PRIVATE OFFERING MEMORANDUM

PAVAKI CAPITAL PARTNERS LP
(A Delaware Limited Partnership)

Membership Interest Offering under Regulation D Rule 506(c)
And Regulation S to Accredited and Non-US Investors Only

Minimum Investment US$1,000,000

Dated July 4, 2021

No.: _____

Prepared for:

_____

CONFIDENTIAL: NOT FOR DISTRIBUTION

THIS CONFIDENTIAL PRIVATE OFFERING MEMORANDUM (THE “MEMORANDUM”) HAS BEEN PREPARED SOLELY FOR, AND IS BEING DELIVERED ON A CONFIDENTIAL BASIS TO, PROSPECTIVE INVESTORS CONSIDERING THE PURCHASE OF LIMITED PARTNERSHIPS (THE “PARTNERSHIP”) IN PAVAKI CAPITAL PARTNERS LP (THE “COMPANY”).

ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF COMPANY’S GENERAL MANAGER, PAVAKI CAPITAL MANAGEMENT LLC (THE “GENERAL PARTNER”), IS PROHIBITED AND ALL RECIPIENTS AGREE THEY WILL KEEP CONFIDENTIAL ALL INFORMATION CONTAINED HEREIN AND NOT ALREADY IN THE PUBLIC DOMAIN AND WILL USE THIS MEMORANDUM FOR THE SOLE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT IN THE COMPANY. BY ACCEPTING THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING.

THE LIMITED PARTNERSHIPS OFFERED HEREBY (THE "PARTNERSHIP") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THEY ARE OFFERED PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION. THIS MEMORANDUM (THE "MEMORANDUM") HAS NOT BEEN FILED WITH OR REVIEWED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") AND NEITHER THE SEC NOR ANY STATE SECURITIES ADMINISTRATOR HAS PASSED UPON OR ENDORSED THE MERITS OF AN INVESTMENT IN THE COMPANY OR THE ACCURACY OR THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

* * *

THE PARTNERSHIP OFFERED HEREBY MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY AN INVESTOR WITHOUT THE PRIOR WRITTEN CONSENT OF THE GENERAL MANAGER AND THEN ONLY IF, AMONG OTHER THINGS, IN THE WRITTEN OPINION OF COUNSEL TO OR APPROVED BY THE COMPANY SUCH PROPOSED SALE, TRANSFER OR OTHER DISPOSITION IS CONSISTENT WITH ALL APPLICABLE PROVISIONS OF THE SECURITIES ACT, THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "ACT"), THE RULES AND REGULATIONS PROMULGATED UNDER EACH OF SUCH ACTS AND ANY APPLICABLE STATE "BLUE SKY" OR SECURITIES LAWS. AN INVESTOR THEREFORE CANNOT EXPECT TO LIQUIDATE HIS OR ITS INTEREST IN THE COMPANY OTHER THAN BY WITHDRAWING ALL OR PART OF HIS/HER OR ITS CAPITAL AT THE END OF THE LOCK-UP PERIOD APPLICABLE TO SUCH INTEREST.

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THE COMPANY IS NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE ACT. THE PARTNERSHIP OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE OR OTHER SECURITIES LAWS. PARTNERSHIP IN THE COMPANY ARE OFFERED AND SOLD FOR INVESTMENT ONLY PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SEC AND IN COMPLIANCE WITH ANY APPLICABLE STATE OR OTHER SECURITIES LAWS. THE PARTNERSHIP ARE BEING OFFERED ONLY TO A LIMITED NUMBER OF PERSONS WHO ARE ACCREDITED INVESTORS WITHIN THE MEANING OF RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT AND QUALIFIED CLIENTS WITHIN THE MEANING OF RULE 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED (THE "ADVISERS ACT") AND THE REGULATIONS PROMULGATED THEREUNDER.

THIS MEMORANDUM CONSTITUTES AN OFFER ONLY IF THE NAME OF THE PROSPECTIVE INVESTOR APPEARS ON THE COVER PAGE AND ONLY IF THE COMPANY AUTHORIZES THE DELIVERY OF THIS MEMORANDUM. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT LAWFUL OR AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO. ANY FURTHER DISTRIBUTION OR REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, IS PROHIBITED.

THESE LIMITED PARTNERSHIPS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

AN INVESTMENT IN THE COMPANY INVOLVES RISK FACTORS THAT SHOULD BE REVIEWED CAREFULLY BY POTENTIAL INVESTORS. THERE IS NO ASSURANCE THAT THE COMPANY WILL ACHIEVE ITS INVESTMENT OBJECTIVE, AND INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME. INVESTMENT IN THE COMPANY IS THEREFORE SUITABLE FOR SOPHISTICATED INVESTORS WHO ARE ABLE TO BEAR THE LOSS OF A SUBSTANTIAL PORTION OR EVEN ALL OF THE MONEY INVESTED IN THE COMPANY.

TRANSACTIONS ON MARKETS LOCATED OUTSIDE OF THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS THAT OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE COMPANY AND ITS INVESTORS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE COMPANY MAY BE AFFECTED.

EACH INVESTOR IN THE PARTNERSHIP OFFERED HEREBY MUST ACQUIRE SUCH PARTNERSHIP SOLELY FOR SUCH INVESTOR'S OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY AND NOT WITH AN INTENTION OF DISTRIBUTION, TRANSFER OR RESALE, EITHER IN WHOLE OR IN PART.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE MADE OR INTENDED, AND NONE SHOULD BE INFERRED, WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX CONSEQUENCES FROM AN INVESTMENT IN THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THIS MEMORANDUM AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OR ITS OWN COUNSEL AND ACCOUNTANT FOR ADVICE CONCERNING THE VARIOUS LEGAL, TAX, ERISA AND ECONOMIC MATTERS CONCERNING HIS/HER OR ITS INVESTMENT.

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

A PROSPECTIVE INVESTOR SHOULD NOT SUBSCRIBE FOR LIMITED PARTNERSHIPS UNLESS SATISFIED THAT HE/HER AND/OR HIS/SHE OR ITS REPRESENTATIVE HAS ASKED FOR AND RECEIVED ALL INFORMATION THAT WOULD ENABLE HIM OR IT TO EVALUATE THE MERITS AND RISKS OF THE PROPOSED INVESTMENT.

THE COMPANY SHALL MAKE AVAILABLE TO EACH INVESTOR OR HIS OR ITS AGENT, DURING THIS OFFERING AND PRIOR TO THE SALE OF ANY PARTNERSHIP, THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM ANY PERSON AUTHORIZED TO ACT ON BEHALF OF THE COMPANY CONCERNING ANY ASPECT OF THE COMPANY AND ITS PROPOSED BUSINESS AND TO OBTAIN ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

THIS MEMORANDUM HAS BEEN PREPARED IN CONNECTION WITH THE PRIVATE PLACEMENT OF THE PARTNERSHIP OFFERED HEREBY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE MAKING OF SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL.

FOR NON-U.S. RESIDENTS

NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES OF AMERICA THAT WOULD PERMIT AN OFFERING OF THE INTERESTS, OR POSSESSION OR DISTRIBUTION OF OFFERING MATERIAL IN CONNECTION WITH THE ISSUANCE OF THE INTERESTS, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IT IS THE RESPONSIBILITY OF POTENTIAL INVESTORS TO SATISFY THEMSELVES AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES OF AMERICA IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

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1. SUMMARY OF TERMS

The following information is presented as a summary of certain terms of the Company and prospective partners should refer to the balance of this memorandum for more complete information and should not rely solely on this information contained in this summary. This summary is qualified in its entirely by the detailed formation appearing elsewhere in this memorandum.

The Company (Fund)	PAVAKI CAPITAL PARTNERS LP is a Delaware limited partnership (the "Company" or the "Fund") formed on the 21st of September 2020. The Company is being operated as a private investment fund under Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "Act").
Securities Offered	The securities offered hereby are limited partnership interests in the Company (the "Partnership Interests"). Each Partnership Interest will be valued at $100,000.
General Partner	The General Partner of the Company is PAVAKI CAPITAL MANAGEMENT LLC, a Colorado company (the "General Partner"). The General Partner will have exclusive control over day-to-day operations of the Company even if additional General Partners are admitted to the Company in the future. The principal office of the Company and the General Partner is 4104, Muirfield Court, Pueblo, Colorado 81001.
Investment Management Company	PAVAKI CAPITAL MANAGEMENT LLC, who is also the Company General Partner, will serve as the Investment Manager of Company and will provide discretionary investment advisory and portfolio management services to the Company (the "Investment Manager"). The Investment Manager is not currently registered with the Securities and Exchange Commission (SEC). However, the Investment Manager may engage registered investment advisors in the management of the Company's investments.
General Investment Philosophy	The Fund's investment objective is to generate absolute capital appreciation. Its ultimate objective is generating superior returns on its investments, which the General Partner seeks to accomplish through its sole and absolute discretion in selecting investments. The Fund's investment strategy employs proprietary analysis developed by the management of the General Partner, for evaluating, making, and exiting investments.
Qualification of Investors	This offering is not registered under the Securities Act of 1933, as amended (the "Act"), as is being made in reliance on the exemptions provided for in Section 4(a)(2) of the Act and Rule 506(c) of Regulation D, promulgated by the Securities and Exchange Commission thereunder. This Offering is available only to suitable Accredited Investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933. The Manager may, in its sole and absolute discretion, accept or decline to admit any investor. Individual Retirement Account (IRA) investors and other tax-exempt investors should carefully review the section herein entitled "Taxation" and consult their own tax advisors.

Subscriptions	New Partners may subscribe for the Partnership Interests on the first day of any calendar month or at such other times as the General Partner shall permit in its sole discretion. Upon completion of the subscription agreement and the receipt of an investor's capital contribution, an investor will become a Partner of the Company. In certain situations, that will benefit the Company, the Company may accept tangible assets in lieu of cash subscriptions, subject to sole and absolute discretion of General Partner. In such situations, the assets will be evaluated on a per basis and discounted at the discretion of the manager. To subscribe for a Partnership Interest, a new subscriber must (i) complete, execute and deliver to the General Partner at support@pavakicapital.com the Subscription Documents, which will be forwarded to the Administrator and (ii) arrange for payment of the amount of the subscription in accordance with the instructions in the Subscription Documents. Generally, existing LPs subscribing for additional Partnership Interests need only fill out an "Additional Contribution" form and update information in the Subscription Documents that may have changed. The General Partner will hold subscription proceeds paid in connection with this offering until the subscription is accepted or rejected by us. Subscriptions that are not accepted will be returned as promptly as practicable. A subscriber admitted to the Company receives, in exchange for its initial capital contribution and any subsequent capital contribution(s), Partnership Interests representing a proportionate share of the Company at that time, based upon the Partnership Interests of all Limited Partners.
Transferability of Interests	Partnership Interests in the Company may not be sold, transferred, pledged or assigned without the prior written consent of the General Partner, provided, that with regard to the assignment by a Partner to an affiliate, such consent may not be unreasonably withheld.
Minimum Investment	The minimum initial investment by each Partner is 10 Partnership Interests for a total investment of $1,000,000, subject to the General Partner's sole and absolute discretion to accept a lesser amount.
Initial Lock-up Period	"Initial Lock-Up Period" means the Partner may not request redemption of their investment for a period of at least thirty-six (36) months from the date their capital contribution. Each capital contribution made by a Partner shall be subject to the Initial Lock-Up Period. (see "Initial Lock-up Period" section).
Management Fee	The Investment Manager shall charge the Company an annual management fee (the "Management Fee") of zero percent (0%) per annum of the net asset value of the Capital Accounts of the Partners of the Company.

Allocation of Profits and Losses	The profits and losses of the Company will be provisionally allocated among the capital accounts of the Partners and the General Partner (collectively, the "Partners" or "Limited Partners") at the end of each fiscal period in proportion to the relative values of such capital accounts at the beginning of such fiscal period. See "Allocation of Profits and Losses".
Distribution of Profits	The General Partner intends to re-invest, rather than distribute, any capital gains or income from investments. As is the case with any partnership, Limited Partners are subject to taxes on realized gains or income allocated to them, whether or not distributed.
Performance Allocation (Carried Interest) and High water mark	The Carried Interest allocable and paid to the General Partner is equal to twenty percent (20%) of the aggregate net gain allocated quarterly to the Partners capital account subject to a "high water mark" limitation, so that no allocation is made to the General Partner with respect to its Carried Interest until prior net losses allocated to a Partner are recouped. The high-water mark shall be re-set on a quarterly basis. The amount of prior Performance Period net losses that must be recouped before a Carried Interest allocation is made shall be adjusted to take into account any distributions to or withdrawals by a Partner, with the amount of such prior net losses being reduced in proportion to the distribution or withdrawal. The General Partner may waive all or part of the Performance Allocation with respect to one or more Partners from time to time in its sole discretion. The General Partner may also pay over a portion of the Performance Allocation to one or more third parties who introduce investors or perform other services for the Company or the General Partner. For an explanation of the Carried Interest and "high water mark", please see "Incentive Allocation to General Partner" section below.
Operating and Organizational Expenses	The General Partner is responsible for all direct costs, fees and expenses incurred by or on behalf of the Company in connection with its organization, management and operation except for securities transaction related cost. Specifically, the General Partner will not be responsible for brokerage commissions, sales costs and other transaction-related fees and expenses associated with the costs of purchasing, selling and holding securities in the Company's account. The Investment Manager will not be obligated to negotiate "execution only" commission rates, and therefore may be deemed to be paying for other services provided by its brokers who are included in the commission rates they charge the Investment Manager. Such other services may include (in addition to research), telephone lines, news and quotation equipment, electronic office equipment, account record keeping, on-line financial information, publication, consulting, marketing, legal and accounting services, data processing and other services provided by its brokers or by third parties paid by its brokers and related to research. See "Brokerage Practices" below for a more detailed discussion of the Investment Manager's brokerage practices.

