Arbitrage

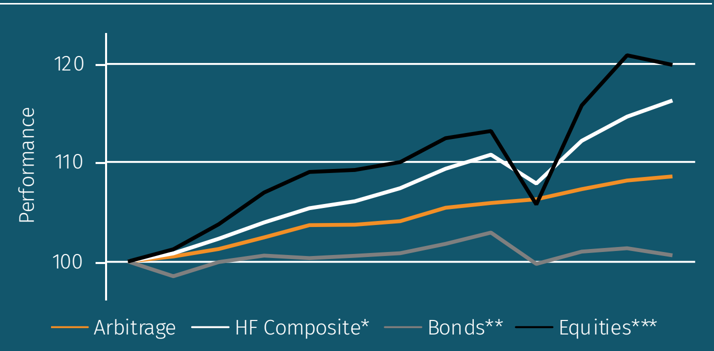
AURUM

Arbitrage strategy analytics pack

12 months to June 2026

Inside this report:

MASTER STRATEGY vs INDICES NET RETURN (1 YR)



About Aurum

Aurum is an investment management firm focused on selecting hedge funds and managing fund of hedge fund portfolios for some of the world's most sophisticated investors. Aurum also offers a range of single manager feeder funds.

Aurum's portfolios are designed to grow and protect clients' capital, while providing consistent uncorrelated returns. With over 30 years of hedge fund investment experience, Aurum's objective is to lower the barriers to entry enabling investors to access the world's best hedge funds.

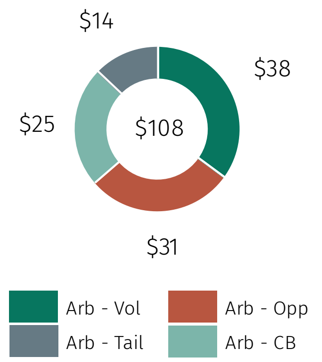
Aurum conducts extensive research and analysis on hedge funds and hedge fund industry trends. This research paper is designed to provide data and insights with the objective of helping investors to better understand hedge funds and their benefits.

**HF Composite = Aurum Hedge Fund Data Engine Asset Weighted Composite Index. **Bonds = Bloomberg Global Aggregate Bond Index. ***Equities = MSCI World Index USD.*

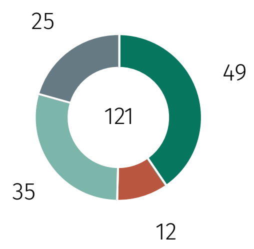
All figures and charts use asset weighted net returns unless otherwise stated. All Hedge Fund data is sourced from Aurum Hedge Fund Data Engine. Data included in this report is dated as at 23 July 2026

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/

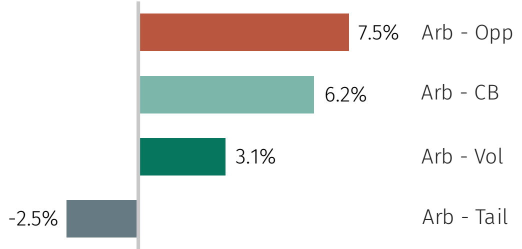
AUM ($BN) – JUNE 2026



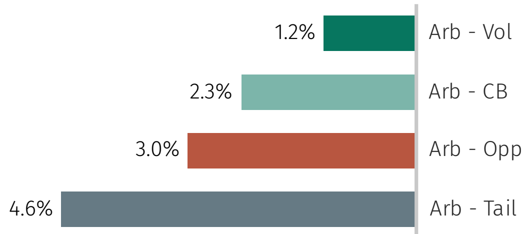
NO. OF FUNDS – JUNE 2026



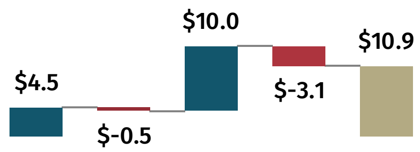
SUB-STRATEGY NET RETURN (1 YR)



STANDARD DEVIATION (1 YR)



AUM CHANGE $BN (1 YR)



NET RETURN OF MASTER AND SUB STRATEGIES (1 YR)

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD	1 YR
Arbitrage	**0.51%**	**0.75%**	**1.16%**	**1.21%**	**0.04%**	**0.34%**	**1.30%**	**0.46%**	**0.35%**	**0.96%**	**0.81%**	**0.38%**	**4.34%**	**8.59%**
Arb - Opp	1.59%	1.12%	2.09%	2.12%	-0.07%	1.03%	1.99%	0.04%	0.23%	2.43%	1.67%	0.93%	7.49%	16.23%
Arb - CB	1.04%	1.25%	1.78%	1.66%	0.20%	0.58%	1.70%	0.29%	-0.11%	1.69%	1.33%	1.20%	6.24%	13.33%
Arb - Vol	-0.04%	0.56%	0.79%	0.71%	0.24%	0.19%	0.63%	1.00%	-0.07%	0.79%	0.53%	0.21%	3.12%	5.66%
Arb - Tail	-0.89%	-0.23%	-0.70%	0.05%	-0.51%	-1.07%	0.73%	0.42%	2.33%	-3.04%	-1.26%	-1.63%	-2.51%	-5.72%
HF Composite*	**0.82%**	**1.47%**	**1.61%**	**1.38%**	**0.66%**	**1.25%**	**1.83%**	**1.30%**	**-2.63%**	**3.99%**	**2.18%**	**1.42%**	**8.24%**	**16.25%**
Bonds**	**-1.49%**	**1.45%**	**0.65%**	**-0.25%**	**0.23%**	**0.26%**	**0.94%**	**1.12%**	**-3.07%**	**1.25%**	**0.34%**	**-0.71%**	**-0.21%**	**0.62%**
Equities***	**1.23%**	**2.49%**	**3.09%**	**1.94%**	**0.18%**	**0.73%**	**2.19%**	**0.64%**	**-6.55%**	**9.45%**	**4.37%**	**-0.80%**	**8.92%**	**19.85%**

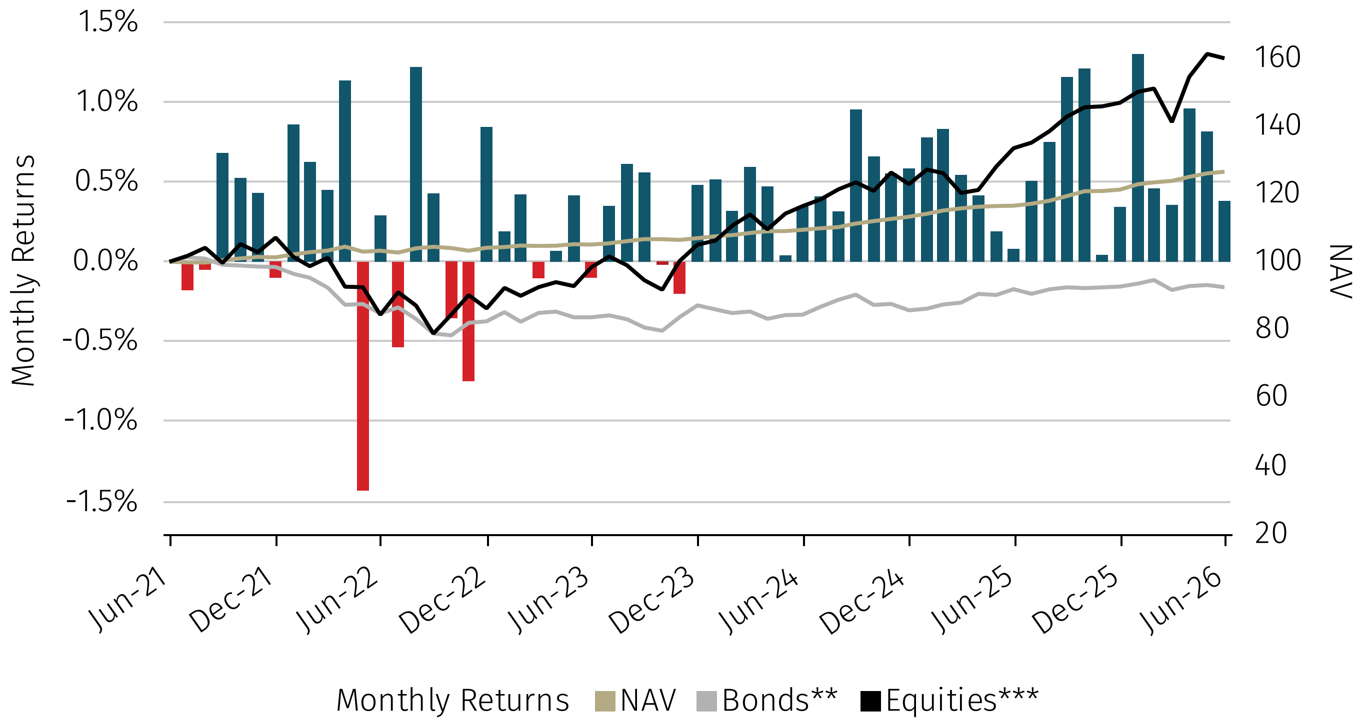
NET RETURN (5 YR) PERIOD TO JUNE 2026

Performance	2026	2025	2024	2023	2022	5Yr CAR	5Yr Vol	5Yr Sharpe
Arbitrage	**4.34%**	**7.05%**	**5.91%**	**2.71%**	**2.78%**	**4.82%**	**1.68%**	**0.58**
Arb - Opp	7.49%	13.95%	11.10%	7.91%	2.41%	9.16%	2.66%	1.91
Arb - CB	6.24%	11.86%	11.05%	7.26%	-4.60%	6.74%	3.43%	0.83
Arb - Vol	3.12%	3.41%	3.02%	2.42%	5.72%	3.69%	1.42%	-0.08
Arb - Tail	-2.51%	-2.53%	-1.87%	-8.09%	5.17%	-2.54%	6.51%	-0.94
HF Composite*	**8.24%**	**12.48%**	**11.34%**	**8.97%**	**-2.83%**	**7.92%**	**4.28%**	**0.93**
Bonds**	**-0.21%**	**8.17%**	**-1.69%**	**5.72%**	**-16.25%**	**-1.55%**	**7.78%**	**-0.64**
Equities***	**8.92%**	**19.49%**	**17.00%**	**21.77%**	**-19.46%**	**9.85%**	**15.21%**	**0.45**

