MEMORANDUM NO: ___

ALPHAKEYS MILLENNIUM FUND, L.L.C.

PURSUANT TO AN EXEMPTION FROM THE CFTC IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

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This Confidential Private Placement Memorandum (as amended, restated or otherwise modified from time to time (for the avoidance of doubt, excluding any appendices attached hereto), the "Memorandum") is furnished on a confidential basis to a limited number of prospective investors (each, when admitted as a member, an "Investor") in AlphaKeys Millennium Fund, L.L.C. (f/k/a/ UBS Millennium Fund, L.L.C.) (the "AlphaKeys Fund") who are both qualified purchasers and accredited investors (unless otherwise permitted by law) for the purpose of providing certain information about a potential investment in limited liability company interests (the "Interests") in the AlphaKeys Fund. The Interests have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any state or of any other jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The Interests have not been registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), the securities laws of any other state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests will be offered and sold in the United States under the exemption provided by Section 4(a)(2) of the 1933 Act and Regulation D promulgated thereunder and other exemptions of similar import in the laws of the states and jurisdictions where the offering will be made. The AlphaKeys Fund will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"). There is no public market for the Interests and no such market is expected to develop in the future. The Interests are subject to restrictions on transferability and resale and may not be sold or transferred except as permitted under the limited liability company agreement of the AlphaKeys Fund (as amended, restated or otherwise modified from time to time, the "AlphaKeys Fund Agreement", annexed hereto as Appendix B) and unless they are registered under the 1933 Act, or pursuant to an exemption from such registration thereunder and under any other applicable securities law registration requirements that may be available at such time.

Required 1933 Act Disclosure. Pursuant to recent amendments to Rule 506 of Regulation D under the 1933 Act (the "Rule"), the AlphaKeys Fund is required, among other things, to disclose certain disciplinary events, in respect of various entities and/or individuals, that occurred prior to the Rule's effective date of September 23, 2013, and such disclosure is annexed hereto as Appendix C.

Potential Investors should pay particular attention to the information under the "CERTAIN RISK FACTORS" and "POTENTIAL CONFLICTS OF INTEREST" sections of this Memorandum. Investment in the AlphaKeys Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the AlphaKeys Fund. Investors in the AlphaKeys Fund must be prepared to bear such risks for an extended period of time. No assurance can be given that the AlphaKeys Fund's or the Underlying Fund's (defined below) investment objective will be achieved or that Investors will receive a return of their capital.

Any losses by the AlphaKeys Fund will be borne solely by the Investors and not by the Administrator or its affiliates; therefore, the Administrator's and its affiliates' or subsidiaries' losses in the AlphaKeys Fund will be limited to losses attributable to the

Interests in the AlphaKeys Fund held by the Administrator and its affiliates or subsidiaries in their capacity as investors in the AlphaKeys Fund.

In making an investment decision, prospective Investors must rely on their own examination of the AlphaKeys Fund and the terms of the offering of Interests, including the merits and risks involved. Any representation to the contrary is a criminal offense. The U.S. Commodity Futures Trading Commission (the "CFTC") has not reviewed or approved this offering or this Memorandum. Prospective Investors should not construe the contents of this Memorandum as legal, tax, investment or accounting advice and each prospective Investor is urged to consult with its own advisers with respect to legal, tax, regulatory, financial and accounting consequences of its investment in the AlphaKeys Fund.

Each prospective Investor shall agree that it has not relied on the AlphaKeys Fund, UBS Fund Advisor, L.L.C. (the "Administrator") in its capacity as the Administrator and the manager of the AlphaKeys Fund, or any of the Administrator's affiliates or employees for tax advice in connection with its investment.

To ensure compliance with requirements imposed by the Internal Revenue Service (the "IRS") in Circular 230, you are hereby informed that any tax advice contained in this Memorandum (i) is written in connection with the promotion or marketing by the AlphaKeys Fund of the transactions or matters addressed herein and (ii) is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under the United States Internal Revenue Code of 1986, as amended (the "Code"). Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

As used in this Memorandum, the following capitalized terms have the following meanings. "Underlying Fund" refers to Millennium USA LP and any intermediate investment vehicles controlled by the Underlying Fund Manager or its affiliates and into which the Underlying Fund directly or indirectly invests all or a portion of its assets (e.g., through a master-feeder structure). "Underlying Fund Manager" refers, individually or collectively, as the context may require, to Millennium Management LLC, a Delaware limited liability company, the general partner of the Underlying Fund. "Underlying Fund Memorandum" refers to the Private Placement Memorandum of Millennium USA LP and any supplements thereto, attached hereto as Appendix A. "Underlying Fund Documents" refers to the offering and organizational documents of Millennium USA LP, and certain other documents referred to herein related to the Underlying Fund.

This Memorandum contains information concerning the AlphaKeys Fund Agreement and the Underlying Fund Documents. However, the information set forth in this Memorandum does not purport to be complete and is subject to and qualified in its entirety by reference to the AlphaKeys Fund Agreement and the Underlying Fund Documents, copies of which are attached as appendices to this Memorandum and/or will be provided to any prospective Investor upon request, as applicable, and which should be reviewed for complete information, including information concerning the rights, privileges and obligations of Investors in the AlphaKeys Fund. In the event that the descriptions or terms in this Memorandum are inconsistent with or contrary to the descriptions in or terms of the AlphaKeys Fund Agreement and the Underlying Fund Documents, the AlphaKeys Fund Agreement (or with respect to any terms applicable to the Underlying Fund, the Underlying

Fund Documents) shall control. The Underlying Fund Documents were not prepared by or independently verified by the AlphaKeys Fund, the Administrator or any of their respective affiliates, and none of the foregoing makes any representation or warranty with respect to, or shall be responsible for, the accuracy or completeness of such information.

The Underlying Fund, the Underlying Fund Manager and their respective partners, officers, directors, employees, members and affiliates take no responsibility for the contents of this Memorandum, make no representations as to the accuracy or completeness hereof and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon any part of this Memorandum or from any actions of the AlphaKeys Fund, the Administrator or any Investors.

The Underlying Fund, the Underlying Fund Manager and their respective partners, officers, directors, employees, members and affiliates have not endorsed and make no recommendation with respect to the securities offered hereby.

The Underlying Fund and the Underlying Fund Manager have no responsibility to update any of the information provided in this Memorandum. The AlphaKeys Fund will be an investor of the Underlying Fund entitled to the rights of an investor under applicable law and the applicable Underlying Fund Documents. Investors in the AlphaKeys Fund, however, do not thereby become, and will not be, investors of the Underlying Fund and will not have rights as investors of the Underlying Fund. Rather, Investors in the AlphaKeys Fund will have rights as members in the AlphaKeys Fund. As such, the Investors in the AlphaKeys Fund will have no standing or recourse against any of the Underlying Fund, the Underlying Fund Manager, their respective affiliates or any of their respective general partners, investment advisers, officers, directors, employees, partners or members.

Statements contained in this Memorandum and the Underlying Fund Memorandum (including those relating to current and future market conditions and trends in respect thereof) that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the Administrator or the Underlying Fund Manager. Certain information contained in this Memorandum and the Underlying Fund Memorandum may constitute "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth in CERTAIN RISK FACTORS and in the Underlying Fund Memorandum, the amount subscribed for by the AlphaKeys Fund and the AlphaKeys Fund's fees and expenses, actual events or results or the actual performance of the AlphaKeys Fund may differ materially from those reflected or contemplated in such forward-looking statements.

No representation or warranty is being made herein as to the past or future investment performance of the AlphaKeys Fund or the Underlying Fund. Only those particular representations and warranties that may be made by the AlphaKeys Fund in a definitive investor application ("Investor Application") relating to the purchase of Interests, when and if one is executed, and subject to such limitations and restrictions as may be specified in such Investor Application, shall have any legal effect.

The Administrator is registered as a "commodity pool operator" with the CFTC and is a member of the National Futures Association ("NFA") in such capacity under the U.S. Commodity Exchange Act, as amended. With respect to the AlphaKeys Fund, the Administrator has claimed an exemption pursuant to CFTC Rule 4.7 for relief from certain requirements applicable to a registered commodity pool operator. See REGULATORY CONSIDERATIONS: "U.S. Commodity Exchange Act."

Except where otherwise indicated, the information contained in this Memorandum has been compiled as of the date set forth below, and the information regarding the Underlying Fund is as of the date set forth in the Underlying Fund Memorandum. Neither the AlphaKeys Fund nor any of its affiliates has any obligation to update this Memorandum. Under no circumstances should the delivery of this Memorandum, irrespective of when it is made, create any implication that there has been no change in the affairs of the AlphaKeys Fund or of the Underlying Fund since such date.

This Memorandum and the information contained herein are being furnished on a confidential basis exclusively for use by prospective Investors in evaluating the offering of the Interests of the AlphaKeys Fund described herein. Each person who has received a copy of the Memorandum and the Underlying Fund Memorandum (whether from the Administrator, such person's financial advisor or otherwise) is deemed to have agreed (whether or not such person purchases any Interests) (i) not to reproduce, disclose, distribute or make available this Memorandum, or any information contained herein, in whole or in part, to any other person (other than to such person's financial, legal, tax, accounting and other advisers assisting in such person's evaluation of the Interests and the AlphaKeys Fund, provided that such advisers are first advised of and instructed to comply with the confidentiality and use restriction on the information contained in this Memorandum) without the Administrator's prior express written consent, which consent may be withheld in the Administrator's sole discretion, (ii) to use the information in this Memorandum exclusively for such person's evaluation of the Interests and the AlphaKeys Fund and in connection with the monitoring and management of an investment in the AlphaKeys Fund, if made, and (iii) to return this Memorandum to the Administrator promptly upon request.

Each prospective Investor is invited to meet with representatives of the AlphaKeys Fund and to discuss with, ask questions of and receive answers from such representatives concerning the terms and conditions of the offering of Interests, and to obtain any additional information, to the extent that such representatives possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein.

No person has been authorized in connection herewith to give any information or make any representations other than as contained in this Memorandum and any representation or information not contained herein must not be relied upon as having been authorized by the AlphaKeys Fund and the Administrator or any of their respective directors, officers, employees, partners, shareholders, members, managers, agents or affiliates. Statements in this Memorandum are made as of the date of the initial distribution of this Memorandum unless otherwise expressly stated herein. The delivery of this Memorandum does not imply that any information contained herein is correct as of any time subsequent to the date of this Memorandum.

The distribution of this Memorandum and the offer and sale of the Interests in certain jurisdictions may be restricted by law. This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state or other jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction. The AlphaKeys Fund reserves the right to modify any of the terms of the offering and the Interests described herein, subject only to any applicable restrictions described in the AlphaKeys Fund Agreement. The Memorandum is intended for U.S. investors; in the event Interests are offered to a non-U.S. Investor, the AlphaKeys Fund may provide such Investor additional information. Prospective non-U.S. Investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of Interests, and any foreign exchange restrictions that may be relevant thereto.

Notwithstanding anything to the contrary provided in any offering document relating to the AlphaKeys Fund (including this Memorandum, the Investor Application and the AlphaKeys Fund Agreement), each Investor or prospective Investor (and each employee, representative, or other agent of the Investor or prospective Investor) may disclose to any and all persons, without limitation of any kind, the tax treatment, tax strategy and tax structure of (i) the AlphaKeys Fund and the offering of its Interests and (ii) any of its transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Investor or prospective Investor relating to such tax treatment, tax strategy and tax structure all within the meaning of Treasury Regulations § 1.6011-4(b)(3). For the avoidance of doubt, this authorization is not intended to permit disclosure of the names of, or other identifying information regarding, the participants in this offering, or of any information or the portion of any materials not relevant to the tax treatment or tax structure of the offering.

INTERESTS ARE NOT DEPOSITS IN, OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, THE ADMINISTRATOR OR ANY OF ITS AFFILIATES, ANY U.S. OR NON-U.S. DEPOSITORY INSTITUTION, AND ARE NOT INSURED BY THE FEDERAL RESERVE BOARD OR ANY OTHER U.S. OR NON-U.S. GOVERNMENTAL AGENCY. INTERESTS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, AND ARE NOT DEPOSITS, OBLIGATIONS OF, OR ENDORSED OR GUARANTEED IN ANY WAY BY, ANY BANKING ENTITY. INTERESTS ARE SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE ENTIRE AMOUNT INVESTED.

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I. SUMMARY OF TERMS

The following summary is qualified entirely by the detailed information appearing elsewhere in this Memorandum and by the terms and conditions of the limited liability company agreement of the AlphaKeys Fund (as amended, restated or otherwise modified from time to time, the "AlphaKeys Fund Agreement") attached hereto as Appendix B and the Investor Application, each of which should be read carefully and retained for future reference. Certain information contained in this Memorandum relating to the Underlying Fund Manager has been derived by UBS Financial Services Inc. from materials furnished by the Underlying Fund Manager. For a more detailed description of the Underlying Fund Manager and the Underlying Fund, see the Underlying Fund Memorandum.

As used in this Memorandum, the following capitalized terms have the following meanings. "AlphaKeys Fund" refers to AlphaKeys Millennium Fund, L.L.C. (f/k/a UBS Millennium Fund, L.L.C.), a Delaware limited liability company "Underlying Fund" refers to Millennium USA LP and any intermediate investment vehicles controlled by the Underlying Fund Manager or its affiliates and into which the Underlying Fund directly or indirectly invests all or a portion of its assets (e.g., through a master-feeder structure). "Underlying Fund Manager" refers, individually or collectively, as the context may require, to Millennium Management LLC, a Delaware limited liability company, the general partner of the Underlying Fund. "Underlying Fund Memorandum" refers to the Private Placement Memorandum of Millennium USA LP and any supplements thereto, attached hereto as Appendix A. "Underlying Fund Documents" refers to the offering and organizational documents of Millennium USA LP, and certain other documents referred to herein related to the Underlying Fund.

THE ALPHAKEYS FUND

The AlphaKeys Fund is currently offering two classes of interests: Advisory Class and Brokerage Class (together with additional classes, tranches or series of interests the AlphaKeys Fund may offer from time to time, "Interests"). Advisory Class Interests will be offered only to Investors who are clients of UBS Financial Services Inc. ("UBSFS") who invested through the UBS Institutional Consulting program or another UBSFS investment advisory program as permitted by the Administrator in its sole discretion (an "Advisory Program"), pursuant to which UBSFS or its affiliates will receive a fee directly from such Investor (an "Advisory Class Investor") for the Advisory Class Interests. Brokerage Class Interests will be offered to all other clients of UBSFS unless otherwise determined by the Administrator (each, a "Brokerage Class Investor" and, together with each Advisory Class Investor, each an "Investor").

INVESTMENT PROGRAM

The AlphaKeys Fund has been organized to invest substantially all of its capital in Millennium USA LP, a Delaware limited partnership (the "Underlying Fund"), which may invest all or a portion of its assets through other investment vehicles (e.g. through a master-feeder structure) as further described in the

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Underlying Fund Memorandum.

The objective of the AlphaKeys Fund is to invest in the Underlying Fund. The Underlying Fund's principal trading objective (through its investment in Millennium Partners, [redacted]. (the "Underlying Master Fund")) is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. See "Millennium USA's Investment Program and Strategy" in Part One of the Underlying Fund Memorandum and the entirety of Part Two of the Underlying Fund Memorandum. The Underlying Fund is a limited partner of, and invests primarily in, the Underlying Master Fund, a Cayman Islands exempted limited partnership. For ease of reference, the investment strategies, operations and performance of the Underlying Fund and Underlying Master Fund are together referred to as those of the Underlying Fund.

The AlphaKeys Fund from time to time may hold some of its assets in cash (not earning interest), or invested in money market securities, cash equivalents, short-to-medium term federal tax-exempt debt obligations and similar securities of governmental and private issuers, including funds that normally invest primarily in such securities ("Temporary Investments") (i) pending investment in the Underlying Fund or as the Administrator determines is necessary or prudent, in its discretion and/or (ii) pursuant to the retention of appropriate reserves (as determined in the sole discretion of the Administrator) in order to satisfy the AlphaKeys Fund's expenses. Subject to the foregoing, substantially all of the AlphaKeys Fund's assets are expected to be invested in the Underlying Fund.

The Underlying Fund offers and/or has issued multiple series of interests ("Underlying Fund Interests"). Currently, the AlphaKeys Fund anticipates investing only in Class FF-III interests of the Underlying Fund, as described in the Underlying Fund Memorandum. The AlphaKeys Fund may invest in any other series of the Underlying Fund if it is permitted to do so in the future by the Underlying Fund, in the Administrator's discretion without prior notice or consent.

The Underlying Fund Memorandum should be read carefully by all prospective Investors.

Investors in the AlphaKeys Fund will not be investors of the Underlying Fund and will have no direct interest in or rights

with respect to or standing or recourse against the Underlying Fund, the Underlying Fund Manager or any affiliate, officer, director, member or partner or other affiliate of any of them. None of the AlphaKeys Fund, UBS Americas, Inc. or any of its affiliates has the right to participate in the control, management or operations of the Underlying Fund, nor has any discretion over the investments of the Underlying Fund.

As a result of fees and expenses of the AlphaKeys Fund (including the Administrative Fee, as defined below) and the need to reserve amounts to pay AlphaKeys Fund obligations, the amount of each Investor's indirect investment in the Underlying Fund will be less than what it would have been had such Investor invested directly in the Underlying Fund.

There can be no guarantee that the Underlying Fund will successfully employ its investment program or that either of the AlphaKeys Fund or the Underlying Fund achieves its investment objective. Any losses by the AlphaKeys Fund will be borne solely by the Investors and not by the Administrator or its affiliates.

LEVERAGE:

The AlphaKeys Fund may borrow money for any purpose, but currently contemplates borrowing only for limited purposes such as (i) for temporary or emergency purposes or in connection with withdrawals by an Investor, (ii) to invest in the Underlying Fund pending the receipt of capital contributions from Investors and (iii) to cover any shortfall in the AlphaKeys Fund's ability to perform any payment obligations when due. If the AlphaKeys Fund borrows money, its Net Asset Value may be subject to greater fluctuation until the borrowing is repaid.

The Underlying Fund may use leverage in its trading of securities (subject to any restrictions described in the Underlying Fund Memorandum) and may sell securities short. The use of leverage and short sales has attendant risks and can, in certain circumstances, increase the adverse impact to which the Underlying Fund's portfolio (and in turn, that of the AlphaKeys Fund) may be subject. See "The Master Partnership's Investment Program and Description: Leverage and Loans" in the Underlying Fund Memorandum.

THE ADMINISTRATOR

UBS Fund Advisor, L.L.C. has been appointed by the Investors to provide certain administrative or support services to the AlphaKeys Fund (in such capacity, the "Administrator") pursuant to an administrative services agreement with the AlphaKeys Fund (the "Administrative Services Agreement").

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One or more affiliates of the Administrator and the Placement Agent (as defined below) and third parties will be engaged to provide certain services to the AlphaKeys Fund at the expense of the AlphaKeys Fund. The Administrator and/or its affiliates provide certain administrative and investment advisory services to registered and unregistered investment funds and individual accounts. The Administrator will serve as the "Manager" of the AlphaKeys Fund (in such capacity, the "Manager") as such term is defined within the meaning of the Delaware Limited Liability Company Act, Title 6 of the Delaware Code, Section 18-101 *et seq.*, as amended from time to time (the "LLC Act"). The Administrator or an affiliate may hold a nominal value of Interests in the AlphaKeys Fund and therefore may be an Investor. The Administrator currently serves (and may in the future serve) as administrator to one or more parallel funds investing in the Underlying Fund or similar funds managed by Millennium or an affiliate thereof (such funds, "Other AlphaKeys Millennium Funds").

The Administrator is an indirect, wholly owned subsidiary of UBS Americas, Inc. (the "UBS Americas") which, in turn, is a wholly owned subsidiary of UBS AG (together with its affiliates, "UBS"), a Swiss bank. UBSFS, a wholly owned subsidiary of UBS Americas, is registered as a broker-dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 Act"), and is a member of the New York Stock Exchange, Inc. and other principal securities exchanges. The offices of the Administrator are located at 1285 Avenue of the Americas, New York, New York 10019, and its telephone number is [redacted].

The Administrator may, directly or indirectly, assign all or any part of its rights and duties under the Administrative Services Agreement to any individual or entity, with the prior approval of the AlphaKeys Fund. In the event of an assignment of the Administrative Services Agreement, the Manager of the AlphaKeys Fund is authorized to grant consent on behalf of the AlphaKeys Fund. The Manager will provide written notice to the Investors in the event that it grants consent to an assignment. Because the Manager and the Administrator are currently the same entity, it is unlikely that the Manager will withhold consent to an assignment proposed by the Administrator. In addition, the Manager may resign as Manager of the AlphaKeys Fund and cause another individual or entity to be appointed as the replacement manager of the AlphaKeys Fund with (i) the prior consent of the AlphaKeys Fund, or (ii) prior notice to the AlphaKeys Fund and, to the extent consistent with applicable law, without the prior

consent of the AlphaKeys Fund.

The Administrator may be removed as the Manager of the AlphaKeys Fund and/or the Administrative Services Agreement may be terminated upon the vote of at least a majority-in-interest of Investors who are not affiliates of the Administrator ("Unaffiliated Investors") at a meeting of the Investors called for such purpose as further described in the AlphaKeys Fund Agreement. A substitute manager may be appointed upon the vote of at least a majority-in-interest of the Unaffiliated Investors.

ADMINISTRATIVE FEE

In consideration for the services provided by the Administrator, the AlphaKeys Fund will pay the Administrator a fee (the "Administrative Fee") on behalf of each Brokerage Class Investor equal to (a) 1.0% per annum of the capital account balance of each Brokerage Class Investor with a Fee Base (as defined below) of less than $3 million and (b) 0.75% per annum of the capital account balance of each Brokerage Class Investor with a Fee Base of $3 million or more. The Administrative Fee is determined as of the appropriate date and payable monthly in arrears. The "Fee Base" with respect to any Brokerage Class Investor is the amount equal to the aggregate capital contributions made by such Brokerage Class Investor (including capital contributions made at the beginning of such fiscal period) less aggregate withdrawals made by, and distributions to, such Brokerage Class Investor, in each case with respect to the AlphaKeys Fund.

The Administrative Fee is not paid to the Administrator in respect of Advisory Class Investors. If an Investor holding an Advisory Class Interest terminates its participation in an Advisory Program and, therefore, UBSFS or its affiliates are no longer receiving a fee from such Investor pursuant thereto, then the AlphaKeys Fund may convert such Investor's Advisory Class Interest into a Brokerage Class Interest and cause such Investor to bear the Administrative Fee due to the Administrator with respect to the Brokerage Class Interest accordingly, subject to waiver in the Administrator's discretion.

The AlphaKeys Fund does not expect to permit mid-month investments or withdrawals. If the AlphaKeys Fund or the Administrator permits an Investor to make a capital contribution on any day other than the first day of any month, the AlphaKeys Fund may, in the Administrator's sole discretion, be required to pay, in lieu of a full Administrative Fee for such month, a prorated Administrative Fee with respect to such Investor for such month. If the AlphaKeys Fund or the

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Administrator permits an Investor to make a withdrawal other than as of the last business day of a month, the Administrative Fee for such month may, in the Administrator's sole discretion, be prorated and paid accordingly, as appropriate. The Administrative Fee will be paid to the Administrator out of the AlphaKeys Fund's assets, and debited against each Investor's capital account by the amount of the Administrative Fee charged to the AlphaKeys Fund with respect to such Investor. The Administrative Fee will be in addition to the Underlying Fund Performance Allocation and other charges or expenses of the Underlying Fund (as described below).

The Administrator may, in its sole discretion, waive or reduce the Administrative Fee with respect to any Investor and may otherwise vary the terms of the Administrative Fee as to an Investor by agreement with such Investor and the AlphaKeys Fund. The Administrator may also vary the terms of the Administrative Fee with respect to a particular class, tranche or series (or sub-class, sub-tranche or sub-series) of Interests, in the Administrator's sole discretion.

PLACEMENT FEE

Brokerage Class Investors will be charged by UBSFS (in such capacity, the "Placement Agent") a placement fee (a "Placement Fee") of 2% of the Investor's capital contribution (including any additional capital contributions made by an Investor) to the AlphaKeys Fund (subject to waiver by the Placement Agent in limited circumstances). The Placement Fee is in addition to an Investor's capital contribution to the AlphaKeys Fund and will not be included in an Investor's capital account therein.

Advisory Class Investors will not be charged a Placement Fee.

UNDERLYING FUND PERFORMANCE ALLOCATION

A performance allocation of 20% of any net profit (determined net of the Underlying Fund Management Fee as described herein) (the "Underlying Fund Performance Allocation") will be charged annually, as further described in and subject to additional terms set forth in the Underlying Fund Memorandum. See "Fees and Expenses Relating to Millennium USA" and "Allocation of Gains and Losses" in Part One of the Underlying Fund Memorandum for further discussion of the Underlying Fund Performance Allocation.

UNDERLYING FUND EXPENSES

Neither the Underlying Fund nor the Underlying Master Fund pay a management fee. As set forth in the Underlying Fund Memorandum, the Underlying Fund and the Underlying Master Fund each bear a range of fees and expenses including, but not limited to, expenses incurred with respect to, or in

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connection with, the Underlying Master Fund and its affiliates or incurred directly by the Underlying Master Fund (which cover, among other things, the expenses, salaries, fringe benefits, bonuses, fees and performance-based compensation paid or reimbursed to portfolio managers, other employees, consultants, subcontractors, agents and investment advisers engaged directly by the Underlying Master Fund and its affiliates, fees paid to persons or entities who assist in identifying and recruiting portfolio managers, and expenses related to computers, equipment and technology and expenses related to maintaining offices, including leases and fixtures). See "Fees and Expenses Relating to Millennium USA" in Part One of the Underlying Fund Memorandum and "The Master Partnership's Fees and Expenses" in Part Two of the Underlying Fund Memorandum for further discussion of the Underlying Fund's and Underlying Master Fund's expenses.

OTHER EXPENSES

BNY Mellon Alternative Investment Services (the "Sub-Administrator") performs certain administration, accounting and investor services for the AlphaKeys Fund and other investment funds sponsored or advised by UBSFS or its affiliates. In consideration for these services, the AlphaKeys Fund and certain of these other investment funds will pay the Sub-Administrator an annual fee calculated based upon the aggregate average net assets of the AlphaKeys Fund and certain of these other investment funds, subject to a minimum monthly fee, and will reimburse certain of the Sub-Administrator's expenses.

The AlphaKeys Fund will bear all costs, fees and expenses incurred in the operation of the AlphaKeys Fund, other than those specifically required to be borne by the Administrator and other service providers pursuant to their agreements with the AlphaKeys Fund. Expenses ("Expenses") to be borne by the AlphaKeys Fund include: (i) all costs and expenses related to investment transactions and positions for the AlphaKeys Fund's account, including, but not limited to, custodial fees, fees and expenses incurred in connection with the AlphaKeys Fund's investment in the Underlying Fund, including due diligence, "road show" and other marketing-related expenses and travel-related expenses, and fees and expenses related to any Temporary Investments made by the AlphaKeys Fund; (ii) all costs and expenses associated with borrowing; (iii) fees payable to the Conflicts Review Committee (as defined herein) and the costs and expenses of holding any meetings of the Conflicts Review Committee or of Investors that are permitted or required to be held under the terms of the AlphaKeys Fund Agreement or applicable law; (iv) all costs and expenses

associated with the organization and operation of the AlphaKeys Fund, including offering costs and the costs of compliance with any applicable federal, state and other laws; tax preparation and reporting fees; taxes, including but not limited to, tax payments made on behalf of Investors; (v) fees and disbursements of any attorneys, accountants, auditors and other consultants and professionals engaged on behalf of the AlphaKeys Fund, including in connection with an audit; (vi) the costs of any liability or other insurance obtained on behalf of the AlphaKeys Fund or the Administrator; (vii) all costs and expenses of preparing, setting in type, printing and distributing reports and other communications to Investors; (viii) all expenses of valuing the AlphaKeys Fund's Net Asset Value, including any equipment or services obtained for the purpose of valuing the AlphaKeys Fund's investment portfolio, including appraisal and valuation services provided by third parties; (ix) all charges for equipment or services used for communications between the AlphaKeys Fund and any custodian or other agent engaged by the AlphaKeys Fund; (x) the Administrative Fee and the fees of custodians and other persons providing administrative or sub-administrative services to the AlphaKeys Fund; (xi) fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding, and any indemnification expenses related thereto; and (xii) such other types of expenses as may be approved from time to time by the Administrator.

The AlphaKeys Fund may pay costs and expenses, including any amounts paid or accrued by the AlphaKeys Fund vis-à-vis its investment in the Underlying Fund, such as withdrawal charges, if any. In addition, such expenses may be assessed against the individual Investor's capital account, in the Administrator's discretion, as discussed further under "Withdrawals" below. Expenses (other than the Administrative Fee, which will be charged as described above) will be allocated *pro rata* among the Investors, unless otherwise determined by the Administrator. The AlphaKeys Fund will reimburse the Administrator for any of the above expenses that it may pay on behalf of the AlphaKeys Fund.

The AlphaKeys Fund will bear its organizational and offering expenses, which may be amortized over a five year period. Such amortization over a five year period may be a divergence from U.S. Generally Accepted Accounting Principles ("GAAP"). Although amortization over a five year period is not deemed in accordance with GAAP, the Net Asset Value attributable to each Investor's capital account (as reported in

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the Investor's capital account statements) may still be calculated by amortizing organizational and offering costs over such five year period and may therefore differ from the Net Asset Value in the financial statements determined in accordance with GAAP.

The Administrator may determine to bear, waive or delay certain expenses (including organizational expenses of the AlphaKeys Fund) in its sole discretion, under such terms and in such manner as the Administrator chooses.

In addition to the foregoing costs and expenses, Investors will bear the cost of the AlphaKeys Fund's *pro rata* share of the Underlying Fund Performance Allocation and the Underlying Fund's and Underlying Master Fund's fees and expenses allocable to the AlphaKeys Fund in the Underlying Fund, each as described above. Among other things, under the Underlying Fund Documents, the Underlying Fund (and indirectly the AlphaKeys Fund, like all other investors in the Underlying Fund) has agreed to indemnify the Underlying Fund Manager and its affiliates (and each of its respective interest holders, directors, officers, employees, agents and each person who controls any of the foregoing and their executors, heirs, assigns, successors and other legal representatives). Any costs or liabilities associated with such indemnification will be borne in part by the Underlying Fund. See "Fees and Expenses Relating to Millennium USA" in Part One of The Underlying Fund Memorandum and "The Master Partnership's Fees and Expenses" in Part Two of the Underlying Fund Memorandum for further discussion of the Underlying Fund's and Underlying Master Fund's expenses.

Appropriate reserves may be created, accrued and charged against net assets for contingent liabilities known to the Administrator. Reserves will be in such amounts, subject to increase or reduction, and as of such date as the Administrator may deem necessary or appropriate.

TERMS OF UNDERLYING FUND

The terms of the Underlying Fund, including the terms described herein, are subject to change. In the event of any such change to the terms of the Underlying Fund, as an investor in the Underlying Fund, the AlphaKeys Fund will be subject to such changed terms.

TERM

The AlphaKeys Fund's term is perpetual unless it is otherwise wound up under the terms of the AlphaKeys Fund Agreement. The AlphaKeys Fund will be voluntarily dissolved: (i) at the election of the Administrator; or (ii) as required by operation of

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law. Upon the occurrence of any event of dissolution, the Administrator, acting directly, or a liquidator under appointment by the Administrator, is charged with winding up the affairs of the AlphaKeys Fund and liquidating its assets. Net profits or net loss during the fiscal period including the period of liquidation will be allocated as described in the section titled SUMMARY OF TERMS: "Allocation of Profit and Loss."

Upon the dissolution of the AlphaKeys Fund, its assets are to be distributed (1) first to satisfy the debts, liabilities and obligations of the AlphaKeys Fund, other than debts to Investors, including actual or anticipated liquidation expenses, (2) next to satisfy debts owing to the Investors and (3) finally to the Investors proportionately in accordance with the balances in their respective capital accounts. Assets may be distributed in kind if the Administrator or liquidator determines that such a distribution would be in the interests of the Investors in facilitating an orderly liquidation.

WITHDRAWALS

An Investor shall be permitted to make a withdrawal of Interests as of the close of business on March 31, June 30, September 30 and December 31 of each year (each such day, a "Withdrawal Date").

In the event that withdrawal requests are received for any Withdrawal Date aggregating to more than twenty-five percent (25%) of the aggregate net asset value of the AlphaKeys Fund as of such withdrawal date, the Administrator may, in its sole discretion, (i) satisfy all such withdrawal requests or (ii) reduce all such withdrawal requests, *pro rata* based on the requested withdrawal amount of each Investor, so that only 25% (or a higher percentage, in the sole discretion of the Administrator) of the aggregate net asset value of the AlphaKeys Fund as of such withdrawal date is withdrawn as of such date (the "Gate"). To the extent a request for withdrawal of Interests is not fully satisfied due to the Gate, the applicable Investor will be deemed automatically to have resubmitted a withdrawal request for the remaining portion of such unsatisfied request as of the next Withdrawal Date and, if the Gate applies as of such next Withdrawal Date, such withdrawal request may be subject to reduction in the same manner as new withdrawal requests pursuant to the Gate. For the avoidance of doubt, both new withdrawal requests for a Withdrawal Date and withdrawal requests deemed resubmitted for such Withdrawal Date will be reduced *pro rata* by the Gate, if applicable, as of such date. Subject to the terms of withdrawal payments by the Underlying Fund, a

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withdrawing Investor subject to the Gate(s) will generally receive payment on each subsequent Withdrawal Date until the Investor's entire withdrawal request is satisfied. Capital not withdrawn from the AlphaKeys Fund by virtue of the foregoing restrictions shall remain at risk of (and will be subject to the profits and losses resulting from) the AlphaKeys Fund's business until the effective date of the withdrawal.

In addition, to the extent the AlphaKeys Fund is restricted from making withdrawals from the Underlying Fund due to a gating or other restriction imposed by the Underlying Fund, the Administrator may, in its sole and absolute discretion, reduce the withdrawals requested by Investors *pro rata* according to the method described above.

A withdrawal of any Interests prior to the last day of the fourth full fiscal quarter after the subscription for such Interests will be subject to an early withdrawal charge (the "Early Withdrawal Charge") equal to 4% of the amount requested to be withdrawn, the proceeds of which will be allocated among the remaining Interests. In addition, any early withdrawal charge that is charged to the AlphaKeys Fund by the Underlying Fund will be allocated *pro rata* among Investors.

An Investor wishing to withdraw capital or withdraw from the AlphaKeys Fund must provide written notice to the Administrator at least one hundred and five (105) days prior to a Withdrawal Date, (unless the Administrator agrees to accept shorter notice), or upon such other notice period, which may be longer, as may be notified to the Members, in the Manager's sole discretion.

In the case of withdrawals of 95% or more of the balance of an Investor's capital account, an amount equal to 95% of the estimated withdrawal proceeds is generally expected to be payable to such Investor within sixty (60) days after the applicable Withdrawal Date, and the balance will be paid, subject to audit adjustment and with interest, within 30 days after the AlphaKeys Fund receives its audited financial statements for the year in which such Withdrawal Date occurred.

In the case of withdrawals of less than 95% of an Investor's capital account made as of March 31 or September 30, an amount equal to 100% of the estimated withdrawal proceeds is generally expected to be payable to an Investor within sixty (60) days after the applicable Withdrawal Date.

In the case of withdrawals of less than 95% of an Investor's capital account made as of June 30 or December 31, an amount equal to 95% of the estimated withdrawal proceeds is generally expected to be payable to an Investor within sixty (60) days after the applicable Withdrawal Date, and the balance will be paid, subject to audit adjustment and with interest, 15 days following receipt from the Underlying Fund (which will be after the completion of the semiannual audit of the Underlying Fund, which is generally expected to occur approximately 100 days after the applicable Withdrawal Date, although such audit could also be completed at a later time).

Notwithstanding the foregoing, amounts held back may be larger and/or paid out later than described above, as the ability of the AlphaKeys Fund to honor withdrawal requests will be dependent upon the AlphaKeys Fund's receipt of funds from the Underlying Fund and its ability to make withdrawals from the Underlying Fund, which is subject to the withdrawal terms of the Underlying Fund and may be delayed or suspended altogether. See "Millennium USA's Organization, Management, Structure, and Operations" in Part One of the Underlying Fund Memorandum. The Administrator may determine to satisfy a withdrawal request in full, without a holdback, in its discretion.

Each withdrawal will be subject to a minimum withdrawal amount of U.S. $50,000 and no partial withdrawals will be permitted if the balance of the Investor's capital account with respect to its remaining Interests would be less than U.S. $250,000, provided that such requirements may be waived with respect to any Investor by the Administrator in its sole discretion.

The amount due to any Investor whose Interest or portion thereof is withdrawn will be equal to the value of the Investor's capital account or portion thereof based on the estimated net asset value of the AlphaKeys Fund's assets as of the applicable Withdrawal Date, after giving effect to all allocations and charges to be made to the Investor's capital account (including the Administrative Fee) as of such date. The Administrator may establish reserves and holdbacks for estimated, projected or accrued expenses (including the Administrative Fee), liabilities and contingencies (even if such reserves or holdbacks are not otherwise required by generally accepted accounting principles) which could reduce the amount of a distribution upon withdrawal. In addition, in the sole discretion of the Administrator, any withdrawal by an Investor may be subject to a charge, as the Administrator may reasonably require, in order

to defray the costs and expenses of the AlphaKeys Fund in connection with such withdrawal, including but not limited to the Early Withdrawal Charge and any amounts paid or accrued by the AlphaKeys Fund vis-à-vis its investment in the Underlying Fund, withdrawal or similar charges imposed by the Underlying Fund.

The AlphaKeys Fund may, at times, receive withdrawal proceeds in amounts that exceed the eligible withdrawal requests with respect to the AlphaKeys Fund. The Administrator will generally reinvest any such excess in the Underlying Fund as of the next available capital contribution date. However, as a result of such over-withdrawal, the AlphaKeys Fund may bear a greater amount of Underlying Fund Incentive Allocation and/or other fees and expenses than it would bear in the absence of such overwithdrawal.

To the extent permitted by applicable law, the Administrator may require any Investor to withdraw its Interests (in whole or in part) for any or no reason. For example, the AlphaKeys Fund may terminate the Interest of any Investor who is a UBS employee if the continued participation of such Investor is determined by the Administrator to subject any of the AlphaKeys Fund, the Administrator, or their respective affiliates to any adverse consequence under any laws, rules or regulations applicable to any of the AlphaKeys Fund, the Administrator, or their respective affiliates. Distributions in respect of any such required withdrawals may be made in the manner and in amounts described above for voluntary withdrawals by Investors.

Please see "Withdrawal Rights" in the Underlying Fund Memorandum for a more detailed description of the withdrawal terms, including additional restrictions, applicable to the AlphaKeys Fund's investment in the Underlying Fund.

LIMITATIONS ON WITHDRAWALS

Notwithstanding anything herein to the contrary, and in accordance with the AlphaKeys Fund Agreement, the Administrator may suspend or delay the right of any Investor to withdraw all or a portion of its capital account or to receive a distribution from the AlphaKeys Fund if (i) the Administrator reasonably believes it necessary, prudent or appropriate in connection with the operation of the AlphaKeys Fund or (ii) the AlphaKeys Fund has not received sufficient funds from the Underlying Fund or if the AlphaKeys Fund's ability to make withdrawals from the Underlying Fund is suspended, delayed, modified or denied. See "Certain Risk Factors Relating to Millennium USA – Limit on Withdrawals" in Part One of the

Underlying Fund Memorandum for a discussion of when the AlphaKeys Fund's ability to make withdrawals from the Underlying Fund may be suspended, delayed, modified or denied. The Administrator specifically reserves the right to prohibit an Investor from withdrawing all or a portion of its capital account or from receiving a distribution from the AlphaKeys Fund if such withdrawal or distribution would cause the assets of the AlphaKeys Fund to be considered "plan assets" under Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and any rules and regulations thereunder, and the plan assets regulation set forth by the U.S. Department of Labor in the U.S. Code of Federal Regulations at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (collectively, the "Plan Assets Rules"). **Further, Investors should be aware that the withdrawal process could involve substantial complications and delays, as the ability of the AlphaKeys Fund to honor withdrawal requests will be dependent upon the AlphaKeys Fund's ability to make withdrawals from the Underlying Fund, which may be delayed or suspended altogether. Accordingly, the Administrator may determine that withdrawals should be delayed or suspended. The Administrator may so delay or suspend redemptions from the AlphaKeys Fund at a time when no such delay or suspension is in effect with respect to one or more Other AlphaKeys Millennium Funds.**

Notwithstanding anything to the contrary contained herein, once the AlphaKeys Fund has commenced liquidation, all withdrawal rights and requests may be canceled or altered in the Administrator's sole discretion. Withdrawals may be funded with cash or securities. Although the Administrator generally expects distributions in connection with withdrawals to be made in cash, any such distributions may be in cash, in-kind, or partly in cash and partly in-kind, in the Administrator's sole discretion.

Please see "Limitation on Withdrawals" in the Underlying Fund Memorandum for a more detailed description of the withdrawal terms, including additional restrictions, applicable to the AlphaKeys Fund's investment in the Underlying Fund.

CAPITAL ACCOUNTS

The AlphaKeys Fund will maintain a separate capital account for each Investor, which will have an opening balance equal to such Investor's initial contribution to the capital of the AlphaKeys Fund. Each Investor's capital account will be increased by the sum of the amount of cash constituting additional contributions by such Investor to the capital of the

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AlphaKeys Fund, plus any amounts credited to such Investor's capital account as described below. Similarly, each Investor's capital account will be reduced by the sum of the amount of any withdrawal from the AlphaKeys Fund of the Interest or portion of the Interest of such Investor, plus the amount of any distributions to such Investor, plus any amounts debited against such Investor's capital account as described below. Capital accounts of Investors are adjusted as of the close of business on the last day of each fiscal period. The AlphaKeys Fund may, in the Administrator's sole discretion, establish a separate capital account with respect to an additional contribution by an Investor and Investors may hold multiple Interests.

ALLOCATION OF PROFIT AND LOSS

Net profits or net losses of the AlphaKeys Fund for each fiscal period will be allocated among and credited to or debited against the capital accounts of all Investors as of the last day of each fiscal period in accordance with the balance of each such capital account for such fiscal period (provided that allocations may be adjusted to give effect to additional classes, tranches or series of interests created by the AlphaKeys Fund). Net profits or net losses will be measured as the net change in the Net Asset Value of the AlphaKeys Fund, including any net change in unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses during a fiscal period, before giving effect to the Administrative Fee (and certain other items) and any withdrawals by Investors.

In the event the Administrator determines that, based upon tax or regulatory reasons, or any other reasons, an Investor should not participate, in whole or in part, in allocations of net profit and net loss to one or more of its capital accounts attributable to trading or investing in any security, type of security or any other transaction, the Administrator may allocate such profit and/or loss to the capital accounts of such Investor or other Investors not subject to such limitations. The Administrator may also choose, based upon the reasons above, to allocate interest earned on any security, type of security or any other transaction to a memorandum account separate from such Investor's capital account(s).

To the greatest extent possible, allocations for federal income tax purposes generally will be made among the Investors so as to reflect equitably amounts credited or debited to each Investor's capital account. The AlphaKeys Fund may specially allocate items of taxable income and gain or loss and deduction to a withdrawing Investor. This special allocation to or from a withdrawing Investor could result in Investors

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(including the withdrawing Investor) receiving more or less items of income, gain, deduction or loss (and/or income, gains, deductions or losses of a different character) than they would receive in the absence of such allocations.

VALUATION

The AlphaKeys Fund and/or each class, tranche or series of Interests issued by the AlphaKeys Fund will have a Net Asset Value determined at such times as the Administrator may determine. The Net Asset Value will be equal to the sum of the value of all the gross assets of the AlphaKeys Fund and/or each class, tranche or series minus all gross liabilities of the AlphaKeys Fund and/or such class, tranche or series, including (after accrual thereof) any expenses. The term "Net Asset Value" in respect of the AlphaKeys Fund or the Underlying Fund (or any class, tranche or series (or sub-class or sub-series) thereof) shall mean the then-current net asset value of such AlphaKeys Fund or Underlying Fund (or such class, tranche or series (or sub-class or sub-series) thereof).

The assets of the AlphaKeys Fund will be valued in accordance with GAAP or another methodology determined appropriate by the Administrator in its sole discretion. Based on current GAAP requirements, the Administrator expects to rely on valuation information provided by the Underlying Fund (which will be unaudited, except for information as of the date of the Underlying Fund's semiannual audits), which if inaccurate or incomplete could adversely affect the Administrator's ability to determine the Net Asset Value and, accordingly, value the Interests accurately. In certain circumstances, the Administrator may be required by GAAP to make adjustments to the valuation information provided by the Underlying Fund. Absent bad faith or manifest error, valuation determinations made by the Administrator will be conclusive and binding.

Except as otherwise determined by the Administrator, the AlphaKeys Fund's net profits and net losses will be determined in accordance with GAAP applied consistently and will include net realized and unrealized profits or losses on the AlphaKeys Fund's investments.

LIABILITY OF INVESTORS

Investors in the AlphaKeys Fund will be members of a limited liability company as provided under Delaware law. Under Delaware law and the AlphaKeys Fund Agreement, an Investor will not be liable for the debts, obligations or liabilities of the AlphaKeys Fund solely by reason of being an Investor, except that the Investor may be obligated to (i) make capital contributions to the AlphaKeys Fund pursuant to the AlphaKeys Fund Agreement and applicable law, including to

repay any funds wrongfully distributed to the Investor, (ii) repay amounts paid to such Investor in connection with a withdrawal as a result of a determination by the Administrator that the amount paid to such Investor was materially incorrect, (iii) repay withholding or other taxes applicable with respect to such Investor paid by the AlphaKeys Fund, or (iv) repay liabilities of the AlphaKeys Fund incurred during a prior period in which such Investor was an Investor in the AlphaKeys Fund (including any such liabilities of the AlphaKeys Fund to the Underlying Fund).

The Administrator will not be personally liable to any Investor for the repayment of any balance in such Investor's capital account or for capital contributions by such Investor to the capital of the AlphaKeys Fund or by reason of any change in the federal or state income tax laws applicable to the AlphaKeys Fund or its Investors.

EXCULPATION AND INDEMNIFICATION

The AlphaKeys Fund Agreement provides that the Manager will not be liable to the AlphaKeys Fund for any acts or omissions by the Manager, and any member, director, officer or employee of the Manager, or any of its affiliates, for any error of judgment, mistake of law or any act or omission in connection with the performance of its duties under the AlphaKeys Fund Agreement, unless it shall be determined by final judicial decision on the merits, from which there is no further right to appeal, that such error, mistake or act or omission constitutes willful misfeasance, bad faith or gross negligence in connection with the conduct of the Manager's duties under the AlphaKeys Fund Agreement; provided, that under no circumstance will the Manager be liable for any indirect or consequential damages.

The AlphaKeys Fund will indemnify the Manager, and any member, director, officer or employee of the Manager, and any of their affiliates (each, an "Indemnified Person") for, and hold each Indemnified Person harmless against, any loss, liability or expense, including, without limit, reasonable counsel fees, incurred on the part of an Indemnified Person arising out of or in connection with the Manager's acceptance of, or the performance of its duties and obligations under, the AlphaKeys Fund Agreement, as well as the costs and expenses of defending against any claim or liability arising out of or relating to the AlphaKeys Fund Agreement, absent willful misfeasance, bad faith or gross negligence of its obligations to the AlphaKeys Fund; provided, however, that nothing contained in the AlphaKeys Fund Agreement shall constitute a waiver or limitation of any rights which the AlphaKeys Fund may have

under applicable securities or other laws.

Expenses incurred by an Indemnified Person in defense or settlement of any claim that may be subject to a right of indemnification hereunder will be advanced by the AlphaKeys Fund to such Indemnified Person prior to the final disposition thereof upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if a court of competent jurisdiction determines in a non-appealable judgment that the Indemnified Person was not entitled to be indemnified hereunder. Any and all judgments against the AlphaKeys Fund or the Manager in respect of which the Manager is entitled to indemnification shall be satisfied from the AlphaKeys Fund assets, including capital contributions. If the Manager determines that it is appropriate or necessary to do so, the Manager may cause the AlphaKeys Fund to establish reasonable reserves, escrow accounts or similar accounts to fund its obligations.

The Administrative Services Agreement and the Investor Application provide that the Administrator and its affiliates will receive certain exculpation and indemnification rights that are substantially similar to those afforded to the Manager pursuant to the terms of the AlphaKeys Fund Agreement.

In addition, the AlphaKeys Fund indemnifies the Placement Agent under certain circumstances, as set forth in the placement agreement between the AlphaKeys Fund and the Placement Agent (the "Placement Agreement").

AMENDMENT OF THE ALPHAKEYS FUND AGREEMENT

The AlphaKeys Fund Agreement may be amended with the approval of (i) the Administrator in its capacity as Manager and (ii) a majority-in-interest of the Investors. An Investor will be deemed to consent to a proposed amendment if the Investor has received notice of such amendment and did not object thereto within a reasonable, and specifically disclosed, time period that is consistent with applicable law. Amendments increasing the obligation of any Investor to make capital contributions to the AlphaKeys Fund or reducing any Investor's capital account (in each case other than as permitted in the AlphaKeys Fund Agreement) may not be made without the consent of any Investors adversely affected thereby or unless any such Investor has received notice of such amendment and, in the case of an Investor objecting to such amendment, a reasonable opportunity to withdraw its Interests. Amendments that (i) increase Investor rights, including with respect to voting, or (ii) otherwise would not adversely affect Investors, will not require Investor consent.

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The terms of the Underlying Fund, including the terms described herein, are subject to change. In the event of any change to the terms of the Underlying Fund, as an investor in the Underlying Fund, the AlphaKeys Fund will be subject to such changed terms and will change its terms accordingly.

APPLICATION FOR INTERESTS

Both initial and additional applications for Interests by eligible Investors may be accepted at such times as the AlphaKeys Fund may determine, subject to the receipt of cleared funds on or before the acceptance date set by the AlphaKeys Fund. Capital contributions made prior to any closing, including the initial closing, the timing of which will be determined in the sole discretion of the Administrator, may be held in an escrow or similar account pending such closing at the discretion of the Administrator. It is possible such account will not earn interest. After the initial closing, initial applications and additional capital contributions generally will be accepted monthly. The AlphaKeys Fund reserves the right to reject any application for Interests in the AlphaKeys Fund at any time and to suspend acceptance of subscriptions, which suspension may later be terminated by the Administrator. Generally, the minimum initial investment in the AlphaKeys Fund is $250,000. Investors may make additional capital contributions in amounts not less than $50,000 unless otherwise determined by the Administrator, in its sole discretion. The AlphaKeys Fund, in its sole discretion, may vary the investment minimums from time to time. Contributions to the capital of the AlphaKeys Fund will be payable in cash.

Investors must be "accredited investors" as defined in Regulation D promulgated under the 1933 Act (each, an "Accredited Investor") and "qualified purchasers" as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "1940 Act") (each, a "Qualified Purchaser"), unless otherwise permitted by law. See APPLICATION FOR INTERESTS: "Eligible Investors."

TRANSFER RESTRICTIONS

No person may become a substitute Investor without the written consent of the Administrator, which consent may be withheld for any reason in its sole and absolute discretion and is expected to be granted, if at all, only under extenuating circumstances, in connection with a transfer to an entity that does not result in a change of beneficial ownership. The Administrator may require such documentation as it shall determine in its sole discretion.

SUMMARY OF TAXATION

The AlphaKeys Fund intends to be treated as a partnership for federal income tax purposes and not as an association or a publicly traded partnership taxable as a corporation. As a partnership, the AlphaKeys Fund generally should not be subject to federal income tax, and each Investor will be required to report on its own annual tax return its distributive share of the AlphaKeys Fund's taxable income or loss (which, assuming the Underlying Fund and the Underlying Master Fund are each properly treated as a partnership for federal income tax purposes and not as an association or a publicly traded partnership taxable as a corporation, will consist almost entirely of the AlphaKeys Fund's share of the taxable income or loss of the Underlying Fund, which, in turn, will consist primarily of the Underlying Fund's share of the taxable income or loss of the Underlying Master Fund). Each Investor must report its share of the AlphaKeys Fund's taxable income or loss, regardless of the extent to which, or whether, the AlphaKeys Fund or such Investor receives corresponding distributions for such taxable year, and such Investor, thus, may incur income tax liabilities in excess of any distributions to or from the AlphaKeys Fund.

An investment in the AlphaKeys Fund may have the effect of requiring the Investor to file income or other tax returns in jurisdictions in which the AlphaKeys Fund, the Underlying Fund or the Underlying Master Fund conducts investment activities. In order for the AlphaKeys Fund to complete its tax reporting requirements, the AlphaKeys Fund must, among other things, receive timely information from the Underlying Fund.

If the AlphaKeys Fund incurs a withholding tax or other tax obligation with respect to the share of AlphaKeys Fund income allocable to any Investor in the Administrator's sole discretion, the amount of such obligation shall be debited against the Capital Account of such Investor, and any amounts then or thereafter distributable to such Investor may be reduced by the amount of such taxes. If the amount of such taxes is greater than any such distributable amounts, then such Investor shall be required to pay to the AlphaKeys Fund, upon demand, the amount of such excess.

Investors should note that the AlphaKeys Fund is not generally obligated, and does not intend, to make distributions. Further, the AlphaKeys Fund is not required, and does not intend, to make distributions to an Investor to cover U.S. federal and state income taxes or other tax liabilities of such Investor with respect to its allocable share of AlphaKeys Fund income and gain. Accordingly, a non-withdrawing Investor will be required to use cash from other sources in order to pay tax on its taxable income that is attributable to its Interests in the AlphaKeys Fund. See TAX ASPECTS.

TAX-EXEMPT ENTITIES

The AlphaKeys Fund may borrow for any purpose and it is expected that the Underlying Fund or Underlying Master Fund will use leverage in connection with its trading activities. However, the AlphaKeys Fund only intends to borrow in limited circumstances, if any. The Underlying Fund Memorandum provides that a portion of the Underlying Fund's income may be treated as "unrelated business taxable income" ("UBTI"), and therefore the AlphaKeys Fund may generate UBTI as well (which will be significant if the Underlying Fund generates significant UBTI, as it has in previous years). Therefore, a tax-exempt Investor may incur income tax liability with respect to its share of the net profits from such leveraged transactions and other transactions to the extent they are treated as giving rise to UBTI. Tax-exempt investors (including individual retirement accounts ("IRAs"), to the extent investments through IRAs are accepted) may be required to make payments, including estimated payments, and file an income tax return for any taxable year in which they have UBTI. To file an income tax return, it may be necessary for the IRA or other tax-exempt investor to obtain an Employer Identification Number. The AlphaKeys Fund will not accept subscriptions from charitable remainder trusts. See TAX ASPECTS.

Investment in the AlphaKeys Fund by tax-exempt entities requires special consideration. Trustees or administrators of such entities are urged to review carefully the matters

discussed in this Memorandum.

ERISA CONSIDERATIONS

The Administrator will use reasonable efforts to prevent the assets of the AlphaKeys Fund from being considered "plan assets" within the meaning of the Plan Assets Rules by limiting investment in each class of Interests of the AlphaKeys Fund by "Benefit Plan Investors" (as defined in the Plan Assets Rules and described in CERTAIN ERISA AND OTHER CONSIDERATIONS below) to a level that would not be considered "significant" (as defined in the Plan Assets Rules). Investors and persons making the decision to invest in the AlphaKeys Fund on their behalf will be required to identify an Investor's Benefit Plan status. See CERTAIN ERISA AND OTHER CONSIDERATIONS below.

If at any time the Administrator determines that equity participation in the AlphaKeys Fund by Benefit Plan Investors would be considered "significant" (as defined in the Plan Assets Rules), the Administrator will be permitted to cause one or more Benefit Plan Investors to withdraw or reduce their Interests in the AlphaKeys Fund (including on a non-pro rata basis) to the extent necessary so that equity participation in the AlphaKeys Fund by Benefit Plan Investors would not be considered "significant" (as defined in the Plan Assets Rules). See "CERTAIN ERISA AND OTHER CONSIDERATIONS below.

Each prospective Investor subject to ERISA and/or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "Code") (or any other similar laws) is urged to consult its own legal and financial advisers as to the provisions of ERISA and Section 4975 of the Code (or such similar laws) applicable to an investment in the AlphaKeys Fund.

REPORTS TO INVESTORS

The AlphaKeys Fund will furnish to Investors as soon as practicable after the end of each taxable year such information as is necessary for Investors to complete federal and state income tax or information returns, along with any other tax information required by law. For the AlphaKeys Fund to complete its tax reporting requirements, it must receive information on a timely basis from the Underlying Fund.

It is expected that the AlphaKeys Fund's Schedule K-1s will most likely not be available prior to April 15 (and may be available significantly later than April 15) and, accordingly, Investors would need to obtain extensions for the filing of their individual tax returns at the federal,

state and local level.

The AlphaKeys Fund also intends to deliver to the Investors audited annual financial reports of the AlphaKeys Fund as soon as practicable after the conclusion of the AlphaKeys Fund's fiscal year; however, the AlphaKeys Fund may deliver unaudited annual financial reports in its sole discretion. If the AlphaKeys Fund does deliver audited reports, such annual audit can be completed only once the AlphaKeys Fund receives audited financial statements for the same fiscal year from the Underlying Fund. Consequently, it is possible that audited annual financial reports of the AlphaKeys Fund may be completed later than would otherwise be the case. In addition, Investors may receive quarterly and other unaudited periodic reports regarding the AlphaKeys Fund's operations. To the extent that such reports reflect valuations of investments made by the Underlying Fund, such valuations will be based on information provided by the Underlying Fund, in its sole discretion. Such valuations are subjective in nature and may not conform to any particular valuation standard.

Audited financial reports, as well as other financial reports of the AlphaKeys Fund, will be prepared in accordance with GAAP or another methodology determined appropriate by the Administrator, in its sole discretion. It is possible that the reporting method used to prepare annual reports may differ from the method used with respect to preparation of quarterly reports. The AlphaKeys Fund will adopt the accrual method for tax accounting purposes or any other accounting method permitted by the Code which the Administrator determines in its sole discretion is in the best interests of the AlphaKeys Fund.

RISK FACTORS AND CONFLICTS OF INTEREST

An investment in the AlphaKeys Fund (and its investment in the Underlying Fund) is speculative and involves significant risks and potential conflicts of interest, certain of which are described in more detail in CERTAIN RISK FACTORS below and "Certain Risk Factors Relating to Millennium USA" and "Certain Risk Factors Relating to an Investment in the Master Partnership" in the Underlying Fund Memorandum.

An investment in the AlphaKeys Fund entails special tax risks. See SUMMARY OF TERMS: "Summary of Taxation."

The Underlying Fund is not registered as an investment company under the 1940 Act and, therefore, the AlphaKeys Fund is not able to avail itself of the protections of the 1940 Act with respect to the Underlying Fund.

The investment activities of the Administrator, the Underlying Fund Manager and the portfolio managers it retains, and their respective affiliates, for their own accounts and the other accounts they manage, may give rise to conflicts of interest that may disadvantage the AlphaKeys Fund. The AlphaKeys Fund's operations may give rise to other conflicts of interest. See POTENTIAL CONFLICTS OF INTEREST and "Related-Party Transactions; Conflicts" in Part Two of the Underlying Fund Memorandum.

II. CERTAIN RISK FACTORS

Prospective Investors should carefully consider the risks involved in an investment in the AlphaKeys Fund and in the Underlying Fund, including, but not limited to, those discussed below. Prospective Investors should consult their own legal, tax and financial advisors as to all of these risks and an investment in the AlphaKeys Fund generally. Prospective Investors should refer to "Certain Risk Factors Relating to Millennium USA" and "Certain Risk Factors Relating to an Investment in the Master Partnership" in the Underlying Fund Memorandum for more detailed risks related to the AlphaKeys Fund's investment in the Underlying Fund.

Risks Associated With the Structure of the AlphaKeys Fund

Risk of a Single Investment. The investment performance of the AlphaKeys Fund will depend almost entirely on the performance of the Underlying Fund, over which neither the AlphaKeys Fund nor the Administrator will have any control. The AlphaKeys Fund will not hedge the risks of any of the Underlying Fund's investments and the Administrator does not intend to take any defensive actions in the event of declining performance or asset losses at the Underlying Fund. As a result, the AlphaKeys Fund's investment performance could be materially worse than would be the case if the AlphaKeys Fund could diversify investments among asset classes or hedge investment risks, or if the Underlying Fund itself were diversified among asset classes.

Layering of Fees. Pursuant to the Administrative Services Agreement, each Investor shall pay to the Administrator a monthly Administrative Fee as set forth above in SUMMARY OF TERMS: "Fees and Expenses." The Administrative Fee is in addition to and separate from the Underlying Fund Performance Allocation, other fees and expenses of the Underlying Fund borne by the AlphaKeys Fund due to its status as a limited partner of the Underlying Fund, and the retention of appropriate reserves therefor as determined in the sole discretion of the Administrator, and in addition to the fees and expenses paid to other third parties engaged on behalf of the AlphaKeys Fund. Therefore, Investors of the AlphaKeys Fund bear two levels of fees, and investments by Investors in the AlphaKeys Fund are not investments in the Underlying Fund on a dollar-for-dollar basis. The returns for an investor in the Underlying Fund will depend on the timing and actual amount invested in the Underlying Fund and the performance thereof, as well as the timing and amount of capital contributed to the Underlying Fund and held in Temporary Investments and the performance thereof. Investors meeting minimum investment criteria set forth in the Underlying Fund Memorandum may invest directly in the Underlying Fund without incurring fees and expenses of the AlphaKeys Fund; however, direct interests in the Underlying Fund are not offered pursuant to this Memorandum or by UBS.

Potential Adverse Effects of Being Treated as a Single Investor in the Underlying Fund. The AlphaKeys Fund will hold a single interest in the Underlying Fund, and each Investor's indirect investment in the Underlying Fund will not be represented by a separate interest in the Underlying Fund. Therefore, the Underlying Fund Performance Allocation made in respect of the AlphaKeys Fund's investment in the Underlying Fund is based on the performance of the AlphaKeys Fund's investment as a whole and not upon the performance of a particular Investor's indirect investment in the Underlying Fund. Similarly, early withdrawal charges, if any, charged by the Underlying Fund and other withdrawal-related

provisions may be based on the withdrawal by the AlphaKeys Fund as a whole and not upon the withdrawal by a particular Investor. An Investor may not be able to make a withdrawal from the AlphaKeys Fund at times and in the amounts that a direct investor in the Underlying Fund would have been able to withdraw. As a result, additional investments in the AlphaKeys Fund, by new or existing Investors, and withdrawals from the AlphaKeys Fund, which will generally require additional capital contributions or withdrawals, as the case may be, to or from the Underlying Fund, may in certain circumstances create distortions in the economic benefits and detriments of an investment in the AlphaKeys Fund for different Investors. An existing Investor's indirect share of a loss carryforward established with respect to a contribution by the AlphaKeys Fund into the Underlying Fund may effectively be diluted by new capital contributions to the AlphaKeys Fund made by other Investors or by a withdrawal from the Underlying Fund in connection with withdrawals from the AlphaKeys Fund by other Investors. Thus, an existing Investor's indirect share of such loss carryforward will effectively be diluted by any new capital contributions in the AlphaKeys Fund. See "Allocation of Gains and Losses" in Part One of the Underlying Fund Memorandum.

In addition, the Underlying Fund may issue additional classes, tranches or series of Underlying Fund Interests to investors in the Underlying Fund in order to track participation in "new issues" as defined under the rules of the Financial Industry Regulatory Authority, Inc. Investors should be aware that even if one or more Investors are eligible to invest in "new issues," the AlphaKeys Fund expects to invest in a class, tranche or series of Underlying Fund Interests which does not participate in "new issues."

In the sole discretion of the Administrator, any withdrawal by an Investor may be subject to a charge, as the Administrator may reasonably require, in order to defray the costs and expenses of the AlphaKeys Fund in connection with such withdrawal, including but not limited to the Early Withdrawal Charge and any amounts paid or accrued by the AlphaKeys Fund vis-à-vis its investment in the Underlying Fund.

No Recourse Against the Underlying Fund. Investors of the AlphaKeys Fund will not be investors in the Underlying Fund, will have no direct interest in the Underlying Fund and will have no standing or recourse against the Underlying Fund or its affiliates, including the Underlying Fund Manager.

No Rights to Vote or Participate. The AlphaKeys Fund has limited voting rights in connection with its interests in the Underlying Fund (as further described in "U.S. Bank Holding Company Act" in "REGULATORY CONSIDERATIONS"). The AlphaKeys Fund's voting rights, if any, will be exercised by the Administrator on the AlphaKeys Fund's behalf, without seeking instruction from any Investor. The Underlying Fund invests in multiple sub-strategies, which may change, and has changed, from time to time. None of the AlphaKeys Fund, UBS Americas, Inc. or any of their affiliates has the right to participate in the control, management or operations of the Underlying Fund, nor has any discretion over the investments of the Underlying Fund.

Side Letters and Other Agreements with Clients. The Administrator may enter into side letters or other similar agreements with a particular Investor without the approval of other Investors of the AlphaKeys Fund. Any such side letter would have the effect of establishing

rights under, altering or supplementing the terms of the AlphaKeys Fund Agreement or the Investor Application with respect to such Investor in a manner different from, and possibly more favorable to, such Investor than those applicable to other Investors. Such rights or terms in any such side letter or similar agreement may include, without limitation, (i) different notice periods or minimum initial and continuing investment amounts, (ii) the agreement of the Administrator to extend certain information rights or additional diligence, valuation or reporting rights to such Investor, including, without limitation, to accommodate special regulatory or other circumstances of such Investor, (iii) waiver or modification of certain confidentiality obligations of such Investor, (iv) waiver or modification of certain fee obligations of such Investor, (v) consent of the Administrator to certain transfers by such Investor or other exercises by the Administrator of its discretionary authority under the AlphaKeys Fund Agreement in certain respects for the benefit of such Investor, (vi) restrictions on, or special rights of such Investor with respect to the activities of the Administrator and its affiliates, (vii) special rights of such Investor with respect to withdrawals, (viii) additional obligations and restrictions on the Administrator and the AlphaKeys Fund with respect to the structuring of investments in light of the legal, tax and regulatory considerations of such Investor or (ix) other rights or terms necessary in light of particular legal, regulatory, public policy or other characteristics of such Investor. The terms of any such side letter or similar agreement will not be disclosed to other Investors unless the Administrator, in its sole discretion, otherwise determines. Any rights or terms so established in a side letter with an Investor will govern solely with respect to such Investor. To the extent determined appropriate by the AlphaKeys Fund, an Investor that enters into a side letter or other agreement may be issued a new class, tranche or series (or sub-series) of Interests in the AlphaKeys Fund.

Unregistered Status. None of the AlphaKeys Fund, the Underlying Master Fund nor the Underlying Fund is registered as an investment company under the Investment Company Act. The Investment Company Act provides certain protections to Investors and imposes certain restrictions on registered investment companies, none of which will be applicable to the AlphaKeys Fund.

Termination of the AlphaKeys Fund's Interest in the Underlying Fund. The Underlying Fund may, among other things, force the withdrawal of the AlphaKeys Fund's interest in the Underlying Fund at any time. In addition, the Administrator may determine at any time, subject to the restrictions on withdrawals from the Underlying Fund, to terminate the AlphaKeys Fund's investment in the Underlying Fund.

Repayment of Capital and Distributions. The investors and former investors of the Underlying Fund, including the AlphaKeys Fund, shall be liable for the repayment and discharge of all debts and obligations of the Underlying Fund attributable to any fiscal year (or relevant portion thereof) during which they are or were investors of the Underlying Fund to the extent of their respective interests in the Underlying Fund in the fiscal year (or relevant portion thereof) to which any such debts and obligations are attributable. In meeting this obligation, the AlphaKeys Fund may be required to return to the Underlying Fund any amounts actually received by it from the Underlying Fund during or after the fiscal year to which any debt or obligation is attributable. In addition, the AlphaKeys Fund may be required to pay to the Underlying Fund amounts that are required to be withheld by the Underlying Fund for tax purposes. The AlphaKeys Fund may require Investors to return to

the AlphaKeys Fund all or part of any distribution by the AlphaKeys Fund to the Investors in order to satisfy all or any portion of the AlphaKeys Fund's indemnification obligations. Similarly, Investors may be required in certain circumstances to repay or pay such amounts to the AlphaKeys Fund if the AlphaKeys Fund is unable otherwise to meet its obligations or as otherwise provided in the AlphaKeys Fund Agreement.