ERISA and Other Tax-Exempt Investors	Since the Company may generate "unrelated business taxable income" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), an investment in the Company may not be suitable for pension and other funds subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or other organizations that are generally exempt from income taxation pursuant to Section 501(c)(3) of the Code. The General Partner intends to use commercially reasonable efforts to cause "benefit plan investors" not to own a significant portion of any class of equity interests in the Company, so that the assets of the Company should not be considered "plan assets" for purposes of ERISA and Section 4975 of the Code, although there can be no assurance that non "plan asset" status will be obtained or maintained. Prospective purchasers and subsequent transferees of Interests may be required to make certain representations regarding compliance with ERISA and Section 4975 of the Code. See "Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors."
New Partners; Additional Capital Contributions	Unless otherwise determined by the General Partner, in its discretion, each new Partner shall be admitted to the Company, and each existing Partner may make an additional capital contribution to the Company, as of the first day of the calendar month provided that the General Partner timely receives and accepts such person's initial or additional, as applicable, capital contribution and executed Subscription Documents and/or such other documents or agreements as the General Partner may require. A person shall become a Partner when the General Partner enters such person as a Partner on the books of the Company. Capital contributions must be made in cash unless the General Partner, in its sole discretion, agrees to accept capital contributions in the form of securities.
Withdrawal of Capital	After the Initial Lock-Up period expires, a Limited Partner can make full withdrawal of capital, terminating Partner’s entire interest in the Fund. The Partner must provide 60 days’ notice before the expiration date for withdrawal of funds If a Partner wants to continue with the Fund, the General Partner will negotiate a new deal, executed through a new set of documents. Distribution of any withdrawal generally will be made within fifteen (15) business days after the expiration date, although ten percent (10%) of any withdrawal that represents more than ninety percent (90%) of a Partner's capital may be withheld until the Company receives its year-end audited financials for the fiscal year during which the withdrawal was made. The General Partner may vary these withdrawal terms, in whole or part, for certain Limited Partners, in its sole discretion.
Required Withdrawals	The General Partner may, in its sole and absolute discretion, require any Partner to withdraw from the Company, with or without cause, if the General Partner shall determine, in its sole and absolute discretion that such termination and withdrawal shall be in the best interests of the Company. The General Partner shall give not less than sixty (60) days' prior written notice of such termination

to such Partner. Such required withdrawal could result in adverse tax and/or economic consequences to such Partner.

Indemnification of the General Partner and the Investment Manager

The Limited Partnership Agreement provides for limitations on the liability of, and for the indemnification of, the General Partner, any other General Partners and their respective affiliates, except that no such indemnification will relieve any person from liability for fraud, gross negligence, willful misconduct, the violation of Federal or state securities laws or any criminal wrongdoing. The Investment Management Agreement provides for limitations on the liability of, and for the indemnification of, the General Partner and each of its affiliates and each of its and their principals, managers, members, officers, directors, employees, equity holders and representatives, except that no such indemnification will relieve any person from liability for willful misconduct, fraud or gross negligence on the part of such parties in the performance or nonperformance of their respective obligations or duties thereunder.

Prime Broker/Custodian

Interactive Brokers LLC will be retained to serve as prime broker for the Company (the "Prime Broker"). The Prime Broker will execute a portion of the Company's portfolio transactions and will furnish various research and brokerage services to the General Partner. Interactive Brokers will also act as the clearing firm for, and custodian of, the assets of the Partnership. The General Partner may in its discretion terminate the Company's relationship with Interactive Brokers and select a new Prime Broker. In addition to the Prime Broker, the General Partner may select other brokers to execute transactions for the Partnership on the basis of a variety of factors, including one or more of the following: the amount of commission, quality of execution, expertise in particular markets, reputation, experience, financial stability, quality of service, familiarity both with investment practices generally and the techniques employed by the Company, research and analytic services, and clearing and settlement capabilities. Brokerage may also be allocated on the basis of the broker's agreement to pay certain expenses of the Company, the General Partner or its affiliates, subject to principles of best execution. See "*Brokerage Practices.*"

Administrator

The Company has entered into an administration agreement ("Administration Agreement") with NAV Consulting, Inc (the "Administrator"), pursuant to which the Administrator will be responsible, under the ultimate supervision of the General Partner, for certain matters pertaining to the accounting, back-office, data processing, calculation of Net Asset Value (as defined herein) and related professional services for the Company. For its services, the Administrator is paid its customary rates for providing similar services. See "*Service Provider - Administrator*."

Auditor

The General Partner has retained RAINES AND FISCHER LLP as the Company's independent certified public accountants, which firm issues audit reports on the annual financial statements of the Company. Such firm also

	prepares certain federal income tax information for the Partners. The General Partner may change the auditing and accounting firms for the Company without the consent of the Limited Partners.
Distribution Arrangements	The General Partner may utilize third parties to assist in the solicitation of new investors in the Company. Unless a selling commission is expressly agreed to by an investor, any fees paid to such parties for such services will be borne by the General Partner or Investment Manager and will not reduce the investment of any Limited Partner. All subscribed funds will be invested in the Partnership.
Potential Conflict of Interest	The General Partner, the Investment Manager, and their principal(s) may be affiliated with or render services to other investment entities or accounts including entities and/or accounts with investment goals and strategies similar to those of the Company. The principal(s) of the General Partner may also be or become related to other service provider who will provide services to the Company in which fees and/or commissions will be paid to the principal(s) of the General Partner, these service providers may include broker-dealers, prime brokerage services, and fund administrative services.
Risks	Prospective Partners should note that an investment in the Company involves a significant amount of risk, including the possibility of a total loss of investment. Prospective Partners should carefully consider the risk factors discussed under "Risk Factors."
Reports to Partners	The Company will furnish to each Partners: (i) audited annual financial reports of the Company; (ii) annual descriptive investment information for each investment; (iii) annual tax information for the completion of income tax returns; (iv) a statement from the Company's auditors detailing the Partners capital account; and (v) from time-to-time unaudited periodic reports at the discretion of the General Partner, but no less often than quarterly.
Fiscal Year	The fiscal year of the Company shall end on December 31 of each calendar year.

2. INTRODUCTION

PAVAKI CAPITAL PARTNERS LP is a Delaware Limited partnership (the "Company" or “Fund”) formed on the 21st of September 2020 as a private investment fund for a limited number of sophisticated, long-term investors. The Company is offering through this memorandum Partnership Interests (the "Interests") to eligible purchasers (each purchaser of an Interest being referred to herein as a "Partner" or “Limited Partner”). The Company will engage primarily in the purchase and sale of long positions in publicly traded securities, other investment funds, U.S. governmental and infrastructure projects, and during certain market environments, may hedge the portfolio using other derivative securities. Its principal investment objective is the achievement of superior investment returns. The Company is being operated as a fund under Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "40 Act"). As a result, the number of Partners in the Company is limited to 100 persons.

If the Company approaches this 100-person limit, the General Partner intends to close the Company to new investors. In such circumstance, the General Partner may initiate a new fund (the "New 3(c)(1) Fund") that may be identical to the Company in all material respects, including its investment strategies and objectives. By signing the Company's Subscription Documents and becoming a party to the Partnership Agreement, investors are consenting to, and authorizing the General Partner to take whatever actions are necessary to maintain the Company’s Section 3(c)(1) exemption of the 40 Act.

Various terms used and not defined in this Memorandum are defined in the Limited Partnership Agreement.

3. INVESTMENT PROGRAM

Investment Objective

The Company’s investment objective is to generate absolute capital appreciation. Its ultimate objective is generating superior returns on its investments, which the General Partner seeks to accomplish through its sole and absolute discretion in selecting investments. The Company’s investment strategy employs proprietary analysis developed by the management of the General Partner, for evaluating, making, and exiting investments.

Investment Strategy

The General Partner intends to construct the Company’s portfolio to optimize the risk/reward characteristics that best suit the interests of its Limited Partners and will not restrict its approach to any strict or pre-established formal investment style criteria. However, in general, the General Partner will have a risk balanced approach to selecting investments which the General Partner believes have high quality management and large growth potential.

The General Partner will evaluate individual investments based on numerous criteria, including without limitation:

- Valuation metrics;
- Growth potential;

- Potential catalysts for appreciation;
- Quality of founders/management of a company; and
- Effects of macroeconomic trends on the business outlook of such investment.

General economic, political and legal trends may influence activity in the Company. The General Partner will analyze these trends through various objective, proprietary and discretionary measures.

Although the General Partner currently expects the investment thesis as described above to be the Fund's principal focus, the Company may invest in any type of security or financial instrument. The General Partner, at its sole discretion, may not invest in financial instruments of companies, which it deems undesirable and inappropriate; for example, companies that indulge in or promote the activities such as, pornography, animal cruelty, alcohol, and other inappropriate or undesirable commerce.

General Partner applauds the spirit of Environmental, Social, and Governance (ESG) criteria and wants to lead by personal examples; for example, founder and manager of General Partner, Ashok Patel, uses resources sparingly, he does not eat meat, he did not lay off any employees during the pandemic, he employs many women in the organization, and so on. As the experts currently do not agree on the finer points of the ESG criteria, General Partner does not claim that the Company is Environmental, Social and Governance (ESG) compliant and may not be compliant in the future.

The Limited Partnership Agreement does not limit the General Partner's investment authority to any particular types of instruments or issuers, nor does it limit the investment strategy or process to what is described above. Thus, the Company's portfolio could include at times such instruments including but not limited to securities, debt, futures contracts, closed-end mutual funds, American Depository Receipts (ADR's), exchange-traded funds, government and corporate bonds (all credit grades), convertible bonds and preferred stock, restricted securities, digital assets, cryptocurrencies, intangible assets, and foreign currencies.

Investment Process

While the General Partner intends to invest the Company's assets as described above, the General Partner has wide latitude to act upon any particular strategy or tactic or to change the Company's emphasis or objective, all without obtaining the Limited Partners' approval. Further, the Limited Partnership Agreement does not impose any limits on the types of positions the Fund may take or the concentrations of its investments (by company, industry, asset class, and industry or market segment), the ability to use leverage, the amount of leverage employed, or the number and size invested positions.

Qualitative Research – Once all the facts have been gathered, the Investment Manager will evaluate an investment by its risk and reward over a specific time frame. The risk to reward profile is generally determined through an edge in information or insight. Informational edge is fact-based and is generated during the fundamental research process. An edge of insight is more qualitative and comes in many forms. Some examples include:

- a product cycle being bigger or longer than others realize;
- a company having a competitive advantage not well understood by the market;
- an industry or company going through a cyclical downswing that eventually recovers because that industry has a necessary function in the U.S. economy; or

- a company having a profitability profile that is likely to be permanently altered due to structural changes in its business.

Risk Management – While the Company will generally be a long investor with a portfolio, at times the Investment Manager may find it prudent to use various techniques to reduce risk by hedging individual positions and/or portfolio characteristics. This may be accomplished using long and short positions in derivative securities.

Secular Trends. Trend analysis starts with a review of basic data which is obtained through a variety of sources. These include government statistics, Federal Reserve bulletins, various periodicals, trade journals, and newspapers. Information is also gathered from the hundreds of companies that are contacted each year. The Investment Manager has direct access to Wall Street analysts, industry experts and economists, and it will utilize a network of contacts from a variety of investment organizations.

Hedging. Depending on market conditions, the Company's portfolio may at times be hedged through use of derivative instruments.

Portfolio Composition. The Investment Manager will apply no arbitrary criteria with respect to the size, sector or class of the investment in which it will invest. To the extent that significant mispricing between fundamental values and market prices may from time to time be greater in small to medium sized companies (i.e., in "secondary stocks"), or in troubled or "distressed" companies, the Company's portfolio may at times be invested primarily in the securities of such companies. At other times, the Company's portfolio may be concentrated in "large capitalization" stocks (i.e., securities of large companies with significant institutional sponsorship).

Although the Company's portfolio will consist primarily of varying amounts of common stocks (including common stocks of foreign companies), it may also contain futures, warrants to acquire common stocks, commodities, debt securities, or preferred securities of domestic and foreign companies that are convertible into common stocks. The Company may also invest its capital in "restricted securities" (i.e., securities which must be registered under Federal or state securities laws before they may be resold) and other "special situations" investments (including currency situations and various "derivatives"). There will be no arbitrary or ideal "mix" of such investments, as the Investment Manager will endeavor to allocate the Company's capital among those opportunities believed to offer the most attractive risk adjusted potential returns, while always being responsive to changing market conditions.

As the Company's objective is to achieve a high absolute return rather than a relative return, the Company may also invest in treasury securities and other cash equivalents when opportunities for "equity returns" appear to be limited.

The Investment Manager is authorized to invest in any situation if it believes that the profit opportunity is commensurate with the apparent risk presented by the investment, and from time to time the Investment Manager may make investments involving greater risk than the risks perceived with respect to its primary investment thrust.

Portfolio Turnover. As the Company is an opportunistic investor, its portfolio turnover may be significant and its transaction costs (i.e., brokerage commissions) as a percentage of its capital can be correspondingly significant.

Leverage. The Company may use leverage in its investment program, as deemed appropriate by the Investment Manager and subject to applicable regulations. The amount of leverage will vary and may pose substantial risks to Limited Partners (see Risks).

Brokerage Practices

Portfolio transactions for the Company and for other accounts and entities which the Investment Manager or its principals may advise or invest for, generally will be allocated to brokers on the basis of best execution and in consideration of such brokers' provision of, or payment of the costs of, certain services and products that are of benefit to the Company, the General Partner, the Investment Manager, and such other accounts and entities. These products and services may take the form of research, special execution capabilities, clearance, settlement, reputation, net price, on-line pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding clients' accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, information technology services, recommendations, general reports, supplies, financial strength and stability, efficiency of execution and error resolution, telephone lines, news and quotation equipment, the availability of stocks to borrow for short trades, referral of prospective investors in the Company, or other accounts and entities which the Investment Manager or its principals may advise or invest for custody, recordkeeping and similar products and services.

Purchase of "New Issues"

From time to time the Company may purchase securities which constitute a "new issue" under Financial Industry Regulatory Authority (FINRA) Rule 5130 (the "Rule"). The Rule prohibits an FINRA Partner from selling any "new issue" (defined as any initial public offering of an equity security) to an account in which "Restricted Persons" have in the aggregate beneficial interests in excess of 10 percent. Essentially, a "Restricted Person" includes (i) a broker-dealer and its personnel, and (ii) certain persons associated with finders and fiduciaries in securities offerings, portfolio managers, persons owning a broker-dealer, and, in some cases, persons materially supported by, or the immediate family members of these persons. After the Amendment, the term "Restricted Persons" include (i) In Foreign investment companies- The amendments add two alternative tests for the 5 percent Restricted Person threshold, as: (a) the non-US investment company has 100 or more direct investors; or (b) the non-US investment company has 1,000 or more indirect investors; (ii) In Sovereign entity exemption- The amendments exclude "sovereign entities" from the scope of owners of a broker-dealer that is restricted under Rule 5130. Therefore, a sovereign wealth fund would now be permitted to invest in New Issue securities regardless of its direct or indirect ownership of a broker-dealer and (iii) In Family offices and family investment vehicles- The Rule amendments align the definition of family investment vehicles with the concept of family offices set forth in the Investment Advisers Act of 1940 and, thereby, expand the definition of family investment vehicles. Advisers to these family investment vehicles are no longer considered "portfolio managers" for purposes of Rule 5130 and, therefore, are no longer Restricted Persons.

