

Citi Prime Finance



Market Commentary
Report Date: May 2012

www.citigroupgcib.com

Hedge Fund Industry Snapshot

Data as of April 2012

Americas

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

EMEA

EMEA: 44 (0) 207 986 0822

APAC

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

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Performance, AUM & Flows:

- Composite hedge fund performance, equal-weighted across funds, was mixed in April 2012 with performance losses ranging from -0.51% to +0.12%. The Citi HARP hedge fund replication index was -0.65% in April versus the HFRI Fund of Fund index that was -0.25%. April 2012 performance returns proved to be on par with March 2012 which experienced -0.11% to -0.02% over the same period.
- Hedge fund strategy wise, top performing strategies in April include Dedicated Short at +1.44% and Fixed Income Arbitrage at +0.48%. Strategies experiencing negative performance include Equity Long/Short at -0.77%, Global Macro at -0.56%, Equity Market Neutral at -0.50% and Event Driven at -0.43%.
- According to eVestment|HFN, the estimated change in industry assets for April 2012 was negative, finishing the month down -\$6.88 billion. Losses were attributed mostly from negative net investor flows which stood at -\$6.2 billion for the month. Industry AUM remains well below its \$2.94 trillion June 2008 peak.
- Negative net investor inflows of -\$6.2 billion for April 2012 marks the second period of negative net flows for 2012. April 2012 net flows are lower than year ago, as investor inflows totaled +\$16.5 billion over the same period. Year to date investor flows stand at +\$25.53 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 -0.4% and small single funds (<\$100 million) at -0.5%.
- Liquidity terms continued its consistent pattern from the previous reporting periods with April 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 (56%) required no lockup (47%) 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:

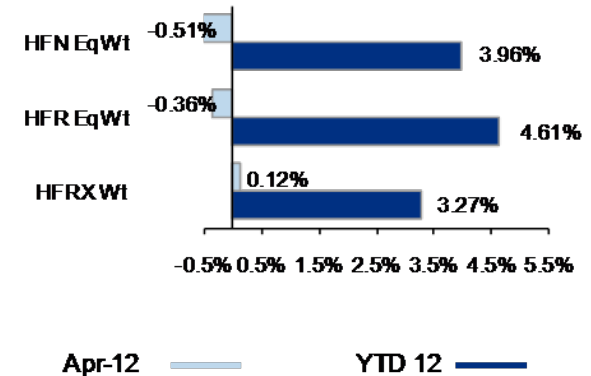
- On a global basis, we calculate gross leverage (as measured on a mean basis) at 1.93x in April 2012 versus 1.93x in March, and 1.99x in February.
- Looking across both long leverage and gross leverage, the following strategies showed the highest uses of leverage: Global Macro (5.79x), Event Driven (4.42x), Equity Market Neutral (4.39x), Multi Strategy (3.71x), Convertible Arbitrage (3.5x) and Fixed Income Arbitrage (2.95x).
- Citi U.S. short flows data included in this month's report show a decreased interest in the Information Technology, Consumer Discretionary, & Energy sectors. These three sectors accounted for 51.91% of short executions and 51.52% of short covers in April versus 54.9% of short executions and 52.24% of short covers in March 2012.
- April was a relatively quiet month in terms of net positioning of the large speculative accounts in futures & options markets. Large speculators built a net short position in EuroFX to -16.9% of total open interest as of 4/24/12 from -14.5% as of 3/27/12. They cut a net long exposure in Gold to +10.8% of total open interest from +12.7% in the prior month, and remained little changed in their exposure in the S&P (SP & mini) at a net short at -1.4% vs. -1.6% prior. Large speculators remained net short 10-Yr T-notes, but cut the position to -2.8% vs. -4.5% in late March. May should bring a different story.

Hedge Fund Industry: AUM, Performance

Data as of Apr-2012

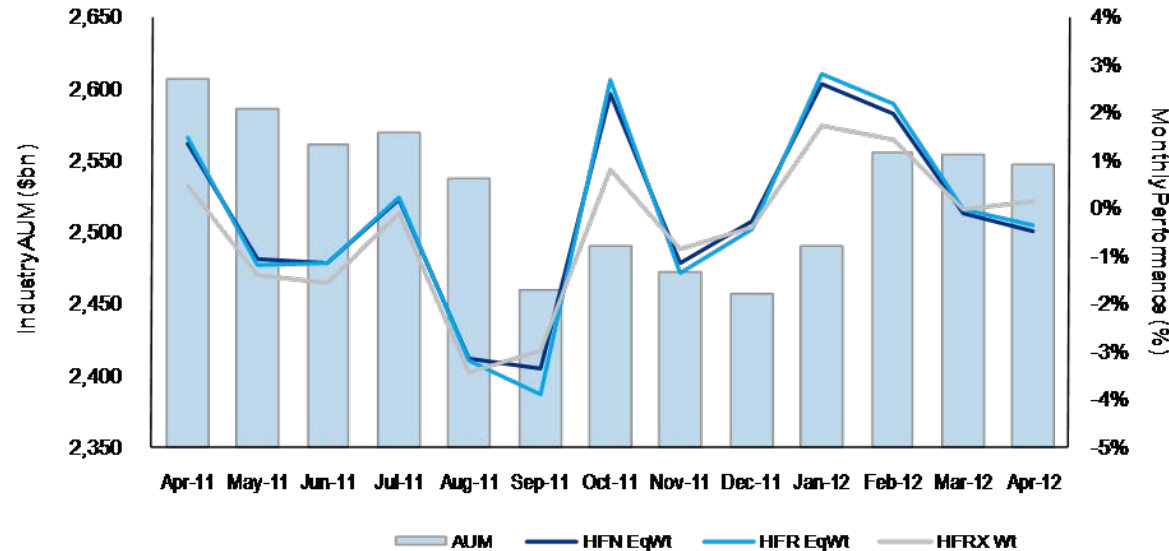
- Composite hedge fund performance, equal-weighted across funds, was mixed in April 2012 with performance losses ranging from -0.51% to +0.12%. Returns were on par with the previous period (March 2012 -0.11% to -0.02%). Year to date performance gains range from +3.27% to +3.96% compared to +0.87% to +3.21% over the same period year ago.
- Equity markets posted declines in April as investors focused on renewed concerns related to European sovereign debt crisis, upcoming European elections and mixed data on the strength of the global economic recovery. Performance was mixed across sectors, with Energy & Cyclical posting advances while Financials, Technology and Telecom posted declines. By geographic region, gains in China were offset by declines across France, Spain & Italy. US yields declined as the US yield curve steepened, and the US dollar declined against the Japanese Yen and British Pound, but strengthened against the Euro. Commodities were mixed, with Natural Gas recovering a portion of the previous months' declines.
- Hedge fund strategy wise, top performing strategies in April include Dedicated Short at +1.44% and Fixed Income Arbitrage at +0.48%. Strategies experiencing negative performance include Equity Long/Short at -0.77%, Global Macro at -0.56%, Equity Market Neutral at -0.50% and Event Driven at -0.43%.
- Industry AUM, estimated at \$2.54 trillion for April 2012 according to eVestment|HFN is down from March's \$2.55 trillion. Depending on the source, estimates of industry AUM ranges from \$2.13 to \$2.55 trillion compared to the Q2 2008 peak range of \$1.9 to \$2.94 trillion.

Industry Performance: Apr-12 / YTD



Source: eVestment|HFN

Monthly Industry AUM and Performance



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

Note Pad:

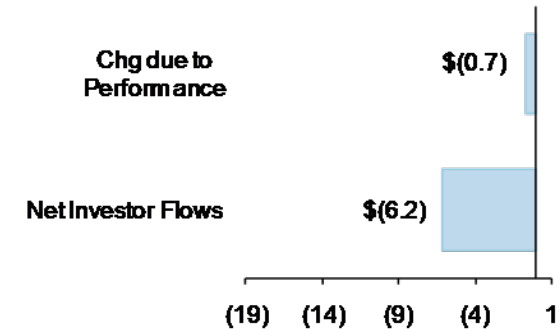
- MSCI World Index: +1.3%; +11.3% YTD
- MSCI EM Index: -3.3%; +14.1% YTD
- S&P 500: +3.3%; +12.3% YTD
- Citi US BIG Index: -0.6%; +0.3% YTD
- S&P GSCI: -2.4%; +6.1% YTD
- U.S. Dollar Index: +1.0%; -0.8% YTD
- HFN Country Indices April/YTD:
 - Brazil -0.74% / +9.48%; Russia -3.71% / +10.83%;
 - India: -2.53% / +14.70%; China: -0.51% / +3.10%

Hedge Fund Industry: Change in Industry Assets

Data as of Apr-2012

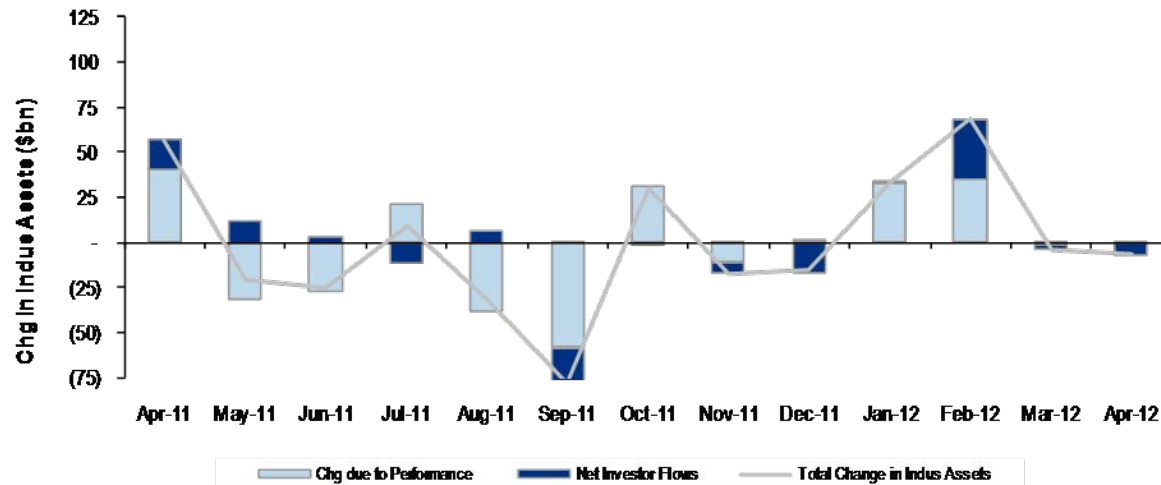
- According to eVestment|HFN, the estimated change in industry assets for April 2012 was negative, finishing the month down -\$6.88 billion. Losses were attributed mostly from negative net investor flows which stood at -\$6.2 billion for the month.
- April 2012 marks the second consecutive month in which performance contributed negatively to industry AUM. April 2012 performance losses of -\$0.68 billion were improved over the previous month (March 2012 -\$0.94 billion). Year to date performance gains stand at +\$65.82 billion compared to +\$74.39 billion over the same period last year.
- Negative net investor inflows of -\$6.2 billion for April 2012 marks the second period of negative net flows for 2012. April 2012 net flows are lower than year ago, as investor inflows totaled +\$16.5 billion over the same period. Year to date investor flows stand at +\$25.53 billion
- Total industry AUM of \$2.54 trillion for April 2012 is down -0.27% from \$2.55 trillion in March 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: Apr-12 Amounts in (\$ bn)



Source: eVestment|HFN

Monthly Change in Industry Assets and Composition



Source: eVestment|HFN

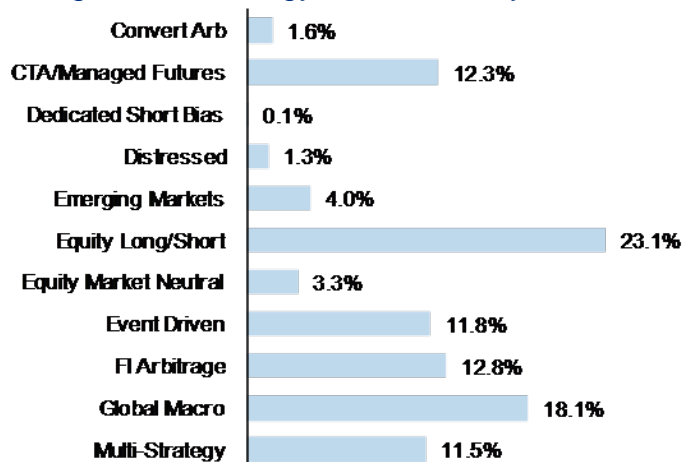
Note Pad:

