

Exhibit 26

Part 1 of 2

From: Abigail Sugahara
Sent: Tuesday, September 06, 2005 5:14:31 PM
To: Georgette Wong
Subject: Meeting Notes Report: Advantus Capital Management

Attachments: _Firm Summary CODE 02-05.pdf; 2004-2005 YTD Net Performance Page 02-05.pdf; Consistent Stable Performance Page 03-05-05.pdf; Investment Universe Page 2004-2005.pdf; Security Fund CODE 02-05.pdf; Security Fund Flip Book Presentation (02-05).pdf

Note by: (AS&) GW

Subject: Meeting in NYC office with Advantus Capital

Attendees: Drew Smith (Advantus); Sean Duff (Merrill Lynch); Peter Stamos, Kevin Okimoto, Chris Stamos, Ashok Chachra, Georgette Wong, Kevin Barcelona

Notes: The documents attached may not be the versions shown in the meeting.

Items Linked to Note:

CONTACTS/CO.'S:

Advantus Capital Management, (651) 665-3175

R. Duff, Merrill Lynch, (212) 449-3858

Merrill Lynch

Drew Smith, Advantus Capital Management, (651) 665-3175

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(651) 665-3175

ATTACHMENTS:

_Firm Summary CODE 02-05.pdf

2004-2005 YTD Net Performance Page 02-05.pdf

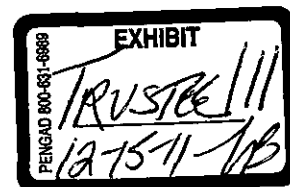
Consistent Stable Performance Page 03-05-05.pdf

Investment Universe Page 2004-2005.pdf

Security Fund CODE 02-05.pdf

Security Fund Flip Book Presentation (02-05).pdf

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CONFIDENTIAL

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COMPANY OVERVIEW

February 2005
Confidential Presentation



Contents

- * Partnership
- * Principles
- * People
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This document does not constitute an offer to sell, or a solicitation of an offer to buy the limited partnership interests described herein. No such offer or solicitation will be made prior to the delivery of a definitive offering memorandum and other materials relating to the matters herein. Before making an investment decision with respect to the partnership, potential investors are advised to read carefully the offering memorandum, the limited partnership agreement, and the related subscription documents, and to consult with their tax, legal, and financial advisors.

This document contains a preliminary summary of the purpose and principal business terms of the partnership; this summary does not purport to be complete and is qualified in its entirety by reference to the more detailed discussion contained in the private offering memorandum and the actual text of the limited partnership agreement. The General Partner has the ability in its sole discretion to change the strategy described herein.

This document is being provided to you on a confidential basis solely to assist you in deciding whether or not to proceed with a further investigation of an investment in Sterling Stamos. Accordingly, this document may not be reproduced in whole or in part, and may not be delivered to any person without prior written consent of Sterling Stamos, 575 Fifth Avenue -40th floor, New York, NY 10017, (212) 485-4370.



Sterling Equities

- » **Acquired or developed more than:**
 - 17 million square feet of office property
 - 8.5 million square feet of retail property
 - 41,000 residential units in 43 states
- » **Purchased more than 2,000 mortgages and notes**
- » **Developed over 4.1 million square feet of Class "A" office space**



PARTNERSHIP | 2

The Sterling Partnership

- » **Sterling Equities**
Real Estate Development
Principal Investments – (Pathogenesis, CWT)
- » **Sterling American Properties**
Real Estate Funds
- » **American Securities Capital Partners**
Private Equity Funds
- » **Sterling Sports and Entertainment**
New York Mets and Brooklyn Cyclones
- » **Sterling Stamos**
Integrated investment firm which grew from the investment partnership of the Katz, Wilpon, and Stamos families.



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The Value of Partnership

- » Trust-based relationships built on full transparency
- » Access and capacity in emerging and closed fund managers
- » A unique network – a “collective intelligence”



Lessons from the Partnership

- * Always help your partners succeed
- * Ensure staying power in the market
- * Protect capital and strive for consistent, positive returns

RESULT:

- * 40 years of never losing a partnership, never losing a building, and never having a down year



PARTNERSHIP | 5

Principles

Partnership

- We treat our investors as partners and *always* put their interests first

Trust

- We build trust-based relationships, demand transparency, and deliver it to our investors

Values

- We live by the charge of our founders: "Do well by doing good"



Advantages

- » 40 years of experience developing, managing, owning, and investing in real estate
- » 20 years of experience investing in hedge funds
 - Over \$600 million of Principals' capital invested
- » 12 years of experience in private equity
- » 10 years of the Principals working together
- » 6 years of the Principals investing together
- » Long-term relationships with leading investment managers in public and private investment vehicles
- » Core relationships with all leading investment banks and major financial institutions
- » Approximately \$200 million invested by Sterling Stamos Principals across all Sterling Stamos funds
- » Internal capital commitments from Principals of between 20-33 percent of total assets under management across all Sterling Stamos funds



Milestones

- * 1972 – Fred Wilpon and Saul Katz found Sterling Equities
- * 1980 – Sterling acquires an ownership stake in a Major League baseball team, the New York Mets
- * 1984 – Sterling Principals begin investing in hedge funds
- * 1986 – Sterling acquires 50 percent ownership of the New York Mets
- * 1992 – Sterling launches Sterling American Properties (SAP) Fund I – IRR 22%
- * 1993 – Sterling seeds the financing of Pathogenesis
- * 1994 – Stamos Associates, Inc. (SAI) facilitates hospital mergers throughout the United States
- * 1996 – Sterling launches SAP Fund II – IRR 27%
- * 1996 – Sterling Principals and SAI facilitate North Shore and LIJ merger
- * 1997 – SAI acquired by Perot Systems, Inc.
- * 1998 – Sterling and SAI Principals begin to jointly invest
- * 1999 – Sterling launches SAP Fund III – IRR 29%
- * 2002 – Sterling acquires full ownership of the New York Mets
- * 2002 – Sterling launches SAP Fund IV
- * 2002 – Sterling and SAI Principals form Sterling Stamos



Origins of Sterling Stamos

- * Katz, Wilpon, and Stamos families jointly invest in hedge funds, public equities, and private equity
- * Form Sterling Stamos to diversify assets across hedge fund strategies in order to preserve existing wealth
- * Replicate 40 years of investment success for Limited Partners through a diversified allocation of hedge fund managers

	ANNUALIZED RETURN	STANDARD DEVIATION	SHARPE RATIO ¹
Liquidity Fund	4.1%	0.5%	3.4
Security Fund	8.7%	1.9%	3.5
Growth Fund	9.3%	2.0%	3.5
Acceleration Fund	18.6% ²	4.1%	4.0

Source: Sterling Stamos analysis.

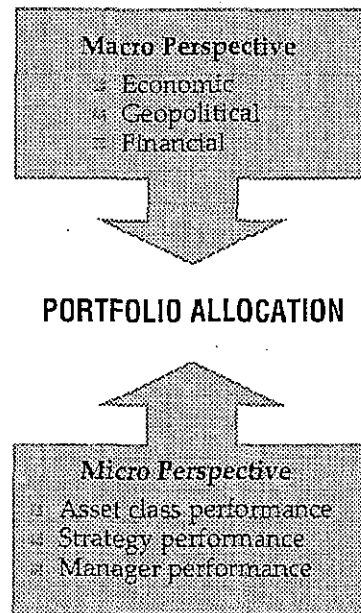
1. Sharpe ratio is based on 2.25% risk free rate.

2. Annualized return is calculated based on the pro forma performance net of underlying manager fees and gross of Sterling Stamos fees and the actual performance net of underlying manager fees and estimated Sterling Stamos fees.



Investment Principles

- Sterling Stamos utilizes its access to economic, geopolitical, and financial information to identify market discontinuities and highlight investment opportunities
- With this macro perspective, we hedge our investments by diversifying across asset classes and strategies. In this way, we capture a significant portion of the upside and minimize exposure to the downside



Sterling Stamos People

INVESTMENT PROFESSIONAL	TITLE	EXPERIENCE	EDUCATION
Paul S. Stamos	Chief Executive Officer Managing Partner	Stamos Associates, Inc. (SAI) U.S. Senator Bill Bradley McKinsey & Company Booz Allen & Hamilton Dohlin Group Harvard University, Dept. of Economics	Stanford University, BA Oxford University, DPhil Harvard University, JD Rhodes Scholar Truman Scholar
Saul B. Katz	President of Sterling Equities General Partner	Sterling Equities New York Mets and Brooklyn Cyclones Chairman of the Board, NS-LIJ	Brooklyn College, BS CPA
Fred Wilpon	Chairman of Sterling Equities General Partner	Sterling Equities New York Mets and Brooklyn Cyclones Bear Stearns & Co. Board Loews Corporation Board	University of Michigan, BS
Spiro Stamos	Chief Administrative Officer General Partner	Stamos Associates, Inc. (SAI) Whitaker Corporation Atlantic Richfield Hughes Aircraft	McGill University, BA
David M. Katz	Executive VP of Sterling Equities General Partner	Sterling Equities Changing World Technologies New York Mets	Hofstra University, BA



Sterling Stamos People

INVESTMENT PROFESSIONAL	TITLE	EXPERIENCE	EDUCATION
Chris Stamos	Chief Operating Officer Partner	Saatchi & Saatchi Stamos Creative U.S. Environmental Protection Agency	Stanford University, BA Oxford University, MA International University of Japan, MA Newton-Tanaka Scholar Mombusho Scholar
Kevin Barcelona	Chief Financial Officer Partner	RK Consulting Dreyfus Corporation	Seton Hall University, MS Hofstra University, BBA CPA
Ellen T. Hering	Senior Portfolio Advisor Partner	Higginson Partners Gabelli & Co., Inc. Weiss, Peck & Greer Merrill Lynch & Co.	Columbia University, MBA Colorado University, BS London School of Economics
Ashok Chachra	Senior Portfolio Manager Partner	McKinsey & Company Morgan Stanley Chase Securities	Carnegie Mellon University, BS
Kevin Okimoto	Front Office Manager Partner	Robertson Stephens MDVista	Santa Clara University, BS



Sterling Stamos People

INVESTMENT PROFESSIONAL	TITLE	EXPERIENCE	EDUCATION
Georgello Wang	Investor Relations Manager	ICG Financial USBancorp Piper Jaffray	UCLA, Anderson School of Management, MBA Amherst College, BA
Cathy Tse	Portfolio Team Manager	Merrill Lynch & Co. Goldman Sachs & Co. Arthur Andersen	NYU, Leonard Stern School of Business, BS The Wharton School, MBA
Catherine Lee	Private Equity Manager	Stadium Capital Management, LLC Bain & Company Delta Air Lines Booz Allen and Hamilton	Harvard Graduate School of Business Administration, MBA Massachusetts Institute of Technology, MS University of Kansas, BS
Rohit Kumar	Associate	Brilliant Software Solutions, Inc. Alphasoft Services, Co. Icici Bank, Limited Ernst & Young, Private Limited	Indian Institute of Technology, BS Xavier Institute of Management, MS NYU, Leonard Stern School of Business, MBA
Angella Rainford	Associate	McKinsey & Company	Harvard University, BA University of Cambridge, MS
John Lee	Associate	Visa USA Charles Schwab Guru.com	Stanford University, BA
Catherine Liu	Senior Analyst	Merrill Lynch & Co.	Nanjing University, BS Renmin University, MS UCLA, Anderson School of Management, MS



Sterling Stamos Products

	Capital Preservation			Capital Appreciation			Capital Opportunity		
	Liquidity Fund	Security Fund	Levered Fund	Growth Fund	Acceleration Fund	Legacy Fund	Real Estate	Private Equity	Venture Capital
Target Returns	8-10%	8-10%	10-15%	12-15%	18-20%	20+%	7-10%	20+%	25-30%
Volatility	2-3%	2-4%	3-5%	5-7%	8-10%	10+%	N/A	N/A	N/A
Hurdle	5%	5%	5%	7%	7%	10%	5%	10%	12-15%
Management Fee	1%	1%	1%	1%	1%	1%	1%	1%	1%
Performance Fee	0%	5%	N/A	10%	10%	10%	10%	10%	10%
Investment Horizon	1 Month	3 Months	1 Year	1-3 Years	1-3 Years	5-7 Years	7-10 Years	7-10 Years	10+ Years
Launch	Jan-01	Oct-02	Jan-03	Oct-03	Dec-04	Apr-05	1997	Jan-05	Jan-06
Status	Limited	Open	Limited	Limited	Limited	Open	Open	Open Until July-05	N/A

*Subject to Limited Partner and Shareholder approval



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Security Fund – Investment Objective

- * Serve as an alternative to fixed income investments by:

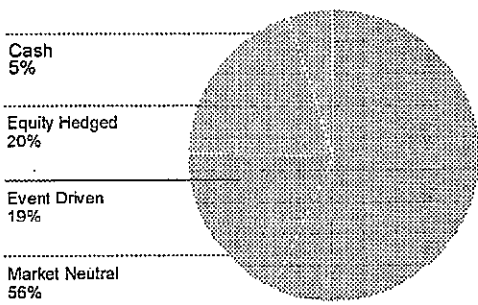
Achieving moderate absolute returns 8 – 10 percent

Maintaining low volatility 2 – 4 percent

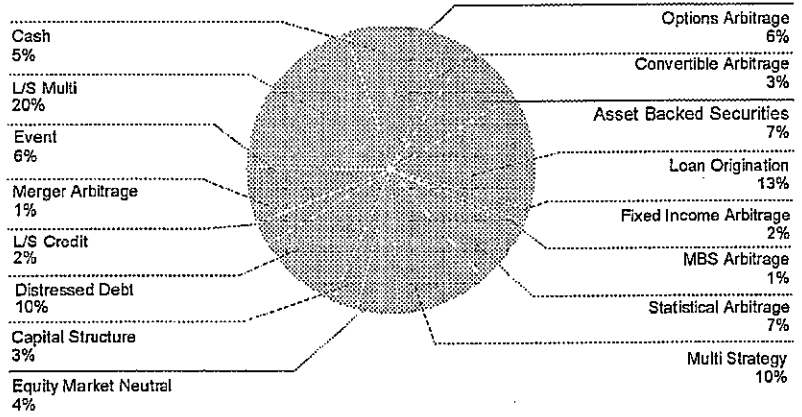


Security Fund – Allocation

STRATEGY ALLOCATION



SUB STRATEGY ALLOCATION



Source: Sterling Stamos analysis.



