

the categories above.

### *Trading Vehicles*

Although the Capital Structure Fund currently implements its own investing and trading strategies directly, the Capital Structure Fund may also invest through a variety of Trading Vehicles, including one or more other funds managed by Hudson Bay Capital or an affiliate.

### *Trading Subsidiaries*

The Capital Structure Fund may effect one or more of the foregoing strategies either directly by purchasing securities or indirectly, for tax, regulatory or other reasons, by investing through one or more trading subsidiaries organized by Hudson Bay Capital.

### ***Material Risks***

Investing in securities involves risk of loss that Clients and Capital Structure 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 Capital Structure Fund's investments. This summary does not attempt to describe all of the risks associated with an investment in the Capital Structure Fund. Although no summary can fully describe all of the risks associated with such an investment, the Capital Structure Fund's PPM contains a more complete description of the risks associated with an investment in the Capital Structure Fund.

Risk management is a key part of Hudson Bay Capital's investment process. Hudson Bay Capital attempts to monitor the risk parameters of the Capital Structure Fund's overall portfolio, as well as the concentration of the portfolio in any particular investment asset, strategy or market. Although Hudson Bay Capital attempts to mitigate risk by hedging at the position, strategy and/or portfolio level, such attempts may not be effective and hedging strategies themselves could add additional risks. Hudson Bay Capital generally does not attempt to hedge all market or other risks inherent in the Capital Structure Fund's portfolio, and hedges certain risks, if at all, only partially.

### General Risks

#### *Investment and Trading Risks in General*

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