



Updated: May 20th, 2011

# Due Diligence Questionnaire

## General Partner

<b>Legal Name of General Partner</b>	<i>CommonWealth Opportunity Capital GP LLC ("CWOC")</i>
<b>Place of Incorporation</b>	Delaware
<b>Mailing Address</b>	10877 Wilshire Blvd., Suite 1605, Los Angeles, CA 90024, USA
<b>Telephone</b>	+1 (310) 806-4180
<b>Email</b>	gs@cwoc.com
<b>Fax</b>	+1 (310) 806-4185
<b>Contact</b>	Greg Sutton

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## Domestic Investment Vehicle

<b>Legal Name of Fund</b>	<i>CommonWealth Opportunity Capital LP</i>
<b>Place of Incorporation</b>	Delaware
<b>Mailing Address</b>	10877 Wilshire Blvd., Suite 1605, Los Angeles, CA 90024, USA
<b>Telephone</b>	+1 (310) 806-4180
<b>Email</b>	gs@cwoc.com
<b>Fax</b>	+1 (310) 806-4185
<b>Contact</b>	Greg Sutton

## Off-Shore Investment Vehicle

<b>Legal Name of Fund</b>	<i>CommonWealth Opportunity (Cayman) Fund Ltd.</i>
<b>Place of Incorporation</b>	Cayman Islands
<b>Mailing Address</b>	10877 Wilshire Blvd., Suite 1605, Los Angeles, CA 90024, USA
<b>Telephone</b>	+1 (310) 806-4180
<b>Email</b>	gs@cwoc.com
<b>Fax</b>	+1 (310) 806-4185
<b>Contact</b>	Greg Sutton

## Prime Broker

<b>Company Name</b>	<i>Goldman Sachs &amp; Company</i>
<b>Mailing Address</b>	200 West Street, New York, NY 10282, USA
<b>Telephone</b>	+1 (415) 834-7962
<b>Contact</b>	Peter Lardner

## Auditor

**Company Name** *Rothstein Kass & Co*

**Mailing Address** 9171 Wilshire Boulevard, 5th Floor, Beverly Hills, CA 90210, USA

**Telephone** +1 (310) 273-2770 x5262

**Contact** Johnny Minassian, CPA

## Administrator

**Company Name** *Goldman Sachs Administration Services*

**Mailing Address** 200 West Street, New York, NY 10282, USA

**Telephone** +1 (212) 902-5769

**Contact** Eddie Redmond

## Legal Advisor

**Company Name** *Sidley Austin LLP*

**Mailing Address** 555 West Fifth Street, Los Angeles, CA 90013, USA

**Telephone** +1 (213) 896-6930

**Contact** Sofya Abrams

## General Partner Overview

<b>Background</b>	CWOC is a privately owned hedge fund manager formed in November 2008 by Adam Fisher and Reagan Silber.
<b>Initial Fund/Assets Under Management</b>	<i>CommonWealth Opportunity Master Fund Ltd. (the "Fund")</i> . Total Assets as of 5/1/2011 ≈ \$84 million.
<b>Investment Style</b>	Opportunistic Global Macro
<b>Investment Strategy</b>	CWOC employs macroeconomic principals to attempt to generate returns by positioning for price movements in credit, currencies, commodities, interest rates, and equities in any global market. Our investment process is predicated on a top down approach analyzing key fundamental macro drivers that exist during each business cycle including, but not limited to: economic activity, global risk premiums, monetary policy, capital account, current account balance, trade weighted currency reserves, output gap, political landscape and flow of funds.
<b>Regulatory Authorities Registered With</b>	None
<b>Lawsuits, Regulatory or Tax Issues Pending, or Threatened, Against the Firm or Principals</b>	None
<b>Fund Discontinuations or Liquidations</b>	None
<b>Partner Capital Invested</b>	The partners currently have a total of approximately \$43MM invested in the fund.
<b>Current Number of Employees</b>	7

## Employee Biographies

### Reagan Silber

Reagan Silber is the President and co-founder of *CommonWealth Opportunity Capital*. He is an accomplished entrepreneur with a long and proven track record of business building and leading organizations through start-up, turn around, and growth cycles. His vision, experience, and critical eye are vital to CWOC's idea generation and risk assessment. Prior to CWOC, Mr. Silber served as the Chief Executive Officer and Co-Chairman of *Edge Group*, a development, gaming, and management company formed in 2004. *Edge Group* partnered with *Starwood Hotels & Resorts Worldwide* to develop real estate in Las Vegas. Mr. Silber sold off the vast majority of his Las Vegas assets in the summer of 2007.

