund, the Offshore Fund or the Master Fund.

OFFERING OF INTERESTS: The Fund may admit new Limited Partners and accept capital contributions as of the first day of each month or such other day as the General Partner may determine in its sole discretion (each, a “**Subscription Date**”).

USE OF PROCEEDS: The proceeds from the sale of Interests will be available for the Fund’s investment program, after the payment of the Fund’s organizational, offering and operational expenses.

THE INTERESTS: The Fund is currently offering, pursuant to this Memorandum, founders class 1 limited partnership interests (“**Founders Class 1 Interests**”) and founders class 2 limited partnership interests (“**Founders Class 2 Interests**”, together with Founders Class 1 Interests and such other interests in the Fund as the Fund may establish from time to time, the “**Interests**”) to certain qualified investors that, if accepted, will become Limited Partners.

“**Founders Class 1 Limited Partner**” means a Limited Partner that holds Founders Class 1 Interests.

“Founders Class 2 Limited Partner” means a Limited Partner that holds Founders Class 2 Interests.

Unless the General Partner determines otherwise in its sole discretion, Founders Class 1 Interests (and founders class 1 limited partnership interests in the Offshore Fund) and Founders Class 2 Interests (and founders class 2 limited partnership interests in the Offshore Fund) will each be offered until such time as the aggregate amount of subscriptions for such Class of Interests (as defined below) (and the corresponding class of interests in the Offshore Fund) is at least \$500 million.

The Fund, in the General Partner’s sole discretion, may establish additional classes of Interests (each class of Interests of the Fund, a **“Class of Interests”**) and enter into Side Letter Agreements that provide for different or additional terms than those of the Interests described in this Memorandum, including by way of example different Management Fee rates, Incentive Allocation rates (at the Master Fund level), information rights and withdrawal rights. The Fund may establish new Classes of Interests and enter into Side Letter Agreements without providing notice to, or receiving consent from, the Limited Partners. The General Partner may, in its sole discretion, determine the terms of such Classes of Interests and Side Letter Agreements. (See “Other Activities of Management; Potential Conflicts of Interest — Side Letter Agreements”.)

**INITIAL AND
ADDITIONAL CAPITAL
CONTRIBUTIONS:**

The minimum initial capital contribution for Founders Class 1 Interests and for Founders Class 2 Interests is \$5,000,000. A Founders Class 1 Limited Partner or a Founders Class 2 Limited Partner may make additional capital contributions to the Fund for Founders Class 1 Interests or Founders Class 2 Interests, as applicable, in amounts of at least \$1,000,000. All subscriptions for Interests are irrevocable. The General Partner in its sole discretion may accept capital contributions of lesser amounts or establish different minimums or reject any capital contribution, in whole or in part, for any reason or no reason. Each capital contribution will be deemed to create a separate capital account in the Fund (a **“Capital Account”**) for purposes of determining the Incentive Allocation terms applicable to such capital contribution. Specifically, if a Founders Class 1 Limited Partner makes multiple capital contributions and thus holds multiple Capital Accounts, the Incentive Allocation will be determined independently with respect to each Capital Account held by the Founders Class 1 Limited Partner.

Unless the context indicates otherwise, references in this Memorandum to a “Capital Account” should be understood to include the corresponding Series Capital Account (as defined below), and references to “Capital Accounts” in the context of Incentive Allocations should be understood to refer to a particular Capital Account of a Founders Class 1 Limited Partner and the corresponding Founders Class 1 Series Capital Account (as defined below) and not the aggregate Capital Accounts of a Founders Class 1 Limited Partner.

“Founders Class 1 Series Capital Account” means a Series Capital Account corresponding to (i) the Capital Account of a Founders Class 1 Limited Partner or (ii) the capital account of a founders class 1 limited partner in the Offshore Fund.

**MASTER FUND SERIES
CAPITAL ACCOUNTS:**

The Master Fund will establish a capital account for each of the Fund, the Offshore Fund and the General Partner and, to track the investments, Incentive Allocation, as applicable, and expenses attributable to each Limited Partner and limited partner in the Offshore Fund, the Master Fund will establish series capital accounts (each, a **“Series Capital Account”**) within the capital accounts of the Master Fund that correspond to each Limited Partner’s Capital Account(s) and the capital account(s) of the limited partners in the Offshore Fund.

SALES CHARGES:

There will be no sales charges payable to the Investment Manager, its affiliates or the Fund in connection with the offering of Interests. However, the Investment Manager, its affiliates and/or the Fund may enter into agreements with placement agents providing for one-time or ongoing payments from the Investment Manager, its affiliates or the Fund based upon the amount of a Limited Partner’s capital contributions or the Management Fees and/or Incentive Allocations borne by a Limited Partner that was introduced to the Fund by the placement agent. Any amounts paid by the Fund to any placement agent will reduce the Management Fees and/or Incentive Allocations otherwise payable or allocable in respect of the Interests held by any Limited Partner that was introduced to the Fund by such placement agent.

MANAGEMENT FEE:

The Fund will pay to the Investment Manager a fee for its services (the **“Management Fee”**) for each month equal to a twelfth of the result of the applicable Management Fee Rate multiplied by the balance of each Capital Account of a Limited Partner as of the beginning of such month (before taking into account the estimated accrued Incentive Allocation, if any). The Fund will calculate and pay the Management Fee in advance.

“**Management Fee Rate**” means 0.50% per annum for Founders Class 1 Interests and 1.0% per annum for Founders Class 2 Interests.

The Fund will pay the Management Fee within 30 days of the first day of each month. The Investment Manager may, in its sole discretion and without the consent of the Limited Partners, cause the Management Fee to be charged to and paid by the Master Fund instead of the Fund.

The Management Fee will be prorated and payable as of a Subscription Date for any capital contribution by a Limited Partner that is effective other than as of the first day of a month. In the event of a withdrawal by a Limited Partner other than as of the last day of a month, the Investment Manager will return to the Fund (or the Master Fund) for payment to, or credit to the Capital Account of, the withdrawing Limited Partner, an amount equal to the *pro rata* portion of the Management Fee, based on the actual number of days remaining in such month.

In the sole discretion of the Investment Manager, the Management Fee may be waived, reduced or calculated differently with respect to the Capital Accounts of any Limited Partner. The Capital Accounts of the General Partner and the Investment Manager-Related Investors will not be subject to the Management Fee.

EXPENSES:

Expenses of the Fund

The Fund will bear its own expenses and its *pro rata* share of the Master Fund’s expenses, including the following: (i) the Management Fee; (ii) expenses related to the research, due diligence, financing, monitoring and disposition of actual and prospective Master Fund investments, whether or not such investment is consummated, including the following: third-party investment sourcing fees (including performance-based fees); fees and expenses related to obtaining research and market data (including any information technology hardware, software or other technology incorporated into the cost of obtaining such research and market data, and including fees and expenses related to obtaining, processing and analyzing research or market data that may be considered “big data” or “alternative data”, including fees and expenses related to performing due diligence on potential providers of any of such research or market data services); due diligence expenses, including consulting and appraisal fees; brokerage, prime brokerage and futures commission merchant fees, commissions and expenses (including fees, commissions and expenses of any outsourced

trading desk); expenses relating to block trades; expenses relating to short sales; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and fees related to financings or refinancings; fees and expenses of proxy research and voting and class action-related services; (iii) operational expenses, including the following: fees and expenses relating to information technology hardware, software or other technology (including costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions and/or facilitate compliance with the rules of any self-regulatory organization or applicable law (including reporting obligations), facilitate and manage the order execution of investments or otherwise manage or monitor investments, such as Bloomberg terminals, portfolio management systems, risk management systems and order management systems; fees and expenses of third-party risk management products, models and services; fees and expenses of any outsourced trading firms; (iv) fees and expenses of third-party professionals, including consultants, valuation service providers, attorneys, accountants and third-party administrative fees and expenses (including any “shadow” administrator) and including the costs of engaging or appointing a Money Laundering Reporting Officer, a Deputy Money Laundering Reporting Officer and an Anti-Money Laundering Compliance Officer; (v) the costs of any litigation or investigation involving activities of the Fund or the Master Fund; (vi) taxes and third-party audit and tax preparation expenses; (vii) insurance expenses, including premiums for cybersecurity insurance and liability insurance covering the General Partner, the Investment Manager and the members, partners, officers, employees and agents of any of them, and each member of the Advisory Board; (viii) fees and expenses of the independent members of the Advisory Board; (ix) costs of preparing and distributing reports and notices; (x) expenses incurred in connection with negotiating and complying with provisions of any Side Letter Agreement, and expenses incurred in connection with any Transfers of Interests or a Limited Partner’s admission or withdrawal, unless otherwise charged to or borne by the applicable transferee or Limited Partner; (xi) fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Fund or the Master Fund, including any governmental, regulatory, licensing, filing or registration fees or taxes (including fees and expenses incurred in connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings);

(xii) expenses incurred in connection with the offering and sale of the Interests and other similar expenses related to the Fund; (xiii) expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the Fund or the Master Fund; (xiv) expenses incurred in connection with meetings with investors and prospective investors; (xv) extraordinary expenses, including indemnification expenses and fees and expenses incurred in connection with any tax audit by any tax authority, including any related administrative settlement and judicial review; (xvi) fees and expenses incurred in connection with the organization, reorganization, dissolution, winding-up or termination of the Fund or the Master Fund; and (xvii) other similar expenses of the Fund and the Master Fund. The Fund will also indirectly bear any similar expenses of any trading subsidiary or special purpose vehicle of the Master Fund.

For the avoidance of doubt, “similar expenses” refers to any expenses that are similar in type and nature to the expenses described above, and is intended, given the dynamic ongoing nature of the business of the Fund, to cover any expenses determined by the General Partner, in its sole discretion, to be primarily related to the categories listed above but not specifically enumerated. Accordingly, any description of the expenses that the Fund may bear (directly or indirectly) is not exhaustive.

Generally, all expenses borne by the Fund, other than (i) the Management Fee, and (ii) any other expenses that the General Partner determines should be allocated to a particular Partner or Partners (*e.g.*, Investor-Related Taxes), will be debited to all of the Capital Accounts on a *pro rata* basis in accordance with their Partnership Percentages. To the extent that expenses to be borne by the Fund are paid by the General Partner, the Investment Manager or their affiliates, the Fund will reimburse such party for such expenses.

Certain of the Investment Manager’s determinations with respect to whether specific expenses should be borne by the Investment Manager or by the Fund and the Other Insight Funds (as defined below) require subjective judgments. The Investment Manager has a conflict of interest when making such judgments because the Investment Manager will bear the costs of any expenses not allocated to a client. The Investment Manager seeks to allocate expenses in a manner that the Investment Manager deems to be fair and equitable.

“Other Insight Funds” means any clients of, or any other investment funds or vehicles managed or advised, directly or indirectly, by, the Investment Manager, the General Partner or any of their respective affiliates (other than the Fund, the Offshore Fund and the Master Fund), including investment funds, separately managed accounts, proprietary accounts and other investment vehicles whether currently in existence or hereafter established.

Organizational and Offering Expenses

Certain of the Fund’s organizational and initial offering expenses are, for accounting purposes, being amortized by the Fund for up to a 60-month period. Amortization of such expenses over a period that is up to 60 months is a divergence from U.S. generally accepted accounting principles (“GAAP”), which might, in certain limited circumstances, result in a qualification of the Fund’s annual audited financial statements. If the Fund amortizes its expenses but terminates before such expenses are fully amortized, the unamortized portion of the organizational expenses will be debited against the Fund’s assets at that time. If a Limited Partner withdraws all or any portion of the balance in its Capital Account(s) prior to the end of the 60-month period during which the Fund is amortizing expenses, the General Partner may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

ALLOCATION OF GAINS AND LOSSES:

General

At the end of each Accounting Period,* each Capital Account (including the General Partner’s Capital Account) will be adjusted by crediting (in the case of net capital appreciation) or debiting (in the case of net capital depreciation) the net capital appreciation or net capital depreciation for such Accounting Period, as the case may be, in proportion to the Partnership Percentage of such Capital Account.

“Partnership Percentage” has the following meanings:

* **“Accounting Period”** means the period commencing, in the case of the initial Accounting Period, upon the commencement of the Fund and, in the case of each subsequent Accounting Period, immediately after the end of the immediately preceding Accounting Period and ending at the close of business on the first to occur of (i) the last day of each month, (ii) the date immediately prior to the effective date of the admission of a new Partner, (iii) the date immediately prior to the effective date of an additional capital contribution from a Partner, (iv) the date immediately prior to the effective date of a Partner’s withdrawal of all or a portion of a Capital Account, (v) the date when the Fund dissolves, and (vi) any other date the General Partner determines, in its sole discretion.

- (i) for purposes of allocating net capital appreciation and net capital depreciation for an Accounting Period, the percentage determined for each Capital Account by dividing the balance in each such Capital Account by the aggregate Capital Accounts of all Partners as of the beginning of such Accounting Period after taking into account capital contributions, withdrawals and distributions; and
- (ii) for purposes of providing Limited Partner consent under the Partnership Agreement, the percentage determined for each Capital Account by dividing the balance in each such Capital Account by the aggregate Capital Accounts of all Limited Partners as of the beginning of such Accounting Period after taking into account capital contributions, withdrawals and distributions.

The sum of the Partnership Percentages in each case will equal 100%. The determination or application of Partnership Percentages for any particular purpose will be subject to adjustment to account for any special allocations, limitations or exclusions (*e.g.*, specially allocated expenses (including Investor-Related Taxes), participation in new issues, and exclusion of non-voting interests), as provided herein and in the other Fund Documents.

Liabilities will be determined using GAAP, applied on a consistent basis; *except* that the General Partner may, in its sole discretion, establish reserves and holdbacks for estimated accrued expenses, liabilities or contingencies, including general reserves and holdbacks for unspecified contingencies (even if such reserves or holdbacks are not required by GAAP).

For purposes of determining allocations, including calculating the Incentive Allocation and the balance in a Founders Class 1 Series Capital Account's Loss Recovery Account and for the purposes of determining the Hurdle Amount (as defined below), any Investor-Related Taxes related to a Limited Partner or a direct or indirect beneficial owner of the Master Fund will be deemed distributed from the Series Capital Account(s) related to such person and will not be deemed to be expenses that reduce net capital appreciation, increase net capital depreciation or increase the balance of the Loss Recovery Account.

"Investor-Related Tax" means any tax withheld from the Fund or the Master Fund or paid over by the Fund or the Master Fund, in each case, directly or indirectly, with respect to or on behalf of

a Partner or a direct or indirect beneficial owner of the Master Fund, and interest, penalties and/or any additional amounts with respect thereto, including (i) a tax that is determined based on the status, action or inaction (including the failure of a Partner or a direct or indirect beneficial owner of the Master Fund to provide information to eliminate or reduce withholding or other taxes) of a Partner or a direct or indirect beneficial owner of the Master Fund, or (ii) an “imputed underpayment” within the meaning of Section 6225 of the Internal Revenue Code and any other similar tax, attributable to a Partner or a direct or indirect beneficial owner of the Master Fund, as determined by the General Partner in its sole discretion.

Restricted and Limited Participation

In the event the General Partner determines that, based upon tax or regulatory considerations (such as a Limited Partner’s eligibility to participate in profits and losses attributable to “new issues”, as defined under FINRA Rule 5130), or for any other reasons as to which the General Partner and any Partner agree, such Partner should not participate (or should be limited in its participation) in the net capital appreciation and net capital depreciation, if any, attributable to any security, type of security or any other transaction (indirectly through the Master Fund), the General Partner may allocate such net capital appreciation or net capital depreciation only to the Capital Accounts of Partners to which such considerations or reasons do not apply (or may allocate to the Partner to which such considerations or reasons apply, the portion of such net capital appreciation or net capital depreciation attributable to such Partner’s limited participation in such security, type of security or other transaction (indirectly through the Master Fund)). If any of the considerations or reasons described above apply, then the General Partner may establish a separate memorandum account in which only the Partners having an interest in such security, type of security or transaction (indirectly through the Master Fund) will have an interest and the net capital appreciation and net capital depreciation for each such memorandum account will be separately calculated.

The General Partner intends to allocate up to 10% of the profits and losses attributable to “new issues” (as defined under FINRA Rule 5130) to investors that are “restricted persons” (as defined under FINRA Rule 5130) in accordance with the “de minimis exemption”, but reserves the right to vary this allocation methodology at any time.

**INCENTIVE
ALLOCATION:**

Generally, at the end of each Fiscal Year, the Master Fund will reallocate from each Founders Class 1 Series Capital Account to the Master Fund capital account of the General Partner, in its capacity as general partner of the Master Fund, an amount (the “**Incentive Allocation**”) equal to 20% of the amount of the net capital appreciation allocated to each Founders Class 1 Series Capital Account in excess of the Hurdle Amount for such Fiscal Year after reduction by an amount equal to the amount of the Management Fee debited to the Capital Account corresponding to such Founders Class 1 Series Capital Account or, if paid by the Master Fund, such Founders Class 1 Series Capital Account for such Fiscal Year and any other expenses of the Fund (other than Investor-Related Taxes) corresponding to such Founders Class 1 Series Capital Account for such Fiscal Year; *provided, however*, that the net capital appreciation upon which the calculation of the Incentive Allocation is based will be reduced to the extent of any balance in such Founders Class 1 Series Capital Account’s Loss Recovery Account. The Incentive Allocation will also be made from a Founders Class 1 Series Capital Account with respect to net capital appreciation attributable to amounts withdrawn, amounts distributed and amounts transferred (provided that such transfer results in a change in the beneficial ownership of the Interest transferred) and in connection with the termination of the Fund or the Master Fund.

“**Hurdle Amount**” means, with respect to each Founders Class 1 Series Capital Account, the amount that would have been earned during a Fiscal Year had such Founders Class 1 Series Capital Account achieved an annualized rate of return equal to 7.0% per annum from the beginning of such Fiscal Year. The Hurdle Amount will be prorated for intra-year withdrawals and capital contributions. The Hurdle Amount is calculated on an annual basis and is not cumulative. For the avoidance of doubt, net capital appreciation used to recover any balance in a Loss Recovery Account will also count toward the Hurdle Amount.

The Master Fund maintains a memorandum account (a “**Loss Recovery Account**”) for each Founders Class 1 Series Capital Account that tracks the losses that must be recouped before an Incentive Allocation can be made with respect to such Founders Class 1 Series Capital Account (*i.e.*, tracks the “high water mark” of such Founders Class 1 Series Capital Account). The balance in each Founders Class 1 Series Capital Account’s Loss Recovery Account will be adjusted at the end of each Fiscal Year to reflect the aggregate net capital depreciation with respect to such Founders Class 1 Series Capital Account, if any, and will be

adjusted (but not below zero) as necessary to account for net capital appreciation and intra-year withdrawals and distributions. Solely for purposes of determining an adjustment to the balance of a Founders Class 1 Series Capital Account's Loss Recovery Account, net capital appreciation and net capital depreciation for any applicable period will be calculated by taking into account the amount of the Management Fee, if any, debited to the Capital Account corresponding to such Founders Class 1 Series Capital Account or, if paid by the Master Fund, such Founders Class 1 Series Capital Account and any other expenses of the Fund (other than Investor-Related Taxes) corresponding to such Founders Class 1 Series Capital Account for such period. Additional capital contributions do not affect the balance of any Loss Recovery Account. The Incentive Allocation is not made with respect to a Founders Class 1 Series Capital Account until the balance of such Founders Class 1 Series Capital Account's Loss Recovery Account has been reduced to zero.

Three examples of the Incentive Allocation calculation follow.

- If at the beginning of a Fiscal Year (i) the balance of a Founders Class 1 Series Capital Account is \$100, (ii) the balance of its corresponding Loss Recovery Account is \$0, and (iii) the Founders Class 1 Series Capital Account is allocated \$10 of net capital appreciation (after taking into account the Management Fee), the Incentive Allocation made to the General Partner will be \$0.60 (*i.e.*, 20% of \$3, as the Incentive Allocation is calculated based on the incremental \$3 of net capital appreciation allocated to the Founders Class 1 Series Capital Account above the Hurdle Amount (*i.e.*, \$7)).
- If at the beginning of a Fiscal Year (i) the balance of a Founders Class 1 Series Capital Account is \$100, (ii) the balance of its corresponding Loss Recovery Account is \$0, and (iii) the Founders Class 1 Series Capital Account is allocated \$8 of net capital appreciation (after taking into account the Management Fee), the Incentive Allocation made to the General Partner will be \$0.20 (*i.e.*, 20% of \$1, as the Incentive Allocation is calculated based on the incremental \$1 of net capital appreciation allocated to the Founders Class 1 Series Capital Account above the Hurdle Amount (*i.e.*, \$7)).
- If at the beginning of a Fiscal Year (i) the balance of a Founders Class 1 Series Capital Account is \$100, (ii) the balance of its corresponding Loss Recovery Account is

\$10, and (iii) the Founders Class 1 Series Capital Account is allocated \$15 of net capital appreciation (after taking into account the Management Fee), the Incentive Allocation made to the General Partner will be \$1 (*i.e.*, 20% of \$5, as the Incentive Allocation is calculated based on the incremental \$5 of net capital appreciation allocated to the Founders Class 1 Series Capital Account after the Hurdle Amount (*i.e.*, \$7) is satisfied and the balance of the Loss Recovery Account (*i.e.*, \$10) is reduced to zero).

The Incentive Allocation will be determined separately with respect to each Capital Account established for a Founders Class 1 Limited Partner. Accordingly, it is possible that an Incentive Allocation may be made with respect to one Founders Class 1 Series Capital Account even though another Founders Class 1 Series Capital Account corresponding to a different Capital Account held by the same Founders Class 1 Limited Partner has not appreciated, or has depreciated in value during the same period.

In the sole discretion of the General Partner, the Incentive Allocation may be waived, reduced or calculated differently with respect to the Capital Account(s) of any Founders Class 1 Limited Partner. The Capital Accounts of the General Partner, the Investment Manager-Related Investors and the Founders Class 2 Limited Partners will not be subject to the Incentive Allocation.

WITHDRAWALS:

Voluntary Withdrawals by Limited Partners

Subject to the limitations on withdrawals set forth herein, each Limited Partner may, as of the last day of each month (each such date, and any other day on which a withdrawal is permitted or required by the General Partner, a “**Withdrawal Date**”), upon at least 45 days’ prior written notice to the Administrator, withdraw all or a portion of the balance in each Capital Account of such Limited Partner as of such date.

A withdrawal notice will be irrevocable unless the General Partner, in its sole discretion, permits the withdrawal notice to be revoked.

The Administrator will use reasonable efforts to acknowledge in writing all withdrawal requests which are received in good order. A subscriber failing to receive such written acknowledgement from the Administrator within five (5) business days should contact the Administrator to obtain the same. Failure to obtain such a written acknowledgement from the Administrator may

render the request void, unless otherwise permitted by the General Partner.

Withdrawals by the General Partner and Investment Manager-Related Investors

The General Partner and the Investment Manager-Related Investors may make withdrawals from their Capital Accounts on the same terms that apply to Founders Class 1 Limited Partners; *provided*, that the General Partner and each Investment Manager-Related Investor may at any time withdraw a portion of its Capital Account equal to the amount of the aggregate Incentive Allocations allocated to it at the Master Fund level (as adjusted for any appreciation or depreciation thereon). For the avoidance of doubt, the General Partner may convert all or any portion of its Capital Account(s) attributable to the Incentive Allocation into a limited partnership interest in the Fund to be held by the General Partner or its Investment Manager-Related Investors (including by way of withdrawal and subscription). Such limited partnership interests (as adjusted for any appreciation or depreciation thereon) may also be withdrawn at any time by the Investment Manager-Related Investors, consistent with the foregoing (including the proviso in the foregoing sentence).

Key Person Event

The Fund will promptly notify all Limited Partners upon the occurrence of any of the following events and circumstances: (i) the death of the IPPE Principal; (ii) the IPPE Principal is unable, by reason of illness or injury, to substantially perform his functions for the Investment Manager and any of its affiliates for 90 consecutive days; and (iii) the IPPE Principal, for any reason other than death, illness or injury, is not actively involved in the day-to-day management of the Fund for any period of 90 consecutive days (a “**Key Person Event**”).

During the period commencing upon the date that notice of the Key Person Event is provided to the Limited Partners and ending on the 90th day following such date (the “**Key Person Suspension Period**”), withdrawals may not be made so as to facilitate an orderly transition in the management of the Fund’s affairs. Each Limited Partner may as of the last day of the month in which the Key Person Suspension Period ends, upon at least 30 days’ prior written notice to the Administrator, withdraw all or a portion of the balance in each Capital Account of such Limited Partner.

The Master Fund will liquidate portfolio positions in a commercially reasonable manner in order to meet withdrawal requests made in connection with a Key Person Event. To ensure that the liquidation of portfolio positions under such circumstances does not adversely affect non-withdrawing Limited Partners and non-withdrawing limited partners of the Offshore Fund, the Fund may suspend withdrawals temporarily or wind up the Fund. Until such withdrawal requests are satisfied, the withdrawing Limited Partners will remain subject to the risks of the Master Fund's portfolio and subject to the Management Fee, the Incentive Allocation, as applicable, and the expenses of the Fund.

The Fund will distribute withdrawal proceeds payable in connection with a Key Person Event on the terms set forth in this Memorandum for regular withdrawals.

Payment of Withdrawal Proceeds

Subject to the limitations on withdrawal described herein, the Fund will pay withdrawal proceeds without interest and within 30 days after the applicable Withdrawal Date; *except* that if a Limited Partner elects to withdraw 95% or more of the balance of a particular Capital Account, the Fund will pay the Limited Partner an amount equal to at least 95% of the estimated withdrawal proceeds (computed on the basis of unaudited data as of the Withdrawal Date) with respect to the relevant Capital Account within 30 days after the Withdrawal Date. If a Limited Partner elects to withdraw 95% or more of the balance of a particular Capital Account in the aggregate during a Fiscal Year by means of more than one withdrawal, the "holdback" amount described above will be adjusted to reflect the aggregate withdrawal amounts made during such Fiscal Year. The Fund will pay the Limited Partner's balance (subject to audit adjustments and without interest) as soon as practicable after the issuance of the audit of the Fund's books for the Fiscal Year in which such Withdrawal Date occurs. If a Limited Partner holds more than one Capital Account, the General Partner may, in its sole discretion, pay such Limited Partner more than 95% of the estimated withdrawal proceeds (computed on the basis of unaudited data as of the Withdrawal Date) attributable to the fully withdrawn Capital Account, and in the event of an audit adjustment that exceeds the amount held back (or if no amount was held back), the General Partner may debit such Limited Partner's remaining Capital Accounts with the amount of the audit adjustment to the extent the amount held back was less than the audit adjustment or no amount was held back. Withdrawal

proceeds payable to a withdrawing Founders Class 1 Limited Partner will be reduced by any Incentive Allocation allocable with respect to the withdrawn capital. If a Limited Partner has more than one Capital Account, withdrawal proceeds will be paid on a “first-in, first-out” basis.

In the sole discretion of the General Partner, the Fund may make distributions in cash or, to the extent that the Fund receives an in-kind distribution from the Master Fund, in kind, or in a combination thereof, in connection with a voluntary or required withdrawal of funds from the Fund by a Partner. In each case, each asset to be distributed in kind to any withdrawing Partner may be allocated to such withdrawing Partner in such amounts as determined by the General Partner, in its sole discretion. In-kind distributions may be comprised of, among other things, interests in special purpose vehicles holding the actual investment or participations in the actual investment or participation notes (or similar derivative instruments), which provide a return with respect to certain securities owned by the Master Fund. Each special purpose vehicle will bear its own expenses. In the sole discretion of the General Partner, the Fund may make distributions in cash or, to the extent that the Fund receives an in-kind distribution from the Master Fund, in kind, or in a combination thereof, at any time to all of the Partners in accordance with their respective Partnership Percentages. The value of any asset distributed in kind will be determined on the date of distribution.

Notwithstanding the foregoing, if a Partner that is subject to the provisions of ERISA and/or the prohibited transaction provisions of Section 4975 of the Internal Revenue Code informs the Investment Manager that the holding of a particular asset to be distributed in kind could result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code with respect to such Partner, then the Fund will not distribute such asset in kind to the Partner and will instead sell such asset at the Partner’s sole expense at the price the Investment Manager is able to obtain for such asset (which might not be fair market value) and distribute the proceeds to the Partner.

Suspension

The General Partner may suspend the determination of the net asset value of the Fund and the balance of each Capital Account, withdrawal rights, in whole or in part, and/or the payment of withdrawal proceeds in respect of voluntary withdrawals:

- (i) during any period when any stock exchange or over-the-counter market on which the Master Fund's investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended;
- (ii) during the existence of any state of affairs as a result of which, in the opinion of the General Partner, in its capacity as general partner of the Master Fund, disposal of the Master Fund's assets, or the determination of the net asset value of the Master Fund, is not reasonably practicable or is reasonably expected to be prejudicial to the non-withdrawing Limited Partners or the Fund as a whole;
- (iii) during the existence of any state of affairs as a result of which disposal of a portion of the Master Fund's assets deemed significant by the General Partner, in its capacity as general partner of the Master Fund, is restricted under applicable U.S. or non-U.S. securities laws or regulations;
- (iv) during any breakdown in the means of communication normally employed in determining the price or value of the Master Fund's assets or liabilities, or of current prices in any financial market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Master Fund cannot reasonably be promptly and accurately ascertained;
- (v) during any period when withdrawals would cause a breach or default under any covenant in any agreement entered into by the Master Fund, including an agreement for borrowing or other financing agreement;
- (vi) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the opinion of the General Partner, in its capacity as general partner of the Master Fund, be effected at normal rates of exchange;
- (vii) during the period in which the Master Fund is winding down its business; or
- (viii) during any period when any of the above circumstances applies to the Fund or when the Master Fund suspends the determination of its net asset value, withdrawal rights, in whole or in part, or the payment of withdrawal proceeds

under circumstances that are analogous to any of the above.

The Master Fund Partnership Agreement provides that the General Partner, in its capacity as general partner of the Master Fund, may suspend the determination of the net asset value of the Master Fund and the net asset value of each capital account of the Master Fund, withdrawal rights, in whole or in part, and/or the payment of withdrawal proceeds in respect of voluntary withdrawals in circumstances and on terms similar to those listed above.

The General Partner will provide written notice to each affected Limited Partner of a suspension of the determination of the net asset value of the Fund, the determination of the balance of its Capital Account(s), withdrawal rights and/or payment of withdrawal proceeds. Upon the determination by the General Partner that the condition giving rise to a suspension has ceased to exist and no other condition under which suspension is authorized exists, such suspension will be lifted and written notice will be sent to the affected Limited Partners regarding the lifting of such suspension and the next date as of which Limited Partners may withdraw all or a portion of the balance in a Capital Account.

Upon a suspension of withdrawal rights, all pending withdrawal requests will be automatically revoked, and no requests subsequently received will be accepted until such time as the General Partner permits Limited Partners to submit withdrawal requests in anticipation of lifting the suspension.

Required Withdrawals

The General Partner may, in its sole discretion, require any Limited Partner to withdraw all or a portion of the balance in its Capital Account(s) at any time without prior notice, for any reason or no reason. A Limited Partner that is required to withdraw all or a portion of the balance in its Capital Account(s) will be treated for all purposes and in all respects as a Limited Partner that has given notice to voluntarily withdraw all or a portion of the balance in its Capital Account(s).

The General Partner may, in its sole discretion, modify or waive any or all of the withdrawal terms with respect to any Limited Partner, including any Investment Manager-Related Investor.

**LIMITATIONS ON
TRANSFERABILITY:**

Without the written consent of the General Partner, which may be given or withheld in its sole discretion, a Limited Partner may not directly, indirectly or synthetically transfer, pledge, assign, hypothecate, sell, convey, exchange, reference under a derivatives contract or any other arrangement or otherwise dispose of or encumber all or any portion of its Interest to any other person (each, a “**Transfer**”), except by operation of law. Any attempted Transfer not made in accordance with the foregoing, to the fullest extent permitted by applicable law, will be null and void ab initio. No transferee of an Interest will be admitted as a Limited Partner unless all of the conditions set forth in the Partnership Agreement have been satisfied.

The General Partner will not permit any Transfer if such Transfer could cause the Fund to be treated as a “publicly traded partnership” taxable as a corporation for U.S. federal tax purposes.

The Administrator will use reasonable efforts to acknowledge in writing all transfer or assignment requests that are fully executed by each of the transferor and the transferee in good order. A transferor failing to receive such written acknowledgment from the Administrator within five (5) business days should contact the Administrator to obtain the same. Failure to obtain such a written acknowledgment from the Administrator may render the transfer void, unless otherwise permitted by the General Partner.

FISCAL YEAR:

The fiscal year of each of the Fund and the Master Fund ends on December 31 of each year, or such other date as the General Partner may determine in its sole discretion (the “**Fiscal Year**”).

TAXATION:

U.S. Tax Aspects

The Fund intends to operate as a partnership and not as an association or a publicly traded partnership taxable as a corporation for Federal tax purposes. Accordingly, the Fund generally does not expect to be subject to Federal income tax, and each Limited Partner will be required to report on its own annual tax return such Limited Partner’s distributive share of the Fund’s taxable income or loss. (See “Tax Aspects.”)

