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PRIVATE PLACEMENT OFFERING MEMORANDUM
AND DISCLOSURE DOCUMENT

Alpha Plus FoF L.P.

(a Nevada Commodity Pool Limited Partnership)

PURSUANT TO AN EXEMPTION FROM THE U.S. COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE U.S. COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE U.S. COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

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

	Price	Administrative charge	Proceeds to Partnership
Minimum Investment Per Partner	\$500,000*	\$5,000	\$495,000
Maximum Aggregate Investments	\$100,000,000	\$1,000,000	\$99,000,000

Limited partnership interests, up to an aggregate of \$100,000,000 are being offered by the Partnership. Investors who subscribe through a selling agent may be charged a sales commission of up to 4% of their subscription amounts, payable to such selling agent. Any such sales commission will be payable in addition to the minimum purchase price of \$500,000. The effective date of this Private Placement Memorandum is July 1st, 2008.

*The minimum purchase is \$500,000. The General Partner may, in its sole discretion, reduce the size of a minimum purchase.

The effective date of this Private Placement Memorandum is November 1st, 2008

COMMODITY FUTURES TRADING COMMISSION
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 FUTURES AND OPTIONS 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 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 6 AND A STATEMENT ON THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, AT PAGE 9.

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 ON PAGE 12.

YOU SHOULD ALSO BE AWARE THAT THIS POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTION ON MARKETS 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 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.

RISK DISCLOSURE STATEMENT FOREIGN FUTURES AND FOREIGN OPTIONS

THE RISK OF LOSS IN TRADING FOREIGN FUTURES AND FOREIGN OPTIONS CAN BE SUBSTANTIAL. THEREFORE, YOU SHOULD CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE FOREIGN FUTURES OR FOREIGN OPTIONS, YOU SHOULD BE AWARE OF THE FOLLOWING:

(1) PARTICIPATION IN FOREIGN FUTURES AND FOREIGN OPTIONS TRANSACTIONS INVOLVES THE EXECUTION AND CLEARING OF TRADES ON OR SUBJECT TO THE RULES OF A FOREIGN BOARD OF TRADE.

(2) NEITHER THE COMMODITY FUTURES TRADING COMMISSION, THE NATIONAL FUTURES ASSOCIATION NOR ANY DOMESTIC EXCHANGE REGULATES ACTIVITIES OF ANY FOREIGN BOARDS OF TRADE, INCLUDING THE EXECUTION, DELIVERY AND CLEARING OF TRANSACTIONS, OR HAS THE POWER TO COMPEL ENFORCEMENT OF THE RULES OF A FOREIGN BOARD OF TRADE OR ANY APPLICABLE FOREIGN LAWS. GENERALLY, THE FOREIGN TRANSACTION WILL BE GOVERNED BY APPLICABLE FOREIGN LAW. THIS IS TRUE EVEN IF THE EXCHANGE IS FORMALLY LINKED TO A DOMESTIC MARKET SO THAT A POSITION TAKEN ON THE MARKET MAY BE LIQUIDATED BY A TRANSACTION ON ANOTHER MARKET. MOREOVER, SUCH LAWS OR REGULATIONS WILL VARY DEPENDING ON THE FOREIGN COUNTRY IN WHICH THE FOREIGN FUTURES

OR FOREIGN OPTIONS TRANSACTION OCCURS.

(3) FOR THESE REASONS, CUSTOMERS WHO TRADE FOREIGN FUTURES OR FOREIGN OPTIONS CONTRACTS MAY NOT BE AFFORDED CERTAIN OF THE PROTECTIVE MEASURES PROVIDED BY THE COMMODITY EXCHANGE ACT, THE COMMISSION'S REGULATIONS AND THE RULES OF THE NATIONAL FUTURES ASSOCIATION AND ANY DOMESTIC EXCHANGE, INCLUDING THE RIGHT TO USE REPARATIONS PROCEEDINGS BEFORE THE COMMISSION AND ARBITRATION PROCEEDINGS PROVIDED BY THE NATIONAL FUTURES ASSOCIATION OR ANY DOMESTIC FUTURES EXCHANGE. IN PARTICULAR, FUNDS RECEIVED FROM CUSTOMERS FOR FOREIGN FUTURES OR FOREIGN OPTIONS TRANSACTIONS MAY NOT BE PROVIDED THE SAME PROTECTIONS AS FUNDS RECEIVED IN RESPECT OF TRANSACTIONS ON UNITED STATES FUTURES EXCHANGES. THEREFORE, YOU SHOULD OBTAIN AS MUCH INFORMATION AS POSSIBLE FROM YOUR ACCOUNT EXECUTIVE CONCERNING THE FOREIGN RULES WHICH WILL APPLY TO YOUR PARTICULAR TRANSACTION.

(4) YOU SHOULD ALSO BE AWARE THAT THE PRICE OF ANY FOREIGN FUTURES OR FOREIGN OPTIONS CONTRACT AND, THEREFORE, THE POTENTIAL PROFIT AND LOSS THEREON, MAY BE AFFECTED BY ANY VARIANCE IN THE FOREIGN EXCHANGE RATE BETWEEN THE TIME YOUR ORDER IS PLACED AND THE TIME IT IS LIQUIDATED, OFFSET OR EXERCISED.

SECURITIES LAW LEGENDS

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 STATE, THESE SECURITIES HAVE NOT BEEN APPROVED NOR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATES 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 THE 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.

Connecticut Residents: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 36-b-16 OF THE CONNECTICUT SECURITIES LAW AND BUSINESS INVESTMENT OPPORTUNITY ACT AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER SUCH ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

Delaware Residents: THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE DELAWARE SECURITIES ACT AND THEREFORE CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

Florida Residents: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION THEREFROM, ANY SALE MADE PURSUANT TO SUCH EXEMPTION IS VOIDABLE BY A FLORIDA PURCHASER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OR CONSIDERATION IS MADE BY SUCH A PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT IN PAYMENT FOR SUCH SECURITIES.

Pennsylvania Residents: PURSUANT TO THE PENNSYLVANIA SECURITIES COMMISSION'S RULES, PENNSYLVANIA PURCHASERS ARE REQUIRED TO AGREE NOT TO SELL THE SECURITIES WITHIN TWELVE (12) MONTHS FROM THE DATE OF PURCHASE, EXCEPT IN ACCORDANCE WITH RULE 204.011 UNDER THE PENNSYLVANIA SECURITIES ACT OF 1972. THIS REQUIRED AGREEMENT IS CONTAINED IN THE SUBSCRIPTION AGREEMENT.

PENNSYLVIA PURCHASERS MAY WITHDRAW THEIR ACCEPTANCE OF AN OFFER TO PURCHASE THE SECURITIES WITHOUT INCURRING ANY LIABILITY WITHIN TWO (2) BUSINESS DAYS FROM THE RECEIPT BY THE PARTNERSHIP OF SUCH PURCHASER'S SUBSCRIPTION AGREEMENT. TO

WITHDRAW, A PENNSYLVANIA PURCHASER NEED ONLY SEND A LETTER OR TELEGRAM TO THE PARTNERSHIP INDICATING HIS OR HER INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFORMENTIONED SECOND BUSINESS DAY. IF SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. IF THE WITHDRAWAL REQUEST IS MADE ORALLY, A PENNSYLVANIA PURCHASER SHOULD ASK FOR WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED.

FOR INVESTORS IN OTHER STATES

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. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFER ABILITY 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 MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

No person is authorized to give any information or 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 unlawful. 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.

GENERAL PARTNER'S PRIVACY POLICY

The General Partner is committed to protecting the privacy of investors' nonpublic personal information ("personal information"). Personal information is nonpublic information about a natural person that is personally identifiable and that the General Partner obtains in connection with providing a financial product or service to investors.

This policy describes the personal information that the General Partner collects about investors, and the General Partner's treatment of that information. The General Partner collects personal information about investors from the following sources:

- (i) Information the General Partner receives from an investor in the Partnership's Subscription Agreement and related forms (for example, name, address, Social Security or Taxpayer Identification Number, birth date, assets, income and investment experience); and
- (ii) Information about an investor's transactions with the General Partner, its affiliates or others (for example, account activity and balances).

The General Partner does not disclose any personal information it collects, as described above, about its customers or former customers other than in connection with the administration, processing and servicing of customer accounts or to its accountants, attorneys and auditors, or otherwise as permitted by law.

The General Partner restricts access to personal information it collects about investors to personnel who need to know that information in order to provide products or services to such investor. The General Partner maintains physical, electronic and procedural controls in keeping with United States federal standards to safeguard investors' nonpublic personal information.

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Summary

The following summary is intended to highlight certain information contained in the body of this Private Placement Offering Memorandum and Disclosure Document.

The Partnership

Alpha Plus FoF L.P. (the "Partnership") is a limited partnership formed on August 28th, 2006 under the laws of the Nevada. Alterama Inc., a Delaware corporation (the "General Partner") is the general partner and commodity pool operator of the Partnership. Qualified individuals may be limited partners. The Partnership and the General Partner maintain their principal business office at 444 Madison Avenue, 28th Floor, New York, N.Y. 10022. The telephone number for the Partnership and the General Partner is (646) 840-0385, the facsimile number is (212) 717 2247 and their e-mail address is info@alterama.com

Business of the Partnership

The business of the Partnership is the speculative trading of commodity interests including futures contracts, options and forward contracts with the objective of achieving substantial capital appreciation. The Partnership may trade futures and options on domestic and foreign exchanges and may purchase units in other commodity pools. The Partnership normally allocates its assets to between six (6) to fifteen (15) Trading Advisors.

Management

The General Partner will administer the business and affairs of the Partnership, will select trading advisors to make trading decisions for the Partnership and allocate assets among the advisors selected.

The General Partner is registered as a commodity pool operator ("CPO") and a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission (the "CFTC") and is a member of the National Futures Association (the "NFA"). The General Partner currently acts as the pool's CPO and CTA. Although the Manager has experience managing futures accounts and one Commodity pool, it has no experience assembling portfolio of Trading Advisors.

Multi-Advisor Approach

The multi-advisor approach to be followed by the Partnership may provide advantages over the use of a single trading advisor. No single trading advisor can produce outstanding results every month or quarter. However, by allocating the assets of the Partnership among multiple established trading advisors, the Partnership seeks to obtain investment returns which should be more consistent and less volatile than the returns of a single trading advisor.

Plan of Distribution

Units of limited partnership interest ("Units") are being privately offered on a best efforts basis. Investors may be charged a commission of up to 4 % of the subscription amount, to be negotiated between the investor and the selling agent, payable to the selling agent. No other sales commissions are payable by investors in connection with this offering, although each limited partner pays to the General Partner a one-time administrative charge of 1% of his capital contributed to the Partnership. The Partnership will commence trading if 3,000 Units (\$3,000,000) are purchased during the period which commences on the date hereof and extends 90 days (unless it is sooner terminated or unless it is extended for up to an additional 60 days at the discretion of the General Partner) (the "Initial Offering Period"). There is no limit on the number of Units that may be sold by the Partnership, but this offering contemplates the sale of up to 100,000 Units. Beginning with the last day of the first full month after trading commences and semi monthly thereafter, the General Partner may in its sole discretion offer Units and partial Units (rounded to four decimal places) at Net Asset Value per Unit (the "Continuous Offering"). If 3,000 Units (\$3,000,000) are not sold by the termination of the Initial Offering Period, all subscriptions plus any interest earned will be returned to the subscribers within four days. Any subscriptions may be rejected in whole or in part by the General Partner in its discretion, but no subscription may be revoked by the subscriber, except as required by certain state

securities laws.

Fees and Expenses

The General Partner. The Partnership will pay the General Partner a monthly management fee equal to 1/12 of 1% (ie 1% per year) of month-end Net Assets of the Partnership in return for its services to the Partnership.

The Trading Advisors. The fees earned by the Trading Advisors include both (i) asset-based fees (generally, from 0% to 3% per annum) based on the value of the assets (including “notional” funding) allocated to such Trading Advisor, and (ii) performance fees (generally between 10% to 35%, calculated monthly, quarterly or annually) based on net profits.

Other Fees and Expenses. The Partnership will pay its ongoing legal, accounting, filing and reporting fees estimated at \$30,000 per year.

Offering and Organizational Expenses. Alterama Inc. will initially bear all of the offering and organizational expenses of the Initial Offering which are estimated at \$50,000. The Partnership will reimburse Alterama for these expenses with no interest over the first thirteen months of trading commencing with the end of the second month after trading commences. Offering expenses incurred in the Continuous Offering will be borne by the Partnership.

Distributions

There will be no distributions.

