

ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

HBK INVESTMENTS L.P.

March 30, 2011

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In this Brochure, we use the terms HBK Capital Management and HBK (or simply we) to refer to HBK Investments L.P. and its affiliated subadvisors. This Brochure provides certain information about our qualifications and business practices. If you have any questions about the contents of this Brochure, please contact our Investor Relations Department at 214-758-6108 or ir@hbkc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Although we are registered as an investment adviser under the Investment Advisers Act of 1940 (Advisers Act), that registration does not imply any particular level of skill or training.

The SEC has adopted rules under the Advisers Act that require us to provide specified information in this Brochure. The SEC adopted the Brochure requirement to help clients and potential clients evaluate investment advisers. In our case, our only clients are the private investment funds that we manage (along with their subsidiaries and affiliates), which we refer to as our Funds. Because we control our Funds, however, they do not need a brochure to evaluate HBK. For this reason, we have addressed this Brochure to investors and prospective investors in our Funds (which we refer to as you or Investors).

It is important to emphasize, however, that you are not our clients, and we are not providing you with any investment advisory or investment management services. We provide these services only to our Funds. There is no investment advisory or investment management relationship (or other direct relationship of any kind) between you and HBK, and we are not offering to (or willing to) enter into that type of relationship with you. You should not look to HBK for advice about whether to invest in (or withdraw from) any of our Funds or for advice about any other investment decision. If you need or want any advice regarding your investment decisions, you should engage your own financial, legal, tax, accounting and other advisors. You and your advisors are responsible for conducting your own analysis and due diligence to the full extent you deem necessary. Based on your independent analysis and due

diligence and on the applicable Offering Materials (which are discussed below), you must make your own decisions regarding whether and when to invest in (or withdraw from) any of our Funds.

In this Brochure, we are providing only the information that has been required by the SEC, much of which is only a summary. This Brochure does not include all of the material information that you would need to evaluate an investment in one of our Funds. We offer interests in each of our Funds only pursuant to a definitive offering memorandum (or similar disclosure statement), a subscription agreement and the organizational documents for that particular Fund (collectively, the Offering Materials). Before making any investment decision regarding any Fund, you must carefully review the Offering Materials applicable to that Fund, and you should make any investment decisions regarding a Fund solely on the basis of the Offering Materials applicable to that Fund. With respect to any Fund, this Brochure is qualified in all respects by the more detailed information provided in the Offering Materials for that Fund.

Interests in our Funds are speculative securities that involve substantial risks and various actual and potential conflicts of interest, as more fully described in the relevant Offering Materials. There can be no assurance that the investment or risk management objectives of any Fund will be achieved. Nothing in this Brochure or elsewhere is intended to imply that you should consider an investment in any Fund to be conservative, safe, or risk free.

Additional information about HBK also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

This Brochure is our first Form ADV Part 2A submitted to the SEC pursuant to amendments made to certain rules under the Advisers Act. We previously provided our Funds with a Form ADV Part II, dated March 30, 2010 (the Old Part II), which was used as a basis for certain disclosure provided in this Brochure. Differences between the Old Part II and this Brochure are generally attributable to the new disclosure rules and the new form, and not to any material changes in the qualifications or business practices of HBK.

In subsequent versions of our Brochure, this section will contain a summary of material changes incorporated since our last filing.

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ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm.

We provide discretionary investment management services and related administrative services to our Funds, which are private investment funds offered only to sophisticated investors with substantial resources. Our firm was founded in 1991 and has approximately 180 employees in four offices. Our headquarters is in Dallas, Texas and we also have offices in New York City, London and Charlottesville, Virginia. See Item 10(C).

The principal owner of HBK Investments L.P. is HBK Partners II L.P. All of the management company entities that operate our business are ultimately controlled by the managing directors who run our business, none of whom individually owns 25% or more of the economic interests in HBK. For a description of companies and individuals that have control of HBK, please see Schedule B of Part 1A of HBK's Form ADV.

B. Description of Advisory Services.

Our only business is to provide discretionary investment management services and related administrative services to our Funds. In managing our Funds, we seek to generate superior risk-adjusted rates of return with relatively low volatility and with relatively low correlation to most major market indices. We may invest through both long and short positions in an unlimited range of securities, derivatives and other financial instruments throughout the world, including, without limitation, equity and equity-related securities, bonds and other fixed income securities, loans and loan participations, mortgage-backed and other asset-backed securities, currencies, commodities, futures, forward contracts, warrants, options, swaps and other derivative instruments (collectively, Financial Instruments). We are not subject to any specific restrictions on asset type, industry, geographic market, concentration, leverage or other portfolio characteristics.

