

SECURITIES AND EXCHANGE COMMISSION

FORM 10-12G

Initial general form for registration of a class of securities pursuant to Section 12(g)

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FILER

GOLDMAN SACHS HEDGE FUND PARTNERS II LLC

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF THE
SECURITIES EXCHANGE ACT OF 1934

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

02-0699398
(I.R.S. Employer Identification No.)

701 Mount Lucas Road
Princeton, New Jersey 08540
(Address of principal executive offices)

(609) 497-5500
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act: NONE

Securities to be registered pursuant to Section 12(g) of the Act:

Units of Limited Liability Company Interests

(Title of class)

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ITEM 1. BUSINESS

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

Goldman Sachs Hedge Fund Partners II, LLC (the "Company") is a Delaware limited liability company organized in August 2003 to operate as an investment fund. Goldman Sachs Hedge Fund Strategies LLC ("GS HFS") (formerly Goldman Sachs Princeton LLC), a Delaware limited liability company, serves as the Company's managing member (the "Managing Member"). As of December 31, 2004, the Company had approximately \$1.1 billion net assets under management.

From its inception in August 2003 through April 2004, the Company grew through subscriptions of new investors. The Company believes its growth during this period follows with the general national trend of significant inflows achieved by other hedge funds during this period. From August 1, 2003 through April 1, 2004, the Company received approximately 910 investors averaging over 100 investors a month and had a maximum of 220 investors subscribing to the Company in April 2004. Moreover, during this nine-month period, total subscriptions in the Company exceeded \$1.1 billion and averaged over \$128 million per month with approximately \$240.4 million being invested in April 2004. During this period, the Company had at least 51 new investors each month and at least \$52.4 million invested every month. The number of investors that came into the Company during this period does not represent the number of investors in the Company today due to redemptions made by investors during the same period. The Company did not have any subscriptions in May 2004. From May 2004 through April 2005, the Company has only taken in investments from existing investors and limited subscriptions from new qualified investors. The Company may close again at any time without notice at the sole discretion of the Managing Member. The acceptance of future subscriptions in the Company and the continued growth of the Company will be determined by the Managing Member in its sole discretion.

The Company's initial offering and each subsequent offering of limited liability company interests of the Company ("Units") have been made solely to accredited investors as defined under Rule 501(a) of the Securities Act of 1933, as amended (the "Securities Act") and there has been no general solicitation of the Company's Units. Accordingly, the sales of the Units are exempt from registration pursuant to Rule 506 of Regulation D of the Securities Act. The securities issued by the Company have not been registered under the Securities Act of 1933 and may not be resold unless an exemption from registration is available and the Managing Member has consented to such resale, and each investor has agreed in the limited liability company agreement of the Company to comply with the foregoing. The Company has continually filed Form Ds in connection with its initial and subsequent offerings under Regulation D.

INVESTMENT PROGRAM

INVESTMENT OBJECTIVE AND APPROACH

The Company's investment objective is to target attractive long-term risk-adjusted returns across a variety of market environments with lower volatility than, and minimal correlation to, the broad equity markets. To achieve this objective, the Company allocates all or substantially all of its assets among privately placed investment funds (such funds and any successor funds thereto, individually, an "Investment Fund" and collectively the "Investment Funds") managed by the Managing Member, each of which allocates its assets to, or invests in entities managed by, independent investment managers (collectively, the "Advisors") that employ a broad range of investment strategies primarily within one of the following four hedge fund sectors: the tactical trading sector, the equity long/short sector, the relative value sector, and the event driven sector. Currently, substantially all of the Company's assets are invested in four Investment Funds, each of which is managed by the Managing Member. The existing Investment Funds are Goldman Sachs Global Tactical Trading II, LLC ("GTT II"), Goldman Sachs Global Equity Long/Short, LLC ("GELS"), Goldman Sachs Global Relative Value II, LLC ("GRV II") and Goldman Sachs Global Event Driven, LLC ("GED"). The assets of each Investment Fund are allocated to Advisors, directly or indirectly, pursuant to discretionary investment management agreements or, in the discretion of the Investment

Fund's managing member (currently, in each case, the Managing Member), by means of investments in funds managed by Advisors ("Advisor Funds"). (References herein to Advisors include Advisor Funds where the context permits). One or more of the Investment Funds have in the past and may from time to time not accept additional subscriptions or limit the amount of additional subscriptions from third parties because certain of the Advisors with which they invest are no longer accepting additional investments. Under such circumstances, the Managing Member does not expect to allow additional investors to subscribe for units in the Company except as a result of redemptions in the Company. However, even if the Investment Funds are closed generally, the Investment Funds may accept additional investments from the Company for rebalancing or other purposes. As of December 31, 2004, the Company's proportionate share of each individual investment in an Advisor owned, directly or indirectly, by any individual Investment Fund did not exceed 5% of the Company's equity.

Each of the existing Investment Funds is a Delaware limited liability company. A brief description of the investment objective and approach of each of the existing Investment Funds is set forth under "--Description of the Investment Funds and the Performance of the Investment Funds" below in this Item.

The hedge fund sectors referenced herein are subjective classifications made by the managing member of an Investment Fund in its sole discretion. Such classifications are based on information provided by the Advisors to the managing member of the relevant Investment Fund and may differ from classifications of similarly named sectors made by other industry participants. In addition, although each Advisor to which an Investment Fund allocates assets invests principally utilizing investment strategies within such Investment Fund's hedge fund sector, certain Advisors to which an Investment Fund allocates assets may also utilize other investment strategies that are either related or unrelated to such hedge fund sector.

There can be no assurance that the Company or any of the Investment Funds will achieve its investment objective or that the portfolio design, risk monitoring and hedging strategies of the Company or any of the Investment Funds will be successful. See "CERTAIN RISK FACTORS."

The Company may hold cash or invest the Company's cash balances at such times and in any instruments it deems appropriate, including cash equivalents and other short term securities, pending investment in Investment Funds, in order to fund anticipated redemptions or expenses of the Company, or otherwise in the sole discretion of the Managing Member. Such balances may also be invested in money market funds sponsored by The Goldman Sachs Group, Inc. or its affiliates, including Goldman, Sachs & Co. ("Goldman Sachs") (collectively referred to herein, together with their affiliates, directors, partners, trustees, managers, members, officers and employees, as the "GS Group") and the Company will not be reimbursed for any fees accruing to any affiliate of the GS Group in respect of any such investment. The Company generally reinvests any available income earned from investments of its cash balances in accordance with its investment program. The Investment Funds are also permitted to hold cash or invest their cash balances in the same manner.

ALLOCATION AMONG THE INVESTMENT FUNDS

The Managing Member may allocate the Company's assets across the four hedge fund sectors in a manner consistent with the Company's investment objective. In order to determine such allocation, the Managing Member periodically establishes a model allocation among the four hedge fund sectors. In order to accomplish this, the Managing Member estimates the long-term risk, return and correlation expectations of each of the Investment Funds. For these purposes, risk is measured by volatility, and volatility is determined utilizing various models chosen by the Managing Member. The Managing Member utilizes this model allocation as a benchmark and will either allocate the Company's assets among the Investment Funds in a manner roughly consistent with such benchmark or, in its sole discretion, will make tactical allocations to one or more Investment Funds, which could result in an overweighting or underweighting to one or more of the hedge fund sectors on a risk-adjusted basis. Through June 30, 2004, the Managing Member allocated on an equal risk-adjusted basis among the Investment Funds. Starting July 1, 2004, the Managing Member began implementing an adjustment to the weighting among the Investment Funds, gradually changing the weightings over a period beginning on July 1, 2004 and ending on January 1, 2005. Such allocation was accomplished over a six-month period in part due to the different redemption requirements of the Investment Funds. This re-allocation, when completed, reflected the Managing Member's updated expectations for return, risk and correlations for the Investment Funds. The Managing Member periodically re-evaluates the contribution to the risk and return of the Company from each investment sector and may in

its sole discretion re-allocate the Company's assets or weights of the investment sector as it deems advisable. Reallocation may be considered due to such factors as are deemed relevant by the Managing Member, which may include change in return, risk and correlation expectations, changes in market conditions, differences in relative performance among the Investment Funds, changes in the amount of the Company's leverage, and the addition or elimination of Investment Funds. Due to the restrictions on redemptions and additional subscriptions imposed by the Investment Funds and the Advisors and other factors, the Managing Member may not always be able to re-allocate the Company's assets at the time and in the manner that it would otherwise seek to do. See "CERTAIN RISK FACTORS--GENERAL RISKS--Risks Related to the Company and the Investment Funds' Performance and Operation--There can be no Assurance that the Managing Member's Decisions Regarding Risk Allocations will be Successful; Inaccurate Information Provided by the Advisors May Have a Material Adverse Effect on Implementing the Company's Investment Objective" and "--SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Associated with the Company Investing in Other Entities--Advisors may have Limited Capacity to Manage Additional Investment Fund Investments." The models used to measure risk, and the methodologies utilized to allocate the assets of the Company among the Investment Funds, may be changed or modified by the Managing Member at any time without notice or approval of investors in its sole discretion.

As of December 31, 2004 and 2003, respectively, the members' equity of the Company was allocated among the Investment Funds approximately as described in the tables below. Members' equity, or net assets, means the total assets of the Company less total liabilities of the Company at the time of determination in accordance with U.S. generally accepted accounting principles ("GAAP"). Total assets means the sum of the Company's cash and cash equivalents, other assets and investments determined at any time in accordance with GAAP as of that date. The figures represent actual allocations of the Company's members' equity and not the allocation of the expected risk of the Company among the Investment Funds. The allocations of the Company's members' equity will change from time to time in accordance with the Company's investment objective and strategies. In addition, the table below for as of December 31, 2004 also provides the approximate allocation among the Investment Funds of the adjusted members' equity as of December 31, 2004. The adjusted members' equity excludes Redemptions payable of \$84,411,871 at December 31, 2004 that is reflected in the financial statements as a liability, and thus a reduction of members' equity, under GAAP. The Managing Member believes this ratio more accurately reflects the percentage of the Company's equity invested in the Investment Funds given the timing of the payment for the redemption payable. There were no Redemptions payable recorded at December 31, 2003. The Managing Member made a strategic re-allocation among the Investment Funds starting on July 1, 2004 and gradually changed the weightings of the Investment Funds over the ensuing period until completing the re-allocation on January 1, 2005. The adjustment to the weights implemented as of January 1, 2005 reflected the Managing Member's updated expectations for return, risk and correlations for the Investment Funds. The Company's investments are carried at fair value as determined by the Company's attributable share of the net assets of the respective Investment Fund. Fair values are determined utilizing information supplied by each individual Investment Fund net of each Advisor's management and incentive fee and are not a guarantee of actual realizable amounts. See "CERTAIN RISK FACTORS--SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Related to the Company's Structure--The Company's Financial Statements are, and in the Future Will be, Based on Estimates of Valuations Provided by Third Party Advisors Which May not be Accurate or May Need to be Adjusted in the Future," "--Risks Associated with the Company Investing in Other Entities--Valuation of the Investment Funds' Investments Will be Based Upon Valuations Provided by the Advisors Which are Generally not Audited; Uncertainties in Valuations Could Have a Material Adverse Effect on the Company's Net Assets;" and ITEM 2 "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS--Critical Accounting Policies and Estimates."

<TABLE>
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DECEMBER 31, 2004

	INVESTMENT FUND	FAIR VALUE OF COMPANY'S INVESTMENT IN \$ AMOUNT	FAIR VALUE OF COMPANY'S INVESTMENT AS A % OF MEMBERS' EQUITY (1)	FAIR VALUE OF COMPANY'S INVESTMENT AS A % OF ADJUSTED MEMBERS' EQUITY (2)
<S>	<C>	<C>	<C>	
GTT II	\$279,479,970	24.29%	22.63%	
GELS	\$208,922,802	18.15%	16.91%	

GRV II	\$459,867,687	39.96%	37.23%
GED	\$287,940,001	25.02%	23.31%
Total	\$1,236,210,460	107.42% (3)	100.08% (3)

<FN>

- (1) Members' equity, used in the calculation of the investments as a % of members' equity, is reduced for member redemptions that are paid after the balance sheet date.
- (2) Adjusted members' equity, used in the calculation of the investments as a percentage of adjusted members' equity, represents members' equity excluding Redemptions payable in the amount of \$84,411,871 that are payable after December 31, 2004.
- (3) The total value of the Company's investments in the Investment Funds exceeded 100% of members' equity and adjusted members' equity, respectively, because members' equity and adjusted members' equity both reflected certain accrued liabilities of the Company, including fees and expenses, and, in addition, members' equity also reflected redemptions payable after December 31, 2004.

</FN>

</TABLE>

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DECEMBER 31, 2003

INVESTMENT FUND	FAIR VALUE OF COMPANY'S INVESTMENT IN \$ AMOUNT	FAIR VALUE OF COMPANY'S INVESTMENT AS A % OF MEMBERS' EQUITY
<S>	<C>	<C>
GTT II	\$119,531,941	26.28%
GELS	\$65,279,818	14.36%
GRV II	\$170,800,069	37.56%
GED	\$100,670,059	22.14%
Total	\$456,281,887	100.34% (1)

<FN>

- (1) The total value of the Company's investments in the Investment Funds exceeded 100% of members' equity, because members' equity reflected certain accrued liabilities of the Company, including fees and expenses.

</FN>

</TABLE>

PERFORMANCE OF THE COMPANY

For the year ended December 31, 2004 and for the period from commencement of operations on August 1, 2003 until December 31, 2003, the Company had net returns as described in the tables below. Past performance of the Company is not indicative of future results which may vary. The Company's net return has been computed based on the performance of the Company net of all fees and expenses including, among others (i) incentive allocations to the Managing Member and (ii) a monthly management fee to the Managing Member. See "FEES AND EXPENSES."

JANUARY 1, 2004 - DECEMBER 31, 2004

SERIES OF UNITS (1)	MONTH OF ISSUANCE OF UNITS	NET RETURN FOR PERIOD OUTSTANDING (2)
Class A Series 1	January	4.69%
Class A Series 2	February	3.30%
Class A Series 3	March	1.80%
Class A Series 4	April	1.70%

Class A Series 5	June	3.30%
Class A Series 6	July	3.65%
Class A Series 7	August	4.36%
Class A Series 8	September	4.74%
Class A Series 9	October	4.38%
Class A Series 10	November	3.56%
Class A Series 11	December	0.97%

- (1) As of December 31, 2004, the Company had 11 series of Class A units outstanding. Each series of Class A units is identical in every regard except with respect to its individualized incentive allocation base. Effective January 1, 2005, Class A Series 2 through Class A Series 11 units were converted into Class A Series 1 units. Class A Series (other than Class A Series 1) issued in future periods represent issuances of new series and are different from those series converted effective January 1, 2005.
- (2) The net return is shown for the month of issuance through December 31, 2004.

AUGUST 1, 2003 - DECEMBER 31, 2003

SERIES OF UNITS (1)	MONTH OF ISSUANCE OF UNITS	NET RETURN FOR PERIOD OUTSTANDING (2)
Class A Series 1	August	4.98%
Class A Series 2	September	4.93%
Class A Series 3	October	3.68%
Class A Series 4	November	1.79%
Class A Series 5	December	1.49%

- (1) As of December 31, 2003, the Company had 5 series of Class A units outstanding. Each series of Class A units is identical in every regard except with respect to its individualized incentive allocation base. Effective January 1, 2004, Class A Series 2 through Class A Series 5 units were converted into Class A Series 1 units. Class A Series (other than Class A Series 1) issued in future periods represent issuances of new series and are different from those series converted effective January 1, 2004.
- (2) The net return is shown for the month of issuance through December 31, 2003.

The Company only has one class of units at present, Class A Units. The Class A Series Units are subject to a management fee and an incentive allocation. Separately, the Investment Funds (GTT II, GELS, GRV II and GED) each offer separate classes of units. Among the classes of units offered by the Investment Funds, each has offered Class C Series units which are not subject to management fees and incentive allocations at an Investment Fund level (although management fees and incentive allocations are paid to each of the Advisors in which the Investment Funds invest). The Company only owns Class C Series of the Investment Funds. The intent behind this fee arrangement was to create a fee structure such that holders of Class A Series Units of the Company are not - in addition to management and incentive allocations paid to the Company (as well as management and incentive allocations paid to individual Advisors) - also subject to management fees and incentive allocations paid by each of the Investment Funds. Therefore, holders of a fee bearing class of the Company indirectly own "no-fee-shares" of the Investment Funds. Through its investment in the Investment Funds, the Company bears a pro rata portion of all other offering, organizational and operating expenses of the Investment Funds, including the administration fee for the Managing Member's services as administrator of each Investment Fund, and a pro rata portion of the Advisor compensation paid by the Investment Funds. Returns in the tables

above are shown net of these expenses. See "FEES AND EXPENSES."

The table below compares the historical cumulative total net return of the Company's Units for the investment periods indicated in the table with the 3 Month LIBOR (London Interbank Offered Rate), the Lehman Brothers Aggregate Index, the MSCI World Index and the S&P 500 Index. The 3 Month LIBOR, the Lehman Brothers Aggregate Index, the MSCI World Index and the S&P 500 Index are commonly used as comparative indices by hedge fund investors. The Managing Member does not manage the Company in respect of any particular index. References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time (referred to herein as an index or collectively as indices) are provided for information only. Reference to these indices does not imply that the portfolio will achieve returns, volatility or other results similar (or dissimilar) to the indices. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time. These indices are unmanaged and the figures for an index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. The holders of Units of the Company (each referred to as a "Member" and collectively the "Members") cannot invest directly in these indices.

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INVESTMENT PERIOD	COMPANY (1)	3 MONTH LIBOR	LEHMAN BROTHERS AGGREGATE INDEX	MSCI WORLD INDEX	S&P 500 INDEX
1/1/2004-12/31/2004	4.69%	1.48%	4.34%	14.72%	10.88%
8/1/2003-12/31/2003	4.98%	0.48%	3.66%	17.42%	13.15%

<FN>
(1) Company returns shown are the net returns for Class A Series 1 for each of the investment periods shown. See above for the Company's returns for Class A Series 2-11 and Class 2-5 for 2004 and 2003, respectively.

</FN>
</TABLE>

DESCRIPTION OF THE INVESTMENT FUNDS AND THE PERFORMANCE OF THE INVESTMENT FUNDS

The annual net returns shown for each Investment Fund in the tables below have been computed based on the performance of the respective Investment Fund net of all expenses allocated by each Investment Fund to the Company for periods shown following the commencement of the Company. Past performance of the Investment Funds is not indicative of future results which may vary significantly. The Company owns "no-fee-shares" in each Investment Fund and accordingly the Company was not charged any incentive allocation or management fee by the Managing Member in its capacity as managing member of each of the Investment Funds. See "FEES AND EXPENSES."

GOLDMAN SACHS GLOBAL TACTICAL TRADING II, LLC

GTT II's investment objective is to target attractive long-term risk-adjusted returns by allocating its assets to Advisors that employ strategies primarily within the tactical trading sector. Tactical trading strategies are directional trading strategies that generally fall into one of the following two categories: managed futures strategies and global macro strategies. Managed futures strategies involve trading in global futures and currencies markets, generally using systematic or discretionary approaches based on identified trends. In formulating these strategies, GTT II's Advisors generally use quantitative models or discretionary inputs to speculate on the direction of individual markets or subsectors of markets. Discretionary inputs may include macroeconomic and fundamental data (such as inflation estimates and supply/demand characteristics of individual markets) and technical data (such as market price patterns, market volatility estimates, and trading volume statistics). Global macro strategies generally utilize analysis of macroeconomic, geopolitical and financial conditions to develop views on country, regional or broader economic themes and then seek to capitalize on such views. Other strategies may be employed as well. The Advisors generally invest GTT II's assets in a

diversified portfolio composed primarily of futures contracts, forward contracts, physical commodities, options on futures and on physical commodities and other derivative contracts on foreign currencies, interest rates, financial instruments, stock indexes and other financial market indexes, metals, grains and agricultural products, petroleum and petroleum products, livestock and meats, oil seeds, tropical products and softs (such as sugar, cocoa, coffee and cotton). GTT II Advisors also engage in the speculative trading of securities, including, but not limited to, equity and debt securities (including, without limitation, high yield securities and emerging market securities), and other securities. Those GTT II Advisors that trade securities may do so on a cash basis or using options or other derivative instruments. Certain Advisors may utilize other investment media, such as swaps and other similar instruments and transactions. All speculative trading on behalf of GTT II is conducted at the direction of the Advisors. The GTT II Advisors generally trade on behalf of GTT II on commodities and securities exchanges worldwide as well as in the interbank foreign currency forward market and various other over-the-counter markets. GTT II allocates its assets pursuant to discretionary investment advisory agreements and through investments in Advisor Funds.

As of December 31, 2004, GTT II's managing member (currently, the Managing Member) had allocated GTT II's assets, directly or indirectly, to 27 Advisors, although this number may change materially over time as determined by GTT II's managing member. GTT II's managing member generally does not allocate more than 25% of GTT II's total assets to any single GTT II Advisor at the time of allocation.

GS Group owned approximately 5.6% of GTT II as of December 31, 2004, exclusive of any direct or indirect ownership of GTT II by or through the Company.

GTT II was organized on and commenced its operations on June 2, 2003. Since August 1, 2003 (when Class C Series 1 units were first issued) to December 31, 2004, GTT II had net returns on invested assets as described in the table below.

INVESTMENT PERIOD	NET RETURN FOR PERIOD
1/1/2004 - 12/31/2004 (1)	1.78%
8/1/2003 - 12/31/2003 (2)	6.40%

(1) Net return is based on the performance of Class C Series 1 units. Class C Series 1 units ("no-fee-shares") of GTT II (including those issued to the Company) are not subject to management fees or incentive allocations paid or made to GS HFS as managing member of GTT II and therefore returns do not reflect the payment of any such fees or the making of any allocations to GS HFS. In addition, returns for Class C Series 1 units during the entire period reflect returns net of the compensation paid to Advisors. The returns shown are also net of the payment of an administration fee to GS HFS by GTT II.

(2) No series of units of GTT II were available for the entire fiscal year of 2003. Net return is based on the performance of Class C Series 1 units for the period from commencement of the Company's operations on August 1, 2003 (when Class C Series 1 units were first issued) to December 31, 2003. Class C Series 1 units ("no-fee-shares") of GTT II (including those issued to the Company) are not subject to management fees or incentive allocations paid or made to GS HFS as managing member of GTT II and therefore returns do not reflect the payment of any such fees or the making of any allocations to GS HFS. In addition, returns for Class C Series 1 units during the entire period reflect returns net of the compensation paid to Advisors. The returns shown are also net of the payment of an administration fee to GS HFS by GTT II.

GOLDMAN SACHS GLOBAL EQUITY LONG/SHORT, LLC

GELS' investment objective is to target attractive risk-adjusted absolute returns with volatility lower than the broad equity markets, primarily through long and short investment opportunities in the global equity markets. As of December 31, 2004, GELS' managing member (currently, the Managing Member) had allocated GELS' assets, directly or indirectly, to 27 Advisors, although this number may change materially over time as determined by GELS' managing member. GELS' Advisors' strategies generally involve making long and short equity investments, often based on the Advisor's assessment of fundamental value compared to market price. It is

anticipated that GELS' Advisors will employ a wide range of styles. For example, the GELS Advisors may (i) focus on companies within specific industries; (ii) focus on companies only in certain countries or regions; (iii) focus on companies with specified levels of market capitalization; or (iv) employ a more diversified approach, allocating assets to opportunities across investing styles, industry sectors and geographic regions. Other strategies may be employed as well. GELS' managing member generally does not allocate more than 25% of GELS' total assets to any single Advisor at the time of allocation. GELS was organized on July 1, 2001 and commenced its operations on August 1, 2001.

GS Group owned approximately 3% of GELS as of December 31, 2004, exclusive of any direct or indirect ownership of GELS by or through the Company.

Since GELS commenced its operations on August 1, 2001 until December 31, 2004, it had net returns on invested assets as described in the table below.

INVESTMENT PERIOD	NET RETURN FOR PERIOD
1/1/2004 - 12/31/2004 (1)	9.27%
1/1/2003 - 12/31/2003 (1)	13.73%
1/1/2002 - 12/31/2002 (2)	(0.83)%
8/1/2001 - 12/31/2001 (3)	1.58%

(1) Net return is based on the performance of Class C Series 1 units. Class C Series 1 units ("no-fee-shares") of GELS (including those issued to the Company) are not subject to management fees or incentive allocations paid or made to GS HFS as managing member of GELS and therefore returns do not reflect the payment of any such fees or the making of any allocations to GS HFS. In addition, returns for Class C Series 1 units during the entire period reflect returns net of the compensation paid to Advisors. The returns shown are also net of the payment of an administration fee to GS HFS by GELS.

(2) Annual net return is based on the performance of Class A Series 1 units. Class A Series 1 units of GELS are subject to a 1.25% management fee and a 5% incentive allocation paid or made to GS HFS as managing member of GELS. The returns shown are net of the management fee and the incentive allocation paid by GELS to GS HFS as managing member of GELS. The returns for Class A Series 1 units are also net of the payment of an administration fee to GS HFS by GELS. The Company did not invest in Class A Series 1 units of GELS. Returns for the Class A Series 1 units are shown for 2002 and 2001 because the Class C Series 1 units were initially issued on April 1, 2002 and therefore were not available for the entire fiscal year of 2002 and did not exist in 2001. The net return for Class C Series 1 units for the period from April 1, 2002 (when Class C Series 1 units were first issued) to December 31, 2002 was (1.70)%. Class C Series 1 units ("no-fee-shares") of GELS (including those issued to the Company) are not subject to management fees or incentive allocations paid or made to GS HFS as managing member of GELS and therefore the returns of Class C Series 1 units do not reflect the payment of any such fees or the making of any allocations to GS HFS. In addition, returns for Class A Series 1 units and Class C Series 1 units during the entire period reflect returns net of the compensation paid to Advisors. The returns for Class C Series 1 units are also net of the payment of an administration fee to GS HFS by GELS.

(3) Annual net return is based on the performance of Class A Series 1 units. Class A Series 1 units of GELS are subject to a 1.25% management fee and a 5% incentive allocation paid or made to GS HFS as managing member of GELS. The returns shown are net of the management fee and the incentive allocation paid by GELS to GS HFS as managing member of GELS. The Company did not invest in Class A Series 1 units of GELS. The returns shown are also net of the payment of an administration fee to GS HFS by GELS.

GOLDMAN SACHS GLOBAL RELATIVE VALUE II, LLC

GRV II's investment objective is to target attractive risk-adjusted absolute returns with volatility and correlation lower than the broad equity markets by allocating assets to Advisors that operate primarily in the global relative value sector. As of December 31, 2004, GRV II's managing member (currently, the Managing Member) had allocated GRV

II's assets, directly or indirectly, to 22 Advisors, although this number may change materially over time as determined by GRV II's managing member. GRV II's managing member generally does not allocate more than 25% of GRV II's total assets to any single Advisor at the time of allocation. Relative value strategies seek to profit from the mispricing of financial instruments, capturing spreads related securities that deviate from their fair value or historical norms. Directional and market exposures are generally held to a minimum or completely hedged. Strategies that may be utilized in the relative value sector include convertible arbitrage, equity arbitrage, and fixed-income arbitrage, each of which is described in greater detail below. Other strategies may be employed as well.

Convertible Arbitrage

Convertible bond arbitrage strategies consist of buying convertible bonds and shorting an appropriate number of shares of the issuer's common stock. The stock short sale is intended to hedge the stock price risk arising from the equity conversion feature of the convertible bond. Due to the bond features of convertibles, credit and interest rate risk may also be hedged.

Credit Relative Value

Credit relative value encompasses strategies that take long and short positions in corporate bonds or their derivatives to capture misvaluations between single issues as well as between portfolios or indices and their underlying constituents. Strategies may also involve a capital structure component to capture mispricings between equity and corporate debt. Strategies are driven by both qualitative fundamental analysis and quantitative considerations. Portfolios are constructed to ensure that the directional exposure to credit spreads is minimal.

Equity Arbitrage

Equity arbitrage strategies try to avoid market direction influences and seek to generate returns primarily from stock selection. Advisors construct long and short baskets of equity securities they determine to be mispriced relative to each other, typically with similar characteristics. Portfolios are generally designed to exhibit zero or low beta to equity markets. Beta measures the degree to which an asset's price changes when a reference asset's price changes. For example, a beta greater than one suggests that for every 1% change in the reference asset's price, the asset will move greater than 1%.

Fixed Income Arbitrage

Fixed-income arbitrage strategies seek to exploit pricing anomalies that might exist across fixed-income securities and their related derivatives. Although some fixed-income strategies are based on macroeconomic considerations, the strategies are primarily quantitative in nature, and financial modeling is an integral component. Opportunities in fixed-income instruments or baskets of securities are found when securities deviate from historical relationships or fair value as determined by the Advisor. These relationships can be temporarily distorted by exogenous shocks to fixed-income supply and demand or by structural changes in the fixed-income market. Markets covered are predominantly G10 and developed countries, although some specialists employ similar techniques in developing country fixed-income markets.

Multi-Strategy

Multi-strategy Advisors invest across a range of strategies. GRV II Advisors tend to be more opportunistic in targeting specific relative value strategies during differing market environments. In addition, these Advisors may have exposures that have traditionally been described as being within the event driven sector, such as merger arbitrage, high yield/distressed securities and other special situations (e.g., capital structure arbitrage, spin-offs, recapitalizations, divestitures, litigations and regulatory changes, among others).

GS Group owned approximately 1.0% of GRV II as of December 31, 2004, exclusive of any direct or indirect ownership of GRV II by or through the Company.

GRV II was organized on and commenced its operations on May 1, 2003. Since August 1, 2003 (when Class C Series 1 units were first issued) until December 31, 2004, GRV II had net returns on invested assets as described in the table below.

INVESTMENT PERIOD

NET RETURN FOR PERIOD

- (1) Net return is based on the performance of Class C Series 1 units. Class C Series 1 units ("no-fee-shares") of GRV II (including those issued to the Company) are not subject to management fees or incentive allocations paid or made to GS HFS as managing member of GRV II and therefore returns do not reflect the payment of any such fees or the making of any allocations to GS HFS. In addition, returns for Class C Series 1 units during the entire period reflect returns net of the compensation paid to Advisors. The returns shown are also net of the payment of an administration fee to GS HFS by GRV II.
- (2) No series of units of GRV II were available for the entire fiscal year of 2003. Net return is based on the performance of Class C Series 1 units for the period from commencement of the Company's operations on August 1, 2003 (when Class C Series 1 units were first issued) to December 31, 2003. Class C Series 1 units ("no-fee-shares") of GRV II (including those issued to the Company) are not subject to management fees or incentive allocations paid or made to GS HFS as managing member of GRV II and therefore returns do not reflect the payment of any such fees or the making of any allocations to GS HFS. In addition, returns for Class C Series 1 units during the entire period reflect returns net of the compensation paid to Advisors. The returns shown are also net of the payment of an administration fee to GS HFS by GRV II.

GOLDMAN SACHS GLOBAL EVENT DRIVEN, LLC

GED's investment objective is to target attractive risk-adjusted absolute returns with volatility and correlation lower than the broad equity markets by allocating assets to Advisors that operate primarily in the global event driven sector. As of December 31, 2004, GED's managing member (currently, the Managing Member) had allocated GED's assets, directly or indirectly, to 19 Advisors, although this number may change materially over time as determined by GED's managing member. GED's managing member generally will not allocate more than 25% of GED's total assets to any single Advisor at the time of allocation. Event driven strategies seek to identify security price changes resulting from corporate events such as restructurings, mergers, takeovers, spin-offs and other special situations. Corporate event arbitrageurs generally choose their investments based on their perceptions of the likelihood that the event or transaction will occur, the amount of time that the process will take and the perceived ratio of return to risk. Strategies that may be utilized in the event driven sector include risk arbitrage/special situations, credit opportunities/distressed securities and multi-strategy investing, each of which is described in greater detail below. Other strategies may be employed as well.

Risk Arbitrage/Special Situations

Risk arbitrageurs seek to capture the price spread between current market prices and the value of securities upon successful completion of a takeover or merger transaction. The availability of spreads reflects the unwillingness of other market participants to take on transaction-based risk, i.e., the risk that the transaction will not be completed and the price of the company being acquired will fall. Risk arbitrageurs evaluate this risk and seek to create portfolios that reduce specific event risk. Special situations such as spin-offs and corporate reorganizations and restructurings offer additional opportunities for event driven managers. Often these strategies are employed alongside risk arbitrage or distressed investing. A GED Advisor's ability to evaluate the effect of the impact and timing of the event and to take on the associated event risk is the source of the returns. GED Advisors differ in the degree to which they hedge the equity market risk of their portfolios.

Credit Opportunities/Distressed Securities

Credit opportunities/distressed securities strategies invest in debt or equity securities of firms in or near bankruptcy. GED Advisors differ in terms of the level of the capital structure in which they invest, the stage of the restructuring process at which they invest, and the degree to which they become actively involved in negotiating the terms of the restructuring.

GS Group owned approximately 2% of GED as of December 31, 2004, exclusive of any direct or indirect ownership of GED by or through the

Company.

GED was organized on November 1, 2001 and commenced its operations on April 1, 2002. Since commencement of its operations until December 31, 2004, GED had net returns on invested assets as described in the table below.

INVESTMENT PERIOD	NET RETURN FOR PERIOD
1/1/2004 - 12/31/2004 (1)	12.70%
1/1/2003 - 12/31/2003 (1)	18.09%
4/1/2002 - 12/31/2002 (1)	(0.66)%

(1) Net return is based on the performance of Class C Series 1 units. Class C Series 1 units ("no-fee-shares") of GED (including those issued to the Company) are not subject to management fees or incentive allocations paid or made to GS HFS as managing member of GED and therefore returns do not reflect the payment of any such fees or the making of any allocations to GS HFS. In addition, returns for Class C Series 1 units during the entire period reflect returns net of the compensation paid to Advisors. The returns shown are also net of the payment of an administration fee to GS HFS by GED.

OVERVIEW OF THE INVESTMENT PROCESS OF THE INVESTMENT FUNDS

In its capacity as managing member of each of the Investment Funds, the Managing Member employs a dynamic investment process which includes Advisor selection, portfolio design and ongoing risk analysis and monitoring. The Goldman Sachs Group, Inc. acquired the assets and business of Commodities Corporation Limited, a Princeton New Jersey-based asset management firm established in 1969, specializing in alternative investments, and contributed them to a newly formed wholly owned subsidiary, Commodities Corporation LLC, which was renamed Goldman Sachs Princeton LLC in May 2001, and which changed its name to Goldman Sachs Hedge Fund Strategies LLC in December 2004. The Managing Member (together with the predecessor entity) has over 30 years of experience in constructing diversified portfolios by selecting, allocating among, and monitoring absolute return-oriented (i.e., returns not measured against a benchmark) or "skill-based" Advisors. Skill-based Advisors are Advisors which, as a result of their particular investment style and skills, have the potential to be profitable regardless of the direction of the market (i.e., unlike long-only Advisors, which would be expected to make money when markets go up, and not during periods of market decline). The Managing Member has also developed computer systems and operational capabilities to assist in the monitoring of Advisors.

An Investment Fund's managing member seeks to identify Advisors to which it may allocate such Investment Fund's assets. The Advisor selection process includes a review by the Investment Fund's managing member's team of professionals, which may include representatives of its portfolio management, Advisor selection, risk and quantitative analysis, compliance, tax, legal, finance and operations areas.

Both qualitative and quantitative criteria are factored into the Advisor selection process. These criteria include portfolio management experience, strategy, style, historical performance, including risk profile and drawdown (i.e., downward performance) patterns, risk management philosophy and the ability to absorb an increase in assets under management without a diminution in returns. The managing member of each Investment Fund also examines the organizational infrastructure, including the quality of the investment professionals and staff, the types and application of internal controls, and any potential for conflicts of interest. However, the Company and the Investment Funds do not control the Advisors and are frequently not able to review the actual books and investments of many Advisors since this is proprietary information and in many cases such information is not shared with the managing member of the Investment Funds, neither on a historical nor a current basis.

In determining the relative allocations of capital to each Advisor, the managing member of an Investment Fund considers the risk and return characteristics of each of the Advisors, including the average expected volatility of returns, drawdown patterns and liquidity and leverage characteristics. In addition, each Investment Fund's managing member considers how each Advisor's returns are expected to correlate to the other Advisors in the portfolio. It is expected that allocations will vary significantly over time as returns for different Advisors vary. The managing member of an Investment Fund also may adjust allocations from time to time when it deems it appropriate to do so. In addition, it is expected

that individual allocations will grow larger or smaller as each Advisor's performance varies over time.

The identity and number of each Investment Fund's Advisors may change materially over time. The managing member of an Investment Fund may withdraw from or invest with different Advisors without prior notice to or the consent of the Company, the Members or the members of the Investment Fund.

The managing member of an Investment Fund may invest a substantial portion of the Investment Fund's assets with Advisors who may have limited track records and Advisor Funds with limited operating histories. In such cases, the Advisors or individual members of their management teams generally will have had, in the Investment Fund's managing member's opinion, relevant experience trading in the strategies that such Advisors are expected to utilize. However, the Company and the Investment Funds are not able to ensure Members that each of the Advisors, even those with longer track records, will perform as expected or not undertake actions that would not be in the best interest of the Company or the Members.

CERTAIN CONSIDERATIONS RELATING TO LIMITED CAPACITY OF POTENTIAL ADVISORS OF CERTAIN INVESTMENT FUNDS

Goldman Sachs or accounts or other investment funds managed by Goldman Sachs may invest in Investment Funds or Portfolio Companies (as defined below) or allocate assets to the Company's existing Advisors through managed accounts. Such entities or accounts may also seek to invest in funds managed by, or enter into managed account agreements with, investment managers to which it would be appropriate for the Company to allocate assets. For example, GS HFS is currently the managing member of Goldman Sachs Hedge Fund Partners LLC, a Delaware limited liability company ("HFP"), Goldman Sachs Hedge Fund Partners III, LLC, a Delaware limited liability company ("HFP III") and Goldman Sachs Levered Hedge Fund Partners, LLC, a Delaware limited liability company ("HFP Levered") and the investment manager of Goldman Sachs Hedge Fund Portfolio plc, an Irish public limited company ("HFP Ireland"), Goldman Sachs Hedge Fund Portfolio II plc, an Irish public limited company ("HFP Ireland II"), Goldman Sachs Hedge Fund Portfolio III plc, an Irish public limited company ("HFP Ireland III"), Goldman Sachs Hedge Fund Portfolio Institutional plc, an Irish public limited company ("HFP Institutional Ireland"), Goldman Sachs Levered Hedge Fund Portfolio, Ltd., a Cayman Islands exempted limited company ("HFP Levered Cayman") and Goldman Sachs Hedge Fund Partners Institutional, Ltd., a Cayman Islands exempted limited company ("HFP Institutional Cayman" and together with HFP, HFP III, HFP Levered, HFP Ireland, HFP Ireland II, HFP Ireland III, HFP Institutional Ireland and HFP Levered Cayman, the "Other Existing HFP Funds"). The Other Existing HFP Funds have investment objectives and strategies similar to the Investment Funds, except that HFP Institutional is open only to certain benefit plans and other similar investors.

In addition, HFP invests in GELS and GED as well as Goldman Sachs Global Relative Value LLC ("GRV I") and Goldman Sachs Global Tactical Trading LLC ("GTT I"). GRV I and GTT I have investment objectives and strategies that are similar to GRV II and GTT II, respectively, and also allocate their assets to Advisors in the same sectors as GRV II and GTT II, respectively. Similarly, HFP III invests in GRV II and HFP Levered invests in GELS and GED as well as GRV I and GTT I.

Advisors may limit the amount of assets or the number of accounts that they will manage. In determining how to allocate investment opportunities among the Company, the Other Existing HFP Funds and any other investment fund or account, Goldman Sachs and/or GS HFS, as applicable, will take into account the investment objectives of each such entity or account and such other considerations as they deem relevant in their sole discretion.

Such allocations may present conflicts. For example, certain Advisors to which GRV I and GTT I currently allocate assets are also currently closed to new investment. Such Advisors currently manage a material portion of the total assets of GRV I and GTT I. It is not anticipated that GRV II and GTT II will generally allocate assets to such Advisors. If at any time in the future these Advisors accept additional investments, GRV I and GTT I will be given priority over GRV II and GTT II in the determination of how any available capacity is allocated.

LEVERAGE AND OTHER STRATEGIES

Leverage

Advisors may utilize leverage in their investment programs.

Leverage may take the form of trading on margin, use of derivative instruments that are inherently leveraged, and other forms of direct and indirect borrowings. Advisors generally will determine the amount of leverage they utilize, provided that limitations on leverage may be imposed on Advisors by their investment management agreements or law, if applicable. The managing member of the Investment Funds, on behalf of each Investment Fund, may seek to adjust the degree of leverage with which such Investment Fund as a whole invests by taking the Advisors' anticipated leverage use into account when allocating and reallocating the Investment Fund's assets among the Advisors. However, the managing member of an Investment Fund generally will not have any right to adjust the amount of leverage utilized by any of the Advisors, and generally does not exercise such right if available. Adjustments to an Investment Fund's overall leverage level will be based on factors deemed relevant by its managing member, including its assessment of the risk/reward parameters of the Advisors and the strategies currently included in such Investment Fund's investment portfolio.

The managing member of an Investment Fund may also elect, in its sole discretion, to cause an Investment Fund to invest indirectly in an Advisor Fund through a swap, option or other structure designed to provide greater leverage than a direct investment in the Advisor Fund. As of December 31, 2004, none of the Investment Funds had invested indirectly in an Advisor Fund through such a swap, option or other structure, however, the managing member of an Investment Fund may elect to do so in the future. See "--Additional Methods of Investing in Advisor Funds by the Investment Funds" below and "CERTAIN RISK FACTORS--INVESTMENT RELATED RISKS--Risks Related to Investment and Trading--The Use of Leverage May Substantially Increase the Adverse Impact to Which the Investment Funds' Investment Portfolios May be Subject."

The Company and each Investment Fund may, but are not required to, borrow (including through direct borrowings, borrowings through derivative instruments, or otherwise) from the GS Group or other parties, when deemed appropriate by its managing member, including to make investments and distributions in respect of redemptions of membership units, to pay expenses or for other purposes. In October 2003, the Company entered into a borrowing facility with a major financial institution (the "Old Facility Counterparty"). The facility was structured as a call spread option that had been issued by the Company to the Old Facility Counterparty. Under the terms of the facility, the Company received cash and redeposited the amount with the Old Facility Counterparty in a collateral account. The Company had the right to draw funds from the collateral account to use for liquidity purposes. Under the facility, the Company was able to draw, at any given time, up to a total amount of the collateral account at the time of withdrawal. However, in no event could the Company have drawn an amount under the facility exceeding 5% of the Company's net asset value. In February 2004, the size of the facility was reduced to \$20.0 million and in October 2004 the facility expired. On November 24, 2004, the Company entered into a credit facility with a new financial institution (the "New Facility Counterparty"). The Company made an initial borrowing of \$4.5 million under this facility. Subject to rejection by the New Facility Counterparty, the Company may request to borrow up to \$40.0 million in the aggregate. At the time of any borrowing, the aggregate amounts borrowed, however, may not exceed 10% of the Company's net asset value and at all other times the aggregate amount borrowed may not exceed 15% of the Company's net asset value. The effective interest rate on the borrowed amounts equals LIBOR plus 0.85% per annum compounded daily. The Company also pays an administration and structuring fee calculated as 0.10% per annum on the aggregate amount of \$40.0 million. The proceeds of the borrowings must be used primarily for purposes of refinancing existing indebtedness, making further investment in a pool of funds, funding liquidity of redemptions of Units in the Company and managing the cash flow of the Company. There were no borrowings outstanding at December 31, 2004. As security for its borrowings, the Company granted the New Facility Counterparty a security interest in the Company's cash accounts and any other account that contains other investment property (other than to the extent that it comprises shares of funds in the pool of funds in which the Company has invested) of the Company. The terms of the facility include various restrictive covenants, including restrictions on additional indebtedness, liens and fundamental changes to the Company's business. See ITEM 2. "FINANCIAL INFORMATION--Liquidity and Capital Resources" and Note 7 to the financial statements for further description of the credit facility. Each Investment Fund has entered into a similar facility with the New Facility Counterparty. Each Investment Fund may pledge its assets in order to secure any such borrowings. The Advisors may also borrow funds or enter into other similar transactions (including from or with the GS Group). The managing member of the Company and an Investment Fund may modify, as applicable, the Company's or the Investment Fund's borrowing policies, including the purposes of borrowings, and the length of time that the Company or the Investment Fund may hold portfolio securities

purchased with borrowed money. The rights of any lenders to the Company or an Investment Fund to receive payments of interest or repayments of principal will be senior to those of the members of the Company and the Investment Fund and the terms of any borrowings may contain provisions that limit the activities of the Company and the Investment Fund.

Temporary and Defensive Strategies

The Company and the Investment Funds may, from time to time, take temporary or defensive positions in cash, cash equivalents, other short-term securities or money market funds to attempt to minimize volatility caused by adverse market, economic, or other conditions. Any such temporary or defensive positions could prevent the Company and the Investment Funds from achieving their investment objectives. In addition, the Company may, in the Managing Member's sole discretion, hold cash, cash equivalents, other short-term securities or investments in money market funds pending allocation to Investment Funds, in order to fund anticipated redemptions, expenses of the Company or other operational needs, or otherwise in the sole discretion of the Managing Member. The Investment Funds are permitted to hold cash or invest their cash balances in the same manner as the Company.

Potential Investments

The Advisors may invest in securities, assets and instruments of any type, long or short, including, without limitation, the following: equity securities and instruments including, without limitation, common stocks, preferred stocks, equity index futures and forwards, interests in real estate investment trusts, convertible debt instruments, convertible preferred stock, equity interests in trusts, partnerships, joint ventures, limited liability companies, warrants and stock purchase rights, swaps and structured notes; fixed income instruments including bonds, interest rate futures contracts and swaps, options on futures, indices, loan participations and government and corporate debt instruments (both rated and unrated); currencies and speculative positions on currencies, spot transactions, currency forwards, cross currency swaps, options and futures on currencies; commodities, including without limitation, spot transactions in commodities, commodities futures and swaps and options on futures; and structured financial products, including mortgage-backed securities, pass-throughs and other asset-backed securities (both investment-grade and non-investment grade). The Advisors may employ short selling, and trade in securities without active public markets, indices, over-the-counter options, when-issued and forward commitment securities and engage in the borrowing and lending of portfolio securities. The Advisors may also engage in derivative transactions including swaps and repurchase and reverse repurchase agreements or other strategies to hedge against securities, currencies or interest rates or to manage risk relating to their portfolio investments, to leverage their portfolio and to establish speculative positions. The Advisors may invest in both U.S. and non-U.S. issuers, including issuers based in emerging market countries.

Additional Methods of Investing in Advisor Funds by the Investment Funds

An Investment Fund will typically invest directly in an Advisor Fund by purchasing an interest in such Advisor Fund. There may be situations, however, where an Advisor Fund is not open or available for direct investment by the Investment Fund or where the managing member of such Investment Fund elects for other reasons to invest indirectly in an Advisor Fund. Such an instance may arise, for example, where the Investment Fund's proposed allocation does not meet an Advisor Fund's investment minimums. On occasions where the managing member of an Investment Fund determines that an indirect investment is the most effective or efficient means of gaining exposure to an Advisor Fund, the Investment Fund may invest in an Advisor Fund indirectly by purchasing a structured note or entering into a swap or other contract, paying a return approximately equal to the total return of an Advisor Fund. In the case of a structured note or swap, a counterparty would agree to pay to the Investment Fund a return based on the return of the Advisor Fund, in exchange for consideration from the Investment Fund equivalent to the cost of purchasing an ownership interest in the Advisor Fund. The Investment Fund may also invest indirectly in an investment vehicle or "feeder fund" established by the managing member of the Investment Funds, the Advisor or their respective affiliates that invests all of their assets in an Advisor Fund. In addition, in the discretion of the managing member of the Investment Funds, an indirect investment in an Advisor Fund of the type described above may be structured so as to provide greater leverage than a direct investment in the Advisor Fund, which may increase the risks to the Investment Fund relative to a direct investment in the Advisor Fund. Indirect investment through a swap or similar contract in an Advisor Fund carries with it the credit risk associated with the counterparty. Indirect investments will generally be subject to transaction and other fees, which will reduce the

value of the Investment Fund's investment. There can be no assurance that the Investment Fund's indirect investment in an Advisor Fund through a structured note or swap will have the same or similar results as a direct investment in the Advisor Fund, and the Investment Fund's value may decrease as a result of such indirect investment.

Any references in this registration statement (the "Registration Statement") to strategies or techniques utilized by the Advisors on behalf of the Investment Funds include strategies or techniques utilized by (i) Advisors pursuant to investment management agreements entered into with either the Investment Fund or separate Cayman Islands limited liability companies formed by the managing member of an Investment Fund (each a "Portfolio Company" and collectively the "Portfolio Companies") through which the Investment Fund allocates assets to such Advisor, or (ii) Advisor Funds in which an Investment Fund invests. See "PORTFOLIO COMPANIES" below in this Item.

The Company's investment program and the investment program of each of the Investment Funds are speculative and entail substantial risks. There can be no assurance that the investment objectives of the Company and each of the Investment Funds, including their risk monitoring and diversification goals, will be achieved, and results may vary substantially over time. Advisors of each Investment Fund may consider it appropriate, subject to applicable regulations, to utilize forward and futures contracts, options, swaps, other derivative instruments, short sales, margin and other forms of leverage in their investment programs. Such investment techniques can substantially increase the adverse impact to which an Investment Fund's, and the Company's, investment portfolio may be subject. See "CERTAIN RISK FACTORS."

INTERNATIONAL ACTIVITIES

The Company allocates its assets to the Investment Funds who in turn allocate their assets to Advisors located throughout the world. From time to time, these Advisors invest in securities of non-U.S. issuers, including companies based in less developed countries (i.e., "emerging markets"), or in securities issued by the governments outside the United States. A portion of the Company's assets, therefore, ultimately may be invested in securities and other financial instruments denominated in non-U.S. currencies, the prices of which are translated into U.S. dollars for purposes of calculating the Company's net asset value. Some Advisors may invest exclusively in securities and other financial instruments denominated in non-U.S. currencies. The Investment Funds have invested, from time to time, up to 40%-50% of their assets with Advisors located outside the United States or in non-U.S. markets or financial instruments. The amount so invested outside the United States could be significantly greater than such amount at any particular time in the future. Historical international investment activity may not be indicative of current or future levels.

The value of the Company's assets and liabilities may fluctuate with U.S. dollar exchange rates as well as with the price changes of the Advisors' investments in the various local markets and currencies. Investing in securities of companies which are generally denominated in non-U.S. currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. issuers. See "CERTAIN RISK FACTORS--INVESTMENT RELATED RISKS--Risks Related to International Investments--Trading on Foreign Exchanges May Involve Higher Risk of Financial Irregularities and/or Lack of Appropriate Risk Monitoring and Controls," "--Non-U.S. Investments Involve Special Risks not Usually Associated with Investments in U.S. Securities," "--Investment in Emerging Markets Involves Significant Risks, including Inflation and Currency Devaluations," "--Foreign Currency Transactions and Exchange Rate Risk Create Additional Risks for Advisors investing in Certain Financial Instruments," and "--Non-U.S. Futures Transactions Afford Less Protection as Rules of a Foreign Exchange May Not be Enforced by a Domestic Regulator."

PORTFOLIO COMPANIES

The Investment Funds may allocate assets to Advisors (i) through direct or indirect investments in Advisor Funds, (ii) through direct allocation of assets held in a separately managed account pursuant to an investment management agreement between the Investment Fund and the Advisor or such similar arrangement as is determined by the managing member of such Investment Fund or (iii) through investments in Portfolio Companies, each of which allocates its assets to a single Advisor via a separately managed account. The managing member of the Investment Funds or an affiliate thereof is the investment manager of each Portfolio Company, and the officers and all or a majority of the directors of each such entity are persons that are employed by, or are otherwise affiliated with, the

managing member of the Investment Funds or its affiliates. Portfolio Companies may have other investors in addition to the Investment Funds. See "POTENTIAL CONFLICTS OF INTEREST." It is expected that one investor in each Portfolio Company is a Cayman Islands limited liability company managed by the managing member of the Investment Funds and formed to accept subscriptions from non-U.S. persons and U.S. tax-exempt entities.

Each Portfolio Company (or the investment manager on behalf of the Portfolio Company) will enter into an investment management agreement with an Advisor selected by the managing member of the applicable Investment Fund. Each investment management agreement provides for the payment of fees and expenses of the Advisor, any restrictions on the Advisor relating to the management of the assets, including restrictions relating to leverage and investment strategies, if applicable, and rights of the applicable Investment Fund with respect to ongoing monitoring and risk management, which may include rights to receive reports, require the disposition of positions, and withdraw all or a portion of an allocation to the Advisor. Each Portfolio Company, however, reserves the right in its sole discretion and for any reason to waive fees of, or impose different fees on, any investor, as may be agreed to by the Portfolio Company and the investor. Each Portfolio Company may, by agreement with its Advisor, structure the Advisor's fees (or a portion thereof) as an incentive allocation or other arrangement.

The governing documents of each Portfolio Company provide, among other things, for the management of the Portfolio Company by its board of directors, redemption rights of shareholders of the Portfolio Company (which will be negotiated on a case-by-case basis with each shareholder, provided that the Investment Funds have the right to redeem their shares upon request, subject to any restrictions contained in the investment management agreement between the Portfolio Company and the Advisor), certain fees and expenses as discussed below and in "FEES AND EXPENSES," and indemnification and exculpation of the managing member of the Investment Funds, in its capacity as the investment manager of the Portfolio Company) and its affiliates. The board of directors of a Portfolio Company may cause such entity to list its shares on the Irish, Luxembourg or other stock exchange, or to enter into a transaction or series of transactions in which the shareholders of the Portfolio Company become beneficial owners of economically comparable equity interests of another entity, which may be domiciled outside the Cayman Islands, so long as (i) the shareholders of the Portfolio Company do not suffer any material adverse economic effect as a result thereof or (ii) the shareholders of the Portfolio Company receive prior written notice of any initial listing or transaction and an opportunity to redeem their interests in the Portfolio Company prior to the effectiveness of the initial listing or transaction.

The managing member of the Investment Funds does not currently charge any management fee or performance-based fee or allocation at the Portfolio Company level. In 2004, each Portfolio Company paid the managing member of the Investment Funds (or other entity selected by the Portfolio Company to be its administrator) an administration fee, accruing daily and calculated and paid on a monthly basis, equal to one-twelfth of 0.20% of the net assets of the Portfolio Company as of the end of each month, calculated prior to any reduction in net assets due to Advisor fees. Effective January 1, 2005, an administration fee is no longer charged by the Managing Member at the Portfolio Company level. The Portfolio Companies may also retain another entity not affiliated with the Managing Member as sub-administrator. Fees payable to such sub-administrator may be payable out of an administration fee, if such a fee exists, or pursuant to such other arrangements as may be agreed to by the Managing Member (in its capacity as investment manager of the Portfolio Company) and such sub-administrator. See "--FEES AND EXPENSES."

Each Portfolio Company bears its own offering, organizational, and operating expenses, including any management and incentive fees payable to the Advisor of the Portfolio Company's assets pursuant to the Portfolio Company's investment management agreement. The Company bears, indirectly through its investment in the Investment Funds, a pro rata portion of the expenses of each Portfolio Company in which the Investment Funds invest. See "--FEES AND EXPENSES."

References in this Registration Statement to assets or investments of the Company, the Investment Funds and the Advisors shall be deemed to include interests in Portfolio Companies and assets and investments of Portfolio Companies to the extent of the Company's and the Investment Funds' indirect interest therein, whether or not so indicated, where the context permits.

FEES AND EXPENSES

The Company pays the Managing Member a monthly management fee

(the "Management Fee"), equal to one-twelfth of 1.25% of the net assets of the Company as of the end of the applicable month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions, redemptions or distributions. For purposes of determining the Management Fee, net assets are not reduced to reflect any accrued incentive allocation (the "Incentive Allocation"). See "--Capital Accounts; Allocation of Gains and Losses" below. In return for receiving the Management Fee, the Managing Member, among other things, constructs the portfolio of the Company and evaluates and monitors the performance of each of the Investment Funds. The managing member of each of the Investment Funds (which is currently the Managing Member) does not receive a separate management fee from the Investment Funds for investments in the Investment Funds by the Company as the Company owns "no-fee shares" of each of the Investment Funds.

The Company is currently issued units of a class of membership interests of each Investment Fund ("no-fee-shares") which are not subject to any management fees or incentive allocation, although the Company may be charged management fees or an incentive allocation in the future. As the Company owns "no-fee-shares" in each of the Investment Funds, there are no incentive allocations or management fees paid to the Managing Member in respect of the Company's investments in each of the Investment Funds. The ratios shown below do not reflect the inclusion of the Company's proportionate shares of expenses of the Investment Funds, including the administration fees paid, directly or indirectly, by the Investment Funds.

Fees and Expenses for the Company for the year ended December 31, 2004 are as follows:

<TABLE>
<CAPTION>

	Class A Series 1	Class A Series 2	Class A Series 3	Class A Series 4	Class A Series 5	Class A Series 6	Class A Series 7	Class A Series 8	Class A Series 9	Class A Series 10	Class A Series 11
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Ratios to average net assets (annualized):											
Expenses	1.34%	1.33%	1.32%	1.30%	1.29%	1.28%	1.28%	1.27%	1.26%	1.26%	1.26%
Incentive allocation	0.24%	0.17%	0.10%	0.09%	0.17%	0.19%	0.23%	0.24%	0.22%	0.18%	0.05%
Total expenses and incentive allocation	1.58%	1.50%	1.42%	1.39%	1.46%	1.47%	1.51%	1.51%	1.48%	1.44%	1.31%

</TABLE>

The table below sets forth certain information with respect to the Company including fees and expenses paid to the Managing Member by the Company. The dollar amounts of fees and expenses are shown for fiscal year 2004 and are based on a \$1,000,000 investment in Class A Series 1 made as of January 1, 2004.

FEES AND EXPENSES	PERCENTAGE AMOUNT	DOLLAR AMOUNT
Management Fee	1.25% (1)	\$12,870 (4)
Incentive Allocation	5% (2)	\$2,469 (4)
Administration Fee	N/A (3)	\$2,065 (4)
Placement Fee	None	None
Entry Fee	None	None
Exit Fee	None	None
Minimum Subscription Amount	N/A	\$1,000,000 (5)

(1) The Managing Member receives a monthly Management Fee, equal to one-twelfth of 1.25% of the net assets of the Company as of the end of the applicable month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions, redemptions or distributions. See "--Capital Accounts; Allocation of Gains and Losses" below.

(2) At the end of each fiscal year of the Company, the Managing

Member is entitled to receive an Incentive Allocation equal to 5% of the increase in the NAV (as defined below in this section) of each series of Units. The Managing Member does not receive a payment or make a contribution in the event of a decrease in the NAV of a series of Units, however the Managing Member is only entitled to receive an Incentive Allocation relating to an increase in NAV of a series of Units if the NAV of such series is above a prior high NAV. See "--Capital Accounts; Allocation of Gains and Losses."

- (3) The Company bears a pro rata portion of the administration fee paid to the Managing Member for services provided to the Investment Funds and Portfolio Companies. In 2004, each of the Investment Funds paid its managing member (currently the Managing Member) an administration fee of 0.20% for services rendered to it. The Dollar Amount (which is approximate based on calculation) reflects the total administration fee comprised of the Company's aggregate pro rata portion for services provided to the Investment Funds and the fee directly payable by the Portfolio Companies based on an investment of \$1,000,000 in Class A Series 1 Units as of January 1, 2004. Effective January 1, 2005, the Managing Member agreed to change the administration fee rate charged at the Investment Fund level from 0.20% to the fee rate charged to each Investment Fund by SEI (as defined below in this section). It is expected that initially the Administration Fee Rate (as defined below in this section) will generally be in the range of 0.08% to 0.10%, but such rate may be exceeded, subject to a maximum of approximately 0.20%, if the total assets managed by the Managing Member that are administered by SEI and its affiliates declines or if an Investment Fund allocates a greater percentage of its assets to Portfolio Companies or Managed Accounts (as defined below in this section) than is currently anticipated.
- (4) Based on an investment of \$1,000,000 in Class A Series 1 Units as of January 1, 2004.
- (5) The minimum subscription by a purchaser of Units is \$1,000,000, although the Managing Member, in its sole discretion, may accept subscriptions below the minimum.

The Managing Member currently serves as the administrator of the Company (in such capacity the "Administrator") pursuant to an administration agreement (the "Administration Agreement"). The Administrator is responsible for calculating the net asset value ("NAV") for the Company, and maintaining capital accounts, valuing securities and other assets, including securities which are not readily marketable, assisting in the preparation of financial statements and tax returns, assisting in the preparation and distribution of reports, maintaining a registry of ownership and providing certain other administrative services. See "CERTAIN RISK FACTORS--SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Related to The Company's Structure--The Company's Financial Statements are, and in the Future will be, Based on Estimates of Valuations Provided by Third Party Advisors Which May not be Accurate or May Need to be Adjusted in the Future."

The Investment Funds and the Portfolio Companies have entered into a similar administration agreement with the Managing Member. The Managing Member does not receive a fee directly from the Company for its service as the Administrator. In 2004, the administrator of each Investment Fund and each Portfolio Company (currently the Managing Member in each case) received an administration fee, accruing daily and calculated and paid on a monthly basis, equal to one-twelfth of 0.20% of the net assets of such Investment Fund or Portfolio Company (in the case of the Investment Funds, without taking into account their investments in Portfolio Companies so as to avoid duplication) as of the end of each month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions, redemptions or distributions. Therefore, no administration fee was paid at the Investment Fund level with respect to any assets of the Investment Funds attributable to investments in Portfolio Companies.

Effective January 1, 2005, the Managing Member agreed to change the administration fee rate (the "Administration Fee Rate") charged at the Investment Fund level from 0.20% to the fee rate charged to each Investment Fund by SEI Global Services, Inc. ("SEI"). In addition, effective January 1, 2005, an administration fee is no longer charged by the Managing Member at the Portfolio Company level, and the administration fee charged at the Investment Fund level will be paid with respect to assets of the Investment Funds invested in Portfolio Companies. The Administration Fee Rate is determined each month, without notice to Members, based on the total assets managed by the Managing Member that are administered by SEI and its

affiliates. In determining the Administration Fee Rate, each Investment Fund is assessed a higher rate in respect of assets allocated to Portfolio Companies and managed accounts ("Managed Accounts"). It is expected that initially the Administration Fee Rate will generally be in the range of 0.08% to 0.10%, but such rate may be exceeded if the total assets managed by the Managing Member that are administered by SEI and its affiliates declines or if an Investment Fund allocates a greater percentage of its assets to Portfolio Companies or Managed Accounts than is currently anticipated. However, the Administration Fee Rate is subject to a maximum of approximately 0.20%. For purposes of determining the administration fee payable by the Investment Funds, NAV will not be reduced to reflect any accrued but unpaid incentive allocation or management fees of the Managing Member. The Company will bear its pro rata portion of these fees through its investments in the Investment Funds.

The Managing Member (in its capacity as Administrator of the Company) and the Company entered into an agreement with SEI to serve as the sub-administrator of the Company effective March 1, 2004. In addition to the services described above, SEI is expected to assist in the preparation of the Company's periodic and other reports including filing such reports with the Securities and Exchange Commission (the "SEC") and other services associated with the Company being a registrant under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Pursuant to the agreement, the Administrator is responsible for paying the fees of SEI. The Company pays no additional fees to SEI. The Managing Member (in its capacity as the administrator of each Investment Fund) and each Investment Fund have entered into a similar agreement with SEI, and the Managing Member and each Portfolio Company may enter into similar agreements with SEI. In the future, the Managing Member may cease to serve as the administrator of the Company and one or more of the Investment Funds and the Portfolio Companies and SEI may perform such duties directly. The Managing Member and SEI are currently discussing implementing such changes.

The Managing Member and the Company may, in the future, engage other entities, which may be unaffiliated with the Managing Member, to provide administration or other services to the Company, the Investment Funds or the Portfolio Companies as administrator or sub-administrator. The terms of any such engagement shall be subject to such terms and conditions as the Managing Member and such other entity may agree. The terms of such engagement may differ from the terms and conditions under which the Managing Member or one or more of its affiliates provides administration services to the Company, including without limitation the compensation arrangements and indemnification obligations.

Pursuant to the Administration Agreement, the Company has agreed to indemnify the Administrator against any loss or liability arising out of any claim asserted or threatened by any third party in connection with the Administrator's performance of its obligations or duties under the Administration Agreement, except where such loss or liability arises as a result of gross negligence, willful misconduct or reckless disregard on the part of the Administrator. Pursuant to the agreement with SEI, the Company has agreed to indemnify SEI.

The Company bears all of its own operating expenses, including, without limitation, legal expenses; professional fees (including, without limitation, fees and expenses of consultants and experts) relating to investments; costs and expenses relating to any amendment of the Limited Liability Company Agreement of the Company dated August 1, 2003 (as it may be amended or modified from time to time, the "LLC Agreement") or the Company's other organizational documents or subscription agreement or any modification or supplement to the Private Placement Memorandum dated June 2003 for the Company (as it may be supplemented or modified from time to time, the "Memorandum"), and any distribution of such documentation to the Members; accounting, auditing and tax preparation expenses; fees and expenses of other agents of the Company; taxes and governmental fees; printing and mailing expenses; expenses relating to transfers and redemptions of Units; fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services to the Company; quotation or valuation expenses; expenses relating to the acquisition, holding and disposition of investments (e.g., expenses which the Managing Member determines to be related to the investment of the assets of the Company, including, among others, research expenses, brokerage fees and commissions, expenses relating to short sales, clearing and settlement charges, custodial fees and expenses, costs and charges for equipment or services used in communicating information regarding the Company's transactions between the Managing Member and other agents, bank service fees, interest expenses, borrowing costs and extraordinary expenses); insurance premiums; costs incurred in connection with any claim, litigation, arbitration, mediation, government investigation or dispute in connection with the business of the Company and the amount of any judgment or settlement paid in connection therewith, or the enforcement of the

Company's rights against any person or entity; costs and expenses for indemnification or contribution payable by the Company to any person or entity (including, without limitation, pursuant to the indemnification obligations described under ITEM 12. "INDEMNIFICATION OF DIRECTORS AND OFFICERS"); and all costs and expenses incurred as a result of dissolution, winding-up and termination of the Company.

The Company in the past has borne its organizational expenses and continues to bear expenses incurred in connection with the offer and sale of Units, including printing costs and legal fees and other expenses of the Company, the Managing Member and any placement agent and other expenses relating to the offering of Units. In addition, the Company bears, indirectly through its investment in each Investment Fund its pro rata portion of the offering, organizational and operating expenses of such Investment Fund, including expenses related to the investment of such Investment Fund's assets, such as fees to the Advisors, Portfolio Company and Advisor Fund fees and expenses, brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs and extraordinary expenses.

Each of the Managing Member, the Administrator and any sub-administrator pays its own overhead costs and expenses, including the salaries, fringe benefits and other compensation costs of its employees.

The Managing Member, the Administrator or any sub-administrator may pay certain of the Company's or any Investment Fund's expenses described above. The Company or applicable Investment Fund will reimburse the Managing Member, the Administrator or any sub-administrator, as applicable, for the payment of any such expenses.

The Managing Member has the right, in its sole discretion, to waive or impose different fees on the Members as may be agreed to by the Managing Member and the Member (including by means of a rebate or the issuance of a new class of Units) and to make appropriate amendments to the LLC Agreement to reflect any such fee arrangements. Similarly, each Investment Fund has the right, in its sole discretion and for any reason, to waive fees of, or impose different fees on, its investors, as may be agreed to by the Investment Fund and the investor.

Advisors are compensated by the Investment Funds on terms that may include fixed and/or performance-based fees or allocations. Currently, aggregate fixed fees of most Advisors generally range from approximately 0% to 4% (annualized) of each Advisor's allocation, and performance-based fees or allocations generally range from approximately 15% to 30% of the net capital appreciation in each individual Advisor's investments for the year. However, each Investment Fund may, in the sole discretion of its managing member, allocate assets to Advisors that receive fixed and/or performance based fees that exceed these ranges. The Company will bear a pro rata share of the Advisor compensation paid by the Investment Funds.

Performance-based compensation is typically not paid to an Advisor until the Advisor makes up prior losses. See "CERTAIN RISK FACTORS--GENERAL RISKS--Risks Related to the Units, Liquidity of Units and the Offering of Units--Special Considerations are Applicable to the Units; After the Initial Offering of Units Subsequent Purchasers of Units may Suffer Losses Because of Previously Established Open Positions."

CAPITAL ACCOUNTS; ALLOCATION OF GAINS AND LOSSES

The Company maintains a separate capital account on the books of the Company for each series of Units and for each Member, with respect to each series of Units held by such Member. Each capital account with respect to a series of Units will be (i) increased by the amount of any capital contributions in respect of such series, (ii) decreased for any payments in redemption of, or any distributions in respect of, such series, (iii) increased or decreased as of the close of each accounting period by such series' allocable share of the net appreciation or net depreciation of the net assets of the Company (as determined below), and (iv) decreased by any Incentive Allocation (discussed below) and any Management Fee accrual in respect of such series. For each accounting period, the net appreciation or net depreciation of the net assets of the Company (before reduction for any Management Fee) shall be allocated to each series of Units pro rata based upon the relative capital accounts of each series as of the beginning of such accounting period, prior to any year-to-date accrued Incentive Allocation. Each Member's capital account with respect to each series of Units shall equal the capital account of such series of Units multiplied by the percentage of Units in such series owned by such Member. Capital accounts will be appropriately adjusted for exchanges of Units from one series into another series, the Incentive Allocation discussed below, and for other events and items as determined by the Managing Member.

The NAV of a series of Units equals the capital account with respect to such series of Units, and the NAV per Unit of a series shall be equal to the NAV of such series divided by the number of outstanding Units of such series.

At the end of each fiscal year of the Company (or other period used to determine the Incentive Allocation), the Managing Member receives an Incentive Allocation equal to 5% of the increase in the NAV of each series of Units (appropriately adjusted as determined by the Managing Member in its sole discretion for additional contributions, distributions and redemptions, and determined prior to any Incentive Allocation accrual with respect to such series of Units, but after the deduction of all Company expenses for the period, including the Management Fee allocable to that series) above the Prior High NAV (as defined below) of such series. The Managing Member does not receive a payment or make a contribution in the event of a decrease in the NAV of a series of Units, however the Managing Member is only entitled to receive an Incentive Allocation relating to an increase in NAV of a series of Units if the NAV of such series is above a prior high NAV. The "Prior High NAV" with respect to a series of Units is equal to the NAV of such series immediately following the date as of which the last Incentive Allocation has been made with respect to such series (or, if no Incentive Allocation with respect to such series has been made, the NAV of such series immediately following the initial offering of such series), appropriately adjusted as determined by the Managing Member in its sole discretion for additional contributions, distributions and redemptions. The Incentive Allocation will be in addition to any performance-based fees paid to the Advisors.

The Incentive Allocation with respect to a series of Units accrues daily and is credited to the capital account of the Managing Member as of December 31 of each year out of the capital accounts of the Members who hold Units in such series. In the event of an intra-year redemption of Units, any accrued Incentive Allocation with respect to such Units will be credited to the capital account of the Managing Member upon redemption. Appropriate adjustments will be made to the calculation of the Incentive Allocation for extraordinary circumstances, including for example, if the Managing Member permits a subscription or redemption by a Member to be made intra-month.

Each of the Investment Funds has entered into performance-based compensation arrangements with the Managing Member as its managing member, which are similar or identical to the arrangements described above. However, as a member of each of the Investment Funds, the Company receives membership units of a class, the NAV of which is not reduced in connection with any performance-based allocations made to the managing member of the Investment Funds.

The managing member of the Investment Funds may invest the Investment Funds' assets in Advisor Funds or Managed Accounts managed by Advisors affiliated with Goldman Sachs. In each such case, the managing member of the Investment Funds and the Managing Member will ensure that the aggregate fees and allocations paid to or received by the affiliated Advisor and the Managing Member will not exceed the fees that a member (including the Company) otherwise would incur if the Advisor were not so affiliated.

The Managing Member reserves the right, in its sole discretion, to apply different performance-based percentage allocations and performance compensation arrangements to any Member, as may be agreed to by the Managing Member and such Member without notice to the other Members. The managing member of the Investment Funds has a similar right with respect to members of each of the Investment Funds.

The LLC Agreement provides that the Managing Member may amend the provisions of the LLC Agreement relating to the Incentive Allocation to conform to applicable law or regulatory authorities, so long as such amendment does not increase the Incentive Allocation in respect of a Member to more than the amount that would otherwise be determined absent such amendment.

For a discussion of the LLC Agreement, see ITEM 11. "DESCRIPTION OF REGISTRANT'S UNITS TO BE REGISTERED--OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT."

THE MANAGING MEMBER

GS HFS, a Delaware limited liability company, serves as Managing Member of the Company and currently acts as the managing member of each of the Investment Funds. The Managing Member is responsible for the management and operations of the Company. As managing member of the Investment Funds,

GS HFS is responsible for the management and operations of the Investment Funds, including the selection of the Advisors with which the Investment Funds invest their assets. GS HFS, in its capacity as Managing Member and as managing member of the Investment Funds, is permitted to delegate some of its investment management responsibilities to its advisory affiliates or other persons as set forth in the LLC Agreement and the limited liability company agreements for the relevant Investment Funds. The principal business of the Managing Member is to function as an investment manager for multi-advisor funds and to select advisors to make investments on behalf of such funds.

The Managing Member is an advisory affiliate of Goldman Sachs and Goldman Sachs Asset Management, a unit of the Investment Management Division of Goldman Sachs ("GS Asset Management" and, together with Goldman Sachs Asset Management, L.P., a Delaware limited partnership and a successor to certain of the asset management businesses of GS Asset Management, "GSAM"). Each of the Managing Member, Goldman Sachs and GSAM is a wholly owned subsidiary of The Goldman Sachs Group, Inc.

Goldman Sachs, one of the world's oldest and largest investment banking and securities firms, was founded in 1869. GSAM, formed in 1988, is located at 32 Old Slip, New York, New York 10005. GS HFS is located at 701 Mount Lucas Road, Princeton, New Jersey 08540.

The Company has no employees. As of December 31, 2004, the Managing Member was supported by approximately 125 employees of the GS Group worldwide, of which approximately 28 allocated at least a portion of their time to portfolio management of the Company and the Investment Funds. The Company's assets were managed, indirectly through the Company's investments in the Investment Funds, by approximately 95 Advisors.

The Managing Member may withdraw any interest it may have as the Managing Member, and may substitute an entity that is an affiliate of Goldman Sachs as the Managing Member of the Company. From time to time certain qualified officers and employees of the Managing Member, Goldman Sachs and its affiliates may invest, directly or indirectly, in the Company. Subject to the redemption provisions of the LLC Agreement, any such party may redeem any Units that it may acquire without prior notice to the non-managing members. The managing member of each Investment Fund has such rights with respect to its interests therein. Members of the GS Group have from time to time made and withdrawn investments in certain of the Investment Funds. Redemptions of any amount may be made by members of the Managing Member and Affiliates at any time, without prior notice, in accordance with the redemption provisions of the limited liability company agreement of the applicable Investment Fund.

It is not presently expected that the Investment Funds' Advisors or any of their respective principals will purchase Units or membership units in the Investment Funds.

The Managing Member also manages a number of other investment funds that have investment programs that are similar to those of the Company. See "POTENTIAL CONFLICTS OF INTEREST."

POTENTIAL CONFLICTS OF INTEREST

GENERAL CATEGORIES OF CONFLICTS ASSOCIATED WITH THE COMPANY

The Goldman Sachs Group, Inc. is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization. As a result, The Goldman Sachs Group, Inc., GSAM, the Managing Member (for purposes of this "POTENTIAL CONFLICTS OF INTEREST" section, in its capacities as Managing Member of the Company and managing member of each of the Investment Funds) and their affiliates, directors, partners, trustees, managers, members, officers and employees (collectively, for purposes of this "POTENTIAL CONFLICTS OF INTEREST" section, "Goldman Sachs"), including those who may be involved in the management, sales, investment activities, business operations, or distribution of the Company or the Investment Funds, are engaged in businesses and have interests other than that of managing the Company or the Investment Funds. In addition, the investment managers to which the Investment Funds directly or indirectly allocate their assets and their affiliates, directors, partners, trustees, managers, members, officers and employees (collectively, for purposes of this "POTENTIAL CONFLICTS OF INTEREST" section, the "Advisors") may similarly have clients, businesses, and interests in addition to managing assets of the applicable Advisor Fund, Portfolio Company or Managed Account. The activities and interests of Goldman Sachs and the Advisors include potential multiple advisory, transactional and financial and other interests in securities, instruments and companies that may be directly or indirectly purchased or sold by the Company, Investment Funds, Advisor Funds, Portfolio Companies or Managed

Accounts and their service providers, including without limitation the Advisors. These are considerations of which Members should be aware, and which may cause conflicts that could disadvantage the Investment Funds and the Company.

Present and future activities of Goldman Sachs and the Advisors in addition to those described in this "POTENTIAL CONFLICTS OF INTEREST" section may give rise to additional conflicts of interest.

As a registered investment adviser under the Investment Advisers Act of 1940 (the "Investment Advisers Act"), the Managing Member is required to file a Form ADV with the SEC. Form ADV contains information about assets under management, types of fee arrangements, types of investments, potential conflicts of interest, and other relevant information regarding the Managing Member. A copy of Part 1 of the Managing Member's Form ADV is available on the SEC's website (www.sec.gov). A copy of Part 2 of the Managing Member's Form ADV will be provided to Members or prospective Members upon request.

By having made an investment in the Company, a Member is deemed to have acknowledged and assented to the existence of potential conflicts of interest relating to Goldman Sachs and the Advisors, and to the operations of the Company, Investment Funds, Advisor Funds, Portfolio Companies and Managed Accounts in the face of these conflicts.

POTENTIAL CONFLICTS RELATING TO THE SELECTION OF ADVISORS, THE SALE OF COMPANY UNITS AND THE ALLOCATION OF INVESTMENT OPPORTUNITIES

GOLDMAN SACHS' INTERESTS HAVE THE POTENTIAL TO INFLUENCE THE SELECTION OF ADVISORS FOR THE COMPANY AND THE INVESTMENT FUNDS

The interests of Goldman Sachs, including the Managing Member and its personnel, may create potential conflicts in the selection of Advisors for the Investment Funds and in the sale of Company Units. The Managing Member will select Advisors for the Investment Funds in accordance with its duties to clients. However, given the breadth of Goldman Sachs' activities, it is expected that Goldman Sachs may receive various forms of compensation, commissions, payments, rebates or services from Advisors, and provide a variety of products and services to them. The amount of such compensation, commissions, payments, rebates or services to Goldman Sachs may increase if an Investment Fund invests with such Advisors. Such compensation, commissions, payments, rebates or services may incentivize Goldman Sachs and its personnel to select such Advisors over other Advisors which might also be appropriate for the Investment Funds.

Goldman Sachs is a full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. As such, it acts as an investor, investment banker, research provider, investment manager, financier, advisor, market maker, trader, prime broker, lender, agent and principal, and has other direct or indirect interests, in the global fixed income, currency, commodity, equity and other markets in which the Company, the Investment Funds and the Advisors directly and indirectly invest. In addition, it is likely that the Advisors will invest in, engage in transactions with, make voting decisions with respect to, or obtain services from entities for which Goldman Sachs performs or seeks to perform investment banking or other services. It is also likely that the Advisors will engage in transactions with or obtain services from Goldman Sachs, and invest in securities in which Goldman Sachs makes a market or has other direct or indirect interests. While decisions for the Company and the Investment Funds will be made consistent with Goldman Sachs' obligations to manage the Company and the Investment Funds appropriately, business relationships and the fees, compensation and other benefits to Goldman Sachs arising therefrom may in certain cases incentivize the Managing Member to select certain Advisors as opposed to other Advisors which might also be appropriate for the Investment Funds.

For example, while the Managing Member will select Advisors in accordance with its fiduciary obligations to the Investment Funds, Goldman Sachs may also provide brokerage or other services to Advisors or act as prime broker for Advisors. Payments to Goldman Sachs for providing brokerage or other services or acting as prime broker will generally increase as the size of the assets that an Advisor manages increases. Therefore, investment by an Investment Fund with an Advisor where Goldman Sachs acts as prime broker, or to which Goldman Sachs provides brokerage or other services, will likely result in additional revenues to Goldman Sachs and its personnel. Goldman Sachs may provide research products and other products and services to an Advisor and receive revenues in connection with these activities. Goldman Sachs may receive price discounts or services from Advisors based on its relationships with such Advisors. In connection with services Goldman Sachs may provide Advisors, Goldman Sachs will act in

its own commercial interests. As a result, investment with Advisors will be subject to many of the same conflicts arising from Goldman Sachs activities described herein.

