

GREYLOCK GLOBAL OPPORTUNITY FUND LP

(A Delaware limited partnership)

An Offering of Limited Partnership Interests

This Memorandum is dated March 2009

THIS CONFIDENTIAL PRIVATE OFFERING MEMORANDUM ("MEMORANDUM") IS SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN LIMITED PARTNERSHIP INTERESTS IN GREYLOCK GLOBAL OPPORTUNITY FUND LP, A DELAWARE LIMITED PARTNERSHIP. DUE TO THE CONFIDENTIAL NATURE OF THIS MEMORANDUM, ITS USE FOR ANY OTHER PURPOSE MIGHT INVOLVE SERIOUS LEGAL CONSEQUENCES. CONSEQUENTLY, THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, AND MAY NOT BE DELIVERED TO ANY PERSON (OTHER THAN YOUR FINANCIAL ADVISOR) WITHOUT PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER.

GENERAL INFORMATION

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PARTNERSHIP AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE THEY BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. FURTHERMORE THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THESE OFFERING MATERIALS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE 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 (THE "ACT"), AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE PARTNERSHIP FOR AN INDEFINITE PERIOD OF TIME.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE ACT SINCE THEY WILL BE OFFERED ONLY TO A LIMITED NUMBER OF QUALIFIED INVESTORS. IT IS ANTICIPATED THAT THE OFFERING AND SALE OF SUCH INTERESTS WILL BE EXEMPT FROM REGISTRATION PURSUANT TO REGULATION D PROMULGATED UNDER THE ACT. THERE ARE SUBSTANTIAL RESTRICTIONS ON THE TRANSFERABILITY OF THE LIMITED PARTNERSHIP INTERESTS.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE INTENDED OR SHOULD BE INFERRED WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX CONSEQUENCES FROM AN INVESTMENT IN THE PARTNERSHIP. NO ASSURANCE CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THIS MEMORANDUM AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OWN COUNSEL AND ACCOUNTANT FOR ADVICE CONCERNING THE VARIOUS LEGAL, TAX AND ECONOMIC CONSIDERATIONS RELATING TO HIS INVESTMENT.

NO PERSON OTHER THAN THE GENERAL PARTNER HAS BEEN AUTHORIZED TO MAKE REPRESENTATIONS, OR GIVE ANY INFORMATION, WITH RESPECT TO THESE LIMITED PARTNERSHIP INTERESTS, EXCEPT THE INFORMATION CONTAINED HEREIN, AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN OR OTHERWISE SUPPLIED BY THE GENERAL PARTNER IN WRITING MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE PARTNERSHIP OR ANY OF ITS PARTNERS. ANY FURTHER DISTRIBUTION OR REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, IS PROHIBITED.

A PROSPECTIVE INVESTOR SHOULD NOT SUBSCRIBE FOR LIMITED PARTNERSHIP INTERESTS UNLESS SATISFIED THAT HE OR HE AND HIS INVESTMENT REPRESENTATIVE HAVE ASKED FOR AND RECEIVED ALL INFORMATION WHICH WOULD ENABLE HIM OR BOTH OF THEM TO EVALUATE THE MERITS AND RISKS OF THE PROPOSED INVESTMENT.

THE PARTNERSHIP SHALL MAKE AVAILABLE TO EACH INVESTOR OR HIS AGENT, DURING THIS OFFERING AND PRIOR TO THE SALE OF ANY INTERESTS, THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM REPRESENTATIVES OF THE GENERAL PARTNER CONCERNING ANY ASPECT OF THE PARTNERSHIP AND ITS PROPOSED BUSINESS AND TO OBTAIN ANY ADDITIONAL RELATED INFORMATION TO THE EXTENT THE PARTNERSHIP POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

THE GENERAL PARTNER HAS FILED A CLAIM OF EXEMPTION FROM REGISTRATION AS A COMMODITY POOL OPERATOR ("CPO") WITH THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION ("CFTC") IN CONNECTION WITH PRIVATE INVESTMENT FUNDS WHOSE PARTICIPANTS ARE ACCREDITED INVESTORS, AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, CERTAIN FAMILY TRUSTS AND CERTAIN PERSONS AFFILIATED WITH THE GENERAL PARTNER. AT ALL TIMES, THE PARTNERSHIP WILL UTILIZE FUTURES SUCH THAT EITHER (1) NO MORE THAN 5% OF ITS ASSETS ARE USED TO ESTABLISH COMMODITY INTEREST POSITIONS OR (2) THE NOTIONAL VALUE OF ITS COMMODITY INTEREST POSITIONS DOES NOT EXCEED 100% OF THE PARTNERSHIP'S LIQUIDATION VALUE.

UNLIKE A REGISTERED CPO, THE GENERAL PARTNER IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT TO PARTICIPANTS IN THE PARTNERSHIP. THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY DISCLOSURE DOCUMENT FOR THE PARTNERSHIP.

AN INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF THE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF AN INVESTMENT IN THE PARTNERSHIP AND 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.

WHENEVER THE MASCULINE OR FEMININE GENDER IS USED IN THIS MEMORANDUM, IT SHALL EQUALLY, WHERE THE CONTEXT PERMITS, INCLUDE THE OTHER, AS WELL AS INCLUDE ENTITIES

SPECIAL NOTICE TO FLORIDA INVESTORS:

THE FOLLOWING NOTICE IS PROVIDED TO SATISFY THE NOTIFICATION REQUIREMENT SET FORTH IN SUBSECTION 11(A)(5) OF SECTION 517.061 OF THE FLORIDA STATUTES, 1987, AS AMENDED:

UPON THE ACCEPTANCE OF FIVE (5) OR MORE FLORIDA INVESTORS, IF THE FLORIDA INVESTOR IS NOT A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY AS DEFINED IN THE INVESTMENT COMPANY ACT OF 1940, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933), THE FLORIDA INVESTOR ACKNOWLEDGES THAT ANY SALE OF AN INTEREST TO THE FLORIDA INVESTOR IS VOIDABLE BY THE FLORIDA INVESTOR EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE FLORIDA INVESTOR TO THE ISSUER, OR AN AGENT OF THE ISSUER, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE FLORIDA INVESTOR, WHICHEVER OCCURS LATER.

DIRECTORY

Principal Office:	Greylock Global Opportunity Fund LP 99 Park Avenue New York, New York 10016 U.S.A. (212) 808-1800
General Partner:	Greylock Capital Management, LLC 99 Park Avenue New York, New York 10016 U.S.A. (212) 808-1800
Administrator:	Prime Management Limited Mechanics Building P.O. Box HM 3348 12 Church Street Hamilton HM11 Bermuda
Auditors:	PricewaterhouseCoopers PO Box HM 1171 Hamilton HM EX Bermuda
Counsel:	Seward & Kissel LLP One Battery Park Plaza New York, New York 10004 U.S.A.
Primary Custodian and Prime Broker:	J.P. Morgan Clearing Corp. 383 Madison Avenue New York, New York 10179 U.S.A.

Written inquiries relating to the Partnership should be addressed to Greylock Global Opportunity Fund LP at the address of its principal office set forth above. The Partnership's books and records are maintained and available for inspection at the principal office.

TABLE OF CONTENTS

	Page
1. SUMMARY OF TERMS	1
2. GENERAL COMMENTS	4
3. PURPOSE.....	4
4. INVESTMENT OBJECTIVE AND METHOD OF OPERATION	5
5. MANAGEMENT	8
6. CERTAIN RISKS.....	8
7. PROSPECTIVE INVESTORS.....	18
8. MANAGEMENT FEE	18
9. ALLOCATION OF NET PROFITS AND NET LOSSES; INCENTIVE ALLOCATION TO GENERAL PARTNER; PRIOR FISCAL PERIOD ITEMS; PURCHASE OF "NEW ISSUES"	18
10. DEATH, BANKRUPTCY OR LEGAL INCAPACITY OF A PARTNER.....	20
11. OTHER PROVISIONS OF THE PARTNERSHIP AGREEMENT	21
12. ADMINISTRATIVE SERVICES.....	25
13. BROKERAGE AND CUSTODY	25
14. PAYMENTS TO SPONSORS OF THE PARTNERSHIP.....	27
15. REPORTS TO PARTNERS	27
16. TAXATION	27
17. ERISA MATTERS	31
18. FISCAL YEAR AND FISCAL PERIODS	32
19. PROCEDURE FOR BECOMING A LIMITED PARTNER.....	32

1. SUMMARY OF TERMS

The following is a summary of the more detailed information contained elsewhere in this Confidential Private Offering Memorandum ("Memorandum") and is qualified in its entirety by reference to such information.

The Partnership

Greylock Global Opportunity Fund LP is a Delaware limited partnership (the "Partnership") that is privately and continuously offered pursuant to Regulation D of the Securities Act of 1933. All assets of the Partnership will be invested through a "master-feeder" fund structure in Greylock Global Opportunity Master Fund Ltd., an international business company formed under the laws of the British Virgin Islands (the "Master Fund"). (Unless otherwise indicated, references to the "Partnership" in this Memorandum include both the Partnership and the Master Fund.)

Investment Objective

The Partnership's investment objective is long-term capital appreciation primarily through investments in international, non-investment grade debt securities.

The General Partner

The general partner of the Partnership is Greylock Capital Management, LLC, a limited liability company organized under the laws of the State of Delaware (the "General Partner"). The General Partner is responsible for management of the Partnership's portfolio. The General Partner also serves as the investment manager of the Master Fund. (Unless otherwise indicated, references to the "General Partner" in this Memorandum include both the General Partner and the Investment Manager.)

Expenses

The Partnership will pay all its own expenses including the management fee, administrator's fee, accounting (including internal accounting) and legal expenses, the Partnership's pro rata share of the expenses of the Master Fund, organizational expenses and all investment expenses; provided, however, that the Partnership's expenses which are borne by the Partnership for each year (excluding investment expenses, compensation to the General Partner and extraordinary expenses) will be capped at 3% of the net assets of the Partnership. Such Partnership expenses for any fiscal year that exceed the 3% cap will be paid by the General Partner. Organizational expenses were borne by the Partnership and have been fully amortized. As noted above, the Partnership invests all of its assets through a "master feeder" fund structure in the Master Fund. Each investment vehicle, including the Partnership, that

invests in the Master Fund will indirectly share the administrative and other expenses of the Master Fund pro rata based on its interest in the Master Fund.

Risk Factors

Investment in the Partnership involves significant risk factors and is suitable only for persons who can bear the economic risk of the loss of their investment, who have limited need for liquidity in their investment and who meet the conditions set forth in this Memorandum. There can be no assurances that the Partnership will achieve its investment objective. Investment in the Partnership carries with it the inherent risks associated with investments in securities as well as additional risks including, but not limited to, the use of options, short sales, leverage and investments in international non-investment grade debt securities, privately traded securities and non-U.S. securities. Each prospective limited partner should carefully review this Memorandum and the agreements referred to herein before deciding to invest in the Partnership.

Management Fee

The Partnership will pay the General Partner (or an entity designated by it) in arrears a monthly management fee calculated at the rate of 2% per annum of the net assets of the Partnership.

Allocation of Net Profits and Losses; Incentive Allocation to General Partner

All net profits and net losses of the Partnership (including realized and unrealized gains and losses) will be allocated to the partners in accordance with the ratio of their capital account balances. For each fiscal year, there shall be reallocated to the General Partner from the capital account of each limited partner 20% of the excess of each limited partner's share of net profits (including unrealized gains), if any, over an annual rate of return equal to the average of the current 90 day U.S. Treasury Bill rate at each month-end during such year, subject to a loss carryforward provision (the "Incentive Allocation").

