PREQIN SPECIAL REPORT: HEDGE FUND MANAGER OUTLOOK

H1 2018

FOREWORD

In November 2017, we surveyed 360 hedge fund managers from across the globe. Our study looks at fundraising and performance in 2017, hedge fund fees and an outlook for new products and capital raising in 2018. Here we present some of the key findings of our study:

Improved Performance

The performance of the hedge fund industry has been called into question in recent years, particularly in light of the extended bull run in equity markets. However, 2017 represented a return to form with hedge funds adding 11.41% over the course of the year, its highest return since 2013. This industry-wide uptick in returns was reflected in the results of our survey with fund managers: more fund managers reported that their return ambitions had been met in 2017 than in 2016.

Fundraising Challenges Eased and the Industry Reached Record-High AUM

Following a challenging 2016, 2017 was a better year for the hedge fund industry with net inflows of $44bn. In turn, the results of our survey show that fund managers have found that fundraising challenges have eased over the course of 2017, and that retaining capital is also easier than the year before. These inflows, accompanied by growth in assets as a result of stronger performance, has led to the hedge fund industry reaching record-high assets under management (AUM) of $3.55tn.

However, Fees and Performance Remain Key Challenges in the Industry

Despite indications that investor appetite is improving, leading to inflows, coupled with stronger returns, key challenges around performance of the industry and fees remain. Fund managers are responding with new products to better align interests with their investors and counter concerns from allocators.

We hope you find this report useful, and welcome any feedback you may have. For more information about Preqin and our services please visit www.preqin.com or contact info@preqin.com.

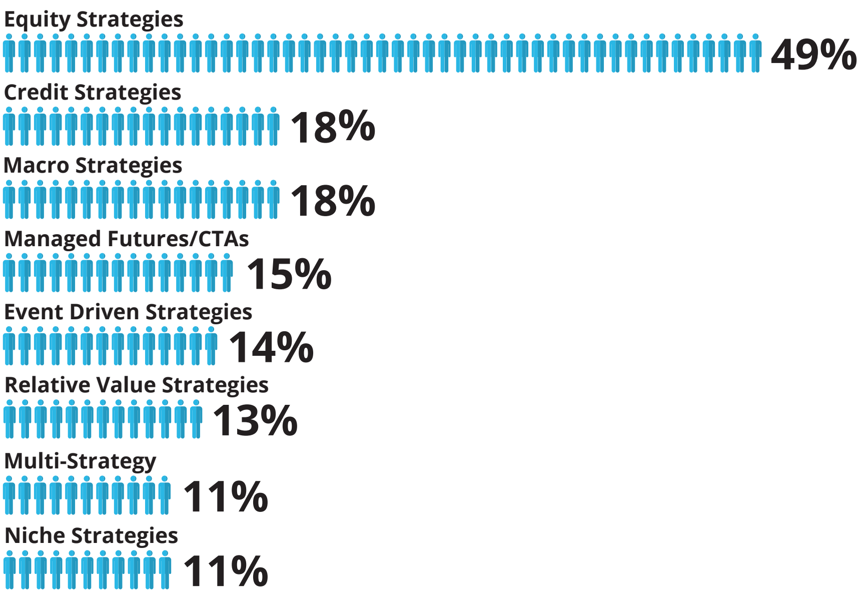
ABOUT THIS SURVEY

Preqin conducts two surveys of hedge fund managers per year. Survey recipients are selected from Preqin's database of 6,000+ hedge fund managers and the respondents are representative of the wider industry. Fund managers participate in the survey on an anonymous basis.

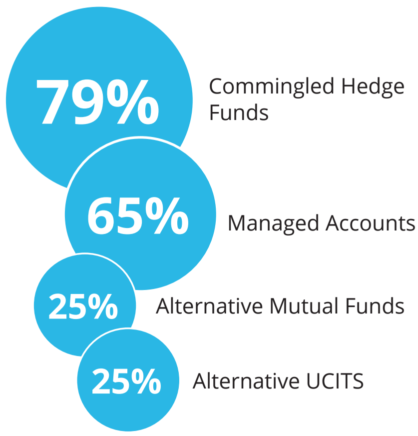
360
No. of hedge fund managers surveyed.

$210bn
Total assets under management of hedge fund managers surveyed.

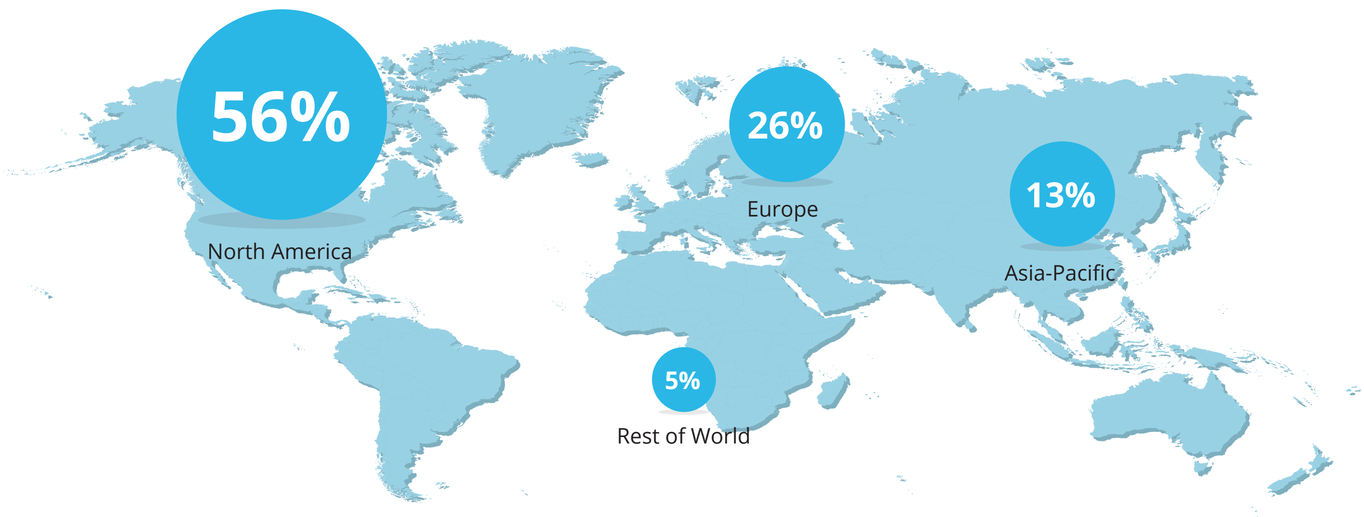
STRATEGIES OFFERED BY RESPONDENTS



PRODUCTS OFFERED BY RESPONDENTS



GEOGRAPHIC DISTRIBUTION OF RESPONDENTS



INVESTING AND THRIVING IN VOLATILITY

- Fabio Bretas, Phy Capital Investments

The hedge fund sector has had a challenging few years, particularly as investors questioned the value of these funds regarding performance and fees. We saw outflows in the latter half of 2015 and 2016. However, 2017 represented somewhat of a reversal of these trends with money coming back in and investor appetite improving. What is your outlook for 2018 – do you think the recovery will continue?
Confidence fuels momentum in any industry. According to AIMA/Preqin research[1], about 32% of all hedge funds produced double-digit returns in 2017. My belief is that capital inflows will continue in 2018 across hedge funds, propelled by this inertia in performance, cash availability and the lack of new and different investment products in the global market. I also believe volatility will be back on a wide scale, and we should expect allocations to shift towards more defensive strategies. Although the hedge fund industry is very mature, it is also an ecosystem that is rich in 'fund-diversity' – specifically in discretionary or systematic trading strategies. Not all funds will have similar risk attributes or performance objectives and therefore should not all be placed in a general context.

What are the major trends you foresee playing out over the year?
Inflation and volatility are likely to be back, which we believe may positively impact our strategies and the investment management industry broadly. We also believe markets' over-valuation, macroeconomic contractions and geopolitical instabilities will affect all corners of the globe. This is a scenario we are very passionate about! So, we expect 2018 to be a year with market conditions that grant for defensive and volatility-specialist strategies.