The Company has implemented a "carve-out arrangement" under the Rule pursuant to which Partners who are Restricted Persons under the Rule will not be allocated more than 10 percent of the profits or losses attributable to the Company's participation in "new issues." Consequently, the rate-of-return experienced by limited partners who participate fully in New Issues may differ materially from that of limited partners who are Restricted Persons.

4. THE MANAGER

PAVAKI CAPITAL MANAGEMENT LLC has been appointed as the Company's General Partner (the "General Partner"). The General Partner provides administrative services to the Company. The General Partner will be responsible for, among other things: (i) maintaining the register of Partners of the Company and generally

performing all actions related to the transfer and withdrawal of Partners in the Company; (ii) reviewing and, subject to approval by the General Partner, accepting or rejecting subscriptions and accepting payment therefore; (iii) computing and disseminating the net asset value of the Company and the value of each Partner's capital account in accordance with the Company's Limited Liability Agreement; (iv) keeping the accounts of the Company and such financial books and records as are required by law or otherwise for the proper conduct of the financial affairs of the Company, and assisting with or procuring the preparation of annual financial statements of the Company and furnishing such statements, as well as monthly net asset value reports, to Partners; (v) communicating with Partners; and (vi) performing all other accounting and clerical services necessary in connection with the administration of the Company.

The General Partner and its directors, officers, employees, agents, servants, delegates and affiliates will not be liable to the Company for any acts or omissions in connection with the services rendered in the absence of gross negligence, willful default or fraud on the part of the General Partner or its directors, officers, employees, agents, servants, delegates or affiliates. In addition, the Company has agreed to indemnify the General Partner and its directors, officers, employees, agents, servants, delegates and affiliates from and against any and all liabilities and expenses arising out of the General Partner's actions, other than liabilities and expenses arising out of the gross negligence, willful default or fraud on the part of the General Partner or its directors, officers, employees, agents, servants, delegates or affiliates.

In connection with the determination of the net asset value of the Company, the General Partner may consult with and is entitled to rely upon the advice of the Company's custodians, brokers, the General Partner or the Investment Manager. In no event and under no circumstances shall the General Partner, the Investment Manager or the General Partner incur any individual liability or responsibility for any determination made or other action taken or omitted by them in good faith. To the extent that the General Partner relies on information supplied by the Investment Manager, or any brokers or other financial intermediaries engaged by the Company, the General Partner's liability for the accuracy of its calculations is limited to the accuracy of its computations. The General Partner is not liable for the accuracy of the underlying data provided to it.

5. INVESTMENT MANAGER

PAVAKI CAPITAL MANAGEMENT LLC, who is also the Fund's General Partner, will serve as the Investment Manager of Company and provide discretionary investment advisory and portfolio management services to the Company (the "Investment Manager"). The Investment Manager is NOT registered with the Securities and Exchange Commission (SEC). However, the Investment Manager may engage outside registered investment advisors as necessary to comply with recent changes to the U.S. Securities Regulations.

Principal's Background and Experience

Ashok Patel, President (CEO), Fund's General Partner, Investment Manager

Ashok Patel, the principal of the Investment Manager, has direct and primary responsibility for all investment decisions of the Company. The Investment Manager utilizes a multi-disciplined investment approach, the foundation of which is company specific (or "fundamental") analysis with diversified sectors. The Investment Manager concentrates on the growth potential and qualitative research. The Company will take a long or short position in the security depending on whether the security is undervalued or overvalued. The Investment Manager's objective is to generate substantial absolute returns. When market conditions dictate, the Investment Manager may use one or more hedging techniques, including but not limited to the use of derivative securities, as a means of preserving capital.

Mr. Patel possesses the following degrees and medical training:

- M.B.B.S. (Degree of Bachelor of Medicines and Bachelor of Surgery) from Smt. NHL Municipal Medical College, Gujarat University, India
- Internship at Virginia Commonwealth University
- Residency at Waterbury Hospital
- Fellowship in Allergy and Immunology from National Jewish Center for Immunology and Respiratory Medicine.

Mr. Patel has also successfully passed the Series 65 Uniform Investment Adviser Examination.

Maitali Ramkumar, General Manager, Fund's General Partner, Investment Manager

Maitali Ramkumar has over 15 years of rich experience in financial analysis, equity research, business analysis, and business consulting.

In her stint as a sell-side institutional equity research analyst, she published research reports on numerous companies with "buy" and "sell" recommendations. As a financial expert, she has deep experience in financial modeling, forecasting, and valuations.

Maitali was instrumental in establishing and maintaining relationships with mutual fund managers and foreign institutional investors across the industry. She not only strengthened ties with fund managers but also conducted several conferences involving fund managers and company management.

Her strong base in equity research was developed at IDBI Capital, where she began as a junior analyst and moved up her career path. She joined the organization after topping in most of her years of undergraduate and postgraduate studies. Her love for understanding businesses led her to pursue a BMS (Bachelor of Management Studies) from L.S. Raheja College of Arts & Commerce and later an PGDBA (Post Graduate Diploma in Business Administration) in finance from SIES College of Management Studies.

Other Activities

Pursuant to the Limited Partnership Agreement, the principals of the General Partner will devote as much time to the business of the Company as they, in their sole and absolute discretion, deem advisable. In addition, the General Partner has the right, without the consent of the Partners, to admit additional General Partners at the commencement of any calendar quarter or any other times as the General Partner determines. The Partners do not have any right to participate in the management of the Company and have limited voting rights.

Potential Conflict of Interest

The General Partner and the Investment Manager and their principal(s) may be affiliated with or render services to other investment entities or accounts including entities and/or accounts with investment goals and strategies similar to those of the Company. The principal(s) of the General Partner may also be or become related to other service provider who will provide services to the Company in which fees and/or commissions will be paid to the principal(s) of the General Partner, these service providers may include broker-dealers, prime brokerage services, and fund administrative services.

6. FEES AND EXPENSES

The General Partner is responsible for all direct costs, fees and expenses incurred by or on behalf of the Company in connection with its organization, management and operation, including: all fees and expenses relating to the registration and qualification for sale of such securities and all transfer taxes); (ii) all Federal, state and local taxes and filing fees payable by the Company; (iii) all costs, fees and expenses of the Company relating to Partners' meetings and the preparation and mailing of reports to Partners; (iv) all fees and disbursements of the Company's independent attorneys, accountants and consultants; (v) all filing and recording fees; (vi) all interest expense of the Company; and (vii) any extraordinary expenses of the Company. The Partners will also not be burdened with any of the general overhead expenses of the General Partner or the Investment Manager (such as rent, salaries and equipment costs). All such overhead expenses are for the account of the General Partner or the Investment Manager, as applicable.

The General Partner and Investment Manager will not be charging a management fee calculated as a percentage of the Company's net assets. However, per paragraph 3.02 of the Partnership Agreement, the General Partner shall allocate all commissions, sales charges and other transaction-related expenses from the Company by allocating such costs to the Partners' Capital Accounts on a proportionate basis based on each respective Partner's percentage ownership.

This table describes the fees and expenses that you may pay as a Partner of the Company:

Partners Fees *(fees paid directly from your investment)*	**Classes** **All Classes**
Sales Charge (Load) imposed on purchases	Variable
Redemption Fee within the first 36 months of the Lock-up period (percentage of amount redeemed, if applicable)[(1)(2)]	50.00%
Annual Fund Operating Expenses *(expenses deducted from Fund assets)*	
Management fee	0.00%
Distribution (12b-1) and Partners Servicing Fee	0.00%
Total	0.00%

(1) A Redemption Fee of 50% will be applied to Interests redeemed within first 12 months of purchase, a redemption fee of 40% will be applied to Interests redeemed within 12 to 24 months of purchase, and a redemption fee of 35% will be applied to Interests redeemed within 24 to 36 months of purchase.

(2) There shall be no reconciliation for all profits and losses allocated to the Limited Partner's Capital Account in case of withdrawal during lock-up period Hence, no excess performance fees, if any, shall be refunded.

7. ALLOCATION OF PROFITS AND LOSSES; INCENTIVE ALLOCATION TO GENERAL PARTNER; SPECIAL LIMITED PARTNERS

Allocation of Profits and Losses

There shall be established for each Partner a Capital Account with the books of the Company. The Opening Capital Account shall be determined as of the date of:

(i) the first day of each fiscal quarter of the Company (April 1, July 1, October 1, and January 1),

(ii) each other day on which a Limited Partner shall have been admitted to the Company pursuant to Section 8 below,

(iii) each other day next succeeding a day as of which a Limited Partner shall have withdrawn capital pursuant to the Limited Partnership Agreement,

(iv) each other day next succeeding a day as of which a Limited Partner shall have withdrawn from the Company pursuant to the Limited Partnership Agreement, and

(v) the termination of the initial Lock Up Period or such other lock up period as the General Partner and Partner shall agree.

Each such day being hereinafter called a "Fiscal Date." The Opening Capital Account shall begin on the relevant foregoing Fiscal Date and shall end on the last day of the fiscal quarter (March 31, June 30, September 30, and December 31), the date preceding the next Fiscal Date, or the termination of the Company, whichever occurs first (hereinafter referred to as the "Fiscal Period"). The Opening Capital Account for each Fiscal Period shall be an amount equal to the Closing Capital Account of such Limited Partner for the immediately preceding Fiscal Period plus any additional contributions during the Fiscal Period less any withdrawals made by such Limited Partner.

The Closing Capital Account shall be determined as of the last day of the Fiscal Period (as defined above), and determined by adjusting the Opening Capital Account balance by the amount equal to the excess of:

(i) the value of all assets of the Company, including (but not limited to) Securities, cash, receivables, prepaid expenses and deferred charges and fixed assets (as valued in accordance with the "Valuation of the Company" provisions below), less appropriate provision for depreciation, over

(ii) the amount of all proper reserves and liabilities of the Company, including (but not limited to) notes and accounts payable, accrued expenses and deferred income.

If such amount determined at the end of the Fiscal Period exceeds the aggregate amount of all Partners' Opening Capital Account balances, the excess will be credited to the Partners' Opening Capital Account balances in accordance with each such Partner's percentage ownership in the Company (as determined by Section 4.06 of the Limited Partnership Agreement.) If such amount is less than the aggregate amount of all Partners' Opening Capital Account balances, the deficit will be debited to Partners' Opening Capital Account balances in accordance with each such Partner's percentage ownership in the Company.

Valuation of the Company

In connection with such valuation, portfolio securities shall be valued as follows:

(1) Listed portfolio securities are valued at the last reported sales price on the date of determination on the principal exchange on which such securities are traded or, if not available, at the mean between the exchange listed "bid" and "asked" price;

(2) Over-the-counter securities are valued at the last reported sales price on the date of determination if available through the facilities of a recognized interdealer quotation system (such as securities in the Nasdaq Stock Market List), or if the last reported sales price is not available, over-the-counter securities are valued at the mean between the closing "bid" and "asked" prices on the date of determination;

(3) Any security in the form of an exchange listed option will be valued at the mean between the closing "bid" and "asked" prices;

(4) Forward currency exchange contracts will be valued at the current cost of covering or offsetting such contracts; and

(5) All other securities shall be assigned the value that the Investment Manager, in good faith, determines to reflect the fair value thereof.

The Investment Manager may use methods of valuing securities other than those set forth herein if it believes the alternate method is preferable in determining the fair value of such securities. To the extent that the General Partner relies on information supplied by the Investment Manager, or any brokers or other financial intermediaries engaged by the Company in connection with making any of the aforementioned calculations, the General Partner's liability for the accuracy of such calculations is limited to the accuracy of its computations. The General Partner is not liable for the accuracy of the underlying data provided to it.

The accounts of the Company are maintained in U.S. dollars. Assets and liabilities denominated in other currencies are converted at the rates of exchange in effect at the relevant valuation date and conversion adjustments are reflected in the results of operations. Portfolio transactions and income and expenses are converted at the rates of exchange in effect at the time of each transaction.

Prospective investors should understand that these and other special situations involving uncertainties as to the valuation of portfolio positions could have an impact on the Company's net assets if the Investment Manager's judgments regarding the appropriate valuation should prove to be incorrect.

All values assigned to securities by the Investment Manager shall be final, binding and conclusive on all of the Partners.

Incentive Allocation to General Partner

The Performance Allocation or Carried Interest allocable and payable to the General Partner is equal to twenty percent (20%) of the aggregate net gain allocated quarterly to the Partners capital account and subject to a "high water mark" limitation, so that no allocation and payment is made to the General Partner with respect to its Carried Interest until prior net losses allocated to a Partner are recouped within the performance period.

At the close of each Performance Period (as defined below), twenty percent (20%) of the net profits (realized and unrealized) provisionally allocated to the capital account of each Partner or, in the case of a withdrawal of capital by a Partner other than on the last day of a fiscal quarter, to the withdrawing Partner with respect to the withdrawn Interest, for the Performance Period shall be reallocated and credited to the capital account of the General Partner

and debited to the capital accounts of the Partners or the withdrawing Partner, as the case may be. The reallocation of net profits to the General Partner described above represents the General Partner's "Carried Interest" in the Company.

The Performance Period is the fiscal (calendar) quarter (three months ended March 31, June 30, September 30 and December 31); provided, however, that (a) if a Partner is admitted to the Company on any date other than the first day of the fiscal quarter, then the initial Performance Period shall be the period commencing on such date and ending on the last day of the fiscal quarter during which the investment is made, (b) upon the withdrawal of capital by a Partner other than at the end of the fiscal quarter, the Performance Period shall be the period commencing on the first day of the quarter or on the date during the quarter on which the capital account was established, if other than the first day of such quarter, and ending on the withdrawal date, and (c) in the event the Company is terminated other than at the end of a quarter, the final Performance Period shall be the period commencing on the first day of the Company's final fiscal quarter and ending on the termination date.

The high-water mark shall be re-set on a quarterly basis. The amount of prior Performance Period net losses that must be recouped before a Carried Interest allocation is made shall be adjusted to take into account any distributions to or withdrawals by a Partner, with the amount of such prior net losses being reduced in proportion to the distribution or withdrawal.

