



Hedge Fund Industry Snapshot May 2014



Based on fund universe of 3,850

Citi Prime Finance | Market Commentary

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

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Monthly Highlights

Hedge Fund Industry Overview

- AUM, Performance
- Industry Flows

Hedge Fund Stats by Strategy

- Assets, Performance Dispersion, Daily Changes in Gross Leverage

Red / Black Report

Performance at a Glance

- Hedge Fund Performance
- Securities Market Performance

Positioning

- US Short Sales & Short Cover by Sector
- Equity Long/Short Sector Positioning

Hedge Fund (Fund Level) Profiles

- Fund Structure
- Fund Analytics

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By Strategy

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- Performance vs. Respective Benchmark(s)
- Hedge Fund Performance by Size
- Hedge Fund Performance by Age

Firm Disclaimers and Market Commentary Disclosures

Contacts

Performance, AUM & Flows

- Composite hedge fund performance, equal-weighted across funds, was down in April 2014. Performance ranged from -0.73% to -0.19%. Returns were lower than the previous month which experienced -0.39% to -0.17% over the same period.
- Hedge fund strategy wise, top performing strategies in April 2014 include Dedicated Short at +0.51%, Fixed Income Arbitrage +0.49%, CTA/Managed Futures +0.39% and Event Driven at +0.21%. The lowest performing strategies include Multi-Strategy -0.45%, Global Macro -0.41%, Equity Market Neutral -0.40% and Convertible Arbitrage at -0.12%.
- Hedge fund industry assets rose in April 2014 realizing an increase of \$23.12 billion for the month after experiencing an increase of only \$9.64 billion in March. April gains were attributed solely from investor flows totaling \$25.4 billion. Total industry gains in April exceed the mean monthly gain in assets throughout 2013 which averaged \$21.2 billion.
- Net positive investor flows of \$25.4 billion for April 2014 marks the fourth consecutive month of net positive investors flows this year. Apr-14 flows exceed the average investor flows reported throughout 2013 which stood at \$5.1 billion. YTD investor flows now stand at \$78 billion.

Fund Profiles

- Across the subset of hedge funds reporting performance and AUM, the monthly median performance for large single funds (>\$500 million) was -0.2%, medium single funds (\$100–\$500 million) -0.5% and small single funds (<\$100 million) +0.3%.
- Liquidity terms continued consistent patterns from previous periods. The universe of funds that only require 30 days or less for redemption notices stood at 66%, consistent with trends throughout the previous 18 months. Across the entire subset of reporting funds, the majority (52%) required no lockup (43%) or less than 1 year lock up (9%).
- Large funds (>\$500 million AUM) continue to hold the majority portion of industry AUM (75%) compared to medium funds (\$100–\$500 million) at 19% and small funds (<\$100 million) holding only 6%.

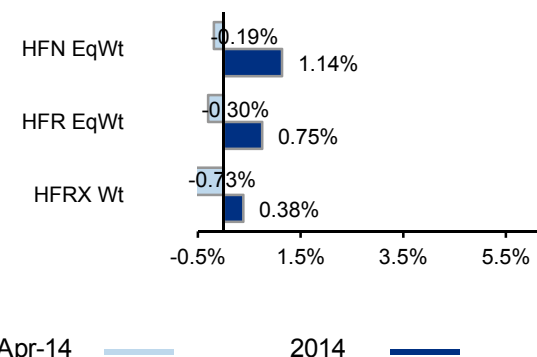
Leverage, Shorts and Futures Market Positioning

- On a global basis, we calculate gross leverage (as measured on a mean basis) at 2.12x in April 2014 versus 2.13x in March.
- Looking across gross leverage, the following strategies showed the highest uses of leverage: Equity Market Neutral (3.96x), Convertible Arbitrage (3.38x) and Global Macro (3.36x).
- Citi US short flows data included in this month's report show sustained interest in the Information Technology and Health Care sectors. These sectors accounted for 34.31% of short executions and 37.53% of short covers in April vs. 31.69% of short executions and 36.37% of short covers in March 2014.

Hedge Fund Industry: AUM, Performance

- Composite hedge fund performance, equal-weighted across funds, was down in April 2014. Performance ranged from -0.73% to -0.19%. Returns were lower than the previous month which experienced -0.39% to -0.17% over the same period.
- Global financial markets traded in a narrow range through mid-May, as implied volatility fell on subsiding geopolitical tension, though uncertainty remained high. Equity markets posted gains across most regions and sectors, recovering May declines, though small cap exposure continued to lag, posting declines through mid-month. Emerging Market equities posted gains led by a sharp recovery in Russia, while Brazil, China and the Middle East also posted gains through mid-month. European equities were led by gains in Germany, and the UK with these only partially offset by declines in Italy; Asian equity gains were again led by India, with China and the Philippines also posting gains. Government bond yields were little changed through mid-May, with US & European issues posting small declines while corporate credit spreads tightened. The US dollar posted a sharp gain against the Euro complemented by narrow gains against the British Pound and Japanese Yen, the Dollar fell against Emerging Market currencies including the Brazilian Real, South African Rand, Chilean Peso and the Russian Ruble. Commodity gains were led by Copper, Oil & Sugar, with these offset by declines in Natural Gas, Coffee and Cattle.
- Hedge fund strategy wise, top performing strategies in April 2014 include Dedicated Short at +0.51%, Fixed Income Arbitrage +0.49%, CTA/Managed Futures +0.39% and Event Driven at +0.21%. The lowest performing strategies include Multi-Strategy -0.45%, Global Macro -0.41%, Equity Market Neutral -0.40% and Convert. Arb. at -0.12%.

Industry Performance: Apr-14 / YTD

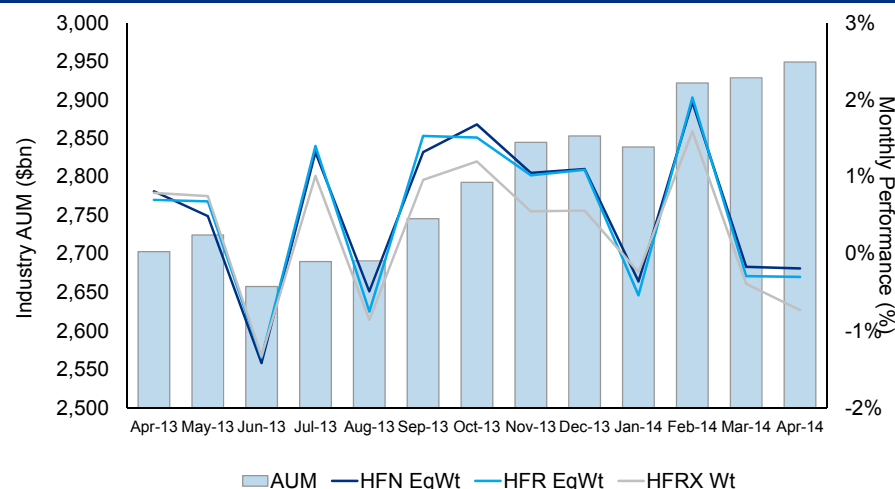


Source: HFR, eVestment|HFN.

Note Pad

- MSCI World Index: +1.1%; +2.7% YTD
- MSCI EM Index: +0.4%; +0.3% YTD
- S&P 500: +0.7%; +2.7% YTD
- Citi US BIG Index: +0.8%; +3.5% YTD
- S&P GSCI: +0.7%; +3.8% YTD
- US Dollar Index: -0.7%; -0.6% YTD
- HFN Country Indices Apr-14 / YTD:
 - Brazil: +1.74% / +0.68%; Australia: -0.19% / +3.91%
 - China: -4.24% / -6.56%; Japan: -0.84% / -4.77%

Monthly Industry AUM and Performance



Source: eVestment|HFN; Hedge Fund Research, Inc., © 2014.

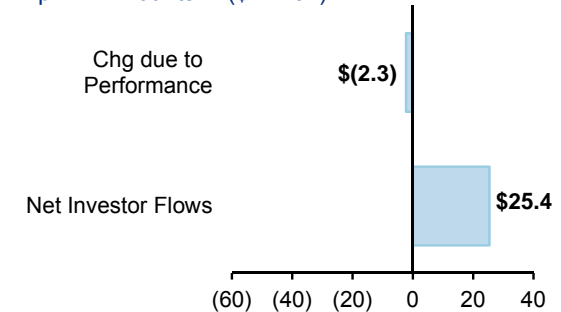
Hedge Fund Industry: Change in Industry Assets



- Hedge fund industry assets rose in April 2014 realizing an increase of +\$23.12 billion for the month after experiencing an increase of only +\$9.64 billion in March. April gains were attributed solely from investor flows totaling +\$25.4 billion. Total industry gains in April exceed the mean monthly gain in assets throughout 2013 which averaged +\$21.2 billion.
- April performance losses of -\$2.3 billion stand in contrast to average monthly performance gains of 2013 which stood at +\$15.9 billion. March / April 14 industry performance losses mark the first period of consecutive losses since May / June of 2012.
- Net positive investor flows of +\$25.4 billion for April 2014 marks the fourth consecutive month of net positive investors flows this year. Apr-14 flows exceed the average investor flows reported throughout 2013 which stood at \$5.1 billion. YTD investor flows now stand at \$78 billion.
- Total industry AUM now stands at \$2.95 trillion, an increase of 3.8% from Jan-14 and an overall increase of +9.1% from April 2013.

Composition of Change in Assets

Apr-14 Amounts in (\$ Billion)

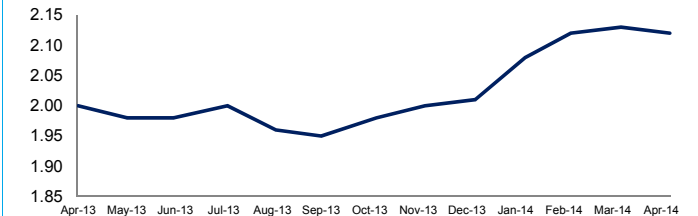


Source: eVestment

Leverage Trends

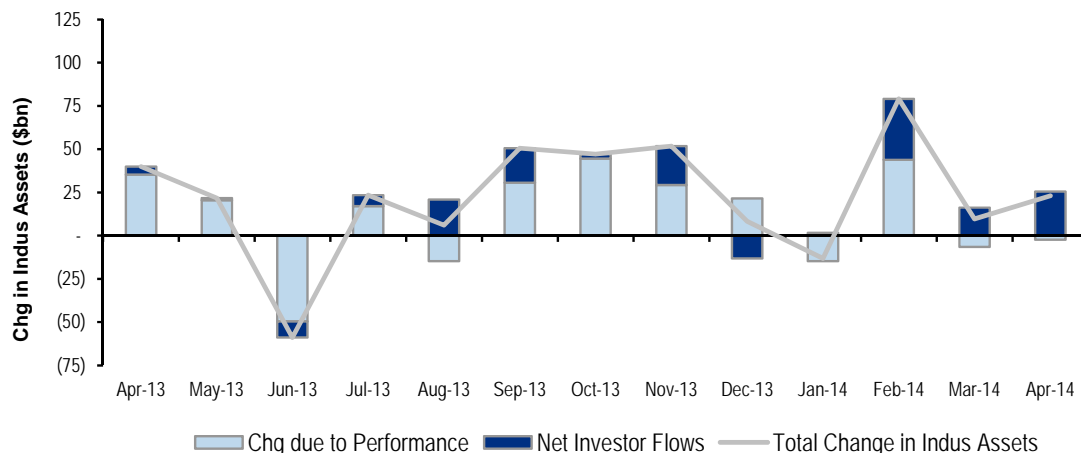
The Citi Prime Finance calculation for gross leverage (as measured on a mean basis) 2.12x in March 2014.