Most of our Funds are global, multi-strategy funds (Multi-Strategy Funds) that have combined substantially all their assets into a single master pool (the Multi-Strategy Master Fund). Two of our Funds are single-strategy funds focused on investments using quantitative strategies intended to take advantage of statistical phenomena (QS Funds). The QS Funds have also combined substantially all their assets into a single master pool (the QS Master Fund).

C. Availability of Customized Services for Individual Clients.

In managing the Funds, we are not subject to any restrictions on asset type, industry, geographic market, concentration, leverage or other portfolio characteristics. See Item 4.B. above. We do not currently provide advisory services to non-fund clients.

D. Wrap Fee Programs.

We do not participate in wrap fee programs.

E. Assets Under Management.

As of March 1, 2011, our total gross assets under management were \$ 5,486,632,000, all of which we managed on a discretionary basis.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation.

Each of our Funds pays us a monthly management fee, and we are also entitled to receive annual incentive fees or incentive allocations based on the performance of each Fund. Incentive fees or allocations are subject to high water mark provisions under the applicable investment management or partnership agreements.

B. Payment of Fees.

We deduct management fees and performance fees or allocations from the Funds. Management fees are paid monthly in advance, based on the capital of the Fund on the first day of the month. Performance fees or allocations are generally calculated and paid annually. If an investor withdraws capital or receives a distribution from one of the Funds, the performance fee or allocation applicable to the withdrawn interest is calculated and paid as of the date of withdrawal, and any associated high water mark deficit is ratably reduced.

C. Additional Fees and Expenses.

The Funds generally pay or reimburse us for certain Fund Expenses, as described in the applicable Offering Materials. These Fund Expenses include, but are not limited to, fees payable to HBK and to the Fund's administrator, trading and investment-related expenses (including brokerage commissions, financing costs, custodial fees and other transaction costs), securities lending expenses, software, hardware and telecommunication expenses, data and data services, third-party publications and research, and outside professional fees. Expenses such as compensation, benefits, and office rent are generally borne by HBK. See Item 12 regarding brokerage practices.

D. Prepayment of Fees.

Management fees are paid monthly in advance. See Item 5.B. above. If an investor withdraws during a month (which is generally not permitted), we will refund a *pro rata* portion of the management fee applicable to the withdrawn capital for that month, based on the actual number of days remaining in the month divided by the total number of days in the month.

E. Additional Compensation and Conflicts of Interest.

Neither HBK nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

ITEM 6**PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We are entitled to receive annual incentive fees or incentive allocations based on the performance of each Fund. See Item 5. Investors in all our Funds bear an incentive fee or incentive allocation, except for certain of our current and former partners and employees (and their affiliates). Differences exist across Funds in the total fees paid by each Fund and in the size of our investments in each Fund. These differences could create an incentive for HBK to direct the best investment ideas to, or to allocate or sequence trades in favor of, certain Funds. HBK is committed to allocating investment opportunities on a fair and equitable basis and has established trade allocation policies and procedures to address associated conflicts of interest, as more fully described in Item 11.A.

We also face other potential conflicts of interest as a result of the fees and allocations applicable to our Funds. See Item 11.A.

ITEM 7
TYPES OF CLIENTS

Our only clients are our Funds, which are private investment funds offered only to sophisticated investors with substantial resources. All of our Funds are exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

In developing and implementing investment strategies for the Funds, we use many methods of analysis, including fundamental, quantitative and technical methods of analysis. We currently organize the portfolio positions of the Multi-Strategy Funds into business units, each generally focusing on a different (although sometimes related) type of investment strategy. For analysis and reporting purposes, we currently aggregate these business units into eight primary groups: (1) Corporate Credit; (2) Emerging Markets Credit; (3) Structured Credit; (4) Equity: Event or Spread Driven; (5) Equity: Relative Value; (6) Equity: Quantitative; (7) Volatility and Convertibles; and (8) Developed Markets Fixed Income. The QS Funds focus solely on investments in the Equity: Quantitative business unit.

