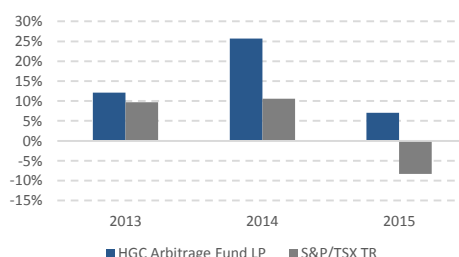
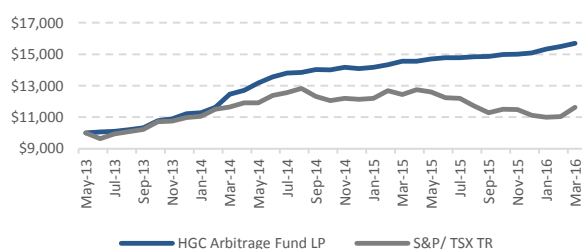


The HGC Arbitrage Fund LP (the "Fund") is a Merger Arbitrage fund which targets over 70% exposure to definitive deals. The Fund specializes in the North American small and mid-cap market. Other primary objectives of the Fund are short duration (quick portfolio turnover) and high liquidity. The Fund seeks 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	2016	1.59%	1.11%	1.25%										4.00%	56.83%
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****	2016	-0.17%	0.31%	0.95%										1.09%	9.33%
TSX ***	2016	-1.17%	0.47%	5.28%										4.54%	16.26%



Portfolio Metrics	
Category	% of Portfolio
Deal Type:	
Definitive Merger Arb	100.00%
Hostile Deals	0.00%
Spin Offs	0.00%
Alpha Shorts	0.00%
Pairs	0.00%

Industry Overview:	
Basic Materials	17.24%
Communications	19.57%
Consumer, Cyclical	1.35%
Consumer, Non-cyclical	23.27%
Diversified	11.89%
Energy	0.02%
Financial	11.17%
Industrial	0.00%
Technology	0.70%
Utilities	14.79%

Liquidity Overview:	
1 Day	81.40%
1 - 5 Day	18.60%
5 - 10 Day	0.00%
10 Day +	0.00%
Private	0.00%

The Fund returned +1.25% in March vs. +5.28% for the TSX Total Return.

With Q1 in our rear-view mirror, I thought it was worth highlighting some details of the current portfolio makeup and that of the previous quarter.

Since the beginning of 2016 the fund has taken advantage of the resurgence of Canadian financings and more specifically the offering of Subscription Receipts. These are listed instruments that are issued by companies to fund acquisitions or asset purchases. As you may recall from previous letters, this has been one of our preferred trades historically. A spread exists between the listed sub receipts and the underlying equity that allows us to capture a market inefficiency with a relatively attractive return.

This type of financing is a made-in-Canada transaction and as such the portfolio has been predominately Canadian to start the year. The fund has participated in number of these Subscription Receipt deals this year by such companies as Milestone Apartments REIT & Corus Entertainment Inc. Our portfolio currently has a weighting of 36% in this strategy.

Regards,

Dave Heden

Performance Statistics				Portfolio Analytics at Month End		Contact
Ann. Return since Inception	17.21%	Average Monthly Return	1.34%	Duration (Average Days to Close)	46	HGC Investment Management Inc. 366 Adelaide St West #601 Toronto, ON Tel: (647) 776.2189 blindros@hgcinvest.com
Positive Months	94%	Highest Monthly Return	7.14%	Percent in Large Cap (+\$1B)	61%	
Negative Months	6%	Lowest Monthly Return	-0.59%	Leverage (debt:equity)	71%	
Largest Draw Down	-0.59%	Sharpe Ratio (Monthly)	0.89	Net Long Exposure	19%	

* 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 - 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. The 2014 results are unaudited and are based on our best estimates at the times of this report per our third party fund administrator. 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 Fund are currently open to Canadian investors who meet certain eligibility requirements. Please contact HGC Investment Management to request the offering documents.