Cayman Islands Tax Aspects

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Master Fund or the limited partners of the Master Fund (“**Master**

Fund LPs”). Interest, dividends and gains payable to the Master Fund and all distributions by the Master Fund to Master Fund LPs will be received free of any Cayman Islands income or withholding taxes. The Master Fund has registered as an exempted limited partnership under Cayman Islands law and the Master Fund has received an undertaking from the Financial Secretary of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Master Fund or to any partner thereof in respect of the operations or assets of the Master Fund or the interest of a partner therein; and may further provide that any such taxes or any tax in the nature of estate duty or inheritance tax shall not be payable in respect of the obligations of the Master Fund or the interests of the partners therein. The Cayman Islands is not party to a double tax treaty with any country that is applicable to any payments made to or by the Master Fund.

ERISA:

Entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), may purchase Interests. Investment in Interests by entities subject to ERISA requires special consideration. Trustees or administrators of such entities are urged to carefully review the matters discussed in this Memorandum. In particular, the Master Fund may utilize leverage in connection with its trading activities and may engage in certain other activities, which could give rise to “unrelated business taxable income”. It is anticipated that the assets of the Fund and the Master Fund may, from time to time, be treated as “plan assets” (as defined in Section 3(42) of ERISA and any regulations promulgated thereunder). During all periods when the assets of the Master Fund are treated as plan assets, the Investment Manager will manage the assets of the Master Fund in conformity with its responsibilities under ERISA. (See “ERISA Considerations”.)

**SUITABILITY
REQUIREMENTS:**

Each Limited Partner generally must be (i) an “accredited investor”, as defined in Regulation D under the Securities Act, and (ii) either a “qualified purchaser”, as defined in the Company Act, or a “knowledgeable employee”, as defined under Rule 3c-5 of the Company Act, and must meet other suitability requirements. Unless otherwise determined by the General Partner, Interests may not be purchased by non-resident aliens, foreign corporations, foreign partnerships, foreign trusts or foreign estates, all as defined in the Internal Revenue Code. Such investors may, however, be eligible to invest in the Offshore Fund. The Fund’s subscription agreement (the “**Subscription**

Agreement”) contains representations and questionnaires relating to these qualifications.

The General Partner may, in its sole discretion, decline to accept the capital contribution of any prospective investor for any reason.

REPORTS:

Within 120 days after the last day of each Fiscal Year or as soon as reasonably practicable thereafter, the Fund will prepare and make available electronically via e-mail or any secure internet delivery site to each Limited Partner the audited financial statements of the Fund prepared in accordance with GAAP (except as otherwise noted herein). The Fund will also make available electronically via e-mail or any secure internet delivery site to each Limited Partner periodic unaudited performance information, no less frequently than quarterly. Copies of such reports are available upon request from the Investment Manager and Limited Partners may inspect such reports, upon reasonable notice, at the offices of the Investment Manager.

Within 120 days of the last day of each tax year of the Fund or as soon as reasonably practicable thereafter, the Fund will prepare and make available, or cause its accountants to prepare and make available, to each Partner and, to the extent necessary, to each former Partner (or its legal representatives), a report setting forth in sufficient detail such information as will enable such Partner or former Partner (or such Partner’s legal representatives) to prepare its U.S. federal income tax return in accordance with the laws, rules and regulations then prevailing.

TERMINATION:

The Fund will be dissolved and its affairs will be wound up in accordance with the Partnership Agreement. (See “Other Terms of the Partnership Agreement — Term and Dissolution”.)

The Master Fund will be terminated, wound up and dissolved in accordance with the Master Fund Partnership Agreement or otherwise pursuant to a formal liquidation under the ELP Act or any other applicable bankruptcy or insolvency regime. (See “Other Terms of the Master Fund Partnership Agreement — Term and Dissolution” and “Other Terms of the Master Fund Partnership Agreement — Winding Up and Liquidation”.)

SUBSCRIPTION FOR INTERESTS:

Persons interested in subscribing for Interests will be furnished, and will be required to complete and return to the Administrator with a copy to the General Partner, a Subscription Agreement and items relating thereto as outlined in the subscription documents.

Completed and executed copies of the Subscription Agreement, including adequate anti-money laundering documentation if requested, must be received by the Administrator at least two (2) business days prior to the date of subscription. Payment of the amount of all subscriptions for a particular opening of the Fund must be received by the Administrator no later than two (2) business days prior to the date on which the Fund is accepting subscriptions. The General Partner may waive these requirements by accepting a subscription and the funds with respect thereto, after such date.

The Administrator will use its reasonable efforts to acknowledge in writing all subscription requests which are received in good order. A subscriber failing to receive such written acknowledgement from the Administrator within five (5) business days should contact the Administrator to obtain the same. Failure to obtain such a written acknowledgement from the Administrator may delay or render the request void, unless otherwise permitted by the General Partner. Subscription funds received by the Fund or the Administrator on the Fund's behalf are deposited directly into an account in the name of the Fund. The Administrator shall not be liable to any prospective Limited Partner for any loss or damage howsoever arising out of or in relation to the payment and deposit of subscription funds prior to the issue of interests. Prior to the relevant Subscription Date, the subscriber's subscription may, for administrative efficiency, be moved into the Master Fund's prime brokerage or other accounts, provided, however, that such amount shall not be invested until the Subscription Date.

**ELECTRONIC
COMMUNICATION
CONSENT:**

The Fund, the Administrator or any agent of the foregoing may communicate with Limited Partners (e.g., financial statements, performance reports or manager letters) by using a variety of means, including, but not limited to, telephone, e-mail, password-protected Internet website, regular mail and facsimile. A Limited Partner may, at any time, notify the Fund that it does not wish to receive electronic communication and receive paper communication instead.

FUND ADMINISTRATOR:

Morgan Stanley Fund Services USA LLC and Morgan Stanley Fund Services (Cayman) Ltd. perform administrative, accounting, registrar and transfer agency services for the Fund and the Master Fund, respectively. The Fund will promptly notify all Limited Partners in the event the Fund or the Master Fund replaces its administrator.

**INDEPENDENT
AUDITORS:**

KPMG LLP and KPMG serve as the auditors for the Fund and the Master Fund, respectively. The Fund will promptly notify all Limited Partners in the event the Fund or the Master Fund replaces its auditor.

LEGAL COUNSEL:

Schulte Roth & Zabel LLP serves as U.S. legal counsel to the Fund and the Master Fund, and Maples and Calder (Cayman) LLP serves as Cayman Islands legal counsel to the Master Fund.

INVESTMENT PROGRAM

Investment Objective And Overview

The Master Fund will employ an investment strategy that seeks to invest in publicly traded equities. The Master Fund's return objective is to significantly outperform the market and deliver above-average absolute returns on investor capital, measured net of all fees over a prolonged period of time (at least three to five years).

Insight Platform

The Investment Manager believes one of its key competitive advantages in implementing the Master Fund's investment program is the ability to leverage the expertise of the public markets investment team (the "**IPPE Team**") and its private markets investment team (the "**Insight PE Team**"). The Investment Manager fosters a highly collaborative environment that encourages the IPPE Team and the Insight PE Team to work together to enhance each team's strengths. The core aim of the Investment Manager is to seek to identify and to invest in the highest quality public companies across the technology, software, and internet sectors.

The Master Fund will seek to partner with exceptional businesses for the long-term. The Investment Manager intends that the IPPE Team and the Insight PE Team will work with the Master Fund and the Other Insight Funds as a single, unified team with the core focus of enhancing results for portfolio investments and returns for investors.

The Investment Manager's potential benefits from this combination include the following:

- Open communication between the IPPE Team and the Insight PE Team to source, analyze and execute on investment ideas
- Collaboration on due diligence between the IPPE Team and the Insight PE Team for both public and private companies
- Leverage of the Insight PE Team's strong pipeline of private issuers that the Investment Manager believes are likely to be publicly traded within 24 months ("**Late-Stage Privates**") to identify future opportunities for the Master Fund
- Capitalize on the expertise of the Investment Manager's Capital Markets team to enhance relationships with financing partners, investment banks, and their corporate clients
- Identification and hiring of world-class and culture-enhancing talented professionals
- Shared middle and back-office resources, including finance, operations, legal, technology, and infrastructure
- Full utilization of the Investment Manager's proprietary and extensive datasets developed over 25 years to inform investment decisions

The Investment Manager views the Master Fund as a natural extension of its overall strategy to be a leader in technology, software, and internet investing. The Investment Manager believes the IPPE Team's core objectives align well with its own and will lead to finding the most compelling

opportunities in these sectors. The Investment Manager believes that success in executing its strategy begins with best-in-class selection of the most attractive companies, which is achieved through comprehensive coverage of the market and deep domain expertise. The strategy is further enabled by the scale of the Investment Manager's platform and consistent focus on the technology, software, and internet sectors.

The Master Fund will seek to further this strategy by providing Limited Partners access to investments the Investment Manager believes meet its underwriting criteria with respect to public markets. Generally, the Master Fund is not constrained to dispose of assets at any time and seeks to deliver enhanced public market returns for its investors.

While the Master Fund expects to utilize a similar investment program to the program utilized by Insight Partners Public Equities Master Fund, L.P. (the "**Crossover Fund**") with respect to the Crossover Fund's investments in publicly traded securities (but not private securities), the Master Fund and the Crossover Fund will not always invest in the same publicly traded securities, are expected to have different portfolios of, and exposures to, publicly traded securities and may invest in and dispose of the same securities at different times and at different values. (See "*Other Activities of Management; Potential Conflicts of Interest – Allocations of Trades and Investment Opportunities*".)

Investment Strategies, Techniques and Methods of Analysis

Investment Approach and Philosophy

The Master Fund will seek to hold a concentrated portfolio of publicly traded securities, of which the top twenty positions are expected to make up a substantial majority of invested assets. Each investment's attractiveness is expected to be determined using a bottom-up approach, underpinned by deep fundamental research on both the individual company and the industry in which it participates.

In determining the attractiveness of an investment, the Investment Manager will seek to employ a thesis-driven "product-first, valuation sensitive" approach. The underwriting process for a new investment is generally lengthy and focuses intently on a prospective investment's (1) product offering, (2) roadmap, and (3) ability to generate future free cash flows. The Investment Manager generally expresses valuation in terms of the internal rate of return ("**IRR**") that the investment is expected to generate, based on these proprietary forecasts. The Master Fund is expected to make investments in publicly traded companies that the Investment Manager believes have a superior product and whose free cash flow profile may be misunderstood by the market – resulting in an IRR that the Investment Manager believes is attractive. The Investment Manager believes that these factors are the key indicators for future investment performance.

The Investment Manager generally underwrites investments with a medium- to long-term horizon and intends to cause the Master Fund to hold said investments until either (1) the expected IRR is no longer attractive or (2) there are alternative uses of capital the Investment Manager deems superior. The Investment Manager's investment approach necessitates a long-term orientation, and the Investment Manager believes that performance for the Master Fund will be best measured in years, rather than days, months, or quarters. The Investment Manager's theses on investments tend

to be multi-year in nature, and the Investment Manager utilizes proprietary models to inform decisions on the optimal time to buy, sell, or hold individual positions.

Thesis-Driven, “Product-First, Valuation Sensitive” Investment Approach

The Investment Manager generally believes that focusing efforts and capital on a select few opportunities leads to superior investment performance. The Investment Manager seeks to find investments where the underlying company exhibits favorable characteristics that can include (1) strong product-market fit, (2) focused and effective management, (3) attractive valuation on expected future free cash flows, and (4) significant levers for “upside optionality” (e.g., adjacent product categories or price increases). The Investment Manager seeks to develop theses that encompass these criteria and to underwrite investments where these theses differ from general market consensus. When all of these criteria exist in an investment, the Investment Manager believes the odds of a positive investment outcome are favorable and is willing to underwrite a sizable position. The Investment Manager looks past and bears near-term volatility in these investments with the fundamental belief that long-term return potential is substantial.

Alternatively, if the Investment Manager loses confidence in the thesis on an investment, the position will generally be exited and the Investment Manager will deploy the capital into other, more favorable opportunities.

Investment and Geographic Universe

The Master Fund will generally invest in publicly traded companies that offer software as a product or are “software-enabled” and does not have a specific geographic mandate. Thus, the Master Fund may make investments in the opportunities it deems most attractive around the world. The Investment Manager believes that companies across many sectors and geographies are shifting towards using software to enable and enhance product use cases, enhancing the value proposition to end customers and improving underlying financial models. The Master Fund does not seek to diversify across industry vertical or geography as part of its portfolio construction process.

Portfolio Construction

The Master Fund seeks to employ a concentrated, long-biased portfolio construction for its publicly listed investments. These investments are generally expressed through publicly traded equities, but the Master Fund may also selectively invest in equity and credit derivatives, convertibles, and other financial instruments permitted under the Master Fund Partnership Agreement.

The Master Fund’s long portfolio will generally consist of companies the Investment Manager has reason to believe are undervalued based on the Investment Manager’s proprietary research. The Investment Manager generally expects to make these determinations based on criteria that can include (1) a superior product, (2) strong expected free cash flow growth, (3) an effective management team, or (4) creation and expansion of the company’s total addressable market (“TAM”). Upon conducting this research, the Investment Manager occasionally discovers a company that exhibits unfavorable characteristics that can include any of: (1) an inferior product, (2) poor / declining future free cash flow generation, (3) a weak management team, and (4) a shrinking TAM. In these cases, the Investment Manager will evaluate the company as a short

candidate. The Master Fund will generally only take a short position if the Investment Manager believes the position will likely exhibit significant downside price movement; it will not generally take a short position for the sole reason of reducing net exposure. The Master Fund will generally use cash as its main source of reducing net exposure in situations where the Investment Manager believes that there aren't enough attractive investment opportunities to deploy capital.

Newly-Listed Public Companies

Subject to the Investment Manager's investment allocation policies and procedures, as the same may be amended from time to time (the "**Investment Allocation Policy**"), described below in "*Other Activities of Management; Potential Conflicts of Interest – Allocations of Trades and Investment Opportunities*", from time to time, the Master Fund may participate in initial public offerings, direct listings, companies going public via SPACs, and other forms of newly-listed public companies. The Investment Manager generally expects that its longer-term orientation will make the Master Fund a desirable partner for the management team of a new public company. As such, the Investment Manager expects that the Master Fund will be able to strategically deploy capital in newly-listed companies that the Investment Manager views as attractive public-market investments.

Net Positioning

The Investment Manager generally believes that usage of excessive leverage and management of a portfolio to a target exposure level diminishes the value of fundamental, proprietary research. The Master Fund does not have a fixed target for gross or net exposure but will generally maintain a long-biased orientation. The absolute and net amount of long and short positions in the Master Fund will generally reflect the opportunity set the Investment Manager observes across markets. The Investment Manager generally evaluates each investment on its own merits and, thus, underwrites each opportunity from a "bottom-up" perspective.

The Investment Manager does not expect to utilize leverage (an investment level greater than 100% of the Master Fund's total gross asset value) often in the Master Fund, but may do so in its sole discretion.

Methods of Analysis

Methods of analysis employed by the Investment Manager include, but are not limited to:

- Evaluation of company earnings releases and SEC-filed documentation
- Creation and upkeep of proprietary financial models
- Detailed and extensive product tests, including the purchase or trial of certain aspects of a company's product suite
- Conversations and meetings with company personnel, including C-suite executives, members of the strategy and research and development team, and investor relations
- Conversations with current and former customers of the company and their competitors

- Conversations with other investors, sell-side analysts, and industry executives
- Evaluation of third-party industry data

Types of Portfolio Investments

The assets of the Master Fund may be invested, directly or indirectly, on margin or otherwise, in interests commonly referred to as securities, other financial instruments issued by, entered into by or referenced to U.S. or non-U.S. entities and other assets, including capital stock; shares of beneficial interest; partnership interests and similar financial instruments; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; commodities; physical and intangible assets; cryptocurrencies and other digital assets; interest rate, currency, commodity, equity and other derivative products, including (i) futures contracts (and options thereon) relating to stock indices, currencies, U.S. government securities and securities of non-U.S. governments, other financial instruments and all other commodities, (ii) swaps, options, swaptions, warrants, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; repurchase and reverse repurchase agreements; loans; structured finance instruments; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds, exchange-traded funds and similar financial instruments; money market funds; obligations of the United States or any non-U.S. government, or any country, state, governmental agency or political subdivision thereof; commercial paper; certificates of deposit; bankers' acceptances; choses in action; trust receipts; and any other obligations and instruments or evidences of indebtedness of whatever kind or nature that exist now or are hereafter created (all such items being called herein "**Securities**"); in each case, of any person, whether or not publicly traded or readily marketable.

Leverage and Borrowing

Leverage for Investment Purposes

The Master Fund has the authority to borrow, trade on margin, utilize derivatives and otherwise obtain leverage from brokers, banks and others on a secured or unsecured basis. The Master Fund may utilize leverage to the extent deemed appropriate by the Investment Manager, and the amount of leverage utilized by the Master Fund may be significant. The Master Fund has no pre-determined limitations on the amount of leverage to be deployed in connection with the Master Fund's investment program and the overall leverage of the Master Fund will depend on the investment strategies employed by the Investment Manager and specific market opportunities. As noted above, the Investment Manager does not expect to utilize leverage (an investment level greater than 100% of the Master Fund's total gross asset value) often in the Master Fund, but may do so in its sole discretion.

No restrictions have been imposed on the collateral and asset reuse arrangements that the Master Fund may employ as a means of reducing the cost of any counterparty providing leverage to the Master Fund. The Master Fund may impose restrictions from time to time.

Borrowing for Cash Management Purposes

The Master Fund may borrow for cash management purposes, such as to satisfy withdrawal requests. To facilitate such borrowings, the Master Fund may, among other things, enter into a credit facility with a service provider to the Master Fund or a third-party credit institution.

No Borrowing by the Fund

The Fund does not have the authority to borrow, trade on margin, utilize derivatives or otherwise obtain leverage from brokers, banks or others on a secured or unsecured basis.

Risk Management

The Investment Manager employs risk management policies and procedures that attempt to accurately measure, monitor and manage the various risks associated with the Master Fund's investment program.

The Investment Manager's risk management strategy is a combination of a proprietary risk / reward framework and prudent portfolio construction. For any individual investment, the Investment Manager will seek to determine the appropriate size, tenure, as well as entry and exit points using detailed financial models. The Investment Manager intends to use this methodology to identify opportunities in which it perceives significantly asymmetric investment returns where an investment is trading at a substantial discount to intrinsic value. This framework also allows the Investment Manager to seek to appropriately manage an investment in the case of large price moves. The Investment Manager will also seek to employ a prudent cash management strategy that it believes can help mitigate losses as well as provide additional capital to invest in the case that there is a systematic or idiosyncratic market correction. In combination with the risk / reward framework, the Investment Manager believes that this facilitates attractive entry points into investments and substantial downside protection.

Trading Vehicles, Joint Ventures and Co-Investments

The Master Fund may effect one or more of the foregoing strategies either directly by purchasing Securities or indirectly, for tax, regulatory or other reasons, by investing through one or more trading vehicles organized by the Investment Manager; investing in joint ventures, including with other funds or accounts managed by the Investment Manager or unaffiliated third parties, including investment vehicles established to make single investments (*e.g.*, funds or accounts established to co-invest alongside the Master Fund) and/or co-investments with Other Insight Funds and unaffiliated third parties and otherwise participate in pooled investment vehicles.

Changes in the Investment Program

Subject to applicable law and any express restrictions set forth in this Memorandum or the Master Fund Partnership Agreement, the Investment Manager may change the Master Fund's investment strategy or policy at any time.

The descriptions set forth in this Memorandum of specific strategies in which the Master Fund may engage or specific investments the Master Fund may make should not be understood to limit in any way the Master Fund's investment activities. The Master Fund may engage in any investment strategy and make any investment, including any not described in this Memorandum, that the Investment Manager considers appropriate to

pursue the Master Fund's investment objective. The Master Fund's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Master Fund will be achieved. (See "Certain Risk Factors".)

MANAGEMENT

The Investment Manager

As discussed above, the Investment Manager serves as the investment manager of the Fund, the Master Fund and the Offshore Fund. The Investment Manager commenced operations in 1995.

The General Partner

As discussed above, the General Partner serves as the general partner of the Fund and the Master Fund.

Regulatory Status of the Investment Manager and the General Partner

Advisers Act Regulation

The Investment Manager is currently registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) and the General Partner is included in Item 7.A. of the Investment Manager’s Form ADV as an “advisory affiliate” of the Investment Manager. Additional information about the Investment Manager and the General Partner is available on the SEC’s website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

CFTC Regulation

The Investment Manager is exempt from registration with the CFTC as a commodity trading advisor (a “**CTA**”). The General Partner, with respect to the Fund and the Master Fund, has claimed an exemption from registration with the CFTC as a CPO pursuant to CFTC Rule 4.13(a)(3) and, accordingly, is not subject to certain regulatory requirements with respect to the Fund and the Master Fund (which are intended to provide certain regulatory safeguards to investors) that would otherwise be applicable absent such an exemption. In accordance with such exemption, at all times that the Master Fund (or the Fund, through the Master Fund) establishes a commodity interest or security futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5% of the liquidation value of the Fund’s or the Master Fund’s portfolio, respectively; or (b) the aggregate net notional value of such positions will not exceed 100% of the liquidation value of the Fund’s or the Master Fund’s portfolio, respectively.

Personnel of the Investment Manager

Set forth below is biographical information of the key personnel of the Investment Manager:

John Wolff

John is a Managing Director and the Chief Investment Officer of the Investment Manager’s open-end public equities investment funds (“**IPPE**”). Prior to joining Insight, John was the Founder and Chief Investment Officer of C243 Capital Management after working at Omega Advisors as the Head of Technology Investing as well as a Portfolio Manager alongside Leon Cooperman from 2015 to 2020.

Before joining Omega, John was a Principal at Andor Capital from 2012 to 2015. John also spent five months at Eastbay Capital during Omega’s transition to a Family Office in late 2018. John

started his career in finance at Goldman Sachs in its TMT Investment Banking Division after successfully exiting the internet start-up he co-founded.

John graduated from Harvard College in 2007 with a degree in Psychology and received his MBA from Columbia Business School in 2010.

Ian Sandler

Ian Sandler joined Insight in 2016 where he is a Managing Director and Chief Operating Officer. Ian has direct responsibility across Legal, Finance, Compliance, Investor Relations, IT, HR, and the Investment Manager's portfolio operations team – Insight Onsite. Ian has direct management oversight over IPPE.

Ian was previously the Chief Operating Officer of Global Equities at Citadel. Prior to Citadel, Ian was a Partner at the Carlyle Group where he served as the Chief Operating Officer and Chief Legal Officer of Global Market Strategies. Before joining the Carlyle Group, Ian had a seven-year career at Morgan Stanley where he served as the Global Chief Operating Officer for the technology and modeling division as well as other roles within the loan and high yield business earlier in his career. Prior to Morgan Stanley, Ian worked as a bankruptcy lawyer at Kramer Levin Naftalis & Frankel.

Ian and his wife Mackenzie are the co-founders of Riley's Way Foundation, a non-profit that empowers young leaders to use kindness and empathy to create meaningful connections and positive change. Riley's Way empowers teenagers to change the world, create connections, and make a difference in their communities through youth-led councils, programming, and an annual conference.

Ian has a Bachelor of General Studies from the University of Michigan and a JD from the University of Pennsylvania.

Investment Management Agreements

The General Partner, as general partner of the Fund and the Master Fund, has appointed the Investment Manager pursuant to an investment management agreement with each of the Fund and the Master Fund (each, an “**Investment Management Agreement**”), subject to the control of and review by the General Partner, among other things, to invest the assets of the Fund and the Master Fund in a manner consistent with the investment objective, approach and restrictions described in this Memorandum. The Investment Management Agreements are substantially similar, except with respect to fees, which will be paid as described in this Memorandum.

Each Investment Management Agreement will remain in effect until December 31, 2023, and will automatically renew from year to year thereafter, except that it may be terminated by any party upon at least 90 days' prior written notice by the terminating party to the other party.

The Fund will exculpate and indemnify each Indemnified Person in accordance with the exculpation and indemnification provisions of the Partnership Agreement. (See “Other Terms of the Partnership Agreement”.) Under the Investment Management Agreement with the Master Fund, the Master Fund will exculpate and indemnify each Indemnified Person on terms substantially similar to the terms set forth in the exculpation and indemnification provisions of the Partnership Agreement.

The Advisory Board

The General Partner has established an Advisory Board, the purpose of which is to advise the General Partner and, on behalf of the Limited Partners and the investors in the Offshore Fund, review and consent or withhold consent regarding matters described below and any other matters brought to the Advisory Board by the General Partner.

The General Partner intends that the Advisory Board will be governed by the principles below.

The Advisory Board will meet at least twice per calendar year and otherwise upon the request of the General Partner. The Advisory Board may be asked to review the Fund's, the Offshore Fund's and the Master Fund's financial statements and performance, review, consult with respect to and/or approve certain actual or potential conflicts of interest and related-party transactions (including principal transactions), and provide advice on or approval of such other matters as may be requested by the General Partner. The decisions of the Advisory Board will be binding on the Fund and its Partners and on the Offshore Fund and its partners. The General Partner retains the legal authority for all decisions relating to the operation and management of the Fund, the Offshore Fund and the Master Fund, including, without limitation, all investment decisions. The Advisory Board members (other than any affiliates of the General Partner) or their respective corporate entities may receive a reasonable and customary annual fee and are reimbursed for all reasonable out-of-pocket expenses, which fees and expenses are paid out of the assets of the Fund, the Offshore Fund or the Master Fund, as applicable. The Advisory Board may not approve any transaction that would give rise to a prohibited transaction under ERISA, if applicable.

The General Partner will not take any of the following actions without the consent of the Advisory Board: (A) suspend, limit or prevent withdrawals or withdrawal payments; (B) suspend calculation or reporting of the net asset value of the Fund, the Offshore Fund or the Master Fund; (C) satisfy withdrawal requests with in-kind distributions; or (D) to the extent that the assets of the Master Fund are not treated as "plan assets" for purposes of ERISA, cause the Master Fund to enter into any transaction that would constitute a "principal transaction" under the Advisers Act. In lieu of obtaining consent from the Advisory Board, the General Partner may take such actions if the decision relates to (x) the Fund, with the consent of a majority-in-interest of the Limited Partners, (y) the Offshore Fund, with the consent of a majority-in-interest of the limited partners of the Offshore Fund, (z) both the Fund and the Offshore Fund, or the Master Fund, with the consent of a majority-in interest of the Limited Partners and the limited partners of the Offshore Fund. Notwithstanding the foregoing, the General Partner may not cause the Master Fund to enter into any transaction that would give rise to a prohibited transaction under ERISA, if applicable.

Except as described above, the Advisory Board will have no part in the management, control or operation of the Fund, the Offshore Fund or the Master Fund, and will have no power or authority to act for or on behalf of the Fund, the Offshore Fund or the Master Fund.

Set forth below is biographical information of the members of the Advisory Board. The address of each member of the Advisory Board for the purpose of this Memorandum is the address of the Investment Manager, as set forth in the section of this Memorandum entitled, "Directory".

Derek Candy

Derek Candy serves as an independent director on a variety of alternative investment funds. Originally from Canada, Derek has over 10 years' experience in the fund services industry in the Cayman Islands. Prior to joining the Maples Group, Derek was employed at BNY Mellon in the Cayman Islands for eight years from 2014 to 2022, most recently as Senior Fiduciary Manager. In this position, he oversaw a team of several analysts and corporate administrators providing trust, administration, principal office and fiduciary services to a large portfolio of unit trusts and regulated mutual funds with a focus on institutional clients. Derek's areas of expertise in this role included providing corporate governance and fiduciary services, as well as oversight relating to fund administration and the investment management function. Previously, Derek was employed at Trident Trust as an Account Manager from 2013 to 2014 and Deloitte as a Senior Auditor from 2012 to 2013, both in the Cayman Islands, as well as with KPMG in Vancouver, Canada from 2008 to 2011. Derek graduated from Queen's University Smith School of Business in Ontario, Canada with a bachelor's degree in commerce and is a Canadian Chartered Professional Accountant. He is a member of the Chartered Professional Accountants of British Columbia and a member of the Cayman Islands Institute of Professional Accountants. Derek also holds the Accredited Director designation from the Chartered Governance Institute of Canada.

Omar Wright

Omar Wright serves as an independent director on a wide range of alternative investment funds including hedge funds, fund of funds, segregated portfolio companies, private equity vehicles and related structures. Prior to joining the Maples Group, Omar was an Analyst in the Investments Supervision Division of the Cayman Islands Monetary Authority from 2008 until 2011. In this role, he provided supervision, oversight and regulation to a diverse portfolio of investment funds, fund administrators and securities investment businesses operating in and from the Cayman Islands. His duties also included performing regulatory on-site inspections of regulated entities. Omar has a Bachelor of Arts degree in Economics and Hispanic Studies from Rice University. He is a Chartered Alternative Investment Analyst, a qualified Trust and Estate Practitioner, a Certified ESG Analyst (CESGA®) by the European Federation of Financial Analysts Societies, and holds the Accredited Director designation from the Chartered Governance Institute of Canada. He is a member of the Society of Trust and Estate Practitioners and the Cayman Islands Directors Association.

Stuart Mayer

Stuart Mayer joined Insight in 2007. He is a Managing Director, Finance of Insight, Chief Financial Officer of IPPE and a member of the Advisory Board. Prior to joining Insight, Mr. Mayer was Controller of the private equity division at Sandler Capital Management, which he joined in 2003. Mr. Mayer began his career in 2000 as an Auditor and Consultant at Ernst & Young LLP in the Financial Services Division where he provided assurance and business advisory services for hedge funds, private equity funds, banking and capital markets clients. Mr. Mayer has a BS in Accounting from the Binghamton University School of Management and is a Certified Public Accountant.

Maples Fiduciary Services (Cayman) Limited acting as Maples Advisory Board Members

The services of Omar Wright and Derek Candy as members of the Advisory Board are being provided by Maples Fiduciary Services (Cayman) Limited (“**Maples Fiduciary**”), a regulated entity in the Cayman Islands which is ultimately owned and controlled by the equity partners of the Maples Group (which includes Maples and Calder (Cayman) LLP, the Offshore Fund’s and the Master Fund’s Cayman Islands legal counsel).

Maples Fiduciary has entered into an Advisory Board Member Services Agreement with the Fund, Master Fund, and Offshore Fund which sets out the terms on which it will provide the services of Omar Wright and Derek Candy.

Maples Fiduciary is entitled to remuneration from the Fund, Master Fund, and Offshore Fund at its customary rates and for reimbursement of its reasonable out-of-pocket expenses, including all reasonable travelling, hotel and other expenses properly incurred by the Maples Advisory Board Members in attending meetings of the Advisory Board or any investor meetings held in connection with the business of the Fund, Master Fund, and Offshore Fund. “**Maples Advisory Board Members**” means the members of the Advisory Board provided by Maples Fiduciary.

The Maples Advisory Board Members are non-executive advisory board members of the Fund, Master Fund, and Offshore Fund and are not required to devote their full time and attention to the business of the Fund, Master Fund, and Offshore Fund. They may be engaged in any other business and/or be concerned or interested in or act as advisory board members, directors or officers of any other company or entity. Neither Maples Fiduciary nor any of the Maples Advisory Board Members are responsible for (i) the commercial structuring of the Fund, Master Fund, and Offshore Fund or its investment strategy, (ii) the purchase or sale of any investment on behalf of the Fund, Master Fund, and Offshore Fund (which is the responsibility solely of the Investment Manager), (iii) the valuation of the assets of the Fund, Master Fund, and Offshore Fund, or (iv) any loss or damage caused by the acts or omissions of the Investment Manager, the Administrator, the Prime Broker or any of their delegates or sub-delegates unless any such loss or damage is actually occasioned by the bad faith, gross negligence, willful misconduct or actual fraud of the Fund, Master Fund, and Offshore Fund supplied by Maples Fiduciary.

As discussed in greater detail below in “*Other Terms of the Partnership Agreement*”, the Partnership Agreement provides every member of the Advisory Board and each other Indemnified Person with certain exculpation rights and rights to be indemnified out of the assets of the Fund for certain Indemnified Losses.

The Advisory Board Member Services Agreement provides that none of Maples Fiduciary or any of the Maples Advisory Board Members shall be liable to the Fund, Master Fund, or Offshore Fund under or in connection with the Advisory Board Member Services Agreement in an amount of more than three times annual fees, except in circumstances where such liability was caused by the actual fraud of Maples Fiduciary or, as the case may be, any of the Maples Advisory Board Members.

CERTAIN RISK FACTORS

Prospective Limited Partners should carefully consider the risks involved in an investment in the Fund, including those discussed below. Additional or new risks not addressed below may affect the Fund. The following list of risk factors cannot be and is not intended to be exhaustive. Prospective Limited Partners should consult their own legal, tax and financial advisers about the risks of an investment in the Fund. The following risk factors and other relevant risks could have a material adverse effect on the Fund and the Limited Partners' investments therein.

Risks Relating to Private Investment Funds Generally

Legal and Regulatory Environment for Private Investment Funds and their Managers

The legal and regulatory environment worldwide for private investment funds (such as the Fund) and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Master Fund to pursue its investment program and the value of investments held by the Master Fund. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Master Fund to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Fund and the Limited Partners' investments therein. In addition, the Investment Manager may, in its sole discretion, cause the Fund or the Master Fund to be subject to certain laws and regulations if it believes that an investment or business activity is in the Master Fund's interest, even if such laws and regulations may have a detrimental effect on one or more Limited Partners.

Systemic Risk

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Master Fund interacts, as well as the Master Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Master Fund and on the markets for the Securities in which the Master Fund seeks to invest.