Gross Leverage



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

Monthly Change in Industry Assets and Composition

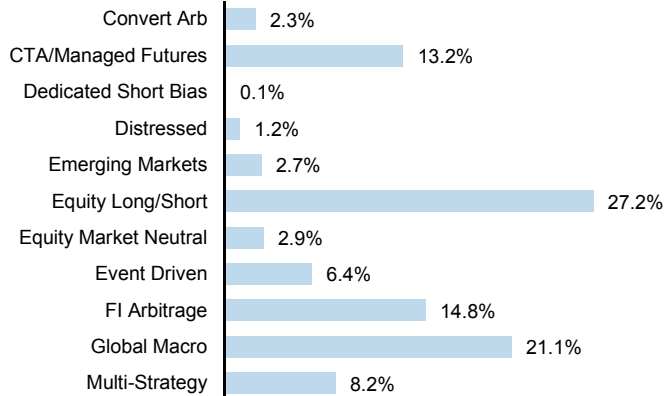


Source: eVestment; Hedge Fund Research, Inc., © 2014.

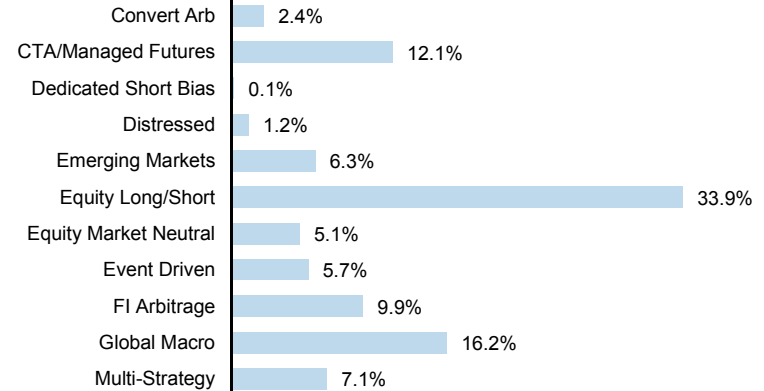
Hedge Fund Stats by Strategy



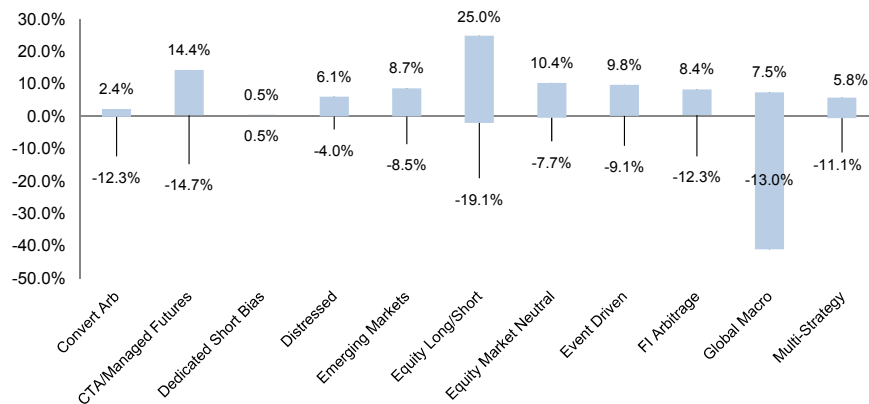
Hedge Fund Strategy Breakdown by Assets



Hedge Fund Strategy Breakdown by Number of Funds

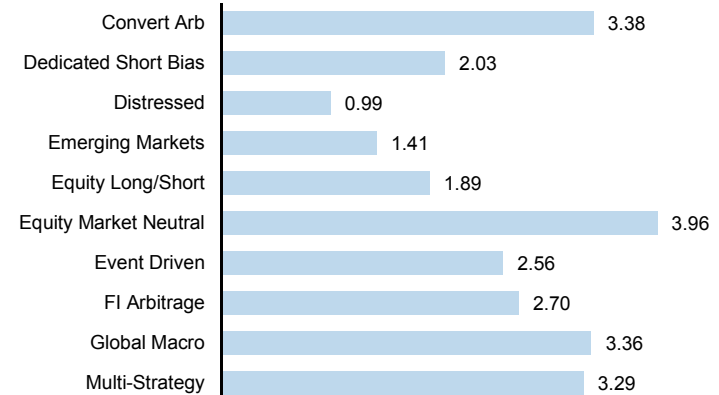


Hedge Fund Performance by Strategy



Hedge Fund Leverage Ratios by Strategy

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



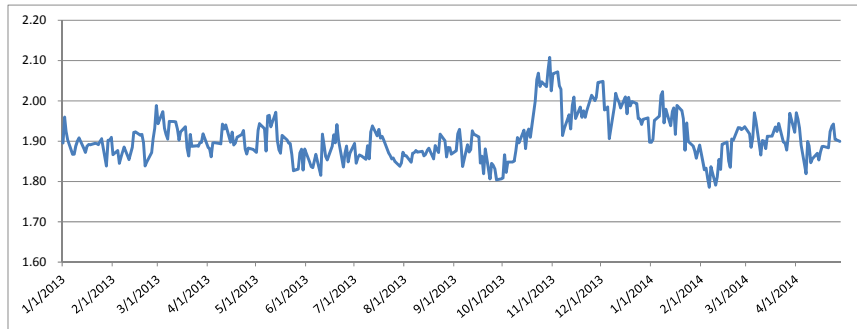
Source: Citi Prime Finance.

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

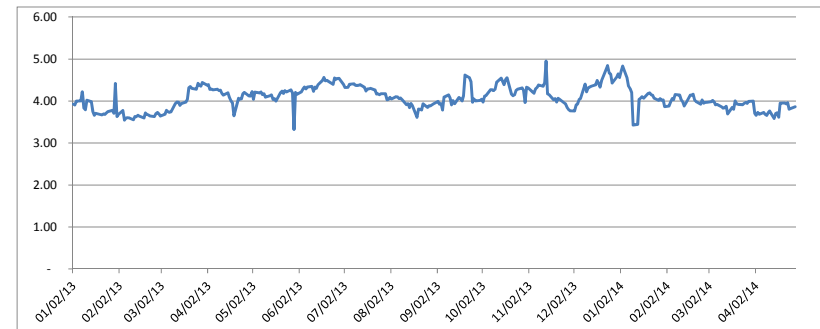
Daily Changes in Gross Leverage



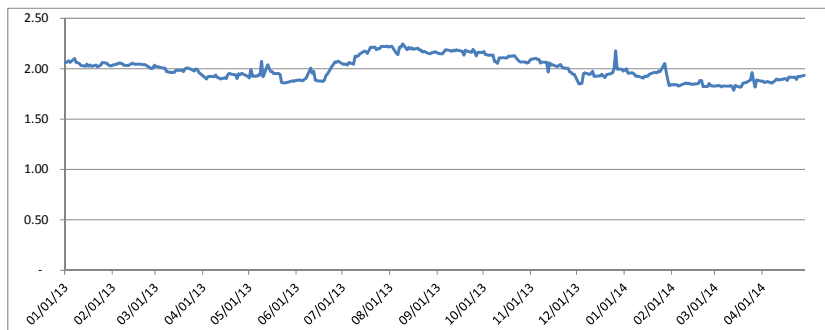
Gross Leverage – All funds



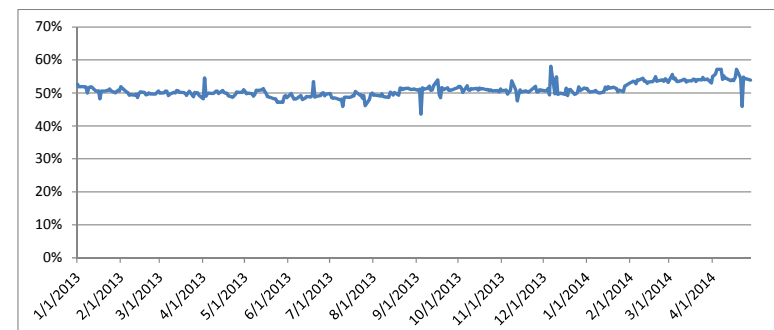
Global Macro



Equity L/S



Equity L/S Utilization



Source: Citi Prime Finance.

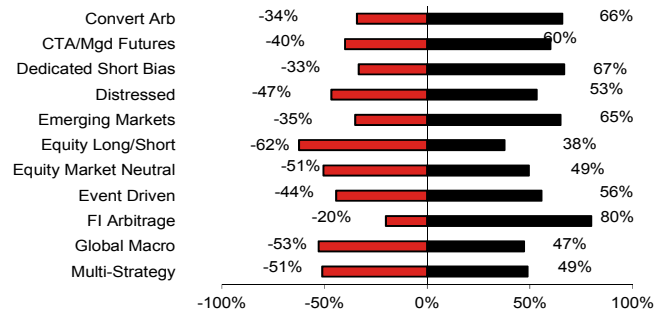
* Gross leverage derived from equity balances. Gross Leverage (mean): defined as sum of (LMV + abs SMV) / Net Equity

Hedge Fund Performance Trends: Red / Black Report



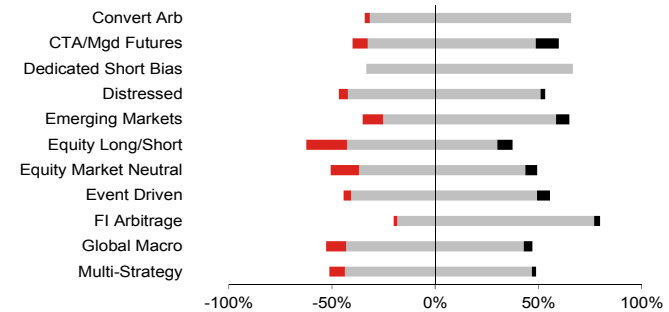
April 2014 – Percentage of Reporting Funds

Negative (—) / Positive (—) Performance



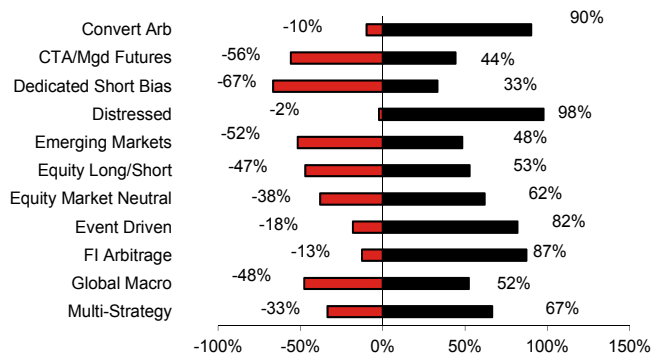
April 2014 – Percentage of Reporting Funds

