

Hedge Fund Industry Snapshot

Data as of November 2013

Report based on universe of 3,600 funds

Americas

New York: +800 773-2889
San Francisco: +415 617-8554

EMEA

EMEA: +44 0 207-986-0822

Asia Pac

Hong Kong: +852 2501-8356
Tokyo: +813 6270-3165
Singapore: +65 6432-1223
Australia: +612 8225-6424

This report has been prepared by members of Citi Prime Finance and is not a research report. This report does not constitute advice on investments or a solicitation to buy or sell any financial instrument. Please see final pages for Market Commentary Disclosures.



Citi Prime Finance

Table of Contents

Monthly Highlights	1
Hedge Fund Industry Overview	2
• AUM, Performance	
• Industry Flows	
Hedge Fund Stats by Strategy	4
Performance at a Glance	5
*NEW Hedge Fund Performance Red/Black Report	
• Hedge Fund Performance *NEW performance dispersion by strategy	
• Citi HARP vs. HFRI Fund of Fund Performance	
• Securities Market Performance	
Short Flows Data	8
• US Short Sales & Short Cover by Sector	
• US Short Sales & Short Cover by Industry Group	
Hedge Fund (Fund Level) Profiles	11
• Fund Structure	
• Fund Analytics	
Risk vs. Return Metrics	13
By Strategy	14
• Performance vs. Respective Benchmark(s)	
• Leverage Profile	
• Hedge Fund Performance by Size	
• Hedge Fund Performance by Age	
Firm Disclaimers and Market Commentary Disclosures	25
Contacts	26

Highlights

Performance, AUM & Flows

- According to eVestment, industry assets rose for November 2013 gaining +\$45.3 billion. Asset growth was attributed mostly from performance gains of +\$30.2 billion with net positive investor flows accounting for +\$15.3 billion.
- November 2013 marks the third consecutive month with positive performance gains and was 2x the mean monthly gain reported throughout 2013. Mean monthly performance gains now stand at +\$15 billion for 2013 compared to +\$9.6 billion for 2012. November 2013 performance contrasts with November 2012 performance gains which stood at only +\$6.6 billion.
- Net positive investor flows of +\$15.3 billion for November 2013 marks the ninth period of net positive flows YTD. November 2013 flows are higher than the mean monthly flows for 2013 which now stand at +\$6.5 billion. November 2012 net flows were +\$11.92 billion over the same period.

Fund Profiles

- Across the subset of hedge funds reporting performance and AUM, the monthly median performance for large single funds (>\$500 million) was +1.3%, medium single funds (\$100–\$500 million) +1.2% and small single funds (<\$100 million) +1.3%.
- Liquidity terms remain fairly consistent from recent reporting periods. Funds requiring 30 days or less notice for redemptions : 64% vs. 65% in Oct-13. Across the entire subset of reporting funds, the majority (54%) required no lockup (45%) or less than 1 year lock up (9%).
- Consistent throughout recent reporting periods, large funds (>\$500 million AUM) continue to hold a large portion of industry AUM (74%) compared to medium funds (\$100–\$500 million) at 20% and small funds (<\$100 million) holding only 7%.

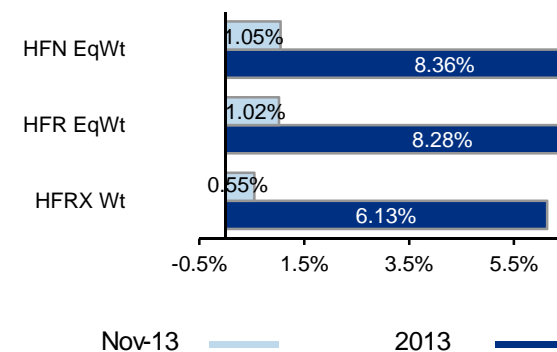
Leverage, Shorts and Futures Market Positioning

- On a global basis, we calculate gross leverage (as measured on a mean basis) at 2.0x in Nov-13 versus 1.98x in Oct-13 and 1.95x in Sept-13.
- Looking across gross leverage, the following strategies showed the highest uses of leverage: Equity Market Neutral (4.15x), Multi Strategy (3.57x), Global Macro (3.45x),) and Convertible Arbitrage (3.17x).
- Citi US short flows data included in this month's report show continued interest in the Healthcare and Consumer Discretionary sectors. These sectors accounted for 31.05% of short executions and 33.12% of short covers in November vs. 32.45% of short executions and 34.21% of short covers in Sept-13.
- With the US government back-in-business markets had data to digest again in November. That, coupled with a "surprise" ECB rate cut, helped to trigger some shifts in net positioning by the large speculator accounts over the course of the month. The biggest move was a reduction in the large speculator net long position in the EuroFX back to close to neutral, and a sizable reduction in their net long position in gold. Large speculators added to a net short in the 10-year Treasury note futures while cutting a net long in S&P (large & Mini).

Hedge Fund Industry: AUM, Performance

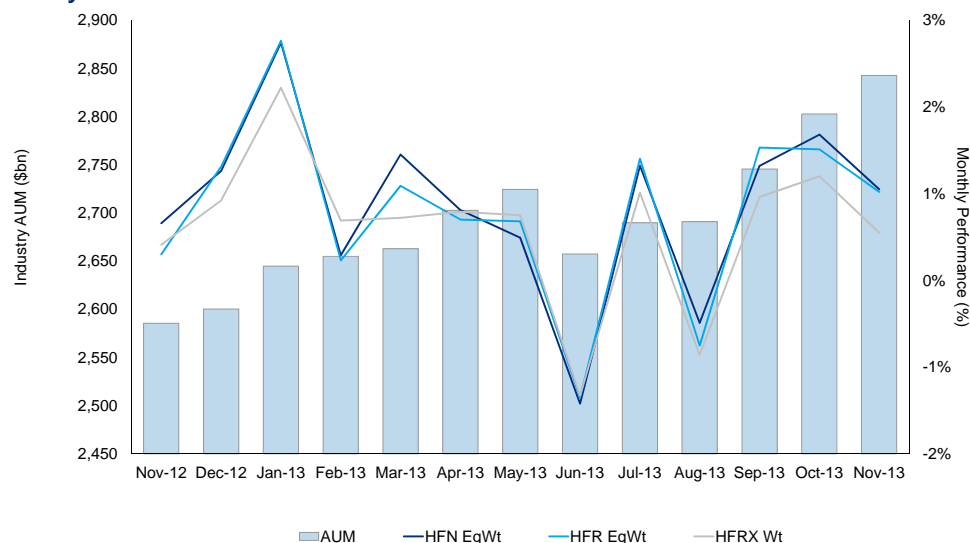
- Composite hedge fund performance, equal-weighted across funds, was up for November 2013 with performance ranging from +0.55% to +1.05%. Across the major hedge fund indices, returns were down from the previous month which experienced +1.2% to +1.68% over the same period.
- Global financial markets posted mixed performance through November, with gains in US offset by mixed performance across Europe, Asia and other Emerging Markets; technology IPOs including Twitter posted strong gains while US corporate fixed income issuance remained strong, nearing 2012 record levels. Broad-based US equity gains were led by Technology, Healthcare and small. European equities posted mixed performance, with gains in Germany, Sweden and the Netherlands. US yields rose across most maturities on the improving US economic outlook, though expectations for curtailment of US Federal Reserve stimulus efforts remain unclear and widely varied; European yields were little changed following recent ECB policy action of lowering rates. The US dollar posted mixed performance, gaining against the Japanese Yen while falling against the British Pound Sterling, the and experiencing little changed against the Euro for the month.
- Hedge fund strategy wise, top performing strategies in November 2013 include Equity Long/Short at +1.37%, Distressed at +1.32%, Event Driven at +1.21%, and Multi Strategy +1.16%. Lower performing strategies include Dedicated Short at +0.20%, and Convertible Arbitrage at +0.31%

Industry Performance: Nov - 13 / YTD



Source: HFR, eVestment|HFN.

Monthly Industry AUM and Performance



Source: eVestment; Hedge Fund Research, Inc.

Note Pad

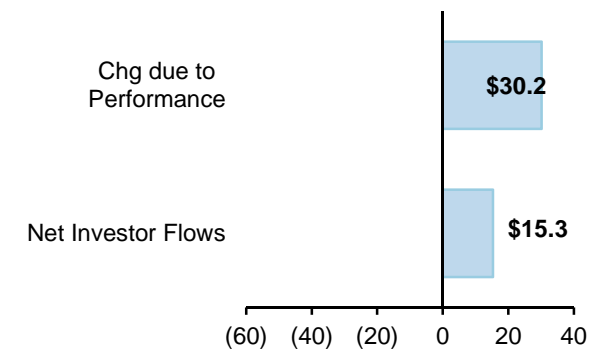
- MSCI World Index: +3.94; +20.8% YTD
- MSCI EM Index: +4.87%; +1.2% YTD
- S&P 500: +4.6%; +23.1% YTD
- Citi US BIG Index: +0.81%; -1.6% YTD
- S&P GSCI: -1.44%; -1.8% YTD
- US Dollar Index: -0.03%; +0.7% YTD
- HFN Country Indices Nov-13/ YTD:
 - Brazil: +1.40% / -4.35%; Australia: +4.04% / +7.01%
 - China: +1.36%/+10.10%; Japan: +1.10%/+24.78%

Hedge Fund Industry: Change in Industry Assets

- According to eVestment, industry assets rose for November 2013 gaining +\$45.3 billion. Asset growth was attributed mostly from performance gains of +\$30.2 billion with net positive investor flows accounting for +\$15.3 billion.
- November 2013 marks the third consecutive month with positive performance gains and was 2x the mean monthly gain reported throughout 2013. Mean monthly performance gains now stand at +\$15 billion for 2013 compared to +\$9.6 billion for 2012. November 2013 performance contrasts with November 2012 performance gains which stood at only +\$6.6 billion.
- Net positive investor flows of +\$15.3 billion for November 2013 marks the ninth period of net positive flows YTD. November 2013 flows are higher than the mean monthly flows for 2013 which now stand at +\$6.5 billion. November 2012 net flows were +\$11.92 billion over the same period.
- Total industry AUM now stands at \$2.84 trillion for November 2013 an increase of +8.1% from the end of 2012. Industry assets are now at a 5 year high, trailing pre-GFC highs by only 3%.

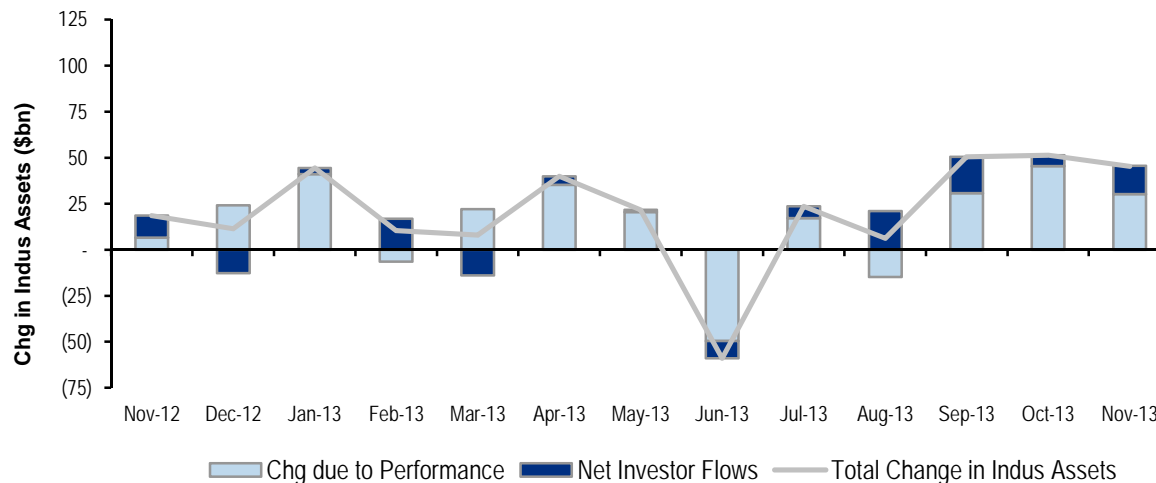
Composition of Change in Assets

Nov -13 Amounts in (\$ Billion)



Source: eVestment|HFN.

