

## Multi-strategy deep dive

12-month review to April 2022

### Inside this report:

In summary	1
Commentary	2
Master strategy performance	5
Hedge fund strategy performance	11
Performance dispersion	12
Assets, flows and fees	14
Terms and conditions	16
Definitions	16

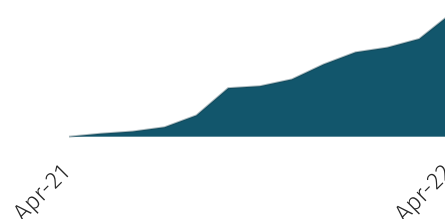
### In summary

- Multi-strategy funds posted 12 consecutive months of positive returns during a period that provided a number of significant challenges across the hedge fund universe.
- Multi-strategy is the second best performing strategy over the past 12 months and the best performing hedge fund strategy over 3, 5 and 10 year period.
- When decomposing multi-strategy returns by risk free rate, beta and alpha, the majority of the cumulative returns are shown to come from alpha.
- With the trend of larger managers tightening liquidity terms, those investors unable to accept the less liquid terms are likely to move down the curve in terms of manager quality and return expectations.

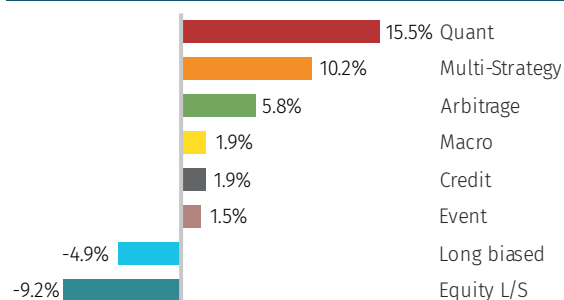
\*HF Composite = Aurum Hedge Fund Data Engine Asset Weighted Composite Index. All figures and charts use asset weighted returns unless otherwise stated. All Hedge Fund data is sourced from Aurum Hedge Fund Data Engine. For definitions on how the Strategies and Sub-Strategies are defined please refer to <https://www.aurum.com/hedge-fund-strategy-definitions/>, and for information on index methodology, weighting and composition please refer to <https://www.aurum.com/aurum-strategy-engine/>

### MULTI-STRATEGY NET RETURN (1 YR)

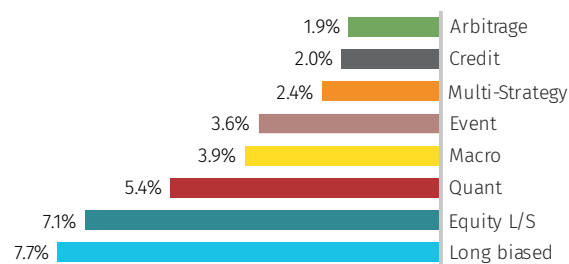
10.2%



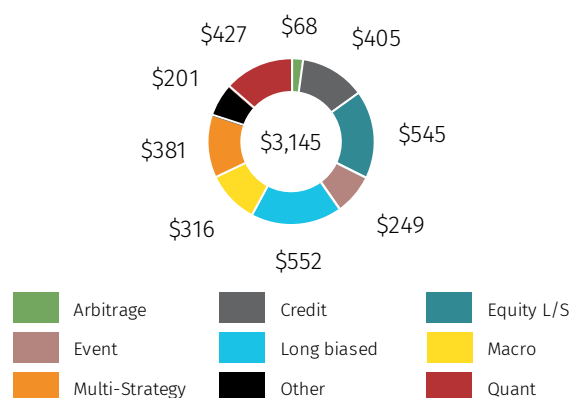
### MASTER STRATEGY NET RETURN (1 YR)



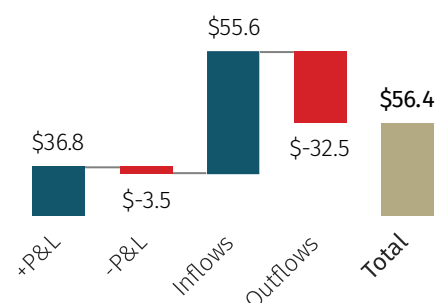
### STANDARD DEVIATION (1 YR)



### AUM (\$BN)



### AUM CHANGE \$BN (1 YR)



## Overview

The past 12 months are an interesting period to review hedge fund performance, particularly for multi-strategy, which was the most consistent strategy during this period. Multi-strategy funds posted 12 consecutive months of positive returns during a period that provided a number of significant challenges across the wider hedge fund universe. The period under review encompassed the second year of the covid-19 pandemic, during which the roll-out of vaccine programs worldwide started to provide hope that economies and life in general would start to normalise. Then, in the beginning of 2022 we saw the breakout of a war in Ukraine, internationally imposed sanctions on Russia, a humanitarian crisis and major disruption to energy supplies, particularly in Europe.

**Multi-strategy funds posted 12 consecutive months of positive returns during a period that provided a number of significant challenges across the hedge fund universe.**

The early stages of the pandemic in 2020 saw drastic interest rate cuts, quantitative easing and massive fiscal stimulus packages. In somewhat of a reversal, the past year has been characterised by talk and anticipation of quantitative tapering, inflationary pressures and eventually interest rate hikes, which started in the very latter part of the period under review. Strategies that were in favour during 2020, were more benign in 2021 and visa-versa; however, multi-strategy funds appear to have been effective in both periods. While returns in the past 12 months were not as strong as the 12 months prior, they were still very respectable and much more consistent and controlled.

Multi-strategy is the second-best performing strategy over the past 12 months and the best performing hedge fund strategy over 3, 5 and 10 years. At the same time, it exhibits one of the lowest volatilities and achieves the highest Sharpe ratio benefitting from the funds' highly diversified portfolios.

## Returns derived from Alpha

Its correlation to bonds and equities is low and when decomposing returns by risk free rate, beta and alpha, the majority of the cumulative returns are shown to come from alpha ([page 10](#)).

## Dispersion

Dispersion in the 25<sup>th</sup> to 75<sup>th</sup> percentile and 10<sup>th</sup> to 90<sup>th</sup> percentile is below the median when compared to various standalone hedge fund strategies with arbitrage exhibiting the tightest dispersion and long-biased exhibiting the highest dispersion ([page 12](#)). Quant, macro and equity l/s, as well as the \*HF Composite all exhibit significantly higher dispersion between the 10<sup>th</sup> and 90<sup>th</sup> percentile than multi-strategy funds; the statistics are all the more impressive given that multi-strategy has also delivered the second highest median return, closely behind quant.

## Performance

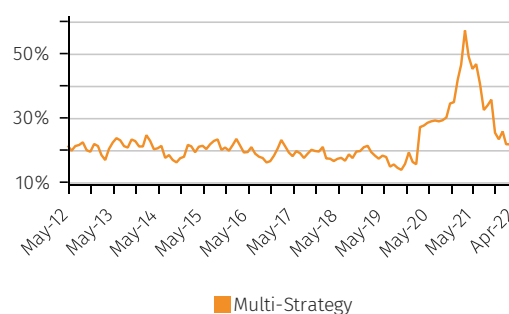
The past 12 months have been a period of positive performance for the multi-strategy peer group, with a 12-month net return of 10.2%, which is not quite as high as the previous year, but nonetheless very respectable and higher than the long term historical average performance of the strategy (8.2% over a 10 year period).

There have been two months in the last 12 months that were particularly challenging for hedge funds, November 2021 and January 2022. Despite most hedge fund strategies generating negative performance in those months, multi-strategy funds exhibited positive performance on both of those occasions. The HF Composite return was also negative in February and April 2022. In February 5 out of the 8 master strategy classifications were down for the month, while in April 4 of the 8 strategies were down. These months also saw negative returns for both bonds and equities, with April being one of the worst months on record for fixed income markets, while global equities sold off over 8%\*\*\*. Against this backdrop, multi-strategy posted an extremely strong month (+1.9%) while areas like credit and equity L/S oriented strategies were negative.

Quant (+15.5%) is the only hedge fund master strategy that has performed better than multi-strategy during this 12-month period. Arbitrage (+5.8%), macro (+1.9%), credit (+1.9%), and event driven (+1.5%) were also positive, while equity l/s (-9.2%) and long biased (-4.9%) are the only strategies that have experienced negative performance over 12 months primarily driven by losses in Q1 2022 and April 2022.

Multi-strategy funds significantly outperformed the average return across the master strategies. There are three reasons for this: (i) multi-strategy funds have the ability to allocate capital and resources dynamically to the strategies with the best opportunity set; (ii) being so diversified with exposure across a range of different strategies that are not correlated to each other allows multi-strategy funds to utilise leverage, which further enhances their returns; (iii) many of the multi-strategy funds have more of a relative value bias and take significantly less 'asset class beta' risk. As a result, multi-strategy is consistently one of the best performing hedge fund strategies when assessed over a market cycle.

## 10th – 90th PERCENTILE 12M ROLLING NET PERFORMANCE SPREAD



Multi-strategy funds invest across a broad range of areas and Aurum's Hedge Fund Data Engine<sup>1</sup> does not have industry-wide data on the performance attribution of the underlying sub-strategies within multi-strategy funds. However, examining the performance of hedge fund strategies on a standalone basis sheds some light into the main drivers of multi-strategy funds' recent returns.

## Quant

Looking at some of the master strategies in a bit more detail, over the past year, the clear standout is quant. Quant strategies tend to perform better in higher volatility environments in which there are more dislocations and price inefficiencies to capitalise on. The market turbulence shift from low volatility to high volatility can be tricky for quant funds, but once in a higher volatility market, the opportunity set is greatly improved, and this has been the case since March 2020. All quant sub-strategies (stat arb, quant EMN, CTA, quant macro and risk premia) rank in the top half by performance over the past year, with the biggest standouts at a sub-strategy level being CTAs and quant macro/GAA. It should also be noted that – with the exception of stat arb – for much of the last 5 years, it has been an exceptionally poor period for quant, so the recent outperformance is welcome.

## Event

Event was having a decent run of prior performance, but has struggled thus far in 2022. The good run of performance was on the back of continued high volume of corporate transactions, while index rebalancing and event strategies with a beta component like activist or 'value with a catalyst' had also done well. Nevertheless, the market selloff in the beginning of the year slowed down corporate actions, spreads widened and softer catalyst strategies with a beta component found the market conditions challenging.

## Arbitrage and Macro

Arbitrage strategies had lacklustre performance during 2021 but recent performance has been stronger making Arbitrage one of the better performing strategies over the past 12 months. Following a similar trajectory, macro was more muted during most of 2021 but has been a strong performer thus far in 2022. The first half of 2020 saw nominal interest rates decline to almost zero, while Q1, 2022 has seen increasing yields and a flattening of the yield curve. By contrast, the period in between, however, was a fairly benign period for interest rate trading, with interest rates pegged close to zero in anticipation over the timing when central banks would start to hike rates.

