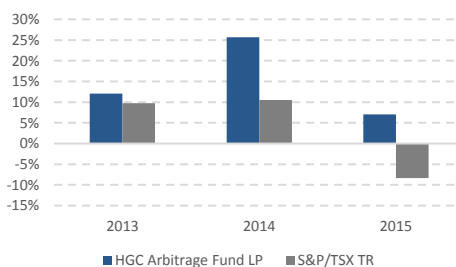
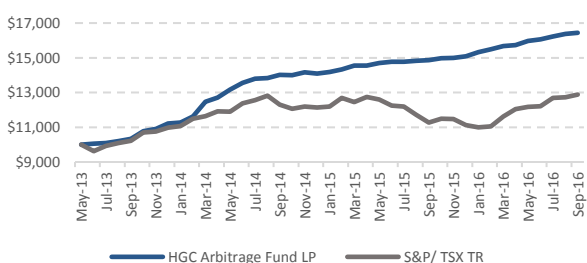


The HGC Arbitrage Fund LP (the "Fund") is a Merger Arbitrage fund which targets over 70% exposure to definitive deals. The Fund specializes in the North American small and mid-cap market. Other primary objectives of the Fund are short duration (quick portfolio turnover) and high liquidity. The Fund seeks 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%	0.39%				9.02%	64.39%
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%	0.72%	-0.29%	0.61%	0.81%	0.52%				2.06%	10.38%
TSX ***	2016	-1.17%	0.47%	5.28%	3.68%	1.00%	0.34%	3.91%	0.27%	1.22%				15.84%	28.83%



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	17.11%
Communications	4.30%
Consumer, Cyclical	4.12%
Consumer, Non-cyclical	1.51%
Diversified	28.01%
Energy	7.59%
Financial	31.05%
Industrial	0.00%
Technology	2.11%
Utilities	4.20%

Liquidity Overview:	
1 Day	90.46%
1 - 5 Day	9.54%
5 - 10 Day	0.00%
10 Day +	0.00%
Private	0.00%

The Fund returned +0.39% in August vs. +1.22% for the TSX Total Return.

Inter Pipeline (IPL) closed its purchase of the Williams Companies Inc.'s and William Partners L.P.'s Canadian businesses during the month, with the acquisition financed by the proceeds from a \$600 million subscription receipt. Once again, the Fund was able to capture an attractive spread by simultaneously going long the listed sub receipt and shorting the common stock. These are very high probability scenarios and the IPL trade was able to generate an annualized return of over 8%.

Another transaction of note is the combination of two of North America's largest ski resort operators. Vail Resorts Inc. (MTN) agreed to buy Whistler Blackcomb Holdings Inc. (WB) in a friendly takeover that was announced in early August for C\$1.4 billion in cash and shares. The deal recently received Investment Canada Act approval and is expected to close on October 17, 2016. The Fund opportunistically built a position in September at close to a 14% annualized return and profitably sold later in the month as the spread came in.

Regards,

Dave Heden

Performance Statistics				Portfolio Analytics at Month End		Contact
Ann. Return since Inception	16.08%	Average Monthly Return	1.26%	Duration (Average Days to Close)	20	HGC Investment Management Inc. 366 Adelaide St West #601 Toronto, ON Tel: (647) 776.2189 blindros@hgcinvest.com
Positive Months	95%	Highest Monthly Return	7.14%	Percent in Large Cap (+\$1B)	60%	
Negative Months	5%	Lowest Monthly Return	-0.59%	Leverage (debt:equity)	28%	
Largest Draw Down	-0.59%	Sharpe Ratio (Monthly)	0.91	Net Long Exposure	41%	

* 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.