

policies and procedures may change from time to time and may differ materially from those described below and exceptions from the methodology set forth below may occur from time to time as determined by Hudson Bay Capital.

Hudson Bay Capital will allocate each Multi-Fund expense among the Funds that should bear the applicable expense (the “Applicable Funds”) *pro rata* generally using one of the following metrics: (i) assets under management; (ii) number of transactions; (iii) number of active positions; (iv) number of lifetime positions; and (v) such other metric(s) as may be applicable in the discretion of Hudson Bay Capital (each a “Fund Allocation Metric”).

Hudson Bay Capital will select the Fund Allocation Metric and the Funds that are Applicable Funds for each Multi-Fund Expense in a manner that it believes to be fair and reasonable based upon the facts and circumstances surrounding the Multi-Fund Expense at issue. For example, direct investment expenses generally will be allocated based upon an Applicable Fund’s respective participations in the relevant investments. Hudson Bay Capital may, from time to time, change the Fund Allocation Metric utilized for a Multi-Fund Expense, and the Funds that are Applicable Funds for a particular Multi-Fund Expense, based upon new circumstances and/or considerations and/or create new Fund Allocation Metrics as Hudson Bay Capital deems appropriate.

Consultants

Certain services provided to the Funds at their expense by consultants and other independent contractors could, theoretically, otherwise be provided by an employee that Hudson Bay Capital would hire at its expense. While Hudson Bay Capital may be subject to a conflict in terms of deciding whether to retain a consultant or hire an employee to perform a task, there may be valid business reasons for a consultant to be hired (*e.g.*, the limited nature of the task or the particular expertise or preference of the consultant).

Item 6. Performance-Based Fees and Side-by-Side Management

As stated in “Item 5 – Fees and Compensation” above, generally all Hudson Bay Capital Clients are subject to payment of a performance-based fee. As a result, Hudson Bay Capital does not face the conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not others. However, to the extent performance-based fees paid by Clients vary, Hudson Bay Capital may have an incentive to favor one Client over another. Hudson Bay Capital addresses this possible conflict through its trade allocation policy, in which investment opportunities are allocated among Clients according to each Client’s investment objectives and what it believes to be in a fair and equitable manner.

Item 7. Types of Clients

As described in “Item 4 – Advisory Business” above, Hudson Bay Capital provides investment advice to private investment vehicles (defined previously as the “Funds”). Each of the Funds is excluded from the definition of “investment company” pursuant to Section 3(c)(7) of the Investment Company Act of 1940, as amended. Hudson Bay Capital provides investment advice directly to the Funds and not individually to the Fund