

Hedge Fund Industry Snapshot

Data as of March 2013

Americas

New York: +800 773-2889
San Francisco: +415 617-8554

EMEA

EMEA: +44 0 207-986-0822

Asia Pac

Hong Kong: +852 2501-8356
Tokyo: +813 6270-3165
Singapore: +65 6432-1223
Australia: +612 8225-6424

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Citi Prime Finance

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Highlights

Performance, AUM & Flows

- Composite hedge fund performance, equal-weighted across funds, was up in March 2013 with performance ranging from +0.72% to +1.45%. Returns were higher than the previous month which experienced +0.29% to +0.69% over the same period.
- Hedge fund strategy wise, top performing strategies in March 2013 include Equity Long/Short +1.83%, Distressed +1.63% , Multi Strategy +1.37%, Event Driven + 1.26% and Global Macro at +0.97%. The lowest performing strategies include Dedicated Short -3.2%, Emerging Markets -0.51% and CTA/Managed Futures at +0.50%.
- According to eVestment|HFN, industry assets for March 2013 increased for the fifth consecutive month, finishing net positive at +\$9.13 billion. Gains were solely attributed solely to performance totaling +\$20.84 billion while net negative investor flows accounted for -\$11.71 billion.
- Net negative investor flows of -\$11.71 billion for March 2013 marks the first period of net negative flows since December 2012 which experienced -\$12.76 billion. March 2013 flows stand in contrast to mean monthly flows for 2012 which stood at +\$2.2 billion.

Fund Profiles

- Across the subset of hedge funds reporting performance and AUM, the monthly median performance for large single funds (>\$500 million) was +1.2%, medium single funds (\$100–\$500 million) +1.0% and small single funds (<\$100 million) +1.0%.
- Liquidity terms continued its consistent pattern from the recent reporting periods showing little changes to redemption notice periods with 66% of funds requiring 30 days or less notice for redemption. Across the entire subset of reporting funds, the majority (52%) required no lockup (43%) or less than 1 year lock up (9%).
- Consistent throughout recent reporting periods, large funds (>\$500 million AUM) continue to hold a large portion of industry AUM (71%) compared to medium funds (\$100–\$500 million) at 20% and small funds (<\$100 million) holding only 9%.

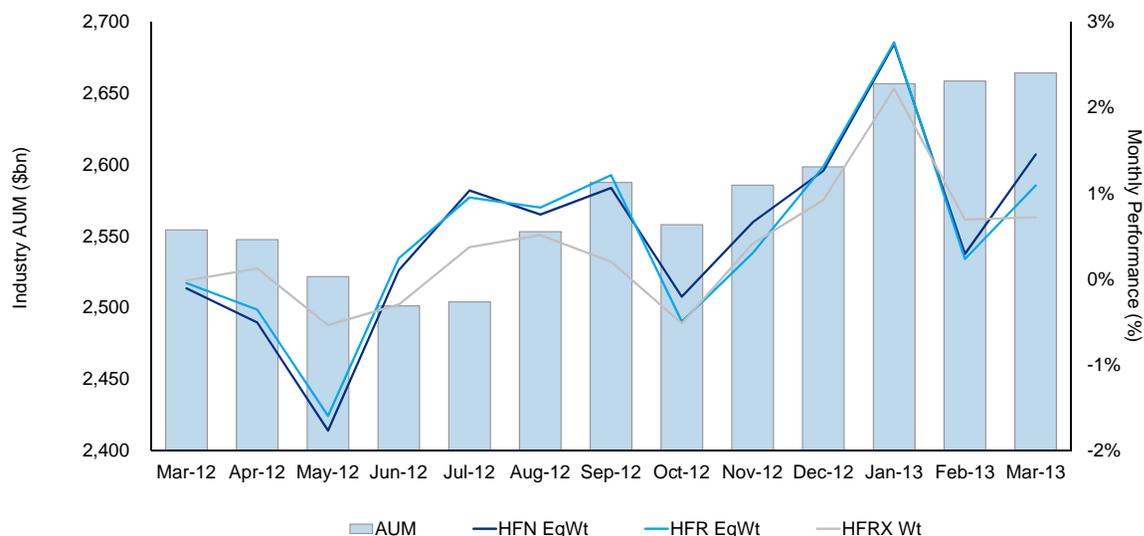
Leverage, Shorts and Futures Market Positioning

- On a global basis, we calculate gross leverage (as measured on a mean basis) at 1.76x in March 2013 versus 1.73x in February and 1.71x in January.
- Looking across both long leverage and gross leverage, the following strategies showed the highest uses of leverage: Equity Market Neutral (4.48x) , Global Macro (3.91x), Convertible Arbitrage (3.58x), and Multi Strategy (3.29x).
- Citi US short flows data included in this month's report show continued interest in the Consumer Discretionary and Financials sectors. These two sectors accounted for 34.69% of short executions and 25.72% of short covers in March versus 29.84 % of short executions and 30.29% of short covers in February 2013
- The biggest mover in large speculator (non-commercial) net positioning (Futures & Options) between end- March and end-February was in the EuroFX contracts with a rebuild in net- shorts to -8.9% of total open interest. Positioning in the S&P, Gold & TY contracts didn't move too much.

Hedge Fund Industry: AUM, Performance

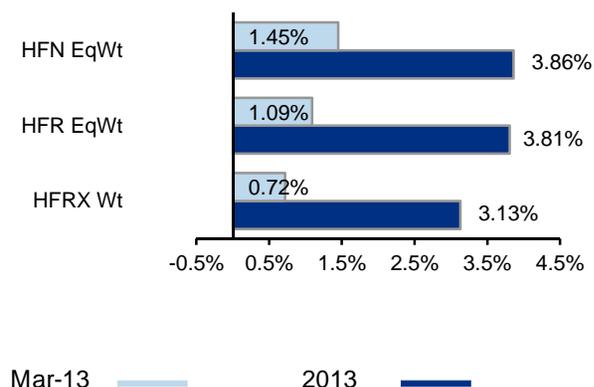
- Composite hedge fund performance, equal-weighted across funds, was up in March 2013 with performance ranging from +0.72% to +1.45%. Returns were higher than the previous month (February 2013 which experienced +0.29% to +0.69% over the same period).
- Global financial markets continued to extend gains through March as developed markets generally outperformed emerging markets, with US equities including both Dow Jones Industrial Average and S&P 500 closing the month and concluding 1Q13 at all-time record levels. Broad based March gains in US were led by Technology, Cyclical and Energy, with additional strength from Financials, Commodity and Small Cap exposures. Banks in Cyprus were closed for an extended period in March, as lenders, creditors, depositors and legislators negotiated a bailout for the EU member's largest banks to avoid a banking collapse. Both European and Asian equities posted mixed performance in March; Japan continued to lead Asian & global equity performance for 2013, with the Nikkei gaining over 8% for the month and 20% for the quarter, Australia, China, Hong Kong and Korea posted declines in March. The US dollar extend gains against the Euro, British Pound Sterling, and Japanese Yen, reaching highs of 4, 33 and 45 months, respectively.
- Hedge fund strategy wise, top performing strategies in March 2013 include Equity Long/Short +1.83%, Distressed +1.63%, Multi Strategy +1.37%, Event Driven + 1.26% and Global Macro at +0.97%. The lowest performing strategies include Dedicated Short -3.2%, Emerging Markets -0.51% and CTA/Managed Futures at +0.50%.

Monthly Industry AUM and Performance



Source: eVestment|HFN; Hedge Fund Research, Inc., © 2012.

Industry Performance: Mar 13 / YTD



Source: HFR, eVestment|HFN.

Note Pad

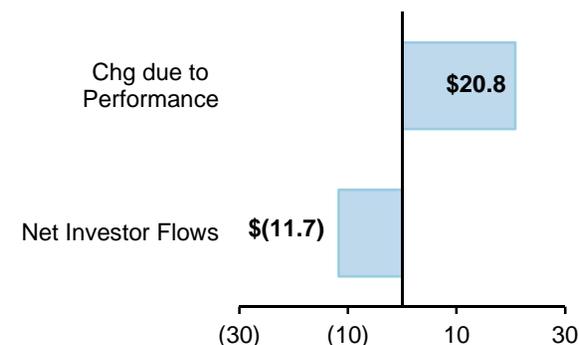
- MSCI World Index: +2.4%; +7.7% YTD
- MSCI EM Index: -1.9%; -1.8% YTD
- S&P 500: +3.8%; +10.3% YTD
- Citi US BIG Index: +0.1%; -0.2% YTD
- S&P GSCI: +0.8%; +0.7% YTD
- US Dollar Index: +1.3%; +4.0% YTD
- HFN Country Indices Mar-13/ YTD:
 - Brazil: -1.71% /+1.56%; Australia: +2.52% /-1.57%;
 - China: -1.94%/+2.47%; Japan: +5.34%/+12.63%

Hedge Fund Industry: Change in Industry Assets

- According to eVestment|HFN, industry assets for March 2013 increased for the fifth consecutive month, finishing net positive at +\$9.13 billion. Gains were solely attributed solely to performance totaling +\$20.84 billion while net negative investor flows accounted for -\$11.71 billion.
- March performance gains were the highest since January of this year and exceeded the mean monthly performance of 2012 which stood at +\$9.7 billion. March 2013 performance gains were higher March 2012 which experience \$-0.94 billion over the same period.
- Net negative investor flows of -\$11.71 billion for March 2013 marks the first period of net negative flows since December 2012 which experienced -\$12.76 billion. March 2013 flows stand in contrast to mean monthly flows for 2012 which stood at +\$2.2 billion. March 2012 net flows were -\$3.23 billion over the same period.
- Total industry AUM now stands at \$2.66 trillion for March 2013 an increase of +2.5% from December 2012 and an increase of +4.4% from March 2012. Industry AuM remains below its \$2.94 trillion June 2008 peak.

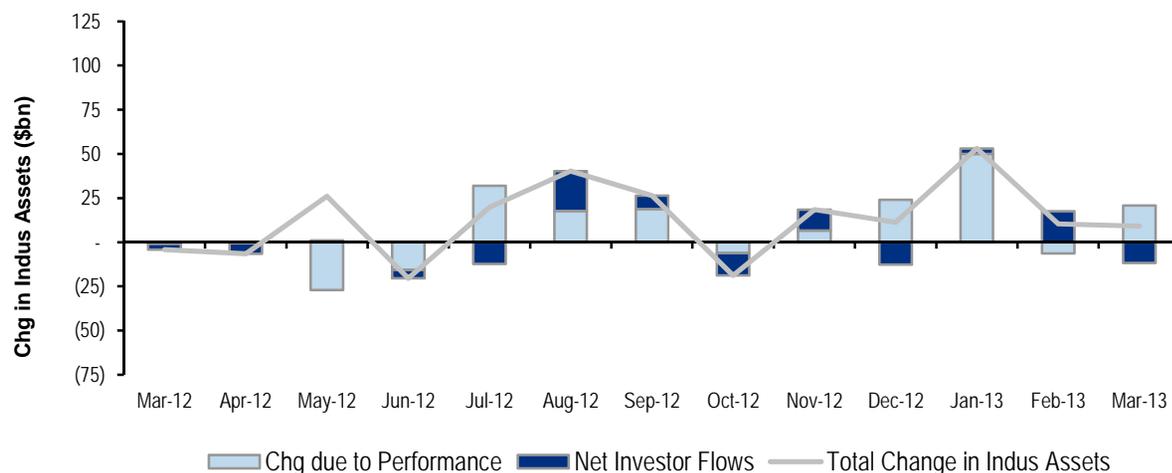
Composition of Change in Assets

Mar-13 Amounts in (\$ Billion)



Source: eVestment|HFN.

Monthly Change in Industry Assets and Composition



Source: eVestment|HFN.

