

Abraham Fortress Fund Investor Requirement Definitions

Qualified Eligible Person (QEP) status, as defined under CFTC Regulation 4.7, is defined by the following Portfolio Requirement and QEP Categories:

Portfolio Requirement: A QEP must satisfy the following Portfolio Requirement –

- A. Owns securities and other investments with an aggregate market value of at least \$2 million; or
- B. Has had on deposit with an FCM at least \$200,000 in exchange-specified initial margin and option premiums for commodity interest transactions, together with required minimum security deposit for retail forex transactions, in the six months prior to the investment; or
- C. Has a combination of the two above. For example, has \$1 million in securities/investments and \$100,000 in exchange-specified initial margin in the six months prior to the investment.

QEP Categories: A QEP must satisfy one of the following QEP Categories –

1. Natural Persons (i.e., Individuals):

- a. Investor meets the Portfolio Requirement above AND either:
 - i. has a net worth (including home, furnishings and automobiles), or joint net worth with spouse, exceeding \$1 million, OR
 - ii. has had individual gross income of \$200,000 or more in the past two calendar years, or joint gross income with spouse of \$300,000 in those years and, in either case, has a reasonable expectation of his individual or joint gross spousal income, respectively, reaching the same level in the current year.
- b. Investor is a “qualified purchaser” under Section 2(a) (51) of the Investment Company Act of 1940, as amended (and is not required to meet the Portfolio Requirement).

2. Pension and Profit-Sharing Plans

- a. Investor meets the Portfolio Requirement AND is:
 - i. An employee benefit plan under ERISA: (i) whose decision to invest in the Fund is made by a plan fiduciary (as defined in ERISA §3(21)) that is a registered investment adviser, bank, savings and loan association, or insurance company; or (ii) with total assets exceeding \$5 million; or (iii) that is a self-directed plan, and the decision to invest in the Fund is made by a QEP; or
 - ii. A plan established and maintained by a state, a political subdivision thereof, or any agency or instrumentality thereof, for the benefit of its employees and with total assets exceeding \$5 million.

3. Individual Retirement Accounts

- a. An IRA whose owner is a QEP under (1) or (2) above.

4. Partnerships, Corporations and other Entities

- a. Investor meets the Portfolio Requirement AND is--
 - i. A commodity pool, trust, insurance company separate account or bank collective trust: (i) with total assets exceeding \$5 million, (ii) that was not formed for the purpose of investing in the Fund and (iii) whose decision to invest in the Fund was directed by a QEP. (If the entity does not meet these tests, it may still qualify as a QEP under (10) below.);
 - ii. A corporation, a partnership or a Massachusetts or similar business trust, but which is not a commodity pool, that: (i) has total assets exceeding \$5 million and (ii) was not formed for the specific purpose of investing in the Fund;
 - iii. An insurance company (as defined in §2(1) of the Securities Act) acting for its own account or for the account of a QEP; an investment company registered under the ICA, or a business development company as defined therein which was not formed for the specific purpose of investing in the Fund; a bank (as defined in §3(a)(2) of the Securities Act) or savings and loan or other institution (as defined in §3(a)(5)(A) of the Securities Act) acting for its own account or that of a QEP; or an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding \$5 million; or
 - iv. A governmental entity (including the U.S., any state, or a non-U.S. jurisdiction) or political subdivision thereof, or a multinational or supranational entity, or any instrumentality, agency or department of any of the foregoing, if authorized by law to invest in a commodity pool.