Monthly Change in Industry Assets and Composition

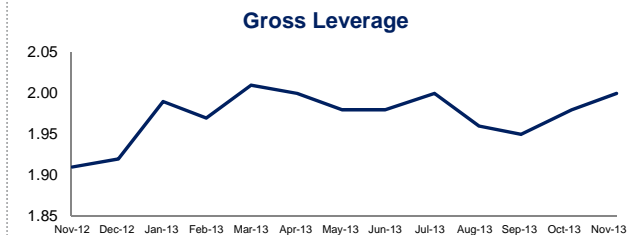


Source: eVestment

Note Pad

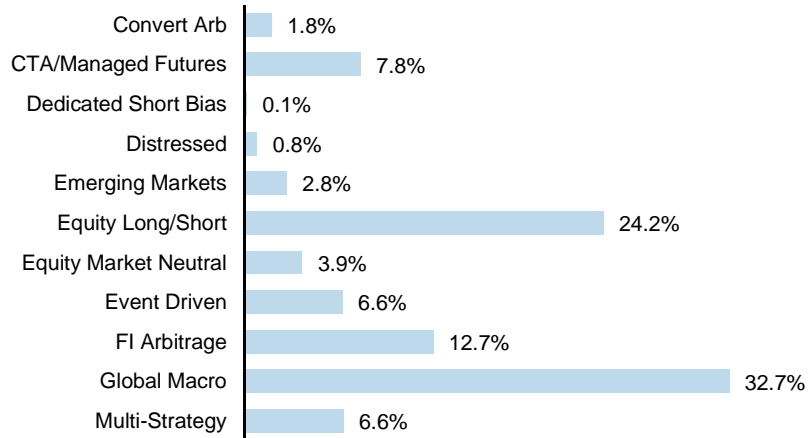
- The Citi Prime Finance calculation for gross leverage (as measured on a mean basis) 2.0x in November versus 1.98x in October and 1.95x in September.

Gross leverage (mean): defined as sum of (LMV + abs SMV)/Net Equity.



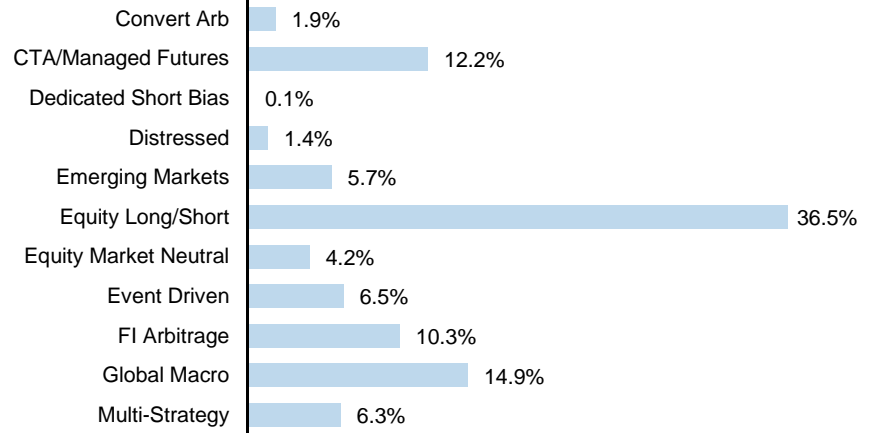
Hedge Fund Stats by Strategy

Hedge Fund Strategy Breakdown by Assets



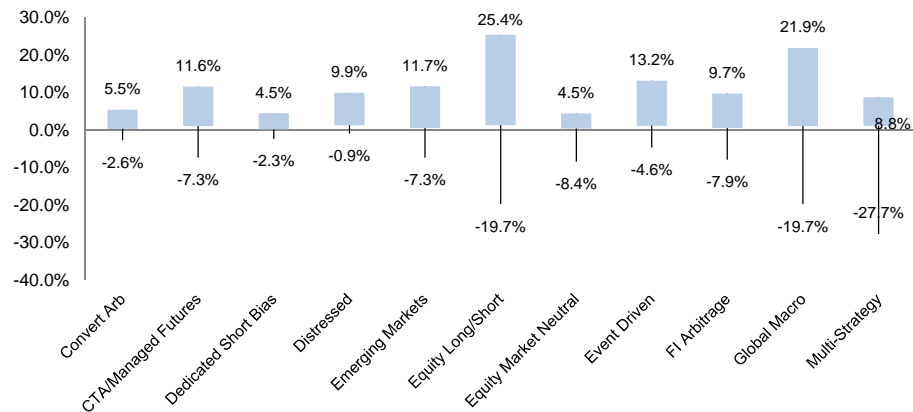
Source: Citi Prime Finance.

Hedge Fund Strategy Breakdown by Number of Funds



Source: Citi Prime Finance.

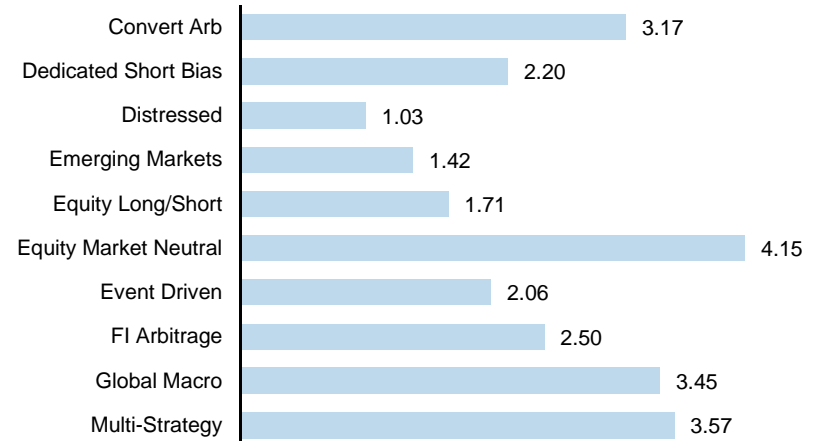
Hedge Fund Performance by Strategy



Source: Citi Prime Finance.

Hedge Fund Leverage Ratios by Strategy

Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV)/Net Equity



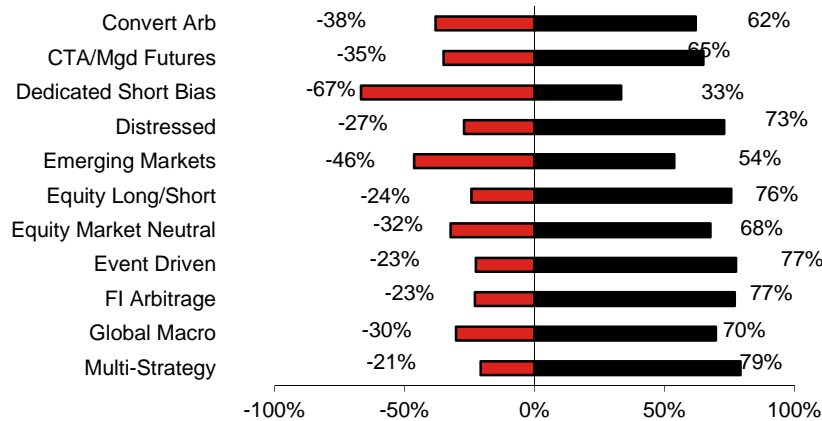
Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. Breakdown by assets and number of funds updated on a quarterly basis

Hedge Fund Performance: Red/Black Report

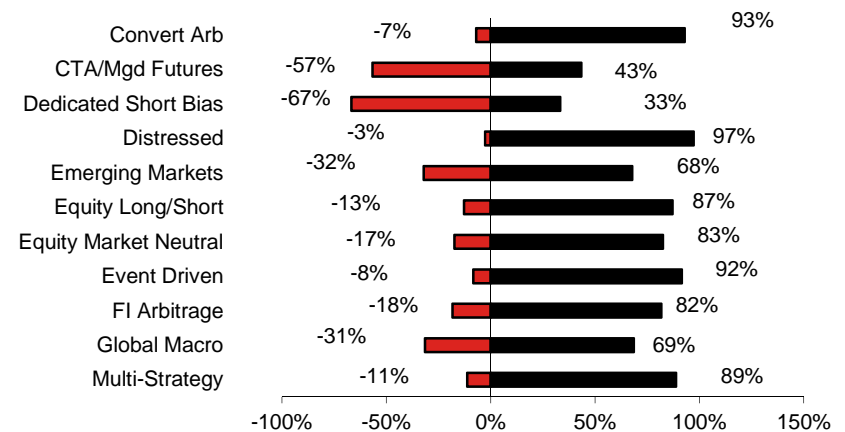
Nov-13: Percentage of Reporting Funds

Negative (—) / Positive (—) Performance



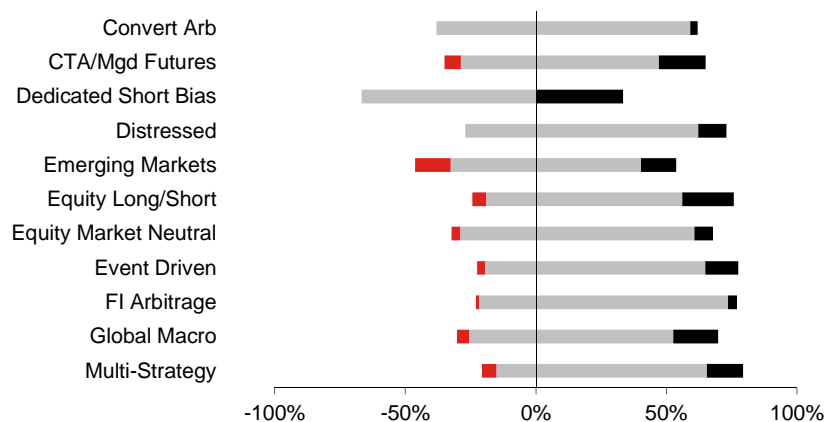
Nov -13: Percentage of Reporting Funds

Negative (—) / Positive (—) Performance



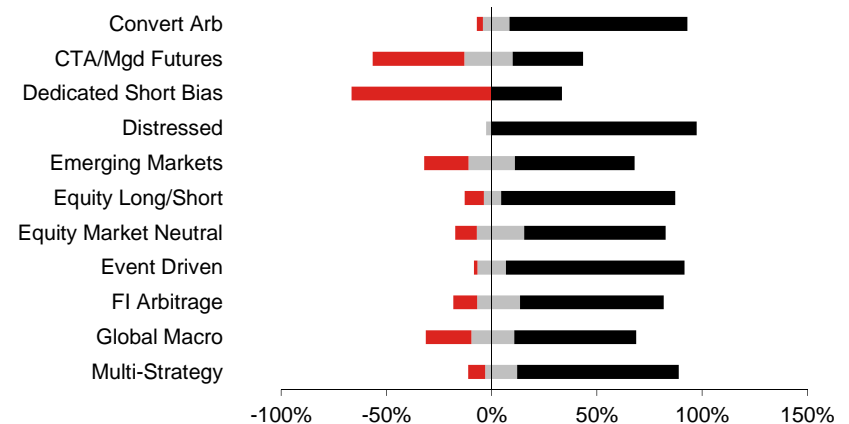
YTD Nov-13: Percentage of Reporting Funds

Below -3% (—) / between -3% / +3% (—) / Above +3% (—)



YTD Nov-13: Percentage of Reporting Funds

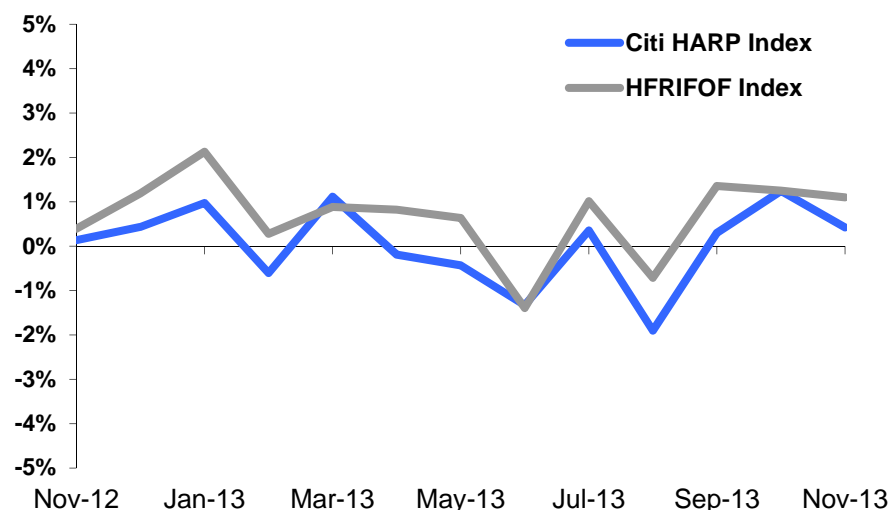
Below -3% (—) / between -3% / +3% (—) / Above +3% (—)



Source: Citi Prime Finance. Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

Citi Liquid Hedge Fund Replicator (HARP)

Citi HARP Index vs. Benchmark (monthly rolling)



Citi HARP is a liquid investable index, which aims at approximating the performance of the hedge fund sector

	Nov-13	Oct-13	Nov-12	YTD-13
Citi Harp	0.42%	1.24%	0.13%	-0.10%
HFRIFOF	1.10%	1.25%	-0.27%	7.57%

Source: Citi and Hedge Fund Research, Inc., © www.hedgefundresearch.com
HFRIFOF Index is the HFRI Funds of Funds Composite Index

Annualized Performance: Last 12-Month	Citi HARP Index	HFRIFOF
Annualised Return	0.33%	8.85%
Annualised Volatility	3.35%	3.28%
Sharpe Ratio	0.00	2.59
Correlation	86%	-

The purpose of the Index is to approximate in broad terms the performance of the hedge fund sector by achieving a similarity between the pattern of the returns of the Index and the pattern of the returns of a Benchmark - the HFRI Fund of Funds Composite Index.

