

Hedge Fund Industry Snapshot

Data as of January 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

Table of Contents

Monthly Highlights	1
Hedge Fund Industry Overview	2
• AUM, Performance	
• Industry Flows	
Hedge Fund Stats by Strategy	4
Performance at a Glance	5
• Hedge Fund Performance	
• Citi HARP vs. HFRI Fund of Fund Performance	
• Securities Market Performance	
Short Flows Data	8
• US Short Sales & Short Cover by Sector	
• US Short Sales & Short Cover by Industry Group	
Hedge Fund (Fund Level) Profiles	11
• Fund Structure	
• Fund Analytics	
Risk vs. Return Metrics	13
By Strategy	14
• Performance vs. Respective Benchmark(s)	
• Leverage Profile	
• Hedge Fund Performance by Size	
• Hedge Fund Performance by Age	
Firm Disclaimers and Market Commentary Disclosures	25
Contacts	26

Highlights

Performance, AUM & Flows

- Composite hedge fund performance, equal-weighted across funds, was up in January 2013 with performance ranging from +2.22% to +2.96%. Returns were higher than the previous period (December 2012 +0.92% to +1.31%). January 2013 performance gains were in line with January 2012 gains of +1.72% to +2.79% over the same period.
- Hedge fund strategy wise, top performing strategies in January 2013 include Equity Long/Short +3.54%, Emerging Markets +3.41%, Distressed +2.46% , Convertible Arbitrage +2.26%, and Multi Strategy at +2.21%. The lowest performing strategies include Dedicated Short -5.01%, Fixed Income Arbitrage +1.30% and Equity Market Neutral +1.49%.
- According to eVestment|HFN, the estimated industry assets increased for January 2013, finishing the month +\$56.2 billion. Increases were attributed to performance accounting for +\$50.5 billion while net positive investor flows accounted for an increase of +\$5.7 billion. Industry AuM remains below its \$2.94 trillion June 2008 peak.
- Net positive investor flows of +\$5.7 billion for January 2013 marks the first period of net positive flows since November 2012 flows of +\$11.9 billion. January net flows were higher than the mean monthly flows for 2012 which averaged +\$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 +2.5%, medium single funds (\$100–\$500 million) +2.6% and small single funds (<\$100 million) +2.5%.
- Liquidity terms continued its consistent pattern from the recent reporting periods showing little changes to redemption notice periods with 64% 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 (72%) compared to medium funds (\$100–\$500 million) at 20% and small funds (<\$100 million) holding only 8%.

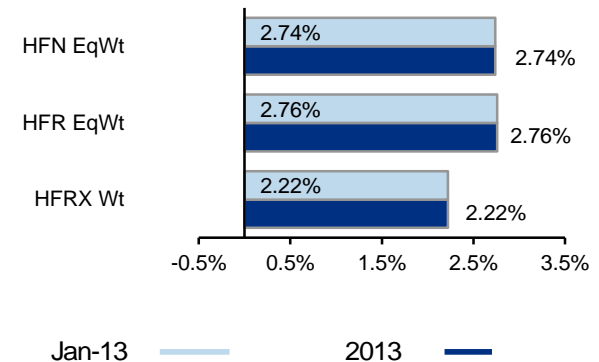
Leverage, Shorts and Futures Market Positioning

- On a global basis, we calculate gross leverage (as measured on a mean basis) at 1.71x in January 2013 versus 1.70x in December, and 1.70x in November.
- Looking across both long leverage and gross leverage, the following strategies showed the highest uses of leverage: Equity Market Neutral (4.43x), Global Macro (3.98x), Convertible Arbitrage (3.61x) and Multi Strategy (3.12x).
- Citi US short flows data included in this month's report show increased interest in the Industrials and Health Care sectors. These two sectors accounted for 23.84% of short executions and 23.83% of short covers in January versus 20.07% of short executions and 21.58% of short covers in December 2012.
- Large speculator net positioning in the EuroFX, S&P, Gold or TY contracts (in Futures & Options) didn't change much over the month of January from year-end 2012. The biggest move was a moderate one, as large speculators shifted to a net long position in the EuroFX of 4.0% of total open interest (longs & shorts) as of 1/29/13, from a net short of 0.2% as of 12/25/12. Aggregate open interest rose modestly over that same time period. Net positioning in the other contracts chopped about over the course of the month but with little change. Large speculators reduced a net long position in both TY and Gold futures but held a 1.0% net long in S&P (combined large & mini). The waiting game continues.

Hedge Fund Industry: AUM, Performance

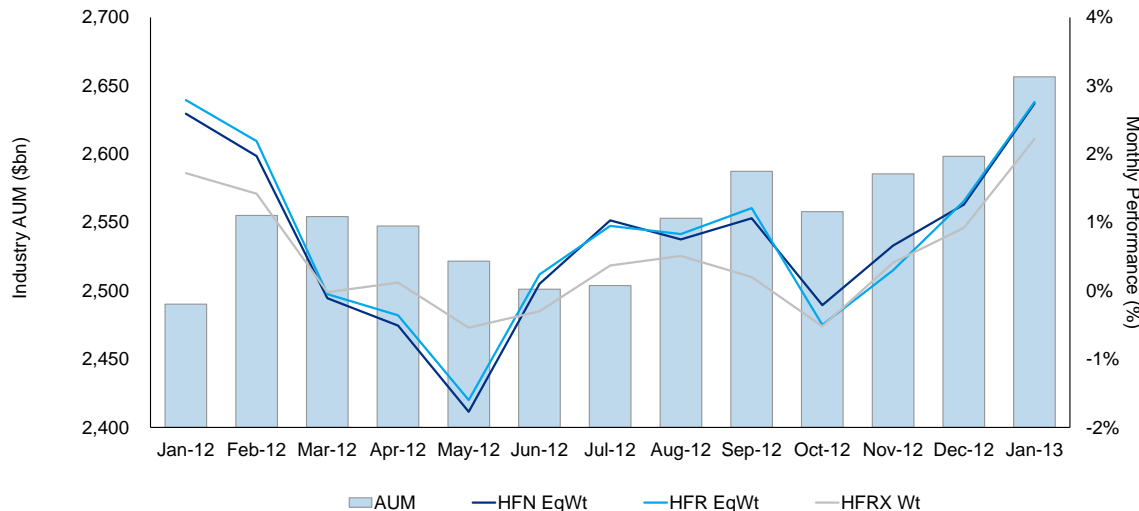
- Composite hedge fund performance, equal-weighted across funds, was up in January 2013 with performance ranging from +2.22% to +2.96%. Returns were higher than the previous period (December 2012 +0.92% to +1.31%). Jan. 13 performance gains are in line with Jan. 12 gains of +1.72% to +2.79% over the same period.
- Global equity markets extended 2012 gains through January, as both active currency exposure and increased M&A activity contributed to hedge fund performance gains. US equities gained across most market capitalization, with leadership from small cap and value exposures. Semiconductors and Oil Services led sector gains, with additional contributions from REITS and Non-Cyclicals. European equities were mixed across regions, with gains in UK, Switzerland and Sweden offset by declines in France, Germany and Italy; Asian equities continued recent strong performance, with gains across Japan, China, Australia and the Philippines. The US dollar posted gains against most major currencies through January, including the Euro, Swiss Franc, British Pound Sterling and the Japanese Yen.
- Hedge fund strategy wise, top performing strategies in January 2013 include Equity Long/Short +3.54%, Emerging Markets +3.41%, Distressed +2.46%, Convertible Arbitrage +2.26%, and Multi Strategy at +2.21%. The lowest performing strategies include Dedicated Short -5.01%, Fixed Income Arbitrage +1.30% and Equity Market Neutral +1.49%.
- According to eVestment|HFN, the estimated industry assets increased for January 2013, finishing the month +\$56.2 billion. Increases were attributed to performance at +\$50.5 billion while net positive investor flows accounted for an increase of +\$5.7 billion. Industry AuM remains below its \$2.94 trillion June 2008 peak.

Industry Performance: Jan-13 / YTD



Source: HFR, eVestment|HFN.

Monthly Industry AUM and Performance



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

Note Pad

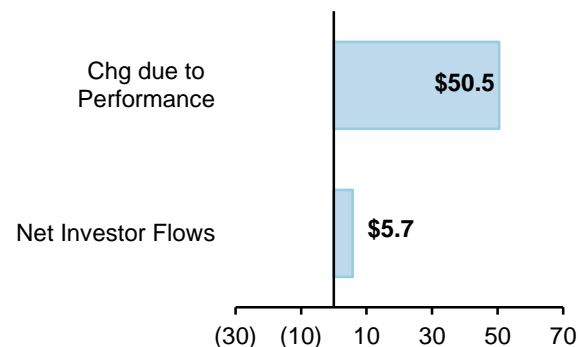
- MSCI World Index: +5.1%; Jan13/YTD
- MSCI EM Index: +1.4%; Jan13/YTD
- S&P 500: +5.2%; Jan13/YTD
- Citi US BIG Index: -0.73%; Jan13/YTD
- S&P GSCI: +4.4% Jan13/YTD
- US Dollar Index: -0.7%; Jan13/YTD
- HFN Country Indices Jan13/ YTD:
 - Brazil: +2.22%; Australia: -1.13%;
 - China: +4.59%; Japan: +5.06%

Hedge Fund Industry: Change in Industry Assets

- According to eVestment|HFN, industry assets for January 2013 increased, finishing the month net positive at +\$56.25 billion. Gains were attributed to performance totaling +\$50.5 billion while net positive investor flows accounted for +\$5.7 billion.
- January 2013 marks the third consecutive month in which industry assets increased. January performance gains of +\$50.5 billion were higher than the previous month (Dec. 2012 +\$24.1 billion). January performance gains were higher than the mean monthly total for 2012 of +\$9.7 billion and the highest since December 2010 with +\$58.3 billion.
- Net positive investor flows of +\$5.7 billion for January 2013 marks the 1st period of net positive flows since Nov.12 +\$11.9 billion. January net flows were higher than the mean monthly flows for 2012 which experienced +\$2.2 billion throughout the year and Jan.12 flows of +1.0 billion.
- Total industry AUM now stands at \$2.66 trillion for January 2013 an increase of 2.2% from December 2012 and an increase of 6.7% from January 2012.

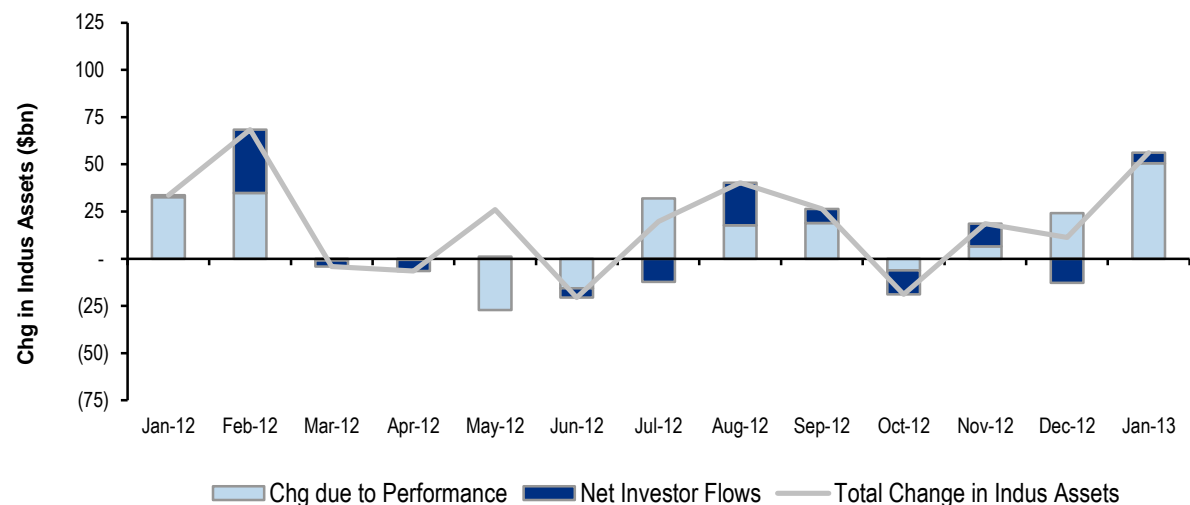
Composition of Change in Assets

Jan-13 Amounts in (\$ Billion)



Source: eVestment|HFN.

