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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”) an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this Brochure, please contact us at 212-521-8495 or *compliance@hudsonexecutive.com*. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Hudson Executive is available on the SEC’s website at *www.adviserinfo.sec.gov* and directly from Hudson Executive through *ir@hudsonexecutive.com*.

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 March 28, 2019.

On April 26, 2019, Hudson Executive added a new general partner entity, HEC SPV V GP LLC, for a newly created special purpose vehicle, HEC SPV V LP.

In November 2019, Hudson Executive dissolved HEC SPV III LP and its general partner entity, HEC SPV III GP LLC.

Douglas Bergeron assumed shared management responsibilities at Hudson Executive, under founder Douglas Braunstein's ultimate authority to manage the portfolio, effective as of January 2020.

Item 4 has been updated to reflect these changes.

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Item 4 – Advisory Business

Hudson Executive was founded in January 2015, and operates from offices in New York, New York. Hudson Executive seeks value-oriented opportunities where actionable operational improvements and/or strategic transactions can unlock value through Constructive Engagement® with the managements, boards of directors, and shareholders of public companies in which its clients invest.

Hudson Executive provides discretionary investment advisory services to pooled investment vehicles operating as private investment funds which are organized as domestic or foreign limited partnerships or corporations (each a “Client Fund” and collectively the “Client Funds”). As of December 31, 2019, Hudson Executive had \$1,308,303,701 in regulatory assets under management in the Client Funds.

Douglas Braunstein (the “Founding Partner”) indirectly controls Hudson Executive through his positions as the Managing Member of Hudson Executive’s general partner, HEC Management GP LLC (the “Management GP”), and as the Founding Partner of Hudson Executive.

Douglas Bergeron, Managing Partner, assumed shared management responsibilities at Hudson Executive, under the Founding Partner’s ultimate authority to manage the portfolio, effective as of January 2020.

Hudson Executive’s current clients include a family of private investment funds operating through a “master-feeder” structure (collectively, the “Flagship Fund”), and four special purpose vehicles, HEC SPV I LP (“SPV I”), HEC Investment Fund Cayman Master Ltd. (“SPV II”), HEC SPV IV LP (“SPV IV”), and HEC SPV V LP (“SPV V”) (each an “SPV Fund” and collectively, the “SPV Funds”). Each of the SPV Funds was created to provide single co-investment with the Flagship Fund. SPV I was created in December 2017, SPV II was created in April 2018, SPV IV was created in March 2019, and SPV V was created April 2019. Hudson Executive previously had another co-investment fund that it formed in 2015 in a “master-feeder” structure (collectively, the “Select Fund”), but the Select Fund was not ever funded and was dissolved in 2018. Hudson Executive also previously had another co-investment fund that it formed in May 2018, and which it dissolved in 2019 after liquidation of its investments and distributions to its limited partners.

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 Onshore Feeder invests its assets in the Master Fund. The Offshore Feeder invests its assets in the Intermediate Fund, and the Intermediate Fund invests its assets in the Master Fund. The Master Fund trades in securities and investment instruments and otherwise executes the investment program of the Flagship Fund. HEC Performance GP is the general partner of the Master Fund, the Onshore Fund, and the Intermediate Fund. Hudson Executive is the investment manager of the Flagship Fund.

SPV I co-invests in securities of a company also held by the Flagship Fund. HEC SPV I GP LLC, a Delaware limited liability company (the “SPV I GP”), is an affiliate of Hudson Executive indirectly controlled by the Founding Partner. SPV I GP is the general partner of SPV I. Hudson Executive is the investment manager of SPV I.

SPV II co-invests in securities of a company also held by the Flagship Fund. HEC SPV II GP LLC, a Delaware limited liability company (the “SPV II GP”), is an affiliate of Hudson Executive indirectly controlled by the Founding Partner. SPV II GP is the general partner of the SPV II feeder funds: HEC SPV II Cayman LP, a Cayman Islands exempt limited partnership, HEC SPV II Master Fund LP, a Cayman Islands exempt limited partnership, and HEC SPV II USA LP, a Delaware limited partnership. Hudson Executive is the investment manager of SPV II.

SPV IV co-invests in securities of a company also held by the Flagship Fund. HEC SPV IV GP LLC, a Delaware limited liability company (the “SPV IV GP”), is an affiliate of Hudson Executive indirectly controlled by the Founding Partner. SPV IV GP is the general partner of SPV IV. Hudson Executive is the investment manager of SPV IV.

SPV V was formed to provide a vehicle to co-invest in securities of a company also held by the Flagship Fund. It has not yet been funded. HEC SPV V GP LLC, a Delaware limited liability company (the “SPV V GP”), is an affiliate of Hudson Executive indirectly controlled by the Founding Partner. SPV V GP is the general partner of SPV V. Hudson Executive is the investment manager of SPV V.

