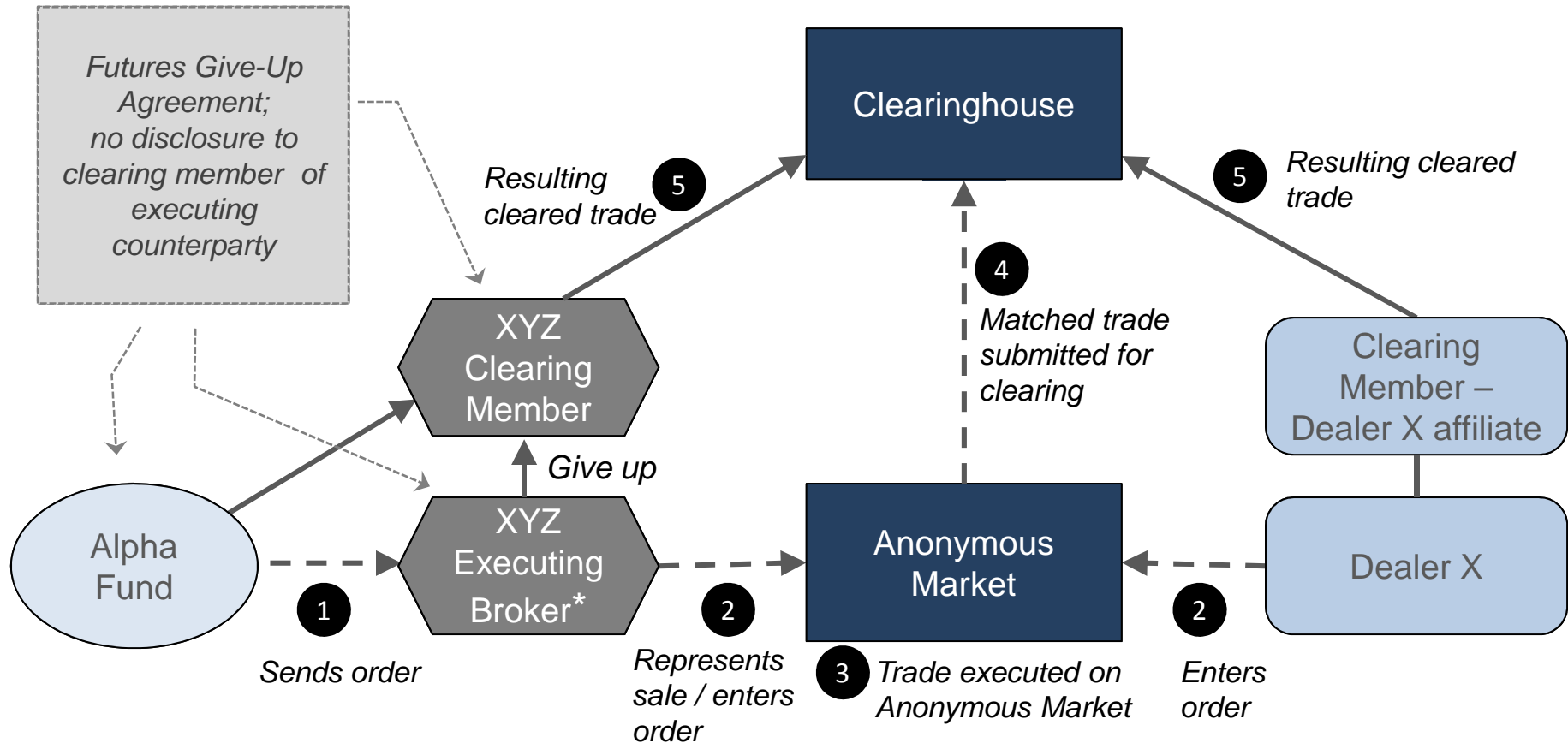


Execution Arrangement Comparison

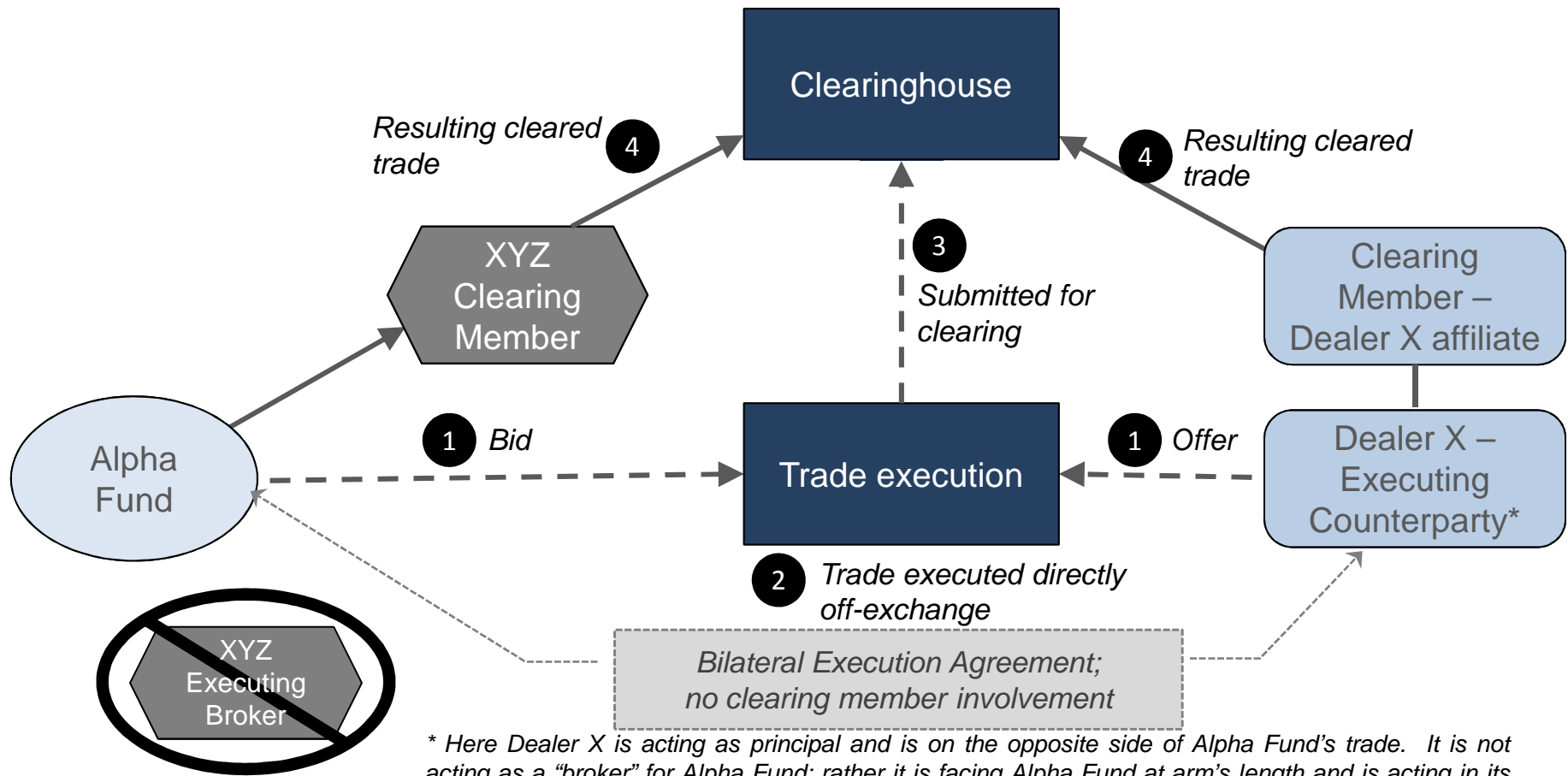
- Futures Execution:
Executing Broker Representation on Anonymous Markets
- Bilateral (Non-Exchange) Cleared Derivatives Execution:
Anonymity between Clearing Member and Executing Counterparty
- Trilateral Cleared Derivatives Execution:
Clearing Member Sets Execution Limits for Each Executing Counterparty
- Derivatives Prime Brokerage Execution:
Derivatives Prime Broker Sets Execution Limits for Each Executing Counterparty (No Anonymity) and acts as principal intermediary to trade (not as clearing member)