Monthly Change in Industry Assets and Composition



Source: eVestment|HFN.

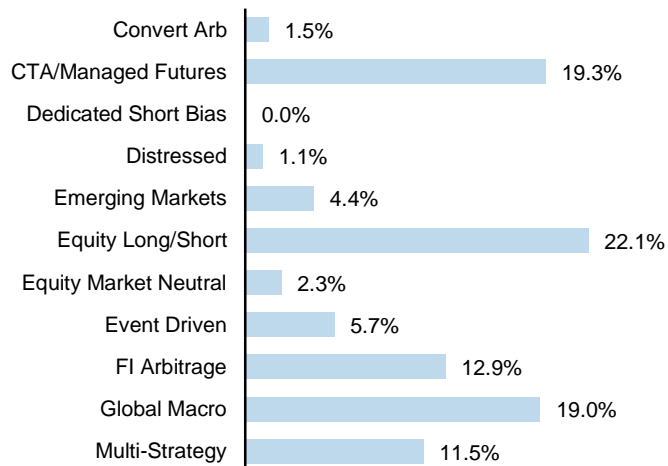
Note Pad

- The Citi Prime Finance calculation for gross leverage (as measured on a mean basis) 1.71x in January 2012 versus 1.70x in December, and 1.70x in November

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

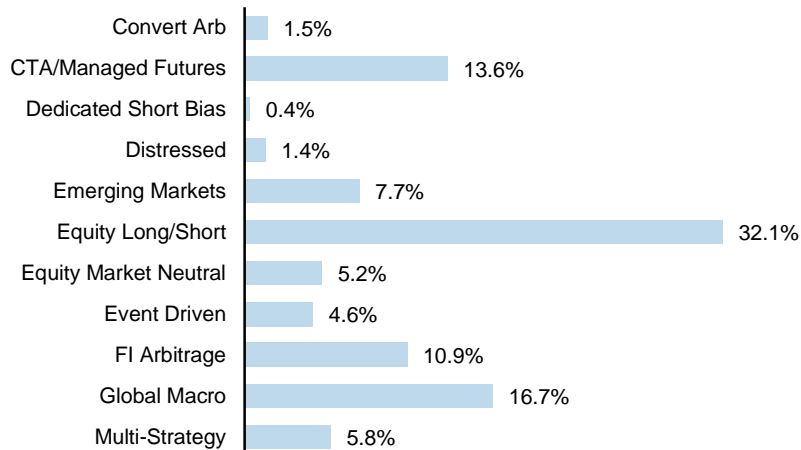
Hedge Fund Stats by Strategy

Hedge Fund Strategy Breakdown by Assets



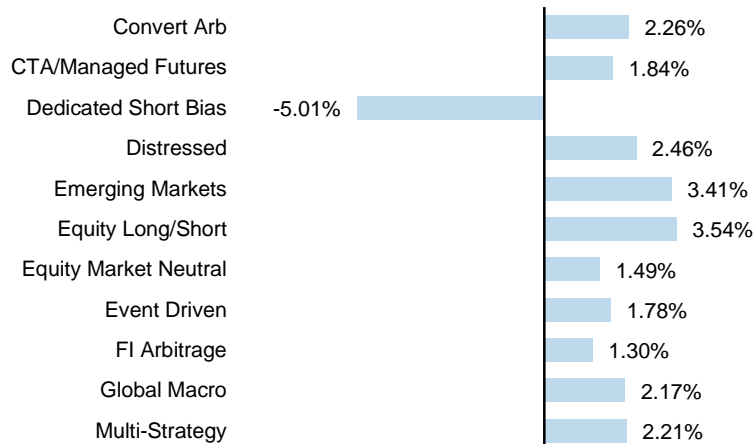
Source: Citi Prime Finance.

Hedge Fund Strategy Breakdown by Number of Funds



Source: Citi Prime Finance.

Hedge Fund Performance by Strategy

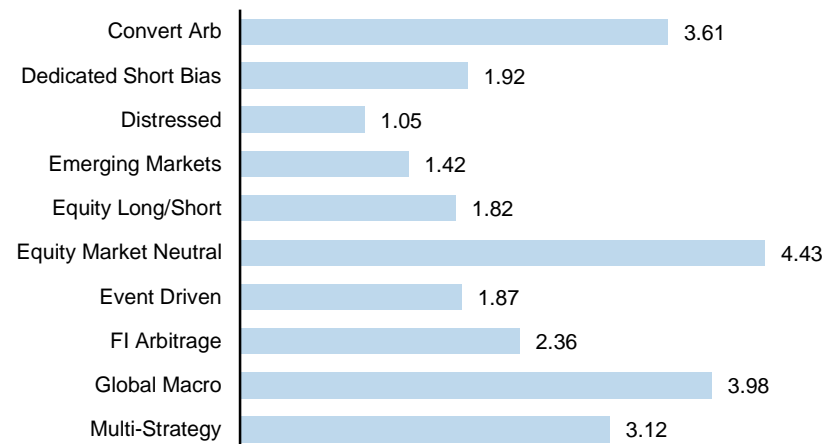


Source: Citi Prime Finance.

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

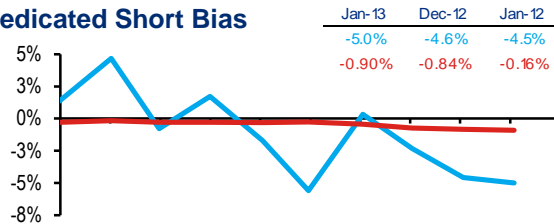


Source: Citi Prime Finance.

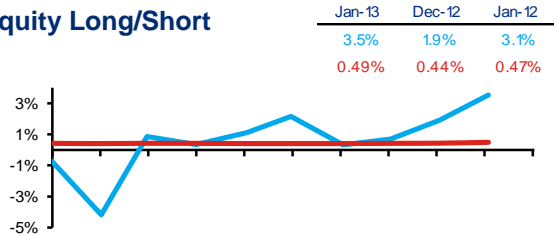
Monthly Performance by Strategy

— Monthly Median
— Trailing 60 Month Median

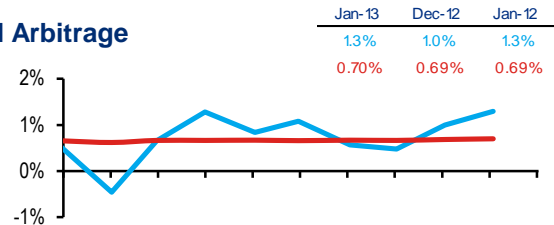
Dedicated Short Bias



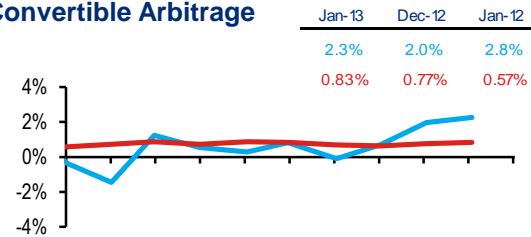
Equity Long/Short



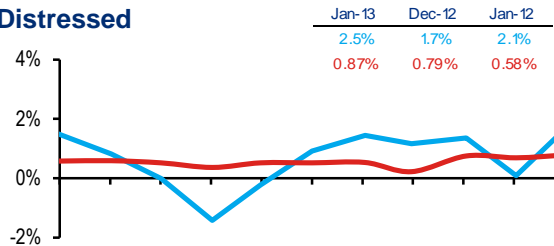
FI Arbitrage



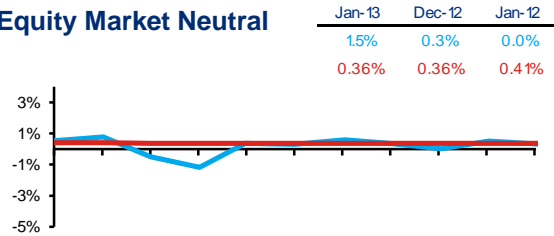
Convertible Arbitrage



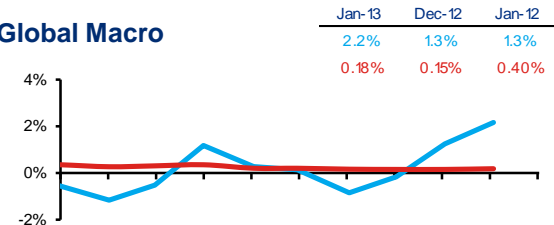
Distressed



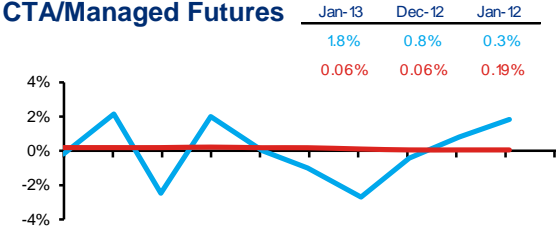
Equity Market Neutral



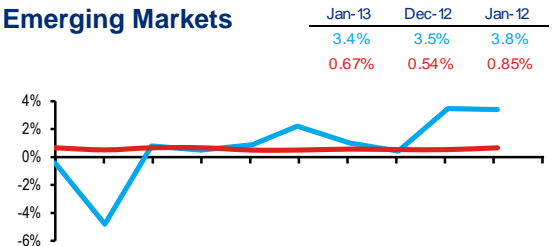
Global Macro



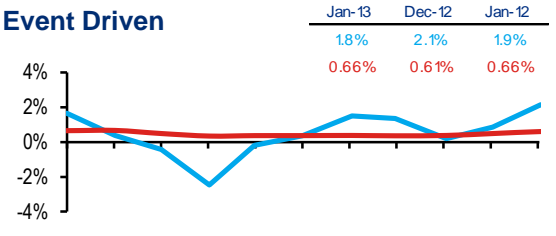
CTA/Managed Futures



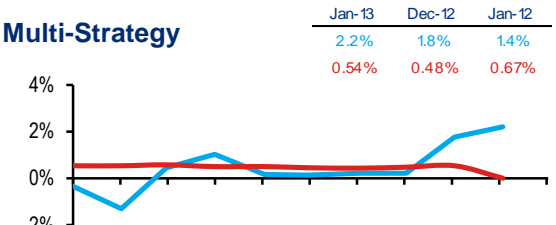
Emerging Markets



Event Driven



Multi-Strategy

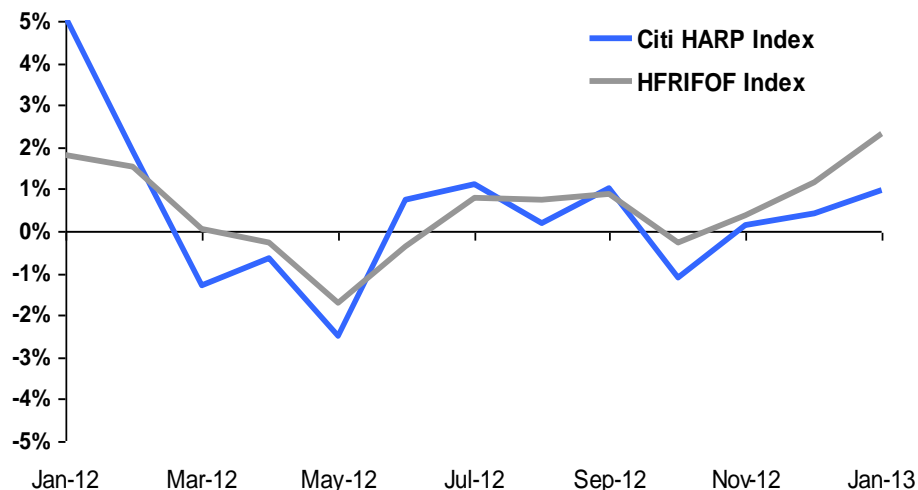


Source: Citi Prime Finance.

