

**ITEM 1**  
**COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**

HBK INVESTMENTS L.P.

October 20, 2023

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

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

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

you deem necessary. Based on your independent analysis and due diligence and on the applicable Fund Documents (which are discussed below), you must make your own decisions regarding whether and when to invest in (or withdraw from) any of our Funds.

In this Brochure, we are providing only the information that has been required by the SEC, much of which is only a summary. This Brochure does not include all of the material information that you would need to evaluate an investment in one of our Funds. We offer interests in each of our Funds only pursuant to a definitive confidential memorandum (or similar disclosure statement), a subscription agreement and the organizational documents for that particular Fund (collectively, the Fund Documents). Before making any investment decision regarding any Fund, you must carefully review the Fund Documents applicable to that Fund, and you should not rely on any other information (written or oral) from us in making any investment decisions regarding that Fund.

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

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

Additional information about HBK also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2**

### **MATERIAL CHANGES**

This Item 2 lists certain changes to the brochure we filed with the SEC on March 31, 2023, in connection with our annual updating amendment.

We do not believe any of the changes in this brochure are material. Among other things, Items 1, 4.B, 5.C, 8.A, 8.B, 10.B, 11.A, and 12.B have been updated or clarified.

**ITEM 3**  
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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. General Description of Advisory Firm.**

We provide discretionary investment management services and related administrative services to our Funds, which are private investment funds offered only to sophisticated investors with substantial resources. Our firm was founded in 1991 and has approximately 192 employees in four offices. Our headquarters is in Dallas, Texas and we also have offices in New York City, London and Charlottesville, Virginia. See Item 10(C).

The principal owner of HBK Investments L.P. is HBK Management LLC. All of the management company entities that operate our business are ultimately controlled by the managing directors who run our business, none of whom individually owns 25% or more of the economic interests in HBK. For a description of companies and individuals that have control of HBK, please see Schedules A and B of Part 1A of HBK's Form ADV. In addition, certain of our affiliates serve as general partner of our Funds.

#### **B. Description of Advisory Services.**

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

Our largest Funds are global, multi-strategy funds (Multi-Strategy Funds) that have combined substantially all their assets into a single master pool (the Multi-Strategy Master Fund). We also manage a group of merger arbitrage funds (Merger Strategies Funds), which have combined substantially all their assets into a single master pool (the Merger Strategies Master Fund), a convertible arbitrage fund (the Convertible Arbitrage Fund), into which investors have invested directly or through a feeder fund, and multiple credit funds (together, the Credit Funds), into which investors contribute capital, either directly or through a feeder fund, when called pursuant to capital commitments.

#### **C. Availability of Customized Services for Individual Clients.**

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

#### **D. Wrap Fee Programs.**

We do not participate in wrap fee programs.

E. Assets Under Management.

As of December 31, 2022, our total regulatory assets under management were \$28,457,389,000. All of our regulatory assets under management are managed on a discretionary basis.

## ITEM 5

### FEES AND COMPENSATION

#### A. Advisory Fees and Compensation.

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

#### B. Payment of Fees.

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

#### C. Additional Fees and Expenses.

Our Funds generally pay or reimburse us for all Fund Expenses (as defined below). Provisions related to the reimbursement of Fund Expenses for each Fund are intended to be consistent with those applicable to the other Funds. If any Fund Expense is incurred jointly for more than one Fund or is not identifiable to a particular Fund, such Fund Expense is allocated among our Funds in a manner that we consider fair and equitable, including in proportion to their respective net asset values, in proportion to the size of the investment made by each Fund in the activity, strategy or entity to which the Fund Expense relates, or in equitable proportion to the size of the investment made by each Fund in the activity, strategy or entity to which the Fund Expense relates, or in proportion to our estimation of the extent to which a particular Fund or strategy benefits from or is responsible for such Fund Expense, which may be calculated based on trade volume, instrument or issuer counts, the estimated amount of time required of our personnel, or other quantitative or qualitative measurements.

“Fund Expenses” consist of the following fees and expenses (including a Fund’s pro rata share of any such fees and expenses incurred by an applicable master fund), among others: (a) the management fee and incentive fee or incentive allocation payable to HBK; (b) fees and expenses payable to a Fund’s administrator and its advisory committee (if applicable); (c) trading and investment-related expenses, such as broker’s commissions and finder’s fees (including retainers and other fees paid to exclusive and non-exclusive agents that source and evaluate transactions), exchange fees, financing costs (including interest as well as rating agency fees, investment banking fees, placement agent fees and other expenses associated with arranging any financing), withholding and other taxes, custodial fees, clearing fees and account fees; (d) securities lending fees and expenses; (e) expenses related to third-party research, publications, data and data services, including real-time pricing and market information (such as Bloomberg and Reuters services) and historical pricing and other data; (f) outside professional fees and expenses, including those of attorneys, accountants, consultants, investigators, lobbyists and independent advisors; (g) fees or allocations payable to third-party sponsors, managers or subadvisors in connection with certain investment ventures or vehicles (as described in the applicable Fund Documents); (h) expenses related to third-party software and related systems, including accounting software, trade execution systems, order management systems, analytics, proxy voting systems, class action filing systems and compliance systems; (i) computer hardware and related systems, including offsite data storage and business continuity facilities; (j) expenses related to voice and data telecommunications; (k) membership dues for trade associations and similar organizations; (l) expenses associated with preparing a Fund’s financial statements and tax filings; (m) costs of compliance with applicable