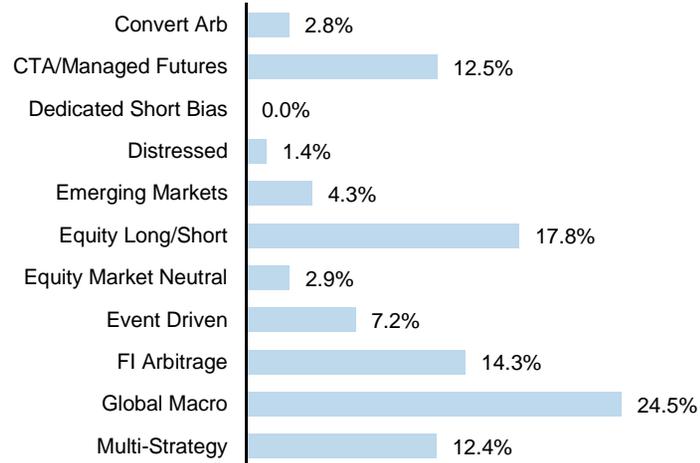
Note Pad

- The Citi Prime Finance calculation for gross leverage (as measured on a mean basis) 1.76x in March 2013 versus 1.73x in February, and 1.71x in January.

Gross leverage (mean): defined as sum of (LMV + abs SMV)/Net Equity

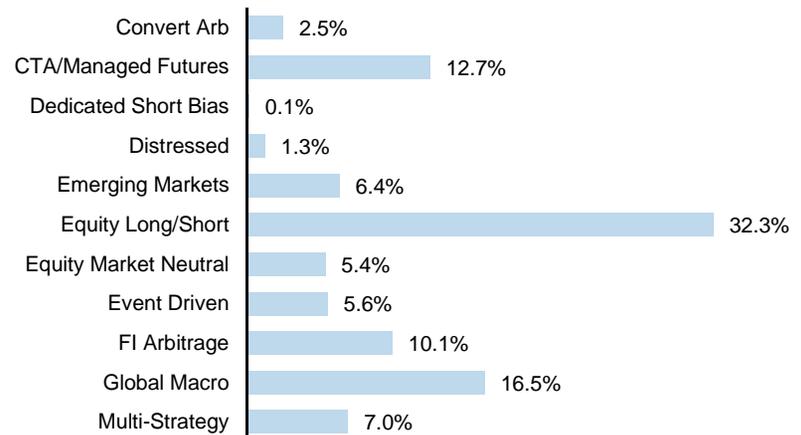
Hedge Fund Stats by Strategy

Hedge Fund Strategy Breakdown by Assets



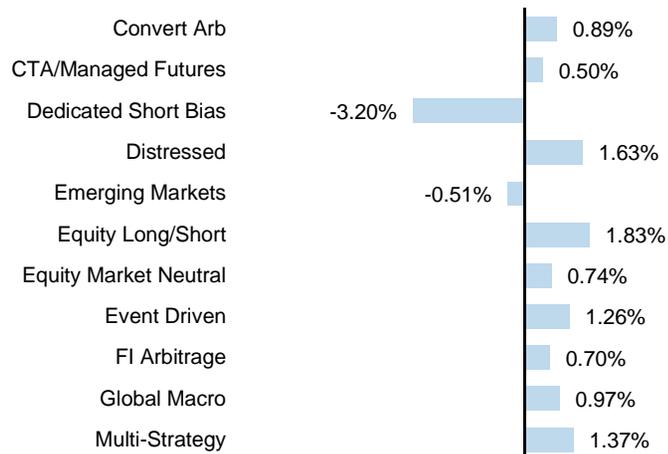
Source: Citi Prime Finance.

Hedge Fund Strategy Breakdown by Number of Funds



Source: Citi Prime Finance.

Hedge Fund Performance by Strategy

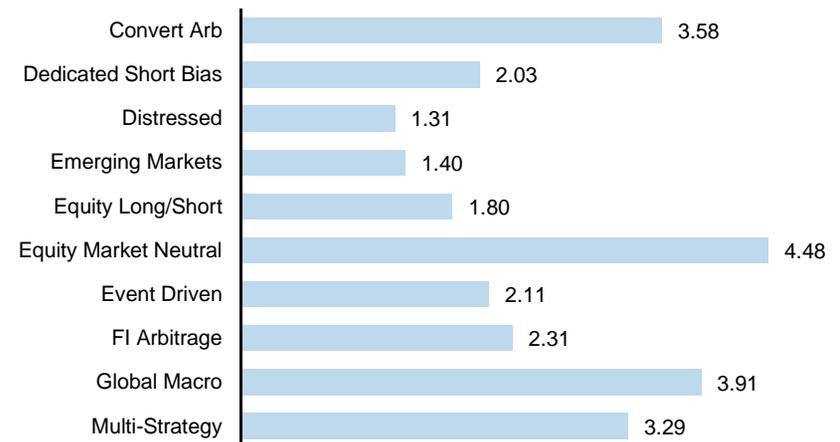


Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

Hedge Fund Leverage Ratios by Strategy

Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV)/Net Equity

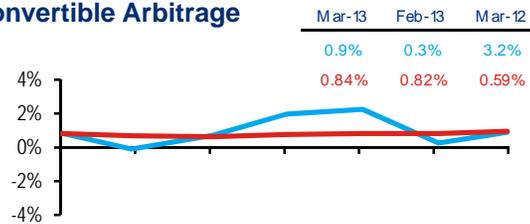


Source: Citi Prime Finance.

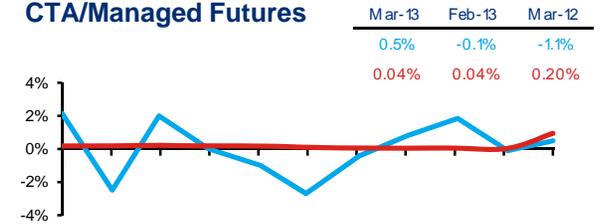
Monthly Performance by Strategy

— Monthly Median
— Trailing 60 Month Median

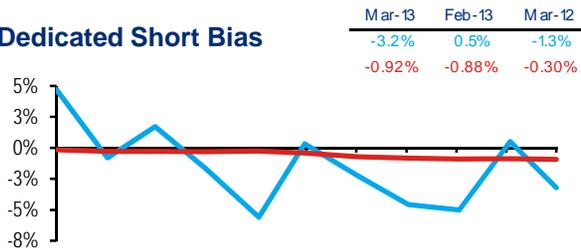
Convertible Arbitrage



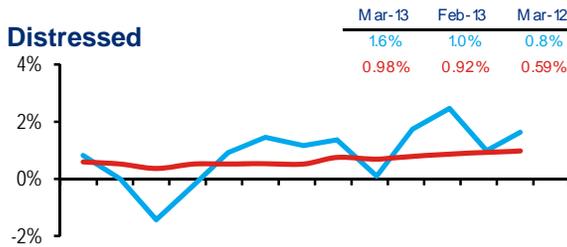
CTA/Managed Futures



Dedicated Short Bias



Distressed



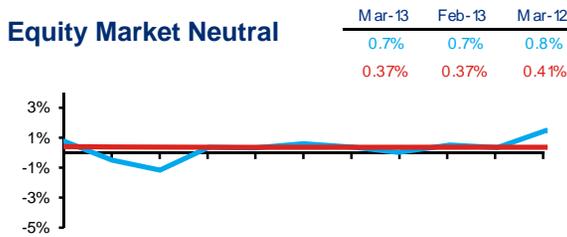
Emerging Markets



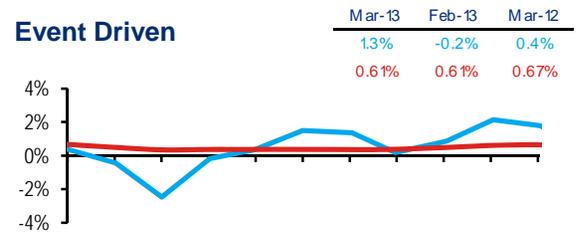
Equity Long/Short



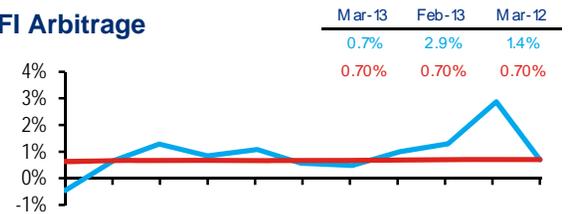
Equity Market Neutral



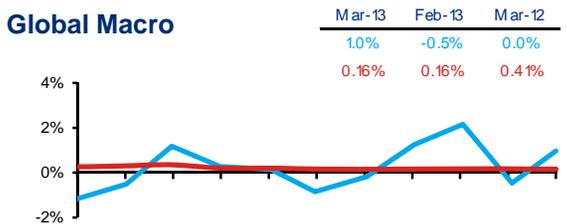
Event Driven



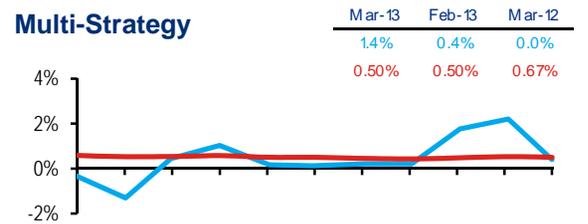
FI Arbitrage



Global Macro



Multi-Strategy

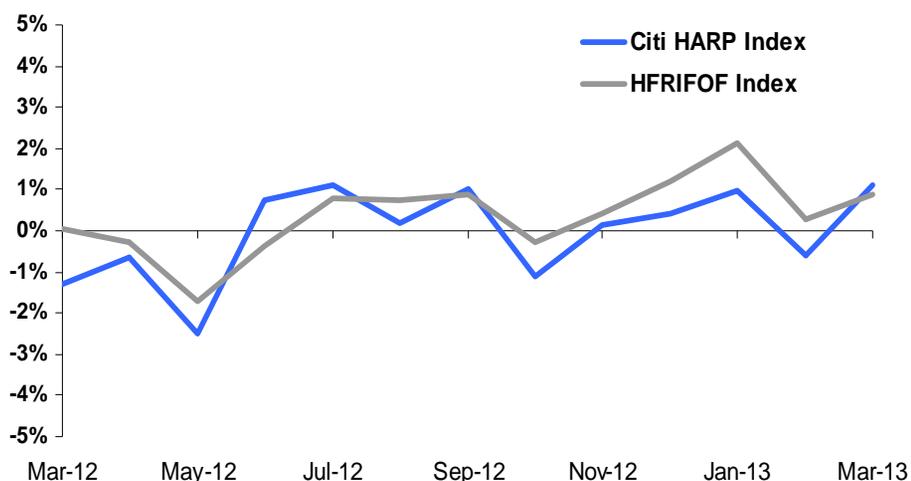


Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

Citi Liquid Hedge Fund Replicator (HARP)

Citi HARP Index vs. Benchmark (monthly rolling)



Citi HARP is a liquid investable index, which aims at approximating the performance of the hedge fund sector

	Mar-13	Feb-13	Mar-12	YTD-13
Citi Harp	1.11%	-0.60%	-1.30%	1.48%
HFRIFOF	0.90%	0.30%	0.05%	3.36%

Source: Citi and Hedge Fund Research, Inc., © www.hedgefundresearch.com
HFRIFOF Index is the HFRI Funds of Funds Composite Index

Annualized Performance: Last 12-Month	Citi HARP Index	HFRIFOF
Annualised Return	0.76%	4.78%
Annualised Volatility	3.81%	3.35%
Sharpe Ratio	0.18	1.50
Correlation	81%	-

The purpose of the Index is to approximate in broad terms the performance of the hedge fund sector by achieving a similarity between the pattern of the returns of the Index and the pattern of the returns of a Benchmark - the HFRI Fund of Funds Composite Index.