- The Citi Prime Finance calculation for end-April gross leverage (as measured on a mean basis) was 1.93x, compared to recent months: March (1.93x), February (1.99x), January (1.95x)
- Gross leverage (mean): defined as sum of (LMV + abs SMV) / Net Equity

Hedge Fund Stats by Strategy

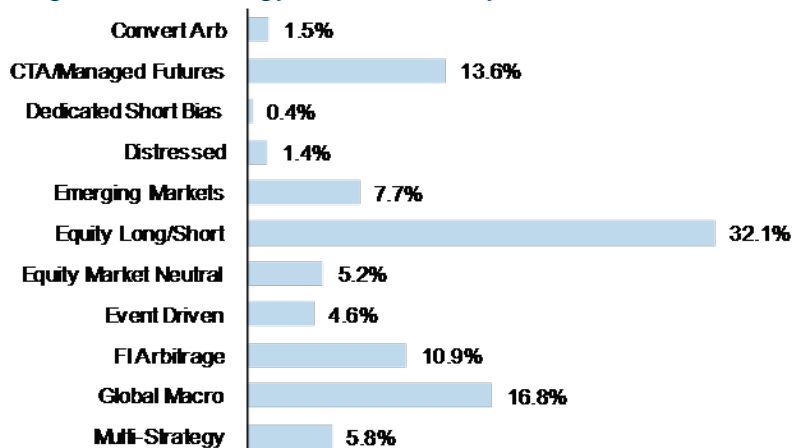
Data as of Apr-2012

Hedge Fund Strategy Breakdown by Assets



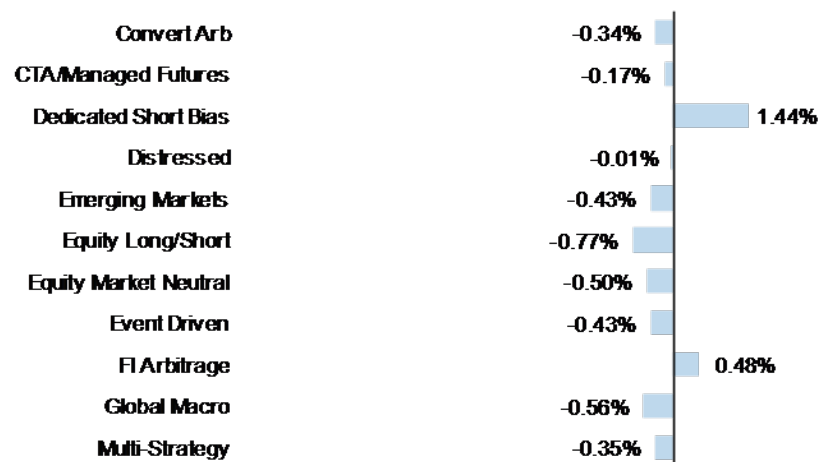
Source: Citi ICG Analytics

Hedge Fund Strategy Breakdown by Number of Funds



Source: Citi ICG Analytics

Hedge Fund Performance by Strategy

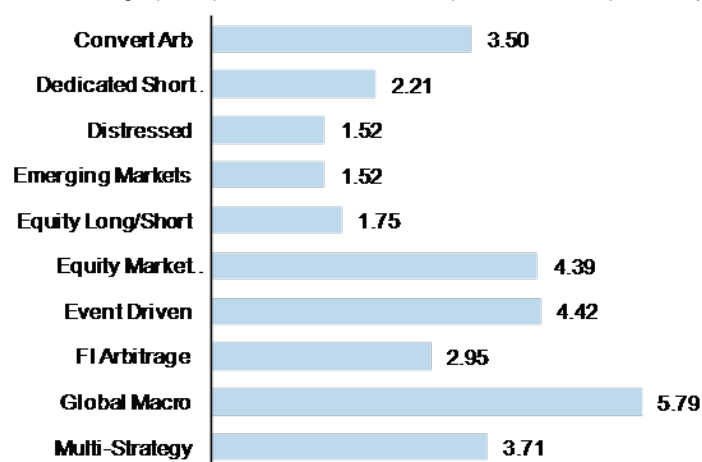


Source: Citi ICG Analytics

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 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

Data as of Apr-2012

Monthly Median:

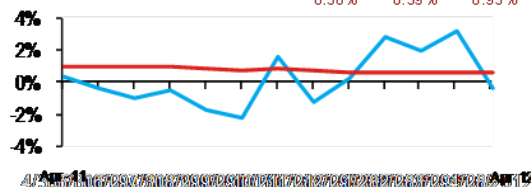


Trailing 60 Month Median:



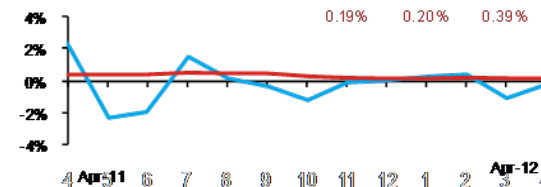
Convertible Arbitrage

Apr-12	Mar-12	Apr-11
-0.3%	3.2%	0.3%
0.58%	0.59%	0.93%



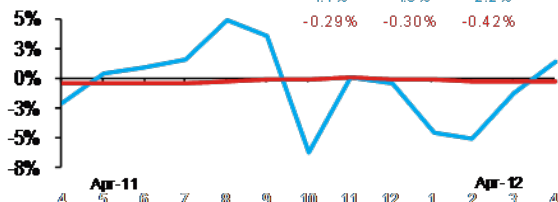
CTA/Managed Futures

Apr-12	Mar-12	Apr-11
-0.2%	-1.1%	2.3%
0.19%	0.20%	0.39%



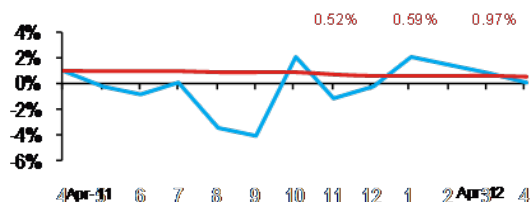
Dedicated Short Bias

Apr-12	Mar-12	Apr-11
1.4%	-1.3%	-2.2%
-0.29%	-0.30%	-0.42%



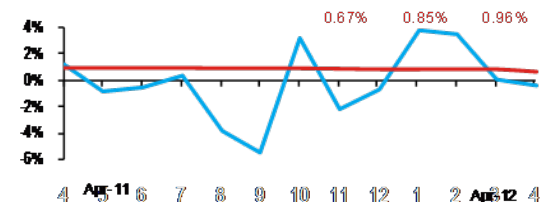
Distressed

Apr-12	Mar-12	Apr-11
0.0%	0.8%	1.0%
0.52%	0.59%	0.97%



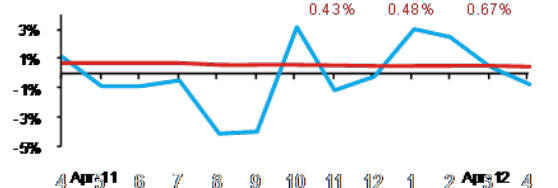
Emerging Markets

Apr-12	Mar-12	Apr-11
-0.4%	0.0%	1.2%
0.67%	0.85%	0.98%



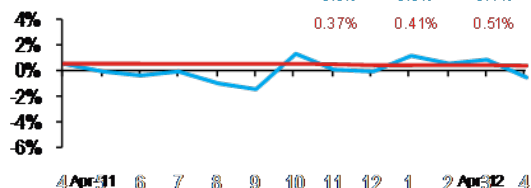
Equity Long/Short

Apr-12	Mar-12	Apr-11
-0.8%	0.5%	1.1%
0.43%	0.48%	0.67%



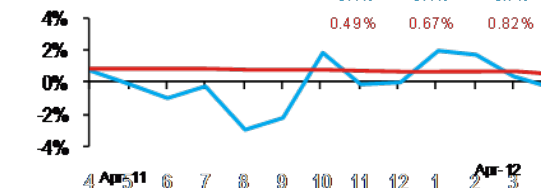
Equity Market Neutral

Apr-12	Mar-12	Apr-11
-0.5%	0.8%	0.4%
0.37%	0.41%	0.51%



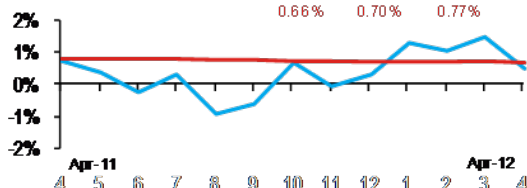
Event Driven

Apr-12	Mar-12	Apr-11
-0.4%	0.4%	0.7%
0.49%	0.67%	0.82%



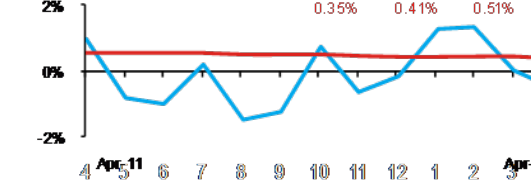
FI Arbitrage

Apr-12	Mar-12	Apr-11
0.5%	1.4%	0.7%
0.66%	0.70%	0.77%



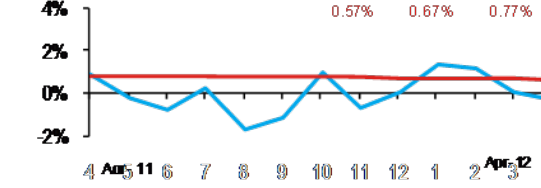
Global Macro

Apr-12	Mar-12	Apr-11
-0.6%	0.0%	1.0%
0.35%	0.41%	0.51%



Multi-Strategy

Apr-12	Mar-12	Apr-11
-0.3%	0.0%	0.9%
0.57%	0.67%	0.77%

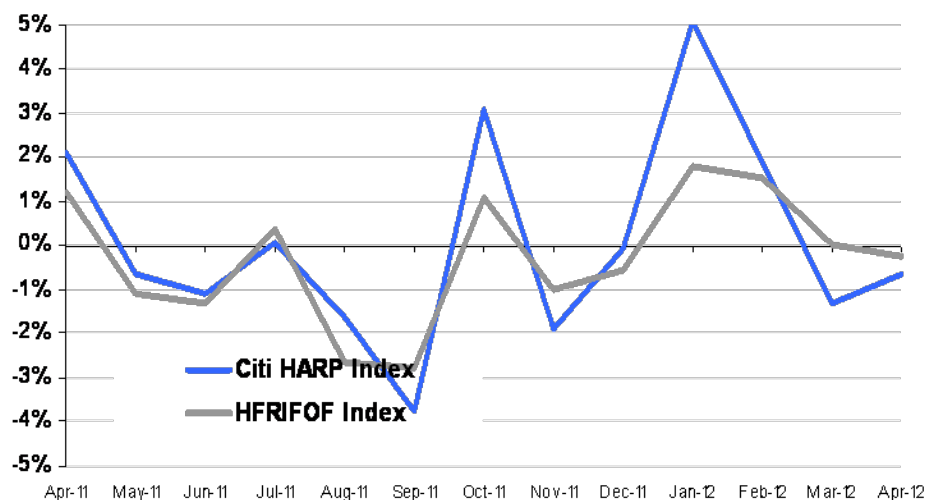


Source: Citi ICG Analytics

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)

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

	Apr-12	Mar-12	Apr-11	YTD-12
Citi HARP	-0.65%	-1.30%	2.11%	5.00%
HFRIFOF	-0.25%	0.04%	1.22%	3.11%

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	-1.2%	-4.80%
Annualised Volatility	8.29%	5.10%
Sharpe Ratio	-0.15	-0.96
Correlation	89%	-

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.

