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FRUITION FUND (USA) L.P.

Class A Limited Partnership Interests

CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

General Partner

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FRUITION FUND (USA) L.P.

SOLELY FOR ACCREDITED INVESTORS

Fruition Fund (USA) L.P. (the "Partnership") is a Delaware limited partnership organized in March 1996. Its principal office is located in Curaçao, Netherlands Antilles. The Partnership's investment objective is to achieve capital appreciation by investing its assets directly and indirectly in stocks of U.S. issuers traded in the U.S. equity markets (including on stock exchanges and in the over-the-counter markets) pursuant to such trading strategies as Trinity Management L.L.C., a Delaware limited liability company (the "Investment Manager"), shall determine. See "**MANAGEMENT, ADMINISTRATION AND ADVISORY SERVICES** - The Investment Manager". The Partnership primarily will trade stocks of the 1500 largest U.S. issuers, as measured by market capitalization. See "INVESTMENT PROGRAM." Investment in the Partnership involves certain risks, including the fact that there can be no assurance that the Partnership will achieve its investment objective or that it will not experience losses from its leveraged trading activities. See "RISK FACTORS."

Currently, the Partnership trades in stocks indirectly by investing its assets in DAX Partners L.P. (the "Trading Company"), a Cayman Islands limited partnership. The Trading Company is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as a broker-dealer and is a member of the Philadelphia Stock Exchange, Inc. ("PHLX"). The Partnership is a limited partner of the Trading Company.

The general partner of the Partnership and the Trading Company is Higrove Management Limited, a Cayman Islands exempted company (the "General Partner"). The General Partner is responsible for managing the business and the affairs of the Partnership. The General Partner has delegated investment discretion to the Investment Manager, which also has been retained as the Trading Company's investment manager. The Investment Manager may, in turn, retain such additional investment advisers (each an "Adviser") as it shall determine to manage all or a portion of those assets of the Partnership and the Trading Company allocated to the Investment Manager. Any management or incentive fees payable to such Advisers will be paid by the Investment Manager and not by the Partnership or the Trading Company. Citco Fund Services (Curaçao) N.V. (the "Administrator") has been retained to serve as the Partnership's administrator. The Administrator is responsible for the day-to-day administrative operations of the Partnership. Certain inherent and potential conflicts of interest exist in the structure and operations of the Partnership. See "CONFLICTS OF INTEREST."

The Partnership is offering Class A limited partnership interests in the Partnership ("Interests") by this Memorandum. Interests are being offered as of each monthly Subscription Day (as hereinafter defined). Interests are being privately offered and sold by the Partnership pursuant to an exemption from the registration provisions of the Securities Act of 1933, as amended (the "Securities Act"), provided for in Regulation D under the Securities Act and Rule 506 thereof. Interests will be sold to a limited number of investors which meet the definition of an "accredited investor" under Rule 501(a) of Regulation D under the Securities Act. The Partnership may offer and sell Interests directly or it may utilize the services of one or more placement agents appointed by the General Partner ("Placement Agents") in making offers and sales. The minimum subscription amount is $250,000. The General Partner may permit smaller subscriptions in its sole discretion. All subscriptions received from prospective investors prior to a Subscription Day will be held in a separate account until the next Subscription Day and will not earn any interest. The General Partner may reject any subscription in whole or in part for any reason. Interests are transferable only with the consent of the General Partner. Upon the acceptance by the General Partner of a subscription, the subscriber becomes a limited partner of the Partnership ("Limited Partner"). Subject to certain restrictions, a Limited Partner may redeem all or part of its Interest on any quarterly Redemption Date (as hereinafter defined) by sending a written request for redemption to the Administrator. Certain redemptions of all or part of an Interest made during the first 12 months of the redeeming Limited Partner's investment in the Partnership are subject to a redemption fee in an amount equal to 10.0% of the portion of the Interest being redeemed. See "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT - Redemptions."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS SUCH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Confidential Private Offering Memorandum ("Memorandum") is January __, 2002.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES 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, AND ANY 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 THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF ITS ISSUE.

THIS MEMORANDUM HAS NOT BEEN FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR HAS SUCH COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY DETERMINED WHETHER IT IS ACCURATE OR COMPLETE OR PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY HAVE APPROVED OR DISAPPROVED THE SECURITIES BEING OFFERED HEREBY. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, A SECURITY IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH JURISDICTION.

INVESTMENT IN AN INTEREST IN THE PARTNERSHIP OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR A SOPHISTICATED INVESTOR FOR WHICH SUCH INVESTMENT DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHICH FULLY UNDERSTANDS AND IS WILLING TO ASSUME THE RISKS INVOLVED. ONLY A PERSON OR ENTITY WHICH QUALIFIES AS AN "ACCREDITED INVESTOR" FOR PURPOSES OF THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER MAY INVEST IN AN INTEREST. NO PERSON WHICH IS NOT CAPABLE INDEPENDENTLY OF EVALUATING ANY INFORMATION CONTAINED IN THIS MEMORANDUM AND THE RISKS INVOLVED IN THE PURCHASE OF AN INTEREST SHOULD CONSIDER DOING SO.

A PROSPECTIVE PURCHASER OF INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS TAX OR LEGAL ADVICE. THIS MEMORANDUM SHOULD BE REVIEWED BY THE PROSPECTIVE PURCHASER AND ITS INVESTMENT, TAX, ACCOUNTING, LEGAL OR OTHER ADVISORS.

DIRECTORS AND REPRESENTATIVES OF THE GENERAL PARTNER ARE AVAILABLE TO EACH PROSPECTIVE INVESTOR AND/OR ITS REPRESENTATIVES TO ANSWER QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING OF INTERESTS AND TO FURNISH ANY ADDITIONAL INFORMATION, TO THE EXTENT THAT THEY POSSESS OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH HEREIN OR TO ENABLE IT TO EVALUATE THE MERITS AND RISKS RELATING TO THE PURCHASE OF AN INTEREST.

BY ACCEPTING RECEIPT OF THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR AGREES NOT TO DUPLICATE OR TO FURNISH COPIES OF THIS MEMORANDUM TO PERSONS OTHER THAN SUCH OFFEREE'S INVESTMENT, TAX, ACCOUNTING OR LEGAL ADVISORS AND AGREES TO RETURN THIS MEMORANDUM TO THE GENERAL PARTNER PROMPTLY AFTER SUCH TIME AS SUCH OFFEREE IS NO LONGER CONSIDERING AN INVESTMENT IN AN INTEREST.

<u>NOTICE TO PROSPECTIVE PURCHASERS IN FLORIDA</u>

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION THEREFROM. ANY SALE MADE PURSUANT TO SUCH EXEMPTION IS VOIDABLE BY A FLORIDA

PURCHASER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT IN PAYMENT FOR SUCH SECURITIES. HOWEVER, THIS RIGHT IS NOT AVAILABLE TO ANY PURCHASER WHO IS A BANK, TRUST COMPANY, SAVINGS INSTITUTION, INSURANCE COMPANY, SECURITIES DEALER, INVESTMENT COMPANY AS DEFINED IN THE INVESTMENT COMPANY ACT OF 1940, PENSION OR PROFIT-SHARING TRUST OR QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933.

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THE PARTNERSHIP

Fruition Fund (USA) L.P. is a limited partnership organized in March 1996 under the Delaware Revised Uniform Limited Partnership Act, as amended (the "Partnership Act"). The business offices of the Partnership and the General Partner are located at c/o Citco Fund Services (Curaçao) N.V., Kaya Flamboyan 9, P.O. Box 812, Curaçao, Netherlands Antilles, telephone (5999) 7322222, facsimile (5999) 7322225. The Partnership was formed to seek to achieve capital appreciation through investments, directly and indirectly, in stocks of U.S. issuers traded in the U.S. equity markets (including on stock exchanges and in the over-the-counter markets). The Partnership trades in stocks indirectly by investing its assets in DAX Partners L.P., a Cayman Islands limited partnership formed in February 1996. The Trading Company is registered under the Exchange Act as a broker-dealer and is a member of PHLX. The assets allocable to the Interests (the "Class A Assets") are invested in Class A Limited Partnership Interests, Series 1, in the Trading Company. See "INVESTMENT PROGRAM" and "RISK FACTORS."

Higrove Management Limited, which is also the general partner of the Trading Company, acts as the general partner of the Partnership. The General Partner manages all of the affairs of the Partnership pursuant to the provisions of the Partnership's Limited Partnership Agreement (attached hereto as Exhibit A, the "Limited Partnership Agreement"). The General Partner has delegated investment discretion to the Investment Manager. Citco Fund Services (Curaçao) N.V. serves as the Partnership's administrator. The Administrator is responsible for the day-to-day administrative operations of the Partnership. See "INVESTMENT PROGRAM," "MANAGEMENT, ADMINISTRATION AND ADVISORY SERVICES" and "CONFLICTS OF INTEREST."

The net proceeds of this offering will be applied to the investment objective of the Partnership. See "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT" and "PLAN OF DISTRIBUTION." A limited partnership was chosen as the investment vehicle because it affords the investors the protection of limited liability.

The Partnership may issue limited partnership interests in separate classes (each a "Class") with each such Class bearing such rights, obligations, liabilities, privileges, designations and preferences as the General Partner, in its sole discretion, shall determine upon the issuance of such Class.

INVESTMENT FACTORS

The Partnership's structure and operation is designed to provide investors with certain investment advantages including the following:

Investment Diversification

The Partnership provides investors with the opportunity to further diversify investment portfolios (for example, traditional stock/bond/real estate portfolios) by adding an investment program which engages in leveraged trading of stocks of U.S. issuers traded in the U.S. equity markets utilizing a hedged analytical trading strategy. The General Partner believes

that diversification through an investment in the Partnership may be advantageous because the profit potential of the Partnership does not depend upon favorable general economic conditions and that it may be as profitable during periods of declining stock, bond and real estate markets as at any other time. See "INVESTMENT PROGRAM."

Return on Investment

The General Partner believes that the Partnership may provide investors with the potential to earn attractive returns on their investment. Of course, there can be no assurance that such returns will be achieved.

Limited Liability

A Limited Partner cannot lose more than its investment in the Partnership and its share of the Partnership's profits, if any, whether or not distributed, plus interest thereon, and cannot be subjected to margin calls. The General Partner will bear the risk of liabilities beyond the assets of the Partnership. See "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT."

Professional Management

Investment decisions for the Partnership are made by the Investment Manager pursuant to a proprietary hedged analytical stock trading strategy. The Investment Manager is an investment management firm organized principally, but not exclusively, to provide investment management services to the Trading Company and the Partnership and other investment funds which invest in the Trading Company.

Administrative Convenience

The Partnership provides to or obtains for the Limited Partners many services designed to alleviate the administrative details involved in investing directly in the stock market, including maintaining the books and accounts of trading activities, preparing quarterly and annual account statements for the Limited Partners and supplying the Limited Partners with information necessary for federal income tax returns.

INVESTMENT PROGRAM

The Partnership's investment objective is to achieve capital appreciation by investing its assets directly and indirectly in stocks of U.S. issuers traded in the U.S. equity markets (including on stock exchanges and in the over-the-counter markets). There can be no assurance that the Partnership will achieve its investment objective. The Partnership trades in stocks indirectly by investing its assets in the Trading Company. The Class A Assets are invested in Class A Limited Partnership Interests, Series 1, in the Trading Company. The Partnership and the Trading Company each have retained Trinity Management L.L.C., a Delaware limited liability company, as its investment manager. See "CONFLICTS OF INTEREST." The Investment Manager is authorized to make all investment decisions for the Partnership and the Trading Company. Additionally, the Investment Manager may, in turn, retain such Advisers as it shall determine to manage all or a portion of those assets of the

Partnership and the Trading Company allocated to the Investment Manager. Any management or incentive fees payable to such Advisers will be paid by the Investment Manager and not by the Partnership or the Trading Company.

Market Neutral Component

The Investment Manager's hedged analytical stock trading strategy seeks to maintain a near market neutral exposure between long and short positions in the portfolio, thereby potentially minimizing the impact of changes in the overall direction of the stock market upon the portfolio.

Stocks within a particular industry sector may tend to move together. For example, the prices of pharmaceutical stocks may tend to move in tandem with each other. During any given time period, however, one pharmaceutical stock may lag in performance compared to other pharmaceutical stocks. In such situations, the Investment Manager's strategy generally will be to buy the particular stock which is lagging and sell short the stock which is leading the industry group. The Investment Manager's strategy is based upon signals generated by state-of-the-art, high-powered computers running a program which employs a complex statistical algorithm (the "model"). The model is applied only to stocks which the Investment Manager identifies as being strongly correlated. The long and short positions are maintained in approximately equal dollar amounts, thereby potentially minimizing the volatility of the portfolio and the effect of the overall direction of the stock market on the portfolio.

Sector Rotation Component

A small percentage of the Partnership's assets may be traded by the Investment Manager using a sector rotation strategy. The Investment Manager believes that the basic rule of "Supply & Demand" drives the stock market and that today's stock market is driven in part by the flow of money coming into mutual funds. Mutual fund managers use such money to buy stocks in large quantities. As a result, a few industry sectors tend to outperform the rest of the stock market. There are computer systems designed to detect such sector rotation in its infancy. Once such a pattern is detected, certain fund managers tend to buy the stocks in the industry sector into which money is flowing and sell short the stocks in the industry sector from which money is flowing out. The Investment Manager will attempt to take advantage of such sector rotation to further enhance the Partnership's performance. Since a sector rotation strategy is not perfectly hedged, however, the Investment Manager currently intends to trade only five percent (5%) or less of the Partnership's assets pursuant to a sector rotation strategy.

Concentration in Stocks of the 1500 Largest U.S. Issuers

The Investment Manager will apply its strategy on behalf of the Partnership primarily to stocks of the 1500 largest U.S. issuers, as measured by market capitalization, in an effort to further reduce volatility by trading only in markets it considers to be highly liquid. In addition, the Investment Manager generally intends to diversify the Partnership's portfolio positions so that the value of each portfolio position typically will comprise less than two percent (2%) of the aggregate value of all portfolio positions and so that positions are held in a broad range of industry sectors.

Miscellaneous

The Investment Manager also may employ such other investment strategies and retain such Advisers as the Investment Manager, acting in its sole and absolute discretion, may determine.

The exact details of Investment Manager's and any Adviser's investment strategies are proprietary and confidential. In addition, the Investment Manager or an Adviser may frequently modify and revise its trading strategy. Therefore, the description of the strategy in this Memorandum is general in nature and is not intended to be exhaustive.

Highly Leveraged Trading

Because the profit margins on hedged transactions in stocks generally are not large, the Investment Manager intends to utilize, and to permit any Adviser to utilize, borrowings and margin indebtedness in connection with the Trading Company's trading activities in order to leverage the portfolio and in an effort to enhance overall portfolio yield. As a U.S. registered broker-dealer and PHLX member, the Trading Company will not be subject to provisions of Regulation T promulgated by the Federal Reserve Board which generally require a minimum margin deposit of cash or securities with an aggregate value equal to 50% of the purchase price of stocks bought on margin and 50% of the proceeds of short sales. The trading of the Class A Assets currently is leveraged at approximately a 2.5-to-1 ratio. **[Raj, please confirm degree of leverage.]** Such leverage ratio could be higher or lower from time to time, depending upon both the Investment Manager's and any Adviser's strategies and the requirements imposed by the Trading Company's executing broker, but it is not expected that such ratio will ever be higher than 8-to-1.

Trading Suspension Level

If the Net Asset Value of the Partnership (as hereinafter defined) (as adjusted for any redemptions, distributions and additions made after trading commences) decreases as of the close of trading on any Business Day (as hereinafter defined) to or below the Trading Suspension Level (as hereinafter defined), the Partnership will attempt to liquidate all open positions as expeditiously as possible and suspend trading. No assurance is given that the Partnership will be able to close out all open positions without incurring substantial additional losses. See "RISK FACTORS - Markets May be Illiquid." "Business Day" means any day on which the New York Stock Exchange, banks in New York City and banks in the Netherlands Antilles are open for business. The Partnership's "Trading Suspension Level" for any given Business Day will be a cumulative twenty percent (20.0%) or more decline in the Net Asset Value of the Partnership (as adjusted) from the date on which the Partnership commenced trading in 1996. Within ten Business Days after the date of the suspension of trading, the Partnership shall declare a special redemption date. Such special redemption date, if declared, shall be a Business Day within 30 Business Days from the date of suspension of trading by the Partnership, and the Partnership shall mail notice of such date to each Limited Partner by first class mail, postage prepaid, not later than ten Business Days prior to such special redemption date, together with instructions as to the procedure the Limited Partner must follow to have its Interest redeemed on such date.

After such special redemption date, the General Partner may elect either to resume trading or to liquidate and wind up the Partnership.

MANAGEMENT, ADMINISTRATION AND INVESTMENT ADVISORY SERVICES

The General Partner

The general partner of the Partnership is Higrove Management Limited, a Cayman Islands exempted company incorporated in March 1996 which is also the general partner of the Trading Company. The General Partner's registered office is at Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands. The General Partner's principal office is at Kaya Flamboyan 9, P.O. Box 812, Curaçao, Netherlands Antilles, telephone (5999) 7322222, facsimile (5999) 7322225.

The General Partner is responsible for managing the business and the affairs of the Partnership. Kieran J. Conroy and Rajesh Agarwal are the directors of the General Partner (the "Directors"). Mr. Conroy is affiliated with the Administrator. Mr. Agarwal is affiliated with the Investment Manager.

Administrator

Citco Fund Services (Curaçao) N.V., Curaçao, Netherlands Antilles has been delegated the responsibility as administrator (the "Administrator") under the terms of the Administrative Services Agreement entered into by the Partnership and the Administrator. The Administrator serves as the registrar and transfer agent for Interests in the Partnership, and is responsible for the maintenance of the Partnership's records and books of accounts, Net Asset Value calculation, and communication with Partners and the general public.

The Administrative Services Agreement is for an indefinite term. It may be terminated by any party thereto upon not less than sixty (60) days' notice.

The Partnership has agreed to indemnify the Administrator and its directors, officers, employees and shareholders against, and hold them harmless from, any expense or liability arising out of any asserted or threatened claim in connection with the Administrator's serving or having served as the Partnership's administrator pursuant to the Administrative Services Agreement, except for any expense or liability arising out of, related to or based upon its negligence, willful misconduct or bad faith, or by its reckless disregard of its duties.

Investment Manager

The Investment Manager is Trinity Management L.L.C., a Delaware limited liability company formed in March 1996. The Investment Manager is an investment management firm organized principally to provide investment management services to the Trading Company, the Partnership and other investment funds which invest in the Trading Company. The following persons are, either directly or indirectly, principals or trading principals of the Investment Manager:

Rajesh ("Raj") Agarwal. Mr. Agarwal also has been a Managing Director of U.S. Securities & Futures Corp. ("U.S. Securities") since June 1995. As a Managing Director of U.S. Securities, he manages an office of approximately forty brokers and regularly advises with respect to customer securities accounts totaling approximately U.S.$50 million. From August 1991 to June 1995, Mr. Agarwal was a Vice President and managed securities accounts at Anglo American Investment Services, a broker-dealer with offices in New York, New York. Previously, Mr. Agarwal was a marketing manager at Quotron, a division of Citibank, in New York, New York from November 1990 to August 1991, and worked at Citibank in Chicago, Illinois and Raleigh, North Carolina from June 1988 to November 1990.

Murari ("Mike") Garodia. Mr. Garodia also has been the President of Promet, Inc., an international trading company with an office in Houston, Texas, since May 1991. He has had extensive experience in setting up companies both in the United States and overseas. As a successful entrepreneur, Mr. Garodia has promoted and managed several businesses in the United States, Singapore and India for approximately 20 years.

Kyriakos Kalketenidis. His prior professional commitments include serving as an Assistant Treasurer in charge of Leveraged Buy Outs for the Swiss Bank Corporation in New York from January 1988 to June 1989. In December 1987, he was awarded an M.B.A. from INSEAD, the International Business School in Fontainebleau, France. Prior degrees include a M.S. degree in Structural Engineering from Columbia University in New York (1983) and a B.S. degree in Civil Engineering from University College of London (1982).

Nicholas Kondakis. His prior professional commitments include research positions at Princeton University and Columbia University until January 1991. Dr. Kondakis received a Ph.D. degree in High Energy Physics from Columbia University in May 1989, preceded by M.Phil. and M.A. degrees in Physics, also from Columbia University. Dr. Kondakis also received a B.S. degree in Physics from the University of Athens, Greece, graduating first in his class (1982).

SUMMARY OF FEES AND EXPENSES

Investment Manager

Pursuant to the terms of the Investment Management Agreement by and between the Partnership and the Investment Manager (the "Investment Management Agreement"), the Partnership will pay the Investment Manager a calendar monthly management fee, payable in arrears, in an amount equal to $1/12^{th}$ of 2% of the Net Asset Value of the Partnership (as hereinafter defined) as of each calendar month-end (approximately 2.0% annually). For purposes of calculating the management fees, the Net Asset Value of the Partnership is determined before reduction for the Investment Manager's management fees and incentive fees or extraordinary expenses accrued or payable as of such month-end and before giving effect to any subscriptions made and any distributions and redemptions paid or payable as of such month-end. If for any reason the Partnership is dissolved or the Investment Management Agreement is terminated as of any date other than the last day of a calendar month, the management fee will be pro-rated based on the ratio of the number of days in the calendar month through such date bears to the total number of days in the calendar month.

In addition, as of the end of each Calculation Period (as hereinafter defined), the Partnership will pay the Investment Manager an annual incentive fee equal to a percentage of the Net New Appreciation (as hereinafter defined), if any, achieved by each Limited Partner's Book Capital Account during the Calculation Period, as follows:

(a) if the amount of Net New Appreciation as of the end of the Calculation Period represents an increase in the Net Asset Value of the applicable Book Capital Account in an amount less than or equal to 50% of the Net Asset Value of the Book Capital Account as of the commencement of the Calculation Period (after appropriate adjustments to reflect subscriptions for Interests and redemptions of Interests and distributions made during the Calculation Period with respect to such Book Capital Account), then 24% of the Net New Appreciation; and

(b) if the amount of Net New Appreciation as of the end of the Calculation Period represents an increase in the Net Asset Value of the applicable Book Capital Account in an amount greater than 50% of the Net Asset Value of the Book Capital Account as of the commencement of the Calculation Period (after appropriate adjustments to reflect subscriptions for Interests and redemptions of Interests and distributions made during the Calculation Period with respect to such Book Capital Account), then 24% of the amount of Net New Appreciation representing a 50% increase in the Net Asset Value of the Book Capital Account during the Calculation Period and 45% of any Net New Appreciation in excess thereof.