laws and regulations of governmental and self-regulatory bodies, including costs incurred by HBK and our affiliates in complying with laws and regulations that apply to us as a result of our services to a Fund; (n) expenses associated with forming and maintaining the legal existence of a Fund and its subsidiaries, including directors' fees, administrators' fees, personnel costs, occupancy costs and other operating costs of entities that maintain their own offices in certain jurisdictions or are operating companies (as described in the applicable Fund Documents); and (o) premiums to insure a Fund and certain indemnified parties against liability for any breach or alleged breach of fiduciary responsibilities or other errors and omissions by any indemnified party. Each Fund also pays the fees and expenses of its outside directors, if any, as described in the applicable Fund Documents. Except with respect to the management fees and the incentive fees or incentive allocations, Fund Expenses with respect to a particular Fund generally are shared by all investors in such Fund, including insiders, pro rata in accordance with the net asset values of their interests.

We generally do not bear any portion of the Fund Expenses, even if such expenses are incurred by HBK and further or support our business generally and are not identifiable to any particular Fund, strategy, product or investment. The definition of "Fund Expenses" is not limited to expenses incurred for or on behalf of a Fund. Instead, all such expenses, whether incurred by a Fund or by HBK or one of our affiliates, generally are borne by one or more Funds, as applicable.

Other expenses (not included in the definition of "Fund Expenses") incurred by HBK in the operation of our business generally are borne by HBK. Because of the breadth of the definition of Fund Expenses, however, the expenses borne by HBK (the Non-Reimbursable Expenses) are generally limited to (i) office rent (and included utilities), furniture and fixtures for all of HBK's offices, (ii) travel expenses incurred by our personnel, (iii) compensation and benefits for our personnel, (iv) entertainment expenses, including those involving employees, counterparties or investors, and (v) professional fees and expenses paid to employee recruiting firms and license fees for dedicated recruiting software.

We are entitled to receive from each Fund reimbursement of all Fund Expenses paid or incurred by HBK or any of our affiliates. In the case of any capital items included within the description of Fund Expenses, the reimbursement covers the related depreciation or amortization expense as incurred (including the entire remaining balance, if any, when a capital item is decommissioned), and a similar approach is used for prepaid expenses and accruals. In the case of any Fund Expenses incurred by HBK in a foreign currency, our Funds reimburse us in U.S. dollars based on the exchange rate in effect as of the date of the applicable invoice, accrual, or notice (to the extent identifiable), regardless of the payment date or the date the applicable products or services are delivered or the depreciation or prepayment is recognized. Fund Expenses incurred by HBK are allocated among our Funds (and any sub-accounts maintained by such Funds) that, based on our determination, benefit from or are responsible for such expenses in a manner that HBK considers fair and equitable in its discretion, which may be based on the net asset values of such Funds, based on the size of each such Fund's investment in the activity, strategy or entity to which the Fund Expense relates, or based on our estimation of the extent to which a particular Fund or strategy benefits from or is responsible for such Fund Expense, which may be calculated based on trade volume, instrument or issuer counts, the estimated amount of time required of HBK's personnel, or other quantitative or qualitative measurements. Any such estimation would be inherently uncertain and subjective. In some cases we may base the allocation of a Fund Expense on a combination of such factors or other factors. In determining the appropriate allocation approach, we may weigh the practical difficulties and administrative burdens of different possible approaches, and may also prioritize more objective approaches over approaches that require more subjectivity. For example, in many cases Fund Expenses will be allocated based on the net asset values of the relevant Funds rather than by attempting to determine the extent to which each Fund or strategy actually benefits from or is responsible for such Fund Expenses. In general, allocations based on net asset value are based on the most recent adjusted beginning monthly net asset value prior to the date of allocation. Allocations based on the size of an investment typically are processed on a weekly basis based on the most recent available gross market values. The values upon which an allocation is based may differ significantly from such values at the time the expense was incurred



or the related goods or services were received.

