



Part 2A of Form ADV: Firm Brochure

Hudson Bay Capital Management LP
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This brochure ("Brochure") provides information about the qualifications and business practices of Hudson Bay Capital Management LP and its affiliates. If you have any questions about the contents of this Brochure, please contact us at (475) 900-9550. 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.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about Hudson Bay Capital Management LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This is an Other Than Annual Amendment that is being filed to reflect that the Stamford office location, listed on the cover page of this Brochure, is Hudson Bay Capital Management LP's principal office and place of business.

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Item 4. Advisory Business

Hudson Bay Capital Management LP (“Hudson Bay Capital”)¹, a Delaware limited partnership, is an alternative asset management firm founded in 2005 by Sander Gerber. Mr. Gerber is Hudson Bay Capital’s principal owner and the managing member of Hudson Bay Capital’s general partner.

Hudson Bay Capital provides investment management services on a discretionary basis to privately offered investment vehicles (each a “Fund” and collectively, the “Funds”). In addition to the Funds, Hudson Bay Capital acts as a sub-advisor to SALI Fund Management, LLC with respect to the Hudson Bay Insurance Dedicated Fund Series of the SALI Multi-Series Fund V, L.P. (the “Hudson Bay IDF”). The only investors eligible to invest in the Hudson Bay IDF are segregated accounts (“Separate Accounts”) of insurance companies that meet certain regulatory requirements (“Insurance Company Investors”) and insurance dedicated funds whose sole investors are Insurance Company Investors (collectively, “Eligible Investors”). The Separate Accounts fund certain variable life and variable annuity contracts issued by the Eligible Investors to insurance policy owners. The Hudson Bay IDF invests a substantial portion of its assets in the Funds. In the future, Hudson Bay Capital may provide the same or similar services to separately managed accounts (such accounts, together with the Funds and the Hudson Bay IDF, referred to herein as the “Clients”).

Hudson Bay Capital’s main office is located in Greenwich, Connecticut. The office of Hudson Bay Capital’s affiliate, Hudson Bay Capital UK LLP (“HBC UK”), is located in London, United Kingdom. HBC UK is authorized as an investment firm under the Markets in Financial Instruments Regulation and Directive by the Financial Conduct Authority. The office of Hudson Bay Capital’s affiliate, Hudson Bay Capital Management (DIFC) Ltd. (“HBC Dubai”), is located in Dubai, United Arab Emirates. HBC Dubai is licensed by the Dubai Financial Services Authority to operate as an authorized firm in Dubai and operates as a sub-advisor to Hudson Bay Capital with respect to certain Funds. Hudson Bay Capital also has office locations in Florida, Boston and New York.

The Funds managed by Hudson Bay Capital are generally structured in a “master-feeder” format whereby feeder fund investable capital is invested directly or indirectly into investment vehicles through which Hudson Bay Capital pursues its investment strategies. Hudson Bay Capital advises Funds pursuing a variety of investment objectives and employing different strategies including, credit, fundamental equities, convertibles, event and mergers, volatility and special opportunities. As more specifically described in Item 8—Methods of Analysis, Investment Strategies and Risk of Loss, the master-feeders managed by Hudson Bay Capital are: (i) the multi-strategy Funds (“Multi-Strat Funds”), which target traditional and non-traditional sources of alpha by employing a diverse set of absolute return strategies that are intended to be uncorrelated to each other and to the major indices; (ii) the capital structure strategy Funds (“Capital Structure Funds”), which focus on convertible and other equity-linked and related investments, as well as other debt, and

¹ References herein to Hudson Bay Capital, include Hudson Bay Capital’s affiliates, where appropriate.

(iii) the special opportunities funds (“Special Opportunities Funds”), which focus on assets that Hudson Bay Capital determines are not appropriate in their entirety for its other Funds because of timing, including investment horizon, expected liquidity, direction (*i.e.* because they are unhedged) or other considerations and/or overflow investments from its other funds.² As sub-advisor, Hudson Bay Capital intends to manage the Hudson Bay IDF in a manner such that it has substantially the same exposure as the Multi- Strat Funds.

All discussions of the Funds in this Brochure, including but not limited to their investments, the investment strategies used in managing the Funds, the fees and other costs associated with an investment in the Funds, and the conflicts of interest faced by Hudson Bay Capital in connection with the management of the Funds, are qualified in their entirety by reference to each Fund’s respective confidential private placement memorandum and governing documents (referred to collectively as the “Operative Documents”).

Availability of Customized Services for Individual Clients

Side Letters

The Funds and, in certain cases, Hudson Bay Capital, have discretion to waive or modify the application of, or grant special or more favorable rights with respect to, the terms or provisions applicable to investment in the Funds to the extent permitted by applicable law. Such terms may relate to certain withdrawal rights, fees and expenses, portfolio level information rights or different participation in profits and losses of certain securities or other matters (“Favorable Terms”). To effect such waivers or modifications or the grant of any special or more Favorable Terms, the Funds may create additional classes, sub-classes, tranches or series of interests for certain investors or Hudson Bay Capital may establish additional feeder funds that provide for these differing rights, without providing notice to, or receiving consent from, the investors. Certain of such waivers, modifications or grants of special or more Favorable Terms may also be, and have been, effected by the Funds and/or Hudson Bay Capital through side letters.

In addition, certain investors have Favorable Terms that Hudson Bay Capital deems necessary for them in order to accommodate their investment in the Funds. For example, the Hudson Bay IDF is subject to certain regulatory requirements that require liquidity upon the occurrence of specific events (*e.g.*, to meet a death claim relating to an insurance policy exposed to the Hudson Bay IDF) in order to meet its obligations to pay underlying policyholders.

² Hudson Bay Capital also manages two additional Funds that are no longer accepting new investors: (i) a Fund focused on investments in publicly traded securities such as units, common stock, warrants and occasionally rights, issued by special purpose acquisition companies, as well as SPAC sponsor equity instruments (“SPAC Funds”); and (ii) HBC Real Estate Fund LLC (the “REIT”), which expects to originate or acquire commercial mortgage loans and residential mortgage loans, as well as invest in other real estate-related assets. The SPAC Funds are currently in the process of being wound down. The REIT is a subsidiary of the Multi-Strat Funds, but also has certain outside investors who hold preferred shares.

Although certain investors may invest with different material terms, the Funds and Hudson Bay Capital will only offer such terms if they believe other investors will not be materially disadvantaged. The Funds or Hudson Bay Capital, as applicable, may create additional classes, sub-classes, tranches or series of interests and enter into side letters without notice to, or consent of, other investors. Certain side letters may enable certain investors to receive reports and have access to information regarding the Funds' portfolio that might only be available to other investors upon direct request from such investor. Accordingly, certain investors may be privy to certain information regarding the Funds that may not be available to other investors and such investors may make investment decisions with respect to their investment in the Funds based on such information, including requesting redemptions or withdrawals.

Waiver/Modification of Fees/Performance Allocations

Hudson Bay Capital reserves the right to reduce, waive or calculate differently the management fee, performance allocation and/or carried interest with respect to any investor (and has done so on occasion), including, without limitation, investors that are: (i) present or former employees or principals of Hudson Bay Capital ("Hudson Bay Insiders"); (ii) a member of the immediate family of any Hudson Bay Insider; (iii) any fund or account managed by Hudson Bay Capital for the principal use of any of the foregoing persons described in clauses (i) or (ii); or (iv) a trust or other entity established for the benefit of any Hudson Bay Insider or any member of the immediate family of any Hudson Bay Insider (any of the foregoing, a "Hudson Bay Party" and collectively, the "Hudson Bay Parties"). Currently, Hudson Bay Parties invested directly in the Funds are not charged a management fee and are not subject to a performance allocation or are subject to a reduced performance allocation. In the Multi-Strat Fund, by means of individually-negotiated arrangements, certain investors pay a reduced management fee in exchange for what Hudson Bay Capital deems a substantial investment and reduced liquidity. In the Special Opportunities Fund, certain first close investors pay a reduced management fee and by means of individually-negotiated arrangements, certain investors pay a reduced management fee in exchange for what Hudson Bay Capital deems a substantial investment.

Individual Investor Investment Restrictions

Certain Multi-Strat Fund investors ("SRI Investors") that are subject to a "socially responsible" mandate or other investment mandates which preclude them from participating in profits or losses attributable to certain securities and other investments ("Restricted Investments") of companies ("Restricted Companies") have entered into side letter agreements whereby Hudson Bay Capital uses reasonable efforts to allocate profits and losses attributable to such Restricted Companies away from the SRI Investors' interests or shares (the "SRI Shares") and to other investors ("non-SRI Investors") who are not SRI Investors (the "Restricted Investment Reallocation"). In cases where a single investment thesis or idea is manifested through a group of positions, including related hedges, one of which is an investment in a Restricted Company, as a general matter, Hudson Bay Capital will treat the entire group of investments as a Restricted Investment even if certain of the positions in the group are not securities or other instruments of Restricted Companies. In certain cases, where this general rule results in outcomes Hudson Bay Capital deems

suboptimal, alternate rules may be applied. Because Restricted Investments may include hedges (internal and otherwise) in Hudson Bay Capital's discretion, the Restricted Investments Reallocation may result in a different allocation of profits and losses to the SRI Investors and the non-SRI Investors than would have occurred had there been no hedges (internal or otherwise). Hudson Bay Capital retains complete discretion in determining the methodology used to determine the Restricted Investments Reallocation. Although SRI Investors will not participate in the profits and losses attributable to a Restricted Investment, they will bear a pro rata portion of expenses incurred by the Funds in connection with any such Restricted Investment. In addition, certain Special Opportunities Fund investors ("Excused Investors") that are subject to a "socially responsible" mandate or other investment mandates which preclude them from participating in profits or losses attributable to Restricted Investments have entered into side letter agreements whereby Hudson Bay Capital excludes them from such Restricted Investments. SRI Investors and Excused investors will have different investment returns than an investor that participates fully in a Fund's investments.

Shares and/or interests of the Multi-Strat Fund and interests of the Special Opportunities Fund may be adversely (or positively) affected by Hudson Bay Capital's compliance with the specific investment criteria applicable to the SRI Shares and Excused Investors to the extent such investment criteria cause the other shares and/or interests to have different exposures and weightings than would otherwise be applicable to the Multi-Strat Funds' portfolio in the absence of the SRI Shares and Excused Investors.

In addition, Special Opportunities Fund investors can be excluded from participating in certain investments if Hudson Bay Capital determines in its discretion that there is a substantial risk that such investor's participation in the applicable investment would: (i) result in the Fund losing its limited liability status, (ii) result in a violation of any law or regulation that would have a material adverse effect on the portfolio asset that is the subject of such investment, a Fund, Hudson Bay Capital, any Fund investor or any of their respective affiliates, (iii) subject any of the foregoing to any material filing, regulatory or other requirements or investigation to which it would not otherwise be subject or materially increase the burden of complying with such filing or other requirement beyond what it would otherwise have been, or (iv) result in an increase in the risk or difficulty to the Fund of consummating such investment.

Wrap Fee Programs

Hudson Bay Capital does not participate in a wrap fee program.

Assets Under Management

As of December 31, 2023, Hudson Bay Capital managed Funds with a collective net asset value of approximately \$20 billion, all on a discretionary basis.

Item 5. Fees and Compensation

Management Fee/Performance Allocation

Hudson Bay Capital typically charges investors in the Funds fees, performance allocations and/or carried interest that are based upon a set percentage of assets under management (which in certain instances includes committed but uncalled capital) and/or performance. The fees/performance allocations for all Funds other than the Special Opportunities Fund are deducted directly from the applicable Fund's account. Because the Special Opportunities Fund is a committed drawdown structure, the fees and carried interest can either be deducted directly from the applicable Fund's account, paid via a subscription facility and/or paid via capital called from investors. Investors and prospective investors should refer to detailed disclosure about the management fees, performance allocations, carried interest and other expenses applicable to an investment in the Funds and/or the Hudson Bay IDF that is provided in the Operative Documents, for the applicable Fund or the confidential private placement memorandum and governing documents of the Hudson Bay IDF, as applicable.

Hudson Bay Capital's fee schedule is omitted because this Brochure is only being delivered to "qualified purchasers" as defined in the Investment Company Act of 1940, as amended ("Company Act").

Other Types of Fees or Expenses

Organizational and Operating Expenses

The Funds bear their own costs, fees and expenses and attributable share of the costs and expenses incurred by any trading vehicle in which they are invested (including any master fund), which, depending on the Fund, include, without limitation, the following:

- (i) fees, costs, charges, expenses, liabilities, obligations and other amounts (including amounts paid to outside legal counsel, accountants and tax advisors, including, in each case, professionals on secondment to Hudson Bay Capital) incurred in connection with or incidental to the formation, organization, and establishment of a Fund and certain newly-formed entities to be used in connection with such Fund, the marketing and offering of the Fund to investors and prospective investors, including Travel Expenses (as defined below) and amounts incurred in connection with or incidental to: (i) preparing, printing, mailing or otherwise distributing governing documents, prospectuses, presentations, disclosure documents, side letters and similar agreements, comment responses, diligence materials, legal opinions and other documentation (including those deemed by Hudson Bay Capital to be part of a "template" or "form" document to be used by a Fund), including attorney's fees, costs and expenses related thereto; (ii) complying with any law or regulation related to the formation, organization, establishment, marketing and offering of the relevant Fund (including any "blue sky" and "world sky" filing fees, costs and expenses); (iii) the engagement of and services provided by placement agents; (iv) other accounting, administrative, and capital raising filings;

- (v) negotiating with investors or prospective investors, or similar fees, costs and expenses; and (vi) such other fees, costs and expenses that Hudson Bay Capital incurs on behalf of a Fund and that are incurred in connection therewith;
- (ii) costs, fees and expenses incurred by any of the Funds³ and any trading vehicle investigating, developing, negotiating, structuring, purchasing, originating, disposing of, trading, hedging, monitoring, valuing, terminating and holding investments, whether or not consummated by a Fund or any trading vehicle (including expenses related to establishing co-investment vehicles in connection with proposed investments that are not consummated or trading vehicles that are not ultimately utilized, such as any expenses relating to the discovery, investigation, development or organization of the co-investment, to the extent not borne by such vehicles), and other investment-related fees and expenses of the Funds and any trading vehicle (*e.g.*, brokerage commissions, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, including dividend and stock borrowing costs, transaction fees, custodial fees, clearing and settlement charges, and exchange fees);
 - (iii) costs, fees and expenses related to investment research and development of strategies, including, without limitation, research-related fees and expenses and due-diligence fees and expenses, research-related publications (which may include general news publications, periodicals, subscriptions and database services (including for “big” or “alternative” or similar data), including related news and quotation equipment used to obtain such services), investment, due diligence and research-related travel and travel-related expenses (*e.g.*, transportation, lodging and meals in accordance with Hudson Bay Capital’s travel policy, and such expenses, collectively, “Travel Expenses”) and expert network fees and expenses;
 - (iv) professional fees (which may include performance-based and similar compensation) and expenses (and other similar costs) of accountants, attorneys (including secondees attorneys), appraisers, sourcers, syndicates, introducers or those performing other similar functions, experts, public relations firms and independent valuation consulting companies utilized in researching, diligencing, monitoring, pricing, accounting, facilitating and ongoing management of a Fund’s or a trading vehicle’s investments;
 - (v) fees and expenses for industry conferences, symposiums, meetings or similar gatherings that are related to the purchase, sale or transmittal of, or due diligence regarding, the investments of the Funds and any trading vehicles, whether or not such investments are consummated by the Funds or a trading vehicle; fees and

³ References to Funds in Item 5 refers to each master-feeder structure, including any intermediate or holding entities (i.e., the Multi-Strat Funds, Capital Structure Funds, Special Opportunities Funds and SPAC Funds). Each Fund’s Operative Documents detail the expenses borne by the Fund. In some cases, such expenses are different than those detailed in Item 5. Please see the relevant Fund’s Operative Documents.

- expenses related to preparing for, attending and/or participating in conferences, organizations, symposiums, meetings or similar gatherings, including meetings with *inter alia* industry, corporate, public and government leaders or spokespersons, physicians, representatives from academia, scientists, investors, politicians, journalists, government or quasi-government officials and representatives and/or other key opinion leaders, brokers and/or vendors (in each case, in accordance with Hudson Bay Capital's expense allocation policy) (including Travel Expenses, fees, membership dues, expenses and costs associated with attending, joining, participating in or preparing for such events, conferences, organizations, symposiums, meetings or similar gatherings, including the fees, costs and expenses of third-party consultants for presentations and speech writing as well as all costs in developing and preparing content for such events);
- (vi) Travel Expenses of Hudson Bay Capital's personnel (including managing, equity and Non-Equity Partners (as defined below)), employees and otherwise, and, where Hudson Bay Capital determines in its sole discretion appropriate, consultants) with respect to travel among or to and from the offices of Hudson Bay Capital, in each case, in accordance with its expense allocation policy;
 - (vii) fees and expenses of proxy research and voting services as well as fees and expenses (and other similar costs) of investment bankers, consultants (including management consultants, expense management consultants and consultants providing counseling, coaching or training to the personnel (including partners) of Hudson Bay Capital);
 - (viii) fees and expenses of any on or off-site third-party advisers, contractors, consultants, experts and other third-party service providers providing accounting, operation, risk management, tax planning (including tax planning for Hudson Bay Capital), valuation, pricing and modeling services (including the fees and expenses of the administrator and any "shadow" administrator, any valuation agent and other services, including the Travel Expenses for such third-party service providers);
 - (ix) fees and expenses of any on or off-site service providers, providing administrative (including "shadow" administration) services (including the fees and expenses of the administrator and any "shadow" administrator, including the Travel Expenses for such service providers);
 - (x) legal and other professional fees and third-party expenses relating to the marketing, offering and sale of interests in the Funds (including shares and/or interests in the PM Tranches (defined in Item 8)) and any trading vehicle and the ongoing management of the Funds and any trading vehicles (including, without limitation, fees and expenses of legal counsel relating to updates of the Funds' offering (including marketing) and governing documents, the negotiation and/or drafting of, and compliance with, side letters, the structuring and offering of PM Tranches, and/or vendor contracts, ongoing investor relations and investor servicing (including compliance with reporting obligations to investors)); costs associated

- with complying with marketing and/or offering rules of any jurisdictions; compliance with filing requirements and registrations with local, state (*e.g.*, “blue sky” regimes and corporate registration fees) and other countries’ laws or regulations, negotiation of vendor contracts, and compliance with reporting and/or withholding regimes in any jurisdiction and regulatory reporting and compliance costs attributable or relating to the Funds and/or any trading vehicles, such as filing fees and expenses relating to Form PF and Section 13 filings, Hart-Scott-Rodino, exchange filings, court filings and other similar filings and any additional regulatory filings that may be required or appropriate in the future; and other legal and professional fees and expenses relating to investment activities, custody, brokerage, clearing, financing and credit arrangements;
- (xi) fees and expenses relating to claims, demands, actions, suits, settlements or proceedings (whether civil, criminal, administrative or investigative, which includes formal and informal inquiries and “sweep” examinations (whether cooperation with such inquiries is voluntary or mandatory), or requests), actual, threatened or believed by Hudson Bay Capital to be possibly threatened, in which an indemnified party or the Funds themselves, in each case, may be involved as a party or otherwise (collectively, “Proceedings”) (including evaluation and investigation of, and preparedness for, any possible Proceedings), with respect to contemplated (whether made or not), current and past investments;
 - (xii) fees and expenses of an independent Fund committee and any other committees appointed for, or providing assistance to, a Fund and any trading vehicle;
 - (xiii) any and all systems and technology expenses incurred by Hudson Bay Capital and its affiliates, including, without limitation, all hardware (including phones, cell phones, computers, etc.), VOIP, software and data costs and expenses, and all investment-related systems, accounting, treasury and operations systems, compliance and trade surveillance systems, order management systems, risk management systems, investor reporting systems and platforms, contact relationship management systems, data warehousing expenses, data and news and quotation equipment and services, software development expenses, business continuity, and remote working expense and valuation systems and other systems and technology to the extent that they support Hudson Bay Capital’s (and its affiliates’) business (whether exclusively or partially) and/or proprietary or vendor supplied systems and processes (including development of “big,” “alternative” and similar data and/or capabilities), such expenses to include, for the avoidance of doubt, the fees and expenses of on or off-site third-party consultants or contractors providing the foregoing and the cost of obtaining and storing data required for such systems and technology (collectively, “Technology Expenses”); and all Compensation Costs (as defined below) of the personnel employed by Hudson Bay Capital or its affiliates in its Information Technology Department along with that portion of Compensation Costs of members of other departments of Hudson Bay Capital who spend sufficient time (as determined by Hudson Bay Capital in its

discretion) on designing and providing technology services listed above allocable to the provision of such services;

