

which case, Limited Partners would be allocated income without any corresponding cash to pay taxes) or through borrowings.

However, if there is a delay in the return of capital, or insufficient capital is returned from the Master Fund and the Onshore Feeder Fund is not able to borrow sufficient funds, the Onshore Feeder Fund may no longer be able to fully meet its capital contribution obligations towards the Master Fund.

Risks Associated with an Investment Through the Offshore Feeder Fund. Investors in the Offshore Feeder Fund will be investing in the Onshore Feeder Fund indirectly and therefore all the risk factors discussed above also apply to the Offshore Feeder Fund. The Offshore Feeder Fund is an investment vehicle being formed to facilitate the investment of certain categories of investors into the Onshore Feeder Fund. The Offshore Feeder Fund's sole objective is to invest in the Onshore Feeder Fund and, other than such investment, the Offshore Feeder Fund is not expected to have any material operations. Substantially all of the capital contributions to the Offshore Feeder Fund will be contributed by the Offshore Feeder Fund to the Onshore Feeder Fund, and the Limited Partners of the Offshore Feeder Fund will receive an indirect interest in the Onshore Feeder Fund. Limited Partners of the Offshore Feeder Fund will not have any rights, including any voting rights, in the Onshore Feeder Fund, or the ability to exercise any rights associated with the Offshore Feeder Fund's interest in the Onshore Feeder Fund or assert claims directly against the Onshore Feeder Fund. In addition, Investors investing in the Offshore Feeder Fund rather than directly through the Onshore Feeder Fund will be subject to an additional layer of expenses. The services of the general partner of the Offshore Feeder Fund will not be exclusive to the Offshore Feeder Fund, and the general partner of the Offshore Feeder Fund will also be the general partner of the Onshore Feeder Fund.

The Offshore Feeder LP Agreement may be amended from time to time, without consent of the Limited Partners of the Offshore Feeder Fund, in order to address changes in financial, regulatory or tax legislation affecting the Offshore Feeder Fund, including by reorganizing and/or reconstituting the Offshore Feeder Fund if necessary. Although no such amendments will be made if they would be materially adverse to the economic returns of the Limited Partners, such changes may negatively impact some or all of the Limited Partners.

The Offshore Feeder LP Agreement will provide for indemnification of the General Partner, the Offshore Feeder Administrator and their affiliates and certain other indemnified parties and any such indemnification (and the expense thereof) will be in addition to any indemnification granted under the Onshore Feeder LP Agreement. The Limited Partners of the Offshore Feeder Fund may be required to return any amounts distributed to them to fund Offshore Feeder Fund and Onshore Feeder Fund indemnity or other obligations.