At the close of the initial Lock Up Period, or such other period as the General Partner and Limited Partner shall agree, the Limited Partner's Capital Account shall be reconciled for all profits and losses allocated to the Limited Partner's Capital Account. To the extent that the Performance Allocation charged to the Limited Partner's Capital Account exceeds the cumulative profits allocated to the Limited Partner's Capital Account during the initial Lock Up Period or other lock up period, the General Partner will reimburse or refund the Limited Partner's Capital Account for such excess Performance Allocation. If, however, the aggregate profits allocated to the Limited Partner's Capital Account during the applicable lock up period exceeds the Performance Allocation charged to the Limited Partner's Capital Account, the General Partner has the right to charge and get paid an additional Performance Allocation to such Limited Partner's Capital Account to reconcile for the outstanding profits.

However, there shall be no reconciliation for all profits and losses allocated to the Limited Partner's Capital Account in case of withdrawal during lock-up period. Hence, no excess performance fees, if any, shall be refunded.

The General Partner may waive all or part of the Performance Allocation with respect to one or more Partners from time to time in its sole discretion. The General Partner may also pay over a portion of the Performance Allocation to one or more third parties who introduce investors or perform other services for the Company or the General Partner.

The following is an example of the application of the Carried Interest and high-water mark calculations. The following is intended for demonstrative purposes only and is not intended as a representation or warranty.

Assuming a Limited Partner invests $1,000,000 in the Company and, in the first quarter following the Partner's investment, the Company earns a 15% return. The Limited Partner's capital account would increase by $150,000 in the quarter. In such circumstances, the high-water mark for the Limited Partner would be $1,120,000, and the Investment Manager would be entitled to $30,000 in Carried Interest at the end of the quarter in connection with the calculation of the Partner's Closing Capital Account.

*However, assuming that the Company decreases in value (as calculated herein) by 20% in the next quarter, the Limited Partner's Closing Capital Account balance would decline to $896,000 (20% loss from $1,120,000). This is where the high-water mark becomes relevant. No Carried Interest will be paid to the Investment Management between $896,000 and $1,120,000. Assume now that in the third quarter following the investment, the Company earns a profit of 50%, increasing the Limited Partner's capital account to $1,344,000 ($896,000 * 1.5). In this scenario, the value of the Limited Partner's account has increased by $224,000 over the high-water mark. The Investment Manager would therefore only be entitled to a Carried Interest allocation on $224,000, or $44,800 for the third quarter following the investment.*

The high-water mark thus prevents the Investment Manager from double counting profits when valuations fluctuate from month to month.

As new Limited Partners will be periodically subscribing to the Fund and withdrawing from it, the high-water mark will be measured on contribution-by-contribution basis.

8. ADMISSION OF LIMITED PARTNERS; SUBSCRIPTION PROCEDURES

The Company is offering through this memorandum Partnership Interests to eligible purchasers. Investment in the Company may not be suitable for charitable remainder trusts and might not be suitable for certain other tax-exempt investors. Only investors who are: i) "accredited investors" in the meaning of Rule 501(a) of Regulation D under the Securities Act 1933; ii) "qualified clients" as defined in Rule 205-3 under the Advisers Act; and (iii) those individual investors sufficiently knowledgeable and experienced in management and business matters such that they are capable of evaluating the merits and risks of an investment in the Company, will be permitted to invest in the Company.

An "Accredited investor" includes: (i) an individual (a) with a net worth or joint net worth with a spouse or spousal equivalent of at least $1 million, not including the value of his or her primary residence; (b) with income exceeding $200,000 in each of the two most recent calendar years or joint income with a spouse or spousal equivalent exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year or; (c) holding in good standing any of the general securities representative license (Series 7), the investment adviser representative license (Series 65), or the private securities offerings representative license (Series 82); (ii) a bank, savings and loan association, insurance company, registered investment company, business development company, or small business investment company or rural business investment company; (iii) an SEC-registered broker-dealer, SEC- or state-registered investment adviser, or exempt reporting adviser; (iv) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5 million; (v) an employee benefit plan (within the meaning of the Employee Retirement Income Security Act) if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million; (vi) a tax exempt charitable organization, corporation, limited liability corporation, or partnership with assets in excess of $5 million; (vii) a director, executive officer, or general partner of the company selling the securities, or any director, executive officer, or general partner of a general partner of that company; (viii) an enterprise in which all the equity owners are accredited investors; (ix) a trust with assets exceeding $5 million, not formed only to acquire the securities offered, and whose purchases are directed by a person who meets the legal standard of having sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the prospective investment; (x) an entity of a type not

otherwise qualifying as accredited that own investments in excess of $5 million; (xi) a knowledgeable employee, as defined in rule 3c-5(a)(4) under the Investment Company Act, of the issuer of securities where that issuer is a 3(c)(1) or 3(c)(7) private fund or; (xii) a family office and its family clients if the family office has assets under management in excess of $5 million and whose prospective investments are directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.

A "qualified client" means (i) A natural person who, or a company that, immediately after entering into the contract has at least $1,000,000 under the management of the investment adviser; (ii) A natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either: (a) has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $2,000,000; (b) is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(51)(A)) at the time the contract is entered into; or (iii) A natural person who immediately prior to entering into the contract is: (a) an executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or (b) an employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

The minimum initial investment by each Partner is $1,000,000, subject to the General Partner's sole and absolute discretion to accept a lesser amount.

ERISA and Other Tax-Exempt Investors

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

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

Certain duties, obligations and responsibilities are imposed on persons who serve as fiduciaries with respect to employee benefit plans or accounts ("Plans"); for example, ERISA and the Code prohibit acts of fiduciary self-dealing and certain transactions between Plans and "parties-in-interest" or "disqualified persons" (as such terms are defined in ERISA and the Code). In the Partnership's Subscription Agreement, each Plan investor will be required to represent that its fiduciary has independently made the decision to invest in the Partnership and has not relied on any advice from the Partnership, the General Partner, any placement agent associated with the Partnership, or any of their affiliates with respect to the investment in the Partnership. Accordingly, fiduciaries of Plans should consult their own investment advisors and their own legal counsel regarding the investment in the Partnership and its consequences under applicable law, including ERISA and the Code. EACH PROSPECTIVE INVESTOR THAT IS SUBJECT TO ERISA AND/OR SECTION 4975 OF THE CODE IS ADVISED TO CONSULT WITH ITS OWN LEGAL, TAX AND ERISA ADVISERS AS TO THE CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

Subscription Procedures

To become a Partner, a prospective investor should: (i) complete and execute a copy of the subscription agreement and investor questionnaire inserting the amount of the capital contribution agreed to be made, the prospective Partner's personal information and taxpayer identification or social security number; (ii) provide copies of documents confirming the investors identification, such as a passport or driving license; and (iii) return all such executed copies to the General Partner.

Unless waived by the General Partner, all capital contributions must be made by delivering a regular or cashier's check payable to the Company or by wiring cash to the Company's bank account in the name of the Company which must be received at least three business days prior to the admission date. Copies of the subscription agreement and investor questionnaire are contained in the materials accompanying this Memorandum.

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

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

The General Partner will notify each new Partner of the date by which, and address to which, he/she will be required to transmit the amount of his/her capital contribution agreed to be made under the Subscription

Agreement. Shortly thereafter, the General Partner will return to each Partner his/her copy of the subscription agreement and investor questionnaire (as executed by the General Partner). The General Partner may pay fees to persons (whether or not affiliated with the General Partner) who are instrumental in the sale of interests in the Company. Any such fees will in no event be payable by or chargeable to the Company or any Partner or prospective Partner.

In making an investment decision, prospective Partners must rely on their own examination of the Company and the terms of this offering, including the merits and significant risks involved. Each prospective Partner should consult the Partner's own counsel, accountant and other professional advisor as to investment, legal, tax and other related matters concerning the Partner's proposed investment.

9. REPORTS TO MEMBERS

The Company will furnish to each Partners: (i) audited annual financial reports of the Company; (ii) annual descriptive investment information for each investment; (iii) annual tax information for the completion of income tax returns; (iv) a statement from the Company's auditors detailing the Partners capital account; and (v) from time-to-time unaudited periodic reports at the discretion of the General Partner, but no less often than quarterly.

10. OTHER PROVISIONS OF THE PARTNERSHIP AGREEMENT

Term

The Company will continue indefinitely, unless terminated pursuant to the terms of the Partnership Agreement.

Management of the Company

The General Partner will have full discretionary authority and responsibility to manage the operations (including, without limitation, the investment activities) of the Company. The Limited Partners will not participate in the management or control of the Partnership's business or operations. The General Partner, the Investment Manager and their personnel may engage in other business ventures, including those which may be competitive with the operations and business of the Partnership and shall only be required to devote such time to the business of the Partnership as is deemed necessary in their sole discretion.

Indemnification of the General Partner and the Investment Manager

The Limited Partnership Agreement provides for limitations on the liability of, and for the indemnification of, the General Partner, any other General Partners and their respective affiliates, except that no such indemnification will relieve any person from liability for fraud, gross negligence, willful misconduct, the violation of Federal or state securities laws or any criminal wrongdoing. The Investment Management Agreement provides for limitations on the liability of, and for the indemnification of, the General Partner and each of its affiliates and each of its and their principals, managers, members, officers, directors, employees, equity holders and representatives, except that no such indemnification will relieve any person from liability for willful misconduct, fraud or gross negligence on the part of such parties in the performance or nonperformance of their respective obligations or duties thereunder.

Commissions, Etc.

The Investment Manager may pay (to the extent permitted by law) commissions or other compensation to qualified brokers and other persons who introduce prospective investors to the Company. The General Partner

may waive or reduce its "Carried Interest" requirement with respect to any such person who is an investor in the Company.

Company Ownership Percentage; Limited Partners and General Partner

The General Partner shall establish on the books of the Company as of the first day of each Fiscal Period of the Company, a percentage ("Company Percentage" or "Ownership Percentage") for such Fiscal Period which shall determine the participation of each Limited Partner in the Profits and Losses of the Company. The Company Percentage or Ownership Percentage shall be determined by dividing the amount of such Limited Partner's Opening Capital Account for such Fiscal Period by the sum of the Partners' Capital Accounts for such Fiscal Period. Each Partner shall have and own during any Fiscal Period an undivided interest in the Company's property equal to his Company Percentage.

The General Partner shall establish on the books of the Company as of the first day of each Fiscal Period of the Company, a percentage ("Participating Percentage") for such Fiscal Period, which shall determine the General Partner's participation in the Profits and Losses of the Company. The Participating Percentage for each Fiscal Period shall be determined by the General Partner, in its sole and absolute discretion, as soon as practicable after the beginning of such Fiscal Period. The Participating Percentages for each Fiscal Period will be adjusted upon the admission of additional General Partners.

New Partners; Additional Capital Contributions

Unless otherwise determined by the General Partner, in its sole and absolute discretion, each new Partner shall be admitted to the Company, and each existing Partner may make an additional capital contribution to the Company, as of the first day of the calendar month provided that the General Partner timely receives and accepts such person's initial or additional, as applicable, capital contribution and executed Subscription Documents and/or such other documents or agreements as the General Partner may require. A person shall become a Partner when the General Partner enters such person as a Partner on the books of the Company. Capital contributions must be made in cash unless the General Partner, in its sole discretion, agrees to accept capital contributions in the form of securities.

Withdrawal of Capital

After the Initial Lock-Up period expires, a Limited Partner can make full withdrawal of capital, terminating Partner's entire interest in the Fund. The Partner must provide 60 days' notice before the expiration date of the lock-up to withdraw of funds. If a Partner wants to continue with the Fund, the General Partner will negotiate a new deal, executed through a new set of documents.

Distribution of any withdrawal generally will be made within fifteen (15) business days after the expiration date ("Withdrawal Date"), although ten percent (10%) of any withdrawal that represents more than ninety percent (90%) of a Partner's capital may be withheld until the Company receives its year-end audited financials for the fiscal year during which the withdrawal was made. The General Partner may vary these withdrawal terms, in whole or part, for certain investors, in its sole discretion.

Initial Lock-Up Period

"Initial Lock-Up Period" means the Partner may not request redemption of their investment for a period of at least thirty-six (36) months from the date their capital contribution. Each capital contribution made by a Partner shall be subject to the Initial Lock-Up Period.

The Initial Lock-Up Period shall be calculated separately for each capital contribution made by a Partner. For these purposes, withdrawals of capital will be processed on a "first-in, first-out" basis, with each withdrawal being made from the earliest available capital contribution.

Termination of Investment in the Company

Complete withdrawals of a Limited Partner's capital may be made at such other times and on such other notice as the General Partner, in its sole and absolute discretion, shall permit. Distribution of cash or marketable securities (or a combination thereof) having an aggregate value at least equal to ninety percent (90%) of the estimated capital account of a withdrawing Limited Partner, or of a Limited Partner who dies, will be made to such Limited Partner or his or its legal representatives at the end of the calendar year in which the death occurred, and distribution of the balance of such capital account, as finally determined as of the end of such year, will be made within fifteen (15) days after the receipt by the Company of its audited financial statements for such year.

The General Partner may vary these withdrawal terms, in whole or part, for certain Limited Partners, in its sole and absolute discretion.

Withdrawal Payments; Establishment of Reserves

The value of a Limited Partner's Interest upon a withdrawal is equal to the amount in such Limited Partner's Closing Capital Account as of the last day of the year of determination or other applicable period. Partial or full withdrawals may be paid in any combination of cash and securities, in the General Partner's sole discretion. Transaction costs involved in a withdrawal may be charged to the withdrawing Partner.

The General Partner may withhold payment of all or any part of the amount withdrawn by a Limited Partner to establish such reserves for contingencies as the General Partner, in its sole and absolute discretion, may deem advisable.

Withdrawal requests may be submitted by email to the General Partner at support@pavakicapital.com, provided that:

1. the original signed withdrawal request is received by the General Partner prior to the withdrawal date; and

2. the Partner receives written confirmation from the General Partner that the faxed withdrawal request has been received.

The General Partner will confirm in writing within thirty (30) Business Days of receipt all faxed withdrawal requests that are received in good order. Limited Partners failing to receive such written confirmation from the General Partner within thirty (30) Business Days should contact the General Partner at (719) 402-3900 to obtain the same. Failure to obtain such written confirmation will render faxed instructions void.