- (xiv) all costs and expenses relating to: (a) the recruiting of personnel of Hudson Bay Capital and its affiliates (including of Portfolio Managers (as defined below)), including the hiring, interviewing and onboarding of such personnel whether or not such personnel accept employment with Hudson Bay Capital (such as Travel Expenses, recruitment fees and retainers paid, internal referral payments, certain upfront compensation (including signing bonuses), background checks, relocation expenses, and buy-out payments, including buyouts or repayments of prior deferred compensation, retention payments or other incentive plans attributable to previous employers, payable to employees and other incentive and compensation plans and legal fees and expenses related to the hiring of personnel), and all Compensation Costs of the personnel employed by Hudson Bay Capital to recruit personnel on behalf of Hudson Bay Capital and its affiliates and any person reporting to, or supporting such personnel and (b) all payments made to Hudson Bay Capital or its affiliates' personnel which Hudson Bay Capital determines are necessary to incentivize such persons to continue being employed and/or affiliated with Hudson Bay Capital (including one-time and/or annual payments in an amount determined necessary Hudson Bay and increases to the base salary and/or percentage share of net profits of applicable personnel (including by virtue of Non-Equity Partner Compensation (as defined below) (collectively, "Recruiting and Retention Costs");
- (xv) Compensation Costs of (a) PM Supporting Professionals (as defined below), and (b) Designated PMs (as defined below);
- (xvi) all costs relating to the termination of any employee of Hudson Bay Capital or its affiliates (including, without limiting the generality of the foregoing, any investment personnel), including settlement payments and legal fees associated with the termination of such employee and "non-compete" and/or severance payments and/or payments paid during "garden leave;
- (xvii) (a) management fees, incentive and performance fees and allocations of any kind and any other fees and expenses that are paid to any third-party managers and investment advisors, including, but not limited to, managers and advisers to Third-Party Ventures (as defined in Item 8) and (b) startup, organizational, operational and similar costs and expenses of Third-Party Ventures and their respective managers;
- (xviii) accounting, auditing and tax preparation fees and expenses such as fees and expenses of preparing, creating, printing, copying, and distributing financial statements, tax returns, financial information and reports to investors and Schedules K-1 and tax planning for the Fund and any trading vehicle;
- (xix) organizational expenses; costs and expenses of communicating with, maintaining records relating to, and preparing, printing and mailing presentations, reports and

- notices to, investors and prospective investors or other third-parties excluding Travel Expenses incurred by Hudson Bay Capital personnel to meet with investors or prospective investors or other third-party representatives of investors or prospective investors;
- (xx) fees and expenses relating to directors' and officers' liability insurance, errors and omissions insurance, and other similar policies for Hudson Bay Capital and its respective members, officers and employees and members of the boards of directors of the Funds and any trading vehicle (including those that are affiliated with Hudson Bay Capital); and all fees and expenses with respect to the Funds' and any trading vehicle's indemnification obligations (and any advancements thereof) and other related expenses;
 - (xxi) fees and expenses (including, without limitation, director registration fees) of the Funds' or any trading vehicle's directors;
 - (xxii) fees and expenses incurred in connection with annual or special meetings, voting or consents of investors, including costs of annual or special meetings of, and presentations to, investors, and costs incurred in connection with seeking approval or consent of investors;
 - (xxiii) management fees;
 - (xxiv) fees and expenses related to the maintenance of the registered office and registered agent (if any) of the Funds and any trading vehicle and other similar fees and expenses;
 - (xxv) bank services fees;
 - (xxvi) withholding and transfer fees;
 - (xxvii) any fees and expenses incurred by the tax matters partner or the partnership representative, in each case, serving in its capacity as such, or incurred in connection with any tax audit, examination or review by any tax authority, including any related administrative settlement and judicial review, and any and all taxes (including any interest, penalties, or additional amounts imposed with respect thereto), other than those specifically allocated to, or actually borne by, a particular investor or former investor;
 - (xxviii) other expenses related to the purchase, sale or transmittal of a Fund's or a trading vehicle's capital;
 - (xxix) costs of any audit, investigations, Proceedings (including evaluation and investigation of and preparedness for any possible Proceedings) relating to the business, administration, existence and any other activity whatsoever of the Funds and/or any trading vehicle (including offering of shares and/or interests);

- (xxx) fees and expenses associated with any tax or other audit, investigation, regulatory matter, settlement or review of the Funds or a trading vehicle;
- (xxxi) costs, fees and expenses associated with forming, operating and/or engaging any affiliated service provider;
- (xxxii) costs, fees and expenses which may be paid as a retainer, consulting fee (e.g., time and materials), incentive compensation (such as a bonus or success fee, an equity incentive or a profit participation, or as guaranteed minimum compensation) of any operating partner or any third-party service provider;
- (xxxiii) costs, fees and expenses related to exploring (whether or not ultimately consummated) and engaging in a liquidity transaction;
- (xxxiv) the allocable portion, as reasonably determined in good faith by Hudson Bay Capital, of the costs, fees and expenses (including Compensation Costs and attributable overhead) incurred by Hudson Bay Capital or its affiliates with respect to internal resources that provide any of the services described in items (viii-ix) above; and
- (xxxv) extraordinary expenses and other similar expenses related to the Funds or any trading vehicle;

A portion of research-related expenses may be paid for using “soft dollars” (*i.e.*, commission dollars and transaction fees generated through agency and certain riskless principal transactions).

Certain professionals determined by Hudson Bay Capital in good faith to be industry executives, advisors, consultants (including operating consultants and sourcing consultants), operating executives, subject matter experts or other persons acting in a similar capacity may be hired or engaged to provide consulting, sourcing or other services to or in respect of a Fund or its investments, including, but not limited to, services related to the development of investment theses and investment opportunities in a given sector or deal analyses (in each case which services may, for the avoidance of doubt, be provided prior to the commencement of an investment). The fees, costs and expenses relating to any such persons, which may be paid as a retainer, consulting fee, incentive compensation (such as a bonus or success fee, an equity incentive or a profit participation, or as guaranteed minimum compensation), will be charged to the Fund.

From time to time, such consultants may be retained to provide services to Hudson Bay Capital and/or a Fund. In these situations, Hudson Bay Capital and the Funds will bear their allocable share of such consultant’s compensation and related expenses. Any determination of the allocable share of such expenses to be borne by the Funds will be made in a manner determined by Hudson Bay Capital (in its discretion) to be fair and equitable. A consultant may not keep formal records (such as time sheets) to document his/her devotion of time and sometimes it may be difficult to assess whether a particular

task is on behalf of, or more beneficial to, a Fund or Hudson Bay Capital. Therefore, any determination by Hudson Bay Capital about a Fund's allocable share of such expenses will involve subjective decisions or judgment and presents a conflict of interest because Hudson Bay Capital will have an incentive to cause the Funds to bear costs that would otherwise be costs of Hudson Bay Capital.

As used herein, "Compensation Costs" means: (i) with respect to an employee of Hudson Bay Capital or any of its affiliates, any cost of compensating the applicable employee, including all base compensation and benefits paid to such employees (including, but not limited to, healthcare contributions, premiums and claims, payroll, withholding and similar taxes, workers' compensation contributions, 401(k) and similar retirement or savings plan contributions and administration fees, professional dues and professional development related expenses, the costs of industry conferences, tuition and commuter reimbursement plans, and other perquisites incidental to an employee's position and function); any bonuses paid to such employees (including supplemental, retention, discretionary, phantom equity, profit sharing, profit interest (including Non-Equity Partner Compensation (as defined below)) and formulaic bonuses of any kind); legal fees and expenses and Recruiting and Retention Costs, in each case, relating to such employees, as applicable; and (ii) with respect to any person that is not an employee of Hudson Bay Capital or any of its affiliates, management fees, performance-based and similar compensation of any kind and any other expenses that are paid to such person as remuneration for services. The Funds will bear their share of Compensation Costs of those individuals referenced above even if the services provided by such persons are unrelated to their main job functions.

Certain personnel (including Portfolio Managers) have the title of "Partners" of Hudson Bay Capital even though they do not own equity in Hudson Bay Capital (collectively, "Non-Equity Partners"). The income of the Non-Equity Partners, including that portion that is based on the financial results of Hudson Bay Capital and/or its affiliates (the "Non-Equity Partner Compensation") are treated as "Compensation Costs" and therefore the Funds will bear the Non-Equity Partner Compensation of those individuals referenced herein as persons whose compensation or other payments are borne by the Funds regardless of the fact that they are Non-Equity Partners. For the avoidance of doubt, the Principals (also known as Managing Partners) are not considered Non-Equity Partners.

As used herein, the term "PM Retention Payments" means payments made to a portfolio manager (other than principals) which Hudson Bay Capital determines are necessary to incentivize such portfolio manager to continue being a portfolio manager of Hudson Bay Capital. PM Retention Payments include: (i) one-time and/or annual payments in an amount determined necessary by Hudson Bay Capital and (ii) increases to a portfolio manager's: (A) base salary and/or (B) percentage share of net profits. For the avoidance of doubt, PM Retention Payments can and likely will include other forms of compensation as well (including Non-Equity Partner Compensation).

As used herein, "PM Supporting Professionals" means, collectively, such persons who are engaged by Hudson Bay Capital and/or its affiliates to (A) support the portfolio managers in a variety of ways, including those who: (i) manage and/or have discretion over a portion

of a portfolio manager's portfolio (subject to any risk and portfolio parameters and metrics set by the relevant supervising portfolio manager), and (ii) provide analysis, research, trade or execution support, or any other activities with respect to a portfolio manager's(s') portfolio(s), (B) are otherwise involved in a manner deemed by Hudson Bay Capital to be similar to the foregoing but may provide such support with respect to the Funds' and/or the trading vehicles' overall portfolio (such as centralized trading and execution desk, persons involved in securities borrowing or lending, portfolio financing (*e.g.*, repo specialists) and portfolio-wide risk management) and/or large portions of the portfolio (such as support to the Chief Investment Officer, including "portfolio strategists," "heads of sectors" or persons providing similar services or fulfilling similar functions (such as developing "big" or "alternative" or similar data and analytical support)), and (C) any persons retained as on or off-site third-party advisers, consultants and contractors for similar purposes.

For the avoidance of doubt, a Portfolio Manager can be deemed a PM Supporting Professional to the extent Hudson Bay Capital determines that: (A) such Portfolio Manager (excluding the Principals) provides the requisite assistance, support and/or expertise to another Portfolio Manager (even if such Portfolio Manager receiving such assistance, support and/or expertise is a Principal such as Mr. Gerber); or (B) such Portfolio Manager (including a Principal other than Sander Gerber) provides support with respect to a Fund's overall portfolio and/or large portions of the portfolio (such as support to the Chief Investment Officer). As a result, although the Funds generally do not bear the Compensation Costs of the Portfolio Managers, to the extent that a Portfolio Manager is acting as a PM Supporting Professional, the Funds will bear that portion of that Portfolio Manager's compensation that Hudson Bay Capital deems to relate to assistance provided as a PM Supporting Professional.

As used herein, "Designated PMs" means, in each case, a portfolio manager whose Compensation Costs Hudson Bay Capital determines, in its discretion, should be an expense of the applicable Fund. For example, such determination may be made in situations including where: (i) the Designated PM's portfolio is capacity constrained or (ii) the Designated PM trades in a strategy not currently extensively deployed by Hudson Bay Capital, which requires additional supporting infrastructure.

As used herein, the term "Termination Costs" means all costs relating to the termination of an employee (including, without limiting the generality of the foregoing, a portfolio manager and a PM Supporting Professional), including settlement payments and legal fees and expenses associated with the termination of an employee and, "non-compete" and/or severance payments and/or payments paid during "garden leave."

In some cases, a Fund may pay a money market fund or such other short-term investment vehicle an advisory fee on assets invested in the money market fund or short-term investment vehicle in addition to the fees paid to Hudson Bay Capital and/or an affiliate.

As spelled out in more detail in the Funds' Operative Documents, certain of the above enumerated expenses borne by certain of the Funds are subject to certain "expense caps" for a limited period of time (the "Expense Cap Period") whereby the Funds will not be

allocated expenses above certain levels and any such expenses in excess of such expense caps will instead be borne by Hudson Bay Capital.

Please also see “Item 12—Brokerage Practices” below.

Expense Caps and Other Limitations

By means of individually-negotiated arrangements, the Operating Expenses allocable to certain early stage investors of the Capital Structure Funds are subject to an expense cap, calculated as a fixed percentage of the applicable Capital Structure Fund’s average net asset value for the fiscal year (“cap”). In the event such investors’ allocable share of the Capital Structure Fund’s Operating Expenses for a fiscal year exceeds the Expense Cap, Hudson Bay Capital and/or its affiliates, and not the early stage investors, will pay the allocable amount over the cap. “Operating Expenses” for this purpose means the operating expenses as set forth in the Capital Structure Fund’s Consolidated Audited Financial Statements other than organizational and offering expenses, the Capital Structure Fund management fee and incentive allocation, quotation fees and market data fees and extraordinary expenses.

Trading Vehicle Fees

Certain of the Funds are authorized to enter into arrangements to invest in entities managed by or affiliated with Hudson Bay Capital (including, for this purpose, individuals or entities that provide their services exclusively to Hudson Bay Capital or its affiliates or clients). In such cases, to the extent necessary to avoid two layers of compensation to Hudson Bay Capital and/or its affiliates, to the extent that fixed asset-based fees and/or performance-based compensation are due to Hudson Bay Capital, Hudson Bay Capital or its affiliates from an affiliate trading vehicle in respect of investments made through such affiliate trading vehicle, such fixed asset-based fees and/or performance based compensation will reduce dollar-for-dollar, but not below zero, the management fee and/or performance allocation payable to Hudson Bay Capital, as applicable, provided that where such entity is owned in part by Hudson Bay Capital and/or its affiliates and in part by an unaffiliated entity, such fees or compensation will be accounted for separately, such that the amount that is attributable to the unaffiliated entity will be treated as an expense of the Funds and the amount that is attributable to Hudson Bay Capital and/or its affiliates will reduce, dollar-for-dollar, but not below zero, the management fee payable by the Funds and/or performance allocation.

Ancillary Fees/Incidental Benefits

Hudson Bay Capital and/or its affiliates may earn fees and other income (“Ancillary Fees”) from services provided or related to portfolio investments or in connection with portfolio investments or prospective portfolio investments, such as, without limitation, advisory fees, due diligence fees, structuring fees, servicing fees, directors’ fees, break-up fees or any similar fees. Hudson Bay Capital and its affiliates will keep any profits, commissions, fees or other income earned by them in connection with any such activities. Unless otherwise stated in a Fund’s operative documents, neither Ancillary Fees nor other types

of income earned and retained by Hudson Bay Capital and its affiliates, including all income unrelated to the Funds' activities, will reduce the management fees or performance allocations, and the Funds will not participate in any such income.

In addition, employees of Hudson Bay Capital and/or its affiliates can be expected to receive certain intangible and/or other benefits and/or perquisites arising from its or their activities on behalf of the Funds, which will not be shared with the Funds and/or investors. For example, hotel chains or other merchants may provide for "points" or other "rewards," and airline travel may result in "miles" or credit in loyalty/status programs with respect to credit cards used to incur expenses (which may be Fund expenses), and in each case such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to such employees even if the cost of the underlying expense is borne by the Funds.

Expenses Among Multiple Accounts

To the extent any expenses are attributable to multiple Clients, such expenses will be allocated among such Clients in a manner as determined by Hudson Bay Capital in its sole discretion to be fair and equitable, in accordance with Hudson Bay Capital's expense allocation policy. (See Item 11 — Conflicts of Interest — "Allocation of Expenses," below.)

No Compensation for the Sale of Securities or Other Investment Products

Hudson Bay Capital does not receive a brokerage commission or any other compensation attributable to the sale of securities or investment products and Hudson Bay Capital personnel do not receive such compensation.

Item 6. Performance-Based Fees and Side-by-Side Management

As stated in "Item 5 – Fees and Compensation" above, generally all Hudson Bay Capital Clients are subject to payment of a performance-based compensation. This performance-based compensation creates an incentive for Hudson Bay Capital to make more speculative investments than would otherwise be made, or make decisions regarding the timing and manner of realization of investments differently than if such compensation was not received.

In measuring a Client's net profits for the purpose of calculating performance-based compensation with respect to certain Funds, Hudson Bay includes unrealized capital gains and losses and, as a result, the performance-based compensation for such Funds may be based on gains that investors never ultimately realize. To the extent performance-based compensation paid by Clients vary, Hudson Bay Capital could have an incentive to favor one Client over another. Hudson Bay Capital addresses this conflict through its trade allocation policy, in which investment opportunities are allocated among Clients according to each Client's investment objectives and in manner that Hudson Bay Capital believes to be fair and equitable over time.

Item 7. Types of Clients

Hudson Bay Capital provides investment advice to private investment vehicles (defined previously as the “Funds”). Hudson Bay Capital provides investment advice directly to the Funds and not individually to the Fund investors. The Fund investors generally consist of institutions (*e.g.*, pension plans, endowments, trusts, estates, charitable organizations, foundations, insurance companies, banks, etc.), “funds of funds” and high net worth families and individuals. Generally, investors in the Funds must be “accredited investors,” as defined in Rule 501(a) of Regulation D, promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended, and “qualified purchasers,” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Hudson Bay Capital currently manages several private funds that are currently offered to investors that implement different investment strategies: (i) the Multi-Strat Funds; (ii) the Capital Structure Funds; and (iii) the Special Opportunities Funds. As mentioned above, the SPAC Funds are being wound down and are not currently being offered and the REIT is encompassed within the Multi-Strat Funds.

The Multi-Strat Funds

Strategies utilized by the Multi-Strat Funds include a wide range of absolute return, market neutral, relative value, event-driven, directional, hybrid and other strategies. The investment objective of the Multi-Strat Funds is to target traditional and non-traditional sources of alpha by employing a diverse set of absolute return strategies that are intended to be uncorrelated to each other and to the major indices. In deploying trading and investing strategies, the Multi-Strat Funds expect to hold both long and short positions in a broad range of debt and equity securities, derivatives and investments on a global basis. There are no material limitations on the instruments, markets or countries in which the Multi-Strat Funds may invest or on the investment strategies which may be employed on behalf of the Multi-Strat Funds.

The Multi-Strat Funds are organized in a master-feeder structure, in which two offshore feeder funds (one of which invests on a levered basis) invest all or substantially all of their capital, and a single onshore feeder fund invests a majority of its capital, directly or indirectly into a master fund that is organized as a Cayman Islands exempted company. The onshore feeder fund invests the remainder of its capital into a wholly-owned subsidiary organized as a Delaware limited partnership through which Hudson Bay Capital makes investments that, in its determination, would be tax disadvantageous to the offshore feeder funds (for example, originating debt obligations such as loans, notes and other debt instruments or obligations) as well as investments that Hudson Bay Capital believes are not practical or otherwise in the interest of the offshore feeder funds.

The Multi-Strat Funds in general, and the levered feeder fund in particular, use leverage, which may be substantial. While leverage presents the opportunity for increasing the total return on investments, it has the effect of potentially increasing losses as well.

SPAC Interests

To date, the Multi-Strat Funds have issued one series (each such series, a “Special Opportunity Investment”) of interests in the Multi-Strat Funds that solely invests in the SPAC Funds (the “Special Opportunity Investment Series” and such interests, the “SPAC Interests”). The SPAC Funds are organized in a master-feeder structure and currently the only feeder is the Special Opportunity Investment referenced above. The SPAC Funds’ strategy was focused on investments in publicly traded securities, such as units, common stock, warrants and occasionally rights, issued by special purpose acquisition companies (each, a “SPAC”), formed for the purpose of raising capital to fund initial business combinations (each an “IBC”) as well as investments in SPAC sponsor equity instruments

As the SPAC Funds are in the process of being wound down, it is not engaging in new investments.

PM Tranches

Certain of the Multi-Strat Funds may also issue tranches and/or classes of shares/interests or a Special Opportunity Investment corresponding to the investment strategy (or a sub-strategy to the extent there are multiple investment strategies managed by a particular portfolio manager) pursued by a particular portfolio manager (the “PM Tranches”). Generally, only the portfolio manager associated with a PM Tranche, members of such portfolio manager’s team, a family member of such persons and/or trusts or other entities for their benefit and certain other persons associated with Hudson Bay Capital will be eligible to subscribe for a PM Tranche.

