

Investments will be held for between several months to several years (depending, to some extent, on whether the Appraisal Proceeding is resolved in court or by settlement with the Acquiror).

Hudson Bay Capital may from time to time negotiate to settle an Appraisal Proceeding before it is finally adjudicated.

In certain circumstances, under Delaware Law the Acquiror may exercise the option to prepay all or certain portions of the Corporate Value Fund's Investment at the Transaction Price after the Appraisal Proceeding commences, but prior to its resolution (a "Prepayment Option Amount"), in order to limit the statutory interest to the positive difference between the Fair Value and the Transaction Price (rather than the full Fair Value). Such right of the Acquiror to make a Prepayment Option Amount payment may or may not be available to Acquirors with respect to Appraisal Proceedings not brought in Delaware.

The Corporate Value Fund will only use leverage when it acquires an Investment with the consent of the Institutional Investor. However, even if the Corporate Value Fund does not use leverage to acquire an Investment, the Corporate Value Fund will have margin accounts in order to facilitate its hedging activities. The Corporate Value Fund may take outright, unhedged positions or may engage in hedging transactions in the course of implementing the Strategy.

No Formal Diversification Policies

Hudson Bay Capital expects that the Corporate Value Fund will participate in a number of different Corporate Event Investments (although it is impossible to predict the timing or the number of such Investments). Other than the limitation that the Corporate Value Fund will not invest more than 25% of the capital commitments in any one Corporate Event Investment without the prior consent of the Institutional Investor, the Corporate Value Fund will not follow any formal diversification policies, and — particularly given the unpredictability of when or in what market sector or Target/Acquiror capitalization ranges attractive Corporate Event Investments may arise — the Investments in which the Corporate Value Fund invests may be concentrated in one or a limited number of issuers, market sectors, industries and/or Target/Acquiror capitalization ranges.

Co-Investments

The Corporate Value Fund, together with Other Accounts or the investors therein, may participate in a number of "Co-Investments" in which third parties (and/or Partners wishing to increase their exposure to the Investment in question in addition to their indirect exposure through the Corporate Value Fund, collectively, "Co-Investors") also invest. However, there is no guarantee that limited partners in the Corporate Value Fund will be offered an opportunity to make one or more such Co-Investments. The terms on which Co-Investors participate in Co-Investments will be negotiated at the time and may be materially different from the terms of other Co-Investments as well as from those applicable to the Corporate Value Fund.