

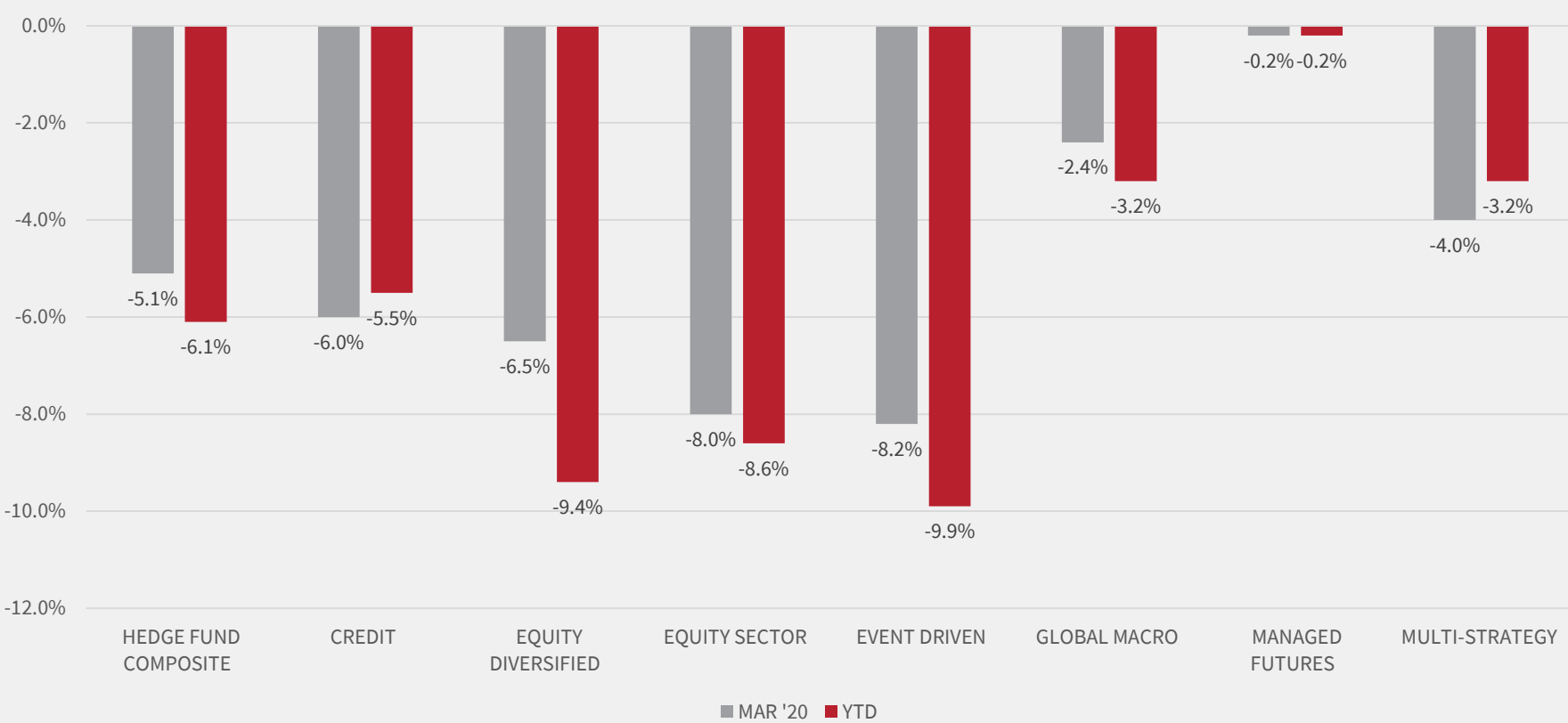
PIVOTAL INDICES

PivotalPath, on behalf of \$100B in client hedge fund capital, tracks over 200,000 data points across more than 2,000 hedge funds and 40+ different strategies. Our monthly report includes year-to-date hedge fund performance, as well as 12-month rolling alpha across eight core hedge fund strategies. We also provide the average monthly performance of funds within separate AUM bands.

