HIGHBRIDGE MULTI-STRATEGY FUND LIMITED

Quarterly Letter to Shareholders
December 31, 2017

INVESTMENT MANAGER SUMMARY

The investment policy of Highbridge Multi Strategy Fund Limited ("The Company") is to invest substantially all of its investable assets in the Multi-Strategy Fund managed by Highbridge Capital Management, LLC ("Underlying Fund"). The information in this letter relates solely to the Underlying Fund.

Performance Attribution[1]

	4Q2017	2017
Asia Arbitrage	**1.05%**	**2.12%**
Asia Capital Structure	0.60%	1.31%
Asia L/S Equity	0.45%	0.81%
Convertible Credit & Cap Structure Arbitrage	**0.50%**	**2.05%**
Sector-Focused L/S Equity Strategies	**0.21%**	**0.35%**
Real Estate L/S Equity	**0.09%**	**0.02%**
Cross Asset Relative Value	**0.02%**	**-0.01%**
Distressed Credit	**0.02%**	**0.51%**
Derivatives Relative Value	**0.00%**	**0.00%**
Equity Capital Markets	**-0.02%**	**0.73%**
Other	**-0.02%**	**-0.25%**
Statistical Arbitrage	**-0.04%**	**-1.55%**
Event-Focused European L/S Equity	**-0.05%**	**-0.04%**
Event-Focused North American L/S Equity	**-0.07%**	**-0.19%**
Fundamental Macro	**-0.10%**	**0.01%**
Convertible & Volatility Arbitrage	**-0.15%**	**0.01%**
Merger Arbitrage	**-0.17%**	**0.19%**
Total	**1.26%**	**3.92%**

The Underlying Fund generated a net return of +1.26% for the fourth quarter, bringing the YTD net return to +3.92%. While the first half of the year was all about sector rotations driven by the reversal of the reflation trade and the growth / momentum / FAAMG rally, the second half of the year, and in particular the fourth quarter, saw more dispersion within sectors and opened up more alpha opportunities for our strategies. The top Q4 contributor was Asia Arbitrage, which followed up a strong Q3 with another good quarter on the back of gains in Japanese derivatives and equities. Outperformance continued in Convertible Credit & Capital Structure Arbitrage, plus we had another solid quarter for Fundamental Equities generated by strong performance in the Consumer book and a good showing by Financials and Industrials. During the quarter, we also saw stabilization in our Statistical Arbitrage strategy, which is now operating at a significantly reduced size both in terms of allocated capital and exposure. While the Merger Arbitrage strategy generated a modest Q4 loss due to spread widening resulting from the DOJ's surprise announcement that it was challenging the Time Warner Cable / AT&T deal, there were no major detractors for the quarter. We feel that our 2017 results were high quality and represent a decent year for the Underlying Fund, however, the absolute return lags where we would like to be. Low correlation among the Underlying Fund's underlying strategies and depressed market volatility contributed to Underlying Fund-level realized volatility below our target range in 2017. While we will continue to stay disciplined in our positioning, we are targeting higher volatility for the Underlying Fund in 2018.

2017 was an exceptional year for markets that saw virtually no stress. There are a number of remarkable statistics across many different performance metrics to illustrate this assertion. First, a look at equity markets drawing on some numbers highlighted by Goldman Sachs. The total return of the S&P 500 in 2017 was +21.8%, which ranks in the 78th percentile going back to 1962. Realized S&P volatility was 6.7%, the second lowest on record (1964 was 5.2%), a feat underscored by the fact that the median daily market move was just 0.18% (the smallest on record) and largest peak-to-trough drawdown during the year was just 2.8%, the lowest since 2.5% in 1995. This equity market calm contributed to an S&P Sharpe Ratio of 2.9, which ranks in the 98th percentile. As for sector performance within the equity market in 2017, growth outperformed value by 15% (growth +9% vs. value -6%) as information technology accounted for almost 40% of the S&P return in 2017, and the mighty FAAMG stocks alone contributed 25%. European equity markets diverged noticeably from US markets in the fourth quarter with the Stoxx 600 up just +0.6% (and the Eurostoxx 50 down -2.2%) versus the S&P's +6.6% return, a discrepancy attributable to momentum around US tax cuts and, to a lesser degree, the continued appreciation of the EUR vs. the USD (+1.6% in the period). Markets in Asia were very strong in Q4, as the MSCI AC Asia was up +8.4% for the quarter and +33.4% in 2017, and the Nikkei 225 returned +12.0% for Q4 and +21.3% for the year. Shifting to credit markets, the absolute level of high yield and investment grade were very close to tights in both the US and Europe. 2017 saw many liquid credits unresponsive to negative fundamental news on their companies and in some cases decoupled meaningfully (and surprisingly) from their underlying equities. On the volatility front, VIX closed below 10 on 52 occasions and above 12 just 17% of the time during 2017, and, in addition to historically low equity volatility, we also saw a steep decline in realized volatility in Treasury markets as the 10 year traded within a 60bps range, according to Macro Risk Advisors. Ultimately dips in US equity indices last year were met with buying, while “spikes” in volatility met with volatility selling/shorting. Assumptions underpinning market behavior in 2017 and valuation levels today stem largely from expectations of continued easy financial conditions, the low probability of a recession, a continued rise in corporate earnings and thus continued low volatility against a backdrop of little geopolitical risk. It is challenging to predict the exact timing of when this historically low volatility regime will end, but we do believe that most of the volatility compression is behind us. Furthermore, evidence that inflation is coming back to the market could lead to higher rates and therefore likely higher volatility. If history is any guide, market risk will come back, and risk-off events will unfold at some point. However, in the meantime, momentum is a powerful driver of asset prices.