In addition, if at any time following a withdrawal of all or a portion of an Investor's capital account, the Administrator determines, in its sole discretion, that the amount paid to an Investor or former Investor pursuant to such withdrawal was incorrect for any reason, including but not limited to (i) a determination by the Administrator that the amount paid to the AlphaKeys Fund pursuant to a withdrawal from the Underlying Fund was incorrect and the Administrator determines, in its sole discretion, that such amount should be allocated to such Investor or former Investor, or (ii) a determination by the Administrator, that the calculation of Net Asset Value was incorrect at the time such amount was paid to such Investor or former Investor, the AlphaKeys Fund may pay to such Investor or former Investor any additional amount that the Administrator determines such Investor or former Investor should have been entitled to receive, or, in its sole discretion, seek payment from such Investor or former Investor of the amount of any excess payment that the Administrator determines such Investor or former Investor received, in each case without interest, although, in its sole discretion, the Administrator may determine for any reason or no reason that such action is not feasible or practicable. In the event that the AlphaKeys Fund elects not to seek the payment of such amounts from an Investor or former Investor or is unable to collect such amounts from an Investor or former Investor, the Net Asset Value of the AlphaKeys Fund will be less than it would have been had such amounts been collected.

Involuntary Liquidation of an Investor's Interest. The AlphaKeys Fund may terminate the interest of any Investor in the AlphaKeys Fund at any time upon written notice to such Investor, for any reason or for no reason at all.

Reports. The AlphaKeys Fund intends to deliver to Investors (i) audited annual financial reports of the AlphaKeys Fund as soon as practicable after the conclusion of the AlphaKeys Fund's fiscal year and (ii) such information as is necessary for such Investors to complete federal and state income tax or information returns. However, the AlphaKeys Fund may deliver unaudited annual financial reports in its sole discretion. If the AlphaKeys Fund does deliver audited reports, such annual audit can be completed only once the AlphaKeys Fund receives audited financial statements for the same fiscal year from the Underlying Fund. Consequently, it is possible that audited annual financial reports of the AlphaKeys Fund may be completed later than would otherwise be the case. For the AlphaKeys Fund to complete its tax reporting requirements, it must receive information on a timely basis from the Underlying Fund. It is expected that the AlphaKeys Fund will most likely be unable to provide tax information to Investors without significant delays and Investors may need to seek extensions on the time to file their tax returns at the federal, state and local level. Quarterly reports from the Administrator regarding the AlphaKeys Fund's operations during such period also may be sent to Investors.

Classes of Interests in the Underlying Fund are Not Separate Legal Entities. Although Investors of the Underlying Fund, including the AlphaKeys Fund and certain Other AlphaKeys Millennium Funds, may hold separate classes of interests of the Underlying Fund,

the Underlying Fund is a single legal entity and creditors of the Underlying Fund may enforce claims against all assets of the Underlying Fund. Thus, all assets of the Underlying Fund may be available to meet all liabilities of the Underlying Fund regardless of whether any particular liability is attributable to only one or less than all classes or series of shares (*e.g.*, currency hedges). As an investor in the Underlying Fund, the AlphaKeys Fund may be subject to these same risks with respect to the Underlying Fund Interests.

Idle Funds. The AlphaKeys Fund may retain a portion of the subscription proceeds that will not be invested in the Underlying Fund, to meet certain of its operating expenses.

Reserves. The AlphaKeys Fund may establish reserves for the payment of estimated, projected or accrued expenses (including the Administrative Fee), liabilities and contingencies. Such amounts set aside in a reserve will not be invested in the Underlying Fund (or repaid to Investors that have otherwise withdrawn from the AlphaKeys Fund), and accordingly, will not participate in the returns (positive or negative) of the Underlying Fund.

Lack of Operating History. The AlphaKeys Fund is a newly formed entity and has no operating history upon which Investors can evaluate the performance of the AlphaKeys Fund, although the Underlying Master Fund has a performance track record that begins in 1990. Although the Administrator will receive information from the Underlying Fund regarding its historical performance and investment strategy, the Administrator may not be able to independently verify and has not independently verified this information. The performance of the Underlying Fund cannot be relied upon as an indicator of the Underlying Fund's future performance or their success.

Liquidity Risks. Interests in the AlphaKeys Fund will not be traded on any securities exchange or other market and are subject to substantial restrictions on transfer. The ability of the AlphaKeys Fund to honor withdrawal requests will be dependent upon the AlphaKeys Fund's ability to make withdrawals from the Underlying Fund, which may be restricted under the Underlying Fund Documents, delayed or suspended altogether. Furthermore, in the sole discretion of the Administrator, any withdrawal by an Investor may be subject to a charge, as the Administrator may reasonably require, in order to defray the costs and expenses of the AlphaKeys Fund in connection with such withdrawal, including without limitation, any amounts paid or accrued by the AlphaKeys Fund vis-à-vis its investment in the Underlying Fund, withdrawal or similar charges imposed by the Underlying Fund Manager, if any (which may be substantial). In addition, the Administrator, in its sole discretion, may permit an Investor to make withdrawals at different times, and upon different terms, than those specified in "SUMMARY OF TERMS – Withdrawals". The Administrator may also, in its sole discretion, permit an Investor to withdraw from the AlphaKeys Fund, or cause the AlphaKeys Fund, upon an Investor's request, to repurchase, some or all of such Investor's Interests at a discount to the Net Asset Value of the withdrawn or repurchased Interests, at a time when such Investor is not otherwise entitled to withdraw from the AlphaKeys Fund. In addition, the Administrator may determine, in its sole discretion, to make such an offer to one or more Investors and not to the other Investors, and may do so without notice to the other Investors.

No Assurance of Investment Return. The AlphaKeys Fund is intended for long-term Investors who can accept the significant risks associated with investing in illiquid securities.

There can be no assurance that either of the AlphaKeys Fund or the Underlying Fund will achieve its investment objective. Investors should be aware that prior performance of the Underlying Fund is not necessarily indicative of future results. The possibility of partial or total loss of AlphaKeys Fund capital will exist, and prospective Investors should not subscribe unless they can readily bear the consequences of such loss. Accordingly, an investment in the AlphaKeys Fund should only be considered by persons who can afford a loss of their entire investment.

Withdrawal Risks. With respect to withdrawal requests, Investors must notify the AlphaKeys Fund upon the notice period set forth in "SUMMARY OF TERMS – Withdrawals" or upon such other notice period, which may be longer, as may be notified to the Members, in the Manager's sole discretion. An Investor that elects to withdraw all or a portion of such Investor's capital account will not know the amount it will receive until after the election to withdraw has been made. It is possible that during the time period between the withdrawal notice date and the Withdrawal Date, general economic and market conditions, or specific events affecting the AlphaKeys Fund, could cause a decline in the value of Interests.

Forward-Looking Statements. This Memorandum and the Underlying Fund Memorandum may contain forward-looking statements. These forward-looking statements reflect the Administrator's or the Underlying Fund Manager's view with respect to future events. Actual events could differ materially from those in the forward-looking statements as a result of factors beyond the Administrator's or the Underlying Fund Manager's control. Prospective Investors are cautioned not to place undue reliance on such statements.

Valuation Risk. The assets of the AlphaKeys Fund will be valued in accordance with GAAP or another methodology determined appropriate by the Administrator in its sole discretion. Based on current GAAP requirements, the Administrator expects to rely on valuation information provided by the Underlying Fund (which will be unaudited, except for information as of the date of the Underlying Fund's semiannual audits), which if inaccurate or incomplete could adversely affect the Administrator's ability to determine net asset value and, accordingly, value the Interests accurately. In certain circumstances, the Administrator may be required by GAAP to make adjustments to the valuation information provided by the Underlying Fund. Absent bad faith or manifest error, valuation determinations made by the Administrator will be conclusive and binding.

Legal and Regulatory Risks Relating to Investment Strategy. Legal, tax and regulatory changes could occur during the term of the AlphaKeys Fund that may adversely affect the AlphaKeys Fund and/or the Underlying Fund. New (or revised) laws or regulations may be imposed by the U.S. Commodity Futures Trading Commission (the "CFTC"), the SEC, the Board of Governors of the Federal Reserve System (the "Federal Reserve") or other banking regulators, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations, including entirely new entities, that supervise the financial markets that could adversely affect the AlphaKeys Fund or the Underlying Fund. In particular, these agencies are empowered to promulgate a variety of new rules pursuant to recently enacted financial reform legislation in the United States. The AlphaKeys Fund and the Underlying Fund may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. The regulatory environment for private funds is evolving, and changes in the

regulation of private funds may adversely affect the value of the investments held by the AlphaKeys Fund and/or the Underlying Fund and the ability of the AlphaKeys Fund and/or the Underlying Fund to execute its investment strategy. The CFTC, the SEC, the Federal Deposit Insurance Corporation, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") became law in the U.S. The regulation of private funds and financial institutions is an evolving area of law and is subject to modification by government and judicial action. As part of the Dodd-Frank Act, Section 13 of the BHC Act (known as the "Volcker Rule") restricts the ability of banking entities, such as UBS and its affiliates, to sponsor, acquire any interest in or engage in transactions with most private investment funds beyond certain narrowly-prescribed limits. Regulations fully implementing the Volcker Rule were finalized in December 2013. The banking entities subject to the Volcker Rule must fully comply with it by July 21, 2015. The impact of the final regulations on the AlphaKeys Fund remains uncertain and the Volcker Rule could cause disruptions and otherwise negatively impact any funds whose ownership, counterparties and/or service provider arrangements currently include a banking entity, including any funds in which the AlphaKeys Fund may invest. The structure of the AlphaKeys Fund is intended to place it outside of the control of UBS and therefore the AlphaKeys Fund should not be a banking entity that is itself subject to the Volcker Rule. The Volcker Rule is new and therefore open to varying interpretations. The Administrator may in the future, in its sole discretion and without notice to the Investors, restructure the AlphaKeys Fund or the Administrator in order to comply with laws or regulations (including the BHC Act), or to reduce or eliminate the impact or applicability of any bank regulatory restrictions to which the Administrator or the AlphaKeys Fund may become subject.

Under the Volcker Rule, UBS can "sponsor" or manage hedge funds and private equity funds, such as the AlphaKeys Fund, only if certain conditions are satisfied. Among other things, these Volcker Rule conditions generally prohibit banking entities (including UBS and its affiliates) from engaging in "covered transactions" and certain other transactions with hedge funds or private equity funds that are managed by affiliates of the banking entities, or with investment vehicles controlled by such hedge funds or private equity funds. "Covered transactions" include loans or extensions of credit, purchases of assets and certain other transactions (including derivative transactions and guarantees) that would cause the banking entities or their affiliates to have credit exposure to funds managed by their affiliates. In addition, the Volcker Rule requires that certain other transactions between UBS and such entities be on "arms' length" terms. The AlphaKeys Fund does not expect to engage in such transactions with UBS to any material extent and, as a result, the prohibition on covered transactions between UBS and the AlphaKeys Fund is not expected to have a material effect on the AlphaKeys Fund. In addition, the Volcker Rule prohibits any banking entity from engaging in any activity that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. As noted above, under the Volcker Rule, UBS can "sponsor" and manage hedge funds and private equity funds only if certain conditions are satisfied. While UBS intends to satisfy these conditions, if for any reason UBS is unable to, or elects not to, satisfy these conditions or any other conditions under the Volcker Rule, then

UBS may no longer be able to sponsor the AlphaKeys Fund. In such event, the structure, operation and governance of the AlphaKeys Fund may need to be altered such that UBS is no longer deemed to sponsor the AlphaKeys Fund or, alternatively, the AlphaKeys Fund may need to be terminated.

It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive and may affect the manner in which the AlphaKeys Fund and/or the Underlying Fund conducts business. Furthermore, new laws or regulations may subject the AlphaKeys Fund, the Underlying Fund or some or all of the Investors to increased taxes or other costs.

Tax Risks. The AlphaKeys Fund expects to be treated as a partnership for federal income tax purposes and not as an association or a publicly traded partnership taxable as a corporation. It is possible that the AlphaKeys Fund may not be able to comply with any safe harbor requirements of or an exception to the publicly traded partnership rules in any given year, in which case it is possible that the AlphaKeys Fund may be treated as a publicly traded partnership. If it were determined that the AlphaKeys Fund should be treated as an association or publicly traded partnership taxable as a corporation, the taxable income of the AlphaKeys Fund would be subject to corporate income tax and distributions from the AlphaKeys Fund would be treated as dividends to the extent of the AlphaKeys Fund's earnings and profits. Each of the Underlying Fund and any applicable investment vehicles through which it may invest intend to operate as a partnership for U.S. federal income tax purposes and not as an association or a publicly traded partnership taxable as a corporation. If it were determined that either the Underlying Fund or any applicable investment vehicles through which it may invest should be treated as an association or publicly traded partnership taxable as a corporation, material adverse income tax consequences would result to Investors in the AlphaKeys Fund.

The AlphaKeys Fund may, from time to time, report tax positions that may be subject to challenge by the Internal Revenue Service (the "IRS"). If the IRS challenges such a position and is successful, there may be substantial retroactive taxes, plus interest and possibly penalties.

Changes or modifications in existing judicial decisions or in the current positions of the IRS, either taken administratively or as contained in published revenue rulings and revenue procedures, and the passage of new legislation (any of which may apply with retroactive effect), could substantially reduce, eliminate or modify the tax treatment outlined in this Memorandum.

If the Underlying Fund or the Underlying Master Fund conducts business or other activities in a given state or local jurisdiction, then an Investor that is not a resident of that jurisdiction may nevertheless be subject to tax in that jurisdiction on its share of the AlphaKeys Fund's income attributable to those activities and may be required to file income tax or other returns in that jurisdiction. Investors may also be subject to state and/or local franchise, withholding, capital gain or other tax payment obligations and filing requirements in those jurisdictions where the AlphaKeys Fund is regarded as doing business or earning income (directly or indirectly). See "Certain Tax Matters Relating to an Investment in Millennium

USA" and "Certain Tax Matters Relating to the Master Partnership" in Part One of the Underlying Fund Memorandum and "TAX ASPECTS" in this Memorandum.

Bank Holding Company Act Considerations. The Administrator is, for purposes of the BHC Act, a subsidiary of UBS AG, which is subject to supervision and regulation by the Federal Reserve. It is not expected that UBS AG will be deemed to control the AlphaKeys Fund for purposes of the BHC Act. In discharging its responsibilities as the Administrator, the Administrator and the AlphaKeys Fund will observe limitations arising from the BHC Act applicable to the Administrator or the AlphaKeys Fund. To the extent it deems it advisable under the BHC Act, the Administrator also intends to seek the approval from the Investors by negative consent with respect to any vote presented by the Underlying Fund if the AlphaKeys Fund holds an interest in the Underlying Fund of more than 24.99% of the total capital contributions to the Underlying Fund or where such consent or waiver pertains to the selection, approval or disposition of portfolio company investments (other than investments in depository institutions or other financial companies where the lower threshold, noted above, would apply). The AlphaKeys Fund expects to vote in accordance with the Administrator's recommendations on such matters unless at least a majority of the Investors duly object. If the AlphaKeys Fund holds an interest in the Underlying Fund of more than 24.99% of the total capital contributions to the Underlying Fund, the AlphaKeys Fund intends to limit its participation in any depository institution or other financial company to not more than 9.99% of any class of voting securities thereof. The Administrator intends to request that the Underlying Fund limit the AlphaKeys Fund's ownership interest in the Underlying Fund to not more than one-third of the total capital contributions of the Underlying Fund. In addition, the AlphaKeys Fund expects to refrain from voting on the selection, approval or disposition of any investment in any depository institution or other financial company to the extent it deems advisable to do so under the BHC Act. The Administrator reserves the right to rely on any regulatory or statutory provisions and available exemptions under the BHC Act, and to take all reasonable steps deemed necessary, advisable or appropriate in its sole discretion for the AlphaKeys Fund or the Administrator to comply with such regulatory or statutory provisions. (See "REGULATORY CONSIDERATIONS—Bank Holding Company Act" below.) In the event of any change to the BHC Act, or applicable regulations and interpretations under the BHC Act, the Administrator may, without the consent of any Investor, take such additional steps as it deems necessary, advisable or appropriate in its sole discretion for the AlphaKeys Fund or the Administrator to comply with the BHC Act, including restructuring the AlphaKeys Fund or the Administrator.

There can be no assurance that the bank regulatory requirements applicable to UBS AG will not likewise apply to the AlphaKeys Fund and therefore have a material adverse effect on the AlphaKeys Fund and its operations. For example, such regulations could require the AlphaKeys Fund to dispose of its investment in the Underlying Fund or the dissolution of the AlphaKeys Fund earlier than anticipated by the Administrator, potentially having a negative impact on the returns of the AlphaKeys Fund. (See "REGULATORY CONSIDERATIONS—Bank Holding Company Act" below.)

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring an interest in the AlphaKeys Fund or in the Underlying Fund. Potential Investors should read this entire document as well as the AlphaKeys Fund Agreement before making a determination whether to invest in the AlphaKeys Fund.

[redacted]-MAXWELL

III. POTENTIAL CONFLICTS OF INTEREST

Prospective Investors should carefully consider the potential conflicts of interest involved in an investment in the AlphaKeys Fund and in the Underlying Fund, including, but not limited to, those discussed below. Prospective Investors should refer to "Related-Party Transactions; Conflicts" in the Underlying Fund Memorandum for more detailed conflicts of interest related to an investment in the Underlying Fund.

The Administrator and its affiliates manage the assets of unregistered investment companies and individual accounts (collectively, "AlphaKeys Clients"). The AlphaKeys Fund has no interest in these activities. In addition, the Administrator, its affiliates, and any of their respective officers, directors, partners, members or employees, may invest for their own accounts in various investment opportunities, including in investment partnerships, private investment companies or other investment vehicles in which the AlphaKeys Fund will have no interest. The Administrator, the Placement Agent and their affiliates have a conflict of interest in that they benefit from the sale of Interests. See "Application for Interests" below.

The Administrator provides all of its administrative and advisory services through the efforts of employees of its affiliate, UBSFS, which is also a registered investment adviser. All of the Administrator's officers and other personnel are employees of UBSFS. The Administrator does not pay overhead or payroll directly. All of the Administrator's officers and other personnel are paid fully by UBSFS. As a result, a reallocation is made internally from the Administrator to UBSFS to reimburse it for various expenses that UBSFS covers on behalf of the Administrator.

The officers or employees of the Administrator will be engaged in substantial activities other than on behalf of the AlphaKeys Fund and may have conflicts of interest in allocating their time and activity among the AlphaKeys Fund and AlphaKeys Clients. In addition, the Administrator and/or its affiliates may now or in the future serve as administrator or placement agent to one or more similar funds managed by the Underlying Fund Manager or an affiliate or successor thereof. As a result, the Administrator may have conflicting interests with respect to such service. The affiliates of the Administrator may invest (or cause their clients to invest) in one or more funds managed by the Underlying Fund Manager, and thereby affect the AlphaKeys Fund's ability to invest into the Underlying Fund (for example, where the size of the aggregate investment by the affiliates and the Administrator is limited). The Administrator and their officers and employees will devote so much of their time to the affairs of the AlphaKeys Fund as in their judgment is necessary and appropriate.

The Administrator may appoint a committee or an independent representative (the "Conflicts Review Committee") to seek the approval in connection with any transactions that require approval under the Advisers Act, including Section 206(3) thereunder, or otherwise. To the extent permitted by law, the approval of the Conflicts Review Committee will be binding upon the AlphaKeys Fund and each of the Investors. The Conflicts Review Committee will not participate in the management or control of the AlphaKeys Fund. The AlphaKeys Fund may pay the members of the Conflicts Review Committee an initial fee and a fee for each review sought by the Administrator. The members of the Conflicts Review Committee will be treated as if they were the Administrator for indemnification purposes.

UBSFS acts as the principal placement agent for the AlphaKeys Fund, without additional or separate compensation from the AlphaKeys Fund (other than the Placement Fee which may be payable by Investors as described above), and will bear its own costs associated with its activities as placement agent. The Administrator and this placement agent intend to compensate the placement agent's or its affiliates' financial advisors, as well as third-party securities dealers and other industry professionals, for their ongoing servicing of clients with whom they have placed Interests in the AlphaKeys Fund and such compensation will be based upon a formula that takes into account the amount of client assets being serviced as well as the investment results attributable to the clients' assets in the AlphaKeys Fund. Additionally, these entities, at their discretion, may charge Investors placement fees based on the purchase price of Interests being purchased.

UBSFS or its affiliates may provide brokerage, investment banking and other financial or advisory services from time to time to one or more accounts or entities managed by the Underlying Fund Manager or its affiliates. These relationships could preclude the AlphaKeys Fund from engaging in certain transactions and could constrain the AlphaKeys Fund's investment flexibility. (All other accounts managed by the Underlying Fund Manager or its affiliates, excluding the Underlying Fund, are referred to collectively as the "Millennium Accounts.")

The Administrator, its affiliates or AlphaKeys Clients may have an interest in an account or investment vehicle managed by, or enter into relationships with, the Underlying Fund Manager or its affiliates on terms different, and potentially more favorable, than an Interest in the AlphaKeys Fund. The Underlying Fund also may purchase investments from affiliates of the Administrator, which could create a potential conflict of interest for the Administrator, although the Administrator will at all times endeavor to act in the best interest of the AlphaKeys Fund. In addition, the Underlying Fund Manager may receive research products and services in connection with the brokerage services that the Administrator and its affiliates may provide from time to time to one or more Millennium Accounts or to the AlphaKeys Fund.

In addition, certain affiliates of the Administrator may act as a lender to the Underlying Fund, the portfolio companies in which the Underlying Fund invests or in connection with other transactions in which the Underlying Fund is involved. In cases where the Underlying Fund is the borrower, such UBS affiliate acting as a lender will have the ability to call capital from the Underlying Fund, which in turn may call capital from the AlphaKeys Fund. In such cases where the Underlying Fund's portfolio companies are the borrowers, such portfolio companies may convey a security interest in certain assets (including assets of the Underlying Fund), to such affiliate acting as a lender to a portfolio company of the Underlying Fund and such affiliate may have a liquidation preference over the Underlying Fund or may have interests that are divergent from those of the Underlying Fund. In addition, affiliates of the Administrator may purchase or sell assets to or from the Underlying Fund.

The Administrator is registered as a "commodity pool operator" with the CFTC and is a member of the National Futures Association ("NFA") in such capacity under the U.S. Commodity Exchange Act, as amended. With respect to the AlphaKeys Fund, the Administrator has claimed an exemption pursuant to CFTC Rule 4.7 for relief from certain

requirements applicable to a registered commodity pool operator. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this Memorandum or any offering in connection therewith.

IV. BROKERAGE

Each of the AlphaKeys Fund and the Underlying Fund is directly responsible for the execution of its portfolio investment transactions and the allocation of brokerage. Transactions on U.S. stock exchanges and on some non-U.S. stock exchanges involve the payment of negotiated brokerage commissions. On the great majority of non-U.S. stock exchanges, commissions are fixed. No stated commission is generally applicable to securities traded in over-the-counter markets, but the prices of those securities may include undisclosed commissions or mark-ups. The AlphaKeys Fund will comply with Section 28(e) of the 1934 Act. However, the AlphaKeys Fund may not pay the lowest available commissions or mark-ups or mark-downs on securities transactions. Moreover, neither the Administrator or the AlphaKeys Fund have any responsibility to monitor the Underlying Fund's policy regarding, or its compliance with, its duty of best execution, including, if applicable, its compliance or non-compliance with the safe harbor provided by Section 28(e). See "The Master Partnership's Investment Program and Description: Brokerage" in Part Two of the Underlying Fund Memorandum for a description of the brokerage policies and selection by the Underlying Fund.

V. APPLICATION FOR INTERESTS

Application Terms

Both initial and additional applications for Interests may be accepted from eligible investors (as described below) at such times as the Administrator may determine on the terms set forth below. The AlphaKeys Fund may, in its discretion, suspend the offering of Interests at any time or permit applications on a more frequent basis. The AlphaKeys Fund reserves the right to reject any application for Interests in the AlphaKeys Fund. Capital contributions made prior to any closing, including the initial closing, the timing of which will be determined in the sole discretion of the Administrator, may be held in an escrow or similar account pending such closing at the discretion of the Administrator. It is possible that such account will not earn interest. After the initial closing, initial applications and additional capital contributions generally will be accepted monthly. Generally, the minimum required initial contribution to the capital of the AlphaKeys Fund from each Investor is $250,000, which minimum may be waived by the Administrator in its sole discretion. Investors may make additional capital contributions in amounts not less than $50,000, unless otherwise determined by the Administrator, in its sole discretion. The AlphaKeys Fund, in its sole discretion, may vary the investment minimums from time to time. Brokerage Class Investors will be charged by the Placement Agent a Placement Fee of 2% of the Investor's capital contribution (including any additional capital contributions made by an Investor) in the AlphaKeys Fund (subject to waiver by the Placement Agent in limited circumstances). Advisory Class Investors will not be charged a Placement Fee.

Contributions to the capital of the AlphaKeys Fund will be payable in cash. The AlphaKeys Fund will not accept subscriptions from charitable remainder trusts. See TAX ASPECTS.

Each new Investor will be obligated to agree to be bound by all of the terms of the AlphaKeys Fund Agreement. Each potential Investor also will be obligated to represent and warrant in the Investor Application (defined below) that, among other things, such Investor is purchasing an Interest for its own account, and not with a view to the distribution, assignment, transfer or other disposition of such Interest.

Classes, Tranches and Series of Interests

The AlphaKeys Fund may create additional classes, tranches or series of Interests, or rename or redesignate any issued class, tranche or series, without providing prior notice to, or receiving consent from, Investors. Such classes, tranches or series may differ in terms, including, but not limited to, the amount and/or timing of fees charged (and may provide for no fees), minimum subscription amounts and withdrawal rights. The terms of any new classes, tranches or series will be determined by the Administrator.

Eligible Investors

Each prospective Investor will be required to certify that the Interests being purchased are being acquired directly or indirectly for the account of an "accredited investor" as defined in

Regulation D promulgated under the 1933 Act (each, an "Accredited Investor") and that such Investor, as well as each of the Investor's equity owners under certain circumstances, as applicable, at the time of purchase, is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the 1940 Act (each, a "Qualified Purchaser"), unless otherwise permitted by law. Existing Investors who purchase additional Interests in the AlphaKeys Fund and transferees of Interests in the AlphaKeys Fund may be required to represent that they meet the foregoing eligibility criteria at the time of the additional purchase or transfer. The relevant Investor qualifications will be set forth in an investor application to be provided to prospective Investors, which must be completed by each prospective Investor (the "Investor Application").

VI. TAX ASPECTS

Certain Material United States Federal Income Tax Considerations

To ensure compliance with requirements imposed by the IRS in Circular 230, you are hereby informed that any tax advice contained in this Memorandum (i) is written in connection with the promotion or marketing by the AlphaKeys Fund of the transactions or matters addressed herein and (ii) is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under the Code. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The following is a general summary of certain U.S. federal income tax considerations relating to an investment in the AlphaKeys Fund by prospective Investors. The discussion herein is intended to supplement the disclosure in the Underlying Fund Memorandum. Investors are urged to review "Certain Tax Matters Relating to an Investment in Millennium USA" and "Certain Tax Matters Relating to the Master Partnership" in the Underlying Fund Memorandum and to consult with their tax advisors to fully understand the tax consequences of an investment in the AlphaKeys Fund.

This summary is based upon the Code, the U.S. Treasury regulations ("Treasury Regulations") promulgated thereunder, published rulings, court decisions and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). This summary does not purport to address all of the U.S. federal income tax considerations that may be relevant to the AlphaKeys Fund or to all categories of Investors, some of whom may be subject to special rules (including, without limitation, dealers in securities or currencies, financial institutions or "financial services entities," life insurance companies, holders of Interests held as part of a "straddle," "hedge," "constructive sale" or "conversion transaction" with other investments, U.S. persons whose "functional currency" is not the U.S. dollar, persons who have elected "mark to market" accounting, persons who have not acquired their Interests upon their original issuance, persons who hold their Interest through a partnership or other entity which is a pass-through entity for U.S. federal income tax purposes, persons that are not U.S. Persons (as defined below), and persons for whom an Interest is not a capital asset). In addition, this summary does not discuss any state, local or foreign tax laws that may be applicable to an Investor. The AlphaKeys Fund has not sought a ruling from the IRS or an opinion of legal counsel as to any tax matters, and no representation is made as to the tax consequences of an investment in the AlphaKeys Fund.

For purposes of this discussion, a "U.S. Person" or a "U.S. Investor" is (1) a citizen or resident of the United States, (2) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States or any state thereof, including the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust which (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S.

person. In some cases, the activities of an Investor other than its investment in the AlphaKeys Fund may affect the tax consequences to such Investor of an investment in the AlphaKeys Fund.

Treatment as Partnership. It is intended that the AlphaKeys Fund will be treated as a partnership for U.S. federal income tax purposes and not as an association or "publicly traded partnership" taxable as a corporation. No rulings have been, or will be, requested from the IRS and no assurance can be given that the IRS or the courts will concur with such treatment.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership." A partnership which meets certain safe harbor requirements or certain other exceptions is not subject to the "publicly traded partnership" rules. It is possible that the AlphaKeys Fund may not be able to comply with any safe harbor requirements of or an exception to the publicly traded partnership rules in any given year, in which case it is possible that the AlphaKeys Fund may be treated as a publicly traded partnership. If it were determined that the AlphaKeys Fund should be treated as an association or publicly traded partnership taxable as a corporation, the taxable income of the AlphaKeys Fund would be subject to corporate income tax and distributions from the AlphaKeys Fund would be treated as dividends to the extent of the AlphaKeys Fund's earnings and profits.

The Underlying Fund Manager intends that the Underlying Fund and the Underlying Master Fund each will operate as a partnership for U.S. federal income tax purposes and not as an association taxable as a corporation. In addition, the Underlying Fund Manager intends that each of the Underlying Fund and the Underlying Master Fund will not be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. However, because the Manager does not control the Underlying Fund and the Underlying Master Fund, there can be no assurance in this regard. If it were determined that either the Underlying Fund or the Underlying Master Fund should be treated as an association or publicly traded partnership taxable as a corporation, material adverse income tax consequences would result to Investors in the AlphaKeys Fund.

The remainder of this discussion assumes that each of the AlphaKeys Fund, the Underlying Fund and the Underlying Master Fund will be treated as a partnership for U.S. federal income tax purposes.

As a partnership, the AlphaKeys Fund generally will not be subject to U.S. federal income tax. Rather, each Investor will be required to report on its U.S. federal income tax return, and thus to take into account in determining its own U.S. federal income tax liability, its share of the AlphaKeys Fund's income, gains, losses, deductions and credits for the taxable year ending with or within such Investor's taxable year. An Investor's U.S. federal income tax liability will be determined with reference to its share of the AlphaKeys Fund's income, regardless of whether the AlphaKeys Fund receives any distributions from the Underlying Fund or the Investor receives any distributions from the AlphaKeys Fund. The AlphaKeys Fund is not required, and does not intend, to make distributions to an Investor to cover the U.S. federal income, state or other tax liability of such Investor with respect to its allocable share of AlphaKeys Fund income and gain. Accordingly, a non-

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withdrawing Investor may be required to use cash from other sources in order to pay tax on its taxable income that is attributable to its Interests in the AlphaKeys Fund.

Allocation of the AlphaKeys Fund's Profits and Losses. For U.S. federal income tax purposes, income, gains, losses, deductions and credits of the AlphaKeys Fund will generally be allocated to the Investors in a manner consistent with the overall economic arrangement among the Investors. It is possible that the IRS will seek to reallocate certain items in a manner different from the manner in which such items were allocated by the AlphaKeys Fund. The AlphaKeys Fund may specially allocate items of taxable income and gain or loss and deduction to a withdrawing Investor. This special allocation to or from a withdrawing Investor could result in Investors (including the withdrawing Investor) receiving more or less items of income, gain, deduction or loss (and/or income, gains, deductions or losses of a different character) than they would receive in the absence of such allocations. There can be no assurance that, if the AlphaKeys Fund makes such a special allocation, the IRS will accept such allocation. If such allocation were successfully challenged by the IRS, the AlphaKeys Fund's income and gains allocable to the remaining Investors could be increased or decreased.

Nature of the AlphaKeys Fund's Income and Losses. The AlphaKeys Fund's income, gains, losses, deductions and credits for any taxable year will consist almost entirely of the AlphaKeys Fund's share of the income, gains, losses, deductions and credits of the Underlying Fund (which items will be derived by the Underlying Fund primarily from the Underlying Master Fund) for the taxable year of the Underlying Fund ending with or within the AlphaKeys Fund's taxable year.

The Underlying Fund and the Underlying Master Fund have made an election described in Section 475(f) of the Code (the "mark-to-market election"). The mark-to-market elections apply to all years of the Underlying Fund and the Underlying Master Fund unless revoked with the consent of the IRS. As a result of the Underlying Fund's and the Underlying Master Fund's mark-to-market election, the AlphaKeys Fund will generally be required to recognize ordinary gain or loss on all of the securities held by the Underlying Master Fund and the Underlying Fund at the end of each taxable year as if the Underlying Master Fund and the Underlying Fund have sold such securities for their fair market value on the last business day of such taxable year and notwithstanding that such securities may have been eligible for capital asset treatment in the absence of the mark-to-market election. Further, any gain or loss recognized on the sale or redemption of such securities generally would be ordinary.

Limitations on an Investor's Deduction of the AlphaKeys Fund's Losses and Expenses. Various limitations may apply to restrict the deductibility of losses realized, and expenses incurred, by the AlphaKeys Fund through its interest in the Underlying Fund. An Investor's share of any such losses will be allowed only to the extent of the adjusted basis of the Investor's Interest in the AlphaKeys Fund.

Section 163(d) of the Code limits a non-corporate taxpayer's deduction for "investment interest" to the amount of "net investment income," as defined therein. This limitation could apply to limit the deductibility of a non-corporate Investor's indirect share of the AlphaKeys Fund's interest deductions, as well as the deductibility of interest paid by

a non-corporate Investor on indebtedness incurred to finance his or her investment in the AlphaKeys Fund. Otherwise allowable deductions in connection with short sales are treated as "investment interest" for purposes of this limitation.

Certain of the AlphaKeys Fund's direct expenses (including the Administrative Fee) will, and it is possible that some or all of the AlphaKeys Fund's allocable share of the Underlying Fund's expenses (including any management or similar fees paid by the Underlying Fund and its share of such fees paid by the Underlying Master Fund) may, be investment expenses rather than trade or business expenses, with the result that any non-corporate Investor (directly or through a partnership or other pass-through entity) will be entitled to deduct his or her share of such investment expenses only to the extent that such share, together with such non-corporate Investor's other miscellaneous itemized deductions, exceeds 2% of such non-corporate Investor's adjusted gross income. Moreover, investment expenses are not deductible in determining income for alternative minimum tax purposes. In addition, in the case of individuals whose adjusted gross income exceeds certain inflation-adjusted thresholds, the aggregate itemized deductions allowable for the year will be reduced by the lesser of (i) 3% of the excess of adjusted gross income over the applicable threshold or (ii) 80% of the aggregate itemized deductions otherwise allowable for the taxable year (determined after giving effect to the 2% limitation described above and any other applicable limitations).

As a result of Revenue Ruling 2008-39 (the "Ruling"), it is possible that the IRS will treat the Underlying Fund as an investor in securities and other assets even if the Underlying Master Fund is properly treated as a trader in securities and other assets. In the Ruling, the IRS concludes that, in certain circumstances, which are generally applicable to a "fund of funds" structure, an upper tier partnership whose activities consist solely of acquiring, holding, and disposing of interests in several lower tier partnerships will not be deemed to be engaged in a trade or business solely as a result of the trade or business conducted by the lower tier partnership and that the fees paid by the upper tier partnership constitute miscellaneous items deductions subject to limitations described above. The Ruling does not clearly address the treatment of the upper tier partnership and management fees charged by the upper tier partnership in a "master feeder" structure. If this structure is within the rationale of the Ruling, the expenses charged at the Underlying Fund level will be treated as miscellaneous itemized deductions subject to limitations described above.

Expenses that are attributable to the offering and sale of interests in the AlphaKeys Fund must be capitalized and cannot be deducted or amortized. The AlphaKeys Fund will be deemed to have made an election to amortize organizational expenses over a 180-month period for tax purposes unless the AlphaKeys Fund timely elects to capitalize such expenses. Prospective Investors are urged to consult their own tax advisors with regard to these and other limitations on their ability to deduct losses and expenses with respect to the AlphaKeys Fund.

Passive Activity Rules. The Code restricts the deductibility of losses from a "passive activity" against certain income not derived from a passive activity. This restriction applies to individuals, personal service corporations and certain closely held corporations. Pursuant to temporary Treasury Regulations, income or loss derived by the

AlphaKeys Fund from the securities portfolio of the Underlying Fund and the Underlying Master Fund generally will not constitute income or loss from a passive activity. Therefore, passive losses from other sources generally could not be deducted against an Investor's share of such income and gain. However, there can be no assurance in this regard and it is possible that some or all of the income of the AlphaKeys Fund may constitute passive income or loss.

U.S. Tax-Exempt Investors. Tax-exempt organizations are generally subject to U.S. federal income tax on a net basis on their unrelated business taxable income ("UBTI"). UBTI is defined generally as any gross income derived by a tax-exempt organization from an unrelated trade or business that it regularly carries on, less the deductions directly connected with that trade or business. Notwithstanding the foregoing, UBTI generally does not include any dividend income, interest income (or certain other categories of passive income) or capital gains recognized by a tax-exempt organization so long as such income is not debt-financed, as discussed below. UBTI also includes certain insurance income derived by controlled foreign corporations if a tax-exempt organization is a United States shareholder with respect to such corporation.

A tax-exempt entity deriving gross income characterized as UBTI that exceeds $1,000 in any taxable year is obligated to file a federal income tax return, even if it has no liability for that year as a result of deductions against such gross income, including an annual $1,000 statutory deduction.

The exclusion from UBTI for dividends, interest (or other passive income) and capital gains does not apply to income from "debt-financed property," which is treated as UBTI to the extent of the percentage of such income that the average acquisition indebtedness with respect to the property bears to the average tax basis of the property for the taxable year. Gain attributable to the sale of previously debt-financed property continues to be subject to these rules for 12 months after any acquisition indebtedness is satisfied. If the AlphaKeys Fund, the Underlying Fund or the Underlying Master Fund incurs acquisition indebtedness, a tax-exempt U.S. Investor would be deemed to have acquisition indebtedness equal to its allocable portion of such acquisition indebtedness. If a tax-exempt U.S. Investor incurs indebtedness to acquire its Interest, such indebtedness generally would also be treated as acquisition indebtedness.

The Underlying Fund Memorandum provides that a portion of the Underlying Fund's income may be treated as UBTI, and therefore the AlphaKeys Fund may generate UBTI as well (which will be significant if the Underlying Fund generates significant UBTI, as it has in previous years).

The potential for having income characterized as UBTI may have a significant effect on any investment by a tax-exempt entity in the AlphaKeys Fund and may make investment in the AlphaKeys Fund unsuitable for some tax-exempt entities. Tax-exempt Investors should consult their own tax advisors regarding all aspects of UBTI.

Withdrawal of Investors. In general, when an Investor withdraws from the AlphaKeys Fund, the withdrawing Investor will recognize gain only as and after the cash

(or certain marketable securities) distributed upon withdrawal exceeds the Investor's adjusted tax basis in its Interest. A withdrawing Investor that receives only cash on a complete withdrawal from the AlphaKeys Fund will recognize a loss to the extent that its adjusted tax basis in its Interest exceeds such cash. Any such loss may be recognized only after such Investor has received full payment in respect of its withdrawal amount. If an Investor withdraws less than its entire Interest, the Investor will not recognize a loss, if any, until its Interest is completely withdrawn. Any capital gain or loss recognized will be short-term, long-term, or some combination of both, depending upon the timing of the Investor's contributions to the AlphaKeys Fund.

Moreover, in connection with a withdrawal from the AlphaKeys Fund, an Investor may recognize ordinary income or loss attributable to the Investor's indirect share of certain assets of the AlphaKeys Fund described in Section 751(c) of the Code. In addition, it is possible that Investors may recognize ordinary income or loss in connection with a withdrawal from the AlphaKeys Fund as a result of the Underlying Fund's and Underlying Master Fund's mark-to-market election. Investors should consult their own tax advisors about the character of any gain or loss recognized on withdrawal from the AlphaKeys Fund.

As discussed above, the AlphaKeys Fund may specially allocate items of taxable income and gain or loss and deduction to a withdrawing Investor. This special allocation to or from a withdrawing Investor could result in Investors (including the withdrawing Investor) receiving more or less items of income, gain, deduction or loss (and/or income, gains, deductions or losses of a different character) than they would receive in the absence of such allocations.

Adjustments to Basis of AlphaKeys Fund Assets. The AlphaKeys Fund Agreement authorizes the Administrator in its capacity as the Manager to make an election to adjust the tax basis of the AlphaKeys Fund's assets in the event of a transfer of an Interest or of certain distributions by the AlphaKeys Fund. The Underlying Fund Documents contain similar provisions. Such election to adjust tax basis, once made, cannot be revoked without the consent of the IRS. Because of the complexity and added expense of the tax accounting required to implement such election, the Administrator, on behalf of the AlphaKeys Fund, and the Underlying Fund Manager on behalf of the Underlying Fund (according to the Underlying Fund Memorandum), presently do not intend to make this election. In certain circumstances, however, the AlphaKeys Fund or the Underlying Fund, or both, may be required to reduce the tax basis of their assets as a result of a transfer of an Interest or as a result of certain distributions. Transferors and transferees of Interests, and Investors making withdrawals from the AlphaKeys Fund, will in certain circumstances be required to provide information to the Administrator to enable the AlphaKeys Fund to comply with this requirement.

Information Returns and Schedules. Investors will be furnished information on Schedule K-1 for preparation of their respective U.S. federal income tax returns. The furnishing of such information is subject to, among other things, the timely receipt by the AlphaKeys Fund of information from the Underlying Fund. **It is expected that the AlphaKeys Fund's Schedule K-1s will most likely not be available prior to April 15**

(and may be available significantly later than April 15) and, accordingly, Investors would need to obtain extensions for the filing of their individual tax return.

Tax Matters Partner. The Administrator, in its capacity as the Manager of the AlphaKeys Fund, or an affiliate thereof, will be designated as the AlphaKeys Fund's "tax matters partner."

Audits. The tax treatment of income and deductions of the Underlying Fund generally will be determined at the Underlying Fund level in a single proceeding, which the tax matters partner of the Underlying Fund will control, rather than by individual audits of the members of the Underlying Fund, including the AlphaKeys Fund. Similarly, the tax treatment of income and deductions of the AlphaKeys Fund generally will be determined at the AlphaKeys Fund level in a single proceeding, which the Administrator as tax matters partner of the AlphaKeys Fund will control, rather than by individual audits of the Investors of the AlphaKeys Fund. If the IRS audits the Underlying Fund's or the AlphaKeys Fund's tax returns, however, an audit of the Investors' own returns may result.

Reporting and Listing Requirements. A direct or indirect participant in any "reportable transaction" may be required to disclose certain information in respect of such participation and such transaction to the IRS on IRS Form 8886. For purposes of the disclosure rules, a partner, in certain cases, may be treated as a participant in a reportable transaction in which its partnership participates. It is possible that the Underlying Fund and/or the AlphaKeys Fund will participate in one or more reportable transactions, and the AlphaKeys Fund and certain or all of the Investors may be required to report these transactions on IRS Form 8886. In addition, a withdrawal from the AlphaKeys Fund will be reportable by the withdrawing Investor if the Investor recognizes a loss on the withdrawal that equals or exceeds an applicable threshold amount. Failure to comply with the reporting requirements gives rise to substantial penalties. Certain states, including New York, may also have similar disclosure requirements. Investors should consult their tax advisors to determine whether filing Form 8886 in accordance with the disclosure rules is required. In addition, if the AlphaKeys Fund engages in certain tax shelter transactions, tax-exempt investors may be subject to additional tax and reporting requirements. Prospective Investors are urged to consult their own tax advisors with regard to these rules.

FATCA. Very generally and with limited exceptions, pursuant to Section 1471 through 1474 of the Code and any current and future guidance thereunder ("FATCA"), if an investor fails to meet new requirements, including information, diligence and/or reporting requirements, that are mandated by FATCA, certain U.S. source income and potentially certain non-U.S. source income attributable to such investor will, in general, be subject to a 30% withholding tax. The U.S. source income with respect to which the 30% withholding applies includes interest (including original issue discount), whether or not the interest would qualify as "portfolio interest", dividends, compensation and gross proceeds realized upon the sale or other disposition of any property which can produce U.S. source interest or dividends ("Withholdable Payments"). The withholding tax will be phased in beginning July 1, 2014 (with gross proceeds subject to the withholding tax after December 31, 2016).

The AlphaKeys Fund will withhold at a 30% rate on Withholdable Payments (and potentially on payments of non-U.S. source income) attributable to an Investor if the Investor fails to provide the AlphaKeys Fund with sufficient information, certification or documentation that is required under FATCA, including information, certification or documentation necessary for the AlphaKeys Fund to (i) determine if the Investor is a non-U.S. Investor or a U.S. Investor and, if it is a non-U.S. Investor, if the non-U.S. Investor has "substantial United States owners" and/or is in compliance with (or meets an exception from) FATCA requirements and (ii) comply with the withholding requirements of FATCA. The AlphaKeys Fund, the Underlying Fund and the Underlying Master Fund may disclose the information, certifications or documentation provided by investors to the IRS, the Treasury or other parties as necessary to comply with FATCA.

Furthermore, the Underlying Master Fund will be subject to a 30% withholding tax with respect to Withholdable Payments and potentially certain non-U.S. source income if it fails to timely enter into and continue to comply with a valid agreement with the Secretary of the Treasury in which the Underlying Master Fund agrees to obtain and verify certain information from each of its investors and comply with annual reporting requirements with respect to certain direct or indirect U.S. investors ("FFI Agreement") or does not otherwise comply with the requirements of an applicable intergovernmental agreement entered into by the IRS. Notwithstanding the foregoing, such withholding tax may still be applicable unless each applicable member of the same expanded affiliated group, if any, as the Underlying Master Fund also enters into and complies with the FFI Agreement, applicable intergovernmental agreement or qualifies for an exception. Any investor (including the Underlying Fund) that fails to provide the Underlying Master Fund with the required information could, generally, be subject to the 30% withholding tax on the U.S. source payments described above and, possibly, on a portion of non-U.S. source payments, and in some cases, the Underlying Master Fund could require an investor to withdraw from the Underlying Fund.

The scope of some of the requirements of and exceptions from FATCA are complex and remain potentially subject to material changes resulting from additional IRS guidance. Investors are urged to consult their advisers about the FATCA rules (some but not all of which are described above) that may be relevant to their investment in the AlphaKeys Fund.

Medicare Contribution Tax. The Code imposes a 3.8% Medicare contribution tax on the "net investment income" (as defined in Section 1411 of the Code and the regulations thereunder) of individuals whose income exceeds certain threshold amounts and of certain trusts and estates under similar rules. Investors are advised to consult their tax advisers regarding the possible implications of this additional tax on their investment in the AlphaKeys Fund.

Certain Federal Tax Considerations for Non-U.S. Investors. The U.S. federal income tax treatment of a nonresident alien, non-U.S. corporation, non-U.S. partnership, non-U.S. estate or non-U.S. trust, each a "non-U.S. investor," investing in the AlphaKeys Fund is complex and will vary depending upon the circumstances and activities of the non-U.S. investor, the AlphaKeys Fund, the Underlying Fund, and the Underlying Master Fund. An investment in the AlphaKeys Fund may cause such non-U.S. investors to be subject to a

withholding tax, tax on a net basis and to be required to file U.S. federal income tax returns (and could also subject such person to U.S. state and local tax and return filing requirements). Each non-U.S. investor is urged to consult with its own tax advisor regarding the U.S. and non-U.S. tax treatment of an investment in the AlphaKeys Fund.

Implications of Non-U.S. Investments

Certain non-U.S. investments of the Underlying Fund and the Underlying Master Fund, including investments in "controlled foreign corporations" and "passive foreign investment companies" ("PFICs") may cause an Investor to recognize taxable income prior to the AlphaKeys Fund's receipt of distributable proceeds, pay an interest charge on receipts that are deemed to have been deferred or recognize ordinary income that otherwise would have been treated as capital gain.

The Underlying Fund and the Underlying Master Fund may make investments that subject the AlphaKeys Fund and/or the Investors directly or indirectly to taxation and/or tax-filing obligations in non-U.S. jurisdictions, including withholding taxes on dividends, interest and proceeds. In particular, the Underlying Fund's and the Underlying Master Fund's non-U.S. investments may cause some of the income or gains of the AlphaKeys Fund to be subject to withholding or other taxes of non-U.S. jurisdictions, and could result in taxation on net income attributed to the jurisdiction if the AlphaKeys Fund were considered to be conducting a trade or business in the applicable country through a permanent establishment or otherwise. Such non-U.S. taxes and/or tax filing obligations may be reduced or eliminated by applicable income tax treaties, although Investors should be aware that the AlphaKeys Fund may not be entitled to claim reduced withholding rates on non-U.S. taxes or may choose not to assert any such claim. The tax consequences to Investors may depend in part on the activities and investments of the AlphaKeys Fund, as well as the Underlying Fund and the Underlying Master Fund. Accordingly, the AlphaKeys Fund will be limited in its ability to avoid adverse non-U.S. tax consequences resulting from the AlphaKeys Fund's underlying investments. Furthermore, some Investors may not be eligible for certain or any treaty benefits. Subject to applicable limitations, an Investor may be entitled to claim, for U.S. federal income tax purposes, a credit for its allocable share of certain non-U.S. income taxes incurred by the AlphaKeys Fund, including certain withholding taxes, so long as such non-U.S. tax qualifies as a creditable income tax under the applicable Treasury Regulations. Alternatively, an Investor may be able to deduct (subject to certain limitations) its share of such non-U.S. taxes for U.S. federal income tax purposes.

In general, Investors that are U.S. persons may be required to report to the IRS transfers of property or cash by the Underlying Fund to a non-U.S. corporation or partnership (such as the Underlying Master Fund), in exchange for interests in such non-U.S. entities and may be required to file information returns with the IRS with respect to non-U.S. investments made by the Underlying Fund and the Underlying Master Fund.

New law requires each U.S. shareholder of a PFIC to file an annual information return with the IRS (regardless of whether the U.S. shareholder has received a distribution from, disposed of an interest in, or made an election in respect of a PFIC). A U.S. shareholder that qualifies as a tax-exempt organization under certain provisions of the Code will not be required to file this annual information return as long as the income with respect to the PFIC would not constitute UBTI. This filing requirement is in addition to any pre-existing reporting requirements with respect to interests in a PFIC (although in certain cases relief for

duplicative filings has been provided, if certain conditions are met). Investors should consult with their own tax advisers with respect to this new reporting requirement and any other reporting requirement that may apply.

For additional information regarding the tax considerations of non-U.S. investments, including Cayman Islands tax considerations that may apply to an investment in the AlphaKeys Fund, Investors are strongly urged to refer to "Certain Tax Matters Relating to an Investment in Millennium USA" and "Certain Tax Matters Relating to the Master Partnership" in Appendix A and to consult with their own tax advisers.

State and Local Tax Considerations

In addition to the U.S. federal income tax consequences described above, prospective Investors should consider the potential state and local tax consequences of an investment in the AlphaKeys Fund. In particular, Investors may be subject to state and local taxes in jurisdictions in which the Underlying Fund, the Underlying Master Fund or the AlphaKeys Fund acquires certain investments or conducts its activities and may be required to file tax returns in those jurisdictions. In certain jurisdictions, the Underlying Fund, the Underlying Master Fund and/or the AlphaKeys Fund may be required to withhold certain state and/or local or other taxes on behalf of Investors. State and local tax laws may differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. Prospective Investors should consult their tax advisors with respect to the state, local and non-U.S. tax consequences of an investment in the AlphaKeys Fund.

For additional information regarding the taxation of the AlphaKeys Fund, the Underlying Fund and the Underlying Master Fund, investors are strongly urged to refer to "Certain Tax Matters Relating to an Investment in Millennium USA" and "Certain Tax Matters Relating to the Master Partnership" in the Underlying Fund Memorandum.

Importance of Obtaining Professional Advice

The foregoing analysis is not intended as a substitute for careful tax planning. Accordingly, prospective Investors in the AlphaKeys Fund are strongly urged to consult their tax advisors with specific reference to their own situations regarding the possible tax consequences of an investment in the AlphaKeys Fund.

VII. CERTAIN ERISA AND OTHER CONSIDERATIONS

The following section sets forth certain issues and consequences under ERISA, Section 4975 of the Code and the Plan Assets Rules, which a fiduciary of a "Benefit Plan Investor" (as defined in the Plan Assets Rules and described below and including, without limitation, an individual retirement account and a "Keogh" plan) who has investment discretion (a "Fiduciary") should consider before deciding to invest such Benefit Plan Investor's assets in the AlphaKeys Fund. Furthermore, all potential Investors should read the following disclosure because it describes certain possible limitations on the operation of the AlphaKeys Fund that may result from participation in the AlphaKeys Fund by Benefit Plan Investors. The following summary is not intended to be complete, but only to address certain questions under ERISA, the Code and the Plan Assets Rules relating to an investment in the AlphaKeys Fund.

The term "Benefit Plan Investor" is defined under the Plan Assets Rules and generally includes (i) "employee benefit plans" (as defined in Section 3(3) of ERISA) that are subject to the fiduciary responsibility provisions of ERISA, (ii) "plans" (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, and (iii) entities that are deemed to be holding the assets of such an "employee benefit plan" or "plan" for purposes of ERISA and/or Section 4975 of the Code (but only to the extent of the percentage of the equity interests in such entity that are held by Benefit Plan Investors).

ERISA and the Code impose certain duties on persons who are Fiduciaries of Benefit Plan Investors. Under these rules, any person who exercises any discretionary authority or control over the management or disposition of the assets of a Benefit Plan Investor, or renders investment advice for a fee, directly or indirectly, is a Fiduciary with respect to the Benefit Plan Investor. The Administrator will require a Benefit Plan Investor which proposes to invest in the AlphaKeys Fund to represent that it, and any Fiduciaries responsible for such Benefit Plan Investor's investments, are aware of and understand the AlphaKeys Fund's investment objective, policies and strategies and that the decision to invest "plan assets" in the AlphaKeys Fund was made with appropriate consideration of relevant investment factors with regard to the Benefit Plan Investor and is consistent with the duties and responsibilities imposed upon Fiduciaries with regard to their investment decisions under ERISA and/or the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit a Benefit Plan Investor from engaging in certain transactions involving "plan assets" with parties that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the Benefit Plan Investor, unless the transaction is covered by a statutory exemption or a class or private exemption issued by the Department of Labor. Certain prospective Benefit Plan Investors may currently maintain relationships with the Administrator or other entities which are affiliated with the Administrator. Each of such persons may be deemed to be a party in interest or disqualified person to and/or a Fiduciary of any Benefit Plan Investor to which it provides investment management, investment advisory or other services. ERISA prohibits (and the Code penalizes) the use of "plan assets" for the benefit of a party in interest and also prohibits (or penalizes) a Fiduciary from using its position to cause a Benefit Plan Investor to make an investment from which it or certain third parties in which such Fiduciary has an interest would receive a fee or other consideration. Benefit Plan Investors should

consult with their own counsel to determine if participation in the AlphaKeys Fund is a transaction which is prohibited by ERISA or the Code. Except with respect to the assets of any Investor used to purchase the Interests in the AlphaKeys Fund which are invested as part of the Investor's participation in the UBSFS Advisory Program, Fiduciaries of Benefit Plan Investors will be required to represent that the decision to invest in the AlphaKeys Fund was made by them as Fiduciaries (independent of such affiliated persons), that such Fiduciaries are duly authorized to make such investment decision and that they have not relied on any individualized advice or the recommendation of such affiliated persons, as a primary basis for the decision to invest in the AlphaKeys Fund.

The Plan Assets Rules provide when the assets of an entity such as the AlphaKeys Fund will be deemed to include "plan assets" as a result of an investment therein by Benefit Plan Investors. The Plan Assets Rules generally provide, in relevant part, that the underlying assets of an entity (that is neither a publicly-offered security nor a security issued by a company registered under the Investment Company Act) in which a Benefit Plan Investor makes an equity investment will be deemed, for purposes of ERISA, to be assets of the investing Benefit Plan Investor, unless (i) interests in each class of equity interests of the entity held by Benefit Plan Investors are not considered "significant" (as determined under the Plan Assets Rules) or (ii) the entity qualifies as an "operating company" (as defined in the Plan Assets Rules).

Under the Plan Assets Rules, equity participation in an entity will be considered "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of its equity interests is held in the aggregate by Benefit Plan Investors (calculated after disregarding the value of any equity interests held by non-Benefit Plan Investors (or any affiliates thereof) who either (i) have discretionary authority or control with respect to the assets of the entity, or (ii) provide direct or indirect investment advice to the entity for a fee).

The Administrator will use reasonable efforts to limit investment in each class of Interests in the AlphaKeys Fund by Benefit Plan Investors to a level that would not be considered "significant" (as defined in the Plan Assets Rules), in order to prevent the AlphaKeys Fund from being treated as holding "plan assets" (within the meaning of the Plan Assets Rules) subject to ERISA and/or Section 4975 of the Code. If at any time the Administrator determines that equity participation in the AlphaKeys Fund by Benefit Plan Investors would be considered "significant" (as defined in the Plan Assets Rules), the Administrator will be permitted to cause one or more Benefit Plan Investors to withdraw or reduce their Interests to the extent necessary so that equity participation in the AlphaKeys Fund by Benefit Plan Investors would not be considered "significant" (as defined in the Plan Assets Rules).

If the assets of the AlphaKeys Fund were determined to be "plan assets" under the Plan Assets Rules, there could be a number of adverse consequences under ERISA and the Code. For example, (i) if the AlphaKeys Fund were to engage in a transaction with a "party in interest" or "disqualified person" with respect to any Benefit Plan Investor investing in the AlphaKeys Fund which is not exempt under ERISA and/or the Code (such as borrowing from an entity which is an affiliate of the sponsor of the Benefit Plan Investor or the leasing of property to an affiliate of a sponsor of the Benefit Plan Investor), the transaction would be prohibited under ERISA and/or the Code (and therefore subject to rescission), and such

affiliate, the trustee of the Benefit Plan Investor and the Administrator could be subject to sanctions; (ii) under ERISA, the trustee of a Benefit Plan Investor (that is subject to ERISA) will be subject to liability for any losses arising from a breach of fiduciary duty, except where the breach is caused by a Fiduciary who is an appointed investment manager or who is specifically named in the plan document governing the Benefit Plan Investor; (iii) the Administrator could be deemed to be a Fiduciary of investing Benefit Plan Investors and the trustee of such Benefit Plan Investors that are subject to ERISA could be liable for losses because of the delegation of investment discretion to the Administrator without the benefit of an investment management agreement or plan designation; and (iv) any Fiduciary that exercises discretion to cause such Benefit Plan Investor to invest in the AlphaKeys Fund could be liable as a co-Fiduciary.

A BENEFIT PLAN INVESTOR AND ITS FIDUCIARY MUST CONSULT THEIR OWN LEGAL AND FINANCIAL ADVISORS BEFORE INVESTING IN THE ALPHAKEYS FUND AND FULLY INFORM THEMSELVES AS TO ALL PAYMENTS MADE IN CONNECTION WITH THE OPERATION OF THE ALPHAKEYS FUND. BY INVESTING IN THE ALPHAKEYS FUND, THE FIDUCIARY SIGNIFIES ITS INFORMED CONSENT TO ALL SUCH PAYMENTS BY THE ALPHAKEYS FUND TO THE RECIPIENTS THEREOF AND TO THE RISKS INVOLVED IN INVESTING IN THE ALPHAKEYS FUND.

The foregoing statements regarding the consequences under ERISA, the Code and the Plan Assets Rules of an investment in the AlphaKeys Fund, are based on the provisions of ERISA, the Code and the Plan Assets Rules as currently in effect and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial or legislative changes will not occur that will make the foregoing statements incorrect or incomplete.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF A BENEFIT PLAN INVESTOR IS IN NO RESPECT A REPRESENTATION BY THE ADMINISTRATOR OR ANY OTHER PARTY RELATED TO THE ALPHAKEYS FUND THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR BENEFIT PLAN INVESTOR OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR BENEFIT PLAN INVESTOR. THE FIDUCIARY WITH INVESTMENT DISCRETION OVER THE ASSETS OF A BENEFIT PLAN INVESTOR SHOULD CONSULT WITH ITS LEGAL AND FINANCIAL ADVISORS AS TO THE PROPRIETY OF AN INVESTMENT IN THE ALPHAKEYS FUND IN LIGHT OF THE CIRCUMSTANCES OF SUCH BENEFIT PLAN INVESTOR.

Employee benefit plans that are not subject to the requirements of ERISA or Section 4975 of the Code may be subject to similar rules under other applicable laws or documents, and should consult their own legal and financial advisors as to the propriety of an investment in the AlphaKeys Fund.

VIII. REGULATORY CONSIDERATIONS

Securities Act of 1933

The offer and sale of Interests in the AlphaKeys Fund will not be registered under the 1933 Act, in reliance upon the exemption from registration provided by Section 4(a)(2) thereof and Regulation D promulgated thereunder. Each purchaser must be an Accredited Investor (unless otherwise permitted by law) and will be required to represent, among other customary private placement representations, that it is acquiring its interests in the AlphaKeys Fund for its own account for investment purposes only and not with a view to resale or distribution.

Investment Company Act of 1940

The AlphaKeys Fund will not be subject to the provisions of the 1940 Act, in reliance upon Section 3(c)(7) thereof. Section 3(c)(7) excludes from the definition of "investment company" any issuer whose outstanding securities are owned exclusively by Qualified Purchasers. A Qualified Purchaser includes: (i) a natural person who owns not less than $5,000,000 in investments, (ii) a natural person or company, acting for its own account or the accounts of other Qualified Purchasers, who owns/invests on a discretionary basis not less than $25,000,000 in investments, and (iii) certain trusts. The Investor Application and the AlphaKeys Fund Agreement will each contain representations and restrictions on transfer designed to assure that the conditions of Section 3(c)(7) will be met.

Investment Advisers Act of 1940

The Administrator is registered as an investment adviser under the Advisers Act.

U.S. Commodity Exchange Act

The AlphaKeys Fund may indirectly through the Underlying Fund invest in commodity interests. The Administrator is registered with the CFTC and the NFA as a "commodity pool operator" and its status may be verified via the NFA's Background Affiliation Status Information Center (BASIC) at www.nfa.futures.org/basicnet. All investors in the AlphaKeys Fund must be "qualified eligible persons" as defined in applicable CFTC rules. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this Memorandum or any offering in connection therewith.

U.S. Bank Holding Company Act

The Administrator is, for purposes of the BHC Act, a subsidiary of UBS AG, which is subject to supervision and regulation by the Board of Governors of the Federal Reserve System ("Federal Reserve"). It is not expected that UBS AG will be deemed to control the AlphaKeys Fund for purposes of the BHC Act. There can be no assurance that the bank regulatory requirements applicable to UBS AG will not likewise apply to the AlphaKeys Fund and therefore have a material adverse effect on the AlphaKeys Fund and its operations. For example, such regulations could require the AlphaKeys Fund to dispose of its investment in

the Underlying Fund earlier than anticipated by the Administrator or the dissolution of the AlphaKeys Fund earlier than anticipated by the Administrator, potentially having a negative impact on the returns of the AlphaKeys Fund.

The Administrator, UBS AG and the AlphaKeys Fund may be able to rely on other statutory and regulatory provisions in order to maintain compliance with the BHC Act to the extent applicable to the AlphaKeys Fund. The Administrator reserves the right to rely on any such applicable exemptions and to take all reasonable steps deemed necessary, advisable or appropriate in its sole discretion for the AlphaKeys Fund or the Administrator to comply with the BHC Act, including, without limitation, refraining from voting on matters presented by the Underlying Fund and, if permitted, disposing of all or any portion of the AlphaKeys Fund's investment in the Underlying Fund or any portfolio company that does not conform to BHC Act requirements. The BHC Act and Federal Reserve regulations and interpretations thereunder may be amended over the term of the AlphaKeys Fund, which could also result in further restrictions on the activities or investments of the AlphaKeys Fund.

IX. ANTI-MONEY LAUNDERING REGULATIONS

As part of the AlphaKeys Fund's responsibility to comply with regulations aimed at the prevention of money laundering, the Administrator and its affiliates may require a detailed verification of an Investor's identity, any beneficial owner underlying the account and the source of the Investor's subscription payment.

The Administrator reserves the right to request such information as is necessary to verify the identity of a subscriber and the underlying beneficial owners of a subscriber's or an Investor's Interest in the AlphaKeys Fund. In the event of delay or failure by the subscriber or Investor to produce any information required for verification purposes, the Administrator may refuse to accept a subscription or may cause the withdrawal of such Investor from the AlphaKeys Fund. The Administrator may suspend the payment of withdrawal proceeds of an Investor if the Administrator reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the AlphaKeys Fund, the Administrator or any of the AlphaKeys Fund's other service providers.

Each Investor will be required to make such representations to the Administrator as the Administrator will require in connection with such anti-money laundering programs, including, without limitation, representations to the Administrator that such Investor is not a prohibited country, territory, individual or entity listed on the U.S. Department of Treasury Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs. Such Investor will also represent to the Administrator that amounts contributed by it to the AlphaKeys Fund were not directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including, without limitation, anti-money laundering laws and regulations.

X. ADDITIONAL INFORMATION

Independent Auditors and Legal Counsel

Ernst & Young LLP serves as the independent auditors of the AlphaKeys Fund. Its principal business address is 5 Times Square, New York, New York 10036. The Administrator may replace the auditors in its discretion.

Ropes & Gray LLP, New York, New York, will act as counsel to the AlphaKeys Fund, the Administrator and their affiliates in connection with this offering of Interests. In connection with this offering of Interests and ongoing advice to the AlphaKeys Fund, the Administrator and their affiliates, Ropes & Gray LLP will not be representing the Investors of the AlphaKeys Fund. No independent counsel has been retained to represent Investors of the AlphaKeys Fund and the terms of this offering have not been negotiated on an arm's length basis.

Ropes & Gray LLP's representation of the AlphaKeys Fund, the Administrator and their affiliates is limited to those specific matters upon which it has been consulted. There may exist other matters which would have a bearing on the AlphaKeys Fund and/or the Administrator or any of their affiliates upon which Ropes & Gray LLP has not been consulted. Ropes & Gray LLP does not undertake to monitor the compliance of the AlphaKeys Fund or the Administrator with the investment program, valuation procedures and other guidelines set out herein, nor does it monitor compliance with applicable laws. Additionally, Ropes & Gray LLP relies upon information furnished to it by the AlphaKeys Fund and/or the Administrator, and does not investigate or verify the accuracy and completeness of information set out herein concerning the AlphaKeys Fund or the Administrator, other service providers and their affiliates and personnel.

Custodian

BNY Mellon Investment Servicing Trust Company (the "Custodian") serves as the primary custodian of the assets of the AlphaKeys Fund, and may maintain custody of such assets with domestic and non-U.S. subcustodians (which may be banks, trust companies, securities depositories and clearing agencies) approved by the Administrator. Assets of the AlphaKeys Fund and Underlying Fund are not held by the Administrator or commingled with the assets of other accounts other than to the extent that securities are held in the name of a custodian in a securities depository, clearing agency or omnibus customer account of such custodian. The Custodian's principal business address is 8800 Tinicum Boulevard, 4th Floor, Philadelphia, Pennsylvania 19153.

Inquiries

Inquiries concerning the AlphaKeys Fund and Interests in the AlphaKeys Fund, including information concerning purchase and withdrawal procedures, should be directed to:

AlphaKeys Millennium Fund, L.L.C.
Alternative Investments US
1285 Avenue of the Americas
New York, New York 10019
Telephone: [redacted]

* * * * *

All potential Investors in the AlphaKeys Fund are encouraged to consult appropriate legal and tax counsel.

Appendix A – CONFIDENTIAL MEMORANDUM OF THE UNDERLYING FUND

This Appendix A contains (i) the Confidential Memorandum of Millennium USA LP, dated January 2013 (with respect to Class EE, FF, MM and NN Interests) and (ii) the Confidential Memorandum of Millennium Partners, [redacted], dated January 2013 (collectively, the "Underlying Fund Memorandum").

Each prospective Investor should carefully review the Underlying Fund Memorandum. The information included in the Underlying Fund Memorandum, including, without limitation, the terms of the AlphaKeys Fund's investment into the Underlying Fund and the risks associated therewith, was obtained from the Underlying Fund Manager. Such information has not been prepared by or independently verified by, and does not necessarily reflect the views or opinions of, the AlphaKeys Fund, UBSFS, the Administrator or any of their respective affiliates, and none of the foregoing makes any representation or warranty with respect to, or shall be responsible for, the accuracy or completeness of such information.