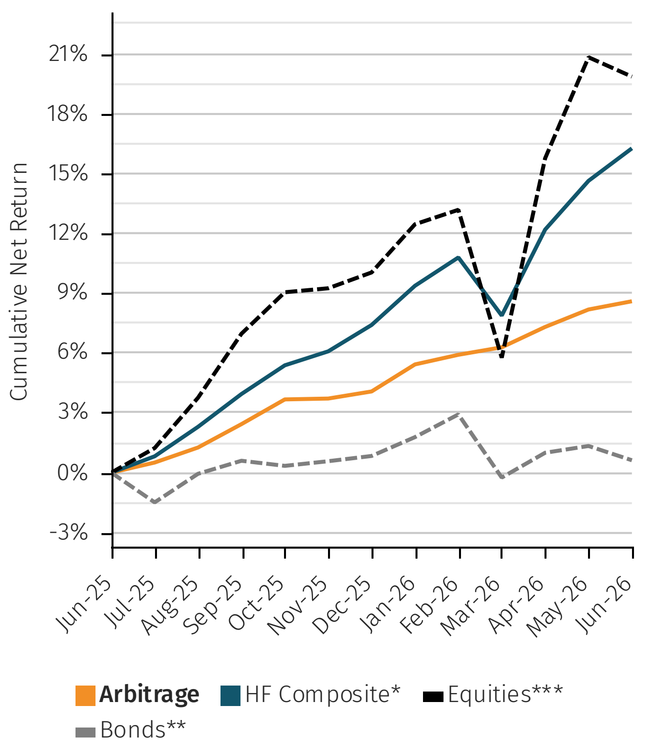
**HF Composite = Aurum Hedge Fund Data Engine Asset Weighted Composite Index.*
***Bonds = Bloomberg Global Aggregate Bond Index. ***Equities = MSCI World Index USD.*
Source: Aurum Hedge Fund Data Engine.

Master strategy performance

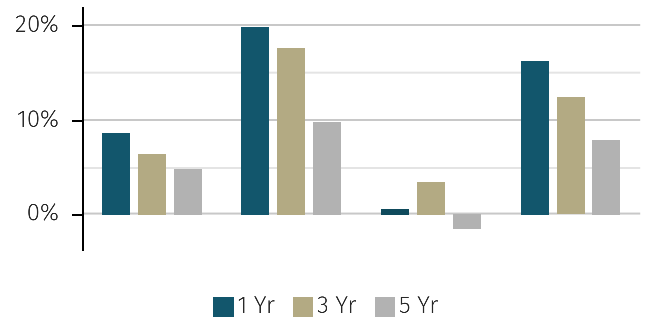
NET MONTHLY RETURN (5 YR)



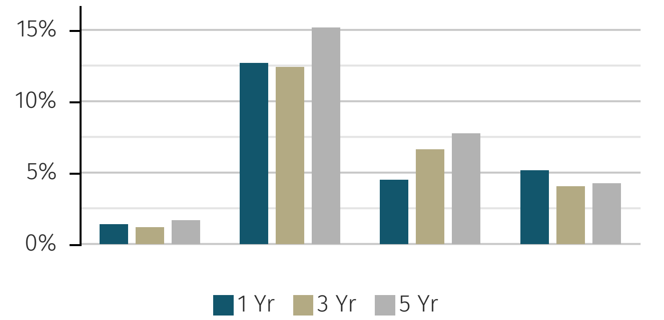
COMPARATIVE RETURN VS HF COMPOSITE (1 YR)



NET RETURN (ANNUALISED)

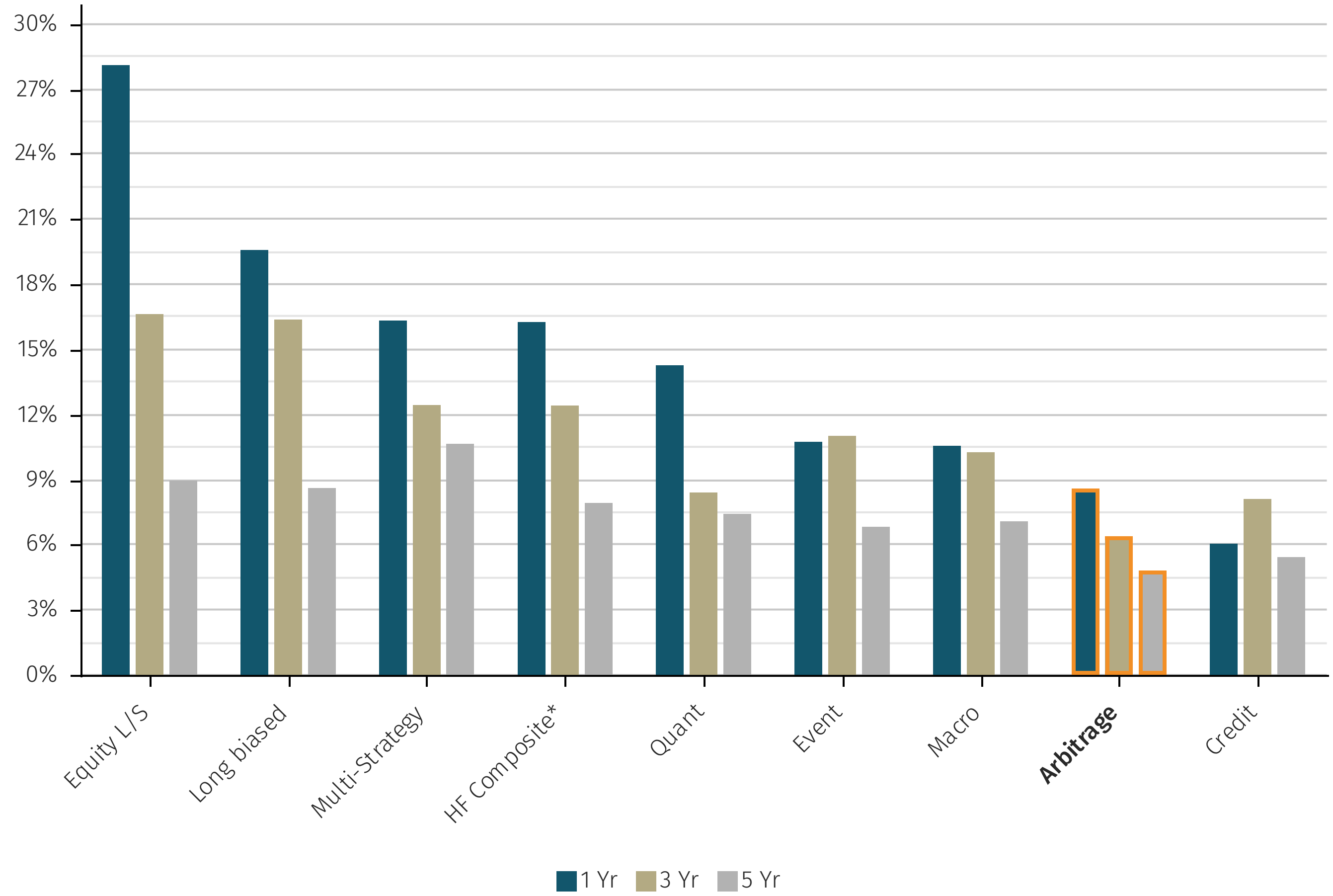


VOLATILITY (ANNUALISED)



**HF Composite = Aurum Hedge Fund Data Engine Asset Weighted Composite Index.*
***Bonds = Bloomberg Global Aggregate Bond Index. ***Equities = MSCI World Index USD.*
Source: Aurum Hedge Fund Data Engine.

