

TAB 4

PRIVATE ADVISORS[®]

ALTERNATIVE ASSET MANAGEMENT

December 2, 2010

Re: Important Organizational Announcement

Dear Investors:

Private Advisors is pleased to announce that we have entered into a strategic alliance in which New York Life Investments¹, a wholly owned subsidiary of New York Life Insurance Company, will acquire a majority interest in Private Advisors, LLC. We believe that this relationship will create significant long-term benefits for Private Advisors, and in particular for our clients.

At closing, Private Advisors' 18 equity holders will reinvest a majority of the after-tax proceeds in Private Advisors' funds alongside its clients, retaining a significant 40% minority interest in the firm. New York Life Investments will acquire a 60% interest in Private Advisors at closing and will purchase its stake in three 20% increments over the next seven years. We believe this structure maintains the alignment of interests between our management and our clients, encourages employee retention, and places an emphasis on the long-term success of the firm.

We believe this alliance will enhance the competitiveness of our business and enable our firm to take advantage of new market opportunities. This will not impact Private Advisors' long-standing investment philosophy, our experienced investment team or our investment capabilities. We also believe the financial strength of such a reputable institution will provide tangible benefits, including the following:

1. The additional resources of New York Life Investments put Private Advisors in an extremely strong absolute and relative position in the industry, and will enable us to continue to invest in our business, retain and recruit top industry talent and maintain our focus on serving the needs of our clients. We believe that successful firms, over the long-term, will be those that have strong financial backing and the flexibility to adjust to meet the evolving expectations and requirements of their investors.
2. New York Life Investments has a history of marrying the best of its strengths as a broad-based investment organization with the boutique asset management model exemplified by firms such as Mackay Shields LLC and Institutional Capital LLC (ICAP). In making such investments, New York Life Investments has a track record of preserving each firm's culture, autonomy and investment philosophy. We believe that the structure of this alliance enables Private Advisors to continue to execute upon its goal of being best-in-class, while preserving the entrepreneurial nature and the "specialist" quality of the firm as an investment-driven organization.
3. New York Life is the largest mutual life insurance company in the United States, is a Fortune 100 company with more than \$275 billion in investment assets under management,² and has the highest possible ratings from the four independent rating companies (Standard & Poor's, AM Best, Moody's and Fitch). Our organizations embrace an investment philosophy that is long-term in nature, conservative and quality oriented in its approach. Put into perspective, New York Life is one of only two large financial institutions in the United States to hold these ratings. This strong capital position provides Private Advisors with the strength to withstand unforeseen shocks in the marketplace and the flexibility to take advantage of compelling investment opportunities for the benefit of our investors.

¹ "New York Life Investments" is a service mark used by New York Life Investment Management Holdings LLC and its subsidiary, New York Life Investment Management LLC.

² As of September 30, 2010.

Private Advisors, LLC

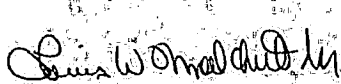
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We believe that our platform, including our range of investment capabilities, our well-resourced and experienced investment teams, and our robust infrastructure is compelling relative to many alternative investment management firms. New York Life Investments' interest in Private Advisors is a testament to the strength of our investment capabilities, our professionals and our high-quality investor base. Furthermore, we believe that our decision to enter this alliance clearly demonstrates our commitment to the future success of our business and of our investors. We hope that you will become as excited about this new alliance as we are at Private Advisors.

In order for the alliance to be finalized, the Independent Board of Directors for each of our funds domiciled in the Cayman Islands must approve the transaction. It is anticipated that each Board will approve the transaction, and you should soon be receiving a second communication as confirmation.

We are in the process of reaching out to our clients and their advisors to respond to questions and provide more details regarding this new relationship. Should you have questions in the meantime, we encourage you to call one of us directly or contact our Investor Relations Team at (804) 433-1230 or investorrelations@privateadvisors.com.

Sincerely,



Louis W. Moelchert, Jr.
Managing Partner



Charles M. Johnson, III
Partner



Louis W. "Chip" Moelchert, III
Partner