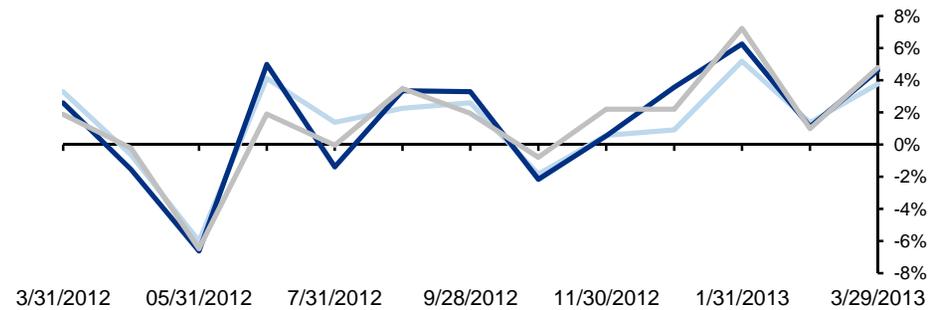
The Index contains weighted components. The components are a money market component and various index components. Each index component represents a class of asset in which the hedge fund sector is assumed to invest: bond, commodity, equity and foreign exchange.

The weighting within the Index of each component is determined monthly. Every month, a multiple linear regression algorithm is used to identify the appropriate weighting.

Market Performance

US Equities

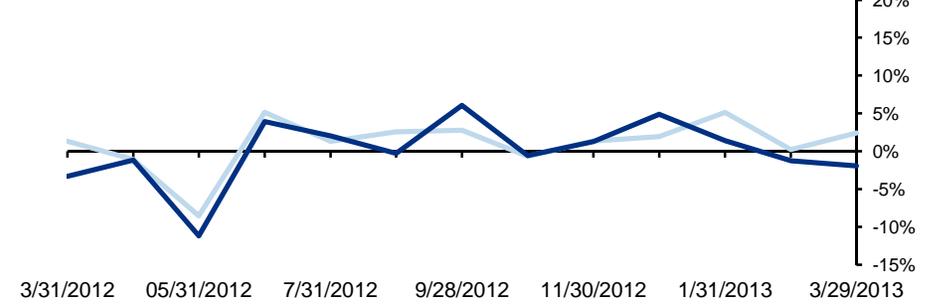
(Large Cap vs. Small Cap)



		Mar-13	Feb-13	Mar-12	YTD-13
S&P 500		3.8%	1.4%	3.3%	10.3%
RUS 2000		4.6%	1.1%	2.6%	12.0%
S&P Mid		4.8%	1.0%	1.9%	13.0%

Global Equities

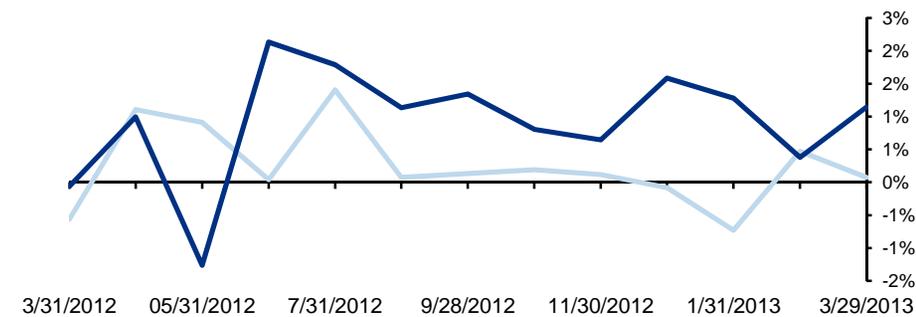
(Developed vs. Emerging)



		Mar-13	Feb-13	Mar-12	YTD-13
MSCI World		2.4%	0.2%	1.3%	7.7%
MSCI EM		-1.9%	1.4%	-3.3%	-1.8%

Fixed Income

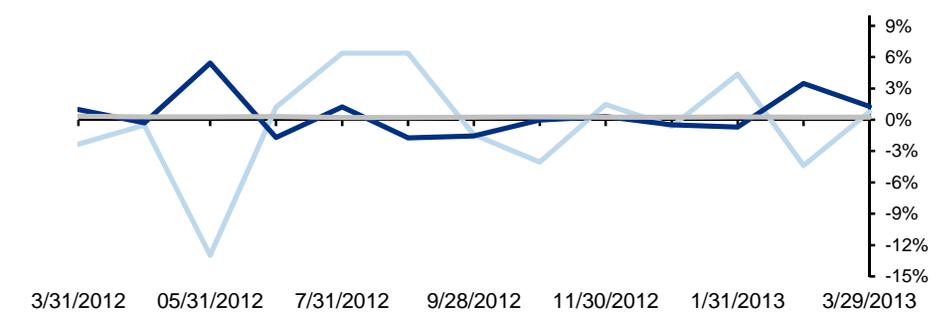
(High-Grade vs. High-Yield)



		Mar-13	Feb-13	Mar-12	YTD-13
Citi US BIG Index		0.1%	0.5%	-0.6%	-0.2%
Citi HY Bond Index		1.1%	0.4%	-0.1%	2.8%

Commodities

(US\$ Performance)

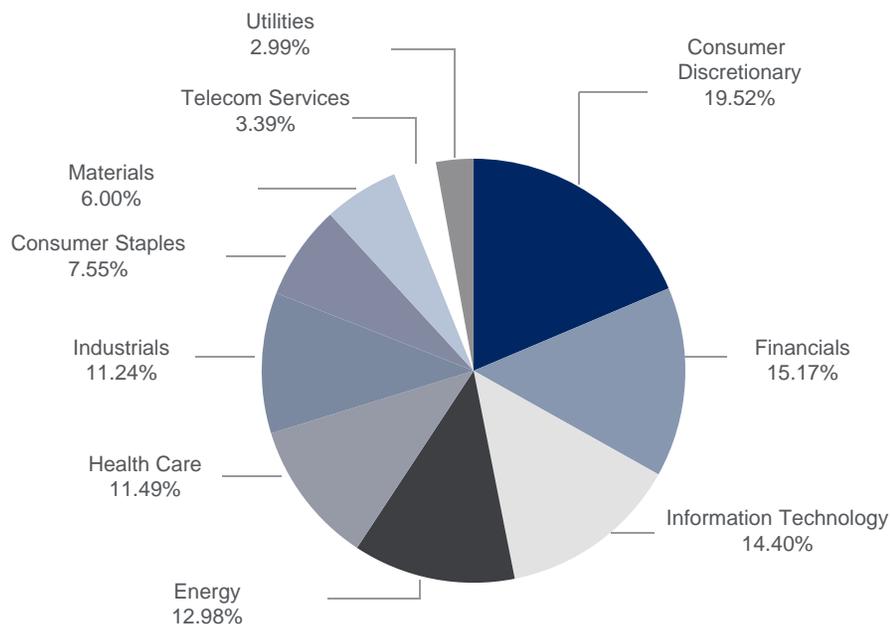


		Mar-13	Feb-13	Mar-12	YTD-13
S&P GSCI		0.8%	-4.4%	-2.4%	0.7%
US-\$ Index		1.3%	3.5%	1.0%	4.0%
US 2yr Note		0.2%	0.2%	0.3%	0.8%

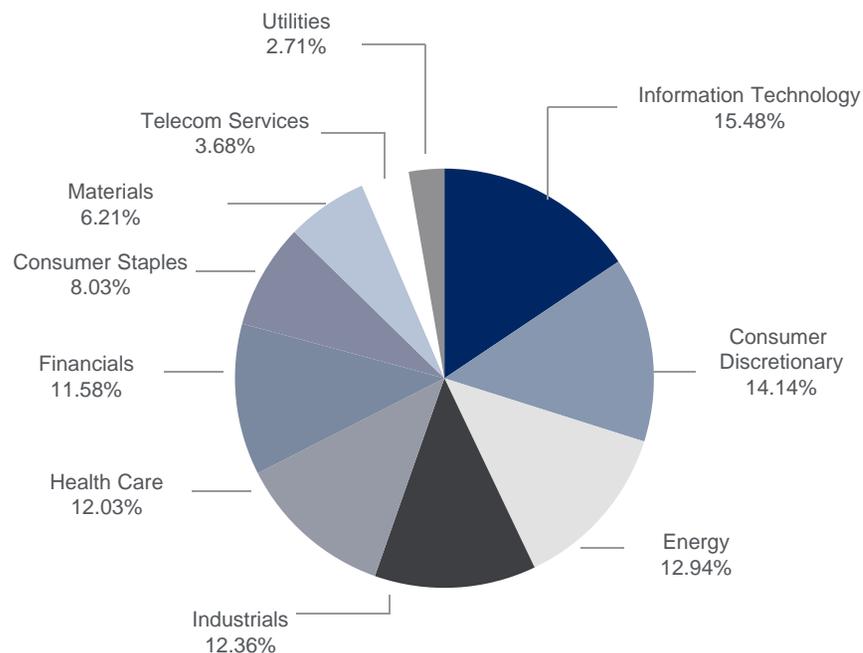
Source: Citi Prime Finance; FactSet; Citigroup Index LLC.

US Securities Lending Sector Short Flows

Short Sale Executions



Short Cover Executions



Sector Short Flows	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Consumer Discretionary	19.52	16.91	15.43
Financials	15.17	12.93	17.32
Information Technology	14.40	13.19	9.17
Energy	12.98	13.39	-3.06
Health Care	11.49	11.72	-1.96
Industrials	11.24	12.28	-8.47
Consumer Staples	7.55	8.69	-13.12
Materials	6.00	6.32	-5.06
Telecom Services	3.39	1.67	102.99
Utilities	2.99	2.92	2.40

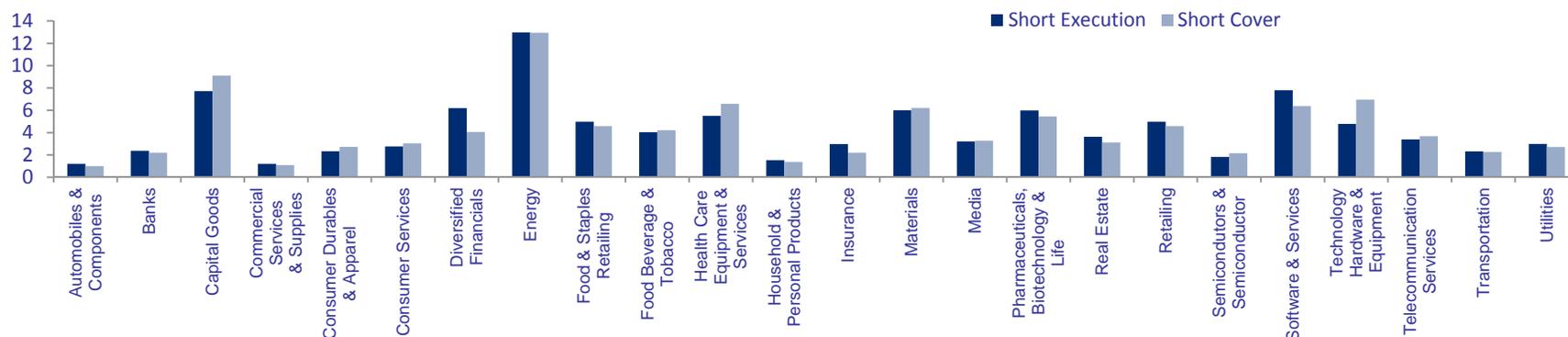
Sector Short Flows	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Information Technology	15.48	12.63	22.57
Consumer Discretionary	14.14	15.55	5-9.07
Energy	12.94	13.03	-0.69
Industrials	12.36	13.98	-11.59
Health Care	12.03	11.74	2.47
Financials	11.58	14.74	-21.44
Consumer Staples	8.03	7.12	12.78
Materials	6.21	6.34	-2.05
Telecom Services	3.68	2.51	46.61
Utilities	2.71	2.35	15.32

Source: S&P (GICS); Citi US Securities Lending. Executions of shorts and short covers settled at Citi Prime Finance based on Market Value.