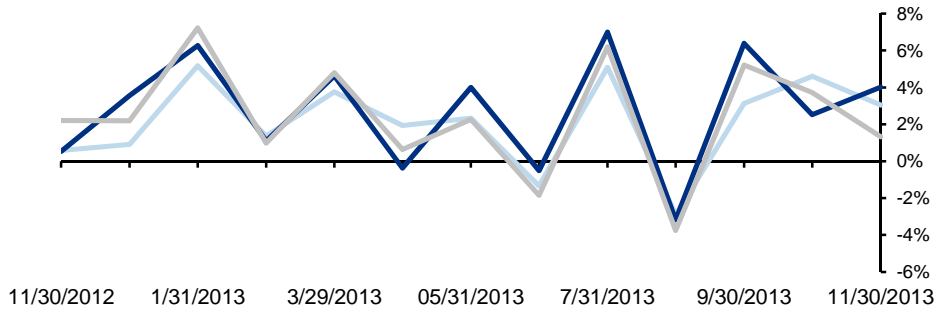
The Index contains weighted components. The components are a money market component and various index components. Each index component represents a class of asset in which the hedge fund sector is assumed to invest: bond, commodity, equity and foreign exchange.

The weighting within the Index of each component is determined monthly. Every month, a multiple linear regression algorithm is used to identify the appropriate weighting.

Market Performance

US Equities

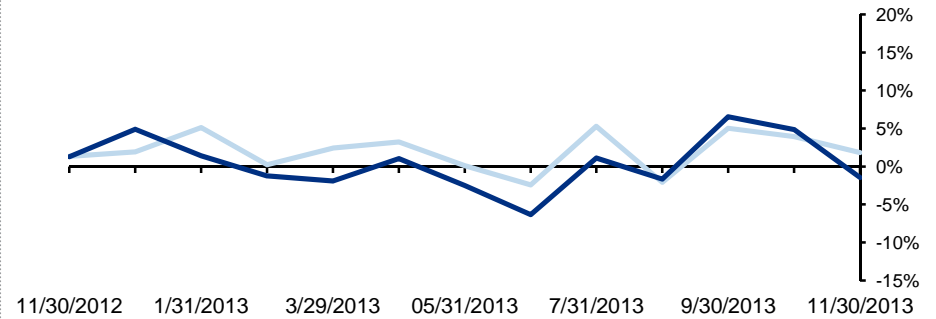
(Large Cap vs. Small Cap)



		Nov-13	Oct-13	Nov-12	YTD-13
S&P 500		3.0%	4.6%	0.6%	26.2%
RUS 2000		4.0%	2.5%	0.5%	31.8%
S&P Mid		1.3%	3.7%	2.2%	26.7%

Global Equities

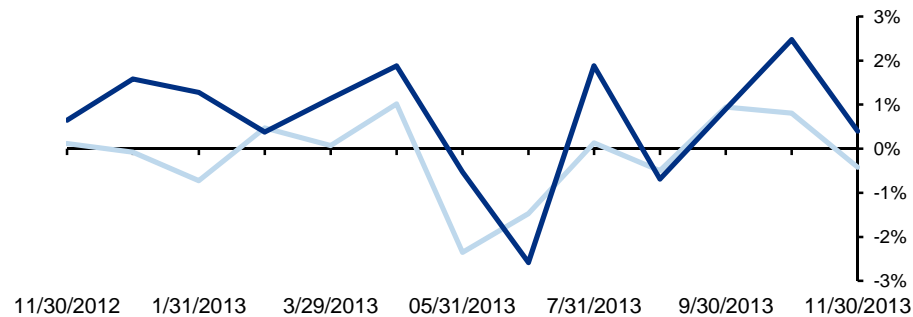
(Developed vs. Emerging)



		Nov-13	Oct-13	Nov-12	YTD-13
MSCI World		1.8%	3.9%	1.3%	22.7%
MSCI EM		-1.5%	4.9%	1.3%	-0.2%

Fixed Income

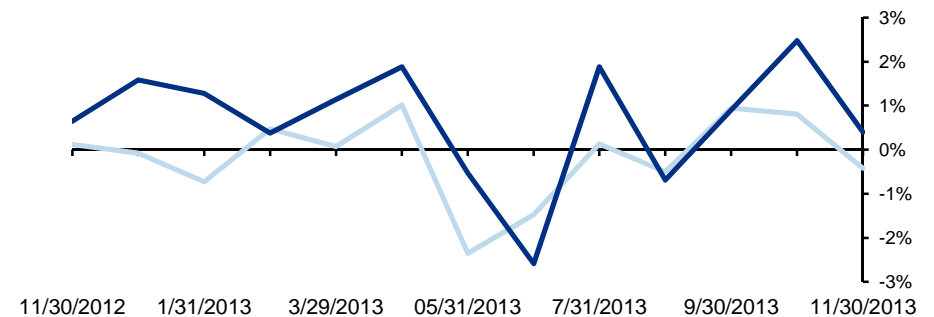
(High-Grade vs. High-Yield)



		Nov-13	Oct-13	Nov-12	YTD-13
Citi US BIG Index		-0.4%	0.8%	0.1%	-2.0%
Citi HY Bond Index		0.4%	2.5%	0.6%	6.5%

Commodities

(US\$ Performance)

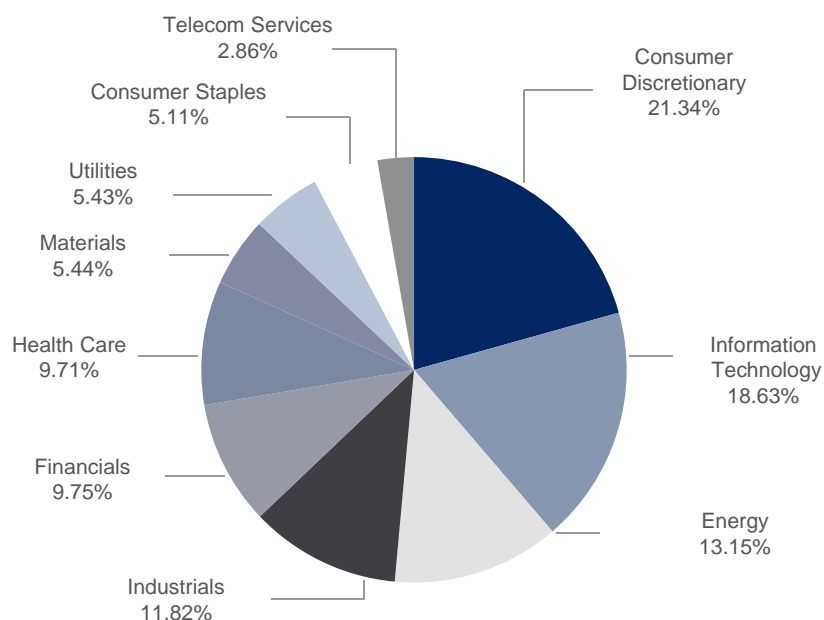


		Nov-13	Oct-13	Nov-12	YTD-13
S&P GSCI		-0.8%	-1.4%	1.5%	-2.6%
US-\$ Index		0.6%	0.0%	0.3%	1.3%
US 2yr Note		0.3%	0.3%	0.3%	3.2%

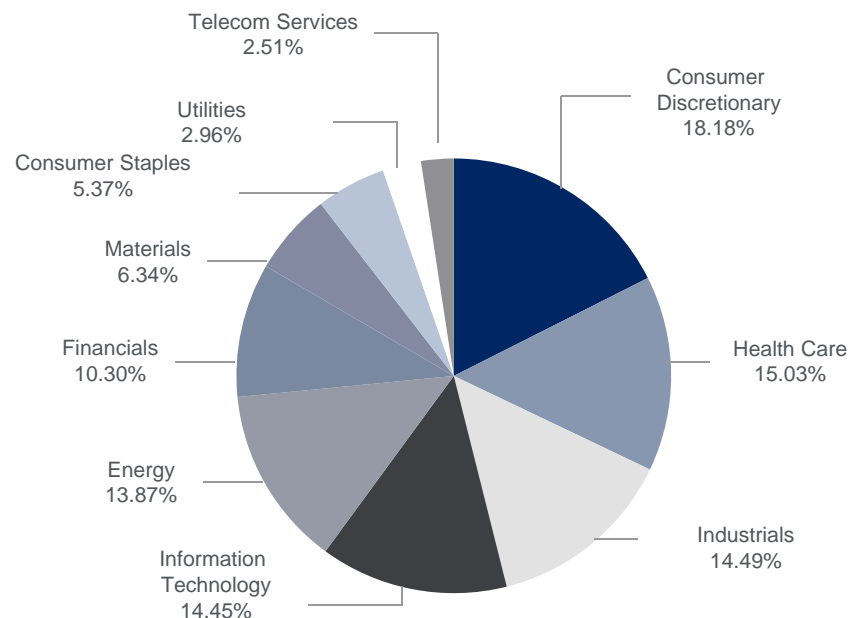
Source: Citi Prime Finance; FactSet; Citigroup Index LLC.

US Securities Lending Sector Short Flows

Short Sale Executions



Short Cover Executions



Sector Short Flows	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Consumer Discretionary	21.34	14.56	46.57
Information Technology	18.63	15.91	17.1
Energy	13.15	13.03	0.92
Industrials	11.82	10.72	10.26
Financials	9.75	12.80	-23.83
Health Care	9.71	17.89	-45.72
Materials	5.44	5.25	3.62
Utilities	5.43	3.69	47.15
Consumer Staples	5.11	5.47	-6.58
Telecom Services	2.86	2.72	5.15

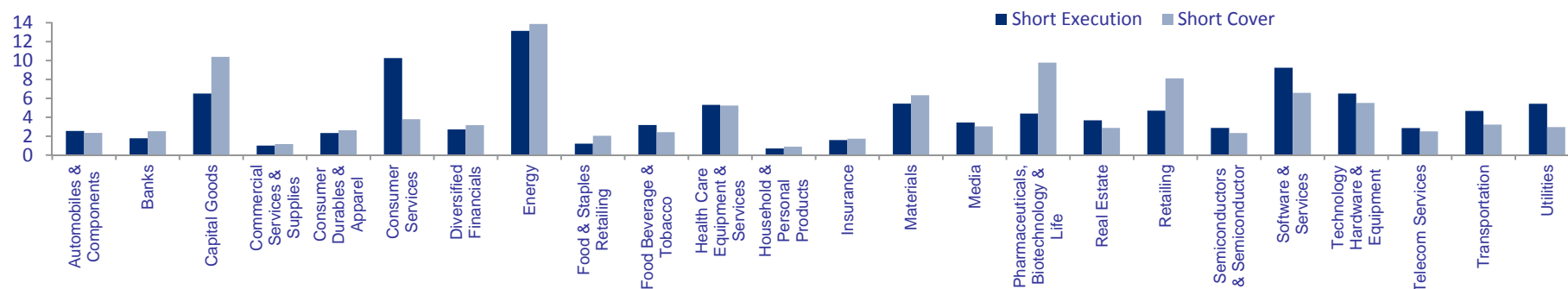
Sector Short Flows	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Consumer Discretionary	18.18	21.20	-14.25
Health Care	15.03	13.01	15.53
Industrials	14.49	13.10	10.61
Information Technology	14.45	15.36	-5.92
Energy	13.87	16.77	-17.29
Financials	10.30	10.32	-0.19
Materials	6.34	5.81	9.12
Consumer Staples	5.37	5.01	7.19
Utilities	2.96	3.46	-14.45
Telecom Services	2.51	2.62	-4.2

Source: S&P (GICS); Citi US Securities Lending. Executions of shorts and short covers settled at Citi Prime Finance based on Market Value.

