

The General Partner may establish one or more other investment vehicles to accommodate legal, regulatory, or other issues of certain investors (including a Levered Feeder Fund) (each, a “Feeder Fund Entity”). Each such Feeder Fund Entity shall acquire an interest in each Underlying Fund, as appropriate. Each Feeder Fund Entity will bear its own expenses and a pro rata share of the expenses of the applicable Underlying Funds, but not the expenses of the Partnership, the Levered Fund, the Offshore Fund or another Feeder Fund Entity.

Possible Positive Correlation with Stocks and Bonds

Typically, one of the objectives of an investor in incorporating a non-traditional investment such as the Partnership into a portfolio is to provide a potentially valuable element of diversification. However, there can be no assurance, particularly during periods of market disruption and stress when the risk control benefits of diversification may be most important, that the Partnership will, in fact, experience a low level of correlation with a traditional portfolio of stocks and bonds.

Financing Arrangements; Availability of Credit

The use of leverage is integral to many of the Underlying Funds’ strategies, and an Underlying Fund’s performance depends on the availability of credit in order to finance its portfolio. An Underlying Fund has the power to borrow funds and may do so when deemed appropriate by the Management Company, including to enhance the Underlying Fund’s returns and meet withdrawals that would otherwise result in the premature liquidation of investments. An Underlying Fund borrows funds from brokers, banks and other lenders to finance its trading operations. Such leverage, which may be substantial, may also be achieved through, among other methods, purchases of Securities on margin, borrowing against existing positions and the use of options, futures, forward contracts, repurchase and reverse repurchase agreements, swaps, collateralized guarantees provided by affiliates or the Partnership or any other financing structures that could allow the Partnership to achieve a levered return. There are no limitations on the ability of the Management Company to cause an Underlying Fund to use any form of leverage in its portfolio for the benefit of the Underlying Fund, a particular class or tranche of investors, one or more Feeder Funds or any combination of the foregoing. The use of leverage will magnify the volatility of changes in the value of an Underlying Fund’s portfolios and can, in certain circumstances, increase the losses to which an Underlying Fund’s investment portfolio may be subject.

An Underlying Fund may achieve better margin lending terms from certain of its prime brokers than are generally available to U.S. investors. As a result, the level of margin available to an Underlying Fund for its investments will generally be limited only by the credit decisions of its prime brokers. There can be no assurance, however, that such prime brokers will either continue such arrangements with an Underlying Fund or that such prime brokers and other lenders will approve extensions of credit to an Underlying Fund at the levels requested by the Underlying Fund. Any restriction on the availability of credit from such parties could adversely affect the Underlying Fund’s performance.

The access to and cost of capital also could be impaired by many factors, including market forces, judicial action or regulatory changes. Furthermore, banks and dealers that provide