It is noted that if a limited partner makes an additional capital contribution or withdraws a part of his capital account during a fiscal year, the Incentive Allocation will be computed and charged separately with respect to the portion of such limited partner's capital account attributable to such interest.

The Offering

The minimum investment is \$1,000,000, subject to increase or decrease at the discretion of the General Partner. Investors in the Partnership must be "accredited investors" as defined under Regulation D of the Securities Act of 1933, as

amended, and “qualified clients” as defined in Rule 205-3 under the Investment Advisers Act of 1940. The General Partner may, at its discretion, admit limited partners, or accept additional capital contributions from existing partners at any time.

Withdrawals

Funds may be withdrawn from the Partnership by limited partners as of the last day of each quarter on 30 days prior written notice. If a limited partner withdraws all or any part of his capital account during the first 12 months following the date of his initial capital contribution, such limited partner will be subject to a withdrawal charge of up to 2% of the funds being withdrawn, subject to waiver at the discretion of the General Partner. For example, a limited partner who makes an initial capital contribution to the Partnership on January 1, 2010 may (i) withdraw any part of his capital account on March 31, 2010, June 30, 2010 or September 30, 2010, subject to the 2% withdrawal charge and (ii) withdraw any part of his capital account on December 31, 2010 and each calendar quarter thereafter without any withdrawal charge. In general, upon a limited partner's retirement, at least 95% of the amount of the estimated value of the limited partner's capital account as of date of retirement will be paid within 30 days after the date of retirement and the balance, if any, promptly after the General Partner has determined the capital accounts of the partners as of the retirement date (which in the Partnership's discretion may be after the Partnership's independent public accountants have completed their examination of the Partnership's annual financial statements), subject to certain restrictions set forth in the Limited Partnership Agreement. Notwithstanding the foregoing, the General Partner, in its sole discretion, may waive or modify any terms related to withdrawals for a limited partner.

Administrative Services

Prime Management Limited will provide administrative services to the Partnership.

Reports

Each limited partner will receive unaudited reports of the performance of the Partnership monthly and will receive audited year-end financial statements annually.

2. GENERAL COMMENTS

Greylock Global Opportunity Fund LP is a Delaware limited partnership (the "Partnership"). As further described below, Greylock Capital Management, LLC, a limited liability company organized under the laws of Delaware, is the general partner of the Partnership (the "General Partner") and will be responsible for the management of the Partnership's portfolio.

The Partnership was originally formed as Van Eck Emerging Markets Opportunity Fund, LP. In 2001, the Partnership reorganized as Van Eck Global Opportunity Fund, LP. and modified its investment objective and operative terms as reflected in this Confidential Private Offering Memorandum ("Memorandum"). In January 2002, the Partnership changed its name to Van Eck Global Opportunity Fund (Onshore) LP and transferred substantially all of its assets to Van Eck Global Opportunity Master Fund Ltd. (formerly "Van Eck Global Opportunity Fund Ltd." which became Greylock Global Opportunity Master Fund Ltd., in 2004) through which the Partnership invests as discussed in the following paragraph. In March 2002, the Partnership changed its name to Van Eck Global Opportunity Fund LP and in January 2004 changed its name to Greylock Global Opportunity Fund LP.

All assets of the Partnership will be invested through a "master-feeder" fund structure in Greylock Global Opportunity Master Fund Ltd., an international business company formed under the laws of the British Virgin Islands (the "Master Fund"). (Unless otherwise indicated, references to the "Partnership" in this Memorandum include both the Partnership and the Master Fund.) The General Partner also serves as the investment manager (the "Investment Manager") of the Master Fund. (Unless otherwise indicated, references to the "General Partner" in this Memorandum include both the General Partner and the Investment Manager.)

This Memorandum sets forth the investment objective and method of operation of the Partnership, the principal terms of the limited partnership agreement (the "Partnership Agreement") and certain other pertinent information. However, the Memorandum does not set forth all the provisions and distinctions of the Partnership Agreement that may be significant to a particular prospective limited partner. Each prospective limited partner should examine this Memorandum, the Partnership Agreement and the Agreement for Admission accompanying this Memorandum in order to assure himself that the terms of the Partnership Agreement and the Partnership's investment objectives and method of operation are satisfactory to him.

Prospective limited partners are invited to review any non-proprietary materials available to the General Partner relating to the Partnership, the operations of the Partnership and any other matters regarding this Memorandum. All such materials are available at the office of the Partnership at any reasonable hour after reasonable prior notice. The General Partner will afford prospective limited partners the opportunity to ask questions of and receive answers from its representatives concerning the terms and conditions of the offering and to obtain any additional information to the extent that the General Partner or the Partnership possess such information or can acquire it without unreasonable effort or expense.

The Partnership may be deemed to be a speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their investment in the Partnership.

3. PURPOSE

The Partnership is a limited partnership formed under the laws of the State of Delaware for the purpose of investing its assets in accordance with the investment objective and restrictions set forth in this Memorandum and the Partnership Agreement. Admission as a limited partner in the Partnership is not open to the general public.

4. INVESTMENT OBJECTIVE AND METHOD OF OPERATION

The Objective

The Partnership will seek capital appreciation through opportunistic investments in undervalued securities, with a focus on international, non-investment grade debt securities. Due to its opportunistic strategy, the Partnership may be heavily invested in cash for periods of time when the General Partner cannot identify good opportunities. Current income is a secondary consideration. It should be noted that many of the securities in which the Partnership will invest are thinly-traded or even illiquid.

The Partnership will be invested primarily in debt and debt-like or related investments such as performing and non-performing loans, trade receivables, letters of credit, Brady and Eurobonds (both sovereign and non-sovereign issuers), global high yield debt and money market instruments. The Partnership may also invest in currencies, equities, futures and options and other investments.

While the Partnership will invest primarily in international debt and debt-like or related investments as described above, (including both long and short positions), the Partnership has broad and flexible investment authority and may change or vary its investment objective, policies and restrictions without limited partner approval. Accordingly, the Partnership's investments may at any time include (but are not limited to) long or short positions in cash, common stocks, preferred stocks, stock warrants and rights, bonds, notes or other debentures or debt participations, fund interests, swaps, options (including options on stock market indices) and other securities or financial instruments including those of investment companies.

The Opportunity

While the international, non-investment grade debt market has grown and become more efficient through the process of credit improvement and institutionalization, the General Partner believes that many niches remain under-analyzed and therefore highly inefficient. Further, the General Partner believes that many emerging markets remain underdeveloped and prone to periods of volatility and panic and therefore continue to offer excellent investment opportunities. As a result, the General Partner believes investors will be able to realize substantial gains not only because of the long-term growth prospects of the globalization of markets, but also through investments in undervalued and mispriced assets.

One premise of the Partnership is that investments in emerging markets debt securities may provide investors with excellent returns with low correlation to other asset classes. Many of these investments are event driven and may be independent of external market factors.

The Process

The Partnership expects to find undervalued assets in: (i) dormant and/or ignored markets where fundamental conditions are improving and (ii) panic situations. Accordingly, the General Partner will analyze all the major developments in the markets, but typically will focus its more intensive research on overlooked or panic markets. The research process includes discussions with companies, market players, broker-dealers, and commercial banks. Precise valuations of such investments are usually difficult because the conditions facing the issuer may change rapidly, therefore, the General Partner will focus on the potential upside and downside of an investment.

The General Partner believes that its experience will be helpful in identifying and trying to predict the behavior of market players, including the issuer, regulators and other investors. In addition, the General Partner will use its knowledge of how similarly distressed assets have been renegotiated.

Once an investment idea is generated, the market is followed closely for an opportunity to establish a position. In both overlooked and panic situations, there may not be much liquidity and one

often finds large bid/offer spreads. The General Partner will seek to capitalize on this situation by choosing an attractive entry point for the investment.

Finally, the General Partner will identify possible exit strategies for investments which may include market sales, debt buybacks, debt swaps, debt-for-equity swaps, debt retirements and other workouts.

There is no average holding period. The Partnership may hold an investment for over two years or it may sell within days of establishing a position if the price target is reached.

Overall Risk Management

As discussed elsewhere in greater detail, the Partnership's investments will be highly speculative. The General Partner may use the following strategies to control risk:

- i. Cash: The Partnership will seek absolute return and will not be invested to meet a benchmark. If the General Partner cannot identify attractive opportunities or feels that being fully invested is risky, the Partnership may be substantially invested in cash.
- ii. Diversification: Many positions may account for 5% to 10% of the Partnership. One position will rarely be greater than 25% of the Partnership (at cost).
- iii. Low Directional Leverage: While the Partnership has the ability to use leverage, the General Partner presently intends to use leverage sparingly when taking directional positions (going long or short). Leverage will be used primarily for relative value and risk arbitrage opportunities, where longs offset shorts or vice versa. It is intended that the Partnership will utilize leverage, generally in accordance with the Federal Reserve Board's margin rules set forth in Regulation T (i.e., under Regulation T, a customer must deposit at least 50% of the market value of the securities and the balance is loaned to the customer).

Interest Rate Risk Management

Generally, the Partnership's return will decline if interest rates rise. However, the General Partner will attempt to structure the Partnership's portfolio such that the sensitivity of the Partnership to global interest rate risks may be managed to be lower than a normal fixed income portfolio. First, many of the assets that the Partnership will be investing in will either bear no interest or will be short-term in nature. Second, longer-dated assets may be hedged so that exposure to interest rates is decreased while exposure to the underlying credit is maintained.

There are several manners of hedging interest rate risk in bonds. The first and most obvious manner will be to hedge with Treasury futures or derivatives linked to U.S. Treasuries. While this method of hedging is possible, the General Partner believes there are certain problems with it. First, there is the possibility of unequal shifts in the yield curve; matching modified durations only works if there is an equal shift in the yield curve (i.e., long and short dated maturities increase (decrease) in yield by equal amounts). Second, and more importantly, this type of hedging does not account for the sensitivity of the overall asset class to movements in general. Some market participants argue that credit spreads widen (contract) in times of increasing (decreasing) interest rates, creating a "leveraged Treasury" effect in the market. At other times, emerging markets in which the Partnership may invest may completely decouple from the treasury market. As a result, the General Partner prefers not to hedge using Treasuries; instead the General Partner prefers to use similar assets or derivatives on underlying securities within the asset class.

Credit Risk Management

The General Partner views credit risk (i.e., the sensitivity of an asset to the quality of the underlying issuer) as a significant risk. While it is not the General Partner's intention to completely eliminate this risk, the General Partner may attempt to minimize it through a variety of methods. The most obvious method is through the use of relative value trades; by spotting and transacting on mispriced assets of a similar credit the General Partner hopes to isolate certain characteristics of credit risk. Hedging techniques may include outright shorts, reverse-repos, long put options, selling call options and selling forwards or futures. These types of investments, while eliminating some credit risk, may lead to other risks such as basis risk between asset types, yield curve risk and liquidity risks. However, the General Partner is generally more comfortable with these risks.

