

Jetstream Capital, LLC

Part 2A of Form ADV

The Brochure

12 Cadillac Drive, Suite 280
Brentwood, TN 37027

Updated: February 2011

This brochure provides information about the qualifications and business practices of Jetstream Capital, LLC (“Jetstream”). If you have any questions about the contents of this brochure, please contact us at 615-425-3400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Jetstream is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

Jetstream's most recent update to Part 2 of Form ADV was made in February 2010. Jetstream's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by Jetstream in prior years.

Table of Contents

Material Changes.....	2
Table of Contents	2
Advisory Business	2
Fees and Compensation.....	3
Performance Based Fees and Side-by-Side Management	4
Types of Clients.....	4
Methods of Analysis, Investment Strategies and Risk of Loss	5
Disciplinary Information	11
Other Financial Industry Activities and Affiliations	11
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
Brokerage Practices	12
Review of Accounts	13
Client Referrals and Other Compensation.....	13
Custody.....	14
Investment Discretion.....	14
Voting Client Securities	14
Financial Information	14

Advisory Business

Jetstream, formed in 2003, serves as an investment manager or adviser to several related collective investment vehicles, including private investment partnerships and foreign investment companies, organized to invest in securities and other financial instruments (each a "Partnership"). Jetstream is owned by its founder, Joel Dobberpuhl and his wife. In providing such services to each Partnership, Jetstream formulates its investment objective, directs and manages the investment and reinvestment of each Partnership's assets and provides reports to investors. Investment advice is provided directly to each Partnership and not individually to the limited partners or shareholders of the Partnership. As of December 31, 2010, Jetstream has approximately \$517,000,000 in assets under management. Jetstream manages the assets of each Partnership in accordance with the terms of the governing documents applicable to each Partnership.

Currently, Jetstream provides investment advice to the following Partnerships:

- Jetstream Global Fund L.P., (the "Domestic Fund"), a Delaware limited partnership (the "Fund");

- Jetstream Global Offshore Fund Ltd., (the “Offshore Fund”), a Cayman corporation (the “Offshore Fund”); and
- Jetstream Global Institutional Fund LP, (the “Institutional Fund”), a Delaware Limited Partnership.

The partnerships are each individually referred to herein as the “Domestic Fund”, “Offshore Fund”, and the “Institutional Fund” (respectfully) and collectively as the “Funds.” An affiliate of Jetstream's, Jetstream Partners, LLC, serves as the general partner to the Domestic and Institutional Fund while Joel Dobberpuhl, a principal of Jetstream and the general partner, and Peter Anderson and Cassandra Powell serve as members of the Board of Directors for the Offshore Fund.

Interests in the Funds which are collective investment vehicles sponsored by Jetstream are not registered under the Securities Act of 1933, as amended (the “Securities Act”), and such Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests in the Partnerships are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions.

In addition, certain Funds may issue several classes of interests, of which each class may be subject to different initial “lock-up” restrictions and performance allocation rates. Generally, eligible investors would be permitted to invest in any of such classes or in a combination thereof. Details concerning applicable “lock-up” restrictions and performance rates are set forth in the respective Partnership’s prospectus and offering materials.

The investment objective of the Funds is to seek growth of capital primarily by investing in common stocks. Short sales and leverage are significant strategies used to achieve the Funds’ objectives. The Funds are not publicly offered or traded. Additional information on these standards is provided in the Funds private placement memorandum. Investors are provided with a private offering memorandum, partnership agreement, and subscription booklet if investing in the Funds. Nothing herein constitutes or shall be deemed to constitute an offer to sell or the solicitation of an offer to purchase the Funds interests. Such an offer may be made only by means of the Private Placement Memorandum and only to the person to whom such Memorandum is actually delivered.

Fees and Compensation

Compensation received by Jetstream, and/or the general partner, from the Funds is generally comprised of fees based on a percentage of assets under management and performance-based amounts.