Descriptions of any rights, benefits and effects described in the Underlying Fund Memorandum will inure to the benefit of, and/or apply to, the AlphaKeys Fund as a whole and not to the Investors. Purchasers of Interests will not be limited partners of the Underlying Fund, will have no direct interest in the Underlying Fund, will have no voting rights in the Underlying Fund and will have no standing or recourse against any of the Underlying Fund, the Underlying Fund Manager, their respective affiliates or any of their respective general partners, investment advisors, officers, directors, employees, partners or members. Currently, the AlphaKeys Fund anticipates investing only in Underlying Fund Interests.

There can be no assurance that the Underlying Fund will achieve its investment objective. The return for an Investor in the Underlying Fund will depend on the timing and actual amount invested in the Underlying Fund and the performance thereof, as well as the timing and amount of capital contributed to the Underlying Fund and held in Temporary Investments and the performance thereof. An Investor in the AlphaKeys Fund may suffer significant losses. Any losses by the AlphaKeys Fund will be borne solely by the Investors and not by the Administrator or its affiliates.

millennium

CONFIDENTIAL MEMORANDUM
(Part One)

Relating to

Class EE and Class FF Interests

and

Class MM and Class NN Interests

of

MILLENNIUM USA LP

THIS CONFIDENTIAL MEMORANDUM IS COMPRISED OF TWO PARTS, WHICH MUST BE READ TOGETHER. THIS PART ONE CONTAINS INFORMATION SPECIFIC TO MILLENNIUM USA LP, INCLUDING THE TERMS OF INVESTMENT IN MILLENNIUM USA LP AND ITS ORGANIZATION AND STRUCTURE. PART TWO CONTAINS INFORMATION SPECIFIC TO MILLENNIUM PARTNERS, [redacted]., INCLUDING ITS INVESTMENT ACTIVITIES, IN WHICH THE MAJORITY OF THE ASSETS OF MILLENNIUM USA LP ARE INVESTED.

General Partner:
Millennium Management LLC
666 Fifth Avenue, 8th Floor
New York, New York 10103-0899
Telephone: [redacted]

January 2013

[redacted]-MAXWELL

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS, EITHER DIRECTLY OR INDIRECTLY, THROUGH ITS INVESTMENT IN MILLENNIUM PARTNERS, [redacted]. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

This Confidential Memorandum relates to an offering of:

Class EE interests (the "Class EE Offered Interests"),

Class FF interests (the "Class FF Offered Interests," and together with the Class EE Offered Interests, the "Offered Quarterly Interests"),

Class MM interests (the "Class MM Offered Interests"), and

Class NN interests (the "Class NN Offered Interests," and together with the Class MM Offered Interests, the "Offered Annual Interests") of Millennium USA LP, a Delaware limited partnership ("Millennium USA").

All references to "Offered Interests" in this Confidential Memorandum shall be deemed to include the Offered Quarterly Interests and the Offered Annual Interests. The Offered Quarterly Interests of each class generally have the same rights and characteristics, except that the Class FF Offered Interests do not participate in gains and losses from "new issues" (as such term is defined by the Financial Industry Regulatory Authority) and activities that Millennium Management determines are related thereto. The Offered Annual Interests of each class generally have the same rights and characteristics, except that the Class NN Offered Interests do not participate in gains and losses from "new issues" and activities that Millennium Management determines are related thereto.

The Offered Quarterly Interests generally may be withdrawn, in whole or in part, as of the last day of each calendar quarter, subject to the timely receipt of a notice of withdrawal. However, it should be noted that: (a) all withdrawals of Offered Quarterly Interests are subject to a 25% quarterly limit (as described under "Millennium USA's Organization, Management,

Structure, and Operations – Withdrawal Rights") that limits the amount any single limited partner may withdraw on a single withdrawal date, and (b) withdrawals of Offered Quarterly Interests occurring before the last day of the fourth full calendar quarter after purchase of such Offered Interests will be subject to a charge equal to 4% of the withdrawal amount. The charge described above will be allocated to Millennium USA for the benefit of the non-withdrawing limited partners (which includes Millennium Management).

The Offered Annual Interests generally may be withdrawn, in whole or in part, as of the last day of the fourth full fiscal quarter following the date such Offered Annual Interests were purchased, and thereafter, as of each anniversary of such date, subject to timely receipt of a notice of withdrawal. For purposes of determining the anniversary date, Offered Annual Interests purchased (or deemed purchased) as of the first day of a quarter will be treated as if invested for the full quarter (*e.g.*, Offered Annual Interests issued on April 1, 2013 will have an anniversary date of March 31, commencing March 31, 2014). Under normal circumstances, there is no limit on the amount of Offered Annual Interests that may be withdrawn on any withdrawal date and there are no charges for withdrawals of the Offered Annual Interests.

The Offered Interests are suitable only for sophisticated investors (i) that do not require immediate liquidity for their investments, (ii) for which an investment in Millennium USA does not constitute a complete investment program, and (iii) that fully understand and are willing to assume the risks involved in Millennium USA's investment program. Millennium USA's investment practices, by their nature, may be considered to involve a substantial degree of risk. (See "Certain Risk Factors Relating to Millennium USA" and "Millennium USA's Investment Program and Strategy"). Millennium USA carries out its investment and trading activities primarily by investing in Millennium Partners, [redacted]. (the "Master Partnership"), a Cayman Islands exempted limited partnership initially organized in 1989 as a Delaware limited partnership, but it may also trade and invest part of its capital for its own account.

Prospective purchasers should carefully read this Confidential Memorandum in its entirety (including both Part One, which discusses Millennium USA, and Part Two, which discusses the Master Partnership). The contents of this Confidential Memorandum, however, should not be considered legal or tax advice and each prospective purchaser should consult with its own counsel and advisers as to all matters concerning an investment in Millennium USA.

There will be no public offering of the Offered Interests. No offer to sell (or solicitation of an offer to buy) will be made in any jurisdiction in which such offer or solicitation would be unlawful.

Confidentiality of Fund Information

This Confidential Memorandum and any other documents or informational materials provided to prospective purchasers or investors in Millennium USA with respect to Millennium USA, the Master Partnership and/or their respective affiliates (collectively, "Fund Information") have been provided solely for the information of the person to whom it has been delivered on behalf of Millennium USA and may not be reproduced, distributed or used for any other purpose by or on behalf of such person. By accepting this Confidential Memorandum or any Fund Information, each prospective purchaser agrees that any reproduction or distribution of Fund

Information, in whole or in part, or the disclosure of its contents, without the prior written consent of Millennium Management LLC ("Millennium Management"), is prohibited, and that it will keep confidential any Fund Information and will use this Confidential Memorandum and other Fund Information solely for the purposes of evaluating a possible investment, or its continued investment, in Millennium USA. Notwithstanding anything herein to the contrary, each prospective purchaser (and each employee, representative, or other agent of such prospective purchaser) may disclose to any and all persons, without limitation of any kind, the tax treatment and structure of (i) Millennium USA, (ii) any of its transactions, and (iii) all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of Millennium USA or the parties to a transaction. For this purpose, "tax treatment and structure" is limited to facts relevant to the tax treatment of the transactions of Millennium USA and does not include information relating to the identity of any partner (other than Millennium Management), its affiliates, agents or advisors. Each person accepting this Confidential Memorandum and any other written Fund Information agrees to return any such documentation to Millennium USA promptly upon request by Millennium Management. THIS CONFIDENTIAL MEMORANDUM IS ACCURATE AS OF ITS DATE, AND NO REPRESENTATION OR WARRANTY IS MADE AS TO ITS CONTINUED ACCURACY AFTER SUCH DATE.

As part of its responsibility for the prevention of money laundering, Millennium USA (and any person acting on its behalf) reserves the right to require such information as is necessary to verify the identity of a prospective purchaser, limited partner, or any beneficial owner underlying the account of a prospective purchaser or a limited partner, and the source of any payment by or on behalf of a prospective purchaser or a limited partner. In the event of delay or failure by the prospective purchaser or limited partner to produce any information required for verification purposes, Millennium USA may refuse to accept a subscription or may cause the withdrawal of any such limited partner from Millennium USA.

NO OFFERING LITERATURE OR ADVERTISING IN WHATEVER FORM WILL BE EMPLOYED IN THE OFFERING OF THE OFFERED INTERESTS EXCEPT FOR THIS CONFIDENTIAL MEMORANDUM, STATEMENTS CONTAINED HEREIN AND WRITTEN MATERIALS SPECIFICALLY APPROVED BY MILLENNIUM MANAGEMENT. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION OR GIVE ANY INFORMATION WITH RESPECT TO THE OFFERED INTERESTS, EXCEPT THE INFORMATION CONTAINED HEREIN.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS MUST RELY UPON THEIR OWN EXAMINATION OF MILLENNIUM USA AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE OFFERED INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, AND IN COMPLIANCE WITH THE TERMS OF THE ORGANIZATIONAL DOCUMENTS OF MILLENNIUM USA. PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS MUST REPRESENT THAT THEY ARE ACQUIRING THE OFFERED INTERESTS FOR INVESTMENT.

EACH PROSPECTIVE PURCHASER IS INVITED TO MEET WITH REPRESENTATIVES OF MILLENNIUM MANAGEMENT TO DISCUSS WITH, ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM SUCH PERSONS CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING OF THE OFFERED INTERESTS, AND TO OBTAIN ANY ADDITIONAL INFORMATION, INCLUDING MILLENNIUM USA'S HISTORICAL PERFORMANCE INFORMATION, TO THE EXTENT NECESSARY FOR A PROSPECTIVE PURCHASER TO MAKE AN INFORMED INVESTMENT DECISION. NOTWITHSTANDING THE FOREGOING, A PROSPECTIVE PURCHASER IS NOT ENTITLED TO RELY ON ANY SUCH ADDITIONAL INFORMATION CONCERNING MILLENNIUM USA, THE OFFERING OF INTERESTS OR MILLENNIUM MANAGEMENT IF SUCH ADDITIONAL INFORMATION IS NOT IN WRITING, AND EACH PROSPECTIVE PURCHASER IS INVESTING SOLELY ON THE BASIS OF THIS CONFIDENTIAL MEMORANDUM, THE PARTNERSHIP AGREEMENT (AS DEFINED HEREIN) AND SUCH OTHER WRITTEN INFORMATION.

* * * *

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PART ONE:
INFORMATION RELATING TO THE OFFERING AND MILLENNIUM USA LP

PART TWO:
INFORMATION RELATING TO MILLENNIUM PARTNERS, [redacted].

[redacted]-MAXWELL

Summary of Part One of the Confidential Memorandum

(Information Relating to Millennium USA LP)

The following is a summary of certain information set forth more fully in the Seventh Amended and Restated Limited Partnership Agreement, as it may be amended from time to time (the "Partnership Agreement"), or elsewhere in this Confidential Memorandum of Millennium USA LP ("Millennium USA"). This summary should be read in conjunction with, and is qualified in its entirety by, such detailed information and the other sections of this Confidential Memorandum, including the sections entitled "Certain Risk Factors Relating to Millennium USA" and "Certain Tax Matters Relating to an Investment in Millennium USA," as well as Part Two of this Confidential Memorandum. In the event that any information in this summary contradicts the Partnership Agreement, the Partnership Agreement will control.

The Partnership: Millennium USA is a Delaware limited partnership formed in November 1997. Millennium USA primarily invests its capital in Millennium Partners, [redacted]. (the "Master Partnership"). For a more detailed description of Millennium USA and its investment strategy, see "The Partnership" and "Millennium USA's Investment Program and Strategy," below. For a description of the Master Partnership, see Part Two of this Confidential Memorandum. Investors in Millennium USA are referred to herein as the "Limited Partners."

Interests Offered: This Confidential Memorandum relates to an offering of Class EE interests (the "Class EE Offered Interests"), Class FF interests (the "Class FF Offered Interests," and together with the Class EE Offered Interests, the "Offered Quarterly Interests"), Class MM interests (the "Class MM Offered Interests"), and Class NN interests (the "Class NN Offered Interests," together with the Class NN Offered Interests, the "Offered Annual Interests") of Millennium USA. All references to "Offered Interests" in this Confidential Memorandum shall be deemed to include the Offered Quarterly Interests and the Offered Annual Interests.

The Offered Quarterly Interests of each class generally have the same rights and characteristics, except that the Class FF Offered Interests do not participate in gains and losses from "new issues" (as such term is defined by the Financial Industry Regulatory Authority) and activities that Millennium Management determines are related thereto. The Offered Annual Interests of each class generally have the same rights and characteristics, except that the Class NN Offered Interests do not participate in gains and losses from "new issues" and activities that Millennium Management determines are related thereto.

Each class of Offered Interests has three sub-classes. Sub-class III of each class of Offered Interests is being offered pursuant to this Confidential Memorandum. Sub-classes I and II of each class of Offered Interests were issued in connection with a conversion of existing interests and the sub-class issued to a Limited Partner was based on the existing classes being converted. Sub-classes I and II of each class of Offered Interests have particular rights and obligations relating to events that occurred prior to 2009, but otherwise are identical to sub-class III of each class of Offered Interests. A description of sub-classes I and II of each Class of Offered Interests, together with a description of other classes of interests of Millennium USA that are currently outstanding, is set forth in Appendix I attached hereto.

The minimum initial subscription for an investment in Millennium USA is $5,000,000 and subsequent subscriptions may be made in $500,000 increments. Millennium Management LLC ("Millennium Management"), the general partner of Millennium USA and the general partner of the Master Partnership, may permit Millennium USA to accept subscriptions of lesser amounts or establish different minimums in the future. Millennium Management reserves the right to reject a subscription in its sole and absolute discretion.

Offered Interests generally will be sold only as of the first business day of a calendar month; monies received prior to the first business day of a calendar month will be held by Millennium USA or its agent and a prospective purchaser will not earn any interest on such monies or any return based on Millennium USA's performance during the period prior to the first business day of such month. In the sole and absolute discretion of Millennium Management, subscriptions may be accepted after the first business day of a calendar month, including, without limitation, because the prospective purchaser's subscription agreement and supporting documentation were not deemed to be complete on the first business day or because Millennium USA receives the prospective investor's subscription monies subsequent to the first business day. If Millennium Management elects, in its sole discretion, to accept a subscription subsequent to the first business day of a calendar month, for whatever reason, the subscription will be deemed by Millennium Management, in its sole discretion, to have been invested on the first business day of such calendar month at the relevant subscription price on such day. In such a situation, the prospective investor will, unless otherwise agreed by Millennium Management, be

subject to an interest charge at a daily rate determined by Millennium USA for the portion of the month preceding the date that subscription monies are received or the date Millennium Management determines, in its sole discretion, that the subscription agreement of such investor was compete, as applicable, which will be assessed against the Offered Interests of the applicable Limited Partner. See "Interests Offered; Terms of the Offering – Interests Offered." For purposes of this Confidential Memorandum, a business day is any day, Monday through Friday, on which banks in New York City are open for business.

Purchaser Qualifications:

The Offered Interests are generally intended for prospective purchasers that are "qualified purchasers" (as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended), are taxable U.S. investors, and are persons for which such an investment is otherwise appropriate.

As a condition to the acceptance of any subscription for Offered Interests, each prospective purchaser will be required to complete, to the satisfaction of Millennium Management and GlobeOp Financial Services LLC, herein referred to as the "Administrator," a signed subscription agreement ("Subscription Agreement") certifying these and other matters, making certain representations and agreeing to certain terms in a form to be provided by Millennium Management.

Millennium Management reserves the right to reject a subscription in its sole and absolute discretion. If a subscription is rejected, the unused subscription monies will be returned, without interest, and at the risk and cost of the applicant, to the applicant's account from which the monies were originally remitted.

Millennium USA's Investment Program and Strategy:

The investment objective of Millennium USA is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. THERE ARE NO SUBSTANTIVE LIMITS ON THE INVESTMENT STRATEGIES THAT MAY BE PURSUED BY MILLENNIUM USA. See "Millennium USA's Investment Program and Strategy" and the entirety of Part Two of this Confidential Memorandum.

As discussed in "Millennium USA's Investment Program and Strategy," Millennium USA carries out its investment and trading activities primarily by investing in the Master

Partnership, but it also will trade and invest part of its capital for its own account, when presented with investment opportunities that are appropriate for it and its investors but that may be inappropriate or not optimal (for tax or other reasons) for other direct or indirect investors in the Master Partnership. Similarly, such other investors may have the benefit of investments inappropriate or not optimal for Millennium USA; therefore, returns among Millennium USA and other investment funds that invest in the Master Partnership may differ.

Millennium USA may directly engage in any investment activities in which the Master Partnership engages (as more fully described in Part Two of this Confidential Memorandum).

Certain Risk Factors: The investment program of the Master Partnership, and therefore of Millennium USA, involves significant risks, including the Master Partnership's reliance upon Millennium Management (and portfolio managers selected by Millennium Management), limitations on withdrawals, the use of leverage, trading in derivative instruments, and conflicts of interest related to investment opportunities and business activities among the Master Partnership's affiliates and their management. Prospective purchasers are urged to carefully review the sections titled "Certain Risk Factors Relating to Millennium USA" below and "Certain Risk Factors Relating to an Investment in the Master Partnership" in Part Two of this Confidential Memorandum.

"New Issues": The Class FF Offered Interests and the Class NN Offered Interests (as well as certain other previously issued and outstanding classes) will not participate in gains and losses from "new issues" and activities that Millennium Management determines are related thereto. Policies with respect to the allocation of gains and losses from new issues and activities that Millennium Management determines are related thereto may be revised by Millennium Management at any time without notice to investors. (See "Interests Offered; Terms of the Offering—Treatment of New Issues.")

Sales Charges: Unless otherwise previously disclosed to an investor, there will be no sales charges payable to Millennium USA or Millennium Management in connection with the offering of Offered Interests to that investor. To the extent any such charges are applicable and paid from an investor's funds, the investor's actual investment in the Offered Interests will be reduced. Millennium Management or its affiliates may enter into, and

have from time to time entered into, agreements with placement agents providing for payment by Millennium Management or its affiliates of a portion of subscription amounts, or providing for ongoing payments based on a percentage of the Incentive Allocation due to Millennium Management that is attributable to the interests of an investor introduced by such placement agent or the payment of other amounts to the placement agents.

Limitations on Transferability:

As described below under "Suitability Requirements; Limitations on Transferability of Interests of Millennium USA," each investor will be required to agree (i) that no Offered Interests, nor any interest therein, may be pledged, transferred or assigned (each, a "Transfer") without the prior consent of Millennium Management (except by operation of law), which consent may be withheld in the discretion of Millennium Management or made subject to such conditions as may be imposed by Millennium Management in its sole discretion, and (ii) that, prior to considering any request to permit a transfer of Offered Interests, Millennium Management may require the submission by the proposed transferee of a certification as to the matters discussed in that section under "– Suitability Requirements" as well as such other documents, representations or undertakings as Millennium Management and/or the Administrator, as applicable, considers appropriate. Transferred interests generally will be deemed to have been purchased as of the date of the transfer for all purposes, including calculating the Incentive Allocation (as defined herein) and determining Early Withdrawal Charges, unless otherwise agreed to by Millennium Management, in its sole discretion.

Millennium Management will not consent to any Transfer other than a Transfer (i) in circumstances in which the tax basis of the Offered Interest in the hands of the transferee is determined, in whole or in part, by reference to its tax basis in the hands of the transferor, (ii) to members of such Partner's immediate family (brothers, sisters, spouse, parents and children), or (iii) as a distribution from a qualified retirement plan or an individual retirement account (each, a "Permissible Transfer"), unless Millennium Management determines that the proposed Transfer will not cause Millennium USA to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes. Without limiting the foregoing, unless otherwise agreed to by Millennium Management, Millennium Management generally does not expect to consent to any Transfer (other than a Permissible

Transfer) unless the Transfer (i) is between existing limited partners effective as of the beginning of the next fiscal quarter after 65 days' prior written notice to Millennium USA and the Administrator, and (ii) is based on the net asset value of the Offered Interests being transferred as of the effective date of the Transfer.

Withdrawal Rights:

The following is a summary of the withdrawal rights associated with the Offered Interests, which are further described under "Millennium USA's Organization, Management, Structure, and Operations – Withdrawal Rights":

Offered Quarterly Interests

Offered Quarterly Interests generally may be withdrawn, in whole or in part, upon at least 90 days' prior written notice to Millennium USA and to the Administrator, as of the last day of each calendar quarter, subject to a 25% quarterly maximum and any applicable Early Withdrawal Charge, each as described below.

A holder of Offered Quarterly Interests may not withdraw more than 25% of such holder's interests in any one quarter, except that the holder may, upon at least 90 days' prior written notice, elect to withdraw a specified amount or percentage of such holder's interests then held (which may be 100%) over the next succeeding quarterly withdrawal dates, in which event, the withdrawal request will be honored to the extent of:

(i) 25% of the aggregate net asset value of such interests at the next following quarterly withdrawal date;

(ii) (if necessary) 33⅓% of the aggregate net asset value of such interests at the next following quarterly withdrawal date;

(iii) (if necessary) 50% of the aggregate net asset value of such interests at the next following quarterly withdrawal date; and

(iv) (if necessary) 100% of the remaining aggregate net asset value of such interests at the next following quarterly withdrawal date, subject to retaining an amount, as described below, pending audit and final determination of amounts due.

As noted, notice of such a withdrawal must be given in writing at least 90 days prior to the first of the four (or fewer) quarters

over which withdrawals are to be made.

Each withdrawal request submitted by a holder will be treated separately for purposes of determining the amount a holder will be permitted to withdraw on a particular withdrawal dates. Subsequently submitted withdrawal requests will be subject to new limitations calculated based on the then net asset value of the holder's Offered Interests, and the amount permitted to be withdrawn on a withdrawal date under the new request will be reduced by amounts in respect of earlier requests being withdrawn on the same withdrawal date.

Withdrawal requests are irrevocable upon receipt by Millennium USA, subject to Millennium Management's sole discretion to permit revocation in whole or in part; provided that Millennium Management determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

Millennium Management may, in its sole and absolute discretion, permit a withdrawal of Offered Quarterly Interests at intervals other than those set forth above or convert Offered Quarterly Interests into interests of another class with substantially the same rights and characteristics if it determines that such a withdrawal or conversion would be permitted by applicable law; provided that Millennium Management determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

The Offered Quarterly Interests are subject to the Early Withdrawal Charge (as more precisely defined below) of 4% upon withdrawal prior to the completion of four full fiscal quarters after the date on which the interests were acquired.

Millennium USA generally will pay 95% of the withdrawal payment within 30 days following the applicable withdrawal date and generally will withhold 5% of any withdrawal payment at a quarterly withdrawal date pending closing of Millennium USA's books and reconciliation of the amounts due for the quarter (in each case, computed on the basis of unaudited data as of the withdrawal date, and subject to any applicable reserves or holdbacks). However, if a withdrawal date coincides with a date as of which Millennium USA's financial statements are audited, the final withdrawal payment will generally be made, subject to audit adjustments, after completion of the audit. If the amount of a withdrawal,

together with previous amounts withdrawn by a holder of Offered Quarterly Interests since the most recent audit of Millennium USA, exceeds 90% of the aggregate value of the Limited Partner's Offered Quarterly Interests (after taking into account any adjustments made in connection with the audit) immediately after the date as of which the audit was conducted, then Millennium USA generally will withhold from the withdrawal payment 10% of the aggregate value. The balance will be paid (subject to audit adjustments), within 30 days after the completion of the next audit of Millennium USA, subject to any applicable reserves or holdbacks.

Balances held until following the completion of an audit, if any, will be paid with interest from the applicable withdrawal date at the average (calculated weekly) per annum short-term (13-week) Treasury Bill rate.

Millennium Management may, in its discretion, elect to withhold smaller amounts than those described above or to accelerate the repayment of withheld balances.

Offered Annual Interests

The Offered Annual Interests generally may be withdrawn, in whole or in part, upon at least 90 days' prior written notice to Millennium USA and to the Administrator, as of the last day of the fourth full fiscal quarter following the date such Offered Annual Interests were purchased, and thereafter, as of each anniversary of such date. For purposes of determining the anniversary date, Offered Annual Interests purchased (or deemed purchased) as of the first day of a quarter will be treated as if invested for the full quarter (*e.g.*, the first permissible withdrawal date for interests issued on April 1, 2013 will be March 31, 2014, and the anniversary date will be March 31).

Withdrawal requests are irrevocable upon receipt by Millennium USA, subject to Millennium Management's sole discretion to permit revocation in whole or in part; provided that Millennium Management determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

Under normal circumstances, there is no limit on the amount of Offered Annual Interests that may be withdrawn on any withdrawal date and there are no charges for withdrawals of the Offered Annual Interests.

Millennium Management may, in its sole and absolute discretion, permit a withdrawal of Offered Annual Interests on dates other than the anniversary date or convert Offered Annual Interests into interests of another class with substantially the same rights and characteristics if it determines that such a withdrawal or conversion would be permitted by applicable law; provided that Millennium Management also determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

Withdrawal payments generally will be made approximately 90% (computed on the basis of unaudited data as of the withdrawal date, and subject to reserves or holdbacks) within 30 days following the withdrawal date. The balance will be paid (subject to audit adjustments) within 30 days following the completion of the next audit of Millennium USA, subject to any applicable reserves or holdbacks. If the amount of the withdrawal is less than 90% of the aggregate value of a shareholder's Offered Annual Interests, Millennium USA anticipates paying 95% (rather than 90%) and withholding 5% of the withdrawal amount pending closing of Millennium USA's books and reconciliation of the amounts due for the quarter (in each case, computed on the basis of unaudited data as of the withdrawal date, and subject to any applicable reserves or holdbacks). However, if a withdrawal date coincides with a date as of which Millennium USA's financial statements are audited, the final withdrawal payment will generally be made, subject to audit adjustments, after completion of the audit.

Balances held until following the completion of the audit, if any, will be paid with interest from the applicable withdrawal date at the average (calculated weekly) per annum short-term (13-week) Treasury Bill rate.

Millennium Management may, in its discretion, elect to withhold smaller amounts than those described above or to accelerate the repayment of withheld balances.

Limitation on Withdrawals; Compulsory Withdrawal:

Millennium Management may, in its discretion, hold back a portion of the withdrawal proceeds payable to a Limited Partner in respect of Offered Interests being withdrawn (whether such withdrawal is voluntary or compulsory) to satisfy contingent or expected liabilities. In addition, withdrawals may be suspended if required to ensure compliance with (i) any contract or agreement to which Millennium USA is then a party or (ii) applicable law. Withdrawals may also be suspended if Millennium Management or the Administrator reasonably deems it appropriate to do so to ensure compliance with applicable anti-money laundering regulations. See "Millennium USA's Organization, Management, Structure and Operations – Withdrawal Rights" and "- Suspension for Anti-Money Laundering Purposes." A breach of a covenant under an agreement relating to indebtedness or similar obligations of the Master Partnership, could trigger an acceleration of such indebtedness or obligations, reducing or eliminating equity withdrawals from the Master Partnership by Millennium USA. See "Certain Risk Factors Relating to Millennium USA – Limitation on Withdrawals" herein and "Certain Risk Factors Relating to an Investment in the Master Partnership - Certain Market and Investment Risks - Indebtedness" in Part Two of this Confidential Memorandum.

Millennium Management reserves the right, subject to applicable law, upon not less than five days' prior written notice, to require any investor to withdraw all or any portion of its interests at any time for any reason or no reason. See "Millennium USA's Organization, Management, Structure, and Operations – Compulsory Withdrawal."

Early Withdrawal Charges:

Withdrawals of Offered Quarterly Interests occurring before the last day of the fourth full calendar quarter after purchase of such Offered Interests (other than due to the occurrence of a Trigger Event, described below) will be subject to a charge equal to 4% of the withdrawal amount (the "Early Withdrawal Charge"). For purposes of determining the Early Withdrawal Charge, Offered Quarterly Interests purchased (or deemed purchased) as of the first day of a quarter will be treated as if invested for the full quarter (*e.g.*, Offered Quarterly Interests issued on April 1, 2013 will no longer be subject to an Early Withdrawal Charge for withdrawals of such Offered Quarterly Interests occurring on or after March 31, 2014). The Early Withdrawal Charge will be deducted from withdrawal proceeds and retained by Millennium USA for the benefit of

the non-withdrawing investors (including Millennium Management).

Withdrawals of Offered Annual Interests are not subject to any withdrawal charge.

Special Withdrawal Right upon a Trigger Event:

Millennium Management will promptly notify the investors in the event of the death, disability, adjudication of incompetency, bankruptcy, insolvency or withdrawal from the general partner of the Master Partnership of Israel A. Englander (a "Trigger Event"). Following such an event, each Limited Partner will be given a special right to withdraw any amount from its capital accounts. Special provision is also made for "Possible Trigger Events" when an event occurs, but it cannot be quickly determined whether it resulted in a disability that rises to the level of a Trigger Event. (See "Millennium USA's Organization, Management, Structure, and Operations – Withdrawal Rights – Special Withdrawal Right upon a Trigger Event.")

General Partner; Incentive Allocation:

The general partner of Millennium USA is Millennium Management. Israel A. Englander is the managing member of Millennium Management. Millennium Management also serves as the general partner of the Master Partnership. See "The Master Partnership's Management, Structure and Operations – Management" in Part Two of this Confidential Memorandum for a description of certain control relationships.

As described below under "Allocation of Gains and Losses," at the end of each fiscal year of Millennium USA, or at such other date during a fiscal year as of which the following reallocation is required, 20% of the aggregate net capital appreciation of Millennium USA for the year will be reallocated to Millennium Management as its incentive allocation (the "Incentive Allocation").

Dissolution of Millennium USA:

Millennium Management has the right to compulsorily effect a withdrawal of all issued interests of Millennium USA and/or dissolve Millennium USA at any time (including during a fiscal year), for any reason or for no reason. See "Outline of the Partnership Agreement – Term; Dissolution."

Fees and Expenses Relating to Millennium USA:

As described below under "Fees and Expenses Relating to Millennium USA," Millennium USA is, directly, or through its investment in the Master Partnership, responsible for:

- all fees and expenses incurred in connection with any transactions, engagements, and other agreements that it

enters into on its own behalf, including, among other things, costs and expenses of the Administrator, expenses in connection with the private placement of interests of Millennium USA (other than placement fees, if any); and

- a generally *pro rata* portion of the fees and expenses incurred by Millennium Management and its affiliates with respect to, or in connection with, the Master Partnership and its affiliates or incurred directly by the Master Partnership (which cover, among other things, the expenses, salaries, fringe benefits, bonuses, fees and performance-based compensation paid or reimbursed to portfolio managers, other employees, consultants, subcontractors, agents, and investment advisers engaged directly by the Master Partnership and its affiliates, fees paid to persons or entities who assist in identifying and recruiting portfolio managers, and expenses related to computers, equipment and technology and expenses related to maintaining offices, including leases and fixtures); and
- a generally *pro rata* portion of any other expenses incurred by the Master Partnership.

Expenses that are borne by Millennium USA and the other feeder funds, including Millennium International, and Millennium Strategic Capital (each, as defined herein) generally are allocated *pro rata* among Millennium USA and the other feeder funds according to the relative values of their interests in the Master Partnership, but a particular expense may be allocated differently if Millennium Management and its affiliates determine in their discretion that it would be fair and reasonable to do so. Expenses of Millennium Management Group (as defined herein) that relate to the Master Partnership or Millennium USA as well as other activities of the Millennium Management Group, including other funds or accounts managed thereby, are allocated among the applicable parties in a manner that the Millennium Management Group determines, in its discretion, to be fair and equitable. (See "Fees and Expenses Relating to Millennium USA.")

Administrator: Millennium USA has engaged GlobeOp Financial Services LLC (the "Administrator") to act as its administrator and provide certain administrative and accounting services to Millennium USA. Such services include, among others, issuing the net asset value of Millennium USA after performing certain checks on valuation and reconciliation

information received from Millennium Management. The Administrator also provides services in connection with the issuance, transfer and withdrawal of interests. (See "The Administrator.")

Taxation: Schulte Roth & Zabel LLP has rendered an opinion that Millennium USA and the Master Partnership will each be classified as a partnership and not as an association taxable as a corporation for federal tax purposes. Such counsel has also rendered its opinion that neither Millennium USA nor the Master Partnership will be treated as a "publicly traded partnership" taxable as a corporation. Accordingly, neither Millennium USA nor the Master Partnership should be subject to federal income tax, and each Limited Partner will be required to report on its own annual tax return such Limited Partner's distributive share of Millennium USA's taxable income or loss. (See "Certain Tax Matters Relating to an Investment in Millennium USA.")

ERISA: Although Millennium USA is generally not open to tax-exempt U.S. investors, Millennium Management may permit entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") to purchase Offered Interests. Trustees, administrators and other fiduciaries of such entities are urged to carefully review the matters discussed in this Confidential Memorandum. Investment in Millennium USA by entities subject to ERISA (or other tax-exempt U.S. entities) requires special considerations. In particular, Millennium USA may utilize leverage in connection with its trading activities, which could give rise to "unrelated business taxable income". Millennium USA does not intend to permit investments by "benefit plan investors" (as defined in Section 3(42) of ERISA and any regulations promulgated thereunder) to equal or exceed 25% of the net asset value of any class of the Offered Interests. (See "ERISA Considerations.")

Anti-Money Laundering Considerations: As part of Millennium USA's and the Administrator's responsibility for the prevention of money laundering, Millennium USA and its agents, including the Administrator, will require a detailed verification of the identity of a prospective purchaser of record and the source of payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, Millennium USA and its agents may refuse to accept the application (or process the application, in the case of the Administrator) and the subscription monies relating thereto will be returned,

without interest and at the risk of and cost of the applicant, to the account from which the monies were originally debited.

PART ONE: INFORMATION SPECIFIC TO THE OFFERING AND MILLENNIUM USA

The Partnership

This Confidential Memorandum relates to an offering of Class EE interests (the "Class EE Offered Interests"), Class FF interests (the "Class FF Offered Interests," together with the Class EE Offered Interests, the "Offered Quarterly Interests"), Class MM interests (the "Class MM Offered Interests") and Class NN interests (the "Class NN Offered Interests," together with the Class MM Offered Interests, the "Offered Annual Interests") of Millennium USA LP ("Millennium USA"). All references to "Offered Interests" in this Confidential Memorandum shall be deemed to include the Offered Quarterly Interests and the Offered Annual Interests. The Offered Interests are generally intended for prospective purchasers that are taxable U.S. investors and are persons for which such an investment is otherwise appropriate. Investors in Millennium USA are referred to herein as the "Limited Partners." The Limited Partners, together with Millennium Management LLC ("Millennium Management"), are referred to herein as the "Partners." The Offered Interests, together with all other interests in Millennium USA, are referred to herein as the "Interests."

Millennium USA accepts investments from outside investors and primarily invests its capital in Millennium Partners, [redacted]. (the "Master Partnership"). Millennium International, Ltd. ("Millennium International"), accepts investments from outside investors and primarily invests its capital in Millennium Offshore Intermediate, [redacted]., a Cayman Islands exempted limited partnership (the "Intermediate Partnership"), which, in turn, invests all or substantially all of its capital in the Master Partnership. Each of Millennium USA, the Intermediate Partnership and Millennium Strategic Capital will make separate investments from time to time as discussed below under "Millennium USA's Investment Program and Strategy." A fourth fund, Millennium Global Estate LP ("Millennium Global Estate"), also invests in the Master Partnership as part of a broader investment strategy. Millennium Management has formed Millennium Strategic Capital LP ("Millennium Strategic Capital"), an additional feeder fund that will invest in the Master Partnership or into its underlying strategies and additional feeder funds may be formed in the future. The Master Partnership and its investment program are described in detail in Part Two of this Confidential Memorandum.

Interests Offered; Terms of the Offering

Interests Offered

Certain Characteristics of the Offered Interests. All offers are made subject to the approval of Millennium Management, the general partner of Millennium USA and the general partner of the Master Partnership. Millennium Management reserves the right to reject a subscription in its sole and absolute discretion.

The Offered Quarterly Interests of each class generally have the same rights and characteristics, except that the Class FF Offered Interests do not participate in gains and losses from "new issues" (as such term is defined by the Financial Industry Regulatory Authority ("FINRA")) and activities that Millennium Management determines are related thereto. The Offered Annual Interests of each class generally have the same rights and characteristics, except

that the Class NN Offered Interests do not participate in gains and losses from "new issues" and activities that Millennium Management determines are related thereto. Each class of Offered Interests has three sub-classes: sub-class III of each class of Offered Interests is being offered pursuant to this Confidential Memorandum. Sub-classes I and II of each class of Offered Interests were issued in connection with a conversion of existing Interests and the sub-class issued to a Limited Partner was based on the existing classes being converted. Sub-classes I and II of each class of Offered Interests have particular rights and obligations relating to events that occurred prior to 2009, but otherwise are identical to sub-class III of each class of Offered Interests. A description of sub-classes I and II of each Class of Offered Interests, together with a description of other classes of Interests of Millennium USA that are currently outstanding, is set forth in Appendix I attached hereto.

Offered Interests generally will be sold only as of the first business day of a calendar month; monies received prior to the first business day of a calendar month will be held by Millennium USA or its agent and a prospective purchaser will not earn any interest on such monies or any return based on Millennium USA's performance during the period prior to the first business day of such month. In the sole and absolute discretion of Millennium Management, subscriptions may be accepted after the first business day of a calendar month, including, without limitation, because the prospective purchaser's subscription agreement and supporting documentation were not deemed to be complete by Millennium Management, in its sole discretion, on the first business day or because Millennium USA receives the prospective purchaser's subscription monies subsequent to the first business day. If Millennium Management elects, in its sole discretion, to accept a subscription subsequent to the first business day of a calendar month, for whatever reason, the subscription will be deemed to have been invested on the first business day of such calendar month at the relevant subscription price on such day. In such a situation, the prospective investor will, unless otherwise agreed by Millennium Management, be subject to an interest charge at a daily rate determined by Millennium Management for the portion of the month preceding the date that subscription monies are received or the date Millennium Management determines, in its sole discretion, that the subscription agreement of such investor was complete, as applicable, which will be assessed against the capital account of the applicable Limited Partner. See "Interests Offered; Terms of the Offering – Interests Offered." For purposes of this Confidential Memorandum, a business day is any day, Monday through Friday, on which banks in New York City are open for business.

There will be no public market for the Offered Interests, and they will not be transferable except under certain limited exceptions. (See "Suitability Requirements; Limitations on Transferability of Interests of Millennium USA.") Holders of other direct or indirect Interests in Millennium USA or the Master Partnership may have the right to withdraw their Interests pursuant to different and more favorable terms than are applicable to holders of the Offered Interests.

As a condition to the acceptance of any subscription for Offered Interests, each prospective purchaser will be required to complete, to the satisfaction of Millennium Management and the Administrator (as defined herein), and sign a subscription agreement (the "Subscription Agreement") in a form to be provided by Millennium Management.

Each prospective purchaser will be required in the Subscription Agreement to, among other things, (i) make certain representations, covenants and warranties, (ii) agree that Interests

of Millennium USA or withdrawal proceeds in respect thereof may be used to offset obligations of the withdrawing Limited Partner and/or its affiliate(s) (to the extent that the withdrawing Limited Partner and such affiliate(s) have the same beneficial owner) to Millennium USA, the Master Partnership or their respective affiliates, (iii) provide certain information about the prospective purchaser to Millennium USA, Millennium Management and the Administrator and (iv) indemnify Millennium USA, Millennium Management, the Administrator and their respective affiliates for losses incurred by them with respect to the prospective purchaser providing false information or misrepresentations. Millennium USA, Millennium Management, and/or the Administrator may also, from time to time, require such additional certifications, representations, and undertakings as they deem appropriate, including representations as to the net worth of a prospective purchaser.

Each prospective purchaser will be required in the Subscription Agreement to authorize Millennium Management, on behalf of the Limited Partners, to select one or more persons (not affiliated with Millennium Management) to serve on a committee as may be established from time to time in the future, the purpose of which is to consider and, on behalf of the Limited Partners, approve or disapprove, to the extent required by applicable law or deemed advisable by Millennium Management, principal transactions, certain other related-party transactions and certain other transactions and matters involving potential conflicts of interest. Such committee may approve of such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, the consummation of such transactions. The person(s) so selected may be exculpated and indemnified by Millennium USA in the same manner and to the same extent as Millennium Management.

Under the terms of the Subscription Agreement, each holder of Interests agrees to notify Millennium Management and the Administrator promptly in writing if there is any change with respect to any information provided to Millennium Management and/or the Administrator and to provide any additional information reasonably requested by Millennium Management and/or the Administrator.

Minimum Subscription. The minimum initial subscription for an investment in Millennium USA is $5,000,000 and additional subscriptions following an initial investment may be made in $500,000 increments. Millennium Management may accept subscriptions of lesser amounts or establish different minimums in the future. Millennium Management reserves the right to reject a subscription in its sole and absolute discretion.

Sales Charges and Commissions. Unless otherwise previously disclosed to an investor, there will be no sales charges payable to Millennium USA or Millennium Management in connection with the offering of Offered Interests to that investor. To the extent any such charges are applicable and paid from an investor's funds, the investor's actual investment in the Offered Interests will be reduced. Millennium Management or its affiliates may enter into, and have from time to time entered into, agreements with placement agents providing for payment by Millennium Management or its affiliates of a portion of subscription amounts, or providing for ongoing payments based on a percentage of the Incentive Allocation due to Millennium Management that are attributable to the Interests of an investor introduced by such placement agent, or the payment of other amounts to the placement agents.

Withdrawal Rights. The withdrawal rights of the Offered Interests are described under "Millennium USA's Organization, Management, Structure, and Operations – Withdrawal Rights."

Treatment of New Issues. The Class FF Offered Interests and the Class NN Offered Interests (as well as certain other classes of Interests issued and outstanding as set forth in Appendix I (collectively with the Class FF Offered Interests and the Class NN Offered Interests, the "Restricted Classes")) will not participate in gains and losses from "new issues" (as such term is defined by FINRA) and activities that Millennium Management determines are related thereto.

Because the Class EE Offered Interests and the Class MM Offered Interests (as well as certain other classes of Interests previously issued and outstanding as set forth in Appendix I (collectively with the Class EE Offered Interests and the Class MM Offered Interests, the "Unrestricted Classes")) will participate in the gains and losses from new issues and activities that Millennium Management determines are related thereto, the value of the net assets attributable to such Interests will likely vary from the value of the net assets attributable to Interests of the Restricted Classes.

If a Partner in an Unrestricted Class subsequently becomes restricted from the purchase of new issues, the Interest in the Unrestricted Class held by such Partner will be converted into an Interest in the corresponding Restricted Class.

Millennium Management reserves the right to vary its policy with respect to the allocation of gains and losses from new issues and activities that Millennium Management determines are related thereto as it deems appropriate for Millennium USA as a whole, in light of, among other things, interpretations of, and amendments to, FINRA's rules and practical considerations, including administrative burdens and principles of fairness and equity.

Net Asset Value. The Administrator issues Millennium USA's and the Master Partnership's net asset value on a monthly basis after performing certain checks on valuation and reconciliation information received from Millennium Management. Valuations of publicly traded security positions are compared to market data independently obtained from third party market data providers. Valuations of security positions are compared to information received from third parties, including brokers and independent valuation service providers. Security positions and cash balances are reconciled with Millennium USA's and the Master Partnership's records based upon confirmations or statements that the Administrator independently receives from prime brokers and other financial institutions that hold assets of Millennium USA and the Master Partnership. Monthly activity in the general ledger of Millennium USA and the Master Partnership is reviewed on a sample basis to verify it as materially correct. The procedures performed do not constitute an audit in accordance with auditing standards generally accepted in the United States (although the financial statements of Millennium USA and the Master Partnership are audited in accordance with such standards by their independent auditors on a semi-annual basis, see "Millennium USA's Independent Public Accountants"). The verification and review work conducted by the Administrator does not constitute a 100% verification of the valuation work of Millennium Management.

The value of any investment on any valuation date is intended to represent the fair value of such investment on such date based upon the amount at which the investment could be exchanged between willing parties, other than in a forced liquidation sale, and is Millennium Management's estimate of such value using the methodology described in its valuation policies and procedures as they may be amended or revised from time to time. Any valuation of an investment may not reflect the actual amount that would be received by Millennium USA or the Master Partnership upon the liquidation of such investment. In addition, the timing of liquidations of investments may also affect the prices that could be obtained upon such liquidations. Millennium USA and the Master Partnership are entitled to rely, without independent investigation, upon pricing information and valuations furnished to them by third parties, including pricing services. See "Certain Risk Factors Relating to an Investment in the Master Partnership - Certain Market and Investment Risks – Valuation Risk" in Part Two of this Confidential Memorandum.

Certain Risk Factors Relating to Millennium USA

Risk Factors Relevant to the Master Partnership. Part Two of this Confidential Memorandum contains a description of risk factors relevant to an investment in the Master Partnership. As Millennium USA primarily invests its assets in the Master Partnership, the risk factors described in Part Two of this Confidential Memorandum likewise apply to an investment in Millennium USA and should be carefully reviewed before any investment is made.

Different Returns Among Investors in the Master Partnership. Millennium USA carries out its investment and trading activities primarily by investing in the Master Partnership. Millennium USA will also trade and invest a portion of its capital for its own account, when presented with investment opportunities that are appropriate for it and its investors, but that may be inappropriate or not optimal (for tax or other reasons) for other direct or indirect investors in the Master Partnership. For these reasons, returns among Millennium USA and other investors that invest in the Master Partnership will to some degree differ.

Different Terms of Limited Partners. Millennium USA has existing classes of Interests, and may, from time to time, establish additional classes or series of Interests, that provide holders of those Interests with rights additional to and/or different from (including, without limitation, with respect to fees, allocations, withdrawal rights, transfers, notices, transparency and reporting) the rights attached to the Offered Interests. For example, different classes of Interests may permit a Limited Partner to withdraw on less notice and/or at different times than holders of Offered Interests. In addition, Millennium USA may enter into letter agreements or other similar agreements with one or more Limited Partners that provide different rights to certain Limited Partners. In general, Millennium USA will not be required to notify any or all of the Limited Partners of any such new classes or agreements or any of the rights and/or terms or provisions thereof, nor will Millennium USA be required to offer such additional and/or different rights and/or terms to any or all of the existing Limited Partners.

Related Accounts or Other Accounts. Millennium Management or its affiliates may from time to time enter into managed accounts or similar arrangements with investors or manage investment vehicles ("Related Accounts") that have investment programs similar to that of Millennium USA and invest on a substantially *pari passu* basis with the Master Partnership's

portfolio or certain of its strategies, but which may give investors therein the opportunity to elect not to participate in certain strategies or categories of investments. In addition, such Related Accounts may provide investors therein with rights additional to and/or different from the rights attached to the Offered Interests or other classes or series of Interests of Millennium USA, including with respect to withdrawal rights, transparency, reporting, leverage, fees and allocations. Millennium Management and its affiliates will undertake to act in a manner that they consider fair, reasonable and equitable in allocating investment opportunities among the Master Partnership and such Related Accounts. However, because of the differences described above, the performance of any such Related Account may differ substantially from the performance of Millennium USA or the Master Partnership. Millennium Management or its affiliates may combine purchase or sale orders for securities on behalf of the Master Partnership or Millennium USA and Related Accounts and allocate the securities or other assets so purchased or sold on an average price basis among such accounts or using another methodology that they consider equitable, and may engage in cross transactions between the Master Partnership or Millennium USA and a Related Account or the other feeder funds that invest in the Master Partnership, including, for example, in connection with the establishment of a Related Account, termination of a Related Account, or the periodic rebalancing of positions. In addition, the Master Partnership and/or Millennium USA may invest, directly or indirectly, in investment vehicles that Millennium Management or its affiliates have formed, or may in the future form or manage, in other or additional investment partnerships or funds or in other investment structures and the Master Partnership has made, and it and/or Millennium USA may in the future make, investments in such investment partnerships or funds or other investment structures with their own capital and/or the capital of outside investors (each such investment vehicle or investment, an "Other Account"). Investments in Other Accounts may raise additional risks to the Master Partnership and Millennium USA. For example, a smaller investor in an Other Account may be affected by the actions of a larger investor in such Other Account. If a larger investor redeems its investment in an Other Account, the remaining investors in such Other Account may experience higher pro rata operating expenses, thereby producing lower returns. An Other Account may become less diverse due to a redemption by a larger investor, resulting in increased portfolio risk. The returns among investors in an Other Account may differ for a number of reasons, including tax and other considerations of the investors. Creditors of such Other Account may only enforce claims against all assets of such Other Account. See "Related-Party Transactions; Conflicts" in Part Two of this Confidential Memorandum for additional disclosure regarding conflicts of interest associated with the management of assets on behalf of the Master Partnership and other accounts, including Related Accounts.

Issuance of Debt or Preferred Securities and Similar Arrangements. Millennium USA or the Master Partnership may, without notice to or consent from existing investors, issue or guarantee classes of preferred equity, debt and convertible debt, or enter into similar arrangements, including letters of credit, which provide the holders thereof or parties thereto terms that are preferential to the terms applicable to the Interests held by existing Limited Partners in Millennium USA or to Millennium USA's interest in the Master Partnership. Such terms could include, among other things, a security interest over certain assets of the Master Partnership that would provide the holder thereof or party thereto the right to foreclose upon such assets following the occurrence of certain trigger events such as insolvency, bankruptcy, default or a suspension of withdrawals. If such securities are outstanding or such an arrangement exists and a trigger event occurs, it is possible that holders thereof or parties thereto would be

entitled to receive assets of the Master Partnership in satisfaction of its obligations to them prior to the time that Limited Partners in Millennium USA are able to withdraw.

Limit on Withdrawals. Millennium Management may, in its discretion, hold back a portion of the withdrawal proceeds payable to a Limited Partner in respect of Offered Interests being withdrawn (whether such withdrawal is voluntary or compulsory) to satisfy contingent or expected liabilities. Additionally, the Offered Quarterly Interests are subject to a 25% quarterly limit (as described under "Millennium International's Organization, Management, Structure, and Operations – Withdrawal Rights") that limits the amount of Interests a Limited Partner may withdraw on a single withdrawal date. The 25% quarterly limit is applied to each holder of Offered Quarterly Interests, which is in contrast to the calculation methodology of the contractual withdrawal limits applicable to other classes of Interests, which allocate aggregate withdrawal requests in excess of the contractual withdrawal limit among requesting investors in proportion to the relative size of their withdrawal request or the relative size of the investor.

In addition, withdrawals may be suspended if required to ensure compliance with (i) any contract or agreement to which Millennium USA or the Master Partnership is then a party or (ii) applicable law. Withdrawals may also be suspended if Millennium Management or the Administrator reasonably deems it appropriate to do so to ensure compliance with applicable anti-money laundering regulations. See "Millennium USA's Organization, Management, Structure and Operations – Withdrawal Rights" and "- Suspension for Anti-Money Laundering Purposes." A breach of a covenant under an agreement relating to indebtedness or similar obligations of the Master Partnership could trigger an acceleration of such indebtedness or obligations, reducing or eliminating equity withdrawals from the Master Partnership by Millennium USA. See "Certain Risk Factors Relating to an Investment in the Master Partnership - Certain Market and Investment Risks - Indebtedness" in Part Two of this Confidential Memorandum.

Limitations on Transferability. As discussed below under "Suitability Requirements; Limitations on Transferability of Interests of Millennium USA," the Offered Interests may not be pledged, transferred, or assigned (each, a "Transfer") without the prior written consent of Millennium Management (except by operation of law), which consent may be withheld in the discretion of Millennium Management or made subject to such conditions as may be imposed by Millennium Management in its sole discretion. Any attempted Transfer without such consent may be treated as void or may subject such Offered Interests to a compulsory withdrawal. Millennium Management does not expect to consent to any Transfer that does not meet the requirements set forth below under "Suitability Requirements; Limitations on Transferability of Interests of Millennium USA - Limitations on Transfer; Restrictions on Pledging Offered Interests".

Millennium Management reserves the right in its sole discretion to determine whether a Transfer will preserve "high water marks" and holding periods that were applicable to the transferor. Prospective purchasers and prospective transferees must represent that they are purchasing the Offered Interests for investment and meet other suitability requirements as Millennium Management and/or the Administrator, as applicable, considers appropriate. There is no independent market for the purchase or sale of Offered Interests, and none is expected to develop. All of these factors increase the risk that an investor will not be able to liquidate or

monetize its investment in the Offered Interests quickly or at a price that approximates the fair market value of the Offered Interests.

Compensation of Millennium Management. The Incentive Allocation (defined below under "Allocation of Gains and Losses") may, under some circumstances, create an incentive to cause Millennium Management and the Master Partnership to make investments that are riskier or more speculative than would be the case if such compensation were not performance-based, particularly in any period after losses have been suffered. Further, individual Portfolio Managers (as defined in Part Two of this Confidential Memorandum) who are generally compensated based on their performance, may have similar incentives to engage in more speculative activities than would be the case if such compensation were not performance-based.

In addition, because Millennium Management's Incentive Allocation is calculated on a basis that includes unrealized appreciation (and depreciation) of Millennium USA's assets, it may be greater than it would be if the allocation were based solely on realized gains.

As discussed below under "Fees and Expenses Relating to Millennium USA," Millennium USA indirectly will be responsible for a (generally *pro rata*) portion of the expenses, salaries, fringe benefits, bonuses, fees and performance-based compensation (collectively "Compensation") paid to the Portfolio Managers and other employees of, and consultants to the Master Partnership and its affiliates. Compensation expenses may also include management or "base" fees that may be charged by certain Portfolio Managers or third party funds. This obligation in respect of Compensation is separate from and in addition to the Incentive Allocation.

Pass-Through of Expenses. Partners of Millennium USA bear their respective allocable portions of Millennium USA's (through its investment in the Master Partnership) generally *pro rata* portion of the Master Partnership's costs and expenses as well as all of Millennium USA's costs and expenses (including the amounts payable to affiliates of Millennium Management). Millennium USA's allocable portion of expenses will generally be determined based on the assets of Millennium USA in proportion to the assets of other "feeder funds." This structure may create less of an incentive for Millennium Management to reduce operating and Compensation expenses than an alternative structure (such as a fixed management fee based on the amount of assets under management) would if the same personnel and opportunities were available under both structures. (See "Fees and Expenses Relating to Millennium USA" and "Related-Party Transactions; Conflicts" in Part Two of this Confidential Memorandum.)

Distributions in Kind. Millennium Management does not currently intend to, but may, in its discretion, distribute securities or other property of Millennium USA (including interests in a special purpose vehicle or similar entity formed for the purpose) in lieu of, or in combination with, cash upon any withdrawal. The value of assets distributed in-kind may increase or decrease before they are able to be sold by the withdrawing Limited Partner. Assets distributed in-kind may not be readily marketable or saleable and may have to be held by the Limited Partners for an indefinite period of time.

Contingency Reserves and Holdbacks. Millennium Management may, at any time or times, establish reserves (whether or not in accordance with U.S. generally accepted accounting principles ("GAAP")) for estimated or accrued expenses, liabilities or contingencies, including in

connection with the dissolution of Millennium USA or any downsizing of Millennium USA following a Trigger Event (as defined below). If reserves are established that are not in accordance with GAAP, they will be treated in the same manner as reserves that are in accordance with GAAP, *i.e.*, in the period in which they are taken they shall be treated as an expense of Millennium USA (and will reduce the net assets of Millennium USA and related Incentive Allocation (if applicable)), and, if and to the extent that they are subsequently reversed they will be taken into income in the period of such reversal (and will to that extent increase the net assets of Millennium USA and related Incentive Allocation (if applicable)). At the time such reserve is taken, Millennium USA may (but is not required to) provide that income from any subsequent reversal will be attributed solely to persons who were invested when the reserve was taken. The establishment of such reserves will not insulate any portion of Millennium USA's assets from being at risk, and the Master Partnership may make investment decisions relating to assets so reserved as it determines appropriate.

In addition to the power to establish reserves, Millennium Management, in its discretion, may hold back a portion of the amount payable to a Limited Partner in respect of a withdrawal (whether such withdrawal is voluntary or compulsory) to satisfy contingent or expected liabilities. The amount of the withdrawal proceeds held back will be determined by Millennium Management, in its sole discretion, taking into account such factors as it considers relevant with respect to any contingent or expected liability. Such holdbacks will reduce the amount paid to a withdrawing Limited Partner. The unused portion of any holdback will be distributed to the Limited Partner to which the holdback applied after Millennium Management has determined that the need therefor has ceased.

Investment in the Master Partnership by Millennium Management and its Affiliates and Portfolio Managers. In connection with deferred compensation arrangements of certain principals and senior officers of Millennium Management and its affiliates, Millennium International has entered into, and may in the future enter into additional, swap and option contracts with third parties with respect to which counterparties may subscribe for certain classes of Millennium International's equity capital in order to hedge their exposure under such contracts. Such contracts may provide that, upon the occurrence of certain events, including declines in the capital of the Master Partnership or Millennium International below pre-determined thresholds and changes in senior management, these contracts can be terminated by the counterparties and such equity capital can be withdrawn from Millennium International without the imposition of contractual limits on withdrawals and redemptions or early withdrawal or redemption charges, on either a monthly or quarterly basis. In addition, Portfolio Managers (and related personnel) are given the opportunity to invest in the portion of the Master Partnership's portfolio managed by them through vehicles established for this purpose. Such investments only share in the expenses allocated to such portfolio and not the expenses of Millennium USA or the Master Partnership generally. While Millennium Management believes that in substantially all situations these kinds of relationships are useful in aligning the interests of management and Portfolio Managers with those of investors, they can lead to situations where the interests of management diverge from those of other investors.

Tax-Exempt Investors. Certain prospective purchasers may be subject to federal and state laws, rules and regulations which may regulate their participation in Millennium USA, or their engaging directly, or indirectly through an investment in Millennium USA, in investment

strategies of the types which the Master Partnership or Portfolio Managers may utilize from time-to-time (*e.g.*, leverage, the purchase and sale of options and limited diversification). While Millennium USA believes the Master Partnership's investment program is generally appropriate for tax-exempt organizations for which an investment in Millennium USA would otherwise be suitable, each type of exempt organization may be subject to different laws, rules and regulations, and prospective purchasers should consult with their own advisers as to the advisability and tax consequences of an investment in Millennium USA (and consider the alternative of investing in Millennium International). Since the Master Partnership is permitted to borrow, tax-exempt Limited Partners may incur income tax liability to the extent of their share of Millennium USA's share of the Master Partnership's "unrelated business taxable income." Trustees or administrators of entities subject to ERISA and other tax-exempt entities should consult their own legal and tax advisers.

Recent Developments Potentially Impacting Taxation of Limited Partners. In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Master Partnership will generally be required to enter into an agreement with the Internal Revenue Service (the "Service") by December 31, 2013 identifying certain direct and indirect U.S. account holders (including debtholders and equityholders). Limited Partners should consult their own tax advisors regarding the possible implications of these rules on their investment in the Offered Interests.

Suitability Requirements; Limitations on Transferability of Interests of Millennium USA

Suitability Requirements

Each investor is required to represent that the Offered Interests are being acquired for its own account, for investment, and not with a view to resale or distribution. The Offered Interests are suitable investments only for sophisticated investors for which an investment in Millennium USA does not constitute a complete investment program, and that fully understand, are willing to assume, and have the financial resources necessary to withstand the risks involved in Millennium USA's investment program and to bear the potential loss of their entire investment in the Offered Interests.

Investors in Millennium USA must be "accredited investors" as defined in Rule 501 under the Securities Act of 1933, as amended (the "Securities Act") and "qualified purchasers" as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and must meet other suitability requirements set forth in the Subscription Agreement.

Each prospective purchaser is urged to consult with its own advisors to determine the suitability of an investment in the Offered Interests, and the relationship of such an investment to the prospective purchaser's overall investment program and financial and tax position. Each purchaser of an Offered Interest is further required to represent that, after all necessary advice and analysis, its investment in Millennium USA is suitable and appropriate in light of the foregoing considerations. Prior to any subscription for Offered Interests, each prospective purchaser must represent in writing, by completing and signing the Subscription Agreement, that

it meets the suitability standards referred to in this Confidential Memorandum. Millennium Management has the right to reject a subscription for any reason or for no reason, even if the prospective purchaser satisfies Millennium USA's suitability requirements.

Limitations on Transfer; Restrictions on Pledging Offered Interests

Each investor must bear the economic risk of the investment for an extended period of time (subject to the limited rights of withdrawal described herein).

Each investor will be required to agree that (i) no Offered Interests, nor any interest therein, may be Transferred without the prior written consent of Millennium Management (except by operation of law), which consent may be withheld in the discretion of Millennium Management or made subject to such conditions as may be imposed by Millennium Management in its sole discretion, (ii) prior to considering any request to permit transfer of Offered Interests, Millennium Management and/or the Administrator, as applicable, may require the submission by the proposed transferee of a certification as to the matters referred to in the preceding paragraphs as well as such other documents, representations or undertakings as Millennium Management and/or the Administrator considers appropriate, and (iii) any attempted pledge, transfer or assignment of Offered Interests in violation of the foregoing restrictions shall be invalid and void *ab initio*. Transferred Interests generally will be deemed to have been purchased as of the date of the transfer for all purposes, including calculating the Incentive Allocation and determining the early withdrawal charges, unless otherwise agreed to by Millennium Management, in its sole discretion. Millennium Management may in its sole discretion permit transferred interests to maintain their original purchase date and high water mark. Millennium Management and/or the Administrator on its behalf may refuse to issue, register or permit the transfer of Offered Interests if it is not satisfied that such issuance, registration or transfer is consistent with the best interests of Millennium USA. In addition, no Offered Interests may be issued, registered or transferred to any non-U.S. Person, directly or indirectly. Millennium Management may, in its sole discretion, elect to charge a Limited Partner the costs (including attorneys' fees) related to any requested transfer, assignment, pledge or encumbrance of the Limited Partner's Interests.

Millennium Management will not consent to any Transfer other than a Transfer (i) in circumstances in which the tax basis of the Offered Interest in the hands of the transferee is determined, in whole or in part, by reference to its tax basis in the hands of the transferor, (ii) to members of such Partner's immediate family (brothers, sisters, spouse, parents and children), or (iii) as a distribution from a qualified retirement plan or an individual retirement account (each, a "Permissible Transfer"), unless Millennium Management determines that the proposed Transfer will not cause Millennium USA to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes. Without limiting the foregoing, unless otherwise agreed to by Millennium Management, Millennium Management generally does not expect to consent to any Transfer (other than a Permissible Transfer) unless the Transfer (i) is between existing limited partners effective as of the beginning of the next fiscal quarter after 65 days' prior written notice to Millennium USA and the Administrator, and (ii) is based on the net asset value of the Offered Interests being transferred as of the effective date of the Transfer.

Holders of Offered Interests that desire to pledge, transfer, assign, or otherwise dispose of Offered Interests should assume that they will not receive any help or assistance from Millennium Management in that regard.

Millennium USA's Investment Program and Strategy

The investment objective of Millennium USA is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. THERE ARE NO SUBSTANTIVE LIMITS ON THE INVESTMENT STRATEGIES THAT MAY BE PURSUED BY MILLENNIUM USA.

The Master Partnership's investment program and the strategies it employs are described in Part Two of this Confidential Memorandum and, except as otherwise indicated in this Confidential Memorandum, should be construed as also being the investment program and strategies of Millennium USA insofar as Millennium USA invests through the Master Partnership. Millennium USA may directly engage in any investment activities in which the Master Partnership engages (as more fully described in Part Two of this Confidential Memorandum).

Use of Proceeds by Millennium USA

Net proceeds received by Millennium USA from the sale of Offered Interests generally will be invested and otherwise utilized by Millennium USA as described in this Confidential Memorandum. This means that the net proceeds will be invested primarily in the Master Partnership and used by the Master Partnership in its investment program and will be used by Millennium USA and the Master Partnership for expenses. A portion of the net proceeds received by Millennium USA may be employed in direct investments made by Millennium USA. (See "Millennium USA's Investment Program and Strategy.")

Millennium USA's Organization, Management, Structure, and Operations

Organization

Millennium USA is a Delaware limited partnership formed in November 1997. Millennium USA's principal office is located at 666 Fifth Avenue, 8th Floor, New York, New York 10103-0899.

Master-Feeder Relationship

As discussed in Part Two of this Confidential Memorandum under "The Master Partnership's Organization – Organization," the master-feeder relationship between the Master Partnership and Millennium USA has been structured, among other reasons, to give U.S. taxpayers an opportunity to invest in the Master Partnership indirectly.

Capital Structure

Millennium International and Millennium USA have, and Millennium Strategic Capital and any other feeder funds that may be formed in the future may have, a variety of classes of shares (and sub-classes) and Interests, respectively, outstanding, and may offer additional classes (and sub-classes) of Interests in the future, and, in some instances, have additional contractual (or "side letter") agreements with particular investors. The classes of Interests issued by Millennium USA that are outstanding as of the date hereof are set forth in Appendix I. The provisions of the

different classes of outstanding shares or Interests, and of such contractual undertakings, are not uniform, with the effect that some investors in the funds to some degree have different rights and entitlements from those of other investors, which may be true even though the fundamental economic terms of the investments are otherwise identical. Such differing provisions relate primarily to withdrawal rights (the frequency of permissible withdrawals, the notice period required for withdrawals, and the circumstances under which accelerated withdrawal is permissible) and the detail and frequency with which information is provided regarding returns or broad portfolio segment information. In the sole discretion of Millennium Management, (i) Millennium USA may issue other classes of Interests in the future that may differ in terms of, among other things, denomination of currency, the fees/allocations charged, minimum commitment amounts, withdrawal rights and other rights, (ii) Millennium Management may establish and designate such new classes of Interests without the approval of the Limited Partners, (iii) Millennium Management will determine the terms of such classes and (iv) Millennium Management may combine classes of Interests or convert one class into another class, in each case, so long as such action does not adversely affect the terms of the other classes of Interests in any material respect. Millennium USA no longer enters into contractual arrangements or undertakings providing for withdrawal rights materially different from those generally available (subject to exceptions in order to address regulatory, tax or similar requirements applicable to certain investors and in connection with deferred compensation arrangements as described under "Certain Risk Factors Relating to Millennium USA – Investment in the Master Partnership by Millennium Management and its Affiliates and Portfolio Managers").

Withdrawal Rights

Offered Quarterly Interests

Requests to withdraw from capital accounts relating to Offered Quarterly Interests generally may be made, in whole or in part, upon at least 90 days' prior written notice to Millennium USA and to the Administrator, as of the last day of each calendar quarter, subject to a 25% quarterly maximum and any applicable Early Withdrawal Charge, described below. Withdrawal requests are irrevocable upon receipt by Millennium Management, subject to Millennium Management's sole discretion to permit revocation in whole or in part; provided that Millennium Management determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

Millennium Management may, in its sole and absolute discretion, permit a withdrawal relating to Offered Quarterly Interests at intervals other than those set forth above or convert Offered Quarterly Interests into another class with substantially the same rights and characteristics if it determines that such a withdrawal or conversion would be permitted by applicable law; provided that Millennium Management determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

Maximum Withdrawal. A holder of Offered Quarterly Interest may not withdraw more than 25% of such holder's Interests in any one quarter, *except that* the holder may, upon at least

90 days' prior written notice to Millennium USA and to the Administrator, elect to withdraw a specified amount or percentage of such holder's Interests then held (which may be 100%) over the next succeeding quarterly withdrawal dates, in which event, the withdrawal request will be honored to the extent of:

(i) 25% of the aggregate net asset value of such interests at the next following quarterly withdrawal date;

(ii) (if necessary) 33⅓% of the aggregate net asset value of such interests at the next following quarterly withdrawal date;

(iii) (if necessary) 50% of the aggregate net asset value of such interests at the next following quarterly withdrawal date; and

(iv) (if necessary) 100% of the remaining aggregate net asset value of such interests at the next following quarterly withdrawal date, subject to retaining an amount, as described below, pending audit and final determination of amounts due.

As noted, notice of such a withdrawal must be given in writing at least 90 days prior to the first of the four (or fewer) quarters over which withdrawals are to be made.

Each withdrawal request submitted by a holder will be treated separately for purposes of determining the amount a holder will be permitted to withdraw on a particular withdrawal date. Subsequently submitted withdrawal requests will be subject to new limitations calculated based on the then net asset value of the holder's Offered Quarterly Interests, and the amount permitted to be withdrawn on a withdrawal date under the new request will be reduced by amounts in respect of earlier withdrawal requests being withdrawn on the same withdrawal date.

