	1 month return	3 month return	YTD return
Arbitrage	-0.85%	-1.82%	1.98%
Credit	0.97%	-2.81%	-4.21%
Equity L/S	2.32%	-1.41%	-10.60%
Event	1.66%	-3.33%	-5.80%
Long biased	5.75%	-2.16%	-9.73%
Macro	0.12%	-1.06%	1.62%
Multi-Strategy	0.30%	0.56%	4.53%
Quant	-1.11%	-0.18%	9.35%
HF Composite	1.26%	-1.39%	-2.90%

July 2022 - Strategy Performance [1]
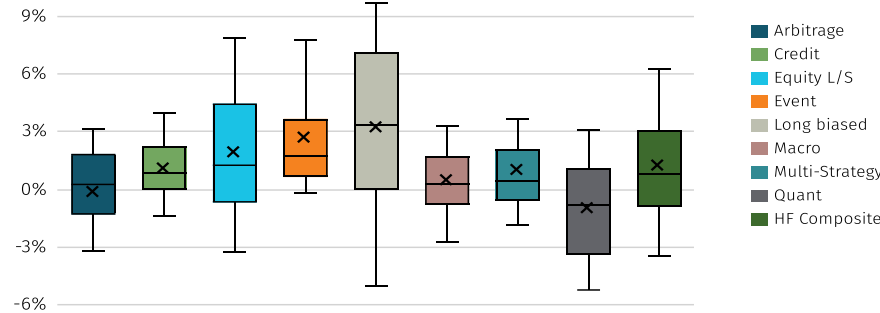
12 months to July 2022 - Strategy Performance [1]

Legend: Arbitrage, Credit, Equity L/S, Event, Long biased, Macro, Multi-Strategy, Quant, HF Composite
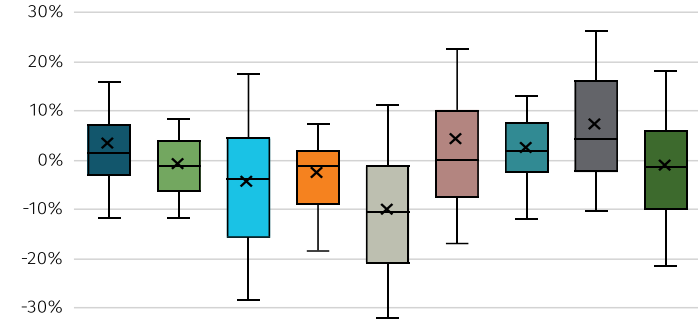
HEDGE FUNDS

Hedge fund composite ⬆
Hedge fund strategies monitored by Aurum's Hedge Fund Data Engine delivered generally positive returns in July, however this was not consistent across all strategies. The average hedge fund net return in July across all strategies was 1.26%. Performance dispersion was narrower than in June.

Long baised ⬆
Long biased funds monitored by Aurum's Hedge Fund Data Engine returned an average of 5.75% in July. Despite the strong positive performance in July, it was not enough to recover from the substantial losses in June. All sub-strategies had positive returns. The best performing sub-strategy was long biased diversified growth, up 6.45%.

Quant ⬇
Quant funds monitored by Aurum's Hedge Fund Data Engine returned -1.11% on average in July. It was the weakest performing strategy in July, but remains the strongest performing strategy year to date, where it is up 9.35%. The worst performing sub-strategy was CTA with an average net return of -3.17%.

Equity long/short ⬆
Equity long/short funds monitored by Aurum's Hedge Fund Data Engine returned an average of 2.32% in July, in a month where global equities staged a material recovery. All sub-strategies were positive for the month, with the exception of Asia Pacific-focused funds, which underperformed amidst wider losses in Chinese equities.

Macro ▬
Macro funds monitored by Aurum's Hedge Fund Data Engine generated an average net return of 0.12%. Sub-strategies had mixed, but generally muted, returns. Macro emerging markets, which returned -0.24%, was the worst performing sub-strategy, continuing the weak performance seen year to date.

Multi-strategy ⬆
Multi-strategy funds monitored by Aurum's Hedge Fund Data Engine returned an average of 0.30% in July. It is the second-strongest performing strategy group year to date. The smallest funds were the best performers, up 1.62%.

