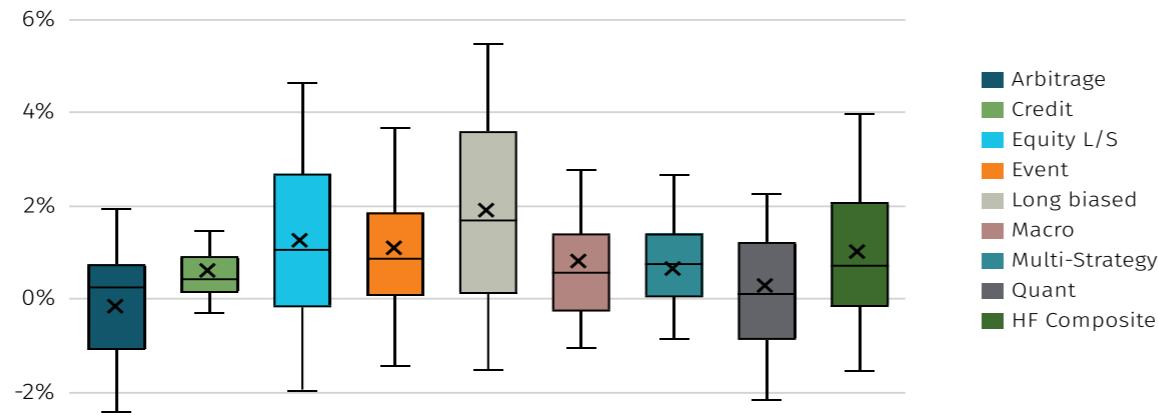
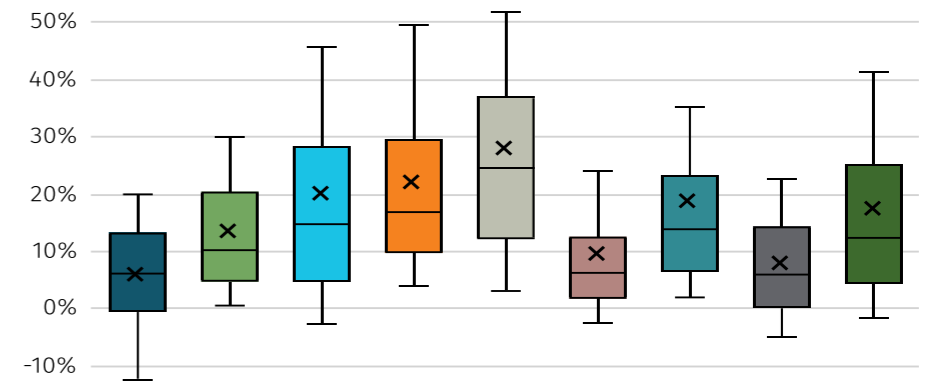


	1 month return	3 month return	YTD return
Arbitrage	0.02%	-0.03%	2.61%
Credit	0.48%	1.38%	7.83%
Equity L/S	1.24%	2.10%	5.99%
Event	1.25%	1.15%	9.07%
Long biased	1.16%	2.24%	10.38%
Macro	0.54%	-0.93%	1.58%
Multi-Strategy	1.04%	1.67%	7.16%
Quant	0.41%	1.24%	5.79%
HF Composite	0.87%	1.43%	6.86%

August 2021 - Strategy Performance <sup>1</sup>



12 months to August 2021 - Strategy Performance <sup>1</sup>



HEDGE FUNDS

MARKETS

**Hedge Fund Composite** ↑ All hedge fund strategies monitored by Aurum's Hedge Fund Data Engine delivered positive performance in August. The average hedge fund return in August across all strategies was 0.87%, bringing year-to-date performance to 6.86%. Performance dispersion was slightly tighter than that observed in July.

**Long Biased** ↑ Long Biased funds monitored by Aurum's Hedge Fund Data Engine generated positive returns in August of 1.16%. All sub-strategies were positive for the month, with all sub-strategies, except Long Biased Equity, extending gains seen in the prior two months. The strongest performing sub-strategy was Long Biased Diversified Growth, returning 2.11%.