Reimbursable expenses that further or support our business generally and are not clearly identifiable to a particular fund, strategy, product or investment are generally deemed to benefit, and are allocated among, all applicable Funds. As a result, all expenses incurred by HBK, excluding only the Non-Reimbursable Expenses, are Fund Expenses and are borne by one or more Funds (and not by HBK). For example, each Fund generally is allocated its proportionate share, based on net asset value, of Fund Expenses incurred by or attributable to our employees, without regard to the particular duties or functions or locations of the employees. This is generally true for all types of Fund Expenses incurred by HBK and attributable to our employees, including voice and data telecommunications expenses (wired or wireless), data and pricing services, membership dues, compliance expenses, off-site storage of backup tapes, and all technology expenses, including software, hardware, cloud computing resources and services such as Amazon Web Services and Google Cloud Platform, and business continuity expenses, in each case including overhead expenses that further or support our business. In addition, Fund Expenses include expenses related to certain hardware, equipment, services and publications (such as telephones, desktop computers, Bloomberg services, subscription publications and others) that are used in our business but also may be used by our personnel for personal matters as generally permitted pursuant to our policies, and our Funds bear 100% of such Fund Expenses despite such incidental personal use. Notwithstanding the foregoing, because of the strategies or operational requirements or other characteristics of certain Funds, HBK may determine that such Funds benefit from, or are responsible for, certain Fund Expenses only to a *de minimis* extent or not at all. For example, this might be the case for certain Fund Expenses for a passive beta strategy or a long-only strategy focused on a narrow asset class or other static or narrow strategies that, despite having a relatively large net asset value, require relatively little discretion or trading. In such cases (where we determine that a Fund benefits from, or is responsible for, certain Fund Expenses only to a *de minimis* extent or not at all), we would likely allocate none of such Fund Expenses to such Fund, while other Funds would be allocated all of such Fund Expenses (based, for example, on net asset value).

For purposes of this disclosure regarding the allocation of Fund Expenses among Funds, references to a “Fund” should be interpreted to avoid duplication. So, for example, feeder funds and the applicable master fund and all subsidiaries of such master fund (and any other client accounts managed for its benefit) would generally be considered a single “Fund” rather than treating each entity or account within a single fund structure as a separate “Fund.”

**D. Prepayment of Fees.**

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

**E. Additional Compensation and Conflicts of Interest.**

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

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

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

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

**ITEM 7**  
**TYPES OF CLIENTS**

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

## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

#### A. Methods of Analysis and Investment Strategies.

In developing and implementing investment strategies for the Funds, we use many methods of analysis, including fundamental, quantitative and technical methods of analysis. We currently organize each Fund's portfolio positions into one or more business units, each generally focusing on a different (although sometimes related) type of investment strategy. For analysis and reporting purposes, we currently aggregate these business units into six primary groups: (1) Corporate Credit; (2) Emerging Markets; (3) Structured Credit; (4) Event Driven Equities; (5) Volatility; and (6) Developed Markets Fixed Income. The Merger Strategies Funds focus on merger arbitrage investments within the Event Driven Equities business group. The Convertible Arbitrage Fund focuses on convertible bond arbitrage investments within the Corporate Credit business group. Each of the Credit Funds focuses on applicable opportunistic credit-driven investments within one or more business groups, including the Structured Credit, Corporate Credit and Emerging Markets business groups. At any time we may add or eliminate business units or groups, reorganize our strategies or business units or change the aggregation of our strategies or business units.

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

*Corporate Credit.* This business group makes outright credit-driven investments and capital structure arbitrage investments involving the securities of corporate issuers in developed markets, primarily in North America and Europe. Credit-driven investments typically include investment grade, high yield and distressed bonds, par and distressed loans, bankruptcy-related claims and investments, trade claims, credit default swaps, index products and other credit derivatives. Capital structure arbitrage investments include convertible bond arbitrage and other strategies and typically involve the purchase or sale of loans, bonds, credit default swaps, convertible bonds, convertible preferred stock, options or warrants that we believe are mispriced relative to each other, their underlying equity securities or other related instruments. We typically attempt to examine the entire capital structure of an issuer with the goal of determining the best risk-reward opportunity. The Funds, therefore, often have positions in equity or equity derivatives within these strategies.

*Emerging Markets.* This business group typically invests in countries other than the most highly rated nations, including investments in corporate debt, sovereign debt, equities, currencies and various types of derivatives and structured products.

*Structured Credit.* This business group typically invests in residential and commercial mortgage backed securities and other asset backed securities, collateralized debt obligations, structured notes and other structured products, as well as derivatives on any of the foregoing and debt and equities

related to REITs and issuers of mortgage backed securities and other structured credit. This group also invests in mortgage loans and their underlying collateral.

*Event Driven Equities.* This business group contains several strategy types including merger arbitrage (or risk arbitrage), special situations, equity intercapitalization, and index arbitrage. The Funds engage in these strategies globally, including the U.S., Europe and emerging markets. Merger arbitrage and special situations opportunities include investments in the securities of corporations involved in significant transactions, including mergers, acquisitions, divestitures, tender offers, exchange offers, spin-offs and other corporate events. Using various strategies, the Funds typically seek to profit from the successful completion of the transaction by purchasing the securities at a discount to the value that is expected to be realized if the transaction is completed. Intercapitalization investments are designed to take advantage of multiple share classes or different parts of the capital structure of a single business operation or affiliated business operations when analysis suggests a price disparity between related instruments. Special situations also include fundamentally-driven relative value investments. For example, the Funds may seek to exploit relative mispricings of companies in similar businesses by buying the securities of companies that we believe are relatively inexpensive and selling short the securities of companies that we believe are fundamentally overvalued. We may also take a fundamental position and attempt to hedge systematic market risk through offsetting positions in ETFs, index futures or other derivatives or similar products.