The Capital Structure Funds

The strategy of the Capital Structure Fund focuses on convertible and other equity-linked and related investments, as well as other debt. The Capital Structure Fund is organized in a master-feeder structure.

The Capital Structure Fund pursues its investment objective and strategies primarily in the United States, but may also invest on a global basis. The Capital Structure Fund implements a number of different strategies in its portfolio, including but not limited to convertible arbitrage, relative value, capital structure arbitrage and other credit-related strategies. Although the Capital Structure Fund’s overall focus is on convertible and other equity-linked and related investments as well as other debt, there are no material limitations on the markets, strategies, instruments or countries in which Hudson Bay Capital may trade on behalf of the Capital Structure Fund. The Capital Structure Fund is not subject to any specific diversification requirements with respect to the issuers, product types or amount of leverage that may be incorporated in its portfolio, except as may be dictated by applicable laws. As such, the Capital Structure Fund’s portfolio may from time to time be concentrated, possibly materially, in a particular market, strategy, instrument type or country. On an ongoing basis, the Capital Structure Fund’s portfolio evolves as new market sectors, instruments, strategies and techniques are incorporated by Hudson Bay Capital and others are discontinued or modified. The Capital Structure Fund’s portfolio and its performance can be expected to differ materially over time.

The Capital Structure Fund uses leverage, which will be substantial, but there is no assurance that the desired level of leverage will be available on acceptable terms, or at all.

The Special Opportunities Funds

The strategy of the Special Opportunities Funds is to focus on exploiting opportunities that Hudson Bay Capital believes reflect market inefficiencies and investing globally in a broad range of investments. For example, the Special Opportunities Fund expects to invest in assets that Hudson Bay Capital (i) believes are stressed, distressed and/or undervalued, (ii) has deemed not appropriate in their entirety for other Funds, whether because of timing,

duration of investment horizon, expected liquidity, direction (i.e., unhedged investments) or other considerations, and/or (iii) overflow investments from one or more other Funds.

It is currently expected that the Special Opportunities Funds will utilize a variety of strategies including, but not limited to, investments that are event-driven, directional, stressed and distressed debt, performing credit in stressed and distressed capital structures, post-reorganization public and private equity, liquidation stubs, litigation claims and trade claims, asset backed debt and other strategies with a specific focus on special situations in the private and public markets. The Special Opportunities Funds also may invest in a variety of structured products, including derivatives (such as equity total return swaps, interest rate swaps and credit default swaps), as well as dividend futures, long-term equity financing (using swaps or futures), long-term derivative payoffs, hybrid options and other exotic payoffs linked to risk recycling from dealers.

The Special Opportunities Funds' investment strategies are expected to evolve over time and new strategies may appear within the Special Opportunities Funds' portfolio. There are no limitations on the investment strategies employed by the Special Opportunities Funds or the instruments, markets or countries in which the Special Opportunities Funds invests. Decisions as to whether or not to implement or modify any strategies will be made in the discretion of Hudson Bay Capital, without seeking the consent of, or notice to, the investors.

The Special Opportunities Funds are organized in a master-feeder structure, in which three feeder funds invest all or substantially all of their capital directly or indirectly into up to four master funds.

The Special Opportunities Funds use leverage, which can be substantial, but there is no assurance that the desired level of leverage will be available on acceptable terms, or at all. While leverage presents the opportunity for increasing the total return on investments, it has the effect of potentially increasing losses as well.

Methods of Analysis and Investment Strategies

Following is a description of some of the more significant investment strategies that, unless otherwise indicated with respect to a particular Fund, Hudson Bay Capital uses or could combine on behalf of the Funds generally, investment instruments in which Hudson Bay Capital from time to time has the Funds invest and the risks associated with them. Not all of the investment strategies, investment instruments and associated risks are relevant to all Funds.

Relative Value Strategies – seek to profit from the relative mispricing of related assets: for example, convertible bonds and the common stock underlying the conversion option, other options and futures and their underlying reference assets, debt instruments of the same issuer or of different issuers (including credit default swaps on the issuer(s)) with different maturities or yields and the common stock of different issuers in the same industry sector. These strategies may be highly quantitative and based on theoretical or historical pricing relationships. Because they focus on capturing the value from the relative mispricing of

related assets, relative value strategies can generate returns independent of overall movements in the global level of debt or equity prices, although many of these strategies in fact are constructed with a long or short equity or debt bias. Because the mispricings that these strategies exploit tend to be small in absolute terms, these strategies frequently use leverage, which could be substantial, in an attempt to increase returns. Relative value strategies typically do not hedge all the risks of the strategy, and certain risks cannot be effectively hedged.

The use of leverage creates risks of “credit squeezes” and the adverse effects of discretionary margin increases by dealers and counterparties to which many strategies are not subject.

Few relative value strategies involve pure arbitrage, in which a profit will inevitably be recognized if the position can be held until maturity. Moreover, it is typical of relative value strategies not to, and Funds do not, hedge all the risks of each strategy, and certain risks cannot be effectively hedged. Relative value strategies are all (even in the case of pure arbitrage) subject to the fundamental risk that aberrational market prices, even if correctly identified, will not revert to fair value during the period that a Fund is able to maintain its positions.

Event-Driven Strategies – concentrate on the profit potential created by major corporate events: for example, mergers, acquisitions, restructurings, bankruptcies, liquidations, regulatory or legal developments and other events. Unlike relative value strategies, which emphasize the (often theoretically compelled) quantitative relationship among different but related assets, event-driven strategies are highly issuer- and transaction-specific and could rely more on fundamental research and judgment than on mathematical precision. Positions are taken which will be profitable if a particular event comes to pass, while a variety of techniques are used to mitigate the risk that the event does not happen. The uncertainty associated with the event may not be quantifiable in the same sense as a deviation between a theoretical and an actual price level, which creates an added dimension of risk. Event-driven strategies are dependent on market conditions conducive to major corporate events.

Directional Strategies – attempt to predict near to mid-term absolute movements in the prices of equities, debt instruments or other assets. Price forecasting may be based on the fundamental analysis of an issuer or industry (which may be based on subjective evaluation of the strength of management, the prospects for the business or other factors), specific expertise in a particular technological or scientific niche, quantitative analysis of value indicators (such as price/earnings ratios, “free cash flow” and EBITDA), econometric models in which issuers are treated as fungible, or other fundamental or technical analysis appropriate to a particular situation. Although diverse in their methods, these strategies each attempt to predict future prices based not on relative mispricing or on the happening of a particular event that will itself define value, but rather on the belief that the market will come to realize the “fair” value of an asset. These strategies are subject to the risk that

the traders will have incorrectly identified fair value or that such fair value will not be reflected in market value within the time horizon of the strategy.

Although certain directional strategies (for example, buying growth equities) are largely dependent on overall market movements, others attempt to reduce the impact of the market conditions by establishing both long and short positions. While such “beta neutral” or “beta reduced” strategies may, to a certain extent, be characterized as relative value strategies, the hallmark of these strategies is the identification of assets which Hudson Bay Capital believes the market will revalue and the elimination through hedging of the factors which may cause the market not to do so.

Event/Merger Arbitrage – involves investing in securities of an issuer, or often times issuers, which is or are involved in prospective mergers or corporate combinations, acquisitions, tender offers, exchange offers, corporate recapitalizations, litigation or spin-offs or other corporate action transactions with the expectation of profiting from the difference between the price of such securities at the inception of the investment and the price of such securities in expectation of or upon consummation of particular events.

Derivative/Index Arbitrage – involves the purchase and sale of ETFs, ETNs, and other funds, as well as options, futures, warrants, swaps and other derivative securities in anticipation of profiting from a relative mispricing between them. These transactions may be offset in the underlying principal markets. Examples of such strategies are commonly known as index arbitrage and volatility arbitrage.

Options Arbitrage – seeks to profit from market turbulence or lack thereof, as reflected in movements in option prices that result from either market volatility or market fluctuations. The goal of this strategy is to buy inexpensively priced (*i.e.*, low implied volatility) options whose underlying instruments are historically more volatile, and sell expensively priced (*i.e.*, high implied volatility) options whose underlying instruments are historically less volatile.

Volatility Arbitrage – seeks to identify and exploit relative mispricings in general volatility levels, skew and term structures across global markets. The strategy has historically focused mostly on equity volatility products, but the strategy has and will trade volatility in other asset classes. Hudson Bay Capital will evaluate volatility through the analysis of capital structure, event catalysts and the structured products market.

Convertible Arbitrage – involves purchasing and selling convertible securities and may involve hedging the underlying equity and/or credit risk and/or interest rate risk and/or volatility risk, in anticipation of profiting from a relative mispricing between the convertible and the hedge instruments among them. The amount and type of hedges will vary over time and based on modeling assumptions and other subjective assessments. The hedges will generally result in a net position designed to be neutral to movements in the underlying equity with an attractive risk versus reward profile.

Direct Investments – involves the purchasing and selling, through private placements or public offerings, of securities offered by companies that are publicly traded. Direct

investments generally include private investments in public equity (“PIPEs”) as well as the following investments issued or offered by public companies: (i) convertible debt securities and preferred stock, with and without embedded put and call features; (ii) common stock issued at a discount or implied discount; (iii) warrants, purchased alone or issued in connection with non-convertible debt securities or any of the securities listed above, which warrants may or may not be publicly traded and in which the underlying security may be restricted or unrestricted; (iv) registered direct offerings; (v) confidentially marketed public offerings; and (vi) other structured investments in public companies. A variant of the direct investment strategy is the purchase of publicly traded, SEC-registered securities of special purpose acquisition companies (so-called SPACs).

Stock Loan Arbitrage – from time to time, trading opportunities arise based on the ability to borrow or lend certain types of securities, directly or synthetically.

SPAC Investments – SPACs are companies that have no operations, but that go public with the intention of merging with or acquiring a private company within a specified period of time. SPAC investing involves the purchase of publicly traded, SEC-registered securities of SPACs and any of their derivatives. Typically, most of the money raised from a SPAC’s initial public offering (“IPO”) is placed in a trust until the merger or acquisition is consummated. A SPAC’s publicly offered securities typically consist of units comprised of common shares, warrants and occasionally rights.

The Funds may also invest in SPAC sponsor equity investments, including founder’s shares or private placement warrants issued by a SPAC in connection with its formation and IPO, either directly or indirectly through equity interests in a sponsor vehicle that holds such founder’s equity instruments (collectively, “SPAC Sponsor Shares”). Investments in SPAC Sponsor Shares may be illiquid and/or be subject to restrictions on resale.

Capital Structure Arbitrage – involves the simultaneous long purchase and short sale of two different classes of securities of the same issuer in order to capitalize on relative mispricings among them.

Credit Strategies – involve long and short investments in different corporate and asset-backed securities, including loan participations and allocations (*i.e.*, interests in a loan, generally governed by a credit agreement between the original lending syndicate) in the secondary market. Other credit-related strategies take various different forms, including (but not limited to) buying and selling different credit-sensitive instruments relating to one issuer, selling “short” bonds of an issuer subject to potential credit deterioration, buying distressed and high-yield securities offering favorable return profiles, buying and selling protection in credit default swaps and credit default swap indices, options and tranches versus similar instruments and/or versus other instruments (*e.g.*, equity ETFs) to express views on segments of the credit markets, and some combination of all of the above.

Structured Credit Strategies – seek to identify relative value opportunities and exploit market inefficiencies in various structured credit markets and securities, namely residential mortgage-backed securities, commercial mortgage-backed securities, collateralized loan obligations, and asset-backed securities, among others. The strategy will be long-biased

but trade both long and short positions in cash and synthetic structured products, related cash and synthetic corporate credit (single-name credit default swaps and credit index), government bonds, equities and equity derivatives.

Distressed Strategies – involve purchases and sales of debt and equity securities and obligations of companies that Hudson Bay Capital believes are likely to be defaulting on their obligations, entering bankruptcy, in bankruptcy, liquidating, emerging from bankruptcy, restructuring, or otherwise in distress or emerging therefrom. Distressed strategies frequently require an activist approach to be taken, including communicating directly with the officers or advisors of the issuer, joining a creditor or shareholders committee, or joining or initiating legal action to protect the rights of a Fund.

Directional Equity, Corporate Debt, Derivatives or Currencies – involve trading in equity, debt, derivatives or currencies using technical or fundamental analysis or a combination thereof in anticipation of profiting from movements in the prices of these assets. Such investments may be concentrated in specific industry sectors and may include short- or long-term investments, as well as investments in investment grade or distressed debt or equity.

Relative Value Long/Short Equity – involves taking a number of long and short positions in a particular equity market to create a portfolio that is designed to have a reduced, if any, net market exposure. Equities that are deemed relatively undervalued (or deemed likely to increase in value) are purchased long and relatively overvalued (or deemed likely to decrease in value) equities are sold short. This strategy can benefit from relative value discrepancies with reduced stock market risk and may be driven by fundamental analysis of industry sectors.

Fundamental Long/Short Equity – involves taking long positions in undervalued equity securities and short positions in overvalued equity securities. In this strategy, the relevant Funds often accept some equity market exposure seeking to profit from both security selection and thematic sector or market timing decisions.

Private Equity and Credit – involves taking long positions in the equity and credit of private issuers through either direct or indirect transactions.

Hybrid Strategies – Hudson Bay Capital will design and implement strategies incorporating elements of relative value, event-driven and directional approaches, as well as such other opportunistic investment tactics, as Hudson Bay Capital may consider advantageous from time to time.

Third-Party Ventures – in executing the Funds' investment strategies, one or more Funds have, and may in the future (i) enter into joint venture arrangements with unaffiliated third-parties; (ii) participate in private pooled investment vehicles (including other private investment funds) or (iii) invest capital in separately managed accounts or vehicles (including vehicles established at a Fund's expense) with unaffiliated investment managers where Hudson Bay Capital determines that such arrangements complement Hudson Bay Capital's expertise and/or enhance a Fund's ability to access specific investment

opportunities beyond Hudson Bay Capital's resources, (collectively, "Third-Party Ventures"); provided, however, that the Funds will not enter into Third-Party Ventures that represent investments in non-publicly traded funds of funds where the underlying investments are themselves private investment funds. Notwithstanding the foregoing, investments in affiliate trading vehicles are not Third-Party Ventures. When a Fund enters into a Third-Party Venture, the manager thereof may be paid fixed asset-based fees and/or performance-based compensation. This is in addition to the management fee and performance based compensation received by Hudson Bay Capital and/or an affiliate. For the avoidance of doubt, no arrangement set forth within a Special Opportunity Investment Series will be subject to the foregoing provisions governing Third-Party Ventures.

Term Investments – Generally, the instruments in which the Multi-Strat Funds invest are issued by publicly-traded companies, although the Multi-Strat Funds will purchase investments, from time to time, that are long-term in nature and/or less liquid than an investment in readily marketable securities. Among other limitations, such investments may be subject to regulatory limitations on resale, including extended holding period requirements, during which period the Multi-Strat Funds may be limited in their ability to liquidate such investments ("Term Investments"). A subcategory of Term Investments are investments that Hudson Bay Capital believes, at the time such investments are made: (i) will not become freely tradeable *and* (ii) cannot be sold or liquidated, in each case, within two years from the date of the Multi-Strat Fund's investment therein (the "Longer Term Investments").

The Multi-Strat Funds generally will not invest in a Longer Term Investment to the extent that such investment would cause their exposure to Longer Term Investments to exceed 5% of their net asset value, although certain limitations apply. See the Operative Documents of the relevant Fund for more details on this limitation.

"Low Premium" Convertibles – At times in the life cycle of a convertible or equity-linked instrument, that instrument will trade at a valuation near to the market valuation of the equity into which it converts. This may be due to the underlying equity trading above the effective conversion price, the occurrence of certain corporate or market events, limited availability of borrowable shares for hedging purposes, structural or regulatory issues and/or other factors. As a result, Hudson Bay Capital may enter into a long position in such convertible or equity-linked instrument and a short position in the underlying equity (and possibly incorporate other hedging methods). Such trades may provide a cash flow arbitrage opportunity, a synthetic put on the related equity or may be utilized as an equity substitution vehicle (unhedged or not fully hedged) in a directional trade.

Credit Directional Strategy – Corporate debt (including convertible securities since they inherently include a credit component) at times may prove to be an attractive investment opportunity on its own or relative to other parts of a company's capital structure or to credit default swaps representing that credit. Certain Funds may go long or short on a credit instrument in reliance on certain Funds' fundamental analysis of the issuer's credit.

Event Oriented Strategy – Corporate debt, as well as convertible and other equity-linked instruments, often are impacted by the occurrence of corporate events such as mergers,

acquisitions, spinoffs, and other change of control events, repurchase plans, restructurings, impending maturities or put rights and the like. If Hudson Bay Capital identifies the potential for such an event to occur or not to occur and determines that an investment in the corporate debt or convertible instrument (hedged or unhedged) should provide an acceptable risk-return profile, such position may be included in certain Funds' portfolios.

Structure Oriented Strategy – The documents governing credit instruments (including convertible securities) in which certain Funds may invest vary among issuers, as a result of factors such as the specific drafting, negotiation and/or marketing process for each instrument. A detailed analysis of the documentation for a particular instrument may lead to an understanding of certain rights or lack of rights attendant to such position that Hudson Bay Capital may believe have not been reflected in the market price for an instrument. Hudson Bay Capital may, on the basis of its analysis, enter into a long or short position (hedged or unhedged, as it deems appropriate). Such positions may relate to Hudson Bay Capital's analysis of change of control clauses, dividend and other dilution adjustments, covenants and other provisions. Hudson Bay Capital's structural analysis may result in Hudson Bay Capital's determining to avoid investing in certain securities, regardless of their potential attractiveness under other strategies.

Trading Oriented Strategy – Certain Funds may hold positions, long or short, hedged or unhedged, that are based on a perceived short-term market opportunity. Such positions may be created in an effort to capitalize on the volatility arising from new issues of securities or in cases of supply-demand imbalances related to, for example, news events, market events or block positions entering the market.

Volatility Oriented Strategy – By technical definition, convertible, exchangeable or other equity-linked instruments (whether or not hedged) may offer the opportunity to go long or short the volatility of the underlying equity security. Certain Funds may hold such positions when Hudson Bay Capital believes that the implied volatility is mispriced relative to market measures of volatility (including historical volatility) or other methods of measuring and trading volatility.

Non-Market, Liability Management and Direct Transactions – Certain Funds, either independently or in conjunction with other convertible security holders, will from time to time engage in bilateral negotiations with corporate issuers or their representatives. These negotiations are designed to consider transactions, such as exchanges, one-time payments, conversion rate adjustments and other possible arrangements that provide economic or

other benefits to both the issuers and holders, and certain Funds will participate in these transactions should acceptable terms be reached.

Capital Structure Arbitrage and Other Credit-Related Strategies – Certain Funds will utilize capital structure arbitrage strategies. Capital-structure arbitrage involves buying “long” and selling “short” different classes of securities of the same issuer in anticipation of profiting from a relative mispricing among them. Other credit-related strategies take various different forms, including (but not limited to) buying and selling different credit-sensitive instruments relating to one issuer, selling “short” bonds of an issuer subject to potential credit deterioration, and buying distressed and high-yield securities offering favorable return profiles.

Risks Related to Certain Instruments Traded

Equity Securities

The investment portfolio of certain Funds includes positions in common stocks, preferred stocks and convertible securities principally of U.S. issuers and non-U.S. issuers. Certain Funds also invest in depositary receipts relating to non-U.S. securities. The equity securities held by certain Funds may be acquired pursuant to exchange trades, from dealers in over-the-counter transactions and pursuant to direct transactions. Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and other factors, influence the cost of equities; there can be no assurance that Hudson Bay Capital will be able to predict future price levels correctly.

Preferred Equity

Investments in preferred equity involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred equity typically has limited upside and it ranks junior to debt securities in an issuer’s capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred equity generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred equity) at a defined rate, but unlike interest payments on debt securities, preferred equity dividends are payable only if declared by the issuer’s board of directors. Dividends on preferred equity may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred equity, no dividends may be paid on the issuer’s common equity until all unpaid preferred equity dividends have been paid. Preferred equity may also be subject to optional or mandatory redemption provisions.

