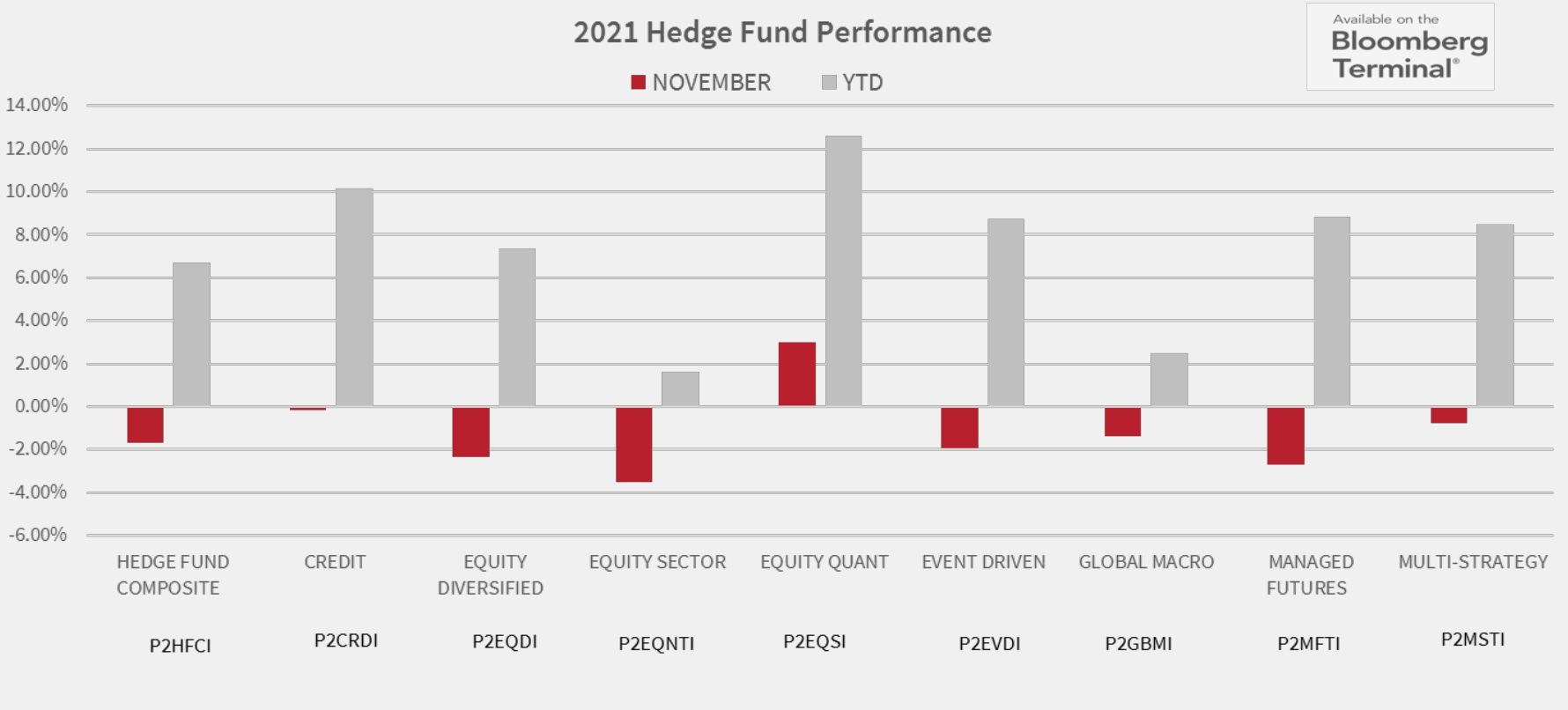


PivotalPath, on behalf of over \$150B in client hedge fund capital, tracks over 2,400 institutionally-relevant hedge funds, spanning >\$2.5T of industry assets. Our monthly report contextualizes these data points, including analysis of hedge fund performance, as well as 12-year rolling alpha across high-level strategies. We also provide average monthly performance of funds within separate AUM bands.

Key Takeaways: The PivotalPath Hedge Fund Composite Index declined 1.7% in November, bringing the index to +6.7% for the year. This was the worst month for the index since March 2020 as November saw a large tech sell-off mid-month and fears of new Covid variants and inflation led to losses and higher volatility in the markets primarily during the last few trading days of the month.