Security Fund – Managers

SECURITY FUND MONTHLY ALLOCATION

STRATEGY	SUB-STRATEGY	FUND MANAGER	FUND STATUS	INCEPTION DATE	ANNUALIZED RETURN ¹	STANDARD DEVIATION	SHARPE RATIO ²
Market Neutral	Options Arb	A	Closed	993	13.5%	5.0%	2.8
	Convert Arb	A	Open	995	10.2%	5.5%	1.0
		B	Closed	992	19.9%	4.1%	3.6
Asset Backed		A	Limited	997	12.9%	1.9%	4.1
		B	Open	2001	16.0%	4.5%	2.6
		C	Open	2004	4.0%	6.3%	N/A
Loan Origination		A	Closed	996	11.7%	2.3%	2.9
		B	Closed	2002	13.5%	6.8%	10.5
		C	Limited	2002	12.2%	2.8%	2.6
FI Arb		A	Closed	2001	7.6%	2.0%	1.3
		B	Closed	999	12.1%	2.2%	3.2
MBS Arb		A	Open	998	10.6%	9.2%	0.6
Statistical Arb		A	Closed	2001	18.6%	6.9%	2.0
Multi-Strategy		A	Open	1993	9.6%	2.8%	1.6
		B	Open	1994	17.2%	6.4%	1.8
		C	Closed	2003	1.0%	3.7%	N/A
		D	Closed	1990	16.1%	3.9%	2.9
Equity M/N		A	Limited	1997	17.5%	11.3%	1.1
Cap Struct Arb		A	Closed	2002	19.9%	7.6%	2.0

Source: SterlingStamos analysis.

1. Annualized return since inception of underlying fund manager.
2. Sharpe ratio is based on 5% risk free rate.



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Security Fund – Managers

SECURITY FUND MONTHLY ALLOCATION

STRATEGY	SUB-STRATEGY	FUND MANAGER	FUND STATUS	INCEPTION DATE	ANNUALIZED RETURN ¹	STANDARD DEVIATION	SHARPE RATIO ²
Event Driven	Distressed	A	Limited	1999	10.2%	9.3%	1.0
		B	Closed	1999	12.5%	13%	1.7
		C	Limited	1999	14.8%	6.4%	1.5
		D	Limited	2001	16.4%	7.7%	5.2
		E	Closed	1999	18.4%	3.3%	3.8
		F	Closed	1999	15.0%	9.6%	2.8
L/S Credit		A	Closed	2001	19.6%	6.6%	2.2
		B	Closed	2004	9.6%	12%	3.9
Merger Arb		A	Open	1999	8.3%	9.3%	1.0
Event		A	Open	2000	19.3%	9.4%	1.5
		B	Closed	1988	16.4%	5.9%	1.9
Equity Hedged	L/S Multi	A	Limited	2001	14.4%	10%	2.3
		B	Limited	2003	9.3%	7.0%	2.1
		C	Limited	2004	18.6%	4.1%	3.3
Cash	Cash	A	Limited	2004	4.1%	0.5%	N/A

Source: Sterling Stamos analysis.

1. Annualized return since inception of underlying fund manager.
2. Sharpe ratio is based on 5% risk free rate.



Security Fund – Performance

SECURITY FUND MONTHLY PERFORMANCE
 (Net of All Fees & Expenses)
Unaudited net returns

	2002	2003	2004	2005
January		0.70%	1.29%	0.48% ²
February		0.59%	0.97%	
March		0.46%	0.31%	
April		1.19%	0.41%	
May		1.28%	0.29%	
June		0.52%	0.72%	
July		-0.44%	0.24%	
August		0.46%	0.49%	
September		1.77%	0.63%	
October	0.71% ¹	1.23%	0.46%	
November	1.04%	0.75%	1.71%	
December	-0.15%	0.88%	1.27%	
YTD	1.56%	9.79%	8.51%	0.48%

Source: Sterling Stamos analysis.

1. October 2002 marks the official launch to the public.
2. Based on estimate as of 2/10/2005.



Security Fund – Terms and Conditions

Legal Structure:	Domestic 3(c)(7) Limited Partnership
Investor Eligibility:	Qualified Purchasers
Minimum Investment:	US \$5,000,000
Management Fee:	1% per annum
Performance Fee:	5%
Hurdle Rate:	5%
High Water Mark:	Yes
Lock-up:	1-Year
Redemptions:	Quarterly
Notice Period:	90 days prior written notice
General Partner:	SSP Associates GP, LLC
Management Company:	Sterling Stamos Capital Management, LP



Growth Fund – Investment Objective

- » **An alternative to equity investments**

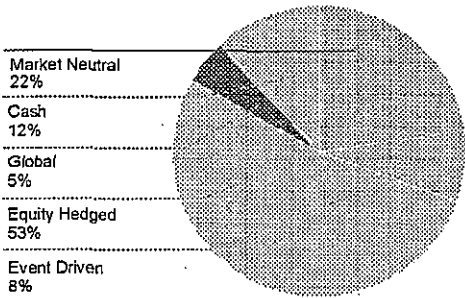
Achieve high absolute returns 12 – 15 percent

Maintain moderate volatility 5 – 7 percent

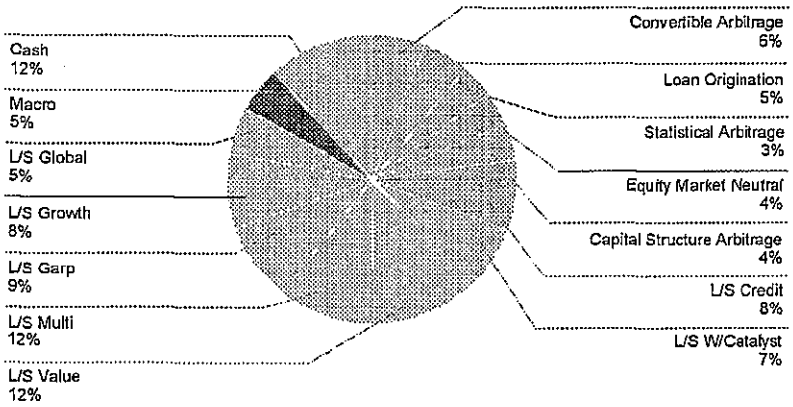


Growth Fund – Allocation

STRATEGY ALLOCATION



SUB STRATEGY ALLOCATION



Source: Sterling Stamos analysis.



Growth Fund – Managers

GROWTH FUND MONTHLY ALLOCATION

STRATEGY	SUB-STRATEGY	FUND MANAGER	FUND STATUS	INCEPTION DATE	ANNUALIZED RETURN ¹	STANDARD DEVIATION	SHARPE RATIO ²	
Market Neutral	Convert Arb	A	Closed	1992	19.9%	4.1%	3.6	
	Loan Origination	A	Closed	1996	11.7%	1.3%	2.9	
	Statistical Arb	A	Closed	2001	18.6%	4.8%	2.0	
	Equity M/N	A	Limited	1997	17.5%	11.1%	1.1	
	Cap Struct Arb	A	Closed	2002	19.9%	7.4%	2.0	
Event Driven	L/S Credit	A	Closed	2002	19.6%	6.6%	2.2	
		B	Closed	1995	21.6%	10.4%	1.6	
	Event	A	Open	2001	19.3%	1.4%	2.0	
Equity Hedged	L/S w/ Catalyst	A	Closed	1999	19.4%	13.2%	1.3	
		B	Closed	2002	17.1%	7.9%	1.5	
		C	Closed	1992	18.2%	7.4%	1.8	
	L/S Value	A	Closed	1998	18.7%	4.7%	1.4	
		B	Closed	2000	23.3%	4.7%	2.7	
		C	Closed	2001	11.3%	4.2%	1.5	
	L/S Multi	A	Limited	2004	18.6%	1.1%	3.3	
		L/S GARP	A	Closed	1999	26.0%	11.4%	1.8
	L/S Growth		B	Open	2003	18.4%	6.5%	2.1
			A	Closed	2001	9.5%	4.6%	1.0
		B	Closed	1998	24.7%	11.3%	1.8	
		C	Closed	2001	22.1%	8.1%	2.1	
L/S Global		A	Closed	1993	21.6%	12.8%	1.3	

Source: Sterling Stamos analysis.

1. Annualized return since inception of underlying fund manager.
2. Sharpe ratio is based on 5% risk free rate.



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Growth Fund – Managers

GROWTH FUND MONTHLY ALLOCATION

STRATEGY	SUB-STRATEGY	FUND MANAGER	FUND STATUS	INCEPTION DATE	ANNUALIZED RETURN ¹	STANDARD DEVIATION	SHARPE RATIO ²
Global	Macro	A	Closed	2002	16.4%	5.5%	1.7
		B	Open	2002	11.4%	7.2%	0.9
Cash	Cash	A	Limited	2004	4.1%	0.5%	N/A

Source: Sterling Stamos analysis.

1. Annualized return since inception of underlying fund manager.
2. Sharpe ratio is based on 5% risk free rate.



Growth Fund – Performance

GROWTH FUND MONTHLY PERFORMANCE
 (Net of All Fees & Expenses)
Unaudited not returns

	2003	2004	2005
January		1.32%	0.14% ²
February		1.14%	
March		0.56%	
April		0.18%	
May		-0.48%	
June		0.97%	
July		0.28%	
August		0.45%	
September		0.73%	
October	1.41% ¹	0.59%	
November	0.54%	1.80%	
December	0.66%	1.47%	
YTD	7.83%	9.37%	0.14%

Source: Sterling Stamos analysis.

1. October 2003 marks the official launch to the public.
2. Based on estimate as of 2/10/2005.



Growth Fund – Terms and Conditions

Legal Structure:	Domestic 3(c)(7) Limited Partnership
Investor Eligibility:	Qualified Purchasers
Minimum Investment:	US \$5,000,000
Management Fee:	1% per annum
Performance Fee:	10%
Hurdle Rate:	7%
High Water Mark:	Yes
Lock-up:	NA
Redemptions:	Semi-annual
Notice Period:	90 days prior written notice
General Partner:	SSP Associates GP, LLC
Management Company:	Sterling Stamos Capital Management, LP



Acceleration Fund – Investment Objective

- As an alternative to long-only equity investments, the Acceleration Fund seeks to achieve superior long-term returns with moderate to high volatility:

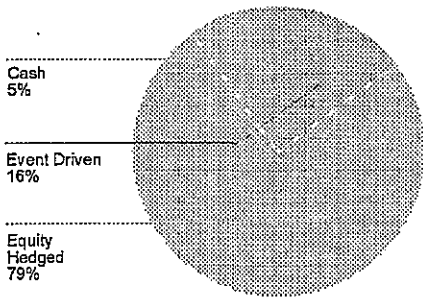
Superior long-term returns	15% +
Moderate to high volatility	7 – 10 %
Long-term investment horizon	3 – 5 years



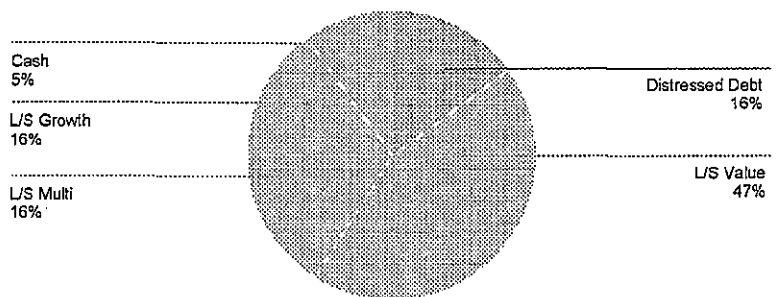
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Acceleration Fund – Allocation

STRATEGY ALLOCATION



SUB STRATEGY ALLOCATION



Source: Sterling Stamos analysis.