Moving to performance highlights for the fourth quarter, below we take a closer look at the key contributors and detractors.

- **Asia Arbitrage** had a strong year, and the fourth quarter was no exception, with Q4 results driven largely by Japanese derivatives and equities. The equity book was close to fully invested throughout 2017, and the team shifted capital into equities over the course of the year to capitalize on an abundant opportunity set. The equity portfolio not only made good earnings revision calls, but benefited from factor exposure to growth and momentum. In derivatives, volatility trading delivered strong results and profited in Q4 on short correlation and volatility versus variance trades set up during the brief volatility spike in the wake of North Korea fears over the summer.

- **Convertible Credit & Capital Structure Arbitrage** posted another strong Q4 and year. We continue to have high conviction in the strategy and have increased its capital, both to the broad Convertible Credit & Capital Structure Arbitrage allocation and to the separate **Distressed Credit** carve out allocation. These two allocations are the primary source of the Underlying Fund's credit exposure and cover a fairly diverse US/Europe credit business across high yield, convertible credit and distressed credit. We continue to see compelling investment opportunities for this strategy in an environment where broad risk market opportunity in liquid credit is largely non-existent. In addition to finding good places to invest capital, our team has also done a great job realizing P&L through the ability to capitalize on event catalysts and corporate actions. A few specific areas to highlight both for their profitability in 2017 and the opportunity set ahead:

    - The **mid-cap convertible credit** sub-strategy was a significant contributor to the strategy’s gains in Q4 and 2017 overall. Although issuance did not rebound as much as we had expected (for the year, total US convertible bond issuance was $38.6 billion, up 5.0% from the prior 12 month period), nearly 90% of all issuers were high yield or unrated. Our mid-cap, credit-intensive focus dovetails with the characteristics of this current issuer group as un-rated, less-followed companies continue to access equity-linked debt securities. Although new tax rules and rising rates coupled with lofty equity valuations should bode well for issuance, it is difficult to predict whether 2018 will be an issuance inflection point. In any case, what is most important to the strategy is not the absolute quantum of capital raised in the market, but rather its nature and the fit for our portfolio. We are bullish that we are well positioned to profit from mid-cap equity-linked origination in North America and Europe in 2018.

    - We successfully executed several **proprietarily sourced, first lien, positive carry investments** over the course of 2017. During the second half of 2017, we provided first lien capital to five companies, which has resulted in an uptick in the strategy's carry, which we expect to be an important contributor to returns in 2018. Our due diligence standards are higher and documentation more investor friendly than the public market provides for. We believe that these types of investments are some of the most compelling available, which has led us to grow the capital invested in this sub-strategy. Given the sub-strategy's liquidity characteristics, as it has grown, we have deliberately reduced the overall portfolio’s leverage and increased the excess margin position.

    - With respect to **Distressed Credit**, this continues to be an area of opportunity. We remain focused on underfollowed names and on situations where we see clear transaction opportunities to unlock value. Given the focus on idiosyncratic situations, we believe we can generate attractive outcomes without the need of a broader distressed cycle. In particular, the portfolio has benefited – and we believe will continue to profit – from our meaningful participation in the restructuring of the US coal industry with a focus on metallurgical coal opportunities in lieu of thermal plays.

