

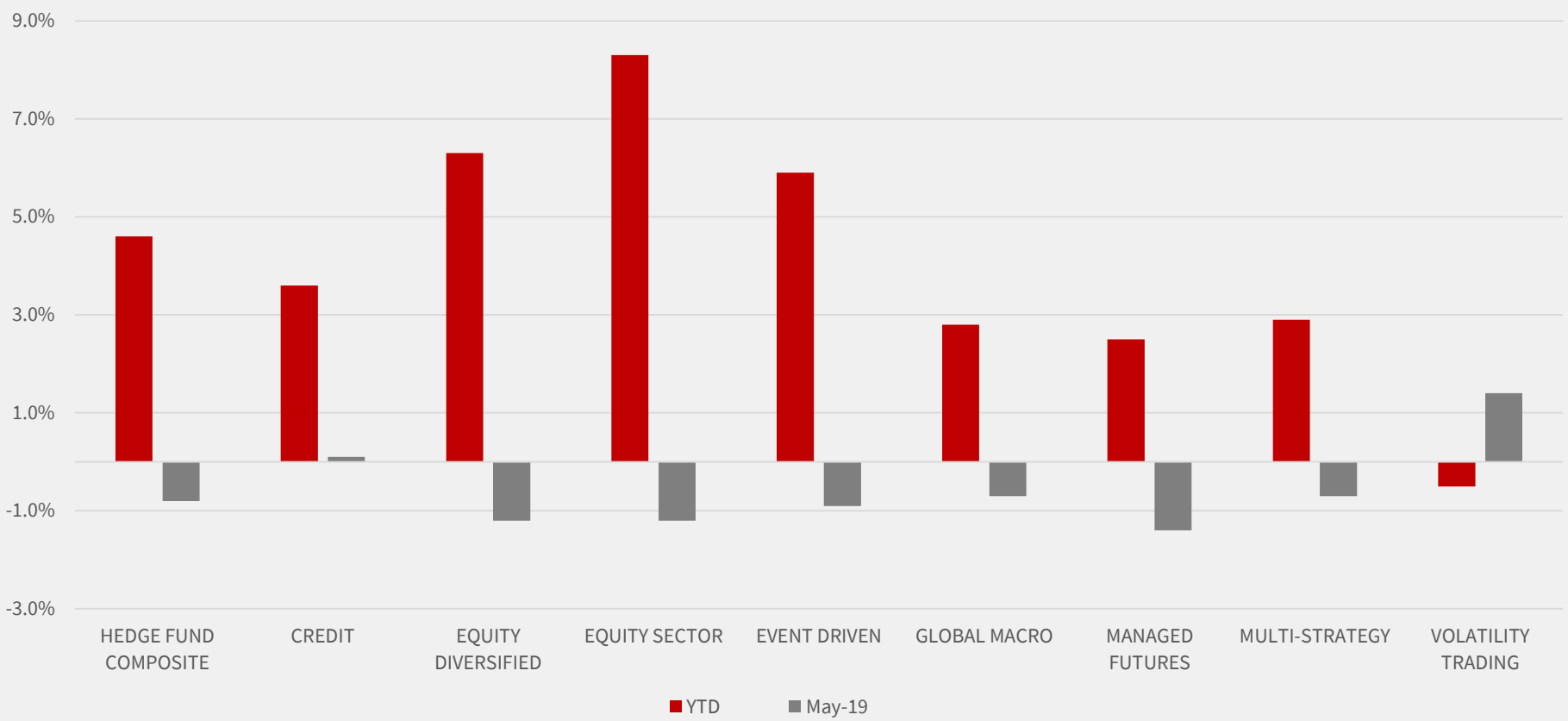
# PIVOTAL INDICES

PivotalPath tracks over **170,00 data points** across more than **1,700 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. This month, we also determined the average monthly performance of funds within eight separate AUM bands.