US Securities Lending Industry Group Short Flows

Citi Industry Group Short Flows

(% Short)



Industry	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Energy	12.98	13.39	-3.06
Software & Services	7.80	6.13	27.24
Capital Goods	7.72	9.03	-14.51
Automobiles & Components	6.97	1.52	358.55
Diversified Financials	6.20	4.27	45.20
Materials	6.00	6.32	-5.06
Pharmaceuticals, Biotechnology & Life	5.99	5.26	13.88
Health Care Equipment & Services	5.50	6.45	-14.73
Retailing	4.98	4.19	18.85
Technology Hardware and Equipment	4.78	4.22	13.27
Food Beverage & Tobacco	4.04	5.14	-21.40
Real Estate	3.63	3.50	3.71
Telecom Services	3.39	1.67	102.99
Media	3.21	5.03	-36.18
Utilities	2.99	2.92	2.40
Insurance	2.97	1.82	63.19
Consumer Services	2.76	3.71	-25.61
Banks	2.37	3.34	-29.04
Consumer Durables & Apparel	2.33	2.44	-4.51
Transportation	2.32	2.16	7.41
Food & Staples Retailing	1.98	2.18	-9.17
Semiconductors and Semiconductor	1.82	2.84	-35.92
Household & Personal Products	1.53	1.37	11.68
Commercial Services & Supplies	1.20	1.09	10.09

Industry	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Energy	12.94	13.03	-0.69
Capital Goods	9.10	9.74	-6.57
Technology Hardware and Equipment	6.96	4.74	46.84
Health Care Equipment & Services	6.58	6.07	8.40
Software & Services	6.38	5.57	14.54
Materials	6.21	6.34	-2.05
Pharmaceuticals, Biotechnology & Life	5.45	5.67	-3.88
Retailing	4.59	4.35	5.52
Food Beverage & Tobacco	4.22	3.82	10.47
Diversified Financials	4.06	5.13	-20.86
Telecom Services	3.68	2.51	46.61
Media	3.27	4.47	-26.85
Real Estate	3.12	3.91	-20.20
Consumer Services	3.04	3.17	-4.10
Consumer Durables & Apparel	2.73	2.15	26.98
Utilities	2.71	2.35	15.32
Food & Staples Retailing	2.45	1.68	45.83
Transportation	2.27	3.16	-28.16
Insurance	2.20	2.24	-1.79
Banks	2.20	3.47	-36.60
Semiconductors and Semiconductor	2.15	2.33	-7.73
Household & Personal Products	1.37	1.61	-14.91
Automobiles & Components	1.26	1.41	-10.64
Commercial Services & Supplies	0.99	1.09	-9.17

Source: S&P (GICS); Citi US Securities Lending. Executions of shorts and short covers settled at Citi Prime Finance based on Market Value.

US Securities Lending Short Flows Summary

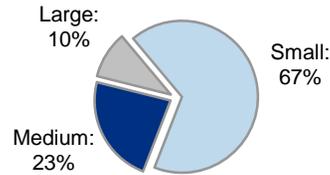
Citi Short Flows: March 2013

GICS Code	Description	% Short Executions This Month	% Short Executions From Last Month	% Change From Last Month	% Short Cover This Month	% Short Cover From Last Month	% Change From Last Month
Sector	Sector						
10	Energy	12.98	13.39	-3.06	12.94	13.03	-0.69
15	Materials	6.00	6.32	-5.06	6.21	6.34	-2.05
20	Industrials	11.24	12.28	-8.47	12.36	13.98	-11.59
25	Consumer Discretionary	19.52	16.91	15.43	14.14	15.55	-9.07
30	Consumer Staples	7.55	8.69	-13.12	8.03	7.12	12.78
35	Health Care	11.49	11.72	-1.96	12.03	11.74	2.47
40	Financials	15.17	12.93	17.32	11.58	14.74	-21.44
45	Information Technology	14.40	13.19	9.17	15.48	12.63	22.57
50	Telecommunication Services	3.39	1.67	102.99	3.68	2.51	46.61
55	Utilities	2.99	2.92	2.40	2.71	2.35	15.32
Industry Group	Industry Group						
1010	Energy	12.98	13.39	-3.06	12.94	13.03	-0.69
1510	Materials	6.00	6.32	-5.06	6.21	6.34	-2.05
2010	Capital Goods	7.72	9.03	-14.51	9.10	9.74	-6.57
2020	Commercial Services & Supplies	1.20	1.09	10.09	0.99	1.09	-9.17
2030	Transportation	2.32	2.16	7.41	2.27	3.16	-28.16
2510	Automobiles & Components	6.97	1.52	358.55	1.26	1.41	-10.64
2520	Consumer Durables & Apparel	2.33	2.44	-4.51	2.73	2.15	26.98
2530	Consumer Services	2.76	3.71	-25.61	3.04	3.17	-4.10
2540	Media	3.21	5.03	-36.18	3.27	4.47	-26.85
2550	Retailing	4.98	4.19	18.85	4.59	4.35	5.52
3010	Food & Staples Retailing	1.98	2.18	-9.17	2.45	1.68	45.83
3020	Food Beverage & Tobacco	4.04	5.14	-21.40	4.22	3.82	10.47
3030	Household & Personal Products	1.53	1.37	11.68	1.37	1.61	-14.91
3510	Health Care Equipment & Services	5.50	6.45	-14.73	6.58	6.07	8.40
3520	Pharmaceuticals, Biotechnology & Life Sciences	5.99	5.26	13.88	5.45	5.67	-3.88
4010	Banks	2.37	3.34	-29.04	2.20	3.47	-36.60
4020	Diversified Financials	6.20	4.27	45.20	4.06	5.13	-20.86
4030	Insurance	2.97	1.82	63.19	2.20	2.24	-1.79
4040	Real Estate	3.63	3.50	3.71	3.12	3.91	-20.20
4510	Software & Services	7.80	6.13	27.24	6.38	5.57	14.54
4520	Technology Hardware & Equipment	4.78	4.22	13.27	6.96	4.74	46.84
4530	Semiconductors & Semiconductor Equipment	1.82	2.84	-35.92	2.15	2.33	-7.73
5010	Telecommunication Services	3.39	1.67	102.99	3.68	2.51	46.61
5510	Utilities	2.99	2.92	2.40	2.71	2.35	15.30

Source: S&P (GICS); Citi US Securities Lending. Executions of shorts and short covers settled at Citi Prime Finance based on Market Value.

Hedge Fund (Fund Level) Profiles

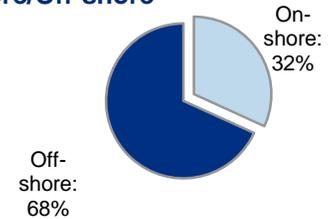
By Fund Size—No. of Funds



Redemption Notice Period



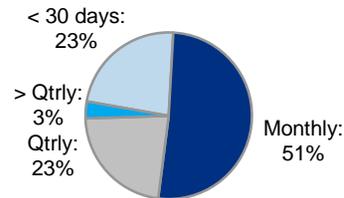
On-shore/Off-shore



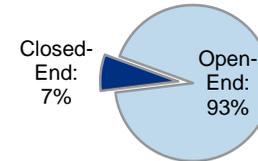
By Fund Size—\$ AUM



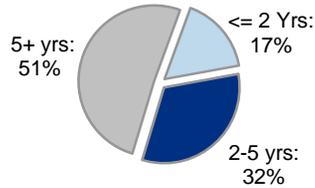
Redemption Frequency



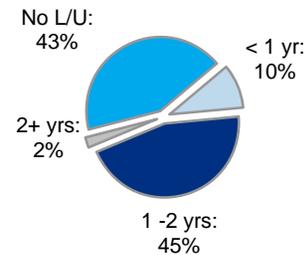
Legal Status



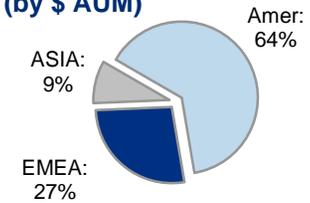
By Fund Age—No. of Funds



Lock-Up



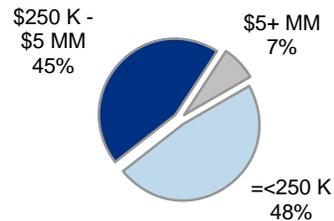
Domicile (by \$ AUM)



By Fund Age—\$ AUM



Minimum Investment



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

Hedge Fund (Fund Level) Profiles

Hedge Funds: Large (>\$500 Million)

	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice/ % of Total	Preferred Redemption Frequency/ % of Total
Under 2 yrs	4%	\$976	0.7%	2.2%	72%	98%	1-2 yrs / 76%	7-30 days / 69%	Monthly / 56%
2-5 yrs	21%	\$1,259	1.1%	3.3%	70%	63%	1-2 yrs / 79%	60+ days / 31%	Monthly / 40%
Over 5 yrs	76%	\$2,100	1.2%	4.1%	66%	72%	1-2 yrs / 41%	7-30 days / 32%	Monthly / 47%
Total	100%	\$1,884	1.2%	3.9%	68%	69%	1-2 years / 51%	7-30 days / 34%	Monthly / 48%

Hedge Funds: Medium (\$100–\$500 Million)

Hedge Fund Age	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice/ % of Total	Preferred Redemption Frequency/ % of Total
Under 2 yrs	7%	\$196	0.8%	3.3%	71%	84%	1-2 yrs / 75%	7-30 days / 52%	Under 30 / 51%
2-5 yrs	27%	\$231	0.9%	3.4%	70%	73%	1-2 yrs / 66%	7-30 days / 41%	Monthly / 49%
Over 5 yrs	66%	\$231	1.0%	4.3%	70%	65%	No / 52%	7-30 days / 48%	Under 30 / 57%
Total	100%	\$229	1.0%	4.0%	71%	68%	No / 44%	7-30 days / 46%	Monthly / 52%

Hedge Funds: Small (<\$100 Million)

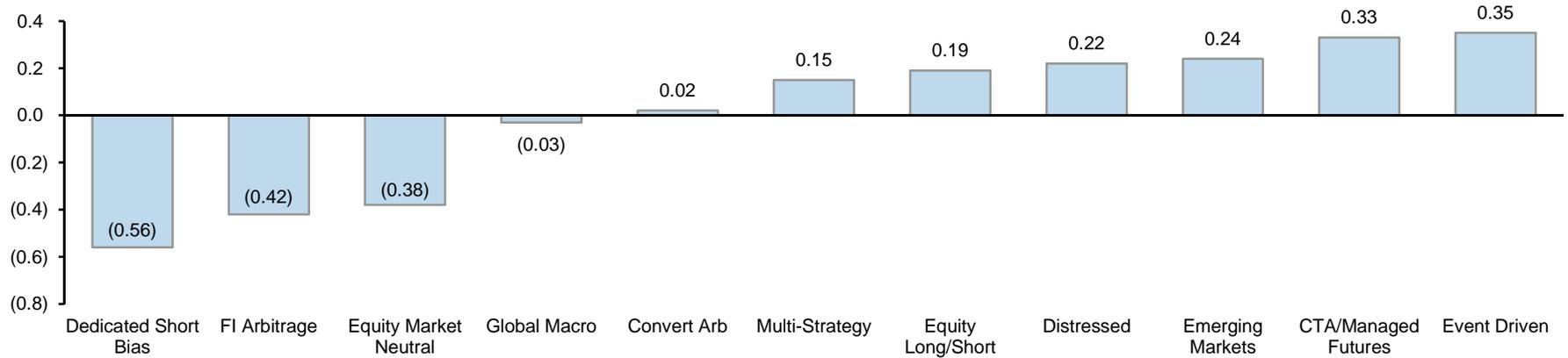
Hedge Fund Age	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice/ % of Total	Preferred Redemption Frequency/ % of Total
Under 2 yrs	13%	\$25	0.5%	2.4%	87%	79%	1-2 yrs / 71%	7-30 days / 32%	Monthly / 44%
2-5 yrs	30%	\$31	0.9%	3.6%	64%	78%	1-2 yrs / 63%	7-30 days / 43%	Monthly / 52%
Over 5 yrs	57%	\$35	1.1%	3.8%	68%	65%	No / 42%	7-30 days / 55%	Monthly / 54%
Total	100%	\$32	1.0%	3.6%	67%	73%	1-2 yrs / 46%	7-30 days / 50%	Monthly / 52%

Source: Citi Prime Finance.

