

However, there are no material limitations on the instruments, strategies, markets or countries in which the Multi-Strategy Funds may invest. The strategies in which the Multi-Strat Funds invest are constantly evolving and new strategies may appear within the Multi-Strat Funds' portfolio with some regularity.

Side Letters

The Multi-Strat Funds and, in certain cases, Hudson Bay Capital, have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, the terms or provisions applicable to investment in the Multi-Strat Funds to the extent permitted by applicable law and have done so. Such terms may relate to certain withdrawal rights, fees, portfolio level information rights or different participation in profits and losses of certain securities ("Favorable Terms"), or other matters. To effect such waivers or modifications or the grant of any special or more Favorable Terms or any other terms, the Multi-Strat Funds or Hudson Bay Capital, as applicable, may create additional classes, sub-classes, tranches or series of interests and enter into side letter agreements without notice to, or consent of, other investors that provide for these differing rights. Although certain investors may invest with different material terms, the Multi-Strat Funds and Hudson Bay Capital will only offer such terms if they believe other investors will not be materially disadvantaged. Favorable Terms granted to certain investors (other than current and former members and employees of Hudson Bay Capital, their family members and/or related entities) will be offered to all existing investors with an equal or greater investment in the Multi-Strat Funds; provided that (i) such terms or conditions were not offered based on an investor's special regulatory, tax or other particular status; and (ii) an investor electing to accept such favorable terms or conditions also agrees to be bound by any conditions, restrictions, limitations or obligations imposed on an investor in connection with its investment in the Multi-Strat Funds. Other rights and investment terms that do not constitute Favorable Terms may not be offered to such other existing investors.

Individual Investor Investment Restrictions

Certain investors ("SRI Investors") that are subject to a "socially responsible" or similar investment mandate which precludes them from participating in profits or losses attributable to certain securities and other instruments ("Restricted Investments") of companies ("Restricted Companies") have entered into side letter agreements with the Offshore Fund and Hudson Bay Capital (and may enter into similar relationships in the future with the other Feeder Funds, including the Offshore Fund) whereby Hudson Bay Capital uses what it believes to be reasonable efforts to allocate profits and losses attributable to such Restricted Companies away from the SRI Investors' shares (the "SRI Shares") and to other investors ("non-SRI Investors") who are not SRI Investors (the "Restricted Investment Reallocation"). In cases where a single investment thesis or idea is manifested through a group of positions, including related hedges, one of which is an investment in a Restricted Company, as a general matter, Hudson Bay Capital will treat the entire group of investments as a Restricted Investment even if certain of the positions in the group are not securities or other instruments of Restricted Companies. In certain cases, where this general rule results in outcomes Hudson Bay Capital deems suboptimal,