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



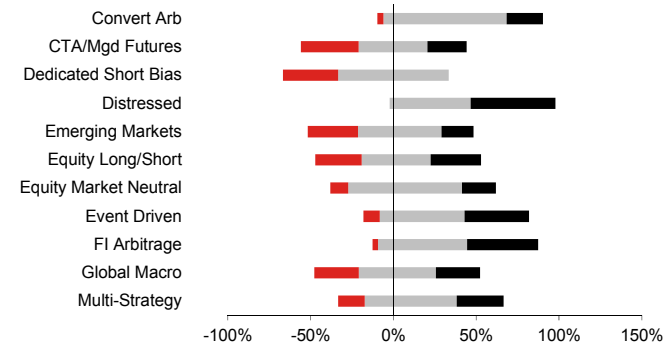
2014 – Percentage of Reporting Funds

Negative (—) / Positive (—) Performance



2014 – Percentage of Reporting Funds

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

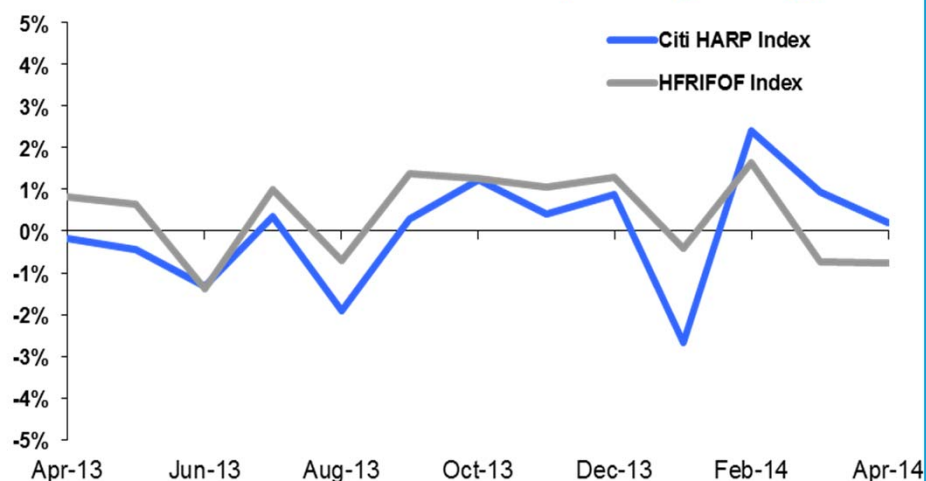


Source: Citi Prime Finance.

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

	Apr-14	Mar-14	Apr-13	YTD-14
Citi Harp	0.22%	0.93%	-0.19%	0.82%
HFRIFOF	-0.75%	-0.74%	0.82%	-0.29%

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
Ann. Return	0.31%	4.29%
Ann. Vol	4.92%	3.71%
Sharpe Ratio	0.05	1.14
Correlation	65%	

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.

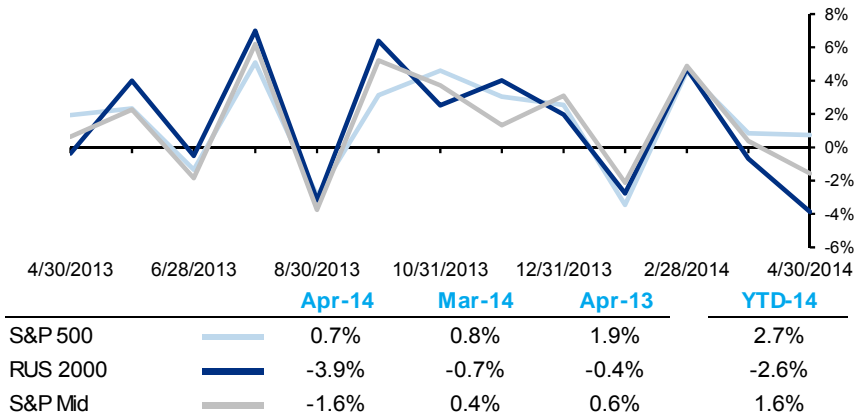
The Index contains weighted components. The components are a money market component and various index components. Each index component represents a class of asset in which the hedge fund sector is assumed to invest: bond, commodity, equity and foreign exchange.

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.

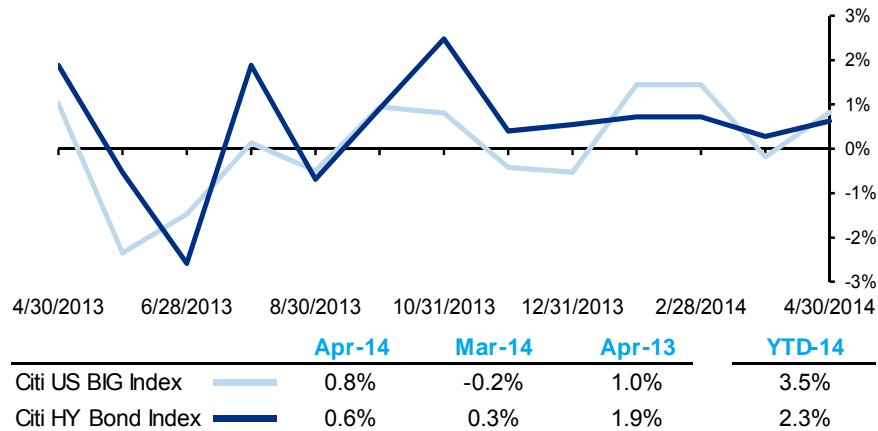
Market Performance



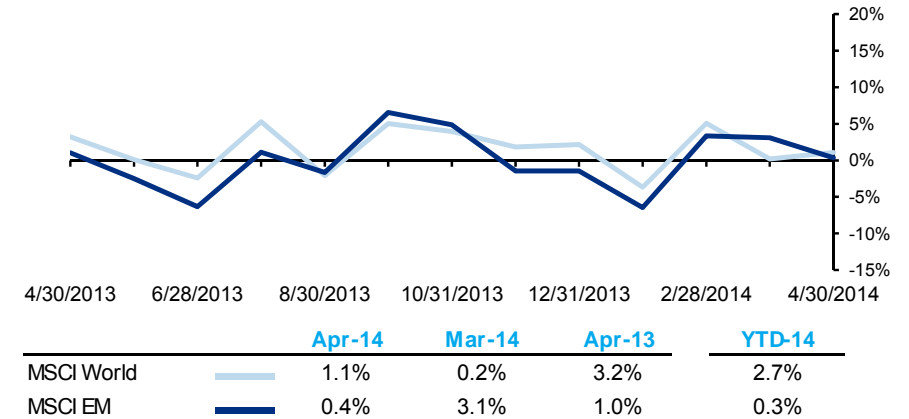
US Equities (Large Cap vs. Small Cap)



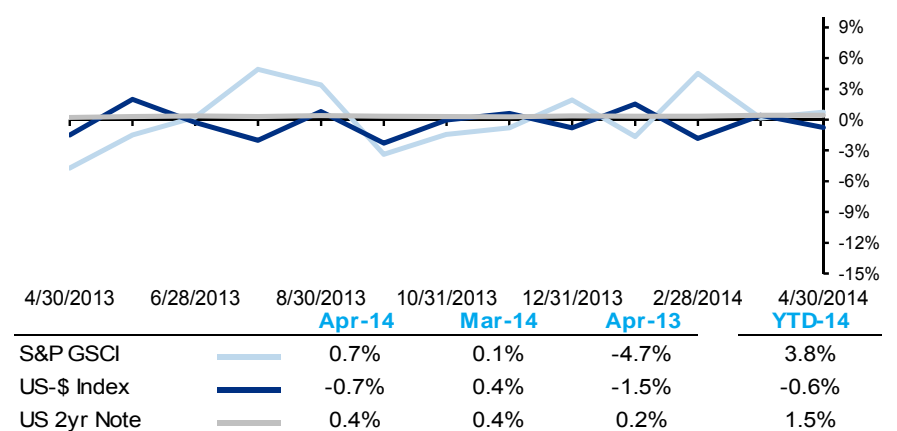
Fixed Income (High-Grade vs. High-Yield)



Global Equities (Developed vs. Emerging)



Commodities (US\$ Performance)

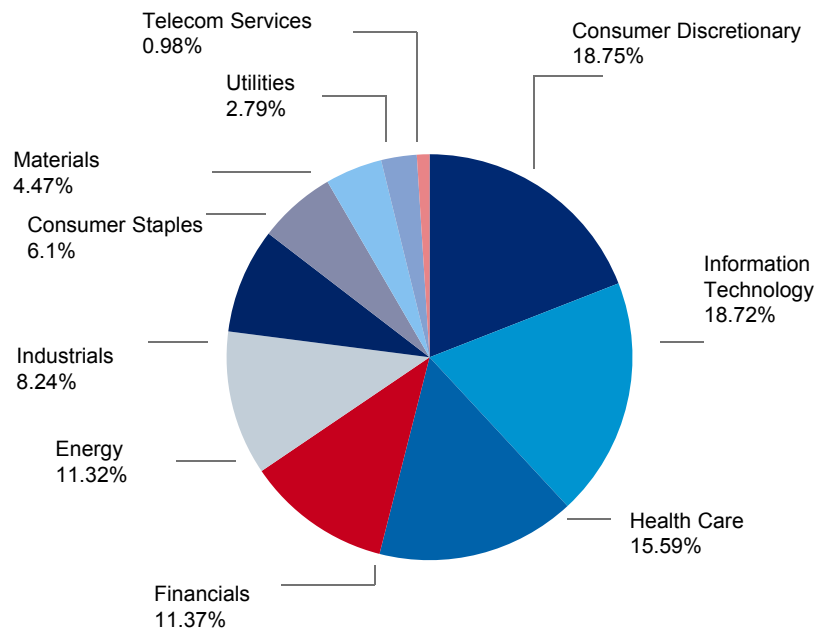


Source: Citi Prime Finance; FactSet; Citigroup Index LLC.