Futures Execution: Executing Broker Representation on Anonymous Markets



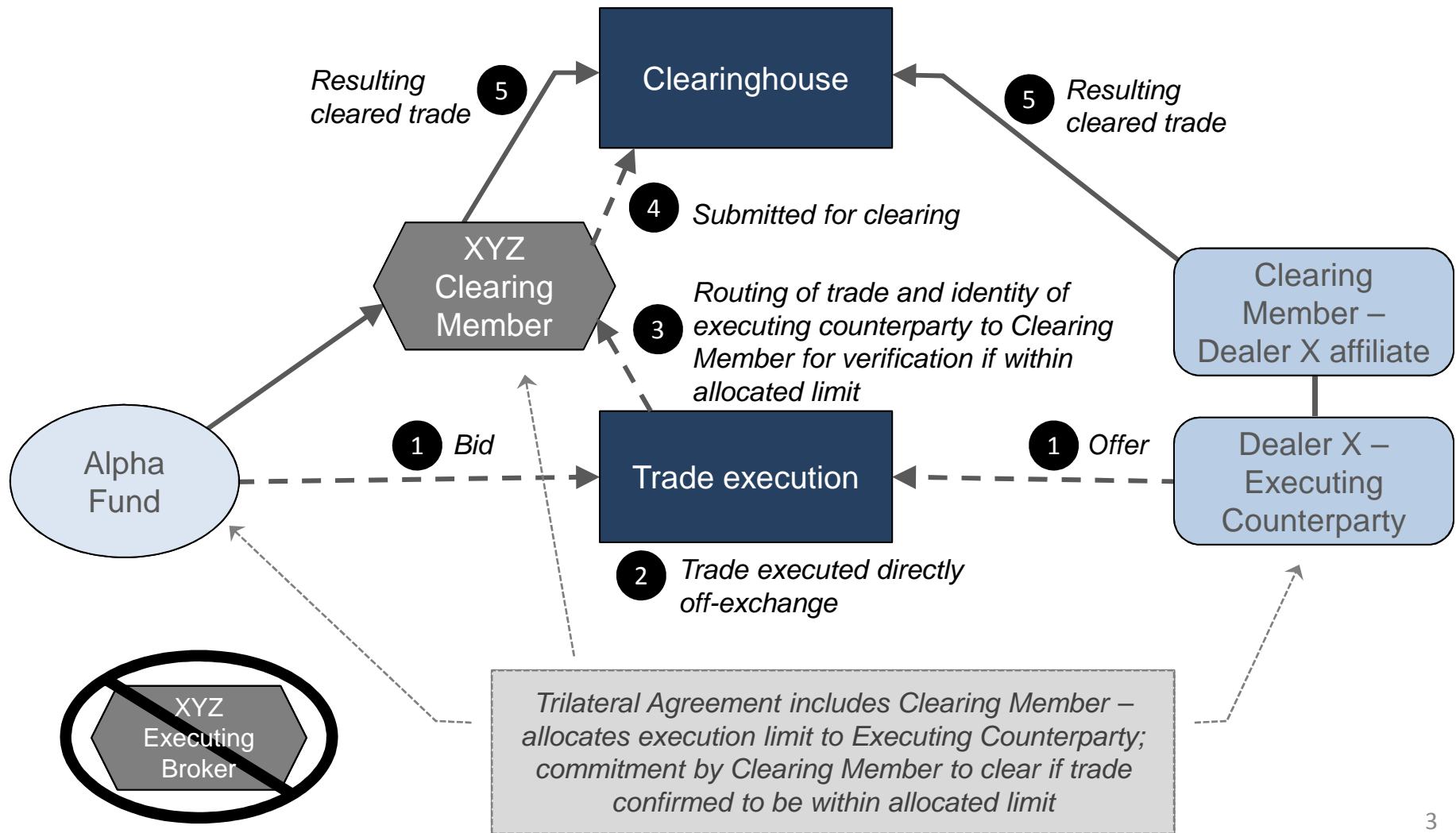
* Futures "Give-Up" Arrangement: representation of Alpha by Executing Broker to Anonymous Market. XYZ Executing Broker is acting on behalf of Alpha Fund as Alpha's agent. XYZ EB takes Alpha's order to the Exchange and can execute the trade with anyone in the market to secure best price. XYZ FCM does not know identity of trade counterparties.

Bilateral (Non-Exchange) Cleared Derivatives Execution: Anonymity between Clearing Member and Executing Counterparty



* Here Dealer X is acting as principal and is on the opposite side of Alpha Fund's trade. It is not acting as a "broker" for Alpha Fund; rather it is facing Alpha Fund at arm's length and is acting in its own interest. If the trade does not clear (e.g. because either Alpha Fund or Dealer X has exceeded an overall limit imposed by the clearinghouse or imposed by the relevant clearing member), one party may be exposed to credit risk of the other if breakage is owed, so the parties may choose to perform their own credit checks if they have reason to believe that breakage could be material.

Trilateral Cleared Derivatives Execution: Clearing Member Sets Execution Limits for Each Executing Counterparty (No Anonymity)



Derivatives Prime Brokerage Execution: Derivatives Prime Broker Sets Execution Limits for Each Executing Counterparty (No Anonymity) and acts as principal intermediary to trade (not as clearing member)

