

Hedge Fund Industry Snapshot

Data as of February 2013

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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Citi Prime Finance

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Highlights

Performance, AUM & Flows

- Composite hedge fund performance, equal-weighted across funds, was up in February 2013 with performance ranging from +0.29% to +0.69%. Returns were lower than the previous period (January 2013 +2.22% to +2.76%).
- Hedge fund strategy wise, top performing strategies in February 2013 include Fixed Income Arbitrage +2.87%, Distressed +0.98%, Equity Market Neutral +0.72%, Equity Long/Short at +0.66%. The lowest performing strategies include Dedicated Short -0.47%, Event Driven -0.18%, CTA/Managed Futures -0.10% and Emerging Markets at +0.15%.
- According to eVestment|HFN, the estimated industry assets increased for February 2013, finishing the month +\$12.42 billion. Increases were attributed solely to net positive investor flows accounting for +\$17.54 billion. Aggregate industry performance was off the HFN benchmark accounting a decrease of -\$12.42 billion. Industry AuM remains below its \$2.94 trillion June 2008 peak.
- Net positive investor flows of +\$20.54 billion for January / February 2013 marks the first period of consecutive positive flows since August / September 2012 which experienced inflows of +\$30.02 billion. February net flows were higher than the mean monthly flows for 2012 which averaged +\$2.2 billion.

Fund Profiles

- Across the subset of hedge funds reporting performance and AUM, the monthly median performance for large single funds (>\$500 million) was +0.3%, medium single funds (\$100–\$500 million) +0.5% and small single funds (<\$100 million) +0.3%.
- Liquidity terms continued its consistent pattern from the recent reporting periods showing little changes to redemption notice periods with 64% of funds requiring 30 days or less notice for redemption. Across the entire subset of reporting funds, the majority (53%) required no lockup (43%) or less than 1 year lock up (10%).
- Consistent throughout recent reporting periods, large funds (>\$500 million AUM) continue to hold a large portion of industry AUM (73%) compared to medium funds (\$100–\$500 million) at 19% and small funds (<\$100 million) holding only 8%.

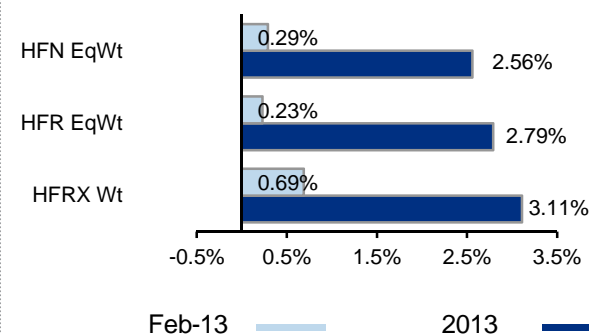
Leverage, Shorts and Futures Market Positioning

- On a global basis, we calculate gross leverage (as measured on a mean basis) at 1.73x in February 2013 versus 1.71x in January and 1.71x in December.
- Looking across both long leverage and gross leverage, the following strategies showed the highest uses of leverage: Equity Market Neutral (4.12x), Global Macro (3.67x), Convertible Arbitrage (3.50x) and Multi Strategy (3.23x).
- Citi US short flows data included in this month's report show continued interest in the Consumer Discretionary and Energy sectors. These two sectors accounted for 30.37% of short executions and 30.32% of short covers in February versus 29.48% of short executions and 28.28% of short covers in January 2012.
- Large speculator net positioning in the EuroFX, S&P, Gold or TY contracts (in Futures & Options) for the second month in a row didn't change too much between end-February and late January. The biggest move was once again in the EuroFX contracts this month shifting back to modest net short of 0.7% of total open interest from a net long of 4.0% in late January. Aggregate open interest rose modestly was flat.

Hedge Fund Industry: AUM, Performance

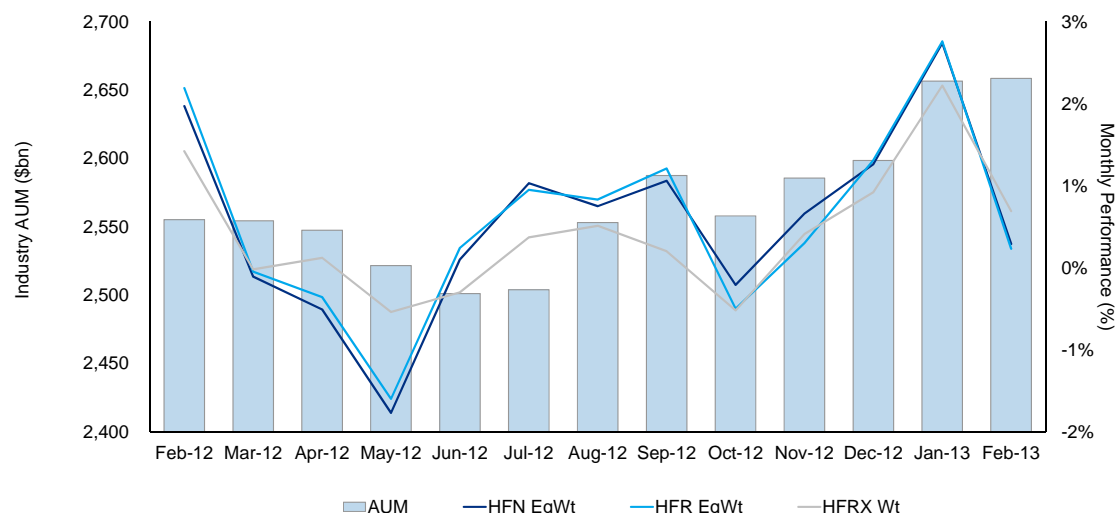
- Composite hedge fund performance, equal-weighted across funds, was up slightly in February 2013 with performance ranging from +0.29% to +0.69%. Returns were lower than the previous period (January 2013 +2.22% to + 2.74%).
- Global financial markets posted mixed gains in February, as active currency trading, robust corporate M&A activity and fluid political developments continued to shape investor expectations for 2013. US equities posted gains for the month, with leadership from Technology, Semiconductors and Consumer Durables partially offset by declines in Commodity and Energy related exposures. Uncertainty over political elections in Italy contributed to a mixed performance for European equities for February, with a sharp decline in Italian equities leading smaller declines in Spain and the Netherlands, while the UK and Switzerland posted gains. Asian equities were also mixed on continuation of stimulus and inflation targeting measures by the Bank of Japan. The Euro posted a sharp decline against the US dollar on the Italian elections, while the British Pound Sterling touched a 30 month low against the dollar on continued weak growth and a credit ratings downgrade
- Hedge fund strategy wise, top performing strategies in February 2013 include Fixed Income Arbitrage +2.87%, Distressed +0.98% , Equity Market Neutral +0.72%, Equity Long/Short at + 0.66%. The lowest performing strategies include Dedicated Short -0.47%, Event Driven -0.18% and CTA/Managed Futures at -0.10%.
- According to eVestment|HFN, the estimated industry assets increased for February 2013, finishing the month +\$12.42 billion. Increases were attributed solely to net positive investor flows accounting for +\$17.54 billion. Aggregate industry performance was off from the HFN benchmark accounting a decrease of -\$12.42 billion.