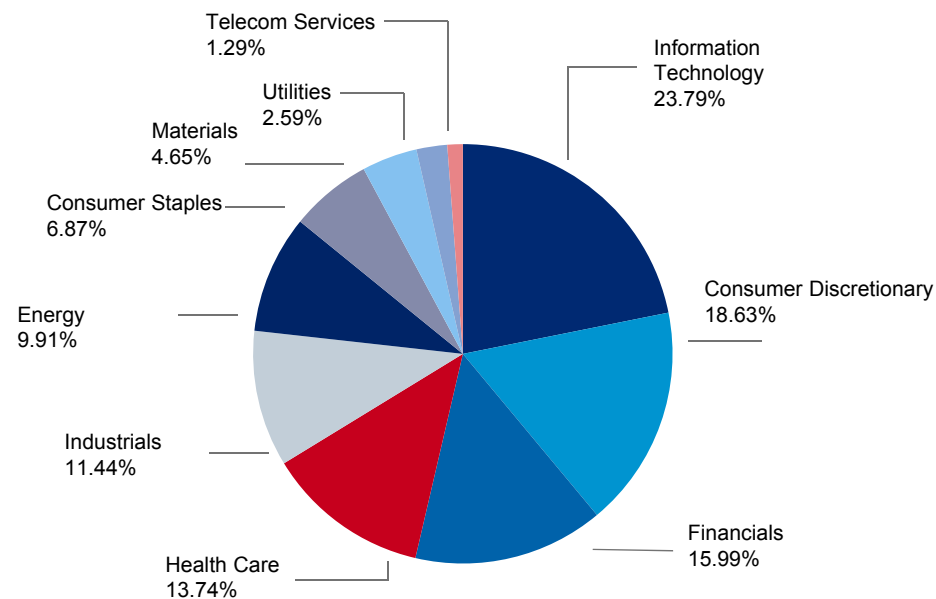
US Securities Lending Sector Short Flows



Short Sale Executions



Short Cover Executions



Sector Short Flows	% Short Execution	% Previous Month Short Execution	% Change From Previous Month
Consumer Discretionary	18.75	18.38	2.01
Information Technology	18.72	19.71	-5.02
Health Care	15.59	11.98	30.13
Financials	11.37	12.98	-12.4
Energy	11.32	10.25	10.44
Industrials	8.24	11.93	-30.93
Consumer Staples	6.10	5.22	16.86
Materials	4.47	5.77	-22.53
Utilities	2.79	2.24	24.55
Telecom Services	0.98	1.54	-36.36

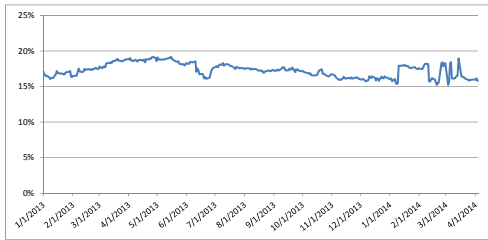
Sector Short Flows	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Information Technology	23.79	19.31	23.2
Consumer Discretionary	18.63	18.88	-1.32
Financials	15.99	13.42	19.15
Health Care	13.74	12.58	9.22
Industrials	11.44	9.56	19.67
Energy	9.91	10.91	-9.17
Consumer Staples	6.87	5.56	23.56
Materials	4.65	4.90	-5.1
Utilities	2.59	2.91	-11
Telecom Services	1.29	1.97	-34.52

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

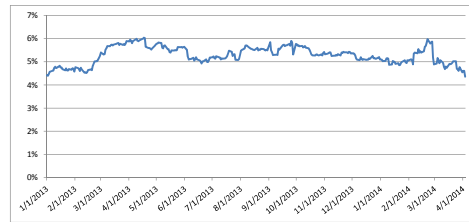
Equity Long / Short Hedge Fund Sector Positioning



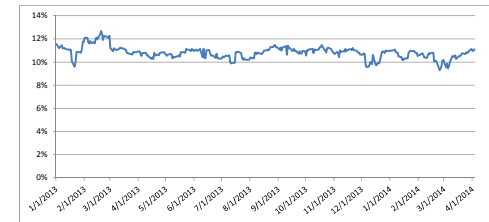
Consumer Discretionary



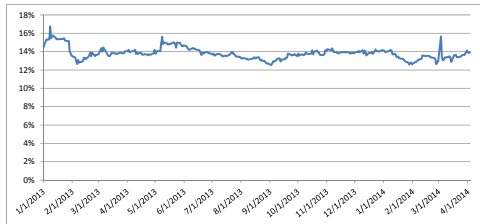
Consumer Staples



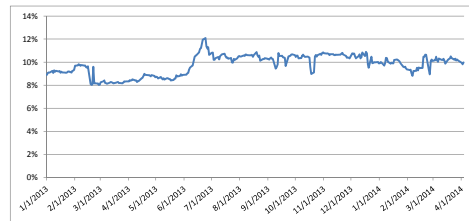
Energy



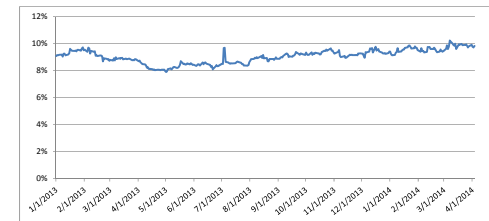
Financials



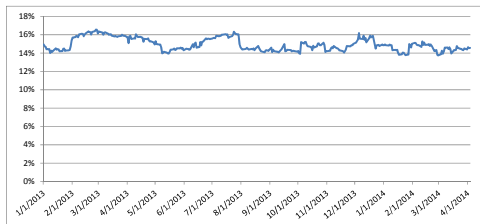
Health Care



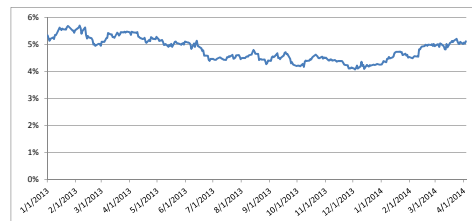
Industrials



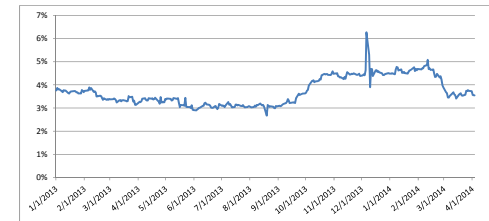
Information Technology



Materials



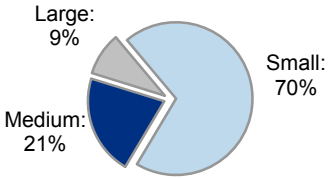
Telecommunications Services



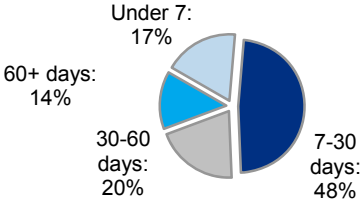
Source: Gross equity long and short positions aggregated by sector are taken as a percent of total gross equity longs and shorts

Hedge Fund (Fund Level) Profiles

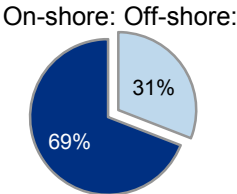
By Fund Size—No. of Funds



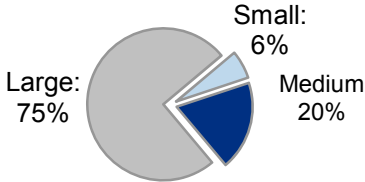
Redemption Notice Period



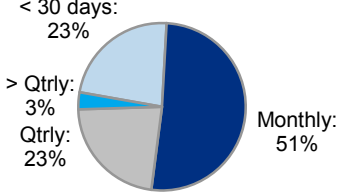
On-shore/Off-shore



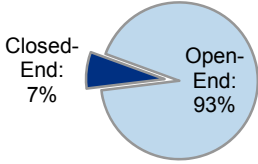
By Fund Size—\$ AUM



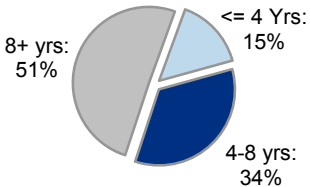
Redemption Frequency



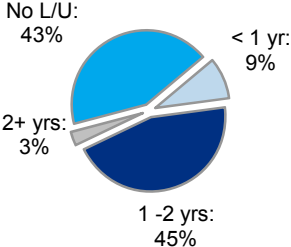
Legal Status



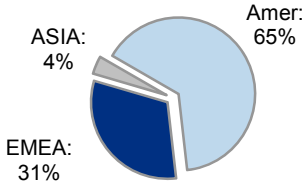
By Fund Age—No. of Funds



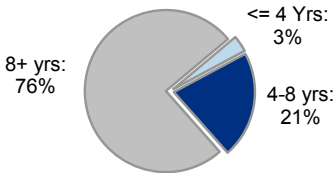
Lock-Up



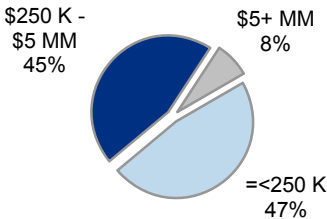
Domicile (by \$ AUM)



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)

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 4 yrs	8%	\$2,044	0.2%	2.0%	73%	94%	1-2 yrs / 76%	7-30 days / 69%	Monthly / 56%
4-8 yrs	32%	\$1,873	0.1%	2.0%	71%	66%	1-2 yrs / 79%	60+ days / 31%	Monthly / 40%
Over 8 yrs	60%	\$2,893	-0.7%	1.5%	67%	71%	1-2 yrs / 41%	7-30 days / 32%	Monthly / 47%
Total	100%	\$2,511	-0.2%	1.0%	69%	73%	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 4 yrs	7%	\$208	-0.1%	1.4%	73%	84%	1-2 yrs / 75%	7-30 days / 52%	Under 30 / 51%
4-8 yrs	38%	\$238	-0.5%	1.1%	70%	73%	1-2 yrs / 66%	7-30 days / 41%	Monthly / 49%
Over 8 yrs	65%	\$233	-0.1%	0.1%	72%	65%	No / 52%	7-30 days / 48%	Under 30 / 57%
Total	100%	\$233	-0.5%	0.4%	72%	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 4 yrs	15%	\$29	-0.1%	0.9%	89%	79%	1-2 yrs / 71%	7-30 days / 32%	Monthly / 44%
4-8 yrs	41%	\$32	-0.3%	1.2%	66%	78%	1-2 yrs / 63%	7-30 days / 43%	Monthly / 52%
Over 8 yrs	44%	\$37	1.2%	0.2%	69%	65%	No / 42%	7-30 days / 55%	Monthly / 54%
Total	100%	\$34	0.3%	0.7%	69%	73%	1-2 yrs / 46%	7-30 days / 50%	Monthly / 52%

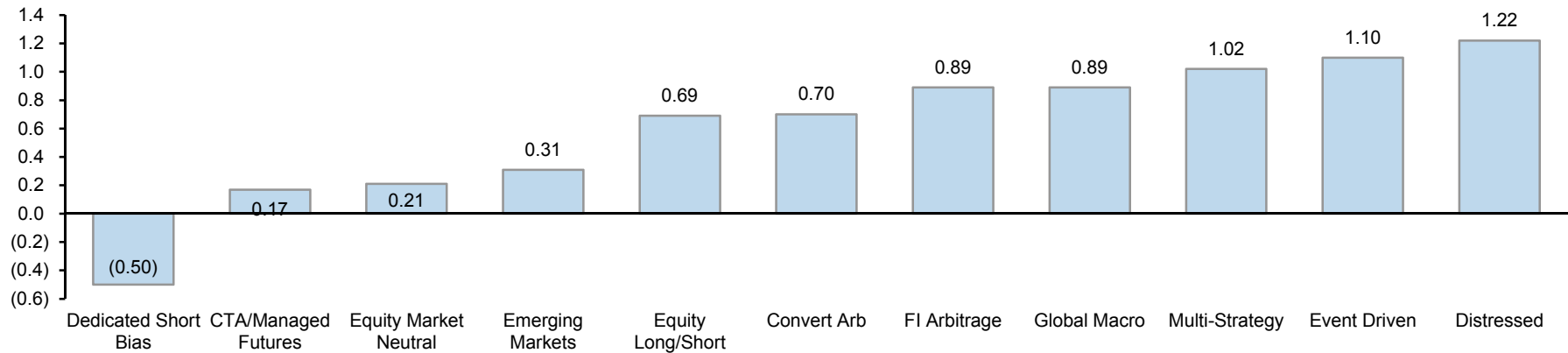
Source: Citi Prime Finance.

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.