## Equity long/short

Equity long/short and equity long-biased are the two areas that were most challenged, particularly at the end of 2021 and the start of 2022. Both of these strategies are negative at the time of publication in 2022 and 100% of the 12-month rolling losses in equity l/s can be attributed to Q1, 2022. The strategy has been impacted by a massive rotation out of growth stocks (predominantly in technology and consumer names) that had benefitted from a low interest rate environment, into more value-oriented names that would do well in an inflationary environment.

While equity l/s as a standalone strategy performed poorly, fundamental equity investing has nonetheless still been an important driver of returns for multi-strategy funds over the past year. We note that traditional equity l/s performance is not necessarily the best proxy for equity returns within multi-strategy hedge funds, many of which access equities through their multi-PM fundamental equity market neutral ("fundamental EMN") platforms. These multi-PM equity market neutral platforms within multi-strategy funds are hugely diversified, typically having negligible beta or style factor exposure, and are highly levered, resulting in unique risk/return characteristics that cannot be replicated by any standalone sub-strategy. Looking at the equity l/s sub-strategies over the past 12 months, fundamental EMN is the only one that is positive, albeit marginally, while traditional equity l/s across all regions produced negative returns and are clustered at the bottom of the rankings.

## Commodities

While it is not a master strategy but rather characterised as a sub-strategy, we feel it is important to mention commodities, which have had an extraordinary year. As a result of exceptional volatility in commodity markets and clear supply issues in energy, agricultural commodities and metals, commodities were the best performing sub-strategy over the past 12 months and a number of multi-strategy funds benefited from having reasonable exposure to the space.

## Assets Under Management

### **New fund launches and growth of some smaller multi-strategy funds account for the growth of AUM through net subscriptions.**

In terms of asset growth, we see around \$56.4bn of growth in AUM of the multi-strategy group, of which \$33.3bn can be attributed to performance and \$23.1bn to net inflows. We note that a number of the largest and most successful multi-strategy hedge funds are currently closed to additional capital, and even return profits to investors at the end of each year. New fund launches and growth of some smaller multi-strategy funds account for the growth of AUM through net subscriptions.

At the time of publication the Aurum Hedge Fund Data Engine tracks 165 multi-strategy funds with aggregate AUM of \$381.1bn. It is interesting to note that the 10 largest Multi-Strategy Funds account for more than half of these assets and the top 20 account for over 70% of the assets, so the strategy is dominated by a very small number of very large funds.

## Conclusion

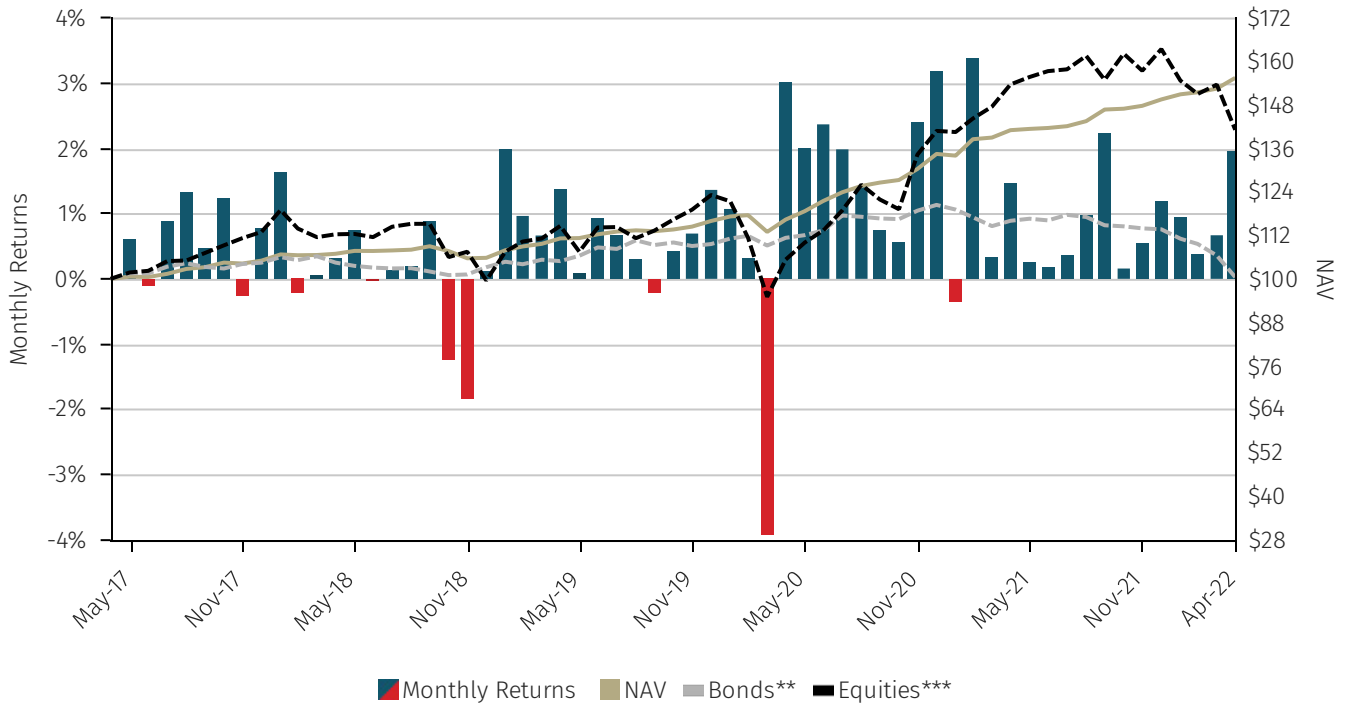
This past 12 months has been another very solid period for multi-strategy funds, generating consistent high quality returns both from an absolute return basis, as well as relative to other strategies. Multi-strategy funds, which tend to be larger in size, provide industry-leading infrastructure and support to portfolio managers and they have the ability to attract some of the best talent from the industry. They can strategically allocate capital, they run very diversified portfolios, and utilise leverage to enhance returns. All of these attributes have served multi-strategy funds well over the period of observation, and is likely to put them in a strong position to continue to do so. The big challenge facing allocators to the space relates to trend of many of the biggest funds tightening their liquidity terms (i.e. longer lock ups and restrictions on the timing and rate of capital withdrawals). Median performance over 12m of the strategy significantly lags the weighted average performance, implying that the largest funds are also responsible for driving the majority of these returns. If investors are unable to accept the less liquid terms, it is likely to result in a move down the curve in terms of manager quality and return expectations based on observations of performance in the multi-strategy space over the last few years.

### CUMULATIVE NET RETURN OF MASTER STRATEGIES (1 YR)

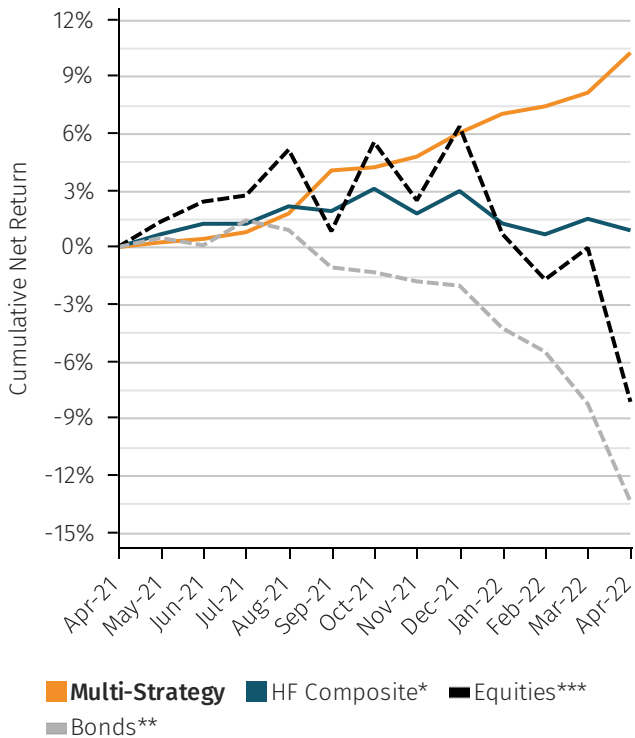
Net Performance	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	YTD	12M
Quant	1.12%	-0.22%	1.13%	0.50%	0.09%	1.15%	-1.24%	2.76%	0.95%	0.69%	3.93%	3.81%	9.66%	15.54%
<b>Multi-Strategy</b>	<b>0.25%</b>	<b>0.18%</b>	<b>0.35%</b>	<b>0.97%</b>	<b>2.23%</b>	<b>0.16%</b>	<b>0.54%</b>	<b>1.19%</b>	<b>0.94%</b>	<b>0.37%</b>	<b>0.67%</b>	<b>1.94%</b>	<b>3.98%</b>	<b>10.22%</b>
Arbitrage	0.14%	0.23%	-0.24%	-0.07%	0.85%	0.46%	0.54%	-0.07%	1.11%	0.68%	0.42%	1.60%	3.87%	5.80%
Macro	0.71%	-0.67%	-0.80%	0.62%	-0.01%	-1.61%	-1.06%	1.00%	0.82%	-0.61%	2.03%	1.57%	3.85%	1.94%
Credit	1.00%	0.72%	0.19%	0.52%	0.55%	0.38%	-0.31%	0.58%	-0.32%	-0.55%	0.05%	-0.88%	-1.70%	1.91%
Event	0.70%	0.39%	-0.60%	1.28%	0.70%	1.23%	-0.96%	1.33%	-1.74%	-0.37%	0.75%	-1.13%	-2.48%	1.52%
Long biased	1.66%	0.94%	0.16%	1.19%	-2.17%	2.09%	-1.76%	2.22%	-3.43%	-1.43%	0.18%	-4.44%	-8.87%	-4.95%
Equity L/S	-0.31%	1.49%	-0.55%	1.32%	-0.90%	2.34%	-2.91%	-0.12%	-4.87%	-1.25%	-0.64%	-2.95%	-9.42%	-9.18%
<b>HF Composite*</b>	<b>0.67%</b>	<b>0.55%</b>	<b>0.00%</b>	<b>0.91%</b>	<b>-0.25%</b>	<b>1.15%</b>	<b>-1.26%</b>	<b>1.16%</b>	<b>-1.66%</b>	<b>-0.57%</b>	<b>0.81%</b>	<b>-0.60%</b>	<b>-2.01%</b>	<b>0.88%</b>
<b>Bonds**</b>	<b>0.49%</b>	<b>-0.39%</b>	<b>1.31%</b>	<b>-0.50%</b>	<b>-1.95%</b>	<b>-0.26%</b>	<b>-0.48%</b>	<b>-0.23%</b>	<b>-2.28%</b>	<b>-1.30%</b>	<b>-2.90%</b>	<b>-5.61%</b>	<b>-11.60%</b>	<b>-13.39%</b>
<b>Equities***</b>	<b>1.33%</b>	<b>1.04%</b>	<b>0.32%</b>	<b>2.35%</b>	<b>-4.08%</b>	<b>4.65%</b>	<b>-2.90%</b>	<b>3.79%</b>	<b>-5.32%</b>	<b>-2.39%</b>	<b>1.70%</b>	<b>-8.10%</b>	<b>-13.62%</b>	<b>-8.14%</b>

