Citi Prime Finance

Market Commentary
Report Date: June 2012

www.citigroupgcib.com

Hedge Fund Industry Snapshot

Data as of May 2012

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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Highlights-

Data as of May-2012

Performance, AUM & Flows:

- Composite hedge fund performance, equal-weighted across funds, was down in May 2012 with performance losses ranging from -1.77% to -0.54%. The Citi HARP hedge fund replication index was -2.49% in May versus the HFRI Fund of Fund index that was -1.78%. May 2012 performance returns proved to be down from April 2012 which experienced -0.51% to +0.12% over the same period.
- Hedge fund strategy wise, top performing strategies in May include Dedicated Short at +4.68% and CTA/Managed Futures at +2.15%. Strategies experiencing negative performance include Emerging Markets at -4.80%, Equity Long/Short at -4.18%, and Event Driven at -2.47%
- According to eVestment|HFN, the estimated change in industry assets for May 2012 was negative, finishing the month down -$18.81 billion. Losses were attributed mostly from negative performance (-$28.27 billion) as positive net investor flows accounted for +$9.46 billion. Industry AuM currently stands at $2.53 billion below its $2.94 trillion June 2008 peak.
- Positive net investor inflows of +$9.46 billion for May 2012 marks the second period of positive net flows for 2012. May 2012 net flows are lower than year ago, as investor inflows totaled +$11.4 billion over the same period. Year to date investor flows stand at +$34.96 billion

Fund Profiles:

- Across the subset of hedge funds reporting performance and AUM, the monthly median performance for large single funds (>$500 million) was down slightly at -0.1%, medium single funds ($100-$500 million) at -1.0% and small single funds (<$100 million) at -2.0%.
- Liquidity terms continued its consistent pattern from the previous reporting periods with May 2012 showing little changes to redemption notice periods with 65% of funds requiring 30 days or less notice for redemption. Across the entire subset of reporting funds, the majority (54%) required no lockup (44%) or less than 1 year lock up (10%).
- Consistent throughout recent reporting periods, large funds (> $500 million AUM) continue to hold a large portion of industry AUM (73%) compared to medium funds ($100-$500 million) at 19% and small funds (<$100 million) holding only 8%.

Leverage, Shorts and Futures Market Positioning:

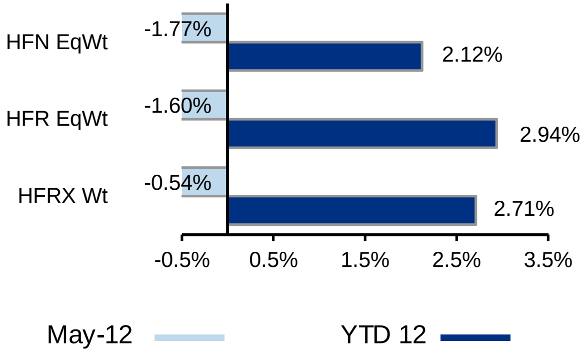
- On a global basis, we calculate gross leverage (as measured on a mean basis) at 1.94x in May 2012 versus 1.93x in April, and 1.93x in March.
- Looking across both long leverage and gross leverage, the following strategies showed the highest uses of leverage: Global Macro (6.71x), Equity Market Neutral (5.0x), Event Driven (4.5x), Multi Strategy (4.41x), Fixed Income Arbitrage (4.22x) and Convertible Arbitrage (3.22x).
- Citi U.S. short flows data included in this month's report show even interest in the Information Technology, Financials and Consumer Discretionary, sectors. These three sectors accounted for 50.71% of short executions and 52.51% of short covers in May versus 51.74% of short executions and 50.67% of short covers in April 2012.
- April non-commercial accounts added to the net short exposure in EuroFX futures & options markets in May - up to a -20.7% of total open interest from -16.9% at the end of April - another record. They cut their net long position in the gold market to 7.5% vs. 10.9% in the prior month. It was the fourth consecutive month of decline in the long exposure, and brought it to the smallest position as a percent of total open interest it has been since November 2008. Shifts in positioning in the 10-Year T-note futures and S&P (large & mini) were smaller. Non-commercials cut the net short exposure in 10-Year T-note futures & options to -1.1% from -2.8% at the end of April and built their net short position in the S&P market to -1.8% from -1.4% in end-April.

Hedge Fund Industry: AUM, Performance

Data as of May-2012

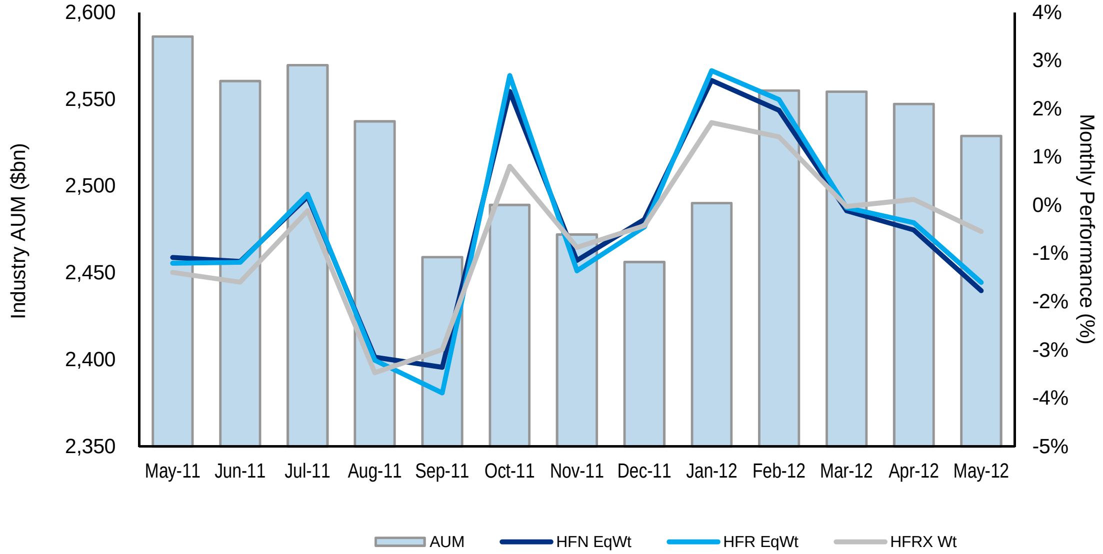
- Composite hedge fund performance, equal-weighted across funds, was negative in May 2012 with performance losses ranging from -1.77% to -0.54%. Returns were lower than the previous period (April 2012 -0.51% to +0.12%). Year to data performance gains range from +2.12% to +2.94% compared to -0.53% to +1.97% over the same period year ago.
- Global equity markets declined sharply in May as European sovereign debt and bank liquidity concerns resulted in a sharp increase in investor risk aversion; mixed economic data in the US and disappointing results of a large technology IPO also contributed to investor concerns. Equities in Energy, Technology, Financials and Emerging Markets all posted sharp declines for May. Treasury yields in safe haven countries fell to historical lows with gains in longer dated issues contributing to significant curve flattening. Investors flocked to US Dollar & Swiss Franc, driving these to strong gains against the Euro. Commodities also posted declines on a weakening global economic outlook, with Oil and Copper posting large declines.
- Hedge fund strategy wise, top performing strategies in May include Dedicated Short at +4.68% and CTA/Managed Futures at +2.15%. Strategies experiencing negative performance include Emerging Markets at -4.80%, Equity Long/Short at -4.18%, and Event Driven at -2.47%.
- Industry AUM, estimated at $2.53 trillion for May 2012 according to eVestment|HFN is down from April's $2.55 trillion. Depending on the source, estimates of industry AUM ranges from $2.13 to $2.53 trillion compared to the Q2 2008 peak range of $1.9 to $2.94 trillion.

Industry Performance: May-12 / YTD



Source: HFR, eVestment|HFN

Monthly Industry AUM and Performance



Source: eVestment|HFN; Hedge Fund Research, Inc., © 2010

Note Pad:

- MSCI World Index: -8.5%; +1.7% YTD
- MSCI EM Index: -11.2%; +1.7% YTD
- S&P 500: -6.0%; +5.5% YTD
- Citi US BIG Index: +0.91%; +2.3% YTD
- S&P GSCI: -13.0%; -7.5% YTD
- U.S. Dollar Index: +5.4%; +4.3% YTD
- HFN Country Indices May/YTD:

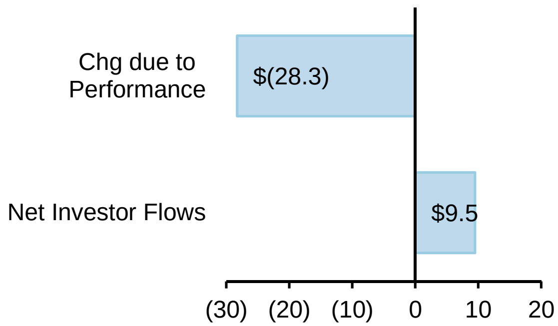
  Brazil -4.09% / +4.97%; Russia -15.09%/ -5.58%; India: -6.20% / +7.54%; China: -3.30% / +0.06%

Hedge Fund Industry: Change in Industry Assets

Data as of May-2012

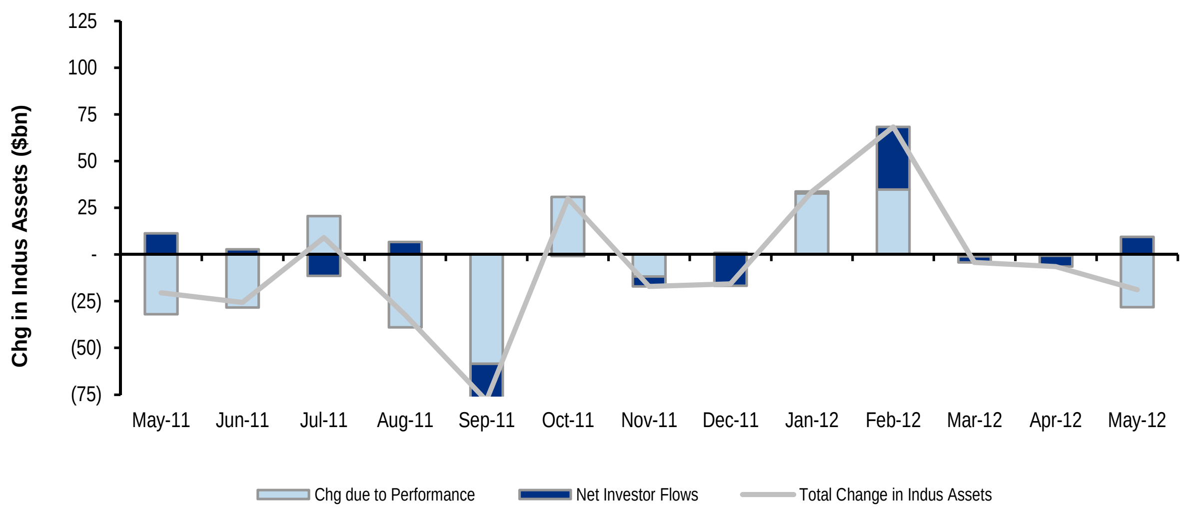
- According to eVestment|HFN, the estimated change in industry assets for May 2012 was negative, finishing the month down -$18.81 billion. Losses were attributed to negative performance (-$28.27 billion).
- May 2012 marks the third consecutive month in which performance contributed negatively to industry AUM. May 2012 losses due to performance loses of -$28.27 billion were greater than the previous month (April 2012 -$0.62 billion). Year to date performance gains stand at +$37.61 billion compared to +$42.51 billion over the same period last year.
- Positive net investor inflows of +$9.5 billion for May 2012 marks the third period of positive net flows for 2012. May 2012 net flows are lower than year ago, as investor inflows totaled +$11.41 billion over the same period. Year to date investor flows stand at +$34.96 billion
- Total industry AUM of $2.53 trillion for April 2012 is down -0.74% from $2.55 trillion in April 2012. Industry AUM levels are still well below the June 2008 peak estimated by eVestment|HFN at $2.94 trillion.