Industry Performance: Feb-13 / YTD



Source: HFR, eVestment|HFN.

Monthly Industry AUM and Performance



Source: eVestment|HFN; Hedge Fund Research, Inc., © 2012.

Note Pad

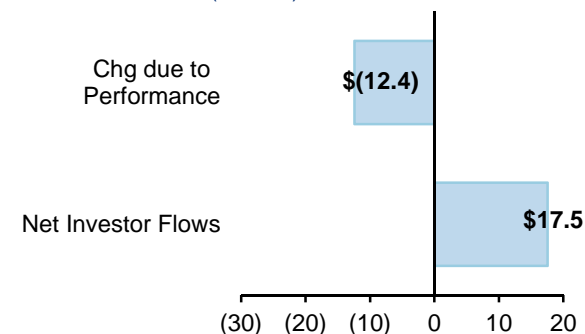
- MSCI World Index: +0.2%; +5.3% YTD
- MSCI EM Index: -1.2%; +0.2% YTD
- S&P 500: +1.4%; +6.5% YTD
- Citi US BIG Index: +0.5; -0.3 YTD
- S&P GSCI: -4.4%; 0.0% YTD
- US Dollar Index: +3.5%; +2.8% YTD
- HFN Country Indices Jan13/ YTD:
 - Brazil: +2.22%; Australia: -1.13%;
 - China: +4.59%; Japan: +5.06%

Hedge Fund Industry: Change in Industry Assets

- According to eVestment|HFN, industry assets for February 2013 increased for the fourth consecutive month, finishing net positive at +\$5.13 billion. Gains were solely attributed to investor flows totaling +\$17.53 billion while negative performance accounted for -\$12.42 billion.
- February performance losses of -\$12.42 billion were the lowest since June 2012 of -\$15.72 billion and off from January 2013 performance gains of +50.07 billion.
- Net positive investor flows of +\$17.53 billion for February 2013 marks the second consecutive period of net positive flows (Jan-13 +3.0 billion). February net flows were significantly higher than the mean monthly flows for 2012 which experienced +\$2.2 billion throughout the year.
- Total industry AUM now stands at \$2.66 trillion for February 2013 an increase of 3.8% from February 2012 and an increase of 0.2% from January 2013. Industry AuM remains below its \$2.94 trillion June 2008 peak.

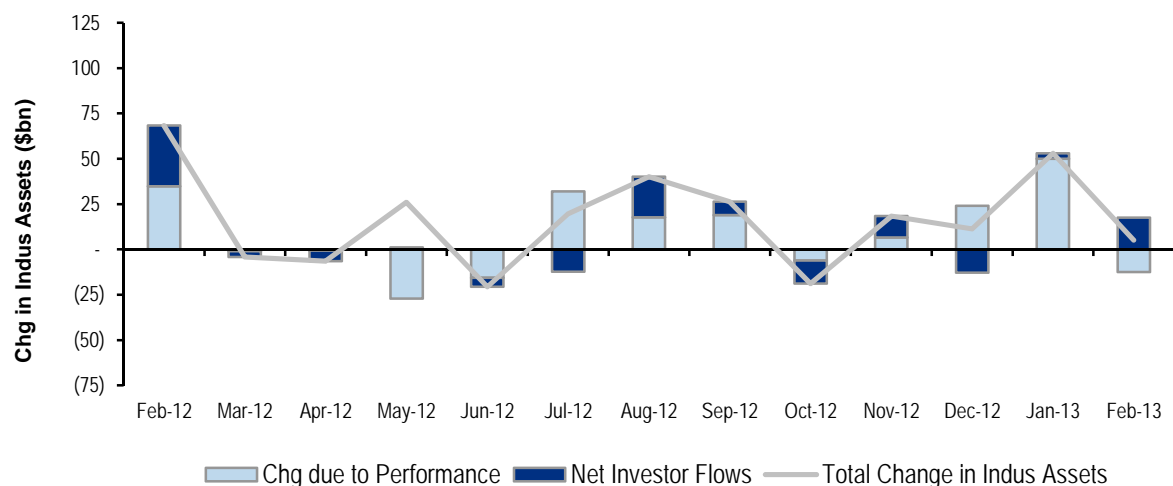
Composition of Change in Assets

Feb-13 Amounts in (\$ Billion)



Source: eVestment|HFN.

