

Confidential Private Placement Memorandum

STRAITS FINANCIAL PREMIER (U.S. FEEDER) FUND I, L.P.
an Illinois Limited Partnership

Securities Offered: Limited Partnership Interests

Minimum Initial Subscription per Investor: \$10,000.00

General Partner:

Straits Financial Fund Management LLC
2 Bridge Avenue
Building 1, Suite 131
Red Bank, New Jersey 07701
(312) 846-5660
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THIS MEMORANDUM IS SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN LIMITED PARTNERSHIP INTERESTS IN STRAITS FINANCIAL PREMIER (US FEEDER) FUND I, L.P., AN ILLINOIS LIMITED PARTNERSHIP. DUE TO THE CONFIDENTIAL NATURE OF THIS MEMORANDUM, THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, AND MAY NOT BE DELIVERED TO ANY PERSON (OTHER THAN YOUR FINANCIAL ADVISER OR COUNSEL) WITHOUT PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER.

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS POOL NOR HAS THE COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

The date of this Confidential Private Placement Memorandum is December 12, 2018.

RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT COMMODITY INTEREST TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL AT PAGE 28 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, AT PAGE 31.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 35.

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

GENERAL INFORMATION

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, NOR UNDER THE SECURITIES ACT OF ANY STATE. THE SECURITIES DESCRIBED HEREIN ARE BEING OFFERED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE SECURITIES ACTS OF CERTAIN STATES. THESE SECURITIES HAVE NOT BEEN APPROVED NOR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION. NEITHER HAS THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. 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 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.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF SUCH INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF (I) THE PARTNERSHIP AND (II) ANY TRANSACTIONS DESCRIBED HEREIN, AND ALL MATERIAL OF ANY KIND (INCLUDING OPINIONS OR TAX ANALYSES) THAT ARE PROVIDED TO THE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE.

No person is authorized to give any information or to make any representation not contained in this Memorandum in connection with the matters described herein, and, if given or made, such information or representation must not be relied upon as having been authorized. This Memorandum does not constitute an offer by any person within any jurisdiction to any person to whom such offer would be lawful. The delivery of this Memorandum at any time does not imply that information contained herein is correct as of any time subsequent to the date of its issue.

TABLE OF CONTENTS

<u>Heading</u>	<u>Page</u>
§1. SUMMARY	1
§2. DEFINITIONS	7
§3. GENERAL COMMENTS	10
§4. THE FUND AND THE MASTER FUND	10
§5. INVESTMENT OBJECTIVE AND POLICY	12
§6. THE GENERAL PARTNER	14
§7. THE TRADING ADVISOR	16
§8. PAST PERFORMANCE	23
§9. FEES AND EXPENSES	28
§10. BREAK-EVEN ANALYSIS	31
§11. BROKERAGE	33
§12. ADMINISTRATION	34
§13. PRINCIPAL RISK FACTORS	35
§14. CONFLICTS OF INTEREST	49
§15. USE OF PROCEEDS	52
§16. CAPITAL ACCOUNTS	52
§17. CAPITAL ACCOUNT WITHDRAWALS	53
§18. NET ASSET VALUE AND VALUATION	54
§19. ADMISSIONS OF LIMITED AND GENERAL PARTNERS	55
§20. OTHER PROVISIONS OF THE PARTNERSHIP AGREEMENT	56
§21. TAXATION	58
§22. ERISA CONSIDERATIONS	68
§23. FISCAL PERIODS, FINANCIAL STATEMENTS & ACCOUNTANTS	71
§24. PROSPECTIVE INVESTORS	72
§25. ADDITIONAL INFORMATION	73
STATEMENT OF PRIVACY	75

FUND DIRECTORY

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THE BROKER: Straits Financial, LLC
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§1. SUMMARY

This section of the Memorandum summarizes various features of Straits Financial Premier (U.S. Feeder) Fund I, L.P. (the "Fund"). Certain matters addressed in this summary are discussed in more detail in the other sections of this Confidential Private Placement Memorandum (which, together with the exhibits, is referred to as the "Memorandum"). This summary is qualified in its entirety by those other sections, and the entire Memorandum is qualified by the full text of the Fund's governing documents and contractual agreements, copies of which are available upon request from the Fund.

GENERAL

THE FUND

The Fund is an Illinois limited partnership. Investors in the Fund will become limited partners (the "Limited Partners") of the Fund. The Fund will invest all, or substantially all, of its assets through a "master-feeder" fund structure in Straits Financial Premier Fund I, Ltd. (the "Master Fund"), an exempted company incorporated with limited liability in the Cayman Islands, through which all of its investment activities will be effected.

INVESTMENT OBJECTIVE

The investment objective of the Fund is, through its investment in the Master Fund, to generate superior risk adjusted returns through the trading of a diversified portfolio of Commodity Interests (as defined below). The General Partner, as investment manager of the Master Fund, will attempt to meet the objective of capital appreciation by allocating the Master Fund's available assets among commodity trading advisors (each a "Trading Advisor" and collectively, the "Trading Advisors"). There is no assurance that the Master Fund or the Fund will achieve their investment objectives or that the Fund and its Limited Partners will not incur losses. The trading deployed by the Trading Advisor to satisfy the investment objective may involve the speculative trading of futures contracts, options on futures contracts, exchange for physical transactions and other instruments on domestic and international exchanges and markets (collectively, "Commodity Interests"). Limited Partners will receive notice of any additional Trading Advisor(s) at least thirty (30) days prior to the addition of such advisor(s).

The General Partner as investment manager of the Master Fund may also invest in trading programs offered by other Trading Advisors, as well as other programs offered by the current Trading Advisor. The General Partner's investment objective may also change in the future.

THE MASTER FUND

The Fund will conduct its investing through the Master Fund, a company with limited liability incorporated under the laws of the Cayman Islands. The Master Fund will be the speculative trading vehicle for the Fund and the Straits Financial Premier (Offshore Feeder) Fund I, Ltd. (the "Offshore Feeder Fund"), a Cayman Islands exempted company with limited liability which

was formed to accept tax exempt U.S. investors and non-U.S. investors. In the future, additional feeder companies may be created to invest in the Master Fund. The Master Fund commenced trading in January 2017.

THE GENERAL PARTNER

The General Partner is a limited liability company incorporated under the laws of Illinois and is responsible for the management of the Fund and the Master Fund, the selection of the Trading Advisors and allocations to the Trading Advisors. The General Partner is registered with the CFTC as a commodity pool operator ("CPO") under the Commodity Exchange Act ("CEA") and is a member of the National Futures Association ("NFA"). Books and records of the Fund will be kept at the principal office of Straits Financial LLC, located at 425 S. Financial Place, Suite 3990, Chicago, Illinois 60605.

THE TRADING ADVISOR

The initial Trading Advisor of the Master Fund is Dunn Capital Management, LLC ("Dunn Capital"). The Trading Advisor is a registered commodity trading advisor ("CTA") and a member of NFA. The General Partner, in its own discretion, allocates 100% of the assets of the Master Fund allocated to trading to the Trading Advisor. This amount, however, may change from time to time in the sole discretion of the General Partner.

THE ADMINISTRATOR

The Fund has appointed Apex Fund Services (Charlotte) LLC (the "Administrator") to provide administration services. The Administrator will perform various administrative services for the Fund, including the calculation of its Net Asset Value ("NAV"). The Administrator's affiliate, Apex Fund Services Ltd. serves as administrator to the Master Fund and the Offshore Feeder Fund and provides similar services to these funds. In its sole discretion, the General Partner may remove or replace the Administrator or enter into additional arrangements with other administrators.

THE OFFERING

INTERESTS OFFERED

The Fund is offering one class of interests in the Fund (the "Interests").

TYPE OF OFFERING

Private, best efforts.

BROKER

The Master Fund will use the brokerage and clearing services of Straits Financial, LLC (the "Broker"), a registered futures commission merchant ("FCM") and Member of NFA to buy and sell Commodity Interests and clear its Commodity Interests. The General Partner as investment manager of the Master Fund may enter into clearing agreements with other FCMs on behalf of the Master Fund. Any FCM will be evaluated for its services and costs before the General Partner enters into any final agreements.

MINIMUM INVESTMENT

The minimum initial investment in the Fund is \$10,000, which

the General Partner may waive in its discretion. There is no maximum amount that may be invested by Limited Partners. Additional investment may be made by investors in the minimum of \$10,000.

INVESTOR ELIGIBILITY

The Interests are being sold in the United States ("U.S.") pursuant to Rule 506(c) of Regulation D under the Securities Act of 1933 (the "Securities Act"). The Fund can only accept a limited number of investors.

The Interests may be purchased only by persons who satisfy the definition of an "accredited investor" as that term is defined in the Securities Act, or by persons who possess, either alone or with their purchaser representatives, such knowledge in business and investing that they are able to determine the appropriateness of an investment in the Interests of the Fund.

SUBSCRIPTION PROCEDURE

To subscribe for the purchase of an Interest, you must submit to the Administrator, via electronic copy or facsimile, and mail, a completed and signed Subscription Agreement, which accompanies this Memorandum. Prospective Limited Partners must transmit their subscription monies to the Fund, as directed in the Subscription Agreement at least five (5) days prior to the first Business Day of the following month, or such other Business Day as the General Partner may from time to time determine. Subscriptions will be permitted on a monthly basis as of the first Business Day of each month, or such other Business Day as the General Partner may from time to time determine.

A subscriber will be admitted as a Limited Partner on the first Business Day of the month following the month that funds are received from the subscriber and accepted by the General Partner (which acceptance shall be in the General Partner's sole discretion). A business day means any day (except Saturdays, Sundays and public holidays) on which banks in Illinois are open for normal banking business ("Business Day"). Subscribers will not be permitted to use committed capital, promissory notes, notional funds or any form of leverage with respect to an investment in the Fund.

THE INTERESTS

CAPITAL ADDITIONS

As of the first Business Day of any month, with the General Partner's consent.

CAPITAL WITHDRAWALS

Upon at least 15 days' prior written notice ("Withdrawal Date"), a Limited Partner may withdraw all or any part of his capital account ("Capital Account") as of the last day of each calendar month.

WITHDRAWAL PROCEEDS

A Limited Partner may, upon at least 15 days' prior written notice, withdraw all or any portion of his Capital Account in the

Fund as of the last day of each calendar month. The Fund expects to pay investors making partial or total withdrawals of their Capital Accounts 100% of their withdrawal proceeds within ten (10) Business Days after the effective date of the withdrawal. However, the Limited Partner may not make a partial withdrawal that would cause his total investment to fall below his minimum initial investment (*i.e.* \$10,000).

SUSPENSION OF CAPITAL WITHDRAWAL RIGHTS

Limited Partners' capital withdrawal rights will be automatically suspended if, due to a market emergency in the sole discretion of the General Partner, the General Partner suspends its determination of the Fund's NAV as of a withdrawal date. In such case, withdrawal rights will be reinstated immediately after the General Partner resumes the determination of the Fund's NAV.

LIABILITY OF LIMITED PARTNERS

Each Limited Partner is responsible for making his Capital Contributions and for returning distributions received in violation of the Limited Partnership Agreement or applicable law. Except as provided in the preceding sentence, a Limited Partner has no personal liability for the obligations of the Fund. Limited Partners may not lose more than their initial Capital Contributions and undistributed profits.

TRANSFERS

Limited Partners may transfer their Interests only with the General Partner's discretionary consent, which may be withheld in its sole discretion and without cause.

DISTRIBUTIONS

The Fund does not expect to make distributions of profits or capital (in view of Limited Partners' withdrawal rights). The Fund expects to reinvest any net investment income and net realized gains.

EXPENSES AND FEES

EXPENSES

The General Partner has advanced to the Fund the organizational expenses of the Fund, including expenses incurred in connection with the initial offer and sale of interests in the Fund ("Organizational Expenses"). The Fund will reimburse the General Partner the full amount of the Organizational Expenses, and the Fund will assume the Organization Expenses, which will be paid by the Limited Partners over 60 equal monthly installments, which began on March 1, 2017. The Organizational Expenses are \$261,874.00.

The Fund will be responsible for its ongoing operating expenses which include the Fund's own, and its *pro rata* share of the Master Fund's, legal, accounting, auditing and other professional expenses, administration expenses, bank service fees and any other reasonable expenses related to the operations of the Fund

and the Master Fund, all as shall be determined by the General Partner in its sole discretion. The General Partner expects that ongoing operating expenses of the Fund, and its *pro rata* share of the Master Fund's operating expenses, will not exceed two and a half percent (2.5%) of the Fund's Net Asset Value per annum. The Fund also bears all of its *pro rata* share of the Master Fund's transaction costs, such as brokerage commissions on its futures transactions (up to approximately \$2.00 to \$4.00 per half turn excluding exchange and regulatory fees) and interest on any borrowing. The Fund will also be responsible to pay any extraordinary expenses.

GENERAL PARTNER'S COMPENSATION

Initial and additional subscriptions will be charged an amount equal to 1% of the subscription amount, which will be considered part of the Fund's management fee (the "Management Fee"). Thereafter, for the first twelve months of a subscription, the Limited Partner will pay his or her *pro rata* share of a monthly Management Fee equal to 0.083% (1% per annum) of the Fund's NAV, which will be calculated and paid monthly as of the end of each calendar month to the General Partner. Thereafter, beginning as of the first anniversary date of a subscription, a Limited Partner will pay a *pro rata* share of a monthly Management Fee equal to 0.167% (2.0% per annum) of the Fund's NAV, which will be calculated and paid monthly as of the end of each calendar month to the General Partner. The General Partner may, in its sole discretion, rebate, waive, or reduce all or a portion of a Limited Partner's share of the Management Fee at any time. The General Partner will also receive up to 50% of the commissions paid by the Fund to the Broker for trade execution and clearance and a portion of the interest income earned by the Broker. Finally, the General Partner will receive 20% of the Trading Advisor Incentive Fee (*i.e.*, 5% of the 25% Trading Advisor Incentive Fee).

TRADING ADVISORS' COMPENSATION

Each Trading Advisor will be entitled to receive a management fee (the "Trading Advisor Management Fee") and calculated as a percentage of the net asset value of the Master Fund assets allocated to the Trading Advisor and a incentive fee based upon any Net New Profits (the "Trading Advisor Incentive Fee"). Dunn Capital will not charge a Trading Advisor Management Fee but will charge a monthly Trading Advisor Incentive Fee in the amount of 25% of Net New Profits. Limited Partner's will pay their pro rata share of any Trading Advisor's Management Fee and Incentive Fee.

SELLING AGENT COMMISSIONS

The General Partner may compensate from its own funds any selling agent that it appoints.

ALLOCATION OF NET

PROFITS AND LOSSES

Any net profits of the Fund (including net unrealized gains) will be allocated to the Limited Partners in accordance with the ratio of their Capital Account balances.

BREAK-EVEN POINT

For a minimum investment of \$10,000, the break-even point of the Fund is estimated to be \$715.19 / 7.15% based on \$9,519,521, the net asset value of the Fund as of September 30, 2018, or \$687.95 / 6.88% if the Fund has \$15,000,000 in aggregate assets after the first year. Please note that the break-even analysis assumes that the Trading Advisor will receive an Incentive Fee, which may or may not be the case depending on whether the Trading Advisor generates any Net New Profits.

OTHER**FISCAL YEAR**

The fiscal year of the Fund ends on December 31 of each year.

TAXATION

The Fund expects to be treated as a partnership for Federal income tax purposes, and thus all gains and losses of the Fund flow through to the Fund's investors. You should consult with and depend on your own tax adviser regarding the tax consequences of investing in the Fund.

RISK FACTORS

INVESTMENT IN INTERESTS OF THE FUND CARRIES SIGNIFICANT RISK AND SHOULD BE REGARDED AS LONG TERM IN NATURE AND ONLY SUITABLE FOR INVESTORS WHO UNDERSTAND THE SIGNIFICANT RISKS INVOLVED AND WHO ARE ABLE TO WITHSTAND THE LOSS OF THEIR INVESTED CAPITAL. READ THE SECTION ENTITLED "PRINCIPAL RISK FACTORS" BELOW FOR A SUMMARY OF CERTAIN OF THE RISKS INVOLVED.

GOVERNING AGREEMENT

The Fund's Limited Partnership Agreement (the "Limited Partnership Agreement"), the form of which is attached as Exhibit A to this Memorandum.

REPORTS

The Fund will provide each investor with monthly reports of performance and will provide an annual audited statement of the Fund's financial condition and the necessary information for investors to complete their tax returns with respect to Fund items within 90 days after the end of the Fund's fiscal year, unless the Fund receives an extension from NFA.

ADDITIONAL INFORMATION

Please contact the General Partner if you would like additional information about the Fund. The General Partner will provide any information it can reasonably obtain.

§2. DEFINITIONS

The following definitions shall apply throughout this Memorandum unless the context otherwise requires:

"Administrator" means Apex Fund Services (Charlotte) LLC or such other administrator as the General Partner may appoint from time to time.

"Administration Agreement" means the Administration Services Agreement, as may be amended from time to time, entered into between the General Partner on behalf of the Fund and the Administrator.

"AP" means an associated person registered with NFA.

"ARP" means Adaptive Risk Profile as further described in §7.

"Auditor" means Squar Milner (Cayman), Ltd. or such other auditor as the General Partner may appoint from time to time.

"Benefit Plan Investor" has the meaning ascribed to it in §22.

"Broker" means Straits Financial, LLC or such other broker as the General Partner may appoint from time to time.

"Business Day" means any day (except Saturdays, Sundays and public holidays) on which banks in Illinois are open for normal banking business.

"Capital Account" means, as to each Member, the capital account maintained on the books of the Company for such Member.

"CEA" means the Commodity Exchange Act, as amended.

"CFC" means a controlled foreign corporation.

"CFTC" means the U.S. Commodity Futures Trading Commission or any successor agency.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Commodity Interests" means futures contracts, options on futures contracts, exchange for physical transactions and other instruments on domestic and international exchanges and markets.

"CTA" means a commodity trading advisor registered with the CFTC in such capacity.

"CPO" means a commodity pool operator registered with the CFTC in such capacity.

"Direct Trading Expenses" has the meaning ascribed to it in §9.

"DOL" means the U.S. Department of Labor.

"Dunn Capital" means Dunn Capital Management, LLC or Trading Advisor.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"FATCA" has the meaning ascribed to it in §21.

"FCM" means a futures commission merchant registered with the CFTC in such capacity.

"Fiduciary Rule" has the meaning ascribed to it in §22.

"Fund" means the Straits Financial Premier (U.S. Feeder) Fund I, L.P.

"Illinois Act" means the Illinois Uniform Limited Partnership Act (2001), as amended.

"Independent Fiduciary" has the meaning ascribed to it in §22.

"Interests" means a Limited Partner's limited partnership units in the Fund.

"Interested Party" has the meaning ascribed to it in §14.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"IRAs" means individual retirement accounts.

"IRS" means the U.S. Internal Revenue Service.

"Limited Partnership Agreement" means the limited partnership agreement of the Fund.

"Loss Carryforward" has the meaning ascribed to it in §9.

"Management Fee" has the meaning ascribed to it in §9.

"Master Fund" means the Straits Financial Premier Fund I, Ltd.

"Memorandum" means the confidential private placement memorandum of the Fund.

"NAV" means the net asset value of the Fund or of any Interest of the Fund.

"Net Loss" has the meaning ascribed to it in §16.

"Net New Trading Profits" has the meaning ascribed to it in §9.

"Net Profit" has the meaning ascribed to it in §16.

"NFA" means the National Futures Association.

"Offshore Feeder Fund" means the Straits Financial Premier (Offshore Feeder) Fund I, Ltd.

"OID" has the meaning ascribed to it in §21.

"Organizational Expenses" has the meaning ascribed to it in §9.

"PFIC" means a passive foreign investment company.

"Plan Asset Regulations" means the DOL regulations at 29 C.F.R. §2510.3-101, as amended from time to time.

"Principal" means a principal listed with NFA.

"PTP" means a publicly-traded partnership.

"PTST" means a prohibited tax shelter transaction.

"QEF" means a qualified electing fund.

"QPAM" has the meaning ascribed to it in §22.

"Regulation D" means Regulation D under the Securities Act.

"SEC" means the U.S. Securities and Exchange Commission or any successor.

"Securities Act" means the Securities Act of 1933, as amended.

"Subscription Date" has the meaning ascribed to it in §19.

"Subscription Documents" means the subscription documents of the Fund.

"Trading Advisor" means Dunn Capital or such other trading advisor as the General Partner may appoint from time to time.

"Trading Advisor Incentive Fee" has the meaning ascribed to it in §9.

"Trading Advisor Management Fee" has the meaning ascribed to it in §9.

"Treasury Regulations" has the meaning ascribed to it in §21.

"UBTI" means unrelated business taxable income.

"U.S." means the United States of America.

"U.S. Person" means, unless otherwise defined herein, any person, corporation, partnership or other entity or account defined as a "U.S. person" in Rule 902(k) of Regulation S under the Securities Act.

"WMA" means the Trading Advisor's World Monetary & Agriculture program.

§3. GENERAL COMMENTS

This Memorandum sets forth the investment program of the Fund, the principal terms of the Limited Partnership Agreement and certain other pertinent information. However, the Memorandum does not set forth all the provisions and distinctions of the Limited Partnership Agreement that may be significant to a particular prospective Limited Partner. Each prospective Limited Partner should examine this Memorandum, the Limited Partnership Agreement and the Subscription Documents accompanying this Memorandum in order to assure itself that the terms of the Limited Partnership Agreement and the Fund's investment program are satisfactory.

Prospective Limited Partners are invited to review any materials available to the General Partner relating to the Fund, the operations of the Fund and any other matters regarding this Memorandum. The General Partner will afford prospective Limited Partners the opportunity to ask questions of and receive answers from its representatives concerning the terms and conditions of the offering and to obtain any additional information to the extent that the General Partner or the Fund possess such information or can acquire it without unreasonable effort or expense.

An investment in the Fund is speculative and is not intended as a complete or diversified investment. It is designed only for experienced and sophisticated persons who are able to bear the risk of the substantial impairment or entire loss of their investment in the Fund.

The General Partner may in its absolute discretion and on a case by case basis exercise its discretion in relation to Limited Partners differently.

§4. THE FUND AND THE MASTER FUND

A. The Fund

The Fund is a collective investment vehicle organized and managed by the General Partner. The Fund is organized for the purpose of seeking capital appreciation and current return by trading Commodity Interests. The Fund was formed on March 27, 2014.

Substantially all of the assets of the Fund will be invested in a "master-feeder" fund structure in the Master Fund, an exempt company incorporated with limited liability under the laws of the Cayman Islands. The Fund will, through the Master Fund, buy and sell Commodity Interests as determined by the Trading Advisors for speculative profit.

The Offshore Feeder Fund, an exempted company incorporated with limited liability in the Cayman Islands, will also invest substantially all of its assets in the Master Fund and other investment vehicles may be formed in the future to invest in the Master Fund.

Each investment vehicle will invest in the Master Fund on substantially the same terms and conditions as the Fund and the Offshore Feeder Fund, subject to applicable legal, tax or regulatory considerations, and thus will generally participate in the Master Fund's gains, losses and expenses based on their interest in the Master Fund.

The Fund is a commodity pool privately offered pursuant to Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act. No offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful.

There have been no material administrative, civil, or criminal action, whether pending or concluded, within the five years preceding the date of this Memorandum against the Fund.

Past performance of the Fund may be found on page 23.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

B. The Master Fund

The Master Fund is an exempted company incorporated with limited liability in the Cayman Islands on March 10, 2014 under the Companies Law and empowered under its Memorandum and Articles of Association and the laws of the Cayman Islands to issue and redeem its own participating shares and to carry on investment activities. The Fund operates as a feeder fund into the Master Fund such that all, or substantially all, of the assets of the Fund are invested into the Master Fund. The Master Fund has elected to be treated as a Partnership for U.S. federal tax purposes. The Master Fund commenced trading in January 2017.

The General Partner also acts as Investment Manager of the Master Fund. The investment objective of the Master Fund is identical to that of the Fund. The investment objective and policy, investment restrictions and borrowing policy of the Master Fund (which will apply indirectly to the Fund as it will operate as a feeder fund) are set out below.

To the extent the Fund's capital is invested in the Master Fund, any or all of the fees and expenses payable by the Fund, are paid by the Fund or the Master Fund, but are not duplicated (other than fees and expenses incurred by both the Fund and the Master Fund such as, without limitation, administration fees and auditing fees).

Also, to the extent the Fund's assets are invested in the Master Fund, references to the Fund in this Memorandum will, where the context admits, include the Master Fund and references throughout this document to the investment objective, policy, restrictions and risk factors of the Fund will refer to the investment objective, policy, restrictions and risk factors of the Master Fund, unless the context otherwise requires.