**Quant** ↑ Quant funds monitored by Aurum's Hedge Fund Data Engine generated 0.41% in August. All sub-strategies delivered positive performance. Quantitative Equity Market Neutral was the strongest performing sub-strategy, up 0.87%, benefiting once again from intra-month volatility in equity markets.

**Equity Long/Short** ↑ Equity Long/Short funds monitored by Aurum's Hedge Fund Data Engine returned an average of 1.24% in August as equity market performance was generally positive over the month. Performance was positive among nearly all sub-strategies. Sector focused funds performed particularly well after a difficult month in July.

**Macro** ↑ Macro funds monitored by Aurum's Hedge Fund Data Engine had an average return in August of 0.54%. It is the weakest performing strategy year to date, with a return of 1.61%. Sub-strategy returns were varied from slightly positive for Macro Commodities, Fixed Income Relative Value and Global Macro, to a strong positive month for Macro Emerging Markets, up 1.93%.

**Multi-Strategy** ↑ Multi-strategy funds monitored by Aurum's Hedge Fund Data Engine returned an average of 1.04% in August. Performance was mixed by fund size; the smallest funds (<\$0.5bn) and largest funds (\$2-5bn and \$5bn+) had positive returns, but mid-sized fund returns were negative.

**Major Events** The US withdrawal from Afghanistan was completed on 30th August. In just ten days in August the Taliban took control of towns and cities across Afghanistan, culminating in their arrival at the gates of Kabul on 15th August. The US House of Representatives voted to approve a \$3.5tn budget resolution and advanced the \$1trn infrastructure budget. US Federal Reserve Chairman Jerome Powell reiterated at the Jackson Hole symposium that the tapering of the Fed's asset purchase programme didn't mean that interest rates would rise any time soon. China's regulatory crack down on the tech sector continued with the passing of the Personal Information Protection Law (PIPL), China's first comprehensive legislation regulating the use and protection of personal data.

**Equities** ↑ Global equity performance was generally positive during August. There was, however, a brief downturn and a spike in volatility mid-month, linked to concerns about the tapering of the Fed's asset purchase programme and the Taliban takeover in Afghanistan as the US withdrawal progressed. Chinese equities continued to be adversely affected by government regulatory changes.

**Government Bonds** ↓ Government bond yields rose across the board in August. Yields tracked market sentiment during the month; falling towards mid-month as equity market volatility spiked, but then rose at month end as sentiment became more risk-on. Greek and UK bond yields saw the largest increases.

**Corporate Bonds** Corporate bond performance was mixed in August. Riskier high yield bonds made gains, particularly at month end following the Jackson Hole symposium, remaining the outperformer year to date. Investment grade bonds made small negative returns. Emerging market bonds denominated in both local and hard currency made gains, with high yield outperforming.

**Currencies** The US dollar strengthened during the first three weeks of August, but slipped back at the end of the month as concerns about interest rate rises were assuaged following the Jackson Hole symposium. Sterling made the greatest losses of developed market currencies against the US dollar, as UK inflation cooled off.

**Commodities** August was a mixed month for commodities. Precious metal prices fell towards mid-month, then recovered as markets were soothed by the Fed's dovish tone. Gold prices recovered fully, silver only partially. Despite the disruption to US oil production caused by Hurricane Ida, concerns about global growth caused oil prices to fall. Concerns about weather impacting supply in Brazil boosted coffee and sugar prices.

All figures and charts use asset weighted net returns unless otherwise stated

<sup>1</sup>The box represents the interquartile range, the middle line represents the median, the 'x' represents the mean, while the whiskers show the extreme values represented by the 10th and 90th percentiles, equally weighted.