Market Risk Management

Many of the assets in which the Partnership will be investing are securities issued by issuers located in emerging market countries. The General Partner may seek to reduce the Partnership's exposure to emerging market risk, as measured by the Partnership's sensitivities to the general emerging markets' equity and fixed income markets. The Partnership invests in distressed assets and assets that are infrequently analyzed by the market. These assets trade infrequently and are not widely quoted by market participants. They are therefore less sensitive to small movements in the market. They are, however, sensitive to exaggerated market movements. In these cases, a loss of liquidity, in which it is hard to find market participants quoting bids or offers, is also experienced. The General Partner has devised several methods attempting to deal with this type of emerging market risk and the resulting liquidity risk. These methods include: (i) purchasing and maintaining a portion of the portfolio in out-of-the-money put options on more liquid and more frequently quoted assets, purchasing them when volatilities decline, (ii) structuring put options on specific assets or a pool of assets within the Partnership's portfolio and (iii) creating exit strategies, such as debt buybacks or debt/equity conversions that are independent of market fluctuations. Other methods that the General Partner employs in attempting to deal with these risks are more reactive such as a willingness to quickly trade out of speculative, non-core trades or avoiding historically vulnerable instruments at market tops.

While the Partnership will focus primarily on investments as described above, the Partnership has broad and flexible investment authority. Accordingly, the Partnership's investments may at any time include, without limitation, long or short positions in publicly-traded or privately-placed common stocks, preferred stocks, stock warrants and rights, bonds, notes or other debentures, debt participations or trade claims, convertible securities, partnership interests, currencies, commodities, forward contracts, futures contracts, options (including options written by the Partnership), swaps and other securities or financial instruments including those of investment companies. There can be no assurances that the Partnership's investment objective will be achieved.

Trading In Commodities Futures Contracts

The Partnership may trade in financial futures contracts including stock market index futures, interest rate futures and non-U.S. currencies, in futures contracts and in options thereon. Such futures contracts are considered "commodity futures contracts" and are subject to regulation by the Commodity Futures Trading Commission ("CFTC").

Use Of Proceeds; Custody

The Partnership's primary custodian is J.P. Morgan Clearing Corp., a registered broker-dealer that will hold substantially all of the assets of the Partnership. The Partnership and/or J.P. Morgan Clearing Corp. may, in the future, appoint other sub-custodians in the United States or in certain non-U.S. jurisdictions to hold the assets of the Partnership.

Assets of the Partnership will be deposited in the name of the Partnership in accounts with securities broker-dealers, or in the case of trading in futures or options on futures with futures

commission merchants. Any Partnership assets not maintained in securities or commodities trading accounts will be maintained in U.S. bank accounts that bear interest payable to the Partnership. These banks are regulated by state and federal banking authorities. The Partnership's investments in certain non-U.S. securities will be held at non-U.S. brokers or financial institutions.

The General Partner does not intend to cause the Partnership to make loans from, or extend loans to, any affiliate of the General Partner or any affiliate of the Partnership.

The Partnership does not intend to take legal or management control over underlying investments.

5. MANAGEMENT

The general partner of the Partnership is Greylock Capital Management, LLC, a limited liability company organized under the laws of Delaware (the "General Partner"). The General Partner will be responsible for the management of the Partnership's portfolio. The General Partner also serves as the investment manager of the Master Fund. (Unless otherwise indicated, references to the "General Partner" in this Memorandum include both the General Partner and the Investment Manager.) The General Partner is owned by Hans Humes and Van Eck Associates Corporation. Van Eck Associates Corporation does not actively take part in managing the General Partner's affairs and does not oversee the General Partner's regulatory compliance function. The biographies of Mr. Humes and Ajata Mediratta, a Senior Managing Director and the Chief Operating Officer of the General Partner, are set forth below.

Willem "Hans" Humes is the investment professional at the General Partner primarily responsible for investment of the Partnership's assets. Prior to joining the General Partner in 2003, Mr. Humes was a Managing Principal at Van Eck Absolute Return Advisers Corp. from May 1995 to December 2003. From March 1994 to May 1995, he was a Managing Director at the Weston Group. From August 1991 to March 1994, Mr. Humes was a Vice President/Senior Trader in Emerging Markets Fixed Income at Lehman Brothers. During his tenure at Lehman Brothers, he was a member of the two man management team overseeing emerging market fixed income investments. While at Lehman Brothers, Mr. Humes was also a key team member of banking teams for Nigeria, Ivory Coast, Peru and Ecuador deal teams, as well as being involved in structuring and executing debt/debt and debt/equity swaps in Jamaica, Ecuador, the Philippines, Honduras and Brazil. From May 1990 to August 1991, he was a Vice President at Banco Santander, where he was one of three managers responsible for a proprietary investment in LDC debt. While at Banco Santander, Mr. Humes was also involved in structuring and executing debt/debt swaps. From February 1988 to April 1989, he was an analyst at Manufacturer's Hanover, where he was a member of the restructuring teams responsible for the 1988 debt restructuring for the Republic of the Philippines and the 1989 debt restructuring for the Republic of Yugoslavia. Mr. Humes has lived and been educated in Nigeria, Morocco, Canada, the Netherlands, Chile, Mexico and Belgium. He received his BA from Williams College in 1987.

Ajata Mediratta is a Senior Managing Director and the Chief Operating Officer of the General Partner. Prior to joining the General Partner in 2008, Mr. Mediratta was a Senior Managing Director and Head of Bear Stearns' International Debt Capital Markets Group from October 1997 to June 2008. From December 1995 to October 1997, he headed the fixed-income Structured Products Group at Credit Lyonnais Securities. From 1993 to 1995, Mr. Mediratta worked for Weston Group, a New York investment bank. Mr. Mediratta received his BA in Economics from Williams College in 1987, his MBA in International Business from Columbia Business School in 1992 and his CFA in 1995.

6. CERTAIN RISKS

The Partnership may be deemed to be a speculative investment and is not intended as a complete investment program. It is designed only for sophisticated investors who are able to bear the economic risk of the loss of their investment in the Partnership. The following risks should be carefully evaluated before making an investment in the Partnership:

Emerging Markets

A substantial percentage of the Partnership's assets are invested in securities of issuers located in emerging, market countries. Investing in the securities markets of emerging market countries involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) the risk of nationalization or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty; (c) dependence on exports and the corresponding importance of international trade and commodities prices; (d) less liquidity of securities markets; (e) currency exchange rate fluctuations; (f) potentially higher rates of inflation (including hyper-inflation); (g) controls on foreign investment and limitations on repatriation of invested capital and the Partnership's ability to exchange local currencies for U.S. dollars; (h) government decisions to discontinue support for economic reform programs and imposition of centrally planned economies; (i) differences in auditing and financial reporting standards which may result in the unavailability of material information about economics and issuers; (j) less extensive regulatory oversight of securities markets; (k) longer settlement periods for securities transactions; (l) less stringent laws regarding the fiduciary duties of officers and directors and protection of investors; and (m) certain consequences regarding the maintenance of Partnership portfolio securities and cash with sub-custodians and securities depositories in emerging market countries.

International, Non-Investment Grade Debt Securities

The Partnership's assets will be invested in international, non-investment grade debt securities, including short-term and long-term securities denominated in various currencies. These securities may be unrated or rated in the lower rating categories by the various credit rating agencies. These securities are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for non-U.S. debt securities involves great uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields or prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for international, non-investment grade debt securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and investor perceptions about international, non-investment grade debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

High Risk and Distressed Investments

The Partnership may invest in debt and equity securities, accounts and notes payable, loans, private claims and other financial instruments and obligations of troubled companies which may result in significant returns to the Partnership, but which involve a substantial degree of risk. The Partnership may lose its entire investment in a troubled company, may be required to accept cash or securities with a value less than the Partnership's investment and may be prohibited from exercising certain rights with respect to such investment. Troubled company investments may not show any returns for a considerable period of time. Funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Troubled company investments may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the Bankruptcy Court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation.

Non-U.S. Securities

The Partnership may invest a portion of its assets in securities of non-U.S. companies domiciled or operating outside of the United States. Investing in these securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. The application of non-U.S. tax laws (e.g., the imposition of withholding taxes on capital gains or dividend or interest payments) or confiscatory taxation may also affect investment in non-U.S. securities.

Credit Derivatives

The Partnership may utilize credit derivatives (including credit default swaps) for hedging or speculative purposes, which are contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another. Such instruments may include one or more debtors. The market for credit derivatives may be relatively illiquid, and there are considerable risks that may make it difficult either to buy or sell the contracts as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of non-performance by the seller due to inability to pay. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the contract and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.

Credit Default Swap Agreements

The buyer of a credit default contract is obligated to pay the seller either a lump sum payment or a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation or entity. Generally, a credit event means bankruptcy, failure to pay, cross default/acceleration, obligation acceleration, repudiation/moratorium, restructuring, or rating decline. The Partnership may be either the buyer or seller in a transaction. If the Partnership is a buyer and no credit event occurs, the Partnership will have made fixed payments and received nothing. However, if a credit event occurs, the Partnership, as a buyer, typically will receive full notional value for a reference obligation that may have little or no value. As a seller, the Partnership receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation which may have little or no value.

In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. Swap contracts are not traded on exchanges and are not otherwise regulated, and as a consequence investors in such contracts do not benefit from regulatory protections. The selling of credit default swaps involves greater risks than if the Partnership had invested in the reference obligation directly. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value. The buyer of credit default swaps will incur a loss if the seller fails to perform on its obligation should a credit event occur. In certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller, and is at risk if deliverable security is unavailable or illiquid.

Creditors' Committees

Some of the Partnership's investments may require active monitoring and representation on an official and/or unofficial creditors' or equity holders' committee for a company involved in a reorganization proceeding or restructuring. Accordingly, the Partnership may seek representation on such committees from time to time if the General Partner, in its discretion, determines that such representation is necessary or advisable to protect or further the Partnership's interests. Serving on an official or unofficial committee increases the possibility that the Partnership will be deemed an "insider" or a "fiduciary" of the company it has so assisted and may restrict the Partnership's trading of its investments in such company. Should such assistance be provided before a company enters bankruptcy proceedings, a bankruptcy court, under certain conditions such as a finding of inequitable conduct, may invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by the Partnership in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination may also arise outside of the context of the Partnership's committee activities. In addition, if representation on a creditors' committee of a company causes the Partnership to be deemed an affiliate of the company, the securities of such company held by the Partnership may become restricted securities, which are not freely tradable. As the Partnership will indemnify any person serving on a committee on its behalf for certain claims arising from his or her service in such capacity, indemnification payments could adversely affect the return on the Partnership's investment.

Loans

The Partnership will invest in corporate secured or unsecured loans acquired through assignment or participations. In purchasing participations, the Partnership will usually have a contractual relationship only with the selling institution, and not the borrower. The Partnership generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to the loan agreement agreed to by the selling institution. The Partnership may not directly benefit from the collateral supporting the related secured loan and may not be subject to any rights of set-off the borrower has against the selling institution.

In addition, in the event of the insolvency of the selling institution, under the laws of the United States and the states thereof, the Partnership may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the secured loan. Consequently, the Partnership may be subject to the credit risk of the selling institution as well as of the borrower. Certain of the secured loans or loan participations may be governed by the law of a jurisdiction other than a United States jurisdiction which may present additional risks as regards the characterization under such laws of such participation in the event of the insolvency of the selling institution or the borrower.

Custody and Prime Brokerage Risk

There are risks involved in dealing with the custodians or prime brokers who settle Partnership trades. The Partnership maintains a custody account with its prime broker and primary custodian (the "Prime Broker"). Although the General Partner monitors the Prime Broker and believes that it is an appropriate custodian, there is no guarantee that the Prime Broker, or any other custodian that the Partnership may use from time to time, will not become insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a failure, insolvency or liquidation of a broker-dealer, it is likely that, in the event of a failure of a broker-dealer that has custody of Partnership assets, the Partnership would incur losses due to its assets being unavailable for a period of time, ultimately less than full recovery of its assets or both.

