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Part 2A Brochure

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This Brochure provides information about the qualifications and business practices of Hudson Executive Capital LP (“Hudson Executive”). If you have any questions about the contents of this Brochure, please contact us at 212-521-8495 or ir@hudsonexecutive.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Hudson Executive also is available on the SEC’s website at www.adviserinfo.sec.gov.

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

Item 2 – Material Changes

Hudson Executive is submitting this annual amendment, which updates Hudson Executive's previous Brochure dated November 25, 2016. There have been no material changes since the filing of the previous Brochure.

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Item 4 – Advisory Business

Hudson Executive was founded in January 2015. Hudson Executive's sole office is located in New York, New York. Hudson Executive was formed to identify value-oriented opportunities where actionable operational improvements and strategic transactions can unlock value through Constructive Engagement® with the managements, boards and shareholders of public companies in which its clients invest.

HEC Management GP LLC, a Delaware limited liability company (the "Management GP"), is the sole general partner of Hudson Executive. Douglas Braunstein is the principal owner of Hudson Executive, and he indirectly controls Hudson Executive through his position as the sole Managing Member of the Management GP. In addition, Mr. Braunstein is a Managing Partner of Hudson Executive (the "Managing Partner").

As of January 31, 2017, Hudson Executive had \$439,110,343 in regulatory assets under management.

Hudson Executive provides discretionary investment advisory services to pooled investment vehicles operating as private investment funds ("client funds"), which are organized as domestic or foreign limited partnerships or corporations. Hudson Executive's current client funds include a family of private investment funds operating through a "master-feeder" structure (collectively, the "Flagship Fund"). In addition, Hudson Executive has formed a co-investment fund operating through a "master-feeder" structure (collectively, the "Select Fund"), which currently is not active but which may become active in the future.

The Flagship Fund includes the following entities:

- HEC Master Fund LP, a Cayman Islands exempted limited partnership (the "Master Fund");
- HEC Onshore Fund LP, a Delaware limited partnership (the "Onshore Feeder");
- HEC Offshore Fund Ltd, a Cayman Islands exempted company (the "Offshore Feeder"); and
- HEC Intermediate Fund LP, a Cayman Islands exempted limited partnership (the "Intermediate Fund").

The Offshore Feeder will invest all of its assets into the Intermediate Fund. The Onshore Feeder and the Intermediate Fund will invest all of their assets into the Master Fund, which will trade in securities and investment instruments and otherwise execute the investment program on behalf the Flagship Fund.

HEC Performance GP LLC, a Delaware limited liability company (the "Performance GP"), which is an affiliate of Hudson Executive and is indirectly controlled by Mr. Braunstein, serves as the general partner to the Master Fund, the Onshore Feeder and the Intermediate Fund.

The Select Fund includes the following entities (which currently are not active):

- HEC Select Master Fund LP, a Cayman Islands exempted limited partnership (the "Select Master Fund"); and
- HEC Select Fund LP, a Delaware limited partnership (the "Select Onshore Feeder").

The Select Onshore Feeder will invest all of its assets into the Select Master Fund. Although the Select Fund does not anticipate initially having an offshore feeder fund, it could form one in the future. The Select Master Fund will trade in securities and investment instruments and otherwise execute the investment program on behalf the Select Fund.

HEC Select GP LLC, a Delaware limited liability company (the “Select Fund GP”), which is an affiliate of Hudson Executive and is indirectly controlled by Mr. Braunstein, serves as the general partner to the Select Onshore Feeder and the Select Master Fund.

The Performance GP and the Select Fund GP are collectively referred to herein as the “General Partners” or individually as a “General Partner.”

Hudson Executive does not tailor its advisory services to the individual needs of the underlying investors in the client funds (“investors”) and does not accept investor-imposed investment restrictions for the client funds. Hudson Executive has complete discretion to manage the investment program of each client fund, subject to the investment guidelines and restrictions set forth in the investment management agreement between the relevant client fund, on the one hand, and Hudson Executive, on the other hand.

Hudson Executive does not currently offer investment advisory services to separately managed accounts or other services tailored to the needs of individual clients (together with the client funds, “clients”), although it may do so in the future.

Hudson Executive does not currently participate in wrap fee programs.

This Brochure does not constitute an offer to sell or a solicitation of an offer to buy any securities. The client funds’ interests are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended, and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. The descriptions set forth in this Brochure of specific advisory services that Hudson Executive offers to clients, and investment strategies pursued and investments made by Hudson Executive on behalf of its clients, should not be understood to limit in any way Hudson Executive’s investment activities. Hudson Executive may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Hudson Executive considers appropriate, subject to each client’s investment objectives and guidelines.

Item 5 – Fees and Compensation

It is critical that investors refer to a client fund's confidential private placement memorandum and/or other offering documents (collectively, a client fund's "offering materials") for a complete understanding of (i) how Hudson Executive is compensated from that client fund for its advisory services, (ii) the fees and expenses investors may pay and how those fees and expenses are deducted from investors' assets, and (iii) investors' withdrawal and redemption rights. If Hudson Executive were to provide investment advice to separately managed accounts, fees would be negotiated with the particular client, and could include a management fee and/or performance-based compensation as applicable. The information contained in this Brochure is only a summary and is qualified in its entirety by the aforementioned documents.