Jetstream is entitled to a quarterly management fee equal to $\frac{1}{4}$ of 1.0% of the value of each investor’s capital account, paid in advance, as of the first day of each calendar quarter. Asset based fees are billed quarterly at the commencement of the calendar quarter during which the

Company will perform the services to which the fees relate. A pro rata portion of the management fee shall be paid out of any capital contribution made by new or existing investors to the Fund if such capital contribution is not made on the first day of the calendar quarter. In addition, adjustments shall be made if a Partner redeems on a date other than at the end of a calendar quarter.

When applicable, performance-based compensation generally ranges up to 20% of net realized and unrealized profits of each year, generally calculated as of the end of each fiscal year, subject to a loss carry-forward provision. Performance-based compensation will be paid to the general partner of the Domestic and Institutional Fund, and to Jetstream from the Offshore Fund. Jetstream (subject to the oversight of the Board of Directors of the Offshore Fund) or the general partner may, at its discretion, waive all or a portion of the incentive or performance-based allocation. Performance based fees may create an incentive for Jetstream to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. With a performance based fee arrangement Jetstream receives compensation based on a share of the capital gains upon or capital appreciation of the funds or any portion of the funds of the client. In addition to the management fee and performance-based compensation, investors will bear indirectly the fees and expenses charged to the Funds. Those fees will vary, but typically include custodial and transaction costs paid to custodians, brokers or any other third parties. Investors should review all fees charged by Jetstream and its affiliates, custodians and brokers and others to fully understand the total amount of fees to be paid by the Funds.

Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, Jetstream charges performance based fees which are fees based on a share of capital gains or on capital appreciation of the client's assets. The fact the Jetstream is compensated based on the trading profits may create an incentive for Jetstream to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance based fee received by Jetstream is based primarily on realized and unrealized gains and losses. As a result, the performance based fee earned could be based on unrealized gains that investors may never realize.

Types of Clients

Jetstream provides advice to the following related collective investment vehicles

- Jetstream Global Fund LP, a Delaware limited partnership
- Jetstream Global Offshore Fund Ltd., a Cayman corporation
- Jetstream Global Institutional Fund LP, a Delaware limited partnership

Interests in the Funds which are collective investment vehicles sponsored by Jetstream are not registered under the Securities Act of 1933, as amended (the “Securities Act”), and such Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests in the Partnerships are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions. The minimum investment is \$1,000,000.

In addition, certain Funds may issue several classes of interests, of which each class may be subject to different initial “lock-up” restrictions and performance allocation rates. Generally, eligible investors would be permitted to invest in any of such classes or in a combination thereof. Details concerning applicable “lock-up” restrictions and performance rates are set forth in the respective Partnership’s prospectus and offering materials

Methods of Analysis, Investment Strategies and Risk of Loss

Jetstream and other related persons act as general partners or investment managers to certain Funds formed as limited partnerships or other collective investment related vehicles. The Funds are organized to invest in securities and other financial instruments. Investments in any such Funds of which Jetstream or other related person is a general partner or manager are conducted on a private placement basis and prospective investors are solicited only by means of the current prospectus or private placement memorandum of the relevant Partnership. Jetstream and related persons also act as investment managers to offshore entities that are not formed as limited partnerships or limited liability companies.

The investment objective of the Funds is to seek growth of capital primarily by investing in common stocks. Short sales and leverage are significant strategies used to achieve the Funds’ objectives. In selecting securities, generally for long-term investment, the Funds use a fundamental “bottoms up” approach utilizing intensive research. The prospects for positive returns from an investment are weighed against the possibilities of loss. The Funds generally seek to hold (i) long positions in securities of companies that in the Fund’s view have superior prospects for appreciation and (ii) short positions in securities of companies that in the Fund’s view have characteristics indicating future loss value.

Occasionally, Jetstream may, to the extent allowable under NASD rules, purchase equity securities that are part of an initial public offering (“New Issues”) for client accounts. New issues shall be allocated to client accounts on a prorated basis weighted by the assets under management. Sensitive allocation issues arise when Jetstream is given the opportunity to participate in an offering that is expected to be over-subscribed, or to purchase a limited position in a security that might be appropriate for multiple Advisory clients. Because new issue premiums provide the potential of an immediate profit and since the Jetstream may typically receive only a small portion of the allotments sought, Jetstream will exercise particular care in the allocation of these securities. Jetstream will prepare Allocation Statements for IPOs that will clearly identify the proposed allocation for an IPO. However, in the event that investors are not suitable for the IPO such investor will be excluded from the allocation

The Fund is a speculative venture, and an investment in the Fund involves certain risks. *Prospective investors* (“Investors”) should consider an investment in the Fund as involving a high degree of financial risk and should therefore carefully consider all the following risk factors, which are not meant to be an exhaustive listing of all potential risks associated with an investment in the Fund. In addition to fully reviewing the Limited Partnership Agreement, Investors should consult their own legal, tax and financial advisors as to all of these risks and an investment in the Fund generally.

