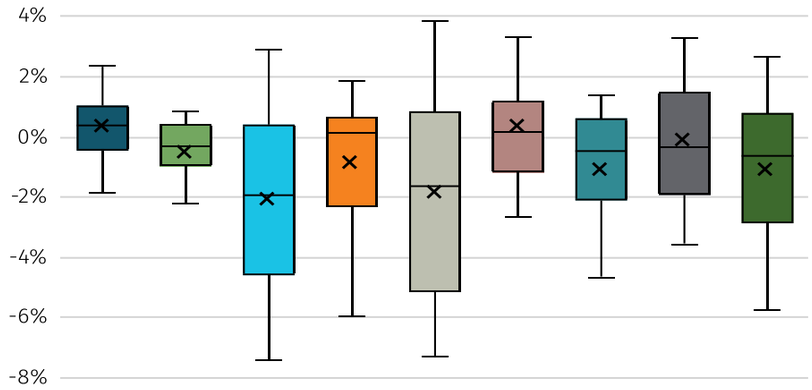
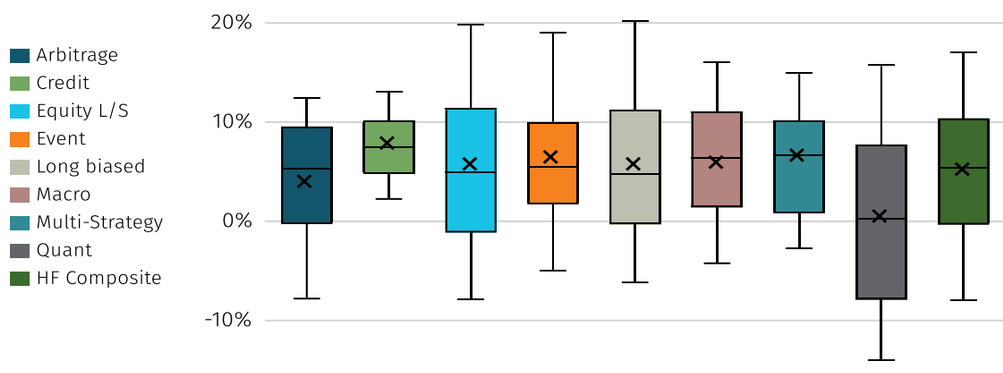
	1 month return	3 month return	YTD return
Arbitrage	0.61%	2.46%	2.46%
Credit	-0.36%	1.19%	1.19%
Equity L/S	-2.93%	-1.73%	-1.73%
Event	-1.23%	1.11%	1.11%
Long biased	-1.03%	1.53%	1.53%
Macro	0.53%	2.10%	2.10%
Multi-Strategy	-0.67%	0.47%	0.47%
Quant	0.16%	2.13%	2.13%
HF Composite	-0.94%	0.63%	0.63%

March 2025 - Strategy Performance [1]



12 months to March 2025 - Strategy Performance [1]



HEDGE FUNDS

Hedge fund composite ↓

Hedge fund performance was negative in March. Hedge fund strategy performance was mixed, with equity-oriented strategies notably underperforming. The average asset-weighted hedge fund net return across all strategies was -0.94%. The strongest performing strategy was arbitrage, and the weakest was equity long/short. Hedge fund performance dispersion increased compared to February.

Long biased ↓

Long biased funds monitored by Aurum's Hedge Fund Data Engine returned an average of -1.03%, the second-weakest performing master strategy group during the month. Sub-strategy performance varied; commodities-focused long biased funds generated a positive return of 1.25%, while equity-focused long biased funds underperformed at -1.45%.

Quant ↑

Quant funds monitored by Aurum's Hedge Fund Data Engine returned 0.16% on average in March. Sub-strategy returns were diverse, with quant multi-strategy funds performing strongest at 2.88%, and risk premia the weakest at -1.56%. CTA strategies continued to struggle, returning -1.14%.

Equity long/short ↓

Equity long/short funds returned an average of -2.93% in March, the weakest performance among all master strategy groups. Sector-focused funds notably underperformed, returning -4.80%.

Macro ↑

Macro funds monitored by Aurum's Hedge Fund Data Engine generated an average net return of 0.53% in March. Sub-strategy returns varied notably; commodities macro strategies were the strongest performers, up 1.47%, while macro emerging markets was the only sub-strategy with negative returns, down 0.47%.

Multi-strategy ↓

Multi-strategy funds monitored by Aurum's Hedge Fund Data Engine returned an average of -0.67% in March. All AUM groups delivered negative returns. The weakest performing segment was funds with assets between $0.5bn to $1bn, which returned -4.22%. The largest multi-strategy funds (AUM greater than $5bn) showed relatively better resilience, returning -0.43%.

MARKETS

Major events

Global financial markets experienced heightened volatility in March due to escalating trade tensions. US equities entered correction territory, falling significantly from February peaks, as the U.S. imposed new tariffs on imports from China, Canada, and Mexico, prompting retaliatory measures and investor concerns over inflation and economic growth.

