AURUM

	1 month return	3 month return	YTD return
Arbitrage	0.73%	0.90%	1.64%
Credit	0.43%	2.45%	5.40%
Equity L/S	-0.53%	2.36%	6.87%
Event	0.20%	3.79%	5.01%
Long biased	-2.19%	3.73%	5.13%
Macro	0.37%	2.62%	2.20%
Multi-Strategy	1.37%	2.61%	4.75%
Quant	0.87%	2.15%	2.02%
HF Composite	0.16%	2.72%	4.73%

August 2023 - Strategy Performance [1]

Legend: Arbitrage, Credit, Equity L/S, Event, Long biased, Macro, Multi-Strategy, Quant, HF Composite
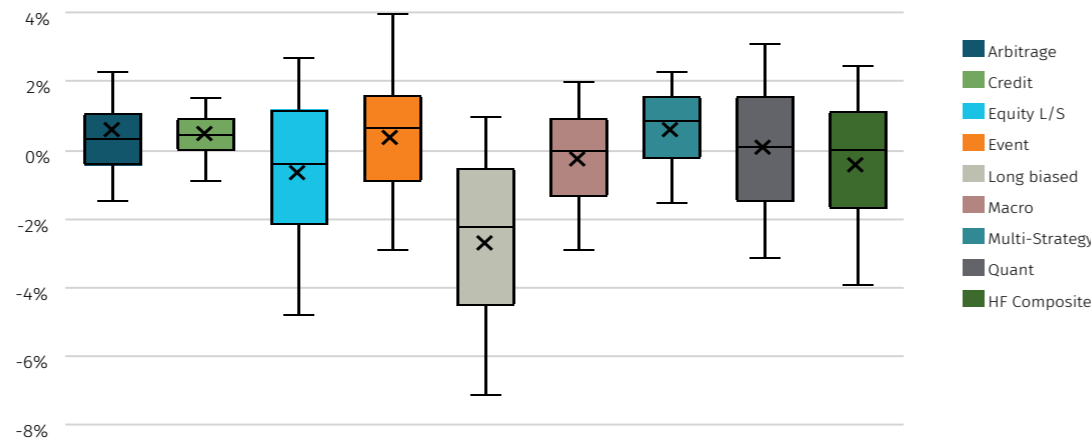
12 months to August 2023 - Strategy Performance [1]
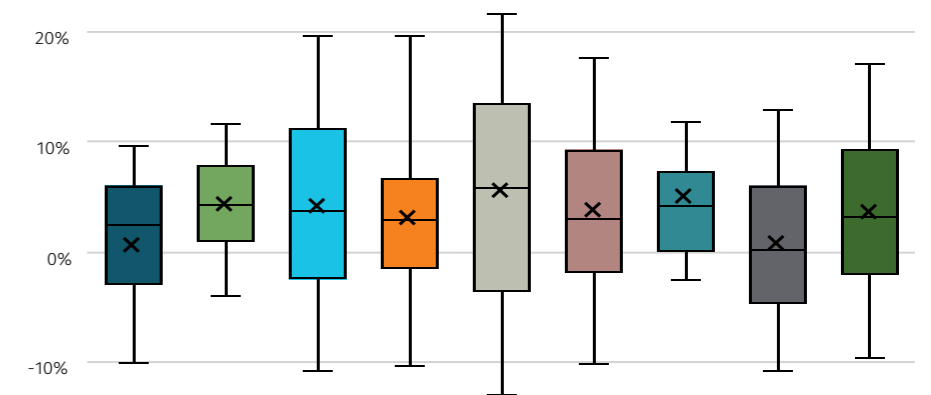
HEDGE FUNDS

Hedge Fund Composite ⬆
Hedge fund performance was moderately positive in August; the average hedge fund net return across all strategies was 0.16%.
The strongest performing strategy during the month was multi-strategy. Most underlying strategies had positive average net asset weighted returns, with the exception of strategies with a higher beta to equities. Hedge fund performance dispersion was similar to that observed in July.

Long Biased ⬇
Long biased funds monitored by Aurum's Hedge Fund Data Engine returned an average of -2.19% in August, the weakest-performing strategy during the month. Sub-strategy returns were all negative. The worst-performing sub-strategy was long biased – equity, down 2.81%.

