

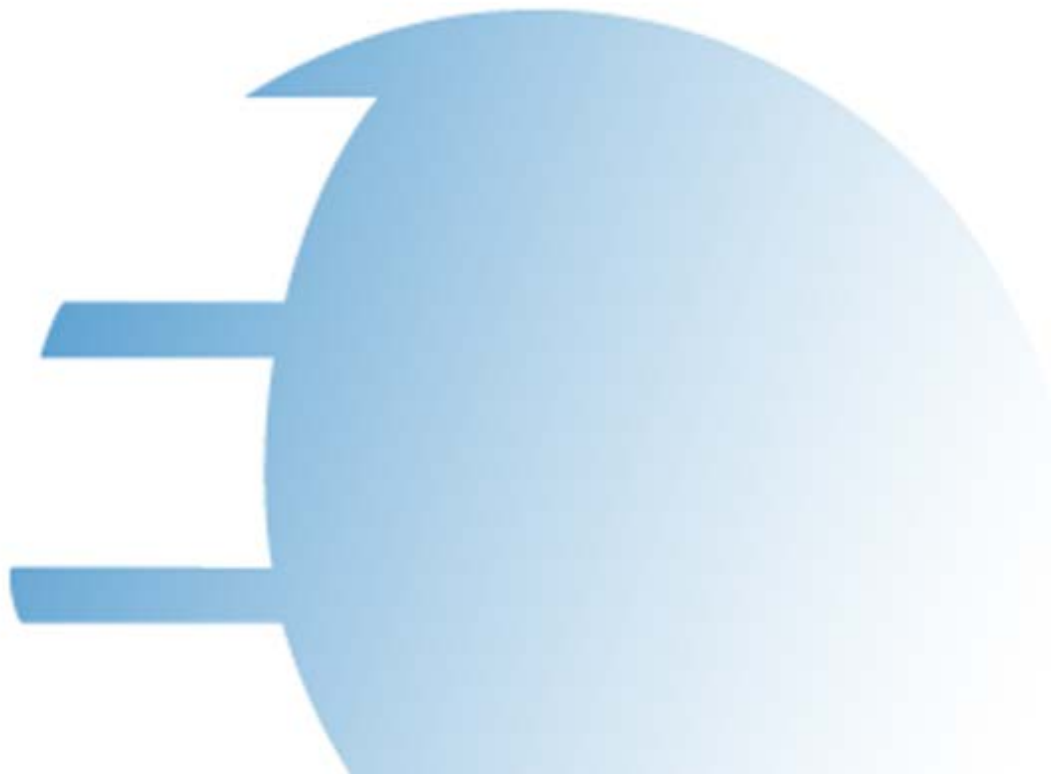
# HEDGE FUND PERFORMANCE

---

Monthly Summary Report

November 2014

Release Date: December 9, 2014



# Activists Rebound and Managed Futures Hold Industry Leading Status



*In a reversal from 2013, credit lags most strategies in 2014 while managed futures funds are shining*