Equities ↓

Global equities faced sharp declines in March as escalating trade tensions and concerns over economic slowdown intensified investor caution. US equity indices were negative, with notable weakness in technology and consumer discretionary sectors.

Government bonds ↓

Government bonds experienced significant volatility as inflation concerns and uncertainty about fiscal policy drove yields higher. However, in the U.S., despite notable fluctuations, the 10-year Treasury yield ended flat on the month as investors grappled with recession fears, concerns surrounding persistent inflationary pressures and heightened worries around escalating trade wars.

Corporate bonds ↓

Corporate bonds, especially investment-grade issues, were negatively impacted by rising economic uncertainty and increasing interest rates, resulting in wider credit spreads. Investor sentiment turned cautious, with concerns over corporate profitability and refinancing conditions prompting heightened selling activity, particularly within sectors perceived to be the most exposed to global trade and macroeconomic volatility.

Currencies

Currency markets witnessed significant fluctuations, with the U.S. dollar weakening against major global currencies. Investor confidence in the US dollar eroded due to mounting policy uncertainty and questions over its traditional safe-haven role. This prompted increased flows into alternative currencies and safe-haven assets such as the euro, Japanese yen, and Swiss franc.

Commodities ↑

Commodity markets exhibited divergent trends during March with most commodity prices increasing over the month. Gold prices surged to record highs, driven by robust demand for safe-haven assets amid economic uncertainties and equity market turmoil. Following a decline in the first half of the month, oil prices increased due to supply concerns and escalating tariff threats as geopolitical risks showed little sign of resolution.

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

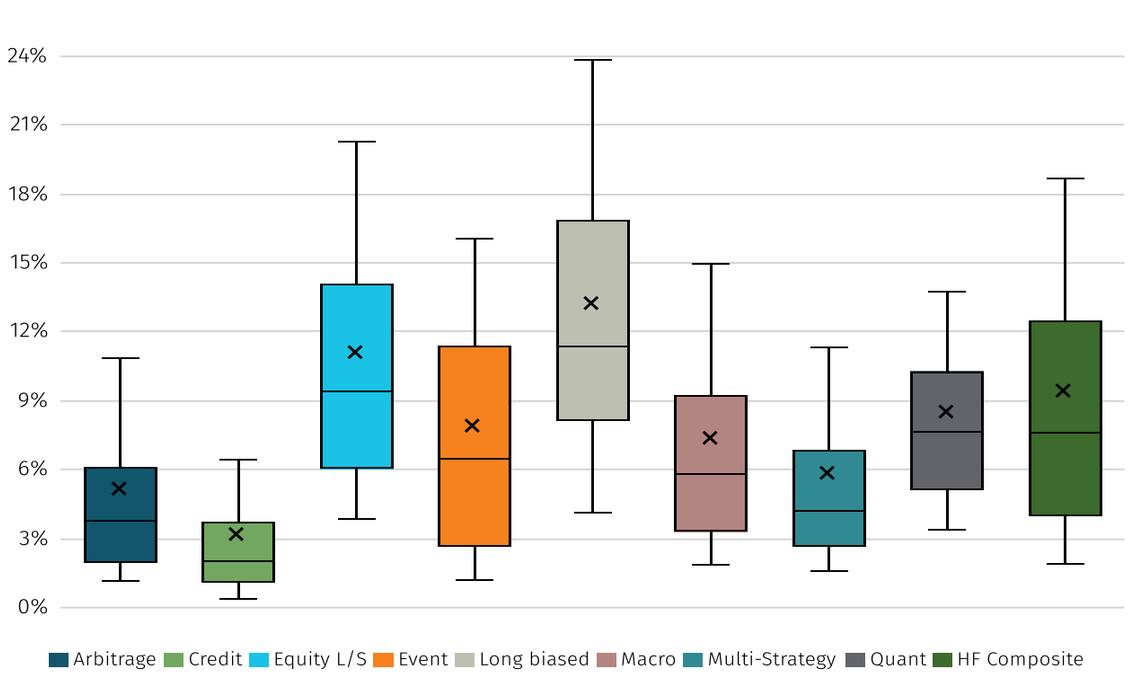
[1]The box represents the interquartile range, the middle line represents the median, the 'x' represents the mean, while the whiskers show the extreme values represented by the 10th and 90th percentiles, equally weighted.

