

ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

HBK INVESTMENTS L.P.

March 31, 2015

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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 of the close relationship between HBK and our Funds, however, our Funds 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 Fund Documents (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 confidential memorandum (or similar disclosure statement), a subscription agreement and the organizational documents for that particular Fund (collectively, the Fund Documents). Before making any investment decision regarding any Fund, you must carefully review the Fund Documents applicable to that Fund, and you should not rely on any other information (written or oral) from us in making any investment decisions regarding that Fund.

In this Brochure and in various other reports, and also in due diligence meetings, telephone conversations, email exchanges and other communications, we provide certain information to investors and prospective investors in our Funds. In every case, such information is qualified by, and does not supersede, the Fund Documents. In particular, all such information is qualified by all of the risk factors, conflicts of interest and other cautionary disclosures contained in the Fund Documents. None of our reports or other communications is intended to, and no one has been authorized to, make any representation or statement regarding any HBK Fund that is inconsistent with the applicable Fund Documents or that qualifies, limits or contradicts any of the risk factors, conflicts of interest or other cautionary disclosures contained in the Fund Documents.

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 Fund Documents. 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 Item 2 lists material changes to the brochure we filed with the SEC on March 27, 2014, in connection with our annual updating amendment.

The description of our advisory business and investment strategies in Items 4 and 8 have been revised primarily to reflect the addition of (i) a group of merger arbitrage funds, with which we entered into an investment management agreement in November 2014, and (ii) a group of special opportunity funds, with which we recently entered into an investment management agreement. In addition, various minor changes have been made to this Brochure in order to conform more closely to corresponding disclosure in the most recent Fund Documents, but we do not consider any of these changes to be material.

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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 192 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 Schedules A and B of Part 1A of HBK's Form ADV. In addition, certain of our affiliates serve as general partner of our Funds.

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, exposure to market risk or other portfolio characteristics.

Our largest 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). We manage (i) a group of quantitative strategy funds (QS Funds), which have combined substantially all their assets into a single master pool (the QS Master Fund), and (ii) a group of merger arbitrage funds (Merger Strategies Funds), which have combined substantially all their assets into a single master pool (the Merger Strategies Master Fund). In addition, we recently entered into an investment management agreement with a group of special opportunity funds (Special Opportunity II Funds), which consists of a feeder fund investing substantially all its assets into a single master pool (the SOF II 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, exposure to market risk 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 February 28, 2015, our total regulatory assets under management were \$19,562,534,000. This amount excludes the Special Opportunity II Funds, which commenced operations on March 17, 2015 and therefore did not have any gross assets as of February 28, 2015. All of our regulatory assets under management are 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 Fund Documents. 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 intended 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 each Fund's portfolio positions into one or more 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 seven primary groups: (1) Corporate Credit; (2) Emerging Markets; (3) Structured Credit; (4) Event Driven Equities; (5) Quantitative Strategies; (6) Volatility; and (7) Developed Markets Fixed Income. The QS Funds focus on investments in the Quantitative Strategies business unit, the Merger Strategies Funds focus on merger arbitrage investments within the Event Driven Equities business unit, and the Special Opportunity II Funds focus on certain opportunistic investments within the Corporate Credit business unit.

Each of the foregoing business 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 foregoing groups 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, exposure to market risks, or other portfolio characteristics. We are not required to hedge any particular risk or type of risk, and our Funds may accept exposure to any risk or hold any position on an unhedged basis. We generally are not required to, and do not intend to, notify Investors in advance of changes in the investment strategies or portfolio composition of any of the Funds. There can be no assurance that any investment strategy pursued by any of the Funds will prove successful.

Corporate Credit. This business group makes outright credit-driven investments and capital structure arbitrage investments involving the securities of corporate issuers in developed markets, primarily in the United States and Europe. Credit-driven investments typically include investment grade, high yield and distressed bonds, par and distressed loans, trade claims, credit default swaps, index products and other credit derivatives. Capital structure arbitrage investments include convertible bond arbitrage and other strategies and typically involve the purchase or sale of loans, bonds, credit default swaps, convertible bonds, convertible preferred stock or warrants that we believe are mispriced relative to each other, their underlying equity securities or other related instruments. We typically attempt to 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. This business group invests in countries other than the most highly rated nations, including investments in corporate debt, sovereign debt, currencies and various types of derivatives and structured products.

Structured Credit. This business group invests in residential and commercial mortgage backed securities and other asset backed securities, collateralized debt obligations, structured notes and other structured products, as well as municipal bonds. This group may also invest in mortgage loans and their underlying collateral.