Redemption of Units

Beginning with the first full month ending at least three months after the Partnership commences trading operations, a limited partner may require the Partnership to redeem some or all of its Units (minimum 20 Units) at Net Asset Value per Unit on a semi-monthly basis. Redemption Dates consist of the 15th of any calendar month (or the first Business Day following such date in the event such day is not a Business Day) and the last Business Day of any month. If a Member redeems all or substantially all of its Interest, the Manager may, in its discretion, retain a portion (no more than 5% in any circumstance) of the redemption proceeds in order to confirm that all costs are settled, for a period of no more than 30 days after the Redemption Date.

No redemption will be permitted if after giving effect to the redemption the limited partner owns fewer than 20 Units. The right to redeem is contingent upon the Partnership's having property sufficient to discharge its liabilities on the Redemption Date and upon receipt by the General Partner by registered mail of a request for redemption in the form annexed hereto as Appendix E at least 5 business days prior to the Redemption Date.

Restrictions on Transfer

The Units may not be transferred without the consent of the General Partner. An Assignee may become a substituted Limited Partner only upon the consent of the General Partner. Any prospective transferee will be required, among other things, to make the same representations to the Partnership as are required of the investor.

Dissolution

The Partnership will dissolve upon the first to occur of the following: (i) December 31, 2026; (ii) assignment by the General Partner of all of its interest in the Partnership, withdrawal, removal, bankruptcy or any other event that causes the General Partner to cease to be a general partner; (iii) a vote to dissolve the Partnership by limited partners owning at least 50% of the outstanding Units; (iv) a decline in Net Asset Value to less than \$350 per Unit; or (v) the occurrence of any event that would make it unlawful for the existence of the Partnership to continue.

Risks

An investment in the Partnership involves substantial risks due in part to the highly speculative nature of trading in commodity interests.

Fiscal Year

The fiscal year of the Partnership will commence on January 1 and end on December 31 of

each year ("fiscal year").

Reports

As required by the Commodity Futures Trading Commission ("CFTC") and the Limited Partnership Agreement, the General Partner will provide limited partners with monthly statements of account and with an audited annual report.

Location, Telephone

The offices of the Partnership are located at c/o Alterama Inc., 444 Madison Avenue, 28th Floor, New York, New York 10022. Its telephone number is (646) 840 0384.

Who Should Invest

The Units are being offered without registration under the Securities Act of 1933 pursuant to the exemption from registration requirements set forth in Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder. Rule 506 sets forth certain restrictions as to the number and nature of purchasers of securities offered pursuant to such exemption.

The Units are being offered only to investors that are both "accredited investors" as that term is defined under Regulation D of the Securities Act of 1933, as amended, and "qualified eligible persons" as that term is defined under CFTC Regulation 4.7.

Each investor will be required to represent that (i) he or it is acquiring the Units for his or its own account as a principal, for investment and not with a view to resale or distribution, (ii) he or it is aware that his or its ability to transfer or resell the Units is restricted by the Limited Partnership Agreement, the Securities Act of 1933 and applicable state and foreign securities laws, and the absence of any market for the Units, (iii) he or it has adequate net worth and sufficient means to sustain a complete loss of his or its investment in the Units, (iv) he or it has evaluated the risks of investing in the Units and he or it is aware that the Units are highly speculative and (v) he or it has substantial experience in making investment decisions of this type.

Investment Factors

Investment in the Partnership is speculative and involves a high degree of risk. However, investment in the Partnership offers the following potential advantages.

Professional Trading Management

Assets of the Partnership will be allocated among independent Advisors by the General Partner. The Advisors have traded extensively for individual customers and/or for commodity pool accounts.

Limited Liability

Unlike an individual or entity that invests directly in commodity futures contracts, limited partners cannot be individually subjected to margin calls and, except as otherwise set forth in the Limited Partnership Agreement, will have no liability in excess of their contribution to the Partnership and its share of Partnership assets and undistributed profits.

Diversification

An investment in the Partnership will permit the investor to participate in numerous futures markets. In addition, these investments in the commodities markets will provide diversification from other portfolio investments such as stocks, bonds and real estate.

Administrative Convenience

The Partnership provides to or obtains for the limited partners many services designed to alleviate the administrative details involved in engaging directly in futures transactions, including maintaining the books and accounts of trading activities, preparing monthly and annual account statements and supplying limited partners with information concerning Federal tax.

Fees, Compensation and Expenses

The General Partner

The Partnership will pay the General Partner a monthly management fee equal to 1/12 of 1% (ie of 1% per year) of month-end Net Assets of the Partnership in return for its services to the Partnership. The Partnership also pays Alterama, Inc. a quarterly performance fee equal to 15% of New Profits (as defined). Net Assets is defined as the total assets of the Partnership including all cash, accrued interest, interest in other pools and the market value of all open commodity positions maintained by the Partnership, less brokerage charges accrued and less all other liabilities of the Partnership. For the purpose of computing management fees and brokerage fees, no adjustment is made to Net Assets to reflect redemptions or incentive fees payable as of the date of determination. Net Assets equal Net Asset Value. Net Asset Value of a Unit means Net Asset Value divided by the number of Units outstanding. This fee may not be changed without a vote of the limited partners.

The Trading Advisors platform

The General Partner invests substantial portions of the Partnership's assets in shares of **AlphaMosaic US LLC** (the "Platform Fund", also known as the "Mosaic Platform"). The Platform Fund is a Delaware Series Limited Liability Company. A Series LLC is one in which each Cell is held responsible solely for its own debts and liabilities rather than for the debts and liabilities of any other Cell in the company. The Platform Fund has been structured to provide its Investors with access to different Trading Advisors through investment in one or more Cells of interests in the Fund (each a "Cell"). Investing with various Trading Advisors through a platform like the Platform Fund, provides, in the opinion of the General Partner, some substantial advantages, including state-of-the-art risk analytics, ability to partially fund the investment,. The operator of the Platform Fund, AlphaMetrix Investment Advisors, may retrocede a portion of its revenue to Alterama Inc.

The Trading Advisors

The General Partner has not negotiated individually with each Trading Advisor of the AlphaMosaic US LLC and therefore may not have obtained the most favorable fee arrangement. The fees earned by the Trading Advisors include both (i) asset-based fees (generally, from 0% to 3% per annum) based on the value of the assets (including "notional" funding) allocated to such Trading Advisor, and (ii) performance fees (generally between 10% to 35%, calculated monthly, quarterly or annually) based on net profits. The Trading Advisors may agree to trade their allocation of the Partnership assets as though it were approximately three (3) times the actual amount, which means its accounts with Trading Advisors have approximately one-third actual funds and two-thirds "notional" funds. Thus, the Trading Advisors asset-based fee as a percentage of actual assets will range from 0% to approximately 6% per annum. Profits, for purposes of determining the Trading Advisors' performance compensation, are determined separately for each Trading Advisor. Accordingly, it is possible that the performance fees will be paid to one or more Trading Advisors even though the overall NAV of the Partnership has declined due to losses incurred by other Trading Advisors.

All incentive fees paid to Advisors are based on Trading Profits earned by the Advisor on the assets allocated to the Advisor. Trading Profits means the sum of (A) the net of any profits and losses realized on all trades closed out during a period plus (B) the net of any unrealized profits and losses on open positions as of the end of such period; minus (i) the net of any unrealized profits or losses on open positions as of the end of the preceding period, (ii) all expenses attributable to the Net Assets managed by the Advisor (except incentive fees for the current period) incurred or accrued during such period, including a pro rata share of the management fee payable to the General Partner and the Partnership's other ongoing expenses based on the percentage of assets allocated to the Advisor, and (iii) cumulative net realized trading losses (reduced by the Advisor's proportionate share of realized and unrealized trading losses attributable to redeemed Units as of the redemption date, to the extent that the dollar value of the redeemed Units exceeds the dollar value of Units purchased during the period), if any, carried forward from all preceding periods since the last period for which an incentive fee was payable.

Ongoing expenses in (ii) above will not include expenses of litigation not involving the activities of the Advisor on behalf of the Partnership. Interest income earned, if any, will not be taken into account in computing Trading Profits earned by any Advisor.

If any payment is made to an Advisor with respect to Trading Profits, and the Advisor thereafter incurs a net loss for a subsequent period, the Advisor will retain the amount previously paid in respect of Trading Profits. However, the Advisor would not be paid any incentive fee thereafter until all of such losses were recovered and the Advisor achieved additional Trading Profits.

It should be noted that since incentive fees may be paid quarterly, substantial incentive fees may be paid during a year even though the Partnership may incur a net loss for the full year. In addition, the Partnership is obligated to pay each Advisor based on Trading Profits generated regardless of whether the Partnership as a whole is profitable in a particular period. It is possible that the Partnership could incur substantial incentive fees in a year in which it had no Net Trading Profits or in which it actually lost money.

In addition upon the selection of additional or replacement advisors, the General Partner will have to negotiate the management and/or incentive fees to be paid to the advisor. Such fees could be either larger or smaller than those to be charged initially by the Advisors.

The Clearing Brokers

The Trading Advisors may use various executing Futures Commission Merchants and FX interbank dealers. Commissions will generally be set at rates comparable to what similar Trading Advisors pay but may not be the lowest available.

Other Fees and Expenses

The Partnership will pay its ongoing legal, accounting, filing and reporting fees which are estimated at approximately 30,000 annually. The Partnership will be responsible for payment of extraordinary expenses, if any, such as the cost of litigation, specifically related to the Partnership. Such costs are not susceptible of precise estimates.

Offering and Organizational Expenses

Alterama will initially bear all of the offering and organizational expenses of the Initial Offering which are estimated at \$50,000. The Partnership will reimburse Alterama for these expenses without interest over the first thirteen months of trading commencing with the end of the second month after trading commences. Offering expenses incurred in the Continuous Offering will be borne by the Partnership.

The General Partner

The General Partner of the Partnership has been registered with the CFTC pursuant to the Commodity Exchange Act, as amended (the "CEA"), as a CPO and a CTA since February 23rd, 2004 and is a member of NFA in such capacities. The General Partner currently acts as the pool's CPO and CTA.

Mr. Selim Fendi, born 1968 is the Principal of the company. He began his career in 1993 at Club Four Seasons, Ottawa, Canada, a hotel and leisure condominium development firm. In this position in the real estate division, Mr. Fendi expanded the company's sales of properties to investors throughout Canada and Europe. After leaving Four Seasons in December, 2000, and taking a few months away from business, Mr. Fendi, in March, 2001, formed Lajik International, a firm that engaged in consulting services to assist corporate clients to manage their risk exposure to changing interest rates, currency rates and commodity prices. As part of the strategy, Lajik helped customers use forward currency contracts and derivatives to accomplish the customers risk management goals. As this date he still advises large corporations and institutional clients. In 2005, Mr. Fendi became an Associated Person with Alterama Inc. From July 2003 to November 2003 Mr. Fendi was an associated Person and a branch manager with EFloortrade LLC an introducing broker from July 2006 to March 2007 he was an Associated Person with Timevalue Risk Management LLC, a CTA and IB.

Mr. Fendi was also a principal with CMR Trading Inc. a guaranteed Introducing Broker since May 2007. CMR Trading Inc. has ceased activity as an Introducing Broker as of October 20, 2007 and has withdrawn from the NFA as of November 22, 2007.

Mr. Fendi holds a Bachelor's degree in Administration and Finance from Ottawa University (Canada), a Bachelor's degree in Economics from Nantes University (France), and Futures & Commodities Series 3 and 30 registration with National Futures Association.

Sylvain Bergfeld, born 1964, is Senior Vice President of the Company. Mr. Sylvain Bergfeld, worked as a financial consultant with Shearson Lehman Brothers, advising European institutions. From July 1993 through August 2000 he was an Associated Person with Reifler, Inc, and from February 1998 through April 2000 he was a principal and Associated Person with Bergfeld Asset Management, Inc. From 1993 to 2000, he was trading for his own account, and he may continue to do so in the future. Records of such trading are not open to client inspection due to their proprietary nature. From 2000 to June 2004, he was a vice president with Alternative Asset Management, Inc, where he worked on the development, trading and marketing of the system Trendoscil. The performance history for Alternative Asset Management Inc can be found on pages 21-22 of this disclosure document. Since June 7, 2004, Mr. Bergfeld is also president of Echange Capital, Inc. Mr. Bergfeld holds a B.A. in International Relations (Hebrew University Jerusalem)

Morris J. Markovitz is Senior Vice President of the Company. Prior to joining Alterama, Morris J. Markovitz was the sole stockholder, Director and officer of Mercury Management Associates, Inc. ("Mercury") a New York corporation formed in December 1988. In March 1989, Mercury registered with the Commodity Futures Trading Commission as a commodity trading advisor (a "CTA") and became a member of the National Futures Association. Prior to founding Mercury, Mr. Markovitz operated as a CTA in the form of a sole proprietorship beginning in October, 1988. Mr. Markovitz served as President and Chief Executive Officer of Balfour Maclaine Advisors, Inc., a registered commodity trading advisor, from August 1988 until October, 1988, and served as President and Chief Executive Officer of Balfour Maclaine Advisors, Inc.'s predecessor entity, a registered commodity trading advisor also called Mercury Management Associates Inc., from September, 1986 until August, 1988. From January, 1983 until October, 1986, Mr. Markovitz served as Senior Trader for A.C. Israel Enterprises, Inc., a private investment firm. Mr. Markovitz was employed by Commodities Corporation, a commodities trading firm, from November, 1974 until December, 1982, and was responsible for research and trading in a broad range of commodities. Commodities Corporation appointed Mr. Markovitz a Senior Vice President in charge of a research and trading group in 1979. From May 1972 until November 1974, Mr. Markovitz was employed by CBWL-Hayden Stone, Inc., a predecessor of Shearson Lehman Hutton, Inc., a major brokerage firm, as a researcher in grain and soybean markets. Previously, Mr. Markovitz worked as a scientific programmer at the Massachusetts Institute of Technology's ("MIT") Charles Stark Draper Laboratory, as part of the group that designed and developed the guidance system for NASA's Apollo Project spacecraft. Mr. Markovitz holds a degree in physics from MIT.