**Key takeaway: May 2019 was bad across the board, but funds between \$500M-\$1B fared best.**

Strategy Scoreboard: Equity Sector strategies have outpaced the rest through May 2019.

## 2019 YTD & MAY PERFORMANCE



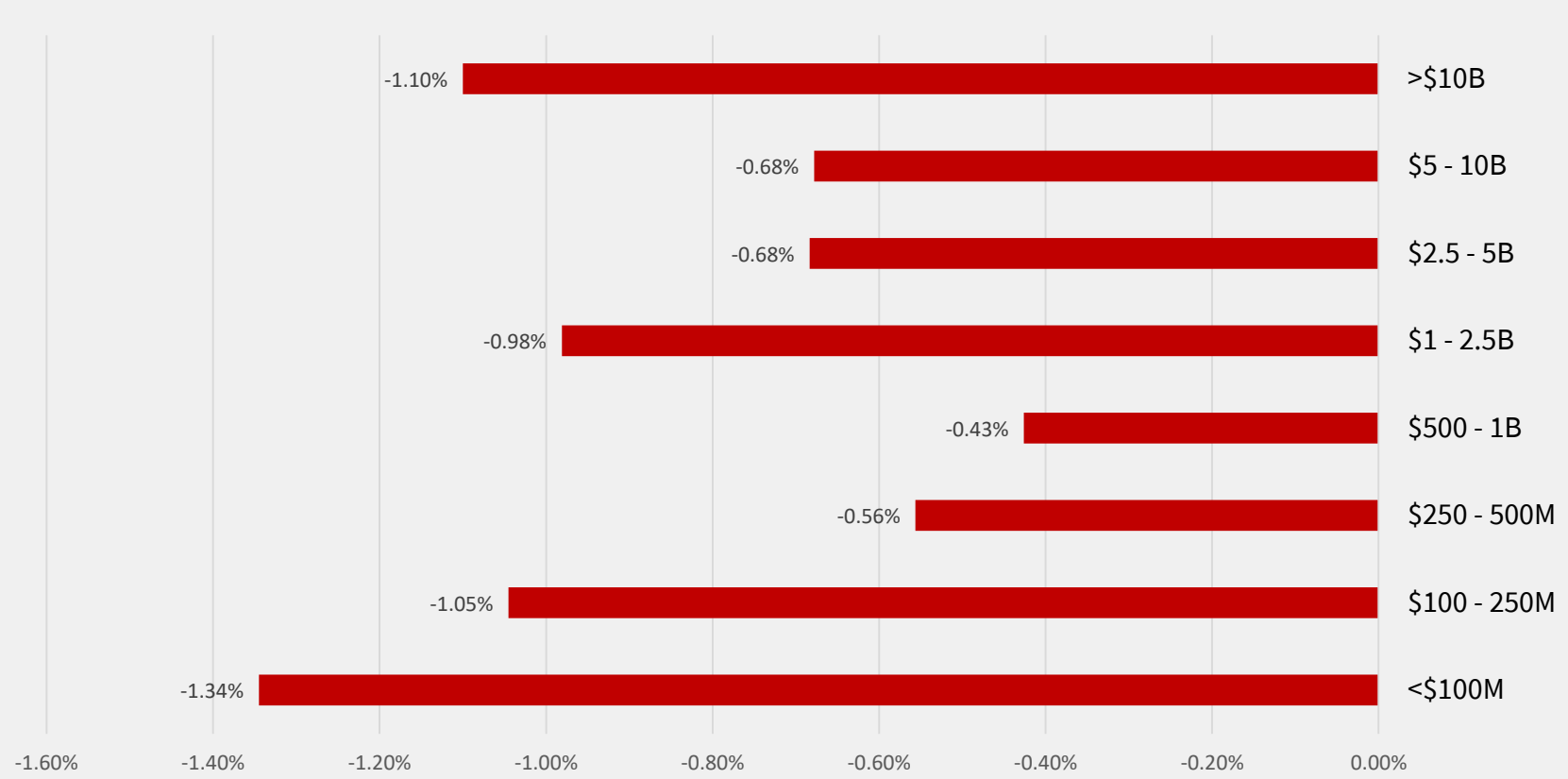
Managed Futures continued its 3-month streak, topping our alpha generation chart, while Equity Diversified continued its 3-month streak of ranking last among hedge fund strategies.