In addition, if an Advisor provides fee "breakpoints," such breakpoints may be affected by Goldman Sachs' business relationships and levels or accounts other than with respect to the applicable Investment Fund, and may directly or indirectly benefit Goldman Sachs and other proprietary or client accounts of Goldman Sachs.

GOLDMAN SACHS' FINANCIAL AND OTHER INTERESTS AND RELATIONSHIPS
MAY INCENTIVIZE GOLDMAN SACHS TO PROMOTE THE SALE OF COMPANY
UNITS

Goldman Sachs, and its sales personnel and other financial service providers, have interests in promoting sales of the Company and the Investment Funds and certain Advisors. With respect to Goldman Sachs and its personnel, the remuneration and profitability of activity relating to the Company and the Investment Funds may be greater than the provision of other services and sales of other products that might be provided or offered. For example, Goldman Sachs and its sales personnel may directly or indirectly receive a portion of the fees and commissions charged to the Company and the Investment Funds. Such fees and commissions may be higher than for other products or services, and the remuneration and profitability to Goldman Sachs and such personnel resulting from transactions on behalf of the Company and the Investment Funds may be greater than the remuneration and profitability resulting from other products.

Goldman Sachs may also have business relationships with, and purchase, or distribute or sell, services or products from or to, distributors, consultants and others who recommend the Company, the Investment Funds or the Advisors, or who engage in transactions with or for the Company, the Investment Funds or the Advisors. For example, Goldman Sachs regularly participates in industry and consultant sponsored conferences and may purchase educational, data related or other services from consultants or other third parties that it deems to be of value to its personnel and its business. The products and services purchased from consultants may include, but are not limited to, those that help Goldman Sachs understand the consultant's points of view on the investment management process. Consultants and other third parties that provide consulting or other services to potential investors in the Company may receive fees from Goldman Sachs, the Company or the Investment Funds, or the Advisor Funds in connection with the distribution of Company Units or other Goldman Sachs products. In addition, Goldman Sachs personnel, including employees of the Managing Member, may have board, advisory, brokerage or other relationships with issuers, distributors, consultants and others that may have investments with the Advisors or that may recommend investments with the Advisors or distribute Advisor Funds or engage in transactions for the Advisors. As a result, those persons and institutions may have conflicts associated with their promotion of the Company, the Investment Funds or Advisors or other dealings with the Company, the Investment Fund or Advisors that would create incentives for them to promote the Company, the Investment Fund or Advisors or raise other conflicts.

POTENTIAL CONFLICTS RELATING TO THE ALLOCATION OF ADVISOR
OPPORTUNITIES AMONG THE INVESTMENT FUNDS AND OTHER GOLDMAN SACHS
ACCOUNTS

Goldman Sachs, including the Managing Member, currently manages or advises, or may in the future manage or advise, accounts or funds, including accounts or funds that may provide greater fees or other compensation, including performance-based fees, to Goldman Sachs or in which Goldman Sachs or its personnel have an interest (collectively, the "Client/GS Accounts"), that have investment objectives that are similar to those of the Company and/or the Investment Funds. The advice to those Client/GS Accounts may compete or conflict with the advice given to the Investment Funds, or may involve a different timing or nature of action taken than with respect to the Investment Funds. For example, an Investment Fund may compete with Client/GS Accounts for investment opportunities.

Client/GS Accounts may wish to invest with Advisors with which an Investment Fund invests or that would be an appropriate investment for an Investment Fund. Because Advisors may limit the number of investors in or the size of their Advisor Funds or the amount of assets that they manage, Client/GS Accounts may compete with the Investment Funds for appropriate investment opportunities. In determining the allocation of such opportunities among an Investment Fund and Client/GS Accounts, a number of factors may be considered by the Managing Member that may include, without limitation, the relative sizes of the applicable accounts and their expected future sizes, the expected future capacity of the applicable

Advisor, the investment objectives and guidelines, risk tolerance, availability of other investment opportunities, and available cash for investment of the Investment Fund and such Client/GS Accounts. Fees charged by the Advisors also have the potential to cause conflicts with the Managing Member's allocation decisions. See "--Goldman Sachs' Interests Have the Potential to Influence the Selection of Advisors for the Company and the Investment Funds" above.

Allocation of investment opportunities with Advisors among an Investment Fund and other Client/GS Accounts will be made by the Managing Member in a manner that it considers, in its sole discretion, to be reasonable and equitable over time. Allocation among accounts in any particular circumstance may be more or less advantageous to any one account. The Managing Member may determine that an investment opportunity or particular purchases or sales are appropriate for one or more Client/GS Accounts or for itself or an affiliate, but not for an Investment Fund, or is appropriate for, or available to, the Investment Fund but in different sizes, structures, terms or timing than is appropriate for others. Therefore, the amount, timing, structuring or terms of an investment by the Investment Funds may differ from, and performance may be lower than, investments and performance of other Client/GS Accounts. Although allocating investment opportunities with Advisors among an Investment Fund and other Client/GS Accounts may create potential conflicts of interest because of the interest of Goldman Sachs or its personnel in such other Client/GS Accounts or because Goldman Sachs may receive greater fees or compensation from such Client/GS Accounts, the Managing Member will not make allocation decisions based on such interests or such greater fees or compensation.

The Managing Member also serves as the managing member of HFP, HFP III and HFP Levered and as the investment manager of HFP Ireland, HFP Ireland II, HFP Ireland III, HFP Institutional Ireland, HFP Levered Cayman and HFP Institutional Cayman (collectively, the Other Existing HFP Funds). The Other Existing HFP Funds have investment objectives and utilize strategies similar to the Company, except that HFP Institutional is open only to certain benefit plans and other similar investors. Goldman Sachs, including the Managing Member, may in the future form additional investment funds, that have investment objectives and utilize investment strategies similar to the Company (any such fund, an "Additional HFP Fund"). Since the Company, the Other Existing HFP Funds and any Additional HFP Fund will utilize similar investment strategies, the Company may be competing with the Other Existing HFP Funds and any Additional HFP Fund for the same investment opportunities. For example, both the Company and HFP invest in GELS and GED. In addition, the Other Existing HFP Funds invest in other investment funds managed by the Managing Member or its affiliates that have investment objectives and strategies that are similar to the Investment Funds, and also allocate their assets to Advisors in the same sectors as the Investment Funds. It is anticipated that any Additional HFP Fund will invest in certain of these and other investment funds. Allocation of investment opportunities will be made in a reasonable and equitable manner, as determined by the Managing Member in its sole discretion. The Managing Member may determine that an investment opportunity is appropriate for the Other Existing HFP Funds, an Additional HFP Fund, or the investment funds in which they invest, but not for the Company or the Investment Funds, as applicable, which may have adverse effects on the Company and the Investment Funds. In addition, the fact that the Company, the Other Existing HFP Funds and any Additional HFP Fund indirectly allocate their assets to Advisors in the same sectors as the Company may create capacity issues for the Company in the future.

OTHER POTENTIAL CONFLICTS RELATING TO THE MANAGEMENT OF THE COMPANY AND THE INVESTMENT FUNDS BY THE MANAGING MEMBER

POTENTIAL RESTRICTIONS AND ISSUES RELATING TO INFORMATION HELD BY GOLDMAN SACHS

In connection with its management of the Company and the Investment Funds, the Managing Member may utilize investment policy advisors or a committee which may include personnel of Goldman Sachs or of unaffiliated firms. The performance by such persons of obligations related to their consultation with Managing Member personnel could conflict with their areas of primary responsibility within Goldman Sachs or elsewhere. In connection with their activities with the Managing Member, such persons may receive information regarding the proposed investment activities of the Company and the Investment Funds that is not generally available to the public. There will be no obligation on the part of such persons to make available for use by the Company or Investment Funds any information or strategies known to them or developed in connection with their own client, proprietary or other activities. In addition, Goldman Sachs will be under no obligation to make available any research or analysis prior to its public dissemination.

The Managing Member may from time to time have access to certain fundamental analysis and proprietary technical models developed by Goldman Sachs and its personnel, although Goldman Sachs has no obligation to make such analysis and models available to the Managing Member. The Managing Member is not obligated to use such analysis or models, and the Managing Member is not obligated to effect transactions on behalf of the Company or the Investment Funds in accordance therewith.

In addition, Goldman Sachs has no obligation to seek information or to make available to or share with the Company or the Investment Funds any information, investment strategies, opportunities or ideas known to Goldman Sachs personnel or developed or used in connection with other clients or activities. Goldman Sachs and certain of its personnel, including the Managing Member or other Goldman Sachs personnel advising or otherwise providing services to the Company or the Investment Funds, may be in possession of information not available to all Goldman Sachs personnel, and such personnel may act on the basis of such information in ways that have adverse effects on the Company or the Investment Funds.

From time to time, Goldman Sachs may come into possession of material, non-public information or other information that could limit the ability of the Investment Funds to invest with Advisors. The investment flexibility of the Investment Funds may be constrained as a consequence. In making investment decisions for the Company and the Investment Funds, the Managing Member is not generally permitted to obtain or use material non-public information acquired by any division, department or affiliate of Goldman Sachs in the course of their activities.

POTENTIAL CONFLICTS RELATING TO GOLDMAN SACHS' PROPRIETARY ACTIVITIES AND ACTIVITIES ON BEHALF OF OTHER ACCOUNTS

The results of the investment activities of the Company and the Investment Funds may differ significantly from the results achieved by Goldman Sachs for its proprietary accounts and from the results achieved by Goldman Sachs for other Client/GS Accounts. Goldman Sachs may give advice, and take action, with respect to any current or future Client/GS Account or proprietary or other account that may compete or conflict with the advice the Managing Member may give to the Company or the Investment Funds, or may involve a different timing or nature of action than with respect to the Company or the Investment Funds.

Transactions undertaken by Goldman Sachs or Client/GS Accounts may adversely impact the Company or the Investment Funds. Goldman Sachs and one or more Client/GS Accounts may buy or sell positions while an Investment Fund or an Advisor Fund, Portfolio Company or Managed Account is undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the Investment Fund, Advisor Fund, Portfolio Company or Managed Account. For example, an Investment Fund or an Advisor Fund, Portfolio Company or Managed Account may buy a security and Goldman Sachs or its Client/GS Accounts may establish a short position in that same security. That subsequent short sale may result in impairment of the price of the security which the Investment Fund, Advisor Fund, Portfolio Company or Managed Account holds. Conversely, the Investment Fund, Advisor Fund, Portfolio Company or Managed Account may establish a short position in a security and Goldman Sachs or its Client/GS Accounts may buy that same security. That subsequent purchase may result in an increase of the price of the underlying position in the short sale exposure of the Investment Fund, Advisor Fund, Portfolio Company or Managed Account. In addition, transactions in investments by one or more Client/GS Accounts and Goldman Sachs may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of the Investment Funds, Advisor Funds, Portfolio Companies or Managed Accounts, particularly, but not limited to, in small capitalization, emerging market or less liquid strategies. For example, an Investment Fund, Advisor Fund, Portfolio Company or Managed Account may purchase or sell a position after or at the same time Goldman Sachs or the Client/GS Accounts undertake the same strategy which may increase the cost of that strategy to the Investment Fund, Advisor Fund, Portfolio Company or Managed Account or otherwise disadvantage the Investment Fund, Advisor Fund, Portfolio Company or Managed Account.

In addition, conflicts may arise because portfolio decisions regarding an Advisor Fund, Portfolio Company or Managed Account may benefit other Client/GS Accounts. For example, the sale of a long position or establishment of a short position by an Advisor Fund, Portfolio Company or Managed Account may impair the price of the same security sold short by (and therefore benefit) Goldman Sachs or another Client/GS Account, and the purchase of a security or covering of a short position in a security by an Advisor Fund, Portfolio Company or Managed Account may increase the price of the same security held by (and therefore benefit) Goldman Sachs or

another Client/GS Account.

The directors, officers and employees of Goldman Sachs, including the Managing Member, may buy and sell securities or other investments for their own accounts (including through funds managed by Goldman Sachs, including the Managing Member). As a result of differing trading and investment strategies or constraints, positions may be taken by directors, officers and employees that are the same, different from or made at different times than positions taken for an Investment Fund or the Company. To reduce the possibility that the Company or an Investment Fund will be materially adversely affected by the personal trading described above, the Managing Member has established policies and procedures that restrict securities trading in the personal accounts of investment professionals and others who normally come into possession of information regarding the Company's or the Investment Funds' portfolio transactions.

Subject to applicable law, clients of Goldman Sachs (including Client/GS Accounts) may have, as a result of receiving client reports or otherwise, access to information regarding Goldman Sachs' transactions (and, when Goldman Sachs is a client of an Advisor, transactions of such Advisor) or views which may affect their transactions outside of accounts controlled by the Managing Member's personnel and as a result negatively impact the performance of the Company, the Investment Funds or the Advisors. The Company, the Investment Funds and the Advisor Funds may also be adversely affected by cash flows and market movements arising from purchase and sales transactions, as well as increases in capital invested in and redemptions from Advisor Funds, by other Client/GS Accounts.

An Advisor's management of an Advisor Fund, Portfolio Company or Managed Account may benefit Goldman Sachs. For example, the Advisors may, subject to applicable law, invest directly or indirectly in the securities of companies affiliated with Goldman Sachs or in which Goldman Sachs has an equity, debt or other interest. Subject to applicable law, the Advisors may engage in investment transactions which may result in Goldman Sachs or other Client/GS Accounts being relieved of obligations or otherwise divesting of investments. The purchase, holding and sale of investments by the Advisors may enhance the profitability of Goldman Sachs' or other Client/GS Accounts' own investments in and its activities with respect to such companies.

Goldman Sachs and its clients may pursue or enforce rights with respect to an issuer in which an Advisor has invested, and those activities may have an adverse effect on the applicable Investment Fund and, in turn, the Company. As a result, prices, availability, liquidity and terms of an Advisor's investments may be negatively impacted by the activities of Goldman Sachs or its clients, and transactions of an Advisor may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case.

Goldman Sachs may create, write, sell or issue, or act as placement agent or distributor of, derivative instruments with respect to the Company or with respect to which the underlying securities, currencies or instruments may be those in which the Company or an Investment Fund invests, or which may be otherwise based on the performance of the Company or such Investment Fund. The structure or other characteristics of the derivative instruments may have an adverse effect on an Investment Fund. For example, the derivative instruments could represent leveraged investments in the Company or an Investment Fund or a Portfolio Company, and the leveraged characteristics of such investments could make it more likely, due to events of default or otherwise, that there would be significant redemptions of interests from the Company or such Investment Fund or Portfolio Company more quickly than might otherwise be the case. Goldman Sachs, acting in commercial capacities in connection with such derivative instruments, may in fact cause such a redemption. This may have an adverse effect on the investment management, flexibility, and diversification strategies of the Company, Investment Funds or Portfolio Companies and on the amount of fees, expenses and other costs incurred directly or indirectly for the account of the Company or the Investment Funds. Similarly, Goldman Sachs (including its personnel or Client/GS Accounts) may also invest in the Company or an Investment Fund or Portfolio Company, hedge its derivative positions by buying or selling Units in the Company or units of interests in an Investment Fund or Portfolio Company and reserves the right to redeem some or all of its investments at any time. These investments and redemptions will be made without notice to the Members or the direct or indirect members of the Investment Funds or Portfolio Companies, as applicable, including the Company, and could result in early redemptions that could have similarly adverse effects on the Company or the Investment Funds.

The Managing Member, the Company and the Investment Funds may receive research products and services in connection with the brokerage

services that brokers (including, without limitation, Goldman Sachs entities) may provide to the Company, the Investment Funds or one or more Client/GS Accounts. Such products and services may disproportionately benefit other Client/GS Accounts relative to the Company or an Investment Fund based on the amount of brokerage commissions paid by the Company or such Investment Fund, as applicable, and such other Client/GS Accounts. For example, research or other services that are paid for through one client's commissions may not be used in managing that client's account. In addition, Client/GS Accounts may receive the benefit, including disproportionate benefits, of economies of scale or price discounts in connection with products and services that may be provided to the Company and the Investment Funds and to Client/GS Accounts.

POTENTIAL CONFLICTS IN CONNECTION WITH INVESTMENTS IN GOLDMAN SACHS MONEY MARKET FUNDS

To the extent permitted by applicable law, the Company or any Investment Fund may invest all or some of its short term cash investments in any money market fund advised or managed by Goldman Sachs. In connection with any such investments, the Company and the Investment Funds will pay all fees pertaining to the investments and no portion of any advisory, administrative or 12b-1 fees will be offset against fees payable in accordance with any such investments (i.e., there could be "double fees" involved in making any such investment, which would not arise in connection with a direct investment). In such circumstances, as well as in all other circumstances in which Goldman Sachs receives any fees or other compensation in any form relating to the provision of services, no accounting or repayment to the Company or the Investment Funds or the Members will be required.

GOLDMAN SACHS MAY IN-SOURCE OR OUTSOURCE

Subject to applicable law, Goldman Sachs, including the Managing Member, may from time to time and without notice to investors in-source or outsource certain processes or functions in connection with a variety of services that it provides to the Company or the Investment Funds in its administrative or other capacities. Such in-sourcing or outsourcing may give rise to additional conflicts of interest.

POTENTIAL CONFLICTS THAT MAY ARISE WHEN GOLDMAN SACHS PROVIDES BROKERAGE OR OTHER SERVICES TO THE ADVISORS, THE INVESTMENT FUNDS AND THE COMPANY

The Managing Member may select Goldman Sachs to enter into transactions and invest in futures, securities, currencies, swaps, options, forward contracts or other instruments on behalf of the Investment Funds in which Goldman Sachs, acting as principal or on a proprietary basis for its customers, serves as the counterparty. The Company or an Investment Fund may also enter into cross transactions in which Goldman Sachs acts on behalf of the Company or such Investment Fund, as applicable, and for the other party to the transaction. Goldman Sachs may have a potentially conflicting division of loyalties and responsibilities to both parties to a cross transaction. For example, Goldman Sachs and its personnel may receive compensation or other payments from, or have different interests in, the Company or the applicable Investment Fund and the other party to the transaction. Goldman Sachs will only consider engaging in a principal or cross transaction on behalf of the Company or the Investment Funds with Goldman Sachs or its affiliates to the extent permitted by applicable law.

When the Managing Member chooses Goldman Sachs to act as broker, dealer, agent, lender or advisor or in other commercial capacities for the Company or the Investment Funds, it is anticipated that the commissions, mark-ups, mark-downs, financial advisory fees, underwriting and placement fees, sales fees, financing and commitment fees, brokerage fees, other fees, compensation or profits, rates, terms and conditions charged by Goldman Sachs will be in its view commercially reasonable, although Goldman Sachs, including its sales personnel, will have an interest in obtaining fees and other amounts that are favorable to Goldman Sachs and such sales personnel. When the Managing Member chooses Goldman Sachs, the Company or an Investment Fund may, to the extent permitted by applicable law, borrow funds from Goldman Sachs at rates and on other terms arranged with Goldman Sachs.

Goldman Sachs (and its personnel and other distributors) will be entitled to retain fees and other amounts that it receives in connection with its service to the Company, the Investment Funds and the Advisors as broker, dealer, agent, lender, advisor or in other commercial capacities, no accounting to the Company, the Investment Funds or the Members will be required, and no fees or other compensation payable by the Company, the Investment Funds or the Members will be reduced by reason of receipt by Goldman Sachs of any such fees or other amounts.

When an Advisor chooses Goldman Sachs to act as broker, dealer, agent, lender or advisor or in other commercial capacities in relation to an Advisor Fund, Portfolio Company or Managed Account, Goldman Sachs may take commercial steps in its own interests, which may have an adverse effect on the Company. For example, in connection with prime brokerage or lending arrangements involving Advisors, Goldman Sachs may require repayment of all or part of a loan at any time or from time to time.

The Company and each Investment Fund will be required to establish business relationships with its counterparties based on its own credit standing. Goldman Sachs, including the Managing Member, will not have any obligation to allow its credit to be used in connection with the Company's or an Investment Fund's establishment of its business relationships, nor is it expected that the Company's or an Investment Fund's counterparties will rely on the credit of such entities in evaluating the Company's creditworthiness.

POTENTIAL CONFLICTS RELATING TO THE SELECTION OF INVESTMENTS BY THE ADVISORS

AN ADVISOR'S INTERESTS HAVE THE POTENTIAL TO INFLUENCE THE SELECTION OF INVESTMENTS

Each Advisor may act as an investor, investment banker, research provider, investment manager, financier, advisor, market maker, trader, prime broker, lender, agent or principal, or have other direct or indirect interests, in the global fixed income, currency, commodity, equity and other markets in which the Advisor trades. Thus, it is possible that an Advisor will undertake transactions in securities in which it makes a market or otherwise has direct or indirect interests. These business relationships and the fees, compensation and other benefits to the Advisors arising therefrom may in certain cases incentivize the Advisors to make certain investments for Advisor Funds, Portfolio Companies or Managed Accounts over other investments which might also be appropriate.

POTENTIAL CONFLICTS RELATING TO THE ALLOCATION OF INVESTMENT OPPORTUNITIES AMONG THE ADVISORS' ACCOUNTS

Advisors may manage or advise current or future accounts or funds, including accounts or funds that may provide greater fees or other compensation, including performance-based fees, to the Advisors or in which Advisors or their personnel have an interest (collectively, the "Client/Advisor Accounts") that have investment objectives that are similar to those of an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor. Client/Advisor Accounts may wish to invest in securities or instruments in which an Advisor Fund, Portfolio Company or Managed Account invests or that would be an appropriate investment thereby. Therefore, an Advisor or its personnel may have a financial incentive to favor other Client/Advisor Accounts over an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor when allocating investment opportunities and making purchase and sale decisions.

An Advisor may determine that a particular investment opportunity or particular purchases or sales are appropriate for one or more Client/Advisor Accounts or for itself or an affiliate, but not for the Advisor Fund, Portfolio Company or Managed Account managed by such Advisor, or is appropriate for, or available to, such Advisor Fund, Portfolio Company or Managed Account, but in different sizes, terms or timing than is appropriate for others. Such decisions may create a potential conflict of interest. The amount, timing, structuring or terms of an investment by an Advisor Fund, Portfolio Company or Managed Account managed by an Advisor may differ from, and performance may be lower than, investments and performance of other Client/Advisor Accounts managed by the same Advisor.

OTHER POTENTIAL CONFLICTS RELATING TO THE ADVISORS' PORTFOLIO MANAGEMENT ACTIVITIES

POTENTIAL RESTRICTIONS AND ISSUES RELATING TO INFORMATION HELD BY ADVISORS

In connection with its management of an Advisor Fund, Portfolio Company or Managed Account, an Advisor may utilize investment policy advisors or a committee which may include personnel of the Advisor or unaffiliated firms. These individuals may, as a result, obtain information regarding the proposed activities of the Advisor Fund, Portfolio Company or Managed Account managed by such Advisor which is not generally available to the public.

An Advisor may from time to time have access to certain fundamental analysis and proprietary technical models developed by it and its affiliates, although the Advisor may not be permitted to use such analysis and models on behalf of the Advisor Fund, Portfolio Company or

Managed Account that it manages. Such Advisor may not be obligated to use such analysis or models, and may not be obligated to effect transactions on behalf of an Advisor Fund, Portfolio Company or Managed Account that it manages in accordance therewith. In addition, the Advisor may have no obligation to seek information or to make available to or share with the Advisor Fund, Portfolio Company or Managed Account any information, investment strategies, opportunities or ideas known to personnel of the Advisor or developed or used in connection with other Client/Advisor Accounts or activities.

In addition, an Advisor and certain of its personnel may be in possession of information not available to all Advisor personnel, including the personnel advising or otherwise providing services to the Advisor Fund, Portfolio Company or Managed Account advised by such Advisor, and such personnel may act on the basis of such information in ways that have adverse effects on such Advisor Fund, Portfolio Company or Managed Account. The Advisors will not be under any obligation to disseminate such information.

From time to time, an Advisor may come into possession of material, non-public information or other information that could limit the ability of an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor to buy and sell investments. The investment flexibility of such Advisor Fund, Portfolio Company or Managed Account may be constrained as a consequence.

POTENTIAL CONFLICTS RELATING TO AN ADVISOR'S PROPRIETARY ACTIVITIES ON BEHALF OF OTHER ACCOUNTS MANAGED BY ADVISORS

The results of the investment activities of an Advisor Fund, Portfolio Company or Managed Account may differ significantly from the results achieved by its Advisor for its proprietary accounts and from the results achieved by the Advisor for other accounts managed by it. An Advisor may give advice, and take action, with respect to one or more accounts that may compete or conflict with the advice the Advisor may give to the Advisor Fund, Portfolio Company or Managed Account managed by it, or may involve a different timing or nature of action taken than with respect to such Advisor Fund, Portfolio Company or Managed Account.

Transactions undertaken by Advisors or Client/Advisor Accounts may adversely impact an Advisor Fund, Portfolio Company or Managed Account. An Advisor and its Client/Advisor Accounts may buy or sell positions while an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor is undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the Advisor Fund, Portfolio Company or Managed Account. For example, an Advisor Fund may buy a security and its Advisor or such Advisor's Client/Advisor Accounts may establish a short position in that same security. That subsequent short sale may result in impairment of the price of the security which the Advisor Fund holds. Conversely, the Investment Fund may establish a short position in a security and the Advisor or its Client/Advisor Accounts may buy that same security. That subsequent purchase may result in an increase of the price of the underlying position in the short sale exposure of the Advisor Fund.

In addition, transactions in investments by one or more Client/Advisor Accounts or the Advisor may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of an Advisor Fund, Portfolio Company or Managed Account, particularly, but not limited to, in small capitalization, emerging market or less liquid strategies. This may occur when portfolio decisions regarding an Advisor Fund, Portfolio Company or Managed Account are based on research or other information that is also used to support portfolio decisions for other Client/Advisor Accounts managed by personnel of the Advisor, which could impact the timing and manner in which the portfolio decisions for the Advisor Fund, Portfolio Company or Managed Account and other Client/Advisor Accounts are implemented. When the Advisor or a Client/Advisor Account implements a portfolio decision or strategy ahead of, or contemporaneously with, similar portfolio decisions or strategies for an Advisor Fund, Portfolio Company or Managed Account, market impact, liquidity constraints, or other factors could result in the Advisor Fund, Portfolio Company or Managed Account receiving less favorable trading results and the costs of implementing such portfolio decisions or strategies could be increased or the Advisor Fund, Portfolio Company or Managed Account could otherwise be disadvantaged. The Advisor may, in certain cases, elect to implement internal policies and procedures designed to limit such consequences to the Client/Advisor Accounts as well as the Advisor Funds, Portfolio Companies and Managed Accounts, which may cause an Advisor Fund, Portfolio Company or Managed Account to be unable to engage in certain activities, including purchasing or disposing of securities, when it might otherwise be desirable for it to do so.

Conflicts may arise because portfolio decisions regarding an Advisor Fund, Portfolio Company or Managed Account may benefit other Client/Advisor Accounts. For example, the sale of a long position or establishment of a short position by an Advisor Fund may impair the price of the same security sold short by (and therefore benefit) the Advisor or another Client/Advisor Account, and the purchase of a security or covering of a short position in a security by an Advisor Fund may increase the price of the same security held by (and therefore benefit) the Advisor or another Client/Advisor Account.

The directors, officers and employees of an Advisor may buy and sell securities or other investments for their own accounts (including through funds managed by the Advisor). As a result of differing trading and investment strategies or constraints, positions may be taken by directors, officers and employees of an Advisor that are the same, different from or made at different times than positions taken for an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor. An Advisor may establish, and Goldman Sachs has established, policies and procedures that restrict securities trading in the personal accounts of investment professionals and others who normally come into possession of information regarding the portfolio transactions of an Advisor Fund, Portfolio Company or Managed Account that it manages. However, there can be no assurance that such policies and procedures will avoid all conflicts of interest.

Subject to applicable law, clients of an Advisor (including Client/Advisor Accounts) may have, as a result of receiving client reports or otherwise, access to information regarding the Advisor's transactions or views which may affect their transactions outside of accounts controlled by the personnel providing advice to an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor, and in connection therewith negatively impact the performance of such Advisor Fund, Portfolio Company or Managed Account.

An Advisor's management of the assets of an Advisor Fund, Portfolio Company or Managed Account may benefit the Advisor. For example, an Advisor Fund, Portfolio Company or Managed Account may, subject to applicable law, invest directly or indirectly in the securities of companies affiliated with the Advisor or in which the Advisor has an equity, debt or other interest. Subject to applicable law, an Advisor Fund, Portfolio Company or Managed Account may engage in investment transactions which may result in the Advisor or Client/Advisor Account being relieved of obligations or otherwise divesting of an investment. The purchase, holding and sale of investments by an Advisor Fund, Portfolio Company or Managed Account may enhance the profitability of the Advisor's or its Client/Advisor Accounts' own investments in and its activities with respect to such companies.

An Advisor and its clients may also pursue or enforce rights with respect to an issuer in which an Advisor Fund, Portfolio Company or Managed Account has invested, and those activities may have an adverse effect on such Advisor Fund, Portfolio Company or Managed Account. As a result, prices, availability, liquidity and terms of Advisor Fund, Portfolio Company or Managed Account investments may be negatively impacted by the activities of the Advisor or its clients, and transactions for an Advisor Fund, Portfolio Company or Managed Account may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case.

An Advisor may create, write, sell or issue, or act as placement agent or distributor of, derivative instruments with respect to which the underlying securities, currencies or instruments may be those in which the Advisor Fund, Portfolio Company or Managed Account managed by it invests, or which may be based on the performance of such Advisor Fund, Portfolio Company or Managed Account. The structure or other characteristics of the derivative instruments may have an adverse effect on the Advisor Fund, Portfolio Company or Managed Account. For example, the derivative instruments could represent leveraged investments in an Advisor Fund, and the leveraged characteristics of such investments could make it more likely, due to events of default or otherwise, that there would be significant redemptions of interests from the Advisor Fund more quickly than might otherwise be the case. The Advisor, acting in commercial capacities in connection with such derivative instruments, may in fact cause such a redemption. This may have an adverse effect on the investment management, flexibility, and diversification strategies of the Advisor Fund and on the amount of fees, expenses and other costs incurred directly or indirectly for the account of such Advisor Fund. Similarly, an Advisor (including its personnel or Client/Advisor Accounts) may also invest in an Advisor Fund, or hedge its derivative positions by buying or selling the Advisor Fund and will generally reserve the right to redeem some or all of its investments at any time. These investments and redemptions will be made without notice to the investors in such Advisor Funds, including the

Investment Funds, and could result in early redemptions that could have similarly adverse effects on the Advisor Funds.

POTENTIAL CONFLICTS THAT MAY ARISE WHEN AN ADVISOR ACTS IN A CAPACITY OTHER THAN ADVISOR TO THE ADVISOR FUNDS, PORTFOLIO COMPANIES OR MANAGED ACCOUNTS

To the extent permitted by applicable law, an Advisor may enter into transactions and invest in futures, securities, currencies, swaps, options, forward contracts or other instruments on behalf of an Advisor Fund, Portfolio Company or Managed Account in which such Advisor, acting as principal or on a proprietary basis for its customers, serves as the counterparty. An Advisor Fund, Portfolio Company or Managed Account may also enter into cross transactions in which its Advisor acts on behalf of such Advisor Fund, Portfolio Company or Managed Account and for the other party to the transaction. An Advisor may have a potentially conflicting division of responsibilities to both parties to a cross transaction.

When an Advisor acts as broker, dealer, agent, lender or advisor or in other commercial capacities in relation to an Advisor Fund, Portfolio Company or Managed Account, such Advisor may take commercial steps in its own interests, which may have an adverse effect on such Advisor Fund, Portfolio Company or Managed Account. For example, in connection with prime brokerage or lending arrangements involving an Advisor Fund, Portfolio Company or Managed Account, an Advisor may require repayment of all or part of a loan at any time or from time to time.

To the extent permitted by applicable law, an Advisor Fund, Portfolio Company or Managed Account may invest all or some of its short term cash investments in money market funds advised or managed by its Advisor, and may invest in other products advised or managed by its Advisor. In connection with any such investment, the Company and the Investment Funds will pay all fees pertaining to the investment, and no portion of any advisory, administrative or 12b-1 fees will be offset against fees payable in accordance with any such investment (i.e., there could be "double fees" involved in making any such investment, which would not arise in connection with a direct investment). In such circumstances, as well as in all other circumstances in which the Advisor receives any fees or other compensation in any form relating to the provision of services, no accounting or repayment to the Company or Investments Funds will be required.

When an Advisor acts as broker, dealer, agent, lender or advisor or in other commercial capacities for an Advisor Fund, Portfolio Company or Managed Account, it is anticipated that the commissions, mark-ups, mark-downs, financial advisory fees, underwriting and placement fees, sales fees, financing and commitment fees, brokerage fees, other fees, compensation or profits, rates, terms and conditions charged thereby will be in its view commercially reasonable, although the Advisor, including its sales personnel will have an interest in obtaining fees and other amounts which are favorable to such Advisor and its sales personnel.

THE ADVISORS MAY IN-SOURCE OR OUTSOURCE

Subject to applicable law, Advisors may from time to time and without notice to investors in-source or outsource certain processes or functions in connection with a variety of services that they provide to the Investment Funds, Portfolio Companies or Managed Accounts managed by them in their administrative or other capacities. Such in-sourcing or outsourcing may give rise to additional conflicts of interest.

POTENTIAL CONFLICTS IN CONNECTION WITH BROKERAGE TRANSACTIONS AND PROXY VOTING BY THE ADVISORS

Purchases and sales of securities for an Advisor Fund, Portfolio Company or Managed Account may be bunched or aggregated with orders for other Client/Advisor Accounts of the Advisor that manages such Advisor Fund, Portfolio Company or Managed Account. An Advisor, however, is not required to bunch or aggregate orders if portfolio management decisions for different accounts are made separately, or if it determines that bunching or aggregating would be inconsistent with its investment management duties or with client direction. Prevailing trading activity frequently may make impossible the receipt of the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may be averaged and the Advisor Fund, Portfolio Company or Managed Account, as applicable, will be charged or credited with the average price. Thus, the effect of aggregation may operate on some occasions to the disadvantage of the Advisor Fund, Portfolio Company or Managed Account. In addition, under certain circumstances, an Advisor Fund, Portfolio Company or Managed Account will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order.

An Advisor and an Advisor Fund, Portfolio Company or Managed Account managed by it may from time to time receive research products and services in connection with the brokerage services that brokers (including, without limitation, affiliated entities) may provide to such Advisor Fund, Portfolio Company or Managed Account or one or more Client/Advisor Accounts managed by such Advisor. Such products and services may disproportionately benefit other Client/Advisor Accounts relative to such Advisor Fund, Portfolio Company or Managed Account based on the amount of brokerage commissions paid by such Advisor Fund, Portfolio Company or Managed Account and such other Client/Advisor Accounts. For example, research or other services that are paid for through one client's commissions may not be used in managing that client's account. In addition, other Client/Advisor Accounts may receive the benefit, including disproportionate benefits, of economies of scale or price discounts in connection with products and services that may be provided to the Advisor Funds, Portfolio Companies or Managed Accounts and to such other Client/Advisor Accounts.

Advisors may adopt policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions they make on behalf of advisory clients, including the Advisor Funds, Portfolio Companies and/or Managed Accounts that they manage, and to help ensure that such decisions are made in accordance with the Advisors' fiduciary obligations to their clients. Nevertheless, notwithstanding such proxy voting policies and procedures, actual proxy voting decisions of an Advisor may have the effect of favoring the interests of other clients or businesses of the Advisor and/or its affiliates, and of Goldman Sachs.

POTENTIAL REGULATORY RESTRICTIONS ON ADVISOR ACTIVITY

From time to time, the activities of an Advisor Fund, Portfolio Company or Managed Account may be restricted because of regulatory requirements applicable to an Advisor and/or its internal policies designed to comply with, limit the applicability of, or otherwise relate to such requirements. A client not advised by an Advisor would not be subject to some of those considerations. There may be periods when an Advisor may not initiate or recommend certain types of transactions, or may otherwise restrict or limit its advice in certain securities or instruments issued by or related to companies for which the Advisor is performing investment banking, market making or other services or has proprietary positions. For example, when an Advisor is engaged in an underwriting or other distribution of securities of, or advisory services for, a company, an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor may be prohibited from or limited in purchasing or selling securities of that company. Similar situations could arise if personnel of an Advisor serve as directors of companies the securities of which an Advisor Fund, Portfolio Company or Managed Account managed by such Advisor wishes to purchase or sell. However, if permitted by applicable law, the Advisor Fund, Portfolio Company or Managed Account may purchase investments that are issued, or the subject of an underwriting, distribution, or advisory assignment by its Advisor, or in cases in which the Advisor's personnel are directors or officers of the issuer.

The investment activities of an Advisor for proprietary accounts and for other accounts may also limit the investment strategies and rights of the Advisor Fund, Portfolio Company or Managed Account managed by such Advisor. For example, in regulated industries, in certain emerging or international markets, in corporate and regulatory ownership definitions, and in certain futures and derivative transactions, there are limits on the aggregate amount of investment by affiliated investors that may not be exceeded without the grant of a license or other regulatory or corporate consent or, if exceeded, may cause the Advisor to suffer disadvantages or business restrictions. If certain aggregate ownership thresholds are reached or certain transactions undertaken, the ability of the Advisor to purchase or dispose of investments, or exercise rights or undertake business transactions, may be restricted by regulation or otherwise impaired. As a result, an Advisor may limit purchases, sell existing investments, or otherwise restrict or limit the exercise of rights (including voting rights) when the Advisor, in its sole discretion, deems it appropriate in light of potential regulatory restrictions on ownership or other impairments resulting in the reaching investment thresholds.

SAFEGUARDS IMPLEMENTED BY THE MANAGING MEMBER TO ADDRESS CONFLICTS OF INTEREST

The Managing Member and its personnel will act in accordance with their fiduciary duties to the Company and investors, and conduct themselves in accordance with professional and ethical standards. Because of the nature of the Managing Member's business and the businesses of its affiliates, potential conflicts of interest may arise. To minimize the effect of potential conflicts of interest, the Managing Member and the Company have put in place policies and procedures and ethical standards

which are described below. In addition, the Managing Member and the Company have disclosed potential conflicts in this Registration Statement and in the Memorandum or sent to investors in connection with their investment.

Below is a discussion of three general categories of conflicts of interest that could affect the Company, and the general safeguards that the Managing Member and the Company have put in place to address them.

CONFLICTS RESULTING FROM OTHER BUSINESS DEALINGS OF THE MANAGING MEMBER AND ITS AFFILIATES

The Managing Member is a subsidiary of The Goldman Sachs Group, Inc. which is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization. As a result, Goldman Sachs is engaged in activities that may result in conflicts of interest with those of the Company. For example, potential conflicts of interests may arise if Goldman Sachs were to provide brokerage or other services to an Advisor of an Investment Fund or act as an Investment Fund's prime broker. In such circumstances, payments to Goldman Sachs resulting from these relationships will generally increase as the size of the assets of the Advisor increases. This may result in the Managing Member having an incentive to select for investment by the Company an Investment Fund whose Advisor has established such a relationship with Goldman Sachs over another Investment Fund that might also be appropriate for the Company. In addition, in connection with prime brokerage or lending arrangements involving Investment Funds, Goldman Sachs may require repayment of all or part of a loan at any time or from time to time.

To minimize the effect of any potential conflict of interest resulting from Goldman Sachs' other business operations, Goldman Sachs, including the Managing Member, has established policies and procedures addressing potential conflicts of interest. Specifically, Goldman Sachs has put in place "Chinese Walls" policies and procedures, which are designed to separate the various functions and business lines of Goldman Sachs, including the asset management and brokerage businesses. As a result, personnel of the Managing Member that make investment and other decisions on behalf of the Company ("Advisory Personnel") generally perform their duties for the Company without knowledge of other Goldman Sachs operations.

CONFLICTING OBLIGATIONS TO THE COMPANY AND OTHER ADVISORY ACCOUNTS

The Managing Member may have potential conflicts of interest in connection with other accounts it manages ("Advisory Accounts"). For example, there may be a conflict of interest in connection with the Managing Member's allocation of investments or transaction decisions for the Company and another Advisory Account that may provide the Managing Member greater fees or other compensation than the Company, particularly where there is limited availability or limited liquidity for those investments. This has the potential of providing the Managing Member with an incentive to allocate investment opportunities in a manner that favors the other Advisory Account over the Company.

To minimize the effect of any potential conflict of interest resulting from the Managing Member's conflicting obligations to Advisory Accounts, including its allocation practices, the Managing Member has developed policies and procedures addressing these conflicts, which provide that portfolio managers will allocate investment opportunities and make purchase and sale decisions among Advisory Accounts in a manner that is reasonable and equitable. It is the policy of the Managing Member to allocate, to the extent possible, investment opportunities to the Company over a period of time on a fair and equitable basis relative to the Advisory Accounts. The Managing Member will generally allocate investments and/or transaction decisions among the Company and the Advisory Accounts pro rata based on their respective relative amounts of capital available for investment. In circumstances when it is impossible or impracticable for investments and/or transaction decisions to be allocated among the Company and the Advisory Accounts in such a manner, the Managing Member will seek to allocate such investments and/or transaction decisions among the Company and the Advisory Accounts in a manner that it believes is in the best interests of the Company and the Advisory Accounts after considering, among other things, the respective investment guidelines and objectives, portfolio weightings, strategy exposure, risk profile and risk tolerance, current investments, cash flow and anticipated liquidity needs, expected future sizes of the Company or the Advisory Accounts and availability of other investments opportunities for the Company and the Advisory Accounts.

PERSONAL INTERESTS OF ADVISORY PERSONNEL

Employees of the Managing Member may have conflicts of interest in connection with performing their duties on behalf of the Company. For example, employees of the Managing Member may come into possession of

material, non-public information or other information as a result of their investment activities on behalf of the Company or otherwise, and they may seek to improperly benefit from such information by trading on the information for their own personal benefit.

To minimize the effect of any such potential conflict of interest, the Managing Member has adopted policies and procedures that address conflicts of interest, information barriers and the use of protected information. These policies state, among other things, that protected information may only be used in a manner consistent with the purposes for which it was created, and may not be disclosed to any other person who does not have a need to know the information in order to perform his/her duties and to carry out the purposes for which the information was provided. Furthermore, the Managing Member's policies specifically address protected information relating to the trading activity of Advisors. These policies state that any such information with respect to Advisors may not be used by employees of the Managing Member to make personal investments or in the management of any other account of the Managing Member or its affiliates.

The Managing Member also has policies relating to personal trading generally. Pursuant to these policies, employees must effect personal securities transactions consistent with their fiduciary duties and subject to professional and ethical standards. Among other things, the policies and procedures of the Managing Member require, subject to certain exceptions, pre-clearance of personal securities transactions by Managing Member employees and minimum holding periods for purchased securities. Violations of these policies, like all Managing Member policies, may result in disciplinary actions up to and including termination, and may also result in the breaking of specific trades. The personal trading of employees of the Managing Member is subject to monitoring by a compliance department to ensure compliance with these policies.

In addition, employees of the Managing Member are subject to a code of business conduct and ethics that is applicable to The Goldman Sachs Group, Inc. and its subsidiaries. Moreover, the Managing Member has also adopted a Code of Ethics, which the Company intends to disclose in its annual report in accordance with requirements that require persons acting as chief executive and senior officers of the Company to promote honest and ethical conduct, including the ethical handling of conflicts of interests between personal and professional relationships.

COMPETITION

The market for hedge funds and hedge fund products is highly competitive. The Company competes for investors with other hedge funds, fund of funds, mutual funds, and money managers who employ similar investment strategies and who offer similar hedge fund products to investors. New entities, including other hedge funds, fund of funds and money managers, regularly enter the market, and there are limited barriers to entry. In addition, new hedge fund products are regularly introduced into the market by existing funds. The Company competes with its competitors on, among other things, the basis of its reputation, its short-term and long-term performance and track record, access to, and ability to select, Advisors, fees, management and portfolio teams, strategies, client services and its ability to manage risk.

FISCAL YEAR

The Company's fiscal year ends on December 31 of each calendar year. The Managing Member, in its sole discretion, may change the fiscal year-end of the Company.

EMPLOYEES

As of December 31, 2004, the Company had no employees, however, the Company is managed by the Managing Member which as of December 31, 2004, was supported by approximately 28 employees of the GS Group who allocate at least a portion of their time to the management of the Company and the Investment Funds.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Registration Statement contains certain "forward-looking statements" regarding the operation of the Company and the Company's investment objective, including, among other things:

- o investment strategies and allocations of assets;
- o future performance; and

o trends in the four hedge fund sectors.

Forward-looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology. These statements are only predictions and are not historical facts. Actual events or results may differ materially.

The forward-looking statements included herein are based on the Managing Member of the Company's current expectations, plans, estimates and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business strategies and decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the Company's control. Any of the assumptions underlying the forward-looking statements contained herein could be inaccurate and, therefore, the Managing Member of the Company cannot assure Members that the forward-looking statements included in this Registration Statement will prove to be accurate.

In light of the significant uncertainties inherent in the forward-looking statements included in this Registration Statement, including, without limitation, the risks set forth under "CERTAIN RISK FACTORS" below, the inclusion of such information should not be regarded as a representation by the Company or the Managing Member that the investment objective set forth in this Registration Statement will be achieved. The Company cautions Members that forward-looking statements are not guarantees and that the actual results could differ materially from those expressed or implied in the forward-looking statements.

The Company or the Managing Member does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Managing Member of the Company or the Company or on their behalf.

References to market or composite indices, benchmarks or other measures of relative market performance (each, an "index") are provided for your information only. Reference to an index does not imply that the portfolio will achieve results similar (or dissimilar) to that index.

CERTAIN RISK FACTORS

GENERAL RISKS

The following are certain risk factors that relate to the operations and terms of the Company and the Investment Funds.

RISKS RELATED TO THE COMPANY AND THE INVESTMENT FUNDS' PERFORMANCE AND OPERATION

LACK OF OPERATING HISTORY OF THE COMPANY; PAST PERFORMANCE OF THE COMPANY IS NOT INDICATIVE OF FUTURE RESULTS

Although the Managing Member also manages other investment funds which have historically had investment programs similar to that of the Company, the Company commenced its operations on August 1, 2003 and has a short independent operating history upon which Members can evaluate its likely performance. Similarly, many current and future Advisors have or will have had short operating histories. The past investment performance of the Company, any of the Investment Funds or Advisors should not be construed as an indication of the future results of such Advisors, the Investment Funds, or of the Company. The results of other accounts and investment funds previously formed and managed by the Managing Member currently or in the past, which have or have had investment objectives, strategies, risk profiles, or investments that are similar to or different from the Company or the Investment Funds, are not indicative of the results that the Company or the Investment Funds may achieve. The Investment Funds make investments in different portfolios of securities and, accordingly, their results and, in turn, the results of the Company, may differ from the results previously obtained by the Managing Member and those funds and accounts.

A SUBSTANTIAL PORTION OF AN INVESTMENT FUND'S ASSETS MAY BE INVESTED UTILIZING STRATEGIES WHICH ARE NOT WITHIN ITS HEDGE FUND SECTOR; MOST ADVISORS DO NOT PROVIDE DETAILED POSITION INFORMATION REGARDING THEIR PORTFOLIOS

Although the managing member of an Investment Fund intends to allocate assets to Advisors whose principal investment strategies are within the specified hedge fund sector referenced in its name, a

substantial portion of the Investment Fund's assets may be invested utilizing strategies within other investment sectors. In addition, the sectors referenced therein are subjective classifications made by the managing member in its sole discretion. Such classifications are based on information previously provided by the Advisors and may differ from classifications into similarly named sectors made by other industry participants. The managing member of each Investment Fund will rely on information previously provided by each Advisor in determining in its sole discretion that the principal investment strategies utilized by an Advisor are within such Investment Fund's specified hedge fund sector.

The managing member of an Investment Fund seeks to select Advisors for the Investment Fund that exhibit certain operational, management and risk control standards in the daily investment of their portfolios. The managing member requests historical performance and position data in order to evaluate how Advisors behave in certain environments. However, some Advisors have no operating history and therefore such performance and position data may not be available. The managing member also requests that each Advisor provide guidelines about the size of its typical positions and the amount of leverage that it will use in managing assets. These risk and investment guidelines serve as a framework for the managing member to conduct its ongoing risk monitoring on behalf of each Investment Fund as it believes that there is value in regularly monitoring each Investment Fund's Advisors to better understand such Advisors' risk and sources of return. The managing member also conducts due diligence visits with the Advisors, which may include representatives of its Advisor selection, risk and quantitative analysis, compliance and operations areas. Accordingly, the managing member seeks Advisors who are willing to share information and market outlook and who agree to engage in a regular dialogue and provide portfolio composition and profit and loss information regularly, although the level of detail will vary by Advisor. However, many Advisors are unwilling to provide significant transparency, e.g., position detail, because such information is proprietary to such Advisors, particularly those Advisors operating in the event driven and relative value sectors, but also those in the equity long/short and tactical trading sectors and the Company may still choose to invest with such Advisors because of their historical returns and reputation. Moreover, due to changes in the investment programs of certain Advisors over time or the failure of the Advisors to accurately provide information or to provide such information in sufficient detail, it is possible that an Investment Fund's assets will be allocated to Advisors whose principal investment strategies are not within its specified hedge fund sector for extended periods of time.

As is customary with the funds-of-hedge funds, most of the Advisors do not provide the managing member of the Investment Funds with detailed position reports because such information is proprietary to such Advisors. These Advisors would not likely permit the Investment Funds to invest with them if such an information requirement was a condition to such investments. Also, Advisors may not comply with their stated investment strategies. Members of the Company are assuming the risk that the Advisors may not be providing accurate and timely information about their strategies, performance and positions and that the information provided by the Advisors will subsequently be proven or discovered to be inaccurate and/or false. Reference in this Registration Statement to information received by Advisors includes information received directly from the Advisors as well as information received from independent administrators or other third party providers on behalf of such Advisors.

THERE CAN BE NO ASSURANCE THAT THE MANAGING MEMBER'S DECISIONS REGARDING RISK ALLOCATIONS WILL BE SUCCESSFUL; INACCURATE INFORMATION PROVIDED BY THE ADVISORS MAY HAVE A MATERIAL ADVERSE EFFECT ON IMPLEMENTING THE COMPANY'S INVESTMENT OBJECTIVE

The Managing Member will have the discretion to underweight or overweight allocations to hedge fund sectors from a risk perspective. As of July 1, 2004, the Managing Member implemented an adjustment to weightings among the Investment Funds. There is no assurance that its decisions regarding allocations of assets or weights will be successful. In addition, the Company will be limited in its ability to make changes to allocations due to the redemption provisions of the Investment Funds, including notice periods and limited redemption dates and the ability of the Investment Funds to suspend and postpone redemptions. In addition, any such allocations will be made by the Company based on information previously provided by the Advisors. If such information is inaccurate or incomplete, it is possible that the Company's allocation to the hedge fund sectors from a risk perspective may not reflect the Managing Member's intended allocations. This could have a material adverse effect on the ability of the Managing Member to implement the Company's investment objective.

NON-DIVERSIFIED STATUS; THE MANAGING MEMBER MAY ALLOCATE TO ONE OR MORE

The Company is a "non-diversified" investment company. Thus, there are no percentage limitations imposed by the Investment Company Act of 1940, as amended (the "Investment Company Act") on the percentage of the Company's assets that may be invested in the securities of any one issuer. The Company will allocate its assets to Investment Funds. Although the managing member of the Investment Funds intends to follow a general policy of seeking to diversify each Investment Fund's capital among multiple Advisors, the managing member may in its discretion depart from such policy from time to time and one or more Advisors may be allocated a relatively large percentage of an Investment Fund's assets, although the managing member of the Investment Funds generally will not allocate more than 25% of the total assets of an Investment Fund to any single Advisor at the time of investment in such Advisor. Consequently, losses suffered by such Advisors of an Investment Fund could result in a proportionately higher reduction in such Investment Fund's capital than if such capital had been more proportionately allocated among a larger number of Advisors.

DEPENDENCE ON THE MANAGING MEMBER AND THE ADVISORS; THE MANAGING MEMBER GENERALLY HAS LIMITED ACCESS TO INFORMATION ON OR CONTROL OVER ADVISOR'S PORTFOLIOS AND MEMBERS ASSUME THE RISK THAT ADVISORS MAY KNOWINGLY MISREPRESENT INFORMATION WHICH COULD HAVE A MATERIAL NEGATIVE IMPACT ON THE COMPANY

The Managing Member invests assets of the Company in the Investment Funds which in turn will invest in the Advisors. The managing member of each of the Investment Funds, which currently is the Managing Member, has the sole authority and responsibility for the selection of the Advisors for that Investment Fund. The success of each Investment Fund and, in turn, of the Company, depends upon the ability of the managing member of the Investment Funds and each Investment Fund's Advisors to develop and implement investment strategies that achieve each Investment Fund's investment objective. For example, an Advisor's inability to effectively hedge an investment strategy that it utilizes may cause the assets of an Investment Fund allocated to such Advisor to significantly decline in value and could result in substantial losses to such Investment Fund and, in turn, to the Company. The Investment Funds do not have any control over the Advisors. Moreover, subjective decisions made by the Managing Member or the managing member of an Investment Fund or by the Investment Funds' Advisors may cause the Company, the Investment Fund or the Advisors to incur losses or to miss profit opportunities on which they may otherwise have capitalized. Members of the Company will have no right or power to participate in the management or control of the Company, Investment Funds, Portfolio Companies, Advisors or Advisor Funds, and will not have an opportunity to evaluate in advance any specific investments made by the Company, the Investment Funds, Portfolio Companies, Advisors or Advisor Funds, or the terms of any investments made by the Company, the Investment Funds, Portfolio Companies, Advisors or Advisor Funds.

While the Managing Member will select the Investment Funds in which the Company invests, the Managing Member relies to a great extent on information provided by the Advisors and will generally have limited access, if any access at all, to information regarding the Advisors' portfolios and operations. Most Advisors consider this information proprietary and would not provide this information even if requested. If the Investment Funds only invested in Advisors who provided complete access to their information, the Investment Funds would not be able to access many Advisors with which they might otherwise wish to invest since many Advisors with strong track records and/or limited capacity will not agree to provide this access. Limiting the Advisors that the Investment Funds would invest with would have a material adverse impact on the Investment Funds and, in turn, the Company and its Members. Accordingly, the Investment Funds invest with many Advisors who do not provide any or all such information, and Members who are not willing to assume this risk should not retain their investment in the Company. There is a risk that Advisors may knowingly, recklessly, negligently or otherwise withhold or misrepresent information regarding activities that could have a material negative impact on the performance of an Investment Fund and the Company. Members of the Company are assuming the risk that the Advisors will act in such a manner. These activities, therefore, could occur without the knowledge of the Managing Member, and could have a material negative impact on the Company's performance and financial statements, including, among other things, causing a restatement of prior financial statements. Any such misrepresentation or fraud by an Advisor would result in their position being inaccurately reflected in an Investment Fund's, and therefore the Company's, financial statements. Once an Investment Fund learns of any such misrepresentation or fraudulent activities, it will likely be too late for such Investment Fund to withdraw its assets from such Advisor without having incurred significant losses due to its investment with such Advisor.

In the event of misrepresentation and fraud committed by those Advisors or hedge funds in which the Investment Funds invest, the Company or, more likely the Investment Funds, will have remedies available under applicable state and federal securities and anti-fraud laws. As a general matter, the Company does not have contractual remedies available to it for misrepresentation and fraud, however, in certain limited cases where the Investment Funds invest through Managed Accounts or Portfolio Companies, the Investment Funds may have certain contractual protections. The Company or the Investment Funds intend to pursue their potential legal remedies based on an evaluation of litigation risks and costs involved in pursuing a litigation. In addition, in deciding on whether or not to pursue legal remedies available to them, the Company or the Investment Funds will also consider the costs involved in pursuing any remedy and the risk that the underlying hedge fund may have insufficient assets to comply with a successful outcome. Accordingly, even if a legal remedy may be available to the Company or the Investment Funds, it may chose not to pursue such remedy.

THE INVESTMENT FUNDS DO NOT INTEND TO PARTICIPATE IN INITIAL PUBLIC OFFERINGS WHICH MAY LIMIT POTENTIAL GAINS

The Investment Funds do not presently intend to participate directly or indirectly in initial public offerings, which are subject to the rules of the NASD that limit the ability of NASD member firms to sell securities in initial public offerings to certain classes of "restricted persons." Securities sold in certain initial public offerings in the past have on occasion experienced initial, sometimes rapid, increases in market value following such offerings. As a result, this could have an adverse effect on the performance of the Investment Funds, and, in turn, the Company.

RISKS RELATED TO THE COMPANY'S REGULATORY ENVIRONMENT

LIMITED REGULATORY OVERSIGHT; MEMBERS NOT AFFORDED PROTECTION OF INVESTMENT COMPANY ACT

The Company and each of the Investment Funds, in reliance upon an exemption available to privately offered investment companies, are not required to register as investment companies and have not registered as such under the Investment Company Act. Thus, the provisions of the Investment Company Act intended to provide various protections to investors (which, among other things, require investment companies to have a majority of disinterested directors, provide limitations on leverage, limit transactions between investment companies and their affiliates, require securities held in custody at all times to be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) are not applicable. The Managing Member is registered as an adviser under the Investment Advisers Act.

Moreover, the Advisor Funds and Portfolio Companies in which the Investment Funds invest generally are not registered as investment companies, and the Investment Funds and the Company, in turn, are not provided the protections of the Investment Company Act. In addition, although the SEC has adopted new rules that will require most of the Advisors of the Investment Funds to register as investment advisers under the Investment Advisers Act, there is expected to be a significant period of time before such registrations are completed. Therefore, an Investment Fund as an investor with such Advisors that are not registered as investment advisers will not have the benefit of certain of the protections of the Investment Advisers Act.

The Advisor Funds and Portfolio Companies generally do not maintain their securities and other assets in the custody of a bank or a member of a securities exchange, as generally required of registered investment companies in accordance with certain SEC rules. A registered investment company which places its securities in the custody of a member of a securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions designed to protect the assets of the registered investment company. It is anticipated that the Advisors to which the Investment Funds will allocate assets generally will maintain custody of their assets with brokerage firms which do not separately segregate such customer assets as would be required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firm could have a greater adverse effect on an Investment Fund and, in turn, on the Company, than would be the case if custody of assets

were maintained in accordance with the requirements applicable to registered investment companies. There is also a risk that an Investment Fund's Advisor could convert to its own use assets committed to it by an Investment Fund or that a custodian could convert to its own use assets committed to it by an Investment Fund's Advisor. There can be no assurance that the Advisors or the entities they manage will comply with all applicable laws and that assets of the Investment Funds entrusted to Advisors by the Investment Funds will be protected.

Furthermore, in accordance with U.S. Commodity Futures Trading Commission (the "CFTC") regulations, the Managing Member is registered as a commodity trading advisor ("CTA") and a commodity pool operator ("CPO") under the U.S. Commodity Exchange Act of 1974 as amended (the "Commodity Exchange Act"), and all of the Advisors of each Investment Fund are either registered as CTAs or have indicated to the managing member of the Investment Funds, that they are exempt from such registration. Because the Units are being privately offered under both federal and state securities laws and Units may be purchased only by persons who are qualified eligible persons pursuant to Rule 4.7 under the Commodity Exchange Act, the Memorandum has not been filed with or reviewed by any regulatory authority. The Managing Member reserves the right to withdraw any registrations relating to the Company in the future as permitted by applicable law.

THE COMPANY FACES LEGAL, TAX AND REGULATORY RISKS WHICH MAY ADVERSELY AFFECT THE COMPANY

Legal, tax and regulatory changes could occur during the term of the Company that may adversely affect the Company (including changes under the Exchange Act). For example, the regulatory and tax environment for derivative instruments in which Advisors of an Investment Fund may participate is evolving, and changes in the regulation or taxation of derivative instruments may materially adversely affect the value of derivative instruments held by such Investment Fund and, in turn, the value of the Company's assets, and the ability of such Investment Fund to pursue its trading strategies. Similarly, the regulatory environment for leveraged investors and for hedge funds generally is evolving, and changes in the direct or indirect regulation of leveraged investors or hedge funds may materially adversely affect the ability of the Company to pursue its investment objective or strategies.

RISKS RELATED TO THE UNITS, LIQUIDITY OF UNITS AND THE OFFERING OF THE UNITS

UNITS WILL NOT BE LISTED AND WILL NOT BE MARKETABLE

The Company does not intend to list its Units for trading on any national securities exchange. There is no secondary trading market for the Units, and none is expected to develop. The Units are, therefore, not readily marketable. Because the Company is a closed-end investment company, its Units will not be redeemable at the option of Members, other than on each January 1 or July 1 (occurring on or after the first anniversary of the purchase of such Units by the Member) upon 61 days' prior written notice to the Managing Member (unless such notice is waived by the Managing Member in its sole discretion), and such Units will not be exchangeable for interests of any other funds. See "--The Company is a Closed-End Fund With Limited Liquidity and Limited Rights for Redemption" below.

THE COMPANY IS A CLOSED-END FUND WITH LIMITED LIQUIDITY AND LIMITED RIGHTS FOR REDEMPTION

The Company is a non-diversified, closed-end management investment company designed primarily for long-term investors, and is not intended to be a trading vehicle. Members should not retain their investment in this Company if they need a liquid investment. Closed-end funds differ from open-end management investment companies (commonly known as mutual funds) in that investors in a closed-end fund do not have the right to redeem their shares on a daily basis at a price based on net asset value. In order to be able to meet daily redemption requests, mutual funds are subject to more stringent liquidity requirements than closed-end funds. In particular, a mutual fund generally may not invest more than 15% of its net assets in illiquid securities. The Managing Member believes that unique investment opportunities exist in the market for Investment Funds. However, these investments are often illiquid, and a closed-end fund's ability to make such investments is limited.

An investment in the Company provides limited liquidity since the Units are not freely transferable and generally a Member is only permitted to redeem Units upon 61 days' prior written notice to the Managing Member (unless such notice is waived by the Managing Member in its sole discretion), as of the time immediately prior to the opening of business on each January 1 or July 1 occurring on or after the first anniversary of the

purchase of such Units by the Member. In addition, redemptions may be limited or postponed under limited circumstances. The same or similar limitations will apply to the Company's investment in each of the Investment Funds. See ITEM 11. "DESCRIPTION OF REGISTRANT'S UNITS TO BE REGISTERED--OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT--Redemptions of Units."

The Advisors of the Investment Funds may invest a portion of such Investment Fund's assets in securities and financial instruments that are not publicly traded. Such non-publicly traded securities and financial instruments may not be readily disposable, are difficult to value and, in some cases, may be subject to contractual, statutory or regulatory prohibitions on disposition for a specified period of time. An investment in the Company is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Company's normal redemption dates. Further, distributions of proceeds by an Investment Fund to the Company upon the Company's withdrawal from such Investment Fund may be limited, in such Investment Fund's managing member's sole discretion, because of restrictions imposed upon withdrawals under the terms of the Advisor Funds or investment management agreements in or pursuant to which such Investment Fund's assets are invested, or where, in the view of the managing member, the disposal of part or all of such Investment Fund's assets to meet withdrawal requests would be prejudicial to its members. Distributions of proceeds by the Company upon a Member's withdrawal may be limited, in the Managing Member's sole discretion, due to the above-described circumstances or where, in the view of the Managing Member, the disposal of part or all of the Company's assets to meet withdrawal requests would be prejudicial to the Members.

REDEMPTIONS OF UNITS ARE SUBJECT TO SUBSTANTIAL WAITING PERIOD AND POTENTIALLY OUTDATED INFORMATION

There will be a substantial period of time between the date as of which Members must submit a request for redemption and the date they can expect to receive full payment for their redemption proceeds from the Company. Members whose Units are accepted for redemption bear the risk that the Company's NAV (which is based upon the net asset value of the underlying Investment Funds) may fluctuate significantly in the 61-day period between the date by which redemption requests must be submitted and the date as of which such Units are valued for purposes of such redemption. Members will have to decide whether to request that the Company redeem their Units without the benefit of having current information regarding the value of Units on a date proximate to the date on which Units are valued by the Company for purposes of effecting such redemptions. In addition, under certain exceptional circumstances, such as force majeure, the Managing Member may find it necessary (i) to postpone redemptions if it determines that the disposition of investments to fund redemptions would adversely affect NAV per Unit or (ii) to set up a reserve for undetermined or contingent liabilities and withhold a certain portion of redemption proceeds. Having an investment in the Company is suitable only for Members who can bear the risks associated with the limited liquidity of the Units and the underlying investments of the Company.

SUBSTANTIAL REDEMPTIONS COULD HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY

Substantial requests for the Company or an Investment Fund to redeem units of its members could require the Company or the Investment Fund to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions and achieve a market position appropriately reflecting a smaller asset base. This could have a material adverse effect on the value of the units redeemed and the units that remain outstanding.

REDEMPTION MAY BE IN CASH OR IN-KIND UNDER THE SOLE DISCRETION OF THE MANAGING MEMBER; MEMBERS MAY BEAR RISKS RELATED TO IN-KIND SECURITIES AND PAY FEES IN DISPOSING IN-KIND SECURITIES

The Company generally expects to pay redemption proceeds in respect of redeemed Units in cash. However, there can be no assurance that the Company will have sufficient cash to pay for Units that are being redeemed or that it will be able to liquidate investments at favorable prices to pay for redeemed Units. The Company may in certain circumstances distribute securities as payment for redeemed Units, including if making a cash payment would result in a material adverse effect on the Company or the Members, or if the Company has received distributions from the Investment Funds in the form of securities that are transferable to the Members. An Investment Fund may distribute redemption proceeds to the Company if the Investment Fund receives distributions from its Advisors in the form of securities. It is possible that, upon the Company's withdrawal of all or a portion of its assets invested in an Investment Fund, the Company may receive securities that are illiquid or difficult to value. In

such circumstances, the Managing Member would seek to dispose of these securities in a manner that is in the best interests of the Company, which may include a distribution in-kind to its Members. In the event that the Company makes such a distribution of securities as payment for Units, Members will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities.

SPECIAL CONSIDERATIONS ARE APPLICABLE TO THE UNITS; AFTER THE INITIAL OFFERING OF UNITS SUBSEQUENT PURCHASERS OF UNITS MAY SUFFER LOSSES BECAUSE OF PREVIOUSLY ESTABLISHED OPEN POSITIONS

The Company may accept additional subscriptions for Units from time to time as determined by the Managing Member and in accordance with the LLC Agreement. Upon the approval of the Managing Member, a Member or prospective Member may make additional subscriptions for Units on the first day of each calendar quarter or at such other times as the Managing Member may determine in its sole discretion. Historically, the Company has from time to time taken in funds on a monthly basis. From May 2004 through April 2005, the Company has only taken in investments from existing investors and limited subscriptions from new qualified investors.

Additional subscriptions will dilute the indirect interests of existing Members in the Company's investment portfolio prior to any such subscription, which could have a material adverse impact on the existing Members' interest in the Company if future Company investments underperform the prior investments. The Investment Funds may be closed from time to time to investments by new investors, however, the Investment Funds may be reopened in the sole discretion of the managing member of each Investment Fund. Additional subscriptions for membership units as determined by the managing member of each Investment Fund and in accordance with its limited liability company agreement will dilute the indirect interests of the Investment Fund's existing members, including the Company, in the Investment Fund's investment portfolio prior to any such subscription, which could have an adverse impact on the existing members' interest in the Investment Fund if such Investment Fund's future investments underperform its prior investments. In addition, it is expected that certain Advisors of the Investment Funds will structure performance-based compensation similarly to the Company, with such compensation being paid only if net asset value exceeds a high watermark equal to a previously obtained net asset value. Generally, no performance-based compensation will be paid by an Investment Fund to an Advisor until the assets managed by such Advisor appreciate above its high watermark, and such appreciation will be shared pro rata by all of the members of such Investment Fund, including the Company, not just those who were members at the time the high watermark was set. The value attributable to the fact that no performance-based compensation will be paid to an Advisor until it exceeds its prior high watermark will not be taken into account in determining the NAV of an Investment Fund or any series of its membership units. Such value to existing members of an Investment Fund, including the Company, will be diluted by new subscriptions for such Investment Fund's membership units. Because the new membership units will participate in any positive performance by the Advisor before it hits its high watermark without the Advisor being paid any performance-based compensation, the pre-existing units in an Investment Fund, including those held by the Company, will not get the full benefit of the amount of the appreciation that is not subject to performance-based compensation.

In addition, unlike purchasers who purchased the initial Units offered by the Company, Units acquired following the initial offering of Units will represent indirect interests in operating funds which may have significant open positions. Since these Units will, indirectly through the Company's investments in each of the Investment Funds, share in each Investment Fund's open positions which may have been held for some period of time prior to the issuance of the additional Units, the application of the relevant Advisor's trading approach to such positions may have a qualitatively different effect on the performance of the additional Units than it does on the performance of previously issued Units. For example, a number of trading approaches may become more aggressive in terms of willingness to tolerate losses in a position and increase the size of a position after an open trade has generated a substantial profit because subsequent losses (up to a certain level) are perceived as being only a partial give-back of prior profits, not an actual loss. As purchasers of Units will not have received, indirectly through the Company's investments in the Investment Funds, the benefit of any profits on open positions prior to the date on which they purchase the Units, subsequent losses will constitute an absolute loss to such holders, not only a partial give-back of profits. In addition, certain trading approaches may follow profit-taking strategies whereby they will liquidate or partially liquidate a position after it has generated a predetermined amount of profit. Since the new Units will not, indirectly through the Company's investments in the

Investment Funds, have had the benefit of any such profit prior to the date on which they were issued, Members holding such Units may find themselves, indirectly through the Company's investments in the Investment Funds, liquidated out of a position (which would have continued to generate substantial profits) due to an Advisor "taking profits," none of which had inured to their benefit. Some approaches apply similar analyses based on overall portfolio performance, not just the performance of particular positions, with generally analogous effects.

SPECIAL RISKS OF THE COMPANY'S STRUCTURE

This section discusses certain risks related to the fact that the Company allocates its assets to Investment Funds, which allocate their assets to Advisors.

RISKS RELATED TO THE COMPANY'S STRUCTURE

THE INVESTMENT FUNDS' AND THE ADVISORS' INVESTMENTS MAY NOT BE DIVERSIFIED AND THERE CAN BE NO ASSURANCE THAT THE COMPANY'S ALLOCATION MODELS AND METHODOLOGIES WILL ACHIEVE THE COMPANY'S ALLOCATION GOALS

The managing member of the Investment Funds generally will not allocate more than 25% of any Investment Fund's total assets to any single Advisor at the time of allocation. However, following the time of allocation, the percentage of such Investment Fund's total assets allocable to any single Advisor could exceed the 25% level due to a number of factors, including redemptions from the Investment Fund and positive or negative performance by an Advisor as compared to other Advisors. No assurance is given as to any level of multiple Advisor diversification. Greater concentration with any single Advisor may entail additional risks.

While the managing member of the Investment Funds may seek Advisors that utilize diversified investment strategies, there can be no assurance that market or other events will not have an adverse impact on the strategies employed by multiple Advisors. Advisors may at certain times hold large positions in a relatively limited number of investments. Advisors may target or concentrate their investments in particular markets, sectors, or industries. Those Advisors that concentrate in a specific industry or target a specific sector will also be subject to the risks of that industry or sector, which may include, but are not limited to, rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry, and sensitivity to overall market swings. As a result, the NAVs of such Advisors may be subject to greater volatility than those of investment companies that are subject to diversification requirements and this may negatively impact the NAV of the Investment Funds and the Company.

The Company is designed to be broadly exposed to the hedge fund market by allocating its assets to the Investment Funds in the four hedge fund sectors: tactical trading, equity long/short, relative value and event driven. Quantitative analysis is combined with judgment to determine strategic allocations that will offer broad exposure to hedge fund returns. Strategic return, risk and correlation estimates inform the quantitative analysis, which balances returns and contribution to portfolio risk. Judgment is applied to both estimates and weights in an attempt to achieve a diversified exposure to hedge funds while targeting attractive risk-adjusted returns. The Managing Member periodically re-evaluates the contribution to the risk and return of the Company from each investment sector and may in the future in its sole discretion re-allocate the Company's assets or weights of the investment sector as it deems advisable. The Managing Member may at certain times be unable to re-allocate the Company's assets or weights among the Investment Funds as it determines is advisable in order to achieve the Company's objectives due to restrictions on redemptions and additional subscriptions imposed by the Investment Funds or Advisors. If imbalances in the allocations occur because the Company is unable to re-allocate on a timely basis, because the Company's allocation models and methodologies are not successful, or otherwise, losses occurring as a result could cause the Company to suffer significantly greater losses than would be the case if the Company's allocation goals had been achieved.

THE COMPANY'S FINANCIAL STATEMENTS ARE, AND IN THE FUTURE WILL BE, BASED ON ESTIMATES OF VALUATIONS PROVIDED BY THIRD PARTY ADVISORS WHICH MAY NOT BE ACCURATE OR MAY NEED TO BE ADJUSTED IN THE FUTURE

Generally, the managing member of the Investment Funds does not, and will not, have any ability to assess the accuracy of the valuations or other financial information received from each Investment Fund's Advisors with respect to allocations not made through Managed Accounts. Although the managing member of the Investment Funds may obtain information provided by the Advisors about their net asset values, the managing member of the Investment Funds generally does not, and is not able to, confirm

independently the accuracy of such valuations (which are generally unaudited except at year-end) except in the case of allocations made through Managed Accounts. Most Advisors treat their investment positions as proprietary information and many of them will not provide such information to their investors. Furthermore, the net asset values received by the managing member of the Investment Funds from each Investment Fund's Advisors will typically be based on estimated or unaudited reports only, and such values will be used to calculate NAVs and fee accruals for purposes of determining amounts payable on redemption to the extent audited information is not then available. In some cases, Advisors do not use independent administrators or other third party providers to value and report their net asset values. In such cases, the valuations used to determine the net asset values of these Advisors will be dependent solely upon the Advisors for validation, and even when third parties are involved, the Advisors may have primary responsibility for determining the values of the portfolio securities. The valuation reports will not be audited by third parties in most cases except at year-end. Valuations provided by each Investment Fund's Advisors may be subject to later adjustment based on valuation information available at that time, including, for example, as a result of year-end audits or other valuation reviews conducted by an Advisor's auditors. Furthermore, there is a risk that any valuation an Investment Fund receives from an Advisor will be fraudulent or may inadvertently contain material errors that the Investment Funds and, in turn, the Company would not know when it prepares its financial statements. Members should understand that the Company cannot prevent this risk since neither the Company nor the Investment Funds have access to the Advisors' books and records. Neither the Company nor the Investment Funds is a party to any direct agreements with any Advisor providing the Company or the Investment Funds with a specific contractual recourse in the case where an Advisor has provided inaccurate or untimely valuations. Additionally, an Advisor may through its investment documents have sought to limit or eliminate its liability for inaccurate or untimely valuations entirely in which case the Company may not have any recourse. The Company has not entered into any direct agreements to indemnify any of the Advisors against such errors or omissions. Any such adjustments resulting from wrong valuations or errors in calculations may result in the Company restating its net asset value or having to restate its financial statements at the time of such restatement, as well as for prior periods. Any such restatement, whether increasing or decreasing the net asset value of the Company could have a material impact on the NAV of Member's Units. Members of the Company are assuming the risk that valuations may be materially incorrect and/or will need to be adjusted and Members should not retain their investment in the Company if they are unwilling to assume such risks. See "GENERAL RISKS--Risks Related to the Company and the Investment Funds' Performance and Operation--Dependence on the Managing Member and the Advisors; the Managing Member Generally has Limited Access to Information on or Control over Advisor's Portfolios and Members Assume the Risk that Advisors May Knowingly Misrepresent Information Which Could Have a Material Negative Impact on the Company" above and "SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Associated with the Company Investing in Other Entities--Valuation of the Investment Funds' Investments Will be Based Upon Valuations Provided by the Advisors Which are Generally not Audited; Uncertainties in Valuations Could Have a Material Adverse Effect on the Company's Net Assets" below.

If at any time the Managing Member determines, in its sole discretion, that an incorrect number of Units was issued to a Member because the NAV in effect on the date of issuance was materially incorrect, the Company will adjust such Member's Units by increasing or decreasing them, as appropriate, to such number of Units as would have been issued at the correct NAV. In addition, if at any time after a redemption of Units (including in connection with any withdrawal of a Member from the Company) the Managing Member determines, in its sole discretion, that the amount paid to such Member or former Member pursuant to such redemption was materially incorrect (including because the NAV at which the Member or former Member purchased such Units was incorrect), the Company will pay to such Member or former Member any additional amount that it determines such Member or former Member would have been entitled to receive had the redemption been effected at the correct NAV, or, in its sole discretion, seek payment from such Member or former Member of (and such Member or former Member shall be required to pay) the amount of any excess payment that the Managing Member determines such Member or former Member received, in each case without interest. If such a determination is made after a Member has had all of its Units redeemed, or if the NAV of a Member's remaining Units is insufficient to cover the amount of any overpayment (including, without limitation, due to a decrease in the Company's NAV), the Company may be unable, or may elect not under the circumstances, to collect the amount of any such excess payment, and any corresponding restatement of and reduction in the NAV of the Company will generally be borne by the remaining Members of the Company. The Company will be subject to similar adjustment provisions as a member of the Investment Funds.

MEMBERS OF THE COMPANY ARE SUBJECT TO MULTIPLE LEVELS OF FEES AND EXPENSES BECAUSE OF THE COMPANY'S STRUCTURE AND THE FEE STRUCTURE OF THE COMPANY MAY CREATE INCENTIVES FOR ADVISORS TO MAKE RISKY INVESTMENTS

Although in many cases investor access to the Investment Funds may be limited or unavailable, an investor who meets the conditions imposed by an Investment Fund may be able to invest directly with the Investment Fund. By investing in Investment Funds indirectly by having an investment in the Company, a Member of the Company bears a proportionate share of the fees and expenses of the Company (including organizational and offering expenses, operating costs, sales charges, brokerage transaction expenses, and administrative fees) and, indirectly, similar expenses of the Investment Funds. Thus, a Member of the Company will be subject to higher operating expenses than if he or she invested in an Investment Fund directly or in a closed-end fund which did not utilize a "fund of funds" structure.

Each Investment Fund generally will be subject to an Advisors' performance-based fee or allocation, irrespective of the performance of the Investment Fund and the Company generally. Accordingly, an Advisor to an Investment Fund with positive performance may receive performance-based compensation from the Investment Fund, and thus indirectly from the Company and its Members, even if the Company's overall performance is negative. Generally, fees payable to Advisors of the Investment Funds range from approximately 0% to 4% (annualized) of the average net asset value of the Company's investment, and incentive allocations or fees generally range from 15% to 30% of an Investment Fund's net profits, although it is possible that such ranges may be exceeded for certain Advisors. The performance-based compensation received by the Managing Member, the managing member of the Investment Funds and an Advisor also may create an incentive for the Managing Member, the managing member of the Investment Funds or an Advisor to make investments that are riskier or more speculative than those that it might have made in the absence of the performance-based compensation. Such compensation may be based on calculations of realized and unrealized gains made by the Managing Member, the managing member of the Investment Funds and the Advisors.

THE COMPANY COULD INDIRECTLY INCUR DUPLICATIVE TRANSACTION COSTS WITHOUT ACCOMPLISHING A NET INVESTMENT RESULT

Investment decisions of the Investment Funds are generally made by their Advisors independently of each other. As a result, at any particular time, one Advisor may be purchasing securities of an issuer whose securities are being sold by another Advisor. Consequently, the Company could indirectly incur transaction costs without accomplishing any net investment result.

COMPENSATION ARRANGEMENTS WITH THE MANAGING MEMBER AND THE ADVISORS OF THE INVESTMENT FUNDS MAY CREATE INCENTIVES FOR THE MANAGING MEMBER, THE INVESTMENT FUNDS OR THE ADVISORS TO MAKE RISKIER INVESTMENTS OR TO INFLATE RETURNS

The Managing Member of the Company and the Investment Funds receives an incentive allocation based upon the net capital appreciation allocated to their members. In addition, the Advisors of the Investment Funds, which may include affiliates of the Managing Member, may receive compensation based on the performance of their investments, a pro rata share of which will be borne by the Company as a member of each Investment Fund. Accordingly, there often may be times when a particular Advisor of an Investment Fund may receive incentive compensation in respect of its portfolio for a period even though such Investment Fund's or the Company's overall portfolio depreciated during such period. Incentive compensation arrangements may also create an incentive for the managing member of the Company and the Investment Funds or the Advisors to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. Such incentives could also cause the Advisors to artificially or fraudulently inflate the actual performance of their portfolio or the valuation of specific positions. In addition, because both the Managing Member's Incentive Allocation and the performance-based compensation of the Advisors are calculated on a basis which includes unrealized appreciation of the Company's or an Investment Fund's assets or a portion thereof, as the case may be, they may be greater than if such compensation were based solely on realized gains and losses.

