

options) markets. Similar changes are in the process of being adopted in the European Union, Japan, and other major financial markets.

These changes include, but are not limited to: requirements that many categories of the most liquid OTC derivatives (currently limited to specified interest rate swaps and index credit default swaps) be executed on qualifying, regulated exchanges and be submitted for clearing; real-time public and regulatory reporting of specified information regarding OTC derivative transactions; enhanced documentation requirements; margin requirements for uncleared swaps; position limits; and recordkeeping requirements.

While these changes are intended to mitigate systemic risk and to enhance transparency and execution quality in the OTC derivative markets, the impact of these changes is not known at this time. For instance, cleared OTC derivatives are subject to margin requirements established by regulated clearinghouses, including daily exchanges of cash variation (or mark-to-market) margin and an upfront posting of cash or securities initial margin to cover the clearinghouse's potential future exposure to the default of a party to a particular OTC derivative transaction. Furthermore, "financial end users," such as the Underlying Fund, that enter into OTC derivatives that are not cleared are generally required to exchange margin to collateralize such derivatives. Under the new rules, the level of margin that will be required to be exchanged in connection with uncleared derivatives will in many cases be substantially greater than the level currently required by market participants or clearinghouses.

These changes could significantly increase the costs to the Underlying Fund of utilizing OTC derivatives, reduce the level of exposure the Underlying Fund is able to obtain (whether for risk management or investment purposes) through OTC derivatives, and reduce the amounts available to the Underlying Fund to make non-derivative investments. These changes could also impair liquidity in certain OTC derivatives and adversely affect the quality of execution pricing obtained by the Underlying Fund, all of which could adversely impact the Underlying Fund's, and as a result the Access Fund's, investment returns. Furthermore, the margin requirements for cleared and uncleared OTC derivatives may require that Glendower, in order to maintain its exemption from commodity pool operator ("CPO") registration under CFTC Rule 4.13(a)(3), limit the Underlying Fund's ability to enter into hedging transactions or to obtain synthetic investment exposures, in either case adversely affecting the Underlying Fund's ability to mitigate risk.

Position Limits. The Dodd-Frank Act significantly expanded the scope of the CFTC's authority and obligation to require reporting of, and adopt limits on, the size of positions that market participants may own or control in commodity futures and futures options contracts and swaps. The Dodd-Frank Act also narrowed existing exemptions from such position limits for a broad range of risk management transactions.

In accordance with the requirements of the Dodd-Frank Act, the CFTC is required to establish, and the CFTC has proposed but not yet adopted, additional speculative position limits on additional listed futures and options on physical commodities and economically equivalent OTC derivatives; position limits applicable to swaps that are economically equivalent to United States listed futures and futures options contracts, including contracts on non-physical commodities, such as rates, currencies, equities and credit default swaps; and aggregate position limits for a broad range of derivatives contracts based on the same underlying commodity, including swaps and futures and futures options contracts. A person (including Glendower, the General Partner and the Investment Manager) is generally required to aggregate positions it owns or controls (including held indirectly through entities in which a person has a 10% or greater ownership interest) for purposes of current and proposed position limits, subject to certain exemptions for, among other things, independently traded positions.

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