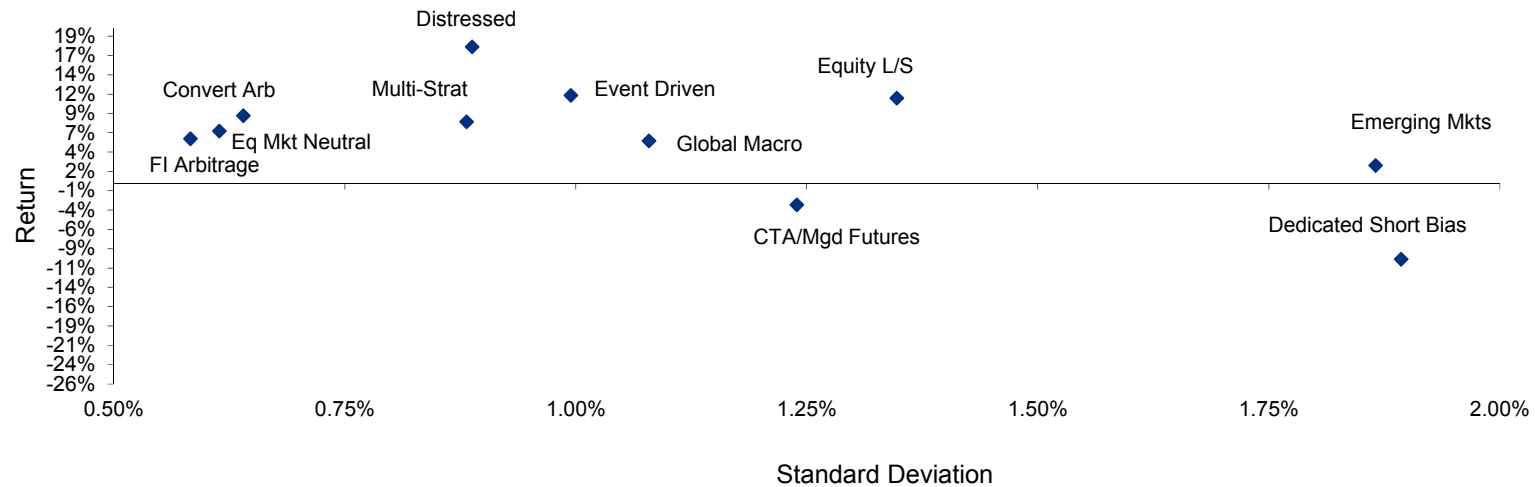
Risk and Return Metrics



Sharpe Ratios (Oct-04 - Apr-14)



Source: Credit Suisse Tremont.



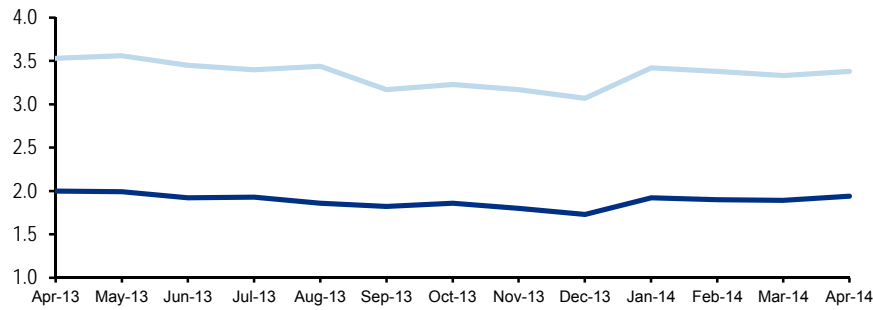
Source: Citi Prime Finance.

Convertible Arbitrage



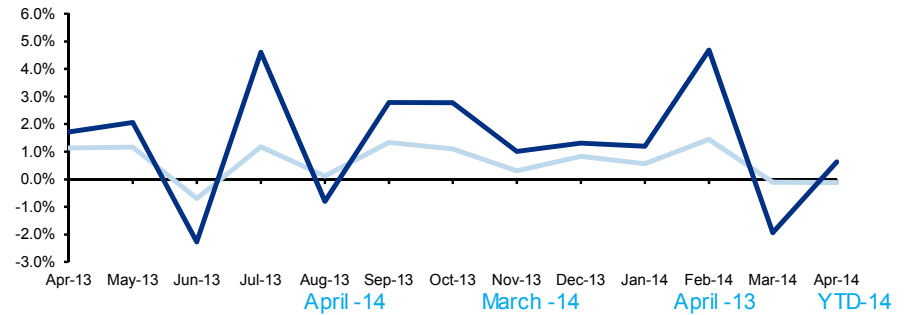
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	0.6%	1.5%	-0.1%	-0.1%									1.9%

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

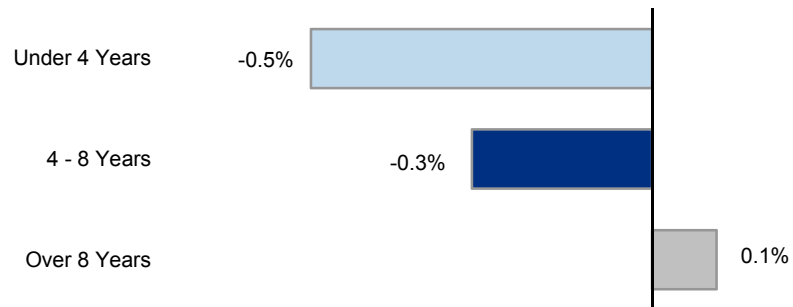
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



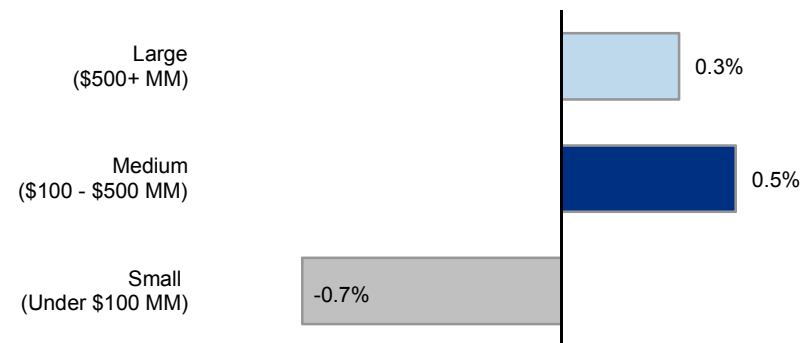
Convert Arb	-0.1%	-0.1%	1.1%	1.8%
CWB ETF	0.6%	-1.9%	1.7%	4.6%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



Hedge Fund Performance by Size¹



Source: Citi Prime Finance, eVestment, HFR

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

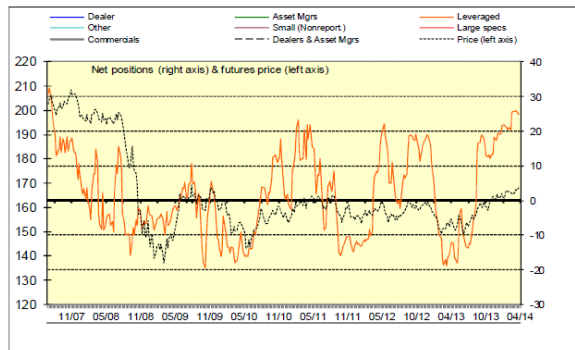
1. Universe and sample sizes may be small.

CTA/Managed Futures

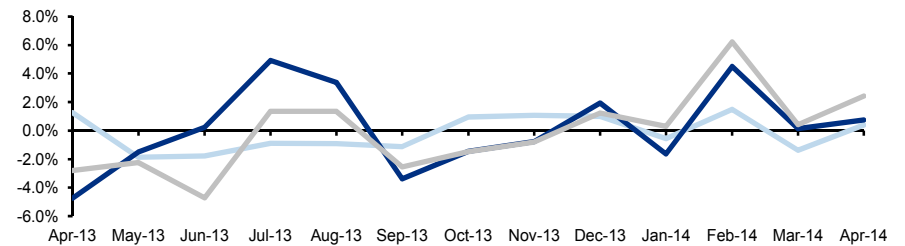


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-0.6%	1.5%	-1.4%	0.4%									-0.5%

- Leveraged accounts have been tracking the British pound higher and are currently as long on a net basis than they have been in more than 7 years.



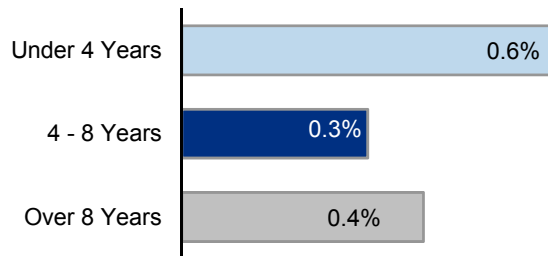
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	April -14	March -14	April -13	YTD-14
CTA/Mgd Futures	0.4%	-1.4%	1.3%	-0.1%
S&P GSCI Commodity (SPGSC)	0.7%	0.1%	-4.7%	3.8%
DJ-UBS Commodity (DJAGK)	2.4%	0.4%	-2.8%	9.4%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



Hedge Fund Performance by Size¹



Source: Citi Prime Finance, eVestment, HFR

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.

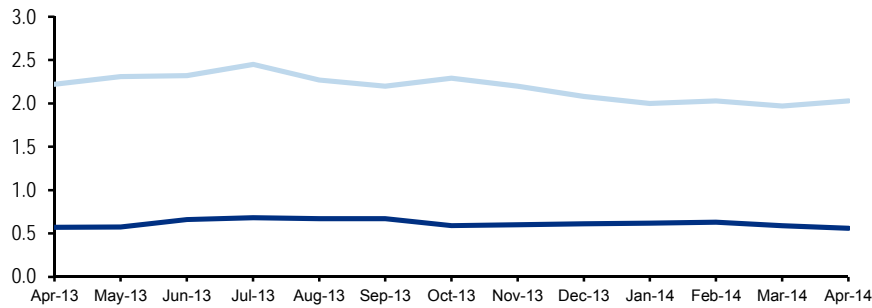
1. Universe and sample sizes may be small.