MASTER STRATEGY NET ANNUALISED RETURNS

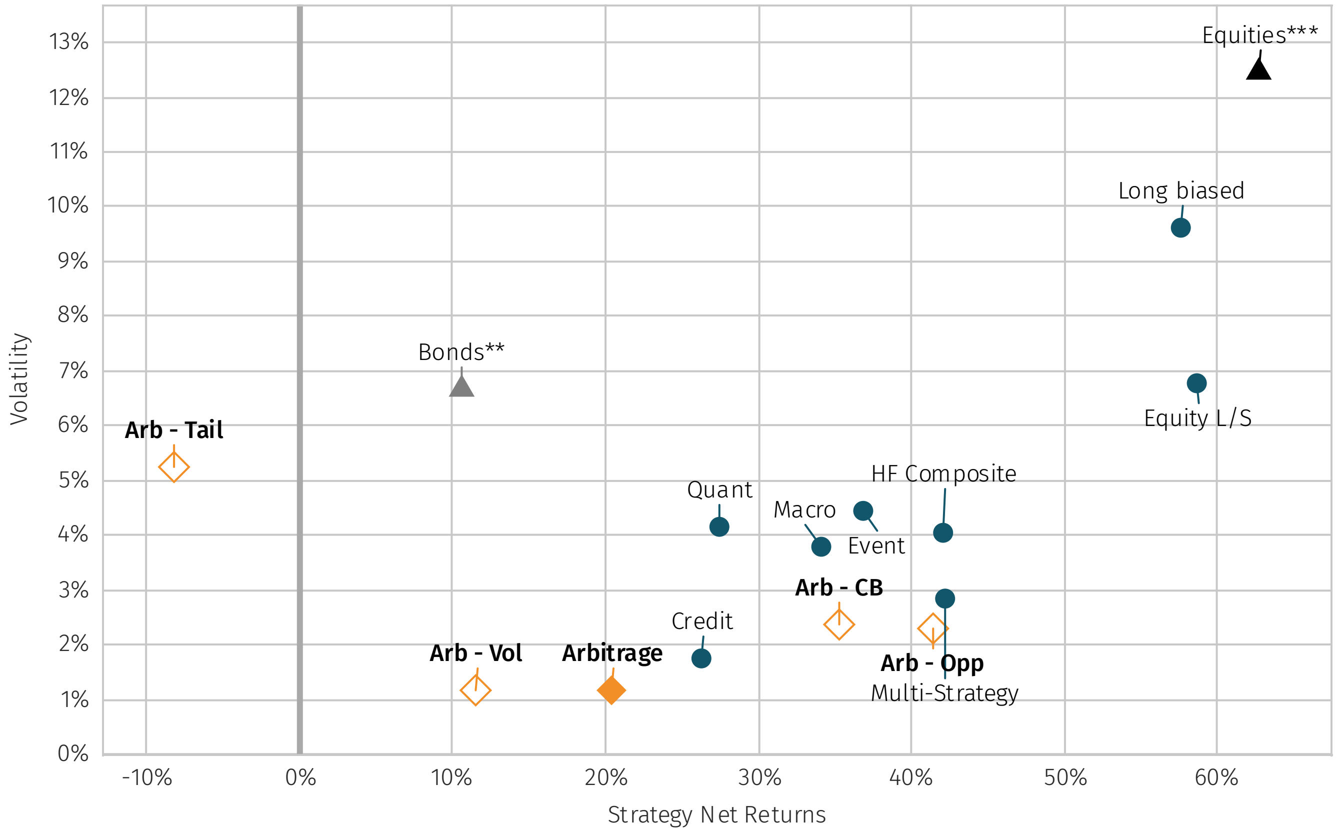


HIERARCHICAL ANNUALISED NET RETURN TO JUNE 2026

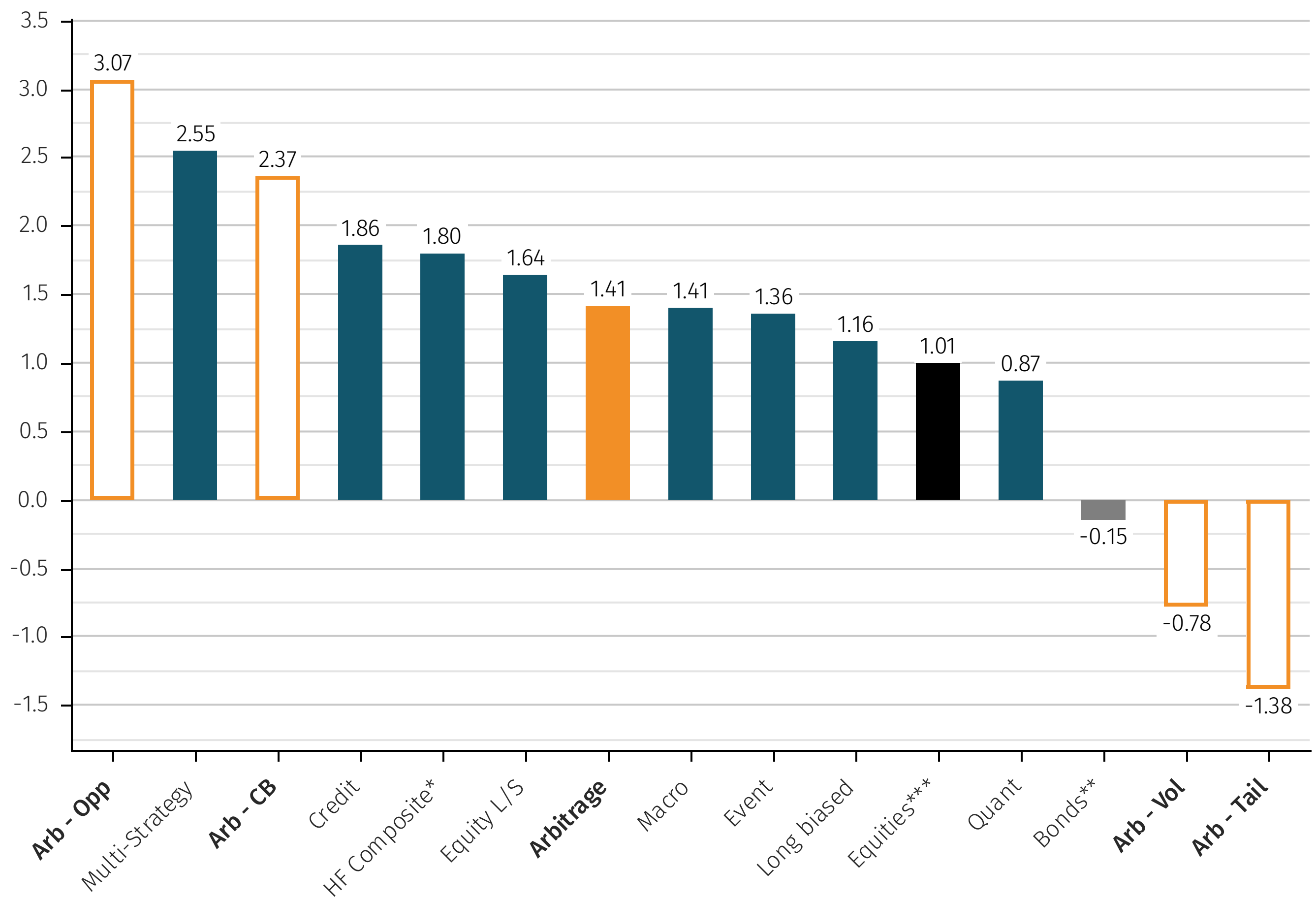
6 MONTHS	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Equity L/S 30.9%	**Equity L/S** 28.1%	**Equity L/S** 16.6%	**Multi-Strategy** 10.6%	**Multi-Strategy** 9.5%
Long biased 22.3%	**Long biased** 19.6%	**Long biased** 16.4%	**Equity L/S** 9.0%	**Equity L/S** 9.1%
Multi-Strategy 17.3%	**Multi-Strategy** 16.3%	**Multi-Strategy** 12.4%	**Long biased** 8.6%	**Long biased** 9.1%
HF Composite* 17.2%	**HF Composite*** 16.3%	**HF Composite*** 12.4%	**HF Composite*** 7.9%	**Event** 8.1%
Quant 14.8%	**Quant** 14.3%	**Event** 11.0%	**Quant** 7.4%	**HF Composite*** 7.5%
Event 9.7%	**Event** 10.7%	**Macro** 10.3%	**Macro** 7.1%	**Macro** 6.0%
Arbitrage **8.9%**	**Macro** 10.5%	**Quant** 8.4%	**Event** 6.8%	**Credit** 5.7%
Macro 8.1%	**Arbitrage** **8.6%**	**Credit** 8.1%	**Credit** 5.4%	**Quant** 4.5%
Credit 6.1%	**Credit** 6.0%	**Arbitrage** **6.4%**	**Arbitrage** **4.8%**	**Arbitrage** **4.0%**

**HF Composite = Aurum Hedge Fund Data Engine Asset Weighted Composite Index.*
Source: Aurum Hedge Fund Data Engine.

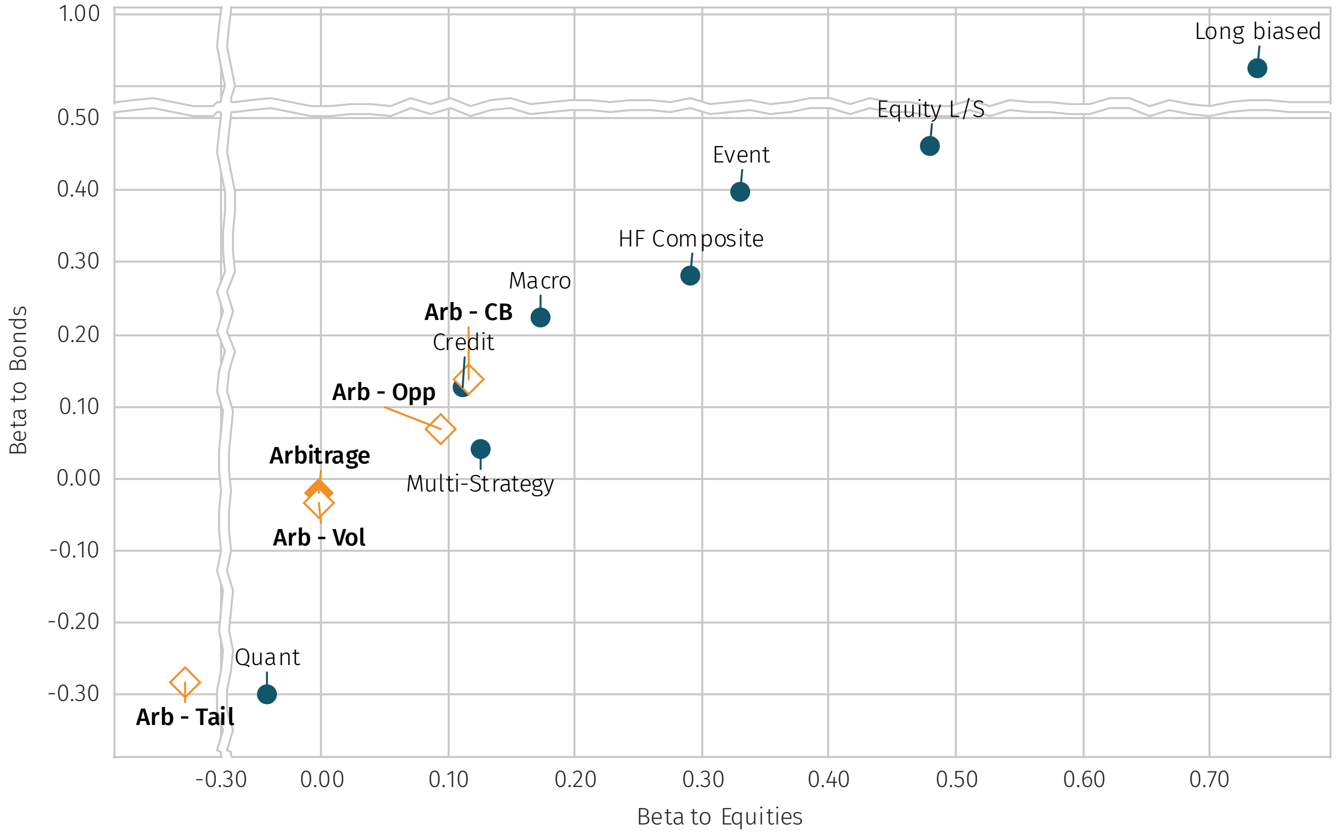
STRATEGY NET TOTAL RETURN VS ANNUALISED VOL (3 YR)