Required Withdrawals

The General Partner may, in its sole discretion, require any Limited Partner to withdraw from the Company, with or without cause, if the General Partner shall determine, in its sole and absolute discretion that such termination and withdrawal shall be in the best interests of the Company. The General Partner shall give not less than sixty (60) days' prior written notice of such termination to such Limited Partner. Such required withdrawal could result in adverse tax and/or economic consequences to such Limited Partner.

Privacy Policy

See Exhibit C of the Subscription Documents for a statement of the Company's Privacy Policy, as required under federal law. The privacy policy explains the manner in which the Company, the General Partner and the Administrator collect, utilize and maintain nonpublic personal information about the Partnership's investors, as required under federal law (referred to herein as the "**Privacy Act**"). As a matter of policy, the General Partner applies these restrictions to nonpublic information relating to all Limited Partners, whether or not they are actually covered by the Privacy Act.

Termination of the Company

The Company shall continue until terminated at the election of the General Partner or otherwise by operation of law.

11. SERVICE PROVIDERS

Prime Broker and Custodian

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

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. It is the Investment Manager's policy not to accept "soft dollars" and has not engaged in any soft dollar agreements with a broker-dealer. Should Investment Manager's policy with respect to "soft dollars" change, Investment Manager will notify the Partners and amend this Memorandum.

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

In selecting brokers and negotiating commission rates, the Investment Manager will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers.

The Investment Manager may place transactions with a broker or dealer that (i) provides the Investment Manager (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Partnership or other products advised by the Investment Manager (or an affiliate), if otherwise consistent with seeking best execution; provided the Investment Manager is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

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

The Company will maintain accounts at Interactive Brokers LLC, its prime broker, through which the Investment Manager may execute trades, borrow securities and maintain custody of its securities. The Company reserves the right, in its sole discretion, to change the brokerage and custodial arrangements described above without further notice to Limited Partners.

Auditor

The Company has retained the services of RAINES AND FISCHER LLP a qualified accounting firm experienced in fund accounting as its independent auditor. Audited financial statements of Pavaki Capital Partners L.P. will be provided to Limited Partners on an annual basis following the close of the Company's fiscal year.

RAINES AND FISCHER LLP will audit the consolidated financial statements of Pavaki Capital Partners LP ("the Fund"), which comprise the consolidated balance sheet as of the end of the fiscal (e.g., calendar) year, and the related consolidated statements of operations, changes in members' equity and cash flows for the period then ended, and the related notes to consolidated financial statements.

RAINES AND FISCHER LLP will also prepare the annual Federal and all required State Partnership Income Tax Returns for the Company, including the related K-1s to be issued to the members of the Company.

Administrator

NAV Consulting, Inc. (the "Administrator" or "NAV") has been engaged as the administrator of the Fund pursuant to a Service Agreement entered into with the Fund (the "NAV Agreement"). The Administrator is responsible for, among other things, calculating the Fund's net asset value, performing certain other accounting, back-office, data processing, processing subscriptions, redemptions and transfer activities of Partners in the Fund, certain anti-money laundering functions and related administrative services.

The NAV Agreement provides that the Administrator shall not be liable to the Fund, any Partner or any other person in absence of finding of willful misconduct, gross negligence, or fraud on the part of NAV. Furthermore, Fund shall indemnify and hold harmless the Administrator, its affiliates, and their respective officers, directors, shareholders, employees, agents and representatives (collectively, the "NAV Parties") from and against any liability, damages, claims, loss, cost or expense, including, without limitation, reasonable legal fees and expenses (individually, "Loss" and collectively, "Losses") arising from, related to, or in connection with the services provided to the Fund pursuant to the NAV Agreement, unless any such Losses are the direct result of the willful misconduct, gross negligence or fraud of NAV. In no event shall NAV have any liability to the Fund, any Partner or any other person or entity which seeks to recover alleged damages or losses in excess of the fees paid to NAV by the Fund in the one year preceding the occurrence of any loss, nor shall NAV be liable for any indirect,

incidental, consequential, collateral, exemplary or punitive damages, including lost profits, revenue or data, regardless of the form of the action or the theory of recovery, even if NAV has been advised of the possibility of such damages or such damages were foreseeable. Any claim brought against NAV in connection with the NAV Agreement will be barred unless it is initiated within one year of the earlier of the disclosure of the event which is the subject of such claim or the date that the party advancing such claim knew or could with due inquiry have known of such event.

NAV shall not be liable to the Fund, any Partner or any other person for the actions or omissions of any agent, contractor, consultant or other third party performing any portion of the services under the NAV Agreement absent a finding of gross negligence or fraud on the part of NAV in appointing such agent, contractor, consultant or other third party.

NAV shall not be liable to the Fund, any Partner or any other person for actions or omissions made in reliance on instructions from the Fund or advice of legal counsel.

The services provided by NAV are purely administrative in nature. NAV has no responsibilities or obligations other than the services specifically listed in the NAV Agreement. No assumed or implied legal or fiduciary duties or services are accepted by or shall be asserted against NAV. NAV does not provide tax, legal or investment advice. NAV has no duty to communicate with Partners other than as set forth in Exhibit A of the NAV Agreement. NAV does not have custody of Fund's assets, it does not verify the existence of, nor does it perform any due diligence on the Fund's underlying investments, including, investments in or via related or affiliated entities. In connection with the payment processing functions, NAV shall not be responsible for performance of the due diligence on payment recipients' other than in connection with payments for Partners' withdrawals from the Fund, which are subject to anti -money laundering review functions of the services.

The NAV Agreement also provides that it is the obligation of the Fund's management, and not of NAV, to review, monitor or otherwise ensure compliance by the Fund with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Fund's offering documents, including, without limitation, with its valuation policy or the Fund's stated investment strategy, and with laws and regulations applicable to its activities. The Fund's management's responsibility for the management of the Fund, including without limitation, the valuation of the Fund's assets and liabilities, including, defining and maintaining the valuation policy and for fair valuing the Fund's assets, the oversight of the services provided by NAV and the review of work product delivered by NAV shall not be affected by or limited by any of the services provided by NAV.

The NAV Agreement provides that NAV is entitled to rely on any information, including valuation information, received by NAV from the Fund, the Fund's management or other parties, including without limitation, broker - dealers and data vendors, without independent verification, audit, review, inquiry, or performing other due diligence and NAV shall not be liable to the Fund, any Partner or any other persons for losses suffered as a result of NAV relying on incorrect information. NAV has no responsibility to review, independently value, verify, compare to other pricing sources or otherwise perform due diligence on the valuation information. NAV may accept such information as accurate and complete without independent verification. Furthermore, NAV shall not be liable to the Fund, any Partner or any other person for any loss incurred as a result of an error or inaccuracy of any valuation information received from the Fund or from any pricing or valuation service or data service provider or delay, interruption in service or failure to perform of any pricing or valuation service or data service provider used by NAV.

The information on Partners' statements and other reports produced by NAV shall not be considered an offer to sell or a solicitation of an offer to purchase any interest in the Fund, nor may it be used to induce or recommend the purchase or holding of any interest in the Fund.

The NAV Agreement bars non-parties from asserting third party beneficiary claims against NAV.

The Fund pays NAV fees out of the Fund's assets, generally based upon the size of the Fund, in accordance with NAV's standard schedule for providing similar services, subject to a monthly minimum.

Either party may terminate the NAV Agreement on 60 days' prior written notice as well as on the occurrence of certain events .

Partners may review the NAV Agreements by contacting the Fund; provided, that NAV reserves the right not to disclose the fees payable thereunder.

NAV is not responsible for the preparation of this Confidential Memorandum or the activities of the Fund and therefore accepts no responsibility for any information contained in any other section of this Confidential Memorandum.

USA Funds Contact Information
Administrator
NAV Consulting, Inc.
1 Trans Am Plaza Drive, Suite 400
Oakbrook Terrace, Illinois 60181
T: +1 630.954.1919
F: +1.630.954.1945
main@navconsulting.net

Where to Send Subscriptions and Redemptions
PAVAKI CAPITAL PARTNERS LP
c/o Ashok Patel
4104 Muirfield Ct
Pueblo, CO 81001, United States
T: +1.719.402.3900
support@pavakicapital.com

Please note email is always preferred to speed response and avoid delays.

12. ANTI-MONEY LAUNDERING CONSIDERATIONS

As part of the Company's responsibility for the prevention of money laundering, the Company and the General Partner will require a detailed verification of an investor's identity and the source of the payment from any person delivering completed Subscription Documents to the Company.

In order to comply with proposed regulations aimed at the prevention of money laundering in the United States, the Company is required to verify the identity of all prospective investors and the source of their funds, to the extent required under the USA PATRIOT Act, and to determine if such investors are Prohibited Investors (as defined in the Company's Subscription Documents) identified on various lists maintained by the U.S. Government. If the Company determines that any investor is a Prohibited Investor, the Company may, among other things, freeze that investor's assets in the Company and notify appropriate legal authorities.

The Company and the General Partner reserve the right to request such documentation, as they deem necessary to verify the identity of a prospective investor and to verify the source of the relevant subscription amounts. The

amount of detail required will depend on the circumstances of each application for subscription. By way of example, an individual may be required to produce a copy of a passport or driver's license, together with evidence of his/her address, such as a utility bill or bank statement, and date of birth. For corporate subscribers, the Company may require production of copies of their certificates of incorporation or other formation documents (and any changes of name) and information concerning their principals and/or beneficial owners. Failure to provide the necessary evidence may result in subscription applications being rejected or in delays in the processing of withdrawals.

Pending the provision of satisfactory evidence as to identity, the evidence of title in respect of the Interests may be retained at the absolute discretion of the General Partner. If within a reasonable period of time following a request for verification of identity, the General Partner has not received evidence satisfactory to it as aforesaid, the General Partner and the Company may, in their sole and absolute discretion, refuse to allot the Interests applied for, in which event subscription moneys will be returned without interest to the account from which such moneys were originally debited. The Company, the General Partner, the Investment Manager and any agent of the Company, the General Partner and the Investment Manager will be held harmless and will be fully indemnified by a potential subscriber against any loss arising as a result of a failure to process a subscription or withdrawal request if such information as has been requested by any of them or the General Partner has not been satisfactorily provided by the applicant.

If the Company, the General Partner or the Investment Manager has a suspicion that a payment to the Company (by way of subscription or otherwise) or a payment from the Company (by way of withdrawal or otherwise) contains the proceeds of criminal conduct, the Company, the General Partner or the Investment Manager may report such suspicion to the appropriate authorities. Neither the Company, the General Partner, the Investment Manager, nor any agent of the Company, the General Partner or the Investment Manager will incur any liability for adhering to the Company's responsibilities under its anti-money laundering program, and will be indemnified by the Subscriber for any losses which the Company, the General Partner, the Investment Manager or their respective principals, employees or agents may incur for doing so.

The General Partner and the Company reserve the right to request such information as is necessary to verify the identity of a prospective investor. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the General Partner may refuse to accept the prospective investor and the subscription monies relating thereto or may refuse to process a withdrawal request until proper information has been provided.

13. TAXATION

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of certain of the significant United States federal income tax consequences of an investment in the Company. The following discussion does not discuss all the potential tax considerations relevant to the Company or its operations. Moreover, the tax considerations relevant to a specific Partner depend upon its particular circumstances.

Each prospective Partner is urged to consult its own tax advisor concerning the potential tax consequences of an investment in the Company.

The following discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change

(possibly on a retroactive basis). No tax rulings have been or are anticipated to be requested from the Internal Revenue Service (the "Service") or other taxing authorities with respect to any of the tax matters discussed herein. Except as specifically noted, the following general discussion assumes that each Partner is a United States resident individual or a domestic corporation that is not tax-exempt and that each Partner holds its Interests in the Company as a capital asset and is the initial holder of such Interests. Except as specifically indicated, the following discussion does not deal with the consequences of the ownership of Interests in the Company by special classes of holders, such as dealers in securities or life insurance companies. Special rules applicable to tax-exempt Partners and non-U.S. Partners are discussed separately below.

Notice Pursuant to IRS Circular 230

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN BY THE FUND, ITS COUNSEL OR THE PLACEMENT AGENT TO BE USED, AND CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MIGHT BE IMPOSED UNDER U.S. TAX LAWS. THIS DISCUSSION IS PROVIDED TO SUPPORT AN OFFERING OF PARTNERSHIP IN THE FUND, AND ACCORDINGLY IS WRITTEN IN SUPPORT OF THE MARKETING OF THE PARTNERSHIP IN THE FUND. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE POTENTIAL TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

U.S. Federal Income Tax Treatment of the Company's Operations

Treatment as a Partnership. The Company expects to be treated for U.S. federal income tax purposes as a partnership and not as an association (or publicly traded partnership) taxable as a corporation. Such opinion will be based on certain assumptions and representations, including representations relating to the Company's compliance with its Limited Partnership Agreement. However, such opinion is not binding on the Service or the courts.

Taxation of the Partners on Profits or Losses of the Company. The Company will not pay federal income tax. Instead, each Partner will be required to report on its federal income tax return its distributive share of the Company's income or gain, whether or not it receives any actual distribution of money or property from the Company during the taxable year. In addition, certain of the investments held by the Company may give rise to taxable dividends or interest, even if there has been no corresponding cash distribution by the Company, by reason of imputed "discount" or "pay-in kind" features, in certain cases where an adjustment is made to the conversion price of a convertible security held by the Company, and possibly by reason of not paying accrued dividends currently. Furthermore, investments by the Company in foreign entities may, in certain circumstances (e.g., pursuant to the controlled foreign corporation ("CFC") or the passive foreign investment company ("PFIC") provisions), cause a Partner to recognize income subject to tax prior to the receipt by the Company of any distributable proceeds (or to pay an interest charge on taxable income that is treated as having been deferred). Accordingly, a Partner's tax liability related to the Company could exceed amounts distributed by the Company to such Partner in a particular year. In addition, Partners may recognize gain or loss as a result of receiving cash distributions upon the admission of additional investors after the Initial Closing.

Other Possible Tax Consequences to Partners. Section 469 of the Code provides that, in general, in the case of an individual, estate, or trust, certain types of personal service corporations and certain types of closely held C corporations, for any taxable year the aggregate losses from business activities in which the taxpayer does not materially participate (such business activities are referred to herein as "passive activities") are deductible only to the extent of the aggregate income from passive activities. In the case of certain closely held C corporations,

the net aggregate loss from passive activities (and the net aggregate credit, in a deduction equivalent sense) may offset net active income, but not portfolio income items (as defined below). It is expected that all or substantially all of the Company's assets will give rise to, or be of a type that gives rise to, gross income from interest or dividends not derived in the ordinary course of a trade or business ("portfolio assets"). As a result, the income from such portfolio assets and gain from the disposition thereof ("portfolio income items") will not be able to be offset by losses of a Partner from other sources that are subject to the limitations on deductibility of passive losses imposed by Section 469 of the Code.