This group also includes SPACs strategies and the New Issues business unit. SPAC opportunities include the purchase of newly issued securities in an initial public offering, as well as the participation in private investments in public equity (PIPEs) and forward purchase agreements in connection with a SPAC's initial business combination. The New Issues business unit generally pursues a strategy in which the applicable Funds purchase newly issued securities subject to FINRA rules, as well as investments made with the intention of profiting from a new issue allocation, including investments held to hedge a new issue. Any income or loss attributable to New Issues (including any such related investments) is allocated only to Investors that are deemed eligible to participate in such new issues.

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

*Developed Markets Fixed Income.* This business group invests in sovereign debt securities, municipal bonds and currencies primarily in G-7 nations, through direct investments and through derivatives such as interest rate swaps, options and "swaptions," repurchase agreements, reverse repurchase agreements, futures and inflation-linked derivatives and other derivatives. This group includes strategies within the short-term developed markets, interest rates markets and longer-dated developed markets, bond futures and interest rate swaps. These investments are intended to take advantage of perceived mispricings that occur in various fixed income markets.

*Other Investment Techniques.* The Funds' investment activities are not limited to the strategies outlined above. The Funds may invest in an unlimited range of securities, instruments and other assets and may pursue an unlimited range of investment strategies, including strategies not described herein and including strategies opposite to those described as being typical. For example, although the Event Driven Equities group typically seeks to profit from the successful completion of a merger, it also sometimes makes investments designed to profit if an announced merger fails to be consummated. In addition, the distinctions between the groups described above are not always clear. Some investments may straddle more than one group, may not fit within any of the described groups, or may appear to match more closely the description of a different group. Accordingly, investments included within one

group for reporting purposes might involve instruments or strategies normally associated with a different group, and investments that do not fit within any of the described groups may be included in the most nearly applicable group for reporting purposes. The name and description of each business group should not be considered a definitive or exhaustive description of all of the investments in the group.

There can be no assurance that any Fund will be able to achieve its investment or risk management objectives. An investment in any Fund involves a substantial degree of risk and is intended and appropriate only for Investors whose sophistication and financial resources are sufficient to enable them to evaluate such an investment and to assume such risks, including the risk of complete loss of their investment. See Item 8.B. below for a summary of various risks related to our investment strategies.

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

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

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

- Epidemics, pandemics and public health risks, such as risks arising from the global outbreak of the novel coronavirus (COVID-19) which has negatively affected (and likely will continue to negatively affect or materially impact) the global economy, global financial markets, and supply chains (including as a result of quarantines, orders to shelter in place, and other government-directed or mandated measures or actions to stop the spread of the outbreak), resulting in (and likely continuing to result in) significant limitations or disruptions to our operations and business activities and, potentially, a prolonged material adverse impact on the Funds' performance;
- General economic and regulatory risks, such as risks associated with general economic and market conditions, regulatory developments, changes in laws, fraud, terrorist attacks, war and natural disasters, government intervention, geopolitical risks, inflation, and risks relating to the SEC's adopted private fund adviser rules;
- Portfolio risks, such as risks resulting from the unlimited range of potential strategies that may be employed by some of the Funds, limited diversification and risk management failures, future changes in observed historical patterns or market behavior and competition, risks associated with derivatives, risks associated with equity investments, default and credit risks, interest rate risks, currency risks, risks associated with cash investments, risks of investments in special situations, volatility risks, hedging risks, short sale risks, risks of non-U.S. investments, emerging markets risk, risks associated with commodity futures, forwards and related instruments, and risks associated with relative value and directional investments, risk arbitrage investments, distressed investments, real estate, energy investments, syndicated loans, lender liability considerations and equitable subordination, credit default swaps, risks related to digital assets, investments in asset-backed securities, investments in small companies, litigation, changes in

government policy, future use of LIBOR, spread widening, conflicting opinions and information, PIPEs-related risks, SPACs-related risks, risks relating to environmental, social and governance matters, and risks relating to the allocation of new issues;