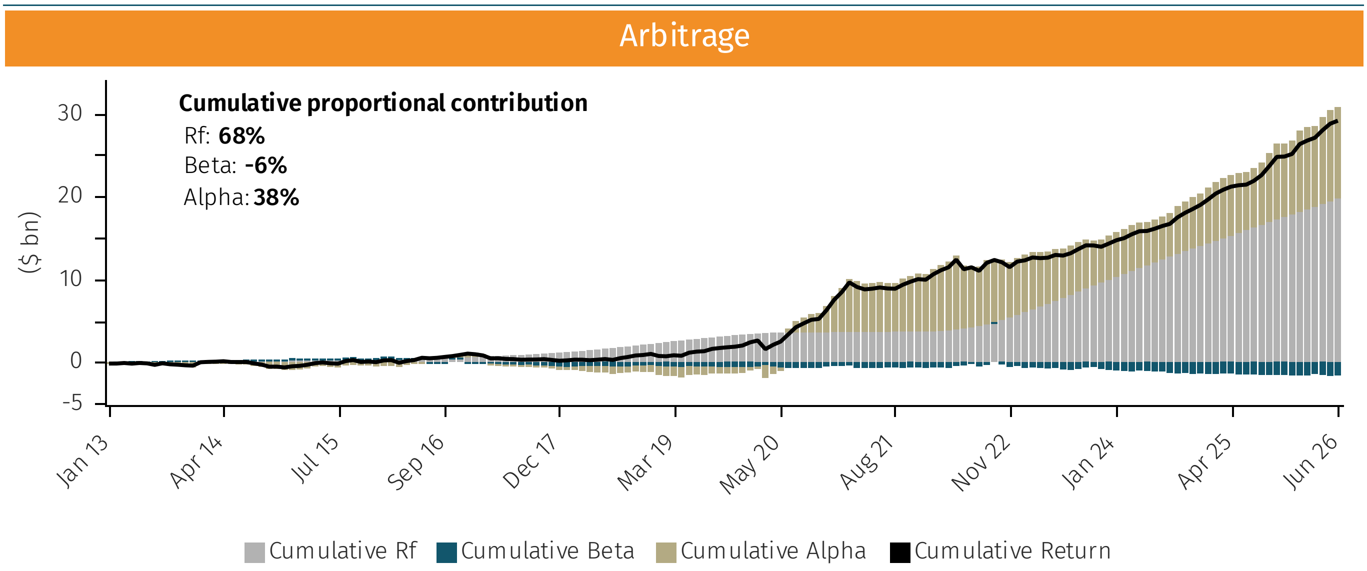
SHARPE RATIO BY HEDGE FUND STRATEGY (3 YR)



BETA TO BONDS AND BETA TO EQUITIES (3 YR) PERIOD TO JUNE 2026



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

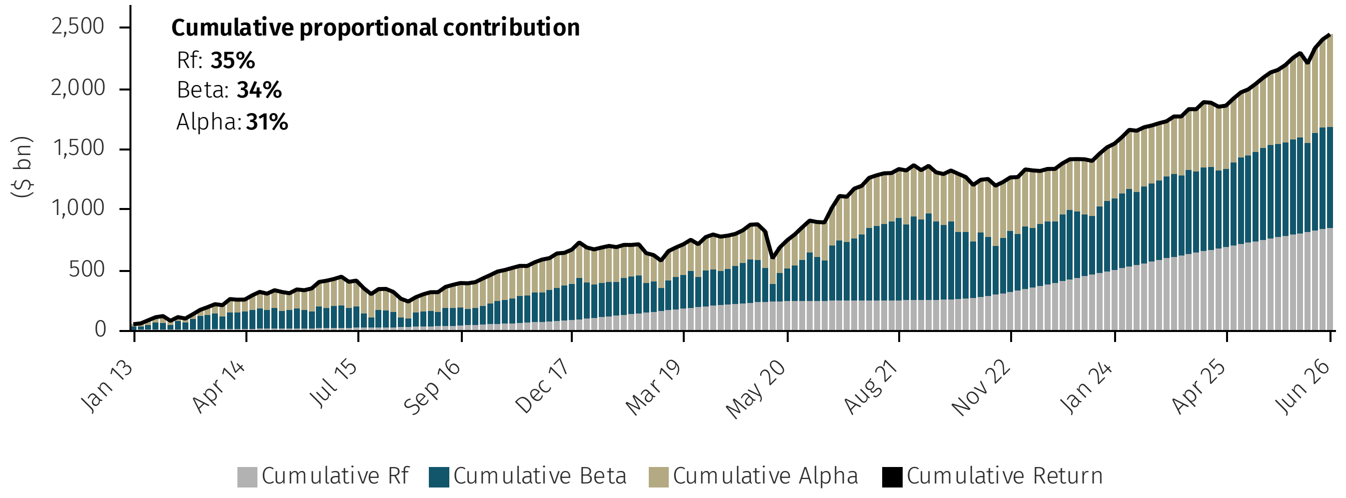


*These charts decompose the Hedge Fund Composite dollar returns into Beta, Alpha and Risk free ("Rf") components, as follows: Alpha = Actual return – Rf – Beta * (Market return – Rf).*

Where Rf is the Risk-free rate as defined by a rolling 3-month LIBOR-SOFR, where market return is that of MSCI World Index USD ('the market index') and where Beta has been calculated with respect to each underlying fund observed on a 60m 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.

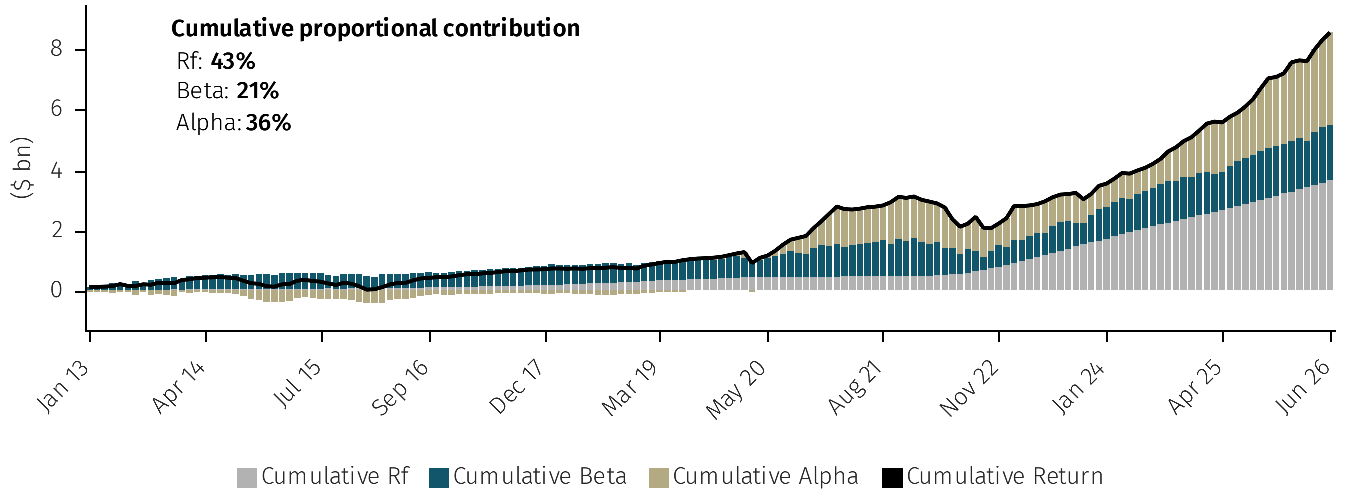
HF COMPOSITE* - DECOMPOSING DOLLAR PERF. INTO ALPHA, BETA AND RISK FREE (RF) COMPONENTS