In 1996, Mr. Silber helped found and served on the board of *Alamosa Holdings*. *Alamosa*, in partnership with *Sprint*, built and launched the first digital wireless communications networks in rural America, bringing personal communications services to more than 29 million people in 17 states. *Alamosa* went public in February 2001 and Mr. Silber exited the company prior to the telecom bubble collapse in 2002. In 2006, *Alamosa* was acquired by *Sprint Nextel* for \$3.4 billion.

Mr. Silber began his career as an attorney in Texas. He and his partner Trevor Pearlman formed *Silber Pearlman LLP* in 1991. Under Mr. Silber's leadership the firm grew to more than 40 attorneys and 200 professional staff. Mr. Silber also served as an adjunct professor at the University of Texas School of Law and held teaching appointments at Georgetown University Law Center and Southern Methodist University.

A native of Texas, Mr. Silber earned his undergraduate and law degrees with honors from the University of Texas in Austin.

### Adam Fisher

Adam Fisher is the co-CIO and co-founder of CWOC. He brings extensive knowledge and experience investing in and managing public and private companies globally. Prior to CWOC Mr. Fisher co-founded *Orient Property Group* ("OPG") in 2006 focusing on investments throughout the Asia Pacific region. OPG is backed by *D.E. Shaw & Co.*, a global hedge fund with assets in excess of \$35 billion.

Prior to CWOC and OPG, Mr. Fisher founded *Irongate*, a property investment and development firm based in Los Angeles. *Irongate* and its predecessor entity was involved in property transactions in Florida, California, Hawaii, Mexico and Canada. Mr. Fisher disposed of the vast majority of the portfolio prior to forming OPG in 2006 and moving to Hong Kong to oversee that effort. Prior to founding *Irongate*, Mr. Fisher worked in New York for two private equity firms, *NMS Capital* and *TD*

**Adam Fisher (cont.)**

*Capital* as well as a risk arbitrage firm affiliated with *Reservoir Capital*.

Mr. Fisher was a founder of *Signal Peak Mining LLC*, a joint venture with *First Energy* (NYSE:FE) and the *Boich Group*. The Company is the owner of the largest underground long-wall coal mine in the US and through an affiliate also owns a short line rail company that transports its coal. Mr. Fisher was also a founder and a principal shareholder of *American Energy Group*, a specialty chemicals manufacturer based in Milwaukee, Wisconsin.

**Csaba Konkoly**

Csaba Konkoly is co-CIO of *CommonWealth Opportunity Capital GP LLC* and is a member of the CWOC Investment Committee. As a seasoned investment professional, he brings tremendous knowledge and skill to CWOC ranging from trading, analysis, and portfolio management to experience in business development, operations, and risk. Prior to CWOC, in January 2005, Mr. Konkoly co-founded *GATKO Partners LLP*, a global top-down equity hedge fund in London and Singapore.

Prior to this Mr. Konkoly focused on hedge fund, private equity and fund of funds investments at *Gilder, Gagnon, Howe & Co*, *Croesus Capital Management, LLC* and *F3 Capital Management* (extension of *Croesus Capital*) in New York and Budapest from 1997. Mr. Konkoly started his career in 1993, holding various proprietary and sales trading roles with specialist investment banking firms focusing on Emerging European markets in Budapest, Moscow and London.

Mr. Konkoly received his M.Sc. from the *University of Budapest*, majoring in International Economics. Mr. Konkoly attended the part-time MBA Program at the *New York University Stern School of Business* from 1999-2001.

Prior to joining CWOC, Gabriel Mass was an analyst and trader at *Falcon Management Corporation*, a global macro hedge fund founded in 1991, and a securities analyst in the fixed income group of *Symphony Asset Management*, a hedge fund unit of *Nuveen Investments* managing over \$10 billion. Gabriel also practiced law in the New York office of the international law firm *Jones Day* where he focused on structured finance and derivatives.

**Gabriel Mass**

Mr. Mass has experience in a wide range of asset classes, including foreign exchange, interest rates, credit, and equity. He has met with Central Bank officials, brokers, analysts, and senior corporate executives in numerous countries in Europe, Asia, the Middle East, and Africa.