Acceleration Fund – Managers

ACCELERATION FUND MONTHLY ALLOCATION

STRATEGY	SUB-STRATEGY	FUND MANAGER	FUND STATUS	INCEPTION DATE	ANNUALIZED RETURN ¹	STANDARD DEVIATION	SHARPE RATIO ²
Event Driven	Distressed	A	Limited	2002	25.2%	7.6%	2.6
Equity Hedged	L/S Value	A	Closed	1995	29.1%	11.5%	2.1
		B	Closed	2001	28.8%	11.2%	2.1
		C	Closed	2004	N/A	N/A	N/A
		D	Limited	1993	20.5%	11.5%	1.1
		E	Closed	2004	N/A	N/A	N/A
	L/S Multi	A	Closed	2002	22.9%	7.1%	2.0
	L/S Growth	A	Closed	2002	22.1%	8.1%	2.1
Cash	Cash	A	Limited	2004	4.1%	0.5%	N/A

Source: Sterling Stamos analysis.

1. Annualized return since inception of underlying fund manager.
2. Sharpe ratio is based on 5% risk free rate.



Acceleration Fund – Pro Forma Performance

ACCELERATION FUND MONTHLY PERFORMANCE¹
 (Net of All Fees & Expenses)
Unaudited net returns

	1997	1998	1999	2000	2001	2002	2003	2004	2005
January	2.02%	0.65%	2.22%	0.73%	5.55%	1.64%	1.55%	2.90%	0.15% ³
February	4.65%	2.07%	1.99%	-2.18%	1.75%	-0.94%	-0.08%	1.93%	
March	0.31%	4.40%	-0.05%	0.84%	-2.09%	3.25%	2.33%	0.81%	
April	0.79%	2.81%	7.61%	1.33%	1.54%	3.77%	3.72%	-0.17%	
May	9.70%	-1.40%	1.75%	0.54%	3.13%	0.68%	5.09%	0.26%	
June	7.81%	-2.21%	4.05%	4.37%	2.70%	-2.07%	2.83%	3.03%	
July	5.37%	-0.55%	2.34%	0.65%	1.66%	-2.72%	1.56%	-0.50%	
August	2.11%	-7.40%	1.12%	2.84%	-0.60%	0.61%	2.15%	0.19%	
September	10.54%	1.99%	0.24%	0.27%	-4.46%	-0.48%	2.44%	2.34%	
October	-1.60%	-0.09%	0.14%	1.08%	4.71%	1.04%	3.36%	0.88% ²	
November	1.10%	4.65%	4.05%	-0.92%	1.01%	3.44%	2.39%	2.87%	
December	0.60%	7.87%	6.85%	3.50%	4.75%	1.56%	3.60%	1.82%	
YTD	53.73%	12.63%	33.42%	13.66%	21.37%	9.97%	85.41%	17.54%	0.18%

Source: Sterling Stamos analysis.

1. Monthly performance is generated using pro forma data based on the estimated portfolio allocation, excluding cash allocation. Pro forma monthly performance is net of all underlying manager fees and gross of all Sterling Stamos fees and expenses.
2. October 2004 marks the official offering to the public. Performance after October 2004 is the actual performance net of all underlying manager fees and estimated Sterling Stamos fees and expenses.
3. Based on estimate as of 2/10/2005.



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Acceleration Fund – Terms and Conditions

Legal Structure	Domestic 3(c)(7) Limited Partnership
Investor Eligibility	Qualified Purchasers
Minimum Investment	US \$1,000,000
Management Fee	1% per annum
Performance Fee	10%
Hurdle Rate	8%
High Water Mark	Yes
Lock-up	3 Years
Redemptions	Rolling 3 Years
Notice Period	180 days prior written notice
General Partner	SSP Associates GP, LLC
Management Company	Sterling Stamos Capital Management, L.P.



PRODUCTS – GROWTH | 21

Risk Management Overview

RISK TOOLS	ANALYSIS
Portfolio Optimization	<ul style="list-style-type: none"> * Mean-Variance optimization model by strategy and Fund Manager utilizing historical monthly performance data
Time Series Analysis	<ul style="list-style-type: none"> * Covariance/correlation analysis by Fund Manager-to-Fund Manager, to-strategy, and to-the-market * Distribution Curve mapping (i.e., Skewness and Kurtosis) * Drawdown attribution and downside deviation/recovery analysis
Portfolio Value-at-Risk	<ul style="list-style-type: none"> * Allocation range limits set by strategy and Fund Manager given a 2-3 standard deviation adverse move (assuming normal market conditions) * Probability of loss determined through historical simulation as well as parametric methods such as Monte Carlo simulation
Stress/Scenario Testing	<ul style="list-style-type: none"> * Worst case scenario analysis developed through <i>straining</i> the covariance matrix and analysis of historical returns and factor observations outliers * Qualitative case studies of high volatility periods and adverse moves in key asset classes (e.g., Russian default, Worldcom) to build "what if" scenario testing capabilities
Style Analysis	<ul style="list-style-type: none"> * Style drift and asset allocation analysis to quantify Fund Manager's performance attribution to the stated strategy and asset class * Factor sensitivities and factor tilt analysis to determine underlying drivers of a specific fund manager's performance at different points



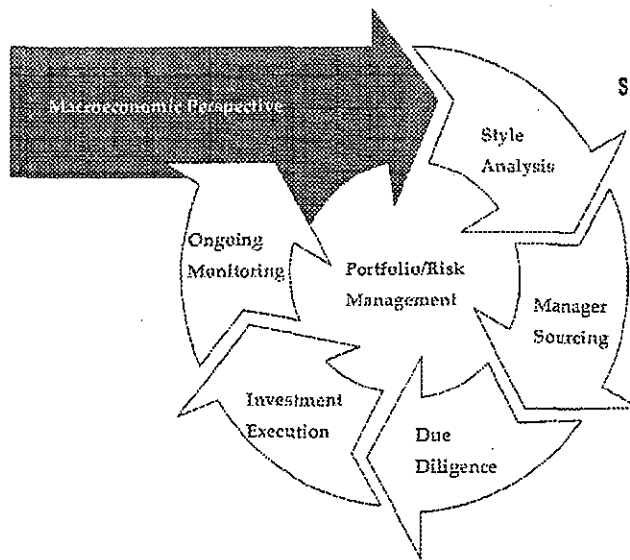
Sterling Stamos Investment Process

- * **Distinctive forward-looking approach – informed by Sterling Stamos' global macroeconomic perspective – to allocate investments across alternative investment strategies**
- * **Unique and extensive network of strategic relationships to source and gain capacity with best-in-class hedge fund managers**
- * **Thorough due diligence and comprehensive risk analysis in order to achieve superior portfolio construction and results**
- * **Transparency from underlying fund managers for enhanced monitoring of investments – underlying position, performance, and risk metrics are communicated on a weekly and/or monthly basis**



PROCESS | 33

Our Investment Process

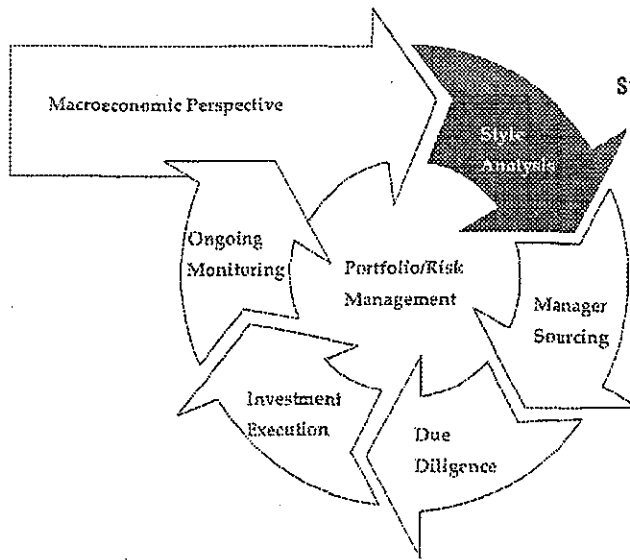


Step 1: Develop Distinctive Macroeconomic Perspective on Both US and Global Markets

- Track and analyze domestic and international economic indicators to develop our perspective on future trends in global financial markets
- Leverage distinctive relationships throughout the global economic intellectual community
- Complement macro- and microeconomic analysis with demographic, social, and political factors
- Determine potential investment opportunities and risk factors across:
 - Asset classes
 - Geographies



Our Investment Process cont'd

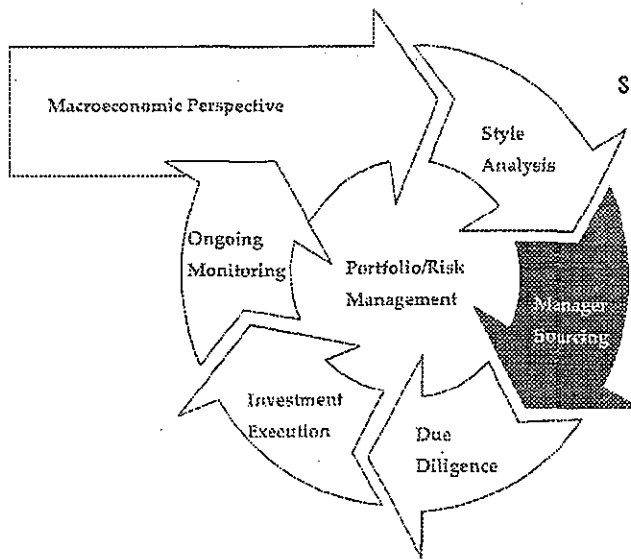


Step 2: Translate Macroeconomic Perspective to Best Position our Portfolio

- Determine portfolio exposure to specific hedge fund strategies based upon:
 - Identified macroeconomic opportunity set
 - Risk analysis



Our Investment Process cont'd

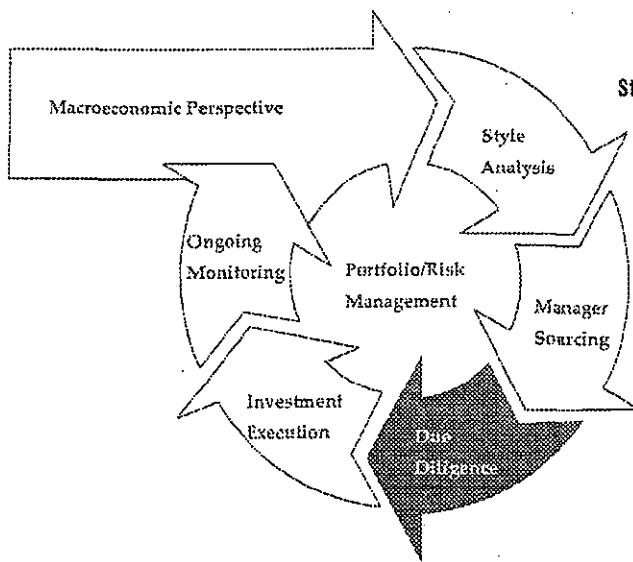


Step 3: Source Best-in-Class Hedge Fund Managers

- < Source best-in-class hedge fund managers within targeted investment strategies
- < Leverage Sterling Stamos' extensive network of relationships
- < Obtain capacity with exceptional closed managers
- < Leverage relationships with Investment Banks, Third-Party Marketers, Consultants, and Research Firms
- < Utilize industry-specific databases, newspapers, magazines, and other media



