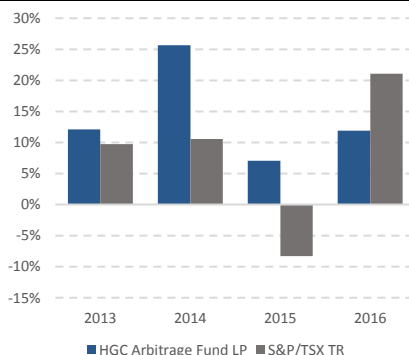
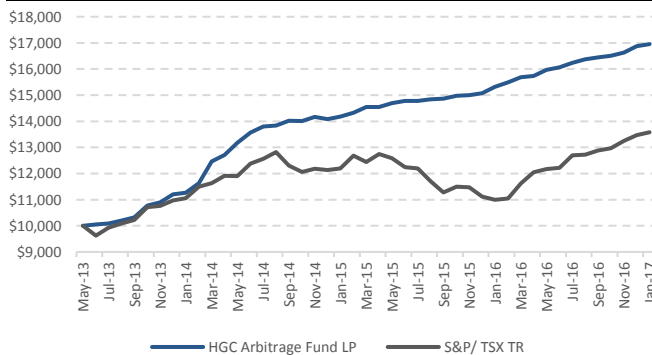


The HGC Arbitrage Fund LP (the "Fund") is a Merger Arbitrage fund which targets over 70% exposure to definitive deals. The Fund specializes in the North American small and mid-cap market. Other primary objectives of the Fund are short duration (quick portfolio turnover) and high liquidity. The Fund seeks to further returns through actively trading deal spreads both long and short.

Summary of Returns Inception Date: June 12, 2013 – Net of all fees

| | YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD * | INCEP** |
|----------|------|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|--------|---------------|---------------|
| HGC LP | 2017 | 0.49% | | | | | | | | | | | | 0.49% | 69.53% |
| HGC LP | 2016 | 1.59% | 1.11% | 1.25% | 0.36% | 1.48% | 0.57% | 1.06% | 0.89% | 0.39% | 0.38% | 0.80% | 1.42% | 11.88% | 68.71% |
| HGC LP | 2015 | 0.64% | 1.07% | 1.51% | 0.01% | 1.06% | 0.51% | 0.03% | 0.39% | 0.20% | 0.71% | 0.18% | 0.54% | 7.06% | |
| HGC LP | 2014 | 0.54% | 3.19% | 7.14% | 1.97% | 3.68% | 2.95% | 1.75% | 0.30% | 1.28% | -0.11% | 1.19% | -0.59% | 25.66% | |
| HGC LP | 2013 | | | | | | 0.52% | 0.39% | 1.09% | 1.23% | 4.29% | 1.19% | 2.86% | 12.10% | |
| HFRI**** | 2017 | -0.10% | | | | | | | | | | | | -0.10% | 11.96% |
| TSX *** | 2017 | 0.85% | | | | | | | | | | | | 0.85% | 35.81% |



| Portfolio Metrics | |
|-----------------------|----------------|
| Category | % of Portfolio |
| Deal Type: | |
| Definitive Merger Arb | 96.97% |
| Hostile Deals | 0.00% |
| Spin Offs | 0.00% |
| Alpha Shorts | 0.00% |
| Pairs | 3.03% |

| Industry Overview: | |
|------------------------|--------|
| Basic Materials | 2.97% |
| Communications | 0.74% |
| Consumer, Cyclical | 4.48% |
| Consumer, Non-cyclical | 14.99% |
| Diversified | 33.96% |
| Energy | 12.40% |
| Financial | 10.31% |
| Industrial | 0.16% |
| Technology | 5.69% |
| Utilities | 14.30% |

| Liquidity Overview: | |
|---------------------|--------|
| 1 Day | 83.85% |
| 1 - 5 Day | 13.93% |
| 5 - 10 Day | 2.22% |
| 10 Day + | 0.00% |
| Private | 0.00% |

The Fund returned +0.49% in January vs. +0.85% for the TSX Total Return.

One of the longer time-frame positions for the Fund closed over month end as the Algonquin Power & Utilities Corp. (TSX:AQN) installment receipts converted into common stock following the closing of its acquisition of The Empire District Electric Company (NYSE:EDE). HGC began to take a position in June of 2016 which equated to investing at an annualized return of ~7%.

We have seen a decent amount of M&A activity to date in 2017, with the majority being originated south of the border. The Fund continues to have a large position in SPACs and has been increasing our US weighting in this strategy now that we have redeemed most of the Canadian offerings. As such the portfolio is much more balanced geographically to start the year than was the case in 2016.

Regards,

Dave Heden & Sean Kallir

| Performance Statistics | | | |
|-----------------------------|--------|------------------------|--------|
| Ann. Return since Inception | 15.48% | Average Monthly Return | 1.22% |
| Positive Months | 95% | Highest Monthly Return | 7.14% |
| Negative Months | 5% | Lowest Monthly Return | -0.59% |
| Largest Draw Down | -0.59% | Sharpe Ratio (Monthly) | 0.90 |

| Portfolio Analytics at Month End | |
|----------------------------------|-----|
| Duration (Average Days to Close) | 45 |
| Percent in Large Cap (+\$1B) | 50% |
| Leverage (debt:equity) | 43% |
| Net Long Exposure | 60% |

| Contact |
|--|
| HGC Investment Management Inc. 366 Adelaide St West #601 Toronto, ON Tel: (647) 776.2189 blindros@hgcinvest.com |

* Performance returns are of the lead series of Class A units.

** Inception June 12, 2013

*** S&P/TSX Comp Total Return Index - The TSX Total Return Index is a widely-known equity index of Canadian large-cap companies. Investing in US and Canadian equities long and short is the primary strategy for HGC as part of the merger arbitrage strategy but HGC does not invest in all or necessarily any of the securities that compose the market indexes. Reference to the indexes does not imply that HGC will achieve returns similar to the indexes.

**** Hedge Fund Research Inc. : Merger Arbitrage Index – Global index of investment managers that use merger arbitrage as a primary strategy .Performance is subject to minor variances due to independent Manager trailing reporting.

++ Duration & Liquidity is calculated without including SPAC positions

+ Please see disclaimer at end of presentation for further information on performance.

IMPORTANT: This document is for information purposes only and does not constitute an offering memorandum. All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. Performance data is historical, and is not indicative of future performance. Volatility and correlation are calculated from monthly returns. Sharpe ratio is hypothetical and is calculated using monthly standard deviation and domestic 90-day Treasury bill. + The HGC Arbitrage Fund LP was managed by Radiant Investment Management Ltd. from June 12, 2013 to December 31, 2013 and by HGC Investment Management Ltd. thereafter. The Fund's investment strategy has remained the same since inception. The HGC Funds are currently open to Canadian investors who meet certain eligibility requirements. Please contact HGC Investment Management to request the offering documents.