Why have you decided that now is a good time to launch a new fund? What current market factors have contributed to your timing?
Major market events observed over longer timeframes occur approximately every eight years. The crises of the 1980s, 1990s and 2000s are clear and unarguable. However, other seemingly minor events can be just as harmful and create volatility, which can be amplified by economic and geopolitical short-term instabilities. We see these types of events beginning to surface more often and in some shorter-term intervals, creating sharp price movements, or "spikes". Many traditional and passive strategies are not designed to deal with these types of market behaviours.

We believe that this volatility, combined with the high level of global liquidity and the lack of innovative strategies, provides advantageous conditions for Phy Capital's investment strategy. Our quantitative investment strategies were initially forged in Brazil – a place where disruption, inflation and instability are very much a part of our day-to-day operations and where one must adapt and learn how to capitalize under extreme market conditions replete with price spikes. Our success in developing a robust investment process that aims to generate alpha in volatile environments provides us with what we believe is a true edge at a time when conditions are becoming more challenging across global markets. Our strategy is designed to thrive in inhospitable markets. Volatility is our sandbox.

Can you tell us more about your strategy?
Phy Capital operates two different investment strategies: a global quant macro strategy and an Asian quant macro strategy. Both strategies deploy our proprietary quantitative models.
Our global strategy trades in carefully selected volatile futures contract instruments. The dedicated, active portion of the portfolio aims to generate alpha; again, volatility and liquidity are always at the forefront of our strategies. These trades flow through developed, emerging and exotic markets day and night – literally. For that, our company is well equipped with highly skilled electronic traders, data monitoring and data screening specialists to effectively navigate through those environments. The remaining portion of assets under management not used to generate alpha is allocated in money-market instruments.

Our Asian-themed strategy offers the exact features as the global, differing only on the geographic focus in various markets across Asia. From the asset allocation perspective, the investment strategy seeks to capitalize on highly intense volatility and liquidity levels experienced in the more active Emerging Markets around the world. In this investment strategy, the portfolio will consist of commodity interests listed mainly on the Asian futures exchanges. It will also provide investors in the Western Hemisphere with the opportunity for Asian exposure to an alpha component to their overnight cash available. To accomplish this, the fund maintains round-the-clock operations six days a week.

The added complexities to make that happen are well worth our efforts and investment. For that, we have built a robust operational and risk management protocol.

What do you think will be your top challenges of 2018, and how will Phy Capital look to overcome them?
Our main challenge rests in our ability to express to investors how our model differs from all others in our market. Connecting with the right investors to present our unique qualities in the US and global markets will remain our focus. Regulations will also continue to be a growing pressure in the asset management industry. To stay ahead of these concerns, we have invested to build a solid compliance and risk management

[1]*https://www.aima.org/article/press-release-hedge-funds-have-outperformed-stocks-and-bonds-on-risk-adjusted-basis.html*

platform that covers all angles of our business: financial, technological, operational and reputational risks. I also developed a proprietary mathematical risk model that aims to specifically oversee modelling risk and has the autonomy to stop and clear all opened positions in real time in the fund portfolio and seeks to mitigate mathematical model malfunctions under some market conditions.

Why should investors consider a fund that uses "scientific methods to develop advanced investments systems"? What would they expect to gain from such exposure? In what ways does investing in volatility, as opposed to stable markets, contribute to your overall strategy?
Indeed, our investment process is based on a scientific method. Historical patterns have confirmed time and time again that displacing human emotion from investment decisions is inarguably a wise approach. In our case, we developed a program based on astrophysics, not coincidentally my original field of expertise.

Our proprietary system has its origins in 1988 when I was researching the stars by quantifying noise patterns coming from the cosmos. The method gives us the discipline to not take anyone's word for granted. The scientific method is the common language with which I communicate with other scientists. This framework allows us to test our strategies in historical and simulated market conditions to find where the alpha really is.

Our roots in volatile markets give us even more discipline in our investment process and alpha discovery. Even though the bulk of our alpha still comes from emerging markets, it is not necessarily our only source of returns. We have developed our model so that it is positioned to take advantage of different volatile and highly liquid environments.

How have you found fundraising so far? What methods have you employed to attract institutional capital?
Our product is certainly not for every investor. Our focus has been on institutional investors and high-net worth individuals. And to that end, we have covered all bases in any investor's due diligence process today. Phy Capital has carefully selected and engaged the most reputable service providers known in the US market today: from our hedge fund administrator, prime brokers, law firms, data feeders, risk management tools, compliance consultants and public relations advisors to our industry-specific marketing agency. We have a deep and seasoned executive team and a very solid infrastructure business environment, and this way we are confident that investors will be drawn to our investment strategy, which we believe is well positioned to generate alpha across markets using our proprietary quantitative investment approach.

Combining all of what we have done so far with a uniquely engineered founders' share class being offered to investors in the US makes us very confident of our success.

FABIO BRETAS
Fabio Bretas is the Founder and Emeritus Chairman of Phy Capital Investments. Prior to forming Phy Capital, he was the Founder and CEO of Brazilian-based investment company called Phynance, a quantitative mutual fund. A leading Brazilian quantitative investor, Fabio is a specialist in developing proprietary technology to trade in volatile markets. He created a systematic software to manage futures contracts investments from January 2011 and March 2016 for a portfolio of the Phy Global Opportunities FIM IE fund and other accredited investors.

Prior to founding Phynance in 2005, Fabio was a Senior Portfolio Manager on BankBoston's quantitative investment fund, Boston Eagle Quant FIM. Before joining BankBoston, a Bank of America company, he worked at Ibmec Educational as an Associate Coordinator. Fabio holds a degree of Science (PhD A.B.D) from the Universidade de São Paulo and a master's in science from the Brazilian Institute for Aeronautics. He also holds his Certificate in International Management from the University of Toronto, Rotman School of Management.

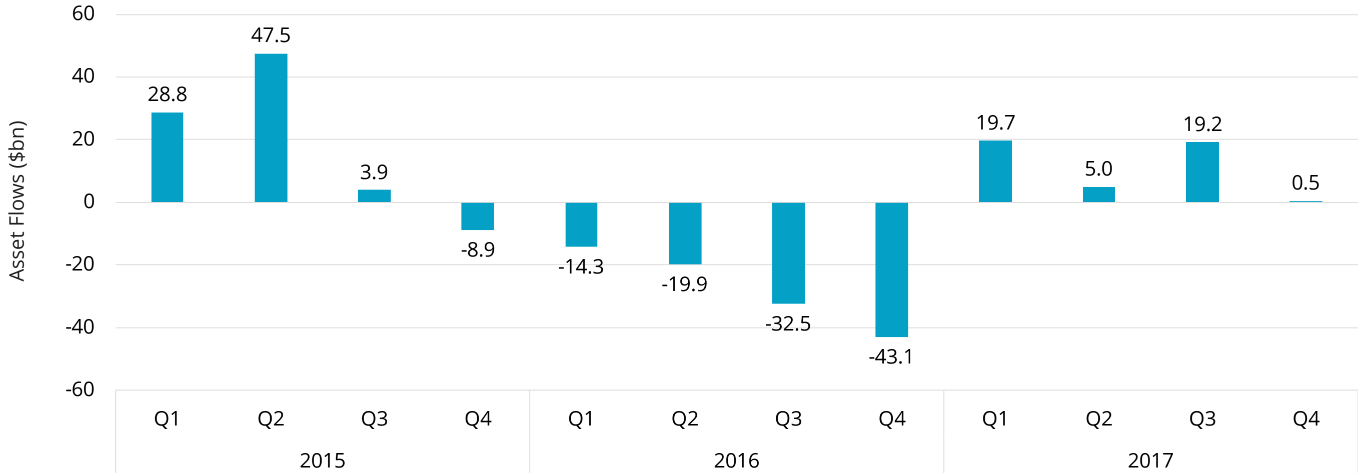
PHY CAPITAL INVESTMENTS, LLC
Founded by Fabio Bretas, a leading Brazilian quantitative investor, Phy Capital Investments is a US-based quantitative investment firm that seeks to generate strong, risk-adjusted absolute returns. The firm operates two investment strategies: Global Quant Macro and Asian Quant Macro, which deploy proprietary quantitative futures trading models initially developed for Phynance in Brazil.