Mr. Markovitz has authored 2 books. Mr. Markovitz's views regarding specific financial and commodity markets, as well as his "macro" economic outlook, have frequently received the attention of the financial and economic communities via publication in economic journals as well as numerous print, radio, and television vehicles, such as *BARRON'S Magazine*, *Wall Street Journal*, *Investor's Business Daily*, *USA Today*, CNN, CNBC, CBS-TV, etc.

There have never been any nor are there any pending, on appeal or concluded material criminal, civil, or administrative actions against the General Partner or its principals.

In order to diversify among trading methods and commodity markets, the General Partner has selected multiple advisors, each of whom will trade independently of the others. Although this diversification is intended to offset losses while maintaining the possibility of capitalizing on profitable price movements, there can be no assurance that the use of multiple advisors will not result

overall in losses generated by one advisor exceeding profits achieved by the others.

The General Partner invests substantial portions of the Partnership's assets in shares of Alpha Mosaic US LLC. **AlphaMosaic US LLC** (the "Fund") is a Delaware Series Limited Liability Company. A Series LLC is one in which each Cell is held responsible solely for its own debts and liabilities rather than for the debts and liabilities of any other Cell in the company. The Fund has been structured to provide its Investors with access to different Trading Advisors through investment in one or more Cells of interests in the Fund (each a "Cell"). Each Cell will typically feature one Trading Advisor, although one Cell could have multiple "Classes", each of which offers a separate Advisor. In addition, one or more of the Cells may consist exclusively of short-term investments in cash and cash equivalents and/or enhanced cash instruments.

The General Partner Allocation Methodology

The General Partner has developed an allocation methodology for the Partnership which seeks to enhance trading profits within certain pre-determined volatility parameters. The General Partner allocates the Partnership's assets among various independent Trading Advisors selected by it, which make all trading decisions with respect to the Partnership's assets allocated to such Trading Advisors. The General Partner normally allocates the Partnership's assets to between six (6) to fifteen (15) Trading Advisors. Each Trading Advisor manages a separate account for the Partnership and utilizes the cash allocated to it as margin and premium for positions in the futures, options and FX markets.

The General Partner has established internal policies and guidelines regarding the research and selection of Trading Advisors, and the combination of such Trading Advisors into the Partnership's portfolio. Nevertheless, investors should recognize that the combination of Trading Advisors is not entirely reduced to a systematic process, and can be largely the result of the General Partner's discretion.

The Advisors

The General Partner has developed an allocation methodology for the Partnership which seeks to enhance trading profits within certain pre-determined volatility parameters. The General Partner allocates the Partnership's assets among various independent Trading Advisors selected by it, which make all trading decisions with respect to the Partnership's assets allocated to such Trading Advisors. The General Partner normally allocates the Partnership's assets to between six (6) and fifteen (15) Trading Advisors. Before actually allocating Partnership assets to a Trading Advisor the General Partner analyzes the performance record of the Trading Advisors with the goal of obtaining a volatility of the Partnership's portfolio of Trading Advisors much lower than the individual volatility of each manager. The allocation process is proprietary to the General Partner. Investors should recognize that the combination of Trading Advisors is not entirely reduced to a systematic process, and can be largely the results of the General Partner's discretion.

The Trading Advisors may direct trading in any of the following: futures, options on futures, foreign futures, foreign options, spot and forward currencies and other cash commodities. Spot or forward currency positions may be initiated with and/or carried by a trading entity such as a bank or brokerage house. The specific commodity interests to be traded will be selected from time to time by the Trading Advisors. The Trading Advisors may also engage in transactions in physical commodities, including exchange for physical transactions. An exchange for physical is a transaction permitted under the rules of many futures exchanges in which two parties holding futures positions may close out their positions without making an open, competitive trade on the exchange. Generally, the holder of a short futures position buys the physical commodity, while the holder of a long futures position sells the physical commodity. The prices at which such transactions are executed are negotiated between the parties.

There can be no assurance that any trading strategy will produce profitable results, and the past performance of the Trading Advisors' trading strategies is not necessarily indicative of their future profitability. Profitable trading is often dependent on anticipating trends or trading patterns. Markets subject to random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in limit moves, could also be detrimental to profits. The best trading strategy, whether based on fundamental or technical analysis, will not be profitable if there are no trends of the kind it seeks to follow. No assurance can be given that the services of each Trading Advisor will continue to be available. The Trading Advisors may alter their trading methods at any time, including by adding securities, bonds, derivatives and other non-commodity related assets to their trading method. From time to time, the Trading Advisors (or their affiliates) will manage additional accounts, and these accounts will increase the level of competition for the same trades desired by the Partnership, including the priorities of order entry. There is no specific limit as to the number of accounts a Trading Advisor (or its affiliates) may manage. In addition, the positions of all of the accounts owned or controlled by each of the Trading Advisors or their principals are aggregated for the purposes of applying speculative position limits. Such aggregation might limit the number of contracts entered into by the Partnership pursuant to the direction of any Trading Advisor if its trading approaches such limits.

The Trading Advisors are dependent on the services of their principals. If the services of any such principal were not available to a Trading Advisor, or were interrupted, the continued ability of that Trading Advisor to render services to clients may be subject to substantial uncertainty, and the services of that Trading Advisor could be terminated completely.

During the past five years, there have been no administrative, civil or criminal actions against any of the Advisors or any principal of the Advisors which would be material to an investor's decision whether or not to invest in the Partnership.

Trading Decisions Based on Technical Analysis. Certain of the Trading Advisors use trend-following systems based on mathematical analysis of certain technical data regarding past market performance. These trend-following systems do not generally take into account fundamental external factors, except insofar as such factors may influence the technical data constituting input information for the trading system. Technical systems may be unable to respond to fundamental causative events until after their impact has ceased to influence the market.

The profitability of any diversified technical trading system depends upon major price moves or trends in some markets which can be interpreted by the system as price trends sufficient to dictate an entry or exit decision. In the past there have been periods when no commodity interest has experienced any major price movements or when price movements have been erratic or ill-defined, and such periods are likely to recur in the future. The best technical trading system will not be profitable if there are no trends of the kind it seeks to follow. Any factor which would make it more difficult to execute trades at a system's signal prices, such as a significant lessening of liquidity in a particular market, would also be detrimental to profitability. Trend-following technical systems may produce profitable results for a period of time, after which further application of such systems to the technical input data fails to detect correctly any future price movements. For this reason, those Trading Advisors using such systems may modify and alter their systems on a periodic basis. Such systems (including the Trading Advisors' systems), may also be modified and altered for application to accounts of different sizes.

The use of technical trading systems by professional advisors has been increasing as a proportion of overall volume of the markets as a whole, and for certain commodity interests in

particular. This could result in certain Trading Advisors attempting simultaneously (because of the availability of the same current market information) to initiate or liquidate substantial positions in any market at or about the same time as other Trading Advisors, or otherwise cause an alteration of historical trading patterns or affect the execution of trades.

Trading Decisions Based on Fundamental Analysis. Certain Trading Advisors retained by the General Partner now or in the future may base their trading decisions, in whole or in part, on fundamental analysis. Fundamental factors such as inflation, trade balances, inventories and interest rates do not have an impact on technical trading systems. Conversely, fundamental trading systems rely on these external factors to signal price trends. To the extent that external factors provide mixed or conflicting signals, a fundamental trading system may not be able to detect price trends when, in fact, they are occurring.

New Advisors. The General Partner expects from time to time to designate additional and replacement Trading Advisors to manage assets of the Partnership. Upon the designation of one or more advisors, the General Partner may reallocate the assets among the then current advisors for the Partnership as it may determine in its sole discretion. Any additional and replacement Trading Advisors would be selected without prior notice to, or approval from the Members. If a Trading Advisor were to be designated following a decline in the Partnership's assets, that advisor might (depending upon the compensation arrangements negotiated) receive an incentive fee based on any subsequent trading profits despite the fact that those trading profits do not exceed trading losses incurred by previous or existing Trading Advisors or by the Partnership as a whole. Also, the Partnership pays the underlying Trading Advisors incentive fees in a unique manner, one that may involve leaving the Trading Advisors' own accrued fees at risk for the benefit of an investor in the Partnership. Because a Trading Advisor would not have accumulated such an accrual until it has traded profitably for some time, the Partnership would not have the benefit of such a built-up reserve when it hires a new advisor.

Concentrated Trading. Although the General Partner strategy is to diversify among strategies as well as among sectors traded, the Trading Advisors may direct trading that is concentrated in a relatively small number of types of futures. Consequently, the Partnership may not maintain a variety of diverse positions and might not be as diversified as those of other commodity pools. Concentration of trading in a relatively small number of types of futures may subject the trading to relatively greater volatility in its performance.

Multiple Trading Advisors. The General Partner retains multiple independent Trading Advisors to attempt to achieve substantial protection against major losses without sacrificing the ability to capitalize on profitable trends through diversification. There is no assurance that the use of multiple trading approaches will not effectively result in losses by one Trading Advisor which offset or exceed any profits achieved by another Trading Advisor. Accordingly, there is no assurance that the use of multiple Trading Advisors will be any more successful than the retention of one Trading Advisor. Because the Trading Advisors trade independently of each other, the Partnership could hold opposite positions pursuant to the directions of each Trading Advisor, and could simultaneously buy and sell the same contract, thereby incurring commission and transaction fee costs with no net change in its holdings.

Diverse Criteria for Selection of Advisors. It is possible that the General Partner will allocate Partnership assets to a Trading Advisor due to criteria other than the superiority of its trading performance or the length of its track record. For example, in the case of two Trading Advisors with similar investment approaches, one may offer a superior past performance record; the other, however, may, in the opinion of the General Partner, provide the potential for a more attractive risk-adjusted return in the future. Factors that may lead to this conclusion include: (1) level of assets under management; (2) recent changes in trading approach; (3) infrastructure of the Trading Advisor; or (4) the fee structure currently available from the Trading Advisor.

Trading Policies

The objective of the Partnership is to achieve substantial appreciation of its assets through speculative trading, directly or indirectly, in commodities, commodity options and commodity futures contracts on United States exchanges, and to a lesser extent, certain foreign exchanges. The Partnership may place up to 100 % of its assets in other commodity pools. The Partnership will not permit the churning of its commodity trading account.

Futures contracts are traded on margins which typically range from about 1% to 20% of the value of the contract. The average margin for a futures contract is less than 5% of the value of the contract. Hence, a relatively small change in the market price of a contract can produce a corresponding large profit or loss.

In addition to the leverage inherent in futures contracts, the Partnership will “notionally” fund its account with the Trading Advisors in order to create an account size that is up to a maximum of three times the Partnership’s actual net assets. Portfolio is rebalanced if any Trading Advisor’s allocation changes by more than 20%.

Trading policies described above may be changed by the General Partner without approval by the limited partners if it is determined that such change is in the best interests of the Partnership. The limited partners will be notified of any material changes in trading policies. Limited partners will not be notified of changes in the commodities traded.

Risk Factors

Investment in the Partnership is speculative and involves risks not associated with more conventional equity and debt investments. Prospective investors should consider the following risks before subscribing for Units.

General

Risk of Loss. An investment in the Partnership is speculative and involves substantial risks. Investors must be prepared to lose all or substantially all of their investment.

Restrictions on Liquidity of Interests. There is no public market for the Interests nor will there be one. Investors may withdraw capital on a semi-monthly basis upon five (5) days’ written notice to the General Partner, subject to the General Partner’s right to suspend withdrawals.

Potential Indemnification Obligations. Under certain circumstances, the Partnership might be subject to indemnification obligations with respect to the General Partner, its employees, agents and affiliates and the Partnership’s other service providers. The Partnership will not carry any insurance to cover any such obligations and none of the foregoing parties will be insured for losses for which the Partnership has agreed to indemnify them. Any indemnification paid by the Partnership would reduce its NAV.