US Securities Lending Industry Group Short Flows

Citi Industry Group Short Flows

(% Short)



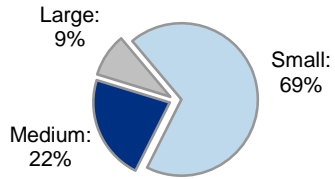
Industry	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Energy	13.15	13.03	0.92
Consumer Services	10.27	3.16	225.00
Software & Services	9.24	7.00	32.00
Capital Goods	6.52	7.14	-8.68
Technology Hardware & Equipment	6.51	6.30	3.33
Materials	5.44	5.25	3.62
Utilities	5.43	3.69	47.15
Health Care Equipment & Services	5.32	5.80	-8.28
Retailing	4.70	4.44	5.86
Transportation	4.67	2.82	65.60
Pharmaceuticals, Biotechnology & Life	4.39	12.36	64.48
Real Estate	3.68	5.74	35.89
Media	3.44	2.96	16.22
Food Beverage & Tobacco	3.19	2.96	7.77
Semiconductors & Semiconductor	2.88	2.61	10.34
Telecom Services	2.86	2.72	5.15
Diversified Financials	2.71	3.35	-19.10
Automobiles & Components	2.56	1.78	43.82
Consumer Durables & Apparel	2.34	2.48	-5.65
Banks	1.78	2.15	17.21
Insurance	1.59	1.56	1.92
Food & Staples Retailing	1.21	1.78	32.02
Commercial Services & Supplies	1.01	0.94	7.45
Household & Personal Products	0.70	0.73	-4.11

Industry	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Energy	13.87	16.77	-17.29
Capital Goods	10.40	9.08	14.54
Pharmaceuticals, Biotechnology & Life	9.79	6.52	50.15
Retailing	8.12	5.88	38.10
Software & Services	6.59	7.04	-6.39
Materials	6.34	5.81	9.12
Technology Hardware & Equipment	5.52	5.66	-2.47
Health Care Equipment & Services	5.24	6.82	-23.17
Consumer Services	3.79	4.97	-23.74
Transportation	3.22	2.51	28.29
Diversified Financials	3.17	2.90	9.31
Media	3.03	3.18	-4.72
Utilities	2.96	3.46	-14.45
Real Estate	2.87	3.67	-21.80
Consumer Durables & Apparel	2.63	2.92	-9.93
Banks	2.53	2.40	5.42
Telecom Services	2.51	2.62	-4.20
Food Beverage & Tobacco	2.43	2.45	-0.82
Automobiles & Components	2.35	4.54	-48.24
Semiconductors & Semiconductor	2.34	2.65	-11.70
Food & Staples Retailing	2.04	1.57	29.94
Insurance	1.73	1.36	27.21
Commercial Services & Supplies	1.17	1.71	-31.58
Household & Personal Products	0.89	0.99	-10.10

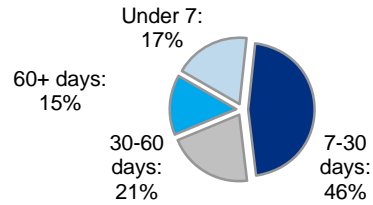
Source: S&P (GICS); Citi US Securities Lending. Executions of shorts and short covers settled at Citi Prime Finance based on Market Value.

Hedge Fund (Fund Level) Profiles

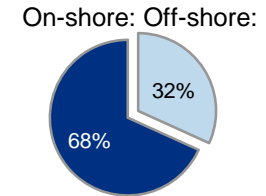
By Fund Size—No. of Funds



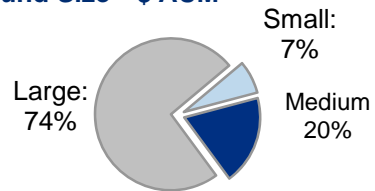
Redemption Notice Period



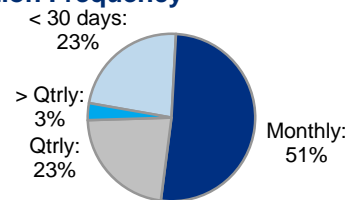
On-shore/Off-shore



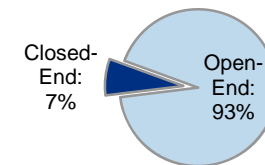
By Fund Size—\$ AUM



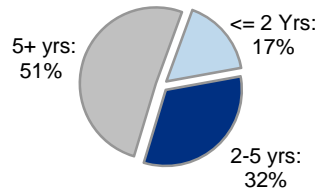
Redemption Frequency



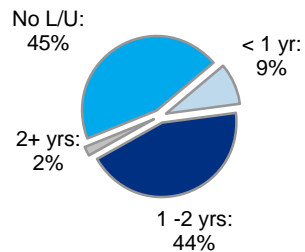
Legal Status



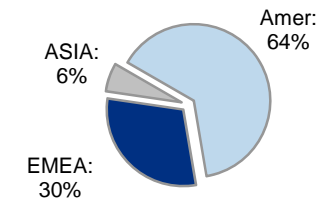
By Fund Age—No. of Funds



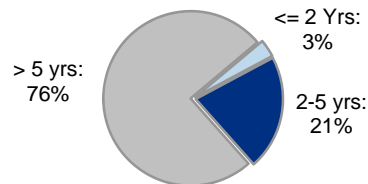
Lock-Up



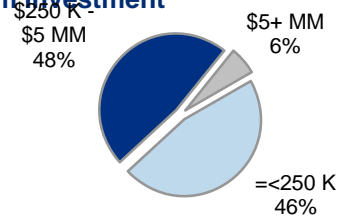
Domicile (by \$ AUM)



By Fund Age—\$ AUM



Minimum Investment



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

Hedge Fund (Fund Level) Profiles

Hedge Funds: Large (>\$500 Million)

	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice / % of Total	Preferred Redemption Frequency / % of Total
Under 2 yrs	6%	\$1,252	0.8%	8.4%	72%	98%	1-2 yrs / 76%	7-30 days / 69%	Monthly / 56%
2-5 yrs	16%	\$1,431	1.4%	6.6%	70%	63%	1-2 yrs / 79%	60+ days / 31%	Monthly / 40%
Over 5 yrs	78%	\$2,281	1.3%	9.8%	66%	72%	1-2 yrs / 41%	7-30 days / 32%	Monthly / 47%
Total	100%	\$2,065	1.3%	9.3%	68%	69%	1-2 years / 51%	7-30 days / 34%	Monthly / 48%

Hedge Funds: Medium (\$100–\$500 Million)

Hedge Fund Age	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice / % of Total	Preferred Redemption Frequency / % of Total
Under 2 yrs	4%	\$207	1.5%	14.6%	71%	84%	1-2 yrs / 75%	7-30 days / 52%	Under 30 / 51%
2-5 yrs	24%	\$231	0.9%	9.1%	70%	73%	1-2 yrs / 66%	7-30 days / 41%	Monthly / 49%
Over 5 yrs	72%	\$234	1.3%	11.5%	70%	65%	No / 52%	7-30 days / 48%	Under 30 / 57%
Total	100%	\$232	1.2%	10.9%	71%	68%	No / 44%	7-30 days / 46%	Monthly / 52%

Hedge Funds: Small (<\$100 Million)

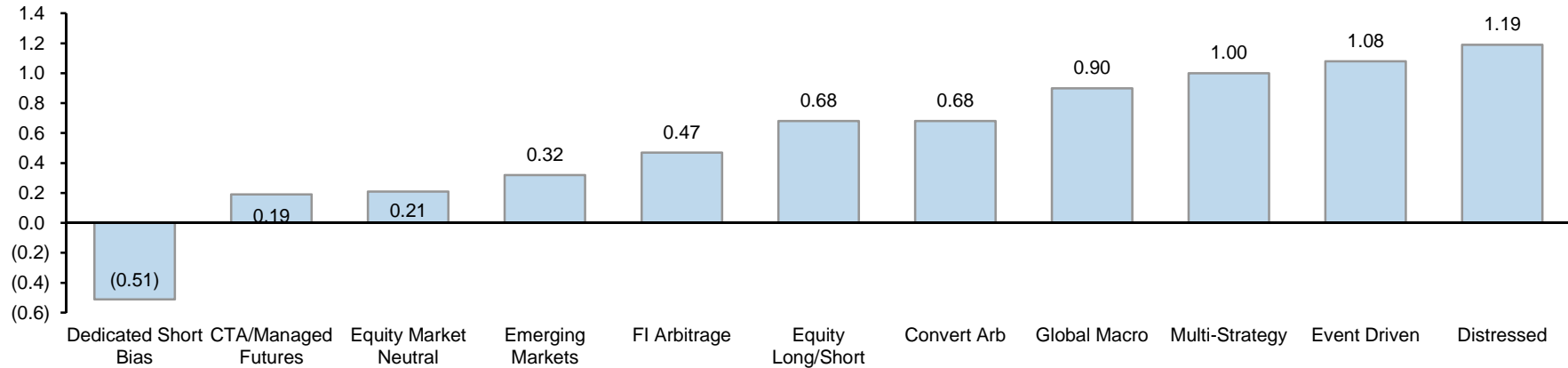
Hedge Fund Age	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice / % of Total	Preferred Redemption Frequency / % of Total
Under 2 yrs	12%	\$31	1.0%	9.7%	87%	79%	1-2 yrs / 71%	7-30 days / 32%	Monthly / 44%
2-5 yrs	18%	\$32	1.0%	12.5%	64%	78%	1-2 yrs / 63%	7-30 days / 43%	Monthly / 52%
Over 5 yrs	70%	\$38	0.8%	11.4%	68%	65%	No / 42%	7-30 days / 55%	Monthly / 54%
Total	100%	\$36	1.3%	9.0%	67%	73%	1-2 yrs / 46%	7-30 days / 50%	Monthly / 52%

Source: Citi Prime Finance.

Note: Domiciles, lock-up and redemption metrics updated quarterly. Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period. Median YTD performance is calculated from funds reporting for all underlying periods. "n/m" = Not Meaningful.