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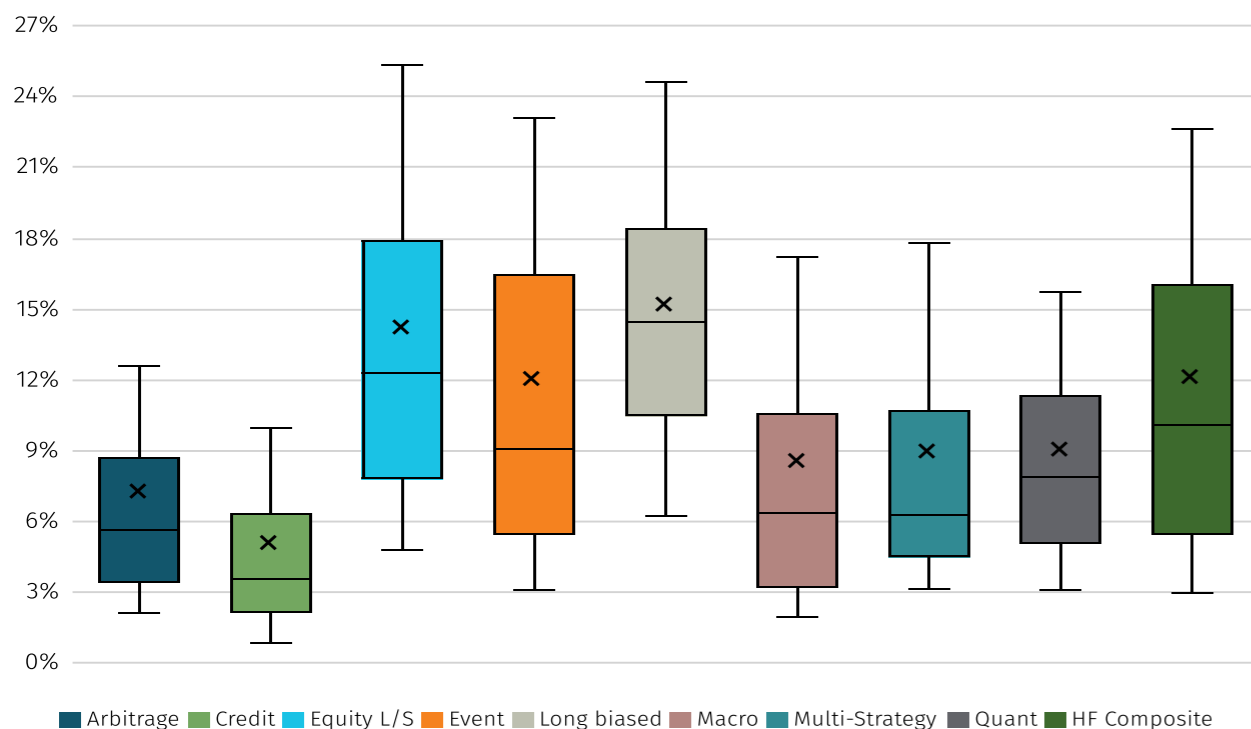
12 Month Correlation Matrix

	Arbitrage	Credit	Equity L/S	Event	Long biased	Macro	Multi-Strategy	Quant
Arbitrage	1.00	0.71	0.50	0.55	0.35	0.41	0.61	-0.14
Credit		1.00	0.69	0.90	0.85	0.80	0.59	0.20
Equity L/S			1.00	0.86	0.80	0.72	0.90	0.49
Event				1.00	0.92	0.91	0.76	0.47
Long biased					1.00	0.89	0.58	0.52
Macro						1.00	0.61	0.53
Multi-Strategy							1.00	0.51
Quant								1.00