Quant ⬆
Quant funds monitored by Aurum's Hedge Fund Data Engine returned 0.87% on average in August. All sub-strategy returns were positive, with the exception of CTAs. Quant macro/GAA was the best-performing sub-strategy, up 2.20%.

Equity long/short ⬇
Equity long/short funds returned an average of -0.53% in August, amidst weakness in equity markets. Sub-strategy returns varied, from fundamental equity market neutral, up 0.56% to Asia Pacific long/short equity, down 1.89%.

Macro ⬆
Macro funds monitored by Aurum's Hedge Fund Data Engine generated an average net return of 0.37% in August. All sub-strategy returns were positive with the exception of macro emerging markets. The best performing sub-strategy was fixed income relative value, which was up 0.85%.

Multi-strategy ⬆
Multi-strategy funds monitored by Aurum's Hedge Fund Data Engine returned an average of 1.37% in August, the strongest performing master strategy group. The largest funds were the strongest performers.

MARKETS

Major Events
Fed Chairman, Jerome Powell's speech at the Jackson Hole symposium noted that there was "a long way to go" in reducing inflation readings. Markets responded negatively to the possibility of longer-than-expected elevated interest rates, with equity markets having their worst month since February.

Equities ⬇
All major equity indices lost ground in August, in the second worst month YTD. Chinese equities performed particularly poorly, amidst wider economic weakness and specific issues in the property and financial sectors. After losses earlier in the month, US equities staged a partial recovery towards the month-end. European equity indices were negatively impacted by the Italian government's decision to levy a windfall tax on banks.

Government Bonds ▬
The ratings agency, Fitch, downgraded US long-term debt, citing an 'erosion of governance', after the January 6 US Capitol attacks in 2021. US 2 and 10-year Treasury yields experienced significant intra-month volatility, at points reaching pre-2008 financial crisis levels. European bonds followed a similar path of intra-month volatility but with limited changes month-to-date.

Corporate Bonds ▬
US credit indices across the quality spectrum responded negatively to the US credit rating downgrade by Fitch, but mostly recovered later in the month. Lower quality corporate credit outperformed investment grade. All major credit indices have positive performance year-to-date.

Currencies
The US dollar strengthened against all major currencies in August, benefiting from equity market weakness and the possibility of a longer-than-expected period of elevated interest rates.

Commodities ▬
Weak Chinese economic data counterbalanced the impact of production cuts to result in slight increases in oil prices during the month. Grain prices increased after a drone attack on a grain silo in Ukraine. Sugar prices continued to rise on news that India is considering an export ban.

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

12 Month Correlation Matrix	Arbitrage	Credit	Equity L/S	Event	Long biased	Macro	Multi-Strategy	Quant
Arbitrage	1.00	-0.35	-0.66	-0.55	-0.77	0.08	0.58	0.66
Credit		1.00	0.87	0.82	0.79	0.54	0.13	-0.44
Equity L/S			1.00	0.84	0.93	0.38	-0.19	-0.68
Event				1.00	0.87	0.55	0.05	-0.39
Long biased					1.00	0.28	-0.30	-0.75
Macro						1.00	0.47	0.09
Multi-Strategy							1.00	0.43
Quant								1.00