Each of these groups is summarized below. In each case, the Funds may invest directly or indirectly through derivatives and other products, such as options, swaps, futures, participations and repurchase agreements. Although the groups listed above currently include the primary strategies of the Funds, the Funds are not limited in the types of investment or trading activities in which they may engage. A fundamental aspect of an investment in the Funds is the fact that the Funds have the flexibility to pursue an unlimited range of investment strategies and invest in an unlimited range of Financial Instruments, including strategies and instruments not previously described or disclosed to Investors, to the extent we deem appropriate, without any restrictions on asset type, industry, geographic market, concentration, degree of leverage, or other portfolio characteristics. We generally are not required to, and do not intend to, notify Investors in advance of changes in our investment strategies or portfolio composition. There can be no assurance that any investment strategy pursued by the Funds will prove successful.

Corporate Credit. This group makes credit-driven investments involving the securities of corporate issuers in developed markets, primarily in the United States and Europe. Such investments include investment grade and high yield bonds, par and distressed loans, trade claims, credit default swaps, index products and other credit derivatives. We generally examine the entire capital structure of an issuer to determine the best risk-reward opportunity. The Funds may, therefore, have positions in equity or equity derivatives within these strategies.

Emerging Markets Credit. This group makes credit-driven investments in countries other than the G-7 nations, including investments in fixed income securities issued by sovereign entities and private companies, currencies and various types of structured products.

Structured Credit. This group invests in residential mortgage backed securities and other asset backed securities, collateralized debt obligations, structured notes and other structured products, as well as municipal bonds. We also may provide collateral management services in connection with collateralized debt obligations issued by entities controlled by the Funds.

Equity: Event or Spread Driven. This group contains several strategy types including risk arbitrage, special situations and equity intercapitalization. The Funds engage in these strategies globally, including in the U.S., Europe and emerging markets. Risk arbitrage and special situations opportunities typically involve the securities of corporations involved in significant transactions, including mergers, acquisitions, divestitures, tender offers, spin-offs and other similar corporate events. Using various strategies, the Funds typically seek to profit from the successful completion of the transaction by purchasing the securities at a discount to

the value that will be realized upon completion of the transaction. Intercapitalization investments are designed to take advantage of multiple share classes or different parts of the capital structure of a single business operation when analysis suggests a price disparity between related instruments. This group also includes the New Issues business unit, in which the Funds purchase newly issued securities subject to the U.S. Financial Industry Regulatory Authority (FINRA) Rules 5130 and 5131, as well as investments made with the intention of profiting from a new issue allocation, including investments held to hedge a new issue. Only specified classes of interests in the Funds participate in new issues.

Equity: Relative Value. This group pursues fundamentally-driven relative value investments globally, including in the United States, Europe, Asia and emerging markets. For example, the Funds may seek to exploit relative mispricings of companies in similar businesses by buying the securities of companies we believe to be relatively inexpensive and selling short the securities of companies we believe to be fundamentally overvalued. The Funds may also purchase securities we believe to be fundamentally undervalued, or sell short securities we believe to be fundamentally overvalued, and may attempt to hedge systematic market risk through offsetting positions in ETFs, index futures or other derivatives or similar products.

Equity: Quantitative. This group makes investments using quantitative strategies that generally involve trading in a diverse portfolio of Financial Instruments including, among other things, equity and equity-related securities, currencies, commodities, futures, forward contracts, options, swaps and other derivative instruments, in an attempt to take advantage of shorter-term and longer-term statistical phenomena.

Volatility and Convertibles. This group invests in convertible bonds and other actively traded equity derivative securities. We may purchase convertible bonds, convertible preferred stock, warrants or options that we believe are inexpensive relative to their underlying equity securities or other related instruments. We generally seek to hedge interest rate and currency exposures and selectively hedge credit, equity and volatility risk. This group also makes volatility investments, including correlation trades and relative volatility trades based on the expected volatility of individual securities, commodities and indices.

Developed Markets Fixed Income Investments. This group invests in sovereign debt securities and currencies primarily in G-7 nations, through direct investments and through derivatives such as interest rate swaps, repurchase agreements, reverse repurchase agreements and futures. These investments are intended to take advantage of mispricings occurring in various fixed income markets.