RISKS ASSOCIATED WITH THE COMPANY INVESTING IN OTHER ENTITIES

PAST PERFORMANCE OF AFFILIATED FUNDS AND OF ADVISORS ARE NOT NECESSARILY INDICATIVE OF THE RESULTS THAT THE COMPANY AND ANY INVESTMENT FUND MAY ACHIEVE OR OF FUTURE RESULTS

The results of the Investment Funds and other investment funds or accounts formed or managed by the GS Group, including other investment funds or accounts managed by the GS Group which have or have had investment objectives that are similar to those of the Company or the Investment Funds, are not necessarily indicative of the results that the Company or any Investment Fund may achieve. The Company makes indirect investments in a different portfolio of securities and, accordingly, its results are independent of the previous results obtained by those funds. Further, the Company and each Investment Fund and their methods of operation may differ in several respects from prior GS Group investment vehicles or accounts; e.g., there are different investment and return objectives and investment allocation strategies and the Company and each Investment Fund utilizes a different mix of Advisors and, in certain cases, investment techniques. Similarly, the past investment performance of any of the Advisors with which the Investment Funds will invest or with which other investment funds or accounts managed by the GS Group invest should not be construed as an indication of the future results of such Advisors or of the Investment Funds. Potential investors that desire performance or related information with respect to the Investment Funds or other investment funds formed or managed by the GS Group should contact the Managing Member.

A MEMBER'S INVESTMENT IN THE COMPANY WILL BE AFFECTED BY THE INVESTMENT POLICIES AND DECISIONS OF ADVISORS WHICH ARE OUTSIDE THE COMPANY'S CONTROL

Because the Company allocates its assets to Investment Funds which allocate their assets to Advisors, a Member's investment in the Company will be affected by the investment policies and decisions of an Advisor in proportion to the amount of Company assets that through the Investment Funds are allocated to each Advisor. The net asset value of the interests of the Advisors, and as a result, the net asset value of the Investment Funds and, in turn, the Company, will fluctuate in response to, among other things, investment decisions made by the Advisor, various market and economic factors related to the markets in which the Advisors invest and the financial condition and prospects of issuers in which the Advisors invest. These risks will be outside the control of the Company. Certain risks related to the investment strategies and techniques utilized by the Investment Funds and the Advisors are described under "INVESTMENT RELATED RISKS" below.

LIMITATIONS ON ABILITY TO INVEST IN ADVISORS MAY RESULT IN ASSETS NOT BEING USED TO PURSUE INVESTMENT OBJECTIVES

In the event that the Investment Funds are able to allocate assets to Advisors only at certain times, the Investment Funds may hold cash or invest any portion of its assets that is not allocated to Advisors in cash equivalents, short-term securities or money market securities pending investment in Advisors. During the time that the Investment Fund's assets are not allocated to Advisors, that portion of the Investment Fund's assets will not be used to pursue the Investment Funds' and, in turn, the Company's investment objectives.

VALUATION OF THE INVESTMENT FUNDS' INVESTMENTS WILL BE BASED UPON VALUATIONS PROVIDED BY THE ADVISORS WHICH ARE GENERALLY NOT AUDITED; UNCERTAINTIES IN VALUATIONS COULD HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY'S NET ASSETS

The valuation of an Investment Fund's investments is ordinarily determined based upon monthly valuations provided by the Advisors which are only audited annually. Many of the securities in which Advisors invest may not have a readily ascertainable market price and will be valued by the Advisors without an independent third party valuation. In this regard, an Advisor may face a conflict of interest in valuing the securities, as their value will affect the Advisor's compensation. Valuations of the securities are very subjective and could prove in hindsight to have been wrong, and at times by significant amounts. Furthermore, the managing member of the Investment Funds may face a conflict of interest in overseeing the value of the Investment Funds' investments, as the value of the Investment Funds' investments will affect such managing member's compensation. Although prior to investing in any Advisor, the managing member of the Investment Funds generally will seek to conduct a due diligence review of the valuation methodology utilized by such Advisor, no assurances can be given that the managing member of the Investment Funds will be given access to necessary aspects of the Advisors' systems, that such due diligence review will ascertain whether accurate valuations will be provided by such Advisors to the Investment Funds, that the Advisors will comply with their own internal policies or procedures for keeping records or making valuations, or that the Advisors policies and procedures and systems will not change without notice to the Investment Funds. Moreover, the managing member of the Investment Funds will generally not have sufficient information in order to be able to confirm or review the accuracy of valuations provided by Advisor Funds in which an Investment Fund invests. See "GENERAL RISKS--Risks

Related to the Company and the Investment Funds' Performance and Operation--Dependence on the Managing Member and the Advisors; the Managing Member Generally has Limited Access to Information on or Control over Advisor's Portfolios and Members Assume the Risk that Advisors May Knowingly Misrepresent Information Which Could Have a Material Negative Impact on the Company." The net asset values or other valuation information received by the managing member of the Investment Funds from an Advisor may require estimations of the value of certain assets and liabilities, and may be subject to later adjustment or revision by the Advisor, which adjustment or revisions may be significant. Any such adjustment or revision may result in either an increase or decrease in the net asset value of the Company at the time the Company is provided with information regarding the adjustment, which adjustment or revision may be significant. If an Advisor's valuations are consistently delayed or inaccurate, the managing member of the Investment Funds will consider whether the Advisor continues to be an appropriate manager for the Investment Fund. However, the managing member of the Investment Funds may elect in its sole discretion to retain the Advisor. The Advisor's information could be inaccurate due to fraudulent activity, misvaluation or inadvertent error. In any case, the Investment Funds may not uncover errors for a significant period of time. If this occurs in connection with an investment in an Advisor Fund, the Investment Fund may be unable to sell interests in an Advisor Fund quickly, and therefore could be obligated to continue to hold such interests for an extended period of time. In such a case, or in the event that the managing member of the Investment Funds does not receive a valuation from an Advisor Fund, or determines, in its sole discretion, that a valuation is inaccurate or incomplete, the managing member of the Investment Funds may, in its sole discretion, determine the fair value of an Investment Fund's interests in the Advisor Fund independently of the Advisor's valuations based on information available to, and factors deemed relevant by, the managing member of the Investment Funds at the time of such valuation. Members should be aware that situations involving uncertainties as to the valuations by Advisors could have a material adverse effect on the Company's net assets if the managing member of the Investment Funds or the Advisor's judgments regarding valuations should prove incorrect. Members who are unwilling to assume such risks should not retain their investment in the Company. See "--Risks Related to the Company's Structure--The Company's Financial Statements are, and in the Future will be, Based on Estimates of Valuations Provided by Third Party Advisors Which May not be Accurate or May Need to be Adjusted in the Future" above.

INVESTMENT FUND ALLOCATIONS TO ADVISOR FUNDS ARE DIFFICULT TO MONITOR AND CONTROL

Each Investment Fund may invest all or a substantial portion of its assets in Advisor Funds, rather than in all cases allocating assets, via Portfolio Companies or directly to Advisors, pursuant to managed account agreements. It is expected that the managing member of the Investment Funds generally will have less ability to monitor investments in the Advisor Funds, to obtain full and current information and to exercise control rights over such investments than with respect to allocations of assets to Managed Accounts. This could have a material adverse effect on the performance of such investments and, therefore, on the performance of the Investment Funds and the Company.

TRADING IN INVESTMENTS MAY BE ILLIQUID WHICH MAY CAUSE SUBSTANTIAL LOSSES AND MAY NEGATIVELY IMPACT THE ABILITY TO MAKE DISTRIBUTIONS TO A WITHDRAWING OR REDEEMING MEMBER

Some investment positions in which the Investment Funds have an interest will be illiquid. The Advisors may invest in restricted or non-publicly traded securities, securities on foreign exchanges and futures. These positions may be illiquid because certain exchanges limit fluctuations in certain securities and futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular security or futures contract has increased or decreased by an amount equal to the daily limit, positions in that security or contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit.

The above-described circumstances could prevent the Advisors of an Investment Fund from liquidating unfavorable positions promptly and subject such Investment Fund and, in turn, the Company, to substantial losses. This could also impair the Company's ability to redeem its membership units in an Investment Fund in order to make distributions to a withdrawing or redeeming Member in a timely manner.

MANAGED ACCOUNT ALLOCATIONS EXPOSE THE INVESTMENT FUNDS TO LIABILITY EXCEEDING ALLOCATIONS

Each Investment Fund, generally through Portfolio Companies and possibly directly, may place assets with a number of Advisors by opening discretionary Managed Accounts rather than investing in Advisor Funds. It is possible, given the leverage at which certain of the Advisors of an Investment Fund will trade, that allocations of an Investment Fund to an Advisor through a managed account could result in losses that exceed the amount the Investment Fund had allocated to such Advisor to invest. Therefore, Managed Accounts expose the Investment Funds to theoretically unlimited liability. This risk is also applicable to allocations made by an Investment Fund to Portfolio Companies because of the possibility that the limited liability provided by a Portfolio Company could be successfully challenged based on various legal theories which could be proffered.

AN INVESTMENT FUND MAY NOT BE ABLE TO VOTE OR MAY LIMIT ITS VOTING ABILITIES

Each Investment Fund may determine to limit its voting interest in certain Advisors in order to avoid becoming subject to certain Investment Company Act prohibitions with respect to affiliated transactions. To the extent the Investment Fund holds non-voting securities, or contractually forgoes the right to vote in respect of the voting securities of an Advisor, the Investment Fund will not be able to vote on matters that require the approval of the interestholders of the Advisor, including matters adverse to the Investment Fund's and, in turn, the Company's interests.

LACK OF OPERATING HISTORY OF CERTAIN ADVISORS; PAST PERFORMANCE OF ADVISORS IS NOT INDICATIVE OF FUTURE RESULTS

Certain of the Advisors have short or limited or even no operating histories. In addition, the information the managing member of an Investment Fund has and will obtain about an Advisor may be limited. As such, the ability of the managing member of an Investment Fund to evaluate past performance or to validate investment strategies of such Advisors will be limited. Moreover, even to the extent an Advisor has a long operating history, the past investment performance of any of the Advisors should not be construed as an indication of the future results of the Advisors or of the Investment Funds or the Company. In addition, the investment professionals within the Advisors and their strategies may change over time. This risk is related to, and enhanced by, the risks created by the fact that the managing member of an Investment Fund relies upon information provided to it by the Advisors that is not, and cannot be, independently verified.

ADVISORS INVEST INDEPENDENTLY AND MAY HOLD ECONOMICALLY OFFSETTING POSITIONS

The Advisors of the Investment Funds generally invest wholly independently of one another and may at times hold economically offsetting positions. To the extent that the Advisors do, in fact, hold such positions, the Investment Funds and, in turn, the Company may not achieve any gain or loss despite incurring fees and expenses in connection with such positions. In addition, an Advisor may be compensated based on the performance of its portfolio. Accordingly, there may often be times when a particular Advisor of an Investment Fund may receive performance or incentive compensation in respect of its portfolio for a period even though such Investment Fund's, or the Company's, net asset value may not have increased, or may even have decreased, during such period. Furthermore, it is not unlikely that from time to time various Advisors of an Investment Fund may be competing with each other for the same positions in one or more markets. There can be no assurance that choosing a combination of Advisors for an Investment Fund will prove to be any more successful than would the selection of a single Advisor for such Investment Fund.

ADVISORS MAY HAVE LIMITED CAPACITY TO MANAGE ADDITIONAL INVESTMENT FUND INVESTMENTS

Certain Advisor's trading approaches presently can accommodate only a certain amount of capital. Each Advisor will normally endeavor not to undertake to manage more capital than such Advisor's approach can accommodate without risking a potential deterioration in returns. Accordingly, each Advisor has the right to refuse to manage some or all of the Investment Funds' assets that the Investment Fund may wish to allocate to such Advisor. Further, in the case of Advisors that limit the amount of additional capital that they will accept from an Investment Fund, continued sales of units and interests in Advisor Funds in which such Investment Fund invests would dilute the participation of such Investment Fund's existing members, including the Company, with such Advisor.

ADVISOR FUNDS' SECURITIES ARE GENERALLY ILLIQUID WHICH MAY INCREASE COSTS

AND LIMIT REDEMPTIONS

The securities of the Advisor Funds in which the Investment Funds (directly or through Advisors) invest or plan to invest may be illiquid. Subscriptions to purchase the securities of Advisor Funds are generally subject to restrictions or delays. In addition, the Investment Funds may be limited in their ability to make changes to allocations due to potential redemption restrictions of the Advisor Funds, including notice periods and limited redemption dates, the ability of the Advisor Funds to suspend and postpone redemptions, and lockups on redemptions of securities of the Advisor Funds. Further, the Advisor may not be able to dispose of Advisor Fund securities that it has purchased in a timely manner and, if adverse market conditions were to develop during any period in which the Advisor is unable to sell Advisor Fund securities, the Advisor might obtain a significantly less favorable price than that which prevailed when it decided to buy or sell such securities.

FREQUENT TRADING AND TURNOVER TYPICALLY RESULT IN HIGH TRANSACTION COSTS AND THE INVESTMENT FUNDS HAVE NO CONTROL OVER THIS TURNOVER

It is expected that Advisors will make frequent trades in securities and other investments. Frequent trades typically result in high transaction costs. The Advisors may invest on the basis of short-term market considerations. The turnover rate within the Advisors may be significant, potentially involving substantial brokerage commissions and fees. The Investment Funds and, in turn, the Company will have no control over this turnover. As a result, it is anticipated that a significant portion of the Company's income and gains, if any, may be derived from ordinary income and short-term capital gains. In addition, the withdrawal of an Investment Fund from an Advisor could involve expenses to the Investment Fund under the terms of the Investment Fund's investment with that Advisor.

INDEMNIFICATION OF ADVISORS MAY CREATE COSTS FOR THE COMPANY AND THE INVESTMENT FUNDS

The Company and the Investment Funds may agree to indemnify certain of the Advisors and their respective officers, directors, and affiliates from any liability, damage, cost, or expense arising out of, among other things, acts or omissions relating to the offer or sale of units by the Investment Funds. Currently, neither the Company nor the Investment Funds is a party to any direct indemnification agreements with Advisors. Accordingly, the Company and the Investment Funds are under no direct contractual obligation to indemnify any of the Advisors against inaccurate or untimely valuations of investments or net asset value and although the Company and the Investment Funds may, the Company and the Investment Funds currently do not intend to, enter into any such direct indemnification agreements with Advisors.

INVESTMENT RELATED RISKS

This section discusses the types of investments that Investment Funds and the Advisors, as indicated, make, or are expected to make, and the principal risks associated with such investments. It is possible that an Advisor or the Investment Funds will make an investment that is not described below, and any such investment will be subject to its own particular risks.

RISKS RELATED TO INVESTMENT AND TRADING

AN INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK THAT THE ENTIRE AMOUNT INVESTED MAY BE LOST; INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME

An investment in the Company involves a high degree of risk, including the risk that the entire amount invested may be lost. The Advisors will invest in and actively trade financial instruments using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the fixed income, commodity, currency and equity markets, risks of concentration, risks of short sales, risks of leverage, risks arising from the potential illiquidity of derivative instruments and the potential illiquidity of certain emerging markets, the risk of loss from counterparty and broker defaults, risk of inaccuracy of information received from Advisors and the risk of borrowing to meet redemption requests. No guarantee or representation is made that the Company's, the Investment Funds' or the Advisors' investment program will be successful, that the various investment strategies utilized or investments made will have low correlation with each other or that the Company's returns will exhibit low correlation with an investor's traditional investment portfolio. Each Advisor's investment program may utilize such investment techniques as margin transactions, option

transactions, short sales, forward contracts and futures contracts, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Investment Funds and the Company may be subject. All investments made by the Company risk the loss of capital. Investment results may vary substantially over time. See ITEM 1. "BUSINESS--INVESTMENT PROGRAM."

PAST RESULTS OF THE COMPANY, CERTAIN OF THE INVESTMENT FUNDS, AND THE ADVISORS SELECTED BY ITS MANAGING MEMBER ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

THE ADVISORS MAY BE UNABLE TO OR MAY CHOOSE NOT TO SEEK TO ACHIEVE THEIR INVESTMENT GOALS; ADVISORS MAY NOT BE ABLE TO LOCATE SUITABLE INVESTMENT OPPORTUNITIES

Many of the Advisors will, among other things, seek to utilize specialized investment strategies, follow allocation methodologies, apply investment models or assumptions, achieve a certain level of performance relative to specified benchmarks, and enter into hedging and other strategies intended, among other things, to affect the Advisors' performance, risk levels, and/or market correlation. There can be no assurance that any Advisor will have success in achieving any goal related to such practices. The Advisors may be unable to or may choose in their judgment not to seek to achieve such goals. In addition, there is a risk that Advisors may invest outside their strategies, which could have a negative impact on the Advisors' performance and in turn on the Company.

The success of the Advisor's trading activities will depend on, among other things, the Advisor's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the capital markets. Identification and exploitation of the investment strategies to be pursued by an Advisor involves a high degree of uncertainty. No assurance can be given that the Advisors will be able to locate suitable investment opportunities in which to deploy all their capital. A reduction in the volatility and pricing inefficiency of the markets in which an Advisor will seek to invest, as well as other market factors, will reduce the number and scope of available opportunities for an Advisor's investment strategies.

THE USE OF LEVERAGE MAY SUBSTANTIALLY INCREASE THE ADVERSE IMPACT TO WHICH THE INVESTMENT FUNDS' INVESTMENT PORTFOLIOS MAY BE SUBJECT

The Investment Funds, Portfolio Companies, Advisors and Advisor Funds may utilize leverage in their investment programs. Such leverage may take the form of loans for borrowed money, trading on margin or other forms of direct and indirect borrowings, or derivative instruments, including among others forward contracts, futures contracts, options, swaps and reverse repurchase agreements, and other instruments and transactions that are inherently leveraged. The utilization of leverage will increase the volatility of the Company's investments. The managing member of the Investment Funds may seek to adjust the degree of leverage with which each Investment Fund as a whole invests by taking the Advisors' anticipated leverage use into account when allocating and reallocating the Investment Fund's assets among the Advisors. However, the managing member of the Investment Funds generally will not have any right to adjust the amount of leverage utilized by any of the Advisors, and generally does not exercise such right if available. In the discretion of its managing member, an Investment Fund may make an investment in an Advisor Fund through a swap, option or otherwise in a manner structured to provide greater leverage than a direct investment in the Advisor Fund, which may increase the risks to the Investment Fund relative to a direct investment in the Advisor Fund. In addition, the Advisors may buy and sell securities on margin and otherwise utilize leverage, further increasing the volatility of the Company's investments. The use of leverage by the Investment Funds, Portfolio Companies, Advisors and Advisor Funds may substantially increase the adverse impact to which the Investment Funds' investment portfolios may be subject. Trading securities on margin results in interest charges and, depending on the amount of trading activity, such charges could be substantial. The level of interest rates generally, and the rates at which an Investment Fund, Portfolio Companies, Advisors and Advisor Funds may borrow in particular, can affect the operating results of the Investment Funds. The low margin deposits normally required in futures and forward trading permit a high degree of leverage; accordingly, relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. Such a high degree of leverage necessarily entails a high degree of risk. In the event that an Investment Fund or a Portfolio Company enters into an investment management agreement with an Advisor that utilizes leverage in its investment program, the Investment Fund or Portfolio Company may become subject to claims by financial intermediaries that extended "margin" loans in respect of such

managed account. Such claims could exceed the value of the assets allocated to such Advisor by the Investment Fund. The risks involved in the use of leverage are increased to the extent that an Investment Fund leverages its capital. The Company generally will not utilize leverage directly, although it may borrow to, among other things, fund redemptions and pay expenses.

The rights of any lenders to the Investment Funds, Portfolio Companies, Advisors and Advisor Funds to receive payments of interest or repayments of principal will be senior to those of the members or the investors in such Investment Funds, Portfolio Companies, Advisors and Advisor Funds respectively, and the terms of any borrowings may contain provisions that limit certain activities of the Investment Funds and, in turn, the Company, including the ability to make distributions.

CONVERGENCE RISK MAY RESULT IN SIGNIFICANT LOSSES OF THE INVESTMENT FUNDS AND THE COMPANY

The Investment Funds will pursue their investment objectives by investing with Advisors that will take long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying one or more Advisors' trading positions were to fail to converge toward, or were to diverge further from, relationships expected by such Advisors, the Investment Funds and the Company may incur significant losses.

POSSIBLE EFFECTS OF SPECULATIVE POSITION LIMITS COULD ADVERSELY AFFECT THE OPERATIONS AND PROFITABILITY OF THE INVESTMENT FUNDS AND THE COMPANY

The CFTC, the U.S. commodities exchanges and certain offshore commodity exchanges have established limits referred to as "speculative position limits" or "position limits" on the maximum net long or net short (or, for some commodities, the gross) positions which any person or group of persons may own, hold or control in certain futures or options contracts. No such limits presently exist in the forward contract markets or on most foreign exchanges.

Under currently applicable regulations, each of the Investment Funds which allocates its assets to Advisors who trade in commodities would be required to comply with position limits as if it were a single trader, absent obtaining exemptive relief therefrom. However, pursuant to the rules of several principal U.S. commodities exchanges and the CFTC, GTT II has obtained exemptions that would permit it to not aggregate all of its current Advisors' accounts for purposes of determining compliance with position limits in contracts traded on these exchanges and to utilize expanded limits or separate single limits per Advisor in contracts traded on such exchanges. In addition, many of the major U.S. exchanges have eliminated speculative position limits and have substituted position accountability rules that would permit Advisors of an Investment Fund to trade without restriction as long as the Advisor can demonstrate the positions acquired were not acquired for the purpose of manipulating the market. To the extent a single speculative position limit is not applicable to the Advisors' trading in any or all futures, the different Advisors of an Investment Fund are able to acquire larger positions on behalf of such Investment Fund. Absent such exemptive relief or exchange rule changes, the position limits, especially in certain markets, may be quite restrictive. There can be no assurance that exemptive relief will continue to be available. The modification of trading strategies or liquidation of positions by the Advisors, if required to comply with position limits, could adversely affect the operations and profitability of the Investment Funds and therefore the Company.

The Commodity Exchange Act provides that trading done by persons directly or indirectly under the same control or trading as one pursuant to an expressed or implied agreement or understanding will be aggregated for determining compliance with applicable position limits. There is a possibility that the positions held by some or all Advisors of an Investment Fund and their respective principals would be aggregated under one of the foregoing principles or applicable exchange regulations with those held by certain other Advisors of such Investment Fund. If a commodity exchange or any other regulatory body were to aggregate the positions held by certain Advisors of an Investment Fund, it may have a material adverse effect on the ability of each of the affected Advisors to trade in such markets.

The managing member of the Investment Funds will be responsible for ensuring that the Investment Funds do not exceed applicable position limits due to trading orders placed by its Advisors and comply with any exemptions the managing member has obtained or may obtain in the future. The managing member will monitor the Investment Funds' compliance with speculative position limits by requiring Advisors, once the managing member has informed the Advisors that an "early warning" level in the number of

positions it holds in any futures contract has been reached, to submit any orders in that futures contract to a "permission desk," which will only approve further orders if such additional orders would not result in a violation of applicable limits. Nonetheless, in the operation of such permission desk, the managing member will not exercise any discretion over trading decisions for any account of the Investment Funds or reveal the total position of an Investment Fund or the positions of any of its Advisors to any other Advisors.

SHORT SELLING CREATES THE RISK OF SIGNIFICANT LOSSES

Advisors may engage in short selling. Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

THE ABILITY OF AN INVESTMENT FUND TO HEDGE SUCCESSFULLY WILL DEPEND ON THE PARTICULAR ADVISOR'S ABILITY TO PREDICT PERTINENT MARKET MOVEMENTS WHICH CANNOT BE ASSURED

The Investment Funds, Portfolio Companies, Advisors and Advisor Funds may or may not employ hedging techniques. These techniques could involve a variety of derivative transactions, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions (collectively, "Hedging Instruments"). Hedging techniques involve risks different than those of underlying investments. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of an Investment Fund's positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, transactions in certain of these instruments may not be able to be closed out without recurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments should tend to minimize the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain that might result from an increase in the value of such position. The ability of an Investment Fund to hedge successfully will depend on the particular Advisor's ability to predict pertinent market movements, which cannot be assured. Advisors are not required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Finally, the daily variation margin deposit requirements in futures contracts that may be sold by an Investment Fund, Portfolio Company, Advisor or Advisor Fund would create an ongoing greater potential financial risk than would options transactions, where the exposure is limited to the cost of the initial premium and transaction costs paid by the Investment Fund, Portfolio Company, Advisor or Advisor Fund.

FORWARD CONTRACTS MAY ENTAIL SIGNIFICANT RISKS AND UNCERTAINTIES WHICH COULD RESULT IN SUBSTANTIAL LOSSES TO THE INVESTMENT FUNDS AND THE COMPANY

Advisors may enter into forward contracts, which are the purchase or sale of a specific quantity of a commodity, government security, foreign currency, or other financial instrument at the current or spot price, with delivery and settlement at a specified future date. Because it is a completed contract, a purchase forward contract can be a cover for the sale of a futures contract. The Advisors may enter into forward contracts for hedging purposes and non-hedging purposes (i.e., to increase returns). Forward contracts are transactions involving an Advisor's obligation to purchase or sell a specific instrument at a future date at a specified price. Forward contracts may be used by the Advisors for hedging purposes to protect against uncertainty in the level of future foreign currency exchange rates, such as when an Advisor anticipates purchasing or selling a foreign security. For example, this technique would allow the Advisor to "lock in" the U.S. dollar price of the security. Forward contracts may also be used to attempt to protect the value of an Advisor's existing holdings of foreign securities. There may be, however, an imperfect correlation

between an Advisor's foreign securities holdings and the forward contracts entered into with respect to those holdings. Forward contracts may also be used for non-hedging purposes to pursue an Advisor's investment objective, such as when an Advisor anticipates that particular foreign currencies will appreciate or depreciate in value, even though securities denominated in those currencies are not then held in the Advisor's portfolio. There is no general requirement that the Advisors hedge all or any portion of their exposure to foreign currency risks.

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by an Advisor due to unusually high trading volume, political intervention or other factors. Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. Significant risks and uncertainties exist in dealing with counterparties in forward contracts. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Advisors would otherwise recommend, to the possible detriment of the Advisor and therefore the applicable Investment Fund and the Company. Market illiquidity or disruption could result in major losses to an Investment Fund and the Company. In addition, Managed Accounts or entities in which an Investment Fund has an interest may be exposed to credit risks with regard to counterparties with whom the Advisors of such Investment Fund trade as well as risks relating to settlement default. Such risks could result in substantial losses to the Investment Funds and the Company.

SWAP AGREEMENTS MAY INCREASE OR DECREASE THE OVERALL VOLATILITY OF AN INVESTMENT FUND'S PORTFOLIO

The Investment Funds, Portfolio Companies, Advisors and Advisor Funds may enter into equity, interest rate, index, currency rate, total return and other types of swap agreements. The transactions are entered into in an attempt to obtain a particular return without the need to actually purchase the reference asset. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease an Investment Fund's exposure to long-term or short-term interest rates (in the United States or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates. Swap agreements can take many different forms. The Investment Funds, Portfolio Companies, Advisors and Advisor Funds are not limited to any particular form of swap agreement.

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular U.S. dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index.

Swap agreements will tend to shift investment exposure from one type of investment to another. For example, if an Investment Fund agrees to exchange payments in U.S. dollars for payments in foreign currency, the swap agreement would tend to decrease such Investment Fund's exposure to U.S. interest rates and increase its exposure to foreign currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of an Investment Fund's portfolio.

Most swap agreements entered into by an Investment Fund, Portfolio Company, Advisor or Advisor Fund would require the calculation of the obligations of the parties to the agreements on a "net basis."

Consequently, an Investment Fund, Portfolio Company, Advisor or Advisor Fund's current obligations (or rights) under a swap agreement generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). The risk of loss with respect to swaps is limited to the net amount of interest payments that an Investment Fund, Portfolio Company, Advisor or Advisor Fund is contractually obligated to make. If the other party to a swap defaults, an Investment Fund's risk of loss consists of the net amount of payments that the Investment Fund, Portfolio Company, Advisor or Advisor Fund contractually is entitled to receive. If a swap agreement calls for payments by an Investment Fund, Portfolio Company, Advisor or Advisor Fund, it must be prepared to make such payments when due. In addition, if the counterparty's creditworthiness declined, the value of a swap agreement would be likely to decline, potentially resulting in losses to the Investment Fund and the Company.

THE PRICES OF AN INVESTMENT FUND'S INVESTMENTS CAN BE HIGHLY VOLATILE AND INFLUENCED BY EXTERNAL FACTORS OUTSIDE THE CONTROL OF SUCH INVESTMENT FUND

The prices of an Investment Fund's investments can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which an Investment Fund may invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments and interest rate-related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since internationally there may be less government supervision and regulation of worldwide stock exchanges and clearinghouses than in the United States, Advisors also are subject to the risk of the failure of the exchanges on which their positions trade or of their clearinghouses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

FAILURE OF THE ADVISOR'S COUNTERPARTIES, BROKERS, AND EXCHANGES EXPOSES ADVISORS TO CREDIT RISKS IN VARIOUS FORMS

The Advisors will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, they deal, whether they engage in exchange-traded or off-exchange transactions. More than one of the Advisors at any time may be subject to the credit risk of the same counterparty or broker-dealer. An Advisor may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Advisor, or the bankruptcy of an exchange clearing house. Although the Commodity Exchange Act requires a commodity broker to segregate the funds of its customers, if a commodity broker fails to properly segregate customer funds, the Advisor may be subject to a risk of loss of its funds on deposit with such broker in the event of such broker's bankruptcy or insolvency. The Advisor may be subject to risk of loss of its funds on deposit with foreign brokers because foreign regulatory bodies may not require such brokers to segregate customer funds. The Advisor may be required to post margin for its foreign exchange transactions either with its investment manager or other foreign exchange dealers who are not required to segregate funds (although such funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the Advisor). Under certain circumstances, such as the inability of another customer of the commodity broker or foreign exchange dealer or the commodity broker or foreign exchange dealer itself to satisfy substantial deficiencies in such other customer's account, the Advisor may be subject to a risk of loss of its funds on deposit with such broker or dealer, even if such funds are properly segregated. In the case of any such bankruptcy or customer loss, the Advisor might recover, even in respect of property specifically traceable to the Advisor, only a pro rata share of all property available for distribution to all of such broker's or dealer's customers, which could result in significant losses to the Investment Fund.

Many of the markets in which the Advisors effect their transactions are "over-the-counter" or "interdealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent an Advisor invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the Advisor may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from

those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which, in turn, may subject an Advisor to the risk that a counterparty will not settle a transaction in accordance with agreed terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of the Advisors to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Investment Funds and the Company.

In addition, the Advisors may engage in direct or indirect trading of securities, currencies, forward contracts, options, swaps and repurchase agreements on a principal basis. As such, an Advisor as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including: (a) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Advisor trades; (b) possible decline in the value of any collateral during the period in which the Advisor seeks to enforce its rights with respect to such collateral; (c) possible subnormal levels of income and lack of access to income during such period; (d) expenses of enforcing its rights; and (e) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Advisor, and, in turn, the Investment Fund and the Company, to substantial losses. The Advisor will not be excused from performance on any such transactions due to the default of third parties in respect of other trades which in the Advisor's trading strategies were to have substantially offset such contracts.

RISKS RELATED TO INTERNATIONAL INVESTMENTS

TRADING ON FOREIGN EXCHANGES MAY INVOLVE HIGHER RISK OF FINANCIAL IRREGULARITIES AND/OR LACK OF APPROPRIATE RISK MONITORING AND CONTROLS

The Investment Funds may trade, directly or indirectly, futures and securities on exchanges located outside the United States. Some foreign exchanges, in contrast to domestic exchanges, are "principals' markets" in which performance is solely the individual member's responsibility with whom the trader has entered into a commodity contract and not that of an exchange or its clearinghouse, if any. In the case of trading on foreign exchanges, the Investment Funds will be subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to contracts. Moreover, since there is generally less government supervision and regulation of foreign exchanges, clearinghouses and clearing firms than in the United States, the Investment Funds are also subject to the risk of the failure of the exchanges on which their positions trade or of their clearinghouses or clearing firms and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

NON-U.S. INVESTMENTS INVOLVE SPECIAL RISKS NOT USUALLY ASSOCIATED WITH INVESTMENTS IN U.S. SECURITIES

The Advisors may invest in securities of non-U.S. issuers and the governments of non-U.S. countries. These investments involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict an Investment Fund's and its Advisors' investment opportunities. In addition, because non-U.S. entities are not subject to uniform accounting, auditing, and financial reporting standards, practices and requirements comparable with those applicable to U.S. companies, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States, and

such markets may not provide the same protections available in the United States. With respect to certain countries there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties or other protectionist measures, various laws enacted for the protection of creditors, greater risks of nationalization or diplomatic developments which could materially adversely affect the Investment Funds' investments in those countries. Furthermore, individual economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. An Investment Fund's investment in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce the Investment Fund's returns.

Brokerage commissions, custodial services and other costs relating to investment in international securities markets generally are more expensive than in the United States. In addition, clearance and settlement procedures may be different in foreign countries and, in certain markets, such procedures have been unable to keep pace with the volume of securities transactions, thus making it difficult to conduct such transactions.

Investment in sovereign debt obligations of non-U.S. governments involve additional risks not present in debt obligations of corporate issuers and the U.S. government. The issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or pay interest when due in accordance with the terms of such debt, and an Investment Fund may have limited recourse to compel payment in the event of a default. A sovereign debtor's willingness or ability to repay principal and to pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders, and the political constraints to which the sovereign debtor may be subject. Periods of economic uncertainty may result in the volatility of market prices of sovereign debt to a greater extent than the volatility inherent in debt obligations of other types of issues.

INVESTMENT IN EMERGING MARKETS INVOLVES SIGNIFICANT RISKS, INCLUDING INFLATION AND CURRENCY DEVALUATIONS

The Advisors may invest in securities of companies based in emerging markets or issued by the governments of such countries. Securities traded in certain emerging markets may be subject to risks due to the inexperience of financial intermediaries, a lack of modern technology, the lack of a sufficient capital base to expand business operations, and the possibility of temporary or permanent termination of trading. Political and economic structures in many emerging markets may be undergoing significant evolution and rapid development, and emerging markets may lack the social, political and economic stability characteristics of more developed countries. As a result, the risks relating to investments in foreign securities described above, including the possibility of nationalization or expropriation, may be heightened. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by Advisors. Settlement mechanisms in emerging securities markets may be less efficient and reliable than in more developed markets, and placing securities with a custodian or broker-dealer in an emerging country may also present considerable risks. The small size of securities markets in such countries and the low volume of trading may result in a lack of liquidity and in substantially greater price volatility. Many emerging market countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates and corresponding currency devaluations and fluctuations in the rate of exchange between currencies and costs associated with currency conversion have had and may continue to have negative effects on the economies and securities markets of certain emerging market countries. In addition, accounting and financial reporting standards that prevail in certain of such countries are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in such countries.

FOREIGN CURRENCY TRANSACTIONS AND EXCHANGE RATE RISK CREATE ADDITIONAL RISKS FOR ADVISORS INVESTING IN CERTAIN FINANCIAL INSTRUMENTS

A portion of the Investment Funds' assets allocated to Advisors may be invested in securities denominated in non-U.S. currencies and in other financial instruments, the price of which is determined with reference to such currencies. Advisors may engage in foreign currency

transactions for a variety of purposes, including to "lock in" the U.S. dollar price of the security, between the trade and the settlement dates, the value of a security an Advisor has agreed to buy or sell, or to hedge the U.S. dollar value of securities the Advisor already owns. The Advisors may also engage in foreign currency transactions for non-hedging purposes to generate returns. The Investment Funds and the Company will, however, value its investments and other assets in U.S. dollars. To the extent unhedged, the value of each Investment Fund's net assets will fluctuate with U.S. dollar exchange rates as well as with price changes of such Investment Fund's Advisor's investments in the various local markets and currencies. Forward currency contracts and options may be utilized by Advisors to hedge against currency fluctuations, but the Advisors are not required to utilize such techniques, and there can be no assurance that such hedging transactions will be available or, even if undertaken, effective.

NON-U.S. FUTURES TRANSACTIONS AFFORD LESS PROTECTION AS RULES OF A FOREIGN EXCHANGE MAY NOT BE ENFORCED BY A DOMESTIC REGULATOR

Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, an Investment Fund may not be afforded certain of the protections that apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transaction on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

RISKS RELATED TO SECURITIES AND OTHER INSTRUMENTS

INVESTING IN DERIVATIVE INSTRUMENTS INVOLVES RISK OF LOSS TO THE ADVISORS THAT COULD MATERIALLY ADVERSELY AFFECT THE VALUE OF THE COMPANY'S NET ASSETS

Advisors may invest in, or enter into transactions involving, derivative instruments. These are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index, or interest rate. Examples of derivatives include, but are not limited to, futures contracts, options contracts, and options on futures contracts. A futures contract is an exchange-traded agreement between two parties, a buyer and a seller, to exchange a particular commodity or financial instrument at a specific price on a specific date in the future. An option transaction generally involves a right, which may or may not be exercised, to buy or sell a commodity or financial instrument at a particular price on a specified future date.

An Advisor's use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the Advisor's portfolio as a whole. Derivatives permit an Advisor to increase or decrease the level of risk of its portfolio, or change the character of the risk to which its portfolio is exposed, in much the same way as the Advisor can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities.

Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on an Advisor's performance. If an Advisor invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Advisor's return or result in a loss. An Advisor also could experience losses if derivatives are poorly correlated with its other investments, or if an Advisor is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Engaging in these transactions involves risk of loss to the

Advisors that could materially adversely affect the value of the Company's net assets. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time.

The successful use of futures also is subject to the ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

EQUITY AND EQUITY RELATED INSTRUMENTS MAY BE SUBJECT TO VARIOUS TYPES OF RISK, INCLUDING MARKET RISK, LIQUIDITY RISK, COUNTERPARTY CREDIT RISK, LEGAL RISK AND OPERATIONS RISK

Some Advisors may invest long and short in equities and equity-related instruments in their investment programs. Stocks, options and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss. "Equity securities" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts, partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that the Investment Funds hold directly or indirectly may decline over short or extended periods. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when prices generally decline. The volatility of equity securities means that the value of an investment in each of the Investment Funds may increase or decrease.

FIXED-INCOME SECURITIES ARE SUBJECT TO CREDIT RISK AND PRICE VOLATILITY

Advisors may invest in fixed-income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity.

"Fixed-income securities" are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes, and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a foreign government; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (i.e., market risk). In addition, mortgage-backed securities and asset-backed securities may also be subject to call risk and extension risk. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can either shorten (i.e., call risk) or lengthen (i.e., extension risk). In general, if interest rates on new mortgage loans fall sufficiently below the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to increase. Conversely, if mortgage loan interest rates rise above the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to decrease. In either case, a change in the prepayment rate can result in losses to investors. The same would be true of asset-backed securities, such as securities backed by car loans.

HIGH YIELD DEBT INVESTMENTS ARE SUBJECT TO SIGNIFICANT RISKS OF DEFAULT, ILLIQUIDITY AND VOLATILITY

High yield bonds and other debt securities in which Advisors may invest on behalf of certain of the Investment Funds will typically be junior to the obligations of companies to senior creditors, trade creditors and employees. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic, financial, competitive, regulatory or other conditions may materially impair the ability of the issuer to make payments of principal and interest. High yield debt securities have historically experienced greater default rates than investment grade securities. The ability of holders of high yield debt to influence a company's affairs, especially during periods of financial distress or following an insolvency,

will be substantially less than that of senior creditors.

As with other investments, there may not be a liquid market for high yield debt, which could result in an Advisor being unable to sell such securities for an extended period of time, if at all. In addition, as with other types of Advisor investments, the market for high yield debt has historically been subject to disruptions that have caused significant illiquidity and substantial volatility in the prices of such securities. Consolidation in the financial services industry has resulted in there being fewer market makers for high yield debt, which may result in further risk of illiquidity and volatility with respect to high yield debt, and this trend may continue in the future.

STRUCTURED SECURITIES MAY PRESENT A GREATER DEGREE OF MARKET RISK AND MAY BE MORE VOLATILE, LESS LIQUID AND MORE DIFFICULT TO PRICE ACCURATELY THAN LESS COMPLEX SECURITIES

Advisors may invest in structured securities. Structured securities are securities whose value is determined by reference to changes in the value of specific currencies, interest rates, commodities, indexes or other financial indicators (the "Reference") or the relative change in two or more References. The interest rate or the principal amount payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. Structured securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, changes in the interest rates or the value of the security at maturity may be a multiple of changes in the value of the Reference. Consequently, structured securities may present a greater degree of market risk than other types of securities and may be more volatile, less liquid and more difficult to price accurately than less complex securities.

CALL OPTIONS INVOLVES SIGNIFICANT RISKS FOR BUYERS AND SELLERS

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

PUT OPTIONS INVOLVES SIGNIFICANT RISKS FOR BUYERS AND SELLERS

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

REVERSE REPURCHASE AGREEMENTS MAY INCREASE THE VOLATILITY OF AN INVESTMENT FUND'S AND THE COMPANY'S INVESTMENT PORTFOLIO

The Investment Funds or the Advisors may enter into reverse repurchase agreements. A reverse repurchase agreement typically involves the sale of a security by a party to a bank or securities dealer and the selling party's simultaneous agreement to repurchase that security for a fixed price (reflecting a rate of interest) on a specific date, and may be considered a form of borrowing for some purposes. These transactions involve risks that the value of portfolio securities being relinquished may

decline below the price that must be paid when the transaction closes or that the other party to a reverse repurchase agreement will be unable or unwilling to complete the transaction as scheduled, which may result in losses to the applicable Investment Fund and the Company. Reverse repurchase agreements are a form of leverage that may also increase the volatility of an Investment Fund's and the Company's investment portfolio.

THERE ARE SIGNIFICANT RISK ASSOCIATED WITH WHEN-ISSUED AND FORWARD COMMITMENT SECURITIES

Advisors may purchase securities on a "when-issued" basis and may purchase or sell securities on a "forward commitment" basis in order to hedge against anticipated changes in interest rates and prices or for speculative purposes. These transactions involve a commitment by an Advisor to purchase or sell securities at a future date (ordinarily at least one or two months later). The price of the underlying securities, which is generally expressed in terms of yield, is fixed at the time the commitment is made, but delivery and payment for the securities takes place at a later date. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery to the Advisor. When-issued securities and forward commitments may be sold prior to the settlement date. If an Advisor disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, it may incur a gain or loss. There is a risk that securities purchased on a when-issued basis may not be delivered and that the purchaser of securities sold by an Advisor on a forward basis will not honor its purchase obligation. In such cases, an Advisor may incur a loss potentially resulting in losses to the Investment Fund and the Company.

DERIVATIVES WITH RESPECT TO HIGH YIELD AND OTHER INDEBTEDNESS EXPOSE ADVISORS TO COUNTERPARTY AND ISSUER RISK

In addition to the credit risks associated with holding high yield debt securities, with respect to derivatives involving high yield and other debt, an Advisor will usually have a contractual relationship only with the counterparty of the derivative, and not with the issuer of the indebtedness. An Advisor generally will have no right to directly enforce compliance by the issuer with the terms of the derivative nor any rights of set-off against the issuer, nor have any voting rights with respect to the indebtedness. An Advisor will not directly benefit from the collateral supporting the underlying indebtedness and will not have the benefit of the remedies that would normally be available to a holder of the indebtedness. In addition, in the event of the insolvency of the counterparty to the derivative, such Advisor will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Advisor will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of such derivatives in any one counterparty subject the Advisor to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

THE COMPANY MAY BE PREVENTED FROM ACHIEVING ITS OBJECTIVE DURING ANY PERIOD IN WHICH ASSETS ARE NOT SUBSTANTIALLY INVESTED IN ACCORDANCE WITH PRINCIPAL INVESTMENT STRATEGIES

Advisors may invest, for defensive purposes or otherwise, some or all of their assets in fixed-income securities, money market instruments, and money market mutual funds, or hold cash or cash equivalents in such amounts as the Advisors deem appropriate under the circumstances. Pending allocation of the offering proceeds and thereafter, from time to time, the Investment Funds also may invest in these instruments. Money market instruments are short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. government securities, commercial paper, certificates of deposit, bankers' acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. The Company and the Investment Funds may be prevented from achieving their objective during any period in which the Company's and the Investment Fund's assets are not substantially invested in accordance with their principal investment strategies.

RESTRICTED AND ILLIQUID INVESTMENTS MAY PREVENT PROMPT LIQUIDATION OF UNFAVORABLE POSITIONS RESULTING IN SUBSTANTIAL LOSS

Advisors may invest a portion or all of the value of their assets in restricted securities and other investments that are illiquid. Restricted securities are securities that may not be sold to the public without an effective registration statement under the Securities Act or, if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. These may

include restricted securities that can be offered and sold only to "qualified institutional buyers" under Rule 144A of the Securities Act. There is no limit to the percentage of an Advisor's net assets that may be invested in illiquid securities.

Positions in restricted or non-publicly traded securities, securities on foreign exchanges and certain futures contracts may be illiquid because certain exchanges limit fluctuations in certain securities and futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular security or futures contract has increased or decreased by an amount equal to the daily limit, positions in that security or contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This constraint could prevent the Advisors from promptly liquidating unfavorable positions and subject the Investment Funds and, in turn, the Company to substantial losses. This could also impair the Company's ability to redeem its membership units from an Investment Fund in order to redeem Members' Units in a timely manner.

RISKS RELATED TO ISSUERS OF SECURITIES

THE ISSUERS OF SECURITIES ACQUIRED BY ADVISORS WILL SOMETIMES FACE A HIGH DEGREE OF BUSINESS AND FINANCIAL RISK

The issuers of securities acquired by Advisors will sometimes involve a high degree of business and financial risk. These companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition.

Issuers of securities acquired by Advisors may be highly leveraged. Leverage may have important adverse consequences to these companies, and the Advisor as an investor. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

In addition, such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel.

EXPECTED TRANSACTIONS MAY NOT TAKE PLACE OR MAY RESULT IN SUBSTANTIAL LOSSES

The Advisors of the Investment Funds, particularly those of GED, may engage in merger arbitrage transactions. Substantial transaction failure risks are involved with respect to companies that are the subject of publicly disclosed mergers, takeover bids, exchange offers, tender offers, spin-offs, liquidations, corporate restructuring, and other similar transactions. Thus, there can be no assurance that any expected transaction will take place. Certain transactions are dependent on one or more factors in order to become effective, such as market conditions which may lead to unexpected positive or negative changes in a company profile, shareholder approval, regulatory and various other third party consents, changes in earnings or business lines or shareholder activism as well as many other factors. No assurance can be given that the transactions entered into will result in profitable investments for the Advisors or that any such Advisor and, in turn, the Investment Funds and the Company, will not incur substantial losses.

INVESTMENTS IN SMALL CAPITALIZATION COMPANIES ARE SPECULATIVE AND MAY BE DIFFICULT TO VALUE

From time to time, a significant portion of the assets of the Investment Funds may be invested in securities of small capitalization companies and recently organized companies and, conversely, the Advisors of the Investment Funds may establish significant short positions in such securities. Historically, such securities have been more volatile in price than those of larger capitalized, more established companies. The securities of small capitalization and recently organized companies pose greater investment risks because such companies may have limited product

lines, distribution channels and financial and managerial resources. In particular, small capitalization companies may be operating at a loss or have significant variations in operating results; may be engaged in a rapidly changing business with products subject to substantial risk of obsolescence; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; and may have substantial borrowings or may otherwise have a weak financial condition. In addition, these companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The equity securities of small capitalization companies are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Consequently, the Investment Funds or entities in which the Investment Funds invest may be required to dispose of such securities or cover a short position over a longer (and potentially less favorable) period of time than is required to dispose of or cover a short position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than those of larger capitalization companies.

INVESTMENTS IN ISSUERS OF INDEBTEDNESS MAY BE ADVERSELY AFFECTED IN THE EVENT OF AN ISSUER'S INSOLVENCY

Various laws enacted for the protection of creditors may apply to indebtedness in which the Advisors invest. The information in this and the following paragraph is applicable with respect to U.S. issuers subject to United States federal bankruptcy law. Insolvency considerations may differ with respect to other issuers. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of indebtedness, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness and after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of such issuer, or to recover amounts previously paid by such issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness in which an Advisor invested or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of indebtedness in which an Advisor invests, payments made on such indebtedness could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on indebtedness are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured.

The Company or the Investment Funds do not anticipate that the Advisors will engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance, preference or equitable subordination. There can be no assurance, however, as to whether any lending institution or other party from which the Advisor may acquire such indebtedness engaged in any such conduct (or any other conduct that would subject such indebtedness and any Investment Fund, the assets of which such Advisor used to purchase such indebtedness, to insolvency laws) and, if it did, as to whether such creditor claims could be asserted in a U.S. court (or in the courts of any other country) against such Investment Fund.

Indebtedness consisting of obligations of non-U.S. issuers or U.S. issuers with respect to their foreign obligations may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These insolvency considerations will differ depending on the

country in which each issuer is located or domiciled and may differ depending on whether the issuer is a non-sovereign or a sovereign entity.

PURCHASES OF SECURITIES AND OTHER OBLIGATIONS OF FINANCIALLY DISTRESSED COMPANIES CREATE AN ENHANCED RISK OF SUBSTANTIAL LOSS OR LOSS OF ENTIRE INVESTMENT

The Advisors 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. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these instruments 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 Advisors 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 an Advisor invests, an Advisor may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Under such circumstances, the returns generated from an Advisor's investments may not compensate investors adequately for the risks assumed.

LIMITS OF RISK DISCLOSURE

THE COMPANY SHOULD BE CONSIDERED A SPECULATIVE INVESTMENT AND MEMBERS SHOULD RETAIN THEIR INVESTMENT ONLY IF THEY CAN SUSTAIN A COMPLETE LOSS OF THEIR INVESTMENT

The above discussions relating to various risks associated with the Company, the Units, the Investment Funds and the Advisors are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment in the Company. Members should read this entire Registration Statement and the LLC Agreement and should consult with their own advisers before deciding whether to retain their investment in the Company. In addition, as the Company's investment program or market conditions change or develop over time, an investment in the Company may be subject to risk factors not currently contemplated or described in this Registration Statement.

In view of the risks noted above, the Company should be considered a speculative investment and Members should retain their investment in the Company only if they can sustain a complete loss of their investment.

No guarantee or representation is made that the investment program of the Company, the Investment Funds or any Advisor will be successful, that the Investment Funds or the various Advisors selected by the Investment Funds will produce positive returns, or that the Advisors selected by the Investment Funds will provide complete or accurate information to the Investment Funds, or that the Company, the Investment Funds or the Advisors will achieve their investment objectives.

ITEM 2. FINANCIAL INFORMATION

SELECTED FINANCIAL DATA

The Company commenced its operations on August 1, 2003. Set forth below is certain selected historical data for the Company as of and for the year ended December 31, 2004 and as of and for the period from commencement of operations (August 1, 2003) to December 31, 2003. The selected historical financial data as of and for the year ended December 31, 2004 and as of and for the period from commencement of operations (August 1, 2003) to December 31, 2003 were derived from the financial statements of the Company, which were audited by Ernst & Young LLP. The information set forth below should be read in conjunction with the audited financial statements and notes thereto contained elsewhere in this Registration Statement.

<TABLE>
<CAPTION>

	YEAR ENDED	COMMENCEMENT OF
OPERATIONS DATA	DECEMBER 31, 2004	OPERATIONS (AUGUST 1, 2003) TO DECEMBER 31, 2003
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<S>	<C>	<C>
Net trading profit/(loss)	\$56,098,082	\$19,120,970
Total expenses	\$14,308,161	\$2,028,803
Net income/(loss)	\$42,127,630	\$17,149,114
Less: Incentive allocation to the managing member	\$2,106,382	\$857,458
Net income/(loss) available for pro-rata allocation to members	\$40,021,248	\$16,291,656

FINANCIAL CONDITION DATA	AS OF DECEMBER 31, 2004	AS OF DECEMBER 31, 2003
Investments	\$1,236,210,460	\$456,281,887
Total assets	\$1,239,119,475	\$472,793,837
Total liabilities	\$88,297,851	\$18,037,767
Members' equity	\$1,150,821,624 (1)	\$454,756,070 (2)
Ending NAV/Unit: Class A Series 1	\$109.90	\$104.98

<FN>

(1) Members' equity was reduced as of December 31, 2004 to reflect the Redemptions payable in the amount of \$84,411,871 that are payable after December 31, 2004.

(2) There were no Redemptions payable recorded at December 31, 2003.

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</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The following discussion should be read in conjunction with the audited financial statements of the Company and related notes thereto appearing elsewhere in this Registration Statement, "--Selected Financial Data" above, and in ITEM 1. "BUSINESS--CERTAIN RISK FACTORS--SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Related to the Company's Structure--The Company's Financial Statements Are, and in the Future Will Be, Based on Estimates of Valuations Provided by Third Party Advisors Which May Not Be Accurate or May Need to Be Adjusted in the Future."

The Company is a Delaware limited liability company organized in August 2003 to operate as an investment fund. It commenced operations on August 1, 2003. GS HFS, a Delaware limited liability company, serves as the Company's Managing Member.

As of December 31, 2004, the Company had total assets of \$1,239,119,475 compared with total assets of \$472,793,837 as of December 31, 2003. Total liabilities of the Company totaled \$88,297,851 as of December 31, 2004 compared with \$18,037,767 as of December 31, 2003. Members' equity of the Company was \$1,150,821,624 as of December 31, 2004 compared with \$454,756,070 as of December 31, 2003.

The Company's investment objective is to target attractive long-term risk-adjusted returns across a variety of market environments with lower volatility than, and minimal correlations to, the broad equity markets. To achieve this objective, the Company allocates all or substantially all of its assets among privately placed Investment Funds managed by the Managing Member, each of which allocates its assets to, or invests in entities managed by the Advisors that employ a broad range of investment strategies primarily within one of the following four hedge fund sectors: the tactical trading sector, the equity long/short sector, the relative value sector, and the event driven sector. Currently, substantially all of the Company's assets are invested in the four Investment Funds: GTT II, GELS, GRV II and GED.

Performance of the Company in any period will be dependent upon the performance in the relevant period by the four Investment Funds and the weighted average percentage of the Company's assets in each of the Investment Funds during the period. In addition, performance is determined by the allocation by the Investment Funds of their assets with the various Advisors and the performance of each of those Advisors.

The Company's results depend on the Managing Member, including in its capacity as managing member of each of the Investment Funds, and the ability of the Managing Member to recognize and capitalize on trends and other profit and investment opportunities within the four investment sectors. Unlike many operating businesses, general economic or seasonal conditions may not have any direct effect on the profit potential of the Company due to the speculative nature of the Company's investments and since the Company's investments in the Investment Funds are managed to seek to eliminate or at least significantly reduce the impact of general economic or seasonal conditions. In addition, the Company's past performance is not necessarily indicative of future results. Each Investment Fund allocates assets to Advisors that invest in various markets at different times and prior activity in a particular market does not mean that such market will be invested in by the Advisors or will be profitable in the future.

RESULTS OF OPERATIONS

The following presents a summary of the operations for the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003, and a general discussion of each Investment Fund's performance during those periods.

2004 PERFORMANCE

The Company's net trading profit/loss for the year ended December 31, 2004 was \$56,098,082, compared to the period from commencement of operations (August 1, 2003) to December 31, 2003 of \$19,120,970.

OVERVIEW

The Company is designed to be broadly exposed to the hedge fund market by allocating its assets to the Investment Funds in the four hedge fund sectors: tactical trading, equity long/short, relative value and event driven. During the first six months of 2004, the Company allocated its assets on a roughly equivalent risk weighted basis to each of the four hedge fund sectors. Through June 30, 2004, the Managing Member had not made any strategic allocation. As of July 1, 2004, the Managing Member implemented an adjustment to the weightings among the Investment Funds. The adjustment to the weights reflected the Managing Member's updated expectations for return, risk and correlations for the Investment Funds. The Managing Member periodically re-evaluates the contribution to the risk and return of the Company from each investment sector and may in the future in its sole discretion re-allocate the Company's assets or weights of the investment sector as it deems advisable. As further described under "--Quantitative and Qualitative Disclosures About Market Risk," quantitative analysis is combined with judgment to determine strategic allocations that will offer broad exposure to hedge fund returns. Strategic return, risk and correlation estimates inform the quantitative analysis, which balances returns and contribution to portfolio risk. Judgment is applied to both estimates and weights in an attempt to achieve a diversified exposure to hedge funds while targeting attractive risk-adjusted returns. The Company cannot predict which hedge fund sector and accordingly which Investment Fund will perform best in the future. The table below illustrates the portfolio weighting of each Investment Fund as of December 31, 2004, as well as each Investment Fund's net return for the year ended December 31, 2004.

<TABLE>
<CAPTION>

INVESTMENT FUND	PORTFOLIO WEIGHT AS A % OF MEMBERS' EQUITY (1)	PORTFOLIO WEIGHT AS A % OF ADJUSTED MEMBERS' EQUITY (2)	YEAR ENDED DECEMBER 31, 2004 NET RETURN (3)
GTT II	24.29%	22.63%	1.78%
GELS	18.15%	16.91%	9.27%
GRV II	39.96%	37.23%	4.37%
GED	25.02%	23.31%	12.70%

<FN>

(1) Members' equity, used in the calculation of the investments as a % of members' equity, is reduced for member redemptions that are paid after

the balance sheet date.

- (2) As a % of the Company's adjusted members' equity which represents members' equity excluding Redemptions payable in the amount of \$84,411,871 that are payable after December 31, 2004.
- (3) These returns are based on the performance of Class C Series 1 units. The returns include administration fees. No management fee or incentive allocation was charged by the managing member of the Investment Funds with respect to the Company's investment in any of the Investment Funds. Past performance is not indicative of future results, which may vary.

</FN>
</TABLE>

For the year ended December 31, 2004, the Company's Class A Series 1 Units returned 4.69% net of fees and incentive allocation.

THE INVESTMENT FUNDS

Each of the four Investment Funds' performance during the year ended December 31, 2004 is described in the following.

GOLDMAN SACHS GLOBAL TACTICAL TRADING II, LLC

As of December 31, 2004, GTT II represented approximately 23% of adjusted members' equity which excludes redemptions payable of \$84,411,871 at December 31, 2004 that is reflected in the financial statements as a liability, and thus a reduction of members' equity, under GAAP. The Managing Member believes this ratio more accurately reflects the percentage of the Company's equity invested in the Investment Funds given the timing of the payment for the redemption payable. GTT II's adjusted members' equity as of December 31, 2004 was not consistent with its strategic weight during 2004 because the Managing Member began implementing revised strategic weightings on July 1, 2004 which were not fully implemented until January 1, 2005. GTT II returned 1.78% for Class C Series 1 units for the year ended December 31, 2004.

Volatile markets resulted in a difficult year in 2004 for the Company's GTT II Advisors, in particular during the second and third quarters of 2004.

In the first quarter of 2004, profits were made in commodities and interest rates. In commodities, the agricultural markets, specifically the soy complex, proved to be the largest driver of returns. GTT II Advisors were also profitable in base and precious metals. The majority of first quarter losses was experienced in currencies as GTT II Advisors suffered losses as a result of the strengthening of the U.S. dollar.

The second quarter of 2004 proved to be more challenging as fixed income and non-energy commodity markets, both of which had provided the bulk of the returns in the first quarter, reversed sharply in early April. Positions in these sectors contributed to the largest losses for GTT II Advisors for the second quarter of 2004. Indications of a strong economic recovery and rising inflation led to market expectations of accelerated rate increases by the Federal Reserve Board and a sell-off in fixed income markets. Long equity and short dollar positions, particularly against the Japanese Yen and the Euro, also suffered by the anticipation of a higher rate environment.

Difficult markets persisted in the third quarter of 2004. Trading in fixed income and commodities was slightly positive for the quarter, while GTT II Advisors experienced losses in currencies and equity indices. Despite record trade deficit numbers, the U.S. dollar did not weaken significantly which contributed to losses for GTT II Advisors in short dollar positions. Equity markets experienced several sharp reversals throughout the third quarter of 2004 as the market digested rising oil prices and a potential global slowdown. A series of weaker-than-expected economic data releases, higher oil prices and the Federal Reserve Board's assurance that fears of inflation were largely unfounded combined to drive bond yields lower over the course of the quarter. Some GTT II Advisors profited because crude oil rallied and short positions were successful as a result of grain markets experiencing sharp declines.

The fourth quarter of 2004 experienced positive performance overall across the different asset classes, with the largest profits coming from currencies. The dominating theme was the weakening of the U.S. dollar, specifically against the Japanese Yen and several European currencies. The sell-offs were attributed to the massive current account deficit and the perceived lack of fiscal discipline in the U.S., leaving the U.S. dollar

vulnerable to reduced investments in dollar assets and possible shifts by central banks in reserves from dollars to other currencies. As market concerns of a slowing economy in China spread, there was a sharp sell-off in basic metals, causing losses on long positions. U.S. treasuries traded lower on stronger-than-expected growth and payroll numbers and on news of reduced foreign investment in U.S. assets, while European bonds rose. Equity markets rose on positive economic news and falling crude oil prices, which made them top contributors to performance, with long positions in the U.S., Europe, and Asia generating profits.

GOLDMAN SACHS GLOBAL EQUITY LONG/SHORT, LLC

As of December 31, 2004, GELS represented approximately 17% of adjusted members' equity which excludes redemptions payable of \$84,411,871 at December 31, 2004 that is reflected in the financial statements as a liability, and thus a reduction of members' equity, under GAAP. The Managing Member believes this ratio more accurately reflects the percentage of the Company's equity invested in the Investment Funds given the timing of the payment for the redemption payable. GELS' adjusted members' equity as of December 31, 2004 was not consistent with its strategic weight during 2004 because the Managing Member began implementing revised strategic weightings on July 1, 2004 which were not fully implemented until January 1, 2005. GELS returned 9.27% for Class C Series 1 units for the year ended December 31, 2004.

The annualized volatility of GELS' returns for the year ended December 31, 2004 was 5.65%. In comparison, the S&P 500 Index had an annualized volatility of 7.30% and the MSCI World Index had an annualized volatility of 8.16% for the period.

The year ended December 31, 2004 was a solid year for GELS, with eight positive and four negative months of performance. GELS started the year off strongly in January and February because many trends that drove strong fourth quarter 2003 performance continued into 2004. The period from March through May 2004 was difficult for many of GELS' Advisors because of significant sell-offs in several areas where they had exposures, namely in small capitalization, basic materials and emerging market stocks. June was a positive month for GELS as GELS Advisors rebounded; however, July was another difficult month and represented the low point of GELS for the year, as the global technology and healthcare sectors sold-off.

The last five months of 2004 were positive, with particularly strong performance in September, November and December. The year-end rally for GELS experienced additional momentum following the U.S. election in early November, which brought a global equity rally, most notably in the areas that negatively impacted performance in the spring of 2004 (e.g., small capitalization, basic materials and emerging markets).

Almost all GELS Advisors posted positive returns for the fourth quarter of 2004. GELS Advisors with exposures in Europe, emerging markets, energy, and basic materials posted particularly strong returns. GELS Advisors that posted losses included those with significant exposure to Japan and those with notional (gross long plus gross short) or beta-adjusted (for volatility of the overall market) net short exposures.

GOLDMAN SACHS GLOBAL RELATIVE VALUE II, LLC

As of December 31, 2004, GRV II represented approximately 37% of adjusted members' equity which excludes redemptions payable of \$84,411,871 at December 31, 2004 that is reflected in the financial statements as a liability, and thus a reduction of members' equity, under GAAP. The Managing Member believes this ratio more accurately reflects the percentage of the Company's equity invested in the Investment Funds given the timing of the payment for the redemption payable. GRV II's adjusted members' equity as of December 31, 2004 was not consistent with its strategic weight during 2004 because the Managing Member began implementing revised strategic weightings on July 1, 2004 which were not fully implemented until January 1, 2005. GRV II returned 4.37% for Class C Series 1 units for the year ended December 31, 2004.

The annualized volatility of GRV II's returns was 2.00% for the year ended December 31, 2004 compared to the Lehman Aggregate Bond Index which had an annualized volatility of 4.04% for the same period. The asset classes in which GRV II Advisors traded spent the majority of 2004 trading in a narrow range, resulting in very low levels of volatility. Equity volatility remained close to 9-year lows throughout 2004, despite many significant world events. The difference between the best and worst performing stocks in the equity markets was minimal, resulting in lower profits from security selection. Government bond markets experienced more activity because the Federal Reserve Board began to increase rates in the summer of 2004. Overall, the premium that investors require to take risk

has contracted, demonstrated by low bond yields, tight credit spreads and negligible equity volatility.

Credit trading arbitrage strategies performed well as GRV II Advisors were able to profit from technical and fundamental trade opportunities, including arbitraging credit indices versus their constituent credits, capital structure (credit vs. equity) and long/short credit trades.

Fixed income arbitrage strategies performed moderately for the year and although there were a number of sharp moves in the markets, overall volatility remained subdued at 4-year lows. The summer of 2004 brought difficult trading conditions as 10 year bond yields fell despite the Federal Reserve Board increasing short-term interest rates, resulting in modest losses by GRV II Advisors. Following a difficult third quarter, GRV II Advisors experienced a recovery in the fourth quarter of 2004.

Equity arbitrage strategies experienced a positive year. Returns were strong throughout 2004, with a modest summer slowdown as equity returns were dominated by macro drivers rather than stock-specific characteristics. Profitable model stock selection factors included valuation, earnings momentum and quality. International markets were particularly successful for GRV II Advisors.

The decline in equity volatility led to negligible returns for GRV II Advisors in convertible bond arbitrage strategies. The amount of new issuances declined and prices were high, exacerbating the challenging environment. GRV II Advisors shifted exposure into Asian markets, and selected short positions and special situations to improve their returns.

Multi-strategy arbitrage, which covers all of GRV II's sub-strategies, benefited in 2004 from additional opportunities in special situations and credit/high yield trades.

Convertible arbitrage strategies returned 6.04% and contributed 1.04% to GRV II's net income for the year ended December 31, 2004. Credit relative value strategies returned 5.40% and contributed 1.10% to GRV II's net income for the year ended December 31, 2004. Emerging markets relative value strategies returned 3.08% and contributed 0.05% to GRV II's net income for the year ended December 31, 2004. Equity market neutral strategies returned 3.62% and contributed 0.42% to GRV II's net income for the year ended December 31, 2004. Fixed income arbitrage strategies returned 0.07% and had a negative contribution of 0.04% to GRV II's net income for the year ended December 31, 2004. Multi-strategies returned 7.53% and contributed 1.85% to GRV II's net income for the year ended December 31, 2004.

GOLDMAN SACHS GLOBAL EVENT DRIVEN, LLC

As of December 31, 2004, GED represented approximately 23% of adjusted members' equity which excludes redemptions payable of \$84,411,871 at December 31, 2004 that is reflected in the financial statements as a liability, and thus a reduction of members' equity, under GAAP. The Managing Member believes this ratio more accurately reflects the percentage of the Company's equity invested in the Investment Funds given the timing of the payment for the redemption payable. GED's adjusted members' equity as of December 31, 2004 was not consistent with its strategic weight during 2004 because the Managing Member began implementing revised strategic weightings on July 1, 2004 which were not fully implemented until January 1, 2005. GED returned 12.70% for Class C Series 1 units for the year ended December 31, 2004.

The annualized volatility of GED's returns for the year ended December 31, 2004 was 3.38% compared to the S&P 500 Index which had an annualized volatility of 7.30% and to the MSCI World Index which had an annualized volatility of 8.16% for the same period.

The year ended December 31, 2004 produced varied market results. The MSCI World Index experienced low returns in the first half of 2004. In the third quarter of 2004, the equity markets had negative performance as a result of the Federal Reserve Board's interest rate increases and the reduction in equity implied volatility. However, equity markets rebounded in the fourth quarter of 2004, following the U.S. presidential election.

Risk arbitrage Advisors had a difficult year because of narrow deal spreads, which, in part, resulted from many deals facing regulatory scrutiny and other deal specific issues, especially in the summer of 2004. Global mergers and acquisitions activity increased significantly in 2004, but still remained below the historical highs of 1999 and 2000. Despite a small decrease in deal momentum during the second quarter of 2004, GED Advisors focusing on mergers and acquisitions were successful. Mergers and

acquisitions volume totaled a little under \$2 trillion for 2004, which easily surpassed 2003's volume of \$1.3 trillion. December was the most active month for mergers and acquisitions since August 2000, with over \$300 billion in global activity.

Default rates fell to record lows of 1.3% in 2004. High yield credit spreads tightened to historically narrow levels from 418 basis points over treasuries at the beginning of the year to 310 basis points at year-end. The high yield market experienced a record year of new issuance at \$153 billion, which surpassed the prior record of \$144 billion in 1998. GED Advisors were rewarded for strong credit selection on both the long and short side. Several of GED's credit-focused Advisors gradually built the short side of their portfolios given their concerns on valuation levels in the credit markets. The majority of new high yield issuances were driven by refinancing activity. Financial sponsors contributed significantly to new issuance activity by refinancing their portfolio companies to pay themselves special dividends. The technology, media and telecom sectors experienced the largest volume of new issuances (\$39.4 billion), followed by the energy sector (\$24.1 billion) and the industrials sector (\$19.7 billion).

Credit opportunities/distressed strategies returned 17.26% and contributed 5.99% to GED's net income for the year ended December 31, 2004. The multi-strategy component of the portfolio returned 12.43% and contributed 6.19% to GED's net income for the year ended December 31, 2004. Risk arbitrage/special situations strategies returned 8.36% and contributed 0.91% to GED's net income for the year ended December 31, 2004.

2003 PERFORMANCE

For the period from commencement of operations (August 1, 2003) to December 31, 2003, the Company's net trading profit was \$19,120,970.

OVERVIEW

During 2003, the Company allocated its assets on a roughly equivalent risk-weighted basis to each of the four hedge fund sectors. This diversity of return drivers was particularly important to the Company's performance in 2003 given the wide dispersion of returns within the various sectors of the hedge fund market. For example, equity long/short and event driven strategies posted strong absolute returns for 2003. By contrast, certain price based and quantitative equity arbitrage Advisors in the relative value sector had a difficult year in 2003. The Company cannot predict which hedge fund sector and accordingly which Investment Fund will perform best in the future. The table below illustrates the portfolio weighting of each Investment Fund as of December 31, 2003, as well as each Investment Fund's net return for the period from commencement of operations (August 1, 2003) to December 31, 2003.

INVESTMENT FUND	PORTFOLIO WEIGHT		2003 NET RETURN (8/1/03 - 12/31/03) (1)
	AS A % OF	MEMBERS' EQUITY	
GTT II	26.28%		6.40%
GELS	14.36%		8.51%
GRV II	37.56%		4.36%
GED	22.14%		6.54%

(1) These returns are based on the performance of Class C Series 1 units. The returns include administration fees. No management fee or incentive allocation was charged by the managing member of the Investment Funds with respect to the Company's investment in any of the Investment Funds. Past performance is not indicative of future results, which may vary.

For the period from commencement of operations (August 1, 2003) to December 31, 2003, the Company returned 4.98% net of fees and incentive allocation for Class A Series 1 Units with a standard deviation of 2.70% for the same period. Standard deviation is a statistical measure of return dispersion around an arithmetic mean return. The Company would expect roughly two-thirds of the monthly returns to be within a range equal to the arithmetic mean of the monthly returns plus or minus one standard deviation.

THE INVESTMENT FUNDS

Each of the four Investment Funds' performance during the period from commencement of operations (August 1, 2003) to December 31, 2003, is described in the following.

GOLDMAN SACHS GLOBAL TACTICAL TRADING II, LLC

As of December 31, 2003, GTT II represented approximately 26% of members' equity which was generally consistent with the weighting of GTT II as part of the Company throughout the period from commencement of operations (August 1, 2003) to December 31, 2003. Members' equity and adjusted members' equity were the same at December 31, 2003 because there were no Redemptions payable recorded at December 31, 2003. GTT II returned 6.40% for Class C Series 1 units for the period from commencement of operations (August 1, 2003) to December 31, 2003.

For the period from commencement of operations (August 1, 2003) to December 31, 2003, currency trading was one of the largest contributors to profits, with short positions in the U.S. dollar against the Euro and the Japanese Yen generating the largest gains for the period. The weakening of the U.S. dollar was attributed to the widening of the current account deficit and the waning of investor interest in U.S. assets, and evidenced a trend that began in 2002 and continued throughout 2003.

Japanese reflation was among the new themes in 2003; after a decade-long stagnation, the Japanese economy finally started to show some signs of life, beginning in the middle of 2003 and continuing through the third and fourth quarters of 2003. The reflation trade has three components: rising Nikkei, rising Yen, and falling Japanese bond prices. GTT II Advisors exploited all of these opportunities throughout the second half of 2003, with long Asian equity indices, short dollar positions vs. Asian currencies, and short Japanese Government Bond positions proving to be especially profitable during the period from commencement of operations (August 1, 2003) to December 31, 2003.

For the period from commencement of operations (August 1, 2003) to December 31, 2003, GTT II Advisors also benefited from a strong commodity rally. Particularly profitable during this period were positions in precious and base metals, as well as the soybean complex. Commodity prices were driven higher by a combination of factors: a weakening dollar (commodities are traded in dollar terms), supply issues, economic recovery and, in particular, demand from China.

The bond bull market of 2002 and early 2003 finally came to an end when interest rate markets reversed in the middle of June 2003 and suffered a decline until August 2003. For the period from commencement of operations (August 1, 2003) to December 31, 2003, interest rate markets in the U.S. and Europe remained mostly range-bound and did not play a major role for GTT II's Advisors.

GOLDMAN SACHS GLOBAL EQUITY LONG/SHORT, LLC

As of December 31, 2003, GELS represented approximately 14% of members' equity which was generally consistent with the weighting of GELS as part of the Company throughout the period from commencement of operations (August 1, 2003) to December 31, 2003. Members' equity and adjusted members' equity were the same at December 31, 2003 because there were no Redemptions payable recorded at December 31, 2003. GELS returned 8.51% for Class C Series 1 units for the period from commencement of operations (August 1, 2003) to December 31, 2003.

The annualized volatility of GELS' returns for the period from commencement of operations (August 1, 2003) to December 31, 2003 was 6.92%. In comparison, the S&P 500 Index had an annualized volatility of 9.97% and the MSCI World Index had an annualized volatility of 9.08% for the same period.

Equity markets were directionally positive in the third quarter of 2003. The fourth quarter of 2003 was strong for equity markets, as the pattern of positive macroeconomic and company specific news continued. During the fourth quarter of 2003, the S&P 500 Index was up 12.18% and the MSCI Europe hedged to U.S. dollars was up 11.11%, representing 42.46% and 75.78% of their respective returns for the year.

GELS Advisors performed well in the period from commencement of operations (August 1, 2003) to December 31, 2003, but on average lagged the equity indexes (which finished the year with positive, mid-teens performance). GELS Advisors that performed particularly well in the period from commencement of operations (August 1, 2003) to December 31, 2003 were those focused on small-capitalization stocks, those with significant net long exposure, those focused on high-beta sectors (i.e., those with volatility greater than the overall market) such as biotechnology and information technology, and those with significant exposure to emerging markets or commodity-related equities. GELS Advisors that lagged in the period from commencement of operations (August 1, 2003) to December 31, 2003 were those with significant high-beta short exposure, dedicated short sellers, those with market-neutral portfolios, and those with significant

value biases (i.e., seeking undervalued stocks at low prices). Those GELS Advisors that were disappointed with their third and fourth quarter results in 2003 generally attributed their underperformance to the fact that their cash flow positive long positions did not increase in value as much as their short positions, which, on average, were trading at higher multiples than the long positions, despite the fact that many were cash flow negative.

GOLDMAN SACHS GLOBAL RELATIVE VALUE II, LLC

As of December 31, 2003, GRV II represented approximately 38% of members' equity which was generally consistent with the weighting of GRV II as part of the Company for the period from commencement of operations (August 1, 2003) to December 31, 2003. Members' equity and adjusted members' equity were the same at December 31, 2003 because there were no Redemptions payable recorded at December 31, 2003. GRV II returned 4.36% for Class C Series 1 units for the period from commencement of operations (August 1, 2003) to December 31, 2003.

While the trading environment throughout the period from commencement of operations (August 1, 2003) to December 31, 2003 was challenging for relative value investing, due primarily to a decline in equity and fixed income market volatility and a flight to high yield bonds, GRV II delivered positive returns in each of these five months. The annualized volatility of GRV II's returns was 2.72% for the period from commencement of operations (August 1, 2003) to December 31, 2003, which was less than half of that of the Lehman Aggregate Bond Index which had an annualized volatility of 4.51% for the same period.

Convertible arbitrage strategies generated positive returns for the period from commencement of operations (August 1, 2003) to December 31, 2003 mostly due to the tightening of corporate credit spreads (i.e., the difference in yield between a corporate bond and the corresponding government bond). GRV II Advisors whose focus was more on volatility trading witnessed only modest positive returns. For the same period, new convertible bond issuances were somewhat sporadic.

Fixed income arbitrage strategies also generated positive returns for the period from commencement of operations (August 1, 2003) to December 31, 2003, which experienced interest rates near all-time lows with substantial bond market volatility during the year.

Equity arbitrage strategies faced a challenging time for the period from commencement of operations (August 1, 2003) to December 31, 2003. Investors gravitated to lower quality stocks which ended up outperforming stocks of higher quality negatively affecting the GRV II Advisors focusing on equity arbitrage.

During the period from commencement of operations (August 1, 2003) to December 31, 2003, GRV II Advisors employing price-based statistical arbitrage strategies experienced a decline in the profitability of trading strategies based upon models predicting reversion of stock prices of U.S. companies to their mean. As a result, many GRV II Advisors began moving capital during this period to international markets such as Japan or the U.K., where these models still performed well.

Convertible arbitrage strategies returned 4.72% and contributed 1.69% to GRV II's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003. Credit relative value strategies returned 5.07% and contributed 0.69% to GRV II's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003. Equity market neutral strategies had a negative return of 0.35% and a negative contribution of 0.01% to GRV II's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003. Fixed income arbitrage strategies returned 6.58% and contributed 1.07% to GRV II's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003. Multi-strategies returned 7.22% and contributed 1.35% to GRV II's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003.

GOLDMAN SACHS GLOBAL EVENT DRIVEN, LLC

As of December 31, 2003, GED represented approximately 22% of members' equity which was generally consistent with the weighting of GED as part of the Company for the period from commencement of operations (August 1, 2003) to December 31, 2003. Members' equity and adjusted members' equity were the same at December 31, 2003 because there were no Redemptions payable recorded at December 31, 2003. GED returned 6.54% for Class C Series 1 units for the period from commencement of operations (August 1, 2003) to December 31, 2003.

The annualized volatility of GED's returns for the period from commencement of operations (August 1, 2003) to December 31, 2003 was 1.67% compared to the S&P 500 Index which had an annualized volatility of 9.97% and to the MSCI World Index which had an annualized volatility of 9.08% for the same period.

GED positions its investments with Advisors that primarily employ "hedged" trades (i.e., with positions on both the long and the short sides) to generate attractive risk-adjusted returns. During the period from commencement of operations (August 1, 2003) to December 31, 2003, GED maintained its practice of generally not investing in Advisors who invest in long-only distressed credits hoping to effect a corporate reorganization. During this period, GED had positive returns every month, and all of GED's Advisors were positive for the same period.

During the period from commencement of operations (August 1, 2003) to December 31, 2003, the credit markets showed improvement and GED's allocation shifted from distressed Advisors toward special situations Advisors. Merger arbitrage allocations remained steady, generally comprising between 5% and 15% of the portfolio during the period.

The strong improvement in credit that began in October 2002 continued throughout 2003 as high yield credit spreads (i.e., the difference in yield between a high yield bond and the corresponding government bond) tightened significantly to finish the year at approximately 4.2%. Specifically, in the third and fourth quarter of 2003, spreads tightened by approximately 185 basis points. The credit rally was broad-based, with the lowest rated debt securities being the biggest beneficiaries. The Merrill Lynch High Yield Master II Index returned 28.2% and was up in 11 months of the year. New issuances of high yield debt securities were also very robust as a record \$140 billion of debt was issued globally compared to only \$58 billion of high yield new global issuances in 2002. Specifically, in the last two quarters of 2003, the credit-focused GED Advisors profited from this new issuance activity and were rewarded for strong security selection.

