

The service providers of the Management Company, the Partnership and the Underlying Funds are subject to the same electronic information security threats as the Management Company. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Underlying Funds and personally identifiable information of the Limited Partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Management Company's or the Partnership's proprietary information may cause the Management Company, the Partnership, or an Underlying Fund to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Partnership and the Limited Partners' investments therein.

### **Market Risks in General**

All of the Underlying Funds' strategies are subject to some dimension of market risk: for example, directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, "flights to quality" and "credit squeezes." The Management Company's style of alternative investing (including its arbitrage or relative value trading) may be no less speculative than traditional investing strategies. On the contrary, alternative investment strategies—even strategies that could be considered to have low volatility and comparatively low risk—have from time to time incurred sudden and dramatic losses.

The Management Company may have only limited ability to assess the market risks to which an Underlying Fund's investments with Third-Party Ventures are subject.

The particular or general types of market conditions in which an Underlying Fund may incur losses or experience unexpected performance volatility cannot be predicted, and the Partnership may materially underperform compared with other investment funds with a substantially similar investment objective and approach.

### **Volatility**

The prices of the instruments traded by the Underlying Funds have been subject to periods of excessive volatility in the past, and such periods may recur. Price movements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is directly intended to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

While volatility can create profit opportunities for an Underlying Fund, it can also create the specific risk that historical or theoretical pricing relationships will be disrupted, causing what should otherwise be comparatively low risk positions to incur losses. On the other hand, given the nature of many of the Underlying Funds' strategies, the lack of volatility can also result in