The firm's strategies invest in highly liquid physical commodity and currency futures contracts, and index futures contracts. Phy Capital's 20-person team includes, programmers and data scientists, investment professionals, and operations personnel. The company operates 24 hours per day, 6 days per week in an effort to provide trading coverage in all corners of the globe.

www.phycapital.com

FUNDRAISING IN 2017

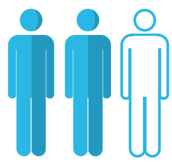
Fig. 1: Quarterly Hedge Fund Asset Flows, Q1 2015 - Q4 2017



Source: Preqin

Following a challenging year for fundraising in 2016, the hedge fund industry had a better 2017, with investor inflows of $44bn. This return to positive flows from investors coupled with superior performance drove asset growth to record highs: total assets under management (AUM) of the hedge fund industry now exceeds $3.55tn. The majority of fund managers enjoyed some of this positive growth: two-thirds of respondents experienced growth in AUM over 2017.

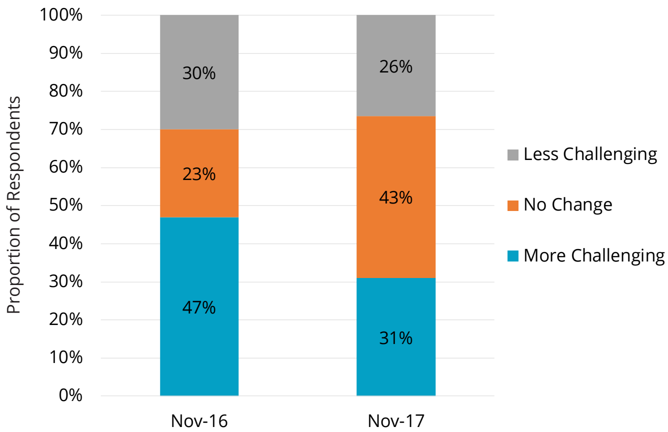
In light of investor inflows, and many managers reporting positive growth in AUM, our survey of fund managers reveals that fewer managers are finding fundraising more challenging in comparison with a year ago (Fig. 2), and more managers are finding it easier to retain capital (Fig. 3), again reflecting the improved environment in 2017.



2 in 3

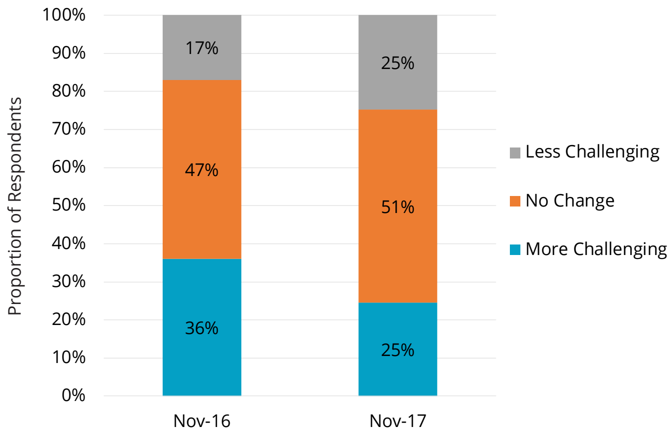
fund managers surveyed experienced growth in assets under management over 2017.

Fig. 2: Fund Manager Views on How the Fundraising Environment Has Changed over the Past 12 Months, 2016 vs. 2017



Source: Preqin Fund Manager Survey, November 2016 - 2017

Fig. 3: Fund Manager Views on How Retaining Assets Has Changed over the Past 12 Months, 2016 vs. 2017



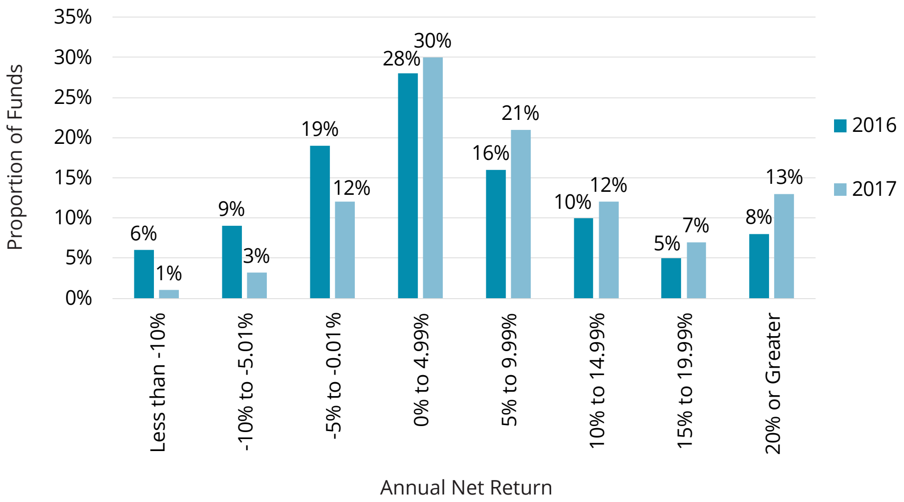
Source: Preqin Fund Manager Survey, November 2016 - 2017

PERFORMANCE IN 2017

The Preqin All-Strategies Hedge Fund benchmark returned 11.41% in 2017, surpassing the return seen in 2016 (+7.67%) and recording the highest annual return since 2013 (+12.72%). Following this strong performance, 74% of respondents reported that their return goals had been met or exceeded over 2017 – a significant improvement from Preqin's survey at the end of 2016, when 59% of respondents reported the same (Fig. 6). This corresponds to a wider shift in the industry towards better performance on a fund-by-fund basis. In 2016, less than a quarter of funds generated returns of 10% or more (Fig. 4). In comparison, in 2017, one-third of hedge funds added 10% or more over the course of the year. At the other end of the scale, 34% of funds were underwater in 2016; in 2017 just 16% of funds failed to generate returns above zero.

President Trump, following his election success in November 2016, had one of the largest positive impacts on hedge fund performance throughout 2017, as seen in Figs 7 and 8. In the first half of the year, the so-called "Trump Bump" – the US market rally in the immediate aftermath of the presidential elections at the end of 2016 – had a positive impact on the returns of 61% of hedge funds surveyed in June 2017. Trump's reform proposals – in particular the "Tax Law and Jobs Act" which was passed in December 2017 – also had a significant positive impact on hedge funds: 49% and 44% of managers reported these added tailwinds to performance in H1 and H2 2017 respectively.

Fig. 4: Distribution of Hedge Fund Returns, 2016 vs. 2017*



Source: Preqin

Low volatility – in both equity and bond markets – and the low interest rate environment had the largest negative impacts on performance in 2017. However, with several central banks, especially the Fed, moving to increase rates in 2017, which along with other factors has led to increased volatility in equity markets at the start of 2018, the industry may see better performance in 2018. However, with many hedge funds seeing their January 2018 returns wiped out following a choppy February, this increase in volatility has proved troublesome at the start of this year. The uncertainty surrounding how market movements will impact performance in 2018 is reflected in Fig. 9: fund managers are almost perfectly split in their views as to how the industry will perform in 2018, with equal proportions predicting better and worse performance. This mixed view emphasizes the uncertainty in the market and the potential for challenging market conditions in 2018 to help or hinder returns in the hedge fund space.

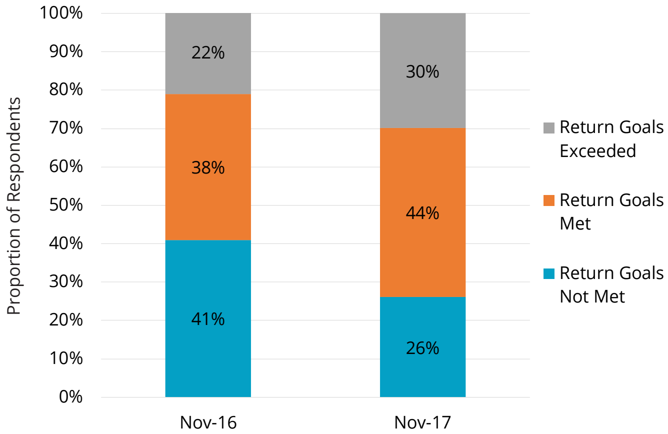
Fig. 5: Hedge Fund Performance by Top-Level Strategy (As at December 2017)*

Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017
Equity Strategies 4.46%	Multi-Strategy 2.16%	Equity Strategies 3.88%	Equity Strategies 3.87%	Equity Strategies 15.01%
Event Driven Strategies 3.49%	Equity Strategies 2.04%	Event Driven Strategies 2.78%	Event Driven Strategies 3.23%	Event Driven Strategies 11.71%
Multi-Strategy 3.22%	Event Driven Strategies 1.73%	Multi-Strategy 2.51%	Multi-Strategy 1.85%	Multi-Strategy 10.09%
Credit Strategies 2.75%	Credit Strategies 1.53%	Macro Strategies 2.27%	Macro Strategies 1.74%	Credit Strategies 7.61%
Macro Strategies 2.13%	Relative Value Strategies 0.54%	Credit Strategies 1.73%	Credit Strategies 1.40%	Macro Strategies 5.57%
Relative Value Strategies 1.62%	Macro Strategies -0.65%	Relative Value Strategies 1.39%	Relative Value Strategies 0.70%	Relative Value Strategies 4.31%

Source: Preqin

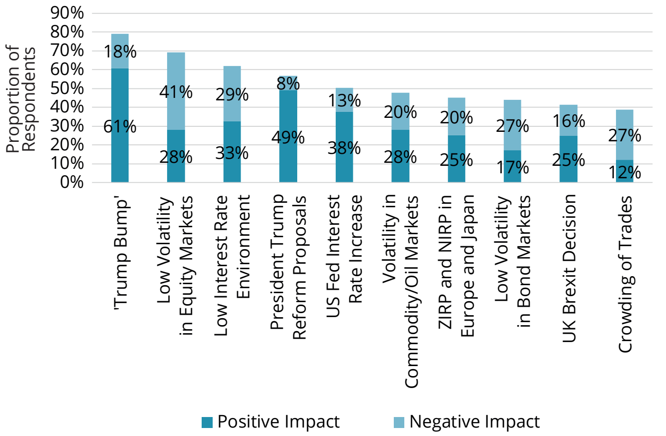
**Please note, all performance information includes preliminary data for December 2017 based on net returns reported to Preqin in early January 2018. Although stated trends and comparisons are not expected to alter significantly, final benchmark values are subject to change.*

Fig. 6: Fund Manager Views on Returns in the Past 12 Months Relative to Objectives, 2016 vs. 2017



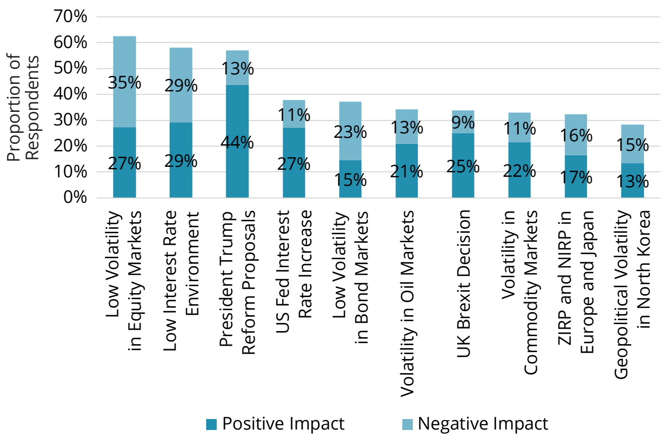
Source: Preqin Fund Manager Survey, November 2016 - 2017

Fig. 7: Fund Manager Views on the Key Macro Factors that Impacted Hedge Fund Performance in H1 2017



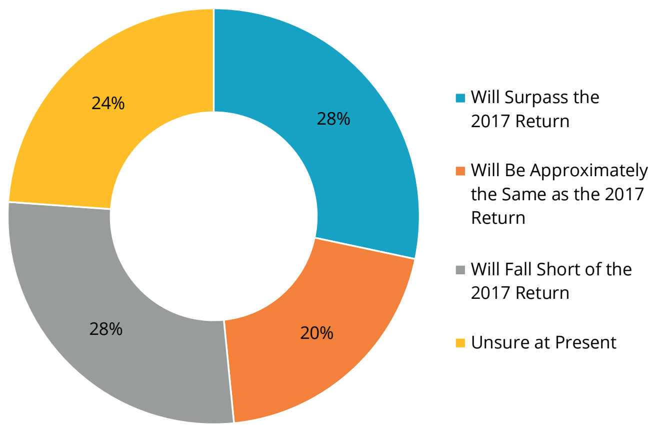
Source: Preqin Fund Manager Survey, June 2017

Fig. 8: Fund Manager Views on the Key Macro Factors that Impacted Hedge Fund Performance in H2 2017



Source: Preqin Fund Manager Survey, November 2017

Fig. 9: Fund Manager Predictions for the Performance of the Preqin All-Strategies Hedge Fund Benchmark in 2018 Compared to 2017



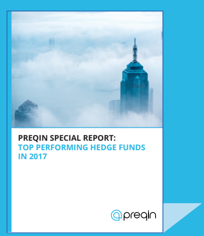
Source: Preqin Fund Manager Survey, November 2017

PREQIN SPECIAL REPORT: TOP PERFORMING HEDGE FUNDS IN 2017

This report takes a closer look at those funds that reached the top of the performance ranks in 2017. Using data taken from Preqin's online platform, we examine the top performing hedge funds over a one- and three-year basis, as well as those funds that have been performing consistently well over the past three and five years.

To download your free copy, please visit our Research Center:

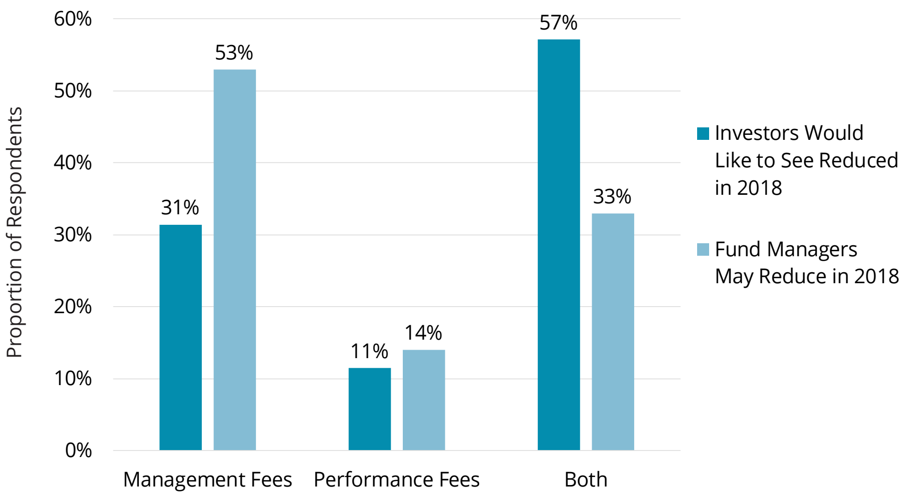
www.preqin.com/rcp



FEES AND OTHER TERMS AND CONDITIONS

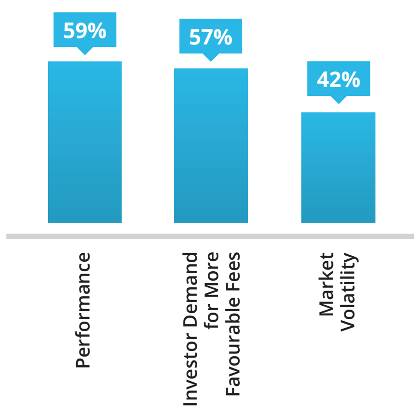
Investor demand for more favourable fees remains a top challenge in the industry today; 57% of fund managers surveyed felt this would be a key driver of change in 2018, behind only the performance of the industry (59%). Despite fund managers recognizing this demand, there remains some separation between what investors demand and what managers are willing to change. As shown in Fig. 10, although more than half of managers reported they would reduce management fees to attract investors, 57% of institutions we spoke to in December 2017 wanted managers to reduce both management and performance fees – something just a third of hedge funds reported they would do.