The Fund and the General Partner intend to enter into one or more separate letter agreements, also referred to as "side letters," with certain Limited Partners pursuant to which such Limited Partners will receive more favorable terms than other Limited Partners with respect to: (i) fees (including substantially reduced, waived or rebated Management Fees, Trading Advisor Management Fees and Incentive Fees), (ii) expenses (including substantially reduced, waived or rebated Organizational Expenses, operating expenses and transactional costs), (iii) access to more frequent and/or more detailed information regarding the Fund, its performance and finances, and investments, (iv) preferential redemption and/or liquidity rights, and (v) other terms within the discretion of the Fund and the General Partner. Subject to applicable law, the Fund does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the Limited Partners that have entered into such agreements with the Fund or the General Partner.

The Offshore Feeder Fund also invests in the Master Fund. The Investment Manager may accordingly, from time to time, at its discretion, create parallel investment entities which will invest on the same terms and conditions as the Fund, subject to applicable legal, tax or regulatory considerations.

The Master Fund only accepts subscriptions from the Fund and any other feeder funds and such investment in the Master Fund is subject to a minimum initial subscription of \$100,000 (or the equivalent in any other currency) by the Fund or another feeder fund.

The Master Fund is managed by a director, which reviews the activities of the Investment Manager. The Master Fund currently has one director who serves in accordance with the laws of the Cayman Islands and in accordance with the Master Fund's Articles. The director's primary function is to supervise the general conduct of the affairs of the Master Fund. The director of the Master Fund has appointed the Investment Manager to perform and/or delegate certain management and administrative tasks on behalf of the Fund. The director of the Master Fund is Straits Financial Fund Management LLC. The director of the Master Fund acts in a non-executive capacity.

§5. INVESTMENT OBJECTIVE AND POLICY

A. Generally

The following is a description of the methodology that will be followed by the General Partner to manage the Fund's assets. The exact nature of the methodology is proprietary and confidential. The Fund's trading and allocation of assets to Trading Advisors is subject to regulatory oversight by the CFTC and NFA. Since the methodology utilized by the General Partner and the trading strategies utilized by the Trading Advisors are proprietary and confidential, the discussion that follows is of a general nature and not intended to be exhaustive.

B. Investment Objective and Policy

The investment objective of the Fund is, through its investment in the Master Fund, to generate superior risk adjusted returns through prudent investment in a wide range of Commodity Interests as directed by the Trading Advisors. There is no assurance that the Fund will achieve its investment objective or that the Fund and its Limited Partners will not incur losses. The trading deployed by the Trading Advisors to reach this objective will be speculative trading, directly and indirectly, of Commodity Interests on domestic and international exchanges and markets. The General Partner may also invest in trading programs offered by other Trading Advisors, as well as other programs offered by the Trading Advisors. The General Partner's investment objective may change in the future, as determined solely by the General Partner.

C. Trading Advisor Allocations

The General Partner will maintain separate Trading Advisor managed accounts in the name of the Master Fund at the Broker for each Trading Advisor for the purpose of engaging in trading Commodity Interests. The Master Fund's assets either will be held by the Broker and invested together with other customer segregated or secured funds of the Broker, or will be held in interest-bearing bank accounts or in cash management programs maintained by the General Partner as investment manager of the Master Fund. All interest income earned by the Fund (net of interest paid to the Broker and shared with the General Partner) will inure to the Fund. The General Partner as investment manager of the Master Fund may, at any time, modify its allocation among the Trading Advisors, select new or additional Trading Advisors, or remove a Trading Advisor.

D. Advisor Selection Methodology

The General Partner selects Trading Advisors for the Master Fund using a due diligence process in which the General Partner evaluates various factors. These factors include the Trading Advisor's trading approach, trading discipline, past draw downs (peak to valley), maximum yearly draw down, maximum historical draw down, risk to reward parameters and performance records. In addition, the General Partner evaluates the market and trading risks, the cost structure, distribution and redemption policy and the credit worthiness and stability of the Broker. While the selection process cannot guarantee future success, the General Partner believes the process can provide the basis for sound decision-making and can increase the potential for future success.

The Trading Advisors are not, however, selected in any scientific or precise manner. Such decisions are made in the General Partner's discretion, and prospective investors must not rely on the General Partner considering any specific factors in arriving at any such decision. In an effort to optimize its investment program, the General Partner may allocate, when appropriate, capital to investment funds or Trading Advisors who lack historical track records but, in the General Partner's judgment, offer exceptional potential. The General Partner may invest in other investment funds or appoint additional Trading Advisors at any time, and reallocate the Master Fund's assets among them. There is no restriction on the number or frequency of the changes which the Fund or Master Fund may make in other investment funds or Trading Advisors. As a result, the overall emphasis and diversity of the Master Fund's (and therefore the Fund's) allocation of assets may vary substantially from time to time.

The General Partner intends to use qualitative and quantitative tools to monitor monthly each Trading Advisors' activities on behalf of the Master Fund and track its performance against others in the industry.

E. Initial Trading Advisor, Program Selection and Allocation

The General Partner has made its initial selection of the Trading Advisor and trading program to commence the Fund's operations: the initial Trading Advisor is Dunn Capital Management, LLC ("Dunn Capital"); the trading program is the World Monetary & Agriculture program (which is allocated 100% of the Master Fund's assets allocated for trading purposes). The amount of Master Fund assets allocated to the Trading Advisor may vary from time to time in the sole discretion of the General Partner. The General Partner reserves the right, in its discretion, to add or remove Trading Advisors.

F. Potential Advantages of Investment in the Fund

An investment in the Fund is speculative and involves a high degree of risk. However, an investment in the Fund may offer the following potential advantages:

- Investment Diversification: An investor, who is not prepared to spend substantial time trading various commodity futures contracts or invest with various trading advisors, may, nevertheless, participate in several markets through the Fund with commodity trading advisors, thereby obtaining possible diversification. The General Partner believes that the profit potential of the Fund does not depend upon favorable general economic conditions, and that it is as likely to be profitable during periods of declining stock, bond and real estate markets.
- Limited Liability: Unlike an individual who invests directly in Commodity Interests, an investor in the Fund cannot be individually subjected to margin calls and cannot lose more than the amount of his original investment and any profits earned thereon (including distributions and payments upon redemption of Interests). In limited circumstances, if the Fund shall be unable to pay its debts, losses, and other obligations, a

Limited Partner may be required to repay to the Fund amounts which have been paid to the Limited Partner in compliance with the Illinois Act and the Limited Partnership Agreement and amounts which shall have been paid to him in violation of the Illinois Act or the Limited Partnership Agreement by way of redemption, distribution, or otherwise, together with interest, which shall represent a return of capital. This may be necessary to discharge the Fund's liability to creditors who have extended credit to the Fund during the period the capital contribution by the Limited Partner was held by the Fund.

- Negotiating Power: An investor opening an individual account may not be afforded the same negotiating power that the Fund may have. The General Partner may be able to negotiate reduced commission rates, management fee and incentive fees rates, and execution rates for the Fund and Master Fund since both funds generally will have more assets under management, compared to an investor's sole investment.
- Administrative Convenience: The Fund is structured to provide Limited Partners with numerous services designed to alleviate the administrative details involved in engaging directly in trading Commodity Interests, including monthly and annual financial reports (showing, among other things, the NAV of a Limited Partner's Interest, trading profits or losses, and expenses) and all tax information relating to the Fund necessary for Limited Partners to complete their income tax returns.

THERE CAN BE NO ASSURANCES THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVES.

NEITHER THIS POOL OPERATOR NOR ANY OF ITS TRADING PRINCIPALS HAS PREVIOUSLY OPERATED ANY OTHER POOLS OR TRADED ANY OTHER ACCOUNTS.

§6. THE GENERAL PARTNER

A. Generally

The General Partner of the Fund is responsible for all decisions concerning the investments of the Fund and the management of the assets of the Fund.

The General Partner is an Illinois limited liability company that was organized on December 1, 2013. The General Partner's business address is: 2 Bridge Avenue, Building 1, Suite 131, Red Bank, New Jersey 07701. The General Partner's telephone number is (312) 846-5660 and its facsimile number is (312) 846-5670 or fax@straitsoffm.com.

The General Partner's email address is info@straitsoffm.com. All books and records, along with any written policies of the General Partner are maintained at the business address of the Broker, which is 425 S. Financial Place, Suite 3990, Chicago, Illinois 60605, and are available for inspection during normal business hours and upon written request to the General Partner.

The General Partner became registered as a CPO with the CFTC on December 27, 2013 and became a member of NFA on December 27, 2013.

The General Partner is wholly owned by Straits USA Inc., a holding company. The principals of the General Partner are Joseph Randazzo, James Curley and Straits USA Inc. Biographical descriptions

of the principals are presented below.

The General Partner will devote so much of its time and effort to the affairs of the Fund as may, in its judgment, be necessary to accomplish the purposes of the Fund. However, it should be noted that the General Partner (or its principals, affiliates or employees) may conduct any other business including any business within the commodity futures industry whether or not such business is in competition with the Fund. Aside from its General Partner Interest, the General Partner will not have an ownership interest in the Fund.

There have been no material administrative, civil, or criminal action, whether pending or concluded, within the five years preceding the date of this Memorandum against the General Partner or its Principals.

B. Biographies of the Principals

The biographies of the Principals of the General Partner are as follows:

Biography of Joseph Randazzo

Mr. Randazzo became a registered AP of the General Partner in December 2013 and has been listed as a principal of the General Partner since December 2013. Mr. Randazzo is also a Managing Director of the General Partner, where he is responsible for overseeing the business strategy and sales of the General Partner.

Mr. Randazzo is also currently a Senior Vice President of Straits Financial LLC since May 2011. He became a registered AP of Straits Financial LLC in November 2011 and has since been responsible for the development of the Managed Futures product as well as developing futures and foreign exchange sales and he has been registered as the branch manager of the Straits Financial office in Red Bank New Jersey since July 2012.

From July 2013 to October 2014, Mr. Randazzo was a Senior Vice President of Straits Forex LLC where he was responsible for developing foreign exchange sales. In regard to Straits Forex LLC, Mr. Randazzo was (i) registered as an AP from July 2013 to October 2014, (ii) approved as an NFA Associate Member from July 2013 to October 2014, and (iii) registered as a forex AP from July 2013 to October 2014.

From December 2009 through May 2011, Mr. Randazzo worked as a self-employed consultant as well as an independent investor.

From June 2005 through November 2009, Mr. Randazzo served as a Managing Director Institutional Sales at FX Direct Dealer. He was responsible for FX marketing and product development for institutional clients.

Biography of James F. Curley

Mr. Curley became registered as an AP of the General Partner in December 2013 and has been listed as a principal of the General Partner since December 2013. Mr. Curley is also a Managing Director of the General Partner, where he is responsible for overseeing the business strategy and sales of the General Partner.

Mr. Curley is also currently a Senior Vice President of Straits Financial LLC, a position he has held since May 2011. As a Senior Vice President, he has responsibility for the development of the

Managed Futures product as well as developing futures and foreign exchange sales. In regard to Straits Financial LLC, Mr. Curley became registered as an AP in November 2011.

From July 2013 to October 2014, Mr. Curley was also a Senior Vice President of Straits Forex LLC where he was responsible for developing foreign exchange sales. In regard to Straits Forex LLC, Mr. Curley was (i) registered as an AP from July 2013 to October 2014, (ii) approved as an NFA Associate Member from July 2013 to October 2014, and (iii) registered as a forex AP from July 2013 to October 2014.

From January 2001 through May 2011, Mr. Curley served as the Chairman and CEO of Curley Investment Services. He was responsible for consulting on the development of alternative investment products relating to Unified Managed Accounts and investments such as hedge funds, managed futures and individually managed accounts.

In addition to these responsibilities, from November 2009 to May 2011, Mr. Curley served as a Director of Business at HedgeServ Corporation. He was responsible for sales development in fund administration.

From June 2005 through November 2009, Mr. Curley served as a Managing Director Institutional Sales at FXDD. He was responsible for FX marketing and product development for institutional clients.

Mr. Curley holds a BS in Marketing from St Peters College. He is a former director and executive committee member of the Chicago Board of Trade as well as a former director of NFA and the Futures Industry Association.

§7. THE TRADING ADVISOR

A. Generally

The General Partner may select Trading Advisors and trading programs that utilize a diverse array of Commodity Interests representing financial, energy, metal, foreign exchange and agricultural interests in the U.S. and worldwide. The General Partner does not directly control the trading or the selection of specific instruments traded by any Trading Advisors. Trading Advisors may not diversify across all instruments.

The General Partner, in its sole discretion, as investment manager of the Master Fund may allocate a portion of the Master Fund's assets to a Trading Advisor and may modify its allocation among the Trading Advisors or select new Trading Advisors at any time. Such allocation decisions may be made solely by the General Partner and without prior notice to the Limited Partners. However, the General Partner will provide thirty days prior notice to investors before the effective date of any addition of a Trading Advisor.

The Master Fund's Trading Advisors are responsible for directing the investment and reinvestment of the Master Fund's assets in accordance with the investment objective and policy described in § 5. In selecting a Trading Advisor for the Master Fund, the General Partner has, among other things, considered the Trading Advisor's trading approaches, trading disciplines, past draw downs (peak to valley), maximum yearly draw downs, maximum historical draw downs risk to reward parameters and performance records.

Initially, the General Partner will use Dunn Capital to serve as the Master Fund's Trading Advisor. The Master Fund will invest a portion of its assets in a trading program of Dunn Capital called the World Monetary & Agriculture program (which is allocated 100% of the Master Fund's assets allocated for trading purposes). The amount of Fund assets allocated to the Trading Advisor(s) may vary from time to time in the sole discretion of the General Partner. Generally, the General Partner anticipates allocating 15% to 35% of the Master Fund's assets to margin requirements for Commodity Interests traded pursuant to the Trading Advisor's trading program at any given time, but under certain circumstances this amount may be substantially lower or higher. The General Partner reserves the right to use other Trading Advisors, and other programs offered by Dunn Capital or to change its trading objective in the future. Neither Dunn Capital nor its principals will have an ownership interest in the Fund.

The biographies of the principals of Dunn Capital and a brief summary of its trading program and fees, as set forth in disclosure documents filed by the Trading Advisor with NFA, are set forth below. The description of the Trading Advisor, its principals and its trading program and fees are general and are not intended to be exhaustive. Because a Trading Advisor's trading methods generally are proprietary and confidential, it is not possible to provide a precise description of any such trading method. Furthermore, a Trading Advisor's disclosure documents may refer to specific aspects of their trading programs that may also be applicable to other trading advisors that did not choose to make specific reference to these aspects of their own trading programs. As a result, contrasts in the following descriptions may not, in fact, indicate substantive differences between the different programs involved.

In evaluating these descriptions, investors should be aware that the Trading Advisor selected for the Master Fund may change over time. Moreover, even if the same Trading Advisor continues to trade for the Master Fund, the Trading Advisor may make substantial changes to its trading programs. Limited Partners generally will not be advised when a Trading Advisor modifies its trading program.

The following descriptions have been provided by the Trading Advisor and not independently verified by the General Partner:

B. Dunn Capital Management, LLC

1. Generally

The Trading Advisor of the Fund is responsible for implementing and managing its trading program.

The Trading Advisor is a Delaware LLC, having converted from a corporation under Delaware law on December 31, 2009. The Trading Advisor's business address is: 309 SE Osceola St., Suite 350, Stuart, Florida, 34994. The Trading Advisor's telephone number is (772) 286-4777 and its facsimile number is (772) 286-5366.

The Trading Advisor became registered as a CPO and CTA with the CFTC on February 6, 1976, and became a member of NFA on July 1, 1982.

The Trading Advisor's main business is the management of commodity interest trading portfolios. The Trading Advisor also serves as general partner and trading advisor for several limited partnership commodity funds and as trading advisor for other commodity funds and for private accounts, which are offered pursuant to "qualified eligible persons" pursuant to CFTC Rule 4.7.

The principals of the Trading Advisor are Martin H. Bergin, James R. Curley, James R. Dailey, David A. Kauppi, David E. Dreyer, Daniel E. Dunn, Roberto Osorio, Carlos G. Alvarez, Patrick G.

Hamilton, Raymond J. Brinskelle, Jenny A. Kellams, Melissa L. Sprafkin, Stefan Wintner, The Martin H. Bergin Trust and the Martin H. Bergin Class A Trust. Biographical descriptions of the principals are presented below. The Trading Advisor is also listed as a Principal of Financial Consortium International, LLC ("FCI"), a registered Introducing Broker, as of October 1, 2015. The Trading Advisor was listed as a Principal of Halyard Asset Management, LLC ("Halyard"), an SEC registered investment adviser, from June 1, 2015 to June 19, 2016, due to the ownership interest in the firm which has been registered as a CPO during that timeframe.

2. Biographies of the Principals

Martin H. Bergin

Martin H. Bergin, born 1960, joined the Trading Advisor in September 1997 as Accounting Systems Manager and was promoted to Vice President & Chief Financial Officer in March 2001. In May 2007, Mr. Bergin was promoted to President while retaining the position of Chief Financial Officer. In December 2008, Mr. Bergin relinquished the position of CFO. Mr. Bergin was Assistant Secretary of Martin Money Management, Inc. (MMM) a CPO & CTA in July 2001 and served as the Vice President and Sole Director of MMM from January 2005 until November 2005. Mr. Bergin assumed the role of President of MMM where he was registered as an Associated Person and listed as a Principal from August 5, 2016 through January 8, 2018. Mr. Bergin earned a Bachelor of Science in Business Administration degree from George Mason University in 1987. He became a Certified Public Accountant in 1988. From June 1987 to October 1989 he was employed by the public accounting firm Sullivan and Company, Ltd. Mr. Bergin left his position as a partner with Homes Lowry Horn & Johnson, Ltd., a public accounting firm, with whom he had been employed from October 1989 to September 1997 immediately prior to joining the Trading Advisor. Mr. Bergin has been listed as a Principal of Financial Consortium International, LLC, a registered Introducing Broker and MyFuturesOnline.com LLC, also a Registered Introducing Broker since October 2015 due to ownership interests in those firms. Mr. Bergin was listed as a Principal of Halyard, an SEC registered investment adviser, from June 1, 2015 to June 2016, due to ownership interest in the firm which had been registered as a CPO during that time. Mr. Bergin has been listed as a Principal of the Trading Advisor since September 20, 2001 and as an Associated Person of the Trading Advisor since January 11, 2002.

James R. Curley

James R. Curley, born 1958 (no relation to James F. Curley of the General Partner) joined the Trading Advisor in September 2015 as Executive Vice President and Principal. Previously, Mr. Curley was registered as an Associated Person of the Trading Advisor from August 2007 to August 2009 and October 2010 to October 2011. Mr. Curley was Managing Member of Financial Consortium International LLC ("FCI"), a registered Introducing Broker from April 1997 to October 2015 and was registered with the same as an Associated Person and Principal from June 1997 to October 2015. Mr. Curley was also Managing Member of MyFuturesOnline.com, a registered Introducing Broker from November 2000 to October 2015 and was registered with the same as an Associated Person and listed as a Principal with MyFuturesOnline.com from January 2001 to October 2015. Mr. Curley was also an Associated Person of Revolution Capital Management LLC, a registered Commodity Trading Advisor and Commodity Pool Operator from July 2009 to August 2009, from May 2011 to September 2015 and from October 2015 to June 2016. Mr. Curley also an Associated Person of Dearborn Capital Brokers LTD, a registered Introducing Broker from January 2012 to May 2013. And Mr. Curley was an Associated Person and Principal of Optionhousefutures LLC, an Introducing Broker from August 2012 to January 2014. Mr. Curley has been registered as an Associated Person and listed as a Principal of the Trading Advisor since September 9th, 2015.

James R. Dailey

James R. Dailey III, born 1972, joined the Trading Advisor in March 2003 as a Financial Analyst, was promoted to Vice President of Finance in February 2007 and was promoted to CFO in December 2008. In March 2016, Mr. Dailey was promoted to Chief Executive Officer. Mr. Dailey earned a Bachelor of Science in Business Administration degree from The Pennsylvania State University in 1994. He became a Certified Public Accountant in 1995. From February 1995 to August 1998, Mr. Dailey was employed at the public accounting firm Holmes Lowry Horn & Johnson Ltd. Mr. Dailey left Holmes Lowry Horn & Johnson for graduate school. Mr. Dailey attended the University of Maryland from August 1998 to May 2000, graduating with a Master of Business Administration degree. Upon graduation, Mr. Dailey joined Marriott International, Inc., a hotel management company, where he worked as Manager of Corporate Financial Planning and Analysis from June 2000 until leaving in February 2003 to join the Trading Advisor. Mr. Dailey was listed as a Principal of Halyard, an SEC registered investment adviser, from June 1, 2015 to June 2016 during which time Halyard had been registered as a CPO and is currently the CFO for the firm. Mr. Dailey became Vice President of Martin Money Management, Inc. (MMM) a CPO & CTA in July 2015 and was listed as a Principal and registered as an Associated Person from July 1, 2015 through January 8, 2018. Mr. Dailey has been listed as a Principal of the Trading Advisor since March 13, 2007 and registered as an Associated Person of the Trading Advisor since November 17, 2003.

David E. Dreyer

David E. Dreyer, born 1962, joined the Trading Advisor in June 2008 as General Counsel. Mr. Dreyer earned a Bachelor of Science degree with honors in accounting from Bob Jones University in 1987; a J.D. degree with high honors from the University of Florida in 1993 and was admitted to the *Order of the Coif*; and a LL.M degree in taxation from the University of Florida in 1994. Mr. Dreyer is a member of the Florida Bar, and is listed in Woodward & White's publication *The Best Lawyers in America*. Mr. Dreyer practiced law as a shareholder with the law firm of Jones, Foster, Johnston & Stubbs, P.A. in West Palm Beach from June 2003 until leaving in June 2008 to join the Trading Advisor. Mr. Dreyer was listed as a Principal of Halyard, an SEC registered investment adviser, from June 1, 2015 to December 2015 due to the ownership interest in the firm which had been registered as a CPO during that timeframe. Mr. Dreyer has been listed as a Principal of the Trading Advisor since August 21, 2008 and registered as an Associated Person of the Trading Advisor since April 17, 2009.

Daniel E. Dunn

Daniel E. Dunn, Ph.D., M.D., born 1961, first joined the Trading Advisor as a programmer/analyst from December 1975 to June 1978. In 1982, he earned a Bachelor of Arts in Biological Sciences degree from the University of Virginia, Phi Beta Kappa; in 1988 he earned a Ph.D. in Immunology from the University of Chicago and, in 1990, an M.D. degree from the same institution. He subsequently trained, taught and conducted post-doctoral research at Stanford University from June 1990 through June 1993, the National Institutes of Health from July 1993 to January 1999 and at Johns Hopkins University during 1994 and was named an Assistant Professor at the University of Utah from March 1999 to May 1999. Dr. Dunn has published over 20 articles and chapters in peer-reviewed journals and textbooks. In March 1999, he rejoined the Trading Advisor as a Senior Associate. Dr. Dunn was listed as a Principal of Martin Money Management, Inc. (MMM) a CPO & CTA from November 1999 until July 2016 and registered as an Associated Person from July 14, 2000 until July 2016. In November 1999, Dr. Dunn was promoted to Vice President, then to Executive Vice President of the Trading Advisor in January 2001 and held the position of Chief Executive Office of the Trading Advisor from December 2003 through December 2006. He currently holds the title of Vice President, Systems Analyst at the Trading Advisor. Dr. Dunn has been listed as a Principal of the Trading Advisor since November 8, 1999 and registered as an Associated Person of the Trading Advisor since March 2, 2000.

Roberto Osorio

Roberto Osorio, Ph.D., born 1954, joined the Trading Advisor in February 2011 as a Senior Research Analyst and was promoted to Vice President, Systems Development, in September 2015. A Ph.D. in Physics from the University of California at Berkeley, Dr. Osorio was, from January 2008 to January 2011, Director of Short-Term Strategies at Evnine & Associates, LLC, an equities hedge fund in San Francisco, where he helped develop trading signals-and portfolio optimization methods. At the Trading Advisor, he has been in charge of designing and coding new trading systems on futures contracts, of improving our signal generation and risk-control algorithms, and of supervising research in futures and equities. He has been listed as a Principal at the Trading Advisor since September 9, 2015 and an Associated Person of the Trading Advisor since September 18, 2013.