Monthly Change in Industry Assets and Composition



Source: eVestment|HFN.

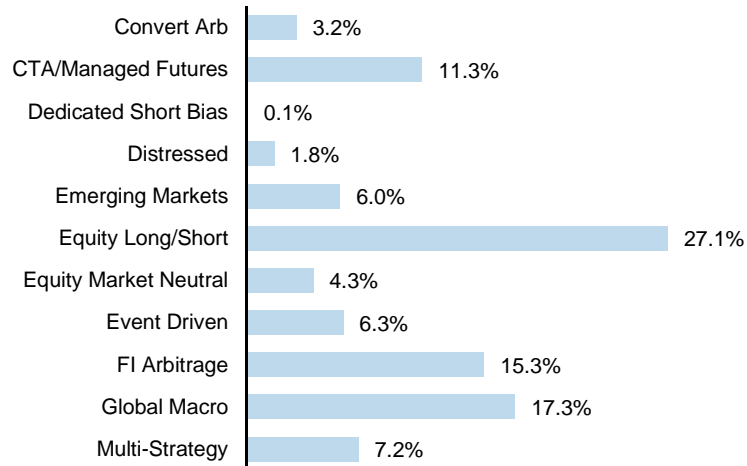
Note Pad

- The Citi Prime Finance calculation for gross leverage (as measured on a mean basis) 1.73x in February 2013 versus 1.71x in January, and 1.70x in December

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

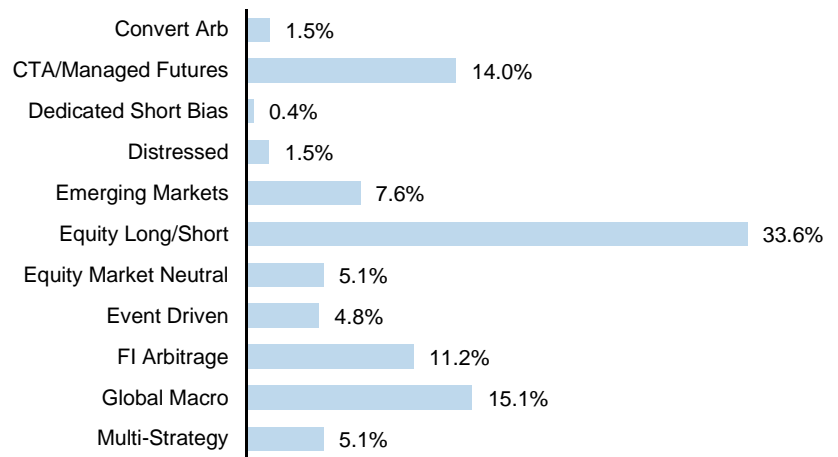
Hedge Fund Stats by Strategy

Hedge Fund Strategy Breakdown by Assets



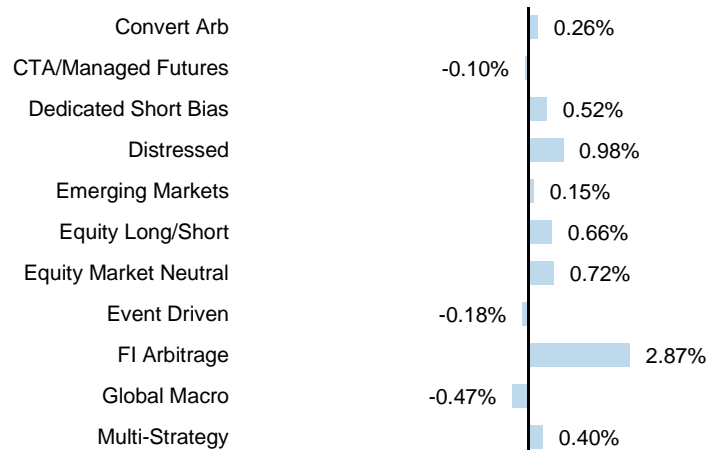
Source: Citi Prime Finance.

Hedge Fund Strategy Breakdown by Number of Funds



Source: Citi Prime Finance.

Hedge Fund Performance by Strategy

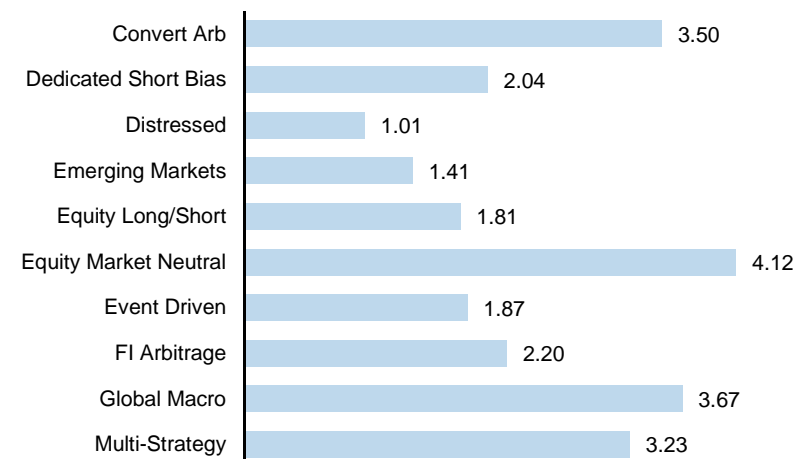


Source: Citi Prime Finance.

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 Leverage Ratios by Strategy

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

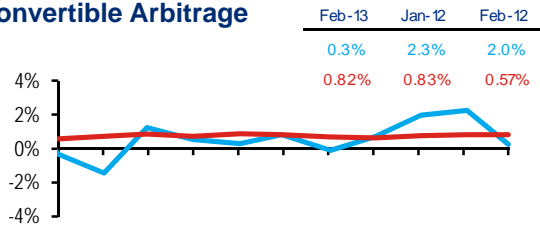


Source: Citi Prime Finance.