Debt Securities

Debt securities in which certain Funds may invest may be subject to price volatility due to various factors, including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. Investments traded by certain Funds may pay fixed, variable or floating rates of interest, may include interest-only, principal-only or residual obligations and may be subordinated (and thus exposed to

the first level of default risk) or otherwise subject to substantial credit risks. In addition to the sensitivity of these instruments to overall interest-rate movements, there exists a fundamental credit risk based on the issuer's ability to make principal and interest payments on the debt it issues.

In addition to "high investment grade" debt securities, certain Funds invest in "low investment grade" or "non-investment grade" debt securities, which are typically subject to greater market fluctuations and risks of loss both in respect of income and principal than lower yielding, investment grade securities. The prices of the "low investment grade" or "non-investment grade" debt securities acquired by certain Funds are often influenced by many of the same unpredictable factors which affect equity prices.

Certain of Hudson Bay Capital's strategies invest in hybrid debt arrangements, which are subject to risks in addition to overall interest-rate movements and the issuers' ability to pay the debt in accordance with its terms. Certain Funds may invest in synthetic debt instruments, such as credit default swaps, which are often subject to more categories of risk than conventional debt; for example, the credit risk of a swap counterparty as well as the issuer of the underlying debt.

To the extent that underlying default rates with respect to the debt securities in which a Fund invests increase (above anticipated levels or otherwise), the performance of such Fund's investments may be adversely affected, and the risk of loss and foreclosure would be expected to increase. The rate of defaults and losses on debt securities will be affected by a number of factors, including global, regional and local economic conditions in the area where the underlying issuers are located, as well as the financial circumstances of the borrower.

Investments in Loans

Although priority loans in which certain Funds will invest may hold the most senior position in the capitalization structure of the borrower, a borrower's inability to meet its payment obligations under junior debt may detract from the borrower's perceived creditworthiness, reduce the value and liquidity of the loans made to the borrower and impair the borrower's ability to obtain financing to cover short-term cash flow needs, which may force the borrower into bankruptcy or other forms of credit restructuring.

Certain of the loans acquired by certain Funds will be issued by entities which face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. The market values of certain of these debt investments may reflect individual corporate developments, and it is likely that a major economic recession would have a materially adverse impact on their value.

Sovereign Debt and Currencies

Certain Funds may take long or short positions in sovereign debt and currencies to profit from inefficient pricing anomalies, for hedging and for other speculative/profit purposes. The strategies employed will include: (i) macroeconomic analysis, (ii) funding, interest

rate, fixed income, or currency market arbitrage or (iii) fixed income arbitrage, rates or a similar strategy. Certain Funds also invest in foreign exchange contracts, futures and associated derivatives in an attempt to capture relative valuation of different currencies, the interest rate or the cost of funding in different currencies or benefit from the price movement of various currencies. These strategies are highly complex and technical and frequently require substantial leverage. There can be no assurance that Hudson Bay Capital can engage in these strategies profitably.

Convertible Securities

Certain Funds invest in convertible securities that they may acquire in the open market or directly from issuers, their affiliates and others. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A contingent convertible security (known as “Co-Cos”) is a hybrid security that is only convertible under certain conditions (for example, the right to convert can only be exercised if the price of the underlying stock is a certain percentage over the conversion price). A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Furthermore, an issuer could refuse to permit a Fund to convert the convertible security into the underlying common stock, despite its obligation to do so. Any of these actions could have an adverse effect on a Fund’s ability to achieve its investment objective.

Direct Investments in Public Companies

Certain Funds implement strategies in which they invest directly in the equity securities of public companies, which securities may be illiquid and/or restricted (such as PIPEs), as well as in convertible securities and warrants which may be restricted and/or illiquid even if the underlying equity is freely tradeable. There is often no trading market for these investments, and certain Funds may only be able to liquidate these positions, if at all, at disadvantageous prices. Certain Funds may be required to hold such investments despite adverse price movements and may be restricted from hedging its exposure to them and, even if certain Funds are not restricted from hedging, certain Funds may choose not to hedge such exposure or such hedge may not be effective. If a Fund makes a short sale of an illiquid holding, the Fund may have difficulty in covering the short sale, resulting in a potentially unlimited loss to the Fund.

Unlike the purchase of freely tradeable common stock in the open market, certain Funds' unregistered (or restricted) securities of public companies (including instruments that are convertible, exchangeable or exercisable into registered, freely tradeable securities of public companies) generally involve contractual obligations by the issuer of such securities requiring the issuer to take certain actions, including but not limited to registering the securities, transferring securities upon resale or, in the case of convertible securities, issuing the underlying securities upon exercise of convertible securities and registering the underlying securities with the appropriate federal and state authorities for resale. In order for certain Funds' investment strategy to be effective, the issuer of such securities must abide by its contractual obligations; otherwise, certain Funds may lose all or a portion of their investment.

In connection with its sales of securities purchased pursuant to Regulation D or otherwise exempt from registration, certain Funds could be deemed to be "statutory underwriters" based on the method and timing of such sales. If a Fund were deemed to be a "statutory underwriter," it could have an adverse effect on the transaction(s) in respect of which such determination is made and, possibly, on the Fund's ability to continue to effectively pursue this investment strategy.

Certain Funds rely on certain exemptions from the SEC's registration requirements to sell its restricted securities, including Rule 144 of the U.S. Securities Act of 1933, as amended (the "Securities Act"). Under Rule 144, before selling any restricted securities, certain Funds may be obligated to hold them for at least six months provided that the issuer is subject to, and has complied with, the reporting requirements of the Securities Act. If the issuer is not subject to the reporting requirements of the Securities Act, then certain Funds may be required to hold the restricted securities for at least one year before they can be sold in the market. There may be circumstances where restricted securities will never become freely tradeable (*i.e.*, if the issuer was a "shell" company and is not complying with the reporting requirements). The law regarding the resale of restricted securities can change, and in the past has changed. There can be no assurance that future changes will not adversely affect certain Funds' ability to resell their restricted securities.

Certain Funds may purchase securities alongside other third party investors, and may coordinate efforts with such third parties in negotiating the terms of such securities. Although certain Funds will generally take actions designed to prevent them from being

deemed a member of a “group” with such other investors for purposes of Sections 13 and 16 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), and related provisions, there is no guarantee that a regulatory body will not deem the parties negotiating such terms to constitute a “group.” In the event that certain Funds’ conduct in these situations gives rise to such “group” status, they may be deemed to beneficially own all equity securities of the issuer beneficially owned by the other group members. Such beneficial ownership may, in turn, trigger certain regulatory filings and may cause certain Funds to be deemed “affiliates” of the issuer pursuant to Rule 144 of the Securities Act, which, as described above, would subject certain Funds to, among other things, certain limitations on the amount of securities it can sell in such issuer’s securities. In situations where a Fund does not deem itself to be a member of a “group,” but a regulator takes a different view, it could lead to regulatory action against the Fund for violation of the applicable provisions of the Exchange Act.

Certain Funds’ investments in unregistered (or restricted) securities of public companies (including instruments that are convertible or exercisable into unregistered (or restricted) securities of public companies) may be difficult to value accurately. In light of the foregoing, there is a risk that an investor who redeems all or part of its investment while certain Funds hold such investments will be paid an amount less than it would otherwise be paid if the actual value of such investments is higher than the value designated by certain Funds. Conversely, there is a risk that an investor who redeems all or part of its investment while certain Funds holds such investments will be paid an amount more than it would otherwise be paid if the actual value of such investments is lower than the value designated by certain Funds, to the detriment of the other investors.

The securities laws and regulations governing investing in investments obtained directly from public companies (such as PIPES) and hedging transactions related thereto are complex and difficult to implement and monitor. In many cases, there is no clear regulatory guidance on the interpretation and application of these laws and regulations. While Hudson Bay Capital and certain Funds consult with competent counsel on these issues, the nature of these laws and regulations are that they are subject to interpretation and re-interpretation, as well as application in manners unanticipated or expected, which could expose certain Funds, Hudson Bay Capital and their respective affiliates to liability with respect to such transactions.

Derivative Securities

Derivative instruments, or “derivatives,” include instruments and contracts that are derived from and are valued in relation to one or more underlying assets, benchmarks or indices. A derivative is a product that allows an investor to hedge or speculate upon the price movements of a particular asset, financial benchmark or index that could be a fraction of the cost of acquiring, borrowing or selling short the underlying asset. The value of a derivative is linked to the price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset also may be applicable to derivatives trading. However, there are a number of additional risks associated with derivatives trading. Transactions in certain derivatives are subject to clearing through a U.S. clearinghouse while other derivatives are subject to risks of trading in the over-the-counter

markets, and others are subject to non-U.S. regulatory regimes. Price movements of futures and options contracts and payments pursuant to derivative agreements are influenced by, among other things, the longevity of the contract, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and derivative agreements also depends upon the price of the assets that are underlying them. In addition, certain Funds' assets are also subject to the risk of the failure of any of the clearinghouses or counterparties.

Virtual Currencies

Certain Funds invest in instruments linked to virtual currencies (including derivatives and interests in funds or trusts holding virtual currencies) or in virtual currencies themselves. Virtual currencies are a relatively new asset class based on evolving early-stage technological innovations. Virtual currencies are not legal tender and the value of virtual currencies is based on the perceived intrinsic value determined by the parties to a virtual currency transaction. Accordingly, the valuation of certain Funds' investments in virtual currencies and related investments may be subject to considerable uncertainty. Virtual currency prices are affected by numerous factors, including limited supply, low liquidity of exchanges, concerns about perceived manipulation of the price and the safety of virtual currencies, market perceptions of the value of virtual currencies as an investment, a shifting regulatory landscape, political and economic uncertainties around the world and the changes exhibited by an early stage technological innovation. A central risk of trading in virtual currencies is the volatility of their market prices. Virtual currency prices have been and may in the future be subject to periods of extreme volatility, which may cause certain Funds to incur significant losses on its virtual currency investments.

Virtual currencies rely heavily on complex information technology and communications systems to properly function. Most virtual currency networks are based on cryptographic, algorithmic protocols that govern the peer-to-peer interactions between users of the relevant network. The networks underlying several virtual currencies operate based on an open-source protocol maintained by a group of uncompensated volunteer developers. There can be no assurance that the core developers of a virtual currency network will continue to be involved in the network, or that new volunteer developers will emerge to replace them. To the extent that material issues arise with a virtual currency protocol, including flaws, bugs or cybersecurity vulnerabilities, and the developers are unable or unwilling to address the issues adequately or in a timely manner, the virtual currency may diminish in value or become worthless. In addition, the failure of decentralized participants to continue to maintain a network by verifying virtual currency transactions may result in the relevant virtual currency losing value or becoming worthless.

The digital nature of virtual currencies and virtual currency exchange markets makes them attractive targets for theft, hacking, cyber-attacks and data breaches. For example, virtual currency networks may not be immutable and thus the transaction records thereon are subject to the risk of being altered. Additionally, access to virtual currencies is generally dependent on the possession of a unique private key relating to the local or online digital

wallet in which the virtual currency is held, and that private key may not be capable of being restored if lost. Any such cybersecurity event or loss of a private key with respect to a virtual currency in which certain Funds are invested could result in immediate and irreversible loss for certain Funds.

Many virtual currency exchanges, along with other intermediaries, custodians and vendors used to facilitate virtual currency transactions, are relatively new and largely un- or under-regulated. As a result, they may be more exposed to theft, fraud and failure than established, regulated exchanges and intermediaries for other financial instruments. While certain virtual currencies may be traded through one or more exchanges of varying quality, virtual currencies as a class do not have a central marketplace for exchange. The opaque nature of the underlying or spot market poses, among other things, asset verification challenges for market participants, regulators and auditors, which increases the risk of manipulation and fraud. In addition to failure risks, investments in virtual currencies are subject to transaction fees which are often higher than the transaction fees associated with investments in other financial instruments.

The regulatory environment for virtual currencies is constantly evolving. Virtual currencies face an uncertain regulatory status and may be subject to limited U.S. federal regulatory oversight, but may be regulated by one or more state agencies or authorities outside of the United States. Current and future legislation, CFTC and SEC rulemaking and other regulatory developments may impact the manner in which virtual currencies are treated for classification and clearing purposes or have other consequences. Further, laws or regulations that do not directly apply to the virtual currencies in which certain Funds, directly or indirectly, is invested but do apply to other virtual currencies could have indirect and potentially detrimental effects on the virtual currencies in which certain Funds is invested.

Virtual Currency Derivatives

As the value of a derivative depends largely upon price movements in the underlying asset, the foregoing risks applicable to trading underlying virtual currencies also affect the value of virtual currency derivatives. Accordingly, virtual currency derivatives may be subject to substantial price volatility. The initial margin for such derivatives may be set as a percentage of the value of a virtual currency derivative contract, which could lead to significant increases in margin requirements for long positions if the contract's price rises. Further, futures commission merchants may restrict trading in virtual currency derivatives and designated contract markets may implement trading halts. Any such restrictions or halts would restrict the applicable Funds' ability to exit a virtual currency derivative position during a period of increased volatility.

Options

Certain Funds may write (*i.e.*, sell) and purchase put and call options. Sales of options where certain Funds do not own the underlying asset to which the option is referenced can involve theoretically unlimited risk.

The seller (writer) of a call option which is covered (*e.g.*, the writer holds the underlying security) may hedge its long position in the underlying security by earning premium upon the sale of the option. In exchange for the premium, the seller assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security (to the extent the decline exceeds the premium received), and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) may hedge its short position in the underlying security by earning premium upon the sale of the option. In exchange for the premium, the seller assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security (to the extent the increase exceeds the premium received), and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Volatility is a principal component of options pricing. If the volatility in the market for the asset underlying the options held or sold by certain Funds changes materially, certain Funds directly could incur substantial losses even if the options in question would have generated substantial profits if the current price levels had been in effect at expiration.

Credit Default Swaps

Certain Funds purchase and sell credit derivatives contracts (primarily credit default swaps). Credit default swaps can be used to implement Hudson Bay Capital's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, certain Funds may sell credit default protection in which they receive a premium to take on the risk. In such an instance, the obligation of certain Funds to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. Certain Funds may also buy credit default protection with respect to a referenced entity if, in the judgment of Hudson Bay Capital, there is a likelihood of credit deterioration. In such instance, certain Funds will

pay a premium regardless of whether there is a credit event. As a buyer of credit default swaps, in circumstances in which certain Funds do not own the debt securities that are deliverable under a credit default swap, certain Funds are exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called “short squeeze.” While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will not be successful. In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a “credit event” triggering the seller’s payment obligation had occurred. The creation of the International Swaps and Derivatives Association Credit Derivatives Determination Committee (the “Determination Committee”) is intended to reduce this uncertainty and create uniformity across the market, although it is possible that the Determination Committee will not be able to reach a resolution or do so on a timely basis. In either of these cases, certain Funds would not be able to realize the full value of the credit default swap upon a default by the reference entity.

As a seller of credit default swaps, certain Funds incur leveraged exposure to the credit of the reference entity and are subject to many of the same risks they would incur if they were holding debt securities issued by the reference entity. However, such Funds will not have any legal recourse against the reference entity and may not benefit from any collateral securing the reference entity’s debt obligations. In addition, the credit default swap buyer may have broad discretion to select which of the reference entity’s debt obligations to deliver to the applicable Funds following a credit event and may choose the obligations with the lowest market value in order to maximize the payment obligations of the Funds.

In addition, credit default swaps generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions. The credit default market may become subject to increased regulation, which could increase costs or even prevent participation by the Funds.

Special Purpose Acquisition Companies

SPACs are “blank check” companies with no operating history or ongoing business other than to seek a potential transaction and, at the time that a Fund invests in a SPAC, the SPAC typically has not conducted any discussions or made any plans, arrangements or understandings with any prospective transaction candidates. Accordingly, there is a limited basis (if any) on which to evaluate the SPAC’s ability to achieve its business objective, and the value of its securities is particularly dependent on the ability of the entity’s management to identify and complete a profitable acquisition.

While certain SPACs are formed to make transactions in specified market sectors, limited industries or regions (which may increase the volatility of their share prices), others are complete “blank check” companies, and the management of the SPAC may have limited experience or knowledge of the market sector in which the transaction is made. Accordingly, at the time that a Fund invests in a SPAC, there may be little or no basis for such Fund to evaluate the possible merits or risks of the particular industry in which the

SPAC may ultimately operate or the target business which the SPAC may ultimately acquire. A SPAC will not generate any revenues until, at the earliest, after the consummation of an IBC. While a SPAC is seeking a transaction target, its stock may be thinly traded. There can be no assurance that a market will develop.

The proceeds of a SPAC IPO that are placed in trust are subject to risks, including the risk of insolvency of the custodian of the funds, fraud by the trustee, interest rate risk and credit and liquidity risk relating to the securities and money market funds in which the proceeds are invested. SPACs invest their trust assets in U.S. Treasuries or money market funds, which may also be at risk for loss at various times.

Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in “blank check” companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC will likely only complete one business combination, which will cause it to be solely dependent on the performance of a single acquired business, (v) the value of any target company, including its stock price as a public company, may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date, the failure to vote against the acquisition or the failure of the investor to submit a timely redemption request, (viii) if the SPAC is unable to consummate an IBC, public stockholders will be forced to wait until the deadline before liquidating distributions are made and (ix) even if the target company is successfully identified and the requisite percentage of SPAC shareholders vote to consummate the IBC, if too many SPAC shareholders elect to redeem there may be insufficient funds in the trust to consummate the transactions or the SPAC will be required to obtain financing in order to consummate the transaction at unfavorable terms. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be comprised of hedge funds (at least at inception). In the event that a SPAC is unable to consummate an IBC by the timeframe established at the time of its IPO, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC to the extent third-parties are permitted to bring claims against IPO proceeds held in the SPAC’s trust account. To the extent that a SPAC completes an IBC, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

SPAC Sponsor Shares

Certain Funds may invest in SPAC sponsor equity investments, including founder’s shares or private placement warrants (each, a “Private Warrant”) issued by a SPAC in connection with its formation and IPO, either directly or indirectly through equity interests in a sponsor vehicle that holds such founder’s equity instruments (collectively, “SPAC Sponsor Shares”). Founder’s shares are similar to the shares of stock issued by a SPAC in its IPO,

but have no right to receive any proceeds from a SPAC's trust account pursuant to redemption or liquidation of the SPAC. Similarly, Private Warrants have terms that mirror those of the warrants issued by a SPAC in connection with its IPO, but expire worthless if the SPAC fails to consummate a qualifying IBC within the required time period. As a result, an investment in founder's equity of a SPAC poses a risk of total loss of investment in the event the SPAC is unsuccessful in completing an IBC.

The success of the Funds' investment in SPAC Sponsor Shares depends upon the ability of the relevant management team that sponsors the SPACs in which the Funds invest. The principals, partners and investment personnel of Hudson Bay Capital will not participate in the management and affairs of a SPAC sponsored by a third party. In addition, the Funds may be required to agree to certain terms, including with respect to the acquisition, holding and/or voting of its liquid position in a SPAC, in order to receive exposure to a SPAC's founder's equity. Any SPAC Sponsor Shares acquired by or distributed to the Funds will also typically be subject to a lock-up period subsequent to completion of an IBC, which will restrict such Funds' ability to dispose of such shares for a period after a SPAC completes its IBC (e.g., one year). SPAC Sponsor Shares, Private Warrants and any shares issued upon exercise of such Private Warrants, will also be restricted securities, which further limit their liquidity absent registration under the Securities Act.

Restricted securities, including SPAC Sponsor Shares, cannot be sold to the public for a period of time until they are registered under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by the Funds. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses. SPAC Sponsor Shares will generally be restricted until subsequently registered for resale under the Securities Act.