Company deductions allocable to certain Partners may be subject to limits for United States federal income tax purposes. Interest deductions (including interest paid by the Company on any borrowings) claimed by a non-corporate Partner may be subject to rules limiting the deduction of "investment interest." The "passive activity" rules of Section 469 may limit the ability of individuals, certain closely-held corporations and certain other persons to deduct passive losses. The ability of a non-corporate Partner to utilize its distributive share of losses from the Company also may be limited by the "at risk" rules of Section 465 and certain other provisions of the Code. Deductions for management fees and certain other flow-through expenses of the Company may be treated as miscellaneous itemized deductions, which may further the amount a US Partner who is an individual, estate or trust may deduct, including as a result of the two percent (2%) adjusted gross income floor on deductions under Section 67 of the Code, and the limitation on deductions provided for under Section 68, which varies based upon a taxpayer's adjusted gross income.

A transfer of Partnership interests and the distribution of Partnership property are subject to certain basis rules that are designed to place limits on the use of partnerships to shift or duplicate losses. These rules effectively make an election under Section 754 of the Code mandatory in certain situations, resulting in an adjustment to the tax basis of the affected partnership's assets.

Prospective investors should also be aware that the Internal Revenue Service may challenge the Company's treatment of items of income, gain, loss, deduction and credit (including, without limitation, various fees and payments payable by the Company or other pass-through entities in which the Company invests), or its characterization of the Company's transactions, and that any such challenge, if successful, could result in the imposition of additional taxes, penalties and interest charges.

Unrelated Business Taxable Income

The General Partner will use reasonable best efforts not to take any action that would cause any tax-exempt Partner to realize "unrelated business taxable income" within the meaning of Sections 512 and 514 of the Code ("UBTI"), provided that notwithstanding the foregoing standard, the Company will be permitted to make certain borrowings. Thus, notwithstanding such undertaking of the General Partner, it is possible that the Company could realize income which would constitute UBTI and, in that event, each tax-exempt Partner would be subject to U.S. federal income tax on its share of such income. Depending on the character of the income in question, a tax-exempt Partner's allocable share of such income could be treated as UBTI.

If a tax-exempt entity's acquisition of an interest in the Company is debt financed (i.e., if the tax-exempt entity incurs debt that is allocated to the acquisition of the Company investment) or if the Company invests in flow through entities that have incurred debt, all or a portion of the income attributed to the "debt-financed property" would be included in UBTI regardless of whether such income would otherwise be excluded as dividends, interest or other similar income. This provision would apply, in the case of ordinary income, only in tax years in which the Company has indebtedness outstanding or, in the case of a sale, if the Company has indebtedness outstanding

at any time during the twelve-month period prior to the sale. The Company has the ability to borrow funds and thus may hold debt-financed property that may produce UBTI.

Excise Tax on Certain Tax-Exempt Entities Entering into Prohibited Tax Shelter Transactions

Section 4965 of the Code imposes an excise tax on certain tax-exempt entities (and their managers) that become a "party" to a "prohibited tax shelter transaction". The Service has recently issued guidance that narrows the circumstances in which a tax-exempt entity could be considered a "party" to a prohibited tax shelter transaction, and under currently issued guidance, an investment by a tax-exempt entity in the Company should not result in such tax-exempt entity being considered a "party" to a prohibited tax shelter transaction for purposes of Section 4965 of the Code. However, there can be no assurance that future guidance would not give rise to circumstances in which an investment in the Company could cause a tax-exempt Partner to be considered a "party" to a prohibited tax shelter transaction. Each tax-exempt entity should consult its own tax advisor regarding an investment in the Company.

Tax Shelter Reporting Rules

The Company may engage in transactions or make investments that would subject the Company, its Partners that are obliged to file U.S. tax returns and/or its advisers to special rules requiring such transactions or investments by the Company, or investments in the Company, to be reported and/or otherwise disclosed to the Service, including to the Service's Office of Tax Shelter Analysis (the "Tax Shelter Rules"). A transaction may be subject to reporting or disclosure if it is described in any of several categories of transactions, which include, among others, (i) transactions that result in the incurrence of a loss or losses exceeding certain thresholds (including foreign currency losses), (ii) transactions that result in large tax credits from assets held for 45 days or less, or (iii) transactions that are offered under conditions of confidentiality. Although the Company does not expect to engage in transactions solely or principally for the purpose of achieving a particular tax consequence, there can be no assurance that the Company will not engage in transactions that trigger the Tax Shelter Rules. In addition, a Partner may have disclosure obligations with respect to its interest in the Company if the Partner (or the Company in certain cases) participates in a reportable transaction.

Non-U.S. Taxes

The Company may be subject to withholding and other taxes imposed by, and Partners might be subject to taxation and reporting requirements in, non-U.S. jurisdictions in which the Company makes investments. It is possible that tax conventions between such countries and the United States (or another jurisdiction in which a non-U.S. Partner is a resident) might reduce or eliminate certain of such taxes. It is also possible that in some cases taxable Partners might be entitled to claim foreign tax credits or deductions with respect to such taxes, subject to certain limitations under applicable law. The Company will treat any such tax withheld from or otherwise payable with respect to income allocable to the Company as cash received by the Company and will treat each Partner as receiving as a distribution the portion of such tax that is attributable to such Partner. Similar provisions would apply in the case of taxes required to be withheld by the Company.

Possible Legislative or Other Actions Affecting Tax Aspects

The present federal income tax treatment of an investment in the Company may be modified by legislative, judicial or administrative action at any time, and any such action may affect investments and commitments previously made. The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the Service and the Treasury Department, resulting in revisions of Treasury

regulations and revised interpretations of established concepts as well as statutory changes. Revisions in federal tax laws and interpretations thereof could adversely affect the tax aspects of an investment in the Company. Congress is currently scrutinizing the federal income tax treatment of private equity funds and hedge funds and there can be no assurance that legislation will not be enacted that has an unfavorable effect on a Partner's investment in the Company.

State and Local Tax Considerations

Partners may become subject to state and local income or franchise taxes in the jurisdictions in which the Company acquires real estate or otherwise is considered to be engaged in a trade or business and may be required to file appropriate returns. Moreover, although not subject to federal income tax, the Company may, by reason of ownership of real estate or otherwise engaging in a trade or business, become subject to state or local income or similar taxes imposed on partnerships themselves (e.g., the New York City Unincorporated Business Tax and the Illinois Personal Property Tax Replacement Income Tax) or may be required to withhold state taxes on income allocable to Partners not residing in such state.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR FURTHER INFORMATION ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PURCHASING AND HOLDING PARTNERSHIP IN THE FUND.

CERTAIN CONSIDERATIONS APPLICABLE TO ERISA, GOVERNMENTAL AND OTHER PLAN INVESTORS

Employee benefit plans that are subject to the fiduciary provisions of ERISA (including, without limitation, pension and profit-sharing plans), plans that are subject to Section 4975 of the Code (including, without limitation, individual retirement accounts ("IRAs") and Keogh plans) and entities deemed to hold "plan assets" of any of the foregoing (each, a "Benefit Plan Investor"), as well as governmental plans, foreign plans and other employee benefit plans, accounts or arrangements that are not subject to the fiduciary provisions of ERISA or Section 4975 of the Code, and trusts or other entities supporting or holding the assets of any of the foregoing (collectively, with Benefit Plan Investors, referred to as "Plans"), may generally invest in the Company, subject to the following considerations.

General Fiduciary Considerations for Investment in the Company by Plan Investors. The fiduciary provisions of ERISA, and the fiduciary provisions of pension codes applicable to governmental, foreign or other employee benefit plans or retirement arrangements that are not subject to ERISA may impose limitations on investment in the Company. Fiduciaries of Plans, in consultation with their advisors, should consider, to the extent applicable, the impact of such fiduciary rules and regulations on an investment in the Company. Among other considerations, the fiduciary of a Plan should take into account the composition of the Plan's portfolio with respect to diversification; the cash flow needs of the Plan and the effects thereon of the illiquidity of the investment; the economic terms of the Plan's investment in the Company; the Plan's funding objectives; the tax effects of the investment and the tax and other risks described in the sections of this Memorandum discussing tax considerations and risk factors; the fact that the investors in the Company are expected to consist of a diverse group of investors (including taxable, tax-exempt, domestic and foreign entities) and the fact that the management of the Company will not take the particular objectives of any investors or class of investors into account.

Plan fiduciaries should also take into account the fact that, while the General Partner will have certain general fiduciary duties to the Company, the General Partner will not have any direct fiduciary relationship with or duty to any investor, either with respect to its investment in interests or with respect to the management and investment

of the assets of the Company. Similarly, it is intended that the assets of the Company will not be considered plan assets of any Plan or be subject to any fiduciary or investment restrictions that may exist under pension codes specifically applicable to such Plans. Each Plan will be required to acknowledge and agree in connection with its investment in interests to the foregoing status of the Company, and the General Partner and that there is no rule, regulation or requirement applicable to such investor that is inconsistent with the foregoing description of the Company, and the General Partner.

Plan fiduciaries may be required to determine and report annually the fair market value of the assets of the Plan. Since it is expected that there will not be any public market for the interests, there may not be an independent basis for the Plan fiduciary to determine the fair market value of such interests.

ERISA and Other Benefit Plan Investors. A fiduciary acting on behalf of a Benefit Plan Investor, in addition to the matters described above, should take into account the following considerations in connection with an investment in the Company.

ERISA Restrictions if the Company Holds Plan Assets. If the Company is deemed to hold plan assets of the investors that are Benefit Plan Investors, the investment in the Company by each such Benefit Plan Investor could constitute an improper delegation of investment authority by the fiduciary of such Benefit Plan Investor. In addition, any transaction the Company enters into would be treated as a transaction with each such Benefit Plan Investor and any such transaction (such as a property lease, acquisition, sale or financing) with certain "parties in interest" (as defined in ERISA) or "disqualified persons" (as defined in Section 4975 of the Code) with respect to a Benefit Plan Investor could be a "prohibited transaction" under ERISA or Section 4975 of the Code. If the Company were subject to ERISA, certain aspects of the structure and terms of the Company could also violate ERISA.

ERISA Plan Assets. Under ERISA and regulations issued thereunder by the U.S. Department of Labor (the "Regulation"), generally, a Benefit Plan Investor's assets would be deemed to include an undivided interest in each of the underlying assets of the Company unless investment in the Company by Benefit Plan Investors is not "significant" or another exception from holding plan assets is available.

Significant Investment by Benefit Plan Investors. Investment by Benefit Plan Investors would not be "significant" if less than 25% of the value of each class of equity interests in the Company (excluding the interests of the General Partner, the General Partner and any other person who has sole and absolute discretionary authority or control, or provides investment advice for a fee (direct or indirect) with respect to the assets of the Company, and affiliates (other than a Benefit Plan Investor) of any of the foregoing persons (a "Management Affiliate"), is held by Benefit Plan Investors. A commingled vehicle that is subject to ERISA will generally count as a Benefit Plan Investor for this purpose only to the extent of investment in such entity by Benefit Plan Investors. The General Partner currently intends to limit investment in the Company by Benefit Plan Investors so that participation by such investors is not "significant" with respect to any class of the Company's equity interests. However, if there is no other exception available from holding plan assets, the General Partner reserves the right to allow unlimited investment by Benefit Plan Investors in the future, provided that the General Partner, in consultation with the investors subject to ERISA or Section 4975 of the Code, will make the necessary amendments to the Company documents and take such other actions as may be necessary to comply with ERISA and Section 4975 of the Code.

Each Partner and each transferee will be required to represent and warrant whether it is a Benefit Plan Investor or a Management Affiliate, and the General Partner reserves the right to reject subscriptions in whole or in part for any reason, including that the investor is a Benefit Plan Investor. The General Partner also has the authority to restrict transfers of Interests, and may require a full or partial withdrawal of any Benefit Plan Investor to the extent

it deems appropriate to avoid having the assets of the Company be deemed to be plan assets of any Benefit Plan Investor – see discussion in the sections in this Memorandum on transfers and withdrawals. In addition, the General Partner has broad authority to take any action to maintain the no plan asset status of the Company or remedy a plan asset problem.

Prohibited Transaction Considerations. Fiduciaries of Benefit Plan Investors should also consider whether an investment in the Company could involve a direct or indirect transaction with a "party in interest" or "disqualified person" as defined in ERISA and Section 4975 of the Code, and if so, whether such prohibited transaction may be covered by an exemption. ERISA contains a statutory exemption that permits a Benefit Plan Investor to enter into a transaction with a person who is a party in interest or disqualified person solely by reason of being a service provider or affiliated with a service provider to the Benefit Plan Investor, provided that the transaction is for "adequate consideration." There are also a number of administrative prohibited transaction exemptions that may be available to certain fiduciaries acting on behalf of a Benefit Plan Investor. Fiduciaries of Benefit Plan Investors should also consider whether investment in the Company could involve a conflict of interest. In particular, a prohibited conflict of interest could arise if the fiduciary acting on behalf of the Benefit Plan Investor has any interest in or affiliation with the Company, the General Partner or the General Partner.

Governmental Plans. Government sponsored plans are not subject to the fiduciary provisions of ERISA, and are also not subject to the prohibited transaction provisions under Section 4975 of the Code. However, federal, state or local laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above and may include other limitations on permissible investments. Accordingly, fiduciaries of governmental plans, in consultation with their advisors, should consider the requirements of their respective pension codes with respect to investments in the Company, as well as the general fiduciary considerations discussed above.

The fiduciary of each prospective investor that is a governmental plan will be required to represent and warrant that investment in the Company is permissible, complies in all respects with applicable law and has been duly authorized.

Individuals Investing With IRA Assets. Interests sold by the Company may be purchased or owned by Partners who are investing assets of their IRAs. The Company's acceptance of an investment by an IRA should not be considered to be a determination or representation by the General Partner or any of its respective affiliates that such an investment is appropriate for an IRA. In consultation with its advisors, each prospective investor that is an IRA should carefully consider whether an investment in the Company is appropriate for, and permissible under the terms of its IRA governing documents. Partners that are IRAs should consider in particular that the Interests will be illiquid and that it is not expected that a significant market will exist for the resale of the Interests, as well as the other general fiduciary considerations described above.