Commodity Trading Is Speculative Commodity markets are highly volatile. Profitability of the Partnership will depend on the ability of the Advisors to analyze correctly the commodity markets, which are influenced by, among other things, changing supply and demand relationships, weather, governmental agricultural, commercial and trade programs and policies, world political and economic events, and changes in interest rates.

Commodity Trading Is Highly Leveraged Because of the low margin deposits normally required in commodity trading, a high degree of leverage is typical of a commodity trading account. As a result, a relatively small price movement in a commodity contract may result in substantial losses to the investor. For example, if at the time of purchase 10% of the price of the futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for the brokerage commission. Thus, like other leveraged investments, any purchase or sale of a commodity contract may result in losses to the Partnership in excess of the amount initially deposited by the Partnership as margin with respect to

that contract.

Commodity Trading May Be Illiquid Most commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Commodity futures prices have moved the daily limit for several consecutive days with little or no trading in the past. Similar occurrences could prevent the Partnership from promptly liquidating unfavorable positions and thus subject the Partnership to substantial losses.

Other Activities of the Advisors The Advisors and their principals currently manage and intend to manage additional customer accounts in the future. Trading orders for such accounts similar to those of the Partnership may occur contemporaneously. There is no specific limit as to the number of accounts which may be managed or advised by any Advisor and its principals. The performance of the Partnership's investments could be adversely affected by the manner in which particular orders are entered by the Advisors and their principals for all such accounts.

Trading Strategies and Multiple Advisors. The success of each Advisor's strategy depends upon the occurrence in the future of price trends in the markets traded. In the past there have been periods without trends and such periods may recur. The past performance of such trading strategies is not necessarily indicative of their future profitability, and no trading program can consistently determine which commodity or security to trade or when to enter into the trade. Any factor which may lessen the prospect of major trends in the future (such as increased governmental control of, or participation in, the markets) may reduce the Advisor's ability to trade profitably in the future. Any factor which would make it more difficult to execute more timely trades, such as a significant lessening of liquidity in a particular market, would also be detrimental to profitability. Further, the Advisors may modify their strategies from time to time in an attempt better to evaluate market movements. As a result of such periodic modifications, it is possible that the trading strategies used by the Advisors in the future may be different from those presently in use. No assurance can be given that the trading strategies to be used by the Advisors will be successful under all or any market conditions. In addition, it is not known what effect if any the size of the Partnership's account or the increase in total funds being managed will have on the performance of the Advisors' trading methods. In order to diversify among trading methods and markets, the General Partner has selected a number of Advisors, each of which trades independently of the others. Although this diversification is intended to offset losses while maintaining the possibility of capitalizing on profitable price movements, there can be no assurance that use of several different Advisors will not result overall in losses generated by some Advisors exceeding profits achieved by others.

In addition, the Advisors may compete with each other from time to time for the same positions in the markets. Conversely, the Partnership could hold at one time opposite positions in the same commodity in different accounts managed by different Advisors. Each such position would cost the Partnership transactional expenses (such as NFA fees) but could not generate any recognized gain or loss. Finally, there is no assurance that selection of multiple advisors will prove more successful than would selection of a single Advisor. In fact, the Advisors have never traded together for a single account. Moreover, the General Partner may reallocate the Partnership's assets among the initial Advisors, terminate one or more Advisors or select additional Advisors at any time. Any such reallocation could adversely affect the performance of the Partnership or of any one Advisor

Possible Effects of Speculative Position Limits

The CFTC and U.S. exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short position which any person may hold or control in particular futures contracts. All of the futures positions held by all accounts owned or controlled

by the Advisors and their principals will be aggregated with positions of the Partnership for the purposes of determining compliance with position limits. At present, the Advisors believe that established position limits will not adversely affect the Partnership's contemplated trading. However, it is possible that the trading instructions for the Partnership may have to be modified and that positions held by the Partnership may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the operations and profitability of the Partnership.

Options Advisors on behalf of the Partnership may engage in the trading of commodity options including options on physical commodities and on futures contracts. Such trading involves risks substantially similar to those involved in trading commodity futures contracts, in that options are speculative and highly leveraged. Specific market movements of the commodities or futures contracts underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the commodity or futures contract underlying the option which the writer must purchase or deliver upon exercise of the option.

Forward Contracts The Partnership may trade in forward contracts on foreign currencies. In this connection, the Partnership will contract with banks or brokers to make or take future delivery of a particular foreign currency. Although the foreign currency market is not believed to be necessarily more volatile than the market in other commodities, there is less protection against defaults in the forward trading of currencies since such forward contracts are not guaranteed by an exchange or clearing house. Therefore, with respect to this trading the Partnership will not be afforded the protections provided by CFTC regulation, including segregation of funds.

Foreign Exchanges The Partnership may trade in commodity contracts on exchanges located outside the United States, such as the Singapore International Monetary Exchange or the Sydney Futures Exchange Ltd. Trading on such exchanges is not regulated by the CFTC and may, therefore, be subject to more risks than trading on domestic exchanges. In addition, unless the Partnership hedges itself against fluctuations in the exchange rate between the U.S. dollar and the currencies in which trading is done on such exchanges, any potential profits could be eliminated and losses could be incurred as a result of adverse changes in the exchange rate.

Exchange for Physicals. Exchange for physicals are subject to regulation under exchange rules. If the Trading Advisors were to be prevented from making use of this trading technique, the trading performance of the Partnership's account could be adversely affected.

Failure of Brokerage Firm or Futures Exchange. The Commodity Exchange Act of 1974, as amended, requires U.S. brokers to segregate all funds received from such broker's customers in respect of regulated futures transactions from such broker's proprietary funds. The Clearing Broker is neither located in nor directly regulated by the CFTC. Nevertheless, as it has been granted relief under Part 30 of the CFTC rules, the Clearing Broker is required to segregate the assets of U.S. clients under the rules of the U.K. Financial Services Authority. If the Clearing Broker were not to do so to the full extent required by law, the assets of the Partnership would be subject to a greater risk of depletion in the event of the bankruptcy of the Clearing Broker. Furthermore, in the event of the Clearing Broker's bankruptcy, the Partnership would be limited to recovering only a *pro rata* share of all available funds segregated on behalf of the Clearing Broker's combined customer accounts. In addition, in the event of the bankruptcy or insolvency of an exchange or an affiliated clearing house, the Partnership might experience a loss of funds deposited through its broker as margin with the exchange or affiliated clearing house, a loss of unrealized profits on its open positions, and the loss of funds owed to it as realized profits on closed positions.

Limited Regulatory Oversight. The Partnership is not registered as an "investment company" under the Investment Company Act of 1940, as amended. Accordingly, the investor protection

provisions of the Investment Company Act, which among other things require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be maintained in segregated accounts and regulate the relationship between the investment company and its asset manager, are not applicable to an investment in the Partnership. Neither the General Partner nor the Trading Advisors are registered as an “investment adviser” under the Investment Advisers Act of 1940, as amended. Therefore, investors in the Partnership do not have the benefits of the protections afforded by, nor is Partnership subject to the restrictions contained in, such registration and regulation.

Future Regulatory Changes. The futures markets, particularly the stock index futures and options markets, could be subject to significant additional regulations. The CFTC and U.S. Congress, from time to time, have proposed legislation and rule changes designed to strengthen the integrity of the futures markets. It is unknown to what extent further statutory modifications and/or administrative regulations will be promulgated. In addition, the various exchanges and regulatory bodies are also considering implementing changes in self-imposed regulations.

The regulation of commodities transactions in the United States is a rapidly changing area of law and the various regulatory procedures described herein are subject to modification by government action. The effect of any future regulatory change on the Partnership is impossible to predict, but could be substantial and adverse.

Tax Risk. The Partnership has been structured as a partnership for United States income tax purposes. Therefore, the Partnership, as an entity, should not be subject to United States income taxation. Prospective investors should consult their own tax advisers with respect to the tax consequences of investing in the Partnership.

The recognition of income, gains and losses to an investor in any year for tax purposes may not correspond to the economic performance of the Partnership. Each Member will be liable for individual taxes on the Member’s allocable share of Partnership income regardless of whether the Partnership has made any distributions to the Members. The Partnership does not anticipate making distributions to the Members. *Thus, a Member’s income tax liability in a particular year attributable to Partnership income will likely exceed the cash distributed to the Member by the Partnership.* See “— U.S. Income Tax Considerations,” below, for a discussion of the tax consequences of an investment in the Partnership.

The General Partner’s trading decisions are based primarily upon economic, not tax, considerations, and could result, from time to time, in adverse tax consequences to some or all investors.

“Layering” of Fees. The General Partner generally will allocate substantially all of the Partnership’s assets to the management of the Trading Advisors. These Trading Advisors, in general, each charge management fees and incentive fees based upon the assets of the Partnership they manage. Therefore, it is possible that the Partnership could pay a Trading Advisor an incentive fee even though the Partnership’s overall trading was unprofitable. The General Partner also receives a Management Fee and an Incentive Allocation, and the Partnership pays its own administrative and operating expenses.

Substantial Withdrawals. If there are substantial withdrawals within a limited period of time, it may be difficult for the Partnership to provide sufficient funds to meet such withdrawals without liquidating some or all of the Partnership’s investments prematurely in order to satisfy such withdrawal requests. Premature liquidation of positions may result in substantial losses.

The foregoing risk factors do not purport to be a complete description of the risks involved in subscribing for an Interest in the Partnership. Potential investors should read this entire Memorandum before deciding whether to invest in the Partnership. Furthermore, this Memorandum describes the Partnership, its strategies, the markets in which it will trade and

the risks involved in such trading in outline form only in reliance on the financial sophistication of all prospective investors. No one who, either himself or together with his financial advisers, does not have sufficient expertise to evaluate the risks of highly leveraged, speculative futures, options on futures and forward trading should consider investing in the Partnership. Investors may lose all or substantially all of their investment.

Conflicts of Interest

The Partnership will be subject to significant potential and actual conflicts of interest. While these conflicts are typical of many investment funds, the General Partner wishes to call prospective investors' particular attention to them.

Asset-Based Fee to the General Partner. The responsibilities of the General Partner include the management of the Partnership's affairs and the investment of the Partnership's assets. For these duties the General Partner receives an asset-based management fee. Accordingly, the General Partner may have an incentive to either trade aggressively to raise the level of assets in the Partnership, or refrain from taking any risk to preserve the base of this income. The Partnership will earn this fee during a period regardless of the profit or loss of the Partnership over that period.

Trading for Individual Accounts. The Trading Advisors, their employees and their principals may trade for their own accounts. A potential conflict of interest may exist as a result of testing a new trading system, a neutral allocation system and/or trading pursuant to individual discretionary trading methods. In the course of such trading, the Trading Advisors, their employees or their principals may take positions in their own accounts which are the same or opposite from the Partnership's positions, and on occasion orders may be filled better than client positions as long as these trades do not amount to a breach of fiduciary duty. However, proprietary accounts of the Trading Advisors are confidential and their records are not open for inspection by the Partnership or its Members. Further, the Partnership, the Clearing Broker and their respective principals, employees and affiliates may also trade commodity interests for their own accounts. These trades may compete for the same contracts in the same markets with the Partnership's trades. Members will not be entitled to inspect the records of such trading.

Other Managed Accounts; Speculative Trading Limits. The Trading Advisors advise other clients, including other commodity pools. Under CFTC rules, positions held by such accounts will be aggregated for the purpose of applying the speculative position limits. If these limits were reached by trading directed by a Trading Advisor or its principals, the Trading Advisor or its principals would be limited in the number of positions it could take and it may have an incentive to favor other clients over the Partnership.

Other Activities of the General Partner and Trading Advisors. The General partner and its affiliates and principals are presently involved in other business ventures and may organize or become involved in other business ventures in the future. The Partnership will not share in the risks or rewards of such entities in such other ventures. However, such other ventures will compete for the General Partner's resources and might give rise to other conflicts of interest. The Trading Advisors and their principals and affiliates may also be subject to the same conflicts.

Incentive Allocations to the General Partner and Trading Advisors. The Incentive Allocation gives the General Partner an incentive to manage the Partnership in a riskier or more speculative fashion than it otherwise would. Because the Trading Advisors will receive performance fees based on profits, the Trading Advisors also have an incentive to make riskier or more speculative investments than they would if they were receiving only asset-based compensation.

The General Partner may, in its discretion, waive all or part of its Management Fee or Incentive Allocation in respect of any Member. The General Partner may, in its discretion, waive or modify the Partnership's withdrawal restrictions, conditions or other restrictions or requirements imposed in respect of any Member.

