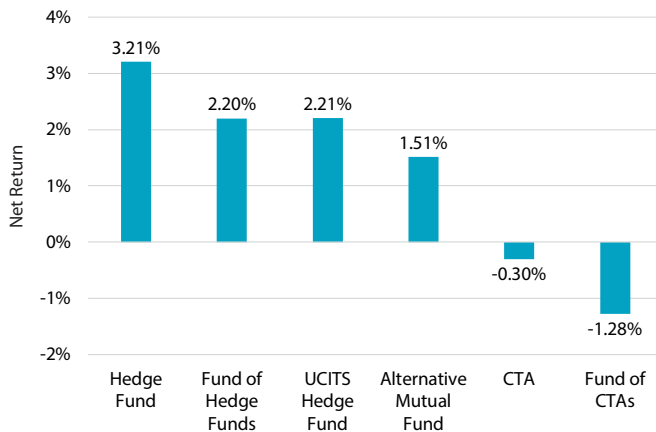


PERFORMANCE

Hedge funds had a strong start to 2017: the Preqin All-Strategies hedge fund benchmark returned 3.21% for the first quarter of the year (Fig. 1), its best start to a year since 2013. The improved performance of the sector since Q2 2016 has led to the 12-month return of the benchmark reaching 11.65% (Fig. 2). All leading hedge fund strategies posted positive returns in the first quarter of the year, except CTAs, which lost 0.30%, compounding the losses of 0.40% and 1.86% in Q4 and Q3 2016 respectively.

Event driven strategies and equity strategies led the pack in regards to performance at the start of the year, making gains of 3.74% and 4.11% respectively (Fig. 3). At the other end of the spectrum, relative value strategies had a relatively slow start to

Fig. 1: Performance of Hedge Funds in Q1 2017 by Structure*



Source: Preqin Hedge Fund Online

Fig. 3: Single-Manager Hedge Fund Performance by Strategy*

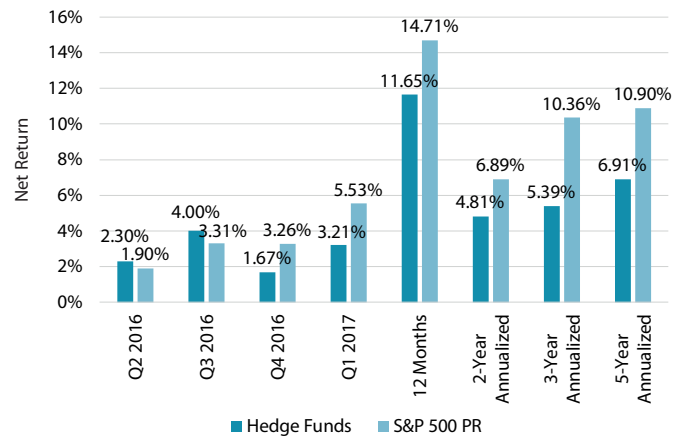
Jan-17	Feb-17	Mar-17	Q1 2017	Q4 2016
Equity Strategies 1.92%	Equity Strategies 1.21%	Equity Strategies 0.93%	Equity Strategies 4.11%	Event Driven 4.01%
Event Driven 1.81%	Event Driven 1.19%	Event Driven 0.71%	Event Driven 3.74%	Credit Strategies 2.06%
Multi-Strategy 1.17%	Multi-Strategy 0.99%	Credit Strategies 0.51%	Multi-Strategy 2.62%	Relative Value 1.74%
Credit Strategies 1.10%	Credit Strategies 0.89%	Multi-Strategy 0.44%	Credit Strategies 2.55%	Equity Strategies 1.40%
Relative Value 0.70%	Macro Strategies 0.72%	Macro Strategies 0.36%	Macro Strategies 1.62%	Multi-Strategy 1.23%
Macro Strategies 0.53%	CTAs 0.60%	Relative Value 0.32%	Relative Value 1.24%	Macro Strategies 0.72%
CTAs -0.77%	Relative Value 0.23%	CTAs -0.13%	CTAs -0.30%	CTAs -0.38%

Source: Preqin Hedge Fund Online

2017, posting just 1.24% over the quarter. However, relative value strategies have netted just one negative month of returns in the past 12 months (to March 2017): a small loss of 0.28% in June 2016.

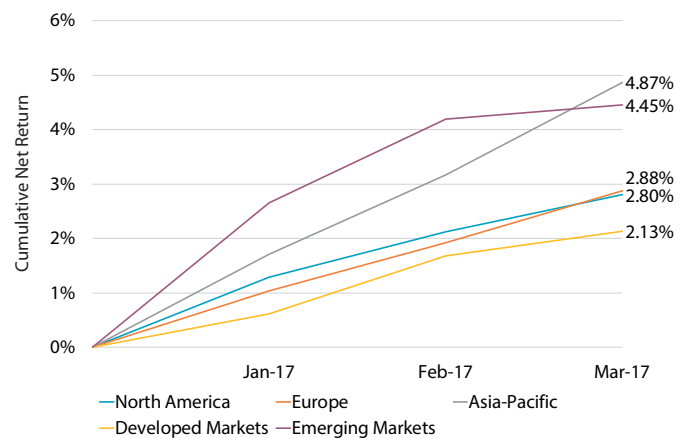
Funds with a focus on Asia-Pacific made the largest gains in Q1 2017 (Fig. 4). Despite a difficult March, when funds focused on emerging markets lost 0.54%, the performance of funds with a focus on emerging markets continues to outpace the returns of funds focused on developed markets. In Q1 2017, funds focused on emerging markets gained 4.45% compared to 2.13% generated by funds with a focus on developed markets. Similarly, in 2016 emerging markets funds outperformed developed markets funds (9.96% vs. 7.69% respectively).

Fig. 2: Performance of Hedge Funds vs. S&P 500 PR Index*



Source: Preqin Hedge Fund Online

Fig. 4: Cumulative Returns of Hedge Funds in Q1 2017 by Geographic Focus*



Source: Preqin Hedge Fund Online

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