Hudson Executive does not tailor its advisory services to the individual needs of the underlying investors in the Client Funds (the “Investors”) and does not accept Investor-imposed investment restrictions for the Client Funds. Hudson Executive has discretion to manage the investment program of each Client Fund in its judgment, subject to the investment guidelines and restrictions set forth in the investment management agreement between the relevant Client Fund and Hudson Executive.

Hudson Executive does not currently offer investment advisory services to separately managed accounts or other services tailored to the needs of individual clients.

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. federal and 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 the law permits and Hudson Executive considers appropriate.

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 will be obligated to 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. 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 the Flagship Fund’s net assets. That management fee is payable monthly in advance, promptly after the first day of each month, based on the value of the Flagship Fund’s net assets as of the first day of such month, reduced by any “accrued” performance-based compensation payable to the Flagship 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). Hudson Executive receives management fees from the SPV Funds in varying amounts. The management fee, if any, for any other Client Funds formed to selectively co-invest with the Flagship Fund, if any, 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 Hudson Executive 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 SPV GPs receive performance-based compensation on investments in the SPV Funds.

Each Flagship 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 Flagship 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 Flagship Fund. In addition, Hudson Executive has the right to enter into agreements, such as side letters,

with investors, which provide 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 does not expect to enter into any side letters with investors that restrict the Flagship Funds from investing in specific securities or types of securities. Different practice may be followed with management of co-investment vehicles.

Hudson Executive offers 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, employees, and certain 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 receives 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 typically receive performance-based compensation for such accounts as negotiated with that client.

It should be noted that performance-based compensation creates a potential conflict of interest in that Hudson Executive and the General Partners 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. However, this incentive may be tempered somewhat by the fact that losses will reduce client performance and thus the fees earned. 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 have engaged and may engage, third parties to conduct independent valuations of less liquid or otherwise hard-to-value assets, in their discretion.

Item 7 – Types of Clients

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. Each investor must meet the eligibility provisions. Interests in Client Funds are generally offered to (A) U.S. Investors who are (i) accredited investors within the meaning of Regulation D of the Securities Act of 1933, as amended, and (ii) “qualified clients” under Rule 205-3 of the Advisers Act, and (B) non-U.S. Investors (as applicable). Additionally, minimum contribution amounts, typically of \$1 million or more, apply as described in 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/or 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 Founding 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 typically involves Advisory Board Members in the due diligence process (subject to conflicts clearance procedures and other compliance policies and procedures). The Advisory Board Members typically 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. Advisory Board Members are not employees of the Manager, they do not exercise investment discretion for Hudson Executive or its clients, and they 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, but not exclusively, in North America. In a client's offering materials, Hudson Executive provides 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 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 then-current perception of the market. The Flagship Fund and the SPV Funds often coordinate their trading activity, but the investment manager has broad discretion to operate them independently, including differential trading activity regarding the same security.

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

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 clients' investment programs depends upon Hudson Executive's ability to develop and implement investment strategies that achieve their 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, to Hudson Executive, or to any Client Fund'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'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/or 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 will increase. 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, only some of which include the following examples: (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 will choose investments and strategies that it believes are advisable and consistent with the Client Fund's 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 are 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 is not obligated to hedge its clients' positions to reduce this risk.

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/or 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 from time to time. Such controlling positions typically are subject to increased legal or practical restrictions on transfer, and the disposition of such control positions may be subject to increased transaction costs. Hudson Executive is not obligated to avoid acquisition of controlling positions.

Small and Medium Capitalization Companies

Hudson Executive typically invests a significant portion of a Client Fund'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 relatively illiquid.

General Economic and Market Conditions

The success of Client Fund activities will of course 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 Client Fund investments. Volatility or illiquidity could impair Client Fund profitability or result in losses.

Inside Information

From time to time, Hudson Executive or its affiliates comes into possession of material, non-public information concerning an entity in which clients have invested or intend to invest. The possession of such information typically limits the ability of Hudson Executive to cause clients to buy or sell the securities issued by 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. Hudson Executive is not obligated to avoid acquisition of material nonpublic information.

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 will become subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on clients and Hudson Executive. Such requirements typically 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.

For example, 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 Client Funds may 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.

Conflicts Relating to Other Business Activities

Hudson Executive and its affiliates and their partners, members, officers and employees will devote as much of their time to the activities of clients as they deem necessary and appropriate. However, they are not restricted from engaging in other business activities, even though such activities may be in competition with those of Hudson Executive's clients or may involve substantial time and resources. These activities could be viewed as creating a conflict of interest in that the time and effort of Hudson Executive and its affiliates and their partners, members, officers and employees will not be devoted exclusively to the business of Hudson Executive's clients. In addition, those outside activities could result in Hudson Executive and its clients being restricted from participating in certain investment opportunities (e.g., as the result of receipt of material, non-public information).