Dedicated Short Bias

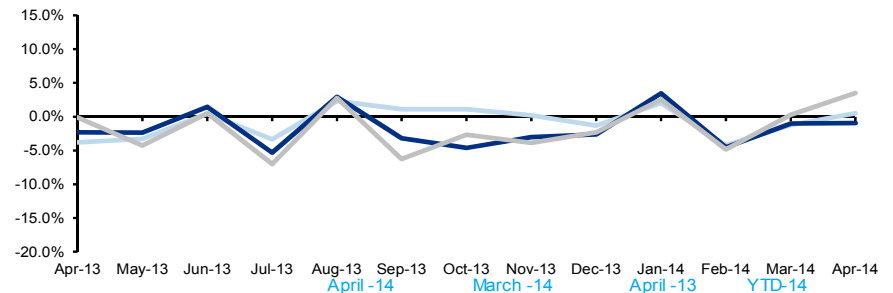
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.0%	-4.2%	-1.2%	0.5%									-3.5%

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

Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	April -14	March -14	April -13	YTD-14
Ded Short Bias	0.5%	-1.2%	-3.8%	-3.0%
S&P Short ETF (SH)	-0.9%	-1.0%	-2.3%	-3.0%
Rus 2000 Short ETF (RWM)	3.5%	0.3%	-0.1%	1.5%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹

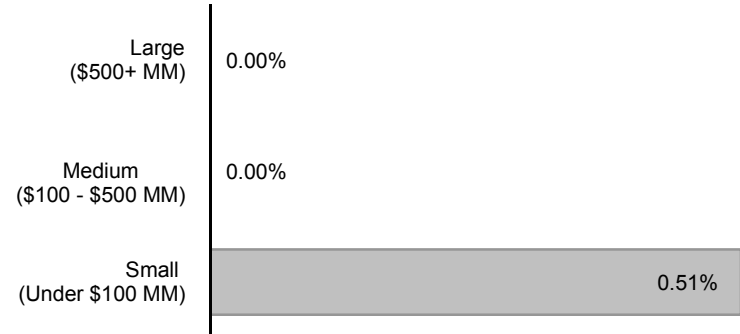


Source: Citi Prime Finance, eVestment, HFR

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



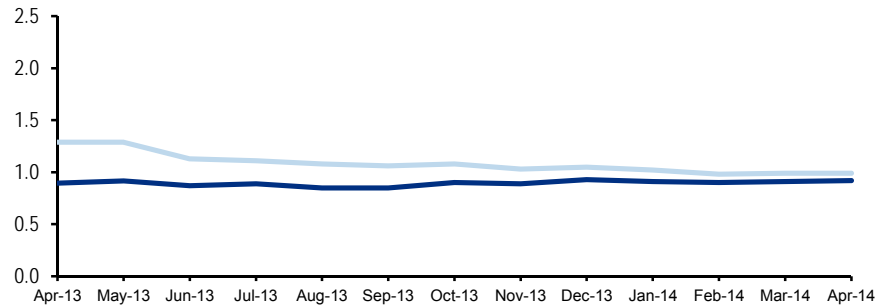
Source: Citi Prime Finance.

Distressed



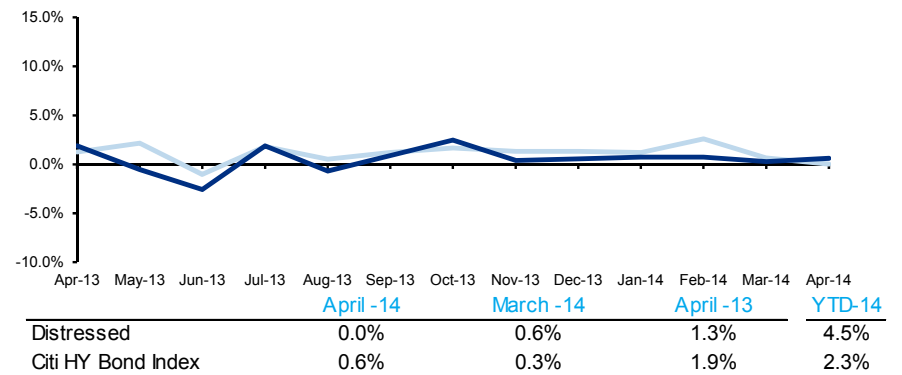
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.2%	2.6%	0.6%	0.0%									4.4%

Leverage Profile (Monthly, LTM)



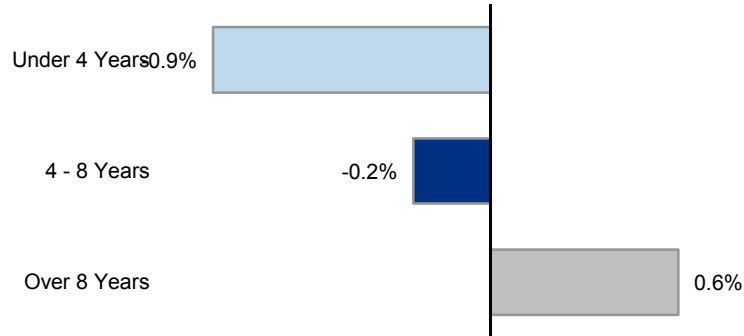
Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity
 LMV Leverage (Mean): Defined as Long Market Value / Net Equity

Hedge Fund Performance vs. Benchmark (Monthly, LTM)



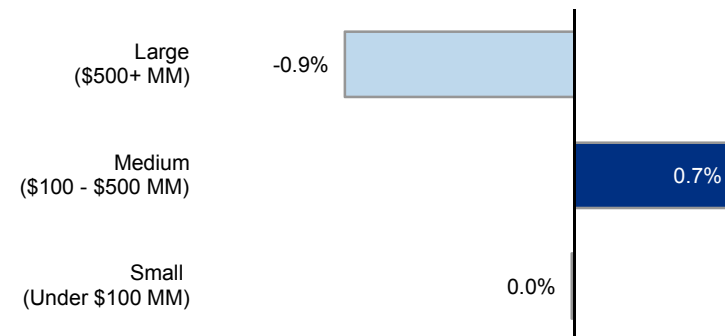
Source: Citi Prime Finance; Citigroup Index LLC; Altman-NYU Salomon Center.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance, eVestment, HFR

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.

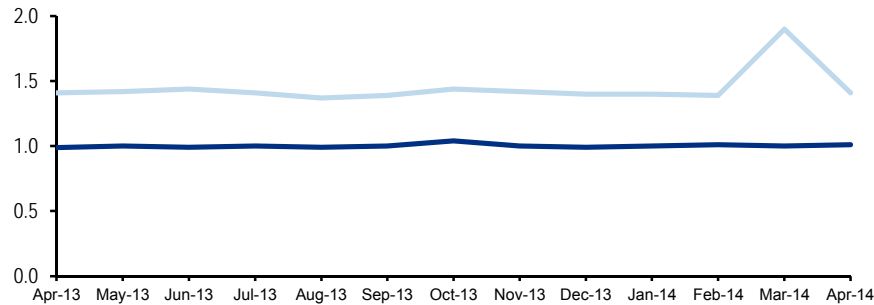
1. Universe and sample sizes may be small.

Emerging Markets



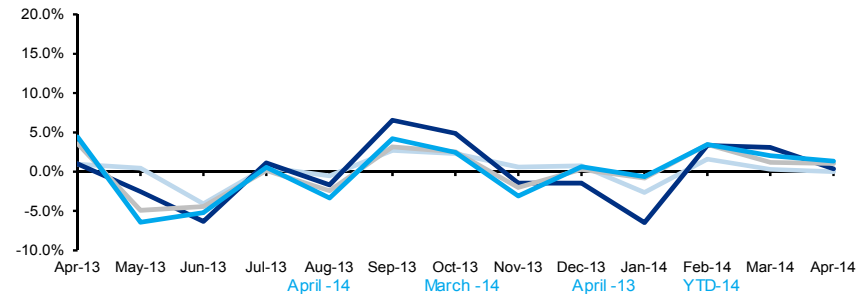
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-2.7%	1.6%	0.3%	0.0%									-0.8%

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

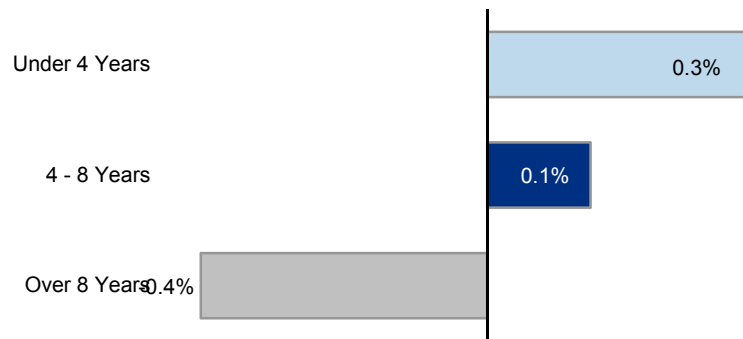
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	April -14	March -14	April -13	YTD-14
Emerging Mkts	0.0%	0.3%	1.0%	-0.8%
MSCI EM	0.4%	3.1%	1.0%	0.3%
JPM EMBIG Core ETF (EMB)	1.1%	1.2%	3.6%	4.9%
DB EM Liquid ETF (PCY)	1.3%	2.0%	4.4%	6.2%

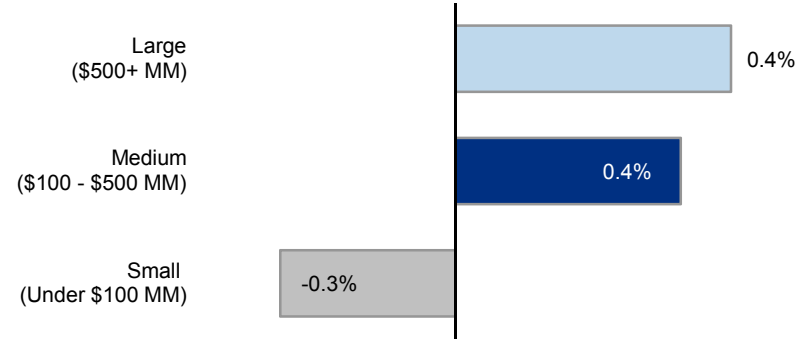
Source: Citi Prime Finance; Citigroup Index LLC; Altman-NYU Salomon Center.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance, eVestment, HFR

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.

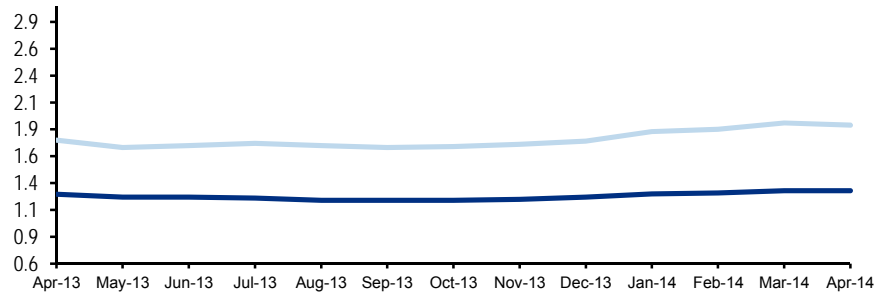
1. Universe and sample sizes may be small.

