

MEZZACAPPA MANAGEMENT, LLC

The Long/Short Story

Excellence in Asset Management
Global Fund Analysis Conference, London
January 29, 2002

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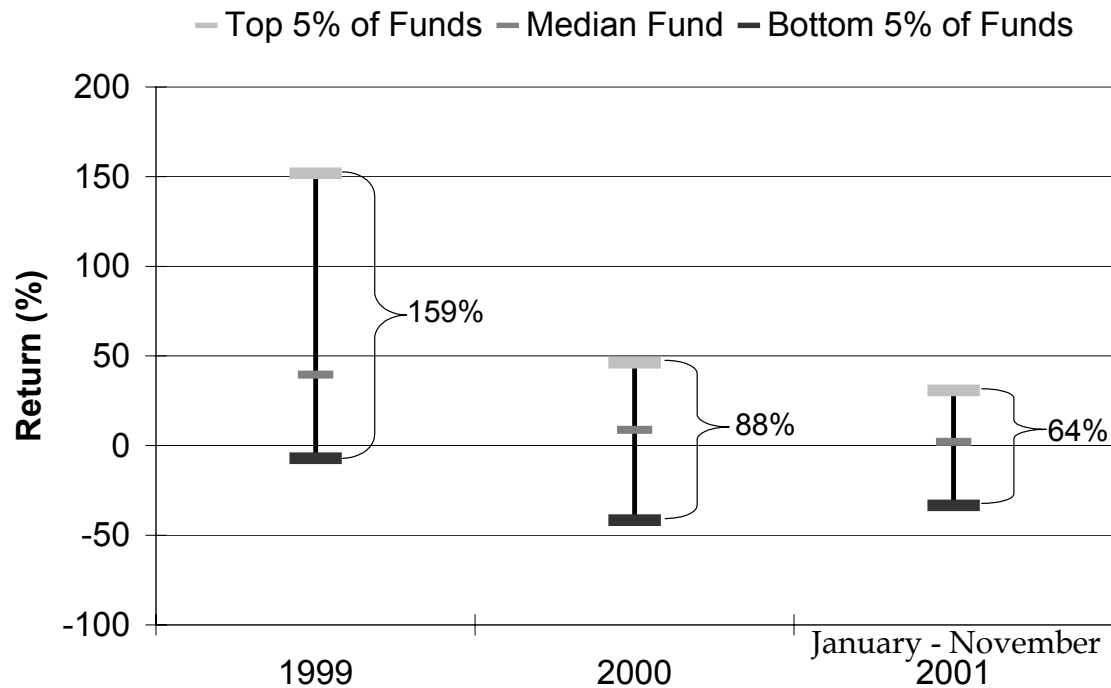
Two funds of hedge funds

- Long/short US and Western Europe
- Long/short global life sciences
- \$930 million under management, including \$120 million of member capital
- 14 people, based in New York City and San Francisco

Why long/short equity hedge funds?

- Performance relatively independent of environment
- Potential for high returns
- Inherent risk management tools
- Simplicity, transparency, and liquidity
- Limited capacity concerns

Manager Selection is Critical



- Extensive ongoing due diligence
- Over 350 in person in depth manager visits annually