Merger arbitrage got off to a slow start in 2003 as the combination of economic and geopolitical uncertainty continued to lessen corporate enthusiasm for mergers and acquisitions. As the year progressed, U.S. mergers and acquisitions activity started to increase and ended the year up 6.7% from its 2002 levels. Global merger activity was 9% lower than 2002 levels for the first three quarters of 2003 with U.S. activity showing signs of sluggishness. However, the fourth quarter of 2003 experienced a resurgence in activity, with October being the most active month for takeovers in two years. Global mergers and acquisitions deal volume ended the year at \$1.3 trillion, up about 9% from its 2002 levels. U.S. activity represented about 44% of global volume, while European mergers and acquisitions activity represented 38%.

Credit opportunities/distressed strategies returned 9.01% and contributed 3.24% to GED's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003. The multi-strategy component of the portfolio returned 6.42% and contributed 3.22% to GED's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003. Risk arbitrage/special situations strategies returned 3.06% and contributed 0.40% to GED's net income for the period from commencement of operations (August 1, 2003) to December 31, 2003.

COMPARISON OF SELECT FINANCIAL INFORMATION FROM 2004 AND 2003

INTEREST INCOME

Interest income for the year ended December 31, 2004 was \$337,709 and interest income from commencement of operations (August 1, 2003) to December 31, 2003 was \$56,947. The Company's interest income will fluctuate with its level of cash not invested in the Investment Funds.

EXPENSES

The Management Fee for the year ended December 31, 2004 was \$13,452,462 and the Management Fee from commencement of operations (August 1, 2003) to December 31, 2003 was \$1,573,352. Because the Management Fee is calculated as a percentage of the Company's net assets as of each month end, the increase in the expense in Management Fee for the year ended December 31, 2004 as compared to the period from commencement of operations (August 1, 2003) to December 31, 2003 was due to the increase in the Company's net assets during the year ended December 31, 2004 and from operating for a full year compared to the period from commencement of operations (August 1, 2003) to December 31, 2003.

Interest expense for the year ended December 31, 2004 was

\$379,544 compared to \$49,885 for the period from commencement of operations (August 1, 2003) to December 31, 2003. The interest expense relates to the borrowing facility that was outstanding during the years ended December 31, 2004 and 2003.

Professional fees and miscellaneous expenses for the year ended December 31, 2004 were \$476,155 compared to the period from commencement of operations (August 1, 2003) to December 31, 2003 of \$405,566. The increases in professional fees and miscellaneous expenses for the year ended December 31, 2004 was primarily due to operating for a full year and additional services rendered by the Company's legal providers related to the ongoing operations of the Company, including the review of investor subscription documents for the year.

INCENTIVE ALLOCATION

The Incentive Allocation for the year ended December 31, 2004 was \$2,106,382 compared to the period from commencement of operations (August 1, 2003) to December 31, 2003 of \$857,458. The change in Incentive Allocation is due to the increase/decrease in new appreciation for those periods.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity requirements consist of cash needed to fund investments in the Investment Funds in accordance with the Company's investment strategy and to fund semi-annual redemptions and to pay costs and expenses. The Company periodically re-allocates its investments in the Investment Funds based on the performance of the Investment Funds and other factors. The Company cannot predict the level of redemptions in the Company for any semi-annual period until 61 days prior to the redemption date where written notice must be given to the Managing Member. The Company endeavors to pay redemption proceeds within 45 days following the redemption date, without interest. If the Company faces a liquidity problem, the redemptions may be limited or postponed under certain limited circumstances. The Managing Member's ability to limit or postpone redemptions in the Company enables the Company to control and to some extent avoid a liquidity problem. However, substantial redemptions of Units in the Company could require the Company to liquidate certain of its investments in the Investment Funds in order to raise cash to fund the redemptions which could have a material adverse effect on the NAV of the Units and the performance of the Company.

The Company can fund its liquidity requirements by liquidation (through redemption, or as otherwise permitted in the limited liability agreements of the Investment Funds) of its investments in the Investment Funds and from new investments from existing and new investors. Redemptions of the Company's investments in the Investment Funds can be made on a semi-annual or quarterly basis depending on the Investment Fund, subject to certain limitations. From May 2004 through April 2005, the Company only took in investments from existing investors and limited subscriptions from new qualified investors. The Company may close again at any time without notice at the sole discretion of the Managing Member. The acceptance of future subscriptions in the Company and the continued growth of the Company will be determined by the Managing Member in its sole discretion. Although the Managing Member may begin to receive new subscriptions to the Company in the future from additional outside investors, any liquidity requirements in the near term may need to be funded through the redemption of existing investments in the Investment Funds to the extent new investments are not received in sufficient amounts to cover redemptions. If the Company seeks to redeem all or a portion of its investment positions in any of the Investment Funds, the Investment Fund, to the extent it does not have cash on hand to fund such redemption, will need to liquidate some of its investments. Substantial redemptions of membership units in an Investment Fund, including by the Company, could require the Investment Fund to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions and achieve a market position appropriately reflecting a smaller asset base. This could have a material adverse effect on the value of the membership units redeemed and the membership units that remain outstanding and on the performance of the Investment Fund. Under certain exceptional circumstances, such as force majeure, the managing member of an Investment Fund (currently, the Managing Member) may find it necessary (a) to postpone redemptions if it determines that the liquidation of investments in the Investment Fund to fund redemptions would adversely affect the net asset value per membership unit of the Investment Fund or (b) to set up a reserve for undetermined or contingent liabilities and withhold a certain portion of redemption proceeds. In such circumstances, the Investment Fund would likely postpone any redemptions it could not fund.

Certain investment positions in which the Investment Funds have a

direct or indirect interest are illiquid. The Advisors may invest in restricted or non-publicly traded securities, securities on foreign exchanges and futures. These positions may be illiquid because certain exchanges limit fluctuations in certain securities and futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular security or futures contract has increased or decreased by an amount equal to the daily limit, positions in that security or contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit.

The Company received investments from new and existing investors of \$739,207,253 during the year ended December 31, 2004, and of \$437,606,956 in the period from commencement of operations (August 1, 2003) to December 31, 2003.

The Company paid out redemptions of \$857,458 during year ended December 31, 2004 and had no redemptions during the period from commencement of operations (August 1, 2003) to December 31, 2003. The Company had Redemptions payable in the amount of \$84,411,871 payable after December 31, 2004.

The Company and each Investment Fund may, but are not required to, borrow from (including through direct borrowings, borrowings through derivative instruments, or otherwise) the GS Group or other parties, when deemed appropriate by its managing member, including to make investments and distributions in respect of redemptions of Units or membership units, to pay expenses, or for other purposes. In October 2003, the Company entered into a borrowing facility with the Old Facility Counterparty. The facility was structured as a call spread option that had been issued by the Company to the Old Facility Counterparty. Under the terms of the facility, the Company received cash and redeposited the amount with the Old Facility Counterparty in a collateral account. The Company had the right to draw funds from the collateral account to use for liquidity purposes. Under the facility, the Company was able to draw, at any given time, up to a total amount of the collateral account at the time of withdrawal. However, in no event could the Company have drawn an amount under the facility exceeding 5% of the Company's net asset value. In February 2004, the size of the facility was reduced to \$20.0 million and in October 2004 the facility expired. On November 24, 2004, the Company entered into a credit facility with a new financial institution, the New Facility Counterparty. The Company made an initial borrowing of \$4.5 million under this facility. Subject to rejection by the New Facility Counterparty, the Company may request to borrow up to \$40.0 million in the aggregate. At the time of any borrowing, the aggregate amounts borrowed, however, may not exceed 10% of the Company's net asset value and at all other times the aggregate amount borrowed may not exceed 15% of the Company's net asset value. The effective interest rate on the borrowed amounts equals LIBOR plus 0.85% per annum compounded daily. The Company also pays an administration and structuring fee calculated as 0.10% per annum on the aggregate amount of \$40.0 million. The proceeds of the borrowings must be used primarily for purposes of refinancing existing indebtedness, making further investment in a pool of funds, funding liquidity of redemptions of Units in the Company and managing the cash flow of the Company. There were no borrowings outstanding at December 31, 2004. As security for its borrowings, the Company granted the New Facility Counterparty a security interest in the Company's cash accounts and any other account that contains other investment property (other than to the extent that it comprises shares of funds in the pool of funds in which the Company has invested) of the Company. The terms of the facility include various restrictive covenants, including restrictions on additional indebtedness, liens and fundamental changes to the Company's business. The New Facility Counterparty may demand payment upon the occurrence of certain events, including: (i) specified declines in the Company's aggregate net asset value per Unit, (ii) the incurrence of indebtedness or liens by the Company, (iii) the failure by the Company to maintain prescribed diversification of its investments, (iv) if the investment manager (which currently is GS HFS) resigns or is removed by the Company, (v) if the administrator (which currently is GS HFS), custodian or auditor resigns or is removed by the Company and the replacement is not approved by the New Facility Counterparty (which consent may not be unreasonably withheld) or (vi) the occurrence of events of default customary for financing transactions. See Note 7 to the financial statements. Each Investment Fund has entered into a similar facility with the New Facility Counterparty.

As of December 31, 2004, the Company had Cash and cash equivalents on hand of \$2,909,015. As of December 31, 2003, the Company had Cash and cash equivalents on hand of \$16,000,000. The decrease in Cash and cash equivalents on hand as of December 31, 2004 as compared to as of December 31, 2003 primarily relates to the structure of the credit facility

with the New Facility Counterparty which, unlike the Company's previous credit facility, does not require the Company to redeposit cash received from the credit facility into a collateral account, but instead allows the Company to borrow as requested.

Investments as of December 31, 2004 were \$1,236,210,460 as compared to \$456,281,887 as of December 31, 2003. The increase was due to net profits earned by the Company from the Investment Funds during the year ended December 31, 2004, and net subscriptions made by the Company to the Investment Funds during the year ended December 31, 2004.

Due to managing member represents the management fees due to the Managing Member. Due to managing member as of December 31, 2004 was \$3,799,261 as compared to \$1,087,751 as of December 31, 2003. Because the management fee is calculated as a percentage of the Company's net assets as of each month end, the liability related to management fees will fluctuate based on the fluctuation of the month end net asset value of the Company and the timing of the payments.

The Company generally expects that its cash flow from liquidating its investment positions in the Investment Funds to the extent necessary and from new investments in the Company together with borrowings under the borrowing facility will be adequate to fund its operations and liquidity requirements.

The Company does not have any long-term debt obligations, capital or operational lease obligations, purchase obligations or other long-term debt liabilities. In addition, there are no off balance sheet or contingent liabilities at the Company level.

The value of the Company's directly held cash and financial instruments is not expected to be materially affected by inflation. At the Investment Fund level, given that GRV II's and GED's Advisors seek to profit from price movements and can take both positive and negative views on the drivers of such movements, their outlooks may include a view on the direction of inflation, with the outcome of their trades derived, at least in part, from the accuracy of such a view. No first-order endemic effects from inflation, as may exist in long-only bond portfolios, are expected. Further, extended changes in inflation may be associated with strong up or down trends in interest rates, creating a favorable environment for GTT II's Advisors, and therefore contributing to the Company's profit potential. However, unexpected changes in inflation can also give rise to rapid reversals in interest rate markets, creating an environment in which such Advisors, and the Company, potentially may suffer losses. The impact of changes in inflation on equity long/short strategies used by GELS' Advisors is difficult to predict and depends upon how large the change is in both absolute terms and relative to expectations. A sharp increase in inflation could hurt certain sectors, such as regional banks, homebuilders, and autos, while sharp downward moves could be beneficial for equities. If a downward move were too large, however, it could give rise to concerns about deflation. In all cases, however, the Company endeavors to take inflation, and its possible effects on each of the Investment Funds, into account when it develops its investment strategies.

RECENT ACCOUNTING PRONOUNCEMENTS

FASB INTERPRETATION NO. 46(R)

In December 2003, the FASB issued Interpretation No. 46(R), Consolidation of Variable Interest Entities ("FIN 46(R)"), which provides new criteria for determining whether consolidation accounting is required. Registered investment companies have been exempted from the provisions of FIN 46(R) and FIN 46(R) has been deferred for non-registered investment companies pending the release of a FASB Scope of Investment Companies project ("Scope Project"). The Scope Project is designed to determine which entities will qualify as investment companies, and therefore present their investments at fair value. Those entities so qualifying will not need to determine whether their investments should be consolidated pursuant to the provisions of FIN 46(R). FIN 46(R) would have no impact on the Company's net assets or net increase in net assets resulting from operations. The Company understands that the Scope Project has been approved for issuance by the FASB and retained these provisions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of the Company's financial condition and results of operations are based on the Company's financial statements, which have been prepared in accordance with GAAP, which require the Managing Member to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The financial statements are expressed in

U.S. dollars. A summary of the Company's accounting policies is set forth in Note 1 to the Company's financial statements. In the Managing Member's view, the policy that involves the most subjective judgment is set forth below.

The Company's investments in Investment Funds are subject to terms and conditions of their respective operating agreements. The investments are carried at fair value as determined by the Company's attributable share of the net assets of the respective Investment Fund. Fair values are determined utilizing net asset value information supplied by each individual Investment Fund that are net of the Advisors' management and incentive fees charged to the Investment Funds. The underlying investments of each Investment Fund are accounted for at fair value. For investments of the underlying Advisor Funds, market value normally is based on quoted market prices or broker-dealer price quotations provided to the Advisor Fund. In the absence of quoted market prices or broker-dealer price quotations, underlying Advisor Fund investments are valued at fair value as determined by the Advisors or their administrator. Because of the inherent uncertainty of valuation, estimated fair values may differ, at times significantly, from the values that would have been used had a ready market existed. In particular, the valuations are made based on information the Investment Funds receive from the Advisors. This information is generally not audited, except at year-end, and could prove to be inaccurate due to inadvertent mistakes, negligence, recklessness or fraud by the Advisors. Neither the Company nor the Investment Funds generally will receive independent valuations from third party administrators or from any of the Advisors and will not in many cases be able to conduct any independent valuations on their own or to cause any third parties to undertake such valuations. In addition, valuations of illiquid securities and other investments are inherently uncertain and may prove to be inaccurate in hindsight. These risks are described under ITEM 1. "BUSINESS--CERTAIN RISK FACTORS--GENERAL RISKS--Risks Related to the Company and the Investment Funds' Performance and Operation--Dependence on the Managing Member and the Advisors; the Managing Member Generally has Limited Access to Information on or Control over Advisor's Portfolios and Members Assume the Risk that Advisors May Knowingly Misrepresent Information Which Could Have a Material Negative Impact on the Company," "---SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Related to the Company's Structure--The Company's Financial Statements are, and in the Future will be, Based on Estimates of Valuations Provided by Third Party Advisors Which May not be Accurate or May Need to be Adjusted in the Future," and "---SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Associated with the Company Investing in Other Entities--Valuation of the Investment Funds' Investments Will be Based upon Valuations Provided by the Advisors Which are Generally not Audited; Uncertainties in Valuations Could Have a Material Adverse Effect on the Company's Net Assets."

OFF BALANCE SHEET RISK

There are no off-balance sheet or material contingent liabilities at the Company level.

CONTRACTUAL OBLIGATIONS

The Company does not have any long-term debt obligations, capital or operational lease obligations or other long-term debt liabilities.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following table lists the significant market risk sensitive instruments held by the Company, through the Investment Funds, as of December 31, 2004 and as of December 31, 2003, as indicated by the Fair Value/Value at Risk column, and the Net Trading Profit from January 1, 2004 to December 31, 2004 and from August 1, 2003 to December 31, 2003. Because of the speculative nature of the investments that the Company engages in through the Investment Funds, the Managing Member believes the entire portfolio value of the Company is at risk.

<TABLE>
<CAPTION>

YEAR ENDED
DECEMBER 31, 2004

INVESTMENT FUND	% OF MEMBERS' EQUITY	% OF ADJUSTED MEMBERS' EQUITY (6)	FAIR VALUE/VALUE AT RISK	NET TRADING PROFIT (IN MILLIONS)	LIQUIDITY
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GTT II	24.29%	22.63%	\$279,479,970	\$(0.9)	(3)
GELS	18.15%	16.91%	\$208,922,802	\$14.6	(2)
GRV II	39.96%	37.23%	\$459,867,687	\$14.6	(4)
GED	25.02%	23.31%	\$287,940,001	\$27.8	(1)
TOTAL	107.42%(5)	100.08%(5)	\$1,236,210,460	\$56.1	

YEAR ENDED
DECEMBER 31, 2003

INVESTMENT FUND	% OF MEMBERS' EQUITY	FAIR VALUE/VALUE AT RISK	NET TRADING PROFIT (IN MILLIONS) (7)	LIQUIDITY
GTT II	26.28%	\$119,531,941	\$5.9	(3)
GELS	14.36%	\$65,279,818	\$4.1	(2)
GRV II	37.56%	\$170,800,069	\$4.7	(4)
GED	22.14%	\$100,670,059	\$4.5	(1)
TOTAL	100.34%(5)	\$456,281,887	\$19.1	

<FN>

- (1) Redemptions could be made semi-annually with 45 days' notice after a twelve-month holding period, or at the sole discretion of the managing member. Effective July 2004, a twelve-month holding period is no longer required.
- (2) Redemptions could be made quarterly with 45 days' notice after a twelve-month holding period, or at the sole discretion of the managing member. Effective July 2004, a twelve-month holding period is no longer required.
- (3) Redemptions can be made semi-annually with 61 days' notice, or at the sole discretion of the managing member.
- (4) Redemptions can be made semi-annually with 45 days' notice after a twelve-month holding period, or at the sole discretion of the managing member.
- (5) The total value of the Company's investments in the Investment Funds exceeded 100% of members' equity and adjusted members' equity, respectively, because members' equity and adjusted members' equity reflected certain accrued liabilities of the Company, including fees and expenses, and members' equity as of December 31, 2004 also reflected redemptions payable after the balance sheet date.
- (6) Adjusted members' equity, used in the calculation of the investments as a percentage of adjusted members' equity, represents members' equity excluding Redemptions payable in the amount of \$84,411,871 that are payable after December 31, 2004.
- (7) The sum of the column does not equal the respective totals due to rounding.

</FN>

</TABLE>

RISK MANAGEMENT

In the ordinary course of business, the Managing Member, including in its capacity as managing member of the Investment Funds, attempts to manage a variety of risks, including market, credit and operational risk. The Managing Member, including in its capacity as the managing member of the Investment Funds, attempts to identify, measure and monitor risk through various mechanisms including risk management strategies and credit policies. These include monitoring risk guidelines and diversifying exposures across a variety of instruments, markets and counterparties.

Market risk is the risk of potential significant adverse changes to the value of financial instruments because of changes in market conditions such as interest rates, foreign exchange rates, equity prices, credit spreads, liquidity and volatility in commodity or security prices. The Managing Member, including in its capacity as managing member of the Investment Funds, monitors its exposure to market risk at both the Advisor and portfolio level through various analytical techniques. At the Advisor

level, market risk is monitored on a regular basis. Where position level detail is available, the Managing Member, including in its capacity as managing member of the Investment Funds, monitors its exposure to market risk through a variety of analytical techniques, including Value-at-Risk ("VaR") and scenario analysis (stress testing). VaR is calculated by a Monte Carlo simulation using a 99.9% confidence level and a 240-day look back period. Where position level detail is unavailable, an Investment Fund relies on risk reports provided by the Advisors as well as through open communication channels with Advisors, which generally includes site visits and monthly conference calls. The risks involved are described under ITEM 1. "BUSINESS--CERTAIN RISK FACTORS--GENERAL RISKS--Risks Related to the Company and the Investment Funds' Performance and Operation--A Substantial Portion of an Investment Fund's Assets May be Invested Utilizing Strategies Which are not Within its Hedge Fund Sector; Most Advisors do not Provide Detailed Position Information Regarding their Portfolios" and "---Dependence on the Managing Member and the Advisors; the Managing Member Generally has Limited Access to Information on or Control over Advisor's Portfolios and Members Assume the Risk that Advisors May Knowingly Misrepresent Information Which Could Have a Material Negative Impact on the Company."

The managing member of the Investment Funds monitors Advisors to prevent style drift. "Style drift" is defined as Advisors changing their investment style from the Investment Fund's expectations. Where position level detail is available, the managing member of the Investment Funds monitors leverage against predetermined limits. Positions sizing limits are also monitored to ensure Advisors are properly diversified and risk normally is not concentrated in one or relatively few positions. In some cases, the managing member of the Investment Funds also has the ability to monitor approved trading instruments to ensure Advisors are not trading securities outside their mandate. Where position level detail is not available, the managing member of the Investment Funds relies on both written and oral Advisor communications. The risks involved are described under ITEM 1. "BUSINESS--CERTAIN RISK FACTORS--GENERAL RISKS--Risks Related to the Company and the Investment Funds' Performance and Operation--A Substantial Portion of an Investment Fund's Assets May be Invested Utilizing Strategies Which are not Within its Hedge Fund Sector; Most Advisors do not Provide Detailed Position Information Regarding their Portfolios" and "--Dependence on the Managing Member and the Advisors; the Managing Member Generally has Limited Access to Information on or Control over Advisor's Portfolios and Members Assume the Risk that Advisors May Knowingly Misrepresent Information Which Could Have a Material Negative Impact on the Company."

At the Company's portfolio level, the Company's portfolio construction process is designed to provide for adequate diversification. Each Investment Fund is a portfolio of approximately 20-30 underlying Advisors and the managing member of each of the Investment Funds regularly reviews portfolio statistics, such as relative contribution to risk, to confirm that risk is not concentrated in any single Advisor.

Quantitative analysis is combined with judgment to determine strategic allocations that will offer broad exposure to hedge fund returns. Strategic return, risk and correlation estimates inform the quantitative analysis, which balances returns and contribution to portfolio risk. Judgment is applied to both estimates and weights in an attempt to achieve a diversified exposure to hedge funds while delivering attractive risk-adjusted returns. Until June 30, 2004, the Company had allocated its assets on a roughly equivalent risk-weighted basis to each of the four hedge fund sectors. In other words, each of the four Investment Funds contributed approximately 25% of the total risk of the Company portfolio, although the actual allocations that achieve the roughly equivalent risk weightings were different for each sector. The Managing Member utilizes a strategic sector allocation and periodically re-evaluates the contribution to the risk and return of the Company from each investment sector and may in its sole discretion re-allocate the Company's assets or weights as it deems advisable. Through June 30, 2004, the Managing Member had not made any strategic allocations. Starting July 1, 2004, the Managing Member began implementing an adjustment to the weightings among the Investment Funds, gradually changing the weightings over a period beginning on July 1, 2004 and ending on January 1, 2005. Such allocation was accomplished over a six-month period in part due to the different redemption requirements of the Investment Funds. This re-allocation, when completed, reflected the Managing Member's updated expectations for return, risk and correlations for the Investment Funds as well as the Managing Member's judgment. As a consequence of the revised weightings, the weights among the investment funds no longer reflect a strict equal risk allocation, (as they had prior to July 1, 2004). As of January 1, 2005 the strategic weights were set to 22.94% GTT II, 20.32% GELS, 32.24% GRV II, and 24.09% GED. The approximate weights of the Investment Funds were 23% GTT II, 17% GELS, 37% GRV II, and 23% GED as of December 31, 2004 as a percentage of adjusted members' equity which excludes redemptions payable after December 31, 2004. This portfolio

construction process is designed to create a diversified hedge fund portfolio with attractive return and risk characteristics. See ITEM 1. "BUSINESS--INVESTMENT PROGRAM--Allocation Among the Investment Funds."

The Company invests in the Investment Funds, and may from time to time redeem its membership units of the Investment Funds. The Investment Funds, in turn, maintain relationships with counterparties that include the Advisors. These relationships could result in concentrations of credit risk. Credit risk arises from the potential inability of counterparties to perform their obligations under the terms of the contract, including in the case of the Company's investments in the Investment Funds, the potential inability of an Investment Fund to satisfy its redemption obligations. The managing member of the Investment Funds (currently, the Managing Member) has formal credit-review policies to monitor counterparty risk.

In addition to market risk and credit risk, the Managing Member, including in its capacity as managing member of the Investment Funds, allocates resources to mitigate operational risk. Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing, settlement and accounting systems. The Managing Member, including in its capacity as managing member of the Investment Funds, maintains controls and procedures for the purpose of mitigating its own operational risk but it does not have control over the systems of the Advisors. In addition, the Managing Member including in its capacity as managing member of the Investment Funds deploys resources to assess control systems, legal risk, compliance risk, operations and treasury risk, credit risk, accounting risk and reputational risk.

Fraud and other business risks cannot be eliminated, however, the Managing Member including in its capacity as managing member of the Investment Funds seeks to significantly reduce such risks. The portfolio risk management process includes an effort to monitor and manage risk, but should not be confused with and does not imply low risk. There can be no assurance that the Managing Member including in its capacity as managing member of the Investment Funds will be able to implement its risk guidelines or that its risk monitoring strategies will be successful.

ITEM 3. PROPERTIES

The Company does not own or lease any physical properties. The Company is operating at the Managing Member's facility and is not being charged rent except indirectly through the monthly Management Fee.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

To the knowledge of the Company, no person beneficially owns more than five percent of the Units.

SECURITY OWNERSHIP OF MANAGEMENT

The Company has no directors or executive officers.

GS HFS, the Managing Member of the Company, did not have a beneficial interest in the Company as of December 31, 2004 other than the Incentive Allocation and other fees payable to it by the Company.

The following table sets forth (i) the individual directors and executive officers of the Managing Member and (ii) all of the directors and executive officers as a group who beneficially owned Units of the Company as of December 31, 2004.

NUMBER OF UNITS	NAME OF BENEFICIAL OWNER	PERCENTAGE OF ALL INVESTORS' INTERESTS
0	George H. Walker	-
0	Tobin V. Levy	-
0	Kent A. Clark	-
0	Hugh J. Lawson	-
0	Thomas Dabler	-
0	Terrence O. Jones	-
0	Peter Ort	-
0	Directors and executive officers as a group	-

CHANGES IN CONTROL

There are no arrangements, including pledges by any person of Units of the Company, the operation of which may at a subsequent date

result in a change of control of the Company.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS OF THE MANAGING MEMBER AND REGISTRANT

The Company has no directors or executive officers. The Managing Member is responsible for the management and operations of the Company. Information about the Managing Member and the GS Group appears in Item 1. See ITEM 1. "BUSINESS--THE MANAGING MEMBER." The following table sets forth the directors and executive officers of the Managing Member.

NAME	AGE	POSITION(S)
George H. Walker	35	Director, Managing Director and Chief Executive Officer
Tobin V. Levy	61	Director, Managing Director and Chief Financial Officer
Kent A. Clark	40	Director, Managing Director and Chief Investment Officer
Hugh J. Lawson	36	Director, Managing Director and Global Head of Product Management
Thomas Dabler	39	Vice President and Head of GTT II
Terrence O. Jones	41	Managing Director and Head of GED and GRV II
Peter Ort	34	Vice President and Head of GELS

Information about the directors and executive officers of the Managing Member is provided below.

GEORGE H. WALKER is a Managing Director of Goldman Sachs and is a Director, Managing Director, and Chief Executive Officer of the Managing Member. He joined Goldman Sachs as a summer associate in Capital Markets in 1991 and joined the Managing Member in June 2001. Previously, he was co-head of gs.com/Goldman Sachs Wealth Management, the firm's e-based wealth management business, and he led GSAM's U.S. Institutional effort and its high-net-worth businesses. Mr. Walker has also served in GSAM Division Management in New York, and in Mergers & Acquisitions in Frankfurt, London, and New York. He received an M.B.A. in 1992 from the Wharton Graduate School of Business and bachelors degrees in 1991 from the University of Pennsylvania.

TOBIN V. LEVY is a Managing Director of Goldman Sachs and is a Director, Managing Director and Chief Financial Officer of the Managing Member. Mr. Levy managed the Global Client Financing business for Private Wealth Management from February 2001 to May 2002, when he returned to Princeton to resume his role as Chief Financial Officer of the Managing Member. Mr. Levy joined Commodities Corporation Limited ("CCL"), the predecessor of the Managing Member, in January 1995 and became Chief Financial Officer of the Managing Member in June 1997. The Managing Member acquired the assets of CCL in June 1997. Mr. Levy graduated from the University of Pennsylvania in 1967 with a B.S. in Economics. In 1972, he received his M.B.A. from the Wharton Graduate School of Business.

KENT A. CLARK is a Managing Director of Goldman Sachs and the Chief Investment Officer of the Managing Member. Prior to joining the Managing Member, he managed portfolios of U.S. and Global equities for GSAM where he also helped develop stock selection models for these markets using linear and nonlinear techniques. Mr. Clark received a Bachelor of Commerce degree from the University of Calgary in 1986 and an M.B.A. from the University of Chicago Graduate School of Business in 1990, where he has also completed all but his dissertation in the Ph.D. program. In 2002, Mr. Clark was elected as a member of the Board of Directors of the Managed Funds Association. A member of the International Investment Forum, Mr. Clark is past President of the New York Society of Quantitative Analysts.

HUGH J. LAWSON is a Managing Director of Goldman Sachs and is the Global Head of Product Management for the Managing Member, where he leads the group's distribution, client relationship, business development, and product launch efforts globally. Prior to assuming this role, Mr. Lawson was co-head of the Managing Member's European and Asian businesses. Before joining the Managing Member, Mr. Lawson was head of Products and Services for Goldman Sachs' Investment Management Division for Europe, together with responsibility for Business Strategy Development for Private Wealth Management Europe. Mr. Lawson joined Goldman Sachs in 1997. He spent three years in the Investment Banking Division in both London and Hong Kong, executing a range of financing and merger assignments in Europe and Asia. He then transferred to the Investment Management Division in 2000. Prior to joining Goldman Sachs, Mr. Lawson worked at the Boston Consulting Group in New York and, previously, at the Rockefeller Brothers Fund in New York. He graduated from Columbia University and Yale Law School.

THOMAS DOBLER is a Vice President of the Managing Member and is the lead Portfolio Manager focused on GTT I, where he has worked since 2002, and he is also the Head of GTT II. Before coming to GS HFS, he led the Client Research and Investment Strategy Group at Goldman Sachs in London, and was responsible for advising high net worth clients on asset allocation and overall investment strategy. Prior to London, Mr. Dabler spent two years in New York assisting in the development of the Client Research and Strategy Group at Goldman Sachs where he also worked with high net worth clients and their advisors. He joined Goldman Sachs in 1998 from Salomon Brothers Asset Management, where he was a senior member of their Quantitative Research Group. Mr. Dabler holds a PhD in Mathematics from Columbia University and a BS in Mathematics from the University of Vienna.

TERRENCE O. JONES is a Managing Director of the Managing Member and is the Head of the GED & GRV II sectors. Mr. Jones joined the Managing Member in 2001 from Arden Asset Management, a \$2 billion fund-of-funds company, where he was Managing Director and Director of Research. In this capacity, Mr. Jones worked on the investment committee of the firm and was responsible for manager selection, portfolio construction, and due diligence. Prior to joining Arden Asset Management, Mr. Jones was head of research and manager selection for Morgan Stanley's Fiduciary Group, which managed in excess of \$22 billion for pension plans, endowments, foundations, and high net worth individuals. Mr. Jones received a B.A. in Economics from Columbia University and a M.B.A. from Columbia University.

PETER ORT is a Vice President of the Managing Member and is the Head of GELS. Prior to joining the Managing Member in 2001, Mr. Ort was a Vice President with Smartleaf, Inc. a portfolio management software company based in Cambridge, Massachusetts. He was previously with Goldman Sachs from 1996-2000, where he worked in the Investment Management Division's Private Equity Group, evaluating private equity fund managers and direct investment opportunities. He first joined the firm in the Investment Banking Division's Financial Institutions Group, where he focused on M&A transactions in New York and Tokyo. Mr. Ort received a J.D./M.B.A. from New York University in 1995 and a B.A. from Duke University in 1991. He was a Fulbright Scholar in Japan from 1991-1992.

ITEM 6. EXECUTIVE COMPENSATION

The Company has no directors or executive officers.

In addition, the Company does not bear the costs of the annual compensation of the executive officers or the directors of the Managing Member. The Managing Member and its affiliates receive compensation from the Company for services provided to the Company. Moreover, the Company bears a pro rata portion of the administration fee for the Managing Member's services as administrator of each Investment Fund and Portfolio Companies through its investment in the Investment Funds. Set forth below are the amounts of the different types of fees paid or payable by, or allocable to, the Company to the Managing Member and its affiliates during the year ended December 31, 2004. Information about the terms and conditions of the Management Fee and the Incentive Allocation and other fees and expenses appear in Item 1. See ITEM 1. "BUSINESS--FEES AND EXPENSES."

FEE TYPE	FEE AMOUNT
Management Fee paid or payable by the Company	\$13,452,462
Incentive Allocation paid or payable by the Company	\$2,106,382
Placement Fee paid or payable by the Company to Goldman Sachs	\$0
Pro rata portion of administration fee to the Managing Member for services provided to the Investment Funds and Portfolio Companies	\$2,151,510

PERFORMANCE GRAPH

The line graph below compares the cumulative total return on the Company's Units during the period from August 1, 2003, the date the Company commenced its operations, through December 31, 2004, with the return on the 3 Month LIBOR, the Lehman Brothers Aggregate Index, the MSCI World Index and the S&P 500 Index. These indices are unmanaged, the figures for an index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. The Members cannot invest directly in these indices.

The Company has not paid any cash dividends in the past and does not expect to pay any in the foreseeable future.

[CHART OMITTED]

- (1) The performance of the Company is based on net returns for Class A Series 1 Units. The performance of the Units shown in the graph is not necessarily indicative of future performance.
- (2) General: References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time (for purposes of this section, each an "index") are provided for your information only. Reference to an index does not imply that the portfolio will achieve returns, volatility or other results similar to the index. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.
- (3) MSCI World Index: The Morgan Stanley Capital International World Equities Index is a price index of the total return with dividends reinvested monthly net of dividend withholding tax of a representative group of listed companies for each region, with each component market weighted on the basis of market capitalization relative to the total market capitalization of the market being measured and adjusted for changes in capital within the component firms.
- (4) S&P 500 Index: The Standard & Poor's S&P 500 Index is an index based on the prices of the securities of 500 different companies. Total returns are calculated by adding the dividend income and price appreciation for a given time period.
- (5) Lehman Brothers Aggregate Index: The Lehman Brothers Aggregate Index represents securities that are U.S. domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.
- (6) Index Sources: Bloomberg.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Managing Member is an advisory affiliate of Goldman Sachs and GSAM. Each of the Managing Member, Goldman Sachs and GSAM is a wholly owned subsidiary of The Goldman Sachs Group, Inc. See ITEM 1. "BUSINESS--POTENTIAL CONFLICTS OF INTEREST."

The Managing Member also manages a number of other investment funds that have investment programs that are similar to those of the Company. See ITEM 1. "BUSINESS--POTENTIAL CONFLICTS OF INTEREST."

From time to time certain qualified officers and employees of the GS Group may invest in the Company. Neither the Investment Funds' Advisors nor any of their respective principals are presently expected to purchase Units or membership units in the Investment Funds. See ITEM 1. "BUSINESS--POTENTIAL CONFLICTS OF INTEREST."

The Company may from time to time, in the sole discretion of the Managing Member, invest in money market funds sponsored by the GS Group, and the Company will not be reimbursed for any fees accruing to any affiliate of the GS Group in respect of any such investment. See ITEM 1. "BUSINESS--INVESTMENT PROGRAM--Investment Objective and Approach."

The Company pays the Managing Member a Management Fee. In addition, the Managing Member receives an administration fee for its services as Administrator of each Investment Fund and each Portfolio Company. The Company will bear its pro rata portion of these fees through its investments in the Investment Funds. See ITEM 1. "BUSINESS--FEES AND EXPENSES."

Some of the directors and executive officers of the Managing Member also are or may become directors and executive officers of Goldman Sachs and Goldman Sachs affiliates which entities provided services for the

Company, other than as an underwriter, during the year ended December 31, 2004 and are proposed to provide such services in the current year.

No directors and executive officers of the Managing Member, their spouses and entities owned or controlled by them invested an amount in excess of \$60,000 in the Company during the year ended December 31, 2004. Certain directors and executive officers of the Managing Member, including their spouses and entities owned or controlled by them, may from time to time invest in the Company. In addition, certain of the directors and executive officers from time to time invest their personal funds directly in other funds managed by the GS Group on the same terms and conditions as the other investors in these funds, who are not directors, executive officers or employees.

BROKERAGE

The Advisors (including employees and affiliates of the GS Group) of the Investment Funds managing their assets directly (including through Advisor Funds) or through Portfolio Companies have the authority to select brokers and dealers from a list approved by the managing member of the Investment Funds, through which to effect transactions on the basis of various factors. The managing member of the Investment Funds requires such Advisors to select executing brokers on a best execution basis, considering price, commissions and commission equivalents, other transaction costs, quality of brokerage services, financing arrangements, creditworthiness and financial stability, financial responsibility and strength, and clearance and settlement capability. The Company does not have oversight over broker and dealer selection by Investment Funds.

To the extent permitted under applicable law, the Advisors (including through Advisor Funds) of each Investment Fund or Portfolio Company are authorized to execute agency transactions for such Investment Fund, Advisor Fund or Portfolio Company with or through GS Group and its affiliates (including in circumstances where transactions on behalf of GS Group and its affiliates are executed together with those on behalf of such Investment Fund, Advisor Fund or Portfolio Company) as the Advisors, in their sole discretion, shall determine. The Advisors may also use GS Group or its affiliates for prime brokerage services.

Additionally, in selecting brokers and dealers, certain of the Advisors may have authority to and may consider products or services provided, or expenses paid, by such brokers and dealers to, or on behalf of, such Advisors. Products and services generally include research items. In some circumstances, the commissions paid on transactions with brokers or dealers providing such services may exceed the amount another broker would have charged for effecting that transaction. "Soft dollar" payments or rebates of amounts paid to brokers and dealers may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. In addition, such payments or rebates may be made by futures brokers in connection with futures transactions.

The Managing Member, either in its capacity as the managing member of the Company or the Investment Funds, may also receive research items from brokers and dealers that provide brokerage services to its clients (including the Investment Funds and the Portfolio Companies). The total amount of commissions directed to a particular broker may be made pursuant to an agreement that would bind the managing member of the Investment Funds to compensate the selected broker for the services provided. Research or other services obtained in this manner may be used in servicing any or all advisory clients of the managing member of the Investment Funds, including each of the Investment Funds and the Portfolio Companies, and are used in connection with advisory accounts other than those that pay commissions to the broker relating to the research or other service arrangements.

Research products and services made available to the Managing Member, either in its capacity as the managing member of the Company or the Investment Funds, through brokers and dealers executing transactions for its clients, including the Investment Funds and the Portfolio Companies, involving brokerage commissions may include: performance and other qualitative and quantitative data relating to Advisors in general and certain Advisors in particular; data relating to the historic performance of categories of securities associated with particular investment styles; quotation equipment; and related computer hardware and software, all of which research products and services are used by the managing member of the Investment Funds in connection with its selection and monitoring of Advisors, the portfolio design of a mix of investment styles appropriate to investment objectives of clients, and the determination of overall portfolio strategies including asset allocation models.

If the managing member of the Investment Funds receives products

or services from brokers or dealers that are used both for research purposes and for administrative or other non-research purposes, it will make a good faith effort to determine the relative proportions of such products or services which may be considered as investment research, based primarily on anticipated usage, and will pay for the costs attributable to the non-research usage in cash.

To the extent permitted by applicable law, Advisors may execute transactions with or through Goldman Sachs. The Advisors may also use GS Group and its affiliates for prime brokerage and other services.

PLACEMENT AGENT

Goldman Sachs acts as placement agent for the Company (the "Placement Agent"). The Placement Agent is entitled to a fee (the "Placement Fee") of up to a specified amount of each Member's subscription. Historically, Goldman Sachs has not charged a Placement Fee, however, there can be no assurance that Goldman Sachs will not charge a Placement Fee in the future. Amounts paid in respect of the Placement Fee will not constitute assets of the Company. The Placement Agent may also receive compensation from the Managing Member that represents a portion of the Management Fee. The Placement Agent may enter into sub-placement agreements with affiliates and unaffiliated third parties. At the discretion of the Placement Agent, all or a portion of the Placement Fee may be allocated to such sub-placement agents. The Company may waive or impose different sales charges, or otherwise modify its distribution arrangements, in connection with the offering of Units. Pursuant to an agreement entered into between the Placement Agent and the Company (the "Placement Agent Agreement"), the Company has agreed to indemnify and hold harmless the Placement Agent, its affiliates and any agent against any losses, claims, damages or liabilities (or actions in respect thereof), joint or several (the "Covered Claims"), to which the Placement Agent may become subject, to the extent such Covered Claims arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Memorandum, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein not misleading. The Placement Agent Agreement provides that the Company will reimburse the Placement Agent for any legal or other expenses reasonably incurred by the Placement Agent in connection with investigating or defending any such Covered Claims; provided, however, that the Company will not be liable to indemnify or reimburse the Placement Agent in any such case to the extent that any such Covered Claims arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Memorandum in reliance upon and in conformity with written information furnished to the Company by the Placement Agent expressly for use therein.

In addition, to the extent the indemnification provisions described in the preceding paragraph are unavailable or insufficient to hold harmless an indemnified party with respect to any Covered Claims, the Placement Agent Agreement specifies that the Company will contribute to the amount paid or payable by such indemnified party as a result of such Covered Claims in such proportion as is appropriate to reflect the relative benefits received by the Company and the Placement Agent from the offering of the Units, unless otherwise provided by applicable law or the Placement Agent Agreement.

Goldman Sachs also acts as the placement agent on behalf of the Investment Funds. The Company will not be charged any placement fee by the Investment Funds.

ITEM 8. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which the Company or the Managing Member is a party or to which any of their assets are subject.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S UNITS AND RELATED MATTERS

MARKET INFORMATION

Currently, there is no established public trading market for the Units. As described further below in this Item 9 and in Item 11, other than transfers to the Company in redemption, transfers of Units are expressly prohibited by the LLC Agreement without the consent of the Managing Member.

Without the prior written consent of the Managing Member, which may be withheld in its sole discretion, a Member may not assign or otherwise transfer its Units in the Company in whole or in part, except by operation of law (i) pursuant to the death, adjudication of incompetency,

insolvency or bankruptcy of the Member, or (ii) pursuant to the corporate reorganization or merger of the Member, nor substitute any other person as a Member. No transferee or assignee will be admitted as a Member without the prior consent of the Managing Member, which may be withheld in its sole discretion. A Member has the right to redeem some or all of its Units, upon 61 days' prior written notice to the Managing Member on each January 1 or July 1 (occurring on or after the first anniversary of the purchase of such Units by the Member). Additional information appears in Item 11. See ITEM 11. "DESCRIPTION OF REGISTRANT'S UNITS TO BE REGISTERED--OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT--Redemptions of Units."

There are no outstanding options or warrants to purchase, or securities convertible into, Units of the Company.

The high and low NAV per Unit of the initial series of Units for Class A Series 1 of the Company during each quarterly period from the commencement of the Company's operations on August 1, 2003 through December 31, 2004 are as follows:

QUARTER ENDED	HIGH	LOW
9/30/03	\$101.24	\$100.04
12/31/03	\$104.98	\$103.12
3/31/04	\$108.06	\$106.39
6/30/04	\$107.02	\$106.03
9/30/04	\$105.31	\$104.92
12/31/04	\$109.90	\$106.12

The Units have not been and will not be registered under the Securities Act and may not be resold unless an exemption from such registration is available. Members have no right to require registration of the Units and the Company does not intend to register the Units under the Securities Act or take any action to cause an exemption (whether pursuant to Rule 144 of the Securities Act or otherwise) to be available.

RECORD HOLDERS OF UNITS OF THE COMPANY

As of December 31, 2004, approximately 10,922,128 Units were held by approximately 788 Members.

DISTRIBUTIONS

The Company does not intend to make distributions to Members other than in connection with redemptions of Units. Additional information appears in Item 11. See ITEM 11. "DESCRIPTION OF REGISTRANT'S UNITS TO BE REGISTERED--OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT--Redemptions of Units." The Company has not made distributions during the last two fiscal years other than distributions to facilitate redemptions of individual Members.

ITEM 10. RECENT SALES OF UNREGISTERED UNITS

The Company held its initial offering of Units (the "Initial Series") on August 1, 2003, at which time the Initial Series was sold for an aggregate subscription amount of \$115.3 million. From August 1, 2003 to December 31, 2003, aggregate subscriptions totaled \$437.6 million. From January 1, 2004 to December 31, 2004, aggregate subscriptions totaled \$739.2 million. Details of the sale of the series of Units are as follows:

FUNDING DATE	NUMBER OF INVESTORS	TOTAL SUBSCRIPTION AMOUNT
8/1/03	101	\$115,304,915
9/1/03	77	\$116,695,090
10/1/03	69	\$67,035,000
11/1/03	69	\$86,170,158
12/1/03	51	\$52,401,793
1/1/04	74	\$94,765,029
2/1/04	102	\$161,838,913
3/1/04	147	\$218,405,000
4/1/04	220	\$240,394,274
5/1/04	-	\$-
6/1/04	1	\$250,000
7/1/04	13	\$10,622,672
8/1/04	7	\$4,080,356
9/1/04	4	\$1,910,920
10/1/04	4	\$3,250,000
11/1/04	5	\$2,290,089

12/1/04	2	\$1,400,000
1/1/05	7	\$7,197,783
2/1/05	9	\$11,188,549
3/1/05	3	\$900,000
4/1/05	4	\$11,050,000

In connection with each funding, the Units were privately offered and sold to accredited investors pursuant to Rule 506 of Regulation D and the sales were exempt from registration under the Securities Act.

ITEM 11. DESCRIPTION OF REGISTRANT'S UNITS TO BE REGISTERED

UNITS

Units of limited liability company interests in the Company have been sold to qualified investors. The acceptance of future subscriptions will be determined by the Managing Member in its sole discretion. Upon the approval of the Managing Member, a Member or prospective Member may make initial or additional subscriptions for Units on the first day of each calendar quarter or at such other times as the Managing Member may determine in its sole discretion. Historically, the Company has from time to time taken in funds on a monthly basis. From May 2004 through April 2005, the Company has only taken in investments from existing investors and limited subscriptions from new qualified investors. The Company may close again at any time without notice at the sole discretion of the Managing Member. The acceptance of future subscriptions in the Company and the continued growth of the Company will be determined by the Managing Member in its sole discretion.

Generally, a new series of Units is issued on each date such Units are issued at an initial purchase price of \$100 per Unit, except that the Managing Member may issue additional Units of an existing series, or Units of a new series at an initial purchase price other than \$100, provided that any such issuance does not have a material adverse effect on the NAV or Prior High NAV of Units of any Member. Each Unit carries equal rights and privileges with each other Unit of the same series. The voting rights of each Unit are based upon the NAV of such Unit and not on the basis of one vote per Unit. See "OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT--Valuation of Company Assets; Adjustments." Fractions of Units may be issued to one ten-thousandth of a Unit.

The minimum initial subscription for Units is \$1,000,000, although the Managing Member, in its sole discretion, may accept subscriptions below the minimum.

Any issued and outstanding series of Units that is at or above its Prior High NAV (other than the series of Units issued in connection with the Initial Series may, in the sole discretion of the Managing Member, be exchanged (after reduction for the Management Fee and any Incentive Allocation to the Managing Member) into Units of the Initial Series (or if the Initial Series is not at or above its Prior High NAV, the next offered series that is at or above its Prior High NAV) at the end of each fiscal year at the prevailing NAV per Unit of such series. Units are issued in registered, book entry form only.

An investment in the Company provides limited liquidity since the Units are not freely transferable and generally a Member is only permitted to redeem Units, upon 61 days' prior written notice to the Managing Member (unless such notice is waived by the Managing Member in its sole discretion), as of the time immediately prior to the opening of business on each January 1 or July 1 occurring on or after the first anniversary of the purchase of such Units by the Member. In addition, redemptions may be limited or postponed under certain limited circumstances. See "OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT--Limitation on Redemptions." The same or similar limitations will apply to the Company's investment in each of the Investment Funds.

The limited liability company agreements of the Company, GTT II, GRV II and GED provide that they will endeavor to pay redemption proceeds within 45 days following the applicable redemption date, without interest. The limited liability company agreement of GELS provides that if a member elects to redeem its membership units, GELS will endeavor to pay 90% of any redemption proceeds (calculated on the basis of estimated, unaudited data) within 10 days following the applicable redemption date, without interest. The balance of the redemption proceeds will be paid, without interest, within 30 days of the applicable redemption date.

A distribution in respect of a redemption may be in cash or in-kind, as determined by the Managing Member in its sole discretion. Assets which are distributed in kind in respect of a redemption may be illiquid.

OUTLINE OF LIMITED LIABILITY COMPANY AGREEMENT

The following outline summarizes certain provisions of the LLC Agreement. Except where indicated below, the limited liability company agreements of each of the Investment Funds have provisions which are similar or identical to the terms summarized below.

LIMITED LIABILITY

No Member will be liable for the Company's obligations in excess of such Member's unredeemed subscriptions and its share of its undistributed profits, if any, and any distributions and amounts received upon redemption of Units and interest thereon. In order to meet a particular debt or obligation, a Member or former Member shall, in the discretion of the Managing Member, be required to make additional contributions or payments up to, but in no event in excess of, the aggregate amount of returns of capital and other amounts actually received by it from the Company during or after the fiscal year to which such debt or obligation is attributable.

TERM

The Company will continue until the earlier of (i) a determination by the Managing Member that the Company should be dissolved and wound-up; (ii) the termination, bankruptcy, insolvency, dissolution or withdrawal by the Managing Member (other than in connection with a permitted assignment of its interest); or (iii) upon 60 days' prior written notice to the Managing Member of the affirmative vote of the holders of at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman Sachs, its affiliates, employees and officers), based on the NAV of such Units, at a meeting duly called for the purpose of liquidating the Company.

Upon a determination to dissolve the Company, redemptions, and distributions in respect thereof, may not be made by Members. Distributions in liquidation of the Company will be in accordance with the Member's respective capital account balances. In connection with the termination of an Investment Fund (or if an Investment Fund is no longer able to accept additional subscriptions), the Managing Member may allocate the assets previously allocated to such Investment Fund to a successor thereto (or, if there are multiple successors, to the successors thereto), to one or more entities which individually or collectively have a similar investment objective to the Investment Fund, or, following notice to the Members and an opportunity to redeem their Units, as the Managing Member shall otherwise determine.

ADDITIONAL SUBSCRIPTIONS

Upon the approval of the Managing Member, a Member or prospective Member may make initial or additional subscriptions for Units on the first day of each calendar quarter or at such other times as the Managing Member may determine in its sole discretion. The Managing Member and any of its affiliates may make subscriptions at any time and in any amounts. See ITEM 1. "BUSINESS--CERTAIN RISK FACTORS--GENERAL RISKS--Risks Related to the Units, Liquidity of Units and the Offering of the Units--Special Considerations are Applicable to the Units; After the Initial Offering of Units Subsequent Purchasers of Units may Suffer Losses because of Previously Established Open Positions." Each new Member will be required to execute an instrument pursuant to which it will become a party to the LLC Agreement.

MANAGEMENT

The management of the Company is vested exclusively in the Managing Member. The Members will have no part in the management of the Company and will have no authority or right to act on behalf of the Company in connection with any matter. The Managing Member, and any affiliate, may engage in any other business venture, whether or not such business is similar to the business of the Company, and neither the Company nor any Member will have any rights in or to such ventures or the income or profits derived therefrom.

VALUATION OF COMPANY ASSETS; ADJUSTMENTS

The membership units of the Investment Funds which are held by the Company will be valued in accordance with the terms and conditions of the governing agreements of the Investment Funds. The assets of each Investment Fund will be valued by the administrator of such Investment Fund in accordance with the following: (i) the assets of the Investment Fund that are invested in Advisor Funds or Portfolio Companies will be valued in

accordance with the terms and conditions of the respective governing agreement of the Advisor Funds and Portfolio Companies, and (ii) the assets of the Investment Fund that are invested pursuant to investment management agreements will be valued at fair value in a commercially reasonable manner. All other assets of the Company and of each Investment Fund will be assigned such value as the respective administrator may reasonably determine. See ITEM 1. "BUSINESS--CERTAIN RISK FACTORS--SPECIAL RISKS OF THE COMPANY'S STRUCTURE--Risks Related to the Company's Structure--The Company's Financial Statements are, and in the Future will be, Based on Estimates of Valuations Provided by Third Party Advisors which may not be Accurate or may Need to be Adjusted in the Future."

Liabilities of the Company will be determined based upon U.S. generally accepted accounting principles and as the Administrator shall otherwise reasonably determine. The Administrator may in its discretion provide reserves for estimated accrued expenses, liabilities or contingencies, even if such reserves are not required by U.S. generally accepted accounting principles. Liabilities of the Company (including without limitation indebtedness for money borrowed) will be taken into consideration in determining NAV for any purpose, including without limitation, the redemption of Units and the calculation of the Management Fee and the Incentive Allocation.

If at any time the Managing Member determines, in its sole discretion, that an incorrect number of Units was issued to a Member because the NAV in effect on the date of issuance was incorrect, the Company will adjust such Member's Units by increasing or decreasing them, as appropriate, to such number of Units as would have been issued at the correct NAV. In addition, if at any time after a redemption of Units (including in connection with any withdrawal of a Member from the Company) the Managing Member determines, in its sole discretion, that the amount paid to such Member or former Member pursuant to such redemption was materially incorrect (including because the NAV at which the Member or former Member purchased such Units was incorrect), the Company will pay to such Member or former Member any additional amount that it determines such Member or former Member would have been entitled to receive had the redemption been effected at the correct NAV, or, in its sole discretion, seek payment from such Member or former Member of (and such Member or former Member shall be required to pay) the amount of any excess payment that the Managing Member determines such Member or former Member received, in each case without interest.

REDEMPTIONS OF UNITS

A Member has the right to redeem some or all of its Units, as of the time immediately prior to the opening of business on each January 1 or July 1 occurring on or after the first anniversary of the purchase of such Units by the Member (each a "Redemption Date"), upon prior written notice received by the Managing Member at least 61 calendar days prior to the Redemption Date. No partial redemption will be permitted if thereafter the aggregate NAV of the remaining Units held by the redeeming Member would be less than \$500,000 (unless such limitation is waived by the Managing Member in its sole discretion). The Managing Member may permit redemptions at such other times, and upon such other terms, as may be determined by the Managing Member in its sole discretion; provided, however, that prior to permitting such redemptions, the Managing Member will confirm with counsel to the Company to ensure that such redemption will not cause the Company to be taxable as a corporation.

Units of a particular series will be redeemed at a per Unit price (the "Redemption Price") based upon the NAV of such series as of the close of business on the day immediately preceding the Redemption Date (taking into account the allocation of any net appreciation or net depreciation in the net assets of the Company for the accounting period then ending), after reduction for any Management Fee and Incentive Allocation and other liabilities of the Company to the extent accrued or otherwise attributable to the Units being redeemed (calculated as if the Redemption Date were the last day of the fiscal year). If a redeeming Member owns Units of more than one series, unless otherwise specified by such Member in writing, Units will be redeemed on a "first in-first out" basis for purposes of determining the Redemption Price. Accordingly, Units of the earliest issued series owned by the Member will be redeemed first, at the Redemption Price for Units of such series, until such Member no longer owns any Units attributable to such series.

The limited liability company agreements of GRV II, GED and GTT II provide for semi-annual redemptions upon 45 days written notice to GRV II and GED's managing member prior to the opening of business on each January 1 or July 1, and upon 61 days written notice to GTT II's managing member prior to the opening of business on each January 1 or July 1. The limited liability company agreement of GELS provides for quarterly

redemptions upon 45 days written notice to GELS's managing member prior to the opening of business on the first day of any calendar quarter. A twelve-month holding period is required for GRV II. Prior to July 2004, a twelve-month holding period was required for each of GELS and GED; however, effective July 2004, there is no longer a twelve-month holding period. In addition, GTT II does not have a twelve-month holding period.

The limited liability company agreements of the Company, GTT II, GRV II and GED provide that they will endeavor to pay redemption proceeds (calculated on the basis of estimated, unaudited data) within 45 days following the applicable Redemption Date, without interest. The limited liability company agreement of GELS provides that if a member elects to redeem its membership units, GELS will endeavor to pay 90% of any redemption proceeds (calculated on the basis of estimated, unaudited data) within 10 days of the applicable redemption date, without interest. The balance of the redemption proceeds are paid, without interest, within 30 days of the applicable redemption date.

A distribution in respect of a redemption may be in cash or in-kind, as determined by the Managing Member in its sole discretion.

Subject to the redemption provisions of the LLC Agreement, the Managing Member, and any affiliate thereof, has the right to redeem any and all of its Units without notice to the Non-Managing Members.

REQUIRED REDEMPTIONS

The Managing Member shall have the right, in its sole discretion, as of any date that it determines (including during a fiscal year) and for any reason (including, without limitation, for regulatory or tax reasons, or for any other reason) to redeem any or all of a Member's Units. In the event of a required redemption, distributions will be made in the manner described above under "--Redemptions of Units."

LIMITATION ON REDEMPTIONS

The right of any Member to redeem some or all of its Units is subject to the provision by the Managing Member for all Company liabilities in accordance with Delaware law, and for reserves for estimated accrued expenses, liabilities and contingencies, even if such reserves are not required by generally accepted accounting principles. The Managing Member may temporarily suspend redemptions, at any time prior to the effectiveness of the redemption, and notwithstanding the fact that a timely redemption request has previously been made, for the whole, or any part, of any of the following periods: (i) during the closing of the principal stock exchanges or other markets on which any substantial portion of the Company's direct or indirect investments, in the opinion of the Managing Member, is quoted or dealt in other than for ordinary holidays, or the restriction of suspension of dealings therein; (ii) during the existence of any state of affairs which, in the opinion of the Managing Member, constitutes an emergency as a result of which determination of the price, value or disposition of the Company's direct or indirect investments would be impractical or prejudicial to Members; (iii) during which redemptions would, in the opinion of the Managing Member, result in a violation of applicable law; (iv) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company or the current price or values on any stock exchange in respect of the assets of the Company; (v) during the occurrence of any period when the Company is unable to withdraw sufficient funds from Investment Funds or Portfolio Companies or otherwise to meet redemption requests or in circumstances when the disposal of part or all of the Company's assets to meet such redemption request would be prejudicial to Members; and (vi) during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Managing Member, be effected at advantageous rates of exchange. Postponed redemptions shall be effected at the month-end following the termination of the suspension. Any part of a redemption request that is postponed shall take precedence over later-received redemption requests until the postponed request or requests have been satisfied in full. Members shall be given notice in writing of the suspension of redemptions and the termination of any such suspension. Units shall be held by the Member during the suspension period as if no redemption request had been made.

DEATH, BANKRUPTCY, ETC. OF A NON-MANAGING MEMBER

In the event of an assignment of a Member's Units by operation of law pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of the Member, or pursuant to the corporate reorganization or merger of the Member, the legal representatives or successors of such Member will be required to promptly provide written notice of such event to

the Company. The membership interest of such Member shall continue at the risk of the Company's business until the last day of the calendar month following the calendar month in which the Managing Member received written notice of such event. At the end of such period, the Managing Member shall, in its sole discretion, either (i) substitute the legal representatives or successors of the former Members as Members of the Company, provided that the Managing Member determines in its sole discretion that such legal representatives or successors are qualified to become Members of the Company, or (ii) redeem such former Member's interest in the Company in accordance with the redemption provisions set forth above. See "--Redemptions of Units" above.

DISTRIBUTIONS

It is not anticipated that the Company will make in-kind distributions of membership units of the Investment Funds to the Members. If a distribution is made in-kind, immediately prior to such distribution, the Administrator will determine the fair market value of the property distributed and adjust the capital accounts of all Members upwards or downwards to reflect the difference between the book value and the fair market value thereof, as if such gain or loss had been recognized upon an actual sale of such property and allocated pursuant in the manner described above. Each such distribution will reduce the capital account of the distributee Member by the fair market value thereof.

ASSIGNABILITY OF MEMBERS' UNITS

Without the prior written consent of the Managing Member, which may be withheld in its sole discretion, a Member may not assign or otherwise transfer its Units in the Company in whole or in part, except by operation of law pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of the Member, or pursuant to the corporate reorganization or merger of the Member, nor substitute any other person as a Member. No transferee or assignee will be admitted as a Member without the prior consent of the Managing Member, which may be withheld in its sole discretion.

ASSIGNABILITY OF MANAGING MEMBER'S INTEREST

Without the consent of the other Members, the Managing Member may assign or otherwise transfer its Managing Member interest in the Company (including its rights and obligations as the Managing Member) to any corporation, partnership, limited liability company or other entity controlling, controlled by or under common control with the Managing Member, as long as such transfer does not, as determined by the Managing Member in its sole discretion, cause the Company to be taxable as a corporation.

TERMINATION OF THE MANAGING MEMBER

Upon the written consent of the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman Sachs, its affiliates, employees or officers), based on the NAV of such Units, the Managing Member will be required to withdraw from the Company, and the Company will be wound-up and terminated, unless the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman Sachs, its affiliates, employees or officers), based on the NAV of such Units, agree in writing to continue the business of the Company and to the appointment of one or more new managing members.

If the withdrawal of the Managing Member occurs prior to the end of a month, the Managing Member shall promptly thereafter receive the amount of the Management Fee prorated through the effective date of the withdrawal, and the Managing Member shall receive the Incentive Allocation for the fiscal year in which the withdrawal occurred as if the date of withdrawal were the last day of the fiscal year.

AMENDMENTS TO THE LLC AGREEMENT

The LLC Agreement may be modified or amended at any time with the written consent of Members having in excess of 50% of the voting power of the outstanding Units (or, if a modification or amendment affects only a particular series of Units, with the written consent of Members having in excess of 50% of that series of Units), based on the NAV of such Units, and the affirmative vote of the Managing Member. Without the consent of the Members, however, the Managing Member may amend the LLC Agreement to (i) reflect changes validly made in the membership of the Company and changes in the number of Units held by the Members; (ii) change the provisions relating to the Incentive Allocation so that such provisions conform to the applicable requirements of the SEC and other regulatory authorities, so

long as such amendment does not increase the Incentive Allocation to more than the amount that would otherwise be determined absent such amendment; (iii) reflect a change in the name of the Company; (iv) make a change that is necessary or, in the opinion of the Managing Member, advisable to qualify the Company as a limited liability company or other entity in which the Members have limited liability under the laws of any state, or ensure that the Company will not be treated as an association or publicly traded partnership taxable as a corporation for federal income tax purposes; (v) make any change that does not adversely affect the Members in any material respect; (vi) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal, state or foreign statute, so long as such change is made in a manner that minimizes to the extent practicable, as determined by the Managing Member in its sole discretion, any adverse effect on the Members, or that is required or contemplated by the LLC Agreement; (vii) make a change in any provision of the LLC Agreement that requires any action to be taken by or on behalf of the Managing Member or the Company pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; (viii) prevent the Company or the Managing Member from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act; (ix) correct mistakes or clarify ambiguities; (x) in the event of adverse changes in the tax law or interpretations thereof applicable to the Company, amend the LLC Agreement as determined by the Managing Member if it deems advisable or necessary to address such changes; (xi) conform the LLC Agreement to the disclosure provided in the Memorandum; (xii) correct or supplement any conflicting provisions and delete or add provisions as may be required by applicable law or regulations, in each case, as determined by the Managing Member in its sole discretion; (xiii) make any other amendment provided such amendment does not become effective until after the affected Members have been given prior written notice of such change and have had the right following receipt of such notice to request the redemption of their Units and any requested redemption shall have become effective; or (xiv) make any other amendments similar to the foregoing. Each Member, however, must consent to any amendment that would (a) reduce its capital account or rights of redemption or withdrawal; or (b) amend the provisions of the LLC Agreement relating to amendments.

REPORTS TO MEMBERS

The Company will use reasonable efforts to cause each Member to receive: (i) as soon as possible after the close of each fiscal year of the Company, such tax information with respect to the Company as is necessary for the Member to complete its federal income tax return; and (ii) such other information as may be required by applicable laws, rules and regulations. However, if the Investment Funds are unable to provide such information to the Company on a timely basis, as a result of the Investment Funds not receiving all of the necessary underlying information on a timely basis, the Company may be unable to provide final tax information to the Members for any given fiscal year until after April 15 of the following year. MEMBERS SHOULD THEREFORE BE PREPARED TO OBTAIN EXTENSIONS OF THE FILING DATE FOR THEIR INCOME TAX RETURNS AT THE FEDERAL, STATE, AND LOCAL LEVEL.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has no directors or executive officers.

Under Section 18-108 of the Delaware Limited Liability Act, a limited liability company may, subject to such standards and restrictions as are set forth in its limited liability agreement, if any, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever.

None of the Managing Member (including, without limitation, in its capacity as the Administrator), Goldman Sachs, persons controlling, controlled by or under common control with any of the foregoing, or any of their respective directors, members, stockholders, partners, officers, employees or controlling persons (each an "Indemnified Person" and collectively the "Indemnified Persons") will be liable to the Company or to the Members for (i) any act or omission performed or failed to be performed by such person (other than any criminal wrongdoing), or for any losses, claims, costs, damages, or liabilities arising therefrom, in the absence of criminal wrongdoing, willful misfeasance or gross negligence on the part of such person, (ii) any tax liability imposed on the Company or any Member or (iii) any losses due to the actions or omissions of any brokers or other agents of the Company.

The Company will periodically reimburse any Indemnified Person

for its legal and other expenses (including the costs of any investigation and preparation) incurred in connection with any action, proceeding, or investigation brought by or against any person in connection with any matter arising out of or in connection with the business or affairs of the Company; provided that such Indemnified Person will promptly repay such expenses if it is ultimately decided by a court that such Indemnified Person is not entitled to be indemnified by the Company.

To the fullest extent permitted by applicable law, the Company will also indemnify any Indemnified Person, jointly and severally, against any losses, claims, costs, damages or liabilities to which such Indemnified Person may become subject in connection with any matter arising out of or in connection with the Company's business or affairs, except to the extent that any such loss, claim, cost, damage or liability results solely from the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person. If for any reason (other than the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person) the foregoing indemnification is unavailable to such Indemnified Person, or is insufficient to hold it harmless, then the Company will contribute to the amount paid or payable to such Indemnified Person as a result of such loss, claim, cost, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and such Indemnified Person on the other hand but also the relative fault of the Company and such Indemnified Person, as well as any relevant equitable considerations.

The Company may purchase and maintain insurance on behalf of an Indemnified Person against any liability incurred by such person at the Company's expense.

The reimbursement, indemnity and contribution obligations of the Company will be in addition to any liability which the Company may otherwise have, both as to action in an Indemnified Person's official capacity and to action in any other capacity, and shall continue as to an Indemnified Person who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of the Managing Member, and will be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company and such other Indemnified Persons. The standard of care, indemnification and exculpation provisions of the LLC Agreement or contractual obligations of the Company will not be construed so as to relieve (or attempt to relieve) any Indemnified Person of any liability (including liability under federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law (including ERISA), but will be construed so as to effectuate the provisions described above to the fullest extent permitted by applicable law (including ERISA).

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

For the Company's financial statements, see the Financial Statements beginning on page F-1 of this Registration Statement.

The following is a summary of unaudited quarterly results of operations of the Company for the period from commencement of operations (August 1, 2003) to December 31, 2004.

<TABLE> <CAPTION>	FISCAL QUARTER ENDED -----	
	SEP. 30, 2003 ----	DEC. 31, 2003 ----
<S>	<C>	<C>
NET TRADING PROFIT/(LOSS)	\$3,487,017	\$15,633,953
TOTAL EXPENSES	\$ (499,098)	\$ (1,529,705)
NET INCOME BEFORE INCENTIVE ALLOCATION	\$2,987,919	\$14,161,195
NET INCOME AFTER INCENTIVE ALLOCATION	\$2,838,523	\$13,453,133
<CAPTION>	MAR. 31,	JUNE 30,
	SEP. 30,	DEC. 31,

	2004 ----	2004 ----	2004 ----	2004 ----
<S>	<C>	<C>	<C>	<C>
NET TRADING PROFIT/(LOSS)	\$22,488,265	\$ (19,639,871)	\$ (4,945,628)	\$58,195,316
TOTAL EXPENSES	\$ (2,704,888)	\$ (3,931,655)	\$ (3,827,031)	\$ (3,844,587)
NET INCOME BEFORE INCENTIVE ALLOCATION	\$19,912,370	\$ (23,491,026)	\$ (8,659,019)	\$54,365,306
NET INCOME AFTER INCENTIVE ALLOCATION	\$18,916,751	\$ (22,786,517)	\$ (8,455,193)	\$52,346,207

</TABLE>

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in, or disagreements with, accountants on accounting and financial disclosure.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

(a) The following is a list of all financial statements filed as part of this Registration Statement:

DESCRIPTION OF FINANCIAL STATEMENTS -----	PAGE NUMBER -----
<S>	<C>
Goldman Sachs Hedge Fund Partners II, LLC Financial Statements	
Report of Independent Registered Public Accounting Firm.....	F-2
Schedule of Investments as of December 31, 2004 and 2003.....	F-3
Balance Sheet as of December 31, 2004 and 2003.....	F-4
Statement of Operations for the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003.....	F-5
Statement of Changes in Members' Equity for the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003.....	F-6
Statement of Cash Flows for the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003.....	F-7
Notes to Financial Statements.....	F-8

</TABLE>

(b) A list of the exhibits filed as part of this Registration Statement is included in the Exhibit Index appearing on page E-1 hereof.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC
(Registrant)

By: Goldman Sachs Hedge Fund Strategies
LLC
Managing Member

Date: May 2, 2005

By: /s/ Tobin V. Levy

Name: Tobin V. Levy

INDEX OF EXHIBITS

EXHIBIT NO. -----	DESCRIPTION -----
3	Copy of Limited Liability Company Agreement of Goldman Sachs Hedge Fund Partners II, LLC dated August 1, 2003 (Note: the LLC Agreement also defines the rights of the holders of Units of the Company).
10.1	Copy of Limited Liability Company Agreement of Goldman Sachs Global Tactical Trading II, LLC dated June 2, 2003.
10.2	Copy of Amended and Restated Limited Liability Company Agreement of Goldman Sachs Global Equity Long/Short, LLC dated July 1, 2004.
10.3	Copy of Limited Liability Company Agreement of Goldman Sachs Global Relative Value II, LLC dated May 1, 2003.
10.4	Copy of Amended and Restated Limited Liability Company Agreement of Goldman Sachs Global Event Driven, LLC dated July 1, 2004.
10.5	Distribution Agreement between Goldman Sachs Hedge Fund Partners II, LLC and Goldman, Sachs & Co. dated August 1, 2003.
10.6	Administration Agreement between Goldman Sachs Hedge Fund Partners II, LLC and Goldman Sachs Hedge Fund Strategies LLC (formerly Goldman Sachs Princeton LLC) dated August 1, 2003.
11	Not applicable and not filed.
12	Not applicable and not filed.

INDEX OF FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

DESCRIPTION OF FINANCIAL STATEMENTS -----	PAGE NUMBER -----
<S>	<C>
Goldman Sachs Hedge Fund Partners II, LLC Financial Statements	
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Statement of Changes in Members' Equity for the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003.....	F-6
Statement of Cash Flows for the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003.....	F-7
Notes to Financial Statements.....	F-8

</TABLE>

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Managing Member and Members
 Goldman Sachs Hedge Fund Partners II, LLC

We have audited the accompanying balance sheet, including the schedule of investments, of Goldman Sachs Hedge Fund Partners II, LLC (the "Company"), as of December 31, 2004 and 2003, and the related statements of operations, changes in members' equity and cash flows for the year ended December 31, 2004 and for the period from commencement of operation (August 1, 2003) to December 31, 2003. These financial statements are the responsibility of the managing member. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goldman Sachs Hedge Fund Partners II, LLC at December 31, 2004 and 2003, the results of its operations, changes in members' equity and its cash flows for the year ended December 31, 2004 and for the period from commencement of operation (August 1, 2003) to December 31, 2003 in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

New York, New York
 April 22, 2005

<TABLE>
 <CAPTION>

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

SCHEDULE OF INVESTMENTS

DECEMBER 31, 2004 AND 2003

Investee	2004			2003	
	Fair value	% of members' equity(1)	\$ of adjusted members' equity(2)	Fair value	% of members' equity
<S>	<C>	<C>	<C>	<C>	<C>
Goldman Sachs Global Equity Long/Short, LLC	\$ 208,922,802	18.15%	16.91%	\$ 65,279,818	14.36%
Goldman Sachs Global Event Driven, LLC	287,940,001	25.02%	23.31%	100,670,059	22.14%
Goldman Sachs Global Tactical Trading II, LLC	279,479,970	24.29%	22.63%	119,531,941	26.28%

Goldman Sachs Global Relative Value II, LLC	459,867,687	39.96%	37.23%	170,800,069	37.56%
Total investments (cost \$1,162,143,254 and \$437,160,917, respectively)	\$ 1,236,210,460	107.42%	100.08%	\$ 456,281,887	100.34%

<FN>

(1) Members' equity, used in the calculation of the investments as a % of members' equity, is reduced for member redemptions that are paid after the balance sheet date.

(2) Adjusted members' equity, used in the calculation of the investments as a percentage of adjusted members' equity, represents members' equity excluding Redemptions payable in the amount of \$84,411,871 that are payable after December 31, 2004.

</FN>

</TABLE>

The Goldman Sachs Hedge Fund Partners II, LLC proportionate share of each individual investment owned by any individual Investee does not exceed 5% of members' equity. Where an underlying investment of an Investee is held by more than one Investee, such investments are aggregated for the purpose of ensuring that any individual investment does not exceed 5% of members' equity.

See accompanying notes.

<TABLE>

<CAPTION>

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

BALANCE SHEET

DECEMBER 31, 2004 AND 2003

	ASSETS	
	2004	2003
<S>	<C>	<C>
Assets:		
Cash and cash equivalents	\$ 2,909,015	\$ 16,000,000
Investments (cost \$1,162,143,254 and \$437,160,917, respectively)	1,236,210,460	456,281,887
Other assets	-	511,950
Total assets	\$ 1,239,119,475	\$ 472,793,837

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Due to bank	\$ -	\$ 16,000,000
Redemptions payable	84,411,871	-
Accounts payable and accrued liabilities	86,719	950,016
Due to managing member	3,799,261	1,087,751
Total liabilities	88,297,851	18,037,767
Members' equity (units outstanding 10,922,127.85 and 4,376,069.56, respectively)	1,150,821,624	454,756,070
Total liabilities and members' equity	\$ 1,239,119,475	\$ 472,793,837

Analysis of members' equity:

Net capital contributions, accumulated net investment income/(loss) and realized profit/(loss)	\$ 1,076,754,418	\$ 435,635,100
Accumulated net unrealized profit/(loss)	\$ 74,067,206	\$ 19,120,970

</TABLE>

See accompanying notes.

<TABLE>
<CAPTION>

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2004 AND FOR THE PERIOD
FROM COMMENCEMENT OF OPERATIONS (AUGUST 1, 2003) TO DECEMBER 31, 2003

	2004	2003
	-----	-----
<S>	<C>	<C>
Income from trading:		
Equity in earnings of investees:		
Realized profit/(loss)	\$ 1,151,846	\$ -
Change in unrealized profit/(loss)	54,946,236	19,120,970
	-----	-----
Net trading profit/(loss)	56,098,082	19,120,970
Interest income	337,709	56,947
Expenses:		
Management fee	13,452,462	1,573,352
Interest expense	379,544	49,885
Professional fees	472,779	405,566
Miscellaneous expenses	3,376	-
	-----	-----
Total expenses	14,308,161	2,028,803
	-----	-----
Net investment income/(loss)	(13,970,452)	(1,971,856)
	-----	-----
Net income/(loss)	42,127,630	17,149,114
Less: Incentive allocation to the managing member	2,106,382	857,458
	-----	-----
Net income/(loss) available for pro-rata allocation to members	\$ 40,021,248	\$ 16,291,656
	=====	=====

</TABLE>

See accompanying notes.

<TABLE>
<CAPTION>

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2004 AND FOR THE PERIOD
FROM COMMENCEMENT OF OPERATIONS (AUGUST 1, 2003) TO DECEMBER 31, 2003

Managing member's equity	Members' units	Members' equity	Total members' equity
-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>
Subscriptions	\$ -	4,376,069.56	\$ 437,606,956	\$ 437,606,956
Allocations of net income/(loss):				
Incentive allocation	857,458	-	-	857,458
Pro-rata allocation	-	-	16,291,656	16,291,656
	-----	-----	-----	-----
Balance at December 31, 2003	857,458	4,376,069.56	453,898,612	454,756,070
Subscriptions	-	7,347,158.49	739,207,253	739,207,253
Redemptions	(2,963,840)	(748,891.43)	(82,305,489)	(85,269,329)
Share class conversion (See Note 8)	-	(52,208.77)	-	-
Allocations of net income/(loss):				
Incentive allocation	2,106,382	-	-	2,106,382
Pro-rata allocation	-	-	40,021,248	40,021,248
	-----	-----	-----	-----
Balance at December 31, 2004	\$ -	10,922,127.85	\$ 1,150,821,624	\$ 1,150,821,624
	=====	=====	=====	=====

</TABLE>

See accompanying notes.

<TABLE>
<CAPTION>

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2004 AND FOR THE PERIOD
FROM COMMENCEMENT OF OPERATIONS (AUGUST 1, 2003) TO DECEMBER 31, 2003

	2004	2003
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ 42,127,630	\$ 17,149,114
Adjustments to reconcile net income/(loss) to net cash from operating activities:		
Purchases of investments	(750,830,491)	(437,160,917)
Proceeds from sales of investments	27,000,000	-
Realized profit/(loss) from sales of investments	(1,151,846)	-
Change in unrealized profit/(loss)	(54,946,236)	(19,120,970)
(Increase) decrease in operating assets:		
Other assets	511,950	(511,950)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(863,297)	950,016
Due to managing member	2,711,510	1,087,751
	-----	-----
Net cash from operating activities	(735,440,780)	(437,606,956)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscriptions	739,207,253	437,606,956
Redemptions	(85,269,329)	-
Increase/(decrease) in Due to bank	(16,000,000)	16,000,000
Increase in Redemption payable	84,411,871	-
	-----	-----
Net cash from financing activities	722,349,795	453,606,956
	-----	-----
Net change in cash and cash equivalents	(13,090,985)	16,000,000
Cash and cash equivalents at beginning of period	16,000,000	-
	-----	-----

Cash and cash equivalents at end of period	\$ 2,909,015	\$ 16,000,000
	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid by the Company during the period for interest	\$ 379,544	\$ 49,885
	=====	=====

</TABLE>

See accompanying notes.

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of financial statements

Goldman Sachs Hedge Fund Partners II, LLC (the "Company") was organized as a limited liability company, pursuant to the laws of the State of Delaware and commenced operations on August 1, 2003 for the principal purpose of investing in the equity long/short, event driven, relative value, and tactical trading hedge fund sectors through investments in each of Goldman Sachs Global Equity Long/Short, LLC ("GELS"), Goldman Sachs Global Event Driven, LLC ("GED"), Goldman Sachs Global Relative Value II, LLC ("GRV II") and Goldman Sachs Global Tactical Trading II, LLC ("GTT II") (each an "Investee" and collectively, the "Investees"). Each of these Investees invests directly through trading advisors, or indirectly through investment vehicles managed by such trading advisors (together, the "Advisors"). Goldman Sachs Hedge Fund Strategies LLC ("GS HFS"), formerly Goldman Sachs Princeton LLC, a wholly-owned subsidiary of The Goldman Sachs Group, Inc., is the managing member, administrator and commodity pool operator of the Company.

The financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), which require the managing member to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The financial statements are expressed in United States dollars. Certain reclassifications have been made to previously reported amounts to conform to current year presentation.

The Company is an investment company for financial reporting purposes and accordingly carries its assets and liabilities at fair value. Net asset value per unit is determined by dividing the net assets attributable to each series by that series' respective number of units outstanding.