Mr. Mass received his JD from *Fordham School of Law* and his B.A. in English Literature (Honors) from *Georgetown University*. He was a

<b>Gabriel Mass (cont.)</b>	contributor to the section on foreign exchange derivatives in the book <i>Capital Markets, Derivatives and the Law</i> (Oxford University Press, 2009). Mr. Mass is a CFA Level 3 candidate.
<b>Greg Sutton</b>	<p>Greg Sutton has served as the Chief Financial Officer of CWOC since its launch in December 2008. Mr. Sutton is a member of the CWOC <i>Investment Committee</i> and is responsible for all non-investing aspects of the firm's business, including, risk systems, leverage analysis, valuation, accounting, tax, operations, legal and compliance, and technology infrastructure. Additionally, he serves as the firm's Risk Manager.</p> <p>Prior to CWOC, Mr. Sutton was a <i>Director at Pacific Media Capital</i> (an affiliate of <i>DB Zwirn &amp; Co., LP</i>). Previously Mr. Sutton spent seven years as an investment banker at <i>Roth Capital Partners</i> and <i>SG Cowen</i> where he completed over 40 M&amp;A and financing transactions. Mr. Sutton began his career with <i>PriceWaterhouseCoopers</i> as a management consultant advising <i>Fortune 500</i> companies on operational and strategic projects.</p> <p>Mr. Sutton received a Bachelor of Science in accounting from the <i>University of Arizona</i> and a MBA from the <i>Marshall School of Business at USC</i>.</p>
<b>Patricia Hsu</b>	<p>Patricia Hsu joined <i>CommonWealth Opportunity Capital</i> as an analyst in March 2010. Prior to CWOC, Ms. Hsu was an equity research associate at <i>CLSA Asia-Pacific Markets</i>, a brokerage and investment firm based in Hong Kong, covering Chinese consumer staples and Taiwanese non-tech domestic inflations. Before <i>CLSA</i>, she was a money market dealer at <i>Bank of Tokyo Mitsubishi, UFI</i>.</p> <p>Ms. Hsu received a Bachelor of Business Administration in finance from <i>National Taiwan University</i> and a MBA from <i>UCLA Anderson School of Management</i></p>
<b>Client References</b>	<p>Laurent Reiss • <i>UBP</i> • +41 22 819 2385  Trevor Pearlman • <i>Tregan Partners</i> • +1 (214) 220-2291  Michael Price • <i>Evercore Partners</i> • +1 (212) 857-3155</p>
<b>Compensation of Key People</b>	All of the key people share in the profitability of the firm. Some people receive salaries and discretionary bonuses.
<b>Other Business Involvements</b>	Passive interest in real estate, energy and legal related businesses.
<b>Trading for Company Account</b>	CWOC does not trade for its own account

## Investment Product Detail

<b>Subscription Frequency</b>	Monthly
<b>Subscription Day</b>	First business day of each calendar month.
<b>Reference Currency</b>	USD
<b>Other Business Involvements</b>	\$1 Million
<b>Lock-up Period</b>	No
<b>Front-end Load</b>	No
<b>Early Redemption Fee</b>	No
<b>Redemption Frequency</b>	Monthly
<b>Redemption Payment</b>	Cash
<b>Notice Period</b>	45 days written notice
<b>Annual Management Fee</b>	2%
<b>Management Fee Charged</b>	Monthly
<b>Performance Fee</b>	20%
<b>Performance Fee Charged</b>	Annually
<b>High Water Mark</b>	Yes
<b>Hurdle Rate</b>	No
<b>Other Fees Charged to the Fund</b>	The Fund bears the expenses of its organization and operation, including management fees, expenses incurred in the purchase and sale of its investments, legal expenses, accounting fees and administrative expenses, as determined by the General Partner.