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

	Jan-13	Dec-12	Jan-12	YTD-13
Citi Harp	0.97%	0.43%	5.09%	0.97%
HFRIFO	2.32%	1.13%	1.79%	2.32%

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

Annualized Performance: Last 12-Month	Citi HARP Index	HFRIFO
Annualised Return	0.83%	5.24%
Annualised Volatility	4.30%	3.61%
Sharpe Ratio	0.17	1.43
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.

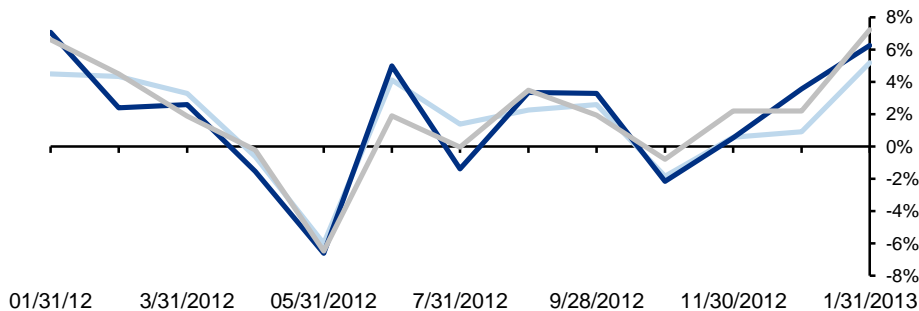
The Index contains weighted components. The components are a money market component and various index components. Each index component represents a class of asset in which the hedge fund sector is assumed to invest: bond, commodity, equity and foreign exchange.

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

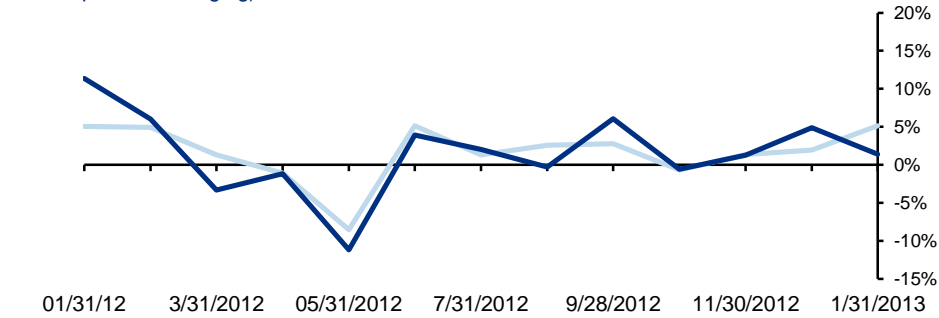
(Large Cap vs. Small Cap)



		Jan-13	Dec-12	Jan-12	YTD-13
S&P 500		5.2%	0.9%	4.5%	5.2%
RUS 2000		6.3%	3.6%	7.1%	6.3%
S&P Mid		7.2%	2.2%	6.6%	7.2%

Global Equities

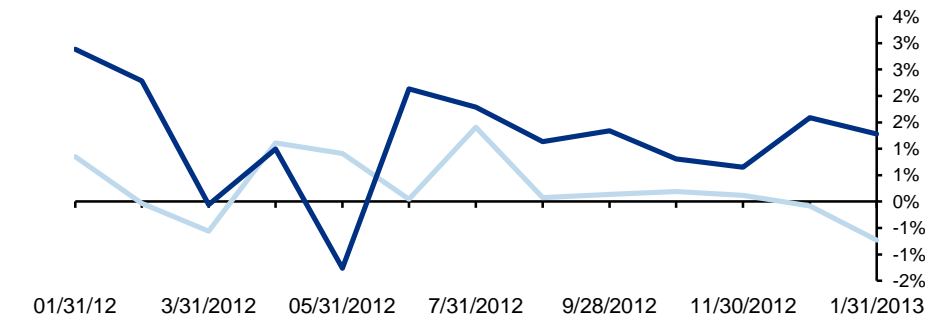
Developed vs. Emerging



		Jan-13	Dec-12	Jan-12	YTD-13
MSCI World		5.1%	1.9%	5.0%	5.1%
MSCI EM		1.4%	4.9%	11.4%	1.4%

Fixed Income

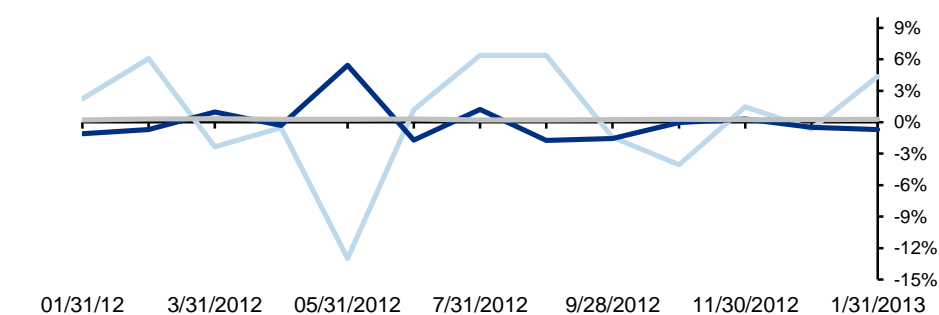
(High-Grade vs. High-Yield)



		Jan-13	Dec-12	Jan-12	YTD-13
Citi US BIG Index		-0.7%	-0.1%	0.8%	-0.7%
Citi HY Bond Index		1.3%	1.6%	2.9%	1.3%

Commodities

(US\$ Performance)

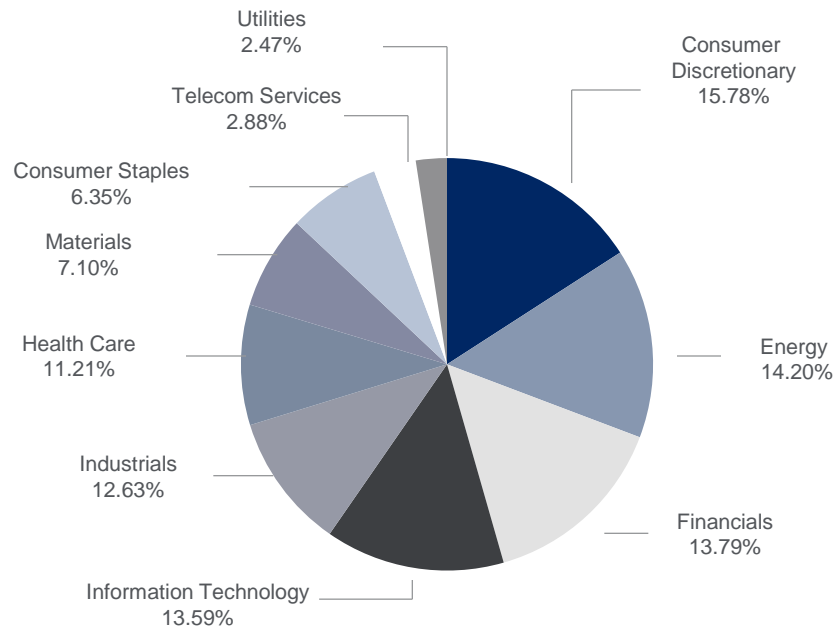


		Jan-13	Dec-12	Jan-12	YTD-13
S&P GSCI		4.4%	-0.6%	2.2%	4.4%
US-\$ Index		-0.7%	-0.5%	-1.1%	-0.7%
US 2yr Note		0.3%	0.2%	0.2%	0.3%

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

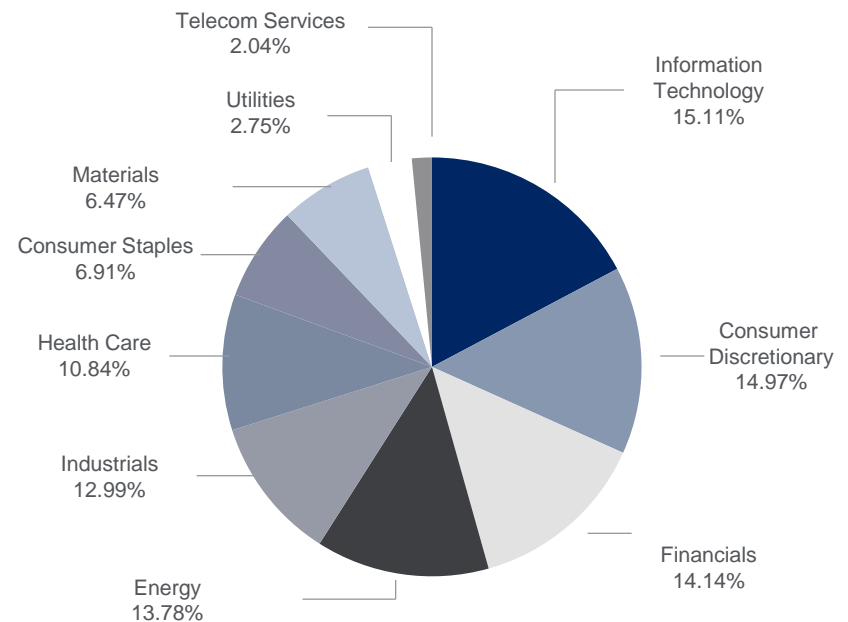
US Securities Lending Sector Short Flows

Short Sale Executions



Sector Short Flows	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Consumer Discretionary	15.78	15.08	0.63
Energy	14.20	14.06	1.00
Financials	13.79	14.80	-6.82
Information Technology	13.59	14.88	-8.67
Industrials	12.63	10.60	19.15
Health Care	11.21	9.47	18.37
Materials	7.10	7.26	-2.20
Consumer Staples	6.35	7.32	-13.25
Telecom Services	2.88	2.43	18.52
Utilities	2.47	3.31	-25.38

Short Cover Executions



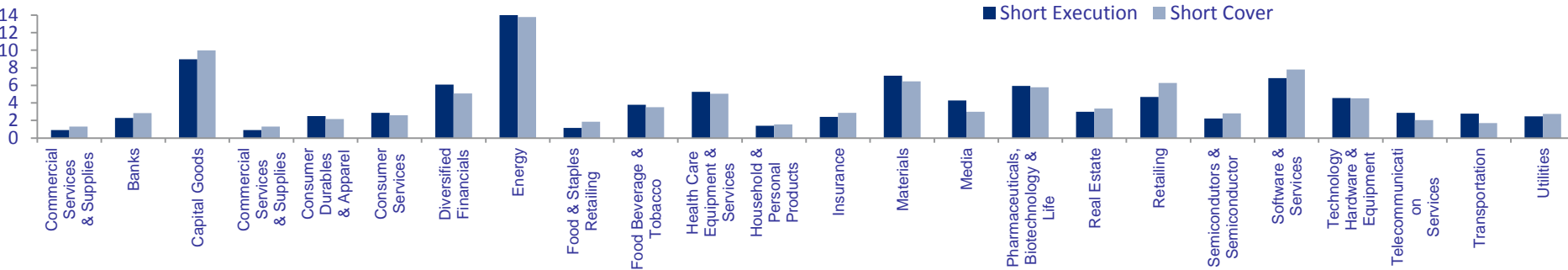
Sector Short Flows	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Information Technology	15.11	13.39	12.85
Consumer Discretionary	14.97	17.24	-13.17
Financials	14.14	13.91	1.65
Energy	13.78	14.47	-4.77
Industrials	12.99	10.48	23.95
Health Care	10.84	11.10	-2.34
Consumer Staples	6.91	7.20	-4.03
Materials	6.47	7.28	-11.13
Utilities	2.75	3.38	-18.64
Telecom Services	2.04	1.54	32.47