Risks Relating to Management

Limited Operating History

Each of the Fund and the Master Fund has a limited operating history. The Investment Manager has a more extensive operating history, however, its operating history employing an investment strategy similar to the Master Fund upon which prospective and current Limited Partners can evaluate the Fund's and the Master Fund's anticipated performance is limited. There can be no assurance that the Investment Manager's assessment of the short term, intermediate term or long-term prospects of investments will prove accurate or that the Master Fund will achieve its investment objective. The past performance of the Investment Manager may not be indicative of future results and there can be no assurance that the Fund or the Investment Manager will achieve results comparable to those that the investment professionals have achieved in the past.

Dependence on the Investment Manager

The success of the Fund is dependent upon the ability of the Investment Manager to manage the Master Fund and effectively implement the Master Fund's investment program. The Fund's governing documents do not permit the Limited Partners to participate in the management and affairs of the Fund. If the Investment Manager were to lose the services of the IPPE Principal or the Fund or any of the Other Insight Funds managed by the Investment Manager were to incur substantial losses, the Investment Manager might not be able to provide the same level of service to the Fund as it has in the past or continue operations. The loss of the services of the Investment Manager could have a material adverse effect on the Fund and the Limited Partners' investments therein.

Dependence on Service Providers

The Fund is also dependent upon its counterparties and the businesses that are not controlled by the Investment Manager that provide services to the Fund or the Master Fund (the "**Service Providers**"). Examples of Service Providers include the Administrator, the Prime Broker, Legal Counsel and the Auditors. The Investment Manager has also engaged a Service Provider to provide outsourced middle and back office support with respect to the Fund and the Master Fund. Errors are inherent in the business and operations of any business, and although the Investment Manager will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Fund and the Limited Partners' investments therein.

As the Fund and the Master Fund have no employees, the Fund and the Master Fund are reliant on the performance of the Service Providers. Each Limited Partner's relationship in respect of its Interests is with the Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Limited Partner will have any contractual claim against any Service Provider for any reason related to its services to the Fund or the Master Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund or the Master Fund, as the case may be, by the relevant Service Provider is, prima facie, the Fund or the Master Fund, as the case may be.

Banking Relationships

The Investment Manager, the Fund and the Master Fund will hold cash and, with respect to the Master Fund, other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, "**Banking Institutions**"), which may include both U.S. and non-U.S. Banking Institutions from time to time. The Master Fund may also enter into credit facilities and have other relationships with Banking Institutions as contemplated elsewhere in this Memorandum. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of each of the Investment Manager, the Fund and the Master Fund to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on the Fund and the Master Fund. For example, in such a scenario, the Master Fund could be forced to delay or forgo an investment or a distribution,

including in connection with a withdrawal, or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that it would not have otherwise considered desirable. Furthermore, in the event of the failure of a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation (“FDIC”) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, the Investment Manager, the Fund or the Master Fund, as applicable, may not recover all or a portion of such excess uninsured amounts and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). The Investment Manager does not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to its, the Fund’s or the Master Fund’s banking relationships, and there can be no assurance that the Investment Manager, the Fund, or the Master Fund will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

Retention and Motivation of Employees

The success of the Fund is dependent upon the talents and efforts of highly skilled individuals employed by the Investment Manager and the Investment Manager’s ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that the Investment Manager’s investment professionals will continue to be associated with the Investment Manager throughout the life of the Fund, and the failure to attract or retain such investment professionals could have a material adverse effect on the Fund and the Limited Partners’ investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of the Investment Manager’s investment professionals could be replaced.

Investment and Due Diligence Process

Before making investments, the Investment Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Investment Manager may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, the Investment Manager will rely on the resources reasonably available to it, which in some circumstances, whether or not known to the Investment Manager at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

Increased Regulatory Oversight

Increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of and changes in law applicable to private investment funds and their managers may impose administrative burdens on the Investment Manager, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Investment Manager’s time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of

an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Effect of Substantial Losses or Withdrawals

If, due to extraordinary market conditions or other reasons, the Fund and Other Insight Funds managed by the Investment Manager were to incur substantial reductions in assets under management due to losses or withdrawals, the revenues of the Investment Manager may decline substantially. Such losses and/or withdrawals may hamper the Investment Manager's ability to (i) retain employees, (ii) provide the same level of service to the Fund as it has in the past, and (iii) continue operations.

Risks Relating to the Structure of the Fund

Limited Liquidity

An investment in the Fund has limited liquidity because Limited Partners will generally have only limited rights to withdraw capital from the Fund or transfer their Interests, and the Fund has the right to suspend withdrawals, as described herein. Limited Partners must be prepared to bear the financial risks of an investment in the Fund for an indefinite period of time.

Significant Fees and Expenses

The fees and expenses of the Fund may be significant. The Fund must generate sufficient income to offset such fees and expenses to avoid a decrease in the net asset value of the Fund.

Absence of Regulatory Oversight Over the Fund and the Master Fund

The Fund and the Interests are not expected to be registered under the securities laws of any country. In particular, the Fund will not be registered as an investment company under the Company Act, and, therefore, will not be required to adhere to the restrictions and requirements under the Company Act. Accordingly, the provisions of the Company Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities to be held in custody by a bank or broker in accordance with rules requiring the segregation of securities, prohibit the investment companies from engaging in certain transactions with its affiliates and regulate the relationship between advisers and investment companies) are not applicable.

The Master Fund is regulated as a mutual fund under the Mutual Funds Act. However, registration under the Mutual Funds Act does not involve an examination of the merits of the Master Fund or supervision of the investment performance of the Master Fund by the Cayman Islands government or the Authority.

Liability of the Fund, the Master Fund and Separate Classes

Each of the Fund and the Master Fund is a single legal entity and there is no limited recourse protection for any Class of Interests. Generally, creditors of the Fund may enforce claims against all assets of the Fund, but not against assets of the Master Fund, and creditors of the Master Fund may enforce claims against all assets of the Master Fund, but not against assets of the Fund. However, all assets of the Fund, including its interest in the Master Fund, may be available to meet all liabilities of the Fund, and all assets of the Master Fund may be available to meet all liabilities

of the Master Fund, even if, in either case, the liability relates to a particular Capital Account, Series Capital Account, or Class of Interests of the Fund or the Master Fund, as the case may be (e.g., new issues and any corresponding hedge positions). Thus, for example, in the event that the assets attributable to Capital Accounts participating in a Security were completely depleted by losses or liabilities, a creditor could enforce a claim against the assets of the Fund which would be borne by the other Capital Accounts that did not participate in the investment or transaction. In addition, in order to facilitate investments or financing, the Fund may guarantee certain obligations of the Master Fund or one or more of its affiliates. In such circumstances all of the assets of the guarantor generally will be available to satisfy the guaranty obligation. Such arrangements may expose the Fund to an increased risk of loss.

Effect of Substantial Withdrawals

Substantial withdrawals could be triggered by a number of events, including unsatisfactory performance, events in the markets, a significant change in personnel or management of the Investment Manager, removal or replacement of the Investment Manager as the investment manager of the Fund, legal or regulatory issues that investors perceive to have a bearing on the Fund or the Investment Manager, or other events. Actions taken to meet substantial withdrawal requests from the Fund (as well as similar actions taken simultaneously by investors of the Offshore Fund and any Other Insight Funds) could result in prices of Securities held by the Fund decreasing and in Fund expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of the Fund also may decrease because the liquidation value of certain assets may be materially less than their cost or mark-to-market value. The Master Fund may be forced to sell its more liquid positions, which may cause an imbalance in the portfolio that could have a material adverse effect on the remaining Limited Partners. Substantial withdrawals could also significantly restrict the Master Fund's ability to obtain financing or transact with derivatives counterparties needed for its investment strategies, which would have a further material adverse effect on the Fund's performance. The Fund and the Investment Manager generally will not disclose to Limited Partners the amount of pending withdrawals or withdrawal requests and are under no obligation to make any such disclosure.

Access to Information and Effect on Withdrawals

Because of the wide range of potential investments, potentially rapid shifts in the concentration of investments among types of Securities or strategies, the inherent complexity of many of the Master Fund's investment strategies and other factors, prospective Limited Partners and Limited Partners will not have sufficient information to analyze or evaluate in detail the specific risks and potential returns of the Master Fund's investment program prospectively. The Investment Manager generally will not provide detailed information about the Master Fund's portfolio or any advance notice of anticipated changes in the composition of the Master Fund's portfolio, nor will the Investment Manager provide information to prospective Limited Partners as to how the Master Fund voted proxies. Furthermore, in response to questions and requests and in connection with due diligence meetings and other communications, the Fund and the Investment Manager may provide additional information to certain Limited Partners and prospective Limited Partners that is not distributed to other Limited Partners and prospective Limited Partners. Such information may affect a prospective Limited Partner's decision to invest in the Fund, and Limited Partners (which may include personnel and affiliates of the Investment Manager) may be able to act on such additional information and withdraw their Interests potentially at higher values than other

investors. Any such withdrawals may result in reduced liquidity for other investors and, in order to meet larger or more frequent withdrawals, the Fund may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Fund. Each Limited Partner is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Investment Manager and the Fund is sufficient for its needs and must accept the foregoing risks.

Delayed Schedules K-1

Provided that all necessary information has been received, the Fund will provide final Schedules K-1 to the Limited Partners within 120 days of the last day of each tax year of the Fund or as soon as reasonably practicable thereafter. Limited Partners may be required to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local levels.

Identity of Beneficial Ownership; Withholding on Certain Payments

In order to avoid a U.S. withholding tax of 30% on certain payments (which might in the future include payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Master Fund has registered with the Service and generally will be required to identify, and report information with respect to, certain direct and indirect U.S. account holders (including debtholders and equityholders). Investors should consult their own tax advisers regarding the possible implications of these rules on their investment in the Fund.

ERISA Plan Assets Status of the Master Fund

The assets of the Master Fund may, from time to time, be treated as “plan assets” (as defined under Section 3(42) of ERISA and any regulations promulgated thereunder) of those indirect limited partners of the Master Fund that are subject to ERISA. In such event, the Investment Manager would be a fiduciary with respect to each such indirect limited partner. In addition, in the event that the assets of the Master Fund were treated as “plan assets” for purposes of ERISA, ERISA may impose certain limitations on the operation of the Master Fund. Such limitations could result in the inability of the Master Fund to participate in certain investments or conduct business with certain counterparties. Accordingly, in the event that the assets of the Master Fund are treated as “plan assets” for purposes of ERISA, ERISA could restrict the activities of the Master Fund and, as a result, the Master Fund may not be able to take advantage of certain investment opportunities, could have a different portfolio and could have a lower rate of return than if it were not subject to ERISA.

Governmental Entity Investors

Governmental entities, including pension plans maintained by governmental agencies and instrumentalities, may invest in the Fund. Such investors may be subject to laws that affect the applicability or enforcement of certain terms generally governing the Fund. For example, exculpation, indemnification, confidentiality, choice of law and choice of venue provisions may be applied differently with respect to such investors. In addition, investment in the Fund by certain governmental entities may subject the Fund and/or the Investment Manager to increased regulatory burdens and public disclosures about the Fund, its investors and its activities.

In-Kind Distributions

Under certain circumstances a withdrawing Limited Partner may receive Securities (to the extent received by the Fund from the Master Fund) in lieu of, or in combination with, cash. Such distributions may include interests in one or more special purpose vehicles holding Securities owned by the Master Fund, or participations therein. To the extent a withdrawing Limited Partner is distributed interests in special purpose vehicles, such withdrawing Limited Partner will continue to be at risk with respect to the Fund's business. The value of the Securities distributed in kind will be determined on the distribution date and may increase or decrease before they are sold either by the withdrawing Limited Partner, if received directly, or by the Investment Manager or its affiliates, if held through a special purpose vehicle. In either case, the withdrawing Limited Partner will incur transaction costs in connection with the sale of any such Securities and, in the case of interests in a special purpose vehicle, will bear a proportionate share of the operating and other expenses borne by such vehicle. Securities distributed in kind may not be readily marketable. The risk of loss and delay in liquidating these Securities will be borne by the Limited Partner, with the result that such Limited Partner may ultimately receive less cash than it would have received on the date of withdrawal if it had been paid in cash. Furthermore, to the extent that a withdrawing Limited Partner receives interests in special purpose vehicles, such withdrawing Limited Partner will generally have no voting rights or any control over when and at what price the Securities in which such vehicles have an interest are sold.

Risks Relating to the Operations and Investment Activities of the Master Fund

Systems and Operational Risks Generally

The Master Fund depends on the Investment Manager to develop and implement appropriate systems for the Master Fund's activities. The Master Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain Securities, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Master Fund's activities. In addition, the Master Fund relies on information systems to store sensitive information about the Master Fund, the Investment Manager, their affiliates and the Limited Partners. Certain of the Master Fund's and the Investment Manager's activities will be dependent upon systems operated by third parties, including prime brokers, the Administrator, market counterparties and other service providers, and the Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Investment Manager, prime brokers, the Administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Master Fund's operations may cause the Master Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Fund and the Limited Partners' investments therein.

Cybersecurity Risk

As part of its business, the Investment Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Master Fund and

personally identifiable information of the Limited Partners. Similarly, service providers of the Investment Manager, the Fund or the Master Fund, especially the Administrator, may process, store and transmit such information. The Investment Manager has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Manager may be susceptible to compromise, leading to a breach of the Investment Manager's network. The Investment Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Manager to the Limited Partners may also be susceptible to compromise. Breach of the Investment Manager's information systems may cause information relating to the transactions of the Master Fund and personally identifiable information of the Limited Partners to be lost or improperly accessed, used or disclosed.

The service providers of the Investment Manager, the Fund and the Master Fund are subject to the same electronic information security threats as the Investment Manager. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Master Fund and personally identifiable information of the Limited Partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Investment Manager's or the Fund's proprietary information may cause the Investment Manager or the Master Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Limited Partners' investments therein.

Valuation of Assets and Liabilities

The Master Fund's assets and liabilities are valued in accordance with the Valuation Policy. The Valuation Policy, and procedures adopted by the Investment Manager relating to the implementation of the Valuation Policy, are subject to change and may be revised from time-to-time. The valuation of any asset or liability involves inherent uncertainty. The value of a Security determined in accordance with the Valuation Policy may differ materially from the value that could have been realized in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the market. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of the Fund if the judgments of the General Partner, in its capacity as general partner of the Master Fund, regarding the appropriate valuation should prove to be incorrect.

GAAP Net Asset Value Divergence

Due to GAAP requirements, the net asset value of the Fund for purposes of GAAP-compliant financial reporting may diverge from the net asset value of the Fund for all other purposes, including for purposes of allocating gains and losses among the Limited Partners, which, as described in this Memorandum, is relevant to, among other things, determining the balance of each

Capital Account, calculating the Management Fee and the Incentive Allocation, and calculating the amounts payable by the Fund in respect of a withdrawal by or distribution to a Limited Partner. Net asset value divergence may occur, for example, in connection with the amortization of the organizational and initial offering expenses of the Fund, the measuring of fair value (as a result of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820), or the recognition or unrecognition of uncertain tax positions (as a result of FASB ASC 740).

Counterparty Risk

The Master Fund expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit the Master Fund to trade in any variety of markets or asset classes over time. However, there can be no assurance that the Master Fund will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Master Fund’s trading activities, create losses, preclude the Master Fund from engaging in certain transactions or prevent the Master Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on the Master Fund’s business due to the Master Fund’s reliance on such counterparties.

The Master Fund may effect transactions in the “over-the-counter” or “OTC” derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, the Master Fund enters into a contract directly with dealer counterparties which may expose the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, the Master Fund may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if the Master Fund had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that the Master Fund post collateral.

If there is a default by a counterparty, the Master Fund under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Master Fund being less than if the Master Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the Master Fund’s Securities from such counterparty or the payment of claims therefor may be significantly delayed and the Master Fund may recover substantially less than the full value of the Securities entrusted to such counterparty.

Collateral that the Master Fund posts to its counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected “segregation” of such funds. In the event that a counterparty were to become insolvent, the Master Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, the Master Fund may use counterparties located in jurisdictions outside the United States. Such local counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the

practical effect of these laws and their application to the Master Fund's assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on the Master Fund and its assets. Investors should assume that the insolvency of any such counterparty would result in significant delays in recovering the Master Fund's Securities from or the payment of claims therefor by such counterparty and a loss to the Master Fund, which could be material.

Outsourced Trading

The Investment Manager may engage one or more broker-dealers ("**Outsourced Traders**") on behalf of the Master Fund to execute and/or direct a portion of the Master Fund's trades on an outsourced basis. The Investment Manager believes that such engagement (i) may benefit the Master Fund by providing access to each Outsourced Trader's knowledge and experience, connectivity to execution venues, proprietary and third-party trading technology and other services and (ii) is consistent with the Investment Manager's duty to seek best execution. However, such an arrangement differs from the practices of many asset managers, which rely on employees of the asset manager to perform certain of these trading functions. Prospective investors should consider the risks inherent in any arrangement where the Investment Manager does not employ or otherwise exert direct control over the individuals carrying out key operational tasks such as trading.

The Investment Manager will only engage an Outsourced Trader on what it considers to be "arm's-length" and commercially reasonable terms. In particular, under the terms of its engagement, an Outsourced Trader – unless directed by the Investment Manager to do otherwise – will have discretion on matters such as price, execution timing, venue, broker, and other aspects of trade execution. This discretion may permit an Outsourced Trader to act as the executing broker for some or all of the orders for the account of the Master Fund that are given to it by the Investment Manager. While the Investment Manager will review the services performed by any Outsourced Trader on a periodic basis, it is possible that, in the exercise of its discretion, an Outsourced Trader will execute and/or direct trades under sub-optimal conditions or make trading-related errors that will negatively impact the Master Fund. Use of an Outsourced Trader, and the manner in which the Investment Manager compensates the Outsourced Trader, exposes the Master Fund to potential conflicts of interest that would be different than the conflicts of interest posed if the Investment Manager employed its own trading desk personnel.

In addition, any Outsourced Trader is expected to have clients other than the Investment Manager and the Master Fund. Other client demands could place limitations on, or reduce the responsiveness of, an Outsourced Trader, which may adversely affect the Master Fund.

Competition; Availability of Investments

Certain markets in which the Master Fund may invest are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments.

Volatility Risk

The Master Fund's investment program may involve the purchase and sale of relatively volatile Securities and/or investments in volatile markets. Fluctuations or prolonged changes in the volatility of such Securities and/or markets can adversely affect the value of investments held by the Master Fund.

Credit Ratings

In general, the credit rating assigned by a nationally recognized rating agency to a Security represents such rating agency's opinion of the safety of the principal and interest payments of the rated instrument based on available information. Such ratings are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of such Securities. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. Further, credit ratings may change over time due to various factors, including changes in the creditworthiness of the issuer and/or changes in the rating agency's analytics and processes. It is possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events and, as a result, outstanding ratings may not reflect the issuer's current credit standing. The Master Fund may incur losses if it makes investments based on credit ratings that subsequently change in a way not favorable to the Master Fund's investment objective.

Co-Investments

The Master Fund may co-invest with third parties through joint ventures or other entities. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of the Master Fund or is in a position to take (or block) action in a manner contrary to the Master Fund's investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

Significant Positions in Securities; Regulatory Requirements

In the event the Master Fund acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the Master Fund may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on the Master Fund and the Investment Manager. Any such requirements may impose additional costs on the Master Fund and may delay the acquisition or disposition of the securities or the Master Fund's ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit the Master Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a Security. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that the Master Fund's position limits were aggregated with an affiliate's position limits, the effect

on the Master Fund and resulting restriction on its investment activities may be significant. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of the Master Fund, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, the Master Fund might have to forego or modify certain of its contemplated trades.

In addition, if the Master Fund, acting alone or as part of a group (including with Other Insight Funds), acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, or, if the Master Fund acquires public securities (in an initial public offering or otherwise) of a formerly private company in which an Other Insight Fund is invested and for which a member of the Investment Manager's personnel serves (or, prior to the initial public offering of such company, served) as a director on the board of directors, under Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Master Fund may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the Master Fund will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

The Master Fund, acting either alone or with Other Insight Funds, may acquire a "control" position in an issuer's securities. This may subject the Master Fund to additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Commodity Interest Trading Limit

The General Partner currently operates the Master Fund subject to the CFTC Rule 4.13(a)(3) de minimis exemption (the "**4.13(a)(3) Exemption**"). While the 4.13(a)(3) Exemption provides relief from certain CFTC reporting and recordkeeping requirements, it generally requires the Master Fund to, among other things, have de minimis levels of commodity interest trading. Accordingly, the Master Fund will operate with significant restrictions upon its trading of the instruments that are restricted under the 4.13(a)(3) Exemption, such as commodity futures, security futures options thereon and certain swaps. As a substitute for such instruments, the Master Fund may trade other instruments that are not restricted under the 4.13(a)(3) Exemption. As a result, the Master Fund may incur higher transaction costs or effect a less optimal hedge than it would otherwise be able to if it were not operated subject to the 4.13(a)(3) Exemption.

Litigation Risk

Some of the tactics that the Investment Manager may use involve litigation. The Master Fund could be a party to lawsuits either initiated by it, or by a company in which the Master Fund invests, other shareholders of such company, or U.S. federal, state and non-U.S. governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Master Fund.

Exposure to Material Non-Public Information

From time to time, the Investment Manager expects to receive material non-public information with respect to an issuer of publicly traded securities, including in connection with managing the assets of the Other Insight Funds. In such circumstances, the Master Fund will be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

The Investment Manager's personnel may receive information from a portfolio company of the Insight Private Equity Funds (as defined below) that could constitute material non-public information about an issuer's publicly traded securities that are held by the Master Fund. In such circumstances the Master Fund will be prohibited from trading in the securities of such issuer. **"Insight Private Equity Funds"** means Other Insight Funds that primarily pursue a closed-end private equity strategy, including, for the avoidance of doubt, structured credit or structured equity strategies, as well as any vehicles formed to co-invest with such funds in any of the foregoing strategies.

Currency Exchange Exposure

The Master Fund may invest in Securities denominated in currencies other than the U.S. dollar. The Master Fund, however, values its Securities in U.S. dollars. The Master Fund may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions. There can be no guarantee that Securities suitable for hedging currency or market shifts will be available at the time when the Master Fund wishes to use them, or that hedging techniques employed by the Master Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Master Fund's positions denominated in currencies other than the U.S. dollar will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.

SEC Exam

On June 20, 2023, the SEC initiated a settled administrative proceeding against Insight. Insight neither admitted nor denied the SEC's findings. From August 2017 through April 2021, the limited partnership agreements ("**LPAs**") of certain of the funds Insight advised provided that Insight would charge management fees during the funds' post-commitment periods based on each investor's pro rata share of the funds' invested capital, which equaled the acquisition cost of the portfolio investments held by the funds. The LPAs for these funds also stated that should Insight determine that a portfolio investment had suffered a "permanent impairment" in value, Insight would remove an amount equal to the difference between the acquisition cost and the impaired value of the portfolio investment from the fund's invested capital, which would subsequently reduce the basis used to calculate the management fees paid by the respective fund to Insight. Insight developed and applied criteria to assess whether an investment was permanently impaired. In applying these criteria, however, Insight analyzed permanent impairment at the "portfolio company" level rather than at the "portfolio investment" level. As a result, the SEC found that Insight did not correctly apply the funds' LPAs in making a permanent impairment determination and, consequently, failed to accurately calculate the management fees it charged. Further, Insight failed to disclose to investors the existence of a conflict of interest in connection with its permanent impairment criteria. Finally, Insight did not adopt or implement written policies or procedures

reasonably designed to prevent violations of the Advisers Act relating to the above practices. As a result, the SEC found that Insight violated Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder. The SEC ordered Insight to cease and desist from committing or causing any violations and any future violations of the referenced sections and rules, imposed a censure, required disgorgement and prejudgment interest of \$864,958, and imposed a civil monetary penalty of \$1,500,000.

As part of the resolution of this matter, the SEC recognized remedial efforts undertaken by Insight in May 2021 that included: adopting new and more objective permanent impairment criteria and disclosing that criteria to investors; waiving its ability going forward to reverse a permanent impairment due to changed circumstances; and applying its revised permanent impairment criteria retroactively to four portfolio companies that had been identified by the SEC, leading to reimbursement of management fees and interest in the amount of \$3,821,032 to the relevant private funds.

Risks Relating to Investment Strategies

Risk of Loss

No guarantee or representation is made that the Master Fund's investment program, including the Master Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the Master Fund and the Investment Manager (or investments otherwise made by the investment professionals of the Investment Manager) are not necessarily indicative of their future performance.

Long/Short

The success of the Master Fund's long/short investment strategy depends upon the Investment Manager's ability to identify and purchase Securities that are undervalued and identify and sell short Securities that are overvalued. The identification of investment opportunities in the implementation of the Master Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from values expected by the Investment Manager, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Investment Manager's long/short strategies may become outdated and inaccurate as market conditions change.

Short Selling

The success of the Master Fund's short selling investment strategy depends upon the Investment Manager's ability to identify and sell short Securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying Security could theoretically increase without limit, thus increasing the cost to the Master Fund of buying those Securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain

the ability to borrow Securities sold short. In such cases, the Master Fund can be “bought in” (i.e., forced to repurchase Securities in the open market to return to the lender). There also can be no assurance that the Securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing Securities to close out a short position can itself cause the price of the Securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Master Fund may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Master Fund secures a “good borrow” of the Security sold short at the time of execution, the lending institution may recall the lent Security at any time, thereby forcing the Master Fund to purchase the Security at the then-prevailing market price, which may be higher than the price at which such Security was originally sold short by the Master Fund.

Long-Term

The success of the Master Fund’s long-term investment strategy depends upon the Investment Manager’s ability to identify and purchase Securities that are undervalued and hold such investments so as to maximize value on a long-term basis. In pursuing any long-term strategy, the Master Fund may forego value in the short-term or temporary investments in order to be able to avail the Master Fund of additional and/or longer-term opportunities in the future. Consequently, the Master Fund may not capture maximum available value in the short-term, which may be disadvantageous, for example, for Limited Partners who withdraw all or a portion of their Capital Accounts before such long-term value may be realized by the Master Fund.

Short-Term Market Considerations

The Investment Manager’s trading decisions may be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

Leverage and Borrowing

Leverage for Investment Purposes

The use of leverage will allow the Master Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Master Fund’s portfolio. The effect of the use of leverage by the Master Fund in a market that moves adversely to its investments could result in substantial losses to the Master Fund, which would be greater than if the Master Fund were not leveraged.

Borrowing for Cash Management Purposes

The Master Fund has the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which the Master Fund can borrow will affect the operating results of the Master Fund.

Collateral

The instruments and borrowings utilized by the Master Fund to leverage investments may be collateralized by all or a portion of the Master Fund's portfolio. Accordingly, the Master Fund may pledge its Securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the Securities pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call", pursuant to which the Master Fund must either deposit additional funds or Securities with the broker or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value. The banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Master Fund may have similar rights. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

Costs

Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Master Fund's portfolio.

Lending of Portfolio Securities

The Master Fund may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Master Fund will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

Diversification and Concentration

The Investment Manager may select investments that are concentrated in a limited number or types of Securities. In addition, the Master Fund's portfolio may become significantly concentrated in Securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the Master Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such Securities.

Lack of Control

The Master Fund may invest in debt instruments and equity securities of companies that it does not control, which the Master Fund may acquire through market transactions or through purchases of securities directly from the issuer or other shareholders. Such Securities will be subject to the risk that the issuer may make business, financial or management decisions with which the Master Fund does not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve the Master Fund's interests. In addition, the Master Fund may share control over certain investments with co-investors, which may make it

more difficult for the Master Fund to implement its investment approach or exit the investment when it otherwise would. The occurrence of any of the foregoing could have a material adverse effect on the Fund and the Limited Partners' investments therein.

Hedging Transactions

The Master Fund may utilize Securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Master Fund's investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Master Fund's unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any Securities; (iv) enhance or preserve returns, spreads or gains on any Security in the Master Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Master Fund's Securities; (vii) protect against any increase in the price of any Securities the Master Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. The Master Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Investment Manager may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Discretion of the Investment Manager; New Strategies and Techniques

While the Investment Manager will generally seek to employ the representative investment strategies and techniques discussed herein, the Investment Manager (subject to the policies and control of the General Partner, in its capacity as general partner of the Master Fund) has considerable discretion in the types of Securities the Master Fund may trade and has the right to modify the investment strategies and techniques of the Master Fund without the consent of the Limited Partners. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Master Fund. In addition, any new investment strategy or technique developed by the Master Fund may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Master Fund.

Risks Relating to Methods of Analysis

Fundamental Analysis

Certain trading decisions made by the Investment Manager may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data are inaccurate or that other market participants have developed, based on such data, trading strategies similar to the Master Fund's trading strategies, the Master Fund may not be able to realize its investment goals. In addition, fundamental market information is subject to interpretation. To the extent that the Investment Manager misinterprets the meaning of certain data, the Master Fund may incur losses.

Alternative Data

The Investment Manager may use alternative data in its investment process. Alternative data includes datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases (this data is sometimes referred to as “big data” or “alternative data”). The Investment Manager applies this alternative data to better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes.

The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are expected to be borne—in whole or in part—by the Master Fund. No assurance can be given that the Investment Manager will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for the Investment Manager and the Master Fund in numerous jurisdictions. The Investment Manager cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to the Investment Manager or to the Fund. Conversely, any future limitations on the use of alternative data could have a material adverse impact on the performance of the Master Fund.

Risks Relating to Market Conditions Generally

General Economic and Market Conditions

The success of the Master Fund’s activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund’s investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Master Fund’s investments. Volatility or illiquidity could impair the Master Fund’s profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Governmental Interventions

Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Master Fund’s strategies.

Potential Interest Rate Increases

The United States has experienced a sustained period of historically low interest rate levels. In recent years, however, short-term and long-term interest rates have risen. The uncertainty of the U.S. and global economy, changes in U.S. government policy, and changes in the federal funds rate, increase the risk that interest rates will remain volatile in the future. Sustained future interest rate volatility may cause the value of the fixed income securities held by the Master Fund to decrease, which may result in substantial withdrawals from the Fund that, in turn, force the Master Fund to liquidate such securities at disadvantageous prices negatively impacting the performance of the Master Fund.

Discontinuation of LIBOR

The London Interbank Offered Rate (“**LIBOR**”) for U.S. Dollars, which is commonly used as a reference rate within various financial contracts (any such rate, a “**Reference Rate**”), ceased publication after June 30, 2023 (the one-week and two-month tenors of U.S. Dollar LIBOR ceased to be published after December 31, 2021). The Alternative Reference Rates Committee (the “**ARRC**”) convened by the Board of Governors of the Federal Reserve System (“**FRB**”) recommended certain SOFR term rates as the replacement (in commercial loan agreements) for U.S. Dollar LIBOR. The ARRC’s recommendations are consistent with replacements proposed under the Adjustable Interest Rate (LIBOR) Act (the “**LIBOR Act**”), which became effective in March, 2022, and the final rule implementing the LIBOR Act adopted by the FRB, which became effective in February, 2023. The FRB also recommended certain SOFR-based replacements for derivative transactions. The Secured Overnight Financing Rate (“**SOFR**”) is a secured, risk-free rate, where LIBOR was an unsecured rate reflecting counterparty risk, and certain of the recommended replacement rates proposed by the ARRC and under the LIBOR Act included a credit spread adjustment to address this difference. However, in new issue transactions (i.e., transactions not transitioning from London interbank offered rates) a market practice developed to absorb the credit spread adjustment as part of the pricing spread over the applicable benchmark rate, as opposed to indicating a credit spread adjustment as a separate item (for example, as an adjustment to a SOFR-based benchmark rate) within the applicable benchmark rate. Investors should expect that the Master Fund will be a party to SOFR-based contracts, or contracts utilizing different Reference Rates. Considered in their entirety, the impacts of the discontinuation of U.S. Dollar LIBOR on financial markets generally and on the specific financial contracts to which the Master Fund is a party may adversely affect the performance of the Master Fund.

Rise of High-Frequency Trading

In recent years, high-frequency trading has increased, which has raised questions about the impact high-frequency trading has on financial markets generally. Though the increase in high-frequency trading has been correlated with increased market liquidity, this purported liquidity may be illusory and high-frequency trading may be the cause of reductions in true liquidity and certain instances of extreme volatility. Opponents of high-frequency trading argue that it exploits the work of active traders, has reduced the number of active traders and has resulted in increased execution costs. The effects of high-frequency trading on specific trades or markets generally may adversely affect the Master Fund’s ability to effect its trading strategy.

MiFID II

The package of European Union market infrastructure reforms known as “**MiFID II**” increased regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments over time, as some of the sources of liquidity exit European markets, and may result in significant increases in transaction costs.

Other regulatory changes, such as an increase in the scope of commodities and commodity derivatives regulation, including position limits and regulatory position management powers could, over time, similarly lead to liquidity reduction and/or an increase in costs and spreads in the European commodities markets.

Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of the Investment Manager to execute the investment program.

New rules requiring unbundling the costs of research and other services from dealing commission and further restrictions on the Investment Manager’s ability to receive certain types of goods and services from brokers may also result in an increase in the investment-related expenditure of the Master Fund.