Aurum's Hedge Fund Data Engine is a proprietary database maintained by Aurum Research Limited ("ARL") containing data on around 3,400 active hedge funds representing around $3.1 trillion of assets as at December 2024. 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 is derived from multiple 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 supress or change underlying data should it be considered optimal for representation and/or accuracy. Coverage Indicator of Eligible Funds Having Reported (as at 15/04/2025). By fund assets (MAR): 67%. By no. of funds (MAR): 57%. For further detail on the strategy definitions visit https://www.aurum.com/hedge-fund-strategy-definitions/

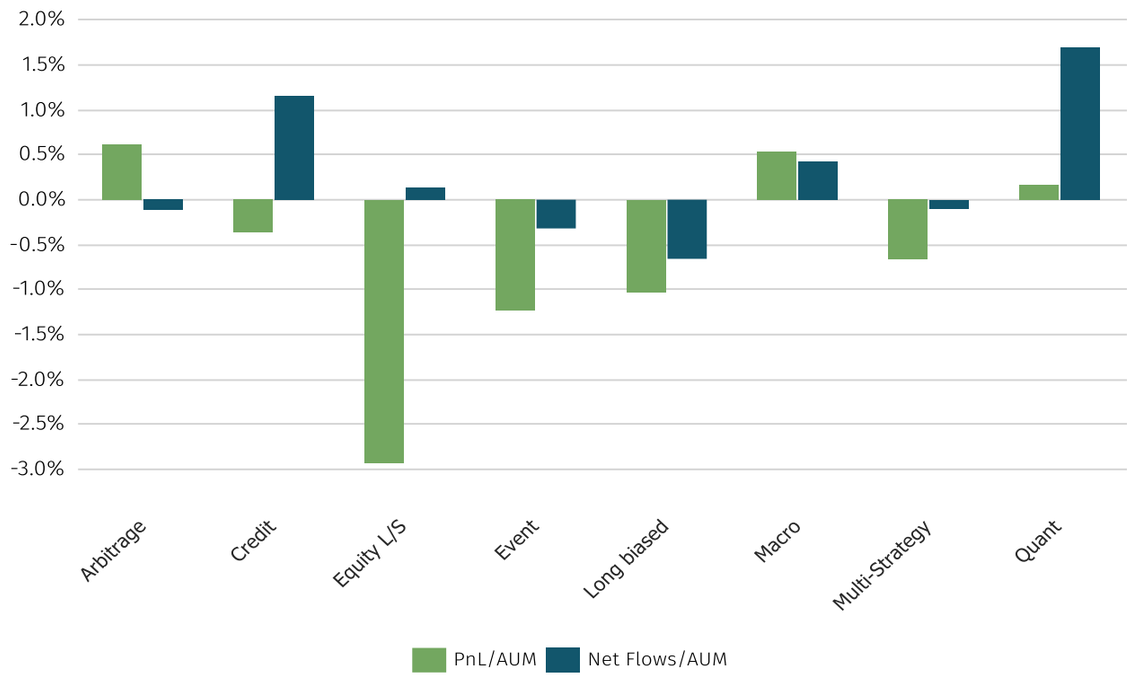
12 Month Correlation Matrix	Arbitrage	Credit	Equity L/S	Event	Long biased	Macro	Multi-Strategy	Quant
Arbitrage	1.00	-0.07	-0.12	0.03	-0.07	0.30	0.01	0.42
Credit		1.00	0.86	0.86	0.68	0.48	0.53	0.06
Equity L/S			1.00	0.88	0.80	0.48	0.63	0.06
Event				1.00	0.83	0.67	0.48	0.11
Long biased					1.00	0.55	0.24	-0.01
Macro						1.00	0.46	0.57
Multi-Strategy							1.00	0.52
Quant								1.00

Net Performance	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Rolling 12 month return
Arbitrage	0.47%	0.00%	0.32%	0.49%	0.34%	0.94%	0.72%	0.55%	0.62%	0.87%	0.96%	0.61%	7.11%
Credit	0.53%	1.03%	0.65%	0.94%	0.66%	1.05%	0.50%	0.96%	0.56%	0.95%	0.60%	-0.36%	8.35%
Equity L/S	-1.25%	1.48%	1.04%	0.58%	0.91%	1.30%	0.62%	2.36%	-0.86%	2.18%	-0.93%	-2.93%	4.46%
Event	-0.42%	1.50%	-0.10%	1.00%	0.89%	1.40%	0.10%	2.22%	-0.26%	1.77%	0.59%	-1.23%	7.67%
Long biased	-1.76%	1.96%	0.96%	0.94%	1.56%	2.58%	-1.62%	2.11%	-1.95%	3.07%	-0.47%	-1.03%	6.36%
Macro	0.46%	0.69%	-0.13%	1.04%	0.05%	1.69%	0.25%	1.97%	0.66%	1.42%	0.14%	0.53%	9.11%
Multi-Strategy	0.65%	0.39%	0.86%	0.38%	0.81%	0.79%	0.93%	2.11%	1.77%	1.34%	-0.19%	-0.67%	9.53%
Quant	1.30%	-0.80%	-0.44%	-0.86%	-1.75%	0.33%	-0.33%	1.61%	1.43%	2.27%	-0.30%	0.16%	2.57%
HF Composite	-0.22%	0.91%	0.51%	0.55%	0.50%	1.33%	0.14%	1.93%	0.17%	1.78%	-0.18%	-0.94%	6.62%

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



Net flows and AUM change[3] - March 2025



[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.

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