# Master strategy performance

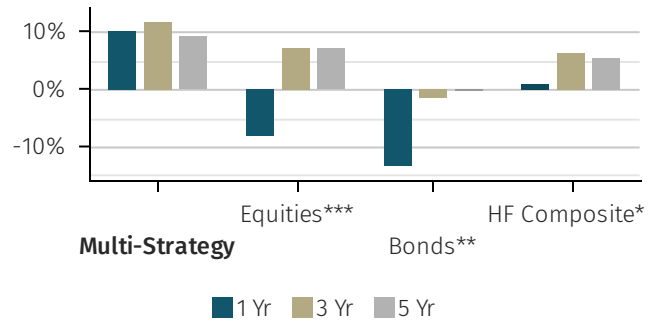
## NET MONTHLY RETURN (5 YR)



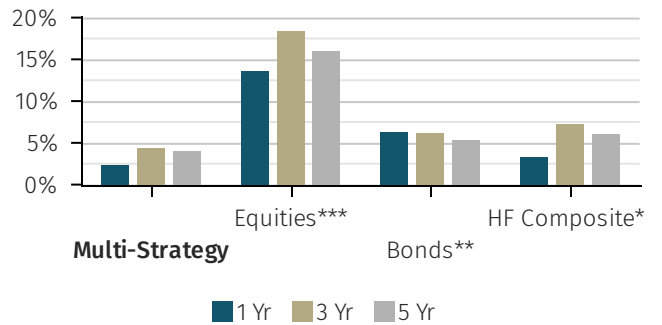
## COMPARATIVE RETURN VS HF COMPOSITE (1 YR)



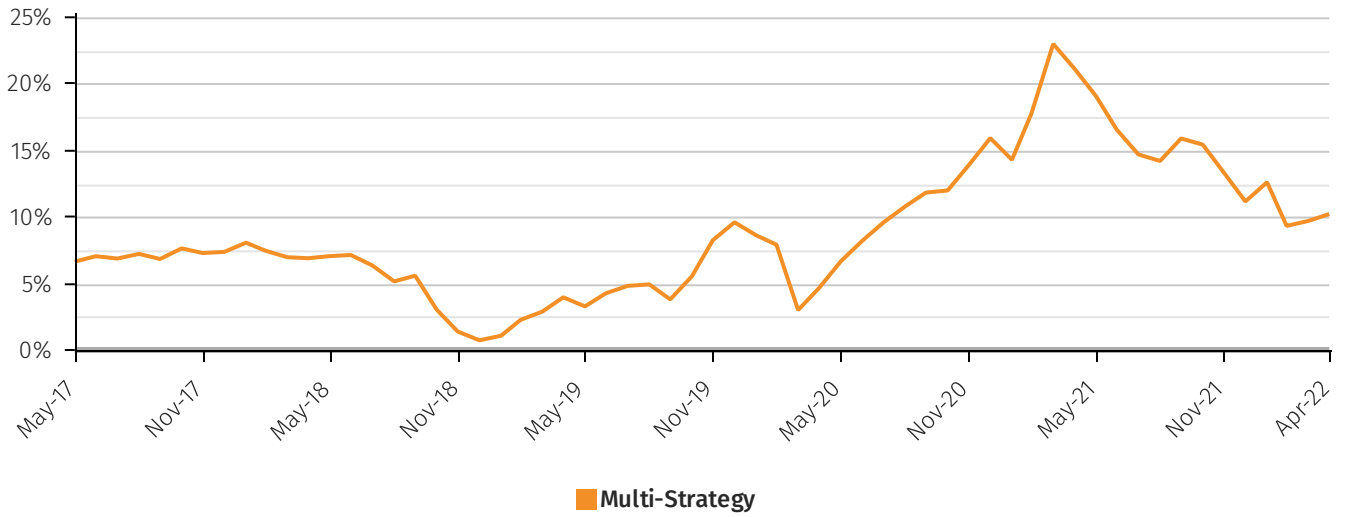
## NET RETURN (ANNUALISED)



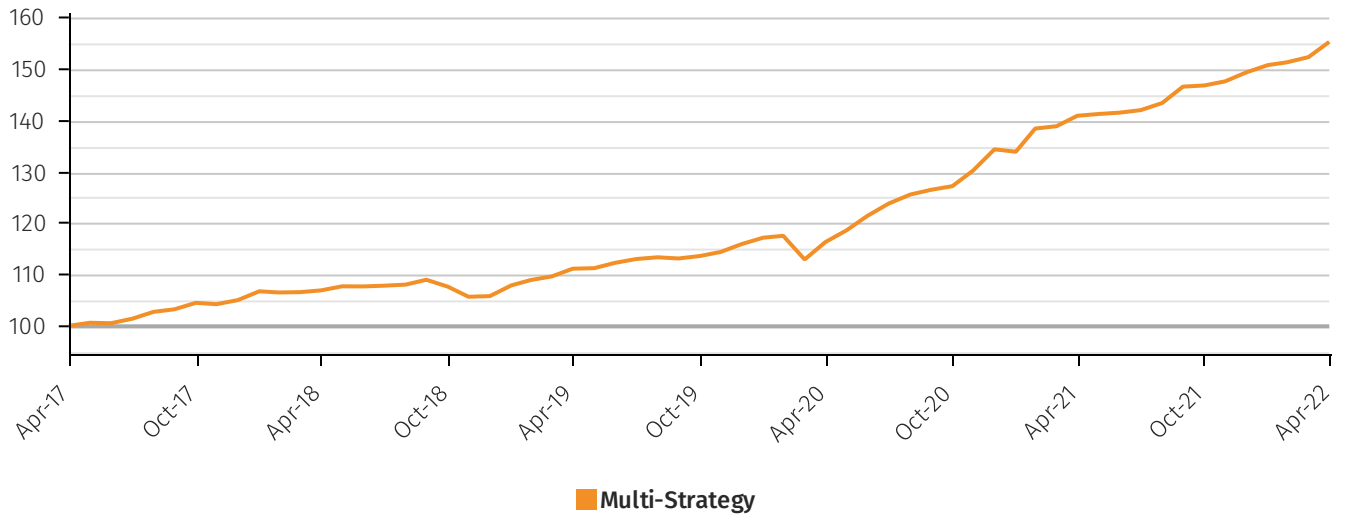
## VOLATILITY "VOL" (ANNUALISED)



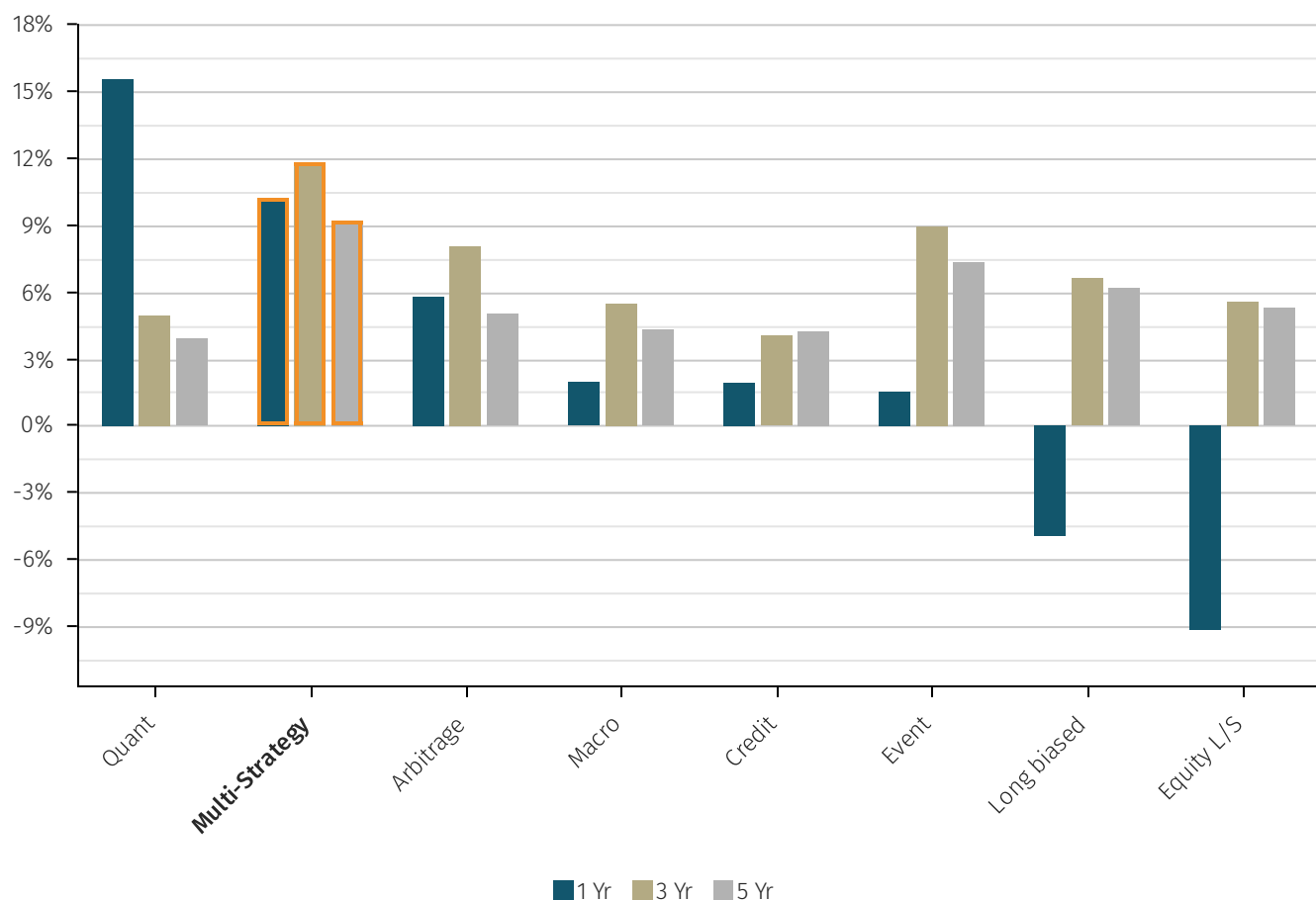
ROLLING 12-MONTH NET RETURN (5 YR)



CUMULATIVE NET RETURN (5 YR)