Composition of Change in Assets: May-12 Amounts in ($ bn)



Source: eVestment|HFN

Monthly Change in Industry Assets and Composition



Source: eVestment|HFN

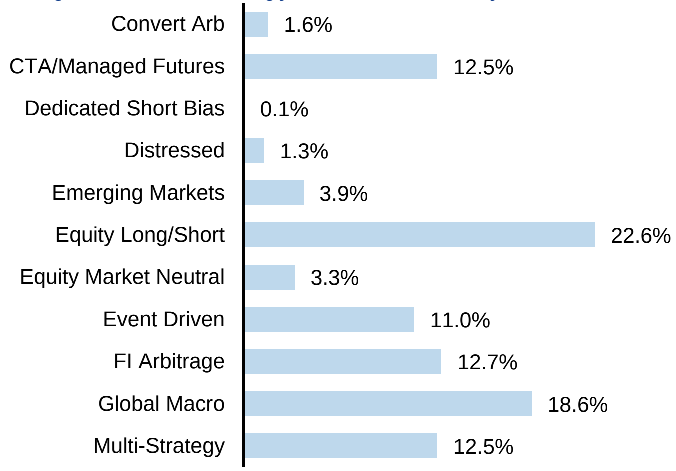
Note Pad:

- The Citi Prime Finance calculation for end-April gross leverage (as measured on a mean basis) was 1.94x, compared to recent months: April (1.93x), March (1.93x), February (1.99x)
- Gross leverage (mean): defined as sum of (LMV + abs SMV) / Net Equity

Hedge Fund Stats by Strategy

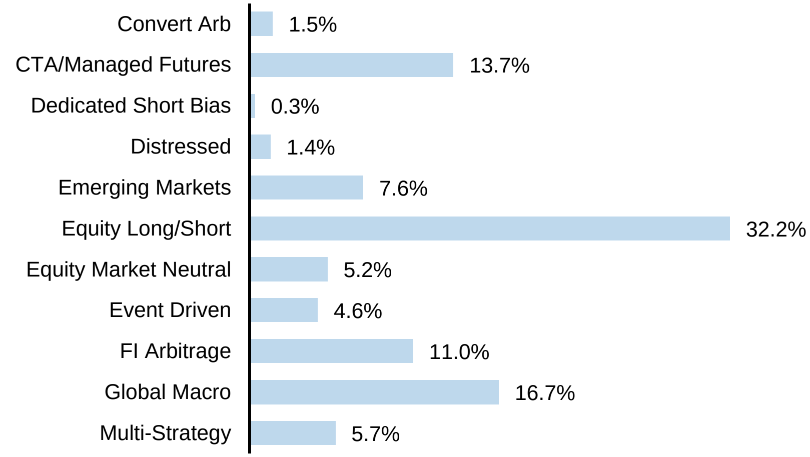
Data as of May-2012

Hedge Fund Strategy Breakdown by Assets



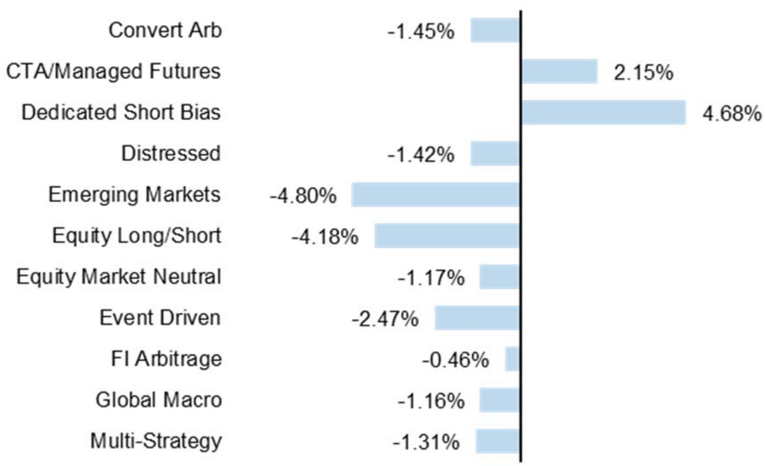
Source: Citi Prime Finance

Hedge Fund Strategy Breakdown by Number of Funds



Source: Citi Prime Finance

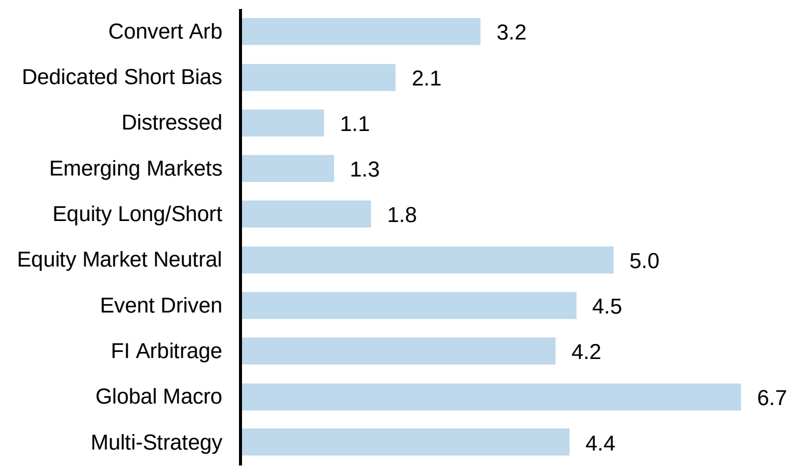
Hedge Fund Performance by Strategy



Source: Citi Prime Finance

Hedge Fund Leverage Ratios by Strategy

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



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.

Monthly Performance by Strategy

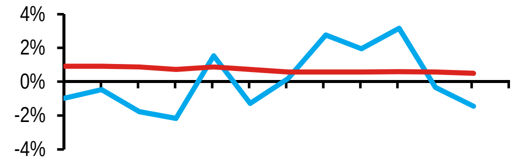
Data as of May-2012

Monthly Median:

Trailing 60 Month Median:

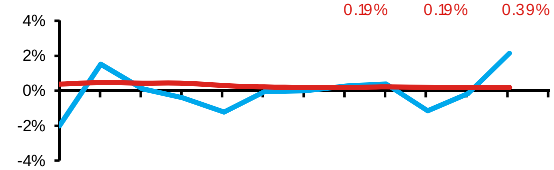
Convertible Arbitrage

May-12	Apr-12	May-11
-1.5%	-0.3%	-0.4%
0.51%	0.58%	0.91%



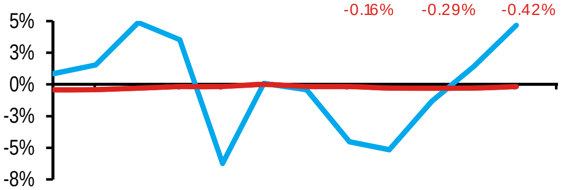
CTA/Managed Futures

May-12	Apr-12	May-11
2.1%	-0.2%	-2.3%
0.19%	0.19%	0.39%



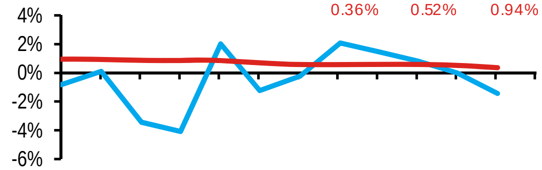
Dedicated Short Bias

May-12	Apr-12	May-11
4.7%	1.4%	0.3%
-0.16%	-0.29%	-0.42%



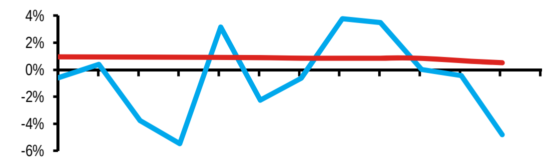
Distressed

May-12	Apr-12	May-11
-1.4%	0.0%	-0.2%
0.36%	0.52%	0.94%



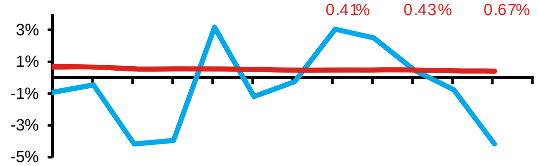
Emerging Markets

May-12	Apr-12	May-11
-4.8%	-0.4%	-0.8%
0.52%	0.67%	0.96%



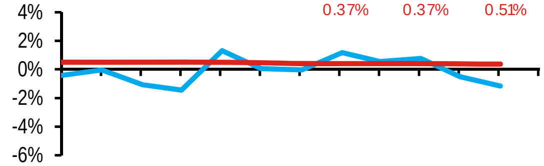
Equity Long/Short

May-12	Apr-12	May-11
-4.2%	-0.8%	-0.9%
0.41%	0.43%	0.67%



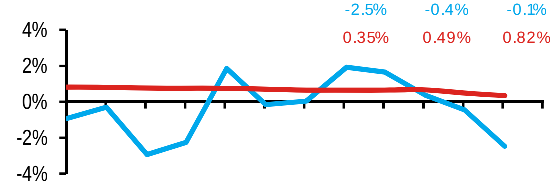
Equity Market Neutral

May-12	Apr-12	May-11
-1.2%	-0.5%	-0.1%
0.37%	0.37%	0.51%



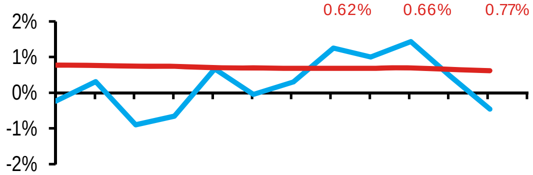
Event Driven

May-12	Apr-12	May-11
-2.5%	-0.4%	-0.1%
0.35%	0.49%	0.82%



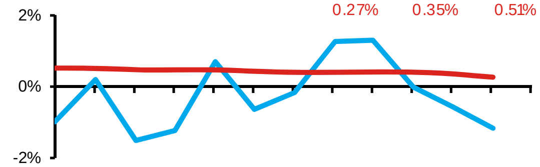
FI Arbitrage

May-12	Apr-12	May-11
-0.5%	0.5%	0.4%
0.62%	0.66%	0.77%



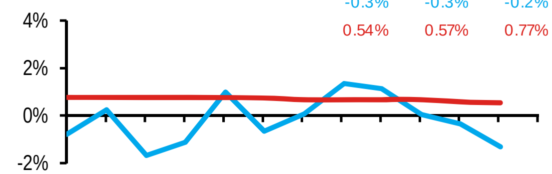
Global Macro

May-12	Apr-12	May-11
-1.2%	-0.6%	-0.9%
0.27%	0.35%	0.51%



Multi-Strategy

May-12	Apr-12	May-11
-0.3%	-0.3%	-0.2%
0.54%	0.57%	0.77%



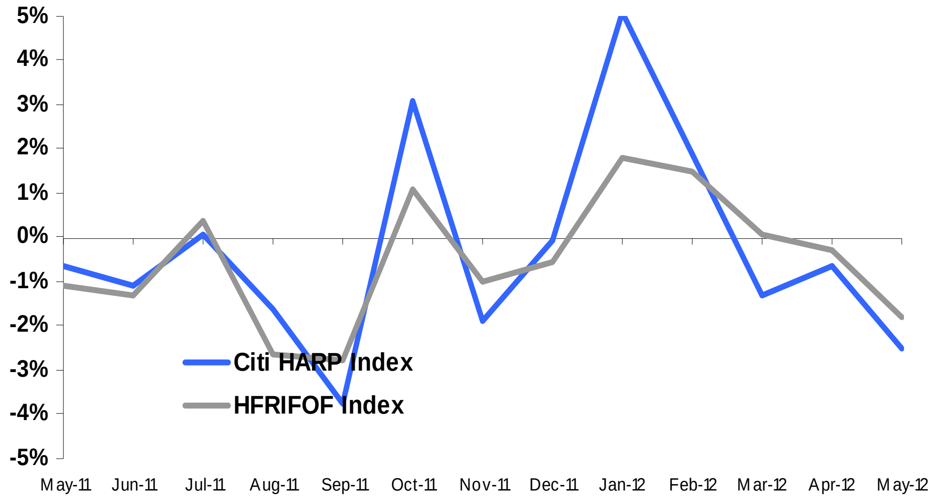
Source: Citi ICG Analytics

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)

Data as of May-2012

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

	May-12	Apr-12	May-11	YTD-12
Citi Harp	-2.49%	-0.65%	-0.63%	2.39%
HFRIFOF	-1.78%	-0.27%	-1.08%	1.26%

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	-3.05%	-5.49%
Annualised Volatility	8.63%	5.24%
Sharpe Ratio	-0.36	-1.06
Correlation	88%	-

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.