HF Composite*

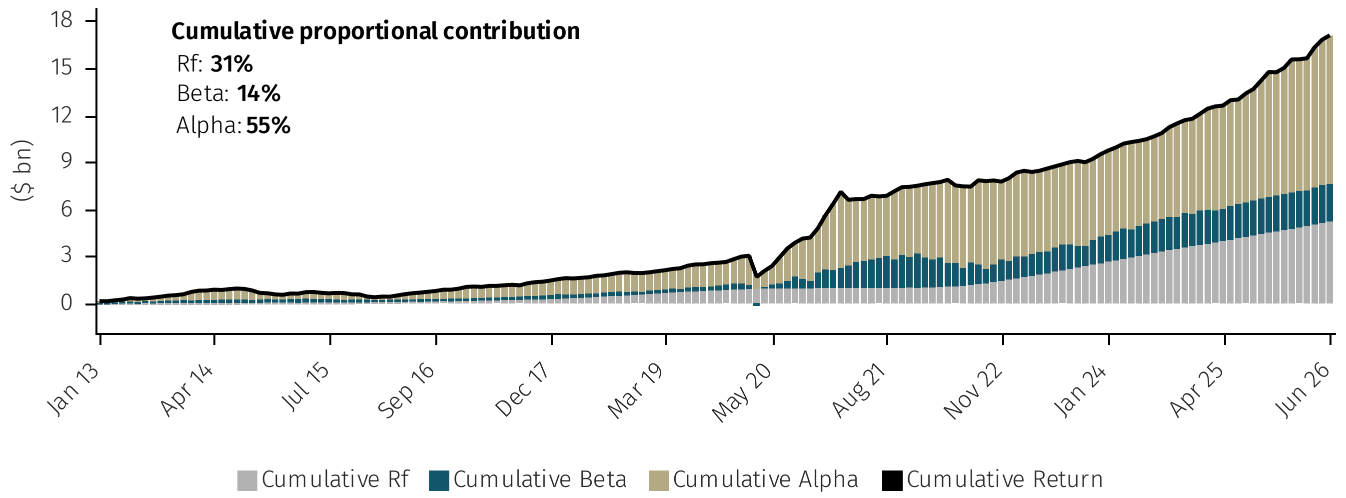


SUB-STRATEGY - DECOMPOSING DOLLAR PERF. INTO ALPHA, BETA AND RISK FREE (RF) COMPONENTS

Arb - CB

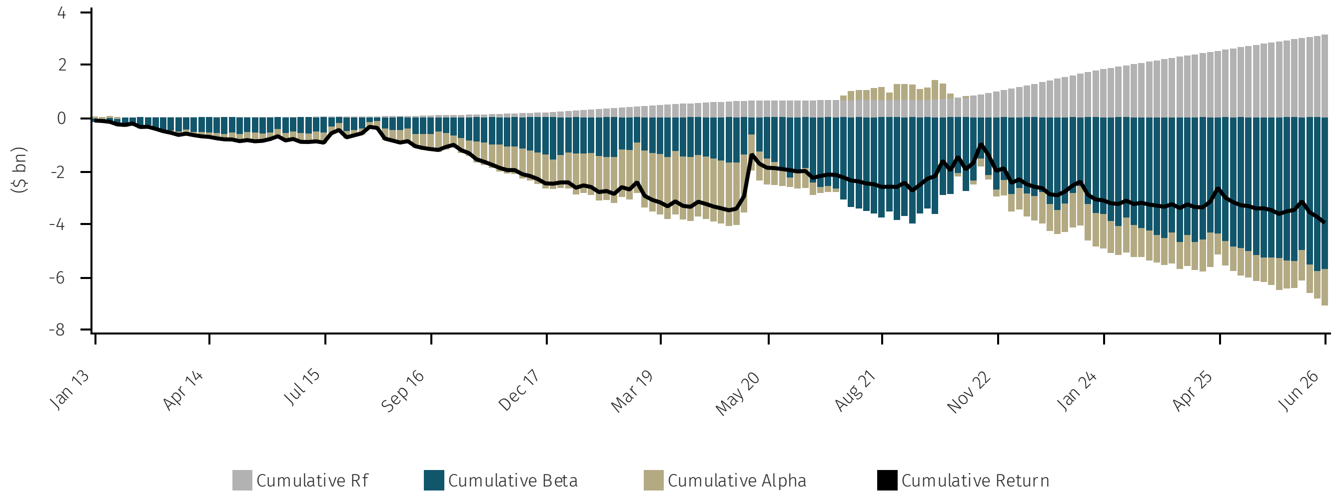


Arb - Opp



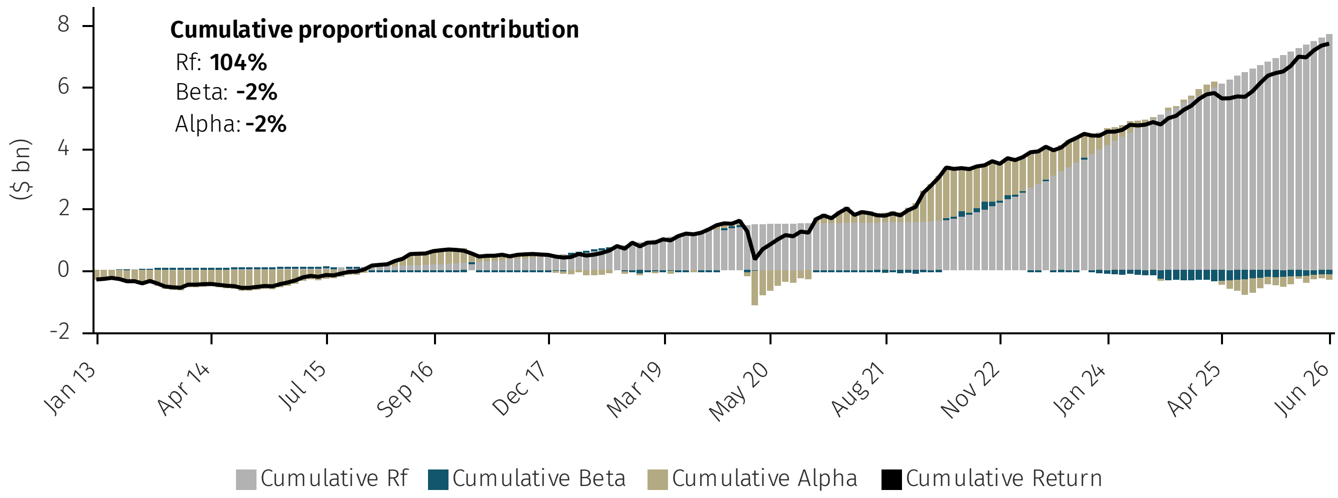
Source: Aurum Hedge Fund Data Engine, Bloomberg.
**HF Composite = Aurum Hedge Fund Data Engine Asset Weighted Composite Index.*

Arb - Tail



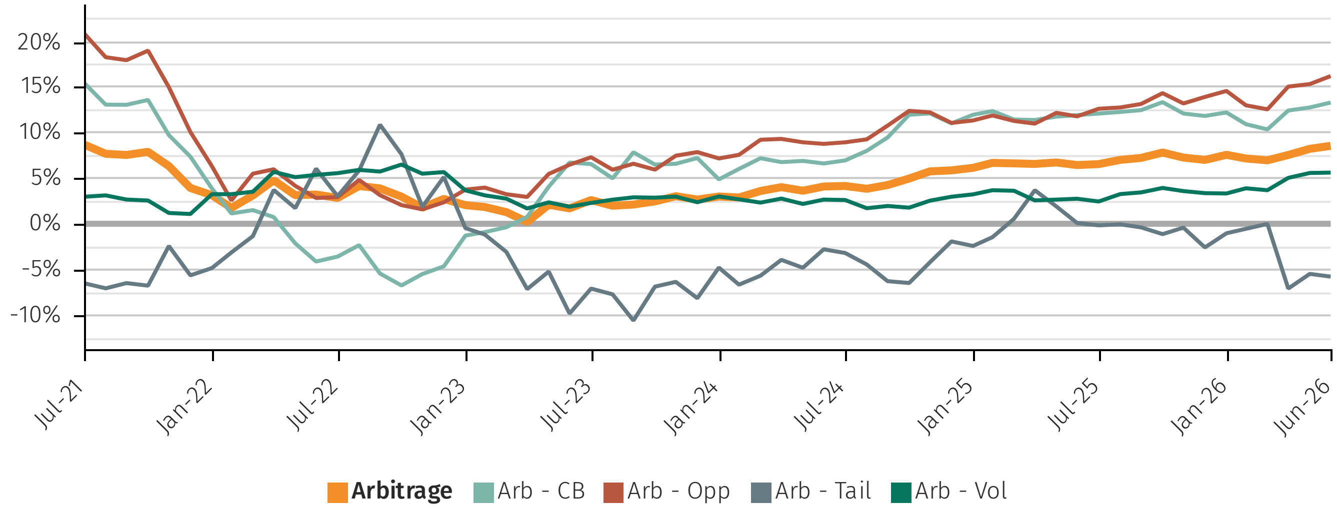
Due to cumulative dollar contribution being less than zero we have removed the accompanying data panel.