Early Withdrawal Charge. Withdrawals of Offered Quarterly Interests occurring before the last day of the fourth full calendar quarter after purchase of such Offered Quarterly Interests (unless due to the occurrence of a Trigger Event described below) are subject to a charge equal to 4% of the withdrawal amount (the "Early Withdrawal Charge"). For purposes of determining the Early Withdrawal Charge, Offered Quarterly Interests purchased (or deemed purchased) as of the first day of a quarter will be treated as if invested for the full quarter (*e.g.*, Offered Quarterly Interests issued on April 1, 2013 will no longer be subject to an Early Withdrawal Charge for withdrawals of such Offered Quarterly Interests occurring on or after March 31, 2014). A Limited Partner holding Offered Quarterly Interests may hold one or both "tranches" of Offered Quarterly Interests: a tranche subject to the Early Withdrawal Charge and a tranche which is not subject to the Early Withdrawal Charge. For purposes of calculating permissible withdrawals, etc., the two tranches will be treated as one holding and, unless the holder expresses a contrary desire, the Interests will be withdrawn on a first-in-first-out basis so as to minimize the effect of the Early Withdrawal Charge. The Early Withdrawal Charge will be deducted from withdrawal proceeds and retained by Millennium USA for the benefit of the non-withdrawing investors (including Millennium Management).

For purposes of determining whether Offered Quarterly Interests that were received by a Limited Partner after converting from other classes of Interests of Millennium USA will be

subject to an Early Withdrawal Charge, the Offered Quarterly Interests being withdrawn will be deemed to have been owned for the amount of time such converted classes of Interests were owned, plus the amount of time the Offered Quarterly Interests (as the case may be) have been owned.

Offered Annual Interests

Requests to withdraw from capital accounts related to the Offered Annual Interests generally may be made, in whole or in part, upon at least 90 days' prior written notice to Millennium USA and to the Administrator, as of the last day of the fourth full fiscal quarter following the date such Offered Annual Interests were purchased, and, thereafter, as of each anniversary of such date. For purposes of determining the anniversary date, Offered Annual Interests purchased (or deemed purchased) as of the first day of a quarter will be treated as if invested for the full quarter (*e.g.*, the first permissible withdrawal date for Offered Annual Interests issued on April 1, 2013 will be March 31, 2014 and the anniversary date will be March 31). Withdrawal requests are irrevocable upon receipt by Millennium Management, subject to Millennium Management's sole discretion to permit revocation in whole or in part; provided that Millennium Management determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

Under normal circumstances, there is no limit on the amount of Offered Annual Interests that may be withdrawn on any withdrawal date and there are no charges for withdrawals of the Offered Annual Interests.

Millennium Management may, in its sole and absolute discretion, permit a withdrawal of Offered Annual Interests on dates other than the anniversary date or convert Offered Annual Interests into interests of another class with substantially the same rights and characteristics if it determines that such a withdrawal or conversion would be permitted by applicable law; provided that Millennium Management also determines that such action will not cause Millennium USA or the Master Partnership to be treated as a "publicly traded partnership" taxable as a corporation for Federal tax purposes.

Withdrawal Price; Payments. With respect to Offered Quarterly Interests, Millennium USA generally will pay 95% of the withdrawal payment within 30 days following the applicable withdrawal date and generally will withhold 5% of any withdrawal payment at a quarterly withdrawal date pending closing of Millennium USA's books and reconciliation of the amounts due for the quarter (in each case, computed on the basis of unaudited data as of the withdrawal date, and subject to any applicable reserves or holdbacks). However, if a withdrawal date coincides with a date as of which Millennium USA's financial statements are audited, the final withdrawal payment will generally be made, subject to audit adjustments, after completion of the audit. If the amount of a withdrawal, together with previous amounts withdrawn by a holder of Offered Quarterly Interests since the most recent audit of Millennium USA, exceeds 90% of the aggregate value of the holder's Offered Quarterly Interests (after taking into account any adjustments made in connection with the audit) immediately after the date as of which the audit was conducted, then Millennium USA generally will withhold from the withdrawal payment 10% of the aggregate value. The balance will be paid subject to audit adjustments within 30

days after completion of the next audit of Millennium USA, subject to any applicable reserves or holdbacks.

Balances held until following the completion of an audit, if any, will be paid with interest from the applicable withdrawal date at the average (calculated weekly) per annum short-term (13-week) Treasury Bill rate.

Millennium Management may, in its discretion, elect to withhold smaller amounts than those described above or to accelerate the repayment of withheld balances.

With respect to Offered Annual Interests, Millennium USA will ordinarily pay 90% of the aggregate proceeds of any withdrawal (computed on the basis of unaudited data as of the withdrawal date, and subject to reserves or holdbacks) within 30 days following the withdrawal date. The balance will be paid (subject to audit adjustments) within 30 days following the completion of the next audit of Millennium USA, subject to any applicable reserves or holdbacks. If the amount of the withdrawal is less than 90% of the aggregate value of a shareholder's Offered Annual Interests, Millennium USA anticipates paying 95% (rather than 90%) and withholding 5% of such withdrawal amount pending closing of Millennium USA's books and reconciliation of the amounts due for the quarter (in each case, computed on the basis of unaudited data as of the withdrawal date, and subject to any applicable reserves or holdbacks). However, if a withdrawal date coincides with a date as of which Millennium USA's financial statements are audited, the final withdrawal payment will generally be made, subject to audit adjustments, after completion of the audit.

Balances held until following the completion of an audit, if any, will be paid with interest from the applicable withdrawal date at the average (calculated weekly) per annum short-term (13-week) Treasury Bill rate.

Millennium Management may, in its discretion, elect to withhold smaller amounts than those described above or to accelerate the repayment of withheld balances.

Please be advised that it is generally the policy of the Administrator that all withdrawal proceeds are paid to the account from which the monies were originally debited, unless otherwise agreed upon by Millennium Management and the Administrator. Payments generally will not be made to third party accounts that are not in the name of the withdrawing Limited Partner, unless otherwise required under law.

Withdrawals made by an investor that holds more than one series of Offered Interests will be deemed to be made on a first-in first-out basis absent specific instructions to the contrary from the investor.

Special Withdrawal Right upon a Trigger Event. Millennium Management will notify the Limited Partners within 10 days of the occurrence of the death, disability, adjudication of incompetency, bankruptcy, insolvency or withdrawal from the general partner of the Master Partnership of Israel A. Englander (each, a "Trigger Event"). During the period beginning on the date as of which a Trigger Event has occurred (as determined by Millennium Management) and ending on the last day of the third full month following the date on which notice of the Trigger Event is given (the "Transition Period"), and thereafter until the Special Withdrawal Date (as

defined below), withdrawals may not be made, and (subject to the next sentence) withdrawal notices shall be of no effect. During the last month of the Transition Period, Limited Partners may provide a written withdrawal request to Millennium Management to withdraw all or a portion of their respective capital accounts, which withdrawal will be effective as of the last day of the third full month after the expiration of the Transition Period (the "Special Withdrawal Date") without being subject to any 25% quarterly limit or Early Withdrawal Charge that would otherwise be applicable to such Offered Quarterly Interests. A withdrawal request in respect of a Trigger Event may not be rescinded by the Limited Partner (absent the consent of Millennium Management) following its receipt by Millennium Management. Distributions of withdrawal proceeds due in respect of withdrawal dates that occurred prior to the occurrence of the Trigger Event will be paid during the Transition Period.

In the event of the death of Mr. Englander, the death benefits distributable to Millennium USA or the Master Partnership from "keyman" life insurance upon Mr. Englander's life will be deemed to be assets of Millennium USA or the Master Partnership, as the case may be, as of the date immediately prior to the Trigger Date and therefore will be included in Net Capital Appreciation or Net Capital Depreciation.

Following the occurrence of an event that Millennium Management in good faith determines may result in, or may have been, a Trigger Event (*e.g.*, an event that may result in the disability of Mr. Englander) (a "Possible Trigger Event"), Millennium Management may report such event to the Limited Partners (a "Possible Trigger Event Notice"). A Possible Trigger Event Notice will not commence a Transition Period, but any withdrawal request given on or after the date of the Possible Trigger Event identified in a Possible Trigger Event Notice will be suspended and held in abeyance for such period as may reasonably be necessary under the circumstances for Millennium Management to determine whether the Possible Trigger Event did in fact constitute a Trigger Event. Millennium Management will make such determination as soon as shall reasonably be practicable under the circumstances. Promptly upon making such determination, Millennium Management will notify the Limited Partners of that determination. If the determination is that there was not a Trigger Event, then all withdrawal requests held in abeyance pursuant to the foregoing will be given effect. If and to the extent that withdrawal dates specified in withdrawal notices have already occurred, all such withdrawals will be given effect as of the last day of the first full calendar month following the date Millennium Management determines that there was not a Trigger Event. If the determination is that there was a Trigger Event, a Trigger Event Notice will promptly be given, and any withdrawal requests that were received and held in abeyance will be cancelled, and Limited Partners will be permitted to withdraw as described above.

A Limited Partner exercising a special withdrawal right in connection with a Trigger Event will be paid approximately 90% of its estimated withdrawal request (computed on the basis of unaudited data as of the Special Withdrawal Date), subject to reserves for contingencies (including general reserves for unspecified potential contingencies) and holdbacks, within 30 days following the Special Withdrawal Date. The balance of such Limited Partner's withdrawal request will be paid (subject to audit adjustments) to such Limited Partner within 30 days after completion of the next audit of Millennium USA, with interest from the Special Withdrawal Date at the average (calculated weekly) per annum short-term (13-week) Treasury Bill rate.

Notwithstanding the foregoing and subject to applicable law, Millennium Management may determine at any time, including following a Trigger Event, to dissolve Millennium USA. If Millennium Management makes a determination to dissolve Millennium USA during a Transition Period, all pending withdrawal requests given during a Transition Period will be cancelled and distributions in respect of pending withdrawals pursuant to withdrawal requests given during or prior to that Transition Period will not be made and any further withdrawal requests will not be honored. Rather, distributions will be made in connection with the liquidation of Millennium USA.

Following a Trigger Event and a Special Withdrawal Date, withdrawals may thereafter be made by Limited Partners in accordance with their rights to withdraw as specified herein, but no notices given for withdrawal dates that occurred between the Trigger Event and the Special Withdrawal Date will be honored, so that the first occasion for a Limited Partner to withdraw after a Special Withdrawal Date will be the first regular withdrawal date as to which the time available after the Special Withdrawal Date for giving notice is sufficient in accordance with the applicable requirements.

Other Withdrawal Rights. In addition, investors in other classes of Interests of Millennium USA may withdraw all of their capital accounts at such other time and upon such terms as permitted in respect of such class in accordance with the Partnership Agreement.

Limitation on Withdrawals. Millennium Management, in its discretion, may hold back a portion of the amount payable to a Limited Partner in respect of a withdrawal (whether such withdrawal is voluntary or compulsory) to satisfy contingent or expected liabilities. The amount of the withdrawal proceeds held back will be determined by Millennium Management in its sole discretion taking into account such factors as it considers relevant with respect to any contingent or expected liability. Such holdbacks will reduce the amount paid to a withdrawing Limited Partner. The unused portion of any holdback will be distributed to the Limited Partner to which the holdback applied if and to the extent that Millennium Management subsequently determines that the need therefor has ceased.

In the event that an investor makes a complete or partial withdrawal on a date other than the regular withdrawal dates applicable to the particular class of Interests of Millennium USA, Millennium USA has the right to charge such withdrawing investor any legal, accounting and administrative, registrar and transfer costs associated with such withdrawal of all or a portion of its Interests, and in that connection may establish reserves for contingencies, including general reserves for unspecified contingencies.

Deferral of Withdrawal Payments. Payments of withdrawal proceeds may be suspended if Millennium Management and/or the Administrator determine that they will violate applicable law, including any applicable rules or regulations of any regulatory agency or exchange, or any contract or agreement to which Millennium USA or any affiliate is then a party.

Suspension for Anti-Money Laundering Purposes

Withdrawals by any investor purchasing Offered Interests hereunder may be suspended if Millennium Management and/or the Administrator reasonably deem it appropriate to do so to ensure compliance with anti-money laundering regulations applicable to Millennium USA,

Millennium Management, the Administrator or any of Millennium USA's other service providers. Please be advised that the Administrator may require any additional documentation, as reasonably necessary, to process a withdrawal request.

Compulsory Withdrawal

Millennium Management reserves the right, upon not less than five days' prior written notice, to require any investor to withdraw all or any portion of its capital account at any time for any reason or no reason. Any such compulsory withdrawal will be effective as of the date specified in the notice.

Conversion of Offered Interests

Millennium USA from time to time may, for administrative convenience or any other reason, and without any consent of or notice to Limited Partners, redesignate and convert all or any portion of the outstanding Offered Interests into another class of Interests of Millennium USA with substantially the same rights and characteristics.

Management of Millennium USA

The general partner of Millennium USA and the general partner of the Master Partnership is Millennium Management, a Delaware limited liability company. As discussed under "Certain Legal and Regulatory Matters Relating to the Master Partnership" in Part Two of this Confidential Memorandum, Millennium Management is the commodity pool operator and commodity trading advisor of Millennium USA and the Master Partnership and has general responsibility and authority for supervising all aspects of Millennium USA's and the Master Partnership's business and operations. The Limited Partners have no right to act on behalf of Millennium USA or the Master Partnership in connection with any matter.

Millennium Management has the right to dissolve Millennium USA at any time (including during a fiscal year), for any reason or for no reason. In the case of such termination, Millennium USA's net assets (less reserves) will be distributed to the Limited Partners within 30 days after the completion of a final audit of Millennium USA's books (which must be performed within 90 days of the date of dissolution).

Biographies of the principals and senior management of Millennium Management can be found under "The Master Partnership's Management, Structure and Operations – Management – Principals and Key Managers" in Part Two of this Confidential Memorandum.

The Administrator

Millennium USA has entered into an agreement (the "Services Agreement") with an independent third-party administrator, GlobeOp Financial Services LLC (the "Administrator").

Pursuant to the Services Agreement, the Administrator is responsible, under the overall supervision of Millennium Management, for matters pertaining to the administration of Millennium USA, namely: issuing the net asset value of Millennium USA after performing certain checks on valuation and reconciliation information received from Millennium Management.

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The Administrator issues Millennium USA's and the Master Partnership's net asset value on a monthly basis after performing certain checks on valuation and reconciliation information received from Millennium Management. Valuations of publicly traded security positions are compared to market data independently obtained from third party providers. Valuations of security positions are compared to information received from third parties, including brokers and independent valuation service providers. Security positions and cash balances are reconciled with Millennium USA's and the Master Partnership's records based upon confirmations or statements that the Administrator independently receives from prime brokers and other financial institutions that hold assets of Millennium USA and the Master Partnership. Monthly activity in the general ledger of Millennium USA and the Master Partnership is reviewed on a sample basis to verify it as materially correct. The procedures performed do not constitute an audit in accordance with auditing standards generally accepted in the United States (although the financial statements of Millennium USA and the Master Partnership are audited in accordance with such standards by their independent auditors on a semi-annual basis). The verification and review work conducted by the Administrator does not constitute a 100% verification of the valuation work of Millennium Management.

The administrative services provided by the Administrator include, among other things, (i) processing and reviewing subscription documents (and ancillary documentation provided in connection therewith) submitted by prospective purchasers, (ii) performing checks of prospective purchasers against the Department of Treasury Office of Financial Assets Control Specialty Designated National Lists, (iii) generally performing all actions related to the issuance, transfer and withdrawal of the Offered Interests, (iv) distributing monthly statements to Limited Partners, and (v) performing certain other administrative and clerical services in connection with the administration of Millennium USA as agreed between Millennium USA and the Administrator. Additionally, the Administrator performs independent month-end position reconciliations, along with a month-end verification with respect to the Master Partnership's cash and positions based on files it receives directly from the Master Partnership's prime brokers and counterparties and information it receives from Millennium Management. The office of the Administrator is located at One South Road, Harrison, New York 10528.

The Administrator may have relationships with providers of technology, data or other services to Millennium USA and may receive economic and/or other benefits in connection therewith. The Administrator may subcontract with agents selected by the Administrator in good faith for administrative and certain other services, provided that the Administrator shall use commercially reasonable best efforts to cause such affiliation to be disclosed to Millennium USA at the time such arrangement or transaction is entered into.

The Administrator does not act as guarantor of Millennium USA's Offered Interests. Moreover, the Administrator is not responsible for any of the trading or investment decisions of Millennium USA (all of which are made by Millennium Management), or the effect of such trading decisions on the performance of Millennium USA.

The Administrator will receive a monthly fee from Millennium USA. Certain extraordinary out-of-pocket expenses of the Administrator may also be charged to Millennium USA in accordance with the Services Agreement.

The Services Agreement contains customary indemnification provisions whereby Millennium USA has agreed to indemnify the Administrator (and its officers, directors, investors, beneficiaries or employees, and any of their successors or assigns) against any and all losses, claims, judgments, liabilities, costs, expenses (including, without limitation, reasonable attorneys' fees) and amounts paid in settlement incurred in connection with the Services Agreement, unless the action or omission giving rise thereto is found by a final determination of an arbitrator, mediator, or court of competent jurisdiction to have resulted solely from the fraud, gross negligence or willful misconduct by such indemnified party in connection with the performance of its duties and obligations under the Services Agreement. The Administrator's total liability in connection with the performance of the Services Agreement will be limited to the then average monthly services fee that was paid during the preceding 12 months, multiplied by 36.

Fees and Expenses Relating to Millennium USA

Millennium USA is, directly, or through its investment in the Master Partnership, responsible for:

- all fees and expenses incurred in connection with any transactions, engagements, and other agreements that it enters into on its own behalf, including, among other things, the costs and expenses incurred in connection with the private placement of Interests in Millennium USA (other than placement fees, if any);

- a generally *pro rata* portion of the fees and expenses incurred by Millennium Management and its affiliates (the "Millennium Management Group") with respect to, or in connection with, the Master Partnership and its affiliates or incurred directly by the Master Partnership (which cover, among other things, Compensation paid to Portfolio Managers, other employees, consultants, subcontractors, agents, and investment advisers engaged by the Master Partnership and its affiliates; fees paid to persons or entities who assist in identifying and recruiting Portfolio Managers; expenses related to computers, equipment and technology and expenses related to maintaining offices, including leases and fixtures); and

- a generally *pro rata* portion of any other fees and expenses incurred by the Master Partnership, including fees paid for the investment advisory services of Millennium Capital Partners LLP ("MCP UK") (fees paid to MCP UK are structured so that the net effect is that only MCP UK's expenses are passed through to investors) (see "The Master Partnership's Organization – Portfolio Managers, Outside Investments and Firm Trading" in Part Two of this Confidential Memorandum) and the capital to establish, capitalize and maintain MCP UK, Millennium Capital Management (Singapore) Pte. Ltd., Millennium Capital Management (Hong Kong) Limited ("MCM HK") and Millennium Capital Management (Asia) Limited, Tokyo Branch (see "Related-Party Transactions; Conflicts – UK and Asia Structures–Inter-company Arrangements" in Part Two of this Confidential Memorandum) and other similar entities.

This means that the Limited Partners of Millennium USA will each bear their respective *pro rata* portions of all of Millennium USA's costs, fees, and expenses through reductions in their capital accounts.

Expenses that are borne by Millennium USA and the other feeder funds, including Millennium International and Millennium Strategic Capital, generally are allocated *pro rata* among Millennium USA and the other feeder funds according to according to the values of the relative values of their interests in the Master Partnership, but a particular expense may be allocated differently if Millennium Management and its affiliates determine in their discretion that it would be fair and reasonable to do so. In addition, certain expenses, including expenses for office space, services, personnel, equipment and software, among other things, incurred by the Millennium Management Group in connection with the provision of investment management, administrative or other services to Millennium USA and other funds, accounts or third parties or otherwise in connection with the activities of the Millennium Management Group will be allocated among Millennium USA and the recipients of the services that generate such items of expense. The Millennium Management Group will seek to allocate such expenses fairly and equitably among Millennium USA and such other recipients based upon certain estimates and assumptions that the Millennium Management Group believes are reasonable and appropriate, but which may be imprecise and may result in Millennium USA's bearing a larger portion of such expenses than if they were calculated in a different manner. Assets of the Millennium Management Group, including, without limitation, intellectual property developed in connection with services provided to Millennium USA and the Master Partnership, may be utilized in the conduct of other business activities in the sole discretion of the Millennium Management Group without compensation or reimbursement to Millennium USA.

As described above under "Interests Offered; Terms of the Offering – Allocations of Gains and Losses," at the end of each fiscal year of Millennium USA, or at such other date during a fiscal year as of which the following reallocation is required, 20% of the aggregate Net Capital Appreciation of Millennium USA for the year will be reallocated to Millennium Management as its Incentive Allocation. The Incentive Allocation is calculated on the basis of realized and unrealized gains and losses and after all expenses, including a *pro rata* portion of the Master Partnership's expenses, as described above, are paid or accrued (See "Interests Offered; Terms of the Offering – Allocations of Gains and Losses" and "Certain Risk Factors Relating to Millennium USA – Incentive Allocation").

Allocation of Gains and Losses

A separate capital account will be created on the books of Millennium USA for, and in the amount of, each capital contribution of a Partner. At the end of each Accounting Period[1] of

[1] "Accounting Period" means the following periods: each Accounting Period shall commence immediately after the close of the immediately preceding Accounting Period; each Accounting Period shall close at the close of business on the first to occur of (i) the last day of Millennium USA's fiscal quarter (which shall be the calendar quarter), (ii) the date immediately prior to the effective date of the admission of a new Partner pursuant to the Partnership Agreement, (iii) the date immediately prior to the effective date of a Partner's capital contribution pursuant to the Partnership Agreement, (iv) the effective date of any withdrawal by a Partner of capital pursuant to the Partnership Agreement, (v) the date when the Partnership shall dissolve or (iv) such other date prior to dissolution as Millennium Management may from time to time determine in its discretion pursuant to the Partnership Agreement.

Millennium USA, any Net Capital Appreciation[2] or Net Capital Depreciation[3] of Millennium USA, after payment of expenses (see "Certain Risk Factors Relating to Millennium USA – Compensation of Millennium Management" and "Fees and Expenses Relating to Millennium USA"), will be tentatively credited or debited to each Partner (including Millennium Management) in proportion to the opening balances of that Partner's capital account for such period (the Partner's "Partnership Percentage"). At the end of each fiscal year of Millennium USA, or at such other date during a fiscal year as of which the following reallocation is required, 20% of the aggregate Net Capital Appreciation of Millennium USA tentatively credited to each Limited Partner's capital accounts (excluding, in Millennium Management's discretion, capital accounts of Special Limited Partners[4] but including the amount of any Early Withdrawal Charge withheld for the benefit of such Limited Partners) for the year will be reallocated to the capital accounts of Millennium Management as its "Incentive Allocation."

The Net Capital Appreciation upon which the calculation of an Incentive Allocation is based is deemed reduced by the unrecovered balance, if any, in a Limited Partner's "Loss Recovery Account." A Loss Recovery Account is a memorandum account, established for each capital account of a Limited Partner upon its creation, the opening balance of which is zero. At each date that an Incentive Allocation is to be determined, the balance in each Loss Recovery Account will include the aggregate Net Capital Depreciation since the last date on which a calculation of the Incentive Allocation was made and be reduced, but not beyond zero, by aggregate Net Capital Appreciation since such date. In the event that a Limited Partner with an unrecovered balance in any of its Loss Recovery Accounts withdraws all or a portion of its related capital accounts, the unrecovered balance in such Loss Recovery Accounts will be proportionately reduced.

In connection with the (i) downsizing of Millennium USA following a Trigger Event, or (ii) dissolution of Millennium USA, reserves for liabilities will be established for the estimated costs of downsizing or liquidating assets and liabilities, such as (without limitation) payments required as severance for personnel, or for termination of advisory or other agreements or contracts or leases, and the like. However, such reserves, and all other related costs and expenses, will be disregarded for the purpose of calculating Net Capital Appreciation or Net Capital Depreciation in determining the amount of the Incentive Allocation. Reserves, and related costs and expenses taken by the Master Partnership will also be reflected on the books of Millennium USA, and similarly disregarded in calculating the Incentive Allocation. Any unused portion of a reserve established in anticipation of possible downsizing or dissolution of

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2 "Net Capital Appreciation" means the increase in the value of Millennium USA's net assets, including unrealized gains, from the beginning of each Accounting Period to the end of such Accounting Period.

3 "Net Capital Depreciation" means the decrease in the value of Millennium USA's net assets, including unrealized losses, from the beginning of each Accounting Period to the end of such Accounting Period.

4 "Special Limited Partner" is defined as any Limited Partner who is a member, officer, director or employee of Millennium USA or the Master Partnership; any other Limited Partner, as determined in the sole discretion of Millennium Management; Millennium Management or any person controlling, controlled by or under common control with it or any member, officer, director or employee of such person (collectively, the foregoing, "Affiliates"); immediate family of Israel A. Englander, the managing member of Millennium Management, or trusts for the benefit of any member thereof; and any Limited Partner that is an entity directly or indirectly controlled by Millennium Management or Affiliates.

Millennium USA that is not expected to be used will be reversed after Millennium Management, in its sole discretion, has determined that the need therefor has ceased.

If a Limited Partner withdraws all or a portion of any of its capital accounts other than at the end of a fiscal year, an Incentive Allocation (the "Interim Year Incentive Allocation") with respect to such capital accounts will be determined and allocated to the capital account of Millennium Management on the effective distribution date for the period from the commencement of Millennium USA's fiscal year through the effective date of distribution. The Interim Year Incentive Allocation will be based upon the Net Capital Appreciation allocated to such capital account for the applicable period, pro rated for the portion of the capital accounts being withdrawn. The next Incentive Allocation from the capital accounts of the Limited Partner (assuming that such Incentive Allocation is not an additional Interim Year Incentive Allocation) will be allocated to the capital account of Millennium Management as of the end of the fiscal year in which the Interim Year Incentive Allocation occurs and will be calculated as follows: an amount equal to 20% of the aggregate Net Capital Appreciation credited to the capital accounts of the Limited Partner from the commencement of the fiscal year during which the Interim Year Incentive Allocation occurred through the end of the fiscal year (disregarding the Interim Year Incentive Allocation to Millennium Management). The amount of any Incentive Allocation from the capital accounts of a Limited Partner determined under the preceding sentence will be reduced by any Interim Year Incentive Allocation. In no event shall any portion of the Interim Year Incentive Allocation made to Millennium Management be returned to the Limited Partner. Appropriate fiscal year-end adjustments, if required, will be made to the Limited Partner's Loss Recovery Accounts.

After an Incentive Allocation has been made from a Limited Partner's capital accounts, such capital accounts that are part of the same class and are subject to the same withdrawal period (other than the capital account established with respect to the initial capital contribution for such class and such withdrawal period of such Limited Partner (the "Initial Capital Account")) will be combined with the Initial Capital Account of such Limited Partner. A capital account of a Limited Partner will not be combined with another capital account to the extent that there is a Loss Recovery Account attributable to it.

The Partnership Agreement provides that Millennium Management may amend the provisions of the Partnership Agreement relating to the Incentive Allocation so that it conforms to any applicable requirements of the Securities and Exchange Commission and other regulatory authorities, so long as such amendment does not increase the Incentive Allocation to more than 20% of aggregate Net Capital Appreciation for any fiscal year.

In the event that Millennium Management determines that, for tax or regulatory reasons, or any other reasons as to which Millennium Management and any Partner agree, the Partner should not participate in the Net Capital Appreciation or Net Capital Depreciation attributable to trading in any security or type of security or to any other transaction, Millennium Management may allocate the Net Capital Appreciation or Net Capital Depreciation only to the capital accounts of Partners to whom such reasons do not apply, and if appropriate, may establish a separate memorandum account in which only the Partners having an interest in such security, type of security or transaction shall have an interest and Net Capital Appreciation and Net Capital Depreciation for that separate memorandum account will be separately calculated.

Outline of the Partnership Agreement

The following outline summarizes the material provisions of the Partnership Agreement which are not discussed elsewhere in this Confidential Memorandum. This outline is not definitive, and each prospective purchaser should carefully read the Partnership Agreement in its entirety.

Limited Liability. A Limited Partner is liable for debts and obligations of Millennium USA only to the extent of its Interest in Millennium USA in the fiscal year (or portion thereof) to which such debts and obligations are attributable. In order to meet a particular debt or obligation, a Limited Partner or former Limited Partner shall, in the discretion of Millennium Management, be required to make additional contributions or payments up to, but in no event in excess of, the aggregate amount of returns of capital and other amounts actually received by it from Millennium USA during or after the fiscal year to which such debt or obligation is attributable.

Term; Dissolution. Millennium USA will continue until the earlier of (i) an event of withdrawal (as defined in the Delaware Revised Uniform Limited Partnership Act, as amended (the "Act")) of Millennium Management; *provided* that Millennium USA will not be dissolved nor required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining general partner of Millennium USA who is authorized to and does carry on the business of Millennium USA, or (B) within 30 days after the occurrence of such event, Limited Partners having in excess of 50% of the Partnership Percentages of the Limited Partners agree in writing to continue the business of Millennium USA in which case the Limited Partners shall appoint, effective as of the date of such event, one or more additional general partners of Millennium USA; (ii) such time as Millennium Management, in its sole discretion, determines in writing to dissolve Millennium USA; (iii) the entry of a decree of judicial dissolution under Section 17-802 of the Act; or (iv) at any time there are no Limited Partners, unless Millennium USA is continued without dissolution pursuant to the Act.

On dissolution of Millennium USA, withdrawals will be terminated and no further business will be done except the completion of incomplete transactions and the taking of such action as will be necessary for the winding up of the affairs of Millennium USA and the distribution of its assets. In connection with the dissolution of Millennium USA, reserves for liabilities will be established for the estimated costs of liquidating assets and liabilities, such as (without limitation) payments required as severance for personnel, or for termination of advisory or other agreements or contracts or leases, and the like. However, such reserves, and all other related costs and expenses, will be disregarded for the purpose of calculating Net Capital Appreciation or Net Capital Depreciation in determining the amount of the Incentive Allocation. Reserves, and related costs and expenses, taken by the Master Partnership will also be reflected on the books of Millennium USA, and treated similarly in calculating the Incentive Allocation. Any unused portion of a reserve established in anticipation of dissolution of Millennium USA that is not expected to be used will be reversed after Millennium Management, in its sole discretion, has determined that the need therefor has ceased.

Capital Accounts. A separate capital account will be established on the books of Millennium USA for, and in the amount of, each capital contribution made by each Partner. A Partnership Percentage is determined for each Partner for each Accounting Period by dividing its

capital accounts as of the beginning of such Accounting Period by the aggregate capital accounts of all Partners as of the beginning of such Accounting Period.

Each Limited Partner's capital account is increased to reflect its share of Net Capital Appreciation, and is decreased to reflect withdrawals of capital, distributions and such Partner's share of Net Capital Depreciation.

Additional Capital Contributions. With the prior approval of Millennium Management (which approval may be withheld for any reason or no reason), a Limited Partner may make additional capital contributions to Millennium USA at such time as Millennium Management may permit.

Additional contributions by an existing Limited Partner will be subject to a new withdrawal period based on the class of Interest purchased and will be placed in a separate capital account. The Net Capital Appreciation and Net Capital Depreciation attributable to a Limited Partner's capital account for one class of Interest will not be aggregated with, or offset by, the Net Capital Appreciation and Net Capital Depreciation attributable to any other capital account held by the Limited Partner with respect to a different class of Interest.

Management. The management of Millennium USA is vested exclusively in Millennium Management.

Valuation of Partnership Assets. Millennium USA's assets are valued by Millennium Management in accordance with the terms of the Partnership Agreement.

Liabilities; Reserves. The liabilities of Millennium USA will be determined in accordance with GAAP, applied on a consistent basis, except as described below. Millennium Management may also at any time or times establish reserves (whether or not in accordance with GAAP) for estimated or accrued expenses, liabilities or contingencies, including in connection with the dissolution of Millennium USA or any downsizing of Millennium USA following a Trigger Event. If reserves are established that are not in accordance with GAAP, they will be treated in the same manner as reserves that are in accordance with GAAP, *i.e.*, in the period in which they are taken they will be treated as an expense of Millennium USA (and will reduce the net assets of Millennium USA), and, if and to the extent that they are subsequently reversed they will be taken into income in the period of such reversal (and will to that extent increase the net assets of Millennium USA).

Death, Disability, etc. of a Limited Partner. In the event of the death, disability, adjudication of incompetency, bankruptcy, termination or dissolution of a Limited Partner, such Limited Partner or its personal representative (as defined in the Act) will be permitted to withdraw from Millennium USA as of the next occurring date on which the Limited Partner could have withdrawn without regard to such death, disability, adjudication of incompetency, bankruptcy, termination or dissolution. Unless and until notice of withdrawal is properly given and such withdrawal occurs, the capital accounts of such Limited Partner will continue at the risk of Millennium USA's business until the effective date of the withdrawal or the earlier termination of Millennium USA.

Assignability of Partner's Interest. Without the prior written consent of Millennium Management, which may be withheld in its sole discretion, a Partner may not (i) pledge, transfer or assign its Interest in Millennium USA in whole or in part to any person except by operation of law or (ii) substitute for itself as a Partner any other person.

Admission of New Partners. Additional general partners and Limited Partners may, with the consent of Millennium Management, be admitted to Millennium USA at any time. Each new Partner is required to execute an agreement pursuant to which it becomes bound by the terms of the Partnership Agreement.

Variation of Terms. Millennium Management may enter into a written agreement with a Limited Partner governing the following terms, among others: (i) the payment by such Limited Partner of a fee to Millennium Management in connection with the admission or the withdrawal from Millennium USA of such Limited Partner (which fee may, in Millennium Management's sole discretion, be paid to Millennium Management or such other persons as Millennium Management determines); (ii) the application of a lower or a higher performance-based percentage allocation than the Incentive Allocation to the capital accounts of such Limited Partner; (iii) the application of withdrawal and distribution arrangements that vary from those applicable to other Limited Partners; and (iv) the application of death, disability, bankruptcy or withdrawal arrangements that vary from those applicable to other Limited Partners. However, as noted above under "Millennium USA's Organization, Management, Structure, and Operations," Millennium USA no longer enters into contractual arrangements or undertakings providing for withdrawal rights materially different from those generally available (subject to exceptions in order to address regulatory, tax or similar requirements applicable to certain investors and in connection with deferred compensation arrangements described under "Certain Risk Factors Relating to Millennium USA – Investment in the Master Partnership by Millennium Management and its Affiliates and Portfolio Managers").

Amendments to Partnership Agreement. The Partnership Agreement may be modified or amended at any time by the written approval of Partners having in excess of 50% of the Partnership Percentages of the Limited Partners and the written approval of Millennium Management. Without the approval of the other Partners, however, Millennium Management may amend the Partnership Agreement to (i) reflect changes validly made in the membership of Millennium USA and the capital contributions and Partnership Percentages of the Partners; (ii) change the provisions relating to the Incentive Allocation so that such provisions conform to any applicable requirements of the SEC and other regulatory authorities, so long as such amendment does not increase the Incentive Allocation to more than 20% of aggregate Net Capital Appreciation for any fiscal year; (iii) reflect a change in the name of Millennium USA; (iv) make a change that is necessary or, in the opinion of Millennium Management, advisable to qualify Millennium USA as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state, or ensure that Millennium USA is not classified as an association taxable as a corporation or treated as a publicly traded partnership taxable as a corporation for Federal tax purposes; (v) make a change that does not adversely affect the Limited Partners in any material respect; (vi) make a change that is necessary or desirable to cure any ambiguity, to correct or supplement any provision in the Partnership Agreement that is inconsistent with any other provision in the Partnership Agreement, or to change any other provision with respect to matters or questions arising under the Partnership Agreement that is not inconsistent with the provisions of

the Partnership Agreement, in each case so long as such change does not adversely affect the Limited Partners; (vii) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state statute, so long as such change is made in a manner which minimizes any adverse effect on the Limited Partners; or (viii) make a change that is required or contemplated by the Partnership Agreement; (ix) make a change in any provision of the Partnership Agreement that requires any action to be taken by or on behalf of Millennium Management or Millennium USA pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; (x) prevent Millennium USA or Millennium Management from being deemed in any manner an "Investment Company" subject to the provisions of the Investment Company Act; (xi) reflect the terms of the issuance of new classes (or combination of classes or conversion of one class into another class) of Interests so long as such amendment does not adversely affect the terms of the other classes of Interests in any material respect; or (xii) make any other amendments similar to the foregoing. Each Partner, however, must consent to any amendment which would (a) reduce its capital accounts or rights of contribution or withdrawal; or (b) amend the provisions of the Partnership Agreement relating to amendments.

Reports to Partners. Millennium Management generally expects to provide Limited Partners with access to monthly investor balances and quarterly statements. Quarterly information will include an unaudited balance sheet and statement of operations of Millennium USA and an unaudited statement of changes in individual partner's capital from the end of the previous quarter for such Limited Partner. Millennium Management will also provide a semi-annual and an annual unaudited statement of changes in individual partner's capital and semi-annual and annual audited financial statements of Millennium USA. All information is available via a secure website.

It should also be noted that Millennium Management and its affiliates reserve the right to provide, and may on occasion provide, certain information to Limited Partners who request such information. For instance, Millennium Management and its affiliates generally make their representatives available to answer questions from investors concerning Millennium USA, including with respect to the investments of Millennium USA. During those conversations, certain investors may receive information and reporting that other shareholders may not receive, and such information may affect an investor's decisions regarding Millennium USA.

Exculpation. The Partnership Agreement provides that none of Millennium Management or its affiliates will be liable to any Limited Partner or Millennium USA for mistakes of judgment or for action or inaction which said person reasonably believed to be legally permissible and not contrary to the best interests of Millennium USA, or for losses due to such mistakes, action or inaction or to the negligence, dishonesty or bad faith of any employee, broker or other agent of Millennium USA; provided that such employee, broker or agent was selected, engaged or retained by Millennium USA with reasonable care. Millennium Management and its affiliates may consult with counsel, accountants and/or other experts in respect of Millennium USA's affairs and be fully protected and justified in any action or inaction which is taken in good faith in accordance with the advice or opinion of such counsel, accountants and/or other experts; provided that they were selected with reasonable care.

The exculpation provisions of the Partnership Agreement will not be construed so as to provide for the exculpation of Millennium Management or its affiliates for any liability (including liability under Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such exculpation would be in violation of applicable law, but will be construed so as to effectuate such provisions to the fullest extent permitted by law.

Indemnification of General Partners. The Partnership Agreement provides that Millennium USA will indemnify and hold harmless Millennium Management, its affiliates and its and their respective personal representatives (as defined in the Act) (each an "Indemnified Party"), to the fullest extent permitted by law, from and against any loss or expense suffered or sustained by an Indemnified Party by reason of the fact that it is or was an Indemnified Party, including, without limitation any judgment, settlement, reasonable attorney's fees and other costs or expenses incurred in connection with the defense of any actual or threatened action or proceeding; provided that such loss or expense resulted from a mistake of judgment on the part of an Indemnified Party, or from action or inaction that said Indemnified Party reasonably believed to be legally permissible and not contrary to the best interests of Millennium USA. Millennium USA will, in the sole discretion of Millennium Management, advance to any Indemnified Party, reasonable attorney's fees and other costs and expenses incurred in connection with the defense of any action or proceeding that arises out of such conduct. The Indemnified Parties will agree that in the event an Indemnified Party receives any such advance, such Indemnified Party will reimburse Millennium USA for such fees, costs and expenses to the extent it is determined that it was not entitled to indemnification.

The indemnification provisions of the Partnership Agreement will not be construed so as to provide for the indemnification of an Indemnified Party for any liability (including liability under Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law, but shall be construed so as to effectuate such provisions to the fullest extent permitted by law.

Required Notifications. Under the terms of the Partnership Agreement, each Limited Partner agrees to notify Millennium Management promptly if there is any change with respect to any information or representations made by such Limited Partner in the subscription documents submitted by or on behalf of such Limited Partner in connection with (i) its acquisition of an Interest or (ii) any additional capital contributions made by such Limited Partner.

Certain Tax Matters Relating to an Investment in Millennium USA

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE

TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain aspects of the income taxation of Millennium USA and its Partners which should be considered by a Limited Partner. Millennium USA has not sought a ruling from the Internal Revenue Service (the "Service") or any other federal, state or local agency with respect to any of the tax issues affecting Millennium USA, nor has it obtained an opinion of counsel with respect to any federal tax issues other than the characterization of Millennium USA and the Master Partnership as partnerships for federal tax purposes.

This summary of certain aspects of the federal income tax treatment of Millennium USA is based upon the Internal Revenue Code of 1986, as amended (the "Code"), judicial decisions, Treasury Regulations (the "Regulations") and rulings in existence on the date hereof, as well as the tax laws of a number of non-U.S. jurisdictions, all of which are subject to change. This summary does not discuss the impact of various proposals to amend the Code or non-U.S. tax laws, which could change certain of the tax consequences of an investment in Millennium USA. This summary also does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the federal income tax laws, such as insurance companies.

EACH PROSPECTIVE LIMITED PARTNER SHOULD CONSULT WITH ITS OWN TAX ADVISOR IN ORDER TO FULLY UNDERSTAND THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF AN INVESTMENT IN MILLENNIUM USA.

In addition to the particular matters set forth in this section, tax-exempt organizations should review carefully those sections of this Confidential Memorandum regarding liquidity and other financial matters to ascertain whether the investment objectives of Millennium USA are consistent with their overall investment plans. Each prospective tax-exempt Limited Partner is urged to consult its own counsel regarding the acquisition of Interests.

Tax Treatment of Partnership Operations

Classification of Millennium USA and the Master Partnership. Each of Millennium USA and the Master Partnership has received an opinion of Schulte Roth & Zabel LLP, its counsel, that under the provisions of the Code and the Regulations, as in effect on the date of the opinion, as well as under the relevant authority interpreting the Code and the Regulations, and based upon certain representations of Millennium Management, it will be classified as a partnership for federal tax purposes and not as an association taxable as a corporation. Schulte Roth & Zabel LLP has also rendered its opinion, based upon the respective anticipated operations of Millennium USA and the Master Partnership as well as certain representations of Millennium Management, that neither Millennium USA nor the Master Partnership will be treated as a "publicly traded partnership" taxable as a corporation.

Unless otherwise indicated, references in the following discussion to the tax consequences of Millennium USA investments, activities, income, gain and loss, include the

direct investments, activities, income, gain and loss of Millennium USA, and those indirectly attributable to Millennium USA as a result of it being a partner of the Master Partnership.

As a partnership, Millennium USA is not itself subject to federal income tax. Millennium USA files an annual partnership information return with the Service which reports the results of operations. Each Partner is required to report separately on its income tax return its distributive share of Millennium USA's net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss. Each Partner is taxed on its distributive share of Millennium USA's taxable income and gain regardless of whether it has received or will receive a distribution from Millennium USA.

Allocation of Profits and Losses. Under the Partnership Agreement, Millennium USA's net capital appreciation or net capital depreciation for each accounting period is allocated among the Partners and is debited or credited to their capital accounts. The Partnership Agreement provides that items of income, deduction, gain, loss or credit for each fiscal year generally are to be allocated for income tax purposes among the Partners pursuant to the principles of Regulations issued under Sections 704(b) and 704(c) of the Code, based upon amounts of Millennium USA's net capital appreciation or net capital depreciation allocated to each Partner's capital account. There can be no assurance however, that the particular methodology of allocations used by Millennium USA will be accepted by the Service. If such allocations are successfully challenged by the Service, the allocation of Millennium USA's tax items among the Partners may be affected.

Under the Partnership Agreement, Millennium Management has the discretion to allocate specially an amount of Millennium USA's ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) for federal income tax purposes to a withdrawing Partner to the extent that the Partner's capital account exceeds, or is less than, as the case may be, its federal income tax basis in its Interests. There can be no assurance that, if Millennium Management makes any such special allocations, the Service will accept such allocations. If such allocations are successfully challenged by the Service, Millennium USA's tax items allocable to the remaining Partners would be affected.

Tax Elections; Returns; Tax Audits. The Code generally provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner and transfers of partnership interests (including by reason of death) provided that a partnership election has been made pursuant to Section 754. Under the Partnership Agreement, Millennium Management, in its sole discretion, may cause Millennium USA to make such an election. Any such election, once made, cannot be revoked without the Service's consent. The actual effect of any such election may depend upon whether the Master Partnership also makes such an election. As a result of the complexity and added expense of the tax accounting required to implement such an election, Millennium Management presently does not intend to make such election.

Millennium Management decides how to report the partnership items on Millennium USA's tax returns. In certain cases, Millennium USA may be required to file a statement with the Service disclosing one or more positions taken on its tax return, generally where the tax law

is uncertain or a position lacks clear authority. All Partners are required under the Code to treat the partnership items consistently on their own returns, unless they file a statement with the Service disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the Service may not agree with the manner in which Millennium USA's items have been reported. In the event the income tax returns of Millennium USA are audited by the Service, the tax treatment of Millennium USA's income and deductions generally is determined at the limited partnership level in a single proceeding rather than by individual audits of the Partners. Millennium Management, designated as the "Tax Matters Partner," has considerable authority to make decisions affecting the tax treatment and procedural rights of all Partners. In addition, the Tax Matters Partner has the authority to bind certain Partners to settlement agreements and the right on behalf of all Partners to extend the statute of limitations relating to the Partners' tax liabilities with respect to Millennium USA items.

Mandatory Basis Adjustments. Millennium USA is generally required to adjust its tax basis in its assets in respect of all Partners in cases of partnership distributions that result in a "substantial basis reduction" (*i.e.*, in excess of $250,000) in respect of Millennium USA's property. Millennium USA is also required to adjust its tax basis in its assets in respect of a transferee, in the case of a sale or exchange of an Interest, or a transfer upon death, when there exists a "substantial built-in loss" (*i.e.*, in excess of $250,000) in respect of partnership property immediately after the transfer. For this reason, Millennium USA will require (i) a Partner who receives a distribution from Millennium USA in connection with a complete withdrawal, (ii) a transferee of an Interest (including a transferee in case of death) and (iii) any other Partner in appropriate circumstances to provide Millennium USA with information regarding its adjusted tax basis in its Interest. The Master Partnership has a similar tax basis adjustment obligation with respect to distributions by, and sales or transfers of interests in, the Master Partnership.

Tax Consequences to a Withdrawing Limited Partner

A Limited Partner receiving a cash liquidating distribution from Millennium USA, in connection with a complete withdrawal from Millennium USA, generally will recognize capital gain or loss to the extent of the difference between the proceeds received by such Limited Partner and such Limited Partner's adjusted tax basis in its Interest. Such capital gain or loss will be short-term, long-term or some combination of both, depending upon the timing of the Limited Partner's contributions to Millennium USA. However, a withdrawing Limited Partner will recognize ordinary income to the extent such Limited Partner's allocable share of Millennium USA's "unrealized receivables" exceeds the Limited Partner's basis in such unrealized receivables (as determined pursuant to the Regulations). For these purposes, accrued but untaxed market discount, if any, on securities held by Millennium USA will be treated as an unrealized receivable, with respect to which a withdrawing Limited Partner would recognize ordinary income. A Limited Partner receiving a cash nonliquidating distribution will recognize income in a similar manner only to the extent that the amount of the distribution exceeds such Limited Partner's adjusted tax basis in its Interest.

As discussed above, the Partnership Agreement provides that Millennium Management may specially allocate items of Millennium USA ordinary income and/or capital gain (including short-term capital gain) and deductions, ordinary loss and/or capital loss (including long-term capital loss) to a withdrawing Partner to the extent its capital account would otherwise exceed or

be less than, as the case may be, its adjusted tax basis in its Interest. Such a special allocation of income or gain may result in the withdrawing Partner recognizing ordinary income and/or capital gain, which may include short-term capital gain, in the Partner's last taxable year in Millennium USA, thereby reducing the amount of long-term capital gain recognized during the tax year in which it receives its liquidating distribution upon withdrawal. Such a special allocation of deduction or loss may result in the withdrawing Partner recognizing ordinary loss and/or capital loss, which may include long-term capital loss, in the Partner's last taxable year in Millennium USA, thereby reducing the amount of short-term capital loss recognized during the tax year in which it receives its liquidating distribution upon withdrawal.

Distributions of Property. A partner's receipt of a distribution of property from a partnership is generally not taxable. However, under Section 731 of the Code, a distribution consisting of marketable securities generally is treated as a distribution of cash (rather than property) unless the distributing partnership is an "investment partnership" within the meaning of Section 731(c)(3)(C)(i) and the recipient is an "eligible partner" within the meaning of Section 731(c)(3)(C)(iii). Millennium USA will determine at the appropriate time whether it qualifies as an "investment partnership." Assuming it so qualifies, if a Limited Partner is an "eligible partner," which term should include a Limited Partner whose contributions to Millennium USA consisted solely of cash, the rule treating a distribution of property as a distribution of cash would not apply.

Tax Treatment of Millennium USA Investments

In General. The Master Partnership is engaged in a trade or business as a trader in securities and commodities. The Master Partnership has elected to report its income from sales of securities and commodities held in connection with such trade or business on a "mark-to-market" basis for Federal income tax purposes. Under this accounting method, (i) gains or losses recognized by the Master Partnership upon an actual disposition of securities and commodities held in connection with such trade or business are treated as ordinary income or loss and (ii) any such securities and commodities held by the Master Partnership on the last day of each taxable year are treated as if they were sold by the Master Partnership for their fair market value on that day, and gains or losses recognized on this deemed sale will be treated as ordinary income or loss. For purposes of measuring gain or loss with respect to any such security or commodity in any subsequent year, the amount of any gain or loss previously recognized under the mark-to-market rules is taken into account in determining the tax basis for the security or commodity. The Master Partnership is required to identify any securities and commodities that are not held in connection with such trade or business on the day such securities or commodities are acquired. If the Master Partnership fails to properly identify a security or commodity that is not held in connection with such trade or business, the Service may require the Master Partnership to recognize "mark-to-market" gains on such security or commodity as ordinary income at the end of each taxable year, but defer recognition of any "mark-to-market" losses, to the extent they exceed gains previously recognized with respect to such security or commodity, until the security or commodity is sold. Moreover, there can be no assurance that the Service will agree that the Master Partnership's securities and commodities activities will constitute trading rather than investing, in which case the Master Partnership may not be able to mark-to-market its positions. Millennium USA has also made a similar "mark-to-market" election described above.

The Master Partnership may realize ordinary income from dividends and accruals of interest on securities. Income or loss from transactions involving certain derivative instruments, such as swap transactions, will also generally constitute ordinary income or loss. As described below, gain or loss from certain "Section 1256 Contracts" (defined below) held in connection with the securities trading activities will be treated as capital gain or loss.

To the extent positions are treated as held for investment by Millennium USA or the Master Partnership, they would not be subject to the "mark-to-market" election described above. Gains and losses on such investment positions would be realized on the sale of the positions and would generally be capital gains and losses. Capital gains and losses recognized by Millennium USA or the Master Partnership may be long-term or short-term depending, in general, upon the length of time Millennium USA or the Master Partnership maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than one year generally will be eligible for long-term capital gain or loss treatment.

The current maximum ordinary income tax rate for individuals is 39.6% and, in general, the current maximum individual income tax rate for "Qualified Dividends"[5] and long-term capital gains is 20%[6] (unless the taxpayer elects to be taxed at ordinary rates – see "Limitation on Deductibility of Interest and Short Sale Expenses" below), although in all cases the actual rates may be higher due to the phase out of certain tax deductions, exemptions and credits. The excess of capital losses over capital gains may be offset against the ordinary income of an individual taxpayer, subject to an annual deduction limitation of $3,000. Capital losses of an individual taxpayer may generally be carried forward to succeeding tax years to offset capital gains and then ordinary income (subject to the $3,000 annual limitation). For corporate taxpayers, the current maximum income tax rate is 35%. Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years. In addition, individuals, estates and trusts are subject to a Medicare tax of 3.8% on "net investment income" (or undistributed "net investment income", in the case of estates and trusts) for each taxable year beginning after December 31, 2012, with such tax applying to the lesser of such income or the excess of such person's adjusted gross income (with certain adjustments) over a specified amount.[7] Net investment income includes net income from interest, dividends, annuities, royalties and rents and net gain attributable to the disposition of investment property. It is anticipated that net income and gain attributable to an investment in Millennium USA will be included in an investor's "net investment income" subject to this Medicare tax.

Certain Section 1256 Contracts. A Section 1256 Contract includes certain futures contracts, and certain other contracts. With respect to any Section 1256 Contracts which are not

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5 A "Qualified Dividend" is generally a dividend from certain domestic corporations, and from certain foreign corporations that are either eligible for the benefits of a comprehensive income tax treaty with the United States or are readily tradable on an established securities market in the United States. Shares must be held for certain holding periods in order for a dividend thereon to be a Qualified Dividend.

6 The quoted rates are effective for taxable years beginning after December 31, 2012.

7 The amount is $250,000 for married individuals filing jointly, $125,000 for married individuals filing separately, $200,000 for other individuals and the dollar amount at which the highest income tax bracket for estates and trusts begins.

treated as "commodities" for purposes of Section 475, gains and losses from such Section 1256 Contracts are marked to market annually, and generally are characterized as short-term capital gains or losses to the extent of 40% thereof and as long-term capital gains or losses to the extent of 60% thereof. Gains and losses from Section 1256 Contracts will be treated as ordinary income and losses, if such Section 1256 Contracts are held to hedge property which would generate ordinary loss if sold at a loss or if such Section 1256 Contracts are held by the Master Partnership in connection with the commodities trade or business. If an individual taxpayer incurs a net capital loss for a year, the portion thereof, if any, which consists of a net loss on such Section 1256 Contracts may, at the election of the taxpayer, be carried back three years. Losses so carried back may be deducted only against net capital gain to the extent that such gain includes gains on Section 1256 Contracts. A Section 1256 Contract does not include a "securities futures contract" or any option on such a contract, other than a "dealer securities futures contract."

Generally, a "securities futures contract" is a contract of sale for future delivery of a single security or a narrow-based security index. A "dealer securities futures contract" is treated as a Section 1256 Contract. A "dealer securities futures contract" is a securities futures contract, or an option to enter into such a contract, that (1) is entered into by a dealer (or, in the case of an option, is purchased or granted by the dealer) in the normal course of its trade or business activity of dealing in the contracts and (2) is traded on a qualified board of trade or exchange.

Mixed Straddle Election. The Code allows a taxpayer to elect to offset gains and losses from positions which are part of a "mixed straddle." A "mixed straddle" is any straddle in which one or more but not all positions are Section 1256 Contracts. Pursuant to Temporary Regulations, Millennium USA may be eligible to elect to establish one or more mixed straddle accounts for certain of its mixed straddle trading positions. The mixed straddle account rules require a daily "marking to market" of all open positions in the account and a daily netting of gains and losses from positions in the account. At the end of a taxable year, the annual net gains or losses from the mixed straddle account are recognized for tax purposes. The application of the Temporary Regulations' mixed straddle account rules is not entirely clear. Therefore, there is no assurance that a mixed straddle account election by Millennium USA will be accepted by the Service.

Effect of Straddle Rules on Limited Partners' Securities Positions. The Service may treat certain positions in securities held (directly or indirectly) by a Partner and its indirect interest in similar securities held by Millennium USA as "straddles" for federal income tax purposes. Investors should consult their tax advisors regarding the application of the "straddle" rules to their investment in Millennium USA.

Limitation on Deductibility of Interest and Short Sale Expenses. For noncorporate taxpayers, Section 163(d) of the Code limits the deduction for "investment interest" (*i.e.*, interest or short sale expenses for "indebtedness properly allocable to property held for investment"). Investment interest is not deductible in the current year to the extent that it exceeds the taxpayer's "net investment income," consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, Qualified Dividends and long-term capital gains are excluded from net investment income unless the taxpayer elects to pay tax on such amounts at ordinary income tax rates.

For purposes of this provision, Millennium USA's activities (other than certain activities that are treated as "passive activities" under Section 469 of the Code) will be treated as giving rise to investment income for a Limited Partner, and the investment interest limitation would apply to a noncorporate Limited Partner's share of the interest and short sale expenses attributable to Millennium USA's operation. In such case, a noncorporate Limited Partner would be denied a deduction for all or part of that portion of its distributive share of Millennium USA's ordinary losses attributable to interest and short sale expenses unless it had sufficient investment income from all sources including Millennium USA. A Limited Partner that could not deduct losses currently as a result of the application of Section 163(d) would be entitled to carry forward such losses to future years, subject to the same limitation. The investment interest limitation would also apply to interest paid by a noncorporate Limited Partner on money borrowed to finance its investment in Millennium USA. Potential investors are advised to consult with their own tax advisors with respect to the application of the investment interest limitation in their particular tax situations.

Deductibility of Millennium USA Investment Expenditures and Certain Other Expenditures. Investment expenses (*e.g.*, investment advisory fees) of an individual, trust or estate are deductible only to the extent they exceed 2% of adjusted gross income. In addition, for taxable years beginning after December 31, 2012, the Code further restricts the ability of an individual with an adjusted gross income in excess of a specified amount[8] to deduct such investment expenses. Under such provision, there is a limitation on the deductibility of investment expenses in excess of 2% of adjusted gross income to the extent such excess expenses (along with certain other itemized deductions) exceed the lesser of (i) 3% of the excess of the individual's adjusted gross income over the specified amount or (ii) 80% of the amount of certain itemized deductions otherwise allowable for the taxable year. Moreover, such investment expenses are miscellaneous itemized deductions which are not deductible by a noncorporate taxpayer in calculating its alternative minimum tax liability.

Pursuant to Temporary Regulations issued by the Treasury Department, these limitations on deductibility should not apply to a noncorporate Limited Partner's share of the expenses of the Master Partnership to the extent that the Master Partnership is engaged, as it expects to be, in a trade or business within the meaning of the Code. However, there can be no assurance that the Service may not treat such expenses as investment expenses which are subject to the limitations. In addition, these limitations may apply to certain expenses of the Master Partnership and Millennium USA, the fee to the Administrator and payments made on certain derivative instruments to the extent allocable to activities, if any, that are not part of the Master Partnership's or Millennium USA's trade or business (including investments, if any, in partnerships that are not managed by Millennium Management or its affiliates, or investments that are treated as held for investment).

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[8] For taxable years beginning after December 31, 2012, the specified amount is $300,000 for married individuals filing jointly, $150,000 for married individuals filing separately, $275,000 for heads of household and $250,000 for other individuals.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, noncorporate Limited Partners should consult their tax advisors with respect to the application of these limitations.

A Limited Partner will not be allowed to deduct syndication expenses attributable to the acquisition of an Interest, including placement fees, paid by such Limited Partner or Millennium USA. Any such amounts will be included in the Limited Partner's adjusted tax basis for its Interest.

Application of Rules for Income and Losses from Passive Activities. The Code restricts the deductibility of losses from a "passive activity" against certain income which is not derived from a passive activity. This restriction applies to individuals, personal service corporations and certain closely held corporations. Pursuant to Temporary Regulations issued by the Treasury Department, income or loss from Millennium USA's securities investment and trading activity generally will not constitute income or loss from a passive activity. Therefore, passive losses from other sources generally could not be deducted against a Limited Partner's share of such income and gain from Millennium USA. Income or loss attributable to certain activities of Millennium USA, including investments in partnerships engaged in certain trades or businesses may constitute passive activity income or loss.

Application of Basis and "At Risk" Limitations on Deductions. The amount of any loss of Millennium USA that a Limited Partner is entitled to include in its income tax return is limited to its adjusted tax basis in its Interest as of the end of Millennium USA's taxable year in which such loss occurred. Generally, a Limited Partner's adjusted tax basis for its Interest is equal to the amount paid for such Interest, increased by the sum of (i) its share of Millennium USA's liabilities, as determined for federal income tax purposes, and (ii) its distributive share of Millennium USA's realized income and gains, and decreased (but not below zero) by the sum of (i) distributions (including decreases in its share of Millennium USA liabilities) made by Millennium USA to such Limited Partner and (ii) such Limited Partner's distributive share of Millennium USA's realized losses and expenses.

Similarly, a Limited Partner that is subject to the "at risk" limitations (generally, noncorporate taxpayers and closely held corporations) may not deduct losses of Millennium USA to the extent that they exceed the amount such Limited Partner has "at risk" with respect to its Interest at the end of the year. The amount that a Limited Partner has "at risk" will generally be the same as its adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of Millennium USA or any amount borrowed by the Limited Partner on a non-recourse basis.

Losses denied under the basis or "at risk" limitations are suspended and may be carried forward in subsequent taxable years, subject to these and other applicable limitations.

"Phantom Income" From Millennium USA Investments. Pursuant to various "anti-deferral" provisions of the Code (the "Subpart F" and "passive foreign investment company" provisions), investments (if any) by Millennium USA in certain foreign corporations may cause a Limited Partner to recognize taxable income prior to Millennium USA's receipt of distributable proceeds.

U.S. Withholding Taxes

Certain interest, dividends and "dividend equivalent payments" received by the Master Partnership from sources within the United States may be subject to withholding taxes imposed by the United States. The Limited Partners will be informed by Millennium USA as to their proportionate share of the U.S. taxes paid by the Master Partnership, if any, which they will be required to include in their income. The Limited Partners should be entitled to claim an unrestricted credit or refund for their share of such U.S. taxes in computing their own federal income tax liability.

In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, the Master Partnership will be required to enter into an agreement with the Service by December 31, 2013 identifying certain direct and indirect U.S. account holders (including debtholders and equityholders). Limited Partners should consult their own tax advisors regarding the possible implications of these rules on their investment in Interests.

Reporting Requirements

Regulations generally impose an information reporting requirement on a U.S. person's direct and indirect contributions of cash or property to a foreign partnership such as the Master Partnership where, (i) immediately after the contribution, the U.S. person owns (directly, indirectly or by attribution) at least a 10% interest in the foreign partnership or (ii) the value of the cash and/or property transferred during the twelve-month period ending on the date of the contribution by the transferor (or any related person) exceeds $100,000. Under these rules, a Limited Partner will be deemed to have transferred a proportionate share of the cash and property contributed by Millennium USA to the Master Partnership. Furthermore, if a U.S. person was required to report a transfer to a foreign partnership of appreciated property under the first sentence of this paragraph, and the foreign partnership disposes of the property while such U.S. person remains a direct or indirect partner, that U.S. person must report the disposition by the partnership. However, a Limited Partner will not be required to file information returns with respect to the events described in this paragraph if Millennium USA complies with the reporting requirements. Millennium USA intends to file the required reports with the Service so as to relieve the Limited Partners of these reporting obligations.

Regulations also generally impose a reporting requirement on any U.S. Limited Partner which, at any time during the taxable year of the Master Partnership, owns (indirectly or by attribution) more than 50% of the capital or profits of the Master Partnership. Millennium Management will notify any Limited Partner who owns the requisite indirect interest in the Master Partnership and will assist such person in meeting their reporting obligations.

The foregoing discussion is only a brief summary of certain information reporting requirements. Substantial penalties may apply if the required reports are not made on time. Partners are strongly urged to consult their own tax advisors concerning these reporting requirements as they relate to their investment in Millennium USA.

Unrelated Business Taxable Income

Generally, an exempt organization is exempt from federal income tax on its passive investment income, such as dividends, interest and capital gains, whether realized by the organization directly or indirectly through a partnership in which it is a partner.[9] This type of income is exempt even if it is realized from securities trading activity which constitutes a trade or business.

This general exemption from tax does not apply to the "unrelated business taxable income" ("UBTI") of an exempt organization. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived (either directly or through partnerships) from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the organization's exempt purpose or function. UBTI also includes "unrelated debt-financed income," which generally consists of (i) income derived by an exempt organization (directly or through a partnership) from income-producing property with respect to which there is "acquisition indebtedness" at any time during the taxable year, and (ii) gains derived by an exempt organization (directly or through a partnership) from the disposition of property with respect to which there is "acquisition indebtedness" at any time during the twelve-month period ending with the date of such disposition. With respect to its investments in partnerships engaged in a trade or business, Millennium USA's income (or loss) from these investments may constitute UBTI.

Millennium USA may incur "acquisition indebtedness" with respect to certain of its transactions, such as the purchase of securities on margin. Based upon a published ruling issued by the Service which generally holds that income and gain with respect to short sales of publicly traded stock does not constitute income from debt financed property for purposes of computing UBTI, Millennium USA will treat its short sales of securities as not involving "acquisition indebtedness" and therefore not resulting in UBTI.[10] To the extent Millennium USA recognizes income (*i.e.*, dividends and interest) from securities with respect to which there is "acquisition indebtedness" during a taxable year, the percentage of such income which will be treated as UBTI generally will be based on the percentage which the "average acquisition indebtedness" incurred with respect to such securities is of the "average amount of the adjusted basis" of such securities during the taxable year.

To the extent Millennium USA recognizes gain from securities with respect to which there is "acquisition indebtedness" at any time during the twelve-month period ending with the date of their disposition, the percentage of such gain which will be treated as UBTI will be based on the percentage which the highest amount of such "acquisition indebtedness" is of the "average amount of the adjusted basis" of such securities during the taxable year. In determining the unrelated debt-financed income of Millennium USA, an allocable portion of deductions directly

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9 With certain exceptions, tax-exempt organizations which are private foundations are subject to a 2% federal excise tax on their "net investment income." The rate of the excise tax for any taxable year may be reduced to 1% if the private foundation meets certain distribution requirements for the taxable year. A private foundation will be required to make payments of estimated tax with respect to this excise tax.

10 Moreover, income realized from option writing and futures contract transactions generally would not constitute UBTI.

connected with Millennium USA's debt-financed property is taken into account. Thus, for instance, a percentage of losses from debt-financed securities (based on the debt/basis percentage calculation described above) would offset gains treated as UBTI.

Since the calculation of Millennium USA's "unrelated debt-financed income" is complex and will depend in large part on the amount of leverage, if any, used by Millennium USA from time to time,[11] it is impossible to predict what percentage of Millennium USA's income and gains will be treated as UBTI for a Limited Partner which is an exempt organization. An exempt organization's share of the income or gains of Millennium USA which is treated as UBTI may not be offset by losses of the exempt organization either from Millennium USA or otherwise, unless such losses are treated as attributable to an unrelated trade or business (*e.g.*, losses from securities for which there is acquisition indebtedness).

To the extent that Millennium USA generates UBTI, the applicable federal tax rate for such a Limited Partner generally would be either the corporate or trust tax rate depending upon the nature of the particular exempt organization. An exempt organization may be required to support, to the satisfaction of the Service, the method used to calculate its UBTI. Millennium USA will be required to report to a Partner which is an exempt organization information as to the portion, if any, of its income and gains from Millennium USA for each year which will be treated as UBTI. The calculation of such amount with respect to transactions entered into by Millennium USA is highly complex, and there is no assurance that Millennium USA's calculation of UBTI will be accepted by the Service.

In general, if UBTI is allocated to an exempt organization such as a qualified retirement plan or a private foundation, the portion of Millennium USA's income and gains which is not treated as UBTI will continue to be exempt from tax, as will the organization's income and gains from other investments which are not treated as UBTI. Therefore, the possibility of realizing UBTI from its investment in Millennium USA generally should not affect the tax-exempt status of such an exempt organization.[12] In addition, a charitable remainder trust will be subject to a 100% excise tax on any UBTI under Section 664(c) of the Code. A title-holding company will not be exempt from tax if it has certain types of UBTI. Moreover, the charitable contribution deduction for a trust under Section 642(c) of the Code may be limited for any year in which the trust has UBTI. A prospective purchaser should consult its tax advisor with respect to the tax consequences of receiving UBTI from Millennium USA. (See "ERISA Considerations.")

Certain Issues Pertaining to Specific Exempt Organizations

Private Foundations. Private foundations and their managers are subject to excise taxes if they invest "any amount in such a manner as to jeopardize the carrying out of any of the

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[11] The calculation of a particular exempt organization's UBTI would also be affected if it incurs indebtedness to finance its investment in Millennium USA. An exempt organization is required to make estimated tax payments with respect to its UBTI.

[12] Certain exempt organizations which realize UBTI in a taxable year will not constitute "qualified organizations" for purposes of Section 514(c)(9)(B)(vi)(I) of the Code, pursuant to which, in limited circumstances, income from certain real estate partnerships in which such organizations invest might be treated as exempt from UBTI. A prospective tax-exempt Limited Partner should consult its tax advisor in this regard.

foundation's exempt purposes." This rule requires a foundation manager, in making an investment, to exercise "ordinary business care and prudence" under the facts and circumstances prevailing at the time of making the investment, in providing for the short-term and long-term needs of the foundation to carry out its exempt purposes. The factors which a foundation manager may take into account in assessing an investment include the expected rate of return (both income and capital appreciation), the risks of rising and falling price levels, and the need for diversification within the foundation's portfolio.