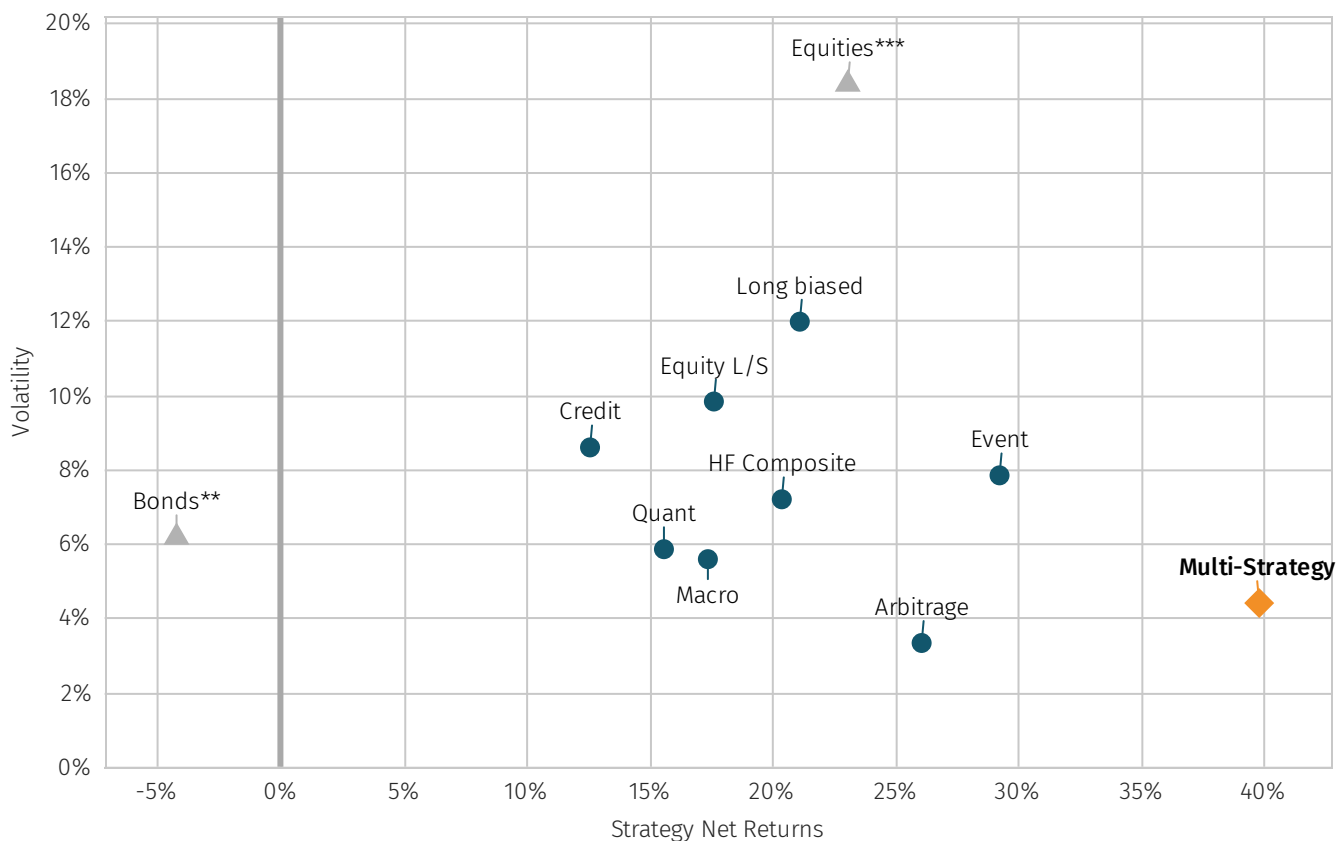
## MASTER STRATEGY NET ANNUALISED RETURNS



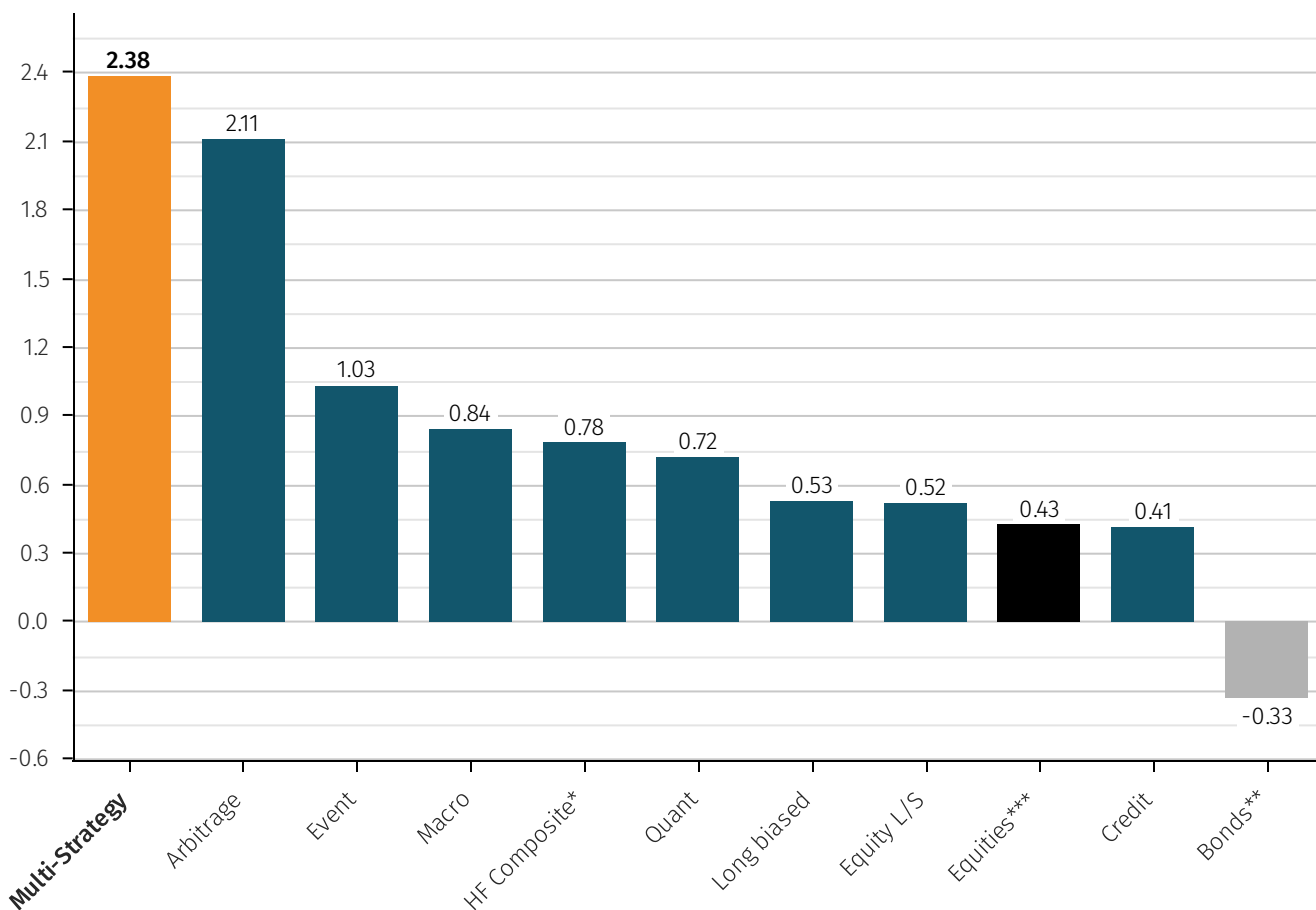
## MULTIPLE PERIOD – HIERARCHICAL ANNUALISED NET RETURN

1 YEAR	3 YEAR	5 YEAR	10 YEAR
<b>Quant</b> 15.5%	<b>Multi-Strategy</b> 11.8%	<b>Multi-Strategy</b> 9.2%	<b>Multi-Strategy</b> 8.2%
<b>Multi-Strategy</b> 10.2%	<b>Event</b> 8.9%	<b>Event</b> 7.3%	<b>Event</b> 6.6%
<b>Arbitrage</b> 5.8%	<b>Arbitrage</b> 8.0%	<b>Long biased</b> 6.2%	<b>Equity L/S</b> 5.6%
<b>Macro</b> 1.9%	<b>Long biased</b> 6.6%	<b>Equity L/S</b> 5.3%	<b>Long biased</b> 5.6%
<b>Credit</b> 1.9%	<b>Equity L/S</b> 5.6%	<b>Arbitrage</b> 5.0%	<b>Credit</b> 5.0%
<b>Event</b> 1.5%	<b>Macro</b> 5.5%	<b>Macro</b> 4.3%	<b>Quant</b> 3.4%
<b>Long biased</b> -4.9%	<b>Quant</b> 4.9%	<b>Credit</b> 4.2%	<b>Macro</b> 3.4%
<b>Equity L/S</b> -9.2%	<b>Credit</b> 4.0%	<b>Quant</b> 3.9%	<b>Arbitrage</b> 2.7%