Fig. 10: Fee Structures Investors Would Like to See Changes to in 2018 vs. Fee Structures Managers Are Most Likely to Reduce



Source: Preqin Fund Manager Survey and Investor Interviews, November and December 2017

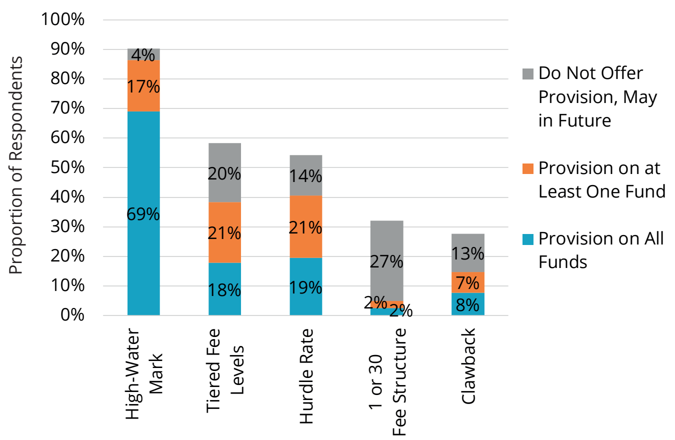
THREE LEADING DRIVERS OF CHANGE FOR HEDGE FUNDS IN 2018 ACCORDING TO MANAGERS



Despite this incongruity of investor demand and manager willingness to respond, we are seeing managers increasingly look for new ways to align performance incentives. High-water marks are used by the majority of managers (Fig. 11); just 10% of survey respondents do not have these in place, or have no plans to. Tiered fee structures and hurdle rates are also used by 39% and 40% of respondents respectively in at least one fund. Moving forwards, the '1 or 30' structure, developed by Albourne Partners in conjunction with Teacher Retirement System of Texas to better align interests, may be something that gains traction; although only 4% of respondents already have this in place, 27% of managers are open to adding this structure in the future.

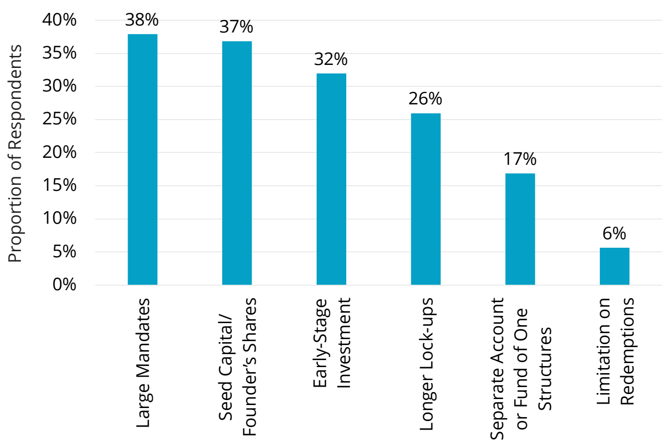
With investor demand for more favourable fees still a leading driver of change, managers are continuing to respond with concessions in return for certain investment conditions. Managers are most willing to offer fee concessions in return for a large or seed investment in a fund; 38% and 37% of respondents respectively reported they would reduce fees as a result (Fig. 12).

Fig. 11: Fee Provisions Provided by Hedge Fund Managers



Source: Preqin Fund Manager Survey, November 2017

Fig. 12: Reasons Why Hedge Fund Managers Have Offered Fee Concessions



Source: Preqin Fund Manager Survey, November 2017

OUTLOOK FOR 2018

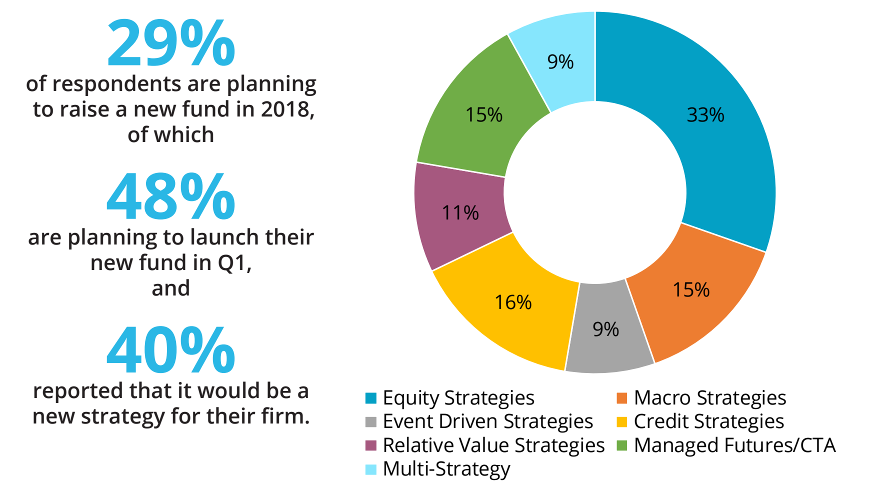
Nearly one-third of fund managers surveyed at the end of 2017 were planning to launch a new fund in 2018, of which nearly half (48%) intended to launch their new fund in the first quarter of the year (Fig. 13). Forty percent of these planned launches will represent a new strategy offered by the firm, as fund managers see new opportunities in a changing global marketplace. Equity and credit strategies account for the largest proportions of planned fund launches in 2018 (33% and 16% respectively).

Following a year of improved performance and net investor inflows, industry AUM increased 9.2% to $3.55tn in 2017, and fund managers are predicting further growth in 2018. Almost two thirds (64%) of fund managers expect industry assets to continue to rise over 2018, with just 16% predicting a contraction (Fig. 14).

The majority (56%) of fund managers predicting growth in assets foresee both performance and investor allocations as the key drivers behind the increase (Fig. 15), similar to the drivers of growth in 2017. In isolation, performance is viewed as the factor to drive asset growth in 2018 by a greater proportion (26%) of respondents than allocations to the industry (17%).

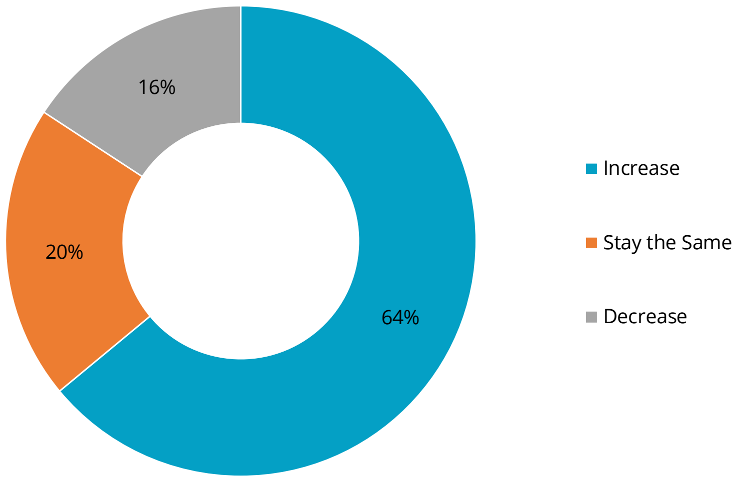
While fund managers went into 2017 with aims of reviving investor sentiment and reversing recent performance trends, managers have ended the year looking for more of the same in 2018: improved performance, asset growth and improving investor sentiment have shaped a positive year for hedge funds. Looking to 2018, uncertainty surrounds global equity markets and future hedge fund performance; however, managers remain optimistic, predicting industry growth and planning product expansion through new launches over the coming 12 months. If 2017 was a year for change, 2018 is one for consistency.

Fig. 13: Strategies Hedge Fund Managers Plan to Launch in 2018



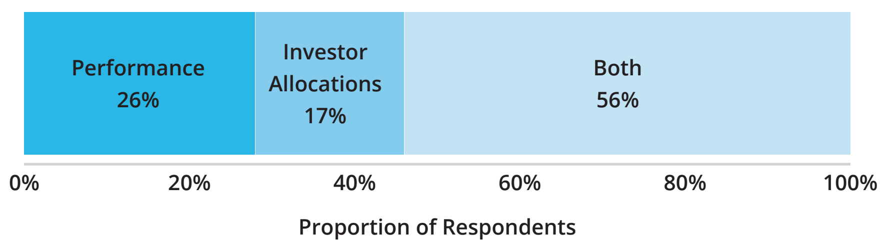
Source: Preqin Fund Manager Survey, November 2017

Fig. 14: Fund Manager Expectations for Hedge Fund Industry Assets under Management in 2018



Source: Preqin Fund Manager Survey, November 2017

Fig. 15: Fund Manager Views on the Key Drivers behind Expected Industry AUM Growth in 2018