In order to avoid the imposition of an excise tax, a private foundation may be required to distribute on an annual basis its "distributable amount," which includes, among other things, the private foundation's "minimum investment return," defined as 5% of the excess of the fair market value of its nonfunctionally related assets (assets not used or held for use in carrying out the foundation's exempt purposes), over certain indebtedness incurred by the foundation in connection with such assets. It appears that a foundation's investment in Millennium USA would most probably be classified as a nonfunctionally related asset. A determination that an Interest in Millennium USA is a nonfunctionally related asset could conceivably cause cash flow problems for a prospective Limited Partner which is a private foundation. Such an organization could be required to make distributions in an amount determined by reference to unrealized appreciation in the value of its Interest in Millennium USA. Of course, this factor would create less of a problem to the extent that the value of the investment in Millennium USA is not significant in relation to the value of other assets held by a foundation.

In some instances, an investment in Millennium USA by a private foundation may be prohibited by the "excess business holdings" provisions of the Code. For example, if a private foundation (either directly or together with a "disqualified person") acquires more than 20% of the capital interest or profits interest of Millennium USA, the private foundation may be considered to have "excess business holdings." If this occurs, such foundation may be required to divest itself of its Interest in Millennium USA in order to avoid the imposition of an excise tax. However, the excise tax will not apply if at least 95% of the gross income from Millennium USA is "passive" within the applicable provisions of the Code and Regulations. There can be no assurance that Millennium USA will meet such 95% gross income test.

A substantial percentage of investments of certain "private operating foundations" may be restricted to assets directly devoted to their tax-exempt purposes. Otherwise, generally, rules similar to those discussed above govern their operations.

Qualified Retirement Plans. Employee benefit plans subject to the provisions of ERISA, Individual Retirement Accounts and Keogh Plans should consult their counsel as to the implications of such an investment under ERISA and the Code. (See "ERISA Considerations.")

Endowment Funds. Investment managers of endowment funds should consider whether the acquisition of an Interest is legally permissible. This is not a matter of federal law, but is determined under state statutes. It should be noted, however, that under the Uniform Management of Institutional Funds Act, which has been adopted, in various forms, by a large number of states, participation in investment partnerships or similar organizations in which funds are commingled and investment determinations are made by persons other than the governing board of the endowment fund is allowed.

Excise Tax on Certain Reportable Transactions. A tax-exempt entity (including a state or local government or its political subdivision) may be subject to an excise tax equal to the greater of (i) 100% of the net income or (ii) 75% of the proceeds, attributable to certain "reportable transactions," including "listed transactions," if any, in which it participates. Under Regulations, these rules should not apply to a tax-exempt investor's Interest if such investor's tax-exempt status does not facilitate Millennium USA's participation, if any, in such transactions, unless otherwise provided in future guidance. Tax-exempt investors should discuss with their own advisors the applicability of these rules to their investment in Millennium USA. (See "Tax Shelter Reporting Requirements" below.)

Certain Reporting Obligations

Certain U.S. persons ("potential filers") that own (directly or indirectly) more than 50% of the capital or profits of Millennium USA may be required to file Form TD F 90-22.1 (an "FBAR") with respect to Millennium USA's investments in foreign financial accounts. Failure to file a required FBAR may result in civil and criminal penalties. Potential filers should consult with their own advisors as to whether they are obligated to file an FBAR with respect to an investment in Millennium USA.

Tax Shelter Reporting Requirements

The Regulations require Millennium USA to complete and file Form 8886 ("Reportable Transaction Disclosure Statement") with its tax return for any taxable year in which Millennium USA participates in a "reportable transaction." Additionally, each Partner treated as participating in a reportable transaction of Millennium USA is generally required to file Form 8886 with its tax return (or, in certain cases, within 60 days of the return's due date). If the Service designates a transaction as a reportable transaction after the filing of a taxpayer's tax return for the year in which Millennium USA or a Partner participated in the transaction, Millennium USA and/or such Partner may have to file Form 8886 with respect to that transaction within 90 days after the Service makes the designation. Millennium USA and any such Partner, respectively, must also submit a copy of the completed form with the Service's Office of Tax Shelter Analysis. Millennium USA intends to notify the Partners that it believes (based on information available to Millennium USA) are required to report a transaction of Millennium USA, and intends to provide such Limited Partners with any available information needed to complete and submit Form 8886 with respect to Millennium USA's transactions. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the Service at its request.

A Partner's recognition of a loss upon its disposition of an Interest in Millennium USA could also constitute a "reportable transaction" for such Partner, requiring such Partner to file Form 8886.

A significant penalty is imposed on taxpayers who participate in a "reportable transaction" and fail to make the required disclosure. The maximum penalty is $10,000 for natural persons and $50,000 for other persons (increased to $100,000 and $200,000, respectively, if the reportable transaction is a "listed" transaction). Investors should consult with their own advisors concerning the application of these reporting obligations to their specific situations.

State and Local Taxation

In addition to the federal income tax consequences described above, prospective purchasers should consider potential state and local tax consequences of an investment in Millennium USA. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner's distributive share of the taxable income or loss of Millennium USA generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. A partnership in which Millennium USA acquires an interest may conduct business in a jurisdiction which will subject to tax a Partner's share of the partnership's income from that business and may cause Partners to file tax returns in those jurisdictions. Prospective purchasers should consult their tax advisors with respect to the availability of a credit for such tax in the jurisdiction in which that Partner is a resident.

The tax laws of various states and localities limit or eliminate the deductibility of itemized deductions for certain taxpayers. As described above, the Master Partnership generally expects to be in a trade or business within the meaning of the Code. Accordingly, it is not anticipated that Millennium USA's and the Master Partnership's expenses associated with such trade or business will be subject to such limitations. However, certain expenses which are not associated with such trade or business may be limited in their deductibility in one or more states or localities. Moreover, there can be no assurance that various states and localities will not treat all of Millennium USA's and the Master Partnership's expenses, including interest expense, as investment expenses which are subject to such limitations. Prospective investors are urged to consult their tax advisors with respect to the impact of these provisions on the deductibility of certain itemized deductions, including interest expense, on their tax liabilities in the jurisdictions in which they are resident.

One or more states may impose reporting requirements on Millennium USA and/or its Partners in a manner similar to that described above in "Tax Shelter Reporting Requirements." Investors should consult with their own advisors as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

Millennium USA is not expected to be subject to the New York City unincorporated business tax, which is not imposed on a partnership which purchases and sells securities for its "own account." (This exemption may not be applicable to the extent a partnership in which Millennium USA invests conducts a business in New York City.) By reason of a similar "own account" exemption, it is also expected that a nonresident individual Partner should not be subject to New York State personal income tax with respect to his share of income or gain realized directly by Millennium USA.

Individual Limited Partners who are residents of New York State and New York City should be aware that the New York State and New York City personal income tax laws limit the deductibility of itemized deductions and interest expense for individual taxpayers at certain income levels. As described above, the Master Partnership generally expects to be in a trade or business within the meaning of the Code. Accordingly, Millennium USA intends to treat its and Millennium USA's expenses associated with such trade or business as not being subject to the foregoing limitations on deductibility. However, there can be no assurance that New York State

and New York City will not treat such expenses as investment expenses which are subject to such limitations. Further, these limitations may apply to certain expenses of the Master Partnership and Millennium USA that are not part of the Master Partnership's or Millennium USA's trade or business. Prospective Limited Partners are urged to consult their own tax advisors with respect to the impact of these provisions and the federal limitations on the deductibility of certain itemized deductions and investment expenses on their New York State and New York City tax liability.

For purposes of the New York State corporate franchise tax and the New York City general corporation tax, a corporation generally is treated as doing business in New York State and New York City, respectively, and is subject to such corporate taxes as a result of the ownership of a partnership interest in a partnership which does business in New York State and New York City, respectively.[13] Each of the New York State and New York City corporate taxes are imposed, in part, on the corporation's taxable income or capital allocable to the relevant jurisdiction by application of the appropriate allocation percentages. Moreover, a non-New York corporation which does business in New York State may be subject to a New York State license fee. A corporation which is subject to New York State corporate franchise tax solely as a result of being a limited partner in a New York partnership may, under certain circumstances, elect to compute its New York State corporate franchise tax by taking into account only its distributive share of such partnership's income and loss. There is currently no similar provision in effect for purposes of the New York City general corporation tax.

Regulations under both the New York State corporate franchise tax and the New York City general corporation tax, however, provide an exception to this general rule in the case of a "portfolio investment partnership," which is defined, generally, as a partnership which meets the gross income requirements of Section 851(b)(2) of the Code. New York State (but not New York City) has adopted regulations that also include income and gains from commodity transactions described in Section 864(b)(2)(B)(iii) as qualifying gross income for this purpose. Millennium USA's qualification as such a portfolio investment partnership must be determined on an annual basis and, with respect to a taxable year, Millennium USA may not qualify as a portfolio investment partnership.

New York State imposes a quarterly withholding obligation on certain partnerships with respect to partners that are individual non-New York residents or corporations (other than "S" corporations). Accordingly, Millennium USA may be required to withhold on the distributive shares of New York source partnership income allocable to such partners to the extent such income is not derived from trading in securities for Millennium USA's own account.

A trust or other unincorporated organization which by reason of its purposes or activities is exempt from federal income tax is also exempt from New York State and New York City personal income tax. A nonstock corporation which is exempt from federal income tax is generally presumed to be exempt from New York State corporate franchise tax and New York

[13] New York State (but not New York City) generally exempts from corporate franchise tax a non-New York corporation which (i) does not actually or constructively own a 1% or greater limited partnership interest in a partnership doing business in New York and (ii) has a tax basis in such limited partnership interest not greater than $1 million.

City general corporation tax. New York State imposes a tax with respect to such exempt entities on UBTI (including unrelated debt-financed income) at a rate which is currently equal to the New York State corporate franchise tax rate (plus the corporate surtax). There is no New York City tax on the UBTI of an otherwise exempt entity.

Each prospective Partner should consult its tax advisor with regard to the New York State and New York City tax consequences of an investment in Millennium USA.

Foreign Taxes

It is possible that certain dividends and interest directly or indirectly received by Millennium USA from sources within foreign countries will be subject to withholding taxes imposed by such countries. In addition, Millennium USA or the Master Partnership may also be subject to capital gains taxes in some of the foreign countries where they purchase and sell securities. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict in advance the rate of foreign tax Millennium USA will directly or indirectly pay since the amount of Millennium USA's assets to be invested in various countries is not known.

The Limited Partners will be informed by Millennium USA as to their proportionate share of the foreign taxes paid by Millennium USA or the Master Partnership , which they will be required to include in their income. The Limited Partners generally will be entitled to claim either a credit (subject, however, to various limitations on foreign tax credits) or, if they itemize their deductions, a deduction (subject to the limitations generally applicable to deductions) for their share of such foreign taxes in computing their federal income taxes. A Limited Partner that is tax-exempt will not ordinarily benefit from such credit or deduction.

As discussed in greater detail below, Millennium Management and its affiliates operate throughout the world in various jurisdictions, and Millennium Management and its affiliates generally endeavor to conduct such activities in a manner such that the Master Partnership (and Millennium USA) are not deemed to have a permanent establishment in any such jurisdiction. However, it is possible that the Master Partnership (or Millennium USA) may be deemed to have a permanent establishment in one or more of those jurisdictions and that Limited Partners may be subject to non-U.S. taxes and filing obligations in connection therewith.

United Kingdom Taxation

The following is a summary of the expected U.K. taxation treatment of participation in Millennium USA by Limited Partners who are neither resident nor ordinarily resident in the U.K., based upon current law and practice (which, in either case, may change). This summary is of a general nature only, and should not be construed as tax advice to any particular investor. Prospective Limited Partners should consult their own professional advisors on the taxation implications of their investment in Millennium USA.

Because Millennium USA and the Master Partnership are limited partnerships, and hence are not themselves taxable entities for U.K. tax purposes, a Limited Partner who is neither resident nor ordinarily resident in the U.K. for U.K. tax purposes (a "non-U.K. resident Limited

Partner") should be liable to U.K. tax on his share of the profits of Millennium USA (other than potential U.K. withholding taxes on interest and certain other kinds of income of Millennium USA or the Master Partnership which have a U.K. source) only to the extent that those profits arise from a trade carried on by Millennium USA or the Master Partnership in the U.K. If Millennium USA or the Master Partnership is regarded for U.K. taxation purposes as carrying on activities which constitute a trade carried on by it in the U.K. through a U.K. "permanent establishment" (in the case of a non-U.K. resident Limited Partner which is a company for U.K. tax purposes) or through a branch or agency which constitutes an assessable "U.K. representative" (in the case of a non-U.K. resident Limited Partner which is not a company for such purposes), the non-U.K. resident Limited Partner will be subject to U.K. tax on his share of the income and gains of that trade. However, it is intended that the respective affairs of Millennium USA, the Master Partnership, Millennium Management and MCP UK will be conducted in such a way that no such U.K. "permanent establishment" or assessable "U.K. representative" will arise. In particular, it is intended that Millennium USA, the Master Partnership, Millennium Management and MCP UK will operate in accordance with the conditions of a particular statutory exemption (the "investment manager exemption") so that, in the event that any of the activities of the Master Partnership (or Millennium USA) are regarded as constituting a trade carried on by Millennium USA or the Master Partnership in the U.K. through the agency of MCP UK, MCP UK will not be a U.K. "permanent establishment" or an assessable "U.K. representative" of a non-U.K. resident Limited Partner, and hence such a Limited Partner will not be subject to U.K. tax on his share of the profits and gains of Millennium USA or the Master Partnership arising through the agency of MCP UK. However, it cannot be guaranteed that the conditions of the availability of the investment manager exemption will at all times be satisfied, or that any U.K. based third-party Portfolio Managers who may be engaged to manage a portion of the Master Partnership's (or Millennium USA's) assets will comply with the investment manager exemption.

French Taxation

Millennium USA and the Master Partnership have been separately advised as follows with respect to French taxation.

Millennium USA, or the Master Partnership, may only be subject to French corporate income tax if it may be deemed to carry on business there within the meaning of Section 209-I of the French Tax Code ("Section 209-I") either as a tax resident in France or even while maintaining its tax residence outside France.

In this respect, whether a foreign entity including a fund is treated as a resident in France for tax purposes and subject to tax on its worldwide income and gains depends on a "central management and control" test. It is intended to manage the affairs of Millennium USA and of the Master Partnership in such a way that neither of these funds is resident in France.

Since it is intended that Millennium USA will primarily invest its capital in the Master Partnership, it is anticipated that Millennium USA will not be regarded as carrying on business there within the meaning of Section 209-I. To the extent that Millennium USA acquires assets that produce income or gains from a French source, withholding tax may be suffered in France,

depending on the nature of the assets involved and on the location of payment of the income or gains.

The Master Partnership could be subject to tax on income and gains realised through a business carried on in France within the meaning of Section 209-I, i.e. through the agency of an investment manager (MCP UK acting through its branch in France), but only if such investment manager may be classified as a mere representative of the Master Partnership acting without a true independent professional capacity.

It is intended that the activities of MCP UK and its French branch will be conducted in such a way that the Master Partnership cannot be deemed to be carrying on a business in France through their agency within the meaning of Section 209-I. In particular, it is intended that MCP UK and its French branch will operate in accordance with a ruling dated 07 September 2006 obtained from the French tax authorities. However, it cannot be guaranteed that the terms of such ruling will at all times be satisfied or that such ruling will not be modified or withdrawn.

Nevertheless, the Master Partnership may be subject to French withholding taxes if it acquires assets that produce income or gains from a French source as discussed above.

Luxembourg Taxation

Millennium USA and the Master Partnership have been separately advised as follows with respect to Luxembourg taxation.

Classification of the Master Partnership and Millennium USA as Foreign Taxpayers. For Luxembourg tax purposes, entities which do not have their statutory seat nor their central administration in Luxembourg, are classified as "non-resident corporate taxpayers" and are subject to tax in Luxembourg limited to income sourced in Luxembourg. Whether Millennium USA or the Master Partnership (for purposes of this Luxembourg tax disclosure hereinafter referred to collectively as "Millennium USA") is treated as an entity or as transparent for Luxembourg tax purposes is dependent on various factors. Below it has been assumed that Millennium USA is not transparent. In case Millennium USA is treated as transparent, the taxation principles described below in principle apply separately to each investor in Millennium USA.

Taxation of Millennium USA. In general, the Luxembourg tax implications for Millennium USA depend on whether or not it has a permanent establishment in Luxembourg.

Assuming that the activities performed by Millennium USA itself in Luxembourg, if any, will not amount to the existence of a permanent establishment therein, the items of income derived by Millennium USA which might suffer Luxembourg taxation are the following:

(i) Dividends and income from profit-sharing bonds paid by a Luxembourg company: the foreign shareholder of a resident company is subject to a 15 percent withholding tax on the dividend paid. Such withholding tax might be reduced to zero or mitigated based on the Luxembourg domestic law and on tax treaties in force between Luxembourg and the country of residence of Millennium USA.

(ii) Gains derived from the sale of a substantial participation in a resident company which is disposed of within 6 months since its acquisition. Such tax might be reduced to zero based on Tax Treaties in force between Luxembourg and the country of residence of Millennium USA. Under Luxembourg law, resident individual shareholders (not being entrepreneurs whose business assets include the shares) are taxable on the alienation of shares (including by way of liquidation) in a Luxembourg company in case (1) the alienation takes place within 6 months after acquisition (speculation gain) and (2) the alienator holds, either directly or indirectly, a substantial interest in the company. In very broad terms, a substantial interest exists if a shareholder either alone or together with certain close relatives has held a shareholding of more than 10% in a Luxembourg company at any time during the five-year period preceding the alienation. A gain realised on the alienation of convertible debt is subject to Luxembourg income tax if the holder has a substantial interest in the debtor.

(iii) Non-resident shareholders (not having a Luxembourg permanent establishment to which the shares and/or the income/gains from the shares in a Luxembourg company belong) are, however, only subject to Luxembourg tax in case they hold, either directly or indirectly, a substantial interest and (1) the alienation (including liquidation) takes place within 6 months after acquisition (speculation gain) or (2) in case of an alienation after 6 months or more, they have been a Luxembourg resident taxpayer for more than 15 years and have become a non-Luxembourg taxpayer less than 5 years before the alienation takes place. Note however, that Luxembourg will in general not be entitled to tax this gain under applicable tax treaties.

(iv) Income derived from the lease of immovable property located in Luxembourg.

(v) Gains derived from the disposal of immovable property located in Luxembourg.

At the same time, the following income is not subject to tax in Luxembourg in the hands of non-resident taxpayers:

(vi) Liquidation proceeds.

(vii) Interest payments[14].

(viii) Royalties.

If on the contrary Millennium USA has an office or an agent permanent establishment in Luxembourg, it will be subject to full income and net wealth taxation on all or part of its Luxembourg source income which is attributable to the permanent establishment, including any

[14] Other than withholding tax which may be due based on the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments as implemented in Luxembourg by the laws dated 21 June 2005 and several agreements concluded between Luxembourg and certain dependent and associated territories.

interest, royalties or dividend income, in accordance with normal rules and at the same rates applicable to domestic corporations. The current rate of corporate income tax is 28.59%.

Under Luxembourg domestic tax law and under most tax treaties signed by Luxembourg, a permanent establishment is defined as a fixed place for the conduct of the "*business activity*" of a foreign taxpayer, or an agent (excluding agents of independent nature) who habitually exercises authority to conclude contracts (excluding purchase contracts) in connection with the business of a foreign party. Provided that Millennium USA does not have a branch or office in Luxembourg, and the investment manager(s) has/have no branch or office or agent in Luxembourg which habitually exercises the authority to conclude contracts on behalf of Millennium USA or in the name of Millennium USA, Millennium USA should not have a permanent establishment in Luxembourg. Further, the mere investment in financial instruments issued by Luxembourg companies such as shares, preferred equity certificates ("PECs") or convertible preferred equity certificates ("CPECs") will not constitute a permanent establishment of Millennium USA in Luxembourg.

Taxation of Luxembourg companies in the structure. All income of the Luxembourg companies is in principle included in their worldwide income and taxed at 28.59% (Luxembourg City). The Luxembourg companies are funded with a combination of debt and equity. Interest charges on the loans that funded the Luxembourg entities are tax deductible. This has been confirmed by the Luxembourg tax administration.

Taxation of Luxembourg individual investors. Dividends and liquidation proceeds paid to and capital gains derived by resident individuals are included in their worldwide income and taxed according to the ordinary progressive rates (currently ranging from 0% to 38%). Withholding taxes paid may be creditable against the Investors' income tax liabilities.

Taxation of Luxembourg corporate investors. All income is in principle included in their worldwide income and taxed at 28.59% (Luxembourg City). Withholding taxes may be creditable against the investors' income tax liabilities.

Dividends, liquidation proceeds and capital gains derived from a participation in a Luxembourg company may be tax exempt under the domestic participation exemption regime, if the participation meets the following requirements on a continuous basis:

(i) the subsidiary is (a) an entity which is covered by article 2 of the modified EC Parent-Subsidiary Directive, or (b) a capital company that is subject in its country of residence to an income tax which is comparable to the Luxembourg corporate income tax (in practice a tax rate of at least 10.5% is required); and

(ii) the Luxembourg investor must have held for an uninterrupted period of at least 12 months (or must commit itself to continue to hold for an uninterrupted period of at least 12 months) a direct participation of 10% or more of the nominal paid up capital of Millennium USA, or, in the event of a lower percentage participation, a direct participation having an acquisition price of at least EUR 1,200,000 (for dividend income) or EUR 6,000,000 (for capital gains income).

Millennium USA and the Master Partnership have been separately advised as follows with respect to Hong Kong taxation.

Taxation of the Master Partnership. Millennium Management intends to manage the affairs of the Master Partnership in such a way that it is not carrying on a trade or business in Hong Kong for Hong Kong profits tax purposes. In these circumstances, the Master Partnership will not be subject to Hong Kong profits tax on its profits arising in or derived from Hong Kong (i.e. Hong Kong sourced profits) provided, that it is not treated as carrying on a trade or business in Hong Kong itself or through an agent in Hong Kong.

Since it is intended that Millennium USA will invest its assets in the Master Partnership, Millennium Management does not believe that Millennium USA will, in the normal course of its activities, be carrying on a trade or business in Hong Kong for Hong Kong profits tax purposes.

The Master Partnership, however, may be regarded for Hong Kong profits tax purposes as carrying on a trade or business in Hong Kong through the agency of Portfolio Managers, including Investment Management Entities (such as MCM HK), based in Hong Kong. Accordingly, Millennium Management intends to organize the affairs of the Master Partnership in such a way that any Hong Kong sourced profits of the Master Partnership will qualify for exemption from Hong Kong profits tax under the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006 of Hong Kong (the "Exemption Ordinance"). The exemption will apply if the Master Partnership (i) is not a Hong Kong resident (i.e. its central management and control is outside Hong Kong); (ii) carries out "specified transactions" through or arranged by "specified persons" (i.e. mainly including persons holding types 1 or 9 licenses under the Securities and Futures Ordinance (Cap. 571 of Hong Kong) such as MCM HK); and (iii) apart from those specified transactions and transactions incidental to them (as discussed below), does not carry on any other trade or business in Hong Kong. "Specified transactions" includes transactions in securities (apart from securities issued by "private companies" as defined in section 29 of the Companies Ordinance in Hong Kong), transactions in future contracts, transactions in foreign exchange contracts, transactions consisting of the making of a deposit other than by way of money-lending business, transactions in foreign currency and transactions in exchange-traded commodities. Furthermore other income from transactions carried out in Hong Kong by the Master Partnership which are "incidental" to the carrying out of the "specified transactions" will also be exempt from Hong Kong profits tax provided such income does not exceed 5% of the respective trading receipts of the Master Partnership from the exempt and incidental transactions in Hong Kong. It cannot, however, be guaranteed that the conditions of this exemption will at all times be met.

Taxation of Millennium USA. Hong Kong does not impose any withholding tax on interest and dividend income received by Millennium USA which has a Hong Kong source. Millennium USA should not be regarded as carrying on a trade or business in Hong Kong solely by investing substantially all of its assets in the Master Partnership.

To the extent that Millennium USA acquires assets other than by way of investing through the Master Partnership and the activity (together with any other activity) is regarded for

Hong Kong profits tax purposes as constituting a trade or business carried on by Millennium USA in Hong Kong, Millennium USA will be subject to Hong Kong profits tax in respect of its Hong Kong sourced profits if the profits tax exemption under the Exemption Ordinance does not apply. Millennium USA will need to satisfy conditions (i) to (iii) above in order for the exemption to apply. Nevertheless, it is intended that the respective affairs of Millennium USA and the Master Partnership will be conducted in such a way that the Hong Kong sourced profits of Millennium USA will qualify for profits tax exemption. However, it cannot be guaranteed that the conditions of this exemption will at all times be met.

Where the Master Partnership is exempt from profits tax under the Exemption Ordinance, a Hong Kong resident investor who alone or with his associates (as defined in the Inland Revenue Ordinance (Cap. 112 of Hong Kong)) (i) is entitled to not less than 30% of the profits of the Master Partnership or (ii) is regarded as "associated" with the Master Partnership, will be assessed to Hong Kong profits tax on a deemed basis based on his share of the exempted profits of the Master Partnership.

On the basis that the register of limited partners of Millennium USA will be maintained outside Hong Kong, no Hong Kong stamp duty will be payable in respect of transactions in the Offered Interests.

This Hong Kong tax disclosure is general in nature and does not purport to cover all Hong Kong tax consequences of investing in Millennium USA. Prospective investors must consult their own tax advisors regarding the Hong Kong tax consequences of an investment in Millennium USA and the extent to which their income from Millennium USA would, if at all, be subject to Hong Kong tax.

Japanese Tax Disclosure

Millennium USA and the Master Partnership have been separately advised as follows with respect to Japanese taxation.

Millennium USA and the Master Partnership have been separately advised as follows with respect to Japanese taxation on Millennium USA's allocable share of the income, gain and loss from the activities and assets of the Master Partnership:

Taxation of Millennium USA and the Master Partnership. Millennium USA is a Delaware limited partnership and the Master Partnership is a Cayman limited partnership. Foreign (non-Japanese) entities are generally classified for Japanese tax purposes as either a separate legal person (*houjin*) or a transparent (pass-through) entity, by reference to the Japanese entity, as defined under Japan's Company Law, Civil Code or Trust Law, which they most closely resemble. As there is no specific, written Japanese tax authority regarding how a foreign limited partnership should be characterized, entity classification is a facts and circumstances determination made on a case by case basis, by reference to the characteristics of the foreign entity.

On the assumption that Millennium USA and the Master Partnership are treated as tax transparent entities, Millennium USA and the Master Partnership are not themselves be subject to Japanese taxation, but rather each partner of Millennium USA or the Master Partnership is

generally treated as the relevant taxpayer with respect to its allocable share of the income, gain and loss from the activities and assets of Millennium USA or the Master Partnership, respectively; provided that, the partner is itself not a tax transparent entity. If the partner itself is a tax transparent entity, then each of its partners or members are generally treated as the relevant taxpayers with respect to their allocable share of such income, gain and loss as provided in the preceding sentence.

Taxation of the Non-Japanese Limited Partners of Millennium USA. The Japanese tax implications to a Limited Partner of Millennium USA which is a non-Japanese resident individual or a foreign (non-Japanese) corporation ("Non-Japanese Partner") with respect to dividend, interest, and capital gain income of the Master Partnership, depend on whether or not either Millennium USA or the Limited Partner has or is deemed to have a permanent establishment in Japan (as defined below).

On the assumption that neither Millennium USA nor the Limited Partner is treated as having a permanent establishment in Japan, then the Limited Partner is generally subject to Japanese tax only with respect to its allocable share of the income, gain and loss from the activities and assets of the Master Partnership as described below:

(i) Dividends Received on Japanese Company Stock. Dividends paid by a Japanese publicly listed company to the Master Partnership that are allocable to a Non-Japanese Partner, are subject to withholding tax at a rate of 7% (15%, from January 1, 2012). Dividends paid by a non-publicly listed company are subject to withholding tax at a rate of 20%.

However, such withholding rate may be reduced under an applicable tax treaty concluded by the Limited Partner's jurisdiction of residence and Japan, subject to certain requirements and conditions. In addition, Japanese tax law may require that a tax treaty application form be filed to claim such treaty benefits.

(ii) Interest. Generally, interest paid to the Master Partnership on bonds issued by Japanese national or local governments, Japanese corporations, or a foreign corporation with respect to bond proceeds attributable to a business conducted in Japan, is subject to withholding tax at a rate of 15%. However, interest paid in respect of a loan made to a person conducting a business in Japan (including a Japanese resident individual, Japanese corporation or the Japan branch of a foreign corporation) is subject to withholding tax at a rate of 20%.

An exemption from Japanese withholding tax applies to certain interest on Japanese national and local government debt and, with respect to bonds issued by Japanese corporations, certain interest accruing from June 1, 2010 on bonds issued prior to April 1, 2013, either of which interest is paid to certain foreign (non-Japanese) persons. However, the exemption generally applies only to foreign bondholders which are individuals, corporations, or certain investment trusts (*gaikoku toushi shintaku*). Assuming the Master Partnership is treated as a tax transparent entity, it is unclear whether the exemption would apply to interest paid by Japanese Issuers to the Master Partnership.

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In addition, any applicable withholding tax may be reduced under an applicable tax treaty concluded by the Limited Partner's jurisdiction of residence and Japan, subject to certain requirements and conditions. In addition, Japanese tax law may require that a tax treaty application form be filed to claim such treaty benefits.

(iii) Capital Gains on Disposition of Japanese Company Stock or Debt of a Japanese Issuer. A Non-Japanese Partner is generally exempt from Japanese tax on its allocable share of capital gains relating to the Master Partnership's disposition of shares in a Japanese company, or bonds issued by or loans to Japanese issuer (including the Japanese national or local government, Japanese resident individual or corporation, or Japan branch of a foreign corporation), except in the following circumstances:

a. The Non-Japanese Partner (and persons treated as specially related to the Non-Japanese Partner): (a) held at least 25% of the outstanding shares of the Japanese company whose shares are disposed of at any time during the tax year of the disposition or the prior two tax years; and (b) disposed of 5% or more of the outstanding shares of such company in such tax year.

In determining whether either the 25% ownership or 5% disposition of outstanding shares threshold is met, all shares held by Millennium USA or the Master Partnership are generally attributed to the Non-Japanese Partner ("Partnership Attribution Rule"). However, the Partnership Attribution Rule does not generally apply if, in the case of a foreign (non-Japanese resident) partner in a foreign partnership, the foreign partnership agreement is "similar" to a Japanese investment business limited partnership (*toushi jigyou yugen sekinin kumiai*, or "Investment LPS"), and the following requirements are satisfied:

i. the foreign partner meets the requirements for the permanent establishment exemption described below and, during the period beginning two tax years prior to the tax year in which the sale of shares occurs and ending with the tax year in which the sale occurs, the partner did not own 25% or more of the Japanese company shares sold; or

ii. the foreign partner does not have a permanent establishment in Japan and, during the period beginning two tax years prior to the tax year in which the sale of shares occurs and ending with the tax year in which the sale occurs, the partner was a limited partner in the partnership; did not own 25% or more of the Japanese company shares sold; and was not involved in the management or operation of the partnership.

This exception from the Partnership Attribution Rule is not applicable with respect to the sale of shares acquired within one year of the disposition, or to shares of a "distressed financial

institution" (*Tokubetsu Kiki Kanri Ginko* or a "special crisis management bank");

b. With respect to shares of a Japanese real estate holding company (that is, a company 50% or more of the asset of which consist of real estate assets located in Japan), the Non-Japanese Partner (and persons treated as specially related to the Non-Japanese Partner) owned, on the day immediately preceding the start of the business year when the sale is made, more than 5% of the company's shares (or, if the company is not publicly listed, more than 2% of the shares); or

c. The Master Partnership engages in improper market manipulation.

Notwithstanding any Japanese tax imposed in the case of (a) through (c) above, a Non-Japanese Partner may be exempt from such Japanese tax under an applicable tax treaty concluded by the partner's jurisdiction of residence and Japan, subject to certain requirements and conditions. In addition, Japanese tax law may require that a tax treaty application form be filed to claim such treaty benefits.

Japanese Permanent Establishment. Under Japanese domestic tax law, in the case of investment activity, a permanent establishment is generally defined as a fixed place for the conduct of the "business activity" (*jigyo*) in Japan of a foreign person. Moreover, even if such foreign person does not itself conduct any business activity in Japan which constitutes a permanent establishment, such person may nevertheless be deemed to have a permanent establishment in Japan if another (an agent) habitually exercises the authority to conclude contracts (excluding purchase contracts) in connection with the business of such foreign person in Japan ("agent permanent establishment"). Nevertheless, an agent which conducts the business activities of such foreign person independently of the foreign person and in the ordinary course of the agent's business ("independent agent") is not deemed to constitute an agent permanent establishment of the foreign person. An agent is an independent agent, if and only if it is legally and economically independent of its principal, and acts in the ordinary course of its business when acting on behalf of its principal.

In the context of investment fund management, on June 27, 2008, the Japanese Financial Services Agency ("FSA") released two documents, "Reference Cases" and "Q&A," which clarify the criteria under which a domestic investment manager in Japan conducting certain investment activities under a discretionary agreement with an offshore fund is treated as an "independent agent." The FSA documents note that the requirements of the "independent agent" provisions of Japan's domestic law (legal independence, economic independence, and acting for the offshore fund in the ordinary course of business the agent's business) are basically consistent with the OECD Model Convention. The FSA documents also identify the conditions that the domestic investment manager must meet to qualify for independent agent status. Generally, there conditions require that the domestic investment manager: (1) does not base his decisions on instructions from managers of the offshore fund; (2) does not share a significant number of officers/employees with the offshore fund; (3) receives a "commensurable remuneration"; and (4) does not deal exclusively with the offshore fund, and has capacity to diversify its business or acquire other clients.

Millennium Capital Management (Asia) Limited, Tokyo branch, a subsidiary of an affiliate of Millennium Management, is licensed under the Japanese Financial Instruments and Exchange Law, exercises the authority to conclude contracts as a discretionary investment manager in respect to certain subsidiaries of the Master Partnership.

Provided that Millennium USA and the Master Partnership do not have a branch or office in Japan; and Millennium USA, the Master Partnership, and their respective Investment Manager and affiliates thereof have no branch, office, or agent in Japan which habitually exercises the authority to conclude contracts on behalf of Millennium USA or the Master Partnership or in the name thereof, or do not act on behalf of Millennium USA or the Master Partnership other than in the capacity of an independent agent (*i.e.,* Millennium USA, the Master Partnership, and their respective Investment Manager and affiliates thereof, including Millennium Capital Management (Asia) Limited, do not conduct such activities in Japan except in the capacity of an independent agent), Millennium USA and the Master Partnership should not have a permanent establishment in Japan. A foreign (non-Japanese resident) partner of a partnership which is deemed to have a permanent establishment in Japan is itself deemed to have a permanent establishment in Japan. Thus, if Millennium USA or the Master Partnership is deemed to have a permanent establishment in Japan, then a Non-Japanese Partner will generally be deemed to also have a permanent establishment in Japan. However, a foreign (non-Japanese resident) partner is not generally deemed to have a permanent establishment in Japan (the "permanent establishment exemption") with respect to the activities of a foreign partnership, if the foreign partnership is based on a foreign partnership agreement which is "similar" to a Japanese investment business limited partnership (*toushi jigyou yugen sekinin kumiai*, or "*Investment LPS*"), and:

(i) the foreign partner is a limited partner of the partnership;

(ii) the foreign partner is not involved in the management or operation of the partnership;

(iii) the foreign partner has owned an interest of less than 25% in the assets of the partnership;

(iv) the foreign partner does not have a "specified relationship" with any general partner of the partnership; and

(v) the foreign partner does not otherwise already have an existing permanent establishment in Japan.

Where Millennium USA or the Master Partnership has a permanent establishment in Japan, there is a risk that Limited Partners in Millennium USA are deemed to have a permanent establishment in Japan and in such case, are subject to Japanese income or corporation tax on all or part of their Japanese source net income, including any interest, dividend or capital gain income, in accordance with the normal rules at the same rates applicable to Japanese taxpayers. Generally, the rate of tax will depend upon the type and status of the Limited Partner. For a Non-Japanese Partner, the maximum (combined national and local) effective rate of taxation is approximately 50% in the case of a nonresident individual and 42% in the case of a foreign corporation.

In addition, distributions (or deemed distributions) to foreign (non-Japanese) partners are generally subject to a withholding tax at a rate of 20%, which is paid by the partnership with a permanent establishment in Japan on behalf of its partners. Any withholding tax paid may be credited against a partner's Japanese income tax liabilities.

Taxation of Japanese Limited Partners of Millennium USA. Millennium USA does not generally accept investments by non-U.S. persons. However, if such an investment was made, assuming that Millennium USA and the Master Partnership are treated as tax transparent entities, Japanese resident individuals and corporations which invest in Millennium USA ("Japanese Investors") are deemed to have directly earned their allocable share of income, gain and loss from the activities and assets of the Master Partnership and thus, may be subject to Japanese tax on such allocable share of income, gain and loss at the tax rate based on the Japanese tax law as applicable to each such Japanese Investor. Thus, a Japanese Investor which is subject to Japanese tax on its allocable share of such income, gain and loss may generally claim a tax credit for any withholding or other net income tax (whether Japanese or non-Japanese) paid on their behalf with respect to such income, gain and loss (subject to applicable foreign tax credit limitations).

Singapore Tax Disclosure

Millennium USA and the Master Partnership have been separately advised as follows with respect to Singapore taxation.

The discussion is a general summary of certain tax consequences in Singapore. The summary is based on the existing provisions of the relevant tax laws and regulations thereunder (including the relevant circulars and practice notes), and practices in effect as of the date hereof, all of which are subject to change and differing interpretations, either on a prospective or retrospective basis. The summary is not intended to constitute a complete analysis of all the tax consequences relating to the structure. Prospective investors should consult their own tax advisors concerning the tax consequences of their particular situations, including the tax consequences arising under the laws of any other tax jurisdiction, which may be applicable to their particular situations.

Income Tax. Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received or deemed to have been received in Singapore, subject to certain exceptions.

Gains on Disposal of Investments. Singapore does not impose tax on capital gains. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. Generally, gains on disposal of investments are considered income in nature if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

MCM Singapore assists the Master Partnership with the management of its assets by managing capital held by it directly or indirectly through various special purpose vehicles (the "Trading Subsidiaries", each a "Trading Subsidiary"). Each Trading Subsidiary is currently wholly owned directly or indirectly by the Master Partnership.

If the investment and divestment of a portion of assets of a Trading Subsidiary or the Master Partnership is managed by MCM Singapore, such Trading Subsidiary or the Master Partnership, as the case may be, could be construed to be carrying on activities of a trade or business in Singapore. Accordingly, the income derived by the Trading Subsidiary or Master Partnership may be considered income accruing in or derived from Singapore and subject to Singapore income tax, unless such income is specifically exempted from tax under:

(i) Section 13CA of the Income Tax Act (ITA) and the Income Tax (Exemption of Income of Non-Residents Arising from Fund Managed by Fund Manager in Singapore) Regulations 2010 (the "S13CA Regulations") (collectively known as the "Section 13CA Tax Exemption Scheme"). This is applicable where the entity whose funds are managed by MCM Singapore is not tax resident in Singapore;

(ii) Section 13R of the ITA and the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the "Section 13R Regulations") (collectively known as the "Section 13R Tax Exemption Scheme"). This is applicable where the Trading Subsidiary is incorporated and tax resident in Singapore.

Section 13CA Tax Exemption Scheme. Under the Section 13CA Tax Exemption Scheme, "specified income"[15] derived by a "prescribed person" from funds managed in Singapore by a "fund manager"[16] in respect of "designated investments"[17] is exempt from Singapore income tax.

A "prescribed person":

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15 "Specified income" includes, *inter alia*, (a) interest and dividends in respect of "designated investments" derived from outside Singapore that are received in Singapore; (b) gains or profits realised from the sale of any "designated investments"; (c) gains or profits arising from foreign exchange transactions and futures contracts held in any futures exchange; and (d) gains or profits arising from interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and swaps, forwards and option contracts relating to any "designated investments" or financial index, with specified counterparties.

16 A "fund manager" for the purpose of this Section 13CA Tax Exemption Scheme means a company holding a capital markets services licence under the Singapore Securities and Futures Act 2001 (Cap. 289) ("SFA") for fund management or one that is exempt under the SFA from holding such a licence. MCM Singapore is currently a holder of a capital markets services licence for fund management.

17 "Designated investments" include, inter alia, (a) stocks and shares denominated in any foreign currency of companies which are neither incorporated in Singapore nor tax resident in Singapore, excluding stocks and shares of companies incorporated in Malaysia which are listed on the Singapore Exchange or on the Kuala Lumpur Stock Exchange; (b) securities (other than stocks and shares) denominated in any foreign currency (including bonds, notes, certificates of deposit and treasury bills) issued by foreign governments, foreign banks outside Singapore and companies which are neither incorporated in Singapore nor resident in Singapore; (c) futures contracts held in any futures exchange; (d) stocks, shares, bonds and other securities listed on the Singapore Exchange or on the Kuala Lumpur Stock Exchange and other stocks, shares, bonds and securities issued by companies incorporated in Singapore and resident in Singapore; (e) Singapore Government securities; (f) foreign exchange transactions; and (g) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and swaps, forwards and option contracts relating to any "designated investment" or financial index with specified counterparties.

(i) in relation to an individual, means an individual who is neither a Singapore citizen nor resident in Singapore, and who is the beneficial owner of the funds managed by any fund manager in Singapore;

(ii) in relation to a company, means a company which:

a. is not resident in Singapore;

b. does not have a permanent establishment in Singapore (other than a fund manager);

c. does not carry on a business in Singapore;

d. at all times has less than 100% of the value of its issued securities (as defined) beneficially owned, directly or indirectly, by Singapore persons (as defined) collectively at all times; and

e. is not a company the income of which is derived from investments which have been transferred (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax.

(iii) in relation to a trustee of a trust fund, means a trustee of that trust fund:

a. who is neither resident in Singapore, a Singapore citizen nor a permanent establishment in Singapore;

b. who does not have a permanent establishment in Singapore (other than a fund manager);

c. who does not carry on a business in Singapore;

d. where at all times, less than 100% of the value of that trust fund is beneficially held, directly or indirectly, by Singapore persons (as defined) collectively; and

e. who is not a trustee the income of which is derived from investments which have been transferred to him in his capacity as a trustee of that trust fund (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax.

Section 13R Tax Exemption Scheme. Under the Section 13R Tax Exemption Scheme, there shall be exempt from tax the "specified income"[18] derived by an "approved company" from funds managed in Singapore by any fund manager[19] in respect of "designated investments" [20].

An "approved company" is a company incorporated and resident in Singapore that is approved under Section 13R of the ITA by the Singapore Minister of Finance or such person as he may appoint.

Approval may be given (upon application) subject to the following conditions being met:

(i) at all times, the approved company has less than 100% of the value of its issued securities (as defined) beneficially owned, directly or indirectly by Singapore persons (as defined) collectively;

(ii) the investment strategy remains unchanged from the date the company is approved as an approved company;

(iii) the income of the approved company is not derived from investments which have been transferred (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax; and

(iv) such conditions as specified in the letter of approval issued by the authorities as an approved company under section 13R of the ITA.

Although no assurances can be given, it is the intention of MCM Singapore to carry on activities in a manner such that, as far as possible, the income from of each of the Trading Subsidiaries and the Master Partnership is exempt from Singapore income tax under the Section 13CA Tax Exemption Scheme or the Section 13R Tax Exemption Scheme (the "Tax Exemption Schemes"). Where the Tax Exemption Schemes do not apply, there may be an exposure to Singapore tax at the prevailing corporate tax rate. The corporate income tax rate in Singapore as of the date of the Memorandum is 17%.

Taxation of investors. Investors of a prescribed person or the approved company (as the case may be) should note that under certain circumstances, they may be obliged to pay a penalty to the Comptroller of Income Tax in Singapore (the "CIT") if they do not meet certain conditions (i.e. "Non-Qualifying Relevant Owner") under the respective Tax Exemption Schemes.

These conditions are discussed below. However, the discussion should not be regarded as tax advice and prospective investors should seek their own tax advice on the matter.

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18 See footnote 15.

19 See footnote 16.

20 See footnote 17.

An investor of a prescribed person or the approved company (as the case may be) ("Relevant Owner") will be a Non-Qualifying Relevant Owner if the investor:

(i) either alone or together with his associates (as defined), beneficially owns on 31 December of the financial year (the "Relevant Day"), issued securities of the prescribed person or the approved company (as the case may be) the value of which is more than the prescribed percentage of the total value of all issued securities of the prescribed person or the approved company (as the case may be) on the Relevant Day. The "prescribed percentage" is 30% if the prescribed person or the approved company (as the case may be) has fewer than 10 relevant owners; and 50% if the prescribed person or the approved company (as the case may be) has at least 10 relevant owners (the "Prescribed Percentages"); and

(ii) does not fall within any of the following categories:

a. an individual;

b. a bona fide entity[21] not resident in Singapore who does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore; or

c. a bona fide entity not resident in Singapore (excluding a permanent establishment in Singapore) who carries on an operation in Singapore through a permanent establishment in Singapore where the funds used by the entity to invest directly or indirectly in the prescribed person or the approved company (as the case may be) are not obtained from such operation; or

d. a designated person[22].

The Master Partnership, Millennium Management, the Investment Manager and MCM Singapore reserve the right to request such information as any of the Master Partnership, Millennium Management, the Investment Manager and MCM Singapore (as the case may be) in its absolute discretion may deem necessary to ascertain whether the Limited Partners (or their direct / indirect investors) are Qualifying Relevant Owners, and whether any Limited Partners (or their direct / indirect investors) are associates with one another for the purposes of the Section 13CA Tax Exemption Scheme or the Section 13R Tax Exemption Scheme (as the case may be).

A Non-Qualifying Relevant Owner will have to pay a penalty to the CIT. If applicable, the penalty is calculated based on (a) the percentage of the value of the issued securities of the prescribed person or the approved company (as the case may be) beneficially owned by the Non-

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21 A "bona fide entity" means an entity that is not a non-bona fide entity. A "non-bona fide entity" means a person not resident in Singapore (excluding a permanent establishment in Singapore) who –

(a) is set up solely for the purpose of avoiding or reducing payment of tax or penalty under the ITA; or a

(b) does not carry out any substantial business activity for a genuine commercial reason.

22 A "designated person" refers to certain specified Singapore government entities.

Qualifying Relevant Owner as at the Relevant Day of the prescribed person or the approved company (as the case may be), multiplied by (b) the income of the prescribed person or the approved company (as the case may be) as reflected in the audited accounts for that financial year ("Non-Qualifying Relevant Owner Income") and multiplied by (c) the applicable corporate tax rate. The corporate tax rate as of the date of the Memorandum is 17%. Non-Qualifying Relevant Owners are obliged to declare and pay the penalty in their respective income tax returns for the relevant year of assessment.

The Non-Qualifying Relevant Owner status will be determined on the last day of the prescribed person's or the approved company's (as the case may be) financial year.

Reporting Obligations. To enable investors to determine their investment stakes in the prescribed person or the approved company (as the case may be) in respect of any financial year, the fund manager is required to issue an annual statement to each investor, showing:

(i) the gains or profit as reflected in the audited accounts of the prescribed person or the approved company (as the case may be) as at the Relevant Day per the audited financial statement;

(ii) the total value of issued securities of the prescribed person or the approved company (as the case may be) as at the Relevant Day;

(iii) the total value of issued securities of the prescribed person or the approved company (as the case may be) held by the investor concerned as at the Relevant Day; and

(v) whether the prescribed person or the approved company (as the case may be) has less than 10 investors as at the Relevant Day.

MCM Singapore is required to submit a declaration to the CIT within one month after the date of issue of audited accounts of the prescribed person or the approved company (as the case may be) relating to any financial year in which the Relevant Day falls if there are Non-Qualifying Relevant Owners (as determined on the Relevant Day), and furnish the CIT with the details of such Non-Qualifying Relevant Owners.

In this regard, Limited Partners should note that they are each responsible for ascertaining whether they (or their direct / indirect investors) are Non-Qualifying Relevant Owners and for the computation of the aggregate of the interests held by them and their associates in each prescribed person or approved company (as the case may be). Limited Partners may be required by the Investment Manager and/or MCM Singapore to disclose such status and computation to the Investment Manager and MCM Singapore from time to time.

The taxation of distributions by Millennium USA and gains on redemption or disposal of Interests by the Limited Partners will depend on the particular situation of the Limited Partners. This is notwithstanding that the Limited Partner or their direct /indirect investors may have paid a penalty to the CIT.

Tax transparent treatment of partnerships. For Singapore tax purposes, partnerships are considered transparent entities. Accordingly, where the fund in question is a limited partnership (as in the case of the Master Partnership), the prescribed person test would be applied at the level of the partners (i.e. in this case, Millennium USA and the other partners in the Master Partnership). Since Millennium USA is itself a limited partnership, the prescribed person test will have to be applied another level up (i.e. at the level of the partners in Millennium USA and so on and so forth). The Qualifying Relevant Owner test will also accordingly be applied at a level up.

ERISA Considerations

CIRCULAR 230 NOTICE – THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE FOLLOWING SUMMARY OF CERTAIN ASPECTS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") IS BASED UPON ERISA, JUDICIAL DECISIONS, DEPARTMENT OF LABOR REGULATIONS AND RULINGS IN EXISTENCE ON THE DATE HEREOF. THIS SUMMARY IS GENERAL IN NATURE AND DOES NOT ADDRESS EVERY ERISA ISSUE THAT MAY BE APPLICABLE TO MILLENNIUM USA, THE MASTER PARTNERSHIP OR A PARTICULAR INVESTOR. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN COUNSEL IN ORDER TO UNDERSTAND THE ERISA ISSUES AFFECTING MILLENNIUM USA, THE MASTER PARTNERSHIP AND THE INVESTOR.

General

Persons who are fiduciaries with respect to a U.S. employee benefit plan or trust within the meaning of and subject to the provisions of ERISA (an "ERISA Plan"), an individual retirement account or a Keogh plan subject solely to the provisions of the Code[23] (an "Individual Retirement Account") should consider, among other things, the matters described below before determining whether to invest in Millennium USA (and thus the Master Partnership).

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited

[23] References hereinafter made to ERISA include parallel references to the Code.

transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, U.S. Department of Labor ("DOL") regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, including the fact that the returns may be subject to federal tax as unrelated business taxable income, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of Limited Partners to redeem all or any part of their Offered Interests or to transfer their Offered Interests. Before investing the assets of an ERISA Plan in Millennium USA (and thus the Master Partnership), a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in Millennium USA (and thus the Master Partnership) may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

Plan Assets Defined

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which benefit plan investors ("Benefit Plan Investors") invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the prohibited transaction provisions of Section 4975 of the Code, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an "equity interest" in an entity that is neither: (a) a "publicly offered security;" nor (b) a security issued by an investment fund registered under the Company Act, then the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an "operating company;" or (ii) the equity participation in the entity by Benefit Plan Investors is limited.

Under ERISA, the assets of an entity will not be treated as "plan assets" if Benefit Plan Investors hold less than 25% (or such higher percentage as may be specified in regulations promulgated by the DOL) of the value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA. The Benefit Plan Investor percentage of

ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the redemption.

Limitation on Investments by Benefit Plan Investors

It is the current intent of Millennium Management to monitor the investments in Millennium USA and the Master Partnership to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed 25% of the value of each of (x) any class of the Offered Interests in Millennium USA and (y) any class of the shares in the Master Partnership (or such higher percentage as may be specified in regulations promulgated by the DOL) so that assets of neither Millennium USA nor the Master Partnership will be treated as "plan assets" under ERISA. Interests held by Millennium Management and its affiliates are not considered for purposes of determining whether the assets of Millennium USA will be treated as "plan assets" for the purpose of ERISA. If the assets of Millennium USA were treated as "plan assets" of a Benefit Plan Investor, Millennium Management would be a "fiduciary" (as defined in ERISA and the Code) with respect to each such Benefit Plan Investor, and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. Similarly, if the assets of the Master Partnership were treated as "plan assets" of a Benefit Plan Investor, the Millennium Management would be a "fiduciary" (as defined in ERISA and the Code) with respect to each such Benefit Plan Investor, and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. In such circumstances, Millennium USA (and/or the Master Partnership, as appropriate) would be subject to various other requirements of ERISA and the Code. In particular, Millennium USA (and/or the Master Partnership, as appropriate) would be subject to rules restricting transactions with "parties in interest" and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Code unless Millennium USA (and/or the Master Partnership, as appropriate) obtained appropriate exemptions from the DOL allowing Millennium USA (and/or the Master Partnership, as appropriate) to conduct its operations as described herein. Millennium Management reserves the right to require the withdrawal of any Limited Partner, including, without limitation, to ensure compliance with the percentage limitation on investment in Millennium USA by Benefit Plan Investors as set forth above and similar rules apply to the Master Partnership. Millennium Management reserves the right, however, to waive the percentage limitation on investment in Millennium USA by Benefit Plan Investors and thereafter to comply with ERISA.

Representations by Plans

An ERISA Plan proposing to invest in Millennium USA (and thus the Master Partnership) will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan's investments are, aware of and understand Millennium USA's and the Master Partnership's investment objectives, policies and strategies, and that the decision to invest plan assets in Millennium USA (and thus the Master Partnership) was made with appropriate consideration of

relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

WHETHER OR NOT THE ASSETS OF MILLENNIUM USA OR THE MASTER PARTNERSHIP ARE TREATED AS "PLAN ASSETS" UNDER ERISA, AN INVESTMENT IN MILLENNIUM USA (AND THUS THE MASTER PARTNERSHIP) BY AN ERISA PLAN IS SUBJECT TO ERISA. ACCORDINGLY, FIDUCIARIES OF ERISA PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA OF AN INVESTMENT IN MILLENNIUM USA (AND THUS THE MASTER PARTNERSHIP).

ERISA Plans and Individual Retirement Accounts Having Prior Relationships with Millennium Management or its Affiliates

Certain prospective ERISA Plan and Individual Retirement Account investors may currently maintain relationships with Millennium Management or other entities that are affiliated with Millennium Management. Each of such entities may be deemed to be a party in interest to and/or a fiduciary of any ERISA Plan or Individual Retirement Account to which any of Millennium Management or its affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the Code with respect to Individual Retirement Accounts. ERISA Plan and Individual Retirement Account investors should consult with counsel to determine if participation in Millennium USA is a transaction that is prohibited by ERISA or the Code.

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisors regarding the consequences under ERISA of the acquisition and ownership of Offered Interests.

Millennium USA's Fiscal Year

The fiscal year-end of Millennium USA is December 31.

Millennium USA's Legal Counsel

Schulte Roth & Zabel LLP ("SRZ") has been engaged by Millennium Management to represent it in connection with the organization of Millennium USA and this offering of Offered Interests in Millennium USA. No separate counsel has been engaged to independently represent the Limited Partners in connection with these matters.

Other counsel may also be retained where Millennium Management on its own behalf, or on behalf of Millennium USA, determines that to be appropriate.

In advising Millennium USA and Millennium Management with respect to the preparation of this Confidential Memorandum, SRZ has relied upon information that has been furnished to it by Millennium USA, Millennium Management and their affiliates, and has not independently investigated or verified the accuracy or completeness of the information set forth herein. In addition, SRZ does not monitor the compliance of Millennium USA or Millennium Management with the investment guidelines set forth in this Confidential Memorandum, Millennium USA's terms or applicable law.

There may be situations in which there is a "conflict" between the interests of Millennium Management and those of Millennium USA. In these situations, Millennium Management and Millennium USA will determine the appropriate resolution thereof, and may seek advice from SRZ in connection with such determinations. Millennium Management and Millennium USA have consented to SRZ's concurrent representation of such parties in such circumstances.

Millennium USA's Independent Public Accountants

Millennium USA has retained Ernst & Young LLP, 5 Times Square, New York, New York 10036, certified public accountants, as its auditor.

APPENDIX I TO PART ONE: DESCRIPTION OF ADDITIONAL SUB-CLASSES AND CLASSES

Class EE, Class FF, Class MM and Class NN Interests

Sub-class EE-I, sub-class FF-I, sub-class MM-I and sub-class NN-I interests were issued solely after converting from Interests that were outstanding in September 2008 (but not on December 31, 2003) and participate equally in the profits and losses of Millennium USA together with the sub-class EE-II, FF-II, MM-II, NN-II, EE-III, FF-III, MM-III and NN-III interests, except that they will be affected by any gains or losses attributable to Lehman Exposure (as defined, and further discussed, below in this Appendix in "Treatment of Millennium USA's Exposure to Lehman Brothers Holdings Inc. and its Affiliates").

Sub-class EE-II, sub-class FF-II, sub-class MM-II and sub-class NN-II interest were issued solely after converting from Interests that were outstanding on December 31, 2003 and participate equally in the profits and losses of Millennium USA together with the sub-class EE-I, FF-I, MM-I, NN-I, EE-III, FF-III, MM-III and NN-III interests, except that they will be affected by recoveries and expenses (if any) relating to "market timing" in shares of mutual funds (in addition to sharing in the gains and losses attributable to Lehman Exposure) (see "Litigation – Settlement Relating to Mutual Fund Trading" in Part Two of this Confidential Memorandum).

Sub-class EE-III, sub-class FF-III, sub-class MM-III and sub-class NN-III will not bear any gains or losses relating to either the Lehman Exposure or the mutual fund market timing issues.

Other Classes of Shares Currently Outstanding

The classes of Interests issued by Millennium USA that were outstanding as of the date hereof are as follows:

Class Designation	Withdrawal Rights	New Issue Eligibility
Class A	Each December 31[1]	Eligible
Class B	Each December 31[1]	Not Eligible
Class C	Quarterly [1][2]	Eligible
Class D	Quarterly [1][2]	Not Eligible
Class M	Annual	Eligible
Class N	Annual	Not Eligible
Class O	Quarterly [2]	Eligible
Class P	Quarterly [2]	Not Eligible
Class Q	Annual	Eligible
Class R	Annual	Not Eligible
Class S	Quarterly [2]	Eligible
Class T	Quarterly [2]	Not Eligible

Class U	Annual	Eligible
Class V	Annual	Not Eligible
Class W	Quarterly [2]	Eligible
Class X	Quarterly [2]	Not Eligible
Class CC	Quarterly [2]	Eligible
Class DD	Quarterly [2]	Not Eligible
Class OO	Quarterly [2]	Eligible
Class PP	Quarterly [2]	Not Eligible

[1] *Holders of Class A, Class B, Class C, and Class D interests have certain rights to convert interests with quarterly withdrawal rights (but that are subject to a contractual limit on withdrawals) for interests with annual withdrawal rights, and vice versa.*

[2] *Class C, Class D, Class O, Class P, Class S, Class T, Class W, Class X, Class CC, Class DD, Class OO and Class PP interests are subject to contractual limit on withdrawals. The contractual limit on withdrawals applied to Class C, Class D, Class O, Class P, Class S, Class T, Class W, Class X, Class OO and Class PP interests allocates aggregate withdrawal requests in excess of the applicable threshold among requesting investors in proportion to the relative size of their withdrawal requests, while the contractual limit on withdrawals applied to Class CC and Class DD interests allocates aggregate withdrawal requests in excess of the applicable threshold among requesting investors in proportion to the relative size of the investor.*

Interests of each class of Millennium USA participate equally in the profits and losses of Millennium USA, except that (i) Interests that are offered and sold solely to persons who are restricted from participating in new issues will not directly or indirectly participate in the gains and losses from new issues and activities that Millennium Management determines are related thereto (see "Interests Offered; Terms of the Offering – Interests Offered – Treatment of New Issues"); (ii) sub-class EE-I, sub-class EE-II, sub-class FF-I, sub-class FF-II, sub-class MM-I, sub-class MM-II, sub-class NN-I and sub-class NN-II interests ***and*** certain other classes of Interests that were outstanding in September 2008 are the only Interests that will be affected by any gains or losses attributable to Lehman Exposure; and (iii) it is intended that the expenses incurred in defending and settling investigations and actions relating to certain practices that have been characterized as "market timing" and "late trading" in shares of mutual funds shall be borne solely by sub-class EE-II, sub-class FF-II, sub-class MM-II, sub-class NN-II interests ***and*** certain other classes of Interests issued prior to January 1, 2004.

The outstanding Class C and Class D interests of Millennium USA have quarterly withdrawal rights and are subject to a contractual limit on withdrawals that limits withdrawal of those classes (and the corresponding classes of shares of Millennium International) to the greater of (x) US$150 million or (y) 17.5% of the aggregate net asset value of those two classes and the corresponding shares of Millennium International, as of that quarterly withdrawal date. This contractual limit on withdrawals does not take into account any other classes of Interests of Millennium USA, any other classes of shares in Millennium International, or any interests in Millennium Global Estate.

The outstanding Class O, Class P, Class S, and Class T interests of Millennium USA have quarterly withdrawal rights and are subject to a contractual limit on withdrawals that limits withdrawal of those classes (and the corresponding classes of shares of Millennium International) to the greater of (x) US$150 million or (y) 17.5% of the aggregate net asset value

of those four classes and the corresponding shares of Millennium International, as of that quarterly withdrawal date. This contractual limit on withdrawals does not take into account any other classes of Interests of Millennium USA, any other classes of shares in Millennium International, or any interests in Millennium Global Estate.

The outstanding Class W and Class X interests of Millennium USA have quarterly withdrawal rights and are subject to a contractual limit on withdrawals that limits withdrawal of those classes (and the corresponding classes of shares in Millennium International) to the greater of (x) US$150 million or (y) 17.5% of the aggregate net asset value of (i) all outstanding Class W and Class X interests and (ii) the net asset value of the corresponding shares in Millennium International (if any), all as of the applicable withdrawal date. This contractual limit on withdrawals does not take into account any other classes of Interests of Millennium USA, any other classes of shares in Millennium International, or any interests in Millennium Global Estate.

The outstanding Class CC and Class DD interests of Millennium USA have quarterly withdrawal rights and are subject to a contractual limit on withdrawals that limits withdrawal of those classes (and the corresponding classes of shares of Millennium International) to the greater of (x) US$150 million or (y) 17.5% of the aggregate net asset value of those two classes and the corresponding shares of Millennium International, as of that quarterly withdrawal date. This contractual limit on withdrawals does not take into account any other classes of Interests of Millennium USA, any other classes of shares of Millennium International, or any interests in Millennium Global Estate. Unlike the contractual limit on withdrawals applied to Class C, Class D, Class O, Class P, Class S, Class T, Class W, Class X, Class OO and Class PP interests, the contractual limit on withdrawals applied to Class CC and Class DD interests allocates aggregate withdrawal requests in excess of the applicable threshold among requesting investors in Class CC and Class DD interests in proportion to the relative size of the investor (rather than the relative size of the withdrawal request).

The outstanding Class OO and Class PP interests of Millennium International have quarterly withdrawal rights and are subject to a contractual limit on withdrawals that limits withdrawals of those classes (and the corresponding classes of shares in Millennium International) to the greater of (x) US$150 million or (y) 17.5% of the aggregate net asset value of those two classes and the corresponding shares of Millennium International, as of that quarterly withdrawal date. This contractual limit on withdrawals does not take into account any other classes of Interests of Millennium USA, any other classes of shares of Millennium International, or any interests in Millennium Global Estate.

Treatment of Millennium USA's Exposure to Lehman Brothers Holdings Inc. and its Affiliates

In 2008, Lehman Brothers Holdings Inc. and several of its affiliated entities (collectively, "Lehman") filed for bankruptcy protection under the laws of their respective jurisdictions. Millennium USA and certain affiliated entities in which it has a direct or indirect interest engaged in business with Lehman and those entities (including Millennium USA) have assets that are held by Lehman, and claims against Lehman under a variety of agreements, that they have not yet been able to fully recover. Additionally, Millennium USA and those certain affiliates have incurred expenses and costs in connection with the liquidation of Lehman and the

effort to recover such assets and make such claims (such unrecovered assets and claims and expenses are referred to herein as the "Lehman Exposure"). As of October 2008, Millennium USA commenced offering only classes of shares that were not affected by the Lehman insolvencies so that gains or losses related to the extraordinary events surrounding the Lehman insolvencies would accrue only to the benefit (or detriment) of investors who were investors at the time of the events, and would not affect subsequent investments. It is currently unknown to what extent Millennium USA will ultimately be able to recover against the Lehman Exposure, and it is expected that the process of resolving these matters will continue for an extended period of time, but as noted above they will not effect new investments in Millennium USA.

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CONFIDENTIAL MEMORANDUM
(Part Two)

Relating to

MILLENNIUM PARTNERS, [redacted].

THIS CONFIDENTIAL MEMORANDUM IS COMPRISED OF TWO PARTS, WHICH MUST BE READ TOGETHER. PART ONE OF THIS CONFIDENTIAL MEMORANDUM, ISSUED IN RELATION TO A PRIVATE FUND THAT INVESTS ALL OR A PORTION OF ITS ASSETS, DIRECTLY OR INDIRECTLY, IN MILLENNIUM PARTNERS, [redacted]., CONTAINS INFORMATION SPECIFIC TO THE APPLICABLE FUND REFERENCED THEREIN, INCLUDING THE TERMS OF INVESTMENT AND ORGANIZATION AND STRUCTURE OF SUCH FUND. THIS PART TWO CONTAINS INFORMATION SPECIFIC TO MILLENNIUM PARTNERS, [redacted].

INTERESTS IN MILLENNIUM PARTNERS, [redacted]. ARE NOT BEING OFFERED FOR SALE DIRECTLY.

January 2013

[redacted]-MAXWELL

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PART TWO:
INFORMATION RELATING TO MILLENNIUM PARTNERS, [redacted]

[redacted]-MAXWELL

Summary of Part Two of the Confidential Memorandum

(Information Relating to Millennium Partners, [redacted].)

The following is a summary of certain detailed information set forth more fully in the Third Amended and Restated Limited Partnership Agreement, as amended or supplemented from time to time (the "Partnership Agreement") of Millennium Partners, [redacted]. (the "Master Partnership") and elsewhere this Confidential Memorandum. This summary should be read in conjunction with, and is qualified in its entirety by, such detailed information.

The Master Partnership:

The Master Partnership is an exempted limited partnership registered under the laws of the Cayman Islands.

The Master Partnership currently accepts investments from a limited number of affiliated private funds that invest all or a portion of their assets, directly or indirectly, in the Master Partnership or its trading subsidiaries or strategies (each, a "Feeder Fund" and each such Feeder Fund collectively, together with the Master Partnership, its trading subsidiaries or strategies and the entities through which the Portfolio Managers and related personnel invest in their strategies, the "Fund").

Millennium Management LLC, a Delaware limited liability company registered in the Cayman Islands, is the sole general partner of the Master Partnership (the "General Partner"). The Partnership Agreement grants substantially all of the power to control the affairs and operations of the Master Partnership to the General Partner. Israel Englander is the managing member of the General Partner. The General Partner, its affiliated Relying Advisers (as defined herein) and other affiliated entities that participate in the management of the Master Partnership's assets are collectively referred to herein as "Millennium."

Certain Risk Factors:

As described under "Certain Risk Factors Relating to an Investment in the Fund" and "Related-Party Transactions; Conflicts," the investment program of the Fund involves significant risks, including the Fund's reliance upon Millennium and a number of internal and third-party portfolio managers (the "Portfolio Managers") selected by Millennium, the use of leverage and trading in derivative instruments, and certain potential conflicts of interest related to investment opportunities and business activities among the Fund's affiliates and their management.

The Fund's Investment Program and Strategy:

The investment objective of the Fund is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. THERE ARE NO SUBSTANTIVE LIMITS ON THE INVESTMENT STRATEGIES THAT MAY BE PURSUED BY THE MASTER PARTNERSHIP. See "The Fund's Investment Program and Description: Investment Strategies."

Millennium is responsible for managing the capital of the Fund in accordance with the Fund's investment objective. Millennium primarily allocates the Fund's invested capital among a number of Portfolio Managers. Millennium also makes direct (*i.e.*, not through Portfolio Managers) investments of the Fund's capital, either as a profit-seeking investment (*e.g.*, direct trading activities, which may include increasing the Fund's exposure to certain strategies or positions or to the net combined positions held by a number of Portfolio Managers) or as hedges, or "contra" trades that seek to establish a reduction in certain exposures. Millennium is also responsible for the selection, monitoring and evaluation of the Portfolio Managers, and the allocation and reallocation of capital to them. See "The Fund's Investment Program and Strategy."

As discussed under "The Fund's Investment Program and Description: Eligible Investments," Millennium does not establish fixed guidelines regarding diversification of investments to be followed by the Fund; the Fund is authorized to invest in all types of securities and other financial instruments of United States and non-U.S. issuers, and to sell securities short.

The Fund invests opportunistically and the universe of eligible investments is not materially limited by any firm policies. However, as is disclosed under "The Fund's Investment Program and Description: Investment Strategies," the investment strategies that the Fund employs may be expected to include, among others, most or all of the following core strategies:

- Relative Value Fundamental Equity;
- Statistical Arbitrage/Quantitative;
- Fixed-Income; and
- Merger Arbitrage and Event-Driven.