Management Fees and Performance-based Compensation

Hudson Executive receives a management fee based on a fixed percentage of each client fund's net assets. The management fee is payable monthly in advance, promptly after the first day of each month, based on the value of the client fund's net assets as of the first day of such month, reduced by any "accrued" performance-based compensation payable to the client fund's General Partner. Hudson Executive deducts the management fee directly from each investor's account. The management fees for the different series or classes of interests in the Flagship Fund range from 1.25% to 2.0% per annum (depending upon the factors described below in this section), and the management fee for any client funds formed to selectively co-invest with the Flagship Fund, including the Select Fund, will be set forth in their offering materials.

The Performance GP receives performance-based compensation on each investment in the Flagship Fund, reflecting a percentage of the net profits (if any) attributable to that particular investment during the client fund's fiscal year ("performance allocation"). The Performance GP will allocate the performance allocation to each investor's capital account as of the end of the client fund's fiscal year. Pursuant to a loss carryforward provision (generally referred to as a "high water mark"), no performance allocation will be allocated on any particular investment in the Flagship Fund until any net loss previously allocated to that investment has been offset by subsequent net profits. If an investor withdraws capital, the performance allocation on that capital will be "crystallized," meaning that it will be deducted from the investor's account and reallocated to the Performance GP as if the withdrawal date were the last day of the fiscal year or, in the case of a loss carryforward, the loss carryforward will be subject to reduction on a pro rata basis. The performance allocation for the different series or classes of interests in the Flagship Fund offered to external investors generally range from 15% to 20% per annum (depending upon the factors described below in this section).

To the extent the Manager receives a management fee and/or the Performance GP receives performance allocation from the Intermediate Fund, to avoid double charges, management fee and/or performance allocation (as applicable) will not be separately charged to the Offshore Feeder. When calculating the management fee and performance allocation for the Intermediate Fund, all items of income, loss, profit and expense incurred by the Offshore Feeder will be taken into account.

The Select GP receives performance-based compensation on each separate tranche of investment in the Select Fund, reflecting a percentage of the net profits (if any) attributable to that particular tranche ("carried interest"). The Select GP will allocate the carried interest deductions to each investor's capital account upon the distribution of assets relating to such tranche. The carried interest rates for the different series or classes of interests in the Select Fund and any other client funds formed to selectively co-invest with the Flagship Fund will be set forth in their offering materials.

Each client fund has several series or classes of interests that pay different levels of management fees and/or performance-based compensation depending upon various factors, including the length of the lock-up to

which the interests are subject (i.e., for certain client funds, an investor can agree to subject the interests to a longer lock-up in return for paying management fees and/or performance-based compensation allocation at a lower rate), and whether the investment was made during the initial launch period of the client fund. In addition, Hudson Executive has the right to enter into agreements, such as side letters, with investors, which may in certain cases provide for terms of investment or access to information that are more favorable than the terms provided to other investors of the same client funds. Hudson Executive generally does not expect to enter into any side letters with investors that restrict the client funds from investing in specific securities or types of securities.

Hudson Executive may and has in its sole discretion offered one or more series or classes of interests which are not generally offered to other investors and which pay reduced or no management fees and/or reduced or no performance-based compensation to (i) Hudson Executive's affiliates, principals and employees and their related persons (including vehicles that they manage), and (ii) the Advisory Board Members (as defined in Item 8 below) and certain other current and former chief executive officers and senior executives or directors in Hudson Executive's network.

Expenses

Clients typically pay their own expenses, as set forth in the client's offering materials or investment management agreement. Hudson Executive seeks to allocate expenses among its clients in a fair and equitable manner, taking into account the extent to which each client benefits from the particular product or services. Depending upon the nature of the expense, it could be allocated in proportion to the clients' relative assets under management or relative use of the product (or relative participation in an investment, if the expense is related to such investment), equally among all participating clients or in another manner that Hudson Executive deems fair and equitable.

Neither Hudson Executive nor any of its supervised persons accepts compensation for the sale of interests in the client funds.

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

As described in Item 5, each client fund's General Partner may receive performance-based compensation from such client fund, and if Hudson Executive or its affiliates were to provide investment advice to a separately managed account for a client, they could receive performance-based compensation for such accounts as negotiated with that client.

It should be noted that the potential to receive performance-based compensation creates a potential conflict of interest in that Hudson Executive and the General Partners may have the incentive to make investments that are riskier or more speculative than they would make in the absence of performance-based compensation. In addition, because the performance-based compensation for some clients is calculated on a basis that includes unrealized appreciation of the client's assets, the performance-based compensation for those clients may be greater than if it were based solely on realized gains. Hudson Executive recognizes that it is a fiduciary and, as such, must act in the best interests of its clients. Further, investors are provided with clear disclosure in the relevant client's offering materials or investment management agreement as to how the performance-based compensation is charged.

