Notwithstanding the foregoing, option positions need not be hedged and may be long or short without a corresponding short or long position. For example, the Management Company may put on unhedged long gamma options positions to profit when it expects the underlying to make large moves or put on unhedged short gamma options positions where it expects the underlying to be relatively inactive. Options written without being hedged could result in an unlimited loss.

Equity-volatility Arbitrage: This strategy seeks to identify and exploit relative mispricings in general volatility levels, skew and term structures across global markets. The Management Company will evaluate volatility through the analysis of capital structure, event catalysts and the structured products market. This strategy can involve single security as well as index volatility. Exposure to equity-volatility arbitrage may be achieved by acquiring warrants in the open market or through direct transactions with an issuer, its affiliates or other shareholders, which warrants may, at times, be hedged.

Convertible Arbitrage: This strategy involves purchasing and selling convertible securities (bonds, preferred stocks or warrants) and may involve hedging the underlying equity and/or credit risk, in anticipation of profiting from a relative mispricing among them. This is intended to create a net position which is designed to be substantially neutral to the movements in the underlying equity and has an attractive yield. Convertible securities may be purchased or sold in open market transactions, directly from issuers or their affiliates, or from other market participants.

Direct Investments: This strategy contemplates the purchasing and selling, through private placements or public offerings, of Securities offered by companies that are publicly traded. Direct investments generally include private investments in public equity ("PIPEs") as well as the following investments issued or offered by public companies: (i) convertible debt securities (senior notes and subordinated notes) and preferred stock, with and without embedded put (conversion price reset(s) and/or cash put) and call (discount and premium) features; (ii) common stock issued at a discount or implied discount; (iii) warrants, purchased alone or issued in connection with non-convertible debt securities or any of the Securities listed above, which warrants may or may not be publicly traded and in which the underlying security may be restricted or unrestricted; (iv) registered direct offerings (which may be a negotiated sale by an issuer to an investor pursuant to an effective shelf registration statement); (v) confidentially marketed public offerings (aka CMPOs) and (vi) other structured investments in public companies. A variant of the direct investment strategy is the purchase of publicly traded, SEC-registered Securities of special purpose acquisition companies (so-called SPACs), companies that have no operations but that go public with the intention of merging with or acquiring a private company within a specified period of time. Most of the money raised from a SPAC's initial public offering is placed in a trust until the merger or acquisition is consummated. A SPAC's publicly offered Securities typically consist of units comprised of common shares and warrants. An Underlying Fund is not limited in the types of direct investments it may make and can also invest in, among other things, debt and equity of private companies.

Stock Loan Arbitrage: From time to time, trading opportunities arise based on the ability to borrow or lend certain types of Securities, directly or synthetically.

Capital Structure Arbitrage: Capital structure arbitrage involves the simultaneous long purchase and short sale of two different classes of Securities of the same issuer in order to capitalize on