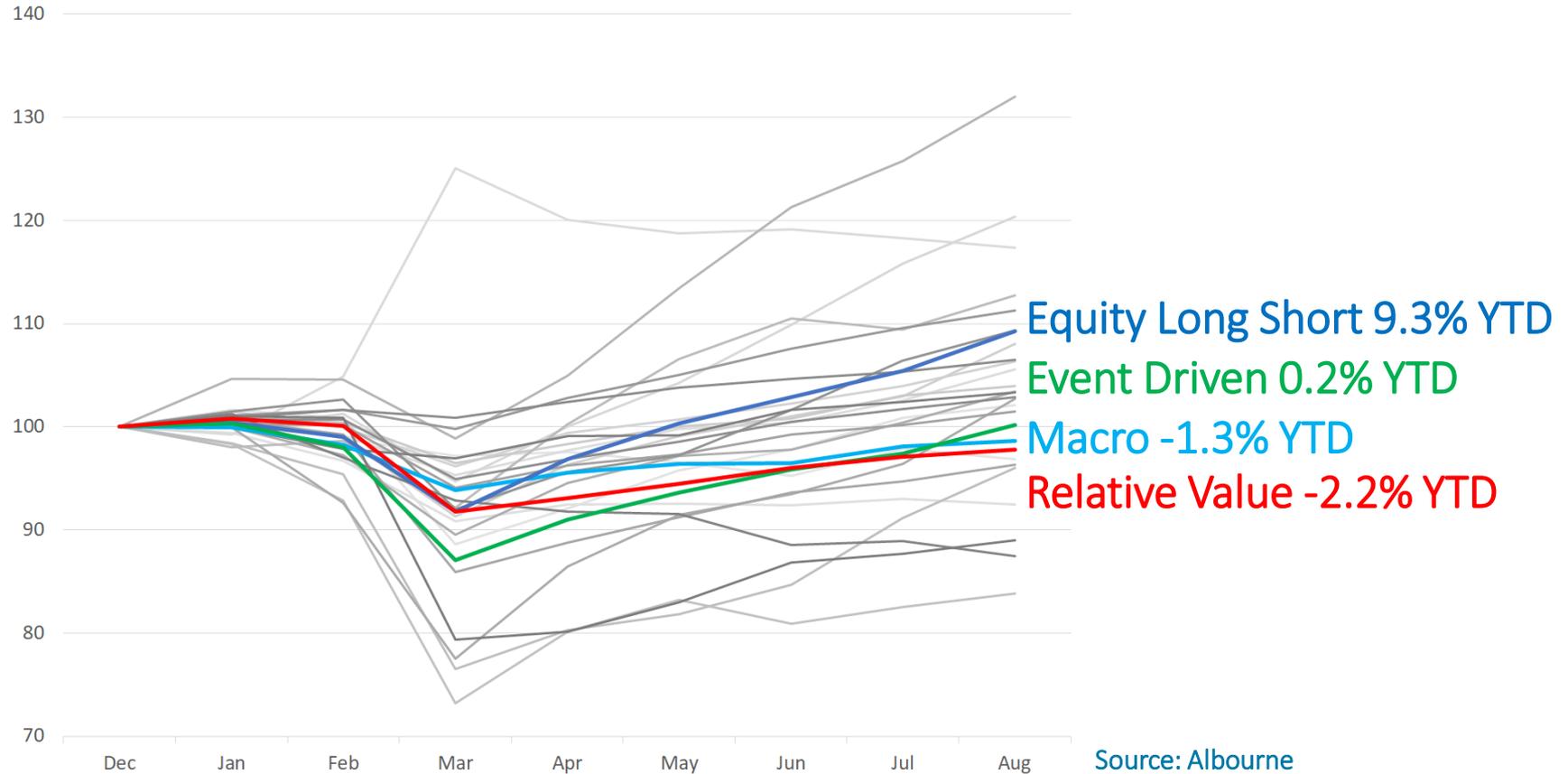


# HEDGE FUNDS AND ALTERNATIVES OVERVIEW

Lincoln Smith

Partner - Senior Portfolio Analyst

# Hedge Fund Performance: August YTD



# Macro YTD: High, Medium, Low

Strategy	March YTD	Aug YTD	Comments
Tail Hedge	25%	17%	Monetised positions well
Global Macro	-5%	6%	High dispersion
CTA	-3%	-3%	Dispersion between assets
Global Asset Allocation	-9%	-8%	Suffered in divergent environment

Source: Albourne

# Equity Long Short YTD: High, Medium, Low

Strategy	March YTD	Aug YTD	Comments
Sector Technology	-1%	32%	Maintained exposures to good effect
Asia Pacific	-5%	20%	Great alpha
US	-10%	3%	High dispersion explained by style
Sector Energy	-27%	-16%	Nowhere to hide