The Partnership and/or the Prime Broker may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Partnership. The Prime Broker may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by

the Partnership as a result of the bankruptcy or insolvency of any such sub-custodian. The Partnership may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian will not be available to the Partnership. Under certain circumstances, including certain transactions where the Partnership's assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, or where the Partnership's assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Partnership and hence the Partnership could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy or mismanagement in certain non-U.S. jurisdictions, the ability of the Partnership to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy could be in doubt, as the Partnership may be subject to significantly less favorable insolvency laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the Partnership's rights to its assets in the case of an insolvency of any such party.

Lack of Liquidity of Partnership Assets

The Partnership may invest the Partnership's assets in non-public, restricted and illiquid securities. At various times, the markets for securities purchased or sold by the Partnership may be "thin" or illiquid, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. There may be no market for unlisted securities traded by the Partnership. In some cases, the Partnership may be contractually prohibited from disposing of such securities for a specified period of time. Further, the sale of any such investments may be possible only at substantial discounts and such investments may be extremely difficult to value. In addition, the General Partner's (or any of its respective officers, employees or affiliates) active involvement in the companies in which it invests (such as serving as a member of a company's Board of Directors) may restrict or limit the Partnership's ability to trade securities of the subject company.

Illiquidity And In Kind Distributions

Inasmuch as there are substantial restrictions on withdrawals (see Section 11 below concerning withdrawals) and limited partnership interests are not tradeable, an investment in the Partnership is a relatively illiquid investment. Further, if a substantial number of limited partners were to withdraw from the Partnership and the Partnership did not have a sufficient amount of liquid securities, the Partnership might have to meet such withdrawals through distributions of thinly-traded or illiquid securities. In light of the foregoing, investment in the Partnership should be considered only by persons financially able to maintain their investment for a substantial period of time and who can afford a loss of all or a substantial part of their investment.

Valuation

The Partnership's investments in illiquid or thinly-traded securities may be extremely difficult to accurately value. In light of the foregoing, there is a risk that a limited partner who redeems all or part of his investment while the Partnership holds such illiquid or thinly-traded investments will be paid an amount less than he would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such limited partner might, in effect, be overpaid if the actual value of the illiquid or thinly-traded investment is lower than the value designated by the Partnership. In addition, there is a risk that an investment in the Partnership by a new limited partner (or an additional investment by an existing limited partner) could dilute the value of such illiquid or thinly-traded investments for the other limited partners if the actual value of such investments is higher than the value designated by the Partnership.

Because of overall size or concentration in particular markets of positions held by the Partnership, the value at which its investments can be liquidated may differ, sometimes significantly, from

the interim valuations arrived at using the methodology described herein. In addition, the timing of liquidations may also affect the values obtained on liquidation. Securities to be held by the Partnership may trade with bid-ask spreads that may be significant.

The Partnership, General Partner and Prime Management Limited (the "Administrator") are each entitled to rely, without independent investigation, upon pricing information and valuations furnished to them by third parties, including pricing services, brokers, market makers or any pricing committee that may be utilized by the Partnership. Third party pricing information may not be available for certain positions held by the Partnership.

Cross Series Liabilities

Each separate series of interests will represent a separate account and will be maintained with separate accounting records. However, the Partnership may be treated as one entity. Thus all of the assets of the Partnership may be available to meet all of the liabilities of the Partnership, regardless of the separate series to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any series becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. At the date of this document the General Partner not aware of any such existing or contingent liability.

Counterparty And Settlement Risk

To the extent the Partnership invests in non-U.S. securities, derivative instruments or other over-the-counter transactions, in certain circumstances, the Partnership may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In valuing derivative instruments it is anticipated that the Partnership will typically rely on quotes or other information provided by counterparties.

Many emerging market countries have different clearance and settlement procedures from developed countries. For many emerging markets' instruments, there is no central clearing mechanism of settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk is more prominent than in more mature markets of ownership.

Currency Risks

The Partnership's investments that are denominated in a non-U.S. currency and, to a lesser extent, investments that are U.S. dollar denominated, are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The General Partner may try to hedge these risks by investing in currencies, currency futures contracts and options thereon, forward currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented or, if implemented, will be effective.

Options

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks especially when such options are not used as a hedge or are uncovered.

Because option premiums paid or received by the Partnership will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause the Partnership's asset value to be subject to more frequent and wider fluctuations than would be the case if the Partnership did not invest in options.

Short Sales

The Partnership's investment program may include short selling. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Partnership's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Market Risks

The profitability of a significant portion of the Partnership's investment program depends to a great extent upon correctly assessing the future course of general and global price movements of interest rates, currencies, specific securities and other investments. There can be no assurance that the General Partner will be able to predict accurately these price movements.

Currency Forward Contracts

The Partnership may enter into currency forward contracts (agreements to exchange one currency for another at a future date) to manage currency exchange rate risks, to protect against adverse changes in exchange rates, to facilitate transactions in non-U.S. securities or to enhance total return. Currency forward contracts involve a risk of loss if the Partnership fails to predict accurately the direction of currency exchange rates. For example, the Partnership may experience a loss if it increases its exposure to a non-U.S. currency and that currency's value in relation to the U.S. dollar subsequently falls. In addition, forward contracts are not guaranteed by an exchange or clearinghouse.

Futures Contracts

The Partnership may invest in commodities futures contracts and options thereon both for hedging purposes and to increase the total return on the Partnership's portfolio. Trading in futures contracts and options is a highly specialized activity which, while it may increase the total return on the Partnership's portfolio, may entail greater than ordinary investment risks. Specifically, investing in futures may result in increased leveraging of the portfolio and increased volatility of the portfolio's returns. There is settlement risk associated with futures investing and the risk that the counterparty to a futures contract may default on its obligations. Additionally, the portfolio's position in a futures contract may be illiquid at certain times, such as when a futures exchange imposes price movement limits on the contract.

Lack of Diversification

The Partnership's portfolio may not generally be diversified among a wide range of issuers or areas. Accordingly, the investment portfolio of the Partnership may be subject to more rapid change in value than would be the case if the Partnership were required to maintain a wide diversification among investment areas, securities and types of securities and other instruments.

Master-Feeder Fund Structure

As noted above, the Partnership generally will invest all of its assets through a “master-feeder” fund structure in the Master Fund. The “master-feeder” fund structure - in particular the existence of multiple investment vehicles investing in the same portfolio - presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diverse due to a withdrawal by a larger investment vehicle, resulting in increased portfolio risk.

Special Situations

The Partnership may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. Likewise, the Partnership’s investment may be in markets or companies in the midst of a period of economic or political instability. In any investment opportunity involving any such type of business enterprise, there exist a number of risks, such as the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Partnership of the security or other financial instrument in respect of which distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Partnership may be required to sell its investment at a loss. Further, in any investment in an unstable political or economic environment, there exists the risk of default as to debt securities and bankruptcy or insolvency with respect to equity securities. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies or situations in which the Partnership may invest, there is a potential risk of loss by the Partnership of its entire investment in such companies.

No Separate Counsel; No Responsibility or Independent Verification

Seward & Kissel LLP represents the General Partner, the Partnership and the Master Fund (collectively, the “Parties”) as U.S. counsel. The Partnership does not have counsel separate and independent from counsel to the General Partner. Seward & Kissel LLP does not represent investors in the Partnership and no independent counsel has been retained to act on behalf of investors in the Partnership. Seward & Kissel LLP is not responsible for any acts or omissions of the Parties (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Parties. This Memorandum was prepared based on information furnished by the General Partner; Seward & Kissel has not independently verified such information.

Business and Regulatory Risks of Hedge Funds

Legal, tax and regulatory changes could occur during the term of the Partnership that may adversely affect the Partnership. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Partnership and the ability of the Partnership to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Partnership could be substantial and adverse including, for example, increased compliance costs, the prohibition of certain types of trading and/or the inhibition of the Partnership’s ability to pursue certain of its investment strategies as described herein.

Potential Conflicts of Interest

It should be specifically noted that the General Partner also serves as the investment manager to Greylock Global Opportunity Fund (Offshore) Ltd. and Greylock Global Opportunity Institutional Fund II, Ltd., offshore funds with investment objectives and investment strategies substantially identical to that of the Partnership which also invest substantially all of their assets in the Master Fund. The General Partner (and its principals, affiliates or employees) also serve and will continue to serve as investment managers or investment advisers to other client accounts and conduct investment activities for their own accounts. Such other entities or accounts may have investment objectives or may implement investment strategies similar to those of the Partnership. As noted in Section 2 above, the General Partner serves as the investment manager of the Master Fund. The General Partner (and/or its principals, affiliates or employees) may have investments in certain of the entities managed by the General Partner or its affiliates.

It should also be noted that J.P. Morgan Clearing Corp. will act as the Partnership's primary custodian and may also act as broker-dealer for the Partnership in its portfolio transactions. See "Brokerage and Custody". Further, the General Partner is authorized to allocate commissions to brokers who are willing to provide research and other services to the Partnership. See "Expenses" and "Brokerage and Custody."

The General Partner (and/or its principals, affiliates or employees) may give advice or take action with respect to such other entities or accounts that differs from the advice given with respect to the Partnership. To the extent a particular investment is suitable for both the Partnership and other clients of the General Partner (and/or its principals, affiliates or employees), such investments will be allocated between the Partnership and the other clients pro rata based on assets under management or in some other manner which the General Partner determines is fair and equitable under the circumstances to all clients, including the Partnership. From the standpoint of the Partnership, simultaneous identical portfolio transactions for the Partnership and the other clients may tend to decrease the prices received, and increase the prices required to be paid, by the Partnership for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Partnership and the other clients in an equitable manner as determined by the General Partner.

In addition, purchase and sale transactions (including swaps) may be effected between the Partnership and other clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no brokerage commission fee (except for customary transfer fees) or other remuneration shall be paid in connection with any such transaction.

As a result of the foregoing, the General Partner (and/or its principals, affiliates or employees) may have conflicts of interest in allocating their time and activity between the Partnership and other entities, in allocating investments among the Partnership and other entities and in effecting transactions between the Partnership and other entities, including ones in which the General Partner (and/or its principals, affiliates or employees) may have a greater financial interest.

Although the General Partner will attempt to allocate investment opportunities in a manner which is in the best interests of all the entities involved and in general will allocate investment opportunities believed to be appropriate for both the Partnership and other clients between the Partnership and other clients on a pro rata basis in proportion to the relative net worth of each, there can be no assurance that an investment opportunity which comes to the attention of the General Partner will not be allocated to an entity other than the Partnership, with the Partnership being unable to participate in such investment opportunity or participating only on a limited basis. In addition, it is noted that there may be circumstances under which the General Partner will consider participation by other entities in investment opportunities in which the General Partner does not intend to invest, or intends to invest only on a limited basis, on behalf of the Partnership. The General Partner evaluates for the Partnership and the other entities a variety of factors which may be relevant in determining whether a particular situation

or strategy is appropriate and feasible for the Partnership or a particular entity at a particular time, including the nature of the investment opportunity taken in the context of the other investment or regulatory limitations on the Partnership or particular entity and the transaction costs involved. Because these considerations may differ for the Partnership and other entities in the context of any particular investment opportunity, investment activities of the Partnership and other entities may differ considerably from time to time.

In addition, while the General Partner will generally value the Partnership's portfolio based on pricing information from independent sources such as brokers, the General Partner is ultimately responsible for the valuation of securities in the Partnership's portfolio. Because the General Partner is reallocated a percentage of the Partnership's net profits (which includes unrealized gains on the Partnership's securities), the General Partner's authority regarding valuation may present a potential conflict of interest.