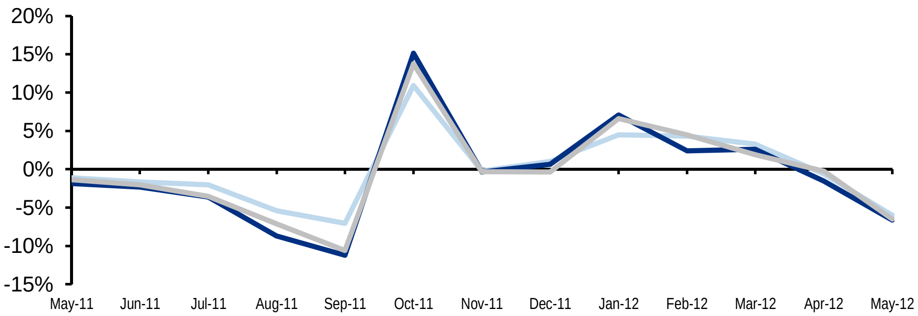
The Index contains weighted components. The components are a money market component and various index components. Each index component represents a class of asset in which the hedge fund sector is assumed to invest: bond, commodity, equity and foreign exchange.

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

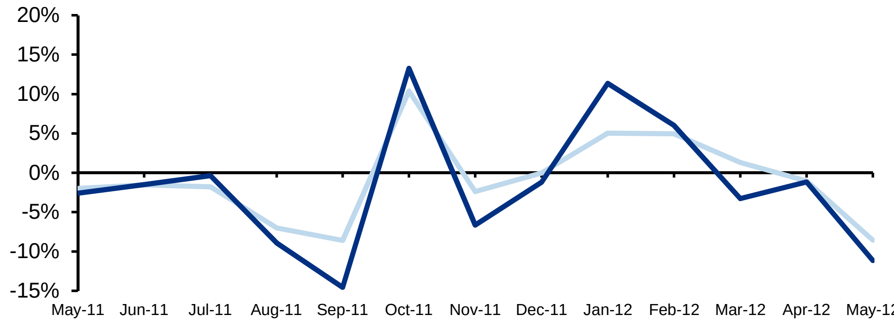
Data as of May-2012

US Equities (Large Cap vs. Small Cap)



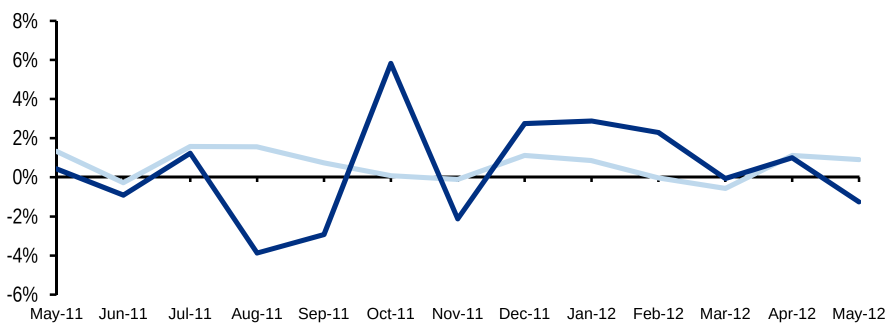
		May-12	Apr-12	May-11	YTD-12
S&P 500		-6.0%	-0.6%	-1.1%	5.5%
RUS 2000		-6.6%	-1.5%	-1.9%	3.9%
S&P Mid		-6.5%	-0.2%	-1.3%	6.3%

Global Equities (Developed vs. Emerging)



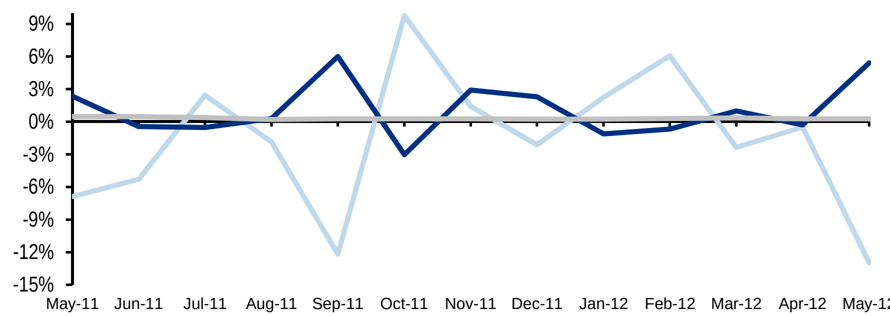
		May-12	Apr-12	May-11	YTD-12
MSCI World		-8.5%	-1.1%	-2.0%	1.7%
MSCI EM		-11.2%	-1.2%	-2.6%	1.7%

Fixed Income (High-Grade vs. High-Yield)



		May-12	Apr-12	May-11	YTD-12
Citi US BIG Index		0.9%	1.1%	1.3%	2.3%
Citi HY Bond Index		-1.3%	1.0%	0.4%	4.8%

Commodities (US$ performance)



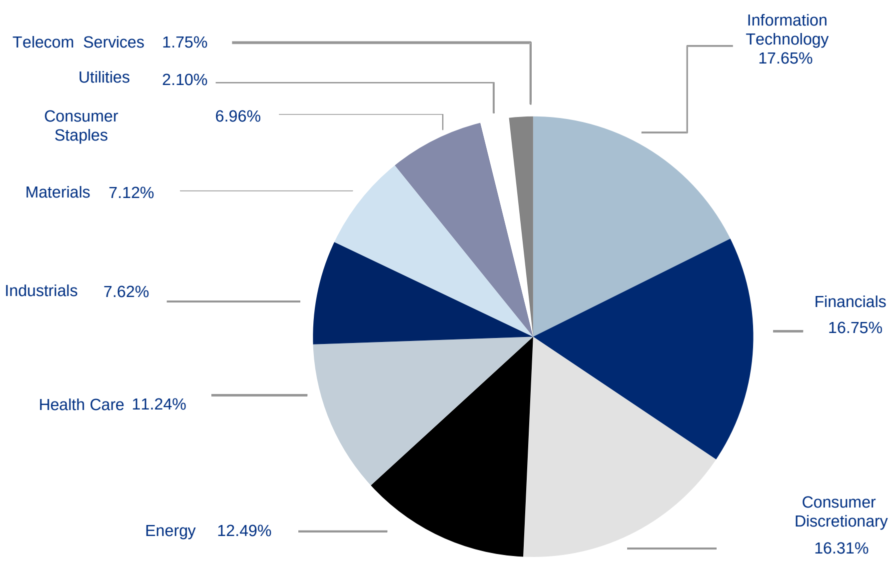
		May-12	Apr-12	May-11	YTD-12
S&P GSCI		-13.0%	-0.5%	-6.9%	-7.5%
US-$ Index		5.4%	-0.3%	2.3%	4.3%
US 2yr Note		0.3%	0.3%	0.5%	1.4%

Source: Citi ICG Analytics; FactSet; Citigroup Index LLC; Altman-NYU Salomon Center defaulted Debt Security Indexes.

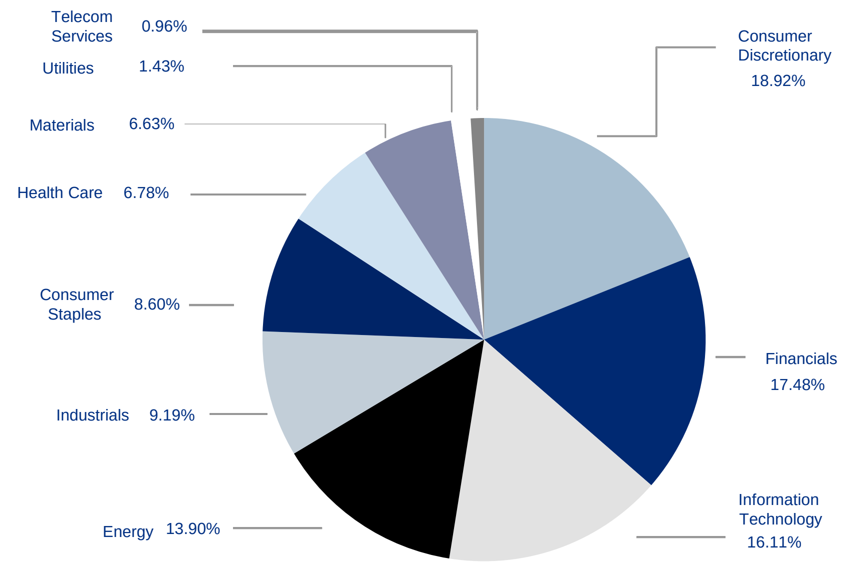
US Securities Lending Sector Short Flows

Data as of May-2012

Short Sale Executions



Short Cover Executions



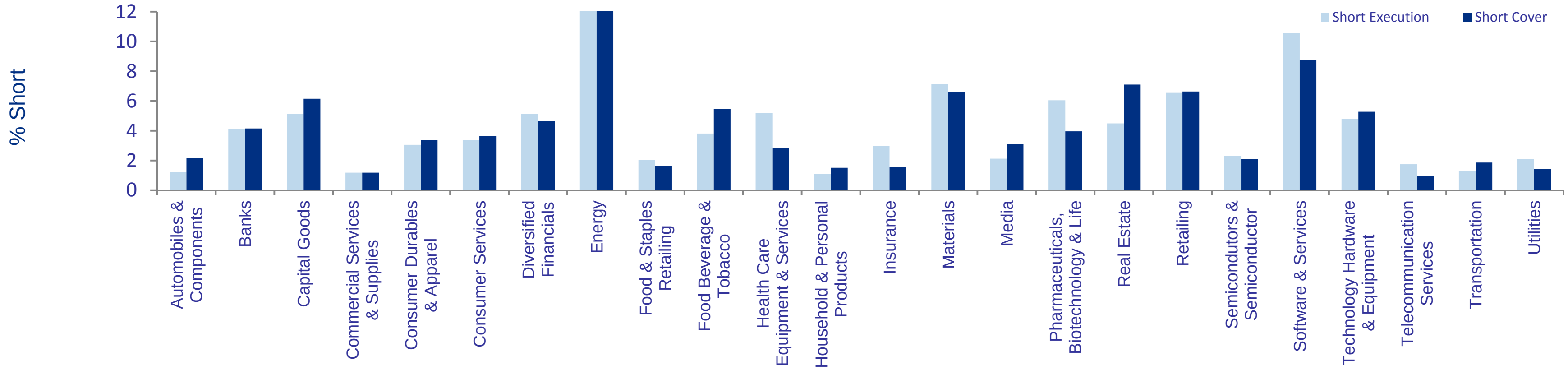
Sector Short Flows	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Information Technology	17.65	21.49	-17.87
Financials	16.75	12.69	31.99
Consumer Discretionary	16.31	17.63	-7.49
Energy	12.49	12.81	-2.50
Health Care	11.24	11.87	-5.31
Industrials	7.62	8.74	-12.81
Materials	7.12	4.86	46.50
Consumer Staples	6.96	6.77	2.81
Utilities	2.10	2.21	-4.98
Telecom Services	1.75	0.92	90.22

Sector Short Flows	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Consumer Discretionary	18.92	21.51	-12.04
Financials	17.48	13.99	24.95
Information Technology	16.11	15.22	5.85
Energy	13.90	14.80	-6.08
Industrials	9.19	8.75	5.03
Consumer Staples	8.60	7.09	21.3
Health Care	6.78	7.49	-9.48
Materials	6.63	6.81	-2.64
Utilities	1.43	2.56	-44.14
Telecom Services	0.96	1.77	-45.76

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

US Securities Lending Industry Group Short Flows *Data as of May-2012*

Citi Industry Group Short Flows



Industry	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Energy	12.49	12.81	-2.50
Software & Services	10.56	10.85	-2.67
Materials	7.12	4.86	46.50
Retailing	6.55	6.18	5.99
Pharmaceuticals, Biotechnology & Life	6.05	4.81	25.78
Health Care Equipment and Services	5.19	7.07	-26.59
Diversified Financials	5.14	4.44	15.77
Capital Goods	5.13	6.61	-22.39
Technology Hardware and Equipment	4.79	7.51	-36.22
Real Estate	4.49	3.80	18.16
Banks	4.13	2.07	99.52
Food Beverage & Tobacco	3.81	3.61	5.54
Consumer Services	3.37	4.35	-22.53
Consumer Durables & Apparel	3.06	2.99	2.34
Insurance	2.99	2.37	26.16
Semiconductors & Semiconductor	2.30	3.13	-26.52
Media	2.13	2.51	-15.14
Utilities	2.10	2.21	-15.14
Food & Staples Retailing	2.05	2.56	-19.92
Telecom Services	1.75	0.92	90.22
Transportation	1.31	1.15	13.91
Automobiles & Components	1.20	1.60	-25.00
Commercial Services & Supplies	1.18	0.99	19.19
Household & Personal Products	1.10	0.60	83.33