Source: Preqin Fund Manager Survey, November 2017

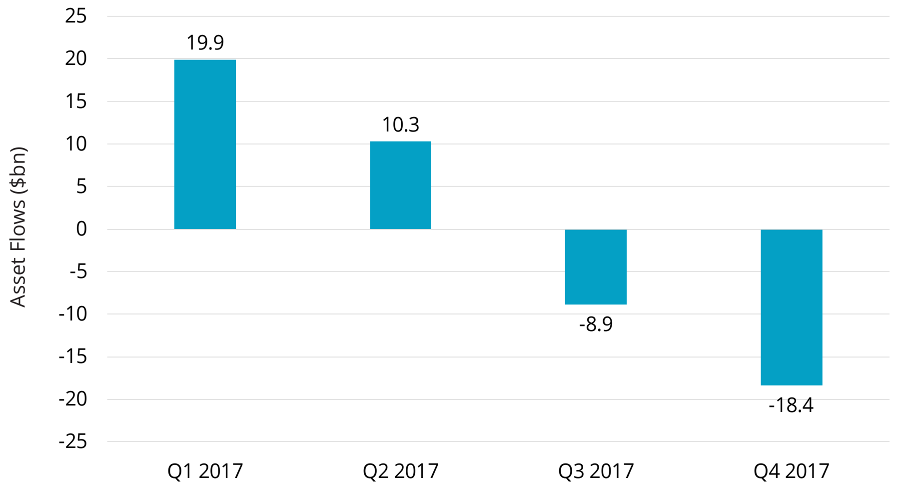
NORTH AMERICA RESULTS

KEY FACTS

$2.63tn
Total AUM of the North American hedge fund industry.

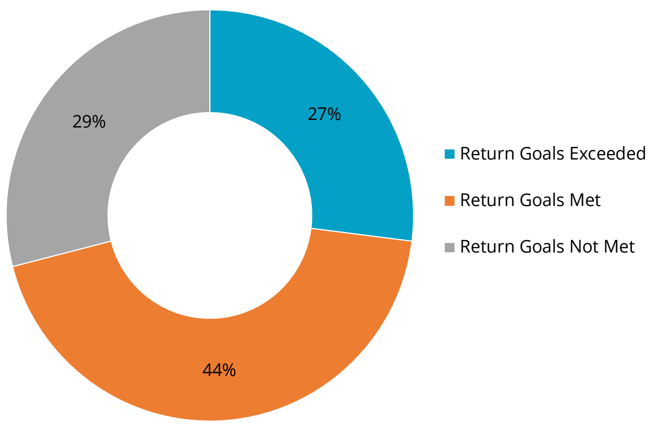
64%
of North America-based hedge fund managers surveyed experienced growth in AUM over 2017.

Fig. 16: North America-Based Hedge Fund Quarterly Asset Flows in 2017



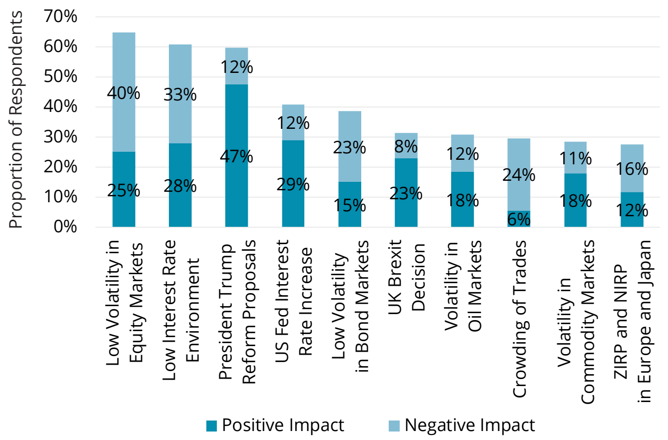
Source: Preqin

Fig. 17: North America-Based Fund Manager Views on Returns in the Past 12 Months Relative to Objectives



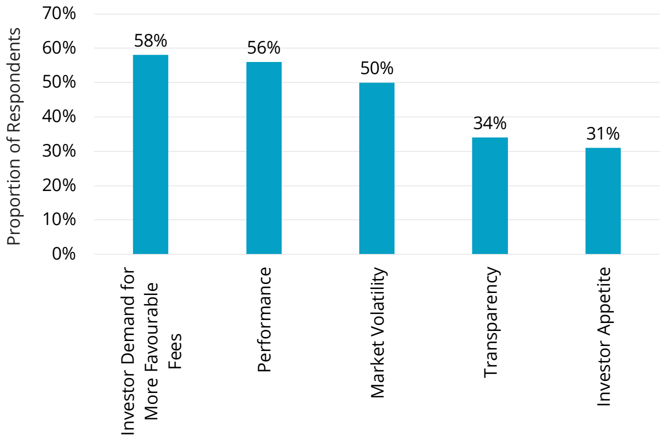
Source: Preqin Fund Manager Survey, November 2017

Fig. 18: North America-Based Fund Manager Views on the Key Macro Factors that Impacted Hedge Fund Performance in H2 2017



Source: Preqin Fund Manager Survey, November 2017

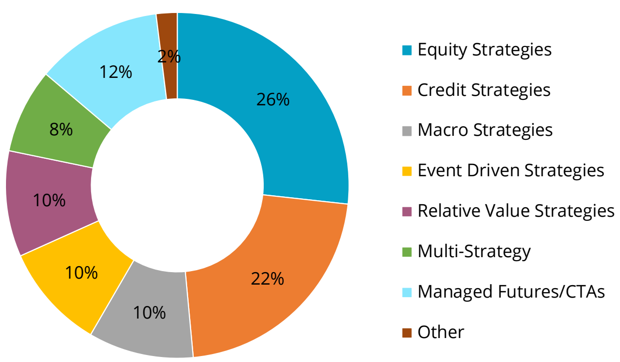
Fig. 19: North America-Based Fund Manager Views on the Leading Drivers of Change in the Hedge Fund Industry



Source: Preqin Fund Manager Survey, November 2017

Fig. 20: Strategies North America-Based Fund Managers Plan to Launch in 2018

23% of North America-based respondents are planning to launch a new fund in 2018. The strategies they intend to pursue are:



Source: Preqin Fund Manager Survey, November 2017

EUROPE RESULTS

KEY FACTS

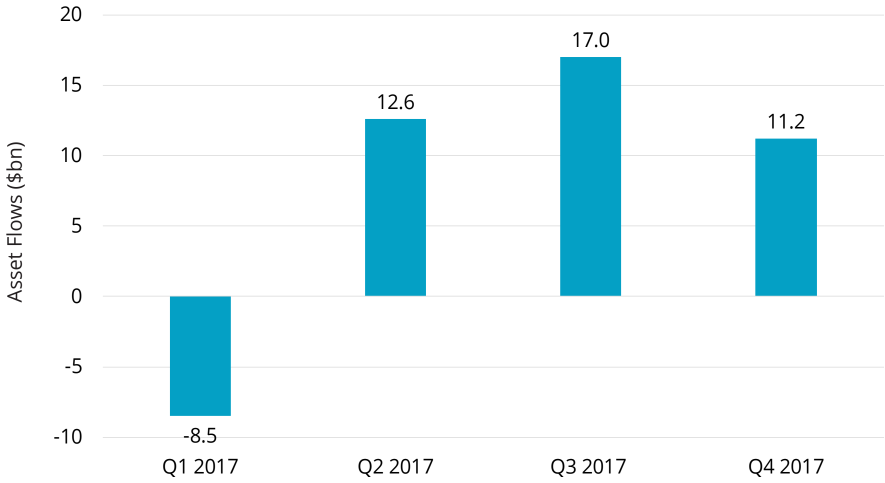
$731bn

Total AUM of the European hedge fund industry.

64%

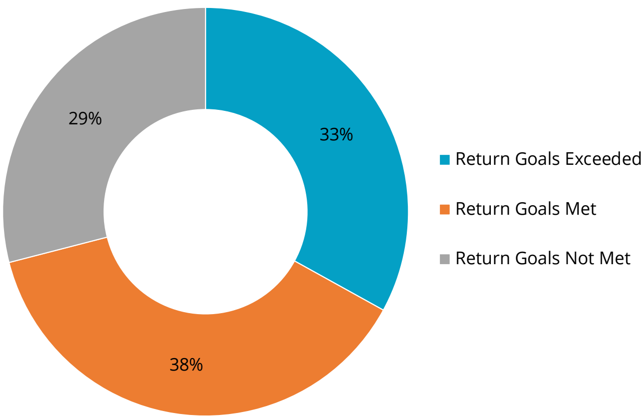
of Europe-based hedge fund managers surveyed experienced growth in AUM over 2017.

