

the terms of its investment management agreements with each of the Underlying Funds. The Management Company is also the investment advisor for the Offshore Fund and the Levered Fund.

LIMITED PARTNERSHIP INTERESTS ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS FOR WHOM AN INVESTMENT IN THE PARTNERSHIP DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE PARTNERSHIP'S INVESTMENT PROGRAM AS CONDUCTED THROUGH THE UNDERLYING FUNDS. THE UNDERLYING FUNDS' INVESTMENT PRACTICES, BY THEIR NATURE, MAY BE CONSIDERED TO INVOLVE A SUBSTANTIAL DEGREE OF RISK. (See "Certain Risk Factors.")

This Memorandum relates to an offering by the Partnership of interests in the Partnership ("Interests") to certain investors who, if accepted, will become limited partners of the Partnership (the "Limited Partners"). The minimum initial capital contribution of a Limited Partner is \$5 million and the minimum additional capital contribution of a Limited Partner is \$500,000, both subject to the sole discretion of the General Partner to accept lesser amounts.

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

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 solely for the information of the person to whom it has been delivered by or on behalf of the Partnership, and may not be reproduced or used for any other purpose. Each person accepting this Memorandum hereby agrees to return it to the General Partner or destroy it promptly upon request. Notwithstanding anything herein 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 Partnership and the Underlying Funds and (ii) any of their transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of (i) the Partnership or the Underlying Funds, 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, nor does the Partnership, the General Partner, the Management Company or the Administrator (as defined herein) undertake any obligation or duty to update the information contained herein.

None of the Partnership, the Master Fund or the HB Fund is registered as an investment company by virtue of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Company Act"), because each offers interests only to "accredited investors," as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified purchasers" or "knowledgeable employees," as defined under the Company Act, and only on a private placement basis.