The Fund may also invest in certain other strategies including, among others, distressed, commodities trading, closed-end fund/asset arbitrage, convertible arbitrage and options trading.

The Fund may concentrate in a select few strategies while not employing others and may employ additional investment strategies or suspend any such strategies, as determined by Millennium in its discretion, at any time without notice.

Leverage:

The Fund has the power to borrow and ordinarily does borrow very significant sums on a secured or unsecured basis and will continue to do so whenever deemed appropriate by Millennium, including to enhance the Fund's returns and meet withdrawal obligations that would otherwise result in the premature liquidation of investments. Additionally, certain exchange-traded, non-exchange-traded, derivative and other securities and instruments that may be traded will themselves have embedded leverage. The use of leverage can substantially increase the risk of losses to which the Fund's investment portfolios may be subject. See "The Fund's Investment Program and Description: Leverage and Loans."

Risk Management:

Millennium's risk management personnel engage in regular monitoring of the Fund's portfolio and of the Portfolio Managers' trading activity. The results of this monitoring program are used to assess the risk-adjusted profitability of the Portfolio Managers (using a number of metrics), to make capital allocation decisions, and to quantify and manage the risks inherent in the Fund's portfolio. See "The Fund's Management, Structure and Operations."

The Master Partnership's Fees and Expenses:

All expenses of the Master Partnership are assessed against the interests of the partners of the Master Partnership and, in turn, against the interests of investors in the Feeder Funds. These expenses include, among others, brokerage commissions, interest expense, accounting expenses, audit and tax (including withholding tax) expenses, compensation expenses (including management or "base" fees and incentive compensation paid to Portfolio Managers or third party funds), legal expenses, administrator, registrar and transfer agent fees and expenses, expenses related to computers, other equipment and technology, expenses related to maintaining offices, including leases and fixtures, premiums for general partner liability insurance, risk-specific insurance, and "key-man" life insurance on certain personnel (including Mr. Englander), and other administrative and operating expenses. The Master Partnership does not charge or pay to the General Partner a

management fee. See "The Master Partnership's Fees and Expenses."

Brokerage Issues:

As discussed below under "The Fund's Investment Program and Description: Brokerage Issues," the Fund executes and clears transactions through a number of brokerage firms. Brokers may also act as custodians for the Fund's securities. To the extent that securities are purchased in non-U.S. markets, non-U.S. brokers and/or custodians may be used and may maintain custody of the securities until such time as they are sold.

Transactions for the Fund will be allocated to brokers in consideration of such factors as Millennium and its Portfolio Managers deem appropriate under the circumstances. Millennium does not have an obligation to obtain the lowest available commission cost. Accordingly, if Millennium determines in good faith that the commissions charged by a broker or the prices charged by a dealer are reasonable in relation to the value of the brokerage and research products or services provided by the broker or dealer, the Fund may pay commissions to the broker or prices to the dealer in an amount greater than another might charge. Millennium has complete discretion in deciding what brokers and dealers the Fund will use and in negotiating the rates of compensation the Fund will pay. In many instances that discretion is delegated to Portfolio Managers who make specific trading decisions. See "The Fund's Investment Program and Description: Brokerage."

From time to time, Millennium's personnel may be introduced to potential investors interested in investing in private funds, such as the Feeder Funds. Through such "capital introduction" events, some of which are sponsored by the Fund's prime brokers, such prospective investors have the opportunity to meet with Millennium. Millennium does not directly compensate any prime broker for organizing such events or for investments in the Feeder Funds ultimately made by prospective investors attending such events. In addition, the Fund's prime brokers may provide Millennium with other services. Such capital introduction events and other services may influence Millennium to some extent in selecting prime brokers and determining the extent to which a prime broker will be used.

With respect to "soft dollar" arrangements, the conflicts that typically give rise to concerns underlying the use of soft dollars do not generally exist for Millennium, because the Fund (and not the General Partner) bears all of the expenses

related to its own operation. Therefore, the use of soft dollars by Millennium generally does not result in any expense shifting between the General Partner, on the one hand, and the Fund (and, indirectly, investors in the Feeder Funds), on the other hand.

Millennium has determined that the use of soft dollars will be limited to payment for research and brokerage products and services that Millennium believes meet the requirements of Section 28(e) of the U.S. Securities Exchange Act of 1934 ("Section 28(e)"), and the U.S. Securities Exchange Commission ("SEC") interpretations thereof, in jurisdictions and transactions where Section 28(e) applies. Although potentially outside the scope of Section 28(e), Millennium has also adopted a policy to the effect that the requirements of Section 28(e) should generally be satisfied by its non-U.S. management companies in addition to any local requirements that are applicable to a particular management company with respect to the use of soft dollars.

Millennium generates soft dollars with commissions on securities transactions, and, in accordance with SEC interpretations, with markups, markdowns, commission equivalents or other fees paid to a dealer for executing a transaction. In addition, to the extent consistent with applicable regulatory requirements, soft dollars may be generated through futures transactions, certain principal transactions, non-U.S. transactions, or other transactions.

A consequence of the use of soft dollar arrangements is that, under U.S. generally accepted accounting principles, items that would otherwise be characterized as expenses in the consolidated financial statements of the Master Partnership will instead be subsumed within commissions. As a result, line-item expenses will appear smaller than they would have had soft dollars not been utilized. It is possible that some expenses paid through the utilization of soft dollar arrangements might be greater than if Millennium or the Fund had purchased the research or brokerage services in question directly or had produced them internally.

Given the Fund's investment program, short-term market considerations are frequently involved. Turnover of portions of the Fund's portfolio, and, therefore, brokerage commissions, will be substantially greater than the turnover rates of other types of investment vehicles.

Related-Party Transactions; Conflicts:

Significant conflicts of interest among the Fund (and investors in the Feeder Funds), Millennium management entities, and Millennium principals may exist from time to time. These conflicts include, but are not limited to, conflicts arising from businesses conducted by the Millennium management entities that are unrelated to, and may be competitive with, the businesses of the Fund, conflicts related to third party fund investments, and the allocation of certain investments directly to affiliates, including the Feeder Funds. See "Related-Party Transactions; Conflicts."

Certain Tax Matters Relating to the Master Partnership:

As discussed under "Certain Tax Matters Relating to the Master Partnership," the Master Partnership is an exempted limited partnership under Cayman Islands law. The Master Partnership has received an undertaking as to tax concessions pursuant to Section 17 of the Exempted Limited Partnership Law (as amended) from the Governor in Council of the Cayman Islands dated November 28, 2000, which provides that, for a period of 50 years from the date thereof, no law thereafter enacted in the Cayman Islands imposing any taxes to be levied on income or capital assets, gains or appreciation will apply to any income or property of the Master Partnership.

There can be no assurance that the U.S. or Cayman Islands tax laws or the tax laws of other relevant jurisdictions will not be changed adversely with respect to the Master Partnership, the Feeder Funds, or their respective investors or that their income tax status will not be successfully challenged by such authorities.

Prospective investors should consult their own advisers regarding tax treatment by the jurisdiction applicable to them. Shareholders should rely only upon advice received from their own tax advisers based upon their own individual circumstances and the laws applicable to them.

Certain Regulatory Matters:

Each of the Master Partnership and the Feeder Funds is exempt from registration under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to Section 3(c)(7) of that act, and they therefore are not subject to registration thereunder.

The General Partner is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended. Certain affiliates of the General Partner and certain Portfolio Managers are "Relying Advisers" who rely on the General Partner's registration as an investment adviser. The

	General Partner is also registered as a commodity trading advisor with the Commodity Futures Trading Commission. Certain of the Fund's non-U.S. based investment managers are registered or licensed in their local jurisdictions, as described under "The Fund's Management, Structure and Operations—Affiliated Relying Advisers," and a number of affiliated entities are registered under the U.S. Commodities Exchange Act, as amended, as described under "Certain Legal and Regulatory Matters Relating to the Fund—United States Commodities Exchange Act." In 2005, Millennium entered into a settlement with the SEC and the Attorney General of the State of New York pursuant to which the Millennium parties to the settlement neither admitted nor denied any wrongdoing but agreed to make certain payments as disgorgement of profits and fines, and to take certain measures designed to enhance Millennium's compliance structure. See "Litigation."
Fiscal Year:	The fiscal year-end of the Master Partnership is December 31.
The Master Partnership's Independent Public Accountants:	The Master Partnership has retained Ernst & Young LLP, 5 Times Square, New York, New York 10036, certified public accountants, as its auditor.

PART TWO: INFORMATION SPECIFIC TO THE FUND

The Fund's Investment Program and Strategy

Investment Objective

The investment objective of the Fund (as defined herein) is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. There are no substantive limits on the investment strategy that may be pursued by the Fund.

As is described in greater detail below, in carrying out its investment program and strategy, the Fund may, directly or indirectly, trade, invest in, or otherwise obtain exposure to U.S. and non-U.S. equity and debt securities (both public and non-public), currencies, futures and forward contracts, commodities, mortgage-backed and asset-backed securities, options and other derivative instruments, loan participations and other means of obtaining credit exposure to selected borrowers, and a variety of other investment opportunities.

Portfolio Managers

Millennium is responsible for managing the capital of the Fund in accordance with the Fund's investment objectives. Millennium primarily allocates the Fund's invested capital among a number of Portfolio Managers (as defined herein). Subject to the oversight of Millennium, the Portfolio Managers generally make day-to-day investment and trading decisions for the Fund. Millennium is also responsible for the selection, monitoring and evaluation of, and allocation of capital to, the Portfolio Managers.

The term "Portfolio Manager" refers to a group, typically one to five individuals but sometimes many more, operating as a single team to manage a portion of the Fund's assets. In some instances a team-member may be a sub-Portfolio Manager to whom day-to-day responsibility for a portion of a Portfolio Manager's portfolio is delegated. Certain Portfolio Managers are employed by Millennium, while others are third-party independent contractors not employed by Millennium, most of which are Relying Advisers (as defined herein). Certain Portfolio Managers employed by Millennium may form limited liability companies or other entities in connection with the performance of services to Millennium. Portfolio Managers operate their respective trading groups and are primarily responsible for their groups' trading, personnel, and similar decisions, subject to Millennium's risk management, and, in the case of Portfolio Managers that are employees or Relying Advisers, to Millennium's supervision and control.

Portfolio Managers that are independent contractors, and are not Relying Advisers, are responsible for their own operations (*e.g.*, the hiring of personnel and information technology), although in most instances Millennium retains ultimate control over the accounts managed by the Portfolio Manager. Certain of such Portfolio Managers may also manage capital for one or more other clients.

Firm Trading

Millennium also makes direct (*i.e.*, not through Portfolio Managers) investments of the Fund's capital, either as a profit-seeking investment (*e.g.*, direct trading activities, which may include increasing the Fund's exposure to certain strategies or positions or to the net combined positions held by a number of Portfolio Managers) or as hedges or "contra" trades that seek to establish a reduction in certain of the Fund's exposures.

Investments in Funds Managed by Third-Party Managers

In some cases, the Fund's capital is invested in investment funds managed by third-party asset managers. The Fund or Millennium may also take an equity stake in the third-party management company. See "Related Party Transactions; Conflicts."

Other Structures

The Fund may also, from time to time, enter into joint venture arrangements, co-invest with third parties, and provide seed capital to managers, or enter into relationships that encompass elements of more than one of these categories, as well as new structures that Millennium determines are appropriate for the Fund.

The Master Partnership's Organization

Organization

Organization of the Master Partnership; Master-Feeder Relationship. The Master Partnership was initially organized in 1989 as a Delaware limited partnership and was redomiciled in the Cayman Islands as of January 1, 2000. The Master Partnership is registered as an exempted limited partnership in the Cayman Islands and therefore, as described below under "Certain Tax Matters Relating to the Master Partnership – Certain Cayman Islands Tax Matters," general and limited partners in the Master Partnership are not currently subject to income, corporation, capital gains or other taxes in the Cayman Islands. Millennium Management LLC, a Delaware limited liability company (the "General Partner") is also registered as a foreign company in the Cayman Islands as required by Cayman Islands law for the general partner of an exempted limited partnership. The General Partner, its affiliated Relying Advisers (as defined herein) and other affiliated entities that participate in the management of the Master Partnership's assets are collectively referred to herein as "Millennium." Millennium may sponsor one or more additional investment vehicles which may to some degree compete with the Fund for some investment opportunities and may present additional conflicts. See "Related Party Transactions; Conflicts."

The General Partner is the sole general partner of the Master Partnership, with substantially all of the power to control its affairs and operations.

The Master Partnership currently accepts investments from a limited number of affiliated private funds that invest all or a portion of their assets, directly or indirectly, in the Master Partnership or the Master Partnership's trading subsidiaries or strategies (each, a "Feeder Fund" and each such Feeder Fund collectively, together with the Master Partnership, its trading subsidiaries or strategies and the entities through which the Portfolio Managers and related personnel invest in their strategies, the "Fund").

Currently, the Feeder Funds are:

- Millennium USA LP ("Millennium USA"), a Delaware limited partnership formed in November 1997, which accepts investments from taxable U.S. investors that qualify as "accredited investors" and "qualified purchasers" under the U.S. federal securities laws. Millennium USA primarily invests its capital in the Master Partnership.

- Millennium International, Ltd. ("Millennium International"), an exempted company incorporated in December 1997 under the laws of the Cayman Islands, which accepts investments from persons who are not "U.S. Persons" and from tax-exempt U.S. Persons (*e.g.*, 501(c)(3) non-profit organizations and individual retirement accounts) that qualify as "accredited investors" and "qualified purchasers" under the U.S. federal securities laws. Millennium International primarily invests its capital indirectly in the Master Fund, through its investment in Millennium Offshore Intermediate, [redacted]. ("Millennium Offshore Intermediate"), a Cayman Islands exempted limited partnership formed in May 2011.

- Millennium Strategic Capital LP ("Millennium Strategic Capital"), a Delaware limited partnership formed in April 2011, which accepts investments from taxable U.S. investors that qualify as "accredited investors" and "qualified purchasers" under the U.S. federal securities laws. Millennium Strategic Capital primarily invests its capital in the Master Partnership.

- Millennium Strategic Capital, Ltd. ("Millennium Strategic Capital Offshore"), an exempted company incorporated in June 2011 under the laws of the Cayman Islands, which accepts investments from persons who are not "U.S. Persons" and from tax-exempt U.S. Persons (*e.g.*, 501(c)(3) non-profit organizations and individual retirement accounts) that qualify as "accredited investors" and "qualified purchasers" under the U.S. federal securities laws. Millennium Strategic Capital Offshore primarily invests its capital indirectly in the Master Partnership, through its investment in Millennium Offshore Intermediate.

- Millennium Global Estate LP ("Millennium Global Estate"), a Delaware limited partnership formed in May 2000, which accepts investments only from insurance company segregated asset accounts, insurance company qualified general accounts and insurance dedicated partnerships that qualify as "accredited investors" and "qualified purchasers" under the U.S.

federal securities laws. In accordance with the investment requirements imposed by applicable insurance laws and regulations, Millennium Global Estate invests a portion of its assets in the Master Partnership only as a part of a broader investment strategy.

Subsidiaries

The Master Partnership owns or controls a number of direct or indirect subsidiaries that may trade in their own names and are generally consolidated into the financial reports of the Master Partnership.

Capital Structure

The equity ownership of the Master Partnership is divided into general partner interests and limited partner interests. The interests differ in the amount of liability that they impose on their holders and in the ability to control the Master Partnership. The liability of limited partners is generally limited to the amount of invested capital at risk, while the liability of general partners can exceed invested capital. The Third Amended and Restated Limited Partnership Agreement of the Master Partnership, as amended or supplemented from time to time (the "Partnership Agreement"), grants the power to control the Master Partnership to the General Partner. The general partner interests and the limited partner interests both participate in the net capital appreciation and net capital depreciation of the Master Partnership, with the capital account of each partner being adjusted on a monthly basis to reflect changes in the Master Partnership's net asset value. There is no incentive compensation paid or allocated to the General Partner at the Master Partnership level.

Certain Risk Factors Relating to an Investment in the Fund

Prospective investors should consider the following factors in determining whether an investment in a Feeder Fund is a suitable investment:

Business and Structural Risks

Possible Effect of Withdrawals and Redemptions

Substantial withdrawals of capital by a Feeder Fund from the Master Partnership in connection with investor withdrawals or redemptions could require the Master Partnership to liquidate investments more rapidly than might otherwise be desirable to raise the necessary cash to fund the withdrawals. Similarly, Feeder Funds or other investment vehicles established by Millennium from time to time may invest directly in certain entities through which the Fund invests its capital, and may add or withdraw capital from such entities from time to time without notice to investors in the Feeder Funds. There is a risk that substantial withdrawals and redemptions could be targeted for a single date or occur during a short period of time; moreover, contractual limits on withdrawals and redemptions and early withdrawal or redemption charges may be waived and will not apply upon the occurrence of a Trigger Event (as defined in Part One of the applicable version of this Confidential Memorandum). As a result, the ability of the Fund to plan for and anticipate the volume of withdrawals and redemptions (other than the

advance written notice requirements imposed by the Feeder Funds' organizational documents) can be limited.

In the event that there are substantial withdrawals, the Fund could find it difficult to adjust its asset allocation and investment strategies to the suddenly reduced amounts of assets. In addition, in order to provide sufficient funds to pay the amounts withdrawn, the Fund might be required to close out positions at an inappropriate time or on unfavorable terms, and events of default and increased collateral requirements could be triggered under certain of the Fund's borrowing facilities and counterparty relationships. In the event of a high volume of withdrawals, such liquidation of positions could adversely affect the value of an investor's interests. Finally, to the extent that a Feeder Fund reduces the restrictions on redemptions that are applicable to its investors, the Fund may be in a position where it is attempting to liquidate less liquid positions to satisfy redemption requests from the other Feeder Funds' investors, which could adversely affect the value of an investor's interests.

Business Dependent on Key Individuals; Reliance on Portfolio Managers

The success of the Fund is significantly dependent upon the expertise of a number of individuals, including, Israel A. Englander (the Chairman and Chief Executive Officer of the General Partner), Terry Feeney (Co-President and Chief Operating Officer of the General Partner), David Nolan (Co-President and Chief Risk Officer of the General Partner), Michael Gelband (Senior Managing Director and the Global Head of Fixed Income of the General Partner) and Hyung Lee (Senior Managing Director and the Global Head of Equities of the General Partner). If certain of these individuals should cease to be involved in the ongoing operation of Millennium for any reason, the Fund may be exposed to the risk of termination of critical agreements containing "key man" clauses. In addition, in the case of the death, disability, adjudication of incompetency, bankruptcy, insolvency or withdrawal of Israel A. Englander, the Fund may be exposed to the withdrawal or redemption, without the imposition of contractual limits on withdrawals and redemptions or early withdrawal or redemption charges, of all of the equity capital of the Fund. See "- Special Withdrawal or Redemption Right Upon a Trigger Event."

Millennium grants trading authority to a number of Portfolio Managers. The success of the Fund's investment program (and the return on investments in the Feeder Funds) depends generally on the performance of these Portfolio Managers, rather than on the trading and investing skills of Millennium itself. To the extent that Millennium is unable to select, manage, allocate appropriate levels of capital to, and retain Portfolio Managers that, in the aggregate, are able to produce consistent positive returns for the Fund (particularly, outperforming Portfolio Managers) or, conversely, to the extent that Millennium does not adequately monitor, supervise, and allocate capital away from Portfolio Managers that are underperforming, the performance of the Fund (and the return on investment for interests in the Feeder Funds) will be adversely affected. Portfolio Managers who are successful may be able to negotiate agreements providing for additional compensation to them, which will reduce the profits available to the Feeder Funds and their investors.

Deferred Compensation Arrangements

In connection with deferred compensation arrangements, one of the Feeder Funds has entered into swap and option contracts with respect to which counterparties subscribe for certain classes of the Feeder Fund's equity capital in order to hedge their exposure under such contracts. Such contracts may provide that upon the occurrence of certain events, including declines in the capital of the Fund or the Feeder Fund below pre-determined thresholds and changes in senior management, these contracts can be terminated by the counterparties and such equity capital can be withdrawn from the Feeder Fund, without the imposition of contractual limits on withdrawals and redemptions or early withdrawal or redemption charges, on either a monthly or quarterly basis.

Competition; Low Barriers to Entry

Millennium faces intense competition in attracting and retaining successful Portfolio Managers. Millennium's ability to continue to compete effectively will depend upon its ability to attract new successful Portfolio Managers and retain and motivate existing successful Portfolio Managers. In addition, at any given time, a relatively small number of Portfolio Managers may be responsible for a significant majority of the Fund's positive performance. The investment management field is intensively competitive and there are few barriers to entry. As a result, the Fund's Portfolio Managers are constantly facing new competition for profitable transactions, and successful portfolio managers from existing firms, including the Fund, may form new firms engaged in strategies similar to those employed by the Fund. To the extent any such competitors are successful, the opportunities available to the Fund, and its potential profitability, may be reduced.

Role of Technology

The Fund is heavily dependent on its technology and communications links. On the trading side, the ability to gather large amounts of current and historical data, process that data against a static or dynamic trading model, and execute trades before a window of opportunity (which can be open for as little as a few milliseconds) closes is of critical importance to some of the Fund's Portfolio Managers. The Fund's operations function relies heavily on technology for processing and settling trades. For compliance purposes, the availability of highly accurate, auditable data is important for monitoring compliance with applicable regulations. While Millennium devotes significant resources to the firm's technology and communications needs, the Fund may experience disruptive or gradual technological or communications failures that could result in substantial economic damages (including missed opportunities for profit) to the Fund. Millennium has outsourced certain information technology services and may at any time and without notice to investors determine to outsource a substantial amount of the information technology services that Millennium currently provides to the Fund. Millennium may also determine at any time to use internal resources to provide information technology services that currently are (or may in the future be) outsourced. To the extent that the Fund outsources such services, the Fund's operations may be highly dependent on such services and the successful operation of such services will often be out of the Fund's or

Millennium's control. The failure of one or more outsourced services could have a material adverse effect on the Fund.

In addition, there can be no assurance that the Fund's technology and communications links will continue to be able to accommodate its growth, or that the cost of maintaining such systems will not increase from its current level. Such a failure to accommodate growth or such an increase in costs could have a material adverse effect on the Fund.

Business Continuity

Millennium's headquarters, located in New York, are important to the continued business of the Fund. A disaster or a disruption in the infrastructure that supports the Fund's businesses, including a disruption involving electronic communications or other services used by the Fund or third parties with whom it conducts business, or directly affecting Millennium's headquarters, may have a material adverse impact on the Fund. Although the Fund provides redundancy and diversity for communications and related systems wherever practicable and although it has a business continuity plan, which includes replication of data to geographically diverse locations, replication of communications links and a business continuity office facility, there can be no assurance that these measures will be sufficient to mitigate the harm that may result from such a disaster or infrastructure disruption. Some types of potential disasters, such as mass influenza or contagion, are not susceptible to minimization through recovery sites or contingency plans and certain disasters may not be foreseeable.

Portfolio Manager Compensation Structure Risk

The Portfolio Managers are primarily compensated through performance-based compensation (which generally is paid by the Feeder Funds) determined as a percentage of profits earned by the Portfolio Manager during the preceding calendar year, with profits measured on an accrual ("mark to market") basis, and without taking into account the performance of the other Portfolio Managers or the Fund generally. If a Portfolio Manager suffers net losses during the year, the losses are generally carried forward and past losses must be made up before performance-based compensation becomes payable in subsequent years. Portfolio Managers also receive a salary or "base" fees, which are generally treated as an advance against their profits interests if there are profits (although for certain Portfolio Managers may instead be treated as an expense of their account). There is generally no "carryback" or "clawback" of losses to permit recouping of profit interests from prior years. In addition, Portfolio Managers with positive performance will receive performance-based compensation even if the Fund's overall returns are negative. Millennium may also agree to "guarantee" a level of compensation for a Portfolio Manager for a particular year (or years).

This compensation structure inevitably may be seen to create an incentive for a Portfolio Manager to accept significant risks, in excess of levels that the Fund would find acceptable, in seeking to obtain profits, particularly near the end of a year in which losses have been incurred. Nonetheless, the Fund has found the compensation scheme generally fair and effective over time in providing trading incentives that correspond appropriately

to the Fund's goals. Since the senior management of Millennium has a significant investment in the Fund (either by direct investment in a feeder fund or through deferred compensation arrangements), the senior management's interests in such matters are reasonably well aligned with the interests of investors generally.

This obligation in respect of Portfolio Manager compensation is separate from and in addition to the performance- or asset-based compensation received by Millennium from the Feeder Funds. In addition, certain personnel who assist in overseeing groups of Portfolio Managers (*e.g.*, within a particular strategy) may receive compensation based on the overall performance of the Portfolio Managers. However, such compensation is taken into account when calculating the performance- or asset-based compensation received by Millennium from the Feeder Funds.

Incentive Allocation

The performance-based compensation earned by Millennium from the Feeder Funds, could, under some circumstances, create an incentive for Millennium to cause the Fund to make investments that are riskier or more speculative than would be the case if such compensation were not performance-based, particularly in any period after losses have been suffered. In addition, because such compensation is calculated on a basis that includes unrealized appreciation of the Fund's assets, the total compensation paid will be different from (and may be greater than) the result that would have been obtained if such compensation were based solely on realized gains. (See also "Certain Market and Investment Risks – Valuation Risk.")

Transaction Fees Resulting From Uncoordinated Trading; Asymmetric Performance

Investment decisions of the Fund are, in many cases, made by the Portfolio Managers independently of each other so that, at any particular time, one Portfolio Manager may be purchasing shares of an issuer whose shares are being sold at the same time by another Portfolio Manager. Risk management decisions to take positions that offset the aggregate positions of the various Portfolio Managers may lead to a similar result. Transactions of this sort will inevitably result in the Fund's directly or indirectly incurring certain transaction costs without accomplishing any net investment result for the Fund as a whole. It is possible that, from time to time, various Portfolio Managers may be competing with each other for the same positions in one or more markets.

Issuance of Debt or Preferred Securities and Similar Arrangements

The Fund may, without notice to or consent from existing investors, issue or guarantee classes of capital, preferred equity, debt and convertible debt, or enter into similar arrangements, including letters of credit, which may provide the holders thereof or parties thereto terms that are preferential to the terms applicable to the interests held by existing investors in the Fund. Such terms could include, among others, a security interest over certain assets of the Fund that would provide the holder thereof or party thereto the right to foreclose upon such assets following the occurrence of certain trigger events such as insolvency, bankruptcy or a suspension of withdrawals. If such securities

are outstanding or such an arrangement exists and a trigger event occurs, it is possible that holders thereof or parties thereto would be entitled to receive assets of the Fund in satisfaction of its obligations to them at a time when investors in the Feeder Funds are not able to redeem their interests.

Intellectual Property

A Portfolio Manager may use its own intellectual property in the investment strategies utilized for the Fund. Millennium requires the Portfolio Manager to make representations and warranties about its ownership of such intellectual property. However, if a Portfolio Manager is later found to have infringed upon another party's intellectual property, the Fund may be adversely affected, including by having to disgorge profits generated by the use of such intellectual property.

Additionally, because such intellectual property is often owned by the Portfolio Manager, the Fund's ability to review it for compliance or other purposes may be limited, and even if able to review it, the complexity of the intellectual property may make it difficult to review and monitor. In such a situation, if a successful Portfolio Manager were to leave the Fund, the Fund would have no ability to continue to trade the particular strategy using the intellectual property.

Formation of Additional Funds

Although the Master Partnership and the Feeder Funds are the only investment funds currently managed by Millennium and its affiliated management companies, Millennium retains the right to organize additional investment vehicles, and frequently considers doing so. As set forth below in the section entitled *"Related Party Transactions; Conflicts,"* if Millennium (or an affiliate) were to organize one or more such additional funds, there would be a number of conflicts between them and the Master Partnership and the Feeder Funds. Such conflicts may subject investors in the Feeder Funds to a risk of loss that would not exist in the absence of such conflicts. Millennium will attempt to resolve such conflicts by making allocations and other judgments on a basis that it believes to be fair and equitable under the circumstances, but there can be no guarantee that such actions will reduce or minimize the associated risk.

Certain Market and Investment Risks

Investment and Trading Risks in General

Inherent in any investment in securities is the risk of losing the invested capital. Millennium believes that the Fund's investment program and the Portfolio Managers' research techniques moderate this risk through a careful selection of securities and investment opportunities, as well as through the application of Millennium's ongoing qualitative and quantitative risk assessment and management program. However, no guarantee or representation is made that the Fund's investment program will be successful or profitable, and investment results may vary substantially over time. The Fund's investment program will utilize investment techniques such as option and derivative transactions, limited diversification, margin transactions, short sales, and

futures and forward contracts, which can, in certain circumstances, maximize the adverse impact of any loss or adverse event to which the Fund may be subject. (See "The Fund's Investment Program and Description: Eligible Investments" and "The Fund's Investment Program and Description: Investment Strategies.")

Millennium does not, in general, attempt to measure or hedge all market or other risks inherent in the Fund's portfolio, and measure and hedge certain risks, if at all, only partially. Specifically, Millennium may choose not, or may determine that it is economically unattractive, to hedge certain risks, instead relying on diversification in an attempt to mitigate the risks. As discussed below, the Fund is not limited to any specific policies or requirements for diversification or risk mitigation.

General Market and Economic Risk

Most trading strategies utilized by the Fund involve some, and occasionally a significant degree of, market risk. The profitability of the Fund, and, consequently, each Feeder Fund, depends, in significant part, upon Millennium's and the Portfolio Managers' correctly assessing future price movements of securities and other financial instruments. A Feeder Fund cannot assure any investor in a Feeder Fund that Millennium or the Portfolio Managers will accurately predict these price movements. Additionally, unanticipated illiquidity in a market could lead to substantial losses or mean that the Fund is unable to close out certain positions when it wishes.

The success of the Fund's activities also will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments) or regulations (or their interpretation), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors will affect the level and volatility of the prices of securities, commodities and other financial instruments and the liquidity of the Fund's investments. Illiquidity or significant changes in volatility could impair the Fund's profitability or result in losses.

The Fund invests in the U.S. and a number of other countries. The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, relative currency appreciation or depreciation, asset reinvestment opportunities, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation than others.

Extraordinary Market Conditions and Governmental Actions

Beginning in 2008 and continuing at least through the date of this Confidential Memorandum, world financial markets experienced a series of extraordinary market conditions, including, among other things, extreme losses and volatility in commodities and securities markets, the failure of credit markets to function normally, and threats of sovereign defaults. In reaction to these events, regulators and central banks in the U.S. and several other countries undertook unprecedented actions. Today, such regulators and central banks continue to consider and implement additional measures intended to stabilize and encourage growth in U.S. and global financial markets. It is uncertain whether the regulatory actions taken by regulators will reduce losses and volatility in securities markets, or stimulate the credit markets, and such actions are, in any event, not generally designed to provide benefits to the Fund.

Millennium believes that the Fund may be materially and adversely affected by similar or other events in the future. For example, markets may experience extreme volatility and losses and the Fund may be unable to hedge, or effectively hedge, certain material risks. In the long term, there may be significant new regulations that could limit the Fund's activities and investment opportunities or change the functioning of capital markets, and there is the possibility the severe worldwide economic downturn could continue for a period of years. Consequently, the Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing its risks.

Current Economic Conditions of the European Economic and Monetary Union

Certain members of the Economic and Monetary Union of the European Union (the "EMU"), including, without limitation, Greece, Ireland, Italy, Portugal and Spain, are experiencing varying degrees of financial distress and Europe is in the midst of a sovereign debt crisis. This distress, and governmental responses to it, have had significant effects on global financial markets, and there remains considerable uncertainty regarding the European debt crisis and its continued impact on these markets. Among other things, concerns include the risk of sovereign defaults, a breakup of the EMU as it is currently constituted, the reversion by one or more EMU countries to utilization of a national currency, and other risks. In the event of reversion by one or more EMU countries to a national currency, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by the relevant contractual arrangements and other applicable laws in effect at such time. These consequences, and the market's reaction to such events, could materially adversely affect the Fund. For example, such an event could render the Euros and Euro-referenced positions of the Fund illiquid for an undetermined period of time. Such illiquidity could lead to substantial losses or render the Fund unable to close out certain positions when it wishes. Further, the mandatory conversion of Euros and Euro-referenced positions to a national currency may occur at a currency exchange rate that materially diminishes the value of some or all of the Fund's Euros and Euro-referenced positions. It is difficult to predict the effect of such events if they were to transpire, and any such event could have a material adverse effect on any Euro-denominated investments and other investments made by the Fund.

The Fund may take any number of actions to minimize the impact of the foregoing circumstances, including, without limitation, suspending redemptions.

Further, a Feeder Fund issues euro-denominated shares, which, due to the manner in which they are administered, are necessarily subject to risks that are not relevant to shares denominated in other currencies. Instability in the Euro and the potential breakup of the EMU has exacerbated these risks. Such Feeder Fund may take any number of actions in an effort to minimize the impact of such risks, including, without limitation, permitting or requiring the redemption of Euro-denominated shares at a time when the other shares or interests of the Feeder Funds are not permitted to be redeemed. Actions taken in an effort to minimize the risks associated with the Euro-denominated shares of such Feeder Fund could adversely impact the remaining indirect investors in the Master Partnership.

Counterparty Risks

The Fund may enter into many transactions, including derivative and other over-the-counter transactions, with or through third parties in which the failure of the third party to perform its obligations could have a material adverse effect on the Fund. The counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

The assets of the Fund and its trading affiliates generally are held in accounts maintained for them by their prime brokers or in accounts with other market participants, including non-U.S. sub-custodians selected by the prime brokers. The accounts generally are not segregated, bankruptcy-remote accounts titled in the owner's name and, therefore, a failure of any broker or market participant is likely to have a greater adverse impact than if the assets, or the accounts in which they are held, were registered in the name of the Fund or its affiliate. In addition, because the Fund's and its affiliates' securities generally are held in margin accounts, and the prime brokers have the ability to loan those securities to other persons, the Fund's or an affiliate's ability to recover all of its assets in the context of a bankruptcy or other failure of a prime broker may be further limited.

The Fund may transact with counterparties (including prime brokers) located in various jurisdictions outside the United States. The local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Fund and its assets. Investors should assume that the insolvency of any significant counterparty would result in a loss to the Fund, which could be material.

In 2008, Lehman Brothers Holdings Inc. and several of its affiliated entities (collectively, "Lehman") filed for bankruptcy protection under the laws of their

respective jurisdictions. The Fund and certain affiliated entities in which it has a direct or indirect interest engaged in business with Lehman and those entities (including the Fund) have assets that are held by Lehman, and claims against Lehman under a variety of agreements, which they have not yet been able to fully recover. Additionally, the Fund and those certain affiliates have incurred expenses and costs in connection with the liquidation of Lehman and the effort to recover the assets and make the claims (the unrecovered assets and claims and expenses are referred to herein as the "Lehman Exposure"). As of October 2008, the Feeder Funds commenced offering only classes of shares that were not affected by the Lehman insolvencies so that gains or losses related to the extraordinary events surrounding the Lehman insolvencies would accrue only to the benefit (or detriment) of investors who were investors at the time of the events (or their transferees), and would not affect subsequent investments. In 2008, based on its understanding of events as they then existed, the Fund established reserves for substantially all of its potential losses and expenses related to the Lehman insolvencies. As required by U.S. generally accepted accounting principles ("GAAP"), the Fund has reviewed and adjusted, and will continue to periodically review and, if necessary, adjust these reserves as additional information is learned about the Lehman insolvencies and the potential for recovery. It is currently unknown to what extent the Fund will ultimately be able to recover against the Lehman Exposure, and it is expected that the process of resolving these matters will continue for an extended period of time, but as noted above they will not effect new investments in the Feeder Funds.

If additional counterparties of the Fund were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Fund's securities and other assets from the prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to the prime broker or broker-dealer. Additionally, there is a risk that positions that are reasonably hedged may become "unhedged" as a result of the effect of insolvency proceedings.

Limited Diversification

In the normal course of making investments, the Fund will attempt to diversify its investments. While Millennium monitors investment concentrations for risk management purposes, it does not establish fixed limits and guidelines regarding diversification of investments to be followed by the Fund as a whole. As a result, the Fund's portfolio could, to a certain degree, become concentrated in a single issuer, industry, market or sector. The concentration of risk may increase losses suffered by the Fund. It is also possible that the Fund could become concentrated in any one strategy, and the investments of the strategy may be more illiquid than the investments in another strategy. In addition, it is possible that Millennium may select Portfolio Managers who make investments that are concentrated in a limited number of types of financial instruments. This limited diversity may lead to greater volatility than would otherwise be the case, and could expose the Fund to losses disproportionate to market movements in general. Even when Millennium attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that the Fund faces concentrated exposure to certain risks. Although Millennium attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and

there can be no assurance that these efforts will be effective. Any inadequacy or failure in Millennium's risk management efforts could result in material losses for the Fund.

Borrowing and Lending Activities and Margin Requirements

The Fund borrows, pledges, loans and otherwise finances assets on both a secured and an unsecured basis and may issue notes or enter into credit agreements, indentures or other financing arrangements in order to achieve efficient financing structures.

At any given time, the outstanding contractual obligations of the Fund are likely to total well in excess of its equity. There is no restriction on the ability of the Fund to borrow or enter into such contractual obligations. The brokers and market counterparties with which the Fund transacts will have a secured claim against the assets of the Fund that are on deposit with the brokers or counterparties, senior to the claim of the Feeder Funds (and their investors). Significant losses from investment activities or changes in market conditions that affect the assets could result in the brokers' or counterparties' foreclosing on the assets securing the obligations. The Fund may maintain balances with certain counterparties in excess of margin requirements or other obligations to such counterparties (*i.e.*, "excess collateral"). In the event of the insolvency of the financing provider under such an arrangement, the Fund's claim for the value of such excess collateral would be unsecured.

While the Fund seeks to enter into "lockup" agreements with many of its key equity prime brokerage counterparties limiting the ability of those counterparties to change financing or margin terms, recall loans or refuse to execute trades for a period of time after notice is given absent an event of default or other termination event under the agreements, creditors that provide financing to the Fund may, in certain circumstances, accelerate a loan and require repayment in full upon the occurrence of certain events, including: (i) changes in key management; (ii) suspension of redemptions; (iii) violations of minimum capital levels; (iv) the imposition of regulatory sanctions on the Fund or its key personnel that would materially and adversely affect the Fund's ability to conduct its business or perform under the agreements; or (v) certain market conditions, including in the event that such counterparty is no longer able to secure financing. In addition, market conditions may make it difficult to obtain committed financing for extended periods of time or at all, particularly when assets securing the financing are less liquid and such agreements may not be available or economically attractive with respect to certain asset classes. In many cases, when such lockup agreements are not in place, the banks and dealers that provide financing to the Fund can apply discretionary margin, "haircut" financing and security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in large margin calls, requirements to post additional collateral, loss of financing, forced liquidation of assets at disadvantageous prices, termination of swap and repurchase agreements and cross defaults to agreements with the same or other counterparties. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time.

The imposition of the limitations or restrictions could compel the Fund to liquidate all or part of its portfolio at disadvantageous prices.

Assets loaned by the Fund to third parties or collateral used to finance borrowing may not be required to be kept segregated by the third parties, and may be subject to the claims of other creditors of the third parties. Third parties that enter into financing transactions with the Fund may default on their obligations to return the Fund's assets or pay amounts owed to the Fund. Additionally, the Fund may experience a delay in the recovery of or loss of rights in the collateral, if any.

Liquidity; Availability of Credit

The Fund's investment strategies depend on the availability of credit in order to permit the financing of its portfolio. The Fund's liquidity could be impaired by an inability to access debt markets, an inability to sell assets or unforeseen outflows of cash or collateral. Any or all of these situations could arise due to circumstances that the Fund may be unable to control, such as a general market disruption or an operational problem that affects third parties. A lack of liquidity has historically been the cause of substantial losses in the securities industry. Liquidity risk will be increased if the Fund is required to liquidate positions to meet margin requirements, margin calls or other funding requirements. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Fund may be unable to sell the financial instruments or prevent losses relating to the financial instruments. In times of market stress, the liquidation of securities that are generally regarded as highly liquid nonetheless may result in the Fund incurring significant losses. Furthermore, if the Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. The ability of counterparties to take actions following declines in investment values which result in the forced liquidation of highly leveraged positions in declining markets, including as a result of the Fund's having insufficient liquidity to meet margin calls, could subject it to substantial losses. Millennium may fail to adequately predict the liquidity that the Fund requires to address counterparty requirements relating to falling values of investments being financed by the counterparties, which could result not only in losses related to the investments, but also in losses related to the need to liquidate unrelated investments in order to meet the Fund's obligations. The Fund's losses may be magnified in the event that significant capital is invested in highly leveraged investments or investment strategies. Such losses would result in a decline in assets, may lead to requests from investors in the Feeder Funds to redeem or withdraw remaining assets, and may in certain circumstances damage the Fund's reputation.

Position Limits

"Position limits" imposed by various regulators or self-regulatory organizations and exchanges may also limit the Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated

for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by Millennium or its Portfolio Managers may be aggregated. To the extent that the Fund's position limits were collapsed with an affiliate's position limits, the effect on the Fund and resulting restriction on its investment activities may be significant. If at any time, positions managed by Millennium were to exceed applicable position limits, Millennium would be required to liquidate positions, which might include positions of the Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Fund might have to forego or modify certain of its contemplated trades.

Indebtedness

The Fund customarily borrows funds on a secured basis. The Fund may also borrow through the issuance of notes. In the event that funds available to the Fund were insufficient to meet principal or interest obligations on indebtedness (by reason of acceleration of the indebtedness or otherwise), then funds would not be available to the Feeder Funds for equity redemptions or withdrawals or for other purposes. Additionally, the terms of any indebtedness or related agreements could include covenants restricting the ability of the Fund to take actions, or waive conditions, that might otherwise have been taken for the benefit of the Feeder Funds and ultimately their investors. One such covenant might include a limitation on the Fund's ability to pay equity distributions to the Feeder Funds, if, for example, its net asset value were to drop below a specified threshold as a result of the payment. There is no limitation on the right or ability of the Fund to enter into any such borrowing arrangements or related agreements.

Valuation Risk

The Administrator issues the Master Partnership's net asset value, as well as that of the Feeder Funds, on a monthly basis after performing certain checks on valuation and reconciliation information received from Millennium. Valuations of publicly traded security positions are compared to market data independently obtained from third party market data providers. Valuations of some other securities positions are compared to information received from third parties, including brokers and independent valuation service providers. Securities positions and cash balances are reconciled with the Fund's records based upon confirmation or statements that the Administrator independently receives from prime brokers and other financial institutions which hold assets of the Fund. Recordation of monthly activity to the general ledger of the Master Partnership is reviewed on a sample basis to verify it as materially correct. The procedures performed do not constitute an audit in accordance with auditing standards generally accepted in the United States (although the financial statements of the Master Partnership are audited in accordance with such standards by the Master Partnership's independent auditors on a semi-annual basis). The verification and review work conducted by the Administrator does not constitute a 100% verification of the valuation work of Millennium.

The initial processes for determining the fair value of the Master Partnership's positions (which are submitted to the Administrator for review) are formulated and

administered by Millennium's Valuation Committee, which is comprised of persons independent from specific portfolio management decisions. The fair value of the Master Partnership's positions is determined using a number of methodologies described in Millennium's valuation policies and procedures as amended or revised from time to time, which may, in some cases, involve the exercise of a significant degree of market judgment by Millennium. The methodologies Millennium's Valuation Committee uses in valuing individual investments are based on a variety of estimates and assumptions specific to the particular investment, and actual results related to the investment therefore may vary materially as a result of the inaccuracy of the assumptions or estimates. In addition, the Fund may at times hold illiquid investments in industries or sectors that are unstable, in distress or undergoing some uncertainty, and such investments are subject to rapid changes in value. The values of investments reflected in the net asset value of the Fund (which is used to calculate performance-based compensation) may not always reflect the prices that would actually be obtained by Millennium on behalf of the Fund if the investments were immediately liquidated.

The Fund's audited financial statements generally are prepared in accordance with GAAP. Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Under rare circumstances, certain of the Fund's assets or liabilities may be assigned a value under Millennium's valuation policies and procedures that diverges from their valuation in accordance with GAAP.

Investments in Third-Party Investment Funds

The Fund may invest a portion of its assets in investment funds managed by third parties. The Fund generally will have less ability to (i) monitor the investments, (ii) regularly obtain full, current information and (iii) exercise control rights over the investments, than it has with respect to other allocations of capital of the Fund. In addition, the Fund may not be able to withdraw assets from third-party funds at times when it might otherwise wish to do so. With respect to any such assets, the Fund generally relies on the valuations provided by the third-party funds and generally will not have sufficient information to be able to confirm or review the accuracy of the valuations. In the event that the Fund does not receive a valuation from a third-party fund, or determines, in its sole discretion, that a valuation is inaccurate or incomplete, the Fund may, in its sole discretion, determine the fair value of its interests in the third-party fund independently of the valuations provided by the third-party fund based on information available to, and factors deemed relevant by, the Fund at the time.

Trade Execution Risk

Many of the investment techniques used by the Portfolio Managers require the rapid and efficient execution of transactions, or the ability of the Portfolio Managers to accumulate or liquidate large positions. Inefficient execution can impair realization of the market opportunities sought with the techniques.

Trade Error Risk

Occasionally, transactions may be executed erroneously on terms other than those intended by the Fund or a Portfolio Manager. For example, a transaction may be executed in the wrong asset, for the wrong quantity or price, to buy when the Fund or a Portfolio Manager meant to sell, to sell when the Fund or a Portfolio Manager meant to buy, or by reason of a programming error in a trading program. Programming errors could also lead to the submission of repetitive orders or orders otherwise made in excess of any intention, or could cause an algorithm-driven program to bypass risk management or other controls. Except to the extent otherwise required by law, the Fund will bear the losses or costs of any such errors, unless Millennium determines that the error occurred due to fraud, gross negligence or reckless or intentional misconduct by Millennium (or, in certain circumstances, its agents) or Millennium determines that it is appropriate to charge a Portfolio Manager for the costs and expenses of the error.

Risks of Certain Trading Strategies, Techniques and Instruments

Investment Strategies of the Portfolio Managers

Portfolio Managers, among other things, will seek to use specialized investment strategies, follow allocation methodologies, apply investment models or assumptions, and enter into hedging and other strategies intended to affect their performance and risk levels. The Fund cannot guarantee that any Portfolio Manager will have success in achieving any goal related to those practices.

Relative Value and Fundamental Value Strategies

Portfolio Managers may engage in both relative-value/arbitrage and fundamental-value strategies with directional exposures. Some Portfolio Managers will use elements of both approaches in their strategies. Fundamental-value strategies frequently involve judgments about the future direction of financial instrument prices, markets and market factors. If Portfolio Managers make incorrect judgments, the Fund could fail to earn profits or could sustain significant losses. Arbitrage and relative-value strategies seek to profit from mispricings and inefficiencies in the capital markets, frequently by entering into simultaneous long and short positions. Pure arbitrage opportunities are rare. Relative-value/arbitrage Portfolio Managers may hold directional exposures to select financial instrument prices, markets, and market factors. Generally, it is not possible to hedge all risks and exposures in relative-value/arbitrage strategies. Arbitrage and relative-value strategies frequently entail the use of significant leverage and derivative instruments, which may be volatile and illiquid. Portfolio Managers may be incorrect about perceived mispricings among financial instruments, relative mispricings could be sustained for an extended period or Portfolio Managers may be unsuccessful in structuring and executing trades to profit from perceived mispricings. Financial instruments may move in unexpected patterns. Even if financial instruments are mispriced relative to each other based on historical or other relationships, they may fail to converge in price for various reasons. The historical relationships between the prices of different securities and financial instruments may change suddenly and unexpectedly for

various reasons. Also, strategies that are largely uncorrelated under normal market conditions may become more correlated at times of market stress. As a result, relative value/arbitrage strategies may be subject to the same risk of loss as fundamental or directional strategies.

Model-based Strategies

Certain of the Fund's investment strategies are based on models of the behavior of financial instruments, market conditions or certain market participants and use formulas or algorithms to make trading decisions by reviewing a variety of inputs, comparing the information against historical and current data, and predicting price movements. These models are developed by Portfolio Managers or third parties. Models generally must be updated in order to remain effective. There can be no assurance that the Portfolio Managers will be able to continue to develop, update or acquire effective models and any changes that are made in an attempt to respond to perceived changes in market conditions may be unsuccessful. Additionally, virtually all computer programs contain some errors or "bugs" and it is impractical to eliminate 100% of the bugs in the programming process (although programs generally are tested before they are put into use, in an attempt to eliminate errors that would be likely to have significant consequences). As a result, while Millennium expects that its and the Portfolio Managers' personnel will endeavor to minimize the effect of programming errors, Millennium cannot provide any assurance that all programs will in all instances operate in the intended manner, and there may be remaining programming errors which could have substantial adverse consequences.

Statistical Arbitrage Strategies

The success of some of the Fund's statistical arbitrage or quantitative strategies depends on the market values of various financial instruments moving towards their theoretical values (or relative values) as predicted by statistical modeling. In the event of market disruptions generally or specific events that cause deviations from historical relationships between certain financial instruments and other instruments or data points used to predict value, significant losses could be incurred.

Merger Arbitrage and Other Event-Driven Strategies

Merger arbitrage and other event-driven investment strategies generally incur significant losses when proposed transactions are not consummated or expected events do not occur. The consummation of mergers, tender offers, exchange offers and other significant corporate events can be prevented or delayed by a variety of factors, including: (i) regulatory intervention; (ii) efforts by a target company to pursue a defensive strategy; (iii) the failure to obtain necessary shareholder approvals; (iv) adverse company, market or business conditions resulting in a material change or termination of the pending transaction; (v) additional requirements imposed by law; and (vi) the inability to obtain adequate financing. Any such events could lead to losses.

Convertible Arbitrage Strategies

Convertible arbitrage strategists identify convertible bonds, convertible preferred stocks or warrants that appear mispriced or undervalued, yet offer a favorable rate of return. By establishing a long position in a convertible security (usually preferred stock or bonds) and a partially offsetting short position in the underlying security into which the convertible security is convertible (usually common stock of the issuer), a Portfolio Manager invests with the expectation of capturing price or yield differences or to seek to profit from cash flow (*e.g.*, coupon income and stock borrowed rebate). Generally, changes in interest rates can influence the investment value of a convertible security. The credit standing of the issuer, the value of the underlying stock and other factors may also have an effect on the convertible security's investment value. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Portfolio Manager is called for redemption, the Portfolio Manager will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could result in losses to the Fund.

Short Positions

Portfolio Managers routinely take short positions in a wide range of assets, typically as part of a hedged strategy intended to reduce the risk of investing. A short sale of an asset exposes the seller to the risk of an increase in the market price of that asset with a theoretically unlimited risk of loss. Purchasing assets to close out a short position can itself cause their market price to rise further, increasing losses on the short position. Furthermore, Portfolio Managers may prematurely be forced to close out a short position if a lender demands the return of the asset borrowed (and sold short) and an alternative source of borrowing that asset is not available. Certain market regulators have imposed restrictions or bans on the ability for market participants to take short positions and the frequency with which such restrictions are imposed has increased in recent years. Among other things, such restrictions make hedging practices more difficult and expose the Fund to greater risk.

Portfolio Turnover

Portfolio Managers frequently invest on the basis of short-term market considerations. The turnover rate of the Portfolio Managers' positions may therefore be significant, potentially involving substantial brokerage commissions and fees.

Loan Participations

The Fund or certain of its affiliates may buy and sell loan participations (*i.e.*, interests in a loan, generally governed by a credit agreement between the original lending syndicate and the borrower) in the secondary market. These investments involve certain risks in addition to those associated with direct loans. A loan participant has no direct contractual relationship with the borrower of the underlying loan. As a result, the participant generally is dependent on the lender from which the participation is purchased

to enforce its rights and obligations under the credit agreement in the event of a default, and may not have the right to object to amendments to or modifications of the terms of the credit agreement in which it participates. A participant in a syndicated loan generally does not have voting rights, which are retained by the lender from which the participation is purchased. In addition, a loan participant is subject to the credit risk of the lender from which the participation is purchased as well as that of the borrower, since a loan participant is dependent upon the lender from which the participation is purchased to furnish to the participant its share of payments of principal and interest received on the underlying loan. Participations in which the Fund invests generally are not secured obligations of the lender from which they are acquired.

Distressed and High-Yield Securities

Portfolio Managers may invest in securities issued by, or other indebtedness of, companies in weak and/or deteriorating financial condition, experiencing poor operating results, needing substantial capital investment, having negative net worth, facing special competitive or product obsolescence problems or involved in bankruptcy or reorganization proceedings. Investments of this type are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace, and further, may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the issuers. The investments can result in significant or even total losses. In addition, the markets for distressed and high-yield securities are frequently illiquid.

The market prices of distressed and high-yield assets are subject to abrupt and erratic market movements and above-average price volatility, and the spreads between the bid and asked prices of such assets may be greater than those prevailing in other markets. It may take a number of years before the market price of the assets reflects their perceived intrinsic value, if they ever do. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (for example, due to failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied), or will result in a distribution of cash or a new asset the value of which will be less than the carrying value of the asset in respect of which the distribution was made. Distressed assets also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments and lender liability, as well as bankruptcy and other judicial courts' power to disallow, reduce, subordinate or disenfranchise particular claims.

High-yield instruments face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt instruments tend to reflect individual corporate developments to a greater extent than do higher-rated instruments which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated instruments. Companies that issue such instruments are often

highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such instruments and may have an adverse impact on the value of such instruments. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default of such instruments.

Differential Cash Flows on Related Positions

Certain of the Fund's strategies may involve taking positions that are subject to unilateral margin in favor of the counterparty. These positions may be related to or hedged with other positions margined on a bilateral mark-to-market basis, which may require the Fund to supply margin on a position while a counterparty would not be required to supply margin on the related position. Additionally, there may be circumstances where the financing costs of related positions may become imbalanced (*e.g.*, where the financing rates of one of the positions is subject to more frequent revision). Due to the cash flow imbalances between the assets, in certain market scenarios, the Fund may be forced to close out the positions, perhaps at disadvantageous prices, or may bear additional expenses in keeping positions open.

Structured Investment Products

Certain Portfolio Managers may invest in, or otherwise participate in a variety of different structured investment products; for example, total return swaps, participating notes, options, credit default swaps and collateralized debt obligations. These structured products involve not only the risks of the underlying "reference asset," but also other risks including, without limitation, acceleration of the financing embedded in the structure, counterparty credit risk, and/or restrictions imposed on the management and nature of the permissible reference assets and costs of creating the structured products.

Interest-Rate and Foreign Exchange-Rate Risks

The prices of assets held by the Fund may be sensitive to interest-rate and foreign exchange-rate fluctuations; such fluctuations could cause the U.S. dollar value of long and short positions to move in unanticipated directions. To the extent that interest-rate and foreign exchange-rate assumptions underpin the hedging of a particular position, fluctuations in rates could invalidate those underlying assumptions and expose the Fund to losses. The Fund is not obligated to hedge its exposure to interest-rate and foreign exchange-rate risks, or any other risks.

Mortgage-backed Securities (MBS) and Asset-backed Securities (ABS)

Some investment characteristics of MBS and ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying mortgages or other assets generally may be prepaid at any time. The frequency with which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults and foreclosures) occur on loans and other assets

underlying MBS and ABS will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, mortgage obligors tend to prepay their mortgage loans when prevailing mortgage rates fall below the interest rates on their mortgage loans. Although ABS are generally less likely to experience substantial prepayments than are MBS, certain of the factors that affect the rate of prepayments on MBS also affect the rate of prepayments on ABS. Particular investments may experience outright losses, as in the case of an interest only security in an environment of accelerated actual or anticipated prepayments. Particular investments will be affected by the credit quality of their underlying loan and the creditworthiness of the borrower. Also, particular investments may underperform relative to hedges that a Portfolio Manager may have constructed in these investments, resulting in a loss.

Illiquid and Restricted Securities

Portfolio Managers may invest in illiquid over-the-counter securities, securities of young, development-stage companies (whether publicly traded or issued in a private placement) and financially troubled companies, non-publicly traded securities, MBS, ABS and securities traded on non-U.S. exchanges, and may make other investments that are relatively illiquid or that subsequently become illiquid. In general, securities and other investments are classified as illiquid because there are legally-imposed restrictions on resale or liquidation, because the market for the particular security or the volume of trading is so small as to effectively impose limits on the speed or price at which the liquidation of a given position can be effected, or due to a combination of the foregoing factors. Portfolio Managers may be unable to sell illiquid securities and investments at the most opportune times or at prices approximating the value at which the Fund is carrying the securities or investments.

Small Capitalization Companies

Portfolio Managers may invest in securities of small capitalization companies and recently organized companies and may establish significant long or short positions in such securities. While such securities may provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. Historically, such securities have been more volatile in price than those of larger capitalized, more established companies. The securities of small capitalization and recently organized companies typically pose greater investment risks because the issuers may have limited product lines, distribution channels and financial and managerial resources. In particular, small capitalization companies may be operating at a loss or have significant period-to-period variations in operating results; may be engaged in a rapidly changing business with products subject to substantial risk of obsolescence; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; and may have substantial borrowings or may otherwise have a weak financial condition. In addition, these companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities,

and a larger number of qualified managerial and technical personnel. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The equity securities of small capitalization companies may not be traded in the volumes typical of larger capitalization companies. Consequently, the Portfolio Managers or entities in which the Portfolio Managers invest may be required to dispose of the securities or cover a short position over a longer (and potentially less favorable) period of time than is required to dispose of or cover a position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Investments in companies with limited operating histories may be more speculative and may entail greater risk than investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than for those in larger capitalization companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Hedging Transactions

The Fund utilizes financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) satisfy any other purpose that the Portfolio Manager deems appropriate.

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses, although hedging does typically reduce the risk of loss. On the other hand, the hedging transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it should be noted that (i) a Portfolio Manager may determine not to hedge against, or may not anticipate, certain risks, (ii) the portfolio will always be exposed to certain risks that cannot be hedged, and (iii) there is no guarantee that a hedge will be properly implemented, will function in the manner anticipated or will not be adversely effected by changes in the applicable law or regulation.

The success of the Fund's hedging transactions to a significant degree will be subject to the ability of each Portfolio Manager correctly to assess the relationships between groupings of securities within the Portfolio Manager's portfolio. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Since the characteristics of many securities change as markets change or time passes, the success of any hedging strategy will also be subject to the ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into

hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, a Portfolio Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

Currency hedging activities that the Fund engages in on behalf of any Feeder Fund that issues non-U.S. denominated interests, as described under "Hedging Related to Non-U.S. Dollar Denominated Sub-Classes," may require the use of a portion of the Fund's assets for margin or settlement payments or other purposes. For example, the Fund may from time to time be required to make margin, settlement or other payments, including intra-month, in connection with the use of certain hedging instruments. Counterparties to any currency hedging activities may demand payments on short notice, including intra-day. As a result, the Master Partnership may liquidate assets sooner than it otherwise would have in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. Moreover, due to volatility in the currency markets and changing market circumstances, the Master Partnership may not be able to accurately predict future margin requirements, which may result in holding excess or insufficient cash and liquid securities for such purposes. Where the Master Partnership does not have cash or assets available for such purposes, the Master Partnership may be required to dispose of assets at disadvantageous prices or might fail to comply with certain of its contractual obligations. Such failures could, without limitation, include failing to meet margin calls or settlement or other payment obligations. If the Fund were to default on any of its material contractual obligations, the Fund would likely be materially adversely affected.

Hedging Related to Non-U.S. Dollar Denominated Sub-Classes.

One of the Feeder Funds, Millennium International Ltd., has issued a sub-class of shares the functional currency of which is the Euro and another sub-class of shares the functional currency of which is the Yen (collectively, the "Non-USD Shares"). The Feeder Fund generally expects to seek to hedge the currency exposure of the Non-USD Shares to minimize, to the extent reasonably practicable, fluctuations in the value of such shares arising from fluctuations in the applicable exchange rate and expects to engage in transactions, including the purchase and sale of spot and forward contracts, currency options and currency futures contracts to manage U.S. dollar-foreign currency risks. The expense and risk associated with such transactions is borne by the holders of the relevant sub-classes of Non-USD Shares. There can be no assurance that the currency hedging activities in connection with the Non-USD Shares will be effective. In addition, there can be no assurance that the currency hedging activities will fully protect investors from a decline in the value of the U.S. dollar against the foreign currency. There may be

circumstances in which the Fund (or any other entity engaging in the hedging of the Non-USD Shares) determines not to conduct any currency hedging activities in whole or in part for a certain period of time, including, without limitation, when such entity determines, in its sole discretion, without notice to shareholders of the Feeder Fund, that currency hedging is not practicable or possible or may materially and adversely affect the Fund or any of their direct or indirect investors. As a result, foreign currency exposure could go fully or partially unhedged for that period of time. There can be no assurance that the Fund (or any other entity engaging in the hedging of the Non-USD Shares) will be able to hedge, or be successful in hedging, the currency risk referred to. As an alternative to some or all of the hedging activities described above a Feeder Fund may maintain part or all of the initial investment in the applicable currency, and may convert a portion of amounts subsequently earned by the Master Partnership into such currency and, directly or indirectly, may make that currency available to the Master Partnership for business conducted in such currency by it in the ordinary course. See "Related Party Transactions; Conflicts—Hedging Activities Related to Shares of Feeder Funds Not Denominated in U.S. Dollars."

Trading in Commodities and Derivatives

A Portfolio Manager may utilize derivative instruments such as options, futures, forward contracts, total return swaps, credit default swaps, and interest rate swaps, caps and floors, both for investment purposes and to hedge against fluctuations in the relative values of that Portfolio Manager's portfolio positions. These are instruments whose values are based upon underlying assets, indices or reference rates or a combination of these, and generally represent future commitments to exchange cash flows or to purchase or sell other financial instruments (or make an equivalent cash payment) at specified future dates. Certain derivatives (options and credit default swaps in particular) may have intrinsic value separate from the value of underlying assets based upon market perception of creditworthiness or expected volatility in the value of the asset. The use of derivatives involves a variety of material risks, including the possibility of counterparty non-performance as well as of deviations between the actual and theoretical value of the derivatives. Derivatives also are inherently subject to two sources of risk: risk of loss due to adverse changes in the value of the underlying asset and risk of loss due to the insolvency or creditworthiness of the counterparty. In addition, the markets for certain derivatives may be illiquid.

Derivatives are typically intrinsically leveraged investments that may entail investment exposures that are greater than the initial amount of collateral required to enter into the derivative, meaning that an investment in a derivative could ultimately incur losses many times greater than the initial collateral requirements and could therefore have a disproportionate effect on the performance of the Fund. The Fund could also experience losses if the derivatives that are acquired or sold as a hedge are poorly correlated with the investment to be hedged, or if a Portfolio Manager is unable to liquidate a position because of an illiquid secondary market. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives.

The Portfolio Managers may trade commodities, futures and options, and may enter into swap agreements. The prices of commodities contracts and all derivative instruments, including futures and options, may depend upon a number of factors, including the prices of the underlying assets and may be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, the Fund is subject to the risk of failure of any of the exchanges on which they trade, their clearinghouses or the clearing brokers through which their trades clear. In the case of commodity contracts traded on non-U.S. exchanges and certain derivative instruments, the Fund may be subject to the risk of the inability of, or refusal by, the counterparty to perform. In addition, profits realized in non-U.S. markets could be eliminated by adverse changes in the applicable currency exchange-rate, or the Fund could incur losses as a result of those changes.

Leverage; Interest Rates; Margin

The Fund typically borrows funds (and could potentially issue debt securities), and leverages its investment portfolio in order to be able to increase the amount of capital available to make investments and for use as collateral in connection with investments in derivatives. In addition, there is a significant degree of leverage typically embedded in certain derivative instruments and certain repurchase and reverse repurchase transactions in the Fund's investment portfolio. Consequently, the level of interest rates, generally, and the rates at which the Fund can borrow, in particular, will affect its operating results. Although leverage will increase investment return if a given Portfolio Manager earns a greater return on the investments purchased with borrowed funds than it pays for the use of those funds, the use of leverage will decrease the return of the Fund if the Portfolio Manager fails to earn as much on investments utilizing borrowed funds as it pays for the use of those funds. The use of leverage will in this way magnify the volatility of changes in the value of an interest in the Fund. In the event of a sudden, precipitous drop in value of the Fund's assets, the providers of leverage to the Fund may be entitled under their agreements with the Fund to liquidate the assets at then-prevailing levels, which would be depressed. There can be no certainty that the assets of the Fund would be sufficient to repay all of its debts under those or similar circumstances. (See "The Fund's Investment Program and Description: Leverage and Loans.")

Certain Regulatory Risks

Regulatory Changes for Hedge Funds

The financial services industry generally, and the activities of hedge funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Fund's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on Millennium, including, without limitation, responding to examinations and investigations, implementing new policies and

procedures and complying with recordkeeping and reporting obligations. Such burdens may divert Millennium's time, attention and resources from portfolio management activities. For example, in July 2011, Congress passed, and the President signed into law, the Dodd-Frank Wall Street Reform and Consumer Protection Act. This statute mandates fundamental changes, which in many instances remain subject to the adoption of relevant regulations, in the manner in which derivatives and certain other instruments are traded, and also mandates a number of new and extensive filing requirements that will affect Millennium and the Fund. At the present time, there is insufficient knowledge to predict the full nature and extent of the effects of this legislation and the related regulations, but the effects will be extensive and varied. At the very least, the costs of compliance with legal restrictions affecting the Fund's trading will be significantly increased.

Misconduct of Employees and of Third-Party Service Providers

Millennium's reputation is critical to maintaining and developing relationships with prospective investors, as well as with the numerous third parties with which Millennium and the Fund do business and with a variety of regulatory authorities. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest or other misconduct by individuals in the financial services industry, and there is a risk that an employee of or contractor to Millennium, the Fund or their affiliates could engage in misconduct that adversely affects the investment strategies implemented by the Fund. It is not always possible to deter such misconduct, and the precautions Millennium takes to detect and prevent such misconduct may not be effective in all cases. Misconduct by an employee of or contractor to Millennium, the Fund or their affiliates, or even unsubstantiated allegations of such misconduct, could result in both direct financial harm to Millennium or the Fund, as well as harm Millennium's or the Fund's reputations, which would have a materially adverse effect on the Fund primarily as a result of the withdrawal of assets from the Feeder Funds or increased resistance of investors to make new investments.

Regulation Under the Laws of the Cayman Islands

Pursuant to recent amendments to the Mutual Funds Law (as amended) of the Cayman Islands, certain "master funds" (as defined in the Mutual Funds Law) are to be registered with, and regulated by, the Cayman Islands Monetary Authority. The Master Partnership has submitted an application for registration pursuant to the Mutual Funds Law. The registration process and the consequences of regulation are described below under "Certain Legal and Regulatory Matters Relating to the Fund—Cayman Islands Mutual Funds Law."

Regulatory Actions

From time to time, in the ordinary course of operations, certain of the Fund's businesses are subject to regulatory inquiries, investigations and enforcement proceedings from U.S. and non-U.S. governmental agencies, regulatory bodies and securities commissions, which can be costly and occupy significant staff time and resources. Any such inquiry, investigation or enforcement proceeding could include civil or criminal

proceedings resulting in a censure, fine, penalty and/or other sanction, including asset freezes, injunctive or equivalent relief, or the suspension or expulsion of an individual. Any such inquiry, investigation or enforcement proceeding could have a material adverse impact on the Fund.

Securities Law Compliance Risks

The domestic and foreign laws and regulations governing trading in the securities markets (and governing investing in other kinds of markets) are often complex and difficult to implement and monitor (and may be even more difficult to implement and monitor in light of the speed with which certain regulatory changes have been implemented in certain jurisdictions), especially in the context of a fund structured like the Fund, and are subject to re-interpretation (or different interpretations from those applied by the Fund in light of information currently available to Millennium), which could expose the Fund, Millennium and their respective affiliates to liability.

Investments in Foreign Markets and Jurisdictions

The Fund invests its capital in large, liquid, and internationalized markets (such as, among others, the United States, the United Kingdom, and Japan) as well as lesser-developed emerging markets. The evolving laws and regulations applicable to the securities and financial services industries of certain countries subject such markets to uncertainty. By investing in such markets, the Fund risks misinterpreting or possibly violating the local laws or the securities regulations of these jurisdictions and is subject to, among other risks (certain of which are also present in developed markets): (i) currency exchange-rate risk; (ii) inefficient clearing systems; (iii) the possible imposition of withholding, income or excise taxes; (iv) the absence of uniform accounting, auditing and financial reporting standards and practices, less rigorous disclosure requirements and little or potentially biased government supervision and regulation; (v) the risk of terrorism and acts of war; and (vi) economic and political risks, including expropriation, exchange controls and restrictions on foreign investment and repatriation of capital. Emerging markets may also be more vulnerable to periods of illiquidity and extreme volatility than the more developed markets. In addition, when periods of stress occur in the developed financial markets, the emerging markets as a group may suffer major price declines and illiquidity.