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	14.20	14.06	1.00
Capital Goods	8.01	7.54	6.23
Materials	7.10	7.26	-2.20
Software & Services	6.81	8.01	-14.98
Diversified Financials	6.10	5.70	7.02
Pharmaceuticals, Biotechnology & Life	5.94	4.97	19.52
Health Care Equipment & Services	5.27	4.50	17.11
Retailing	4.67	6.03	-22.55
Technology Hardware and Equipment	4.56	5.13	-11.11
Media	4.27	3.09	38.19
Food Beverage & Tobacco	3.78	4.18	-9.57
Real Estate	2.99	3.54	-15.54
Telecom Services	2.88	2.43	18.52
Consumer Services	2.86	2.91	-1.72
Transportation	2.78	1.60	73.75
Consumer Durables & Apparel	2.49	2.72	-8.46
Utilities	2.47	3.31	-25.38
Insurance	2.42	2.71	-10.70
Banks	2.27	2.85	-20.35
Semiconductors and Semiconductor	2.22	1.74	27.59
Automobiles & Components	1.48	1.13	30.97
Household & Personal Products	1.40	1.44	-2.78
Commercial Services & Supplies	1.16	1.70	-31.76
Automobiles & Components	0.89	1.26	-29.37

Industry	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Energy	13.78	14.47	-4.77
Capital Goods	9.99	7.84	27.42
Software & Services	7.80	7.61	2.50
Materials	6.47	7.28	-11.13
Retailing	6.28	6.85	-8.32
Pharmaceuticals, Biotechnology & Life	5.79	4.86	19.14
Diversified Financials	5.08	4.65	9.25
Health Care Equipment & Services	5.05	6.25	-19.20
Technology Hardware and Equipment	4.52	4.27	5.85
Food Beverage & Tobacco	3.52	3.79	-7.12
Real Estate	3.35	4.61	-27.33
Media	3.00	3.08	-2.60
Insurance	2.87	2.39	20.08
Banks	2.84	2.26	25.66
Semiconductors & Semiconductor	2.80	1.51	85.43
Utilities	2.75	3.38	-18.64
Consumer Services	2.58	3.65	-29.32
Consumer Durables & Apparel	2.17	1.92	13.02
Telecom Services	2.04	1.54	32.47
Food & Staples Retailing	1.85	1.80	2.78
Transportation	1.71	1.31	30.53
Household & Personal Products	1.54	1.61	-4.35
Commercial Services & Supplies	1.29	1.33	-3.01
Automobiles & Components	0.94	1.74	-45.98

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

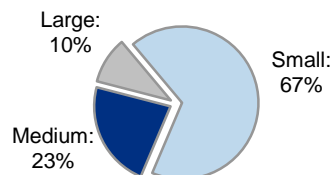
Citi Short Flows: January 2013

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
Sector	Sector					
10	Energy	14.20	14.06	1.00	13.78	14.47
15	Materials	7.10	7.26	-2.20	6.47	7.28
20	Industrials	12.63	10.60	19.15	12.99	10.48
25	Consumer Discretionary	15.78	15.88	-0.63	14.97	17.24
30	Consumer Staples	6.35	7.32	-13.25	6.91	7.20
35	Health Care	11.21	9.47	18.37	10.84	11.10
40	Financials	13.79	14.80	-6.82	14.14	13.91
45	Information Technology	13.59	14.88	-8.67	15.11	13.39
50	Telecommunication Services	2.43	2.29	6.11	1.54	2.05
55	Utilities	2.47	3.31	-25.38	2.75	3.38
Industry Group	Industry Group					
1010	Energy	14.20	14.06	1.00	13.78	14.47
1510	Materials	7.10	7.26	-2.20	6.47	7.28
2010	Capital Goods	8.97	7.74	15.89	9.99	7.84
2020	Commercial Services & Supplies	0.89	1.26	-29.37	1.29	1.33
2030	Transportation	2.78	1.60	73.75	1.71	1.31
2510	Automobiles & Components	1.48	1.13	30.97	0.94	1.74
2520	Consumer Durables & Apparel	2.49	2.72	-8.46	2.17	1.92
2530	Consumer Services	2.86	2.91	-1.72	2.58	3.65
2540	Media	4.27	3.09	38.19	3.00	3.08
2550	Retailing	4.67	6.03	-22.55	6.28	6.85
3010	Food & Staples Retailing	1.16	1.70	-31.76	1.85	1.80
3020	Food Beverage & Tobacco	3.78	4.18	-9.57	3.52	3.79
3030	Household & Personal Products	1.40	1.44	-2.78	1.54	1.61
3510	Health Care Equipment & Services	5.27	4.50	17.11	5.05	6.25
3520	Pharmaceuticals, Biotechnology & Life Sciences	5.94	4.97	19.52	5.79	4.86
4010	Banks	2.27	2.85	-20.35	2.84	2.26
4020	Diversified Financials	6.10	5.70	7.02	5.08	4.65
4030	Insurance	2.42	2.71	-10.70	2.87	2.39
4040	Real Estate	2.99	3.54	-15.54	3.35	4.61
4510	Software & Services	6.81	8.01	-14.98	7.80	7.61
4520	Technology Hardware & Equipment	4.56	5.13	-11.11	4.52	4.27
4530	Semiconductors & Semiconductor Equipment	2.22	1.74	27.59	2.80	1.51
5010	Telecommunication Services	2.88	2.43	18.52	2.04	1.54
5510	Utilities	2.47	3.31	-25.38	2.75	3.38

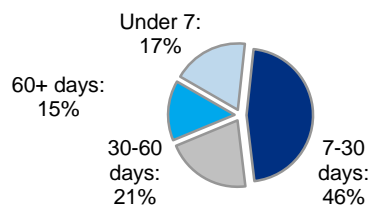
Source: S&P (GICS); Citi US Securities Lending. Executions of shorts and short covers settled at Citi Prime Finance based on Market Value.

Hedge Fund (Fund Level) Profiles

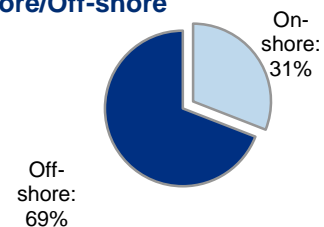
By Fund Size—No. of Funds



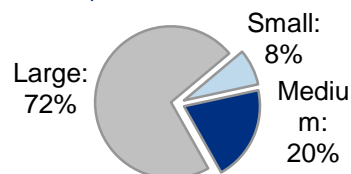
Redemption Notice Period



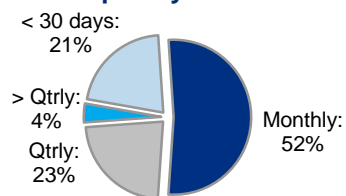
On-shore/Off-shore



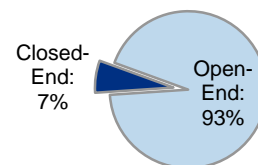
By Fund Size—\$ AUM



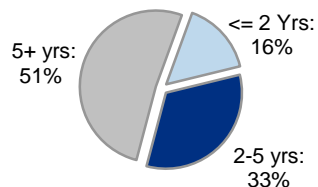
Redemption Frequency



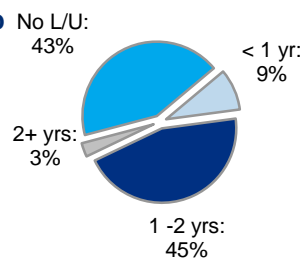
Legal Status



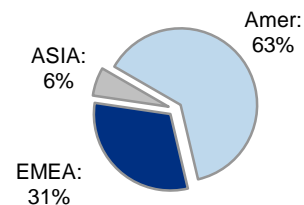
By Fund Age—No. of Funds



Lock-Up



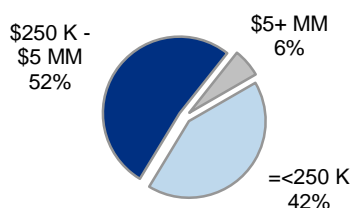
Domicile (by \$ AUM)



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)

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	3%	\$2,665	1.0%	2.1%	72%	98%	1-2 yrs / 76%	7-30 days / 69%	Monthly / 56%
2-5 yrs	12%	\$1,851	2.0%	2.0%	70%	63%	1-2 yrs / 79%	60+ days / 31%	Monthly / 40%
Over 5 yrs	85%	\$2,765	2.7%	2.7%	66%	72%	1-2 yrs / 41%	7-30 days / 32%	Monthly / 47%
Total	100%	\$2,607	2.5%	2.5%	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	6%	\$210	2.0%	2.0%	71%	84%	1-2 yrs / 75%	7-30 days / 52%	Under 30 / 51%
2-5 yrs	29%	\$239	2.2%	2.2%	70%	73%	1-2 yrs / 66%	7-30 days / 41%	Monthly / 49%
Over 5 yrs	65%	\$229	2.8%	2.8%	70%	65%	No / 52%	7-30 days / 48%	Under 30 / 57%
Total	100%	\$231	2.6%	2.6%	71%	68%	No / 44%	7-30 days / 46%	Monthly / 52%

Hedge Funds: Small (<\$100 Million)

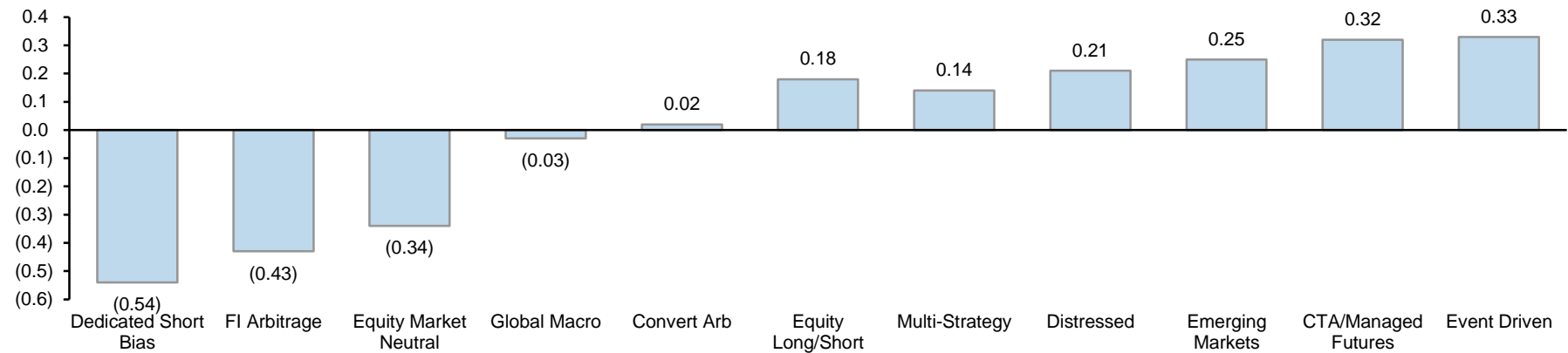
Hedge Fund Age	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice/ % of Total	Preferred Redemption Frequency/ % of Total
Under 2 yrs	4%	\$23	1.9%	1.9%	87%	79%	1-2 yrs / 71%	7-30 days / 32%	Monthly / 44%
2-5 yrs	28%	\$29	2.3%	2.3%	64%	78%	1-2 yrs / 63%	7-30 days / 43%	Monthly / 52%
Over 5 yrs	68%	\$35	2.7%	2.7%	68%	65%	No / 42%	7-30 days / 55%	Monthly / 54%
Total	100%	\$32	2.5%	2.5%	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.