Sanctions

The Master Fund’s operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, the Master Fund may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by OFAC, the sanctions regimes administered by subsidiary organs of the United Nations Security Council, the Sanctions Orders of the Cayman Islands (including as extended to the Cayman Islands by Order of the government of the United Kingdom from time to time), and the Restrictive Measures adopted by the European Union. Some sanctions that may apply to the Master Fund prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories or with individuals and entities located in such countries or territories. In addition to such current sanctions, additional sanctions may be imposed in the future. Such sanctions may be imposed with little or no advance warning or “safe harbor” for compliance and may be ambiguous, including as to the scope of financial activities that regulators may ultimately deem to be covered by the sanctions.

Depending on the scope and duration of a particular sanctions program, compliance by the Master Fund may result in a material adverse effect on the Fund and the Limited Partners’ investments therein. The Investment Manager and the Master Fund may be subject to heightened or targeted

regulatory scrutiny and information requests as a result of such sanctions. In addition, if the Investment Manager or the Master Fund were to violate or be deemed in violation of any such sanction, it could face significant legal and monetary penalties. Sanctions may negatively impact the Master Fund's ability to effectively implement its investment strategy and have a material adverse impact on the Master Fund's investments in various ways, including by preventing or inhibiting the Master Fund from making certain investments, forcing the Master Fund to divest from investments previously made, and leading to substantial reductions in the revenues, profits and value of the Master Fund's investments. Finally, sanctions may have broader economic implications, such as influencing the price of certain commodities, which may have adverse effects on inflation and the value of the U.S. dollar, which may adversely affect investment objectives and strategies of the Master Fund.

Climate Change-Related Risks

The environmental effects of climate change, including rising temperatures, extreme weather, fires, flooding, erratic weather fluctuations, agricultural failures and displacement and destabilization of human populations, could have materially adverse effects on the Securities held by the Master Fund. The Investment Manager believes that such risks may increase over time, although the time period over which these consequences might unfold is difficult to predict.

In addition to the physical, economic and geo-political risks associated with climate change, there are transition risks. The willingness of certain governments, industries and businesses, especially those that profit from, or have a reliance on, fossil fuels, to adapt to climate change or transition to sustainable practices may also adversely affect the Securities.

Regulatory changes and divestment movements tied to concerns about climate change could adversely affect the value of certain industries whose activities or products are seen as accelerating climate change, or ill-positioned in light of the economic and social demands imposed by climate change. In recent years, certain investors have incorporated the business risks of climate change and the adequacy of companies' responses to climate change as part of their investment theses. These shifts in investing priorities may result in adverse effects on the trading price of Securities if investors determine that the company has not made sufficient progress on climate change and environmental sustainability matters whether or not climate change proves to be as severe as predicted or preventable.

The values of Securities whose performance is linked to assets and revenue streams that are exposed to climate change risk may readily be affected by both long-term, systemic effects of climate change, as well as severe environmental events whose occurrence is inherently unpredictable.

Assumption of Catastrophe Risks

The Master Fund may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; social or political unrest; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a

material effect on global financial markets or specific markets or issuers in which the Master Fund invests (or has a material negative impact on the operations of the Investment Manager or the Service Providers), the risks of loss can be substantial and could have a material adverse effect on the Fund and the Limited Partners' investments therein. Furthermore, any such event may also adversely impact one or more individual Limited Partners' financial condition, which could result in substantial withdrawal requests by such Limited Partners as a result of their individual liquidity situations and irrespective of Fund performance. (See "Certain Risk Factors — Risks Relating to the Structure of the Fund — Effect of Substantial Withdrawals".)

Risks Relating to Specific Sectors and Types of Companies

Technology Sector

The Master Fund may invest in the Securities of issuers in the technology sector, which investments involve substantial risks. These risks include but are not limited to: (i) the fact that certain companies in the portfolio of the Master Fund may have limited operating histories; (ii) rapidly changing technologies and products which may quickly become obsolete; cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; (iii) scarcity of management, engineering and marketing personnel with appropriate technological training; (iv) the possibility of lawsuits related to technological patents; (v) changing investors' sentiments and preferences with regard to technology sector investments (which are generally perceived as risky) with their resultant effect on the price of underlying Securities; and (vi) volatility in the U.S. stock markets affecting the prices of technology company Securities, which may cause the performance of the Master Fund to experience substantial volatility.

Software Sector

The Master Fund may invest in software, software-enabled services and Internet companies. While this industry has grown rapidly as both business and consumers increasingly rely on software and the Internet to operate their businesses or go about their lives, an industry-focused fund may involve risks greater than those of more diversified investments. Adverse economic conditions in the United States and other countries could have a material adverse effect on consumer and business spending in the information technology sector, which could limit or cause a substantial reduction in the revenues, profitability and/or continued viability of the issuers in which the Master Fund invests. The information technology sector (including software, software-enabled services and Internet companies) could be adversely affected by overall economic conditions, short product cycles, rapid obsolescence of products, competition, and government regulation. Further, the success of the issuers in which the Master Fund invests may depend on the development and marketing of new technologies that at any time may be rendered unattractive or obsolete by technological advances, new social trends and/or communication methods as seen in the emergence of social networking tools and platforms. The Master Fund's portfolio is expected to include the securities of issuers that serve niches in the software businesses, such as businesses that specialize in providing products to assist financial institutions with compliance or that provide software solutions for supply chain management. Changes in those industries may impact, positively or negatively, the attractiveness of the issuer's products. There can be no assurance that any issuer in which the Master Fund invests will continue or improve its historical or expected levels and direction of growth, revenues or profitability even if general economic conditions in the United States and/or other countries improves or if economic conditions in the information

technology sector improve. Further, there is no assurance that products or services sold by the issuers in which the Master Fund invests will not be rendered obsolete or adversely affected by competing products and services or that the issuers will not be adversely affected by other challenges. Moreover, competition can result in significant downward pressure on pricing. The Master Fund's investments may include the securities of Internet companies that provide goods or services that compete either directly or indirectly (e.g. through the "sharing" economy) with existing non-Internet based providers which, in some cases, are subject to regulations that the Internet companies are not. In some instances in the industry, laws or regulations have been adopted in jurisdictions where Internet based companies operate that impose regulations on the companies that may pose material challenges to the company's business model. There can be no assurance that laws or regulations will not be passed that will have an adverse effect on the issuers in which the Master Fund invests.

Micro-, Small- and Medium-Capitalization Companies

Investments in securities of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

Investment and Trading Out of Sector

The Master Fund may trade in regions other than the technology sector, including for hedging purposes and/or on an opportunistic basis. Although out-of-sector positions are not expected to represent core positions, the profit or loss from those positions could have a material impact on the Master Fund's performance.

Risks Relating to Specific Investments

Equity Securities Generally

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move. The Master Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Illiquid Securities

Certain Securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer, including as described in "Certain Risk Factors – Risks Relating to the

Operations and Investment Activities of the Master Fund – Significant Positions in Securities; Regulatory Requirements”, or there is no liquid market for such Securities. Valuation of such Securities may be difficult or uncertain because there may be limited information available about the issuers of such Securities. The market prices, if any, for such Securities tend to be volatile and may not be readily ascertainable, and the Master Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid Securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of Securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Master Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, the Master Fund may be required to hold such Securities despite adverse price movements. Even those markets which the Investment Manager expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

Initial Public Offerings

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the Fund’s Interests.

Preferred Stock

Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer’s capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer’s board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer’s common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Restricted Securities

Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by the Master

Fund. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

Undervalued Securities

The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Master Fund's investments may not adequately compensate for the business and financial risks assumed.

Unlisted Securities

Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for publicly traded securities. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Convertible Securities

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Master Fund is called for redemption, the Master Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Master Fund's ability to achieve its investment objective.

When-Issued and Forward Commitment Securities

The purchase of securities on a "when-issued" basis involves a commitment by the Master Fund to purchase or sell securities at a future date (typically one or two months later). No income accrues on securities that have been purchased on a when-issued basis prior to delivery to the Master Fund. When-issued securities may be sold prior to the settlement date. If the Master Fund disposes of the right to acquire a when-issued security prior to its acquisition, it may incur a gain or loss. In addition, there is a risk that securities purchased on a when-issued basis may not be delivered to the Master Fund. In such cases, the Master Fund may incur a loss.

Currencies

A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Master Fund are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Debt Securities

Debt securities of all types of issuers may have speculative characteristics, regardless of whether they are rated. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal in accordance with the terms of the obligations.

Structured Notes

Structured notes, variable rate mortgage-backed and asset-backed securities each have rates of interest that vary based on a designated floating rate formula or index. The value of these investments is closely tied to the absolute levels of such rates or indices, or the market's perception of anticipated changes in those rates or indices. The movements in specific indices or interest rates may be difficult or impossible to hedge.

American Depositary Receipts and Global Depositary Receipts

American Depositary Receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global Depositary Receipts ("GDRs") are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company's publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale of disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

Derivative Instruments

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such instruments may have a material adverse effect on the Master Fund.

Regulation in the Derivatives Industry

There are many rules related to derivatives that may negatively impact the Master Fund, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing,

minimum margin for uncleared over-the-counter (“OTC”) instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional “know your counterparty” obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of the Investment Manager and the Master Fund, and increase the amount of time that the Investment Manager spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the Master Fund.

These rules are operationally and technologically burdensome for the Investment Manager and the Master Fund. These compliance obligations require employee training and use of technology, and there are operational risks borne by the Master Fund in implementing procedures to comply with many of these additional obligations.

These regulations may also result in the Master Fund forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants (“FCMs”)), as the use of other parties may be more efficient for the Master Fund from a regulatory perspective. However, this could limit the Master Fund’s trading activities, create losses, preclude the Master Fund from engaging in certain transactions or prevent the Master Fund from trading at optimal rates and terms.

Many of these requirements were implemented under legislation intended to reform the U.S. financial regulatory system, the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “EMIR”), and similar regulations globally. In the United States, regulatory responsibility for derivatives is divided between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over “security-based swaps” and the CFTC has regulatory authority over “swaps”. EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized, there are others, particularly SEC regulations with respect to security-based swaps, that are still in the proposal stage or are expected to be introduced in the future.

The following describes derivatives regulations that may have the most significant impact on the Master Fund:

Reporting

Most swap transactions have become subject to anonymous “real time reporting” requirements, meaning that information relating to transactions entered into by the Master Fund will become visible to the market in ways that may impair the Master Fund’s ability to enter into additional transactions at comparable prices or could enable competitors to “front run” or replicate the Master Fund’s strategies.

Central Clearing

In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives, including EMIR, are underway to require certain derivatives to be cleared through central clearinghouses. In the United States, clearing mandates affect certain interest rate and credit default swaps. The CFTC and the SEC may introduce clearing requirements for additional classes of derivatives in the future. EMIR also requires OTC derivatives contracts meeting specific criteria to be cleared through central counterparties.

While such clearing requirements may be beneficial for the Master Fund in many respects (for instance, they may reduce the counterparty risk to the dealers to which the Master Fund would be exposed under non-cleared derivatives), the Master Fund could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, the Master Fund may not be able to hedge its risks or express an investment view as well as it would have been able to had it used customizable derivatives available in the over-the-counter markets. The Master Fund may have to split its derivatives portfolio between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the-counter positions, and which could lead to increased costs.

Another risk is that the Master Fund may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the Master Fund's FCM and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject the Master Fund to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on the Master Fund. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require the Master Fund to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to the Master Fund. In addition, clearinghouses may not allow the Master Fund to portfolio-margin its positions, which may increase the Master Fund's costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which the Master Fund would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and the Master Fund's FCM, subjecting the Master Fund to the risk that the assets of the FCM are insufficient to satisfy all of the FCM's payment

obligations, leading to a payment default. The failure of a clearinghouse or FCM could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Swap Execution Facilities

In addition to the central clearing requirement, certain swap transactions are required to trade on regulated electronic platforms such as swap execution facilities (“**SEFs**”), which require the Master Fund to subject itself to regulation by these venues and subject the Master Fund to the jurisdiction of the CFTC. CFTC rules governing the operation of SEFs continue to evolve; the SEC has yet to finalize rules related to security-based SEFs.

The EU regulatory framework governing derivatives is set not only by EMIR but also a legislative package known as a recast of the Markets in Financial Instruments Directive (“**MiFID II**”). Among other things, MiFID II requires transactions in derivatives to be executed on regulated trading venues.

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for the Master Fund to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of these regulations.

Margin Requirements for Non-Cleared Swaps

Rules issued by U.S., EU and other regulators globally (the “**Margin Rules**”) impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third-party custodian. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that the Master Fund will be required to post to swap counterparties may increase by a material amount, and as a result the Master Fund may not be able to deploy capital as effectively. Additionally, to the extent the Master Fund is required to segregate initial margin with a third-party custodian, additional costs will be incurred by the Master Fund.

Call and Put Options

The Master Fund may incur risks associated with the sale and purchase of call options and put options. Under a conventional cash-settled option, the purchaser of the option pays a premium in exchange for the right to receive upon exercise of the option (i) in the case of a call option, the excess, if any, of the reference price or value of the underlier (as determined pursuant to the terms of the option) above the option’s strike price or (ii) in the case of a put option, the excess, if any, of the option’s strike price above the reference price or value of the underlier (as so determined). Under a conventional physically-settled option structure, the purchaser of

a call option has the right to purchase a specified quantity of the underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the underlier at the strike price.

A purchaser of an option may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option's time value (i.e., the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser's ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of the transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the "style" of the option.

Uncovered option writing (i.e., selling an option when the seller does not own a like quantity of an offsetting position in the underlier) exposes the seller to potentially significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call may incur large losses if the reference price or value of the underlier increases above the exercise price by more than the amount of any premiums earned. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier.

Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the Master Fund will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Index Futures

The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by the Master Fund also is subject to the Investment Manager's ability to correctly predict movements in the direction of the market.

Credit Default Swaps

Credit default swaps can be used to implement the Investment Manager's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, the Master Fund may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the Master Fund to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Master Fund may also buy credit default protection with respect to a referenced entity if, in the Investment Manager's judgment, there is a high likelihood of credit deterioration. In such instance, the Master Fund will pay a premium regardless of whether there is a credit event.

Futures Contracts

The value of futures contracts depends upon the price of the Securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Master Fund's positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Master Fund from promptly liquidating unfavorable positions and subject the Master Fund to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Non-U.S. Futures Transactions

Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, the Master Fund may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as

funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the time the foreign option contract is liquidated or exercised.

Forward Contracts

The Master Fund may enter into forward contracts and options thereon, including non-deliverable forwards. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Master Fund. In its forward trading, the Master Fund will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the Master Fund trades. Master Fund assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Investment Manager may order trades for the Master Fund in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject the Master Fund to the risk of loss.

Contracts for Differences

Contracts for differences (“CFDs”) are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument’s value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. As is the case with trading any financial instrument, there is the risk of loss associated with trading a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the posting of additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on the Master Fund’s obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the Master Fund’s financial risk.

Failure to Enter into Offsetting Trade

To the extent the Master Fund invests in a futures contract or long option, unless an offsetting trade is made, the Master Fund would be required to take physical delivery of the commodity underlying the future or option. To the extent the Investment Manager fails to enter into such offsetting trade prior to the expiration of the contract, the Master Fund may suffer a loss since neither the Master Fund nor the Investment Manager has the operational capacity to accept physical delivery of commodities.

Exotic Options

Exotic options are typically, but not always, traded over-the-counter. OTC contracts may not trade in a liquid market and pricing may be opaque. The illiquidity of these markets can be exacerbated in times of market stress. The Master Fund may incur substantial costs entering into and exiting positions that could have a material impact on performance. Exotic options may be subject to a higher degree of pricing risk as demonstrated by instances in which different counterparties in the market employ different valuation and pricing methodologies to the same exotic option. Because exotic options can often be highly customized, there is lower visibility with respect to the pricing and valuation of these instruments. Exotic options may be subject to high levels of price volatility. For example, in the case of barrier options, as the price of the asset underlying the option trades closer to a barrier level, the delta of the option (i.e., the ratio of the change in the price of the underlying asset to the corresponding change in the price of the option) and the gamma of the option (i.e., the rate of change of the delta with respect to the underlying asset's price) may become very high. Exotic options may be subject to higher levels of model risk than commonly traded options because standard models are not able to adequately capture or predict the risks associated with the exotic options. Exotic options may be "path dependent". This means that their terminal value (at exercise or expiration) depends upon the value of the underlying asset, not only at the time of exercise or expiration, but also at prior points in time. In this sense, the option's terminal value depends upon the "path" taken by the underlying asset over the life of the option. For example, a barrier option's value at expiration depends upon both the value of the underlying asset at expiration and whether the past value of the underlying asset ever satisfied a barrier condition. In contrast, a vanilla option (e.g., a call option) is not path dependent. Its value at exercise or expiration depends on the value of the underlying asset only at that point in time. The additional features incorporated by exotic options require additional judgments regarding the likelihood of certain conditions being satisfied, any one of which can result in loss if made incorrectly. An OTC option may be closed out only with the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ. OTC options generally involve greater credit and counterparty risk than exchange-traded options.

Exchange-Traded Funds

Exchange-traded funds ("ETFs") are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying

Securities they are designed to track. ETFs are also subject to certain additional risks, including the risk that their prices may not correlate perfectly with changes in the prices of the underlying Securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Master Fund's expenses (e.g., Management Fees and operating expenses), Limited Partners may also indirectly bear similar expenses of an ETF.

PIPE Transactions

Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a “**PIPE**” transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly-issued securities of smaller capitalization companies, which may be less likely to be able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in the Master Fund acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. The Master Fund's ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if the Master Fund is able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, the Master Fund may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of the Master Fund's investments.

Repurchase and Reverse Repurchase Agreements

In a reverse repurchase transaction, the Master Fund “buys” securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Master Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Master Fund involves certain risks. For example, if the seller of securities to the Master Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Master Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Master Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Master Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Master Fund may suffer a loss to the extent that it is forced to liquidate its position in the

market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Special Purpose Acquisition Companies

A special purpose acquisition company (a “SPAC”) is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until the target company is acquired or a predetermined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and such target company’s value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in “blank check” companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, (v) the value of any target company may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be comprised of hedge funds (at least at inception). The Master Fund may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for the Master Fund to evaluate the possible merits or risks of such SPAC’s investment in any particular target business. To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

Digital Assets

The holdings of the Master Fund may include portfolio investments that are related in various ways to the digital currency/digital asset marketplace, and the Master Fund may also invest directly in digital assets, virtual currencies, cryptocurrencies, or digital coins/tokens (collectively, “**Digital Assets**”). Certain risks relating to Digital Assets generally differ from those of traditional currencies, commodities or securities. Importantly, Digital Assets are oftentimes not directly backed by a central bank or a nation, supranational or quasi-national organization, any hard assets, human capital, or other form of credit. Rather Digital Assets are market based: a Digital Asset’s

value is determined by (and fluctuates often, according to) supply and demand factors, and the value that various market participants place on it through their mutual agreement.

Risks Relating to Non-U.S. Investments and Non-U.S. Jurisdictions

Non-U.S. Exchanges

The Master Fund may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. Securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

Non-U.S. Investments

Investing in the Securities of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in Securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Master Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Master Fund may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Master Fund's rights in such markets. For example, Securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Master Fund under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

Investment in Emerging Markets

Investing in the Securities of companies (and, from time to time, governments) in emerging markets, specifically, involves additional risks and special considerations not typically associated with investing in more established economies or markets. Such risks may include, in addition to the risks listed above in connection with non-U.S. investments generally, some if not all of which are heightened in the case of investments in emerging markets: higher dependence on exports and the corresponding importance of international trade; greater risk of substantial inflation; greater controls on foreign investment and preferential treatment for particular domestic industries or companies or other protectionist acts; increased likelihood of governmental involvement in and control over the economy; governmental decisions to cease support of economic reform programs

or to impose centrally planned economies; longer settlement periods for transactions and less reliable clearance and custody arrangements; and less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors. In addition, both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many emerging markets countries, and the tax systems of some emerging market economies have been marked by rapid change, which has sometimes occurred without warning and has been applied with retroactive effect, and in some cases, there is widespread non-compliance with tax laws, insufficient personnel to deal with the problem and inconsistent enforcement of the laws by inexperienced tax inspectors. All of such risk factors could potentially affect the Master Fund's ability to conduct effective due diligence in connection with its investments and to monitor investments or otherwise impact returns on any such investment.

Dependence on Developing Countries

The level of commodity prices can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. In particular, recent growth in industrial production and gross domestic product has made many developing countries, particularly China, disproportionately large users of commodities and has increased the extent to which commodity prices are dependent on the markets of those developing countries. Political, economic and other developments that affect these developing countries may affect the level of certain commodities and, thus, the value of the Master Fund's investments. Because certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply-related events in those countries could have a disproportionate impact on the prices of commodity futures contracts and other types of financial instruments in which the Master Fund will invest. Events affecting the prices of commodities tend to affect prices worldwide, regardless of the location of the event.

VALUATION

The Master Fund's assets and liabilities are valued in accordance with the valuation policies and procedures adopted by the Investment Manager for the purpose of valuing the Securities held by the Master Fund and the Crossover Fund, as the same may be amended from time to time (the **"Valuation Policy"**). All values assigned to such assets and liabilities are final and conclusive as to all of the Partners.

The Investment Manager has established a Valuation Committee for the Master Fund (the **"Valuation Committee"**) which is responsible for approving valuation determinations for all Securities held by the Master Fund. The Valuation Policy describes the role of the Valuation Committee and process for making valuation determinations for all Securities held by the Master Fund.

The Valuation Committee will generally follow the guidelines included below in valuing the Master Fund's Securities. These valuation guidelines are not intended to be fully comprehensive or address all acceptable methodologies or all specific issues that may arise when valuing Securities. Other valuation methodologies exist that may be reasonable and appropriate for the particular situation. Valuation Committee members are expected to use their judgment in approving the valuation of Securities held by the Master Fund. The Valuation Committee may use its discretion to fairly value all other Securities not specifically addressed in the following guidelines.

General Valuation Guidelines

The Investment Manager's trading operations personnel will conduct a daily review of vendor supplied prices to identify any issues, such as stale price inputs. At the end of each Accounting Period, the Valuation Committee values the Master Fund's portfolio. Positions held in the Master Fund's portfolio are generally marked based on market closing prices when available. Upon occasion it may be deemed necessary to consider alternative pricing sources or other pricing methods, for example when the Investment Manager has determined that an external price is inaccurate or stale (which could occur for various reasons, including if trading in the Security has been halted). Such Securities or investments are valued at their estimated fair value as determined by the Investment Manager, which could be different from the value that would be established by an active market for such investments, if one existed, and the differences could be material. Such fair value could also be different than the value assigned by other market participants, including, for instance, if the Investment Manager does not have access to the same information as such other market participants.

The Administrator will source prices for positions for which third-party pricing is publicly available in accordance with the Valuation Policy. For any investments for which the Administrator is unable to source independent pricing inputs, the Administrator relies on fair value estimates determined by the Valuation Committee.

The General Partner may use methods of valuing Securities other than those set forth herein if it believes the alternate method is preferable in determining the fair value of such Securities. In particular, the General Partner (in consultation with the Investment Manager), may take account

of significant events and/or after hours trading activities, if, in the judgment of the General Partner (in consultation with the Investment Manager), they have materially altered such valuation.

In connection with the determination of the value of the Master Fund's assets and liabilities, the General Partner may consult with and will be entitled to rely upon the advice of the Master Fund's brokers, custodians, accountants, appraisers, the Administrator, independent consultants, professional advisers or pricing services.

The accounts of the Master Fund are maintained in U.S. dollars. Assets and liabilities denominated in other currencies are translated at the rates of exchange in effect at the relevant date of determination and translation adjustments are reflected in the results of operations. Portfolio transactions and income and expenses are translated at the rates of exchange in effect at the time of each transaction.

Notwithstanding anything to the contrary herein, the valuation policies and procedures are subject to change and may be revised from time-to-time. The Fund will provide notice to all Limited Partners of any material changes to the Valuation Policy.

Plan Assets Valuation Guidelines

Notwithstanding anything to the contrary herein, and as reflected in processes performed in the ordinary course, during periods in which the assets of the Master Fund are treated as "plan assets" for purposes of ERISA, the value of the Master Fund's assets and liabilities will be calculated by the Administrator in accordance with the Valuation Policy in consultation with the Investment Manager.

OTHER ACTIVITIES OF MANAGEMENT; POTENTIAL CONFLICTS OF INTEREST

The Investment Manager, the General Partner and their affiliates will be subject, and the Fund will be exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Fund and the Limited Partners' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Fund. When a conflict of interest arises, the Investment Manager will endeavor to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with its fiduciary duties to the Fund. The Investment Manager has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest. Unless the context indicates otherwise, references in this section to conflicts of interest that may apply to the Investment Manager should be understood to apply to the Investment Manager and its affiliates.

Prospective Limited Partners should understand that (i) the relationships among the Fund, the Other Insight Funds, the Investment Manager and its affiliates are complex and dynamic and (ii) as the Investment Manager's, the General Partner's and the Fund's businesses change over time, the Investment Manager, the General Partner and their affiliates may be subject, and the Fund may be exposed, to new or additional conflicts of interest. There can be no assurance that this Memorandum addresses or anticipates every possible current or future conflict of interest that may arise or that is or may be detrimental to the Fund or the Limited Partners. *Prospective Limited Partners should consult with their own advisers regarding the possible implications on their investment in the Fund of the conflicts of interest described in this Memorandum.*

Other Activities of the Investment Manager and its Affiliates

Conflicts of interest may arise from the fact that the Investment Manager, the General Partner and their affiliates provide investment management services to Other Insight Funds. The Investment Manager currently provides investment management services to numerous Other Insight Funds, including the Insight Private Equity Funds.

Other Insight Funds may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Master Fund, or may compete with or have interests adverse to the Master Fund, including with respect to allocations of investments in publicly traded securities. Such conflicts could affect the prices and availability of Securities in which the Master Fund invests or the ability of the Master Fund to dispose any such Securities. Even if an Other Insight Fund has investment objectives, programs or strategies that are similar to those of the Master Fund, the Investment Manager may give advice or take action (or not take action) with respect to the investments held by, and transactions of, the Other Insight Funds in a manner that differs from the advice given or the timing or nature of any action taken (or not taken) with respect to the investments held by, and transactions of, the Master Fund for a variety of reasons, including differences between the investment strategy, portfolio construction or exposures, financing terms, regulatory treatment and tax treatment of the Other Insight Funds and the Master Fund. For example, if an Other Insight Fund holds the Securities of a private issuer that engages in an initial public offering, such Other Insight Fund will generally dispose of such Securities within a limited period of time following such initial public offering while the Master Fund may acquire such Securities in the initial public offering or on the secondary market. As a result, the Master Fund

and an Other Insight Fund may dispose of their respective holdings of such Securities at different times and on different terms than the other, and the Master Fund may acquire such Securities at or around the time that Other Insight Funds are disposing of such Securities, and may therefore have substantially different portfolios and investment returns. As an additional example, the Master Fund, on the one hand, or an Other Insight Fund (such as the Crossover Fund), on the other hand, may invest in a publicly traded security at the same time that such Other Insight Fund or the Master Fund, as applicable, decides not to invest in that security due to such Other Insight Fund or the Master Fund, as applicable, having a different desired exposure to public markets or such security than the Master Fund or such Other Insight Fund, as applicable. Conflicts of interest may also arise when the Investment Manager makes decisions on behalf of the Master Fund with respect to matters where the interests of the Investment Manager or one or more Other Insight Funds differs from the interests of the Master Fund.

Material Non-Public Information and Other Trading Restrictions

The nature of the Investment Manager's business exposes it and its personnel to a higher risk of inadvertently receiving material non-public information than is the case with many other investment advisers. The Investment Manager employs a restricted list which can restrict client trading in related issuers whenever the Investment Manager deems itself to be in possession of material non-public information. For example, in connection with the operations of the Insight Private Equity Funds or otherwise, the Investment Manager's personnel may serve as directors of, or in a similar capacity with, issuers of Securities held by the Master Fund and, in the event that material non-public information is obtained with respect to such issuers, the Master Fund could be prohibited by law or otherwise from purchasing or selling such Securities of such issuers for a period of time, and such prohibitions may have an adverse effect on the Master Fund. In addition, the number of issuers on the Investment Manager's restricted list will increase as a result of the Investment Manager's personnel being on boards of directors or holding other positions that will cause them to be deemed to be company insiders.

Additionally, the Master Fund may purchase publicly-traded securities of an issuer in which Other Insight Funds, including the Insight Private Equity Funds, are investors, and, as a result, the Master Fund may be subject to legal, regulatory and/or contractual restrictions that limit the Master Fund's ability to dispose of those publicly-traded securities. For example, in connection with one or more Insight Private Equity Funds' investments in a private issuer, the Investment Manager may agree to a "lock-up" that prohibits any Insight Fund from disposing of the securities of that issuer for a specified period of time or until the occurrence of an event (such as the issuer satisfying certain performance metrics). The Master Fund may then purchase securities of that issuer in an initial public offering and, although the securities are now publicly traded, be prohibited from selling those securities until the lock-up that the Investment Manager agreed to expires. Moreover, the Master Fund may also be restricted by law or regulation in its ability to dispose of publicly-traded securities of an issuer due to investments made by Other Insight Funds in that issuer, such as, for example, if the Investment Manager has appointed a member to the board of directors of the issuer, the Investment Manager otherwise has received non-public information about such issuer or due to Section 16 of the Exchange Act as further described above in "Certain Risk Factors – Risks Relating to the Operations and Investment Activities of the Master Fund – Significant Positions in Securities; Regulatory Requirements". "**Insight Funds**" means the Other Insight Funds together with the Fund, the Offshore Fund, and the Master Fund.

While the Investment Manager believes that its broad and deep business is a net benefit to the Master Fund, the risk of being unable to make recommendations regarding or transact in a particular issuer, perhaps for indefinite periods of time, is a material risk for current and prospective Limited Partners. Prospective Limited Partners should understand that the Investment Manager is incented to pursue relationships that increase the risk of acquiring material non-public information, as it believes that such relationships are accretive to its venture capital and growth equity investing and other businesses, which can result in restrictions and other situations that adversely affect the Master Fund.

Lack of Exclusivity

The Investment Manager, its affiliates and personnel will devote as much of their time to the activities of the Master Fund as they deem necessary and appropriate. The Investment Manager, its affiliates and personnel will not be restricted from forming Other Insight Funds, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Master Fund and/or may involve substantial time and resources of the Investment Manager, its affiliates or personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of the Investment Manager, its affiliates and personnel will not be devoted exclusively to the business of the Master Fund but will be allocated between the business of the Master Fund and the management of Other Insight Funds and businesses.

From time to time, the IPPE Principal and employees of the Investment Manager may serve as directors or advisory board members of certain portfolio companies of the Other Insight Funds or other entities.

Investments by the IPPE Principal and Employees of the Investment Manager in the Fund and Other Insight Funds

The IPPE Principal and certain other employees of the Investment Manager have personally invested, directly and/or indirectly, in the Fund, the Offshore Fund or the Master Fund. Such investors may be in possession of information relating to the Fund that is not available to other Limited Partners and prospective Limited Partners. The IPPE Principal and employees of the Investment Manager are not required to keep any minimum investment in the Fund and may invest in Other Insight Funds. It is expected that the size and nature of these investments will change over time without notice to the Limited Partners. Investments by the IPPE Principal and employees of the Investment Manager in the Fund and/or Other Insight Funds (including the Offshore Fund and the Master Fund) could incentivize the IPPE Principal and employees of the Investment Manager to increase or decrease the risk profile of the Fund.

Investments in Securities by Investment Manager Personnel

The Code of Ethics of the Investment Manager places restrictions on personal trades by employees of the Investment Manager and mandates that employees disclose their personal Securities holdings and transactions to the Investment Manager on a periodic basis. The Code of Ethics also requires that employees pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, employees of the Investment Manager may not engage in personal trading in single-name, publicly-traded stocks and may only dispose of any such Securities held in their respective personal trading accounts subject to pre-clearance. Employees are not required, however, to obtain pre-clearance for personal investments in certain other asset classes and goods,

including certain investments in mutual funds, money market funds, closed-end funds, ETFs, municipal securities, government securities, corporate bonds or notes and other debt securities and certain cryptocurrencies whether or not the Master Fund has invested in the same or similar Securities. In addition, subject to pre-clearance, the Investment Manager permits employees to transact in other Securities, including to sell publicly-traded Securities that (i) were acquired prior to their association with the Investment Manager, (ii) were initially investments in private issuers that subsequently conduct public offerings, and (iii) were received as an in-kind distribution from a private investment fund, including an Other Insight Fund.

The Investment Manager, its affiliates and its employees may give or take action for their own accounts that differs from advice given or action taken for the Master Fund. This activity could occur, but not exclusively, when a new employee is liquidating positions in a personal account that were acquired prior to the employee's joining the Investment Manager or when the employee has received an in kind distribution of Securities from a private investment fund – and under those circumstances employees may sell securities that are held in the Master Fund's portfolio (and that the Investment Manager intends to cause the Master Fund to continue to hold). Such actions are subject to the policies and procedures of the Investment Manager, including the pre-clearance requirements under its Code of Ethics.