Arb - Vol

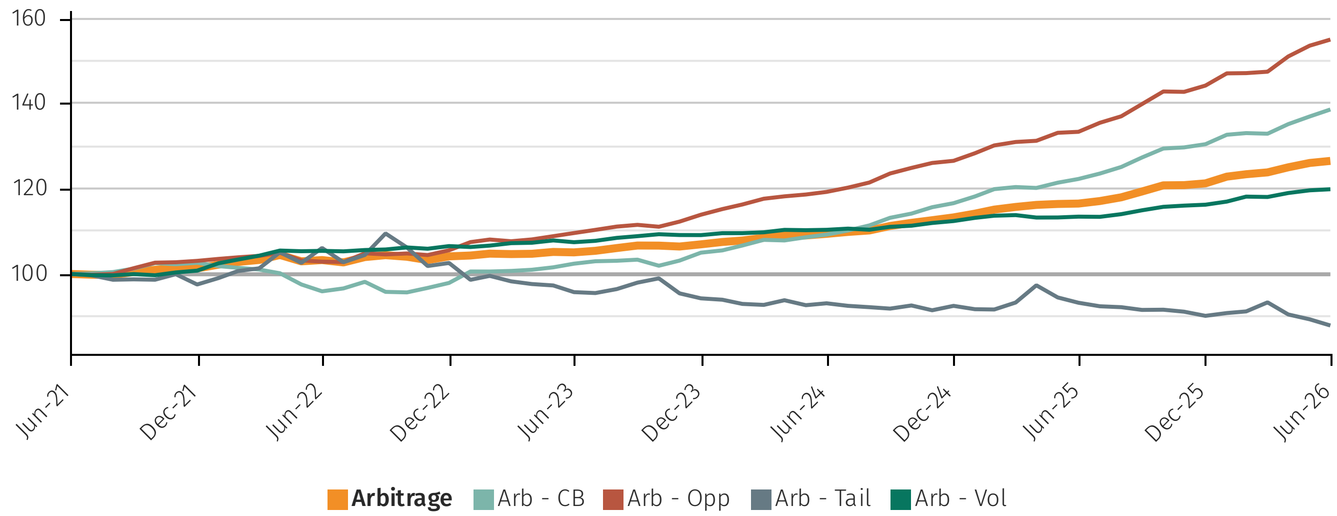


Sub-strategy performance

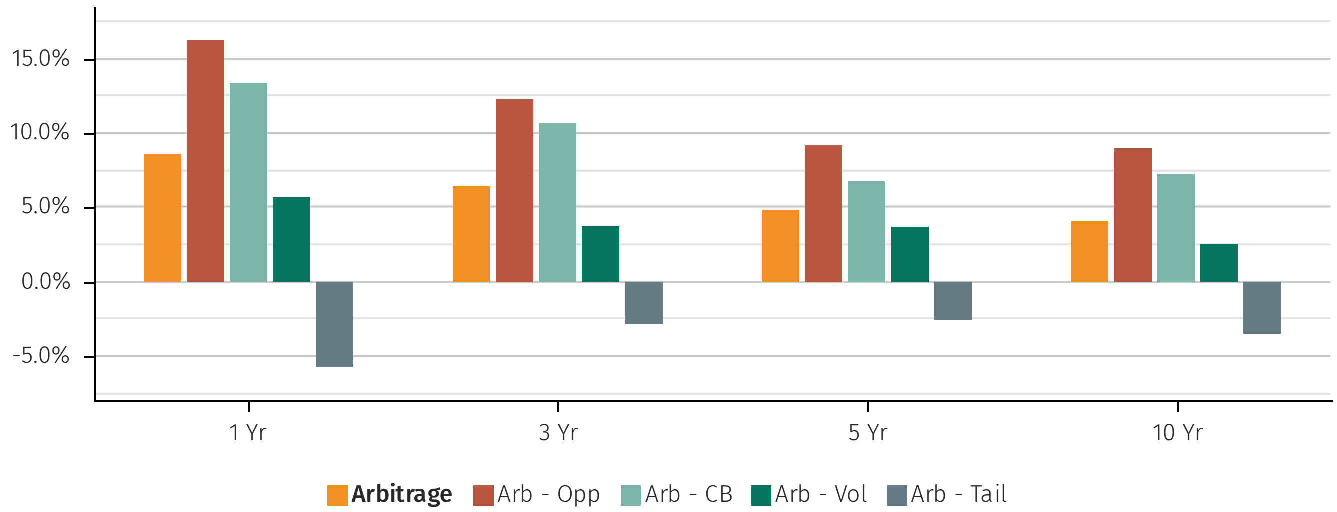
ROLLING 12 MONTH NET RETURN (5 YR)



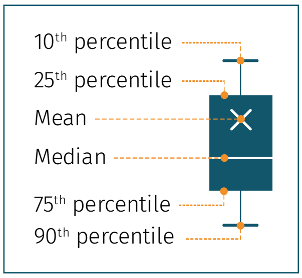
CUMULATIVE NET RETURN (5 YR)



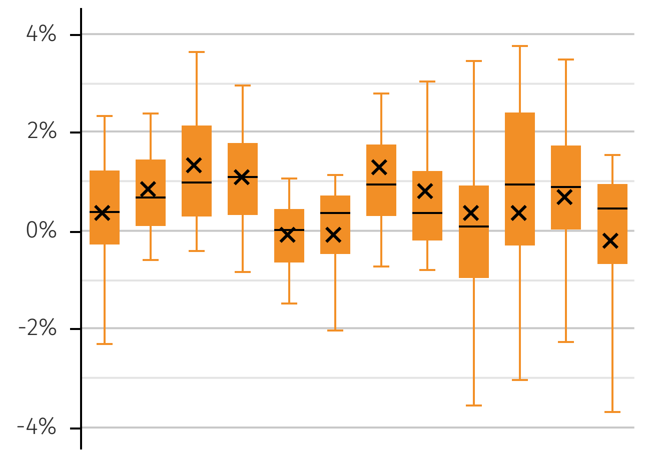
COMPOUND RETURN (ANNUALISED)



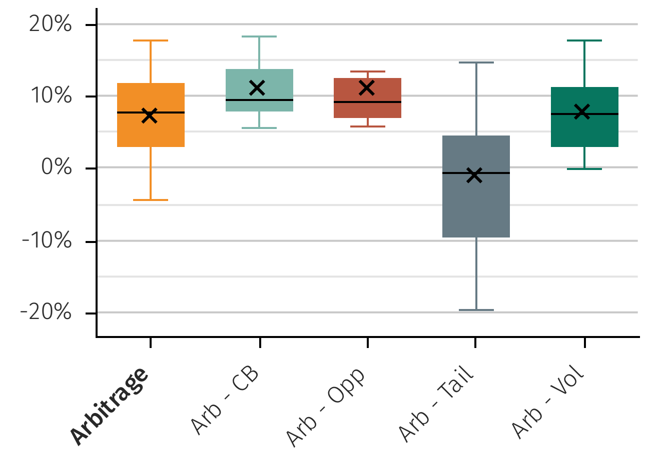
Performance dispersion



MASTER STRATEGY NET RETURN DISTRIBUTION

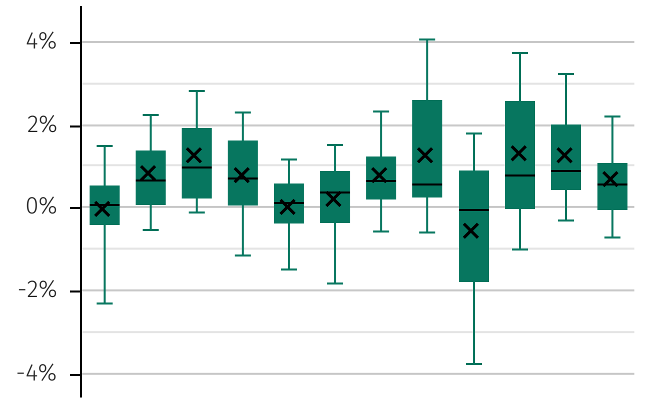


SUB-STRATEGY NET RETURN (1 YR)