Other Investment Techniques. The Funds' investment activities are not limited to the strategies outlined above. The Funds may invest in an unlimited range of securities, instruments and other assets and may pursue an unlimited range of investment strategies, including strategies not described above and including strategies opposite to those described as being typical. For example, although the event-driven equity group typically seeks to profit from the successful completion of a merger, it may also make investments designed to profit if an announced merger fails to be consummated. In addition, the distinctions between the groups described above are not always clear, and investments included within one group for reporting purposes might involve instruments or strategies normally associated with a different group.

There can be no assurance that any Fund will be able to achieve its investment or risk management objectives. An investment in any Fund involves a substantial degree of risk and is intended and appropriate only for Investors whose sophistication and financial resources are sufficient to enable them to evaluate such an investment and to assume such risks, including the risk of

complete loss of their investment. See Item 8.B. below for a summary of various risks related to our investment strategies.

B. Material, Significant, or Unusual Risks Relating to Investment Strategies.

An investment in any Fund involves a substantial degree of risk and is intended and appropriate only for Investors whose sophistication and financial resources are sufficient to enable them to evaluate such an investment and to assume such risks, including the risk of complete loss of their investment. In evaluating whether to invest in any Fund, you should carefully consider the risk factors that are briefly summarized below, among others. You are urged to consult with your own financial, legal and tax advisors before making any decision regarding an investment in any Fund. The various risks that are briefly summarized below are not the only risks associated with an investment in a Fund. Before making any investment decision regarding any particular Fund, you must carefully review and evaluate all of the applicable Offering Materials, including the specific disclosures regarding Risk Factors and Conflicts of Interest that they contain. You should not rely on this Brochure in making any investment decision regarding any Fund.

An investment in any of our Funds is subject to numerous risks (as more fully described in the applicable Offering Materials), including:

- General economic and regulatory risks, such as risks associated with general economic and market conditions, regulatory developments, fraud, terrorist attacks and war;
- Portfolio risks, such as risks resulting from the unlimited range of potential strategies that may be employed by the Funds, limited diversification and risk management failures, future changes in observed historical patterns or market behavior and competition, risks associated with derivatives, risks associated with equity investments, default and credit risks, interest rate risks, currency risks, volatility risks, hedging risks, short sale risks, risks of non-U.S. investments, risks associated with commodity futures, forwards and related instruments, and risks associated with relative value and directional investments, risk arbitrage investments, distressed investments, securities lending, real estate, syndicated loans, lender liability considerations and equitable subordination, credit default swaps, investments in CDOs, litigation and spread widening;
- Leverage and liquidity risks, such as risks resulting from the substantial leverage used by the Funds (including through prime brokerage arrangements, derivatives, repurchase and reverse repurchase agreements, short sales and securities lending) and risks associated with illiquid investments;
- Counterparty risks, such as risks associated with the Funds' substantial exposure to custodians and counterparties in connection with prime brokerage arrangements, other trading, financing and custodial arrangements and a wide range of derivatives and other contract-based obligations;
- Operational and regulatory risks, such as execution risks, systems, facilities and programming risks, valuation risks, risks related to internal controls and employee misconduct, regulatory and legal risks, restrictions on trading and position limits, the absence of regulatory oversight, and risks of handling mail;
- Risks relating to the terms and structure of the Funds, including risks related to the master-feeder structure, incomplete information, reliance on HBK, in-kind distributions, conflicts of interest, compensation arrangements, limitations of liability and indemnification, restrictions on transferability, limitations on withdrawals, lack of management control and liability for return of distributions; and

- Tax risks arising in various jurisdictions and risks related to changes in tax laws.

The foregoing is not intended to be a complete explanation of the risks associated with an investment in any Fund. Investors should read all of the Offering Materials related to a particular Fund in their entirety before making any investment decisions regarding that Fund. Investors are also urged to consult with their own investment, legal and tax advisers before making any investment decisions.

C. Risks Associated With Particular Types of Securities.

We do not recommend primarily a particular type of security. Certain risks associated with the many types of securities in which we do invest for the Funds are briefly summarized in Item 8.B.

ITEM 9
DISCIPLINARY INFORMATION

None of the specific disciplinary information required in Item 9 of Form ADV, Part 2A is applicable to us.