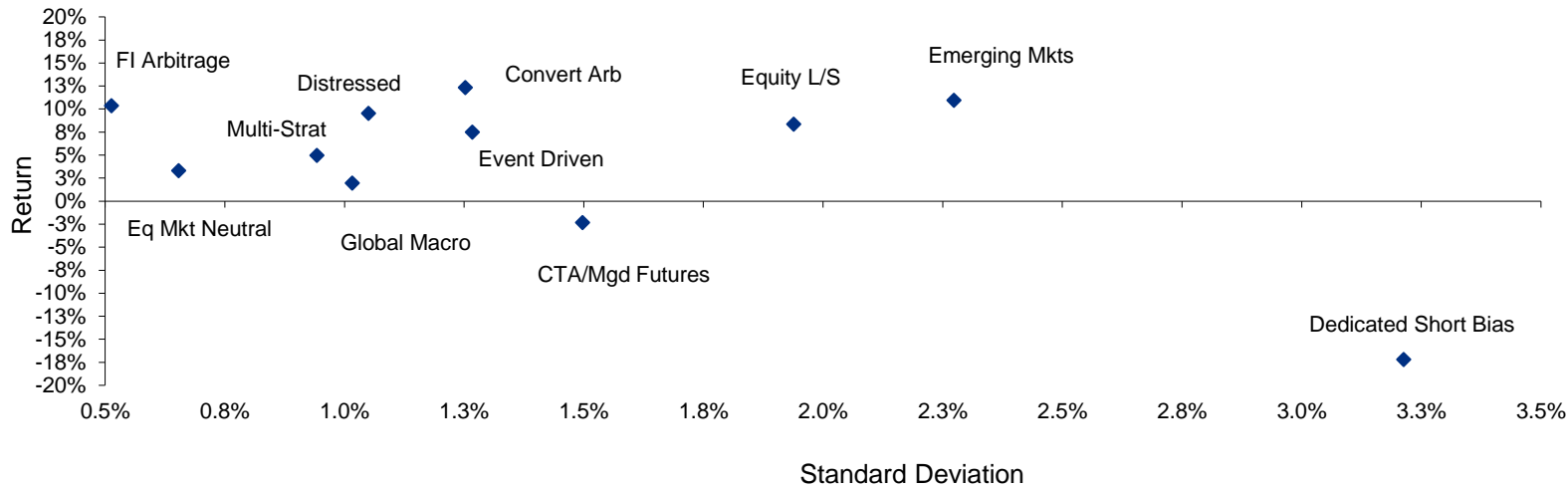
Risk and Return Metrics

Sharpe Ratios (Oct-04 - Jan-13)



Source: Credit Suisse Tremont.

Risk vs. Return (Jan 12 – Jan 13)



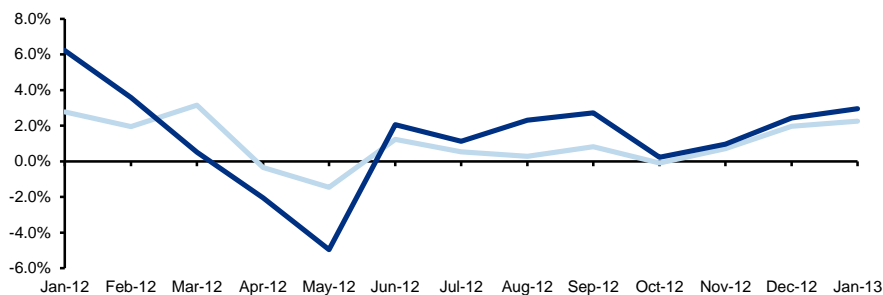
Source: Citi Prime Finance.

Convertible Arbitrage

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

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

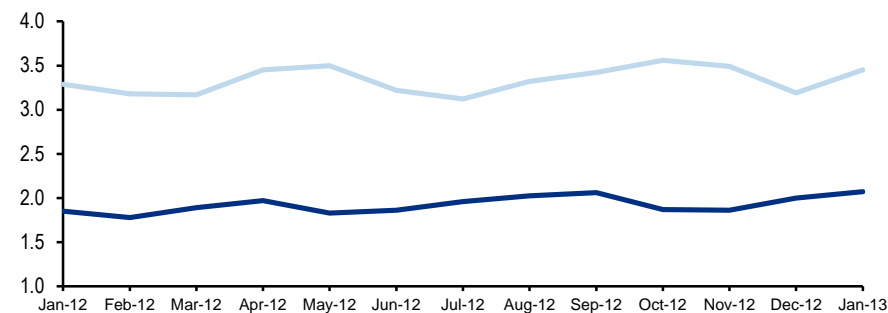


	Jan-13	Dec-12	Jan-12	YTD-13
Convert Arb	2.3%	2.0%	2.8%	2.3%
CWB ETF	3.0%	2.4%	6.2%	3.0%

Source: Citi ICG Analytics; FactSet.

Leverage Profile

(Monthly, LTM)

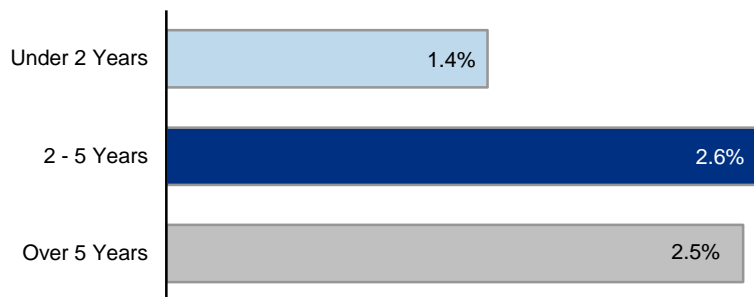


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance.

Hedge Fund Performance by Age¹

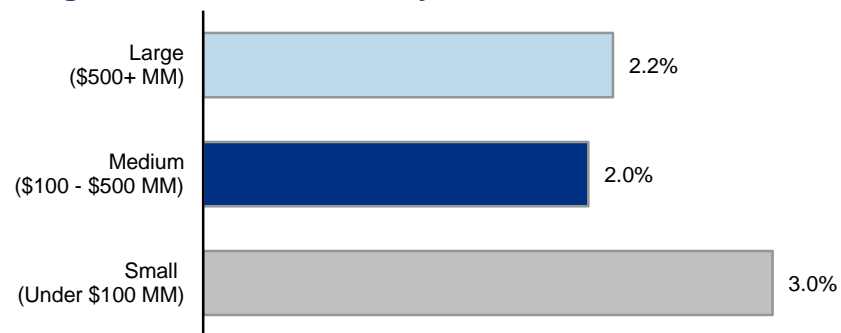


Source: Citi Prime Finance.

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

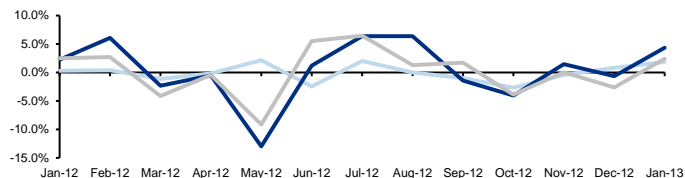


Source: Citi Prime Finance.

CTA/Managed Futures

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

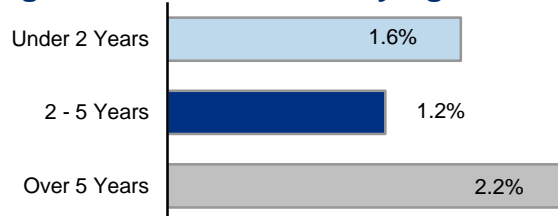
Hedge Fund Performance vs. Benchmark



	Jan-13	Dec-12	Jan-12	YTD-13
CTA/Mgd Futures	1.8%	1.8%	0.3%	1.8%
S&P GSCI Commodity (SPGSCI)	4.4%	1.8%	2.2%	4.4%
DJ-UBS Commodity (DJAGK)	2.4%	2.4%	2.5%	2.4%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age



Source: Citi Prime Finance.

Hedge Fund Performance by Size

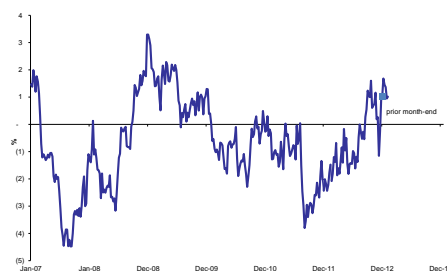


Source: Citi Prime Finance.

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.

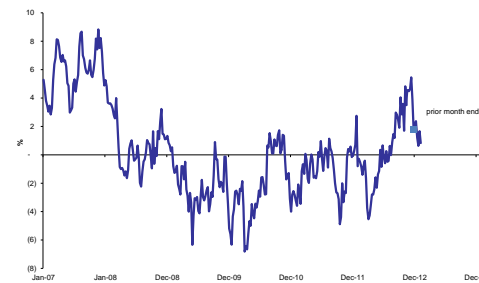
Large Speculator Positions: CFTC Commitment Of Trader (Futures & Options) Report Net of Longs Less Shorts as Percent of Total Open Positions

Combined S&P/Weighted Mini S&P Contracts



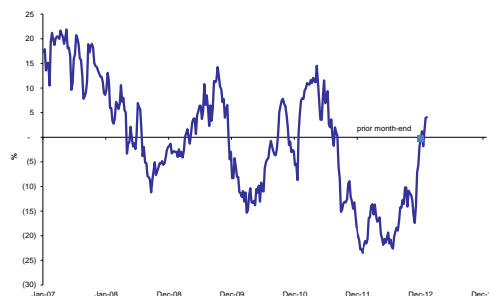
Last Update: 1/29/13 +1.0%

US 10-Year Treasury Futures



Last Update: 1/29/13 +0.8%

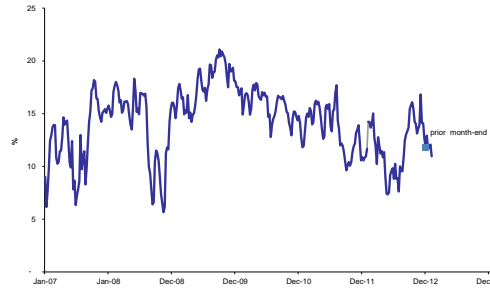
EuroFX Futures



Last Update: 1/29/13 +4.0%

Source: CFTC, Bloomberg, Citi Futures Perspective.