- **Fundamental Equities** strategies delivered solid performance in the fourth quarter. After a challenging start to the year, we are pleased with the strategy's 2H results and optimistic about its ability to generate returns in 2018. The **Consumer** portfolio was the biggest sector P&L driver for Q4, generating the majority of its profit on the long side, a shift from the first three quarters of the year in which the strategy's shorts were most profitable. Top Q4 gainers were in eCommerce, restaurants and select positions in the specialty & softlines space. The end of November saw a massive move in the growth versus value trade, as big cap tech and internet growth names sold off significantly and short momentum names in retail and industrials rallied strongly. Although we saw some losses in our short brick and mortar retail positions in November as a result of these moves, we had already scaled back our exposure and were in a position to capitalize on the rally as an opportunity to take our short exposure to the trade back up, as we continue to see significantly deteriorating fundamentals in the space. We also increased long exposure to a few tech names that were down double digits off their highs. **Healthcare** posted a good year overall, although Q4 saw a moderate drawdown from the strategy's peak due to losses in specialty pharma longs. **Financials** ended the year on higher note driven by tax reform and a resurgence of the reflation theme. While we reduced this sector's allocation, it generated greater profitability being smaller and less hedged going into year-end. Finally, after a tough start to the year, the **Industrials** strategy made a good comeback and delivered a solid Q4 return.

- **Event-Focused** strategies faced a more mixed quarter as described below:

    - **Merger Arbitrage** posted a decent year overall but saw a loss in Q4. As portfolio deals closed over the first three quarters of the year and spreads tightened, we did not find many compelling opportunities to reinvest the capital and therefore absolute risk in the book had come down significantly leading into Q4. Spread widening in the wake of the unexpected DOJ challenge of the Time Warner / AT&T deal generated a moderate loss, but, more importantly, gave us an opportunity to increase the book size significantly. Looking forward, we believe that deal activity will accelerate post tax reform pending more clarity on the regulatory outlook and resolution in the Time Warner / AT&T antitrust trial.

    - **Equity Capital Markets** saw an overall good year driven by a strong first half, however, the strategy ended with a neutral Q4, as performance of capital markets transactions was more mixed. For 2018, we continue to believe the opportunities will be largely in the US and less so in Europe.

    - **Event-Focused European Long/Short Equity** was largely flat for the year with a moderate contribution in Q4. The portfolio generated good alpha, however, its extremely conservative positioning and both position-level and portfolio-level hedging dampened results.

    - While the **Event-Focused North American Long/Short Equity** strategy did not generate outsized losses in 2017 or Q4, we made the decision to eliminate this allocation because we felt that it had not produced strong enough returns or idea generation over its approximately two years in the Underlying Fund to justify a continued allocation, especially given the interesting market in 2017 for event strategies. However, we retained a senior member of the investment team who will run a smaller US-focused event allocation.

- **Volatility-linked strategies**, including **Convertible & Volatility Arbitrage**, **Global Macro**, **Cross Asset Relative Value** and our new **Derivatives Relative Value** strategy, all tend to see a more interesting opportunity set in higher volatility environments as they typically generate profit via positioning that generally leans long volatility. While these strategies contributed little to Underlying Fund returns in 2017, they did a good job of adjusting to historically low volatility markets and limiting losses and negative carry given the headwinds. In Q4 we added a new Derivatives Relative Value strategy, which invests in opportunities in derivatives instruments across asset classes and utilizes a combination of fundamental work and quantitative analysis to make investment decisions. There is very little macro risk currently priced in around upcoming events (e.g., more aggressive central bank tightening or the Italian election in March), and we think there is an interesting opportunity set for a strategy such as this to trade options around events that we believe look mispriced versus possible outcomes. We expect the strategy to trade a combination of correlation, macro and other relative value trades expressed through exotic structures that limit cost.

- Our **Statistical Arbitrage** exposure evolved significantly over the course of 2017 as the strategy's allocation was reduced by close to 60%. Today, the lion's share of the strategy's exposure is in the US equities book, which has stabilized and generated positive performance during the back half of the year. We largely eliminated exposure to Europe, which was the primary area of weakness over the past year.

Markets that saw virtually no stress did not play to our strengths in 2017 as relative value and, in some cases, value-based investing strategies lagged, but we feel an improving environment is unfolding for our strategies. While the Underlying Fund will always maintain its disciplined approach, we entered 2018 more fully invested in order to capture compelling opportunities that we see across our strategies. It's impossible to forecast when volatility will return to markets, however, we feel the bulk of the compression is behind us, and we are well positioned as a Underlying Fund to benefit from an uptick in volatility and increasing dispersion.

As always, thank you for entrusting Highbridge with your capital. We look forward to continuing to keep you updated on our performance. Please feel free to reach out to us with any questions.

Highbridge Capital Management, LLC

Endnotes

(1) As of December 31, 2017, 1992 Multi-Strategy Fund Corporation ("MSF") performance and performance attribution is unaudited and is based on MSF Class F Non-Restricted shares net of all fees and expenses. Performance attribution represents a capital-weighted contribution to the MSF overall return for the period indicated net of all fees and expenses assigned to the strategy (does not represent a return on equity figure). 2017 performance is estimated and unaudited. Past performance is not necessarily indicative of future results.

Note: The Underlying Fund is an actively managed portfolio; holdings, sector weightings and allocations are subject to change and the Fund is managed to internal risk guidelines which are not absolute and can change over time.