Membership on Exchanges and/or in Clearing or Self-Regulatory Organizations

In an effort to facilitate certain investment strategies, the Fund and certain of its subsidiaries and affiliates have become, and/or may become, members of exchanges, clearing houses and other self-regulatory organizations and have obtained or will obtain a variety of governmental licenses or authorizations. Such memberships, licenses or authorizations subject these persons to a wide range of regulation and other obligations, including net capital requirements, as well as to audits and other restrictions—in each case, together with the associated costs.

Risk of Loss

The performance of the Fund and the Feeder Funds can be highly volatile. The Fund may lose capital through (i) investment losses, (ii) withdrawals of capital by the Feeder Funds to fund their expenses or in connection with equity withdrawals and redemptions by their investors or (iii) a combination of investment losses and such withdrawals of capital. Investment losses may give rise to requests for equity withdrawals and redemptions, but withdrawals and redemptions may occur irrespective of performance, and perhaps for reasons wholly unrelated to the Fund or the Feeder Funds.

* * *

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Feeder Fund. Prospective investors should read Part One and Part Two of this Confidential Memorandum in their entirety and the Partnership Agreement of the Fund, as well as the organizational documents of the Feeder Fund in which they intend to invest and consult with their own advisers before deciding whether to invest in a Feeder Fund.

The Fund's Management, Structure and Operations

Management

General Partner. The Partnership Agreement grants substantially all of the power to control the affairs and operations of the Master Partnership to the General Partner. The General Partner is a Delaware limited liability company that was formed in 1994.

The General Partner also serves as the sole general partner of Millennium USA, Millennium Strategic Capital and Millennium Offshore Intermediate. The General Partner is considered to be under the ultimate control of Israel Englander. The business address and telephone number of the General Partner and each of the affiliated Relying Advisers (unless otherwise provided below) is 666 Fifth Avenue, New York, New York 10103-0899 ([redacted]).

Affiliated Relying Advisers. In addition to the General Partner, Millennium's principal related persons that act as investment managers and management companies and manage the Fund's capital are:

- Millennium International Management LP ("Millennium International Management");
- Millennium Global Estate GP LLC ("Millennium Global Estate GP"), a wholly-owned subsidiary of Millennium International Management;
- Catapult Capital Management LLC, a wholly-owned subsidiary of Millennium International Management;

- Decade Capital Management LLC, a wholly-owned subsidiary of Millennium International Management;

- Green Arrow Capital Management LLC, a wholly-owned subsidiary of Millennium International Management;

- Millennium Capital Management (Singapore) Pte. Ltd. ("MCM Singapore"), a wholly-owned subsidiary of Millennium International Management, which is licensed by the Monetary Authority of Singapore, 80 Raffles Place, UOB Plaza 2 #14-20, Singapore 048624, Tel. +[redacted];

- Millennium Capital Management (Asia) Limited, a wholly-owned subsidiary of Millennium International Management, including its Tokyo branch ("MCM Asia"), which Tokyo branch is licensed by the Japanese Financial Services Authority, Tokyo Midtown Tower, 43rd Floor, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6243, Tel. + [redacted];

- Millennium Capital Management (Hong Kong) Limited ("MCM HK"), a wholly-owned subsidiary of Millennium International Management, which is licensed by the Hong Kong Securities and Futures Commission, The Center, 99 Queens Road Central, Central Hong Kong, Tel. +[redacted]; and

- Millennium Capital Partners LLP ("MCP UK"), for which David Nolan, a Co-President of the General Partner is the ultimate owner, and which is registered with the United Kingdom Financial Services Authority ("FSA") as an investment manager, 50 Berkeley Street, London W1J 8HD, United Kingdom (+[redacted]).

Millennium may in the future register with local regulators if required or if such registration is deemed appropriate, and in their sole discretion, may elect to withdraw from existing or future registrations. In addition, Millennium has, and may in the future set up, additional entities in other jurisdictions to facilitate the research, management and trading of certain financial instruments. The ownership structure of the foregoing entities may change from time to time.

Principals and Key Managers. The key members of Millennium's management team include the following individuals:

- *Israel A. Englander, 64 (founder in 1989),* is the founder and managing member of the General Partner and Millennium International Management GP LLC (which is the general partner of Millennium International Management). Mr. Englander is also the General Partner's Chairman and Chief Executive Officer. Mr. Englander has over 35 years of experience in securities and derivatives across a broad range of instruments and strategies. He worked as a floor broker and trader on the American Stock Exchange, has owned a

specialist operation from 1982 to 2008, is former chairman of the Specialist Association and has served on numerous American Stock Exchange committees, including Allocations, Allocation Procedures, Emerging Company Marketplace, Options and Special Allocations. He founded the firm in 1989 with approximately $35 million under management. Mr. Englander graduated from New York University with a BS in Finance, and attended New York University Graduate School of Business Administration. Mr. Englander is a member of the Executive Committee and Investment Risk Committee of the General Partner.

- *Terry Feeney, 55 (joined in 1994),* is the General Partner's Co-President and Chief Operating Officer. Mr. Feeney has 30 years of experience in the financial services industry. Mr. Feeney previously was an audit partner with Ernst & Young's New York Financial Services Office, specializing in broker-dealers and hedge funds, an experience that involved various operational, back office and regulatory projects, along with financial audits. Mr. Feeney oversees the administrative areas of the Fund, including finance and counterparty credit. Mr. Feeney graduated summa cum laude from Fordham University with a BS in Accounting. Mr. Feeney is a member of the Executive Committee, Investment Risk Committee and Valuation Committee of the General Partner.

- *David Nolan, 63 (joined in 2001),* is the General Partner's Co-President and Chief Risk Officer. Mr. Nolan is responsible for the Master Partnership's risk management function, which monitors the Master Partnership's overall portfolio and risk exposure. He is also closely involved with the mentoring and development of the Portfolio Managers. Mr. Nolan started his career at Merrill Lynch in 1971 and rose to Vice President, Head of Institutional Convertible Securities. In 1981, he joined Spear Leeds & Kellogg in their newly formed Upstairs Trading Department. In 1984, he was admitted as a Partner and joined the Executive Committee, a position he held until 1990. In 1992, Mr. Nolan started a hedge fund, Davos Partners, which he ran until joining the General Partner. Mr. Nolan graduated from Johns Hopkins University with a BA in Humanities, and attended New York University Graduate School of Business Administration. Mr. Nolan is a member of the Executive Committee and Investment Risk Committee of the General Partner.

- *Simon M. Lorne, 66 (joined in 2004),* is the General Partner's Vice Chairman and Chief Legal Officer. Mr. Lorne oversees compliance, legal, and regulatory functions, along with management controls and internal audit. Mr. Lorne had been a partner in the law firm of Munger, Tolles & Olson LLP, which he rejoined in 1999 after originally becoming a partner in 1972. In 1996, he became a Managing Director at Salomon Brothers where he served as Global Head of Internal Audit. Following the merger of Salomon Brothers into Travelers Group Inc., he continued as Managing Director and as a senior member of the General Counsel's office. With the merger of Travelers Group and Citicorp Inc., he organized and coordinated the global compliance function

of Citigroup. From 1993 to 1996, Mr. Lorne was General Counsel of the SEC. Mr. Lorne graduated cum laude with an AB from Occidental College and received his JD, magna cum laude, from the University of Michigan Law School. Mr. Lorne is a member of the Executive Committee and Compliance Legal and Ethics Oversight Committee ("CLEO Committee") of the General Partner.

- *Michael Gelband, 53 (joined in 2008),* is a Senior Managing Director and the Global Head of Fixed Income of the General Partner. Mr. Gelband is responsible for overseeing the Fixed Income Business. Prior to joining the General Partner, Mr. Gelband worked at Lehman Brothers from 1983 until May 2007, and again from June through October 2008. Mr. Gelband had various trading and management responsibilities over that time including mortgage backed securities, derivatives, head of liquid markets, head of fixed income derivatives in Asia, global head of fixed income derivatives and global head of capital markets. Mr. Gelband was also a member of the Lehman Brothers Management and Executive committees. Mr. Gelband graduated from the University of Georgia, and received an MBA from the Ross School of Business at the University of Michigan. Mr. Gelband is a member of the Executive Committee and the Investment Risk Committee of the General Partner.

- *Hyung Lee, 43 (joined in 2008,)* is a Senior Managing Director and the Global Head of Equities of the General Partner. Mr. Lee has daily oversight and management responsibilities for the General Partner's equities portfolio managers and teams globally, and shares responsibility among senior management for portfolio manager selection, capital allocation, evaluation of transactions and risk exceptions, and management of the global firm-wide equities aggregated risk. Mr. Lee previously oversaw the General Partner's fixed income and equities portfolio managers in the Asia Pacific region. Prior to joining the General Partner, Mr. Lee spent 15 years working at Lehman Brothers in various roles including Head of Capital Markets, Asia Pacific, where he oversaw the equities and fixed income divisions. Before joining Lehman, Mr. Lee was a trader at Bank of New York. Mr. Lee graduated from the University of Pennsylvania with a B.S. in Economics from the Wharton School. Mr. Lee is a member of the Investment Risk Committee of the General Partner.

- *Mark Meskin, 45 (joined in 2002)*, is a Senior Managing Director and the Chief Trading Officer of the General Partner. Mr. Meskin has oversight of the Fund's day-to-day trading activities and works with the Portfolio Managers to ensure they have the optimal platform to operate their trading strategies. In this role, he is involved in Portfolio Manager evaluation, recruitment and monitoring as well as coordinating with the various departments to support the needs of the Fund's trading strategies. Prior to joining the General Partner, Mr. Meskin spent nine years as Managing Director/Principal for Helfant Group, Inc., a NYSE member firm, where he was responsible for the upstairs

trading, operations and technology areas. Mr. Meskin has an MBA in Finance from New York University and a Master's in Information Systems from the University of Cape Town, South Africa. Mr. Meskin is a member of the Executive Committee, Investment Risk Committee, Valuation Committee and the CLEO Committee of the General Partner.

- *John Novogratz, 39 (joined in 2009),* is a Senior Managing Director and the Global Head of Marketing and Investor Relations of the General Partner. Mr. Novogratz is responsible for the Marketing and Investor Relations Department with a primary focus on building and developing new and current investor relationships. Mr. Novogratz worked at Fortress Investment Group for almost six years before joining the General Partner, most recently as Managing Director and Head of Capital Formation International in London. Prior to joining Fortress, Mr. Novogratz consulted for Applied Development, a real estate development company, where he focused on raising capital to finance large projects. Prior to working with Applied, Mr. Novogratz held various positions at Scient and Goldman Sachs Asset Management. Mr. Novogratz graduated from the College of William & Mary with a BA in Economics. He is a member of the Executive Committee and the Investment Risk Committee of the General Partner.

Office Locations

Millennium has U.S. office locations in New York City and White Plains, New York; Greenwich, Connecticut; Boston, Massachusetts; and Dallas, Texas. Millennium has international office locations in Beijing; Hong Kong; Tokyo; London; Luxembourg; and Singapore.

Corporate Services

Pursuant to the Administration Agreement, the Administrator is responsible for the register of the Fund to be maintained at the Administrator's registered address in the Cayman Islands.

Ongoing Evaluation of Portfolio Manager Groups

As discussed below under "The Fund's Risk Management Program," Millennium engages in daily monitoring of all trading activity of the Fund, which allows Millennium to review and evaluate the Portfolio Managers and their performance on an ongoing basis based on various metrics that Millennium deems relevant from time to time.

Millennium's risk management personnel review the Portfolio Managers' positions. Based on the results of these reviews and on other factors deemed by Millennium to be relevant, decisions on increases or decreases of allocated capital (including the continued engagement of Portfolio Managers) are made and reviewed.

The Fund's Investment Program and Description: Eligible Investments

Millennium, in managing the Fund's assets, follows an investment strategy that is opportunistic with respect to investments and strategies and that is broadly diversified and global in scope. Consistent with this approach (and unlike many investment partnerships that as a matter of investment policy require that no more than a fixed percentage of their assets are invested in any one industry or group of industries), Millennium does not establish fixed guidelines regarding diversification of investments to be followed by the Fund. At any given time, the Fund's assets could be concentrated in securities or asset classes that the Portfolio Managers believe offer an optimal opportunity for capital appreciation (subject to the oversight of Millennium's Risk Management Group). However, by virtue of Millennium's structure, in which assets are allocated among a number of Portfolio Managers utilizing different strategies and investment approaches, as well as Millennium's general risk management principles, which discourage concentrations, the Fund's assets will usually be employed among a diversified set of strategies.

The Fund is authorized directly or indirectly, to invest in all types of securities and instruments of United States and non-U.S. issuers and to participate in other potentially profitable opportunities, including without limitation the short selling of securities. Examples of securities traded and other investments made by the Fund include, but are not limited to capital stock; shares of beneficial interest; partnership interests and similar financial instruments; mortgage-backed securities; interests in real estate and real estate related assets; bonds, notes, debentures (whether subordinated, convertible, secured, unsecured or otherwise); currencies; commodities; interest rate, currency, commodity, equity and other derivative products, including, without limitation, (i) futures contracts (and options thereon) relating to stock indices, currencies, United States government securities and securities of non-U.S. governments, other financial instruments and all other commodities, (ii) swaps, options, contracts for difference, warrants, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; equipment lease certificates; equipment trust certificates; loans, loan participations, and other obligations and instruments or evidences of indebtedness of whatever kind or nature; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations and sub-participations; assignments of rights under financial and derivative contracts; viatical settlements; insurance policies; pollution credits; money market funds; obligations of the United States or any state thereof, non-U.S. governments and instrumentalities of any of them; commercial paper; certificates of deposit; bankers' acceptances; trust receipts; and annuities, structured settlements and similar payment rights. However, there are no limits on the types of investments the Fund may make.

The Portfolio Managers, when they consider it appropriate and consistent with applicable regulations and firm policies, may utilize repurchase and reverse repurchase agreements, short sales, and leverage in their investment programs.

The Fund's Investment Program and Description: Investment Strategies and Techniques

The Fund pursues an opportunistic investment policy. Millennium does not establish fixed guidelines regarding diversification of strategies. The strategies that the Fund may employ could be concentrated in strategies that Millennium or Portfolio Managers believe offer the optimal opportunity for capital appreciation.

There are no material restrictions on the particular types of investing or on the particular markets in which the Fund may invest. Millennium reviews and evaluates the trading strategies in which the Fund's assets are invested, as well as new potential strategies and investments.

THERE ARE NO SUBSTANTIVE LIMITS ON THE INVESTMENT STRATEGIES THAT MAY BE PURSUED BY THE FUND OR ON THE PARTICULAR MARKETS IN WHICH IT MAY INVEST. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED. THE PRACTICES OF SHORT SELLING, LEVERAGE AND LIMITED DIVERSIFICATION MIGHT, IN CERTAIN CIRCUMSTANCES, EXACERBATE ADVERSE PERFORMANCE OF THE FUND'S PORTFOLIO. (See "Certain Risk Factors Relating to an Investment in the Fund").

Investment Strategies

As discussed above, the Fund invests opportunistically and the universe of eligible investments is not materially limited by any firm policies. However, the investment strategies that the Fund employs may be expected to include, among others, some or all of the following strategies. The Fund may concentrate in a select few strategies while not employing others and may employ additional investment strategies or suspend any such strategies, as determined by Millennium in its discretion, at any time without notice.

Relative Value and Fundamental Equity Strategies. Portfolio Managers employing a relative value strategy perform detailed fundamental research on companies, usually within a particular industry group (*e.g.*, financial services) or subgroup (*e.g.*, securities brokers). These Portfolio Managers make use of research, company visits, industry conferences, and their own expert knowledge in making investment decisions. Fundamental change at these companies drives changes in investor perception, which impacts the valuation of their securities. The Portfolio Manager attempts to: spot changes in fundamentals; identify where comparable companies are mispriced in relation to each other and buy the undervalued companies and short sell the overvalued ones, hoping to capture the excess return as a perceived mispricing narrows, while minimizing overall net market risk. The Portfolio Manager may also hedge its investment with a contra-investment in a correlated index or sector rather than a comparable company.

Statistical Arbitrage and Quantitative Strategies. U.S. and non-U.S. statistical arbitrage and quantitative strategies generally are quantitatively driven and are employed across the global equity, interest rate, foreign exchange and currency markets. The

strategies attempt to identify over/under-valued securities. Generally, investments are in more liquid securities and often focus on geographical regions, industry sectors or securities with similar trading characteristics.

To help identify securities and outline market and non-market risks, Portfolio Managers have built proprietary models that consider historical, as well as forward-looking factors. Qualitative analysis of current business information may also be employed to determine value, potential return, and relevant risk factors. Models and tools are monitored and updated as paradigm shifts occur in the markets. The various statistical arbitrage strategies tend to have had low correlation with overall market performance. In addition, Portfolio Managers seek to mitigate market risk through diversification, hedging and by limiting exposure to any one asset class, industry or company. Non-U.S. investments are currently focused on developed areas of Asia and Europe to maintain liquidity and consistent information reporting.

Statistical arbitrage strategies are dependent on technology, and the Fund has invested significantly in and developed a state-of-the-art infrastructure to support this trading activity. This infrastructure allows the Fund to trade electronically on a number of exchanges on a global basis. The ongoing migration of the world's trading markets to electronic exchanges continues to create opportunities for Portfolio Managers utilizing statistical trading strategies. The turnover of these strategies can be high and marked by very short holding periods and, as a result, profitability is often highly dependent on minimizing transaction costs. In recent regulatory pronouncements the SEC has indicated that it is studying the factors affecting, and affected by, "High Frequency Trading" with a view to determining whether additional, or different, regulatory measures are appropriate. Some of the Portfolio Manager's statistical arbitrage strategies may be designated as "High Frequency Trading."

Additional quantitative strategies include index arbitrage and "delta-one" trading. These strategies seek to capitalize on transient value differentials between baskets of stocks and single instrument index-based securities or futures referencing those baskets. In addition, these strategies can trade mispricing in the forward price curves of indices based on supply/demand imbalances, pricing in the stock borrow/loan market, and market fluctuations in expectations of dividend streams and interest rates. Strategies that seek to profit from mispricing between cash baskets underlying futures and/or ETFs are significantly dependent on low-latency market data and trading infrastructure. Strategies that trade index forward curves depend on Portfolio Managers' insights into aberrant relationships across futures and forwards expiry dates and implied forwards in options markets. The success of index arbitrage and delta-one strategies is often predicated on achieving optimal financing arrangements for the portfolios held.

Fixed-Income Strategies. The Portfolio Managers employ a number of fixed-income strategies, including the following:

- Fixed–Income Arbitrage. Fixed-income arbitrage is a strategy that seeks to profit from inefficient pricing of related fixed-income securities. Leverage may be employed to maximize the return from the specific

strategy. The securities to which a Portfolio Manager will apply this strategy typically trade at a perceived discount or premium to instruments that are otherwise similar in maturity, yield and creditworthiness. Fixed-income arbitrage trading is performed using sovereign debt, agency debt, corporate debt, asset backed securities and related futures contracts, as well as over-the-counter swaps, credit default swaps and other derivatives on these instruments. The strategy typically involves buying these fixed-income instruments and using various hedges (including derivatives) to reduce interest rate risk, market risk, credit risk and call and redemption risk along with other risks related to fixed–income instruments. The evaluation and trading process can be complicated, highly technical, and heavily dependent on computer processing power. A Portfolio Manager utilizing a fixed-income arbitrage strategy may attempt to capture changes in the shape of the yield curve of a given country's debt (the difference in yield between different maturities of an issuer) or the relationship spreads between the fixed-income securities of two different countries (*e.g.*, yield curves on five-year German bonds versus five-year U.S. Treasury notes).

- Swap Strategies. Strategies that focus in whole or in part on swap transactions involve the use of bilateral contracts under a master swap or netting agreement. Swap agreements allow parties to assume exposure to risks in ways that generally are not available in existing securities. Often-used swap instruments include interest rate swaps and credit default swaps. In the classic interest rate swap, two counterparties will enter into an agreement to exchange, or "swap," two or more interest rate payment obligations, generally with one side holding a fixed rate obligation and the other holding a floating rate obligation.

  Credit default swaps involve the buying or selling of "protection" with respect to a referenced debt obligation or basket of obligations. The party that "sells the protection" will incur a payment obligation to the counterparty if there is a default under the referenced obligation. The party that "buys the protection" has a periodic payment obligation unless and until such a default occurs or the swap terminates or expires. Credit default swaps can be entered into as a distinct asset class (*i.e.*, as a means of synthetically "going long" or "going short" the referenced debt obligation or basket of obligations), or as a hedge to a position in the referenced debt obligation. See "Risk Factors—Certain Risks Relating to Aggressive Trading and Financing Strategies."

- Credit Strategies. The Fund may be involved in various strategies that involve being long and short different corporate and asset backed securities and derivatives, including loan participations and allocations (*i.e.*, interests in a loan, generally governed by a credit agreement between the original lending syndicate and the borrower) in the secondary market. The credits involved will range from high grade to high yield and distressed debt.

[redacted]-MAXWELL

- Mortgage-backed Securities. The Fund may invest in MBS and associated derivatives. MBS are securities that represent an interest in, or are secured by, mortgage loans secured by residential or commercial properties. MBS have been issued in public and private transactions by a variety of public and private issuers using a variety of structures. MBS may pay fixed or floating rates of interest. MBS are generally structured as pass-through certificates, representing an undivided ownership interest in a pool of mortgage loans, or as debt obligations secured by mortgage loans. MBS issued by a given issuer typically are divided into multiple classes. Certain classes are subordinate to the senior classes with respect to both the timing of payment of principal and/or interest and the allocation of losses on the underlying mortgage loans. Other characteristics of MBS will vary with the characteristics of the underlying mortgage loans.

- Foreign Exchange Strategies. The Fund may invest in foreign exchange contracts, futures and associated derivatives. Portfolio Managers utilizing foreign exchange strategies may attempt to capture relative valuation of different currencies, or benefit from the price movement of various currencies.

Merger Arbitrage and Event-Driven Strategies. Merger arbitrage and event-driven investment strategies (also called risk arbitrage) are generally based on announcements of mergers, acquisitions, tender offers, liquidations, spin-offs and other corporate reorganizations and restructurings. A Portfolio Manager employing such a strategy will gain exposure to the stock of the company or companies involved in the anticipated reorganization or restructuring, depending upon the transactions and details, such as by purchasing the stock of a target company and selling short the stock of an acquiring company, or will employ derivative instruments to achieve a similar economic result. The value of such an investment is driven by the ability to correctly estimate the spread between the security's then-current price and its value at the transaction's completion, and to gauge the likelihood and timing of completion of the transaction. Success requires in-depth knowledge of relevant corporate processes, as well as legal and financial requirements. In some cases, this strategy may be combined with an activist strategy.

Commodities Trading Strategies. In these strategies, Portfolio Managers actively trade relative value and cross commodity spreads in energy, metals and agricultural markets. These strategies are focused on opportunities that arise due to the rapidly changing fundamentals that drive the term structure of the commodity futures curves. These strategies may employ futures, swaps, options and other commodity derivatives and may also take a directional position.

Distressed Strategies. Distressed strategies involve purchases and sales of debt and quasi-debt securities and obligations of companies with what the market perceives to be a declining creditworthiness. Portfolio Managers engaging in this strategy will often purchase obligations of declining or low-credit quality borrowers at a discount, with the hope or expectation that the company will either improve its performance without the

need to enter into bankruptcy or insolvency proceedings, or that the company will seek the protection of bankruptcy and insolvency laws and that its previously outstanding debt obligations will be converted into obligations of or equity in a healthier, restructured company.

Closed-End Fund/Asset Arbitrage Strategies. This strategy involves identifying discounted or high premium closed-end funds, companies with shares priced below net asset value, or mispriced parent-subsidiary situations. This strategy can be combined with short sales and derivative positions to create a hedge, or with an activist strategy designed to cause the management to take actions that would cause the closed end fund's stock price to converge with its portfolio's net asset value.

Convertible Arbitrage Strategies. Convertible arbitrage strategists identify convertible bonds, convertible preferred stocks and/or warrants that appear mispriced to fair value, or in relation to the underlying security, and offer a favorable rate of return. By establishing a long position in a convertible security (usually preferred stock or bonds) and a partially offsetting short position in the underlying security into which the convertible security is convertible (usually common stock of the issuer), a Portfolio Manager invests with the expectation of capturing value by way of one or more themes including price or yield differences, attractive absolute cash flow (*e.g.*, coupon income and stock borrowed rebate), cheap long volatility exposure, and attractive security adjustment features due to expected corporate events. Other financial instruments such as futures, options and credit default swaps may be used to hedge individual security and/or portfolio exposure.

Options Trading Strategies. Options arbitrage (also known as option-volatility trading) is a derivatives-based strategy that seeks to profit from market turbulence (or the lack thereof), as reflected in movements in option prices that result from market fluctuations. The goal of a Portfolio Manager employing this strategy is to buy inexpensively priced (*i.e.*, cheap implied volatility) options whose underlying instruments are historically more volatile, and sell expensively priced (*i.e.*, rich implied volatility) options whose underlying instruments are historically less volatile. The strategy may be implemented through options on equities and equity indices. Such option combinations include spreads (buying an option to buy or sell an asset while simultaneously selling an option to buy or sell the same asset with a different expiration date or strike price) or straddles (option combinations that will profit from movement in the level of the value of an asset outside of certain bands, or the lack of such movement, without regard to whether the movement is upward or downward). Option-volatility trading may also involve trades in which futures (or other derivatives) are used to create a position that synthetically resembles an option or option combination, or in which options are purchased or sold versus an offsetting position in the underlying market (such as a basket of stocks). The decision process is dependent on fundamental and technical analysis of the underlying instruments. Computer models are often used to enhance the execution of various hedges.

Direct Investing and Seed Investing

The Fund may invest directly in financial instruments (as opposed to through Portfolio Managers) utilizing any of the strategies described herein, or utilizing other strategies as deemed appropriate by Millennium. The Fund may provide seed capital or early stage capital, as well as negotiated capital, to one or more new or established Portfolio Managers. Millennium may seek to enhance the return the Fund receives from such investments through various contractual arrangements that provide the Fund with reduced fee arrangements or an interest in the asset-based and performance-based compensation generated from other sources by the applicable Portfolio Managers. Millennium may negotiate any other appropriate return-enhancing or other arrangements in its sole discretion.

Strategy Development

There are no substantive limits on the investment strategies that may be pursued by the Fund. The Fund's capital may be invested in strategies other than those listed above, and in strategies that may differ from those described above. In addition, as noted above, the Managing Member employs an opportunistic investment strategy in allocating the Fund's capital with an emphasis on consistency of returns rather than consistency of strategies, so the amount of capital invested in each strategy generally will vary and new trading and investment strategies which are different from (or are not included in) those described above may (a) receive allocations of the Fund's capital or (b) receive increased allocations of the Fund's capital.

Hedging

The Fund typically employs various hedging techniques to reduce certain actual or potential risks to which the Fund's portfolio may be exposed. These hedging techniques may involve the use of derivative instruments, including swaps, futures and forward contracts, exchange-listed and over-the-counter put and call options, currency contracts, and interest rate transactions. Millennium may employ these hedging techniques directly or by investing a portion of the Fund's assets with a Portfolio Manager that engages in such hedging techniques. The Fund is not required to employ any such hedging techniques and, in the discretion of Millennium, may refrain from doing so at any time or with respect to any positions. Even when such techniques are employed, they seldom hedge the risks of positions entirely, and in some circumstances losses may be incurred on both the underlying position and the hedge position simultaneously.

The Fund also engages in currency hedging on behalf of Millennium International to hedge the currency exposure of certain classes of Millennium International that are denominated in currencies other than the U.S. dollar. Such currency hedging activities seek to minimize, to the extent reasonably practicable, fluctuations in the value of the non-U.S. dollar denominated shares arising from fluctuations in the exchange rate and may involve transactions including the purchase and sale of spot and forward contracts, currency options and currency futures contracts to manage currency risks. The net results

of such currency hedging will be borne by the holders of the applicable non-U.S. dollar denominated shares.

THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE ACHIEVED. THE PRACTICES OF SHORT SELLING, LEVERAGE AND LIMITED DIVERSIFICATION MIGHT, IN CERTAIN CIRCUMSTANCES, EXACERBATE ADVERSE PERFORMANCE OF THE FUND'S PORTFOLIO.

The Fund's Investment Program and Description: Brokerage

In selecting brokers and dealers to effect portfolio transactions for the Fund, Millennium and its Portfolio Managers will consider such factors as they deem appropriate under the circumstances, which may include one or more of the following: the ability to obtain timely execution and deliver timely execution reports; the responsiveness to the Fund's orders; the reliability, reputation, integrity, and financial condition of the broker-dealer; the size and volume of the broker's order flow; the ability to handle difficult trades, including block trades; the ability to find liquidity in the market while also minimizing market impact; research and other services provided to the Fund that are expected to enhance the Fund's general portfolio management capabilities; the accommodation of special needs, including the broker's willingness to enter into commission sharing arrangements/give-up agreements; and commission rates, fees or market maker's commission equivalent (*i.e.*, mark-downs and mark-ups). Millennium does not have an obligation to obtain the lowest available commission cost. Accordingly, if Millennium determines that the commissions charged by a broker or the prices charged by a dealer are reasonable in relation to the value of the brokerage and research products or services provided by such broker or dealer, the Fund may pay commissions to such broker or prices to such dealer in an amount greater than another might charge. Millennium has complete discretion in deciding what brokers and dealers the Fund will use and in negotiating the rates of compensation the Fund will pay. In many instances that discretion is delegated to Portfolio Managers who make specific trading decisions.

From time to time, Millennium's personnel may be introduced to potential investors interested in investing in private funds, such as the Feeder Funds. Through such "capital introduction" events, some of which are sponsored by the Fund's prime brokers, such prospective investors have the opportunity to meet with Millennium. Millennium does not directly compensate any prime broker for organizing such events or for investments in the Feeder Funds ultimately made by prospective investors attending such events. In addition, the Fund's prime brokers may provide Millennium with other services. Such capital introduction events and other services may influence Millennium to some extent in selecting prime brokers and determining the extent to which a prime broker will be used.

With respect to "soft dollar" arrangements, the conflicts that typically give rise to concerns underlying the use of soft dollars do not generally exist for Millennium, because the Fund (and not the General Partner) bears all of the expenses related to its own operation. Therefore, the use of soft dollars by Millennium does not result in any

expense shifting between the General Partner, on the one hand, and the Fund (and, indirectly, investors in the Feeder Funds), on the other hand. However, Millennium's financial statements will be affected by such soft dollar arrangements, as noted below.

Millennium has adopted a policy to the effect that the use of soft dollars will be limited to payment for research and brokerage products and services that Millennium believes meet the requirements of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"), and the SEC interpretations thereof, in jurisdictions and transactions where Section 28(e) applies. Although the activities of affiliated non-U.S. management companies are potentially outside the scope of Section 28(e), the policy also requires that the general requirements of Section 28(e) be satisfied by such management companies in addition to any local requirements applicable to a particular management company.

Millennium generates soft dollars with commissions on securities transactions, and, in accordance with SEC interpretations, with markups, markdowns, commission equivalents or other fees paid to a dealer for executing a transaction. In addition, to the extent consistent with applicable regulatory requirements, soft dollars may be generated through futures transactions, certain principal transactions, non-U.S. transactions, or other transactions where it is lawful and not inconsistent with Section 28(e).

Research products or services provided to the Fund may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and relevant market data, as well as other products and services that provide assistance to Millennium or the Portfolio Managers in the performance of their investment and trading decision-making responsibilities. Brokerage products or services provided to Millennium may include message services used to transmit orders to brokers for execution, trading software used to route orders to market centers, and software used to transmit orders to direct market access systems and short-term custody. Where a product or service obtained with soft dollars provides both research or brokerage and non-research or non-brokerage assistance (*i.e.*, a "mixed use" item), Millennium will make a reasonable allocation of the cost which may be paid for with commission dollars.

Investors should note that a consequence of the use of soft dollar arrangements is that, under GAAP, soft dollar items that would have otherwise be characterized as expenses in the consolidated financial statements of the Master Partnership will instead be subsumed within commissions. As a result, line-item expenses will appear smaller than they would have had soft dollars not been utilized. It is possible that some expenses paid through the utilization of soft dollar arrangements might be greater than if Millennium or the Fund had purchased the research or brokerage services in question directly or had produced them internally.

The Fund has arrangements with a number of brokers and clears certain of the Fund's transactions for securities, equities, bonds, options and futures through a number of brokerage firms; however, the Fund (or an affiliate) may, but is not required

to, clear its own trades (and Millennium may execute transactions through one broker and clear transactions through another broker). Brokers may also act as custodians for the Fund's securities. To the extent that securities are purchased in non-U.S. markets, non-U.S. brokers may be used and may maintain custody of the securities until such time as they are sold.

Given the Fund's investment program, short-term market considerations are frequently involved. Turnover of portions of the Fund's portfolio, and, therefore brokerage commissions, will be substantially greater than the turnover rates of some other types of investment vehicles.

The Fund's Investment Program and Description: Leverage and Loans

The Fund's investment portfolio is ordinarily leveraged in order to increase the amount investments that may be made with invested capital on hand.

Derivative Instruments and Leverage

Millennium causes the Fund to leverage its investment return with borrowings. The Fund also trades in a variety of options, contracts for difference, portfolio swaps, commodity futures contracts, short sales, swaps, repurchase agreements, forwards and other derivative instruments, most of which have embedded leverage in that the derivative instrument will fluctuate in value in relation to the underlying instruments but such changes will have a greater impact on the market value of the derivative instruments. Certain over-the-counter securities and derivatives require no margin to be deposited. In addition, in some cases, variation margin is not bilateral (*e.g.*, the Fund might, in a leveraged transaction, be required to pay variation margin to one party but might not be entitled to receive variation margin from the other party). The amount of borrowings which the Fund may have outstanding at any time may be large in relation to its capital.

Leverage of Specific Investments

From time to time, the Fund may have the opportunity to achieve leverage from sources other than its prime brokers. For example, in some cases a third-party financial institution may agree to leverage a specific investment in an outside fund, in which case the lender will take a security interest in the investment and may also take nominal title to the investment. A variation of this kind of financing is for a third-party financial institution to take a position in an outside fund or investment, and to enter into a leveraged total return swap or purchase option with the Fund.

Additional Leverage Opportunities

As the number of financial products that relate to investment in investment funds increases, Millennium will continually evaluate new sources of financing and leverage.

The Fund's Risk Management Program

Millennium maintains an investment risk assessment and management program designed to identify, measure, monitor, manage and report on the market risks of the portfolios of the Fund. Automated and manual risk monitoring is performed at a firm-wide level and at a Portfolio Manager level, and various other monitoring may be performed as well. The investment risk assessment and management program is coordinated through Millennium's investment risk management personnel, subject to the oversight of the Chief Risk Officer.

The Master Partnership's Fees and Expenses

All of the Master Partnership's fees and expenses are assessed against the interests of the partners of the Master Partnership and, in turn, against the interests of investors in the Feeder Funds. "Investment expenses" include all expenses that Millennium reasonably determines to be directly or indirectly related to the Fund's investment activities, including, without limitation, brokerage commissions and interest expense, internal and external accounting expenses, audit and tax (including withholding tax) expenses, compensation expenses (including management or "base" fees and incentive compensation charged by Portfolio Managers or third party funds), legal expenses, administrator, registrar and transfer agent fees and expenses, expenses related to computers, other equipment and technology, expenses related to maintaining offices, including leases and fixtures, premiums for general partner liability insurance and risk-specific insurance and "key-man" life insurance on certain personnel (including Mr. Englander, the managing member of the General Partner), and other administrative and operating expenses.

Expenses that are allocable to the Feeder Funds generally are borne *pro rata* by the Feeder Funds, but a particular expense may be allocated differently if Millennium determines that it would be fair and reasonable to do so. The expenses of the Feeder Funds are passed through to their investors.

As described in greater detail in Part One of this Confidential Memorandum for the applicable Feeder Fund, certain expenses incurred in connection with the provision of investment management, administrative or other services by Millennium to the Fund and other funds, accounts or third parties or otherwise in connection with the activities of Millennium, including recipients of such services that pay a management fee, will be allocated among the Fund and such other recipients of the services or the other applicable parties that receive the benefit of such services.

Related-Party Transactions; Conflicts

Conflicts of interest among the Fund (and investors in the Feeder Funds), Millennium and Millennium's principals may and do exist, which conflicts include, but are not limited to, those described herein.

Personal Trading

As Millennium's related persons may invest in the same securities (including options, warrants, futures, etc.) in which the Fund may invest based on Millennium's and its related persons' investment advice, potential conflicts of interest may arise. Millennium has adopted policies and procedures relating to personal trading by all personnel—including personnel of its affiliates—which are administered by the Compliance Department. Among other things, these policies and procedures include a pre-approval requirement for personal transactions (with certain limited exceptions, including broad-based indices and mutual funds) of all personnel. These requirements may be and in certain cases, after consideration, have been waived by Millennium. Portfolio Managers could maintain personal trading accounts that hold positions that are identical or similar to the positions held in the portfolios they manage for the Fund, although such circumstances should be rare. Such a situation could provide an incentive for a Portfolio Manager to trade in a way that would be advantageous to him or her personally but that would not be expected to have a positive effect on (and could even be adverse to) the Fund. Consideration of such matters is a factor in the Compliance Department's decision as to whether permission will be granted for any particular transaction.

In addition, members of Millennium's management may (with prior Compliance Department approval) trade for their own accounts. From time to time these activities may come into conflict with Millennium's business. If such a conflict were to arise, Millennium's management personnel would generally be required to subordinate the interests of any other parties (or their own interests) to the Fund, and in any event would be required to disclose the conflicts. Millennium will endeavor to resolve any such conflicts in a manner that is fair and reasonable.

Allocation of Investments to and Among Feeder Funds, Related Accounts and Other Accounts; Conflicting Investment Opportunities; Cross Transactions

Although at present Millennium's only clients are the Master Partnership, the Feeder Funds and certain related entities through which the Portfolio Managers invest, Millennium may enter into managed accounts or similar arrangements with investors or manage investment vehicles (collectively, together with the Master Partnership and the Feeder Funds, the "Related Accounts") that have investment programs similar to that of the Fund or that invest similarly to the Fund's portfolio or certain of its strategies. In addition, Millennium has formed, and may in the future form other, investment vehicles or accounts with its or their own capital and/or the capital of outside investors (collectively, the "Other Accounts").

Other Accounts do not currently, but may in the future, make certain investments in tandem with the Fund or other Related Accounts. Millennium may determine, in its discretion, that a particular investment opportunity, or investment with a particular Portfolio Manager, is appropriate for one or more of the Related Accounts or an Other Account, but not for the Fund or other Related Accounts, or vice versa, in which case that investment may not be allocated to the Other Account or Related Account (or, in the case of a Feeder Fund, the income or loss from the investment may be allocated at the Master

Partnership level away from the Feeder Fund). In some instances, investment opportunities that might have been available to and suitable for the Fund may instead be placed with a Related Account or Other Account or may be made by Millennium, or vice versa, and there is no requirement that the Fund or any Related Account or Other Account receive any preference or priority with respect to investment opportunities. There may also be certain strategies or investment sectors that the portfolio managers of the Other Accounts already are invested in and that, as a result, the Fund or a Related Account may be restricted from participating in, or vice versa, because of applicable regulatory or reporting requirements. In addition, Related Accounts, including the Feeder Funds, do not currently, but may in the future, invest directly in certain vehicles in which the Fund invests, which raises additional conflicts. The potential for such conflicts of interest to exist may be exacerbated if Millennium receives a higher rate of compensation in respect of such investment from certain Related Accounts or Other Accounts than others, including the Fund. In all cases, it is intended that participation in investment opportunities, or investments with a particular Portfolio Manager, will be allocated on a fair and equitable basis over time, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the clients for which participation is appropriate, which may result in allocating the investment opportunities, or investing with Portfolio Managers, other than on a *pro rata* basis.

Where an investment opportunity, or investment with a particular Portfolio Manager, is not allocated to a particular Related Account (including the Fund), the net result will be to provide the other Related Accounts or Other Accounts (and their investors) with all of the benefits (and risks) of that opportunity and cause the returns realized by one Related Account to differ from those of the others. Other Accounts or Related Accounts may also attract investors away from the Fund, which may result in the Fund's having a smaller investor base thereby increasing the proportionate share of expenses to investors in the Fund (and, therefore, investors in the Feeder Funds).

The Master Partnership's master-feeder structure may create a conflict of interest in that different tax considerations for the Master Partnership and the Feeder Funds may cause the Master Partnership to structure or dispose of an investment in a manner that provides more advantageous tax treatment, or better (or worse) returns, to one or more Feeder Funds than to the other Feeder Funds. Additionally, a Feeder Fund may trade and invest part of its capital for its own account, when presented with investment opportunities that Millennium believes are appropriate for it and its investors but that are not appropriate or not optimal (for tax or other reasons) for direct or indirect investors in the Master Partnership.

Millennium, including Mr. Englander, may, and typically does, have a disproportionate investment in one or more of the Feeder Funds and may, therefore, benefit from any benefit derived disproportionately by that Feeder Fund. The same may be true in connection with an investment in a Related Account or Other Account.

Millennium may engage in a cross transaction between Related Accounts, including, for example, in connection with the establishment of a Related Account, termination of a Related Account, or the periodic rebalancing of positions if Millennium

determines that such a cross transaction is fair, equitable and in the best interest of both Related Accounts.

Other conflicts may arise in connection with the management of multiple clients. Millennium seeks to resolve conflicts on a fair and equitable basis, which in some instances might mean a resolution that would not maximize the benefit to any particular client, including the Fund.

Allocation of Expenses Among Feeder Funds, Related Accounts and Other Accounts

Millennium seeks to allocate expenses among the Feeder Funds in a manner it considers fair and reasonable. Millennium determines the allocation of expenses in accordance with its allocation policies as may be adopted from time to time. Millennium believes that its allocation methodologies are reasonable; however, other reasonable approaches may exist that may yield different results, which could be potentially more advantageous to investors in the Feeder Funds. Moreover, while the allocation of expenses among the Feeder Funds is designed generally to reflect each Feeder Fund's consumption of resources, certain expenses may be specifically allocated to only certain Feeder Funds, and some expenses will be allocated *pro rata* among all the Feeder Funds. The apportionment of expenses among the Feeder Funds involves subjective determinations, which may involve conflicts of interest. The allocation of expenses is based upon certain estimates and assumptions that Millennium believes are reasonable and appropriate, but which may be imprecise and result in a Feeder Fund bearing a larger portion of expenses than it would bear if expenses were calculated in a different manner. Should Millennium advise additional clients in the future, including Related Accounts or Other Accounts, these conflicts will be present and may be exacerbated and the expenses borne by the Feeder Funds may increase.

Additional Investment Funds

Although the Master Partnership and the Feeder Funds are the only investment funds currently managed by Millennium and its affiliated management companies, Millennium retains the right to organize additional investment vehicles, and frequently considers doing so. If Millennium (or an affiliate) were to organize one or more such additional funds, there would be a number of conflicts between them and the Master Partnership and the Feeder Funds. The nature and extent of such conflicts would depend on the specific activities undertaken by the additional fund or funds, but would include (i) the need to allocate common expenses, and (ii) the diversion of time and attention of management, and could include (a) the allocation of transaction prices and expenses when multiple entities purchase or sell the same or substantially similar investment positions and (b) competition for investment and management talent, as well as other conflicts. Millennium will attempt to resolve such conflicts by making allocations and other judgments on a basis that it believes to be fair and equitable under the circumstances. With regard to the allocation of expenses being made more difficult because of Millennium's fee and expense structure with respect to the Master Partnership and the Feeder Funds, expenses may be allocated on average cost basis (allocating total expenses based on a reasonable estimate of proportionate utilization), a marginal cost basis (charging for the incremental cost of additional utilization), independent third-party

pricing for comparable transactions, goods or services, some combination of those, or other bases that are reasonably determined to be appropriate by Millennium in its sole discretion.

Outside Business Activities

Mr. Englander has a minority, passive interest in a non-Millennium broker-dealer, Israel A. Englander & Co., Inc ("Englander & Co."). To the extent that the Fund or a Portfolio Manager employs the services of Englander & Co., this could constitute a conflict of interest for Mr. Englander. However, the amount of business that Englander & Co., Inc. has historically received from the Fund is small and Englander & Co. has not received any business from the Fund since December 2009.

Millennium may from time to time manage investment vehicles that may invest in the Fund and other investment vehicles, which may include investment vehicles established for the benefit of the principals of Millennium or their family members.

Millennium may from time to time conduct other businesses, including, without limitation, the provision of investment management, administrative or other services to other funds, accounts or third parties and may expand the extent to which they may provide such services to others. Assets of Millennium, including, without limitation, intellectual property developed in connection with services provided to the Fund may be utilized in the conduct of other business activities in the sole discretion of Millennium without compensation or reimbursement to the Feeder Funds. Mr. Englander and the other principals of Millennium devote to the Fund so much of their time as, in their respective judgments, is necessary or appropriate in connection with the Fund's activities.

Ownership Influence

Persons related to or affiliated with Millennium (including Mr. Englander, senior officers, various Portfolio Managers, and other Millennium employees and consultants) hold, through a variety of direct and indirect investment channels, a significant portion of the capital of the Fund (including deferred compensation). There are no limitations on the ability to dispose of or transfer such interests, or otherwise modify the ownership structure of any of the Millennium entities, except to the extent limited by law, regulation or the terms of the applicable interests.

From time to time, individuals affiliated with the Fund have in the past become aware of and purchased (and may in the future become aware of and purchase) interests in the Feeder Funds (or other entities managed by Millennium) that were (or are) available for transfer from other holders at prices less than net asset value because of limitations affecting the redemption or withdrawal of the interests at the time.

Leveraged Investments

The principals and senior officers of Millennium indirectly invest in, or have an interest in the returns of, the Fund through a number of channels. Some of these investments may be leveraged through the extension of credit by a third party to a Feeder Fund (structured in a manner that is intended to be non-recourse to the Fund). In

connection with structuring the investments, the third parties typically make an investment in a class of interests in one of the Feeder Funds that is entitled to more favorable liquidation and other rights under certain circumstances, which may increase the risk of redemptions, and result in redemptions at times when other investors in the Feeder Funds are unable to effect redemptions, if there are specified declines in the net asset value of the relevant Feeder Fund or a termination of the financial arrangement with the third party due to the occurrence of events of default. In addition, other similar structures may be formed in the future. While Millennium believes that in substantially all situations these kinds of relationships are useful in aligning the interests of management with those of investors in the Feeder Funds, they could lead to situations in which the interests of management diverge from those of other investors.

Conflicts Related to Third Party Fund Investments

Although Millennium has not done so to date, Millennium could in the future acquire an economic interest in a management company formed by an independent Portfolio Manager to which assets of the Fund are allocated. The interest might take various forms, such as shares or partnership interests in, or an economic interest in the revenues of, the Portfolio Manager's management company. If such a situation were to arise, Millennium may have an economic incentive to favor one Portfolio Manager over another.

Custody/Commingling of Property

Investment assets of the Fund required to be custodied are held by third party prime brokers and custodians. Millennium does not currently commingle the investment assets of the Fund with the property of any other person, although (i) specified assets may be pooled in a side-by-side co-investment arrangement with another entity, which may include the Fund or of a Portfolio Manager, and (ii) the investment assets of the Fund may be commingled by those firms which act as brokers, futures commission merchants and custodians for the Fund or the Portfolio Managers.

Hedging and Other Activities Related to Shares of Feeder Funds Not Denominated in U.S. Dollars

One of the Feeder Funds has issued Non-USD Shares, and the Feeder Funds may in the future offer other interests which have different functional currencies or reference assets. As with the Non-USD Shares, the terms of such interests may provide that the applicable Feeder Fund will seek to hedge the exposure of such interests to minimize, to the extent practicable, fluctuations in the value of such shares arising from the fluctuations in the applicable exchange rates or reference assets price relative to the U.S. dollar. Such hedging may be undertaken by the Fund on behalf of the applicable Feeder Fund, with the applicable Feeder Fund (and, within the Feeder Fund, the affected shares) being allocated the profits and losses, including expenses, associated with such activity. The capital of the Fund may be used to satisfy any margin requirements associated with hedging activities and a financing charge will be allocated to the capital account of the applicable Feeder Fund (which will, in turn, be allocated to the relevant hedged interests) at a rate based on prevailing rates charged to the Fund, as determined by Millennium in

its sole discretion, which rates would likely be less than rates that would be available to investors in such interests if they sought to obtain financing for such activities directly. Although the Fund anticipates having excess cash available to satisfy margin requirements, to the extent that this changes and/or the amount of cash necessary to satisfy margin requirements increases substantially, cash that would otherwise be available for investment by the Fund may be used for such purposes, which could adversely impact the returns of the Fund. Alternatively, the applicable Feeder Fund may engage in hedging activities directly, in which case the Fund may advance cash to the applicable Feeder Fund in order to satisfy margin requirements. Any such transactions will raise similar considerations to those described above.

Related-Party Charitable Foundation

In 2006, Millennium established the "Millennium Management and Employees Foundation" as a tax-exempt IRS §501(c)(3) organization for the purpose of providing support for educational, social, community service and other similar tax-exempt organizations in the communities in which Millennium is involved. Funds provided to the foundation come from Millennium and its officers and employees, but the Fund does not make contributions to the foundation, and no funds of Feeder Fund investors are used to support the foundation.

U.K. and Asia Structures – Inter-Company Loans

MCP UK is currently indirectly owned by David Nolan, Co-President of the General Partner. The capital to establish, capitalize and maintain MCP UK was loaned to Mr. Nolan by the Master Partnership, and that receivable remains outstanding to the Master Partnership. The loan is secured by Mr. Nolan's interest in MCP UK and its U.K. affiliates. If the loan becomes due and payable and has not been paid, the Master Partnership is authorized, among other things, to transfer the shares to itself or to sell the shares (and the assets of MCP UK and its U.K. affiliates) and apply the proceeds towards the discharge of the loan. The loan has been structured in a way that seeks to ensure that Mr. Nolan does not receive any additional pecuniary benefit from owning MCP UK. Mr. Nolan operates MCP UK with the intention of MCP UK's providing a valuable service to the Master Partnership and its investors, and not with the intention of making a personal profit (or incurring a personal loss). The ownership structure of MCP UK may change from time to time without notice.

Each of MCM Singapore, MCM HK, and MCM Asia's Tokyo Branch (collectively, the "Asia Entities") is owned by Millennium International Management. The capital to establish, capitalize and maintain the Asia Entities has been loaned to Millennium International Management by the Master Partnership. The loans are secured by Millennium International Management's interest in the shares of each Asia Entity. If the loans becomes due and payable and have not been paid, the Master Partnership is authorized, among other things, to transfer the shares to itself or to sell the shares (and the assets of the relevant Asia Entity) and apply the proceeds toward the discharge of the loans. These loans have been structured in a way that seeks to ensure that Millennium International Management does not receive any additional pecuniary benefit from owning

the Asia Entities. The ownership structure of the Asia Entities may change from time to time without notice.

These inter-company loans in the aggregate currently represent less than 1% of the net asset value of the Master Partnership. These inter-company loans are exclusively for the benefit of the Master Partnership and are not for the benefit of the General Partner or its principals or affiliates. Under the terms of the Master Partnership's governing documents, the Master Partnership is obligated to reimburse all costs, fees and expenses incurred in managing the assets of the Master Partnership, including the costs, fees and expenses associated with the offices of MCP UK and the Asia Entities. As a result, these inter-company loans are an advancement of regulatory capital and expenses that would otherwise be incurred by the Master Partnership, and do not result in any increased costs to the Master Partnership.

The Fund may enter into similarly structured inter-company loans or other similar arrangements to facilitate the Fund's investment activities, including in other jurisdictions, in the future.

Compliance, Legal and Ethics Oversight (CLEO) Committee

The CLEO Committee is responsible for reviewing firm-wide compliance, legal and ethics issues throughout Millennium's business as they arise, and investigating (directly or indirectly) possible breaches of compliance, legal or ethical duties, rules, policies or procedures committed by any of Millennium's employees or agents or persons acting on their behalf.

Certain Tax Matters Relating to the Master Partnership

Certain Cayman Islands Tax Matters

THE FOLLOWING IS A SUMMARY OF CERTAIN CAYMAN ISLANDS TAX CONSEQUENCES TO PERSONS WHO PURCHASE INTERESTS IN THE OFFERING. THE DISCUSSION IS BASED UPON APPLICABLE LAW OF THE CAYMAN ISLANDS AND ON THE ADVICE OF WALKERS, CAYMAN ISLANDS COUNSEL. THE DISCUSSION DOES NOT ADDRESS ALL OF THE TAX CONSEQUENCES THAT MAY BE RELEVANT TO A PARTICULAR INVESTOR. PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX ADVISERS AS TO THE CAYMAN ISLANDS TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF INTERESTS, AS WELL AS THE EFFECTS OF TAX LAWS OF THE JURISDICTIONS OF WHICH THEY ARE CITIZENS, RESIDENTS OR DOMICILIARIES OR IN WHICH THEY CONDUCT BUSINESS.

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Master Partnership will be received free of all Cayman Islands taxes. The Master Partnership is registered as an "exempted limited partnership" pursuant to the Exempted Limited Partnership Law (as amended). The Master Partnership has received an undertaking from the Governor in Cabinet of the Cayman Islands dated November 28, 2000 to the effect that, for a period of fifty years from such date, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to

be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Master Partnership, or to the Investors thereof, in respect of any such property or income.

Other Jurisdictions

Tax disclosures relevant to an investment in a particular Feeder Fund have been included in Part One of the applicable version of this Confidential Memorandum.

Certain Legal and Regulatory Matters Relating to the Fund

United States Investment Company Act

As entities that are engaged primarily in the business of "investing, reinvesting, or trading in securities," the Feeder Funds and the Fund would likely fall within the definition of "investment company" found in the Investment Company Act. The Investment Company Act imposes technical, complex, and extensive substantive regulations of the activities of an investment company (including obligations and restrictions relating to organization, corporate governance, disclosure, asset allocation, and investment diversification) and prohibits an investment company from offering or selling securities in the United States unless it is registered under the Investment Company Act. However, each of the Feeder Funds and the Master Partnership is excluded from the definition of "investment company" under the Investment Company Act pursuant to Section 3(c)(7) of that act, and they therefore are not subject to its provisions.

United States Investment Advisers Act

The General Partner is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended and certain affiliates of the General Partner and certain Portfolio Managers are "Relying Advisers" who rely on the General Partner's registration as an investment adviser.

United States Commodity Exchange Act

The Master Partnership and each of the Feeder Funds is classified as a "commodity pool" under the U.S. Commodity Exchange Act, as amended (the "CEA"), and each of the General Partner, Millennium International Management and Millennium Global Estate GP is registered with the U.S. Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator ("CPO"), as a commodity trading advisor ("CTA") and is a member of the U.S. National Futures Association. In addition, Israel Englander, the managing member or control person of each of the General Partner, Millennium International Management and Millennium Global Estate GP, is registered under the CEA as an associated person and a principal of each of the General Partner, Millennium International Management and Millennium Global Estate GP. However, because interests in each Feeder Fund and in the Master Partnership are offered and sold only to "qualified eligible persons" (as defined in the CEA) in offerings exempt from registration under the Securities Act pursuant to Section 4(2) or Regulation S thereunder,

the General Partner, Millennium International Management and Millennium Global Estate GP are not required under the CEA to provide any disclosure document to investors and are granted significant relief from the periodic reporting and recordkeeping requirements of the CEA.

The Fund fulfills its initial margin requirements with respect to commodity interests subject to CFTC jurisdiction by delivering cash, or to the extent permitted by the rules of the exchange on which a position is being maintained, by delivering securities. Any income generated from Fund securities posted as margin will be received by the Master Partnership and allocated among the partners in the Master Partnership (including the Feeder Funds) in the same manner as is provided in the Partnership Agreement for items of income. Any variation margin required to be furnished by the Fund from time to time will be satisfied solely through the delivery of cash or other acceptable collateral.

United States Securities Exchange Act

Institutional Investment Manager. The Master Partnership and a number of its affiliates qualify as "institutional investment managers" under Section 13(f) of the Exchange Act and, accordingly, are required to file quarterly "Form 13F" position reports with the SEC. These reports are available through the SEC's EDGAR database, which can be accessed through the SEC's web site (www.sec.gov).

Broker-Dealer and Other Similar Registrations. Millennium has in the past had a broker-dealer entity registered under the Exchange Act and may in the future have a broker-dealer entity registered under the Exchange Act or another similarly regulated entity.

Cayman Islands Mutual Funds Law

Pursuant to recent amendments to the Mutual Funds Law (as amended) of the Cayman Islands (the "Law"), certain "master funds" (as defined in the Mutual Funds Law) are to be registered with, and regulated by, the Cayman Islands Monetary Authority (the "Monetary Authority"). The Master Partnership has submitted an application for registration pursuant to the Law. As a regulated "master fund," the Master Partnership is not required to be licensed or employ a licensed mutual fund administrator, but it is subject to the supervision of the Monetary Authority.

The Master Partnership must file this Confidential Memorandum and details of any changes that materially affect any information in this Confidential Memorandum with the Monetary Authority. The Master Partnership must also file annually with the Monetary Authority accounts approved by an approved auditor, together with a return containing particulars specified by the Monetary Authority, within six months of its financial year end or within such extension of that period as the Monetary Authority may allow. A prescribed fee must also be paid annually.

In addition to the annual audit, the Monetary Authority may, at any time, instruct the Master Partnership to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. The Monetary Authority

may also ask the General Partner to give the Monetary Authority such information or such explanation in respect of the Master Partnership as the Monetary Authority may reasonably require to enable it to carry out its duty under the Law.

The Monetary Authority shall, whenever it considers it necessary, examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Master Partnership for the purpose of satisfying itself that the provisions of the Law and applicable anti-money laundering regulations are being complied with.

The General Partner must give the Monetary Authority access to, or provide at any reasonable time, all records relating to the Master Partnership, and the Monetary Authority may copy or take an extract of a record it is given access to. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the General Partner and may result in the Monetary Authority's applying to the court to have the Master Partnership wound up.

The Monetary Authority may take certain actions if it is satisfied that a regulated mutual fund:

(a) is or is likely to become unable to meet its obligations as they fall due;

(b) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors;

(c) is not being managed in a fit and proper manner; or

(d) has persons appointed as general partner, manager or officer that is not a fit and proper person to hold the respective position.

The powers of the Monetary Authority include, inter alia, the power to require the substitution of the General Partner, to appoint a person to advise the Master Partnership on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Master Partnership. There are other remedies available to the Monetary Authority including the ability to cancel the registration of the Master Partnership and to apply to the court for approval of other actions.

Foreign Registrations

A number of the Millennium entities are registered with their local regulators. See "The Fund's Management, Structure and Operations—Affiliated Relying Advisers."

Stock Exchanges/Self-Regulatory Organizations

By virtue of their exchange memberships, a number of Millennium entities are also subject to oversight by, among others, NYSE, NYSE/AMEX, NYSE/ARCA, the

International Securities Exchange, BATS Exchange Inc., NASDAQ, NASDAQ/BX, and the Chicago Mercantile Exchange. In general, such oversight is intended to protect the markets themselves and a firm's public customers, rather than investors in the Master Partnership or in the Feeder Funds.

Anti-Money Laundering Regulations

The Master Partnership accepts investments only from (i) the Feeder Funds, (ii) entities through which Portfolio Managers and related personnel are able to invest in their strategies and (iii) the General Partner. Accordingly, the Master Partnership relies upon the Feeder Funds' "know your investor" and similar anti-money-laundering policies and procedures, described in Part One of the applicable version of this Confidential Memorandum.

Litigation

Settlement Relating to Mutual Fund Trading

In December 2005, the General Partner, Mr. Englander and certain other Millennium officers and affiliates entered into settlements with the Attorney General of the State of New York and the SEC relating to allegations that the respondents had improperly engaged in activities related to "market timing" of investments in mutual funds. Under these agreements, the respondents consented to the entry of findings without admitting or denying that they had taken any actions that were in violation of law. Pursuant to the settlements, the respondents, among other things, agreed to the following:

- certain undertakings, described more fully in the settlements, designed to enhance Millennium's legal, compliance and ethics structure;
- the disgorgement of approximately $148 million of the profits earned from mutual fund trading (of which approximately $26.6 million reflected incentive amounts earned on the disgorged profits);
- the payment of civil fines by the individuals named aggregating approximately $32 million; and
- to "cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder."

Millennium is in full compliance with all provisions of the settlement.

The Master Partnership's Fiscal Year

The fiscal year-end of the Master Partnership is December 31.

The Master Partnership's Independent Public Accountants

The Master Partnership has retained Ernst & Young LLP, 5 Times Square, New York, New York 10036, certified public accountants, as its auditor.

Second Amended and Restated Limited Liability Company Agreement of AlphaKeys Millennium Fund, L.L.C.

[redacted]-MAXWELL

THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of ALPHAKEYS MILLENNIUM FUND, L.L.C. is dated and effective as of April 1, 2014, by and among UBS Fund Advisor, L.L.C., as the manager, and each person admitted to the Fund and reflected on the books of the Fund as a Member.

WITNESSETH:
WHEREAS, the Fund heretofore was formed, under the name "UBS Millennium Fund, L.L.C.," as a limited liability company under the Delaware Act pursuant to the filing of the Certificate on February 28, 2011, and at its formation was governed by the Limited Liability Company Agreement of the Fund, dated as of February 28, 2011 (the "*Original Agreement*")

WHEREAS, the Original Agreement was subsequently amended and restated in its entirety as of March 1, 2011 by the Amended and Restated Limited Liability Company Agreement of the Fund (the "**Amended Agreement**");

WHEREAS, the Fund's Certificate was amended to reflect the change of the name of the Fund to "AlphaKeys Millennium Fund, L.L.C." effective on April 1, 2014;

WHEREAS, the parties hereto wish to effect the following: (a) the amendment and restatement of the Amended Agreement in its entirety; and (b) the continuation of the Fund on the terms set forth herein.

NOW, THEREFORE, the parties hereto hereby agree to continue the Fund and hereby amend and restate the Amended Agreement, which is replaced and superseded in its entirety by this Agreement, as follows:

ARTICLE I–Definitions

For purposes of this Agreement:

1940 Act means the Investment Company Act of 1940 and the rules, regulations and orders thereunder, as amended from time to time, or any successor law.

1933 Act means the Securities Act of 1933 and the rules, regulations and orders thereunder, as amended from time to time, or any successor law.

Additional Series Schedule shall have the meaning set forth in Section 2.8(d) hereof.

Administrator means the provider of administrative or support services appointed pursuant to the Administrative Services Agreement, which shall initially be UBS Fund Advisor, L.L.C. or any affiliate thereof or successor thereto.

Administrative Services Agreement means the administrative services agreement entered into between the Fund and the Administrator, including any amendments thereto.

Advisers Act means the Investment Advisers Act of 1940 and the rules, regulations and orders thereunder, as amended from time to time, or any successor law.

Affiliate means, with respect to any Person, another Person that directly or indirectly controls, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control" and its corollaries mean, without limitation, (i) the direct or indirect ownership of in excess of 50% of the equity interests (or interests convertible into or otherwise exchangeable for equity interests) in a Person or (ii) the possession of the direct or indirect right to vote in excess of 50% of the voting securities or elect in excess of 50% of the board of directors or other governing body of a Person (whether by securities ownership, contract or otherwise).

Agreement means this Second Amended and Restated Limited Liability Company Agreement, as amended and/or restated from time to time.

Amended Agreement shall have the meaning set forth in the Recitals.

Benefit Plan Member means any Member that would be deemed to be a "benefit plan investor" under the Plan Assets Rules and to the extent provided under the Plan Assets Rules.

Capital Account means, with respect to each Member, the capital account established and maintained on behalf of each Member pursuant to Section 5.3 hereof.

Capital Contribution means the contribution, if any, made, or to be made, as the context requires, to the capital of the Fund by a Member.

Certificate means the certificate of formation of the Fund, dated as of February 28, 2011, and any amendments, thereto as filed with the office of the Secretary of State of the State of Delaware on February 28, 2011.

Class shall have the meaning set forth in Section 2.8 hereof.

Closing Date means the first date on or as of which an Unaffiliated Member is admitted to the Fund.

Code means the United States Internal Revenue Code of 1986, as amended and as hereafter amended from time to time, or any successor law.

Confidential Information means the name or address (whether business, residence or mailing) of any Member or any other information relating to the Fund, the Members or the Manager that is not generally available to the public except, with respect to a Member, any information in such Member's possession from a third party which is under no obligation to maintain the confidentiality of such information.

Conflicts Review Committee means an independent representative or a committee of one or more members appointed by the Manager to review any transactions that require approval under the Advisers Act, including Section 206(3) thereunder, or otherwise.

Delaware Act means the Delaware Limited Liability Company Act (6 *Del.C.* § 18-101, *et seq.*) as in effect on the date hereof and as amended from time to time, or any successor law.

ERISA means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder or any successor thereto.

Expenses shall have the meaning set forth in Section 3.6(b) hereof.

Early Withdrawal Charge shall have the meaning set forth in Section 4.3(e) hereof.

Fee means a fee paid to the Administrator, as provided for in the Administrative Services Agreement.

FINRA means the Financial Industry Regulatory Authority, Inc.

Fiscal Period means the period commencing on the Closing Date, and thereafter each period commencing on the day immediately following the last day of the preceding Fiscal Period, and ending at the close of business on the first to occur of the following dates:

(i) the last day of each month;

(ii) the day preceding any day as of which a contribution to the capital of the Fund is made;

(iii) the day as of which a Member withdraws all or any portion of its Interest;

(iv) the day as of which the Fund admits a substituted Member to whom an Interest (or portion thereof) of a Member has been Transferred (unless there is no change of beneficial ownership); or

(v) any other date the Manager determines in its sole discretion.

Fiscal Year means the period commencing on the Closing Date and ending on the first December 31st following the Closing Date, and thereafter each period commencing on January 1 of each year and ending on December 31 of each year (or on the date of a final distribution pursuant to Section 6.2 hereof), unless the Manager shall designate another fiscal year for the Fund that is a permissible taxable year under the Code.

Fund means the limited liability company governed hereby, as such limited liability company may from time to time be constituted.

Fund Percentage means a percentage established for each Member on the Fund's books as of the first day of each Fiscal Period. The Fund Percentage of a Member for a Fiscal Period shall be determined by dividing the balance of the Member's Capital Account as of the commencement of such Fiscal Period by the sum of the Capital Accounts of all of the Members as of the commencement of such Fiscal Period. The sum of the Fund Percentages of all Members for each Fiscal Period shall equal 100%.

GAAP means U.S. generally accepted accounting principles.

Gate shall have the meaning set forth in Section 4.3(c) hereof.

Indemnified Person shall have the meaning set forth in Section 3.5(b) hereof.

Interest means the entire ownership interest in the Fund at any particular time of a Member, or other person to whom an Interest or portion thereof has been transferred pursuant to Section 4.1 hereof, including the rights and obligations of such Member or other person under this Agreement and the Delaware Act. Interests may be issued as provided in Section 2.8 of this Agreement in one or more Series or Classes.

Investments means securities (including, without limitation, equities, debt obligations, options, and other "securities" as that term is defined in Section 2(a)(36) of the 1940 Act) and any contracts for forward or future delivery of any security, debt obligation, currency or commodity, all manner of derivative instruments and any contracts based on any index or group of securities, debt obligations, currencies or commodities, and any options thereon, and any investment that does not constitute a "security" under such section, including, but not limited to, interests or shares of the Millennium Fund and Temporary Investments.

Majority (or other specified percentage) in Interest means, as of any date, one or more Members that then in the aggregate have Capital Account balances in excess of 50% (or such other specified percentage) of the aggregate Capital Account balances of all Members.

Majority (or other specified percentage) in Unaffiliated Interest means, as of any date, one or more Unaffiliated Members that then in the aggregate have Unaffiliated Fund Percentages in excess of 50% (or such other specified percentage).

Manager shall mean the "manager" of the Fund within the meaning of the Delaware Act. The initial Manager shall be the Administrator.

Member means any person who shall have been admitted to the Fund as a member until the Member withdraws its entire Interest pursuant to Section 4.3 hereof or a substitute Member who is

admitted to the Fund pursuant to Section 4.1 hereof, in such person's capacity as a member of the Fund.