The General Partner will use its best efforts in connection with the purposes and objectives of the Partnership and will devote so much of its time and effort to the affairs of the Partnership as may, in its judgment, be necessary to accomplish the purposes of the Partnership. The Partnership Agreement specifically provides that the General Partner (and its principals, affiliates and employees) may conduct any other business, including any business with respect to securities. Without limiting the generality of the foregoing, the General Partner (and its principals, affiliates and employees) may act as investment manager or investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms and may act as a director, officer and/or employee of any corporation, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business entity. The Partnership Agreement also recognizes that it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Partnership for the same investment positions to be taken or liquidated at the same time or at the same price.

Incentive Reallocation

The reallocation of a percentage of the Partnership's net profits to the General Partner may create an incentive for the General Partner to cause the Partnership to make investments that are riskier or more speculative than would be the case if this reallocation were not made.

Leverage

While the use of borrowed funds can substantially improve the return on invested capital, such use may also increase the adverse impact to which the portfolio of the Partnership may be subject. In addition, money borrowed for leveraging will be subject to interest costs which may or may not be recovered by the return on securities purchased with borrowed funds. In the current unsettled credit environment, the General Partner may find it difficult or impossible to obtain leverage for the Partnership. Since leveraging its assets can be a component of the investment strategy of the Partnership, in such event the Partnership could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the General Partner being forced to unwind positions quickly and at prices below what the General Partner deems to be fair value for the positions.

Unrelated Business Taxable Income for Certain Tax-Exempt Investors

Pension and profit-sharing plans, Keogh plans, individual retirement accounts and other tax-exempt investors may realize "unrelated business taxable income" as a result of an investment in the Partnership since it is anticipated that the Partnership will employ leverage. See "Taxation." Any tax-exempt investor should consult its own tax adviser with respect to the effect of an investment in the Partnership on its own tax situation.

Absence of Regulatory Oversight

While the Partnership may be considered similar to an investment company, it does not intend to register as such under the Investment Company Act, in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of that Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person or marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be applicable.

7. PROSPECTIVE INVESTORS

Admission as a limited partner in the Partnership is not open to the general public. Investors in the Partnership must be “accredited investors” as defined in Regulation D under the Securities Act of 1933, as amended, and “qualified clients” as defined in Rule 205-3 under the Investment Advisers Act of 1940. The Partnership is not intended as a complete investment program and is designed only for persons who are able to bear the economic risk of the loss of their investment in the Partnership and either are sophisticated persons in connection with financial and business matters or are represented by such a person in connection with their investment in the Partnership.

Prospective investors should read the Partnership Agreement being furnished to them concurrently with this Memorandum. The Partnership Agreement sets forth the specific provisions relating to the operations of the Partnership.

8. MANAGEMENT FEE

The Partnership pays the General Partner (or an entity designated by it) a monthly management fee in arrears in an amount equal to 0.167% (i.e., 2% per annum) of the net assets of the Partnership. The management fee is calculated based on the average of the net assets of the Partnership as of the beginning and end of such month. The management fee will be paid within 10 days of the end of each month. The management fee is deducted in determining the net profit or net loss of the Partnership. In the event the Partnership is not in existence for the entire month, the management fee for such month shall be prorated. The General Partner, at its discretion, may waive, modify or reduce the management fee to be paid to it by limited partners that are employees or affiliates of the General Partner or for certain large or strategic investors. To the extent the Partnership pays the management fee as described above, it will not be charged any management fees at the Master Fund level.

9. ALLOCATION OF NET PROFITS AND NET LOSSES; INCENTIVE ALLOCATION TO GENERAL PARTNER; PRIOR FISCAL PERIOD ITEMS; PURCHASE OF "NEW ISSUES"

General

The net profit or net loss of the Partnership as of the end of each fiscal period (as defined in Section 19 below) is allocated to each partner in a series in the proportion which his capital account as of the beginning of that fiscal period bore to the aggregate of all the capital accounts in such series as of the beginning of that fiscal period. Net profit and net loss of the Partnership is determined on the accrual basis of accounting using generally accepted accounting principles as a guideline and is deemed to include net unrealized profits or losses on investment positions as of the end of each fiscal period.

The General Partner, in its discretion, may create separate portfolios within the Partnership and separate series of limited partnership interests to represent the interests in those portfolios. Each portfolio would be operated, in effect, as a separate partnership with the profits and losses from the investments in that portfolio being allocated only among the limited partners who own the series of limited partnership interest that correspond to that portfolio. Accordingly, any reference in this Memorandum to limited partnership interests shall be deemed to include all series of limited partnership

interests and any reference to the allocation of profits and losses among limited partners will be deemed to mean the allocation of profits and losses of a particular portfolio among the limited partners holding limited partnership interests of the series that correspond to that portfolio. In the event the General Partner creates a separate portfolio within the Partnership, limited partners who acquire limited partnership interests in such portfolio will be informed regarding the investment parameters of that portfolio and all other limited partners will continue to participate in all investments of the Partnership (except for those investments allocated to the separate portfolio).

Incentive Allocation to General Partner

Subject to the "Loss Carryforward" provision discussed below, for each fiscal year, an amount equal to 20% of the excess of each limited partner's share of net profits (including unrealized gains), if any, over an annual rate of return equal to the average of the current 90 day U.S. Treasury Bill rate at each month-end during such year, shall be deducted from the limited partner's capital account as of the end of such fiscal year. The total amount deducted from the capital accounts of the limited partners will be reallocated as of the end of the year to the capital account of the General Partner or to the capital accounts of such limited partners as the General Partner shall determine (the "Incentive Allocation"). It is noted that if a limited partner makes an additional capital contribution during a fiscal year, the Incentive Allocation will be computed and charged separately with respect to the portion of such limited partner's capital account attributable to such interest. As illustrated by the following example, this manner of computation may result in a limited partner being charged an Incentive Allocation with respect to profits from a portion of its capital account even though his entire capital account is in a net loss position for the year (for ease of illustration, the examples assume that there is no "hurdle rate").

Example One: A limited partner contributes \$100 for a limited partnership interest on January 1 and contributes an additional \$150 for a limited partnership interest on July 1 of the same year. For the year, the first \$100 earns \$10 in net profits and the second \$150 has an \$11 net loss (due to losses which occur in the second half of the year). As a result (i) there will be a \$2 (i.e., \$10 net profits x 20% = \$2) Incentive Allocation debited from the portion of the limited partner's capital account attributable to his original \$100 contribution on January 1 and (ii) the limited partner will have an \$11 loss carryforward with respect to the portion of his capital account attributable to its \$150 additional contribution on July 1.

Similarly, in the event that a partner withdraws in whole or in part or is required to retire at any time other than at the end of a fiscal year, the Incentive Allocation will be made with respect to such partner as though it were being made at the end of a fiscal year. Note that this may result in the limited partner being charged an Incentive Allocation during the year even though the limited partner does not have net profits based on the entire year's performance (i.e., due to losses which occur after the withdrawal). For purposes of computing the Incentive Allocation (or any adjustments to a limited partner's loss carryforward amount as further described below), withdrawals shall be deemed to occur on a first in/first out basis.

Example Two: A limited partner contributes \$100 for a limited partnership interest on January 1 and contributes an additional \$150 for a limited partnership interest on January 1 of the following year. The initial contribution suffers a net loss in year one and the initial contribution and the additional contribution earn net profits in year two. The net profits in year two attributable to the \$100 initial contribution reduce, but are not enough to eliminate the loss carryforward attributable to the limited partner's initial \$100 contribution. The limited partner withdraws \$50 on December 31 of the second year. The withdrawal shall be deemed to occur on a first in/first out basis and therefore (i) shall be deemed to be withdrawn from the portion of the limited partner's capital account attributable to his initial \$100 contribution and (ii) will reduce the limited partner's loss carryforward with respect to the portion of his capital account attributable to his initial \$100 contribution.

The General Partner may, at its discretion, waive, modify or reduce the Incentive Allocation charged to limited partners that are employees or affiliates of the General Partner or for certain large or strategic investors. To the extent the Partnership pays the Incentive Allocation as described above, it will not be charged any incentive fees at the Master Fund Level.

Under a Loss Carryforward provision contained in Section 6.01(b) of the Partnership Agreement, no deduction from a limited partner's capital account with respect to 20% of any net profits (as described above) will be made from the capital account of a particular limited partner with respect to a fiscal year until any net loss previously allocated to the capital account of such limited partner has been offset by subsequent net profits. Any such Loss Carryforward will be subject to reduction for withdrawals in the manner described in Section 6.01(b) of the Partnership Agreement.

Prior Fiscal Period Items

In general, and notwithstanding any of the allocation rules discussed above, if the Partnership has a material item of income or loss in any fiscal period which relates to a matter or transaction occurring during a prior fiscal period (e.g., if the Partnership wins a cash settlement in a case it began in a prior year) the item of income or loss may, at the discretion of the General Partner, be shared among the partners (including persons who have ceased to be partners) in accordance with their interest in the Partnership during the prior period. A person who has ceased to be a partner will be liable for his proportionate share of prior fiscal period items and shall pay such share on demand but the amount to be paid shall not exceed the amount of such partner's capital account at the time such prior fiscal period item arose. The effect of the allocation of prior fiscal period items on the General Partner's 20% Incentive Allocation is treated in Section 6.03 of the Partnership Agreement.

Purchase of New Issues

From time to time, the Partnership may, to the extent permitted by the Rules of the Financial Industry Regulatory Authority, Inc., as may be amended from time to time (the "Rules"), purchase equity securities that are part of an initial public offering (sometimes referred to as "IPOs" or "new issues"). Under the Rules, brokers may not sell such securities to a private investment fund such as the Partnership, if the Partnership has investors who are "Restricted Persons", which category includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, unless the Partnership has a mechanism in place that excludes such Restricted Persons from receiving allocations of profits from new issues. The profits and losses with respect to new issues will generally be allocated to investors in the Partnership that are not Restricted Persons. The Partnership may, however, avail itself of a "de minimis" exemption pursuant to which a portion of any new issue profits and losses may be allocated to Restricted Persons. The Partnership Agreement provides that the General Partner is authorized to determine, among other things: (i) the manner in which new issues are purchased, held, transferred and sold by the Partnership and any adjustments (including interest) with respect thereto; (ii) the limited partners who are eligible and ineligible to participate in new issues; (iii) the method by which profits and losses from new issues are to be allocated among limited partners in a manner that is permitted under the Rules (including whether the Partnership will avail itself of the "de minimis" exemption or any other exemption); and (iv) the time at which new issues are no longer considered as such under the Rules.

10. DEATH, BANKRUPTCY OR LEGAL INCAPACITY OF A PARTNER

In the event of the death, bankruptcy or legal incapacity of a partner, the estate or legal representative of such partner shall succeed to such partner's right to share in net profits or net losses of the Partnership and to receive distributions from the Partnership. Such estate or representative may, at the discretion of the General Partner, be paid as of the end of the fiscal year during which such partner died or became bankrupt or legally incapacitated the value of such partner's capital account as of the end of such year in liquidation of such partner's interest in the Partnership. Alternatively, the General Partner may, at its discretion, admit such estate or representative to the Partnership as a limited partner. Of course, if such estate or representative timely withdraws such partner's capital account, the estate or

representative will be paid as of the date of such withdrawal in accordance with the terms of the Partnership Agreement.

11. OTHER PROVISIONS OF THE PARTNERSHIP AGREEMENT

Term of the Partnership

The Partnership will continue until December 31, 2018 and thereafter from year to year unless dissolved as provided in Section 9.02 of the Partnership Agreement.