# Fund Strategy

<b>Investment Process</b>	<p>Our investment process is predicated on a top down approach analyzing key fundamental macro drivers that exist during each business cycle including, but not limited to: economic activity, global risk premiums, monetary policy, capital account, current account balance, trade weighted currency reserves, output gap, political landscape and flow of funds.</p> <p>This analysis generates our views on the global economy and leads to investment themes. We then determine the most efficient trading mechanism to express these views and analyze the impact of trading themes on the entire portfolio.</p> <p>We have a core competency structuring derivative and volatility vehicles to profit from asymmetrical risk reward profiles across asset classes.</p> <p>We constantly evaluate and monitor our Value at Risk (“VAR”), DV01, liquidity, leverage, and internal portfolio correlation.</p>
<b>Target Return</b>	20%+ annualized return
<b>Target Standard Deviation</b>	We don’t have a target. Historically less than 1% of AUM as measured daily.
<b>Asset Classes Invested In</b>	<ul style="list-style-type: none"> <li>Currencies</li> <li>Credit</li> <li>Global Equities</li> <li>Options</li> <li>Commodities</li> <li>Derivatives, such as CDSs</li> </ul>
<b>Investment Bias</b>	None
<b>Typical Time Horizon for Investments</b>	A few days to one year.
<b>Security Selection Method</b>	Our investment process is predicated on a top down approach analyzing key fundamental macro drivers that exist during each business cycle.
<b>Trades Per Day</b>	Several
<b>Number of Positions</b>	15–45 positions on average, representing 3-7 investment themes.

Exposure Limits <sup>1</sup>		Net	Gross	Stop <sup>2</sup>
Asset Class	Currency <sup>3</sup>	NA	100%	
	Debt <sup>4</sup>	NA	400%	
	Rates	NA	25bps (DV01) <sup>5</sup>	
	Equity	50%	100%	
	Commodity	15%	25%	
	EM <sup>6</sup>	33%	50%	
	Theme Portfolio	33%	500%	3% 5%
Single Position	Currency		33%	2%
	Debt		50%	2%
	Rates		10bps (DV01)	2%
	Equity		8%	2%
	Commodity		15%	2%

<sup>1</sup> These are internal limits that are subject to change. The CWOC team meets regularly to review these limits.

<sup>2</sup> As a percentage of AUM.

<sup>3</sup> Excludes pegged currencies.

<sup>4</sup> Includes long cash bond exposure and sold CDS protection. Excludes bought CDS protection. Limit for bought CDS protection is a maximum of 2% (as a % of AUM) of negative carry used for premium payments annually.

<sup>5</sup> Rates exposure is measured by DV01 as a percentage of AUM.

<sup>6</sup> Measured in terms of VaR.

**Target Portfolio Turnover in one Year** No target.

**Brokerage Agreements** *JP Morgan, UBS, Goldman Sachs, Citigroup, CSFB, Nomura.*

**Long-Term Contracts with Prime Brokers/Finance Counterparties** None

**Length to Discover Trade Mischief** Counterparty trade confirms are sent to trader, CIO, COO and analyst. All trades are reconciled by the Administrator and COO daily.

**Trade Reconciliation** Daily

**Securities Borrowing** Yes

**Position Building** Generally scale in one-third at a time.

**Criteria to Initiate a Position** Risk/reward must be 1:3 or better.

**Criteria to Sell a Position** Change of facts, change of opinion or stop-loss.

**Avoided Industries** None

**Investment Ideas** We generate majority of our investment ideas in-house. We analyze key fundamental macro drivers that exist during each business cycle. This analysis generates our views on the global economy and leads to investment themes.

<b>Investment Information</b>	Although we have access to all the Street research, most of our value added is internal. We spend a great deal of time reviewing economic indicators and understanding macroeconomic and industry dynamics. CWOC vets each idea with its entire team and often sources industry specific experts outside the team to gain more information and other perspectives on potential opportunities.
<b>Investment Discipline</b>	Our top-down idea-generation and fundamental research processes are very disciplined. While CWOC uses leverage to increase its returns, we maintain a disciplined approach to managing the Fund's liquidity. CWOC frequently allocates an amount of collateral above what is required by our counterparties. This "cushion" is based on our internal VAR analysis, the liquidity of the instrument, the volatility of the instrument, and our judgment, among other factors. We constantly evaluate and monitor our VAR, DV01, liquidity, leverage, and internal port- folio correlation.
<b>Decision Makers</b>	All trades are approved by Adam Fisher or Csaba Konkoly. In general, CWOC operates as a team, and moves within the portfolio are taken with approval from the Investment Committee.
<b>Delegation of Responsibilities</b>	One of the Principals is always available.
<b>Resignation of Key People</b>	If Adam Fisher, Reagan Silber, Csaba Konkoly or Greg Sutton resigned, the firm would be adversely affected.
<b>Farming Out</b>	CWOC does not farm out part of the portfolio
<b>Performance as a Function of Capacity</b>	We do not foresee any limitations to our strategy running a larger portfolio. More important than size is the quality of the investor base. We have made dramatic improvements since our launch in how we struc- ture and time our portfolio.
<b>Significant Events that could Modify our Investment Style</b>	While we anticipate refining our process over time, we do not anticipate significant modifications to our investment style.
<b>Bear Market Experience</b>	From January 1, 2009 to March 31, 2009 the S&P 500 was down 14%. During this period the Fund was up 5.65% gross.
<b>Bull Market Experience</b>	From April 1, 2009 to September 30, 2009 the S&P 500 was up 32%. During this period the Fund was up 40% gross.