Our Investment Process cont'd

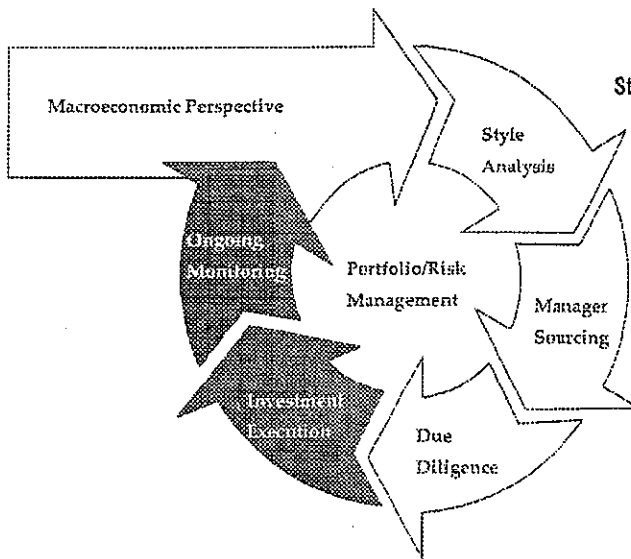


Step 4: Conduct Due Diligence on Selected Fund Managers

- Contact fund manager to obtain detailed information on investment strategy, monthly returns, performance attribution, and exposure analysis prior to an initial meeting
- Conduct thorough interviews and on-site visits to gain complete understanding of:
 - Investment strategy
 - Portfolio composition and management
 - Risk management process
 - Operations/Compliance
 - Organization
- Conduct quantitative analyses to evaluate key risk factors associated with the fund, quality of returns, liquidity, and fit with existing portfolio
- Diligently analyze correlations between prospective fund manager and existing fund managers
- Conduct detailed background and reference checks



Our Investment Process cont'd

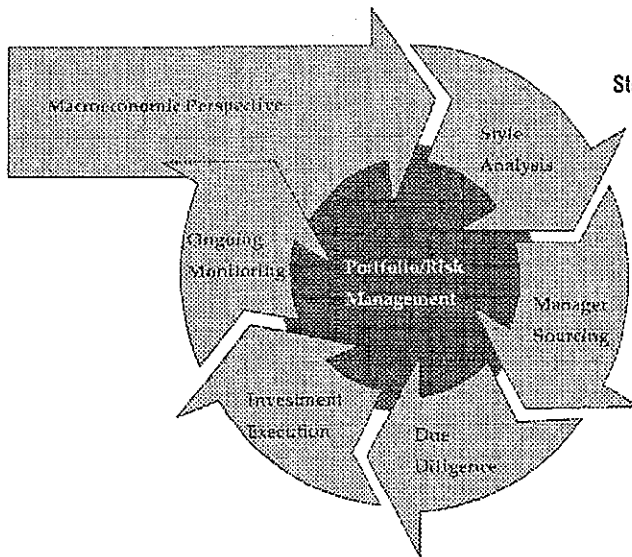


Step 5-6: Investment Execution and Monitoring

- Negotiate terms and capacity
- Monitor portfolio returns, volatility, correlations, and exposure
- Conduct stress-test scenario analyses
- Monitor each asset class and strategy associated with underlying fund managers to determine market opportunities and risk
- Facilitate monthly/quarterly conference calls with each underlying fund manager to review market conditions and fund performance
- Develop a position-level perspective on the fund through analysis of transparency reports and fund manager discussions
- Utilize information collected from fund investments and our extensive proprietary network of relationships to develop a comprehensive macroeconomic perspective



Our Investment Process cont'd



Steps 1-6: Portfolio and Risk Management

- Monitor key risk metrics at fund and portfolio levels
- Maintain portfolio exposure limits by:
 - Strategy
 - Fund manager
 - Geography
- Compare monthly returns from fund managers with the performance of respective market/asset class
- Rebalance portfolio in line with changes in Sterling Stamos macroeconomic perspective
- Review portfolio hedging strategies as deemed appropriate



Infrastructure

Private Wealth Management
Deutsche Bank



Infrastructure

Deutsche Bank

- **Commercial bank and investment counterparty**

The Citigroup Private Bank

- **Private banking**

Ernst & Young

- **Auditing and tax services**
- **"Big 4" accounting firm**

Schulte Roth & Zabel LLP

- **Legal counsel**
- **Premier global law firm for alternative investments**

RK Consulting, LLC

- **Accounting and fund administration**
- **Administering over \$100 billion in assets**

Praxair/IBM

- **Consulting and technology services company**
- **IBM business partner since 1992**



Selected Biographies

Mr. Peter S. Stamos is the Chief Executive Officer of the Management Company and the managing member of the General Partner, and is ultimately responsible for the investment decisions of Sterling Stamos. Mr. Stamos was the Chief Executive Officer of Stamos Associates, Inc. (SAI), a healthcare and technology company that was acquired by Perot Systems, Inc., where he headed the merger and acquisitions practice. In addition, he was the Senior Vice President of Channelpoint, Inc.

Prior to founding SAI, Mr. Stamos was the Chief of Staff and Chief Economist for U.S. Senator Bill Bradley. He was also a *Principal* with Booz Allen & Hamilton, a *Senior Management Consultant* with McKinsey & Company, and the *Managing Partner* of the Dublin Group.

In addition to his private and public sector work, Mr. Stamos taught economics at Harvard University – where he received the Allen Young Award for Teaching Excellence – and at Stanford University, where he was an occasional guest lecturer at the Graduate School of Business. Mr. Stamos serves on several boards and advisory boards, including the Board of Stanford University Hospitals and Clinics, where he is a member of the Finance and Audit Committees and is Chairman of the Investment Committee.

Mr. Stamos earned a BA in economics and political science from Stanford University, where he was a Truman Scholar, received the Sterling Award, and graduated *Phi Beta Kappa* with Honors and Distinction. Mr. Stamos received a JD from Harvard Law School with Honors and a doctorate from Oxford University, where he was a Rhodes Scholar.

Mr. Christopher Stamos is the Chief Operating Officer of Sterling Stamos and is responsible for all organizational and operational aspects of the firm. Mr. Stamos spent the last ten years in Asia, studying and working in China and Japan, and most recently working for Saatchi & Saatchi doing branding, developing new business, and consulting on strategic planning in Taiwan.

Mr. Stamos earned a BA in Philosophy from Stanford University, where he was awarded a Stanford Golden Grant and a Newton Tatum scholarship (offered to Rhodes Scholarship finalists) towards an MA in Politics, Philosophy, and Economics from Oxford University, graduating with honors. After attaining fluency in Mandarin at the Cultural University of Beijing, Mr. Stamos received a Mombusho scholarship towards an MA in East Asian International Relations from the International University of Japan, graduating valedictorian with the Dean's Citation and with Distinction.



Selected Biographies

Mr. Kevin M. Barcelona is the Chief Financial Officer at Sterling Stamos. Mr. Barcelona is responsible for fund operations, finance, accounting, and compliance. Prior to joining Sterling Stamos, Mr. Barcelona was a Partner with Rothstein Kass and RK Consulting, where he provided accounting, tax, and consulting services to investment partnerships including fund of funds, private equity funds, and offshore funds.

Mr. Barcelona received an MS in taxation from Seton Hall University and a BBA from Hofstra University. He is a Certified Public Accountant (CPA) and is member of the New Jersey Society of CPAs (NJSCPA) and the American Institute of CPAs (AICPA).

Mrs. Ellen Horing is the Senior Portfolio Advisor of Sterling Stamos. She is also a principal of ETH Corp/Highgate Partners, a fund of funds which invests in portfolio managers that employ various investment strategies. Mrs. Horing served as Vice President and as Director of Research for Gabelli & Co., Inc., a money management and brokerage firm. She also served as an Equity Research Analyst at Weiss, Peck & Green, L.L.C. and was an Equity Block Trader at Merrill Lynch & Co., Inc.

Mrs. Horing earned a BA in Economics from the University of Colorado and received an MBA in Finance and Accounting from Columbia Business School.

Mr. Ashok Chachra is the Senior Portfolio Manager of Sterling Stamos and is responsible for Portfolio Manager sourcing, due diligence, risk management, and on-going portfolio monitoring. Prior to joining Sterling Stamos, he was a Senior Business Analyst with McKinsey & Company, focusing on assignments in the Financial Services and Healthcare industry sectors.

Mr. Chachra earned a BS in Business Administration with University Honors from Carnegie Mellon University.

Mr. Kevin Okimoto is the Front Office Manager of Sterling Stamos, responsible for developing and managing the firm's relationships with all of its investors. Before joining Sterling Stamos, he was a financial professional at Robertson Stephens, an investment bank, where his responsibilities included facilitating stock distributions on behalf of venture capital funds to general and limited partners. Prior to joining Robertson Stephens, Mr. Okimoto was a Business Analyst and Manager at MDVista, an internet healthcare company.

Mr. Okimoto earned a BS in Marketing from Santa Clara University and holds a General Securities Registered Representative license.



POSTSCRIPT | 43

Estimated Net Performance

STERLING STAMOS – YEAR-TO-DATE 2005 NET PERFORMANCE RESULTS*

Unaudited Net Returns

2005	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	YTD	Inception Date	Annualized Return Since Inception
Liquidity Fund	0.23%			0.23%													1.23%	Jul-04	1.85%
Liquidity (Offshore) Fund	0.30%			0.30%													1.30%	Jan-05	1.88%
Friends & Family Fund	0.25%			0.25%													1.25%	Oct-02	1.20%
Security Fund	0.48%			0.48%													1.48%	Oct-02	1.73%
Security (Offshore) Fund	0.63%			0.63%													1.63%	Oct-04	10.31%
Levered (Offshore) Fund	0.37%			0.37%													1.37%	Jul-03	10.46%
Growth Fund	0.14%			0.14%													1.14%	Oct-03	2.73%
Growth (Offshore) Fund	0.51%			0.51%													1.51%	Jan-04	7.74%
Acceleration Fund	0.16%			0.16%													1.16%	Oct-04	16.64%
Acceleration (Offshore) Fund	0.04%			0.04%													0.04%	Dec-04	11.13%

* Performance results are based on unaudited preliminary estimates provided by our fund managers and are subject to change. Individual investor performance percentages will vary depending on the date of investment. Estimated performance figures are net of all underlying manager and Sterling Stamos fees and expenses. Year-to-date performance is based on actual performance during 2005. Past performance is not indicative of future performance.



Estimated Net Performance

STERLING STAMOS – YEAR-TO-DATE 2004 NET PERFORMANCE RESULTS*

Unaudited Net Returns

	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	YTD-04	Inception Date	Annualized Return Since Inception
Liquidity Fund									0.18%	0.39%	0.29%	0.87%	0.29%	0.65%	0.28%	1.23%	2.11%	Jul-04	4.25%
Liquidity (Offshore) Fund																		Jan-05	1.68%
Friends & Family Fund	0.89%	0.87%	0.51%	2.19%	0.50%	-0.10%	0.58%	0.98%	0.34%	0.60%	0.69%	1.64%	0.47%	1.54%	1.34%	1.39%	8.43%	Oct-02	8.20%
Security Fund	1.29%	0.87%	0.31%	2.48%	0.41%	-0.29%	0.72%	0.84%	0.24%	0.49%	0.63%	1.37%	0.46%	1.71%	1.27%	1.48%	5.81%	Oct-02	8.73%
Security (Offshore) Fund													0.54%	1.28%	0.83%	1.65%	2.82%	Oct-04	10.23%
Levered (Offshore) Fund	1.63%	1.06%	0.35%	2.04%	0.80%	-1.14%	1.20%	0.15%	0.04%	0.33%	0.81%	1.14%	0.82%	2.41%	1.75%	4.81%	16.73%	Jul-03	10.45%
Growth Fund	1.32%	1.14%	0.56%	2.64%	0.18%	-0.49%	0.97%	0.47%	0.26%	0.45%	0.73%	1.47%	0.59%	1.80%	1.47%	1.91%	9.11%	Oct-03	9.36%
Growth (Offshore) Fund	1.09%	0.86%	0.38%	2.32%	0.64%	-0.48%	1.11%	1.27%	-0.18%	0.24%	0.44%	0.52%	0.75%	1.72%	1.00%	1.51%	7.65%	Jan-04	7.14%
Acceleration Fund													0.88%	2.87%	1.82%	1.91%	5.66%	Oct-04	19.54%
Acceleration (Offshore) Fund															1.73%	1.71%	1.73%	Dec-04	11.11%

* Performance results are based on unaudited preliminary estimates provided by our fund manager and are subject to change. Individual investor performance percentages will vary depending on the date of investment. Estimated performance figures are net of all underlying manager and Sterling Stamos fees and expenses. Year-to-date performance is based on actual performance during 2004. Past performance is not indicative of future performance.



Sterling Stamos Fund Performance

Consistent and Stable Returns

	Capital Preservation			Capital Appreciation	
	Liquidity Fund ¹	Security Fund ²	Levered Fund ³	Growth Fund ⁴	Acceleration Fund ⁵
Annualized Return	8.2%	8.8%	10.0%	9.6%	20.0%
Standard Deviation	0.7%	1.5%	1.9%	2.0%	3.2%
Sharpe Ratio ⁶	1.2	3.2	5.2	3.3	6.2
% Positive Months	100%	90%	95%	92%	100%
% Positive Quarters	100%	100%	100%	100%	100%

Performance since inception through February 2005. Current as of March 9, 2005.

