

*Liquidity Risk*

Certain of the Multi-Strat Funds' investment positions may be illiquid in the ordinary course of business, as well as experience periods of illiquidity despite generally being liquid. Lack of liquidity can make it economically unfeasible for a Multi-Strat Fund to recognize profits on open positions or to close out open positions against which the market is moving and could also adversely affect the Multi-Strat Funds' ability to rebalance their portfolios. Illiquidity can also disconnect market values from the historical pricing indicators used in Hudson Bay Capital's investment analysis.

*Fraud*

Of paramount concern in investments is the possibility of material misrepresentation or omission on the part of a counterparty or an issuer. Such inaccuracy or incompleteness, among other things, may adversely affect the valuation of the collateral underlying an investment or cause funds to be misappropriated. Hudson Bay Capital relies upon the accuracy and completeness of representations made by counterparties and issuers to the extent that it deems such representations to be reasonable, but cannot guarantee such accuracy or completeness.

*Cybersecurity Risk*

Hudson Bay Capital processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Multi-Strat Funds and personally identifiable information of the investors. Similarly, service providers of Hudson Bay Capital and/or the Multi-Strat Funds, especially the administrator, may process, store and transmit such information. Hudson Bay Capital has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. Hudson Bay Capital's systems or facilities may be susceptible to employee error or malfeasance, government surveillance and/or other security threats. Breach of Hudson Bay Capital's information systems may cause information relating to the transactions of the Multi-Strat Funds and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed. The service providers of Hudson Bay Capital and the Multi-Strat Funds are subject to the same electronic information security threats as Hudson Bay Capital.

The loss or improper access, use or disclosure of Hudson Bay Capital's or a Multi-Strat Fund's proprietary information may cause Hudson Bay Capital or the Multi-Strat Fund to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Multi-Strat Funds and the investors' investments therein.

*Custody Risk*

The assets of the Multi-Strat Funds are generally held in accounts maintained for them by their banks, prime brokers or in accounts with other market participants. Such accounts