The Fund’s investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Fund will be achieved. In fact, the practices of short selling, leveraging and other investment techniques that the Fund utilizes can, in certain circumstances, substantially increase any adverse impact to which the Fund’s investment portfolio may be subject.

The Funds are not publicly offered or traded. Details of the Funds, including the investment strategies, are described in their respective private placement memorandums and other offering documents. An investment in the Funds involves a significant degree of risk and is not intended as a complete investment program. The Fund may use aggressive, speculative investment techniques. The Fund is subject to all of the risks associated with the investment in and trading of equity securities and other instruments. The values of such securities and instruments may be volatile and may be influenced by, among other things, national and international political and economic events, fluctuations in currency exchange rates, interest rates and government trade, fiscal, monetary and other policies and actions. Consequently, the value of the Fund’s investments, and the value of the investor’s capital accounts, may be subject to sudden and substantial declines in value. The interests are not suitable for investment by an investor who is not in a position to hold the Interests indefinitely or who cannot afford the loss of its entire investment. While Jetstream strives to attain the investment objective of the Fund through its research and portfolio management skills, there is no guarantee of successful performance, that the objective can be reached or that a positive return can be achieved. As a general rule, investors can expect that investments with higher return potential will also have a higher potential of risk of loss of capital or income.

The past performance of the Fund or other portfolios, accounts or funds managed by Jetstream, its affiliates, their portfolio managers or related entities or with which they have been or are associated should not be construed as an indication of the future results of an investment in the Fund. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before realization of gains on successful investments. There may be no current return on the investments for an extended period of time. Distributions are made in the sole discretion of the Jetstream, which has no present intention to make any distributions to the investors. There can be no assurance that the Fund will achieve its investment objective.

The Fund invests its assets in securities and other financial instruments, some of which are traded over-the-counter and some of which do not have a market. There are several risks inherent in such investments, some of which are specifically referenced below. Not only are such investments subject to investment-specific price fluctuations, but also to macro-economic, market and industry-specific conditions. Those risks may be significantly enhanced by changes in

liquidity, absence of pricing transparency and the potential for volatility. Moreover, the Fund may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. No assurance can be given as to when or whether adverse events might occur that could cause significant and immediate loss in the value of the Fund's portfolio.

The Funds are not required to diversify their investments. The Funds may concentrate a significant portion of assets in a relatively small number of investment positions at any one time. Accordingly, appreciation or depreciation in the value of investment positions may have a greater effect on the value of the Fund's portfolio than would be the case in a more diversified or hedged portfolio. In addition, concentration of a significant portion of the Fund's investments in a limited number of investment positions may increase the Fund's risk in situations where an investment position becomes illiquid or markets are disrupted. If the price of an asset held by the Fund should decrease and the Fund is unable for any reason to liquidate its position quickly or at a relatively advantageous price, the effect on the Fund's portfolio would be heightened if the Fund had concentrated its assets in such a position.

The Funds have the right, in their discretion, to keep the positions in the Fund's investment portfolio confidential. The Fund believes that such confidentiality is in the best interests of the Fund, particularly with respect to the Fund's short positions. Such confidentiality prevents third parties from using information concerning the Fund's short positions (i) to "front run" the Fund, (ii) to make it more difficult for the Fund to cover its short positions by withholding or causing others to withhold prospective trades, (iii) to make it difficult to borrow securities to support short positions or (iv) otherwise to interfere with the Fund's investment objectives. Short selling is regarded by some as controversial and is particularly viewed with disfavor by the issuers of securities in which investors have substantial short positions. For this reason, the Fund believes it is important to take extra precautions to maintain the confidentiality of all positions in the Fund's investment portfolio, especially short positions. Accordingly, reports to the investors will not necessarily include certain detailed information concerning the Fund's investment positions. Investors should not invest if it is important to them to know the full contents of the investment portfolios of the investment vehicles in which they have an interest. Investors must be willing to rely on aggregate information concerning the Fund's positions, e.g., the total dollar amount of the Fund's positions on a given date.

