

alternate rules may be applied. Hudson Bay Capital retains complete discretion in determining the methodology used to determine the Restricted Investments Reallocation.

The SRI Shares are not managed as a segregated, or even separate portfolio; *i.e.*, the performance of the SRI Shares will be derived, *inter alia*, by removing the profits and losses associated with the Restricted Investments from the overall profits and losses associated with the Offshore Fund's portfolio pursuant to the Restricted Investment Reallocation. As a consequence of the Restricted Investment Reallocation, other shares of the Offshore Fund may be adversely (or positively) affected by Hudson Bay Capital's compliance with the specific investment criteria applicable to the SRI Shares to the extent such investment criteria cause the other shares to have different exposures and weightings than would otherwise be applicable to the Offshore Fund's portfolio in the absence of the SRI Shares. To the extent any of the other Feeder Funds enter into similar arrangements with certain of its investors, the impact of the Restricted Investments Reallocation vis a vis such Fund on its investors will be similar to the impact of the Restricted Investments Reallocation discussed above and below as it relates to the SRI and non-SRI Investors in the Offshore Fund.

### *PM Tranches*

Certain of the Multi-Strat Funds may also issue tranches and/or classes of shares/interests corresponding to the investment strategy (or a sub-strategy to the extent there are multiple investment strategies managed by a particular portfolio manager) pursued by a particular portfolio manager (the "PM Tranches"). Generally, only the portfolio manager associated with a PM Tranche, members of such portfolio manager's team, a family member of such persons and/or trusts or other entities for their benefit and certain other persons associated with Hudson Bay Capital will be eligible to subscribe for a PM Tranche.

### **The Capital Structure Fund**

Hudson Bay Cap Structure Arbitrage Enhanced Fund LP (the "Capital Structure Feeder Fund"), a Delaware limited partnership, invests substantially all of its assets through a "master-feeder" fund structure in Hudson Bay Capital Structure Opportunities Master Fund Ltd. (the "Capital Structure Master Fund"), a Cayman Islands exempted company (together, as previously defined, the "Capital Structure Fund").<sup>4</sup> The portfolio of the Capital Structure Fund overlaps substantially with a comparable portfolio in the Multi-Strat Funds (the "Multi-Strat Convertible Portfolio"), managed by the same portfolio manager, albeit on a more highly-leveraged basis than the Multi-Strat Convertible Portfolio. While the Capital Structure Fund is not currently accepting new investors, it may begin accepting new investors in at any time the future without notice and Hudson

<sup>4</sup> As the Capital Structure Feeder Fund may make investments or enter into transactions directly or indirectly through the Capital Structure Master Fund or other vehicles, references to the term "Capital Structure Fund" in this Brochure should be understood to mean the Capital Structure Feeder Fund, the Capital Structure Master Fund and/or any other vehicle through which the Capital Structure Feeder Fund makes investments or enters into transactions.