Millennium Fund means Millennium USA LP, a Delaware limited partnership.

Millennium Investment Manager means Millennium Management LLC, a Delaware limited liability company.

Negative Basis means, with respect to any Member and as of any time of calculation, the amount by which the total of such Member's Capital Account as of such time is less than his, her or its "adjusted tax basis", for federal income tax purposes, in his, her or its Interest in the Fund as of such time (determined without regard to such Member's share of the liabilities of the Fund under Section 752 of the Code, if any).

Negative Basis Member means any Member who withdraws from the Fund and who has Negative Basis as of the effective date of the withdrawal (determined prior to any allocations made pursuant to Section 5.7 hereof).

Net Assets means the total value of all assets of the Fund, less an amount equal to all accrued debts, liabilities and obligations of the Fund, calculated before giving effect to any withdrawals of Interests.

Net Profit or Net Loss means the amount by which the Net Assets as of the close of business on the last day of a Fiscal Period exceed (in the case of Net Profit) or are less than (in the case of Net Loss) the Net Assets as of the commencement of the same Fiscal Period (or, with respect to the initial Fiscal Period of the Fund, at the close of business on the Closing Date), such amount to be adjusted to exclude any items (including the Fee) to be allocated among the Capital Accounts of the Members on a basis which is not in accordance with the respective Fund Percentages of all Members as of the commencement of such Fiscal Period.

Offering Memorandum means the Confidential Offering Memorandum of the Fund, dated April 2014, as may be amended or supplemented from time to time.

Original Agreement shall have the meaning set forth in the Recitals.

Person means any individual, entity, corporation, partnership, association, limited liability company, joint-stock company, trust, estate, joint venture, organization or unincorporated organization.

Plan Assets Rules means Section 3(42) of ERISA and any rules and regulations thereunder, together with any plan assets regulation issued by the U.S. Department of Labor under ERISA, including 29 C.F.R. § 2510.3-101, as amended.

Positive Basis means, with respect to any Member and as of any time of calculation, the amount by which the total of such Member's Capital Account as of such time exceeds his, her or its "adjusted tax basis," for federal income tax purposes, in his, her or its Interest in the Fund as of such time (determined without regard to such Member's share of the liabilities of the Fund under Section 752 of the Code, if any).

Positive Basis Member means any Member who withdraws from the Fund and who has Positive Basis as of the effective date of the withdrawal (determined prior to any allocations made pursuant to Section 5.7 hereof).

Series shall have the meaning set forth in Section 2.8 hereof.

Soliciting Members means Members representing at least 20% in Interest of the Fund who are requesting a meeting of the Members.

Tax Matters Partner means the Member designated as "tax matters partner" of the Fund pursuant to Section 8.15 hereof.

Temporary Investments means money market securities, cash or cash equivalents, or other investments made pending investment in the Millennium Fund or as the Manager determines is necessary or prudent, in its discretion.

Transfer means the assignment, hypothecation, transfer, sale or other disposition of all or any portion of an Interest, including any right to receive any allocations and distributions attributable to an Interest.

Unaffiliated Fund Percentages means a percentage established for each Unaffiliated Member on the Fund's books as of the first day of each Fiscal Period. The Unaffiliated Fund Percentage of an Unaffiliated Member shall be determined by dividing the balance of the Unaffiliated Member's Capital Account as of the commencement of such Fiscal Period by the sum of the Capital Accounts of all of the Unaffiliated Members as of the commencement of the Fiscal Period. The sum of the Unaffiliated Fund Percentages of all Unaffiliated Members shall equal 100%.

Unaffiliated Member means any Member who is not an Affiliate of the Administrator.

Withdrawal Date shall have the meaning set forth in Section 4.3(b) hereof.

ARTICLE II–Organization; Admission of Members

2.1 *Formation of Limited Liability Company. The Manager and any person designated by the Manager hereby are designated as authorized persons, within the meaning of the Delaware Act, to execute, deliver and file all certificates (and any amendments and/or restatements thereof) required or permitted by the Delaware Act to be filed in the office of the Secretary of State of the State of Delaware. The Manager shall cause to be executed and filed with applicable governmental authorities any other instruments, documents and certificates which, in the opinion of the Fund's legal counsel, may from time to time be required by the laws of the United States of America, the State of Delaware or any other jurisdiction in which the Fund shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid existence and business of the Fund.*

2.2 *Name. The name of the Fund shall be "AlphaKeys Millennium Fund, L.L.C." or such other name as the Manager hereafter may adopt upon (i) causing an appropriate amendment to the Certificate to be filed in accordance with the Delaware Act and (ii) sending notice*

thereof to each Member. The Fund's business may be conducted under the name of the Fund or, to the fullest extent permitted by law, any other name or names deemed advisable by the Manager.

2.3 *Principal and Registered Office. The Fund shall have its principal office at the principal office of the Manager, or at such other place designated from time to time by the Manager.*

The Fund shall have its registered office in the State of Delaware at 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, and shall have Corporation Service Company as its registered agent at such registered office for service of process in the State of Delaware, unless a different registered office or agent is designated from time to time by the Manager in accordance with the Delaware Act.

2.4 *Duration. The term of the Fund commenced on the filing of the Certificate with the Secretary of State of the State of Delaware and shall continue until the Fund is dissolved pursuant to Section 6.1 hereof.*

2.5 *Business of the Fund. The Fund has been organized (i) to invest substantially all of its capital in the Millennium Fund in accordance with and subject to the other provisions of this Agreement and make other Investments consistent with the terms of the Offering Memorandum of the Fund, (ii) to invest in Temporary Investments and (iii) to engage in* any lawful act or activity for which limited liability companies may be formed under the Delaware Act, including *such other activities as are necessary or incidental to the foregoing. The Manager, in the exercise of its management functions on behalf of the Fund, may execute, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may in the opinion of the Manager be necessary or advisable to carry out the management of the Fund's business and any amendments to any such contracts, agreements and other undertakings, all without any further act, vote or approval of any other person, notwithstanding any other provision of this Agreement.*

2.6 *Members. The Manager may admit one or more Members as of the beginning of each calendar month or at such other times as the Manager may determine. Members may be admitted to the Fund subject to the condition that each such Member shall execute an appropriate signature page of this Agreement or an instrument pursuant to which such Member agrees to be bound by all the terms and provisions hereof and a subscription application provided by the Manager. The Manager, in its absolute discretion, may reject requests to purchase Interests in the Fund. The admission of any person as a Member shall be effective upon the revision of the books and records of the Fund to reflect the name and the contribution to the capital of the Fund of such additional Member.*

2.7 *Limited Liability. Except as otherwise provided under applicable law, none of the Members or the Manager, shall be liable personally for the Fund's debts, obligations or liabilities, whether arising in contract, tort or otherwise, solely by reason of being a member or manager of the Fund, as applicable, except that a Member may be obligated to make capital contributions to the Fund pursuant to this Agreement to repay any funds wrongfully distributed to such Member. Notwithstanding any other provision of this Agreement, the Manager, in the exercise of its management functions on behalf of the Fund, may require a Member to contribute to the Fund, at any time or from time to time, whether before or after the dissolution of the Fund or after such Member ceases to be a member of the Fund,*

such amounts as are requested by the Manager, in its exercise of its management functions on behalf of the Fund, to meet the Fund's debts, obligations or liabilities (not to exceed for any Member the aggregate amount of any distributions, amounts paid in connection with a withdrawal of all or a portion of such Member's Interest and any other amounts received by such Member from the Fund during or after the Fiscal Year in which any debt, obligation or liability of the Fund, or any debt, obligation or liability of the Millennium Fund, arose or was incurred); provided, however, that each Member shall contribute only his, her or its pro rata share of the aggregate amount requested based on such Member's Capital Account in the Fiscal Year in which the debt, obligation or liability arose or was incurred as a percentage of the aggregate Capital Accounts of all Members of the Fund in such Fiscal Year; and provided further that the provisions of this Section 2.7 shall not affect the obligations of Members under Section 18-607 of the Delaware Act.

2.8 *Classes or Series of Interests. The Fund may create one or more additional series ("Series") or classes ("Classes") of Interests which may differ in terms of, among other things, denomination of currency, the timing and amounts of fees and allocations charged, withdrawal rights, minimum initial Capital Contribution, assets underlying the Class or Series and other terms. There shall initially be established two Classes of Fund Interests: Advisory Class Interests and Brokerage Class Interests. New Series or Classes of Interests may be established by the Manager without providing notice to, or receiving consent from, the Members. The terms of such Series or Classes shall be determined by the Manager in its sole discretion. Notwithstanding any other term or provision contained in this Agreement, in making allocations pursuant to this Agreement, the terms "Net Profit" and "Net Loss" shall be interpreted on a Series-by-Series basis, and separate Capital Accounts shall be maintained for each Series.*

(a) *Series Assets*. All consideration received by the Fund from the issuance or sale of an Interest in any Series, together with (i) all assets in which such consideration is invested or reinvested, and (ii) all income, earnings, profits and proceeds from such consideration or assets, including any proceeds derived from the sale, loan, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment or such proceeds in whatever form the same may be, shall be allocated to such Series for all purposes, and shall be so recorded upon the books of account of each Series. Separate and distinct records shall be maintained for each Series, and the assets associated with a Series shall be held and accounted for separately, including a register of members, if any, from the other assets of the Fund and each other Series. In the event that there are any assets, income, earnings, profits and proceeds thereof, funds or payments that are not readily identifiable as belonging to any particular Series, the Manager shall allocate them among any one or more of the Series established and designated from time to time in such manner and on such basis as the Manager, in its good faith judgment, deems fair and equitable.

(b) *Series Liabilities*. The assets belonging to each particular Series shall be charged with the liabilities of the Fund in respect of such Series and all expenses, costs, charges and reserves attributable to such Series, and any general liabilities, expenses, costs, charges or reserves of the Fund that are not readily identifiable as belonging to any particular Series shall be allocated and charged by the Manager to and among one or more of the Series in such manner and on such basis as the Manager, in its good faith judgment, deems fair and equitable. Each such allocation by the Manager shall

be conclusive and binding upon the Members of all Series for all purposes. Without limiting the foregoing, the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular Series shall be enforceable against the assets of such Series only and not against the assets of the Fund or other Series generally. Any person extending credit to, contracting with or otherwise having any claim against any Series may look only to the assets of that Series to satisfy any such obligation or claim. No Member or former Member of any Series shall have any claim on or any right to any assets allocated to or belonging to any other Series. Notice of this limitation on Series liabilities shall be set forth in the Certificate of Formation as filed in the office of the Secretary of State pursuant to the Act, and upon the giving of such notice in the Certificate of Formation, the statutory provisions of Section 18-215 of the Act (and the statutory effect under Section 18-215 of setting forth such notice in the certificate of formation) shall become applicable to the Fund and each Series.

(c) *Termination of a* Series. Any Series may be terminated only upon (i) the written agreement of the Fund, (ii) the sale or other disposition of all or substantially all of the assets of such Series or (iii) the dissolution of the Fund in accordance with Section 6.1. Upon the termination of any Series, the Fund shall not carry on any business in respect of such Series except for the purpose of winding up its affairs, and the Fund shall proceed to wind up the affairs of such Series.

(d) *Establishment of Additional Series*. In connection with the formation of each additional Series, the Manager shall approve (and the Fund shall prepare, sign and deliver to each Member having an Interest in such Series) a schedule to this Agreement ("*Additional Series Schedule*") setting forth the name of all Members having an Interest in such Series, the rights and obligations of such Members with respect to such Series and such other matters as the Manager shall, in its sole discretion, determine to be appropriate, advisable or convenient in respect of such Series. Upon the execution and delivery of a counterpart of each Additional Series Schedule, each Member listed therein shall have the rights and obligations set forth in this Agreement as well as on the Additional Series Schedule.

ARTICLE III–Management

3.1 Management and Control.

(a) Management and control of the business of the Fund shall be vested in the Manager, which shall have the right, power and authority, on behalf of the Fund and in its name, to exercise all rights, powers and authority of managers under the Delaware Act and to do all things necessary and proper to carry out the objective and business of the Fund and its duties hereunder.

(b) Each Member agrees not to treat, on his, her or its personal return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Fund. The Manager (or its designee) shall have the exclusive authority and discretion to make any elections required or permitted to be made by the Fund under any provisions of the Code or any other revenue laws.

(c) Members (other than the Manager) shall have no right to participate in and shall take no part in the management or control of the Fund's business and shall have no

right, power or authority to act for or bind the Fund. Members shall have the right to vote on any matters only as provided in this Agreement or on any matters that require the approval of the holders of voting securities as required in the Delaware Act.

(d) The Manager may delegate to any person any rights, power and authority vested by this Agreement in the Manager to the extent permissible under applicable law.

(e) If at any time the Manager determines that the level of investment in the Fund by Benefit Plan Members would be considered "significant" (as defined in the Plan Assets Rules), the Manager shall be authorized to cause Benefit Plan Members to withdraw or reduce their Interests to the extent necessary in order to prevent the assets of the Fund from being considered "plan assets" under the Plan Assets Rules. In the event the Manager determines that it is necessary to require the withdrawal of Benefit Plan Members in order to prevent the assets of the Fund from being considered "plan assets" under the Plan Assets Rules, it shall require the withdrawal of all Benefit Plan Members on a *pro rata* basis (in proportion to their Capital Accounts), unless it determines in its absolute discretion to require such withdrawals on a non-*pro rata* basis in order to facilitate compliance with any other tax or regulatory requirements of the Fund or for any other reason determined by the Manager in its absolute discretion to be in the best interest of the Fund.

(f) The Manager shall have the power and authority to appoint a Conflicts Review Committee. The Manager shall seek the approval of the Conflicts Review Committee in connection with any transactions that require approval under the Advisers Act, including Section 206(3) thereunder, or otherwise. To the extent permitted by law, the approval of the Conflicts Review Committee will be binding upon the Fund and each of the Members. The Conflicts Review Committee shall not participate in the management or control of the Fund.

(g) The Manager shall have the authority to enter into the Administrative Services Agreement on behalf of the Fund pursuant to which the Manager will delegate to the Administrator full responsibility for taking certain actions on behalf of the Fund.

(h) The Manager may borrow money on behalf of the Fund for any purpose, including (i) for temporary or emergency purposes or in connection with withdrawals by an Investor, (ii) to invest in the Millennium Fund pending the receipt of capital contributions from Investors and (iii) to cover any shortfall in the Fund's ability to perform any payment obligations when due.

(i) The Manager shall have the authority to form one or more feeder funds or parallel funds without notice to, or approval from, the Members.

(j) The Manager shall have the authority to enter into side letters or other similar agreements with a particular Member without the approval of other Members of the Fund. The terms of any such side letter or similar agreement shall not be disclosed to other Members unless the Manager, in its sole discretion, otherwise determines. Any rights or terms so established in a side letter or similar agreement with a Member shall govern solely with respect to such Member.

3.2 Meetings of Members

(a) Meetings of the Members may be called by the Manager or by the Soliciting Members. In the case of a meeting called by the Soliciting Members, a written proposal to call a meeting signed by the Soliciting Members and indicating the purpose for which the meeting is to be called shall be provided to the Manager. In the case of a meeting called by the Soliciting Members for the purpose of terminating the Administrative Services Agreement or removing the Administrator pursuant to the Administrative Services Agreement, such written proposal shall also set forth the name, qualifications and experience of the proposed successor administrator and attach a copy of such proposed successor's binding offer to serve as investment adviser for the remaining term of the Fund.

(b) Within sixty (60) days after receipt by the Manager of a notice from the Soliciting Members requesting a meeting, the Manager shall cause a notice of such meeting to be given to each Member. A meeting of Members shall be held at a time and place determined by the Manager within 60 days after such notice is given. A Majority in Interest represented in person shall constitute a quorum at a meeting of Members.

(c) For purposes of determining the Members entitled to notice of or vote at any meeting, the Manager may set a record date, which date for purposes of notice of a meeting shall not be less than ten (10) days nor more than sixty (60) days before the date of the meeting.

(d) The Manager shall have full power and authority concerning the manner of conducting any meeting of Members, including, the determination of Persons entitled to vote, the existence of a quorum, the conduct of voting, and the determination of any controversies, votes or challenges arising in connection with or during such meeting or voting. The Manager shall designate an individual to serve as chairman of any meeting and shall further designate an individual to take the minutes of any meeting, which individuals may be directors or officers of the Manager.

(e) All minutes of meetings of the Members shall be kept with the records of the Fund maintained by the Manager.

(f) A Member may vote at any meeting of Members by a proxy properly executed in writing by the Member and filed with the Fund before or at the time of the meeting. A proxy may be suspended or revoked, as the case may be, by the Member executing the proxy by a later writing delivered to the Fund at any time prior to exercise of the proxy or if the Member executing the proxy shall be present at the meeting and decide to vote in person. Any action of the Members that is permitted to be taken at a meeting of the Members may be taken without a meeting if consents in writing, setting forth the action taken, are signed by at least a Majority in Interest of the Members eligible to vote or such greater percentage as may be required in order to approve such action.

3.3 Other Activities.

(a) The Manager shall not be required to devote full time to the affairs of the Fund, but shall devote such time as it may determine is reasonably required to perform its obligations under this Agreement and any other agreement it may have with the Fund.

(b) The Manager and any Member, or Affiliates of any of them, may engage in or possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, acquisition and disposition of Investments, provision of investment advisory or brokerage services, serving as directors, officers, employees, advisors or agents of other companies, partners of any partnership, members of any limited liability company, or trustees of any trust, or entering into any other commercial arrangements. No Member shall have any rights in or to such activities of any other Member, the Manager, or Affiliates of any of them, or any profits derived therefrom.

3.4 *Duty of Care.* A Member not in breach of any obligation hereunder or under any agreement pursuant to which the Member subscribed for an Interest shall be liable to the Fund, any other Member or third parties only as required by the Delaware Act or otherwise provided in this Agreement.

3.5 *Exculpation and Indemnification.*

(a) The Manager shall not be liable to the Fund for any acts or omissions by the Manager, and any member, director officer or employee of the Manager, or any of its affiliates, for any error of judgment, mistake of law or any act or omission in connection with the performance of its duties under this Agreement, unless it shall be determined by final judicial decision on the merits from which there is no further right to appeal that such error, mistake or act or omission constitutes willful misfeasance, bad faith or gross negligence in connection with the conduct of the Manager's duties under this Agreement; provided, that under no circumstance will the Manager be liable for any indirect or consequential damages.

(b) The Fund shall indemnify the Manager and any member, director, officer or employee of the Manager, and any of their affiliates of the foregoing, and the members of the Conflicts Review Committee (each, an "*Indemnified Person*") for, and hold each Indemnified Person harmless against, any loss, liability or expense, including, without limit, reasonable counsel fees, incurred on the part of an Indemnified Person arising out of or in connection with the Manager's acceptance of, or the performance of its duties and obligations under, this Agreement, as well as the costs and expenses of defending against any claim or liability arising out of or relating to this Agreement, absent willful misfeasance, bad faith or gross negligence of its obligations to the Fund; *provided, however,* that nothing contained herein shall constitute a waiver or limitation of any rights that the Fund or the Members may have under applicable securities or other laws to the extent such rights cannot be contractually waived or limited.

(c) Expenses incurred by an Indemnified Person in defense or settlement of any claim that may be subject to a right of indemnification hereunder shall be advanced by the Fund to such Indemnified Person prior to the final disposition thereof upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if a court of competent jurisdiction determines in a non-appealable judgment that the Indemnified Person was not entitled to be indemnified hereunder. Any and all judgments against the Fund, or the Manager in respect of which the Manager is entitled to indemnification shall be satisfied from the Fund assets, including Capital Contributions. If the Manager determines that it is appropriate or necessary to do so, the Manager may cause the Fund to establish

reasonable reserves, escrow accounts or similar accounts to fund its obligations under this Section 3.5.

3.6 Fees, Expenses and Reimbursement.

(a) So long as the Administrator (or its affiliate) serves as administrator for the Fund pursuant to the Administrator Services Agreement, it shall be entitled to receive the Fee. The Fee shall be payable to the Administrator out of the assets of the Fund, on a Class-by-Class basis, on behalf of each Member of each such Class and will be allocated among the Capital Accounts of the Members accordingly.

(b) The Fund shall bear all expenses incurred in the business of the Fund other than those specifically required to be borne by the Administrator pursuant to the Administrative Services Agreement. Expenses to be borne by the Fund include, but are not limited to, the following (together, the "*Expenses*"):

(i) all costs and expenses related to investment transactions and positions for the Fund's account, including, but not limited to, custodial fees, fees and expenses incurred in connection with the Fund's investment in the Millennium Fund, including due diligence, "road show" and other marketing-related expenses and travel-related expenses, and fees and expenses related to any Temporary Investments made by the Fund;

(ii) all costs and expenses associated with borrowing;

(iii) fees payable to the Conflicts Review Committee;

(iv) all costs and expenses associated with the organization and operation of the Fund, including offering costs and the costs of compliance with any applicable federal, state and other laws;

(v) the costs and expenses of holding any meetings of the Conflicts Review Committee that are permitted or required to be held under the terms of this Agreement or applicable law;

(vi) fees and disbursements of any attorneys, accountants, auditors and other consultants and professionals engaged on behalf of the Fund, including in connection with an audit;

(vii) the costs of any liability or other insurance obtained on behalf of the Fund or the Administrator;

(viii) all costs and expenses of preparing, setting in type, printing and distributing reports and other communications to Members;

(ix) all expenses of computing or determining the Fund's Net Assets, including any equipment or services obtained for the purpose of valuing the Fund's investment portfolio, including appraisal and valuation services provided by third parties;

(x) all charges for equipment or services used for communications between the Fund and any custodian or other agent engaged by the Fund;

(xi) costs of compliance with any applicable federal or state laws; tax preparation and reporting fees; taxes, including but not limited to, tax payments made on behalf of Members;

(xii) the Fee and the fees of custodians and other persons providing administrative or sub-administrative services to the Fund;

(xiii) fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding, and any indemnification expenses related thereto; and

(xiv) such other types of expenses as may be approved from time to time by the Administrator.

The Fund may pay costs and expenses, including any amounts paid or accrued by the Fund vis-à-vis its investment in the Millennium Fund (including the performance allocation charged by the Millennium Fund), such as withdrawal charges. Expenses (other than the Fee) will be allocated *pro rata* among the Members unless otherwise determined by the Manager (in which case they will be allocated on such other basis as the Manager determines). The Manager shall be entitled to reimbursement from the Fund for any of the above expenses that it pays on behalf of the Fund. The Administrator may determine to bear, waive or delay certain expenses (including organizational expenses of the Fund) in its sole discretion, under such terms and in such manner as the Administrator chooses, so long as such terms and such manner are disclosed to Members.

3.7 *Liabilities and Duties.* To the extent that, at law or in equity, the Manager, a Member or other Person has duties (including fiduciary duties) and liabilities relating thereto to the Fund or to a Member, any such Manager, Member or other Person acting under this Agreement shall not be liable to the Fund or to a Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of the Manager, a Member or other Person otherwise existing at law or in equity, are agreed to replace such other duties and liabilities of the Manager or such Member or other Person.

ARTICLE IV–Removal of Manager; Termination of Administrative Services Agreement; Transfers and Withdrawals

4.1 *Removal of the Manager; Termination of Administrative Services Agreement.*

(a) The Manager may be removed at any time by a vote of at least a Majority in Unaffiliated Interest at a meeting of the Members called for such purpose in accordance with this Agreement. A substitute Manager may be appointed upon the vote of at least a Majority in Interest.

(b) The Administrative Services Agreement may be terminated at any time by a vote of at least a Majority in Unaffiliated Interest at a meeting of the Members called for such purpose in accordance with this Agreement. A substitute Administrator may be appointed upon the vote of at least a Majority in Interest.

(c) The Manager may resign as Manager of the Fund and cause another individual or entity to be appointed as the replacement manager of the Fund by prior notice to

the Fund and, to the extent consistent with applicable law, without the prior consent of the Fund or the Members.

4.2 Transfer of Interests of Members.

(a) An Interest or portion thereof of a Member may be Transferred only (i) by operation of law pursuant to the death, bankruptcy, insolvency or dissolution of such Member or (ii) with the written consent of the Manager (which may be withheld in its sole and absolute discretion). If the Manager does not consent to a Transfer by operation of law, the Fund shall redeem the Interest from the Member's successor. Any permitted transferee shall be entitled to the allocations and distributions allocable to the Interest so acquired and to Transfer such Interest in accordance with the terms of this Agreement, but shall not be entitled to the other rights of a Member unless and until such transferee becomes a substituted Member. If a Member Transfers an Interest or portion thereof with the approval of the Manager, the Fund may take all necessary actions so that each transferee or successor to whom such Interest or portion thereof is Transferred is admitted to the Fund as a substituted Member. The admission of any transferee as a substituted Member shall be effective upon the execution and delivery by, or on behalf of, such substituted Member of either a counterpart of this Agreement or an instrument that constitutes the execution and delivery of this Agreement. Each transferring Member and transferee agrees to pay all expenses, including attorneys' and accountants' fees, incurred by the Fund in connection with such Transfer. Upon the Transfer to another person or persons of a Member's entire Interest, such Member shall cease to be a member of the Fund. Notwithstanding the foregoing, no Transfer shall be permitted if (i) it would cause the assets of the Fund to be considered "plan assets" under the Plan Assets Rules or (ii) if such transferee is not a "qualified purchaser" as such term is defined under the 1940 Act and an "accredited investor" as defined in the 1933 Act.

(b) Each transferring Member shall indemnify and hold harmless the Fund, the Manager, each other Member and any affiliate of the foregoing against all losses, claims, damages, liabilities, costs and expenses (including legal or other expenses incurred in investigating or defending against any such losses, claims, damages, liabilities, costs and expenses or any judgments, fines and amounts paid in settlement), joint or several, to which such persons may become subject by reason of or arising from (i) any Transfer made by such Member in violation of this Section 4.2 and (ii) any misrepresentation by such Member in connection with any such Transfer.

4.3 Withdrawal of Interests.

(a) Except as otherwise provided in this Agreement, no Member or other person holding an Interest or portion thereof shall have the right to withdraw that Interest or portion thereof. A Member may withdraw all or a portion of its Capital Account on any Withdrawal Date, subject to any Gate, if applicable and the other provisions of this Section 4.3.

(b) A Member shall be permitted to make a withdrawal of Interests as of close of business on March 31, June 30, September 30 and December 31 of each year (each such day, a "*Withdrawal Date*").

(c) To the extent the Fund has received withdrawal requests in respect of Interests for any Withdrawal Date aggregating to more than twenty-five percent (25%) of the aggregate net asset value of the Fund attributable to Interests as of such Withdrawal Date, the Manager may, in its sole and absolute discretion, (i) satisfy all such withdrawal requests or (ii) reduce all such withdrawal requests, pro rata based on the requested withdrawal amount of each Member, so that only 25% (or a higher percentage, in the sole discretion of the Manager) of the aggregate net asset value of the Fund attributable to Interests as of such Withdrawal Date is withdrawn as of such date (the "*Gate*"). To the extent a request for withdrawal of Interests is not satisfied due to the Gate, the applicable Member will be deemed automatically to have resubmitted a withdrawal request for the remaining portion of such unsatisfied request as of the next Withdrawal Date.

(d) To the extent the Fund is restricted from making withdrawals from the Millennium Fund in respect of Interests due to a gating or other restriction imposed by the Millennium Fund, the Manager may, in its sole discretion, reduce the withdrawals requested by Members pro rata according to the method described in Section 4.3(c).

(e) A withdrawal of any Interests prior to the last day of the fourth full fiscal quarter after the subscription for such Interests will be subject to an early withdrawal charge (the "*Early Withdrawal Charge*") equal to 4% of the amount requested to be withdrawn (regardless of whether the Fund is charged the corresponding early redemption fee by the Millennium Fund). Any early withdrawal charge that is charged to the Fund by the Millennium Fund will be allocated pro rata among Members.

(f) Notice of withdrawal must be received in writing by the Fund no later than the one hundred and fifth (105th) day preceding the Withdrawal Date upon which any or all of a Member's Interest may be withdrawn, or upon such other notice period, which may be longer, as may be notified to the Members, in the Manager's sole discretion.

(g) Withdrawal proceeds will be distributed as follows:

(i) In the case of withdrawals of 95% or more of the balance of a Member's Capital Account, an amount equal to 95% of the estimated withdrawal proceeds is generally expected to be payable to such Member sixty (60) days after the applicable Withdrawal Date, and the balance will be paid, subject to audit adjustment and with interest, within 30 days after the Fund receives its audited financial statements for the year in which such Withdrawal Date occurred.

(ii) In the case of withdrawals of less than 95% of the balance of a Member's Capital Account requested as of March 31 or September 30, an amount equal to 100% of the estimated withdrawal proceeds is generally expected to be payable to such Member within sixty (60) days after the applicable Withdrawal Date.

(iii) In the case of withdrawals of less than 95% of the balance of a Member's Capital Account requested as of June 30 or December 31, an amount equal to 95% of the estimated withdrawal proceeds is generally expected to be payable to such Member within sixty (60) days after the applicable Withdrawal Date, and the balance will be

paid, subject to audit adjustment and with interest, 15 days following receipt from the Millennium Fund.

(h) Notwithstanding the foregoing, amounts held back may be larger and/or paid out later, in the Manager's sole discretion.

(i) Notwithstanding the foregoing, the Manager may waive any notice requirements in its sole discretion; *provided* that any notice is irrevocable unless otherwise determined by the Manager. Notwithstanding anything to the contrary contained herein, once the Fund has commenced liquidation, all withdrawal rights and requests may be canceled or altered in the Manager's sole discretion.

(j) If the Manager is removed as manager of the Fund pursuant to Section 4.1 hereof, it (or its trustee, other legal representative or Affiliate) may within sixty (60) days of the effective date of such termination withdraw all or any portion of its Capital Account. Not later than thirty (30) days after the receipt of such notice, the Fund shall cause such withdrawn portion of the Capital Account to be paid out in cash.

(k) The Manager may cause the Fund to redeem an Interest or portion thereof of a Member or any person acquiring an Interest or portion thereof from or through a Member if the Manager determines or has reason to believe that:

(i) such an Interest or portion thereof has been transferred in violation of Section 4.2 hereof, or such an Interest or portion thereof has vested in any person by operation of law as the result of the death, dissolution, bankruptcy or incompetency of a Member;

(ii) ownership of such an Interest by a Member or other person will cause the Fund to be in violation of, or require registration of any Interest or portion thereof under, or subject the Fund to additional registration or regulation under, the securities, commodities or other laws of the United States or any other relevant jurisdiction;

(iii) continued ownership of such an Interest may be harmful or injurious to the business or reputation of the Fund or the Manager, or may subject the Fund or any of the Members to an undue risk of adverse tax or other fiscal consequences;

(iv) disposal of any assets of the Fund or other transactions involving the sale, transfer or delivery of funds, securities or other assets in the ordinary course of the Fund's business is not reasonably practical without being detrimental to the Interests of the withdrawing Members or the remaining Members;

(v) any of the representations and warranties made by a Member in connection with the acquisition of an Interest or portion thereof was not true when made or has ceased to be true; or

(vi) it would be in the best interests of the Fund, as determined by the Manager, for the Fund to redeem such an Interest or portion thereof.

(l) Withdrawals of Interests or portions thereof by the Fund shall be funded with cash or securities. Although the Manager generally expects distributions in connection with Withdrawals to be made in cash, any such distributions may be in cash, in-kind, or partly in cash and partly in-kind, in the Manager's sole discretion. The

Manager, in its sole discretion, may subject a Member to a charge in order to defray the costs and expenses of the Fund in connection with such withdrawal, including but not limited to the Early Withdrawal Charge and any amounts paid or accrued by the Fund vis-à-vis its investment in the Millennium Fund and withdrawal or similar charges imposed by the Millennium Fund. The Manager may determine to satisfy a withdrawal request in full, without a holdback, in its discretion.

(m) The amount due to any Member whose Interest or portion thereof is withdrawn shall be equal to the value of such Member's Capital Account or portion thereof based on the estimated net asset value of the Fund's assets as of the effective date of withdrawal, after giving effect to all allocations and charges (including the Fee) to be made to such Member's Capital Account as of such date. All such withdrawals shall be subject to any and all conditions as the Manager may impose, including the following:

(i) a Member may not make a partial withdrawal of his, her or its Interest if thereafter the Capital Account of such Member would be less than $250,000 or such lesser amount as the Manager in its sole discretion may determine;

(ii) partial withdrawals must be made in increments of not less than $50,000 or such other amount as the Manager in its sole discretion may determine; *and*

(iii) the Manager may delay or suspend redemptions for any or no reason, including without limitation if (i) the Manager, in its sole discretion, has reasonably determined that delay or suspension is necessary, prudent or appropriate in connection with the operation of the Fund or (ii) the Fund's ability to make withdrawals from the Millennium Fund is suspended, delayed, modified or denied;

(n) Notwithstanding the foregoing, no withdrawal shall be permitted if it would cause the assets of the Fund to be considered "plan assets" under the Plan Assets Rules.

4.4 *Return of Certain Distributions and Withdrawal Proceeds.* Notwithstanding any other provision of this Agreement to the contrary, if at any time following a withdrawal of all or a portion of a Capital Account, the Manager determines, in its sole discretion, that the amount paid to a Member or former Member pursuant to such withdrawal was materially incorrect for any reason, including but not limited to (i) a determination by the Manager that the amount paid to the Fund pursuant to a withdrawal from the Millennium Fund was materially incorrect and the Manager determines, in its sole discretion, that such amount should be allocated to such Member or former Member, or (ii) a determination by the Manager, that the calculation of Net Assets was materially incorrect at the time such amount was paid to such Member or former Member, the Fund may pay to such Member or former Member any additional amount that the Manager determines such Member or former Member should have been entitled to receive, or, in its sole discretion, seek payment from such Member or former Member of the amount of any excess payment that the Manager determines such Member or former Member received, in each case without interest, although, in its sole discretion, the Manager may determine for any reason or no reason that such action is not feasible or practicable. Nothing in this Section 4.4, express or implied, is intended or shall be construed to give any Person other than the Fund, the Manager or the Members any legal or equitable right, remedy or claim under or in respect of this Section 4.4 or any provision contained herein.

ARTICLE V–Capital

5.1 Contributions to Capital.

(a) The minimum initial contribution of each Member (other than the Manager) to the capital of the Fund shall be such amount as the Manager may determine from time to time. The amount of the initial contribution of each Member shall be recorded on the books and records of the Fund upon acceptance as a contribution to the capital of the Fund.

(b) The Members may make additional contributions to the capital of the Fund, effective as of such times and in such amounts as the Manager in its discretion may permit, but no Member shall be obligated to make any additional contribution to the capital of the Fund except to the extent otherwise provided herein.

(c) Except as otherwise permitted by the Manager, (i) initial and any additional contributions to the capital of the Fund by any Member shall be payable in cash, and (ii) initial and any additional contributions in cash shall be payable in readily available funds at the date of the proposed acceptance of the contribution.

5.2 Rights of Members to Capital. No Member shall be entitled to interest on his, her or its contribution to the capital of the Fund, nor shall any Member be entitled to the return of any capital of the Fund except (i) upon the withdrawal by Members of a part or all of such Member's Interest pursuant to Section 4.3 hereof, (ii) pursuant to the provisions of Section 5.6(c) hereof or (iii) upon the liquidation of the Fund's assets pursuant to Section 6.2 hereof. No Member shall be liable for the return of any such amounts except as provided herein. No Member shall have the right to require partition of the Fund's property or to compel any sale or appraisal of the Fund's assets.

5.3 Capital Accounts.

(a) The Fund shall maintain a separate Capital Account for each Member.

(b) Each Member's Capital Account shall have an initial balance equal to the amount of cash constituting such Member's initial contribution to the capital of the Fund.

(c) Each Member's Capital Account shall be increased by the sum of (i) the amount of cash constituting additional contributions by such Member to the capital of the Fund permitted pursuant to Section 5.1 hereof, plus (ii) any amount credited to such Member's Capital Account pursuant to the provisions of this ARTICLE V.

(d) Each Member's Capital Account shall be reduced by the sum of (i) any amount withdrawn by such Member or distributions to such Member pursuant to Sections 4.3 or 6.2 hereof, plus (ii) any amounts debited against such Member's Capital Account pursuant to the provisions of this ARTICLE V. At the end of each Fiscal Period, each Member's Capital Account shall be reduced by the amount of the Fee calculated in respect of such Member for such Fiscal Period.

(e) In the event the Manager determines that, based upon tax or regulatory reasons, such Member's Capital Account should not participate, in whole or in part, in the adjustments pursuant to Sections 5.3(c) or 5.3(d) hereof, if any, attributable to trading or investing in any Investment, type of Investment, or to any other

transaction, the Manager may allocate such adjustments pursuant to Sections 5.3(c) or 5.3(d) hereof to the Capital Accounts of the Members not subject to such limitations on participation as may be deemed appropriate. In addition, if for any of the reasons described above, the Manager determines that a Member's Capital Account should have no interest whatsoever or shall have only a partial interest in a particular Investment, type of Investment or transaction, the interests in such Investment, type of Investment or transaction may be set forth in a separate memorandum account and the adjustments pursuant to Sections 5.3(c) or 5.3(d) hereof for each such memorandum account shall be separately calculated and allocated among the Members' Capital Accounts to the extent of their interest in such Investment, type of Investment or transaction.

(f) If all or a portion of an Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

5.4 *Allocation of Net Profit and Net Loss. As of the last day of each Fiscal Period, any Net Profit or Net Loss for the Fiscal Period shall be allocated among and credited to or debited against the Capital Accounts of the Members in accordance with their respective Fund Percentages for such Fiscal Period, except to the extent otherwise provided in this Agreement with respect to items of profit or loss that are to be allocated on a non-pro rata basis (which items will be allocated amount and credited to or debited against Capital Account as so otherwise provided).*

5.5 *Allocation of Certain Withholding Taxes and Other Expenditures.*

(a) If the Fund incurs a withholding tax or other tax obligation with respect to the share of Fund income allocable to any Member, then the Manager, without limitation of any other rights of the Fund or the Manager, shall cause the amount of such obligation to be debited against the Capital Account of such Member when the Fund pays such obligation, and any amounts then or thereafter distributable to such Member shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such distributable amounts, then such Member and any successor to such Member's Interest shall pay to the Fund as a contribution to the capital of the Fund, upon demand of the Fund, the amount of such excess. The Fund shall not be obligated to apply for or obtain a reduction of or exemption from withholding tax on behalf of any Member that may be eligible for such reduction or exemption; provided, that in the event that the Fund determines that a Member is eligible for a refund of any withholding tax, the Fund may, at the request and expense of such Member, assist such Member in applying for such refund.

(b) Except as otherwise provided for in this Agreement, any expenditures payable by the Fund, and any other Fund items, to the extent determined by the Manager to have been paid or incurred or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Members, may, in the Manager's sole discretion, be charged to only those Members on whose behalf such expenditures or items are paid or incurred or whose particular circumstances gave rise to such expenditures or items. Such charges shall be debited from the Capital Accounts of such Members as of the close of the Fiscal Period during which any such items were paid or accrued by the Fund.

5.6 Reserves.

(a) Appropriate reserves may be created, accrued and charged against Net Assets and proportionately against the Capital Accounts of the Members for contingent liabilities, if any, as of the date that the Manager in its sole discretion deems appropriate, such reserves to be in the amounts which the Manager in its sole discretion deem necessary or appropriate. The Manager may increase or reduce any such reserves from time to time by such amounts as it in its sole discretion deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those parties who are Members at the time when such reserve is created, increased or decreased, as the case may be; *provided, however,* that if any such individual reserve item, adjusted by any increase therein, exceeds the lesser of $500,000 or 1% of the aggregate value of the Capital Accounts of all such Members, the amount of such reserve, increase, or decrease instead may, in the discretion of the Manager, be charged or credited to those parties who were Members at the time, as determined by the Manager in its sole discretion, of the act or omission giving rise to the contingent liability for which the reserve was established, increased or decreased in proportion to their Capital Accounts.

(b) If at any time an amount is paid or received by the Fund (other than contributions to the capital of the Fund, distributions or withdrawals of Interests or portions thereof) and such amount exceeds the lesser of $500,000 or 1% of the aggregate value of the Capital Accounts of all Members at the time of payment or receipt and such amount was not accrued or reserved for but would nevertheless, in accordance with the Fund's accounting practices, be treated as applicable to one or more prior Fiscal Periods, then such amount may, in the discretion of the Manager, be proportionately charged or credited, as appropriate, to those parties who were Members during such prior Fiscal Period or Periods.

(c) If any amount is required or permitted by paragraph (a) or (b) of this Section 5.6 to be charged or credited to a party who is no longer a Member, such amount shall be paid by or to such party, as the case may be, in cash, with interest from the date on which the Manager determines that such charge or credit is required. In the case of a charge, the former Member shall be obligated to pay the amount of the charge, plus interest as provided above, to the Fund on demand; *provided, however,* that (i) in no event shall a former Member be obligated to make a payment exceeding the amount of such Member's Capital Account at the time to which the charge relates; and (ii) no such demand shall be made after the expiration of three (3) years, or such longer period as permitted under applicable law, from the date on which such party ceased to be a Member. To the extent that a former Member fails to pay to the Fund, in full, any amount required to be charged to such former Member pursuant to paragraph (a) or (b), whether due to the expiration of the applicable limitation period or for any other reason whatsoever, the deficiency shall be charged proportionately to the Capital Accounts of the Members at the time of the act or omission giving rise to the charge to the extent feasible, and otherwise proportionately to the Capital Accounts of the current Members.

5.7 Tax Allocations.

(a) For each Fiscal Year, items of income, deduction, gain, loss or credit shall be allocated for income tax purposes among the Members in such manner as to reflect

equitably amounts credited or debited to each Member's Capital Account for the current and prior Fiscal Years (or relevant portions thereof). Allocations under this Section 5.7 shall be made pursuant to the principles of Section 704(b) and 704(c) of the Code, and in conformity with Treasury Regulations Sections 1.704-1(b)(2)(iv)(f) and (g), 1.704-1(b)(4)(i) and 1.704-3(e) promulgated thereunder, as applicable, or the successor provisions to such Section and Treasury Regulations. Notwithstanding anything to the contrary in this Agreement, there shall be allocated to the Members such gains or income as shall be necessary to satisfy the "qualified income offset" requirements of Treasury Regulations Section 1.704-1(b)(2)(ii)(d).

(b) If the Fund realizes ordinary income and/or capital gains (including short-term capital gains) for federal income tax purposes (collectively, "income") for any Fiscal Year during or as of the end of which one or more Positive Basis Members withdraw from the Fund pursuant to Section 4.3 hereof, the Manager may elect to allocate such income as follows: (i) to allocate such income among such Positive Basis Members until either the full amount of such income shall have been so allocated or the Positive Basis of each such Positive Basis Member shall have been eliminated, and (ii) to allocate any income not so allocated to Positive Basis Members to the other Members in such manner as shall equitably reflect the amounts allocated to such Members' Capital Accounts pursuant to Sections 5.3(c) or 5.3(d) hereof.

(c) If the Fund realizes deductions, ordinary losses and/or capital losses (including long-term capital losses) for federal income tax purposes (collectively, "losses") for any Fiscal Year during or as of the end of which one or more Negative Basis Members withdraw from the Fund pursuant to Section 4.3 hereof, the Manager may elect to allocate such losses as follows: (i) to allocate such losses among such Negative Basis Members until either the full amount of such losses shall have been so allocated or the Negative Basis of each such Negative Basis Member shall have been eliminated and (ii) to allocate any losses not so allocated to Negative Basis Members to the other Members in such manner as shall equitably reflect the amounts allocated to such Members' Capital Accounts pursuant to Sections 5.3(c) or 5.3(d) hereof.

ARTICLE VI–Dissolution and Liquidation

6.1 Dissolution.

(a) The Fund shall be dissolved at any time there are no Members, unless the Fund is continued in accordance with the Delaware Act, or upon the occurrence of any of the following events:

(i) upon the determination by the Manager to dissolve the Fund;

(ii) upon termination of the Administrative Services Agreement, unless a successor Administrator is appointed;

(iii) as required by operation of law;

(iv) at the discretion of the Manager, as soon as practicable after the dissolution of the Millennium Fund; or

(v) upon a determination by the Manager not to cause the Fund to invest in the Millennium Fund.

Dissolution of the Fund shall be effective on the day on which the event giving rise to the dissolution shall occur, but the Fund shall not terminate until the assets of the Fund have been liquidated in accordance with Section 6.2 hereof and the Certificate has been canceled.

6.2 Liquidation of Assets.

(a) Upon the dissolution of the Fund as provided in Section 6.1 hereof, the Manager, acting directly or through a liquidator it selects, shall liquidate, in an orderly manner, the business and administrative affairs of the Fund, except that if the Manager is unable to perform this function, a liquidator elected by Members holding a Majority in Interest shall liquidate, in an orderly manner, the business and administrative affairs of the Fund. Net Profit and Net Loss during the period of liquidation shall be allocated pursuant to ARTICLE V hereof. The proceeds from liquidation shall, subject to the Delaware Act, be distributed in the following manner:

(i) in satisfaction (whether by payment or the making of reasonable provision for payment thereof) of the debts and liabilities of the Fund, including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), but not including debt and liabilities to Members, up to and including the date that distribution of the Fund's assets to the Members has been completed, shall first be paid on a *pro rata* basis;

(ii) such debts, liabilities or obligations as are owing to the Members shall be paid next in their order of seniority and on a *pro rata* basis; and

(iii) the Members shall be distributed next on a *pro rata* basis the positive balances of their respective Capital Accounts after giving effect to all allocations to be made to such Members' Capital Accounts for the Fiscal Period ending on the date of the distributions under this Section 6.2(a)(iii).

(b) Anything in this Section 6.2 to the contrary notwithstanding, but subject to the priorities set forth in Section 6.2(a) above, upon dissolution of the Fund, the Manager or other liquidator may distribute ratably in kind any assets of the Fund; provided, however, that if any in-kind distribution is to be made (i) the assets distributed in kind shall be valued pursuant to Section 7.3 hereof as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 6.2(a) above, and (ii) any profit or loss attributable to property distributed in-kind shall be included in the Net Profit or Net Loss for the Fiscal Period ending on the date of such distribution.

ARTICLE VII–Accounting, Valuations and Books and Records

7.1 Accounting and Reports.

(a) The Fund shall adopt for tax accounting purposes any accounting method which the Manager shall decide, in its sole discretion, is in the best interests of the Fund. The Fund's accounts shall be maintained in U.S. currency.

(b) After the end of each taxable year, the Fund shall furnish to each Member such information regarding the operation of the Fund and such Member's Interest as is necessary for Members to complete federal and state income tax or information returns and any other tax information required by federal or state law.

(c) The Fund may furnish to one or more Members such periodic reports and information regarding the affairs of the Fund as it deems necessary or appropriate in its sole discretion. Financial reports shall be prepared in accordance with GAAP or another methodology determined appropriate by the Manager, in its sole discretion.

(d) Except as set forth specifically in this Section 7.1, no Member shall have the right to obtain any other information about the business or financial condition of the Fund, about any other Member or former Member, including information about the Capital Contribution or Capital Account balance of a Member, or about the affairs of the Fund. No act of the Fund, the Manager, or any other Person that results in a Member being furnished any such information shall confer on such Member or any other Member the right in the future to receive such or similar information or constitute a waiver of, or limitation on, the Fund's ability to enforce the limitations set forth in the first sentence of this Section 7.1(d).

7.2 Determinations By the Manager.

(a) All matters concerning the determination and allocation among the Members of the amounts to be determined and allocated pursuant to ARTICLE V hereof, including any taxes thereon and accounting procedures applicable thereto, shall be determined by the Manager (to the extent consistent with its management functions, pursuant to delegated authority) unless specifically and expressly otherwise provided for by the provisions of this Agreement or as required by law, and such determinations and allocations shall be final and binding on all the Members.

(b) The Manager may make such adjustments to the computation of Net Profit or Net Loss or any components (withholding any items of income, gain, loss or deduction) comprising any of the foregoing as it considers appropriate to reflect fairly and accurately the financial results of the Fund and the intended allocation thereof among the Members.

7.3 Valuation of Assets.

(a) The Manager shall value or have valued any Investments or other assets and liabilities of the Fund as of the close of business on the last day of each Fiscal Period or more frequently, in the discretion of the Manager, in accordance with such valuation procedures as shall be established from time to time by the Manager.

Absent bad faith or manifest error, valuation determinations made by the Manager shall be conclusive and binding.

(b) The value of the Fund's Investments and the net worth of the Fund as a whole determined pursuant to this Section 7.3 shall be conclusive and binding on all of the Members and all parties claiming through or under them.

ARTICLE VIII–Miscellaneous Provisions

8.1 Amendment of Agreement.

(a) Except as otherwise provided in this Section 8.1, this Agreement may be amended, in whole or in part, with the approval of (i) the Manager and (ii) at least a Majority in Interest; *provided* that the Manager may approve any amendment that would not adversely affect the Members without the consent of the Members.

(b) Any amendment that would:

(i) increase the obligation of a Member to make any contribution to the capital of the Fund; or

(ii) reduce the Capital Account of a Member other than in accordance with ARTICLE V;

may be made only if (i) the written consent of each Member adversely affected thereby is obtained prior to the effectiveness thereof or (ii) such amendment does not become effective until (A) each Member has received written notice of such amendment and (B) any such Member objecting to such amendment has been afforded a reasonable opportunity (pursuant to such procedures as may be prescribed by the Manager) to withdraw his, her or its entire Interest.

(c) By way of example only, the Manager at any time without the consent of the Members may:

(i) restate this Agreement together with any amendments hereto which have been duly adopted in accordance herewith to incorporate such amendments in a single, integrated document;

(ii) amend this Agreement (other than with respect to the matters set forth in Section 8.1(b) hereof) to effect compliance with any applicable law or regulation or to cure any ambiguity or to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, provided that such action does not adversely affect the rights of any Member in any material respect;

(iii) amend this Agreement to make such changes as may be necessary or desirable, based on advice of legal counsel to the Fund, to assure the Fund's continuing eligibility to be classified for U.S. Federal income tax purposes as a partnership which is not treated as a corporation under Section 7704(a) of the Code; and

(iv) amend this Agreement to effect a change in the name of the Fund.

(d) The Manager shall give written notice of any proposed amendment that requires consent by a Member to this Agreement to each such Member, which notice shall

set forth (i) the text of the proposed amendment or (ii) a summary thereof and a statement that the text thereof will be furnished to any Member upon request.

(e) Notwithstanding the foregoing, if the Manager notifies a Member in writing of any amendment and informs the Member that the amendment will take place if the Member does not object within a reasonable, and specifically disclosed, time period that is consistent with applicable law, the Member's silence may be treated as appropriate consent.

8.2 Special Power of Attorney.

(a) Each Member hereby irrevocably makes, constitutes and appoints the Manager and any liquidator of the Fund's assets appointed pursuant to Section 6.2 hereof with full power of substitution, the true and lawful representatives and attorneys-in-fact of, and in the name, place and stead of, such Member, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 8.1 hereof);

(ii) any amendment to the Certificate required because this Agreement is amended or as otherwise required by the Delaware Act; and

(iii) all other such instruments, documents and certificates which, in the opinion of legal counsel to the Fund, from time to time may be required by the laws of the United States of America, the State of Delaware or any other jurisdiction in which the Fund shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid existence and business of the Fund as a limited liability company under the Delaware Act.

(b) Each Member is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Fund without such Member's consent. If an amendment to the Certificate or this Agreement or any action by or with respect to the Fund is taken in the manner contemplated by this Agreement, each Member agrees that, notwithstanding any objection which such Member may assert with respect to such action, the attorneys-in-fact appointed hereby are authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Member is fully aware that each Member will rely on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Fund.

(c) This power-of-attorney is a special power-of-attorney and is coupled with an interest, sufficient in law to support an irrevocable power-of-attorney, in favor of the Manager, acting severally, and any liquidator of the Fund's assets, appointed pursuant to Section 6.2 hereof, and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney,

regardless of whether the Fund, the Manager or any liquidator shall have had notice thereof; and

(ii) shall survive the delivery of a Transfer by a Member of the whole or any portion of such Member's Interest, except that where the transferee thereof has been approved by the Manager for admission to the Fund as a substituted Member, this power-of-attorney given by the transferor shall survive the delivery of such assignment for the sole purpose of enabling the Manager or any liquidator to execute, acknowledge and file any instrument necessary to effect such substitution.

8.3 *Notices.* Notices which may or are required to be provided under this Agreement shall be made, if to a Member, by regular mail, hand delivery, registered or certified mail return receipt requested, commercial courier service, facsimile or other electronic means, or, if to the Fund, by registered or certified mail, return receipt requested, and shall be addressed to the respective parties hereto at their addresses as set forth on the books and records of the Fund (or to such other addresses as may be designated by any party hereto by notice addressed to the Fund in the case of notice given to any Member, and to each of the Members in the case of notice given to the Fund). Notices shall be deemed to have been provided when delivered by hand, on the date indicated as the date of receipt on a return receipt or when received if sent by regular mail, commercial courier service, telex or telecopier. A document that is not a notice and that is required to be provided under this Agreement by any party to another party may be delivered by any reasonable means.

8.4 *Agreement Binding Upon Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, assigns, executors, trustees or other legal representatives, but the rights and obligations of the parties hereunder may not be Transferred or delegated except as provided in this Agreement and any attempted Transfer or delegation thereof which is not made pursuant to the terms of this Agreement shall be void.

8.5 *Choice of Law; Arbitration.*

(a) Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Delaware, including the Delaware Act, without regard to the conflict of law principles of such State.

(b) Subject to Section 8.10, each Member and the Manager agree to submit all controversies arising between or among Members or one or more Members and the Fund and/or the Manager in connection with the Fund or its businesses or concerning any transaction, dispute or the construction, performance or breach of this or any other agreement, whether entered into prior to, on or subsequent to the date hereof, to arbitration in accordance with the provisions set forth below. Each Member understands that:

(i) arbitration is final and binding on the parties;

(ii) the parties are waiving their rights to seek remedies in court, including the right to jury trial;

(iii) pre-arbitration discovery is generally more limited than and different from court proceedings;

(iv) the arbitrator's award is not required to include factual findings or legal reasoning and a party's right to appeal or to seek modification of rulings by arbitrators is strictly limited; and

(v) a panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

(c) Controversies shall be determined by arbitration before, and only before, an arbitration panel convened by FINRA, to the fullest extent permitted by law. The parties may also select any other national securities exchange's arbitration forum upon which a party is legally required to arbitrate the controversy, to the fullest extent permitted by law. Such arbitration shall be governed by the rules of the organization convening the panel, to the fullest extent permitted by law. Judgment on any award of any such arbitration may be entered in the Supreme Court of the State of New York or in any other court having jurisdiction over the party or parties against whom such award is rendered. Each Member agrees that the determination of the arbitrators shall be binding and conclusive upon them.

(d) No Member shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action unless and until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the Member is excluded from the class by the court. The forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

(e) Notwithstanding the foregoing, nothing contained herein shall constitute a waiver or limitation of any rights that the Fund or the Members may have under applicable securities or other laws to the extent such rights cannot be contractually waived or limited.

8.6 *Not for Benefit of Creditors.* The provisions of this Agreement are intended only for the regulation of relations among past, present and future Members, the Manager and the Fund. This Agreement is not intended for the benefit of non-Member creditors who are not Indemnified Parties and no rights are granted to such non-Member creditors under this Agreement.

8.7 *Consents.* Except as set forth in Section 8.1(e), any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Fund.

8.8 *Merger and Consolidation.*

(a) The Fund may merge or consolidate with or into one or more limited liability companies formed under the Delaware Act or "other business entities" (as defined in Section 18-209(a) of the Delaware Act) pursuant to an agreement of merger or consolidation which has been approved in the manner contemplated by Section 18-209(b) of the Delaware Act.

(b) Notwithstanding anything to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 18-

209(b) of the Delaware Act may, to the extent permitted by Section 18-209(b) of the Delaware Act, (i) effect any amendment to this Agreement, (ii) effect the adoption of a new limited liability company agreement for the Fund if it is the surviving or resulting limited liability company in the merger or consolidation, or (iii) provide that the limited liability company agreement of any other constituent limited liability company to the merger or consolidation (including a limited liability company formed for the purpose of consummating the merger or consolidation) shall be the limited liability company agreement of the surviving or resulting limited liability company.

8.9 *Pronouns.* All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or corporation may require in the context thereof.

8.10 *Confidentiality.*

(a) Each Member covenants that, except as required by applicable law or any regulatory body, it will not divulge, furnish or make accessible to any other person the Confidential Information without the prior written consent of the Manager, which consent may be withheld in its sole discretion.

(b) Each Member recognizes that in the event that this Section 8.10 is breached by any Member or any of its principals, partners, members, directors, officers, employees or agents or any of its affiliates, including any of such affiliates' principals, partners, members, directors, officers, employees or agents, irreparable injury may result to the non-breaching Members and the Fund. Accordingly, in addition to any and all other remedies at law or in equity to which the non-breaching Members and the Fund may be entitled, such Members also shall have the right to obtain equitable relief, including, without limitation, injunctive relief, to prevent any disclosure of Confidential Information, plus reasonable attorneys' fees and other litigation expenses incurred in connection therewith.

(c) Notwithstanding anything to the contrary in this Agreement, the Fund shall have the right to keep confidential from the Members for such period of time as it deems reasonable any information which the Manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the Manager in good faith believes is not in the best interest of the Fund or could damage the Fund or its business or which the Fund is required by law or by agreement with a third party to keep confidential.

8.11 *Severability.* If any provision of this Agreement is determined by a court of competent jurisdiction not to be enforceable in the manner set forth in this Agreement, each Member agrees that it is the intention of the Members that such provision should be enforceable to the maximum extent possible under applicable law. If any provisions of this Agreement are held to be invalid or unenforceable, such invalidation or unenforceability shall not affect the validity or enforceability of any other provision of this Agreement (or portion thereof).

8.12 *Entire Agreement.* This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto. It is hereby acknowledged and agreed that the Manager, without the approval of any Member may enter into other agreements with Members, executed contemporaneously with the admission of such Members to the Fund

or otherwise, effecting the terms hereof or of any application in order to meet certain requirements of such Members. The parties hereto agree that any terms contained in any other agreements with a Member shall govern with respect to such Member notwithstanding the provisions of this Agreement or of any application.

8.13 *Discretion*. Notwithstanding anything to the contrary in this Agreement or any agreement contemplated herein or in any provisions of law or in equity, whenever in this Agreement, a person is permitted or required to make a decision (i) in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, such person shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall, to the fullest extent permitted by law, have no duty or obligation to give any consideration to any interest of or factors affecting the Fund or the Members, or (ii) in its "good faith" or under another express standard, then such person shall act under such express standard.

8.14 *Counterparts*. This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the same counterpart.

8.15 *Tax Matters Partner*. UBS Fund Advisor, L.L.C. is hereby designated as the "tax matters partner" under the Code for the Fund.

[Remainder of page intentionally left blank]

THE UNDERSIGNED ACKNOWLEDGES HAVING READ THIS AGREEMENT IN ITS ENTIRETY BEFORE SIGNING, INCLUDING THE PRE-DISPUTE ARBITRATION CLAUSES SET FORTH IN SECTION 8.5 AND THE CONFIDENTIALITY CLAUSES SET FORTH IN SECTION 8.10.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UBS Fund Advisor, L.L.C., as Manager

By: _____
Name:
Title: President

By: _____
Name:
Title: Vice President

Member: _____
Type or print name of Member

_____
Signature[1]

[redacted] MAXWELL

[1] [redacted]s are included in each Member's Investor Application.

UBS

AlphaKeys Funds
UBS Funds

Disclosure Statement under Rule 506(d)

This brochure provides information about certain disciplinary matters relating to the AlphaKeys Funds and the UBS Funds (collectively, the Funds), our parent company UBS AG, UBS Fund Advisor LLC (the Funds' Member Designee, Managing Member or Administrator), UBS Financial Services, Inc. (the Funds' Distributor), as well as certain executive officers of those entities and other persons involved in the offering of the Funds.

Additional information about UBS Fund Advisor LLC and UBS Financial Services, Inc. and their associated persons is also available on the SEC's website at www.adviserinfo.sec.gov.

This brochure is current as of May 20, 2015 and is subject to change.

[redacted]-MAXWELL

Disclosure Statement under Rule 506(d)

UBS Fund Advisor LLC (Member Designee, Managing Member, Administrator)

1. Date of Action: Jan. 9, 2009
Brought By: CFTC

Allegations: UBS Fund Advisor LLC violated Sections 6(c) and 6(d) of Commodities Exchange Act and did not file with the National Futures Association the commodity pools' annual reports in a timely manner or deliver to pool participants.
Disposition: Cease & Desist from violating Regulation 4.7(b)(3)(i) and CFR 4.7(b)(3)(i)(2008) and pay a civil penalty
Civil Penalty: $50,000

UBS Financial Services Inc. (Distributor)

2. Date of Action: August 22, 2011
Entity: UBS Financial Services, Inc.
Brought By: New Hampshire Bureau of Securities Regulation

Allegations: UBS sold Lehman Structured Products to clients (specifically referencing three particular investors), who were not made aware of the risks of these products and failed to inform clients of Lehma[redacted] financial condition prior to Lehman's bankruptcy. It was also alleged that the firm's recommendations to a small number of New Hampshire residents to purchase Lehman Structured Products were unsuitable.

Disposition: Consent Order
Administrative fine of $100,000; Investigation costs of $200,000; Administrative payment of $700,000

3. Date of Action: May 4, 2011
Brought By: SEC, Internal Revenue Service (IRS), Dept. of Justice (DOJ), State Attorney General of 24 States

UBS AG and UBS Financial Services Inc. reached settlements with the SEC, the IRS, the DOJ and a group of State Attorneys General regarding investigations into the conduct of certain former employees in UBS Financial Services' former municipal reinvestment and derivatives group from 2001 to 2006. Allegations included violations of: Section 15(c)(1)(A) of the Securities Exchange Act of 1934, Section 1 of the Sherman Act, and IRS regulations in bidding practices and representations made involving the investment of proceeds of municipal securities transactions.

Disposition: SEC: Waiver and Consent to Final Judgment enjoining UBS from violating Section 15(c) of the Act, disgorgement of profits, interest and civil penalty; IRS: Closing Agreement; DOJ: Non- prosecution Agreement

SEC: Disgorgement of $9,606,543 plus interest of $5,100,637 and civil penalty of $32,500,000; IRS: penalty of $18 million and restitution of 4.3 million; States: $70.8 million plus $20 million credited from the SEC settlement

4. Date of Action: Dec. 22, 2008
Brought By: Securities and Exchange Commission (SEC), Massachusetts Securities Division, New York State Attorney General (NYAG) and other members of the North American Securities Administrators Association.

Auction Rate Securities (ARS): UBS is permanently enjoined from violations of the broker/dealer anti-fraud provisions.

Allegations: Violations of 34 Act Section 15(c) regarding the marketing and sale of Auction Rate Securities.

Disposition: Cease & Desist Injunction; Civil Penalty; Consent Judgment
Cease & Desist, and Fines in varying amounts currently being paid to all 50 states. UBS Financial Services Inc. (together with UBS Securities LLC) agreed to pay a fine of $150 million ($75 million to the NYAG and $75 million allocated to the remaining states).

5. Date of Action: July 16, 2007
Entity: UBS Financial Services
Brought By: Attorney General State of NY

Allegations: Non-discretionary fee-based brokerage accounts offered by UBS were unsuitable for certain clients and fees/commissions were higher than non- fee based accounts

Disposition: Remediation to Customers & Penalty to State of NY
Remediation: $21,300,000; Penalty: $2,000,000

6. Date of Action: March 7, 2005
Entity: UBS Financial Services
Brought By: State of Illinois

Allegations: Failure to provide investors with accurate account statements re: callable CD's and failure to supervise.
Disposition: Fine
Fine: $95,000

7. Date of Action: April 28, 2003 – March 19, 2004
Entity: UBS Financial Services and affiliates
Brought By: Secretary of State of 47 States and Washington [redacted].

Allegations: Violation of Securities Act regulations regarding research practices and conflicts of interest arising from those practices. Violations of Section 17(b) of the Securities Act of 1933, NYSE Rules 476(a)(6), 401, 472, 476(A)(6) and 342, NASD Rules 2210 and 2110 and state securities laws

Disposition: Cease & Desist, Fine, Penalty, Disgorgement, Investor Education.

Details: UBS Financial Services Inc. (together with UBS Securities LLC) paid a total of $80M (allocated among the states), which includes $25M penalty, $25M as disgorgement, $25M to be used for procurement of independent research and $5M for investor education. Fines varied by State.

Financial Advisors of UBS Financial Services, Inc.

8. Date of Action: February 2, 2010
Entity: Individual Financial Advisor
Brought By: State of Nevada

Details: State of Nevada issued Final Order revoking the Financial Advisor's license to act as a sales representative on Feb. 2, 2010.

9. Date of Action: June 9, 2008
Entity: Individual Financial Advisor
Brought By: State of New York Department of Insurance

Disposition: Final Order issued in connection with violations of sections 2123 of the NY Insurance Law and Department Regulation 60 (11 NYCRR 51.5).

10. Date of Action: March 2007
Entity: Individual Financial Advisor
Brought By: State of New York Department of Insurance

Disposition: Final Order in connection with violations of sections 2123 of the NY Insurance Law and Department Regulation 60 (11 NYCRR 51.5).

11. Date of Action: May 12, 2000
Entity: Individual Financial Advisor
Brought By: Ohio Division of Securities

Details: The Ohio Division of Securities issued a final order to deny the Financial Advisor's application for a securities sales person license.

UBS AG (Parent Company)

12. Date of Action: May 20, 2015
Brought By: U.S. Department of Justice (DOJ), the Board of Governors of the Federal Reserve, Connecticut Department of Banking

On May 20, 2015, UBS AG entered into settlements with the DOJ, the Board of Governors of the Federal Reserve, and the Connecticut Department of Banking in connection with their investigations of the global foreign exchange markets. The Federal Reserve and the Connecticut Department of Banking jointly issued an order finding that UBS AG engaged in unsafe and unsound banking practices related to its FX business. Pursuant to the terms of the settlement, the DOJ terminated the 2012 LIBOR Non-Prosecution Agreement with UBS, and UBS AG pled guilty to a single wire fraud charge. UBS AG is also subject to a three-year probation period with significant cooperation and reporting requirements.

DOJ: Payment of USD 203 million
Federal Reserve: USD 342 million

13. Date of Action: December 12, 2012
Brought By: FSA, FINMA, CFTC
Entity: UBS AG
On 19 December 2012, UBS AG entered into settlements with the US Department of Justice (DOJ), UK Financial Services Authority, and the Commodity Futures Trading Commission (CFTC) in connection with their investigations of manipulation of LIBOR and other benchmark interest rates. The Swiss Financial Market Supervisory Authority (FINMA) also issued an order concluding its formal proceedings with respect to UBS. UBS agreed to pay a total of approximately CHF 1.4 billion in fines and disgorgement. UBS will pay GBP 160 million in fines to the FSA and CHF 59 million as disgorgement of estimated profits to FINMA.
FINMA: Reprimand and disgorgement of estimated profits CHF 59 million
FSA: Fine GBP 160 million
CFTC: Fine, USD 700 million

14. Date of Action: January 2011
Disposition: SIX Swiss Exchange Regulation
UBS AG was fined for (i) publishing too late internally available information related to expected losses in the summer of 2007 and (2) breaching rules on the provision of information about corporate governance in the 2008 UBS annual report.
Disposition: Fine
CHF100,000

15. Date of Action: February 2009
Brought By: SEC and US Department of Justice
Allegations: UBS entered into a Deferred Prosecution Agreement with the [redacted]. and a Consent Order with the SEC in connection with an investigation into the firms Cross-Border business. UBS AG agreed to disgorge profits and pay back taxes. UBS AG will terminate cross-border business serving private clients out on non SEC registered entities.
Disposition: Disgorgement ($200,000,000 is to the SEC); Back Taxes Payment, Monetary Sanctions: $380,000,000; $400,000,000

16. Date of Action: December 2008
Brought By: Swiss Federal Banking Commission
Allegations: The cross-border business of UBS AG private clients was investigated and the firm was required to cease operating its non-W9 relationships, and to establish an adequate risk management and control system for this business.
Disposition: Injunction

17. Date of Action: May 10, 2004
Entity: UBS AG
Brought by: Federal Reserve Bank of New York
Details: UBS engaged in U.S. Dollar banknote transactions with counterparties in jurisdictions subject to U.S. sanctions, and certain former officers and employees of UBS AG engaged in intentional acts aimed at concealing, which included falsifying reports, those banknote transactions from the Federal Reserve Bank of New York
Disposition: UBS AG consented to the issuance of an order without admitting or denying the allegations and paid a civil [redacted]100 million.

[redacted]-MAXWELL

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UBS