For purposes of calculating the incentive fee, "Net New Appreciation" as of the end of any Calculation Period shall be computed with respect to each Limited Partner's Book Capital Account separately and shall mean the excess, if any, of the Net Asset Value of the applicable Book Capital Account as of the end of the Calculation Period (after deducting the

allocable portion of any management fees payable to the Investment Manager during the period and as of such period-end and any operating expenses of the Partnership payable during the period but without reduction for any incentive fee payable with respect to the Net New Appreciation achieved by such Book Capital Account during the period), over the Net Asset Value of such Book Capital Account as of the end of the most recent prior Calculation Period for which an incentive fee was payable (or, if no incentive fee was previously paid or payable, the Net Asset Value for such Book Capital Account as of the date of the first subscription by such Limited Partner), increased by the amount of any distributions to such Limited Partner or redemptions made by such Limited Partner during the period, reduced by the amount of any subscriptions for Interests made by such Limited Partner during the period. For purposes of calculating Net New Appreciation, extraordinary expenses and taxes shall be excluded.

If a Book Capital Account experiences net losses after an incentive fee is charged, the Investment Manager will retain all incentive fees previously paid to it with respect to such Book Capital Account but will not receive a new incentive fee with respect to such Book Capital Account until additional Net New Appreciation is achieved by such Book Capital Account.

The first "Calculation Period" for a Book Capital Account shall be the period of time commencing on the opening of business on the date of the first subscription by the applicable Limited Partner (or on January 1, 2002, in the case of a Limited Partner who had invested prior to such date) and ending on the close of business of the last Business Day of the twelve calendar month period commencing on such date. Each following twelve month period commencing on an anniversary of the date of the first subscription by the applicable Limited Partner (or an anniversary of January 1, 2002, in the case of a Limited Partner who had invested prior to such date) shall also be a "Calculation Period."

The Net Asset Value of the Partnership, the Net Asset Value of each Class and the Net Asset Value of each Partner's Book Capital Account will be determined by or at the direction of the Administrator at the close of business in Curaçao, Netherlands Antilles, on the Business Day preceding each Subscription Day and Redemption Date. The "Net Asset Value of the Partnership" shall mean the total assets of the Partnership, including all cash, cash equivalents and other securities (each valued at fair market value), less the total liabilities of the Partnership determined in accordance with U.S. generally accepted accounting principles, consistently applied under the accrual method of accounting, except as set forth below:

(a) Any security which is listed on a recognized exchange shall be valued at its last sale price on the date of determination as recorded by the composite tape system or, if such security is not included in such system, at the last sale price on such day on the principal securities exchange on which such security is traded or, if no sale occurred on such day, at the mean between the closing "bid" and "asked" prices on such day as recorded by such system or such exchange, as the case may be. It is within the sole discretion of the Administrator to determine whether an exchange is recognized for purposes of valuation under this paragraph;

(b) Any security which is not listed on a recognized exchange shall be valued Abased on quotations obtained by the Administrator from one or more

dealers regularly making markets in and issuing quotations for such security;

(c) Any investment in another limited partnership or other investment fund shall be valued as reported by such other limited partnership or investment fund;

(d) All other securities and assets of the Partnership as well as those securities for which no value can be determined shall be assigned such fair value as the Administrator may determine;

(e) Management fees and incentive fees and other fees and expenses shall be accrued at least monthly;

(f) The amount of any distribution made shall be a liability of the Partnership from the day when the distribution is declared until paid; and

(g) Interest income shall be accrued at least monthly.

The "Net Asset Value of a Class" means the portion of the Net Asset Value of the Partnership allocable to such Class of Interests.

The "Net Asset Value of a Partner's Book Capital Account" means the portion of the Net Asset Value of the Class A Interests allocable to such Partner's Capital Book Account.

The incentive fee arrangement between the Partnership and the Investment Manager may create an incentive for the Investment Manager to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed. Prospective investors also should note that the calculation of the Investment Manager's incentive fee is based in part upon unrealized profits (as well as unrealized losses) and such unrealized profits may never be realized by the Partnership, and that the incentive fee, if paid, could result in fees greater than normally paid to other advisers for similar services.

Prospective investors should note that even though incentive fees are computed and payable as of the end of each Calculation Period, such incentive fees will accrue monthly. Investors who redeem all or part of their Interest as of any date other than the end of a Calculation Period will be charged an incentive fee, if earned, on the amount of the redemption as though the date of such redemption were the end of the then current Calculation Period, even though the Investment Manager may not be entitled to an incentive fee had the Interest been held through the end of the Calculation Period on account of losses incurred subsequent to the redemption. If for any reason the Partnership is dissolved or the Investment Management Agreement is terminated as of a date other than the last day of a Calculation Period, the incentive fee will be charged and paid to the Investment Manager as if such date were the last day of the then current Calculation Period.

At the election of the Investment Manager, payments of all or a portion of an incentive fee may be automatically deferred until the occurrence of certain specified events

(including the dissolution of the Partnership). During the deferral period, the deferred amounts of the incentive fee will be recorded by the Partnership as a liability in an unfunded book entry account that is indexed to the subsequent performance (whether positive or negative) of the Partnership, so that the amount ultimately payable will reflect the return that would have been realized if the fee had been paid to the Investment Manager and simultaneously invested in an Interest in the Partnership immediately following the close of the Calculation Period in which the fee would have been earned.

Adviser(s)

The Investment Manager, and not the Partnership, will be responsible for the payment of management and/or incentive fees to the Adviser(s), if any.

Administrator

The Trading Company will pay the Administrator customary fees for its services as the Administrator of the Trading Company, the Partnership and the Trading Company's other limited partner.

Placement Agents

An Interest purchased through a Placement Agent may be subject to the payment of an up-front placement fee of up to 5.0% of the purchase price of the Interest. Placement Agents, if any, also may receive a portion of the management fees and incentive fees paid by the Partnership.

Allocation of Expenses

All fees and expenses which are specific to a particular Class or Book Capital Account will be allocated to such Class or Book Capital Account. All other general expenses of the Partnership will be allocated *pro rata* among all Classes and Book Capital Accounts.

Other Expenses and Fees Chargeable to the Partnership

The Partnership is responsible for all expenses incurred by the Partnership in the ordinary course of its business, including, without limitation, legal fees, accounting fees, audit fees, interest expenses, brokerage commissions, offering expenses, other operating expenses and extraordinary expenses, if any. The Partnership also will be responsible for its pro rata share of the Trading Company's operating expenses, including without limitation, legal fees, accounting fees, audit fees, interest expenses, brokerage commissions, exchange membership fees and costs (including without limitation, any costs associated with the leasing or ownership of a PHLX seat), computer expenses and other similar expenses and extraordinary expenses, if any, except to the extent that such expenses are specifically allocated to classes and series of limited partnership interests other than those owned by the Partnership.

Further details regarding the fees to be paid to the Investment Manager and the Administrator are set forth in the Investment Management Agreement and the Administrative

Services Agreement, respectively, copies of which will be furnished to Limited Partners or prospective investors upon request.

Redemption Fees Charged to Redeeming Limited Partners

Any redemption of all or part of an Interest made during the first 12 months of the redeeming Limited Partner's investment in the Partnership shall be subject to a redemption fee in an amount equal to 10.0% of the portion of the Interest being redeemed; provided, however, that such redemption fee shall be waived if the Net Asset Value of Interests (as adjusted for any subscriptions, redemptions and distributions with respect to the Interests paid or made after the date of the purchase of the Interest being redeemed) has declined by 15.0% or more since the date of the purchase of the Interest.

Any redemption fees charged will be paid to the Investment Manager.

BROKERAGE AND PORTFOLIO TRANSACTIONS

The Partnership's anticipated portfolio turnover rate may be significantly higher than that of many other investment funds but is consistent with the Partnership's overall investment objective. Typically, high portfolio turnover may result in correspondingly high transaction costs. The exact amount of brokerage and related transaction costs which will be incurred is impossible to estimate and will depend upon a number of factors including the nature and frequency of the market opportunities presented, the size of the transactions and the transaction rates in effect from time to time. The Investment Manager has discretion to select brokers and dealers to execute portfolio transactions and to select the markets in which such transactions are to be executed.

The policy of the Investment Manager regarding purchases and sales for the portfolio is that primary consideration will be given to obtaining the most favorable execution of the transactions in seeking to implement its investment strategy. The Investment Manager and the Adviser(s) will effect transactions with those brokers and dealers which the Investment Manager believes provide the most favorable prices and which are capable of providing efficient executions. The factors that the Investment Manager believes contribute to efficient execution include size of the order, difficulty of execution, operational capabilities and facilities of the broker or dealer involved, whether that broker or dealer has risked its own capital in positioning a block of securities or other assets and the prior experience of the broker or dealer in effecting transactions of the type in which the Investment Manager will engage. In selecting brokers or dealers to execute particular transactions, the Investment Manager may consider "brokerage and research services" (as such terms are defined in Section 28(e) of the Exchange Act) and other information provided. For example, the Trading Company's broker has from time to time paid, and may in the future pay, a portion of the charges incurred by the Investment Manager for financial data services utilized in trading the assets of the Trading Company. Consistent with obtaining the most favorable execution, the Investment Manager also may consider the fact that certain brokers and dealers may refer or have referred prospective investors to the Partnership. The Investment Manager may cause a broker or dealer who provides such brokerage and research services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction which is in excess of the amount of commission another broker

or dealer would have charged for effecting that transaction. Prior to making such an allocation, however, the Investment Manager will make a good faith determination that such commission or spread was reasonable in relation to the value of the brokerage and research services provided, viewed in terms of that particular transaction or in terms of all the accounts over which the Investment Manager or its affiliates exercise investment discretion.

SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT

The rights and duties of the General Partner and the Limited Partners are governed by provisions of the Partnership Act and by the Limited Partnership Agreement attached hereto as Exhibit A. Certain features of the Limited Partnership Agreement are outlined below, but reference is made to the Limited Partnership Agreement for complete details of its terms and conditions.

Management Responsibilities of the General Partner

Subject to the limitations of the Limited Partnership Agreement, the General Partner is vested with exclusive responsibility for managing the business and the affairs of the Partnership. Limited Partners will not participate in management decisions affecting the Partnership, and they will have no voice in the operations of the Partnership. The responsibilities of the General Partner include, without limitation, selecting one or more investment managers for the Partnership, selecting brokers and dealers to execute transactions for the Partnership, determining whether the Partnership will make distributions, administering redemptions and the admission of Limited Partners, preparing and distributing quarterly and annual reports to the Partners (as hereinafter defined), filing reports required by governmental agencies, selecting an accountant and causing an annual audit of the Partnership's business affairs and administering other matters relevant to the business of the Partnership. The General Partner may delegate any of its responsibilities to third persons including, without limitation, the Partnership's investment manager(s) and administrative services companies.

The General Partner also has the power on behalf of the Partnership: (a) to purchase, hold, sell and trade securities and other investments and instruments; (b) to borrow money, on a secured or unsecured basis, from banks, brokers, financial institutions or other persons; (c) to open, maintain and close bank accounts; (d) select one or more investment vehicles for the investment of the Partnership's assets; and (e) generally to act for the Partnership in all matters incidental to the foregoing including the preparation and filing of all Partnership tax returns and the making of such tax elections and determinations as appear to it appropriate.

Minimum Investment Requirements Imposed on the General Partner

The Limited Partnership Agreement provides that the General Partner must make and maintain a capital contribution to the Partnership in an aggregate amount equal to at least the lesser of (a) 1.01% of the aggregate amount of net capital contributions made to the Partnership from time to time by the Limited Partners and the General Partner (each individually, a "Partner" and collectively, the "Partners") or (b) $500,000.

Exercise of Rights by Limited Partners

The Limited Partnership Agreement provides that meetings of the Limited Partners may be called by the General Partner for any matters for which the Limited Partners may vote as set forth in the Limited Partnership Agreement. The Limited Partnership Agreement further provides that holders of a majority-in-interest of all outstanding Interests (not including any Interest held by the General Partner), with the consent of the General Partner, may vote to amend the Limited Partnership Agreement. The General Partner may not withdraw from the Partnership without giving 90 days prior written notice thereof to the Limited Partners.

Election or Removal of the General Partner

The General Partner may be removed, and a successor general partner (or general partners) may be elected, by the vote of all outstanding Interests. In addition, the General Partner may admit one or more additional general partners and substitute (for itself) one or more persons or entities as a general partner as of any calendar month-end.

Sharing of Profits and Losses

Under the terms of the Limited Partnership Agreement, the General Partner has sole discretion as to the distribution of profits, if any, to the Limited Partners. The General Partner does not intend to make a distribution if, in its opinion, the reduction in the amount of assets under management after giving effect to the distribution would not be in the best interests of the Partnership or the Limited Partners. Any distributions made by the Partnership to the Partners shall be made in cash on a pro rata basis based upon the relative balance in each Partner's Book Capital Account as of the last day of the period to which the distribution relates. See "RISK FACTORS" and "CONFLICTS OF INTEREST."

Each Partner will have a book capital account ("Book Capital Account") and a tax capital account ("Tax Capital Account"), the initial balance of each of which will be the amount contributed to the Partnership by such Partner. Any increase or decrease in the Net Asset Value of the Partnership will be allocated among the Partners on a quarterly basis and will be added to or subtracted from the Book Capital Accounts of the Partners in the ratio that each Partner's Book Capital Account bears to all Partners' Book Capital Accounts. All Partners will share profits and losses resulting from trading activities of the Partnership on a pro rata basis.

In general, for federal income tax purposes, all items of ordinary income and deduction are allocated among the Partners in proportion to their relative Book Capital Account balances during the period when such income is earned or such expense is incurred. Capital gain generally shall be allocated among the Partners experiencing appreciation in their Book Capital Accounts during the year in proportion to the relative appreciation experienced. Capital loss generally shall be allocated among the Partners experiencing depreciation in their Book Capital Accounts during the year in the same manner. See "TAX CONSIDERATIONS."

Redemptions

Limited Partners generally may redeem all or part of their Interests on any Redemption Date by faxing, with two original copies to follow by overnight courier, a written

request for redemption to the General Partner which is received by the General Partner at least 20 Business Days prior to such Redemption Date, subject to certain restrictions and the provisions for reserves described below. "Redemption Date" means the last Business Day of each calendar quarter. No redemption which applies to less than all of a Limited Partner's Interest can result in the reduction of the Book Capital Account of the Limited Partner to or below $250,000 after the redemption is effected. In addition, the minimum redemption is $50,000. Ninety percent (90.0%) of the redemption amounts payable will be paid within five Business Days of the Redemption Date and the remaining ten percent (10.0%) will be paid within 45 days of such Redemption Date unless redemptions are suspended. The right to redeem Interests is contingent upon the Partnership having assets sufficient in the view of the General Partner to discharge its liabilities on the relevant Redemption Date. The General Partner may, in its sole discretion, waive any or all of the foregoing restrictions from time to time.

The General Partner, acting in its sole discretion, may suspend redemptions of Interests if the Partnership's investments are illiquid or the Partnership's ability to withdraw its capital from any investment vehicle in which it has invested some or all of its assets is restricted due to the conditions of its investment in such vehicle or as necessary to comply with any applicable statute or rule of any governmental or self-regulatory body (including, without limitation, stock exchanges).

In addition, the General Partner may, at its discretion: (a) postpone the distribution of any Partnership assets which cannot be properly valued on the Redemption Date until such time when the assets can be properly valued; (b) establish a reserve against any undetermined or contingent liability in an amount deemed reasonable by the General Partner; and (c) amend, modify, liberalize or restrict the terms and conditions of the Limited Partners' redemption privileges to the extent deemed necessary or advisable in connection with any further offerings (public or private) of Interests for sale. In addition, the General Partner may require, upon giving written notice, that a Limited Partner withdraw from the Partnership in whole or in part as the General Partner, in its sole discretion, may determine.

A Limited Partner will be deemed to have withdrawn from the Partnership upon its giving notice of redemption of its entire Interest in the Partnership. The withdrawal of a Limited Partner will not terminate the Partnership. It will terminate the interest of the withdrawn partner in the Partnership except that such partner shall have, until its distributive interest has been determined, access to the books of the Partnership and to such data as may be necessary to give full information with respect to its distributive interest.

Any redemption of all or part of an Interest made during the first 12 months of the redeeming Limited Partner's investment in the Partnership shall be subject to a redemption fee in an amount equal to 10.0% of the portion of the Interest being redeemed; provided, however, that such redemption fee shall be waived if the Net Asset Value of the Interests (as adjusted for any subscriptions, redemptions and distributions with respect to the Interests paid or made after the date of the purchase of the Interest being redeemed) has declined by 15.0% or more since the date of the purchase of the Interest being redeemed.

Accounts, Records and Reports

U.S. generally accepted accounting principles will govern the books of accounts and records of the Partnership, which will be open for inspection at the Partnership's office by any Partner at reasonable times and reasonable intervals.

At the end of each calendar quarter, the Partnership will prepare and send a quarterly unaudited statement to each Partner. The quarterly statement will report the Net Asset Value of the Partnership, the change in the Net Asset Value of the Partnership from the previous quarter and other information which the General Partner, in its discretion, determines to be necessary or appropriate. In addition, at the end of each fiscal year, an audited annual report of the Partnership, certified by the Partnership's independent auditors, shall be prepared and mailed to each Partner. Appropriate tax information relating to its Interest (adequate to enable each Limited Partner to complete and file its federal income tax return) shall be delivered to each Limited Partner no later than 90 days following the end of each fiscal year.

Liabilities

A Limited Partner's capital contribution is subject to the risks of the Partnership's business, and a Limited Partner will not be able to exercise any management functions with respect to the Partnership's operations. See "RISK FACTORS." Under the provisions of the Partnership Act, however, a Limited Partner will not be personally liable for any debts or losses of the Partnership beyond the amount of its capital contribution and profits attributable thereto (if any), plus interest thereon. Each Interest, when issued, will be fully paid and nonassessable. Losses in excess of the Partnership's assets will be the obligation of the General Partner at law.

The Limited Partnership Agreement provides that the General Partner and its "affiliates" (as hereinafter defined) shall not be liable to the Partnership or to any of the Partners for any act or failure to act taken or omitted by them in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Partnership if such act or failure to act did not involve negligence, willful misconduct or a breach of fiduciary obligations.

Indemnification

The Limited Partnership Agreement provides that in any threatened, pending or completed action, suit or proceeding to which the General Partner or any of its affiliates was or is a party or is threatened to be made a party by reason of the fact that it is or was the general partner of the Partnership, or is or was affiliated with the general partner of the Partnership, the Partnership shall indemnify, defend, and hold harmless the General Partner and its affiliates from and against any loss, liability, damage, cost, expense (including, without limitation, attorneys' and accountants' fees and expenses incurred in defense of any demands, claims or lawsuits), judgments and amounts paid in settlement (collectively, "Losses"), incurred by them if the party claiming indemnification acted in good faith and in a manner it reasonably believed to be in or not opposed to, the best interests of the Partnership and provided that the omission, act or conduct that was the basis for such Losses was not the result of willful misconduct, negligence or a breach of fiduciary obligations on the part of the General Partner.

Under the Limited Partnership Agreement, the Partnership shall make advances to the General Partner or its affiliates in connection with a demand, claim or lawsuit only if (a) the demand, claim or lawsuit relates to the performance of duties or services by such persons to the Partnership and (b) such advances are repaid if the person receiving such advance ultimately is found not to be entitled to indemnification under the Limited Partnership Agreement.

The term "affiliate" of the General Partner means and includes: (a) any natural person, partnership, corporation, association or other legal entity directly or indirectly owning, controlling or holding with power to vote 10.0% or more of the outstanding voting securities of the General Partner; (b) any partnership, corporation, association or other legal entity 10.0% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote by the General Partner; (c) any natural person, partnership, corporation, association or other legal entity directly or indirectly controlling, controlled by, or under common control with, the General Partner; or (d) any officer or director of the General Partner.

In the event that the Partnership, the General Partner or any of their affiliates is made a party to any claim, demand, dispute or litigation or otherwise incurs any Losses as a result of, or in connection with, (a) any Partner's (or its assignee's) activities, obligations or liabilities unrelated to the Partnership's business, or (b) any failure or alleged failure on the part of the Partnership or the General Partner to withhold from income or gains allocated or deemed to be allocated to any Partner (or its assignees), whether or not distributed, any amounts with respect to which federal income tax withholding was required or alleged to have been required, such Partner (or its assignees cumulatively) shall indemnify, defend, hold harmless, and reimburse the Partnership, the General Partner and their affiliates for such Losses to which they shall become subject.

Termination

Unless earlier dissolved, the Partnership shall cease doing business on December 31, 2026, and shall thereupon be dissolved. The Partnership also shall cease doing business and shall be dissolved upon the occurrence of certain other events, including the following:

(a) the insolvency or bankruptcy of the Partnership;

(b) the dissolution or other cessation to exist as a legal entity of the General Partner, at the election of the General Partner upon sixty (60) days notice or upon the retirement, removal, adjudication of bankruptcy or insolvency of the General Partner, unless a successor general partner has been elected by the Limited Partners or admitted by the General Partner or an additional general partner or additional general partners have been admitted by the General Partner prior to the date of any such event and such additional general partner(s) or successor general partner elects to continue the business of the Partnership; or

(c) the vote of Limited Partners holding a majority-in-interest of the then outstanding Interests (not including any Interest held by the General Partner) together with the consent of the General Partner.

Upon dissolution of the Partnership, its affairs shall be wound up and all assets shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order: (a) to the expenses of liquidation and termination and to creditors, in the order of priority as provided by law; and (b) to the Partners in accordance with their respective Book Capital Account balances.

Fiscal Year

The Partnership's fiscal year ends on December 31 of each year.

Miscellaneous Provisions

The Partnership may do business with any person, firm or corporation notwithstanding that such person, firm or corporation is a Partner or an affiliate of any Partner (including the General Partner) or of the Partnership.

The General Partner is not required to devote its full business time to the Partnership and may have other business interests, including acting in the same or similar capacity for other partnerships or entities.

PLAN OF DISTRIBUTION

The Partnership may offer and sell Interests directly or it may utilize the services of one or more Placement Agents in making offers and sales. The Partnership is offering Interests for sale only to qualified investors, and the General Partner may reject any subscription for an Interest, in whole or in part, for any reason or for no reason whatsoever. Participation in the Partnership is limited to not more than 100 "accredited investors" (as defined in Rule 501(a) of Regulation D under the Securities Act) who, either alone or in conjunction with their respective purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act), are qualified to invest in the Partnership by (a) their knowledge and acceptance of the risks associated with highly leveraged stock trading and (b) their financial ability to accept such risks. Interests which are offered hereby should be purchased only by those persons who can afford the possible loss of their entire investment and may be purchased only by those investors who represent and warrant that they are purchasing the Interests for their own account for investment purposes without any present intention to resell, distribute or otherwise transfer or dispose of the Interests.