U.S. Regulation of Schedule I Controlled Substances

Although the medical use of certain Schedule I Controlled Substances is legal in more than half of the states as well as the District of Columbia and non-medical use of such Schedule I Controlled Substances is legal in an increasing number of states and the District of Columbia, the possession and use of such Schedule I Controlled Substances remains illegal under U.S. federal law. Actions by federal regulatory agencies, such as increased enforcement of federal marijuana laws and the prosecution of nonviolent federal drug crimes by the DOJ, could produce a chilling effect on the industry's growth and discourage banks from expanding their services to Schedule I Controlled Substances -related companies. This conflict between the regulation of such Schedule I Controlled Substances under federal and state law creates volatility and risk for all Schedule I Controlled Substance-related companies. Because marijuana is currently classified as a Schedule I controlled substance, no drug product containing Schedule I Controlled Substances or Schedule I Controlled Substance extracts has been approved for use by the Food and Drug Administration ("FDA") or obtained registrations for commercial production from the

Drug Enforcement Agency (“DEA”). A Schedule I controlled substance is defined as a drug with no currently accepted medical use and a high potential for abuse. There is no guarantee that such products will ever be legally produced or sold in the U.S. and, even if a drug product containing Schedule I Controlled Substances or Schedule I Controlled Substance extracts were to receive the required government approvals for use in commercial production, the drug product may be subject to significant government regulation regarding manufacture, importation, exportation, domestic distribution, storage, sale, and legitimate use. Schedule I Controlled Substances Companies in the U.S. that engage in medical or pharmaceutical research or the production and distribution of controlled substances must be registered with the DEA to perform such activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion.

Schedule I Controlled Substances Regulation Generally.

Certain of the Funds have broad authority to invest in companies in the Schedule I Controlled Substances and hemp business (“Schedule I Controlled Substances Companies”) even though such companies operate in a changing and sometimes inconsistent or uncertain legal and regulatory environment. Laws and regulations related to the possession, use (medical or recreational), sale, transport and cultivation of Schedule I Controlled Substances vary throughout the world, and such Funds may invest in Schedule I Controlled Substances Companies in jurisdictions where there is uncertainty with respect to the applicability of such laws and regulations and their impact on the operations of such Schedule I Controlled Substances Companies (or, may invest in Schedule I Controlled Substances Companies even if the applicability of such laws and regulations are clear, but the Funds determine that the investment opportunity remains compelling). All laws and regulations are subject to change and may have a significant impact on the operations of a Schedule I Controlled Substances Company. Such operations may be legal under current law, but may be illegal in the future if the applicable law changes to prohibit marijuana-related activities vital to the company’s business. In the event that the Funds invests in one or more Schedule I Controlled Substances Companies and applicable laws or regulations change, or interpretations of existing laws or regulations change, the impact to the Funds’ investment could be material and result in unexpected losses.

U.S. Regulation of Hemp

Hemp, as defined in the U.S. Agriculture Improvement Act of 2018 (the “Farm Bill”), refers to cannabis plants with a tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis. The Farm Bill effectively removes hemp, its extracts, derivatives, and cannabinoids (including CBD) from the CSA’s list of controlled substances and allows states to regulate its production, commerce, and research with approval from the USDA. Certain portfolio holdings may sell dietary supplements and/or foods containing CBD within the United States.

While the Farm Bill removes hemp and hemp-derived products from the controlled substances list under the CSA, it does not legalize CBD in every circumstance. CBD, depending on the source from which it was derived, can still be classified as a Schedule I

substance under the CSA's definition of "marihuana." The exception for CBD from the definition of "marihuana" only applies if the CBD is derived from "hemp." U.S. federal law also requires that: (i) the hemp is produced by a licensed producer; and (ii) in a manner consistent with the applicable federal and state regulations. CBD and other cannabinoids produced from marijuana as defined by the CSA remain an illegal Schedule I Controlled Substance under federal law. In addition, many state laws include all CBD within definitions of marijuana and some states have policies or laws that otherwise prohibit or restrict CBD sales.

Under the U.S. Federal Food, Drug, and Cosmetic Act, if a substance (such as CBD) is an active ingredient in a drug product that has been approved by the FDA, then the substance cannot be sold in dietary supplements or foods without FDA approval, unless the substance was marketed as a dietary supplement or as a conventional food before the drug was approved or before the new drug investigations were authorized. The FDA has publicly taken the position that CBD cannot be sold in dietary supplements or foods because CBD is an active ingredient in an FDA-approved drug, while companies that sell CBD in dietary supplements and foods have taken the contrary position. Because the FDA has not brought enforcement action against such companies, this question of fact has not yet been adjudicated. In the absence of a conclusive legal determination to the contrary, as of the date of this prospectus, it has not been determined that the sale of dietary supplements and/or foods containing CBD within the United States would cause a company's securities to be ineligible for inclusion in the Funds' portfolios. It is possible that such a legal determination or future federal and/or state laws or regulations could materially curtail permissible uses of hemp, which could have an adverse effect of the value of the Funds' investments in companies with business interests in hemp and hemp-based products.

Risks of Investing in Legal Claims, Litigation Finance or Other Disputes Generally

The Funds are permitted to: (i) acquire and/or invest in legal claims (or claims subject to arbitration or another dispute resolution process), (ii) finance the costs of defending against legal claims (or claims subject to arbitration or another dispute resolution process), (iii) fund or lend against individual or portfolios of cases managed by selected law firms, (iv) enter into any other structures or contractual arrangements the value of which are derived from the performance or outcome of an underlying legal claim, series of legal claims or claims subject to arbitration or other dispute resolution process, and/or (v) own equity, partnership interests, membership interests or other interests in entities organized as law firms or partnerships. These investments are exposed to uncertainties related to the outcome of cases, the viability of an individual claimant's claim, whether the parties to a litigation or arbitration have the ability to pay a settlement, judgment or award if a case outcome ultimately is successful and whether a party challenges the validity of a judgment or award. Further, the Fund may not be the client of the law firm representing the party to the litigation or arbitration and may not have the ability to control decisions made by the claimholder, defendant or the law firm.

As part of the due diligence process in which a Fund engages, the Fund might rely on the advice and opinion of outside counsel and other experts in assessing potential claims or portfolios. Further, a Fund and Hudson Bay Capital will be dependent upon the skills and

efforts of independent law firms to litigate and/or arbitrate cases or administer legal or regulatory processes. There is no guarantee that the ultimate outcome of any case will be in line with a law firm's or expert's initial assessment of the validity and merit of a legal claim or composition of one or more portfolios. Further, a Fund (directly or indirectly), could receive, at any time during the process of a litigation, arbitration or other dispute resolution proceeding, an unfavorable verdict, judgment or other decision (on the merits or otherwise) and a verdict, judgment or other decision entered or reached in favor of an opposing party may not be appealable and could result in a Fund (either directly or indirectly) losing its entire investment with respect to such legal claim (or claim subject to arbitration or another dispute resolution process).

Various laws and professional regulations addressing litigation or arbitration generally, including, without limitation, individual jurisdictions' laws and regulations with respect to legal ethics, are complex and subject to constant change and uncertainty. Certain jurisdictions restrict the ability to assign certain claims or to participate in a lawyer's contingent or non-contingent fee interest in a claim or matter. Such prohibitions and restrictions are governed by the rules and regulations of each jurisdiction and vary in degree of strength and overall enforcement. Specifically, some jurisdictions may not permit a Fund to make investments in or engage in other business and financial transactions relating to, certain legal claims. There is also a risk that a Fund will make an investment in a certain jurisdiction: (x) where such investment agreement may not be enforced given the uncertainty as to the applicable law and regulations, and/or (y) whose laws and regulations could restrict, limit, reduce or eliminate the amount a Fund can recover from certain legal claims (or claims subject to arbitration or another dispute resolution process) acquired by such Fund or in which such Fund has invested. In many jurisdictions, the relevant issues may not have been considered by the courts or addressed directly by statute and/or could be subject to change, so obtaining definitive legal advice may not be possible.

Additional risks include: (a) the incurrence of substantial costs and expenses in connection with litigation and/or arbitration (including where a Fund could be required to pay adverse costs or where costs and expenses could exceed those initially anticipated); (b) the ability to service and collect on monetary judgments and settlements (including due to the creditworthiness of the defendant or other relevant parties) and the timing for such collection; (c) delays or reversals resulting from appeals and other challenges; (d) changes in laws, rules and regulations in the applicable jurisdiction; (e) the departure from past practice by the defendant with respect to the settlement of similar claims (which could result from political, legal, economic and other factors); and (f) a Fund's inability to control or influence ongoing litigation or arbitration matters in circumstances where it has taken a non-controlling interest.

REITs and Other Entities that Invest in Real Estate

The Multi-Strat Funds invest and the other Funds may invest in securities issued by entities that invest in real estate, including real estate investment trusts and similar entities ("REITs") or similar public or private vehicles. An investment in REITs or such other entities generally will be subject to the risks incident to the ownership and operation of the underlying real estate and/or risks incident to the making of certain loans secured by real

estate. Such risks include, without limitation, the risks associated with: (i) general economic climates; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing, energy and supply shortages; (viii) changes in tax, real estate, environmental and zoning laws and regulations; (ix) various uninsured or uninsurable risks or natural disasters; and (x) the ability of the borrowers to manage the real properties. Further, a Fund's investments in REITs or other entities that invest in real estate involve special risks. These special risks include: (i) in the case of REITs, risks related to REITs' organization and structure, including ownership limitations and other requirements associated with maintaining REIT qualification and other tax risks; and (ii) risks that the issuer of the security may reduce or eliminate expected dividend payments. REITs and other entities that invest in real estate may be small- and medium-size companies and interests in such entities, like small- and mid-capitalization stocks in general, may be more volatile than, and at times will perform differently from, large capitalization stocks.

Appraisal Rights

Certain Funds may invest in "appraisal rights" which are rights that exist to ensure that shareholders receive fair value when a company is acquired in a cash deal. Appraisal rights provide shareholders in an acquisition with a legal remedy to petition for an independent determination of fair value as an alternative to accepting the offered deal price. Those seeking appraisal forgo the merger consideration in anticipation that the awarded amount through a judicial determination or settlement will be higher. In order to demand appraisal, shareholders must vote against the transaction (or abstain) and adhere to strict procedural requirements, including several notice provisions. In a typical lawsuit for appraisal rights, a court will hear expert testimony and review relevant valuation analyses provided by experts before making a determination as to whether the buyout price was fair. In addition to the "fair value" of their shares, appraisers may be entitled to receive statutory interest to compensate the shareholders for having capital tied up in the post-merger entity.

Accordingly, appraisal rights investments typically require an investor (such as the Funds) to invest in the target company of a cash merger deal where the acquisition price is not considered fair value. Such investor would then exercise its appraisal rights as a shareholder of the target company and litigate to determine whether the acquisition price is fair value. Investing in appraisal rights is subject to a variety of risks including an unfavorable result at the end of litigation. An investor that invests in appraisal rights typically chooses from different target companies to consider based on its analysis of the transaction and the degree to which the consideration is insufficient. These determinations involve many objective factors as well as subjective factors and are subject to risk to the extent that a court disagrees with an investor's position that the related consideration was insufficient. The lawsuits with the highest likelihood of success are the ones with the most egregiously undervalued mergers. These can occur if there has been a deficient sales process or if there are inherent conflicts of interest (e.g., an insider's attempt to cheaply buy out minority shareholders). Notwithstanding the foregoing, appraisal cases are getting

more difficult to win on valuation alone, and in these instances, a court typically awards the merger consideration. As a result, investors generally prefer to pursue cases with flaws in the sales process (e.g., the company did not seek multiple bidders or provide prospective buyers with appropriate time to submit a bid or conduct due diligence), in addition to a deficient price, when determining whether to invest in a target company and exercise their appraisal rights.

Complex Structured Products

Certain Funds may invest in different types of complex structured products and derivatives that are effected through cash instruments or synthetic instruments. These investments can be illiquid in nature, with no readily available secondary market and could be highly leveraged or volatile in nature, and have a variety of risks. These products also take a variety of forms, and in many cases, complex or unique forms. For example, cash flows on one or more underlying instruments could be apportioned among structured products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the structured products is dependent on the extent of the cash flow on the underlying instruments. Certain types of structured products provide an investor with derived investment positions based on relationships among different markets or asset classes.

The performance of different structured products can be affected by a variety of factors related to the underlying instrument, including its priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. In addition, broader market forces will typically impact structured products and especially if a relevant issuer, basket, sector or otherwise has unexpected volatility or other headwinds.

Risk of Loss and Other Material Risks

The following is a summary of some of the material risks associated with the strategies expected to account for a significant portion of Hudson Bay Capital's investments in the Funds and the Hudson Bay IDF. This summary does not attempt to describe all of the risks associated with an investment in a Fund and/or the Hudson Bay IDF. Although no summary can fully describe all of the risks associated with such an investment, each Fund's PPM and/or the Hudson Bay IDF offering document contains a more complete description of the risks associated with an investment in that Fund and the Hudson Bay IDF, as applicable.

Risk management is a key part of Hudson Bay Capital's investment process. Hudson Bay Capital attempts to monitor the risk parameters of each Fund's overall portfolio, as well as the concentration of the portfolio in any particular investment asset, strategy or market. Although Hudson Bay Capital attempts to mitigate risk in the Funds by hedging at the

position, strategy and/or portfolio level, such attempts may not be effective and hedging strategies themselves could add additional risks.

Since the Hudson Bay IDF is managed in a manner that has substantially the same exposure as the Multi-Strat Funds, all the risks below that the apply to the Multi-Strat Funds will generally also apply to the Hudson Bay IDF.

General Risks

Risk of Loss

All investments made by a Fund risks the loss of capital. No guarantee or representation is made that a Fund's program will be successful and investment results may vary substantially over time. The past performance of speculative trading strategies such as those implemented by the Funds is not necessarily indicative of their future results.

Currency Exchange Exposure and Currency Hedging

Because certain Multi-Strat Funds invest in non-US securities that are denominated or quoted in non-US currencies, whereas the functional currency of such Funds are denominated in US dollars, performance may be significantly affected, either positively or negatively, by fluctuations in the relative currency exchange rates and by exchange control regulations. To the extent the Multi-Strat Funds seek to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Multi-Strat Funds may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Funds at one rate, while offering a lesser rate of exchange should the Funds desire immediately to resell that currency to the dealer. The Multi-Strat Funds will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures or commodity options contracts to purchase or sell currencies, and entering into foreign currency borrowings. To the extent the Multi-Strat Funds enter into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Funds fail to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Multi-Strat Funds for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate. Any government action that alters the convertibility of a currency or restricts the ability to repatriate funds into US dollars could cause economic losses to the Multi-Strat Funds.

Cybersecurity Risk

Hudson Bay Capital processes, stores and transmits large amounts of electronic

information, including information relating to the transactions of the Funds and personally identifiable information of the investors. Similarly, service providers of Hudson Bay Capital and/or the Funds, especially the administrator, may process, store and transmit such information. Hudson Bay Capital has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. Hudson Bay Capital's systems or facilities may be susceptible to employee error or malfeasance, government surveillance and/or other security threats. Breach of Hudson Bay Capital's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed. The service providers of Hudson Bay Capital and the Funds are subject to the same electronic information security threats as Hudson Bay Capital.

The loss or improper access, use or disclosure of Hudson Bay Capital's or a Fund's proprietary information may cause Hudson Bay Capital or the Fund to suffer, among other things, financial loss, the disruption of their businesses, liability to third-parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the investors' investments therein.

Catastrophe Risks

The Funds may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: acts of God and natural disasters (such as, fire, hurricanes, floods, tornadoes, tsunamis, windstorms, volcanic eruptions, earthquakes and typhoons), acts of war (declared or undeclared), sanctions, epidemics, endemics or pandemics, terrorist acts, cybersecurity incidents, riots, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the Funds invest (or have a material negative impact on the operations of Hudson Bay Capital or the service providers), the risks of loss can be substantial and could have a material adverse effect on the Funds and the investors' investments therein. Furthermore, any such event may also adversely impact one or more individual investors' financial condition, which could result in substantial redemption requests by such investors as a result of their individual liquidity situations and irrespective of Fund performance.

Coronavirus Risks

The COVID-19 crisis and any other public health emergency could result in adverse impacts on Hudson Bay Capital and the Funds. The extent of the impact of any such emergency depends on many factors, all of which are highly uncertain and cannot be predicted, which may impact Hudson Bay Capital's or the Funds' ability to source, diligence and execute new investments and to manage, finance and exit investments in the future, or cause significant changes or reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital (among a wide variety of other potential effects). In addition, the operations of the Funds, their investments, Hudson Bay Capital and their respective

affiliates could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other social, political, financial, legal, regulatory and other factors related to an actual or threatened public health emergency (such as COVID-19), including its potential adverse impact on the health of any such entity's personnel. These measures could also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Ukrainian Conflict

Russia's recent military interventions in Ukraine have led to, and may lead to additional sanctions being levied by the United States, European Union and other countries against Russia. Russia's military incursion and the resulting sanctions could adversely affect global energy and financial markets and thus could affect the value of the Funds' investments, even beyond any direct exposure the Funds may have to Russian issuers or the adjoining geographic regions. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions caused by Russian military action or resulting sanctions may magnify the impact of other risks described in Item 8.

Global Economic Conditions and Recent Events

The Funds will be materially affected by conditions in the global financial markets and economic conditions throughout the world. These factors are outside the Funds' control and may adversely affect the value of the Funds' investments, undermine the ability of the Funds to deploy capital, impair the ability of the Funds to obtain financing or increase the cost of such financing, reduce the liquidity of the Funds' investments and prevent the Funds from disposing of investments. The Funds may not be able to manage their exposure to these conditions, which could negatively impact the financial performance of the Funds and cause investors to incur material losses.

Various sectors of the global financial markets have recently experienced extended periods of adverse conditions. During such periods, market uncertainty increased dramatically. These conditions resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. If such adverse conditions were to prevail, it could have a material adverse effect on the performance of the Funds and these or similar events may affect the ability of the Funds to execute their investment strategies.

In the event of a prolonged market downturn, the Funds could be affected in many ways, including by reducing the value or performance of its investments or undermining the ability of the Funds to deploy capital, each of which could negatively impact the Funds. In addition, to the extent the Funds seek financing, such market conditions may negatively impact the ability of the Funds to obtain attractive financing for its investments and

increase the cost of such financing if it is obtained. In addition, companies and other assets in which the Funds may invest may experience decreased cash flows, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these investments may also have difficulty meeting their debt service obligations or other expenses as they become due, including expenses payable to the Funds.

The response by governments, central banks and other policy makers to any crises (*e.g.*, the global pandemic caused by COVID-19 and the 2008 global financial crisis and recent interventionist policies of many numerous governments and their agencies against inflation) could have an adverse impact on the performance of the Funds. In particular, this intervention could impair the ability of private sector investors (like the Funds) to pursue investment opportunities in certain markets and could cause artificial market prices or result in other unanticipated consequences that could adversely affect the Funds. This risk has been pronounced recently by the economic intervention of numerous governments and their agencies through interest rate policies designed to restore price stability in the face of inflationary pressures by increasing the underlying federal interest rate. As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions, as evidenced by the bank run on the Silicon Valley Bank (SVB) Financial Group (“SVB”) in March 2023. This bank run caused SVB to be placed into receivership. Further, if other financial institutions are subject to bank runs or banking collapses, there is a risk that the Funds will not be able to recover funds held in accounts at such financial institutions (if applicable). Even if a Fund is able to recover such funds, it may not be able to recover all of its funds and there is likely to be uncertainty with respect to the time period that would be required to recover such funds. No previous performance or success by Hudson Bay or its affiliates in dislocated markets is any guarantee of the Funds’ success in future market conditions whether dislocated or otherwise.

Discontinuation of LIBOR

The London Interbank Offered Rate (“LIBOR”) is an estimate of the rate at which a subset of banks (known as the panel banks) can borrow money on an uncollateralized basis from other banks. As of December 31, 2021, certain LIBOR settings (all seven Euro and Swiss franc LIBOR tenors, overnight, one-week, two-month and 12-month sterling LIBOR, spot next, one-week, two-month and 12-month yen LIBOR, and one-week and two-month U.S. dollar LIBOR) have been permanently discontinued. Publication of the overnight and 12-month U.S. dollar LIBOR settings ceased after June 30, 2023. However, the U.S. federal banking agencies have issued guidance strongly encouraging banking organizations to cease using U.S. dollar LIBOR as a reference rate in new contracts. It is uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what effect any such changes may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other Interbank Offered Rates (each, an “IBOR”). Regulators and market participants are working to develop successor rates and transition mechanisms to amend existing

instruments and contracts to replace the IBORs with a new rate. For example, the Alternative Reference Rate Committee, a private-sector working group convened by the Federal Reserve Board and the Federal Reserve Bank of New York to identify alternative reference rates for LIBOR (the “ARRC”), and the International Swaps and Derivatives Association, Inc., a global trade association representing leading participants in the derivatives industry (“ISDA”), have taken significant steps toward the development of consensus-based fallbacks and alternatives to LIBOR, which appear constructive for end-users. In particular, the ARRC has published recommended fallback language for new issuances of several LIBOR-linked products. The ARRC fallback recommendations are intended to minimize disruptions when LIBOR is permanently discontinued or is no longer representative. In addition, ISDA has amended certain of its standard derivatives documentation to implement fallbacks for certain key IBORs and has published an ISDA protocol to facilitate amendments to existing derivatives documentation. The ISDA fallbacks will apply if the relevant IBOR is permanently discontinued or is determined to be no longer representative, based on defined triggers. There can be no assurance, however, that the alternative rates and fallbacks will be broadly adopted and/or effective at preventing or mitigating disruption as a result of the transition.

