

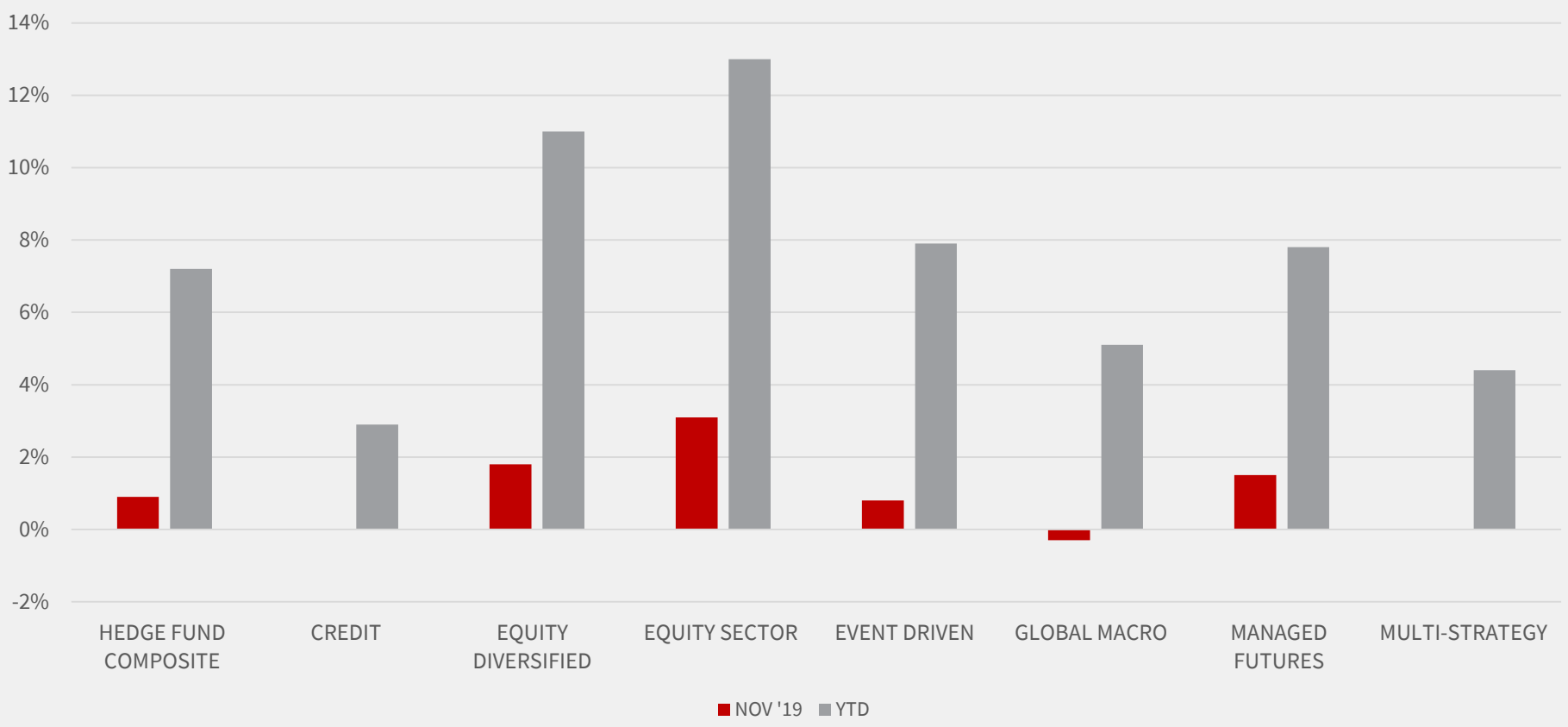
PIVOTAL INDICES

PivotalPath, on behalf of \$75B in client hedge fund capital, tracks over 190,000 data points across more than 1,900 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: Across most strategies, hedge funds were up in November. Two indices in particular, Equity Diversified (+11.0%) and Equity Sector (+13.0%), crossed into double-digit returns for the year.

Strategy Highlights: Equity-oriented strategies produced the highest returns against a backdrop of strong equity market performance.