- Leverage and liquidity risks, such as risks resulting from the substantial leverage used by the Funds (including through prime brokerage arrangements, derivatives, repurchase and reverse repurchase agreements, short sales and securities lending) and risks associated with illiquid investments;
- Counterparty risks, such as risks associated with the Funds' substantial exposure to custodians and counterparties in connection with prime brokerage arrangements, other trading, financing and custodial arrangements and a wide range of derivatives and other contract-based obligations;
- Operational and regulatory risks, such as execution risks, systems, facilities and programming risks, cybersecurity breaches and identity theft risks, privacy and data protection risks, risks related to electronic communication, force majeure risks, valuation risks, risks related to internal controls and employee misconduct, regulatory and legal risks, including with respect to our eligibility or our Funds' eligibility for certain regulatory exemptions (such as exemptions from the applicability of registration or filing requirements under applicable securities or antitrust laws or regulations), restrictions on trading and position limits, the absence of regulatory oversight, risks of handling mail, risks related to requests for information, risks related to certain matters in Europe, including the European Union Alternative Investment Fund Managers Directive, the United Kingdom withdrawal from the European Union, and other Eurozone risks, and risks related to trade and other errors, ongoing engagement of service providers, pay-to-play rules and sanctions;
- Risks relating to the terms and structure of the Funds, including risks related to master-feeder structures, incomplete information, reliance on HBK, in-kind distributions, conflicts of interest, compensation arrangements, limitations of liability and indemnification, restrictions on transferability, limitations on withdrawals or redemptions, the effect of substantial withdrawals or redemptions, lack of management control, dependence on the administrator, liability for return of distributions, the admission of benefit plan investors, policies and procedures of the Funds, and interpretation of Fund Documents; and
- Tax risks arising in various jurisdictions, risks related to accounting for uncertain tax positions, the identify of beneficial owners and withholding taxes, partnership audit rules, changes in tax laws, and the complexity and uncertainty of tax laws.

*The foregoing is not intended to be a complete explanation of the risks associated with an investment in any Fund. Investors are encouraged to read all of the Fund Documents related to a particular Fund in their entirety before making any investment decisions regarding that Fund. Investors are also urged to consult with their own investment, legal and tax advisers before making any investment decisions. In addition, as any Fund's investment program develops and changes over time, an investment in such Fund may be subject to additional risk factors.*

#### C. Risks Associated With Particular Types of Securities.

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

## **ITEM 9**

### **DISCIPLINARY INFORMATION**

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

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



## ITEM 10

### OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

#### A. Broker-Dealer Registration Status.

None of our management persons are registered as a registered representative of a broker-dealer.

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

HBK Services LLC currently is registered with the Commodity Futures Trading Commission (CFTC) as a commodity pool operator (CPO) and a member of the National Futures Association (NFA), and certain of our employees are registered with the CFTC as Principals, Swaps Associated Persons or Associated Persons of HBK Services LLC (and are members of the NFA) in connection therewith. With respect to the Multi-Strategy Funds and the Merger Strategies Funds, HBK Services LLC acts as CPO and has claimed relief from certain disclosure, recordkeeping and reporting requirements generally applicable to CFTC-registered commodity pool operators pursuant to the exemption set forth in CFTC Rule 4.7. Accordingly, we currently do not expect to provide the Multi-Strategy Funds, the Merger Strategies Funds or any prospective investors in any such Funds with a CFTC-compliant disclosure document. CFTC Rule 4.7 is available for registered commodity pool operators whose pools are limited to “qualified eligible persons,” as such term is defined in CFTC Rule 4.7. We operate the Convertible Arbitrage Fund and the Credit Funds in reliance upon an exemption from CPO registration provided by CFTC Rule 4.13(a)(3). In the future, HBK Services LLC could act as CPO for one or more of our other Funds and claim the relief described above pursuant to the exemption set forth in CFTC Rule 4.7 with respect to such other Fund(s). Neither we nor any of our affiliates currently is registered with the CFTC as a commodity trading advisor pursuant to one or more exemptions from such registration provided by the Commodity Exchange Act, as amended.

#### C. Material Relationships or Arrangements with Industry Participants.

Either HBK Capital L.P. or HBK Capital Ltd. is the general partner of each Fund that is a partnership. The general partner or board of directors of each Fund has delegated exclusive discretionary power and authority for investing and reinvesting the assets of such Fund to HBK Investments L.P. (HBK Investments) pursuant to an investment management agreement. HBK Investments has entered into a master sub-advisory agreement with an affiliate, HBK Services LLC (HBK Services), pursuant to which HBK Investments has authorized HBK Services to provide all investment management services to the Funds. HBK Services is a party to sub-advisory agreements with other affiliated entities, HBK New York LLC, HBK Virginia LLC, and HBK Europe Management LLP, pursuant to which each of the sub-advisors provides certain investment advisory or investment management services under the ultimate supervision and control of HBK Investments. HBK Investments, HBK Services and each of the other sub-advisors are under common control.

While HBK Investments and each of the sub-advisors have been organized as separate legal entities, each sub-adviser will rely on our investment adviser registration instead of separately registering as an investment adviser with the SEC.