Other Activities. The General Partner serves as the investment manager of the Partnership, and may serve as the managing member or investment manager of, or its principals may be the directors of, other investments funds, possibly investment funds managed by Trading Advisors of the Partnership, as well as of regulatory bodies governing the activities of the Partnership. In such capacities, the General Partner and these other individuals may have a fiduciary duty to the other entities or organizations to which they serve and may be required to act in the best interests of those entities or organizations even if doing so would be adverse to the Partnership.

Withdrawals, Distributions and Transfers

Voluntary Withdrawals. Beginning with the first full month ending at least three months after the Partnership commences trading operations, a limited partner may require the Partnership to redeem some or all of its Units (minimum 20 Units) at Net Asset Value per Unit on a semi-monthly basis. Redemption Dates consist of the 15th of any calendar month (or the first Business Day following such date in the event such day is not a Business Day) and the last Business Day of any month. If a Member redeems all or substantially all of its Interest, the General Partner may, in its discretion, retain a portion (no more than 5% in any circumstance) of the redemption proceeds in order to confirm that all costs are settled, for a period of no more than 30 days after the Redemption Date.

No redemption will be permitted if after giving effect to the redemption the limited partner owns fewer than 20 Units. The right to redeem is contingent upon the Partnership's having property sufficient to discharge its liabilities on the Redemption Date and upon receipt by the General Partner by registered mail of a request for redemption in the form annexed hereto as Appendix E at least 5 business days prior to the Redemption Date.

Failure to complete and submit all original, applicable subscription documents, including anti-money laundering and other client identification documents, upon initial investment may cause the Administrator to withhold withdrawal proceeds, until such time as all paperwork is received.

Mandatory Withdrawals. The General Partner reserves the right to compel the withdrawal of all or part of the Member's capital account for any reason as of the end of any calendar month or on any other date on not less than two (2) calendar days' prior written notice. Mandatory withdrawals will not be subject to any withdrawal charges.

Failure to complete all applicable subscription documents, including, but not limited to, anti-money laundering and other client identification information, within thirty (30) days of the initial investment may be a cause for mandatory withdrawal.

Payment of Withdrawal Proceeds. Withdrawals are settled exclusively in cash which will be remitted by wire transfer to a bank account designated in the Member's withdrawal request (or, if no account is designated, by check posted at the risk of the Member). If a Member withdraws less than substantially all of its capital account (as determined by the General Partner), the General Partner will generally not withhold any portion of the amount withdrawn. If all or a substantial portion is withdrawn, the General Partner, in its discretion, may retain up to five percent (5%) until the end of the period stated in the next sentence. Withdrawal proceeds generally will be paid within thirty (30) days of the withdrawal date, unless a delay is required in the opinion of the General Partner in order to effectuate an orderly liquidation of a portion of the Partnership's investments in a manner that is not detrimental to the Partnership's remaining investors. In such case, payment shall be made as soon thereafter as practicable.

Suspensions of Withdrawals. The General Partner may suspend the ability to withdraw capital from the Partnership, as well as the issuance of additional Units, upon the occurrence of any of the following circumstances: (1) when any exchange, board of trade or organized interdealer market on which a significant portion of the Partnership's assets is regularly quoted or traded is closed (other

than for holidays) or trading thereon has been restricted or suspended; (2) whenever, as a result of events, conditions or circumstances beyond the control or responsibility of the General Partner or the Partnership, disposal of the assets of the Partnership is not reasonably practicable without being detrimental to the interests of the Partnership or their investors; (3) if it is not reasonably practicable to determine the NAV of the Partnership on an accurate and timely basis; or (4) if the General Partner has determined to dissolve the Partnership.

Notice of any suspension will be given immediately to any Member who has submitted a withdrawal request and to whom full payment of the withdrawal proceeds has not yet been remitted. If a withdrawal request is not rescinded by a Member following notification of a suspension, the withdrawal will be effected as of the last day of the calendar month in which the suspension is lifted, on the basis of the NAV at that time.

Deferred Withdrawal Requests. The General Partner may defer withdrawal requests if raising the requisite funds would, in the General Partner's good faith judgment, be unduly burdensome to the Partnership.

Distributions. The Partnership does not intend to declare or make any distributions. All earnings of the Partnership are retained for reinvestment. However, the Partnership may declare and make a dividend or distribution out of funds lawfully available for distribution.

Agreement to Return Withdrawn Contributions and Distributions. Each Member agrees that, upon the request of the General Partner, such Member will promptly return to the Partnership all returns of contributions or distributions to such Member from or by the Partnership, to the full extent that such Member may be liable to the Partnership or creditors of the Partnership in respect of such amounts. Each Member also agrees to return all excess distributions and redemption proceeds if the NAV of a Unit owned by such Member is restated after the payment of such amounts.

General Partner Withdrawals. Any withdrawals by General Partner will not be subject to the minimum amounts described above.

Transfers. Each investor must represent and warrant in the Subscription Agreement that it is purchasing an Interest in the Partnership for its own account, and not with a view to the assignment, transfer or disposition of such Interest. A Member may not assign, transfer or otherwise dispose of, by gift or otherwise, its Interest without written notice to and the prior written consent of the General Partner. The notice to the General Partner must include evidence satisfactory to the General Partner that the proposed assignment, transfer or disposition is exempt from registration under the Securities Act of 1933, as amended, that the proposed assignee meets any requirements imposed by the Partnership with respect to the investor and/or transferee eligibility and suitability, and must be accompanied by the proposed assignee's agreement, in a form satisfactory to the General Partner, to be bound by the provisions of the present Offering Memorandum. Assignments, if permitted, will only be allowed at month-end.

If an assignment, transfer or disposition occurs by reason of the death of a Member or assignee, notice to the Limited Partnership may be given by the duly authorized representative of the estate of the investor or assignee. The notice must be supported by proof of legal authority and valid assignment acceptable to the Limited Partnership.

Allocation of Profits and Losses

Partnership Accounting The General Partner shall cause the Partnership to establish and maintain for each Member a capital account. The balance in a Member's capital account as of the beginning of each accounting period is referred to as the "**Opening Balance**" of such capital account for such accounting period, and the balance in a Member's capital account as of the end of each accounting period is referred to as the "**Closing Balance**" of such account for such accounting period.

The Opening Balance of a Member's capital account as of the beginning of the first accounting period in which a capital contribution is credited to such capital account shall equal the

amount of such contribution. The Opening Balance of a Member's capital account as of the beginning of each subsequent accounting period shall equal the Closing Balance of such capital account as of the end of the immediately preceding accounting period, increased by any additional capital contribution credited to such capital account as of the beginning of such accounting period.

The Closing Balance of a Member's capital account as of the end of an accounting period shall be equal to the Opening Balance of such Account as of the beginning of such accounting period, adjusted in the following manner:

- first, any increase or decrease in the NAV (determined prior to accrual of any Management Fee payable to the General Partner by any Member) for such accounting period shall be credited or debited (as the case may be) to such capital account, *pro rata* in accordance with the Membership Percentage (as defined below) associated with such capital account as of the beginning of such accounting period; *provided, however*, that (A) if any federal, state or local laws or regulations prohibit such Member from sharing in the appreciation or depreciation in any asset held directly or indirectly by the Partnership, or if such Member's sharing in the appreciation or depreciation in any such asset would cause any other person to be in violation of any such laws, rules or regulations, the General Partner may exclude, without any compensating adjustments, from such Closing Balance any portion of such increase or decrease in NAV that is attributable to such appreciation or depreciation and (B) if any item of expense is properly allocable to one or some, but not all, Members, such expense shall be debited to the capital account for only the Member or Members to whom such expense is properly allocable.

- second, to the extent that the General Partner is entitled to receive any Management Fee in respect of such capital account as of the end of such accounting period, the amount thereof shall be debited to such capital account and paid to the General Partner, not as an allocation to the General Partner's capital account (unless the General Partner so determines), but as a payment made to a third-party service provider.

- third, to the extent that an Incentive Allocation in respect of such Member's capital account is required to be credited to the General Partner's capital account as of the end of such accounting period, the amount thereof shall be debited from such Member's capital account and credited to the General Partner's capital account.

- fourth, to the extent that a Member withdraws capital from its capital account, the amount of such withdrawal shall be debited from such Member's capital account.

An **"accounting period"** shall (a) begin on the day after the close of the preceding accounting period and (b) end on the earlier of the close of the fiscal year of the Partnership, the effective date of any transfer of an Interest or capital withdrawal, the day preceding the effective date of any capital contribution, or such other day as may be determined by the General Partner; and **"Membership Percentage,"** associated with a Member's capital account as of the beginning of an accounting period, means the percentage determined by dividing the Opening Balance of such capital account at such time by the Opening Balances of all capital accounts of Members of such Class at such time. The sum of the Membership Percentages associated with all capital accounts of each Class shall at all time equal 100%.

Determination of Net Asset Value

The Net Asset Value per Share is determined at the close of business on each Valuation Date by dividing the total net assets by the number of Shares outstanding.

The Net Asset Value of the portfolio as of a Valuation Date shall equal the amount of all cash plus the fair value of all securities and other asset attributable to the Shares (including any interest accrued and unpaid) less its total liabilities (including accrued liabilities, irrespective of whether such liabilities — for example, accruals for Incentive Allocations — may in fact never be paid), determined in accordance with generally accepted accounting principles as described herein.

The following items will be deducted from the total value of the assets attributable to the Shares:

- (i) the fees of the General Partner earned but not yet paid
- (ii) an allowance for the estimated annual audit and legal fees, and
- (iii) any contingencies for which reserves are determined to be required by the General Partner.

The fair value of any assets generally will be based on the last trade on the date of determination. Securities listed or admitted to trading on a national securities exchange or securities traded in the over-the-counter market shall be valued at the sale price as of the date of determination unless such price is not a reasonable indicator of fair market value of such security, in which case such value shall be calculated in the manner provided in the next sentence of this paragraph. Unquoted investments, such as private placements, and quoted investments for which no quoted price is readily available will be included at such value, adjusted to reflect the costs of the disposal, as the General Partner shall approve, and in so deciding, the General Partner shall be entitled to accept a certified valuation from a market maker qualified, in the opinion of the General Partner, to provide such a certificate.

The General Partner in its discretion may permit other methods of valuation to be used if the resulting valuation better reflects the fair value of any asset.

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have adverse effect on the Partnership's net assets. Absent bad faith or manifest error, the Net Asset Value determinations are conclusive and binding on all Shareholders.

Reserves The General Partner has broad discretion to establish reserves for contingent, unknown or unfixed debts, liabilities or obligations of the Partnership. Reversals of reserves, as well as windfall income relating to prior periods, will be included only in the current NAV, not distributed based on the Member's Interest when such reserves are created or during such prior period.

Tax Allocations As of the end of each fiscal year, Partnership income and gain will be allocated among the Members as follows: First, net income and gain will be allocated to the General Partner until the amount so allocated equals the aggregate Incentive Allocation allocated to the General Partner's capital account for the year in question and all prior years. Second, net income and gain will be allocated to Members who redeemed an Interest (in whole or in part) during the year, to eliminate the difference between the amount received and the Member's adjusted tax basis in its Interest (or ratable portion thereof). Third, net income and gain will be allocated to any Member with a capital account balance in excess of its adjusted tax basis in its Interest. Finally, any net income and gain not previously allocated will be allocated *pro rata* among all Members in proportion to their respective capital accounts.

As of the end of each fiscal year, Partnership loss will be allocated among the Members as follows: First, net loss will be allocated to Members who redeemed an Interest (in whole or in part) during the year to eliminate the difference between the Member's adjusted tax basis in its Interest (or ratable portion thereof) and the amount received upon withdrawal. Second, net loss will be allocated to any Member with an adjusted tax basis in its Interest in excess of its capital account balance. Finally, any net loss not previously allocated will be allocated *pro rata* among all Members in proportion to their respective capital accounts.

Upon liquidation of the Partnership, the assets of the Partnership available for distribution will be distributed to each Member in the ratio that the Member's capital account bears to the capital accounts of all Members.

Management of Partnership Affairs

The limited partners will not participate in the management or control of the Partnership. Responsibility for managing the Partnership is vested solely in the General Partner. The General Partner may select one or more trading advisors to direct all trading for the Partnership. Other responsibilities of the General Partner include, but are not limited to, the following: reviewing and monitoring the trading of the advisors; administering redemptions of limited partners' Units; preparing monthly and annual reports to the limited partners; preparing and filing necessary reports with regulatory authorities; calculating the Net Asset Value; executing various documents on behalf of the Partnership and the limited partners pursuant to powers of attorney; and supervising the liquidation of the Partnership if an event causing dissolution of the Partnership occurs.

Income Tax Aspects

The following is a summary of some of the federal income tax consequences to the investors of the Partnership based upon the Code and rules, regulations and existing interpretations relating thereto, any of which could be changed at any time. Except where indicated, the discussion below describes general federal income tax considerations applicable to individuals that are citizens or residents of the United States. Accordingly, the discussion has limited application to tax-exempt entities and foreign persons. A complete discussion of all federal, state and local tax aspects of an investment in the Partnership is beyond the scope of this summary, and prospective investors must consult their own tax advisers on such matters.