Note: Domiciles, lock-up and redemption metrics updated quarterly. Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. Median YTD performance is calculated from funds reporting for all underlying periods. "n/m" = Not Meaningful.

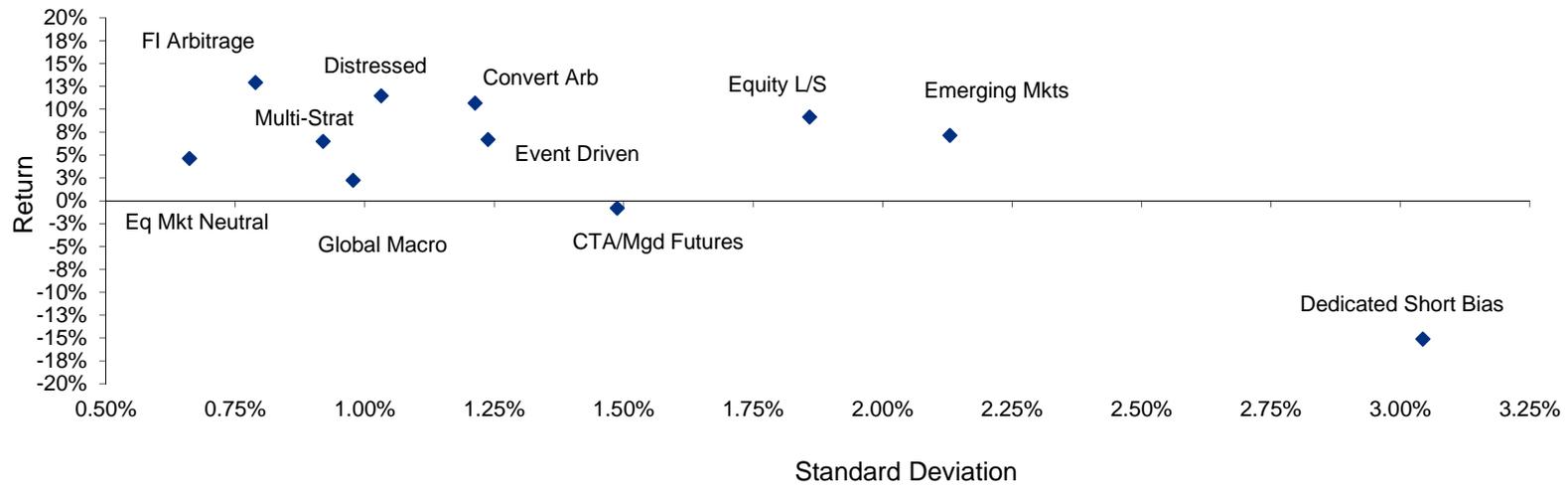
Risk and Return Metrics

Sharpe Ratios (Oct-04 - Mar-13)



Source: Credit Suisse Tremont.

Risk vs. Return (Mar 12 – Mar 13)

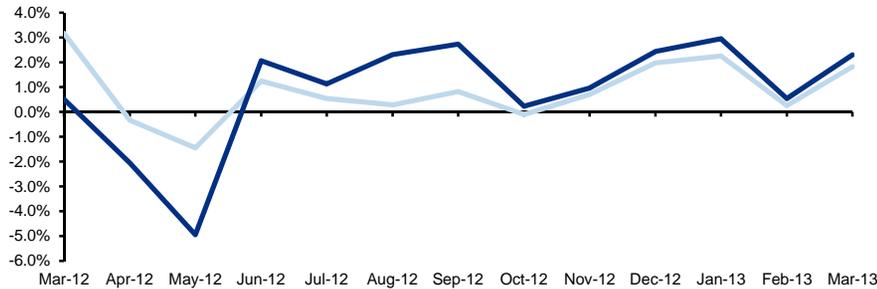


Source: Citi Prime Finance.

Convertible Arbitrage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.3%	0.3%	0.9%										3.4%

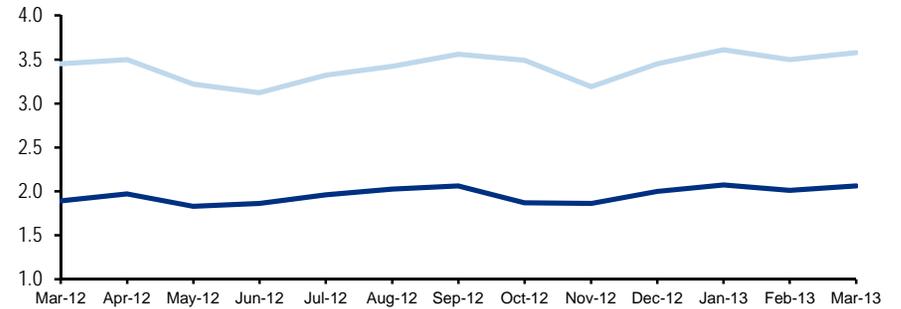
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	Mar-13	Feb-13	Mar-12	YTD-13
Convert Arb	0.9%	0.3%	3.2%	3.4%
CWB ETF	2.3%	0.5%	0.5%	3.5%

Source: Citi ICG Analytics; FactSet.

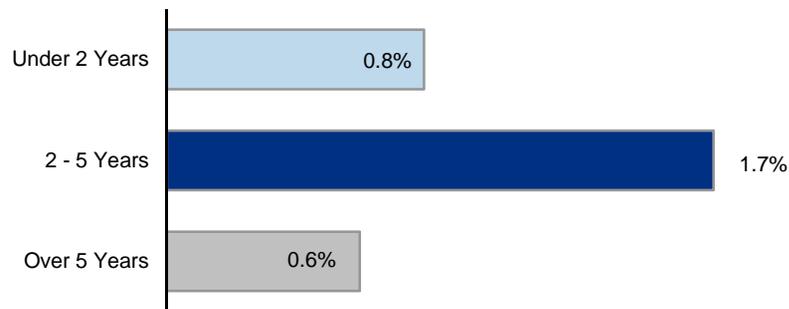
Leverage Profile (Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
LMV Leverage (Mean): Defined as Long Market Value / Net Equity

Source: Citi Prime Finance.

Hedge Fund Performance by Age¹

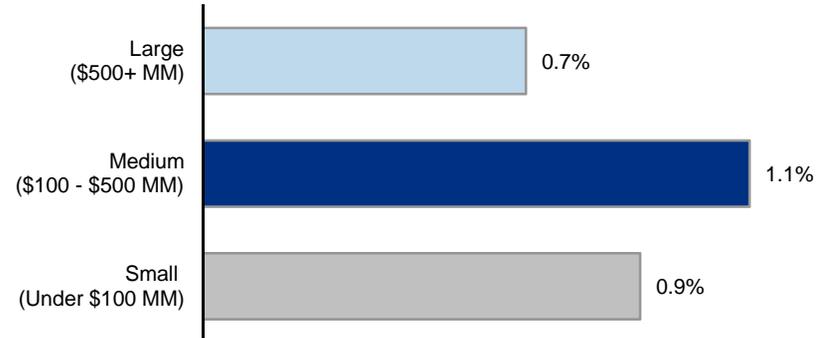


Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Hedge Fund Performance by Size¹

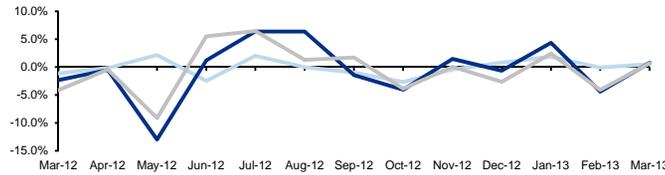


Source: Citi Prime Finance.

CTA/Managed Futures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.8%	-0.1%	0.5%										2.2%

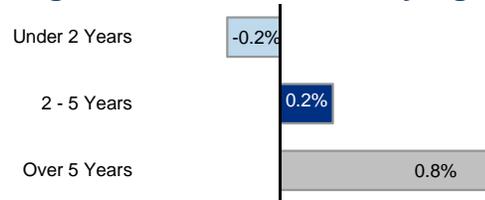
Hedge Fund Performance vs. Benchmark



	Mar-13	Feb-13	Mar-12	YTD-13
CTA/Mgd Futures	0.5%	-0.1%	-1.1%	2.2%
S&P GSCI Commodity (SPGSCI)	0.8%	-0.1%	-2.4%	0.0%
DJ-UBS Commodity (DJAGK)	0.7%	-4.1%	-4.1%	-1.7%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age



Source: Citi Prime Finance.

Hedge Fund Performance by Size



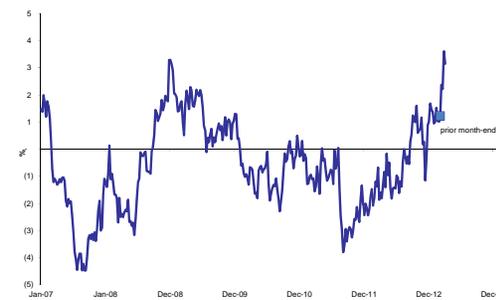
Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

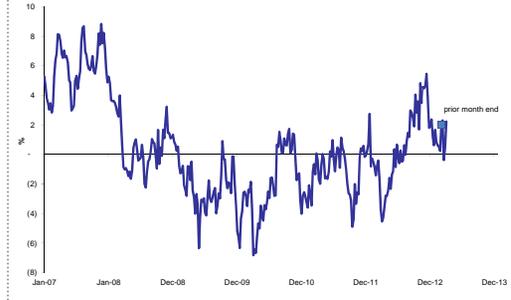
Large Speculator Positions: CFTC Commitment Of Traders (Futures & Options) Report Net of Longs Less Shorts as Percent of Total Open Positions

Combined S&P/Weighted Mini S&P Contracts



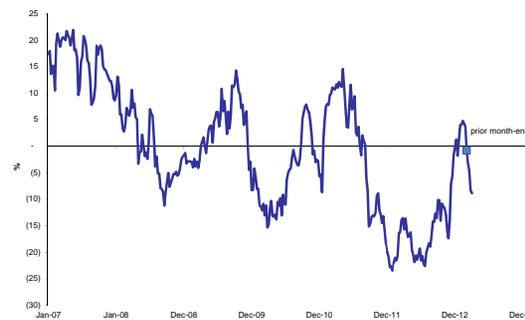
Last Update: 3/29/13 +3.2%

US 10-Year Treasury Futures



Last Update: 3/29/13 +2.2%

EuroFX Futures



Last Update: 3/29/13 -8.9%

Gold Futures



Last Update: 3/29/13 +10.1%

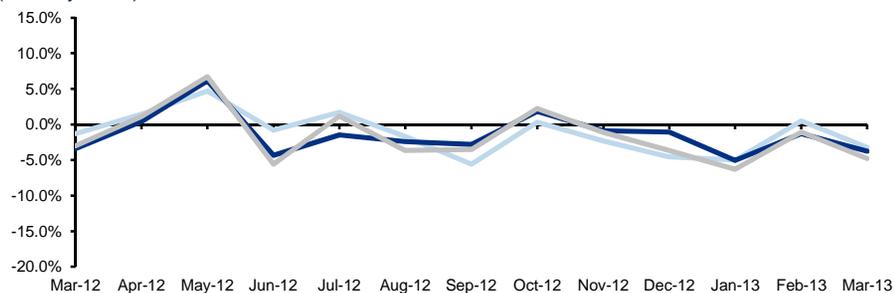
Source: CFTC, Bloomberg, Citi Futures Perspective.