## STRATEGY NET TOTAL RETURN VS ANNUALISED VOL (3 YR)

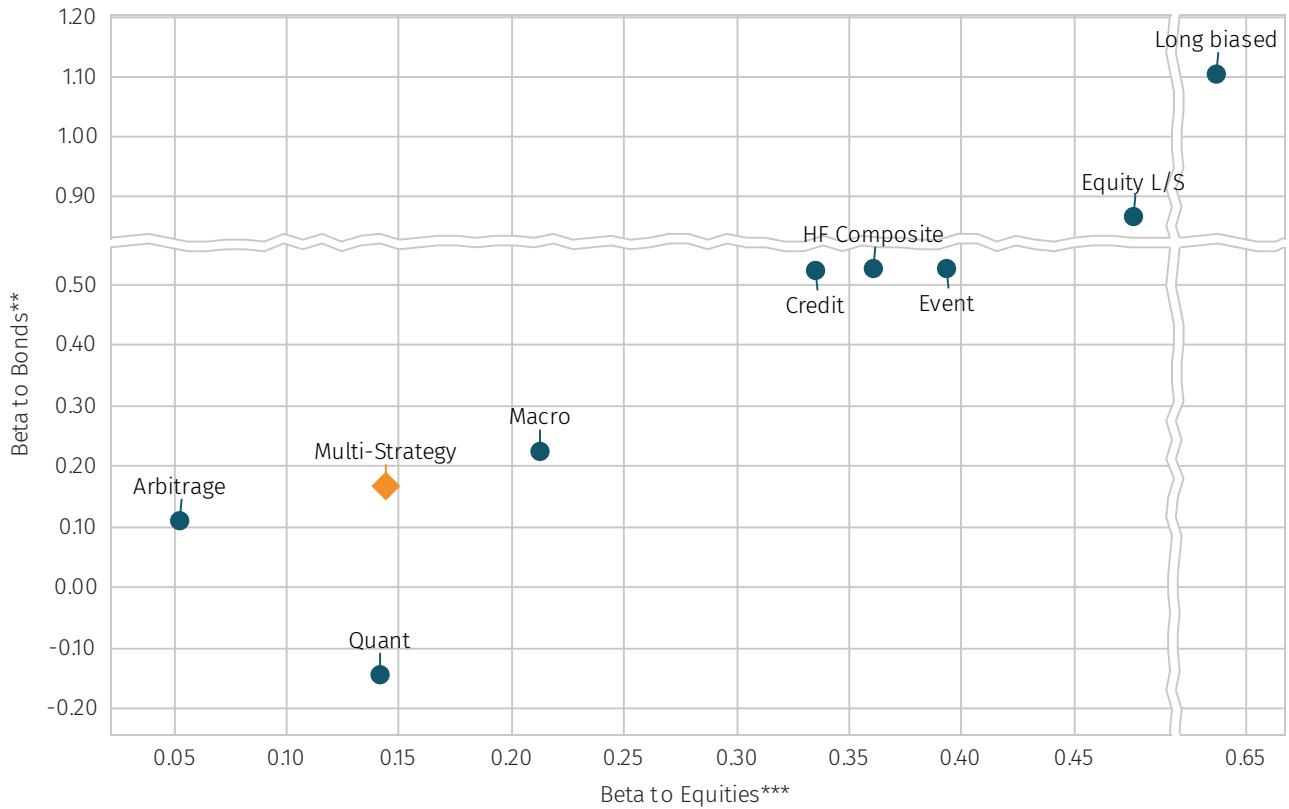


## SHARPE RATIO BY HEDGE FUND STRATEGY (3 YR)†

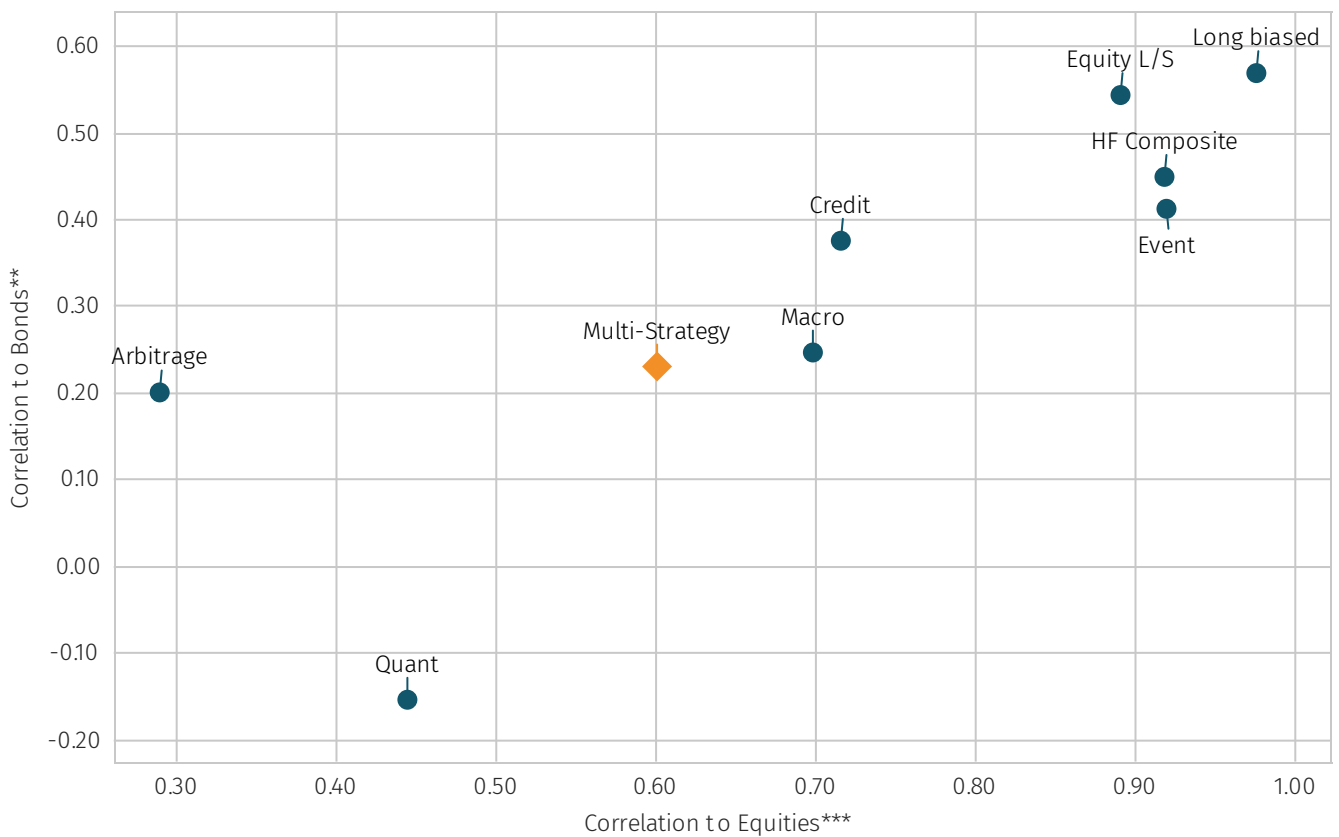




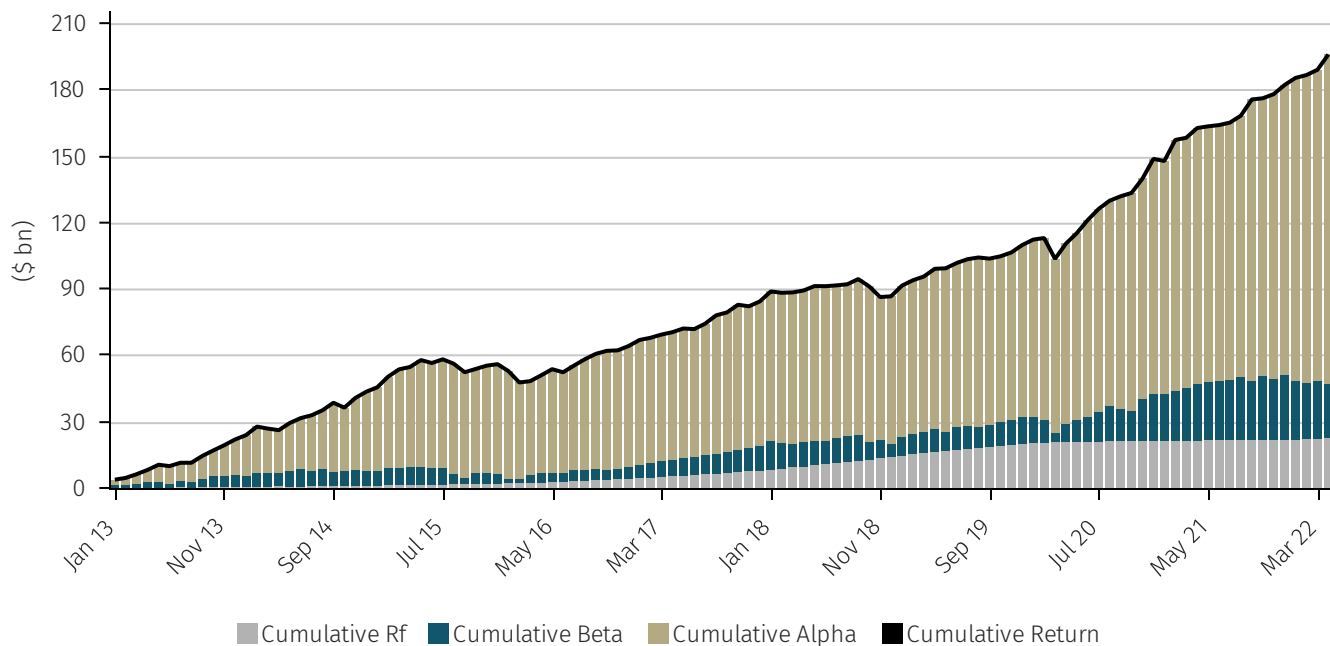
STRATEGY BETA TO BONDS\*\* AND BETA TO EQUITIES (3 YR)



STRATEGY CORRELATION TO BONDS AND CORRELATION TO EQUITIES\*\*\* (3 YR)



## MASTER STRATEGY - DECOMPOSING DOLLAR PERF. INTO ALPHA, BETA AND RISK FREE (RF) COMPONENTS



These charts decompose the Hedge Fund Composite dollar returns into beta, alpha and risk free ("Rf") components, as follows:  $\text{alpha} = \text{actual return} - \text{Rf} - \text{beta} * (\text{market return} - \text{Rf})$ .

Where Rf is the risk free rate as defined by a rolling 3m USD Libor, where market return is that of S&P Global BMI ('the market index') and where beta has been calculated with respect to each underlying fund observed on a 24m rolling basis to the market index. The monthly alpha, beta and Rf components are then applied to each underlying fund's dollar performance for a particular month, and then at a master strategy or industry level the individual fund dollar contributions are aggregated.

Note, Betas can be negative in certain cases, creating negative dollar attributions. These are offset by corresponding positive alpha contributions.

# Hedge fund strategy performance

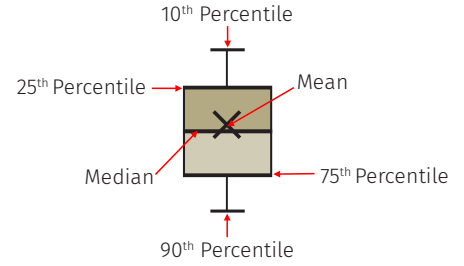
## CUMULATIVE NET RETURN OF MASTER STRATEGIES (1 YR)

Net Performance	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	YTD	12M
Quant	1.12%	-0.22%	1.13%	0.50%	0.09%	1.15%	-1.24%	2.76%	0.95%	0.69%	3.93%	3.81%	9.66%	15.54%
<b>Multi-Strategy</b>	<b>0.25%</b>	<b>0.18%</b>	<b>0.35%</b>	<b>0.97%</b>	<b>2.23%</b>	<b>0.16%</b>	<b>0.54%</b>	<b>1.19%</b>	<b>0.94%</b>	<b>0.37%</b>	<b>0.67%</b>	<b>1.94%</b>	<b>3.98%</b>	<b>10.22%</b>
Arbitrage	0.14%	0.23%	-0.24%	-0.07%	0.85%	0.46%	0.54%	-0.07%	1.11%	0.68%	0.42%	1.60%	3.87%	5.80%
Macro	0.71%	-0.67%	-0.80%	0.62%	-0.01%	-1.61%	-1.06%	1.00%	0.82%	-0.61%	2.03%	1.57%	3.85%	1.94%
Credit	1.00%	0.72%	0.19%	0.52%	0.55%	0.38%	-0.31%	0.58%	-0.32%	-0.55%	0.05%	-0.88%	-1.70%	1.91%
Event	0.70%	0.39%	-0.60%	1.28%	0.70%	1.23%	-0.96%	1.33%	-1.74%	-0.37%	0.75%	-1.13%	-2.48%	1.52%
Long biased	1.66%	0.94%	0.16%	1.19%	-2.17%	2.09%	-1.76%	2.22%	-3.43%	-1.43%	0.18%	-4.44%	-8.87%	-4.95%
Equity L/S	-0.31%	1.49%	-0.55%	1.32%	-0.90%	2.34%	-2.91%	-0.12%	-4.87%	-1.25%	-0.64%	-2.95%	-9.42%	-9.18%
<b>HF Composite*</b>	<b>0.67%</b>	<b>0.55%</b>	<b>0.00%</b>	<b>0.91%</b>	<b>-0.25%</b>	<b>1.15%</b>	<b>-1.26%</b>	<b>1.16%</b>	<b>-1.66%</b>	<b>-0.57%</b>	<b>0.81%</b>	<b>-0.60%</b>	<b>-2.01%</b>	<b>0.88%</b>
<b>Bonds**</b>	<b>0.49%</b>	<b>-0.39%</b>	<b>1.31%</b>	<b>-0.50%</b>	<b>-1.95%</b>	<b>-0.26%</b>	<b>-0.48%</b>	<b>-0.23%</b>	<b>-2.28%</b>	<b>-1.30%</b>	<b>-2.90%</b>	<b>-5.61%</b>	<b>-11.60%</b>	<b>-13.39%</b>
<b>Equities***</b>	<b>1.33%</b>	<b>1.04%</b>	<b>0.32%</b>	<b>2.35%</b>	<b>-4.08%</b>	<b>4.65%</b>	<b>-2.90%</b>	<b>3.79%</b>	<b>-5.32%</b>	<b>-2.39%</b>	<b>1.70%</b>	<b>-8.10%</b>	<b>-13.62%</b>	<b>-8.14%</b>