Withdrawals of Capital and Retirement of Partners

Upon giving 30 days prior written notice, any limited partner may withdraw all or any part of his capital account as of the last day of each quarter. Such notice must state the amount to be withdrawn or the basis on which such amount is to be determined. A limited partner who withdraws all or any part of his capital account during the first 12 months following the date of such limited partner's initial capital contribution will be subject to a withdrawal charge payable to the General Partner of up to 2% of the funds being withdrawn, subject to waiver at the discretion of the General Partner. For example, a limited partner who makes an initial capital contribution to the Partnership on January 1, 2010 may (i) withdraw any part of his capital account on March 31, 2010, June 30, 2010 or September 30, 2010, subject to the 2% withdrawal charge and (ii) withdraw any part of his capital account on December 31, 2010 and each calendar quarter thereafter without any withdrawal charge. A partner who elects to withdraw all of his capital account shall be deemed to have retired as of the effective date of such withdrawal. Notwithstanding the foregoing, the General Partner, in its sole discretion, may waive or modify any terms related to withdrawals for a limited partner.

A withdrawal request is not effective until it has been actually received on a timely basis and the receipt has been acknowledged by the Administrator. Withdrawal requests may be submitted by courier or mail to the Administrator at the following address:

By Courier

Greylock Global Opportunity Fund LP
c/o Prime Management Limited
Mechanics Building, 12 Church Street
Hamilton HM 11
Bermuda
Attn: Shareholder Services

By Mail

Greylock Global Opportunity Fund LP
c/o Prime Management Limited
P.O. Box HM 3348
Hamilton HM PX
Bermuda
Attn: Shareholder Services

Limited Partners submitting withdrawal requests by courier or mail should allow for adequate delivery time to ensure that the withdrawal request is in fact received the required number of days prior to the withdrawal date. The limited partner bears the entire risk for any delays in delivery occasioned by the postal or courier service.

Withdrawal requests may be submitted by fax or e-mail to the Administrator provided the submission is strictly in accordance with the following procedures:

1. Faxes must be sent to (441) 295-3926 Attn: Shareholder Services;
2. E-mails must be sent to prime@primebermuda.com;
3. The original signed withdrawal request must be received by the Administrator prior to the withdrawal date; and
4. The investor must receive a written confirmation from the Administrator that the faxed or e-mailed withdrawal request has in fact been received.

The Administrator will confirm in writing within 5 business days of receipt of withdrawal requests which are received in good order. Investors failing to receive such written confirmation from the

Administrator within 5 business days should contact the Shareholder Services Department at the Administrator at (441) 295-0329 to obtain the same. **Failure to obtain such written confirmation will render the withdrawal instructions void unless otherwise agreed to by the Partnership.**

The General Partner may withdraw all or any portion of its capital account as of the last day of each quarter. Notwithstanding the foregoing, the General Partner will not make a withdrawal if doing so would reduce its capital account in the Partnership below an amount that is the lesser of \$100,000 or 1% of the total capital accounts of the partners.

The General Partner, at its discretion, may require any limited partner to retire from the Partnership at any time on not less than 20 days notice, such retirement to be effective on the date specified in such notice. If the General Partner, at its discretion, deems it to be in the best interests of the Partnership to do so because the continued participation of any limited partner in the Partnership might cause the Partnership to violate any law, rule or regulation or expose the Partnership to litigation, arbitration, administrative proceedings or any similar action or proceeding, the General Partner may require such limited partner to retire from the Partnership at any time on not less than 5 days notice, such retirement to be effective on the date specified in such notice.

Payments on Retirement

A partner retiring in accordance with the Partnership Agreement will be entitled to receive an amount equal to the value of his capital account as of the date of his retirement and the estate or legal representative of any deceased, bankrupt or legally incapacitated partner may, at the discretion of the General Partner, be paid the value of such partner's capital account as of the end of the fiscal year during which such partner died or became bankrupt or legally incapacitated.

Ninety-five percent of the estimate of such amount will be paid within 30 days after the date of such partner's retirement. Promptly after the General Partner has determined the capital accounts of the partners as of the retirement date (which at the General Partner's discretion may be after the Partnership's independent public accountants have completed their examination of the Partnership's financial statements), the Partnership will pay to such partner or his representative the excess, if any, of the amount to which such partner is entitled over the amount previously paid, or such partner will be obligated to repay to the Partnership the excess, if any, of the amount previously paid over the amount to which such partner is entitled, in each case together with interest thereon, to the extent permitted by applicable law, from the date of such partner's retirement or the last day of the fiscal year, as the case may be, to the date of the payment of such excess at an annual rate equal to the broker's call rate charged by the Partnership's principal broker on such applicable date.

The payment to a retiring partner of his capital account shall be subject to the retention of a reserve for partnership liabilities as provided in Section 10.02 of the Partnership Agreement. If the reserve (or portion thereof) is later determined by the General Partner to have been in excess of the amount required, the proportionate amount of such excess shall be returned to each partner with interest thereon at the brokers' call rate charged from time to time by the Partnership's principal brokerage firm.

Distributions In Cash Or In Kind

All distributions to a partner on withdrawal or retirement will be made in cash or, at the discretion of the General Partner, in securities selected by the General Partner, or partly in cash and partly in securities selected by the General Partner. If the General Partner determines to distribute securities in kind, such securities may, in the General Partner's sole discretion, be distributed directly to the withdrawing limited partner or, alternatively, distributed or allocated to a liquidating trust or liquidating account and sold by the Partnership for the benefit of the withdrawing limited partner, in which case (i) payment to such limited partner of that portion of his withdrawal attributable to such securities will be delayed until such time as such securities can be liquidated, and (ii) the amount otherwise due such limited partner will be increased or decreased to reflect the performance of such securities through the date on which the liquidation of such securities is effected and any applicable expenses, Management

Fee or Incentive Allocation. Generally, no new positions would be implemented in the liquidating trust or liquidating account other than for hedging purposes.

Admission Of Partners And Additional Capital Contributions

The General Partner is authorized to admit additional limited partners to the Partnership, or accept additional capital contributions from existing limited partners, at such times as the General Partner, at its discretion, shall determine. Capital contributions shall be made in cash unless the General Partner, at its discretion, permits contributions in securities.

The General Partner, in its discretion, may create separate portfolios within the Partnership and separate series of limited partnership interests to represent the interests in those portfolios. Each portfolio would be operated, in effect, as a separate partnership with the profits and losses from the investments in that portfolio being allocated only among the limited partners who own the series of limited partnership interest that correspond to that portfolio. Accordingly, any reference in this Memorandum to limited partnership interests shall be deemed to include all series of limited partnership interests and any reference to the allocation of profits and losses among limited partners will be deemed to mean the allocation of profits and losses of a particular portfolio among the limited partners holding limited partnership interests of the series that correspond to that portfolio. In the event the General Partner creates a separate portfolio within the Partnership, limited partners who acquire limited partnership interests in such portfolio will be informed regarding the investment parameters of that portfolio and all other limited partners will continue to participate in all investments of the Partnership (except for those investments allocated to the separate portfolio).

The General Partner may admit additional general partners (i) as of the first day of any quarter; provided that the General Partner shall give 45 days prior written notice to all limited partners of the proposed admission of any additional general partner; (ii) at any time with the consent of a majority in interest of the limited partners; or (iii) which are affiliates of the General Partner at any time.

Liability of Partners and Indemnification of General Partner and Others

The General Partner is liable to creditors for the debts of the Partnership. However, neither the General Partner nor any person designated to wind up the affairs of the Partnership pursuant to the Partnership Agreement will be liable for any loss arising out of or in connection with any activity undertaken (or omitted to be undertaken) in connection with the Partnership, except for any liability caused by his, her or its gross negligence or willful misconduct.

The Partnership will, to the fullest extent legally permissible under the laws of the State of Delaware, indemnify the General Partner (and its principals, affiliates or employees) and any persons designated to wind up the affairs of the Partnership pursuant to the Partnership Agreement against any loss, liability or expense incurred or suffered in connection with the good faith performance by the General Partner (or its principals, affiliates or employees) or other persons of their responsibilities to the Partnership; provided, however, that such persons shall not be indemnified for losses resulting from their own gross negligence or willful misconduct.

A limited partner who does not take part in the management or control of the business of the Partnership will not be personally liable for any debt or obligation of the Partnership in excess of his capital contribution. Under certain circumstances, a limited partner may, under Delaware law, be required to return for the benefit of creditors, amounts previously distributed to him.

Expenses

The General Partner will render its services to the Partnership at its own expense, including the salaries of employees necessary to render such services, all general overhead expenses attributable to its employees and other expenses incidental to the rendering of such services. The

Partnership will pay all its own expenses including the management fee, administrator's fee, accounting (including internal accounting) and legal expenses, the Partnership's pro rata share of the expenses of the Master Fund, organizational expenses and all investment expenses, such as commissions, research fees, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees and any other expenses reasonably related to the purchase, sale or transmittal of the Partnership's assets. The Partnership expenses to be borne by the Partnership for any fiscal year (excluding investment expenses, compensation to the General Partner and extraordinary expenses) shall be capped at 3% of the net assets of the Partnership. Partnership expenses for any fiscal year that exceed the 3% cap will be paid by the General Partner. Certain services included in Partnership expenses may be obtained by the use of commissions arising from the Partnership's portfolio transactions (i.e., may be obtained with "soft dollars"). See discussion in "Brokerage and Custody." To the extent brokers provide such services to the Partnership, expenses of the Partnership may be less than they otherwise would be. Since the General Partner bears certain expenses of the Partnership to the extent those expenses exceed 3% of the Partnership's net assets, the provision of such services to the Partnership may benefit the General Partner who would otherwise have to pay a portion of the Partnership's expenses.

As noted above, the Partnership invests all of its assets through a "master-feeder" fund structure in the Master Fund. Each investor, including the Partnership, that invests in the Master Fund indirectly bears the administrative and other expenses of the Master Fund pro rata based on its interest in the Master Fund. Virtually all expenses (other than the management fee and Incentive Allocation to the General Partner) will be incurred at the Master Fund level and therefore expenses incurred directly by the Partnership will be relatively small. If expenses are incurred by the Partnership requiring payment by the Partnership, the Partnership will make a withdrawal of a portion of its interest in the Master Fund in order to pay those expenses.

The General Partner, the Partnership, and the principals thereof, do not pay any fees in connection with the solicitation of funds for the Partnership.

The annual expenses of the Partnership will be set forth in the Partnership's audited annual financial statements, which will be provided to all partners.

Amendment of the Partnership Agreement

The Partnership Agreement may be amended by the General Partner, at its discretion, in any manner that does not adversely affect any limited partner. The Partnership Agreement may also be amended by action of both the General Partner and limited partners owning a majority in interest of the capital accounts of all the limited partners in any manner that does not discriminate among the limited partners.

Dissolution of the Partnership

The Partnership may be dissolved at any time by the General Partner, whereupon its affairs shall be wound up by the General Partner. The retirement, dissolution or bankruptcy of the General Partner will dissolve the Partnership unless at such time there is another general partner who agrees to continue the business of the Partnership. If there is no remaining general partner who agrees to continue the business of the Partnership, the affairs of the Partnership shall be promptly wound up by the General Partner, or if the General Partner is unavailable, by the person previously designated by the General Partner, or if the General Partner has made no such designation, the person selected by a majority in interest of the capital accounts of the limited partners. Such person shall take all steps necessary or appropriate to wind up the affairs of the Partnership as promptly as practicable.

Neither the admission of partners nor the retirement, bankruptcy, death, dissolution, or legal incapacity of any limited partner will dissolve the Partnership.