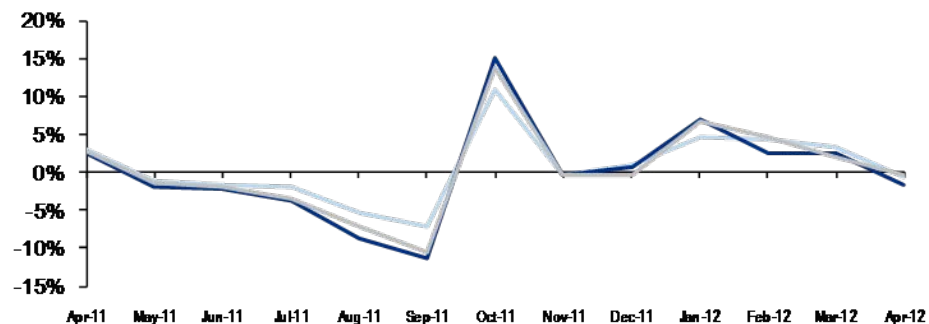
The Index contains weighted components. The components are a money market component and various index components. Each index component represents a class of asset in which the hedge fund sector is assumed to invest: bond, commodity, equity and foreign exchange.

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

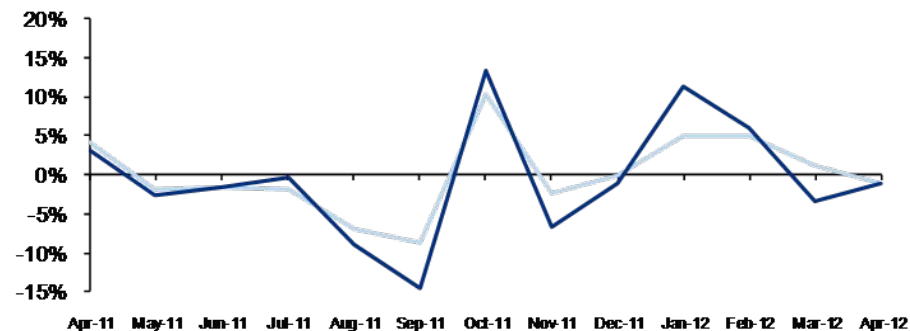
Data as of Apr-2012

US Equities (Large Cap vs. Small Cap)



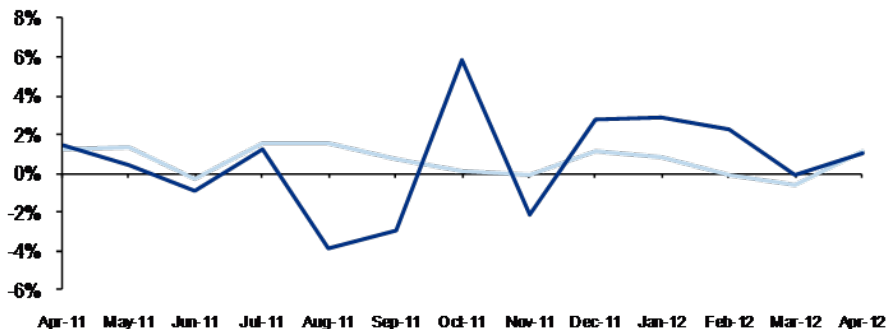
		Apr-12	Mar-12	Apr-11	YTD-12
S&P500		-0.6%	3.3%	3.0%	11.5%
RUS2000		-1.5%	2.6%	2.6%	10.5%
S&P Mid		-0.2%	1.9%	2.7%	12.8%

Global Equities (Developed vs. Emerging)



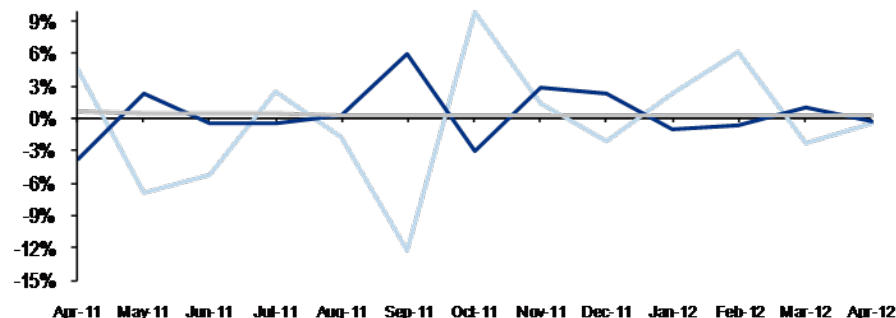
		Apr-12	Mar-12	Apr-11	YTD-12
MSCI World		-1.1%	1.3%	4.3%	10.2%
MSCI EM		-1.2%	-3.3%	3.1%	12.9%

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



		Apr-12	Mar-12	Apr-11	YTD-12
Oil US BGI Index		1.1%	-0.6%	1.2%	1.4%
Oil HY Bond Index		1.0%	-0.1%	1.4%	6.1%

Commodities (US\$ performance)



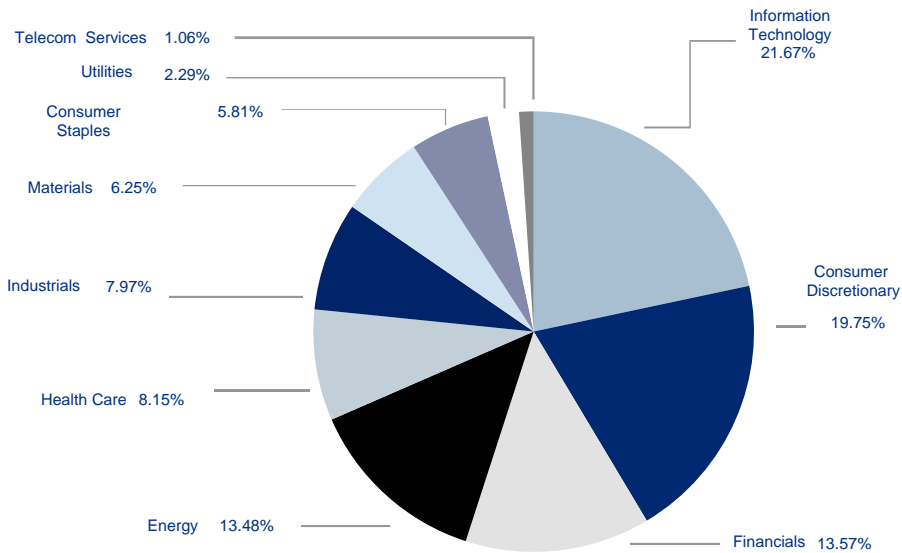
		Apr-12	Mar-12	Apr-11	YTD-12
S&PGSCI		-0.5%	-2.4%	4.4%	5.4%
US\$ Index		-0.3%	1.0%	-3.9%	-1.1%
US2yr Nte		0.3%	0.3%	0.6%	1.1%

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

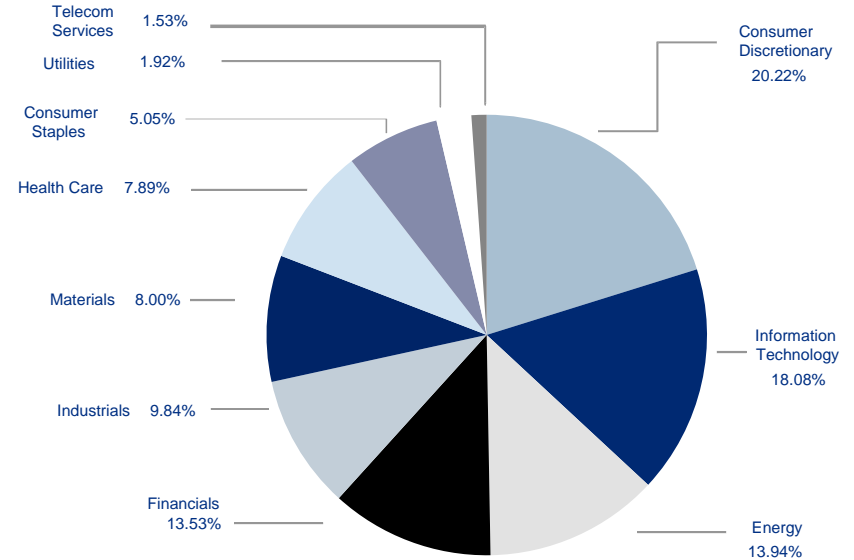
US Securities Lending Sector Short Flows

Data as of Apr-2012

Short Sale Executions



Short Cover Executions



Sector Short Flows	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Information Technology	21.49	21.76	-1.24
Consumer Discretionary	17.58	19.78	-11.12
Energy	12.84	13.31	-3.53
Financials	12.67	13.59	-6.77
Health Care	11.87	8.16	45.47
Industrials	8.79	7.97	10.29
Consumer Staples	6.77	5.82	16.32
Materials	4.86	6.26	-22.36
Utilities	2.21	2.29	-3.49
Telecom Services	0.92	1.06	-13.21

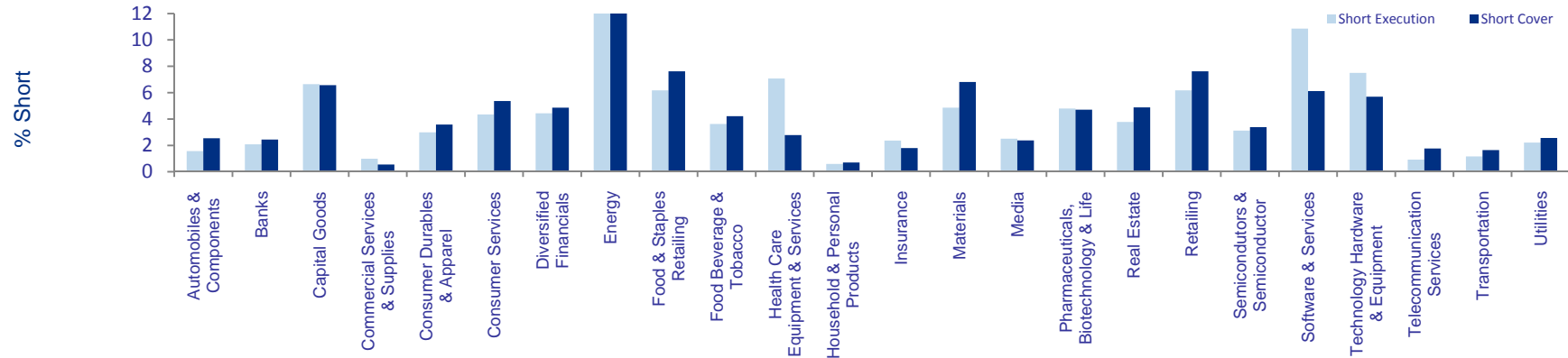
Sector Short Flows	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Information Technology	21.48	20.25	6.07
Consumer Discretionary	15.21	18.14	-16.15
Energy	14.83	13.80	7.46
Financials	13.98	13.55	3.17
Industrials	8.77	9.83	-10.78
Health Care	7.49	7.90	-5.19
Consumer Staples	7.10	5.06	40.32
Materials	6.81	8.01	-14.98
Utilities	2.56	1.92	33.33
Telecom Services	1.77	1.53	15.69

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 Apr-2012

Citi Industry Group Short Flows



Industry	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Energy	12.84	13.31	-3.53
Software & Services	10.86	9.84	10.37
Technology Hardware and Equipment	7.50	9.23	-18.74
Health Care Equipment and Services	7.07	4.17	69.54
Capital Goods	6.64	6.02	10.30
Retailing	6.17	7.08	-12.85
Materials	4.86	6.26	-22.36
Pharmaceuticals, Biotechnology & Life	4.80	3.99	20.30
Diversified Financials	4.44	4.92	-9.76
Consumer Services	4.35	5.51	-21.05
Real Estate	3.78	3.96	-4.55
Food Beverage & Tobacco	3.62	2.92	23.97
Semiconductors & Semiconductor	3.12	2.68	16.42
Consumer Durables & Apparel	2.99	2.90	3.10
Food & Staples Retailing	2.56	2.04	25.49
Media	2.51	2.81	-10.68
Insurance	2.37	2.43	-2.47
Utilities	2.21	2.29	-3.49
Banks	2.08	2.28	-8.77
Automobiles & Components	1.57	1.49	5.37
Transportation	1.16	1.35	-14.07
Commercial Services & Supplies	0.99	0.60	65.00
Telecom Services	0.92	1.06	-13.21
Household & Personal Products	0.60	0.86	-30.23