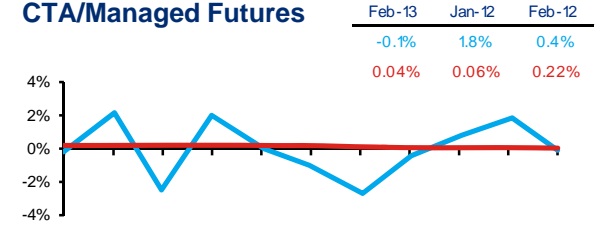
Monthly Performance by Strategy

— Monthly Median
— Trailing 60 Month Median

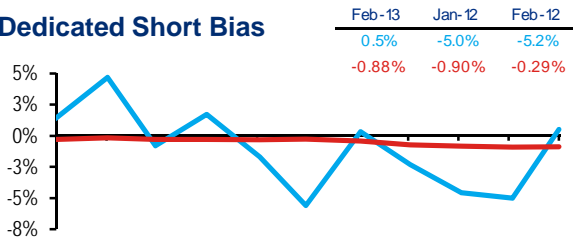
Convertible Arbitrage



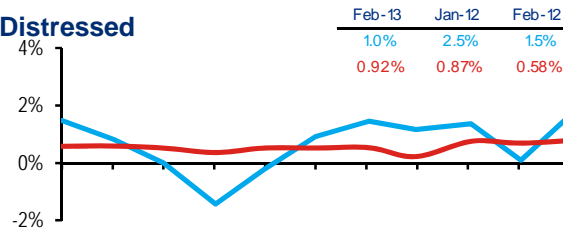
CTA/Managed Futures



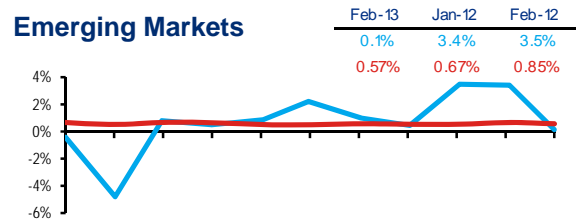
Dedicated Short Bias



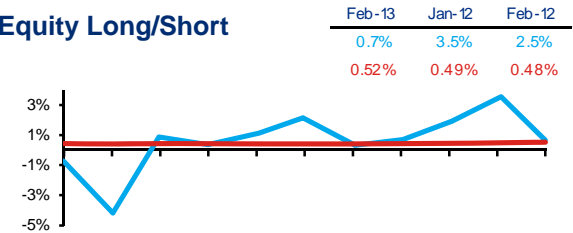
Distressed



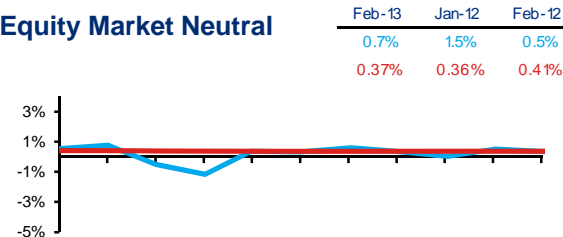
Emerging Markets



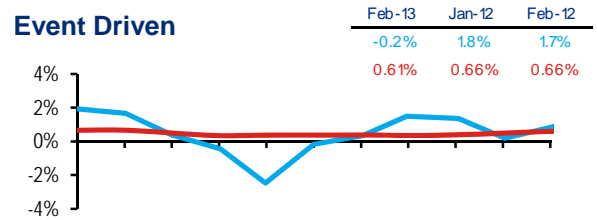
Equity Long/Short



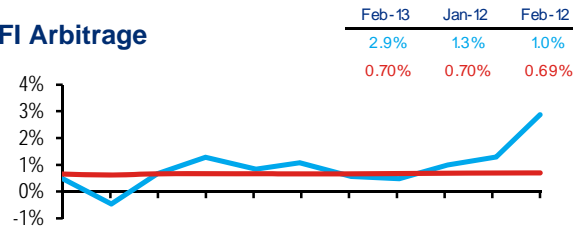
Equity Market Neutral



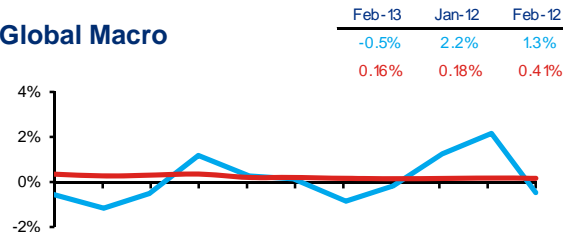
Event Driven



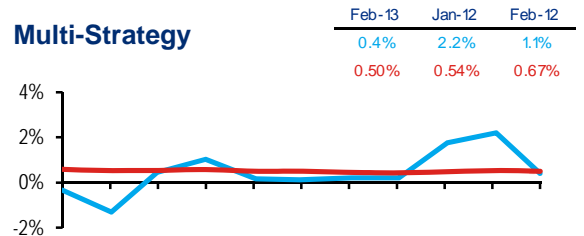
FI Arbitrage



Global Macro



Multi-Strategy

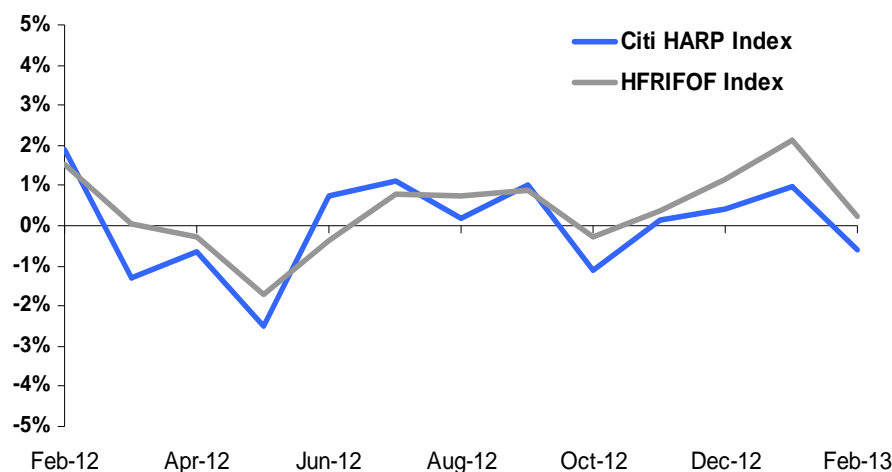


Source: Citi Prime Finance.

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

	Feb-13	Jan-13	Feb-12	YTD-13
Citi Harp	-0.60%	0.97%	1.90%	0.36%
HFRIFOF	0.23%	2.14%	1.51%	2.37%

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	-1.64%	3.78%