2019 November & YTD Performance



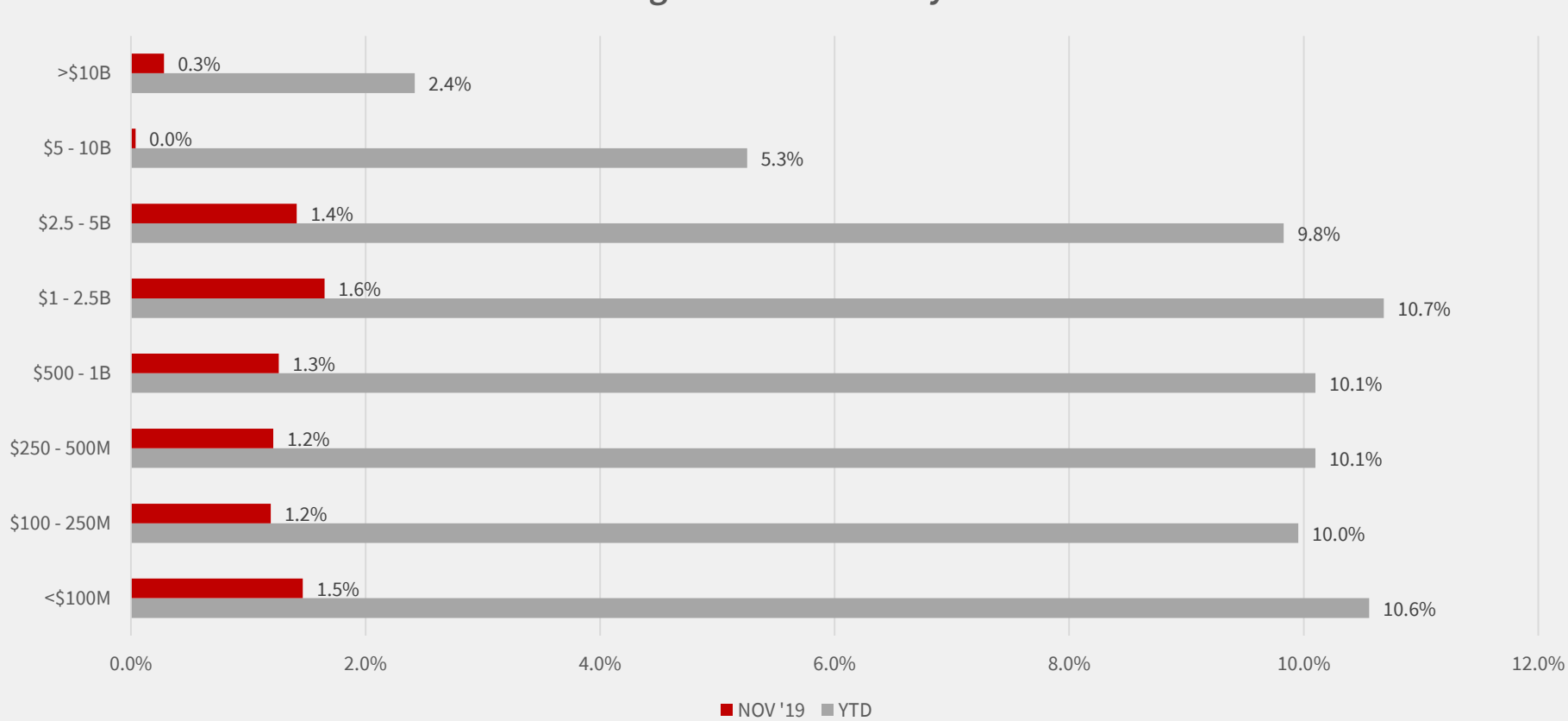
The chart below depicts alpha-generation for each PivotalIndex, ranked from best to worst. Each strategy is color-coded for easy tracking. As of November, all strategies generated significant alpha.

Alpha Leaderboard Relative to S&P 500

Q1 '19	Q2 '19	Q3 '19	OCT '19	NOV '19	2016	2017	2018
3.0% Managed Futures	3.2% Managed Futures	5.5% Managed Futures	7.1% Managed Futures	9.3% Managed Futures	7.1% Credit	11.9% Equity Sector	2.1% Credit
2.4% Event Driven	1.5% Global Macro	1.8% Global Macro	2.6% Global Macro	3.5% Equity Sector	5.9% Global Macro	11.6% Equity Diversified	1.3% Equity Sector
1.1% Credit	1.1% Credit	1.3% Event Driven	2.6% Event Driven	3.2% Composite	5.4% Managed Futures	9.2% Event Driven	1.1% Multi-Strategy
0.9% Multi-Strategy	1.1% Multi-Strategy	1.2% Credit	2.2% Equity Diversified	3.2% Equity Diversified	2.9% Multi-Strategy	6.6% Multi-Strategy	-0.4% Event Driven
-0.2% Composite	0.4% Event Driven	0.8% Composite	2.0% Composite	3.1% Global Macro	2.9% Event Driven	5.9% Composite	-0.6% Composite
-0.6% Equity Sector	0.2% Composite	0.2% Multi-Strategy	1.6% Equity Sector	3.1% Multi-Strategy	2.4% Composite	4.3% Credit	-1.6% Managed Futures
-1.0% Global Macro	-1.4% Equity Sector	-0.4% Equity Diversified	0.5% Multi-Strategy	2.4% Event Driven	-1.8% Equity Sector	-0.7% Global Macro	-2.4% Equity Diversified
-2.4% Equity Diversified	-2.1% Equity Diversified	-2.9% Equity Sector	-0.1% Credit	1.4% Credit	-3.2% Equity Diversified	-7.2% Managed Futures	-2.6% Global Macro

In November, funds with assets above \$5B underperformed their smaller brethren, whose performance was relatively homogeneous. YTD, this same pattern also holds true.

Average Performance by AUM



PIVOTAL POINT OF VIEW

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

- ✓ Improving economic data and progress in trade talks created favorable conditions for most hedge fund managers across strategies in November. Higher beta funds should continue to outperform, assuming the market rally holds through year end.
- ✓ The PivotalPath Research team traveled to Singapore in November. From conversations with managers and allocators, two main insights emerged: Singapore may be poised to replace Hong Kong as the financial hub of Asia, and illiquidity could play a detrimental role to the bullish case for Japanese markets. Stay tuned for our report on both insights later this week!
- ✓ Throughout 2019, Managed Futures has often topped both our performance and alpha charts. However, historically, manager dispersion is significantly higher for Managed Futures than other strategy groups. PivotalPath systematically monitors this data across the hedge fund universe with our proprietary Dispersion Indicator at both the Composite and sub-strategy level. For allocators doing work in this space, manager selection plays an even more important role relative to other strategies.

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

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Source: PivotalPath data as of 12/15/2019