

pursue their investment program or employ brokers and other counterparties could have a material adverse effect on the Partnership and the Limited Partners' investments therein. In addition, the Management Company may, in its sole discretion, cause the Partnership or the Underlying Funds to be subject to certain laws and regulations if it believes that an investment or business activity is in the Underlying Funds' interest, even if such laws and regulations may have a detrimental effect on one or more Limited Partners.

Investment and Trading Risks in General

All investments made by an Underlying Fund risk the loss of capital. An Underlying Fund may utilize such investment techniques as margin transactions, short sales, option transactions and forward and futures contracts, which practices can, in certain circumstances, maximize the adverse impact to which the Underlying Fund may be subject. No guarantee or representation is made that an Underlying Fund's investment program will be successful, and investment results may vary substantially over time. (See "Investment Program" and "Certain Risk Factors-Hedging.")

Investments in Affiliate Trading Vehicles

An Underlying Fund may invest in, or with, Affiliate Trading Vehicles. Such investments may give rise to risks relating to such arrangements, including the possibility that such Affiliate Trading Vehicles may have business, financial or legal difficulties.

Co-Investments

The Underlying Funds may co-invest in the same investment opportunity together with Other Accounts and may offer co-investment opportunities to Other Accounts and other co-investors (including Limited Partners and/or third parties). In such circumstances, the investment opportunity available to the Underlying Funds may be less than it otherwise would have been. Certain co-investors investing with the Underlying Fund may invest on different (and more favorable) terms applicable to the Partnership and may have interests or requirements that conflict with and adversely impact the Partnership (for example, with respect to their liquidity requirements, available capital, the timing of acquisitions and disposals or other rights). The Management Company will generally seek to assure that the Underlying Funds, Other Accounts and third party co-investors participate in any co-investment and related transactions on comparable terms to the extent practicable and share in corresponding investment related expenses. Limited Partners should note, however, that this may not be practicable in all circumstances and that the Underlying Funds may participate in such investments on different and potentially less favorable terms than such parties if the Management Company deems such participation in the Underlying Funds' best interest. This may have an adverse impact on the Partnership.

Managed Accounts; Feeder Vehicles

The Management Company may also form or enter into separately managed vehicles or accounts ("Managed Accounts") organized for the purpose of investing some or all of their assets in parallel with the Partnership and the Underlying Funds. If any such accounts are established, such accounts may have the same or different economic or other terms from those of the Partnership and may or may not operate in parallel, participate proportionately in investment opportunities or share proportionately in expenses.