Annualised Volatility	3.85%	3.32%
Sharpe Ratio	-0.45	1.12
Correlation	79%	-

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.

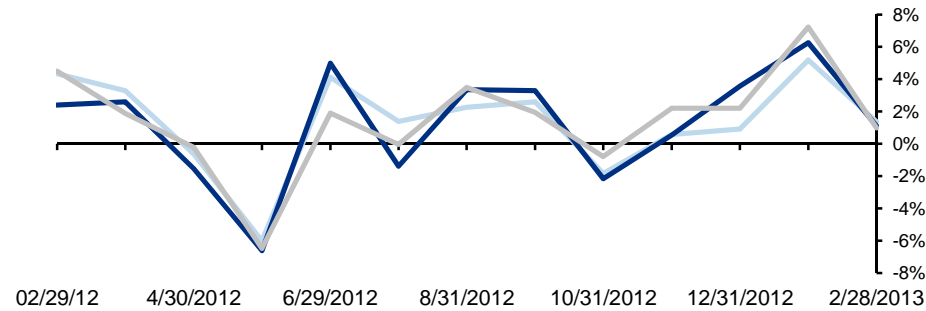
The Index contains weighted components. The components are a money market component and various index components. Each index component represents a class of asset in which the hedge fund sector is assumed to invest: bond, commodity, equity and foreign exchange.

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

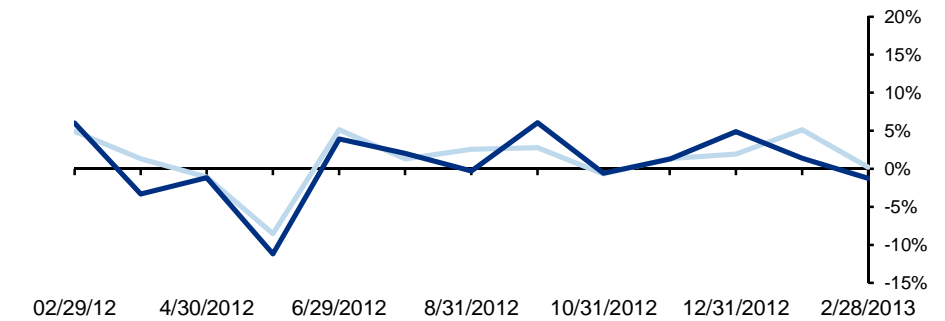
(Large Cap vs. Small Cap)



		Feb-13	Jan-13	Feb-12	YTD-13
S&P 500		1.4%	5.2%	4.3%	6.5%
RUS 2000		1.1%	6.3%	2.4%	7.4%
S&P Mid		1.0%	7.2%	4.5%	8.2%

Global Equities

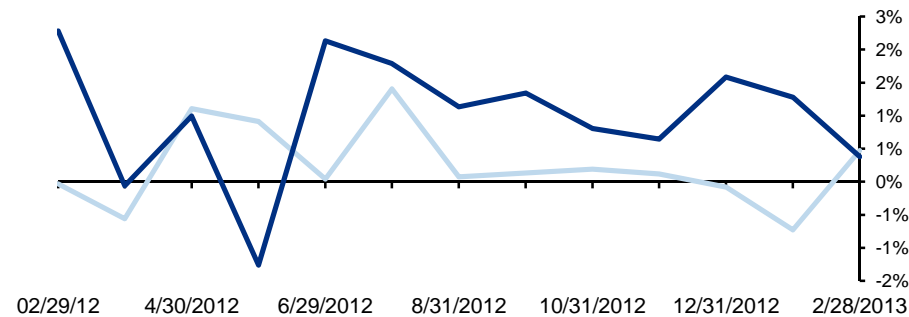
(Developed vs. Emerging)



		Feb-13	Jan-13	Feb-12	YTD-13
MSCI World		0.2%	5.1%	4.9%	5.3%
MSCI EM		-1.2%	1.4%	6.0%	0.2%

Fixed Income

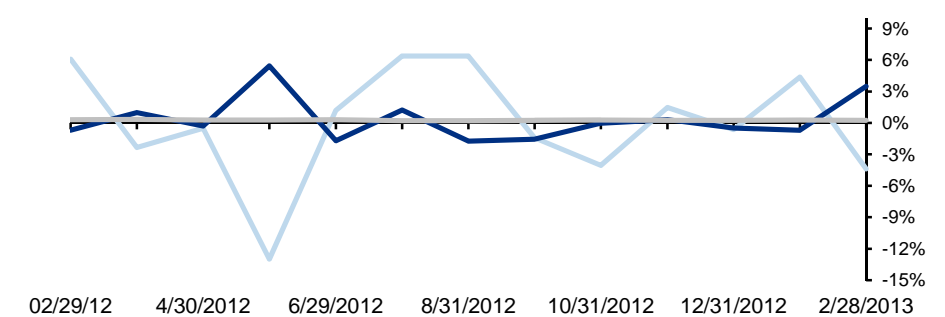
(High-Grade vs. High-Yield)