An organization or entity subscribing for an Interest qualifies as an "accredited investor" if it is (a) a bank as defined in Section 3(a)(2) of the Securities Act, (b) a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, (c) a broker or dealer registered pursuant to Section 15 of the Exchange Act, (d) an insurance company as defined in Section 2(13) of the Securities Act, (e) an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), (f) a business development company as defined in Section 2(a)(48) of the Investment Company Act, (g) a small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended, (h) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such

plan has total assets in excess of $5,000,000, (i) an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser or an employee benefit plan that has total assets in excess of $5,000,000 or, if the plan is self-directed, with investment decisions made solely by persons who are accredited investors, (j) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), (k) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), a corporation, a Massachusetts or similar business trust or a partnership, not formed for the specific purpose of acquiring Interests, with total assets in excess of $5,000,000, (l) a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring an Interest, whose purchase is directed by a sophisticated person as described in Rule 502(b)(2)(ii) of Regulation D under the Securities Act or (m) an entity of which all of the equity owners are accredited investors.

A natural person subscribing for an Interest qualifies as an "accredited investor" if he or she (a) has a net worth, individually or jointly with his or her spouse, in excess of $1,000,000 at the time he or she subscribes for the Interest or (b) has had an individual income in excess of $200,000 in each of the two most recent years, or a joint income with his or her spouse in excess of $300,000, and reasonably expects to earn the same level of income in the current year.

Prospective investors should note that Interests are not freely transferable. A registration statement covering the Interests has not been filed with the Securities and Exchange Commission under the Securities Act, and no such registration of the Interests by the Partnership is contemplated as of the date of this Memorandum. The Securities Act prohibits any transfer or sale of an Interest in the absence of such registration unless an exemption to the Securities Act's registration requirements is applicable to the transfer or sale. In addition, the prior consent of the General Partner is required for the transfer, assignment or pledge of any Interest, which consent may be granted, withheld or conditioned by the General Partner in its sole discretion.

Interests may be subscribed for by new investors and existing Limited Partners as of each Subscription Day and as of such other dates as the General Partner may determine. "Subscription Day" means the first Business Day of each calendar month. The minimum Interest that may be purchased is $250,000 unless waived by the General Partner. All capital contributions received from investors will be placed in a separate account until the first Subscription Day following their receipt. Such contributions will not earn any interest. The General Partner may reject any subscription in whole or in part for any or no reason. The General Partner will determine whether to accept or reject a subscription as promptly as possible following its receipt. If a subscription for an Interest is rejected in whole or in part (which shall be at the sole direction of the General Partner), the rejected subscription funds or portion thereof will be returned to the subscriber, without interest thereon, within 30 days of the General Partner's receipt of such subscription.

Except with respect to the General Partner's minimum required interest in the Partnership described in "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT,"

above, neither the General Partner nor any of its principals and affiliates are obligated to purchase any Interests, but any of them may do so.

PURCHASE PROCEDURE

In order to subscribe for an Interest, a prospective investor must complete the Subscription Agreement attached hereto as Exhibit B. Investment Directors of Employee Benefit Plans and IRAs (as such terms are defined in the Supplemental Subscription Agreement) must also complete and sign the Supplemental Subscription Agreement, attached hereto as Exhibit C. Completed Subscription Agreements should be sent by fax with two original copies to follow by overnight courier or delivered to the Administrator. The minimum subscription amount is $250,000. The General Partner may permit smaller subscriptions in its discretion, provided that the initial minimum subscription shall never be less than U.S.$100,000. Subscription monies should be remitted, net of bank charges, pursuant to the wire transfer instructions set forth in the Subscription Agreement. Subscriptions received prior to the end of a calendar month will be held in a non-interest-bearing account at Citco Banking Corporation N.V. until the end of the month in which they are received. Failure to remit the full amount due will be treated as a withdrawal of a prospective investor's subscription.

Investors who designate one or more purchaser representatives to assist them in evaluating the merits and risks of an investment in the Partnership also must complete and deliver to the General Partner certain purchaser representative documentation which may be obtained from the General Partner.

A subscription for an Interest will not be processed and the Interest will not be allotted until the Partnership receives notification that a prospective investor's funds have been cleared in the full amount of the subscription.

PURCHASES BY EMPLOYEE BENEFIT PLANS
[Raj, do you still expect to have Plan investors in the L.P.?]

General

The following section sets forth certain consequences under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Code which a fiduciary of an ERISA Account, as defined below, who has investment discretion (a "Plan Fiduciary") should consider before deciding to invest the ERISA Account's assets in the Partnership. The following summary is not intended to be complete, but only to suggest certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary's own counsel.

In general, the term "plan" refers to any plan or account of various types (including its related trust) which constitutes an ERISA Account. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, "simplified employee pension plans," Keogh plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the Code and entities such as group trusts which are treated as holding the assets of such plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Partnership, including the role that an investment in the Partnership plays in the plan's investment portfolio. Each Plan Fiduciary, before deciding to purchase an Interest, must be satisfied that the Interest represents a prudent investment for the plan, that the investments of the plan, including the investment in the Partnership, are diversified so as to minimize the risks of large losses and that an investment in the Partnership complies with the plan and trust documents, ERISA and the Code. A Plan Fiduciary also should consider the Partnership's redemption policies, the restrictions on the transferability of Interests, the likelihood that no secondary public market for Interests exists and the need to value the assets of the plan at least annually.

Plan Assets

Section 406 of ERISA and Section 4975 of the Code (which also applies to individual retirement accounts that are not considered part of a plan subject to the fiduciary rules of ERISA) prohibit a plan from engaging in certain transactions involving "plan assets" with parties that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the plan. In addition to considering whether the purchase and ownership of an Interest would be a non-exempt prohibited transaction, a Plan Fiduciary must consider whether the assets of an investing plan include only the participation interest purchased or whether a plan investing in the Partnership also is deemed to own an undivided interest in the assets of the Partnership. If the assets of the Partnership were deemed to be plan assets, a plan's investment in the Partnership might be deemed to constitute an improper delegation under ERISA of the duty to manage plan assets by the Plan Fiduciaries and certain transactions involved in the operation of the Partnership might be deemed to constitute direct or indirect prohibited transactions under Section 406 of ERISA and Section 4975 of the Code. ERISA and the Code do not define "plan assets." Department of Labor regulations ("DOL Regulations") contain rules for determining whether or not a plan's assets would be deemed to include an interest in the underlying assets of an entity such as the Partnership, for purposes of the reporting, disclosure and fiduciary provisions of ERISA. In general, under DOL Regulations, "benefit plan investors" (including ERISA Accounts and governmental, foreign plans and certain church plans) hold 25% or more of any class of equity interests in an entity (disregarding any interests held by the Investment Manager or any of its affiliates or other persons and any interests held by any of its affiliates or other persons with discretion over the plan assets or who provide investment advice for a fee with respect to the plan (and their affiliates)), the underlying assets of the entity will be deemed to be plan assets. The 25% ownership test is applied whenever an investor acquires, redeems or transfers all or a portion of its investment in the Partnership.

Purchases and ownership of Interests by benefit plan investors will be monitored and restricted so that less than 25% of any class of Interests will be purchased or owned by benefit plan investors. **[Raj, please confirm that you will do this. Note that your and Mike's interests are not included in the pot when determining the 100%]**. In the event it appears to the General Partner in its sole opinion that the interests of benefit plan investors (disregarding any Interests held by the General Partner, the Investment Manager or any of their respective affiliates or other persons with discretion over the plan assets or who provide investment advice for a fee with respect to the plan (and their affiliates)) might constitute 25% or more of any class of Interests, certain ownership and transfer restrictions (including mandatory transfer and calls

for redemption of Interests held by benefit plan investors) may be implemented. Although the General Partner will, based upon information provided by investors, make every reasonable effort to avoid material violations of Title I of ERISA and prohibited transactions, there can be no assurance that such violations will not occur.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS IS IN NO RESPECT A REPRESENTATION BY THE PARTNERSHIP, THE INVESTMENT MANAGER, THE ADMINISTRATOR OR ANY OTHER PARTY THAT THIS INVESTMENT MEETS ALL RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH HIS OR HER ATTORNEY AND OTHER PROFESSIONAL ADVISORS AS TO THE PROPRIETY OF SUCH AN INVESTMENT IN LIGHT OF THE CIRCUMSTANCES OF THAT PARTICULAR PLAN AND CURRENT TAX AND OTHER APPLICABLE LAW.

TAX CONSIDERATIONS

The following discussion is a summary of certain U.S. federal income tax consequences relevant to the purchase, ownership and disposition of an Interest. This summary is based upon currently existing provisions of the Code, regulations and rulings promulgated thereunder, and relevant judicial and administrative decisions, all of which are subject to change with prospective or retroactive application. This summary does not purport to be a complete analysis of all the potential U.S. federal income tax considerations relating to the purchase, ownership and disposition of an Interest and does not address all aspects of taxation that may be relevant to particular Limited Partners in light of their individual circumstances (including the effect of any foreign, state or local tax laws) or to certain types of purchasers (including dealers in securities, insurance companies, financial institutions and tax-exempt entities) subject to special treatment under U.S. federal income tax laws. Each prospective investor must recognize that the complexity of the Code and its accompanying interpretive regulations, when combined with the limited scope of this Memorandum, prevents a detailed explanation of all aspects of the federal income tax treatment of the Partnership and the Limited Partners. No representations can be made as to the likelihood that any deduction or other federal income tax benefit described below will be realized by a Limited Partner, nor as to the potential foreign, state or local income tax consequences that may result to the Partnership or to any prospective investor. **Each prospective investor is strongly urged to consult with its own tax advisor with respect to its particular tax situation, the U.S. federal, state, local and foreign income tax consequences of the purchase, ownership and disposition of an Interest and possible changes in the tax laws.**

NEITHER THE PARTNERSHIP NOR THE GENERAL PARTNER ASSUMES ANY RESPONSIBILITY FOR ANY OF THE UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES TO AN INVESTOR INCIDENT TO AN INVESTMENT IN THE PARTNERSHIP. INVESTORS IN THE PARTNERSHIP EXPRESSLY ASSUME THE RISK THAT THE INTERNAL REVENUE SERVICE OR ANY STATE, LOCAL OR FOREIGN TAX AUTHORITY MAY

CHALLENGE THE INTERPRETATIONS SET FORTH IN THIS SUMMARY (OR OTHERWISE MADE BY THE PARTNERSHIP OR THE GENERAL PARTNER), AS WELL AS THE RISK OF CHANGES IN TAX LAWS, RULES, REGULATIONS, AND ADMINISTRATIVE INTERPRETATIONS.

Classification of the Partnership for Federal Income Tax Purposes

Based upon the facts as stated herein and current U.S. federal income tax laws and regulations, and subject to the discussion below of publicly traded partnerships, the General Partner believes that the Partnership is properly classified as a partnership for federal income tax purposes and not as an association taxable as a corporation. If the Partnership were classified as an association taxable as a corporation, the Partnership would be subject to tax at corporate rates on its income without deduction for any distributions to its Partners, and a portion or all of any distribution by the Partnership to its Partners could be taxable to the Partners as dividends or capital gains.

Special federal income tax rules may cause a partnership which is classified as a "publicly traded partnership" to be taxed as a corporation, even though it is otherwise classified as a partnership for federal income tax purposes, unless 90% or more of the partnership's gross income is "qualifying income." Qualifying income includes interest, dividends, certain capital gains, and certain other income derived from the business of investing in securities and derivatives thereof.

A "publicly traded partnership" is a partnership whose interests are either (a) traded on an established securities market or (b) readily tradable on a secondary market or on the substantial equivalent of a secondary market. Interests in the Partnership will not be tradable on an established securities market. With respect to whether Interests in the Partnership will be treated as being readily tradable on a secondary market or its substantial equivalent, recently promulgated United States Department of the Treasury ("Treasury") regulations provide that interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent of a secondary market if the partnership does not have more than 100 partners at any time during the partnership's taxable year, with certain exceptions not relevant to the Partnership. Thus, provided that the Partnership does not have more than 100 Partners at any time, the Partnership should not be treated as a publicly traded partnership.

The General Partner presently intends to take steps to limit or preclude the issuance or transfer of any Interest which would cause the Partnership to have more than 100 Partners. Under certain circumstances, a refusal by the General Partner to permit transfers which would cause the Partnership to have more than 100 Partners could have an adverse impact on a Partner's ability to dispose of its Interest and possibly on the value of the Partner's Interest.

The General Partner has been advised by Dorsey & Whitney LLP that the Partnership will not be taxed as a corporation under the publicly traded partnership rules for any taxable year in which 90% or more of the Partnership's gross income is qualifying income. If the Partnership failed to satisfy the qualifying income test in a taxable year, it is not clear whether the Partnership would be classified as a publicly traded partnership and thus subject to tax as a corporation. The General Partner expects that, in each of the current and future taxable

years, 90% or more of its gross income will be qualifying income, and accordingly believes that the Partnership will not be taxed as a corporation under current federal income tax laws.

The remainder of this summary assumes that the Partnership will be classified as a partnership for federal income tax purposes and will not be treated as an association taxable as a corporation. The Partnership has reported its taxes on that basis since its inception.

Federal Income Tax Treatment of Partnership Income

The Partnership, as an entity, will not be required to pay federal income tax. Instead, the General Partner and each Limited Partner [other than a Foreign Limited Partner (as hereinafter defined) which is not subject generally to U.S. federal income taxation] will report on its federal income tax return its allocable share of each item of the Partnership's income, gains, losses, deductions and credits for each year, regardless of whether any distributions are made from the Partnership to such Partner. To the extent that some or all of any profits realized by the Partnership are reinvested rather than distributed to Partners, a Partner may be required to pay the income tax liability attributable to its allocable share of Partnership income with funds derived from other sources. A Limited Partner will be entitled, however, to redeem all or a portion of its Interest, subject to certain restrictions.

Dividend and interest income (including any original issue discount) realized by the Partnership generally will be characterized as dividend or interest income to the Partners. Gains and losses derived from dispositions and short sales of bonds and other securities generally will be treated as capital gains and losses to the Partners, except that gains from dispositions will be treated as ordinary income to the extent such gain is attributable to accrued market discount.

In the case of corporate partners, all capital gains and ordinary income are subject to federal income tax at a maximum statutory rate of 35.0%. For noncorporate partners, short-term capital gains (i.e., capital gains derived from the sale of a capital asset held for not more than 1 year) and ordinary income are taxed at a maximum rate of 39.6%, and long-term capital gains (i.e., capital gains derived from the sale of a capital asset held for more than one year) are taxed at reduced rates.

Capital losses may be used to offset other short-term or long-term capital gains realized by an investor in the Partnership, plus (for taxpayers other than corporations) ordinary income of up to $3,000 a year ($1,500 in the case of a married individual filing a separate return). As a result of these limitations, an investor in the Partnership may not be able to deduct fully, for federal income tax purposes, economic losses realized from its investment in the Partnership in the year in which the losses are realized.

Section 1092 of the Code contains provisions restricting the tax advantages of straddle transactions in which the Partnership may engage. Under Section 1092, losses recognized with respect to straddle positions (other than those constituting an "identified straddle" as defined in Section 1092(a)(2)(B)) in actively traded personal property may be taken into account for any taxable year only to the extent that such losses exceed unrecognized gains on offsetting positions. Any losses disallowed by Section 1092 are carried over to succeeding years and may be allowed subject to the same restrictions. Under regulations issued by the

Treasury, rules similar to the "wash sale" rules (which, in general, defer recognition of loss from property which is sold, where substantially identical property is purchased within thirty days of such sale) apply to the sale and purchase of "offsetting positions." Taxpayers having unrecognized gains in positions (whether or not any such position is part of a straddle) may be required to report such positions and the amount of such gains. In addition, Section 263(g) of the Code requires the capitalization of interest and other carrying charges allocable to personal property that is part of a straddle.

The Partnership will engage in short sale transactions. Gains or losses arising from closing a short sale will be capital in nature. If the Partnership holds substantially identical property which has a holding period of not more than one year at the time of the short sale (or acquires such property after the short sale), gain from the closing transaction will be short-term capital gain. In that event, the holding period of the substantially identical property generally will begin on the date of the closing of the short sale.

Section 475 of the Code permits traders in securities to make an election to have certain securities marked-to-market and treated as if they have been sold on the last business day of the taxable year at their fair market value. If the election is made, any gain or loss recognized with respect to any securities which are marked-to-market would be treated as ordinary gain or loss and not capital gain or loss. It is anticipated that the election would be made by the Partnership and not by each of the Limited Partners. In the event that the General Partner determines that the Partnership is a trader (rather than an investor) for tax purposes, the General Partner has made no decision as to whether the Partnership will make the election.

Section 988 of the Code may affect the amount, timing, and character of gain or loss associated with certain securities or commodities transactions to the extent such gain or loss is attributable to foreign currency exchange rate fluctuation. Exchange rate fluctuation gain or loss generally will be treated as ordinary income or loss rather than as capital gain or loss.

The loss deferral, short sale, capitalization and wash sale rules described above also may apply to straddles that are created when Partnership transactions and transactions entered into by an investor in the Partnership in its own capacity have the effect of creating an "offsetting position with respect to personal property." **Each prospective investor should review the application of these rules to its own particular tax situation, with special regard to the potential interaction between Partnership operations and similar investment transactions entered into by such prospective investor in its own capacity.**

Under Section 1258 of the Code, capital gain derived from a "conversion transaction" is recharacterized as ordinary income. A conversion transaction is a transaction in which the return is attributable to the time value of an investment in the transaction and which is (a) the holding of property and the making of a contemporaneous agreement to sell the same or identical property, (b) a straddle for purposes of Section 1092, (c) one marketed on the basis of having economic characteristics of a loan or (d) any other transaction specified in Treasury regulations.

Section 1259 of the Code attempts to limit a taxpayer's ability to lock in gains with respect to appreciated financial positions by engaging in certain forms of hedging

transactions such as short sales against the box, forward contracts and notional principal contracts. Section 1259 generally treats any such hedging transaction as a constructive sale of the underlying appreciated financial position with the result that gain (but not loss) must be immediately recognized.

An appreciated financial position subject to the provisions of Section 1259 consists of any position with respect to any stock, debt instrument or partnership interest if there would be gain if such position were sold, assigned or otherwise terminated at its fair market value. The taxpayer is deemed to have disposed of such an appreciated financial position in a taxable constructive sale if the taxpayer (or a party related to the taxpayer) (a) enters into a short sale of the same or substantially identical property, (b) enters into an offsetting notional principal contract with respect to the same or substantially identical property, (c) enters into a futures or forward contract to deliver the same or substantially identical property, (d) has previously entered into a short sale, an offsetting notional principal contract or a futures or forward contract and acquires the same property as the underlying property for the position or (e) to the extent provided in regulations, enters into another type of transaction (such as a so-called collar or in-the-money option) which has substantially the same effect as the four types of transactions listed above.

The provisions of Section 1259 will not apply to any financial position that is marked to market under any other provision of the Code or to any debt instrument if (a) such debt unconditionally entitles the holder to receive a specified principal amount, (b) the interest payments are payable at a fixed rate or, to the extent provided in regulations, at a variable rate and (c) the debt is not convertible, directly or indirectly, into shares of stock of the issuer or any person related to the issuer. Also excluded will be any contract to sell any stock, debt instrument or partnership instrument which is not a marketable security so long as such contract settles within one year after the date such contract is entered into. In addition, a safe harbor is provided for certain short-term hedges. Under this exception, a transaction will generally be disregarded for purposes of Section 1259 if (a) the transaction is closed before the end of the 30th day after the end of the tax year in which the transaction was entered into, (b) the taxpayer holds the appreciated financial position in question throughout the 60-day period beginning on the date the transaction is closed and (c) at no time during such 60-day period is the taxpayer's risk of loss with respect to such position reduced through the use of any call option, put option, contract to sell or the holding of substantially similar or related property.

Section 1260 of the Code was enacted as part of the "Tax Relief Extension Act of 1999" ("1999 Tax Act"), signed into law on December 17, 1999. Section 1260 recharacterizes a certain portion of the long-term capital gain arising from a "constructive ownership transaction" with respect to a financial asset as ordinary income. A "constructive ownership transaction" is entered into if the taxpayer (a) holds a long position under a notional principal contract with respect to a financial asset, (b) enters into a forward or futures contract to acquire a financial asset, (c) holds a call option and grants a put option with respect to a financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or (d) to the extent provided in Treasury Regulations, enters into one or more other transactions that have substantially the same effect as one of the three transactions just listed. Financial assets include, among others, any equity interest in a pass-thru entity (including a partnership and a trust) and, to the extent provided in Treasury Regulations, any debt instrument and any stock in

a corporation that is not a pass-thru entity. The portion of gain recharacterized as ordinary income is that portion of the long-term capital gain that exceeds the "net underlying long-term capital gain." Net underlying long-term capital gain is defined as the aggregate net capital gain that would have been recognized had the financial asset been acquired for fair market value on the date the constructive ownership transaction was opened and sold for fair market value on the date such transaction was closed and only gains and losses that would have resulted from such deemed ownership are taken into account. In addition, Section 1260 of the Code imposes an interest charge on the amount of such long-term capital gain recharacterized as ordinary income. These rules do not apply to a constructive ownership transaction if all of the positions that form the constructive ownership transaction are marked-to-market under any provision of the Code or Treasury Regulations.

In addition, the 1999 Tax Act excludes from the definition of a capital asset any property that is clearly identified as part of a "hedging transaction" before the close of the day on which it was acquired, originated or entered into (or within such other time as may be established by regulations). The 1999 Tax Act defines a hedging transaction as any transaction entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily to manage (a) risk of price changes or currency fluctuations with respect to ordinary property which is held or to be held by the taxpayer, (b) risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made or ordinary obligations incurred or to be incurred by the taxpayer or (c) such other risks as the Secretary of Treasury may prescribe in regulations. Lastly, the 1999 Tax Act directs the Secretary of Treasury to issue regulations to recharacterize any income, gain, expense or loss arising from a transaction where the taxpayer either incorrectly identifies, or fails to identify, the transaction as a hedging transaction. These changes to the definition of capital asset apply to any instrument held, acquired, or entered into, any transaction entered into, and supplies held or acquired on or after the date of enactment of the 1999 Tax Act. Prospective investors are urged to consult their own tax advisors concerning the provisions of the 1999 Tax Act.

The loss deferral, short sale, capitalization, wash sale, constructive sale and constructive ownership rules described above also may apply to straddles that are created when Partnership transactions and transactions entered into by an investor in the Partnership in its own capacity have the effect of creating an "offsetting position with respect to personal property." **Each prospective investor should review the application of these rules to its own particular tax situation, with special regard to the potential interaction between Partnership operations and similar investment transactions entered into by such prospective investor in its own capacity.**

Allocation of Partnership Income and Loss

Section 704(b) of the Code provides that a partner's allocable share of income, gain, loss, deduction or credit, or any item thereof, will be determined under the governing partnership agreement, provided that the allocations have "substantial economic effect." The regulations under Section 704(b) of the Code prescribe complex requirements for the maintenance of capital accounts and rules for determining whether an allocation satisfies the substantial economic effect test or otherwise is in accordance with a partner's interest in a partnership. Under such regulations, all contributions, distributions and allocations of tax items

generally must be reflected by an appropriate adjustment in a partner's capital account in order for partnership allocations to be respected for federal income tax purposes. Such regulations permit capital accounts of the partners to be adjusted to reflect a revaluation of partnership property if certain requirements are satisfied.