Hudson Executive values the assets held by its clients and is responsible for the determination of asset valuations for all purposes, including the determination of the management fees and the performance-based compensation. Hudson Executive will calculate the value of clients' assets in the manner set forth in each client's offering materials or investment management agreement. The client funds generally have contracted with an administrator to provide certain services, including independent price verification of the investments held by the client funds and independent verification of the calculation of management fees and performance-based compensation. In addition, Hudson Executive and/or the General Partners may, in their sole discretion, engage third parties to conduct independent valuations of less liquid or hard-to-value assets, to the extent applicable.

Item 7 – Types of Clients

Hudson Executive provides discretionary investment advisory services to the client funds and any separately managed accounts that it may manage in the future. The client funds rely on certain exclusions from the definition of “investment company” in the Investment Company Act of 1940, as amended. Accordingly, none of the client funds is registered as an investment company with the SEC.

Admission to the client funds is not open to the general public, and each investor must meet the eligibility provisions and minimum contribution amounts described the relevant client fund’s offering materials.

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

Hudson Executive seeks to identify and invest in securities of public issuers which it believes are undervalued in the marketplace and where value can be unlocked through operational improvement and an actionable strategic catalyst, and Hudson Executive can facilitate the creation and implementation of that strategic catalyst by constructively and collaboratively engaging with the company's management team, board of directors and/or other shareholders.

The Managing Partner guides the investment team as it conducts deep company and industry due diligence. Among other things, the team develops a bottom-up company analysis and top-down industry/macro view. This could involve calls and meetings with company management, competitors, shareholders, customers, etc., and preparing operating and valuation models, merger consequences analyses and sum-of-the-parts valuations, as appropriate for the investment.

Hudson Executive has established an Advisory Board, which is comprised of a group of advisors (the "Advisory Board Members") who provide non-binding strategic and operational advice to Hudson Executive and its clients. Hudson Executive may involve Advisory Board Members in the due diligence process (subject to conflicts clearance procedures and other compliance policies and procedures). The Advisory Board Members may contribute in varying ways, including providing access to their industry expertise and network and assessing the potential success of a constructive approach. They may also draw on their extensive experience with transformative operational excellence and strategic transactions. For the avoidance of doubt, the Advisory Board Members are not employees of the Manager, do not exercise investment discretion for Hudson Executive or its clients, and will not take part in the conduct, management or control of Hudson Executive or its clients. Hudson Executive and its clients are under no obligation to act on, or in accordance with the views of the Advisory Board Members.

Hudson Executive focuses on equity and equity-related securities and financial instruments, including options and derivatives. However, the client funds have broad authority to invest in a wide range of securities.

The client funds will invest primarily in North America. In a client's offering materials, Hudson Executive may provide general guidelines as to how it expects to manage exposures and concentrations for the client. However, in order to maintain flexibility and to capitalize on investment opportunities as they arise, Hudson Executive generally is not required to invest any particular percentage of a client's portfolio in any type of investment or region, and the amount of the client's portfolio that is invested in any type of investment, whether long or short, can change at any time and from time-to-time based on Hudson Executive's current perception of attractive market opportunities.

Hudson Executive's investment strategy and related risks are described in greater detail in each client's offering materials.

Risk of Loss

Investments in the client funds are only suitable for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment. For a complete explanation of all relevant risks, investors and potential investors should review the applicable client fund's offering materials, which contain a more fulsome discussion of the risks associated with investing in such client fund.

Business Dependent Upon Key Individuals and Hudson Executive

Hudson Executive has all authority to make day-to-day decisions and exercise business discretion on behalf of the client funds. The success of a client's investment program depends upon Hudson Executive's ability to develop and implement investment strategies that achieve its investment objective. In addition, Hudson Executive is dependent upon the expertise of certain key personnel. Decisions made by Hudson Executive may cause clients to incur losses or to miss profit opportunities on which they otherwise would have capitalized. If Hudson Executive, or certain of its key personnel, were to become unable to participate in the management of clients' assets, the consequences to the clients could be material and adverse.

Members of Advisory Board

While the Advisory Board Members provide general strategic advice and investment insight to Hudson Executive, they do so at Hudson Executive's request. They do not manage or control Hudson Executive or any clients, and they are not fiduciaries to clients, Hudson Executive or any client's investors. The Advisory Board Members are not responsible for monitoring any client's portfolio. Moreover, the Advisory Board Members are under no obligation to provide any information or insight with respect to any specific investment, and the Advisory Board Members have the right to recuse themselves from discussions regarding any portfolio company or potential portfolio company. In addition, Advisory Board Members may have pre-existing obligations that conflict with the investment strategy and objective of clients and may take actions in respect of such obligations without regard to whether such action or inaction benefits or adversely affects clients. Hudson Executive will retain complete responsibility for all decisions relating to client accounts and is under no obligation to ask the Advisory Board Members for their input.