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

Partners that are IRAs should consult with their counsel and advisors as to the prohibited transaction, conflict of interest and other provisions of the Code applicable to an investment in the Company.

ACCEPTANCE OF SUBSCRIPTIONS OF ANY PLAN IS IN NO RESPECT A REPRESENTATION BY THE FUND, THE MANAGER, THE MANAGER OR ANY OTHER PARTY THAT SUCH INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO THAT PLAN OR THAT THE INVESTMENT IS APPROPRIATE FOR SUCH PLAN. EACH PLAN FIDUCIARY SHOULD CONSULT WITH HIS OR HER OWN LEGAL ADVISORS AS TO THE PROPRIETY OF AN INVESTMENT IN THE FUND IN LIGHT OF THE SPECIFIC REQUIREMENTS APPLICABLE TO THAT PLAN.

Foreign Taxation Considerations

Special tax considerations apply to limited partners that are nonresident alien individuals or foreign corporations and that do not hold their interests in the Partnership in connection with the conduct of a trade or business within the United States (collectively, "Foreign Partners"). Except as noted below, a Foreign Partner generally should not be deemed to be engaged in a trade or business in the United States solely as a result of his investment in the Partnership if, as is anticipated, the activities of the Partnership consist solely of trading securities for its own account within the meaning of Code Section 864. Accordingly, except as noted below, a Foreign Partner generally should not be subject to any Federal income tax on his share of the Partnership's capital gains and generally should not be subject to any Federal income tax on gain realized upon the sale or other disposition of his interest in the Partnership.

If the Partnership invests in a partnership or other pass-through entity that is engaged in a trade or business in the United States, all or a portion of a Foreign Partner's share of the Partnership's income derived from such investment would be treated as income "effectively connected" with a United States trade or business and would be subject to Federal income tax at the graduated rates applicable to United States individuals or corporations, as the case may be, and, in the case of a corporate Foreign Partner, may be subject to a 30% branch profits tax. The Partnership would be required to withhold tax with respect to the Foreign Partner's share of such income each year, whether or not any income is paid out to the Foreign Partner. Further, the Foreign Partner would be required to file a Federal income tax return and would pay any additional tax due (if the Foreign Partner's tax liability exceeds the tax withheld by the Partnership) or claim a refund (if the tax withheld by the Partnership exceeds the Foreign Partner's tax liability). Further, a Foreign Partner could be subject to Federal income tax upon the sale or other disposition of the Foreign Partner’s interest in the Partnership and could be required to file a Federal income tax return.

If the Partnership were to realize gain on the sale of a “United States real property interest”, a Foreign Partner would be subject to Federal income tax on the Foreign Partner’s share of such gain, and the Foreign Partner would be required to file a Federal income tax return. Further, if the Partnership were to hold a “United States real property interest”, a Foreign Partner could be subject to Federal income tax upon the sale or other disposition of the Foreign Partner’s interest in the Partnership and could be required to file a Federal income tax return.

The Foreign Partner generally will be subject to a 30% Federal withholding tax on his share of the Partnership's United States source dividend income and certain United States source interest income. The Partnership will be required to withhold such tax with respect to the Foreign Partner's share of such income each year, whether or not any income is paid out to the Foreign Partner. Special rules apply with respect to Partners that are foreign partnerships or foreign trusts.

A Foreign Partner may be subject to tax on his share of the Partnership's income and gain in his country of nationality, residence or elsewhere. It is possible that a Foreign Partner may be able to credit all or a portion of his United States taxes paid against his income tax liability in his home jurisdiction.

An individual Foreign Partner who owns directly an interest in the Partnership on his date of death could be subject to United States estate tax with respect to such interest.

A Foreign Partner will be required to provide the Partnership with a Form W-8 BEN in which the Foreign Partner states the Foreign Partner's name and address and certifies, under penalties of perjury, that the Foreign Partner is the beneficial owner of the interest in the Partnership and is a foreign person. The annual information return that the Partnership will file with the Internal Revenue Service will include a schedule setting forth certain information about the Foreign Partner, including the Foreign Partner's name, address and share of the Partnership's income or loss.

Foreign Partners should consult their own tax advisors as to the tax consequences to them of an investment in the Partnership, including the possible applicability of any treaty provisions, withholding taxes and reporting requirements.

14. SECURITIES LAWS

On June 22, 2015, the Securities and Exchange Commission (SEC) repealed the private adviser registration exemption which previously exempted advisers with fewer than 15 clients who did not hold themselves out to the public as advisers. The SEC replaced the private adviser registration exemption with a new exemption (Under new Rule 203(m) of the Adviser's Act) from registration for advisers solely to private funds with less than $150 million under management (an "Exempt Reporting Adviser"). In the event the General Manager loses its status as an Exempt Reporting Adviser and is required to be registered with the SEC, the General Manager will be subject to a variety of additional regulatory filing, record-keeping, and governance rules.

Securities Act of 1933. The Interests in the Company will not be registered under the Securities Act or any other securities law. The Interests will be offered without registration in reliance upon the exemption contained in Section 4(a)(2) of the Securities Act or regulations of the Securities and Exchange Commission for transactions not involving a public offering and Regulation S to non-US investors. Each prospective investor must be an accredited investor (as defined in Regulation D promulgated under the Securities Act), or non-US person as defined under SEC Regulation S, and will be required to represent, among other customary private placement representations, that it is acquiring Interests in the Company for investment purposes only and not with a view to resale or distribution. Further, each investor must be prepared to bear the economic risk of the investment for an indefinite period, because Interests in the Company can be resold only pursuant to an offering registered under the Securities Act or an exclusion from such registration requirement. It is extremely unlikely that Interests in the Company will ever be registered under the Securities Act.

Securities Exchange Act of 1934. In connection with any acquisition or beneficial ownership by the Company of more than five percent (5%) of any class of the equity securities of a company registered under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company may be required to make certain filings with the Securities and Exchange Commission. Generally, these filings require disclosure of the identity and background of the purchaser, the source and amount of funds used to acquire the securities, the purpose of the transaction, the purchaser's interest in the securities, and any contracts, arrangements or undertakings regarding the securities. In certain circumstances, the Company may be required to aggregate its investment position in a given Operating Company with the beneficial ownership of that company's securities by

or on behalf of the General Partner and its affiliates, which could require the Company, together with such other parties, to make certain disclosure filings or otherwise restrict the Company's activities with respect to such Operating Company securities. In addition, if the Company becomes the beneficial owner of more than ten percent (10%) of any class of the equity securities of a company registered under the Exchange Act or places a director on the board of directors of such a company, the Company may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act. The Company intends to manage its investments so as to avoid the short-swing profit liability provisions of Section 16 of the Exchange Act.

Investment Company Act of 1940. The Company will not be registered as an "investment company" under the Investment Company Act in reliance upon Section 3(c)(7) thereof. Accordingly, Partners will not receive the protections afforded by the Investment Company Act to investors in a registered investment company. Section 3(c)(7) excludes from the definition of investment company any issuer whose outstanding securities are owned exclusively by "qualified purchasers," provided that the issuer is not making, and does not propose to make, a public offering of such securities. Qualified purchaser generally means (i) a natural person (or a company owned by two or more family members or foundations, charitable organizations or trusts established by or for the benefit of such persons) who owns at least $5 million in investments (as defined in the Rule 2a51-1 promulgated under the Investment Company Act) or (ii) any person or entity acting for its own account or for the accounts of other qualified purchasers who in the aggregate owns or invests on a discretionary basis not less than $25 million in investments (as defined in Rule 2a51-1 promulgated under the Investment Company Act). The amended definition of accredited investor includes "knowledgeable employees" of private funds (Rule 3c-5(a)(4) under the Investment Company Act of 1940). Presently, knowledgeable employees of private funds are included in the definition of "qualified purchasers" under the Company Act. The Partnership Agreement and the subscription agreements by which the Partners will invest in the Company will contain certain representations, undertakings and restrictions on transfer designed to assure that the conditions of Section 3(c)(7) will be met.

In connection with any subscription for, or proposed transfer of, Interests in the Company, the General Partner is authorized to ask for and obtain such information from the prospective investor or the proposed transferor and transferee, as applicable, in order that it may be able to determine whether the proposed subscription or transfer, as applicable, would allow the Company to retain its exclusion from registration as an investment company. In addition, a company may be deemed to be an investment company if it owns "investment securities" with a value exceeding 40% of its total assets (excluding government securities and cash items) or if more than 45% of its total assets consists of, or more than 45% of its income/loss is derived from, securities of companies it does not control. Any Company is not required to register as an investment company under the Investment Company Act because it is primarily engaged in the businesses of its controlled Operating Companies rather than the business of investing and reinvesting in investment securities. Any Company currently intends to continue to conduct its investment and other activities, including its investment activities through the Company, so as not to be deemed an investment company under the Investment Company Act. As a result, the aggregate amount of investments in Operating Companies that Any Company or the Company does not control will be limited to the extent set forth above. Any Company, however, does not believe that such limitations will impede the ability of the Company to pursue its investment strategy.

Investment Advisers Act of 1940. Having its principal place of business in the state of Colorado, the General Partner is not currently licensed and registered as an investment adviser in Colorado. Rather, the General Partner qualifies as an Exempt Reporting Adviser ("ERA") with the Securities and Exchange Commission ("SEC"). The General Partner is likely to remain an ERA and exempt from full registration at the state and federal level until

such time as the General Partner advises private funds with more than $150 million in assets under management pursuant to new rules adopted by the SEC.

Non-U.S. Securities Laws. The Interests in the Company have not been registered or qualified for public distribution under the securities laws of any jurisdiction. The Interests will be offered without registration and without the filing of a prospectus in reliance upon exemptions available under applicable law. Each prospective investor resident outside the United States must be, and will be required to represent that it is, entitled to acquire Interests in the Company in reliance upon an exemption from the registration or prospectus requirements of applicable securities laws of its jurisdiction of residence. Further, each investor must be prepared to bear the economic risk of the investment for an indefinite period, because Interests in the Company can be resold only pursuant to an offering registered under the securities laws of such jurisdiction or an exclusion from such registration requirement. It is extremely unlikely that Interests in the Company will ever be registered under the securities laws of any jurisdiction. In connection with any acquisition or beneficial ownership by the Company of more than a specified percentage of any class of the equity securities of a company that is subject to public reporting obligations under applicable securities laws, the Company may be required to make certain filings with relevant securities authorities. Generally, these filings require disclosure of the identity and background of the purchaser, the source and amount of funds used to acquire the securities, the purpose of the transaction, the purchaser's interest in the securities and any contracts, arrangements or undertakings regarding the securities. In certain circumstances, the Company may be required to aggregate its investment position in a given Operating Company with the beneficial ownership of that company's securities by or on behalf of the General Partner and its affiliates, which could require the Company, together with such other parties, to make certain disclosure filings or otherwise restrict the Company's activities with respect to such Operating Company securities.

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The foregoing summary is not intended as a substitute for professional tax advice, nor does it purport to be a complete discussion of all tax consequences that could apply to this investment. The foregoing summary also does not discuss any of the U.S. federal income or estate tax considerations relevant to foreign persons. Each Partner must consult its own tax advisor as to the tax consequences of this investment.

15. FISCAL YEAR AND FISCAL PERIODS

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

16. RISK FACTORS

Prospective limited partners should consider the Company to be a speculative investment, as it is not intended to be a complete investment program. The Company is designed only for sophisticated persons who are able to bear the risk of the loss of their entire investment in the Company. Prospective Limited Partners should carefully evaluate the following risks before making an investment in the Company:

AN INVESTMENT IN THE COMPANY IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT. PROSPECTIVE PURCHASERS OF PARTNERSHIP SHOULD CAREFULLY READ THE ENTIRE MEMORANDUM. BECAUSE THE INVESTMENT PROGRAM INVOLVES SUBSTANTIAL RISKS, AN INVESTMENT IN THE

PARTNERSHIP SHOULD BE MADE ONLY AFTER CONSULTING WITH INDEPENDENT QUALIFIED SOURCES OF INVESTMENT AND TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS, AMONG OTHERS, BEFORE SUBSCRIBING FOR PARTNERSHIP.

Prospective investors should carefully consider the risks involved in an investment in the Company, including but not limited to those discussed below. Many of these risks are discussed more fully elsewhere in this Memorandum. Prospective investors should consult their own legal, tax, and financial advisers as to all these risks and an investment in the Company generally.

General

Reliance on the Investment Manager. The success of the Company depends on the ability of the Investment Manager to develop and implement investment strategies to achieve the Company's investment objectives. The Company's investment performance could be materially adversely affected if Ashok Patel ceases to be involved in the active management of the Company's portfolio. The Investment Manager has wide latitude in making investment decisions and Partners have no right or power to take part in such decisions.

Operating Deficits. The expenses of operating the Company could exceed its income. This would require that the difference be paid out of the Company's capital, reducing the Company's investments and potential for profitability.

Limited Operating History. The Company, PAVAKI CAPITAL PARTNERS LP, has no operating and investing history upon which potential investors may evaluate past performance. The past investment performance of the Investment Manager and its principal and affiliates is not indicative of the future investment results of the Company. There can be no assurance that the Company will achieve its investment objectives.

Investment Risks

All securities investing and trading activities risk the loss of capital. While the Investment Manager will attempt to moderate these risks, there can be no assurance that the Company's investment activities will be successful or that Partners will not suffer losses. An investment in the Company is suitable only for persons who have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in their investments. An investment in the Company should not be made by any person who (i) cannot afford a total loss of principal, or (ii) has not (either alone or in conjunction with a financial advisor) carefully read or does not understand, this Memorandum, including (but not limited to) the portions concerning the risks and the income tax consequences of an investment in the Company. The following discussion describes some of the more significant risks associated with the Company's proposed activities.

Overall Investment Risk. All securities investments risk the loss of capital. The nature of the securities to be purchased and traded by the Company and the investment techniques and strategies to be employed by the Investment Manager may increase this risk. While the Investment Manager will devote its best efforts to the management of the Company's portfolio, there can be no assurance that the Company will not incur losses. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments, may cause sharp market fluctuations that could adversely affect the Company's portfolio and performance.

Transactions in Securities. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects of the securities in which the Company invests. The Company may lose its entire investment or may be required to accept cash or securities with a value less than the Company's original investment. Under such circumstances, the returns generated from the Company's investments may not compensate the Partners adequately for the risks assumed.