Consolidation

During the year the Company's ownership percentage of certain Investees exceeded 50%. This ownership percentage will fluctuate as a result of the Company's investment strategy and investor subscriptions and redemptions at the Company and Investee level. The Company does not present consolidated results in its financial statements as the Company does not invest in Investees for purposes of exercising control; ownership in excess of 50% may be temporary; and the consolidation of these balances would not enhance the usefulness or understandability of information to the member. The Company may, but normally does not intend to, exercise control over majority owned Investees.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (continued)

The following table summarizes the Company's ownership in the Investees at December 31, 2004 and 2003:

12/31/2004

	Investee equity	Company investment	% owned by the Company
GELS	\$ 694,878,944	\$ 208,922,802	30.07%
GED	860,469,969	287,940,001	33.46%
GTT II	480,013,357	279,479,970	58.22%
GRV II	848,659,079	459,867,687	54.19%
Total		\$ 1,236,210,460	

12/31/2003

	Investee equity	Company investment	% owned by the Company
GELS	\$ 425,735,121	\$ 65,279,818	15.33%
GED	530,245,182	100,670,059	18.99%
GTT II	265,153,638	119,531,941	45.08%
GRV II	234,412,114	170,800,069	72.86%
Total		\$ 456,281,887	

In addition, in December 2003, the Financial Accounting Standards Board ("FASB") issued interpretation No. 46(R), "Consolidation of Variable Interest Entities" ("FIN 46(R)"), which provides new criteria for determining whether consolidation accounting is required. Registered investment companies have been exempted from the provisions of FIN 46(R) and FIN 46(R) has been deferred for non-registered investment companies pending the release of a FASB Scope of Investment Companies project ("Scope Project"). The Scope Project is designed to determine which entities will qualify as investment companies, and therefore present their investees at fair value. Those entities so qualifying will not need to determine whether their investees should be consolidated pursuant to the provisions of FIN 46(R). FIN 46(R) would have no impact on the Company's net assets or net increase in net assets resulting from operations.

Equity in earnings of investees

Equity in earnings of investees includes the change in fair value of each Investee. Fair values are determined utilizing net asset value information supplied by each individual Investee which includes realized and unrealized gains/losses on investments as well as the Advisor's management fees, incentive fees, administration fees and all other income/expenses. See Note 2 - Investments for further information.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of less than 90 days at the time of purchase and not held for resale to be cash equivalents. Cash equivalents are carried at cost plus accrued interest, which approximates market.

Allocation of net income/(loss)

Net income/(loss) is allocated monthly to the capital account of each member in the ratio that the balance of each such member's capital account bears to the total balance of all members' capital accounts. The managing member receives an incentive allocation equal to five percent of any new appreciation in the net asset value of each series, as defined. Any depreciation in the net asset value of a series must be recouped prior to the managing member receiving an incentive allocation.

Subscriptions and redemptions

Subscriptions to the Company can be made as of the first day of each calendar quarter or at the sole discretion of the managing member. Redemptions from the Company can be made semi-annually after a twelve-month holding period or at such other times as determined at the sole discretion of the managing member, as provided for in the Company's limited liability company agreement.

Income taxes

The Company is taxed as a partnership for U.S. federal income tax purposes. The members include their distributive share of the Company's taxable income or loss on their respective income tax returns. Accordingly, no income tax liability or expense has been recorded in the financial statements of the Company.

Indemnifications

The Company enters into contracts that contain a variety of indemnification arrangements. The indemnification arrangements the Company has entered into with service providers include provisions for the Company to indemnify and hold harmless such service providers for certain liabilities. These indemnification arrangements typically cover liabilities incurred by service providers in connection with the services provided under the contractual arrangements with the Company and are generally entered into as part of a negotiated contractual arrangement stipulating the furnishing of the delineated services. However, under the terms of such contractual arrangements, the Company will not be required to indemnify service providers in certain situations to the extent that the liabilities incurred by the service providers were caused by the gross negligence, willful misconduct, bad faith, reckless disregard of duties, or similar conduct on the part of the service provider. The Company's maximum exposure under these arrangements is unknown. It is not possible to estimate the maximum potential exposure under these agreements, because the indemnification arrangements relate to unforeseeable liabilities suffered as a result of the conduct of the Company or other parties which is presently unknown or unforeseeable. However, the Company has not had prior claims or losses pursuant to these indemnification arrangements and expects the risk of material loss therefrom to be remote.

NOTE 2 - INVESTMENTS

The Investees seek capital appreciation over time by investing in the relative value, event driven, equity long/short and tactical trading hedge fund sectors. The Company's investments in Investees are subject to terms and conditions of the respective operating agreements. The investments are carried at fair value as determined by the Company's attributable share of the net assets of the respective Investees. Fair values are determined utilizing net asset value information supplied by each individual Investee net of each Advisor's management and incentive fees. These fees are included in Equity in earnings of investees on the Statement of Operations. The underlying investments of each Investee are accounted for at fair value. For investments of the underlying Advisor funds, market value normally is based on quoted market prices or broker-dealer price quotations provided to the Advisor fund. In the absence of quoted market prices or broker-dealer price quotations, underlying Advisor fund investments are valued at fair value as determined by the Advisor or their administrator. Because of the inherent uncertainty of valuation, estimated fair values may differ, at times significantly, from the values that would have been used had a ready market existed. GS HFS is the managing member for the four Investees. GS HFS does not charge the Company any management fee or incentive allocation at the Investee level.

The managing member generally has limited access, if at all, to specific information regarding the Advisors' portfolios and relies on valuations provided by the Advisors. Generally, the valuations provided by the Advisors are only audited on an annual basis and are not subject to independent third party verification. Typically, audited financial statements are not received before issuance of the Company's financial statements. GS HFS, in its capacity as managing member of the Company, may perform additional procedures including Advisor due diligence reviews and analytical procedures with respect to the valuations provided by the Advisors and to ensure conformity with GAAP. Valuations provided by the Advisors may differ from the audited values received subsequent to the date of the Company's net asset value determination. In such cases, the Company will evaluate the materiality of any such differences.

The following table summarizes the Company's Equity in earnings of investees for the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003:

Investee	Liquidity	Years ended December 31,	
		2004	2003
-----	-----	-----	-----

GELS	(1)	\$ 14,646,715	\$ 4,077,290
GED	(2)	27,807,234	4,494,657
GTT II	(3)	(917,898)	5,870,102
GRV II	(4)	14,562,031	4,678,921
Total		\$ 56,098,082	\$ 19,120,970

- (1) Redemptions could be made quarterly with 45 days' notice after a twelve-month holding period, or at the sole discretion of the managing member. Effective July 2004, a twelve-month holding period is no longer required.
- (2) Redemptions could be made semi-annually with 45 days' notice after a twelve-month holding period, or at the sole discretion of the managing member. Effective July 2004, a twelve-month holding period is no longer required.
- (3) Redemptions can be made semi-annually with 61 days' notice, or at the sole discretion of the managing member.
- (4) Redemptions can be made semi-annually with 45 days' notice after a twelve-month holding period, or at the sole discretion of the Managing Member.

Goldman Sachs Global Equity Long/Short, LLC

Goldman Sachs Global Equity Long/Short, LLC seeks risk-adjusted absolute returns with volatility lower than the broad equity markets, primarily through long and short investment opportunities in the global equity markets. Strategies generally involve making long and short equity investments, often based on the Advisor's assessment of fundamental value compared to market price, although Advisors employ a wide range of styles.

Goldman Sachs Global Event Driven, LLC

Goldman Sachs Global Event Driven, LLC seeks risk-adjusted absolute returns with volatility and correlation lower than the broad equity markets by allocating assets to Advisors that operate primarily in the global event driven sector. Event driven strategies seek to identify security price changes resulting from corporate events such as restructurings, mergers, takeovers, spin-offs, and other special situations. Corporate event arbitrageurs generally choose their investments based on their perceptions of the likelihood that the event or transaction will occur, the amount of time that the process will take, and the perceived ratio of return to risk. Strategies that may be utilized in the event driven sector include risk arbitrage/special situations, credit opportunities/distressed securities and multi-strategy investing. Other strategies may be employed as well.

Goldman Sachs Global Tactical Trading II, LLC

Goldman Sachs Global Tactical Trading II, LLC seeks long-term risk-adjusted returns by allocating its assets to Advisors that employ strategies primarily within the tactical trading sector. Tactical trading strategies are directional trading strategies that generally fall into one of the following two categories: managed futures strategies and global macro strategies. Managed futures strategies involve trading in the global futures and currencies markets, generally using systematic or discretionary approaches. Global macro strategies generally utilize analysis of macroeconomic, geopolitical, and financial conditions to develop views on country, regional or broader economic themes and then seek to capitalize on such views by trading in securities, commodities, interest rates, currencies and various financial instruments.

Goldman Sachs Global Relative Value II, LLC

Goldman Sachs Global Relative Value II, LLC seeks risk-adjusted absolute returns with volatility and correlation lower than the broad equity markets by allocating assets to Advisors that operate primarily in the global relative value sector. Relative value strategies seek to profit from the mispricing of financial instruments, capturing spreads between related securities that deviate from their fair value or historical norms. Directional and market exposure is generally held to a minimum or completely hedged. Strategies that may be utilized in the relative value sector include convertible arbitrage, equity arbitrage and fixed-income arbitrage. Other strategies may be employed as well.

Information regarding the actual management and incentive fees charged by the Advisors for the period was not available for all Advisors. The

following table reflects the weighted average Advisors' management fee and incentive fee rates at the Investee level at December 31, 2004 and 2003. The weighted average is based on the period ended market values of each Advisor investment in proportion to the Investees' total investments. The fee rates used in the weighted average calculation are the actual rates charged by each Advisor.

Investee	2004		2003	
	Management fees	Incentive fee	Management fees	Incentive fee
GELS	1.42%	20.00%	1.27%	19.78%
GED	1.43%	19.94%	1.44%	19.93%
GTT II	2.17%	20.47%	2.09%	20.42%
GRV II	1.53%	20.00%	1.60%	20.34%

The Advisors' management and incentive fees are not paid to the managing member.

The following table summarizes the cost of the Company's investments in the Investees at December 31, 2004 and 2003:

Investee	12/31/2004	12/31/2003
GELS	\$ 190,198,797	\$ 61,202,528
GED	255,638,110	96,175,402
GTT II	275,679,612	113,661,838
GRV II	440,626,735	166,121,149
Total	\$ 1,162,143,254	\$ 437,160,917

NOTE 3 - FEES

The Company pays a monthly management fee to GS HFS equal to 1.25% per annum of the net assets of the Company as of each month-end, as defined.

The Company pays a monthly administration fee to GS HFS equal to 0.20% per annum of the net assets at the Investee level. The administration fee is charged at the Investee level and is included in Equity in earnings of investees on the Statement of Operations. For the year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003, the administration fee charged at the Investee level by GS HFS totaled \$2,151,510 and \$251,881, respectively.

GS HFS and the Company have entered into an agreement with SEI Global Services, Inc. ("SEI") to serve as the sub-administrator of the Company effective March 1, 2004. Pursuant to the agreement, GS HFS is responsible for paying the fees of SEI. GS HFS (in its capacity as the administrator of each Investee) and each Investee have entered into a similar agreement with SEI. See also Note 10 - Subsequent events.

NOTE 4 - RISK MANAGEMENT

In the ordinary course of business, GS HFS in its capacity as managing member of the Company and the Investees attempts to manage a variety of risks, including market, credit and operational risk. GS HFS in its capacity as managing member of the Company and the Investees attempts to identify, measure and monitor risk through various mechanisms including risk management strategies and credit policies. These include monitoring risk guidelines and diversifying exposures across a variety of instruments, markets and counterparties.

Market risk is the risk of potential significant adverse changes to the value of financial instruments because of changes in market conditions such as interest and currency rate movements and volatility in commodity or security prices. GS HFS in its capacity as managing member of the Company and the Investees monitors its exposure to market risk through various analytical techniques.

The Company invests in the Investees, and may from time to time redeem its membership units of the Investees. The Investees, in turn, maintain relationships with counterparties that include the Advisors. These relationships could result in concentrations of credit risk. Credit risk

arises from the potential inability of counterparties to perform their obligations under the terms of the contract. GS HFS in its capacity as managing member of the Investees has formal credit-review policies to monitor counterparty risk.

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. GS HFS in its capacity as managing member of the Company and the Investees maintains controls and procedures for the purpose of mitigating operational risk.

There can be no assurance that GS HFS in its capacity as managing member of the Company and the Investees will be able to implement its risk guidelines or that its risk monitoring strategies will be successful.

NOTE 5 - DERIVATIVE CONTRACTS AND OTHER FINANCIAL INSTRUMENTS

In the normal course of business, the Advisors trade various financial instruments and may enter into various investment activities with off-balance sheet risk. These include, but are not limited to, futures, forwards, swaps and the writing of options. The Company's risk of loss in the Investees is limited to the value of its investment as reported by the Investee.

NOTE 6 - RELATED PARTIES

The Due to managing member liability on the Balance Sheet represents management fees due to GS HFS at December 31, 2004 and 2003.

Goldman, Sachs & Co., an affiliate of the managing member, is one of several prime brokers for the Advisors. Goldman, Sachs & Co. charges fees at prevailing market rates.

Directors and Executive Officers of the managing member own less than 1% of the Company's equity at December 31, 2004 and 2003.

NOTE 7 - BORROWING FACILITY

During the year ended December 31, 2003, the Company entered into a borrowing facility with a major financial institution. The facility was structured as a call spread option that had been issued by the Company to the financial institution. Under the terms of the facility, the Company received cash and redeposited the amount with the financial institution in a collateral account. The Company had the right to draw funds from the collateral account to use for liquidity purposes. The amount of the cash received totaled \$16.0 million at December 31, 2003 and is included in Cash and cash equivalents on the Balance Sheet. The effective interest rate on borrowed amounts represented by funds drawn from the collateral account was the London Interbank Offered Rate ("LIBOR") plus 0.875%. The Company also paid the equivalent of a commitment fee of 0.25% on the undrawn funds. At December 31, 2003, the Company had not drawn any of the cash collateral balance. Included in Due to bank on the Balance Sheet is \$16.0 million at December 31, 2003 which represents the borrowing. This facility expired in October 2004.

On November 24, 2004, the Company entered into a credit facility with a new financial institution. Subject to rejection by the new financial institution, the Company may request to borrow up to \$40.0 million. At the time of any borrowing, the aggregate amounts borrowed may not exceed 10% of the Company's net asset value and at all other times the aggregate amount borrowed may not exceed 15% of the Company's net asset value. The effective interest rate on borrowed amounts is LIBOR plus 0.85%. There were no borrowings outstanding at December 31, 2004.

NOTE 8 - MEMBERS' EQUITY

At December 31, 2004, the Company had Class A units outstanding. Each series of Class A units is identical in every regard except with respect to its individualized incentive allocation base. Effective January 1, 2004, Class A Series 2 through Class A Series 5 shares were converted to Class A Series 1 shares, as provided in the Company's private placement memorandum.

Transactions in units for non-managing members for year ended December 31, 2004 and for the period from commencement of operations (August 1, 2003) to December 31, 2003 are as follows:

<TABLE>

<CAPTION>

	2004		2003	
	Units	Amount	Units	Amount
Share class conversion				
Class A				
<S>	<C>	<C>	<C>	<C>
Series 1	3,170,811.64	\$ 332,856,904	-	\$ -
Series 2	(1,166,950.90)	(122,453,547)	-	-
Series 3	(670,350.00)	(69,504,507)	-	-
Series 4	(861,701.58)	(87,716,160)	-	-
Series 5	(524,017.93)	(53,182,690)	-	-
Total	(52,208.77)	\$ -	-	\$ -

Subscriptions

	2004		2003	
	Units	Amount	Units	Amount
Class A				
Series 1	902,736.24	\$ 94,765,029	1,153,049.15	\$ 115,304,915
Series 2	1,618,389.13	161,838,913	1,166,950.90	116,695,090
Series 3	2,184,050.00	218,405,000	670,350.00	67,035,000
Series 4	2,403,942.74	240,394,274	861,701.58	86,170,158
Series 5	2,500.00	250,000	524,017.93	52,401,793
Series 6	106,226.72	10,622,672	-	-
Series 7	40,803.57	4,080,356	-	-
Series 8	19,109.20	1,910,920	-	-
Series 9	32,500.00	3,250,000	-	-
Series 10	22,900.89	2,290,089	-	-
Series 11	14,000.00	1,400,000	-	-
Total	7,347,158.49	\$ 739,207,253	4,376,069.56	\$ 437,606,956

<CAPTION>

	2004		2003	
	Units	Amount	Units	Amount
<S>	<C>	<C>	<C>	<C>
Redemptions				
Class A				
Series 1	748,891.43	\$ 82,305,489	-	\$ -
Total	748,891.43	\$ 82,305,489	-	\$ -

</TABLE>

At December 31, 2004 and 2003, members' equity consists of the following:

<TABLE>

<CAPTION>

	2004		2003	
	Units outstanding	Net asset value	Units outstanding	Net asset value
<S>	<C>	<C>	<C>	<C>
Non-managing members				
Class A				
Series 1	4,477,705.60	\$ 492,113,487	1,153,049.15	\$ 121,041,708
Series 2	1,618,389.13	167,180,096	1,166,950.90	122,453,547
Series 3	2,184,050.00	222,344,197	670,350.00	69,504,507
Series 4	2,403,942.74	244,478,196	861,701.58	87,716,160
Series 5	2,500.00	258,258	524,017.93	53,182,690
Series 6	106,226.72	11,010,123	-	-
Series 7	40,803.57	4,258,112	-	-
Series 8	19,109.20	2,001,573	-	-
Series 9	32,500.00	3,392,326	-	-
Series 10	22,900.89	2,371,617	-	-
Series 11	14,000.00	1,413,639	-	-
Subtotal	10,922,127.85	\$ 1,150,821,624	4,376,069.56	\$ 453,898,612
Managing member		-		857,458
Total members' equity		\$ 1,150,821,624		\$ 454,756,070

</TABLE>

NOTE 9 - FINANCIAL HIGHLIGHTS

Financial highlights for the Company for the year ended December 31, 2004 are as follows:

<TABLE>

<CAPTION>

	Class A Series 1	Class A Series 2	Class A Series 3	Class A Series 4	Class A Series 5	Class A Series 6
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Per unit operating performance:						
Net asset value, beginning of period	\$ 104.98	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Income from operations:						
Net trading profit/(loss)	6.57	4.64	2.95	2.72	4.20	4.47
Net investment income/(loss)	(1.65)	(1.34)	(1.15)	(1.02)	(0.90)	(0.82)
Total income/(loss) from operations	4.92	3.30	1.80	1.70	3.30	3.65
Net asset value, end of period	\$ 109.90	\$ 103.30	\$ 101.80	\$101.70	\$ 103.30	\$ 103.65
Ratios to average net assets (annualized):						
Expenses	1.34%	1.33%	1.32%	1.30%	1.29%	1.28%
Incentive allocation	0.24%	0.17%	0.10%	0.09%	0.17%	0.19%
Total expenses	1.58%	1.50%	1.42%	1.39%	1.46%	1.47%
Net investment income/(loss)	(1.55%)	(1.47%)	(1.38%)	(1.37%)	(1.44%)	(1.45%)
Total return (prior to incentive allocation)	4.93%	3.47%	1.89%	1.79%	3.47%	3.84%
Incentive allocation	(0.24%)	(0.17%)	(0.09%)	(0.09%)	(0.17%)	(0.19%)
Total return	4.69%	3.30%	1.80%	1.70%	3.30%	3.65%
	Class A Series 7	Class A Series 8	Class A Series 9	Class A Series 10	Class A Series 11	
Per unit operating performance:						
Net asset value, beginning of period	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	
Income from operations:						
Net trading profit/(loss)	5.14	5.42	4.94	3.96	1.13	
Net investment income/(loss)	(0.78)	(0.68)	(0.56)	(0.40)	(0.16)	
Total income/(loss) from operations	4.36	4.74	4.38	3.56	0.97	
Net asset value, end of period	\$ 104.36	\$ 104.74	\$ 104.38	\$ 103.56	\$ 100.97	
Ratios to average net assets (annualized):						
Expenses	1.28%	1.27%	1.26%	1.26%	1.26%	
Incentive allocation	0.23%	0.24%	0.22%	0.18%	0.05%	
Total expenses	1.51%	1.51%	1.48%	1.44%	1.31%	
Net investment income/(loss)	(1.48%)	(1.50%)	(1.48%)	(1.43%)	(1.30%)	
Total return (prior to incentive allocation)	4.59%	4.99%	4.61%	3.75%	1.02%	
Incentive allocation	(0.23%)	(0.25%)	(0.23%)	(0.19%)	(0.05%)	
Total return	4.36%	4.74%	4.38%	3.56%	0.97%	

</TABLE>

Financial highlights for the Company for the period from commencement of operations (August 1, 2003) to December 31, 2003 are as follows:

<TABLE>

<CAPTION>

	Class A Series 1	Class A Series 2	Class A Series 3	Class A Series 4	Class A Series 5
<S>	<C>	<C>	<C>	<C>	<C>
Per unit operating performance:					
Net asset value, beginning of period	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Income from operations:					
Net trading profit/(loss)	5.93	5.76	4.27	2.12	1.65
Net investment income/(loss)	(0.95)	(0.83)	(0.59)	(0.33)	(0.16)
Total income/(loss) from operations	4.98	4.93	3.68	1.79	1.49
Net asset value, end of period	\$ 104.98	\$ 104.93	\$ 103.68	\$ 101.79	\$ 101.49
Ratios to average net assets (annualized):					
Expenses	1.40%	1.38%	1.34%	1.28%	1.26%
Incentive allocation	0.26%	0.25%	0.19%	0.09%	0.08%
Total expenses	1.66%	1.63%	1.53%	1.37%	1.34%
Net investment income/(loss)	(1.66%)	(1.64%)	(1.52%)	(1.37%)	(1.30%)
Total return (prior to incentive allocation)	5.24%	5.19%	3.87%	1.88%	1.57%
Incentive allocation	(0.26%)	(0.26%)	(0.19%)	(0.09%)	(0.08%)
Total return	4.98%	4.93%	3.68%	1.79%	1.49%

</TABLE>

Total return is calculated for each series taken as a whole. The ratios to average net assets and the total return for each member may vary based on the timing of capital transactions. The ratio of expenses and net investment income/(loss) to average net assets is calculated by dividing total expenses and net investment income/(loss), respectively, by the month end average net assets for the period. The components of total return are calculated by dividing the change in the per unit value of each component for the period by the net asset value per unit at the beginning of the period. The ratios to average net assets calculated above do not include the Company's proportionate share of net investment income and expenses of the Investees.

NOTE 10 - SUBSEQUENT EVENTS

Effective January 1, 2005, Class A Series 2 through Class A Series 11 units were converted into Class A Series 1 units, as provided in the Company's private placement memorandum.

Effective January 1, 2005, GS HFS agreed to change the administration fee rate charged at the Investee level from 0.20% to the fee rate charged to each Investee by SEI (the "Administration Fee Rate"). It is expected that initially the Administration Fee Rate will generally be in the range of 0.08% to 0.10%, but such rate may be exceeded in certain circumstances, subject to a maximum of approximately 0.20%. In the future, GS HFS may cease to serve as the administrator of the Company and one or more of the Investees and SEI may perform such duties directly. GS HFS and SEI are currently discussing implementing such changes.

LIMITED LIABILITY COMPANY AGREEMENT

OF

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

DATED AS OF AUGUST 1, 2003

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LIMITED LIABILITY COMPANY AGREEMENT OF
GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

Dated as of August 1, 2003

The undersigned (herein called the "Members", which term shall include any persons hereafter admitted to the Company (as defined below) pursuant to Article III of this Agreement (as defined below) and shall exclude any persons who cease to be Members pursuant to Article V or VI of this Agreement) hereby agree to form and hereby form, as of the date and year first above written, a limited liability company (herein called the "Company"), pursuant to the provisions of the Limited Liability Company Act of the State of Delaware (6 Del. Code ss. 18-101, et seq.) (the "Act"), which shall be governed by, and operated pursuant to, the terms and provisions of this Limited Liability Company Agreement (herein called this "Agreement").

ARTICLE I

GENERAL PROVISIONS

Section 1.01 Company Name and Address. The name of the Company is Goldman Sachs Hedge Fund Partners II, LLC. Its principal office is located at 701 Mount Lucas Road, Princeton, New Jersey 08540, or at such other location as the Managing Member (as defined in Section 1.03) in the future may designate. The Managing Member shall promptly notify the Non-Managing Members (as defined in Section 1.03) of any change in the Company's address.

Section 1.02 Fiscal Year. The fiscal year of the Company (herein called the "fiscal year") shall end on December 31 of each calendar year; provided, however, that the Managing Member may change the Company's fiscal year-end, without the consent of the Non-Managing Members, as deemed appropriate by the Managing Member, in its sole discretion.

Section 1.03 Liability of Members. The names of all of the

Members and the amounts of their respective contributions to the Company (herein called the "Capital Contributions") are set forth in a schedule (herein called the "Schedule"), which shall be filed with the records of the Company at the Company's principal office (as set forth in Section 1.01) and is hereby incorporated by reference and made a part of this Agreement.

The Member designated in Part I of the Schedule as the Managing Member (herein called the "Managing Member") shall manage the operations of the Company. The Members designated in Part II of the Schedule are referred to herein as the "Non-Managing Members." The Managing Member, the Non-Managing Members and the former Non-Managing Members shall be liable for the repayment and discharge of all debts and obligations of the Company attributable to any fiscal year (or relevant portion thereof) during which they are or were Members of the Company.

The Members and all former Members shall share all losses, liabilities or expenses suffered or incurred by virtue of the operation of the preceding paragraph of this Section 1.03 in the proportions of their respective Capital Accounts (as defined in Section 4.03) for the fiscal year (or relevant portion thereof) to which any debts or obligations of the Company are attributable. A Member's or former Member's share of all losses, liabilities or expenses shall not be greater than its respective interest in the Company for such fiscal year (or relevant portion thereof).

As used in this Section 1.03, the terms "interests in the Company" and "interest in the Company" shall mean with respect to any fiscal year (or relevant portion thereof) and with respect to each Member (or former Member), the Capital Account (or, in the case of a Member with more than one series of Units (as defined below), the Capital Accounts) that such Member (or former Member) would have received (or in fact did receive) pursuant to the terms and provisions of Article VI upon withdrawal from the Company as of the end of such fiscal year (or relevant portion thereof).

Notwithstanding any other provision in this Agreement to the contrary, in no event shall any Member (or former Member) be obligated to make any additional contribution or payment whatsoever to the Company, or have any liability for the repayment and discharge of the debts and obligations of the Company (apart from its interest in the Company), except that a Non-Managing Member (or former Non-Managing Member) shall, in the discretion of the Managing Member, be required, for purposes of meeting such Member's (or former Member's) obligations under this Section 1.03, to make additional contributions or payments, respectively, up to, but in no event in excess of, the aggregate amount of returns of capital and other amounts actually received by it from the Company during or after the fiscal year to which any debt or obligation is attributable.

As used in this Agreement, the terms "former Non-Managing Member" and "former Member" refer to such persons or entities as hereafter from time to time cease to be a Non-Managing Member or Member, respectively,

pursuant to the terms and provisions of this Agreement.

Section 1.04 Purposes of the Company.

(a) The Company is organized for the purposes of (i) allocating its assets among investment funds managed by Goldman Sachs Princeton LLC or any successor entities thereto (such funds, their successors or any funds which replace them or to which the Company allocates its assets in accordance with this Agreement, the "Investment Funds"), each of which directly or indirectly through limited liability companies or other entities managed by Goldman Sachs Princeton LLC or an Affiliate (as defined in Section 2.05) thereof (the "Portfolio Companies") allocates its assets to, or invests in entities managed by, independent investment managers (the "Advisors") (that may or may not be Affiliates of the Managing Member) that employ investment strategies primarily within the tactical trading sector, the equity long/short sector, the relative value sector or the event driven sector, (ii) engaging in any other lawful act or activity for which limited liability companies may be organized under the Act, and (iii) engaging in any and all activities and transactions as the Managing Member may deem necessary or advisable in connection therewith. The initial Investment Funds shall be Goldman Sachs Global Tactical Trading II, LLC, Goldman Sachs Global Equity Long/Short, LLC, Goldman Sachs Global Relative Value II, LLC and Goldman Sachs Global Event Driven, LLC. The allocation of the Company's assets among the Investment Funds shall be determined in the sole discretion of the Managing Member.

(b) Upon the termination of any Investment Fund or if an Investment Fund is no longer accepting additional subscriptions, the Managing Member may, in its sole discretion, allocate the assets previously allocated to such Investment Fund or other assets to any successor entity thereto (or, if there are multiple successors, to the successors thereto), to one or more entities which individually or collectively have an investment objective similar to that of such Investment Fund, or, after notifying the Non-Managing Members and providing them with an opportunity to redeem their Units in accordance with the applicable provisions of Section 5.02, as it shall otherwise determine in its sole discretion.

Section 1.05 Assignability of Units; Assignment by Managing Member.

(a) Except as provided in paragraph (b) below, without the prior written consent of the Managing Member, which may be withheld in its sole and absolute discretion, with or without cause, a Member may not pledge, assign or otherwise transfer its units of limited liability company interests in the Company ("Units") in whole or in part to any person except by operation of law (i) pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of the Member, or (ii) pursuant to the corporate reorganization or merger of the Member, nor substitute any other person as a Member. Any attempted pledge, assignment, transfer or substitution not made in accordance with this Section 1.05 shall be void.

(b) Without the consent of the Non-Managing Members, the Managing Member may assign or otherwise transfer its Managing Member interest in the Company to any corporation, partnership, limited liability company or other entity controlling, controlled by or under common control with the Managing Member, and may substitute any such corporation, partnership, limited liability company or other entity as the Managing Member, as long as such transfer does not, as determined by the Managing Member in its sole discretion, cause the Company to be taxable as a corporation. The Managing Member's limited liability company interest in the Company in respect of its Incentive Allocation (as defined in Section 4.05 (b)(i)) and the Capital Account maintained in respect thereof will not be represented by Units.

Section 1.06 Registered Office and Agent for Service of Process. The registered office of the Company shall be: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process at such office shall be The Corporation Trust Company. The Company may from time to time have such other place or places of business within or without the State of Delaware as may be designated by the Managing Member.

ARTICLE II

MANAGEMENT OF THE COMPANY

Section 2.01 Management Generally. The management of the Company shall be vested exclusively in the Managing Member. Except as authorized by the Managing Member, or as expressly set forth in this Agreement, the Non-Managing Members shall have no part in the management of the Company, and shall have no authority or right to act on behalf of the Company in connection with any matter. The Managing Member, and any Affiliate of the Managing Member, may engage in any other business venture, whether or not such business is similar to the business of the Company, and neither the Company nor any Non-Managing Member shall have any rights in or to such ventures or the income or profits derived therefrom.

Section 2.02 Delegation by Managing Member. The Managing Member shall have the power and authority to delegate to one or more Persons (as defined in Section 2.03(d)), including, without limitation, any officer, employee or agent of the Company or the Managing Member, the Managing Member's rights and powers to manage and control the business and affairs of the Company. The Managing Member may, by written instrument, authorize any Person to enter into and perform under any document on behalf of the Company.

Section 2.03 Authority of the Managing Member. The Managing Member shall have the power on behalf of and in the name of the Company to carry out any and all of the objects and purposes of the Company set forth in Section 1.04 and Section 2.01, and to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary or advisable or incidental thereto, including, without

limitation, the power to:

- (a) open, maintain and close accounts, including custodial accounts, with banks, including banks located inside and outside the United States, and draw checks or other orders for the payment of monies;
- (b) lend, either with or without security, funds or other properties of the Company, and borrow or raise funds (including borrowing from the Managing Member or its Affiliates) and secure the obligations of the Company by pledges or hypothecation of all or any part of the property of the Company;
- (c) do any and all acts on behalf of the Company, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Company's interest in the assets and other property and funds held or owned by the Company, including, without limitation, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and all other like or similar matters;
- (d) engage any person, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity (each a "Person") (including the Managing Member and any of its Affiliates) pursuant to an administration agreement to provide certain administrative services (any such person, firm or entity providing such services being referred to herein as the "Administrator"), including, without limitation, calculating the net asset value (the "NAV") of each series of Units and Members' Capital Accounts, valuing the Company's assets, assisting with the valuation of securities which are not readily marketable, assisting in the preparation of the Company's financial statements, assisting in the preparation and distribution of reports to each Member, maintaining a registry for the ownership of each series of Units and providing other administrative services to the Company;
- (e) consent on behalf of the Company to any changes in the members, directors or officers of the Managing Member, if such consent is required by applicable law;
- (f) engage any personnel, whether part time or full time, attorneys, financial advisers, underwriters, accountants, consultants, appraisers, custodians of the assets of the Company or other Persons as the Managing Member may deem necessary or desirable, whether or not any such Person may

be an Affiliate of the Managing Member or may also be employed by any Affiliate of the Managing Member;

- (g) initially allocate, in its sole discretion, the Company's assets or any portion thereof among the Investment Funds in the manner set forth in the Company's Confidential Private Placement Memorandum (as amended or supplemented from time to time, the "Memorandum"), oversee such allocations and, from time to time, in its sole discretion, re-allocate the Company's assets among the Investment Funds;
- (h) invest any of the Company's cash balances which it determines at any time, in its sole discretion, not to allocate to the Investment Funds, in any instruments it deems appropriate in its sole discretion, including, without limitation, money market funds sponsored by Goldman, Sachs & Co. or its Affiliates;
- (i) redeem the Company's interests in any Investment Fund in order to obtain cash necessary to meet the redemption requests of the Members, or for any other reason in its sole discretion;
- (j) bring and defend actions and proceedings at law or equity and before any governmental, administrative or other regulatory agency, body or commission;
- (k) make distributions to Members in cash or (to the extent permitted hereunder) otherwise;
- (l) prepare and file all necessary returns and statements, pay all taxes, assessments and other impositions applicable to the assets of the Company and withhold amounts with respect thereto from funds otherwise distributable to any Member;
- (m) determine the accounting methods and conventions to be used in the preparation of any accounting or financial records of the Company;
- (n) make any and all tax elections permitted to be made under the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable state, local or foreign tax law;
- (o) determine the tax treatment of any Company transaction or item for purposes of completing the Company's federal, state, local or foreign tax returns; and
- (p) take all actions, and authorize any member, employee, officer, director or other agent of the Managing Member or agent or employee of the Company, to act for and on behalf of the Company, in all matters necessary to, in connection

with, or incidental to, any of the foregoing.

Section 2.04 Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the certification of the Managing Member to the effect that it is then acting as the Managing Member and upon the power and authority of the Managing Member as herein set forth.

Section 2.05 Activity of the Managing Member. The Managing Member and persons controlling, controlled by or under common control with the Managing Member and any of such person's directors, members, stockholders, partners, officers, employees and controlling persons (each an "Affiliate" and collectively, "Affiliates"), shall devote so much of their time to the affairs of the Company as in the judgment of the Managing Member the conduct of its business shall reasonably require, and none of the Managing Member or its Affiliates shall be obligated to do or perform any act or thing in connection with the business of the Company not expressly set forth herein. Nothing herein contained in this Section 2.05 shall be deemed to preclude the Managing Member or its Affiliates from exercising investment responsibility, from engaging directly or indirectly in any other business or from directly or indirectly purchasing, selling or holding securities, options, separate accounts, investment contracts, currency, currency units or any other asset and any interest therein for the account of any such other business, for their own accounts, for any of their family members or for other clients.

Section 2.06 Standard of Care; Indemnification.

(a) None of the Managing Member (including, without limitation, in its capacity as the Administrator) or its Affiliates (each an "Indemnified Person" and collectively the "Indemnified Persons") shall be liable to the Company or to the Members for (i) any act or omission performed or failed to be performed by such person (other than any criminal wrongdoing), or for any losses, claims, costs, damages, or liabilities arising therefrom, in the absence of any criminal wrongdoing, willful misfeasance or gross negligence on the part of such person, (ii) any tax liability imposed on the Company or any Member, or (iii) any losses due to the actions or omissions of any brokers or other agents of the Company.

In the event that any Indemnified Person becomes involved in any capacity in any action, proceeding or investigation brought by or against any person (including any Non-Managing Member) in connection with any matter arising out of or in connection with the Company's business or affairs (including a breach of this Agreement by any Member), the Company will periodically reimburse such Indemnified Person for its legal and other expenses (including the costs of any investigation and preparation) incurred in connection therewith, provided that such Indemnified Person shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined by a court having appropriate jurisdiction in a decision that is not subject to appeal, that such Indemnified Person is not entitled to be indemnified by the Company in

connection with such action, proceeding or investigation as provided in the exception contained in the next succeeding sentence.

To the fullest extent permitted by applicable law, the Company shall also indemnify any Indemnified Person, jointly and severally, against any losses, claims, costs, damages or liabilities to which such Indemnified Person may become subject in connection with any matter arising out of or in connection with the Company's business or affairs, except to the extent that any such loss, claim, cost, damage, or liability results solely from the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person. If for any reason (other than the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person) the foregoing indemnification is unavailable to such Indemnified Person, or is insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable to the Indemnified Person as a result of such loss, claim, cost, damage, or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and such Indemnified Person on the other hand but also the relative fault of the Company and such Indemnified Person, as well as any relevant equitable considerations.

The Company may purchase and maintain insurance on behalf of an Indemnified Person against any liability incurred by such person at the Company's expense.

The reimbursement, indemnity and contribution obligations of the Company under this Section 2.06 shall be in addition to any liability which the Company may otherwise have, both as to action in an Indemnified Person's official capacity and to action in any other capacity, and shall continue as to an Indemnified Person who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of the Managing Member, and shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of the Company, the Managing Member and any other Indemnified Person. The foregoing provisions shall survive any termination of this Agreement.

(b) The reimbursement, indemnification and contribution rights provided by this Section 2.06 shall not be deemed to be exclusive of any other rights to which the Indemnified Person may be entitled under any agreement or as a matter of law, or otherwise, both as to action in an Indemnified Person's official capacity and to action in any other capacity, and shall continue as to an Indemnified Person who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of the Managing Member and shall inure to the benefit of the successors, assigns, heirs and personal representatives of such Indemnified Person.

(c) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.06 shall not be construed as to relieve (or

attempt to relieve) from liability or to provide for the indemnification of any Indemnified Person for any liability (including liability under federal securities law which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law (including ERISA), but shall be construed so as to effectuate the provisions of this Section 2.06 to the fullest extent permitted by applicable law (including ERISA).

(d) The Managing Member shall have power to purchase and maintain insurance on behalf of the Managing Member and the Indemnified Persons at the expense of the Company against any liability asserted against or incurred by them in any such capacity or arising out of the Managing Member's status as such, whether or not the Company would have the power to indemnify the Indemnified Persons against such liability under the provisions of this Agreement.

(e) An Indemnified Person may rely upon and shall be protected in acting or refraining from action upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond debenture, or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) An Indemnified Person may consult with counsel, accountants and other experts reasonably selected by it, and any opinion of an independent counsel, accountant or expert retained with reasonable care shall be full and complete protection in respect of any action taken or suffered or omitted by the Indemnified Person hereunder in good faith and in accordance with such opinion.

(g) The Managing Member may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Managing Member shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with reasonable care by it hereunder.

Section 2.07 Management Fee; Payment of Costs and Expenses. The Company shall pay to the Managing Member a management fee, payable in arrears, for investment management and other management services (the "Management Fee"), accruing daily and calculated and paid on a monthly basis, of one-twelfth of 1.25% of the Net Assets (as defined in Section 4.01(d)) of the Company in respect of each series of Units as of the end of each month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions, redemptions or distributions. For purposes of determining the Management Fee, Net Assets shall not be reduced to reflect any accrued Incentive Allocation and any Management Fee for such month.

If a Member is admitted to, or withdraws from, the Company as of a date other than the first day of a month, the portion of the Management Fee determined with respect to such Member's Capital Account shall be

appropriately pro-rated to take into account the number of days in such month during which such Member was a Member. Partial withdrawals will result in similar pro-ration.

The Managing Member has the right, in its sole discretion, to waive fees or impose different fees on any Member, as may be agreed to by the Managing Member and the Member, and to make the appropriate amendments to this Agreement in order to reflect such fee arrangements.

The Managing Member shall bear its own overhead costs and expenses and provide to the Company news, quotation and computer equipment and services (except to the extent paid for through the permitted use of soft dollars), office space and utilities, and secretarial and clerical personnel.

The Company shall bear its operating expenses, including but not limited to legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting, auditing and tax preparation expenses, custodial expenses, taxes, printing and mailing expenses, fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services to the Company, investment expenses and other expenses associated with the operation of the Company.

In addition, the Company will bear its organizational expenses and the expenses incurred in connection with the offer and sale of Units, including printing costs and legal fees and expenses of the Company, the Managing Member and any placement agent and other expenses of the offering of Units. In addition, the Company will bear, indirectly through its investment in each Investment Fund, its pro rata portion of the offering, organizational and operating expenses of such Investment Fund, including expenses related to the investment of the Company's assets, such as fees to the Advisors, fees and expenses of Portfolio Companies and investment funds in which the Investment Funds invest, brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs and extraordinary expenses.

To the extent that expenses to be borne by the Company are paid by the Managing Member, the Company shall reimburse the Managing Member for such expenses. The Managing Member may elect, from time to time, to bear certain of the Company's expenses described above.

Section 2.08 Principal Transactions and Other Related Party Transactions. Each Non-Managing Member hereby authorizes the Managing Member, on behalf of such Non-Managing Member, to select one or more persons, who shall not be affiliated with the Managing Member, to serve on a committee, the purpose of which will be to consider and, on behalf of the Non-Managing Members, approve or disapprove, to the extent required by applicable law, of principal transactions and certain other related party transactions. In no event shall any such transaction be entered into unless

it complies with applicable law.

Section 2.09 Termination of the Managing Member. Upon the written consent of the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co. and its Affiliates), based on the NAV of such Units, the Managing Member will be required to withdraw from the Company, and the Company will be wound-up and terminated in accordance with Article VII, unless the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co. and its Affiliates), based on the NAV of such Units, agree in writing to continue the business of the Company and to the appointment of one or more new managing members. If the withdrawal of the Managing Member pursuant to this Section 2.09 occurs prior to the end of a month, the Managing Member shall receive the amount of the Management Fee prorated through the date of the effective date of the withdrawal, and the Managing Member shall receive the Incentive Allocation for the fiscal year in which the withdrawal occurred calculated in accordance with Section 4.05(c) as if the date of withdrawal were the last day of the fiscal year.

ARTICLE III

SERIES OF UNITS; ADMISSION OF NEW MEMBERS

Section 3.01 Series of Units. An initial series of Units (the "Initial Series") will be issued on the initial closing date. The initial purchase price per Unit for the Initial Series of Units shall be \$100. The Managing Member may, at any time and from time to time, in its sole discretion, elect to raise additional capital for the Company from Members and from new subscribers on such terms and conditions as may be determined by the Managing Member in its sole discretion. Generally, a new series of Units will be issued on each date an existing Member makes an additional Capital Contribution in accordance with Section 4.02 and on each date a new Member is admitted to the Company in accordance with Section 3.03, except that the Managing Member may issue additional Units of an existing series, or Units of a new series at an initial purchase price other than \$100, provided that any such issuance does not have a material adverse effect on the NAV or Prior High NAV (as defined in Section 4.05(b)(i)) of the Units of any Member. Each Unit will carry equal rights and privileges with each other Unit of the same series. Units issued at the beginning of any fiscal year will be offered at the then current NAV per Unit of the Initial Series if such Initial Series is at or above its Prior High NAV per Unit. If the Initial Series is not at or above its Prior High NAV per Unit, Units will be issued in the next offered series that is at or above its Prior High NAV. If no series of Units is at or above its Prior High NAV at such time, such additional Units will be issued as a separate series at a price per Unit determined by the Managing Member, in its sole discretion. Fractions of Units may be issued to one ten-thousandth of a Unit.

Section 3.02 Conversion of Series. Following the end of each fiscal year, any issued and outstanding series of Units (other than the Initial Series) that is at or above its Prior High NAV may, in the sole

discretion of the Managing Member, be exchanged (after reduction for the Management Fee and any Incentive Allocation) into Units of the Initial Series (or if the Initial Series is not at or above its Prior High NAV per Unit, the next offered series that is at or above its Prior High NAV) at the prevailing NAV per Unit of the Initial Series or such other series of Units (as applicable).

Section 3.03 New Members. Subject to the condition that each new Member shall execute an appropriate counterpart to this Agreement pursuant to which it agrees to be bound by the terms and provisions hereof, the Managing Member may admit one or more new Members on the first day of each calendar quarter or at such other times as the Managing Member may determine in its sole discretion. Admission of a new Member shall not be a cause for dissolution or termination of the Company.

Section 3.04 Adjustment to Number of Units Issued. If at any time the Managing Member determines, in its sole discretion, that an incorrect number of Units was issued to a Member because the NAV in effect on the date of issuance was incorrect, the Company will adjust such Member's Units by increasing or decreasing them, as appropriate, to such number of Units as would have been issued at the correct NAV.

ARTICLE IV

CAPITAL ACCOUNTS OF MEMBERS AND OPERATION THEREOF

Section 4.01 Definitions. For the purposes of this Agreement, unless the context otherwise requires:

- (a) The term "Accounting Period" shall mean the following periods: The initial Accounting Period shall commence upon the commencement of operations of the Company. Each subsequent Accounting Period shall commence immediately after the close of the preceding Accounting Period. Each Accounting Period hereunder shall close immediately before the opening of business on the first to occur of (i) the first day of each fiscal year of the Company, (ii) the effective date of the admission of a new Member pursuant to Section 3.03, (iii) the effective date of an additional Capital Contribution pursuant to Section 4.02, or (iv) the effective date of any redemption or complete withdrawal pursuant to Articles V or VI hereof. The final Accounting Period shall end on the date the Company dissolves.
- (b) The term "Beginning Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets at the beginning of such Accounting Period.
- (c) The term "Ending Value" shall, with respect to any Accounting Period, mean the value of the Company's Net

Assets at the end of such Accounting Period (before giving effect to the Incentive Allocation and the Management Fee for such Accounting Period, but after giving effect to all other expenses for such Accounting Period).

- (d) The term "Net Assets" shall mean the excess of the Company's total assets over its total liabilities, determined in accordance with Section 4.07.
- (e) The term "Net Capital Appreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Ending Value over the Beginning Value.
- (f) The term "Net Capital Depreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Beginning Value over the Ending Value.

Section 4.02 Capital Contributions. Each Member has paid or conveyed by way of contribution to the Company in exchange for the issuance of Units cash and/or marketable securities having an aggregate value equal to the amount set forth opposite such Member's name in Part I or II of the Schedule. Additional Capital Contributions may be made by Members only in accordance with the provisions of this Section 4.02.

Upon the approval of the Managing Member, any existing or prospective Member may purchase additional or newly-issued Units by contributing cash and/or marketable securities to the Company on the first day of any calendar quarter or at such other times as the Managing Member may determine in its sole discretion. The Managing Member and any of its Affiliates may make additional Capital Contributions to the Company in cash and/or marketable securities at any time and in any amounts.

Whether marketable securities shall be accepted as a contribution to the Company shall be determined in the sole discretion of the Managing Member.

Section 4.03 Capital Accounts.

(a) A separate capital account (herein called a "Capital Account") shall be established on the books of the Company for each series of Units. The Capital Account of each series shall initially be an amount equal to the initial Capital Contributions with respect to such series. The Capital Account of a series shall be (i) increased as of the beginning of each Accounting Period to reflect any additional Capital Contributions pursuant to Section 4.02 in respect of such series; (ii) increased as of the end of each Accounting Period to reflect the Net Capital Appreciation of such series; (iii) decreased as of the beginning of each Accounting Period to reflect the redemption of any Units of such series, pursuant to Section 5.02; (iv) decreased as of the end of each Accounting Period to reflect the amount of any distributions (other than in redemption of Units pursuant to Section 5.02) pursuant to Section 5.04 in respect of such

series (including any deemed distributions of taxes paid by the Company pursuant to Section 5.04(c) in respect of such series); (v) decreased for any Incentive Allocation pursuant to Section 4.05(b) and any Management Fee in respect of such series; and (vi) decreased as of the end of each Accounting Period to reflect the Net Capital Depreciation of such series.

(b) At the time of the conversion of any series of Units into Units of the Initial Series or any other series of Units pursuant to Section 3.02, the Capital Account of the converted series of Units shall be reduced to zero, and the Capital Account of the series of Units into which such Units were converted shall be increased by the balance of the Capital Account of the converted series of Units immediately prior to the conversion.

(c) A separate Capital Account shall also be established on the books of the Company for each Member with respect to each series of Units held by such Member. Each Member's Capital Account with respect to a series of Units shall equal the Capital Account of such series times the Member's Membership Percentage (as defined in Section 4.04) with respect to such series of Units.

(d) The Managing Member shall have a separate Capital Account, which shall initially be equal to zero, and which shall be (A) increased by any Incentive Allocation at the time such Incentive Allocation is made, and (B) decreased to reflect the amount of any distributions (including any deemed distributions in connection with the withholding of taxes in respect of such Incentive Allocation pursuant to Section 5.04(c)) made to, or withdrawals made by, the Managing Member in respect of such Incentive Allocation for such Accounting Period.

Section 4.04 Membership Percentages. A membership percentage (a "Membership Percentage") shall be determined for each Member for any given series of Units for each Accounting Period of the Company by dividing the number of Units owned by such Member within a given series by the aggregate number of outstanding Units of such series as of the beginning of such Accounting Period. The aggregate Membership Percentages for each series of Units shall equal 100 percent.

Section 4.05 Allocation of Net Capital Appreciation or Net Capital Depreciation.

(a) Any Net Capital Appreciation or Net Capital Depreciation, as the case may be, for an Accounting Period shall be allocated among the different series of Units pro rata in accordance with the relative Capital Accounts (determined prior to any year to date accrued Incentive Allocation) of each series at the beginning of such Accounting Period.

(b) (i) At the end of each fiscal year of the Company, or at such other date during a fiscal year as of which the following determination is required pursuant to this Section 4.05, five percent (5%) of the amount by which the NAV of a series of Units, (determined prior to any applicable

Incentive Allocation accrual with respect to such series of Units and appropriately adjusted as determined by the Managing Member in its sole discretion for contributions, distributions and redemptions, but after giving effect to the allocation, pursuant to Section 4.05(a), of Net Capital Appreciation and Net Capital Depreciation for the Accounting Period then ending) exceeds such series' Prior High NAV at such date, shall be reallocated to the Capital Account of the Managing Member (the "Incentive Allocation"). The "Prior High NAV" with respect to a series of Units initially shall mean an amount equal to the NAV of such series as of the date of its initial issue. The new Prior High NAV with respect to a series of Units immediately following the end of any period for which an Incentive Allocation has been made with respect to such series shall be reset to equal the NAV of such series, unless the series is exchanged pursuant to Section 3.02 into the Initial Series or another series, in which case the new Prior High NAV shall be reset to equal the NAV of the Initial Series or other series. If the NAV of such series at the end of any fiscal year of the Company, and such other date during a fiscal year as of which the determination of the Incentive Allocation is required pursuant to Section 4.05(c) is less than its Prior High NAV, the Prior High NAV of that series shall not change. The Prior High NAV for each series of Units shall be appropriately adjusted as determined by the Managing Member in its sole discretion to account for contributions, distributions and redemptions made with respect to such series of Units.

(ii) The Incentive Allocation with respect to a series of Units accrues daily and the Company shall credit the Capital Account of the Managing Member as of December 31 of each year for the Incentive Allocation.

(c) In the event that the Company is dissolved other than at the end of a fiscal year, or the effective date of a Member's redemption of Units is other than a fiscal year-end, then the Incentive Allocation described above shall be determined and made as if such date were a fiscal year-end.

(d) Notwithstanding anything to the contrary herein, to the extent that the Company invests in "Hot Issues" (as defined below), and there are Members who are restricted persons within the meaning of the National Association of Securities Dealers, Inc. (the "NASD") Conduct Rule 2110 and the interpretation set forth thereunder in IM-2110-1 entitled "Free-Riding and Withholding" (collectively, the "Interpretation"), investments in Hot Issues will be made through a special account and profits and losses attributable to Hot Issues will not be allocated to the Capital Accounts of Members who are restricted from participating in Hot Issues under the Interpretation. Only those Members who are not restricted persons shall have any beneficial interest in such an account. Notwithstanding anything in this Agreement to the contrary, the Managing Member shall have the right, without the consent of the Members, to make such amendments to this Agreement, and to take such other actions, as it deems advisable and appropriate, in its sole discretion, to implement the purposes of this Section 4.05(d). A "Hot Issue" is any of the securities of

a public offering which trade at a premium in the secondary market whenever such secondary market begins, or otherwise as such term may be interpreted from time to time under the then current rules of the NASD.

Section 4.06 Amendment of Incentive Allocation. The Managing Member shall have the right to amend, without the consent of the Non-Managing Members, Section 4.05 of this Agreement so that the Incentive Allocation (or other performance-based allocation) therein provided conforms to any applicable requirements of the Securities and Exchange Commission and other regulatory authorities; provided, however, that no such amendment shall increase the Incentive Allocation (or other performance-based allocation) as so amended to more than the amount payable in accordance with Section 4.05 of this Agreement (or, in the case of any other performance-based allocation arrangement, the specific arrangement set forth in a written agreement between the affected Non-Managing Member and the Company), without the written consent of the affected Non-Managing Member. The Managing Member reserves the right, in its sole discretion, to apply different performance-based percentage allocations and performance compensation arrangements to any Member, as may be agreed by the Managing Member and such Member.

Section 4.07 Determination of Net Assets.

(a) The Company's Net Assets shall be determined in accordance with U.S. generally accepted accounting principles consistently applied as a guideline and the following principles:

(i) The value of the Company's investment in an Investment Fund shall be equal to the net asset value of the Company's interest in the Investment Fund, determined in accordance with the terms and conditions of the respective governing agreement of each Investment Fund, as it may be amended, supplemented or otherwise modified from time to time.

(ii) All other assets or liabilities of the Company shall be assigned such value as the Administrator may reasonably determine.

(iii) The amount of the Company's assets and liabilities (including without limitation indebtedness for money borrowed and the Management Fee) shall be determined in accordance with U.S. generally accepted accounting principles and guidelines, applied on a consistent basis, provided that the Administrator in its discretion may provide reserves for estimated accrued expenses, liabilities and contingencies, even if such reserves are not required by U.S. generally accepted accounting principles.

(iv) The amount payable to a Member or former Member in redemption of part or all of such Member's or former Member's Units pursuant to Section 5.02 shall be treated as a liability of the Company, until paid, from (but not prior to) the beginning of

the Accounting Period on the Redemption Date (as defined in Section 5.02(a)) for such Units.

(v) The amount to be received by the Company on account of any Capital Contributions pursuant to Section 4.02 shall be treated as an asset of the Company from (but not before) the beginning of the Accounting Period on the effective date of such Capital Contributions.

(vi) Distributions (other than in redemption of Units pursuant to Section 5.02) made pursuant to Section 5.04 (including deemed tax distributions pursuant to Section 5.04(c)) other than as of the beginning of an Accounting Period shall be treated as an advance and as an asset of the Company, until the beginning of the Accounting Period following the date of distribution.

(vii) The Incentive Allocation, if any, credited to the Capital Account of the Managing Member pursuant to Section 4.05(b) shall be treated as a liability, until distributed, from the beginning of the Accounting Period following the Accounting Period in which the Incentive Allocation was credited to such Capital Account.

(b) The Company may suspend the valuation of its assets and liabilities, and any distributions or redemptions of any amounts from Capital Accounts, for any period during which an Investment Fund has suspended the valuation of its assets and liabilities. The Managing Member shall promptly notify Members of any such suspension, and the termination of any such suspension, by means of a written notice.

(c) All values assigned to securities and other assets by the Managing Member or the Administrator pursuant to this Section 4.07 shall be final and conclusive as to all of the Members. The Managing Member may consult with and rely upon valuations of the Company's securities and other assets provided by the Administrator.

Section 4.08 Determination of Net Asset Value. The NAV of a series of Units shall be equal to the balance of the Capital Account with respect to such series of Units. The NAV per Unit of a series shall be equal to the NAV of such series divided by the number of outstanding Units of such series.

Section 4.09 Allocation for Tax Purposes. For each fiscal year, items of income, deduction, gain, loss or credit shall be allocated for income tax purposes among the Members in such manner as to equitably reflect the amounts credited or debited to each Member's Capital Account for the current and prior fiscal years (or relevant portions thereof). Allocations under this Section 4.09 shall be made by the Managing Member in accordance with the principles of Sections 704(b) and 704(c) of the Code and in conformity with applicable Treasury Regulations promulgated

thereunder (including, without limitation, Treasury Regulation Sections 1.704-1(b)(2)(iv)(f)(4), 1.704-1(b)(4)(i) and 1.704-3(e)).

If any Member redeems all of its Units in the Company during a fiscal year or immediately following the end of a fiscal year, and the Member would (absent this sentence) recognize gain under Section 731 of the Code as a result of such withdrawal, the Managing Member may elect to specially allocate to such Member, for U.S. federal income tax purposes, any income and capital gains (including short-term capital gains) realized by the Company during such fiscal year, through and including the date of withdrawal, in an amount up to that amount of income and gain which if so allocated would avoid the Member recognizing gain on the withdrawal under Section 731 of the Code (ignoring for this purpose any adjustments that have been made to the tax basis of the withdrawing Member's Units resulting from any transfers or assignment of the Units (other than the original issue of the Units), including by reason of death). Any such election by the Managing Member shall, to the extent reasonably practicable as determined by the Managing Member in its sole discretion, be applied on an equitable basis to all Members withdrawing during such fiscal year or immediately following the end of such fiscal year.

Section 4.10 Determination by Managing Member of Certain Matters; Managing Member's Discretion.

(a) All matters concerning the valuation of securities and other assets and liabilities of the Company, the allocation of profits, gains and losses among the Members (including for tax purposes) and accounting procedures not expressly provided for by the terms of this Agreement (including, without limitation, allocation and accounting procedures in the event a Member that has an account managed by the Managing Member in a manner similar to the investment program utilized by the Company which causes the assets and liabilities in such account to be transferred to the Company) shall be determined by the Managing Member (or such person as the Managing Member may authorize to make such determination), whose determination shall be final, binding and conclusive as to all of the Members.

(b) Whenever in this Agreement the Managing Member is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the Managing Member shall be entitled to consider only such interests and factors as it desires and may consider its own interests and the interests of its Affiliates and its determination shall be final, binding and conclusive as to all of the Members, or (ii) in its "good faith" the Managing Member shall act under such express standards and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 4.11 Adjustments to Take Account of Interim Year Events. If the Code or regulations promulgated thereunder require an adjustment to the Capital Account of a Member or some other interim year event occurs

necessitating in the Managing Member's judgment an equitable adjustment, the Managing Member shall make such adjustments in the determination and allocation among the Members of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Membership Percentages, Incentive Allocation, the Management Fee, Company expenses, items of income, deduction, gain, loss, credit or withholding for tax purposes, accounting procedures or such other financial or tax items as shall equitably take into account such interim year event and applicable provisions of law, and the determination thereof by the Managing Member shall be final, binding and conclusive as to all of the Members.

Section 4.12 Tax Withholding. If the Company is required to withhold taxes on any distribution to, or to pay or incur any tax with respect to any income allocable to or otherwise on account of, any Member or series of Units, the Company may withhold such amounts and make such payments to such taxing authorities as are necessary to ensure compliance with such tax laws.

ARTICLE V

REDEMPTIONS AND DISTRIBUTIONS

Section 5.01 Redemptions and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company, except as provided in Section 5.04 and Section 7.02; or (ii) to redeem any of its Units other than upon such Member's withdrawal from the Company, except as provided in Sections 5.02 and 6.01 or upon the consent of, or as may be required by, and upon such terms as may be determined by, the Managing Member in its sole discretion. In no event shall a Member be entitled to demand to receive property other than cash.

Section 5.02 Redemptions.

(a) Subject to Section 5.03, each Member shall have the right to redeem some or all of its Units as of the time immediately prior to the opening of business on each January 1 or July 1 occurring on or after the first anniversary of the purchase of such Units by the Member (each, a "Redemption Date"), upon prior written notice received by the Managing Member at least 61 calendar days prior to the Redemption Date. No partial redemption shall be permitted if thereafter the aggregate NAV of the remaining Units held by the redeeming Member would be less than \$500,000, unless such limitation is waived by the Managing Member in its sole discretion. Units of a particular series will be redeemed at a per Unit price (the "Redemption Price") based upon the NAV of such series as of the close of business on the day immediately preceding the applicable Redemption Date (taking into account the allocation of any Net Capital Appreciation or Net Capital Depreciation under Section 4.05 and any distributions under Section 5.04 for the Accounting Period then ending), after reduction for any Management Fee and Incentive Allocation and other liabilities of the Company to the extent accrued or otherwise attributable to the Units being redeemed (calculated as if the Redemption Date were the

last day of the fiscal year), and the amount of any such reduction for the Management Fee shall be paid to the Managing Member, and the amount of any such reduction for any Incentive Allocation shall be allocated to the Capital Account of the Managing Member. If a redeeming Member owns Units of more than one series, unless otherwise specified by such Member in writing, Units shall be redeemed on a "first in-first out" basis for purposes of determining the Redemption Price. The Company will endeavor to pay the redemption proceeds, within 45 days following the applicable Redemption Date, without interest. The Managing Member may permit redemptions at other times, in other amounts and upon other terms subject to any conditions that it may impose in its sole discretion.

(b) The Managing Member shall have the right, in its sole discretion, as of any date that it determines (including during a fiscal year) and for any reason (including, without limitation, pursuant to Article VI, for regulatory or tax reasons, or for any other reason), to redeem any or all of a Member's Units. Any redemptions made pursuant to this Section 5.02(b) shall be paid out in accordance with Section 5.02(a).

(c) Subject to the redemption provisions of this Agreement, the Managing Member, and any Affiliate of the Managing Member, shall have the right to redeem any and all of its Units without notice to the Non-Managing Members.

(d) If at any time after a redemption of Units (including in connection with any withdrawal of a Member from the Company pursuant to Article VI) the Managing Member determines, in its sole discretion, that the amount paid to such Member or former Member pursuant to such redemption was materially incorrect (including because the NAV at which the Member or former Member purchased such Units was incorrect), the Company will pay to such Member or former Member any additional amount that it determines such Member or former Member would have been entitled to receive had the redemption been effected at the correct NAV, or, in its sole discretion, seek payment from such Member or former Member of (and such Member or former Member shall be required to pay) the amount of any excess payment that the Managing Member determines such Member or former Member received, in each case without interest.

Section 5.03 Limitation on Redemptions.

(a) The right of any Member to redeem some or all of its Units pursuant to the provisions of Section 5.02 is subject to the provision by the Managing Member for all Company liabilities in accordance with the Act, and for reserves for estimated accrued expenses, liabilities and contingencies in accordance with Section 4.07.

(b) The Managing Member may suspend redemptions, at any time prior to the effective date of the redemption, and notwithstanding the fact that a timely redemption request has previously been made, for the whole, or any part, of any of the following periods: (i) during the closing of the principal stock exchanges or other markets on which any substantial portion

of the Company's direct or indirect investments, in the opinion of the Managing Member, is quoted or dealt in other than for ordinary holidays, or the restriction of suspension of dealings therein; (ii) during the existence of any state of affairs which, in the opinion of the Managing Member, constitutes an emergency as a result of which the determination of the price, value or disposition of the Company's direct or indirect investments would be impractical or prejudicial to Members; (iii) during which redemptions would, in the opinion of the Managing Member, result in a violation of applicable law; (iv) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company or the current price or values on any stock exchange in respect of assets of the Company; (v) during the occurrence of any period when the Company is unable to withdraw sufficient funds from the Investment Funds or Portfolio Companies or otherwise to meet redemption requests or in circumstances when the disposal of part or all of the Company's assets to meet such redemption requests would be prejudicial to Members; and (vi) during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Managing Member, be effected at advantageous rates of exchange. Postponed redemptions shall be effected at the month-end following the termination of the suspension. Any part of a redemption request that is postponed shall take precedence over later-received redemption requests until the postponed request or requests have been satisfied in full. Members shall be given notice in writing of the suspension of redemptions and the termination of any such suspension. Units shall be held by the Member during the suspension period as if no redemption request had been made.

Section 5.04 Distributions.

(a) The Managing Member may make distributions in cash (i) in its discretion, in connection with redemptions from the Company by a Member or in connection with a Member's complete withdrawal from the Company pursuant to Article VI, (ii) in its discretion, at any time to the Managing Member in an amount not in excess of the then positive balance in its Capital Account to which the Incentive Allocation is credited pursuant to Section 4.03, and (iii) in its discretion, at any time to all of the Members on a pro rata basis in accordance with the Members' Capital Accounts.

(b) If a distribution is made in-kind, immediately prior to such distribution, the Managing Member shall determine the fair market value of the property distributed and adjust the Capital Accounts of all Members upwards or downwards to reflect the difference between the book value and the fair market value thereof, as if such gain or loss had been recognized upon an actual sale of such property and allocated pursuant to Section 4.05. Each such distribution shall reduce the Capital Account of the Member to which the distribution was made by the fair market value thereof.

(c) Any taxes paid over to a governmental authority by the Company pursuant to Section 4.12 with respect to any Member (other than on account of all Members equally) shall be deemed to be a distribution to

such Member. If a Member who receives a deemed distribution of taxes under this Section 5.04(c) owns more than one series of Units, the Managing Member in its sole discretion may allocate such deemed distribution among such Member's different series of Units. Notwithstanding the foregoing, the Managing Member in its sole discretion may elect to treat any deemed distribution to a Member under this Section 5.04(c), not as a distribution, but as an advance to the Member and a partial redemption of such Member's Units as of the next Redemption Date following the deemed distribution, and such Member's Units shall be reduced thereby as appropriately determined by the Managing Member.

ARTICLE VI

WITHDRAWAL, DEATH, DISABILITY

Section 6.01 Withdrawal, Death, etc. of Members.

(a) The withdrawal, death, adjudication of incompetency, insolvency or bankruptcy of a Member shall not dissolve the Company. Subject to the restrictions set forth in Section 1.05(a), upon the assignment of a Member's Units by operation of law (i) pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of such Member or (ii) pursuant to the corporate reorganization or merger of such Member, the legal representatives or successors of such Member shall succeed as assignee to the Member's interest in the Company, but shall not be admitted as a substituted member without the consent of the Managing Member.

(b) In the event of the assignment of a Member's Units by operation of law (i) pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of such Member or (ii) pursuant to the corporate reorganization or merger of such Member, the legal representatives or successors of such Member will be required to promptly provide written notice of such event to the Company. The membership interest of such Member shall continue at the risk of the Company's business until the last day of the calendar month following the calendar month in which the Managing Member received written notice of such event. At the end of such period, the Managing Member shall, in its sole discretion, either (i) substitute the legal representatives or successors of the former Members as Members of the Company, provided that the Managing Member determines in its sole discretion that such legal representatives or successors are qualified to become Members of the Company, or (ii) redeem such former Member's interest in the Company in accordance with the redemption provisions set forth in Article V.

Section 6.02 Required Withdrawals. The Managing Member may at any time and for any reason, in its sole discretion, terminate the interest of any Member in the Company or require a Member to withdraw any part of its Capital Account. A Member required to withdraw under this Section 6.02 shall be treated for all purposes of distribution of redemption proceeds as a Member who has given notice of a redemption of all of its capital under

ARTICLE VII

DURATION AND DISSOLUTION OF THE COMPANY

Section 7.01 Duration. The Company shall continue until the earlier of (i) a determination by the Managing Member that the Company should be dissolved and wound-up; (ii) the termination, bankruptcy, insolvency, dissolution or withdrawal by the Managing Member other than by assignment of the Managing Member's interest as provided in Section 1.05(b); or (iii) upon 60 days' prior written notice to the Managing Member of the affirmative vote of the holders of at least 66-2/3% of the voting power of the outstanding Units (other than Units held by Goldman, Sachs & Co. and its Affiliates), based on the NAV of such Units, at a meeting duly called for the purpose of liquidating the Company. Upon a determination to dissolve the Company, redemptions, and distributions in respect thereof, may not be made.

Section 7.02 Dissolution.

(a) On dissolution of the Company, the Managing Member shall, within no more than 30 days after completion of a final audit of the Company's financial statements, make distributions out of Company assets, in the following manner and order:

(i) to creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or by establishment of reserves); and

(ii) to the Members in the proportion of their respective Capital Accounts.

(b) The Managing Member, in its discretion, at any time and from time to time, may designate one or more liquidators, including, without limitation, one or more partners, members or officers of the Managing Member, who shall have full authority to wind up and liquidate the business of the Company and to make final distributions as provided in this Section 7.02. The appointment of any liquidator may be revoked or a successor or additional liquidator or liquidators may be appointed at any time by an instrument in writing signed by the Managing Member. Any such liquidator may receive compensation as shall be fixed, from time to time, by the Managing Member.

(c) In the event that the Company is dissolved on a date other than the last day of a fiscal year, the date of such dissolution shall be deemed to be the last day of a fiscal year for purposes of adjusting the Capital Accounts of the Members pursuant to Section 4.03. For purposes of distributing the assets of the Company upon dissolution, the Managing Member shall be entitled to a return, on a pari passu basis with the

Non-Managing Members, of the amount standing to its credit in its Capital Account.

ARTICLE VIII

TAX RETURNS; REPORTS TO MEMBERS

Section 8.01 Independent Auditors. The financial statements of the Company shall be audited by Ernst & Young LLP, or such other certified public accountants of similar standing selected by the Managing Member, as of the end of each fiscal year of the Company.

Section 8.02 Filing of Tax Returns. The Managing Member shall prepare and file, or cause the accountants of the Company to prepare and file, a federal information tax return in compliance with Section 6031 of the Code, and any required state and local income tax and information returns for each tax year of the Company.

Section 8.03 Tax Matters Partner. The Managing Member shall be designated on the Company's annual federal information tax return, and have full powers and responsibilities, as the "Tax Matters Partner" of the Company for purposes of Section 6231(a)(7) of the Code. In the event the Company shall be the subject of an income tax audit by any federal, state or local authority, to the extent the Company is treated as an entity for purposes of such audit, including administrative settlement and judicial review, the Tax Matters Partner shall be authorized to act for, and its decision shall be final and binding upon, the Company and each Member thereof. All expenses incurred in connection with any such audit, investigation, settlement or review shall be borne by the Company.

Section 8.04 Financial Reports to Current Members. The Company shall prepare and mail to each Non-Managing Member (i) annual audited financial statements after the end of the Company's fiscal year, (ii) quarterly unaudited information as to the performance of the Company and (iii) information necessary for such Member to complete its U.S. federal, state and local income tax returns (including such information that such Member may reasonably require annually to complete its tax filing obligations, provided that the Managing Member may provide the same without undue effort or expense).

Section 8.05 Tax Reports to Members and Former Members. The Company shall use reasonable efforts to prepare and mail, or cause its accountants to prepare and mail, to each Member and, to the extent necessary, to each former Member (or its legal representatives), as soon as possible after the close of each fiscal year of the Company, a report setting forth in sufficient detail such information as shall enable such Member or former Member (or such Member's legal representatives) to prepare their respective federal income tax returns and/or extensions in accordance with the laws, rules and regulations then prevailing.

Section 8.06 Partnership Status of Company. The Managing Member

intends for the Company to be treated as a partnership for U.S. federal income tax purposes. Notwithstanding anything herein to the contrary, neither the Company nor the Managing Member shall make an election (i.e., check-the-box) under Treasury Regulation Section 301.7701-3 for the Company to be classified for federal income tax purposes as an association taxable as a corporation.

ARTICLE IX

MISCELLANEOUS

Section 9.01 General. This Agreement (i) shall be binding on the permitted transferees, assigns, executors, administrators, estates, heirs, and legal successors and representatives of the Members and (ii) may be executed, through the use of separate signature pages or supplemental agreements in any number of counterparts with the same force and effect as if the parties executing such counterparts had all executed one counterpart; provided, however, that each such counterpart shall have been executed by the Managing Member and that the counterparts, in the aggregate, shall have been signed by all of the Members.

Section 9.02 Power of Attorney. Each of the Members hereby appoints the Managing Member as its true and lawful representative and attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, swear to and file:

- (a) a Certificate of Formation of the Company and any amendments thereto as may be required under the Act;
- (b) any duly adopted amendment to this Agreement;
- (c) any and all instruments, certificates, and other documents that may be deemed necessary or desirable to effect the dissolution and winding-up of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); and
- (d) any business certificate, fictitious name certificate, amendment thereto, or other instrument or document of any kind whatsoever necessary, desirable or convenient to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state, local or foreign law.

The power of attorney hereby granted by each of the Non-Managing Members is coupled with an interest, is irrevocable, and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Non-Managing Member; provided, however, that such power of attorney shall terminate upon the substitution of another non-managing member for all of such Non-Managing Member's interest in the Company or upon the complete

withdrawal of such Non-Managing Member from participation in the Company.

Section 9.03 Amendments to Limited Liability Company Agreement. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of Members having in excess of 50% of the voting power of the outstanding Units, (or, if an amendment affects only a particular series of Units, with the written consent of Members having in excess of 50% of that series of Units), based on the NAV of such Units, and the affirmative vote of the Managing Member insofar as is consistent with the laws governing this Agreement; provided, however, that without the consent of the Non-Managing Members, the Managing Member may amend this Agreement or the Schedule hereto to (i) reflect changes validly made in the membership of the Company, the Capital Contributions, Membership Percentages and changes in the number of Units held by the Members; (ii) change the provisions relating to the Incentive Allocation so that such provisions conform to the applicable requirements of the Securities and Exchange Commission and other regulatory authorities, so long as such amendment does not increase the Incentive Allocation to more than the amount that would otherwise be determined absent such amendment; (iii) reflect a change in the name of the Company; (iv) make a change that is necessary or, in the opinion of the Managing Member, advisable to qualify the Company as a limited liability company or other entity in which the Members have limited liability under the laws of any state, or ensure that the Company shall not be treated as an association or a publicly traded partnership taxable as a corporation for federal income tax purposes; (v) make any change that does not adversely affect the Members in any material respect; (vi) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal, state or foreign statute, so long as such change is made in a manner which minimizes to the extent practicable, as determined by the Managing Member in its sole discretion, any adverse effect on the Members or that is required or contemplated by this Agreement; (vii) make a change in any provision of this Agreement that requires any action to be taken by or on behalf of the Managing Member or the Company pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; (viii) prevent the Company or the Managing Member from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act of 1940, as amended; (ix) correct mistakes or clarify ambiguities; (x) in the event of adverse changes in the tax law or interpretations thereof applicable to the Company, amend this Agreement as determined by the Managing Member if it deems advisable or necessary to address such changes; (xi) conform this Agreement to the disclosure provided in the Memorandum; (xii) correct or supplement any conflicting provisions and delete or add provisions as may be required by applicable law or regulations, in each case, as determined by the Managing Member in its sole discretion; (xiii) make any other amendment provided such amendment does not become effective until after such affected Members have been given prior written notice of such change and have had the right following receipt of such notice to request the redemption of their Units

and such redemption shall have become effective; or (xiv) make any other amendments similar to the foregoing. Each Member, however, must consent to any amendment that would (a) reduce its Capital Account or rights of redemption or withdrawal; or (b) amend the provisions of this Agreement relating to amendments.

Section 9.04 Instruments. The parties agree to execute and deliver any further instruments or perform any acts which are or may become necessary to carry on the Company created by this Agreement or to effectuate its purposes.

Section 9.05 No Personal Liability For Return of Capital. The Managing Member shall not be personally liable for the return or repayment of all or any portion of Capital Contribution or profits of any Member, it being expressly agreed that any such return of Capital Contribution or profits made pursuant to this Agreement shall be made solely from the assets (which shall not include any right of contribution from the Managing Member) of the Company.

Section 9.06 Choice of Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Delaware and, without limitation thereof, that the Act as now adopted or as may be hereafter amended shall govern the limited liability company aspects of this Agreement. The parties also expressly agree that all actions and proceedings brought by a party against a Member or the Company, in connection with the Company's business or affairs (including a breach of this Agreement by a party hereto) shall be brought in and be subject to the jurisdiction of a court of the State of New York or any federal district court in the State of New York.

Section 9.07 Waiver of Trial By Jury. The parties hereto irrevocably waive to the fullest extent permitted by law any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in the courts of the State of New York located in the City of New York or of the United States District Court for the Southern District of New York and any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 9.08 No Third Party Rights. The provisions of this Agreement, including, without limitation, the provisions of Section 1.03, are not intended to be for the benefit of any creditor or other person (other than the Members in their capacities as such) to whom any debts, liabilities or obligations are owed by (or who otherwise have a claim against or dealings with) the Company or any Member, and no such creditor or other Person shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall by reason of any such provisions make any claim in respect to any debt, liability or obligation (or otherwise) including any debt, liability or obligation pursuant to Section 1.03, against the Company

or any Member.

Section 9.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person or by registered or certified mail. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in the Schedule. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when mailed by registered or certified mail to the proper address or delivered in person.

Section 9.10 Counterparts. This Agreement may be executed in counterparts with the same force and effect as if each of the signatories had executed the same instrument.

Section 9.11 Grantors of Revocable Trusts. Each Non-Managing Member that is a revocable trust agrees that, if the trustee of such revocable trust and the grantor of such revocable trust are the same person, the trustee's execution of this Agreement and any other documents executed in connection with the Company shall bind such person in his or her capacity both as trustee and as grantor of such revocable trust.

Section 9.12 Each Interest in the Company is a Security. The parties expressly agree that each interest in the Company, including without limitation the Units and the interests of the Managing Member in the Company, is a security governed by Article 8 of the Uniform Commercial Code of the State of Delaware, and the Company, each Member and any other party hereto expressly agrees that (i) this establishes the terms of the interests in the Company, and (ii) interests in the Company shall not be represented or evidenced by certificates.

Section 9.13 Goodwill. No value shall be placed on the name or goodwill of the Company, which shall belong exclusively to the Managing Member.

Section 9.14 Headings. The titles of the Articles and the headings of the Sections of this Agreement are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Agreement.

Section 9.15 Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or corporation may require in the context thereof.

Section 9.16 Confidentiality. The Managing Member and the Company may, in their discretion, keep confidential and not disclose to the Non-Managing Members any proprietary information concerning the Company, including, without limitation, investments, valuations, information regarding potential investments, financial information, trade secrets and the like which is proprietary in nature and non-public, any information

regarding the Non-Managing Members of the Company (including, without limitation, the identities of, or the amount of capital contributed by, such Non-Managing Member) or any information about any investment, to the extent that such information is required to be kept confidential or is otherwise subject to disclosure restrictions imposed by the issuer of the investment or the Managing Member, in its reasonable discretion (collectively, "Confidential Information"). Each Non-Managing Member shall not disclose or cause to be disclosed any Confidential Information to any other Person, except as otherwise required by any regulatory authority, law or regulation, or by legal process, without the prior written consent of the Managing Member. Notwithstanding anything in the foregoing or anything else contained in this Agreement to the contrary, except as reasonably necessary to comply with applicable securities laws, each Member (and any employee, representative or other agent thereof) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the offering and ownership of Units and any transaction described in this Section 9.16 or elsewhere in this Agreement and all materials of any kind (including opinions and other tax analyses) that are provided to such Member relating to such tax treatment and tax structure. For this purpose, "tax structure" means any facts relevant to the federal income tax treatment of the offering and ownership of Units and any transaction described in this Section 9.16 or elsewhere in this Agreement, and does not include information relating to the identity of the Company or its Affiliates.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the date first set forth above.

MANAGING MEMBER:

GOLDMAN SACHS PRINCETON LLC

By: /s/ Tobin V. Levy

Name: Tobin V. Levy

Title: Director

NON-MANAGING MEMBERS:

By: GOLDMAN SACHS PRINCETON LLC, on
behalf of each Member, as attorney-in-fact

By: /s/ Tobin V. Levy

Name: Tobin V. Levy
Title: Director

LIMITED LIABILITY COMPANY AGREEMENT
 OF
 GOLDMAN SACHS GLOBAL TACTICAL TRADING II, LLC
 DATED AS OF JUNE 2, 2003

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LIMITED LIABILITY COMPANY AGREEMENT OF
GOLDMAN SACHS GLOBAL TACTICAL TRADING II, LLC

Dated as of June 2, 2003

The undersigned (herein called the "Members", which term shall include any persons hereafter admitted to the Company (as defined below) pursuant to Article III of this Agreement (as defined below) and shall exclude any persons who cease to be Members pursuant to Article V or VI of this Agreement) hereby agree to form and hereby form, as of the date and year first above written, a limited liability company (herein called the "Company"), pursuant to the provisions of the Limited Liability Company Act of the State of Delaware (6 Del. Code ss. 18-101, et seq.) (the "Act"), which shall be governed by, and operated pursuant to, the terms and provisions of this Limited Liability Company Agreement (herein called this "Agreement").

ARTICLE I

General Provisions

Section 1.01 Company Name and Address. The name of the Company is Goldman Sachs Global Tactical Trading II, LLC. Its principal office is located at 701 Mount Lucas Road, Princeton, New Jersey 08540, or at such other location as the Managing Member (as defined in Section 1.03) in the future may designate. The Managing Member shall promptly notify the Non-Managing Members (as defined in Section 1.03) of any change in the

Company's address.