Industry	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Energy	13.90	14.80	-6.08
Software & Services	8.73	6.13	42.14
Real Estate	7.10	4.89	45.19
Retailing	6.64	7.63	-12.98
Materials	6.63	6.81	-2.64
Capital Goods	6.15	6.55	-6.11
Food Beverage & Tobacco	5.45	4.20	29.76
Technology Hardware and Equipment	5.28	5.70	-7.37
Diversified Financials	4.65	4.86	-4.32
Banks	4.15	2.44	70.08
Pharmaceuticals, Biotechnology & Life	3.96	4.71	-15.92
Consumer Services	3.66	5.36	-31.72
Consumer Durables & Apparel	3.37	3.59	-6.13
Media	3.10	2.38	30.25
Health Care Equipment and Services	2.82	2.78	1.44
Automobiles & Components	2.16	2.56	-15.62
Semiconductors & Semiconductor	2.10	3.40	-38.24
Transportation	1.86	1.65	12.73
Food & Staples Retailing	1.64	2.19	-25.11
Insurance	1.58	1.80	-12.22
Household & Personal Products	1.51	0.70	115.71
Utilities	1.43	2.56	-44.14
Commercial Services & Supplies	1.18	0.55	114.55
Telecom Services	0.96	1.77	-45.76

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

US Securities Lending Short Flows Summary

Data as of May-2012

Citi Short Flows: May 2012

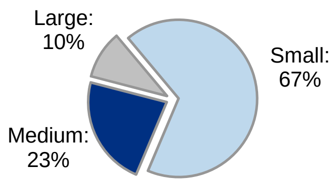
GICS Code	Description	% Short Executions This Month	% Short Executions From Last Month	% Change From Last Month	% Short Cover This Month	% Short Cover From Last Month	% Change From Last Month
Sector	**Sector**						
10	Energy	12.49	12.81	-2.50	13.90	14.80	-6.08
15	Materials	7.12	4.86	46.50	6.63	6.81	-2.64
20	Industrials	7.62	8.74	-12.81	9.19	8.75	5.03
25	Consumer Discretionary	16.31	17.63	-7.49	18.92	21.51	-12.04
30	Consumer Staples	6.96	6.77	2.81	8.60	7.09	21.30
35	Health Care	11.24	11.87	-5.31	6.78	7.49	-9.48
40	Financials	16.75	12.69	31.99	17.48	13.99	24.95
45	Information Technology	17.65	21.49	-17.87	16.11	15.22	5.85
50	Telecommunication Services	1.75	0.92	90.22	0.96	1.77	-45.76
55	Utilities	2.10	2.21	-4.98	1.43	2.56	-44.14
Industry Group	**Industry Group**						
1010	Energy	12.49	12.81	-2.50	13.90	14.80	-6.08
1510	Materials	7.12	4.86	46.50	6.63	6.81	-2.64
2010	Capital Goods	5.13	6.61	-22.39	6.15	6.55	-6.11
2020	Commercial Services & Supplies	1.18	0.99	19.19	1.18	0.55	114.55
2030	Transportation	1.31	1.15	13.91	1.86	1.65	12.73
2510	Automobiles & Components	1.20	1.60	-25.00	2.16	2.56	-15.62
2520	Consumer Durables & Apparel	3.06	2.99	2.34	3.37	3.59	-6.13
2530	Consumer Services	3.37	4.35	-22.53	3.66	5.36	-31.72
2540	Media	2.13	2.51	-15.14	3.10	2.38	30.25
2550	Retailing	6.55	6.18	5.99	6.64	7.63	-12.98
3010	Food & Staples Retailing	2.05	2.56	-19.92	1.64	2.19	-25.11
3020	Food Beverage & Tobacco	3.81	3.61	5.54	5.45	4.20	29.76
3030	Household & Personal Products	1.10	0.60	83.33	1.51	0.70	115.71
3510	Health Care Equipment & Services	5.19	7.07	-26.59	2.82	2.78	1.44
3520	Pharmaceuticals,Biotechnology & Life Sciences	6.05	4.81	25.78	3.96	4.71	-15.92
4010	Banks	4.13	2.07	99.52	4.15	2.44	70.08
4020	Diversified Financials	5.14	4.44	15.77	4.65	4.86	-4.32
4030	Insurance	2.99	2.37	26.16	1.58	1.80	-12.22
4040	Real Estate	4.49	3.80	18.16	7.10	4.89	45.19
4510	Software & Services	10.56	10.85	-2.67	8.73	6.13	42.41
4520	Technology Hardware & Equipment	4.79	7.51	-36.22	5.28	5.70	-7.37
4530	Semiconductors & Semiconductor Equipment	2.30	3.13	-26.52	2.10	3.40	-38.24
5010	Telecommunication Services	1.75	0.92	90.22	0.96	1.77	-45.76
5510	Utilities	2.10	2.21	-4.98	1.43	2.56	-44.14

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

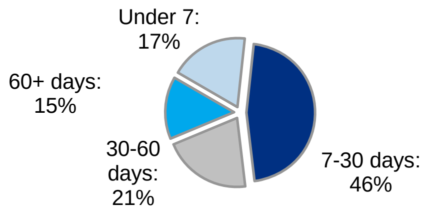
Hedge Fund (Fund Level) Profiles

Data as of May-2012

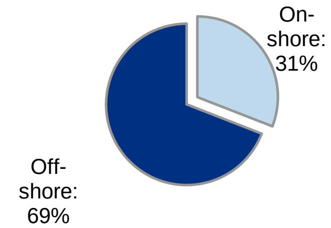
By Fund Size—No. of Funds



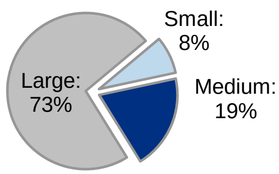
Redemption Notice Period



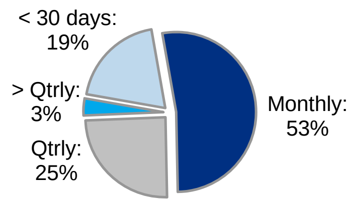
On-shore/Off-shore



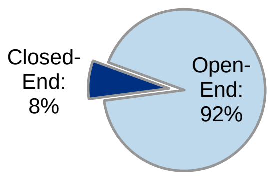
By Fund Size—$ AUM



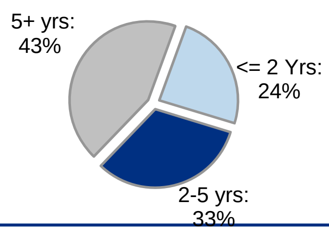
Redemption Frequency



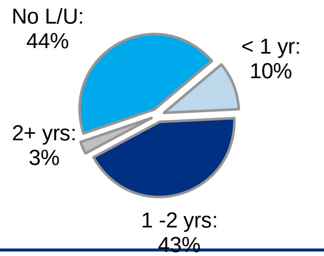
Legal Status



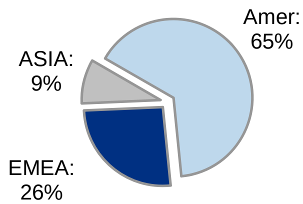
By Fund Age—No. of Funds



Lock-Up

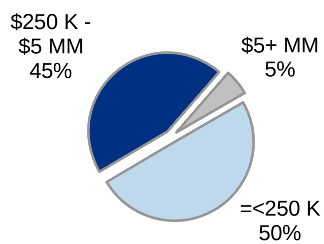


Domicile (by $ AUM)



By Fund Age—$ AUM

Minimum Investment



Source: Citi ICG Analytics
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

Data as of May-2012

Hedge Funds: Large (>$500 MM)

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	2%	$1,024	-1.0%	2.3%	100%	100%	1-2 yrs / 75%	7-30 days / 50%	Monthly / 53%
2-5 yrs	19%	$1,371	-1.0%	1.9%	64%	72%	1-2 yrs / 54%	60+ days / 31%	Monthly / 44%
Over 5 yrs	78%	$1,990	-2.0%	2.2%	69%	69%	1-2 yrs / 45%	7-30 days / 33%	Monthly / 46%
Total	100%	$1,793	-1.0%	2.1%	68%	74%	No / 47%	7-30 days / 33%	Monthly / 44%

Hedge Funds: Medium ($100 – $500 MM)

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%	$205	-0.3%	0.0%	60%	83%	1-2 yrs / 90%	7-30 days / 46%	Under 30 / 46%
2-5 yrs	30%	$217	-0.1%	3.2%	69%	73%	1-2 yrs / 49%	7-30 days / 35%	Monthly / 58%
Over 5 yrs	64%	$331	-2.0%	1.8%	72%	66%	No / 51%	7-30 days / 44%	7-30 days / 45%
Total	100%	$222	-1.0%	2.1%	71%	68%	No / 43%	7-30 days / 42%	Monthly / 48%

Hedge Funds: Small (<$100 MM)

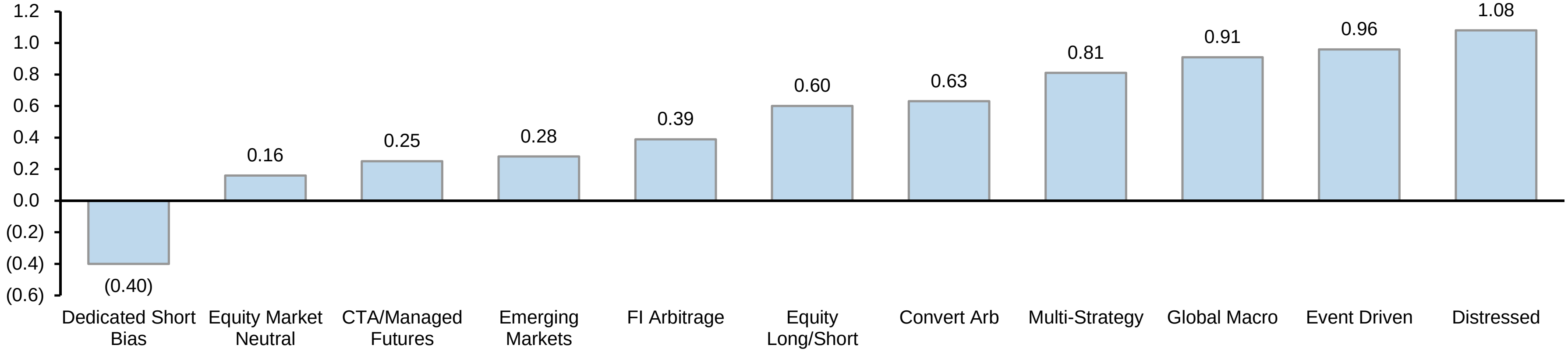
Hedge Fund Age	% of Total	Median AUM ($MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice/ % of Total	Preferred Redemption Frequency/ % of Total
Under 2 yrs	12%	$22	-2.0%	0.9%	59%	80%	1-2 yrs / 77%	7-30 days / 42%	Monthly / 47%
2-5 yrs	32%	$24	-2.0%	1.2%	65%	67%	1-2 yrs / 59%	7-30 days / 82%	Monthly / 53%
Over 5 yrs	55%	$28	-2.0%	1.7%	71%	59%	No / 51%	7-30 days / 55%	Monthly / 53%
Total	100%	$26	-2.0%	1.4%	68%	63%	1-2 yrs / 43%	7-30 days / 49%	Monthly / 52%

Source: Citi ICG Analytics
Note: 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