Under the Limited Partnership Agreement, the Book Capital Accounts of the Partners are required to be adjusted periodically to reflect appreciation and depreciation of Partnership property. Losses recognized by the Partnership generally are allocated for income tax purposes to the Partners experiencing economic loss during the year, and gains recognized by the Partnership generally are allocated for income tax purposes to the Partners experiencing economic gain during the year, as such economic loss or gain is reflected in the Partners' Book Capital Accounts. Such allocations are reflected in the Tax Capital Accounts of the Partners that will be maintained under the Limited Partnership Agreement pursuant to regulations under Section 704(b).

The General Partner believes that the provisions of the Limited Partnership Agreement satisfy the requirements of the regulations regarding the maintenance of capital accounts and the revaluation of Partnership property. The General Partner also believes that the corresponding allocations of Partnership items will have substantial economic effect or will be deemed to be in accordance with a Partner's interest in the Partnership, and should be respected for federal income tax purposes under Section 704(b) of the Code and existing regulations and case law.

In some instances, the effect of the Limited Partnership Agreement will be to allocate to a Partner which redeems all of its Interest during the year gains or losses realized or sustained by the Partnership during the same taxable year but after such redemption. Although Section 706 of the Code generally prohibits retroactive allocations, Section 706(d) provides that where a partner's interest in a partnership changes during the year, the partners' distributive shares shall be determined under Treasury regulations which take into account the varying interests of the partners in the partnership. Treasury regulations have not yet been issued under this provision. The General Partner believes that the method of allocation described above is reasonable because it is designed to allocate to such Partner gain or loss economically realized or sustained during the Partner's tenure in accordance with the regulations under Section 704(b), because the allocation provisions are designed to prevent distortions which would result to the remaining Partners if gain or loss attributable to a redeemed Partner, recognized after its complete redemption, were not allocated to it, and because the method utilized by the Partnership is not motivated by tax avoidance. Income, gain, loss and deduction with respect to property contributed to the Partnership by a Partner is required to be allocated among the Partners so as to take account of the variation between the basis of the property contributed to the Partnership and its fair market value at the time of contribution.

The Limited Partnership Agreement gives the General Partner unilateral authority to amend the provisions of the Limited Partnership Agreement dealing with allocations of profits and losses for tax purposes, with respect to a tax year ending after the date of any such amendment or for which a Partnership tax return has not yet been filed, in any manner deemed necessary or advisable to comply with the Code and the regulations and to promote equitable treatment of the Partners.

Organization and Syndication Expenses

The Partnership will not be able to deduct its offering expenses for federal income tax purposes. Organizational expenses of the Partnership will be deducted ratably over a period of 60 months, beginning with the month that the Partnership commenced business. For this purpose, organizational expenses consist of those expenses which are incident to the creation of the Partnership, are chargeable to a capital account, and are of a character which, if expended in connection with the creation of a partnership having an ascertainable life, would be amortized over such life. To the extent that a portion of any amount treated as an organizational expense is finally determined to be an offering expense or a syndication expense, such portion would not be deductible by the Partnership or by any of the Partners.

Distributions and Redemptions and Sales of Interests

A Limited Partner will be subject to federal income taxation on income recognized by the Partnership and, accordingly, generally will not be subject to federal income taxation as a result of distributions by the Partnership, except to the extent that distributions exceed such Limited Partner's adjusted tax basis in its Interest. Distributions to a Limited Partner by the Partnership will first constitute a return of capital which is not includible in income for federal income tax purposes, and will reduce, but not below zero, the tax basis of such Limited Partner's Interest. To the extent that cash distributions exceed a Limited Partner's tax basis in its Interest immediately before such distributions, such excess will be taxable to such Limited Partner as gain from the sale or exchange of its Interest. A Limited Partner's tax basis in its Interest will not be increased on account of its distributive share of the Partnership's income until the end of the Partnership's taxable year and, as a result, distributions during the Partnership's taxable year could result in taxable gain to a Limited Partner even though no gain would result if the same distribution were made at the end of the taxable year.

While gain will be recognized under the foregoing rules on a cash distribution that exhausts the Limited Partner's total basis in its Interest immediately before the distribution even though the distribution is not in complete redemption or liquidation of the Limited Partner's Interest, loss may be recognized only upon the complete redemption or liquidation of the Limited Partner's entire Interest. Accordingly, a Limited Partner who sustains an economic loss on a redemption or liquidation of less than all of its Interest will not be allowed a loss in respect of such partial redemption or liquidation for federal income tax purposes. Moreover, a Limited Partner who sustains an economic loss on a complete redemption or liquidation of its entire Interest in the Partnership will not be allowed a loss in respect of such redemption or liquidation if property other than cash or unrealized receivables are distributed to the Limited Partner in connection with such redemption or liquidation.

Gain or loss recognized on the sale of an Interest generally will be long-term, mid-term or short-term capital gain or loss, depending on the period during which such Interest has been held prior to its disposition. If a Limited Partner receives proceeds on the sale of an Interest which are deemed attributable to certain ordinary income assets (such as unrealized receivables or appreciated inventory) held by the Partnership, income or loss recognized by the Limited Partner on the sale of the Interest and attributable to such ordinary income assets may be treated as ordinary income or loss.

Itemized Deductions of Individuals, Estates and Trusts

Section 67 of the Code limits the deductibility by individuals, estates and trusts of investment expenses incurred in connection with the production of income, such as legal and accounting fees, and other miscellaneous itemized deductions. Such investment expenses will be deductible only to the extent that, in the aggregate and combined with other miscellaneous itemized deductions, they exceed 2.0% of adjusted gross income. In addition, Section 68 of the Code provides that the amount of itemized deductions (including miscellaneous itemized deductions) otherwise allowable for the taxable year for an individual whose adjusted gross income exceeds a threshold amount specified in the Code will be reduced by the lesser of (a) 3.0% of the excess of adjusted gross income over the specified threshold amount or (b) 80.0% of the amount of itemized deductions otherwise allowable for such taxable year. Further, Limited Partners (other than corporations) subject to the alternative minimum tax may not deduct miscellaneous itemized deductions in determining their alternative minimum taxable income. The limitations may have the effect of limiting the extent to which investment expenses can be deducted by Limited Partners which are individuals, trusts or estates, but they will not affect the deductibility of investment expenses of Limited Partners which are corporations.

The Partnership treats the management fees paid to the Investment Manager and certain other Partnership expenses as fully deductible for federal income tax purposes. Such expenses, however, as well as the incentive fees paid to the Investment Manager, may be characterized by the United States Internal Revenue Service (the "IRS") as investment expenses. To the extent the characterization of such payments as investment expenses were to be sustained, the deductibility by a noncorporate Limited Partner of its share of the amounts so characterized would be subject to the limitations on deduction of investment expenses discussed above, with the result that the taxable income of a noncorporate Limited Partner derived from the Partnership might be increased and such Limited Partner might be required to file amended tax returns. Capital expenditures, such as brokerage commissions attributable to securities trading, will be capitalized and will reduce gains or increase losses, and will not be treated as investment expenses by the Partnership.

The deductibility of investment interest expense of a Limited Partner which is not a corporation (including such a Limited Partner's share of the Partnership's investment interest expense), is limited to the Limited Partner's net investment income. Net investment income is computed as the excess of (a) gross income from investment property (excluding the net long-term capital gain portion of net gains) over (b) expenses (excluding investment interest expense) directly connected with the production of investment income. If a Limited Partner elects to forego the preferential rate afforded to a portion of the net long-term capital gain included in its net gain for federal income tax purposes, that portion of the gain may be treated as investment income. Investment interest expense which cannot be deducted because of this limitation may be carried over to the following taxable year.

Limitation of Losses from Passive Activities

Section 469 of the Code imposes a limitation on the ability of individuals, estates, trusts and certain corporations to offset net losses from passive activities against other income such as salary, interest, dividends and active business income. The Partnership's trading

activities for its own account should not constitute passive activities. As a result, a Limited Partner's allocable share of the Partnership's income or gain from trading for the Partnership's own account will not constitute passive income and may not be offset by a Limited Partner's losses from passive activities, but may be offset by a Limited Partner's losses with respect to certain investments, such stocks and bonds. A Limited Partner's allocable share of any net loss of the Partnership from trading for the Partnership's own account will not constitute passive loss and will not be subject to the passive loss limitation rules.

Partnership Audit Procedures

Prospective investors should note that the Code provides for a centralized audit of partnership returns. In light of increased emphasis by the IRS on auditing investment activities carried on in partnership form, the IRS's audit procedures for partnerships may increase the likelihood that the Partnership's tax returns will be audited. The General Partner will be designated as the "tax matters partner" for the Partnership, will be the Partnership's primary representative with respect to the IRS and will possess the authority to extend the statute of limitations for assessment and collection with respect to all Partners.

The Code affords certain rights to partners who participate in a partnership administrative proceeding, including the right to receive certain notices provided by the IRS. In the case of a partner owning less than a 1.0% interest in a partnership with more than 100 partners, such notice is generally not required to be given. A Limited Partner will be bound by a settlement reached in an audit of the Partnership unless it is a "notice partner" or it timely files a statement with the IRS indicating that the General Partner as the tax matters partner does not have authority to settle Partnership tax issues on behalf of such Limited Partner.

Exempt Organizations - Unrelated Business Taxable Income

An organization otherwise exempt from taxation (an "Exempt Organization"), including an individual retirement account qualified under Section 408 of the Code, a trust forming part of a Keogh, profit-sharing or pension plan qualified under Section 401 of the Code or an organization described in Section 501(c) or Section 501(d) of the Code, is not subject to federal income taxation except to the extent that it has "unrelated business taxable income." Unrelated business taxable income includes the gross income derived by an Exempt Organization from any unrelated trade or business regularly carried on by it or by a partnership (e.g., a dealer in securities) of which it is a member. Interest, dividends, gains and losses from the sale, exchange or other disposition of property which is neither properly includible in inventory nor held primarily for sale in the ordinary course of a trade or business are generally excluded from the computation of unrelated business taxable income. In computing the unrelated business taxable income of an Exempt Organization, deductions are allowed for expenses, depreciation and similar items which are directly connected with carrying on the unrelated business. In addition, the Code provides a $1,000 annual specific deduction except for computation of net operating losses.

For purposes of determining the unrelated business taxable income of an Exempt Organization that is a Limited Partner, items of income, gain, loss and deduction of the Partnership generally will be treated as being recognized directly by the Exempt Organization.

Moreover, under Section 514(a) of the Code, an Exempt Organization will be taxable on its allocable share of any income from the Partnership to the extent that either the Exempt Organization's investment in the Partnership, or the Partnership's investment in the asset from which such income is derived, is debt-financed. Such an investment will be debt-financed if the investment is made with the use of borrowed funds, or if it is reasonably foreseeable that as a result of such investment, future borrowings would be necessary to meet anticipated cash requirements.

Whether the Partnership will be considered to be a dealer engaged in a trade or business (e.g., as a dealer in securities) is a question of fact. The General Partner does not anticipate that the Partnership will be treated as engaged in a trade or business as a dealer. The General Partner does anticipate, however, that the Partnership will borrow to finance certain investments and margin deposits, that such borrowings will constitute debt financing, and that Exempt Organizations which are Limited Partners therefore will derive unrelated business taxable income from their Interests in the Partnership. The extent to which an Exempt Organization's share of Partnership income will be treated as unrelated business taxable income under the debt-financed property rules will depend upon a variety of factors, including, but not limited to, the degree of leverage utilized by the Partnership in its investments and the amount of income determined to be attributable to debt-financed property. In addition to other relevant considerations, fiduciaries of employee pension trusts and other prospective tax-exempt investors should consider the consequences of realizing unrelated business taxable income in making a decision whether to invest in the Partnership.

AN EXEMPT ORGANIZATION SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE PARTNERSHIP AND SHOULD CONSIDER CAREFULLY WHETHER AN INVESTMENT IN THE PARTNERSHIP IS AN APPROPRIATE INVESTMENT IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

Foreign Limited Partners

As used herein, the term "Foreign Limited Partner" means a Limited Partner who or which is not a U.S. person. For this purpose, a U.S. person is any person who or which is, for U.S. federal income tax purposes, (a) a citizen or resident of the United States, (b) a corporation or partnership (including an entity treated as a corporation or partnership for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any State thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust of which one or more U.S. persons have the authority to control all substantial decisions and over the administration of which a court within the United States is able to exercise primary supervision or a trust which was in existence on August 20, 1996, was treated as a U.S. person as of that date, and has in effect an election to continue to be so treated. A Foreign Limited Partner generally will not be subject to taxation by the United States on capital gains from securities trading, provided that such Foreign Limited Partner is not engaged in a trade or business within the United States during its taxable year, and provided further that such Foreign Limited Partner, in the case of an individual, does not spend more than 182 days in the United States during its taxable year. A Foreign Limited Partner also will not be subject to U.S. tax on certain original issue discount and certain interest income,

provided that such Foreign Limited Partner is not engaged in a trade or business within the United States during such taxable year and properly certifies to the Partnership its status as a Foreign Limited Partner.

If the Partnership were considered to be engaged in a trade or business within the United States, a Foreign Limited Partner would also be considered to be so engaged, and would be required to file federal income tax returns and pay tax at regular U.S. rates on its net income which is effectively connected with that trade or business. Whether a partnership such as the Partnership will be considered to be engaged in a trade or business in the United States is a question of fact for which no clear answer is generally available. Pursuant to a statutory "safe harbor," however, the Partnership will not be considered engaged in a trade or business in the United States if its activities are limited to investing in or trading in stocks and securities for its own account. The General Partner will use reasonable efforts to cause the Partnership to fall within the foregoing safe harbor, but there can be no assurance in this regard. Consequently, there is a risk that a Foreign Limited Partner's allocable share of income of the Partnership will be treated as effectively connected with the conduct of a U.S. trade or business and subject to federal income taxation at regular rates of tax and, in the case of a Foreign Limited Partner which is a foreign corporation, an additional 30% branch profits tax (unless reduced by an applicable treaty).

If the Partnership has taxable income in any year which is effectively connected with the conduct of a trade or business within the United States, the Partnership will be required to pay a withholding tax with respect to the portion of such taxable income which is allocable to Foreign Limited Partners. The withholding will be required regardless of whether the Partnership makes distributions to such Foreign Limited Partners. The rate of withholding will be equal to the highest rate of federal income tax applicable to each such Foreign Limited Partner. Each Foreign Limited Partner's proportionate share of such withheld tax will be treated as actually distributed to such Foreign Limited Partner during the Partnership's taxable year in which the tax was paid and will constitute a refundable credit against the Foreign Limited Partner's federal income tax liability which may be claimed on the Foreign Limited Partner's U.S. federal income tax return.

A 30.0% withholding tax is also required on U.S. source dividends and certain interest income (including certain original issue discount) which is not effectively connected with a trade or business conducted within the United States, unless reduced by an applicable treaty. A Foreign Limited Partner generally will not be subject to U.S. tax on certain interest income derived from registered obligations (for which the Foreign Limited Partner provides an appropriate statement of foreign status) or bank deposits or on the discount earned on non-interest-bearing obligations with a maturity date of less than 184 days from the date of original issue, provided that such Foreign Limited Partner is not engaged in a trade or business within the United States during its taxable year. The withholding tax on such income which is not effectively connected with the conduct of a trade or business within the United States is non-refundable and is imposed upon gross income, without reduction for expenses.

A Foreign Limited Partner that sells or otherwise disposes of an Interest will be subject to U.S. federal income tax with respect to any gain realized thereby, according to the analysis adopted by the IRS in its published rulings. There is judicial authority which casts

doubt on the analysis adopted by the IRS with respect to this issue. Any Foreign Limited Partner that contemplates the possible sale or other disposition of an Interest is urged to consult with its tax advisor.

EACH PROSPECTIVE INVESTOR WHICH IS NOT A UNITED STATES PERSON (AS DEFINED IN THE CODE) IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE POTENTIAL EFFECT OF THE UNITED STATES AND FOREIGN TAX LAWS (AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER) UPON AN INVESTMENT IN THE PARTNERSHIP.

State, Local, Foreign and Other Taxes

In addition to the federal income tax considerations described above, prospective Limited Partners should consider potential state, local and foreign income taxes, and estate, inheritance or intangible property taxes which may be imposed by various jurisdictions. In particular, a Limited Partner's distributive share of the taxable income or loss of the Partnership may be required to be included in determining its reportable income for state, local or foreign tax purposes in any state, local or foreign jurisdiction in which it is a resident. Taxable income for certain state, local or foreign tax purposes may be different from taxable income calculated for federal income tax purposes, which could result in less favorable treatment than under federal law.

EACH LIMITED PARTNER IS ADVISED TO CONSULT ITS TAX ADVISOR FOR ADVICE AS TO STATE, LOCAL, FOREIGN AND OTHER TAXES WHICH MAY BE PAYABLE IN CONNECTION WITH AN INVESTMENT IN THE PARTNERSHIP.

In preparing the foregoing discussion of tax considerations, the General Partner has relied upon the opinion of Dorsey & Whitney LLP, counsel to the Partnership and the General Partner, which opinion confirms the accuracy to the Partnership and the General Partner of the foregoing discussion of material tax issues relating to the federal income tax treatment of the Partnership and its Partners. Prospective investors may obtain without charge a copy of such opinion by writing to the General Partner at the Partnership's offices.

The foregoing summary is based upon the existing provisions of the Code and the existing administrative and judicial interpretations thereunder. It should be emphasized that no assurance can be given that legislative, administrative, or judicial changes will not occur which would materially affect the tax consequences of an investment in the Partnership or require the modification of the foregoing summary.

CONFLICTS OF INTEREST

The Partnership is subject to actual and potential conflicts of interest.

Rajesh Agarwal, an affiliate of the Investment Manager, serves as a Director of the General Partner. Therefore, Mr. Agarwal has a conflict of interest with respect to his duty to manage the Partnership in the best interests of its Partners and to review the investment performance of the Partnership and his pecuniary interest in appointing and retaining his affiliate,

the Investment Manager, to act as investment manager of the Partnership and the Trading Company. In addition, there is an absence of arm's-length negotiation with respect to the terms of compensation payable to the Investment Manager under the terms of the Investment Management Agreement.

The General Partner is also the general partner of the Trading Company. Therefore, the General Partner has a conflict of interest between managing the Partnership in the best interests of the Partners and in selecting the Trading Company as a vehicle for investing the assets of the Partnership.

The Investment Manager, the Adviser(s) and their respective principals and affiliates may trade and make investments for their own accounts. It currently is anticipated that the Investment Manager will not accept any accounts other than the Trading Company, the Partnership and other investment funds which invest their assets in the Trading Company. Each of the Investment Manager's and each Adviser's principals and affiliates, however, may trade and manage accounts other than the accounts of the Trading Company, the Partnership and such investment funds, including their own accounts, utilizing trading and investment strategies which are the same as or different than the strategies such persons will utilize in making investment decisions for the Partnership. In addition, in their proprietary trading and investing, the Investment Manager and the Adviser(s) may take positions which are the same as, different than or opposite to those of the Partnership. All of such trading and investment activities also may increase the level of competition experienced by the Partnership including with respect to priorities of order entry and allocations of executed trades.

The General Partner, the Administrator and their respective principals will not devote their time exclusively to the management of the Partnership. In addition, the Investment Manager's and each Adviser's principals and affiliates may perform similar or different services for others and may sponsor or establish other investment funds (public or private) during the same period that the Investment Manager acts as the investment manager of the Partnership. Therefore, each of such persons will have conflicts of interest in allocating management time, services and functions among the various entities for which such person provides services.

The General Partner has discretionary authority over all distributions made by the Partnership. In view of the Partnership's objective of seeking capital appreciation, the General Partner does not intend to make any distributions to the Limited Partners if the resulting reduction in Partnership assets would not be in the best interests of the Partnership or the Limited Partners. To the extent increases in the Partnership's net assets are retained by the Partnership rather than distributed, the Partnership's assets will be greater thereby increasing the amounts of the management fees payable to the Investment Manager and the administrative fees payable to the Administrator. See "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT."

Kieran J. Conroy, a Director of the General Partner, is affiliated with the Administrator. Therefore, Mr. Conroy has a conflict of interest between managing the Partnership in the best interests of the Partners and their pecuniary interest in selecting the Administrator as the Partnership's and the Trading Company's administrator thereby increasing the compensation payable to their affiliate.

The Partnership, the Trading Company, the General Partner and the Investment Manager have been represented by single legal counsel in connection with this offering. Such counsel has not represented and will not represent investors in the Partnership. No independent counsel has been retained to represent investors in the Partnership.

In evaluating these conflicts of interest, potential investors should be aware that the General Partner has a responsibility to the Limited Partners to exercise good faith and fairness in all dealings affecting the Partnership. In the event that a Limited Partner believes that the General Partner has violated its duty to the Limited Partners, it may seek legal relief for itself or on behalf of the Partnership under applicable laws and regulations to recover damages from or require an accounting by the General Partner. Limited Partners should be aware that the performance by the General Partner of its responsibilities to the Partnership will be measured by the terms of the Limited Partnership Agreement and applicable law. Limited Partners also should be aware that it may be difficult to establish that the Partnership's trading has been excessive due to the broad trading discretion given to the General Partner under the Limited Partnership Agreement, the authority given to the General Partner to enter into the Limited Partnership Agreement under the Subscription Agreement/Power of Attorney, the exculpatory provisions in the Limited Partnership Agreement and the absence of judicial or administrative standards defining excessive trading.

The Placement Agents, if any, including the Trading Company's broker or its Affiliates, may receive up-front selling commissions with respect to Interests sold by them. The Placement Agents also may receive a portion of the management fees and incentive fees paid by the Partnership to the Investment Manager on an ongoing basis. See "SUMMARY OF FEES AND EXPENSES - Placement Agents." Therefore, they may have a conflict of interest in advising investors whether to purchase or redeem Interests.

RISK FACTORS

An investment in an Interest involves risks and prospective investors should consider, among others, the following risk factors before subscribing:

General

The transactions in which the Investment Manager and the Adviser(s) generally will engage involve trading risks. Growing competition in the markets as well as the development of sophisticated technology that is able to discover investment opportunities more rapidly may limit an Adviser's ability to take advantage of opportunities in rapidly changing markets.

No assurance can be given that the respective trading strategies of the Investment Manager and the Adviser(s) will be successful or that Limited Partners will realize net profits on their respective investments. Each Limited Partner may lose some or all of its investment. The Partnership will attempt to liquidate all open positions as expeditiously as possible and suspend trading, however, if the Net Asset Value of the Partnership (as adjusted for any redemptions, distributions and additions made after trading commences) decreases as of the close of trading on any Business Day to or below the Trading Suspension Level. No assurance is given that the

Partnership will be able to close out all open positions without incurring substantial additional losses.