Event Driven Equities. This business group contains several strategy types including merger arbitrage (or risk arbitrage), special situations and equity intercapitalization. The Funds engage in these strategies globally, including the U.S., Europe and emerging markets. Merger arbitrage and special situations opportunities include investments in the securities of corporations involved in significant transactions, including mergers, acquisitions, divestitures, tender offers, exchange 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 is expected to 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. Special situations also include fundamentally-driven relative value investments. For example, the Funds may seek to exploit relative mispricings of companies in similar businesses by buying the securities of companies that we believe are relatively inexpensive and selling short the securities of companies that we believe are fundamentally overvalued. We may also take a fundamental position and attempt to hedge systematic market risk through offsetting positions in ETFs, index futures or other derivatives or similar products.

This group also includes the New Issues business unit, in which the Funds purchase newly issued securities subject to FINRA rules, 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.

Quantitative Strategies. This business 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. These investments are typically implemented in an automated fashion by computer trading systems. Investments in this business group are currently organized into the following four sub-groups: (1) U.S. Equity; (2) U.K. Equity; (3) Japan Equity; and (4) Futures.

Volatility. This business group invests in a wide range of derivatives across asset classes, with a focus on volatility investments, including correlation trades and relative volatility trades based on the expected volatility of individual equity securities, commodities, currencies, rate products and indices. This group may also hold positions intended to hedge certain portfolio risks.

Developed Markets Fixed Income. This business group invests in sovereign debt securities, municipal bonds 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 perceived mispricings that occur 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 herein and including strategies opposite to those described as being typical. For example, although the Event Driven Equities 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. Some investments may straddle more than one group or may not fit within any of the described groups. Accordingly, investments included within one group for reporting purposes might involve instruments or strategies normally associated with a different group, and investments that do not fit within any of the described groups may be included in the most nearly applicable group for reporting purposes.

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 are encouraged to 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 Fund Documents, including the specific disclosures regarding Risk Factors and Conflicts of Interest that they contain.

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

- General economic and regulatory risks, such as risks associated with general economic and market conditions, regulatory developments, changes in laws, fraud, terrorist attacks and war;
- Portfolio risks, such as risks resulting from the unlimited range of potential strategies that may be employed by some of 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, investments in small companies, litigation, spread widening and conflicting opinions and information;
- 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, risks of handling mail and risks related to requests for information;

- 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, risks related to accounting for uncertain tax positions, risks related to the identify of beneficial owners and withholding taxes 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 are encouraged to read all of the Fund Documents 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.

Mark D. Godvin, a managing director of HBK, is a registered representative 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.

With respect to each of the Funds, neither we nor any of our affiliates currently is registered with the Commodity Futures Trading Commission (the “CFTC”) as a commodity pool operator pursuant to an exemption from such registration provided by CFTC Rule 4.13(a)(3). Neither we nor any of our affiliates currently is registered with the CFTC as a commodity trading advisor pursuant to an exemption from such registration provided by Section 4m(3) of the Commodity Exchange Act, as amended.

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).

Either HBK Capital L.P. or HBK Capital Ltd. is the general partner of each Fund that is a partnership. The general partner or board of directors of each Fund has delegated exclusive discretionary power and authority for investing and reinvesting the assets of such Fund to HBK Investments L.P. (HBK Investments) pursuant to an investment management agreement. HBK Investments has entered into a master sub-advisory agreement with an affiliate, HBK Services LLC (HBK Services), 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 the other sub-advisors are under common control.

While HBK Investments and each of the sub-advisors have been organized as separate legal entities, each sub-adviser will rely on our investment adviser registration instead of separately registering as an investment adviser with the SEC. We have disclosed in the Miscellaneous Section of Schedule D of Part 1A of our Form ADV that we and each of the sub-advisors are together filing a single Form ADV in reliance upon guidance expressed in a recent SEC no-action letter.

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. There can be no assurance that we will resolve all conflicts in a manner that is favorable to our Funds or Investors.

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 we 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.
- We are involved in determining our Funds' net asset value, and this process could involve substantial discretion and subjectivity, particularly in the case of illiquid investments. Even the Funds' administrator's and our best judgment as to fair value may not accurately reflect the prices at which the Funds could actually purchase or sell certain assets. Further, values

may be determined based on quotations received from banks or brokerage firms with which we have significant relationships or for which the Funds are significant clients. The personnel of such banks or brokerage firms could be motivated to provide quotations that would be viewed as favorable to us or our personnel in order to obtain or maintain business with HBK and the Funds.