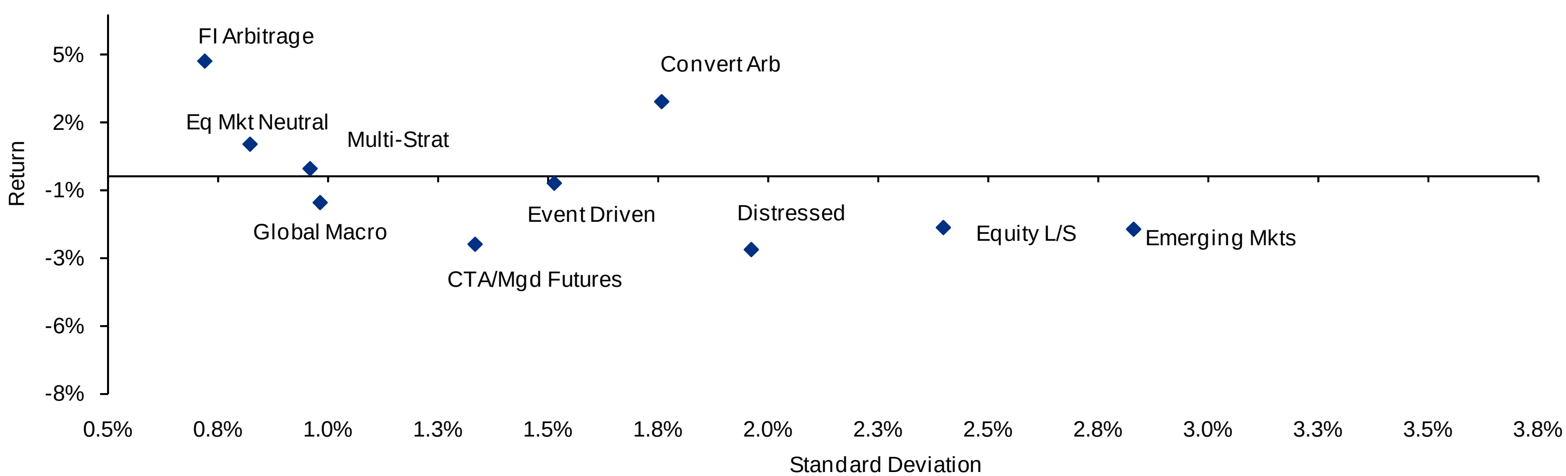
Data as of May-2012

Sharpe Ratios (Jun-94 – May-12)



Source: Credit Suisse Tremont

Risk vs. Return (May-11 – May-12)



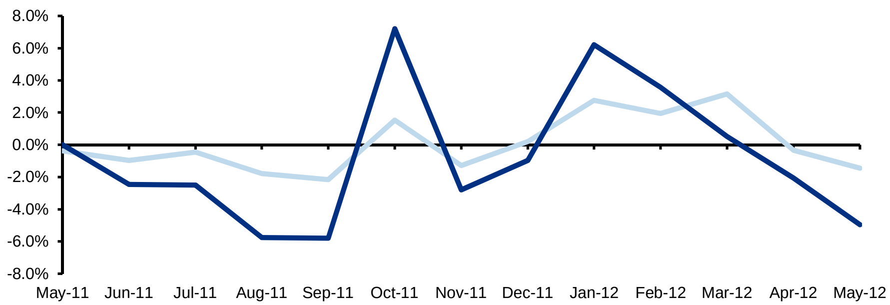
Source: Citi ICG Analytics

Convertible Arbitrage

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**2.8%**	**2.0%**	**3.2%**	**-0.3%**	**-1.5%**								**6.1%**

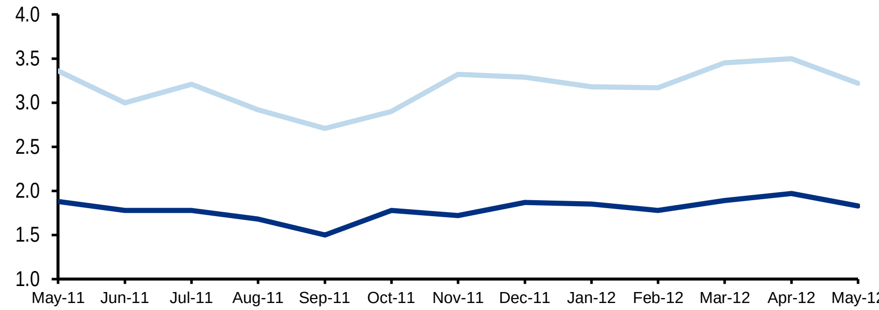
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Convert Arb	-1.5%	-0.3%	-0.4%	6.1%
CWB ETF	-4.9%	-2.1%	0.0%	3.3%

Source: Citi ICG Analytics; FactSet

Leverage Profile (Monthly, LTM)

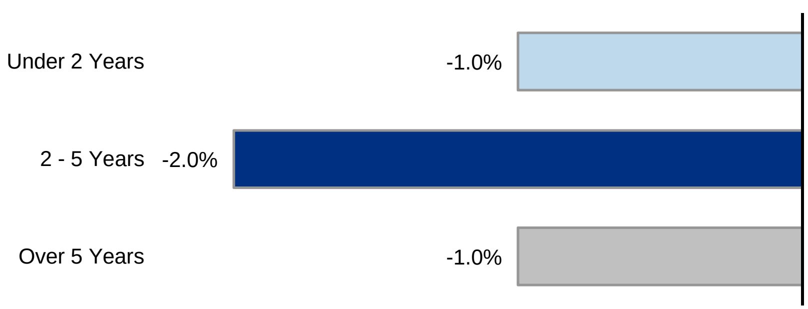


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

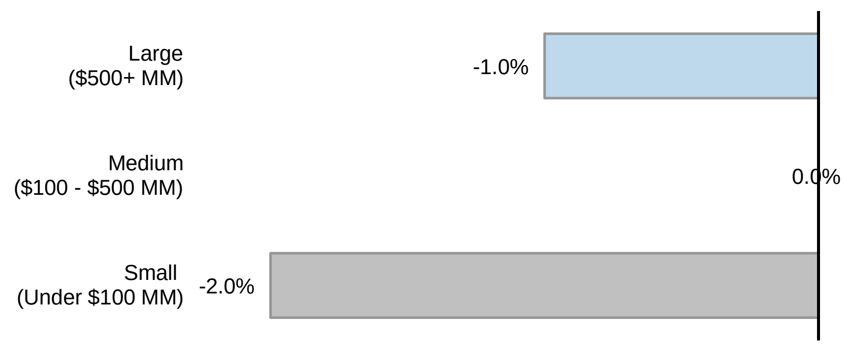
Source: Citi Prime Finance

Hedge Fund Performance by Age (1)



Source: Citi ICG Analytics

Hedge Fund Performance by Size (1)



Source: Citi ICG Analytics

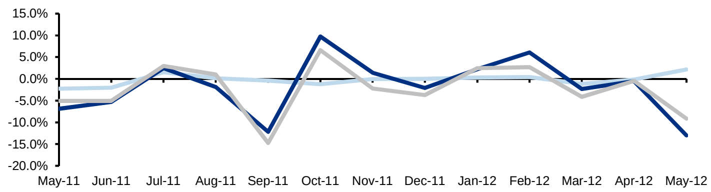
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

CTA/Managed Futures

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**0.3%**	**0.4%**	**-1.1%**	**-0.2%**	**2.1%**								**1.5%**

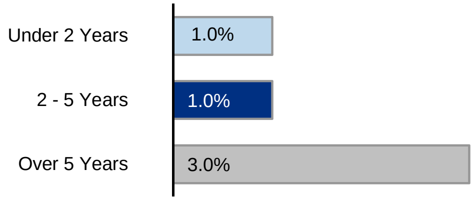
Hedge Fund Performance vs. Benchmark



	May-12	Apr-12	May-11	YTD-12
CTA/Mgd Futures	2.1%	-0.2%	-2.3%	1.5%
S&P GSCI Commodity (SPGSCI)	-13.0%	-0.5%	-6.9%	-7.5%
DJ-UBS Commodity (DJAGK)	-9.1%	-0.4%	-5.1%	-8.5%

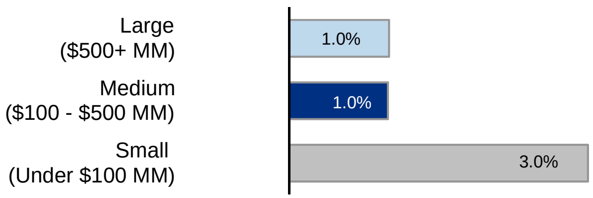
Source: Citi ICG Analytics; FactSet

Hedge Fund Performance by Age



Source: Citi ICG Analytics

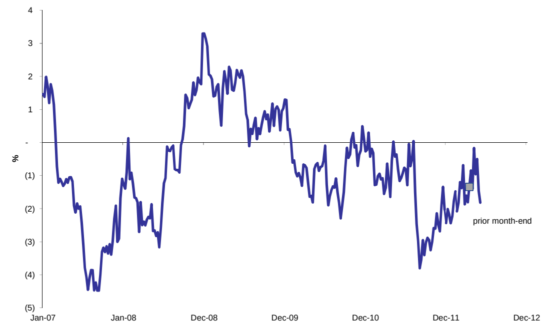
Hedge Fund Performance by Size



Source: Citi ICG Analytics

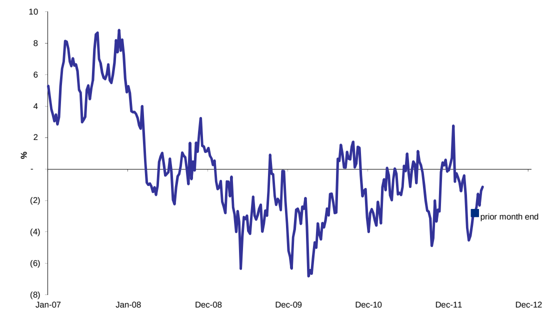
Large Speculator Positions: CFTC Commitment Of Trader (Futures & Options) Report
Net of Longs Less Shorts As Percent of Total Open Positions

Combined S&P / Weighted Mini S&P Contracts



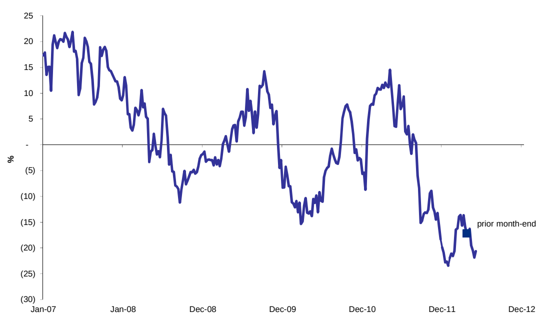
Last Update: 5/29/12 -1.8%

U.S. 10-Year Treasury Futures



Last Update: 5/29/12 -1.1%

EuroFX Futures



Last Update: 5/29/12 -20.7%

Gold Futures

Last Update: 5/29/12 +7.5%

Source: CFTC, Bloomberg, Citi Futures Perspective

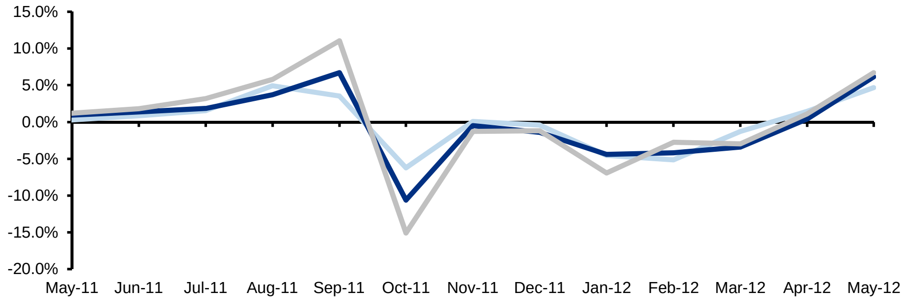
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Dedicated Short Bias

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**-4.5%**	**-5.2%**	**-1.3%**	**1.4%**	**4.7%**								**-4.9%**

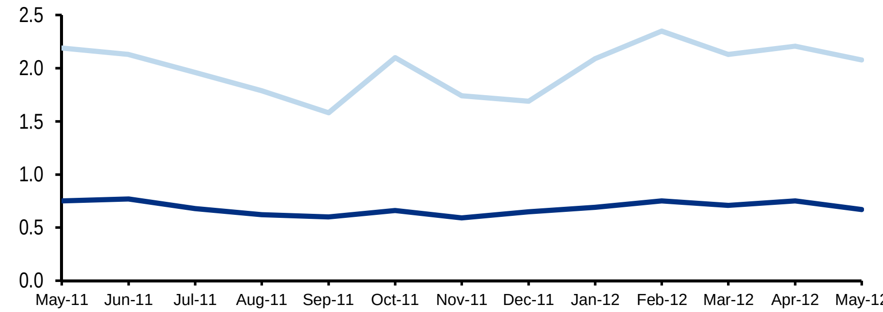
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Ded Short Bias	4.7%	1.4%	0.3%	-4.9%
S&P Short ETF (SH)	6.1%	0.4%	1.0%	-5.4%
Rus 2000 Short ETF (RWM)	6.7%	1.1%	1.2%	-4.8%

