

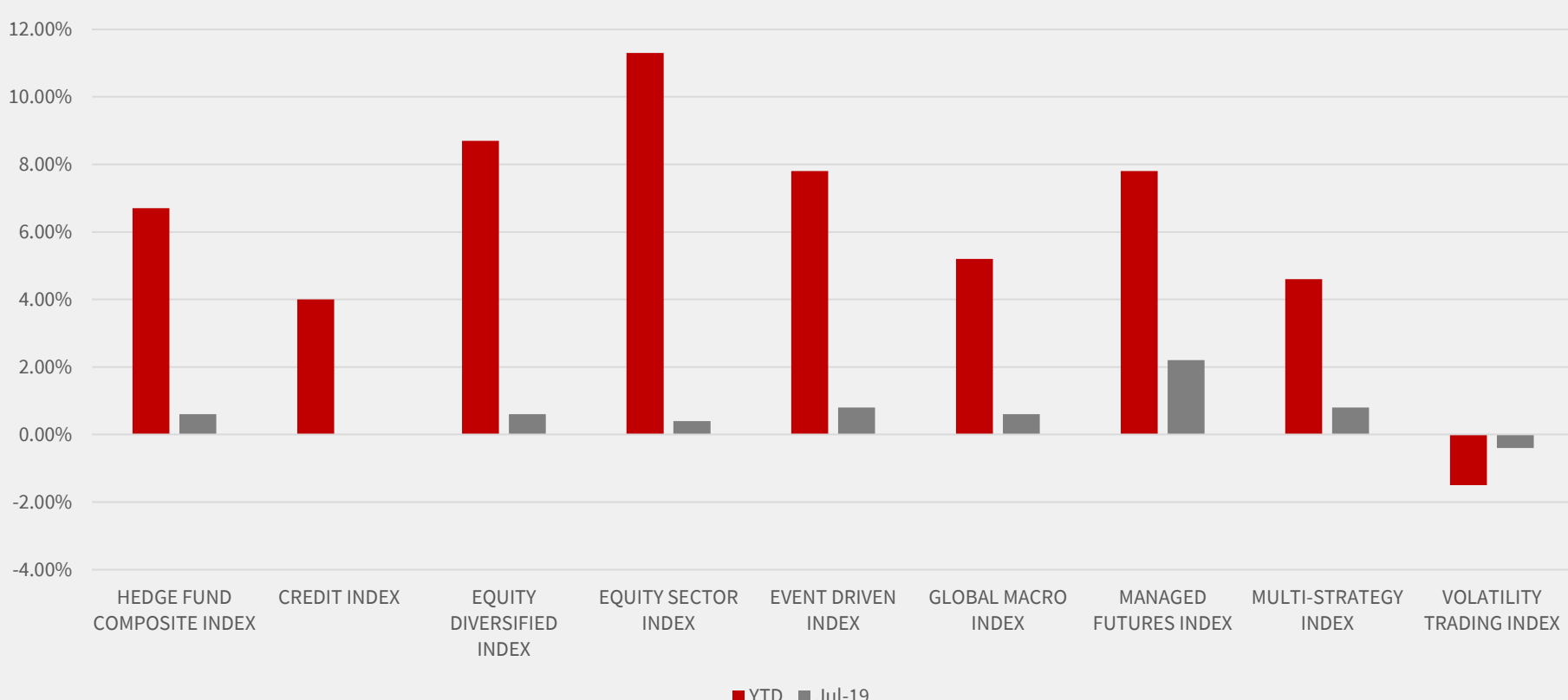
PIVOTAL INDICES

PivotalPath tracks over **175,000 data points** across more than **1,750 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 determined the average monthly performance of funds within eight separate AUM bands.

Key takeaway: Equity Sector strategies continue to perform the best in 2019, but Managed Futures have shown consistently strong performance coupled with noticeably higher alpha generation.

Strategy Scoreboard: Equity Sector strategies continued to be the best performing throughout 2019 so far, yet Managed Futures fared best during the month of July.