Carlos G. Alvarez

Carlos G. Alvarez, born 1959, joined the Trading Advisor as Senior Trader in January 1998 and was promoted to Vice President in December 2002. Mr. Alvarez received a Bachelor of Arts in Economics degree from the University of Colorado in 1982. Mr. Alvarez became Vice President of Martin Money Management, Inc. (MMM) a CPO & CTA in November 2005 where he was listed as a Principal and registered as an Associated Person from November 7, 2005 to January 12, 2015. Mr. Alvarez has been listed as a Principal of the Trading Advisor since May 24, 2003 and registered as an Associated Person of the Trading Advisor since February 24, 1998.

Patrick G. Hamilton

Patrick G. Hamilton, born 1973, joined the Trading Advisor as a Trading Specialist in June 2001 and was promoted to Vice President, Operations in June 2007. Mr. Hamilton received a Bachelor of Arts in Political Science from the University of Central Florida in 1995. Mr. Hamilton has been listed as a Principal of the Trading Advisor since June 14, 2007 and registered as an Associated Person of the Trading Advisor since August 16, 2001.

Raymond J. Brinskelle

Raymond J. Brinskelle, born 1960, joined the Trading Advisor as a Trading Specialist in August 2001 and was promoted to Vice President, Investor Relations in July 2007. Mr. Brinskelle received a Bachelor of Science degree in Finance from Depaul University in 1985. Mr. Brinskelle has been listed as a Principal of the Trading Advisor since July 16, 2007 and registered as an Associated Person of the Trading Advisor since October 26, 2001.

David A. Kauppi

David A. Kauppi, born 1974, joined the Trading Advisor in April 2001 as a Financial Analyst and was promoted to Vice President, Compliance in July 2007. In July 2015, Mr. Kauppi left the Trading Advisor to return to the Washington D.C. area where both he and his wife were born and raised. During this time, he pursued an outside business venture by investing in a franchised furniture and electronics rental retailer, Buddy's Home Furnishings, which he still maintains an investment in. Mr. Kauppi rejoined the Trading Advisor in March 2016 as the Chief Financial Officer. Mr. Kauppi earned a Bachelor degree in Business Administration from James Madison University in 1996. He became a Certified Public Accountant in 1997. From June 1996 to October 1998, he was employed by the public accounting firm Homes Lowry Horn & Johnson. He served as the Accounting Manager for Greenstone, a manufacturing company and subsidiary of Louisiana-Pacific from October 1998 to July 1999. Mr. Kauppi left his position as Controller of Unibex, Inc., an internet start up company, with whom he had been employed from July 1999 to April 2001, immediately prior to joining the Trading Advisor. Mr. Kauppi served as Vice President of Martin Money Management, Inc. a CPO & CTA where he has been listed as a Principal

and registered as an Associate Person from January 2015 to July 2015. Mr. Kauppi has been listed as a Principal of the Trading Advisor and registered as an Associated Person of the Trading Advisor since March 2016.

Melissa L. Sprafkin

Melissa L. Sprafkin, born 1986, joined the Trading Advisor as an Associate in December 2010 and was promoted to Vice President, Investor Relations in November 2016. Ms. Sprafkin received her Bachelor of Science degree in Organizational Management from Indian River State College in May 2011. Ms. Sprafkin has been listed as a Principal of the Trading Advisor since November 2, 2016 and registered as an Associated Person of the Trading Advisor since September 23, 2011.

Jenny A. Kellams

Jenny A. Kellams joined the Trading Advisor as Vice President of Business Development in September 2011. Ms. Kellams earned a Bachelor of Business Administration degree in Finance from Pace University in 1999. She began her career in the securities industry in September 2000 with A.G. Edwards & Sons, Inc., a previously registered SEC investment adviser, as a Financial Advisor. She left in April 2003 to start her own investment management firm, JK Financial Group, Inc. and was affiliated with an independent broker-dealer, LPL Financial, Inc., until she sold her company and joined the Trading Advisor in September 2011. Ms. Kellams has been listed as a Principal of the Trading Advisor since November 2, 2016 and registered as an Associated Person of the Trading Advisor since October 18, 2011.

Stefan Wintner

Stefan Wintner, MBA, CFA, FRM, born 1982, joined the Trading Advisor in January 2017 as a Vice President, Volatility Strategies. In 2004, he earned a Master's degree in Business Administration from the University of Economics and Business Administration in Vienna, Austria. In 2003 he earned the Financial Risk Manager (FRM) designation from the Global Association of Risk Professionals. In 2008 he became a Chartered Financial Analyst (CFA) charter holder. From August 2012 to March 2013, he worked for Independent View AG in Zug, Switzerland, which was a non-CFTC registered Commodity Trading Advisor, as a partner and portfolio manager focusing on long term trend following and volatility trading. He implemented and managed a volatility trading strategy he had developed. In March 2013, Mr. Wintner founded SigmaSquare Capital AG, in Zurich, Switzerland, a proprietary investment research firm. It took two months to get the company up and running. His employment with SigmaSquare official began in May 2013. As CEO, he focused exclusively on volatility as an asset class. He was employed at SigmaSquare Capital AG until December 2014. From October 2014 to November 2016, he was employed by Systematic Absolute Return AG in Zurich, Switzerland, an asset manager focusing on systematic intraday equity strategies as a partner, director and portfolio manager. In December 2016, Mr. Wintner was not working as he prepared for his move to the United States. He has been listed as a Principal of the Trading Advisor since March 2017 and an Associated Person of the Trading Advisor since January 2018.

3. Overview of the Trading Program

The Master Fund intends to allocate substantially of all its assets to a separately managed account based upon the Trading Advisor's World Monetary & Agriculture program, or "WMA." The Advisor primarily trades commodity futures on agricultural products, energies, equity indices, financials and precious metals on the Chicago, Board of Trade, Chicago Mercantile Exchange, New York Mercantile Exchange and Intercontinental Exchange. From time to time, the Trading Advisor may trade other commodity futures, and options thereon, and in other markets, both on domestic and foreign exchanges.

The Trading Advisor also reserves the right to place trades on any exchange, foreign or domestic, at its sole discretion. It is anticipated that at any given time approximately 7% of the Master Fund's assets will be committed as margin for Commodity Interest contracts traded on foreign exchanges. In essence, the Trading Advisor's trading program seeks to achieve a high level of return commensurate with the risks of futures trading.

WMA was first implemented in 1984 and has been modified from time to time as research indicated improvements. The basic trading strategy of the Trading Advisor's WMA program is to hold continuous positions (either long or short) with the major price trend of each future in the portfolio. This approach is designed to capture a substantial fraction of the total profit potential from non-trivial changes in a future's price. WMA seeks neither to predict when the next important move will occur nor when a particular future or group of futures will enter a choppy and unprofitable trading phase. The program instead carries the position in each market judged most likely to capture trends, while simultaneously attempting to maintain a balanced, diversified, calibrated risk posture for each account. This approach is expected to contain the inevitable series of losses and whipsaws within tolerable limits and leave the accounts in a position to benefit from major price trends whenever they develop. Since the firm's inception in 1974, the Trading Advisor's portfolio exposure had been calibrated to a 1:100 chance of a -20% loss or more in a rolling one month period.

From inception until January 23rd, 2013, the -20% threshold was penetrated 4 times in 339 months or 1.18% (well within statistical precision of the 1% target). After extensive research and testing, the Trading Advisor's risk target is no longer fixed. Instead, the new risk-management methodology, referred to as Adaptive Risk Profile ("ARP"), gears the portfolio's VaR to current market conditions. ARP serves to establish the size of WMA's portfolio positions based on a proprietary metric that incorporates expected returns, volatility and inter-market correlations. Extensive simulations show a VaR for WMA at the 99% confidence level in the range of -22% to -8%, with an average VaR of -15%. The long-term annualized volatility of WMA is expected to be about 24%. WMA's risk target now varies daily and is high only when a preponderance of models are in agreement and the correlation matrix of positions is favorable. This new risk-management methodology is referred to as ARP. ARP serves to establish the size of WMA's portfolio positions based on a proprietary metric that incorporates expected returns, volatility and inter-market correlations.

In general terms, WMA and WMA Institutional are technical, long-term, major trend following, reversal programs that scale their long or short positions in accordance with the estimated strength or weakness of a particular market's trending. All decisions necessary to implement the strategy are derived from proprietary computer programs designed by the Trading Advisor.

From time to time, market conditions may be such that, in the opinion of the Trading Advisor, execution of trades recommended by the strategy would be difficult or involve undue risk. In these unusual instances, the computer recommendations may be modified or not taken by the Trading Advisor. In addition, the market may occasionally present unique trading opportunities (not signaled by the strategy) that the Trading Advisor may enter into, using its general risk control methodology.

WMA has been and will continue to be under continuous review for the purpose of researching and developing improvements. Whenever additional program improvements are developed, they will generally be implemented in as expeditious a manner as possible without seeking prior approval from the Trading Advisor's clients. If, however, the Trading Advisor considers the changes or modifications to be material, clients will be informed in a timely fashion. In March of 2006, the number of futures traded increased from 26 to 52 and the number of models for each future was increased from 3 to over 20. In January 2013, the Trading Advisor's research team revamped the process in which the program systematically selects the optimal parameter sets that are used to generate signal strength for both of WMA's underlying sub-systems. The Trading Advisor also re-designed the risk budgeting methodology

for these two trading algorithms. In February 2016, a short-biased relative value strategy using VIX futures was implemented with 5% of overall portfolio risk. Beginning in early August 2018, DUNN altered this existing volatility strategy with an enhanced, market-neutral volatility strategy. The new, enhanced volatility strategy combines VIX and S&P 500 futures as well as verticle spreads on options on S&P futures. The allocation to the combined original and enhanced volatility strategies will remain the same at 5% of WMA’s overall portfolio risk.

§8. PAST PERFORMANCE

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. NO REPRESENTATION IS MADE THAT THE MASTER FUND, THE FUND OR THE TRADING ADVISOR WILL OR ARE LIKELY TO ACHIEVE RESULTS SIMILAR TO THOSE SHOWN IN ANY PERFORMANCE CAPSULE.

There can be no assurance nor should it be assumed that future performance of the Fund will conform to any performance history set forth in this Memorandum or that the Fund’s investments will be able to avoid losses. The performance results set forth in this Memorandum are provided for illustrative purposes only and may not be indicative of the future investment results of the Fund. An investment in the Fund can lose value.

Month	Percentage Rate of Return¹	Percentage Rate of Return¹
	Y-T-D 2018	2017
January	12.29%	-0.19%
February	-19.86%	4.63%
March	-0.60%	-1.17%
April	5.06%	-0.91%
May	-6.80%	-0.84%
June	0.52%	-3.23%
July	-1.85%	-2.58%
August	3.6%	-0.80%
September	2.79%	-0.02%
October	-	12.21
November	-	2.59
December	-	4.95
Year Rate of Return²	-7.99%	14.55%

Name of PoolStraits Financial Premier (U.S. Feeder) Fund I, L.P.
 Name of Commodity Pool OperatorStraits Financial Fund Management LLC

Name of Commodity Trading Advisor	Dunn Capital Management, LLC
Type of Pool.....	Privately Offered
Inception of Trading	January 24, 2017
Aggregate Subscriptions as of 09/30/2018	\$12,304,974
Current Net Asset Value as of 09/30/2018	\$9,519,521
Worst monthly draw-down ³	-19.86%(February 2018)
Worst peak-to-valley draw-down ⁴	-23.05%(February 2018-July 2018)

NOTES TO PERFORMANCE TABLE:

The following notes apply to the performance table set forth above:

1. "Percentage Rate of Return" represents the percentage change in net asset value during the month.
2. "Year Rate of Return" represents the monthly compounded rate of return over twelve months.
3. "Worst monthly draw-down" is the largest monthly trading loss experienced by the pool in any calendar month covered by the capsule, expressed as a percentage of total equity.
4. "Worst peak-to-valley drawdown" is the greatest cumulative percentage decline in net asset value during any period covered by the capsule in which the initial value is not equaled or exceeded by a later value, measured on a monthly basis.
5. All performance results are net of fees and expenses.

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The following table contains capsule performance data for the Trading Advisor's WMA Program, which is the trading program into which the Master Fund allocates its assets through a separately managed account. The Trading Advisor has provided this information to the Master Fund and such information has not been independently verified by the General Partner, the Master Fund or Fund. The Trading Advisor's information is based solely upon the information set forth in the Trading Advisor's disclosure document. As of the date of this Memorandum, the Master Fund does not intend to allocate any of its assets to other trading programs or Trading Advisors, but the General Partner reserves the right to do so in the future.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

DUNN Capital Management, LLC
WMA Program
Composite Performance Table

Month	Percentage Rate of Return ¹					
	2018 YTD	2017	2016	2015	2014	2013
January	10.72	-0.51	4.16	8.52	-4.35	-0.23
February	-19.66	5.87	2.52	-3.87	-1.76	16.79
March	-0.38	-0.94	-4.04	9.30	-1.91	3.22
April	5.80	-0.29	-3.38	-10.78	2.23	10.59
May	-6.78	-0.74	0.16	4.65	-2.33	-6.67
June	1.38	-3.14	12.42	-10.72	4.04	-1.66
July	-1.54	-2.54	0.38	16.60	-1.12	-0.45
August	3.71	-0.48	-3.54	-2.41	9.83	-4.81
September	2.63	0.23	1.46	4.97	7.04	-4.56
October		14.11	-12.18	-3.85	0.22	5.81
November		3.38	-3.72	6.10	13.43	10.00
December		6.11	2.17	-4.24	7.22	4.40
Year Rate of Return²	-7.13	21.70	-5.39	10.92	35.65	34.16

Name of CTA.....DUNN Capital Management, LLC
 Inception of Trading by the CTA..... October 1974
 Inception of Trading Pursuant to the Current Program..... November 1984
 Number of Accounts Traded Pursuant to the Program..... 11
 Total Nominal Assets Under Management Pursuant to this Program\$632,183,368
 Total Nominal Assets Under Management by CTA.....\$1,063,871,906
 Worst monthly draw-down³..... -19.66% (February 2018)
 Worst peak-to-valley draw-down⁴..... -21.21% (Feb. 2018 – Jul. 2018)

Number of profitable accounts that have opened and closed during the reporting period:..... 1
 Performance Range for profitable accounts that have opened & closed during the reporting period:..... 56.93%
 Number of losing accounts that have opened and closed during the reporting period: 1

Performance Range for losing accounts that have opened & closed during the reporting period:-10.27%

NOTES TO PERFORMANCE TABLE:

The following notes apply to the performance table set forth above:

1. "Percentage rate of return" represents the percentage change in net asset value during the month.
2. "Year rate of return" represents the monthly compounded rate of return over twelve months.
3. "Draw-down" means losses experienced by a trading program over a specified period.
4. "Worst peak-to-valley drawdown" is the greatest cumulative percentage decline in net asset value during any period in which the initial value is not equaled or exceeded by a later value, measured on a monthly basis.

All performance results are inclusive of a 0% management fee and a 25% incentive fee.

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PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

THE FUND WILL NOT UTILIZE OR TRADE THIS TRADING PROGRAM. THE FOLLOWING PERFORMANCE RESULTS ARE ONLY BE PROVIDED AS PAST PERFORMANCE OF THE TRADING ADVISOR.

DUNN Capital Management, LLC
WMA Institutional Program
Composite Performance Table

Month	Percentage Rate of Return ¹					
	Y-T-D 2018	2017	2016	2015	2014	2013
January	5.41	-0.24	2.11	4.18	-1.77	0.14
February	-9.66	2.88	1.20	-1.89	-0.74	7.96
March	-0.10	-0.42	-1.75	4.56	-0.93	1.22
April	2.81	-0.08	-1.66	-5.48	1.14	4.25
May	-3.24	-0.30	0.13	2.58	-1.15	-3.36
June	0.75	-1.50	6.10	-5.53	2.04	-0.69
July	-0.63	-1.20	0.41	7.92	-0.48	-0.11
August	1.85	-0.13	-1.48	-1.28	4.62	-2.25
September	1.41	0.19	0.90	2.54	3.49	-2.28
October		6.93	-6.48	-1.95	0.19	3.00
November		1.81	-1.49	3.05	6.45	4.81
December		2.66	1.20	-2.07	3.57	2.22
Year Rate of Return²	-2.15	10.81	-1.28	5.82	17.30	15.29

Name of CTA.....DUNN Capital Management, LLC
 Inception of Trading by the CTA..... October 1974
 Inception of Trading Pursuant to the Current Program..... October 2011
 Number of Accounts Traded Pursuant to the Program 2
 Total Nominal Assets Under Management Pursuant to this Program\$431,688,538
 Total Nominal Assets Under Management by CTA.....\$1,063,871,906
 Worst monthly draw-down³.....-9.66% (Feb. 2018)
 Worst peak-to-valley draw-down⁴.....-10.21% (Feb 2018 – May 2018)

Number of profitable accounts that have opened and closed during the reporting period:..... 1
 Performance Range for profitable accounts that have opened & closed during the reporting period: 15.39%
 Number of losing accounts that have opened and closed during the reporting period: 0
 Performance Range for losing accounts that have opened & closed during the reporting period: N/A

NOTES TO PERFORMANCE TABLE:

The following notes apply to the performance table set forth above:

1. "Percentage rate of return" represents the percentage change in net asset value during the month.
2. "Year rate of return" represents the monthly compounded rate of return over twelve months.
3. "Draw-down" means losses experienced by a trading program over a specified period.
4. "Worst peak-to-valley drawdown" is the greatest cumulative percentage decline in net asset value during any period in which the initial value is not equaled or exceeded by a later value, measured on a monthly basis.

All performance results are inclusive of a 0% management fee and a 25% incentive fee.

§9. FEES AND EXPENSES

A. Generally

Investments in the Fund will be subject to different fees and expenses of the Fund and the Master Fund as more fully described below. The Fund or the General Partner may waive, reduce or rebate all or any *pro rata* portion of any fees (including, but not limited to the Management Fee, the Trading Advisor Management Fee and the Trading Advisor Incentive Fee) or expenses (including, but not limited to Organizational Expenses, operating expenses and transactional costs) for certain Limited Partners pursuant to side letter agreements.

B. Management Fee

Initial and additional subscriptions will be charged an amount equal to 1% of the subscription amount, which will be considered part of the Fund's management fee (the "Management Fee"). Thereafter, for the first twelve months of a subscription, the Limited Partner will pay his or her *pro rata* share of a monthly Management Fee equal to 0.83% (1% per annum) of the Fund's NAV, which will be calculated and paid monthly as of the end of each calendar month to the General Partner. Thereafter, beginning as of the first anniversary date of a subscription, the Limited Partner will pay his or her *pro rata* share of a monthly Management Fee equal to 0.167% (2.0% per annum) of the Fund's NAV, which will be calculated and paid monthly as of the end of each calendar month to the General Partner. The Management Fee is calculated after all accrued Trading Advisor management fees, if any and incentive fees (if any), accrued operating expenses and possible accrued selling commissions and before any partner redemptions are accrued for the month. The Management Fee charged by the General Partner will be charged regardless of the Fund's profitability and regardless of whether the Fund has any carry forward losses.

C. Trading Advisor Management Fee

The Master Fund may pay one or more Trading Advisors a management fee ("Trading Advisor Management Fee"), which typically ranges from 0% to 2% per annum and is usually paid on a monthly basis. Calculation of a Trading Advisor Management Fee may vary and could be calculated on the net asset value of the Master Fund assets allocated to the Trading Advisor, the nominal account size of any

account of the Master Fund managed by the Trading Advisor or another method. A Trading Advisor's Management Fee is typically charged regardless of the Fund's profitability and whether the Fund has any carry forward losses. Any Trading Advisory Management Fee would be agreed upon by the General Partner as investment manager of the Master Fund in an advisory agreement entered into between the Master Fund and the Trading Advisor. Dunn Capital does not charge a management fee.

D. Trading Advisor Incentive Fee

The Master Fund may pay one or more Trading Advisors an incentive fee (the "Trading Advisor Incentive Fee") generally equal to a percentage of the excess of any Net New Profits of assets of the Master Fund allocated to the Trading Advisor. Any Trading Advisor Incentive Fee may be paid as of the close of each calendar month, quarter or year, but most incentive fees are paid monthly. Trading Advisor Incentive Fees may also be paid as of the date a Limited Partner withdraws all or a portion of its Interests. The computations required to be made for purposes of calculating a Trading Advisor Incentive Fee, including the amount of unrecovered net losses, is typically appropriately adjusted to reflect contributions and withdrawals by Limited Partners.

Pursuant to its written advisory agreement, Dunn Capital will charge the Master Fund a monthly Trading Advisor Incentive Fee equal to 25% of the "Net New Profits" for the calendar month. For purposes of Dunn's Trading Agreement with the Master Fund, "Net New Trading Profit" means, with respect to any calendar month, (A) the net of profits and losses from futures positions liquidated during the month (after deduction of Direct Trading Expenses as defined below), plus (B) the change in net unrealized profits (or losses) on open positions in the managed account of the Master Fund as of the end of the month versus the amount of such unrealized profits (or losses) on open positions in the managed account of the Master Fund as of the end of the preceding month, in both cases after deduction of accrued Direct Trading Expenses that would be paid on liquidation of the open positions, and minus (C) the "Loss Carryforward" which is any cumulative net realized and unrealized trading losses (including Direct Trading Expenses) incurred in the Master Fund's managed account since the last preceding calendar month for which an Incentive Fee was payable. Interest income shall not be included in Net New Trading Profit or Loss Carryforward. "Direct Trading Expenses" are brokerage commissions, exchange fees, NFA fees and give-up fees.

If the amount allocated by the Master Fund to Dunn Capital is decreased upon the General Partner's instruction, then any Loss Carryforward referred to in the paragraph immediately above shall be decreased by multiplying such losses by a fraction, the numerator of which shall be the amount allocated after such decrease and the denominator of which will be the amount allocated before such decrease.

Dunn Capital will not receive any commission, compensation, remuneration or payment whatsoever from the Broker or any other broker with respect to the Master Fund's managed account. No expense, fee, cost, charge or other liability shall be used to calculate Net New Trading Profits or Loss Carryforward unless it is a Direct Trading Expense (as defined above).

The General Partner will also receive 20% of the Trading Advisor Incentive Fee payable to Dunn Capital Management, LLC as the Trading Advisor (*i.e.*, 5% of the 25% Trading Advisor Incentive Fee).

E. Transaction Costs and Brokerage Commissions

The Fund and its Limited Partners will pay its *pro rata* share of the Master Fund's brokerage commissions paid to the Broker, which will be responsible for carrying the Master Fund's trading accounts and clearing all trades. This commission structure is set by the General Partner. The commissions charged will range from \$2.00 to \$4.00 per half turn (excluding exchange and regulatory fees) for transactions executed on U.S. and foreign exchanges. With respect to the commission rate, the

General Partner will receive up to 50% per half turn. It is expected that foreign brokerage commission rates are charged to the Master Fund in U.S. dollars. Brokerage commissions (including regulatory and exchange fees) will be paid directly from the Master Fund's brokerage account.

The brokerage rates payable by the Master Fund may be modified from time to time. The General Partner may, but is not required to, negotiate lower commission rates with the Broker as the size of the Master Fund increases.

Although it is not the intention of the General Partner to do so, it may be necessary on occasion for the Master Fund to accept or make delivery of the physical commodity. In the event of such a delivery, it may be necessary for the Master Fund to borrow money. Such borrowing may be arranged through the Broker at rates above the market rate for short-term loans and will be an expense of the Master Fund. The Master Fund also pays for all back office transfer fees and give-up trades. Give-up trades are trades that are executed on the floor of the exchange by a broker other than the Broker that carries the Master Fund account. Generally, give-up fees are approximately \$0.75 to \$1.00 per side, per contract.

F. Other Expenses

The General Partner is authorized to incur and pay in the name and on behalf of the Fund all expenses, which it deems necessary or advisable.

The General Partner has advanced to the Fund the Organizational Expenses. The Fund will reimburse the General Partner the full amount of the Organizational Expenses, and the Fund will assume the Organization Expenses, which will be paid by the Limited Partners over 60 equal monthly installments, which began on March 1, 2017. The Organizational Expenses are \$261,874.00.

The Fund will be responsible for its ongoing operating expenses, which include the Fund's own, and its *pro rata* share of the Master Fund's, legal, accounting, auditing and other professional expenses, administration expenses, bank service fees and any other reasonable expenses related to the operations of the Fund and the Master Fund, all as shall be determined by the General Partner in its sole discretion. The General Partner expects that ongoing operating expenses of the Fund, and its *pro rata* share of the Master Fund's operating expenses, will not exceed two and a half percent (2.5%) of the Net Asset Value of the Fund per annum. The Fund will also be responsible for any extraordinary expenses.

G. Selling Agent Commissions

The General Partner may use Selling Agents to effect transactions in the Interests. All such Selling Agents shall be registered as brokers with the Securities and Exchange Commission. Any compensation paid to Selling Agents retained by the General Partner will be paid from the General Partner's own funds.