Industry	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Energy	14.83	13.80	7.46
Retailing	7.62	6.85	11.24
Materials	6.81	8.01	-14.98
Capital Goods	6.57	6.11	7.53
Software & Services	6.12	8.16	-25.00
Technology Hardware and Equipment	5.69	6.01	-5.32
Consumer Services	5.36	6.61	-18.91
Real Estate	4.88	6.23	-21.67
Diversified Financials	4.86	4.03	20.60
Pharmaceuticals, Biotechnology & Life	4.71	4.17	12.95
Food Beverage & Tobacco	4.22	2.69	56.88
Consumer Durables & Apparel	3.58	3.22	11.18
Semiconductors & Semiconductor	3.39	3.98	-14.82
Health Care Equipment and Services	2.78	3.73	-25.47
Utilities	2.56	1.92	33.33
Automobiles & Components	2.54	1.99	27.64
Banks	2.44	2.03	20.20
Media	2.38	1.58	50.63
Food & Staples Retailing	2.18	1.34	62.69
Insurance	1.80	1.26	42.86
Telecom Services	1.77	1.53	15.69
Transportation	1.65	3.03	-45.54
Household & Personal Products	0.70	1.03	-32.04
Commercial Services & Supplies	0.55	0.69	-20.29

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 Apr-2012

Citi Short Flows: April 2012

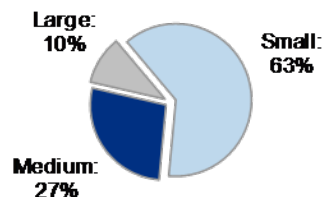
GICS Code	Description	% Short Executions This Month	% Short Executions From Last Month	% Change From Last Month	% Short Cover This Month	% Short Cover From Last Month	% Change From Last Month
Sector	Sector						
10	Energy	12.84	13.31	-3.53	14.83	13.80	7.46
15	Materials	4.86	6.26	-22.36	6.81	8.01	-14.98
20	Industrials	8.79	7.97	10.29	8.77	9.83	-10.78
25	Consumer Discretionary	17.58	19.78	-11.12	21.48	20.25	6.07
30	Consumer Staples	6.77	5.82	16.32	7.10	5.06	40.32
35	Health Care	11.87	8.16	45.47	7.49	7.90	-5.19
40	Financials	12.67	13.59	-6.77	13.98	13.55	3.17
45	Information Technology	21.49	21.76	-1.24	15.21	18.14	-16.15
50	Telecommunication Services	0.92	1.06	-13.21	1.77	1.53	15.69
55	Utilities	2.21	2.29	-3.49	2.56	1.92	33.33
Industry Group	Industry Group						
1010	Energy	12.84	13.31	-3.53	14.83	13.80	7.46
1510	Materials	4.86	6.26	-22.36	6.81	8.01	-14.98
2010	Capital Goods	6.64	6.02	10.30	6.57	6.11	7.53
2020	Commercial Services & Supplies	0.99	0.60	65.00	0.55	0.69	-20.29
2030	Transportation	1.16	1.35	-14.07	1.65	3.03	-45.54
2510	Automobiles & Components	1.57	1.49	5.37	2.54	1.99	27.64
2520	Consumer Durables & Apparel	2.99	2.90	3.10	3.58	3.22	11.18
2530	Consumer Services	4.53	5.51	-21.05	5.36	6.61	-18.91
2540	Media	2.51	2.81	-10.68	2.38	1.58	50.63
2550	Retailing	6.17	7.08	-12.85	7.62	6.85	11.24
3010	Food & Staples Retailing	2.56	2.04	25.49	2.18	1.34	62.69
3020	Food Beverage & Tobacco	3.62	2.92	23.97	4.22	2.69	56.88
3030	Household & Personal Products	0.60	0.86	-30.23	0.70	1.03	-32.04
3510	Health Care Equipment & Services	7.07	4.17	69.54	2.78	3.73	-25.47
3520	Pharmaceuticals, Biotechnology & Life Sciences	4.80	3.99	20.30	4.71	4.17	12.95
4010	Banks	2.08	2.28	-8.77	2.44	2.03	20.20
4020	Diversified Financials	4.44	4.92	-9.76	4.86	4.03	20.60
4030	Insurance	2.37	2.43	-2.47	1.80	1.26	42.86
4040	Real Estate	3.78	3.96	-4.55	4.88	6.23	-21.67
4510	Software & Services	10.86	9.84	10.37	6.12	8.16	-25.00
4520	Technology Hardware & Equipment	7.50	9.23	-18.74	5.69	6.01	-5.32
4530	Semiconductors & Semiconductor Equipment	3.12	2.68	16.42	3.39	3.98	-14.82
5010	Telecommunication Services	0.92	1.06	-13.21	1.77	1.53	15.69
5510	Utilities	2.21	2.29	-3.49	2.56	1.92	33.33

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

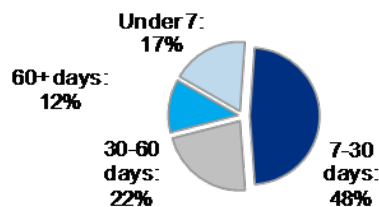
Hedge Fund (Fund Level) Profiles

Data as of Apr-2012

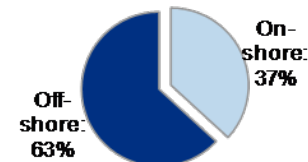
By Fund Size—No. of Funds



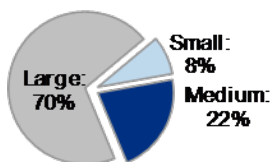
Redemption Notice Period



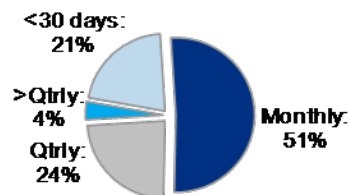
On-shore/Off-shore



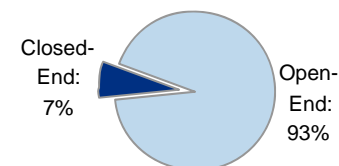
By Fund Size—\$ AUM



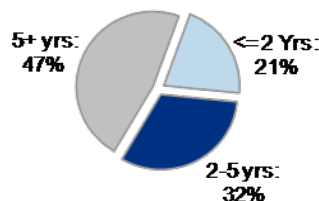
Redemption Frequency



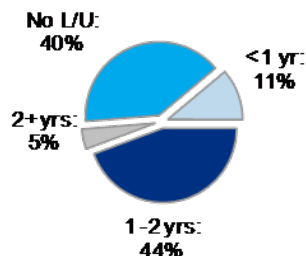
Legal Status



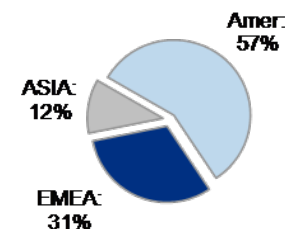
By Fund Age—No. of Funds



Lock-Up



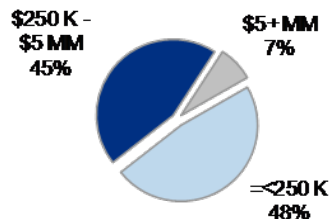
Domicile (by \$ AUM)



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 Apr-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	4%	\$904	-0.6%	2.0%	52%	79%	n/m	7-30 days / 46%	Monthly / 46%
2-5 yrs	21%	\$1,327	-0.1%	2.2%	57%	66%	1-2 yrs / 66%	7-30 days / 31%	Monthly / 41%
Over 5 yrs	75%	\$1,908	-0.2%	3.4%	66%	70%	1-2 yrs / 43%	7-30 days / 33%	Monthly / 45%
Total	100%	\$1,686	-0.1%	3.2%	64%	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	7%	\$205	-0.3%	0.5%	39%	89%	1-2 yrs / 83%	7-30 days / 42%	Under 30 / 44%
2-5 yrs	32%	\$212	-0.2%	3.4%	60%	77%	1-2 yrs / 49%	7-30 days / 35%	Monthly / 58%
Over 5 yrs	61%	\$329	-0.5%	3.2%	72%	67%	No / 51%	7-30 days / 44%	7-30 days / 45%
Total	100%	\$219	-0.4%	3.1%	67%	72%	No / 41%	7-30 days / 41%	Monthly / 46%

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	11%	\$24	-0.5%	2.9%	41%	79%	1-2 yrs / 73%	7-30 days / 38%	Monthly / 46%
2-5 yrs	35%	\$25	-0.4%	3.3%	56%	68%	1-2 yrs / 50%	7-30 days / 40%	Monthly / 53%
Over 5 yrs	54%	\$28	-0.6%	4.3%	69%	59%	No / 50%	7-30 days / 54%	Monthly / 56%
Total	100%	\$26	-0.5%	3.8%	62%	64%	1-2 yrs / 43%	7-30 days / 48%	Monthly / 54%

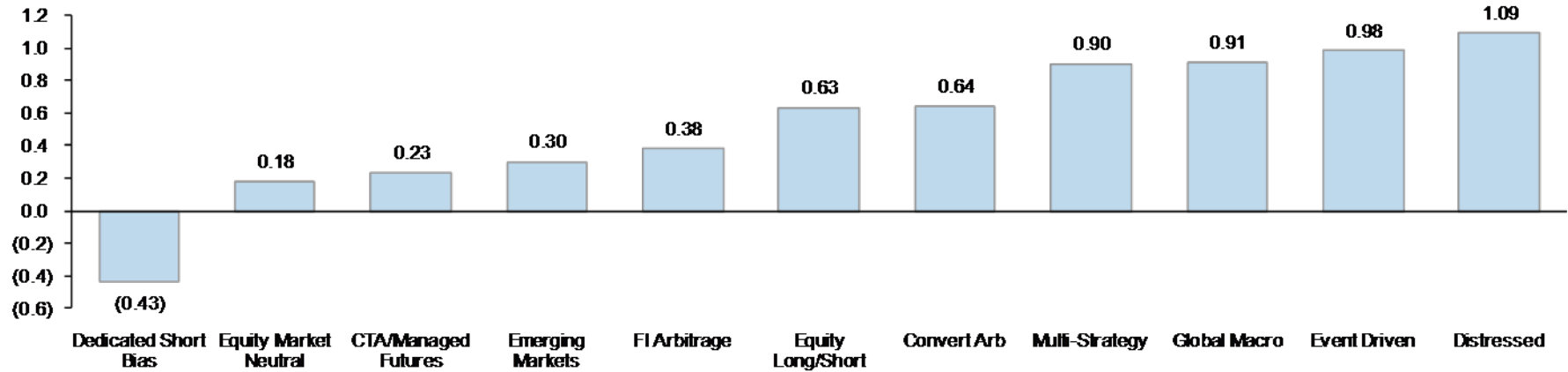
Source: Citi ICG Analytics

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

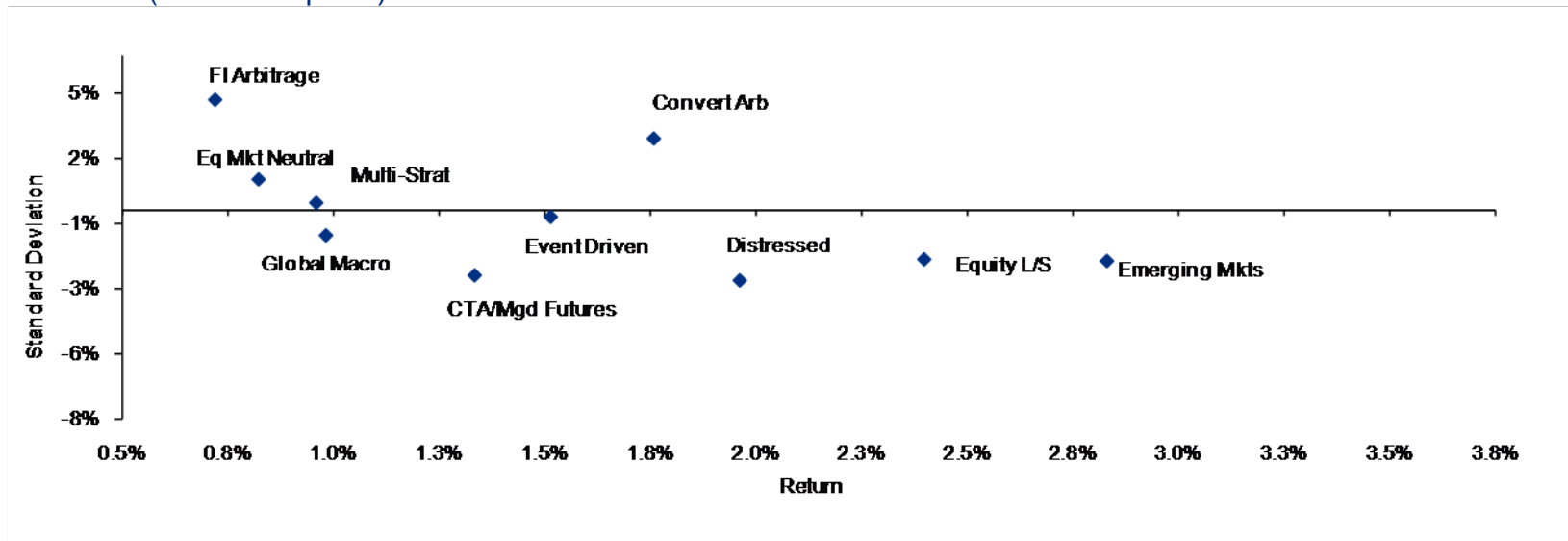
Data as of Apr-2012

Sharpe Ratios (Jun-94 – Apr-12)



