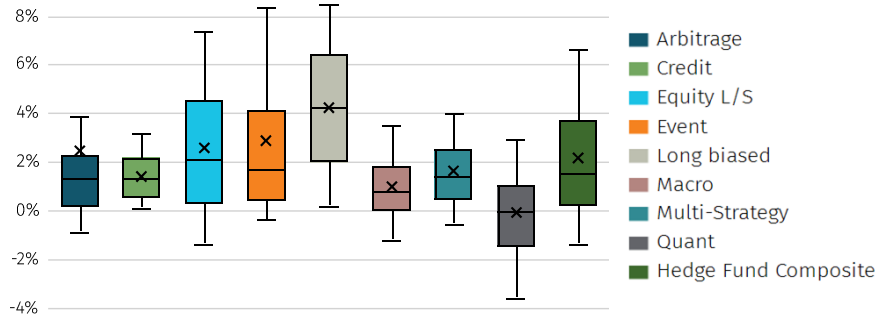
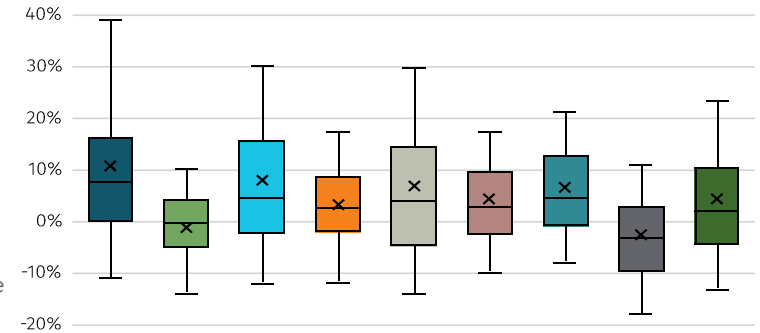


	1 month return <sup>1</sup>	3 month return <sup>1</sup>	YTD return <sup>1</sup>
Arbitrage	1.04%	5.34%	5.68%
Credit	1.35%	5.34%	-3.20%
Equity L/S	3.01%	7.97%	6.06%
Event	2.61%	6.86%	3.31%
Long biased	3.26%	10.18%	2.72%
Macro	1.74%	5.25%	2.52%
Multi-Strategy	1.46%	6.02%	8.34%
Quant	-0.05%	0.42%	-6.27%

August 2020 - Strategy Performance <sup>1 2</sup>



12 months to August 2020 - Strategy Performance <sup>1 2</sup>



HEDGE FUNDS

**Hedge Fund Composite** ↑ Most strategies monitored by Aurum's Hedge Fund Data Engine generated positive returns in August, as markets were driven by a broad risk-on sentiment. The average hedge fund return across all strategies was 2.0%, bringing average YTD performance to 1.7%. Long Biased and Equity Long/Short strategies were the strongest performers for the second month in succession. Strategy dispersion continued to narrow in August compared to the previous month.

**Macro** ↑ Macro funds monitored by Aurum's Hedge Fund Data Engine generated an average return of 1.7% in August. The Global Macro sub-strategy was the strongest performer, with an average return of 2.4%. The Commodities sub-strategy lost -0.4% with short positions generally driving losses.

**Equity Long/Short** ↑ Equity Long/Short funds monitored by Aurum's Hedge Fund Data Engine returned 3.0% on average in August. All sub-strategy groups were positive for the month, with US-focused managers leading the way with an average return of 3.1%. Asia Pacific and European-focused managers returned 2.9% and 1.9% on average, respectively.

**Multi-Strategy** ↑ The Multi-Strategy peer group monitored by Aurum's Hedge Fund Data Engine returned an average of 1.5% in August. Multi-Strategy funds with AUM of \$1-2bn outperformed their larger and smaller peers. Dispersion between Multi-Strategy funds was notably tighter than observed in July. Multi-Strategy continued to be the strongest performing master strategy monitored by Aurum's Hedge Fund Data Engine in 2020, with YTD performance of 8.3% on average.

**Quant** ▬ Quant funds monitored by Aurum's Hedge Fund Data Engine were flat in August, returning on average -0.05%. CTAs were the worst performers with an average return of -1.0%. The strategy was negatively impacted by a reversal in the gold strength of recent months. The Statistical Arbitrage sub-strategy performed well with an average return of 1.8%. YTD average performance for the master strategy is -6.3%.

**Long Biased** ↑ Long Biased funds monitored by Aurum's Hedge Fund Data Engine generated an average return of 3.3% in August, bringing YTD performance for the strategy into positive territory for the first time this year since January. All sub-strategies were positive for the month, led by Long Biased Equity and Long Biased Fixed Income funds, returning 4.4% and 4.2% on average, respectively.

MARKETS

**Major Events** The US Fed announced a shift to average inflation targeting at the Jackson Hole virtual conference, showing a higher tolerance for allowing temporary increases beyond the 2% inflation target. This led to further expectations of an accommodative monetary policy and a prolonged period of low interest rates in the US. US/China tensions remained high as President Trump moved forward with further sanctions against a number of Chinese entities. Forecasts around the rate of change of COVID-19 cases remained mixed, seemingly decreasing in the US while showing the possibility of new waves in Europe. Argentina reached a preliminary deal with creditors to restructure around \$65bn of sovereign debt, bringing a close to months of ongoing negotiations.