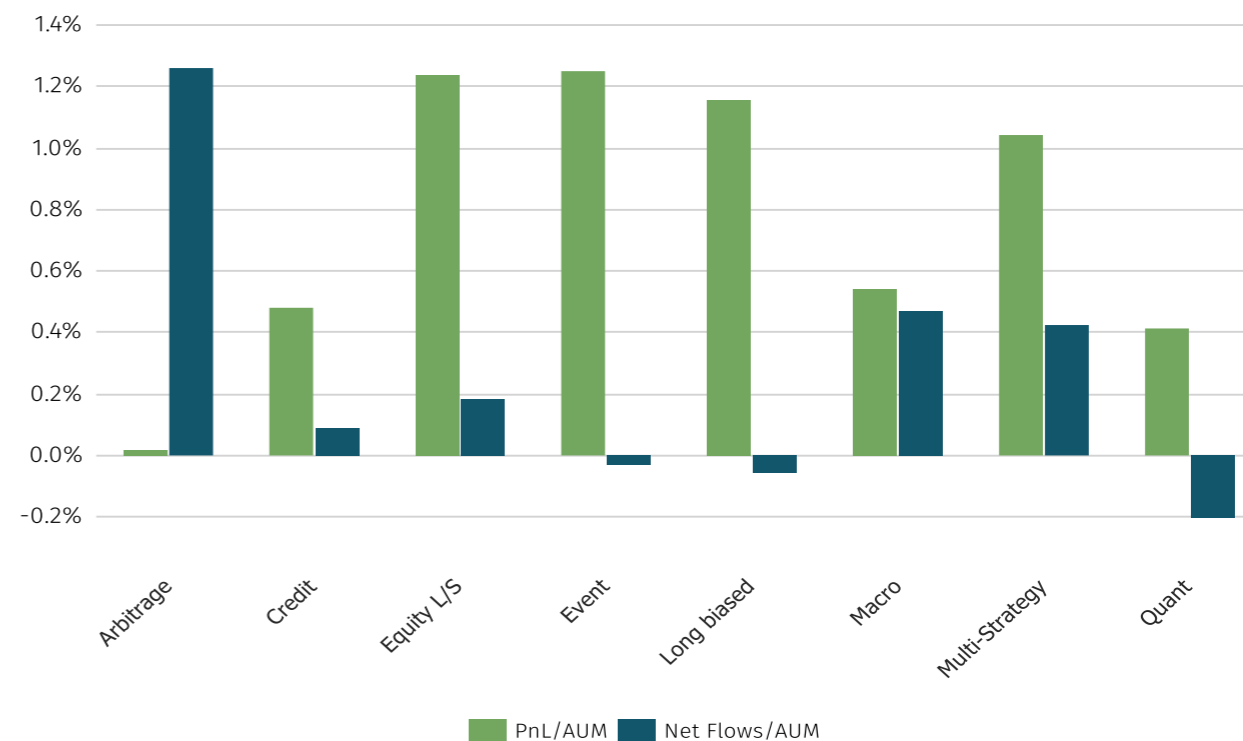
Net Performance<sup>1</sup>

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Rolling 12 month return
Arbitrage	0.94%	0.25%	2.11%	2.50%	1.97%	2.30%	-1.15%	-0.62%	0.14%	0.24%	-0.29%	0.02%	8.68%
Credit	0.59%	0.33%	3.29%	1.96%	1.67%	1.59%	0.70%	1.22%	1.03%	0.73%	0.16%	0.48%	14.60%
Equity L/S	0.01%	0.16%	5.72%	4.54%	-2.25%	4.09%	-0.42%	2.66%	-0.21%	1.40%	-0.53%	1.24%	17.34%
Event	0.02%	-0.10%	5.67%	3.78%	0.73%	2.57%	1.58%	2.06%	0.67%	0.46%	-0.55%	1.25%	19.52%
Long biased	-1.87%	-0.72%	7.97%	3.83%	0.22%	1.56%	0.91%	3.56%	1.50%	1.00%	0.07%	1.16%	20.55%
Macro	-0.85%	0.18%	2.94%	2.39%	0.02%	0.24%	0.64%	0.91%	0.70%	-0.71%	-0.76%	0.54%	6.34%
Multi-Strategy	0.77%	0.54%	2.39%	3.26%	-0.31%	3.47%	0.40%	1.51%	0.27%	0.23%	0.39%	1.04%	14.78%
Quant	-1.26%	-1.00%	0.52%	2.79%	-1.39%	0.81%	1.70%	2.26%	1.08%	-0.18%	1.00%	0.41%	6.85%
HF Composite	-0.48%	-0.16%	4.36%	3.29%	-0.31%	2.08%	0.67%	2.15%	0.68%	0.56%	-0.01%	0.87%	14.44%

12 month volatility dispersion (standard deviation)<sup>1 2</sup>



Net flows and AUM change<sup>3</sup> - August 2021



<sup>2</sup>Asset weighted 12 month volatility.

<sup>3</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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