1. Liquidity Fund launched in July 2004.
2. Security Fund launched in October 2002.
3. Levered Fund launched in July 2003.
4. Growth Fund launched in October 2003.
5. Acceleration Fund launched in October 2004.
6. Assumes risk free rate of 2.25%



Sterling Stamos Investment Universe

	Capital Preservation		Capital Appreciation			Capital Opportunity		
	Liquidity Fund	Security Fund	Levered Fund	Growth Fund	Acceleration Fund	Real Estate	Private Equity	Venture Capital
Target Returns	8-9%	8-10%	12-13%	12-15%	15-18%	15-18%	20-25%	25+%
Volatility	2-3%	2-4%	7-8%	5-7%	7-10%	N/A	N/A	N/A
Hurdle	N/A	5%	6%	7%	8-9%	8%	10%	12%
Management Fee	1%	1%	1%	1%	1%	1%	1%	1%
Performance Fee	2%	5%	10%	10%	10%	10%	10%	10%
Investment Horizon	3 Months	3 Months	1 Year	1-3 Years	1-2 Years	5-7 Years	7-10 Years	10+ Years
Launch	1992	Oct-02	Jan-03	Oct-03	Oct-04	1992	Jan-05	Jan-06
Status	Open	Open	Limited	Limited	Open	Closed	Open Until July 07	N/A

*Subject to Limited Partner and Shareholder approval



SECURITY FUND OVERVIEW

February 2005

Confidential Presentation



CONFIDENTIAL

SSMT00025984
SSMSAA0025984

Contents

- » Investment Objective
- » Portfolio Review
- » Allocation
- » Performance
- » Summary Statistics
- » Terms and Partners
- » Market Neutral Managers
- » Event Driven Managers
- » Equity Hedged Managers
- » Global Managers
- » Cash Managers

This document does not constitute an offer to sell, or a solicitation of an offer to buy the limited partnership interests described herein. No such offer or solicitation will be made prior to the delivery of a definitive offering memorandum and other materials relating to the matters herein. Before making an investment decision with respect to the partnership, potential investors are advised to read carefully the offering memorandum, the limited partnership agreement and the related subscription documents, and to consult with their tax, legal, and financial advisors.

This document contains a preliminary summary of the purpose and principal business terms of the partnership; this summary does not purport to be complete and is qualified in its entirety by reference to the more detailed discussion contained in the private offering memorandum and the actual text of the limited partnership agreement. The General Partner has the ability in its sole discretion to change the strategy described herein.

This document is being provided to you on a confidential basis solely to assist you in deciding whether or not to proceed with a further investigation of an investment in Sterling Stamos. Accordingly, this document may not be reproduced in whole or in part, and may not be delivered to any person without prior written consent of Sterling Stamos, 575 Fifth Avenue - 40th fl., New York, NY 10017, (212) 485-4370.



Investment Objective

- As an alternative to fixed income, the Security Fund is a multi-manager portfolio of hedge funds that seeks to achieve the following objectives:

Moderate absolute returns 8 – 10%

Low volatility 2 – 4 %



Security Fund – Portfolio Review

STRATEGY	SUB-STRATEGY	FUND MANAGER	FUND STATUS ¹	INCEPTION DATE	ANNUALIZED RETURN ²	STANDARD DEVIATION	SHARPE RATIO ³
Market Neutral	Options Arb	A	Closed	1993	13.5%	3.0%	2.8
	Convert Arb	A	Open	1988	10.2%	5.5%	1.0
Asset Backed		B	Closed	1992	19.9%	4.1%	3.6
		A	Limited	1997	12.9%	1.9%	4.1
		B	Open	2001	16.0%	4.3%	2.6
Loan Origination		C	Open	2004	4.0%	0.3%	N/A
		A	Closed	1996	11.7%	2.3%	2.9
		B	Closed	2002	13.5%	0.8%	10.5
FI Arb		C	Limited	2002	12.2%	2.6%	2.6
		A	Closed	2001	7.6%	2.0%	1.3
		B	Closed	1999	12.1%	2.2%	3.2
MBS Arb		A	Open	1998	10.6%	9.2%	0.6
Statistical Arb		A	Closed	2001	18.6%	6.8%	2.0
Multi-Strategy		A	Open	1993	9.6%	2.8%	1.6
		B	Open	1994	17.2%	6.6%	1.8
		C	Closed	2003	1.0%	1.7%	N/A
		D	Closed	1990	16.1%	3.9%	2.9
Equity M/N		A	Limited	1997	17.5%	11.7%	1.1
Cap Struct Arb		A	Closed	2002	19.9%	7.6%	2.0

Source: Sterling Stamos analysis.

1. Fund status may be different from one page summaries due to the updated information.
2. Annualized return since inception of underlying fund manager.
3. Sharpe ratio is based on 5% risk free rate.



Security Fund – Portfolio Review

STRATEGY	SUB-STRATEGY	FUND MANAGER	FUND STATUS ¹	INCEPTION DATE	ANNUALIZED RETURN ²	STANDARD DEVIATION	SHARPE RATIO ³
Event Driven	Distressed	A	Limited	1995	10.2%	5.3%	1.0
		B	Closed	1999	12.5%	4.3%	1.7
		C	Limited	1999	14.8%	6.6%	1.5
		D	Limited	2004	16.4%	2.2%	5.2
		E	Closed	1999	18.4%	3.5%	3.8
		F	Closed	1992	15.0%	3.6%	2.8
L/S Credit		A	Closed	2002	19.6%	6.6%	2.2
		B	Closed	2004	9.6%	1.2%	3.9
Merger Arb		A	Open	1995	8.3%	3.5%	1.0
Event		A	Open	2009	19.3%	7.4%	1.5
		B	Closed	1988	16.4%	5.9%	1.9
Equity Hedged	L/S Multi	A	Limited	2002	14.4%	4.0%	2.3
		B	Limited	2003	9.3%	2.0%	2.1
		C	Limited	2004	18.6%	4.1%	3.3
Cash	Cash	A	Limited	2004	4.1%	0.5%	N/A
		B	N/A	N/A	1.4%	0.1%	N/A

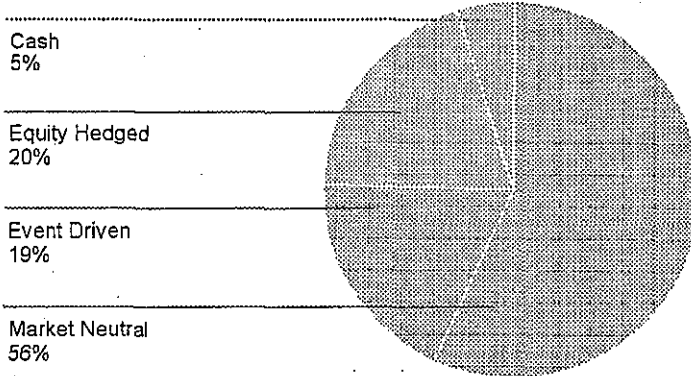
Source: Sterling Stamos analysis.

1. Fund status may be different from one page summaries due to the updated information.
2. Annualized return since inception of underlying fund manager.
3. Sharpe ratio is based on 5% risk free rate.

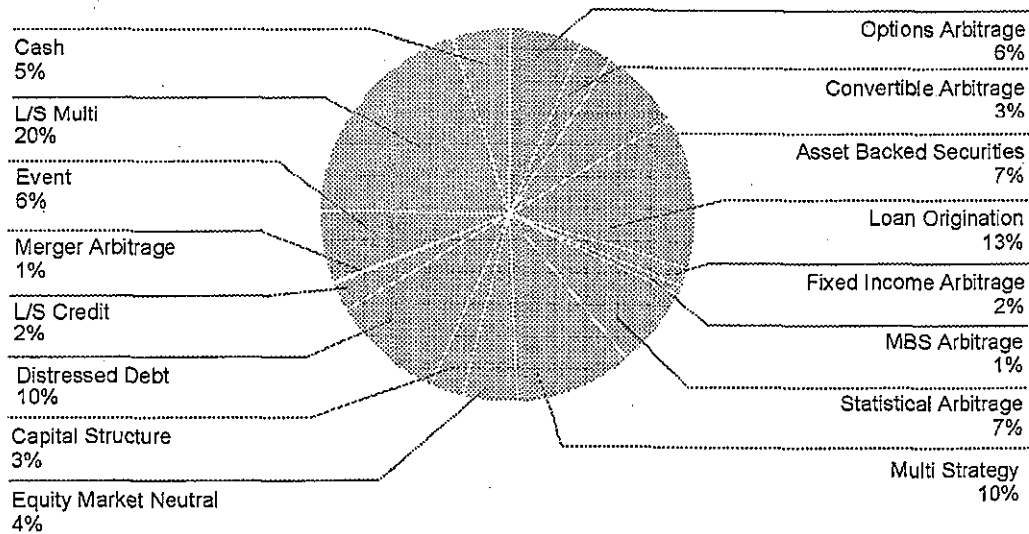


Security Fund – Allocation

STRATEGY ALLOCATION



SUB STRATEGY ALLOCATION



Source: Sterling Stamos analysis.



Security Fund – Performance

MONTHLY PERFORMANCE SINCE INCEPTION
 (Net of All Fees & Expenses)
Unaudited net returns

	2002	2003	2004	2005
January		0.70%	1.29%	0.48% ²
February		0.59%	0.97%	
March		0.46%	0.31%	
April		1.19%	0.41%	
May		1.28%	-0.29%	
June		0.52%	0.72%	
July		-0.44%	0.24%	
August		0.46%	0.49%	
September		1.77%	0.63%	
October	0.71%	1.23%	0.46%	
November	1.04%	0.75%	1.71%	
December	-0.19%	0.88%	1.27%	
YTD	1.56%	9.79%	8.51%	0.48%

Source: Sterling Stamos analysis.

1. October 2002 marks the official launch to the public.
2. Based on estimate as of 2/10/2005.



PERFORMANCE | 6

Summary Statistics

SUMMARY STATISTICS

Fund Inception:	October 2002 ¹
Firm Assets Under Management:	\$1,217 MM
Fund Assets Under Management:	\$358 MM
Average Annualized Return:	8.7%
Standard Deviation:	1.9%
Sharpe Ratio:	3.5 ²
Number of Managers:	34
Number of Positive Months:	25
Number of Negative Months:	3

Source: Sterling Stamos analysis.

1. October 2002 marks the official launch to the public.

2. Sharpe ratio is based on 2.25% risk free rate.



Terms and Partners

TERMS

Legal Structure	Domestic 3(c)(7) Limited Partnership
Investor Eligibility	Qualified Purchasers
Minimum Investment	US \$5,000,000
Management Fee	1% per annum
Performance Fee	5%
Hurdle Rate	5%
High Water Mark	Yes
Lock-up	1-Year
Redemptions	Quarterly
Notice Period	90 days prior written notice
General Partner	SSP Associates GP, LLC
Management Company	Sterling Stamos Capital Management, LP

PARTNERS

Legal Counsel	Schulte Roth & Zabel LLP
Fund Administrator	RK Consulting, LLC
Auditor	Ernst & Young LLP



Options Arbitrage Manager A

INVESTMENT STRATEGY

The Manager engages primarily in the practice of options arbitrage with a focus on LEAPS. The Manager executes numerous options strategies including hedged directional strategies, such as bull spreads and bear spreads and long volatility strategies including straddles and strangles.

MANAGER BACKGROUND

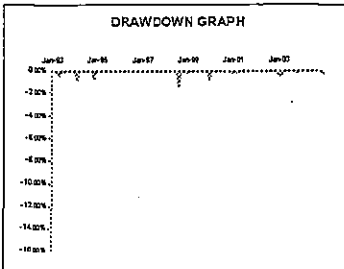
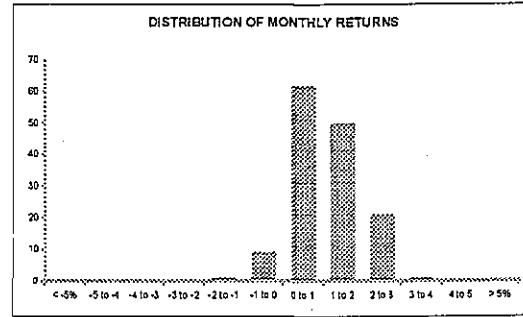
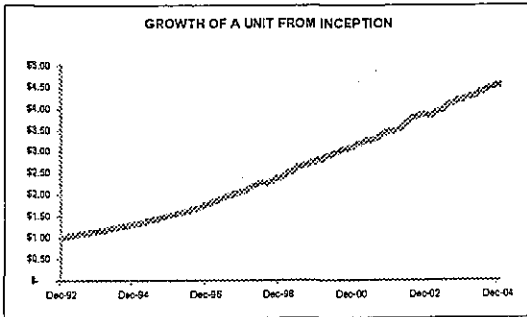
The Managing Director was formerly the Managing and General Partner of Ariel Capital from 1989 through 1991. Prior to that, he served as Managing Partner of Gotham Capital, an investment partnership from 1985 to 1988. The Managing Director was associated with Halcyon Investments from 1982 to 1985, and with the law firm of Milbank, Tweed, Hadley & McCloy from 1979 to 1982.

