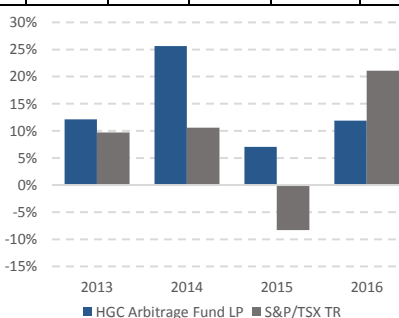
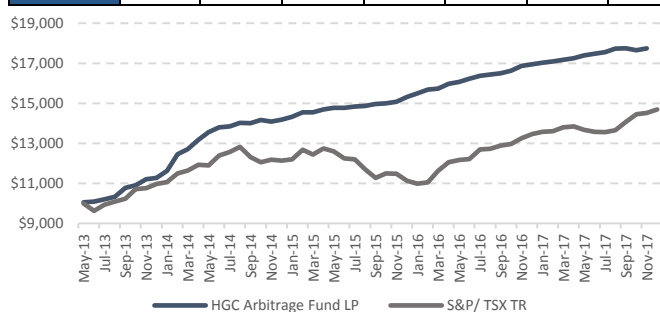


The HGC Arbitrage Fund LP (the "Fund") is a Merger Arbitrage fund which targets over 70% exposure to definitive deals. The Fund specializes in the North American small and mid-cap market. Other primary objectives of the Fund are short duration (quick portfolio turnover) and high liquidity. The Fund seeks 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%	0.47%	<b>5.13%</b>	<b>77.36%</b>
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%	<b>11.88%</b>	
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%	<b>7.06%</b>	
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%	<b>25.66%</b>	
HGC LP	2013						0.52%	0.39%	1.09%	1.23%	4.29%	1.19%	2.86%	<b>12.10%</b>	
HFRI****	2017	-0.18%	0.76%	0.29%	1.14%	0.24%	1.12%	0.30%	-0.03%	0.61%	0.27%	-0.84%	0.35%	<b>4.09%</b>	<b>16.66%</b>
TSX ***	2017	0.85%	0.21%	1.34%	0.44%	-1.33%	-0.75%	-0.06%	0.67%	3.06%	2.73%	0.47%	1.20%	<b>9.10%</b>	<b>46.91%</b>



Portfolio Metrics	
Category	% of Portfolio
<b>Deal Type:</b>	
Definitive Merger Arb	100.00%
Hostile Deals	0.00%
Spin Offs	0.00%
Alpha Shorts	0.00%
Pairs	0.00%
<b>Industry Overview:</b>	
Basic Materials	1.59%
Communications	0.14%
Consumer, Cyclical	2.00%
Consumer, Non-cyclical	0.00%
Diversified	91.14%
Energy	5.00%
Financial	0.00%
Industrial	0.10%
Technology	0.00%
Utilities	0.04%

Liquidity Overview:	
1 Day	6.28%
1 - 5 Day	87.68%
5 - 10 Day	6.04%
10 Day +	0.00%
Private	0.00%

The Fund returned +0.47% in December vs. +1.20% for the TSX Total Return.

In the month of December, the mark-to-market losses sustained in our SPAC holdings bounced back nicely after facing pressure in November.

As we head into 2018, we continue to see attractive returns in Special Purpose Acquisitions Corps or SPACs. We have been able to generate returns at similar levels to safe risk arb transactions in our SPAC book without risking a permanent loss of capital. This base-case return can also be improved with a transaction coming quicker than the expiry of the SPAC, or a transaction allowing us to exit the position above the redemption value. As you may recall, the Fund's investment in this asset class is always back-stopped by a redemption value held in a Trust that invests in short-term U.S. Treasuries.

With respect to the current Arbitrage opportunity-set, we have seen a handful of new Canadian deals announced recently and have begun building positions. Our preference of playing Canadian-based M&A transactions hasn't changed and we are optimistic that deal flow north of the border, including the issuance of Subscription Receipts, will be prevalent in 2018.

Regards,

Sean Kallir

Performance Statistics			
Ann. Return since Inception	13.32%	Average Monthly Return	1.05%
Positive Months	95%	Highest Monthly Return	7.14%
Negative Months	5%	Lowest Monthly Return	-0.59%
Largest Draw Down	-0.59%	Sharpe Ratio (Monthly)	0.85

Portfolio Analytics at Month End	
Duration (Average Days to Close)	62
Percent in Large Cap (+\$1B)	5.2%
Leverage (debt:equity)	61%
Net Long Exposure	153%

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 - 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.