**Equities** ↑ Global equities rallied in August on continued support from global government and central bank intervention, and an overall risk-on sentiment. In the US, new highs were reached for the S&P 500 and Nasdaq indices on the back of a better-than-expected Q2 earnings season and the potential for a COVID-19 vaccine in the coming months. The Nikkei performed strongly despite the resignation of Prime Minister Abe. European equities also gained, despite fears of a second wave of COVID-19. Top performing sectors included industrials and consumer discretionary.

**Government Bonds** ↑ Despite the US Fed announcement of more tolerance for higher inflation, US government bond curves rose over the month. 10-year US Treasury bond yields rose by 18bps to 0.70% along with a general steepening of the US yield curve into month-end. A broad risk-on sentiment in the month also saw bond yields rise in the UK and Europe.

**Corporate Bonds** ↑ The overall risk-on sentiment supported high yield credit markets in August. High yield indices performed strongly, while investment grade indices declined moderately.

**Currencies** The US dollar slightly weakened over the month due to both the wider risk on sentiment and expectations of persistent low interest rates, following the US Fed's announcement on inflation. Most currencies strengthened against the US dollar, with the Australian dollar and sterling performing notably well. In emerging markets, the Brazilian real declined almost 5% against the US dollar due to increasing COVID-19 infections and stimulus package uncertainties. The Turkish lira also declined substantially against the US dollar, despite central bank intervention to protect the currency.

**Commodities** ↑ In precious metals, gold slightly lost ground over the month as the wider risk-on sentiment continued; silver however continued its strong trajectory from the previous month. Natural gas rallied sharply due to increased demand, as economic activity continued to pick up globally. WTI and Brent crude oil also edged higher on the back of declining US inventories and Hurricane Laura making landfall at the end of the month.

<sup>1</sup>Asset Weighted average strategy performance

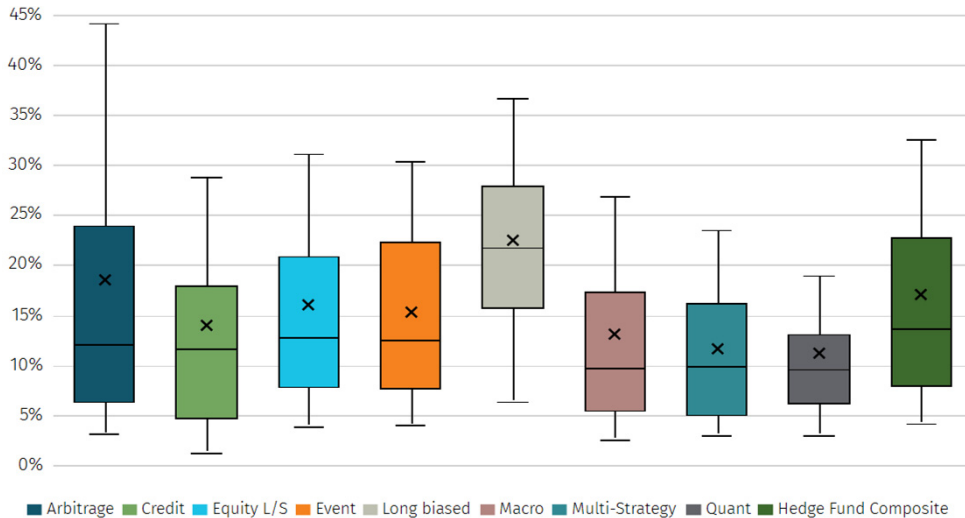
<sup>2</sup>The box represents the middle half of the data (from the 25th to the 75th percentile), with an additional line showing the middle value (the median or 50th percentile) and the 'x' representing the mean. The whiskers show the extreme values (the 10th and 90th percentiles).

Aurum's Hedge Fund Data Engine is a proprietary database maintained by Aurum Research Limited ("ARL") containing data on over 4,000 active hedge funds representing in excess of \$2.9 trillion of assets as at June 2020. Data from the Hedge Fund Data Engine is provided on the following basis: (1) Aurum's Hedge Fund Data Engine is provided for informational purposes only; (2) information and data included in the Hedge Fund Data Engine are obtained from various third party sources including Aurum's own research, regulatory filings, public registers and other data providers and are provided on an "as is" basis; (3) Aurum does not perform any audit or verify the information provided by third parties; (4) Aurum is not responsible for and does not warrant the correctness, accuracy, or reliability of the data in the Hedge Fund Data Engine; (5) any constituents and data points in the Hedge Fund Data Engine may be removed at any time; (6) the completeness of the data may vary in the Hedge Fund Data Engine; (7) Aurum does not warrant that the data in the Hedge Fund Data Engine will be free from any errors, omissions or inaccuracies; (8) the information in the Hedge Fund Data Engine does not constitute an offer or a recommendation to buy or sell any security or financial product or vehicle whatsoever or any type of tax or investment advice or recommendation; (9) past performance is no indication of future results; and (10) Aurum reserves the right to change its Hedge Fund Data Engine methodology at any time and may elect to suppress or change underlying data should it be considered optimal for representation and/or accuracy. Coverage Indicator of Eligible Funds Having Reported (as at 17/09/2020). By fund assets (Aug): 70%. By no. of funds (Aug): 60%. For further detail on the strategy definitions visit <https://www.aurum.com/hedge-fund-strategy-definitions/>