Fig. 21: Europe-Based Hedge Fund Quarterly Asset Flows in 2017



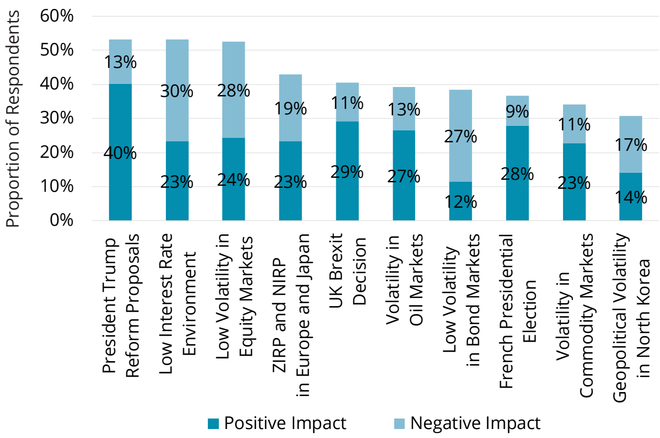
Source: Preqin

Fig. 22: Europe-Based Fund Manager Views on Returns in the Past 12 Months Relative to Objectives



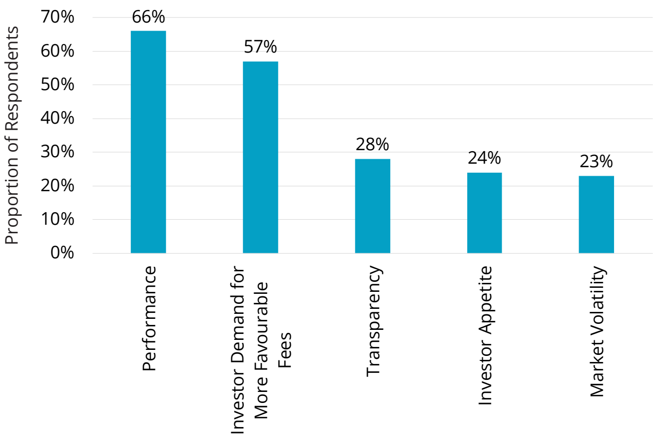
Source: Preqin Fund Manager Survey, November 2017

Fig. 23: Europe-Based Fund Manager Views on the Key Macro Factors that Impacted Hedge Fund Performance in H2 2017



Source: Preqin Fund Manager Survey, November 2017

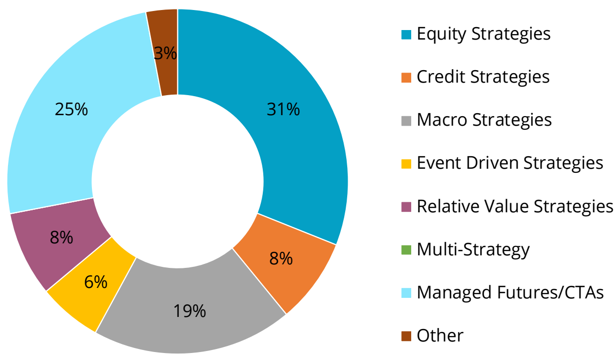
Fig. 24: Europe-Based Fund Manager Views on the Leading Drivers of Change in the Hedge Fund Industry



Source: Preqin Fund Manager Survey, November 2017

Fig. 25: Strategies Europe-Based Fund Managers Plan to Launch in 2018

39% of Europe-based respondents are planning to launch a new fund in 2018. The strategies they intend to pursue are:



Source: Preqin Fund Manager Survey, November 2017

ASIA-PACIFIC RESULTS

KEY FACTS

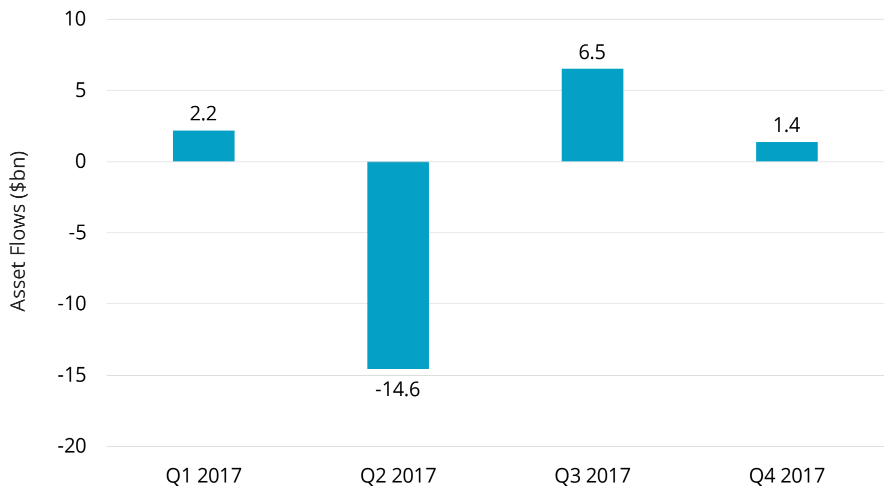
$156bn

Total AUM of the Asia-Pacific hedge fund industry.

78%

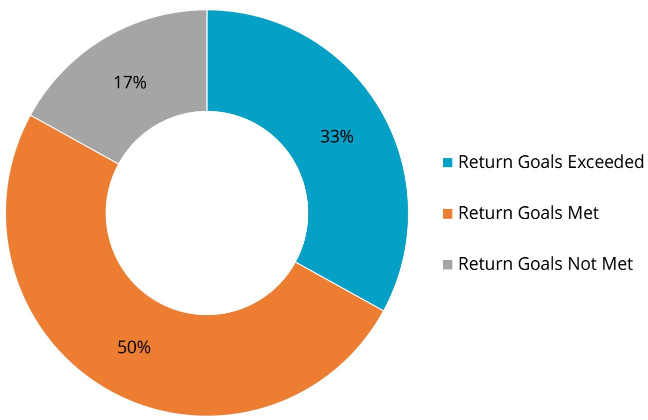
of Asia-Pacific-based hedge fund managers surveyed experienced growth in AUM over 2017.

Fig. 26: Asia-Pacific-Based Hedge Fund Quarterly Asset Flows in 2017



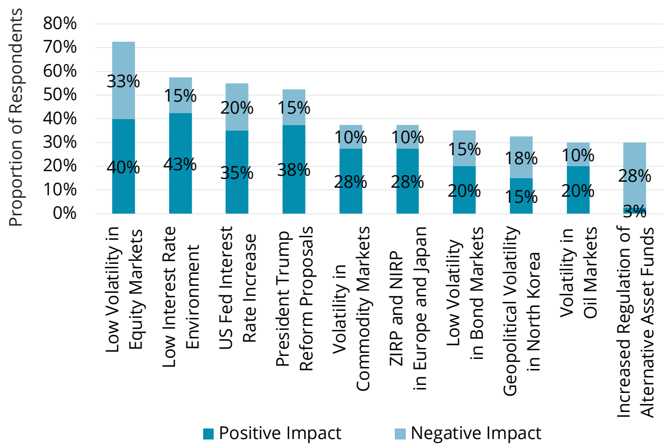
Source: Preqin

Fig. 27: Asia-Pacific-Based Fund Manager Views on Returns in the Past 12 Months Relative to Objectives



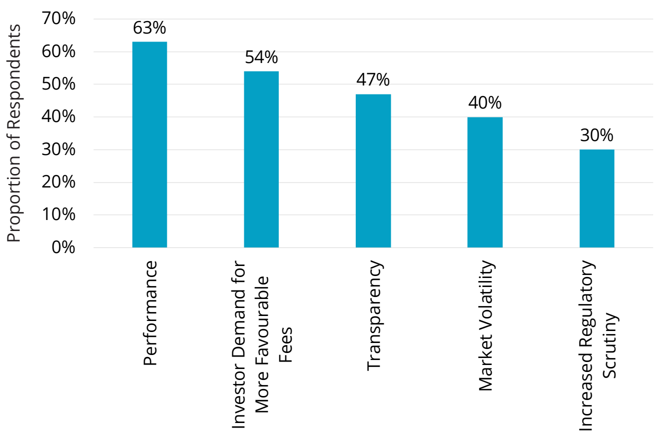
Source: Preqin Fund Manager Survey, November 2017