MARKETS

Major events
Markets were volatile and bifurcated in July. Inflation readings, and central bank responses to them were the key driver of market sentiment in the first half of the month. Less-hawkish-than-expected Fed interest rate decisions resulted in an uptick in sentiment and a considerable recovery in the latter part of July.

Equities ⬆
After a challenging start to July, most equity indices across developed and emerging markets recovered significantly. Chinese equities were a notable exception; negatively impacted by further COVID-19-related lockdowns, missed mortgage payments by homebuyers in response to developers missing deadlines for delivery and reported fines on large Chinese conglomerates.

Government bonds ⬆
Global government bond yields, which have been steadily increasing throughout 2022, lowered significantly in July. Early in the month, market expectations of a recession were, once again, illustrated by the US 2-year/10-year yield inverting early in the month. The ECB approved the Transmission Protection Instrument (a tool intended to stop disorderly movements in bond markets), which stimulated demand for Eurozone bonds.

Corporate bonds ⬆
Corporate bonds performance was positive across all qualities in July. Lower-quality credit performed particularly well in the latter part of the month as risk-on sentiment returned to markets. All grades of credit quality continue to have losses year to date.

Currencies
The US dollar weakened in July after the Fed's interest rate hikes were less aggressive than expected. The euro weakened; impacted by turbulence in Italy in the run up to upcoming elections, and in the face of Gazprom's force majeure on gas supplies to Germany. The Russian ruble remained volatile, as gas supply to Europe was lower-than-expected after the annual maintenance of Nordstream1 was completed.

Commodities ⬇
Commodity performance was largely negative in July. Natural gas was a notable exception, up over 50% on uncertainties about the delivery of Russian gas to Europe. Precious metals prices, particularly gold, were negatively correlated with the strength of the US dollar, so were weak until mid-month, then partially recovered. Russia and Ukraine reached an agreement to all exports of grain and other agricultural products in July, which resulted in prices of agricultural commodities falling.

All figures and charts use asset weighted net returns unless otherwise stated
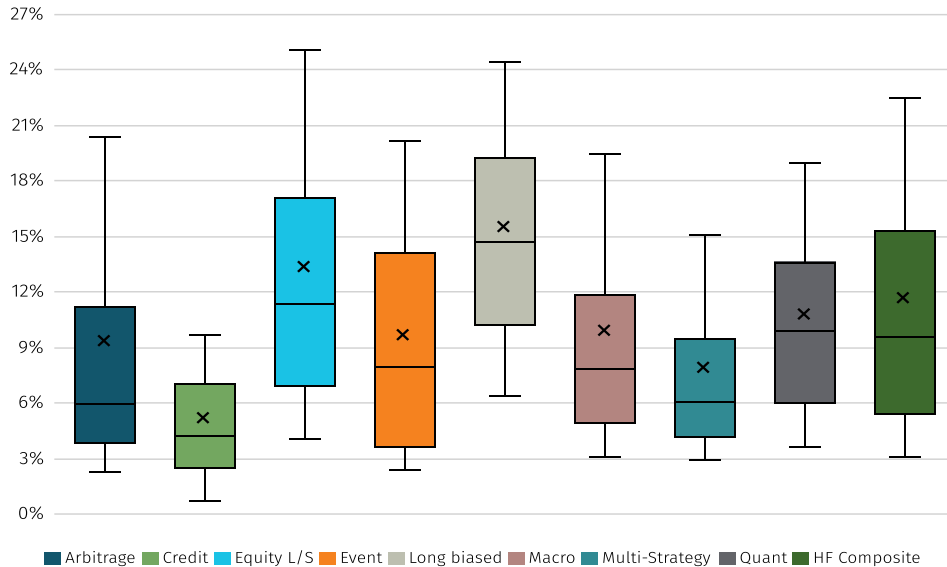
[1]The box represents the interquartile range, the middle line represents the median, the 'x' represents the mean, while the whiskers show the extreme values represented by the 10th and 90th percentiles, equally weighted.