Source: Credit Suisse Tremont

Risk vs. Return (Mar-11 – Apr-12)



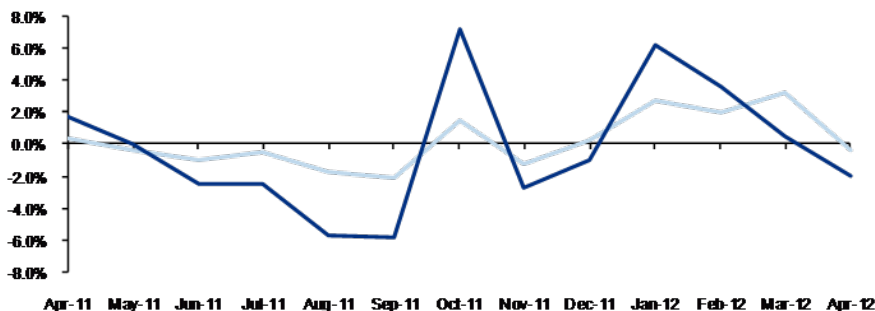
Source: Citi ICG Analytics

Convertible Arbitrage

Data as of Apr-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%									7.5%

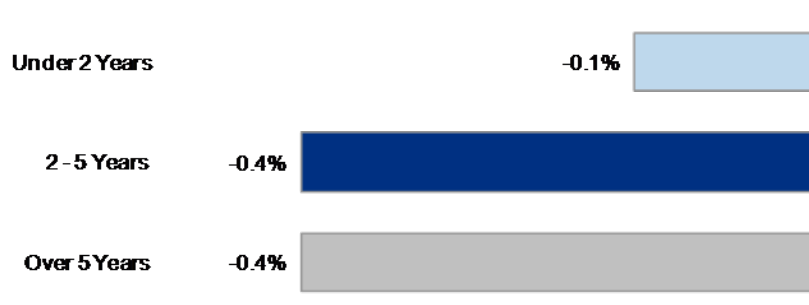
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



		Apr-12	Mar-12	Apr-11	YTD-12
Convert Arb		-0.3%	3.2%	0.3%	7.5%
CWB ETF		-2.1%	0.5%	1.8%	8.3%

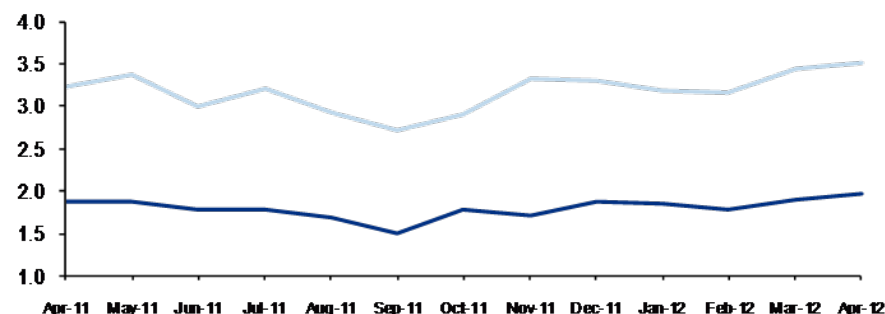
Source: Citi ICG Analytics; FactSet

Hedge Fund Performance by Age (1)



Source: Citi ICG Analytics

Leverage Profile (Monthly, LTM)

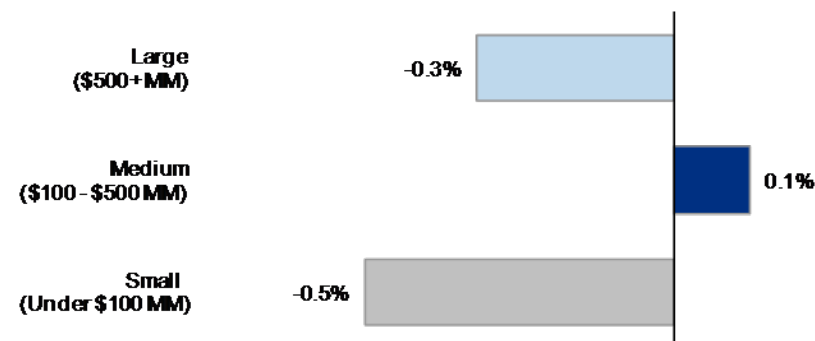


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance

Hedge Fund Performance by Size (1)



Source: Citi ICG Analytics

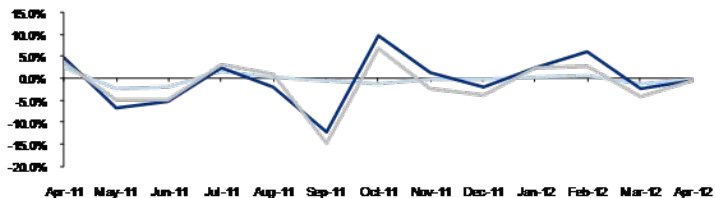
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

CTA/Managed Futures

Data as of Apr-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%									-0.6%

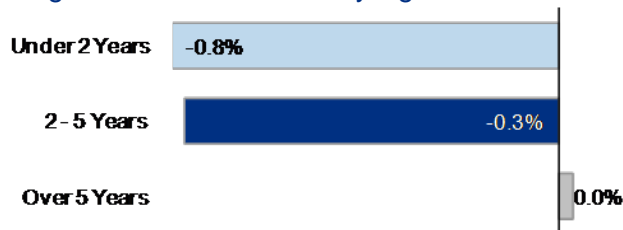
Hedge Fund Performance vs. Benchmark



	Apr-12	Mar-12	Apr-11	YTD-12
CTA/Mgd Futures	-0.2%	-2.3%	2.3%	-0.6%
S&P GSCI Commodity (SPGSCI)	-0.5%	-2.4%	4.4%	5.4%
DJUBS Commodity (DJAGK)	-0.4%	-4.1%	3.5%	0.6%

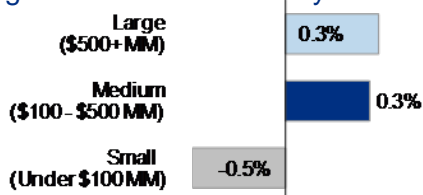
Source: Citi ICG Analytics; FactSet

Hedge Fund Performance by Age



Source: Citi ICG Analytics

Hedge Fund Performance by Size

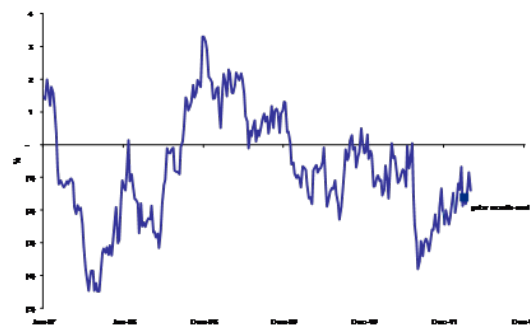


Source: Citi ICG Analytics

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.

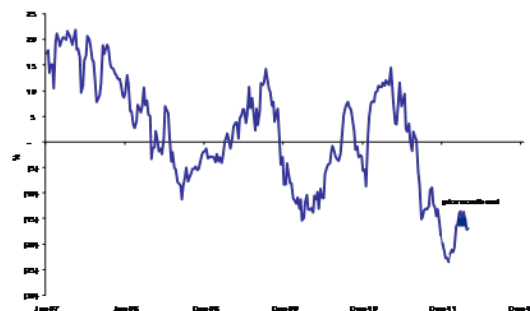
Large Speculator Positions: CFTC Commitment Of Trader (Futures & Options) Report Net of Longs Less Shorts As Percent of Total Open Positions

Combined S&P / Weighted Mini S&P Contracts



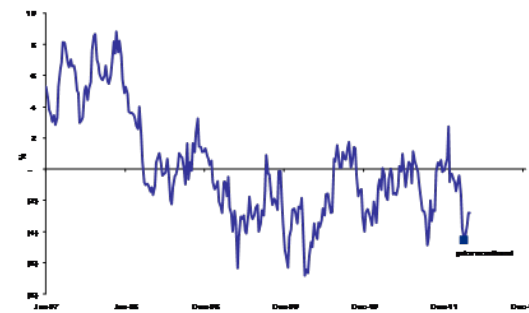
Last Update: 4/24/12 -1.4%

EuroFX Futures



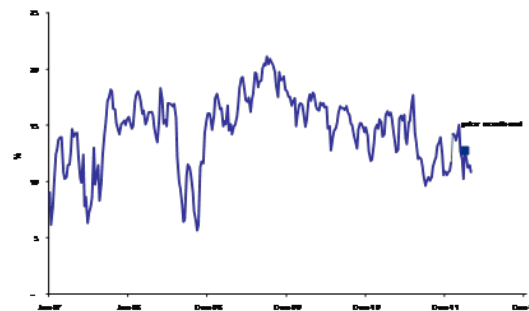
Last Update: 4/30/12 -16.9%

U.S. 10-Year Treasury Futures



Last Update: 4/30/12 -2.8%

Gold Futures



Last Update: 4/30/12 +10.9%

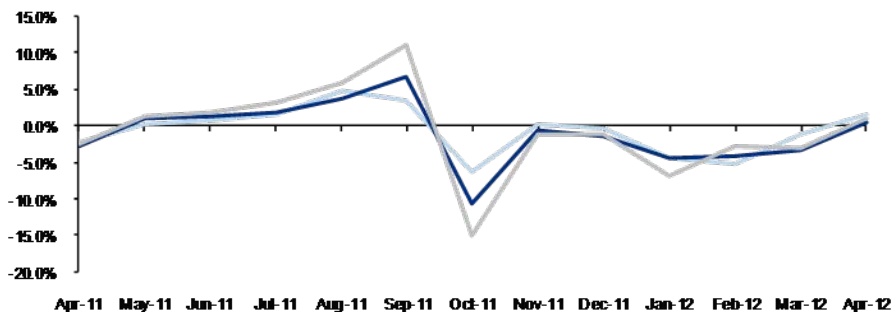
Source: CFTC, Bloomberg, Citi Futures Perspective

Dedicated Short Bias

Data as of Apr-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%									-9.5%

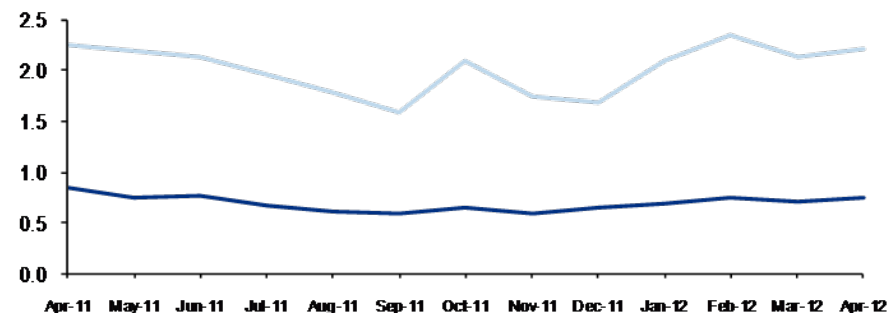
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	Apr-12	Mar-12	Apr-11	YTD-12
Ded Short Bias	1.4%	-1.3%	-2.2%	-11.0%
S&P Short ETF (SH)	0.4%	-3.4%	-2.9%	-11.5%
Rus 2000 Short ETF (RWM)	1.1%	-3.0%	-2.6%	-12.2%