Source: Citi ICG Analytics; FactSet

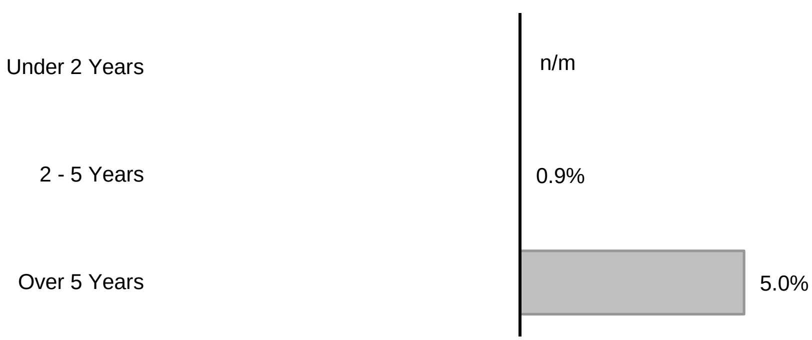
Leverage Profile (Monthly, LTM)



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

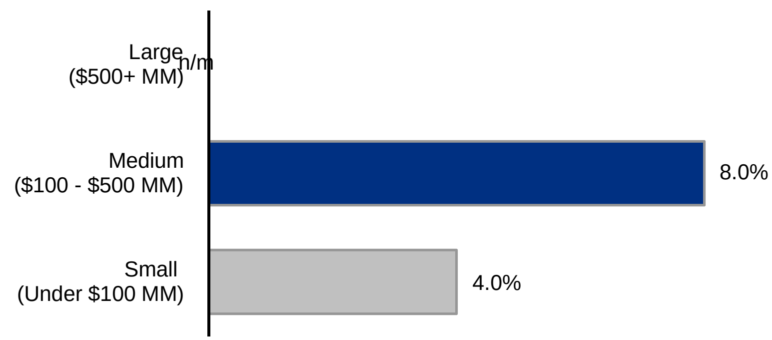
Source: Citi Prime Finance

Hedge Fund Performance by Age (1)



Source: Citi ICG Analytics

Hedge Fund Performance by Size (1)



Source: Citi ICG Analytics

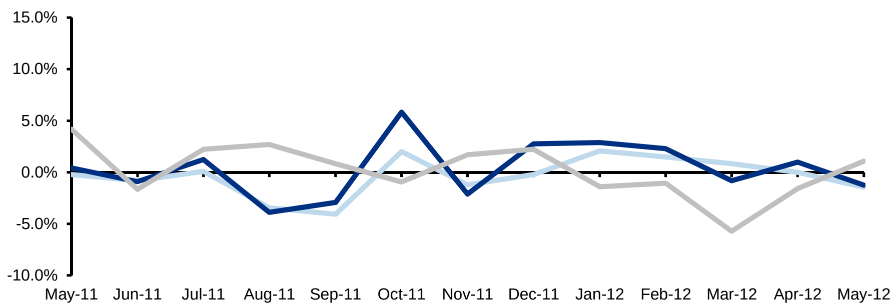
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Distressed

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**2.1%**	**1.5%**	**0.8%**	**0.0%**	**-1.4%**								**2.9%**

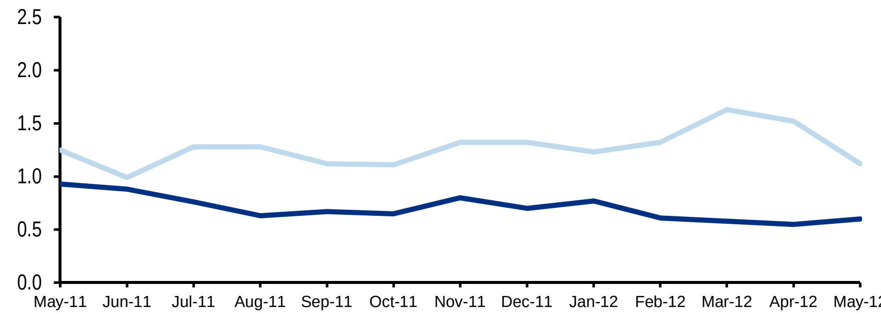
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Distressed	-1.4%	0.0%	-0.2%	2.9%
Citi HY Bond Index	-1.3%	1.0%	0.4%	4.1%

Source: Citi ICG Analytics; Citigroup Index LLC; Altman-NYU Salomon Center

Leverage Profile (Monthly, LTM)

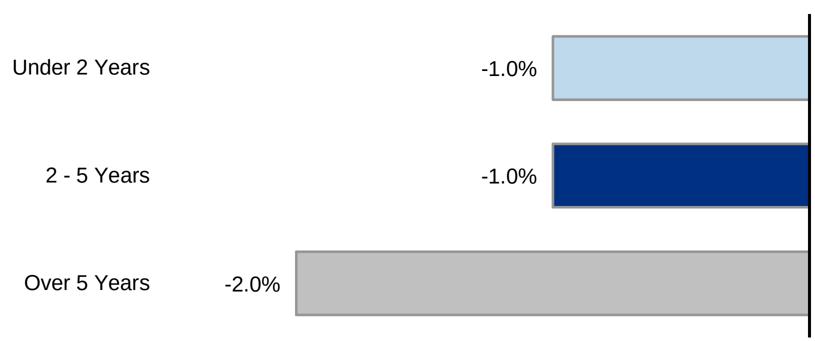


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

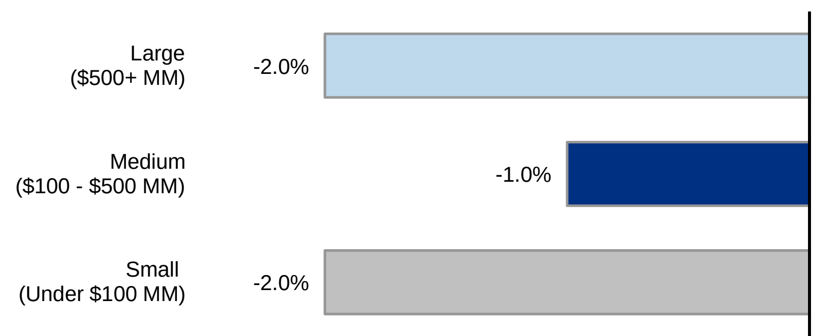
Source: Citi Prime Finance

Hedge Fund Performance by Age (1)



Source: Citi ICG Analytics

Hedge Fund Performance by Size (1)



Source: Citi ICG Analytics

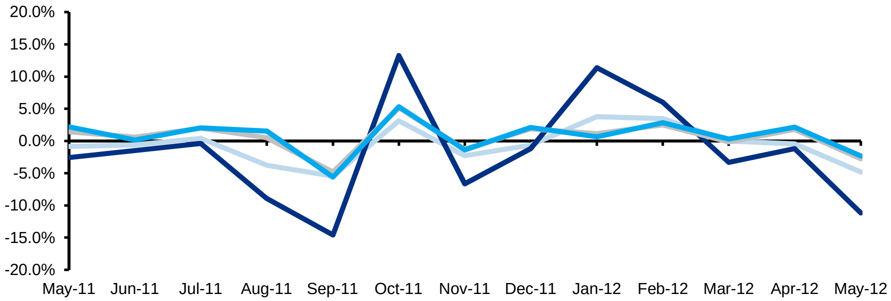
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Emerging Markets

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**3.8%**	**3.5%**	**0.0%**	**-0.4%**	**-4.8%**								**2.0%**

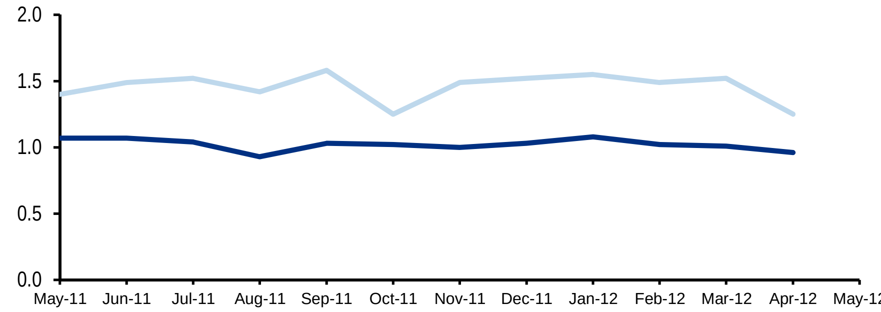
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Emerging Mkts	-4.8%	-0.4%	-0.8%	2.0%
MSCI EM	-11.2%	-1.2%	-2.6%	1.7%
JPM EMBIG Core ETF (EMB)	-2.8%	1.8%	1.4%	2.5%
DB EM Liquid ETF (PCY)	-2.3%	2.1%	2.2%	3.6%

Source: Citi ICG Analytics; FactSet

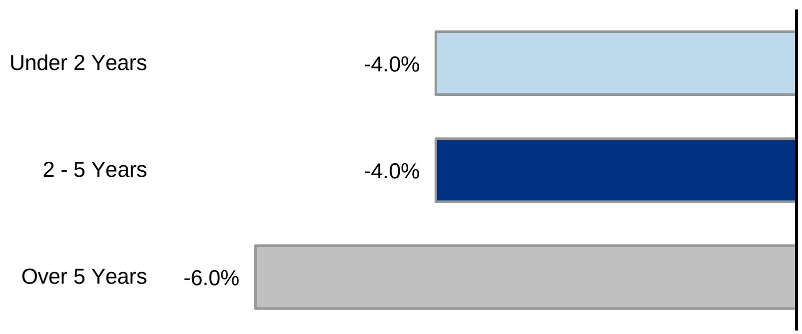
Leverage Profile (Monthly, LTM)



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

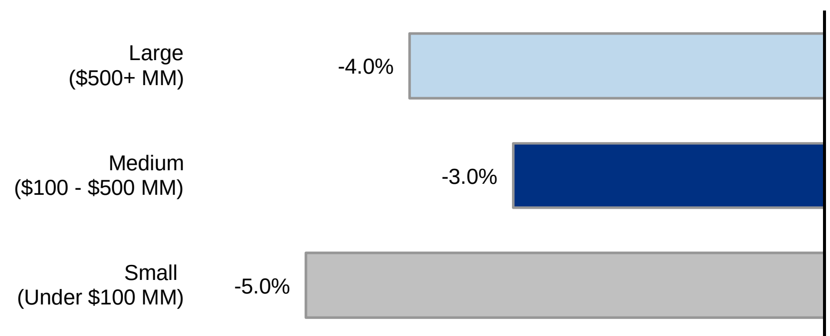
Source: Citi Prime Finance

Hedge Fund Performance by Age



Source: Citi ICG Analytics

Hedge Fund Performance by Size



Source: Citi ICG Analytics

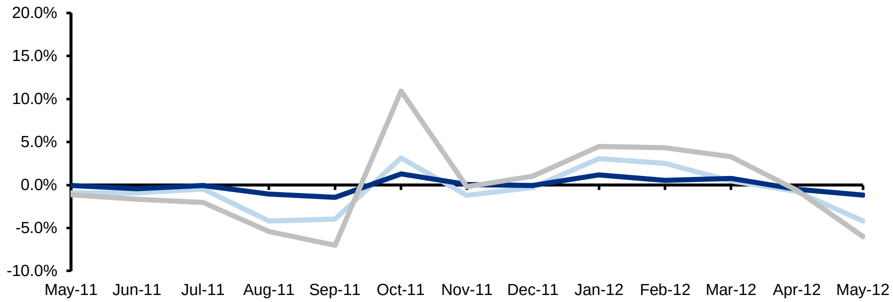
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Equity Long/Short

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**3.1%**	**2.5%**	**0.5%**	**-0.8%**	**-4.2%**								**1.1%**