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§10. BREAK-EVEN ANALYSIS

The following break-even analysis shows the fees and expenses that a Limited Partner would incur on an investment in the Fund and the amount that the investment must earn to break-even after one year. Please note that the break-even analysis assumes that the Trading Advisor will receive an Incentive Fee, which may or may not be the case depending on whether the Trading Advisor generates any Net New Profits. All initial and additional subscriptions will pay a 1% Management Fee, so for a \$10,000 investment, \$100.00 will be paid as the initial 1% Management Fee and \$9,900 will be invested in the Fund. For purposes of calculating the figures in the break-even analysis below after payment of the initial Management Fee, the initial investment after the 1% Management Fee is \$9,900. The break-even analysis below is based on: (i) \$9,519,521, which is the net asset value of the Fund as of September 30, 2018; and (ii) \$15,000,000 in aggregate assets of the Fund after the first year. For the current net asset value of \$9,519,521, a minimum investment (after the 1% Management Fee) of \$9,900 would represent a 0.001% ownership in the Fund. For \$15,000,000, a minimum investment (after the 1% Management Fee) of \$9,900 would represent a 0.00066% ownership in the Fund.

Break-Even Analysis

Routine Expenses	Based on a Net Asset Value of the Fund of \$ 9,519,521 as of 09/30/18		Based on \$15,000,000 in Aggregate Assets in First Year	
	Annual Percentage Return Required	Annual Dollar Return Required	Annual Percentage Return Required	Annual Dollar Return Required
Initial Management Fee	1.00%	\$100.00	1.00%	\$100.00
Offering Expenses (1)	0.55%	\$55.00	0.35%	\$34.57
Monthly Management Fee (2)	1.00%	\$99.00	1.00%	\$99.00
Trading Advisors Management Fees (3)	0.00%	\$0.00	0.00%	\$0.00
Trading Advisors Incentive Fees (3)	1.68%	\$168.00	1.62%	\$161.19
Operating Expenses (4)	2.50%	\$250.00	2.50%	\$250.00
Brokerage Fees (5)	0.50%	\$49.50	0.50%	\$49.50
Less Interest Income Payable to the Fund(6)	(0.06%)	(\$6.31)	(0.06%)	(\$6.31)
BREAK-EVEN POINT	7.15%	\$715.19	6.88%	\$687.95

- (1) Offering Expenses for the Fund of \$261,874.00 were paid by the General Partner. The General Partner will be reimbursed by the Fund for the full amount, and Limited Partners make payments to the Fund in 60 equal monthly installments, which began on March 1, 2017.
- (2) During the first year of an investment, the General Partner will charge a Management Fee of 1% of the subscription amount and 1% of the NAV of the Fund per annum. Thereafter, the General Partner charges a 2% per annum Management Fee on the net assets of the Fund computed in accordance with Generally Accepted Accounting Principles, consistently applied. This fee will be computed and charged on a monthly basis.
- (3) Dunn Capital as Trading Advisor will not charge a Trading Advisor Management Fee. However, the break-even analysis assumes that Dunn Capital will charge a Trading Advisor Incentive Fee of 25% of Net New Profits, of which the 20% will be allocated to the Trading Advisor and 5% will be allocated to the General Partner.
- (4) The General Partner assumes operating expenses of 2.5% of the Net Asset Value of the Fund per annum. For purposes of the Break-Even Analysis, 2.5% is calculated after payment of the initial Management Fee.
- (5) Brokerage Fees are estimated based on trading volume and trading activity by the Trading Advisors. Although actual brokerage costs may vary substantially based on market conditions, Dunn Capital estimates that brokerage commissions will equal 0.50% of the NAV of the Master Fund based on prior managed accounts with similar commission rates. The Fund will bear its pro rata share of the Master Fund's brokerage commissions. For purposes of the break-even analysis, the Fund's share of brokerage commissions of the Master Fund is calculated based on: (i) \$9,519,521; and (ii) \$15,000,000.
- (6) It is expected based on an increase in assets, efficient allocation of cash to interest bearing investments such as certificates of deposit, Treasury Bills, interest paid by the Broker on equity balances (less a portion paid the General Partner), and other interest paying investments, the Fund expects to return approximately 0.085% on 75% of the assets. Therefore, $\$9,519,521 \times 75\% = \$7,139,641 \times 0.085\%$ interest rate = \$6,608.69, and $\$15,000,000 \times 75\% = \$11,250,000 \times 0.085\%$ interest rate = \$9,562.50. Each \$9,900 investment after payment of the initial 1% Management Fee should expect to receive \$6.31 in interest ($\$7,425 \times 0.085\%$) on an annual basis. The interest income will therefore defray a portion of the ongoing expenses listed above.

THERE CAN BE NO ASSURANCE THAT THE EXPENSES TO BE INCURRED BY THE FUND WILL NOT EXCEED THE AMOUNTS AS PROJECTED OR THAT THERE WILL BE NO FURTHER EXPENSES.

THE BREAKEVEN POINT PRESENTED ABOVE IS BASED ON ESTIMATED ASSETS WITHIN THE FIRST YEAR OF THE INVESTMENT. IF THE FUND RECEIVES MORE INVESTMENTS DURING THE YEAR THAT EXCEED THE LEVELS USED IN THE AFOREMENTIONED BREAKEVEN CHART, THE DOLLARS AMOUNTS AND PERCENTAGES WILL BE DIFFERENT. FURTHERMORE, IF AN INVESTOR INVESTS SIGNIFICANTLY MORE THAN THE MINIMUM INVESTMENT, IT SHOULD BE NOTED THAT THE INVESTOR'S OWNERSHIP WILL REPRESENT A GREATER OWNERSHIP IN THE FUND AND THEREFORE, IT CAN BE EXPECTED THAT THE LIMITED PARTNER'S SHARE OF GROSS INCOME/LOSS AND EXPENSES WILL BE GREATER SINCE HIS/HER OWNERSHIP WILL BE GREATER THAN HAD HE/SHE INVESTED THE MINIMUM INVESTMENT.

§11. BROKERAGE

The General Partner has retained Straits Financial, LLC to be the initial Broker of the Fund (the "Broker"). The Broker is an FCM registered with the CFTC (as of March 16, 2011) and is a member of NFA (as of March 16, 2011).

The Broker is a subsidiary of Straits USA, Inc., which is a subsidiary of Straits Financial Group Pte Ltd., the brokering division of the CWT International Limited, a publicly traded company located in Hong Kong.

The Broker is a clearing member of all major futures exchanges in the U.S. The Broker is headquartered at 425 S. Financial Place, Suite 3990, Chicago, IL 60605 with a branch office at 2 Bridge Ave., Building 1, Suite 131, Red Bank, NJ 07701.

There have been no material administrative, civil or criminal actions brought, pending or concluded against the Broker or its principals in the past five years except as follows:

On July 3, 2012, the Broker filed a complaint in the Circuit Court of Cook County alleging a breach of contract claim against Ten Sleep Cattle Co. ("Ten Sleep") and its owner pursuant to a guarantee seeking the amount of \$168,877.02, which was allegedly incurred as a debit balance. On August 2, 2012, Ten Sleep removed the matter to the Northern District of Illinois based on diversity jurisdiction. On August 9, 2012, Ten Sleep filed an answer responding to the Broker's complaint and asserting a counterclaim against the Broker and a third-party claim against an associated person of the Broker. Ten Sleep's counterclaim alleged claims of conversion, commodities fraud, violations of the Illinois Consumer Fraud and Deceptive Practices Act (the "ICFA"), breach of fiduciary duty, negligent supervision and unjust enrichment.

On December 16, 2015, after a trial on the merits, the District Court found the Broker vicariously liable for its associated person's commodities fraud in the form of unauthorized trading, and liable for violations of the ICFA and conversion as a result of the Broker's application of Ten Sleep's funds to a portion of the debit balance. At trial, Ten Sleep had sought actual damages of approximately \$2,000,000, plus interest and punitive damages. The District Court entered judgment for \$1,661,366.20 actual damages and interest but denied recovery of punitive damages.

On December 5, 2017, the Court of Appeals for the Seventh Circuit heard oral arguments on the case. On August 13, 2018, the Seventh Circuit issued its decision in the appeals, holding that the District Court erroneously reduced Ten Sleep's damages and remanding the case to the District Court for further determination of Ten Sleep's damages, including further interest, costs and attorney's fees. On August 27, 2018 Straits filed a Petition for Panel Rehearing and a Suggestion for Rehearing en banc, asking both the Panel that issued the decision and the all of the active judges in the Seventh Circuit reconsider the Panel's decision. On September 12, 2018, this Petition was denied. The matter has been remanded to the district court and the next status date is December 19, 2018.

Affiliates of the Broker may execute transactions opposite the Master Fund as principal. Neither the Broker nor any affiliate, officer, director or employee thereof have passed on the merits of this Memorandum or offering, or give any guarantee as to the performance or any other aspect of the Fund.

The Broker has adopted and implemented an Anti-Money Laundering program consistent with its obligations to comply with applicable anti-money laundering laws and regulations, including the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, including Customer Identification Procedures.

§12. ADMINISTRATION

The General Partner has retained Apex Fund Services (Charlotte) LLC to be the administrator of the Fund (the "Administrator") and its affiliate, Apex Fund Services Ltd. to be the administrator of the Master Fund and the Offshore Feeder Fund. The General Partner on behalf of the Fund has entered into an Administration Services Agreement (the "Administration Agreement") with the Administrator to the Fund. The Administrator's principal place of business is located at 15720 Brixham Hill Avenue, Suite 206, Charlotte, North Carolina 28277; Telephone: (704) 752-8996; Facsimile: (704) 752-8997; Email: CharlotteIR@apexfunds.us. In its sole discretion, the General Partner may remove or replace the Administrator or enter into additional arrangements with other administrators. The General Partner may also permit the Administrator to delegate certain of its responsibilities.

Pursuant to the Administration Agreement, the Administrator is responsible, under the ultimate supervision and control of the General Partner, for certain matters pertaining to the administration of the Fund, which may include: (i) maintaining information regarding the Limited Partners' Interests in the Fund; (ii) communicating with the Limited Partners and sending financial statements to its Partners; (iii) receiving and processing subscription applications and withdrawals of Partners; (iv) calculating NAV and Capital Account balances in accordance with the Limited Partnership Agreement; (v) opening and maintaining a bank account in the name of or on behalf of the Fund; (vi) cooperating and assisting the Auditors in connection with the Fund's audit; and (vii) performing all other accounting and clerical services necessary in connection with the administration of the Fund.

In performing its duties, the Administrator shall be entitled to rely, and generally will rely, on information provided to it by the third parties (including but not limited to the General Partner and Trading Advisors) and shall not be responsible for errors contained in such information received. The Administration Services Agreement may be amended by mutual agreement from time to time and is terminable by either party upon 30 days' prior written notice.

The Master Fund and the Offshore Feeder Fund have also entered into a similar administrative services agreement with Apex Fund Services Ltd., a Bermuda-based fund administrator affiliated with the Administrator, for the administration of the Master Fund and shall be entitled to the same exculpation from liability and indemnity from the Master Fund as the Administrator is from the Fund.

The Fund will have one bank account where investor subscriptions will be deposited and expenses will be paid. The Master Fund will also have a bank account for deposits from feeder funds and any operating expenses incurred at the Master Fund level. All other cash, securities and/or other assets of the Master Fund will be held by the Broker or other brokers from time to time appointed by the Master Fund (if any) and the Administrator will have no control over such cash, securities and/or assets. The Administrator will have no responsibility or liability for any loss or damage which the Master Fund or Fund or any shareholder of the Master Fund or Fund may sustain or suffer as a result of the acts, omissions, liquidation, bankruptcy or insolvency of any custodian or the Broker.

§13. PRINCIPAL RISK FACTORS

Prospective investors should consider the following risks before subscribing for Interests. The risk factors below are not intended to include all possible risks of investing in the Fund, nor are the summaries intended to provide complete descriptions of the risks that are included. There is a high degree of risk associated with a purchase of an Interest and any such purchase should be made only after consultation with independent qualified sources of investment, legal and tax advice. No person should consider subscribing for more than he can comfortably afford to lose.

An investment in the Fund carries a high degree of risk. There can be no assurance that the Fund's investments will be successful or that its objectives will be attained. Accordingly, investment in the Fund is speculative in nature and suitable only for sophisticated investors who are aware of the risks involved. Prospective Investors who would like more details about any risk factor should contact the General Partner directly.

Market and Trading-Related Risks

The Trading Advisors' trading strategies are speculative and risky and the Commodity Interest markets in which the Master Fund trades are highly volatile, which could cause substantial losses to the Master Fund, and consequently, the Fund. The Master Fund, through its Trading Advisors, intends to trade Commodity Interests. Trading in Commodity Interests is highly speculative and subject to substantial risks. Among other things, the prices of Commodity Interests can be highly volatile and subject to rapid and substantial fluctuations. Price movements for Commodity Interests may be influenced by, among other things:

- changes in interest rates;
- governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies;
- weather and climate conditions;
- changing supply and demand relationships;
- money supply policies and available liquidity;
- changes in balances of payments and trade;
- currency devaluations and revaluations;
- rates of inflation or deflation;
- political and economic events; and
- changes in philosophies and emotions of market participants.

Each Trading Advisor's trading methods (regardless of the nature of the method) may not take account of all of these factors. In addition, governments may intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention, including the policies of the Federal Reserve Board, may be particularly significant at certain times, and this intervention may cause these markets to move rapidly.

The Master Fund, and therefore, the Fund, is subject to various and numerous trading-related risks. The Trading Advisors will likely make the majority of its investments in exchange-traded futures contracts, but may also invest in Treasury Bills, enter into spot currency trades in relation to cash management, and use exchange-traded options or, in the case of financial futures, the underlying

instrument in which they invest, for hedging purposes. Trading in futures and other Commodity Interests involves certain special and significant risks and may expose investors to a high risk of loss. A principal risk of trading such instruments is the volatility in market prices. In general the value of a derivative instrument depends upon the price and/or price movements in the underlying asset. Thus, many of the risks applicable to trading the underlying asset apply equally to the derivative instrument applicable to such asset. In addition, the Master Fund may sustain a total loss of the initial margin funds and any additional funds that it deposits with its broker to establish or maintain its position. If the market moves against its position, the Master Fund may be called upon by its broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain its position. If it does not provide the requested funds within the prescribed time, its position may be liquidated at a loss, and it will be liable for any resulting deficit in its account. The Master Fund may trade in listed futures and related options. Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid market on the exchange on which the original position was established. While the Master Fund will enter into futures and option positions only if, in the judgment of a Trading Advisor, there appears to be a liquid market for such instruments, there can be no assurance that such a market will exist for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position. The liquidity of a market in futures contracts and options on futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

Investment Objective Risk. There can be no assurance that the Fund will achieve its investment objectives or that the Fund's assets will appreciate in value. The value of Interests may go down as well as up and there can be no assurance that, upon withdrawal or otherwise, Limited Partners will receive the amount originally invested.

Options are volatile and inherently leveraged, and sharp movements in prices could cause the Fund to incur large losses. The Master Fund may buy or sell (write) call options and put options on futures, and when it writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns instruments of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in instruments of the relevant class and amount. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the Master Fund may enter into, the principal risks involved in options trading can be described as follows: When the Master Fund buys an option, a decrease (or inadequate increase) in the price of the underlying instrument in the case of a call, or an increase (or inadequate decrease) in the price of the underlying instrument in the case of a put, could result in a total loss of the Fund's investment in the option (plus commissions).

When the Master Fund sells an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying instrument above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, the Master Fund would forego the opportunity for profit on the underlying instrument should the market price of the instrument rise above the exercise price. If the price of the underlying instrument were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Master Fund might suffer as a result of owning the instrument.

Certain of the Master Fund's Commodity Interest positions may be illiquid. The Master Fund may not be able to liquidate its Commodity Interest positions at its desired price. In particular, it may be difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell

orders in a market. A market disruption, such as the financial market turmoil of 2007-09 or a foreign government taking political actions that disrupt the market in its currency or in a major export, can also make it difficult and costly to liquidate a position. Alternatively, limits imposed by futures exchanges or other regulatory organizations, such as speculative position limits and daily price fluctuation limits, may contribute to a lack of liquidity with respect to some Commodity Interests. Unexpected market illiquidity may cause substantial losses to investors. The large face value of the positions that each Trading Advisor will acquire for the Master Fund increases the risk of illiquidity by both making its positions more difficult to liquidate at favorable prices and increasing the losses incurred while trying to do so.

Cash flow needs may cause positions to be closed, which may cause substantial losses. Futures contract gains and losses are marked-to-market daily for purposes of determining margin requirements. Option positions generally are not marked-to-market daily, although short option positions will require additional margin if the market moves against the position. Due to these differences in margin treatment between futures and options, there may be periods in which positions on both sides must be closed down prematurely due to short term cash flow needs. If, for example, this occurs during an adverse move in a spread or straddle relationship, then a substantial loss could occur.

Trading in international markets exposes the Fund to credit and regulatory risks. The risk of loss in trading non-U.S. Commodity Interests can be substantial. Participation in non-U.S. Commodity Interest markets involves the execution and clearing of trades on, or subject to the rules of, a foreign board of trade. Some of these non-U.S. markets, in contrast to U.S. markets, are so-called principals' markets in which performance is the responsibility only of the individual counterparty with whom the trader has entered into a Commodity Interest transaction—not of the exchange or clearing house. In these kinds of markets, the Fund will be subject to the risk of bankruptcy, insolvency, payment failure or other failures or refusals to perform by the counterparty.

Moreover, many of these non-U.S. market are unregulated, which means that the Fund may have no or limited recourse in the event of such a failure or refusal. Some non-U.S. markets present additional risk because they are not subject to the same degree of regulation as their U.S. counterparts. None of the CFTC, NFA or any domestic exchange regulates activities of foreign boards of trade or exchanges outside of the U.S., including the execution, delivery and clearing of transactions, nor has the power to compel enforcement of the rules of a foreign board of trade or exchange or of any applicable non-U.S. laws. Similarly, the rights of market participants, such as the Master Fund, in the event of the insolvency or bankruptcy of a non-U.S. market or broker or principal are also likely to be substantially more limited than in the case of U.S. markets or brokers or principals. As a result, the Master Fund has less legal and regulatory protection than it does when it trades domestically.

Additionally, trading on non-U.S. exchanges is subject to the risks presented by exchange controls, expropriation, increased tax burdens and exposure to local economic declines and political instability. An adverse development with respect to any of these variables could reduce the profit or increase the loss earned on trades in the affected international markets. Some non-U.S. exchanges also may be in a more developmental stage so that prior price histories may not be indicative of current price dynamics. In addition, the Master Fund may not have the same access to certain positions on foreign trading exchanges as do local traders, and the historical market data on which each Trading Advisor base their strategies may not be as reliable or accessible as it is in the U.S.

Trading in exchange-traded Commodity Interests is a zero sum economic activity, unlike stocks and bonds. Trading in exchange-traded Commodity Interests, such as futures contracts, is a zero-sum economic activity in which for every gain there is an equal and offsetting loss, disregarding transaction costs. This distinguishes the market in exchange-traded Commodity Interests from a typical stock or bond investment, where there is an expectation of, in the case of bonds, consistent yields, or, in the case of equity, participation over time in general economic growth. The Fund may incur major losses while

stock and bond prices rise substantially in a prospering economy.

The Master Fund may be highly leveraged, which means that sharp declines in price could lead to large losses. Because the amount of margin funds necessary to be deposited with a bank or broker to enter into a Commodity Interest is typically about 2% to 10% of the total value of the contract (and may even be zero), each Trading Advisor can hold positions in the Master Fund's account with face values equal to several times the Master Fund's net assets. As a result of this leveraging, even a small movement in the price of a contract can cause major losses. Any purchase or sale of a futures or forward contract may result in losses that substantially exceed the amount invested in the contract. For example, if \$2,200 in margin is required to hold one U.S. Treasury bond futures contract with a face value of \$100,000, a \$2,200 decrease in the value of that contract could, if the contract is then closed out, result in a complete loss of the margin deposit, without taking into account deductions for fees and/or commissions. Severe short-term price declines could thus force the liquidation of open positions with large losses. If the Master Fund suffers losses, the Master Fund may de-leverage its account(s), which would materially impair the Master Fund's ability to recover its initial losses.

Risk management methods and processes may not be effective. The mechanisms employed by each Trading Advisor to monitor and manage the risks associated with its trading activities on behalf of the Master Fund may not succeed in mitigating any or all identified risks. For example, even if each Trading Advisor utilizes predetermined stop-loss levels for a position as part of its risk management approach, such stop-loss orders may not necessarily limit losses, since they become market orders upon execution. As a result, the order may not be executed at the stop-loss price, resulting in a loss in excess of the loss that would have been incurred if the order had been executed at the stop-loss price. Even if each Trading Advisor's risk management approaches are fully effective, it cannot anticipate all risks that it may face. To the extent one or more Trading Advisor fails to identify and adequately monitor and manage all of the risks associated with its trading activities, the Fund may suffer losses.

Speculative position limits and daily price fluctuation limits may alter trading decisions for the Master Fund. Speculative position limits imposed by various regulators and exchanges may limit the Master Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Master Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by each Trading Advisor or its affiliates may be aggregated. If at any time positions managed by each Trading Advisor were to exceed applicable position limits, each Trading Advisor would be required to liquidate positions, which might include positions of the Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Master Fund might have to forego or modify certain of its contemplated trades.

Risks Associated with electronic trading and order routing systems. The Master Fund intends to trade on electronic trading and order routing systems, which differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the contract. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, error trade policies and trading limitations or requirements. There are also differences regarding qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail.

Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure. In the event of system or component failure, it is possible that for a certain time period, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. Exchanges offering an electronic trading or order routing system and listing the contract may have adopted rules to limit their liability, the liability of futures brokers and software and communication system vendors and the amount that may be collected for system failures and delays. These limitations of liability provisions vary among the exchanges.

The Master Fund may incur higher fees and expenses upon renewing existing or entering into new contractual relationships. The clearing arrangements between the Broker (and clearing brokers generally) and the Master Fund are terminable by the Broker once the Broker has given notice to the Master Fund. Upon termination, the Master Fund may be required to renegotiate or make other arrangements for obtaining similar services if the Master Fund intends to continue trading in Commodity Interests. The services of the Master Fund's current Broker or an additional or substitute clearing broker may not be available, or even if available, these services may not be available on terms as favorable as those of the expired or terminated clearing arrangements.

Likewise, upon termination of any of the advisory contracts entered into between the Master Fund and a Trading Advisor, the Master Fund may be required to renegotiate the contracts or make other arrangements for obtaining Commodity Interest trading advisory services. The services of a particular Trading Advisor may not be available, or these services may not be available on terms as favorable as those contained in the expired or terminated advisory contract. There is severe competition for the services of qualified commodity Trading Advisor, and the Master Fund may not be able to retain replacement or additional Trading Advisor on acceptable terms. This could result in losses to the Fund and the inability of the Fund to achieve its investment objectives. Moreover, if an advisory contract is renegotiated or additional or substitute Trading Advisor are retained by the Master Fund, the fee structures of the new or additional arrangements may not be as favorable to the Master Fund as are those currently in place.

The failure or bankruptcy of one of the Master Fund's clearing brokers could result in a substantial loss of the Master Fund's assets, and in turn, the Fund's assets. Under the CFTC's rules, the Broker is required to maintain its customers' assets in a segregated account. If the Broker fails to do so, or is unable to satisfy a substantial deficit in a customer account, its other customers may be subject to risk of loss of their funds in the event of the Broker's bankruptcy. In such event, the Broker's customers, including the Master Fund, are entitled to recover—even in respect of property specifically traceable to them—only a proportional share of all property available for distribution to all of that clearing broker's customers. The Fund also may be subject to the risk of the failure of, or delay in performance by, any exchanges and markets and their clearing organizations, if any, on which Commodity Interest contracts are traded.

From time to time, the Broker may be subject to legal or regulatory proceedings in the ordinary course of its business. A Broker's involvement in costly or time-consuming legal proceedings may divert financial resources or personnel away from the Broker's trading operations, which could impair the Broker's ability to successfully execute and clear the Master Fund's trades.

The Fund, the Master Fund, the General Partner and the Trading Advisors are not responsible for trading errors. While each Trading Advisor will attempt to correct trading errors as soon as they are discovered, none of the Fund, General Partner or a Trading Advisor or their service providers will be responsible for poor executions or trading errors committed by brokers, FCMs or any Trading Advisor.