Section 1.02 Fiscal Year. The fiscal year of the Company (herein called the "fiscal year") shall end on December 31 of each calendar year; provided, however, that the Managing Member may change the Company's fiscal year-end, without the consent of the Non-Managing Members, as deemed appropriate by the Managing Member, in its sole discretion.

Section 1.03 Liability of Members. The names of all of the Members and the amounts of their respective contributions to the Company (herein called the "Capital Contributions") are set forth in a schedule (herein called the "Schedule"), which shall be filed with the records of the Company at the Company's principal office (as set forth in Section 1.01) and is hereby incorporated by reference and made a part of this Agreement.

The Member designated in Part I of the Schedule as the Managing Member (herein called the "Managing Member") shall manage the operations of the Company. The Members designated in Part II of the Schedule are referred to herein as the "Non-Managing Members." The Managing Member, the Non-Managing Members and the former Non-Managing Members shall be liable for the repayment and discharge of all debts and obligations of the Company attributable to any fiscal year (or relevant portion thereof) during which they are or were Members of the Company.

The Members and all former Members shall share all losses, liabilities or expenses suffered or incurred by virtue of the operation of the preceding paragraph of this Section 1.03 in the proportions of their respective Capital Accounts (determined as provided in Section 4.03) for the fiscal year (or relevant portion thereof) to which any debts or obligations of the Company are attributable. A Member's or former Member's share of all losses, liabilities or expenses shall not be greater than its respective interest in the Company for such fiscal year (or relevant portion thereof).

As used in this Section 1.03, the terms "interests in the Company" and "interest in the Company" shall mean with respect to any fiscal year (or relevant portion thereof) and with respect to each Member (or former Member), the Capital Account (or, in the case of a Member with more than one series of Units (as defined below), the Capital Accounts) that such Member (or former Member) would have received (or in fact did receive) pursuant to the terms and provisions of Article VI upon withdrawal from the Company as of the end of such fiscal year (or relevant portion thereof).

Notwithstanding any other provision in this Agreement to the contrary, in no event shall any Member (or former Member) be obligated to make any additional contribution or payment whatsoever to the Company, or have any liability for the repayment and discharge of the debts and obligations of the Company (apart from its interest in the Company), except that a Non-Managing Member (or former Non-Managing Member) shall, in the discretion of the Managing Member, be required, for purposes of meeting such Member's (or former Member's) obligations under this Section 1.03, to

make additional contributions or payments, respectively, up to, but in no event in excess of, the aggregate amount of returns of capital and other amounts actually received by it from the Company during or after the fiscal year to which any debt or obligation is attributable.

As used in this Agreement, the terms "former Non-Managing Member" and "former Member" refer to such persons or entities as hereafter from time to time cease to be a Non-Managing Member or Member, respectively, pursuant to the terms and provisions of this Agreement.

Section 1.04 Purposes of the Company. The Company is organized for the purposes of (i) allocating its assets directly or indirectly to a group of investment managers (the "Advisors") (that may or may not be Affiliates (as defined in Section 2.05) of the Managing Member), including through limited liability companies or other entities managed by the Managing Member or one of its Affiliates through which the Company accesses Advisors ("Portfolio Companies"), that employ strategies within the tactical trading sector, (ii) engaging in any other lawful act or activity for which limited liability companies may be organized under the Act, and (iii) engaging in any and all activities and transactions as the Managing Member may deem necessary or advisable in connection therewith.

Section 1.05 Assignability of Units; Assignment by Managing Member.

(a) Except as provided in paragraph (b) below, without the prior written consent of the Managing Member, which may be withheld in its sole and absolute discretion, with or without cause, a Member may not pledge, transfer or assign its units of limited liability company interests in the Company ("Units") in whole or in part to any person except by operation of law (i) pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of the Member or (ii) pursuant to the corporate reorganization or merger of the Member, nor substitute any other person as a Member. Any attempted pledge, transfer, assignment or substitution not made in accordance with this Section 1.05 shall be void.

(b) Without the consent of the Non-Managing Members, the Managing Member may assign or otherwise transfer its Managing Member interest in the Company to any corporation, partnership, limited liability company or other entity controlling, controlled by or under common control with the Managing Member, and may substitute any such corporation, partnership, limited liability company or other entity as the Managing Member as long as such transfer does not, as determined by the Managing Member in its sole discretion, cause the Company to be taxable as a corporation. The Managing Member's limited liability company interest in the Company in respect of its Incentive Allocation (as defined in Section 4.05(b)(i)) and the Capital Account maintained in respect thereof will not be represented by Units.

Section 1.06 Registered Office and Agent for Service of Process. The registered office of the Company shall be: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process at such office shall be The Corporation Trust Company.

The Company may from time to time have such other place or places of business within or without the State of Delaware as may be designated by the Managing Member.

ARTICLE II

Management of the Company

Section 2.01 Management Generally. The management of the Company shall be vested exclusively in the Managing Member. Except as authorized by the Managing Member, or as expressly set forth in this Agreement, the Non-Managing Members shall have no part in the management of the Company, and shall have no authority or right to act on behalf of the Company in connection with any matter. The Managing Member, and any Affiliate of the Managing Member, may engage in any other business venture, whether or not such business is similar to the business of the Company, and neither the Company nor any Non-Managing Member shall have any rights in or to such ventures or the income or profits derived therefrom.

Section 2.02 Delegation by Managing Member. The Managing Member shall have the power and authority to delegate to one or more Persons (as defined in Section 2.03(d)), including, without limitation, any officer, employee or agent of the Company or the Managing Member, the Managing Member's rights and powers to manage and control the business and affairs of the Company. The Managing Member may, by written instrument, authorize any Person to enter into and perform under any document on behalf of the Company.

Section 2.03 Authority of the Managing Member. The Managing Member shall have the power on behalf of and in the name of the Company to carry out any and all of the objects and purposes of the Company set forth in Section 1.04 and Section 2.01, and to perform all acts and enter into and perform all contracts and other undertakings, which it may deem necessary or advisable or incidental thereto, including, without limitation, the power to:

(a) open, maintain and close accounts, including custodial accounts, with banks, including banks located inside and outside the United States, and draw checks or other orders for the payment of monies;

(b) lend, either with or without security, funds or other properties of the Company, and borrow or raise funds (including borrowing from the Managing Member or its Affiliates) and secure the obligations of the Company by pledges or hypothecation of all or any part of the property of the Company;

(c) do any and all acts on behalf of the Company, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Company's interest in the assets and other property and funds held or owned by the Company, including, without limitation, participation in arrangements with creditors, the institution and

settlement or compromise of suits and administrative proceedings and all other like or similar matters;

(d) engage any person, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity (each, a "Person") (including the Managing Member and any of its Affiliates) pursuant to an Administration Agreement (as defined in the Company's Confidential Private Placement Memorandum) to provide certain administrative services (any such person, firm or entity providing such services being referred to herein as the "Administrator"), including, without limitation, calculating the net asset value (the "NAV") of each series of Units and Members' Capital Accounts, valuing the Company's assets, assisting with the valuation of securities which are not readily marketable, assisting in the preparation of the Company's financial statements, assisting in the preparation and distribution of reports to each Member, maintaining a registry for the ownership of each series of Units and providing other administrative services to the Company;

(e) consent on behalf of the Company to any changes in the members, directors or officers of the Managing Member, if such consent is required by applicable law;

(f) engage any personnel, whether part time or full time, attorneys, financial advisers, underwriters, accountants, consultants, appraisers, custodians of the assets of the Company or other Persons as the Managing Member may deem necessary or desirable, whether or not any such Person may be an Affiliate of the Managing Member or may also be employed by any Affiliate of the Managing Member;

(g) allocate the Company's assets to Advisors, Portfolio Companies and investment funds, oversee such allocations and, from time to time, in the sole discretion of the Managing Member, reallocate the Company's assets among existing or new Advisors, Portfolio Companies or investment funds;

(h) invest any of the Company's cash balances which it determines at any time, in its sole discretion, not to allocate to the Advisors, Portfolio Companies or investment funds, in any instruments it deems appropriate in its sole discretion, including, without limitation, money market funds sponsored by Goldman, Sachs & Co. or its Affiliates;

(i) redeem the Company's interests in any investment fund or Portfolio Company in order to obtain cash necessary to meet the redemption requests of the Members, or for any other reason in its sole discretion;

(j) bring and defend actions and proceedings at law or equity and before any governmental, administrative or other regulatory agency, body or commission;

(k) make distributions to Members in cash or (to the extent permitted hereunder) otherwise;

(l) prepare and file all necessary returns and statements, pay all taxes, assessments and other impositions applicable to the assets of the Company and withhold amounts with respect thereto from funds otherwise distributable to any Member;

(m) determine the accounting methods and conventions to be used in the preparations of any accounting or financial records of the Company;

(n) make any and all tax elections permitted to be made under the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable state, local or foreign tax law;

(o) determine the tax treatment of any Company transaction or item for purposes of completing the Company's federal, state, local or foreign tax returns; and

(p) take all actions, and authorize any member, employee, officer, director or other agent of the Managing Member or agent or employee of the Company, to act for and on behalf of the Company, in all matters necessary to, in connection with, or incidental to, any of the foregoing.

Section 2.04 Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the certificate of the Managing Member, to the effect that it is then acting as the Managing Member and upon the power and authority of the Managing Member as herein set forth.

Section 2.05 Activity of the Managing Member. The Managing Member and persons controlling, controlled by or under common control with the Managing Member and any of such person's directors, members, stockholders, partners, officers, employees and controlling persons (each, an "Affiliate" and collectively, "Affiliates"), shall devote so much of their time to the affairs of the Company as in the judgment of the Managing Member the conduct of its business shall reasonably require, and none of the Managing Member or its Affiliates shall be obligated to do or perform any act or thing in connection with the business of the Company not expressly set forth herein. Nothing herein contained in this Section 2.05 shall be deemed to preclude the Managing Member or its Affiliates from exercising investment responsibility, from engaging directly or indirectly in any other business or from directly or indirectly purchasing, selling or holding securities, options, separate accounts, investment contracts, currency, currency units or any other asset and any interest therein for the account of any such other business, for their own accounts, for any of their family members or for other clients.

Section 2.06 Standard of Care; Indemnification.

(a) None of the Managing Member (including, without limitation, in its capacity as the Administrator) or its Affiliates (each, an "Indemnified Person" and collectively the "Indemnified Persons") shall be liable to the

Company or to the Members for (i) any act or omission performed or failed to be performed by such person (other than any criminal wrongdoing), or for any losses, claims, costs, damages, or liabilities arising therefrom, in the absence of any criminal wrongdoing, willful misfeasance or gross negligence on the part of such person, (ii) any tax liability imposed on the Company or any Member or (iii) any losses due to the actions or omissions of the Advisors, any brokers or other agents of the Company.

In the event that any Indemnified Person becomes involved in any capacity in any action, proceeding or investigation brought by or against any person (including any Non-Managing Member) in connection with any matter arising out of or in connection with the Company's business or affairs (including a breach of this Agreement by any Member), the Company will periodically reimburse such Indemnified Person for its legal and other expenses (including the costs of any investigation and preparation) incurred in connection therewith, provided that such Indemnified Person shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined by a court having appropriate jurisdiction in a decision that is not subject to appeal, that such Indemnified Person is not entitled to be indemnified by the Company in connection with such action, proceeding or investigation as provided in the exception contained in the next succeeding sentence.

To the fullest extent permitted by applicable law, the Company shall also indemnify any Indemnified Person, jointly and severally, against any losses, claims, costs, damages or liabilities to which such Indemnified Person may become subject in connection with any matter arising out of or in connection with the Company's business or affairs, except to the extent that any such loss, claim, cost, damage, or liability results solely from the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person. If for any reason (other than the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person) the foregoing indemnification is unavailable to such Indemnified Person, or is insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable to the Indemnified Person as a result of such loss, claim, cost, damage, or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and such Indemnified Person on the other hand but also the relative fault of the Company and such Indemnified Person, as well as any relevant equitable considerations.

The reimbursement, indemnity and contribution obligations of the Company under this Section 2.06 shall be in addition to any liability which the Company may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of the Company, the Managing Member and any other Indemnified Person. The foregoing provisions shall survive any termination of this Agreement.

(b) The reimbursement, indemnification and contribution rights provided by this Section 2.06 shall not be deemed to be exclusive of any

other rights to which the Indemnified Person may be entitled under any agreement or as a matter of law, or otherwise, both as to action in an Indemnified Person's official capacity and to action in any other capacity, and shall continue as to an Indemnified Person who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of the Managing Member and shall inure to the benefit of the successors, assigns, heirs and personal representatives of such Indemnified Person.

(c) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.06 shall not be construed as to relieve (or attempt to relieve) from liability or to provide for the indemnification of any Indemnified Person for any liability (including liability under federal securities law which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law, but shall be construed so as to effectuate the provisions of this Section 2.06 to the fullest extent permitted by applicable law.

(d) The Managing Member shall have power to purchase and maintain insurance on behalf of the Managing Member and the Indemnified Persons at the expense of the Company against any liability asserted against or incurred by them in any such capacity or arising out of the Managing Member's status as such, whether or not the Company would have the power to indemnify the Indemnified Persons against such liability under the provisions of this Agreement.

(e) An Indemnified Person may rely upon and shall be protected in acting or refraining from action upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond debenture, or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) An Indemnified Person may consult with counsel, accountants and other experts reasonably selected by it, and any opinion of an independent counsel, accountant or expert retained with reasonable care shall be full and complete protection in respect of any action taken or suffered or omitted by the Indemnified Person hereunder in good faith and in accordance with such opinion.

(g) The Managing Member may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Managing Member shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with reasonable care by it hereunder.

Section 2.07 Management Fee; Payment of Costs and Expenses. The Company shall pay to the Managing Member a management fee, payable in arrears, for investment management and other management services (the "Management Fee") calculated and paid on a monthly basis, of one-twelfth of 1.25% of the Net Assets (as defined in Section 4.01(d)) of the Company in

respect of each series of Units as of the end of each month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions, redemptions or distributions. For purposes of determining the Management Fee, Net Assets shall be reduced for any Administration Fee (as defined in the Company's Confidential Private Placement Memorandum) for such month, but shall not be reduced to reflect any accrued Incentive Allocation (as defined in Section 4.05(b)) and any Management Fee for such month.

If a Member is admitted to, or withdraws from, the Company as of a date other than the first day of a month, the portion of the Management Fee and Administration Fee determined with respect to such Member's Capital Account shall be appropriately pro-rated to take into account the number of days in such month during which such Member was a Member. Partial withdrawals will result in similar pro-ration.

The Managing Member has the right, in its sole discretion, to waive fees or impose different fees on any Member, as may be agreed to by the Managing Member and the Member, and to make the appropriate amendments to this Agreement in order to reflect such fee arrangements.

The Managing Member shall bear its own overhead costs and expenses and provide to the Company news, quotation and computer equipment and services (except to the extent paid for through the permitted use of soft dollars), office space and utilities, and secretarial and clerical personnel.

The Company shall bear its operating expenses, including but not limited to legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting, auditing and tax preparation expenses, custodial expenses, taxes, printing and mailing expenses, fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services to the Company, investment expenses (e.g., expenses related to the investment of the Company's assets, such as fees to the Advisors, brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs and extraordinary expenses) and other expenses associated with the operation of the Company.

In addition, the Company will bear its organizational expenses and the expenses incurred in connection with the offer and sale of Units, including printing costs and legal fees and expenses of the Company, the Managing Member and any placement agent and other expenses of the offering of Units. In addition, the Company will bear, indirectly through its investment in each Portfolio Company or investment fund in which it invests, its pro rata portion of the offering, organizational and operating expenses of each Portfolio Company or investment fund, including, without limitation, the expenses of the type described in this and the prior paragraph.

To the extent that expenses to be borne by the Company are paid by the Managing Member, the Company shall reimburse the Managing Member for such

expenses. The Managing Member may elect, from time to time, to bear certain of the Company's expenses described above.

Section 2.08 Principal Transactions and Other Related Party Transactions. Each Non-Managing Member hereby authorizes the Managing Member, on behalf of such Non-Managing Member, to select one or more persons, who shall not be affiliated with the Managing Member, to serve on a committee, the purpose of which will be to consider and, on behalf of the Non-Managing Members, approve or disapprove, to the extent required by applicable law, of principal transactions and certain other related party transactions. In no event shall any such transaction be entered into unless it complies with applicable law.

Section 2.09 Termination of the Managing Member. Upon the written consent of the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its Affiliates, employees or officers), based on the NAV of such Units, the Managing Member will be required to withdraw from the Company, and the Company will be wound-up and terminated in accordance with Article VII, unless the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its Affiliates, employees or officers), based on the NAV of such Units, agree in writing to continue the business of the Company and to the appointment of one or more new managing members. If the withdrawal of the Managing Member pursuant to this Section 2.09 occurs prior to the end of a month, the Managing Member shall receive the amount of the Management Fee and any applicable Administration Fee prorated through the date of the effective date of the withdrawal, and the Managing Member shall receive the Incentive Allocation for the fiscal year in which the withdrawal occurred calculated in accordance with Section 4.05(c) as if the date of withdrawal were the last day of the fiscal year.

ARTICLE III

Series of Units; Admission of New Members

Section 3.01 Series of Units. An initial series of Units (the "Initial Series") will be issued on the initial closing date. The initial purchase price per Unit for the Initial Series of Units shall be \$100. The Managing Member may, at any time and from time to time, in its sole discretion, elect to raise additional capital for the Company from Members and from new subscribers on such terms and conditions as may be determined by the Managing Member in its sole discretion. Generally, a new series of Units will be issued on each date an existing Member makes an additional Capital Contribution in accordance with Section 4.02 and on each date a new Member is admitted to the Company in accordance with Section 3.03, except that the Managing Member may issue additional Units of an existing series, or Units of a new series at an initial purchase price other than \$100, provided that any such issuance does not have a material adverse effect on the NAV or Prior High NAV (as defined in Section 4.05(b)(i)) of the Units of any Member. Each Unit will carry equal rights and privileges with each other

Unit of the same series. Units issued at the beginning of any fiscal year will be offered at the then current NAV per Unit of the Initial Series if such Initial Series is at or above its Prior High NAV per Unit. If the Initial Series is not at or above its Prior High NAV per Unit, Units will be issued in the next offered series that is at or above its Prior High NAV. If no series of Units is at or above its Prior High NAV at such time, such additional Units will be issued as a separate series at a price per Unit determined by the Managing Member, in its sole discretion. Fractions of Units may be issued to one ten-thousandth of a Unit.

Section 3.02 Conversion of Series. Following the end of each fiscal year, any issued and outstanding series of Units (other than the Initial Series) that is at or above its Prior High NAV may, in the sole discretion of the Managing Member, be exchanged (after reduction for the Management Fee, Administration Fee and any Incentive Allocation) into Units of the Initial Series (or if the Initial Series is not at or above its Prior High NAV per Unit, the next offered series that is at or above its Prior High NAV) at the prevailing NAV per Unit of the Initial Series or such other series of Units (as applicable).

Section 3.03 New Members. Subject to the condition that each new Member shall execute an appropriate counterpart to this Agreement pursuant to which it agrees to be bound by the terms and provisions hereof, the Managing Member may admit one or more new Members on the first day of each calendar quarter or at such other times as the Managing Member may determine in its sole discretion. Admission of a new Member shall not be a cause for dissolution or termination of the Company.

Section 3.04 Adjustment to Number of Units Issued. If at any time the Managing Member determines, in its sole discretion, that an incorrect number of Units was issued to a Member because the NAV in effect on the date of issuance was incorrect, the Company will adjust such Member's Units by increasing or decreasing them, as appropriate, to such number of Units as would have been issued at the correct NAV.

ARTICLE IV

Capital Accounts of Members and Operation Thereof

Section 4.01 Definitions. For the purposes of this Agreement, unless the context otherwise requires:

(a) The term "Accounting Period" shall mean the following periods: The initial Accounting Period shall commence upon the commencement of operations of the Company. Each subsequent Accounting Period shall commence immediately after the close of the preceding Accounting Period. Each Accounting Period hereunder shall close immediately before the opening of business on the first to occur of (i) the first day of each fiscal year of the Company, (ii) the effective date of the admission of a new Member pursuant to Section 3.03, (iii) the effective date of an additional Capital

Contribution pursuant to Section 4.02, or (iv) the effective date of any redemption or complete withdrawal pursuant to Articles V or VI hereof. The final Accounting Period shall end on the date the Company dissolves.

(b) The term "Beginning Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets (as defined below) at the beginning of such Accounting Period.

(c) The term "Ending Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets at the end of such Accounting Period (before giving effect to the Incentive Allocation, the Management Fee and the Administration Fee for such Accounting Period, but after giving effect to all other expenses for such Accounting Period).

(d) The term "Net Assets" shall mean the excess of the Company's total assets over its total liabilities, determined in accordance with Section 4.07.

(e) The term "Net Capital Appreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Ending Value over the Beginning Value.

(f) The term "Net Capital Depreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Beginning Value over the Ending Value.

Section 4.02 Capital Contributions. Each Member has paid or conveyed by way of contribution to the Company in exchange for the issuance of Units cash and/or marketable securities having an aggregate value equal to the amount set forth opposite such Member's name in Part I or II of the Schedule (herein called the "Initial Capital Contribution"). Additional Capital Contributions may be made by Members only in accordance with the provisions of this Section 4.02.

Upon the approval of the Managing Member, any existing or prospective Member may purchase additional or newly-issued Units by contributing cash and/or marketable securities to the Company on the first day of any calendar quarter or at such other times as the Managing Member may determine in its sole discretion. The Managing Member and any of its Affiliates may make additional Capital Contributions to the Company in cash and/or marketable securities at any time and in any amounts.

Whether marketable securities shall be accepted as a contribution to the Company shall be determined in the sole discretion of the Managing Member.

Section 4.03 Capital Accounts. (a) A separate capital account (herein called a "Capital Account") shall be established on the books of the Company for each series of Units. The Capital Account of each series shall initially be an amount equal to the initial Capital Contributions with respect to such series. The Capital Account of a series shall be (i)

increased as of the beginning of each Accounting Period to reflect any additional Capital Contributions pursuant to Section 4.02 in respect of such series, (ii) increased as of the end of each Accounting Period to reflect the Net Capital Appreciation of such series, (iii) decreased as of the beginning of each Accounting Period to reflect the redemption of any Units of such series, pursuant to Section 5.02, (iv) decreased as of the end of each Accounting Period to reflect the amount of any distributions (other than in redemption of Units pursuant to Section 5.02) pursuant to Section 5.04 in respect of such series (including any deemed distributions of taxes paid by the Company pursuant to Section 5.04(c) in respect of such series); (v) decreased for any Incentive Allocation pursuant to Section 4.05(b), any Administration Fee and any Management Fee in respect of such series; and (vi) decreased as of the end of each Accounting Period to reflect the Net Capital Depreciation of such series.

(b) At the time of the conversion of any series of Units into Units of the Initial Series or any other series of Units pursuant to Section 3.02, the Capital Account of the converted series of Units shall be reduced to zero, and the Capital Account of the series of Units into which such Units were converted shall be increased by the balance of the Capital Account of the converted series of Units immediately prior to the conversion.

(c) A separate Capital Account shall also be established on the books of the Company for each Member with respect to each series of Units held by such Member. Each Member's Capital Account with respect to a series of Units shall equal the Capital Account of such series times the Member's Membership Percentage (as defined in Section 4.04) with respect to such series of Units.

(d) The Managing Member shall have a separate Capital Account, which shall initially be equal to zero, and which shall be (A) increased by any Incentive Allocation at the time such Incentive Allocation is made, and (B) decreased to reflect the amount of any distributions (including any deemed distributions in connection with the withholding of taxes in respect of such Incentive Allocation pursuant to Section 5.04(c)) made to the Managing Member in respect of such Incentive Allocation for such Accounting Period.

Section 4.04 Membership Percentages. A membership percentage (a "Membership Percentage") shall be determined for each Member for any given series of Units for each Accounting Period of the Company by dividing the number of Units owned by such Member within a given series by the aggregate number of outstanding Units of such series as of the beginning of such Accounting Period. The aggregate Membership Percentages for each series of Units shall equal 100 percent.

Section 4.05 Allocation of Net Capital Appreciation or Net Capital Depreciation.

(a) Any Net Capital Appreciation or Net Capital Depreciation, as the case may be, for an Accounting Period shall be allocated among the different series of Units pro rata in accordance with the relative Capital

Accounts (determined prior to any year-to-date accrued Incentive Allocation) of each series at the beginning of such Accounting Period.

(b) (i) At the end of each fiscal year of the Company, or at such other date during a fiscal year as of which the following determination is required pursuant to this Section 4.05, five percent (5%) of the amount by which the NAV of a series of Units (determined prior to any applicable Incentive Allocation accrual with respect to such series of Units and appropriately adjusted as determined by the Managing Member in its sole discretion for contributions, distributions and redemptions, but after giving effect to the allocation, pursuant to Section 4.05(a), of Net Capital Appreciation and Net Capital Depreciation for the Accounting Period then ending) exceeds such series' Prior High NAV at such date shall be reallocated to the Capital Account of the Managing Member (the "Incentive Allocation"). The "Prior High NAV" with respect to a series of Units initially shall mean an amount equal to the NAV of such series as of the date of its initial issue. The new Prior High NAV with respect to a series of Units immediately following the end of any period for which an Incentive Allocation has been made with respect to such series shall be reset to equal the NAV of such series, unless the series is exchanged pursuant to Section 3.02 into the Initial Series or another series, in which case the new Prior High NAV shall be reset to equal the NAV of the Initial Series or such other series. If the NAV of such series at the end of any fiscal year of the Company, and such other date during a fiscal year as of which the determination of the Incentive Allocation is required pursuant to Section 4.05(c) is less than its Prior High NAV, the Prior High NAV of that series shall not change. The Prior High NAV for each series of Units shall be appropriately adjusted as determined by the Managing Member in its sole discretion to account for contributions, distributions and redemptions made with respect to such series of Units.

(ii) The Incentive Allocation with respect to a series of Units accrues daily and the Company shall credit the Capital Account of the Managing Member as of December 31 of each year for the Incentive Allocation.

(c) In the event that the Company is dissolved other than at the end of a fiscal year, or the effective date of a Member's redemption of Units is other than a fiscal year-end, then the Incentive Allocation described above shall be determined and made as if such date were a fiscal year-end.

(d) Notwithstanding anything to the contrary herein, to the extent that the Company invests in "Hot Issues" (as defined below), and there are Members who are restricted persons within the meaning of the National Association of Securities Dealers, Inc. (the "NASD") Conduct Rule 2110 and the interpretation set forth thereunder in IM-2110-1 entitled "Free-Riding and Withholding" (collectively, the "Interpretation"), investments in Hot Issues will be made through a special account and profits and losses attributable to Hot Issues will not be allocated to the Capital Accounts of Members who are restricted from participating in Hot Issues under the Interpretation. Only those Members who are not restricted persons shall

have any beneficial interest in such an account. Notwithstanding anything in this Agreement to the contrary, the Managing Member shall have the right, without the consent of the Members, to make such amendments to this Agreement, and to take such other actions, as it deems advisable and appropriate, in its sole discretion, to implement the purposes of this Section 4.05(d). A "Hot Issue" is any of the securities of a public offering which trade at a premium in the secondary market whenever such secondary market begins, or otherwise as such term may be interpreted from time to time under the then current rules of the NASD.

Section 4.06 Amendment of Incentive Allocation. The Managing Member shall have the right to amend, without the consent of the Non-Managing Members, Section 4.05 of this Agreement so that the Incentive Allocation (or other performance-based allocation) therein provided conforms to any applicable requirements of the Securities and Exchange Commission and other regulatory authorities; provided, however, that no such amendment shall increase the Incentive Allocation (or other performance-based allocation) as so amended to more than the amount payable in accordance with Section 4.05 of this Agreement (or, in the case of any other performance-based allocation arrangement, the specific arrangement set forth in a written agreement between the affected Non-Managing Member and the Company), without the written consent of the affected Non-Managing Member. The Managing Member reserves the right, in its sole discretion, to apply different performance-based percentage allocations and performance-based compensation arrangements to any Member, as may be agreed by the Managing Member and such Member.

Section 4.07 Determination of Net Assets.

(a) The Company's Net Assets shall be determined in accordance with U.S. generally accepted accounting principles consistently applied as a guideline and the following principles:

(i) The value of the Company's investment in a Portfolio Company or other investment fund shall be equal to the Company's proportionate interest in the NAV of the Portfolio Company or investment fund, determined in accordance with the terms and conditions of the respective governing agreement of each Portfolio Company or investment fund, as it may be amended, supplemented or otherwise modified from time to time.

(ii) The assets of the Company that are invested pursuant to investment management agreements shall be valued at fair value in a commercially reasonable manner.

(iii) All other assets or liabilities of the Company shall be assigned such value as the Administrator may reasonably determine.

(iv) The amount of the Company's assets and liabilities (including without limitation indebtedness for money borrowed, the Management Fee and the Administration Fee) shall be determined in

accordance with U.S. generally accepted accounting principles and guidelines, applied on a consistent basis, provided that the Administrator in its discretion may provide reserves for estimated accrued expenses, liabilities and contingencies, even if such reserves are not required by U.S. generally accepted accounting principles.

(v) The amount payable to a Member or former Member in redemption of part or all of such Member's or former Member's Units pursuant to Section 5.02 shall be treated as a liability of the Company, until paid, from (but not prior to) the beginning of the Accounting Period on the Redemption Date (as defined in Section 5.02(a)) for such Units.

(vi) The amount to be received by the Company on account of any Capital Contributions pursuant to Section 4.02 shall be treated as an asset of the Company from (but not before) the beginning of the Accounting Period on the effective date of such Capital Contributions.

(vii) Distributions (other than in redemption of Units pursuant to Section 5.02) made pursuant to Section 5.04 (including deemed tax distributions pursuant to Section 5.04(c)) other than as of the beginning of an Accounting Period shall be treated as an advance and as an asset of the Company, until the beginning of the Accounting Period following the date of distribution.

(viii) The Incentive Allocation, if any, credited to the Capital Account of the Managing Member pursuant to Section 4.05(d) shall be treated as a liability, until distributed, from the beginning of the Accounting Period following the Accounting Period in which the Incentive Allocation was credited to such Capital Account.

(b) The Company may suspend the valuation of its assets and liabilities, and any distributions or redemptions of any amounts from Capital Accounts, for any period during which a Portfolio Company or other investment fund with which the Company has made an investment has suspended the valuation of its assets and liabilities. The Managing Member shall promptly notify Members of any such suspension, and the termination of any such suspension, by means of a written notice.

(c) All values assigned to securities and other assets by the Managing Member or the Administrator pursuant to this Section 4.07 shall be final and conclusive as to all of the Members. The Managing Member may consult with and rely upon valuations of the Company's securities and other assets provided by the Administrator.

Section 4.08 Determination of Net Asset Value. The NAV of a series of Units shall be equal to the balance of the Capital Account with respect to such series of Units. The NAV per Unit of a series shall be equal to the NAV of such series divided by the number of outstanding Units of such series.

Section 4.09 Allocation for Tax Purposes. For each fiscal year, items

of income, deduction, gain, loss or credit shall be allocated for income tax purposes among the Members in such manner as to equitably reflect the amounts credited or debited to each Member's Capital Account for the current and prior fiscal years (or relevant portions thereof). Allocations under this Section 4.09 shall be made by the Managing Member in accordance with the principles of Sections 704(b) and 704(c) of the Code and in conformity with applicable Treasury Regulations promulgated thereunder (including, without limitation, Treasury Regulation Sections 1.704-1(b)(2)(iv)(f)(4), 1.704-1(b)(4)(i) and 1.704-3(e)).

If any Member redeems all of its Units in the Company during a fiscal year or immediately following the end of a fiscal year, and the Member would (absent this sentence) recognize gain under Section 731 of the Code as a result of such withdrawal, the Managing Member may elect to specially allocate to such Member, for U.S. federal income tax purposes, any income and capital gains (including short-term capital gains) realized by the Company during such fiscal year, through and including the date of withdrawal, in an amount up to that amount of income and gain which if so allocated would avoid the Member recognizing gain on the withdrawal under Section 731 of the Code (ignoring for this purpose any adjustments that have been made to the tax basis of the withdrawing Member's Units resulting from any transfers or assignment of the Units (other than the original issue of the Units), including by reason of death). Any such election by the Managing Member shall, to the extent reasonably practicable as determined by the Managing Member in its sole discretion, be applied on an equitable basis to all Members withdrawing during such fiscal year or immediately following the end of such fiscal year.

Section 4.10 Determination by Managing Member of Certain Matters; Managing Member's Discretion.

(a) All matters concerning the valuation of securities and other assets and liabilities of the Company, the allocation of profits, gains and losses among the Members (including for tax purposes) and accounting procedures not expressly provided for by the terms of this Agreement (including, without limitation, allocation and accounting procedures in the event a Member that has an account managed by the Managing Member in a manner similar to the investment program utilized by the Company which causes the assets and liabilities in such account to be transferred to the Company) shall be determined by the Managing Member (or such person as the Managing Member may authorize to make such determination), whose determination shall be final, binding and conclusive as to all of the Members.

(b) Whenever in this Agreement the Managing Member is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the Managing Member shall be entitled to consider only such interests and factors as it desires and may consider its own interests and the interests of its Affiliates and its determination shall be final, binding and conclusive as to all of the Members, or (ii) in its "good faith" the Managing Member shall act under

such express standards and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 4.11 Adjustments to Take Account of Interim Year Events. If the Code or regulations promulgated thereunder require an adjustment to the Capital Account of a Member or some other interim year event occurs necessitating in the Managing Member's judgment an equitable adjustment, the Managing Member shall make such adjustments in the determination and allocation among the Members of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Membership Percentages, Incentive Allocation, the Management Fee, Administration Fee, Company expenses, items of income, deduction, gain, loss, credit or withholding for tax purposes, accounting procedures or such other financial or tax items as shall equitably take into account such interim year event and applicable provisions of law, and the determination thereof by the Managing Member shall be final, binding and conclusive as to all of the Members.

Section 4.12 Tax Withholding. If the Company is required to withhold taxes on any distribution to, or to pay or incur any tax with respect to any income allocable to or otherwise on account of, any Member or series of Units, the Company may withhold such amounts and make such payments to such taxing authorities as are necessary to ensure compliance with such tax laws.

ARTICLE V

Redemptions and Distributions

Section 5.01 Redemptions and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company, except as provided in Section 5.04 and Section 7.02; or (ii) to redeem any of its Units other than upon such Member's withdrawal from the Company, except as provided in Sections 5.02 and 6.01 or upon the consent of, or as may be required by, and upon such terms as may be determined by, the Managing Member in its sole discretion. In no event shall a Member be entitled to demand to receive property other than cash.

Section 5.02 Redemptions.

(a) Subject to Section 5.03, each Member shall have the right to redeem some or all of its Units as of the time immediately prior to the opening of business on each January 1 or July 1 occurring on or after the first anniversary of the purchase of such Units by the Member (each, a "Redemption Date"), upon prior written notice received by the Managing Member at least 61 calendar days prior to the Redemption Date. No partial redemption shall be permitted if thereafter the aggregate NAV of the remaining Units held by the redeeming Member would be less than \$500,000, unless such limitation is waived by the Managing Member in its sole discretion. Units of a particular series will be redeemed at a per Unit price (the "Redemption Price") based upon the NAV of such series as of the

close of business on the day immediately preceding the applicable Redemption Date (taking into account the allocation of any Net Capital Appreciation or Net Capital Depreciation under Section 4.05, and any distributions under Section 5.04 for the Accounting Period then ending), after reduction for any Management Fee, Administration Fee and Incentive Allocation and other liabilities of the Company to the extent accrued or otherwise attributable to the Units being redeemed (calculated as if the Redemption Date were the last day of the fiscal year), and the amount of any such reduction for the Management Fee and the Administration Fee shall be paid to the Managing Member, and the amount of any such reduction for any Incentive Allocation shall be allocated to the Capital Account of the Managing Member. If a redeeming Member owns Units of more than one series, unless otherwise specified by such Member in writing, Units shall be redeemed on a "first in-first out" basis for purposes of determining the Redemption Price. The Company will endeavor to pay the redemption proceeds, within 45 days following the applicable Redemption Date, without interest. The Managing Member may permit redemptions at other times and in other amounts, subject to any conditions that it may impose in its sole discretion.

(b) The Managing Member shall have the right, in its sole discretion, as of any date that it determines (including during a fiscal year) and for any reason (including, without limitation, pursuant to Article VI, for regulatory or tax reasons, or for any other reason), to redeem any or all of a Member's Units. Any redemptions made pursuant to this Section 5.02(b) shall be paid out in accordance with Section 5.02(a).

(c) Subject to the redemption provisions of this Agreement, the Managing Member, and any Affiliate of the Managing Member, shall have the right to redeem any and all of its interest or withdraw all or a portion of the assets in its Capital Account without notice to the Non-Managing Members.

(d) If at any time after a redemption of Units (including in connection with any withdrawal of a Member from the Company pursuant to Article VI) the Managing Member determines, in its sole discretion, that the amount paid to such Member or former Member pursuant to such redemption was materially incorrect (including because the NAV at which the Member or former Member purchased such Units was incorrect), the Company will pay to such Member or former Member any additional amount that it determines such Member or former Member would have been entitled to receive had the redemption been effected at the correct NAV, or, in its sole discretion, seek payment from such Member or former Member of (and such Member or former Member shall be required to pay) the amount of any excess payment that the Managing Member determines such Member or former Member received, in each case without interest.

Section 5.03 Limitation on Redemptions.

(a) The right of any Member to redeem some or all of its Units pursuant to the provisions of Section 5.02 is subject to the provision by

the Managing Member for all Company liabilities in accordance with the Act, and for reserves for estimated accrued expenses, liabilities and contingencies in accordance with Section 4.07.

(b) The Managing Member may suspend redemptions, at any time prior to the effective date of the redemption, and notwithstanding the fact that a timely redemption request has previously been made, for the whole, or any part, of any of the following periods: (i) during the closing of the principal stock exchange or other markets on which any substantial portion of the Company's direct or indirect investments, in the opinion of the Managing Member, is quoted or dealt in other than for ordinary holidays, or the restriction of suspension of dealings therein; (ii) during the existence of any state of affairs which, in the opinion of the Managing Member, constitutes an emergency as a result of which the determination of the price, value or disposition of the Company's direct or indirect investments would be impractical or prejudicial to Members; (iii) during which redemptions would, in the opinion of the Managing Member, result in a violation of applicable law; (iv) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company or the current price or values on any stock exchange in respect of assets of the Company; (v) during the occurrence of any period when the Company is unable to withdraw sufficient funds from investment funds or Portfolio Companies or otherwise to meet redemption requests or in circumstances when the disposal of part or all of the Company's assets to meet such redemption requests would be prejudicial to Members; and (vi) during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Managing Member, be effected at advantageous rates of exchange. Postponed redemptions shall be effected at the month-end following the termination of the suspension. Any part of a redemption request that is postponed shall take precedence over later-received redemption requests until the postponed request or requests have been satisfied in full. Members shall be given notice in writing of the suspension of redemptions and the termination of any such suspension. Units shall be held by the Member during the suspension period as if no redemption request had been made.

Section 5.04 Distributions.

(a) The Managing Member may, in its discretion, make distributions in cash or in-kind (i) in connection with redemptions from the Company by a Member or in connection with a Member's complete withdrawal from the Company pursuant to Article VI, (ii) in its discretion, at any time to the Managing Member in an amount not in excess of the then positive balance in its Capital Account to which the Incentive Allocation is credited pursuant to Section 4.03 and (iii) in its discretion, at any time to all of the Members on a pro rata basis in accordance with the Members' Capital Accounts.

(b) If a distribution is made in-kind, immediately prior to such distribution, the Managing Member shall determine the fair market value of

the property distributed and adjust the Capital Accounts of all Members upwards or downwards to reflect the difference between the book value and the fair market value thereof, as if such gain or loss had been recognized upon an actual sale of such property and allocated pursuant to Section 4.05. Each such distribution shall reduce the Capital Account of the Member to which the distribution was made by the fair market value thereof.

(c) Any taxes paid over to a governmental authority by the Company pursuant to Section 4.12 with respect to any Member (other than on account of all Members equally) shall be deemed to be a distribution to such Member. If a Member who receives a deemed distribution of taxes under this Section 5.04(c) owns more than one series of Units, the Managing Member in its sole discretion may allocate such deemed distribution among such Member's different series of Units. Notwithstanding the foregoing, the Managing Member in its sole discretion may elect to treat any deemed distribution to a Member under this Section 5.04(c), not as a distribution, but as an advance to the Member and a partial redemption of such Member's Units as of the next Redemption Date following the deemed distribution, and such Member's Units shall be reduced thereby as appropriately determined by the Managing Member.

ARTICLE VI

Withdrawal, Death, Disability

Section 6.01 Withdrawal, Death, etc. of Members.

(a) The withdrawal, death, adjudication of incompetency, insolvency or bankruptcy of a Member shall not dissolve the Company. Subject to the restrictions set forth in Section 1.05(a), upon the assignment of a Member's Units by operation of law (i) pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of such Member or (ii) pursuant to the corporate reorganization or merger of such Member, the legal representatives or successors of such Member shall succeed as assignee to the Member's interest in the Company, but shall not be admitted as a substituted member without the consent of the Managing Member.

(b) In the event of the assignment of a Member's Units by operation of law (i) pursuant to the death, adjudication of incompetency, insolvency or bankruptcy of such Member or (ii) pursuant to the corporate reorganization or merger of such Member, the interest of such Member shall continue at the risk of the Company's business until the last day of the calendar month following the calendar month in which the Managing Member received written notice of such event. At the end of such period, the Managing Member shall, in its sole discretion, either (i) substitute the legal representatives or successors of the former Members as Members of the Company, provided that the Managing Member determines in its sole discretion that such legal representatives or successors are qualified to become Members of the Company, or (ii) redeem such former Member's interest in the Company in accordance with the redemption provisions set forth in Article V.

Section 6.02 Required Withdrawals. The Managing Member may at any time and for any reason, in its sole discretion, terminate the interest of any Member in the Company or require a Member to withdraw any part of its Capital Account. A Member required to withdraw under this Section 6.02 shall be treated for all purposes of distribution of redemption proceeds as a Member who has given notice of a redemption of all of its capital under Article V.

ARTICLE VII

Duration and Dissolution of the Company

Section 7.01 Duration. The Company shall continue until the earlier of (i) a determination by the Managing Member that the Company should be dissolved and wound-up; (ii) the termination, bankruptcy, insolvency, dissolution or withdrawal by the Managing Member other than by assignment of the Managing Member's interest as provided in Section 1.05(b); or (iii) upon 60 days' prior written notice to the Managing Member of the affirmative vote of the holders of at least 66-2/3% of the voting power of the outstanding Units (other than Units held by Goldman, Sachs & Co., its Affiliates, employees and officers), based on the NAV of such Units, at a meeting duly called for the purpose of liquidating the Company. Upon a determination to dissolve the Company, redemptions, and distributions in respect thereof, may not be made.

Section 7.02 Dissolution.

(a) On dissolution of the Company, the Managing Member shall, within no more than 30 days after completion of a final audit of the Company's financial statements, make distributions out of Company assets, in the following manner and order:

(i) to creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or by establishment of reserves); and

(ii) to the Members in the proportion of their respective Capital Accounts.

(b) The Managing Member, in its discretion, at any time and from time to time, may designate one or more liquidators, including, without limitation, one or more partners, members or officers of the Managing Member, who shall have full authority to wind up and liquidate the business of the Company and to make final distributions as provided in this Section 7.02. The appointment of any liquidator may be revoked or a successor or additional liquidator or liquidators may be appointed at any time by an instrument in writing signed by the Managing Member. Any such liquidator may receive compensation as shall be fixed, from time to time, by the Managing Member.

(c) In the event that the Company is dissolved on a date other than

the last day of a fiscal year, the date of such dissolution shall be deemed to be the last day of a fiscal year for purposes of adjusting the Capital Accounts of the Members pursuant to Section 4.03. For purposes of distributing the assets of the Company upon dissolution, the Managing Member shall be entitled to a return, on a pari passu basis with the Non-Managing Members, of the amount standing to its credit in its Capital Account.

ARTICLE VIII

Tax Returns; Reports to Members

Section 8.01 Independent Auditors. The financial statements of the Company shall be audited by Ernst & Young LLP, or such other certified public accountants of similar standing selected by the Managing Member, as of the end of each fiscal year of the Company.

Section 8.02 Filing of Tax Returns. The Managing Member shall prepare and file, or cause the accountants of the Company to prepare and file, a federal information tax return in compliance with Section 6031 of the Code, and any required state and local income tax and information returns for each tax year of the Company.

Section 8.03 Tax Matters Partner. The Managing Member shall be designated on the Company's annual federal information tax return, and have full powers and responsibilities, as the Tax Matters Partner of the Company for purposes of Section 6231(a)(7) of the Code. In the event the Company shall be the subject of an income tax audit by any federal, state or local authority, to the extent the Company is treated as an entity for purposes of such audit, including administrative settlement and judicial review, the Tax Matters Partner shall be authorized to act for, and its decision shall be final and binding upon, the Company and each Member thereof. All expenses incurred in connection with any such audit, investigation, settlement or review shall be borne by the Company.

Section 8.04 Financial Reports to Current Members. The Company shall prepare and mail to each Non-Managing Member (i) annual audited financial statements after the end of the Company's fiscal year, (ii) quarterly unaudited information as to the performance of the Company and (iii) information necessary for such Member to complete its U.S. federal, state and local income tax returns (including such information that such Member may reasonably require annually to complete its tax filing obligations, provided that the Managing Member may provide the same without undue effort or expense).

Section 8.05 Tax Reports to Members and Former Members. The Company shall use reasonable efforts to prepare and mail, or cause its accountants to prepare and mail, to each Member and, to the extent necessary, to each former Member (or its legal representatives), as soon as possible after the close of each fiscal year of the Company, a report setting forth in sufficient detail such information as shall enable such Member or former

Member (or such Member's legal representatives) to prepare their respective federal income tax returns and/or extensions in accordance with the laws, rules and regulations then prevailing.

Section 8.06 Partnership Status of Company. The Managing Member intends for the Company to be treated as a partnership for U.S. federal income tax purposes. Notwithstanding anything herein to the contrary, neither the Company nor the Managing Member shall make an election (i.e., check-the-box) under Treasury Regulation Section 301.7701-3 for the Company to be classified for federal income tax purposes as an association taxable as a corporation.

ARTICLE IX

Miscellaneous

Section 9.01 General. This Agreement (i) shall be binding on the permitted transferees, assigns, executors, administrators, estates, heirs, and legal successors and representatives of the Members and (ii) may be executed, through the use of separate signature pages or supplemental agreements in any number of counterparts with the same effect as if the parties executing such counterparts had all executed one counterpart; provided, however, that each such counterpart shall have been executed by the Managing Member and that the counterparts, in the aggregate, shall have been signed by all of the Members.

Section 9.02 Power of Attorney. Each of the Members hereby appoints the Managing Member as its true and lawful representative and attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, swear to and file:

(a) a Certificate of Formation of the Company and any amendments thereto as may be required under the Act;

(b) any duly adopted amendment to this Agreement;

(c) any and all instruments, certificates, and other documents that may be deemed necessary or desirable to effect the dissolution and winding-up of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); and

(d) any business certificate, fictitious name certificate, amendment thereto, or other instrument or document of any kind whatsoever necessary, desirable or convenient to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state, local or foreign law.

The power of attorney hereby granted by each of the Non-Managing Members is coupled with an interest, is irrevocable, and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such

Non-Managing Member; provided, however, that such power of attorney shall terminate upon the substitution of another non-managing member for all of such Non-Managing Member's interest in the Company or upon the complete withdrawal of such Non-Managing Member from participation in the Company.

Section 9.03 Amendments to Limited Liability Company Agreement. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of Members having in excess of 50% of the voting power of the outstanding Units, (or, if an amendment affects only a particular series of Units, with the written consent of Members having in excess of 50% of that series of Units), based on the NAV of such Units, and the affirmative vote of the Managing Member insofar as is consistent with the laws governing this Agreement; provided, however, that without the consent of the Non-Managing Members, the Managing Member may amend this Agreement or the Schedule hereto to (i) reflect changes validly made in the membership of the Company, the Capital Contributions, Membership Percentages and changes in the number of Units held by the Members; (ii) change the provisions relating to the Incentive Allocation so that such provisions conform to the applicable requirements of the Securities and Exchange Commission and other regulatory authorities, so long as such amendment does not increase the Incentive Allocation to more than the amount that would otherwise be determined absent such amendment; (iii) reflect a change in the name of the Company; (iv) make a change that is necessary or, in the opinion of the Managing Member, advisable to qualify the Company as a limited liability company or other entity in which the Members have limited liability under the laws of any state, or ensure that the Company shall not be treated as an association or a publicly traded partnership taxable as a corporation for federal income tax purposes; (v) make any change that does not adversely affect the Members in any material respect; (vi) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal, state or foreign statute, so long as such change is made in a manner which minimizes to the extent practicable, as determined by the Managing Member in its sole discretion, any adverse effect on the Members or that is required or contemplated by this Agreement; (vii) make a change in any provision of this Agreement that requires any action to be taken by or on behalf of the Managing Member or the Company pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; (viii) prevent the Company or the Managing Member from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act of 1940, as amended; (ix) correct mistakes or clarify ambiguities; (x) in the event of adverse changes in the tax law or interpretations thereof applicable to the Company, amend this Agreement as determined by the Managing Member if it deems advisable or necessary to address such changes; (xi) conform this Agreement to the disclosure provided in the Company's Confidential Private Placement Memorandum; (xii) correct or supplement any conflicting provisions and delete or add provisions as may be required by applicable law or regulations, in each case, as determined by the Managing Member in its sole discretion; (xiii)

make any other amendment provided such amendment does not become effective until after such affected Members have been given prior written notice of such change and have had the right following receipt of such notice to request the redemption of their Units and such redemption shall have become effective; or (xiv) make any other amendments similar to the foregoing. Each Member, however, must consent to any amendment that would (a) reduce its Capital Account or rights of redemption or withdrawal; or (b) amend the provisions of this Agreement relating to amendments.

Section 9.04 Instruments. The parties agree to execute and deliver any further instruments or perform any acts which are or may become necessary to carry on the Company created by this Agreement or to effectuate its purposes.

Section 9.05 No Personal Liability For Return of Capital. The Managing Member shall not be personally liable for the return or repayment of all or any portion of Capital Contribution or profits of any Member, it being expressly agreed that any such return of Capital Contribution or profits made pursuant to this Agreement shall be made solely from the assets (which shall not include any right of contribution from the Managing Member) of the Company.

Section 9.06 Choice of Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Delaware and, without limitation thereof, that the Act as now adopted or as may be hereafter amended shall govern the limited liability company aspects of this Agreement. The parties also expressly agree that all actions and proceedings brought by a party against a Member or the Company, in connection with the Company's business or affairs (including a breach of this Agreement by a party hereto) shall be brought in and be subject to the jurisdiction of a court of the State of New York or any federal district court in the State of New York.

Section 9.07 Waiver of Trial By Jury. The parties hereto irrevocably waive to the fullest extent permitted by law any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in the courts of the State of New York located in the City of New York or of the United States District Court for the Southern District of New York and any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 9.08 No Third Party Rights. The provisions of this Agreement, including, without limitation, the provisions of Section 1.03, are not intended to be for the benefit of any creditor or other person (other than the Members in their capacities as such) to whom any debts, liabilities or obligations are owed by (or who otherwise have a claim against or dealings with) the Company or any Member, and no such creditor or other Person shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall by

reason of any such provisions make any claim in respect to any debt, liability or obligation (or otherwise) including any debt, liability or obligation pursuant to Section 1.03, against the Company or any Member.

Section 9.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person or by registered or certified mail. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in the Schedule. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when mailed by registered or certified mail to the proper address or delivered in person.

Section 9.10 Counterparts. This Agreement may be executed in counterparts with the same force and effect as if each of the signatories had executed the same instrument.

Section 9.11 Grantors of Revocable Trusts. Each Non-Managing Member that is a revocable trust agrees that, if the trustee of such revocable trust and the grantor of such revocable trust are the same person, the trustee's execution of this Agreement and any other documents executed in connection with the Company shall bind such person in his or her capacity both as trustee and as grantor of such revocable trust.

Section 9.12 Each Interest in the Company is a Security. The parties expressly agree that each interest in the Company, including without limitation the Units and the interests of the Managing Member in the Company, is a security governed by Article 8 of the Uniform Commercial Code of the State of Delaware, and the Company, each Member and any other party hereto expressly agrees that (i) this establishes the terms of the interests in the Company, and (ii) interests in the Company shall not be represented or evidenced by certificates.

Section 9.13 Goodwill. No value shall be placed on the name or goodwill of the Company, which shall belong exclusively to the Managing Member.

Section 9.14 Headings. The titles of the Articles and the headings of the Sections of this Agreement are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Agreement.

Section 9.15 Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or corporation may require in the context thereof.

Section 9.16 Confidentiality. The Managing Member and the Company may, in their discretion, keep confidential and not disclose to the Non-Managing Members any proprietary information concerning the Company, including, without limitation, investments, valuations, information regarding

potential investments, financial information, trade secrets and the like which is proprietary in nature and non-public, any information regarding the Non-Managing Members of the Company (including, without limitation, the identities of, or the amount of capital contributed by, such Non-Managing Member) or any information about any investment, to the extent that such information is required to be kept confidential or is otherwise subject to disclosure restrictions imposed by the issuer of the investment or the Managing Member, in its reasonable discretion (collectively, "Confidential Information"). Each Non-Managing Member shall not disclose or cause to be disclosed any Confidential Information to any other Person, except as otherwise required by any regulatory authority, law or regulation, or by legal process, without the prior written consent of the Managing Member. Notwithstanding anything in the foregoing or anything else contained in this Agreement to the contrary, except as reasonably necessary to comply with applicable securities laws, each Member (and any employee, representative or other agent thereof) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the offering and ownership of Units and any transaction described in this Section 9.16 or elsewhere in this Agreement and all materials of any kind (including opinions and other tax analyses) that are provided to such Member relating to such tax treatment and tax structure. For this purpose, "tax structure" means any facts relevant to the federal income tax treatment of the offering and ownership of Units and any transaction described in this Section 9.16 or elsewhere in this Agreement, and does not include information relating to the identity of the Company or its Affiliates.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the date first set forth above.

MANAGING MEMBER:

GOLDMAN SACHS PRINCETON LLC

By: /s/ Tobin V. Levy

Name: Tobin V. Levy

Title: Director

NON-MANAGING MEMBERS:

By: GOLDMAN SACHS PRINCETON LLC
on behalf of each Member as attorney-in-fact

By: /s/ Tobin V. Levy

Name: Tobin V. Levy
Title: Director

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

GOLDMAN SACHS GLOBAL EQUITY LONG/SHORT, LLC

DATED AS OF JULY 1, 2004

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AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF
GOLDMAN SACHS GLOBAL EQUITY LONG/SHORT, LLC

Dated as of July 1, 2004

The undersigned (herein called the "Members", which term shall include any persons hereafter admitted to the Company pursuant to Article III of this Agreement and shall exclude any persons who cease to be Members pursuant to Article V or VI of this Agreement) hereby agree to form and hereby form, as of the date and year first above written, a limited liability company (herein called the "Company"), pursuant to the provisions of the Limited Liability Company Act of the State of Delaware (6 Del. Code ss. 18-101, et seq.) (the "Act"), which shall be governed by, and operated pursuant to, the terms and provisions of this Amended and Restated Limited Liability Company Agreement (herein called the "Agreement").

ARTICLE I

General Provisions

Section 1.01 Company Name and Address. The name of the Company is Goldman Sachs Global Equity Long/Short, LLC. Its principal office is located at 701 Mount Lucas Road, Princeton, New Jersey 08540, or at such other location as the Managing Member (as defined in Section 1.03) in the future may designate. The Managing Member shall promptly notify the Non-Managing Members (as defined in Section 1.03) of any change in the Company's address.

Section 1.02 Fiscal Year. The fiscal year of the Company (herein called the "fiscal year") shall end on December 31 of each calendar year; provided, however, that the Managing Member may change the Company's fiscal year-end, without the consent of the Non-Managing Members, as deemed appropriate by the Managing Member, in its sole discretion.

Section 1.03 Liability of Members. The names of all of the Members and the amounts of their respective contributions to the Company (herein called the "Capital Contributions") are set forth in a schedule (herein called the "Schedule"), which shall be filed with the records of the Company at the Company's principal office (as set forth in Section 1.01) and is hereby incorporated by reference and made a part of this Agreement.

The Member designated in Part I of the Schedule as the Managing Member (herein called the "Managing Member") shall manage the operations of the Company. The Members designated in Part II of the Schedule are referred to herein as the "Non-Managing Members." The Managing Member, the Non-Managing Members and the former Non-Managing Members shall be liable for the repayment and discharge of all debts and obligations of the Company attributable to any fiscal year (or relevant portion thereof) during which they are or were Members of the Company to the extent of their respective limited liability company interests (the "Units") in the Company in the fiscal year (or relevant portion thereof) to which any such debts and obligations are attributable.

The Members and all former Members shall share all losses, liabilities or expenses suffered or incurred by virtue of the operation of the preceding paragraph of this Section 1.03 in the proportions of their respective Capital Accounts (determined as provided in Section 4.03) for the fiscal year (or relevant portion thereof) to which any debts or obligations of the Company are attributable. A Member's or former Member's share of all losses, liabilities or expenses shall not be greater than its respective interest in the Company for such fiscal year (or relevant portion thereof).

As used in this Section 1.03, the terms "interests in the Company" and "interest in the Company" shall mean with respect to any fiscal year (or relevant portion thereof) and with respect to each Member (or former Member) for any given series of Units, the Capital Account (as defined in Section 4.03) that such Member (or former Member) would have received (or in fact did receive) pursuant to the terms and provisions of Article VI upon withdrawal from the Company as of the end of such fiscal year (or relevant portion thereof).

Notwithstanding any other provision in this Agreement to the contrary, in no event shall any Member (or former Member) be obligated to make any additional contribution or payment whatsoever to the Company, or have any liability for the repayment and discharge of the debts and obligations of the Company (apart from its interest in the Company), except that a Non-Managing Member (or former Non-Managing Member) shall, in the discretion of the Managing Member, be required, for purposes of meeting such Member's obligations under this Section 1.03, to make additional contributions or payments, respectively, up to, but in no event in excess of, the aggregate amount of returns of capital and other amounts actually received by it from the Company during or after the fiscal year to which any debt or obligation is attributable.

As used in this Agreement, the terms "former Non-Managing Member" and "former Member" refer to such persons or entities as hereafter from time to time cease to be a Non-Managing Member or Member, respectively, pursuant to the terms and provisions of this Agreement.

Section 1.04 Purposes of the Company. The Company is organized for the purposes of allocating its assets directly or indirectly to a group of investment managers (the "Advisors") (that may or may not be Affiliates (as defined in Section 2.05) of the Managing Member) that employ strategies within the equity long/short hedge fund sector, engaging in any other lawful act or activity for which limited liability companies may be organized under the Act, and engaging in any and all activities and transactions as the Managing Member may deem necessary or advisable in connection therewith.

Section 1.05 Assignability of Units; Assignment by Managing Member.

(a) Except as provided in paragraph (b) below, without the prior written consent of the Managing Member, which may be withheld in its sole and absolute discretion, with or without cause, a Member may not (i) pledge, transfer or assign its Units in the Company in whole or in part to any person except by operation of law. Any attempted pledge, transfer, assignment or substitution not made in accordance with this Section 1.05 shall be void.

(b) Without the consent of the Non-Managing Members, the Managing Member may assign or otherwise transfer its Managing Member interest in the Company to any corporation, partnership, limited liability company or other entity controlling, controlled by or under common control with the Managing Member, as long as such transfer does not, as determined by the Managing Member in its sole discretion, cause the Company to be taxable as a corporation.

Section 1.06 Registered Office and Agent for Service of Process. The registered office of the Company shall be: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process at such office shall be The Corporation Trust Company. The Company may from time to time have such other place or places of business within or without the State of Delaware as may be designated by the Managing Member.

ARTICLE II

Management of the Company

Section 2.01 Management Generally. The management of the Company shall be vested exclusively in the Managing Member. Except as authorized by the Managing Member, or as expressly set forth in this Agreement, the Non-Managing Members shall have no part in the management of the Company, and shall have no authority or right to act on behalf of the Company in connection with any matter. The Managing Member, and any Affiliate of the

Managing Member, may engage in any other business venture, whether or not such business is similar to the business of the Company, and neither the Company nor any Non-Managing Member shall have any rights in or to such ventures or the income or profits derived therefrom.

Section 2.02 Delegation by Managing Member. The Managing Member shall have the power and authority to delegate to one or more Persons (as defined in Section 2.03(d)), including, without limitation, any officer, employee or agent of the Company or the Managing Member, the Managing Member's rights and powers to manage and control the business and affairs of the Company. The Managing Member may, by written instrument, authorize any Person to enter into and perform under any document on behalf of the Company.

Section 2.03 Authority of the Managing Member. The Managing Member shall have the power on behalf of and in the name of the Company to carry out any and all of the objects and purposes of the Company set forth in Section 1.04 and Section 2.01, and to perform all acts and enter into and perform all contracts and other undertakings, other than any actions to be taken in connection with investment of the Company's investable assets, which it may deem necessary or advisable or incidental thereto, including, without limitation, the power to:

(a) open, maintain and close accounts, including custodial accounts, with banks, including banks located inside and outside the United States, and draw checks or other orders for the payment of monies;

(b) lend, either with or without security, funds or other properties of the Company, and borrow or raise funds (including borrowing from Affiliates of the Managing Member) and secure the payment of obligations of the Company by pledges or hypothecation of all or any part of the property of the Company;

(c) do any and all acts on behalf of the Company, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Company's interest in the assets and other property and funds held or owned by the Company, including, without limitation, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and all other like or similar matters;

(d) engage any person, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity (each a "Person") (including the Managing Member and any of its Affiliates) pursuant to an Administration Agreement (as defined in the Company's Confidential Private Placement Memorandum) to provide certain administrative services (any such person, firm or entity providing such services being referred to herein as the "Administrator"), including, without limitation, calculating the net asset value (the "NAV") of each series of Units and Members' Capital Accounts, valuing the Company's assets, assisting with the valuation of

securities which are not readily marketable, assisting in the preparation of the Company's financial statements, assisting in the preparation and distribution of reports to each Member, maintaining a registry for the ownership of each series of Units and providing other administrative services to the Company;

(e) consent on behalf of the Company to any changes in the members, directors or officers of the Managing Member, if such consent is required by applicable law;

(f) engage any personnel, whether part time or full time, attorneys, financial advisers, underwriters, accountants, consultants, appraisers, custodians of the assets of the Company or other Persons as the Managing Member may deem necessary or desirable, whether or not any such Person may be an Affiliate of the Managing Member or may also be employed by any Affiliate of the Managing Member;

(g) allocate the Company's assets to Advisors and limited liability companies or other entities managed by the Managing Member through which the Company accesses Advisors ("Portfolio Companies"), oversee such allocations and, from time to time, in the sole discretion of the Managing Member, reallocate the Company's assets among existing or new Advisors or Portfolio Companies;

(h) bring and defend actions and proceedings at law or equity and before any governmental, administrative or other regulatory agency, body or commission;

(i) make distributions to Members in cash or (to the extent permitted hereunder) otherwise;

(j) prepare and file all necessary returns and statements, pay all taxes, assessments and other impositions applicable to the assets of the Company and withhold amounts with respect thereto from funds otherwise distributable to any Member;

(k) determine the accounting methods and conventions to be used in the preparations of any accounting or financial records of the Company;

(l) make any and all tax elections permitted to be made under the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable state, local or foreign tax law;

(m) determine the tax treatment of any Company transaction or item for purposes of completing the Company's federal, state, local or foreign tax returns; and

(n) take all actions, and authorize any member, employee, officer, director or other agent of the Managing Member or agent or employee of the Company, to act for and on behalf of the Company, in all matters necessary to, in connection with, or incidental to, any of the foregoing.

Section 2.04 Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the certificate of the Managing Member, to the effect that it is then acting as the Managing Member and upon the power and authority of the Managing Member as herein set forth.

Section 2.05 Activity of the Managing Member. The Managing Member and persons controlling, controlled by or under common control with the Managing Member and any of such person's directors, members, stockholders, partners, officers, employees and controlling persons (each an "Affiliate" and collectively, "Affiliates"), shall devote so much of their time to the affairs of the Company as in the judgment of the Managing Member the conduct of its business shall reasonably require, and none of the Managing Member or its Affiliates shall be obligated to do or perform any act or thing in connection with the business of the Company not expressly set forth herein. Nothing herein contained in this Section 2.05 shall be deemed to preclude the Managing Member or its Affiliates from exercising investment responsibility, from engaging directly or indirectly in any other business or from directly or indirectly purchasing, selling or holding securities, options, separate accounts, investment contracts, currency, currency units or any other asset and any interest therein for the account of any such other business, for their own accounts, for any of their family members or for other clients.

Section 2.06 Standard of Care; Indemnification.

(a) None of the Managing Member (including, without limitation, in its capacity as the Administrator) or its Affiliates (each an "Indemnified Person" and collectively the "Indemnified Persons") shall be liable to the Company or to the Members for (i) any act or omission performed or failed to be performed by such person (other than any criminal wrongdoing), or for any losses, claims, costs, damages, or liabilities arising therefrom, in the absence of any criminal wrongdoing, willful misfeasance or gross negligence on the part of such person, (ii) any tax liability imposed on the Company or any Member or (iii) any losses due to the actions or omissions of the Advisors, any brokers or other agents of the Company.

In the event that any Indemnified Person becomes involved in any capacity in any action, proceeding or investigation brought by or against any person (including any Non-Managing Member) in connection with any matter arising out of or in connection with the Company's business or affairs (including a breach of this Agreement by any Member) the Company will periodically reimburse any Indemnified Person for its legal and other expenses (including the costs of any investigation and preparation) incurred in connection therewith, provided that such Indemnified Person shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined by a court having appropriate jurisdiction in a decision that is not subject to appeal, that such Indemnified Person is not entitled to be indemnified by the Company in connection with such action, proceeding or investigation as provided in the

exception contained in the next succeeding sentence.

To the fullest extent permitted by applicable law, the Company shall also indemnify any Indemnified Person, jointly and severally, against any losses, claims, costs, damages or liabilities to which such Indemnified Person may become subject in connection with any matter arising out of or in connection with the Company's business or affairs, except to the extent that any such loss, claim, cost, damage, or liability results solely from the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person. If for any reason (other than the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person) the foregoing indemnification is unavailable to such Indemnified Person, or is insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable to the Indemnified Person as a result of such loss, claim, cost, damage, or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and such Indemnified Person on the other hand but also the relative fault of the Company and such Indemnified Person, as well as any relevant equitable considerations.

The reimbursement, indemnity and contribution obligations of the Company under this Section 2.06 shall be in addition to any liability which the Company may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of the Company, the Managing Member and any other Indemnified Person. The foregoing provisions shall survive any termination of this Agreement.

(b) The reimbursement, indemnification and contribution rights provided by this Section 2.06 shall not be deemed to be exclusive of any other rights to which the Indemnified Person may be entitled under any agreement or as a matter of law, or otherwise, both as to action in an Indemnified Person's official capacity and to action in any other capacity, and shall continue as to an Indemnified Person who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of the Managing Member and shall inure to the benefit of the successors, assigns, heirs and personal representatives of such Indemnified Person.

(c) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.06 shall not be construed as to relieve (or attempt to relieve) from liability or to provide for the indemnification of any Indemnified Person for any liability (including liability under federal securities law which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law or such indemnification would be in violation of applicable law, but shall be construed so as to effectuate the provisions of this Section 2.06 to the fullest extent permitted by law.

(d) The Managing Member shall have power to purchase and maintain

insurance on behalf of the Managing Member and the Indemnified Persons at the expense of the Company against any liability asserted against or incurred by them in any such capacity or arising out of the Managing Member's status as such, whether or not the Company would have the power to indemnify the Indemnified Persons against such liability under the provisions of this Agreement.

(e) An Indemnified Person may rely upon and shall be protected in acting or refraining from action upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond debenture, or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) An Indemnified Person may consult with counsel, accountants and other experts reasonably selected by it, and any opinion of an independent counsel, accountant or expert retained with reasonable care shall be full and complete protection in respect of any action taken or suffered or omitted by the Indemnified Person hereunder in good faith and in accordance with such opinion.

(g) The Managing Member may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Managing Member shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with reasonable care by it hereunder.

Section 2.07 Management Fee; Payment of Costs and Expenses. The Company shall pay to the Managing Member a fee, payable in arrears, for investment management and other management services (the "Management Fee") calculated and paid on a monthly basis of approximately 0.10417% (1.25% per annum) of the Net Assets of the Company as of the end of each month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions or redemptions. For purposes of determining the Management Fee, Net Assets shall be reduced for any Administration Fee (as defined in the Company's Confidential Private Placement Memorandum) for such month, but shall not be reduced to reflect any accrued Incentive Allocation (as defined in Section 4.05(b)) and any Management Fee for such month.

If a Member is admitted to, or withdraws from, the Company as of a date other than the first day of a month, the portion of the Management Fee and Administration Fee determined with respect to such Member's Capital Account shall be appropriately pro-rated to take into account the number of days in such month during which such Member was a Member. Partial withdrawals will result in similar pro-ration.

The Managing Member reserves the right, in its sole discretion, to waive fees or impose different fees on Members, as may be agreed to by the Managing Member and the Member.

The Managing Member shall bear its own overhead costs and expenses and

provide to the Company news, quotation and computer equipment and services (except to the extent paid for through the permitted use of soft dollars), office space and utilities, and secretarial and clerical personnel.

The Company shall bear its operating expenses, including but not limited to legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting, auditing and tax preparation expenses, custodial expenses, taxes, printing and mailing expenses, fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services to the Company, investment expenses (e.g., expenses related to the investment of the Company's assets, such as fees to the Advisors, brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs and extraordinary expenses) and other expenses associated with the operation of the Company. Expenses are allocated pro rata among each series of Units based on the NAV of each series, prior to the reduction of any year-to-date Incentive Allocation.

In addition, the Company will bear its organizational expenses and the expenses incurred in connection with the offer and sale of Units, including printing costs and legal fees and expenses of the Company, the Managing Member and any placement agent and other expenses of the offering of Units. In addition, the Company will bear, indirectly through its investment in each Portfolio Company, its pro rata portion of the offering, organizational and operating expenses of each Portfolio Company, including the expenses of the type described in this and the prior paragraph.

To the extent that expenses to be borne by the Company are paid by the Managing Member in excess of its ratable share, the Company shall reimburse the Managing Member for such expenses. The Managing Member may elect, from time to time, to bear certain of the Company's expenses described above.

Section 2.08 Principal Transactions and Other Related Party Transactions. Each Non-Managing Member hereby authorizes the Managing Member, on behalf of such Non-Managing Member, to select one or more persons, who shall not be affiliated with the Managing Member, to serve on a committee, the purpose of which will be to consider and, on behalf of the Non-Managing Members, approve or disapprove, to the extent required by applicable law, of principal transactions and certain other related party transactions. In no event shall any such transaction be entered into unless it complies with applicable law.

Section 2.09 Termination of the Managing Member. Upon the written consent of the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its Affiliates, employees or officers), based on the NAV of such Units, the Managing Member will be required to withdraw from the Company, and the Company will be wound-up and terminated in accordance with Article VII, unless the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its

Affiliates, employees or officers), based on the NAV of such Units, agree in writing to continue the business of the Company and to the appointment of one or more new managing members. If the withdrawal of the Managing Member pursuant to this Section 2.09 occurs prior to the end of a month, the Managing Member shall receive the amount of the Management Fee and any applicable Administration Fee prorated through the date of the effective date of the withdrawal pursuant to Section 6.03, and the Managing Member shall receive the Incentive Allocation for the fiscal year in which the withdrawal occurred calculated in accordance with Section 4.05(c) as if the date of withdrawal were the last day of the fiscal year.

ARTICLE III

Series of Units; Admission of New Members

Section 3.01 Series of Units. An initial series of Units (the "Initial Series") will be issued on the initial closing date. The initial purchase price per Unit for the Initial Series of Units shall be \$100. The Managing Member may, at any time and from time to time, in its sole discretion, elect to raise additional capital for the Company from Members and from new subscribers on such terms and conditions as may be determined by the Managing Member in its sole discretion. Generally, a new series of Units will be issued on each date an existing Member makes an additional Capital Contribution in accordance with Section 4.02 and on each date a new Member is admitted to the Company in accordance with Section 3.03, except that the Managing Member may issue additional Units of an existing series provided that such issuance does not have an adverse effect on the NAV or Prior High NAV (as defined in Section 4.05(b)(i)) of Units of any Member. Each Unit will carry equal rights and privileges with each other Unit of the same series. Units issued at the beginning of any fiscal year will be offered at the then current NAV per Unit of the Initial Series if such Initial Series is at or above its Prior High NAV per Unit. If the Initial Series is not at or above its Prior High NAV per Unit, Units will be issued in the next offered series that is at or above its Prior High NAV. If no series of Units is at or above its Prior High NAV at such time, such additional Units will be issued as a separate series at a price per Unit determined by the Managing Member, in its sole discretion. Fractions of Units may be issued to one ten-thousandth of a Unit.

Section 3.02 Conversion of Series. Following the end of each fiscal year, any issued and outstanding series of Units (other than the Initial Series) that is at or above its Prior High NAV shall be exchanged into Units of the Initial Series (or if the Initial Series is not at or above its Prior High NAV per Unit, the next offered series that is at or above its Prior High NAV) at the then NAV per Unit of the Initial Series or such other series of Units (as applicable).

Section 3.03 New Members. Subject to the condition that each new Member shall execute an appropriate counterpart to this Agreement pursuant to which it agrees to be bound by the terms and provisions hereof, the Managing Member may admit one or more new Members on the first day of each

calendar quarter or at such other times as the Managing Member may determine in its sole discretion. Admission of a new Member shall not be a cause for dissolution or termination of the Company.

ARTICLE IV

Capital Accounts of Members and Operation Thereof

Section 4.01 Definitions. For the purposes of this Agreement, unless the context otherwise requires:

(a) The term "Accounting Period" shall mean the following periods: The initial Accounting Period shall commence upon the commencement of operations of the Company. Each subsequent Accounting Period shall commence immediately after the close of the preceding Accounting Period. Each Accounting Period hereunder shall close immediately before the opening of business on the first to occur of (i) the first day of each fiscal year of the Company, (ii) the effective date of the admission of a new Member pursuant to Section 3.03, (iii) the effective date of an additional Capital Contribution pursuant to Section 4.02, or (iv) the effective date of any redemption or complete withdrawal pursuant to Articles V or VI hereof. The final Accounting Period shall end on the date the Company dissolves.

(b) The term "Beginning Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets (as defined below) at the beginning of such Accounting Period.

(c) The term "Ending Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets at the end of such Accounting Period (before giving effect to the Incentive Allocation for such Accounting Period, but after giving effect to all other expenses for such Accounting Period, including the Management Fee and the Administration Fee).

(d) The term "Net Assets" shall mean the excess of the Company's total assets over its total liabilities, determined in accordance with Section 4.07.

(e) The term "Net Capital Appreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Ending Value over the Beginning Value.

(f) The term "Net Capital Depreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Beginning Value over the Ending Value.

Section 4.02 Capital Contributions. Each Member has paid or conveyed by way of contribution to the Company in exchange for the issuance of Units cash and/or marketable securities having an aggregate value equal to the amount set forth opposite such Member's name in Part I or II of the

Schedule (herein called the "Initial Capital Contribution"). Additional Capital Contributions may be made by Members only in accordance with the provisions of this Section 4.02.

Upon the approval of the Managing Member, any existing or prospective Member may purchase additional or newly-issued Units by contributing cash and/or marketable securities to the Company on the first day of any calendar quarter or at such other times as the Managing Member may determine in its sole discretion. The Managing Member and any of its Affiliates may make additional Capital Contributions to the Company in cash and/or marketable securities at any time and in any amounts.

Whether marketable securities shall be accepted as a contribution to the Company shall be determined in the sole discretion of the Managing Member.

Section 4.03 Capital Accounts. (a) A separate capital account (herein called a "Capital Account") shall be established on the books of the Company for each series of Units. The Capital Account of each series shall initially be an amount equal to the initial Capital Contributions with respect to such series. The Capital Account of a series shall be (i) increased as of the beginning of each Accounting Period to reflect any additional Capital Contributions pursuant to Section 4.02 in respect of such series, (ii) increased as of the end of each Accounting Period to reflect the Net Capital Appreciation of such series, (iii) decreased as of the beginning of each Accounting Period to reflect the redemption of any Units of such series, pursuant to Section 5.02, (iv) decreased as of the end of each Accounting Period to reflect the amount of any distributions pursuant to Section 5.04 in respect of such series (including any deemed distributions of taxes paid by the Company pursuant to Section 5.04(c) in respect of such series); (v) decreased for any Incentive Allocation pursuant to Section 4.05(b) in respect of such series; and (vi) decreased as of the end of each Accounting Period to reflect the Net Capital Depreciation of such series.

(b) At the time of the conversion of any series of Units into Units of the Initial Series or any other series of Units pursuant to Section 3.02, the Capital Account of the converted series of Units shall be reduced to zero, and the Capital Account of the series of Units into which such Units were converted shall be increased by the balance of the Capital Account of the converted series of Units immediately prior to the conversion.

(c) A separate Capital Account shall also be established on the books of the Company for each Member with respect to each series of Units held by such Member. Each Member's Capital Account with respect to a series of Units shall equal the Capital Account of such series times the Member's Membership Percentage (as defined in Section 4.04) with respect to such series of Units.

(d) The Managing Member shall have a separate Capital Account, which shall initially be equal to zero, and which shall be (A) increased by any

Incentive Allocation at the time such Incentive Allocation is made, and (B) decreased to reflect the amount of any distributions (including any deemed distributions in connection with the withholding of taxes in respect of such Incentive Allocation pursuant to Section 5.04(c)) made to the Managing Member in respect of such Incentive Allocation for such Accounting Period.

Section 4.04 Membership Percentages. A Membership Percentage shall be determined for each Member for any given series of Units for each Accounting Period of the Company by dividing the number of Units owned by such Member within a given series by the aggregate number of outstanding Units of such series as of the beginning of such Accounting Period. The aggregate Membership Percentages for each series of Units shall equal 100 percent.

Section 4.05 Allocation of Net Capital Appreciation or Net Capital Depreciation.

(a) Any Net Capital Appreciation or Net Capital Depreciation, as the case may be, for an Accounting Period shall be allocated among the different series of Units pro rata in accordance with the relative Capital Accounts of each series at the beginning of such Accounting Period.

(b) (i) At the end of each fiscal year of the Company, or at such other date during a fiscal year as of which the following determination is required pursuant to this Section 4.05, five percent (5%) of the amount by which the NAV of a series of Units, (determined prior to any applicable Incentive Allocation accrual with respect to such series of Units and appropriately adjusted as determined by the Managing Member in its sole discretion for contributions, distributions and redemptions but after giving effect to the allocation, pursuant to Section 4.05(a), of Net Capital Appreciation and Net Capital Depreciation for the Accounting Period ending on such date) exceeds such series' Prior High NAV at such date, shall be reallocated to the Capital Account of the Managing Member (the "Incentive Allocation"). The "Prior High NAV" with respect to a series of Units initially shall mean an amount equal to the NAV of such series as of the date of its initial issue. The new Prior High NAV with respect to a series of Units immediately following the end of any period for which an Incentive Allocation has been made with respect to such series shall be reset to equal the NAV of such series, unless the series is exchanged pursuant to Section 3.02 into the Initial Series or another series, in which case the new Prior High NAV shall be reset to equal the NAV of the Initial Series or other series. If the NAV of such series at the end of any fiscal year of the Company, and such other date during a fiscal year as of which the determination of the Incentive Allocation is required pursuant to Section 4.05(c) is less than its Prior High NAV, the Prior High NAV of that series shall not change. The Prior High NAV for each series of Units shall be appropriately adjusted as determined by the Managing Member in its sole discretion to account for contributions, distributions and redemptions made with respect to such series of Units.

(ii) The Incentive Allocation with respect to a series of Units

accrues daily and the Company shall credit the Capital Account of the Managing Member as of December 31 of each year for the Incentive Allocation.

(c) In the event that the Company is dissolved other than at the end of a fiscal year, or the effective date of a Member's redemption of Units is other than a fiscal year-end, then the Incentive Allocation described above shall be determined and made as if such date were a fiscal year-end.