Hudson Executive's Investment Strategy

The success of Hudson Executive's investment strategy will require, among other things: (i) that Hudson Executive properly identify companies whose securities prices can be improved through operational improvement and an actionable strategic catalyst; (ii) that clients acquire sufficient securities of such companies at a sufficiently attractive price; (iii) that clients avoid triggering anti-takeover and regulatory obstacles while aggregating their positions; (iv) the willingness of portfolio companies' boards, management and securityholders to constructively engage with Hudson Executive and respond positively to Hudson Executive's proposals; and (v) that the market price of a company's securities increases in response to any actions taken by it. There can be no assurance that any of the foregoing will succeed.

Successful execution of strategic investing strategies may prove ineffective for a variety of reasons, including: (i) opposition or indifference of the subject company's board, management or securityholders to the proposed strategy; (ii) intervention or involvement of a regulator or governmental agency (which could be initiated by the regulator or agency independently or in response to the request of an opponent of the strategy); (iii) efforts by the subject company to pursue a "defensive" strategy (despite Hudson Executive's constructive approach), including a merger with, or a friendly tender offer by, a company other than an initial offeror; (iv) market conditions resulting in material changes in the prices of securities; and (v) the presence of corporate governance mechanisms such as staggered boards, poison pills and classes of stock with increased voting rights.

Hudson Executive has broad discretionary power to decide which investments clients will make and which strategies it will use. Hudson Executive may choose any investments and strategies that it believes are advisable and consistent with clients' investment objectives.

Concentration of Holdings

Hudson Executive expects that client funds will invest in concentrated portfolios. At any given time, particularly until a significant portion of a client funds' assets have been invested, the client funds' assets may be highly concentrated within a particular company, industry, asset category, trading style or financial or economic market. Because of this, client funds' portfolios will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular company, industry, asset category, trading style or financial or economic market, than a less concentrated portfolio would be. As a result, client funds' aggregate return may be volatile and may be affected substantially by the performance of only one or a few holdings. Hudson Executive generally is not obligated to hedge its clients' positions.

Investment and Trading Risks

All investments in securities and other financial instruments, including an investment in client funds, risk the loss of invested capital. Investors should be aware that they might lose all or part of their investments in client funds. Client funds' investment program will utilize certain investment techniques such as, but not limited to, options, swaps, convertibles, short sales, forwards, leverage and futures which can, in certain circumstances, increase the adverse impact to which client funds may be subject. No guarantee or representation is made that client funds' investment programs will be successful, and investment results may vary substantially over time.

Risks Associated with Acquiring Control Positions

Hudson Executive may purchase controlling positions in publicly traded companies on behalf of clients. Such controlling positions may be subject to increased legal or practical restrictions on transfer, and the disposition of such control positions may be subject to increased transaction costs.

Small and Medium Capitalization Companies

Hudson Executive may invest a significant portion of a client's assets in the securities of companies with small or medium-sized market capitalizations, including growth stage companies. While Hudson Executive believes such securities often provide significant potential for appreciation, typically investments in smaller capitalization companies involve higher risks than investments in larger capitalization companies. For example, prices of securities of small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

General Economic and Market Conditions

The success of clients' activities will be affected by general economic and market conditions, such as economic uncertainty, changes in laws (including laws relating to taxation of client funds' investments), trade barriers, interest rates, availability of credit, credit defaults, inflation rates, actions by U.S. and non-U.S. banking authorities with respect to interest rates and monetary policies, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of clients' investments. Volatility or illiquidity could impair clients' profitability or result in losses. Clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Inside Information

From time to time, Hudson Executive or its affiliates may come into possession of material, non-public information concerning an entity in which clients have invested, intend to invest or potentially would otherwise consider as an investment. This is particularly relevant because of Hudson Executive's relationship with the Advisory Board Members, many of whom serve as senior executives or directors of public and private companies, and some of whom might consult with the Managing Partner with regards to their respective businesses. The receipt and possession of such information may limit the ability of Hudson Executive to cause clients to buy or sell the securities issued by any such company. Therefore, Hudson Executive could be required to refrain from buying or selling such securities for clients at times when Hudson Executive might otherwise wish to cause clients to buy or sell such securities.

Significant Positions in Securities; Regulatory Requirements

In the event Hudson Executive acquires for its clients a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, Hudson Executive and its clients may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on clients and Hudson Executive. Any such requirements may impose additional costs on clients and may delay the acquisition or disposition of the securities or clients' ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, if Hudson Executive, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the U.S. Securities Exchange Act of 1934, as amended, Hudson Executive and its clients may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances clients will be prohibited from entering into a short position in such issuer's securities, and therefore limited in their ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

Item 9 – Disciplinary Information

Not applicable.

Item 10 – Other Financial Industry Activities and Affiliations

Hudson Executive and its management persons 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.