Personnel of the Investment Manager, including the IPPE Principal and other members of the investment team, may acquire, directly or indirectly, investments in Securities in which the Master Fund is, or may be, invested. In general, but not exclusively, such acquisitions are made indirectly where an employee has an investment in a pooled investment vehicle managed by a third party, and such pooled investment vehicle has an investment in a security that the Master Fund also invests in. Regardless of whether these personal investments were acquired directly or indirectly, such personnel may benefit from market or investment activity by the Master Fund (e.g., an investment made by a client in the same securities may lead to an increase in or reduce a decrease in the value of such securities or diminish the volatility of such securities). To the extent that personnel of the Investment Manager hold such investments or benefit from the Master Fund's market or investment activity, the Investment Manager will have a conflict of interest. Furthermore, there may be instances, including a proposed business relationship (e.g., merger, acquisition or joint venture) between an issuer in which any such person has a personal investment and an issuer in which the Master Fund is invested, where the applicable person will have an incentive to take an action for the Master Fund that benefits the personal investment. Personal investment activities of personnel of the Investment Manager, or other activities not related to such personnel's work for the Investment Manager, may also increase the likelihood of the Investment Manager gaining possession of material non-public information about an issuer that leads to a restriction or limitation being imposed on the Master Fund and/or one or more other conflicts of interest, including the fact that the Master Fund's investment in the public securities has the potential to benefit the personal investment.

Personal Investments by the Insight Principals and the other Insight Principal Entities

The IPPE Principal and other senior members of the Investment Manager (collectively, the “**Insight Principals**”), individually, on behalf of members of their respective families, through or on behalf of trusts, partnerships, companies and other entities formed for his benefit and the benefit of members of their families, and/or through or on behalf of trusts, partnerships, foundations, companies and other entities which may from time to time include other philanthropic, charitable,

civic, social or other organizations (collectively, along with the Insight Principals, their families, and such trusts, partnerships and other entities, the “**Insight Principal Entities**”) expect to make, hold and dispose of, investments outside of, and separate and apart from, their interests in the Fund. These investments by the Insight Principal Entities include equity and other investments in pooled investment vehicles, and such vehicles will from time to time invest in Securities in which the Master Fund may also invest in. In addition, such pooled investment vehicles could in the future invest in Interests of the Fund or in Other Insight Funds (including co-investment vehicles), or otherwise co-invest alongside the Master Fund. Managers of pooled investment vehicles may share investment ideas with personnel of the Investment Manager, and the Master Fund may, when the Investment Manager deems it to be in the Master Fund’s best interests, invest in Securities that are the subject of such discussions. In addition, such pooled investment vehicles, or persons associated with such pooled investment vehicles or their managers, may be offered co-investment opportunities by the Investment Manager or its affiliates. The investments made by the Insight Principal Entities generally will be investments that, at the time of investment, are opportunities that are determined by the Investment Manager to be inappropriate for investment by the Master Fund (for example, if such investments were originally considered for investment by the Master Fund and subsequently determined to be inappropriate for investment by the Master Fund (including due to the relatively small size of the investment opportunity), or in situations where the Master Fund has already invested in such Securities the amount the Investment Manager or its affiliates believe should be invested by the Master Fund).

The Insight Principal Entities’ investments in pooled investment vehicles managed by other investment managers (*e.g.*, hedge funds, private equity funds or venture capital funds) may mean that the IPPE Principal indirectly holds interests, through such vehicles, in Securities that are also owned by the Master Fund. In such a situation, the IPPE Principal could be faced with investment decisions for the Master Fund’s portfolio that could affect the value or liquidity of such Securities generally (or which could have other impacts on holdings of such Securities), and in those circumstances the IPPE Principal and the Investment Manager would have a conflict of interest.

The Insight Principals are permitted to take actions in respect of the investments of the Insight Principal Entities that they consider to be in the best interests of the Insight Principal Entities. However, the Investment Manager’s policies require that no action will be permitted to be taken unless the Insight Principal or such Insight Principal Entities believe in good faith that such action is consistent with the Investment Manager’s fiduciary duty to the Master Fund and the Other Insight funds. The Investment Manager will seek to resolve all conflicts in a manner that it deems to be fair and equitable consistent with its duties to the Master Fund and the Other Insight Funds.

The Investment Manager has adopted policies and procedures to prevent and/or mitigate the actual conflicts of interest that arise from the investment activities of the Insight Principal Entities. These policies address the methods and processes for identifying, reporting, mitigating and monitoring such conflicts of interest.

Allocations of Trades and Investment Opportunities

It is the policy of the Investment Manager to allocate investment opportunities among Insight Funds fairly and equitably over time in accordance with the Investment Manager’s Investment Allocation Policy. The respective investment programs of each Insight Fund may or may not overlap and such Insight Funds may from time to time invest in the same or different assets or

issuers. The Investment Manager will manage each Insight Fund in accordance with its particular focus, mandate, objective, liquidity, concentration, risk tolerance and other applicable parameters.

The Investment Manager may acquire and/or dispose of investments held by the Master Fund either prior to or subsequent to the acquisition and/or disposition of the same or similar Securities held by Other Insight Funds, including the Crossover Fund. The Investment Manager may purchase and sell the same or similar Securities for the Master Fund and the Other Insight Funds at different times and on different terms. For example, an Insight Private Equity Fund may dispose of publicly-traded Securities of a portfolio company following an initial public offering at the same time as the Master Fund is purchasing or holding the same Securities. Additionally, the Master Fund will invest in a number of publicly traded securities alongside the Crossover Fund. In addition to and notwithstanding the foregoing, the Investment Manager expects that it will expose the Master Fund to certain investment opportunities to which the Other Insight Funds, including the Crossover Fund, may have zero exposure or exposure in an entirely different degree or on different terms (*e.g.*, lesser use of leverage, different levels of derivatives exposure, or greater or lesser concentration) than that to which the Other Insight Funds, including the Crossover Fund, are exposed to such investment opportunity due to, among other things, the liquidity, portfolio concentration and desired exposure to such investment opportunity or, more generally, the public markets, of the Master Fund and the Other Insight Funds and the availability of investment opportunities within a particular Insight Fund's investment strategy. As a result of some or all of the foregoing, the performance results as between the Master Fund and the Other Insight Funds, even as it relates to the Securities in which both the Master Fund and Other Insight Funds invest, may vary to the detriment of the Limited Partners, and such variation may be significant.

The Investment Manager will have no obligation to purchase or sell a Security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Master Fund or Other Insight Funds solely because the Investment Manager purchases or sells the same Security for, enters into a transaction on behalf of, or provides an opportunity to, the Master Fund or an Other Insight Fund if, in its reasonable opinion, such Security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Master Fund or the Other Insight Fund.

Public Investment Opportunities

The Insight Private Equity Funds do not, and do not intend to, frequently invest in publicly-traded equity or debt securities of issuers or make any other passive investments in issuers that have publicly-traded equity securities (such investments, “**Public Investments**”). However, Public Investment opportunities that may be suitable for the Insight Funds follow a waterfall allocation policy. The Insight Private Equity Funds and any co-investors that invest alongside such funds (including co-investors investing directly in a portfolio company) will generally have the option of taking an allocation before the Master Fund and the Crossover Fund. If the Insight Private Equity Funds have either passed on the opportunity or have received their desired exposure to a particular investment opportunity, the Master Fund and the Crossover Fund may participate in such opportunity in an amount determined by the Investment Manager in its sole discretion. The Investment Manager and its affiliates may in the future form additional Insight Private Equity Funds that are given similar priority to allocations of Public Investments before the Master Fund and Limited Partners should assume that all current and future Insight Private Equity Funds will receive a priority allocation to Public Investments.

Subject to the foregoing priority allocations, the Investment Manager may offer any amount of an opportunity that is offered to the Master Fund in excess of the amount the Investment Manager deems advisable for the Master Fund to Other Insight Funds or co-investors.

For the avoidance of doubt, after the Insight Private Equity Funds have received their full desired allocation to any opportunity, the Investment Manager may offer any remaining portion of such opportunity to co-investors prior to, or concurrently with, offering such opportunity to the Master Fund.

The Investment Manager's determinations with respect to when any Insight Private Equity Fund and any co-investor that invests alongside such fund (including co-investors investing directly in a portfolio company of an Insight Private Equity Fund) has received its full desired exposure to a particular investment opportunity, and the subsequent determination of the proportions in which to allocate such investment opportunity to the Master Fund and the Crossover Fund, involve inherently subjective decisions and the Investment Manager is subject to conflicts of interest when making such determinations. The Investment Manager may consider, among other things, an Insight Fund's (i) investment guidelines; (ii) uncalled capital commitments and other sources of liquidity; (iii) anticipated future investments; (iv) asset diversification needs; (v) risk profile and tolerance; (vi) targeted allocations and existing concentrations; (vii) permissible and preferred asset classes; (viii) stage in life cycle; (ix) tax treatment of the investment; and (x) legal, regulatory, or contractual requirements.

The Investment Manager will make the determination of the suitability of an investment opportunity and each Insight Fund's desired exposure to such opportunity separately each time it acquires Securities that may be suitable for more than one Insight Fund. However, when the Investment Manager seeks to establish or add to its existing position in one or more publicly traded companies, the Investment Manager may seek to obtain securities from multiple sources (including primary issuers of securities as well as secondary sources such as existing security holders) and in this regard may participate in one or more discrete transactions committed to over a period of time and closing on multiple dates. The Investment Manager may in certain circumstances treat multiple transactions pursued simultaneously as one transaction for pricing and other allocation purposes and thus may allocate the securities acquired in such transactions as close as possible to the closing date of the final transaction in the series of related transactions in which such securities were acquired – rather than at the time each transaction in the series of related transactions closes – so that it can properly evaluate the entire investment opportunity (e.g., number of shares, price, secondary/primary, timing of closing, etc.) before setting allocations among the Insight Funds.

Certain investment decisions by the Investment Manager for an Insight Fund impose restrictions on, or otherwise limit, the Investment Manager's ability to make subsequent investment decisions for the Master Fund. These restrictions may take various forms, including, but not limited to, contractual prohibitions (e.g., the Investment Manager accepts, as a condition of making an investment, an obligation to forego certain other investment opportunities; or a prospective investment for the Master Fund is not undertaken because it would require Hart-Scott-Rodino Act approval in light of current positions held in an Insight Fund's portfolio) and situations where the Investment Manager determines that subsequent investments could be detrimental to important business relationships (e.g., the Investment Manager may forego opportunities to invest in competitors of current portfolio companies of an Insight Fund). To the extent that the Investment

Manager's decisions for an Insight Fund restrict or limit future investment opportunities, the Master Fund may be adversely affected by the inability to pursue such future opportunities.

Newly-Listed Public Companies

The Insight Private Equity Funds do not, and do not intend to, frequently invest in IPOs, direct listings, companies going public via SPACs or other forms of newly-listed public companies, but to the extent the Investment Manager determines that such an investment is appropriate for one or more Insight Private Equity Funds, opportunities to participate in such investments will be generally allocated in the same manner of priority as described in "*Allocations of Trades and Investment Opportunities – Public Investment Opportunities*" above, taking into account any legal or regulatory restrictions applicable to the Insight Private Equity Funds (i.e., the Insight Private Equity Funds will receive their full desired exposure to such investment prior to the Master Fund).

Co-Investments

Subject to the allocation priority given to the Insight Private Equity Funds and any co-investors that invest alongside such funds (including co-investors investing directly in a portfolio company of an Insight Private Equity Fund) discussed above, the Investment Manager and its affiliates may, from time to time, offer one or more Limited Partners or investors in Other Insight Funds and/or other third-party investors the opportunity to co-invest with the Master Fund in particular investments after the Master Fund has received its desired exposure to the opportunity. The Investment Manager and its affiliates are not obligated to arrange co-investment opportunities, and no Limited Partner will be obligated to participate in such an opportunity. The Investment Manager and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular Limited Partner and may allocate co-investment opportunities instead to investors in Other Insight Funds or to third parties. The Investment Manager or its affiliates may receive fees and/or allocations from co-investors (including Other Insight Funds organized as a co-investment vehicle) which may differ as among co-investors and also may differ from the fees and/or allocations borne by the Master Fund.

Any offer to participate in co-investment opportunities will be made to prospective co-investors and/or such other persons in such proportions and subject to such terms and conditions as the Investment Manager determines in its sole discretion, taking into account facts and circumstances, including, but not limited to, if the co-investor: (i) agrees to rely on the Investment Manager's due diligence in the transaction and will not require substantial additional due diligence; (ii) has previously expressed interest in making similar investments; (iii) has relevant experience to be able to analyze and structure the investment in the portfolio company; (iv) has relevant experience to be able to assist the portfolio company once the investment is made; (v) has relevant experience to be able to assist in making or executing future business or investment decisions concerning the portfolio company; (vi) has relevant relationships or experience to be able to arrange or facilitate the eventual sale of the portfolio company; (vii) has a successful track record of co-investing in one or more portfolio companies with one or more other Insight Funds; (viii) has relationships in the same geographic region, industry or sector of the portfolio company which could be strategically helpful to the Investment Manager or an Insight Fund; (ix) is positioned to present potential co-investment opportunities to the Investment Manager; (x) has the ability to add value to investments, as determined through reference checks on previous investments; (xi) has relevant buyout, operating, turnaround or liquidation experience; (xii) has sourced or facilitated the

sourcing of the opportunity for an Insight Fund to invest in the portfolio company; or (xiii) has the ability to generate future investment opportunities or provide other benefits to the Master Fund, Other Insight Funds or the Investment Manager, or to provide analytical and market advice or other expertise that may be valuable to the Master Fund or Other Insight Funds.

Allocation of Expenses Among Insight Funds and Co-Investors

The Investment Manager seeks to fairly allocate expenses among the Insight Funds, including the Master Fund, and any additional co-investors. Generally, the Insight Funds and co-investors that own an investment will share in expenses relating specifically to such investment. However, it is not always possible or reasonable to allocate or re-allocate expenses to an Insight Fund or a co-investor, depending upon the circumstances surrounding the applicable investment (including the timing of the investment), the financial and other terms governing the relationship of the co-investor to any Insight Fund with respect to the investment and the nature of the expense (*e.g.*, (i) research expenses that are not specifically related to an investment (but may benefit one or more such investments), (ii) research expenses that are subscription-based, aggregated together or otherwise paid for as a single bill or lump sum payment and (iii) other similar expenses that are difficult to divide and allocate specific costs or expenses to a single investment, generally will not be allocated to co-investors).

As a result, there may be occasions where Other Insight Funds and other co-investors do not bear a proportionate share of such expenses as compared to expenses borne by the Master Fund. In addition, co-investments by co-investors are typically limited to the capital invested in the applicable portfolio company and do not bear the expenses associated with developing and consummating the investment opportunity or post-closing monitoring expenses, except to the extent borne or reimbursed by the portfolio company or otherwise specifically agreed with the co-investor. In addition, where a potential investment is contemplated but ultimately not consummated, potential co-investors generally will not share in any expenses related to such potential investment (*e.g.*, broken deal expenses), unless a binding commitment has been obtained from such co-investors; rather they will generally be borne by certain (but not all) Insight Funds, which may include the Master Fund.

If any of the expenses of the Fund are incurred jointly for the account of more than one Insight Fund, such expenses will generally be allocated among the applicable Insight Funds, in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or based on their respective amounts of capital under management, aggregate capital commitments, available capital for investment or in such other manner as the General Partner or the Investment Manager, in their discretion, consider fair and equitable. Furthermore, when the Investment Manager uses formulas and/or relies on informal estimates and projections with respect to the anticipated related benefits or usages (in determining how to allocate expenses), such formulas and estimates may not ultimately reflect the actual benefits or usages.

Certain of the Investment Manager's determinations with respect to whether specific expenses should be borne by the Investment Manager or by the Insight Funds require subjective judgments. The Investment Manager has a conflict of interest when making such judgments because the Investment Manager will bear the costs of any expenses not allocated to a client, including the Master Fund. Similarly, certain of the Investment Manager's determinations with respect to whether specific expenses should be borne by the Master Fund, an Other Insight Fund, or a third-

party co-investor, require subjective judgments. Other Insight Funds may have different expense terms than the Master Fund, and the Investment Manager may have a conflict of interest when determining whether the Master Fund or such Other Insight Funds will bear a specific expense. As a result, certain expenses may be paid by the Master Fund where the same or similar expenses are paid by the Investment Manager on behalf of Insight Private Equity Funds or Other Insight Funds. In addition, the allocation of certain expenses may affect the size or performance of, and therefore the fees or allocations earned by the Investment Manager with respect to, certain Other Insight Funds or the Master Fund, and therefore the Investment Manager may have a conflict of interest when determining how to allocate expenses among such Other Insight Funds and the Master Fund. The Investment Manager seeks to allocate expenses in a manner that it deems to be fair and equitable.

Certain products or services, the costs of which are borne exclusively by the Master Fund, may also benefit the Investment Manager and its affiliates, Other Insight Funds, or third parties directly or indirectly. The Investment Manager has a conflict of interest in determining whether such expenses should be borne by the Master Fund because the Investment Manager and its other clients also receive benefits from the products and services provided.

Order Aggregation and Average Pricing

If the Investment Manager determines that the purchase or sale of a Security is appropriate with regard to the Master Fund and any Other Insight Funds, the Investment Manager may, but is not obligated to, purchase or sell such a Security on behalf of such Insight Funds with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Insight Fund will receive the average price, with transaction costs generally allocated *pro rata* based on the size of each Insight Fund's participation in the order (or allocation in the event of a partial fill) as determined by the Investment Manager. In the event of a partial fill, allocations may be modified on a basis that the Investment Manager deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Investment Manager. As a result, certain trades in the same Security for one Insight Fund (including an Insight Fund in which the Investment Manager and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Insight Fund, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Cross Trades

During periods in which the assets of the Master Fund are not treated as "plan assets" for purposes of ERISA, the Investment Manager may determine that it would be in the best interests of the Master Fund and one or more Other Insight Funds to transfer a Security from one Insight Fund to another (each such transfer, a "**Cross Trade**") for a variety of reasons, including tax purposes, liquidity purposes, to rebalance the portfolios of the Insight Funds, or to reduce transaction costs that may arise in an open market transaction. If the Investment Manager decides to engage in a Cross Trade, the Investment Manager will determine that the trade is in the best interests of both of the Insight Funds involved and take steps to ensure that the transaction is consistent with the Investment Manager's duty to seek best execution for each of those Insight Funds.

The Investment Manager generally intends to execute Cross Trades, if at all, with the assistance of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross transaction between two fund clients may occur as an “internal cross”, where the Investment Manager instructs the custodian for the Insight Funds to book the transaction at the price determined in accordance with the Valuation Policy. If the Investment Manager effects an internal cross, the Investment Manager will not receive any fee in connection with the completion of the transaction.

Principal Transactions

During periods in which the assets of the Master Fund are not treated as “plan assets” for purposes of ERISA, to the extent that Cross Trades may be viewed as principal transactions (as such term is used under the Advisers Act) due to the ownership interest in an Insight Fund by the General Partner, the Investment Manager or its personnel, the General Partner and the Investment Manager will comply with the requirements of Section 206(3) of the Advisers Act.

In connection with principal transactions, Cross Trades, related-party transactions and other transactions and relationships involving potential conflicts of interest, the General Partner (in its capacity as general partner of the Fund, the Offshore Fund and the Master Fund) will seek the approval or waiver of the Advisory Board for such transaction or conflict of interest to the extent required by applicable law or deemed advisable by the General Partner. However, the General Partner may alternatively elect to instead obtain approval from a combined majority-in-interest of the Partners and the partners of the Offshore Fund in the aggregate, as the case may be (in lieu of the Advisory Board) and take such action. The Advisory Board or a combined majority-in-interest of the Partners and the partners of the Offshore Fund in the aggregate, as the case may be, may approve of such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, their consummation. In no event will any such transaction be entered into unless it complies with applicable law. Any decision of the Advisory Board made by a majority in number of the members of the Advisory Board will be binding upon the Fund, the Offshore Fund or the Master Fund, as applicable, and the Limited Partners or the investors in the Offshore Fund or the Master Fund, as applicable. Notwithstanding the foregoing, the General Partner may not cause the Master Fund to enter into any transaction that would give rise to a prohibited transaction under ERISA, if applicable.

Trade Errors

Trade errors involving transactions in any account directly or indirectly held by the Master Fund or any derivatives contract or other similar agreement of the Master Fund and/or any trading vehicle (each, a “**Trade Error**”) may occur. Trade Errors include: (i) the placement of orders (either purchases or sales) in excess of, or less than, the amount of Securities the account intended to trade; (ii) the sale of a Security when it should have been purchased; (iii) the purchase of a Security when it should have been sold; (iv) the purchase or sale of the wrong Security; and (v) the purchase or sale of a Security for the wrong account and the post-settlement discovery of such purchase or sale. Trades implemented as a result of faulty data, systems, coding, modeling or analysis, trades that are properly executed but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above, are not considered Trade Errors. The loss of an investment opportunity is not considered a Trade Error.

Such errors may result in losses or gains. The Investment Manager will use reasonable efforts to detect such errors prior to settlement and promptly correct them. To the extent that an error is caused by a counterparty, such as a broker-dealer, the Investment Manager will use reasonable efforts to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Master Fund to the Investment Manager and its affiliates and personnel, the Investment Manager and its affiliates and personnel will generally not be liable to the Master Fund for any act or omission, absent bad faith, gross negligence, willful misconduct, actual fraud, or breach of fiduciary responsibilities under ERISA, if applicable, of such person, and the Master Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Master Fund, absent bad faith, gross negligence, willful misconduct, actual fraud, or breach of fiduciary responsibilities under ERISA, if applicable, of such person. As a result of these provisions, the Master Fund (and not the Investment Manager) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent bad faith, gross negligence, willful misconduct, actual fraud, or breach of fiduciary responsibilities under ERISA, if applicable, of the relevant person. The Investment Manager will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions. The Investment Manager will reimburse the Master Fund for losses for which the Investment Manager is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by the Investment Manager on behalf of the Master Fund, investors should assume that Trade Errors and other errors will occur and that, to the extent permitted by applicable law and under the Fund Documents, except during periods in which the assets of the Master Fund are treated as “plan assets” for purposes of ERISA, the Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the Investment Manager’s personnel. Notwithstanding the foregoing, during all periods when the assets of the Master Fund are treated as “plan assets” for the purposes of ERISA, the Investment Manager (rather than the Master Fund) will be responsible for the portion of losses resulting from Trade Errors and other errors attributable to the interests of Benefit Plan Investors if such errors are a result of the breach of the fiduciary responsibility provisions of ERISA.

Proxy Voting Policy

In compliance with Rule 206(4)-6 under the Advisers Act, the Investment Manager has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”), in a prudent and diligent manner that will serve the applicable Insight Fund’s best interest and is in line with each Insight Fund’s investment objectives.

The Investment Manager may take into account all relevant factors, as determined by the Investment Manager in its discretion, including: (i) the impact on the value of the securities or instruments owned by the relevant Insight Fund and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

In limited circumstances, the Investment Manager may refrain from voting Proxies where the Investment Manager believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to the Insight Funds. Limited Partners may not direct the Investment Manager's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Insight Funds on the one hand and the Investment Manager or its affiliates on the other hand. If the Investment Manager determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, the Investment Manager will vote in accordance with its Proxy voting policies and procedures. Limited Partners may obtain a copy of the Investment Manager's Proxy voting policies and its Proxy voting record upon request.

Master-Feeder Structure

The use of a "master-feeder" structure presents certain conflicts of interest. For example, different tax considerations applicable to the Fund and other feeder funds that invest in the Master Fund may result in the Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one feeder fund or its investors. In selecting and structuring investments appropriate for the Master Fund, the Investment Manager will consider the investment and tax objectives of the feeder funds of the Master Fund and their direct and indirect beneficial owners as a whole, not the investment, tax or other objectives of any Limited Partner or other beneficial owner individually.

Side Letter Agreements

The Fund, and in certain cases the Investment Manager, will have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of this Memorandum or the Fund Documents to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, the Fund may create additional Classes of Interests for certain Limited Partners that provide for, among other things, (i) greater transparency into the Master Fund's portfolio, (ii) different or more favorable withdrawal rights, such as more frequent withdrawals or shorter withdrawal notice periods, (iii) greater information than may be provided to other Limited Partners, (iv) different fee or incentive compensation terms, and (v) more favorable transfer rights. Certain such waivers, modifications or grants of special or more favorable rights may also be effected by the Fund, and, in certain cases, the Investment Manager, through agreements ("**Side Letter Agreements**"). Although certain Limited Partners may invest in the Fund with different material terms, the Fund and the Investment Manager generally will only offer such terms if they believe other Limited Partners of the Fund will not be materially disadvantaged.

The Investment Manager Could Have Different Compensation Arrangements with Other Insight Funds

The Investment Manager could be subject to a conflict of interest because varying compensation arrangements among the Fund and Other Insight Funds could incentivize the Investment Manager to manage the Fund and such Other Insight Funds differently. Additionally, unlike the compensation arrangements with certain Other Insight Funds, the Incentive Allocation will be potentially reduced by the Loss Recovery Accounts and the Hurdle Amount, and the Capital Accounts of the Founders Class 2 Limited Partners will not be subject to the Incentive Allocation.

These and other differences could make the Fund less profitable to the Investment Manager than certain Other Insight Funds.

Valuation

The Master Fund's assets and liabilities are valued in accordance with the Valuation Policy. In making valuation determinations during periods in which the assets of the Master Fund are not treated as "plan assets" for purposes of ERISA, the Investment Manager may be deemed subject to a conflict of interest, especially with respect to illiquid Securities, as the valuation of such assets and liabilities affects its compensation and the compensation of the General Partner. As reflected in processes performed in the ordinary course, during periods in which the assets of the Master Fund are treated as "plan assets" for purposes of ERISA, the value of the Master Fund's assets and liabilities will be calculated by the Administrator in accordance with the Valuation Policy in consultation with the Investment Manager.

There is no guarantee that the value calculated with respect to a particular asset or liability by the Investment Manager or the Administrator will represent the value that will be realized by the Master Fund on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment.

Incentive Allocation

The General Partner will receive the performance-based Incentive Allocation from the Founders Class 1 Series Capital Accounts in connection with the management of the Master Fund. The Incentive Allocation is not the product of an arm's-length negotiation with any third party, and, because the Incentive Allocation is calculated on a basis which includes unrealized appreciation of the Master Fund's assets, it may be greater than if such compensation were based solely on realized gains.

The Incentive Allocation may give rise to potential conflicts of interest, including the following:

Allocation of Investment Opportunities

The Incentive Allocation may create an incentive for the Investment Manager, an affiliate of the General Partner, to direct the best investment ideas to, or to allocate or sequence trades in favor of, (i) Insight Funds with performance compensation arrangements over Insight Funds that are not charged, or from which the General Partner or the Investment Manager will not receive (e.g., because the Insight Fund is below its high water mark or preferred return hurdle), performance compensation, and (ii) Insight Funds from which the General Partner or the Investment Manager will receive a greater performance compensation over Insight Funds from which the General Partner or the Investment Manager will receive lesser performance compensation.

Valuation

The Incentive Allocation may create an incentive for the Investment Manager to provide biased valuations, especially with respect to illiquid Securities.

Risk

The Incentive Allocation may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case if a performance-based compensation arrangement were not in effect.

Timing and Realization of Investments

The Incentive Allocation may create an incentive for the Investment Manager to time investments, and the realization of investments, so as to maximize the Incentive Allocation rather than the return of the Master Fund.

There could be an incentive for the Investment Manager to cause the Master Fund to hold Securities for longer than three years in order for the General Partner to be taxed at “long-term capital gain” tax rates with respect to related gains underlying the Incentive Allocation, although certain other taxable U.S. investors can achieve long-term capital gain tax rates on Securities held for longer than one year, and the holding period does not generally have relevance for the tax treatment of investors who are not subject to U.S. income taxation or are “C” corporations. This dichotomy creates a potential conflict between the interests of the General Partner and the interests of other direct and indirect investors in the Master Fund.

Ancillary Fees Earned by the Investment Manager

The Investment Manager and its affiliates may earn Ancillary Fees from services provided or related to portfolio investments or in connection with portfolio investments or prospective portfolio investments. “**Ancillary Fees**” include all transaction fees, advisory fees, directors compensation, break-up fees, topping fees, investment banking fees, monitoring fees or other similar fees (including options, warrants and other non-cash compensation) received by the General Partner, Investment Manager or any of their respective affiliates in connection with the consummation, holding or disposition of an investment or the termination of a proposed but unconsummated investment by the Master Fund, *provided*, that Ancillary Fees will not include amounts paid to the General Partner, Investment Manager or their respective affiliates to reimburse any of them for out-of-pocket expenses incurred by them in connection with such Ancillary Fees. For the avoidance of doubt, the General Partner will in good faith allocate all such Ancillary Fees among Insight Funds *pro rata* in proportion to their respective investment in such investment, or, with respect to proposed but unconsummated investments, *pro rata* based on the General Partner’s good faith estimate of the intended allocation of investment in such proposed investment. Options, warrants and other non-cash compensation received will be valued for purposes of this definition when converted into cash at the net cash proceeds received.

Generally, the Management Fee borne by the Limited Partners participating in the investment to which any Ancillary Fees relate will be reduced (but not below zero) by an amount equal to 100% of the amount of such Ancillary Fees allocated to the Master Fund (based on the Master Fund’s participation in such investment). Other types of fees paid to, or income earned by, the Investment Manager and its affiliates will not reduce the Management Fee to the extent failure to do so is not inconsistent with ERISA (if applicable). No amount of an Ancillary Fee that is in excess of the Management Fee will be refunded to the Fund or the Limited Partners in the event of dissolution of the Fund.

Capital Stacking

The Master Fund and Other Insight Funds expect to invest in different parts of the capital structure of an issuer, which could give rise to potential conflicts of interest. For example, the Master Fund may own an equity investment in an issuer while an Other Insight Fund owns a debt investment in the same issuer. Likewise, the Master Fund and Other Insight Funds may invest in different debt instruments or series of preferred equity of a company, giving rise to conflicts concerning their respective entitlements or priority in a bankruptcy proceeding or other transaction.

Selection of Broker-Dealers and Counterparties

The Investment Manager may be subject to conflicts relating to its selection of brokers, dealers and counterparties on behalf of the Master Fund. Portfolio transactions for the Master Fund will be allocated to brokers, dealers and counterparties on the basis of numerous factors and not necessarily lowest pricing. Brokers, dealers and counterparties may provide other services that are beneficial to the Investment Manager or Other Insight Funds, but not necessarily beneficial to the Master Fund. For the avoidance of doubt, in the event the Investment Manager determines to use soft dollars with respect to the Master Fund, it will only do so in compliance with the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e). (See “Brokerage Practices — Factors Considered in Selecting Broker-Dealers”.)

Service Providers

Conflicts of interest may arise from the fact that any Service Provider or any affiliate of a Service Provider may provide services to, or have business, financial, personal or other relations with (i) other private funds with investment programs similar to that of the Master Fund or (ii) the Investment Manager or any of its affiliates. Any Service Provider or any affiliate of a Service Provider may be an investor in the Fund, a source of investment opportunities or a co-investor or commercial counterparty or entity in which the Investment Manager has an investment.

It is customary for a Service Provider to charge different rates or have different terms for different types of services. Based on the types of services used by the Investment Manager and its affiliates as compared to the types of services used by the Fund or the Master Fund and the terms of such services, a Service Provider may enter into an arrangement with the Investment Manager or its affiliates that provides for more favorable rates or terms than an arrangement with the Fund or the Master Fund.

Placement Agents

Placement agents that solicit investors on behalf of the Fund are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. This conflict applies as well to nominees that are compensated by the Fund or the Investment Manager in connection with the investment of their clients’ assets in the Fund.

BROKERAGE PRACTICES

Factors Considered in Selecting Broker-Dealers

The Investment Manager has complete discretion in deciding which Securities are bought and sold, the amount and price of those Securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Master Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager and/or certain Insight Funds, but not beneficial to all Insight Funds. Subject to the Investment Manager's duty to seek best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Investment Manager may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Master Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Manager nor the Master Fund separately compensates any broker or dealer for any of these other services.

The Investment Manager maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Soft Dollars

The Investment Manager does not intend to receive or use soft dollars in connection with the Master Fund's investment activities, but may do so in the future. In the event the Investment Manager determines to use soft dollars with respect to the Master Fund, it will only do so in compliance with the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e).

Capital Introduction

From time to time, brokers (including the Prime Broker) may assist the Fund in raising additional funds from investors. Additionally, brokers may provide capital introduction and marketing assistance services, and representatives of the Investment Manager may speak at conferences and programs sponsored by the brokers, for investors interested in investing in private investment funds. Through such events, prospective investors in the Fund may encounter representatives of the Investment Manager. Brokers may also provide other services, including consulting services relating to technology and office space. Although neither the Investment Manager nor the Fund compensates brokers for such assistance, events or services, or for any investments ultimately

made by prospective investors attending such events, such activities may, subject to applicable law (including ERISA, if applicable), influence the Investment Manager in deciding whether to use such broker in connection with brokerage, financing and other activities of the Master Fund. Subject to its obligation to seek best execution, the Investment Manager may consider referrals of investors to the Fund in determining its selection of brokers. However, the Investment Manager will not commit to an investor or a broker to allocate a particular amount of brokerage in any such situation.

Custody

The Investment Manager will have custody of client funds and Securities because it will have the authority to obtain client funds or Securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account.

The Investment Manager is subject to Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to the Fund because it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception”, which, among other things, requires that the Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its Fiscal Year.

The Prime Broker is a “qualified custodian” as such term is defined in the Custody Rule. The Investment Manager will maintain client assets in compliance with the Custody Rule.

Additional Brokerage Costs and Turnover

Additional costs could be incurred in connection with the Master Fund's non-U.S. investment activities. Non-U.S. brokerage commissions generally are higher than brokerage commissions in the United States. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-U.S. jurisdictions.