In recent years, U.S. and world financial markets have become more volatile, and as a result, trading on securities exchanges has occasionally been halted temporarily. Should such volatility continue, various methods of hedging employed by the Fund could be rendered useless and risk levels could increase.

The Funds investment activities are not limited to the strategies or types of strategies described herein. Rather, the Funds may pursue any investment strategy that Jetstream determines to be appropriate from time to time, in its sole discretion, without any notice to investors. The unlimited range of potential investments may include substantial investments in strategies not previously pursued by Jetstream and with which Jetstream and its personnel have limited experience. Further, the Fund may invest, without limitation, in illiquid or otherwise hard-to-value assets. The Fund may also invest, directly or indirectly, in investments sponsored or managed by third parties, in which case performance will depend on the strategies and activities

of such third parties. There can be no assurance that any of the investment strategies pursued by or on behalf of the Fund will be successful.

All investments risk the loss of capital. No guarantee or representation is made that the Fund's investment program will be successful. The Fund's investment program will involve, without limitation, risks associated with limited diversification, leverage, interest rates, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund can, in certain circumstances, maximize the impact of adverse market moves to which the Fund may be subject. Investments in securities are, by their nature, speculative. The value of securities can be affected by economic conditions, trends in business and finance, national and world affairs and other events and circumstances affecting the businesses of the issuers of the securities and the markets for securities. Securities markets can be volatile, and the value of an investment in the Fund may go down as well as up. Investments of the Fund may be illiquid or difficult to value.

The Fund may purchase and sell ("write") options on equities on national and international securities exchanges and in the domestic and international over-the-counter market. The seller ("writer") of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security, plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

The writer of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Options may be cash settled, settled by physical delivery or settled by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Fund may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

The Fund may engage in short sale transactions. Short selling involves selling securities which may or may not be owned by the short seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales will depend upon its investment strategy and perception of market direction. Such practice can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. Moreover, short selling is limited to securities that can be

borrowed, and it may be necessary to cover short positions at undesirable times and at undesirable prices because securities that were shorted can no longer be borrowed. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. In addition, short selling involves the posting of collateral that will be returned to the Fund upon the satisfaction of the short sale. Amounts posted as collateral may be invested in cash or cash equivalent investments and may not generate the same level of return as the Fund's other investments.

The Fund may invest in securities of non-U.S. companies and foreign countries and in non-U.S. currencies. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. Government, including political and economic considerations, such as: greater risks of expropriation and nationalization; confiscatory taxation; the potential difficulty of repatriating funds; general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to United States standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the United States. Moreover, an issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. There is also generally less regulation of the securities markets in foreign countries than there is in the United States. For example, the Fund may trade on futures exchanges located outside of the United States. Trading on U.S. futures exchanges is subject to CFTC regulation and oversight, including, for example, minimum capital requirements for commodity brokers, prohibitions against trading ahead of customer orders, regulation of trading practices on the exchanges, prohibitions against filling orders off exchanges, prescribed risk disclosure statements, testing and licensing of industry sales personnel and other industry professionals, and recordkeeping requirements. Trading on non-U.S. exchanges may be subject to regulations that are different from those to which U.S. exchange trading is subject, provide less protection to investors than trading on U.S. exchanges and be less vigorously enforced than regulations in the U.S.

In addition, laws and regulations of foreign countries may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Foreign countries also may impose taxes on the Fund or its Limited Partners. The Management Company will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Fund.