Dedicated Short Bias

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-5.0%	0.5%	-3.2%										-7.7%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

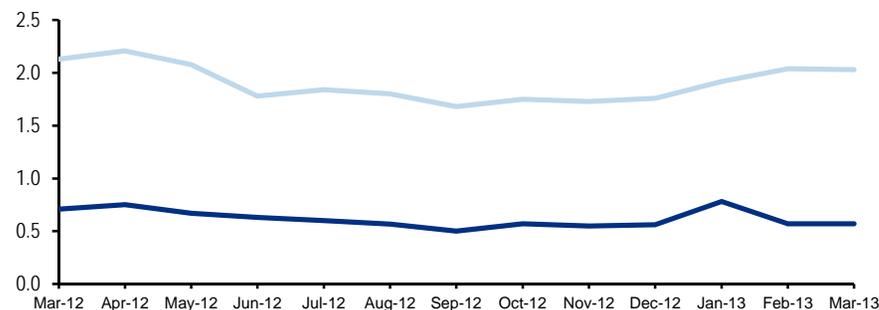


	Mar-13	Feb-13	Mar-12	YTD-13
Ded Short Bias	-3.2%	0.5%	-1.3%	-7.7%
S&P Short ETF (SH)	-3.8%	-1.3%	-3.4%	-6.4%
Rus 2000 Short ETF (RWM)	-4.8%	-1.1%	-3.0%	-7.3%

Source: Citi Prime Finance; FactSet.

Leverage Profile

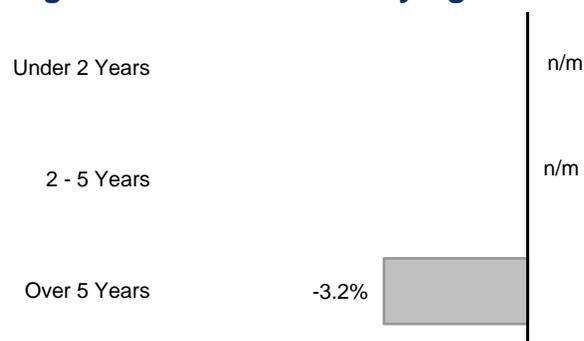
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

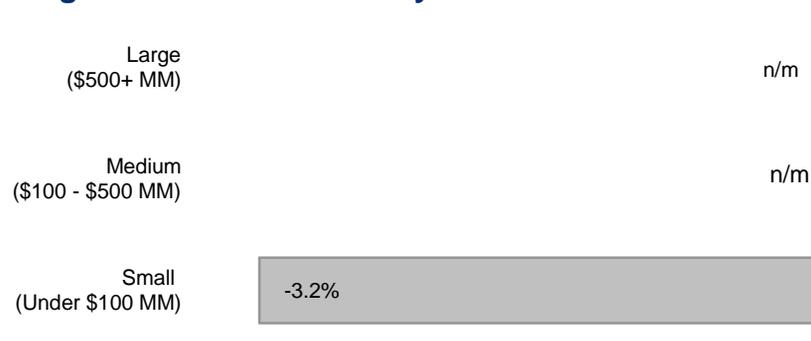
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

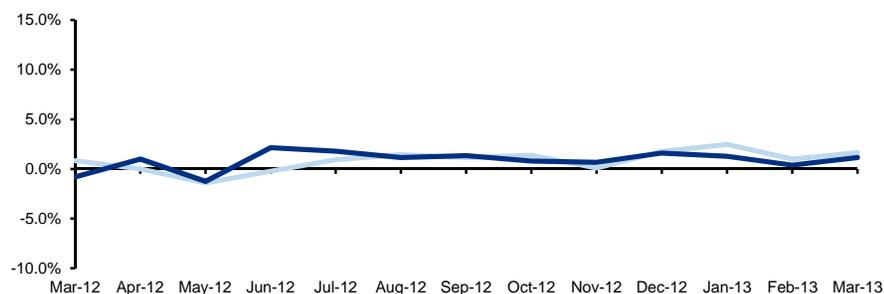
1. Universe and sample sizes may be small.

Distressed

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.5%	1.0%	1.6%										5.1%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

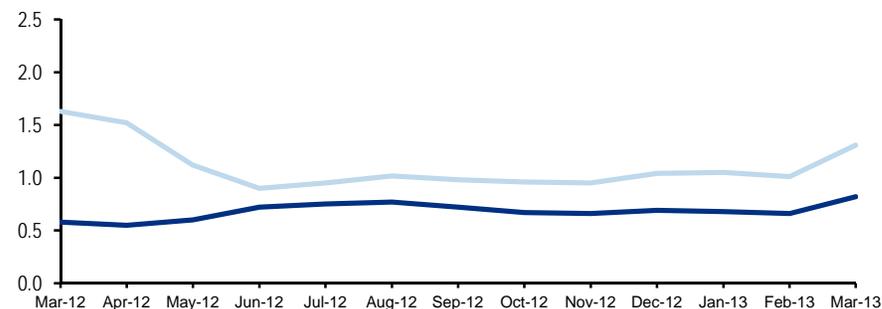


	Mar-13	Feb-13	Mar-12	YTD-13
Distressed	1.6%	1.0%	0.8%	5.1%
Citi HY Bond Index	1.1%	1.3%	-0.8%	1.7%

Source: Citi Prime Finance; Citigroup Index LLC; Altman-NYU Salomon Center.

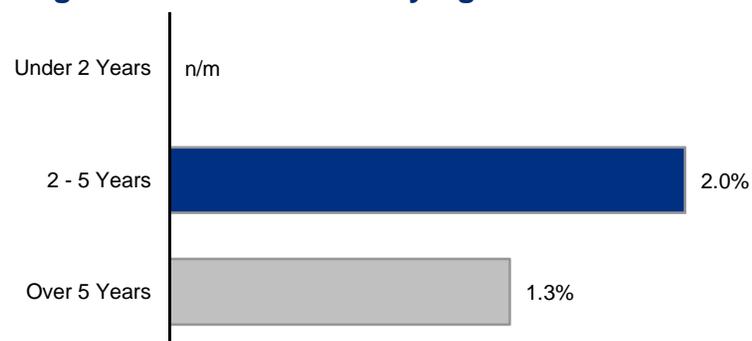
Leverage Profile

(Monthly, LTM)



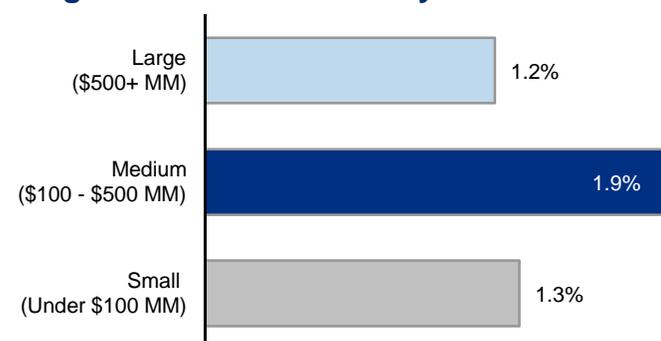
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

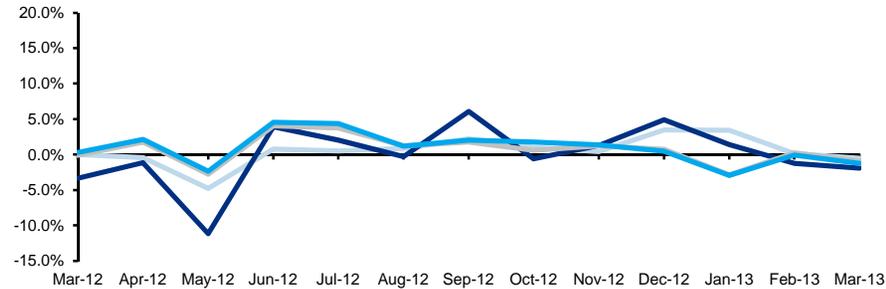
1. Universe and sample sizes may be small.

Emerging Markets

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	3.4%	0.1%	-0.5%										3.0%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

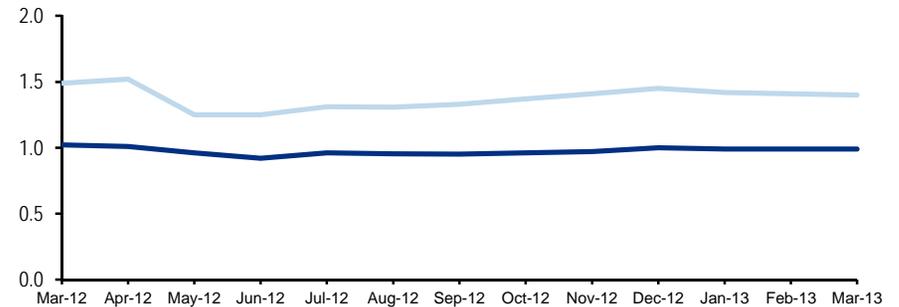


		Mar-13	Feb-13	Mar-12	YTD-13
Emerging Mkts	—	-0.5%	0.1%	0.0%	3.0%
MSCI EM	—	-1.9%	-1.2%	-3.3%	0.2%
JPM EMBIG Core ETF (EMB)	—	-0.9%	0.3%	-0.1%	-2.6%
DB EM Liquid ETF (PCY)	—	-1.2%	-0.1%	0.3%	-3.0%

Source: Citi Prime Finance; FactSet.

Leverage Profile

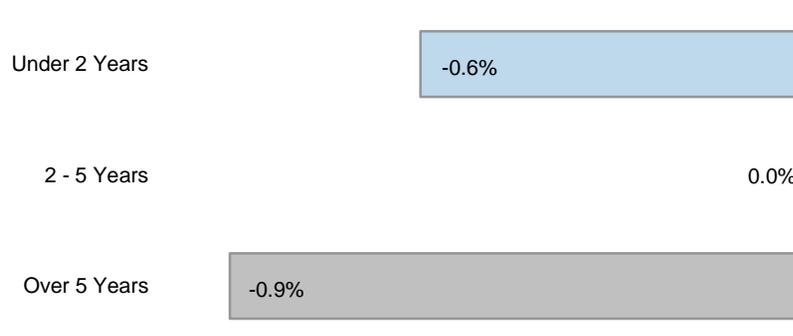
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

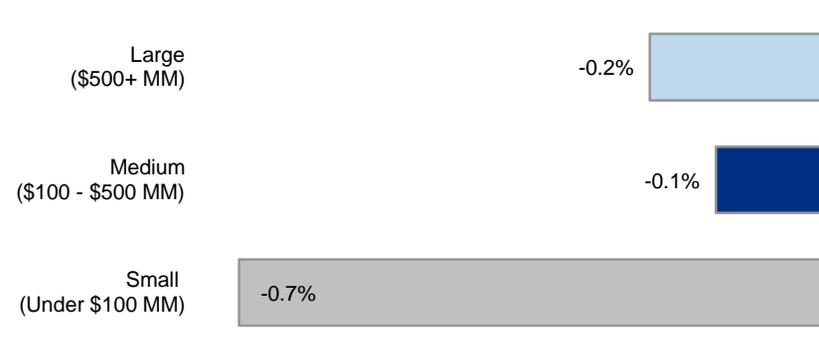
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

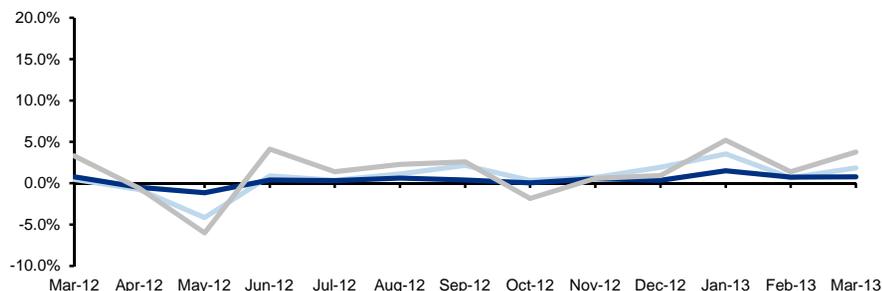
1. Universe and sample sizes may be small.