PRIME BROKER AND CUSTODIAN

General

Morgan Stanley & Co Incorporated (“**Morgan Stanley**” or the “**Prime Broker**”) serves as prime broker and custodian for the Master Fund and will clear (generally on the basis of payment against delivery) the securities transactions for the Master Fund which are effected through other brokerage firms.

The General Partner or the Investment Manager may, without prior notice to, or receiving consent from, the Limited Partners, select additional or different brokers in the future to act as prime brokers for the Fund and the Master Fund and have no obligation to continue to use Morgan Stanley.

The Prime Broker has been engaged pursuant to a prime brokerage services agreement or similar agreement (the “**PB Agreement**”). The prime brokerage services provided by the Prime Broker generally include executing, clearing and settling transactions, extending margin and securities lending to the Fund and the Master Fund, and providing custodial services for U.S. and non-U.S. securities. The PB Agreement contains customary terms and conditions for such agreements, including, without limitation, the following terms and conditions:

- The Prime Broker may hold the investments and other assets of the Master Fund with a sub-custodian, depository or clearing agent, including a person connected with the Prime Broker. Consistent with general brokerage laws of the United States applicable to the Prime Broker, certain assets of the Master Fund are not required to be segregated and in the event of the Prime Broker’s insolvency, may not be recoverable in full;
- Assets held as collateral by the Prime Broker are deemed pledged to the Prime Broker and may be re-hypothecated or otherwise used by the Prime Broker for its own purposes to the extent permitted under general brokerage laws applicable to the Prime Broker;
- Customary indemnification and exculpation provisions for the benefit of the Prime Broker, subject to customary exceptions (*e.g.*, gross negligence, fraud, willful misconduct);
- Rights for each party to the PB Agreement to terminate the PB Agreement, subject to certain notice periods and other customary exceptions; and
- The Prime Broker receives customary remuneration for its services under the PB Agreement.

The Prime Broker is (directly or through affiliated entities) a registered broker-dealer with the SEC and a registered futures commission merchant with the CFTC. The Prime Broker is also subject to certain regulatory requirements of the Financial Industry Regulatory Authority, Inc., among other regulatory bodies.

INDEPENDENT AUDITORS

KPMG LLP and KPMG (the “**Auditors**”) have been retained as the independent auditors of the Fund and the Master Fund to provide auditing and related services. The Fund is not obligated to retain the Auditors, and the General Partner may, without prior notice to, or receiving consent from, the Limited Partners, engage other persons, firms or entities to provide auditing and related services. The Auditors receive reasonable and customary fees agreed on a commercial arm’s-length basis at market rates, which fees are paid out of the assets of the Fund and the Master Fund, respectively.

THE ADMINISTRATOR

Morgan Stanley Fund Services USA LLC (the “**Administrator**”) has entered into an agreement with the Fund (the “**Administration Agreement**”) pursuant to which the Administrator will provide the Fund with certain transfer agency and accounting services including, without limitation, computation of the Fund’s net asset value, in exchange for a fee agreed on a commercial arm’s-length basis at market rates calculated by reference to the net asset value of the Fund.

The Administrator bases its computations on the assets and liabilities reported to the Administrator by the Fund, the Prime Broker, the custodians and the General Partner and/or the Investment Manager. The Administrator will assume that these assets and liabilities represent a complete record of the Fund’s investments as of the date of the Fund’s accounting statements as prepared by the Administrator.

The Administrator in computing the net asset value of the Fund will use prices that are determined by the Fund in its sole discretion, and described in the Administration Agreement. In particular, but without limitation, the Fund may specify pricing methodologies that the Administrator will rely upon (such as the prices of listed, liquid securities reported on exchanges and quoted by third-party vendors) or, alternatively, the Fund may require the Administrator to accept valuations of securities and other assets from the General Partner. Pricing for privately held securities (and certain other Level 3 securities) is generally provided by the General Partner.

The prices of assets and liabilities used by the Administrator in computing the net asset value of the Fund may vary from prices that the Administrator uses in providing comparable services to other clients and from prices that affiliates of the Administrator use in connection with their customer or proprietary business. The Administrator accepts no responsibility for the accuracy of any information supplied to it by the Fund or any of its authorized representatives (including, without limitation, the General Partner or the Investment Manager) and is under no obligation to verify this information.

The Administrator is a service provider to the Fund and is not responsible for the information in, or preparation of, this Memorandum or the activities of the Fund and therefore accepts no responsibility for any information contained in this Memorandum. Other than its review of whether investors have affirmatively provided representations in their Subscription Agreements noting their capacity to invest in the Fund, the Administrator makes no independent review of the capacity and authority of investors to invest in the Fund. The Administrator is not an auditor and does not provide tax, accounting or auditing advice, nor is it a fiduciary to the Fund, the General Partner or the Fund’s investors. The Administrator is not responsible for monitoring the Fund’s portfolio to determine whether the Fund is in compliance with the investment strategy, guidelines, restrictions, risk limits, and borrowing and leverage limits, as applicable, set forth in this Memorandum or as otherwise may be applicable to the Fund or the General Partner under applicable law. Furthermore, the Administrator is not responsible for monitoring the Fund’s compliance with the terms of any Side Letter Agreement or similar investor-specific agreements that may have been made, whether relating to liquidity, transparency, valuation, or otherwise. In processing wire transfers to facilitate investments by the Fund or for any other purpose, the Administrator is solely acting in a ministerial and clerical capacity, subject to the terms of the Administration Agreement. Further, although the Administrator may process certain expenses of the Fund or otherwise observe that the Investment

Manager has allocated various expenses to the Fund, the Administrator has no duty to evaluate or independently verify the payee's bank account details or the amount of any expense to determine whether such expense is reasonable or otherwise appropriate, whether or not it is a non-trading third party expense, or whether it is appropriately charged to the Fund.

The Fund has agreed to indemnify the Administrator for any claim, liability, cost or expense asserted against the Administrator in connection with the conduct of the business of the Fund under the Administration Agreement, except to the extent of the Administrator's gross negligence, willful misconduct or fraud. The Administration Agreement may be terminated by either party on not less than ninety (90) days' prior written notice, although it may be terminated on shorter notice in certain circumstances as described in the Administration Agreement.

The Administrator is an indirect subsidiary of Morgan Stanley, a global financial services firm providing services in securities, investment management and credit services with more than 1,200 offices in 36 countries. The Administrator conducts its fund administration business independently from the other financial services provided by Morgan Stanley and its affiliates.

TAX ASPECTS

The following is a summary of certain aspects of the income taxation of the Fund and its Limited Partners which should be considered by a prospective Limited Partner. The Fund has not sought a ruling from the Internal Revenue Service (the “**Service**”) or any other Federal, state or local agency with respect to any of the tax issues affecting the Fund, nor has it obtained an opinion of counsel with respect to any tax issues.

This summary of certain aspects of the Federal income tax treatment of the Fund is based upon the Internal Revenue Code of 1986, as amended (the “**Internal Revenue Code**”), judicial decisions, Treasury Regulations (the “**Regulations**”) and rulings in existence on the date hereof, all of which are subject to change. This summary does not discuss the impact of various proposals to amend the Internal Revenue Code which could change certain of the tax consequences of an investment in the Fund. This summary also does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the Federal income tax laws, such as insurance companies.

EACH PROSPECTIVE LIMITED PARTNER SHOULD CONSULT WITH ITS OWN TAX ADVISOR IN ORDER TO FULLY UNDERSTAND THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

In addition to the particular matters set forth in this section, tax-exempt organizations should review carefully those sections of the Memorandum regarding liquidity and other financial matters to ascertain whether the investment objectives of the Fund are consistent with their overall investment plans. Each prospective tax-exempt Limited Partner is urged to consult its own counsel regarding the acquisition of Interests.

Tax Treatment of Fund Operations

Classification of the Fund

The Fund intends to operate as a partnership for Federal tax purposes and not as an association or a publicly traded partnership taxable as a corporation. Under Section 7704 of the Internal Revenue Code, “publicly traded partnerships” are generally treated as corporations for Federal tax purposes. A publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). However, a partnership will be exempt from classification as a publicly traded partnership if 90% or more of its annual gross income consists of passive type “qualifying income” within the meaning of Section 7704(d) of the Internal Revenue Code and the Regulations thereunder. The General Partner intends to operate the Fund so that it will meet the passive income exemption and not be treated as a publicly traded partnership taxable as a corporation.

If it were determined that the Fund should be taxable as a corporation for Federal tax purposes (as a result of changes in the Internal Revenue Code, the Regulations or judicial interpretations thereof, a material adverse change in facts or otherwise), the taxable income of the Fund would be subject to corporate income tax when recognized by the Fund; distributions of such income, other than in certain redemptions of Interests, would be treated as dividend income when received by the Partners to the extent of the current or accumulated earnings and profits of the Fund; and Partners would not be entitled to report profits or losses realized by the Fund.

The Master Fund intends to operate as a partnership for Federal tax purposes and not as an entity taxable as a corporation. Unless otherwise indicated, references in the following discussion to the tax consequences of Fund investments, activities, income, gain and loss, include the direct investments, activities, income, gain and loss of the Fund, and those indirectly attributable to the Fund as a result of its being a member of the Master Fund.

As a partnership, the Fund generally is not itself subject to Federal income tax (see, however, “Tax Elections; Returns; Tax Audits” below). The Fund files an annual partnership information return with the Service which reports the results of operations. Each Partner is required to report separately on its income tax return its distributive share of the Fund’s net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss. Each Partner is taxed on its distributive share of the Fund’s taxable income and gain regardless of whether it has received or will receive a distribution from the Fund.

Allocation of Profits and Losses

Under the Partnership Agreement, the Fund’s net capital appreciation or net capital depreciation for each accounting period is allocated among the Partners and to their capital accounts without regard to the amount of income or loss actually recognized by the Fund for Federal income tax purposes. The Partnership Agreement provides that items of income, deduction, gain, loss or credit recognized by the Fund for each fiscal year generally are to be allocated for income tax purposes among the Partners pursuant to the principles of Regulations issued under Sections 704(b) and 704(c) of the Internal Revenue Code, based upon amounts of the Fund’s net capital appreciation or net capital depreciation allocated to each Partner’s capital account for the current and prior fiscal years. There can be no assurance, however, that the particular methodology of allocations used by the Fund will be accepted by the Service. If such allocations are successfully challenged by the Service, the allocation of the Fund’s tax items among the Partners may be affected.

Under the Partnership Agreement, the General Partner has the discretion to allocate specially an amount of the Fund’s ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) for Federal income tax purposes to a withdrawing Partner to the extent that the Partner’s capital account exceeds, or is less than, as the case may be, its Federal income tax basis in its partnership interest. In the case of a Partner (including the General Partner) making a partial withdrawal, the General Partner has the discretion to specially allocate an amount of the Fund’s ordinary income and/or capital gain (including short-term capital gain) for Federal income tax purposes to such Partner to the extent the portion withdrawn exceeds such Partner’s Federal income tax basis in its partnership interest. Under the Master Fund partnership agreement, the Master Fund may specially allocate ordinary income and/or capital gain to the General Partner to the extent it receives a distribution in excess of its adjusted tax basis in the Master Fund. There can be no assurance that, if the Master Fund or the General Partner makes any such special allocations, the Service will accept such allocations. If such allocations are successfully challenged by the Service, the Fund’s or the Master Fund’s tax items allocable to the remaining Partners would be affected.

Tax Elections; Returns; Tax Audits

The Internal Revenue Code generally provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner and transfers of partnership

interests (including by reason of death) provided that a partnership election has been made pursuant to Section 754. Under the Partnership Agreement, the General Partner, in its sole discretion, may cause the Fund to make such an election. Any such election, once made, cannot be revoked without the Service's consent. The actual effect of any such election may depend upon whether the Master Fund also makes such an election. As a result of the complexity and added expense of the tax accounting required to implement such an election, the General Partner presently does not intend to make such election.

The General Partner decides how to report the partnership items on the Fund's tax returns. In certain cases, the Fund may be required to file a statement with the Service disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Partners are required under the Internal Revenue Code to treat the partnership items consistently on their own returns, unless they file a statement with the Service disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the Service may not agree with the manner in which the Fund's items have been reported. In the event the income tax returns of the Fund are audited by the Service, the tax treatment of the Fund's income and deductions generally is determined at the limited partnership level in a single proceeding rather than by individual audits of the Partners. The General Partner, or such other person designated by the General Partner to serve as the Fund's partnership representative in the event of an audit by the Service, has considerable authority to make decisions affecting the tax treatment of all Partners, including extending the statute of limitations with respect to Fund items and settling any such audit.

An audit adjustment to the Fund's tax return for any tax year (a "**Prior Year**") could result in a tax liability (including interest and penalties) imposed on the Fund for the year during which the adjustment is determined (the "**Current Year**"). The tax liability generally is determined by using the highest tax rates under the Internal Revenue Code applicable to U.S. taxpayers although the Fund may be able to use a lower rate to compute the tax liability by taking into account (to the extent it is the case and the implementing rules permit) that the Fund has certain tax-exempt and foreign partners. Alternatively, the Fund may be able to elect with the Service to pass through such adjustments for any year to the partners who participated in the Fund for the Prior Year, in which case each Prior Year participating partner, and not the Fund, would be responsible for the payment of any tax deficiency, determined after including its share of the adjustments on its tax return for that year. If such an election is made by the Fund, interest on any deficiency will be at a rate that is 2 percentage points higher than the otherwise applicable interest rate on tax underpayments. If such an election is not made, Current Year partners may bear the tax liability (including interest and penalties) arising from audit adjustments at significantly higher rates and in amounts that are unrelated to their Prior Year economic interests in the partnership items that were adjusted. Similar principles apply to audits of the Master Fund. A pass-through election may be effected through partnership tiers, whereby each partnership in the chain generally may choose to either pay the tax directly or push it out to its own partners (e.g., from the Master Fund to the Fund and then to the Fund's Prior Year participating partners).

Mandatory Basis Adjustments

The Fund is generally required to adjust its tax basis in its assets in respect of all Partners in cases of partnership distributions that result in a "substantial basis reduction" (i.e., in excess of \$250,000)

in respect of the Fund's property. The Fund is also required to adjust its tax basis in its assets in respect of a transferee, in the case of a sale or exchange of an interest, or a transfer upon death, when there exists immediately after the transfer a "substantial built-in loss" (i.e., in excess of \$250,000) in respect of partnership property or the transferee would be allocated a loss of more than \$250,000 upon a disposition of all of the Fund's assets at fair market value. For this reason, the Fund will require (i) a Partner who receives a distribution from the Fund in connection with a complete withdrawal, (ii) a transferee of an Interest (including a transferee in case of death) and (iii) any other Partner in appropriate circumstances to provide the Fund with information regarding its adjusted tax basis in its Interest. The Master Fund has a similar tax basis adjustment obligation with respect to distributions by, and sales or transfers of interests in, the Master Fund.

Tax Consequences to a Withdrawing Limited Partner

A Limited Partner receiving a cash liquidating distribution from the Fund, in connection with a complete withdrawal from the Fund, generally will recognize capital gain or loss to the extent of the difference between the proceeds received by such Limited Partner and such Limited Partner's adjusted tax basis in its partnership interest. Such capital gain or loss will be short-term, long-term or some combination of both, depending upon the timing of the Limited Partner's contributions to the Fund. However, a withdrawing Limited Partner will recognize ordinary income to the extent such Limited Partner's allocable share of the Fund's "unrealized receivables" exceeds the Limited Partner's basis in such unrealized receivables (as determined pursuant to the Regulations). For these purposes, accrued but untaxed market discount, if any, on securities held by the Fund will be treated as an unrealized receivable, with respect to which a withdrawing Limited Partner would recognize ordinary income. A Limited Partner receiving a cash nonliquidating distribution will recognize income in a similar manner only to the extent that the amount of the distribution exceeds such Limited Partner's adjusted tax basis in its partnership interest.

As discussed above, the Partnership Agreement provides that the General Partner may specially allocate items of Fund ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) to a withdrawing Partner to the extent its capital account would otherwise exceed or be less than, as the case may be, its adjusted tax basis in its partnership interest. Such a special allocation of income or gain may result in the withdrawing Partner recognizing ordinary income and/or capital gain, which may include short-term capital gain, in the Partner's last taxable year in the Fund, thereby reducing the amount of long-term capital gain recognized during the tax year in which it receives its liquidating distribution upon withdrawal. Such a special allocation of deduction or loss may result in the withdrawing Partner recognizing ordinary loss and/or capital loss, which may include long-term capital loss, in the Partner's last taxable year in the Fund, thereby reducing the amount of short-term capital loss recognized during the tax year in which it receives its liquidating distribution upon withdrawal.

Distributions of Property

A partner's receipt of a distribution of property from a partnership is generally not taxable. However, under Section 731 of the Internal Revenue Code, a distribution consisting of marketable securities generally is treated as a distribution of cash (rather than property) unless the distributing partnership is an "investment partnership" within the meaning of Section 731(c)(3)(C)(i) and the recipient is an "eligible partner" within the meaning of Section 731(c)(3)(C)(iii). The Fund will

determine at the appropriate time whether it qualifies as an “investment partnership.” Assuming it so qualifies, if a Limited Partner is an “eligible partner,” which term should include a Limited Partner whose contributions to the Fund consisted solely of cash, the rule treating a distribution of property as a distribution of cash would not apply.

Tax Treatment of Fund Investments

In General

The Master Fund expects to act as an investor, and not as a dealer, with respect to its securities transactions. An investor is a person who buys and sells securities for its own account. A dealer, on the other hand, is a person who purchases securities for resale to customers rather than for investment or speculation. The determination of the Master Fund’s status as a trader or investor is made on a yearly basis, and such status may change.

Generally, the gains and losses realized by an investor on the sale of securities are capital gains and losses. Capital gains and losses recognized by the Fund may be long-term or short-term depending, in general, upon the length of time the Fund maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than one year generally will be eligible for long-term capital gain or loss treatment. The application of certain rules relating to short sales, to so-called “straddle” and “wash sale” transactions and to Section 1256 Contracts (defined below) may serve to alter the treatment of the Fund’s securities positions.

The Fund may also realize ordinary income and losses with respect to its transactions. The Fund may hold debt obligations with “original issue discount.” In such case the Fund would be required to include amounts in taxable income on a current basis even though receipt of such amounts may occur in a subsequent year. The Fund may also acquire debt obligations with “market discount.” Upon disposition of any such obligation, the Fund generally would be required to treat the gain realized as ordinary income to the extent of the market discount that accrued during the period that the Fund held the debt obligation. In addition, in some cases, dividend income can be imputed to the holder of certain equity interests or equity derivative instruments, such as options or convertible debt, as a result of an adjustment by the issuing corporation to the exercise or conversion ratio or as a result of other corporate action which has the effect of increasing a holder’s interest in the earnings and profits or assets of the issuing corporation.

The income tax rate for corporations is 21%. Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

The maximum ordinary income tax rate for individuals is 37%¹ and, in general, the maximum individual income tax rate for “Qualified Dividends”² and long-term capital gains is 20% (unless the taxpayer elects to be taxed at ordinary rates - see “Limitation on Deductibility of Interest and Short Sale Expenses” below). The excess of capital losses over capital gains may be offset against

¹ The maximum rate for ordinary income for individuals is scheduled to increase to 39.6% in 2026.

² A “Qualified Dividend” is generally a dividend from certain domestic corporations, and from certain foreign corporations that are either eligible for the benefits of a comprehensive income tax treaty with the United States or are readily tradable on an established securities market in the United States. Shares must be held for certain holding periods in order for a dividend thereon to be a Qualified Dividend.

the ordinary income of an individual taxpayer, subject to an annual deduction limitation of \$3,000. Capital losses of an individual taxpayer may generally be carried forward to succeeding tax years to offset capital gains and then ordinary income (subject to the \$3,000 annual limitation). (See, however, “Limitation on Deductibility of Net Losses” below.)

An individual may be entitled to deduct up to 20% of such individual’s “qualified business income” each year. However, it is not anticipated that income from the Fund will constitute qualified business income, except to the extent of certain ordinary income dividends received from real estate investment trusts or income from investments, if any, in partnerships conducting certain trades or businesses.

In addition, individuals, estates and trusts are subject to a Medicare tax of 3.8% on net investment income (“NII”) (or undistributed NII, in the case of estates and trusts) for each such taxable year, with such tax applying to the lesser of such income or the excess of such person’s adjusted gross income (with certain adjustments) over a specified amount.³ NII includes net income from interest, dividends, annuities, royalties and rents and net gain attributable to the disposition of investment property. It is generally anticipated that net income and gain attributable to an investment in the Fund will be included in an investor’s NII subject to this Medicare tax. However, the calculation of NII for purposes of the Medicare tax and taxable income for purposes of the regular income tax may be different. Furthermore, the Medicare tax and the regular income tax may be due in different taxable years with respect to the same income. The application of the tax (and the availability of particular elections) is quite complex. Investors are urged to consult their tax advisers regarding the consequences of these rules in respect of their investments.

Section 1256 Contracts

In the case of Section 1256 Contracts, the Internal Revenue Code generally applies a “mark-to-market” system of taxing unrealized gains and losses on such contracts and otherwise provides for special rules of taxation. A Section 1256 Contract includes certain regulated futures contracts and certain other contracts. Under these rules, Section 1256 Contracts held by the Fund at the end of each taxable year of the Fund are treated for Federal income tax purposes as if they were sold by the Fund for their fair market value on the last business day of such taxable year. The net gain or loss, if any, resulting from such deemed sales (known as “marking to market”), together with any gain or loss resulting from actual sales of Section 1256 Contracts, must be taken into account by the Fund in computing its taxable income for such year. If a Section 1256 Contract held by the Fund at the end of a taxable year is sold in the following year, the amount of any gain or loss realized on such sale will be adjusted to reflect the gain or loss previously taken into account under the “mark-to-market” rules.

With certain exceptions, capital gains and losses from such Section 1256 Contracts generally are characterized as short-term capital gains or losses to the extent of 40% thereof and as long-term capital gains or losses to the extent of 60% thereof. If an individual taxpayer incurs a net capital loss for a year, the portion thereof, if any, which consists of a net loss on Section 1256 Contracts may, at the election of the taxpayer, be carried back three years. Losses so carried back may be

³ The amount is \$250,000 for married individuals filing jointly, \$125,000 for married individuals filing separately, \$200,000 for other individuals and the dollar amount at which the highest income tax bracket for estates and trusts begins.

deducted only against net capital gain to the extent that such gain includes gains on Section 1256 Contracts. A Section 1256 Contract does not include any “securities futures contract” or any option on such a contract, other than a “dealer securities futures contract” (see “Certain Securities Futures Contracts”).

Certain Securities Futures Contracts

Generally, a securities futures contract is a contract of sale for future delivery of a single security or a narrow-based security index. Any gain or loss from the sale or exchange of a securities futures contract (other than a “dealer securities futures contract”) is treated as gain or loss from the sale or exchange of property that has the same character as the property to which the contract relates has (or would have) in the hands of the taxpayer. If the underlying security would be a capital asset in the taxpayer’s hands, then gain or loss from the sale or exchange of the securities futures contract would be capital gain or loss. Capital gain or loss from the sale or exchange of a securities futures contract to sell property (i.e., the short side of a securities futures contract) generally will be short-term capital gain or loss.

A “dealer securities futures contract” is treated as a Section 1256 Contract. A “dealer securities futures contract” is a securities futures contract, or an option to enter into such a contract, that (1) is entered into by a dealer (or, in the case of an option, is purchased or granted by the dealer) in the normal course of its trade or business activity of dealing in the contracts and (2) is traded on a qualified board of trade or exchange.

Mixed Straddle Election

The Internal Revenue Code allows a taxpayer to elect to offset gains and losses from positions which are part of a “mixed straddle.” A “mixed straddle” is any straddle in which one or more but not all positions are Section 1256 Contracts. Pursuant to Temporary Regulations, the Fund may be eligible to elect to establish one or more mixed straddle accounts for certain of its mixed straddle trading positions. The mixed straddle account rules require a daily “marking to market” of all open positions in the account and a daily netting of gains and losses from positions in the account. At the end of a taxable year, the annual net gains or losses from the mixed straddle account are recognized for tax purposes. The application of the Temporary Regulations’ mixed straddle account rules is not entirely clear. Therefore, there is no assurance that a mixed straddle account election by the Fund will be accepted by the Service.

Short Sales

Gain or loss from a short sale of property is generally considered as capital gain or loss to the extent the property used to close the short sale constitutes a capital asset in the Fund’s hands. Except with respect to certain situations where the property used to close a short sale has a long-term holding period on the date the short sale is entered into, gains on short sales generally are short-term capital gains. A loss on a short sale will be treated as a long-term capital loss if, on the date of the short sale, “substantially identical property” has been held by the Fund for more than one year. In addition, these rules may also terminate the running of the holding period of “substantially identical property” held by the Fund.

Gain or loss on a short sale will generally not be realized until such time that the short sale is closed. However, if the Fund holds a short sale position with respect to stock, certain debt

obligations or partnership interests that has appreciated in value and then acquires property that is the same as or substantially identical to the property sold short, the Fund generally will recognize gain on the date it acquires such property as if the short sale were closed on such date with such property. Similarly, if the Fund holds an appreciated financial position with respect to stock, certain debt obligations or partnership interests and then enters into a short sale with respect to the same or substantially identical property, the Fund generally will recognize gain as if the appreciated financial position were sold at its fair market value on the date it enters into the short sale. The subsequent holding period for any appreciated financial position that is subject to these constructive sale rules will be determined as if such position were acquired on the date of the constructive sale.

Effect of Straddle Rules on Limited Partners' Securities Positions

The Service may treat certain positions in securities held (directly or indirectly) by a Partner and its indirect interest in similar securities held by the Fund as “straddles” for Federal income tax purposes. Investors should consult their tax advisors regarding the application of the “straddle” rules to their investment in the Fund.

Limitation on Deductibility of Interest and Short Sale Expenses

For noncorporate taxpayers, Section 163(d) of the Internal Revenue Code limits the deduction for “investment interest” (i.e., interest or short sale expenses for “indebtedness properly allocable to property held for investment”). Investment interest is not deductible in the current year to the extent that it exceeds the taxpayer’s “net investment income,” consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, Qualified Dividends and long-term capital gains are excluded from net investment income unless the taxpayer elects to pay tax on such amounts at ordinary income tax rates.

For purposes of this provision, the Fund’s activities (other than certain activities that are treated as “passive activities” under Section 469 of the Internal Revenue Code) will be treated as giving rise to investment income for a noncorporate Limited Partner, and the investment interest limitation would apply to a noncorporate Limited Partner’s share of the interest and short sale expenses attributable to the Fund’s operation. Such noncorporate Limited Partner would be denied a deduction for all or part of that portion of its distributive share of the Fund’s ordinary losses attributable to interest and short sale expenses unless it had sufficient investment income from all sources including the Fund. A Limited Partner that could not deduct losses currently as a result of the application of Section 163(d) would be entitled to carry forward such losses to future years, subject to the same limitation. The investment interest limitation would also apply to interest paid by a noncorporate Limited Partner on money borrowed to finance its investment in the Fund. Potential investors are advised to consult with their own tax advisors with respect to the application of the investment interest limitation in their particular tax situations.

Limitation on Deductibility of Business Interest Expense

Section 163(j) of the Internal Revenue Code limits the deduction of business interest expense attributable to a trade or business generally to the sum of the taxpayer’s (x) business interest income and (y) 30% of adjusted taxable income relating to a trade or business (calculated by excluding business interest expense and business interest income).

“Business interest expense” includes, among other items, substitute interest payments made in connection with a securities lending or repurchase agreement that is not entered into in connection with the ordinary course of the taxpayer’s trade or business. Any business interest expense not deductible pursuant to the foregoing limitation is treated as business interest expense of the taxpayer that carries forward to succeeding taxable years, subject to the same limitation.

The determination of what constitutes business interest expense in respect of a partnership’s operations is determined at the partnership level. Under Regulations, direct noncorporate partners for whom the investment interest rules apply in respect of their interest in a partnership (see “Limitation on Deductibility of Interest and Short Sale Expenses” above) generally will not be subject to the business interest expense limitations determined by that partnership, other than with respect to business interest expense passed through by an underlying partnership, if any, that is engaged in certain trades or businesses.

As described above, the Fund does not expect to be a trader in securities. Nevertheless, this limitation will still be applicable to corporate Limited Partners.

Potential investors are advised to consult with their own tax advisors with respect to the application of the business interest expense limitation to their particular tax situations.

Deductibility of Fund Investment Expenditures and Certain Other Expenditures

Investment expenses (e.g., investment advisory fees) of an individual, trust or estate are not deductible. For taxable years beginning after 2025, such expenses would be deductible only to the extent they exceed 2% of adjusted gross income, would be further restricted in their deductibility for individuals with an adjusted gross income in excess of a specified amount and would not be deductible in calculating alternative minimum tax liability.

Pursuant to Temporary Regulations issued by the Treasury Department, these limitations on deductibility will likely apply to a noncorporate Limited Partner’s share of certain expenses of the Master Fund and the Fund, including the Management Fee, the fee paid to the Administrator and payments made on certain derivative instruments.

As indicated above, Ancillary Fees received by the Investment Manager and its affiliates may be applied to reduce the Management Fee borne by the Limited Partners participating in the investment to which any such Ancillary Fees relate. There can be no assurance that such reduction of Management Fees will not be treated as constructive income of the Fund and a deemed payment by the Fund of such Management Fees, which may be subject to the foregoing limitations on deductibility.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, noncorporate Limited Partners should consult their tax advisors with respect to the application of these limitations.

A Limited Partner will not be allowed to deduct syndication expenses, including placement fees paid by such Limited Partner or the Fund. Any such amounts will be included in the Limited Partner’s adjusted tax basis for its Interest.

Application of Rules for Income and Losses from Passive Activities

The Internal Revenue Code restricts the deductibility of losses from a “passive activity” against certain income which is not derived from a passive activity. This restriction applies to individuals, personal service corporations and certain closely held corporations. Pursuant to Temporary Regulations issued by the Treasury Department, income or loss from the Fund’s investment and trading activity generally will not constitute income or loss from a passive activity. Therefore, passive losses from other sources generally could not be deducted against a Limited Partner’s share of such income and gain from the Fund. Income or loss attributable to certain activities of the Fund, including investments in partnerships engaged in certain trades or businesses, may constitute passive activity income or loss.

Limitation on Deductibility of Net Losses

In the case of a noncorporate taxpayer, any net business loss for any taxable year beginning during the period 2021 through 2028 may not be used to offset nonbusiness income in excess of a specified amount. Inasmuch as the Fund does not expect to be a trader, a noncorporate Limited Partner’s trade or business losses incurred during a year outside of the Fund (other than capital loss) generally could not be deducted against its share of the Fund’s net income for such year. Even if the Fund is not considered to be a trader, any ordinary trading losses incurred by a partnership in which the Fund invests will be subject to the same limitations when allocated to a noncorporate Limited Partner.

Application of Basis and “At Risk” Limitations on Deductions

The amount of any loss of the Fund that a Limited Partner is entitled to include in its income tax return is limited to its adjusted tax basis in its Interest as of the end of the Fund’s taxable year in which such loss occurred. Generally, a Limited Partner’s adjusted tax basis for its Interest is equal to the amount paid for such Interest, increased by the sum of (i) its share of the Fund’s liabilities, as determined for Federal income tax purposes, and (ii) its distributive share of the Fund’s realized income and gains, and decreased (but not below zero) by the sum of (i) distributions (including decreases in its share of Fund liabilities) made by the Fund to such Limited Partner and (ii) such Limited Partner’s distributive share of the Fund’s realized losses and expenses.

Similarly, a Limited Partner that is subject to the “at risk” limitations (generally, noncorporate taxpayers and closely held corporations) may not deduct losses of the Fund to the extent that they exceed the amount such Limited Partner has “at risk” with respect to its Interest at the end of the year. The amount that a Limited Partner has “at risk” will generally be the same as its adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of the Fund or any amount borrowed by the Limited Partner on a non-recourse basis.

Losses denied under the basis or “at risk” limitations are suspended and may be carried forward in subsequent taxable years, subject to these and other applicable limitations.

“Phantom Income” from Fund Investments

Pursuant to various “anti-deferral” provisions of the Internal Revenue Code (the “Subpart F” and “passive foreign investment company” provisions), investments (if any) by the Fund in certain foreign corporations may cause a Limited Partner to (i) recognize taxable income prior to the Fund’s receipt of distributable proceeds, (ii) pay an interest charge on receipts that are deemed as

having been deferred or (iii) recognize ordinary income that, but for the “anti-deferral” provisions, would have been treated as long-term or short-term capital gain.

U.S. Withholding Taxes

Certain interest, dividends and “dividend equivalent payments” received by the Master Fund from sources within the United States may be subject to withholding taxes imposed by the United States. The Limited Partners will be informed by the Fund as to their proportionate share of the U.S. taxes paid by the Master Fund, if any, which they will be required to include in their income. The Limited Partners should be entitled to claim an unrestricted credit or refund for their share of such U.S. taxes in computing their own Federal income tax liability.

In order to avoid a U.S. withholding tax of 30% on certain payments (which might in the future include payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Master Fund has registered with the Service and generally will be required to identify and report information with respect to certain direct and indirect U.S. account holders (including debtholders and equityholders). Limited Partners should consult their own tax advisors regarding the possible implications of these rules on their investment in Interests.