Equity Long/Short



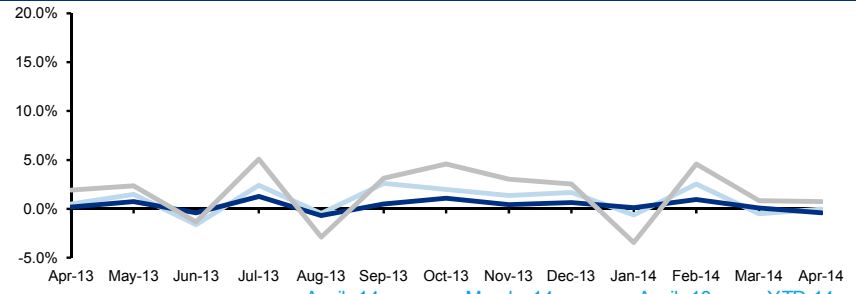
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-0.6%	2.5%	-0.5%	0.0%									1.4%

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

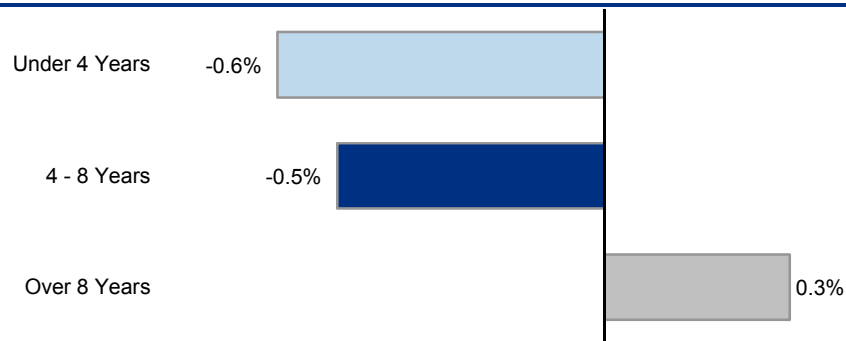
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	April -14	March -14	April -13	YTD-14
Eq Long/Short	0.0%	-0.5%	0.5%	1.4%
Eq Mkt Neutral	-0.4%	0.1%	0.2%	0.8%
S&P 500	0.7%	0.8%	1.9%	2.7%

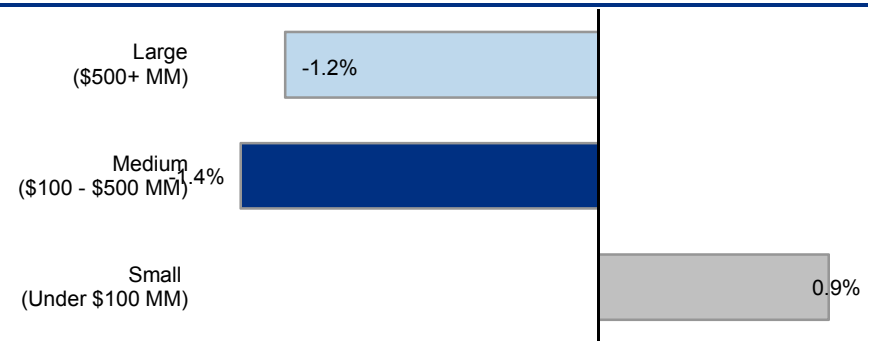
Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance, eVestment, HFR

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.

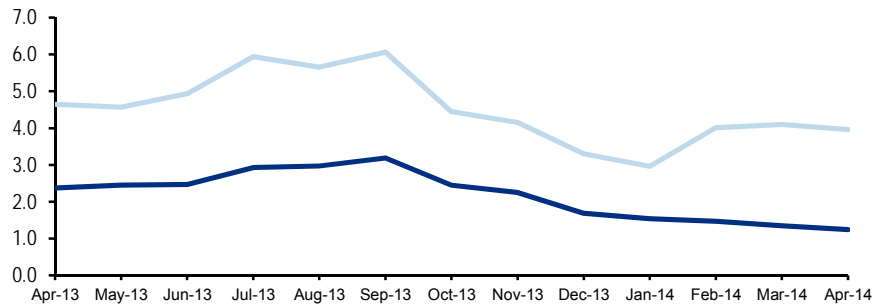
1. Universe and sample sizes may be small.

Equity Market Neutral



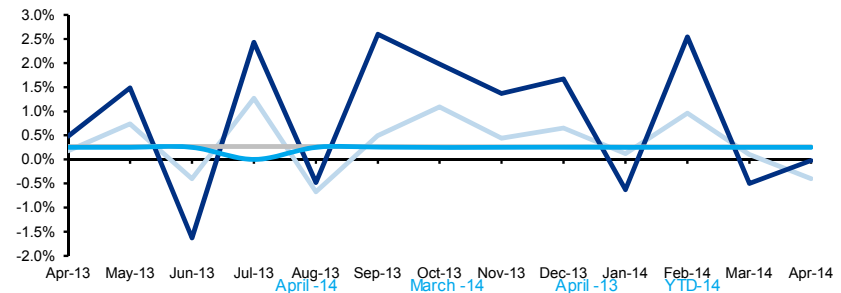
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	0.1%	1.0%	0.1%	-0.4%									1.2%

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

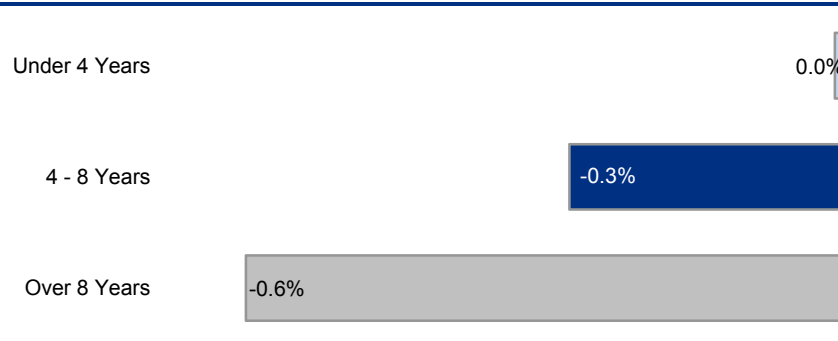
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	Apr-13	Apr-14	YTD-14
Eq Mkt Neutral	-0.4%	0.1%	0.8%
Eq Long/Short	0.0%	-0.5%	1.4%
LIBOR + 300 bps	0.3%	0.3%	1.1%
US T-Bill + 300 bps	0.3%	0.3%	1.0%

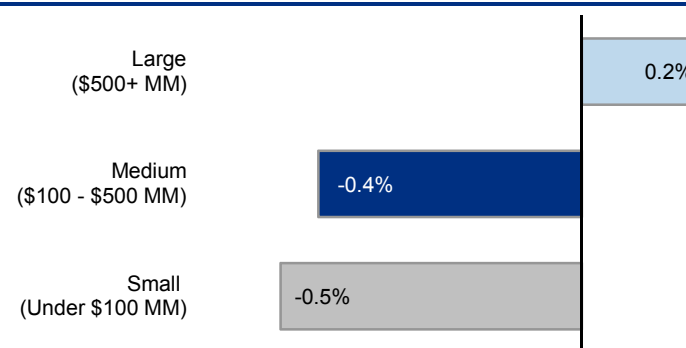
Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



Source: Citi Prime Finance, eVestment, HFR

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.

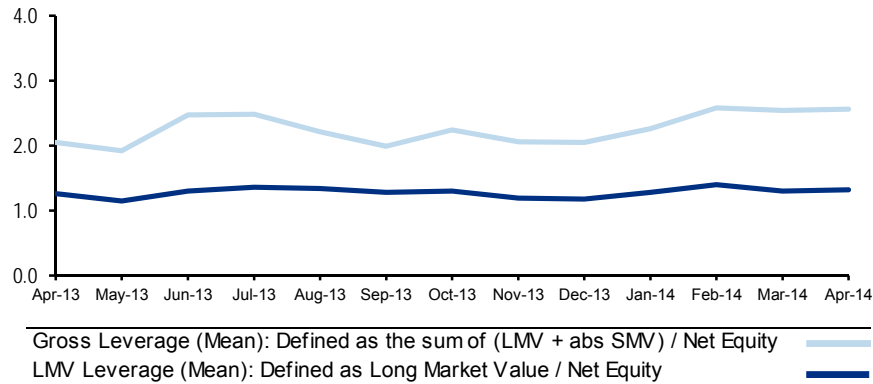
1. Universe and sample sizes may be small.

Event Driven

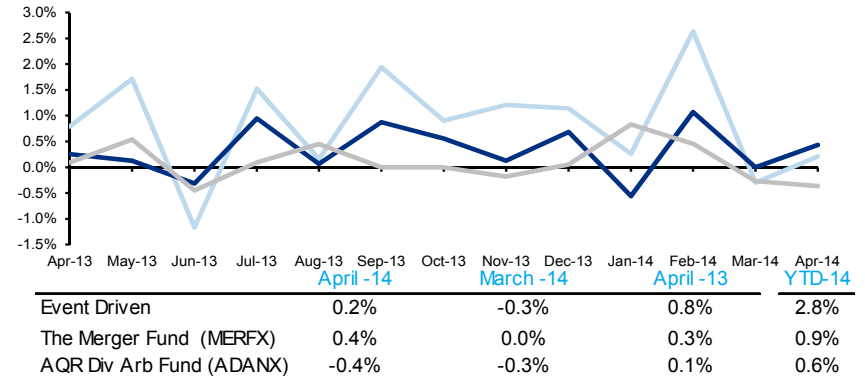


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	0.3%	2.6%	-0.3%	0.2%									2.6%

Leverage Profile (Monthly, LTM)

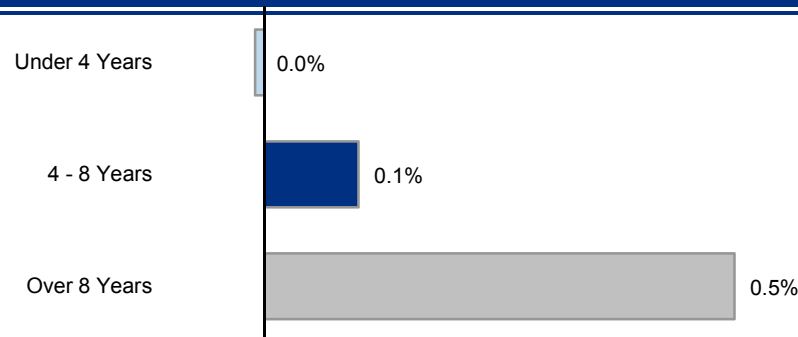


Hedge Fund Performance vs. Benchmark (Monthly, LTM)



Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹

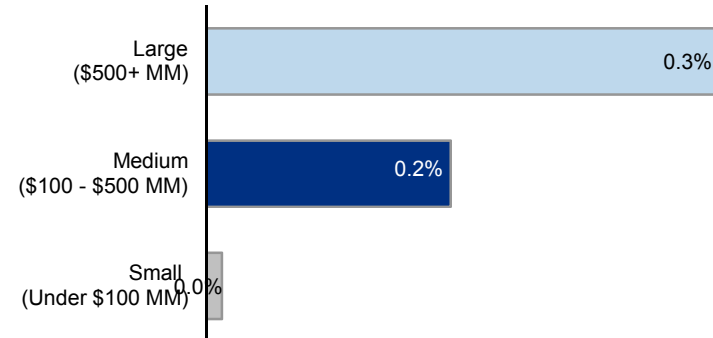


Source: Citi Prime Finance, eVestment, HFR

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

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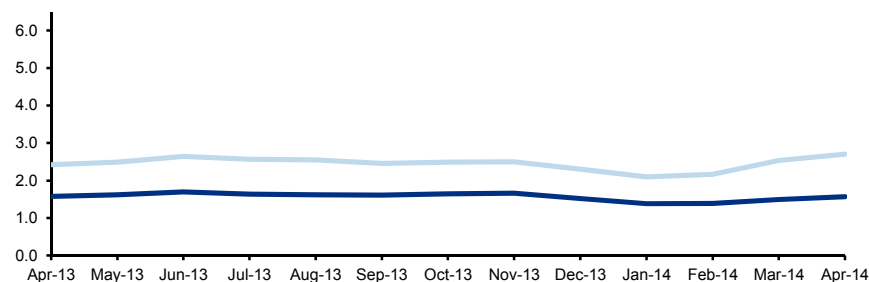
Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	0.6%	1.1%	0.6%	0.5%									2.3%