Third parties may infringe or otherwise violate each Trading Advisor's intellectual property rights or assert that each Trading Advisor has infringed or otherwise violated their intellectual property rights, which may result in significant costs and diverted attention. Third parties may obtain and use a Trading Advisor's intellectual property or technology, including its trade secrets and trading program software, without permission. Any unauthorized use or misappropriation of a Trading Advisor's trade secrets, proprietary software and other technology could adversely affect its competitive advantage. Proprietary software and other technology are becoming increasingly easy to duplicate, particularly as employees with proprietary knowledge leave the owner or licensed user of that software or other technology. A Trading Advisor may have difficulty monitoring unauthorized uses of its proprietary software and other technology. The precautions it has taken may not prevent misappropriation or infringement of its proprietary software and other technology. Also, third parties may independently develop proprietary software and other technology similar to that of a Trading Advisor or claim that a Trading Advisor has violated their intellectual property rights, including their copyrights, trademark rights, trade names, trade secrets and patent rights. As a result, a Trading Advisor may have to litigate in the future to protect its trade secrets, determine the validity and scope of other parties' proprietary rights, defend itself against claims that it has infringed or otherwise violated other parties' rights, or defend itself against claims that its rights are invalid. Any litigation of this type, even if a Trading Advisor is successful and regardless of the merits, may result in significant costs, divert its resources from the Fund, or require it to change its proprietary software and other technology or enter into royalty or licensing agreements.

The success of the Fund depends on the ability of a Trading Advisor's personnel to accurately implement their trading systems, and any failure to do so could subject the Fund to losses on such transactions. Each Trading Advisor's computerized trading systems rely on each Trading Advisor's personnel to accurately process the systems' outputs and execute the transactions called for by the systems. In addition, each Trading Advisor relies on its staff to properly operate and maintain its computer and communications systems upon which the trading systems rely. Execution and operation of each Trading Advisor's systems is therefore subject to human errors. Any failure, inaccuracy or delay in implementing any of each Trading Advisor's systems and executing the Master Fund's transactions could impair its ability to identify profit opportunities and benefit from them. It could also result in decisions to undertake transactions based on inaccurate or incomplete information. This could cause substantial losses on transactions.

The Fund may experience substantial losses on transactions if a Trading Advisor's computer or communications systems fail. A Trading Advisor's trading activities, including its risk management, depends on the integrity and performance of the computer and communications systems supporting it. Extraordinary transaction volume, human error, hardware or software failure, power or telecommunications failure, a natural disaster or other catastrophe could cause a Trading Advisor's computer systems to operate at an unacceptably slow speed or even fail. Any significant degradation or failure of the systems that each Trading Advisor uses to gather and analyze information, enter orders, process data, monitor risk levels and otherwise engage in trading activities may result in substantial losses on transactions, liability to other parties, lost profit opportunities, damages to a Trading Advisor's and the Fund's reputations, increased operational expenses and the costly diversion of resources.

Further, the development of complex communications and new technologies may render the existing computer and communication systems supporting a Trading Advisor's trading activities obsolete. In addition, these computer and communications systems must be compatible with those of third parties, such as the systems of exchanges, clearing brokers and the executing brokers used by each Trading Advisor. As a result, if these third parties upgrade their systems, a Trading Advisor will need to make corresponding upgrades to continue effectively its trading activities. The Fund's future success will depend on a Trading Advisor's and third parties' ability to respond to changing technologies on a timely

and cost-effective basis.

Each Trading Advisor depends on the reliable performance of the computer or communications systems of third parties, such as brokers and futures exchanges, and may experience substantial losses on transactions if they fail. Each Trading Advisor depends on the proper and timely function of complex computer and communications systems maintained and operated by the futures exchanges, brokers and other data providers that each Trading Advisor uses to conduct its trading activities. Failure or inadequate performance of any of these systems could adversely affect each Trading Advisor's ability to complete transactions, including its ability to close out positions, and result in lost profit opportunities and significant losses on Commodity Interest transactions. This could have a material adverse effect on revenues and materially reduce the Fund's available capital. For example, unavailability of price quotations from third parties may make it difficult or impossible for each Trading Advisor to use its proprietary software that it relies upon to conduct its trading activities. Unavailability of records from brokerage firms can make it difficult or impossible for each Trading Advisor to accurately determine which transactions have been executed or the details, including price and time, of any transaction executed. This unavailability of information also may make it difficult or impossible for each Trading Advisor to reconcile its records of transactions with those of another party or to accomplish settlement of executed transactions.

The Fund and the Trading Advisors are subject to model and data risk. Given the complexity of the investments and strategies, a Trading Advisor relies on quantitative models (both proprietary models developed by the Advisor, and those supplied by third parties) and information and data supplied by third parties ("**Models and Data**"). Models and Data are used to construct sets of transactions and investments, to provide risk management insights, and to assist in hedging the Master Fund's investments. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the Master Fund and the Fund to potential risks. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Some of the models used by a Trading Advisor for the Master Fund are predictive in nature. The use of predictive models has inherent risks. Because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data. All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However, even if market data is input correctly, "model prices" will often differ substantially from market prices.

The Fund and the Trading Advisors are subject to hedging transaction risk. A Trading Advisor may employ various hedging techniques. The success of a Trading Advisor's hedging strategy will be subject to the Trading Advisor's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many Commodity Interests change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to a Trading Advisor's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. For a variety of reasons, a Trading Advisor may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Master Fund from achieving the intended hedge or expose the Master Fund to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

Foreign currency markets present unique risks. Although the Master Fund intends to keep the majority of its margin in U.S. dollars, the Master Fund will have exposure to fluctuations in currency exchange rates where amounts on margin are denominated in currencies other than U.S. dollars. It may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such

markets within very short periods of time, possibly within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Active Trading. The Master Fund's trading activities are expected to involve substantial portfolio turnover and correspondingly high transactional costs.

Competition. The Fund engages in investment and trading activities that are highly competitive with other investment and trading programs. The Master Fund competes for trades with mutual funds, investment banks, broker/dealers, commercial banks, insurance companies, pension funds and other financial institutions, all of which may have investment objectives similar to the Master Fund's and substantially greater resources or experience than the Master Fund, the General Partner and/or the Trading Advisors.

Certain Risks Peculiar to Cash Markets. To the extent that the Master Fund trades physical commodities in the cash markets, these markets do not have the safeguard mechanism of a clearing organization that, in effect, guarantees every exchange-traded instrument. In contrast to exchange-traded Commodity Interests, cash contracts rely on the dealer or counter party being contracted with to fulfill its contract. Failure by a counterparty to fulfill its contractual obligations could expose the Fund to unanticipated losses.

Recent and ongoing market disruptions and government intervention could have a material adverse impact on the Trading Advisors' abilities to implement trading strategies. World financial markets have experienced widespread and systemic disruptions since 2007, which have produced unprecedented government reaction and intervention. Such intervention has in certain instances occurred on an "emergency" basis without giving market participants an opportunity to adapt their trading strategies or undertake risk management for their existing positions. Given the breadth of impact and the speed with which such government action has sometimes occurred, these interventions have also tended to increase uncertainty in various markets and, although perhaps unintentionally, contributed to overall market instability. This situation has been compounded by the sometimes apparent inconsistency with which government action has been formulated and applied. Such inconsistency has had a further destabilizing effect on world financial markets, all of which have tended to reduce liquidity in many of these markets.

Several countries, including the U.S., are considering or have imposed limitations or prohibitions on selected types of trading strategies and products, making such trading either increasingly difficult and costly or impossible. Any continuing regulatory limitations on selected trading strategies which result as a response to market disruptions could have a materially adverse impact on the Trading Advisors' abilities to implement certain trading methods or allocate to Trading Advisors who employ such methods. To date, none of the aforementioned risks have impacted the Trading Advisors. It is impossible to predict what impact such disruptions and interventions may have on the Trading Advisors' future efforts. However, each Trading Advisor believes that there is a strong likelihood of increased regulation of the financial markets occurring in the future.

The regulation of the Commodity Interest markets in the U.S. is extensive and dynamic; future regulatory developments are impossible to predict, but may significantly and adversely affect the Fund. The regulation of Commodity Interest transactions in the U.S. is a rapidly changing area of law and is subject to ongoing modification by government (including but not limited to the CFTC, SEC and other regulators) and judicial action. In addition, various members of Congress have expressed concern regarding the disruptive effects of speculative trading in the Commodity Interest markets and the need to regulate such markets in a comprehensive and prescriptive fashion. There is a possibility of future

regulatory changes altering, perhaps to a material extent, the nature of an investment in the Fund or the ability of each Trading Advisor to continue to implement their respective investment strategies. The effect of any future regulatory change on the Fund is impossible to predict, but could be substantial and adverse.

Largely in light of the general turmoil that has engulfed the financial markets since late 2007, Congress, the Treasury Department, the CFTC and the SEC, among others, have or are considering numerous measures, including but not limited to:

- Prohibiting or limiting speculative trading generally and with respect to certain products;
- Imposing reduced speculative position limits;
- Limiting the ability of market participants to obtain hedge exemptions;
- Mandating margin requirements with respect to certain products, such as trading in retail forex, and generally seeking to reduce the use of leverage in financial instruments;
- Abolishing preemption with respect to the regulation of Commodity Interests, which would allow states to regulate all or certain products;
- Repealing "60/40" tax treatment (*i.e.*, where 60% of gain or loss is long-term capital gain or loss and 40% is short-term capital gain or loss) associated with Internal Revenue Code Section 1256 contracts (*e.g.*, regulated futures contracts, foreign currency contracts, non-equity options, dealer equity options, and dealer securities futures contracts); and
- Imposing a "transaction tax" on the purchase or sale of certain Commodity Interests.

Similar initiatives have or are being considered by foreign market regulators. Any of these proposals, if enacted, could materially change the structure of the Commodity Interest markets and adversely impact the ability of the Master Fund to trade profitably.

Fund-Related Risks

Projections and Opinions. Statements contained in this Memorandum that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the General Partner. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. No assurance can be given that returns from the Fund will be equal or similar to those achieved or expected to be achieved by any past results, and no assurances can be given that actual results will achieve the Fund's stated objectives.

No Market for Interests in the Fund. Interests in the Fund will not be registered under the Securities Act or any other securities law and ordinarily will not be transferable. In addition, Interests may not be sold, transferred or assigned without the prior written consent of the General Partner in its sole discretion. There is no market for Interests in the Fund and none is expected to develop. Therefore, each prospective investor must consider its investment to be illiquid.

Management Risk. The success of the Fund will depend significantly upon the skill and expertise of the Trading Advisors and the success of the portfolio of models developed, tested and implemented over time by the Trading Advisors. The Trading Advisors will make all decisions with respect to the Commodity Interests traded and the development of the trading methodology and the application of this methodology to the investment of the assets of the Fund. The profitability of the Fund depends upon the Trading Advisors' ability to identify suitable models, evaluate risk and assess the future robustness and viability of current and new models, and the methodology itself, over a wide range of markets and market conditions. There can be no assurance that the Trading Advisors will be able to identify such opportunities, always evaluate risk properly or accurately capture price movements.

Reliance on Management. All decisions relating to the day-to-day investment of the Fund's

assets have been delegated to, and will be made by, the Trading Advisors. The Fund's performance is therefore largely dependent on the continuation of an agreement with the Trading Advisors and the services and skills of the Trading Advisors' principals. The loss of a Trading Advisor's services (or that of one of the Trading Advisor's key personnel) could materially and negatively impact the value of both the Fund and the Master Fund.

Reliance on Trading Advisors for Information. Information regarding the Trading Advisors, including but not limited to information regarding each Trading Advisor's principals, performance record and trading style, has been provided to the Master Fund by each Trading Advisor and such information has not been independently verified by the General Partner or the Fund. It is possible that such Trading Advisor information is materially inaccurate or incomplete.

Operational Risk. The strategies of the Trading Advisors may be dependent on systems. Although mechanisms to alert the Trading Advisors to potential errors or failures before they occur may be built in and checks may be used, errors are possible that can result in substantial investment loss. Further, while positions can be monitored and liquidated in the event that systems are inoperable, disruption in the operational infrastructure can result in substantial investment loss. The Trading Advisors have developed a business continuity and disaster recovery plan, but the Fund, the General Partner and the Trading Advisors have no history of dealing with a significant operational risk event of their own.

Concentration of Investments. A Trading Advisor may employ a policy of diversification of models and instruments, but the instruments traded and the models themselves may at times become more or highly correlated, thereby increasing the risk of the Fund suffering proportionately higher loss should most or all instruments or models perform similarly and adversely. Increased concentration in positions will also increase the risk of the Fund and the Master Fund suffering proportionately higher loss should a particular position decline in value or otherwise be adversely affected. Instruments and sectors are not necessarily equally weighted. Diversification involves a high degree of qualitative judgment and such should not be taken to mean "spreading of the risk equally" or "at all times".

Master-Feeder Fund Structure. The Fund will invest, together with certain other entities, all, or substantially all, of its assets through a "master-feeder" fund structure in the Master Fund. A "master-feeder" fund structure, in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher *pro rata* operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diverse due to a withdrawal by a larger investment vehicle, possibly resulting in increased portfolio risk for the Fund. Substantial withdrawals of capital by investors in the Master Fund, including the Fund and other "feeder" funds, over a short time period could necessitate the liquidation of futures positions at a time and in a manner which does not provide the most economic advantage to the Master Fund and which therefore could adversely affect the value of the Master Fund's assets.

"Hedge Fund" Market Risk. Recent global economic conditions, negative publicity regarding "tax havens" and the operating and investing practices of hedge funds, including high profile cases involving alleged fraudulent practices, and the collapse or closure of significant numbers of hedge funds (including commodity pools) have had an adverse effect on the reputation of hedge funds and the Fund's own reputation may be adversely affected by these market developments. As a consequence, the Fund may experience increased numbers of redemption requests, which in turn may lead to increased volatility and illiquidity of the Interests. Furthermore, it is likely that legal and regulatory changes may be introduced to better regulate the hedge fund market and such changes could have an adverse effect on the

Fund and its Limited Partners. Any of these occurrences could seriously impair the ability of the Company to conduct its business, which could have an adverse effect on the performance of the Fund, the liquidity of its Interests and returns to Limited Partners.

Side Letters and Other Arrangements with Selected Limited Partners; Material Modification of Terms. The Fund and the General Partner intend to enter into one or more side letter agreements or other arrangements with certain Limited Partners from time to time that will contain more favorable fee and expense terms and other terms for such certain Limited Partners, and/or create preferences, priorities or other rights for such certain Limited Partners. To the extent that any fees or expense (including, but not limited to Organizational Expenses, operating expenses and transactional costs) are waived, reduced or rebated to a particular Limited Partner, the remaining Limited Partners may, as a result, bear a larger share of any fees payable, or expenses incurred, by the Fund. Additionally, any preferences or priorities or other rights provided to such Limited Partners could adversely affect the liquidity of the Fund's assets, the rate of return on other Limited Partners' investment in the Fund, or cause other adverse consequences to the other Limited Partners and/or their Interests. These arrangements may also give rise to the issuance of a new Class of Interests.

In addition, the Fund or General Partner may offer certain Limited Partners and prospective Limited Partners additional or different information or reports than that provided to the other Limited Partners of the Fund. Such information and reports may provide the recipient greater insights into the Fund's activities than is included in the reports provided to the other Limited Partners, thereby enhancing the recipient's ability to make investment decisions with respect to the Fund.

Subject to applicable law, neither the Fund nor the General Partner is required to disclose the existence or terms of any such agreements to any other Limited Partner or to offer the terms of any such agreements to any other Limited Partner.

Bank Deposit Risk. The Fund is not required to diversify its cash position and thus would be exposed in the event of an insolvency of the bank concerned.

Brokerage Arrangements. In selecting the Broker to effect portfolio transactions on behalf of the Fund, the General Partner is not required—and has not—solicited competitive bids and does not have an obligation to seek the lowest available commission cost. Additionally, the Broker is an affiliate of the General Partner and the brokerage arrangement was not the result of arm's length negotiations. Nevertheless, the General Partner believes that the terms of the brokerage arrangement are commercially reasonable.

Management Fees. The General Partner will receive a Management Fee irrespective of the performance of the Fund. Thus, while Limited Partners may lose money in the Fund, the Limited Partners will still be assessed a Management Fee.

Trading Advisors Management Fees. The Trading Advisors may receive management fees irrespective of the performance of the Fund. Thus, a Limited Partner may lose money in the Fund, but still be assessed Management Fees by a Trading Advisor.

Trading Advisors Incentive Fees. The Incentive Fees are calculated by reference to unrealized and realized gains. The payment of the Incentive Fees could lead the Trading Advisors to make investments that are riskier than would otherwise be the case. Additionally, a Trading Advisor's Incentive Fee is based only on that Trading Advisor's trading profits realized on the assets it manages after deducting certain trading expenses, and not more general operating expenses of the Fund. As a result, the Fund could pay Incentive Fees to one or more of the Trading Advisors even if the Fund as a whole is not profitable.

NAV Considerations. The NAV is expected to fluctuate over time with the performance of the investments of the Fund and the Master Fund. A Limited Partner may not fully recover the initial investment if the NAV at the time of redemption is less than the subscription price paid by such Limited Partner.

Valuation Risk. Although the NAV is primarily determined based on settlement prices of exchanges, some assets, such as T-Bills, may rely on third party pricing sources, which may not be accurate. Investors should note that there is a risk that an investor who withdraws his Interests may be paid an amount less or more than he would otherwise be paid if the actual value of such investments is higher or lower than the value provided to, or otherwise determined by, the Master Fund, as the case may be. In either case, the withdrawal proceeds received by a withdrawing Limited Partner may not reflect a post-withdrawal adjustment to the NAV of the Fund or the Master Fund, and therefore there is a risk that any such adjustment could reduce the NAV of the Fund or the NAV of the Master Fund for the other Limited Partners. None of the General Partner, the Administrator or the Master Fund's directors is under any liability if a price reasonably believed by any of them to be an accurate valuation of a particular direct or indirect investment of the Fund or the Master Fund, may be found not to be such.

Ability of the Fund to Pay Withdrawal Proceeds. The ability of the Fund to pay withdrawal proceeds will depend, among other things, on the relevant laws and practice affecting the Fund's ability to liquidate investments and to remit the proceeds thereof out of the country in which the investments are domiciled. There can be no assurance that foreign exchange controls will not be used to restrict remittances to or from the Fund in the future. Under certain market conditions, the Master Fund may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move," or if an exchange or regulatory body suspends (or otherwise limits) trading in a particular contract. For example, the CFTC or a non-U.S. regulatory authority may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In addition, the CFTC, various exchanges and non-U.S. regulatory authorities impose speculative position limits on the number of positions that may be held in particular commodities. In the event that the Master Fund is unable to close out an open position, the Master Fund may have to enter, for hedging purposes, into an OTC transaction of the relevant type of underlying asset and it may incur additional risk resulting from a divergence in the price of the listed instrument and the over-the-counter instrument used as a hedge.

Effect of Suspension of Withdrawals. Withdrawals by Limited Partners may be suspended in certain circumstances (see the sections entitled "Withdrawals" and "Suspension of Withdrawals"). If the Fund suspends the withdrawal of Interests, the value of the Interest may decrease substantially both during the period of suspension and possibly longer as a result of the Fund imposing a suspension.

Lack of Limited Partner Control over Fund Policies. The management, financing, leasing and disposition policies of the Fund and its policies with respect to certain other activities, including its distributions and operating policies, are determined by the General Partner. To the extent permitted by the Partnership Agreement, these policies may be changed from time to time at the discretion of the General Partner without a vote of the Partners of the Fund, although the General Partner has no present intention to make any such changes. Any such changes could be detrimental to the Limited Partners' Interests in the Fund.

Absence of Recourse to General Partner. The Partnership Agreement of the Fund includes exculpation and indemnification provisions that will limit the circumstances under which the General Partner can be held liable to the Fund. As a result, Partners may have a more limited right of action in certain cases than they would in the absence of such limitations.

Recourse to Fund Assets. Assets of the Fund, including any capital held by the Fund, are

available to satisfy the obligations and liabilities of the Fund. If the Fund itself becomes subject to a liability, parties seeking satisfaction of such liability may have recourse to the Fund's assets generally rather than being limited to a particular asset (such as the one giving rise to the liability).

Absence of SEC Regulatory Oversight. The Fund is not registered as an investment company or in any other capacity with the SEC, and this offering has not been registered with the SEC. Moreover, Dunn Capital is not registered as an investment adviser under the Investment Advisers Act of 1940. Other Trading Advisors may, or may not, be registered as investment advisers.

Uncertainty Concerning Future Regulatory Changes. Regulatory changes could have a material and adverse effect on the Fund's profitability. The Commodity Interest markets are subject to continuous and substantial regulatory changes, and it is impossible to predict what statutory, administrative or exchange-imposed restrictions may become applicable in the future. Particularly in light of the general turmoil that has engulfed the financial markets over the past two years, Congress, the Treasury Department, the SEC and the CFTC, among others, have or are considering measures, including but not limited to, bans and limits on speculative trading that could limit or negate the ability of the Master Fund to trade profitably.

Possible Adverse Tax Consequences. There are a number of tax considerations with respect to an investment in the Fund. Tax laws are subject to change, and tax liabilities could be incurred by investors as a result of changes thereto. Therefore, investors should consult their own tax advisers to determine the tax effects of an investment in the Fund, especially in light of their particular financial situations. In particular, investors should be aware that they will be taxed annually on their allocable interest of Fund income and realized gains, if any, whether or not they receive any cash distributions from the Fund. Moreover, no distributions are expected to be made by the Fund to the Limited Partners. The Fund cannot assure any investors that the relevant government tax administrators (the "Tax Authorities") will accept the tax positions taken by it or the Master Fund. If any Tax Authority successfully contests a tax position taken by the Fund or the Master Fund, the Fund or the Master Fund or the investors may be liable for tax, interest or penalties and such persons may need to file or amend one or more tax returns.

On December 22, 2017, the "Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018" (the "2017 Tax Act"), which was originally introduced in the United States House of Representatives as the "Tax Cuts and Jobs Act," was enacted into law. The 2017 Tax Act amends the Internal Revenue Code of 1986. Most of the provisions of the 2017 Tax Act will take effect in 2018. The 2017 Tax Act made sweeping tax changes that will impact individuals and businesses. Examples of the changes for individuals include the following: (i) the highest individual tax bracket will be decreased to 37%; (ii) the standard deduction will be increased; and (iii) a 20% deduction will be allowed for certain qualified business income that passes through to an individual from a pass-through entity. Examples of the changes for businesses include the following: (x) the maximum corporate income tax rate will be reduced to 21% from 35%; (y) immediate expensing of the costs of certain property will be allowed; and (z) the deductibility of interest will be limited to 30% of a business's taxable income. In light of the sweeping nature and complexities of the tax changes in the 2017 Tax Act, the U.S. tax authorities are expected to issue implementing and clarifying guidance on many of these changes (the "Implementing Guidance"). No assurances can be made as to the impact of the 2017 Tax Act or the Implementing Guidance on the Fund and its investment activities. Prospective investors are strongly encouraged to consult with their independent tax advisors as to the impact of the 2017 Tax Act and the Implementing Guidance on their contemplated investment in the Fund, in light of their particular circumstances.

Risks Relating to U.S. Withholding Tax Regime Under the Foreign Account Tax Compliance Act. Legislation in the U.S. known as the "Foreign Account Tax Compliance Act," or "FATCA,"

imposes a 30% U.S. withholding tax on certain U.S.-source income, including dividends and interest, paid to non-U.S. entities and “recalcitrant account holders” if such persons do not provide the Fund with the required tax certifications under FATCA. Prospective Limited Partners should consult their own tax advisors regarding FATCA and its impact on their investment in the Fund in light of their particular circumstances.

Risks Relating to Investment by Employee Benefit Plans and Governmental Plans. In considering an investment in the Fund of a portion of the assets of a qualified pension or profit-sharing plan that is subject to ERISA, a fiduciary should consider, among other things, whether the investment satisfies the fiduciary duties of Section 404(a) of ERISA. Such a fiduciary should take particular note of the prudence and diversification requirements of that statute and the particular liquidity needs of the plan. Persons responsible for investment decisions relating to a governmental plan or individual retirement account that is not subject to ERISA should consider, among other things, enabling legislation and other statutes and regulations relating to the investment of assets of such plan or account. (See discussion under “*Certain Considerations Applicable to ERISA, Governmental, and Other Plan Investors*”).

Risks Relating to Admission of ERISA Investors to the Fund. In order to avoid having the Fund’s assets treated as “plan assets”, the General Partner may restrict the acquisition, transfer and/or withdrawal of Interests so that the ownership interest of Benefit Plan Investors (as defined in “*Certain Considerations Applicable to ERISA, Governmental, and Other Plan Investors*”) does not become “significant” with respect to any class of the Fund’s equity interests, and such restrictions could delay or preclude an investor’s ability to transfer or withdraw its Interests.