Reporting Requirements

Regulations generally impose an information reporting requirement on a U.S. person’s direct and indirect contributions of cash or property to a foreign partnership such as the Master Fund where, (i) immediately after the contribution, the U.S. person owns (directly, indirectly or by attribution) at least a 10% interest in the foreign partnership or (ii) the value of the cash and/or property transferred during the twelve-month period ending on the date of the contribution by the transferor (or any related person) exceeds \$100,000. Under these rules, a Limited Partner will be deemed to have transferred a proportionate share of the cash and property contributed by the Fund to the Master Fund. Furthermore, if a U.S. person was required to report a transfer to a foreign partnership of appreciated property under the first sentence of this paragraph, and the foreign partnership disposes of the property while such U.S. person remains a direct or indirect partner, that U.S. person must report the disposition by the partnership. However, a Limited Partner will not be required to file information returns with respect to the events described in this paragraph if the Fund complies with the reporting requirements. The Fund intends to file the required reports with the Service so as to relieve the Limited Partners of these reporting obligations.

Regulations also generally impose a reporting requirement on any U.S. Limited Partner which, at any time during the taxable year of the Master Fund, owns (indirectly or by attribution) more than 50% of the capital or profits of the Master Fund. The General Partner will notify any Limited Partner who owns the requisite indirect interest in the Master Fund and will assist such person in meeting their reporting obligations.

The foregoing discussion is only a brief summary of certain information reporting requirements. Substantial penalties may apply if the required reports are not made on time. Partners are strongly urged to consult their own tax advisors concerning these reporting requirements as they relate to their investment in the Fund.

Foreign Taxes

It is possible that certain dividends and interest directly or indirectly received by the Fund from sources within foreign countries will be subject to withholding taxes imposed by such countries. In addition, the Fund or the Master Fund may also be subject to capital gains taxes in some of the foreign countries where they purchase and sell securities. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict in advance the rate of foreign tax the Fund will directly or indirectly pay since the amount of the Fund's assets to be invested in various countries is not known.

The Partners will be informed by the Fund as to their proportionate share of the foreign taxes paid by the Fund and the Master Fund, which they will be required to include in their income. The Limited Partners may be entitled to claim a credit (subject to the limitations discussed below and provided that, in the case of dividends, the foreign stock is held for the requisite holding period) or, if they itemize their deductions, may be entitled to claim a deduction (subject to the limitations, if any, generally applicable to deductions) for their share of such foreign taxes in computing their Federal income taxes. A Limited Partner that is tax exempt will not ordinarily benefit from such credit or deduction.

Generally, a credit for foreign taxes is subject to the limitation that it may not exceed the Partner's Federal tax (before the credit) attributable to its total foreign source taxable income. A Limited Partner's share of the Fund's dividends and interest from non-U.S. securities generally will qualify as foreign source income. Generally, the source of gain and loss realized upon the sale of personal property, such as securities, will be based on the residence of the seller. In the case of a partnership, the determining factor is the residence of the partner. Thus, absent a tax treaty to the contrary, the gains and losses from the sale of securities allocable to a Partner that is a U.S. resident generally will be treated as derived from U.S. sources (even though the securities are sold in foreign countries). For purposes of the foreign tax credit limitation calculation, investors entitled to the reduced tax rates on Qualified Dividends and long-term capital gains described above (see "Tax Treatment of Fund Investments—In General"), must adjust their foreign tax credit limitation calculation to take into account the preferential tax rate on such income to the extent it is derived from foreign sources. Certain currency fluctuation gains, including fluctuation gains from foreign currency denominated debt securities, receivables and payables, will also be treated as ordinary income derived from U.S. sources.

The limitation on the foreign tax credit generally is applied separately to foreign source passive income, such as dividends and interest. In addition, for foreign tax credit limitation purposes, the amount of a Partner's foreign source income is reduced by various deductions that are allocated and/or apportioned to such foreign source income. One such deduction is interest expense, a portion of which will generally reduce the foreign source income of any Partner who owns (directly or indirectly) foreign assets. For these purposes, foreign assets owned by the Fund will be treated as owned by the investors in the Fund and indebtedness incurred by the Fund will be treated as incurred by investors in the Fund.

Because of these limitations, Limited Partners may be unable to claim a credit for the full amount of their proportionate share of the foreign taxes paid by the Fund. In addition, a foreign tax credit generally will not be available to offset the Medicare tax on NII. The foregoing is only a general description of the foreign tax credit under current law. Moreover, since the availability of a credit

or deduction depends on the particular circumstances of each Partner, Limited Partners are advised to consult their own tax advisors.

Unrelated Business Taxable Income

Generally, an exempt organization is exempt from Federal income tax on its passive investment income, such as dividends, interest and capital gains, whether realized by the organization directly or indirectly through a partnership in which it is a partner.

This general exemption from tax does not apply to the “unrelated business taxable income” (“UBTI”) of an exempt organization. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived (either directly or through partnerships) from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the organization’s exempt purpose or function. Separate calculations are made for each unrelated trade or business of the exempt organization, with losses incurred during taxable years beginning after 2017 usable only against the applicable unrelated trade or business and not against all UBTI generally. With respect to its investments, if any, in partnerships engaged in a trade or business, the Fund’s income (or loss) from these investments may constitute UBTI.

UBTI also includes “unrelated debt-financed income,” which generally consists of (i) income derived by an exempt organization (directly or through a partnership) from income-producing property with respect to which there is “acquisition indebtedness” at any time during the taxable year, and (ii) gains derived by an exempt organization (directly or through a partnership) from the disposition of property with respect to which there is “acquisition indebtedness” at any time during the twelve-month period ending with the date of such disposition.

As indicated above, Ancillary Fees received by the Investment Manager and its affiliates may be applied to reduce the Management Fee borne by the Limited Partners participating in the investment to which any such Ancillary Fees relate. There can be no assurance that such reduction of Management Fees will not be treated as constructive income of the Fund, which may constitute UBTI for a tax-exempt investor.

The Fund may incur “acquisition indebtedness” with respect to certain of its transactions, such as the purchase of securities on margin. Based upon a published ruling issued by the Service which generally holds that income and gain with respect to short sales of publicly traded stock does not constitute income from debt financed property for purposes of computing UBTI, the Fund will treat its short sales of securities as not involving “acquisition indebtedness” and therefore not resulting in UBTI.⁴ To the extent the Fund recognizes income (i.e., dividends and interest) from securities with respect to which there is “acquisition indebtedness” during a taxable year, the percentage of such income which will be treated as UBTI generally will be based on the percentage which the “average acquisition indebtedness” incurred with respect to such securities is of the “average amount of the adjusted basis” of such securities during the taxable year.

⁴ Moreover, income realized from option writing and futures contract transactions generally would not constitute UBTI.

To the extent the Fund recognizes gain from securities with respect to which there is “acquisition indebtedness” at any time during the twelve-month period ending with the date of their disposition, the percentage of such gain which will be treated as UBTI will be based on the percentage which the highest amount of such “acquisition indebtedness” is of the “average amount of the adjusted basis” of such securities during the taxable year. In determining the unrelated debt-financed income of the Fund, an allocable portion of deductions directly connected with the Fund’s debt-financed property is taken into account. Thus, for instance, a percentage of losses from debt-financed securities (based on the debt/basis percentage calculation described above) would offset gains treated as UBTI.

Since the calculation of the Fund’s “unrelated debt-financed income” is complex and will depend in large part on the amount of leverage, if any, used by the Fund from time to time,⁵ it is impossible to predict what percentage of the Fund’s income and gains will be treated as UBTI for a Limited Partner which is an exempt organization. With respect to losses incurred during taxable years beginning after 2017, an exempt organization’s share of the income or gains of the Fund which is treated as UBTI may not be offset by losses of the exempt organization either from the Fund or otherwise, unless such losses are treated as attributable to the same unrelated trade or business.

To the extent that the Fund generates UBTI, the applicable Federal tax rate for such a Limited Partner generally would be either the corporate or trust tax rate depending upon the nature of the particular exempt organization. An exempt organization may be required to support, to the satisfaction of the Service, the method used to calculate its UBTI. The Fund will be required to report to a Partner which is an exempt organization information as to the portion, if any, of its income and gains from the Fund for each year which will be treated as UBTI. The calculation of such amount with respect to transactions entered into by the Fund is highly complex, and there is no assurance that the Fund’s calculation of UBTI will be accepted by the Service.

In general, if UBTI is allocated to an exempt organization such as a qualified retirement plan or a private foundation, the portion of the Fund’s income and gains which is not treated as UBTI will continue to be exempt from tax, as will the organization’s income and gains from other investments which are not treated as UBTI. Therefore, the possibility of realizing UBTI from its investment in the Fund generally should not affect the tax-exempt status of such an exempt organization.⁶ However, a charitable remainder trust will be subject to a 100% excise tax on any UBTI under Section 664(c) of the Internal Revenue Code. A title-holding company will not be exempt from tax if it has certain types of UBTI. Moreover, the charitable contribution deduction for a trust under Section 642(c) of the Internal Revenue Code may be limited for any year in which the trust has UBTI. A prospective investor should consult its tax advisor with respect to the tax consequences of receiving UBTI from the Fund. (See “ERISA Considerations.”)

⁵ The calculation of a particular exempt organization’s UBTI would also be affected if it incurs indebtedness to finance its investment in the Fund. An exempt organization is required to make estimated tax payments with respect to its UBTI.

⁶ Certain exempt organizations which realize UBTI in a taxable year will not constitute “qualified organizations” for purposes of Section 514(c)(9)(B)(vi)(I) of the Internal Revenue Code, pursuant to which, in limited circumstances, income from certain real estate partnerships in which such organizations invest might be treated as exempt from UBTI. A prospective tax-exempt Limited Partner should consult its tax advisor in this regard.

Certain Issues Pertaining to Specific Exempt Organizations

Private Foundations

Private foundations and their managers are subject to excise taxes if they invest “any amount in such a manner as to jeopardize the carrying out of any of the foundation’s exempt purposes.” This rule requires a foundation manager, in making an investment, to exercise “ordinary business care and prudence” under the facts and circumstances prevailing at the time of making the investment, in providing for the short-term and long-term needs of the foundation to carry out its exempt purposes. The factors which a foundation manager may take into account in assessing an investment include the expected rate of return (both income and capital appreciation), the risks of rising and falling price levels, and the need for diversification within the foundation’s portfolio.

In order to avoid the imposition of an excise tax, a private foundation may be required to distribute on an annual basis its “distributable amount,” which includes, among other things, the private foundation’s “minimum investment return,” defined as 5% of the excess of the fair market value of its nonfunctionally related assets (assets not used or held for use in carrying out the foundation’s exempt purposes), over certain indebtedness incurred by the foundation in connection with such assets. It appears that a foundation’s investment in the Fund would most probably be classified as a nonfunctionally related asset. A determination that an interest in the Fund is a nonfunctionally related asset could conceivably cause cash flow problems for a prospective Limited Partner which is a private foundation. Such an organization could be required to make distributions in an amount determined by reference to unrealized appreciation in the value of its interest in the Fund. Of course, this factor would create less of a problem to the extent that the value of the investment in the Fund is not significant in relation to the value of other assets held by a foundation.

In some instances, an investment in the Fund by a private foundation may be prohibited by the “excess business holdings” provisions of the Internal Revenue Code. For example, if a private foundation (either directly or together with a “disqualified person”) acquires more than 20% of the capital interest or profits interest of the Fund, the private foundation may be considered to have “excess business holdings.” If this occurs, such foundation may be required to divest itself of its interest in the Fund in order to avoid the imposition of an excise tax. However, the excise tax will not apply if at least 95% of the gross income from the Fund is “passive” within the applicable provisions of the Internal Revenue Code and Regulations. There can be no assurance that the Fund will meet such 95% gross income test.

A substantial percentage of investments of certain “private operating foundations” may be restricted to assets directly devoted to their tax-exempt purposes. Otherwise, generally, rules similar to those discussed above govern their operations.

With certain exceptions, tax-exempt organizations which are private foundations are subject to a 1.39% Federal excise tax on their “net investment income.” A private foundation will be required to make payments of estimated tax with respect to this excise tax.

Private Colleges and Universities

Net investment income of certain private colleges and universities is subject to a 1.4% tax. Such income is calculated in the same manner in which private foundations calculate their net investment income.

Qualified Retirement Plans

Employee benefit plans subject to the provisions of ERISA, Individual Retirement Accounts and Keogh Plans should consult their counsel as to the implications of such an investment under ERISA and the Internal Revenue Code. (See “ERISA Considerations.”)

Endowment Funds

Investment managers of endowment funds should consider whether the acquisition of an Interest is legally permissible. This is not a matter of Federal law, but is determined under state statutes. It should be noted, however, that under the Uniform Prudent Management of Institutional Funds Act, which has been adopted, in various forms, by a large number of states, participation in investment partnerships or similar organizations in which funds are commingled and investment determinations are made by persons other than the governing board of the endowment fund is allowed.

Certain Clubs and Trusts

Social clubs, voluntary employees’ beneficiary associations and supplemental unemployment benefit trusts that are exempt from Federal income taxation under Sections 501(c)(7), (c)(9) and (c)(17), respectively, of the Internal Revenue Code are subject to special UBTI rules. These rules generally require such tax-exempt organizations to characterize income that would not otherwise be treated as UBTI (including income earned by the Fund) as UBTI. Such tax-exempt organizations are advised to consult their tax advisors concerning these rules and their application to this investment.

Excise Tax on Certain Reportable Transactions

A tax-exempt entity (including a state or local government or its political subdivision) may be subject to an excise tax equal to the greater of (i) one hundred percent (100%) of the net income or (ii) seventy-five percent (75%) of the proceeds, attributable to certain “reportable transactions”, including “listed transactions”, in which it participates. Under Regulations, these rules should not apply to a tax-exempt investor’s Interest if such investor’s tax-exempt status does not facilitate the Fund’s participation, if any, in such transactions, unless otherwise provided in future guidance. Tax-exempt investors should discuss with their own advisors the applicability of these rules to their investment in the Fund. (See “Tax Shelter Reporting Requirements” below.)

Certain Reporting Obligations

Certain U.S. persons (“potential filers”) that own (directly or indirectly) more than 50% of the capital or profits of the Fund may be required to file FinCEN Form 114 (an “**FBAR**”) with respect to the Fund’s investments in foreign financial accounts. Failure to file a required FBAR may result in civil and criminal penalties. Potential filers should consult with their own advisors as to whether they are obligated to file an FBAR with respect to an investment in the Fund.

Tax Shelter Reporting Requirements

The Regulations require the Fund to complete and file Form 8886 (“Reportable Transaction Disclosure Statement”) with its tax return for any taxable year in which the Fund participates in a “reportable transaction.” Additionally, each Partner treated as participating in a reportable transaction of the Fund is generally required to file Form 8886 with its tax return (or, in certain cases, within 60 days of the return’s due date). If the Service designates a transaction as a

reportable transaction after the filing of a taxpayer's tax return for the year in which the Fund or a Partner participated in the transaction, the Fund and/or such Partner may have to file Form 8886 with respect to that transaction within 90 days after the Service makes the designation. The Fund and any such Partner, respectively, must also submit a copy of the completed form with the Service's Office of Tax Shelter Analysis. The Fund intends to notify the Partners that it believes (based on information available to the Fund) are required to report a transaction of the Fund, and intends to provide such Limited Partners with any available information needed to complete and submit Form 8886 with respect to the Fund's transactions. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the Service at its request.

A Partner's recognition of a loss upon its disposition of an interest in the Fund could also constitute a "reportable transaction" for such Partner, requiring such Partner to file Form 8886.

A significant penalty is imposed on taxpayers who participate in a "reportable transaction" and fail to make the required disclosure. The maximum penalty is \$10,000 for natural persons and \$50,000 for other persons (increased to \$100,000 and \$200,000, respectively, if the reportable transaction is a "listed transaction"). Investors should consult with their own advisors concerning the application of these reporting obligations to their specific situations.

State and Local Taxation

In addition to the Federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from Federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. To the extent the Fund is engaged in a trade or business, including through the acquisition of an interest in a partnership that is itself engaged in a trade or business, a Partner's share of the Fund's income from that trade or business that is sourced to a particular jurisdiction may cause such Partner to be taxed in that jurisdiction and may cause such Partner to file tax returns in such jurisdiction. Prospective investors should consult their tax advisors with respect to the availability of a credit for any such tax in the jurisdiction in which that Partner is a resident.

The tax laws of various states and localities limit or eliminate the deductibility of itemized deductions for certain taxpayers. These limitations will likely apply to a Partner's share of some or all of the Fund's and the Master Fund's expenses, including interest expense. Prospective investors are urged to consult their tax advisors with respect to the impact of these provisions on the deductibility of certain itemized deductions, including interest expense, on their tax liabilities in the jurisdictions in which they are resident.

One or more states may impose reporting requirements on the Fund and/or its Partners in a manner similar to that described above in "Tax Shelter Reporting Requirements." Investors should consult with their own advisors as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

The Fund does not expect to be subject to the New York City unincorporated business tax, which is not imposed on a partnership which purchases and sells securities for its “own account.” (This exemption may not be applicable to the extent a partnership in which the Fund invests conducts a business in New York City.) By reason of a similar “own account” exemption, it is also expected that a nonresident individual Partner should not be subject to New York State personal income tax with respect to his share of income or gain realized directly by the Fund.

As indicated above, Ancillary Fees received by the Investment Manager and its affiliates may be applied to reduce the Management Fee borne by the Limited Partners participating in the investment to which any such Ancillary Fees relate. There can be no assurance that such reduction of Management Fees will not be treated as constructive income of the Fund, which could be subject to the New York City unincorporated business tax.

Individual Limited Partners who are residents of New York State and New York City should be aware that the New York State and New York City personal income tax laws limit the deductibility of itemized deductions and interest expense for individual taxpayers at certain income levels. These limitations would likely apply to a Limited Partner’s share of some or all of the Fund’s expenses. Prospective Limited Partners are urged to consult their tax advisors with respect to the impact of these provisions and the Federal limitations on the deductibility of certain itemized deductions and investment expenses on their New York State and New York City tax liability.

For purposes of the New York State corporate franchise tax and the New York City general corporation tax, a corporation generally is treated as doing business in New York State and New York City, respectively, and is subject to such corporate taxes as a result of the ownership of a partnership interest in a partnership which does business in New York State and New York City, respectively.⁷ Each of the New York State and New York City corporate taxes are imposed, in part, on the corporation’s taxable income or capital allocable to the relevant jurisdiction by application of the appropriate allocation percentages. Moreover, a non-New York corporation which does business in New York State may be subject to a New York State license fee. A corporation which is subject to New York State corporate franchise tax solely as a result of being a limited partner in a New York partnership may, under certain circumstances, elect to compute its New York State corporate franchise tax by taking into account only its distributive share of such partnership’s income and loss. There is currently no similar provision in effect for purposes of the New York City general corporation tax.

Regulations under both the New York State corporate franchise tax and the New York City general corporation tax, however, provide an exception to this general rule in the case of a “portfolio investment partnership”, which is defined, generally, as a partnership which meets the gross income requirements of Section 851(b)(2) of the Internal Revenue Code. New York State (but not New York City) has adopted regulations that also include income and gains from commodity transactions described in Section 864(b)(2)(B)(iii) as qualifying gross income for this purpose. The Fund’s qualification as such a portfolio investment partnership must be determined on an annual

⁷ New York State (but not New York City) generally exempts from corporate franchise tax a non-New York corporation which (i) does not actually or constructively own a 1% or greater limited partnership interest in a partnership doing business in New York and (ii) has a tax basis in such limited partnership interest not greater than \$1 million.

basis and, with respect to a taxable year, the Fund may not qualify as a portfolio investment partnership.

New York State imposes a quarterly withholding obligation on certain partnerships with respect to partners that are individual non-New York residents or corporations (other than “S” corporations). Accordingly, the Fund may be required to withhold on the distributive shares of New York source partnership income allocable to such partners to the extent such income is not derived from trading in securities for the Fund’s own account.

A trust or other unincorporated organization which by reason of its purposes or activities is exempt from Federal income tax is generally also exempt from New York State and New York City personal income tax. A nonstock corporation which is exempt from Federal income tax is generally presumed to be exempt from New York State corporate franchise tax and New York City general corporation tax. New York State imposes a tax with respect to such exempt entities on UBTI (including unrelated debt-financed income) at a rate which is currently equal to 9%. There is no New York City tax on the UBTI of an otherwise exempt entity.

Each prospective Partner should consult its tax advisor with regard to the New York State and New York City tax consequences of an investment in the Fund.

ERISA CONSIDERATIONS

The following summary of certain aspects of ERISA is based upon ERISA, judicial decisions, U.S. Department of Labor (“**DOL**”) regulations and rulings in existence on the date hereof. This summary is general in nature and does not address every ERISA issue that may be applicable to the Fund, the Master Fund or a particular investor. Accordingly, each prospective investor should consult with its own counsel in order to understand the ERISA issues affecting the Fund, the Master Fund and the investor.

General

Persons who are fiduciaries with respect to a U.S. employee benefit plan or trust within the meaning of and subject to the provisions of ERISA (an “**ERISA Plan**”), an individual retirement account or a Keogh plan subject solely to the provisions of the Internal Revenue Code* (an “**Individual Retirement Fund**”) should consider, among other things, the matters described below before determining whether to invest in the Fund (and thus the Master Fund).

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, DOL regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan’s portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan’s purposes, the risk and return factors of the potential investment, including the fact that the returns may be subject to U.S. federal tax as UBTI, the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan’s funding objectives, and the limitation on the rights of Limited Partners to withdraw all or a portion of the balance in their Capital Accounts or to transfer their Interests. Before investing the assets of an ERISA Plan in the Fund (and thus the Master Fund), a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Fund (and thus the Master Fund) may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

Plan Assets Defined

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which “benefit plan investors”, as defined in Section 3(42) of ERISA and any regulations promulgated thereunder (“**Benefit Plan Investors**”), invest are treated as “plan assets” for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an “employee benefit plan” that is subject to the provisions of Title I of ERISA, a “plan” that is subject to the prohibited

* References hereinafter made to ERISA include parallel references to the Internal Revenue Code.

transaction provisions of Section 4975 of the Internal Revenue Code, and entities the assets of which are treated as “plan assets” by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan’s assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an “equity interest” in an entity that is neither: (a) a “publicly offered security”; nor (b) a security issued by an investment fund registered under the Company Act, then the ERISA Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an “operating company”; or (ii) the equity participation in the entity by Benefit Plan Investors is limited.

Under ERISA, the assets of an entity will not be treated as “plan assets” if Benefit Plan Investors hold less than 25% (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as “plan assets” for purposes of ERISA. The Benefit Plan Investor percentage of ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a withdrawal of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the withdrawal.

Plan Asset Consequences

The General Partner anticipates that the aggregate investment in the Fund by Benefit Plan Investors may, from time to time, equal or exceed 25% (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of any class of equity interests in the Fund. In such circumstances, the assets of the Fund would be treated as “plan assets” for purposes of ERISA. Equity interests held by the General Partner or its affiliates (other than a Benefit Plan Investor) are not considered for purposes of determining the level of equity participation by Benefit Plan Investors in the Fund. If the aggregate investment in the Fund by Benefit Plan Investors does not equal or exceed the 25% threshold as set forth above, neither the Fund nor the Investment Manager would be subject to the provisions of ERISA. As a general rule, if the assets of the Fund were treated as “plan assets” of a Benefit Plan Investor, the Investment Manager would be deemed a “fiduciary” (as defined in ERISA and the Internal Revenue Code) with respect to each ERISA Plan and Individual Retirement Fund investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager implements the direction of the investors in the Fund to invest the assets of the Fund in the Master Fund, as set forth in this Memorandum, neither the Investment Manager nor any other entity providing services to the Fund is exercising any discretionary authority or control with respect to the investment of the assets of the Fund in the Master Fund. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund acts as a “fiduciary” (as defined in ERISA and the Internal Revenue Code) with respect to the assets of

the Fund or any ERISA Plan or Individual Retirement Fund investor in connection with the investment by the Fund in the Master Fund. Further, by investing in the Fund, each of the Limited Partners of the Fund that is a Benefit Plan Investor will represent and warrant that it does not intend its investment in the Fund to establish any relationship which would cause the Investment Manager or any other person to be a “fiduciary” (as defined in ERISA and the Internal Revenue Code) with respect to such Benefit Plan Investor in connection with the investment by the Fund in the Master Fund, and each such Benefit Plan Investor will further represent and warrant that it will not take any position to the contrary.

The General Partner anticipates that the aggregate indirect investment in the Master Fund by Benefit Plan Investors may, from time to time, equal or exceed 25% (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of any class of equity interests in the Master Fund. In such circumstances, the assets of the Master Fund would be treated as “plan assets” for purposes of ERISA. If indirect investments in the Master Fund by Benefit Plan Investors does not equal or exceed the 25% threshold as set forth above, neither the Master Fund nor the Investment Manager would be subject to the provisions of ERISA. As a general rule, if the assets of the Master Fund were treated as “plan assets” for purposes of ERISA, the Investment Manager would be deemed a “fiduciary” (as defined in ERISA and the Internal Revenue Code) with respect to each ERISA Plan and Individual Retirement Fund indirectly investing in the Master Fund. In addition, if the assets of the Master Fund were treated as “plan assets” for purposes of ERISA, the Investment Manager would be subject to the general prudence and fiduciary responsibility provisions of ERISA with respect to each ERISA Plan and Individual Retirement Fund indirectly investing in the Master Fund. In such circumstances, an indirect investment by an ERISA Plan in the Master Fund would constitute the appointment, in accordance with the written instruments governing the underlying ERISA Plan, of the Investment Manager as an “investment manager” as defined in Section 3(38) of ERISA, with respect to each such investing ERISA Plan. The acceptance of the subscription constitutes acknowledgement by the Investment Manager of its status as a fiduciary with respect to such investing ERISA Plan during any such period.

If the assets of the Master Fund were treated as “plan assets” for purposes of ERISA, the Master Fund would be subject to various other requirements of ERISA and the Internal Revenue Code. In particular, the Master Fund would be subject to rules restricting transactions with “parties in interest” and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Internal Revenue Code unless the transaction was subject to a statutory or administrative exemption that would allow the Master Fund to conduct its operations as described herein. In this regard, the Investment Manager anticipates that where an exemption is necessary to enable the Master Fund to enter into certain transactions with parties in interest or disqualified persons, the Investment Manager may rely on the following statutory, individual or class exemptions issued by the DOL:

- (a) *Section 408(b)(17) of ERISA (and Section 4975(d)(20) of the Internal Revenue Code).* Section 408(b)(17) of ERISA (and Section 4975(d)(20) of the Internal Revenue Code) permits the Master Fund to engage in transactions with various service providers to the Benefit Plan Investors as long as the conditions set forth in Section 408(b)(17) of ERISA (and Section 4975(d)(20) of the Internal Revenue Code) are satisfied.

- (b) *Qualified Professional Asset Manager Exemption.* Prohibited Transaction Class Exemption 84-14 generally permits ERISA Plans and Individual Retirement Funds to enter into transactions with parties in interest and disqualified persons if such transactions are entered into on behalf of such plans by a “Qualified Professional Asset Manager” (a “**QPAM**”). The Investment Manager currently qualifies as a QPAM and during all periods when the assets of the Master Fund are treated as “plan assets” for purposes of ERISA, the Investment Manager may rely on PTE 84-14 with regard to transactions covered thereunder.
- (c) *Individual Exemptions.* During all periods in which the assets of the Master Fund are treated as “plan assets” for purposes of ERISA, the Investment Manager may apply to the DOL for an individual exemption to permit the Master Fund to enter into transactions for which no class or statutory exemption is available, if it believes that the transaction is in the best interest of the Master Fund, or may so apply if any transaction entered into by the Master Fund is deemed by the DOL or the Internal Revenue Service to violate the prohibited transaction provisions to ERISA or the Internal Revenue Code.

In the event that any transaction would or might constitute a prohibited transaction under ERISA or the Internal Revenue Code and a statutory, class or individual exemption from the prohibited transaction provisions of ERISA for such transaction does not apply or cannot be obtained from the DOL (or the Investment Manager determines not to seek such an exemption), the General Partner may, in its sole discretion, require any Limited Partner to withdraw all or any portion of the balance in its Capital Account(s). (See “Withdrawals - Required Withdrawals”.)

If a prohibited transaction occurs for which no exemption is available, the Investment Manager and any other party in interest that has engaged in the prohibited transaction could be required (i) to restore to the Individual Retirement Fund or ERISA Plan any profit realized on the transaction and (ii) to reimburse the Individual Retirement Fund or ERISA Plan for any losses suffered by the Individual Retirement Fund or ERISA Plan as a result of the investment. Each party in interest involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. Individual Retirement Fund and ERISA Plan fiduciaries that decide to invest in the Fund (and thus the Master Fund) could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Fund (and thus the Master Fund) or as co-fiduciaries for actions taken by or on behalf of the Master Fund.

Section 408(a)(5) of the Internal Revenue Code, provides that the assets of an individual retirement account (an “**IRA**”) may not be commingled with other property except in a common trust or investment fund. A prohibited commingling of the assets of an IRA in other than a common trust fund or common investment fund could result in the disqualification of the IRA and a deemed distribution of the IRA’s assets to the beneficiary of the IRA.

Although neither the Fund nor the Master Fund is a common trust fund or common investment fund, for the reasons discussed below, the Fund and the Master Fund have been advised by legal counsel

that, if the assets of the Fund or the Master Fund were treated as “plan assets” for purposes of ERISA, an investment in the Fund (and thus the Master Fund) by an IRA should not be deemed to involve a prohibited commingling of IRA assets. While the assets of the Fund and the Master Fund, under certain circumstances discussed above, may be treated as “plan assets” for purposes of ERISA, that term applies solely for purposes of Title I of ERISA and Section 4975 of the Internal Revenue Code, but not to Section 408(a)(5) of the Internal Revenue Code. Accordingly, although there is no direct authority on this matter, for purposes of the prohibition against the commingling of IRA assets, no such commingling should occur because the sole interest of an investing IRA would be its Interests, and not the underlying assets of the Fund.

If the assets of either the Fund or the Master Fund are treated as “plan assets” for purposes of ERISA, the Investment Manager will purchase a fidelity bond satisfying the requirements of Section 412 of ERISA with respect to the assets of the Fund or the Master Fund, as applicable, owned by ERISA Plans.

Representations by Plans

An ERISA Plan proposing to invest in the Fund (and thus the Master Fund) will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan’s investments are, aware of and understand the Fund’s and the Master Fund’s investment objectives, policies and strategies, and that the decision to invest plan assets in the Fund (and thus the Master Fund) was made with appropriate consideration of relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

Whether or not the assets of the Fund or the Master Fund are treated as “plan assets” for purposes of ERISA, an investment in the Fund (and thus the Master Fund) by an ERISA Plan is subject to ERISA. Accordingly, fiduciaries of ERISA Plans should consult with their own counsel as to the consequences under ERISA of an investment in the Fund (and thus the Master Fund).

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

Certain prospective ERISA Plan and Individual Retirement Fund investors may currently maintain relationships with the General Partner or other entities that are affiliated with the General Partner. Each of such entities may be deemed to be a party in interest to, and/or a fiduciary of, any ERISA Plan or Individual Retirement Fund to which any of the General Partner or its affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the Internal Revenue Code with respect to Individual Retirement Funds. ERISA Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in the Fund (and thus the Master Fund) is a transaction that is prohibited by ERISA or the Internal Revenue Code.

Eligible Indirect Compensation and Disclosure Requirements Under Section 408(b)(2) of ERISA

The disclosures set forth in this Memorandum constitute the Investment Manager's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and allow for the treatment of its compensation as eligible indirect compensation.

In addition, the disclosures set forth in this Memorandum, in conjunction with disclosures made in the Investment Manager's Form ADV and the audited financial statements of the Fund or the Master Fund, constitute the Investment Manager's good faith efforts to comply with the disclosure requirements under Section 408(b)(2) of ERISA and the regulations promulgated thereunder, if applicable.

Future Regulations and Rulings

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisers regarding the consequences under ERISA of the acquisition and ownership of Interests.

OTHER REGULATORY MATTERS

Company Act Regulation

Neither the Fund nor the Master Fund is registered as an investment company under the Company Act. The Fund complies with Section 3(c)(7) of the Company Act, which permits private investment companies (such as the Fund) to sell their interests, on a private placement basis, to an unlimited number of investors that are “qualified purchasers”, as defined under the Company Act.

Cayman Islands Mutual Funds Act

The Master Fund is registered as a mutual fund pursuant to Section 4(3) of the Mutual Funds Act and is therefore regulated as a mutual fund by the Authority. As a Section 4(3) mutual fund, the minimum initial investment purchasable by an investor is CI\$80,000 (or its equivalent in another currency, approximately US\$100,000).

The Authority has supervisory and enforcement powers to ensure compliance with the Mutual Funds Act. Regulation under the Mutual Funds Act entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Master Fund to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the General Partner and may result in the Authority applying to the court to have the Master Fund wound up.

The Master Fund will not, however, be subject to supervision in respect of its investment activities or the constitution of the Master Fund’s portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have the power to investigate the activities of the Master Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms of this document or the merits of an investment in the Master Fund. There is no investment compensation scheme in the Cayman Islands available to investors.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the General Partner, in its capacity as general partner of the Master Fund, to appoint a person to advise the Master Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Master Fund. There are other remedies available to the Authority, including the ability to apply to court for approval of other actions.