Assignability of Limited Partnership Interests

Neither the interest of any limited partner in the Partnership nor any beneficial interest therein is assignable, in whole or in part, without the prior written consent of the General Partner.

Power of Attorney

The General Partner will be granted an irrevocable power of attorney to sign on behalf of each limited partner a Certificate of Limited Partnership and any amendments thereto or termination thereof, as well as any documents required by reason of the dissolution of the Partnership or any documents required to be submitted by the Partnership to any governmental or administrative agency, to any securities exchange, board of trade, clearing corporation or association or to any self-regulatory organization or trade association.

12. ADMINISTRATIVE SERVICES

The Partnership has entered into an agreement (the "Administration Agreement") with Prime Management Limited ("Prime"), to perform all general administrative tasks for the Partnership. The Administrator has been licensed by the Bermuda Monetary Authority under the Investment Funds Act 2006. The fee payable to Prime is based on its standard schedule of fees charged by Prime for similar services.

Under the Administration Agreement, the Partnership will indemnify Prime from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the negligence, willful default or fraud on the part of Prime in performing its obligations or duties under the Administration Agreement) which may be imposed on, incurred by or asserted by third parties against Prime in properly performing its obligations or duties under the Administration Agreement.

The Administration Agreement provides that it shall continue until terminated by any party giving to the other party not less than 60 days' written notice (or such shorter notice as the parties may agree to accept) provided that the Administration Agreement may be terminated forthwith by written notice by any party if any other party commits a breach of its obligations under the Administration Agreement and fails to make good such breach within 30 days or shall go into liquidation.

The Administrator will not participate in the Partnership's investment decision-making process and therefore will not be in any way responsible for the Partnership's performance. The Administrator shall have no obligation to review, monitor or otherwise ensure compliance by the Partnership with the investment policies, restrictions or guidelines applicable to the Partnership and therefore will not be liable for any breach thereof.

The Administrator is a service provider to the Partnership and is not responsible for the preparation of this document or the activities of the Partnership and, therefore, accepts no responsibility for any information contained in this document other than the description of the Administrator provided under this heading.

13. BROKERAGE AND CUSTODY

The General Partner is authorized to determine the broker or dealer to be used for each securities transaction for the Partnership. In selecting brokers or dealers to execute transactions, the General Partner need not solicit competitive bids and does not have an obligation to seek the lowest available commission, mark-up or other cost (collectively, "Commissions"). It is not the General Partner's practice to negotiate "execution only" Commission rates, thus the Partnership may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the Commission rate.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a “safe harbor” that permits an investment manager to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be a Partnership expense or as otherwise described below, the General Partner will limit the use of Commissions to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations. The use of Commissions arising from the Partnership’s investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Partnership expense. The use of Commissions to obtain such other services would be outside the parameters of Section 28(e). Similarly since Section 28(e) relates only to the use of commissions on equity transactions, the use of commissions, mark-ups or other compensation on transactions in instruments other than equity securities would likewise be outside the parameters of Section 28(e).

In some instances, the General Partner may receive a product or service that may be used only partially for functions within Section 28(e) (e.g. an order management system, trade analytical software or proxy services). In such instances, the General Partner will make a good faith effort to determine the relative proportion of the product or service used to assist the General Partner in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the General Partner in carrying out its investment decision-making responsibilities will be paid through brokerage Commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the General Partner from its own resources or by the Partnership if it is otherwise a Partnership expense.

Research and brokerage services obtained by the use of Commissions arising from the Partnership’s portfolio transactions may be used by the General Partner in its other investment activities and thus, the Partnership may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Although the General Partner will make a good faith determination that the amount of Commissions paid is reasonable in light of the products or services provided by a broker, Commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of “mixed use” products or services creates a potential conflict of interest between the General Partner and its clients.

In selecting brokers and negotiating Commission rates, the General Partner will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. The General Partner may place transactions with a broker or dealer that (i) provides the General Partner (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Partnership or other

products advised by the General Partner (or an affiliate), if otherwise consistent with seeking best execution; provided the General Partner is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

When appropriate, the General Partner may, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

The Partnership will maintain an account at J.P. Morgan Clearing Corp., 383 Madison Avenue, New York, New York 10179, its principal prime broker and custodian, through which the Partnership may execute trades, borrow securities and maintain custody of its securities.

The Partnership reserves the right, in its sole discretion, to change the brokerage and custodial arrangements described above without further notice to limited partners..

14. PAYMENTS TO SPONSORS OF THE PARTNERSHIP

It is noted that if a broker is instrumental in the sale of a limited partnership interest to a particular limited partner, the broker may, in certain limited situations, charge such limited partner a fully disclosed sales charge. Investors who do not make their investment in the Partnership through such brokers will not be subject to any such sales charge. In no event will any such sales charge be payable to the Partnership or the General Partner. It should also be noted that the Partnership may compensate persons (whether or not affiliated with the General Partner) who have been instrumental in the sale of limited partnership interests which compensation may be paid (i) from the fee paid to the General Partner or reallocation of profits to the General Partner or (ii) through brokerage commissions on purchases or sales of shares of securities directed by the General Partner to broker-dealers instrumental in the sales of limited partnership interests consistent with the General Partner's obligation to seek best execution.

15. REPORTS TO PARTNERS

The General Partner will provide limited partners with monthly statements of account. The partners will be advised at the end of each month as to the performance of the Partnership. The books and records of the Partnership will be audited at the end of each fiscal year by a firm of certified public accountants selected by the General Partner, and the partners will be furnished with audited year-end financial statements, including a statement of profit or loss for such fiscal year and of the status of such partners' capital accounts at such time. The Partnership's independent public accountants are PricewaterhouseCoopers.

16. TAXATION

Federal Taxation

The following is a summary of certain United States Federal income tax considerations relevant to an investment in the Partnership. This summary is based on existing law, including the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the current and proposed regulations promulgated thereunder ("Treasury Regulations"), current administrative rulings and practices of the Internal Revenue Service ("IRS") as in effect on the date hereof, and judicial decisions thereunder. There can be no assurance that any of the foregoing will not be changed in the future by legislative, judicial or administrative action, with or without retroactive effect. The income tax laws applicable to partnerships are extremely complex, and the following summary is not a complete listing of all tax provisions that may be relevant to particular categories of investors. A potential investor should consult its own tax advisors in order to fully understand the Federal, state, local and foreign income tax consequences of such an investment in such investor's particular situation.

The Partnership has been advised by its counsel, Seward & Kissel LLP, that as a partnership, the Partnership will not be a taxable entity for Federal income tax purposes. Instead, each partner will be required to take into account for each fiscal year, for purposes of computing his own income tax, his proportionate share of the items of taxable income or loss allocated to him pursuant to the Partnership Agreement, whether or not any income is paid out to him. The manner in which such items of taxable income or loss are allocated among the partners is set forth in Article VII of the Partnership Agreement. Such items of taxable income or loss will be required to be taken into account in the taxable year of the partner in which the fiscal year of the Partnership ends.

The Partnership will invest all of its assets in the Master Fund, which is a British Virgin Islands international business company. Although the Master Fund will be subject to a 30% Federal withholding tax with respect to dividends and certain interest income considered to be from sources within the United States, the Partnership's share of such income should not be subject to this withholding tax. The Master Fund has elected to be treated as a partnership for Federal income tax purposes and, consequently, will not be a taxable entity for Federal income tax purposes. The Partnership will take into account for Federal income tax purposes its proportionate share of the Master Fund's income and loss.

Under the Partnership Agreement, the General Partner will have the discretion to specially allocate an amount of the Partnership's taxable gains or losses to a retiring partner to the extent that the partner's capital account exceeds, or is less than, the partner's Federal income tax basis in its partnership interest. There can be no assurance that the IRS would accept such a special allocation. If the special allocation was successfully challenged by the IRS, the Partnership's taxable gains or losses allocable to the remaining partners would be increased.

The income, gains, losses and deductions of the Partnership will not be from a "passive activity" within the meaning of Code Section 469, and therefore (i) the deduction by a limited partner of his share of the losses or deductions of the Partnership will not be restricted under Code Section 469, and (ii) a limited partner who is an individual will not be able to offset losses or deductions from "passive activities" against his share of income or gain of the Partnership.

The Partnership believes that the Master Fund will be considered for Federal income tax purposes an "investor" in securities. Accordingly, each partner who is an individual will not be able to deduct his share of expenses of the Master Fund as trade or business expenses under Code Section 162 but instead may deduct his share of the expenses of the Master Fund (other than interest expense) as investment expenses under Code Section 212. These expenses will constitute "miscellaneous itemized deductions", and as such, will be deductible by an individual only to the extent that his share of such expenses, when combined with his other "miscellaneous itemized deductions", exceeds 2% of his adjusted gross income. Further, the amount in excess of such 2% floor is subject to the overall limitation on itemized deductions imposed by Code Section 68. Also, the amount in excess of such 2% floor will be considered a tax preference item in computing the alternative minimum tax for an individual taxpayer. Expenses incurred by the Partnership itself (e.g., the management fee) will also be subject to the foregoing limitations on deductibility. Payments made with respect to notional principal contracts, such as swaps, may be subject to these limitations on deductibility. Expenses connected with the marketing and issuance of Partnership interests are not deductible.

For Federal income tax purposes, interest expense of the Partnership and the Master Fund is considered investment interest. Generally, investment interest is deductible by an individual only to the extent of his net investment income (which for this purpose generally does not include net long-term capital gains or "qualified dividend income"). Investment interest which is not deductible in any taxable year because of this limitation may be carried forward to the succeeding taxable year.

The Master Fund generally will not realize gain or loss on a short sale of a security until the Master Fund closes the transaction by delivering the borrowed security to the lender. Gain arising from the closing of a short sale generally is treated as short-term capital gain.

Income attributed to the Partnership from the Master Fund may be subject to foreign income taxes, including withholding taxes. A limited partner may elect either to deduct his share of such foreign taxes in computing his Federal taxable income or treat his share of such foreign taxes as a credit against Federal income taxes, subject to certain limitations. No deduction for foreign taxes may be claimed by an individual who does not itemize deductions.

Certain options, regulated futures contracts and foreign currency contracts are considered "Section 1256 contracts" for Federal income tax purposes. Section 1256 contracts held by the Master Fund at the end of each taxable year will be "marked to market" and treated for Federal income tax purposes as though sold for fair market value on the last business day of such taxable year. Gain or loss realized by the Master Fund on certain Section 1256 contracts will be considered 60% long-term and 40% short-term capital gain or loss.

Under Code Section 988, gains and losses from the disposition of foreign currencies, from the disposition of debt securities denominated in a foreign currency, or from the disposition of certain foreign currency contracts, which are attributable to fluctuations in the value of the foreign currency between the date of acquisition and the date of disposition are treated as ordinary income or loss. Similarly, gains or losses attributable to fluctuations in exchange rates between the time interest, other receivables, expenses or other liabilities denominated in a foreign currency are accrued and the time such receivables or liabilities are collected or paid are treated as ordinary income or loss.

If the Master Fund invests in bonds issued with "original issue discount", the Master Fund generally will be required to accrue as taxable income a portion of the excess of the face value of the securities over their issue price for each year the securities are held, even though the Master Fund receives no payment with respect to such discount in such year. Gain derived by the Master Fund from the disposition of market discount bonds (i.e., bonds purchased subsequent to original issue at a price less than face value) generally will be taxed as ordinary income to the extent of the accrued market discount on the bonds, unless the Master Fund elects to include such discount in income as it accrues. Unless such an election is made, the deduction for some or all of the interest expense incurred to purchase or carry a market discount bond may be deferred.