If the assets of the Fund are deemed to be “plan assets” of Benefit Plan Investors, the General Partner and Investment Manager would be ERISA fiduciaries subject to the various ERISA fiduciary rules. In addition, if the assets of the Fund were deemed to be “plan assets” of Benefit Plan Investors, transactions with the Fund would be deemed to be transactions with such Benefit Plan Investors. Accordingly, transactions entered into by the Fund could, under certain circumstances, constitute prohibited transactions under the Code and ERISA. If the assets of the Fund are deemed to be “plan assets” of Benefit Plan Investors, there can be no assurance that the Fund will avoid all non-exempt prohibited transactions. Furthermore, in order to avoid engaging in non-exempt prohibited transactions, the Fund may be required to forgo transactions that would otherwise be in the best interests of the Limited Partners.

In the event that the Fund is deemed to have engaged in a non-exempt prohibited transaction, the other party or parties to such transaction may be liable for the payment of excise taxes and may be obligated to rescind or otherwise correct the prohibited transaction pursuant to Department of Labor and Treasury regulations. In addition, the General Partner, the Investment Manager (or an affiliate), or any other fiduciary with respect to the Fund who causes the Fund to engage in a non-exempt prohibited transaction, may be liable to the Fund for any loss incurred by the Fund caused by such prohibited transaction and may be liable for an excise tax if the non-exempt prohibited transaction involved self-dealing by such fiduciary. Other fiduciaries with respect to the Fund, and fiduciaries of any Benefit Plan Investor, may under certain circumstances, also be liable as co-fiduciaries for such losses. (See discussion under “*ERISA Considerations*”).

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE ALL THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS SHOULD READ THIS MEMORANDUM IN ITS ENTIRETY AND SEEK INDEPENDENT ADVICE BEFORE DETERMINING WHETHER TO INVEST IN THE FUND.

§14. CONFLICTS OF INTEREST

The following conflicts of interests must be reconciled with the responsibilities of the General Partner and should be considered by prospective investors. The General Partner has an independent duty under the CEA and CFTC regulations to exercise good faith and fairness in all dealings with the Fund.

A. Transactions with Affiliated Parties

The General Partner is affiliated with the Broker, and the General Partner's principals are also registered associated persons of the Broker. The General Partner will receive up to 50% of the commissions and interest paid to the Broker by the Fund. Further, from time to time, the General Partner and the Broker may enter into revenue sharing agreements. Thus, the General Partner may have a conflict of interest in selecting brokers because of continuing business dealings with the Broker. The Fund, General Partner and Broker's branch office all operate from the Broker's branch office in Red Bank, New Jersey and therefore, the General Partner and the Fund do not incur the substantial expenses that would be expected to be incurred had the General Partner and the Fund been operating out of a different office. The General Partner intends to review brokerage arrangements on a periodic basis to assure that the Master Fund secures favorable execution of brokerage transactions and to assure that the commissions paid are reasonable in relation to the value of the brokerage and other services provided. The Master Fund will pay commission rates ranging between \$2.00 to \$4.00 per round-turn trade.

The General Partner's principal, Straits USA Inc., owns and operates the Broker. Thus, the principals of the General Partner are servicing customers in their capacities with the Broker and will need to divide their time between companies. Additionally, the General Partner will operate in the offices of Straits USA Inc. and share certain utilities of Straits USA Inc. The General Partner may, in the future, reimburse Straits Financial USA or the Broker for services rendered to the Fund. However, at this time, none are anticipated.

B. Transactions with Interested Parties

The General Partner, the Administrator, the Broker and any of their directors, officers, managers, members, employees, agents and affiliates, and the directors of the Master Fund and any officer or agent of the Fund or the Master Fund, and any person or company with whom they are affiliated or by whom they are employed (any such person being an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Fund and/or the Master Fund. In addition, Interested Parties may provide to other entities services similar to those provided to the Fund and/or the Master Fund and shall not be liable to account for any profit earned from any such services. The General Partner shall ensure that such parties shall at all times have due regard to their duties owed to the Fund and where a conflict arises they will endeavor to ensure that it is resolved fairly. For example, an Interested Party may acquire investments in which a Trading Advisor may invest on behalf of clients. Each Trading Advisor will endeavor to ensure that investment opportunities are allocated on a fair and equitable basis.

The Fund and/or the Master Fund may acquire investments from or dispose of investments to any Interested Party or any investment company or account advised or managed by any such person. An Interested Party may provide professional services to the Fund and/or the Master Fund (provided that no Interested Party shall act as auditor to the Fund and/or the Master Fund) or hold Interests and buy, hold and deal in any investments for their own accounts notwithstanding that similar investments may be held

by the Fund and/or the Master Fund. An Interested Party may contract or enter into any financial or other transaction with any Limited Partner or with any entity who may be interested in any contract or transaction entered into by the Fund or the Master Fund. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of the Fund and/or the Master Fund effected by it for the account of the Fund and/or the Master Fund, provided that in each case the terms are no less beneficial to the Fund or the Master Fund (as the case may be) than a transaction involving a disinterested party and any commission shall be in line with market practice. Any transactions with Interested Parties will be entered into only to the extent permitted by applicable law.

C. Other Affiliations

The Fund, the Offshore Feeder Fund and the Master Fund were all formed by the General Partner. The Fund's, the Offshore Feeder Fund's and the Master Fund's selection of the General Partner and the Trading Advisors and the establishment of their arrangements with the General Partner and the Trading Advisors was not the result of arm's length negotiation; however, the arrangements with the General Partner and the Trading Advisors are comparable to what would have been achieved on arm's-length negotiation.

D. Conflicts Associated with Different Limited Partners

The Limited Partners of the Fund may include persons or entities who may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring of the acquisition of Fund investments and the timing of disposition of investments. Such structuring of Fund investments may result in different returns being realized by different Limited Partners. As a consequence, conflicts of interest may arise in connection with decisions to be made by the General Partner, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting Trading Advisors and structuring any investments appropriate for the Master Fund, the General Partner will consider the investment and tax objectives of the Master Fund, the Offshore Feeder Fund and the Fund, and not the investment, tax or other objectives of any Limited Partner individually.

The Fund and the General Partner intend to enter into one or more separate letter agreements, also referred to as "side letters," with certain Limited Partners pursuant to which such Limited Partners will receive more favorable terms than other Limited Partners with respect to: (i) fees (including substantially reduced, waived or rebated Management Fees, Trading Advisor Management Fees and Incentive Fees), (ii) expenses (including substantially reduced, waived or rebated Organizational Expenses, operating expenses and transactional costs), (iii) access to more frequent and/or more detailed information regarding the Fund, its performance and finances, and investments, (iv) preferential redemption and/or liquidity rights, and (v) other terms within the discretion of the Fund and the General Partner. To the extent that any fees or expenses are waived, reduced or rebated to a particular Limited Partner, the remaining Limited Partners may, as a result, bear a larger share of any fees payable, or expenses incurred, by the Fund. Additionally, any preferences or priorities or other rights provided to such Limited Partners could adversely affect the liquidity of the Fund's assets, the rate of return on other Limited Partners' investments in the Fund, or cause other adverse consequences to the other Limited Partners and/or their Interests. To the extent the General Partner is a party to any side letter with a particular Limited Partner, the General Partner would have a conflict of interest insofar as it may want to provide a higher degree of service to such Limited Partner compared to other Limited Partners.

Subject to applicable law, the Fund does not intend to disclose the terms of such side letter

agreements and does not intend to disclose the identities of the Limited Partners that have entered into such agreements with the Fund or the General Partner.

E. Proprietary Trading of Trading Advisors

To the extent that a Trading Advisor permits proprietary trading, the records of such proprietary trading are confidential and will not be available for inspection by the Fund or the Limited Partners. Prospective investors should be aware that such persons might from time to time take positions in their proprietary accounts that are different from or opposite to positions taken for the Master Fund.

F. Conflicts Associated with Dunn Capital

Dunn Capital and its principals may not trade their own futures accounts but they may invest in Dunn Capital organized commodity pools, some of which are proprietary. Dunn Capital enters orders on behalf of clients together with orders for its proprietary pools. The fill prices are then allocated among all accounts according to a systematic formula. The systematic formula allocates price fills closest to the average to all accounts. It is possible that over time, the proprietary accounts would receive better fill prices than the investor accounts, although the inverse is just as likely. Although Dunn Capital may be motivated to make favorable allocations (quantity or price) to its proprietary accounts over the investor (non-proprietary) accounts, both the quantity and prices for each account are determined according to a systematic formula.

Dunn Capital will be required to devote time to the management of the other accounts it manages. You will not be permitted to inspect the trading records of those accounts. Under CFTC rules, all of the commodity futures positions held by each of Dunn Capital's managed accounts will be combined for position limit purposes. Thus, the total number of commodity positions that Dunn Capital establishes for an account could be restricted by the positions that Dunn Capital establishes for its other managed accounts. Dunn Capital does not believe, however, that position limits are likely to materially impair its trading. To the extent that position limits restrict the total number of commodity positions which may be held, Dunn Capital will allocate orders equitably between all the accounts it manages. Similarly, where orders cannot be executed in full, Dunn Capital will equitably allocate between all accounts the portion of the total quantity able to be executed. Dunn Capital may have an incentive to place riskier positions/trades for the accounts it manages in efforts to earn incentive fees.

G. Additional Conflicts of Interest

The incentive fee and management fee arrangements entered into between the General Partner, the Trading Advisors, and the Fund might create an incentive for the General Partner and/or the Trading Advisors to make investments that are risky or speculative, as the General Partner and the Trading Advisors would be partaking in the net asset value of the Fund, and the net performance of the Master Fund's account, respectively.

The General Partner, its principals and family members of the General Partner's principals, may become Limited Partners in the Fund. The General Partner may elect to waive the minimum investment requirement for these individuals. Furthermore, the General Partner may elect to waive all or a portion of the monthly fees charges to these related accounts.

The General Partner and/or its principal may serve as general partner or commodity trading advisor for other investment vehicles or managed accounts engaged in the trading of instruments and contracts similar to those traded by the Master Fund. Such vehicles and managed accounts may hold positions either similar or opposite to the positions taken by the Master Fund, and the compensation received by the General Partner and/or its principal from such other vehicles and managed accounts may

differ from the compensation received from the Fund.

The General Partner and its principals may not trade their own futures accounts but they may invest in the Fund or in other organized commodity pools, some of which may be proprietary. The records of such proprietary investments are confidential and not available for inspection by the Fund or its Limited Partners. Prospective investors should be aware that such other commodity pools may take positions that are different from or opposite to positions taken for the Master Fund. However, neither the General Partner nor its principals would direct the trading of such organized commodity pools.

Selling agents will be engaged by the General Partner. Selling agents may receive continuing compensation based on the Interests sold by them that remain invested in the Fund as of the end of each month. Consequently, when advising clients whether to redeem their Interests, selling agents have a conflict of interest between maximizing the compensation they receive from the General Partner and giving financial advice to their clients that the selling agents believe to be in such clients' best interests.

§15. USE OF PROCEEDS

Proceeds from the sale of the Fund Interests will be held in the Fund and the Master Fund's bank accounts, and in segregated accounts with the Broker. Funds not allocated to margin on open positions and held at the Broker will earn interest and the Fund expects to retain all of the interest income earned on such obligations, excluding such amounts paid to the Broker and shared with the General Partner.

Funds received for the purpose of trading Commodity Interests are required to be segregated by the Broker pursuant to the CEA and CFTC rules. The General Partner will maintain the Feeder Fund and the Master Fund's assets with its Broker, in interest bearing investment accounts at other banking institutions, and up to 20% in a bank checking account at BMO Harris Bank NA to cover redemptions and day-to-day business expenses. Margin requirements will be satisfied with cash or U.S. Treasury Obligations. The General Partner estimates that the percentage of the Master Fund's net assets normally committed as margin for Commodity Interest contracts will average approximately 15% to 35%, but under certain circumstances may be substantially lower or higher. Assets of the Fund and the Master Fund will not be commingled with assets of any other entity.

The Master Fund will maintain a segregated account with the Broker. Any remaining funds not deposited with the Broker or held in the Fund's bank checking account at BMO Harris Bank NA, will be held at banking institutions, and such funds may be invested in cash, money markets, certificates of deposit, or time deposits. No loans, whether a direct loan, commercial paper issue or any other form, will be made with the Master Fund's or the Fund's assets to any party affiliated or unaffiliated with the Master Fund or the Fund or the General Partner. Assets held outside of a bank are not insured by the Federal Deposit Insurance Corporation.

§16. CAPITAL ACCOUNTS

A Capital Account will be established on the Fund's books for each Limited Partner. The initial value of your Capital Account will be your capital contribution to the Fund. Additional capital contributions will increase the value of the Capital Account as of the first of the month. The Capital Account value will be adjusted as follows, as of the end of each month: the value of the Capital Account

will be increased by the Capital Account's pro rata share of the Fund's "Net Profits" for the month. The value of the Capital Account will be decreased by (a) the Capital Account's pro rata share of the Fund's "Net Losses" for the month, (b) any capital you withdraw from the Capital Account as of the month-end, (c) the General Partner's Management Fee charged to the Capital Account as of the month-end, (d) any distributions from the Capital Account to you during the month, and (e) the Capital Account's *pro rata* share of Fund and Master Fund's expenses.

A Limited Partner's Capital Account's *pro rata* share of the assets will be the proportion that, at the end of the month, the value of the Limited Partner's Capital Account bears to value of all Capital Accounts within the Fund.

"Net Profits" are any excess of aggregate "Profits" over aggregate "Losses" for the month. "Net Losses" are any excess of aggregate Losses over aggregate Profits for the month. "Profits" or "Losses" for a month are generally the sum of the Fund's taxable income or loss for the month and the net of the Fund's unrealized gains or losses for the month. (Profits and Losses also include any Fund income that is exempt from Federal income tax, any expenditure under Code Sec. 705(a)(2)(B) not included in computing taxable income or loss, any item that is not deductible or amortizable under Code Sec. 709, and any adjustments to the Capital Accounts required by Treasury Regulation 1.704-1(b)(2)(iv)(g), which relates to allocations of depreciation and other items.)

Each Capital Account will be charged a portion of the Trading Advisor Incentive Fee paid to Dunn Capital, which is equal to 25% of the Net New Trading Profits of the Master Fund's account managed by Dunn Capital as explained above in §9 - Fees and Expenses. Limited Partners and the Fund will pay their *pro rata* share of the Trading Advisor's Incentive Fee. Net New Trading Profits are calculated on the performance of each Trading Advisor's allocated net assets of the Master Fund as a whole, and not on a Capital Account-by-Capital Account basis. In particular, because Incentive Fees are calculated on the basis of any Net New Trading Profits attributable to a Trading Advisor's allocated net assets, the Incentive Fees are subject to equal allocation among all Limited Partners, even though these persons may have invested at different times.

Once a *pro rata* portion of the Trading Advisor Incentive Fee is charged to a Limited Partner's Capital Account, a Trading Advisor has no obligation to (and will not) refund the fee if the Capital Account has subsequent losses.

§17. CAPITAL ACCOUNT WITHDRAWALS

A. Voluntary Withdrawal

A Limited Partner may, upon at least 15 days' prior written notice, withdraw all or any portion of his Capital Account in the Fund as of the last day of each calendar month. The Fund expects to pay investors making withdrawals, 100% of their withdrawal proceeds within 10 Business Days after the effective date of the withdrawal. However, the Limited Partner may not make a partial withdrawal that would cause his total investment to fall below his minimum initial investment. Withdrawal proceeds will be paid in cash via check, ACH or wire transfer. The General Partner may make withdrawals from its Capital Account at any time, without notice to the Limited Partners.

The General Partner may, in its sole discretion, declare a suspension of withdrawals for the whole or any part of any period when the calculation of the NAV of the Master Fund is suspended by the directors of the Master Fund (or if a similar event occurs at the Fund level).

B. Compulsory Withdrawal

The General Partner may, for any reason or no reason, require a Limited Partner to withdraw from the Fund on 10 days' prior written notice to the Limited Partner. In addition, if the required withdrawal is the result of (i) an Interest having been owned by or for the benefit of a person restricted or prohibited from owning the Interest; (ii) misrepresentations made in the Fund's Subscription Agreement; or (iii) from the unauthorized transfer of an Interest, the effective withdrawal date may be retroactive in the sole discretion of the General Partner.

C. Transfers of Interests

The Interests are not traded on any exchange, and there is no trading market for the Interests, nor is such market expected to develop. The Interests are transferable only with the prior written consent of the General Partner, which it may withhold in its sole discretion.

§18. NET ASSET VALUE AND VALUATION

The NAV of the Fund is equal to its total assets minus its total liabilities, determined in accordance with generally accepted accounting principles consistently applied under the accrual method of accounting. Expenses of a recurring nature may be calculated based on an estimated figure for yearly or other periods in advance and accrued in equal portions over the period. The NAV of the Fund will also take into account the NAV of the Master Fund and be based, in part, on its *pro rata* ownership share of the Master Fund.

The General Partner values the Fund's and the Master Fund's assets in accordance with the valuation guidelines set forth below and the Fund's Limited Partnership Agreement, and the Master Fund's Articles of Memorandum and Articles of Association, respectively. All NAV determinations of the Fund and the Master Fund are binding on the Limited Partners.

- The market value of a Commodity Interest traded on an exchange shall mean the settlement price on the exchange on which the particular Commodity Interest is traded by the Master Fund on the close of the day with respect to which the determination is being made; provided that if a Commodity Interest could not be liquidated on such day due to the operation of daily limits or other rules of the exchange upon which that interest is traded or otherwise, the settlement price on the first subsequent day on which the contract could be liquidated shall be the market value of such contract for such day. The market value of a forward contract or Commodity Interest traded on a non-U.S. exchange shall mean its market value as determined by the General Partner in consultation with the Administrator, on a basis consistently applied;
- Any value other than in U.S. dollars shall be converted into U.S. dollars at the exchange rate (whether official or otherwise) the General Partner in its absolute discretion deems appropriate to the circumstances having regard *inter alia* to any premium or discount relevant and to the costs of the exchange;
- The value of cash in hand or on deposit, bills and demand notes and accounts receivable, and prepaid expenses will be their face amounts. Cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such

discounts as the General Partner, in consultation with the Administrator, may consider appropriate to reflect the true value thereof;

- Short-term money market instruments and bank deposits shall be valued using the interest method under generally accepted accounting principles consistently applied.
- There will be deducted all liabilities of the Fund and the Master Fund and such provisions and allowances for contingencies (including tax) as the General Partner may deem appropriate and the accrued costs and expenses payable by the Fund and the Master Fund; and
- If the General Partner determines that the valuation of any Commodity Interest or other property does not fully and fairly represent market value (whether because of illiquidity or otherwise as a result of emergency situations), the General Partner shall value such Commodity Interest or other property as it reasonably shall determine and shall set forth the basis of such valuation in writing in the Fund's and/or the Master Fund's records.

The foregoing valuations may be modified by the General Partner, in consultation with the Administrator, to reflect restrictions upon marketability, other factors affecting valuation or if the Administrator or the General Partner determines that the valuation does not fully and/or fairly represent the market value of the assets. In valuing the Fund's assets, the General Partner, may rely on valuations and other reports received from third parties, including the Trading Advisors, however, the General Partner shall be responsible for verifying the accuracy of such reports. In no event shall the General Partner or the Administrator incur any liability for any determination made, or other action taken or omitted, in good faith.

The Master Fund (and consequently, the Fund) may suspend the determination of its NAV in certain emergency situations, *e.g.*, if any market in which a substantial portion of its assets are traded halts or restricts trading, if there is a breakdown in the means of communication used to price or value a significant portion of the Master Fund's assets or during emergency circumstances when it is not reasonably practicable to determine the value or dispose of the Master Fund's assets or such disposition is seriously prejudicial to the Fund's investors. The circumstances under which the Fund may suspend determination of its NAV are more thoroughly described in its Limited Partnership Agreement.

During these periods where the determination of NAV may be suspended in the event of an emergency, the General Partner will make every reasonable attempt to estimate the NAV in order to keep the investors apprised of the current financial position of the Fund. The General Partner will not charge any of its fees and will seek to request the Trading Advisors not to charge any fees until a final determination of the NAV during the period(s) is official. Once the official determination of the NAV is made, it will be at that point the Trading Advisors and the General Partner will be permitted to charge their current fees as well as any uncharged fees from prior periods during the suspension period.

The Fund will not accept subscriptions during any period in which the determination of the Fund's or the Master Fund's NAV is suspended, and the right of investors to withdraw capital from the Fund or exchange of Interests will be suspended during any such period.

§19. ADMISSIONS OF LIMITED AND GENERAL PARTNERS

The General Partner is authorized to admit additional Limited Partners to the Fund on the first

Business Day of each calendar month (or such other Business Day as the General Partner may from time to time determine) (the "Subscription Date"), provided that the Administrator has received the Limited Partner's Subscription Documents accompanying this Memorandum and capital contribution at least five (5) days prior to the Subscription Date or on such other Business Day as the General Partner may from time to time determine. The General Partner may, in its sole discretion, refuse to accept any initial or additional subscription or potential investor as a Limited Partner. At times determined by the General Partner, the Fund may be closed to new investors or additional subscriptions. Capital contributions shall be made in cash unless the General Partner, in its sole discretion, permits contributions in securities or partly in cash and partly in securities. A Limited Partner may, with the consent of the General Partner, make additional contributions in a minimum amount of \$10,000.00 (or such lesser amount as the General Partner may in its sole discretion determine from time to time, whether generally or in a particular case) to the capital of the Fund on the first Business Day of each calendar month and/or on any other date selected by the General Partner, in its sole discretion.

Although the Subscription Documents may be sent by facsimile, prospective investors should be aware of the risks associated with sending documents in this manner. The prospective investor bears the risk of the Subscription Documents not being received or being illegible. Subscription monies will not be available to participate in the Fund until the original Subscription Documents are received at the offices of the Administrator. The Administrator will not be responsible in the event any Subscription Documents sent by facsimile is not received or is illegible.

The General Partner may admit additional general partners (i) as of the beginning of any calendar month upon 30 days' prior written notice to all Limited Partners, (ii) at any time with the consent of the majority in interest of the Limited Partners or (iii) at any time if such additional general partners are affiliates of the General Partner or its principals.

§20. OTHER PROVISIONS OF THE PARTNERSHIP AGREEMENT

A. Term of the Fund

The Fund shall dissolve and wind up its affairs on the earliest to occur of: (i) the decision of the General Partner to terminate the Fund after providing 30 Business Days' notice to the Limited Partners; (ii) the withdrawal of the General Partner where no successor General Partner is selected; (iii) an event which makes it unlawful for the Fund business to be continued; or (iv) any other event which, under the Act, requires the Fund's dissolution and the winding up of its business and affairs. Neither the admission of partners nor the retirement, bankruptcy, death, dissolution, or legal incapacity of any Limited Partner will dissolve the Fund.

B. Valuation

The General Partner is responsible for valuing the assets of the Fund, but the General Partner may delegate responsibility for valuing the Fund's assets to an administrator or similar service provider. In this regard, the General Partner has initially delegated the responsibility for valuing the Fund's assets to the Administrator, which will value such assets as of the close of business on the last day of each calendar month or at such other times as determined by the General Partner in accordance with the valuation guidelines (also applicable to the Master Fund) as set forth in the Limited Partnership Agreement.

C. Liability of Partners and Indemnification of General Partner and Others

The General Partner is liable to creditors for the debts of the Fund. However, none of the General Partner, its directors, officers, managers, members, principals, employees, delegates or affiliates, nor any person designated to wind up the affairs of the Fund pursuant to the Limited Partnership Agreement will be liable for any loss arising out of or in connection with any activity undertaken (or omitted to be undertaken) in connection with the Fund, except for any liability caused by its gross negligence or willful misconduct.

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

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

D. Dissolution of the Fund

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

E. Assignability of Limited Fund Interests

Neither the interest of any Limited Partner in the Fund nor any beneficial interest therein is assignable, in whole or in part, without the prior written consent of the General Partner given in its sole discretion. Upon such an assignment of a Limited Fund interest, the assignee shall become a Limited Partner upon the execution of such agreements and other documents as shall be required by the General Partner.

F. Amendment of the Limited Partnership Agreement

The Limited Partnership Agreement may be amended by the General Partner in its sole discretion in any manner that does not adversely affect any Limited Partner. The Limited Partnership Agreement may also be amended by action of both the General Partner and Limited Partners owning a majority in interest of the Capital Accounts of all the Limited Partners in any manner that does not discriminate among the Limited Partners.

