

These programs or systems may be subject to certain limitations, including, but not limited to, those caused by incorrect code, computer “worms,” viruses and power failures. The Underlying Funds’ operations are highly dependent on each of these systems and the successful operation of such systems is often out of the Underlying Funds’ or the Management Company’s control. The failure of one or more systems or the inability of such systems to satisfy the Underlying Funds’ new or growing businesses could have a material adverse effect on the Underlying Funds. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades or regulatory reporting, and cause inaccurate reports, which may affect the ability of the Partnership to monitor the investment portfolios and risks of the Underlying Funds.

The General Partner and the Administrator will provide to the Limited Partners statements, reports and other communications related to the Partnership in electronic form, such as email or via a password protected website (“Electronic Communications”). Electronic Communications may be modified, corrupted or contain viruses or malicious code and may not be compatible with a Limited Partner’s electronic system. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns. These periods of inaccessibility may delay or present receipt of reports or other information by the Limited Partners.

Importance of Market Judgment

Although the Management Company may use quantitative valuation models in evaluating the economic components of certain prospective trades, most of the Management Company’s strategies are generally not systematic; the market judgment and discretion of the Management Company’s personnel are fundamental to the implementation of these strategies. The greater the importance of subjective factors, the more unpredictable a trading strategy becomes.

Exchange Rates

An Underlying Fund may invest in Securities and instruments denominated in non-U.S. currencies. Such investments are subject to the risk that the value of a particular currency will change in relation to the dollar. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Management Company may seek (but is not required) to hedge these risks by investing directly in non-U.S. currencies and buying and selling options, futures or forward contracts thereon. The Partnership cannot, however, assure any Limited Partner that these strategies, if implemented, will be effective.

Duration of Investment Positions

The Management Company typically does not know (except in the case of certain options or derivatives positions which have pre-established expiration dates) the maximum—or, often, even the expected (as opposed to optimal)—duration of any particular position at the time of initiation. The length of time for which a position is maintained varies significantly, based on the Management Company’s subjective judgment of the appropriate point at which to liquidate a position so as to augment gains or reduce losses.