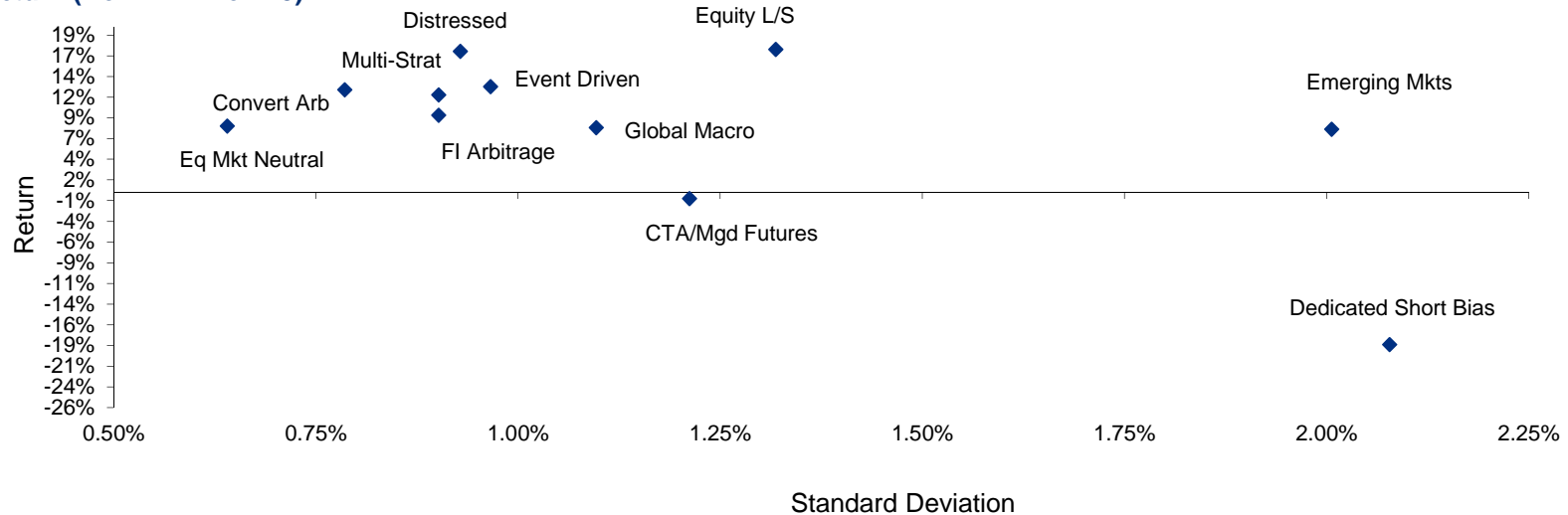
Risk and Return Metrics

Sharpe Ratios (Nov-04 - Nov-13)



Source: Credit Suisse Dow Jones Index

Risk vs. Return (Nov-12 – Nov-13)



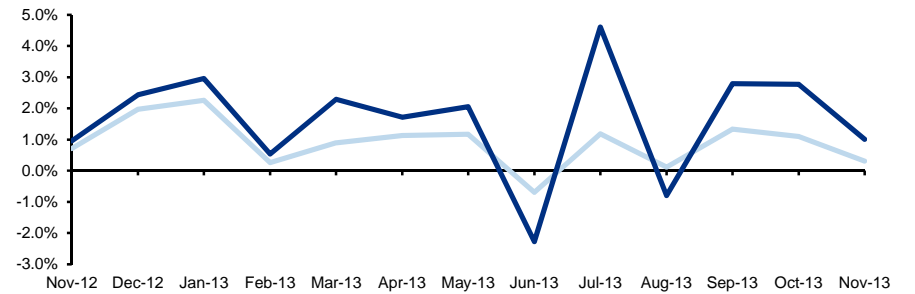
Source: Citi Prime Finance.

Convertible Arbitrage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.3%	0.3%	0.9%	1.1%	1.2%	-0.7%	1.2%	0.1%	1.3%	1.1%	0.3%		9.1%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

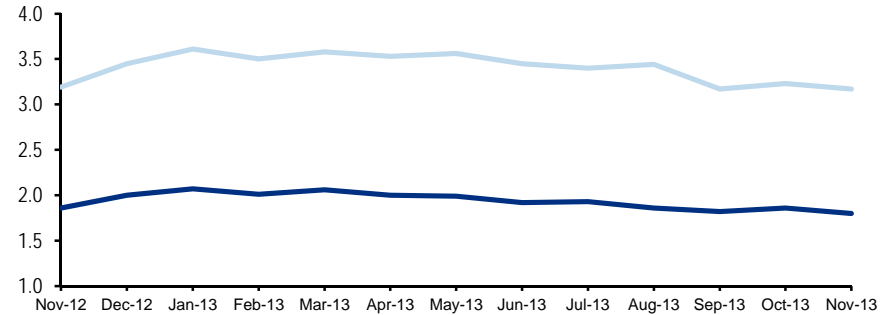


	November -13	October -13	November-12	YTD-13
Convert Arb	0.3%	1.1%	0.7%	9.1%
CWB ETF	1.0%	2.8%	1.0%	17.7%

Source: Citi ICG Analytics; FactSet.

Leverage Profile

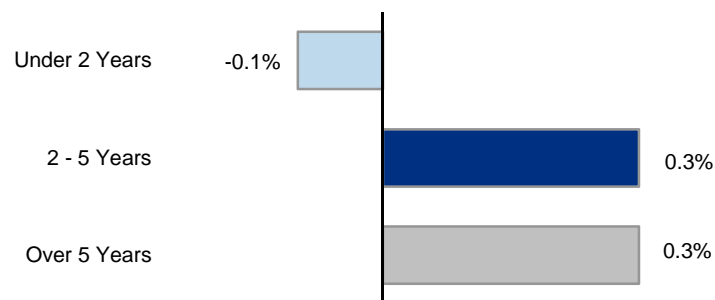
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

Source: Citi Prime Finance.

Hedge Fund Performance by Age¹

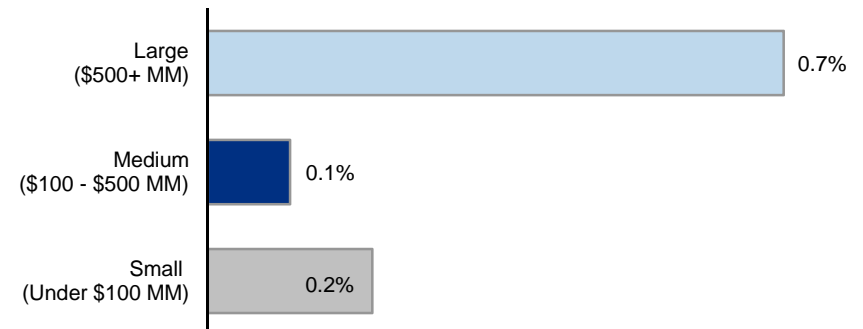


Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Hedge Fund Performance by Size¹

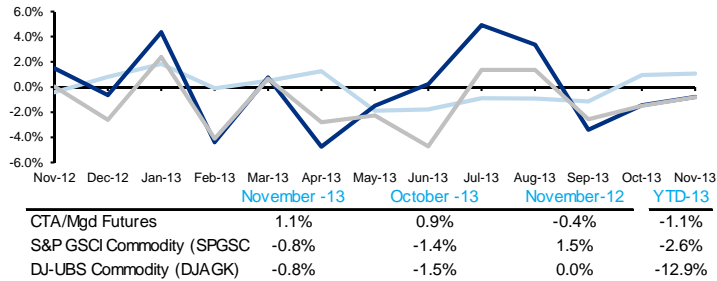


Source: Citi Prime Finance.

CTA/Managed Futures

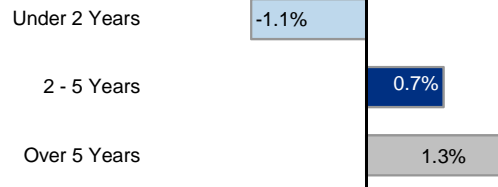
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.8%	-0.1%	0.5%	1.3%	-1.9%	-1.8%	-0.9%	-0.9%	-1.1%	0.9%	1.1%		-1.1%

Hedge Fund Performance vs. Benchmark



Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age



Source: Citi Prime Finance.

Hedge Fund Performance by Size



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Large Speculator Positions: CFTC Commitment Of Traders (Futures & Options) Report Net of Longs Less Shorts as Percent of Total Open Positions

Combined S&P/Weighted Mini S&P Contracts



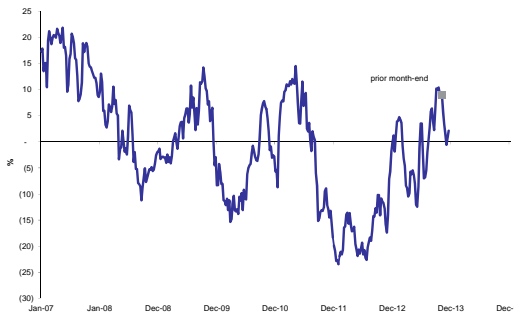
Last Update: 11/26/13 +1.4%

US 10-Year Treasury Futures



Last Update: 11/26/13 -2.1%

EuroFX Futures



Last Update: 11/26/13 -0.1%

Gold Futures



Last Update: 11/26/13 +4.1%

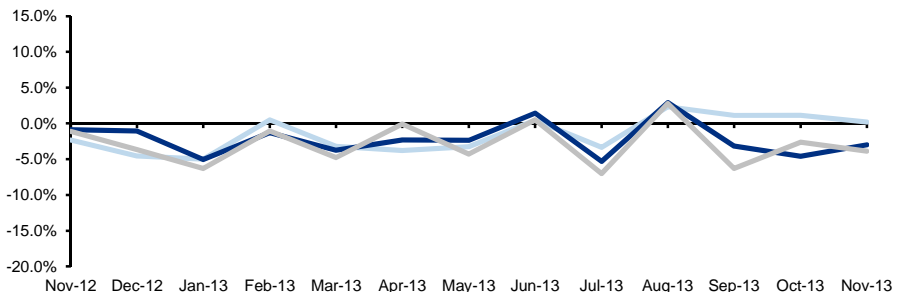
Source: CFTC, Bloomberg, Citi Futures Perspective.

Dedicated Short Bias

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-5.0%	0.5%	-3.2%	-3.8%	-3.3%	0.5%	-3.4%	2.3%	1.1%	1.1%	0.2%		-12.9%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

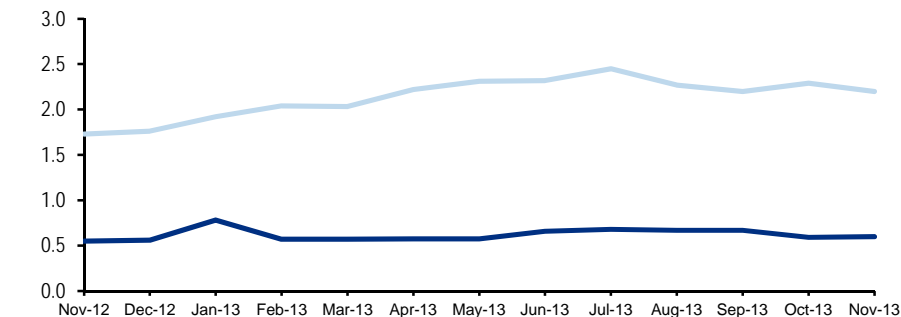


	November -13	October -13	November-12	YTD-13
Ded Short Bias	0.2%	1.1%	-2.3%	-12.9%
S&P Short ETF (SH)	-3.0%	-4.6%	-0.9%	-26.6%
Rus 2000 Short ETF (RWM)	-3.9%	-2.7%	-1.1%	-33.1%

Source: Citi Prime Finance; FactSet.

Leverage Profile

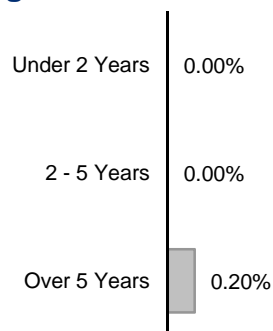
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

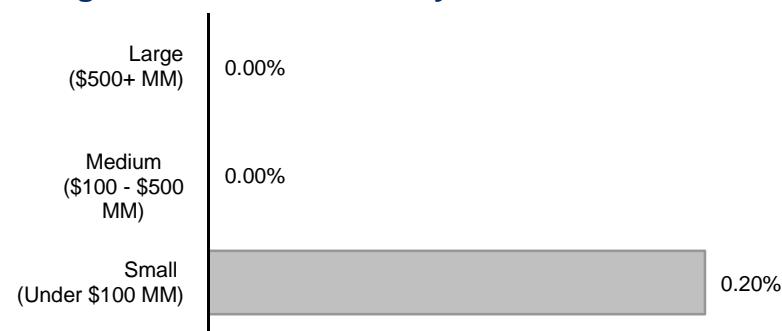
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

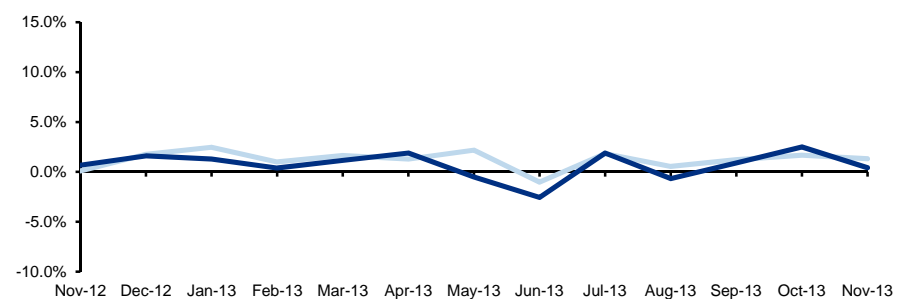
1. Universe and sample sizes may be small.

