

of these factors, the performance of each of the Underlying Funds and any Other Account will diverge.

“New Issue” Trading

An Underlying Fund may trade in “new issues” (initial public offerings of equity securities). Certain Limited Partners will be limited, under applicable FINRA rules, from participating in the profits and losses generated by “new issues.” In addition, the Partnership may limit the participation of certain Limited Partners in “new issues” to an extent not required by FINRA. Limited Partners who receive “new issue” allocations which is less than such Limited Partners’ respective proportionate shares will not be compensated in any respect for any such disproportionate allocations. (See “Allocation of Gains and Losses; Incentive Allocation.”)

Valuation Risk; Use of Estimates

The Underlying Funds’ positions are valued using the methodologies described herein and the Administrator calculates the net asset value of the Partnership based on pricing information gathered. Such valuations will affect the Management Fees received by the Management Company and the Incentive Allocations received by the General Partner.

The values of the Underlying Funds’ positions are based, to the extent possible, on independent third-party pricing sources, which may include quotes provided by brokers and dealers and Valuation Agents. However, it is not unusual for the prices quoted by dealers for informational purposes to materially differ from the prices at which the same dealers are willing to actually enter into transactions. This discrepancy can cause unexpected net asset value declines if an Underlying Fund is required to sell a position which it had been valuing based upon dealers’ marks. Moreover, certain valuations cannot be made on the basis of third-party pricing sources. The fair market value of those investments of an Underlying Fund for which a reliable third-party quote is not available is based on other relevant sources deemed reliable by a Valuation Agent and other third-party valuation agents as well as the General Partner, in their good faith judgment. To the extent that there is a pricing uncertainty beyond acceptable tolerances, the final authority ultimately rests with the General Partner to resolve such uncertainty. The General Partner will not bear any liability if a price, reasonably believed by it to be an accurate valuation of a particular direct or indirect investment of the Underlying Funds, is subsequently found to be inaccurate.

The General Partner must depend on the valuations furnished to the General Partner by the Third-Party Ventures. In the case of the Underlying Funds’ passive investments with certain Third-Party Ventures, the General Partner may have no means of verifying the valuations provided to the Partnership, and such valuations may be subject to material correction and/or restatement over time.

Possibility of Qualified Audit Report

If an Underlying Fund’s illiquid investments substantially increase, there is the possibility, albeit remote, of the Underlying Fund not being able to determine the “fair value” of a material component of its portfolio. This could result in the auditors’ report on the Partnership’s financial statements being qualified with respect to their departure from the “fair value” requirements of