Because of the nature of the Partnership's leveraged trading activities, the results of the Partnership's operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

Reliance on the Investment Manager and the Adviser(s)

The Investment Manager and the Adviser(s) retained by the Investment Manager will make all investment decisions on behalf of the Partnership and the Trading Company. Investors must rely upon the judgment of the Investment Manager and the Adviser(s), and in particular on the judgment of their respective principals, in making such decisions. The Investment Manager and its principals and affiliates are not required to devote substantially all their business time to the Partnership's business. See "CONFLICTS OF INTEREST."

Contingent Liabilities

The Partnership may find it necessary upon the redemption by a Limited Partner to set up a reserve for unamortized, undetermined or contingent liabilities and withhold a certain portion of the Limited Partner's redemption proceeds.

Charges to the Partnership

The Partnership is obligated to pay administrative fees to the Administrator and management fees and incentive fees to the Investment Manager. The Partnership also is obligated to pay its legal, accounting, audit, organizational, offering, interest and other operating expenses. In addition, the Partnership is obligated to pay its pro rata share of the Trading Company's custodial fees, legal fees, accounting and audit fees, brokerage commissions and other trading and operating expenses. The Partnership must pay such fees and expenses regardless of whether the Partnership realizes profits. The incentive fees to be paid to the Investment Manager are based upon, among other things, unrealized appreciation on open positions, and any such amounts paid to the Investment Manager will be retained by it even if the Partnership subsequently experiences losses and such appreciation on open positions is never realized. See "SUMMARY OF FEES AND EXPENSES" and "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT."

Limited Ability to Liquidate Investment in the Partnership

A Limited Partner will not be able to liquidate its investment in the Partnership immediately. Interests may be redeemed only as of any quarterly Redemption Date (as hereinafter defined) upon giving the Administrator at least 30 days prior written notice. No secondary market for the sale of Interests exists, and none is likely to develop. In addition, there are restrictions on the transfer and assignment of Interests. See "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT." Further, the ability of the Limited Partners to make withdrawals from their Book Capital Accounts will be subject to the Partnership's ability to make withdrawals from its Trading Company capital account, which may be subject to

restrictions imposed by PHLX and any other exchanges of which the Trading Company is a member from time to time. In addition, the Partnership may not withdraw capital from the Trading Company if such withdrawal would result in a violation of the net capital rules of the Securities and Exchange Commission or PHLX and any other exchanges of which the Trading Company is a member from time to time. The cost to the Trading Company of obtaining approvals from the exchanges for premature capital withdrawals and any other regulatory authorities shall be borne by the Partnership, which shall charge such cost to the Limited Partner seeking to withdraw capital from the Partnership.

Effects of Substantial Redemptions

Substantial redemptions of Interests within a limited period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Interests being redeemed and the remaining outstanding Interests. In addition, regardless of the period of time during which redemptions occur, the resulting reduction in the Partnership's assets could make it more difficult for the Partnership to generate profits or recover losses. Redemptions of Interests during the first five fiscal years of the Partnership will result in a greater percentage of the Partnership's offering and organizational expenses being borne by the holders of the remaining Interests or result in acceleration of amortization. In addition, the Partnership may suspend redemptions under certain circumstances.

Conflicts of Interest

Inherent and potential conflicts of interest exist in the nature and operation of the Partnership's businesses. See "CONFLICTS OF INTEREST."

Limited Partners Will Not Participate In Management

Purchasers of the Interests will become Limited Partners in the Partnership and, as such, will not be entitled to participate in the management of the Partnership. The Limited Partnership Agreement and the Partnership Act, however, provide Limited Partners with certain voting and other rights.

Multiple Classes of Interests

In the event the Partnership incurs losses attributable to a particular Class of limited partnership interests which exceeds the Net Asset Value of such Class, then the assets of other Classes of limited partnership interests would be used to offset such losses. A similar risk exists with respect to the classes and series of equity interests in the Trading Company other than those owned by the Partnership, which may utilize different trading strategies and degrees of leverage.

Involuntary Liquidation of Limited Partner's Interest

A Limited Partner's Interest may be liquidated by the Partnership through forced redemption for any reason in the sole discretion of the General Partner. See "SUMMARY OF LIMITED PARTNERSHIP AGREEMENT."

Lack of Regulation

The Partnership is not registered as an investment company under the Investment Company Act, and the Investment Manager is not registered as an investment adviser under the Advisers Act or under any state securities laws. Therefore, investors in the Partnership will not be afforded the protective measures provided by such acts and the rules promulgated thereunder.

Limited Partners Will Be Taxed on Profits Whether or Not Distributed

If the Partnership has taxable income for a fiscal year, Partners' distributive shares will be includable in their income whether or not any amounts have been distributed. See "CONFLICTS OF INTEREST." A Partner's tax liability with respect to the Partnership is based upon realized and unrealized profits of the Partnership at fiscal year end. See "TAX CONSIDERATIONS." Because the General Partner does not anticipate making distributions to Partners, a Limited Partner's taxes with respect to the Partnership profits, if any, may exceed all amounts received from the Partnership by the Limited Partner. See "SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT." A Partner's distributive share of Partnership losses may be subject to limitations upon the deduction of capital losses. Also, the Partnership might sustain losses offsetting such profits after the end of the Partnership's fiscal year, so a Partner might never receive the profits on which it has paid taxes. In addition, due to the complex requirements relating to partnership tax accounting, it is possible that under certain conditions partners may be allocated gains or losses for tax purposes which are greater or less than any actual increase or decrease in the value of their Interests. See "TAX CONSIDERATIONS."

Possibility of Taxation as a Corporation

The General Partner has been advised by its counsel, Dorsey & Whitney LLP, that under current federal income tax law, the Partnership will be taxed as a partnership and not as a corporation. This status has not been confirmed by a private letter ruling from, and such opinion is not binding upon, the IRS. No such ruling has been or will be requested. The facts and authorities relied upon by the General Partner may change in the future, including with respect to regulations which may be promulgated under recent amendments to federal tax statutes. If the Partnership were treated as a corporation for federal income tax purposes, the income and deductions of the Partnership would be reflected only on its own tax return rather than being passed through to the Partners, and income would be taxed to the Partnership at corporate rates. No losses of the Partnership would be allowable as deductions of the Partners. In addition, all or a portion of any distributions made by the Partnership to the Partners, other than liquidating distributions, would constitute dividends to the extent of the Partnership's current or accumulated earnings and profits, and the amount of such distributions would not be deductible by the Partnership in computing its taxable income. See "TAX CONSIDERATIONS."

Possibility of Tax Audits

Under the terms of the allocation provisions in the Limited Partnership Agreement, Partners experiencing depreciation in their Book Capital Accounts during the fiscal year may be allocated capital loss for federal income tax purposes even though the Partnership

realized a net capital gain for the year. Conversely, Partners experiencing appreciation in their Book Capital Accounts during the fiscal year may be allocated capital gain for federal income tax purposes even though the Partnership realized a net capital loss for the year. As a result, the Partnership's method of allocating gain and loss to the Partners may enhance the possibility that the Partnership's tax return and individual Partners' returns might be audited by the IRS. See "TAX CONSIDERATIONS."

If the Partnership's tax return were to be audited by the IRS, there can be no assurance that adjustments would not be made to the return as a result of such an audit. Adjustments may be made at the partnership level that will bind all the partners. If an audit results in an adjustment, the Limited Partners may be required to file amended returns, and their returns may be audited. Any expenses incurred in an audit of their individual returns must be borne by the Limited Partners. Furthermore, interest charged by the IRS on tax deficiencies is substantial and is compounded daily.

Possible Law Changes

No assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Memorandum. Existing and prospective Limited Partners should seek, and must rely on, the advice of their own tax advisors with respect to the possible impact on their investment of any future proposed tax legislation or administrative or judicial action.

Restrictions on Investments by ERISA Accounts

"ERISA Account" means an individual retirement account. a pension, profit-sharing, stock bonus or other employee benefit plan qualified under Section 401(a) of the Code or otherwise subject to ERISA, and entities such as group trusts which are treated as holding the assets of such an account or plan. When considering an investment of the assets of an ERISA Account in the Partnership, the Plan Fiduciary (as hereinafter defined) should consider among other things (a) the definition of "plan assets" under ERISA and the final regulations issued by the Department of Labor regarding the definition of plan assets, (b) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA, (c) whether the investment satisfies the prudence requirements of Section 404(a)(1)(B) of ERISA, (d) whether income derived from the Partnership could constitute "unrelated business taxable income" subject to federal income taxation to the ERISA Account, (e) the need to value the assets of the plan at least annually, (f) whether the investment is in accordance with the documents and instruments governing the plan and (g) that there will likely be no secondary public market in which to sell or otherwise dispose of an Interest. Purchases and ownership of Interests by or on behalf of ERISA Accounts will be monitored and restricted so that less than 25.0% of the Interests (disregarding the interest held by the Investment Manager and any interests held by any of its affiliates or other persons who have discretion over the plan assets or provide investment advice for a fee with respect to the plan (and their affiliates)) will be purchased or owned by ERISA Accounts and certain other pension or employee benefit plans, such as certain foreign, governmental or church plans (collectively, "benefit plan investors"). The Investment Manager recommends that any purchase of an Interest by an ERISA Account be considered accordingly by the Plan Fiduciary and its financial and legal advisors. The Investment Manager intends to

limit benefit plan investor participation in the Partnership and has the right to require at any time such benefit plan investors to withdraw in full or in part from the Partnership at any time.

Litigation

The Partnership or the Trading Company might be named as a defendant in a lawsuit or regulatory action stemming from the conduct of the Partnership's business and the activities of the Investment Manager or any Adviser. In the event such litigation were to occur, the Partnership would bear the costs of defending against it and be at further risk if the case were to be lost.

Changes in Investment Strategies

The investment strategies of the Investment Manager and the Adviser(s) may be altered without prior approval by, or notice to, the Partnership, its partners or the Trading Company if the Investment Manager determines that such change is in the best interests of the Partnership and the Trading Company. Any such change of strategy could result in the exposure of the Partnership's capital to additional risks which might be substantial. Each Adviser will be required to notify and receive the approval of the Investment Manager before implementing any changes to such Adviser's investment strategy.

Markets May Be Illiquid

It may not always be possible to execute a buy or sell order at the desired price or to liquidate an open position, either due to market conditions on exchanges or due to the operation of daily price fluctuation limits or "circuit breakers." It also is possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other instruments traded on the exchange. As a result of potential market illiquidity, no assurance can be given that in the event the Partnership reaches a Trading Suspension Level, the Partnership will be able to liquidate all open positions without incurring additional losses.

Leverage

The Investment Manager and the Adviser(s) will use leverage in investing the Partnership's assets. As a U.S. registered broker-dealer and PHLX member, the Trading Company will not be subject to provisions of Regulation T promulgated by the Federal Reserve Board which generally require a minimum margin deposit of cash or securities with an aggregate value equal to 50% of the purchase price of stocks bought on margin and 50% of the proceeds of short sales. The trading of the Class A Assets currently is leveraged at approximately a 2.5-to-1 ratio. Such leverage ratio could be higher or lower from time to time, depending upon the strategies then utilized by the Investment Manager and the Adviser(s) and the requirements then imposed by the Trading Company's executing broker, but it is not expected that such ratio will ever be higher than 8-to-1. The assets allocable to other Classes of limited partnership interests may be traded using higher leverage than the Class A Assets from time to time. Similarly, the assets of the Trading Company allocable to classes and series of limited partnership interests of the Trading Company other than those owned by the Partnership may be traded using higher leverage from time to time.

Borrowing money to purchase a stock may provide the Partnership with the opportunity for greater capital appreciation but at the same time will increase the risk of loss with respect to the stock. Although leverage increases returns if returns on the incremental investments purchased with the borrowed funds exceed the borrowing costs for such funds, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

Unanticipated Price Movements

The success of a significant portion of the strategies will depend, to a great extent, upon correctly assessing the future course of the price movements of stocks and the future degree of correlation of price movements among the stocks of issuers within the industries traded. There can be no assurance that the Investment Manager and the Adviser(s) will be able to predict accurately such price movements or degrees of correlation. For example, the price of a stock may move unexpectedly if the stock's issuer becomes, or is rumored to have become, involved in a merger or acquisition. Consequently, such trading strategies inherently involve market risk. The Investment Manager intends to mitigate such market risk by diversifying, or requiring Advisers to diversify, the Partnership's portfolio positions so that the value of each portfolio position typically will comprise less than two percent (2%) of the aggregate value of all portfolio positions and so that positions are held in a broad range of industry sectors.

Short Selling

The Investment Manager and the Adviser(s) will engage in selling stocks short. A short sale of a stock is the sale of a stock not owned by the seller. The seller borrows stock for delivery at the time of the short sale. The seller thus must buy the stock at a later date in order to replace the shares borrowed. If the price of the stock at such later date is lower than that at the date of the short sale, the seller realizes a profit; if the price of the stock has risen, however, the seller realizes a loss. Selling a stock short exposes the seller to unlimited risk with respect to the stock due to the lack of an upper limit on the price to which an instrument can rise.

General Economic Conditions

The success of any investment activity may be affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investors' participation in the markets for interest-sensitive stocks. Market periods characterized by illiquidity or flattened volatility could impair the Investment Manager's or an Adviser's ability to trade successfully or cause it to incur losses.

Turnover

The trading activities of the Investment Manager and the Adviser(s) may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial floor brokerage commissions and fees.

Adverse Effects of Increased Regulation of Financial Markets

Regulatory changes may be imposed on the financial markets and any such regulations could significantly restrict or affect the ability of the Investment Manager and the Adviser(s) to access financial markets. Any such regulations also might impair the liquidity of the investments made by the Investment Manager or the Adviser(s) on behalf of the Partnership. The U.S. stock market is subject to ongoing and substantial regulatory changes, and it is impossible to predict what governmental, regulatory, self-regulatory or exchange-imposed restrictions may become applicable in the future.

General Uncertainty Concerning Other Future Regulatory Changes

In addition to possible changes in the regulation of the financial markets, other regulatory changes may have a material and adverse effect on the Partnership's prospects for profitability.

Possible Indemnification Obligations

Under certain circumstances, the Partnership and/or the Trading Company, as applicable, may be obligated to indemnify, among others, the General Partner, the Administrator and the Investment Manager, and their respective directors, officers, partners, shareholders and affiliates.

Solvency of the General Partner

The ability of the General Partner to rebate any advances made in connection with any litigation under the indemnification provisions of the Limited Partnership Agreement is contingent on its continuing solvency.

Institutional Risks

Institutions, such as brokerage firms and banks, will have custody of the assets of the Partnership. Such firms may encounter financial difficulties which impair the operating capabilities or the capital position of the Partnership, the Trading Company, the Investment Manager or the Adviser(s). The Investment Manager intends to limit transactions to well-capitalized and established banks and brokerage firms in an effort to mitigate such risks.

The foregoing list of Risk Factors does not purport to be a complete explanation of the risks involved in this offering. Potential investors should read the entire Memorandum and consult their own investment and tax advisors before determining to invest in the Partnership.

GENERAL INFORMATION

Anti-Money Laundering

To ensure compliance with statutory and other generally accepted principles relating to anti-money laundering, the Administrator may require verification of identity from any person lodging a completed subscription agreement. Depending on the circumstances of each application, a detailed verification may not be required if:

(a) the investor is a recognized financial institution; or

(b) the investor makes the payment from an account held in the investor's name at a recognized financial institution.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized as having sufficient anti-money laundering regulations such as a member state of the European Union which is subject to the EC Money Laundering Directive or one of the countries which make up the Financial Action Task Force ("FATF") and which is subject to the FATF Recommendations.

An individual may be required to produce a copy of a passport or identification card certified by a notary public. In the case of corporate applicants, they may be required to produce a certified copy of their certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all directors.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. To ensure compliance with statutory and other requirements relating to money laundering, the Administrator may require verification of identity from any person lodging a completed subscription agreement. Pending the provision of evidence satisfactory to the Administrator as to identity, the evidence of title in respect of Interests may be retained at the absolute discretion of the Administrator. If the Administrator has not received such satisfactory evidence within a reasonable period of time following a request for verification of identity, it may, in its absolute discretion, refuse to allot the Interests applied for in which event application moneys will be returned without interest to the account from which such moneys were originally debited.

Privacy Policy

The importance of protecting the privacy of investors is recognized by the Partnership and the Investment Manager. The Partnership and the Investment Manager protect personal information they collect about investors by maintaining physical, electronic and procedural safeguards to maintain the confidentiality and security of such information.

Categories of Information Collected. In the normal course of business, the Partnership and the Investment Manager may collect the following types of information concerning investors in the Partnership who are natural persons:

(a) Information provided in the subscription agreements and other forms (including name, address, income, social security number and other financial-related information).

(b) Data about investor transactions with the Partnership, the Investment Manager and their affiliates (such as the types of investments the investors have made and their account status).

How the Collected Information is Used. Any and all nonpublic personal information received by the Partnership or the Investment Manager with respect to the investors who are natural persons, including the information provided to the Partnership by such investors in the subscription agreements, will not be shared with nonaffiliated third parties which are not service providers to the Partnership or the Investment Manager without prior notice to the relevant investors, and, if required by the U.S. Gramm-Leach-Bliley Act, an opportunity to "opt out" (i.e., if an investor instructs the Partnership and the Investment Manager not to provide information in such a circumstance, they will abide by those instructions). Such service providers include but are not limited to the auditors and legal advisors of the Partnership and the Investment Manager, and the Administrator. In addition, the Partnership and/or the Investment Manager may disclose such nonpublic personal information as required by applicable laws, statutes, rules and regulations of any government, governmental agency or self-regulatory organization or a court order. The same privacy policy will also apply to former investors who are natural persons.

For questions about this privacy policy, please contact the Investment Manager.

Legal Advisors

Dorsey & Whitney LLP, 250 Park Avenue, New York, New York 10177, has been appointed the Partnership's counsel as to matters of U.S. law. In acting as counsel to the Partnership, the Trading Company, the General Partner and the Investment Manager, Dorsey & Whitney LLP has not represented and will not represent investors in the Partnership. No independent counsel has been retained to represent investors in the Partnership. In preparing this Memorandum, Dorsey & Whitney LLP has relied on information provided by the Partnership and the Investment Manager.

EXHIBIT A

FRUITION FUND (USA) L.P.

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

FRUITION FUND (USA) L.P.

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

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FRUITION FUND (USA) L.P.

LIMITED PARTNERSHIP AGREEMENT

Amended and restated effective as of January 25, 2002

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT ("Agreement") is made and entered into as of the 25th day of January, 2002, to be effective as of the 1st day of January, 2002, among the undersigned parties hereto. This Agreement amends and restates the Limited Partnership Agreement made and entered into effective as of the 19th day of March, 1996. Each party who executes this Agreement as a general partner is hereinafter referred to as a "General Partner," including Higrove Management Limited, a Cayman Islands exempted company and the general partner of the Partnership (the "General Partner"); and all the other parties which shall execute this Agreement, or on whose behalf this Agreement is executed, whether in counterpart, by separate instrument, pursuant to power of attorney or otherwise, as limited partners are hereinafter referred to as "Limited Partners." The General Partner and the Limited Partners are hereinafter referred to collectively as "Partners."

Article I

Organization

Section 1.01 Formation and Name. The parties hereto do hereby form a limited partnership under the name "Fruition Fund (USA) L.P." (the "Partnership") under the provisions of the Delaware Revised Uniform Limited Partnership Act, as amended (the "Partnership Act").

Section 1.02 Purpose. The Partnership's business and purpose is to seek capital appreciation through investing and trading, directly and indirectly, in investments in equity, equity-related, equity index and equity-index-related rights, options (including, without limitation, listed options and writing of options, whether or not covered), stock, shares of beneficial interest, bonds, notes, debentures, warrants and futures contracts and related options (collectively, "Securities"); to engage in such other Securities-related activities or transactions as determined in good faith by the General Partner from time to time; to lend or borrow funds and Securities (in each case, secured or unsecured and in such amounts and on such terms as determined in good faith by the General Partner from time to time); to open and close accounts with brokers or dealers; and to conduct such other activities and retain such agents, independent contractors, attorneys, accountants, administrators and investment managers as determined by the General Partner to be necessary, in the best interests of the Partnership, advisable, desirable or incidental to carrying out the purposes of the Partnership.

Section 1.03 Term. The Partnership came into existence on March 19, 1996, the date that the Certificate of Limited Partnership was filed as provided in Section 17-201 of the Partnership Act, and shall terminate on December 31, 2026, unless earlier terminated as hereinafter provided or by operation of law.

Section 1.04 Principal Office. The principal place of business of the Partnership shall be located c/o Citco Fund Services (Curaçao) N.V., Kaya Flamboyan 9, P.O. Box 812, Curaçao, Netherlands Antilles, telephone (5999) 7322222, facsimile (5999) 7322225, or at such other locations as may from time to time be determined by the General Partner.

Section 1.05 Power of Attorney. Each Limited Partner, by the execution of this Agreement, whether in counterpart, by separate instrument, by attorney-in-fact or otherwise, does hereby irrevocably constitute and appoint the General Partner with full power of substitution, its true and lawful attorney and agent, with full power and authority in its name, place and stead, to admit additional limited partners and general partners to the Partnership, to file, prosecute, defend, settle or compromise any and all actions at law or suits in equity for or on behalf of the Partnership with respect to any claim, demand or liability asserted or threatened by or against the Partnership, and to execute, acknowledge, deliver, file and record on behalf of the Partnership and each Limited Partner in the appropriate public offices: (a) all certificates and other instruments (including, without limitation, all counterparts of this Agreement, all amendments hereto, the Certificate of Limited Partnership and all amendments thereto) which the General Partner deems appropriate to qualify or continue the Partnership as a limited partnership in the jurisdictions in which the Partnership may conduct business or which may be required to be filed by the Partnership or any of the Partners under the laws of any jurisdiction; (b) all instruments which the General Partner deems appropriate to reflect a change in or modification or amendment of the Partnership or this Agreement adopted or effected in accordance with the terms of this Agreement; (c) all conveyances and other instruments which the General Partner deems appropriate to reflect the dissolution and termination of the Partnership; (d) certificates of assumed name; and (e) any investment management, brokerage, administrative, selling, custodial, subscription and other agreements which the General Partner deems necessary or desirable in connection with the Partnership's business. The Power of Attorney granted herein shall be irrevocable and be deemed to be a power coupled with an interest and shall survive the incapacity or death of any Limited Partner. Each Limited Partner hereby agrees to be bound by any representation made by the General Partner and by any successor thereto acting in good faith pursuant to such Power of Attorney, and each Limited Partner hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner and any successor thereto taken in good faith under such Power of Attorney. In the event of any conflict between this Agreement and any instruments filed by such attorney pursuant to the Power of Attorney granted in this Section 1.05, this Agreement shall control.