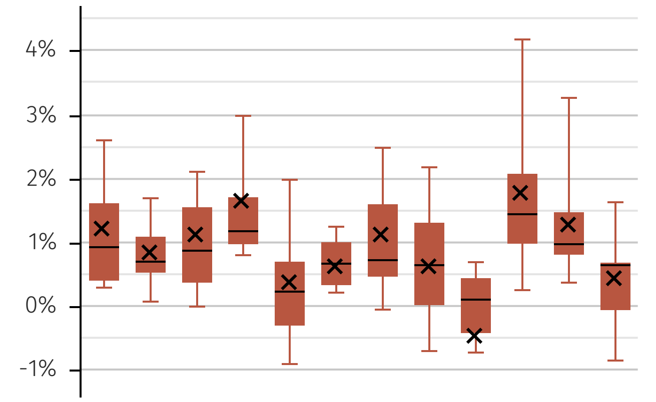


SUB-STRATEGIES NET MONTHLY RETURN DISTRIBUTION

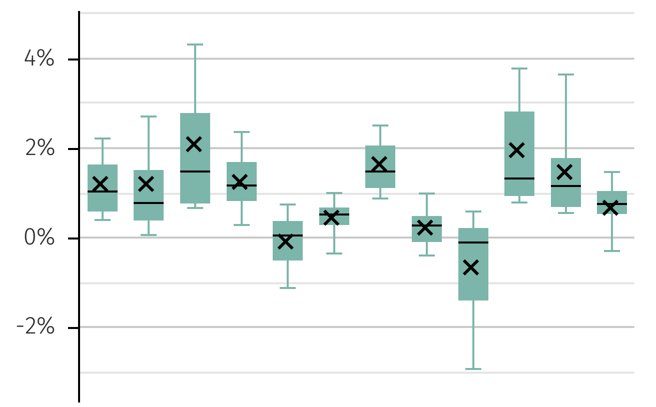
Arb - Vol



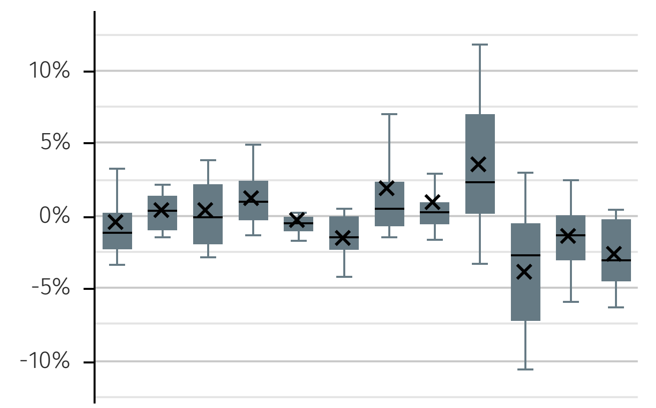
Arb - Opp



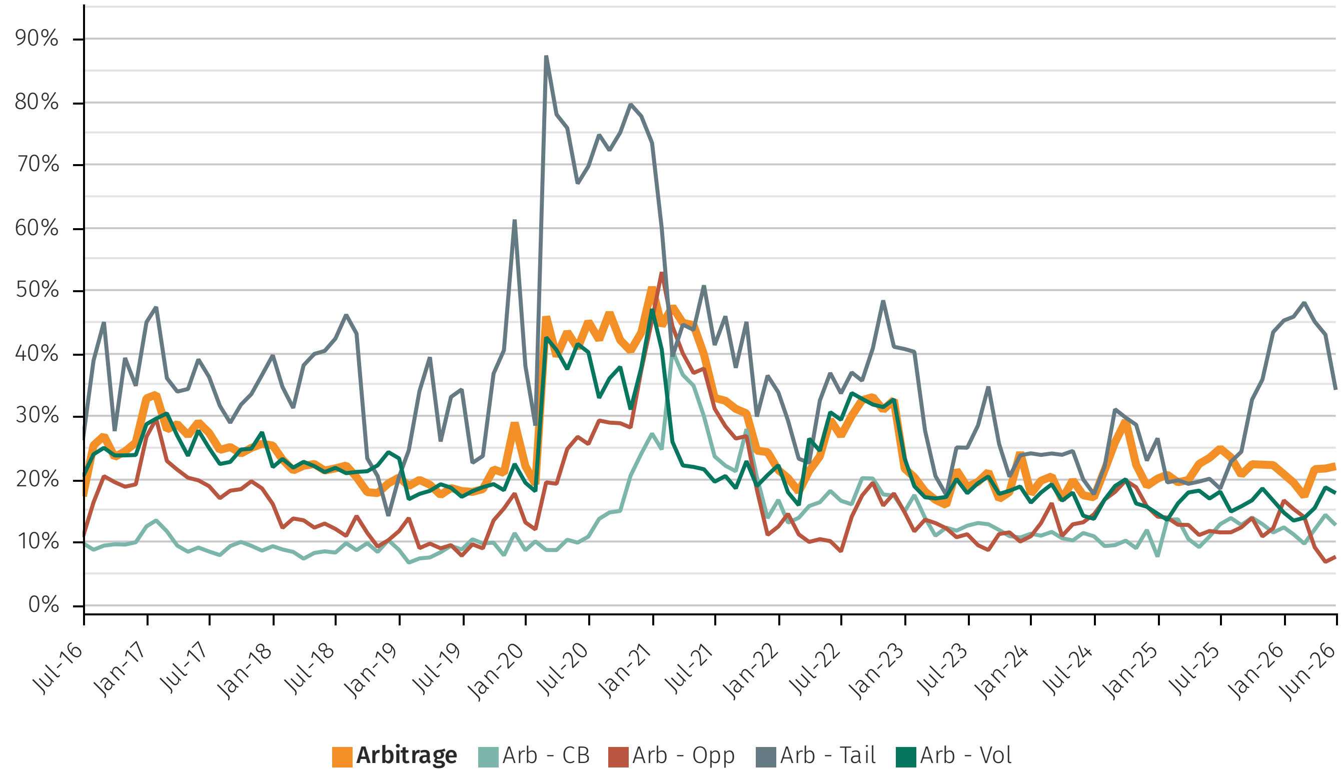
Arb - CB



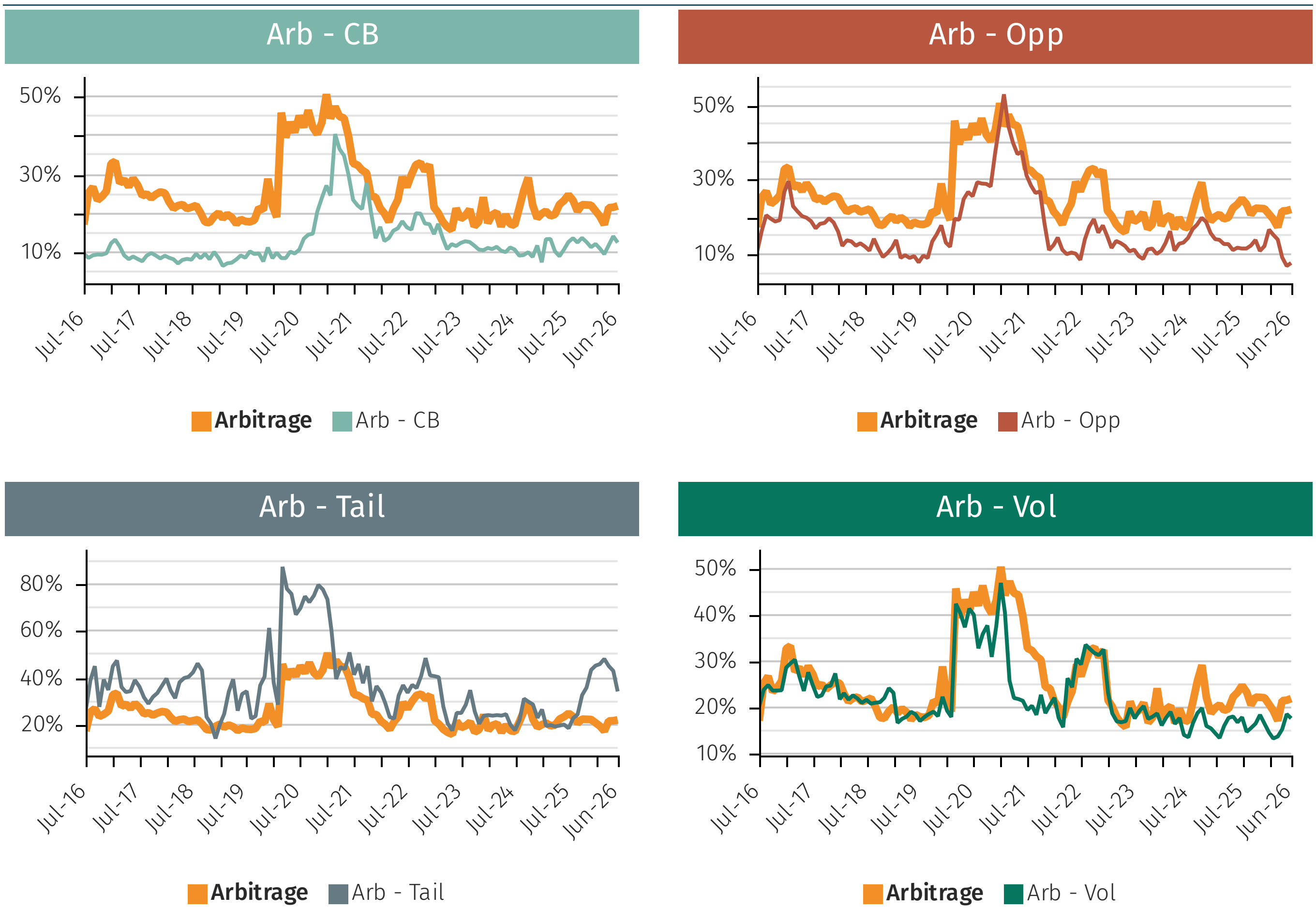
Arb - Tail



10th – 90th PERCENTILE 12M ROLLING PERFORMANCE SPREAD



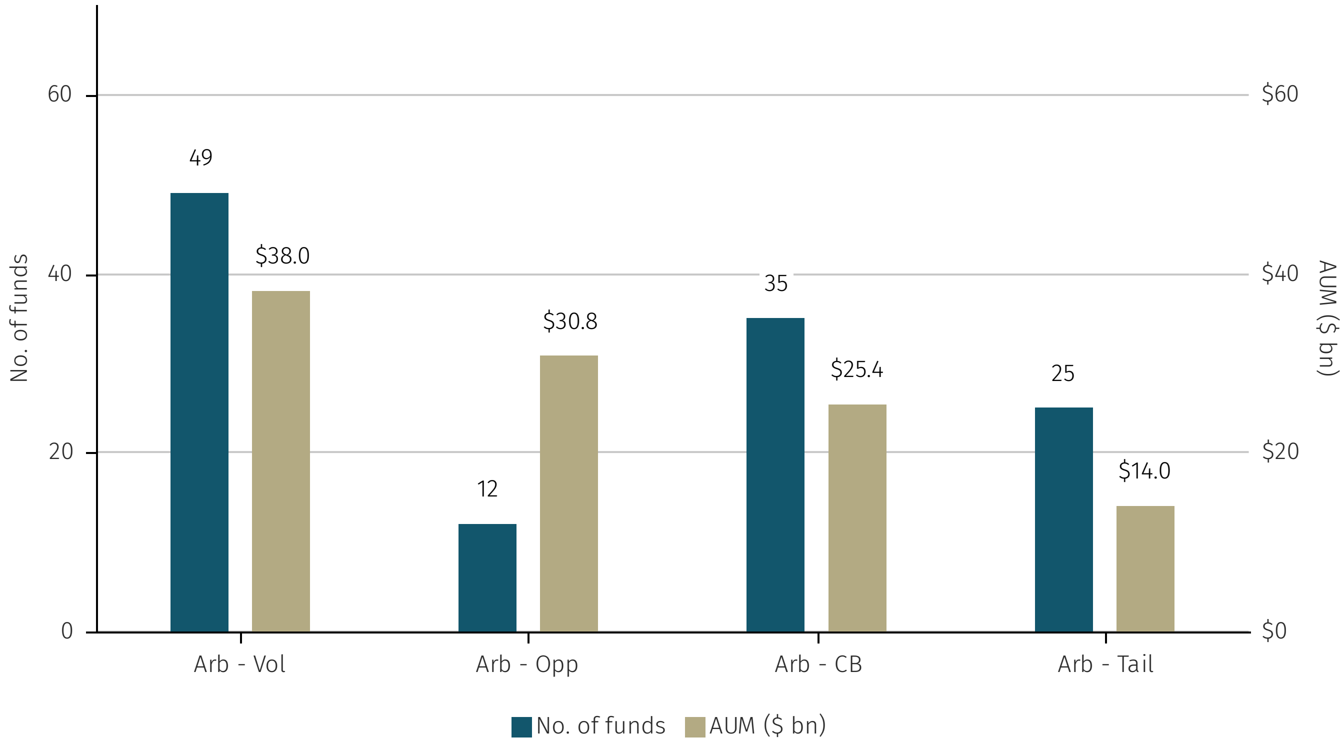
10th – 90th PERCENTILE 12M ROLLING PERFORMANCE SPREAD - SUB STRATEGY VS MASTER STRATEGY