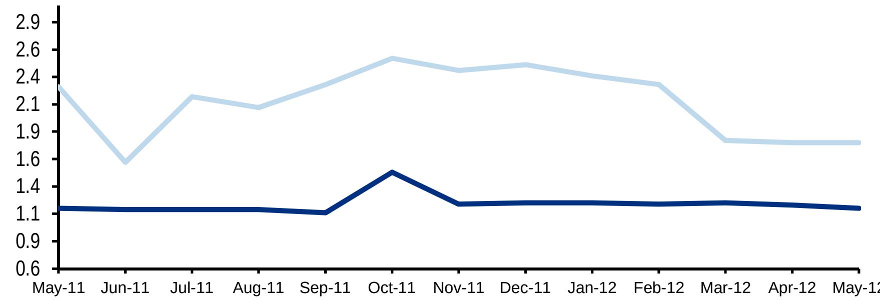
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Eq Long/Short	-4.2%	-0.8%	-0.9%	1.1%
Eq Mkt Neutral	-1.2%	-0.5%	-0.1%	0.8%
S&P 500	-6.0%	-0.6%	-1.1%	5.5%

Source: Citi ICG Analytics; FactSet

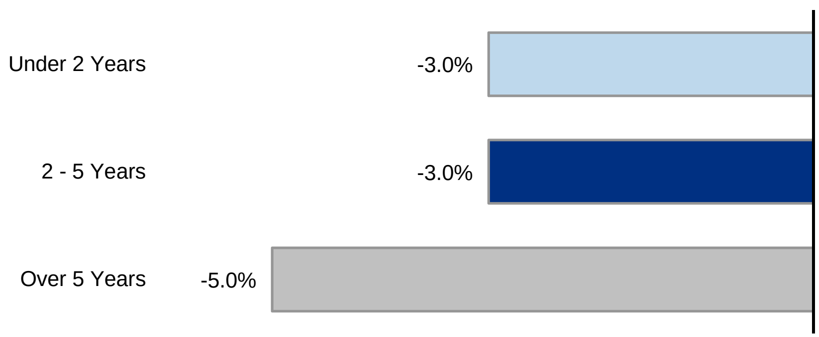
Leverage Profile (Monthly, LTM)



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

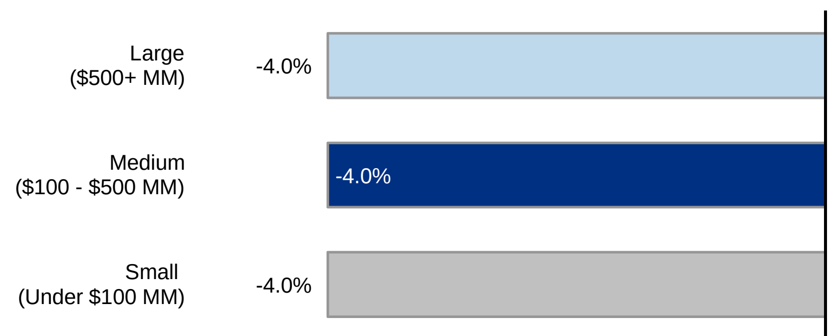
Source: Citi Prime Finance

Hedge Fund Performance by Age



Source: Citi ICG Analytics

Hedge Fund Performance by Size



Source: Citi ICG Analytics

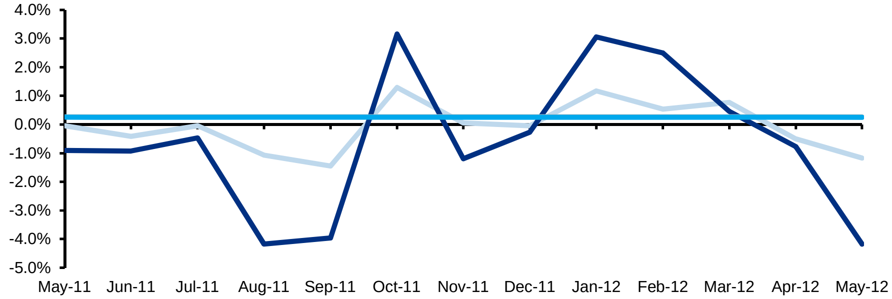
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Equity Market Neutral

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**1.2%**	**0.5%**	**0.8%**	**-0.5%**	**-1.2%**								**0.8%**

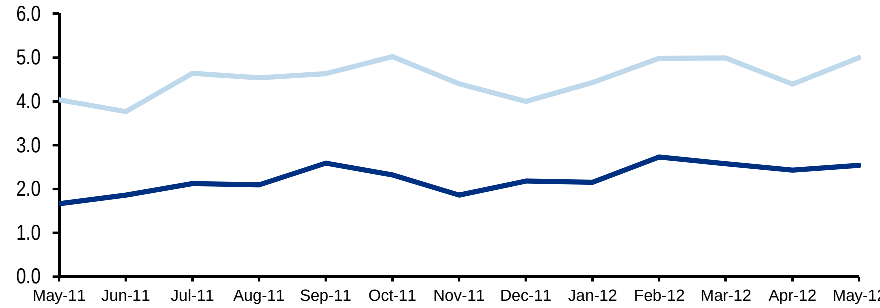
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Eq Mkt Neutral	-1.2%	-0.5%	-0.1%	0.8%
Eq Long/Short	-4.2%	-0.8%	-0.9%	1.1%
LIBOR + 300 bps	0.3%	0.3%	0.3%	1.4%
US T-Bill + 300 bps	0.3%	0.3%	0.3%	1.3%

Source: Citi ICG Analytics; FactSet

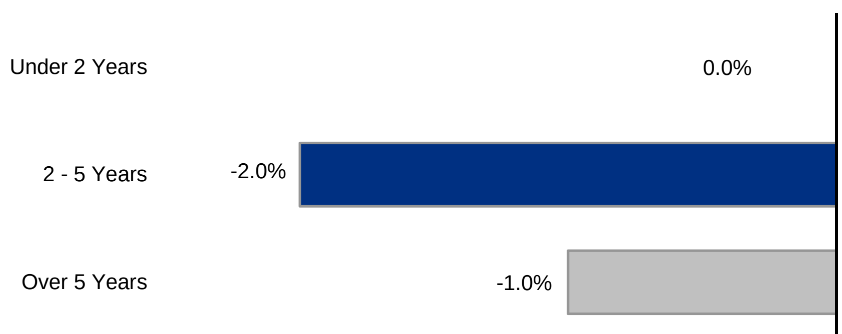
Leverage Profile (Monthly, LTM)



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

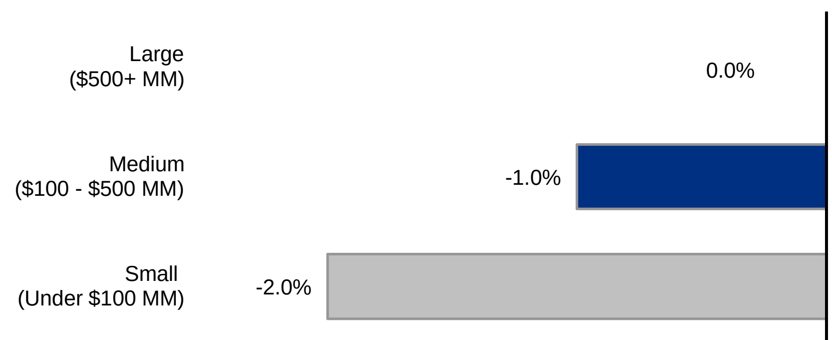
Source: Citi Prime Finance

Hedge Fund Performance by Age



Source: Citi ICG Analytics

Hedge Fund Performance by Size



Source: Citi ICG Analytics

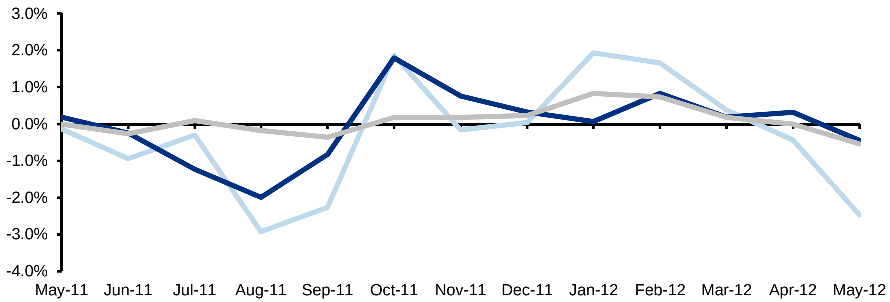
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Event Driven

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**1.9%**	**1.7%**	**0.4%**	**-0.4%**	**-2.5%**								**1.1%**

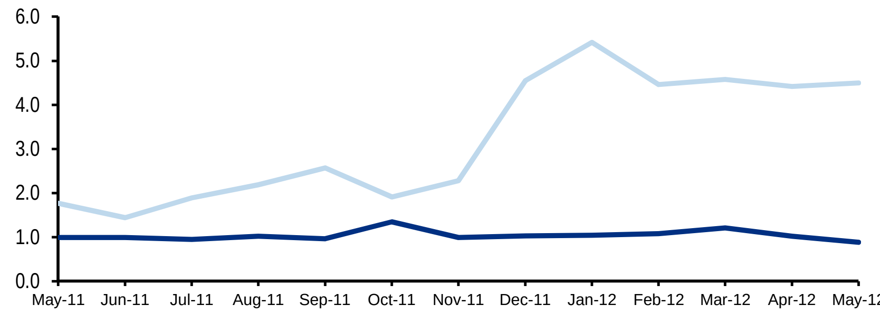
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



		May-12	Apr-12	May-11	YTD-12
Event Driven		-2.5%	-0.4%	-0.1%	1.1%
The Merger Fund (MERFX)		-0.4%	0.3%	0.2%	1.0%
AQR Div Arb Fund (ADANX)		-0.5%	0.0%	0.0%	1.2%

Source: Citi ICG Analytics; FactSet

Leverage Profile (Monthly, LTM)

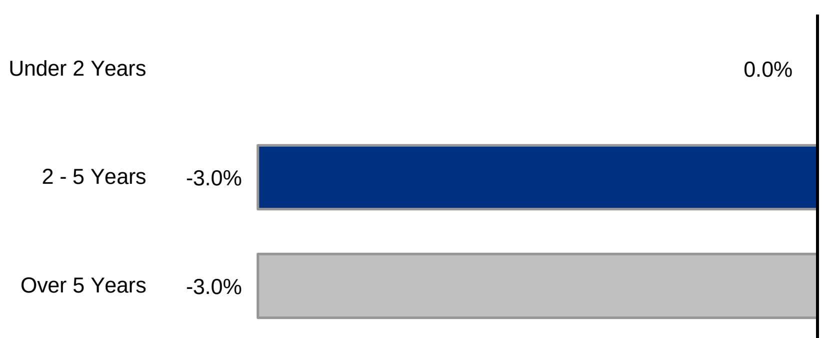


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

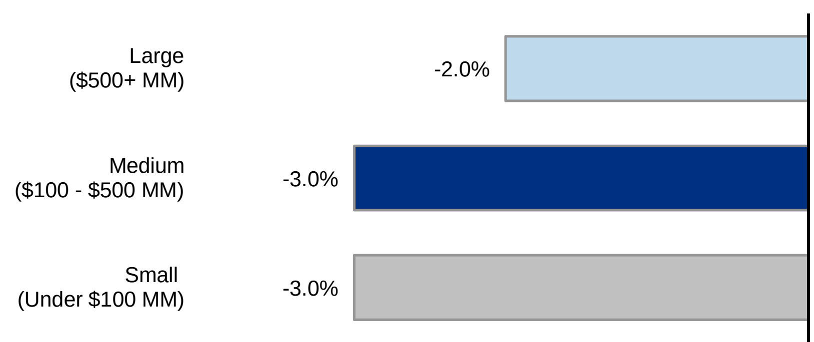
Source: Citi Prime Finance

Hedge Fund Performance by Age



Source: Citi ICG Analytics

Hedge Fund Performance by Size



Source: Citi ICG Analytics

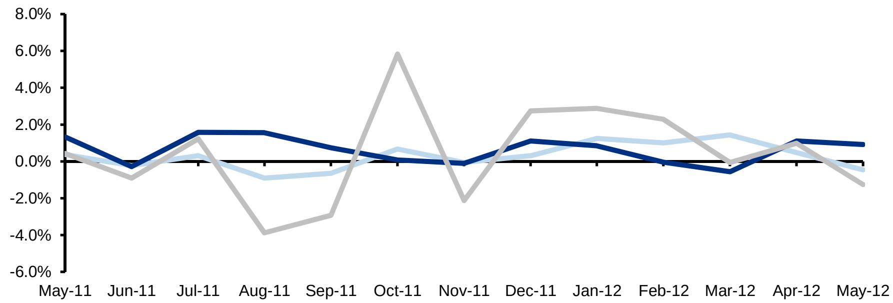
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

