

things, requires that the Partnership be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the Partnership distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

Each of the Underlying Funds' prime brokers is a "qualified custodian" as such term is defined in the Custody Rule. The Management Company will maintain client assets in compliance with the Custody Rule.

### **Additional Brokerage Costs and Turnover**

Although each of the Underlying Funds has historically predominately invested in U.S. Securities, additional costs will be incurred in connection with the Underlying Funds' non-U.S. investment activities. Non-U.S. brokerage commissions generally are higher than brokerage commissions in the United States. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-U.S. jurisdictions.

The Underlying Funds' investment program emphasizes active management of the Underlying Funds' portfolio and delta hedging is an instrumental component of the Underlying Funds' strategies. Consequently, the Underlying Funds' portfolio turnover and brokerage commission expenses may exceed those of other investment entities of comparable size.

### **BOARD OF DIRECTORS OF THE MASTER FUND**

The Master Fund Board of Directors generally meets twice a year to review and assess the investment policy and performance of the Master Fund and generally to supervise the conduct of its affairs.

The directors and their business experience are as follows:

**Sander Gerber.** Biographical information regarding Mr. Gerber appears in the General Partner and the Management Company section above.

**Alan Milgate.** Alan Milgate is Managing Director of The Harbour Trust Co. Ltd and is also a Partner with Rawlinson & Hunter in the Cayman Islands. He is the service line leader and has overall responsibility for advising on the establishment and ongoing administration of Cayman Islands companies and funds, including acting as a director of Cayman Islands funds and other client companies. He is a qualified Chartered Accountant, Trust and Estate Practitioner (TEP) and a Chartered Financial Analyst (CFA) charter holder. Alan joined the Cayman practice in December 1997. Prior to moving to the Cayman Islands, his career included experience with the taxation practice of Deloitte & Touche in Canada, and audit and assurance services in Canada and New Zealand. Alan acts as a director of Cayman Islands funds and other client companies. He is Vice-Chair of the Cayman Branch of STEP and is Chairman of the Cayman Chapter of AIMA.

**Philip Dickie.** Philip Dickie is a Director of The Harbour Trust Co. Ltd. ("Harbour") and is responsible for providing fiduciary services to Harbour's fund clients, including serving as an