Distressed

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.5%	1.0%	1.6%	1.3%	2.2%	-1.0%	1.8%	0.5%	1.2%	1.7%	1.3%		14.0%

Hedge Fund Performance vs. Benchmark

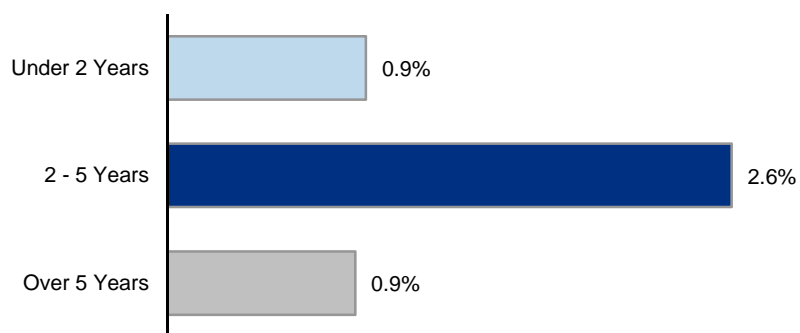
(Monthly, LTM)



	November -13	October -13	November-12	YTD-13
Distressed	1.3%	1.7%	0.1%	14.0%
Citi HY Bond Index	0.4%	2.5%	0.6%	6.5%

Source: Citi Prime Finance; Citigroup Index LLC; Altman-NYU Salomon Center.

Hedge Fund Performance by Age¹



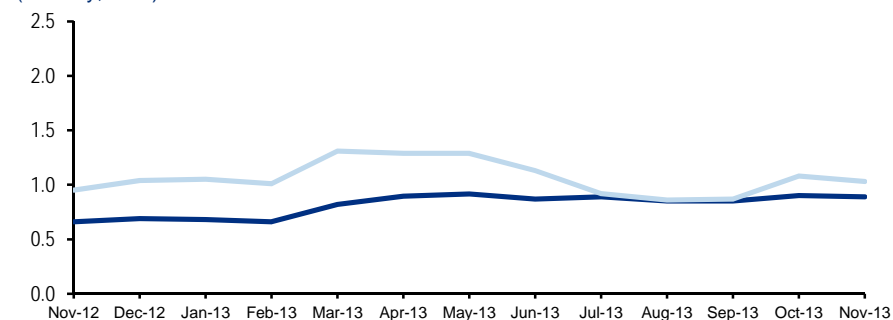
Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Leverage Profile

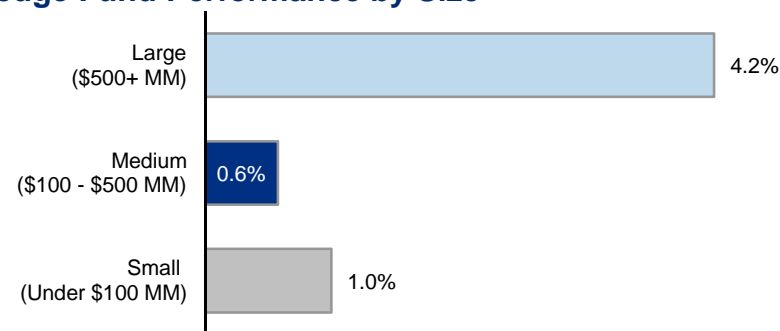
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



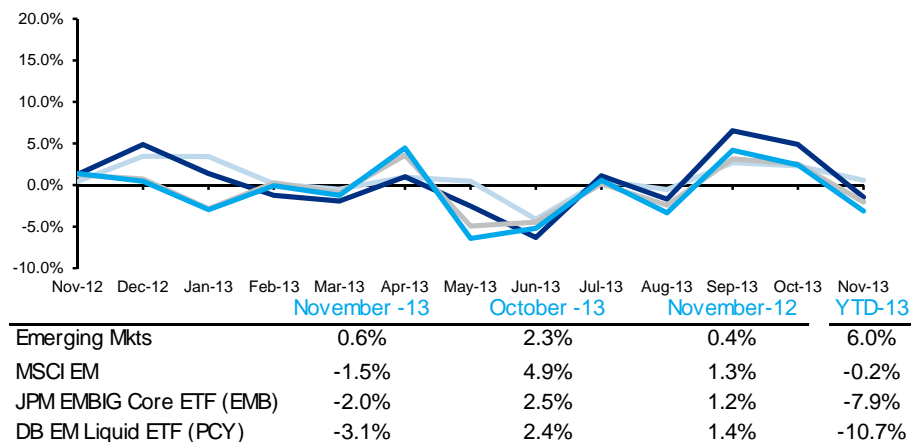
Source: Citi Prime Finance.

Emerging Markets

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	3.4%	0.1%	-0.5%	1.0%	0.5%	-4.1%	0.5%	-0.5%	2.7%	2.3%	0.6%		6.0%

Hedge Fund Performance vs. Benchmark

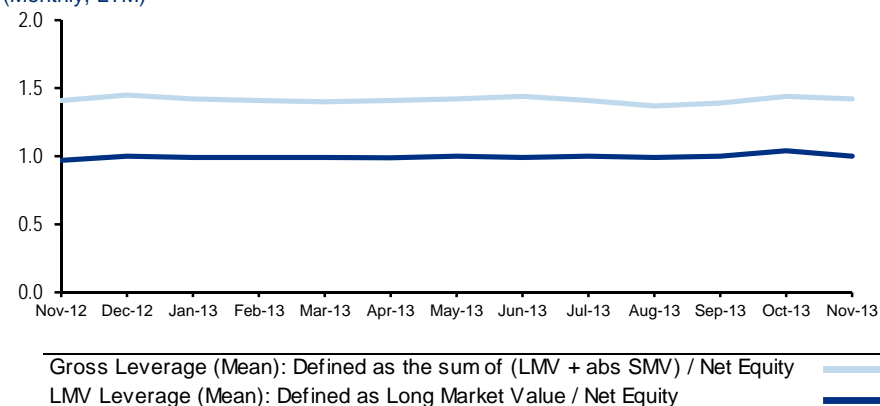
(Monthly, LTM)



Source: Citi Prime Finance; FactSet.

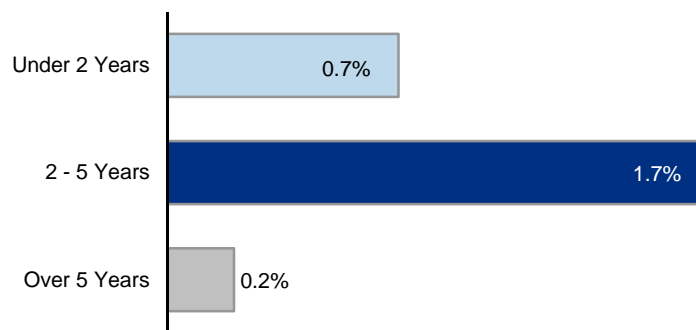
Leverage Profile

(Monthly, LTM)



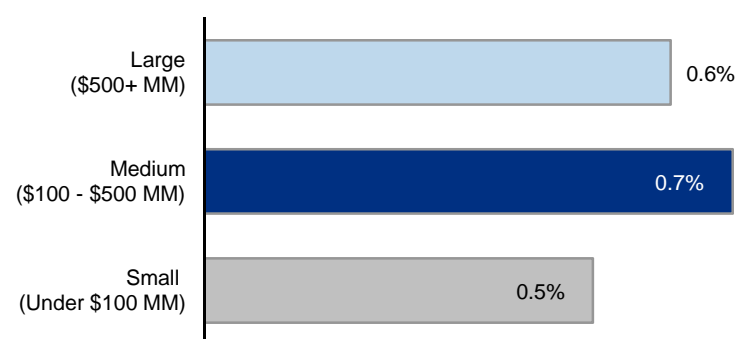
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

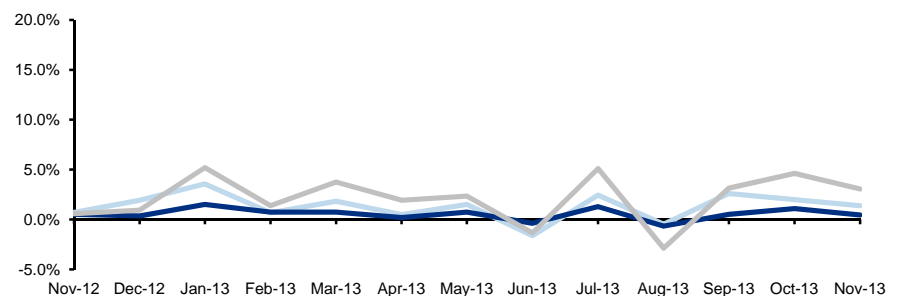
1. Universe and sample sizes may be small.

Equity Long/Short

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	3.5%	0.7%	1.8%	0.5%	1.5%	-1.6%	2.4%	-0.5%	2.6%	2.0%	1.4%		14.3%

Hedge Fund Performance vs. Benchmark

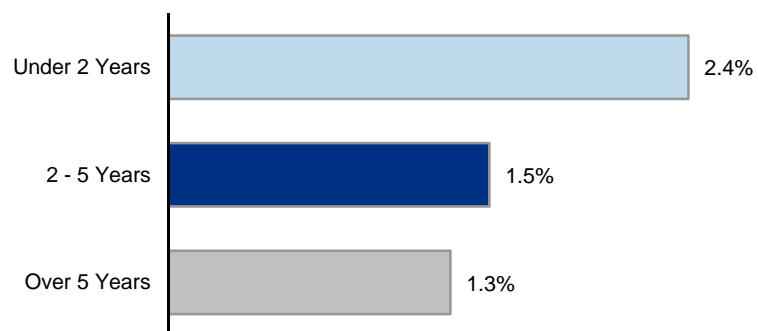
(Monthly, LTM)



	November -13	October -13	November-12	YTD-13
Eq Long/Short	1.4%	2.0%	0.7%	14.3%
Eq Mkt Neutral	0.4%	1.1%	0.5%	6.1%
S&P 500	3.0%	4.6%	0.6%	26.2%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



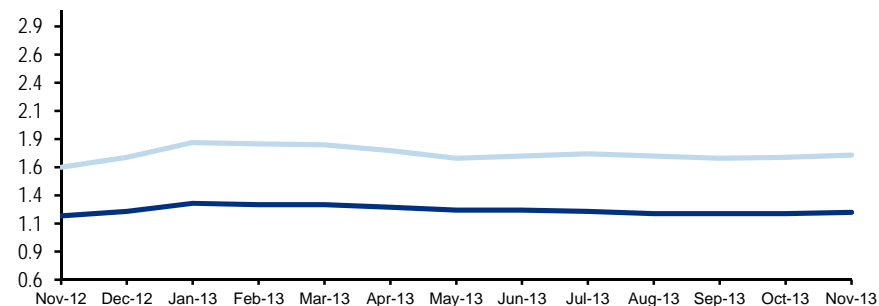
Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Leverage Profile

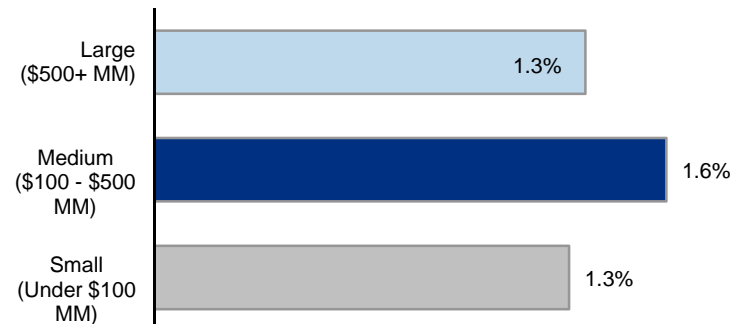
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



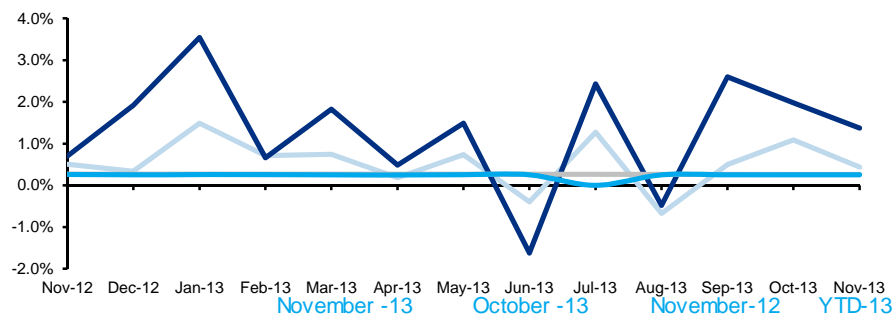
Source: Citi Prime Finance.