Source: Citi ICG Analytics; FactSet

Leverage Profile (Monthly, LTM)

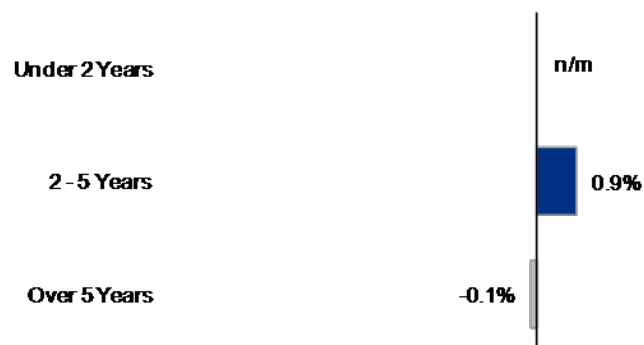


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

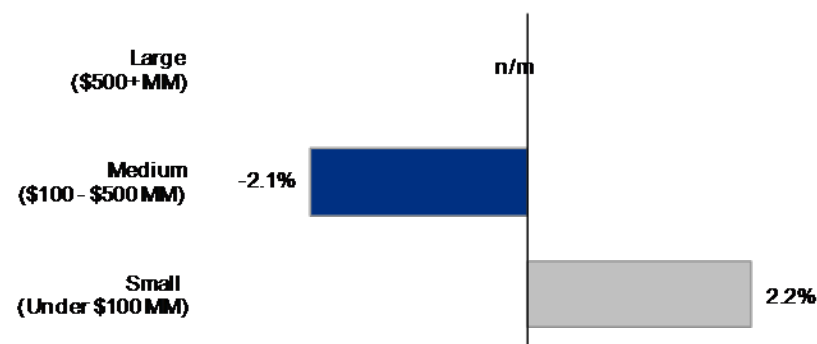
Source: Citi Prime Finance

Hedge Fund Performance by Age (1)



Source: Citi ICG Analytics

Hedge Fund Performance by Size (1)

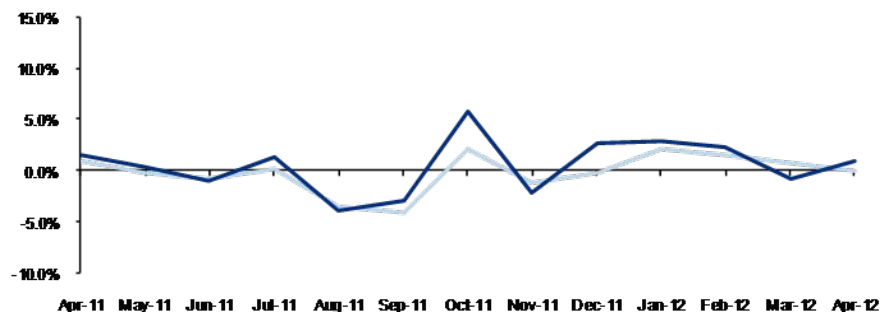


Source: Citi ICG Analytics

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.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.1%	1.5%	0.8%	0.0%									4.4%

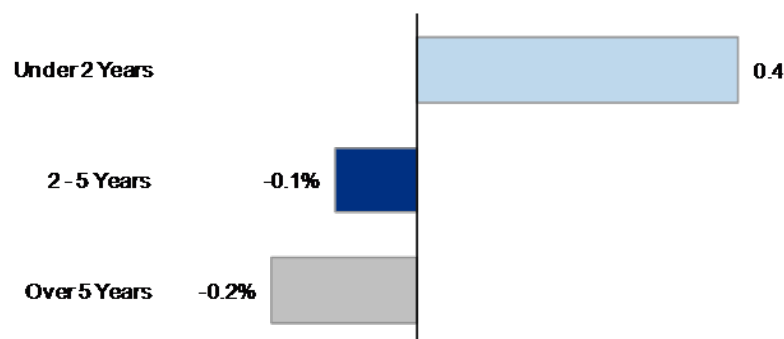
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	Apr-12	Mar-12	Apr-11	YTD-12
Distressed	0.0%	0.8%	1.0%	4.4%
Citi HY Bond Index	1.0%	-0.8%	1.4%	5.4%

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

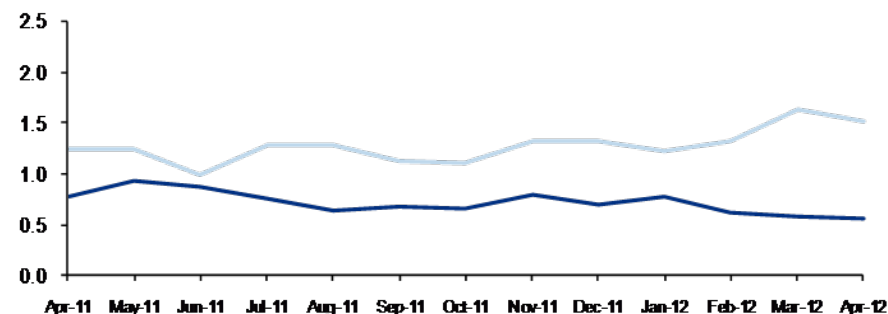
Hedge Fund Performance by Age (1)



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.

Leverage Profile (Monthly, LTM)

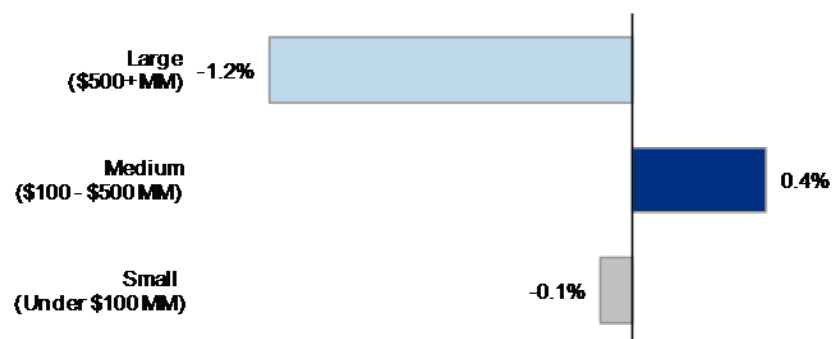


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance

Hedge Fund Performance by Size (1)



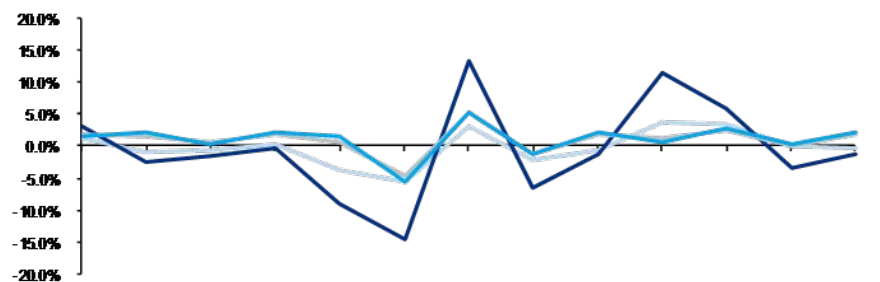
Source: Citi ICG Analytics

Emerging Markets

Data as of Apr-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%									6.8%

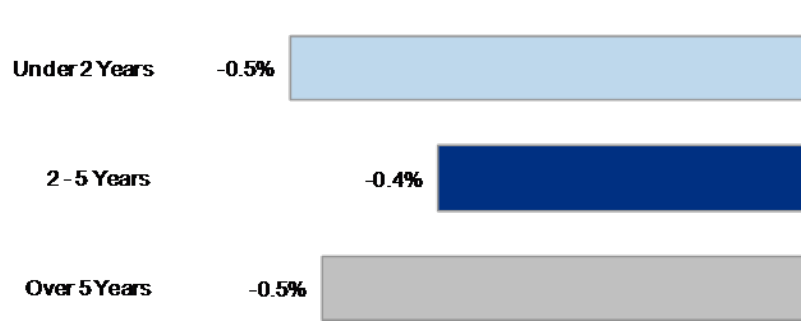
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	Apr-12	Mar-12	Apr-11	YTD-12
Emerging Mkts	-0.4%	0.0%	1.2%	6.8%
MSCI EM	-1.2%	-3.3%	3.1%	12.9%
JPM EMBIG Core ETF (EMB)	1.8%	-0.1%	1.7%	5.3%
DB EM Liquid ETF (PCY)	2.1%	0.3%	1.6%	5.9%

Source: Citi ICG Analytics; FactSet

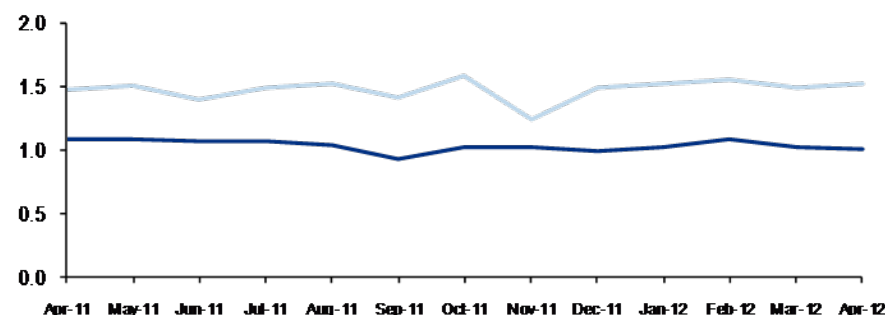
Hedge Fund Performance by Age



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.

Leverage Profile (Monthly, LTM)

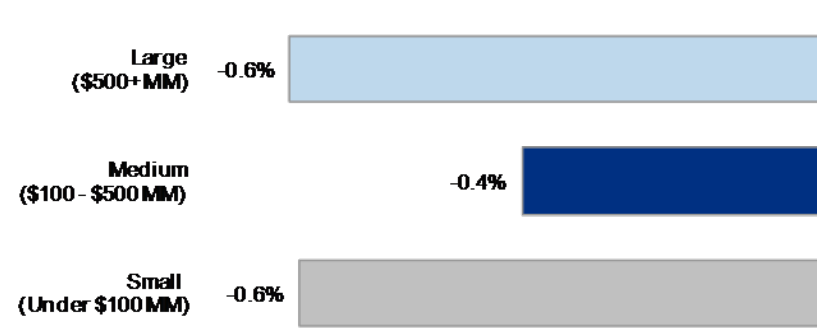


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance

Hedge Fund Performance by Size



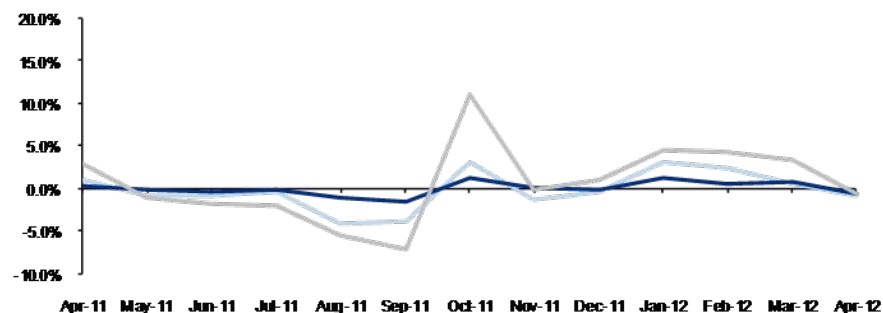
Source: Citi ICG Analytics

Equity Long/Short

Data as of Apr-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%									5.2%