Gold Futures



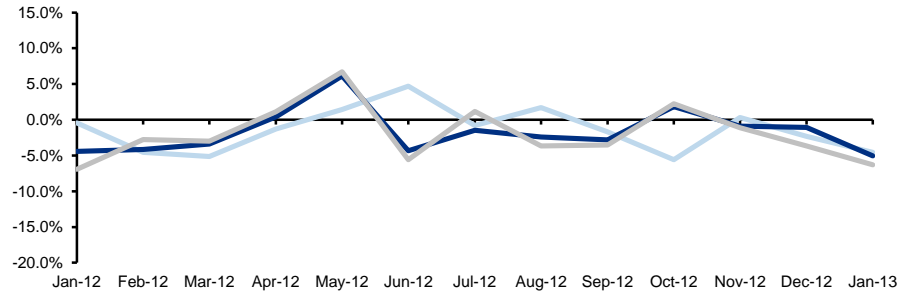
Last Update: 1/29/13 +10.9%

Dedicated Short Bias



Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

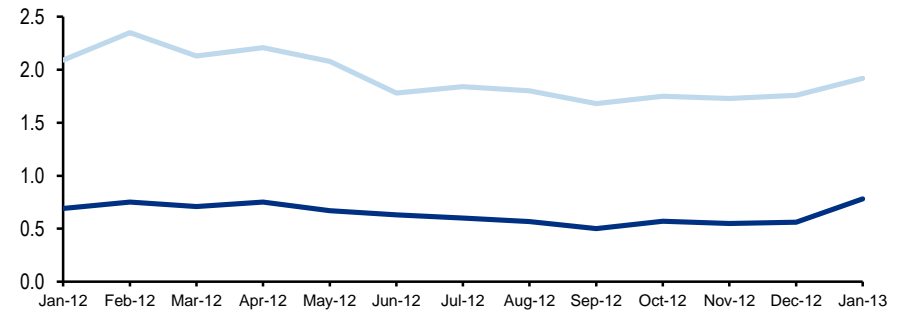


		Jan-13	Dec-12	Jan-12	YTD-13
Ded Short Bias		-5.0%	-4.6%	-4.5%	-5.0%
S&P Short ETF (SH)		-5.1%	-1.1%	-4.4%	-5.1%
Rus 2000 Short ETF (RWM)		-6.3%	-3.7%	-6.9%	-6.3%

Source: Citi Prime Finance; FactSet.

Leverage Profile

(Monthly, LTM)

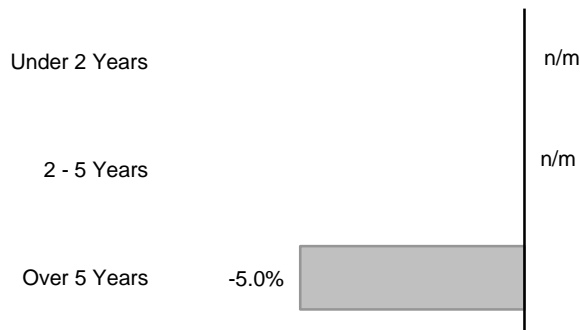


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

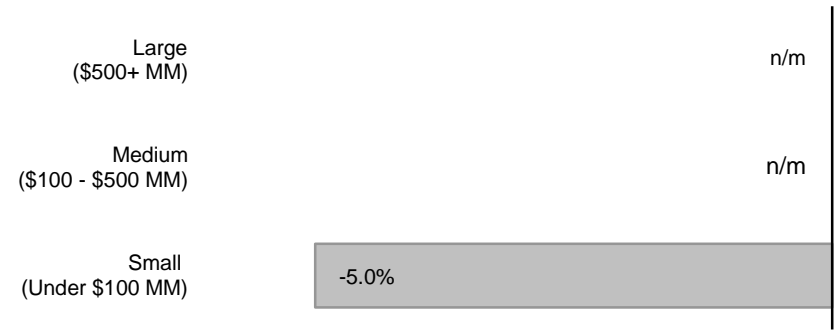
Source: Citi Prime Finance.

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.

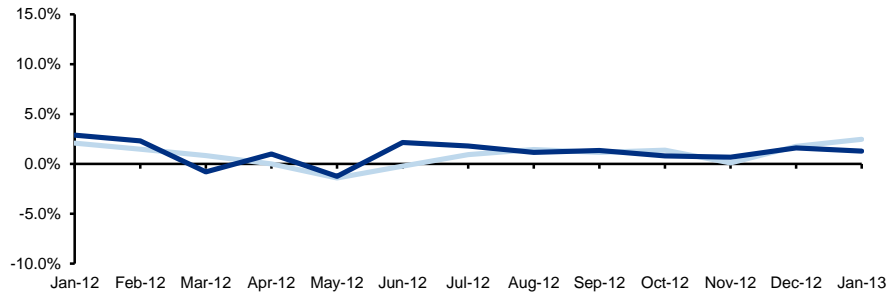
1. Universe and sample sizes may be small.

Distressed

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

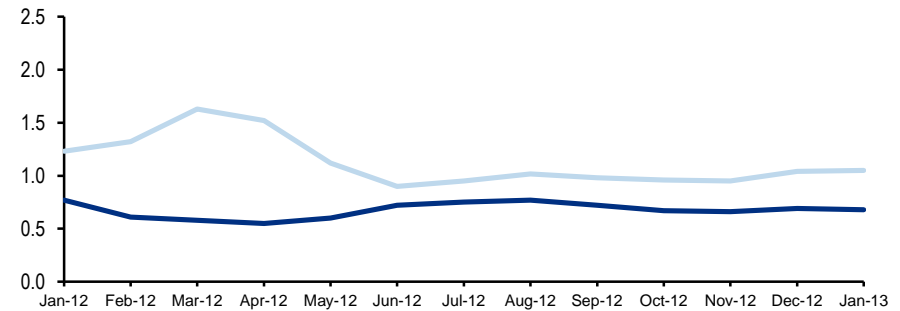
Hedge Fund Performance vs. Benchmark

(Monthly, LTM)



Leverage Profile

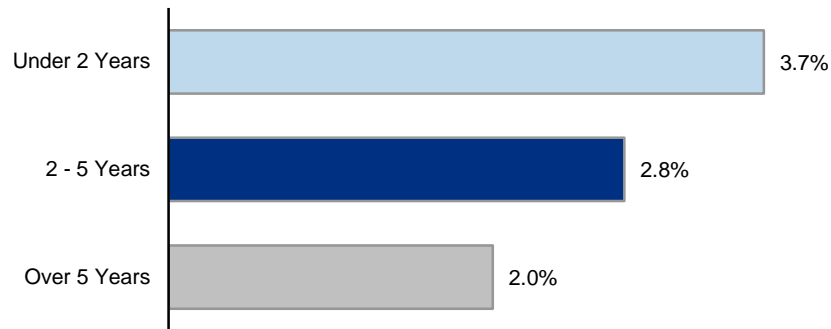
(Monthly, LTM)



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

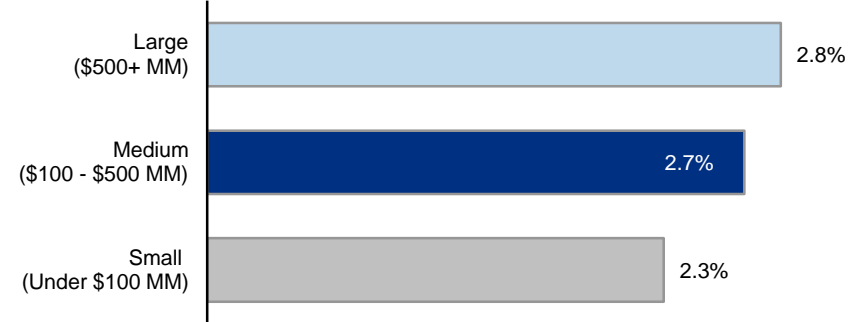
Source: Citi Prime Finance.

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.

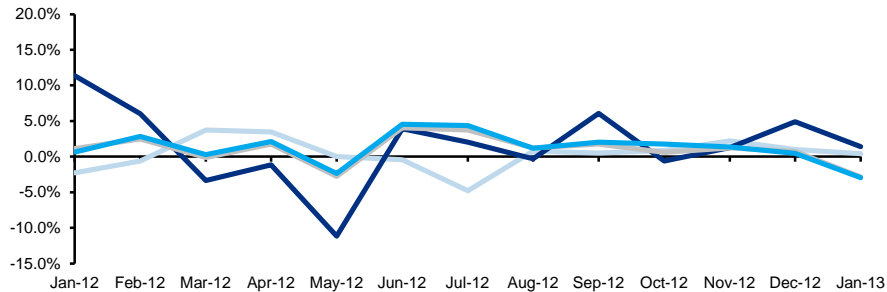
1. Universe and sample sizes may be small.

Emerging Markets

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

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

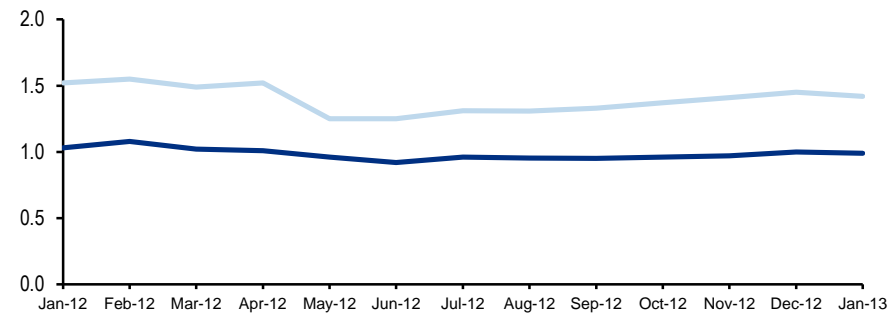


	Jan-13	Dec-12	Jan-12	YTD-13
Emerging Mkts	3.4%	3.5%	3.8%	3.4%
MSCI EM	1.4%	4.9%	11.4%	1.4%
JPM EMBIG Core ETF (EMB)	-2.9%	0.7%	1.1%	-2.9%
DB EM Liquid ETF (PCY)	-3.0%	0.5%	0.6%	-3.0%

Source: Citi Prime Finance; FactSet.

Leverage Profile

(Monthly, LTM)

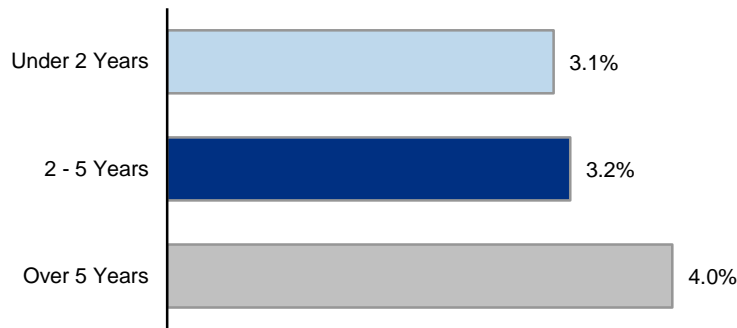


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

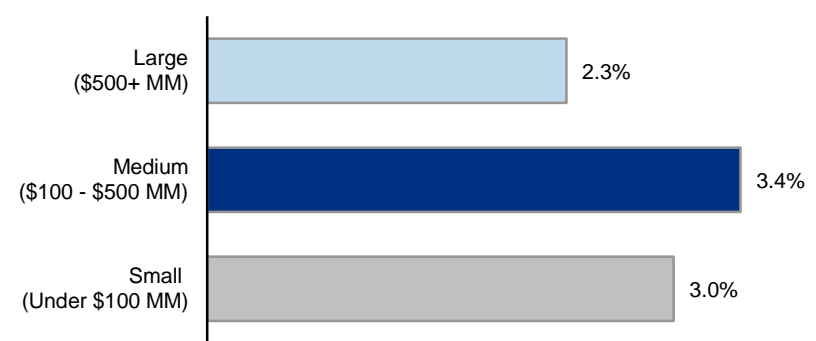
Source: Citi Prime Finance.

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.

