

Risk Factors

An investment in the Partnership involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment and who have limited need for liquidity in their investment. There can be no assurance that the Partnership will achieve its investment objective. It is possible that an investor may lose some or all of its investment in the Partnership. An investment in the Partnership carries with it the inherent risks associated with investments in securities and other instruments. See "Risk Factors" below. Each prospective Limited Partner should carefully review this Memorandum and the agreements referred to herein before deciding to invest in the Partnership.

Management Fee

The Investment Manager receives a monthly management fee (the "Management Fee") calculated at an annual rate of (i) 2.0% of each Limited Partner's capital account with respect to Series One Interests, (ii) 1.5% of each Limited Partner's capital account with respect to Series Two Interests, and (iii) 1.25% of each Limited Partner's capital account with respect to Series Three Interests and Series Four Interests. The Management Fee will be paid in advance, based on the value of each Limited Partner's capital account as of the first day of the month. If an additional contribution is made during the month, the Management Fee will be prorated and charged at the time of such contribution.

Incentive Allocation

Except for profits and losses from "new issues", the net profits and net losses of the Partnership (including realized and unrealized gains and losses) will be allocated to each Limited Partner and the General Partner in accordance with the ratio of their capital account balances. For each fiscal year there will be reallocated to the General Partner from the capital account of each Limited Partner 20% of such Limited Partner's share of net profits, if any, subject to a loss carryforward provision (as further described in Section 7).

Expenses

The Investment Manager is authorized to incur and pay in the name and on behalf of the Partnership, all expenses that it deems necessary or advisable.

All expenses relating to the Partnership are paid by the Partnership (or by the Master Fund and allocated to the Partnership) including, but not limited to, legal, audit and accounting fees, the Management Fee, the fees paid to the administrator and other professional expenses (including the expenses of private consultants), administration expenses, Partnership-related insurance costs (including a portion of D&O and E&O insurance for the General Partner and the Investment Manager), research expenses and investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and other reasonable expenses related to the purchase, sale or transmittal of Partnership assets. Generally, the Master Fund will pay all of its own expenses (the "Master Fund Expenses"). Each investment vehicle, including the Partnership, that invests in the Master Fund indirectly bears its pro rata share of the Master Fund Expenses based on its interest in the Master Fund. The Investment Manager, in its sole discretion, may pay or reimburse the Partnership for all or a portion of the Partnership's expenses or the Master Fund Expenses.