While the client funds may trade commodity futures and/or commodity options contracts, as necessary each client fund's general partner or investment adviser, as the case may be, has claimed an exemption from registration with the U.S. Commodity Futures Trading Commission ("CFTC") as a commodity pool operator ("CPO") pursuant to CFTC rule 4.13(a)(3). Therefore, unlike a registered CPO, the General Partner or Hudson Executive, as the case may be, is not required to deliver a CFTC disclosure document to prospective investors, nor will it be required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

Hudson Executive has sponsored the client funds, and serves as their investment adviser. The Performance GP, which is an affiliate of Hudson Executive and is indirectly controlled by Mr. Braunstein, serves as the general partner to the Master Fund, the Onshore Feeder and the Intermediate Fund. The Select Fund GP, which also is an affiliate of Hudson Executive and is indirectly controlled by Mr. Braunstein, serves as the general partner to the Select Master Fund and the Select Onshore Feeder.

The client funds do not have independent management, and only the Offshore Feeder has an independent board of directors.

Hudson Executive has negotiated the investment management agreements with the client funds. While these may be interested party agreements, the material terms of the investment management arrangements are fully disclosed to all investors prior to their investment.

Hudson Executive's affiliates, principals and employees and their related persons (including vehicles that they manage) may invest in one or more series or classes of interests which are not generally offered to other investors and which generally are not subject to the management fees or performance-based compensation described in Item 5.

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

Code of Ethics

Hudson Executive is a fiduciary to its clients, and therefore must serve their interests with the utmost loyalty and care. Accordingly, Hudson Executive has adopted a Code of Ethics (the “**Code**”), which is designed to meet the requirements of SEC Rule 204A-1, and to assist Hudson Executive and its supervised persons in preventing violations of the Advisers Act and the rules promulgated under it. This Item 11 describes certain provisions of the Code.

The Code applies to Hudson Executive’s partners or employees and any consultant or other non-employee who Hudson Executive’s Chief Compliance Officer (the “**CCO**”) determines to treat as a “supervised person” for purposes of the Code. The Code sets forth a standard of business conduct that takes into account Hudson Executive’s status as a fiduciary to its clients and requires supervised persons to place the clients’ interests above their own interests. The Code requires supervised persons to comply with applicable federal securities laws. Hudson Executive, in the course of its investment management and other activities, may come into possession of confidential or material non-public information. Hudson Executive is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. Hudson Executive maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and that seek to ensure that Hudson Executive remains in compliance with applicable law.

Further, supervised persons are required to promptly bring violations of the Code to the attention of the CCO. Upon hire and at least annually thereafter, all supervised persons are required to acknowledge receipt of, and agreement to abide by, the Code.

The Code also sets forth reporting and pre-clearance requirements for personal trading by supervised persons. Supervised persons must provide the CCO with a list of their “covered accounts” (as defined in the Code) and an initial holdings report within 10 days of becoming a supervised person. In addition, Hudson Executive’s supervised persons must provide annual holdings reports and quarterly transactions reports in accordance with Advisers Act Rule 204A-1.

Hudson Executive also has adopted policies and procedures intended to prevent employees from being unduly influenced in their decisions by the receipt of gifts or other inducements from third parties, such as brokers, trading counterparties or vendors. Hudson Executive employees are required to seek approval to keep certain business gifts, and are required to seek pre-approval to give certain types of business gifts. In addition, Hudson Executive’s policies set forth standards for receiving and providing business entertainment from or to certain third parties, using social media for business purposes and interacting with the government, among other things.

Clients or prospective clients may obtain a copy of the Code by contacting the CCO at 212-521-8495 or compliance@hudsonexecutive.com.

Personal Trading

Hudson Executive manages the potential conflicts of interest inherent in supervised person personal trading by rigorous enforcement of its Code, which contains significant limitations on supervised persons’ personal investment activities, including pre-clearance requirements and reporting guidelines for supervised persons. As noted above, Hudson Executive receives transactions and holdings reports in accordance with Advisers Act Rule 204A-1. The CCO (or his designee) reviews supervised persons’ personal transactions and

holdings reports to make sure each supervised person is conducting his or her personal securities transactions in a manner that is consistent with the Code. Hudson Executive's Chief Operating Officer (or his designee) reviews the CCO's personal transactions and holdings reports and has approval authority for his personal trading requests. Supervised persons generally are prohibited from personal trading in publicly-traded "reportable securities" that comprise the vast majority of the investable universe of its clients. However, if upon hire a supervised person holds any such reportable securities ("legacy positions"), the supervised person may retain them indefinitely or, subject to pre-approval by the CCO (or his designee), close any such legacy positions, but may not make new investments in such securities while they are supervised persons of Hudson Executive. Hudson Executive's supervised persons may also purchase and sell a narrowly defined universe of instruments (e.g., mutual funds, money market funds, certificates of deposit, Treasury securities, co-op securities, open-end funds, exchange-traded funds and municipal bonds) without pre-clearance and private investments with pre-clearance. Some Hudson Executive clients may invest in the same or similar mutual funds and exchange-traded funds that supervised person may permissibly invest in under the Code.

Notwithstanding the restrictions on trading reportable securities as described above, a supervised person may have an account which trades in such securities if (a) the employee delegates to a professional investment adviser full investment discretion over the account, (b) the employee confirms that he or she will not exercise investment discretion over the account or directly or indirectly influence any investment decisions for the account, and (c) such professional investment adviser confirms that he or she will independently manage the account, as any such account is not subject to the reporting requirements under Rule 204A-1.