(d) Notwithstanding anything to the contrary herein, to the extent that the Company invests in "Hot Issues" (as defined below), and there are Members who are restricted persons within the meaning of National Association of Securities Dealers, Inc. (the "NASD") Conduct Rule 2110 and the interpretation set forth thereunder in IM-2110-1 entitled "Free-Riding and Withholding" (collectively, the "Interpretation")), investments in Hot Issues will be made through a special account and profits and losses attributable to Hot Issues will not be allocated to the Capital Accounts of Members who are restricted from participating in Hot Issues under the Interpretation. Only those Members who are not restricted persons shall have any beneficial interest in such an account. Notwithstanding anything in this Agreement to the contrary, the Managing Member shall have the right, without the consent of the Members, to make such amendments to this Agreement, and to take such other actions, as it deems advisable and appropriate, in its sole discretion, to implement the purposes of this Section 4.05(d). A "Hot Issue" is any of the securities of a public offering which trade at a premium in the secondary market whenever such secondary market begins, or otherwise as such term may be interpreted from time to time under the then current rules of the NASD.

Section 4.06 Amendment of Incentive Allocation. The Managing Member shall have the right to amend, without the consent of the Non-Managing Members, Section 4.05 of this Agreement so that the Incentive Allocation (or other performance-based allocation) therein provided conforms to any applicable requirements of the Securities and Exchange Commission and other regulatory authorities; provided, however, that no such amendment shall increase the Incentive Allocation (or other performance-based allocation) as so amended to more than the amount payable in accordance with Section 4.05 of this Agreement (or, in the case of any other performance-based allocation arrangement, the specific arrangement set forth in a written agreement between the affected Non-Managing Member and the Company), without the written consent of the affected Non-Managing Member. The Managing Member reserves the right, in its sole discretion, to apply different performance-based percentage allocations and performance compensation arrangements to any Member, as may be agreed by the Managing Member and such Member.

Section 4.07 Determination of Net Assets.

(a) The Company's Net Assets shall be determined in accordance with U.S. generally accepted accounting principles consistently applied as a guideline and the following principles:

(i) The value of the Company's investment in a Portfolio Company or other investment fund shall be equal to the Company's proportionate interest in the NAV of the Portfolio Company or investment fund, determined in accordance with the terms and conditions of the respective governing agreement of each Portfolio Company or investment fund, as it may be amended, supplemented or otherwise modified from time to time.

(ii) The assets of the Company that are invested pursuant to investment management agreements shall be valued at fair value in a commercially reasonable manner.

(iii) All other assets or liabilities of the Company shall be valued by the Administrator in its sole discretion.

(iv) The amount of the Company's assets and liabilities (including without limitation indebtedness for money borrowed, the Management Fee and the Administration Fee) shall be determined in accordance with U.S. generally accepted accounting principles and guidelines, applied on a consistent basis, provided that the Administrator in its discretion may provide reserves for estimated accrued expenses, liabilities and contingencies, even if such reserves are not required by U.S. generally accepted accounting principles.

(v) The amount payable to a Member or former Member in redemption of part or all of such Member's or former Member's Units pursuant to Section 5.02 shall be treated as a liability of the Company, until paid, from (but not prior to) the beginning of the Accounting Period on the Redemption Date for such Units.

(vi) The amount to be received by the Company on account of any Capital Contributions pursuant to Section 4.02 shall be treated as an asset of the Company from (but not before) the beginning of the Accounting Period on the effective date of such Capital Contributions.

(vii) Distributions made pursuant to Section 5.04 (including deemed tax distributions pursuant to Section 5.03(c)) other than as of the beginning of an Accounting Period shall be treated as an advance and as an asset of the Company, until the beginning of the Accounting Period following the date of distribution.

(viii) The Incentive Allocation, if any, credited to the Capital Account of the Managing Member pursuant to Section 4.05(d) shall be treated as a liability, until distributed, from the beginning of the Accounting Period following the Accounting Period in which the Incentive Allocation was credited to such Capital Account.

(b) The Company may suspend the valuation of its assets and liabilities, and any distributions or redemptions of any amounts from Capital Accounts, for any period during which a Portfolio Company or other

investment fund with which the Company has made an investment has suspended the valuation of its assets and liabilities. The Managing Member shall promptly notify Members of any such suspension, and the termination of any such suspension, by means of a written notice.

(c) All values assigned to securities and other assets by the Managing Member or the Administrator pursuant to this Section 4.07 shall be final and conclusive as to all of the Members. The Managing Member may consult with and rely upon valuations of the Company's securities and other assets provided by the Administrator.

Section 4.08 Determination of Net Asset Value. The NAV of a series of Units shall be equal to the balance of the Capital Account with respect to such series of Units. The NAV per Unit of a series shall be equal to the NAV of such series divided by the number of outstanding Units of such series.

Section 4.09 Allocation for Tax Purposes. (a) For each fiscal year, items of income, deduction, gain, loss or credit shall be allocated for income tax purposes among the Members in such manner as to equitably reflect the amounts credited or debited to each Member's Capital Account for the current and prior fiscal years (or relevant portions thereof). Allocations under this Section 4.09 shall be made by the Managing Member in accordance with the principles of Sections 704(b) and 704(c) of the Code and in conformity with applicable Regulations promulgated thereunder (including, without limitation, Treasury Regulation Sections 1.704-1(b)(2)(iv)(f)(4), 1.704-1(b)(4)(i) and 1.704-3(e)).

If any Member redeems all of its Units in the Company during a fiscal year or immediately following the end of a fiscal year, and the Member would (absent this sentence) recognize gain under Section 731 of the Code as a result of such withdrawal, the Managing Member may elect to specially allocate to such Member, for U.S. federal income tax purposes, any capital gains (including short-term capital gains) realized by the Company during such fiscal year, through and including the date of withdrawal, in an amount up to that amount of gain which if so allocated would avoid the Member recognizing gain on the withdrawal under Section 731 of the Code (ignoring for this purpose any adjustments that have been made to the tax basis of the withdrawing Member's Units resulting from any transfers or assignment of the Units (other than the original issue of the Units), including by reason of death). Any such election by the Managing Member shall, to the extent reasonably practicable as determined by the Managing Member in its sole discretion, be applied on an equitable basis to all Members withdrawing during such fiscal year or immediately following the end of such fiscal year.

Section 4.10 Determination by Managing Member of Certain Matters; Managing Member's Discretion.

(a) All matters concerning the valuation of securities and other assets and liabilities of the Company, the allocation of profits, gains and

losses among the Members (including for tax purposes) and accounting procedures not expressly provided for by the terms of this Agreement (including, without limitation, allocation and accounting procedures in the event a Member that has an account managed by the Managing Member in a manner similar to the investment program utilized by the Company which causes the assets and liabilities in such account to be transferred to the Company) shall be determined by the Managing Member (or such person as the Managing Member may authorize to make such determination), whose determination shall be final, binding and conclusive as to all of the Members.

(b) Whenever in this Agreement the Managing Member is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the Managing Member shall be entitled to consider only such interests and factors as it desires and may consider its own interests and the interests of its Affiliates and its determination shall be final, binding and conclusive as to all of the Members, or (ii) in its "good faith" the Managing Member shall act under such express standards and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 4.11 Adjustments to Take Account of Interim Year Events. If the Code or regulations promulgated thereunder require an adjustment to the Capital Account of a Member or some other interim year event occurs necessitating in the Managing Member's judgment an equitable adjustment, the Managing Member shall make such adjustments in the determination and allocation among the Members of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Membership Percentages, Incentive Allocation, the Management Fee, Administration Fee, Company expenses, items of income, deduction, gain, loss, credit or withholding for tax purposes, accounting procedures or such other financial or tax items as shall equitably take into account such interim year event and applicable provisions of law, and the determination thereof by the Managing Member shall be final, binding and conclusive as to all of the Members.

Section 4.12 Tax Withholding. If the Company is required to withhold taxes on any distribution to, or to pay or incur any tax with respect to any income allocable to or otherwise on account of, any Member or series of Units, the Company may withhold such amounts and make such payments to such taxing authorities as are necessary to ensure compliance with such tax laws.

ARTICLE V

Redemptions and Distributions

Section 5.01 Redemptions and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company, except as provided in Section 5.04 and Section 7.02; or (ii) to redeem any of its Units other than upon such Member's withdrawal from the Company, except as

provided in Sections 5.02 and 6.01 or upon the consent of, or as may be required by, and upon such terms as may be determined by, the Managing Member in its sole discretion. In no event shall a Member be entitled to demand to receive property other than cash.

Section 5.02 Redemptions.

(a) Subject to Sections 5.02(c) and 5.03, as of the time immediately prior to the opening of business on the first day of any calendar quarter (each, a "Redemption Date"), each Member shall have the right, upon 45 days' prior written notice to the Managing Member (unless such notice is waived by the Managing Member in its sole discretion), to redeem some or all of its Units. No partial redemption shall be permitted if thereafter the aggregate NAV of the remaining Units held by the redeeming Member would be less than \$500,000, unless such limitation is waived by the Managing Member in its sole discretion. Units of a particular series will be redeemed at a per Unit price (the "Redemption Price") based upon the NAV of such series as of the close of business on the day immediately preceding the applicable Redemption Date, after reduction for any Management Fee, Administration Fee and Incentive Allocation and other liabilities of the Company to the extent accrued or otherwise attributable to the Units being redeemed on a pro rata basis (calculated as if the Redemption Date was the last day of the fiscal year). If a redeeming Member owns Units of more than one series, unless otherwise specified by such Member in writing, Units shall be redeemed on a "first in-first out" basis for purposes of determining the Redemption Price. The Company will endeavor to pay 90% of the redemption proceeds (calculated on the basis of estimated, unaudited data), valued as the close of business on the day immediately preceding the Redemption Date, within 10 days following the applicable Redemption Date, without interest. The balance of the redemption proceeds will be paid, without interest, within 30 days of the applicable Redemption Date. The Managing Member may permit redemptions at other times and in other amounts, subject to any conditions that it may impose in its sole discretion.

(b) The Managing Member shall have the right, in its sole discretion, as of any date that it determines (including during a fiscal year) and for any reason (including, without limitation, pursuant to Article VI, for regulatory or tax reasons, or for any other reason), to redeem any or all of a Member's Units. Any redemptions made pursuant to this Section 5.02(b) shall be paid out in accordance with Section 5.02(a).

(c) The Managing Member, and any Affiliate of the Managing Member, shall have the right at any time (including during a fiscal year or other period) to redeem any and all of its interest or withdraw all or a portion of the assets in its Capital Account without notice to the Members.

Section 5.03 Limitation on Redemptions.

(a) The right of any Member to redeem some or all of its Units pursuant to the provisions of Section 5.02 is subject to the provision by the Managing Member for all Company liabilities in accordance with the Act,

and for reserves for estimated accrued expenses, liabilities and contingencies in accordance with Section 4.08.

(b) The Managing Member may suspend redemptions, at any time prior to the effective date of the redemption, and notwithstanding the fact that a timely redemption request has previously been made, for the whole, or any part, of any of the following periods: (i) during the closing of the principal stock exchange or other markets on which any substantial portion of the Company's direct or indirect investments, in the opinion of the Managing Member, is quoted or dealt in other than for ordinary holidays, or the restriction of suspension of dealings therein; (ii) during the existence of any state of affairs which, in the opinion of the Managing Member, constitutes an emergency as a result of which the determination of the price, value or disposition of the Company's direct or indirect investments would be impractical or prejudicial to Members; (iii) during which redemptions would, in the opinion of the Managing Member, result in a violation of applicable law; (iv) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company or the current price or values on any stock exchange in respect of assets of the Company; (v) during the occurrence of any period when the Company is unable to withdraw sufficient funds from Portfolio Companies or otherwise to meet redemption requests or in circumstances when the disposal of part or all of the Company's assets to meet such redemption requests would be prejudicial to Members; and (vi) during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Managing Member, be effected at advantageous rates of exchange. Postponed redemptions shall be effected at the month-end following the termination of the suspension. Any part of a redemption request that is postponed shall take precedence over later-received redemption requests until the postponed request or requests have been satisfied in full. Members shall be given notice in writing of the suspension of redemptions and the termination of any such suspension. Units shall be held by the Member during the suspension period as if no redemption request had been made.

Section 5.04 Distributions.

(a) The Managing Member may, in its discretion, make distributions in cash or in-kind (i) in connection with redemptions from the Company by a Member or in connection with a Member's complete withdrawal from the Company pursuant to Article VI, (ii) in its discretion, at any time to the Managing Member in an amount not in excess of the then positive balance in its Capital Account to which the Incentive Allocation is credited pursuant to Section 4.03 and (iii) in its discretion, at any time to all of the Members on a pro rata basis in accordance with the Members' Capital Amounts.

(b) If a distribution is made in-kind, immediately prior to such distribution, the Managing Member shall determine the fair market value of the property distributed and adjust the Capital Accounts of all Members

upwards or downwards to reflect the difference between the book value and the fair market value thereof, as if such gain or loss had been recognized upon an actual sale of such property and allocated pursuant to Section 4.05. Each such distribution shall reduce the Capital Account of the Member to which the distribution was made by the fair market value thereof.

(c) Any taxes paid over to a governmental authority by the Company pursuant to Section 4.12 with respect to any Member (other than on account of all Members equally) shall be deemed to be a distribution to such Member. If a Member who receives a deemed distribution of taxes under this Section owns more than one series of Units, the Managing Member in its sole discretion may allocate such deemed distribution among such Member's different series of Units. Notwithstanding the foregoing, the Managing Member in its sole discretion may elect to treat any deemed distribution to a Member under this Section 5.04(c), not as a distribution, but as an advance to the Member and a partial redemption of such Member's Units as of the next Redemption Date following the deemed distribution, and such Member's Units shall be reduced thereby as appropriately determined by the Managing Member.

ARTICLE VI

Withdrawal, Death, Disability

Section 6.01 Withdrawal, Death, etc. of Members.

(a) Subject to Section 6.04, a Member shall have the right on each Redemption Date, upon 45 days' prior written notice to the Managing Member (unless such notice is waived by the Managing Member in its sole discretion), to withdraw as a Member at the NAV per Unit for the series being redeemed as of the close of business on the day immediately preceding the applicable Redemption Date. The Company will endeavor to pay the withdrawing Member 90% of the redemption proceeds (calculated on the basis of estimated, unaudited data), valued as of the close of business on the day immediately preceding the Redemption Date, within 10 days following the applicable Redemption Date, without interest. The balance of the redemption proceeds will be paid, without interest, within 30 days of the applicable Redemption Date. A Member may withdraw from the Company at any other time with the consent of, and upon such terms as may be determined by, the Managing Member in its discretion.

The withdrawal, death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of a Member shall not dissolve the Company. The legal representatives or successors of such Member shall succeed as assignee to the Member's interest in the Company upon the death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of such Member, but shall not be admitted as a substituted member without the consent of the Managing Member.

(b) In the event of the death, disability, incapacity, adjudication of

incompetency, termination, bankruptcy, insolvency or dissolution of a Member, the interest of such Member shall continue at the risk of the Company's business until the last day of the calendar month following the calendar month in which the Managing Member received written notice of such event. At the end of such period, the Managing Member shall, in its sole discretion, either (i) substitute the legal representatives or successors of the former Members as Members of the Company, provided that the Managing Member determines in its sole discretion that such legal representatives or successors are qualified to become Members of the Company, or (ii) redeem such former Member's interest in the Company in accordance with the redemption provisions set forth above.

(c) The interest of a Member that gives notice of a withdrawal pursuant to Section 6.01(a) shall not be included in calculating the Membership Percentages required to take any action under this Agreement.

Section 6.02 Required Withdrawals. The Managing Member may at any time and for any reason, in its discretion, terminate the interest of any Member in the Company or require a Member to withdraw any part of its Capital Account. A Member required to withdraw under this Section 6.02 shall be treated for all purposes of distribution of redemption proceeds as a Member who has given notice of withdrawal under Section 6.01(a).

Section 6.03 Effective Date of Withdrawal. The Capital Account of a withdrawing Member shall be determined as of the effective date of its withdrawal. For purposes of this Section 6.03, the effective date of a Member's withdrawal shall mean (as the case may be) (i) the Redemption Date pursuant Section 6.01(a) or (ii) the date determined by the Managing Member if such Member shall be required to withdraw from the Company pursuant to Section 6.02. In the event the effective date of a Member's withdrawal shall be a date other than the last day of a fiscal year of the Company, the Capital Account of the withdrawing Member shall be adjusted pursuant to Section 4.05(c).

Section 6.04 Limitations on Withdrawals. The right of any withdrawing Member or its legal representatives to have distributed the Capital Account of such Member pursuant to this Article VI is subject to the provision by the Managing Member for all Company liabilities in accordance with the Act and for reserves for contingencies and estimated accrued expenses and liabilities in accordance with Section 4.08. The unused portion of any reserve shall be distributed to such withdrawn Member or its legal representatives, with any interest actually earned thereon, after the Managing Member shall have determined that the need therefor shall have ceased.

ARTICLE VII

Duration and Dissolution of the Company

Section 7.01 Duration. The Company shall continue until the earlier of (i) a determination by the Managing Member that the Company should be

dissolved and wound-up; (ii) the termination, bankruptcy, insolvency, dissolution or withdrawal by the Managing Member other than by assignment of the Managing Member's interest as provided in Section 1.05(b) hereof; or (iii) upon 60 days' prior written notice to the Managing Member of the affirmative vote of the holders of at least 66-2/3% of the voting power of the outstanding Units (other than Units held by Goldman, Sachs & Co., its Affiliates, employees and officers), based on the NAV of such Units, at a meeting duly called for the purpose of liquidating the Company. Upon a determination to dissolve the Company, redemptions, and distributions in respect thereof, may not be made.

Section 7.02 Dissolution.

(a) On dissolution of the Company, the Managing Member shall, within no more than 30 days after completion of a final audit of the Company's financial statements, make distributions out of Company assets, in the following manner and order:

(i) to creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or by establishment of reserves); and

(ii) to the Members in the proportion of their respective Capital Accounts.

(b) The Managing Member, in its discretion, at any time and from time to time, may designate one or more liquidators, including, without limitation, one or more partners, members or officers of the Managing Member, who shall have full authority to wind up and liquidate the business of the Company and to make final distributions as provided in this Section 7.02. The appointment of any liquidator may be revoked or a successor or additional liquidator or liquidators may be appointed at any time by an instrument in writing signed by the Managing Member. Any such liquidator may receive compensation as shall be fixed, from time to time, by the Managing Member.

(c) In the event that the Company is dissolved on a date other than the last day of a fiscal year, the date of such dissolution shall be deemed to be the last day of a fiscal year for purposes of adjusting the Capital Accounts of the Members pursuant to Section 4.03. For purposes of distributing the assets of the Company upon dissolution, the Managing Member shall be entitled to a return, on a pari passu basis with the Non-Managing Members, of the amount standing to its credit in its Capital Account and, with respect to its share of profits, based upon its Membership Percentage.

ARTICLE VIII

Tax Returns; Reports to Members

Section 8.01 Independent Auditors. The financial statements of the

Company shall be audited by Ernst & Young LLP, or such other certified public accountants of similar standing selected by the Managing Member, as of the end of each fiscal year of the Company.

Section 8.02 Filing of Tax Returns. The Managing Member shall prepare and file, or cause the accountants of the Company to prepare and file, a federal information tax return in compliance with Section 6031 of the Code, and any required state and local income tax and information returns for each tax year of the Company.

Section 8.03 Tax Matters Partner. The Managing Member shall be designated on the Company's annual federal information tax return, and have full powers and responsibilities, as the Tax Matters Partner of the Company for purposes of Section 6231(a)(7) of the Code. In the event the Company shall be the subject of an income tax audit by any federal, state or local authority, to the extent the Company is treated as an entity for purposes of such audit, including administrative settlement and judicial review, the Tax Matters Partner shall be authorized to act for, and its decision shall be final and binding upon, the Company and each Member thereof. All expenses incurred in connection with any such audit, investigation, settlement or review shall be borne by the Company.

Section 8.04 Financial Reports to Current Members. The Company shall prepare and mail to each Non-Managing Member (i) annual audited financial statements after the end of the Company's fiscal year, (ii) quarterly unaudited information as to the performance of the Company and (iii) information necessary for such Member to complete its U.S. federal, state and local income tax returns (including such information that such Member may reasonably require annually to complete its tax filing obligations, provided that the Managing Member may provide the same without undue effort or expense).

Section 8.05 Tax Reports to Members and Former Members. The Company shall use its best efforts to prepare and mail, or cause its accountants to prepare and mail, to each Member and, to the extent necessary, to each former Member (or its legal representatives), not more than 90 days after the close of each fiscal year of the Company, a report setting forth in sufficient detail such information as shall enable such Member or former Member (or such Member's legal representatives) to prepare their respective federal income tax returns and/or extensions in accordance with the laws, rules and regulations then prevailing.

ARTICLE X

Miscellaneous

Section 9.01 General. This Agreement (i) shall be binding on the permitted transferees, assigns, executors, administrators, estates, heirs, and legal successors and representatives of the Members and (ii) may be executed, through the use of separate signature pages or supplemental agreements in any number of counterparts with the same effect as if the

parties executing such counterparts had all executed one counterpart; provided, however, that each such counterpart shall have been executed by the Managing Member and that the counterparts, in the aggregate, shall have been signed by all of the Members.

Section 9.02 Power of Attorney. Each of the Members hereby appoints the Managing Member as its true and lawful representative and attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, swear to and file:

(a) a Certificate of Formation of the Company and any amendments thereto as may be required under the Act;

(b) any duly adopted amendment to this Agreement;

(c) any and all instruments, certificates, and other documents that may be deemed necessary or desirable to effect the dissolution and winding-up of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); and

(d) any business certificate, fictitious name certificate, amendment thereto, or other instrument or document of any kind whatsoever necessary, desirable or convenient to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state, local or foreign law.

The power of attorney hereby granted by each of the Non-Managing Members is coupled with an interest, is irrevocable, and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Non-Managing Member; provided, however, that such power of attorney shall terminate upon the substitution of another non-managing member for all of such Non-Managing Member's interest in the Company or upon the complete withdrawal of such Non-Managing Member from participation in the Company.

Section 9.03 Amendments to Limited Liability Company Agreement. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of Members having in excess of 50% of the voting power of the outstanding Units, (or, if an amendment affects only a particular series of Units, with the written consent of Members having in excess of 50% of that series of Units), based on the NAV of such Units, and the affirmative vote of the Managing Member insofar as is consistent with the laws governing this Agreement; provided, however, that without the consent of the Non-Managing Members, the Managing Member may amend the Agreement or the Schedule hereto to (i) reflect changes validly made in the membership of the Company, the Capital Contributions, Membership Percentages and changes in the number of Units held by the Members; (ii) change the provisions relating to the Incentive Allocation so that such provisions conform to the applicable requirements of the Securities and Exchange Commission and other regulatory authorities, so long as such amendment does not increase the Incentive Allocation to

more than the amount that would otherwise be determined absent such amendment; (iii) reflect a change in the name of the Company; (iv) make a change that is necessary or, in the opinion of the Managing Member, advisable to qualify the Company as a limited liability company or other entity in which the Members have limited liability under the laws of any state, or ensure that the Company shall not be treated as an association or a publicly traded partnership taxable as a corporation for federal income tax purposes; (v) make any change that does not adversely affect the Members in any material respect; (vi) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal, state or foreign statute, so long as such change is made in a manner which minimizes to the extent practicable, as determined by the Managing Member in its sole discretion, any adverse effect on the Members or that is required or contemplated by this Agreement; (vii) make a change in any provision of the Agreement that requires any action to be taken by or on behalf of the Managing Member or the Company pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; (viii) prevent the Company or the Managing Member from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act of 1940, as amended; (ix) correct mistakes or clarify ambiguities; (x) in the event of adverse changes in the tax law or interpretations thereof applicable to the Company, amend the Agreement as determined by the Managing Member if it deems advisable or necessary to address such changes; (xi) conform the Agreement to the disclosure provided in the Company's Confidential Private Placement Memorandum; (xii) correct or supplement any conflicting provisions and delete or add provisions as may be required by applicable law or regulations, in each case, as determined by the Managing Member in its sole discretion; (xiii) make any other amendment provided such amendment does not become effective until after such affected Members have been given prior written notice of such change and have had the right following receipt of such notice to request the redemption of their Units and such redemption shall have become effective; or (xiv) make any other amendments similar to the foregoing. Each Member, however, must consent to any amendment that would (a) reduce its Capital Account or rights of redemption or withdrawal; or (b) amend the provisions of this Agreement relating to amendments.

Section 9.04 Instruments. The parties agree to execute and deliver any further instruments or perform any acts which are or may become necessary to carry on the Company created by this Agreement or to effectuate its purposes.

Section 9.05 No Personal Liability For Return of Capital. The Managing Member shall not be personally liable for the return or repayment of all or any portion of Capital Contribution or profits of any Member, it being expressly agreed that any such return of Capital Contribution or profits made pursuant to this Agreement shall be made solely from the assets (which shall not include any right of contribution from the Managing Member) of the Company.

Section 9.06 Choice of Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Delaware and, without limitation thereof, that the Act as now adopted or as may be hereafter amended shall govern the limited liability company aspects of this Agreement. The parties also expressly agree that all actions and proceedings brought by a party against a Member or the Company, in connection with the Company's business or affairs (including a breach of this Agreement by a party hereto) shall be brought in and be subject to the jurisdiction of a court of the State of New York or any federal district court in the State of New York.

Section 9.07 Waiver of Trial By Jury. The parties hereto irrevocably waive to the fullest extent permitted by law any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in the courts of the State of New York located in the City of New York or of the United States District Court for the Southern District of New York and any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 9.08 No Third Party Rights. The provisions of this Agreement, including, without limitation, the provisions of Section 1.03, are not intended to be for the benefit of any creditor or other person (other than the Members in their capacities as such) to whom any debts, liabilities or obligations are owed by (or who otherwise have a claim against or dealings with) the Company or any Member, and no such creditor or other Person shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall by reason of any such provisions make any claim in respect to any debt, liability or obligation (or otherwise) including any debt, liability or obligation pursuant to Section 1.03, against the Company or any Member.

Section 9.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person or by registered or certified mail. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in the Schedule. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when mailed by registered or certified mail to the proper address or delivered in person.

Section 9.10 Counterparts. This Agreement may be executed in counterparts with the same force and effect as if each of the signatories had executed the same instrument.

Section 9.11 Grantors of Revocable Trusts. Each Non-Managing Member that is a revocable trust agrees that, if the trustee of such revocable trust and the grantor of such revocable trust are the same person, the

trustee's execution of this Agreement and any other documents executed in connection with the Company shall bind such person in his or her capacity both as trustee and as grantor of such revocable trust.

Section 9.12 Goodwill. No value shall be placed on the name or goodwill of the Company, which shall belong exclusively to the Managing Member.

Section 9.13 Headings. The titles of the Articles and the headings of the Sections of this Agreement are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Agreement.

Section 9.14 Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or corporation may require in the context thereof.

Section 9.15 Confidentiality. The Managing Member and the Company may, in their discretion, keep confidential and not disclose to the Non-Managing Members any proprietary information concerning the Company, including, without limitation, investments, valuations, information regarding potential investments, financial information, trade secrets and the like which is proprietary in nature and non-public, or any information about any investment, to the extent that such information is required to be kept confidential or is otherwise subject to disclosure restrictions imposed by the issuer of the investment or the Managing Member, in its reasonable discretion (collectively, "Confidential Information"). Each Non-Managing Member shall not disclose or cause to be disclosed any Confidential Information to any other Person, except as otherwise required by any regulatory authority, law or regulation, or by legal process, without the prior written consent of the Managing Member.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the date first set forth above.

MANAGING MEMBER:

GOLDMAN SACHS PRINCETON LLC

By: /s/ Tobin V. Levy

Name: Tobin V. Levy
Title: Director

NON-MANAGING MEMBERS:

GOLDMAN SACHS PRINCETON LLC
on behalf of each Member as
attorney-in-fact

By: /s/ Tobin V. Levy

Name: Tobin V. Levy

Title: Director

LIMITED LIABILITY COMPANY AGREEMENT
 OF
 GOLDMAN SACHS GLOBAL RELATIVE VALUE II, LLC
 DATED AS OF MAY 1, 2003

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LIMITED LIABILITY COMPANY AGREEMENT OF
GOLDMAN SACHS GLOBAL RELATIVE VALUE II, LLC

Dated as of May 1, 2003

The undersigned (herein called the "Members", which term shall include any persons hereafter admitted to the Company (as defined below) pursuant to Article III of this Agreement (as defined below) and shall exclude any persons who cease to be Members pursuant to Article V or VI of this Agreement) hereby agree to form and hereby form, as of the date and year first above written, a limited liability company (herein called the "Company"), pursuant to the provisions of the Limited Liability Company Act of the State of Delaware (6 Del. Code ss. 18-101, et seq.) (the "Act"), which shall be governed by, and operated pursuant to, the terms and provisions of this Limited Liability Company Agreement (herein called this "Agreement").

ARTICLE I

General Provisions

Section 1.01 Company Name and Address. The name of the Company is Goldman Sachs Global Relative Value II, LLC. Its principal office is located at 701 Mount Lucas Road, Princeton, New Jersey 08540, or at such other location as the Managing Member (as defined in Section 1.03) in the future may designate. The Managing Member shall promptly notify the Non-Managing Members (as defined in Section 1.03) of any change in the Company's address.

Section 1.02 Fiscal Year. The fiscal year of the Company (herein called the "fiscal year") shall end on December 31 of each calendar year; provided, however, that the Managing Member may change the Company's fiscal year-end, without the consent of the Non-Managing Members, as deemed appropriate by the Managing Member, in its sole discretion.

Section 1.03 Liability of Members. The names of all of the Members and the amounts of their respective contributions to the Company (herein called the "Capital Contributions") are set forth in a schedule (herein called the "Schedule"), which shall be filed with the records of the Company at the Company's principal office (as set forth in Section 1.01) and is hereby incorporated by reference and made a part of this Agreement.

The Member designated in Part I of the Schedule as the Managing Member (herein called the "Managing Member") shall manage the operations of the Company. The Members designated in Part II of the Schedule are referred to herein as the "Non-Managing Members." The Managing Member, the Non-Managing Members and the former Non-Managing Members shall be liable for the repayment and discharge of all debts and obligations of the Company attributable to any fiscal year (or relevant portion thereof) during which they are or were Members of the Company.

The Members and all former Members shall share all losses, liabilities or expenses suffered or incurred by virtue of the operation of the preceding paragraph of this Section 1.03 in the proportions of their respective Capital Accounts (determined as provided in Section 4.03) for the fiscal year (or relevant portion thereof) to which any debts or obligations of the Company are attributable. A Member's or former Member's share of all losses, liabilities or expenses shall not be greater than its respective interest in the Company for such fiscal year (or relevant portion thereof).

As used in this Section 1.03, the terms "interests in the Company" and "interest in the Company" shall mean with respect to any fiscal year (or relevant portion thereof) and with respect to each Member (or former Member), the Capital Account (or, in the case of a Member with more than one series of Units (as defined below), the Capital Accounts) that such Member (or former Member) would have received (or in fact did receive) pursuant to the terms and provisions of Article VI upon withdrawal from the Company as of the end of such fiscal year (or relevant portion thereof).

Notwithstanding any other provision in this Agreement to the contrary, in no event shall any Member (or former Member) be obligated to make any additional contribution or payment whatsoever to the Company, or have any liability for the repayment and discharge of the debts and obligations of the Company (apart from its interest in the Company), except that a Non-Managing Member (or former Non-Managing Member) shall, in the discretion of the Managing Member, be required, for purposes of meeting such Member's (or former Member's) obligations under this Section 1.03, to make additional contributions or payments, respectively, up to, but in no event in excess of, the aggregate amount of returns of capital and other

amounts actually received by it from the Company during or after the fiscal year to which any debt or obligation is attributable.

As used in this Agreement, the terms "former Non-Managing Member" and "former Member" refer to such persons or entities as hereafter from time to time cease to be a Non-Managing Member or Member, respectively, pursuant to the terms and provisions of this Agreement.

Section 1.04 Purposes of the Company. The Company is organized for the purposes of (i) allocating its assets directly or indirectly to a group of investment managers (the "Advisors") (that may or may not be Affiliates (as defined in Section 2.05) of the Managing Member), including through limited liability companies or other entities managed by the Managing Member or one of its Affiliates through which the Company accesses Advisors ("Portfolio Companies"), that employ strategies within the relative value sector, (ii) engaging in any other lawful act or activity for which limited liability companies may be organized under the Act, and (iii) engaging in any and all activities and transactions as the Managing Member may deem necessary or advisable in connection therewith.

Section 1.05 Assignability of Units; Assignment by Managing Member.

(a) Except as provided in paragraph (b) below, without the prior written consent of the Managing Member, which may be withheld in its sole and absolute discretion, with or without cause, a Member may not substitute any other person as a Member nor pledge, transfer or assign its units of limited liability company interests in the Company ("Units") in whole or in part to any person except by operation of law pursuant to the death, bankruptcy, dissolution, corporate reorganization or merger of a Member. Any attempted pledge, transfer, assignment or substitution not made in accordance with this Section 1.05 shall be void.

(b) Without the consent of the Non-Managing Members, the Managing Member may assign or otherwise transfer its Managing Member interest in the Company to any corporation, partnership, limited liability company or other entity controlling, controlled by or under common control with the Managing Member, and may substitute any such corporation, partnership, limited liability company or other entity as the Managing Member as long as such transfer does not, as determined by the Managing Member in its sole discretion, cause the Company to be taxable as a corporation. The Managing Member's limited liability company interest in the Company in respect of its Incentive Allocation (as defined in Section 4.05(b)(i)) and the Capital Account maintained in respect thereof will not be represented by Units.

Section 1.06 Registered Office and Agent for Service of Process. The registered office of the Company shall be: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process at such office shall be The Corporation Trust Company. The Company may from time to time have such other place or places of business within or without the State of Delaware as may be designated by the Managing Member.

ARTICLE II

Management of the Company

Section 2.01 Management Generally. The management of the Company shall be vested exclusively in the Managing Member. Except as authorized by the Managing Member, or as expressly set forth in this Agreement, the Non-Managing Members shall have no part in the management of the Company, and shall have no authority or right to act on behalf of the Company in connection with any matter. The Managing Member, and any Affiliate of the Managing Member, may engage in any other business venture, whether or not such business is similar to the business of the Company, and neither the Company nor any Non-Managing Member shall have any rights in or to such ventures or the income or profits derived therefrom.

Section 2.02 Delegation by Managing Member. The Managing Member shall have the power and authority to delegate to one or more Persons (as defined in Section 2.03(d)), including, without limitation, any officer, employee or agent of the Company or the Managing Member, the Managing Member's rights and powers to manage and control the business and affairs of the Company. The Managing Member may, by written instrument, authorize any Person to enter into and perform under any document on behalf of the Company.

Section 2.03 Authority of the Managing Member. The Managing Member shall have the power on behalf of and in the name of the Company to carry out any and all of the objects and purposes of the Company set forth in Section 1.04 and Section 2.01, and to perform all acts and enter into and perform all contracts and other undertakings, which it may deem necessary or advisable or incidental thereto, including, without limitation, the power to:

(a) open, maintain and close accounts, including custodial accounts, with banks, including banks located inside and outside the United States, and draw checks or other orders for the payment of monies;

(b) lend, either with or without security, funds or other properties of the Company, and borrow or raise funds (including borrowing from the Managing Member or its Affiliates) and secure the obligations of the Company by pledges or hypothecation of all or any part of the property of the Company;

(c) do any and all acts on behalf of the Company, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Company's interest in the assets and other property and funds held or owned by the Company, including, without limitation, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and all other like or similar matters;

(d) engage any person, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity (each, a "Person") (including the Managing Member and any of its Affiliates) pursuant to an Administration Agreement (as defined in the Company's Confidential Private Placement Memorandum) to provide certain administrative services (any such person, firm or entity providing such services being referred to herein as the "Administrator"), including, without limitation, calculating the net asset value (the "NAV") of each series of Units and Members' Capital Accounts, valuing the Company's assets, assisting with the valuation of securities which are not readily marketable, assisting in the preparation of the Company's financial statements, assisting in the preparation and distribution of reports to each Member, maintaining a registry for the ownership of each series of Units and providing other administrative services to the Company;

(e) consent on behalf of the Company to any changes in the members, directors or officers of the Managing Member, if such consent is required by applicable law;

(f) engage any personnel, whether part time or full time, attorneys, financial advisers, underwriters, accountants, consultants, appraisers, custodians of the assets of the Company or other Persons as the Managing Member may deem necessary or desirable, whether or not any such Person may be an Affiliate of the Managing Member or may also be employed by any Affiliate of the Managing Member;

(g) allocate the Company's assets to Advisors, Portfolio Companies and investment funds, oversee such allocations and, from time to time, in the sole discretion of the Managing Member, reallocate the Company's assets among existing or new Advisors, Portfolio Companies or investment funds;

(h) invest any of the Company's cash balances which it determines at any time, in its sole discretion, not to allocate to the Advisors, Portfolio Companies or investment funds, in any instruments it deems appropriate in its sole discretion, including, without limitation, money market funds sponsored by Goldman, Sachs & Co. or its Affiliates;

(i) redeem the Company's interests in any investment fund or Portfolio Company in order to obtain cash necessary to meet the redemption requests of the Members, or for any other reason in its sole discretion;

(j) bring and defend actions and proceedings at law or equity and before any governmental, administrative or other regulatory agency, body or commission;

(k) make distributions to Members in cash or (to the extent permitted hereunder) otherwise;

(l) prepare and file all necessary returns and statements, pay all taxes, assessments and other impositions applicable to the assets of the

Company and withhold amounts with respect thereto from funds otherwise distributable to any Member;

(m) determine the accounting methods and conventions to be used in the preparations of any accounting or financial records of the Company;

(n) make any and all tax elections permitted to be made under the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable state, local or foreign tax law;

(o) determine the tax treatment of any Company transaction or item for purposes of completing the Company's federal, state, local or foreign tax returns; and

(p) take all actions, and authorize any member, employee, officer, director or other agent of the Managing Member or agent or employee of the Company, to act for and on behalf of the Company, in all matters necessary to, in connection with, or incidental to, any of the foregoing.

Section 2.04 Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the certificate of the Managing Member, to the effect that it is then acting as the Managing Member and upon the power and authority of the Managing Member as herein set forth.

Section 2.05 Activity of the Managing Member. The Managing Member and persons controlling, controlled by or under common control with the Managing Member and any of such person's directors, members, stockholders, partners, officers, employees and controlling persons (each, an "Affiliate" and collectively, "Affiliates"), shall devote so much of their time to the affairs of the Company as in the judgment of the Managing Member the conduct of its business shall reasonably require, and none of the Managing Member or its Affiliates shall be obligated to do or perform any act or thing in connection with the business of the Company not expressly set forth herein. Nothing herein contained in this Section 2.05 shall be deemed to preclude the Managing Member or its Affiliates from exercising investment responsibility, from engaging directly or indirectly in any other business or from directly or indirectly purchasing, selling or holding securities, options, separate accounts, investment contracts, currency, currency units or any other asset and any interest therein for the account of any such other business, for their own accounts, for any of their family members or for other clients.

Section 2.06 Standard of Care; Indemnification.

(a) None of the Managing Member (including, without limitation, in its capacity as the Administrator) or its Affiliates (each, an "Indemnified Person" and collectively the "Indemnified Persons") shall be liable to the Company or to the Members for (i) any act or omission performed or failed to be performed by such person (other than any criminal wrongdoing), or for any losses, claims, costs, damages, or liabilities arising therefrom, in

the absence of any criminal wrongdoing, willful misfeasance or gross negligence on the part of such person, (ii) any tax liability imposed on the Company or any Member or (iii) any losses due to the actions or omissions of the Advisors, any brokers or other agents of the Company.

In the event that any Indemnified Person becomes involved in any capacity in any action, proceeding or investigation brought by or against any person (including any Non-Managing Member) in connection with any matter arising out of or in connection with the Company's business or affairs (including a breach of this Agreement by any Member), the Company will periodically reimburse such Indemnified Person for its legal and other expenses (including the costs of any investigation and preparation) incurred in connection therewith, provided that such Indemnified Person shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined by a court having appropriate jurisdiction in a decision that is not subject to appeal, that such Indemnified Person is not entitled to be indemnified by the Company in connection with such action, proceeding or investigation as provided in the exception contained in the next succeeding sentence.

To the fullest extent permitted by applicable law, the Company shall also indemnify any Indemnified Person, jointly and severally, against any losses, claims, costs, damages or liabilities to which such Indemnified Person may become subject in connection with any matter arising out of or in connection with the Company's business or affairs, except to the extent that any such loss, claim, cost, damage, or liability results solely from the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person. If for any reason (other than the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person) the foregoing indemnification is unavailable to such Indemnified Person, or is insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable to the Indemnified Person as a result of such loss, claim, cost, damage, or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and such Indemnified Person on the other hand but also the relative fault of the Company and such Indemnified Person, as well as any relevant equitable considerations.

The reimbursement, indemnity and contribution obligations of the Company under this Section 2.06 shall be in addition to any liability which the Company may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of the Company, the Managing Member and any other Indemnified Person. The foregoing provisions shall survive any termination of this Agreement.

(b) The reimbursement, indemnification and contribution rights provided by this Section 2.06 shall not be deemed to be exclusive of any other rights to which the Indemnified Person may be entitled under any agreement or as a matter of law, or otherwise, both as to action in an Indemnified Person's official capacity and to action in any other capacity,

and shall continue as to an Indemnified Person who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of the Managing Member and shall inure to the benefit of the successors, assigns, heirs and personal representatives of such Indemnified Person.

(c) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.06 shall not be construed as to relieve (or attempt to relieve) from liability or to provide for the indemnification of any Indemnified Person for any liability (including liability under federal securities law which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law, but shall be construed so as to effectuate the provisions of this Section 2.06 to the fullest extent permitted by applicable law.

(d) The Managing Member shall have power to purchase and maintain insurance on behalf of the Managing Member and the Indemnified Persons at the expense of the Company against any liability asserted against or incurred by them in any such capacity or arising out of the Managing Member's status as such, whether or not the Company would have the power to indemnify the Indemnified Persons against such liability under the provisions of this Agreement.

(e) An Indemnified Person may rely upon and shall be protected in acting or refraining from action upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond debenture, or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) An Indemnified Person may consult with counsel, accountants and other experts reasonably selected by it, and any opinion of an independent counsel, accountant or expert retained with reasonable care shall be full and complete protection in respect of any action taken or suffered or omitted by the Indemnified Person hereunder in good faith and in accordance with such opinion.

(g) The Managing Member may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Managing Member shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with reasonable care by it hereunder.

Section 2.07 Management Fee; Payment of Costs and Expenses. The Company shall pay to the Managing Member a management fee, payable in arrears, for investment management and other management services (the "Management Fee") calculated and paid on a monthly basis of one-twelfth of 1.25% of the Net Assets (as defined in Section 4.01(d)) of the Company as of the end of each month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions or redemptions. For purposes of determining the Management Fee, Net Assets shall be reduced for

any Administration Fee (as defined in the Company's Confidential Private Placement Memorandum) for such month, but shall not be reduced to reflect any accrued Incentive Allocation (as defined in Section 4.05(b)) and any Management Fee for such month.

If a Member is admitted to, or withdraws from, the Company as of a date other than the first day of a month, the portion of the Management Fee and Administration Fee determined with respect to such Member's Capital Account shall be appropriately pro-rated to take into account the number of days in such month during which such Member was a Member. Partial withdrawals will result in similar pro-ration.

The Managing Member has the right, in its sole discretion, to waive fees or impose different fees on any Member, as may be agreed to by the Managing Member and the Member, and to make the appropriate amendments to this Agreement in order to reflect such fee arrangements.

The Managing Member shall bear its own overhead costs and expenses and provide to the Company news, quotation and computer equipment and services (except to the extent paid for through the permitted use of soft dollars), office space and utilities, and secretarial and clerical personnel.

The Company shall bear its operating expenses, including but not limited to legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting, auditing and tax preparation expenses, custodial expenses, taxes, printing and mailing expenses, fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services to the Company, investment expenses (e.g., expenses related to the investment of the Company's assets, such as fees to the Advisors, brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs and extraordinary expenses) and other expenses associated with the operation of the Company.

In addition, the Company will bear its organizational expenses and the expenses incurred in connection with the offer and sale of Units, including printing costs and legal fees and expenses of the Company, the Managing Member and any placement agent and other expenses of the offering of Units. In addition, the Company will bear, indirectly through its investment in each Portfolio Company or investment fund in which it invests, its pro rata portion of the offering, organizational and operating expenses of each Portfolio Company or investment fund, including, without limitation, the expenses of the type described in this and the prior paragraph.

To the extent that expenses to be borne by the Company are paid by the Managing Member, the Company shall reimburse the Managing Member for such expenses. The Managing Member may elect, from time to time, to bear certain of the Company's expenses described above.

Section 2.08 Principal Transactions and Other Related Party

Transactions. Each Non-Managing Member hereby authorizes the Managing Member, on behalf of such Non-Managing Member, to select one or more persons, who shall not be affiliated with the Managing Member, to serve on a committee, the purpose of which will be to consider and, on behalf of the Non-Managing Members, approve or disapprove, to the extent required by applicable law, of principal transactions and certain other related party transactions. In no event shall any such transaction be entered into unless it complies with applicable law.

Section 2.09 Termination of the Managing Member. Upon the written consent of the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its Affiliates, employees or officers), based on the NAV of such Units, the Managing Member will be required to withdraw from the Company, and the Company will be wound-up and terminated in accordance with Article VII, unless the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its Affiliates, employees or officers), based on the NAV of such Units, agree in writing to continue the business of the Company and to the appointment of one or more new managing members. If the withdrawal of the Managing Member pursuant to this Section 2.09 occurs prior to the end of a month, the Managing Member shall receive the amount of the Management Fee and any applicable Administration Fee prorated through the date of the effective date of the withdrawal, and the Managing Member shall receive the Incentive Allocation for the fiscal year in which the withdrawal occurred calculated in accordance with Section 4.05(c) as if the date of withdrawal were the last day of the fiscal year.

ARTICLE III

Series of Units; Admission of New Members

Section 3.01 Series of Units. An initial series of Units (the "Initial Series") will be issued on the initial closing date. The initial purchase price per Unit for the Initial Series of Units shall be \$100. The Managing Member may, at any time and from time to time, in its sole discretion, elect to raise additional capital for the Company from Members and from new subscribers on such terms and conditions as may be determined by the Managing Member in its sole discretion. Generally, a new series of Units will be issued on each date an existing Member makes an additional Capital Contribution in accordance with Section 4.02 and on each date a new Member is admitted to the Company in accordance with Section 3.03, except that the Managing Member may issue additional Units of an existing series, or Units of a new series at an initial purchase price other than \$100, provided that any such issuance does not have a material adverse effect on the NAV or Prior High NAV (as defined in Section 4.05(b)(i)) of the Units of any Member. Each Unit will carry equal rights and privileges with each other Unit of the same series. Units issued at the beginning of any fiscal year will be offered at the then current NAV per Unit of the Initial Series if such Initial Series is at or above its Prior High NAV per Unit. If the Initial Series is not at or above its Prior High NAV per Unit, Units will

be issued in the next offered series that is at or above its Prior High NAV. If no series of Units is at or above its Prior High NAV at such time, such additional Units will be issued as a separate series at a price per Unit determined by the Managing Member, in its sole discretion. Fractions of Units may be issued to one ten-thousandth of a Unit.

Section 3.02 Conversion of Series. Following the end of each fiscal year, any issued and outstanding series of Units (other than the Initial Series) that is at or above its Prior High NAV may, in the sole discretion of the Managing Member, be exchanged (after reduction for the Management Fee, Administration Fee and any Incentive Allocation) into Units of the Initial Series (or if the Initial Series is not at or above its Prior High NAV per Unit, the next offered series that is at or above its Prior High NAV) at the prevailing NAV per Unit of the Initial Series or such other series of Units (as applicable).

Section 3.03 New Members. Subject to the condition that each new Member shall execute an appropriate counterpart to this Agreement pursuant to which it agrees to be bound by the terms and provisions hereof, the Managing Member may admit one or more new Members on the first day of each calendar quarter or at such other times as the Managing Member may determine in its sole discretion. Admission of a new Member shall not be a cause for dissolution or termination of the Company.

Section 3.04 Adjustment to Number of Units Issued. If at any time the Managing Member determines, in its sole discretion, that an incorrect number of Units was issued to a Member because the NAV in effect on the date of issuance was incorrect, the Company will adjust such Member's Units by increasing or decreasing them, as appropriate, to such number of Units as would have been issued at the correct NAV.

ARTICLE IV

Capital Accounts of Members and Operation Thereof

Section 4.01 Definitions. For the purposes of this Agreement, unless the context otherwise requires:

(a) The term "Accounting Period" shall mean the following periods: The initial Accounting Period shall commence upon the commencement of operations of the Company. Each subsequent Accounting Period shall commence immediately after the close of the preceding Accounting Period. Each Accounting Period hereunder shall close immediately before the opening of business on the first to occur of (i) the first day of each fiscal year of the Company, (ii) the effective date of the admission of a new Member pursuant to Section 3.03, (iii) the effective date of an additional Capital Contribution pursuant to Section 4.02, or (iv) the effective date of any redemption or complete withdrawal pursuant to Articles V or VI hereof. The final Accounting Period shall end on the date the Company dissolves.

(b) The term "Beginning Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets (as defined below) at the beginning of such Accounting Period.

(c) The term "Ending Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets at the end of such Accounting Period (before giving effect to the Incentive Allocation, the Management Fee and the Administration Fee for such Accounting Period, but after giving effect to all other expenses for such Accounting Period).

(d) The term "Net Assets" shall mean the excess of the Company's total assets over its total liabilities, determined in accordance with Section 4.07.

(e) The term "Net Capital Appreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Ending Value over the Beginning Value.

(f) The term "Net Capital Depreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Beginning Value over the Ending Value.

Section 4.02 Capital Contributions. Each Member has paid or conveyed by way of contribution to the Company in exchange for the issuance of Units cash and/or marketable securities having an aggregate value equal to the amount set forth opposite such Member's name in Part I or II of the Schedule (herein called the "Initial Capital Contribution"). Additional Capital Contributions may be made by Members only in accordance with the provisions of this Section 4.02.

Upon the approval of the Managing Member, any existing or prospective Member may purchase additional or newly-issued Units by contributing cash and/or marketable securities to the Company on the first day of any calendar quarter or at such other times as the Managing Member may determine in its sole discretion. The Managing Member and any of its Affiliates may make additional Capital Contributions to the Company in cash and/or marketable securities at any time and in any amounts.

Whether marketable securities shall be accepted as a contribution to the Company shall be determined in the sole discretion of the Managing Member.

Section 4.03 Capital Accounts. (a) A separate capital account (herein called a "Capital Account") shall be established on the books of the Company for each series of Units. The Capital Account of each series shall initially be an amount equal to the initial Capital Contributions with respect to such series. The Capital Account of a series shall be (i) increased as of the beginning of each Accounting Period to reflect any additional Capital Contributions pursuant to Section 4.02 in respect of such series, (ii) increased as of the end of each Accounting Period to reflect the Net Capital Appreciation of such series, (iii) decreased as of

the beginning of each Accounting Period to reflect the redemption of any Units of such series, pursuant to Section 5.02, (iv) decreased as of the end of each Accounting Period to reflect the amount of any distributions (other than in redemption of Units pursuant to Section 5.02) pursuant to Section 5.04 in respect of such series (including any deemed distributions of taxes paid by the Company pursuant to Section 5.04(c) in respect of such series); (v) decreased for any Incentive Allocation pursuant to Section 4.05(b), any Administration Fee and any Management Fee in respect of such series; and (vi) decreased as of the end of each Accounting Period to reflect the Net Capital Depreciation of such series.

(b) At the time of the conversion of any series of Units into Units of the Initial Series or any other series of Units pursuant to Section 3.02, the Capital Account of the converted series of Units shall be reduced to zero, and the Capital Account of the series of Units into which such Units were converted shall be increased by the balance of the Capital Account of the converted series of Units immediately prior to the conversion.

(c) A separate Capital Account shall also be established on the books of the Company for each Member with respect to each series of Units held by such Member. Each Member's Capital Account with respect to a series of Units shall equal the Capital Account of such series times the Member's Membership Percentage (as defined in Section 4.04) with respect to such series of Units.

(d) The Managing Member shall have a separate Capital Account, which shall initially be equal to zero, and which shall be (A) increased by any Incentive Allocation at the time such Incentive Allocation is made, and (B) decreased to reflect the amount of any distributions (including any deemed distributions in connection with the withholding of taxes in respect of such Incentive Allocation pursuant to Section 5.04(c)) made to the Managing Member in respect of such Incentive Allocation for such Accounting Period.

Section 4.04 Membership Percentages. A membership percentage (a "Membership Percentage") shall be determined for each Member for any given series of Units for each Accounting Period of the Company by dividing the number of Units owned by such Member within a given series by the aggregate number of outstanding Units of such series as of the beginning of such Accounting Period. The aggregate Membership Percentages for each series of Units shall equal 100 percent.

Section 4.05 Allocation of Net Capital Appreciation or Net Capital Depreciation.

(a) Any Net Capital Appreciation or Net Capital Depreciation, as the case may be, for an Accounting Period shall be allocated among the different series of Units pro rata in accordance with the relative Capital Accounts of each series at the beginning of such Accounting Period (prior to any year-to-date accrued Incentive Allocation).

(b) (i) At the end of each fiscal year of the Company, or at such

other date during a fiscal year as of which the following determination is required pursuant to this Section 4.05, five percent (5%) of the amount by which the NAV of a series of Units (determined prior to any applicable Incentive Allocation accrual with respect to such series of Units and appropriately adjusted as determined by the Managing Member in its sole discretion for contributions, distributions and redemptions, but after giving effect to the allocation, pursuant to Section 4.05(a), of Net Capital Appreciation and Net Capital Depreciation for the Accounting Period then ending) exceeds such series' Prior High NAV at such date shall be reallocated to the Capital Account of the Managing Member (the "Incentive Allocation"). The "Prior High NAV" with respect to a series of Units initially shall mean an amount equal to the NAV of such series as of the date of its initial issue. The new Prior High NAV with respect to a series of Units immediately following the end of any period for which an Incentive Allocation has been made with respect to such series shall be reset to equal the NAV of such series, unless the series is exchanged pursuant to Section 3.02 into the Initial Series or another series, in which case the new Prior High NAV shall be reset to equal the NAV of the Initial Series or such other series. If the NAV of such series at the end of any fiscal year of the Company, and such other date during a fiscal year as of which the determination of the Incentive Allocation is required pursuant to Section 4.05(c) is less than its Prior High NAV, the Prior High NAV of that series shall not change. The Prior High NAV for each series of Units shall be appropriately adjusted as determined by the Managing Member in its sole discretion to account for contributions, distributions and redemptions made with respect to such series of Units.

(ii) The Incentive Allocation with respect to a series of Units accrues daily and the Company shall credit the Capital Account of the Managing Member as of December 31 of each year for the Incentive Allocation.

(c) In the event that the Company is dissolved other than at the end of a fiscal year, or the effective date of a Member's redemption of Units is other than a fiscal year-end, then the Incentive Allocation described above shall be determined and made as if such date were a fiscal year-end.

(d) Notwithstanding anything to the contrary herein, to the extent that the Company invests in "Hot Issues" (as defined below), and there are Members who are restricted persons within the meaning of the National Association of Securities Dealers, Inc. (the "NASD") Conduct Rule 2110 and the interpretation set forth thereunder in IM-2110-1 entitled "Free-Riding and Withholding" (collectively, the "Interpretation"), investments in Hot Issues will be made through a special account and profits and losses attributable to Hot Issues will not be allocated to the Capital Accounts of Members who are restricted from participating in Hot Issues under the Interpretation. Only those Members who are not restricted persons shall have any beneficial interest in such an account. Notwithstanding anything in this Agreement to the contrary, the Managing Member shall have the right, without the consent of the Members, to make such amendments to this Agreement, and to take such other actions, as it deems advisable and

appropriate, in its sole discretion, to implement the purposes of this Section 4.05(d). A "Hot Issue" is any of the securities of a public offering which trade at a premium in the secondary market whenever such secondary market begins, or otherwise as such term may be interpreted from time to time under the then current rules of the NASD.

Section 4.06 Amendment of Incentive Allocation. The Managing Member shall have the right to amend, without the consent of the Non-Managing Members, Section 4.05 of this Agreement so that the Incentive Allocation (or other performance-based allocation) therein provided conforms to any applicable requirements of the Securities and Exchange Commission and other regulatory authorities; provided, however, that no such amendment shall increase the Incentive Allocation (or other performance-based allocation) as so amended to more than the amount payable in accordance with Section 4.05 of this Agreement (or, in the case of any other performance-based allocation arrangement, the specific arrangement set forth in a written agreement between the affected Non-Managing Member and the Company), without the written consent of the affected Non-Managing Member. The Managing Member reserves the right, in its sole discretion, to apply different performance-based percentage allocations and performance-based compensation arrangements to any Member, as may be agreed by the Managing Member and such Member.

Section 4.07 Determination of Net Assets.

(a) The Company's Net Assets shall be determined in accordance with U.S. generally accepted accounting principles consistently applied as a guideline and the following principles:

(i) The value of the Company's investment in a Portfolio Company or other investment fund shall be equal to the Company's proportionate interest in the NAV of the Portfolio Company or investment fund, determined in accordance with the terms and conditions of the respective governing agreement of each Portfolio Company or investment fund, as it may be amended, supplemented or otherwise modified from time to time.

(ii) The assets of the Company that are invested pursuant to investment management agreements shall be valued at fair value in a commercially reasonable manner.

(iii) All other assets or liabilities of the Company shall be assigned such value as the Administrator may reasonably determine.

(iv) The amount of the Company's assets and liabilities (including without limitation indebtedness for money borrowed, the Management Fee and the Administration Fee) shall be determined in accordance with U.S. generally accepted accounting principles and guidelines, applied on a consistent basis, provided that the Administrator in its discretion may provide reserves for estimated accrued expenses, liabilities and contingencies, even if such reserves

are not required by U.S. generally accepted accounting principles.

(v) The amount payable to a Member or former Member in redemption of part or all of such Member's or former Member's Units pursuant to Section 5.02 shall be treated as a liability of the Company, until paid, from (but not prior to) the beginning of the Accounting Period on the Redemption Date (as defined in Section 5.02(a)) for such Units.

(vi) The amount to be received by the Company on account of any Capital Contributions pursuant to Section 4.02 shall be treated as an asset of the Company from (but not before) the beginning of the Accounting Period on the effective date of such Capital Contributions.

(vii) Distributions (other than in redemption of Units pursuant to Section 5.02) made pursuant to Section 5.04 (including deemed tax distributions pursuant to Section 5.04(c)) other than as of the beginning of an Accounting Period shall be treated as an advance and as an asset of the Company, until the beginning of the Accounting Period following the date of distribution.

(viii) The Incentive Allocation, if any, credited to the Capital Account of the Managing Member pursuant to Section 4.05(d) shall be treated as a liability, until distributed, from the beginning of the Accounting Period following the Accounting Period in which the Incentive Allocation was credited to such Capital Account.

(b) The Company may suspend the valuation of its assets and liabilities, and any distributions or redemptions of any amounts from Capital Accounts, for any period during which a Portfolio Company or other investment fund with which the Company has made an investment has suspended the valuation of its assets and liabilities. The Managing Member shall promptly notify Members of any such suspension, and the termination of any such suspension, by means of a written notice.

(c) All values assigned to securities and other assets by the Managing Member or the Administrator pursuant to this Section 4.07 shall be final and conclusive as to all of the Members. The Managing Member may consult with and rely upon valuations of the Company's securities and other assets provided by the Administrator.

Section 4.08 Determination of Net Asset Value. The NAV of a series of Units shall be equal to the balance of the Capital Account with respect to such series of Units. The NAV per Unit of a series shall be equal to the NAV of such series divided by the number of outstanding Units of such series.

Section 4.09 Allocation for Tax Purposes. (a) For each fiscal year, items of income, deduction, gain, loss or credit shall be allocated for income tax purposes among the Members in such manner as to equitably reflect the amounts credited or debited to each Member's Capital Account for the current and prior fiscal years (or relevant portions thereof).

Allocations under this Section 4.09 shall be made by the Managing Member in accordance with the principles of Sections 704(b) and 704(c) of the Code and in conformity with applicable Regulations promulgated thereunder (including, without limitation, Treasury Regulation Sections 1.704-1(b)(2)(iv)(f)(4), 1.704-1(b)(4)(i) and 1.704-3(e)).

If any Member redeems all of its Units in the Company during a fiscal year or immediately following the end of a fiscal year, and the Member would (absent this sentence) recognize gain under Section 731 of the Code as a result of such withdrawal, the Managing Member may elect to specially allocate to such Member, for U.S. federal income tax purposes, any income and capital gains (including short-term capital gains) realized by the Company during such fiscal year, through and including the date of withdrawal, in an amount up to that amount of income and gain which if so allocated would avoid the Member recognizing gain on the withdrawal under Section 731 of the Code (ignoring for this purpose any adjustments that have been made to the tax basis of the withdrawing Member's Units resulting from any transfers or assignment of the Units (other than the original issue of the Units), including by reason of death). Any such election by the Managing Member shall, to the extent reasonably practicable as determined by the Managing Member in its sole discretion, be applied on an equitable basis to all Members withdrawing during such fiscal year or immediately following the end of such fiscal year.

Section 4.10 Determination by Managing Member of Certain Matters; Managing Member's Discretion.

(a) All matters concerning the valuation of securities and other assets and liabilities of the Company, the allocation of profits, gains and losses among the Members (including for tax purposes) and accounting procedures not expressly provided for by the terms of this Agreement (including, without limitation, allocation and accounting procedures in the event a Member that has an account managed by the Managing Member in a manner similar to the investment program utilized by the Company which causes the assets and liabilities in such account to be transferred to the Company) shall be determined by the Managing Member (or such person as the Managing Member may authorize to make such determination), whose determination shall be final, binding and conclusive as to all of the Members.

(b) Whenever in this Agreement the Managing Member is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the Managing Member shall be entitled to consider only such interests and factors as it desires and may consider its own interests and the interests of its Affiliates and its determination shall be final, binding and conclusive as to all of the Members, or (ii) in its "good faith" the Managing Member shall act under such express standards and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 4.11 Adjustments to Take Account of Interim Year Events. If the Code or regulations promulgated thereunder require an adjustment to the Capital Account of a Member or some other interim year event occurs necessitating in the Managing Member's judgment an equitable adjustment, the Managing Member shall make such adjustments in the determination and allocation among the Members of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Membership Percentages, Incentive Allocation, the Management Fee, Administration Fee, Company expenses, items of income, deduction, gain, loss, credit or withholding for tax purposes, accounting procedures or such other financial or tax items as shall equitably take into account such interim year event and applicable provisions of law, and the determination thereof by the Managing Member shall be final, binding and conclusive as to all of the Members.

Section 4.12 Tax Withholding. If the Company is required to withhold taxes on any distribution to, or to pay or incur any tax with respect to any income allocable to or otherwise on account of, any Member or series of Units, the Company may withhold such amounts and make such payments to such taxing authorities as are necessary to ensure compliance with such tax laws.

ARTICLE V

Redemptions and Distributions

Section 5.01 Redemptions and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company, except as provided in Section 5.04 and Section 7.02; or (ii) to redeem any of its Units other than upon such Member's withdrawal from the Company, except as provided in Sections 5.02 and 6.01 or upon the consent of, or as may be required by, and upon such terms as may be determined by, the Managing Member in its sole discretion. In no event shall a Member be entitled to demand to receive property other than cash.

Section 5.02 Redemptions.

(a) Subject to Sections 5.02(c) and 5.03, as of the time immediately prior to the opening of business on each January 1 or July 1 occurring on or after the first anniversary of the purchase of such Units by the Member (each, a "Redemption Date"), each Member shall have the right, upon 45 days' prior written notice to the Managing Member (unless such notice is waived by the Managing Member in its sole discretion), to redeem some or all of its Units. No partial redemption shall be permitted if thereafter the aggregate NAV of the remaining Units held by the redeeming Member would be less than \$500,000, unless such limitation is waived by the Managing Member in its sole discretion. Units of a particular series will be redeemed at a per Unit price (the "Redemption Price") based upon the NAV of such series as of the close of business on the day immediately preceding the applicable Redemption Date (taking into account the allocation of any Net Capital Appreciation or Net Capital Depreciation under Section 4.05, and any distributions under Section 5.04 for the Accounting Period then

ending), after reduction for any Management Fee, Administration Fee and Incentive Allocation and other liabilities of the Company to the extent accrued or otherwise attributable to the Units being redeemed (calculated as if the Redemption Date were the last day of the fiscal year), and the amount of any such reduction for the Management Fee and the Administration Fee shall be paid to the Managing Member, and the amount of any such reduction for any Incentive Allocation shall be allocated to the Capital Account of the Managing Member. If a redeeming Member owns Units of more than one series, unless otherwise specified by such Member in writing, Units shall be redeemed on a "first in-first out" basis for purposes of determining the Redemption Price. The Company will endeavor to pay the redemption proceeds, within 45 days following the applicable Redemption Date, without interest. The Managing Member may permit redemptions at other times and in other amounts, subject to any conditions that it may impose in its sole discretion.

(b) The Managing Member shall have the right, in its sole discretion, as of any date that it determines (including during a fiscal year) and for any reason (including, without limitation, pursuant to Article VI, for regulatory or tax reasons, or for any other reason), to redeem any or all of a Member's Units. Any redemptions made pursuant to this Section 5.02(b) shall be paid out in accordance with Section 5.02(a).

(c) The Managing Member, and any Affiliate of the Managing Member, shall have the right at any time (including during a fiscal year or other period) to redeem any and all of its interest or withdraw all or a portion of the assets in its Capital Account without notice to the Members.

(d) If at any time after a redemption of Units (including in connection with any withdrawal of a Member from the Company pursuant to Article VI) the Managing Member determines, in its sole discretion, that the amount paid to such Member or former Member pursuant to such redemption was materially incorrect (including because the NAV at which the Member or former Member purchased such Units was incorrect), the Company will pay to such Member or former Member any additional amount that it determines such Member or former Member would have been entitled to receive had the redemption been effected at the correct NAV, or, in its sole discretion, seek payment from such Member or former Member of (and such Member or former Member shall be required to pay) the amount of any excess payment that the Managing Member determines such Member or former Member received, in each case without interest.

Section 5.03 Limitation on Redemptions.

(a) The right of any Member to redeem some or all of its Units pursuant to the provisions of Section 5.02 is subject to the provision by the Managing Member for all Company liabilities in accordance with the Act, and for reserves for estimated accrued expenses, liabilities and contingencies in accordance with Section 4.07.

(b) The Managing Member may suspend redemptions, at any time prior to

the effective date of the redemption, and notwithstanding the fact that a timely redemption request has previously been made, for the whole, or any part, of any of the following periods: (i) during the closing of the principal stock exchange or other markets on which any substantial portion of the Company's direct or indirect investments, in the opinion of the Managing Member, is quoted or dealt in other than for ordinary holidays, or the restriction of suspension of dealings therein; (ii) during the existence of any state of affairs which, in the opinion of the Managing Member, constitutes an emergency as a result of which the determination of the price, value or disposition of the Company's direct or indirect investments would be impractical or prejudicial to Members; (iii) during which redemptions would, in the opinion of the Managing Member, result in a violation of applicable law; (iv) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company or the current price or values on any stock exchange in respect of assets of the Company; (v) during the occurrence of any period when the Company is unable to withdraw sufficient funds from investment funds or Portfolio Companies or otherwise to meet redemption requests or in circumstances when the disposal of part or all of the Company's assets to meet such redemption requests would be prejudicial to Members; and (vi) during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Managing Member, be effected at advantageous rates of exchange. Postponed redemptions shall be effected at the month-end following the termination of the suspension. Any part of a redemption request that is postponed shall take precedence over later-received redemption requests until the postponed request or requests have been satisfied in full. Members shall be given notice in writing of the suspension of redemptions and the termination of any such suspension. Units shall be held by the Member during the suspension period as if no redemption request had been made.

Section 5.04 Distributions.

(a) The Managing Member may, in its discretion, make distributions in cash or in-kind (i) in connection with redemptions from the Company by a Member or in connection with a Member's complete withdrawal from the Company pursuant to Article VI, (ii) in its discretion, at any time to the Managing Member in an amount not in excess of the then positive balance in its Capital Account to which the Incentive Allocation is credited pursuant to Section 4.03 and (iii) in its discretion, at any time to all of the Members on a pro rata basis in accordance with the Members' Capital Accounts.

(b) If a distribution is made in-kind, immediately prior to such distribution, the Managing Member shall determine the fair market value of the property distributed and adjust the Capital Accounts of all Members upwards or downwards to reflect the difference between the book value and the fair market value thereof, as if such gain or loss had been recognized upon an actual sale of such property and allocated pursuant to Section 4.05. Each such distribution shall reduce the Capital Account of the Member

to which the distribution was made by the fair market value thereof.

(c) Any taxes paid over to a governmental authority by the Company pursuant to Section 4.12 with respect to any Member (other than on account of all Members equally) shall be deemed to be a distribution to such Member. If a Member who receives a deemed distribution of taxes under this Section 5.04(c) owns more than one series of Units, the Managing Member in its sole discretion may allocate such deemed distribution among such Member's different series of Units. Notwithstanding the foregoing, the Managing Member in its sole discretion may elect to treat any deemed distribution to a Member under this Section 5.04(c), not as a distribution, but as an advance to the Member and a partial redemption of such Member's Units as of the next Redemption Date following the deemed distribution, and such Member's Units shall be reduced thereby as appropriately determined by the Managing Member.

ARTICLE VI

Withdrawal, Death, Disability

Section 6.01 Withdrawal, Death, etc. of Members.

(a) The withdrawal, death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of a Member shall not dissolve the Company. Subject to the restrictions set forth in Section 1.05(a), the legal representatives or successors of such Member shall succeed as assignee to the Member's interest in the Company upon the death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of such Member, but shall not be admitted as a substituted member without the consent of the Managing Member.

(b) In the event of the death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of a Member, the interest of such Member shall continue at the risk of the Company's business until the last day of the calendar month following the calendar month in which the Managing Member received written notice of such event. At the end of such period, the Managing Member shall, in its sole discretion, either (i) substitute the legal representatives or successors of the former Members as Members of the Company, provided that the Managing Member determines in its sole discretion that such legal representatives or successors are qualified to become Members of the Company, or (ii) redeem such former Member's interest in the Company in accordance with the redemption provisions set forth in this Article VI.

Section 6.02 Required Withdrawals. The Managing Member may at any time and for any reason, in its sole discretion, terminate the interest of any Member in the Company or require a Member to withdraw any part of its Capital Account. A Member required to withdraw under this Section 6.02 shall be treated for all purposes of distribution of redemption proceeds as a Member who has given notice of a redemption of all of its capital under

ARTICLE VII

Duration and Dissolution of the Company

Section 7.01 Duration. The Company shall continue until the earlier of (i) a determination by the Managing Member that the Company should be dissolved and wound-up; (ii) the termination, bankruptcy, insolvency, dissolution or withdrawal by the Managing Member other than by assignment of the Managing Member's interest as provided in Section 1.05(b); or (iii) upon 60 days' prior written notice to the Managing Member of the affirmative vote of the holders of at least 66-2/3% of the voting power of the outstanding Units (other than Units held by Goldman, Sachs & Co., its Affiliates, employees and officers), based on the NAV of such Units, at a meeting duly called for the purpose of liquidating the Company. Upon a determination to dissolve the Company, redemptions, and distributions in respect thereof, may not be made.

Section 7.02 Dissolution.

(a) On dissolution of the Company, the Managing Member shall, within no more than 30 days after completion of a final audit of the Company's financial statements, make distributions out of Company assets, in the following manner and order:

(i) to creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or by establishment of reserves); and

(ii) to the Members in the proportion of their respective Capital Accounts.

(b) The Managing Member, in its discretion, at any time and from time to time, may designate one or more liquidators, including, without limitation, one or more partners, members or officers of the Managing Member, who shall have full authority to wind up and liquidate the business of the Company and to make final distributions as provided in this Section 7.02. The appointment of any liquidator may be revoked or a successor or additional liquidator or liquidators may be appointed at any time by an instrument in writing signed by the Managing Member. Any such liquidator may receive compensation as shall be fixed, from time to time, by the Managing Member.

(c) In the event that the Company is dissolved on a date other than the last day of a fiscal year, the date of such dissolution shall be deemed to be the last day of a fiscal year for purposes of adjusting the Capital Accounts of the Members pursuant to Section 4.03. For purposes of distributing the assets of the Company upon dissolution, the Managing Member shall be entitled to a return, on a pari passu basis with the Non-Managing Members, of the amount standing to its credit in its Capital

ARTICLE VIII

Tax Returns; Reports to Members

Section 8.01 Independent Auditors. The financial statements of the Company shall be audited by Ernst & Young LLP, or such other certified public accountants of similar standing selected by the Managing Member, as of the end of each fiscal year of the Company.

Section 8.02 Filing of Tax Returns. The Managing Member shall prepare and file, or cause the accountants of the Company to prepare and file, a federal information tax return in compliance with Section 6031 of the Code, and any required state and local income tax and information returns for each tax year of the Company.

Section 8.03 Tax Matters Partner. The Managing Member shall be designated on the Company's annual federal information tax return, and have full powers and responsibilities, as the Tax Matters Partner of the Company for purposes of Section 6231(a)(7) of the Code. In the event the Company shall be the subject of an income tax audit by any federal, state or local authority, to the extent the Company is treated as an entity for purposes of such audit, including administrative settlement and judicial review, the Tax Matters Partner shall be authorized to act for, and its decision shall be final and binding upon, the Company and each Member thereof. All expenses incurred in connection with any such audit, investigation, settlement or review shall be borne by the Company.

Section 8.04 Financial Reports to Current Members. The Company shall prepare and mail to each Non-Managing Member (i) annual audited financial statements after the end of the Company's fiscal year, (ii) quarterly unaudited information as to the performance of the Company and (iii) information necessary for such Member to complete its U.S. federal, state and local income tax returns (including such information that such Member may reasonably require annually to complete its tax filing obligations, provided that the Managing Member may provide the same without undue effort or expense).

Section 8.05 Tax Reports to Members and Former Members. The Company shall use reasonable efforts to prepare and mail, or cause its accountants to prepare and mail, to each Member and, to the extent necessary, to each former Member (or its legal representatives), as soon as possible after the close of each fiscal year of the Company, a report setting forth in sufficient detail such information as shall enable such Member or former Member (or such Member's legal representatives) to prepare their respective federal income tax returns and/or extensions in accordance with the laws, rules and regulations then prevailing.

ARTICLE IX

Section 9.01 General. This Agreement (i) shall be binding on the permitted transferees, assigns, executors, administrators, estates, heirs, and legal successors and representatives of the Members and (ii) may be executed, through the use of separate signature pages or supplemental agreements in any number of counterparts with the same effect as if the parties executing such counterparts had all executed one counterpart; provided, however, that each such counterpart shall have been executed by the Managing Member and that the counterparts, in the aggregate, shall have been signed by all of the Members.

Section 9.02 Power of Attorney. Each of the Members hereby appoints the Managing Member as its true and lawful representative and attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, swear to and file:

(a) a Certificate of Formation of the Company and any amendments thereto as may be required under the Act;

(b) any duly adopted amendment to this Agreement;

(c) any and all instruments, certificates, and other documents that may be deemed necessary or desirable to effect the dissolution and winding-up of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); and

(d) any business certificate, fictitious name certificate, amendment thereto, or other instrument or document of any kind whatsoever necessary, desirable or convenient to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state, local or foreign law.

The power of attorney hereby granted by each of the Non-Managing Members is coupled with an interest, is irrevocable, and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Non-Managing Member; provided, however, that such power of attorney shall terminate upon the substitution of another non-managing member for all of such Non-Managing Member's interest in the Company or upon the complete withdrawal of such Non-Managing Member from participation in the Company.

Section 9.03 Amendments to Limited Liability Company Agreement. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of Members having in excess of 50% of the voting power of the outstanding Units, (or, if an amendment affects only a particular series of Units, with the written consent of Members having in excess of 50% of that series of Units), based on the NAV of such Units, and the affirmative vote of the Managing Member insofar as is consistent with the laws governing this Agreement; provided, however, that without the consent of the Non-Managing Members, the Managing

Member may amend the Agreement or the Schedule hereto to (i) reflect changes validly made in the membership of the Company, the Capital Contributions, Membership Percentages and changes in the number of Units held by the Members; (ii) change the provisions relating to the Incentive Allocation so that such provisions conform to the applicable requirements of the Securities and Exchange Commission and other regulatory authorities, so long as such amendment does not increase the Incentive Allocation to more than the amount that would otherwise be determined absent such amendment; (iii) reflect a change in the name of the Company; (iv) make a change that is necessary or, in the opinion of the Managing Member, advisable to qualify the Company as a limited liability company or other entity in which the Members have limited liability under the laws of any state, or ensure that the Company shall not be treated as an association or a publicly traded partnership taxable as a corporation for federal income tax purposes; (v) make any change that does not adversely affect the Members in any material respect; (vi) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal, state or foreign statute, so long as such change is made in a manner which minimizes to the extent practicable, as determined by the Managing Member in its sole discretion, any adverse effect on the Members or that is required or contemplated by this Agreement; (vii) make a change in any provision of the Agreement that requires any action to be taken by or on behalf of the Managing Member or the Company pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; (viii) prevent the Company or the Managing Member from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act of 1940, as amended; (ix) correct mistakes or clarify ambiguities; (x) in the event of adverse changes in the tax law or interpretations thereof applicable to the Company, amend the Agreement as determined by the Managing Member if it deems advisable or necessary to address such changes; (xi) conform the Agreement to the disclosure provided in the Company's Confidential Private Placement Memorandum; (xii) correct or supplement any conflicting provisions and delete or add provisions as may be required by applicable law or regulations, in each case, as determined by the Managing Member in its sole discretion; (xiii) make any other amendment provided such amendment does not become effective until after such affected Members have been given prior written notice of such change and have had the right following receipt of such notice to request the redemption of their Units and such redemption shall have become effective; or (xiv) make any other amendments similar to the foregoing. Each Member, however, must consent to any amendment that would (a) reduce its Capital Account or rights of redemption or withdrawal; or (b) amend the provisions of this Agreement relating to amendments.

Section 9.04 Instruments. The parties agree to execute and deliver any further instruments or perform any acts which are or may become necessary to carry on the Company created by this Agreement or to effectuate its purposes.

Section 9.05 No Personal Liability For Return of Capital. The Managing Member shall not be personally liable for the return or repayment of all or any portion of Capital Contribution or profits of any Member, it being expressly agreed that any such return of Capital Contribution or profits made pursuant to this Agreement shall be made solely from the assets (which shall not include any right of contribution from the Managing Member) of the Company.

Section 9.06 Choice of Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Delaware and, without limitation thereof, that the Act as now adopted or as may be hereafter amended shall govern the limited liability company aspects of this Agreement. The parties also expressly agree that all actions and proceedings brought by a party against a Member or the Company, in connection with the Company's business or affairs (including a breach of this Agreement by a party hereto) shall be brought in and be subject to the jurisdiction of a court of the State of New York or any federal district court in the State of New York.

Section 9.07 Waiver of Trial By Jury. The parties hereto irrevocably waive to the fullest extent permitted by law any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in the courts of the State of New York located in the City of New York or of the United States District Court for the Southern District of New York and any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 9.08 No Third Party Rights. The provisions of this Agreement, including, without limitation, the provisions of Section 1.03, are not intended to be for the benefit of any creditor or other person (other than the Members in their capacities as such) to whom any debts, liabilities or obligations are owed by (or who otherwise have a claim against or dealings with) the Company or any Member, and no such creditor or other Person shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall by reason of any such provisions make any claim in respect to any debt, liability or obligation (or otherwise) including any debt, liability or obligation pursuant to Section 1.03, against the Company or any Member.

Section 9.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person or by registered or certified mail. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in the Schedule. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when mailed by registered or certified mail to the proper address or delivered in person.

Section 9.10 Counterparts. This Agreement may be executed in counterparts with the same force and effect as if each of the signatories had executed the same instrument.

Section 9.11 Grantors of Revocable Trusts. Each Non-Managing Member that is a revocable trust agrees that, if the trustee of such revocable trust and the grantor of such revocable trust are the same person, the trustee's execution of this Agreement and any other documents executed in connection with the Company shall bind such person in his or her capacity both as trustee and as grantor of such revocable trust.

Section 9.12 Each Interest in the Company is a Security. The parties expressly agree that each interest in the Company, including without limitation the Units and the interests of the Managing Member in the Company, is a security governed by Article 8 of the Uniform Commercial Code of the State of Delaware, and the Company, each Member and any other party hereto expressly agrees that (i) this establishes the terms of the interests in the Company, and (ii) interests in the Company shall not be represented or evidenced by certificates.