The termination of LIBOR and the other IBORs could present other risks to the Funds. It is not possible at this point to identify those risks exhaustively but, in addition to the risks outlined above, they include the risk that an acceptable transition mechanism may not be found or may not be suitable for the Funds. Moreover, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another IBOR could impose costs on, or may not be suitable for, the Funds, resulting in costs incurred to close out positions and enter into replacement trades.

The Funds may undertake transactions in instruments that are valued using LIBOR or other IBOR rates or enter into contracts that determine payment obligations by reference to LIBOR or one of the other IBORs. Until their discontinuance, the Funds may continue to invest in instruments that reference IBORs.

Model Risk

Certain of the Funds’ strategies may require the use of quantitative valuation models that Hudson Bay Capital has developed over time, as well as valuation models developed by third parties. As market dynamics shift over time, a previously highly successful model often becomes outdated or inaccurate, perhaps without Hudson Bay Capital recognizing that fact before substantial losses are incurred. There can be no assurance that Hudson Bay Capital will be successful in continuing to develop and maintain effective quantitative models. Models are subject to limitations, including, but not limited to, those caused by incorrect or unrealistic assumptions, computer herding, inapplicability of historical data, omission of key data, erroneous code, oversimplification and underpricing.

Diversification and Concentration

Certain of the Fund’s investments are expected to be highly concentrated and may be concentrated in a limited number of issuers, industries, sectors, strategies, countries or

geographic regions. This limited diversification could result in the concentration of risk, increased costs of leverage and less attractive margin terms. Hudson Bay Capital is not restricted as to the percentage of the Fund's capital that may be invested in any particular issuer, industry, instrument or market. The Funds do not and will not maintain any fixed limits, guidelines or requirements for diversifying its portfolio among issuers, industries, instruments, markets or sectors. Hudson Bay Capital will likely concentrate the holdings of the Funds in those issuers, industries, instruments, markets or sectors that, in the discretion of Hudson Bay Capital, provide the best profit opportunities consistent with the Funds' investment objectives. Such concentration of risk could ultimately result in more significant losses to the Funds than would be the case if its capital had been spread over a wide number of positions. This combination of factors could expose the Funds to greater volatility and losses.

Strategy Risks

Multi-Strategy Approach; Multiple Managers Trading Independently

Any strategy which is used in the Funds' portfolio may generate offsetting gains and losses resulting in substantial transaction costs, but no net profit. Investment decisions are, for the most part, made by separate portfolio managers, acting independently of one another, so it is possible that one portfolio manager may be purchasing securities that are being sold at the same time by another portfolio manager. In such cases, the Funds may incur certain transaction costs without achieving any net returns. It is also possible that portfolio managers could compete for the same positions or make similar investments, thereby concentrating the Funds in certain positions.

Relative Value Strategies

The success of the Funds' relative value trading is dependent on Hudson Bay Capital's ability to exploit relative mispricings among interrelated instruments. Mispricings, even if correctly identified, may not converge within the time frame within which the Funds maintains positions. The Funds' relative value strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of the Funds' or third-party valuation models. Market disruptions may also force a Fund to close out one or more positions. Such disruptions have in the past resulted in substantial losses for funds employing relative value strategies. Even if a Fund's relative value investment strategies are successful, they may result in high portfolio turnover, and, consequently, high transaction costs.

A major component of relative value trading involves spreads between two or more positions. To the extent the price relationships between such positions remain constant, no gain or loss may occur. Such positions do, however, entail a substantial risk that the price differential could change unfavorably and, due to the leveraged nature of certain Funds' trading, result in increased losses.

Changes in the shape of the yield curve can cause significant changes in the profitability of relative value strategies. In the event of an inversion of the yield curve, the reversal of

the interest differential between investments of different maturities can make previously profitable hedging techniques unprofitable.

Market Neutral and Hedged Strategies

Although Hudson Bay Capital invests in positions that are intended to be market neutral, it may be unable to, or decide not to, hedge its positions, and, in such event, a Fund might sustain a significant risk of loss as a result of changes in the price of unhedged positions. In addition, there is no guarantee that the returns of a Fund will continue to have a low correlation or be non-correlated with market indices and such Fund could experience significant losses.

The Funds also may utilize financial instruments such as commodity interests, forward contracts and interest rate swaps, caps and floors both for investment purposes and to seek to hedge against fluctuations in the relative values of the Funds' portfolio positions. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Funds to enter into a hedging transaction at an acceptable price or at a price sufficient to protect the Funds from the anticipated decline in value of the portfolio position.

Event-Driven Investing

Event-driven strategies focus on investing in positions whose profitability depends upon the result of some significant corporate event occurring. The consummation of mergers, exchange offers, cash tender offers or other similar transactions can be prevented or delayed by a variety of factors. If the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the security to be tendered or exchanged may, and likely will, decline sharply by an amount greater than the difference between a Fund's purchase price and the anticipated consideration to be paid. Where a security to be issued in a merger or exchange offer has been sold short in the expectation that the short position will be covered by delivery of such security when issued, failure of the merger or exchange offer to be consummated may cause the Fund to cover its short sale, with a resulting, and perhaps significant, loss. A Fund may not otherwise hedge a short position established in anticipation of the failure of an announced transaction.

If a Fund purchases securities in anticipation of an acquisition attempt or reorganization which does not occur, the Fund may sell the securities at a substantial loss. In addition, where securities are purchased in anticipation of an acquisition attempt or reorganization, substantial time may elapse between the Fund's purchase of securities and the acquisition or reorganization. In such cases, a portion of the Fund's funds would be committed during this period to the securities purchased, and the Fund would incur an interest expense on the funds it borrowed to purchase the securities.

The Funds invest in “distressed securities” – debt and equity securities, including obligations of U.S. and non-U.S. entities which are experiencing significant financial or business difficulties. Investments in distressed securities involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for investment in issuers experiencing significant business and financial difficulties is unusually high. There is no assurance that Hudson Bay Capital will correctly evaluate the assets underlying a Fund’s securities or the prospects for a successful reorganization or similar action. A Fund may lose a substantial portion or all of its investment in a distressed investment or may be required to accept cash or securities with a value less than the Fund’s investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such entities. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than in other markets.

The Funds may invest in companies involved in or undergoing work-outs, liquidations, split-offs, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security with a value less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which certain Funds may invest, there is a potential risk of loss by the Funds of their entire investment in such companies.

The Funds from time to time make investments in restructurings that involve companies that are experiencing or are expected to experience severe financial difficulties. These severe financial difficulties may never be overcome and may cause such companies to become subject to bankruptcy proceedings. In such situations, a Fund’s investment is subject to the risk that a bankruptcy filing may adversely and permanently impact the value of a company and that high administrative costs may impair the value of the company. In addition, such investments could subject the Funds to certain additional potential liabilities that may exceed the value of the Funds’ original investment therein.

Directional Trading

Certain of the positions taken by the Funds may be directional (*i.e.*, designed to profit from forecasting absolute price movements in a particular security) and certain of the relative value and event-driven investment strategies used by the Funds may have inherently directional characteristics. Directional investing is subject to all the risks inherent in incorrectly predicting future price movements. Often these price movements will be determined by unanticipated factors, and even if the determining factors are correctly identified, Hudson Bay Capital’s analysis of those factors may prove inaccurate, in each case potentially leading to substantial losses. Predicting future prices is inherently

uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Convertible Arbitrage Strategies

The success of Funds' convertible arbitrage strategy depends upon Hudson Bay Capital's ability to identify convertible securities that appear incorrectly valued relative to their theoretical value, purchase (or sell short) such a convertible security and sell short (or purchase) the underlying security for which the convertible security can be exchanged to exploit price differentials. There can be no assurance that Hudson Bay Capital will be able to identify convertible arbitrage opportunities or that changes in price differentials will not cause losses. Borrowing and lending against such investments involves substantial risks. The prices of these investments can be volatile, market movements are difficult to predict, and financing sources and related interest and exchange rates are subject to rapid change. Certain corporate securities may be subordinated (and thus exposed to the first level of default risk) or otherwise subject to substantial credit risks.

Risks that can affect the results of convertible arbitrage include, but are not limited to, the following: (i) in positions where the credit exposure is not hedged, deterioration in the perceived credit-worthiness of an issuer will likely result in losses; (ii) the valuation process involves the estimation of various variables, such as the volatility of the underlying stock and the issuer's dividend policy, which may realize substantially different values from Hudson Bay Capital's estimates; (iii) even if all inputs are estimated correctly, a convertible may take years to converge to theoretical value, and in the meantime may diverge further, causing losses; (iv) the market for convertibles is generally less liquid, with higher bid-ask spreads, than the market for equities, a phenomenon which is particularly exacerbated during times of stress; (v) the strategy is subject to all the risks involved in selling equities short, including the risk of increasing borrowing costs or buy-ins, either of which can cause substantial losses; and (vi) corporate actions, such as mergers, acquisitions, spin-offs, and special dividends, can have a significant effect on the returns of a given position, both positive and negative.

Restrictions on Trading

Because of their responsibilities in connection with investment-related activities, the principals and other employees of Hudson Bay Capital and its affiliates will acquire confidential information and/or material non-public information or be otherwise restricted (or determine to be restricted) from initiating transactions in certain potential investment opportunities and may enter into confidentiality or "stand-still agreements" with respect to certain potential investment opportunities. In addition, during the course of the research and diligence process, Hudson Bay Capital may share and receive information from other market participants, which could increase the likelihood that Hudson Bay Capital will receive material non-public information ("MNPI") and be required to restrict trading in certain Securities. In such circumstances, Hudson Bay Capital may restrict the Funds, or the Funds may be restricted by law, policy or contract, for a period of time, from (i)

unwinding a position, (ii) establishing an initial position or taking a greater position, and (iii) pursuing related investment opportunities. If such restrictions or limitations apply to securities in which the Funds are invested, then such restrictions or limitations could give rise to substantial investment losses, which losses, in the case of a security in which the Funds have a short position, are theoretically unlimited.

In addition to investing in IPOs and open-market purchases of SPAC, the Multi-Strat master fund may also make private investments in SPACs' public equity ("SPAC PIPES") for the purpose of providing funding to facilitate such SPAC's IBC. As a result of the Multi-Strat master fund's investments in SPAC PIPES and its receipt of MNPI in connection therewith, the SPAC Funds' interests may become restricted in trading the SPAC's securities during the period of time between the Multi-Strat master fund's receipt of MNPI and the public announcement of an IBC (the "Restricted Period"). The SPAC Funds' inability to trade during the Restricted Period may negatively impact the value of the SPAC investment. Similarly, while the economic cost to the Multi-Strat master fund resulting from its inability to trade in the SPAC during the Restricted Period may be outweighed by the benefit of the Multi-Strat master fund's participation in the SPAC PIPE, the SPAC Funds will generally not have any similar benefit.

Investments in Hard Assets

Certain Funds could, from time to time, invest in hard assets, or in loans collateralized by hard assets, such as aircraft, rail cars, ships, power plants, distribution networks, toll roads, other infrastructure assets and various types of machinery and equipment. These types of investments are subject to risks—destruction, loss, terrorist attacks, industry-specific regulation (e.g., environmental regulations, such as pollution control regulations), operating failures, labor relations, etc.—that typically may not be present with respect to other investments the Funds may make. If the value of such assets depreciates, then the value of any loans held by the Funds that are backed by such underlying collateral would also depreciate. In addition, the regulation of such assets is extensive and variable, and the Funds' commitment to certain of such assets (e.g., if the Funds were to invest in a power plant or a loan collateralized by a power plant) could be wholly illiquid for long periods of time.

General Real Estate

The Funds may invest in real estate, real estate loans and/or real estate-related investments (including "hard" real estate assets, such as land, buildings and development projects). Real estate (including infrastructure) investments generally will be subject to the risks incident to the ownership and operation of real estate and real estate-related assets and/or risks incident to the making of real estate loans, including risks associated with both the domestic and international general economic climates; local real estate conditions; changes in property values; risks due to dependence on cash flow; risks and operating problems arising out of the absence of certain construction materials; changes in supply of, or demand for, competing properties in an area (as a result of, for example, overbuilding); seizure under eminent domain; the financial condition of tenants, buyers and sellers of properties; vacancies of rental properties; fluctuations in rental rates; changes in

availability of debt financing; changes in property taxes; changes in interest rates; energy and supply shortages; changes in tax, real estate, environmental and zoning laws and regulations; various uninsured or uninsurable risks; environmental liabilities; natural disasters; and the ability of the Funds, operating partners, property managers or third-party borrowers to manage the real properties. Such Investments are subject to various risks which may render the sale or financing of properties difficult or unattractive. In addition, real estate Investments and real estate securities in which certain Funds may invest are potentially subject to the impact of leverage at both the property and entity levels. For example, REITs generally invest in real estate operating properties which can be highly leveraged (through both on and off balance sheet financing). The Funds may incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. In addition, an Investment in real estate may subject the Funds' investors to taxation and tax return filings with respect to such Investment in the jurisdiction in which such real estate is located.

The Funds may be required to expend funds to correct defects or to make improvements before an Investment in a property can be sold. No assurance can be given that the Funds will have funds available to correct those defects or to make those improvements. In acquiring a property, a Fund may agree to lock-out provisions that restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede the Funds' ability to respond to adverse changes in the performance of its properties could significantly affect the Funds' financial condition and operating results.

Certain Investments in a real estate asset may be structured on a passive basis, giving a third-party operating partner and/or property manager a large degree of authority and responsibility for daily management of the assets and, therefore, will in large part be dependent on the ability of third parties to successfully operate the underlying real estate assets. In addition, in such situations, the Funds may be unable to exercise sole decision-making authority and will be subject to the risk that a joint-venture partner or otherwise will act negligently or in a manner contrary to the Funds' best interest.

Real estate investments are not as liquid as other types of investments and this lack of liquidity has the potential to limit the Funds' ability to react promptly to changes in economic or other conditions. There is no assurance that there will be a ready market for resale of the Funds' real estate Investments. Holding periods accordingly are difficult to predict, particularly as business plans may be revised to adapt to changing economic, business and financial conditions. Illiquidity may result from the absence of an established market for the investments, as well as from legal or contractual restrictions on the resale of the Investments by the Funds. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, are not generally reduced when circumstances cause a reduction in income from the investments. The Funds would need to comply with certain legal, tax and other requirements prior to liquidating such Investments.

The insurance coverage applicable to real estate investments contains policy specifications

and insured limits customarily carried for similar properties, business activities and markets. There are certain losses, including losses from floods and losses from earthquakes, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to a real estate investment, a Fund could experience a significant loss and could potentially remain obligated under any recourse debt associated with the property. The Funds also may have potential limited recourse against prior owners with respect to unknown liabilities, which could be substantial. The Funds will attempt to uncover any such risks as part of its due diligence activities, but cannot give any assurance that such conditions do not exist or may not arise in the future.

Item 9. Disciplinary Information

In the past ten years, there have been no legal or disciplinary events involving either Hudson Bay Capital or any of its management persons that are material to Hudson Bay Capital's advisory business.

Item 10. Other Financial Industry Activities and Affiliations

Hudson Bay Capital and its officers, employees and/or affiliates are not registered as broker-dealers and do not have any application pending to register with the SEC, as a broker-dealer or registered representative of a broker-dealer.

Hudson Bay Capital is currently a member of the U.S. National Futures Association (“NFA”) and is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator and a commodity trading advisor.

Hudson Bay Capital and its officers, employees and/or affiliates are not registered as futures commission merchants and do not have any application pending to register with the CFTC or NFA as a futures commission merchant or associated person of a futures commission merchant.

As disclosed in the Funds’ PPMs, Hudson Bay Capital and/or its affiliates (including certain of Hudson Bay Capital’s officers, employees and/or their related persons) invest directly in certain of the Funds, are not charged a management fee and/or incentive fee/allocation or may be subject to a reduced incentive fee/allocation.

As disclosed in the Funds’ PPMs, Hudson Bay Capital and/or its affiliates (including its employees) are not restricted from forming additional investment funds, entering into other investment advisory relationships, investing their personal funds, or engaging in other business activities, even though such activities may substantially track, correlate to, mimic, conflict with or compete with a given Fund or Funds and/or may involve substantial time and resources of Hudson Bay Capital and/or its affiliates. These activities could be viewed as creating a conflict of interest in that the time and effort of Hudson Bay Capital and/or its affiliates would not be devoted exclusively to the business of the Funds, but would be allocated between the business of the Funds and such other business activities. Further, by reason of these activities, Hudson Bay Capital may not be able, or may determine not, to initiate a transaction for the Funds that Hudson Bay Capital may have otherwise initiated for the Funds or may reduce the capacity of the Fund to make an investment.

Hudson Bay Capital does not believe that it and its employees/management persons have any current relationships or arrangements with other financial services companies that are material to its advisory business or to its Clients or that pose material conflicts of interest. In order to prevent any potential conflicts from arising, Hudson Bay Capital generally prohibits its employees and their related persons and entities from making or maintaining personal investments in entities with which such employee routinely causes the Clients to trade or co-invest (other than publicly-traded entities). In addition, with certain limited exceptions relating primarily to volunteer activities, any Hudson Bay Capital employee seeking to participate in any outside business activity must obtain the approval of Hudson Bay Capital’s Chief Compliance Officer in order to participate in such activity.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

High ethical standards are essential for the success of Hudson Bay Capital and to maintain the confidence of each Client. Hudson Bay Capital is of the view that its long-term business interests are best served by adherence to the principle that Clients' interests come first. In recognition of Hudson Bay Capital's fiduciary obligations to its Clients and Hudson Bay Capital's desire to maintain its high ethical standards, Hudson Bay Capital has adopted a Code of Ethics containing provisions designed to: (i) prevent improper personal trading by Hudson Bay Capital personnel; (ii) prevent improper use of MNPI about securities recommendations made by Hudson Bay Capital or securities holdings of Clients; (iii) identify conflicts of interest (including the establishment of policies concerning outside business interests and gifts and entertainment); (iv) provide a means to resolve any actual or potential conflict in favor of the Client; and (v) establish policies with respect to political contributions and compliance with the Foreign Corrupt Practices Act. The Code of Ethics requires compliance with applicable federal and state securities laws. The Code of Ethics will be provided to any Client or Fund investor or potential Client or Fund investor upon request.

Personal Trading

Hudson Bay Capital's Code of Ethics places restrictions on personal trades by affiliates, members, partners, officers, and employees of Hudson Bay Capital (together, the "Hudson Bay Capital Affiliated Persons"), including that they disclose their personal securities holdings and transactions to Hudson Bay Capital on a periodic basis, and requires that Hudson Bay Capital Affiliated Persons pre-clear certain types of personal securities transactions. However, these restrictions are not absolute, certain restrictions can be waived and the personal trading accounts of Hudson Bay Capital Affiliated Persons may hold positions that are held by a Fund. Similarly, the personal trading of Hudson Bay Capital Affiliated Persons and their affiliates or trading done by a Hudson Bay Capital Affiliated Persons on behalf of others for whom he or she manages assets could come into conflict with Hudson Bay Capital's business. If such a conflict arises, the Hudson Bay Capital Affiliated Persons are not required to subordinate the interests of any other parties (or their own interests) to those of the pertinent Fund(s), but they will endeavor to resolve any such conflicts in a manner that they believe is fair and reasonable. Hudson Bay Capital and the Hudson Bay Affiliated Persons may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for a given Fund. These activities may adversely affect the prices and availability of other securities held by or potentially considered for purchase by the Fund.

In addition, Hudson Bay Capital and/or its affiliates expect to, from time to time, offer Hudson Bay Insiders the opportunity to indirectly invest in co-investments. Hudson Bay Capital has a conflict when determining whether to offer co-investment opportunities to Hudson Bay Parties.