Section 1.06 Partnership Interests. The term "Interest" as used in this Agreement is defined as an interest in the Partnership acquired upon the making of a capital contribution by the General Partner or a Limited Partner. The General Partner's capital contributions shall be represented by a General Partnership Interest, and a Limited Partner's capital contributions shall be represented by a Limited Partnership Interest. Limited Partnership Interests may be issued by the Partnership in such series or classes, with each such series or classes bearing such rights, obligations, liabilities, privileges, designations and preferences as the General Partner may determine from time to time in its sole discretion, upon the issuance of such series or classes. All Limited Partnership Interests outstanding as December 31, 2000 are hereby classified as "Class A Interests." The term "Class A Interest" also includes all Limited Partnership Interests acquired after the date hereof which are specifically designated as "Class A Interests" in the Partnership

pursuant to the terms of the relevant offering documentation. The term "Class D Interest" as used in this Agreement is defined as an Interest which is specifically designated as a "Class D Interest" in the Partnership pursuant to the terms of the relevant offering documentation. When used herein without qualification, the term "Interest" shall include General Partnership Interests, Class A Interests, Class D Interests and any other Limited Partnership Interests issued pursuant to Section 1.07, below, pari passu. The Interests may, but need not, be evidenced by certificates.

Section 1.07 Offerings of Limited Partnership Interests. (a) The General Partner shall have the authority to cause the Partnership from time to time, at the expense of the Partnership or otherwise, to offer Limited Partnership Interests, including different series or classes thereof, for sale by means of public or private offerings on a continuous basis or otherwise and, in connection therewith, to cause the Partnership to prepare and file such registration statements, disclosure documents, amendments, selling agreements and other documents and agreements as the General Partner shall deem advisable to offer and qualify the Limited Partnership Interests for sale under the securities or other applicable laws of the United States and such states and foreign countries and jurisdictions as the General Partner shall deem appropriate. The General Partner, its affiliates or third parties may advance funds or incur expenses in connection with any such offering of Limited Partnership Interests for which it, its affiliates and such other persons shall be reimbursed by the Partnership, subject to any restrictions to which they may agree or which may be imposed by any applicable law or administrative regulation.

(b) In connection with the issuance of any series or classes of Limited Partnership Interests or any additional offering of any other series or classes of Limited Partnership Interests, the General Partner shall have the unilateral right and the authority, exercisable in its sole discretion upon written notice to the Limited Partners, to amend the provisions of this Agreement to the extent deemed necessary or advisable by the General Partner to effect the offering and issuance of such additional series or classes, to reflect the rights, obligations, liabilities, privileges, designations and preferences of such series or classes and to amend, modify, liberalize or restrict the terms and conditions upon which existing or additional Limited Partners may make additional capital contributions to the Partnership or may be admitted to the Partnership and the terms and conditions upon which existing or additional Limited Partners may redeem Limited Partnership Interests.

Section 1.08 The Net Asset Value of the Partnership will be determined by or at the direction of the General Partner at the close of business in Curaçao, Netherlands Antilles, on the Business Day preceding each Subscription Day and Redemption Date. "Business Day" means any day on which the New York Stock Exchange, banks in New York City and banks in the Netherlands Antilles are open for business; "Subscription Day" means the first Business Day of each calendar month; and "Redemption Date" means the last Business Day of each calendar quarter. The "Net Asset Value of the Partnership" shall mean the total assets of the Partnership, including all cash, cash equivalents and other securities (each valued at fair market value), less the total liabilities of the Partnership determined in accordance with United States generally accepted accounting principles, consistently applied under the accrual method of accounting, except as set forth below:

(a) any security which is listed on a recognized exchange shall be valued at its last sale price on the date of determination as recorded by the composite tape system or, if such security is not included in such system, at the last sale price on such day on the principal securities exchange on which such security is traded or, if no sale occurred on such day, at the mean between the closing "bid" and "asked" prices on such day as recorded by such system or such exchange, as the case may be. It is within the sole discretion of the General Partner to determine whether an exchange is recognized for purposes of valuation under this paragraph;

(b) any security which is not listed on a recognized exchange shall be valued based on quotations obtained by the General Partner from one or more dealers regularly making markets in and issuing quotations for such security;

(c) any investment in another limited partnership or other investment fund shall be valued as reported by such other limited partnership or investment fund;

(d) all other securities and assets of the Partnership as well as those securities for which no value can be determined shall be assigned such fair value as the General Partner may determine;

(e) management fees and incentive fees and other fees and expenses shall be accrued at least monthly;

(f) the amount of any distribution made shall be a liability of the Partnership from the day when the distribution is declared until paid; and

(g) interest income shall be accrued at least monthly.

Article II

General Partner

Section 2.01 Management. Subject to the limitations of this Agreement, the General Partner shall have full, exclusive and complete control of the management, operations and policies of the Partnership and the Partnership's affairs for the purposes herein stated, with full power or delegation, and shall make all decisions affecting Partnership affairs including, without limitation, the power to enter into contracts with third parties (including affiliates of the General Partner) for investment management, brokerage, custodial, banking, accounting, legal, administrative, clearing and consulting services. Subject to the General Partner's fiduciary obligations, these services also may be performed by the General Partner or its affiliates at rates which may exceed the lowest rates that might otherwise be available to the Partnership. The General Partner may take such other actions as it deems in the best interests of the Partnership or necessary or desirable to manage or promote the business of the Partnership, including, but not limited to, the following: (a) to purchase, repurchase, hold, sell (including short selling), loan, possess, transfer, mortgage, borrow, pledge, repledge, acquire, dispose of, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, Securities and other instruments and investments; (b) to borrow money on a secured or unsecured basis from banks, brokers or other persons; (c) to conduct margin accounts with brokers; (d) to open, maintain and close bank, brokerage and custodial accounts; (e) to sign checks; (f) to pay or

authorize the payment of distributions to the Partners and of the liabilities of the Partnership (including tax liabilities and withholdings); (g) to apply for, maintain and renew such registrations (governmental or otherwise) as the General Partner may deem necessary or advisable in connection with the conduct of the Partnership's business including, without limitation, registrations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Investment Advisers Act of 1940, as amended; (h) generally, to act for the Partnership in all matters incidental to the foregoing, including the preparation and filing of all Partnership tax returns and the making of such tax elections and determinations as appear to it appropriate; and (i) to select order more investment vehicles for the investment of the Partnership's assets and to cause the Partnership to become a partner in such other partnerships as the General Partner may deem necessary or advisable from time to time and to establish such affiliates for the conduct of the business of the Partnership as the General Partner may deem necessary or advisable from time to time. The General Partner shall be the "tax matters partner" of the Partnership as defined in Section 6231 of the Internal Revenue Code of 1986, as amended (the "Code"). All Partners hereby consent to such designation and agree to take any further action as may be required by regulation or otherwise to effectuate such designation. The General Partner, in its sole discretion, may cause the Partnership to make, refrain from making and, once having made, revoke the election referred to in Section 754 of the Code or any other election affecting the computation of partnership income required to be made by the Partnership pursuant to Section 703(b) of the Code, and any similar or different elections provided by federal, state or local law or any similar provision enacted in lieu thereof.

Section 2.02 Other Business.

(a) Nothing in this Agreement shall be deemed to preclude the General Partner, or any employee or affiliate of the General Partner, from directly or indirectly purchasing, selling or holding Securities, whether as principal, agent, broker or dealer, or engaging in any other Securities activities or transactions for the account of any other person or enterprise or for its own account, regardless of whether the Partnership also has purchased or sold such Securities or has engaged in similar transactions in Securities. The Limited Partners shall not have the right, by reason of their status as such, to participate in any manner in any profits or income earned or derived by or accruing to the General Partner or its employees or affiliates from any transaction effected by any such person or from the conduct of any business other than that of the Partnership.

(b) The activities and services of the General Partner under this Agreement are not exclusive, and nothing contained in this Agreement shall be deemed or construed to preclude the General Partner or any of its principals, employees or affiliates from engaging in any other business activities or in any way limit or circumscribe their respective abilities to engage in such other business activities, except as provided by the Partnership Act.

Section 2.03 Sharing in Profits and Losses; Reimbursement. The General Partner shall share in all Partnership income, gains, losses, deductions and credits to the extent of its Interest. The General Partner and its affiliates may advance funds and incur expenses in the organization and promotion of the Partnership for which it and its affiliates shall be reimbursed by the Partnership on such terms and conditions and subject to such limitations as the General Partner may determine in its sole discretion.

Section 2.04 General Partner's Capital Contributions. The General Partner shall make and maintain a capital contribution to the Partnership in an aggregate amount equal to at least the lesser of (a) 1.01% of the aggregate net capital contributions made to the Partnership by all Partners from time to time or (b) $500,000. The General Partner may not make any transfer or withdrawal of its contribution to the Partnership or receive any distribution of any portion of its Interest while it is a general partner which would reduce its Book Capital Account to less than its required interest. The General Partner may contribute any greater amount to the Partnership. The General Partner may withdraw or receive a distribution of any portion of its Interest which is in excess of its required interest without notice to the Limited Partners.

Section 2.05 No Personal Liability for Return of Capital. The General Partner shall not be personally liable for the return or repayment of all or any portion of the capital contributions or profits of any Partner (or assignee), it being expressly agreed that any such return or repayment of capital or profits made pursuant to this Agreement shall be made solely from the assets of the Partnership (which shall not include any right of contribution from the General Partner).

Section 2.06 Expenses to be Borne by the Partnership. Except as otherwise expressly agreed by the General Partner and subject to the provisions of Section 1.06, Section 1.07 and Section 2.07 of this Agreement, the Partnership shall be responsible for all costs, liabilities and expenses incurred by the Partnership in the ordinary course of its business, including, without limitation, organizational expenses, management fees, incentive fees, administrative fees, legal fees, accounting and auditing fees, tax audit costs, taxes and assessments, interest expenses, brokerage commissions and related transaction costs and fees, continuing offering expenses, general communications costs, recordkeeping, costs related to the preparation, reproduction and mailing of reports to Limited Partners, expenses associated with compliance with applicable laws and regulations, other operating expenses and extraordinary expenses, if any.

Section 2.07 Expenses to be Borne by Class D Interest Holders.

(a) All fees and expenses incurred in connection with the creation and initial offering of the Class D Interests for sale will be borne by the Partnership and allocated solely to the Class D Interests. Such fees and expenses include, without limitation, legal fees and disbursements.

(b) All other expenses incurred by the Partnership in the ordinary course of its business from time to time that are attributable solely to its activities relating to the Class D Interests will be allocated solely to the then outstanding Class D Interests, including, without limitation, legal fees, interest expenses, brokerage commissions and offering expenses. All expenses incurred by the Partnership in the ordinary course of its business from time to time that are attributable solely to its activities relating to the Class A Interests will be allocated solely to the then outstanding Class A Interests. All other expenses will be allocated *pro rata* among the Book Capital Accounts and the Tax Capital Accounts (as such terms are hereinafter defined) of all Partners, provided, however, that if the Partnership agrees with an investment manager or advisor that its incentive fees will be calculated on an individual Book Capital Account basis, then such fees shall be allocated among the Book Capital Accounts consistent with the contractual terms of such fee calculations.

Section 2.08 Appointment of Brokers. Subject to applicable law, the General Partner may designate from time to time one or more brokers, dealers, banks, clearing associations, depositories or other financial institutions or persons (collectively "brokers") to execute transactions with or on behalf of the Partnership and to perform such other services for the Partnership as such broker and the General Partner may agree upon from time to time.

Section 2.09 Withdrawal. Except as provided in Section 7.02, below, the General Partner may not withdraw from the Partnership except upon 90 days prior written notice to the Limited Partners.

Article III

Limits of Liability of General Partner

Section 3.01 Limits of Liability. The General Partner and its "affiliates" (as such term is defined in Section 8.01(c) below) shall not be liable to the Partnership or its Partners for any act or failure to act taken or omitted by them in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Partnership if such act or failure to act did not constitute negligence, misconduct or a breach of its fiduciary obligations.

Article IV

Limited Partners

Section 4.01 Rights and Obligations. The rights and obligations of the Limited Partners are governed by the provisions of the Partnership Act and by this Agreement. Except as otherwise provided herein, no Limited Partner shall be personally liable for any of the debts of the Partnership or any losses thereof beyond the amount of its capital contribution and profits attributable thereto (if any), whether or not distributed, together with interest thereon, except to the extent expressly provided in the provisions of the Partnership Act. No Limited Partner shall take part in the management of the business of or transact any business for the Partnership, and no Limited Partner shall have power to sign for or to bind the Partnership. No Limited Partner shall be entitled to the return of its contribution except (a) to the extent, if any, that distributions made, or deemed to be made, pursuant to this Agreement, may be considered as such by law, (b) upon dissolution of the Partnership or (c) upon withdrawal or redemption and then only to the extent provided for in this Agreement. No Limited Partner shall have priority over any other Limited Partner either as to the return of capital contributions or as to profits, losses or distributions.

Section 4.02 Admission of Additional Limited Partners. Subject to the rights reserved to the General Partner in Section 1.06 and Section 1.07, above, and compliance with applicable laws, the General Partner may, at its option, admit additional Limited Partners to the Partnership and permit additional capital contributions to be made to the Partnership as of any Subscription Day or at such other times as the General Partner may determine.

Section 4.03 Capital. Subject to the rights reserved to the General Partner in Section 1.06 and Section 1.07, above, and compliance with applicable laws, each Limited Partner, except the initial limited partner, shall be required to contribute a minimum capital contribution to the

Partnership equal to $250,000. The General Partner shall have the right to refuse any initial or additional capital contribution in whole or in part for any reason or for no reason whatsoever and may, in its sole discretion, waive the amount of such minimum capital contribution from time to time.

Section 4.04 Reinvestment of Profits. The Partners recognize that the profitability of the Partnership depends upon long-term, uninterrupted investment of capital. It is agreed, therefore, that Partnership profits may be automatically reinvested and that distributions of capital and gains, if any, to the Partners will be on a limited basis. Nevertheless, the Limited Partners contemplate the possibility that one or more of their number may elect to realize and withdraw gain, if any, or may desire to withdraw capital prior to the dissolution of the Partnership pursuant to the redemption provisions of this Agreement.

Section 4.05 No Transfer Without Prior Consent. No Limited Partner shall have the right to assign, pledge or transfer all or some of its Limited Partnership Interest without the prior consent of the General Partner, which consent may be withheld, delayed, conditioned or granted for any reason in the General Partner's sole discretion.

Article V

Accounting

Section 5.01 Books of Account; Fiscal Year. Proper books of account shall be kept under the accrual method of accounting, and there shall be entered therein all transactions, matters and things relating to the Partnership's business as are required by all applicable statutes, laws, rules and regulations, and in accordance with United States generally accepted accounting principles, except as otherwise expressly provided in this Agreement. Each Partner shall have access at reasonable times and at reasonable intervals to all books, records and accounts of the Partnership during normal business hours at the offices of the Partnership. The fiscal year of the Partnership shall end on December 31st of each year unless otherwise required by section 706(s) of the Code and the Treasury Regulations promulgated thereunder.

Section 5.02 Valuation. Except as otherwise expressly provided in this Agreement, in determining the accounts of the Partnership for all purposes, the assets and liabilities of the Partnership shall be valued at fair market value in accordance with generally accepted accounting principles, consistently applied under the accrual method of accounting, and the Partnership may, but shall not be required to, set up reserves against doubtful accounts and contingent, undetermined and unliquidated liabilities.

Section 5.03 Effect of Accounting Determination. Except with respect to the distributive interest of Partners determined in accordance with the terms of this Agreement, the accounts of the Partnership, as ascertained and determined at the end of each fiscal year, shall be conclusive upon each Limited Partner unless it shall make objection to the same in writing, delivered to the Partnership within 20 days after receipt by the Limited Partner of a statement of its account as sent to each Limited Partner at the end of each fiscal year. In the absence of such written objection, the accuracy of each account shall not thereafter be questioned by any Limited Partner or by its legal representatives.

Section 5.04 Annual Reports and Quarterly Statements. Each Limited Partner shall be furnished with unaudited quarterly financial reports, audited annual financial statements relating to the operations of the Partnership and such other reports as are required to be given to Limited Partners by any governmental authority which has jurisdiction over the activities of the Partnership. Limited Partners may also be furnished with any other reports or information which the General Partner, in its discretion, determines to be necessary or appropriate. Appropriate tax information (adequate to enable each Limited Partner to complete and file its Federal income tax return) shall be delivered to each Limited Partner no later than 90 days following the end of each fiscal year.

Article VI

Profit And Loss

Section 6.01 Capital Accounts. The Partnership shall establish for each Partner a capital account for income tax purposes ("Tax Capital Account") and a capital account for financial accounting purposes ("Book Capital Account"). The initial balance of the Tax Capital Account and the Book Capital Account for each Partner shall be the initial capital contribution made to the Partnership by such Partner and shall be adjusted as provided in this Article.

Section 6.02 Adjustments to Tax Capital Accounts. The initial balance of the Tax Capital Account of each Partner shall be:

(a) increased by (i) any cash and the fair market value of other property contributed to the Partnership by such Partner in addition to such Partner's original capital contribution, (ii) the distributive share of Partnership taxable income of such Partner, and (iii) the distributive share of Partnership income of such Partner exempt from Federal income taxation; and

(b) decreased by (i) the amount of cash and the adjusted basis of other property distributed to such Partner, (ii) the distributive share of Partnership taxable losses of such Partner (including capital losses), and (iii) the distributive share of Partnership expenditures of such Partner [including expenditures described in Section 705(a)(2)(B) of the Code].

Section 6.03 Adjustments to Book Capital Accounts. The initial balance of the Book Capital Account of each Partner shall be:

(a) increased by (i) any cash and the fair market value of other property contributed to the Partnership by such Partner in addition to such Partner's original capital contribution, and (ii) positive adjustments made to such Partner's Book Capital Account in accordance with Section 6.04, below; and

(b) decreased by (i) the amount of cash and the fair market value of other property distributed to such Partner (net of liabilities recorded on such property that such Partner is considered under Section 752 of the Code to assume or take subject to), and (ii) negative adjustments made to such Partner's Book Capital Account in accordance with Section 6.04, below.

Section 6.04 Additional Adjustments to Book Capital Accounts. As of the close of business on (a) the last Business Day of each calendar quarter, (b) the first Business Day of each calendar quarter, (c) if other than the last Business Day of a calendar quarter, the day on which an actual or deemed distribution of any Partnership property is made in cash or in kind or by redemption of any Interest or otherwise, and (d) if other than the first Business Day of a calendar quarter, the day on which any cash or other property is contributed to the Partnership, the Book Capital Account of each Partner shall be adjusted as follows:

(i) The Net Asset Value of the Partnership shall be determined in accordance with Section 1.08, above; and

(ii) Each Partner's Book Capital Account's pro rata share of any increase or decrease in the Net Asset Value of the Partnership as compared to the last determination of the Net Asset Value of the Partnership for purposes of this Section 6.04 shall be determined and shall be credited or charged to the Book Capital Account of such Partner.

Section 6.05 Allocation of Tax Profit and Loss. Subject to Section 1.06, Section 1.07 and Section 2.07 above, and Section 6.07, below, all items of income, gain, loss and deduction [including items of income or gain which are not subject to Federal income taxation and expenditures described in Section 705(a)(2)(B) of the Code] shall be allocated among the Partners for each fiscal year of the Partnership as follows:

(a) Ordinary Income and Ordinary Expense which properly relate to an Accounting Period [as defined in subsection 6.06(a) below] under the Partnership's method of accounting shall be allocated among all Partners in proportion to the balance in each Partner's Book Capital Account as of the beginning of the accounting period in which earned or incurred; and

(b) After all adjustments to Book Capital Accounts under Section 6.04, above, have been made for the fiscal year of the Partnership and after all the allocations under subsection 6.05(a), above, for the fiscal year of the Partnership have been made, the extent to which a Partner's Book Capital Account exceeds its Tax Capital Account ("Positive Disparity") or the extent to which a Partner's Tax Capital Account exceeds its Book Capital Account ("Negative Disparity") shall be determined. Capital Gain and Capital Loss shall then be allocated as follows:

(i) Capital Gain shall be allocated to each Partner who redeemed all of its Interest during such fiscal year to the extent of the Positive Disparity of such Partner in the ratio that such Positive Disparity bears to the total Positive Disparity of all Partners who redeemed all of their Interests during such fiscal year. Capital Gain remaining after such allocation shall be allocated to all other Partners to the extent of each such Partner's Positive Disparity in the ratio that such Positive Disparity bears to the total remaining Positive Disparity of all such Partners.

(ii) Capital Loss shall be allocated to each Partner who redeemed all of its Interest during such fiscal year to the extent of the Negative Disparity of such Partner in the ratio that such Negative Disparity bears to the total Negative Disparity of all Partners

who redeemed all of their Interests during such fiscal year. Capital Loss remaining after such allocation shall be allocated to all other Partners to the extent of such Partner's Negative Disparity in the ratio that such Negative Disparity bears to the total remaining Negative Disparity of all such Partners.

(iii) If after the foregoing allocations under subsection 6.05(b)(i) and subsection 6.05(b)(ii), above, there remains Capital Gain or Capital Loss to be allocated, all remaining Net Capital Gain or Net Capital Loss, as the case may be, shall be allocated among all Partners with Interests remaining in the ratio that each such Partner's Book Capital Account balance bears to the balance of the Book Capital Accounts of all such Partners.

(c) Notwithstanding the provisions of the foregoing provisions of this Article VI, if any allocation would produce a deficit in the Book Capital Account or Tax Capital Account of any Limited Partner, the portion of such allocation which would create such deficit shall instead be allocated to the Book Capital Account or Tax Capital Account, as applicable, of the General Partner.

Section 6.06 Definitions. For purposes of this Article, the following terms shall have the following meanings:

(a) Accounting Period shall mean a calendar quarter or any period of shorter duration from the last preceding Accounting Period until any of the dates specified in Section 6.04, above.

(b) Capital Gain or Capital Loss shall mean the gain or loss recognized by the Partnership for Federal income tax purposes attributable to a capital asset, including the gain or loss attributable to a "section 1256 contract", as defined by Section 1256 of the Code, and any other asset the recognition of gain or loss of which, under Federal income tax purposes, is not dependent upon the sale or other disposition thereof.

(c) Net Capital Gain shall mean the excess of Capital Gain over Capital Loss.

(d) Net Capital Loss shall mean the excess of Capital Loss over Capital Gain.

(e) Ordinary Income shall mean all items of Partnership income or gain other than Capital Gain.

(f) Ordinary Expense shall mean all items of Partnership loss or expense other than Capital Loss.

Section 6.07 Equitable Allocations. The General Partner may make such other or additional allocations of income, gain, loss and deduction among the Interests or the Partners as are, in the General Partner's reasonable discretion, equitable in order to eliminate, to the extent possible, any disparities existing between the Book Capital Accounts and Tax Capital Accounts of the Partners and to allocate income, gain, loss and deduction for Federal income tax purposes among the Partners in accordance with their respective Interests in the Partnership.

