

III. CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

Potential investors should carefully consider the risks of an investment in the Access Fund, which include, but are not limited to, the risks outlined below as well as the detailed discussion with regard to risks and conflicts of interest generally applicable to the Underlying Fund set forth in the Underlying Fund PPM (attached hereto in Appendix A). All private fund investments involve a risk of loss of capital. No assurances can be given that the Underlying Fund or the Access Fund will achieve their investment objectives or that Limited Partners will not suffer loss. By making the Access Fund available, neither the General Partner, the Investment Manager nor any of their respective affiliates is providing investment advice or making any recommendation as to the advisability of an investment in the Access Fund or the Underlying Fund. An investment in the Access Fund is highly speculative and involves certain risks and conflicts of interest that prospective investors should consider carefully before subscribing. The following discusses certain risks and is not exhaustive, and other risks and conflicts not discussed below may arise in connection with the management and operation of the Access Fund.

Business and Market Risks. The investments made by the Underlying Fund and indirectly by the Access Fund may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. The impact of such events or other instances of war or natural disaster, is unclear but could have material adverse effects on general economic conditions and market liquidity, resulting in a partial or total loss of capital, and Investors should not invest unless they can readily bear the consequences of such loss.

Placement Agents. The Placement Agents, including Raymond James, will receive, in respect of an Investor introduced to the Access Fund, a Placement Fee in an amount up to 2.0% of such Investor's Subscription, directly from such Investor for advisory services. The Placement Fee may differ among Placement Agents. In addition, depending upon each such Limited Partner's assets under management, among other factors, certain of these Limited Partners may compensate a particular Placement Agent at higher levels than other such Limited Partners. Accordingly, the Placement Agents and/or their respective affiliates may receive higher levels of compensation in connection with investments by some Limited Partners than they receive in connection with investments by other Limited Partners. Any such Placement Fee may be waived or reduced in respect of any particular Investor without thereby entitling any other Investor to a similar waiver or reduction. In addition, the Placement Agents will receive from the Investment Manager a portion of the Management Fee on an ongoing basis. As the Placement Agents will receive ongoing compensation in respect of the Interests, they will have a conflict of interest in the form of an additional financial incentive to the Placement Agents and their respective equity owners and investment representatives to refer Investors to the Access Fund and in consulting with Investors as to the purchase of Interests. Given the existence of the compensation arrangements described above, the Placement Agents may benefit financially from referring Investors to the Access Fund rather than to other products that may also be appropriate for particular Investors.

In addition, Raymond James will, and other Placement Agents may, also receive a placement fee or other fee from Glendower based on the aggregate capital commitment of the Access Fund to the Underlying Fund, which would further incentivize the Placement Agents to refer Investors to the Access Fund. Finally, Raymond James will, and other Placement Agents may, also receive a placement or other fee from Glendower on each referred "direct investor commitment" to the Underlying Fund. Such fee will result in

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