Conflicts of Interest

Hudson Bay Capital and its affiliates (including their principals and employees) are subject, and the Funds are exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Funds and the investors' investments therein. However, Hudson Bay Capital and its affiliates have substantial incentives to see the assets of the Funds increase in value, and the mere existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Funds. When a conflict of interest arises, Hudson Bay Capital will endeavor to ensure that the conflict is resolved in what it believes to be a fair and reasonable manner that is consistent with its duties to the Funds. Hudson Bay Capital has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest, including the operation of a Conflicts Committee designed to resolve certain of these conflicts.

Other Activities of Hudson Bay Capital and its Affiliates/Different Compensation Arrangements

Conflicts of interest may arise from the fact that Hudson Bay Capital and/or its affiliates provide investment management services to multiple Funds. Accordingly, conflicts may arise between/among Hudson Bay Capital and one or more Funds, based on the fee and expense structure of the various Funds, or the potential benefits or costs to Hudson Bay Capital relative to that of the Funds. For example, Hudson Bay Capital could be subject to a conflict of interest because varying compensation arrangements among different Funds could incentivize Hudson Bay Capital to manage such Funds differently. Similarly, a portfolio manager could be subject to a conflict of interest because his or her compensation arrangement for one Fund could differ from such portfolio manager's compensation arrangement with respect to another Fund for which such portfolio manager provides portfolio management services. These and other differences could make certain Funds less profitable to Hudson Bay Capital than other Funds.

An investment opportunity may be introduced to Hudson Bay Capital by a third-party with which the one of the Funds has previously invested. Hudson Bay Capital may determine that such opportunity is not appropriate for such Fund and may invest in such opportunity through another Fund in which the first Fund has no interest or through a Special Opportunity Investment Series.

Other conflicts arising from Hudson Bay Capital's management of various Funds include the need to allocate common expenses and investment opportunities and other resources, and the diversion of time and attention of management, as well as competition for investment and management talent.

Principal Transactions

Hudson Bay Capital will not, directly or indirectly, while acting as principal for its own account (which account may be an Account), knowingly sell any security to, or purchase any security from, a Fund or other account (each, an "Account") without disclosing to such

Account in writing prior to the completion of such transaction, the capacity in which Hudson Bay Capital is acting and obtaining the specific consent of such Account. An investors' representative (the "Investor Representative") has been retained for the Funds for purposes of considering whether to grant, and granting or withholding, Client consent to certain transactions that may give rise to conflicts of interest. Hudson Bay Capital may satisfy the consent requirement by providing notice to, and receiving the consent of, the Investor Representative and/or the independent directors of such Account.

Cross Trades

Hudson Bay Capital may determine that it would be in the interest of multiple Accounts to transfer a security from one Account to another (each such transfer, a "Cross Trade") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the Accounts, or to reduce transaction costs that may arise in an open market transaction. If Hudson Bay Capital decides to engage in a Cross Trade, it will determine that it believes that the trade is in the interest of both of the Accounts involved and take what it believes to be reasonable steps to ensure that the transaction is consistent with the obligation to obtain best execution for each of those Accounts.

In the event that Hudson Bay Capital determines that it believes that a Cross Trade is in the interest of both of the Accounts involved and permitted under the governing documents, it may affect the Cross Trade subject to the following guidelines: (i) such transaction must be affected for cash consideration at the current market price of the particular securities, and (ii) no brokerage commissions or transfer fees are to be paid to Hudson Bay Capital in connection with any such transaction. In the event that there is no readily available market price for the securities involved in the trade, the securities are to be valued by an independent third-party. Particularly when there is a large block of thinly traded securities at issue, the value at which the security is sold from one Account to another could be less or more than the value that would have been obtained in an arms-length transaction.

In the case of a Cross Trade, Hudson Bay Capital will have one of its brokers effect the transaction within the context of the market at a time that is fair to both Accounts involved in the transaction. The broker's commission will be borne equally by both Accounts.

Warehoused Investments

Hudson Bay Capital serves as the investment manager to multiple Accounts and expects to do the same for other Accounts created after the date hereof. From time to time, Hudson Bay Capital or an Account or one of their respective affiliates (in each case, an "Affiliate Account") may make one or more investments that it expects to transfer to an other Account or otherwise determines would be an appropriate investment for an other Account. Any such investments described in this paragraph are considered "Warehoused Investments."

A Warehoused Investment is generally expected to be sold to participating Accounts within six months following the acquisition date of the specific Warehoused Investment. A

Warehoused Investment will be sold to participating Accounts for the amounts and taking into consideration the terms described in the relevant Operative Documents.

In connection with acquiring any Warehoused Investment, an Account may assume any outstanding indebtedness relating to such Warehoused Investment and/or any guarantee of such indebtedness. The assumption of any such indebtedness or guarantee and any associated release of the obligations of the applicable Account(s) may occur at any time on or after the date of the relevant Account's acquisition of such Warehoused Investment. An Account may also assume obligations of another Account under any purchase agreement and related documentation pertaining to the transferred Warehoused Investment. An Account's acquisition of a Warehoused Investment is not subject to the consent or approval of any person. Conversely, in the event that an Account sells a Warehoused Investment to one or more Affiliate Accounts, the Affiliate Accounts may assume the related outstanding indebtedness and/or guarantees as well as the obligations under any applicable purchase agreement and related documentation.

Allocation of Expenses

As Hudson Bay Capital manages investments on behalf of a number of Funds, Hudson Bay Capital may be required to allocate expenses among the various Funds. Hudson Bay Capital has adopted the expense allocation policy for the allocation of investment and operating expenses that are incurred for multiple Funds ("Multi-Fund Expenses"), although the expense allocation policy may change from time to time and may differ materially from those described below and exceptions from the methodology set forth below may occur from time to time as determined by Hudson Bay Capital.

Hudson Bay Capital will allocate each Multi-Fund Expense among the Funds that should bear the applicable expense (the "Applicable Funds") *pro rata* generally using one of the following metrics: (i) assets under management; (ii) number of transactions; (iii) number of active positions; (iv) number of lifetime positions; or (v) such other metric(s) as may be applicable in the discretion of Hudson Bay Capital (each, a "Fund Allocation Metric").

Hudson Bay Capital will select the Fund Allocation Metric and the Funds that are Applicable Funds for each Multi-Fund Expense in a manner that it believes to be fair and reasonable based upon the facts and circumstances surrounding the Multi-Fund Expense at issue. For example, direct investment expenses generally will be allocated based upon an Applicable Fund's respective participations in the relevant investments. Hudson Bay Capital may, from time to time, change the Fund Allocation Metric utilized for a Multi-Fund Expense, and the Funds that are Applicable Funds for a particular Multi-Fund Expense, based upon new circumstances and/or considerations and/or create new Fund Allocation Metrics as Hudson Bay Capital deems appropriate.

Since the Funds will bear the Compensation Costs of employees of Hudson Bay Capital who are members of certain departments, who perform certain functions or who have certain reporting lines, Hudson Bay Capital will have a conflict in assigning or characterizing such employees, as such designation could result in reduced costs to Hudson Bay Capital. In this regard, certain employees may provide multiple services on behalf of Hudson Bay

Capital, but their Compensation Costs will be borne by the Funds based solely upon their job title, reporting line or membership in a particular Hudson Bay Capital department and not necessarily based upon the relative time spent performing any particular service. In general, given the potential for there to be greater differentials in the level of utilization of any shared resources or services as among the Funds, the allocation of expenses associated with such resources or services have the potential to be complex. Similarly, the Funds may incur expenses in hiring consultants and independent contractors to perform certain services. Hudson Bay Capital could be subject to a conflict of interest because certain of these services could, theoretically, be provided by an employee hired by Hudson Bay Capital at its expense.

In addition, the determination as to whether a person acting as a PM Supporting Professional is subjective, and Hudson Bay Capital will be biased when making such determination as it allows Hudson Bay Capital to pass through to the Funds additional compensation for a Portfolio Manager (when that compensation would not be passed through otherwise).

Allocation of Investment Opportunities and Orders

Hudson Bay Capital recognizes its obligation to treat each Account in a manner it believes to be fair and equitable. Consistent with such overriding principle, Hudson Bay Capital has adopted policies and procedures regarding the aggregation and allocation of investment opportunities. Hudson Bay Capital has designated an allocation committee (the "Allocation Committee") to oversee the allocation of investments among Accounts in accordance with such policy.

Hudson Bay Capital currently advises Accounts that have overlapping strategies and may manage other accounts in the future, the strategies of which overlap with one another. To the extent that a particular investment opportunity is allocable to more than one Account, Hudson Bay Capital's general policy is to allocate that investment opportunity between the Accounts on a *pro rata* basis relative to, depending on each Account, their targeted long market value, as determined by the Allocation Committee, for the category of investments into which the investment opportunity falls, their relative Net Asset Values or such other method as Hudson Bay Capital deems to be fair and equitable over time. The Allocation Committee may determine, from time to time, to modify the methodology by which investments will be allocated among Accounts on a prospective basis.

However, Hudson Bay Capital is not required to provide every opportunity to each of the Accounts, and Hudson Bay Capital may, in good faith, determine that certain investments should not be allocated to the each of the Accounts that have overlapping strategies. Situations for which exceptions to the general *pro rata* rule set forth above may be appropriate, include: (a) an Account already having sufficient exposure to the investments, issuer or market in question, (b) the different liquidity positions and requirements of the participating Accounts; (c) tax considerations; (d) regulatory considerations; (e) the relative capitalization and cash availability of the participating Accounts; (f) the relative risk and value-at-risk profiles of the participating Accounts; (g) portfolio concentration considerations; (h) formal or informal diversification requirements; (i) borrowing base

considerations; (j) different historical and anticipated subscription and redemption patterns; (k) minimum investment criteria; (l) differences in availability/cost of funding; (m) investment time horizon; (n) fund lifecycle considerations (e.g., whether certain funds are in a ramp up period, harvest or liquidation period and the proximity to the end of a fund's term); (o) the need to resize risk in an Account's portfolio; (p) rounding considerations and/or the avoidance of odd-lots or cases when a pro rata allocation would result in a de-minimis allocation to an Account; and/or (q) the management of any actual or potential conflicts of interest. The foregoing list is not intended to be exclusive, and investments may be allocated on a non-pro rata basis on the basis of other considerations that Hudson Bay Capital, in consultation with the Allocation Committee, may determine from time to time.

In addition, an additional investment in, or relating to, or deemed by Hudson Bay Capital to be necessary or desirable to preserve, protect or enhance the value of an existing investment will generally be allocated among the Funds and any other account or co-investor investing alongside the Funds, as applicable, in a manner consistent with the foregoing and would be subject to the same conflicts of interest.

When accounts that have overlapping strategies with an existing Account ramp up their investment and trading strategies, the existing account may receive reduced or no allocations of certain securities.

In addition, Hudson Bay Capital advises accounts with overlapping strategies that have different fee structures. Hudson Bay Capital believes that the Allocation Committee addresses and minimizes these conflicts to the extent possible.

Trade Errors

Trade Errors, which may result in losses or gains, may occur. A "Trade Error" means the execution of a transaction for an Account on terms other than as intended, including: (i) the purchase or sale of a security other than the security identified in an order (or other trade instruction); (ii) the placement of an order (either a purchase or a sale) of securities (or other trade instruction) creating exposure in excess of the desired amount; (iii) the sale of a security when a purchase was instructed; (iv) the purchase of a security when a sale was instructed; (v) keystroke errors that occur when entering trades into an electronic trading system; (vi) typographical, drafting, or similar errors made when placing or confirming orders (which such errors do not constitute an error pursuant to clause (iii)); and (vii) the purchase or sale of a security for the wrong account and the discovery of this post-settlement of such trade.

Pursuant to the exculpation and indemnification provided by the Funds under their respective governing documents for the benefit of Hudson Bay Capital and their respective partners, affiliates, officers and employees and agents (excluding external legal counsel and accountants) of any of them (the "Hudson Bay Capital Indemnified Parties"), the Hudson Bay Capital Indemnified Parties will generally not be liable to the Funds for any act or omission, absent bad faith, gross negligence, willful misconduct or fraud of such person, and the Funds, as applicable, will generally be required to indemnify such Hudson

Bay Capital Indemnified Parties from and against any losses they may incur by reason of any act or omission related to the Funds, as applicable, absent bad faith, gross negligence, willful misconduct or fraud of such Hudson Bay Capital Indemnified Party. As a result of these provisions, the Funds (and not the Hudson Bay Capital Indemnified Parties) will benefit from any gains resulting from Trade Errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors, absent bad faith, gross negligence, willful misconduct or fraud of the relevant Hudson Bay Capital Indemnified Party. That means that, among other things, Hudson Bay Capital will bear responsibility only for losses (which for the avoidance of doubt, do not include lost profits) stemming from actions or inactions made in bad faith or constituting fraud, willful misconduct or gross negligence, or for any act or omission of any broker or agent selected, engaged or retained by the Funds not in accordance with the standard set forth in the relevant governing documents under the exculpation provisions. Given the potentially large volume of transactions executed by Hudson Bay Capital on behalf of the Funds, investors should assume that Trade Errors will occur and that, to the extent permitted by applicable law and under the governing documents of the Funds, the Funds will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the Hudson Bay Capital Indemnified Parties. Nothing in the Funds' respective governing documents shall be construed to relieve Hudson Bay Capital from any duty (including fiduciary duty) imposed on it by Federal securities laws, including the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Hudson Bay Capital will be biased when determining whether losses resulting from a Trade Error will be borne by a Fund, since any losses not borne by a Fund will be borne by Hudson Bay Capital. In determining whether the Hudson Bay Capital Indemnified Parties have satisfied the standard of care such that the applicable Fund is responsible for a loss resulting from a Trade Error, Hudson Bay Capital will have a conflict of interest between its economic interest and the economic interest of the Funds. The determination of whether the Hudson Bay Capital Indemnified Parties have satisfied their standard of care will not be based solely on the conduct of the specific Hudson Bay Capital Indemnified Party with respect to the specific Trade Error at issue, but rather in the overall context of the control and compliance environment of Hudson Bay Capital as it relates to trading activity.

Hudson Bay Insiders and Special Opportunity Investments

Hudson Bay Capital and its affiliates expect to, from time to time, offer Hudson Bay Insiders the opportunity to indirectly invest in Special Opportunity Investments. Hudson Bay Capital has a conflict when determining whether to offer Special Opportunity Investment opportunities to Hudson Bay Insiders.

Co-Investments

There may be circumstances where an amount that would have otherwise been invested by the Fund is instead allocated to one or more Co-Investors, including third parties that may or may not be investors in an Account or Hudson Bay Capital, its managing partners, members, partners, shareholders, directors, officers and employees (including family trust and estate planning vehicles of such persons), (collectively, the "Hudson Bay Persons")

("Co-Investors") or where a particular investment opportunity exceeds the desired allocation to the Fund and a portion thereof is allocated to one or more such Co-Investors. While no investor should have any expectation that co-investment opportunities will be offered to it, Hudson Bay Capital believes that having the possibility of allocating co-investment opportunities is likely to be beneficial to a Fund as a whole as it allows the Fund to contemplate opportunities that may exceed the desired allocation to a Fund.

Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). As a general matter, Hudson Bay Capital, in determining the allocation of discretionary co-investment opportunities, expects to take into account various facts and circumstances deemed relevant by Hudson Bay Capital. Such factors are likely to include, among others, whether a Co-Investor adds strategic value, industry expertise or other similar synergies, whether a Co-Investor has expressed an interest in evaluating co-investment opportunities, whether Hudson Bay Capital believes that the Co-Investor has the ability to review the co-investment opportunity and provide capital within the time frame required under the circumstances, whether a Co-Investor has a history of participating in co-investment opportunities with Hudson Bay Capital, the size of the Co-Investor's interest to be held in the investment, whether the Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of Hudson Bay Capital, a Fund or other co-investments and/or Accounts and such other factors that Hudson Bay Capital deems relevant under the circumstances.

Assuming that a co-investment is successfully consummated, Co-Investors will typically bear their pro rata, generally based on the amount each Account invests in the relevant Investment, share of fees, costs and expenses related to the discovery, investigation, development, acquisition, consummation, ownership, maintenance, monitoring, hedging and disposition of co-investments consummated by them. Although Hudson Bay Capital endeavors to allocate such fees, costs and expenses on a fair and equitable basis, such a determination is inherently subjective and may give rise to conflicts of interest. However, if a co-investment is not consummated successfully, fees, costs and expenses that are not borne by Co-Investors will be considered operating expenses of and be borne by a Fund.

Given the Fund's investment program, it may not be possible to determine, when exploring an investment opportunity, whether it would be appropriate for the full amount of such opportunity to be allocated to a Fund or whether to attempt to allocate a portion of it to Co-Investors. Due to, among other reasons, the speculative nature of whether an opportunity may or may not be allocated to Co-Investors, Co-Investors may not agree to, and investors should have no expectation that Co-Investors will, pay or otherwise bear fees, costs or expenses related to unconsummated co-investments, such as any expenses related to the discovery, investigation, development or organization of the co-investment, or break-up fees or broken deal expenses. Such fees, costs and expenses that are not borne by Co-Investors will be considered operating expenses of and be borne by a Fund.

Further, it is possible that a Co-Investor may experience financial, legal, or regulatory difficulties, may at any time have economic, tax or business interests or goals that are

inconsistent with those of the Fund, may take a different view from Hudson Bay Capital as to the appropriate strategy for an investment or may be in a position to take action contrary to a Fund's investment objectives.

Hudson Bay Capital may (or may not), in its discretion, charge carried interest, incentive allocation, management fees, transaction fees or other similar fees to Co-Investors and Hudson Bay Capital may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such carried interest, incentive allocation, management fees, transaction fees or other similar fees.

In the event that one or more Co-Investors or co-invest vehicles invest side by side with a Fund in investments and any such Co-Investor or co-invest vehicles defaults on its obligations with respect to such investment, it is possible that any liability accruing as a result of such default will be borne by the relevant Fund in excess of such Fund's pro rata portion based on the amount initially invested or intended to be invested in such Investment).

In order to facilitate the acquisition or financing of an investment, the Funds have the authority to make (or commit to make) an investment that exceeds the desired amount with a view to disposing all or a portion of such investment to Co-Investors or other persons prior to or after the closing of the transaction. In addition, a Fund could borrow to fund the portion of an investment that it intends to sell to any such Co-Investors or other persons. Hudson Bay Capital will determine the terms and conditions and the price at which any such transaction will be effected, which determination, with respect to price, in Hudson Bay Capital's discretion, may reflect the original cost basis (with or without any incremental amount such as interest or cost of carry) or be at fair value of such Investment at the date of such sale. In the event of any such sell-down, the Fund will bear the risk that the transaction will not be sold, or that any or all of the excess portion of such Investment cannot be sold or can only be sold on unattractive terms and that, as a consequence, the Fund will bear the entire portion of such investment or realize lower than expected returns from such investment.

Syndication

In addition to the ability to syndicate a Fund investment to Co-Investors or other persons as described herein, Hudson Bay Capital could, in the future, establish one or more investment vehicles (which, or the investors in which, could include Hudson Bay Capital, Accounts, and third parties) that are dedicated syndication vehicles whose purpose includes committing to investments (in the form of equity or debt financing) alongside a Fund, with a view toward syndicating all or a portion of certain of such investments to Accounts, Co-Investors and/or other third parties in certain circumstances (each such entity, a "Syndication Entity"). Syndication Entities could broaden the universe of attractive investments available to the Fund by allowing the Fund to speak for larger deals while maintaining what Hudson Bay Capital believes to be appropriate portfolio construction.

While it is not anticipated that a Syndication Entity will be entitled to be offered any investment opportunities in any particular strategy on a priority basis, relative to an Account that is allocated investment opportunities pursuant to Hudson Bay Capital's

allocation policy, Hudson Bay Capital could be subject to a conflict of interest in connection with its determination of the portion of such investments that are to be allocated to Accounts or offered to Co-Investors. Further, Syndication Entities could participate in the equity and debt of Investments, including where the Fund participates (along with any Co-Investors) only in the equity or debt of such investment, in another level of the capital structure or in a non-pari passu manner vis-à-vis such Syndication Entities. In addition, Hudson Bay Capital could receive fees (including from investors acquiring interests in the relevant Investment through the applicable syndication and from Investments) in connection with participation of a Syndication Entity in any investment. Any such fees will be for the benefit of Hudson Bay Capital and will be borne by the Fund. Finally, Hudson Bay Capital may be biased when causing a Fund to purchase investments from a Syndication Entity, among other reasons, in order to free up such entity's balance sheet to syndicate additional opportunities and to not have it suffer losses from investments it has been able to syndicate.