Key Takeaway: March was the worst month for the S&P (-12.4%) in over a decade, and the worst 1st quarter (-19.6%) on record. Against this backdrop, hedge funds held up relatively well, with the PivotalPath Hedge Fund Composite down -5.1% in March, and -6.1% in the 1st quarter.

Strategy Highlights: PivotalPath's Composite Dispersion Indicator, which measures the dispersion of net returns across all funds in the Composite, hit a record 11.2% in March. Not only is this the highest value since the indicator's inception in January 2000, but almost 4x the previous 12 month average of 2.9%.

March 2020 & YTD Performance



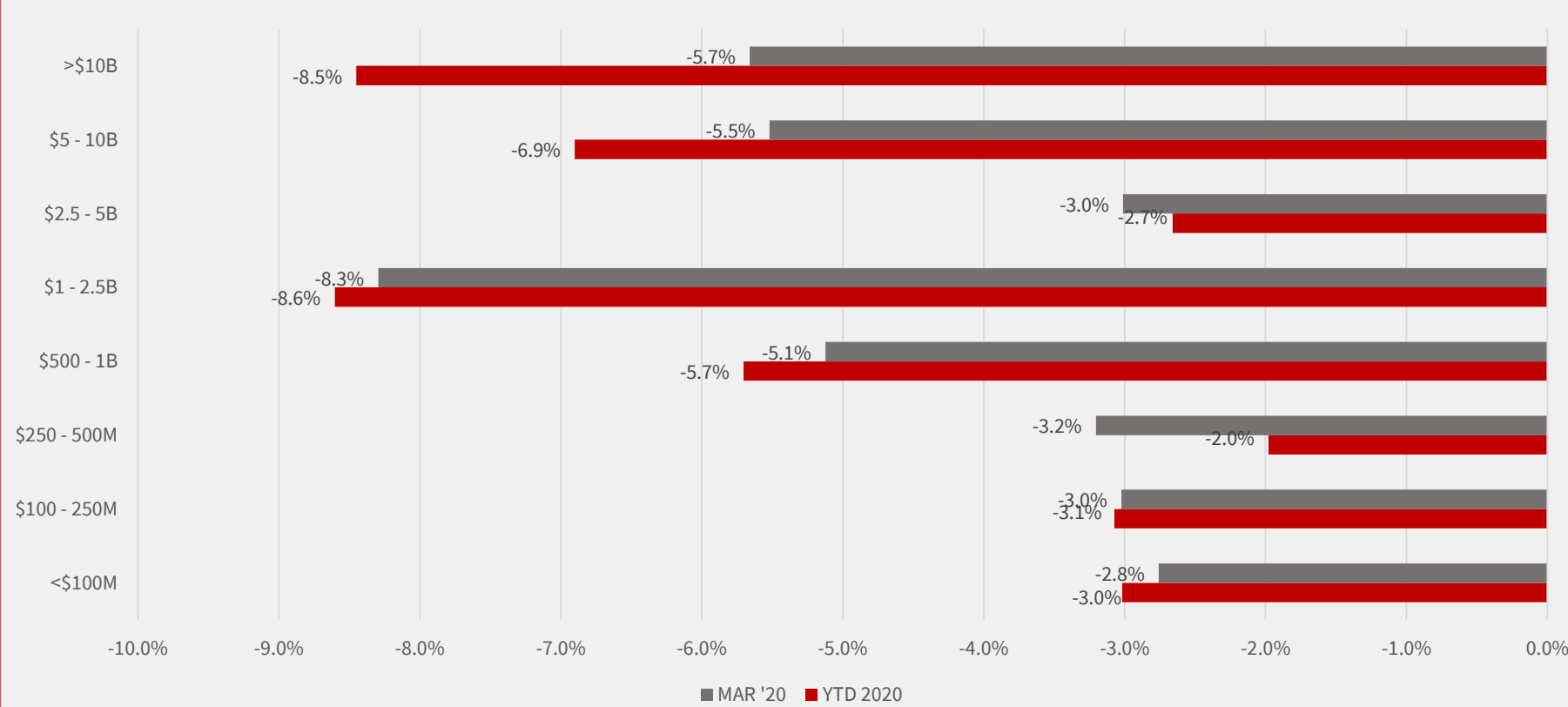
The chart below depicts alpha-generation for each PivotalIndex, ranked from best to worst. Each strategy is color-coded for easy tracking. For the first time since November 2019, all strategies did not generate positive alpha, with half generating negative alpha for the month.