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

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

## ITEM 11

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

#### A. Code of Ethics.

We have adopted and implemented a Code of Ethics, which sets forth standards of business conduct for our employees. The Code of Ethics is designed primarily to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to the various Funds that we manage (our clients), encourage employees to comply with applicable laws, prevent the misuse of inside information and address conflicts that arise from personal trading by employees. A copy of the Code of Ethics is available to you upon request. There can be no assurance that we will resolve all conflicts in a manner that is favorable to our Funds or Investors.

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

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

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

- We face actual and potential conflicts of interest as a result of the fees and allocations applicable to the Funds. Management fees, which are paid without regard to the Funds' performance, could motivate us to gather more assets than we can manage effectively. Performance fees and allocations could motivate us to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance fees and allocations are generally calculated on a basis that includes unrealized appreciation, we face a conflict of interest in valuing the Funds' portfolios.
- We face a conflict of interest in determining whether and to what extent the Funds or HBK should bear particular expenses. Pursuant to the applicable expense reimbursement provisions (which are described in Item 5.C. above and in the applicable Fund Documents), the Funds bear a broad range of expenses incurred by HBK in the operation of our business, except for (i)

office rent (and included utilities), furniture and fixtures for all of our offices, (ii) travel expenses incurred by our personnel, (iii) employee compensation and benefits, (iv) entertainment expenses, including those involving employees, counterparties or investors, and (v) professional fees and expenses paid to employee recruiting firms and license fees for dedicated recruiting software. These reimbursement provisions reduce our motivation to control expenses and could therefore cause us to incur a higher level of expenses than would be the case if such reimbursement provisions were not in effect or were different.

- We are involved in determining our Funds' net asset value, and this process could involve substantial discretion and subjectivity, particularly in the case of illiquid investments. Even the Funds' administrator's and our best judgment as to fair value may not accurately reflect the prices at which the Funds could actually purchase or sell certain assets. In determining our Funds' net asset value, the Funds' administrator and HBK may rely on information provided by our employees who receive compensation based on the performance of certain investments, and such persons may be motivated to provide incorrect valuation information in order to receive inflated or increased compensation. Further, values may be determined based on quotations received from banks or brokerage firms with which we have significant relationships or for which the Funds are significant clients. The personnel of such banks or brokerage firms could be motivated to provide quotations that would be viewed as favorable to us or our personnel in order to obtain or maintain business with HBK and the Funds.
- Actual and potential conflicts of interest exist in connection with our selection of brokerage, custodial and financing counterparties on behalf of the Funds and our selection of service providers and other vendors that are paid for by the Funds (directly or by reimbursing HBK), including conflicts arising from investor relationships, capital introduction services, gifts, entertainment, and family and personal relationships and ownership interests. For example, HBK selects counterparties and other vendors that employ family members of HBK's employees and in which HBK's employees or their family members own economic interests. See Item 12.
- From time to time, HBK and the Funds may enter into separate agreements with certain Investors to address specific concerns raised by such Investors. Among other things, these agreements may entitle certain Investors to specific reports or information or notice of specified events. In addition, the Multi-Strategy Funds have issued a separate sub-class of interests to certain investors that are subject to regulations or internal policies that effectively require them to receive position listings from the Multi-Strategy Funds. Subject to certain restrictions and limitations, the Multi-Strategy Funds provide position listings on a delayed basis to holders of such interests, either through third party risk aggregation services or the internal risk groups or data aggregation groups of such investors or their advisors (or both). Investors holding interests in such sub-class are subject to a longer notice requirement for withdrawals or redemptions (125 days instead of 90 days). However, we do not enter into separate agreements regarding fees or withdrawal or redemption rights for a particular Fund, except as disclosed to all Investors in that Fund.
- Pursuant to various exculpation and indemnification provisions, HBK and our affiliates generally are not liable to the Funds for any act or omission, absent bad faith, willful misconduct or gross negligence, and the Funds generally are required to indemnify us against any losses we may incur by reason of any act or omission related to the Funds, absent bad faith, willful misconduct or gross negligence. As a result of these provisions, the Funds (and not HBK) generally are responsible for losses resulting from programming errors, trading errors (including trade allocation errors), expense allocation errors, and similar errors, even when such losses result from HBK's negligence (but not gross negligence or willful misconduct).