Equity Market Neutral

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.5%	0.7%	0.7%	0.2%	0.7%	-0.4%	1.3%	-0.7%	0.5%	1.1%	0.4%		6.1%

Hedge Fund Performance vs. Benchmark

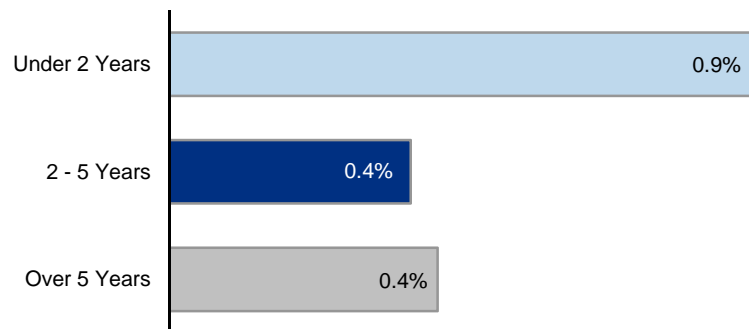
(Monthly, LTM)



Eq Mkt Neutral	0.4%	1.1%	0.5%	6.1%
Eq Long/Short	1.4%	2.0%	0.7%	14.3%
LIBOR + 300 bps	0.3%	0.3%	0.3%	2.9%
US T-Bill + 300 bps	0.3%	0.3%	0.3%	2.5%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



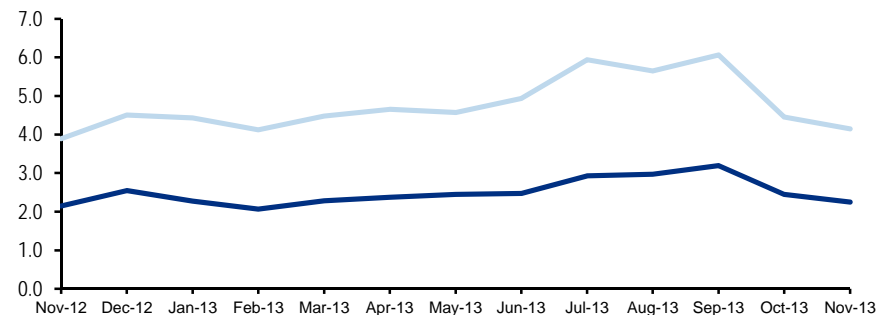
Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Leverage Profile

(Monthly, LTM)

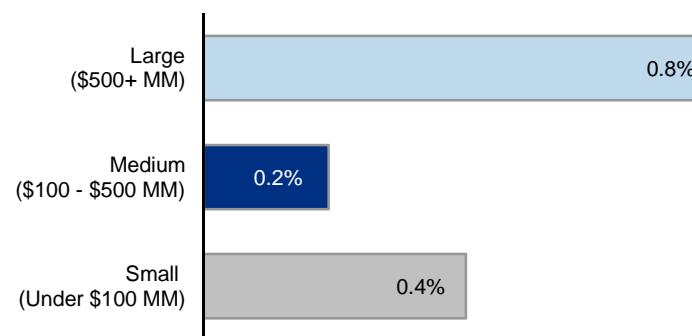


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

LMV Leverage (Mean): Defined as Long Market Value / Net Equity

Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



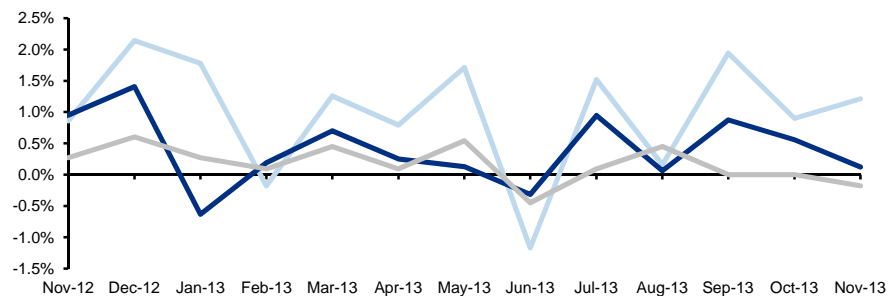
Source: Citi Prime Finance.

Event Driven

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.8%	-0.2%	1.3%	0.8%	1.7%	-1.2%	1.5%	0.2%	1.9%	0.9%	1.2%		9.9%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

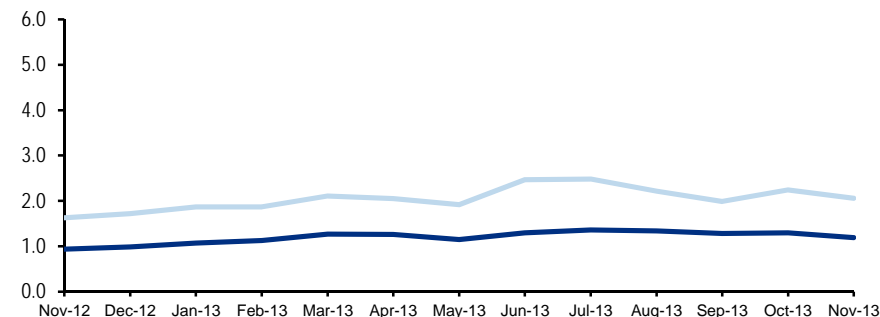


	November -13	October -13	November-12	YTD-13
Event Driven	1.2%	0.9%	0.9%	9.9%
The Merger Fund (MERFX)	0.1%	0.6%	1.0%	2.9%
AQR Div Arb Fund (ADANX)	-0.2%	0.0%	0.3%	1.4%

Source: Citi Prime Finance; FactSet.

Leverage Profile

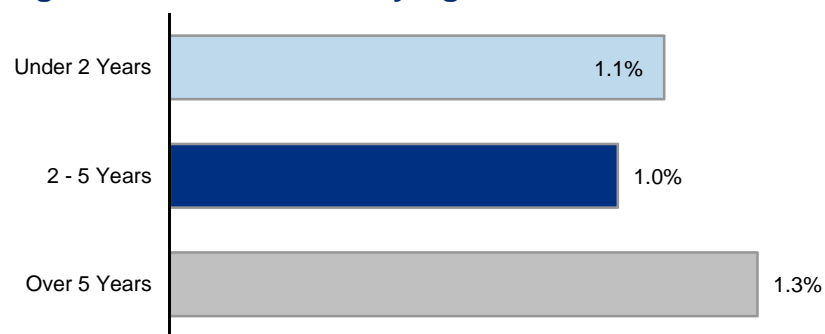
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

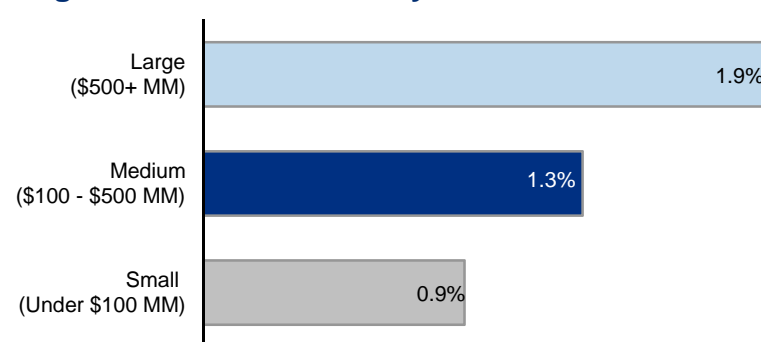
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

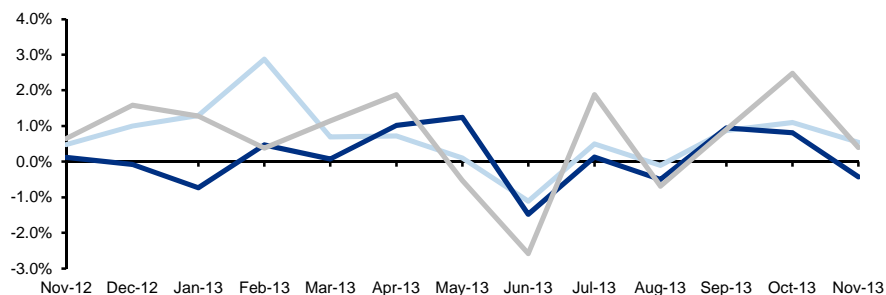
1. Universe and sample sizes may be small.

FI Arbitrage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.3%	2.9%	0.7%	0.7%	0.1%	-1.1%	0.5%	-0.1%	0.9%	1.1%	0.5%		7.5%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

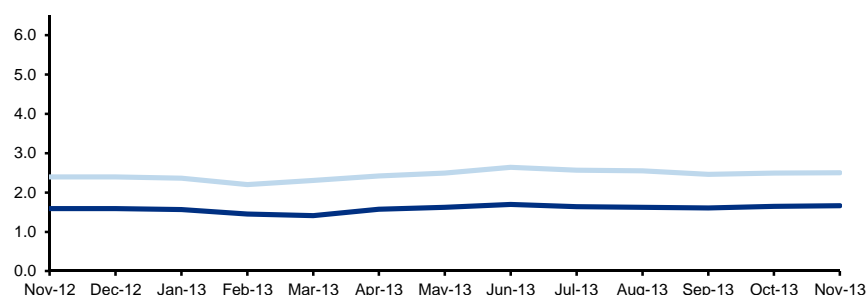


	November -13	October -13	November-12	YTD-13
FI Arbitrage	0.5%	1.1%	0.5%	7.5%
Citi US BIG Index	-0.4%	0.8%	0.1%	12.7%
Citi HY Bond Index	0.4%	2.5%	0.6%	6.5%

Source: Citi Prime Finance; Citigroup Index LLC.

Leverage Profile

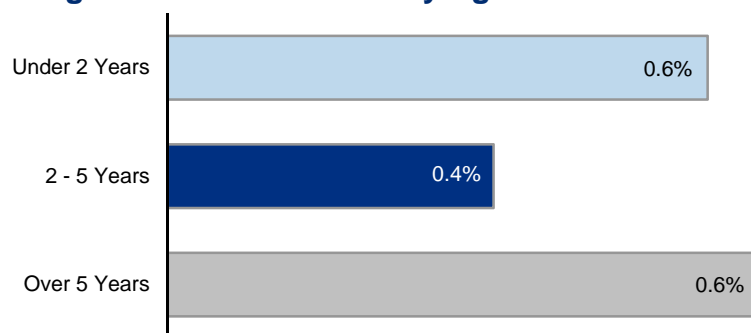
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

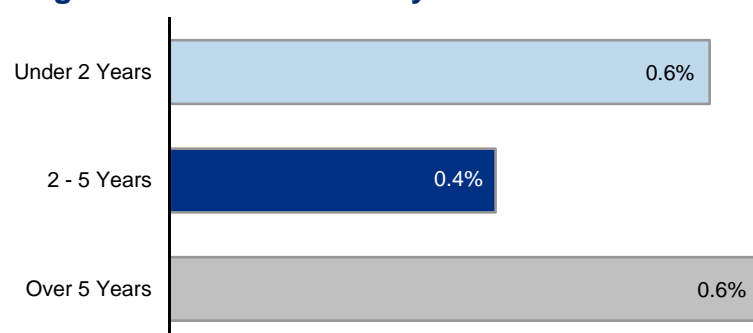
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

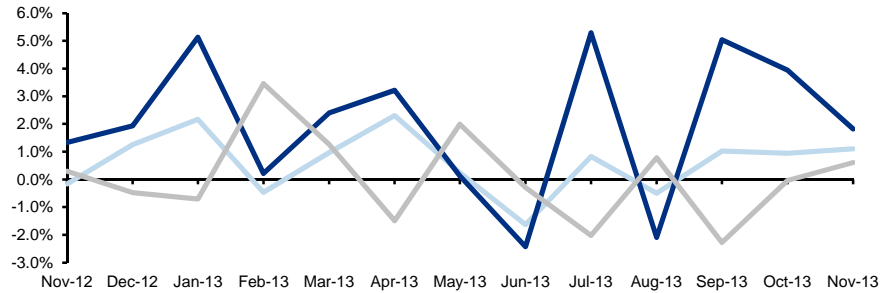
1. Universe and sample sizes may be small.