FI Arbitrage

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**1.3%**	**1.0%**	**1.4%**	**0.5%**	**-0.5%**								**3.7%**

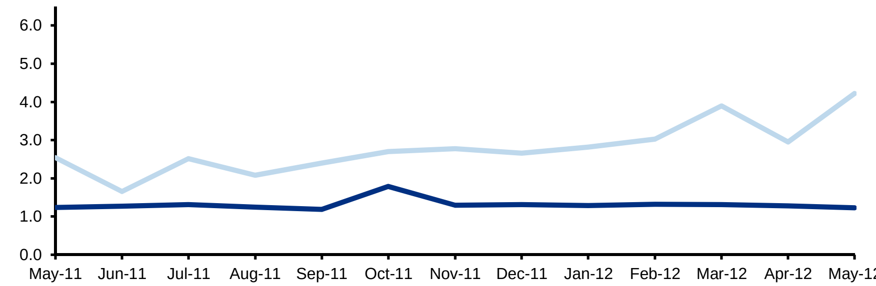
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
FI Arbitrage	-0.5%	0.5%	0.4%	3.7%
Citi US BIG Index	0.9%	1.1%	1.3%	2.3%
Citi HY Bond Index	-1.3%	1.0%	0.4%	4.8%

Source: Citi ICG Analytics; Citigroup Index LLC

Leverage Profile (Monthly, LTM)

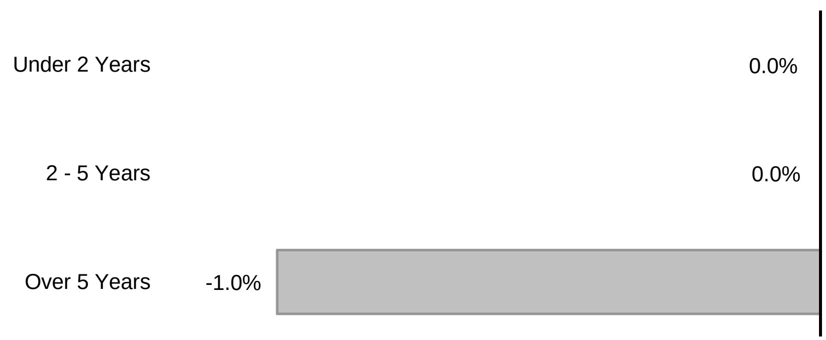


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

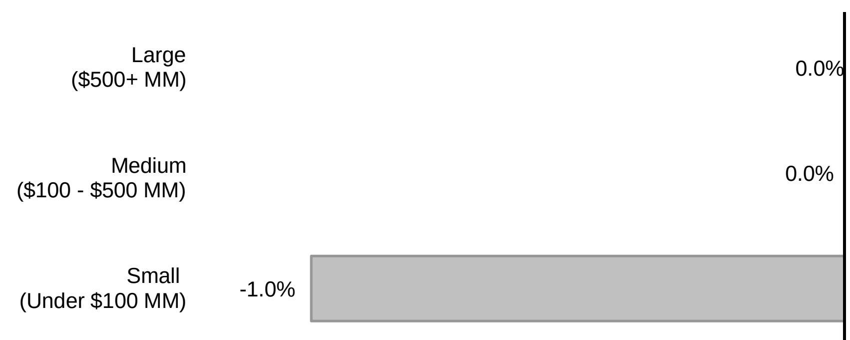
Source: Citi Prime Finance

Hedge Fund Performance by Age



Source: Citi ICG Analytics

Hedge Fund Performance by Size



Source: Citi ICG Analytics

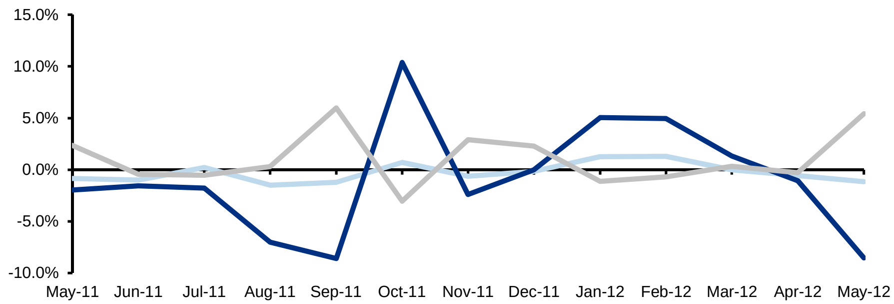
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Global Macro

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**1.3%**	**1.3%**	**0.0%**	**-0.6%**	**-1.2%**								**0.8%**

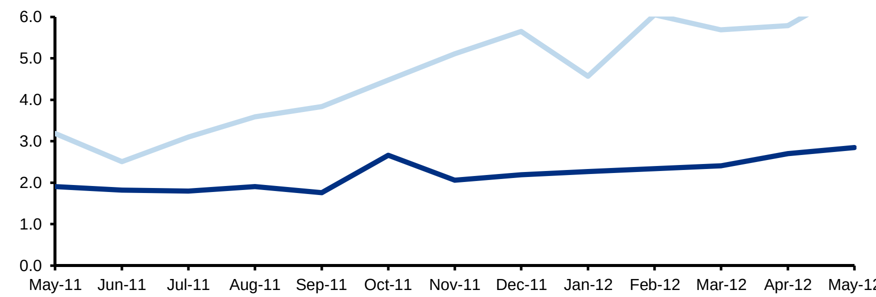
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Global Macro	-1.2%	-0.6%	-0.9%	0.8%
MSCI World	-8.5%	-1.1%	-2.0%	1.7%
US$-Index	5.4%	-0.3%	2.3%	3.7%

Source: Citi ICG Analytics; FactSet

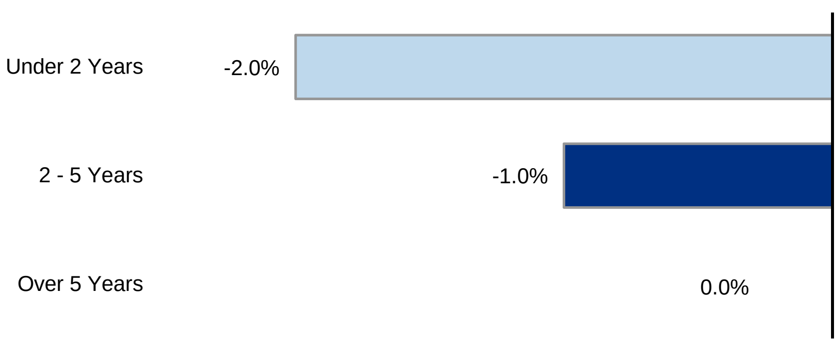
Leverage Profile (Monthly, LTM)



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

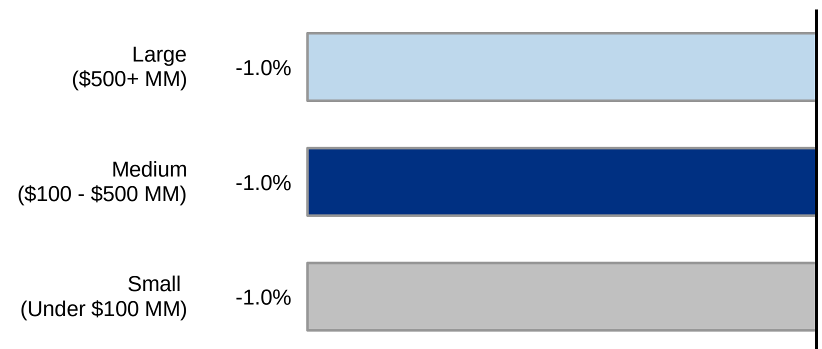
Source: Citi ICG Analytics; FactSet; Citi Prime Finance

Hedge Fund Performance by Age



Source: Citi ICG Analytics; FactSet; Citi Prime Finance

Hedge Fund Performance by Size



Source: Citi ICG Analytics; FactSet; Citi Prime Finance

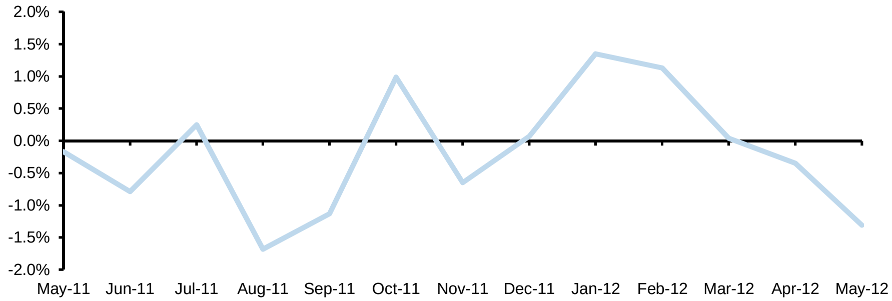
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Multi-Strategy

Data as of May-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	**1.4%**	**1.1%**	**0.0%**	**-0.3%**	**-1.3%**								**0.9%**

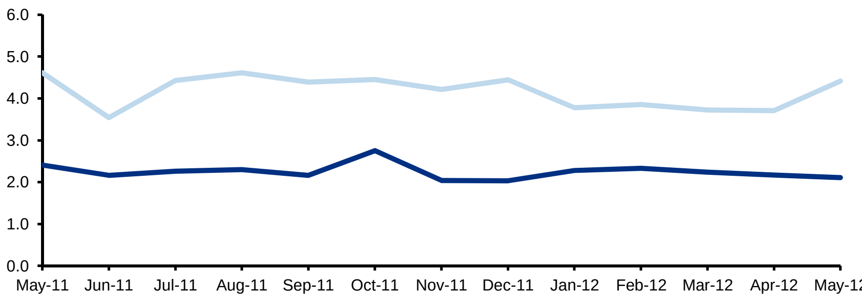
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	May-12	Apr-12	May-11	YTD-12
Multi-Strategy	-1.3%	-0.3%	-0.2%	0.9%

Source: Citi ICG Analytics

Leverage Profile (Monthly, LTM)

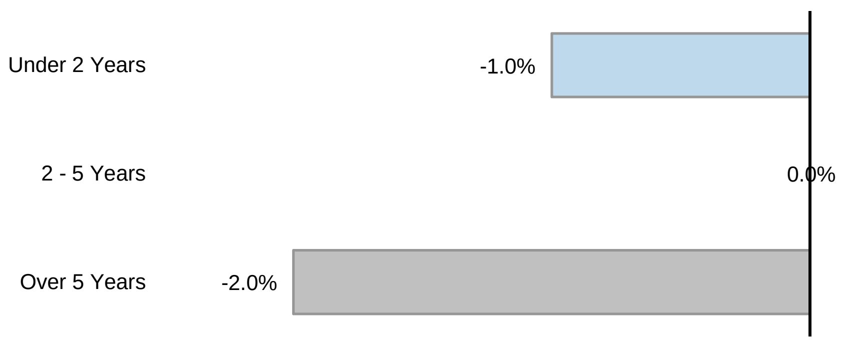


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

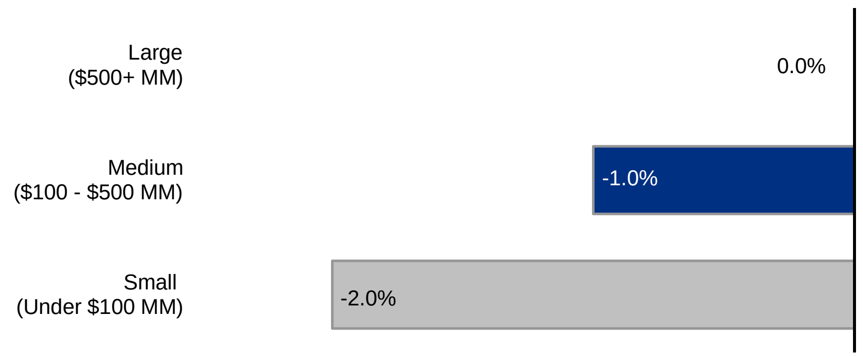
Source: Citi Prime Finance

Hedge Fund Performance by Age



Source: Citi ICG Analytics

Hedge Fund Performance by Size



Source: Citi ICG Analytics

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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