Equity Long/Short

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	3.5%	0.7%	1.8%										6.0%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

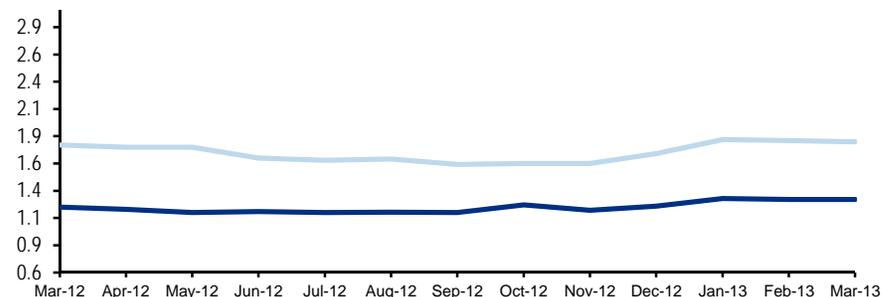


	Mar-13	Feb-13	Mar-12	YTD-13
Eq Long/Short	1.8%	0.7%	0.5%	6.0%
Eq Mkt Neutral	0.7%	0.7%	0.8%	2.9%
S&P 500	3.8%	1.4%	3.3%	6.5%

Source: Citi Prime Finance; FactSet.

Leverage Profile

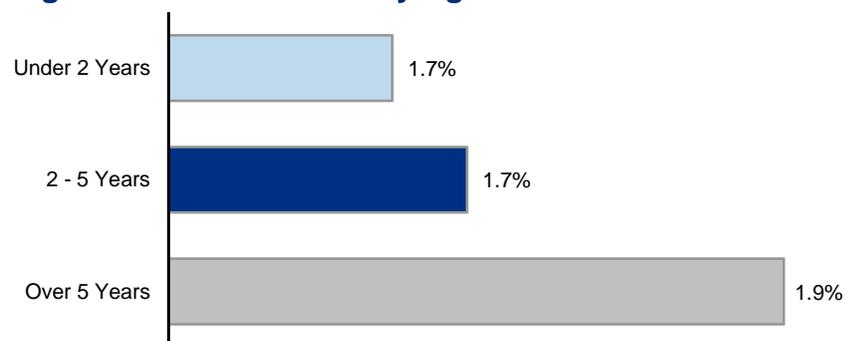
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

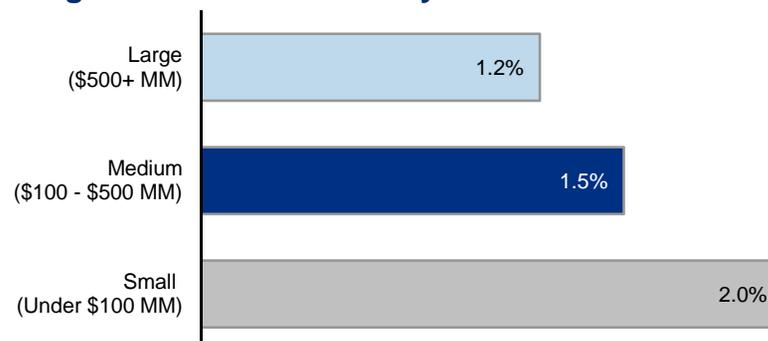
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

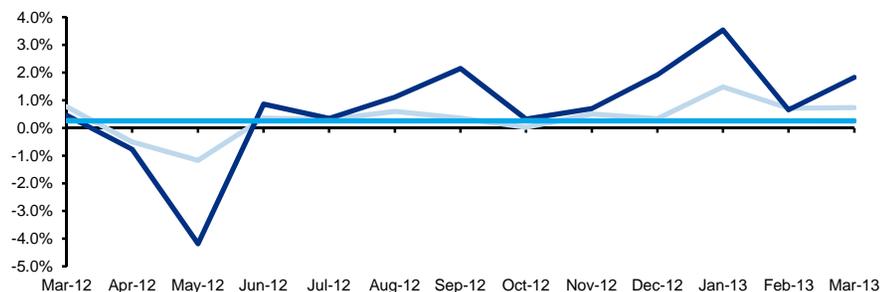
1. Universe and sample sizes may be small.

Equity Market Neutral

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.5%	0.7%	0.7%										2.9%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

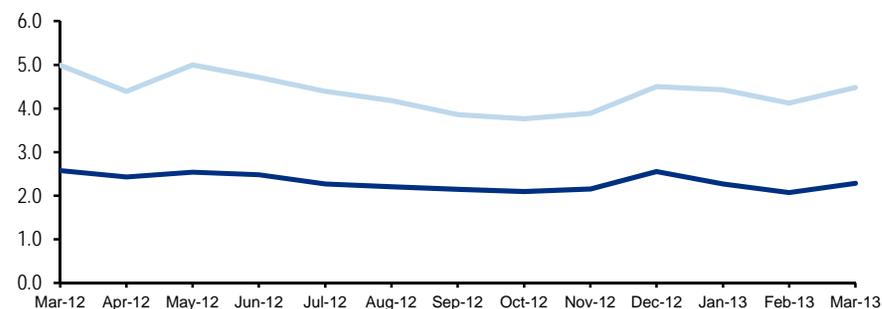


	Mar-13	Feb-13	Mar-12	YTD-13
Eq Mkt Neutral	0.7%	0.7%	0.8%	2.9%
Eq Long/Short	1.8%	0.7%	0.5%	6.0%
LIBOR + 300 bps	0.3%	0.3%	0.3%	0.5%
US T-Bill + 300 bps	0.3%	0.3%	0.3%	0.5%

Source: Citi Prime Finance; FactSet.

Leverage Profile

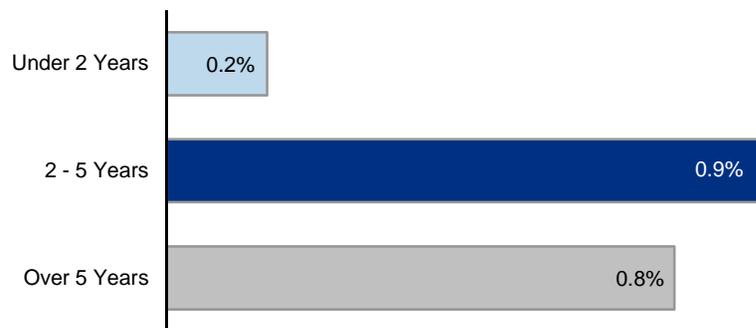
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

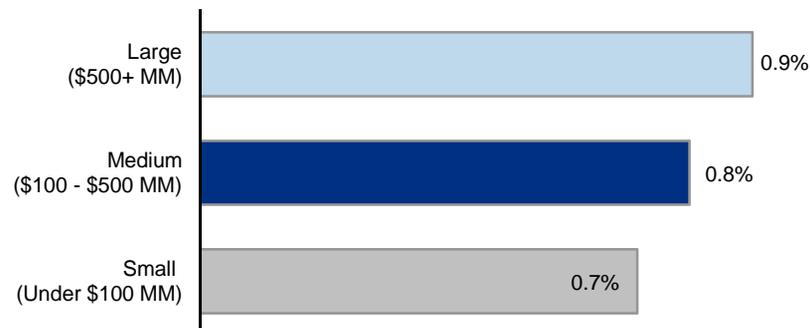
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

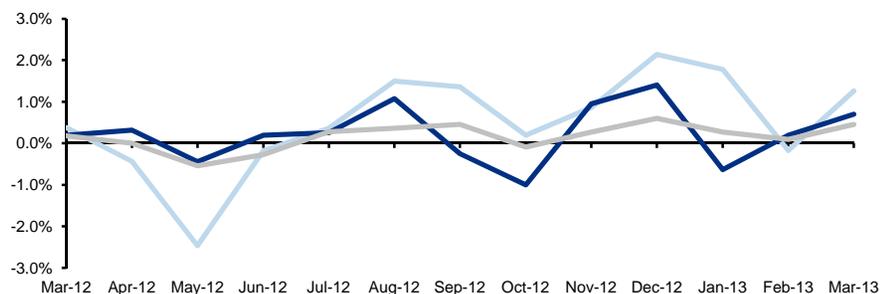
1. Universe and sample sizes may be small.

Event Driven

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.8%	-0.2%	1.3%										2.9%

Hedge Fund Performance vs. Benchmark

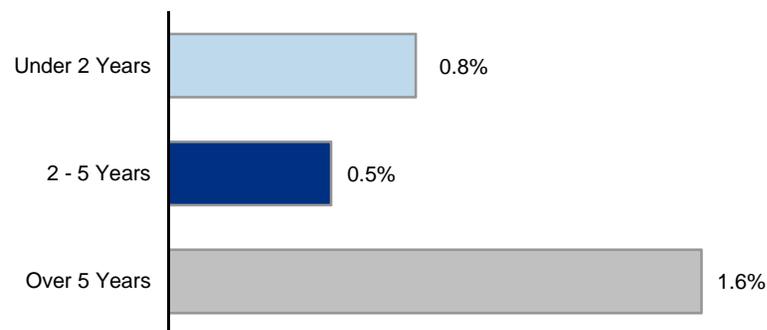
(Monthly, LTM)



	Mar-13	Feb-13	Mar-12	YTD-13
Event Driven	1.3%	1.8%	0.4%	2.9%
The Merger Fund (MERFX)	0.7%	9.0%	0.2%	-0.4%
AQR Div Arb Fund (ADANX)	0.5%	0.1%	0.2%	0.4%

Source: Citi Prime Finance; FactSet.

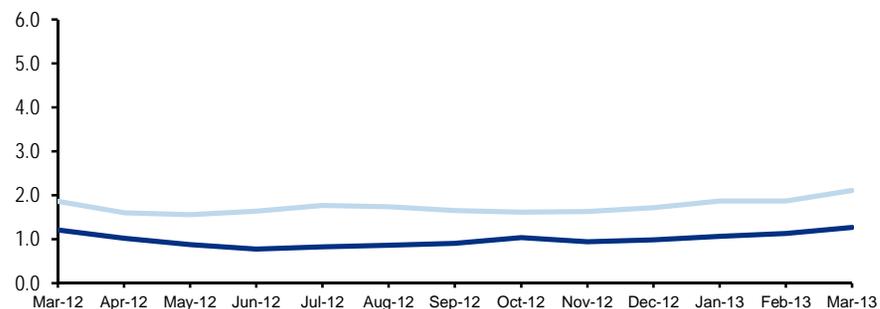
Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Leverage Profile

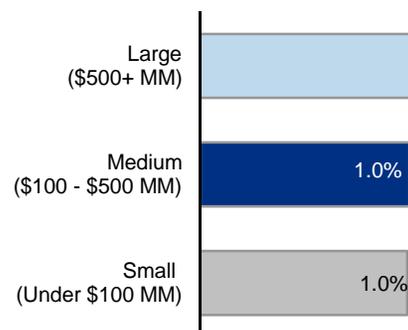
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

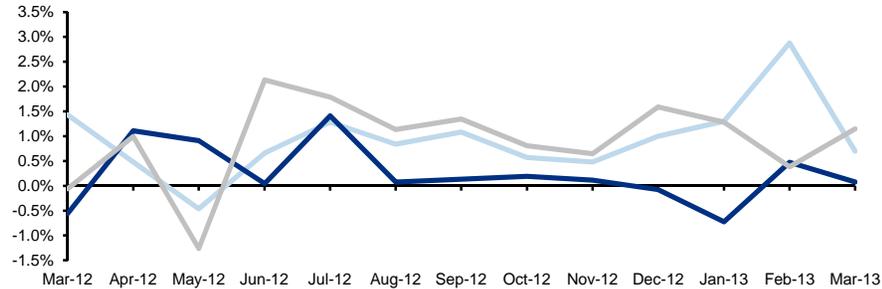
1. Universe and sample sizes may be small.

