

transactions are effected. Such discretionary authority is granted to Hudson Bay Capital in the applicable limited partnership agreement or investment management agreement.

Item 17. Voting Client Securities

Hudson Bay Capital has voting authority and responsibility with respect to securities held by the Funds and may in the future have voting authority with respect to securities held by other clients. Hudson Bay Capital's proxy voting policy is overseen and implemented by a Proxy Voting Committee, consisting of the Chief Compliance Officer and the Chief Operating Officer and such other persons as may be appointed from time to time. In voting proxies relating to securities held by its Clients (each, a "Client Proxy"), Hudson Bay Capital is guided by general fiduciary principles and votes in the manner it believes is consistent with efforts to achieve a Client's stated investment objectives. Hudson Bay Capital has appointed an unaffiliated third party proxy voting service, Institutional Shareholder Services ("ISS"), to assist with the management of proxy voting. Hudson Bay Capital retains the discretion to take no action with respect to a proposed vote if it determines that doing so is in the best interests of a Client (for example, where Hudson Bay Capital determines that the cost of voting exceeds the expected benefit to the Client).

Hudson Bay Capital has determined that in a large majority of voting situations, given the time and effort necessary in order to vote a Client Proxy, it is in its Clients' best interests for Hudson Bay Capital to rely on the analyses and vote recommendations provided by ISS (each, an "ISS Recommendation"). In those situations, Hudson Bay Capital need not take any further action, and ISS will vote the Client Proxy on Hudson Bay Capital's behalf in accordance with the ISS Recommendations.⁵

Notwithstanding the foregoing, Hudson Bay Capital always maintains ultimate voting discretion and may disregard an ISS Recommendation at any time. In particular, in situations where Hudson Bay Capital determines that it is in a Client's best interest to vote a Client Proxy in a particular way (the "HBC Proxy Voting Decision"), Hudson Bay Capital will review the ISS Recommendation relating to such Client Proxy, and where the ISS Recommendation differs from the HBC Proxy Voting Decision (or where there is no ISS Recommendation with respect to such Client Proxy), Hudson Bay Capital will specifically instruct ISS to vote the Client Proxy in accordance with the HBC Proxy Voting Decision, in accordance with certain internal procedures applicable to the Proxy Voting Committee.

Included in these procedures are steps Hudson Bay Capital takes that are designed to identify conflicts or potential conflicts that could arise between its own interests and those of its Clients. If it is determined that any such conflict or potential conflict is not material, Hudson Bay Capital may vote Client Proxies notwithstanding the existence of the conflict. If it is determined, however, that a conflict of interest is material, Hudson

⁵ The ISS Proxy Voting Summary Guidelines can be accessed at <http://www.issgovernance.com/policy-gateway/voting-policies>.