From time to time, we have responded to various requests for information or subpoenas from governmental and regulatory bodies directed to us or our affiliates, including routine inspections and examinations, as well as governmental inquiries and investigations. We expect to receive and respond to such requests in the future. HBK and our affiliates and Funds have also been named, and may in the future be named, as defendants in civil litigation related to our investment management activities or investments. The expenses of responding to such inquiries or investigations, defending against such claims and paying any amounts pursuant to settlements or judgments generally are borne by the Funds, and HBK and our affiliates generally are indemnified by the Funds in connection with any such matters, subject to certain conditions.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

William E. Rose and Mark D. Godvin, both managing directors of HBK, are registered representatives associated with HBK Global Securities L.P. (HBK Global), a registered broker-dealer that is wholly-owned by the Multi-Strategy Master Fund. See Item 10.C.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status.

We are not registered as a “commodity pool operator” with the U.S. Commodity Futures Trading Commission (CFTC), pursuant to an exemption from registration provided by CFTC Rule 4.13(a)(4) in connection with commodity pools whose participants are limited to certain eligible persons as contemplated by the Rule.

C. Material Relationships or Arrangements with Industry Participants.

HBK Global is an indirect, wholly-owned subsidiary of the Multi-Strategy Master Fund that operates a securities lending business for the Multi-Strategy Master Fund. HBK Global’s only business is to borrow and lend securities; it does not execute any trades or custody any positions for the Multi-Strategy Master Fund (or any other customer).

HBK Investments L.P. has entered into a master sub-advisory agreement with an affiliate, HBK Services LLC, pursuant to which HBK Investments has authorized HBK Services to provide all investment management services to the Funds. HBK Services is a party to sub-advisory agreements with other affiliated entities, HBK New York LLC, HBK Virginia LLC, and HBK Europe Management LLP, pursuant to which each of the sub-advisors provides certain investment advisory or investment management services under the ultimate supervision and control of HBK Investments. HBK Investments, HBK Services and each of other sub-advisors are under common control.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

We do not recommend or select any other investment advisers for our Funds from which we receive any compensation, directly or indirectly.

ITEM 11

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics.

We have adopted and implemented a Code of Ethics, which sets forth standards of business conduct for our employees. The Code of Ethics is designed primarily to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to the various Funds that we manage (our clients), encourage employees to comply with applicable laws, prevent the misuse of inside information and address conflicts that arise from personal trading by employees. A copy of the Code of Ethics is available to you upon request.

Our employees (including managing directors) are permitted to engage in personal investment activities that may involve a conflict of interest with the investment activities of the Funds. Employees generally are permitted to purchase or dispose of securities of the same class or issuer as those owned by the Funds, and the Funds may purchase or dispose of securities of the same class or issuer as those owned by employees. Transactions in such securities by employees and the Funds will in some cases occur on the same day and at or around the same time. When same-day trading of this type occurs, employees will in some cases receive more favorable prices than the Funds.

We have adopted policies and procedures related to personal trading that are intended to address conflicts of interest that could arise and to prevent any misuse by employees of information regarding the Funds' portfolios or trading activities for personal gain. These policies and procedures include an insider trading policy, a personal securities trading policy, a requirement to pre-clear personal trades (except for certain exempt securities) that applies to all employees and certain agents, and a policy against front running activity. Personal trade requests are approved or rejected based on various factors, including whether the Funds have a position in the issuer, the size of any Fund position relative to average trading volume, recent trading by the Funds in that issuer, pending orders for the Funds in that issuer and the requesting employee's role within HBK. As a means to monitor compliance with our policies, we require personnel to report initial and annual securities holdings and quarterly transactions in securities (except for certain exempt securities). Nevertheless, personal trading (including same-day trading of the type described above) creates at least the potential for a conflict of interest between the interests of employees and those of the Funds.

Various other actual and potential conflicts of interest exist among HBK (including our affiliates and personnel) and our Funds, including the following:

- We face potential conflicts of interest as a result of the fees and allocations applicable to the Funds. Management fees, which are paid without regard to the Funds' performance, could motivate us to gather more assets than it can manage effectively. Performance fees and allocations could motivate us to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance fees and allocations are generally calculated on a basis that includes unrealized appreciation, we face a conflict of interest in valuing the Funds' portfolios.
- We face a conflict of interest in determining whether and to what extent the Funds or HBK should bear particular expenses.
- Actual and potential conflicts of interest exist in connection with our selection of brokerage, custodial and financing arrangements on behalf of the Funds, including those arising from investor relationships, capital introduction services, gifts, entertainment and family and personal relationships. See Item 12.

