



HEDGE GEBAY

hedgebay

E X T E N D Y O U R R E A C H

hedgebay.com

THE SOLUTION: HEDGEBAY

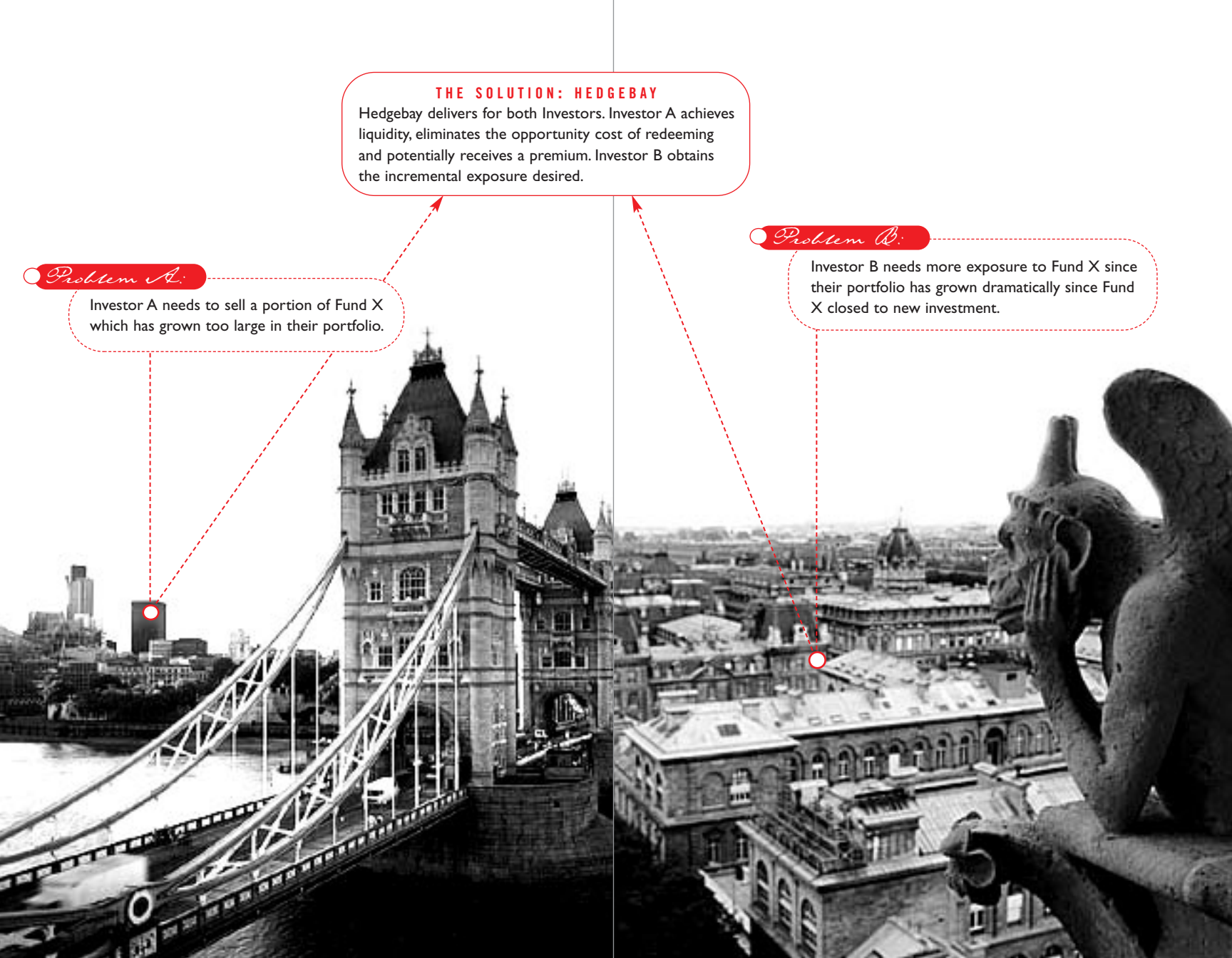
Hedgebay delivers for both Investors. Investor A achieves liquidity, eliminates the opportunity cost of redeeming and potentially receives a premium. Investor B obtains the incremental exposure desired.

Problem A:

Investor A needs to sell a portion of Fund X which has grown too large in their portfolio.

Problem B:

Investor B needs more exposure to Fund X since their portfolio has grown dramatically since Fund X closed to new investment.



Hedgebay is a preeminent leader in the secondary market trading of hedge funds in which it acts solely as an agent to the most sophisticated investors in hedge funds. Incorporated in 1999, Hedgebay was not only the first internet-based initiative in the secondary market industry, but more importantly it was, and still is, a marketplace where the factors of supply and demand dictate price. Of greater importance than the pioneering aspects of the company, Hedgebay has been successful in sourcing, executing and settling hundreds of millions of dollars worth of secondary market transactions in non-US hedge funds.

H E D G E B A Y

Hedgebay extends the reach of investors in hedge funds by creating the potential for liquidity, greater value and increased flexibility. These values are achieved by buyers adding incremental exposure to hedge funds they already own, at premium or discount, and by sellers capturing both the premiums that exist for highly sought after funds and the opportunity cost of redemption as well as the ability to sell funds which are illiquid at a discount.