Fig. 28: Asia-Pacific-Based Fund Manager Views on the Key Macro Factors that Impacted Hedge Fund Performance in H2 2017



Source: Preqin Fund Manager Survey, November 2017

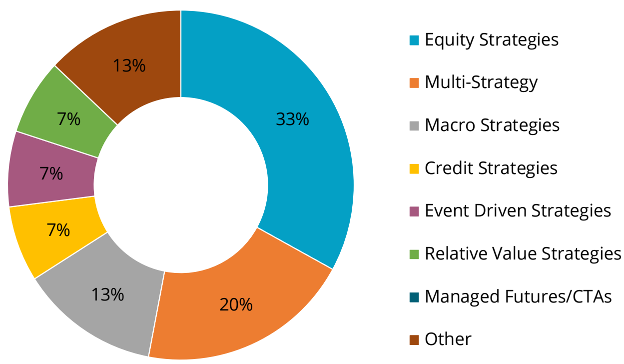
Fig. 29: Asia-Pacific-Based Fund Manager Views on the Leading Drivers of Change in the Hedge Fund Industry



Source: Preqin Fund Manager Survey, November 2017

Fig. 30: Strategies Asia-Pacific-Based Fund Managers Plan to Launch in 2018

33% of Asia-Pacific-based respondents are planning to launch a new fund in 2018. The strategies they intend to pursue are:



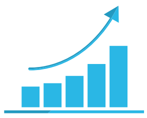
Source: Preqin Fund Manager Survey, November 2017

REST OF WORLD RESULTS

KEY FACTS

$63bn

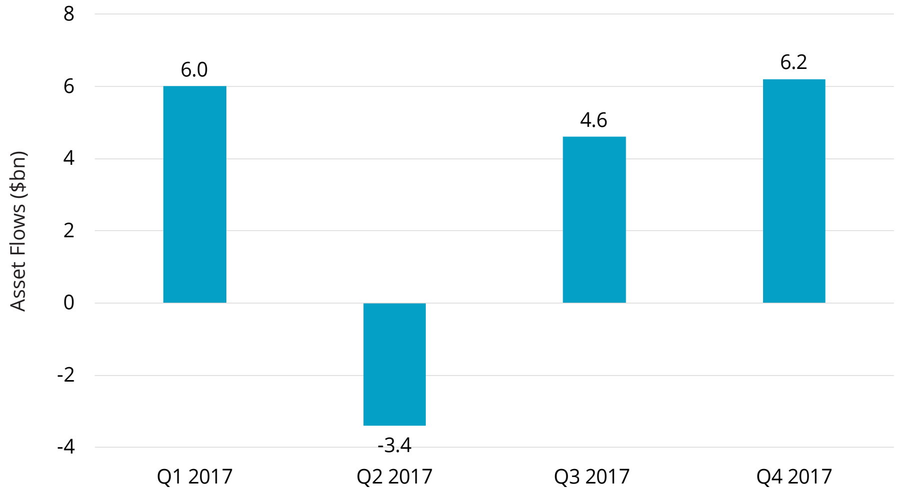
Total AUM of the Rest of World hedge fund industry.



69%

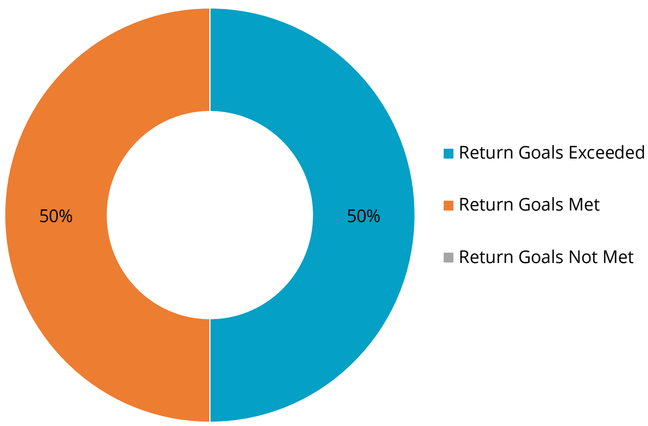
of Rest of World-based hedge fund managers surveyed experienced growth in AUM over 2017.

Fig. 31: Rest of World-Based Hedge Fund Quarterly Asset Flows in 2017



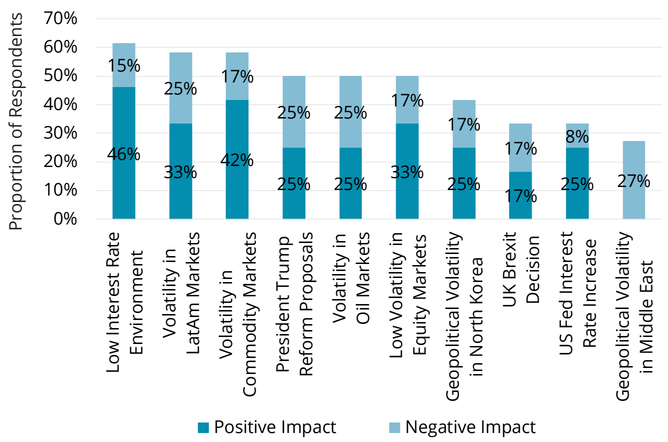
Source: Preqin

Fig. 32: Rest of World-Based Fund Manager Views on Returns in the Past 12 Months Relative to Objectives



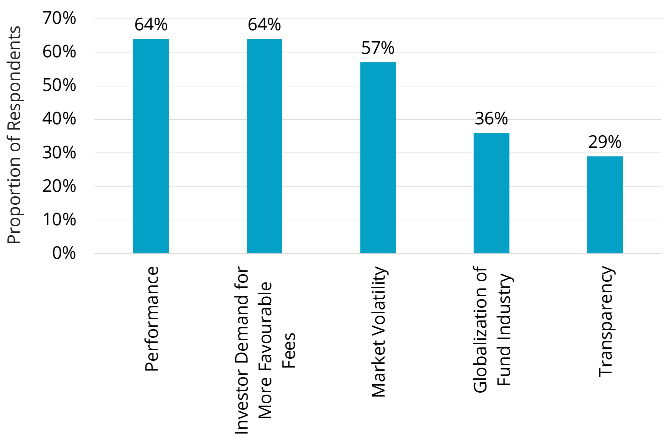
Source: Preqin Fund Manager Survey, November 2017

Fig. 33: Rest of World-Based Fund Manager Views on the Key Macro Factors that Impacted Hedge Fund Performance in H2 2017



Source: Preqin Fund Manager Survey, November 2017

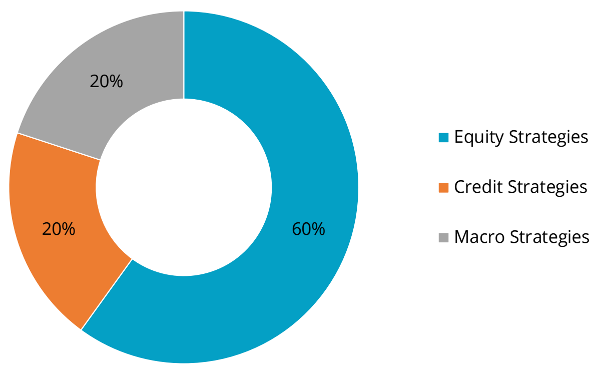
Fig. 34: Rest of World-Based Fund Manager Views on the Leading Drivers of Change in the Hedge Fund Industry



Source: Preqin Fund Manager Survey, November 2017

Fig. 35: Strategies Rest of World-Based Fund Managers Plan to Launch in 2018

37% of Rest of World-based respondents are planning to launch a new fund in 2018. The strategies they intend to pursue are:



Source: Preqin Fund Manager Survey, November 2017

PREQIN SPECIAL REPORT:
HEDGE FUND MANAGER OUTLOOK

H1 2018

PREQIN

More than 60,000 alternative assets professionals rely on our global data, tools, insights and intelligence to achieve their objectives:

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- **Fund managers:** fundraising, portfolio monitoring and investor relations
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