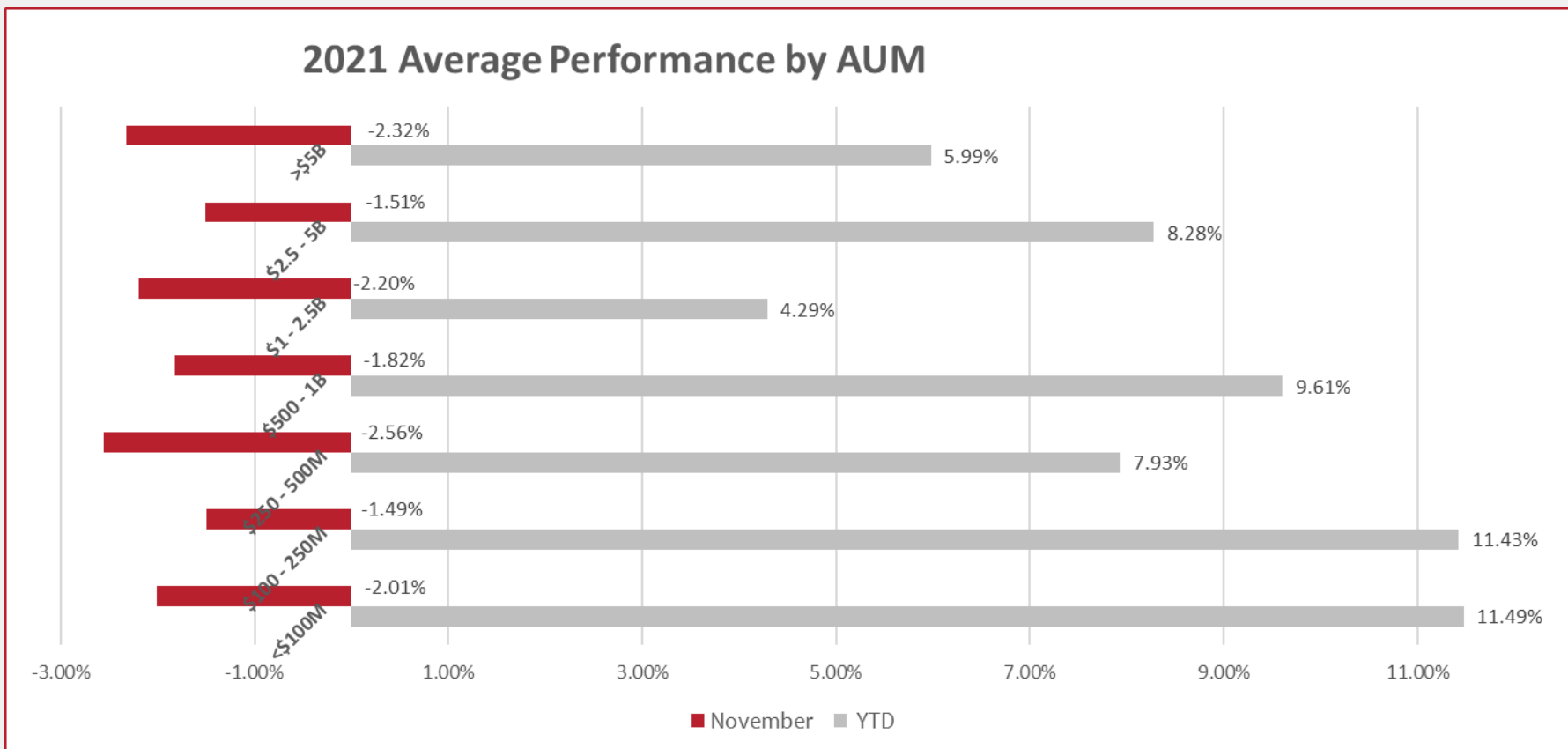
Strategy Highlights: All high-level indices with the exception of Equity Quant were down for the month. Equity Sector and Managed Futures were among the worst performers, reversing their top performer status in October. Credit and Equity Quant are now the best performing high-level indices for the year.



The chart below depicts alpha-generation for each Pivotal Index, ranked from high to low. Each strategy is color-coded for easy tracking. For the 12-month rolling period ending in November, all indices except Equity Sector continued to generate positive alpha relative to the S&P 500. Event Driven, Credit and Multi-Strategy continued to lead the way, while Equity Sector experienced negative alpha for the second rolling 12-month period this year, dragged lower by Healthcare, TMT and Financials.