FUND TERMS

Assets Under Management	\$1 Billion	Lockup	None
Fund Status	Closed	High Water Mark	No Incentive Fee
Minimum Investment	\$500,000	Redemption Frequency	Annual Dec 31
Fees	1.5% + 0%	Redemption Notice Period	45 Days

MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	1.00%	0.58%	0.08%	0.40%	0.78%	1.50%	0.04%	1.70%	0.58%	0.00%	0.88%	0.22%	8.27%
2003	-0.38%	-1.74%	2.53%	0.02%	0.89%	2.24%	1.62%	0.11%	1.15%	1.51%	-0.22%	0.11%	9.00%
2002	0.10%	0.50%	0.80%	1.00%	2.80%	0.30%	3.51%	0.31%	0.32%	0.81%	0.09%	0.07%	11.07%
2001	2.50%	-0.10%	1.30%	1.50%	0.20%	0.40%	0.30%	1.10%	1.10%	1.50%	1.40%	0.27%	12.09%
2000	2.40%	0.30%	2.30%	0.50%	1.40%	1.10%	0.60%	1.70%	0.20%	1.10%	0.40%	0.90%	13.32%
1999	1.70%	0.30%	2.70%	0.90%	2.20%	2.30%	0.60%	0.50%	0.60%	1.10%	1.60%	-0.90%	14.08%
1998	1.20%	1.80%	2.70%	0.40%	1.80%	1.50%	0.00%	-1.10%	2.00%	2.10%	1.60%	0.50%	15.65%
1997	2.90%	1.20%	0.80%	1.70%	1.50%	1.50%	1.00%	0.50%	2.80%	0.40%	1.50%	0.60%	17.42%
1996	1.80%	0.70%	1.70%	0.70%	1.70%	0.30%	2.10%	0.80%	1.60%	1.80%	1.80%	0.90%	16.40%
1995	1.60%	0.60%	1.20%	1.90%	1.90%	0.80%	1.20%	0.00%	2.20%	0.90%	0.70%	1.30%	16.39%
1994	2.20%	-0.80%	1.60%	2.90%	0.60%	0.50%	2.20%	0.60%	1.10%	2.10%	-0.60%	1.10%	14.17%
1993	1.20%	2.00%	2.00%	0.40%	1.50%	1.90%	0.40%	1.70%	0.20%	2.00%	0.30%	0.50%	14.10%



PERFORMANCE

Annualized Average Geometric	13.48%
Rolling 12m Average	13.62%
Monthly Average Geometric	1.06%
Standard Deviation	3.03%
Average Positive Return Monthly	1.18%
Average Negative Return Monthly	-0.50%

RISK METRICS

Largest Drawdown	-1.40%	# Positive Months	134
Longest Recovery Period		# Negative Months	10
Average of 5 Largest Drawdowns	-0.84%	% Positive Months	93.06%



MARKET NEUTRAL | 9

Convertible Arbitrage Manager A

INVESTMENT STRATEGY

The Fund manages over \$1 bn in convertible securities and focuses on positions with low premiums and high hedge ratios, which provides protection from interest rate fluctuation. The Fund invests in four sectors of convertibles: domestic bonds, foreign bonds, convertible preferred stock, and RegD/private placements. With regards to leverage, the focus remains on the relationship between the premium in the portfolio and the equity in the portfolio.

MANAGER BACKGROUND

The CEO was associated with L.F. Rothschild & Co. for 18 years, rising to Senior Managing Director, head of the Arbitrage Department, and member of the Board of Directors. The CEO co-founded the Fund and manages the diverse investment ideas within each discipline. He began his career as a research analyst for L.F. Rothschild in 1970.

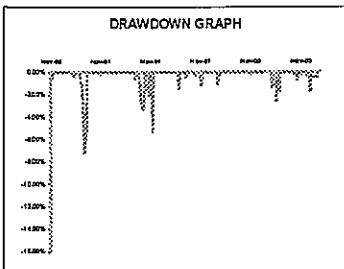
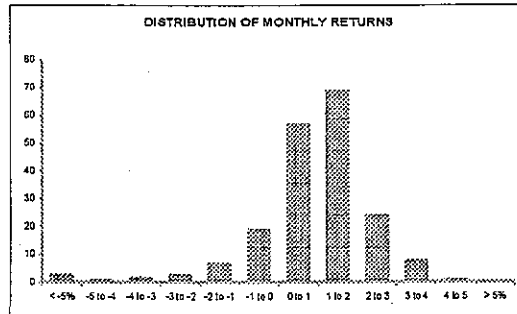
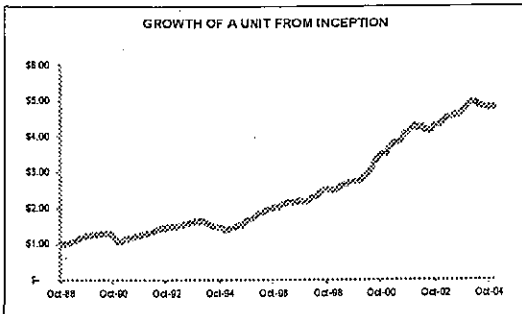
FUND DETAILS

Assets Under Management \$1.35 Billion
 Fund Status Open
 Minimum Investment \$1,000,000
 Fees 1% + 20%

Lockup None
 High Water Mark Yes
 Redemption Frequency Annual June 30
 Redemption Notice Period 60 Days

MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	1.37%	0.91%	-0.30%	0.87%	-1.69%	0.32%	-0.30%	0.40%	-0.32%	-0.49%	0.40%	0.49%	-1.13%
2003	2.72%	0.94%	0.42%	0.71%	1.05%	0.24%	0.70%	-0.66%	2.16%	1.96%	1.08%	1.25%	12.73%
2002	1.63%	1.43%	0.12%	1.08%	-2.72%	0.86%	-1.76%	1.02%	2.46%	1.02%	0.63%	0.18%	2.43%
2001	3.45%	2.19%	2.13%	0.84%	1.15%	0.12%	2.63%	2.41%	1.21%	1.15%	1.72%	0.03%	20.47%
2000	1.47%	2.00%	1.20%	3.45%	3.90%	2.44%	2.79%	2.29%	2.33%	0.66%	1.46%	0.14%	27.53%
1999	1.03%	1.68%	1.80%	0.80%	1.25%	0.43%	1.50%	0.44%	0.99%	0.28%	0.39%	0.28%	11.04%
1998	0.96%	1.11%	2.57%	0.74%	1.33%	2.30%	1.52%	2.45%	1.17%	-0.03%	-0.99%	0.31%	13.50%
1997	1.38%	2.20%	1.46%	1.09%	0.30%	0.01%	-0.20%	0.19%	0.54%	1.59%	-1.17%	0.09%	8.13%
1996	0.96%	1.53%	3.81%	2.78%	0.99%	1.33%	-1.41%	1.00%	0.14%	1.36%	0.73%	0.37%	18.42%
1995	1.43%	0.69%	2.07%	1.84%	1.65%	2.04%	0.15%	1.04%	4.08%	3.81%	1.32%	1.87%	24.04%
1994	0.34%	0.96%	-1.07%	2.61%	-3.27%	2.14%	1.04%	0.62%	-2.03%	0.81%	-0.60%	0.27%	-14.77%
1993	0.24%	0.03%	1.12%	1.59%	1.51%	0.44%	1.09%	0.78%	1.19%	1.94%	1.07%	0.19%	9.91%
1992	1.68%	1.70%	1.94%	1.96%	1.45%	1.48%	0.95%	1.15%	1.00%	1.23%	0.68%	0.21%	16.09%
1991	0.07%	0.82%	3.56%	1.15%	1.93%	1.87%	0.61%	2.17%	1.03%	1.07%	1.37%	1.7%	19.14%
1990	0.27%	0.37%	-0.44%	1.14%	0.41%	1.25%	0.13%	0.76%	-1.21%	-1.67%	-7.21%	1.24%	-15.22%
1989	0.30%	2.42%	2.94%	1.77%	3.65%	1.87%	1.58%	2.66%	1.64%	0.76%	1.47%	0.64%	24.05%
1988											-0.47%	-1.35%	0.87%



PERFORMANCE

Annualized Average Geometric	10.23%
Rolling 12m Average	10.87%
Monthly Average Geometric	0.81%
Standard Deviation	5.45%
Average Positive Return Monthly	1.35%
Average Negative Return Monthly	-1.55%

RISK METRICS

Largest Drawdown	-17.82%	# Positive Months	159
Longest Recovery Period	14	# Negative Months	35
Average of 5 Largest Drawdowns	-8.52%	% Positive Months	81.96%



MARKET NEUTRAL | 10

Convertible Arbitrage Manager B

INVESTMENT OBJECTIVES

The Manager trades convertible bonds to generate consistent returns with low volatility. The Manager typically takes long positions in convertible bonds, while also holding short positions in the underlying equity to mitigate downside risk. The bond positions yield consistent cash flow and the short positions provide rebate payments in the event that equity value decreases. The Fund has attained consistent high returns for 11 years and remains a best-in-class convertible arbitrage fund.

MANAGER BACKGROUND

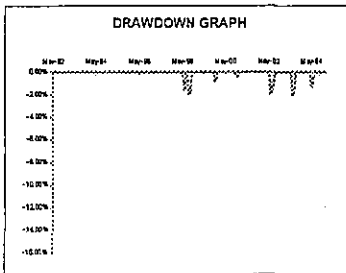
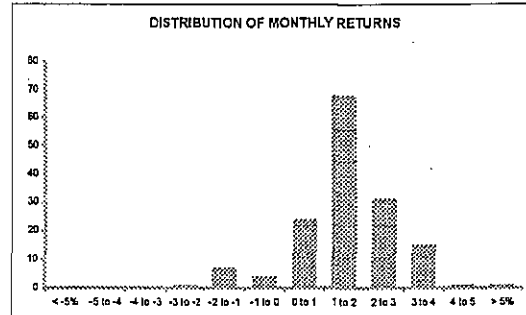
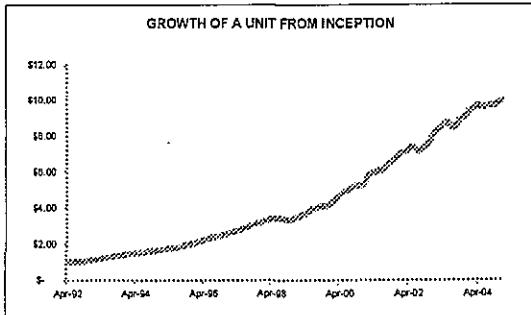
The General Partners entered the securities business as General Partner of Glaser & Company, a registered broker-dealer, which acted as a market-maker on the options floor of the Pacific and American Stock Exchange. He formed and became General Partner of the Manager in 1992. Prior to entering the securities business, the General Partner was an attorney associated with the firm of Wyman, Bautzer, Rothman, Kuchel & Silbert in Los Angeles.