Section 9.13 Goodwill. No value shall be placed on the name or goodwill of the Company, which shall belong exclusively to the Managing Member.

Section 9.14 Headings. The titles of the Articles and the headings of the Sections of this Agreement are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Agreement.

Section 9.15 Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or corporation may require in the context thereof.

Section 9.16 Confidentiality. The Managing Member and the Company may, in their discretion, keep confidential and not disclose to the Non-Managing Members any proprietary information concerning the Company, including, without limitation, investments, valuations, information regarding potential investments, financial information, trade secrets and the like which is proprietary in nature and non-public, or any information about any investment, to the extent that such information is required to be kept confidential or is otherwise subject to disclosure restrictions imposed by the issuer of the investment or the Managing Member, in its reasonable discretion (collectively, "Confidential Information"). Each Non-Managing Member shall not disclose or cause to be disclosed any Confidential Information to any other Person, except as otherwise required by any regulatory authority, law or regulation, or by legal process, without the prior written consent of the Managing Member. Notwithstanding anything in the foregoing or anything else contained in this Agreement to the contrary, except as reasonably necessary to comply with applicable securities laws, each Member (and any employee, representative or other agent thereof) may disclose to any and all persons, without limitation of any kind, the tax

treatment and tax structure of the offering and ownership of Units and any transaction described in this Section 9.16 or elsewhere in this Agreement and all materials of any kind (including opinions and other tax analyses) that are provided to such Member relating to such tax treatment and tax structure. For this purpose, "tax structure" means any facts relevant to the federal income tax treatment of the offering and ownership of Units and any transaction described in this Section 9.16 or elsewhere in this Agreement, and does not include information relating to the identity of the Company or its Affiliates.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the date first set forth above.

MANAGING MEMBER:

GOLDMAN SACHS PRINCETON LLC

By: /s/ Tobin V. Levy

Name: Tobin V. Levy
Title: Director

NON-MANAGING MEMBERS:

By: GOLDMAN SACHS PRINCETON LLC
on behalf of each Member as attorney-in-fact

By: /s/ Tobin V. Levy

Name: Tobin V. Levy
Title: Director

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

GOLDMAN SACHS GLOBAL EVENT DRIVEN, LLC

DATED AS OF JULY 1, 2004

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AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF
GOLDMAN SACHS GLOBAL EVENT DRIVEN, LLC

Dated as of July 1, 2004

The undersigned (herein called the "Members", which term shall include any persons hereafter admitted to the Company pursuant to Article III of this Agreement and shall exclude any persons who cease to be Members pursuant to Article V or VI of this Agreement) hereby agree to form and hereby form, as of the date and year first above written, a limited liability company (herein called the "Company"), pursuant to the provisions of the Limited Liability Company Act of the State of Delaware (6 Del. Code ss. 18-101, et seq.) (the "Act"), which shall be governed by, and operated pursuant to, the terms and provisions of this Amended and Restated Limited Liability Company Agreement (herein called the "Agreement").

ARTICLE I

General Provisions

Section 1.01 Company Name and Address. The name of the Company is Goldman Sachs Global Event Driven, LLC. Its principal office is located at 701 Mount Lucas Road, Princeton, New Jersey 08540, or at such other location as the Managing Member (as defined in Section 1.03) in the future may designate. The Managing Member shall promptly notify the Non-Managing Members (as defined in Section 1.03) of any change in the Company's address.

Section 1.02 Fiscal Year. The fiscal year of the Company (herein called the "fiscal year") shall end on December 31 of each calendar year; provided, however, that the Managing Member may change the Company's fiscal year-end, without the consent of the Non-Managing Members, as deemed appropriate by the Managing Member, in its sole discretion.

Section 1.03 Liability of Members. The names of all of the Members and the amounts of their respective contributions to the Company (herein called the "Capital Contributions") are set forth in a schedule (herein called the "Schedule"), which shall be filed with the records of the Company at the Company's principal office (as set forth in Section 1.01) and is hereby incorporated by reference and made a part of this Agreement.

The Member designated in Part I of the Schedule as the Managing Member (herein called the "Managing Member") shall manage the operations of the Company. The Members designated in Part II of the Schedule are referred to herein as the "Non-Managing Members." The Managing Member, the Non-Managing Members and the former Non-Managing Members shall be liable for the repayment and discharge of all debts and obligations of the Company attributable to any fiscal year (or relevant portion thereof) during which they are or were Members of the Company to the extent of their respective limited liability company interests (the "Units") in the Company in the fiscal year (or relevant portion thereof) to which any such debts and obligations are attributable.

The Members and all former Members shall share all losses, liabilities or expenses suffered or incurred by virtue of the operation of the preceding paragraph of this Section 1.03 in the proportions of their respective Capital Accounts (determined as provided in Section 4.03) for the fiscal year (or relevant portion thereof) to which any debts or obligations of the Company are attributable. A Member's or former Member's share of all losses, liabilities or expenses shall not be greater than its respective interest in the Company for such fiscal year (or relevant portion thereof).

As used in this Section 1.03, the terms "interests in the Company" and "interest in the Company" shall mean with respect to any fiscal year (or relevant portion thereof) and with respect to each Member (or former Member) for any given series of Units, the Capital Account (as defined in Section 4.03) that such Member (or former Member) would have received (or in fact did receive) pursuant to the terms and provisions of Article VI upon withdrawal from the Company as of the end of such fiscal year (or relevant portion thereof).

Notwithstanding any other provision in this Agreement to the contrary, in no event shall any Member (or former Member) be obligated to make any additional contribution or payment whatsoever to the Company, or have any liability for the repayment and discharge of the debts and obligations of the Company (apart from its interest in the Company), except that a Non-Managing Member (or former Non-Managing Member) shall, in the discretion of the Managing Member, be required, for purposes of meeting such Member's obligations under this Section 1.03, to make additional contributions or payments, respectively, up to, but in no event in excess of, the aggregate amount of returns of capital and other amounts actually received by it from the Company during or after the fiscal year to which any debt or obligation is attributable.

As used in this Agreement, the terms "former Non-Managing Member" and "former Member" refer to such persons or entities as hereafter from time to time cease to be a Non-Managing Member or Member, respectively, pursuant to the terms and provisions of this Agreement.

Section 1.04 Purposes of the Company. The Company is organized for the purposes of allocating its assets directly or indirectly to a group of investment managers (the "Advisors") (that may or may not be Affiliates (as defined in Section 2.05) of the Managing Member) that employ strategies within the event driven sector, engaging in any other lawful act or activity for which limited liability companies may be organized under the Act, and engaging in any and all activities and transactions as the Managing Member may deem necessary or advisable in connection therewith.

Section 1.05 Assignability of Units; Assignment by Managing Member.

(a) Except as provided in paragraph (b) below, without the prior written consent of the Managing Member, which may be withheld in its sole and absolute discretion, with or without cause, a Member may not pledge, transfer or assign its Units in the Company in whole or in part to any person except by operation of law. Any attempted pledge, transfer, assignment or substitution not made in accordance with this Section 1.05 shall be void.

(b) Without the consent of the Non-Managing Members, the Managing Member may assign or otherwise transfer its Managing Member interest in the Company to any corporation, partnership, limited liability company or other entity controlling, controlled by or under common control with the Managing Member, as long as such transfer does not, as determined by the Managing Member in its sole discretion, cause the Company to be taxable as a corporation.

Section 1.06 Registered Office and Agent for Service of Process. The registered office of the Company shall be: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process at such office shall be The Corporation Trust Company. The Company may from time to time have such other place or places of business within or without the State of Delaware as may be designated by the Managing Member.

ARTICLE II

Management of the Company

Section 2.01 Management Generally. The management of the Company shall be vested exclusively in the Managing Member. Except as authorized by the Managing Member, or as expressly set forth in this Agreement, the Non-Managing Members shall have no part in the management of the Company, and shall have no authority or right to act on behalf of the Company in connection with any matter. The Managing Member, and any Affiliate of the

Managing Member, may engage in any other business venture, whether or not such business is similar to the business of the Company, and neither the Company nor any Non-Managing Member shall have any rights in or to such ventures or the income or profits derived therefrom.

Section 2.02 Delegation by Managing Member. The Managing Member shall have the power and authority to delegate to one or more Persons (as defined in Section 2.03(d)), including, without limitation, any officer, employee or agent of the Company or the Managing Member, the Managing Member's rights and powers to manage and control the business and affairs of the Company. The Managing Member may, by written instrument, authorize any Person to enter into and perform under any document on behalf of the Company.

Section 2.03 Authority of the Managing Member. The Managing Member shall have the power on behalf of and in the name of the Company to carry out any and all of the objects and purposes of the Company set forth in Section 1.04 and Section 2.01, and to perform all acts and enter into and perform all contracts and other undertakings, other than any actions to be taken in connection with investment of the Company's investable assets, which it may deem necessary or advisable or incidental thereto, including, without limitation, the power to:

(a) open, maintain and close accounts, including custodial accounts, with banks, including banks located inside and outside the United States, and draw checks or other orders for the payment of monies;

(b) lend, either with or without security, funds or other properties of the Company, and borrow or raise funds (including borrowing from Affiliates of the Managing Member) and secure the payment of obligations of the Company by pledges or hypothecation of all or any part of the property of the Company;

(c) do any and all acts on behalf of the Company, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Company's interest in the assets and other property and funds held or owned by the Company, including, without limitation, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and all other like or similar matters;

(d) engage any person, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity (each a "Person") (including the Managing Member and any of its Affiliates) pursuant to an Administration Agreement (as defined in the Company's Confidential Private Placement Memorandum) to provide certain administrative services (any such person, firm or entity providing such services being referred to herein as the "Administrator"), including, without limitation, calculating the net asset value (the "NAV") of each series of Units and Members' Capital Accounts, valuing the Company's assets, assisting with the valuation of

securities which are not readily marketable, assisting in the preparation of the Company's financial statements, assisting in the preparation and distribution of reports to each Member, maintaining a registry for the ownership of each series of Units and providing other administrative services to the Company;

(e) consent on behalf of the Company to any changes in the members, directors or officers of the Managing Member, if such consent is required by applicable law;

(f) engage any personnel, whether part time or full time, attorneys, financial advisers, underwriters, accountants, consultants, appraisers, custodians of the assets of the Company or other Persons as the Managing Member may deem necessary or desirable, whether or not any such Person may be an Affiliate of the Managing Member or may also be employed by any Affiliate of the Managing Member;

(g) allocate the Company's assets to Advisors and limited liability companies or other entities managed by the Managing Member through which the Company accesses Advisors ("Portfolio Companies"), oversee such allocations and, from time to time, in the sole discretion of the Managing Member, reallocate the Company's assets among existing or new Advisors or Portfolio Companies;

(h) bring and defend actions and proceedings at law or equity and before any governmental, administrative or other regulatory agency, body or commission;

(i) make distributions to Members in cash or (to the extent permitted hereunder) otherwise;

(j) prepare and file all necessary returns and statements, pay all taxes, assessments and other impositions applicable to the assets of the Company and withhold amounts with respect thereto from funds otherwise distributable to any Member;

(k) determine the accounting methods and conventions to be used in the preparations of any accounting or financial records of the Company;

(l) make any and all tax elections permitted to be made under the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable state, local or foreign tax law;

(m) determine the tax treatment of any Company transaction or item for purposes of completing the Company's federal, state, local or foreign tax returns; and

(n) take all actions, and authorize any member, employee, officer, director or other agent of the Managing Member or agent or employee of the Company, to act for and on behalf of the Company, in all matters necessary to, in connection with, or incidental to, any of the foregoing.

Section 2.04 Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the certificate of the Managing Member, to the effect that it is then acting as the Managing Member and upon the power and authority of the Managing Member as herein set forth.

Section 2.05 Activity of the Managing Member. The Managing Member and persons controlling, controlled by or under common control with the Managing Member and any of such person's directors, members, stockholders, partners, officers, employees and controlling persons (each an "Affiliate" and collectively, "Affiliates"), shall devote so much of their time to the affairs of the Company as in the judgment of the Managing Member the conduct of its business shall reasonably require, and none of the Managing Member or its Affiliates shall be obligated to do or perform any act or thing in connection with the business of the Company not expressly set forth herein. Nothing herein contained in this Section 2.05 shall be deemed to preclude the Managing Member or its Affiliates from exercising investment responsibility, from engaging directly or indirectly in any other business or from directly or indirectly purchasing, selling or holding securities, options, separate accounts, investment contracts, currency, currency units or any other asset and any interest therein for the account of any such other business, for their own accounts, for any of their family members or for other clients.

Section 2.06 Standard of Care; Indemnification.

(a) None of the Managing Member (including, without limitation, in its capacity as the Administrator) or its Affiliates (each an "Indemnified Person" and collectively the "Indemnified Persons") shall be liable to the Company or to the Members for (i) any act or omission performed or failed to be performed by such person (other than any criminal wrongdoing), or for any losses, claims, costs, damages, or liabilities arising therefrom, in the absence of any criminal wrongdoing, willful misfeasance or gross negligence on the part of such person, (ii) any tax liability imposed on the Company or any Member or (iii) any losses due to the actions or omissions of the Advisors, any brokers or other agents of the Company.

In the event that any Indemnified Person becomes involved in any capacity in any action, proceeding or investigation brought by or against any person (including any Non-Managing Member) in connection with any matter arising out of or in connection with the Company's business or affairs (including a breach of this Agreement by any Member) the Company will periodically reimburse any Indemnified Person for its legal and other expenses (including the costs of any investigation and preparation) incurred in connection therewith, provided that such Indemnified Person shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined by a court having appropriate jurisdiction in a decision that is not subject to appeal, that such Indemnified Person is not entitled to be indemnified by the Company in connection with such action, proceeding or investigation as provided in the

exception contained in the next succeeding sentence.

To the fullest extent permitted by applicable law, the Company shall also indemnify any Indemnified Person, jointly and severally, against any losses, claims, costs, damages or liabilities to which such Indemnified Person may become subject in connection with any matter arising out of or in connection with the Company's business or affairs, except to the extent that any such loss, claim, cost, damage, or liability results solely from the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person. If for any reason (other than the willful misfeasance, bad faith or gross negligence of, or any criminal wrongdoing by, such Indemnified Person) the foregoing indemnification is unavailable to such Indemnified Person, or is insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable to the Indemnified Person as a result of such loss, claim, cost, damage, or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and such Indemnified Person on the other hand but also the relative fault of the Company and such Indemnified Person, as well as any relevant equitable considerations.

The reimbursement, indemnity and contribution obligations of the Company under this Section 2.06 shall be in addition to any liability which the Company may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs, and personal representatives of the Company, the Managing Member and any other Indemnified Person. The foregoing provisions shall survive any termination of this Agreement.

(b) The reimbursement, indemnification and contribution rights provided by this Section 2.06 shall not be deemed to be exclusive of any other rights to which the Indemnified Person may be entitled under any agreement or as a matter of law, or otherwise, both as to action in an Indemnified Person's official capacity and to action in any other capacity, and shall continue as to an Indemnified Person who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of the Managing Member and shall inure to the benefit of the successors, assigns, heirs and personal representatives of such Indemnified Person.

(c) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.06 shall not be construed as to relieve (or attempt to relieve) from liability or to provide for the indemnification of any Indemnified Person for any liability (including liability under federal securities law which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law or such indemnification would be in violation of applicable law, but shall be construed so as to effectuate the provisions of this Section 2.06 to the fullest extent permitted by law.

(d) The Managing Member shall have power to purchase and maintain

insurance on behalf of the Managing Member and the Indemnified Persons at the expense of the Company against any liability asserted against or incurred by them in any such capacity or arising out of the Managing Member's status as such, whether or not the Company would have the power to indemnify the Indemnified Persons against such liability under the provisions of this Agreement.

(e) An Indemnified Person may rely upon and shall be protected in acting or refraining from action upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond debenture, or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) An Indemnified Person may consult with counsel, accountants and other experts reasonably selected by it, and any opinion of an independent counsel, accountant or expert retained with reasonable care shall be full and complete protection in respect of any action taken or suffered or omitted by the Indemnified Person hereunder in good faith and in accordance with such opinion.

(g) The Managing Member may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Managing Member shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with reasonable care by it hereunder.

Section 2.07 Management Fee; Payment of Costs and Expenses. The Company shall pay to the Managing Member a fee, payable in arrears, for investment management and other management services (the "Management Fee") calculated and paid on a monthly basis of one-twelfth of 1.25% per annum of the Net Assets of the Company as of the end of each month, appropriately adjusted to reflect capital appreciation or depreciation and any subscriptions or redemptions. For purposes of determining the Management Fee, Net Assets shall be reduced for any Administration Fee (as defined in the Company's Confidential Private Placement Memorandum) for such month, but shall not be reduced to reflect any accrued Incentive Allocation (as defined in Section 4.05(b)) and any Management Fee for such month.

If a Member is admitted to, or withdraws from, the Company as of a date other than the first day of a month, the portion of the Management Fee and Administration Fee determined with respect to such Member's Capital Account shall be appropriately pro-rated to take into account the number of days in such month during which such Member was a Member. Partial withdrawals will result in similar pro-ration.

The Managing Member reserves the right, in its sole discretion, to waive fees or impose different fees on Members, as may be agreed to by the Managing Member and the Member.

The Managing Member shall bear its own overhead costs and expenses and provide to the Company news, quotation and computer equipment and services

(except to the extent paid for through the permitted use of soft dollars), office space and utilities, and secretarial and clerical personnel.

The Company shall bear its operating expenses, including but not limited to legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting, auditing and tax preparation expenses, custodial expenses, taxes, printing and mailing expenses, fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services to the Company, investment expenses (e.g., expenses related to the investment of the Company's assets, such as fees to the Advisors, brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees, interest expenses, borrowing costs and extraordinary expenses) and other expenses associated with the operation of the Company.

In addition, the Company will bear its organizational expenses and the expenses incurred in connection with the offer and sale of Units, including printing costs and legal fees and expenses of the Company, the Managing Member and any placement agent and other expenses of the offering of Units. In addition, the Company will bear, indirectly through its investment in each Portfolio Company, its pro rata portion of the offering, organizational and operating expenses of each Portfolio Company, including the expenses of the type described in this and the prior paragraph.

To the extent that expenses to be borne by the Company are paid by the Managing Member, the Company shall reimburse the Managing Member for such expenses. The Managing Member may elect, from time to time, to bear certain of the Company's expenses described above.

Section 2.08 Principal Transactions and Other Related Party Transactions. Each Non-Managing Member hereby authorizes the Managing Member, on behalf of such Non-Managing Member, to select one or more persons, who shall not be affiliated with the Managing Member, to serve on a committee, the purpose of which will be to consider and, on behalf of the Non-Managing Members, approve or disapprove, to the extent required by applicable law, of principal transactions and certain other related party transactions. In no event shall any such transaction be entered into unless it complies with applicable law.

Section 2.09 Termination of the Managing Member. Upon the written consent of the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its Affiliates, employees or officers), based on the NAV of such Units, the Managing Member will be required to withdraw from the Company, and the Company will be wound-up and terminated in accordance with Article VII, unless the Members having at least 66-2/3% of the voting power of the outstanding Units (other than the Units held by Goldman, Sachs & Co., its Affiliates, employees or officers), based on the NAV of such Units, agree in writing to continue the business of the Company and to the appointment of one or more new managing members. If the withdrawal of the Managing

Member pursuant to this Section 2.09 occurs prior to the end of a month, the Managing Member shall receive the amount of the Management Fee and any applicable Administration Fee prorated through the date of the effective date of the withdrawal, and the Managing Member shall receive the Incentive Allocation for the fiscal year in which the withdrawal occurred calculated in accordance with Section 4.05(c) as if the date of withdrawal were the last day of the fiscal year.

ARTICLE III

Series of Units; Admission of New Members

Section 3.01 Series of Units. An initial series of Units (the "Initial Series") will be issued on the initial closing date. The initial purchase price per Unit for the Initial Series of Units shall be \$100. The Managing Member may, at any time and from time to time, in its sole discretion, elect to raise additional capital for the Company from Members and from new subscribers on such terms and conditions as may be determined by the Managing Member in its sole discretion. Generally, a new series of Units will be issued on each date an existing Member makes an additional Capital Contribution in accordance with Section 4.02 and on each date a new Member is admitted to the Company in accordance with Section 3.03, except that the Managing Member may issue additional Units of an existing series provided that such issuance does not have an adverse effect on the NAV or Prior High NAV (as defined in Section 4.05(b)(i)) of the Units of any Member. Each Unit will carry equal rights and privileges with each other Unit of the same series. Units issued at the beginning of any fiscal year will be offered at the then current NAV per Unit of the Initial Series if such Initial Series is at or above its Prior High NAV per Unit. If the Initial Series is not at or above its Prior High NAV per Unit, Units will be issued in the next offered series that is at or above its Prior High NAV. If no series of Units is at or above its Prior High NAV at such time, such additional Units will be issued as a separate series at a price per Unit determined by the Managing Member, in its sole discretion. Fractions of Units may be issued to one ten-thousandth of a Unit.

Section 3.02 Conversion of Series. Following the end of each fiscal year, any issued and outstanding series of Units (other than the Initial Series) that is at or above its Prior High NAV shall be exchanged into Units of the Initial Series (or if the Initial Series is not at or above its Prior High NAV per Unit, the next offered series that is at or above its Prior High NAV) at the then NAV per Unit of the Initial Series or such other series of Units (as applicable).

Section 3.03 New Members. Subject to the condition that each new Member shall execute an appropriate counterpart to this Agreement pursuant to which it agrees to be bound by the terms and provisions hereof, the Managing Member may admit one or more new Members on the first day of each calendar quarter or at such other times as the Managing Member may determine in its sole discretion. Admission of a new Member shall not be a cause for dissolution or termination of the Company.

ARTICLE IV

Capital Accounts of Members and Operation Thereof

Section 4.01 Definitions. For the purposes of this Agreement, unless the context otherwise requires:

(a) The term "Accounting Period" shall mean the following periods: The initial Accounting Period shall commence upon the commencement of operations of the Company. Each subsequent Accounting Period shall commence immediately after the close of the preceding Accounting Period. Each Accounting Period hereunder shall close immediately before the opening of business on the first to occur of (i) the first day of each fiscal year of the Company, (ii) the effective date of the admission of a new Member pursuant to Section 3.03, (iii) the effective date of an additional Capital Contribution pursuant to Section 4.02, or (iv) the effective date of any redemption or complete withdrawal pursuant to Articles V or VI hereof. The final Accounting Period shall end on the date the Company dissolves.

(b) The term "Beginning Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets (as defined below) at the beginning of such Accounting Period.

(c) The term "Ending Value" shall, with respect to any Accounting Period, mean the value of the Company's Net Assets at the end of such Accounting Period (before giving effect to the Incentive Allocation for such Accounting Period, but after giving effect to all other expenses for such Accounting Period, including the Management Fee and the Administration Fee).

(d) The term "Net Assets" shall mean the excess of the Company's total assets over its total liabilities, determined in accordance with Section 4.07.

(e) The term "Net Capital Appreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Ending Value over the Beginning Value.

(f) The term "Net Capital Depreciation," with respect to any Accounting Period, shall mean the excess, if any, of the Beginning Value over the Ending Value.

Section 4.02 Capital Contributions. Each Member has paid or conveyed by way of contribution to the Company in exchange for the issuance of Units cash and/or marketable securities having an aggregate value equal to the amount set forth opposite such Member's name in Part I or II of the Schedule (herein called the "Initial Capital Contribution"). Additional Capital Contributions may be made by Members only in accordance with the provisions of this Section 4.02.

Upon the approval of the Managing Member, any existing or prospective Member may purchase additional or newly-issued Units by contributing cash and/or marketable securities to the Company on the first day of any calendar quarter or at such other times as the Managing Member may determine in its sole discretion. The Managing Member and any of its Affiliates may make additional Capital Contributions to the Company in cash and/or marketable securities at any time and in any amounts.

Whether marketable securities shall be accepted as a contribution to the Company shall be determined in the sole discretion of the Managing Member.

Section 4.03 Capital Accounts. (a) A separate capital account (herein called a "Capital Account") shall be established on the books of the Company for each series of Units. The Capital Account of each series shall initially be an amount equal to the initial Capital Contributions with respect to such series. The Capital Account of a series shall be (i) increased as of the beginning of each Accounting Period to reflect any additional Capital Contributions pursuant to Section 4.02 in respect of such series, (ii) increased as of the end of each Accounting Period to reflect the Net Capital Appreciation of such series, (iii) decreased as of the beginning of each Accounting Period to reflect the redemption of any Units of such series, pursuant to Section 5.02, (iv) decreased as of the end of each Accounting Period to reflect the amount of any distributions pursuant to Section 5.04 in respect of such series (including any deemed distributions of taxes paid by the Company pursuant to Section 5.04(c) in respect of such series); (v) decreased for any Incentive Allocation pursuant to Section 4.05(b) in respect of such series; and (vi) decreased as of the end of each Accounting Period to reflect the Net Capital Depreciation of such series.

(b) At the time of the conversion of any series of Units into Units of the Initial Series or any other series of Units pursuant to Section 3.02, the Capital Account of the converted series of Units shall be reduced to zero, and the Capital Account of the series of Units into which such Units were converted shall be increased by the balance of the Capital Account of the converted series of Units immediately prior to the conversion.

(c) A separate Capital Account shall also be established on the books of the Company for each Member with respect to each series of Units held by such Member. Each Member's Capital Account with respect to a series of Units shall equal the Capital Account of such series times the Member's Membership Percentage (as defined in Section 4.04) with respect to such series of Units.

(d) The Managing Member shall have a separate Capital Account, which shall initially be equal to zero, and which shall be (A) increased by any Incentive Allocation at the time such Incentive Allocation is made, and (B) decreased to reflect the amount of any distributions (including any deemed distributions in connection with the withholding of taxes in respect of

such Incentive Allocation pursuant to Section 5.04(c)) made to the Managing Member in respect of such Incentive Allocation for such Accounting Period.

Section 4.04 Membership Percentages. A Membership Percentage shall be determined for each Member for any given series of Units for each Accounting Period of the Company by dividing the number of Units owned by such Member within a given series by the aggregate number of outstanding Units of such series as of the beginning of such Accounting Period. The aggregate Membership Percentages for each series of Units shall equal 100 percent.

Section 4.05 Allocation of Net Capital Appreciation or Net Capital Depreciation.

(a) Any Net Capital Appreciation or Net Capital Depreciation, as the case may be, for an Accounting Period shall be allocated among the different series of Units pro rata in accordance with the relative Capital Accounts of each series at the beginning of such Accounting Period.

(b) (i) At the end of each fiscal year of the Company, or at such other date during a fiscal year as of which the following determination is required pursuant to this Section 4.05, five percent (5%) of the amount by which the NAV of a series of Units, (determined prior to any applicable Incentive Allocation accrual with respect to such series of Units and appropriately adjusted as determined by the Managing Member in its sole discretion for contributions, distributions and redemptions but after giving effect to the allocation, pursuant to Section 4.05(a), of Net Capital Appreciation and Net Capital Depreciation for the Accounting Period then ending exceeds such series' Prior High NAV at such date, shall be reallocated to the Capital Account of the Managing Member (the "Incentive Allocation"). The "Prior High NAV" with respect to a series of Units initially shall mean an amount equal to the NAV of such series as of the date of its initial issue. The new Prior High NAV with respect to a series of Units immediately following the end of any period for which an Incentive Allocation has been made with respect to such series shall be reset to equal the NAV of such series, unless the series is exchanged pursuant to Section 3.02 into the Initial Series or another series, in which case the new Prior High NAV shall be reset to equal the NAV of the Initial Series or other series. If the NAV of such series at the end of any fiscal year of the Company, and such other date during a fiscal year as of which the determination of the Incentive Allocation is required pursuant to Section 4.05(c) is less than its Prior High NAV, the Prior High NAV of that series shall not change. The Prior High NAV for each series of Units shall be appropriately adjusted as determined by the Managing Member in its sole discretion to account for contributions, distributions and redemptions made with respect to such series of Units.

(ii) The Incentive Allocation with respect to a series of Units accrues daily and the Company shall credit the Capital Account of the Managing Member as of December 31 of each year for the Incentive Allocation.

(c) In the event that the Company is dissolved other than at the end of a fiscal year, or the effective date of a Member's redemption of Units is other than a fiscal year-end, then the Incentive Allocation described above shall be determined and made as if such date were a fiscal year-end.

(d) Notwithstanding anything to the contrary herein, to the extent that the Company invests in "Hot Issues" (as defined below), and there are Members who are restricted persons within the meaning of National Association of Securities Dealers, Inc. (the "NASD") Conduct Rule 2110 and the interpretation set forth thereunder in IM-2110-1 entitled "Free-Riding and Withholding" (collectively, the "Interpretation"), investments in Hot Issues will be made through a special account and profits and losses attributable to Hot Issues will not be allocated to the Capital Accounts of Members who are restricted from participating in Hot Issues under the Interpretation. Only those Members who are not restricted persons shall have any beneficial interest in such an account. Notwithstanding anything in this Agreement to the contrary, the Managing Member shall have the right, without the consent of the Members, to make such amendments to this Agreement, and to take such other actions, as it deems advisable and appropriate, in its sole discretion, to implement the purposes of this Section 4.05(d). A "Hot Issue" is any of the securities of a public offering which trade at a premium in the secondary market whenever such secondary market begins, or otherwise as such term may be interpreted from time to time under the then current rules of the NASD.

Section 4.06 Amendment of Incentive Allocation. The Managing Member shall have the right to amend, without the consent of the Non-Managing Members, Section 4.05 of this Agreement so that the Incentive Allocation (or other performance-based allocation) therein provided conforms to any applicable requirements of the Securities and Exchange Commission and other regulatory authorities; provided, however, that no such amendment shall increase the Incentive Allocation (or other performance-based allocation) as so amended to more than the amount payable in accordance with Section 4.05 of this Agreement (or, in the case of any other performance-based allocation arrangement, the specific arrangement set forth in a written agreement between the affected Non-Managing Member and the Company), without the written consent of the affected Non-Managing Member. The Managing Member reserves the right, in its sole discretion, to apply different performance-based percentage allocations and performance compensation arrangements to any Member, as may be agreed by the Managing Member and such Member.

Section 4.07 Determination of Net Assets.

(a) The Company's Net Assets shall be determined in accordance with U.S. generally accepted accounting principles consistently applied as a guideline and the following principles:

(i) The value of the Company's investment in a Portfolio Company or other investment fund shall be equal to the Company's proportionate

interest in the NAV of the Portfolio Company or investment fund, determined in accordance with the terms and conditions of the respective governing agreement of each Portfolio Company or investment fund, as it may be amended, supplemented or otherwise modified from time to time.

(ii) The assets of the Company that are invested pursuant to investment management agreements shall be valued at fair value in a commercially reasonable manner.

(iii) All other assets or liabilities of the Company shall be valued by the Administrator in its sole discretion.

(iv) The amount of the Company's assets and liabilities (including without limitation indebtedness for money borrowed, the Management Fee and the Administration Fee) shall be determined in accordance with U.S. generally accepted accounting principles and guidelines, applied on a consistent basis, provided that the Administrator in its discretion may provide reserves for estimated accrued expenses, liabilities and contingencies, even if such reserves are not required by U.S. generally accepted accounting principles.

(v) The amount payable to a Member or former Member in redemption of part or all of such Member's or former Member's Units pursuant to Section 5.02 shall be treated as a liability of the Company, until paid, from (but not prior to) the beginning of the Accounting Period on the Redemption Date for such Units.

(vi) The amount to be received by the Company on account of any Capital Contributions pursuant to Section 4.02 shall be treated as an asset of the Company from (but not before) the beginning of the Accounting Period on the effective date of such Capital Contributions.

(vii) Distributions made pursuant to Section 5.04 (including deemed tax distributions pursuant to Section 5.03(c)) other than as of the beginning of an Accounting Period shall be treated as an advance and as an asset of the Company, until the beginning of the Accounting Period following the date of distribution.

(viii) The Incentive Allocation, if any, credited to the Capital Account of the Managing Member pursuant to Section 4.05(d) shall be treated as a liability, until distributed, from the beginning of the Accounting Period following the Accounting Period in which the Incentive Allocation was credited to such Capital Account.

(b) The Company may suspend the valuation of its assets and liabilities, and any distributions or redemptions of any amounts from Capital Accounts, for any period during which a Portfolio Company or other investment fund with which the Company has made an investment has suspended the valuation of its assets and liabilities. The Managing Member shall promptly notify Members of any such suspension, and the termination of any

such suspension, by means of a written notice.

(c) All values assigned to securities and other assets by the Managing Member or the Administrator pursuant to this Section 4.07 shall be final and conclusive as to all of the Members. The Managing Member may consult with and rely upon valuations of the Company's securities and other assets provided by the Administrator.

Section 4.08 Determination of Net Asset Value. The NAV of a series of Units shall be equal to the balance of the Capital Account with respect to such series of Units. The NAV per Unit of a series shall be equal to the NAV of such series divided by the number of outstanding Units of such series.

Section 4.09 Allocation for Tax Purposes. (a) For each fiscal year, items of income, deduction, gain, loss or credit shall be allocated for income tax purposes among the Members in such manner as to equitably reflect the amounts credited or debited to each Member's Capital Account for the current and prior fiscal years (or relevant portions thereof). Allocations under this Section 4.09 shall be made by the Managing Member in accordance with the principles of Sections 704(b) and 704(c) of the Code and in conformity with applicable Regulations promulgated thereunder (including, without limitation, Treasury Regulation Sections 1.704-1(b)(2)(iv)(f)(4), 1.704-1(b)(4)(i) and 1.704-3(e)).

If any Member redeems all of its Units in the Company during a fiscal year or immediately following the end of a fiscal year, and the Member would (absent this sentence) recognize gain under Section 731 of the Code as a result of such withdrawal, the Managing Member may elect to specially allocate to such Member, for U.S. federal income tax purposes, any capital gains (including short-term capital gains) realized by the Company during such fiscal year, through and including the date of withdrawal, in an amount up to that amount of gain which if so allocated would avoid the Member recognizing gain on the withdrawal under Section 731 of the Code (ignoring for this purpose any adjustments that have been made to the tax basis of the withdrawing Member's Units resulting from any transfers or assignment of the Units (other than the original issue of the Units), including by reason of death). Any such election by the Managing Member shall, to the extent reasonably practicable as determined by the Managing Member in its sole discretion, be applied on an equitable basis to all Members withdrawing during such fiscal year or immediately following the end of such fiscal year.

Section 4.10 Determination by Managing Member of Certain Matters; Managing Member's Discretion.

(a) All matters concerning the valuation of securities and other assets and liabilities of the Company, the allocation of profits, gains and losses among the Members (including for tax purposes) and accounting procedures not expressly provided for by the terms of this Agreement (including, without limitation, allocation and accounting procedures in the

event a Member that has an account managed by the Managing Member in a manner similar to the investment program utilized by the Company which causes the assets and liabilities in such account to be transferred to the Company) shall be determined by the Managing Member (or such person as the Managing Member may authorize to make such determination), whose determination shall be final, binding and conclusive as to all of the Members.

(b) Whenever in this Agreement the Managing Member is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the Managing Member shall be entitled to consider only such interests and factors as it desires and may consider its own interests and the interests of its Affiliates and its determination shall be final, binding and conclusive as to all of the Members, or (ii) in its "good faith" the Managing Member shall act under such express standards and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 4.11 Adjustments to Take Account of Interim Year Events. If the Code or regulations promulgated thereunder require an adjustment to the Capital Account of a Member or some other interim year event occurs necessitating in the Managing Member's judgment an equitable adjustment, the Managing Member shall make such adjustments in the determination and allocation among the Members of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Membership Percentages, Incentive Allocation, the Management Fee, Administration Fee, Company expenses, items of income, deduction, gain, loss, credit or withholding for tax purposes, accounting procedures or such other financial or tax items as shall equitably take into account such interim year event and applicable provisions of law, and the determination thereof by the Managing Member shall be final, binding and conclusive as to all of the Members.

Section 4.12 Tax Withholding. If the Company is required to withhold taxes on any distribution to, or to pay or incur any tax with respect to any income allocable to or otherwise on account of, any Member or series of Units, the Company may withhold such amounts and make such payments to such taxing authorities as are necessary to ensure compliance with such tax laws.

ARTICLE V

Redemptions and Distributions

Section 5.01 Redemptions and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company, except as provided in Section 5.04 and Section 7.02; or (ii) to redeem any of its Units other than upon such Member's withdrawal from the Company, except as provided in Sections 5.02 and 6.01 or upon the consent of, or as may be required by, and upon such terms as may be determined by, the Managing Member in its sole discretion. In no event shall a Member be entitled to

demand to receive property other than cash.

Section 5.02 Redemptions.

(a) Subject to Sections 5.02(c) and 5.03, as of the time immediately prior to the opening of business on each January 1 or July 1 (each, a "Redemption Date"), each Member shall have the right, upon 45 days' prior written notice to the Managing Member (unless such notice is waived by the Managing Member in its sole discretion), to redeem some or all of its Units. No partial redemption shall be permitted if thereafter the aggregate NAV of the remaining Units held by the redeeming Member would be less than \$500,000, unless such limitation is waived by the Managing Member in its sole discretion. Units of a particular series will be redeemed at a per Unit price (the "Redemption Price") based upon the NAV of such series as of the close of business on the day immediately preceding the applicable Redemption Date (taking into account the allocation of any Net Capital Appreciation or Depreciation under Section 4.05, any distributions under Section 5.04, and any Incentive Allocation under Section 4.05 for the Accounting Period then ending), after reduction for any Management Fee, Administration Fee and Incentive Allocation and other liabilities of the Company to the extent accrued or otherwise attributable to the Units being redeemed (calculated as if the Redemption Date was the last day of the fiscal year), and the amount of any such reduction for the Management Fee and the Administration Fee shall be paid to the Managing Member, and the amount of any such reduction for any Incentive Allocation shall be allocated to the capital account of the Managing Member. If a redeeming Member owns Units of more than one series, unless otherwise specified by such Member in writing, Units shall be redeemed on a "first in-first out" basis for purposes of determining the Redemption Price. The Company will endeavor to pay the redemption proceeds, within 45 days following the applicable Redemption Date, without interest. The Managing Member may permit redemptions at other times and in other amounts, subject to any conditions that it may impose in its sole discretion.

(b) The Managing Member shall have the right, in its sole discretion, as of any date that it determines (including during a fiscal year) and for any reason (including, without limitation, pursuant to Article VI, for regulatory or tax reasons, or for any other reason), to redeem any or all of a Member's Units. Any redemptions made pursuant to this Section 5.02(b) shall be paid out in accordance with Section 5.02(a).

(c) The Managing Member, and any Affiliate of the Managing Member, shall have the right at any time (including during a fiscal year or other period) to redeem any and all of its interest or withdraw all or a portion of the assets in its Capital Account without notice to the Members.

Section 5.03 Limitation on Redemptions.

(a) The right of any Member to redeem some or all of its Units pursuant to the provisions of Section 5.02 is subject to the provision by the Managing Member for all Company liabilities in accordance with the Act,

and for reserves for estimated accrued expenses, liabilities and contingencies in accordance with Section 4.08.

(b) The Managing Member may suspend redemptions, at any time prior to the effective date of the redemption, and notwithstanding the fact that a timely redemption request has previously been made, for the whole, or any part, of any of the following periods: (i) during the closing of the principal stock exchange or other markets on which any substantial portion of the Company's direct or indirect investments, in the opinion of the Managing Member, is quoted or dealt in other than for ordinary holidays, or the restriction of suspension of dealings therein; (ii) during the existence of any state of affairs which, in the opinion of the Managing Member, constitutes an emergency as a result of which the determination of the price, value or disposition of the Company's direct or indirect investments would be impractical or prejudicial to Members; (iii) during which redemptions would, in the opinion of the Managing Member, result in a violation of applicable law; (iv) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company or the current price or values on any stock exchange in respect of assets of the Company; (v) during the occurrence of any period when the Company is unable to withdraw sufficient funds from Portfolio Companies or otherwise to meet redemption requests or in circumstances when the disposal of part or all of the Company's assets to meet such redemption requests would be prejudicial to Members; and (vi) during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Managing Member, be effected at advantageous rates of exchange. Postponed redemptions shall be effected at the month-end following the termination of the suspension. Any part of a redemption request that is postponed shall take precedence over later-received redemption requests until the postponed request or requests have been satisfied in full. Members shall be given notice in writing of the suspension of redemptions and the termination of any such suspension. Units shall be held by the Member during the suspension period as if no redemption request had been made.

Section 5.04 Distributions.

(a) The Managing Member may, in its discretion, make distributions in cash or in-kind (i) in connection with redemptions from the Company by a Member or in connection with a Member's complete withdrawal from the Company pursuant to Article VI, (ii) in its discretion, at any time to the Managing Member in an amount not in excess of the then positive balance in its Capital Account to which the Incentive Allocation is credited pursuant to Section 4.03 and (iii) in its discretion, at any time to all of the Members on a pro rata basis in accordance with the Members' Capital Accounts.

(b) If a distribution is made in-kind, immediately prior to such distribution, the Managing Member shall determine the fair market value of the property distributed and adjust the Capital Accounts of all Members

upwards or downwards to reflect the difference between the book value and the fair market value thereof, as if such gain or loss had been recognized upon an actual sale of such property and allocated pursuant to Section 4.05. Each such distribution shall reduce the Capital Account of the Member to which the distribution was made by the fair market value thereof.

(c) Any taxes paid over to a governmental authority by the Company pursuant to Section 4.12 with respect to any Member (other than on account of all Members equally) shall be deemed to be a distribution to such Member. If a Member who receives a deemed distribution of taxes under this Section owns more than one series of Units, the Managing Member in its sole discretion may allocate such deemed distribution among such Member's different series of Units. Notwithstanding the foregoing, the Managing Member in its sole discretion may elect to treat any deemed distribution to a Member under this Section 5.04(c), not as a distribution, but as an advance to the Member and a partial redemption of such Member's Units as of the next Redemption Date following the deemed distribution, and such Member's Units shall be reduced thereby as appropriately determined by the Managing Member.

ARTICLE VI

Withdrawal, Death, Disability

Section 6.01 Withdrawal, Death, etc. of Members.

(a) The withdrawal, death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of a Member shall not dissolve the Company. The legal representatives or successors of such Member shall succeed as assignee to the Member's interest in the Company upon the death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of such Member, but shall not be admitted as a substituted member without the consent of the Managing Member.

(b) In the event of the death, disability, incapacity, adjudication of incompetency, termination, bankruptcy, insolvency or dissolution of a Member, the interest of such Member shall continue at the risk of the Company's business until the last day of the calendar month following the calendar month in which the Managing Member received written notice of such event. At the end of such period, the Managing Member shall, in its sole discretion, either (i) substitute the legal representatives or successors of the former Members as Members of the Company, provided that the Managing Member determines in its sole discretion that such legal representatives or successors are qualified to become Members of the Company, or (ii) redeem such former Member's interest in the Company in accordance with the redemption provisions set forth in this Article VI.

Section 6.02 Required Withdrawals. The Managing Member may at any time and for any reason, in its discretion, terminate the interest of any Member in the Company or require a Member to withdraw any part of its Capital

Account. A Member required to withdraw under this Section 6.02 shall be treated for all purposes of distribution of redemption proceeds as a Member who has given notice of a redemption of all of its capital under Article VI.

ARTICLE VII

Duration and Dissolution of the Company

Section 7.01 Duration. The Company shall continue until the earlier of (i) a determination by the Managing Member that the Company should be dissolved and wound-up; (ii) the termination, bankruptcy, insolvency, dissolution or withdrawal by the Managing Member other than by assignment of the Managing Member's interest as provided in Section 1.05(b) hereof; or (iii) upon 60 days' prior written notice to the Managing Member of the affirmative vote of the holders of at least 66-2/3% of the voting power of the outstanding Units (other than Units held by Goldman, Sachs & Co., its Affiliates, employees and officers), based on the NAV of such Units, at a meeting duly called for the purpose of liquidating the Company. Upon a determination to dissolve the Company, redemptions, and distributions in respect thereof, may not be made.

Section 7.02 Dissolution.

(a) On dissolution of the Company, the Managing Member shall, within no more than 30 days after completion of a final audit of the Company's financial statements, make distributions out of Company assets, in the following manner and order:

(i) to creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or by establishment of reserves); and

(ii) to the Members in the proportion of their respective Capital Accounts.

(b) The Managing Member, in its discretion, at any time and from time to time, may designate one or more liquidators, including, without limitation, one or more partners, members or officers of the Managing Member, who shall have full authority to wind up and liquidate the business of the Company and to make final distributions as provided in this Section 7.02. The appointment of any liquidator may be revoked or a successor or additional liquidator or liquidators may be appointed at any time by an instrument in writing signed by the Managing Member. Any such liquidator may receive compensation as shall be fixed, from time to time, by the Managing Member.

(c) In the event that the Company is dissolved on a date other than the last day of a fiscal year, the date of such dissolution shall be deemed to be the last day of a fiscal year for purposes of adjusting the Capital Accounts of the Members pursuant to Section 4.03. For purposes of

distributing the assets of the Company upon dissolution, the Managing Member shall be entitled to a return, on a pari passu basis with the Non-Managing Members, of the amount standing to its credit in its Capital Account and, with respect to its share of profits, based upon its Membership Percentage.

ARTICLE VIII

Tax Returns; Reports to Members

Section 8.01 Independent Auditors. The financial statements of the Company shall be audited by Ernst & Young LLP, or such other certified public accountants of similar standing selected by the Managing Member, as of the end of each fiscal year of the Company.

Section 8.02 Filing of Tax Returns. The Managing Member shall prepare and file, or cause the accountants of the Company to prepare and file, a federal information tax return in compliance with Section 6031 of the Code, and any required state and local income tax and information returns for each tax year of the Company.

Section 8.03 Tax Matters Partner. The Managing Member shall be designated on the Company's annual federal information tax return, and have full powers and responsibilities, as the Tax Matters Partner of the Company for purposes of Section 6231(a)(7) of the Code. In the event the Company shall be the subject of an income tax audit by any federal, state or local authority, to the extent the Company is treated as an entity for purposes of such audit, including administrative settlement and judicial review, the Tax Matters Partner shall be authorized to act for, and its decision shall be final and binding upon, the Company and each Member thereof. All expenses incurred in connection with any such audit, investigation, settlement or review shall be borne by the Company.

Section 8.04 Financial Reports to Current Members. The Company shall prepare and mail to each Non-Managing Member (i) annual audited financial statements after the end of the Company's fiscal year, (ii) quarterly unaudited information as to the performance of the Company and (iii) information necessary for such Member to complete its U.S. federal, state and local income tax returns (including such information that such Member may reasonably require annually to complete its tax filing obligations, provided that the Managing Member may provide the same without undue effort or expense).

Section 8.05 Tax Reports to Members and Former Members. The Company shall use reasonable efforts to prepare and mail, or cause its accountants to prepare and mail, to each Member and, to the extent necessary, to each former Member (or its legal representatives), as soon as possible after the close of each fiscal year of the Company, a report setting forth in sufficient detail such information as shall enable such Member or former Member (or such Member's legal representatives) to prepare their respective federal income tax returns and/or extensions in accordance with the laws,

rules and regulations then prevailing.

ARTICLE X

Miscellaneous

Section 9.01 General. This Agreement (i) shall be binding on the permitted transferees, assigns, executors, administrators, estates, heirs, and legal successors and representatives of the Members and (ii) may be executed, through the use of separate signature pages or supplemental agreements in any number of counterparts with the same effect as if the parties executing such counterparts had all executed one counterpart; provided, however, that each such counterpart shall have been executed by the Managing Member and that the counterparts, in the aggregate, shall have been signed by all of the Members.

Section 9.02 Power of Attorney. Each of the Members hereby appoints the Managing Member as its true and lawful representative and attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, swear to and file:

(a) a Certificate of Formation of the Company and any amendments thereto as may be required under the Act;

(b) any duly adopted amendment to this Agreement;

(c) any and all instruments, certificates, and other documents that may be deemed necessary or desirable to effect the dissolution and winding-up of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); and

(d) any business certificate, fictitious name certificate, amendment thereto, or other instrument or document of any kind whatsoever necessary, desirable or convenient to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state, local or foreign law.

The power of attorney hereby granted by each of the Non-Managing Members is coupled with an interest, is irrevocable, and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Non-Managing Member; provided, however, that such power of attorney shall terminate upon the substitution of another non-managing member for all of such Non-Managing Member's interest in the Company or upon the complete withdrawal of such Non-Managing Member from participation in the Company.

Section 9.03 Amendments to Limited Liability Company Agreement. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of Members having in excess of 50% of the voting power of the outstanding Units, (or, if an amendment affects only a particular series of Units, with the written

consent of Members having in excess of 50% of that series of Units), based on the NAV of such Units, and the affirmative vote of the Managing Member insofar as is consistent with the laws governing this Agreement; provided, however, that without the consent of the Non-Managing Members, the Managing Member may amend the Agreement or the Schedule hereto to (i) reflect changes validly made in the membership of the Company, the Capital Contributions, Membership Percentages and changes in the number of Units held by the Members; (ii) change the provisions relating to the Incentive Allocation so that such provisions conform to the applicable requirements of the Securities and Exchange Commission and other regulatory authorities, so long as such amendment does not increase the Incentive Allocation to more than the amount that would otherwise be determined absent such amendment; (iii) reflect a change in the name of the Company; (iv) make a change that is necessary or, in the opinion of the Managing Member, advisable to qualify the Company as a limited liability company or other entity in which the Members have limited liability under the laws of any state, or ensure that the Company shall not be treated as an association or a publicly traded partnership taxable as a corporation for federal income tax purposes; (v) make any change that does not adversely affect the Members in any material respect; (vi) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal, state or foreign statute, so long as such change is made in a manner which minimizes to the extent practicable, as determined by the Managing Member in its sole discretion, any adverse effect on the Members or that is required or contemplated by this Agreement; (vii) make a change in any provision of the Agreement that requires any action to be taken by or on behalf of the Managing Member or the Company pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; (viii) prevent the Company or the Managing Member from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act of 1940, as amended; (ix) correct mistakes or clarify ambiguities; (x) in the event of adverse changes in the tax law or interpretations thereof applicable to the Company, amend the Agreement as determined by the Managing Member if it deems advisable or necessary to address such changes; (xi) conform the Agreement to the disclosure provided in the Company's Confidential Private Placement Memorandum; (xii) correct or supplement any conflicting provisions and delete or add provisions as may be required by applicable law or regulations, in each case, as determined by the Managing Member in its sole discretion; (xiii) make any other amendment provided such amendment does not become effective until after such affected Members have been given prior written notice of such change and have had the right following receipt of such notice to request the redemption of their Units and such redemption shall have become effective; or (xiv) make any other amendments similar to the foregoing. Each Member, however, must consent to any amendment that would (a) reduce its Capital Account or rights of redemption or withdrawal; or (b) amend the provisions of this Agreement relating to amendments.

Section 9.04 Instruments. The parties agree to execute and deliver any

further instruments or perform any acts which are or may become necessary to carry on the Company created by this Agreement or to effectuate its purposes.

Section 9.05 No Personal Liability For Return of Capital. The Managing Member shall not be personally liable for the return or repayment of all or any portion of Capital Contribution or profits of any Member, it being expressly agreed that any such return of Capital Contribution or profits made pursuant to this Agreement shall be made solely from the assets (which shall not include any right of contribution from the Managing Member) of the Company.

Section 9.06 Choice of Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Delaware and, without limitation thereof, that the Act as now adopted or as may be hereafter amended shall govern the limited liability company aspects of this Agreement. The parties also expressly agree that all actions and proceedings brought by a party against a Member or the Company, in connection with the Company's business or affairs (including a breach of this Agreement by a party hereto) shall be brought in and be subject to the jurisdiction of a court of the State of New York or any federal district court in the State of New York.

Section 9.07 Waiver of Trial By Jury. The parties hereto irrevocably waive to the fullest extent permitted by law any objection that they may now or hereafter have to the laying of venue of any such action or proceeding in the courts of the State of New York located in the City of New York or of the United States District Court for the Southern District of New York and any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 9.08 No Third Party Rights. The provisions of this Agreement, including, without limitation, the provisions of Section 1.03, are not intended to be for the benefit of any creditor or other person (other than the Members in their capacities as such) to whom any debts, liabilities or obligations are owed by (or who otherwise have a claim against or dealings with) the Company or any Member, and no such creditor or other Person shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall obtain any rights under any of such provisions (whether as a third party beneficiary or otherwise) or shall by reason of any such provisions make any claim in respect to any debt, liability or obligation (or otherwise) including any debt, liability or obligation pursuant to Section 1.03, against the Company or any Member.

Section 9.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person or by registered or certified mail. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in the Schedule. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise

specifically provided in this Agreement, a notice shall be deemed to have been effectively given when mailed by registered or certified mail to the proper address or delivered in person.

Section 9.10 Counterparts. This Agreement may be executed in counterparts with the same force and effect as if each of the signatories had executed the same instrument.

Section 9.11 Grantors of Revocable Trusts. Each Non-Managing Member that is a revocable trust agrees that, if the trustee of such revocable trust and the grantor of such revocable trust are the same person, the trustee's execution of this Agreement and any other documents executed in connection with the Company shall bind such person in his or her capacity both as trustee and as grantor of such revocable trust.

Section 9.12 Goodwill. No value shall be placed on the name or goodwill of the Company, which shall belong exclusively to the Managing Member.

Section 9.13 Headings. The titles of the Articles and the headings of the Sections of this Agreement are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Agreement.

Section 9.14 Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or corporation may require in the context thereof.

Section 9.15 Confidentiality. The Managing Member and the Company may, in their discretion, keep confidential and not disclose to the Non-Managing Members any proprietary information concerning the Company, including, without limitation, investments, valuations, information regarding potential investments, financial information, trade secrets and the like which is proprietary in nature and non-public, or any information about any investment, to the extent that such information is required to be kept confidential or is otherwise subject to disclosure restrictions imposed by the issuer of the investment or the Managing Member, in its reasonable discretion (collectively, "Confidential Information"). Each Non-Managing Member shall not disclose or cause to be disclosed any Confidential Information to any other Person, except as otherwise required by any regulatory authority, law or regulation, or by legal process, without the prior written consent of the Managing Member.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the date first set forth above.

MANAGING MEMBER:

GOLDMAN SACHS PRINCETON LLC

By: /s/ Tobin V. Levy

Name: Tobin V. Levy

Title: Director

NON-MANAGING MEMBERS:

GOLDMAN SACHS PRINCETON LLC
on behalf of each Member as
attorney-in-fact

By: /s/ Tobin V. Levy

Name: Tobin V. Levy

Title: Director

DISTRIBUTION AGREEMENT

between

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

and

GOLDMAN, SACHS & CO.

DISTRIBUTION AGREEMENT

DISTRIBUTION AGREEMENT effective as of the 1st day of August, 2003, (the "Agreement"), between GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC, a Delaware limited liability company organized under the laws of the State of Delaware (the "Company"), and GOLDMAN SACHS & CO., a New York Members (the "Distributor").

RECITALS

The Company is a limited liability company organized under the laws of the State of Delaware authorized to conduct business as more fully described in its Limited Liability Company Agreement.

The Company proposes to offer for sale units in the Company (the "Units"), on the terms and conditions set forth in its Confidential Private Placement Memorandum dated April 2004 (such Confidential Private Placement Memorandum, as amended or supplemented from time to time, is referred to herein as the "Offering Memorandum");

The Company desires to appoint the Distributor to obtain purchasers for the Units and to facilitate the offering of the Units in

accordance with the terms and provisions of this Agreement; and

The Distributor is ready and willing to act as distributor for the Company and to provide the services necessary to effect the offering of the Units, upon the terms and conditions hereinafter set forth in this Agreement;

The Company and the Distributor agree as follows:

1. Defined Terms.

Terms defined in the Offering Memorandum and not otherwise defined herein shall have the same meanings provided in the Offering Memorandum.

2. Appointment of Distributor.

The Company hereby appoints the Distributor as distributor for the Company for the period and upon the terms herein set forth, for the purpose of obtaining purchasers for the Units in the manner contemplated herein. The Distributor hereby accepts such appointment and agrees to use its best efforts during such period to find eligible purchasers for the Units. The Company reserves the right to appoint, from time to time, additional distributors.

3. Offer and Sale of Units

(a) Pursuant to the Offering Memorandum, the Company is offering Units in the Company. Units may be issued at the beginning of any calendar quarter or at any other such time as the Company may in its sole discretion permit ("Issue Date") provided the Company receives value in cleared funds before 4:00 p.m. New York time on the Issue Date. After the initial closing, Units will be offered for sale at such other times as the Company, in its sole discretion, may allow. Units will be offered, subject to the minimum investment per subscriber (the "Subscriber"), as set forth in the Offering Memorandum. The capital contribution shall be made as provided in the Subscription Booklet.

(b) Each prospective Subscriber will be required to deliver a completed Subscription Booklet to the Company at the address specified therein. No prospective purchaser shall have the right to purchase any Units until the Subscription Booklet shall have been accepted by the Company. The Company has the right not to accept any purchase agreement without stating any reason therefor.

(c) Unless the Company and/or the Units have been registered for public sale under the laws of a relevant jurisdiction, neither the Distributor nor the Company, nor any person acting on behalf of either,

including any affiliate or sales or marketing agent, will offer to sell, offer for sale or sell the Units by means of any (a) form of general solicitation or general advertising, (b) advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(d) Offers of the Units will be made by the Distributor, and any person acting on its behalf, including any affiliate or sales or marketing agent, only through the Offering Memorandum and other documents mutually agreed upon between the Distributor and the Company.

(e) The Distributor, and any person acting on its behalf, including any affiliate or sales or marketing agent, will comply with all applicable provisions of law with respect to anything done by it in relation to the Units; and neither the Distributor nor the Company nor any person acting on behalf of either, including any affiliate or sales or marketing agent, will offer for sale or sell the Units by means of any document or in any manner that does not comply with applicable laws and regulations.

(f) The Distributor and the Company, and any person acting on behalf of the Company, shall offer the Units in compliance with the applicable law in any jurisdiction in which such offering is made.

4. Reliance

The Company acknowledges that the Distributor, in arranging for the placement of the Units, will do so in reliance on the representations, warranties, covenants and agreements of the Company contained herein. The Distributor acknowledges that the Company, in its engagement of the Distributor in connection with the placement of the Units, does so in reliance on the representations, warranties, covenants and agreements of the Distributor contained herein.

5. Representations and Warranties of the Company

The Company represents, warrants and agrees to and with the Distributor, for its benefit that:

(a) the Company will, when Units have been issued, be a duly organized and validly existing Limited Liability Company under the laws of the State of Delaware and have the requisite power and authority to conduct the Company's business as contemplated by the Offering Memorandum;

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the Company, and upon execution and delivery hereof, this Agreement will be a valid,

binding and enforceable obligation of the Company;

(c) the Units, when issued and paid for in the amounts and for the consideration described in the Offering Memorandum, will be entitled to the rights and subject to the restrictions and conditions contained in the Limited Liability Company Agreement; no holder of Units (a "Member") will be personally liable for the debts of and claims against the Company by the mere reason of being such a Member; and all necessary action required to be taken for the authorization, issue and sale of the Units has been validly and sufficiently taken;

(d) the Company is not required to be registered as an investment company under the United States Investment Company Act of 1940, as amended; and

(e) it is not necessary in connection with the offer, sale and delivery of the Units to investors in the manner contemplated by this Agreement to register the Units under the Securities Act.

6. Representations, Warranties and Covenants of the Distributor

The Distributor represents, warrants and agrees with the Company, for its benefit that:

(a) the execution, delivery and performance of this Agreement by the Distributor has been duly authorized by all necessary action, and upon execution and delivery hereof, this Agreement will be a valid, binding and enforceable obligation of the Distributor;

(b) the Distributor will offer the Units for sale and will solicit offers to buy the Units only in compliance with the procedures described in the Offering Memorandum and this Agreement and in accordance with applicable law;

(c) as of the date hereof, no permit, consent, approval or authorization of, or declaration to, or filing with, any governmental or regulatory authority is required in connection with the (i) execution, delivery and performance of this Agreement and (ii) consummation of any of the transactions contemplated herein and in the Offering Memorandum;

(d) without the prior consent of the Company, no steps will be taken to qualify the Units for sale in any jurisdiction;

(e) neither the Distributor, nor any affiliate of the Distributor, shall offer the Units in any jurisdiction, except in compliance with the applicable law in any such jurisdiction in which such offering is made;

(f) the Distributor will notify the Company promptly of any occurrence of which it becomes aware which is material in the context of

the offering and sale of the Units, including any event which shall lead the Distributor to reasonably believe that the Offering Memorandum will be misleading, or which affects any of the representations, warranties, agreements and indemnities by the Distributor contained in this Agreement (or which would have affected any of the same if this Agreement had been entered into immediately thereafter), and will take such steps as may be reasonably requested by the Company to remedy and/or publicize the same; and

(g) (a) the Distributor has used commercially reasonable due diligence with respect to accepting as clients any investors who have purchased through it and with respect to introducing investors to the Company, and to the best of the Distributor's knowledge, such clients are of good business reputation and such clients' funds used to purchase Units were not derived from, nor the product of, any criminal activity; and

(b) the Distributor is, and agrees that it will be at all times with respect to this Agreement, appropriately licensed in the country of its domicile, or otherwise exempt from such requirements, to the extent required by applicable law, in each jurisdiction in which the Distributor will perform the duties set forth in this Agreement.

7. Covenants of the Company

The Company covenants with the Distributor that:

(a) the Company will require any other person appointed as distributor to offer the Units for sale, or solicit offers to buy the Units, only in accordance with the procedures described in the Offering Memorandum and in this Agreement;

(b) the Company will, so long as any of the Units remain outstanding, furnish directly to the Distributor copies of each communication sent to the Members, including any annual or interim report of the Company, as soon as such communications or reports are delivered or made available to the Members;

(c) without the prior consent of the Distributor, no steps will be taken to qualify the Units for sale in any jurisdiction;

(d) neither the Company, nor any affiliate of the Company, shall offer the Units in any jurisdiction, except in compliance with the applicable law in any such jurisdiction in which such offering is made; and

(e) the Company will notify the Distributor promptly of any occurrence of which it becomes aware which is material in the context of the offering and sale of the Units, including any event which shall lead the Company to reasonably believe that the Offering Memorandum will be misleading, or which affects any of the representations, warranties, agreements and indemnities by the Company contained in this Agreement (or

which would have affected any of the same if this Agreement had been entered into immediately thereafter) and will take such steps as may be reasonably requested by the Distributor to remedy and/or publicize the same and to indemnify the Distributor out of the assets of the Company in respect of any such steps taken by it.

8. Payment of Fees and Expenses

To the extent it has recourse to assets available in the Company, the Company will pay all expenses of the offering of Units, including, without limitation (i) the fees, disbursements and expenses of counsel to the Company; (ii) expenses of preparing, reproducing, mailing and/or delivering offering and sales materials, including annual reports, to purchasers; (iii) the fees, disbursements and expenses of counsel to the Distributor; (iv) the reasonable out-of-pocket expenses incurred by the Distributor in marketing the Units and any additional amounts it may incur or may have incurred in connection with the marketing of the Units; and (v) such other fees and expenses which the Distributor and the Company mutually agree are payable by the Company.

9. Conditions of Distributor's and Company's Obligations

The obligations of the Distributor and the Company to effect the transactions contemplated under this Agreement are subject to the fulfillment of the following conditions, any one or more of which may be waived by mutual agreement of the Distributor and the Company:

(a) the Distributor and the Company shall each have performed and complied in all material respects with the covenants contained in this Agreement required to be performed and complied with by it prior to each date on which the Units are offered and each of the representations and warranties of the Company and the Distributor set forth in this Agreement shall be true and correct in all material respects as of such date;

(b) the Distributor and the Company shall have received satisfactory opinions of such U.S. and other local counsel as counsel to the Distributor and the Company shall deem appropriate;

(c) this Agreement shall have been duly executed and delivered and be in full force and effect;

(d) the Distributor and the Company shall have been furnished with such additional information, opinions, certificates and documents as each of them may reasonably request; and

(e) all actions taken by the Distributor and the Company in connection with the sale of the Units as contemplated herein and in the Offering Memorandum shall be reasonably satisfactory in form and substance

to the Distributor, the Company and their respective counsel.

If any of the conditions specified in this Section 9 shall not have been fulfilled or waived when and as required by this Agreement to be fulfilled or waived, the Distributor or the Company, as applicable, shall inform the defaulting party in writing of each condition which has not been fulfilled or waived and shall permit the defaulting party a reasonable time under the circumstances to fulfill such conditions, after which time this Agreement and all of the Distributor's or Company's obligations hereunder, as applicable, may be canceled by the Distributor or the Company by notifying the defaulting party of such cancellation in writing or by telex or telecopy at any time at or prior to the date on which the Company initially closes the offering of the Units (the "Initial Closing Date") or any subsequent offering date, as applicable, and the sale of the Units to be made at such Initial Closing Date or subsequent offering date shall not take place. Any such cancellation or termination shall be without liability of any party to any other party except that obligations that may arise in accordance with Sections 8, 10 and 11 shall continue after termination of this Agreement.

10. Indemnification and Contribution

(a) The Company will indemnify and hold harmless the Distributor, its affiliates and any person acting on its behalf, but only to the extent it has recourse to assets available in the Company, against any losses, claims, damages or liabilities (or actions in respect thereof), joint or several (the "Covered Claims"), to which the Distributor may become subject, insofar as such Covered Claims arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Offering Memorandum, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein, in light of the circumstances under which they are made, not misleading. The Company will reimburse the Distributor, solely to the extent it has recourse to assets available in the Company, for any legal or other expenses reasonably incurred by the Distributor in connection with investigating or defending any such Covered Claims; provided, however, that the Company shall not be liable to so indemnify or reimburse the Distributor out of the assets of the Company in any such case to the extent that any such Covered Claims arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Offering Memorandum in reliance upon and in conformity with written information furnished to the Company by the Distributor expressly for use therein. The Company acknowledges and agrees that as of the date hereof the Distributor has not provided any information in connection with the Offering Memorandum.

(b) The Distributor will indemnify and hold harmless the Company against any Covered Claims to which the Company may become subject insofar as such Covered Claims arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the

Offering Memorandum, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Offering Memorandum, in reliance upon and in conformity with the written information furnished to the Company by the Distributor referred to in subsection (a) above; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such Covered Claims.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above or notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission to so notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action is brought against any indemnified party and such indemnified party notifies the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party). After notice from the indemnifying party to such indemnified party of the indemnifying party's election to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section 10 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect to any Covered Claims referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such Covered Claims in such proportion as is appropriate to reflect the relative benefits received by the Company and the Distributor from the offering of the Units. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Distributor in connection with the statements or omissions which resulted in such Covered Claims, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Distributor shall be deemed to be in the same proportion as the total net proceeds from the Offering (before deducting expenses) received by the

Company relative to the value of total compensation, if any, received by the Distributor in selling the Units under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Distributor and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Distributor agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the Covered Claims referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Covered Claims.

(e) The obligations of the Company under this Section 10 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Distributor within the meaning of the Securities Act to affiliates of the Distributor and to any person acting on behalf of any such persons; and the obligations of the Distributor under this Section 10 shall be in addition to any liability which the Distributor may otherwise have and shall extend, upon the same terms and conditions, to the general partner of the Company.

11. Survival of Representations, Warranties and Agreements -----

All representations, warranties, covenants and agreements in this Agreement and any documents delivered by or on behalf of the Company in connection with this Agreement shall survive the offer and sale by the Distributor of any Units. The provisions of Sections 8, 10 and 11 shall survive the termination or cancellation of this Agreement.

12. Term ----

This Agreement shall become effective on the date hereof and shall remain in full force until one year from the date hereof and shall be automatically renewed each year thereafter for an additional one-year term unless (i) either party gives written notice of nonrenewal to the other at least 60 days prior to the end of the current term or (ii) the Agreement is sooner terminated as hereinafter provided.

13. Termination -----

(a) The Distributor shall have the right to terminate this Agreement forthwith by promptly notifying the Company by telephone, telex

or telecopy and providing written confirmation (sent by courier or registered air mail), at any time prior to the Closing Date or any Offering Date, as applicable, if:

(i) there shall have been, since the date as of which information is given in the Offering Memorandum, any material adverse change (not promptly corrected to the satisfaction of the Distributor after notice thereof to the Company from the Distributor) in the affairs or business prospects of the Company;

(ii) there shall have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls, the effect of which is in the judgment of the Distributor such as to make it impracticable or inadvisable to proceed with the offering and delivery of Units on the terms and in the manner contemplated in this Agreement or the Offering Memorandum; or

(iii) trading on the New York Stock Exchange generally shall have been suspended or materially limited, or a banking moratorium or exchange controls shall have been declared by United States or New York State authorities.

(b) If the Distributor shall fail in any material respect to comply with its obligations hereunder and such failure is not cured within 30 days of notice from the Company, given in accordance with Section 14 of this Agreement, the Company shall have the right to terminate this Agreement.

(c) If this Agreement is terminated in accordance with clause (i) of Section 12 or if the Distributor terminates this Agreement as provided in paragraph (a) of this Section 13, such termination shall be without liability of any party to any other except that obligations that may arise in accordance with Sections 8, 10 and 11 shall continue after such termination of this Agreement.

14. Notices

Except as otherwise provided herein, all communications hereunder shall be in writing and shall be delivered, telexed or telecopied and confirmed in writing, sent by registered air mail, to the requisite party, at its address as follows:

If to the Distributor:

Goldman, Sachs & Co.

85 Broad Street

New York, New York 10004

Attention: General Counsel, Asset Management Division

Telefax: 212-902-3876

If to the Company:

Goldman Sachs Hedge Fund Partners II, LLC
701 Mt. Lucas Road
Princeton, New Jersey 08540
Attention: Legal Department
Telefax: 609-497-5720

with a copy to:

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
Attention: General Counsel, Asset Management Division
Telefax: 212-902-3876

or to such other address as to which the party receiving the notice shall have notified the other party in writing.

15. Parties

This Agreement shall inure to the benefit of and be binding upon the Distributor and the Company, and their respective successors and permitted assigns. Nothing in this Agreement is intended to confer upon any other person except the parties hereto any rights or remedies hereunder. Neither the Distributor nor the Company shall be entitled to assign its respective rights, units or obligations hereunder without the written consent of the other party hereto; provided, however, that none of the foregoing shall restrict the ability of the Distributor, in its sole discretion, to appoint affiliates or designees to fulfill any or all of their obligations under this Agreement.

16. Governing Law; Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of New York. The courts located in New York shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and, accordingly, any suit, action or proceeding arising out of or in connection with this Agreement may be brought in such courts.

17. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Distributor have caused their duly authorized representatives to execute this Agreement as of the date first written above.

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

By: /s/ Kent A. Clark

Name: Kent A. Clark
Title: Director

GOLDMAN, SACHS & CO.

By: /s/ Tobin V. Levy

Name: Tobin V. Levy
Title: Managing Director

ADMINISTRATION AGREEMENT

between

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC

and

GOLDMAN SACHS PRINCETON LLC

ADMINISTRATION AGREEMENT

AGREEMENT effective as of the 1st day of August, 2003, between GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC, a limited liability company organized under the laws of Delaware ("HFP II LLC"), and GOLDMAN SACHS PRINCETON LLC, a limited liability company organized under the laws of the State of Delaware (the "Administrator").

WITNESSETH:

WHEREAS, the Fund desires to retain the Administrator to render certain financial, accounting and administrative services on behalf of the Fund in the manner and on the terms herein set forth and the Administrator has agreed to render such services.

NOW, THEREFORE, in consideration of the premises and the respective agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Fund and the Administrator hereby agree as follows:

PART I. SERVICES OF THE ADMINISTRATOR

1.1 Financial, Accounting and Administrative Duties. The Administrator shall be responsible for performing the following financial, accounting and administrative duties and functions necessary or appropriate in connection with the activities of the Fund:

(a) establishing and maintaining such bank, brokerage, custodian and other accounts as may be necessary or advisable and to transfer funds and securities on behalf of the Fund;

(b) computing periodic estimates of the Net Asset Value of series of ordinary shares of the Fund ("Shares"), and reporting such to the Fund in accordance with the reasonable instructions of the Fund;

(c) computing the monthly Net Asset Value of series of Shares as of the close of business on the last day of each month, and reporting such to the Fund in accordance with the reasonable instructions of the Fund;

(d) preparing and maintaining all customary financial and accounting books and records in appropriate form and in sufficient detail to support an annual independent audit of the financial condition of the Fund, and the administration thereof; and

(e) preparing and delivering periodic reports to the Fund for distribution to its investors.

1.2 Registrar and Transfer Agent. The Administrator may act as or engage, subject to the consent and continuing approval of the Fund, which consent may be revoked at any time, an agent to act as registrar and transfer agent (the "Registrar and Transfer Agent") with respect to the Shares and, in that capacity, the Registrar and Transfer Agent, shall:

(a) maintain a register or registers of the holders of Shares in the Fund (the "Registers") and without prejudice to the generality of the foregoing enter on each such Register all original issues or allotments of Shares and all transfers of such Shares, prepare all such lists of shareholders of the Fund and supply all such information relating thereto, as the Directors may from time to time require; register probates, letters of administration, powers of attorney, certificates of death or marriage and other documents; and hold the said Register or Registers open to inspection at the transfer office of the Fund on weekdays (Saturdays and Public Holidays excepted) during usual business hours;

(b) prepare and issue all dividend warrants and other instruments representing moneys due to shareholders and maintain a record of dividend mandates, and other instructions received by it from holders, regarding Shares;

(c) take reasonable and proper precautions for the safe custody of the Register and of all other documents held by it in the performance of its duties;

(d) carry out the issue, transfer and redemption of Shares both per Share and for the Fund as a whole, and timely communicate the same to the Fund;

(e) carry out procedures associated with the issuance of non-certificated Shares;

(f) forthwith on receipt pay to or deposit with or to the order of the Fund all moneys and securities received on behalf of the Fund;

(g) within the guidelines laid down by the Fund deal with and reply to all correspondence and other communications addressed to the Fund in relation to the subscription, exchange, replacement, purchase or transfer (and where relevant conversion) of Shares in the Fund;

(h) dispatch to the shareholders and Ernst & Young, LLP, auditors of the Fund (the "Auditors"), and to any other person entitled to receive the same, copies of such notices, reports, financial statements and other written material supplied to it by or on behalf of the Fund or as may be requested by or on behalf of the Fund;

(i) arrange for a representative of the Registrar and Transfer Agent to attend at board meetings and general meetings of the Fund when so required by the Fund in order to provide information or record keeping services and assemble any documentation required at or in connection with such meetings;

(j) mail to shareholders notices, proxies and proxy statements prepared by or on behalf of the Fund in connection with the holding of meetings of shareholders;

(k) act as may be required by the Fund from time to time as proxy agent in connection with the holding of meetings of shareholders, receive and tabulate votes cast by proxy and communicate to the Fund the results of such tabulation accompanied by the appropriate certificates;

(l) have power to incur on behalf of the Fund such amounts as may be required from time to time by it in order to enable it to perform its duties hereunder for the account of the Fund and discharge other proper expenses of the Fund to be borne by the Fund;

(m) supply to the Directors, upon request, such information in connection with the Fund or any Shares therein as may be in its possession, or may reasonably be obtained or provided by it;

(n) at any time during the Registrar and Transfer Agent's business hours permit the Auditors and any duly appointed agent or representative of the Fund at the expense of the Fund to audit or inspect the Registrar and any other documents or records kept by and still in the possession of the Registrar and Transfer Agent hereunder and make available all such documents and records in its possession to such Auditors, agent or representative during business hours whenever reasonably required to do and afford all such information, explanations and assistance as such Auditors, agent or representative may require;

(o) assist in the maintenance of the records and accounts of the Fund in such manner as will enable the Fund to publish yearly and monthly its financial statements as may be required;

(p) assist as required by the Fund in the annual report and accounts of the Fund and any other accounting statements to be sent to the shareholders of the Fund; and

(q) generally perform other incidental duties as would be necessary to its duties under the Transfer Agency Agreement;

PROVIDED THAT in all such cases the duties are carried out in accordance with the constitutional documents of the Fund and in accordance with any applicable law.

1.3 Compensation -----

(a) As compensation for its services to GTT II LLC, the Administrator shall receive a monthly fee equal to approximately (0.0167%) of the month-end net assets of GTT II LLC (which equals twenty basis points (0.20%) per annum); provided the Administrator will not charge this fee on any portion of the assets of GTT II LLC attributable to an investment in any pooled vehicle for which the Administrator also receives a fee for such services. For purposes of determining this fee, net assets shall not be reduced to reflect any current month Management Fee or year to date accrued Incentive Allocation.

(b) Such fees shall be payable monthly in arrears.

(c) The parties agree that the agreed upon fees are subject to immediate renegotiation if at any time the Fund begin trading instruments other than those disclosed to the Administrator on the date hereof. In such event, the parties agree to negotiate in good faith.

PART II. GENERAL PROVISIONS

2.1 Delivery of Documents. The Fund agrees to deliver to the Administrator true copies of all documents and information as the

Administrator shall reasonably request from time to time in connection with the discharge of its duties hereunder.

2.2 Reasonable Reliance. In the performance of its duties specified in Part I of this Agreement, the Administrator is relying upon the determination of the Fund that all fees and expenses incurred by the Fund are reasonable and legal.

2.3 Personnel. The Administrator shall at all times and at its own expense maintain and make available to the Fund qualified accounting and clerical personnel suitable for the performance of the duties of the Administrator.

2.4 Scope of Liabilities. The Administrator shall not be liable to the Fund or the investors of the Fund for any loss, damage, expense or claim occasioned by any act or omission of the Administrator in connection with the performance of its services hereunder, other than as a result of its gross negligence, willful misconduct or reckless disregard of its duties hereunder.

2.5 Indemnification. The Fund shall indemnify the Administrator (which shall include solely for the purposes of this Section 2.5 the Administrator's directors, officers, employees, agents and shareholders) against, and hold it harmless from, any expense, loss, liability or damage arising out of any claim asserted or threatened to be asserted by any third party in connection with the Administrators serving or having served as such pursuant to this Agreement; provided, however, that the Administrator shall not be entitled to such indemnification with respect to any expense, loss, liability or damage which was caused by the Administrator's own gross negligence, willful misconduct or reckless disregard of its duties hereunder.

2.6 Books and Records. All books, records and other written documents received or prepared by the Administrator on behalf of the Fund shall be the exclusive property of the Fund. Except as otherwise authorized by the Fund, all such books, records and other written documents (other than those which are not of a material nature) shall be preserved by the Administrator for a period of at least six years or until they are delivered to duly appointed successors to the Administrator upon termination of this Agreement.

2.7 Confidential Relationship. Except as contemplated by this Agreement or as otherwise required by law, the Administrator shall treat all information pertaining to the investments, ownership and business affairs of the Fund as confidential and shall not disclose such information to any persons other than officers, auditors, legal advisors or other authorized agents of the Fund.

2.8 Non-Exclusivity. The nature of the duties of the Administrator hereunder shall not preclude the Administrator from providing services of a comparable nature to any other person. In addition, it is understood that

the individuals who will participate on behalf of the Administrator in the performance of its duties under this Agreement will not necessarily devote their full time thereto, and nothing contained herein shall be deemed to limit or otherwise restrict or affect their right to engage in and devote time and attention to other businesses or to render other services of whatever kind or nature.

2.9 Term and Termination. This Agreement shall have an initial term of twelve months commencing as of the date of this Agreement and thereafter shall be automatically renewed for successive terms of twelve months each, unless sooner terminated by any party at any time, without penalty, upon not less than thirty (30) days written notice to the other parties.

2.10 Assignment. This Agreement may not be assigned by either of the parties without the prior written consent of the other party.

2.11 Waiver or Modification. The provisions of this Agreement shall not be waived or modified other than by means of a writing signed by the party to be charged with such waiver or modification.

2.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

2.13 Notices. Except as otherwise provided herein, all communications hereunder shall be in writing and shall be delivered, telexed or telecopied and confirmed in writing, sent by registered air mail, to the requisite party, at its address as follows:

If to Administrator:

Goldman Sachs Princeton LLC
701 Mt. Lucas Road
Princeton, New Jersey 08540
Attention: General Counsel
Telefax: (609) 497-5720

If to the Fund:

Goldman Sachs Hedge Fund Partners II, LLC
701 Mt. Lucas Road
Princeton, New Jersey 08540
Telefax: (609) 497-5720

or to such other address as to which the party receiving the notice shall have notified the other party in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as

of the day and year first written above.

GOLDMAN SACHS HEDGE FUND PARTNERS II, LLC
By Goldman Sachs Princeton LLC, as Managing Member

By: /s/ Kent A. Clark

Name: Kent A. Clark

Title: Director

GOLDMAN SACHS PRINCETON LLC

By: /s/ John V. Lanza

Name: John V. Lanza

Title: Vice President