# Risk Management

## Monitoring/Evaluating Risk

CWOC capitalizes on investment opportunities that have attractive risk/reward characteristics. CWOC vets each idea with its entire team and often sources industry specific experts outside the team to gain more information on potential opportunities.

CWOC's team has a network of industry experts in almost every field including but not limited to: US and foreign governments, real estates, gaming, energy, banking, technology, law, insurance and media.

CWOC maintains a disciplined approach to managing the Fund's liquidity. For every position, CWOC allocates an amount of collateral above what is required by our counterparties. This "cushion" is based on our internal VAR analysis, the liquidity of the instrument, the volatility of the instrument and our judgment, among other factors.

Over the long run, this approach allows CWOC to hold onto positions it feels strongly about, despite and transitory mark-to-market volatility.

## Risk Management Tools

### VAR

We monitor both daily and quarterly VAR on a daily basis.

### Stress Test

Daily stress testing of the portfolio.

### DV01

Daily monitoring of the portfolio's DV01 by position and category.

### Stop Losses

On certain positions we will put in hard stop losses to minimize any unforeseen downside.

### Hedging

For many trades we hedge out certain risks that we do not want to be exposed to (i.e. interest rate risk on long duration credit).

### Asymmetrical Trades

Many of our investments are structured to have limited downside with major upside (i.e. buying CDS protection on credits with tight spreads).

## Liquidity of Instruments Traded

Majority of instruments are liquid.

<b>Unwinding the Portfolio</b>	We could unwind two-thirds of the portfolio with little impact in one trading day. The remainder can be liquidated within 48 hours.
<b>Leverage Used</b>	Both synthetic (derivatives) and traditional margin.
<b>Leverage Calculation</b>	Gross net and weighted duration basis.
<b>Cost of Leverage</b>	Our cost of borrowing is LIBOR + 45 bps.
<b>Catastrophic Scenario</b>	Complete loss of capital by counterparties simultaneously.
<b>Contingency Plans for Natural Disaster</b>	From an operational perspective, we expect there would be little impact from a disaster of any sort. All critical functions are outsourced including asset custody, portfolio accounting, trading, and email. We deal with nationally recognized firms – all of whom have well developed disaster recovery plans. We have access to all capabilities through the internet independent of physical location
<b>Lack of Investment Opportunities</b>	We do not anticipate this being a problem. However, if it were, we would bring the exposures down and manage with less leverage.
<b>Do the funds intend to buy “hot” or other “new” issues?</b>	Yes

# Reporting

<b>Changes During Track Record</b>	None
<b>Portfolio Transparency</b>	We provide quarterly newsletters. We may mention individual names in the commentary. However, as a matter of policy, we do not give detailed holdings information.
<b>Reports Available</b>	Monthly
<b>Transmission Availability</b>	Email · Mail · Fax
<b>Performance Audit</b>	<i>Rothstein Kass &amp; Company</i>
<b>Frequency of Performance Audit</b>	Annually
<b>Benchmarks Used</b>	HFRI Macro ( <i>Total</i> ) Index and MSCI AC World Index Free.
<b>Nav Calculation</b>	The Fund's NAV is calculated by CWOC on a daily basis and verified by <i>Goldman Sachs Administrative Services</i> on a monthly basis.
<b>Daily P&amp;L to Investors</b>	No.
<b>Marking Frequency</b>	Daily.
<b>Marking Procedure</b>	<i>Bloomberg</i> prices for all Level 1 assets. <i>Bloomberg</i> or Broker marks at the midpoint for all Level 2 assets. ■