- From time to time, HBK and the Funds may enter into special agreements with certain Investors to address specific concerns raised by such Investors. Among other things, these agreements may entitle certain Investors to specific reports or information or notice of specified events. However, we do not enter into special agreements regarding fees or withdrawal rights for a particular Fund, except as disclosed to all Investors in that Fund.
- Pursuant to various exculpation and indemnification provisions, HBK and our affiliates generally are not liable to the Funds for any act or omission, absent bad faith, willful misconduct or gross negligence, and the Funds generally are required to indemnify us against any losses we may incur by reason of any act or omission related to the Funds, absent bad faith, willful misconduct or gross negligence.
- We face actual and potential conflicts of interest when allocating investment opportunities among our Funds or in connection with transactions between Funds. HBK and our affiliates may have differing financial interests, direct or indirect, in the performance of one Fund relative to other Funds. As a result, we may have an incentive to favor one Fund over others. We seek to allocate investment opportunities among the Funds and handle any transactions between Funds in a fair and equitable manner.
- Our employees may serve as directors or committee members of companies in which the Funds have or are considering an investment. Such employees could face conflicts of interest between discharging their duties as directors or committee members of such companies and acting in the best interest of the Funds.
- We may, from time to time in the future, establish and operate additional investment funds, enter into other investment advisory relationships with other clients and engage in other business activities, even though such activities may be in competition with any of the Funds and/or may involve substantial time and resources.

We generally attempt to handle actual and potential conflicts of interest in a manner that we deem to be fair and equitable under the circumstances, but there can be no assurance that we will be successful in this attempt, and the result in any particular case may be materially disadvantageous to one or more of the Funds or their Investors relative to other interests. In any event, Investors should be aware of the conflicting interests and incentives faced by HBK and our personnel and affiliates and the possibility that such interests and incentives could affect behavior, consciously or unconsciously.

The discussion above regarding conflicts of interest is only a brief summary. Before making any investment decision regarding any particular Fund, you must carefully review and evaluate all of the applicable Offering Materials, including the specific disclosures regarding Risk Factors and Conflicts of Interest that they contain. You should not rely on this Brochure in making any investment decision regarding any Fund.

B. Securities That You or a Related Person Has a Material Financial Interest.

We do not recommend to clients, or buy or sell for client accounts, securities in which we have a material financial interest. Specifically, (a) we do not, as principal, buy securities from (or sell securities to) our clients; (b) we do not act as general partner in a partnership in which we solicit client investments; and (c) we do not act as an investment adviser to an investment company that we recommend to clients. With respect to clause (b), certain of our affiliates do serve as general partner in partnerships in which the Funds invest (for example, the Multi-Strategy Master Fund), but we do not receive any additional compensation for serving in such capacity, and we do not solicit these investments.

The Funds may, in the future, enter into principal transactions and other arrangements that may be viewed as matters involving potential conflicts of interest. HBK or one of our affiliates, on behalf of the Investors, may select one or more persons (that are not affiliated or associated with us) to serve on an advisory committee, the purpose of which would be to consider and, on behalf of the Investors, approve or disapprove, to the extent required by applicable law or deemed advisable, principal transactions, certain other related-party transactions and certain other transactions involving potential conflicts of interest. The advisory committee may approve of such transactions prior to or contemporaneously with, or ratify such transactions subsequent to, the consummation of such transactions.

C. Investing in Securities That You or a Related Person Recommends to Clients.

See Item 11.A.

D. Conflicts of Interest Created by Contemporaneous Trading.

See Item 11.A.

ITEM 12

BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

The Funds (in most cases through a master fund) have accounts with various custodians for different types of positions, including prime brokerage accounts, futures accounts and bank accounts. The Funds also enter into executing brokerage arrangements and over-the-counter transactions, including derivatives and securities lending transactions, with a range of other counterparties. We periodically review the Funds' custodial and counterparty relationships, including brokerage relationships, and may add or remove custodians, brokers and other counterparties from time to time as we deem necessary or advisable.