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Past performance is not necessarily indicative of future results. 2017 performance is estimated and unaudited. While this summary highlights important data, it does not purport to capture all dimensions of risk. The methodology used to aggregate and analyze data may be adjusted periodically. The results of previous analyses may differ as a result of those adjustments. The Underlying Fund is an actively managed portfolio and regional, sector and strategy allocations are subject to ongoing revision. HCM has made assumptions that it deems reasonable and used the best information available in producing calculations above.

While the Company's investment policy is to invest substantially all of its assets in the Underlying Fund, a portion of the Company's assets remain invested in certain funds managed by BlueCrest Capital Management Limited ("BlueCrest Residual Assets"). The Company expects the BlueCrest Residual Assets to be fully realised by early 2017. Until such time that these assets are fully realised, the Company's assets and performance will include these holdings. There is no guarantee that these assets will be realised by the target date.

This material does not constitute an offering of any security, product, service or fund, including the Company and the Underlying Fund. Additional information about the Company, including certain risk factors related to the Company's investment program, can be found on the Company's website at www.highbridgemsfltd.co.uk.

The performance results of certain economic indices and certain information concerning economic trends contained herein are based on or derived from information provided by independent third party sources. The Underlying Fund believes that such information is accurate and that the sources from which it has been obtained are reliable. The Underlying Fund cannot guarantee the accuracy of such information, however, and has not independently verified the assumptions on which such information is based.

Certain information contained in this material constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Underlying Fund may differ materially from those reflected or contemplated in such forward-looking statements.

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If you are not sure of suitability of the products for your investment needs, please contact an independent professional adviser.

Please note the following risks: Investors are strongly urged to carefully review the Company's Risks and Conflicts Disclosure document (which can be accessed on the Company's website at www.highbridgemsfltd.co.uk) which sets forth information on certain risks and other aspects of the Company's investment in the Underlying Fund. Among the risks involved in the Company's investment in the Underlying Fund are as follows:

The value of investments and the income from them can go down and up, and you may not get back as much as you paid in. Past performance is not a guide to the future.

General/Loss of capital. An investment in the Underlying Fund involves a high degree of risk. There can be no assurance that the Underlying Fund's return objectives will be realized and investors in the Underlying Fund could lose up to the full amount of their invested capital. The Underlying Fund's fees and expenses may offset the Underlying Fund's trading profits. **Limited liquidity.** An investment in the Underlying Fund provides limited liquidity since redemption rights are limited and shares are not freely transferable or redeemable. There is no secondary market for the shares in the Underlying Fund and none is expected to develop. **Dependence on manager.** The fund manager has total trading authority over the Underlying Fund. The use of a single advisor could result in lack of diversification and consequently, higher risk. Decisions made by the fund manager may cause the Underlying Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized. **Volatility.** Investment techniques used may include the use of leverage and derivative instruments such as futures, options and short sales, which amplify the possibilities for both profits and losses and may add volatility to the Underlying Fund's performance. **Potential conflicts of interest.** The payment of a performance-based fee to the fund manager creates an incentive for the fund manager to cause the Underlying Fund to make riskier or more speculative investments than it would in the absence of such incentive. Additionally, HCM is a subsidiary of JPMorgan Asset Management Holdings Inc. Conflicts of interest exist in the structure and operation of the Fund's business as a result of HCM's affiliation with JPM, as further described in the Confidential Memorandum. **Valuation.** Because of overall size or concentration in particular markets of positions held by the Underlying Fund or other reasons, the value at which its investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at by the Underlying Fund. **Non-U.S. securities.** The Underlying Fund will invest in non-U.S. securities, which may include exposure to currency fluctuation, reduced access to reliable information, less stringent accounting standards, illiquidity of securities and markets, higher commissions and fees and local economic or political instability. **Absence of regulatory oversight.** The Underlying Fund will not register as an investment company under the U.S. Investment Company Act of 1940, as amended, or similar laws or regulations. Accordingly, the provisions of such laws and regulations will not be applicable. **Effects of Substantial Redemptions.** Substantial redemptions have an adverse impact on the timing of liquidation of the Underlying Fund's positions and degree of diversification or liquidity of its portfolio. The redemptions may be effected by investors that are the fund manager's affiliates or whose capital is managed or advised by such affiliates on a discretionary or non-discretionary basis. Certain classes of Underlying Fund shares may have different or more favorable redemption terms than the classes currently being offered. **Foreign Currency Exposure.** The Company's subscriptions for shares of the Underlying Fund are accepted in pounds sterling; however the Underlying Fund's functional currency is the U.S. dollar. As a result, the shares held by the Company will be subject to price fluctuations of the pound sterling and U.S. dollar. To the extent that the Underlying Fund attempts to hedge against those price fluctuations, such hedging transactions may or may not succeed and may result in losses.