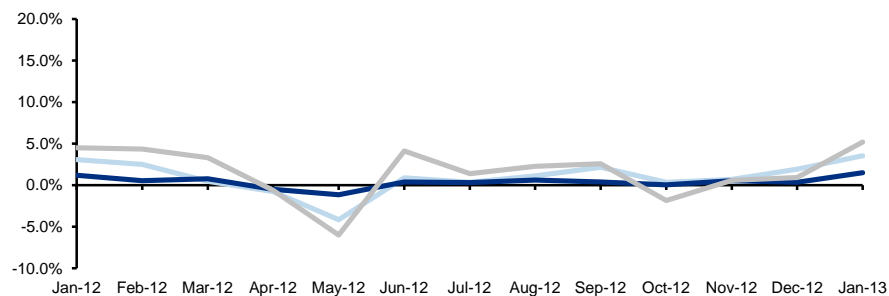
1. Universe and sample sizes may be small.

Equity Long/Short

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

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

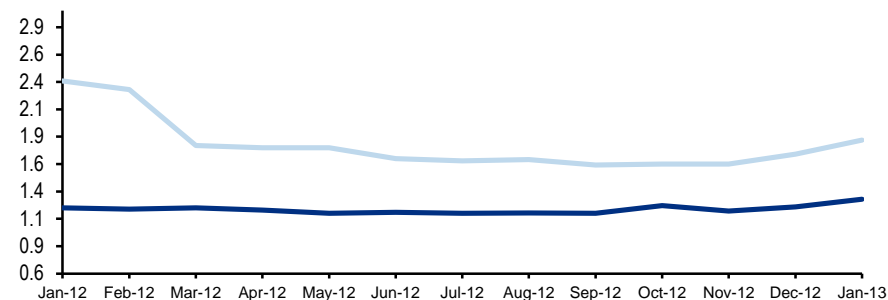


	Jan-13	Dec-12	Jan-12	YTD-13
Eq Long/Short	3.5%	1.9%	3.1%	3.5%
Eq Mkt Neutral	1.5%	0.3%	1.2%	1.5%
S&P 500	5.2%	0.9%	4.5%	5.2%

Source: Citi Prime Finance; FactSet.

Leverage Profile

(Monthly, LTM)

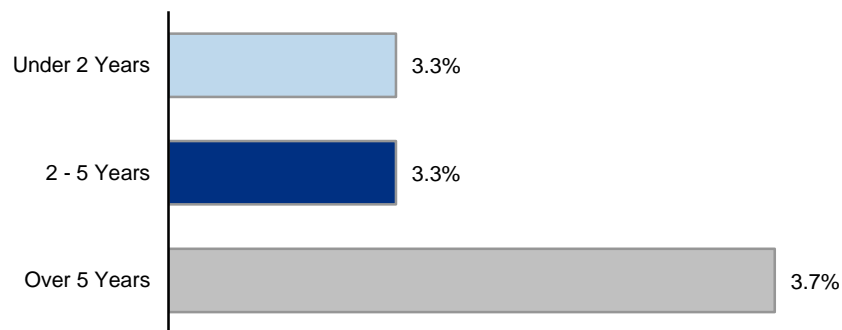


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LMV Leverage (Mean): Defined as Long Market Value / Net Equity

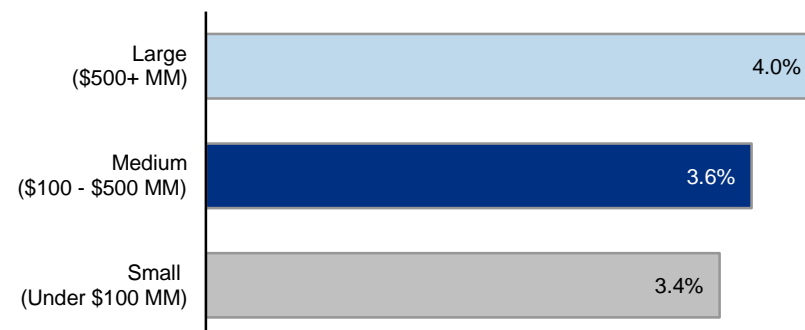
Source: Citi Prime Finance.

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.

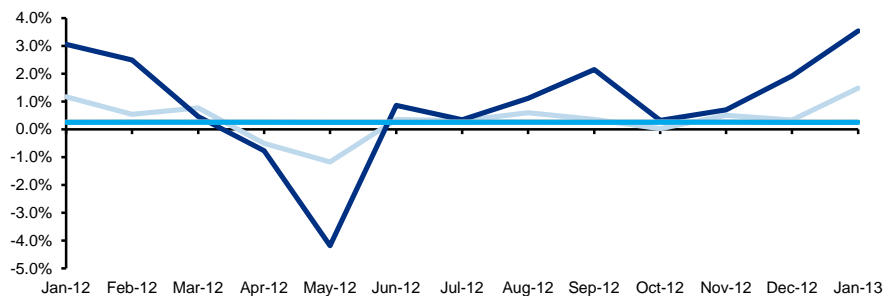
1. Universe and sample sizes may be small.

Equity Market Neutral



Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

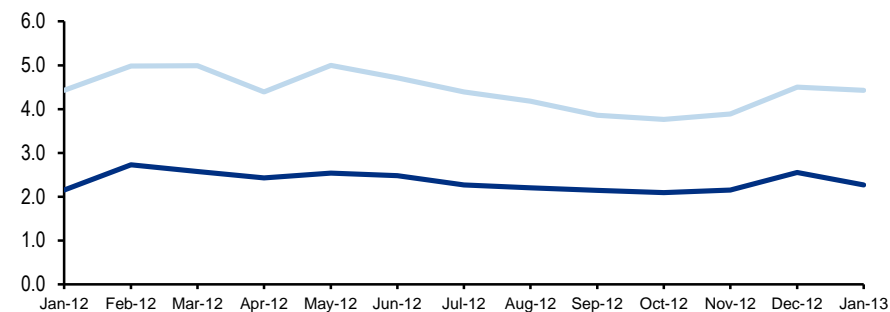


	Jan-13	Dec-12	Jan-12	YTD-13
Eq Mkt Neutral	1.5%	0.3%	1.2%	1.5%
Eq Long/Short	3.5%	1.9%	3.1%	3.5%
LIBOR + 300 bps	0.3%	0.3%	0.3%	0.3%
US T-Bill + 300 bps	0.3%	0.3%	0.3%	0.3%

Source: Citi Prime Finance; FactSet.

Leverage Profile

(Monthly, LTM)

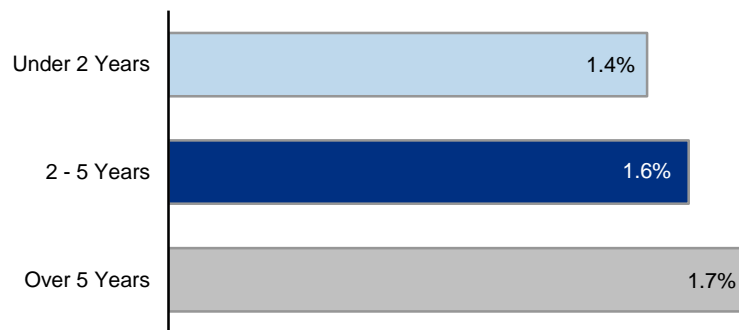


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

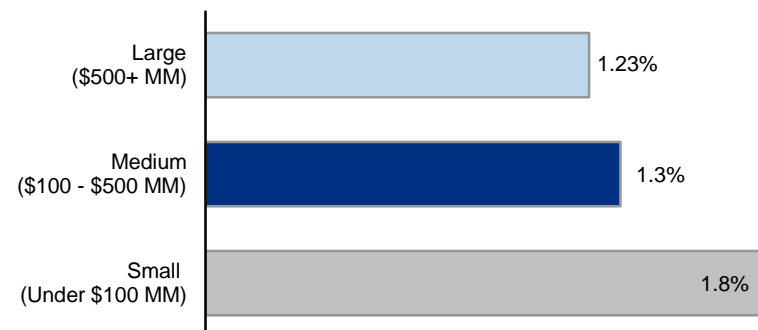
Source: Citi Prime Finance.

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.

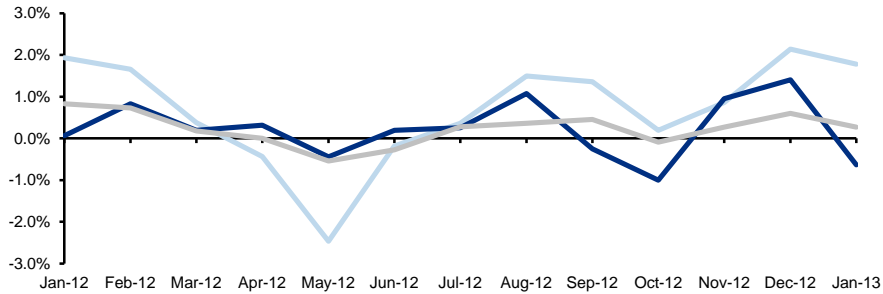
1. Universe and sample sizes may be small.

Event Driven

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

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

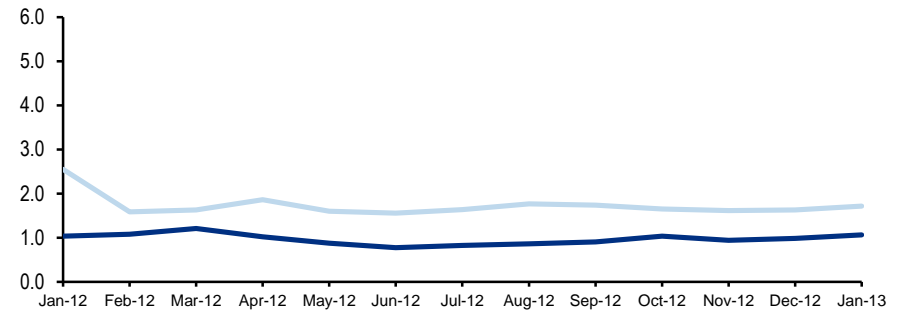


	Jan-13	Dec-12	Jan-12	YTD-13
Event Driven	1.8%	2.1%	1.9%	1.8%
The Merger Fund (MERFX)	-0.6%	1.4%	0.1%	-0.6%
AQR Div Arb Fund (ADANX)	0.3%	0.6%	0.8%	0.3%

Source: Citi Prime Finance; FactSet.

Leverage Profile

(Monthly, LTM)

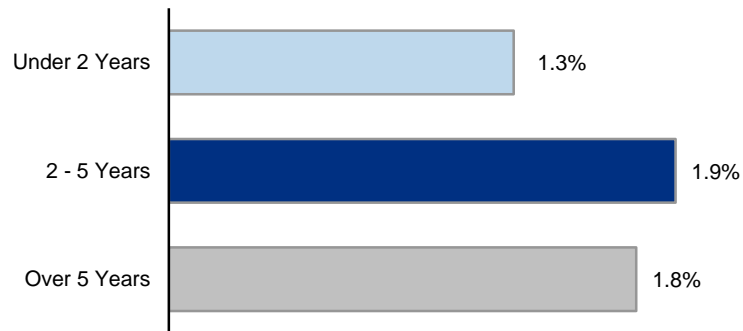


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

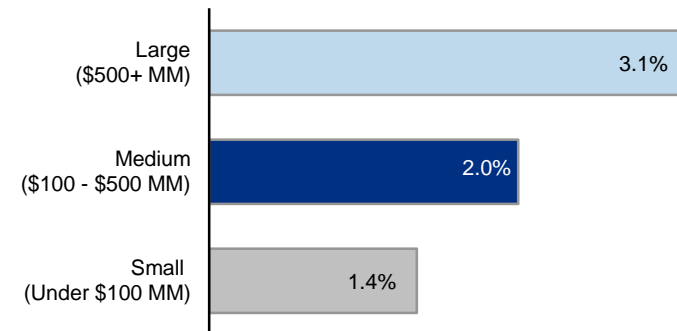
Source: Citi Prime Finance.

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.