Alpha Leaderboard Relative to S&P 500

JAN '20	FEB '20	MAR '20	2017	2018	2019
7.9% Managed Futures	6.6% Managed Futures	5.6% Managed Futures	11.9% Equity Sector	2.1% Credit	7.8% Managed Futures
5.3% Equity Sector	6.4% Equity Sector	0.9% Global Macro	11.6% Equity Diversified	1.3% Equity Sector	5.0% Equity Sector
5.1% Multi-Strategy	4.2% Credit	0.5% Equity Sector	9.2% Event Driven	1.1% Multi-Strategy	4.6% Multi-Strategy
3.3% Composite	3.2% Multi-Strategy	0.0% Composite	6.6% Multi-Strategy	-0.4% Event Driven	3.2% Composite
3.1% Credit	3.1% Composite	-0.3% Multi-Strategy	5.9% Composite	-0.6% Composite	2.7% Equity Diversified
2.4% Equity Diversified	2.3% Equity Diversified	-0.4% Equity Diversified	4.3% Credit	-1.6% Managed Futures	2.5% Global Macro
2.3% Event Driven	1.8% Event Driven	-1.2% Credit	-0.7% Global Macro	-2.4% Equity Diversified	2.3% Event Driven
1.8% Global Macro	1.4% Global Macro	-2.6% Event Driven	-7.2% Managed Futures	-2.6% Global Macro	2.0% Credit

There has been a significant range in performance across AUM bands, both in March and YTD.

Average Performance By AUM



Pivotal Point of View

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

- ✓ March was a volatile month due to the coronavirus pandemic and oil price war. All things considered, hedge funds held up as they did in February. Most hedge funds fared better than broad market indices. PivotalPath's research team has been busy conducting calls with managers to hear their views on upcoming opportunities. Given the dislocation, a number of closed managers recently re-opened to new capital. Also, we see high-quality launches still going forward, including those with April 1 launch dates.
- ✓ Overall, hedge funds that trade volatility benefited from the sharp spike in volatility, especially those with a long vol bias. Specifically, multi-PM firms held up well because of diversification and tight risk management while discretionary macro funds that did well generally had long dollar, long volatility, short equities and/or short oil bets in their portfolios. Unsurprisingly, energy, distressed credit and mortgage-backed credit funds were among the worst-performing funds by sub-sectors. Energy-focused funds were hurt by the fall in oil prices, while parts of the credit market saw their largest dislocation since the global financial crisis of 2008.
- ✓ Factor performance was mixed in March. We are currently working on a piece that discusses outperformance of the quality factor. This factor comprises stocks of companies with stable earnings, stronger balance sheets and higher margins.
- ✓ Like everyone, hedge fund managers are trying to model the peak in COVID-19 in the US and across the globe to stay ahead of the news cycle and understand implications for the industries in which they invest. Managers and institutional investors can use our free COVID-19 data visualization tool [here](#) to do just that.
- ✓ Given the significant volatility and unprecedented dispersion among manager returns in March, please note that revisions to the PivotalIndices may be larger than usual this month, particularly in credit strategies.

For access to underlying data and additional research, visit www.pivotalpath.com

Source: PivotalPath data as of 04/08/2020. Full performance history of PivotalIndices available on Bloomberg under tickers P2HFCL, P2CRDI, P2EQDI, P2EQSI, P2EVDI, P2GBMI, P2MFTI & P2MSTI.

PIVOTAL PATH