Classification as a Partnership

The General Partner has been advised by its counsel that under current federal income tax laws and regulations the Partnership will be classified as a partnership and not as an association taxable as a corporation, and that under current federal income tax laws the Partnership will not be taxed as a corporation under the provisions applicable to a so-called "publicly traded partnership." This status has not been confirmed by a ruling from, and such opinion is not binding upon, the Internal Revenue Service. No such ruling has been or will be requested. If the Partnership were taxed as a corporation for federal income tax purposes, income or loss of the Partnership would not be passed through to the limited partners, and the Partnership would be subject to tax on its income at the rates of tax applicable to corporations without any deductions for distributions to the limited partners. In addition, all or a portion of distributions made to limited partners could be taxable to the limited partners as dividends.

The following discussion assumes that the Partnership will be treated as such for federal income tax purposes.

Taxation of Members on Profits or Losses of the Partnership. The Partnership, as an entity, will not be subject to federal income tax. Each Member, in computing its own federal income tax liability for a taxable year, will be required to take into account its distributive share of all items of income, gain or loss (including unrealized gain or loss from certain futures and forward contracts and options "marked-to-market"), deduction and credit for the taxable year of the Partnership ending within or with such taxable year of the Member, regardless of whether such Member has received any distributions from the Partnership. Given that there is no assurance as to the timing or amount of any such distributions, a Member's tax liability for any profits of the Partnership may exceed the cash (or other property) distributed to it in a particular year. The character of an item of profit or loss (e.g., as capital gain or ordinary income) will usually be the same for each Member as for the Partnership.

Limitations on Deductibility of Partnership Losses by Members. The amount of any loss of the Partnership (including capital loss) that a Member is entitled to include in its personal income tax return is limited to such Member's adjusted tax basis for its Interest in the Partnership as of the end of the Partnership's taxable year in which such loss occurred. Generally, a Member's adjusted tax basis for its Interest is the amount paid for such Interest reduced (but not below zero) by such Member's share of any Partnership distributions, realized (including constructively realized under the

mark-to-market rules described below) losses and expenses of the Partnership (including certain expenses which are not properly chargeable to the capital account and which are not deductible in computing the Partnership's taxable income) and increased by its share of the Partnership's realized (including constructively realized under the mark-to-market rules described below) income, including gains.

Similarly, a Member that is subject to the "at risk" limitations may not deduct currently its distributive share of the losses of the Partnership (including capital losses) to the extent that they exceed the amount it has "at risk" with respect to its Interest in the Partnership at the end of the year. The amount that a Member has at risk will generally be the same as its adjusted basis as described above, except that it will not include any amount that a Member has borrowed on a no recourse basis or from a person who has an Interest in the Partnership or a person related to such person or for which it has not pledged any unrelated property as security.

Losses not currently allowable under the basis or at risk limitations are suspended and may be deducted in subsequent years, subject to these and other applicable limitations.

Because of the limitations imposed upon the deductibility of capital losses (see "— Tax on Capital Gains and Losses," below), a Member's distributive share of any net capital losses of the Partnership may not materially reduce the federal income tax on its ordinary income (including its allocable share of the Partnership's interest income).

Limitations on Deductibility of Interest Expense. Interest paid or accrued on indebtedness properly allocable to property held for investment is "investment interest." Thus, any interest expense incurred by a Member to purchase or carry an Interest or incurred by the Partnership to purchase or carry property held for investment generally will be investment interest. Investment interest is generally deductible by non corporate taxpayers only to the extent that it does not exceed net investment income (that is, generally, the excess of (1) gross income from investment property (excluding gains from dispositions of investment property) interest, dividends (other than "qualified dividends"), rents and royalties, which would include a Member's share of the Partnership's interest income, and (2) certain gains from the disposition of investment property, over the expenses directly connected with the production of such investment income). Any investment interest expense disallowed as a deduction in a taxable year solely by reason of the above limitation is treated as investment interest paid by or accrued in the succeeding taxable year. A taxpayer's net capital gain from the disposition of investment property is included in clause (2) of the second preceding sentence only to the extent such taxpayer elects to make a corresponding reduction in the amount of net capital gain that is subject to tax at the lower rate described below. See "—Tax on Capital Gains and Losses," below.

Treatment of Income and Loss Under the Passive Activity Loss Rules. The Code contains rules (the "Passive Activity Loss Rules") designed to prevent the deduction of losses from "passive activities" against income not derived from such activities, including income from investment activities not constituting a trade or business, such as interest and dividends ("**Portfolio Income**") and salary. The trading activities of the Partnership will not constitute a "passive activity," with the result that income derived from the Partnership's trading activities will constitute Portfolio Income or other income not from a passive activity. Accordingly, losses resulting from a Member's passive activities cannot offset income from the Partnership's trading activities, and net losses from the Partnership's operations will be deductible in computing the taxable income of a Member (subject to other limitations on the deductibility of such losses).

Taxation of Foreign Currency Transactions. Trading by the Partnership in certain forward and option contracts with respect to foreign currencies may constitute "Section 988 transactions." Section 988 transactions include entering into transactions in which the amount paid or received is denominated in terms of a nonfunctional currency (or determined by reference to the value thereof) other than the taxpayer's "functional" currency (*i.e.*, the U.S. dollar in the case of the Partnership).

In general, foreign currency gain or loss on Section 988 transactions is treated as ordinary income or loss except that gain or loss on regulated futures contracts on foreign currencies which are Section 1256 Contracts (as defined below) is characterized as capital gain or loss. Various tax elections relating to the characterization of gains or losses attributable to such transactions may be available to the Partnership.

Cash Distributions and Withdrawal of Interests. Cash received from the Partnership by a Member as a distribution with respect to its Interest or for withdrawal of less than all of such Interest generally is not reportable as taxable income by such Member, except as described below. Rather, such distribution reduces (but not below zero) the adjusted tax basis of the Interest held by the Member after the distribution or withdrawal. Any cash distribution in excess of a Member's adjusted tax basis in its Interest is taxable to such Member as gain from the sale or exchange of such Interest. Because a Member's adjusted tax basis in its Interest is not increased on account of such Member's distributive share of the Partnership's income from trading activities until the end of the Partnership's taxable year, distributions during the taxable year could result in taxable gain to a Member even though no gain would result if the same distributions were made at the end of the taxable year. Furthermore, the share of the Partnership's income allocable to a Member at the end of the Partnership's taxable year would also be includable in the Member's taxable income and would increase such Member's adjusted tax basis in its remaining Interest as of the end of such taxable year. Withdrawal for cash of the entire Interest held by a Member will result in the recognition of gain or loss for federal income tax purposes. Such gain or loss will be equal to the difference, if any, between the amount of the cash distribution and the Member's adjusted tax basis for such Interest. A Member's adjusted tax basis for its Interest includes for this purpose such Member's distributive share of the Partnership's income or loss for the year of such withdrawal. Under Section 751 of the Code, however, the withdrawing Member will recognize ordinary income to the extent the Partnership holds certain short-term obligations or market discount bonds, the interest on which has not been included in the Partnership's taxable income, regardless of whether the Member would otherwise recognize a gain on such withdrawal, but only to the extent of the amount which would be treated as ordinary income upon a sale by the Partnership.

Straddle Rules. The Code allows a taxpayer to offset gains and losses from trading 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 (as defined below). The term "straddle" is defined as offsetting positions in personal property. The Treasury regulations governing mixed straddle accounts require a daily marking to market of all positions and a daily (as well as annual) netting of gains and losses. Not more than 50% of total annual account net gain for the taxable year can be treated as long-term capital gain and not more than 40% of total annual account net loss for the taxable year can be treated as short-term capital loss. If a mixed straddle election is made, as a result of the establishment of these mixed straddle accounts, a significant portion of the trading positions of the Partnership would be "marked-to-market" on a daily basis, generating short-term gain or loss with respect to such trading positions.

In the event any offsetting positions are not included in one or more mixed straddle accounts, such offsetting positions will be subject to other straddle rules. Such other straddle rules may require a deferral of loss to the extent of any unrecognized gain in offsetting positions held at the close of the taxable year. 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.

Constructive Sales. The Code treats certain common financial transactions as "constructive sales" of related appreciated property that is stock, a partnership interest or certain debt instruments. For example, a future or forward transaction or a total return swap may give rise to a constructive sale of

the related appreciated property. A constructive sale will accelerate gain but not loss. The Code provides special rules to prevent the application of the constructive sale rule if (i) the transaction is closed within 30 days after the end of the taxable year (i.e., the offsetting positions are closed); (ii) the appreciated financial position is held for 60 days following the date the transaction is closed; and (iii) at no time during such 60-day period is the holder's risk of loss with respect to such financial position reduced. If applicable to the Partnership, the constructive sale provision would accelerate any gains inherent in property of the Partnership treated as constructively sold.

Gain and Loss on Section 1256 Contracts. Under the "mark-to-market" system of taxing futures and futures options contracts traded on United States exchanges and certain foreign currency forward contracts ("**Section 1256 Contracts**"), any unrealized profit or loss on positions in such Section 1256 Contracts which are open as of the end of a taxpayer's fiscal year is treated as if such profit or loss had been realized for tax purposes as of such time. If an open position on which profit has been realized as of the end of a fiscal year declines in value after such year-end and before the position is in fact offset, a loss is recognized for tax purposes at the end of the fiscal year in which the value declines (irrespective of the fact that the taxpayer may actually have realized a gain on the position considered from the time that such position was initiated). The converse is the case with an open position on which a mark-to-market loss was recognized for tax purposes as of the end of a fiscal year but which subsequently increases in value prior to being offset. In general, 60% of the net gain or loss which is realized on Section 1256 Contracts is treated as long-term capital gain or loss and the remaining 40% of such net gain or loss is treated as short-term capital gain or loss, regardless of the period the Section 1256 Contract is held and regardless of whether the Section 1256 Contract is a long or short position.

Gain and Loss on Non-Section 1256 Contracts. Gain or loss with respect to contracts that are Non-Section 1256 Contracts will be taken into account for tax purposes only when realized.

Tax on Capital Gains and Losses. The maximum tax rate for non corporate taxpayers on adjusted net capital gain is 15% for most gains recognized on or after May 6, 2003 and in taxable years beginning on or before December 31, 2008. Adjusted net capital gain generally is the excess of net long-term capital gain (the net gain on capital assets held for more than 12 months, including 60% of gain on Section 1256 Contracts) over net short-term capital loss (the net loss on capital assets held for 12 months or less, including 40% of loss on Section 1256 contracts). See "**—Limitation On Deductibility Of Interest Expense,**" above, for a discussion of the reduction in the amount of a non corporate taxpayer's net capital gain for a taxable year to the extent such gain is taken into account by such taxpayer as investment income. Net short-term capital gain (net gain on assets held for 12 months or less, including 40% of net gain on Section 1256 Contracts) is subject to tax at the same rates as ordinary income. Capital losses are deductible by non corporate taxpayers only to the extent of capital gains for the taxable year plus \$3,000.

If a non corporate taxpayer incurs a net capital loss for a year, the portion thereof, if any, which consists of a net loss on Section 1256 Contracts may, at the election of the taxpayer, be carried back three years. Losses so carried back may be deducted only against net capital gain for any such year to the extent that such gain includes gains on Section 1256 Contracts included in the taxpayer's income for such year. Losses so carried back will be deemed to consist of 60% long-term capital loss and 40% short-term capital loss (see "**— Gain and Loss on Section 1256 Contracts,**" above). To the extent that such losses are not used to offset gains on Section 1256 Contracts in a carryback year, they will carry forward indefinitely as losses on Section 1256 Contracts in future years.

Limited Deduction for Certain Expenses. The Code provides that, for a non corporate taxpayer who itemizes deductions when computing taxable income, expenses of producing income, including investment advisory fees, are to be aggregated with unreimbursed employee business expenses, other expenses of producing income and certain other deductions (collectively the "**Aggregate Investment Expenses**"), and the aggregate amount of such expenses will be deductible only to the extent such

amount exceeds 2% of the taxpayer's adjusted gross income. In addition, Aggregate Investment Expenses in excess of the 2% threshold, when combined with certain of the taxpayer's other miscellaneous deductions are subject to a reduction equal to, generally, 3% of the taxpayer's adjusted gross income in excess of a certain threshold amount. Moreover, such Aggregate Investment Expenses are miscellaneous itemized deductions which are not deductible by a non corporate taxpayer in calculating his or her alternative minimum tax liability.

Neither the Partnership nor the investors will be entitled to any deduction for any syndication fees (e.g., Distribution Fees, selling commissions, finders' fees or offering expenses) incurred in connection with the Partnership.