2019 YTD and July Performance



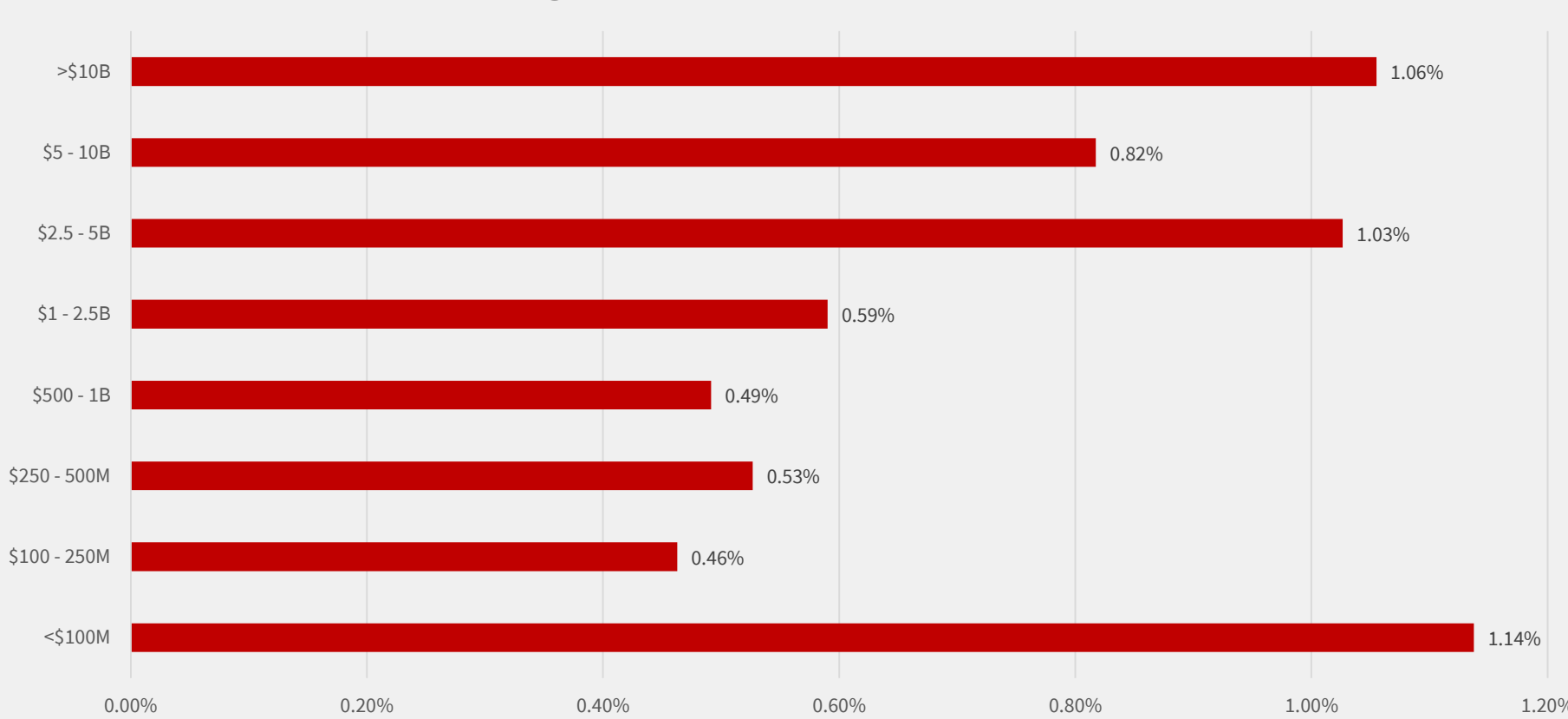
The chart below depicts alpha generation for each PivotalPath Index, ranked from best to worst. Each strategy is color-coded for easy tracking. In July, Managed Futures continued to top the rankings while Equity Diversified continued its run at the bottom.

12M Rolling Alpha over S&P 500

Q1 2019	Q2 2019	JUL 2019	2018	2017	2016
3.0% Managed Futures	3.2% Managed Futures	5.4% Managed Futures	2.1% Credit	11.9% Equity Sector	7.1% Credit
2.4% Event Driven	1.5% Global Macro	1.2% Event Driven	1.7% Volatility Trading	11.6% Equity Diversified	5.9% Global Macro
1.1% Credit	1.4% Volatility Trading	1.1% Credit	1.3% Equity Sector	9.2% Event Driven	5.9% Volatility Trading
0.9% Multi-Strategy	1.1% Credit	1.0% Multi-Strategy	1.1% Multi-Strategy	6.6% Multi-Strategy	5.4% Managed Futures
-0.2% Composite	1.1% Multi-Strategy	1.0% Volatility Trading	-0.4% Event Driven	5.9% Composite	2.9% Multi-Strategy
-0.6% Equity Sector	0.4% Event Driven	0.8% Global Macro	-0.6% Composite	4.3% Credit	2.9% Event Driven
-1.0% Global Macro	0.2% Composite	0.6% Composite	-1.6% Managed Futures	-0.7% Global Macro	2.4% Composite
-1.1% Volatility Trading	-1.4% Equity Sector	0.4% Equity Sector	-2.4% Equity Diversified	-0.8% Volatility Trading	-1.8% Equity Sector
-2.4% Equity Diversified	-2.1% Equity Diversified	-1.4% Equity Diversified	-2.6% Global Macro	-7.2% Managed Futures	-3.2% Equity Diversified

In a strong reversal from June, funds in the largest AUM band performed well in the month of July, second only to the performance of the smallest AUM band of <100M. The middle bands lagged in performance, most noticeably within the \$100-250M range.

Average July 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 July were Managed Futures, Multi-Strategy and Event Driven. Managed Futures also topped our monthly alpha rankings, standing out from all other strategies by a margin of over 4%.
- ✓ Towards the end of July, overall market volatility kicked into high gear, with intensified recessionary risks and stalled trade and tariff discussions. Geopolitical tensions might play an outsized role in hedge fund strategies in the coming months as a jittery public market continues to respond to politically-driven events.
- ✓ Year to date, Equity Sector remains the highest performing of all 40+ hedge fund strategies PivotalPath tracks, driven by a strong Q1 2019. Comprised of four different sub-strategy indices, Equity Sector outperformance has been led by Technology/Media/Telecom which is up 14.4%, Financials up 12.0% and [Healthcare](#) up 11.3% YTD. For access to all sub-strategy data and transparency through to the underlying manager constituents, please contact PivotalPath.

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

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