FUND TERMS

Assets Under Management	\$1.8 Billion	Lockup	24 Months
Fund Status	Closed	High Water Mark	Yes
Minimum Investment	\$1,000,000	Redemption Frequency	Quarterly
Fees	2% + 25%	Redemption Notice Period	60 Days

MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	1.85%	0.72%	1.50%	0.40%	-1.20%	-0.28%	0.97%	0.40%	-0.20%	0.20%	1.40%	0.75%	6.80%
2003	3.20%	1.83%	1.22%	2.41%	1.45%	-2.04%	-1.58%	0.52%	3.22%	2.00%	0.86%	2.53%	16.75%
2002	2.25%	0.77%	1.10%	3.03%	0.02%	-1.34%	-1.63%	1.56%	2.18%	1.03%	3.24%	2.11%	15.55%
2001	5.50%	4.14%	1.61%	1.04%	0.76%	0.27%	1.97%	1.98%	2.08%	1.65%	1.60%	3.08%	29.17%
2000	3.02%	1.96%	3.55%	3.83%	2.61%	1.58%	2.14%	1.97%	2.03%	0.78%	-0.50%	1.50%	27.08%
1999	2.00%	1.51%	1.38%	0.11%	3.05%	1.94%	1.21%	1.03%	1.50%	1.20%	-0.75%	2.00%	20.89%
1998	2.37%	1.30%	1.80%	1.41%	1.43%	1.27%	1.27%	1.51%	-1.72%	0.23%	1.70%	1.40%	7.66%
1997	2.02%	2.03%	1.33%	1.75%	2.24%	1.57%	3.06%	2.65%	1.35%	2.35%	0.33%	1.73%	25.47%
1996	2.54%	1.74%	2.31%	2.03%	3.16%	2.00%	1.50%	1.20%	1.29%	1.62%	1.36%	1.24%	24.42%
1995	1.01%	1.56%	1.79%	0.67%	1.12%	1.69%	2.07%	1.06%	1.69%	1.90%	1.44%	2.33%	22.24%
1994	0.93%	0.93%	1.41%	0.23%	1.17%	1.66%	1.32%	1.16%	2.09%	1.40%	2.09%	0.74%	16.43%
1993	2.78%	2.42%	0.97%	1.71%	2.15%	2.80%	3.23%	2.25%	2.05%	1.41%	1.67%	2.74%	29.32%
1992					0.89%	0.54%	1.34%	0.37%	1.98%	2.26%	2.46%	1.91%	12.38%



PERFORMANCE

Annualized Average Geometric	19.88%
Rolling 12m Average	20.70%
Monthly Average Geometric	1.52%
Standard Deviation	4.10%
Average Positive Return Monthly	1.77%
Average Negative Return Monthly	-1.27%

RISK METRICS

Largest Drawdown	-3.87%	# Positive Months	140
Longest Recovery Period		# Negative Months	12
Average of 5 Largest Drawdowns	-2.64%	% Positive Months	92.11%



Asset Backed Manager A

INVESTMENT STRATEGY

The Manager invests in odd-lot or orphaned asset-backed collateralized bond offerings. The Fund also invests in bridge/warehouse loans secured by mortgages or consumer loans/whole loans and structured notes. The portfolio has an average life of between one to three years and an average credit quality of between BBB to A.

MANAGER BACKGROUND

Prior to founding the Fund, the Founder was a Managing Director at Nomura Securities from 1990 to 1995, where he oversaw the \$40 bn Government Business Unit, which included U.S. Treasury and Agency trading, Repo, and Money Markets, as well as the Canadian Fixed Income Operations. Prior to joining Nomura, the Founder was a Partner and Senior Vice President at Kidder Peabody, where he managed and traded fixed income securities.

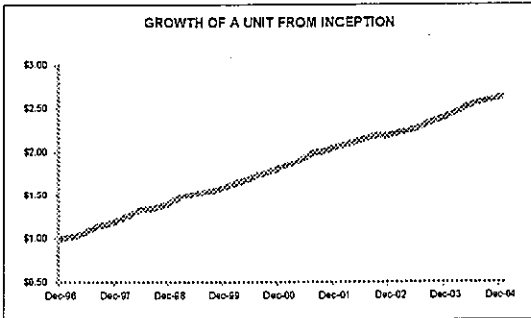
FUND DETAILS

Assets Under Management	\$350 Million	Lockup	1 Year
Fund Status	Open	High Water Mark	Yes
Minimum Investment	\$1,000,000	Redemption Frequency	Quarterly
Fees	1% + 20%	Redemption Notice Period	90 Days

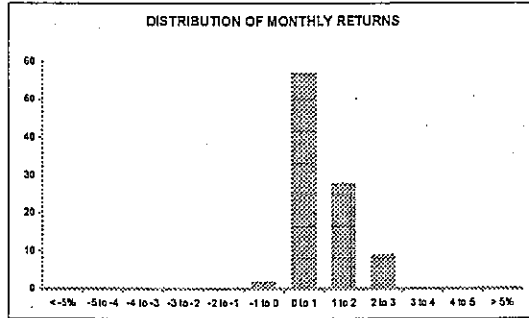
MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	1.05%	0.85%	0.93%	1.77%	0.83%	0.84%	0.85%	0.40%	0.60%	0.12%	0.80%	0.00%	9.54%
2003	0.49%	0.17%	0.38%	0.56%	0.89%	0.95%	0.76%	0.96%	0.75%	0.97%	0.78%	0.60%	9.24%
2002	0.43%	0.47%	0.60%	0.51%	0.73%	0.97%	0.68%	0.67%	0.50%	0.05%	-0.06%	0.79%	6.69%
2001	1.04%	0.95%	0.89%	1.12%	1.35%	2.04%	1.21%	1.11%	-0.12%	0.71%	1.05%	1.23%	13.32%
2000	1.12%	1.38%	1.50%	0.77%	1.02%	1.24%	1.21%	0.94%	0.79%	0.90%	0.89%	1.56%	14.14%
1999	2.14%	2.56%	1.00%	1.18%	0.33%	0.97%	0.42%	0.75%	0.73%	0.86%	0.83%	1.03%	13.42%
1998	1.85%	2.11%	1.39%	2.71%	1.73%	1.01%	0.62%	0.67%	0.89%	1.09%	0.87%	1.46%	16.91%
1997	0.93%	0.55%	0.93%	0.93%	2.47%	2.47%	2.47%	-2.41%	0.85%	0.12%	1.41%	0.72%	20.29%

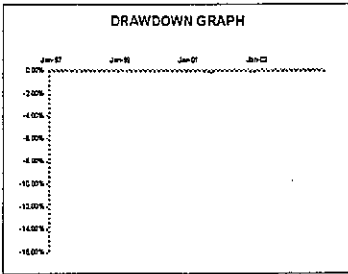
GROWTH OF A UNIT FROM INCEPTION



DISTRIBUTION OF MONTHLY RETURNS



DRAWDOWN GRAPH



Annualized Average Geometric	12.87%
Rolling 12m Average	12.91%
Monthly Average Geometric	1.01%
Standard Deviation	1.91%
Average Positive Return Monthly	1.04%
Average Negative Return Monthly	-0.10%

RISK METRICS

Largest Drawdown	-0.12%	# Positive Months	94
Longest Recovery Period		# Negative Months	2
Average of 5 Largest Drawdowns	-0.10%	% Positive Months	97.92%



Asset Backed Manager B

INVESTMENT STRATEGY

The Manager seeks to identify opportunities in distressed assets arising from the reduced willingness of investment banks and traditional portfolio managers to allocate capital to sectors that have fallen out of favor. Because these assets are often avoided for non-economic reasons, the Manager believes that they offer relative value on a risk/reward basis. The Manager generally acquires distressed fixed income securities and/or loans which range in size between \$500,000 and \$15,000,000.

MANAGER BACKGROUND

Prior to founding the Fund, the Founder was a Managing Director at Nomura Securities from 1990 to 1995, where he oversaw the \$40 bn Government Business Unit, which included U.S. Treasury and Agency trading, Repo and Money Markets, as well as the Canadian Fixed Income Operations. Prior to joining Nomura, the Founder was a Partner and Senior Vice President at Kidder Peabody, where he managed and traded fixed income securities.

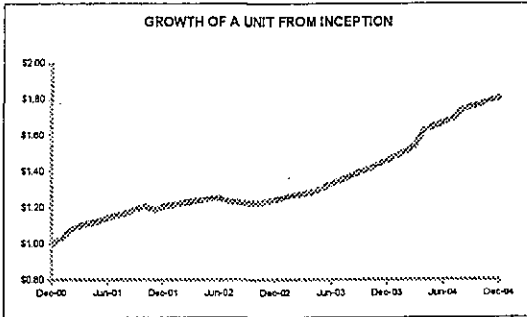
FUND TERMS

Assets Under Management	\$100 Million	Lockup	1 Year
Fund Status	Open	High Water Mark	Yes
Minimum Investment	\$1,000,000	Redemption Frequency	Annual Jun 30
Fees	1.5% + 20%	Redemption Notice Period	90 Days

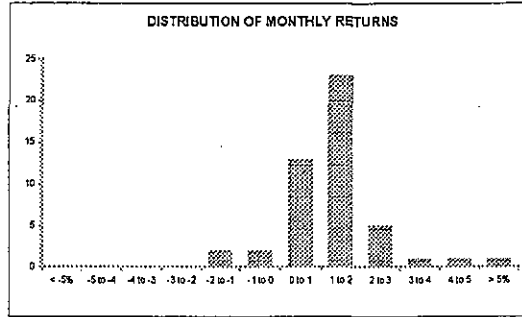
MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	1.53%	1.70%	1.90%	-0.74%	1.50%	1.00%	1.15%	-0.07%	1.00%	0.75%	1.25%	1.00%	23.65%
2003	1.07%	1.00%	0.61%	0.79%	1.31%	2.03%	1.55%	1.41%	1.88%	1.07%	2.01%	1.63%	17.63%
2002	0.60%	1.01%	0.64%	-0.75%	0.63%	0.45%	-1.69%	0.36%	-0.59%	0.34%	0.69%	1.11%	3.12%
2001	3.13%	3.49%	2.19%	12.1%	0.67%	2.05%	0.97%	1.25%	1.61%	1.55%	-1.72%	0.67%	20.86%

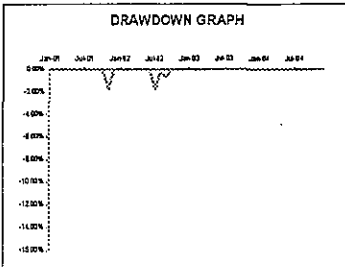
GROWTH OF A UNIT FROM INCEPTION



DISTRIBUTION OF MONTHLY RETURNS



DRAWDOWN GRAPH



PERFORMANCE

Annualized Average Geometric	16.03%
Rolling 12m Average	13.99%
Monthly Average Geometric	1.25%
Standard Deviation	4.25%
Average Positive Return Monthly	1.47%
Average Negative Return Monthly	-1.09%

RISK METRICS

Largest Drawdown	-2.61%	# Positive Months	44
Longest Recovery Period		# Negative Months	4
Average of 5 Largest Drawdowns	-2.17%	% Positive Months	91.67%



Asset Backed Manager C

INVESTMENT STRATEGY

The investment objective of the Fund is to achieve above-average returns by investing primarily in portfolios of secured financial, real estate, operating assets, loans and fixed income securities, where such investments have strong cash flow and risk-adjusted yield characteristics. Investments are expected to range in size between \$500,000 and \$30 million. The average duration of the Fund's portfolio will not exceed three years.

MANAGEMENT BACKGROUND

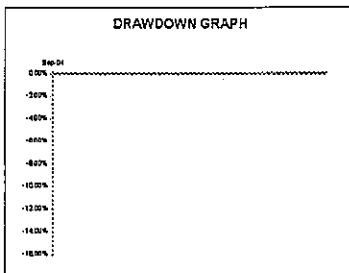
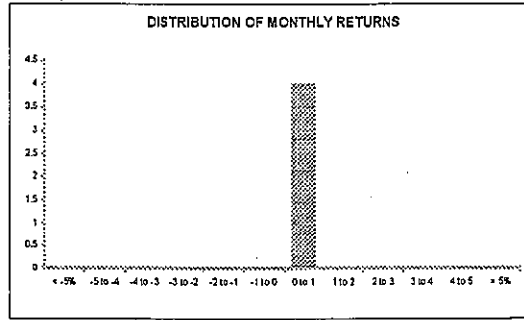
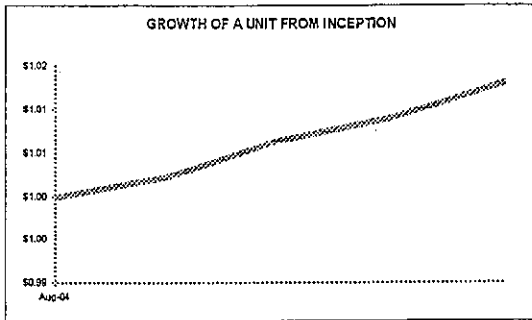
The Co-CEO has over 20 years of experience in all aspects of commercial real estate finance, including direct investments, loan securitizations, and mortgage banking. Most recently, he was a consultant to Old Hill Partners, Inc. focusing on the underwriting of commercial real estate. He previously was a director of ORIX Real Estate Capital Markets, where he negotiated, structured, and closed loans on projects as Rockefeller Center, the Sands Convention Center, and the Wyndham Hotel in Chicago. The other Co-CEO joined the Firm from Greenwich Capital Markets, Inc. where as Senior VP and Head of Principal Transactions he was responsible for proprietary asset trading and principal finance for the Firm. During his 12 year tenure, he was instrumental in the development of the Firm's asset securitization and principal finance businesses, with particular emphasis on credit arbitrage and distressed asset investing and lending.