In selecting custodians, brokers and other counterparties for each Fund, we attempt to evaluate the overall quality and cost of the services from the perspective of the Funds, considering such factors as prices, commissions and other expenses as well as the ability of the counterparties to effect the transactions, confidentiality, the quality of their research departments and the counterparty's facilities, related technology, reliability and financial responsibility, among many other factors. We need not solicit competitive bids and do not have an obligation to seek the lowest available commission or financing costs. We may pay higher commissions to brokers believed to offer superior service under the circumstances, including firms that provide internally-developed investment research and analysis to their clients, including the Funds. Accordingly, when we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the overall service provided to a Fund, including internally-developed research and other services provided by such broker, the Fund may pay commissions to such broker in an amount greater than the amount another broker might charge, and this occurs regularly

The phrase soft dollars is commonly used to refer to the use of brokerage compensation (including commissions, spreads, mark-ups and mark-downs) to pay for goods and services other than brokerage services. Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), provides a safe harbor to advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in the performance of its investment decision-making responsibilities. Similar provisions apply in the U.K. and certain other jurisdictions. In general, it is the policy of each Fund that brokerage compensation may not be used to pay for any goods or services other than brokerage services and internally-developed research. For such purposes, internally-developed research includes research reports, recommendations and ideas developed or distributed by the brokerage firm, as well as conferences, seminars, road shows and similar meetings sponsored or arranged by the brokerage firm. The mechanics of a soft dollar arrangement may also be used to pay expenses that would otherwise be properly chargeable to a Fund, when it is impossible or impractical to pay such expenses directly. Any contract that involves the use of brokerage compensation to pay for goods or services other than brokerage services must be reviewed by our Compliance Department to determine whether it is consistent with these policies. The Funds do not enter into soft dollar agreements that require specified levels of business with a particular broker or that involve tracking the Funds' business to generate credits.

When we use brokerage compensation generated by the Funds to obtain research or other products or services, we receive a benefit because we do not have to produce the research or other products or services ourselves, using our own personnel. For this reason, we may have an incentive to select a broker-dealer based on our interest in receiving research or other products or services, rather than the Funds' interest in receiving most favorable execution. In addition, brokerage compensation from one Fund may be used to acquire (indirectly) research or other products or services that are beneficial to a different Fund. We do not seek to allocate these benefits to specific Funds based on

the brokerage compensation that each generates. However, it is our policy that brokerage compensation may be used only to pay for research or other products or services that would constitute Fund Expenses (and therefore be payable by the Funds) in any event. As a result, we do not face any material conflict of interest in deciding whether to acquire such research or other products or services directly (through cash payments) or indirectly (by using brokerage compensation).

Affiliates and customers of certain of the Funds' custodians and other counterparties are significant investors in one or more of the Funds and thereby generate fees for us. Some brokerage firms offer various types of capital introduction services under which qualified potential investors are introduced to investment funds. We accept capital introduction services from time to time, although no additional brokerage compensation is charged in respect of such services and no requirements are imposed regarding the Funds' level of business with the brokerage firm providing such services. Nevertheless, we may have an incentive to select a broker-dealer based on our interest in receiving investor referrals, rather than on the Fund's interest in receiving most favorable execution. Capital introduction services are not meant to provide, and should not be relied upon for, any kind of advice or recommendation (express or implied) regarding an investment in any Fund, and no Investor should invest in any Fund in reliance on any such advice or recommendation.

Brokerage firms and their personnel, as well as other third parties that provide services to the Funds, may offer gifts and entertainment to our employees. We have adopted policies and procedures with respect to the receipt of gifts, but employees may accept invitations to entertainment and networking events (such as dinners and sporting events) without any specific limit on value, provided the person providing the entertainment is present. In addition, our personnel have family and personal relationships with personnel at various brokerage firms and other counterparties. It is our policy that investor relationships, capital introduction services, gifts, entertainment, family and personal relationships and other factors that do not benefit a Fund should not be considered in evaluating the overall quality of the services provided to that Fund by a broker, custodian or other counterparty. However, such factors may present conflicts of interest.

We have the sole authority and responsibility to select brokerage firms to execute transactions for the Funds. The Funds themselves are not permitted to (and have no practical ability to) direct or otherwise influence the selection of brokers for their transactions.