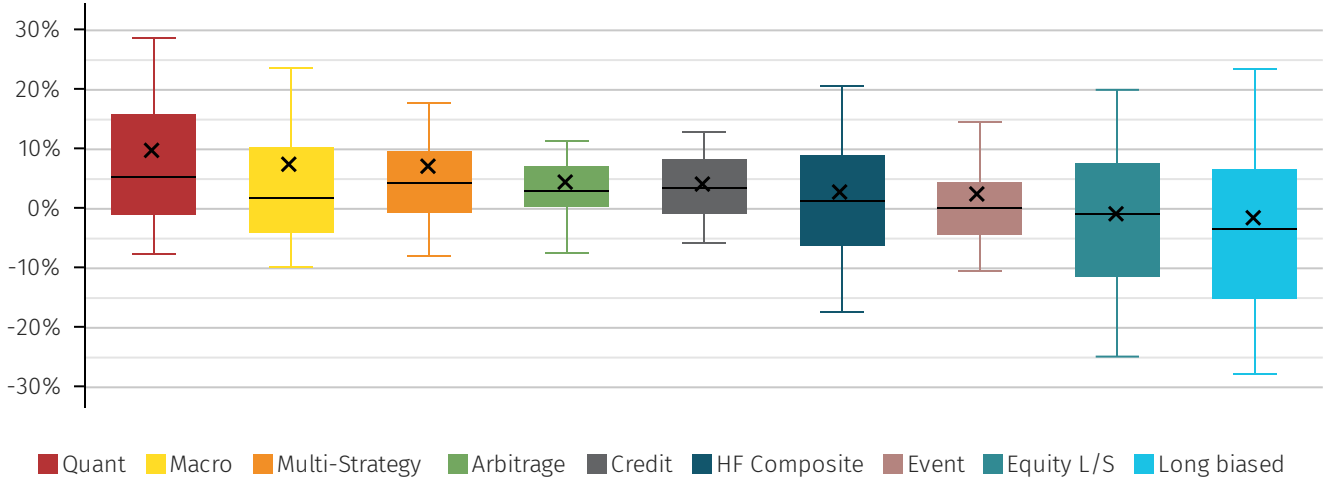
## CUMULATIVE NET RETURN OF SUB-STRATEGIES (1 YR)

Net Performance	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	YTD	12M
Commodities	1.89%	2.19%	0.49%	0.80%	2.23%	2.49%	-2.13%	2.77%	1.36%	2.46%	6.03%	2.82%	13.22%	25.83%
Quant Macro/GAA	0.29%	0.38%	-0.67%	0.52%	1.71%	0.38%	-1.36%	2.82%	2.74%	0.42%	3.98%	6.30%	14.05%	18.71%
CTA	1.92%	-0.74%	0.88%	0.23%	0.05%	2.60%	-3.33%	0.99%	0.82%	2.34%	6.56%	4.65%	15.07%	17.98%
Quant EMN	2.12%	-1.66%	4.19%	0.80%	-2.30%	1.06%	0.25%	6.20%	-1.27%	-0.98%	2.51%	1.98%	2.20%	13.32%
Stat Arb	-0.82%	0.77%	0.95%	0.44%	1.46%	0.05%	1.17%	1.87%	1.22%	0.30%	2.44%	1.91%	5.99%	12.38%
<b>Multi-Strategy</b>	<b>0.25%</b>	<b>0.18%</b>	<b>0.35%</b>	<b>0.97%</b>	<b>2.23%</b>	<b>0.16%</b>	<b>0.54%</b>	<b>1.19%</b>	<b>0.94%</b>	<b>0.37%</b>	<b>0.67%</b>	<b>1.94%</b>	<b>3.98%</b>	<b>10.22%</b>
Event - Multi-Strategy	0.77%	0.73%	-0.67%	1.18%	1.31%	0.72%	0.27%	0.90%	0.62%	0.50%	0.92%	0.29%	2.36%	7.80%
Tail Protection	-0.49%	-1.16%	-0.80%	-1.51%	0.65%	-0.40%	1.72%	-2.88%	2.56%	2.24%	1.44%	5.32%	12.03%	6.62%
Arb Opportunistic	-0.01%	1.09%	-0.19%	0.20%	1.40%	1.33%	0.15%	0.32%	0.49%	0.44%	0.35%	0.88%	2.17%	6.62%
Vol Arb	0.46%	-0.18%	-0.33%	-0.04%	0.36%	-0.47%	0.75%	0.52%	1.95%	0.84%	0.52%	2.04%	5.45%	6.57%
Distressed Credit	2.16%	0.89%	-0.22%	0.73%	0.80%	0.77%	-0.75%	0.68%	-0.23%	0.00%	1.36%	-0.46%	0.67%	5.86%
Risk Premia	1.87%	0.44%	2.23%	0.75%	-2.02%	0.64%	0.19%	3.35%	-0.39%	-0.14%	0.03%	-1.37%	-1.86%	5.59%
Fixed Income RV	0.04%	-0.47%	-0.38%	0.15%	0.47%	-2.06%	0.27%	1.10%	1.24%	0.21%	0.71%	1.09%	3.28%	2.34%
Global Macro	0.55%	-1.16%	-1.30%	0.38%	0.14%	-2.15%	-1.19%	0.58%	1.16%	0.02%	2.68%	2.36%	6.34%	1.97%
Fundamental EMN	0.00%	-0.35%	0.83%	1.41%	0.39%	0.49%	-1.14%	1.09%	-0.30%	-0.38%	0.10%	-0.50%	-1.08%	1.62%
Convert Arb	0.25%	0.30%	0.18%	0.29%	1.01%	1.26%	-0.08%	0.33%	-0.46%	-0.43%	-0.40%	-0.81%	-2.09%	1.43%
Event - Merger Arb	0.33%	-0.49%	-1.98%	0.71%	0.79%	0.76%	-0.03%	0.55%	-0.19%	0.94%	0.30%	-0.77%	0.27%	0.88%
Credit	0.61%	0.67%	0.32%	0.44%	0.47%	0.25%	-0.17%	0.55%	-0.35%	-0.73%	-0.37%	-1.06%	-2.49%	0.61%
ELS - Europe	0.00%	0.92%	1.57%	1.10%	-0.94%	1.92%	-1.47%	0.77%	-3.41%	-0.56%	0.27%	-0.50%	-4.17%	-0.46%
Event - Activist	0.65%	-0.08%	0.11%	0.75%	-0.43%	2.44%	-1.34%	4.65%	-4.54%	-2.12%	2.54%	-3.48%	-7.52%	-1.19%
EM Macro	1.50%	-0.14%	-0.17%	1.73%	-1.44%	-0.88%	-1.78%	1.42%	-0.62%	-4.16%	0.17%	-0.50%	-5.07%	-4.91%
Long biased	1.66%	0.94%	0.16%	1.19%	-2.17%	2.09%	-1.76%	2.22%	-3.43%	-1.43%	0.18%	-4.44%	-8.87%	-4.95%
Event - Opportunistic	0.76%	0.56%	-0.61%	2.05%	0.64%	1.20%	-2.84%	-0.41%	-3.62%	-0.84%	-0.83%	-1.77%	-6.90%	-5.71%
ELS - Global	0.87%	0.69%	-0.03%	0.22%	0.60%	2.86%	-3.08%	-0.77%	-4.93%	-1.50%	-1.04%	-1.96%	-9.14%	-7.99%
ELS - APAC	0.89%	1.16%	-2.98%	1.19%	0.71%	1.93%	-0.30%	-1.73%	-3.69%	-1.50%	-4.12%	-0.90%	-9.87%	-9.16%
ELS - US	-0.26%	1.00%	0.10%	0.71%	-2.05%	2.40%	-2.84%	1.63%	-4.64%	-1.11%	-0.72%	-3.82%	-9.96%	-9.44%
ELS - Other	1.72%	0.92%	-3.51%	-0.55%	-1.96%	0.41%	-2.80%	1.55%	0.59%	-3.44%	-1.96%	-1.48%	-6.19%	-10.19%
ELS - Sector	-1.88%	3.17%	-1.58%	2.79%	-1.74%	2.67%	-4.44%	-1.10%	-7.20%	-1.37%	0.34%	-5.28%	-13.01%	-15.05%