Special Opportunity Investments

Hudson Bay Capital and/or its affiliates may, from time to time, offer one or more investors in the Funds and/or other third-party investors (including Hudson Bay Parties (as defined below)) (each such party, a "Special Opportunity Investor") the opportunity to co-invest alongside or independent of the Multi-Strat Funds in a particular investment or strategy or a portfolio or basket of investments or strategies, whether or not identified at the time of offering (each such co-investment opportunity, a "Special Opportunity Investment", which, for the avoidance of doubt, will not include the portion of any investment made by a Multi-Strat Fund for its portfolio). A Special Opportunity Investment may be an investment that is not in the Multi-Strat Fund's portfolio. Hudson Bay Capital and/or its affiliates expect to offer such Special Opportunity Investments when the size of the opportunity exceeds the amount of capital that Hudson Bay Capital or its affiliates believe should be invested by, or when the opportunity is in the view of Hudson Bay Capital, inappropriate for, the Multi-Strat Fund.

Special Opportunity Investments need not be offered to investors in the Multi-Strat Fund or, if offered to such investors, need not be offered on a *pro rata* basis; rather they may be offered based on factors deemed by Hudson Bay Capital and/or its affiliates to be relevant, such as, but not limited to: the nature of the opportunity; size of commitment; fees associated with such investment; speed of execution required; tax considerations; such persons' familiarity with and, capability and history of, making similar investments; such person's prior expressions of interest in making special opportunity investments; the ability of such persons to generate future investment opportunities or provide other benefits to the Funds, Hudson Bay Capital and/or its affiliates including analytical and market advice or other expertise that may be valuable. To the extent a Multi-Strat Fund determines to offer a Special Opportunity Investment and one or more Special Opportunity Investors determine to participate in such Special Opportunity Investment, the Multi-Strat Fund will issue a new series of interests to represent the Special Opportunity Investors' participation in such Special Opportunity Investment. Hudson Bay Capital and/or its affiliates are not required to offer Special Opportunity Investments to any existing Fund investor or third-party investor and no person will be entitled (or obligated) to participate by reason of being

an investor in a Fund. The decision of Hudson Bay Capital and/or its affiliates to offer (or not to offer) indirect participation in a Special Opportunity Investment to any Fund investor will be made in its sole discretion. If it is determined to offer indirect participation in any Special Opportunity Investment to an investor, Hudson Bay Capital and/or its affiliates will provide the details of such opportunity at the time the offer is communicated to such prospective investor.

The Multi-Strat Funds' offering a Special Opportunity Investment will establish a new series of interests or shares (each, a "Special Opportunity Investment Series"). Hudson Bay Capital intends that Special Opportunity Investments, together with any related trading and hedging, will be made through special purpose vehicle(s) owned by one of the Multi-Strat Funds (a "Master SPV") utilizing the assets contributed by Special Opportunity Investors in the relevant series; *provided, however*, Hudson Bay Capital and/or its affiliates, in their discretion, may determine to cause a Multi-Strat Fund to make Special Opportunity Investments directly and not through a Master SPV. To the extent Hudson Bay Capital and/or its affiliates determines to cause a Multi-Strat Fund make Special Opportunity Investments and/or any related trading or hedging directly, the Multi-Strat Fund, and not the Master SPV, will make investments and/or conduct trading and hedging on behalf of the particular Special Opportunity Investment Series.

The particular terms of each Special Opportunity Investment Series including, without limitation, the timing of investment, capital calls, fees and withdrawal/redemption rights will be provided in a notice by Hudson Bay Capital and/or its affiliates to the Special Opportunity Investors concerning the Special Opportunity Investment (each, a "Special Opportunity Investment Notice"). Under the terms of a Special Opportunity Investment Notice, interests in Special Opportunity Investment Series may or may not be redeemed/withdrawn at the election of their holder. Certain Special Opportunity Investment Series may be close-ended and require the holder of Special Opportunity Investment interests to continue to indirectly participate in the Special Opportunity Investment to which they relate until that investment is sold or liquidated. Other Special Opportunity Investment Series, at the discretion of Hudson Bay Capital and/or its affiliates, may be open-ended and the holders may have the opportunity to redeem/withdraw their investment on a periodic basis as specified in the Special Opportunity Investment Notice. Hudson Bay Capital intends to cause, but shall not be required to cause, the Multi-Strat Fund to exit each Special Opportunity Investment at the same time and on the same terms as its exit from the corresponding identical investment on behalf of the Hudson Bay Parties.

Risks Relating to Special Opportunity Investment Series

Special Opportunity Investors may, from time to time, be offered the opportunity to invest alongside or independent of a Fund in Special Opportunity Investments. Special Opportunity Investments involve certain risks. For example, in certain circumstances, Hudson Bay Capital and/or its affiliates or other Fund investors could be liable for the actions of Special Opportunity Investors, *e.g.*, if a Special Opportunity Investor fails to fund its portion of a Special Opportunity Investment, or Special Opportunity Investors may not bear (or may bear less than their proportionate share of) expenses incurred in relation to the sourcing, due diligence or negotiation of a Special Opportunity Investment, whether

or not such Special Opportunity Investment is consummated. Such expenses that are not borne by such Special Opportunity Investors may increase expenses borne by the Funds and its investors.

In addition, Hudson Bay Capital and/or its affiliates may receive different fees and/or incentive compensation from Special Opportunity Investors than it receives from other Fund investors. Accordingly, Hudson Bay Capital and/or its affiliates may face a conflict in allocating investment opportunities between the Funds' main portfolios and a Special Opportunity Investment Series.

Allocation of Expenses Between the Fund, the Master Fund and Hudson Bay Capital; Structuring of Expense Items; No Cap on Certain Similar Expenses

When incurring expenses in connection with the Funds, Hudson Bay Capital will have to determine whether certain expense items should be borne by the Funds (rather than by Hudson Bay Capital), because it is Hudson Bay Capital's view that such items are closer in substance to the items to be borne by the Funds, or not. In addition, Hudson Bay Capital will have to determine whether certain expense items constitute expenses subject certain expense "caps" applicable during the Expense Cap Period. Hudson Bay Capital is biased in making such determinations since Hudson Bay Capital directly benefits from not bearing these expenses, and, if applicable, having such expenses not subject to the expense cap.

Moreover, the litany of expenses that the Funds bear is not exhaustive. Any expenses determined by Hudson Bay Capital to be "similar" to the expenses delineated in that litany will be borne by the Funds, even if such expense is not explicitly referred to in that litany.

Similar conflicts arise when structuring certain expense items that, based on their structure, may be borne either by the Funds on the one hand, or by Hudson Bay Capital on the other. For instance, while Hudson Bay Capital generally bears large portions of the Compensation Costs of Portfolio Managers (other than Designated PMs), the Funds bear the Recruiting and Retention Costs of Portfolio Managers. Accordingly, Hudson Bay Capital is incentivized to structure certain payments to Portfolio Managers as Recruiting or Retention Costs. Such payments may include signing bonuses, PM Retention Payments, as well as other forms of compensation.

Similarly, the Funds bear the Compensation Costs of PM Supporting Professionals and Designated PMs. Accordingly, Hudson Bay Capital is incentivized to employ individuals who might otherwise be employed as Portfolio Managers (whose bulk of Compensation Costs are borne by Hudson Bay Capital) as PM Supporting Professionals or Designated PMs (whose Compensation Costs are borne by the Funds). In certain instances PM Supporting Professionals may engage in activities and be compensated under terms that are similar or identical to Portfolio Managers. While Hudson Bay Capital has general criteria governing the appropriate categorization of these personnel, it is unavoidably biased in making those categorizations.

The impact of these conflicts on the Funds may be somewhat mitigated by the expense caps in place during the Expense Cap Period. However, Hudson Bay Capital has the ability

and the incentive to structure certain of these payments to be incurred following the conclusion of the Expense Cap Period because were such expenses otherwise allocable to the Funds during the Expense Cap Period, they would cause the Funds to exceed the expense cap and therefore involve a shifting of such expenses to Hudson Bay Capital. Under the current terms, the Expense Cap Period expires at the end of 2023. Accordingly, the Fund may bear an unusually large amount of such deferred expenses in 2024. Moreover, the expiration of the Expense Cap Period may incentivize Hudson Bay Capital to incur greater expenses in expense categories formerly subject to the expense cap, which could result in a material increase in the Fund's expense ratio in 2024.

Further, the Funds may incur expenses in hiring advisors, consultants and contractors to perform certain services and the Funds incur expenses pertaining to the engagement of Third-Party Ventures. Hudson Bay Capital is motivated to structure these arrangements – even in instances where the services can be provided by an employee hired by Hudson Bay Capital at its expense – so that the Funds, and not Hudson Bay Capital, pay for such services.

The Funds are being “passed through” certain expenses which are, in other fund structures, borne by their sponsor. That means that, although the passing through of expenses potentially reduces the performance allocation payable to Hudson Bay Capital, Hudson Bay Capital may be more willing to incur such expenses than would be the case if it were to bear such expenses.

Item 12. Brokerage Practices

Hudson Bay Capital has complete authority over the selection of the brokerage firms used to execute and clear portfolio transactions on behalf of Clients and custody assets of Clients.

Best Execution

Transactions for Clients are allocated to broker-dealers for execution taking into consideration factors such as price, transaction costs, ability to effect the transactions, a broker-dealer's facilities, reliability and financial responsibility, commitment of capital, access to company management, quality of research, effectiveness of sales coverage, access to deal flow, the provision or payment by the broker-dealer of the costs of research, and other factors that are deemed appropriate to consider under the circumstances.

In selecting broker-dealers, Hudson Bay Capital need not solicit competitive bids and has no obligation to seek the lowest available commission cost. Hudson Bay Capital does not always negotiate "execution only" commission rates and may, in its sole discretion, determine that the amount of commissions charged by a broker-dealer which is greater than the amount another broker-dealer might charge is reasonable in relation to the value of the brokerage and products or services provided by such broker-dealer. Accordingly, the commissions and other transaction costs (which may include dealer markups or markdowns) charged to Clients by broker-dealers in the foregoing circumstances may be higher than those charged by other broker-dealers that may not offer such products or services. Subject to the considerations described above, the selection of a broker-dealer (including a prime broker) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker-dealer of the following: capital introduction, marketing assistance, and consulting with respect to technology, operations, equipment and office space. Hudson Bay Capital may have an incentive to select a broker-dealer based on its interest in receiving these services rather than on Clients' interest in achieving most favorable execution. However, as noted above, Hudson Bay Capital selects broker-dealers according to its fiduciary duty to seek best execution, taking into account all applicable considerations.

If Hudson Bay Capital decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another: the ease of use, the flexibility of the ECN compared to other ECNs, and the level of care and attention that will be given to smaller orders.

Soft Dollar Benefits

From time to time, Hudson Bay Capital may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided

by the broker-dealer. In certain cases, such arrangements, although all related to Hudson Bay Capital's administration and investment management of the Funds, may fall outside of the safe harbor for fiduciaries' use of "soft dollar" services established by Section 28(e) of the Securities Exchange Act of 1934, as amended; provided, in each case, that Hudson Bay Capital believes these arrangements are equitable and consistent with the objectives of the Funds. Notwithstanding the foregoing, as of the date of this Brochure, there are no arrangements whereby Hudson Bay Capital has committed any Fund to pay a certain level of commissions (or markups or markdowns) in exchange for any "soft dollar" or other services from any broker-dealer and Hudson Bay Capital does not currently receive any "soft dollar" services outside of the Section 28(e) safe harbor.

In addition, the Third-Party Ventures in which the Funds may participate may make use of "soft dollar" services, and any additional transaction expenses incurred in order to obtain such services – unlike in the case of any soft dollar services obtained by Hudson Bay Capital – would generally constitute incremental expenses to the Funds. Such soft dollar services may also fall outside of the "safe harbor" provisions of Section 28(e). Each investor, as a condition of investing in a Fund, consents to such soft dollar arrangements and, if applicable, to Hudson Bay Capital consenting to such arrangements on behalf of the Fund.

Also, consistent with Section 28(e), research products or services obtained with soft dollars generated by a Fund may be used by Hudson Bay Capital to service one or more other accounts, including Accounts that may not have paid for the soft dollar benefits. Although Hudson Bay Capital currently has no arrangement whereby any of its Accounts are receiving soft dollar credits, if it obtains them in the future, Hudson Bay Capital will not be required to seek to allocate soft dollar benefits to Accounts in proportion to the soft dollar credits the Accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to Hudson Bay Capital (*i.e.*, a "mixed use" item), Hudson Bay Capital will make a good faith allocation of the cost that may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Hudson Bay Capital's allocation of the costs of such benefits and services between those that primarily benefit Hudson Bay Capital and those that primarily benefit the Accounts.

When Hudson Bay Capital uses brokerage commissions (or markups or markdowns) generated by any Accounts to obtain research or other products or services, Hudson Bay Capital receives a benefit because it does not have to produce or pay for such products or services. Hudson Bay Capital may have an incentive to select or recommend a broker-dealer based on Hudson Bay Capital's interest in receiving research or other products or services, rather than on an Account's interest in receiving most favorable execution.

At least annually, Hudson Bay Capital considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of its Accounts on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested

allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Hudson Bay Capital make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Order Aggregation and Average Pricing

When Hudson Bay Capital determines that more than one Account should participate in an investment, Hudson Bay Capital will seek to execute orders for all of the participating Accounts on what it believes to be on an equitable basis, taking into account such factors as legal or tax considerations, the relative amounts of capital available for new investments, relative exposure to the markets, liquidity and the investment programs and portfolio positions of each of the Accounts. Orders may be combined for all such Accounts, and if an order is not filled at the same price, it may be allocated on an average price basis. Similarly, if an order on behalf of more than one Account cannot be fully executed under prevailing market conditions, the securities that are actually acquired may be allocated among the different Accounts on any basis which Hudson Bay Capital considers equitable. As a result of the foregoing considerations, Hudson Bay Capital may an Account to participate in an investment and another Account not to do so, notwithstanding that such Account could, under its investment mandate, make the same investment and vice versa. For similar reasons, the Accounts may participate in certain investments in a different manner from one another. For example, one Account may participate in an investment opportunity through the purchase of an equity interest while another participates through an extension of credit.

Item 13. Review of Accounts

Review of Accounts

Hudson Bay Capital will review, as pertinent, each Client's portfolio holdings to determine that the investments held by each Client remain consistent with the pertinent Operative Documents and will generally review each Client's performance on an ongoing basis.

Reports to Clients

The Multi-Strat Fund, Capital Structure Fund and Special Opportunities Fund investors receive unaudited performance information at least quarterly and audited financial statements on an annual basis. A Fund may offer certain investors additional information and reporting that other investors may not receive, and such information may affect an investor's decision to request a withdrawal from its capital account. (See Side Letters, Item 8, above.)

Item 14. Client Referrals and Other Compensation

Hudson Bay Capital does not currently have any arrangements with third parties whereby such third parties are compensated for client referrals.

In the event Hudson Bay Capital enters into compensation arrangements with third party solicitors for new advisory business, any such solicitation arrangements will comply with Rule 206(4)-1 under the Advisers Act.

Item 15. Custody

Hudson Bay Capital is deemed to have custody of the assets contained in the Fund portfolios, since a Hudson Bay Capital affiliate serves as general partner or managing member for certain of the Funds, or because Hudson Bay Capital has the ability to withdraw advisory fees directly from certain Fund accounts and/or to obtain possession of other Fund assets. Accordingly, Hudson Bay Capital is subject to the relevant provisions of Rule 206(4)-2 of the Advisers Act. Fund assets covered by Rule 206(4)-2 of the Advisers Act are held in custody by unaffiliated qualified custodians.

Multi-Strat Fund, SPAC Fund, Capital Structure Fund and Special Opportunities Fund investors do not receive account statements from the custodian; rather, these Funds are subject to an annual audit and the audited financial statements are distributed to each of these Fund investors, pursuant to Rule 206(4)-2(b)(4).

Item 16. Investment Discretion

Hudson Bay Capital provides discretionary investment advisory services to the Funds. Hudson Bay Capital makes investment decisions, without consultation with the Funds or the Fund investors regarding which securities are bought and sold for the Client account, the total amount of the securities to be bought and sold, the broker-dealers with which orders are placed for execution and the commission rates at which securities transactions are effected. Such discretionary authority is granted to Hudson Bay Capital in the applicable limited partnership agreement or investment management agreement.

Item 17. Voting Client Securities

Hudson Bay Capital has voting authority and responsibility with respect to securities held by the Funds and may in the future have voting authority with respect to securities held by other clients. In compliance with Rule 206(4)-6 under the Advisers Act, Hudson Bay Capital has adopted proxy voting policies and procedures. Hudson Bay Capital's proxy voting policy is overseen and implemented by a Proxy Voting Committee, consisting of the Chief Compliance Officer and the Chief Operating Officer and such other persons as may be appointed from time to time. In voting proxies relating to securities held by its Clients (each, a "Client Proxy"), Hudson Bay Capital is guided by general fiduciary principles and votes in the manner it believes is consistent with efforts to achieve a Client's stated investment objectives. Hudson Bay Capital has appointed an unaffiliated third-party proxy voting service, Institutional Shareholder Services ("ISS"), to assist with the management of proxy voting. Hudson Bay Capital retains the discretion to take no action with respect to a proposed vote if it determines that doing so is in the best interests of a Client (for example, where Hudson Bay Capital determines that the cost of voting exceeds the expected benefit to the Client).

Hudson Bay Capital has determined that in a large majority of voting situations, given the time and effort necessary in order to vote a Client Proxy, it is generally in its Clients' best interests for Hudson Bay Capital to rely on the analyses and vote recommendations provided by ISS (each, an "ISS Recommendation"). In those situations, Hudson Bay Capital need not take any further action, and ISS will vote the Client Proxy on Hudson Bay Capital's behalf in accordance with the ISS Recommendations.⁴

Notwithstanding the foregoing, Hudson Bay Capital always maintains ultimate voting discretion and may disregard an ISS Recommendation at any time, including where ISS has disclosed that it has a conflict of interest. In particular, in situations where Hudson Bay Capital determines that it is in a Client's best interest to vote a Client Proxy in a particular way (the "HBC Proxy Voting Decision"), Hudson Bay Capital will review the ISS Recommendation relating to such Client Proxy, and where the ISS Recommendation differs from the HBC Proxy Voting Decision (or where there is no ISS Recommendation with respect to such Client Proxy), Hudson Bay Capital will specifically instruct ISS to vote the Client Proxy in accordance with the HBC Proxy Voting Decision, in accordance with certain internal procedures applicable to the Proxy Voting Committee.

Included in these procedures are steps Hudson Bay Capital takes that are designed to identify conflicts or potential conflicts that could arise between its own interests and those of its Clients or between one Client and another Client. If it is determined that any such conflict or potential conflict is not material, Hudson Bay Capital may vote Client Proxies notwithstanding the existence of the conflict. If it is determined, however, that a conflict of interest is material, Hudson Bay Capital may use one or more methods to resolve the

⁴ The ISS Proxy Voting Summary Guidelines can be accessed at <http://www.issgovernance.com/policy-gateway/voting-policies>.

conflict, including directing ISS to recommend a vote with respect to the Client Proxy, disclosing the conflict to the Client(s) and obtaining its consent before voting or such other method as is deemed appropriate under the circumstances.

Since a Client's best interests must, by necessity, be determined on a case-by-case basis, there are no "hard and fast" guidelines that can be applied to Hudson Bay Capital's determination of how to vote Client Proxies to cover all situations. Among the factors Hudson Bay Capital may consider in reaching a HBC Proxy Voting Decision are how a particular Client Proxy vote would affect: (i) fulfillment of an investment thesis concerning a particular strategy (*e.g.*, consummation of a merger or other corporate event); (ii) Client portfolio positions in other parts of the issuer's capital structure; (iii) other contractual rights held by the Client in connection with the securities at issues; (iv) the Client's and/or Hudson Bay Capital's relationship with the issuer; (v) tax and/or regulatory issues relating to the securities or issuer at issue; and (vi) other facts as circumstances the Proxy Voting Committee identifies depending on the particularities of the situation at hand. Clients and Fund investors may request a copy of Hudson Bay Capital's proxy voting policy, as well as applicable proxy voting records, by contacting the Chief Compliance Officer at Hudson Bay Capital.

Item 18. Financial Information

Hudson Bay Capital is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Clients, and Hudson Bay Capital has not been the subject of a bankruptcy petition.