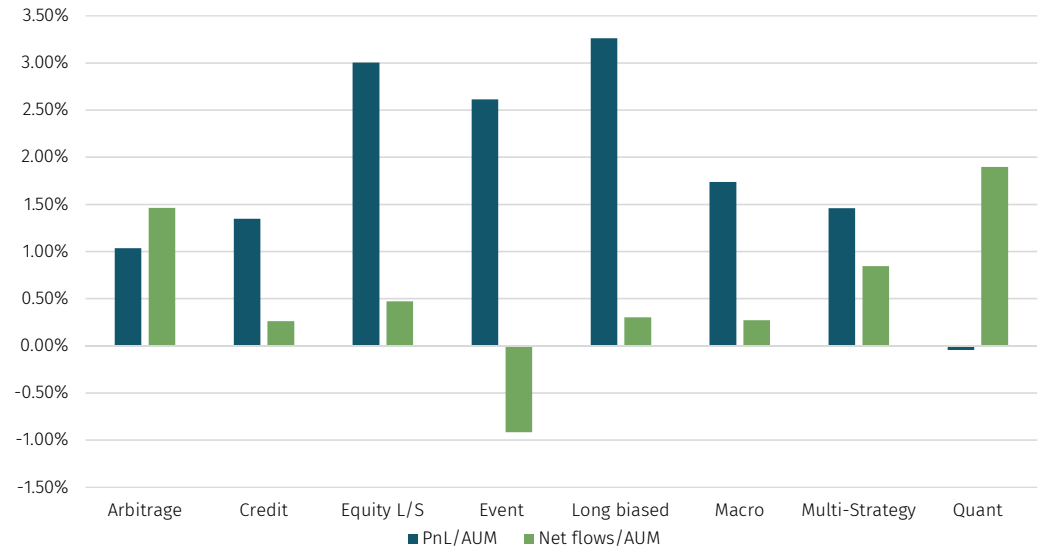
12 Month Correlation Matrix	Arbitrage	Credit	Equity L/S	Event	Long biased	Macro	Multi-Strategy	Quant
Arbitrage	1.00	0.91	0.80	0.84	0.80	0.86	0.93	0.68
Credit		1.00	0.90	0.95	0.91	0.97	0.94	0.79
Equity L/S			1.00	0.98	0.98	0.93	0.94	0.83
Event				1.00	0.99	0.96	0.95	0.85
Long biased					1.00	0.95	0.92	0.89
Macro						1.00	0.93	0.83
Multi-Strategy							1.00	0.75
Quant								1.00

Net Performance <sup>1</sup>	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Rolling 12 month return
Arbitrage	0.22%	0.18%	0.18%	0.39%	0.82%	0.64%	-3.01%	1.06%	0.87%	2.18%	2.03%	1.04%	6.70%
Credit	0.17%	-0.05%	0.16%	1.19%	0.72%	-0.69%	-13.09%	2.80%	2.81%	2.56%	1.35%	1.35%	-1.77%
Equity L/S	-0.89%	1.03%	2.28%	2.06%	-0.05%	-2.16%	-8.12%	5.86%	3.29%	2.22%	2.54%	3.01%	10.86%
Event	0.65%	0.35%	1.16%	1.69%	-0.19%	-1.71%	-7.85%	4.46%	2.38%	2.05%	2.05%	2.61%	7.35%
Long biased	0.76%	1.56%	1.57%	2.48%	-0.05%	-4.88%	-12.09%	7.56%	3.70%	2.61%	3.98%	3.26%	9.40%
Macro	0.49%	0.78%	-0.08%	2.21%	0.38%	-0.93%	-6.87%	2.32%	2.78%	1.27%	2.15%	1.74%	6.04%
Multi-Strategy	-0.15%	0.46%	0.71%	1.34%	1.09%	0.29%	-3.71%	2.94%	1.69%	2.48%	1.96%	1.46%	10.91%
Quant	0.46%	-0.75%	0.63%	0.18%	0.10%	-3.01%	-4.35%	0.62%	-0.11%	-0.85%	1.33%	-0.05%	-5.79%

Rolling 12 month volatility dispersion (standard deviation)<sup>2,3</sup>



Net flows and AUM change<sup>4</sup> - August 2020



<sup>3</sup>Asset weighted 12 month volatility.

<sup>4</sup>P&L/AUM shows the percentage change in AUM accounted for by performance, split by strategy. Net flows/AUM shows the percentage change in AUM accounted for by subscriptions and redemptions, split by strategy.

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