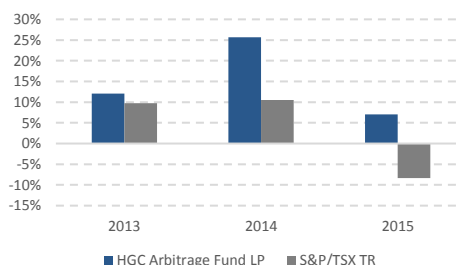
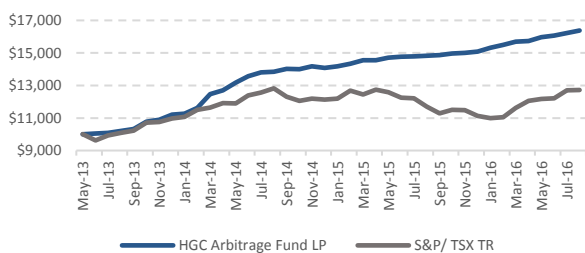


The HGC Arbitrage Fund LP (the "Fund") is a Merger Arbitrage fund which targets over 70% exposure to definitive deals. The Fund specializes in the North American small and mid-cap market. Other primary objectives of the Fund are short duration (quick portfolio turnover) and high liquidity. The Fund seeks 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%	0.36%	1.48%	0.57%	1.06%	0.89%					8.60%	63.76%
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	-0.18%	0.31%	0.58%	-1.02%	0.73%	-0.33%	0.68%	0.67%					1.43%	9.70%
TSX ***	2016	-1.17%	0.47%	5.28%	3.68%	1.00%	0.34%	3.91%	0.27%					14.44%	27.27%



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	10.90%
Communications	3.87%
Consumer, Cyclical	5.16%
Consumer, Non-cyclical	2.25%
Diversified	25.91%
Energy	22.86%
Financial	22.99%
Industrial	0.00%
Technology	3.43%
Utilities	2.63%

Liquidity Overview:	
1 Day	71.13%
1 - 5 Day	20.76%
5 - 10 Day	8.11%
10 Day +	0.00%
Private	0.00%

The Fund returned +0.89% in August vs. +0.27 % for the TSX Total Return.

For the past year, the Fund has had a weighting in a handful of Canadian SPACs. Special Purpose Acquisition Companies (SPAC), while common in the U.S., are relatively new to the Canadian marketplace. Dundee Acquisition was the country's first when it raised \$112.3 million in the early part of last year. These entities are publicly-traded buyout companies that raise money through an initial public offering (IPO), holding the money in escrow while searching for a qualifying transaction within a specified time period. Our Fund has been taking positions in these companies in the secondary market at a discount to their IPO prices. We view this trade as a safe 3-4% annualized return with potential upside on an attractive deal with a defined timeline. If shareholders are not in favour of the announced transaction, they may vote against the deal and receive their cash back plus a small amount of interest.

Towards the end of August, we saw the second announced deal in the space as Dundee Acquisition agreed to a transaction with CHC Student Housing Corp. Only a few weeks prior, INFOR Acquisition announced a qualifying transaction with a unit of Element Financial. While still early in the process, both companies are now trading closer to their redemption values leading to gains for the Fund.

Regards,

Dave Heden

Performance Statistics			
Ann. Return since Inception	16.39%	Average Monthly Return	1.28%
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)	23
Percent in Large Cap (+\$1B)	68%
Leverage (debt:equity)	34%
Net Long Exposure	47%

Contact
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* 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. 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.