- 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 separate 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 separate 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. As a result of these provisions, the Funds (and not HBK) generally are responsible for losses resulting from programming errors, trading errors and similar human errors, even when such losses result from HBK's negligence.
- We face actual and potential conflicts of interest when allocating investment opportunities among our Funds or in connection with transactions between Funds (or accounts within Funds). HBK and our affiliates will 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. See Item 12.B.
- 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 Fund Documents, including the specific disclosures regarding Risk Factors and Conflicts of Interest that they contain.

B. Securities In Which 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.

From time to time, our Multi-Strategy Funds and our Merger Strategies Funds will engage in cross transactions between each other, in which one Fund will purchase securities held by the other Fund. These transactions may be effected for a variety of reasons, including, among others, rebalancing the portfolios of such Funds to reflect their current or expected capital, their investment objectives, their overall portfolio characteristics or their potential opportunities, while reducing transaction costs as compared to open market transactions. We face a conflicting duty of loyalty in advising both sides of these transactions. HBK and its affiliates have differing financial interests (e.g., through personal investments or performance fees) in the Multi-Strategy Funds and the Merger Strategies Funds, which may create an incentive for us to favor the Funds in which our financial interests are greater. To mitigate such conflicts, the advisory committees for each of the Multi-Strategy Funds and the Merger Strategy Funds (which committees are comprised of persons not affiliated or associated with HBK) have approved a set of procedures that must be followed for each cross transaction. All cross transactions must be beneficial to both sides of the transaction, which generally requires that they be executed inside the best bid and the best offer that would otherwise be reasonably available in the marketplace at the relevant time for the relevant quantity of the investment. Neither HBK nor any of its related parties will receive any commission, fee or other compensation for effecting these cross transactions.

The Funds may, in the future, enter into principal transactions and other arrangements that may be viewed as matters involving potential conflicts of interest. On behalf of the Investors, we have established or may establish an advisory committee comprised of persons not affiliated or associated with us, the purpose of which is 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, if and when any such transactions arise. 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 obtain best execution based on the overall quality and cost of the counterparty's services from the perspective of the Fund. In addition to the overall costs of a trade, including commissions and spreads, we may (but will not necessarily be required to) consider a range of other factors, including, without limitation: the likelihood and quality of execution; the broker's reputation, financial strength and ongoing reliability; its facilities and technology; its willingness to commit capital; confidentiality and the ability to act with minimum market effect; the nature of the instrument and the available market makers; the desired timing and size of the trade; market conditions; access to products and markets; expertise, trading ideas and other research and research-related services provided by or paid for by the broker that are of benefit to the Fund or other Funds; and such other factors as we deem appropriate and consistent with applicable law. Accordingly, when we determine that the commissions or spreads charged by a broker are reasonable in relation to the value of the overall services provided by such broker, including the value of any such research and research-related services, it may cause a Fund to pay commissions or spreads to such broker that are higher than those charged by other brokers that may not offer such services, and this occurs regularly. The Funds may also make direct payments to brokers and other third parties for research if we believe that the value of the research exceeds or is likely to exceed its cost. In some cases, such payments may be based on a calculation of the accuracy or value added by such research. The use of commissions or "soft dollars" for eligible research, research-related and brokerage services will come within the safe harbor for the use of soft dollars provided by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to prevailing guidance provided by the SEC regarding Section 28(e). Under Section 28(e), research obtained with soft dollars generated by a Fund may be used to service other Funds or accounts. 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 soft-dollar "credits." We will notify Investors if the Funds' policies with respect to soft dollars are changed from the description in this paragraph.

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' interests in receiving most favorable execution. In addition, brokerage compensation from a 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, research and most other products and services that would be offered by a broker would generally constitute Fund Expenses, and would therefore be payable by the Funds in any event. For example, a Fund could receive research or research-related services in exchange for commission dollars or could pay for such research or services directly, and the Fund generally would be required to bear the expenses in either case. Research reports and recommendations, whether developed by a broker or a third party, and

conferences, seminars, road shows, meetings with corporate executives and similar meetings sponsored or arranged by a broker generally would constitute “Fund Expenses,” either as research, investment-related expenses or consultants’ fees. Accordingly, if a Fund were to pay for such services directly, the expenses generally would be borne by the Fund.

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 Funds’ portfolio, orders for the merger arbitrage portfolio of the Multi-Strategy Funds and the Merger Strategies Funds’ portfolio, and orders for the portfolio of the Multi-Strategy Funds related to the applicable special opportunity investments and the Special Opportunity II Funds’ portfolio, may be aggregated (as applicable) 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 Fund Documents.

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 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 120 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 (as applicable) and an estimate of management fees or performance allocations related to such Investor's interest. To the extent practicable, the Funds provide 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.