

capital account for each series. As such, a Limited Partner who invests in multiple series may have up to four capital accounts.

## ARTICLE VI

### **Allocation of Net Profits and Net Losses; Determination of Net Profits and Net Losses; New Issues; Prior Fiscal Period Items**

#### Section 6.01 Allocation of Net Profits and Net Losses.

(a) Except as otherwise provided in Section 6.03 regarding the treatment of "New Issues" (as hereinafter defined), any Net Profits or Net Losses (as defined in Section 6.02) during any Fiscal Period shall be allocated as of the end of such Fiscal Period to the Capital Accounts of all the Partners in the proportions which each Partner's Capital Account as of the beginning of such Fiscal Period bore to the sum of the Capital Accounts of all the Partners as of the beginning of such Fiscal Period.

(b) If in any Fiscal Year ("Current Year") the Net Profits allocated to a Capital Account pursuant to Section 6.01(a) and Section 6.03 exceed the Net Losses so allocated to such Capital Account for the Current Year, there shall be reallocated to the General Partner as of the end of the Current Year an amount equal to 20% of the Net Profits so allocated to such Capital Account for such year; provided, however, that no amount will be reallocated from such Capital Account to the General Partner for that year until the Net Profits for the year exceed such Capital Account's loss carryforward amount. The loss carryforward amount for a particular Capital Account applicable to the Current Year shall be the sum of all prior year Net Losses allocated to the Capital Account and not subsequently offset by prior year Net Profits; provided that the loss carryforward amount shall be reduced proportionately to reflect any withdrawals made from such Capital Account. For the avoidance of doubt, in the event that a Limited Partner holds more than one series of interests, the reallocation described in this Section 6.01(b) will be calculated separately for each series.

The total amount so reallocated pursuant to this Section 6.01(b) shall be credited as of the end of the year to the Capital Account of the General Partner. The General Partner, in its sole discretion, may waive or reduce this reallocation with regard to Limited Partners that are employees or affiliates of the General Partner, relatives of such persons, and for certain large or strategic investors.

(c) In the event that a Limited Partner withdraws capital or is required to retire at any time other than the end of a fiscal year, the reallocation provided for in Section 6.01(b) shall be made with respect to such Partner's Capital Account (with respect to the withdrawn amount) as though the date of such Partner's withdrawal or retirement was the last day of a fiscal year.

Section 6.02 Determination of Net Profits and Net Losses. "Net Profits" or "Net Losses" of the Partnership for a Fiscal Period shall be determined by the General Partner on the accrual basis of accounting using generally accepted accounting principles as a guideline, unless otherwise deemed appropriate by the General Partner in its sole discretion, and further in accordance with the following:

(a) Net Profits and Net Losses shall include realized and unrealized profits and losses with respect to all securities positions. In computing such realized and unrealized profits and losses, profit and loss shall mean for each position held in a security during any Fiscal Period, the realized or unrealized appreciation or realized or unrealized depreciation, as the case may be, with respect to such position, determined by comparing the net proceeds from the closing of such position or the market value of such position at the end of such Fiscal Period with (i) the cost of such position, if established during such Fiscal Period, or (ii), if such position were established