

PIVOTAL INDICES

PivotalPath, on behalf of \$75B in client hedge fund capital, tracks over **180,000 data points** across more than **1,800 hedge funds** and **40+ different strategies**. Our monthly report includes year-to-date hedge fund performance, as well as 12-month rolling alpha across nine core hedge fund strategies. We also determine the average monthly performance of funds within eight separate AUM bands.

Key takeaway: For the first time since January, Equity Sector is no longer the top performing strategy of 2019. Managed Futures now sits atop the pack.

Strategy Highlights: Managed Futures (12.6%) and Equity Sector (10.2%) both crossed into double-digit YTD returns. Meanwhile, Volatility Trading remains the only index in the red for the year.

2019 YTD and August Performance



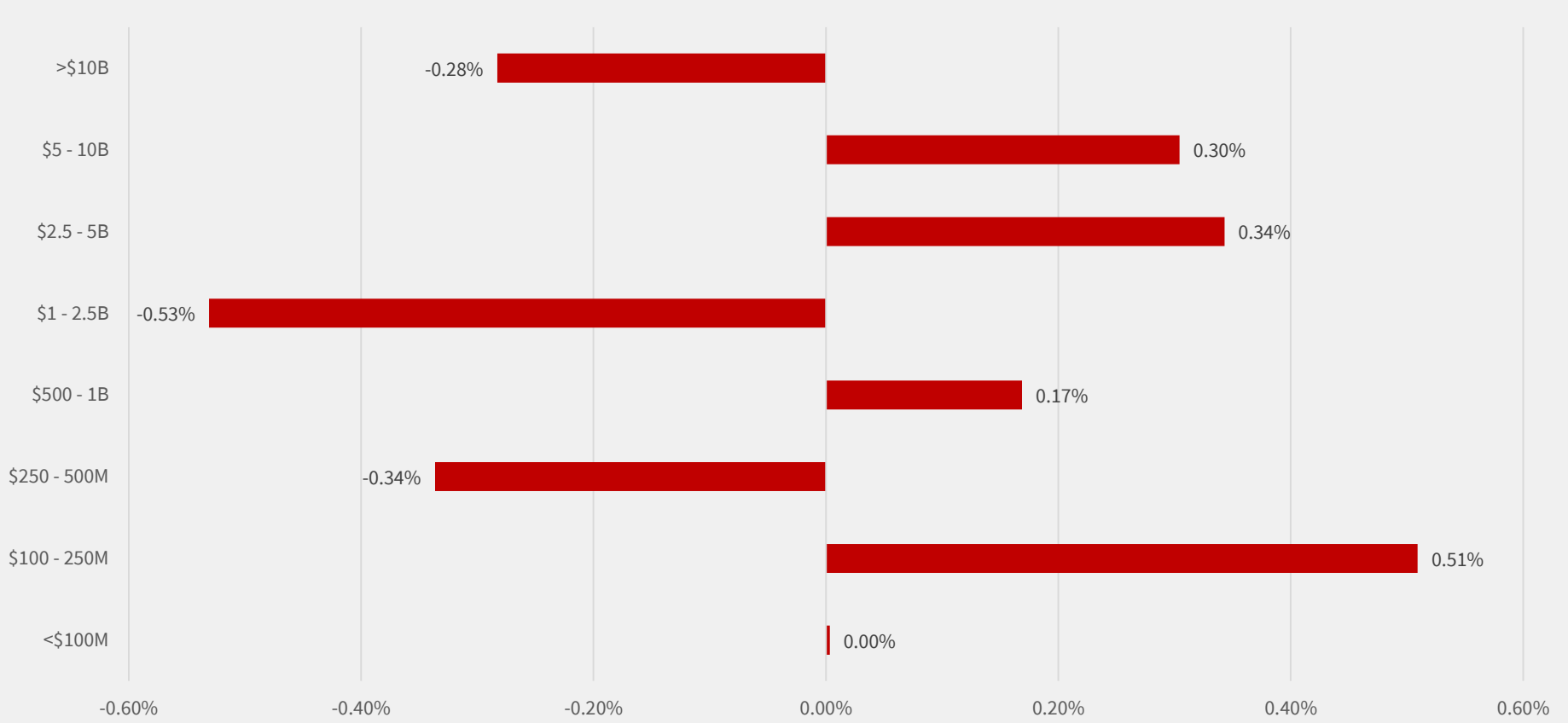
The chart below depicts alpha generation for each PivotalPath Index, ranked from best to worst. Each strategy is color-coded for easy tracking. In August, Managed Futures continued to top the rankings while Equity Diversified and Equity Sector continued their run at the bottom.