Source: Albourne

# Event Driven YTD: High, Medium, Low

Strategy	March YTD	Aug YTD	Comments
Activist	-22%	3%	Very high dispersion
Multi-Strat Event Driven	-6%	1%	Opportunity set still to emerge
Distressed/Restructuring	-14%	-4%	Decoupled from High Yield

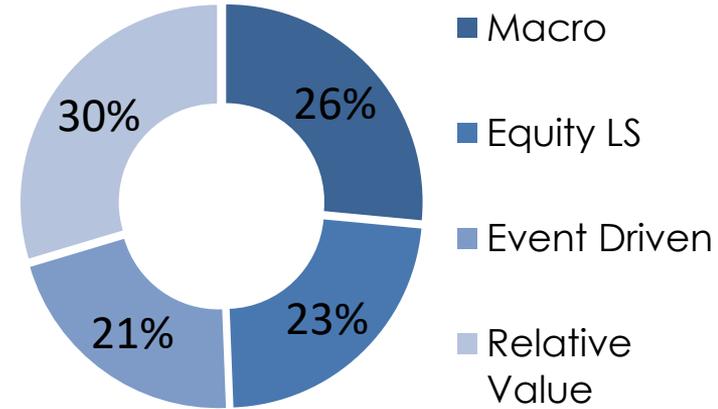
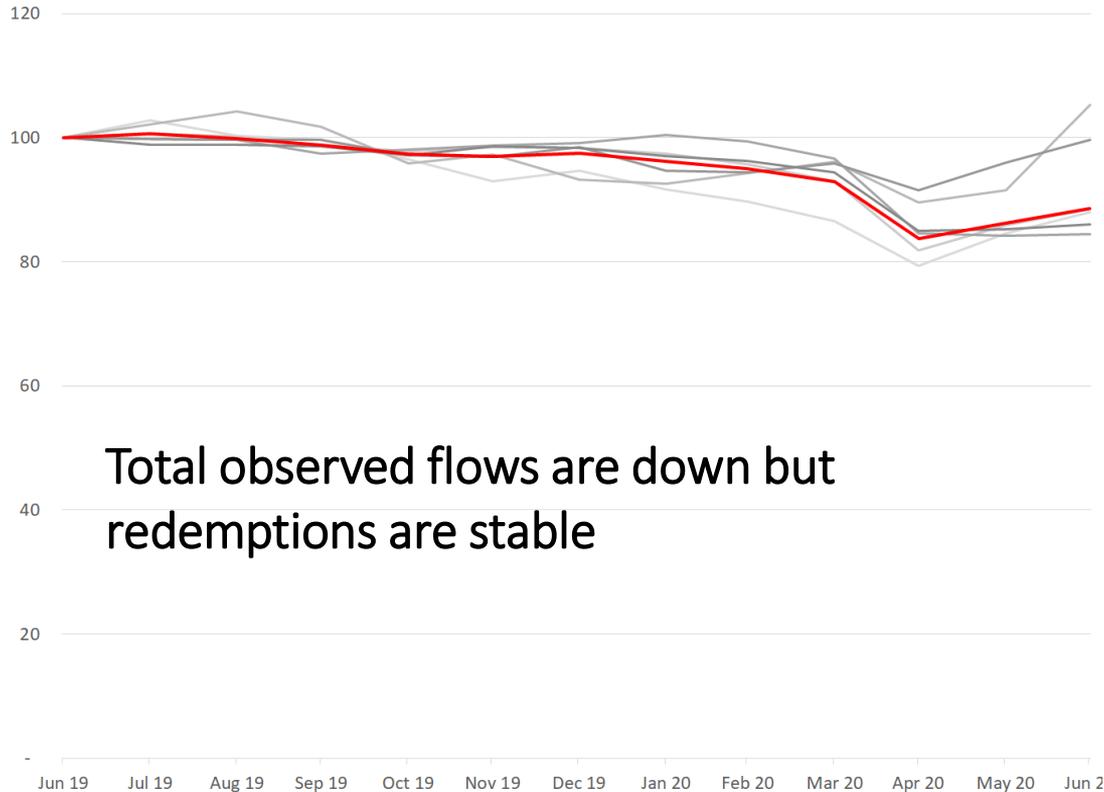
Source: Albourne

# Relative Value YTD: High, Medium, Low

Strategy	March YTD	Aug YTD	Comments
Diversified Multi-Strat	0%	11%	Multiple alpha sources worked perfectly
Convertible Bond Arb	-8%	9%	High issuance and good vol pricing
Fixed Income Arb	1%	6%	Held positions well during stress
Structured Credit	-21%	-11%	Higher quality positions suffered more
Quantitative Equity	-7%	-13%	Continuance of extremely trying period

Source: Albourne

# Hedge Fund Flows and Strategy Weightings



Source: Albourne

# Hedge Fund Flows: 2020 vs GFC

## Why did 2020 differ from the GFC

- Negligible holdings of hedge funds in structured notes
- Prime Broker agreements have been strengthened
- Redemption terms more closely match underlying strategies
- Hedge funds no longer held as a homogenous asset class
- Re-underwrites have already occurred

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