G. Power of Attorney

The General Partner will be granted an irrevocable power of attorney to sign on behalf of each Limited Partner a Certificate of Limited Fund and any amendments thereto or termination thereof, as well

as any documents required by reason of the dissolution of the Fund or any documents required to be submitted by the Fund to any governmental or administrative agency, to any exchange, board of trade, clearing corporation or association or to any self-regulatory organization or trade association.

H. Exculpation

The General Partner, its managers, member and their affiliates will not be liable to the Fund or any other Limited Partner for any claims, costs, expenses, damages or losses arising out of the performance of the General Partner's duties under this Agreement other than those directly attributable to the General Partner's or its affiliates' own criminal wrongdoing, fraud, gross negligence or intentional misconduct, as determined by a judicial, non-appealable order.

§21. TAXATION

A. Generally

The following is a summary of certain aspects of the U.S. federal income taxation of the Fund and its investors which should be considered by a prospective purchaser of Interests, and is based upon the Code, regulations promulgated under the Code ("Treasury Regulations"), court decisions and administrative rules, practices and interpretations of law of the Internal Revenue Service ("IRS") as in effect on the date of this Memorandum. Future legislative or administrative changes or court decisions may significantly change the conclusions expressed herein, and any such changes or decisions may have a retroactive effect.

*The discussion below describes the general federal income tax considerations applicable to investors that are any of (i) a citizen or resident of the United States; (ii) a corporation or other entity taxable as a corporation organized under the laws of the United States or any state thereof; (iii) an estate whose income is subject to United States federal income tax regardless of its source; (iv) a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust; or (v) an entity that is disregarded as separate from its owner if all of its interests are owned by a single person described in clauses (i) through (iv). This summary does not purport to deal with all aspects of federal income taxation that may affect investors, particularly in light of their specific circumstances, nor with investors that may be subject to special treatment under the federal income tax laws. **This discussion does not address the United States tax consequences applicable to a foreign investor in the Fund.** A complete discussion of the federal, state, local and foreign tax consequences of an investment in the Fund is beyond the scope of this summary. Further, this discussion does not address the tax treatment of transactions not currently within the Investment Guidelines of the Fund.*

No representation is made as to the tax consequences of the operations of the Fund. Moreover, the Fund generally will not be managed in order to minimize the tax liability of investors or otherwise in light of the particular tax status of one or more investors. The Fund has not sought and will not seek a ruling from the IRS with respect to any federal income tax consequences, and counsel's views on any such consequences are not binding on the IRS or the courts.

Each investor that is treated as a partnership for U.S. federal income tax purposes should consult its own tax advisor.

On December 22, 2017, the "Act to provide for reconciliation pursuant to titles II and V of the

*concurrent resolution on the budget for fiscal year 2018” (the “2017 Tax Act”), which was originally introduced in the United States House of Representatives as the “Tax Cuts and Jobs Act,” was enacted into law. The 2017 Tax Act amends the Internal Revenue Code of 1986. Most of the provisions of the 2017 Tax Act will take effect in 2018. The 2017 Tax Act made sweeping tax changes that will impact individuals and businesses. In light of the sweeping nature and complexities of the tax changes in the 2017 Tax Act, the U.S. tax authorities are expected to issue implementing and clarifying guidance on many of these changes (the “Implementing Guidance”). No assurances can be made as to the impact of the 2017 Tax Act or the Implementing Guidance on the Fund and its investment activities. **Except where specifically indicated, the discussion below is based on the Internal Revenue Code of 1986, before amendment by the 2017 Tax Act. Any discussion below regarding the 2017 Tax Act is not intended to constitute a full discussion of this act. Prospective investors thus are strongly encouraged to consult with their independent tax advisors as to the impact of the 2017 Tax Act and the Implementing Guidance on their contemplated investment in the Fund, in light of their particular circumstances.***

IRS Circular 230 Disclosure

Any discussion of the tax consequences of an investment in the Fund herein is provided to support the promotion or marketing by the Fund of the Interests in the Fund offered hereby. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor concerning the potential tax consequences of an investment in the Fund.

1. Fund Status

Under current law, the Fund is classified as a partnership, and not as an association taxable as a corporation, for federal income tax purposes.

A publicly traded partnership ("PTP") is generally treated as a corporation for federal income tax purposes. In the event that the Fund were treated as a PTP taxable as a corporation for federal income tax purposes, the investors would not be treated as partners for tax purposes, and income or loss of the Fund would not be passed through to the investors. Further, the Fund would be subject to federal income tax on its income at the rates applicable to corporations. Any such status would materially reduce the after-tax return to an investor from its investment in the Fund.

A partnership such as the Fund should ordinarily be considered a PTP only if interests in the Fund are "traded on an established securities market" or "readily tradable on a secondary market (or the substantial equivalent thereof)." Treasury Regulations provide certain safe harbors from such status; however, there is no assurance that the Fund would fit within any of these safe harbors. Even if no safe harbor is available to the Fund to avoid being readily tradable on a secondary market (or the substantial equivalent thereof), the Fund may be able to avoid taxation as a corporation if at least 90% of its gross income for a taxable year consists of dividends, interest (to the extent such interest is neither derived from the "conduct of a financial or insurance business" nor based upon "income or profits" of any person), capital gains, income inclusions in respect of a controlled foreign corporation ("CFC") (at least to the extent such inclusion is matched by a distribution out of earnings and profits in the taxable year of inclusion), income inclusions with respect to a passive foreign investment company ("PFIC") (at least to the extent of those required income inclusions where the PFIC is treated as a qualified electing fund ("QEF") where such inclusion is matched by a distribution out of earnings and profits in the taxable year of inclusion), and certain other qualifying income.

The General Partner believes that at least 90% of the Fund's income will be "qualifying income." Furthermore, based on the restrictions on the transferability of Interests, it is highly likely that interests in the Unit will not be treated as "readily tradable on a secondary market." Therefore, the Fund should not be classified as a PTP taxable as a corporation based upon its anticipated activities. However, the above-

described exceptions, as well as other exceptions against treatment of the Fund as a PTP, cannot be at present susceptible to knowledge. Accordingly, it is not impossible, although it is highly unlikely, that the Fund will be treated as a PTP taxable as a corporation in the future. The discussion set forth in the following paragraphs assumes that the Fund will be taxed as a partnership (and not a PTP taxable as a corporation) for federal income tax purposes.

2. Taxation of Investors

Each investor will be liable for taxes on such investor's allocable share of Fund income.

An investor may not recognize a taxable loss upon a partial redemption of its Interests or partial withdrawal of its Capital Account, and may only recognize a loss upon a complete withdrawal or the redemption or termination of an investor's entire interest in the Fund after the investor has received all distributions and payments in respect of such complete withdrawal, redemption or termination. In such case, the investor generally would recognize a capital loss to the extent of any remaining tax basis in its Interests.

Cash distributed (including with respect to partial Capital Account withdrawals and partial redemption payments) to an investor in excess of the adjusted tax basis of its Interests will be treated as an amount received on the sale or exchange of its Interests and will generally be taxable as capital gain. Capital gain (or loss) recognized by an investor upon a distribution, withdrawal, redemption, termination or other disposition of Interests generally will be long-term capital gain (or loss) to the extent of the portion of the investor's Interests that are held for more than twelve months, and short-term capital gain or loss to the extent of the portion of the investor's Interests that are held for twelve months or less. For this purpose, an investor will begin a new holding period in a portion of its Interests each time the investor makes an additional investment in the Fund.

Where the Fund makes a distribution that constitutes a "substantial basis reduction" (e.g., the complete redemption of an investor's Interests where the investor recognizes a tax loss in excess of \$250,000), the Fund generally is required to adjust its tax basis in its assets in respect of all investors. (The Fund also is required to adjust its tax basis in its assets in respect of a transferee investor in the case of a sale or exchange of an Interest, or a transfer upon death, when there exists "substantial built-in loss" (i.e., in excess of \$250,000) in respect of Fund property immediately after the transfer. Pursuant to the 2017 Tax Act, a "substantial built-in loss" will also exist if the transferee would be allocated a net loss in excess of \$250,000 upon a hypothetical disposition by the Fund of all its assets in a fully taxable transaction for cash equal to the fair market value of the Fund's assets, immediately after the transfer of the interest in the Fund to the transferee. The Fund currently intends to track each investor's adjusted tax basis in their respective Interests. To the extent the Fund were unable to do so, the Fund may require (i) an investor who receives a distribution of securities and assets (other than cash) from the Fund in connection with a complete withdrawal, (ii) a transferee of an Interest (including a transferee in case of death) and (iii) any other investor in appropriate circumstances to provide the Fund with information regarding its adjusted tax basis in its Interests.

The Fund generally intends to specially allocate separate Fund items of income, gain, loss and deduction to a redeeming investor to the extent necessary such that the investor would have an adjusted tax basis in its Interests equal to the redemption payment (thereby avoiding the need to make any adjustment to the Fund's tax basis in its investments). The General Partner retains sole discretion in determining the character of any such items that are specially allocated to a particular redeeming investor. There are no assurances that these special allocations could not be successfully challenged by the IRS. If successfully challenged, an investor's allocable share of Fund taxable income and loss may be affected.

Gain or Loss on Certain Transactions. Generally, the gains and losses realized by the Fund on

the sale of any securities should primarily be capital gains (or losses). Generally, securities must be held for more than 12 months for the gain from the sale of the securities to qualify as long-term capital gains. Gains or losses on sales of securities that are held for twelve months or less are treated as short-term gains (or losses) and are taxed at ordinary income tax rates. The Fund will also realize ordinary income, including interest income, which will be taxed at ordinary income tax rates.

Currently, the maximum income tax rate for investors that are individuals, estates or trusts on long-term capital gains (*i.e.*, from capital assets held more than a year, including 60% of the gain on so-called "Section 1256 Contracts," such as Commodity Interests) is 23.8% (including as of 2013, an additional 3.8% net investment income tax). The maximum income tax rate for investors that are individuals, estates or trusts on ordinary income is 43.4% (including the 3.8% investment income tax). Beginning in 2018, and pursuant to the 2017 Tax Act, this maximum rate (including the 3.8% investment income tax) is 40.8%.

Presently, the maximum income tax rate for corporate investors on each of (i) ordinary income, (ii) 40% of capital gains on Section 1256 Contracts, and (iii) capital gains for investors, is 35%. Beginning in 2018, and pursuant to the 2017 Tax Act, this maximum rate is 21%.

Gain or loss with respect to stock or securities is generally taken into account for tax purposes only when realized. In addition, in certain circumstances, gain (but not loss) will be recognized upon a constructive sale of any "appreciated financial position" in stock or partnership interests. A constructive sale currently occurs when the taxpayer enters into short sales, offsetting notional principal contracts or futures or forward contracts with respect to the same or substantially identical property.

Further, the Fund possibly could enter into investments that may constitute positions in a "straddle" when considered in conjunction with the other investments of the Fund (or perhaps even positions held by an investor in its independent capacity). If two or more positions constitute a straddle, recognition of a realized loss from one position must be deferred to the extent of unrecognized gain in an offsetting position. In addition, long-term capital gain may be recharacterized as short-term capital gain, or short-term capital loss as long-term capital loss. Interest and other carrying charges allocable to personal property that is part of a straddle are not currently deductible, but must instead be capitalized. Similarly, "wash sale" rules may apply to prevent the recognition of loss by the Fund from the disposition of securities at a loss in a case in which identical or substantially identical securities (or an option to acquire such property) is or has been acquired within a prescribed period.

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

Section 1256 Contracts. The Fund will invest in various instruments that qualify as "Section 1256 Contracts," including Commodity Interests. With certain exceptions, all open Section 1256 Contracts held by the Fund on its fiscal year-end will be treated for federal income tax purposes as having been sold for their fair market value on such date (so-called, "marked-to-market"). This will result in all unrealized gains and losses (along with realized gains or losses) being recognized and reported by the Fund, and consequently, the investors for federal income tax purposes for the taxable year even if the value of these open contracts declines in a subsequent taxable year. ***As a consequence of the mark-to-***

market rules in part, investors may have tax liability relating to unrealized Fund profits in open positions at year-end an applicable portion of which is passed through the Fund and to the investors (although as described above, 60% of any such gain is currently eligible for the preferential rate on long-term capital gain).

Foreign Currency Transactions. The Fund may engage in transactions involving forward contracts on foreign currency. Such contracts generally will give rise to ordinary income or loss. Special rules are provided in the Code that, among other things, involve certain procedures and elections that the Fund may follow, to the extent available to it, to obtain capital gain and loss treatment of such transactions. If the Fund obtains financing denominated in a foreign currency, then it may recognize gain or loss attributable to fluctuations in such currency relative to the U.S. dollar. The Fund also may recognize gain or loss on currency fluctuations occurring between the time the Fund obtains and disposes of foreign currency, between the time it accrues and collects income denominated in a foreign currency, (including as described above for gains on sales), or between the times it accrues and pays liabilities denominated in a foreign currency. Such gains or losses generally will be treated as ordinary income or loss.

Conversion Transactions. It is possible, although probably not likely, that certain transactions in which the Fund engages would constitute "conversion transactions" that are prevented from converting ordinary income into capital gains. "Conversion transactions" are those that result in a gain that is primarily based upon the time value of a taxpayer's investment and not upon capital risk. In addition, the transaction would have to constitute any of (a) a transaction in which the taxpayer acquires property and on a substantially contemporaneous basis enters into a contract to sell the property (or substantially identical property) for a determined price, (b) a straddle, or (c) a transaction that is marketed or sold as producing capital gains. Upon application of the rules for conversion transactions to a financial instrument held by the Fund, the amount of the Fund's ordinary income (which will be passed through to the investors) will be computed by using an applicable federal interest rate.

Obligations Acquired at a Discount. Some of the debt instruments acquired by the Fund (with a fixed maturity date of more than one year from the date of issuance) may be treated as debt instruments that were originally issued at a discount. The amount of original issue discount ("OID") on a particular instrument is equal to the difference between the price at which the debt instrument was issued and its stated redemption price at maturity (which can include certain interest payments as well as principal). Generally, OID (with respect to obligations other than tax-exempt obligations) is treated as interest income with respect to the debt instrument and is included in gross income over the term of the debt instrument, even though payment of that amount is not received until a later time. The amount of OID included in income each year is determined using economic accrual of interest principles and a constant yield-to-maturity. A portion of the OID includable in income with respect to certain high-yield corporate debt instruments may be treated as dividends for federal income tax purposes and, in the case of corporate investors, may be eligible for the dividends received deduction.

Some debt instruments (with a maturity of more than one year from the date of issuance) which the Fund may acquire may be purchased in the secondary market at a discount which exceeds the OID, if any, on such debt instrument. This additional discount represents market discount. The gain realized on the disposition of any debt instrument having market discount is treated as ordinary income to the extent the gain does not exceed the "accrued market discount" on such debt instrument. The Fund may elect to include the market discount in income as it accrues, instead of including it in income upon a disposition of the debt instrument. In general, market discount will accrue at a constant rate on a daily basis for each day the debt instrument is held by the Fund, but the Fund may elect to compute the amount of accrued market discount on the basis of a constant interest rate.

Further, some debt instruments (with a fixed maturity date of one year or less from the date of

issuance) acquired by the Fund may have a purchase price that is less than the stated redemption price at maturity of the debt instrument. In such situations involving "government obligations" (obligations of the United States or any of its possessions, a state or any political subdivision thereof, or the District of Columbia), an amount equal to the difference between the purchase price and the stated redemption price at maturity represents acquisition discount. In general, acquisition discount must be accrued as income at a constant rate on a daily basis for each day the debt instrument is held by the Fund, but the Fund may elect to compute the amount of accrued acquisition discount on the basis of a constant interest rate. The Fund will be required to include the acquisition discount (with respect to obligations other than tax-exempt obligations) in gross income as it accrues, even though cash with respect to the acquisition discount is not payable until a later time, generally upon maturity of the instrument. Similar rules will apply with respect to certain nongovernmental obligations (with a fixed maturity date of one year or less from the date of issuance) acquired by the Fund.

3. Limitations on the Ability of Investors to Deduct Fund Losses and Expenses

The Code provides many restrictions and limitations that may prevent an investor from receiving the full tax benefit from Fund expenses and losses, if any, passed through to the investors. These restrictions and limitations include the following:

"At Risk" or Tax Basis of Interests. An investor will only be entitled to deduct the share of Fund taxable losses that are passed through to the investor to the extent such taxable losses do not exceed the tax basis of such investor's Interests as of the end of the Fund's taxable year in which such loss occurs. Further, with respect to an investor who is an individual, trust, estate or a closely held C corporation, such investor will only be entitled to deduct the investor's share of Fund taxable losses that are passed through to such investor on such investor's income tax return to the extent the tax basis of such investor's Interests as of the end of the Fund's taxable year in which such loss occurs is considered to be "at risk." For this purpose, an investor's "at risk" amount will not include certain types of non-recourse borrowing that the investor uses to finance its Interests.

Capital Losses/Loss Carryovers. The excess of a non-corporate investor's capital loss over capital gain in any year is only deductible against ordinary income up to \$3,000. Net capital losses that exceed this limitation may be carried forward to subsequent years and deducted against capital gains in that year plus \$3,000 of ordinary income. A non-corporate investor generally may not carry back net capital losses to previous taxable years. However, under a special rule, an individual investor's net losses from Section 1256 Contracts generally may be carried back up to three years to offset net gains from Section 1256 Contracts realized in such previous years. Corporations are allowed to use capital losses to offset in full capital gains but are not allowed to use capital losses to offset ordinary income. A corporate U.S. investor's net capital loss in any year generally may be carried back to each of the three taxable years preceding the loss year and carried forward to each of the five taxable years succeeding the loss year.

Deduction of Fees. The Code provides that, for non-corporate taxpayers who itemize deductions when computing taxable income, investment advisory fees and other "miscellaneous itemized deductions" will only be deductible to the extent such amount exceeds 2% of a taxpayer's adjusted gross income. In addition, "miscellaneous itemized deductions" in excess of the 2% threshold, when combined with certain of a taxpayer's other deductions, are subject to a reduction equal to 3% of the taxpayer's adjusted gross income in excess of a threshold amount that is increased annually to account for inflation for tax years ending after December 31, 2012. Moreover, "miscellaneous itemized deductions" are not deductible by a non-corporate taxpayer in calculating its alternative minimum tax.

The Fund intends to treat expenses incurred in its trading activities as ordinary and necessary business expenses allowable under Code Section 162 and not subject to the 2% floor for individual taxpayers. On audit, the IRS might assert that the Fund's expenses are subject to the 2% floor.

The 2017 Tax Act takes away the deductibility of all expenses subject to the 2% limitation for the years 2018 through 2026.

Investment Interest Expense. The distributive share of interest expense incurred by the Fund of a non-corporate investor and interest incurred by a non-corporate investor to acquire or carry its Interests may be investment interest, deductible only to the extent of the net investment income of the investor for the year (*i.e.*, the excess of income from interest, dividends and gains from the disposition of investment property over expenses incurred in earning such income). In computing net investment income, both long-term capital gains and dividends that would otherwise be taxable at a 20% rate are includable only if the non-corporate investor elects to have such gains and dividends taxed at the same rate as ordinary income. Excess investment interest expense may be carried over to and deducted in subsequent years to the extent it would be deductible if incurred in that year. The Fund will report to investors for each year their respective share of the Fund's investment interest expense and each investor should consult with their tax advisor regarding whether or not such allocated investment interest expense is subject to the investment expense limitation rules discussed above.

Income and Losses from Passive Activities. Losses claimed by individuals, estates, trusts, personal service corporations and closely held C corporations from business activities in which they do not materially participate ("passive activities") are generally only deductible to the extent of income from other passive activities. Treasury Regulations provide that gross income from the activity of buying, holding and selling of stocks, bonds and other financial securities on established financial markets is not a passive activity if such activity rises to the level of a "trading" business. Treasury Regulations further provide that, if such activity does not rise to the level of a trading business, such activity (whether or not occurring through established financial markets) is also not a passive activity. Accordingly, it appears that the income or loss of the Fund should generally not be treated as passive activity income or loss, and therefore an investor's distributive share of the Fund's income should not be offset by losses that the investor may have from passive activities.

4. Investment by Tax-Exempt Investors

Each otherwise tax-exempt investor (including charitable organizations, private foundations, and individual retirement accounts ("IRAs") is subject to tax on its unrelated business taxable income ("UBTI"), and generally is subject to the same provisions as a taxable investor (whether a trust or corporation, as applicable) with respect to reporting and paying regular and minimum tax (including the requirement to make estimated tax payments) on such income. Private foundations also may be subject to additional income tax on their net investment income (including income from the Fund) as well as various excise taxes.

For certain types of tax-exempt entities, the receipt of UBTI may have adverse consequences different from those discussed above. For example, any UBTI earned by a charitable remainder trust, is subject to a 100% excise tax. The Master Fund expects that it may incur indebtedness for purposes of Section 514 of the Code in the course of its investment activities. Accordingly, an investment in the Partnership may result in UBTI for those tax-exempt investors that are subject to tax under Section 511 of the Code. Therefore, U.S. tax-exempt investors may desire to invest in the Offshore Feeder Fund, rather than the Fund. Tax-Exempt investors are strongly urged to consult their own tax advisers concerning the United States federal income tax consequences of making an investment in the Fund, in light of their particular circumstances.

5. IRS Audit and Reporting Requirements

The Fund will arrange for the preparation and filing of all necessary tax returns for the Fund and will furnish necessary instructions and information to the investors for their individual federal income tax

returns. The fiscal year of the Fund will end on December 31.

The Code generally provides that upon audit of a partnership return, the tax treatment of any "partnership item" (including among other things, items of partnership income, gain, loss, deduction, and credit) will be determined at the partnership level in one uniform proceeding rather than in separate proceedings with the partners, or, in this case, investors. The period for assessment with respect to Fund items generally will not expire before three years from the date of filing the Fund return or, if later, the last date prescribed for filing such return determined without regard to extension. Under some circumstances, the provisions of the Code extend the period for assessment and, in addition, the period may be extended with respect to any investor by agreement with such investor, or, for all investors, by agreement with the designated "Tax Matters Partner." The General Partner will serve as the Tax Matters Partner of the Fund within the meaning of Code Section 6231(a)(7). The Tax Matters Partner does not function as an adviser to or agent of any investor with respect to the tax consequences of ownership of Interests, and questions as to those consequences should be referred to the investor's own tax counselor or accountant.

The General Partner is given broad authority to represent the Fund and its investors on tax matters and investors are subject to certain restrictions in this regard. Determinations reached as a result of such audits generally will "flow through" to investors and could require changes to an investor's tax return. In addition, an IRS audit of the Fund information return may result in an audit of an investor's personal income tax return which could result in adjustments to items unrelated to the Fund as well as to Fund income and losses. As with any tax audit, additional taxes, interest, and penalties might be due from an investor were the determinations to be adverse to positions previously taken by the investor.

Additionally, investors must report Fund items on their tax returns in a manner consistent with the treatment of such items on the Fund information return, or notify the IRS of any inconsistency. Failure to report the inconsistency will allow the IRS to assess automatically and collect any deficiency resulting from an adjustment to conform the treatment of the item to that presented on the Fund information return and could result in the imposition of certain penalties.

6. New Partnership Tax Audit Rules

On November 2, 2015, the Bipartisan Budget Act of 2015 (the "Budget Act") was signed into law. The Budget Act repeals the current partnership tax audit laws that were enacted in 1982 by the Tax Equity and Fiscal Responsibility Act ("TEFRA"), as well as the audit rules and procedures dealing with "electing large partnerships." The Budget Act contains provisions that set forth a brand new set of partnership audit rules and procedures (collectively, the "New Partnership Audit Rules") that will become effective for tax returns filed for partnership taxable years beginning after December 31, 2017.

A central feature of the New Partnership Audit Rules is that, unlike current law, partnership audit adjustments will no longer be assessed and collected at the partner level, but will instead be assessed to, and the tax arising from such adjustments (referred to as the "imputed underpayment") collected directly from, the partnership, unless the partnership is eligible to opt out of the new rules, or the partnership makes an election to pass through adjustments to the underlying partners.

The New Partnership Audit Rules eliminate the designation of a "tax matters partner." Instead, a partnership will designate a "partnership representative" who does not need to be a partner (but must have a substantial presence in the United States) and will have broad authority to resolve any partnership audit. The partnership representative's actions and decisions will bind the partnership and all partners, and unlike the rules under TEFRA, partners will no longer have a statutory right to notice or to participate in any audit proceedings. Likewise, partners will no longer be able to initiate an administrative adjustment request with respect to tax returns for prior years.

The General Partner is the "tax matters partner" of the Fund, and will serve as the "partnership representative" of the Fund for taxable years beginning after December 31, 2017. The General Partner will determine in its sole discretion the best course of action for the Fund to follow under the New Partnership Audit Rules.