Liquidity = Access = Value

ABOUT

LIQUIDITY

one commonality: greater liquidity
H E D G E B A Y

The hedge fund industry will always be one that will evolve quickly. It is an industry that is characterized as having the brightest minds in finance constantly searching for new ways to capture above average returns for investors. Keeping pace with the ever-evolving manager are the ever-evolving types of products that are offered to hedge fund investors. No matter what the product, the one commonality that exists is the demand for greater and greater levels of liquidity.



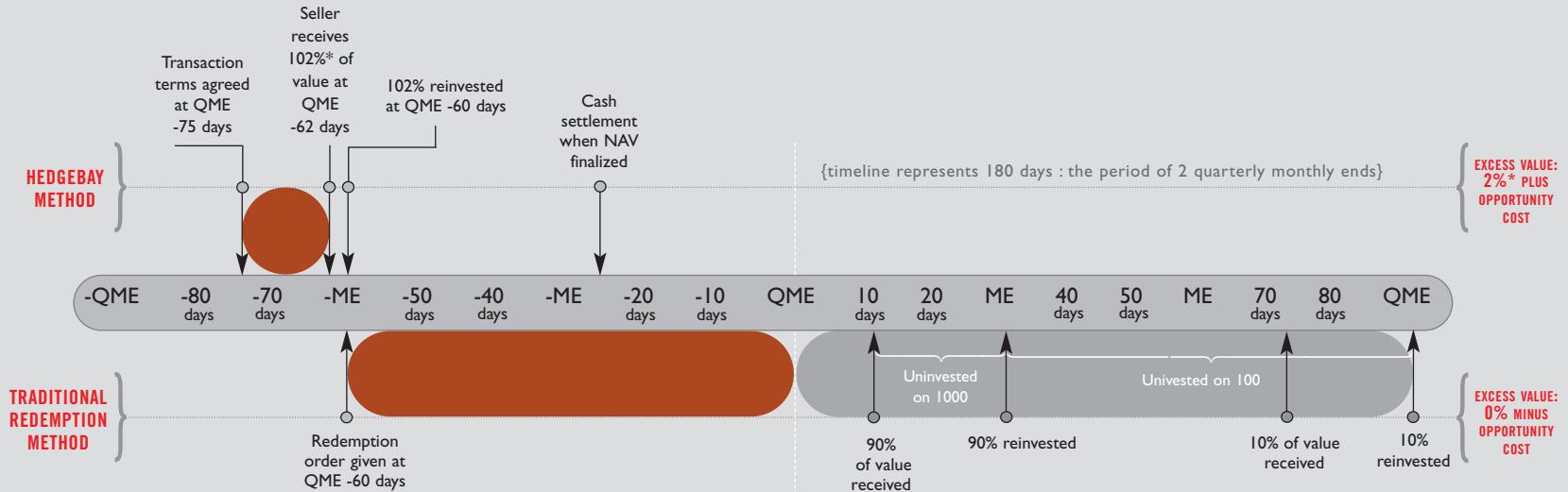
The antithetical trend of decreasing liquidity frequency offered by managers, while understandable, does however create sub-optimal results for investors. The cause of this trend is capacity constraint. The more constrained, or successful, a manager is the more likely liquidity will be reduced.

Hedgebay has positioned itself to service this market and strives to bridge this significant gap.



Time Line Comparison:

HEDGEBAY VS. TRADITIONAL REDEMPTION METHODS



GREATER VALUE

Investors who need to sell shares of hedge funds that are closed to new investment are naturally incited to do so through Hedgebay as Hedgebay can capture premium over NAV from the market. Additionally, by utilizing Hedgebay, investors can eliminate the opportunity cost of redeeming (the period of time investors are uninvested as they await the payment of redemption proceeds.) Hedgebay estimates that the average time an investor is uninvested due to redemption is 2 months, which results in a significant opportunity cost.

INCREASED LIQUIDITY

Although not quantified above, there is a substantial value to increased liquidity. In our view it is realized primarily through decreased market risk and increased flexibility. Practically speaking, Hedgebay's clients are able to get liquidity where none contractually exists.

GREATER CONTROL

Investors who have positions in hedge funds which are closed face the issue of how to manage the positions they currently have. Traditionally investors would monitor the position until it became too small a percentage of the portfolio and would then redeem it. Through Hedgebay, investors can actively manage the size of the position they have with various funds. Therefore, when it comes time to allocate the available choices are much greater.

*Assumptions include: 2% is the premium achieved by utilizing Hedgebay, net of Hedgebay's fees, which may be paid by either the buyer or the seller.



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The comparison shown is provided for illustration purposes only; the specifics of each transaction will vary, including fund redemption periods. There is no guarantee that investors using Hedgebay will achieve their objectives or will gain a profit. Not all funds trade at a premium. This information is not intended to be, nor should it be construed or used as, financial, legal, tax or investment advice, an opinion of the appropriateness or suitability of any investment, nor is it intended to be an offer, or the solicitation of any offer, to buy or sell any security, including an interest in any hedge fund. There are substantial risks in investing in hedge funds. Before making any investment, prospective investors should thoroughly review the particular fund's confidential offering documents with their financial, legal and/or tax advisor and conduct such due diligence as they deem appropriate. Hedgebay and Greenfield Capital Partners LLC assume no responsibility or liability for any investment decisions.