The IRS could contend that the Management Fees paid to the General Partner and the Incentive Allocation allocable to the General Partner, plus other ordinary expenses of the Partnership, constitute "investment advisory fees." If this contention were sustained, each Member's *pro rata* share of the amounts so characterized would be deductible only to the extent that such Member's Aggregate Investment Expenses exceed 2% of such Member's adjusted gross income and, when combined with certain other itemized deductions, exceed the 3% phaseout. In addition, each Member's share of income from the Partnership would be increased (solely for tax purposes) by such Member's *pro rata* share of the amounts so characterized. The General Partner will determine, in its sole discretion and without consulting the Members, how to classify these expenses for federal income tax purposes.

PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX ADVISERS CONCERNING THE FOREGOING "INVESTMENT ADVISORY FEES" ISSUE, WHICH IS A MATTER OF UNCERTAINTY AND COULD HAVE A MATERIAL IMPACT ON AN INVESTMENT IN THE PARTNERSHIP IN TERMS OF THE TOTAL TAX PAYABLE.

Interest Income; Original Issue and Market Discount; Amortizable Bond Premium. Interest which accrues on any debt instrument held by the Partnership (the interest on which is not exempt from federal income taxation) will be taxable as ordinary income. In addition, the Partnership may purchase debt instruments that are issued with "original issue discount." A portion of the original issue discount is treated as accruing with respect to such instruments, and will be taxable as ordinary income in each year that the Partnership owns such debt instruments, even though that discount did not result in the receipt of cash until the sale of such instrument or the repayment of the debt evidenced by such instrument. Accordingly, if the Partnership were to purchase debt instruments issued with original issue discount, the Members would be required to recognize interest income prior to the Partnership having received a cash payment with respect to such interest.

The Partnership may also hold or purchase bonds that are subject to the "market discount" provisions contained in Sections 1276-1278 of the Code. These rules generally provide that if a holder acquires a debt instrument at a discount from, in general, its stated redemption price at maturity, which discount equals or exceeds one-fourth of one percent (0.25%) of the principal amount times the number of remaining complete years to maturity, or weighted average maturity in some cases, and thereafter disposes of such an instrument, the lesser of (a) the gain realized or (b) the portion of the market discount which accrued while the debt instrument was held by such holder will be treated as ordinary income at the time of the disposition. Any accrued market discount will also be recognized in the event that principal payments are made on the debt instrument. The market discount rules also provide that the net direct interest expense with respect to any market discount bond is allowed as a deduction for the taxable year only to the extent that such expense exceeds the portion of the market discount allocable to the days during the taxable year on which such bond was held by the taxpayer (as determined under the rules of Section 1276(b) of the Code).

The Partnership may purchase a bond at a cost which, generally, is in excess of the amount payable on maturity, the excess may constitute amortizable bond premium which may be treated as a reduction of interest on such bond. If the Partnership makes an election under Section 171 of the

Code, the Partnership generally will allocate amortizable bond premium among the interest payments on the bond and the amount so allocated generally will be applied against (and operate to reduce) the amount of such interest income.

Partnership Audits. The tax treatment of Partnership-related items is determined at the Partnership level rather than at the investor level. The General Partner has been appointed as “tax matters partner” with the authority to determine the Partnership’s response to an audit, except that the General Partner does not have the authority to settle tax controversies on behalf of any Member who either (i) holds at least a 1% interest in the Partnership, (ii) belongs to a 5% group satisfying certain requirements or (iii) files a statement with the IRS stating that the General Partner has no authority to settle Partnership tax controversies on such Member’s behalf. Any Member which files such a statement should send a copy to the General Partner. The limitations period for assessment of deficiencies and claims for refunds with respect to items related to the Partnership is three years after the Partnership’s return for the taxable year in question is filed, and the General Partner has the authority to, and may, extend such period with respect to all Members. If an audit results in an adjustment, all Members may be required to pay additional taxes, interest and penalties. There can be no assurance that the Partnership’s tax return will not be audited by the IRS or that no adjustments to such tax return will be made as a result of such an audit.

State and Local Taxes. In addition to the federal income tax consequences described above, the Partnership and its Members may be subject to various states, local and municipal taxes, including income, estate, inheritance or intangible property taxes. Certain of such taxes could, if applicable, have a significant effect on the amount of tax payable in respect of an investment in the Partnership. The Partnership may be subject to entity-level state and local taxes in states in which the profits of the Partnership are deemed to be sourced. For example, the Partnership may be subject to a 1.5% personal property replacement tax in Illinois on certain income sourced in Illinois. A Member’s distributive share of the profits of the Partnership may be required to be included in determining reportable income for state or local tax purposes, and state and local taxation of gains and losses from Section 1256 Contracts may be inconsistent with the treatment of such gains and losses for federal income tax purposes. Members must consult their own advisers regarding the possible applicability of state, local or municipal taxes to an investment in the Partnership.

Except as otherwise set forth, the foregoing statements regarding the federal income tax consequences to the Members of the Partnership are based upon the provisions of the Code as currently in effect and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial or legislative changes (other than those discussed above) will not occur that would make the foregoing statements incorrect or incomplete.

The foregoing discussion is not intended as a substitute for careful tax planning, particularly since certain of the income tax consequences of an investment in the Partnership may not be the same for all taxpayers. ACCORDINGLY, PROSPECTIVE INVESTORS IN THE PARTNERSHIP ARE URGED TO CONSULT THEIR TAX ADVISERS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATION UNDER FEDERAL LAW AND THE PROVISIONS OF APPLICABLE STATE, LOCAL AND OTHER LAWS BEFORE SUBSCRIBING FOR INTERESTS.

Removal or Admission of General Partner

The General Partner may be removed and successor general partners may be admitted upon the vote of a majority of the outstanding Units.

Amendments; Meetings

The Limited Partnership Agreement may be amended if approved in writing by the General Partner and limited partners owning more than 50% of the outstanding Units.).

Affirmative consent to such amendments is not required and a Member may give its “negative consent” by failing to object to such amendment in writing after reasonable notice of a proposed modification or amendment.

Reports to Limited Partners

The books and records of the Partnership will be maintained at its principal office and the limited partners have the right at all times during reasonable business hours to have access to and copy the Partnership's books and records for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership. Within 30 days of the end of each month the General Partner will provide the limited partners with a financial report containing information relating to the Net Assets and Net Asset Value of a Unit as of the end of such month, as well as other information relating to the operations of the Partnership which is required to be reported to the limited partners by CFTC regulations. In addition, if any of the following events occur, notice thereof will be mailed to each limited partner within seven business days of such occurrence: a decrease in the Net Asset Value of a Unit to 50% or less of the Net Asset Value most recently reported; any change in the General Partner; any material change in the Partnership's trading policies or any material change in an advisor's trading strategies. In addition, an audited annual report of financial condition will be distributed to the limited partners not more than 120 days after the close of the Partnership's fiscal year. Not more than 75 days after the close of the fiscal year and if required by the then applicable tax law, tax information necessary for the preparation of the limited partners' annual federal income tax returns will be distributed to the limited partners.

Power of Attorney

To facilitate the execution of various documents by the General Partner on behalf of the Partnership and the limited partners, the limited partners will appoint the General Partner, with power of substitution, their attorney-in-fact by executing the Subscription Agreement including the Power of Attorney attached hereto as Appendix F. Such documents include, without limitation, the Limited Partnership Agreement and amendments and/or restatements thereto and management agreements with the General Partner.

Indemnification

The Limited Partnership Agreement provides that the General Partner and its Affiliates shall have no liability to the Partnership or to any Partner for any loss suffered by the Partnership which arises out of any action or inaction of the General Partner or its Affiliates if the General Partner or its Affiliates in good faith determined that such course of conduct did not constitute negligence or misconduct of the General Partner or its Affiliates. The General Partner and its Affiliates shall be indemnified by the Partnership, to the fullest extent permitted by law, against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by them in connection with the Partnership, provided that the same were not the result of negligence or misconduct on the part of the General Partner or its Affiliates. No indemnification of the General Partner or its Affiliates is permitted for losses resulting from a violation of the Securities Act of 1933 or any State securities law in connection with the offer or sale of the Units.

Subscription Procedures

Documents Required. Subscriptions for an Interest in the Partnership may be made by completing, signing and returning to the General Partner (via both facsimile and courier) a completed Subscription Agreement (including any anti-money laundering and source of funds declarations) attached hereto as Exhibit A and forming part of this Memorandum. These documents must be submitted to the General Partner at least three (3) business days before the Dealing Date. Subscription payments must be remitted as described in the Subscription Agreement.

The General Partner may accept or reject a subscription in whole or part at any time in its sole discretion.

Eligibility and Minimum Amounts. Prospective investors must be “accredited investors” as that term is defined under Regulation D of the Securities Act of 1933, as amended, and “qualified eligible persons” as that term is defined under CFTC Regulation 4.7. The minimum subscription is \$500,000. Additional subscriptions are typically made in increments of \$100,000.

Compliance with Source of Funds Information. In order to satisfy the General Partner’s, and the Partnership’s obligations under applicable anti-money laundering laws and regulations, investors will be required to make certain representations, warranties and covenants in the Subscription Agreement concerning the nature of the investor, its investment in the Partnership and certain other related matters. In addition, the General Partner reserves the right to request additional information from investors as they in their sole discretion require in order to satisfy their respective anti-money laundering obligations. By subscribing for an Interest in the Partnership, each investor agrees to provide such information to the General Partner upon its request.

All completed Subscription Agreements must be received by the General Partner at least three (3) business days prior to the Dealing Date (or shorter period acceptable to General Partner). Failure to complete the Subscription Agreement may result in a delay in investment. Subscriptions are payable in full, in readily available funds, at least one (1) business day prior to the Dealing Date. No Interest shall be allotted or issued during any period when the determination of NAV of the Partnership is suspended. In addition, the General Partner reserves the right at any time without notice to discontinue the issuance or sale of Interests pursuant to this Memorandum.

Miscellaneous

The Units are offered solely on the basis of the information contained herein. No person is authorized to give any information or to make any representations concerning the Partnership other than as contained in this Memorandum and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Memorandum shall be solely at the risk of the purchaser. During the period in which Units are offered for sale and prior to such sale, the General Partner will make available to each investor and his representative the opportunity to ask questions of, and to receive answers from, the General Partner concerning any aspect of the offering and to obtain additional information (to the extent the General Partner possesses such information or can acquire it without unreasonable expense or effort) necessary to verify the accuracy of the information contained in this Memorandum.

Appendix A

Alpha Plus FoF L.P. Request For Redemption

(Please Date)

Alpha Plus FoF L.P.
c/o Alterama Inc.
444 Madison Avenue - 28th floor
New York, New York 10022

Dear Sirs:

I hereby request redemption, as defined in and subject to all of the terms and conditions of the Limited Partnership Agreement of Alpha Plus FoF L.P. (the "Partnership"), of _____ (insert the number of Units to be redeemed*), of my Units of Limited Partnership Interest in the Partnership as defined and subject to all the term of the Offering Memorandum of Alpha Plus FoF L.P. as may be amended and supplemented from time to time. Redemption shall be effective as of the next Valuation Date provided that this Request for Redemption is received by the General Partner as least five days prior to such effective date. I (either in my individual capacity or as an authorized representative of an entity, if applicable) hereby represent and warrant that I am the true, lawful and beneficial owner of the Units of Limited Partnership Interest of the Partnership to which this Request relates, with full power and authority to request redemption of such Units. Such Units are not subject to any pledge or otherwise encumbered in any fashion.

// Check here if
you wish payment
by check

Name

Street

City

State

Zip Code

Name and Address of _____
Financial Institution to
which Redemption _____
Proceeds are to be
transferred (including _____
a bank account number and
wiring instructions _____

Minimum redemption is 20 Units. Redemption of partial Units is permitted in the discretion of the General Partner. No redemption will be permitted if after giving effect to the redemption the limited partner owns fewer than 20 Units.

Name of Subscriber (Signature)

Dated: _____

Name and Title
(if signing in representative capacity)

THIS REDEMPTION REQUEST MUST BE RECEIVED BY THE COMPANY AT LEAST 5 CALENDAR DAYS PRIOR TO THE DATE ON WHICH THE REDEMPTION IS TO BE EFFECTIVE.

Alpha Plus FoF L.P.

(a Nevada limited partnership)

Subscription Agreement

Alterama. Inc.
444 Madison Avenue - 28th floor
New York, New York 10022
Re: Alpha Plus FoF L.P.
Gentlemen:

1. *Subscription for Units.* I hereby irrevocably subscribe for \$_____ (minimum of \$500,000 for initial investors and minimum of \$100,000 for additional investments by current investors) (and during the Continuous Offering partial Units rounded to four decimal places) of Limited Partnership Interest ("Units") of Alpha Plus FoF L.P. (the "Partnership"). I understand that each Unit will be sold at Net Asset Value per Unit on the date of sale during the Continuous Offering.