As discussed above, it is anticipated that the Partnership will use leverage in connection with its investments. In this regard, a tax-exempt entity will generally be subject to tax on the portion of its share of the Partnership's profits attributable to the use of certain leverage. Such portion will be considered "debt-financed income" and will be taxable as "unrelated business taxable income" under the Federal income tax law. It should be noted that the law is not entirely clear as to the proper way to determine what portion of a tax-exempt entity's share of the Partnership's profits is attributable to the use of leverage and therefore is "debt-financed income." Accordingly, while the Partnership will compute each tax-exempt entity's share of "debt-financed income" from the Partnership in a manner which the Partnership determines is reasonable, there can be no assurance that the IRS will accept the method of computation utilized by the Partnership.

The IRS has released final Treasury Regulations expanding previously existing information reporting, record maintenance and investor list maintenance requirements with respect to certain "tax shelter" transactions (the "Tax Shelter Regulations"). The Tax Shelter Regulations may potentially apply to a broad range of investments that would not typically be viewed as tax shelter transactions, including investments in investment partnerships and portfolio investments of investment partnerships. Under the Tax Shelter Regulations, if the Partnership or the Master Fund engages in a "reportable transaction," the Partnership and, under certain circumstances, a limited partner may be required to (i) retain all records material to such "reportable transaction"; (ii) complete and file IRS Form 8886, "Reportable Transaction Disclosure Statement" as part of its Federal income tax return for each year it participates in the "reportable transaction", and (iii) send a copy of such form to the IRS Office of Tax Shelter Analysis at the time the first such tax return is filed. The scope of the Tax Shelter Regulations may be affected by further IRS guidance. Non-compliance with the Tax Shelter Regulations may involve significant penalties and other consequences. Each limited partner should consult its own tax advisers as to its obligations under the Tax Shelter Regulations.

New York Taxation

New York City imposes an annual 4% unincorporated business tax on unincorporated businesses (such as partnerships) engaged in business in New York City. An exemption is provided for an entity which purchases and sells property (for example, securities) solely for its own account and not as a dealer. If the Partnership engaging in business activities (for example, lending activities), rather than merely purchasing and selling property for its own account, the Partnership may be subject to the unincorporated business tax with respect to a portion of its income.

If the Partnership were considered to have income from New York sources, the Partnership would be required to withhold New York State income tax with respect to income allocable to limited partners who are not residents of New York. Assuming that the activities of the Partnership consist solely of purchasing and selling property for its own account and not as a dealer, none of the Partnership's income should be treated as New York source income. If the Partnership engages in business activities (for example, lending activities), rather than merely purchasing and selling property for its own account, the Partnership may be required to withhold such tax. If the Partnership is required to pay such tax, a nonresident limited partner should be eligible for a credit equal to the portion of the tax paid by the Partnership attributable to such limited partner's share of the Partnership's income if such limited partner files a New York State income tax return.

British Virgin Islands Taxation

The Master Fund has been advised by its British Virgin Islands counsel, Harney Westwood & Riegels, that neither the Partnership nor the Master Fund will be subject to any income, withholding, capital gains or other taxes in the British Virgin Islands. Further, partners will not be subject to any income, withholding, capital gains or other taxes in the British Virgin Islands with respect to their interest in the Partnership, nor will they be subject to any estate duty or inheritance taxes in the British Virgin Islands.

General

The advice from Seward & Kissel LLP on Federal, New York State and New York City tax matters is based on the method of operation of the Partnership as described in this Memorandum and the Partnership Agreement and under present provisions of the laws and regulations issued thereunder and the cases and rulings interpreting such laws and regulations. There can be no assurance that the positions the Partnership or the Master Fund takes on its tax returns will be accepted by the IRS or the New York taxing authorities.

As promptly as practicable after the end of each fiscal year, the Partnership will send to each partner a report indicating the amounts representing his respective share of net long-term capital gain or loss, net short-term capital gain or loss, operating profit or loss and other appropriate items of income and deduction for purposes of reporting such amounts for Federal income tax purposes.

The tax consequences of an investment in the Partnership may vary depending upon the particular circumstances of each prospective limited partner. Accordingly, each prospective limited partner should consult his own tax advisers with respect to the effect of an investment in the Partnership on his personal tax situation and, in particular, the state and local tax consequences to him of an investment in the Partnership. Tax-exempt entities should review with their tax advisers the discussion above regarding unrelated business taxable income and debt-financed income and any tax and/or filing obligation they may have with respect to unrelated business taxable income. Tax-exempt entities should also consult their tax advisers with regard to the unrelated business taxable income issues that may arise upon the disposition of their interest in the Partnership. In a private ruling, the IRS has taken the position that a portion of the gain realized from the sale (e.g., withdrawal) of a partnership interest by a tax-exempt entity is debt-financed income when the partnership uses borrowed funds to purchase property even though the tax-exempt entity did not use borrowed funds to purchase its partnership interest.

A limited partner (and each employee, representative, or other agent of the limited partner) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Partnership and all materials of any kind (including opinions or other tax analyses) that are provided to the limited partner relating to such tax treatment and tax structure.

Pursuant to IRS regulations, the Partnership and its tax advisors hereby inform you that: (i) any tax advice contained herein is not intended and was not written to be used, and cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer; (ii) any such advice was written to support the promotion or marketing of the Partnership interests described in this Memorandum; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

17. ERISA MATTERS

The following is a summary of certain aspects of the U.S. federal laws and regulations applicable to retirement plan investments as in existence on the date hereof, all of which are subject to change. This summary is general in nature and does not address every issue that may be applicable to the Partnership or a particular investor.

The Partnership may accept subscriptions from pension and profit-sharing plans maintained by U.S. corporations and/or unions, individual retirement accounts and Keogh plans, entities that invest the assets of such accounts or plans and other entities investing plan assets (all such entities are herein referred to as "Benefit Plan Investors"). The General Partner does not anticipate that the Partnership's assets will be subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the prohibited transaction provisions of Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), because the General Partner intends to limit the investments in the Partnership by Benefit Plan Investors. In addition, it is anticipated that the assets of the Master Fund will not be subject to ERISA or the prohibited transaction provisions of Section 4975 of the Code because investment by Benefit Plan Investors in the Master Fund will be similarly limited. Under ERISA and the regulations thereunder, the Partnership's assets will not be deemed to be plan assets subject to Title I of ERISA or Section 4975 of the Code if less than 25% of the value of each class of equity interest of the Partnership is held by Benefit Plan Investors, excluding from this calculation any non-Benefit Plan Investor interests held by the General Partner and certain affiliated persons or entities. The Partnership will not knowingly accept subscriptions for limited partnership interests or permit transfers of limited partnership interests to the extent that such investment or transfer would subject the Partnership's assets to Title I of ERISA or Section 4975 of the Code. In addition, because the 25% limit is determined after every subscription to or withdrawal from the Partnership, the General Partner has the authority to require the withdrawal of all or some of the limited partnership interests held by any Benefit Plan Investor if the continued holding of such interests, in the opinion of the General Partner, could result in the Partnership being subject to Title I of ERISA or Section 4975 of the Code.

Certain duties, obligations and responsibilities are imposed on persons who serve as fiduciaries with respect to employee benefit plans or accounts ("Plans"); for example, ERISA and the Code prohibit acts of fiduciary self-dealing and certain transactions between Plans and "parties-in-interest" or "disqualified persons" (as such terms are defined in ERISA and the Code). In the Partnership's Agreement for Admission, each Plan investor will be required to represent that its fiduciary has independently made the decision to invest in the Partnership and has not relied on any advice from the Partnership, the General Partner, any placement agent associated with the Partnership, or any of their affiliates with respect to the investment in the Partnership. Accordingly, fiduciaries of Plans should consult their own investment advisors and their own legal counsel regarding the investment in the Partnership and its consequences under applicable law, including ERISA and the Code.

The above statements are based on advice received by the Partnership as to ERISA matters from Seward & Kissel LLP, New York, New York.

18. FISCAL YEAR AND FISCAL PERIODS

The Partnership has adopted a fiscal year ending on December 31.

Since limited partners may be admitted or required to retire and additional capital contributions or withdrawals may be made during the course of a fiscal year, the Partnership Agreement provides for fiscal periods, which are portions of a fiscal year, for the purpose of allocating net profits and net losses due to changes occurring in capital accounts at such times.

19. PROCEDURE FOR BECOMING A LIMITED PARTNER

In order to become a limited partner, a prospective limited partner should: (i) execute two copies of the applicable Agreement for Admission, inserting the amount of his capital contribution, his residence address and his taxpayer identification or social security number (if applicable); (ii) execute two copies of the signature page of the Partnership Agreement; and (iii) return both copies of each of (i) and (ii) to the Administrator by facsimile at (441) 295-3926 or e-mail at prime@primebermuda.com. A copy of the form of the Agreement for Admission together with the Partnership Agreement (with two signature pages attached) is contained in the materials accompanying this Memorandum. Capital contributions shall be made in cash unless the General Partner, at its discretion, permits contributions in securities.

In order to comply with United States and international laws aimed at the prevention of money laundering and terrorist financing, each prospective investor that is an individual will be required to represent in the Agreement for Admission that, among other things, he is not, nor is any person or entity controlling, controlled by or under common control with the prospective investor, a "Prohibited Person" as defined in the Agreement for Admission (generally, a person involved in money laundering or terrorist activities, including those persons or entities that are included on any relevant lists maintained by the U.S. Treasury Department's Office of Foreign Assets Control, any senior foreign political figures, their immediate family members and close associates, and any foreign shell bank). Further, each prospective investor which is an entity will be required to represent in the Agreement for Admission that, among other things, (i) it has carried out thorough due diligence to establish the identities of its beneficial owners, (ii) it reasonably believes that no beneficial owner is a "Prohibited Person", (iii) it holds the evidence of such identities and status and will maintain such information for at least five years from the date of its complete withdrawal from the Partnership, and (iv) it will make available such information and any additional information that the Partnership may require upon request that is required under applicable regulations.

The General Partner or the Administrator may request such further information as it considers necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the General Partner or the Administrator may refuse to process the application until proper information has been provided, and any subscription moneys relating thereto received will be returned to the account from which they were originally remitted. Additionally, the General Partner or the Administrator may request such further information as it considers necessary to process a withdrawal request and may refuse to remit withdrawal proceeds (that is "freeze" the withdrawal proceeds) until proper and satisfactory information has been provided. Neither the Partnership, the Administrator nor the General Partner shall have any liability if there are losses due to a delay in or refusal to admit the investor or pay a withdrawal, as a result of inadequate information from the applicant.

If the Partnership, the General Partner or the Administrator has a suspicion that any transaction concerning the Partnership is connected with money laundering or terrorist financing, the Partnership, the General Partner or the Administrator may be required to report such a suspicion to the appropriate regulatory authorities. In reporting such a suspicion, the Partnership, the General Partner or the Administrator may disclose to the regulatory authorities non-public personal information about the investor who is the subject of the suspicion. In addition, the regulatory authorities to which the Partnership, the General Partner or the Administrator is subject have the power to request evidence confirming that the Partnership, the General Partner or the Administrator has been operating in

compliance with its anti-money laundering procedures. Such evidence could include non-public personal information of investors.

After receipt of the Agreement for Admission, the General Partner will notify each prospective limited partner of the date (the "Admission Date") by which, and the address to which, he will be required to transmit the amount of his capital contribution under the Agreement for Admission. Shortly after the Admission Date, the General Partner will return to each new limited partner his copies of the Agreement for Admission and the signature page of the Partnership Agreement as executed by the General Partner.

SK 22395 0005 398967 v5