The Authority has a discretionary power to impose substantial fines upon the Master Fund, in connection with any breaches by the Master Fund of prescribed provisions on the Mutual Funds Act, and upon any officer of the Master Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Master Fund, the Master Fund will bear the costs of such fine and any proceedings.

The Master Fund and the General Partner, in its capacity as general partner of the Master Fund, or any of its or their agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g., by the Authority, either for itself or for a recognized overseas regulatory authority, under the Monetary Authority Act (As Revised), or by the Tax Information Authority, under the Tax Information Authority Act (As Revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Master Fund, the General Partner, in its capacity as general partner of the Master Fund and any of its or their agents, may be prohibited from disclosing that the request has been made.

Cayman Islands Data Protection Act

The Data Protection Act (As Revised) (the “DPA”) includes legal requirements for the Master Fund based on internationally accepted principles of data privacy, as described in greater detail in the Privacy Notice attached to the Subscription Agreement.

The Master Fund will be characterized as a data controller in respect of personal data. The Master Fund’s affiliates and/or delegates, such as the Administrator, the Investment Manager and the Prime Broker, may act as data processors (or data controllers in their own right in some circumstances).

Oversight of the DPA is the responsibility of the Ombudsman’s office of the Cayman Islands. Breach of the DPA by the Master Fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Anti-Money Laundering Regulations

Identity Verification

In order to comply with laws and regulations aimed at the prevention of money laundering and the countering of terrorist financing and proliferation, the Fund is required to adopt and maintain anti-money laundering procedures and, accordingly, the Fund, or the Administrator on the Fund’s behalf, may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners and controllers (where applicable), and the source of funds. Where permitted, and subject to certain conditions, the General Partner may also rely upon a suitable person for the maintenance of these procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person.

The Fund, and the Administrator on the Fund’s behalf, may request such information as is necessary to verify the identity of any Limited Partner (including any subscriber or a transferee) and the identity of their beneficial owners and controllers (where applicable), and their source of subscription funds. The Administrator may use the information provided by an investor in support of anti-money laundering or similar reviews, including sharing the information with other funds in which the investor may invest as part of such reviews. Such information may include the Limited Partner’s anti-money laundering policies and procedures, background and identification documentation relating to its directors, trustees, settlors and beneficial owners, and audited financial statements, if any. Where the circumstances permit, the Fund, or the Administrator on

the Fund's behalf, may be satisfied that full due diligence may not be required at subscription where a relevant exemption applies under applicable law. However, detailed verification information may be required prior to the payment of any withdrawal proceeds or any transfer of an Interest. The Fund, the General Partner and/or the Administrator may determine (but are not required to make such determination) to not confirm acceptance of a subscription to the Fund until such time as the Fund and/or the Administrator has received any documentation verifying the subscriber's identity, the identity of its beneficial owners and controllers (where applicable), and the source of funds, to its satisfaction. Notwithstanding the foregoing, the Fund, the General Partner and/or the Administrator may determine (but are not required to make such determination) to confirm acceptance of a subscription to the Fund prior to such time as the Fund or the Administrator has received documentation verifying the subscriber's identity, the identity of its beneficial owners and controllers (where applicable), and source of funds.

In the event of delay or failure by a subscriber or Limited Partner to produce any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may (i) refuse to accept or delay the acceptance of a subscription; (ii) in the case of a transfer of Interests, refuse to consent to the relevant transfer of Interests; or (iii) cause the withdrawal of any such Limited Partner from the Fund.

The Fund, and the Administrator on the Fund's behalf, also may refuse to make any withdrawal or distribution payment to a Limited Partner if the General Partner or the Administrator suspects or is advised that the payment of withdrawal proceeds or distribution amounts to such Limited Partner may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any applicable laws or regulations.

The Authority has a discretionary power to impose substantial administrative fines upon the Master Fund in connection with any breaches by the Master Fund of prescribed provisions of the Anti-Money Laundering Regulations (As Revised) of the Cayman Islands, as amended and revised from time to time (the "**AML Regulations**"), and upon the General Partner and/or any officer of the General Partner of the Master Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Master Fund, the Master Fund will bear the costs of such fine and any associated proceedings.

Freezing Accounts

Each of the General Partner and the Administrator reserves the right, and the Fund may be obligated, pursuant to any applicable anti-money laundering, counter-terrorist or proliferation financing laws or the laws, regulations, and Executive Orders administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), or other laws or regulations in any relevant jurisdiction (collectively, "**AML/OFAC Obligations**"), to "freeze the account" of a subscriber or Limited Partner, either by (i) rejecting the capital contribution of a subscriber or Limited Partner; (ii) segregating the assets in the account in compliance with applicable laws or regulations; (iii) declining any withdrawal request of a Limited Partner; (iv) suspending payment of withdrawal proceeds to a Limited Partner; and/or (v) refusing to make any distribution to a Limited Partner. The Fund may be required to report such action and to disclose the subscriber's or Limited Partner's identity to OFAC or other applicable governmental and regulatory authorities.

Sanctions and Required Representations

The Fund is subject to laws that restrict it from dealing with certain persons, including persons that are located or domiciled in sanctioned jurisdictions. Accordingly, each subscriber and Limited Partner (including any transferee) will be required to make such representations to the Fund as the Fund, the Investment Manager or the Administrator will require in connection with applicable AML/OFAC Obligations, including representations to the Fund that, to the best of its knowledge, such subscriber or Limited Partner (and (i) any person controlling or controlled by the subscriber or Limited Partner; (ii) if the subscriber or Limited Partner is a privately held entity, any person having a beneficial interest in the subscriber or Limited Partner; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the subscriber or Limited Partner as determined under Cayman Islands law; (iv) any person for whom the subscriber or Limited Partner is acting as agent or nominee in connection with the investment; and (v) any authorized persons in respect of such subscriber or Limited Partner) is not (a) a country, territory, individual or entity named on an OFAC list, any list maintained by the United Nations, or under EU or UK regulations (as extended to the Cayman Islands by statutory instrument) and/or Cayman Islands legislation, or any similar list maintained under applicable law (“**Sanctions Lists**”); (b) dealing with any third party named on any Sanctions List; (c) operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United Nations, the European Union or the United Kingdom (including as the latter are extended to the Cayman Islands by statutory instrument) or the Cayman Islands; or (d) a person or entity prohibited under the programs administered by OFAC or any other similar economic and trade sanctions program. Where a Limited Partner is named on any of the Sanctions Lists, the Fund may be required to cease any further dealings with the Limited Partner’s interest in the Fund until such sanctions are lifted or a license is sought under applicable law to continue dealings (a “**Sanctioned Persons Event**”). The Fund, the General Partner, the Administrator and the Investment Manager shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

Each subscriber and Limited Partner (including any transferee) will also be expected to represent to the Fund that, to the best of its knowledge, such subscriber or Limited Partner (and (i) any person controlling or controlled by the subscriber or Limited Partner; (ii) if the subscriber or Limited Partner is a privately held entity, any person having a beneficial interest in the subscriber or Limited Partner; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the subscriber or Limited Partner as determined under Cayman Islands law; (iv) any person for whom the subscriber or Limited Partner is acting as agent or nominee in connection with the investment; and (v) any authorized persons in respect of such subscriber or Limited

Partner) is not a politically exposed person,^{*} or any family member^{**} or close associate^{***} of a politically exposed person. Any subscriber or Limited Partner (including any transferee) that cannot make such representations may be subject to enhanced due diligence and the Fund may decline to accept any subscription or process any transfer in such circumstances.

Each subscriber and Limited Partner (including any transferee) will also be required to represent to the Fund that, to the best of its knowledge, such subscriber or Limited Partner (and (i) any person controlling or controlled by the subscriber or Limited Partner; (ii) if the subscriber or Limited Partner is a privately held entity, any person having a beneficial interest in the subscriber or Limited Partner; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the subscriber or Limited Partner as determined under Cayman Islands law; (iv) any person for whom the subscriber or Limited Partner is acting as agent or nominee in connection with the investment; and (v) any authorized persons in respect of such subscriber or Limited Partner) is not a shell bank^{****} (or a bank organized or chartered under the laws of any non-Cayman Islands country or territory that is designated as non-cooperative (or other comparable term, such as “High-Risk Jurisdiction subject to a Call for Action”) with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as FATF). Further, if such subscriber or Limited Partner is a non-U.S. banking institution (a “**Non-U.S. Bank**”) or if such subscriber or Limited Partner receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Non-U.S. Bank, such subscriber or Limited Partner must represent to the Fund that: (i) the Non-U.S. Bank has a fixed address, other than solely an electronic address, in a country in which the Non-U.S. Bank is authorized to conduct banking activities; (ii) the Non-U.S. Bank employs one or more individuals on a full-time basis; (iii) the Non-U.S. Bank maintains operating records related to its banking activities; (iv) the Non-U.S. Bank is subject to inspection by the banking authority that licensed the Non-U.S. Bank to conduct banking activities; and (v) the Non-U.S. Bank does not provide banking services to any other Non-U.S. Bank that does not have a physical presence in any country and that is not a regulated affiliate.

Such subscriber or Limited Partner will also be required to represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may

^{*} For these purposes, the term “**politically exposed person**” means (a) a person who is or has been entrusted with prominent public functions by a foreign (non-Cayman Islands) country, for example a Head of State or of government, senior politician, senior government, judicial or military official, senior executive of a state-owned corporation, and important political party official; (b) a person who is or has been entrusted domestically (in the Cayman Islands) with prominent public functions, for example a Head of State or of government, senior politician, senior government, judicial or military official, senior executives of a state-owned corporation and important political party official; and (c) a person who is or has been entrusted with a prominent function by an international organization like a member of senior management, such as a director, a deputy director and a member of the board or equivalent functions.

^{**} For these purposes, the term “**family member**” includes the spouse, parent, sibling or child of a politically exposed person.

^{***} For these purposes, the term “**close associate**” means any natural person who is known to hold the ownership or control of a legal instrument or person jointly with a politically exposed person, or who maintains some other kind of close business or personal relationship with a politically exposed person, or who holds the ownership or control of a legal instrument or person which is known to have been established to the benefit of a politically exposed person.

^{****} For these purposes, the term “**shell bank**” means any institution that accepts currency for deposit and that (a) has no physical presence in the jurisdiction in which it is incorporated or in which it is operating, as the case may be, and (b) is unaffiliated with a regulated financial group that is subject to consolidated supervision.

contravene applicable laws and regulations, including any applicable anti-money laundering laws and regulations.

Each subscriber and Limited Partner must notify the Fund promptly in writing should it become aware of any change in the information set forth in its representations.

Required Reporting

If any person in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (As Revised) of the Cayman Islands, if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Act (As Revised) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report will not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Pursuant to the AML Regulations, the Master Fund must designate natural persons to act as Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer (collectively, the “**AML Officers**”) of the Master Fund. The General Partner, in its capacity as general partner of the Master Fund, has ensured that natural persons have been designated to perform the AML Officer roles in accordance with Cayman Islands law. Subscribers and Limited Partners may obtain details (including contact details) of the current AML Officers of the Master Fund, by contacting the Investment Manager.

Delegation

Where permitted by applicable law, and subject to certain conditions, the Fund may rely upon a suitable person for the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) or may otherwise delegate the maintenance of such procedures to a suitable person.

NEW ISSUES

Certain Limited Partners may not share or may be limited in their participation in profits and losses attributable to “new issues”, as defined under the rules of the U.S. Financial Industry Regulatory Authority (“**FINRA**”). Under applicable FINRA rules, certain persons (including persons associated with a broker-dealer, portfolio managers, executive officers and directors of public companies and certain family members of such persons) may be “restricted” with respect to their participation in new issues. The General Partner intends to allocate up to 10% of the profits and losses attributable to “new issues” (as defined under FINRA Rule 5130) to investors that are “restricted persons” (as defined under FINRA Rule 5130) in accordance with the “de minimis exemption”, but reserves the right to vary this allocation methodology at any time.

OTHER TERMS OF THE PARTNERSHIP AGREEMENT

The following outline summarizes certain material provisions of the Limited Partnership Agreement of the Fund, as the same may be amended from time to time (the “**Partnership Agreement**”), that are not discussed elsewhere in this Memorandum. This outline is only a summary and is not definitive. Each prospective Limited Partner should carefully read the Partnership Agreement in its entirety.

Liability of Limited Partners

The debts, obligations and liabilities of the Fund, whether arising in contract, tort or otherwise, will be solely the debts, obligations and liabilities of the Fund, and a Limited Partner will not be obligated personally for any such debt, obligation or liability of the Fund solely by reason of being a Limited Partner; *except* that a Limited Partner will be obligated to contribute to the Fund any amounts required under the Delaware Revised Uniform Limited Partnership Act (6 Del. C. § 17-101 et seq.), as amended (the “**Act**”), or the Partnership Agreement.

Management of the Fund

The management of the Fund will be vested exclusively in the General Partner.

Except as authorized by the General Partner, the Limited Partners, in their capacities as such, will not take part in the management or control of the Fund, transact any business in the Fund’s name or have the power to sign documents for or otherwise bind the Fund.

Term and Dissolution

The term of the Fund began on the date the Certificate of Limited Partnership of the Fund was filed, and will continue until cancellation of the Certificate of Limited Partnership of the Fund. The Fund will be dissolved and its affairs will be wound up upon, among other things, the determination by the General Partner that the Fund should be dissolved. To the fullest extent permitted by applicable law, each Limited Partner will waive its right to seek judicial dissolution under Section 17-802 of the Act. Upon a determination to dissolve the Fund, all pending voluntary withdrawal requests will be automatically revoked and voluntary withdrawal requests and distributions in respect of pending voluntary withdrawals may not be made.

Winding Up and Liquidation

Such period of time as determined by the General Partner in its reasonable discretion will be allowed for the orderly winding up and liquidation of the assets of the Fund and the discharge of liabilities to creditors so as to enable the Fund to seek to minimize potential losses upon such liquidation.

Capital Accounts

The General Partner will establish a separate Capital Account on the books of the Fund for each capital contribution made by a Partner; *except* that a single Capital Account may be established for all capital contributions made by the General Partner. The opening balance of a Capital Account will be the amount of the capital contribution made thereto. Each such Capital Account will be adjusted as described below. At the beginning of each Accounting Period, the balance of each Capital Account will be decreased by the following amounts: (A) the amount of any withdrawals made from such Capital Account relating to the immediately preceding Withdrawal Date; and (B)

the amount of any distributions effective as of such date made from such Capital Account. At the end of each Accounting Period, the balance of each Capital Account will be increased or decreased by the amount credited or debited to such Capital Account to account for net capital appreciation, net capital depreciation and other adjustments as provided in the Partnership Agreement. At the end of each Accounting Period, (A) the balance of each Capital Account of each Limited Partner will be decreased by the amount of the Management Fee amortized or paid in respect of such Capital Account for such Accounting Period and (B) the balance of each Capital Account of each Founders Class 1 Limited Partner will be decreased by the amount of the Incentive Allocation allocated by the Master Fund in respect of such Capital Account for such Accounting Period. At the beginning of each Accounting Period, the balance of the Capital Account of the General Partner will be increased by the amount of any capital contributions to the Fund made by the General Partner as of the first day of such Accounting Period.

Capital Accounts established for a Partner may be consolidated if the corresponding Series Capital Accounts have zero balance in their loss recovery accounts, as applicable, and are otherwise subject to the same terms.

Equitable Adjustments

The General Partner has the authority to make equitable adjustments to any Capital Account of any Partner in order to (i) take into account any change to the Internal Revenue Code or regulations promulgated thereunder that requires a withholding or other adjustment to any Capital Account of any Partner, (ii) take into account any other change in any law, rule or regulation, (iii) properly reflect the economic arrangement of the Partners as previously disclosed to them, or (iv) avoid any inequitable result for any Partner. In the exercise of such authority, the General Partner may adjust the determination and allocation among the Capital Accounts of the Partners of such financial or tax items as the General Partner may deem necessary or advisable, as set forth in the Partnership Agreement.

Distributions

In the sole discretion of the General Partner, the Fund may make distributions in cash or, to the extent that the Fund receives an in-kind distribution from the Master Fund, in kind, or in a combination thereof, in connection with a voluntary or required withdrawal of funds from the Fund by a Partner. In each case, the assets to be distributed in kind to any withdrawing Partner may be allocated to such withdrawing Partner in such amounts, as determined by the General Partner, in its sole discretion. In the sole discretion of the General Partner, the Fund may make distributions in cash or, to the extent that the Fund receives an in-kind distribution from the Master Fund, in kind, or in a combination thereof, at any time to all of the Partners in accordance with their respective Partnership Percentages.

If a distribution is made in kind, immediately prior to such distribution, the General Partner will determine the fair value of the assets distributed and adjust the Capital Accounts of all Partners upwards or downwards to reflect the difference between the book value and the fair value thereof, as if such gain or loss had been recognized upon an actual sale of such assets and allocated to such Capital Accounts. Each such distribution will reduce the Capital Account(s) of the distributee Partner by the fair value thereof (net of any liabilities attached thereto that are assumed by such Partner). In-kind distributions may be comprised of, among other things, interests in special purpose vehicles holding the actual investment or participations in the actual investment or

participation notes (or similar derivative instruments), which provide a return with respect to certain Securities owned by the Master Fund. Each special purpose vehicle will bear its own expenses.

Exculpation

The Partnership Agreement provides that, subject to the exception described below, none of the General Partner, the Investment Manager, each of their respective affiliates, and the members, partners, managers, officers, employees and legal representatives (e.g., executors, guardians and trustees) of any of them, and each member of the Advisory Board, including persons formerly serving in such capacities (each, an “**Indemnified Person**”) will be liable to any Partner or the Fund for any costs, losses, claims, damages, liabilities, expenses (including reasonable legal and other professional fees and disbursements), judgments, fines or settlements (collectively, “**Indemnified Losses**”) arising out of, related to or in connection with any act or omission (including any act, omission or alleged act or omission constituting or alleged to constitute negligence) of such Indemnified Person taken, or omitted to be taken, in connection with the Fund or the Partnership Agreement, except for any Indemnified Losses arising out of, related to or in connection with any act or omission that is found by a court of competent jurisdiction upon entry of a final judgment rendered and unappealable or not timely appealed (“**Judicially Determined**”) to be primarily attributable to the bad faith, gross negligence, willful misconduct, actual fraud, or breach of fiduciary responsibilities under ERISA, if applicable, of such Indemnified Person. In addition, subject to the exception described below, no Indemnified Person will be liable to any Partner or the Fund for any Indemnified Losses arising out of, related to or in connection with any act or omission taken, or omitted to be taken, by any broker of the Master Fund or agent of the Fund if such broker or agent was not selected, engaged or retained by such Indemnified Person directly or on behalf of the Fund or the Master Fund, as applicable, in violation of the standard of care set forth above. Any Indemnified Person may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other specialized, reputable, professional consultants in respect of affairs of the Fund and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such persons; *provided, however*, that such persons were selected in accordance with the standard of care set forth above and such action or inaction complied with such person’s fiduciary responsibilities under ERISA, if applicable.

Indemnification

The Partnership Agreement provides that, subject to the exception described below, the Fund will indemnify out of Fund assets only each Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such Indemnified Person by reason of any act, omission or alleged act or omission (including any act, omission or alleged act or omission constituting or alleged to constitute negligence) arising out of, related to or in connection with the Fund or the Partnership Agreement, or any and all actual or threatened claims, demands, actions, suits or proceedings (whether civil, criminal, administrative or investigative), including any formal or informal inquiries and “sweep” examinations in connection with the Fund (“**Proceedings**”), in which an Indemnified Person may be involved, as a party or otherwise, arising out of, related to or in connection with such Indemnified Person’s service to or on behalf of, or management of the affairs or assets of, the Fund, or which relate to the Fund, except for any Indemnified Losses that are Judicially Determined to be primarily attributable to the bad faith, gross negligence, willful misconduct, actual fraud, or breach of fiduciary responsibilities under ERISA, if applicable, of such Indemnified Person. Subject to the exception described below, the Fund will also indemnify

each Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such Indemnified Person by reason of any acts, omissions or alleged acts or omissions of any broker of the Master Fund or agent of the Fund; *provided, however*, that such broker or agent was not selected, engaged or retained by such Indemnified Person directly or on behalf of the Fund or the Master Fund, as applicable, in violation of the standard of care set forth above. The termination of a Proceeding by settlement or upon a plea of nolo contendere, or its equivalent, will not, of itself, create a presumption that such Indemnified Person's acts, omissions or alleged acts or omissions were primarily attributable to the bad faith, gross negligence, willful misconduct, actual fraud, or breach of fiduciary responsibilities under ERISA, if applicable, of such Indemnified Person. To the extent permitted by ERISA, if applicable, expenses (including legal and other professional fees and disbursements) incurred in any Proceeding may, with the consent of the General Partner, be paid by the Fund as incurred in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it will ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Fund.

The provisions of the Partnership Agreement will not be construed so as to provide for the exculpation or indemnification of any Indemnified Person for any liability (including liability under U.S. federal securities laws and ERISA (if applicable), which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but will be construed so as to effectuate such provisions to the fullest extent permitted by applicable law.

Amendments to the Partnership Agreement; Voting and Consent

The Partnership Agreement may be amended at any time by the consent of the Partners that hold greater than 50% of the Voting Percentages of the Partners that are entitled to vote on or consent to a matter ("**Majority-in-Interest**") and the consent of the General Partner, which may be given or withheld in its sole discretion; *except* that:

- (i) without the consent of a Majority-in-Interest, the General Partner may amend the Partnership Agreement to: (A) reflect a change in the name of the Fund; (B) make any change that, in the good faith judgment of the General Partner, is necessary or advisable to qualify the Fund as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state or non-U.S. jurisdiction, or ensure that each of the Fund and the Master Fund will not be treated as an association taxable as a corporation or as a "publicly traded partnership" taxable as a corporation for U.S. federal tax purposes; (C) make any change that, in the good faith judgment of the General Partner, does not adversely affect the Limited Partners in any material respect; (D) make any change that is necessary or desirable to cure any ambiguity, to correct or supplement any provision in the Partnership Agreement that would be inconsistent with any other provision in the Partnership Agreement, or to make any other provision with respect to matters or questions arising under the Partnership Agreement that will not be inconsistent with the provisions of the Partnership Agreement, in each case so long as such change does not, in the good faith judgment of the General Partner, adversely affect the Limited Partners in any material respect; (E) correct any printing, stenographic or clerical error or effect changes of an administrative or ministerial nature that do not

increase the authority of the General Partner in any material respect or, in the good faith judgment of the General Partner, adversely affect the Limited Partners in any material respect; (F) make any change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any U.S. federal, state or non-U.S. governmental entity, so long as such change is made in a manner that minimizes any adverse effect on the Limited Partners; (G) prevent the Fund from in any manner being deemed an “investment company” subject to the provisions of the Company Act; or (H) make any other amendments similar to the foregoing;

- (ii) in respect of an amendment to the terms, rights or obligations of a particular Class of Interests, the consent of the Partners holding such Class of Interest will not be required to the extent that such amendment would not require consent under (i) above, and in the event that (i) above is inapplicable and the consent of the Limited Partners is therefore required, the consent of a Majority-in-Interest only of the holders of such Class of Interest will be required to effect such amendment; and
- (iii) each Partner must consent to any amendment, other than an amendment that the General Partner may make pursuant to (i) above, that would (A) reduce the balance in its Capital Account(s) or materially and adversely impair its right of withdrawal; or (B) amend the provisions of the Partnership Agreement relating to amendments.

The “**Voting Percentage**” with respect to each Partner that may vote on or consent to a matter as of the beginning of each Accounting Period is the result (expressed as a percentage) of the aggregate balances of such Partner’s Capital Accounts divided by the aggregate balances of the Capital Accounts of all Partners that are entitled to vote on or consent to such matter. The sum of the Voting Percentages is equal to 100 percent. For the avoidance of doubt, Voting Percentages will be calculated after reduction for any distributions and withdrawals effective as of the beginning of the applicable Accounting Period, and after taking into account capital contributions made as of such date.

The General Partner may submit any matter upon which the Partners are entitled to vote to the Partners for a vote by consent without a meeting. Such consents will be treated for all purposes as votes at a meeting. On any matter that is to be consented to by a Partner, such Partner may consent in writing or by means of electronic transmission.

For purposes of any consent sought by the General Partner pursuant to any provision of the Partnership Agreement requiring the vote or consent of the Partners (whether in respect of an amendment, waiver or otherwise), the General Partner may require a response within a specified time (which will not be less than 10 business days) from a Partner and the failure of such Partner to respond within such specified time will constitute consent of such Partner to the proposed amendment, waiver or other action, except as otherwise prohibited by law.

OTHER TERMS OF THE MASTER FUND PARTNERSHIP AGREEMENT

The following outline summarizes certain material provisions of the Exempted Limited Partnership Agreement of the Master Fund, as the same may be amended from time to time (the “**Master Fund Partnership Agreement**”, and together with the Partnership Agreement, the “**Partnership Agreements**”), that are not discussed elsewhere in this Memorandum. The Master Fund Partnership Agreement contains provisions that are generally similar to the provisions of the Partnership Agreement. This outline is only a summary and is not definitive. Each prospective Limited Partner should carefully read the Master Fund Partnership Agreement in its entirety.

The Master Fund and Liability of Limited Partners of the Master Fund

The Master Fund has been constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Act (As Revised) (the “**ELP Act**”). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of an exempted limited partnership (whether held in that partnership’s name or by any one or more of its general partners) shall be held or deemed to be held by the general partner, and if more than one then by the general partners jointly, upon trust as an asset of the exempted limited partnership in accordance with the terms of the partnership agreement. Any debts or obligations incurred by the General Partner in the conduct of the Master Fund’s business are the debts and obligations of the Master Fund. Registration under the ELP Act entails that the exempted limited partnership becomes subject to, and the limited partners therein are afforded the limited liability (subject to the partnership agreement) and other benefits of, the ELP Act.

The business of an exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent the exempted limited partnership has insufficient assets. As a general matter, a limited partner of an exempted limited partnership will not be liable for the debts and obligations of the exempted limited partnership save (i) as provided in the partnership agreement, (ii) if such limited partner becomes involved in the conduct of the partnership’s business and holds itself out as a general partner to third parties or (iii) if such limited partner is obliged pursuant to the ELP Act to return a distribution made to it where the exempted limited partnership is insolvent and the limited partner has actual knowledge of such insolvency at that time.

Management of the Master Fund

The management of the Master Fund will be vested exclusively in the General Partner, in its capacity as general partner of the Master Fund. Except as authorized by the General Partner and by the ELP Act, the limited partners of the Master Fund, in their capacities as such, will not take part in the management or control of the Master Fund, transact any business in the Master Fund’s name or have the power to sign documents for or otherwise bind the Master Fund.

Term and Dissolution

The term of the Master Fund began on the date of the filing of the relevant Section 9 statement with the Registrar of Exempted Limited Partnerships in the Cayman Islands and will continue until

the Master Fund has been terminated, wound up and dissolved in accordance with the Master Fund Partnership Agreement or earlier under the provisions of the ELP Act.

The affairs of the Master Fund will be terminated and the Master Fund will be wound up upon, among other things, the determination by the General Partner, in its capacity as general partner of the Master Fund, that the Master Fund should be terminated, wound up and dissolved. Upon a determination to terminate, wind up and dissolve the Master Fund, all pending voluntary withdrawal requests will be automatically revoked and voluntary withdrawal requests and distributions in respect of pending voluntary withdrawals may not be made.

Winding Up and Liquidation

Such period of time as determined by the General Partner, in its capacity as general partner of the Master Fund, in its reasonable discretion will be allowed for the orderly winding up and liquidation of the assets of the Master Fund and the discharge of liabilities to creditors so as to enable the Master Fund to seek to minimize potential losses upon such liquidation. In connection with the winding up of the Master Fund, the General Partner, in its capacity as general partner of the Master Fund, may take any and all actions that it determines in its reasonable discretion to be necessary or desirable to enhance or protect the value of the assets of the Master Fund, including the use of hedges, the making of follow-on investments, the reinvestment of undistributed cash and similar actions.

Distributions

In the sole discretion of the General Partner, in its capacity as general partner of the Master Fund, the Master Fund may make distributions in cash or in kind, or in a combination thereof, in connection with a voluntary or required withdrawal of funds from the Master Fund by a partner. In each case, the assets to be distributed in kind to any withdrawing partner of the Master Fund may be allocated to such withdrawing partner in such amounts, as determined by the General Partner, in its capacity as general partner of the Master Fund, in its sole discretion. In the sole discretion of the General Partner, in its capacity as general partner of the Master Fund, the Master Fund may make distributions in cash or in kind, or in a combination thereof, at any time to all of the partners of the Master Fund on a pro rata basis in accordance with their respective partnership percentages.

The General Partner, in its capacity as general partner of the Master Fund, may, in its sole discretion, choose which assets of the Master Fund to distribute in kind. If a distribution is made in kind, immediately prior to such distribution, the General Partner will determine the fair value of the assets distributed and adjust the capital accounts of all partners of the Master Fund upwards or downwards to reflect the difference between the book value and the fair value thereof, as if such gain or loss had been recognized upon an actual sale of such assets and allocated to such capital accounts. Each such distribution will reduce the capital account(s) of the distributee partner by the fair value thereof (net of any liabilities attached thereto that are assumed by such partner). In-kind distributions may be comprised of, among other things, interests in special purpose vehicles holding the actual investment or participations in the actual investment or participation notes (or similar derivative instruments), which provide a return with respect to certain Securities owned by the Master Fund. Each special purpose vehicle will bear its own expenses.

Amendments to the Master Fund Partnership Agreement

The Master Fund Partnership Agreement may be amended at any time by the limited partners of the Master Fund and the General Partner, in its capacity as general partner of the Master Fund, on terms substantially similar to the terms set forth in the amendments provisions of the Partnership Agreement; *except* that any amendment that, if made by the Fund with respect to the Interests, would require the consent or vote of the Limited Partners under the terms of the Partnership Agreement, will require the same such consent or vote of the Limited Partners (which may be obtained in the manner set forth in the Partnership Agreement).

Master Fund Contributions, Withdrawals and Calculation of Net Asset Value

Unless otherwise specifically stated herein, contributions, withdrawals, calculation of net asset value and other mechanics taking place at the Master Fund level will generally be effected in a manner which corresponds to those taking place at the Fund level (as more specifically set out in this Memorandum and the Partnership Agreement), save that certain requests and notices (including, for example, contribution and withdrawal requests) may be deemed automatically submitted, served or withdrawn by Fund or the Master Fund, as applicable, in order to give effect to the intended operation of the master-feeder structure.

LEGAL COUNSEL

Schulte Roth & Zabel LLP (“**SRZ**”) has been engaged by the General Partner and the Investment Manager to represent them and the Fund as U.S. legal counsel in connection with the organization of the Fund and the Master Fund and this offering of Interests. SRZ also has been engaged by the General Partner to represent the Master Fund as U.S. legal counsel in connection with these matters and other matters for which it is retained to do so. Maples and Calder (Cayman) LLP (“**Maples**”, and together with SRZ, “**Legal Counsel**”) has been engaged to act as Cayman Islands legal counsel by the General Partner to represent the Master Fund in connection with the organization of the Master Fund. No separate legal counsel has been engaged to independently represent the Limited Partners in connection with the formation of the Fund, or the offering of the Interests.

Each Legal Counsel will represent the Fund or the Master Fund, as applicable, on matters for which it is retained to do so. Other counsel may also be retained where the General Partner, on behalf of the Fund and the Master Fund, or the Investment Manager, on its own behalf, determines that to be appropriate.

Each Legal Counsel’s representation of the Fund or the Master Fund, as applicable, is limited to specific matters as to which it has been consulted by the Fund or the Master Fund. There may exist other matters that could have a bearing on the Fund or the Master Fund as to which a Legal Counsel has not been consulted. In connection with the preparation of this Memorandum, SRZ is responsible only for matters of United States law and does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum, and Maples is responsible only for matters of Cayman Islands law and does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In advising the General Partner and the Investment Manager with respect to the preparation of this Memorandum, each Legal Counsel has relied upon information that has been furnished to it by the General Partner, the Investment Manager and their affiliates, and has not independently investigated or verified the accuracy or completeness of the information set forth herein. In addition, Legal Counsel does not monitor the compliance of the General Partner, the Investment Manager, the Fund or the Master Fund with the investment guidelines, valuation procedures and other guidelines set forth in this Memorandum, the Fund’s and the Master Fund’s terms or applicable laws.

There may be situations in which there is a “conflict” between the interests of the General Partner and/or the Investment Manager, and those of the Fund and the Master Fund. In these situations, such parties will determine the appropriate resolution thereof, and may seek advice from SRZ in connection with such determinations. The General Partner, the Investment Manager, the Fund and the Master Fund have each consented to SRZ’s concurrent representation of such parties in such circumstances. In general, independent counsel will not be retained to represent the interests of the Fund or the Limited Partners.

SUITABILITY REQUIREMENTS

Limited Partners must meet the suitability requirements set forth in the section of this Memorandum entitled, “Summary of Terms—Suitability Requirements”.

Each prospective purchaser is urged to consult with its own advisers to determine the suitability of an investment in the Interests, and the relationship of such an investment to the purchaser’s overall investment program and financial and tax position. Each purchaser of an Interest is required to represent that it has evaluated the risks of investing in the Fund, understands there are substantial risks of loss incidental to the purchase of an Interest and has determined that the Interest is a suitable investment for such purchaser.