

GAAP. A qualified report by the auditors could have an adverse impact on the Underlying Funds' financing and other agreements.

Non-U.S. Domicile of the Master Fund

A substantial portion of the Partnership's investable assets are invested in the Master Fund. The Master Fund is incorporated in the Cayman Islands. It may be more difficult for Limited Partners to bring claims and/or enforce judgments in proceedings in the Cayman Islands than it would be in the United States. Also, the Cayman Islands are a substantially less regulated jurisdiction than the United States and have materially different laws (regarding, for example, bankruptcy and insolvency).

Amendment of Withdrawal Rights

Pursuant to the terms of the Partnership Agreement, Limited Partners (including affiliates of the General Partner who are Limited Partners) that are entitled to vote and have in excess of two-thirds of the partnership percentages of the Limited Partners may approve any amendment to the Partnership Agreement that would restrict the withdrawal rights of all Limited Partners. Accordingly, the withdrawal rights of any Limited Partner as described herein and as set forth in the Partnership Agreement are subject to change at any time. Withdrawal rights that may be affected include, without limitation: the notice period for withdrawals; the frequency of withdrawals, generally; and the time and mechanism that the Partnership may require to pay withdrawal proceeds (including the implementation of a so-called "slow pay" mechanism for liquidating assets of the Partnership that are impaired, illiquid and/or hard to value). The amendment of the withdrawal rights of all Limited Partners could adversely affect the value of a non-consenting Limited Partner's Capital Account if the value of the Underlying Funds' investments depreciate following the time such Limited Partner would have withdrawn all or a portion of its Capital Account, but was prevented from doing so by the new, more restrictive withdrawal rights.

Side Letters

The Partnership, and in certain cases the Management Company, have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of this Memorandum, the Partnership Agreement or other applicable documents to the extent permitted by applicable law. Such terms may relate to withdrawal rights, fees, portfolio level information rights or different participation in profits and losses of certain investments ("Favorable Terms") or other matters. To effect such waivers or modifications or the grant of any special or more Favorable Terms or any other terms, the Partnership may create additional classes, sub-classes, tranches or series of Interests for certain Limited Partners or the Management Company may establish additional Feeder Funds that provide for these differing rights (including a Levered Feeder Fund), without providing notice to, or receiving consent from, the Limited Partners. Certain of such waivers, modifications or grants of special or more Favorable Terms may also be effected by the Partnership, and, in certain cases, the Management Company, through side letters. Certain side letters may enable certain Limited Partners to receive reports and have access to information regarding the Underlying Fund's portfolio that might only be available to other Limited Partners upon direct request from such Limited Partner. Accordingly, certain