Net Performance

Net Performance	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Rolling 12 month return
Arbitrage	0.70%	-0.58%	-1.00%	0.99%	0.03%	0.52%	-0.20%	-0.04%	0.41%	-0.18%	0.36%	0.73%	1.74%
Credit	-2.07%	0.11%	1.35%	0.39%	2.23%	0.19%	-0.42%	0.61%	0.25%	0.91%	1.10%	0.43%	5.13%
Equity L/S	-2.88%	1.41%	2.48%	-0.08%	3.44%	-1.16%	0.48%	0.77%	0.85%	1.70%	1.18%	-0.53%	7.77%
Event	-1.89%	1.62%	1.23%	-0.22%	2.52%	-0.17%	-0.23%	0.05%	-0.97%	2.02%	1.54%	0.20%	5.74%
Long biased	-6.40%	1.85%	5.84%	-2.25%	5.04%	-3.11%	1.74%	-0.09%	-2.03%	2.99%	2.97%	-2.19%	3.68%
Macro	0.24%	0.76%	0.69%	1.33%	1.70%	-0.18%	-1.93%	0.11%	-0.07%	0.88%	1.35%	0.37%	5.32%
Multi-Strategy	0.36%	0.61%	0.13%	1.59%	0.61%	0.70%	-0.05%	0.55%	0.25%	0.81%	0.41%	1.37%	7.59%
Quant	2.14%	-0.22%	-2.98%	0.27%	-1.16%	2.07%	-2.15%	1.02%	0.14%	1.22%	0.05%	0.87%	1.15%
HF Composite	-1.51%	0.80%	1.04%	0.22%	2.00%	-0.20%	-0.31%	0.49%	-0.03%	1.42%	1.12%	0.16%	5.29%

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

Legend: Arbitrage, Credit, Equity L/S, Event, Long biased, Macro, Multi-Strategy, Quant, HF Composite
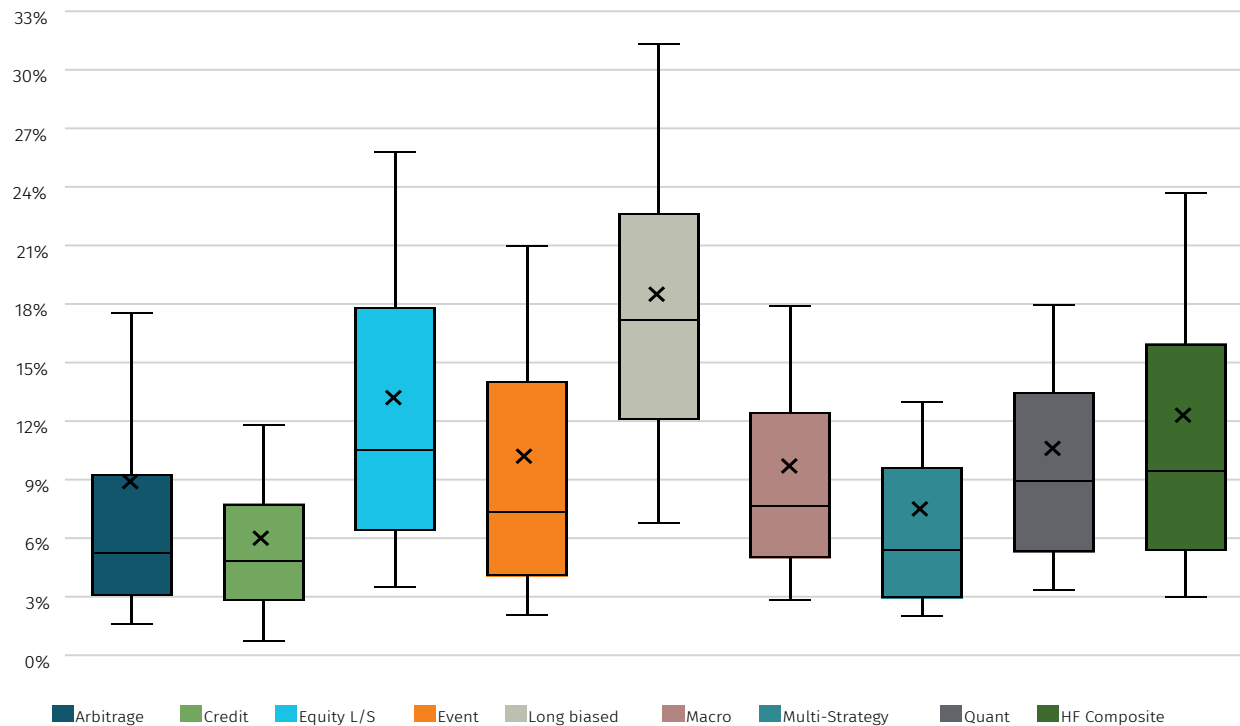
Net flows and AUM change[3] - August 2023

Legend: PnL/AUM, Net Flows/AUM

[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.