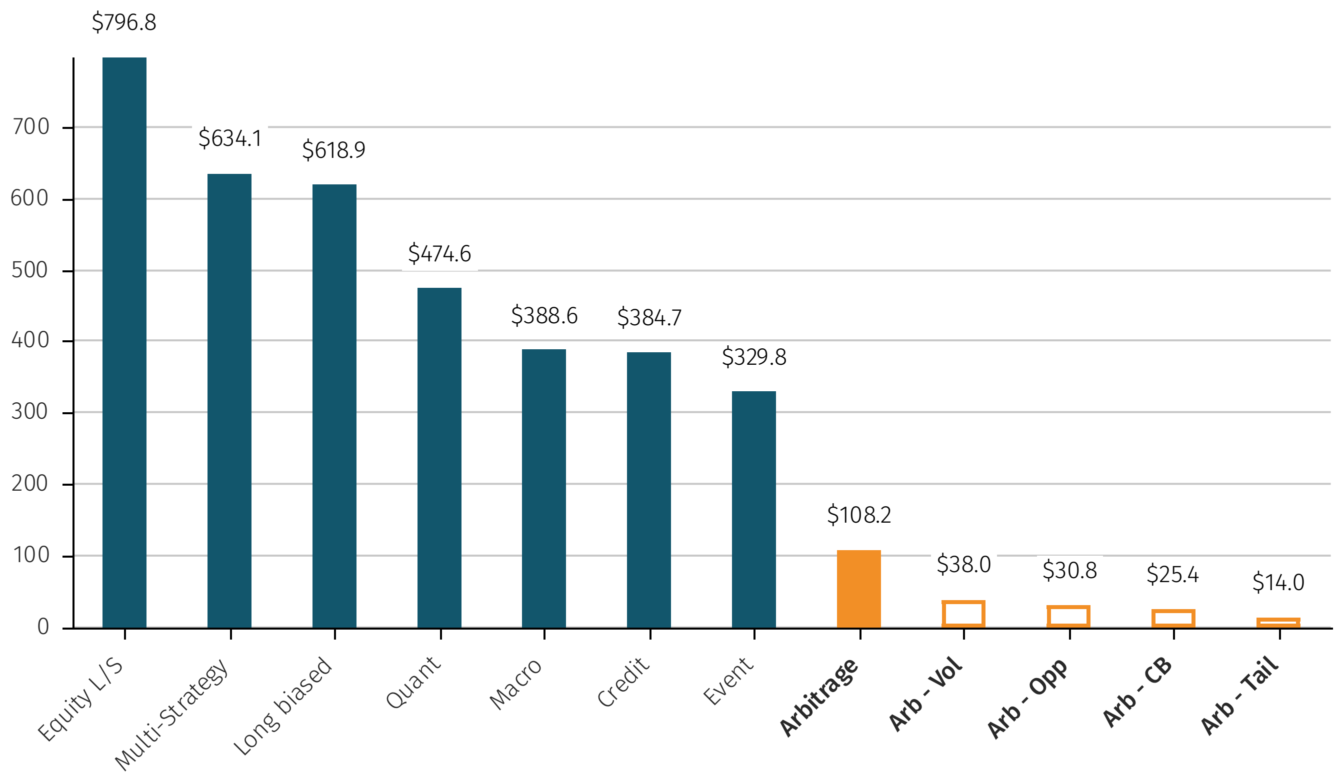
Performance dispersion uses equally weighted returns. Source: Aurum Hedge Fund Data Engine

Assets and flows

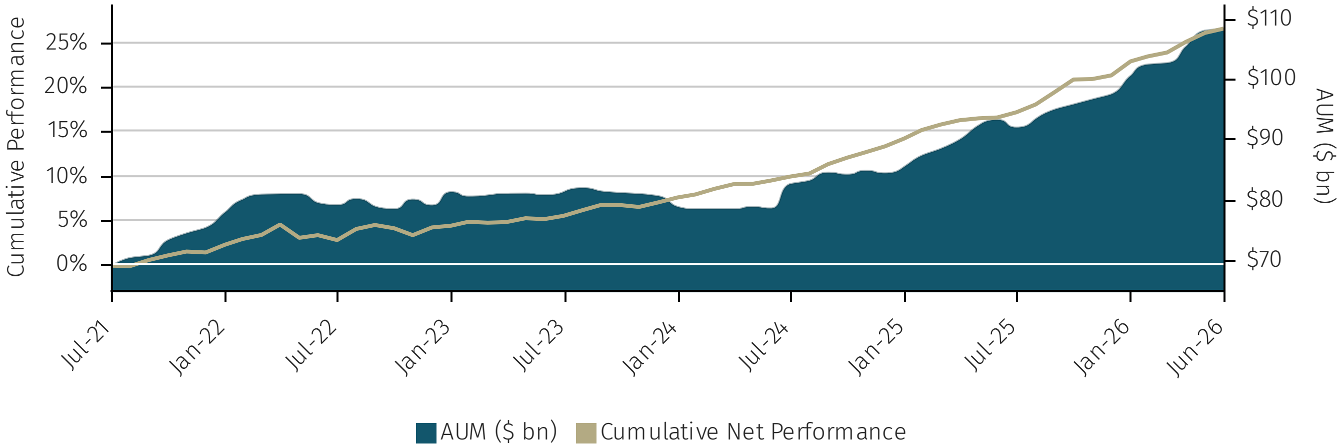
NUMBER OF FUNDS AND AUM BY SUB-STRATEGY



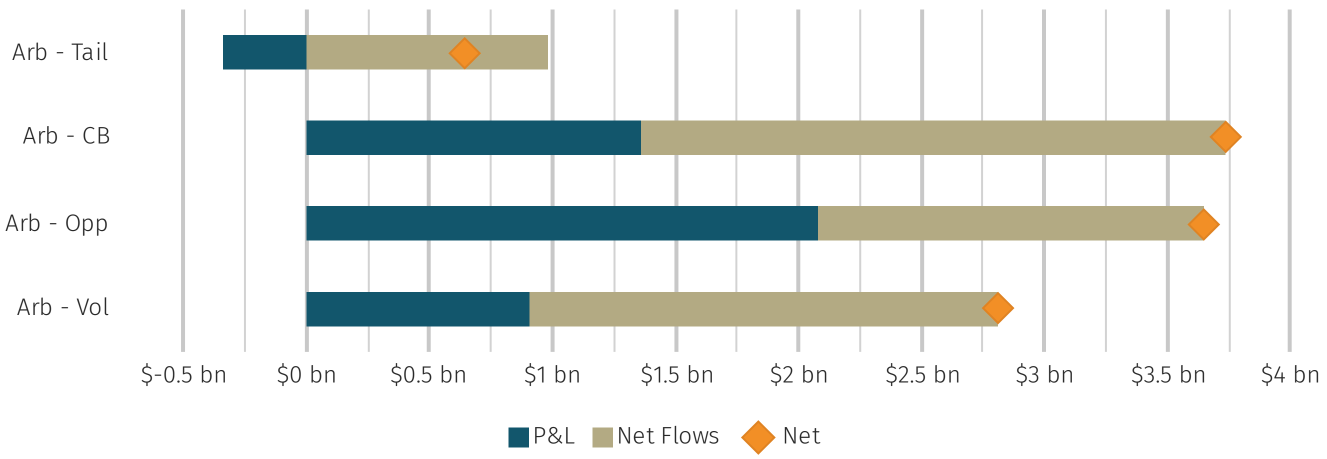
CURRENT AUM OF MASTER STRATEGY ($ BN)



MASTER STRATEGY ASSETS (5 YR)*



12-MONTH CHANGE IN AUM BY SUB-STRATEGY



Terms and conditions

	Median redemption notice (days)	Median redemption frequency	Weighted avg. redemption total (days)[1]	Weighted avg. management fee	Weighted avg. performance fee
Arbitrage	**30**	**Monthly**	**96**	**1.28%**	**18.52%**
Convertible bond (CB)	45	Quarterly	106	1.42%	18.43%
Opportunistic (Opp)	60	Quarterly	139	1.17%	18.58%
Tail protection (Tail)	30	Monthly	58	1.22%	18.30%
Volatility arbitrage (Vol)	15	Fortnightly	57	1.28%	18.68%

[1]*Weighted Avg. Redemption Total (Days) is the weighted average of both redemptions notice days and redemption frequency days.*

Definitions

Arbitrage

Master strategy: Strategies that look to benefit from mispricings of the same instrument/asset or extremely closely related instrument. The strategy covers the following areas: convertible bond arbitrage, tail protection, volatility or opportunistic trades in this area, including but not limited to other areas such as capital structure arbitrage, ETF arbitrage or arbitrage of other closely related instruments.

Convertible bond (Arb – CB)

Traditionally the strategy looks to isolate mispriced components of convertible bond ('CB') securities in order to capture a return to fair value. CBs essentially consist of a bond plus an embedded call option on the equity. Key valuation components relate to the credit (bond component) and the volatility (option and equity component). Those components other than the component believed to be mispriced are typically hedged in order to isolate the mispricing.

Tail protection (Arb – Tail)

Strategies that explicitly look to benefit from tail events (large market moves to the downside), typically either in the form of large spikes in volatility (either from implied or realised volatility), or from significant moves in the underlying spot price (long gamma) or a particular asset. Some tail protection strategies also look to benefit from sudden/large moves in spread relationships, which are typically tight, but which can move to extremes during periods of stress.

Volatility arbitrage (Arb – Vol)

Traditionally the strategy looks to identify the mispricing of volatility. Funds may incorporate exposure to factors such as implied volatility, dividends, skew, term structure and correlation. Funds may be biased short, long or neutral to Greek exposures such as delta, vega and gamma.

Opportunistic (Arb – Opp)

Strategies that look to benefit from inconsistent/mispricing of the same instrument/asset or extremely closely related assets. Opportunistic arbitrage strategies typically have the flexibility to trade across multiple areas, but tend to specialise in a combination of volatility trading, convertible bonds and capital structure arbitrage trades. But they may also focus on other niche areas in order to capitalise upon perceived mispricing. The narrow arbitrage focus is why they are better considered as part of arbitrage, rather than in the broader multi-strategy classification.

Bond Index

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Equity Index

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