PROSPECTIVE INVESTORS ARE STRONGLY URGED TO CONSULT WITH THEIR INDEPENDENT TAX ADVISORS AS TO THE NEW PARTNERSHIP AUDIT RULES AND THE IMPACT OF THESE RULES ON SUCH INVESTORS' INVESTMENT IN THE FUND.

7. Tax Shelter Treasury Regulations; Disclosure

Treasury Regulations directed at abusive tax shelter activity apply to transactions not conventionally regarded as tax shelters. Among other things, the current Treasury Regulations require specified disclosures by certain persons that directly or indirectly participate in a "reportable transaction." While there are exclusions that generally cover most customary trading activity, they do not cover certain types of arbitrage and foreign currency transactions, among others. Accordingly, it is possible that the Fund might participate in one or more reportable transactions. In that event, the Fund would be required to file an IRS Form 8886 with its tax return, which may increase the likelihood of an audit, and maintain a list identifying those investors (if any) that were allocated tax losses from the reportable transaction(s) equal to or greater than certain specified amounts. An investor that is allocated tax losses from reportable transactions equal to or greater than the specified amounts must file an IRS Form 8886 with its own tax return for each year that the investor reports tax losses from the reportable transaction(s).

Certain investors may be subject to a "penalty" excise tax under Section 4965 of the Code if they become a party to (A) a "prohibited tax shelter transaction" ("PTST") if the transaction is a PTST at the time the tax-exempt entity became a party to the transaction or (B) a "subsequently listed transaction." A tax-exempt entity will be treated as a "party" to a transaction if it (1) facilitates the transaction by reason of its tax-exempt, tax indifferent or tax-favored status, or (2) is identified in published guidance, by type, class, or role, as a party to a PTST. The amount of the tax depends upon, among other things, whether the tax-exempt entity knew or had reason to know the transaction was a prohibited tax shelter transaction at the time the entity entered into the transaction.

To the best of the General Partner's knowledge and belief, none of the Fund's assets have been, and the General Partner will use its reasonable efforts to ensure that none of the Fund's assets will be, invested in a manner that would reasonably be expected to result in the Fund (and therefore an investor) being a party to any of:

- a "subsequently listed transaction," meaning a transaction that is determined to be a "listed transaction" within the meaning of Section 6707A(c)(2) of the Code (*i.e.*, a reportable transaction that is the same as, or substantially similar to, a transaction specifically identified as a tax avoidance transaction) at any time after a tax-exempt entity has become a party thereto; or
- a PTST, meaning a "listed transaction," as described above, a "confidential transaction" or a "transaction with contractual protection."

A "confidential transaction" is a transaction that is offered to the General Partner under conditions of confidentiality for which the General Partner pays a minimum fee (currently at least U.S. \$250,000) and the adviser to the transaction places a limitation on disclosure by the General Partner of the tax treatment or tax structure of the transaction and the limitation on disclosure protects the confidentiality of the adviser's tax strategies. A "transaction with contractual protection" is a transaction for which the General Partner or a related party to the General Partner has the right to a full or partial refund of fees if

all or part of the intended tax consequences from a transaction are not sustained. A transaction with contractual protection also includes a transaction for which fees are contingent on the General Partner's realization of tax benefits from the transaction.

If the Fund's assets are invested in a manner that gives rise to a listed transaction, a confidential transaction, or a transaction with contractual protection, the General Partner will, on a timely basis, give investors any and all information necessary and appropriate for the investors to satisfy their disclosure and reporting obligations under Section 6033(a)(2) of the Code, including any obligation to disclose that the investor is a party to any PTST.

8. FATCA Compliance

Sections 1471–1474 of the Code ("FATCA") impose a withholding tax of 30% on certain U.S.-source payments made to non-U.S. entities unless they comply with certain due diligence and reporting requirements. FATCA withholding will generally apply to (i) U.S.-source dividends, interest, rents and other "fixed or determinable annual or periodical income" paid after June 30, 2014 and (ii) certain U.S.-source gross proceeds paid after December 31, 2018. Pursuant to the Limited Partnership Agreement, partners agree to provide information as is necessary for the Fund to comply with its obligations under FATCA. The failure of a partner to comply with these provisions may result in adverse consequences applying to such partner pursuant to the Limited Partnership Agreement. Each prospective investor should consult its own tax advisor regarding the application of FATCA to its particular circumstances.

9. Foreign Investors

Non-U.S. investors may be subject to U.S. tax rules that differ significantly from those summarized herein. For example, among other things, the Fund may be required to withhold tax from the investor's share of certain items of the Fund's income and a non-U.S. investor could be required to file U.S. tax returns. *Non-U.S. investors should consult their tax advisors before making an investment in the Fund.*

10. State and Local Taxes

In addition to the federal income tax consequences summarized above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. Tax returns may be required from investors in the Fund and tax liability may be imposed on such investors by states and local jurisdictions, including those where the investor is organized or resident and by other states and local jurisdictions with which an investor has contacts, as well as each state and local jurisdiction if the Fund is regarded under applicable law as doing business in, or as having income derived from, that jurisdiction. If an investor is subject to tax on income derived from the Fund in a jurisdiction by reason of his investment in the Fund, the investor may be entitled to claim a credit or a deduction with respect to such taxes in the jurisdiction in which he resides, but this is not always the case.

11. Other Taxes

The foregoing is a summary of some of the tax rules and considerations affecting investors, the Fund and the Fund's operations, and does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks inherent in making an investment in the Fund. Investors may be subject to other taxes, including but not limited to state and local estate and inheritance taxes and intangible taxes that may be imposed by various jurisdictions. The Fund also may be subject to state, local and foreign taxes. It is the responsibility of each investor to file all appropriate tax returns that may be required. Each prospective investor should consult his tax advisor with respect to any investment in the Fund.

12. Future Tax Law Changes

There may be future changes in federal income tax laws, resulting from legislative, administrative or judicial decisions, any of which may adversely affect the tax consequences of a United States investor's investment in the Fund.

THE FOREGOING DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING, PARTICULARLY SINCE THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND MAY NOT BE THE SAME FOR ALL TAXPAYERS. ACCORDINGLY, PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR TAX ADVISORS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATION UNDER FEDERAL LAW AND THE PROVISIONS OF APPLICABLE STATE, LOCAL, FOREIGN AND OTHER LAWS BEFORE SUBSCRIBING FOR INTERESTS. EXCEPT WHERE SPECIFICALLY INDICATED, THE DISCUSSION ABOVE IS BASED ON THE INTERNAL REVENUE CODE OF 1986, BEFORE AMENDMENT BY THE 2017 TAX ACT. ANY DISCUSSION ABOVE REGARDING THE 2017 TAX ACT IS NOT INTENDED TO CONSTITUTE A FULL DISCUSSION OF THIS ACT. PROSPECTIVE INVESTORS THUS ARE STRONGLY ENCOURAGED TO CONSULT WITH THEIR INDEPENDENT TAX ADVISORS AS TO THE IMPACT OF THE 2017 TAX ACT AND THE IMPLEMENTING GUIDANCE ON THEIR CONTEMPLATED INVESTMENT IN THE FUND, IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

§22. ERISA CONSIDERATIONS

A. Generally

ERISA and the Code impose certain restrictions on (i) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to ERISA's fiduciary standards, (ii) plans that are subject to Section 4975 of the Code including individual retirement accounts and Keogh plans, and (iii) certain entities whose underlying assets include plan assets by reason of a plan's investment in such entities (each a "Benefit Plan Investor"). Those restrictions govern investments by employee benefit plans and other Benefit Plan Investors that may purchase Interests in the Fund and therefore should be carefully considered by fiduciaries of those plans and their legal advisors.

B. Fiduciary Duty

In considering the purchase of Interests, plan fiduciaries should consider their basic fiduciary duties under ERISA Section 404, which requires them to discharge their investment duties prudently and solely in the exclusive interest of the plan participants and beneficiaries. Plan fiduciaries must give appropriate consideration to the role that an investment in the Fund would play in the plan's overall investment portfolio. In analyzing the prudence of an investment in Interests, special attention should be given to the Department of Labor's ("DOL") regulation on investment duties. That regulation requires, among other things, (i) a determination that each investment is reasonably designed, as part of the plan's portfolio, to further the plan's purposes, (ii) an examination of risk and return factors and (iii) consideration of the portfolio's composition with regard to diversification, the liquidity and current return on the total portfolio relative to anticipated cash flow needs of the plan and the projected return of the total portfolio relative to the plan's funding objectives. ERISA also requires a fiduciary to discharge its duties in accordance with the documents governing the plan insofar as they are consistent with ERISA.

C. Decision to Invest

The General Partner is not acting as, and does not intend to be, a fiduciary to any Benefit Plan Investor or any other employee benefit plan or account. However, the General Partner or an affiliate may have a preexisting relationship which causes them to be deemed "fiduciaries" or "parties in interest" under ERISA with respect to a plan which is considering the purchase of Interests. In such a case, neither the General Partner nor its affiliate will make or influence the decision by the plan to invest. An investment in the Fund will be permitted as long as the plan's decision to invest is made by an independent fiduciary of the plan, such as a Qualified Professional Asset General Partner ("QPAM") within the meaning of DOL Prohibited Transaction Class Exemption No. 84-14. The QPAM or other independent fiduciary will be furnished with any reasonably available information regarding the Fund, the terms of the offering and a list of investments held or committed to by the Fund as of the closing date.

Additionally, on June 9, 2017, the DOL's expanded definition of an "investment advice fiduciary," in 29 CFR § 2510.3-21 (collectively, the "Fiduciary Rule") became effective. The Fiduciary Rule expands the definition of who is a "fiduciary" to Benefit Plan Investors, but provides certain exceptions in 29 CFR § 2510.3-21(c)(1). The General Partner, in its sole discretion, may restrict sales to only Benefit Plan Investors that satisfy exceptions to the definition of an investment advice fiduciary. One exception is the "independent fiduciary" exception wherein the Benefit Plan Investor is represented by an independent "fiduciary" (an "Independent Fiduciary") within the meaning of Section 3(21) and/or Section 4975(e)(3) of the Internal Revenue Code, which such Independent Fiduciary has the financial expertise to evaluate the acquisition of the Interests by such Benefit Plan Investor. In order to satisfy the Independent Fiduciary exception, among other things, the person or entity acting as the Independent Fiduciary must be: (i) a federal or state registered investment adviser; (ii) a registered broker-dealer; (iii) a U.S. bank; (iv) a U.S. insurance carrier; or (v) an independent fiduciary, such as an investment committee (but in the case of IRA's, not the IRA owner), that holds, or has under management or control, total assets of at least \$50 million. Benefit Plan Investors will be required to complete documentation included in the Subscription Documents representing that their investments meet the requirements of the Independent Fiduciary exception. Benefit Plan Investors whose investments cannot meet the requirements of the Independent Fiduciary exception should notify the General Partner or the Administrator.

Finally, for purposes of the Fiduciary Rule, nothing in this Memorandum is intended by the Fund or the General Partner to be, and should not be construed as, ERISA fiduciary investment advice or a recommendation to a Benefit Plan Investor to invest in the Fund. Additionally, the General Partner and the Investment Manager believe that this Memorandum, along with the Partnership Agreement and the Subscription Documents delivered to each plan fiduciary, fully and fairly discloses the existence and nature of their financial interests.

Also, plan fiduciaries may be required to determine and report annually the fair market value of the assets of the plan; however, there may not be an independent basis for the plan fiduciary to determine the fair market value of the Interests it holds.

Further, the information contained herein and in the other documentation provided to investors in connection with an investment in the Fund is intended to satisfy the alternative reporting obligation for "eligible indirect compensation" on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

D. Plan Assets

DOL regulations at 29 C.F.R. §2510.3-101, as modified by Section 3(42) of ERISA ("Plan Asset Regulations") address whether an investment by a plan or other Benefit Plan Investor in an entity (such as the Fund) will result in the assets of the entity being deemed plan assets. The relevant portion of the Plan

Asset Regulations contains a general rule that, when an employee benefit plan makes an equity investment in an entity, and the equity interest acquired by the plan is neither a publicly offered security nor a security issued by a registered investment company, the plan's assets will include both the interest in the entity and an undivided interest in the underlying assets, unless either (i) the aggregate equity participation in the entity by Benefit Plan Investors is not "significant," or (ii) the entity is an "operating company." The Fund would not satisfy the definition of an "operating company."

Equity participation by Benefit Plan Investors is not treated as "significant" if, after the most recent acquisition of Interests, they own less than 25% each class of outstanding equity interests in the Fund. For this purpose, only the proportion of an entity's investment in the Fund that represents plan assets is taken into account, and investments by the General Partner, any person who provides investment advice to the Fund for a fee, direct or indirect, and any affiliate of such a person are disregarded.

If this 25% threshold is crossed, the General Partner and any affiliates that are exercising authority or control over plan assets would be fiduciaries with respect to the Benefit Plan Investors investing in the Fund. The fiduciary status of the General Partner or an affiliate with respect to the assets of those Benefit Plan Investors would require that each such fiduciary carry out its duties (to the extent it was acting as a fiduciary) in accordance with ERISA's fiduciary duty requirements and to avoid engaging in any transactions (including arrangements with affiliates or other entities which are "parties in interest" under ERISA) involving such assets which would constitute "prohibited transactions" under ERISA.

In order to avoid causing assets of the Fund to be "plan assets," the Fund may decide to restrict the aggregate investment by Benefit Plan Investors to under 25% of the total each class of equity interests of the Fund. Furthermore, if after the most recent investment in the Fund by any investor it is determined that Benefit Plan Investors hold 25% or more of the value any class of equity in of the Fund, then certain ownership and transfer restrictions (including restrictions on additional investments by Benefit Plan Investors and mandatory redemptions) may be implemented by the Fund. If rejection of new or additional investments or such mandatory redemption is necessary, as determined by the General Partner, to avoid causing the assets of the Fund to be "plan assets," the Fund will effect such rejections or redemptions in such manner as the General Partner, in its sole discretion, determines.

The foregoing is only a general discussion of certain relevant ERISA issues. Trustees and other fiduciaries of employee benefit plans subject to ERISA should consult with their own counsel and advisors with respect to specific issues arising under ERISA.

Plans of state and local governments and their agencies and instrumentalities are not subject to ERISA. However, these plans may be subject to state or local laws concerning fiduciary duties, suitability of investments or other requirements that affect their ability to purchase Interests. Persons who have investment authority for any such plan that is contemplating an investment in the Fund should carefully examine the relevant governing law applicable to the plan and should consult with their own counsel and advisors with respect to specific issues arising under the relevant governing law applicable to the plan.

Although IRAs are not generally subject to ERISA, they are subject to the provisions of Section 4975 of the Code prohibiting transactions with "disqualified persons" and investments and transactions involving fiduciary conflicts. A prohibited transaction or conflict of interest could arise if the fiduciary making the decision to invest has a personal interest in or affiliation with the Fund, the General Partner, the Investment Manager or any of their respective affiliates. In the case of an IRA, a prohibited transaction or conflict of interest that involves the beneficiary of the IRA could result in disqualification of the IRA. A fiduciary for an IRA who has any personal interest in or affiliation with the Fund, the General Partner, the Investment Manager or any of their respective affiliates, should consult with his or her tax and legal advisors regarding the impact such interest or affiliation may have on an investment in

Interests with assets of the IRA. IRA investors should also consider the Fiduciary Rule, discussed above. Under the Fiduciary Rule, the Subscription Documents entered into by each plan investor (including IRA investor) includes representations intended to confirm compliance with the Independent Fiduciary exception. Accordingly, IRA investors should carefully consider the representations in the Subscription Documents to determine if such investor can make such representations. Investors that are IRAs should consult with their counsel and advisors as to the prohibited transaction, conflict of interest and other provisions of the Code applicable to an investment in the Fund.

THE FOREGOING DISCUSSION IS GENERAL IN NATURE AND IS NOT INTENDED TO BE ALL-INCLUSIVE. ACCEPTANCE OF SUBSCRIPTIONS MADE BY OR ON BEHALF OF ERISA INVESTORS IS IN NO WAY A REPRESENTATION BY THE GENERAL PARTNER, INVESTMENT MANAGER, THE FUND OR ANY OTHER PARTY THAT ANY SUCH INVESTMENT MEETS ALL RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR THAT SUCH INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. NO ASSURANCE CAN BE GIVEN THAT FUTURE REGULATIONS, CHANGES IN ADMINISTRATIVE REGULATIONS OR RULINGS OR COURT DECISIONS WILL NOT SIGNIFICANTLY MODIFY THE REQUIREMENTS SUMMARIZED HEREIN. ANY SUCH CHANGES MAY BE RETROACTIVE AND THEREBY APPLY TO TRANSACTIONS ENTERED INTO PRIOR TO THE DATE OF THEIR ENACTMENT OR RELEASE.

E. Tax Considerations

Federal income tax consequences to plans that purchase an interest in the Fund differ from those consequences pertaining to other investors in the Fund based upon the Code and related rules, regulations and interpretations, any of which could be changed at any time.

Plans should consider the special tax rules relating to them before investing in the Fund. Plans are generally exempt from federal income taxation except to the extent that their "unrelated business taxable income" exceeds \$1,000 for any taxable year. Interest as well as gains or losses from the sale, exchange, or other disposition of property, other than so-called "debt-financed property" and inventory or property held primarily for sale in the ordinary course of a trade or business, are excluded from the computation of unrelated business taxable income.

§23. FISCAL PERIODS, FINANCIAL STATEMENTS & ACCOUNTANTS

The Fund has adopted a fiscal year ending on December 31. Since Limited Partners may be admitted or required to retire and additional capital contributions or withdrawals may be made during the course of a fiscal year, the Limited Partnership Agreement provides for fiscal periods, which are portions of a fiscal year, for the purpose of allocating net profits and net losses due to changes occurring in capital accounts at such times.

The Limited Partners will receive unaudited reports quarterly regarding the performance of the Fund. The books and records of the Fund will be audited at the end of each fiscal year by a firm of certified public accountants selected by the General Partner, and the Limited Partners will be furnished with audited year-end financial statements, including a statement of profit or loss for such fiscal year. The Limited Partners will also be provided with the status of such partners' Capital Accounts at such time. In general, the Fund's financial statements will be prepared in accordance with generally accepted accounting principles in the U.S., consistently applied.

Squar Milner (Cayman), Ltd. has been appointed as the Auditor of the Fund. The General Partner reserves the right, in its sole discretion, to change the Auditor without further notice to Limited Partners.

§24. PROSPECTIVE INVESTORS

A. Prospective Investors

Admission as a Limited Partner in the Fund is not open to the general public. The Fund is not intended as a complete investment program and is designed only for persons who are able to bear the economic risk of the loss of their investment in the Fund and either are sophisticated persons with respect to financial and business matters or are represented by such a person in connection with their investment in the Fund. The Fund will be open to investment by persons who represent, among other things, that they are "accredited investors" within the meaning of Regulation D of the United States Securities Act of 1933, as amended.

The minimum initial investment in the Fund is \$10,000 (or such lesser amount as the General Partner may in its sole discretion determine from time to time, whether generally or in a particular case) and the minimum subsequent investments in the Fund is \$10,000, (or such lesser amount as the General Partner may in its sole discretion determine from time to time, whether generally or in a particular case).

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

B. Anti-Money Laundering Procedures

To ensure compliance with statutory and other generally accepted principles relating to anti-money laundering regulations and policies, including any obligations under the USA Patriot Act, the Fund will require verification of identity and source of funds from all prospective investors in the Fund. Pending the provision of evidence satisfactory to the Fund, admission of an investor as a Limited Partner may be delayed in the sole discretion of the General Partner.

If the Administrator has not received satisfactory evidence of an investor's identity within a reasonable period of time following a request for such evidence, the General Partner may refuse to admit the investor as a Limited Partner, in which event any capital contributions received by the Fund from such investor will be returned without interest to the account of such investor at the investor's risk. Investors should note that either the General Partner or the Administrator has a suspicion that a payment to the Fund (by way of capital contribution or otherwise) contains the proceeds of criminal conduct, it may be required under applicable anti-money laundering laws and regulations to report its suspicions to one or more enforcement or regulatory agencies, including various U.S. governmental agencies.

C. Procedures for Becoming a Limited Partner

In order to become a Limited Partner, a prospective Limited Partner is required to: (i) complete and execute the execution copy of the Subscription Documents, inserting the amount of such partner's capital contribution, such partner's residence address and his taxpayer identification or social security number, among other things; and (iii) return the completed Subscription Documents to the Fund in care of the Administrator at Fax: (704) 752-8997 or Email: CharlotteIR@apexfunds.us, and the original to 15720 Brixham Hill Avenue, Suite 206, Charlotte, NC 28277.

An execution copy of the Subscription Documents is contained in the materials accompanying this Memorandum. Capital contributions shall be made in cash unless the General Partner, in its sole discretion, permits contributions in securities or partly in cash and partly in securities. The Subscription Documents accompanying this Memorandum contain further instructions on completing the relevant subscription documents to become a Limited Partner.

Subscription Documents may be sent by facsimile or email provided the original follows promptly. Subscribers should note that none of the General Partner, the Administrator or any of their respective delegates accepts any responsibility for any loss caused as a result of non-receipt of any Subscription Documents sent by facsimile or email. All capital contributions must originate from an account held in the name of the subscriber. No third party payments shall be permitted.

In order to comply with regulations aimed at the prevention of money laundering and/or anti-terrorism initiatives, the General Partner or the Administrator on its behalf will require verification of identity from all prospective Limited Partners. Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity.

In addition, each prospective investor that is an individual will be required to represent in the Subscription Documents that, among other things, his proposed subscription for an Interest is not a "Prohibited Investment" as defined in the Subscription Documents (essentially a person involved in money laundering or terrorist activities, including persons on certain lists maintained by the United Nations, NATO and other organizations). Further, each prospective investor that is an entity will be required to represent in the Subscription Documents that, among other things, (i) it has carried out thorough due diligence to establish the identities of its beneficial owners, (ii) based on its due diligence it reasonably believes that its proposed subscription for an Interest on behalf of any such beneficial owner is not a "Prohibited Investment", (iii) it will maintain such due diligence information for at least five years from the date of its withdrawal from the Fund and (iv) it will make such information available to the Fund upon request.

The General Partner or the Administrator on its behalf reserves the right to request such further information as it considers necessary to verify the identity of a prospective investor. In the event of delay or failure by the prospective investor to produce any information required for verification purposes, the General Partner or the Administrator on its behalf may refuse to accept a capital contribution until proper information has been provided, and any funds received will be returned without interest to the account from which the such funds were originally debited.

The General Partner or the Administrator on its behalf also reserves the right to refuse to make any withdrawal payment or distribution to a Limited Partner otherwise than to the account from which the corresponding capital contribution was paid if the General Partner or the Administrator suspects or is advised that the payment of any withdrawal or distribution moneys to such Limited Partner might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, the General Partner or the Administrator with any such laws or regulations in any relevant jurisdiction.

§25. ADDITIONAL INFORMATION

Representatives of the General Partner will be available to each prospective purchaser of Interests during normal business hours and will respond to questions concerning the terms and conditions of the

offering. These representatives also will provide to prospective purchasers any additional information which is available to the Fund or which can be obtained by the Fund without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished in this Memorandum. Persons wishing to avail themselves of the opportunity to ask questions and receive answers or to otherwise obtain information to verify the accuracy of the information furnished in this Memorandum should a General Partner.

STATEMENT OF PRIVACY

The General Partner is committed to protecting investors' privacy and maintaining the confidentiality and security of investors' personal information. In accordance with its legal obligations, the General Partner is required to inform investors how it treats certain information concerning investors to aid their understanding in how it handles investors' personal information and how such information is used to service investors.

Protecting investors' personal information is an important priority for the General Partner. Accordingly, it uses the personal information collected about investors in order to provide better service. The General Partner may collect nonpublic personal information about investors from the following sources: (i) applications or forms (for example, name, address, Social Security number, birth date, assets and income); (ii) transactional activity in investors' accounts (for example, trading history and balances); and (iii) other interactions within the General Partner or between the General Partner and its affiliates (for example, discussions with staff).

The General Partner only discloses nonpublic personal information about investors or former investors (including information regarding transactions or experiences with investors or former investors) to affiliates in the areas of financial, advisory and securities services and nonaffiliated third parties who assist the General Partner in providing services to the Fund (for example, accountants and attorneys), each as permitted by law or as otherwise required by law.

The General Partner considers the protection of sensitive information to be a sound business practice and a foundation of customer trust and protects investors' personal information by maintaining physical, electronic and procedural safeguards. The General Partner restricts inter-company access to investors' or former investors' nonpublic personal information to those employees who need to know that information to provide products or services to the Fund.