

Trading Vehicles

Although the Multi-Strat Master Fund implements its own investing and trading strategies directly, it also invests through Trading Vehicles, including one or more other funds managed by Hudson Bay Capital or any of its affiliates.

There are no material restrictions on the strategies, leverage or markets which may be incorporated into the Multi-Strat Funds' portfolio or the percentage of a Multi-Strat Fund's assets that may be committed to any particular strategy type, market or instrument. The composition of a Multi-Strat Fund's portfolio, as well as the liquidity profile and the expected position duration of such portfolio, can be expected to change materially over time, as the strategies implement by Hudson Bay Capital continue to evolve.

Co-Investments

The Multi-Strat Funds may co-invest in the same investment opportunity together with Other Accounts and may offer co-investment opportunities to Other Accounts and other co-investors (including Multi-Strat Fund investors and/or third parties). In such circumstances, the investment opportunity available to the Multi-Strat Funds may be less than it otherwise would have been. Certain co-investors investing with a Multi-Strat Fund may invest on different (and more favorable) terms applicable to the Multi-Strat Fund and may have interests or requirements that conflict with and adversely impact the Multi-Strat Fund (e.g., with respect to their liquidity requirements, available capital, the timing of acquisitions and disposals or other rights). Hudson Bay Capital will generally seek to assure that the Multi-Strat Funds, Other Accounts and third party co-investors participate in any co-investment and related transactions on comparable terms to the extent practicable and share in corresponding investment related expenses. Multi-Strat investors should note, however, that this may not be practicable in all circumstances and that the Multi-Strat Funds may participate in such investments on different and potentially less favorable terms than such parties if Hudson Bay Capital deems such participation in the Multi-Strat Funds' best interest. This may have an adverse impact on the Multi-Strat Funds.

Material Risks

Investing in securities involves risk of loss that Clients and Multi-Strat Fund investors should be prepared to bear. The following is a summary of some of the material risks associated with the strategies expected to account for a significant portion of the Multi-Strat Funds' investments. This summary does not attempt to describe all of the risks associated with an investment in a Multi-Strat Fund. Although no summary can fully describe all of the risks associated with such an investment, each Feeder Fund's PPM contains a more complete description of the risks associated with an investment in that Multi-Strat Fund.

Risk management is a key part of Hudson Bay Capital's investment process. Hudson Bay Capital attempts to monitor the risk parameters of each Multi-Strat Fund's overall