## Hedge Fund Performance through November 2014

<b>Aggregate Performance</b>	<b>Nov</b>	<b>Last 3mo</b>	<b>YTD 2014</b>	<b>2013</b>
Hedge Fund Aggregate	1.08%	-0.73%	2.85%	10.20%
S&P 500 Total Return	2.69%	3.72%	13.97%	32.40%
Large Funds (>\$1b)	1.62%	0.28%	4.24%	11.80%
Mid-size Funds (<\$1b, >\$250m)	1.43%	-0.07%	3.60%	11.36%
Small Funds (<\$250m)	1.04%	-0.88%	2.80%	10.90%
<b>Primary Markets</b>	<b>Nov</b>	<b>Last 3mo</b>	<b>YTD 2014</b>	<b>2013</b>
Broad Financial Derivatives	3.95%	5.71%	8.05%	1.60%
Broad Multi-Market	1.98%	1.05%	3.58%	6.23%
Volatility/Options Strategies	0.99%	-2.65%	-0.30%	5.40%
Broad Capital Structure	0.76%	-2.47%	1.70%	13.59%
Equity Strategies	0.68%	-1.88%	2.25%	15.70%
FX Strategies	0.50%	0.80%	1.38%	-0.86%
Credit Strategies	-0.18%	-1.63%	2.02%	7.58%
Commodity Strategies	-0.34%	-3.52%	-1.04%	-3.02%
<b>Primary Strategy</b>	<b>Nov</b>	<b>Last 3mo</b>	<b>YTD 2014</b>	<b>2013</b>
Managed Futures	3.41%	4.90%	6.86%	1.09%
Event Driven - Activist	3.25%	0.06%	6.51%	19.20%
Multi-Strategy	1.70%	0.41%	2.92%	8.08%
Macro	1.55%	0.51%	2.93%	1.78%
Convertible Arbitrage	0.88%	-1.97%	1.69%	14.29%
Long/Short Equity	0.71%	-1.89%	2.44%	16.48%
Event Driven	0.69%	-2.80%	1.19%	14.56%
Market Neutral Equity	0.08%	-0.68%	0.96%	7.73%
Directional Credit	-0.19%	-1.86%	2.15%	7.34%
Relative Value Credit	-0.22%	-0.82%	3.06%	6.84%
Distressed	-0.52%	-3.12%	1.81%	13.76%
<b>Sub-Sector Exposure</b>	<b>Nov</b>	<b>Last 3mo</b>	<b>YTD 2014</b>	<b>2013</b>
Healthcare	1.61%	0.80%	10.11%	27.50%
Securitized - Multi Sector	0.35%	0.22%	7.30%	14.01%
Technology	0.04%	-2.49%	-1.96%	14.41%
Financials	-0.09%	-0.24%	2.09%	21.01%
Securitized - Mortgages	-0.34%	0.20%	7.65%	10.48%
Energy	-6.00%	-14.61%	-5.44%	19.29%
<b>Regional Exposure</b>	<b>Nov</b>	<b>Last 3mo</b>	<b>YTD 2014</b>	<b>2013</b>
Emerging Markets	-1.24%	-4.81%	-0.19%	4.84%
Developed Markets	0.75%	-1.30%	2.92%	13.89%
Japan	2.36%	0.64%	1.25%	29.21%
China	1.70%	1.91%	4.23%	17.09%
India	0.45%	6.83%	52.10%	-7.01%
Africa/Middle East	-1.10%	-4.81%	4.08%	19.34%
Brazil	-4.41%	-17.10%	-10.17%	-11.86%
<b>Approach</b>	<b>Nov</b>	<b>Last 3mo</b>	<b>YTD 2014</b>	<b>2013</b>
Systematic	2.36%	2.51%	5.15%	5.42%
Discretionary	0.60%	-2.28%	1.53%	13.26%

## Updated Assets & Investor Flows through October 2014

<b>Data in USD Billion</b>	<b>OCT</b>	<b>Last 3mo</b>	<b>YTD</b>	<b>2013</b>	<b>Est. AUM</b>
All Hedge Funds	(\$0.14)	\$9.10	\$106.46	\$61.66	\$3,016.54
Equity Strategies	\$1.72	\$8.25	\$73.94	\$15.50	\$1,000.78
Fixed Income/Credit	(\$2.49)	\$5.95	\$32.78	\$68.71	\$980.73
Commodities	(\$0.43)	\$0.89	(\$2.64)	(\$1.41)	\$71.98
Multi-Asset	\$1.45	(\$4.56)	\$5.40	(\$21.10)	\$1,017.32
<b>Primary Strategy</b>	<b>OCT</b>	<b>Last 3mo</b>	<b>YTD</b>	<b>2013</b>	<b>Est. AUM</b>
Broad Multi-Strategy	\$4.72	\$12.35	\$42.68	\$28.89	\$406.82
Long/Short Equity	\$0.93	\$1.94	\$38.66	\$0.90	\$673.98
Distressed	\$0.68	\$3.43	\$8.75	\$5.49	\$247.25
Market Neutral Equity	\$0.66	\$0.55	\$3.56	\$5.54	\$52.33
Event Driven	\$0.66	\$6.74	\$41.73	\$9.00	\$577.68
MBS Strategies	(\$0.19)	\$3.45	\$3.66	(\$3.24)	\$94.06
Convertible Arbitrage	(\$0.37)	(\$0.14)	\$1.85	\$0.15	\$55.57
Directional Credit	(\$0.58)	\$0.11	\$1.07	\$25.09	\$125.83
Relative Value Credit	(\$1.14)	\$1.59	\$12.92	\$28.98	\$248.73
Managed Futures	(\$1.92)	(\$6.41)	(\$30.17)	(\$31.98)	\$120.83
Macro	(\$4.08)	(\$10.87)	(\$13.85)	(\$10.00)	\$202.01