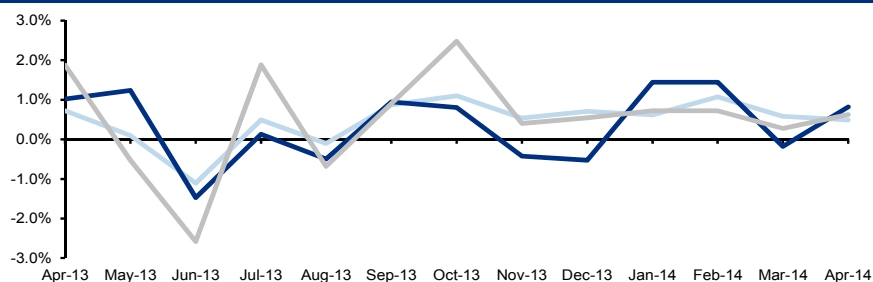
Leverage Profile (Monthly, LTM)



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

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

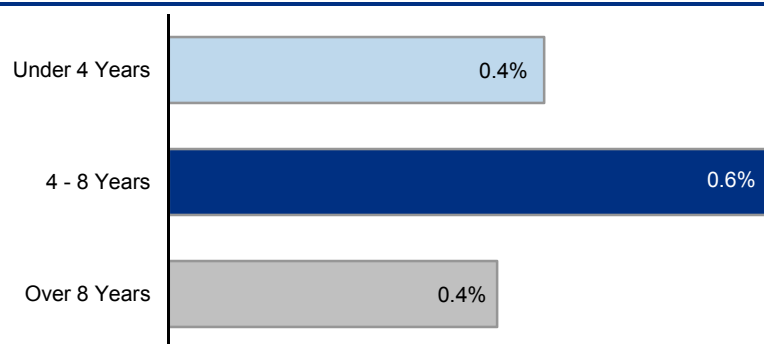
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



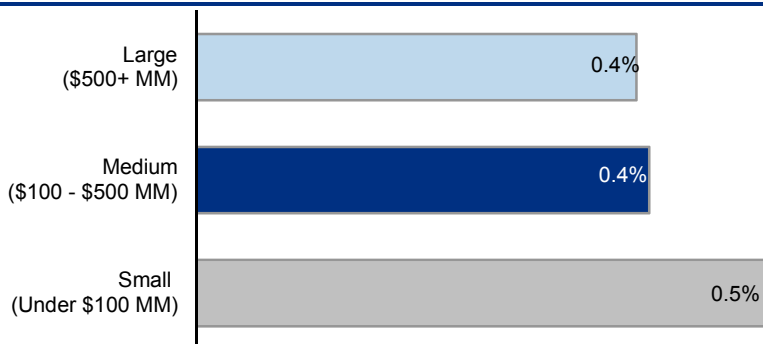
	April -14	March -14	April -13	YTD-14
FI Arbitrage	0.5%	0.6%	0.7%	2.8%
Citi US BIG Index	0.8%	-0.2%	1.0%	3.5%
Citi HY Bond Index	0.6%	0.3%	1.9%	2.3%

Source: Citi Prime Finance; Citigroup Index LLC.

Hedge Fund Performance by Age¹



Hedge Fund Performance by Size¹



Source: Citi Prime Finance, eVestment, HFR

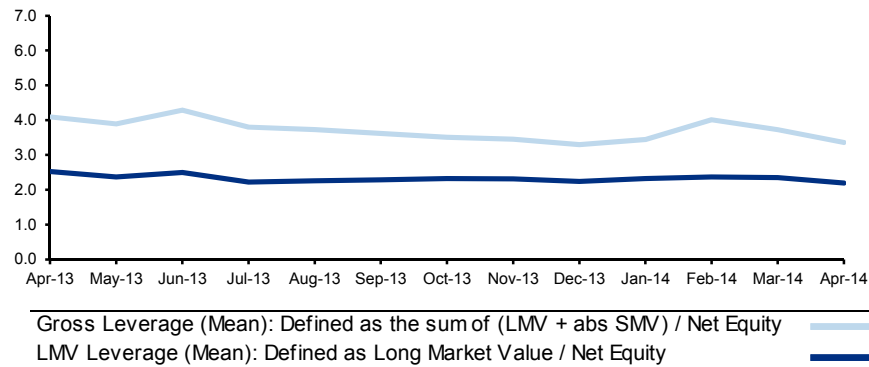
Source: Citi Prime Finance.

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

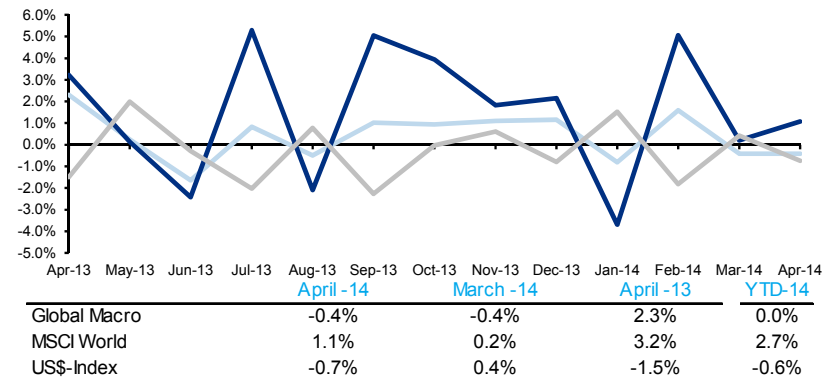
1. Universe and sample sizes may be small.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-0.8%	1.6%	-0.4%	-0.4%									0.4%

Leverage Profile (Monthly, LTM)

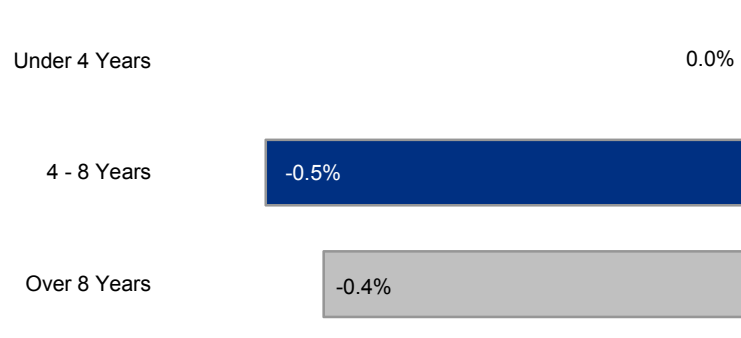


Hedge Fund Performance vs. Benchmark (Monthly, LTM)



Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹

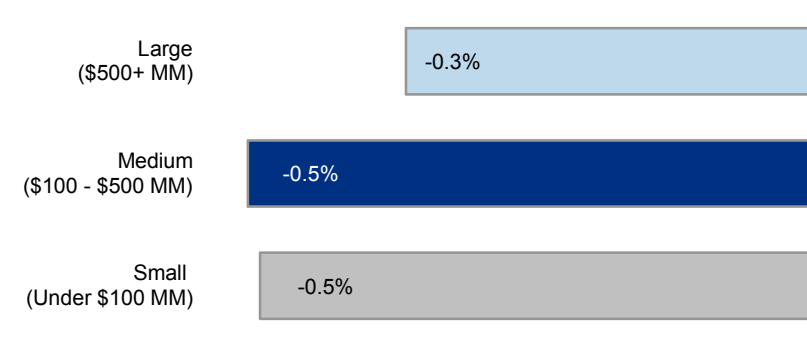


Source: Citi Prime Finance, eVestment, HFR

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

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Hedge Fund Performance by Size¹



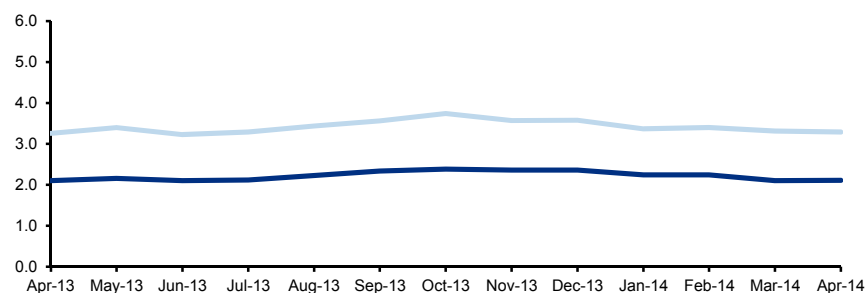
Source: Citi Prime Finance.

Multi-Strategy



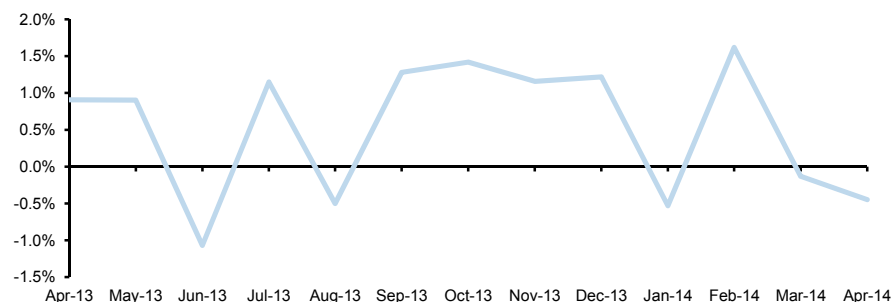
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-0.5%	1.6%	-0.1%	-0.5%									1.0%

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

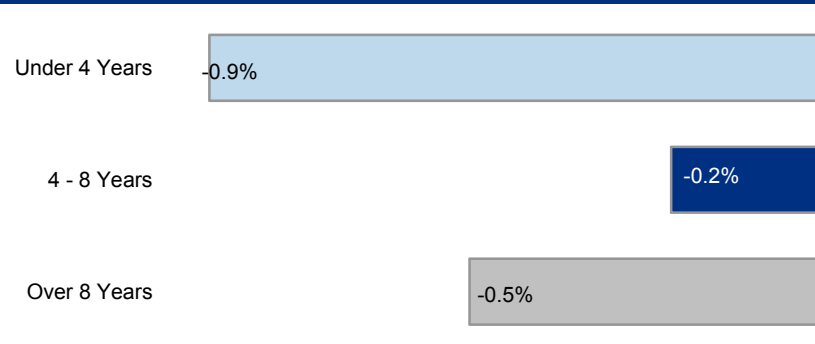
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



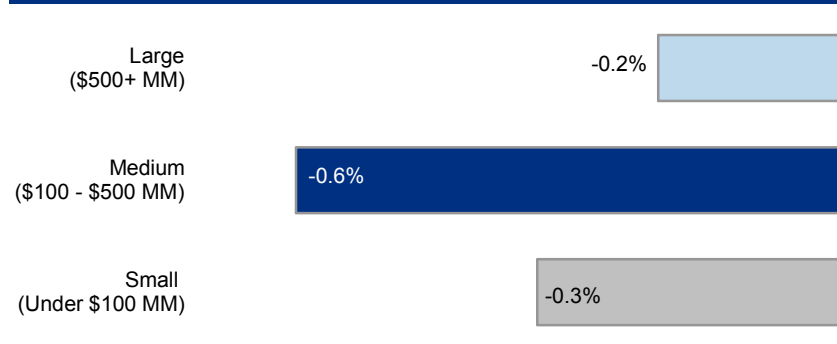
	April -14	March -14	April -13	YTD-14
Multi-Strategy	-0.5%	-0.1%	0.9%	0.5%

Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



Hedge Fund Performance by Size¹



Source: Citi Prime Finance.

Source: Citi Prime Finance, eVestment, HFR

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.

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