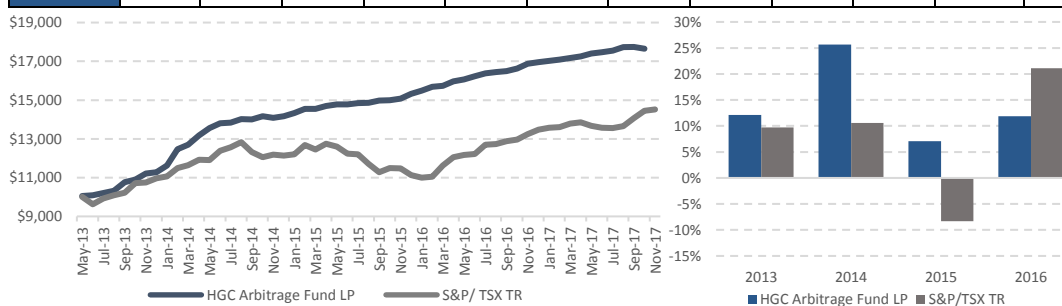


The HGC Arbitrage Fund LP (the "Fund") is a Merger Arbitrage fund which targets over 70% exposure to definitive deals. The Fund specializes in the North American small and mid-cap market. Other primary objectives of the Fund are short duration (quick portfolio turnover) and high liquidity. The Fund seeks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

Summary of Returns Inception Date: June 12, 2013 – A Class Units Net of all Fees

	YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD *	INCEP**
HGC LP	2017	0.49%	0.44%	0.38%	0.44%	0.53%	0.80%	0.41%	0.52%	0.99%	0.05%	-0.49%		4.64%	76.54%
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%	
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	-0.18%	0.76%	0.29%	1.14%	0.24%	1.12%	0.30%	-0.03%	0.61%	0.27%	-0.82%		3.75%	16.27%
TSX ***	2017	0.85%	0.21%	1.34%	0.44%	-1.33%	-0.75%	-0.06%	0.67%	3.06%	2.73%	0.47%		7.81%	45.18%



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	2.25%
Communications	0.56%
Consumer, Cyclical	2.97%
Consumer, Non-cyclical	0.02%
Diversified	85.70%
Energy	6.45%
Financial	0.00%
Industrial	0.00%
Technology	0.00%
Utilities	2.03%

Liquidity Overview:

1 Day	9.65%
1 - 5 Day	83.00%
5 - 10 Day	7.35%
10 Day +	0.00%
Private	0.00%

The Fund returned -0.49% in November vs. +0.47% for the TSX Total Return.

It was a very active month in our space and the Fund sustained its first negative month in nearly three years.

First off was the news report from the Wall Street Journal that the U.S. Department of Justice was going to sue to block the AT&T (T.NYSE) deal with Time Warner (TWX.NYSE). This report caused the stock to sell off considerably on announcement and the Fund promptly exited the position. Given the Vertical nature of this transaction we did not envision the DOJ attempting to block the merger, however that was indeed the outcome and the case is now headed to court in the new year.

On the back of the TWX news we saw some pressure in our SPAC book. Typically, many of the same shareholders of Time Warner deal would also be large holders of SPACs. When a large position went awry in their respective portfolios, the first source of liquidity seemed to be SPACs. As such, we took some mark-to-market losses in our SPAC holdings, however we were able to opportunistically add to many existing names at quite attractive prices.

As we can now look back to a large degree on 2017, it was certainly an interesting year on a variety of fronts. Unlike 2016, the Fund spent the vast majority of the year south of the border, as there was a lack of Canadian deal flow. Arbitrage spreads have been compressed considerably for the better part of the past nine months leading to less attractive risk/reward opportunities in our Arb Book. This has led to a larger weighting in our SPAC Book as we feel we are getting paid handsomely for the risk associated with the asset class.

Wishing you and yours all the best this holiday season.

Dave Heden & Sean Kallir

Performance Statistics				Portfolio Analytics at Month End		Contact
Ann. Return since Inception	13.46%	Average Monthly Return	1.07%	Duration (Average Days to Close)	74	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)	8%	
Negative Months	5%	Lowest Monthly Return	-0.59%	Leverage (debt:equity)	55%	
Largest Draw Down	-0.59%	Sharpe Ratio (Monthly)	0.85	Net Long Exposure	146%	

* 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.