Participation or Interest in Client Transactions

As explained in Item 10, Hudson Executive and the General Partners have financial ownership interests in the client funds and receive a management fee and/or performance-based compensation for their services to the client funds and potentially other client accounts.

Also as explained in Item 10 and elsewhere in this Brochure, Hudson Executive's affiliates, principals and employees and their related persons (including vehicles that they manage) may invest in one or more series or classes of interests which are not generally offered to other investors and which generally are not subject to the management fees or performance-based compensation described in Item 5.

The fact that Hudson Executive, the General Partner and Hudson Executive's affiliates, principals and employees and their related persons have financial ownership interests in the client funds creates a potential conflict in that it could cause Hudson Executive to make different investment decisions than if such parties did not have such financial ownership interests. Further, Hudson Executive receives management fees and each General Partner receives performance-based compensation from clients. The management fees are payable without regard to the overall success or income earned by client accounts and therefore may create an incentive on the part of Hudson Executive to raise or otherwise increase assets under management to a higher level than would be the case if Hudson Executive were receiving no management fee. Performance-based compensation may create an incentive for Hudson Executive to make investments that are riskier or more speculative than in the absence of such performance-based compensation.

Hudson Executive addresses these potential conflicts through regular monitoring of the client portfolios as described in Item 13. Further, the client funds' respective offering documents contain extensive disclosure regarding the potential risks relating to an investment in the client funds, including material conflicts of interest. The Code notes that supervised persons are required to place the interests of clients over their own and all supervised persons are required to acknowledge their receipt of, and agreement to abide by, the Code (among other things) upon hire and at least annually thereafter.

Fee disclosures are provided to investors in each client's offering materials or investment management agreement and prospective investors or clients should review such disclosures carefully. Hudson Executive, its affiliates and its officers, directors and employees may become aware of, and participate in, business opportunities and investments in which any of the clients will not be given an opportunity to participate.

Moreover, at any time, Hudson Executive or one of its affiliates may, in its sole discretion, provide one or more investors or other persons (including the Advisory Board Members) with the opportunity to co-invest with the Flagship Fund or other client funds, subject to the such timing and other conditions as Hudson Executive or one of its affiliates may, in their sole discretion, impose. Any such co-investment may, if Hudson Executive or one of its affiliate so require, be made through one or more investment partnerships or other vehicles formed to facilitate such co-investment, including the Select Fund. Any offer to participate in a co-investment opportunity may be made to such persons (and only such persons) in such proportions and on such terms as Hudson Executive or one of its affiliates shall determine in their sole discretion. Accordingly, investing in the Flagship Fund does not guarantee any right to participate in any co-investment opportunities.

In addition, purchase and sale transactions may be effected between the client funds (so called "cross trades"): (i) if the transactions are effected for cash consideration at the fair value of the particular securities, and (ii) if no brokerage commission or fee or other remuneration is paid to Hudson Executive or its affiliates in connection with any such transaction, and (iii) in the case where the cross trade would be deemed a "principal transaction" under Advisers Act Section 206(3), if the cross trade is executed in compliance with the requirements of the Adviser Act.

Item 12 – Brokerage Practices

Hudson Executive has sole authority for selecting the broker-dealer used in each transaction for clients and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. Hudson Executive recognizes its duty to obtain “best execution.” Consistent with such duty, in determining best execution, Hudson Executive takes into account the full range and quality of a broker-dealer’s services, including research and other services (including capital introduction services) that benefit clients (and Hudson Executive in particular). Therefore, Hudson Executive does not necessarily negotiate “execution only” commission rates and at times will “pay up” for research and other services provided by the broker through the commission rate (“soft dollars”). Hudson Executive does not select broker-dealers solely based on the lowest possible commission costs, but on the best qualitative execution. Moreover, Hudson Executive does not necessarily measure best execution by the circumstances surrounding a single transaction but instead may be measured over time.

Consistent with such policy, consideration is given to a variety of factors, including, but not limited to, one or more of the following:

- research, including access to conferences and public company management
- attention to Hudson Executive’s account
- willingness to commit capital for trades
- ability to source or provide liquidity
- broker’s credit worthiness
- broker’s ability to maintain confidentiality
- cost of execution
- trading products/execution expertise
- access to market information
- providing investment ideas
- brokers’ efficiency in booking and settling trades
- ability of broker to provide access to multiple markets and venues (including foreign markets)

While the primary consideration in allocating portfolio transactions to brokers will be to obtain favorable prices and efficient executions, as noted above, Hudson Executive does not have an obligation, and does not always seek, to obtain the lowest priced execution regardless of qualitative considerations. Commission rates are generally negotiable and thus selecting brokers based on considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

Using brokerage commissions to obtain research or other products or services provides Hudson Executive with a benefit because Hudson Executive does not have to produce or pay for research, products or services. Accordingly, clients may be deemed to be paying for research and other services with “soft” or commission dollars. Hudson Executive has an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client funds’ interest in receiving the most favorable execution. Research and brokerage services obtained by the use of commissions arising from a client’s portfolio transactions may be used by Hudson Executive in its other investment activities, including, for the benefit of other client accounts; however, Hudson Executive generally seeks to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the account generates.

