

The Management Company and its affiliates may engage in a wide variety of business transactions with, or may have ownership interests in, Service Providers to the Partnership as well as parties that trade in the same markets as the Underlying Funds. These investments create a conflict between the Management Company's duty to act in the best interests of the Underlying Funds and its incentive to generate revenue for the companies in which the Hudson Bay Parties invest. The business dealings between Hudson Bay Parties or entities in which they invest and the Partnership will be on what Hudson Bay believes to be an arm's-length basis, but Hudson Bay will not necessarily give third parties an opportunity to provide such services on a competitive basis.

Conflicts Relating to the Limited Partners' Representative

Cohen & Co. (formerly known as Arthur Bell, Certified Public Accountants), an accounting firm independent of the Management Company that does not otherwise perform material services for the Management Company or the Partnership, serves as the Limited Partners' Representative for purposes of considering whether to grant, and granting or withholding, investor consent to certain transactions that may give rise to conflicts of interest at the Underlying Funds level. In reviewing such transactions, the Limited Partners' Representative will consider, among other things, whether the terms thereof are such as would be expected among unrelated parties. The Limited Partners' Representative is not required to devote its full time and attention to the business of the Partnership and may serve in a similar capacity with respect to other investment vehicles (including Other Accounts). Accordingly, to the extent that the interests of the Partnership and such other investment vehicles are inconsistent, such the Limited Partners' Representative may have a conflict of interest.

The role of the Limited Partners' Representative is not to make investment recommendations or pricing determinations or to review the merits of any transaction on an objective basis. The Limited Partners' Representative is exculpated and indemnified by the Partnership. All Limited Partners, by purchasing Interests, consent to the Limited Partners' Representative having such authority. Each Limited Partner, by subscribing for Interests or otherwise, authorizes the Limited Partners' Representative to act as its agent for such purpose.

Conflicts Relating to the Master Fund Board of Directors

The Master Fund Board of Directors are not required to devote their full time and attention to the business of the Master Fund and may serve as directors of other investment vehicles. Accordingly, to the extent that the interests of the Master Fund and such other investment vehicles are inconsistent, such directors may have a conflict of interest.

Master-Feeder Fund Structure

The allocation of assets by the Partnership to the Master Fund may create a conflict of interest in that different tax considerations or leverage for the other Feeder Funds may cause or result in the Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax or other purposes to one Feeder Fund or its investors.