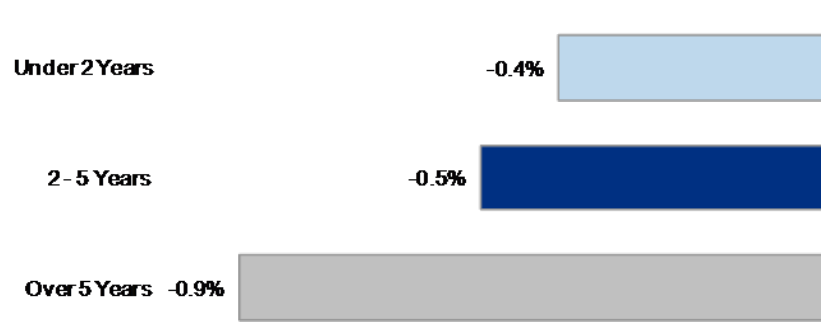
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



		Apr-12	Mar-12	Apr-11	YTD-12
Eq Long/Short		-0.8%	0.5%	1.1%	5.2%
Eq Mkt Neutral		-0.5%	0.8%	0.4%	2.0%
S&P 500		-0.6%	3.3%	3.0%	11.5%

Source: Citi ICG Analytics; FactSet

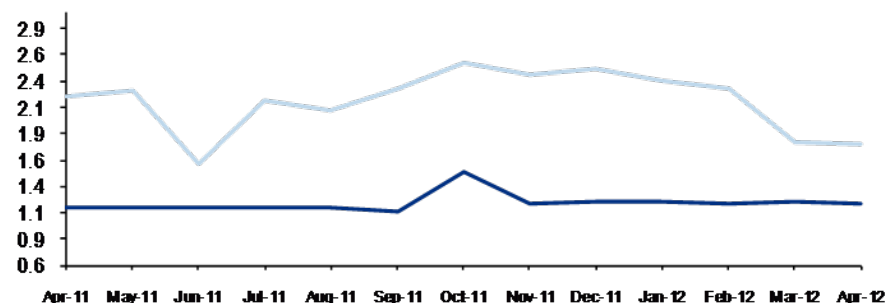
Hedge Fund Performance by Age



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.

Leverage Profile (Monthly, LTM)

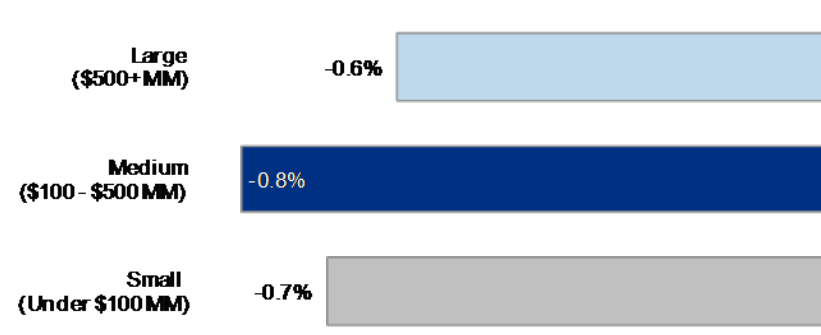


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance

Hedge Fund Performance by Size



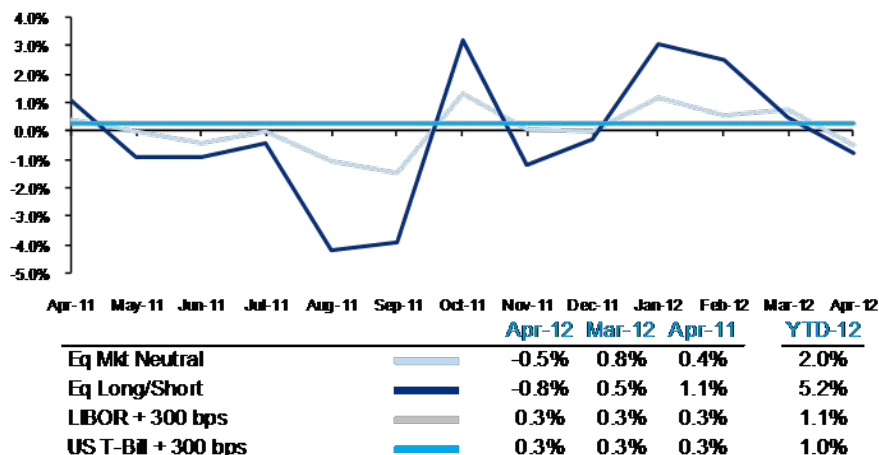
Source: Citi ICG Analytics

Equity Market Neutral

Data as of Apr-2012

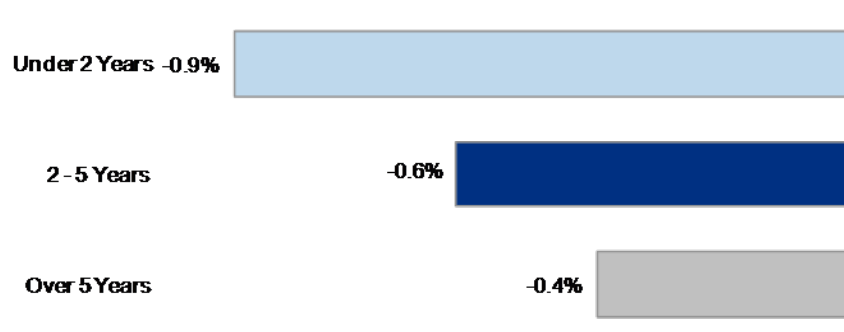
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.2%	0.5%	0.8%	-0.5%									2.0%

Hedge Fund Performance vs. Benchmark (Monthly, LTM)



Source: Citi ICG Analytics; FactSet

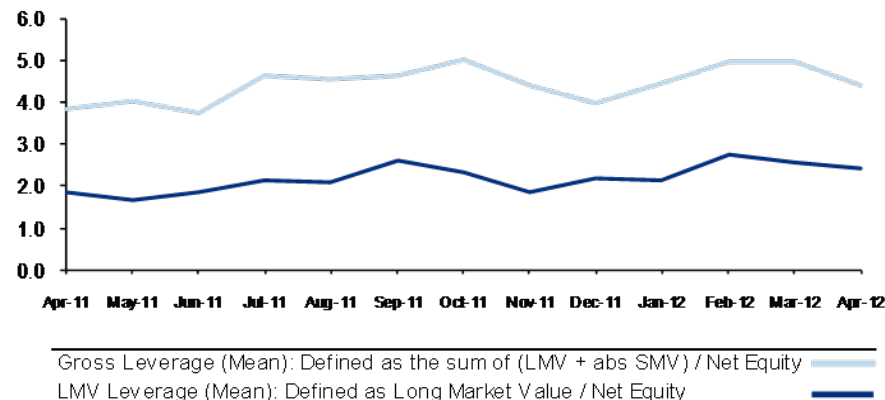
Hedge Fund Performance by Age



Source: Citi ICG Analytics

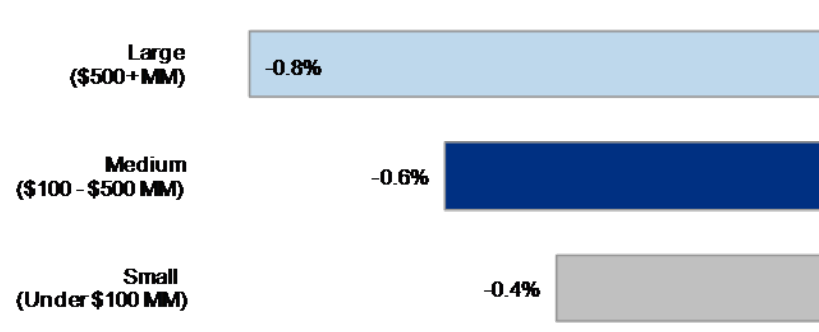
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

Leverage Profile (Monthly, LTM)



Source: Citi Prime Finance

Hedge Fund Performance by Size



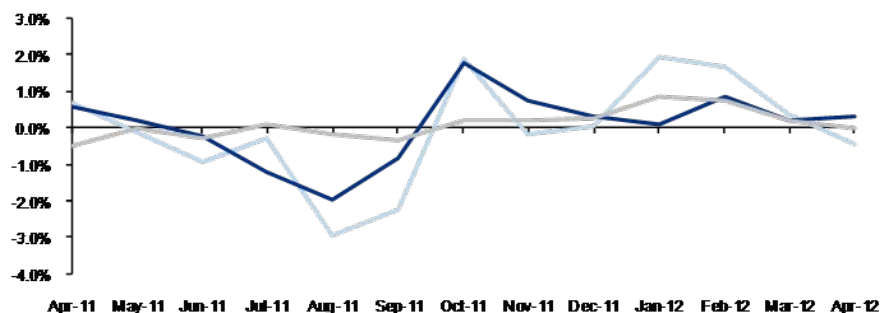
Source: Citi ICG Analytics

Event Driven

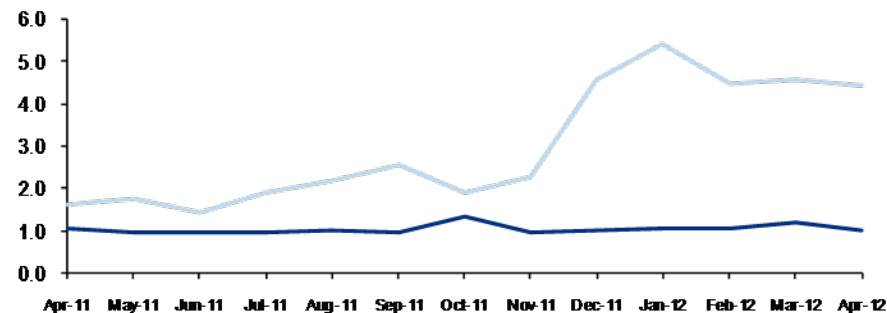
Data as of Apr-2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.9%	1.7%	0.4%	-0.4%									3.5%

Hedge Fund Performance vs. Benchmark (Monthly, LTM)



Leverage Profile (Monthly, LTM)



	Apr-12	Mar-12	Apr-11	YTD-12
Event Driven	-0.4%	0.4%	0.7%	3.5%
The Merger Fund (MERFX)	0.3%	0.2%	0.6%	1.4%
AQR Div Arb Fund (ADANX)	0.0%	0.2%	-0.5%	1.7%

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

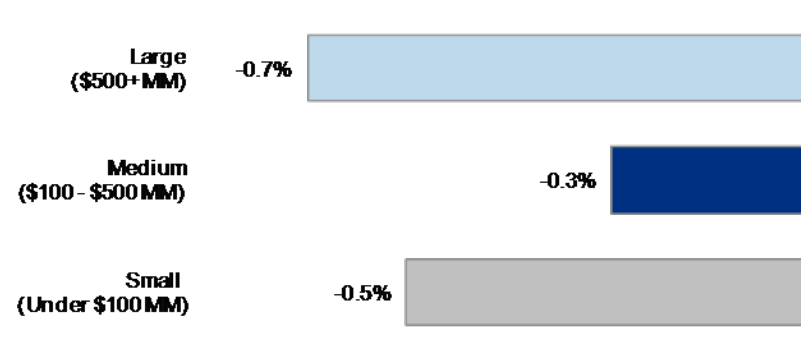
Source: Citi ICG Analytics; FactSet

Source: Citi Prime Finance

Hedge Fund Performance by Age



Hedge Fund Performance by Size



Source: Citi ICG Analytics

Source: Citi ICG Analytics

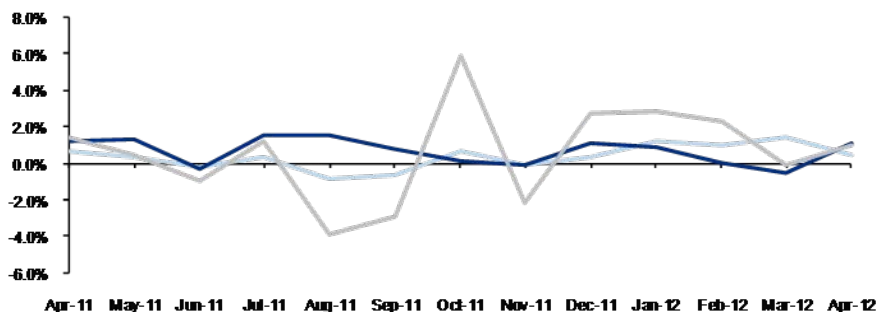
Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. (1) Universe and sample sizes may be small.