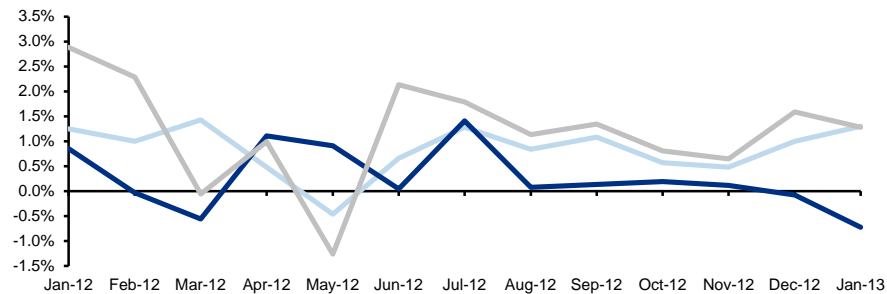
1. Universe and sample sizes may be small.

FI Arbitrage

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

Hedge Fund Performance vs. Benchmark

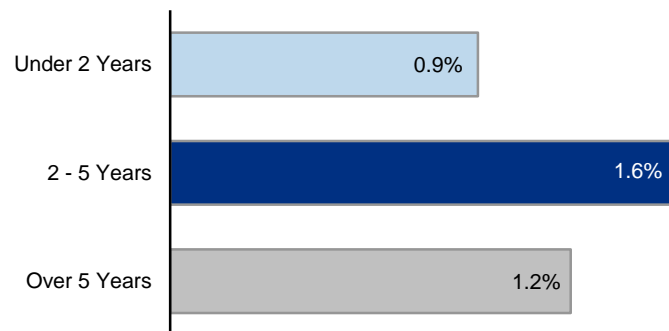
(Monthly, LTM)



	Jan-13	Dec-12	Jan-12	YTD-13
FI Arbitrage	1.3%	1.0%	1.3%	1.3%
Citi US BIG Index	-0.7%	-0.1%	0.8%	-0.7%
Citi HY Bond Index	1.3%	1.6%	2.9%	1.3%

Source: Citi Prime Finance; Citigroup Index LLC.

Hedge Fund Performance by Age¹



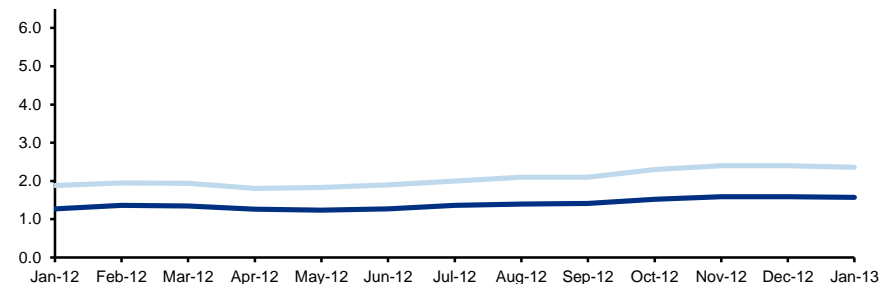
Source: Citi Prime Finance.

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.

Leverage Profile

(Monthly, LTM)

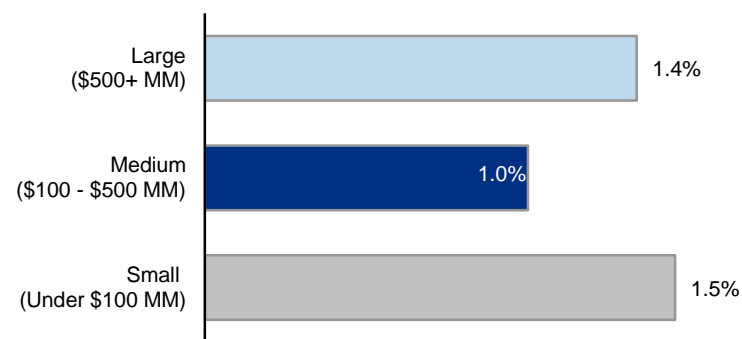


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



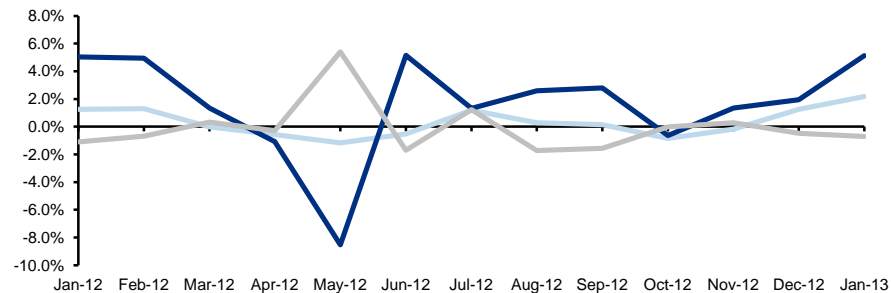
Source: Citi Prime Finance.

Global Macro

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

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

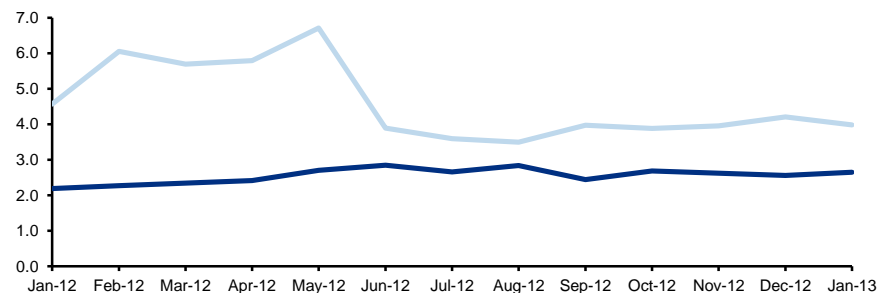


	Jan-13	Dec-12	Jan-12	YTD-13
Global Macro	2.2%	1.3%	1.3%	2.2%
MSCI World	5.1%	1.9%	5.0%	5.1%
US\$-Index	-0.7%	-0.5%	-1.1%	-0.7%

Source: Citi Prime Finance; FactSet.

Leverage Profile

(Monthly, LTM)

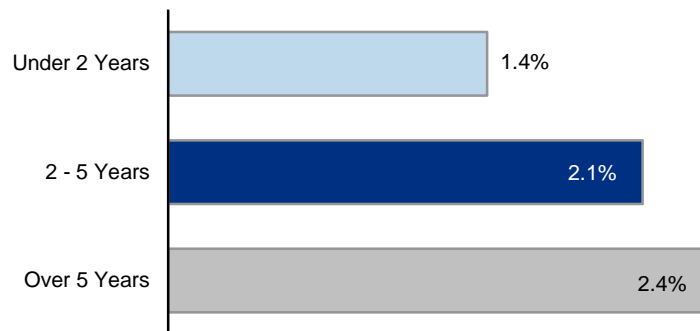


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

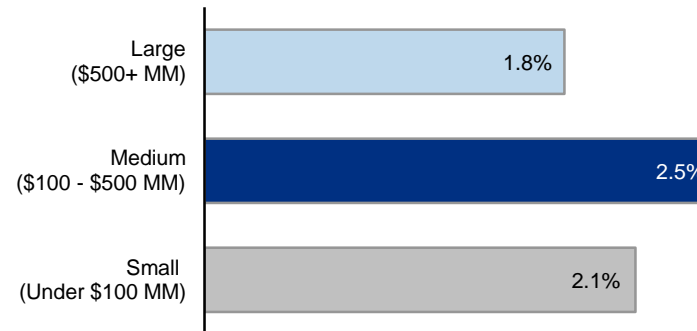
Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance; FactSet.

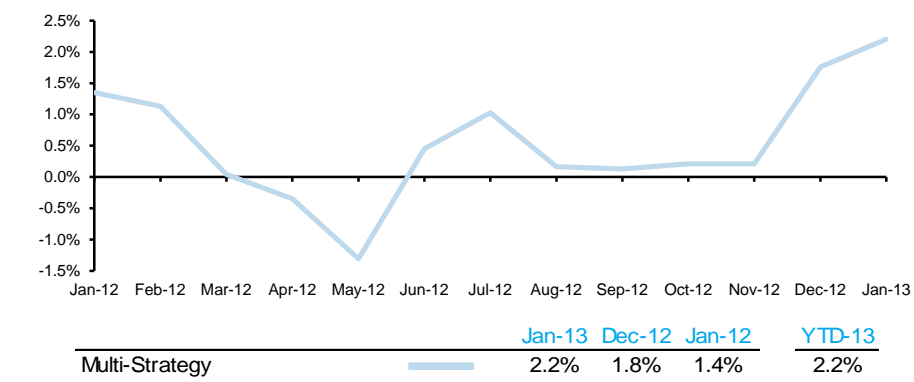
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Multi-Strategy

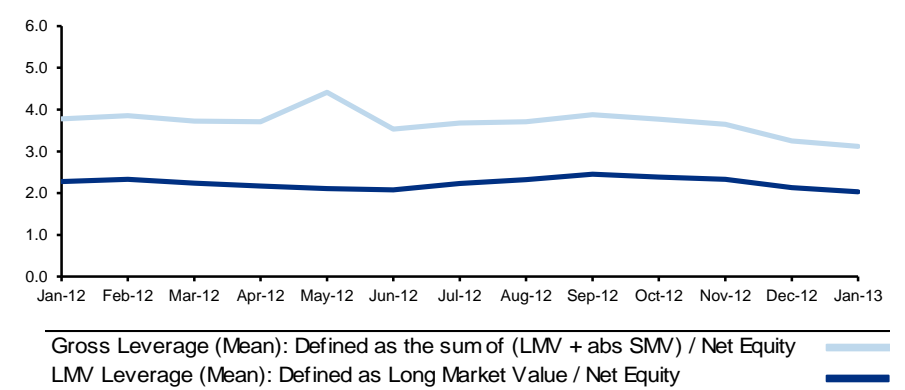
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.2%												2.2%

Hedge Fund Performance vs. Benchmark (Monthly, LTM)



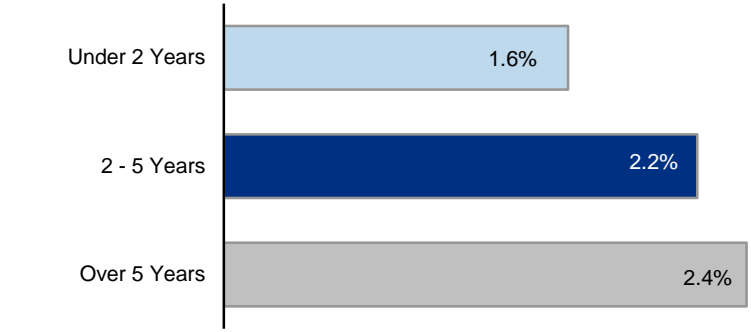
Source: Citi Prime Finance.

Leverage Profile (Monthly, LTM)



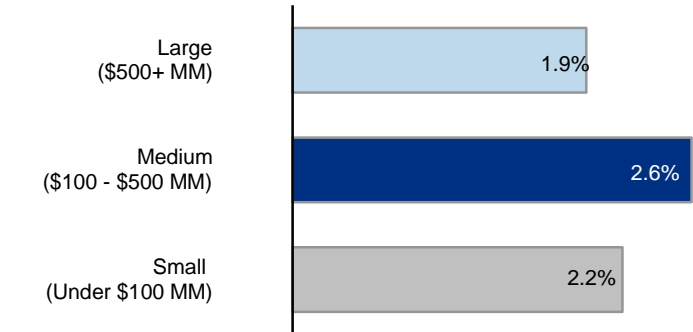
Source: Citi Prime Finance.

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.
1. Universe and sample sizes may be small.

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