- Aggregate hedge fund performance was positive 1.08% in November, ending the industry's two-month decline. Year-to-date aggregate returns of 2.85% are well below 2013's full-year increase of 10.20%.
- Aided by rebounding US equity markets and strong moves in currency and interest rate markets, November's biggest winners were managed futures strategies and activist funds. Credit and commodity-focused strategies posted aggregate declines, while funds focused on the energy sector and with Brazil exposure faced the industry's largest losses during the month.
- Managed futures' current four-month run is this group's best stretch in nearly four years, since the four months ending December 2010. The largest managed futures funds, those with greater than \$1 billion in AUM, have led the recent run, rising an average of 10.36%.
- Having returned 11.92% YTD through November, the \$1 billion+ AUM managed futures group is on pace for an outstanding year. Virtually all the universe's 2014 gains have been made since the beginning of August which corresponds with the onset of the USD's strong moves against the EUR and JPY.
- Macro funds appear to not have taken advantage of recent opportunities in FX markets, returning only 0.51% in the last three months. This is primarily due to the universe being weighed down by funds with elevated dedicated physical commodity exposures.
- Large macro funds have produced returns more than two times larger than the rest of the macro universe, but still trail their large managed futures peers by nearly half, which is most likely due to systematic managed futures strategies being more adept at aligning exposure to the strong USD.
- In November, activist funds erased nearly all their aggregate losses from the prior two months. Returns of 3.25% lifted YTD performance to 6.51%. For the year, the group lags only managed futures, healthcare-focused equity, securitized credit and India-focused strategies for the title of best performing hedge fund universe.
- With aggregate declines in each of the last five months, credit strategies appear to be in the midst of a difficult period, with the exception being those targeting ABS markets. Similar to large managed futures strategies, the group's current trend can also be traced back to the start of the strong USD. Since then, losses in high yield and European markets have hurt directional credit strategies which have declined over 2% and distressed funds which are down nearly 4% since July.

## COMPANY DESCRIPTION

eVestment provides a flexible suite of easy-to-use, cloud-based solutions to help global investors and their consultants select investment managers, enable asset managers to successfully market their funds worldwide and assist clients to identify and capitalize on global investment trends.

With the largest, most comprehensive global database of traditional and alternative strategies, delivered through leading-edge technology and backed by fantastic client service, eVestment helps its clients be more strategic, efficient and informed.

For more industry research visit:

[www.evestment.com/resources/research-reports](http://www.evestment.com/resources/research-reports)

For more on eVestment's research platform visit:

[www.evestment.com/products/research](http://www.evestment.com/products/research)

For more on eVestment visit:

[www.evestment.com](http://www.evestment.com)

## eVestment - LOCATIONS

### Atlanta

5000 Olde Towne Parkway  
Suite 100  
Marietta, Georgia 30068  
United States  
+1 (877) 769 2388  
support@evestment.com

### London

Candlewick House  
120 Cannon Street  
London, England EC4N 6AS  
United Kingdom  
+44 (0) 20 7651 0800  
europe@evestment.com

### New York

58 W 40<sup>th</sup> Street  
4<sup>th</sup> Floor  
New York, New York 10018  
United States  
+1 (212) 661 6050  
support@evestment.com

### Sydney

Level 26  
1 Bligh Street  
Sydney NSW 2000  
Australia  
+61 (0) 2 8211 2717  
australia@evestment.com

### Reno

6170 Mae Anne Avenue  
Suite 3  
Reno, Nevada 89523  
United States  
+1 (877) 769 2388  
support@evestment.com

### Hong Kong

Level 18  
Wheelock House  
20 Pedder Street  
Central, Hong Kong  
+852 2293 2390  
asia@evestment.com

## eVestment – RESEARCH DIVISION

Peter Laurelli, CFA  
Vice President  
plaurelli@evestment.com  
+1 (212) 230 2216

Minkyu Michael Cho  
Senior Analyst  
mcho@evestment.com  
+1 (212) 230 2209

Tony Kristić  
Senior Analyst  
tkristic@evestment.com  
+1 (646) 747 6177

## eVestment – MEDIA CONTACTS

Mark Scott  
Corporate Communications  
mscott@evestment.com  
+1 (678) 238 0761

Jon Stone  
Kwittken (US)  
jstone@kwittken.com  
+1 (646) 747 7161

Brad Jordan  
Kwittken (UK)  
bjordan@kwittken.com  
+44 207 401 8001