I am aware that this subscription is not binding on the Partnership unless and until it is accepted by the General Partner, which may reject this subscription for any reason whatsoever. I understand that the General Partner will advise me within 5 business days of receipt of my check and this Agreement if my Subscription has been rejected. I further understand that if this subscription is not accepted, the full amount of my subscription will be promptly returned to me without deduction.

2. *Representations, Warranties and Covenants of Subscriber.* As an inducement to the General Partner on behalf of the Partnership to sell me the Units for which I have subscribed I hereby represent, warrant and agree as follows:

(a) I am over 21 years old, am legally competent to execute this Agreement and have received and reviewed the Memorandum and, if this purchase is made during the Continuous Offering, the Partnership's most recent annual report and monthly statement and, except as set forth in the Memorandum, no representations or warranties have been made to me by the Partnership, its General Partner or their agents, with respect to the business of the Partnership, the financial condition of the Partnership, the deductibility of any item for tax purposes or the economic, tax, or any other aspects or consequences of a purchase of a Unit, and I have not relied upon any information concerning the offering, written or oral, other than that contained in the Memorandum or provided by the General Partner at my request. In addition, I have been represented by such legal and tax counsel and others selected by me as I have found it necessary to consult concerning this transaction. With respect to the tax aspects of my investment, I am relying upon the advice of my own personal tax advisors and upon my own knowledge with respect thereto.

(b) I have carefully reviewed the various conflicts of interest set forth in the Memorandum.

(c) I hereby acknowledge and agree to the payment by the Partnership to the General Partner of the management fee described in the Memorandum. I understand that the management fee may not be changed without a vote of the limited partners.

(d) The Partnership has made available to me prior to the date hereof, the opportunity to ask questions of, and to receive answers from, the General Partner and its representatives, concerning the terms and conditions of the offering, and has afforded me access to obtain any information, documents, financial statements, records and books (i) relative to the Partnership, its business, the offering and an investment in the Partnership, and (ii) necessary to verify the accuracy of any information, documents, financial statements, records and books furnished in connection with the offering. All materials and information requested by me, including any information requested to

verify any information furnished, have been made available and have been examined to my satisfaction.

(e) I understand that the Partnership offering has not been registered under the Securities Act of 1933 (the "Act"), or pursuant to the provisions of the securities or other laws of certain jurisdictions, in reliance on exemptions for private offerings contained in the Act and in the laws of certain jurisdictions. I am fully aware of the restrictions on sale, transferability and assignment of the Units as set forth in the Limited Partnership Agreement, and that I must bear the economic risk of my investment in the Partnership for an indefinite period of time because the offering has not been registered under the Act. I understand that the Units cannot be offered or sold unless they are subsequently registered under the Act or an exemption from such registration is available, and that any transfer requires the consent of the General Partner, who may determine not to permit any specific transfer.

(f) I represent that I am aware of the speculative nature of this investment and of the high degree of risk involved, that I can bear the economic risks of this investment and can afford a complete loss of my investment. As evidence of the foregoing, I hereby represent to you that I: (i) have sufficient liquid assets to pay the purchase price for my interest in the Partnership; (ii) have adequate means of providing for my current needs and possible personal contingencies and have no present need for liquidity of my investment in the Partnership; and (iii) either (a) I am an accredited investor as defined in Rule 501 (a) of the 1933 Act.

(g) I will not transfer or assign this Subscription Agreement, or any of my interest herein. I am acquiring my interest in the Partnership hereunder for my own account and for investment purposes only and not with a view to or for the transfer, assignment, resale or distribution thereof, in whole or in part. I have no present plans to enter into any such contract, undertaking, agreement or arrangement.

(h) If I am not a citizen or resident of the United States for U.S. tax purposes, I agree to pay or reimburse the Partnership for any taxes, including but not limited to withholding tax imposed with respect to my Units.

3. *Acceptance of Limited Partnership Agreement and Power of Attorney.* I hereby apply to become a limited partner as of the date upon which the sale of my Units becomes effective, and I hereby agree to each and every term of the Limited Partnership Agreement as if my signature were subscribed thereto. I hereby constitute and appoint Alterama Inc, the General Partner, with full power of substitution, as my true and lawful attorney to execute, acknowledge, file and record in my name, place and stead: (i) an Agreement of Limited Partnership (the "Partnership Agreement") of the Partnership (ii) all certificates and other instruments which the General Partner of the Partnership shall deem appropriate to create, qualify, continue or dissolve the Partnership as a limited partnership in the jurisdictions in which the Partnership may be formed or conduct business; (iii) all agreements amending or modifying the Partnership Agreement that may be appropriate to reflect a change in any provision of the Partnership Agreement or the exercise by any person of any right or rights thereunder not requiring my specific consent, or requiring my consent if such consent has been given, and any other change, interpretation or modification of the Partnership Agreement in accordance with the terms thereof; (iv) such amendments, instruments and documents which the General Partner deems appropriate, amendment or modification of the Partnership Agreement of any kind referred to in subparagraph (iii) hereof; (v) filings with agencies of any federal, state or local governmental unit or of any jurisdiction which the General Partner shall deem appropriate to carry out the business of the Partnership; and (vi) all conveyances and other instruments which the General Partner shall deem appropriate to effect the transfer of my Partnership interest pursuant to the Partnership Agreement or of Partnership assets and to reflect the dissolution and termination of the Partnership. The foregoing appointment (a) is a special power of attorney coupled with an interest, is irrevocable and shall survive my subsequent death, incapacity or disability and (b) shall survive the delivery of an assignment by me of the whole or any portion of my interest, except

that where an assignee of the whole of such interest has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, the power of attorney shall survive the delivery of such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

(f) I represent that I am aware of the speculative nature of this investment and of the high degree of risk involved, that I can bear the economic risks of this investment and can afford a complete loss of my investment. As evidence of the foregoing, I hereby represent to you that I: (i) have sufficient liquid assets to pay the purchase price for my interest in the Partnership; (ii) have adequate means of providing for my current needs and possible personal contingencies and have no present need for liquidity of my investment in the Partnership; and (iii) either (a) I am an accredited investor as defined in Rule 501 (a) of the 1933 Act.

(g) I will not transfer or assign this Subscription Agreement, or any of my interest herein. I am acquiring my interest in the Partnership hereunder for my own account and for investment purposes only and not with a view to or for the transfer, assignment, resale or distribution thereof, in whole or in part. I have no present plans to enter into any such contract, undertaking, agreement or arrangement.

(h) If I am not a citizen or resident of the United States for U.S. tax purposes, I agree to pay or reimburse the Partnership for any taxes, including but not limited to withholding tax imposed with respect to my Units.

3. *Acceptance of Limited Partnership Agreement and Power of Attorney.* I hereby apply to become a limited partner as of the date upon which the sale of my Units becomes effective, and I hereby agree to each and every term of the Limited Partnership Agreement as if my signature were subscribed thereto. I hereby constitute and appoint Alterama Inc, the General Partner, with full power of substitution, as my true and lawful attorney to execute, acknowledge, file and record in my name, place and stead: (i) an Agreement of Limited Partnership (the "Partnership Agreement") of the Partnership (ii) all certificates and other instruments which the General Partner of the Partnership shall deem appropriate to create, qualify, continue or dissolve the Partnership as a limited partnership in the jurisdictions in which the Partnership may be formed or conduct business; (iii) all agreements amending or modifying the Partnership Agreement that may be appropriate to reflect a change in any provision of the Partnership Agreement or the exercise by any person of any right or rights thereunder not requiring my specific consent, or requiring my consent if such consent has been given, and any other change, interpretation or modification of the Partnership Agreement in accordance with the terms thereof; (iv) such amendments, instruments and documents which the General Partner deems appropriate, amendment or modification of the Partnership Agreement of any kind referred to in subparagraph (iii) hereof; (v) filings with agencies of any federal, state or local governmental unit or of any jurisdiction which the General Partner shall deem appropriate to carry out the business of the Partnership; and (vi) all conveyances and other instruments which the General Partner shall deem appropriate to effect the transfer of my Partnership interest pursuant to the Partnership Agreement or of Partnership assets and to reflect the dissolution and termination of the Partnership. The foregoing appointment (a) is a special power of attorney coupled with an interest, is irrevocable and shall survive my subsequent death, incapacity or disability and (b) shall survive the delivery of an assignment by me of the whole or any portion of my interest, except that where an assignee of the whole of such interest has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, the power of attorney shall survive the delivery of such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

4. *Indemnification.* I hereby agree to indemnify and hold harmless the Partnership, the General Partner and its affiliated persons from any and all damages, losses, costs and expenses (including reasonable attorneys' fees) which they may incur by reason of any breach by me of the covenants, warranties and representations contained in this Subscription Agreement.

5. *Survival.* All representations, warranties and covenants contained in this

Subscription Agreement and the indemnification contained in Section 4 shall survive (i) the acceptance of the subscription, (ii) changes in the transactions, documents and instruments described in the Memorandum that are not material, and (iii) the death or disability of the undersigned.

6. *Miscellaneous.* This subscription is not revocable by me and constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and may not be amended orally. This Agreement shall be construed in accordance with and be governed by the laws of the State of New York.

THIS SPACE INTENTIONALLY
LEFT BLANK

ALPHAPLUS FOF L.P.
EXECUTION PAGE FOR SUBSCRIPTION BY INDIVIDUALS
(Not applicable for subscription by entities)

Subscription amount for purchase of Units: \$ _____

Check the following box if the selling commission has been waived: . If the selling commission has been reduced, indicate the percentage that it has been reduced to: _____

Name(s) in which the Units are to be registered:

Name of Subscriber _____	Social Security Number _____/_____/_____
--------------------------	--

Address of Subscriber _____

If Joint Owner:

Name of Subscriber _____	Social Security Number _____/_____/_____
--------------------------	--

Address of Subscriber _____

The Units are to be registered as follows (check one):

INDIVIDUAL OWNERSHIP (The individual owner must sign below.)

TENANTS IN COMMON (All tenants must sign below.)

JOINT TENANTS WITH RIGHT OF SURVIVORSHIP (All tenants must sign below.)

COMMUNITY PROPERTY (Both spouses must sign below.)

IN WITNESS WHEREOF, the undersigned hereby executes this Agreement as of the day, month and year set forth below

Signature of Subscriber

Signature of Subscriber

Printed Name of Signatory Date

Printed Name of Signatory Date

UNITED STATES TAXABLE INVESTORS ONLY

I have checked the following box if I am subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code. Under the penalties of perjury I hereby certify by my signature above that the Social Security or Taxpayer Identification Number shown on this Agreement next to my name is true, correct, and complete Social Security or Taxpayer Identification Number and that the information in the preceding sentence is true, correct and complete.

NON-UNITED STATES INVESTORS ONLY

Under penalties of perjury, by signature above I hereby certify that I am a "non-resident alien" for United States federal income tax purposes and I am not a citizen of United States.

ALPHAPLUS FOF L.P.
EXECUTION PAGE FOR SUBSCRIPTION BY AN ENTITY
(Not applicable for subscription by individuals.)

Subscription amount for purchase of Units: \$ _____

Check the following box if the selling commission has been waived: . If the selling commission has been reduced, indicate the percentage that it has been reduced to: _____

Name(s) in which the Units are to be registered

Name of Subscriber

Taxpayer Identification Number

Address of Subscriber:

If a trust or retirement plan:

Name of Trustee or Custodian

Telephone Number of Trustee or Custodian

Address of Trustee or Custodian

Form of organization of entity (check one):

CORPORATION (An authorized officer must sign below. In addition, corporations must include a duly signed resolution authorizing the subscription for Units.)

PARTNERSHIP (An authorized partner must sign below.)

TRUST OR RETIREMENT PLAN (An authorized trustee or custodian must sign below.)

The undersigned trustee, custodian, corporate officer or partner certifies that he has full power and authority from all beneficiaries, shareholders or partners of the entity named below to execute this Agreement on behalf of the entity and to make the representations and warranties made herein on their behalf and that investment in the Fund has been affirmatively authorized by the governing board of body of such entity and is not prohibited by law or the governing documents of the entity. IN WITNESS WHEREOF, the undersigned hereby executes this Agreement as of the day, month and year set forth below.

Name of Entity

Printed Name and Title of Signatory

Signature of Authorized trustee, Custodian, Partner or Corporate Officer

Date

UNITED STATES TAXABLE INVESTORS ONLY

I have checked the following box if I am subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code. Under the penalties of perjury I hereby certify by my signature above that the Social Security or Taxpayer Identification Number shown on this Agreement next to my name is true, correct, and complete Social Security or Taxpayer Identification Number and that the information in the preceding sentence is true, correct and complete.

NON-UNITED STATES INVESTORS ONLY

Under penalties of perjury, by signature above I hereby certify that I am a "non-resident alien" for United States federal income tax purposes and I am not a citizen of the United States.