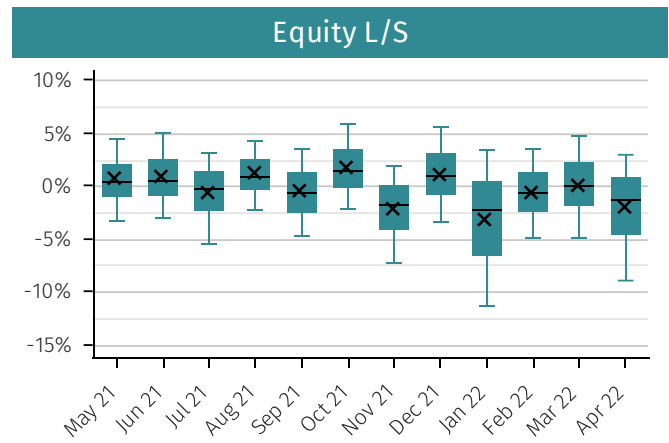
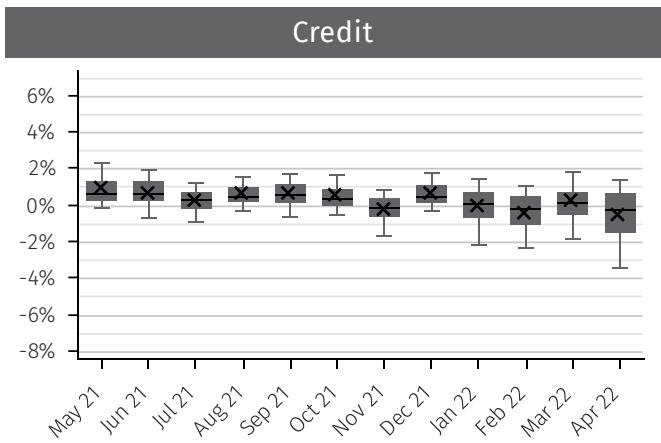
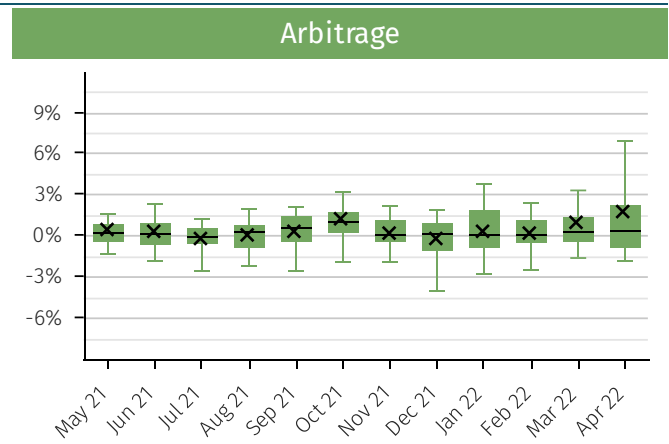
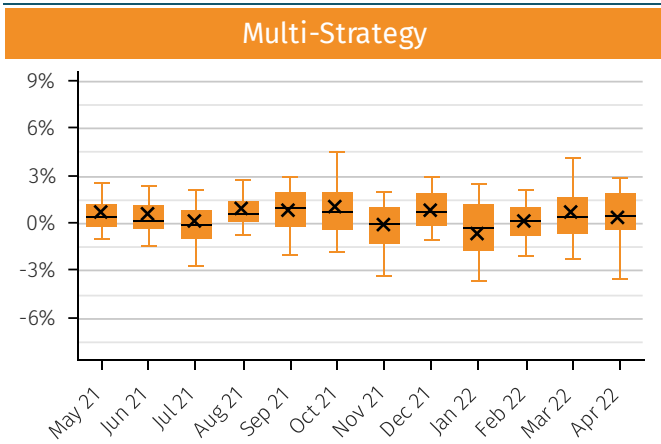
# Performance dispersion



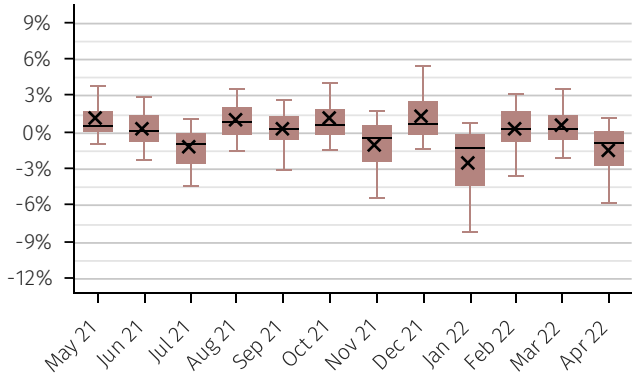
## MASTER STRATEGY NET RETURN DISTRIBUTION (1 YR)