Q1 2021	Q2 2021	Q3 2021	Nov-21	2017	2018	2019	2020
20% Event Driven	14.6% Event Driven	12.3% Multi-Strategy	11.9% Credit	11.9% Equity Sector	2.1% Credit	7.8% Managed Futures	19.4% Equity Sector
17.4% Multi-Strategy	12.5% Multi-Strategy	12.0% Event Driven	11.1% Multi-Strategy	11.6% Equity Diversified	1.3% Equity Sector	5.0% Equity Sector	10.8% Multi-Strategy
17% Credit	12.4% Credit	11.4% Credit	8.5% Event Driven	9.2% Event Driven	1.1% Multi-Strategy	4.6% Multi-Strategy	9.3% Event Driven
15.7% Equity Sector	8.7% Composite	8.1% Managed Futures	8.5% Composite	6.6% Multi-Strategy	-0.4% Event Driven	3.2% Composite	6.6% Composite
12.5% Composite	7.4% Equity Sector	7.7% Composite	3.8% Managed Futures	5.9% Composite	-0.36% Composite	2.7% Equity Diversified	5.1% Equity Diversified
11.1% Equity Diversified	7.3% Equity Diversified	6.0% Equity Sector	3.3% Global Macro	4.3% Credit	-1.6% Managed Futures	2.5% Global Macro	2.5% Credit
4.6% Global Macro	4.7% Managed Futures	4.7% Global Macro	1.1% Equity Diversified	-0.7% Global Macro	-2.4% Equity Diversified	2.3% Event Driven	0.9% Managed Futures
0.9% Managed Futures	4.0% Global Macro	4.6% Equity Diversified	-4.9% Equity Sector	-7.2% Managed Futures	-2.6% Global Macro	2.0% Credit	0.5% Global Macro

While smaller funds have outperformed their larger peers in 2021, November was a difficult month for all size funds due to the overall rise in volatility and correlations across asset classes.



The Pivotal Point of View Commentary

- While the PivotalPath Composite Index (+6.7% YTD) and sub-indices remain broadly positive in 2021, November was difficult across the board, with few positive performers other than Equity Quant. The overall performance in the S&P 500 (-0.69%) and Nasdaq (+0.25%) do not reflect the story for hedge funds in November.
- PivotalPath's Equity Sector Indices struggled the most, led by Healthcare (-6.2%), Financials (-3.0%), and TMT (-2.8%).
 - A selloff in biotech (SPDR S&P Biotech ETF -6.85%) helped drive down performance for healthcare funds.
 - Financials were hurt by a rally in the 10-year which fell from 1.56% to 1.45% over the month.
 - Although the Nasdaq and Technology Sector SPDR were up for the month, there were significant selloffs in pockets of TMT, as exemplified by the PivotalPath Mobile Payments Basket and PivotalPath SaaS Basket, which were both down approximately 12% on the month.
 - There was also a large dispersion in small cap vs. large cap, as the Russel 2000 fell 4.28%, 360 basis points more than the S&P 500.
 - Notably, Energy Sector funds hung in quite well, losing only 0.4% in the face of significant losses in Crude Oil and Nat Gas futures which lost ~21% and ~16% respectively. The index remains is still up 14.7% YTD, just below Financials (+15.6% YTD).
- PivotalPath's Social Distance Winners Basket (think Peloton, Zoom, Activision) and Social Distance Losers Basket (think Carnival, Royal Caribbean and Cinemark) were both down significantly, falling 13.9% and 11.2% respectively.
 - Since March of 2020, the battle between these opposing factors have helped capture the markets' sentiment on Covid. A significant sell-off in both suggests even greater issues at play.
- PivotalPath's Equity Quant Index continues to quietly put together a stellar year. As one of the only bright spots in November, it generated positive returns of 3.0% and is up 12.6%, a top quartile index performance in 2021. This is a notable bounce back from difficult performance over the last 1-, 3-, and 5-year periods prior to 2021.
- Multi-Strat as represented by the PivotalPath Multi-Strategy Index generated a rare loss of 0.8% on the month though still +8.5% YTD. More impressively, the bulk of their returns come in the form of alpha relative to the S&P 500, and relative to most factors, for that matter.