Alpha Leaderboard Relative to S&P 500

Q1 '19	Q2 '19	JUL '19	AUG '19	2016	2017	2018
3.0% Managed Futures	3.2% Managed Futures	5.4% Managed Futures	8.5% Managed Futures	7.1% Credit	11.9% Equity Sector	2.1% Credit
2.4% Event Driven	1.5% Global Macro	1.2% Event Driven	2.9% Global Macro	5.9% Global Macro	11.6% Equity Diversified	1.7% Volatility Trading
1.1% Credit	1.4% Volatility Trading	1.1% Credit	2.0% Credit	5.9% Volatility Trading	9.2% Event Driven	1.3% Equity Sector
0.9% Multi-Strategy	1.1% Credit	1.0% Multi-Strategy	1.9% Composite	5.4% Managed Futures	6.6% Multi-Strategy	1.1% Multi-Strategy
-0.2% Composite	1.1% Multi-Strategy	1.0% Volatility Trading	1.9% Event Driven	2.9% Multi-Strategy	5.9% Composite	-0.4% Event Driven
-0.6% Equity Sector	0.4% Event Driven	0.8% Global Macro	1.8% Multi-Strategy	2.9% Event Driven	4.3% Credit	-0.6% Composite
-1.0% Global Macro	0.2% Composite	0.6% Composite	0.6% Volatility Trading	2.4% Composite	-0.7% Global Macro	-1.6% Managed Futures
-1.1% Volatility Trading	-1.4% Equity Sector	0.4% Equity Sector	0.2% Equity Diversified	-1.8% Equity Sector	-0.8% Volatility Trading	-2.4% Equity Diversified
-2.4% Equity Diversified	-2.1% Equity Diversified	-1.4% Equity Diversified	0.0% Equity Sector	-3.2% Equity Diversified	-7.2% Managed Futures	-2.6% Global Macro

While funds in the largest AUM band had performed best in July, August performance was tightly clustered. This month, only 1% stood between the top performing AUM band (\$100-250M) and the bottom (\$1-2.5B).

Average August 2019 Performance by AUM



THE PIVOTAL POINT OF VIEW

Here is what the data means for hedge funds, institutional investors, and markets overall:

- ✓ The best performing strategies in August were Managed Futures, Volatility Trading and Global Macro. Managed Futures also continued to top our monthly alpha rankings, standing out from all other strategies by a margin of almost 6%.
- ✓ Speaking of Managed Futures, PivotalPath's CEO Jon Caplis recently sat down with [Institutional Investor](#) to discuss the single variable driving much of this strategy's performance: interest rates. We'll be keeping on eye on Managed Futures returns following the Fed's September 18th announcement regarding a further cut to the fed funds rate.
- ✓ In addition to the high-level indices discussed above, PivotalPath tracks 40+ unique hedge fund strategies. At the sub-strategy level, Technology/Media/Telecom is up the most YTD, clocking in at 15%. PivotalPath Research is looking into the drivers of this outperformance. Simply put, it looks like SaaS is the new FAANG. Stay tuned for an in-depth study on this topic coming out later this month!

For more research, insights, and analysis, visit www.pivotalpath.com

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