- We face actual and potential conflicts of interest when allocating investment opportunities among our Funds or in connection with transactions between Funds (or accounts within Funds). HBK and our affiliates will have differing financial interests, direct or indirect, in the performance of one Fund relative to other Funds. As a result, we may have an incentive to favor one Fund over others. We seek to allocate investment opportunities among the Funds and handle any transactions between Funds in a fair and equitable manner. In certain circumstances, for investment areas in which multiple Funds participate, trades are allocated among multiple portfolios. In each such case, HBK determines, prospectively, an appropriate allocation percentage by which to allocate trades between the applicable portfolios generally or for specified investments. The applicable allocation percentages or target position sizes may be adjusted from time to time based on a subjective assessment of certain factors. In some cases, one or more portfolios might add to their positions in a particular instrument while one or more other portfolios decrease their positions in that instrument. For various reasons, the portfolios and performance of two portfolios that pursue the same strategy will often not be identical and could differ materially. In addition, as a result of regulatory limits and other applicable laws, certain Funds might be prohibited from trading in certain instruments. . See Item 12.B.
- One or more of our employees currently serve, and in the future may serve, as directors or committee members of companies in which the Funds have or are considering an investment or in situations where the firm believes the employee's involvement may offer benefits in managing the Funds. Such employees could face conflicts of interest between acting in the best interest of the Funds and either discharging their duties as directors or committee members of such companies or pursuing personal interests.
- We may, from time to time in the future, establish and operate additional investment funds, enter into other investment advisory relationships with other clients and engage in other business activities, even though such activities may be in competition with any of the Funds and/or may involve substantial time and resources.
- By reason of or in connection with our activities, the Funds and their respective affiliates, employees or other personnel or affiliates of HBK may acquire or have access to (or be deemed to have access to or be in possession of) confidential or material, non-public information or be restricted from initiating transactions in certain securities. Applicable Funds will not or may not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to divest from an investment from which it might otherwise have divested. Notwithstanding the foregoing, we may determine, in our sole discretion at any time, that such information could impair our ability to effect certain transactions on behalf of a Fund, whether for legal, contractual or other reasons. Accordingly, we may elect not to receive such information or may restrict access to such information to certain personnel that are placed behind an information wall. Lack of access to any such information may adversely affect a Fund's investments that, in some cases, may have been avoided had such Fund or HBK had access to such information.

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

*The discussion above regarding conflicts of interest is only a brief summary. Before making any investment decision regarding any particular Fund, you must carefully review and evaluate all of the applicable Fund Documents, including the specific disclosures regarding Risk Factors and Conflicts of Interest that they contain.*

**B. Securities In Which You or a Related Person Has a Material Financial Interest.**

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

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

The Funds may, in the future, enter into principal transactions and other arrangements that may be viewed as matters involving potential conflicts of interest. On behalf of the Investors, we have established or may establish an advisory committee comprised of persons not affiliated or associated with us, the purpose of which is to consider and, on behalf of the Investors, approve or disapprove, to the extent required by applicable law or deemed advisable, principal transactions, certain other related-party transactions and certain other transactions involving potential conflicts of interest (including any consents required by Section 206(3) of the Advisers Act), if and when any such transactions arise. The advisory committee may approve of such transactions prior to or contemporaneously with, or ratify such transactions subsequent to, the consummation of such transactions.

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

See Item 11.A.

**D. Conflicts of Interest Created by Contemporaneous Trading.**

See Item 11.A.

## ITEM 12

### BROKERAGE PRACTICES

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

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

In selecting custodians, brokers and other counterparties for each Fund, we attempt to obtain best execution based on the overall quality and cost of the counterparty's services from the perspective of the Fund. In addition to the overall costs of a trade, including commissions and spreads, to the extent permitted by applicable law or regulation (including the Markets in Financial Instruments Directive adopted by the European Commission, as revised (MiFID)), we may (but will not necessarily be required to) consider a range of other factors, including, without limitation: the likelihood and quality of execution; the broker's reputation, financial strength and ongoing reliability; its facilities and technology; its willingness to commit capital; confidentiality and the ability to act with minimum market effect; the nature of the instrument and the available market makers; the desired timing and size of the trade; market conditions; access to products and markets; expertise, trading ideas and other research and research-related services provided by or paid for by the broker that are of benefit to the Fund or other Funds; and such other factors as we deem appropriate and consistent with applicable law. Accordingly, when we determine that the commissions or spreads charged by a broker are reasonable in relation to the value of the overall services provided by such broker when permitted by applicable law or regulation, including the value of any such research and research-related services, it may cause a Fund to pay commissions or spreads to such broker that are higher than those charged by other brokers that may not offer such services (or such combination of services), and this occurs regularly. The Funds may also make direct payments to brokers and other third parties for research if we believe that the cost of the research is reasonable in relation to the value of the services provided. In some cases, such payments may be based on a calculation of the accuracy or value added by such research. We have entered into "commission sharing arrangements" (and may enter into similar arrangements or agreements in the future) under which, with respect to trades of certain Funds with certain executing brokers, the portion of commission amounts deemed to exceed execution costs is pooled and ultimately distributed to obtain eligible research or research-related services. A Fund also may otherwise receive research and research-related services (in addition to execution services) from brokers in respect of brokerage compensation. The use of commissions or "soft dollars" for eligible research, research-related and brokerage services, including by means of commission sharing arrangements, is intended to come within the safe harbor for the use of soft dollars provided by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to prevailing guidance provided by the SEC regarding Section 28(e). Under Section 28(e), research obtained with soft dollars generated by a Fund may be used to service other Funds or accounts. The Funds do not enter into soft dollar agreements that require specified levels of business with a particular broker. We will notify Investors if the Funds' policies with respect to soft dollars are changed from the description in this paragraph.

