

HEDGE FUND PERFORMANCE UPDATE: JANUARY 2019

SINGLE-MANAGER HEDGE FUNDS	Jan-19	Dec-18	12 Months	3-Year Annualized	12M Trend
Hedge Funds	3.82	-2.16	-1.35	7.70	
HF - Event Driven Strategies	5.88	-3.38	1.13	9.34	
HF - Equity Strategies	5.51	-3.21	-2.67	8.93	
HF - Multi-Strategy	2.46	-1.09	-1.61	6.89	
HF - Credit Strategies	1.89	-0.83	2.77	7.42	
HF - Macro Strategies	1.43	-0.28	-0.22	4.72	
HF - Relative Value Strategies	1.30	-0.61	1.10	3.79	
Activist	5.56	-3.34	-1.14	9.90	
Discretionary	5.18	-2.68	-0.40	8.89	
Volatility	2.76	-1.53	2.00	8.10	
Systematic	0.89	-1.02	-1.99	4.44	
HF - Emerging Markets	5.30	-0.46	1.16	10.94	
HF - North America	4.71	-3.62	0.27	8.94	
HF - Asia-Pacific	4.45	-2.60	-6.72	6.22	
HF - Developed Markets	2.90	-2.69	-1.55	6.28	
HF - Europe	2.48	-1.86	-2.76	4.97	
HF - BRL	5.07	0.45	14.53	18.50	
HF - USD	4.66	-2.56	-1.34	8.02	
HF - EUR	3.16	-1.81	-3.67	2.64	
HF - GBP	2.29	-1.87	-3.48	3.28	
HF - JPY	2.06	0.97	-7.78	2.70	
HF - Medium*	3.99	-1.41	0.28	7.59	
HF - Emerging*	3.96	-2.29	-1.99	7.79	
HF - Small*	3.21	-2.04	-1.33	7.53	
HF - Large*	2.99	-0.90	-1.57	6.29	
MULTI-MANAGER HEDGE FUNDS	Jan-19	Dec-18	12 Months	3-Year Annualized	12M Trend
Funds of Hedge Funds	2.22	-1.63	-3.80	2.27	
FOHF - Equity Strategies	2.56	-2.37	-6.24	3.20	
FOHF - Multi-Strategy	1.98	-1.70	-3.70	1.78	
FOHF - USD	2.65	-1.59	-2.96	3.22	
FOHF - EUR	2.08	-1.51	-3.28	1.81	
Funds of CTAs	-0.65	1.34	-10.77	-4.11	
LIQUID ALTERNATIVES	Jan-19	Dec-18	12 Months	3-Year Annualized	12M Trend
Alternative Mutual Funds	3.30	-3.84	-4.73	2.96	
UCITS	2.68	-1.76	-4.89	2.35	
UCITS - Macro Strategies	4.12	-0.14	0.29	3.00	
UCITS - Equity Strategies	3.28	-2.93	-7.36	3.62	
UCITS - Relative Value Strategies	1.30	-0.57	-2.93	-0.14	
UCITS - USD	3.38	-1.53	-4.46	4.05	
UCITS - EUR	2.26	-1.82	-5.61	1.09	
CTAs	Jan-19	Dec-18	12 Months	3-Year Annualized	12M Trend
CTAs	-0.16	0.44	-7.02	-0.12	
Systematic	-0.24	1.34	-8.05	-1.04	
Discretionary	-0.54	-2.28	-4.10	0.95	
CTA - USD	0.12	0.58	-6.78	0.14	
CTA - EUR	-0.91	0.18	-15.38	-3.84	

Source: Preqin

- Hedge funds started 2019 positively, with the Preqin All-Strategies Hedge Fund benchmark generating its highest return since September 2010 (+3.82%). This helped to reverse the losses faced in the final quarter of 2018 (-4.91%) and increased the three-year annualized return to +7.70%. Single manager hedge funds, funds of hedge funds and liquid alternatives all made gains, whereas CTAs struggled (-0.16%).
- Event driven strategies hedge funds outperformed all other top-level strategies tracked by Preqin, returning +5.88%; their three-year annualized return (+9.34%) is also the highest out of all strategies. Equity strategies followed closely, posting +5.51% in January. Encouragingly, all top-level strategies began 2019 with positive returns, helped by the rising optimism surrounding global trade.
- BRL-denominated hedge funds have enjoyed six consecutive months of outperforming all other currencies, and gained +5.07% in January. This pushes their three-year annualized return to +18.50%; in comparison, the next highest return for this time period is +8.02% for hedge funds denominated in USD.
- The start of 2019 provided some much-needed relief globally after a detrimental end to last year: all regions tracked by Preqin made gains in January. Emerging markets-focused hedge funds did particularly well, adding +5.30% to bring their 12-month return to +1.16%. Europe-focused hedge funds had less success, but still gained +2.48%, bringing their 12-month return of -2.76%.

Please note, all performance information includes preliminary data for January 2019 based on net returns reported to Preqin in early February 2019. Although stated trends and comparisons are not expected to alter significantly, final benchmark values are subject to change.

*Preqin fund size classifications: Emerging (less than \$100mn); Small (\$100-499mn); Medium (\$500-999mn); Large (\$1bn plus).