Global Macro

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.2%	-0.5%	1.0%	2.3%	0.2%	-1.6%	0.8%	-0.5%	1.0%	0.9%	1.1%		7.0%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

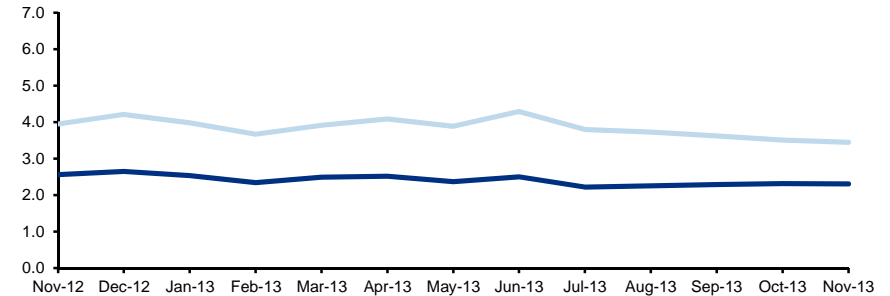


	November -13	October -13	November-12	YTD-13
Global Macro	1.1%	0.9%	-0.2%	7.0%
MSCI World	1.8%	3.9%	1.3%	22.7%
US\$-Index	0.6%	0.0%	0.3%	1.3%

Source: Citi Prime Finance; FactSet.

Leverage Profile

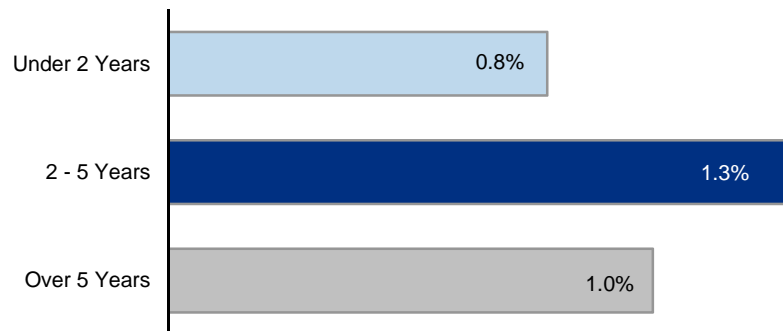
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

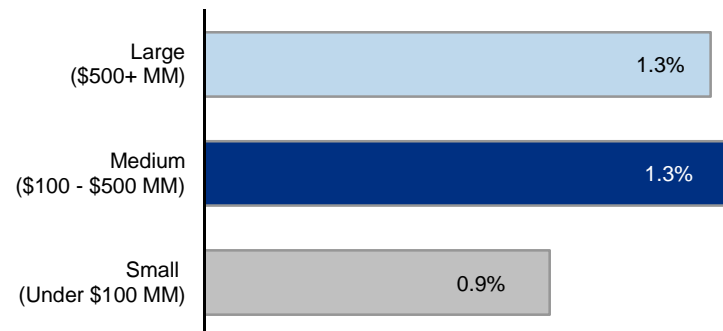
Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance; FactSet.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

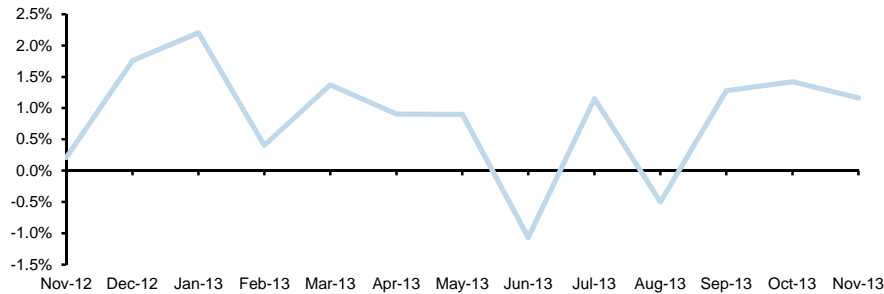
1. Universe and sample sizes may be small.

Multi-Strategy

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.2%	0.4%	1.4%	0.9%	0.9%	-1.1%	1.1%	-0.5%	1.3%	1.4%	1.2%		9.2%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

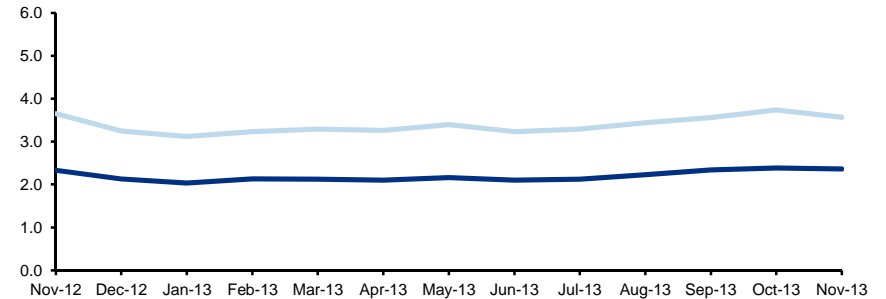


Multi-Strategy	November -13	October -13	November-12	YTD-13
	1.2%	1.4%	0.2%	9.2%

Source: Citi Prime Finance.

Leverage Profile

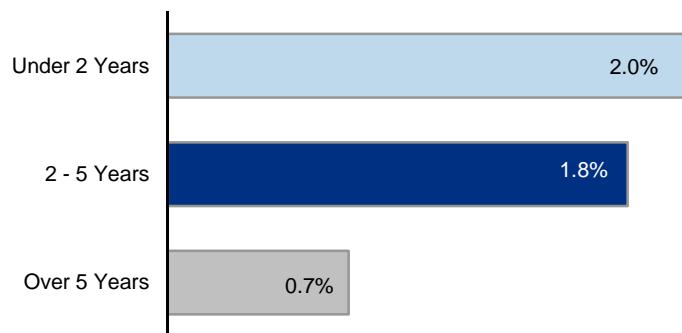
(Monthly, LTM)



Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

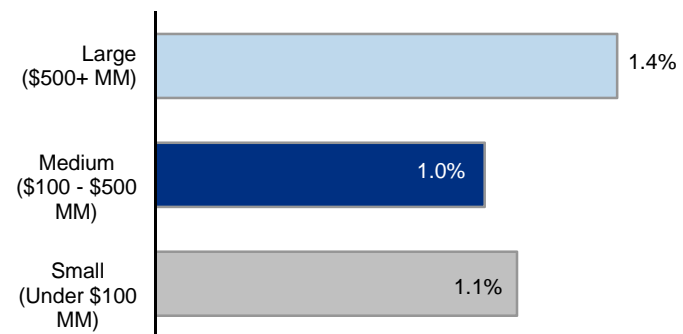
Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Note: Hedge fund data is self-reported; each calculation is based on the respective data from funds who have reported for the current period.

1. Universe and sample sizes may be small.

Firm Disclaimers and Market Commentary Disclosures

This communication has been prepared by employees of Citi and is distributed by or through its locally authorized affiliates (collectively, the "Firm"). Employees preparing this communication are not Research Analysts and are not employees of Citi Investment Research (CIRA) and the information in this communication (the "Message") is not intended to constitute "research" as that term is defined by applicable regulations. Any reference to a research report or research recommendation is not intended to represent the whole report and is not in itself considered a recommendation or research report. Please contact your Firm representative for a copy of a comprehensive research report. All views, opinions and estimates expressed in the Message constitute the author's and/or the Firm's judgment as of the date of the Message, may change without notice and may differ from those views, opinions and estimates expressed by other Firm personnel.

IRS Circular 230 Disclosure: Citigroup Inc. and its affiliates do not provide tax or legal advice. Any discussion of tax matters in these materials (i) is not intended or written to be used, and cannot be used or relied upon, by you for the purpose of avoiding any tax penalties and (ii) may have been written in connection with the "promotion or marketing" of any transaction contemplated hereby ("Transaction"). Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

The Message is provided for information and discussion purposes only and is not a representation or recommendation by the Firm. It does not constitute an offer or solicitation to purchase or sell any financial instruments, and does not take into account the investment objectives or financial situation of any particular person. Investors should obtain advice based on their own individual circumstances from their own tax, financial, legal and other advisors before making an investment decision, and only make such decisions on the basis of the investor's own objectives, experience and resources. The information contained in the Message is based on generally available information and, although obtained from sources believed by the Firm to be reliable, its accuracy and completeness cannot be assured, and such information may be incomplete or condensed. Certain personnel or business areas of the Firm may have access to or may have acquired material non-public information that may have an impact (positive or negative) on the information contained in the Message, but that is not available to or known by the author of the Message.

The Firm may be the issuer of, may make a market in or may trade as principal in the financial instruments referred to in the Message or other related financial instruments. The Firm may perform or seek to perform investment banking and other services for the issuer of any such financial instruments. The author of the Message may have discussed the information contained therein with others within or outside the Firm and the author and/or such other Firm personnel may have already acted on the basis of this information (including by trading for the Firm's proprietary accounts or communicating the information contained herein to other customers of the Firm). Compensation of Firm personnel may include consideration of the performance of such department's activities.

The Firm, the Firm's personnel (including those with whom the author may have consulted in the preparation of this communication), and other customers of the Firm may be long or short the financial instruments referred to in the Message, may have acquired such positions at prices and market conditions that are no longer available, may be a director or officer of any company referenced herein and may have interests different from or adverse to your interests.

Investments in financial instruments carry significant risk, including the possible loss of the principal amount invested. Financial instruments denominated in a foreign currency are subject to exchange rate fluctuations, which may have an adverse effect on the price or value of an investment in such products. No liability is accepted by the Firm for any loss (whether direct, indirect or consequential) that may arise from any use of the information contained in or derived from the Message.

Unless otherwise indicated, the Message is not intended to forecast or predict future events. Past performance is not a guarantee or indication of future results. Any prices provided in the Message (other than those that are identified as being historical) are indicative only and do not represent firm quotes as to either price or size. You should contact your local representative directly if you are interested in buying or selling any financial instrument, or pursuing any trading strategy, mentioned herein.

Although the Firm is affiliated with Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank"), you should be aware that none of the other financial instruments mentioned in the Message (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

The information in this Message may be confidential or otherwise protected by law. If you are not the intended recipient of the Message, please delete and do not disclose or make improper use of it, and promptly notify the sender. The Message contains data compilations, writings and information that are proprietary to the Firm and protected under copyright and other intellectual property laws, and may not be redistributed or otherwise transmitted by you to any other person for any purpose. Electronic messages are not necessarily secure or error-free and can contain viruses, and the sender is not liable for any of these occurrences. The Firm reserves the right to monitor, record and retain electronic messages.

We are required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with us. We will ask for complete name, street address and tax payer ID number. We may also request corporate formation documents, or other forms of identification, to verify information provided.

Copyright © Citi 2012. All Rights Reserved. Citi and Citi Arc Design are trademarks and service marks of Citigroup Inc. or its affiliates and are used and registered throughout the world.

Contacts

For Further Information, Please Contact

Sandy Kaul
sandy.kaul@citi.com
212-723-5118

This report has been prepared by members of Citi Prime Finance and is not a research report. This report does not constitute advice on investments or a solicitation to buy or sell any financial instrument. Please see Market Commentary Disclosures.