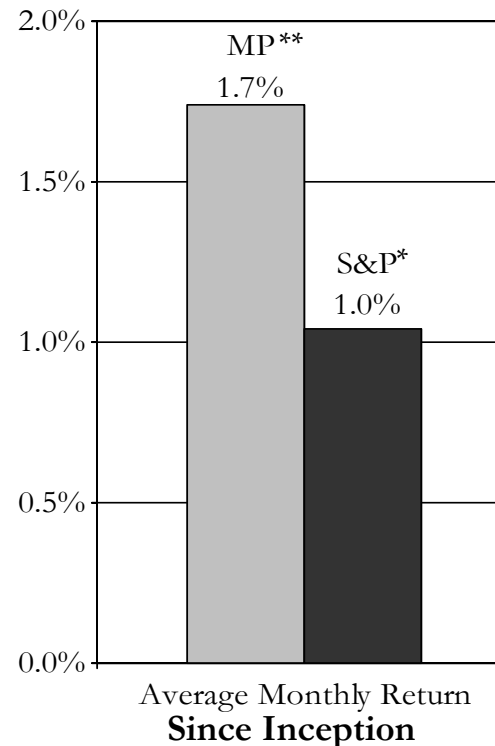
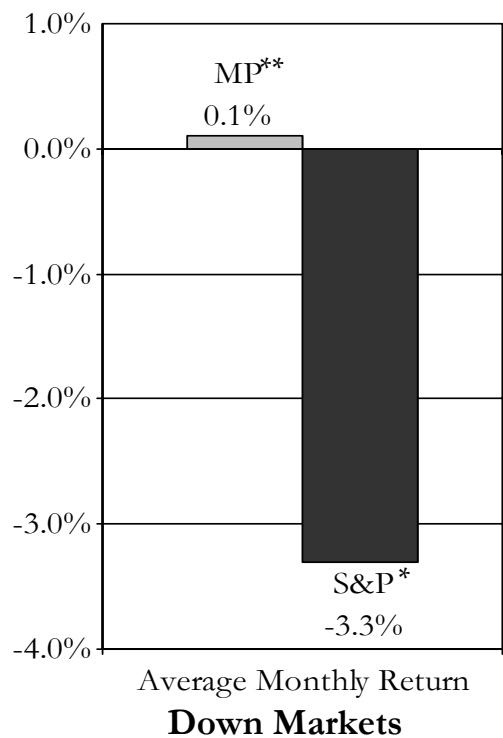
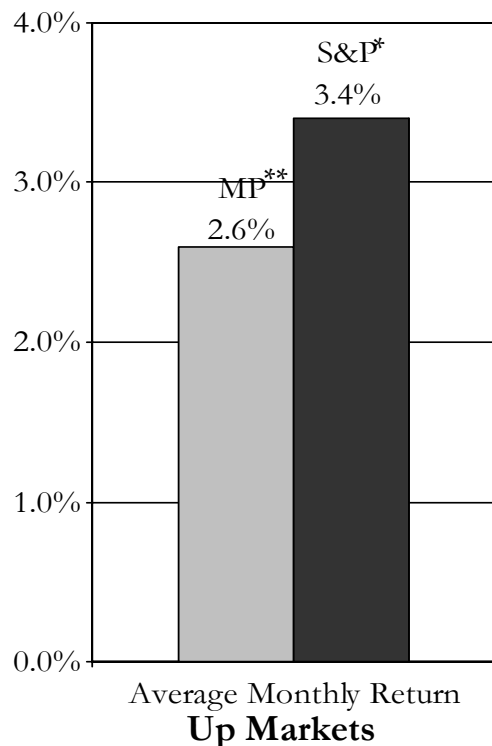
Source: MAR/Hedge. Data represents returns for Global Established Hedge Funds category.

Investment Manager Criteria

- Stock selection, portfolio management, business management skills
- Significant gross exposure; low net exposure
- Teams not lone wolves
- US and Western Europe long/short focus
- Virtues
- Tenacity & work ethic

A Record of Loss Avoidance

January 1992 – September 2001



* S&P is the S&P 500.

** MP is the Mezzacappa Composite Portfolio. The composite portfolio includes the performance of the predecessor portfolio managed by Damon Mezzacappa from January 1992 to February 1999 with reductions for management fees and performance allocations equivalent to MP's. The impact of negotiated fee discounts is not reflected for this period. This record has been audited.

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- 10 year flagship fund performance

	<u>Annualized Compound Return</u>	
	<u>Fund</u>	S&P 500 <u>(with Income)</u>
Mezzacappa Partners, L.P. (March 1999 – December 2001*)	20.5 %	(1.4)%
Mezzacappa Composite Portfolio** (January 1992 – December 2001*)	21.9 %	12.9 %

- Deep investment team and resources
- New York-based, close to major hedge fund center
- No conflicts of interest

* Preliminary December 2001 return

** The composite portfolio includes the performance of the predecessor portfolio managed by Damon Mezzacappa from January 1992 to February 1999 with reductions for management fees and performance allocations equivalent to MP's. The impact of negotiated fee discounts is not reflected for this period. This record has been audited.

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Summary Senior Team Bios

- Damon Mezzacappa
 - 40 years of Wall Street experience in trading and risk management
 - 25 years experience investing in hedge funds
 - Vice-chairman, Lazard Frères & Co., responsible for firm's capital
 - Partner, Morgan Stanley
- Darcy Bradbury
 - Head of Strategy & New Business Development, Global Institutional Services, Bankers Trust
 - Assistant Secretary for Financial Markets for U.S. Treasury Department
 - MBA, with Honors, Harvard University
- Fran Conroy
 - Director, Lazard Frères & Co.
 - Director of Taxes, McKinsey and Co.
 - MBA from Harvard University, CPA
- Jonathan Lach
 - Chief Investment Officer, Winter Capital
 - Senior Vice President and Head of Alternative Investments, CTC Consulting
 - JD (Law Degree) and MBA, University of Chicago
- Michael Polenske
 - President & CEO of a private banking subsidiary of The Chase Manhattan Corporation
 - Regional Head, Private Banking, J.P. Morgan
- Robin Willoughby
 - Senior Vice President at Bessemer Trust, co-head of fund of funds management
 - Director of Non-Traditional Research, CTC Consulting
 - Senior Investment Strategist, Private Investor Group, Frank Russell Company