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor or potential investor's evaluation of Hudson Executive or the integrity of Hudson Executive's management.

Hudson Executive has no such facts to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Hudson Executive nor any of its officers is registered as a broker-dealer, and none of them has 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 the Founding Partner, serves as the general partner to the Master Fund, the Onshore Feeder and the Intermediate Fund.

The general partners of the SPV Funds are affiliates of Hudson Executive that are indirectly controlled by the Founding Partner.

The Client Funds do not have independent management, and only the Offshore Feeders and SPV II have an independent Board of Directors.

Hudson Executive has negotiated investment management agreements with the Client Funds. The material terms of these related party arrangements are disclosed to investors prior to their investment.

Hudson Executive's affiliates, principals and employees, and certain of their related persons (including vehicles that they manage) 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. 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 in summary manner certain provisions of the Code.

The Code applies to Hudson Executive’s management and employees, and to 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, comes into possession of confidential or material non-public information from time to time. 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 promptly after becoming a supervised person. In addition, Hudson Executive’s supervised persons must provide annual holdings reports and quarterly transaction 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.

The Code also includes general provisions regarding professionalism in all aspects of management and employee conduct for Hudson Executive.

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 transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The CCO (or his designee) reviews supervised persons' personal transaction 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. The Founding Partner reviews the CCO's personal transaction 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 without CCO approval. 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 persons 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. Supervised persons also may trade in other securities if they receive specific advance clearance of a proposed trade from the CCO.

Participation or Interest in Client Transactions

As explained in Item 10, Hudson Executive and the General Partners have pecuniary 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 certain related persons (including vehicles that they manage) 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 pecuniary 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 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 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 offering materials and/or investment management agreements, and prospective investors and 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, Hudson Executive or one of its affiliates has, and at any time 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 such timing and other conditions as Hudson Executive or one of its affiliates may, in their discretion, impose. Any such co-investment may, if Hudson Executive or one of its affiliates so require, be made through one or more investment partnerships or other vehicles formed to facilitate such co-investment. 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 its sole discretion. 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. 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 and overall value. Moreover, Hudson Executive does not measure best execution by the circumstances surrounding a single transaction but measures best execution instead 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 creditworthiness
- 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)

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 are sometimes 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, and not just the lowest-cost 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.

Hudson Executive limits the use of soft dollars to obtain investment research and brokerage services within the meaning of the Section 28(e) “safe harbor.” 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 and CFO 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 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 attempt to allocate a portion of the Client Funds' brokerage business based on that consideration. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can 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 client's 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

If more than one client participates in a buy or sell order, the order will be allocated pro rata among all participating accounts in accord with the relative order sizes of each, or in some other manner that Hudson Executive determines is fair and equitable under the circumstances.

Hudson Executive generally will aggregate client orders to achieve more efficient execution, and/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, or some other fair measure. 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 discretion.

Trade Errors

Hudson Executive might commit “trade errors” in trades made on behalf of its clients. When Hudson Executive becomes aware of a trade 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 bad faith or gross negligence, which losses 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. If we are no longer comfortable with the investment thesis, we may reduce or exit our position. We also may reduce our position to capture a gain we believe to be sufficient, or 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 Founding Partner with input from other investment team members, operations team members, and the CCO, as appropriate for each decision.

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 Flagship 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 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, and likely will receive additional information in Hudson Executive's discretion.

All Investors will not necessarily receive all of the same information from Hudson Executive. On the contrary, Hudson Executive will, 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 Investors 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 Investors or prospective investors access to certain investment personnel or provide them with certain information or materials underlying a specific investment decision.

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.

Hudson Executive has executed placement agreements with other parties through which Hudson Executive still pays a fee to such placement agents calculated based upon specified percentages of the fees obtained on investments secured by the agents. Any such compensation would be disclosed as and to the extent required by applicable law, and 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 the Client Funds' accounts to the extent permitted by law, constrained only as set forth in agreements made with each Client Fund.

Among other things, this means that Hudson Executive is authorized to make purchase and sale decisions for the Client Funds in its discretion, 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, other than what may be set forth in those management agreement(s).

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 also are required execute a subscription agreement and other subscription documents before they are permitted to invest in a Client Fund, which agreements constitute legal, valid and binding obligations of the Investor, enforceable in accordance with their terms.

Item 17 – Voting Client Securities

Shareholder voting is important to execution of Hudson Executive's investment strategy, and Hudson Executive retains voting authority for securities held by Client Funds.

Hudson Executive's policy is to vote proxies in favor of proposals that advance the clients' investment theses or otherwise further 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 Founding Partner. Hudson Executive does not expect that there will be any material conflicts of interest between the Founding Partner or Hudson Executive and its clients with respect to any proxy vote.

However, if the CCO determines that a material conflict of interest exists involving the Founding 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 the CCO believes to be 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 typically are 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/or (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.