FUND TERMS

Assets Under Management	\$200 Million	Lockup	2 Years
Fund Status	Open	High Water Mark	Yes
Minimum Investment	\$1,000,000	Redemption Frequency	Quarterly
Fees	1.5% + 20%	Redemption Notice Period	180 Days

MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004									0.23%	0.22%	0.25%	0.40%	1.31%



PERFORMANCE

Annualized Average Geometric	3.97%
Rolling 12m Average	N/A
Monthly Average Geometric	0.32%
Standard Deviation	0.34%
Average Positive Return Monthly	0.32%
Average Negative Return Monthly	N/A

RISK METRICS

Largest Drawdown	N/A	# Positive Months	4
Longest Recovery Period	N/A	# Negative Months	0
Average of 5 Largest Drawdowns	N/A	% Positive Months	100.00%



Loan Origination Manager A

INVESTMENT STRATEGY

The Manager originates loans to mid-sized companies. The Manager also purchases recently-originated new debt and invests in debt obligations in companies which are not distressed, but which have either lost the support of their financial lenders or have been unable to find new capital to fund their operations. The Manager holds the majority of its loans for nine months to three years.

MANAGER BACKGROUND

The Managing Member of the Fund is also the General Partner of two investment management companies, both of which were organized in November 1992. From September 1985 until the organization of the Manager, he managed separate pools of capital. From 1982 to 1985, he was employed in various capacities, including the management of firm capital by Drexel Burnham Lambert, Inc.

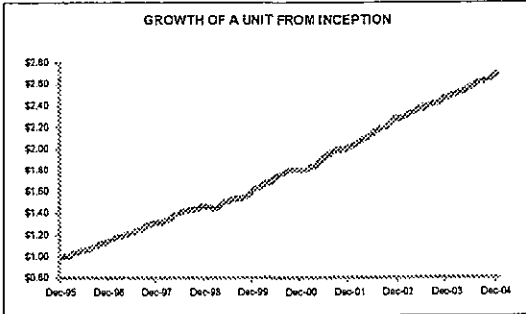
RISK METRICS

Assets Under Management	\$300 Million	Lockup	3 Years
Fund Status	Closed	High Water Mark	Yes
Minimum Investment	\$5,000,000	Redemption Frequency	Rolling 3 Anniversary
Fees	1% + 20%	Redemption Notice Period	180 Days

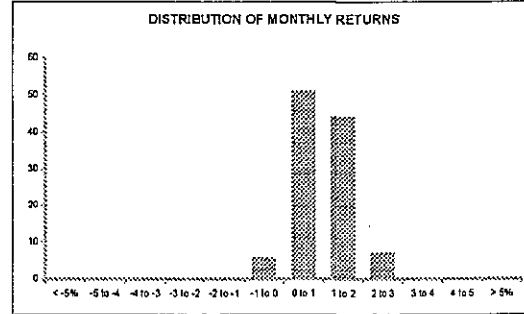
MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	0.68%	0.80%	0.58%	0.36%	1.05%	0.88%	0.59%	0.82%	0.36%	0.70%	1.26%	0.80%	8.82%
2003	0.84%	1.23%	0.65%	0.40%	1.34%	0.13%	0.57%	1.04%	0.21%	0.83%	1.02%	0.50%	8.97%
2002	0.87%	0.86%	1.51%	0.84%	0.80%	1.60%	1.21%	0.74%	0.40%	1.61%	2.04%	-0.34%	12.37%
2001	0.61%	1.09%	0.80%	1.18%	2.42%	1.23%	1.58%	1.47%	-0.04%	0.31%	0.06%	1.28%	12.36%
2000	1.34%	1.05%	1.36%	0.74%	2.25%	1.24%	1.12%	1.47%	0.73%	0.32%	0.12%	0.55%	11.79%
1999	-0.30%	-0.81%	0.87%	2.24%	1.76%	0.33%	1.10%	0.00%	0.44%	1.05%	1.81%	1.62%	10.40%
1998	0.08%	0.81%	2.05%	1.05%	1.30%	1.21%	0.68%	0.86%	0.22%	0.52%	1.69%	0.45%	11.07%
1997	1.59%	1.57%	0.01%	1.40%	0.85%	1.42%	1.05%	0.89%	2.37%	1.31%	0.40%	0.80%	14.54%
1996	0.03%	0.03%	2.52%	1.30%	1.38%	0.41%	1.30%	1.30%	1.38%	1.34%	0.66%	1.59%	14.72%

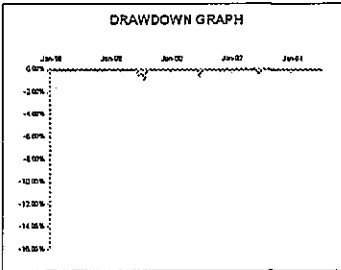
GROWTH OF A UNIT FROM INCEPTION



DISTRIBUTION OF MONTHLY RETURNS



DRAWDOWN GRAPH



PERFORMANCE

Annualized Average Geometric	11.65%
Rolling 12m Average	11.77%
Monthly Average Geometric	0.92%
Standard Deviation	2.30%
Average Positive Return Monthly	1.00%
Average Negative Return Monthly	-0.42%

RISK METRICS

Largest Drawdown	-1.55%	# Positive Months	102
Longest Recovery Period		# Negative Months	6
Average of 5 Largest Drawdowns	-0.62%	% Positive Months	94.44%



MARKET NEUTRAL | 15

Loan Origination Manager B

INTEREST RATE SENSITIVITY

The Fund's investment objective is to generate superior risk-adjusted returns and occasionally current income by acquiring a well-diversified portfolio of undervalued and distressed investments in the U.S., Western Europe, and Japan. The Fund's investment objective is implemented across a three-pronged program that includes corporate securities, loan originations, and asset-backed transactions.

MANAGER BACKGROUND

Prior to joining in March of 2002, the CEO spent 15 years at Goldman Sachs, where he became a Partner in 1996. Over the course of his career at Goldman Sachs, he held the positions of Co-head of Global Whole Loan Sales and Trading Business, Co-head of the Fixed-Income Principal Investments Group, and Co-head of the Asian Real Estate Private Equity business. The CEO received a B.A. from Princeton University and an M.B.A from Wharton.

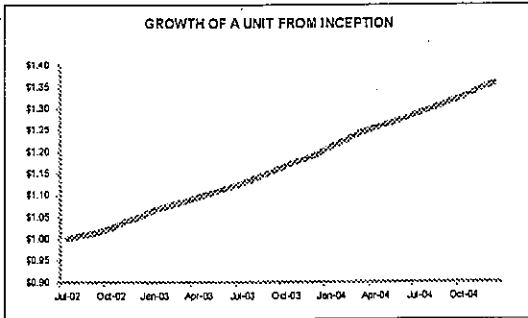
FUND TERMS

Assets Under Management	\$1.2 Billion	Lockup	None
Fund Status	Closed	High Water Mark	No
Minimum Investment	\$2,000,000	Redemption Frequency	Annual Dec 31
Fees	1.5% + 20%	Redemption Notice Period	90 Days

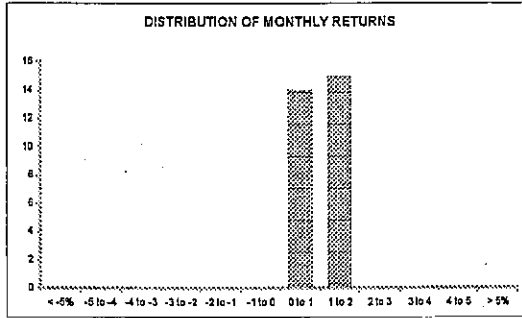
MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	1.45%	1.20%	1.40%	0.90%	0.90%	0.85%	0.90%	1.00%	0.95%	0.33%	1.40%	1.00%	13.67%
2003	1.37%	0.52%	0.89%	0.56%	0.81%	1.05%	1.02%	1.13%	1.19%	1.10%	1.03%	1.07%	13.52%
2002								0.70%	0.67%	0.85%	1.74%	1.05%	5.32%

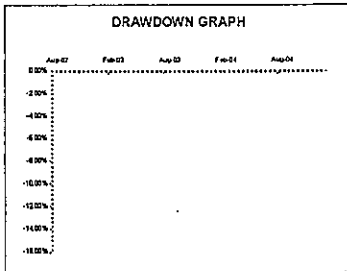
GROWTH OF A UNIT FROM INCEPTION



DISTRIBUTION OF MONTHLY RETURNS



DRAWDOWN GRAPH



PERFORMANCE

Annualized Average Geometric	13.53%
Rolling 12m Average	13.86%
Monthly Average Geometric	1.06%
Standard Deviation	0.81%
Average Positive Return Monthly	1.06%
Average Negative Return Monthly	0.00%

RISK METRICS

Largest Drawdown	0.00%	# Positive Months	29
Longest Recovery Period	0	# Negative Months	0
Average of 5 Largest Drawdowns	0.00%	% Positive Months	100.00%



MARKET NEUTRAL | 16

Loan Origination Manager C

INVESTMENT STRATEGY

The Fund seeks net returns of 10% over Treasury securities of a comparable maturity to that of the Fund's portfolio. The Fund currently focuses on four investment strategies: secondary market credit investments, direct debt investments, special assets, and special situation equities. The Manager seeks to achieve the Fund's objective through a combination of a multiple sub-strategy approach, disciplined investment selection, exhaustive due diligence, and vigilant risk management with a focus on capital preservation, and attention to business development.

MANAGER'S BACKGROUND

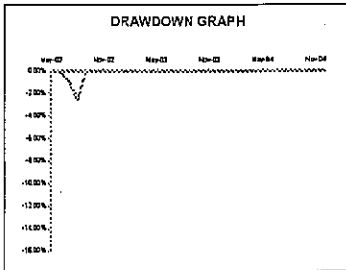
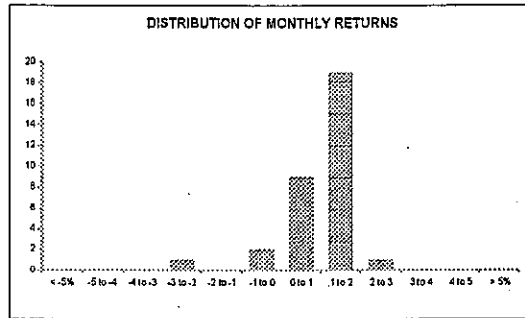
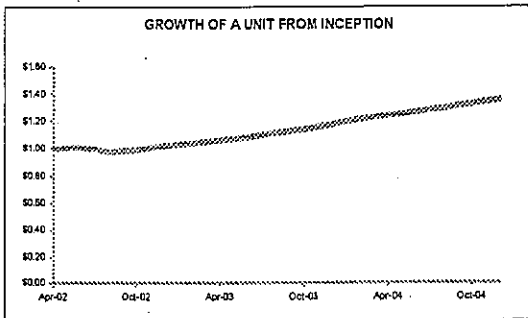
Prior to founding the fund, the Portfolio Manager served as Founder/Portfolio Manager of the Special Opportunities Group of MSD Capital, the private investment firm of Michael Dell. From 1997 through early 2000, the Portfolio Manager was employed at Davidson Kempner Partners, where he initiated that firm's focus on direct debt investments and international merger arbitrage, for which he was given a mandate to open the firm's London office. Prior to attending Harvard Business School, where he received his M.B.A. in 1998, he served as an analyst in media and communications mergers and private equity investments at Lazard and Madison Dearborn Partners.

FUND TERMS

Assets Under Management	\$2.2 Billion	Lockup	2 Years
Fund Status	Closed	High Water Mark	Yes
Minimum Investment	\$5,000,000	Redemption Frequency	Rolling 2 Years Quarter-End
Fees	2% + 20%	Redemption Notice Period	120 Days

MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004	2.03%	+0.24%	1.30%	1.11%	0.80%	1.18%	1.31%	-1.0%	1.23%	0.85%	1.49%	0.85%	15.31%
2003	1.47%	0.82%	0.91%	0.77%	1.08%	1.22%	1.70%	2.2%	1.08%	1.25%	1.39%	1.50%	15.44%
2002					0.98%	0.01%	-0.81%	-2.63%	0.81%	0.85%	1.59%	1.20%	2.01%



PERFORMANCE

Annualized Average Geometric	12.16%
Rolling 12m Average	14.35%
Monthly Average Geometric	0.86%
Standard Deviation	2.80%
Average Positive Return Monthly	1.18%
Average Negative Return Monthly	-1.13%

RISK METRICS

Largest Drawdown	-3.36%	# Positive Months	29
Longest Recovery Period		# Negative Months	3
Average of 5 Largest Drawdowns	-3.36%	% Positive Months	90.63%