An Accredited Investor, as defined under SEC Regulation D Rule 501(a), satisfies one of the following guidelines:

1. An individual whose net worth (excluding the value of the primary residence of such natural person), or joint net worth with spouse or spousal equivalent,¹ exceeds \$1,000,000 as of the date of this Agreement. Net worth means the excess of total assets at fair market value over total liabilities. For purposes of calculating net worth: (i) your primary residence shall not be included as an asset; (ii) indebtedness that is secured by your primary residence, up to the estimated fair market value of the primary residence at the time you invest in the Fund, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time you invest in the Fund exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by your primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.
2. An individual whose gross income exceeded \$200,000 in each of the two most recent calendar years, or whose joint gross income with the individual's spouse or spousal equivalent exceeded \$300,000 in each of the two most recent calendar years and, in either case, the individual has reasonable expectation of his single or joint gross income, respectively, reaching the same level in the current year.
3. An individual holding in good standing one or more of the following professional certifications, designations or credentials: (i) General Securities Representative license (Series 7); (ii) the Private Securities Offerings Representative license (Series 82) or (iii) the Licensed Investment Adviser Representative (Series 65).
4. An individual who is a "knowledgeable employee" as defined in Rule 3c-5 under the ICA including, but not limited to, (i) a director, executive officer, trustee, general partner, advisory board member of the Fund, or (ii) an employee of the Fund or the General Partner (other than an employee performing solely clerical, secretarial or administrative functions) who has participated in investment activities of the Fund or a similar entity for at least twelve (12) months.²
5. A partnership, corporation, limited liability company or business trust that either (a) is 100% owned by individuals who are accredited investors under (1) or (2) above, or (b) was not formed for the specific purpose of investing in the Fund and whose total assets exceed \$5,000,000.
6. An employee benefit plan: (a) whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or

¹ The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.

² For purposes of this item, a Knowledgeable Employee's spouse will also be considered an "accredited investor" with respect to joint investments in the Fund.

registered investment adviser; (b) whose total assets exceed \$5,000,000 as of the date of this Agreement; or (c) if a self-directed plan, whose investment decisions are made solely by persons who are accredited investors.

7. A U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.
8. A broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934 (the “Exchange Act”).
9. An organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding \$5,000,000 and not formed for the specific purpose of investing in the Fund.
10. Any trust with total assets exceeding \$5,000,000, not formed for the specific purpose of investing in the Fund, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.
11. A plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of \$5,000,000.
12. An insurance company as defined in §2(13) of the Securities Act, or a registered investment company.
13. A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).
14. A federal or state-registered investment adviser or exempt reporting adviser, regardless of the level of assets under management.
15. A rural business development company (RBIC), as defined in Section 384A, of the Consolidated Farm and Rural Development Act, regardless of the level of assets under management.

16. Any entity with at least \$5,000,000 in “investments”³ that has not been formed for the specific purpose of investing in the Fund.

17. A “family office” or its “family clients” each as defined under the Advisers Act, provided (i) the family office has at least \$5 million in assets under management, (ii) was not formed for the purpose of investing in the Fund and (iii) was directed to make the investment by a person who has such knowledge and experience in financial and business matters such that the family office is capable of evaluating the merits and risks of the investments.

³ The term “investments” for purposes of this item (3) shall mean any or all (1) securities (as defined in Securities Act), except for securities of issuers controlled by the Investor (“Control Securities”) unless (A) the issuer of the Control Securities is itself a registered or private investment company or is excepted from the definition of investment company by Rule 3a-6 or Rule 3a-7 under the Investment Company Act, (B) the Control Securities represent securities of an issuer that files reports pursuant to Section 13 or 15(d) of the Exchange Act, (C) the issuer of the Control Securities has a class of securities listed on a designated offshore securities market under Regulation S under the Securities Act or (D) the issuer of the Control Securities is a private company with shareholders’ equity not less than \$50 million determined in accordance with generally accepted accounting principles, as reflected in the company’s most recent financial statements (provided such financial statements were issued within 16 months of the date of the Investor’s purchase of Interests); (2) futures contracts or options thereon held for investment purposes, (3) physical commodities held for investment purposes; (4) swaps and other similar financial contracts entered into for investment purposes; (5) real estate held for investment purposes; and (6) cash and cash equivalents held for investment purposes.