## 12M ROLLING ALPHA OVER S&P 500 (TR)

JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	2018	2017	2016
2.1% Equity Sector	1.8% Credit	3.0% Managed Futures	2.5% Managed Futures	2.0% Managed Futures	2.1% Credit	11.9% Equity Sector	7.1% Credit
2.0% Credit	1.6% Equity Sector	2.4% Event Driven	1.4% Event Driven	1.9% Credit	1.7% Volatility Trading	11.6% Equity Diversified	5.9% Global Macro
1.2% Event Driven	1.1% Event Driven	1.2% Credit	0.5% Multi-Strategy	1.5% Event Driven	1.3% Equity Sector	9.2% Event Driven	5.9% Volatility Trading
1.1% Volatility Trading	0.5% Multi-Strategy	0.9% Multi-Strategy	0.9% Credit	0.5% Multi-Strategy	1.1% Multi-Strategy	6.6% Multi-Strategy	5.4% Managed Futures
0.0% Multi-Strategy	0.2% Volatility Trading	-0.1% Composite	-0.5% Composite	0.4% Volatility Trading	-0.4% Event Driven	5.9% Composite	2.9% Multi-Strategy
-1.0% Composite	-0.1% Composite	-0.5% Equity Sector	-0.8% Global Macro	0.1% Composite	-0.6% Composite	4.3% Credit	2.9% Event Driven
-1.5% Equity Diversified	-1.2% Equity Diversified	-1.0% Global Macro	-1.1% Volatility Trading	-0.1% Global Macro	-1.6% Managed Futures	-0.7% Global Macro	2.4% Composite
-3.7% Global Macro	-1.3% Managed Futures	-1.1% Volatility Trading	-1.6% Equity Sector	-0.1% Equity Sector	-2.4% Equity Diversified	-0.8% Volatility Trading	-1.8% Equity Sector
-7.9% Managed Futures	-1.5% Global Macro	-2.4% Equity Diversified	-3.2% Equity Diversified	-2.4% Equity Diversified	-2.6% Global Macro	-7.2% Managed Futures	-3.2% Equity Diversified

Funds in all AUM bands experienced negative performance in May. The smallest funds (<\$100M) performed the worst, while mid-tier funds (\$500M-\$1B) realized the best average performance.

## MAY 2019 PERFORMANCE BY AUM



## THE PIVOTAL POINT OF VIEW

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

- ✓ May proved a tough month for managers across the 40 sub-strategies PivotalPath tracks - only Credit Relative Value, Structured Credit & MBS, Global Macro Discretionary and Multi-Manager proved (slight) exceptions.
- ✓ While the 1<sup>st</sup> 4 months of 2019 saw a “[junk rally](#)” in hedge funds, where managers with high beta to leveraged companies outperformed, May was a difficult month for managers and risk assets across the board. The 10 Yr. UST yield tightened by 38bps - the largest monthly decline since January of 2015 - on global trade policy concerns and disappointing Chinese manufacturing data.
- ✓ When we look back at where managers were positioned this time last year – long momentum, growth and volatility, short value and dividend yield – we see similarities to how managers are positioned today. Will YE 2019 look like YE 2018? We’ll be keeping an eye on risk factor exposure and alpha generation across the 1,700+ managers in PivotalBase throughout the summer, to see which direction our proprietary indicators are pointing.

For more research, insights, and analysis, visit [www.pivotalpath.com](http://www.pivotalpath.com)

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