B. Order Aggregation.

In general, we do not aggregate orders to purchase or sell securities for the Multi-Strategy Funds, because their investment activities are consolidated in the Multi-Strategy Master Fund (or one of its subsidiaries), so multiple orders are not necessary. Orders for the quantitative strategies portfolio of the Multi-Strategy Funds and the QS Fund portfolio are aggregated and allocated based on a methodology established in advance and that does not seek to favor one Fund over the other, as more fully described in the applicable Offering Materials.

ITEM 13

REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

One or more of HBK's managing directors has primary responsibility for each business unit, and managing directors review various aspects of the Funds' portfolios on an ongoing basis throughout the year. In addition, our co-Chief Investment Officers and Risk Management group review the portfolios regularly, and various business units also hold periodic meetings. Our Risk Management Committee generally meets every week to review significant new positions and other portfolio developments.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

Review of the Funds' portfolios is an ongoing process. See Item 13.A.

C. Content and Frequency of Account Reports to Clients.

Copies of annual audited financial statements of each Fund are distributed to Investors as soon as reasonably practicable after the end of each fiscal year. Each Fund also distributes monthly and quarterly reports reviewing the Fund's performance, but generally not including a listing of securities held by the Fund. We endeavor to distribute annual financial statements within 90 days after the end of each fiscal year and an estimate of net asset value or monthly performance within four business days after the end of each month, but there can be no assurance that these objectives will be achieved in each instance. At the reasonable request of an Investor, the Fund provides an estimate of income or losses attributable to new issues and an estimate of management fees or performance allocations related to such Investor's interest. To the extent practicable, the Fund provides estimated annual federal tax information in a timely manner in order to assist Investors in estimating their tax liabilities. In response to questions and requests and in connection with due diligence meetings and other communications, the Funds and HBK often provide additional information to certain Investors that is not distributed to other Investors. Such Investors may make investment decisions with respect to a Fund based on such additional information.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

In general, we do not receive any economic benefits from non-clients in connection with providing investment advisory services to the Funds. In some cases, we receive fees for services that are paid by third parties in connection with Fund investments. We have the right to retain such fees, provided that the amount of any such retained fees does not exceed our actual costs in providing the services for which the fees are paid, as estimated by us in good faith. Accordingly, we do not earn a profit from the receipt of such fees, but such fees could offset certain costs that would otherwise be borne by us.

B. Compensation to Non-Supervised Persons for Client Referrals.

We do not, directly or indirectly, compensate any person (who is not one of our supervised persons) for client referrals.

ITEM 15
CUSTODY

HBK is subject to Rule 206(4)-2 of the Advisors Act (the Custody Rule). However, we are not required to comply (or are deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund, because we comply with the provisions of the so-called Pooled Vehicle Annual Audit Exception. Such exception, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all Investors within 120 days after the end of its fiscal year.

ITEM 16
INVESTMENT DISCRETION

We have exclusive discretionary power and authority to invest and reinvest the assets of the Funds, subject to the policies and control of each Fund's directors or general partner.

ITEM 17
VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities.

Each Fund has delegated proxy voting authority on behalf of the Fund to us. We have adopted and implemented a Proxy Voting Policy designed to vote proxies for securities owned by the Funds in a manner focusing on the best interests of the Funds and not the interests of HBK or our personnel. We have engaged an independent proxy voting firm to provide us with proxy analysis, voting recommendations and vote execution services for publicly traded positions other than those held in HBK's statistical arbitrage strategies (as to which we have determined that proxy analysis and voting is not likely to be a worthwhile use of resources). The proxy voting firm has been granted implied consent by HBK to vote proxies in accordance with the proxy voting firm's recommendations (when available), unless overridden by authorized employees of HBK. Because Investors generally do not receive information identifying specific holdings, we generally do not provide information to Investors as to how we voted proxies for specific securities owned by the Funds. We may change our approach to evaluating or voting proxies on behalf of the Funds at any time in our discretion. A copy of our Proxy Voting Policy is available to our Funds upon request.

B. No Authority to Vote Client Securities and Client Receipt of Proxies.

See Item 17.A. above.

ITEM 18
FINANCIAL INFORMATION

A. Balance Sheet.

We do not require or solicit prepayment of fees six months or more in advance.

B. Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients.

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients.

C. Bankruptcy Filings.

HBK has never been the subject of a bankruptcy petition.

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not Applicable.