FI Arbitrage

Data as of Apr-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%									4.2%

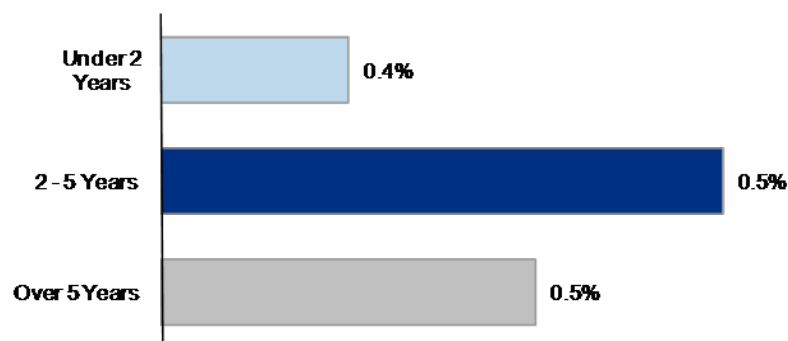
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	Apr-12	Mar-12	Apr-11	YTD-12
FI Arbitrage	0.5%	1.4%	0.7%	4.2%
Citi US BIG Index	1.1%	-0.6%	1.2%	1.4%
Citi HY Bond Index	1.0%	-0.1%	1.4%	6.1%

Source: Citi ICG Analytics; Citigroup Index LLC

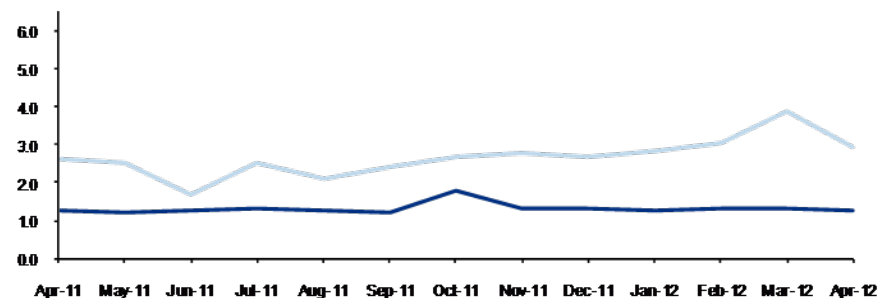
Hedge Fund Performance by Age



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.

Leverage Profile (Monthly, LTM)

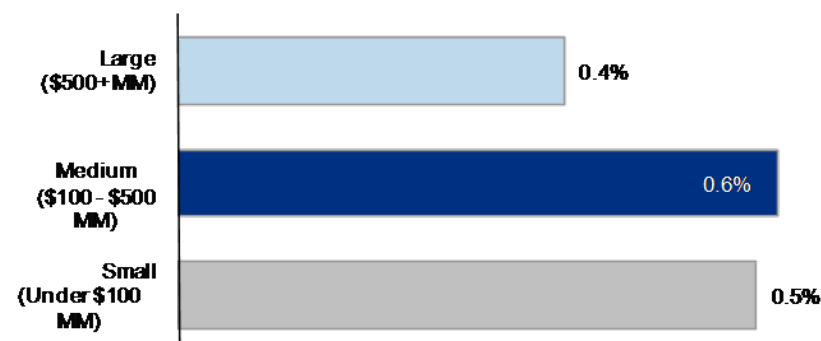


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance

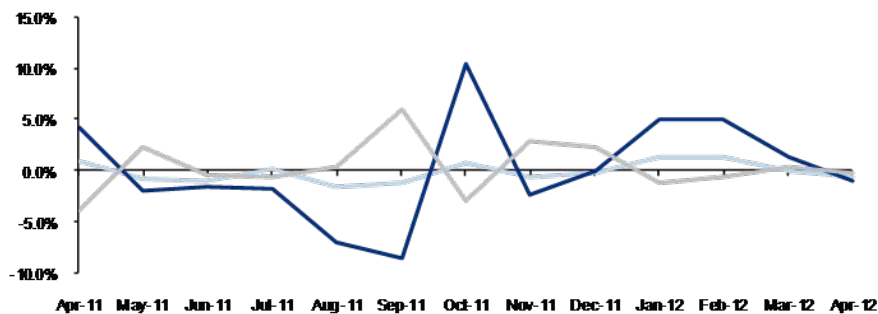
Hedge Fund Performance by Size



Source: Citi ICG Analytics

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.3%	1.3%	0.0%	-0.6%									2.0%

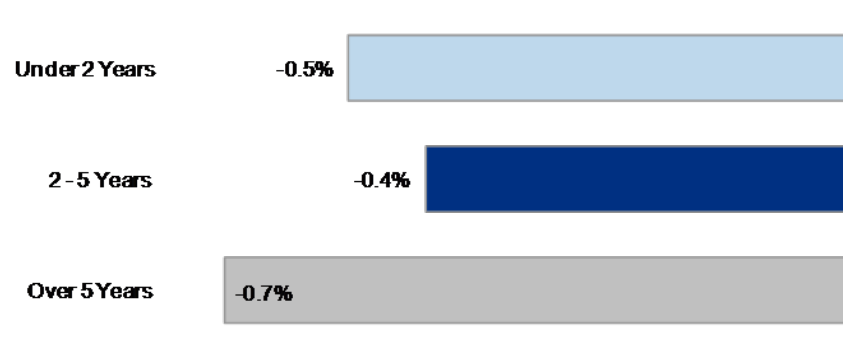
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



		Apr-12	Mar-12	Apr-11	YTD-12
Global Macro		-0.6%	0.0%	1.0%	2.0%
MSCI World		-1.1%	1.3%	4.3%	10.3%
US\$-Index		-0.3%	0.3%	-3.9%	-1.8%

Source: Citi ICG Analytics; FactSet

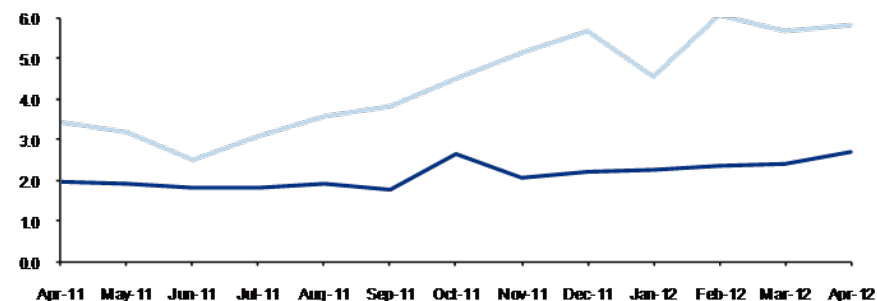
Hedge Fund Performance by Age



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.

Leverage Profile (Monthly, LTM)

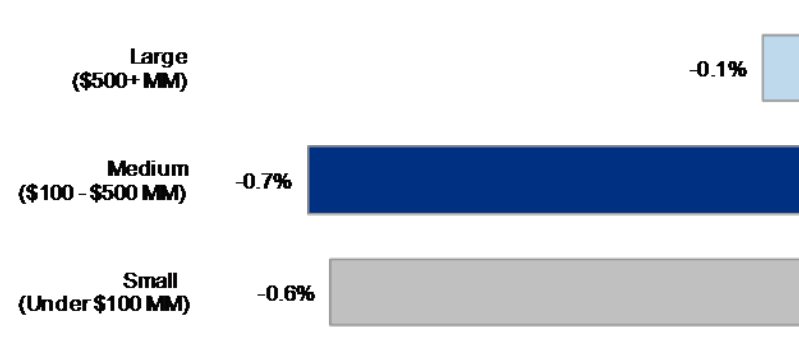


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi ICG Analytics; FactSet; Citi Prime Finance

Hedge Fund Performance by Size



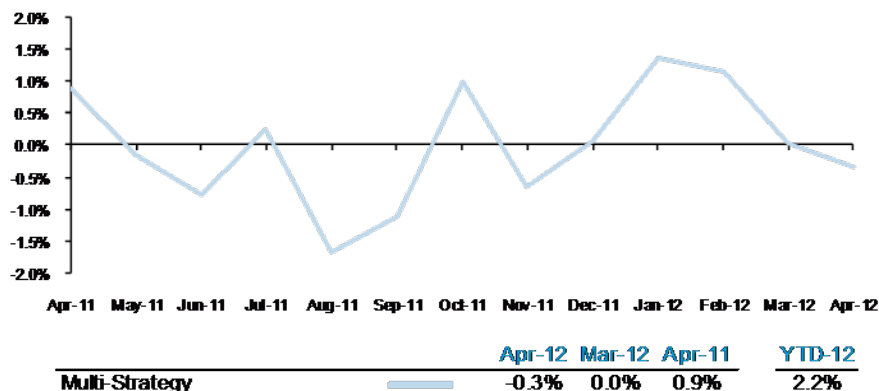
Source: Citi ICG Analytics; FactSet; Citi Prime Finance

Multi-Strategy

Data as of Apr-2012

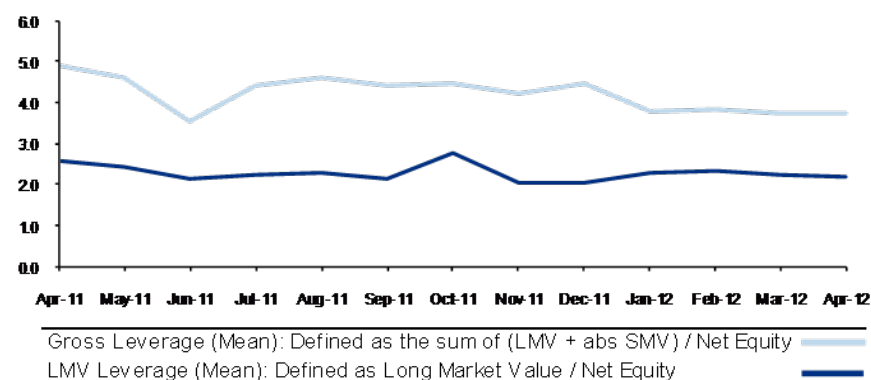
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.4%	1.1%	0.0%	-0.3%									2.2%

Hedge Fund Performance vs. Benchmark (Monthly, LTM)



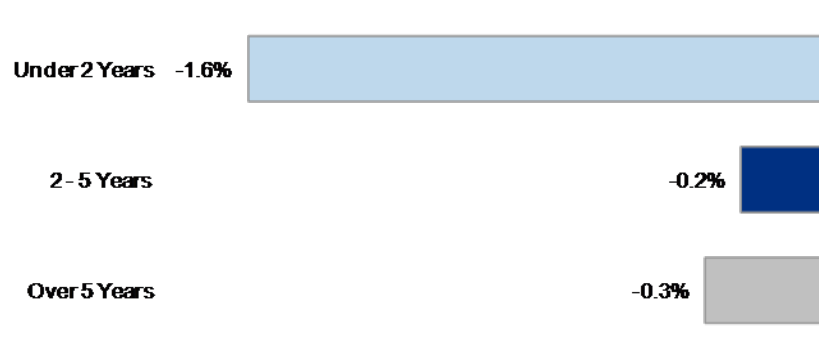
Source: Citi ICG Analytics

Leverage Profile (Monthly, LTM)



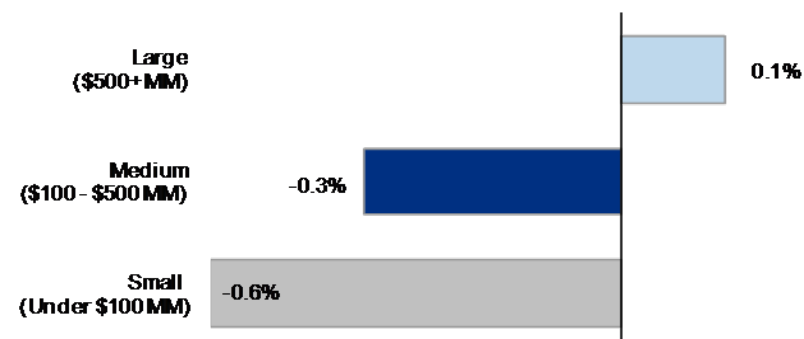
Source: Citi Prime Finance

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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