FI Arbitrage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.3%	2.9%	0.7%										4.9%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

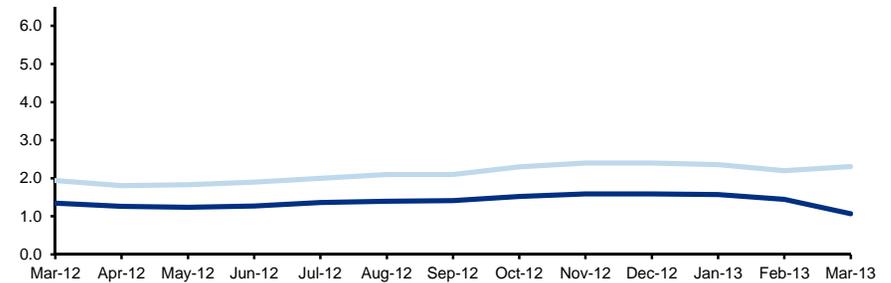


	Mar-13	Feb-13	Mar-12	YTD-13
FI Arbitrage	0.7%	2.9%	1.4%	4.9%
Citi US BIG Index	0.1%	0.5%	-0.6%	-0.3%
Citi HY Bond Index	0.4%	0.4%	-0.1%	1.7%

Source: Citi Prime Finance; Citigroup Index LLC.

Leverage Profile

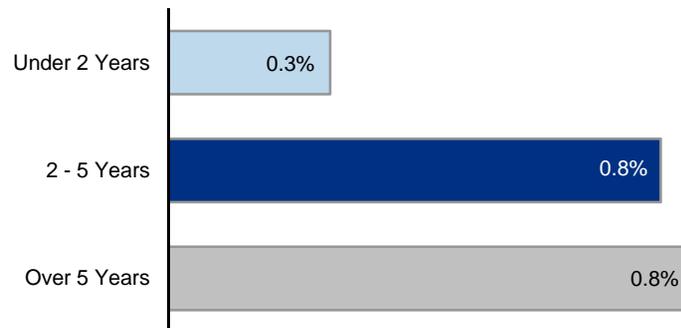
(Monthly, LTM)



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 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

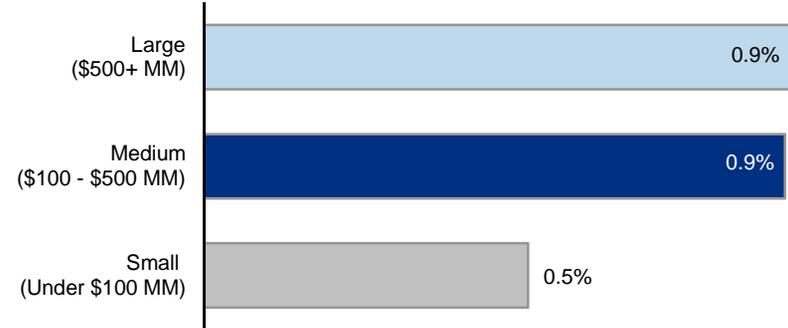
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

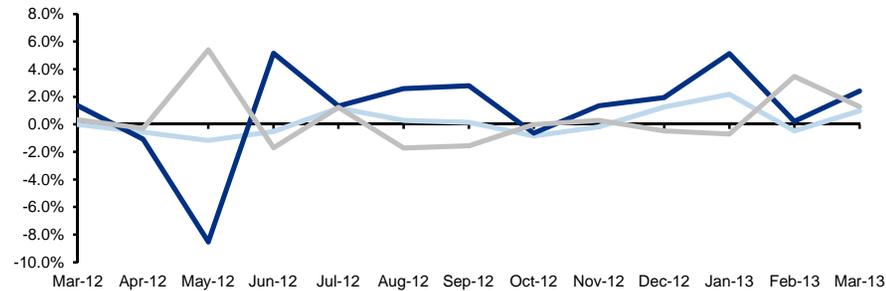
1. Universe and sample sizes may be small.

Global Macro

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.2%	-0.5%	1.0%										2.7%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

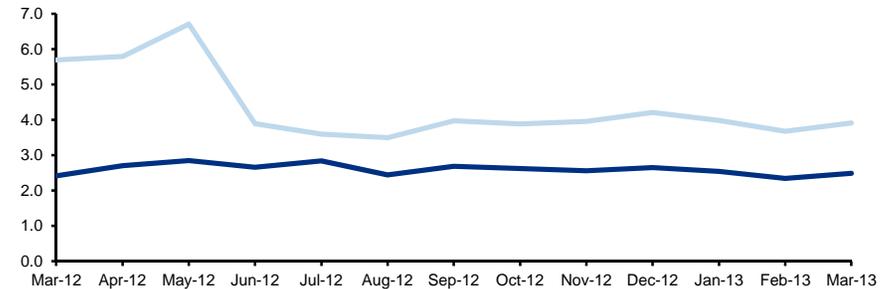


		Mar-13	Feb-13	Mar-12	YTD-13
Global Macro		1.0%	-0.5%	0.0%	2.7%
MSCI World		2.4%	0.2%	1.3%	5.3%
US\$-Index		1.3%	3.5%	0.3%	2.8%

Source: Citi Prime Finance; FactSet.

Leverage Profile

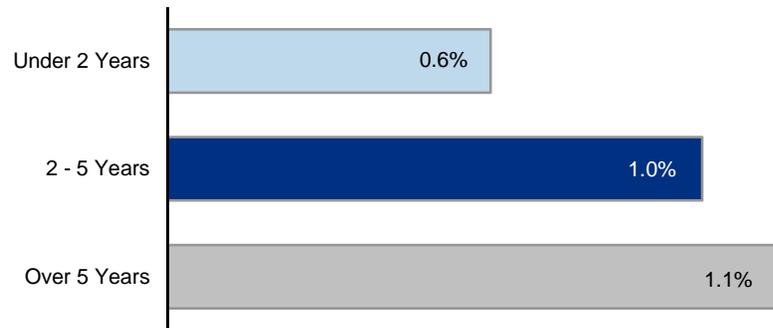
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

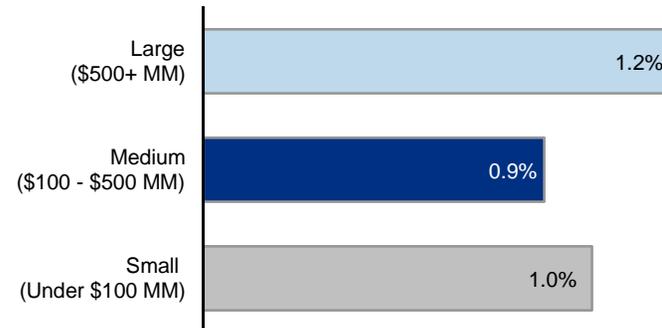
Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance; FactSet.

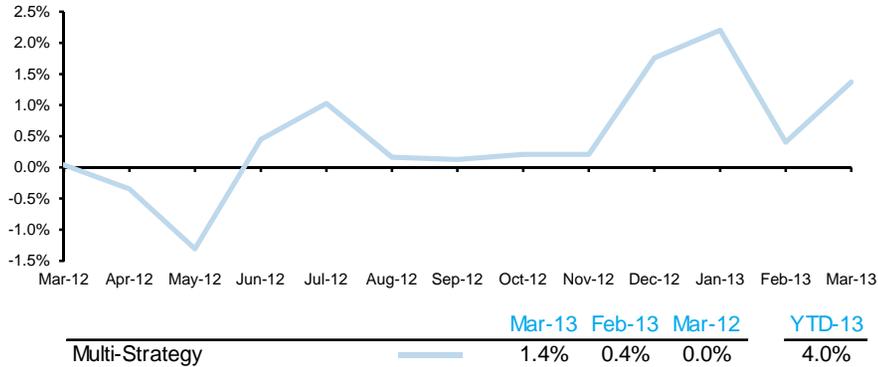
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Multi-Strategy

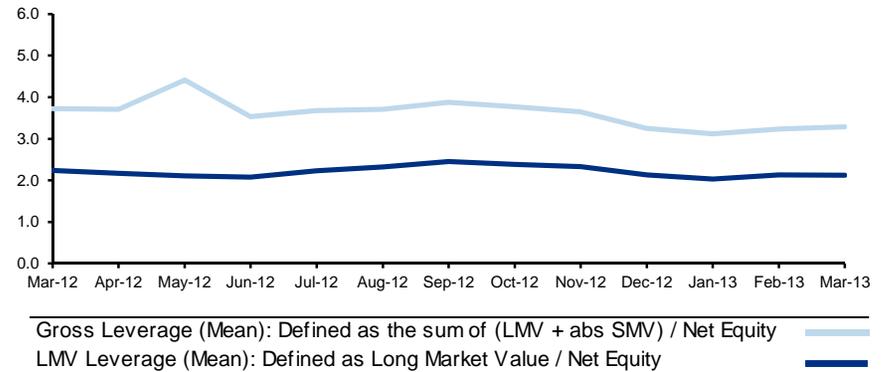
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.2%	0.4%	1.4%										4.0%

Hedge Fund Performance vs. Benchmark (Monthly, LTM)



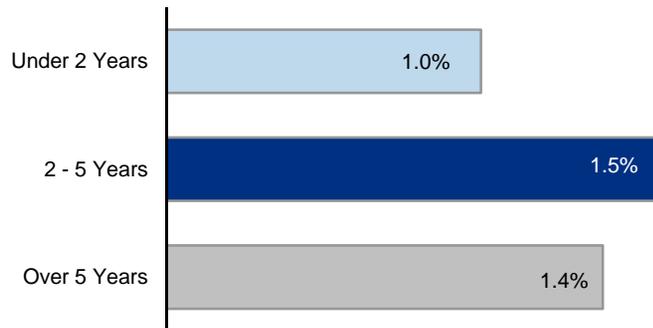
Source: Citi Prime Finance.

Leverage Profile (Monthly, LTM)



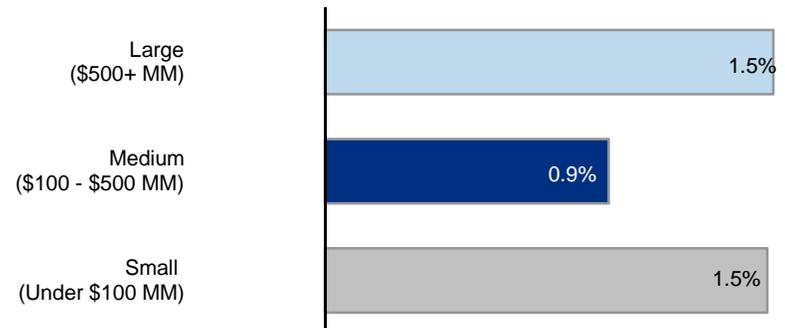
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

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Contacts

For Further Information, Please Contact

Sandy Kaul
sandy.kaul@citi.com
212-723-5118

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