There is a risk of terrorist attacks causing significant loss of life and property damage and disruptions in the global market. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

The investors have no right to participate in the management of the Fund or in the decisions made by Jetstream. Jetstream has sole discretion regarding admitting investors and in making investment decisions. Jetstream has discretion to enter into separate agreements with varying terms with certain investors if it deems such an agreement to be reasonable, in its sole discretion. Jetstream has, and the investors do not have, the discretionary right to dissolve the Fund. The investors have certain limited voting rights, including the right of a majority-in-interest of the Limited Partners to approve certain amendments to the Limited Partnership Agreement under certain circumstances, but do not have any authority or power to act for or bind the Fund.

Jetstream may require any investor to redeem, in whole or in part, for any or no reason, from the Fund as of the end of any calendar quarter or at any other time in Jetstream's discretion. Such a forced redemption may result in adverse tax and economic consequences to the investor required to redeem.

The Funds rely extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to the oversight of the Fund's activities. In addition, certain of the Fund's operations interface with or depend on systems operated by third parties, including its prime broker and market counterparties. The Fund also relies on the ongoing services of Jetstream and depends on access to its facilities. Although Jetstream has attempted to develop appropriate contingency plans, there can be no assurance that such plans will be effective. For example, a natural catastrophe or terrorist incident could temporarily or permanently interfere with the availability or efficient functioning of such resources. Given the potential for extremely rapid price movements in the markets in which the Fund invests, any defect or failure in the Fund's computer programs or systems or any interruption in Jetstream's access to its facilities, however brief, could have a material adverse effect on the Fund.

The investors have no authority to make decisions or to exercise business discretion on behalf of the Fund. The authority for all such decisions is delegated to Jetstream and its affiliates. The Fund's success depends on the abilities of Jetstream as well as Joel Dobberpuhl in his capacities as a principal of Jetstream who has primary responsibility for the day-to-day management of the Fund's portfolio. If Mr. Dobberpuhl dies or becomes incapacitated or for any other reason ceases to act in such capacity, the business of the Fund could be adversely affected. Jetstream is required to devote only such time and attention to the business of the Fund as it deems necessary or appropriate. Subjective decisions made by Jetstream can cause the Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized.

There is no public market for the Interests and one is not expected to develop.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective Investors should read the entire Confidential Memorandum and the Limited Partnership Agreement, if applicable of the Fund and consult with their own advisors before deciding whether to invest in the Fund.

Disciplinary Information

Jetstream and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Jetstream and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Principals, officers and employees (and members of their families) of Jetstream and its related persons and affiliates may participate directly or indirectly as investors in Jetstream's clients. Jetstream may recommend to clients the purchase or sale of securities in which it, or its officers, employees, or related persons have a financial interest.

To avoid any potential conflicts of interest involving personal trades, Jetstream has adopted a Securities Compliance Policy ("Securities Compliance Policy"), which includes a formal code of ethics and insider trading policies and procedures. Jetstream's Securities Compliance Policy requires, among other things, that Employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Jetstream above one's own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

Jetstream's Securities Compliance Policy also requires Employees to: 1) trade only in mutual funds, exchange traded funds and fixed income securities. Personal trading in single stocks is not currently allowed, 2) Provide broker statements to the Chief Compliance officer when requested and at the end of the fiscal year, and 3) provide Jetstream with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest.

A copy of Jetstream's Securities Compliance Policy shall be provided to any investor or prospective investor upon request.

Brokerage Practices

Jetstream has sole discretion, subject to any restrictions listed in the offering documents of the Funds managed, over which securities may be purchased and sold, and the quantity of such transactions. We also have sole discretion in brokers used and commissions paid. Purchases or sales of portfolio securities through brokers involve a commission to the broker. Purchases or sales of securities from dealers serving as market makers include a spread between the bid and the asked price. In negotiating commission rates, several factors, including, but not limited to, the financial stability and reputation of the broker, and the quality of investment research, investment strategies and special execution capabilities are taken into account. We are authorized to pay higher prices for the purchase or sale of securities from or accept lower prices for the sale of securities to brokerage firms that provide us with such investment and research information or to pay higher commissions to such firms if we determine such prices or commissions are reasonable in relation to the overall services provided.

We conduct business with multiple executing brokers and currently have two prime brokers, Goldman Sachs & Co. and Morgan Stanley through which all trades clear.