12 Month Correlation Matrix	Arbitrage	Credit	Equity L/S	Event	Long biased	Macro	Multi-Strategy	Quant
Arbitrage	1.00	-0.15	-0.47	-0.28	-0.59	-0.09	0.72	0.45
Credit		1.00	0.56	0.94	0.80	0.34	0.10	-0.11
Equity L/S			1.00	0.77	0.79	-0.10	-0.22	-0.15
Event				1.00	0.88	0.31	-0.01	-0.02
Long biased					1.00	0.19	-0.39	-0.25
Macro						1.00	0.19	0.54
Multi-Strategy							1.00	0.40
Quant								1.00

Net Performance	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Rolling 12 month return
Arbitrage	-0.09%	0.85%	0.45%	0.56%	-0.12%	1.15%	0.72%	0.40%	1.54%	-1.65%	0.69%	-0.85%	3.67%
Credit	0.51%	0.55%	0.38%	-0.29%	0.57%	-0.30%	-0.53%	0.06%	-0.67%	-1.14%	-2.64%	0.97%	-2.56%
Equity L/S	1.33%	-0.90%	2.34%	-2.82%	-0.13%	-4.66%	-1.28%	-0.54%	-3.13%	-1.71%	-1.97%	2.32%	-10.83%
Event	1.27%	0.64%	1.22%	-0.96%	1.34%	-1.72%	-0.37%	0.72%	-1.19%	-1.39%	-3.57%	1.66%	-2.47%
Long biased	1.16%	-2.09%	1.71%	-1.59%	2.08%	-3.26%	-0.68%	0.28%	-4.24%	-0.83%	-6.70%	5.75%	-8.65%
Macro	0.63%	-0.08%	-1.57%	-1.07%	1.01%	0.52%	-0.78%	1.83%	1.13%	0.35%	-1.52%	0.12%	0.50%
Multi-Strategy	0.97%	2.24%	0.18%	0.54%	1.17%	0.90%	0.39%	0.66%	1.95%	-0.86%	1.14%	0.30%	9.97%
Quant	0.49%	0.11%	1.16%	-1.20%	2.59%	0.95%	0.70%	3.91%	3.72%	-0.43%	1.37%	-1.11%	12.81%
HF Composite	0.88%	-0.07%	1.02%	-1.17%	1.01%	-1.47%	-0.43%	0.86%	-0.49%	-0.99%	-1.64%	1.26%	-1.29%

12 month volatility dispersion (standard deviation)[1][2]

Legend: Arbitrage, Credit, Equity L/S, Event, Long biased, Macro, Multi-Strategy, Quant, HF Composite

Net flows and AUM change[3] - July 2022
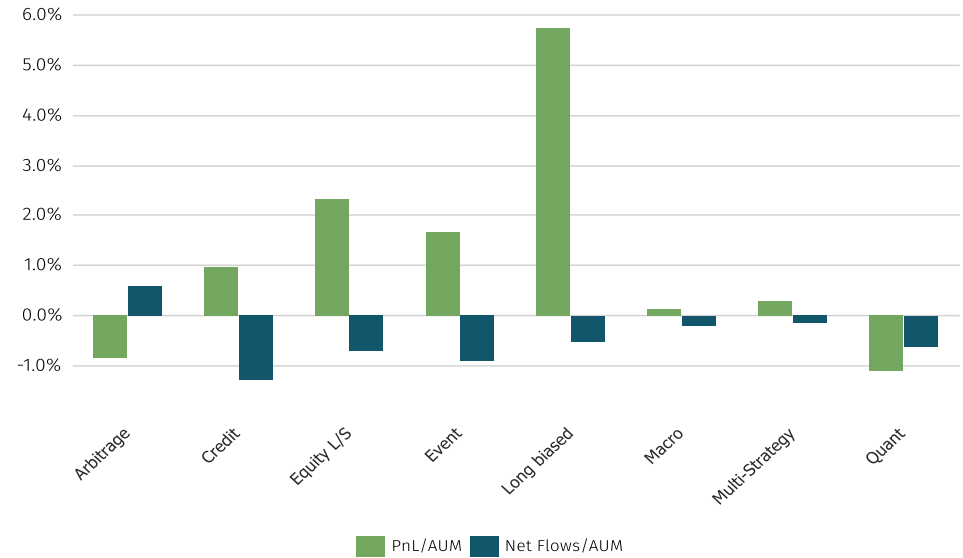
Legend: PnL/AUM, Net Flows/AUM

[1]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.

[2]Asset weighted 12 month volatility.

[3]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.