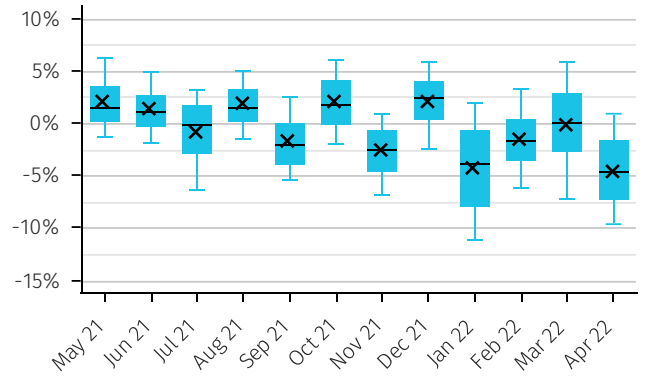
## HEDGE FUND MASTER STRATEGIES NET MONTHLY RETURN DISTRIBUTION



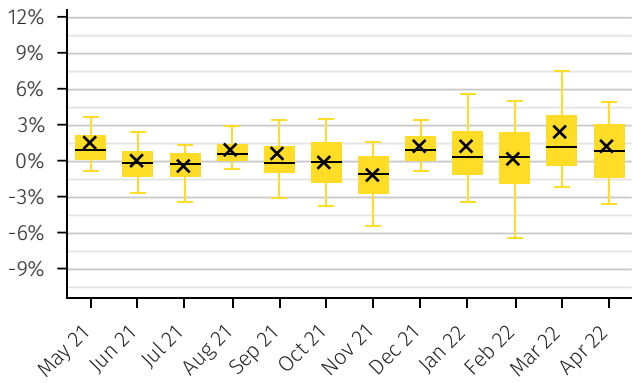
### Event



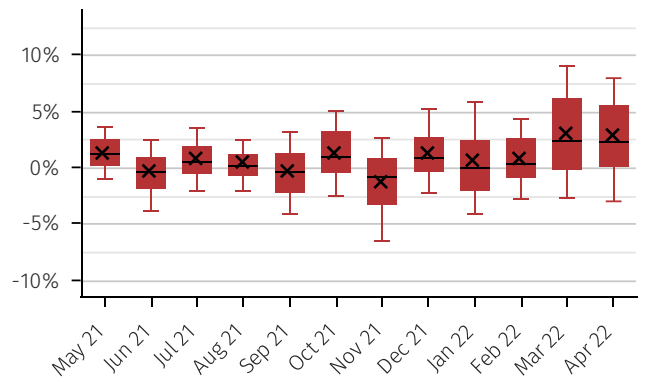
### Long biased



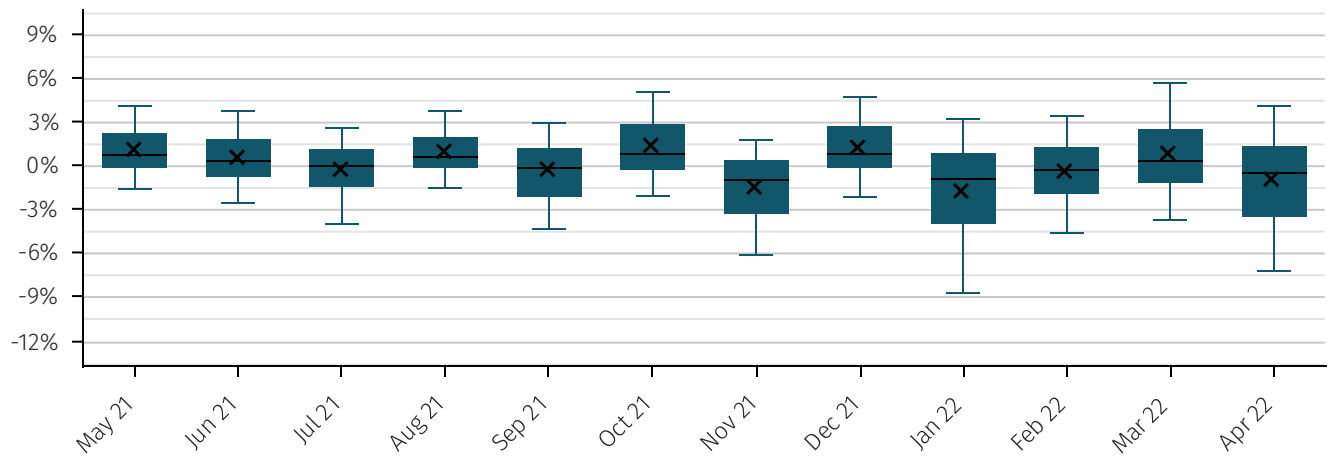
### Macro



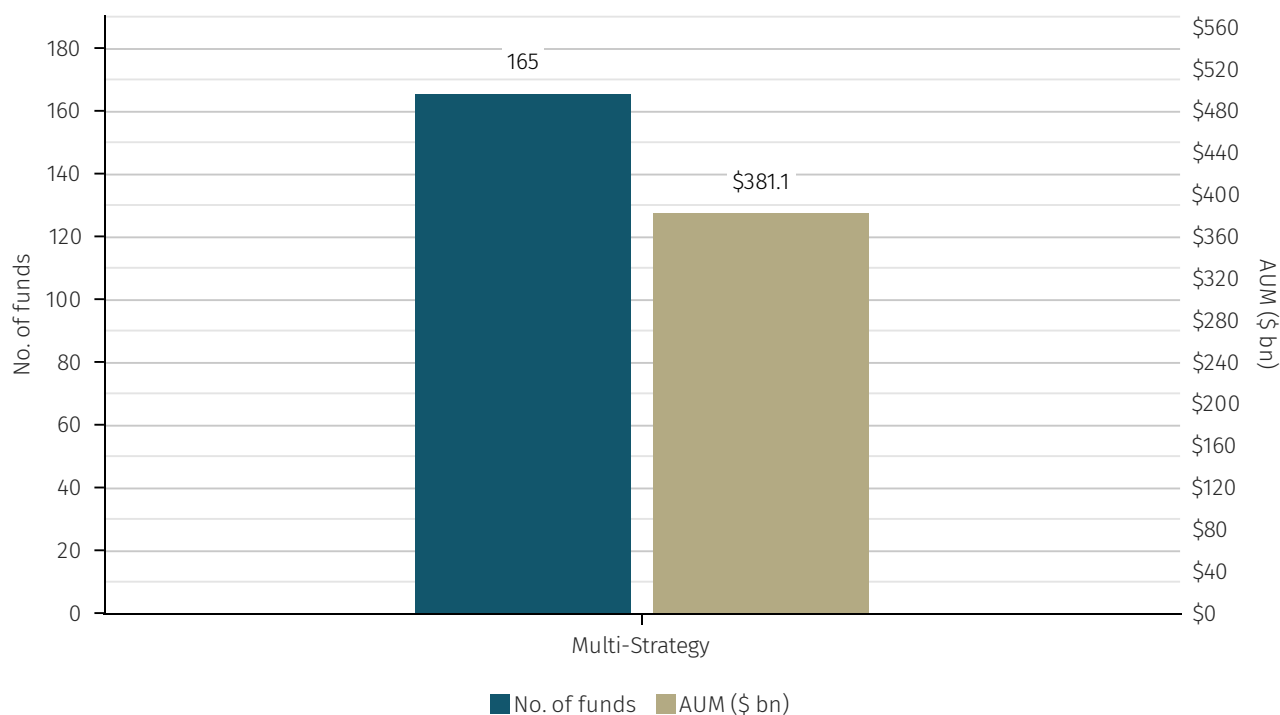
### Quant



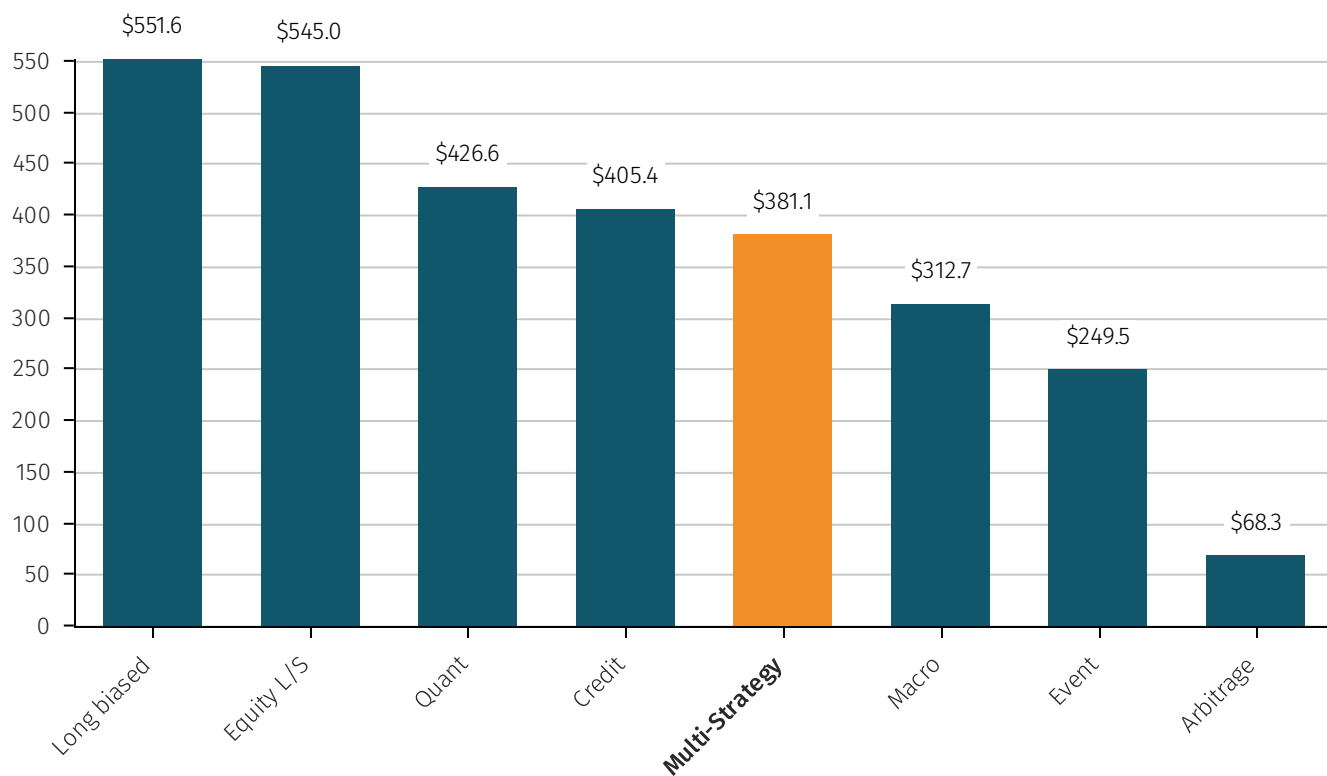
### HF Composite\*



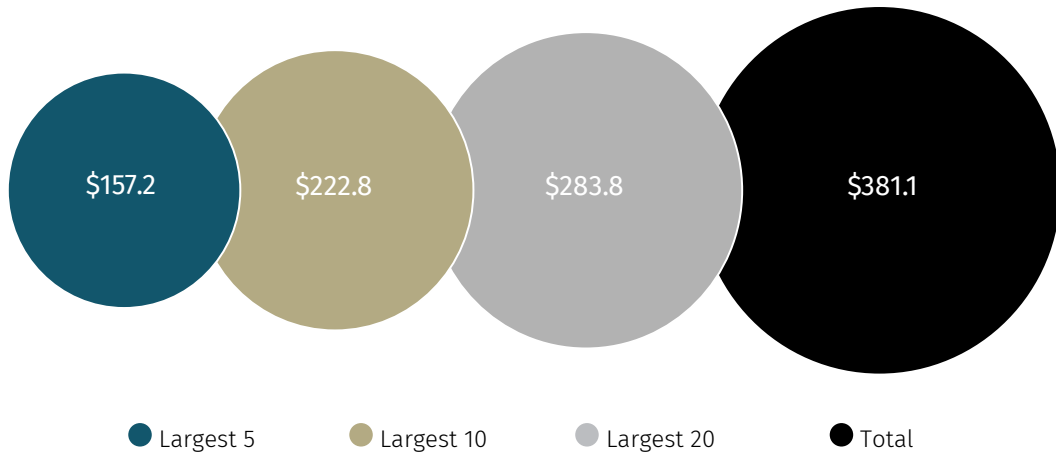
## NUMBER OF FUNDS AND AUM OF MULTI-STRATEGY



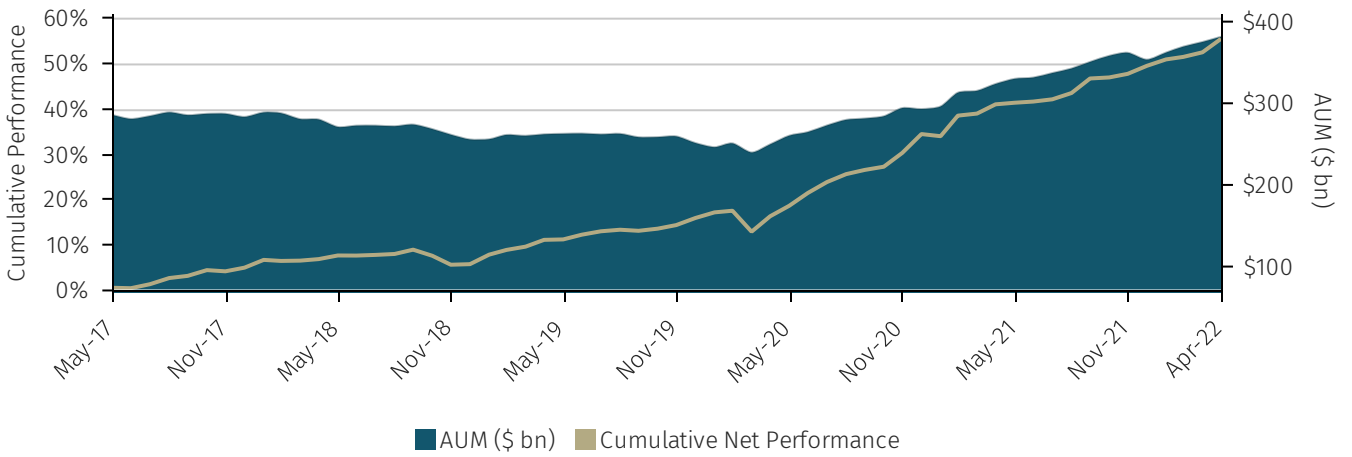
## AUM OF MASTER STRATEGIES – APRIL 2022 (\$ BN)



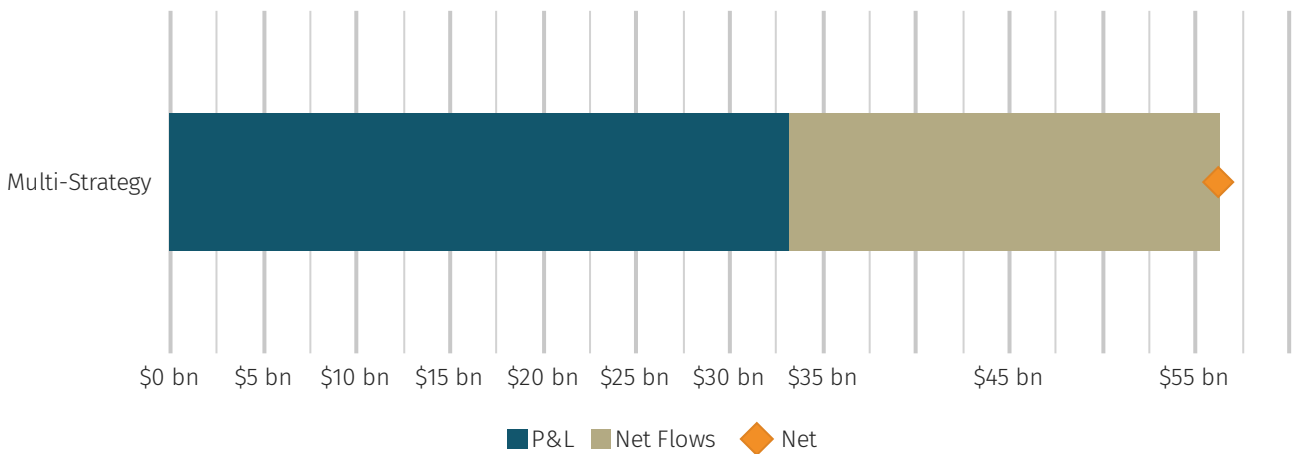
MULTI-STRATEGY FUND CONCENTRATION (\$ BN)



MULTI-STRATEGY ASSETS (5 YR)



MULTI-STRATEGY 12-MONTH CHANGE IN AUM



## TERMS AND CONDITIONS

	Median redemption notice (days)	Median redemption frequency	Weighted avg. redemption total (days) <sup>1</sup>	Weighted avg. management fee	Weighted avg. performance fee
Multi-strategy	60	Quarterly	226	1.49% <sup>2</sup>	19.87%

<sup>1</sup> Weighted Avg. Redemption Total (Days) is the weighted average of both redemptions notice days and redemption frequency days.

<sup>2</sup> Some funds operate a pass through fee structure in addition to, or instead of, a traditional management fee. Aurum does not currently include funds which operate a pass through structure within this management fee calculation (even if they also separately charge a management fee), accordingly the weighted average management fee above excludes funds with this fee structure.

## Definitions:

### Multi-strategy

Whilst these are funds investing across multiple strategies, they are characterised by their overwhelming focus on the broad event-driven space and therefore placed in their own category. Such funds consistently generate a significant portion of their P&L from the primary event-driven investing categories: merger arbitrage, soft-catalyst event-driven situations (spin-offs, spin-outs, share- class arbitrage, non-mandatory shareholder elections, index-rebalancing, holdco/subsidiary relative value trade, high probability potential merger 'targets', etc.) and/or activist investing. Some funds may also allocate a portion of their capital to Distressed (which can fall under the category of event- driven investing), however, if the majority of the risk is in consistently in the distressed arena, it falls under the 'credit/distressed' categorisation.

### Bond and equity indices

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