We have the option to use "soft dollars" generated by the Funds to pay for the research related services. The term "soft dollars" refers to us receiving products or services provided by brokers, without any cash payment from us, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the Funds. We are specifically authorized to direct brokerage to firms which furnish or pay for quotation and/or office equipment, recordkeeping, research, research-related services, and other services within the "safe harbor" provided by Section 28(e) of the United States Securities Exchange Act of 1934.

If a research product or service has both research and non-research uses, an allocation will be made between the research and non-research functions, with the portion allocable to research being paid with commission dollars, and the non-research portion being paid by us. An allocation of the cost of the product or service will be made according to its use (i.e., the component that provides assistance to Jetstream in the investment decision-making process vs. the component that relates to non-research activities). The allocation

will generally be made on the basis of the percentage of time devoted to the use of the product for research vs. non-research applications, or such other appropriate measure of the value of the product for each use as the Chief Compliance Officer determines to be appropriate, both initially and upon periodic reviews.

In addition to the factors described above, we may consider broker-dealer referrals of investors to the Funds or the potential for future referrals. As with soft dollar payments for research, in some cases the transaction compensation paid might be higher than that obtainable from another broker-dealer who did not provide (or undertake to provide) referrals. Awarding transaction business to broker-dealers in recognition of past or future referrals may involve an incentive for Jetstream to cause the Funds to effect more transactions than it might otherwise do to stimulate more referrals.

The use of brokerage commissions to obtain investment research services and to pay for our research related costs creates a conflict of interest between us and the Funds, because the Funds pay for such products and services that are not exclusively for the benefit of the Funds that may be primarily or exclusively for our benefit. To the extent that we are able to acquire these products and services without expending its own resources, our use of soft dollars would tend to increase our profitability. In addition, the availability of these non monetary benefits will influence us to select one broker rather than another to perform services for the Funds. The agreement for the Funds specifically authorizes these practices to the fullest extent permitted by law.

We may aggregate purchase and sale orders of securities held by the Funds if in our judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Funds based on an evaluation that the Funds will be benefited by relatively better purchase or sale prices, lower commission expenses or a combination of these and other factors. Such transactions may be made at slightly different prices, due to the volume of securities purchase or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at our sole discretion, and the Funds may be charged or credited, as the case may be, with the average transaction price.

Jetstream does not compensate Goldman Sachs, Morgan Stanley or any other custodian or broker/dealer for referring client accounts.

Review of Accounts

Accounts under Jetstream's management are monitored on an ongoing basis. Investors in the Funds receive monthly account statements. The Funds are audited annually by Ernst and Young and a copy of the audit report is distributed to each investor on an annual basis.

Client Referrals and Other Compensation

Jetstream does not compensate any party for client referrals.

Other than the previously described products and services that Jetstream receives from Goldman Sachs, Morgan Stanley, or any other broker/dealer Jetstream does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Custody

All of the Funds assets are held in custody by unaffiliated broker/dealers or banks, however Jetstream has access to client accounts since it or an affiliate serves as the general partner of the Partnerships and as Investment Advisor to the Offshore Fund. Limited partners or shareholders (or members or owners) will not receive statements from the custodian. Instead the Funds are subject to an annual audit and the audited financial statements are distributed to each limited partner or shareholder (or member or owner). The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Fund's fiscal year end.

Investment Discretion

Jetstream has investment discretion over all clients' accounts. Clients grant Jetstream trading discretion through the execution of subscription documents completed when making an initial contribution to one of the Funds advised by Jetstream.

Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Jetstream has adopted and implemented written policies and procedures governing the voting of client securities. Notwithstanding Jetstream's discretionary authority to make investment decisions on behalf of clients, Jetstream will not exercise proxy voting authority over securities held in client accounts. The obligation to vote client proxies shall at all time rest with the client. Jetstream shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Should Jetstream inadvertently receive proxy information for a security held in a client's account, then Jetstream will make a good faith effort to forward such information on to Client in a timely manner, but will not take any further action with respect to the voting of such proxy. Upon termination of its Investment Advisory Agreement with a client, Jetstream shall make a good faith and reasonable attempt to forward proxy information inadvertently received by Jetstream on behalf of the client to the forwarding address provided by the client to Jetstream.

Financial Information

Jetstream has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.