		Feb-13	Jan-13	Feb-12	YTD-13
Citi US BIG Index		0.5%	-0.7%	0.0%	-0.3%
Citi HY Bond Index		0.4%	1.3%	2.3%	1.7%

Commodities

(US\$ Performance)

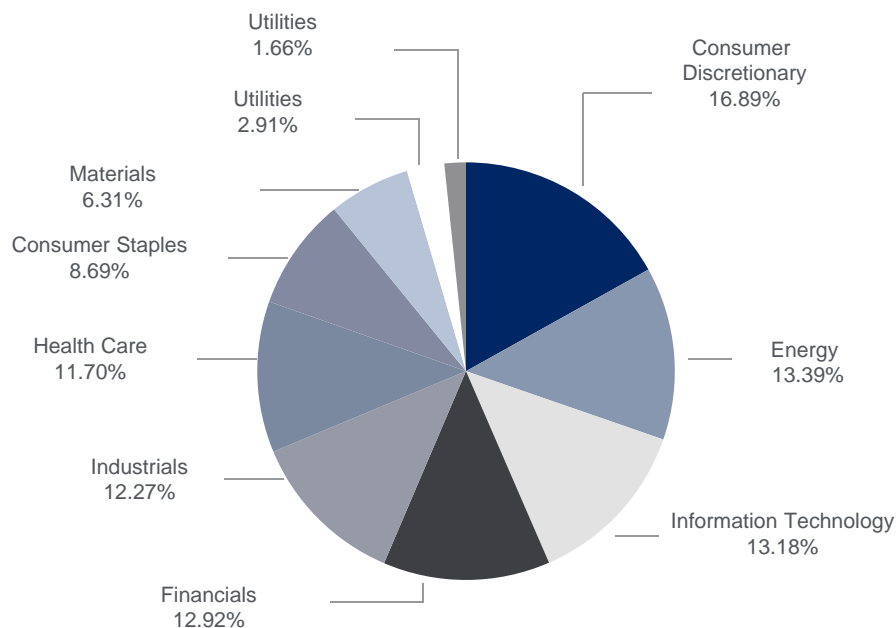


		Feb-13	Jan-13	Feb-12	YTD-13
S&P GSCI		-4.4%	4.4%	6.1%	0.0%
US-\$ Index		3.5%	-0.7%	-0.7%	2.8%
US 2yr Note		0.2%	0.3%	0.3%	0.5%

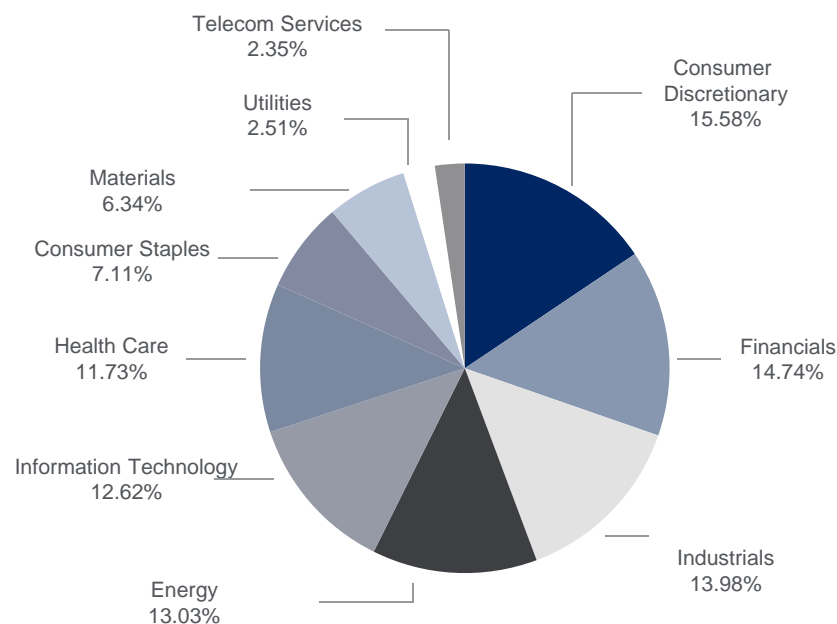
Source: Citi Prime Finance; FactSet; Citigroup Index LLC.

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	16.89	15.14	12.15
Energy	13.39	14.34	-6.62
Information Technology	13.18	14.39	-8.41
Financials	12.92	18.37	-29.67
Industrials	12.27	12.65	-3.00
Health Care	11.70	11.67	0.29
Consumer Staples	8.69	6.39	35.99
Materials	6.31	6.39	-1.25
Utilities	2.91	2.37	22.78
Telecom Services	1.66	2.83	-41.34