When we use brokerage compensation generated by the Funds to obtain research or other products or services, we receive a benefit because we do not have to produce the research or other products or services ourselves, using our own personnel. For this reason, we may have an incentive to select a broker-dealer based on our interest in receiving research or other products or services, rather than the Funds' interests in receiving most favorable execution. In addition, brokerage compensation from a Fund may be used to acquire (indirectly) research or other products or services that are beneficial to a different Fund, including by means of a commission sharing arrangement (as described above). In

certain instances, amounts pooled from a commission paid by one Fund will be distributed to obtain research or research-related services that benefit one or more different Funds. We do not seek to allocate these benefits to specific Funds based on the brokerage compensation that each generates. However, research and most other products and services that would be offered by a broker on a stand-alone basis and paid for directly by the Funds outside of a commission sharing arrangement (including by means of research payment accounts that are not funded using shared commissions) would generally constitute Fund Expenses, and would therefore be payable by the Funds in any event. For example, a Fund could receive research or research-related services in exchange for commission dollars or could pay for such research or services directly, and the Fund generally would be required to bear the expenses in either case. Research reports and recommendations, whether developed by a broker or a third party, and conferences, seminars, road shows, meetings with corporate executives and similar meetings sponsored or arranged by a broker generally would constitute “Fund Expenses,” either as research, investment-related expenses or consultants’ fees. Accordingly, if a Fund were to pay for such services directly, the expenses generally would be borne by the Fund to the extent permitted by applicable law or regulation.

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

Brokerage firms and their personnel, as well as other third parties that provide services to the Funds, may offer gifts and entertainment to our employees. We have adopted policies and procedures with respect to the receipt of gifts and attending entertainment events. Generally, employees may not give or receive gifts in excess of a specified threshold without prior written approval from the Chief Compliance Officer. Employees may accept invitations to entertainment and networking events (such as dinners and sporting events) without any specific limit on value, provided the person providing the entertainment is present and the employee provides notice to (or, in certain circumstances, obtains approval from) appropriate persons with respect to attendance at such an event in which cost of participation would reasonably be expected to exceed a specified threshold. In addition, our personnel have family and personal relationships with personnel at various brokerage firms and other counterparties. It is our policy that investor relationships, capital introduction services, gifts, entertainment, family and personal relationships and other factors that do not benefit a Fund should not be considered in evaluating the overall quality of the services provided to that Fund by a broker, custodian or other counterparty. However, such factors may present conflicts of interest.

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

#### **B. Order Aggregation.**

We do not aggregate orders to purchase or sell securities for the Multi-Strategy Funds, because their investment activities are consolidated in the Multi-Strategy Master Fund (or one of its subsidiaries), so multiple orders are not necessary. Orders for each of our Funds may be aggregated (as applicable) and allocated based on a methodology established in advance and that does not seek to favor one Fund over the other, as more fully described in the applicable Fund Documents. See Item 11.A.

## **ITEM 13**

### **REVIEW OF ACCOUNTS**

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

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

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

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

#### **C. Content and Frequency of Account Reports to Clients.**

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



**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

A. Economic Benefits for Providing Services to Clients.

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

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

We do not, directly or indirectly, compensate any non-supervised persons for client referrals.

**ITEM 15**  
**CUSTODY**

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

**ITEM 16**  
**INVESTMENT DISCRETION**

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

## **ITEM 17**

### **VOTING CLIENT SECURITIES**

#### **A. Policies and Procedures Relating to Voting Client Securities.**

Each Fund has delegated proxy voting authority on behalf of the Fund to us. We have adopted and implemented a Proxy Voting Policy designed to vote proxies for securities owned by the Funds in a manner focusing on the best interests of the Funds and not the interests of HBK or our personnel. We have engaged an independent proxy voting firm to provide us with proxy analysis, voting recommendations and vote execution services for publicly traded positions. Except for holdings associated with strategies that are specifically addressed in our Proxy Voting Policy, the proxy voting firm generally has been granted implied consent by HBK to vote proxies in accordance with the proxy voting firm's recommendations (when available). The Proxy Voting Policy also addresses conflicts of interest that could arise when we make a voting decision, such as overrides of proxy voting recommendations by HBK employees or the absence of a recommendation by the proxy voting firm. Because Investors generally do not receive information identifying specific holdings, we generally do not provide information to Investors as to how we voted proxies for specific securities owned by the Funds. We may change our approach to evaluating or voting proxies or providing consents on behalf of the Funds at any time in our discretion. A copy of our Proxy Voting Policy is available to our Funds upon request.

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

See Item 17.A. above.

**ITEM 18**  
**FINANCIAL INFORMATION**

A. Balance Sheet.

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

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

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

C. Bankruptcy Filings.

HBK has never been the subject of a bankruptcy petition.

**ITEM 19**  
**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not Applicable.