Concentration of Investments. The Company is not limited with respect to the amount of capital which may be committed to any one investment. Accordingly, the Company may from time to time hold a few (or even one), relatively large (in relation to its capital) securities positions, with the result that a loss in any one position could have a more material adverse impact on the Company's capital than would a loss position in a more diversified portfolio.

Leverage. Leverage is the use of borrowed funds for investment. To the extent the Company purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Company's use of leverage would result in a lower rate of return than if the Company were not leveraged. If the amount of borrowings which the Company may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Company's portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the value of the Company's assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the Company, the value of the Company's assets will generally decline faster than would otherwise be the case. This is the speculative factor known as

"leverage."

The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit. If, due to market fluctuations or other reasons, the value of the Company's assets should fall below required regulatory levels, the Company will be required to reduce its debt by selling securities in its long portfolio.

Short Selling. Short selling involves the sale of a security that the Company does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price.

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

If the Company "shorts" securities of companies which are not deteriorating to the extent the Investment Manager believes them to be, or if the market advances or continues to advance generally, the Company is likely to experience losses from its short sales that can increase rapidly and without effective limit. Moreover, short selling is limited to securities which can be borrowed, and it may be necessary to cover short positions at an undesirable time and at high prices because stocks which were shorted can no longer be borrowed.

Illiquid Securities. A portion of the Company's assets, up to 10% or more, may from time to time be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under Federal or state securities laws. Due to the absence of any trading market for these investments, the Company may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by the Company. Further, companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Hedging Transactions. The Investment Manager is not required to attempt to hedge portfolio positions in the Company and, for various reasons, may determine not to do so. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. The Company may utilize financial instruments, both for investment purposes and for risk management purposes in order to seek to: (i) protect against possible changes in the market value of the Company's investment portfolios resulting from fluctuations in the securities markets and changes in interest rates, (ii) protect the Company's unrealized gains in the value of the Company's investment portfolios, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Company's portfolios, (v) hedge the interest rate or currency exchange rate on any of the Company's liabilities or assets, (vi) protect against any increase in the price of any securities the Company anticipates purchasing at a later day or (vii) for any other reason that the Investment Manager deems appropriate.

The success of any hedging strategy that the Company may employ will be subject to the Investment Manager's ability to correctly access the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Company's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Company may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Company than if it had not engaged in any such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Company from achieving its intended hedge or expose the Company to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Company's portfolio holdings.

Foreign Securities. The Company reserves the right to invest a portion of its assets in securities of companies domiciled or operating in one or more non-U.S. countries, although at present the Company intends to invest primarily in U.S. markets. Investing in non-U.S. securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United States, including instability of some governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of local tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may result from investment in non-U.S. securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and brokerage commissions that may be higher than in the United States. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Such investments could be affected by other factors not present in the United States, including lack of uniform accounting,

auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

In addition, the Company's investments that are denominated in currencies other than the U.S. dollar are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Company may seek to hedge these risks by investing in currencies, but there can be no assurance that such strategies will be effective.

Currency and Exchange Rate Risks. The Company's assets may be invested in securities of companies denominated in currencies other than the U.S. dollar. Accordingly, a portion of the income received directly or indirectly (through the companies in which the Company will invest or by their sale) by the Company may be denominated in non-U.S. currencies. The Company nevertheless will compute and distribute its income in U.S. dollars. Since the Company may invest in securities denominated or quoted in currencies other than the U.S. dollar, changes in currency exchange rates may affect the value of the Company's portfolio and the unrealized appreciation or depreciation of investments. Further, the Company may incur costs in connection with conversions between various currencies.

The Company may enter into futures or forward contracts on currencies in U.S. and non-U.S. markets for hedging purposes. There is no certainty that instruments suitable for hedging currency shifts will be available at the time when the Company wishes to use them.

Trading Limitations. For all securities listed on public exchanges, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could subject the Company to a loss.

Small Companies. The Company may invest a substantial portion of its assets in small and/or less well-established companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger corporations. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Company may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller company securities.

Loans of Portfolio Securities. The Company may from time to time lend securities from its portfolio to brokers, dealers and financial institutions and receive collateral in cash or securities believed by the Investment Manager to be equivalent to securities rated investment grade by any nationally recognized rating organization which, while the loan is outstanding, will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities, including any accrued interest or dividend receivable. Any cash collateral received by the Company will be invested in short-term securities. The Company will retain all rights of beneficial ownership as to the loaned portfolio securities, including voting rights and rights to interest or other distributions, and will have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans will be terminable at any time. The Company may pay finders', administrative and custodial fees to persons unaffiliated with the Company in connection with the arranging of such loans.

Fixed-Income Investments. The value of the fixed-income securities in which the Company may invest will generally change as the general levels of interest rates fluctuate. Generally, when interest rates decline, the value of the Company's long fixed-income portfolio can be expected to rise while that of its short fixed-income portfolio can be expected to decline.

Conversely, when interest rates rise, the value of a long fixed-income portfolio can be expected to decline while that of a short fixed-income portfolio can be expected to rise.

Purchases of Securities and other Obligations of Financially Distressed Companies. The Company may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, or other reorganization and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant returns to the Company, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these securities and investments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Company invests, the Company may lose its entire investment or may be required to accept cash or securities with a value less than the Company's original investment. Under such circumstances, the returns generated from the Company's investments may not compensate the Partners adequately for the risks assumed.

Portfolio Turnover. The Company's annual portfolio turnover rate may vary, depending on market conditions, and at times the Company will engage in substantial short-term trading. Accordingly, the Company's annual portfolio turnover rate may range from 10% to 200% or more. (An annual portfolio turnover rate of 100% would occur, for example, if all of the investments in the Company's portfolio were replaced in a period of one year). The Company has not placed any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Investment Manager, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate.

Newly Created Securities; Initial Public Offerings. The Company may invest in securities sold pursuant to initial public offerings (so-called "new issues") or securities created as a result of spin-offs, split-offs, recapitalizations or other significant corporate events. The risk of loss associated with new issues is greater than that in connection with general securities trading. While the Investment Manager believes that new issues offer significant potential for gain, the prices of newly issued securities may not increase as expected, and in fact may decline to a significant extent. Securities created as a result of spin-offs, split-offs, recapitalizations or other corporate events have no public market prior to their initial offering or creation and there is no assurance that (i) an active public market in such securities will develop or continue after commencement of trading or (ii) that the initial public offering price or initial trading level of such securities will be indicative of the market price for such securities on a "fully-distributed" basis.

Index-Based Trading. Trading in index-based unit investment trusts and exchange-traded funds generally involves risks similar to other securities trading. Additionally, these instruments may not move in tandem with the indices upon which they are based.

Failure of Brokers and Other Depositories. There is the possibility that the institutions, including brokerage firms and banks, with which the Company will do business, or with whom securities may be entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of the Company. The Company may maintain a substantial portion of its assets in clearing accounts pursuant to clearing agreements with foreign clearing firms (including banks and brokers) and foreign affiliates of United States broker-dealers. Foreign clearing firms are generally not subject to United States laws and regulations and foreign markets may be subject to less regulation and supervision than in the United States. Transaction costs of investing in non-U.S. securities in foreign markets may be higher than in the United States and clearance procedures may be less efficient.

Company Risks

Transferability and Withdrawal Restrictions. Interests are subject to restrictions with respect to redemption, withdrawal, assignment and transfer under the Partnership Agreement. Partners will not have the right to liquidate their investment in the Company in the event of an emergency or for any other reason. The General Partner has the sole discretion to permit a withdrawal at a time other than at the end of the applicable lock-up period. The General Partner's investment is not subject to any lock-up period or other restriction on investments. An investment in the Company therefore provides limited liquidity to the Limited Partners.

Limited Rights of Partners. Partners, other than the General Partner, cannot exercise any management or control functions with respect to the Company's operations, although they have limited rights and duties as set forth in the Partnership Agreement.

Reserves May Affect Withdrawals. The General Partner may find it necessary, from time to time, to establish a reserve for contingent liabilities. Such reserve would be an asset of the Company but would diminish the amount of capital available to Company redemptions and withdrawals.

Illiquidity of Interests. The Interests may be acquired for investment purposes only and not with a view to their resale or other distribution. The Interests will not be registered under the Securities Act in reliance on an exemption under Section 4(a)(2) of the Securities Act.

Regulation D promulgated thereunder. The Limited Partnership Agreement substantially restricts the transferability or assignability of the Interests or redemption from the Company. The General Partner's consent is a condition to any transfer or assignment, and such consent is within its sole and absolute discretion. If, as a result of some change in circumstances, arising from an event not presently contemplated, a Partner wishes to transfer all or part of its Interest, and even if all conditions to such a transfer are met, such Partner may find no transferee for its Interest due to market conditions or the general illiquidity of the Interests.

Limitations on the Obligations of the Principals of the General Partner. The principals of the General Partner will devote only such time to Company matters as they, in their sole and absolute discretion, deem appropriate. The General Partner will have the sole right to conduct the operations of the Company in such manner, as it deems proper. The other Partners will have no such authority and will be dependent upon the judgment and skill of the General Partner.

Risks Associated with the Carried Interest. The General Partner is an associate of the Investment Manager. The Carried Interest could encourage the Investment Manager to make investments on behalf of the Company that are riskier or more speculative than it would if

the General Partner were receiving only a flat fee. Further, the General Partner will receive the Carried Interest as to unrealized gains that may never be realized and will not return a Carried Interest allocated for a period in which there is a profit, even if in a subsequent period the Company does not earn a profit or suffers a loss. As a result, the Carried Interest may be greater than it would be if it were based solely on realized gains.

Effect of Substantial Withdrawals. Substantial withdrawals by Partners within a short period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, possibly reducing the value of the Company's assets and/or disrupting the Investment Manager's investment strategy. Reducing the size of the Company could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Company's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Potential Mandatory Withdrawal. The General Partner may, in its sole and absolute discretion at any time on written notice, require a Partner to withdraw all or a portion of its Interest(s). Such mandatory redemption could result in adverse tax and/or economic consequences to such Partner.

Other Risks

Tax Risks. For a discussion of income tax risks associated with an investment in the Company, see the discussion above under "Certain Federal Income Tax Considerations."

Tax Exempt Investors; Limitations on Investments. Certain prospective Partners may be subject to Federal and state laws, rules and regulations which may regulate their participation in the Company, or their engaging directly, or indirectly through an investment in the Company, in investment strategies of the types which the Company may utilize from time to time. While the Company believes its investment program is generally appropriate for tax-exempt organizations for which an investment in the Company would otherwise be suitable, each type of exempt organization may be subject to different laws, rules and regulations, and prospective Partners should consult with their own advisers as to the advisability and tax consequences of an investment in the Company. In particular, exempt organizations should consider the applicability to them of the provisions relating to "unrelated business taxable income." Investments in the Company by entities subject to ERISA, and other tax-exempt entities require special consideration.

Regulatory Matters.

Investment Company Regulation. Section 3(c)(1) of the Act excludes from regulation issuers (i) whose outstanding securities are beneficially owned by not more than 100 persons, and (ii) who are not making and do not presently propose to make a public offering of their securities. The General Partner believes that, by virtue of section 3(c)(1) of the Act the Company should not be deemed to be an "investment company" and, accordingly, should not be required to register as such under the Act.

Should private investment company exclusions cease to be available to the Company, the Company and the General Partner could be subject to legal action by the SEC and others, possibly resulting in financial losses to the Company and the termination of the Company's business.

Private Offering Exemption. The Company intends to offer Interests on a continuing basis without registration under any securities laws in reliance on an exemption for "transactions by an issuer not involving any public offering." While the General Partner believes reliance on such exemption is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other companies, the scope of disclosure provided, failures to make notice filings, or changes in applicable laws, regulations, or interpretations will not cause the Company to fail to qualify for such exemption under Federal or one or more states' laws. Failure to so qualify could result in the rescission of sales of Interests at prices higher than the current value of those Interests, potentially materially and adversely affecting the Company's performance and business. Further, even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could materially and adversely affect the General Partner's ability to conduct the Company's business.

Compliance with ERISA. If the assets of the Company were to become "plan assets" subject to ERISA and Section 4975 of the Code, certain investments made or to be made by the Company in the normal course of its operations might result in non-exempt prohibited transactions and might have to be rescinded (see "Certain Considerations Applicable to ERISA, Governmental and Other Plan Investors"). If at any time the General Partner determines that assets of the Company may be deemed to be "plan assets" subject to ERISA and Section 4975 of the Code, the General Partner may take certain actions it may determine to be necessary or appropriate, including requiring one or more investors to redeem or otherwise dispose of all or part of their Interests in the Company or terminating and liquidating the Company.

Other. The Company and the General Partner will be subject to various other securities and similar laws and regulations that could limit

some aspects of the Company's operations or subject the Company or the General Partner to the risk of sanctions for non-compliance.

THE FOREGOING LISTS OF RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE MEMORANDUM, THE LIMITED PARTNERSHIP AGREEMENT AND THE SUBSCRIPTION DOCUMENTS BEFORE DETERMINING WHETHER TO INVEST IN THE COMPANY. ALL POTENTIAL INVESTORS MUST OBTAIN PROFESSIONAL GUIDANCE FROM THEIR TAX AND LEGAL ADVISERS IN EVALUATING ALL OF THE TAX IMPLICATIONS AND RISKS INVOLVED IN INVESTING IN THE COMPANY.

17. ADDITIONAL INFORMATION

Each offeree and/or his or its advisor(s) will be offered an opportunity, prior to the consummation of a sale of an Interest to such offeree, to ask questions of, and receive answers from, the General Partner concerning the terms and conditions of this offering and to obtain any additional information, to the extent the General Partner possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information set forth herein.

NOTICES

NOTICES FOR U.S. INVESTORS

The National Securities Markets Improvement Act ("NSMIA") amended Section 18 of the Securities Act of 1933 to exempt from state regulation any offer or sale of covered securities exempt from registration pursuant to Commission rules or Regulations issued under Section 4(2) and 4(6) of the Securities Act of 1933. The Company claims qualification pursuant to Section 18(b)(4)(d) and/or Section 18(b)(3) of the Federal Securities Act of 1933, as amended (the "Act") and, as such, these securities are considered to be "covered securities" pursuant to the Act.

NOTICE FOR RESIDENTS OF ALL 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 this offering, including the merits and risks involved. These securities have not been recommended by federal or state securities commissions or regulatory authorities. 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 transferability and resale and may not be transferred or resold except as permitted under the securities act, and the applicable state securities laws pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

ATTACHEMENTS

Subscription Agreement
Partnership Agreement