Section 28(e) of the 1934 Act provides a “safe harbor” to investment managers who use commission dollars generated by their advised accounts to obtain investment research and brokerage services that provide

lawful and appropriate assistance to the manager in the performance of investment decision-making responsibilities.

If an expense relates to both a function that would generally qualify for soft dollar payment under our policy stated above as well as a function which does not (e.g., client research and Hudson Executive administrative functions, respectively), the CCO will make a good faith allocation of the cost between qualifying and non-qualifying functions to determine the portion that may be paid with soft dollars. The allocation process will attempt to take into account the principal functions or benefits of the item involved, but will not attempt to measure de minimis or occasional non-qualified usage or non-qualified usage of a de minimis value. It is therefore possible that payments associated with such non-qualified usage or payments made in error could benefit Hudson Executive, but it is not expected that such payments would be material in amount. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist because of Hudson Executive's allocation of the costs of such benefits and services between those that primarily benefit Hudson Executive and those that primarily benefit the clients.

Hudson Executive periodically will consider 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 client funds' brokerage business based on that consideration. Broker-dealers sometimes suggest a level of business that they would like to receive in return for the various products and services that 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 based on all of the considerations described above. In no case will Hudson Executive 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. However, Hudson Executive may, in its sole discretion, elect to pay a broker-dealer with soft dollar credits or cash, including assets of the relevant clients funds to the extent permitted by their investment advisory agreements, in recognition of the value of the research services provided where the level of brokerage activity with that broker-dealer is below Hudson Executive's perceived value of the services that the broker-dealer has provided to the client funds. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Hudson Executive's Brokerage Committee periodically and systematically will evaluate the execution performance of the broker-dealers that Hudson Executive utilizes.

Brokerage for Client Referrals

Hudson Executive will at times place transactions with a broker-dealer that provides Hudson Executive (or its affiliates) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or refers investors to the client funds advised by Hudson Executive (or an affiliate). Because such referrals, if any, could benefit Hudson Executive and its affiliates, Hudson Executive would have a conflict of interest with the client funds when allocating client fund brokerage business to a broker who has referred investors to the client funds. To prevent client brokerage commissions from being used to pay for investor referral fees, Hudson Executive will not allocate client brokerage business to a referring broker in sole recognition of the opportunity to participate in such capital introduction events or the referral of investors, but rather, will determine in good faith that the commissions payable to such broker is consistent with its obligation to seek best execution.

Allocation and Aggregation of Trade Orders

When more than one client participates in a buy or sell order, the order will be allocated pro rata among all participating accounts in according with their relative orders sizes or in some other manner that Hudson

Executive determines is fair and equitable to all clients under the circumstances. Each client's order size would be based upon the Hudson Executive's determination as to what is appropriate for each client.

Hudson Executive will generally aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades. Aggregating trades may tend to decrease the prices received, and increase the prices required to be paid by a particular client fund for its portfolio sales and purchases, respectively. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the clients in an equitable manner as determined by Hudson Executive in its sole discretion.

Trade Errors

Hudson Executive might, on occasion, commit "trade errors" with respect to trades made on behalf of its clients. When Hudson Executive becomes aware of a trading error, it will work on rectifying the issue in an expeditious fashion.

Trade errors may result in losses or gains. Losses caused by trade errors committed by Hudson Executive personnel will ordinarily be borne by clients, except for losses caused by Hudson Executive's willful misfeasance, bad faith or gross negligence, which would then be borne by Hudson Executive. Any gains resulting from such errors will be retained by the affected client(s). The evaluation of the standard of care exercised in committing a trade error will be performed by Hudson Executive, in its sole discretion, which may be conflicted in making such a determination.

Item 13 – Review of Accounts

All positions in the portfolio are subject to ongoing monitoring, continuing due diligence, and regular reassessment of the investment thesis. We continually evaluate whether there remains an appropriate margin of safety in the investment, including the impact of operational improvements, and whether the strategic catalyst continues to provide for sufficient upside potential relative to the downside risk. If we are no longer comfortable with any part of the investment thesis, we may reduce or exit our position. We also may reduce our position if we can take advantage of higher returns in alternative opportunities. We may take advantage of market dislocations to modify the position size; depending on our analysis of risk/reward. In a market sell-off we may determine that the clients will benefit by adding select exposure to our highest conviction names. Ongoing risk management and position sizing are the responsibility of the Managing Partner with input from the other investment team members, operations team members and the CCO, as deemed appropriate.

Further, the CCO (and/or his designee) periodically will review the clients' accounts to ensure consistency with applicable law and regulations.