Article VII

Distributions of Partnership Income;
Redemptions; Withdrawals by Partners

Section 7.01 Distributions to Partners. The General Partner shall have sole discretion in determining the amount and frequency of distributions (other than withdrawals or redemptions by Limited Partners) which the Partnership shall make. All distributions shall be made in cash pro rata to the respective Book Capital Accounts of the Partners as of the last day of the Accounting Period to which the distribution relates.

Section 7.02 Redemptions.

(a) Subject to the provisions of this Section 7.02, the rights reserved to the General Partner in Section 1.06 and Section 1.07, above, and compliance with applicable laws, all or part of an Interest may be redeemed on any Redemption Date by sending a written request for redemption to the General Partner which is received by the General Partner at least 20 Business Days prior to such Redemption Date, subject to the restrictions and provisions for reserves set forth herein. The General Partner, in its sole discretion, may waive any or all of the restrictions set forth herein from time to time. The minimum redemption amount shall be $50,000. In addition, no redemption which applies to less than all of a Limited Partner's Interest can result in the reduction of the Book Capital Account of the redeeming Limited Partner to or below $250,000 after the redemption is effected. The General Partner may waive any of the foregoing restrictions in its sole discretion.

(b) If there are any assets which cannot be properly valued on the Redemption Date, then each Partner's allocable share of any such assets may be retained in the Partnership until such time when the assets can be properly valued. If there is any pending transaction or claim by or against the Partnership involving or which may affect the Book Capital Account of a redeeming Partner or the obligations of a redeeming Partner which cannot, in the sole judgment and discretion of the General Partner, be then ascertained, the proportionate amount thereof or the proportionate probable loss therefrom may be retained in the Partnership until the same can be resolved or ascertained or until the liquidation of the Partnership, whichever occurs first. In this situation, no amount shall be paid or charged to any such Partner or its legal representatives on account of any transaction or claim until its final liquidation or at such other time as the General Partner shall determine. In the meantime, however, the Partnership may retain from other sums due such Partner or its legal representative an amount which the General Partner reasonably estimates may be sufficient to cover the share of such Partner in any probable loss or liability on account of such transaction or claim. In addition, the right to redeem Interests is contingent upon the Partnership having assets sufficient in the view of the General Partner to discharge its liabilities on the relevant Redemption Date.

(c) The Limited Partners hereby acknowledge that the net assets of the Partnership may increase or decrease during the period from the date a Limited Partner gives notice of its intention to redeem and the date on which such redemption is effective and that any such increase or decrease in net assets during such period may affect the balance of the Partners' Book Capital Accounts.

(d) Subject to the provisions of this **Article VII**, each redeeming Limited Partner shall be paid the amount of its redemption as soon as practicable following the effective date of redemption; provided, however, that the General Partner shall have the right, exercisable from time to time, to postpone the payment and effective date of any redemption for up to three (3) months if the General Partner determines in good faith that the liquidation of Partnership assets or investments required to fund the redemption would adversely affect the Partnership or the value of the Partners' Interests in the Partnership.

(e) The General Partner, acting in its sole discretion, may suspend redemptions of Interests if the Partnership's investments are illiquid or the Partnership's ability to withdraw its capital from any investment vehicle in which it has invested some or all of its assets is restricted due to the conditions of its investment in such vehicle or as necessary to comply with any applicable statute or rule of any governmental or self-regulatory body (including, without limitation, stock exchanges).

(f) Any redemption of all or part of an Interest made during the first year of the redeeming Limited Partner's investment in the Partnership shall be subject to a redemption fee in an amount equal to 10.0% of the portion of the Interest being redeemed; provided, however, that such redemption fee shall be waived:

(i) in the case of a Class A Interest acquired prior to the date hereof, if the Net Asset Value of the Partnership has declined by 15.0% or more since the date of the purchase of the Interest being redeemed; and

(ii) in the case of an Interest of any class acquired on or after the date hereof, if the Net Asset Value of such class of Interests (as adjusted for any subscriptions, redemptions and distributions with respect to such class of Interests paid or made after the date of the purchase of the Interest being redeemed) has declined by 15.0% or more since the date of the purchase of the Interest being redeemed.

Section 7.03 Withdrawal of a Limited Partner. The withdrawal of a Limited Partner shall occur in the event of the death, expulsion, dissolution, legal incapacity or bankruptcy of the Limited Partner or upon its request for redemption of all of its Interest or if for any other reason it ceases to be a Limited Partner (other than the termination of the Partnership).

Section 7.04 Timing of Withdrawal. The withdrawal of a Limited Partner shall not occur for purposes of computing the withdrawing Limited Partner's distributive interest pursuant to this Agreement until the last Business Day of the calendar quarter in which both (a) such event has taken place and (b) the General Partner has been appropriately informed in writing of such event. For all other purposes of this Agreement, such withdrawal shall be deemed to have occurred on the date upon which notice or knowledge thereof is received at the principal place of business of the Partnership.

Section 7.05 Distribution on Withdrawal. Upon the withdrawal of a Limited Partner or upon the termination of the Partnership, all in accordance with the terms of this Agreement, each withdrawing Limited Partner, or each Partner, as the case may be, shall be paid its respective

distributive interest in cash pro rata in accordance with the respective Book Capital Accounts of the withdrawing Partners.

Section 7.06 Time and Method of Payment. The distributive interest of any Partner withdrawing pursuant to this Agreement shall be paid either by wiring of the redemption amount to the account designated by the Limited Partner in the request for redemption or by sending a check for the amount to the address specified by the Limited Partner. Subject to subsection 7.02(b) and subsection 7.02(d), above, ninety percent (90.0%) of the redemption amounts payable will be paid to the redeeming Limited Partner within five (5) Business Days of the Redemption Date and the remaining ten percent (10.0%) will be paid within 45 days of such Redemption Date.

Section 7.07 Continuance of Partnership. Neither the complete withdrawal nor the partial withdrawal of a Limited Partner, in and of itself, shall terminate or dissolve the Partnership.

Section 7.08 Rights and Obligations Upon Withdrawal. Upon the complete withdrawal of a Limited Partner, all of its rights in specific Partnership property of every kind whatsoever, including, but not limited to, all books of account, records, and papers of the Partnership, shall immediately and without further assignment, pass to and become vested in the remaining or surviving Partners. The withdrawing Limited Partner and its legal representatives shall have only the right to receive the distributions to withdrawn Limited Partners provided for under this Agreement. A withdrawn Limited Partner or its legal representatives shall have such access to the books and other data of the Partnership to the extent necessary to obtain full information with respect to its distributive interest, but this right continues only until its distributive interest has been determined as provided under this Agreement.

Section 7.09 Successor Obligations Upon Death or Legal Disability of a Limited Partner. Upon the death or legal disability of a Limited Partner, its interest in the Partnership shall pass to its heirs or legal representatives. Each Limited Partner expressly agrees that in the event of its death it waives on behalf of itself and its estate, and it directs the legal representative of its estate and any person interested therein to waive, the furnishing of any inventory, accounting or appraisal of the assets of the Partnership and any right to an audit or examination of the books of the Partnership.

Section 7.10 Directed Withdrawal. The General Partner, at any time and for any reason in its sole discretion, may give notice in writing to any Limited Partner requiring that such Limited Partner shall withdraw, in full or in such part as specified in such notice, from the Partnership upon a date specified in the notice. Upon the date specified as the withdrawal date in such notice, the Limited Partner designated in the notice, if required to withdraw in full, shall be deemed to have withdrawn from the Partnership without any further action either on the part of such Limited Partner or on the part of any other Partner. Thereafter, the interest of the Limited Partner so designated in the notice shall be treated in the same manner as the interest of a withdrawn Partner, and it shall have only the rights of a withdrawn Partner, as provided in this Agreement.

Article VIII

Indemnification

Section 8.01 Indemnification of the General Partner and its Affiliates.

(a) In any threatened, pending or completed action, suit or proceeding to which the General Partner or any of its affiliates was or is a party or is threatened to be made a party by reason of the fact that it is or was the general partner of the Partnership, or is or was affiliated with the general partner of the Partnership, the Partnership shall indemnify, defend and hold harmless the General Partner and its affiliates from and against any loss, liability, damage, cost, expense (including, without limitation, attorneys' and accountants' fees and expenses incurred in defense of any demands, claims, or lawsuits), judgments and amounts paid in settlement (collectively, "Losses"), incurred by them if the party claiming indemnification acted in good faith and in a manner it reasonably believed to be in, or not opposed to, the best interests of the Partnership and provided that the omission, act or conduct that was the basis for such Losses was not the result of willful misconduct, negligence or a breach of fiduciary obligations on the part of the General Partner. The termination of any action, suit or proceeding by judgment, order or settlement shall not create, of itself, a presumption that the General Partner or its affiliates did not act in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Partnership.

(b) The Partnership shall make advances to the General Partner or its affiliates hereunder only if (i) the demand, claim, or lawsuit relates to the performance of duties or services by such persons to the Partnership and (ii) if the person receiving such advance agrees to repay the advance if such person ultimately is found not to be entitled to indemnification hereunder.

(c) As used in this Agreement, the term "affiliate" of the General Partner shall mean the following: (i) any natural person, partnership, corporation, association or other legal entity directly or indirectly owning, controlling or holding with power to vote 10.0% or more of the outstanding voting securities of the General Partner; (ii) any partnership, corporation, association, or other legal entity 10.0% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by the General Partner; (iii) any natural person, partnership, corporation, association or other legal entity directly or indirectly controlling, controlled by, or under common control with, the General Partner; or (iv) any officer or director of the General Partner.

Section 8.02 Indemnification by Partners. In the event the Partnership, the General Partner or any of its affiliates is made a party to any claim, demand, dispute or litigation or otherwise incurs any Losses as a result of, or in connection with, (a) any Partner's (or its assignee's) activities, obligations or liabilities unrelated to the Partnership's business or (b) any failure or alleged failure on the part of the Partnership or the General Partner to withhold from income or gains allocated or deemed to be allocated to any Partner (or its assignees), whether or not distributed, any amounts with respect to which Federal income tax withholding was required or alleged to have been required, such Partner (or its assignees cumulatively) shall indemnify,

defend, hold harmless and reimburse the Partnership, the General Partner and its affiliates for such Losses to which they shall become subject.

Article IX

Termination

Section 9.01 Dissolution. The Partnership shall terminate and shall immediately be dissolved on December 31, 2026, or earlier (a) upon the death, legal disability, incapacity, insolvency, bankruptcy, dissolution, removal or withdrawal of the General Partner, (b) at the election of the General Partner, or of all General Partners, if there is more than one, upon sixty (60) days notice, (c) upon the insolvency or bankruptcy of the Partnership, or (d) upon the vote of Limited Partners holding a majority-in-interest of the outstanding Limited Partnership Interests (not including any Limited Partnership Interest held by the General Partner) together with the consent the General Partner. If there is more than one General Partner, the Partnership shall terminate and shall immediately be dissolved upon the death, legal disability, incapacity, insolvency, bankruptcy, dissolution, removal or withdrawal of any General Partner unless the remaining General Partner(s) elect to continue the Partnership. The death, legal disability, incapacity, insolvency, bankruptcy, dissolution or withdrawal of any Limited Partner shall not result in the dissolution or termination of the Partnership.

Section 9.02 Final Accounting. Upon the dissolution of and failure to reconstitute the Partnership, an accounting shall be made of the accounts of the Partnership and of the Book Capital Account of each Partner, and of the Partnership's assets, liabilities and changes in financial condition from the date of the last previous accounting to the date of such dissolution. The General Partner, or such person or persons designated by it, shall act as liquidating trustee or trustees and immediately proceed to wind up and terminate the business and affairs of the Partnership and liquidate the property and assets of the Partnership. In the event the dissolution is caused by the death, legal disability, incapacity, dissolution, insolvency or bankruptcy of the sole remaining General Partner, the liquidating trustee or trustees shall be designated in accordance with the majority-in-interest of the Limited Partners.

Section 9.03 Distribution. Upon the winding-up and termination of the business and affairs of the Partnership, its liabilities and obligations to creditors and all expenses incurred in liquidation shall be paid, and its remaining assets shall be distributed pro rata to the Partners in accordance with their respective Book Capital Accounts as determined under **Article VI**; provided, however, that, in the event of the dissolution or liquidation of the Partnership prior to such time as the Partnership's organizational expenses have been completely amortized, these amounts will be deducted from the Net Asset Value of the Partnership prior to the distribution of each Limited Partner's distributive interest.

Section 9.04 Use of Firm Name Upon Dissolution. At no time during the operation of the Partnership or upon the termination and dissolution of the Partnership shall any value be placed upon the firm name, or the right to its use, or to the goodwill, if any, attached thereto, either between the Partners or for the purpose of determining any distributive interest of any

Partner in accordance with this Agreement. The legal representatives of any deceased Partner shall not have any right to claim such value.

Section 9.05 Balance Owed by the General Partner. In the event that there is a negative balance in the Book Capital Account of the General Partner upon liquidation after all adjustments to Book Capital Accounts have been made hereunder, whether by reason of losses in liquidating Partnership assets or otherwise, the negative balance shall represent an obligation from the General Partner to the Partnership to be paid in cash by the close of the taxable year in which such liquidation occurs or, if later, within 90 days after such liquidation, and the amount thereof shall be distributed to creditors of the Partnership or to the Partners with a positive balance in their Book Capital Accounts in accordance with Section 9.03, above.

Article X

Miscellaneous

Section 10.01 Notices. All notices or other communications required or permitted to be given pursuant to this Agreement shall be effective only if in writing and shall be considered as properly given or made, if sent by facsimile, if personally delivered, if mailed, postage prepaid, or if telegraphed, by prepaid telegram, and addressed, if to the General Partner, to it at the address of the Partnership, and if to a Limited Partner, to the address of such Limited Partner as reflected in the books and records of the Partnership from time to time. Any Limited Partner may change its address by giving notice in writing to the General Partner stating its new address, and the General Partner may change its address by giving such notice to all Partners. Commencing on the 10th day after the giving of such notice, such newly designated address shall be such Partner's address for the purpose of all notices or other communications required or permitted to be given pursuant to this Agreement.

Section 10.02 Amendments; Meetings.

(a) Amendments to this Agreement may be proposed by the General Partner. The General Partner shall submit the proposed amendment to the Limited Partners. Except as otherwise provided in this Agreement, both the consent of a majority-in-interest of all outstanding Limited Partnership Interests (not including any Limited Partnership Interest held by the General Partner) and the consent of the General Partner shall be required to pass an amendment. For purposes of obtaining a written vote, the General Partner may require responses to be made within a specified time; provided, however, that no amendment shall cause the Partnership to become a general partnership, change the liability of the General Partner or the Limited Partners so as to materially, adversely affect any Partner, directly reduce the Book Capital Account of any Partner, extend the duration of the Partnership or change the provisions of this sentence.

(b) Notwithstanding any provision to the contrary contained in this Agreement, this Agreement may be amended by the General Partner, upon 30 days prior notice to each Partner, as to the following matters: (i) to add to the representations, duties or obligations of the General Partner or surrender any right or power granted to the General Partner herein for the benefit of the Limited Partners; (ii) to cure any ambiguity, to correct or supplement any provision in this

Agreement which may be inconsistent with any other provision; (iii) to delete from or add any provision to this Agreement required or deemed necessary to be so deleted or added by any governmental authority or self-regulatory organization for the benefit or protection of the Limited Partners; (iv) to effect any amendment authorized by the provisions of Section 1.06 and Section 1.07, above; and (v) to amend the provisions of **Article VI** of this Agreement regarding the allocations of profits and losses for Federal income tax purposes for any tax year ending after the date of any such amendment or for which a Partnership tax return has not been filed in any manner which the General Partner, in its sole discretion, deems necessary or advisable to comply with the Code and to promote an equitable treatment of all Partners. However, no such amendment shall cause the Partnership to become a general partnership, change the liability of the General Partner or the Limited Partners so as to materially, adversely affect any Partner, change any Partner's share of the profits or losses of the Partnership without the consent of such Partner or extend the duration of the Partnership.

(c) Upon any amendment of this Agreement, the Certificate of Limited Partnership also shall be amended if necessary to reflect such amendment.

(d) Meetings of the Partnership for purposes of taking any action permitted to be taken by the Limited Partners under this Agreement may be called by the General Partner. Any such call shall state the nature of the business to be transacted at the meeting, and no other business shall be conducted at the meeting. The Limited Partners may vote in person or by proxy at any such meeting. In the event the Partnership is required to comply with Regulation 14A under the Exchange Act (the so-called "Proxy Rules") or any successor regulation, the foregoing time periods may be altered by the General Partner so as not to conflict therewith.

Section 10.03 Sale or Pledge of Assets; Termination of the Partnership. All or substantially all of the Partnership's assets may be sold or pledged or the Partnership may be dissolved by the affirmative vote of a majority-in-interest of all outstanding Interests with the consent of the General Partner at a meeting called and conducted in accordance with Section 10.02 above. However, nothing contained in this section, Section 1.06 and Section 1.07, above, Section 10.04, below, or in any other section of this Agreement shall imply that the Limited Partners have any rights of management or control over the operations of the Partnership.

Section 10.04 Election or Removal of the General Partner. The General Partner or any successor may be elected or removed from office by the affirmative vote of the holders of one hundred percent (100%) in interest of all outstanding Limited Partnership Interests at a meeting called and conducted in accordance with Section 10.02, above. Subject to the rights reserved to the General Partner in Section 1.06 and Section 1.07, above, and compliance with all applicable laws, the General Partner, in its sole and absolute discretion, may admit, at its option, one or more additional or substitute (for itself) general partners to the Partnership as of the last Business Day of any calendar month upon their execution of a counterpart of this Agreement upon written notice to the Partners (provided that the General Partner shall not be released from any existing liabilities thereby).

Section 10.05 Execution. This Agreement may be executed in more than one counterpart with the same effect as if the Partners executing the several counterparts had all executed the same counterpart.

Section 10.06 Successors in Interest.

(a) Each of the Partners covenants for it, its heirs, executors, administrators, successors, assigns and legal representatives that it will, at any time on demand after its withdrawal from the Partnership, contribute to any of its former Partners its proportionate share of any liability, judgment or cost of any kind (including the reasonable cost of the defense of any suit or action and any sums which may be paid in settlement thereof) that may be incurred by any former Partners on account of any matters or transactions occurring during the time it was a Partner. The amount of such contribution shall not, in the case of a former Limited Partner, exceed the then balance of its Book Capital Account at the time it ceased to be a Limited Partner plus the amount of distributions theretofore made to it, if any, plus interest thereon. Such proportionate share of liability, judgment or cost of any kind shall be determined from this Agreement as it existed at the time such matter or transaction occurred.

(b) Each of the Partners covenants that neither it nor its heirs, executors, administrators, legal representatives, successors or assigns, nor any person or persons claiming through or under it, will file a bill for a Partnership accounting or otherwise proceed adversely in any way whatsoever against the other Partners or the Partnership, except in an action for fraud.

(c) This Agreement and all of its terms and provisions shall be binding upon and shall inure to the benefit of the Partners and their respective legal representatives, heirs, successors and assigns. Any person subsequently admitted to the Partnership as the General Partner or Limited Partner shall be subject to all of the provisions of this Agreement as if an original signatory hereto.

Section 10.07 Governance. Each of the Partners agrees that if any action shall be taken pursuant to this Agreement by the required percentage-in-interest of the Partners, it will execute any such writing or instrument as may be necessary to carry out and perfect such action notwithstanding that said party may not have assented thereto or may have objected thereto. Partnership action covered within the scope of this clause includes, but is not limited to, the adoption of any Certificate of Limited Partnership or any amendment thereto, any instrument effecting or evidencing the withdrawal of a Partner and any amendment or supplement to this Agreement.

Section 10.08 Ownership of Partnership Assets. Any assets owned by the Partnership may be registered in the Partnership's name, or in the name of a nominee, or in a "street name." Any corporation, brokerage firm, custodian, clearing association, depository or transfer agent called upon to transfer any assets to or from the name of the Partnership shall be entitled to rely upon instructions or assignments signed by the General Partner without inquiry as to the authority of the person signing such instructions or assignments or as to the validity of any transfer to or from the name of the Partnership; provided, however, that any corporation, brokerage firm, custodian or transfer agent holding cash or assets of the Partnership shall be expected to comply with any special instructions concerning payment and delivery given to it in writing by the General Partner.

Section 10.09 Rights of Creditors. A creditor who makes a nonrecourse loan to the Partnership shall not have or acquire at any time, solely as a result of making the loan, any direct

or indirect interest in the profits, capital or property of the Partnership, other than as a creditor or secured creditor, as the case may be.

Section 10.10 Arbitration. All controversies arising in connection with the Partnership's business and between or among the Partners, shall be settled by arbitration, to be held in the City of New York, State of New York, under the then-prevailing rules of the American Arbitration Association. In any such arbitration, each of the parties hereto agrees to request from the arbitrators that (a) their authority be limited to construing and enforcing the terms and conditions of the Agreement as expressly set forth herein, (b) the reasons for their award be stated in a written opinion, (c) they shall not make any award which shall alter, change, cancel or rescind any provision of this Agreement, and (d) their award shall be consistent with the provisions of this Agreement. The award of the arbitrators shall be final and binding, and judgment may be confirmed and entered thereon in any court of competent jurisdiction.

Section 10.11 Investment Representation. By executing this Agreement, each Limited Partner hereby represents and warrants to the General Partner as follows:

(a) understands that its investment in the Partnership is a "security" as defined in Section 2(1) of the Securities Act of 1933, as amended (the "Securities Act"), which has not been registered under the Securities Act or any state securities law and that its investment is being made in reliance upon the exemption contained in Section 4(2) of the Securities Act;

(b) the Partnership has not been registered under the Investment Company Act of 1940, as amended;

(c) its participation in the Partnership is being made for its own account for investment purposes and with no present intention of reselling or distributing its interest in the Partnership;

(d) it is familiar with the types of transactions and activities in which the Partnership intends to engage and is fully aware that such transactions and activities involve volatility and risk of loss; and

(e) it is fully capable of evaluating the merits and risks associated with an investment in the Partnership, and its net worth is such that it can bear the economic risk of loss of its investment in the Partnership.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

HIGROVE MANAGEMENT LIMITED

General Partner

By: /s/Rajesh Agarwal
Rajesh Agarwal, Director

The undersigned General Partner hereby executes this Agreement on behalf of all Limited Partners who are now or hereafter admitted to the Partnership as limited partners pursuant to powers of attorney now or hereafter executed by such Limited Partners in favor of the General Partner.

HIGROVE MANAGEMENT LIMITED
General Partner

By: /s/Rajesh Agarwal
Rajesh Agarwal, Director

EXHIBIT B

FRUITION FUND (USA) L.P.