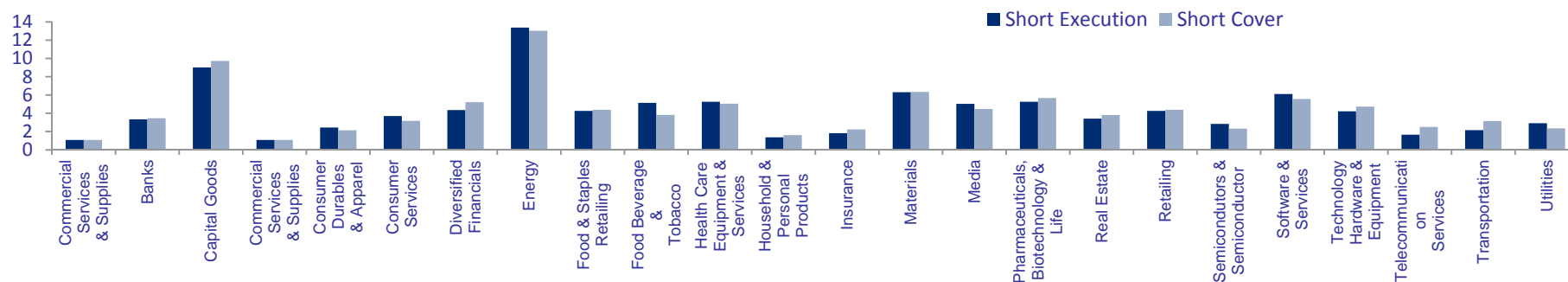
Sector Short Flows	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Consumer Discretionary	15.58	15.34	1.56
Financials	14.74	12.94	13.91
Industrials	13.98	12.59	11.04
Energy	13.03	13.80	-5.58
Information Technology	12.62	15.95	-20.88
Health Care	11.73	10.49	11.82
Consumer Staples	7.11	6.84	3.49
Materials	6.34	6.53	-2.91
Telecom Services	2.51	2.03	23.65
Utilities	2.35	2.74	-14.23

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	13.39	14.34	-6.62
Capital Goods	9.02	8.87	1.69
Health Care Equipment & Services	6.44	5.32	21.05
Materials	6.31	6.39	-1.25
Software & Services	6.12	7.41	-17.41
Pharmaceuticals, Biotechnology & Life	5.26	6.34	-17.03
Food Beverage & Tobacco	5.14	3.77	36.34
Media	5.03	3.75	34.13
Diversified Financials	4.35	7.73	-43.73
Retailing	4.27	4.40	-2.95
Technology Hardware and Equipment	4.22	4.70	-10.21
Consumer Services	3.71	2.97	24.92
Real Estate	3.42	2.98	14.77
Banks	3.34	5.60	-40.36
Utilities	2.91	2.37	22.78
Semiconductors and Semiconductor	2.84	2.29	24.02
Consumer Durables & Apparel	2.44	2.68	-8.96
Food & Staples Retailing	2.18	1.25	47.40
Transportation	2.16	2.88	-25.00
Insurance	1.82	2.35	-22.55
Telecom Services	1.66	2.83	-41.34
Automobiles & Components	1.52	1.33	14.29
Household & Personal Products	1.37	1.37	0.00
Commercial Services & Supplies	1.09	0.90	21.11

Industry	% Cover Execution	% Previous Month Short Cover	% Change From Previous Month
Energy	13.03	13.80	-5.58
Capital Goods	9.73	9.48	2.64
Materials	6.34	6.53	-2.91
Health Care Equipment & Services	6.06	5.03	20.48
Pharmaceuticals, Biotechnology & Life	5.67	5.46	3.85
Software & Services	5.56	8.21	-32.28
Diversified Financials	5.22	4.85	7.63
Technology Hardware and Equipment	4.74	4.88	-2.87
Media	4.47	3.05	46.56
Retailing	4.38	6.42	-31.78
Food Beverage & Tobacco	3.82	3.48	9.77
Real Estate	3.81	3.40	12.06
Banks	3.46	2.23	55.16
Consumer Services	3.17	2.54	24.80
Transportation	3.16	1.79	76.54
Telecom Services	2.51	2.03	23.65
Utilities	2.35	2.74	-14.23
Semiconductors and Semiconductor	2.32	2.86	-18.88
Insurance	2.24	2.79	-19.71
Consumer Durables & Apparel	2.15	2.36	-8.90
Food & Staples Retailing	1.68	1.95	-13.85
Household & Personal Products	1.61	1.44	11.81
Automobiles & Components	1.41	0.96	46.87
Commercial Services & Supplies	1.09	1.33	-18.05