Generally, all investors in the Flagship Fund will receive the following written reports in the ordinary course:

- end-of-month unaudited performance estimates
- monthly unaudited account statements
- monthly unaudited performance, exposure and attribution reports
- quarterly letters to investors that discuss client fund performance
- quarterly Morgan Stanley Fund Services StratumSM investor report
- annual financial statements (which have been audited by independent public accountants)
- annual tax reports for investors in domestic client funds

Investors in other client funds generally at a minimum will receive quarterly unaudited account statements, quarterly unaudited performance reports, annual audited financial statements and annual tax reports for investors in any domestic client fund.

Hudson Executive may, from time to time, provide additional information relating to the client funds to one or more investors in connection with a request from a particular investor or as it otherwise deems appropriate. For example, in response to questions and requests in connection with due diligence meetings and other communications, certain current or prospective investors may be provided with additional information that is not generally distributed to all investors, including but not limited to portfolio information. In addition, Hudson Executive may afford current or prospective investors access to certain investment personnel or provide them with certain information or materials underlying a specific investment decision. Any additional information provided may affect a current or prospective investor's decision to invest in a client fund or remain invested in a client fund.

Item 14 – Client Referrals and Other Compensation

Hudson Executive and the Flagship Fund have entered into a placement agent agreement with Morgan Stanley Smith Barney LLC (“MSSB”), pursuant to which MSSB’s investment advisory and placement agent clients may invest in Flagship Fund interests. In exchange, Hudson Executive will pay MSSB a fee calculated based upon a specified percentage of the management fees associated with the Flagship Fund interests held by those MSSB clients.

Other than that, Hudson Executive does not currently maintain any agreements with third parties to act as solicitors for clients or for investors in the client funds or for Hudson Executive’s investment advisory business, but may in the future do so. As applicable, all such compensation would be fully disclosed to each client consistent with applicable law. All such client referral activities would be conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act, as well as relevant SEC guidance.

As described in Item 12, Hudson Executive may receive investor referrals from broker-dealers providing services to our clients. Further, Item 12 discusses how Hudson Executive receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements.

Item 15 – Custody

Hudson Executive and the General Partners are deemed to have custody of the client funds' assets because, among other reasons, they have the authority as investment manager or general partner to obtain the client funds' assets, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account to pay client expenses. The client funds maintain their assets, in their own name, with qualified custodians or otherwise as permitted under Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

To ensure compliance with the Custody Rule, Hudson Executive has a reasonable belief that all investors will be provided with financial statements for their respective client fund, audited by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of such client funds' fiscal year.

Item 16 – Investment Discretion

Hudson Executive has full discretionary authority to manage its client funds' accounts. Among other things, this means that Hudson Executive is authorized to make purchase and sale decisions for the client funds, subject to the investment objectives and guidelines set forth in the respective client fund's offering documents. Prior to assuming discretion over a client's assets, Hudson Executive will enter into an investment management agreement or other agreement that sets forth the scope of Hudson Executive's discretion. Client funds and investors do not have the ability to impose limitations on Hudson Executive's discretionary authority. Prospective investors are provided with a client fund's offering materials prior to their investment and are encouraged to carefully review those materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms.

Hudson Executive's discretion with regard to any discretionary managed accounts it may manage in the future (if any) would be as agreed with the client and set forth in the client's investment management agreement.

Item 17 – Voting Client Securities

Hudson Executive seeks to identify and invest in value-oriented opportunities where actionable operational improvements and strategic transactions can unlock value through Constructive Engagement® with the managements, boards and shareholders of public companies in which its clients invest. Accordingly, shareholder voting is critical to Hudson Executive's investment strategy, which is why Hudson Executive retains voting authority for securities held in client accounts.

Hudson Executive's policy is to vote proxies in favor of proposals that advance the clients' investment theses or otherwise furthers their economic interests. In the absence of a finding of a material conflict of interest relating to the proxy vote at hand, Hudson Executive will vote proxies as directed by the Managing Partner. Hudson Executive does not expect that there will be any material conflicts of interest between the Managing Partner or Hudson Executive and its clients with respect to any proxy vote. If, however, the CCO were to determine that a material conflict of interest exists involving the Managing Partner and/or Hudson Executive itself with respect to the voting of a particular proxy, the CCO will convene a meeting of the firm's available senior personnel. The CCO will describe the potential conflict of interest and propose a course of action that he believes is in the best interests of the client funds (i.e., which advances the client funds' investment thesis or otherwise furthers their economic interests). Upon consideration of the CCO's proposal, such senior personnel will vote on a course of action, and Hudson Executive will vote the proxy in accordance with the recommendation of the majority of the votes cast.

Clients and investors cannot direct Hudson Executive as to how to vote in any solicitation. Hudson Executive reserves the right to abstain from voting a specific proxy or proxy item when it concludes that the cost of voting outweighs the potential benefit, or when Hudson Executive otherwise does not believe voting serves its clients' best interests. The mechanics of proxy voting may be handled by a third party service provider.

Upon request, any client can obtain (1) a copy of Hudson Executive's proxy voting policies and procedures and (2) information concerning proxy votes made on behalf of the client by contacting the CCO at 212-521-8495 or compliance@hudsonexecutive.com.

Item 18 – Financial Information

Not applicable.

Item 19 – Requirements for State-Registered Advisers

Not applicable.