CLASS A SUBSCRIPTION AGREEMENT

Fruition Fund (USA) L.P.
c/o Citco Fund Services (Curaçao) N.V.
Kaya Flamboyan 9
P.O. Box 812
Curaçao, Netherlands Antilles

Gentlemen:

The undersigned (the "Subscriber") hereby applies for the purchase of a Class A Limited Partnership Interest (the "Class A Interest") in Fruition Fund (USA) L.P., a Delaware limited partnership (the "Partnership"). The Subscriber agrees to pay in full the aggregate purchase price of the Class A Interest on or prior to the first business day of the calendar month for which this subscription is made by check made payable to "Fruition Fund (USA) L.P." or by wire transfer of funds to Chase Manhattan Bank, 1 New York Plaza, New York, New York 10018, United States of America (ABA No. 021 0000 21) for credit to Citco Banking Corporation N.V., account no. 001-1-627502, for further credit to Fruition Fund (USA) L.P., account no.: 12.370541.4100.005.

The Subscriber acknowledges its receipt of a copy of the Confidential Private Offering Memorandum of the Partnership dated January __, 2002 relating to Class A limited partnership interests in the Partnership (the "Class A Memorandum"), and the Limited Partnership Agreement of the Partnership attached to the Class A Memorandum as Exhibit A (the "Limited Partnership Agreement"). Unless otherwise defined herein, or unless the context requires otherwise, all of the capitalized terms used in this Subscription Agreement have the same meanings as are ascribed thereto in the Class A Memorandum.

1. The Subscriber understands and acknowledges that it is aware of the following:

   a. The Class A Interests have not been registered for sale under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered for sale to the Subscriber in reliance upon the private offering exemption contained in Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder. The Partnership does not intend to register the Class A Interests under the Securities Act at any time in the future. The Partnership is under no obligation to register the Class A Interest on the Subscriber's behalf or to assist the Subscriber in complying with any exemption from registration.

   c. The Partnership will not be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and neither the General Partner nor any Adviser will be registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

d. No governmental agency has passed upon the Class A Interests or made any finding or determination as to the wisdom or merits of any investment therein.

e. The Class A Interests involve the risk of loss by the Subscriber of its entire investment, including the risks summarized in the Class A Memorandum, and the Subscriber must bear such economic risk for an indefinite period of time.

f. There are substantial restrictions on the transferability of the Class A Interests.

g. The discussion of the tax consequences arising from an investment in the Partnership set forth in the Class A Memorandum is general and not complete. The tax consequences to the Subscriber of the investment in the Class A Interests will depend on the Subscriber's particular circumstances.

h. The purchase of the Class A Interest may or may not be a suitable investment for an employee benefit plan. In addition to other considerations including, without limitation, liquidity of investment, any plan fiduciary executing this Subscription Agreement acknowledges that a portion of the Partnership's income (which may or may not be significant) will likely be subject to federal income taxation as "unrelated business taxable income."

i. The Subscriber also understands that its right to redeem its Class A Interest is contingent upon the Partnership having assets sufficient in the view of the General Partner to discharge its liabilities on the relevant redemption date.

j. An investment in a Class A Interest is speculative and involves significant risks including, but not limited to, those specified in the Class A Memorandum. The Investment Manager, the Adviser(s) and their respective principals and affiliates may effect transactions for their own accounts or other customers' accounts which may be in conflict with the best interests of the Partnership.

k. The Subscriber understands and acknowledges that the Investment Manager and the Adviser(s) act only as the investment manager and trading advisor(s), respectively, to the Partnership and do not act as an investment manager or trading advisor to the Investor.

2. The Subscriber represents and warrants to the Partnership and the General Partner as follows:

a. The Subscriber, its advisors, if any, and designated representatives, if any, have the knowledge and experience in financial and business matters necessary to evaluate the investment in the Class A Interest, and have carefully reviewed and understand the risks of, and other considerations relating to, the purchase of a Class A Interest including the risks set forth under "RISK FACTORS" in the Class A Memorandum, the matters described in the Class A Memorandum under "TAX CONSIDERATIONS" and the compensation of the Partnership's investment manager (the "Investment Manager") described in the Class A Memorandum under the heading "SUMMARY OF FEES AND EXPENSES - The Investment Manager."

b. The Subscriber, its advisors, if any, and its designated representatives, if any, have been afforded the opportunity to obtain any information necessary to verify the accuracy of any information set forth in the Class A Memorandum or otherwise furnished by the General Partner, have had all of their inquiries to the General Partner answered to their satisfaction, and have been furnished with all information requested in writing by the Subscriber relating to the Partnership, the General Partner, the terms of the transactions contemplated by the Limited Partnership Agreement and the Class A Memorandum, the offering and sale of the Class A Interests and any other matters set forth in the Limited Partnership Agreement and the Class A Memorandum, including all material information concerning any arrangement under which the Investment Manager may receive compensation from the Partnership.

c. The Subscriber, its advisors, if any, and designated representatives, if any, have relied only on the information contained in the Class A Memorandum and the Limited Partnership Agreement and the information described in subparagraph 2(b), above, furnished or made available to them at their written request by the Partnership or the General Partner.

d. In deciding to purchase the Class A Interest herein subscribed for, the Subscriber has relied upon independent investigations made by it or its duly appointed and qualified representatives. The Subscriber received no advice from the Partnership or the General Partner with respect to the tax consequences of this investment, and is not relying on the Partnership or the General Partner with respect to any other economic considerations involved in this investment.

e. The Subscriber, if a corporation, partnership, trust or other legal entity, is authorized and otherwise fully qualified to purchase and hold a Class A Interest in the Partnership. Such entity has its principal place of business at the address set forth on the signature page hereof, and such entity has not been formed for the specific purpose of acquiring a Class A Interest in the Partnership.

f. The Subscriber has adequate means of providing for current and anticipated financial needs and contingencies, is able to bear economic risk of the investment in a Class A Interest for an indefinite period of time, has no need for liquidity of the investment in the Class A Interest and could afford the complete loss of such investment.

g. The Subscriber is not subscribing for a Class A Interest as a result of or subsequent to any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or general meeting, or any solicitation by a person not previously known to the Subscriber in connection with investments generally.

h. The Subscriber agrees to be bound by all of the terms and conditions of the Limited Partnership Agreement and to perform all obligations thereby imposed on it.

i. The Subscriber understands that the Partnership will not register as an "investment company" under the Investment Company Act in reliance upon the provisions of Section 3(c)(1) thereof, which excludes from the definition of an investment company any issuer which has not made and does not presently propose to make a public offering of its securities and whose outstanding securities (other than short-term paper) are beneficially owned by not more than 100 persons. If the Subscriber is not a natural person, the Subscriber hereby certifies to the Partnership and the General Partner as follows:

(1) it is "one person" for purposes of Section 3(c)(1) of the Investment Company Act;

(2) it was not formed for the purpose of investing in the Partnership nor did or will the shareholders, partners or grantor, as the case may be, of the undersigned entity contribute additional capital to such entity for the purpose of purchasing a Class A Interest; and

(3) if the Subscriber is acquiring 10 percent or more of the aggregate Class A Interests in the Partnership, the Subscriber is neither an "investment company" within the meaning of Investment Company Act nor a company which relies upon the exclusions from such definition set forth under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

j. The Subscriber, its advisors, if any, and designated representatives, if any, realize that because of the inherently speculative nature of investments of the kind contemplated by the Partnership, the results of the Partnership's

operations may be expected to fluctuate from month to month and from period to period and generally will involve a high degree of financial and market risk that can result in substantial or, at times, even total losses.

k. If the Subscriber is a business development company or a private investment company as defined in the Advisers Act, and the rules and regulations thereunder, or an investment company registered under the Investment Company Act, the initial capital contribution of each of the equity owners of the Subscriber constitutes an amount equal to or greater than $500,000, or alternatively, each of the equity owners of the Subscriber has a net worth (or joint net worth with spouse) equal to or greater than $1,000,000.

l. The Subscriber, its advisors, if any, and designated representatives, if any, have confirmed to their satisfaction that an investment in the Partnership meets the individual needs of the Subscriber.

m. All of the information that the Subscriber has heretofore furnished or which is set forth herein is correct and complete as of the date of this Subscription Agreement, and if there should be any material change in such information, the Subscriber will immediately furnish revised or corrected information to the General Partner.

n. The Subscriber is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act as set forth under the heading "PLAN OF DISTRIBUTION" in the Class A Memorandum.

o. The Subscriber understands the compensation to be paid to the Investment Manager which is described under "SUMMARY OF FEES AND EXPENSES" in the Class A Memorandum, has had all inquiries regarding the same answered to its satisfaction and understands that the incentive fee provisions in the Investment Management Agreement (as defined in the Class A Memorandum) may create an incentive for the Investment Manager to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed. The Subscriber further understands that the compensation paid by the Investment Manager to any Adviser may similarly create an incentive for an Adviser to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed.

3. The Subscriber has read and is familiar with the Class A Memorandum and the Limited Partnership Agreement and represents to the General Partner and the Partnership as follows:

a. It is purchasing a Class A Interest for its own account for investment and not with a view towards resale or other further distribution in whole or part.

b. No one other than the Subscriber will have any interest in, or any right to acquire, the Class A Interest or any part thereof, nor does anyone other than the Subscriber have any interest in this subscription.

c. It has full right, power and authority to execute this Subscription Agreement and the Limited Partnership Agreement, as of the time the Limited Partnership Agreement is executed by or on behalf of the Subscriber pursuant to a power of attorney or otherwise.

d. It duly and validly has executed this Subscription Agreement.

e. It has full right power and authority to perform its obligations hereunder and under the Limited Partnership Agreement.

4. The Subscriber understands and acknowledges to the Partnership and the General Partner that (a) the Class A Interests are being offered and sold in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder, (b) the reliance of the Partnership upon such exemption is predicated, in part, upon the representations and warranties made herein and to be made by the Subscriber in and pursuant to the Limited Partnership Agreement, and (c) such exemption may not be available if any of the Subscriber's representations and warranties are not true and accurate.

5. The Subscriber agrees with the Partnership and the General Partner as follows:

a. It is not entitled to cancel, terminate or revoke this subscription or any agreements hereunder.

b. It will not transfer or assign this subscription or any interest herein.

c. This subscription may be accepted or rejected, in whole or in part, by the General Partner in its sole discretion without giving any reason therefor.

d. If (i) this subscription is accepted in whole or in part by the General Partner in its sole discretion, and (ii) the other conditions precedent set forth above and in the Limited Partnership Agreement are met, the Subscriber shall become a Limited Partner of the Partnership, the amount to be paid by the Subscriber for the Class A Interest to be issued to it may be transferred to the capital of the Partnership as a contribution of the Subscriber, and the Subscriber shall thereupon otherwise be bound by the terms of the Limited Partnership Agreement.

e. Additional Class A Interests may be offered or sold by the Partnership, and Limited Partners may be permitted to make additional capital contributions, in accordance with the provisions set forth in the Limited Partnership Agreement following the offer and sale of the Class A Interest to the Subscriber in such amounts and at such times as the General Partner may determine from time to time.

6. The Subscriber acknowledges to the Partnership and the General Partner that this Subscription Agreement will not be valid, binding and enforceable against the Partnership or the General Partner until the subscription hereunder is accepted and approved by the General Partner. The Subscriber understands and agrees that the General Partner, in its sole discretion, reserves the right to accept or reject this subscription or any other subscription for a Class A Interest, in whole or in part, at any time notwithstanding prior receipt by the Subscriber of notice of acceptance. In the event that this subscription is rejected in whole or in part, the Partnership shall promptly return the applicable portion of the purchase price of the Class A Interest to the Subscriber, without any accrued interest earned thereon, and this subscription shall thereafter have no force or effect to that extent.

7. The Subscriber hereby constitutes and appoints the General Partner with full power of substitution and re-substitution, its true and lawful attorney, for it, in its name, place and stead, and for its use and benefit to (a) execute and deliver the Limited Partnership Agreement and (b) execute, deliver, certify, acknowledge, file and record amendments or restatements of the certificate of limited partnership of the Partnership, and any other certificates, instruments or documents which may be required by the State of Delaware or any other jurisdiction or by any governmental agency or which the General Partner deems necessary or advisable.

8. This Subscription Agreement supersedes any previous subscription agreement executed by or on behalf of the Subscriber relative to a Class A Interest, and any such previous agreement is hereby rescinded and is of no further force and effect.

9. The Subscriber's representations, warranties and covenants contained herein are true and correct on the date hereof, will be true and correct on the date a Class A Interest is issued to the Subscriber and shall survive such issuance.

10. The Subscriber hereby agrees to furnish the General Partner or the Administrator with such other information as either may request with respect to its subscription hereunder.

11. The Subscriber hereby agrees to indemnify and hold harmless the General Partner, the Partnership and each person, if any, who controls any of them, within the meaning of Section 15 of the Securities Act, against any loss, liability, claim,

damage, cost and expense whatsoever (including but not limited to any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any breach of any of the Subscriber's representations or warranties or breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any other document furnished by the Subscriber to any of the foregoing in connection with this subscription.

12. The Subscriber hereby acknowledges and agrees that the subscription hereunder is irrevocable and that this Subscription Agreement and any agreements of the Subscriber hereunder shall survive the death, disability or legal incapacity of the Subscriber and shall be binding upon and inure to the benefit of the Partnership, the General Partner and their respective heirs, executors, administrators, successors, assignees and legal representatives. If the Subscriber is more than one person, the obligations of the Subscriber hereunder shall be joint and several and the agreements, representations, warranties and acknowledgements herein contained shall be deemed to be made by and be binding upon each such person and his heirs, executors, administrators, successors, legal representatives and assigns.

13. The Subscription Agreement and the Limited Partnership Agreement contain the entire agreement of the parties with respect to the subject matter hereof, and there are no representations, covenants or other agreements except as stated or referred to herein.

14. Each provision of this Subscription Agreement is intended to be severable from every other provision, and the invalidity or illegality of any portion hereof shall not affect the validity or legality of the remainder hereof.

FOR RESIDENTS OF ALL STATES:

THE CLASS A INTERESTS OFFERED HEREBY 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, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE CLASS A INTERESTS, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, IN MAKING AN INVESTMENT DECISION. THE CLASS A INTERESTS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY.

FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY NOR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FRUITION FUND (USA) L.P.

CLASS A INTEREST

INDIVIDUAL SIGNATURE PAGE

In Witness Whereof, the undersigned represent(s) that the foregoing statements are true and correct and that he has (they have) executed this Subscription Agreement the _____ day of _____, 200__.

_____
Please Print Name of Subscriber

_____
Signature of Subscriber

_____
Residence Address - Street

_____
City, State, Zip Code

_____
Telephone Number

_____
Social Security Number or Tax Identification
Number (if applicable)

$_____
Amount of Subscription (not including any up-front commission
paid to the Placement Agent, if any)

$_____
Amount of Placement Fee (as per the requirements of the
Placement Agent, if any)

FRUITION FUND (USA) L.P.

CLASS A INTEREST

CORPORATE/PARTNERSHIP SIGNATURE PAGE

Attached hereto are resolutions or bylaws of the undersigned corporation or provisions of the Limited Partnership Agreement of the undersigned partnership evidencing such authorizations, which authorizations have not been revoked and are still in full force and effect.

In Witness Whereof, the undersigned represents that the foregoing statements are true and correct and that it has caused this Subscription Agreement to be duly executed on its behalf this _____ day of _____, 200__.

_____
Name of Subscriber

By:_____
Signature of Authorized Person

_____
Print Name and Title

_____
Business Address - Street

_____
Mailing Address

_____
City, State, Zip Code

_____
Telephone Number

_____
Tax Identification Number - if applicable

$_____
Amount of Subscription (not including any up-front commission paid to the Placement Agent, if any)

$_____
Amount of Placement Fee (as per the requirements of the Placement Agent, if any)

FRUITION FUND (USA) L.P.

CLASS A INTEREST

TRUST SIGNATURE PAGE

Attached hereto are the relevant provisions of the trust instrument evidencing such authorizations, which provisions have not been revoked and are still in full force and effect.

In Witness Whereof, the undersigned represent(s) that the foregoing statements are true and correct and that he or it has (they have) executed this Subscription Agreement this ____ day of _____,200__.

For Individual Trustee(s):	For Corporate Trustee:
By:_____ Signature, as Trustee	_____ Name of Corporate Trustee
By:_____ Signature of Co-Trustee (if required by trust instrument)	_____ Signature of Authorized Officer
_____ Print Name	_____ Print Name and Title
_____ Residence Address-Street	_____ Business Address - Street
_____ City, State, Zip Code	_____ City, State, Zip Code
_____ Telephone Number	_____ Telephone Number
_____ Trust Tax Identification Number, if applicable	_____ Trust Tax Identification Number, if applicable
$_____ Amount of Subscription (not including any up-front commission paid to the Placement Agent, if any)	$_____ Amount of Subscription (not including any up-front commission paid to the Placement Agent, if any)
$_____ Amount of Placement Fee (as per the requirements of the Placement Agent, if any)	$_____ Amount of Placement Fee (as per the requirements of the Placement Agent, if any)

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Please note that only the first page is inserted here.
The second page (the instructions page) does not get inserted.

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First Page

[INSERT FORM W-8IMY]
Second Page

EXHIBIT C

FRUITION FUND (USA) L.P.

CLASS A SUPPLEMENTAL SUBSCRIPTION AGREEMENT
FOR EMPLOYEE BENEFIT PLANS AND IRAs
("Supplemental Subscription Agreement")

I. SUBSCRIPTION AGREEMENT

All terms used herein which are defined in the Subscription Agreement shall have the same meanings herein. The Subscription Agreement and this Supplemental Subscription Agreement must be completed and executed, on behalf of the Subscriber, by the individual who has discretion over the Subscriber's assets and who is making the decision, on behalf of the Subscriber, to purchase an Interest in the Partnership (the "Investment Director").

II. SUPPLEMENTAL REPRESENTATIONS

In addition to the representations and warranties made above, the Investment Director, on behalf of the Subscriber, makes the following additional representations and warranties with the intent and understanding that they will be relied upon by the Partnership, the General Partner, and the Administrator in determining the Subscriber's suitability as a purchaser of an Interest in the Partnership.

(a) None of the Partnership, the General Partner, the Administrator, the Trading Company, the Investment Manager or any of their employees/affiliates: provide investment advice to the Subscriber; manage any of the Subscriber's assets; have discretion or control over the Subscriber or its assets; are, with respect to the Subscriber, fiduciaries, as defined in Section 3(21) of ERISA; or, have an agreement or understanding, written or unwritten, with the Investment Director under which the Investment Director receives individualized investment advice concerning the Subscriber's assets, or receives information, recommendations and advice concerning investments which are used as a primary basis for the Subscriber's investment decision.

(b) Although a representative of the Partnership, the General Partner, the Administrator, the Trading Company or the Investment Manager may have provided the Investment Director with a copy of the Memorandum (and any amendments or addendums thereto), the Investment Director has studied the Memorandum (including exhibits attached thereto) and has made a decision to purchase an Interest in the Partnership (on behalf of the Subscriber) solely on the basis of such documents and without reliance on any other information or statements as to the appropriateness of this investment for the Subscriber (made by any of the entities or individuals referred to in the preceding paragraph).

(c) The Investment Director signing below: has the authority to purchase an Interest in the Partnership on behalf of the Subscriber; and, has been duly authorized to complete, execute and deliver on behalf of the Subscriber, this Subscription Agreement and the Confidential Subscriber Questionnaire attached hereto.

(d) The Subscriber's financial condition permits it to participate in the Partnership, and the Subscriber is financially able to bear the risk of losing a substantial portion or even all of the money invested in an Interest in the Partnership.

(e) The Subscriber's contemplated investment in an Interest in the Partnership, when combined with the Subscriber's other speculative investments, will not exceed an amount which the Subscriber can afford to lose without a material adverse effect on its financial condition.

(f) The Investment Director has considerable business and investment acumen, and is capable of selecting and monitoring the performance of investments on behalf of the Subscriber. Alternatively, the Investment Director employs expert, qualified consultants ("Consultants") to aid the Investment Director in selecting and monitoring the performance of investments on behalf of the Subscriber, and has obtained a recommendation from the Consultants that an investment by the Subscriber in an Interest in the Partnership is prudent, desirable, and in the exclusive interest of the Subscriber's participants/beneficiaries.

(g) The Investment Director, or the Consultants the Investment Director is relying upon in making an investment in an Interest in the Partnership on behalf of the Subscriber, have studied the compensation forms and the compensation amounts specified in the Partnership's Memorandum, including the incentive fees, the management fees and the administrative fees to which the Partnership is subject ("Compensation Structure").

(h) The Investment Director or the Consultants referred to in the preceding paragraph: fully understand the entire Compensation Structure, including the incentive fee arrangement, and the risks associated with this manner of compensation; and, have concluded that the Compensation Structure is reasonable and fair to the Subscriber and that the contemplated investment in the Partnership is prudent and in the exclusive interest of the Subscriber's participants/beneficiaries, notwithstanding the Compensation Structure.

(i) The Investment Director understands that the Compensation Structure, including the incentive fee arrangement, may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of an incentive fee, and that the Investment Manager may receive increased compensation with regard to unrealized appreciation as well as gains realized by the Partnership. The Investment Director further understands the time periods which will be used by the Partnership to measure investment performance and their significance in the computation of the Investment Manager's incentive fee.

(j) An investment in the Partnership is permitted under the Subscriber's governing documents and any investment guidelines the Investment Director is subject to, and such investment is consistent with the Investment Director's discharge of his or her fiduciary responsibilities with respect to the Subscriber under Section 404 of ERISA.

(k) The Investment Director has: appropriately considered the role the contemplated investment in the Partnership plays in that portion of the Subscriber's investment portfolio with respect to which it has investment duties ("Portfolio"); appropriately considered the Portfolio's composition with regard to diversification; appropriately considered the Portfolio's projected return relative to the Subscriber's funding objectives; and determined that the contemplated investment in the Partnership is reasonably designed, as part of the Portfolio, to further the Subscriber's purposes, taking into consideration the risk of loss and the opportunity for gain or other return associated with such contemplated investment.

(l) It is anticipated that the Partnership's underlying assets may constitute assets of investing employee benefit plans that are subject to Title I of ERISA. Accordingly, the General Partner and the Investment Manager will be subject to Section 412 of ERISA, which requires every plan fiduciary to be bonded. If the Subscriber is subject to Title I of ERISA, the Subscriber, at its own expense, shall, upon acceptance of the subscription, cause the General Partner and the Investment Manager to be covered under a fidelity bond, such that Section 412 of ERISA will be satisfied. The Subscriber shall provide the Partnership with evidence of such coverage within 60 days from the date the subscription is accepted.

(m) The purchase by the Subscriber of Shares in the Partnership shall not result in anyone engaging in "prohibited transactions" (as defined in Section 4975 of the Code and/or Section 406 of ERISA).

Executed at _____, _____,

this _____ day of _____, 200__.

SUBSCRIBER

_____

Print Name of Subscriber

By: _____

Signature: _____

Title: _____

INVESTMENT DIRECTOR

_____

Print Name of Investment Director

By: _____

Signature: _____

Title: _____

If Subscriber is also the Investment Director (e.g., in the case of an IRA account), Subscriber should sign in both places above.