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 Short Flows Summary

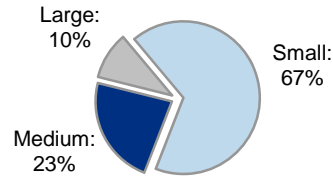
Citi Short Flows: February 2013

GICS Code	Description	% Short Executions This Month	% Short Executions From Last Month	% Change From Last Month	% Short Cover This Month	% Short Cover From Last Month	% Change From Last Month
Sector	Sector						
10	Energy	13.39	14.34	-6.62	13.03	13.80	-5.58
15	Materials	6.31	6.39	-1.25	6.34	6.53	-2.91
20	Industrials	12.27	12.65	-3.00	13.98	12.59	11.04
25	Consumer Discretionary	16.98	15.14	12.15	15.58	15.34	1.56
30	Consumer Staples	8.69	6.39	35.99	7.11	6.87	3.49
35	Health Care	11.70	11.67	0.26	11.73	10.49	11.82
40	Financials	12.92	18.37	-29.67	14.74	12.94	13.91
45	Information Technology	13.18	14.39	-8.41	12.62	15.95	-20.88
50	Telecommunication Services	1.66	2.83	-41.34	2.51	2.03	23.65
55	Utilities	2.91	2.37	22.78	2.35	2.74	-14.23
Industry Group	Industry Group						
1010	Energy	13.39	14.34	-6.62	13.03	13.80	-5.58
1510	Materials	6.31	6.39	-1.25	6.34	6.53	-2.91
2010	Capital Goods	9.02	8.87	1.69	9.73	9.48	2.64
2020	Commercial Services & Supplies	1.09	0.90	21.11	1.09	1.33	-18.05
2030	Transportation	2.16	2.88	-25.00	3.16	1.79	76.54
2510	Automobiles & Components	1.52	1.33	14.29	1.41	0.96	46.87
2520	Consumer Durables & Apparel	2.44	2.68	-8.96	2.15	2.36	-8.90
2530	Consumer Services	3.71	2.97	24.92	3.17	2.54	24.80
2540	Media	5.03	3.75	34.13	4.47	3.05	46.56
2550	Retailing	4.27	4.40	-2.95	4.38	6.42	-31.78
3010	Food & Staples Retailing	2.18	1.25	74.40	1.68	1.95	-13.85
3020	Food Beverage & Tobacco	5.14	3.77	36.34	3.82	3.48	9.77
3030	Household & Personal Products	1.37	1.37	0.00	1.61	1.44	11.81
3510	Health Care Equipment & Services	6.44	5.32	21.05	6.06	5.03	20.48
3520	Pharmaceuticals, Biotechnology & Life Sciences	5.26	6.34	-17.03	5.67	5.46	3.85
4010	Banks	3.34	5.60	-40.36	3.46	2.23	55.16
4020	Diversified Financials	4.35	7.73	-43.73	5.22	4.85	7.63
4030	Insurance	1.82	2.35	-22.55	2.24	2.79	-19.71
4040	Real Estate	3.42	2.98	14.77	3.81	3.40	12.06
4510	Software & Services	6.12	7.41	-17.41	5.56	8.21	-32.28
4520	Technology Hardware & Equipment	4.22	4.70	-10.21	4.74	4.88	-2.87
4530	Semiconductors & Semiconductor Equipment	2.84	2.29	24.02	2.32	2.86	-18.88
5010	Telecommunication Services	1.66	2.83	-41.34	2.51	2.03	23.65
5510	Utilities	2.91	2.37	22.78	2.35	2.74	-14.23

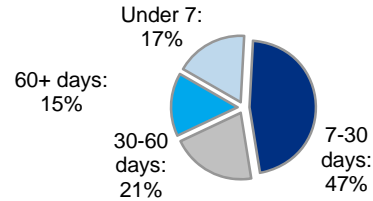
Source: S&P (GICS); Citi US Securities Lending. Executions of shorts and short covers settled at Citi Prime Finance based on Market Value.

Hedge Fund (Fund Level) Profiles

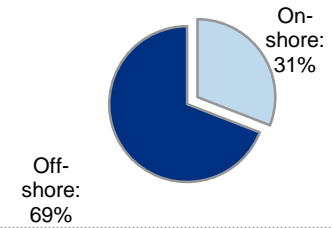
By Fund Size—No. of Funds



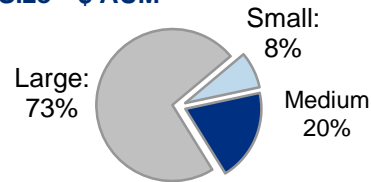
Redemption Notice Period



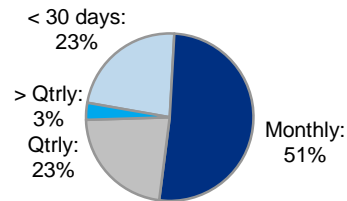
On-shore/Off-shore



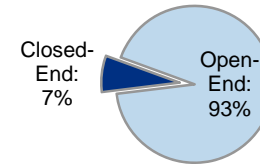
By Fund Size—\$ AUM



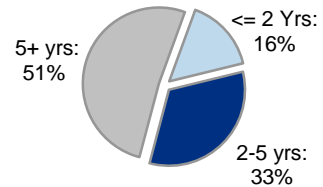
Redemption Frequency



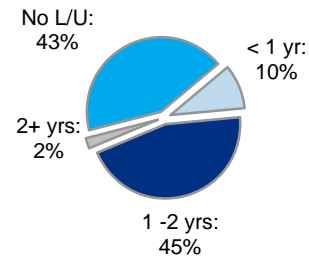
Legal Status



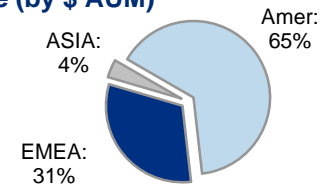
By Fund Age—No. of Funds



Lock-Up



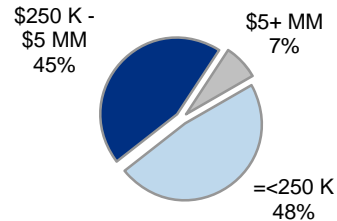
Domicile (by \$ AUM)



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	4%	\$1,104	0.6%	2.1%	72%	98%	1-2 yrs / 76%	7-30 days / 69%	Monthly / 56%
2-5 yrs	18%	\$1,851	0.2%	2.1%	70%	63%	1-2 yrs / 79%	60+ days / 31%	Monthly / 40%
Over 5 yrs	78%	\$1,912	0.3%	2.8%	66%	72%	1-2 yrs / 41%	7-30 days / 32%	Monthly / 47%
Total	100%	\$1,841	0.3%	2.8%	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	6%	\$194	0.3%	3.2%	71%	84%	1-2 yrs / 75%	7-30 days / 52%	Under 30 / 51%
2-5 yrs	14%	\$226	0.5%	2.2%	70%	73%	1-2 yrs / 66%	7-30 days / 41%	Monthly / 49%
Over 5 yrs	80%	\$232	0.5%	3.1%	70%	65%	No / 52%	7-30 days / 48%	Under 30 / 57%
Total	100%	\$227	0.5%	3.0%	71%	68%	No / 44%	7-30 days / 46%	Monthly / 52%

Hedge Funds: Small (<\$100 Million)

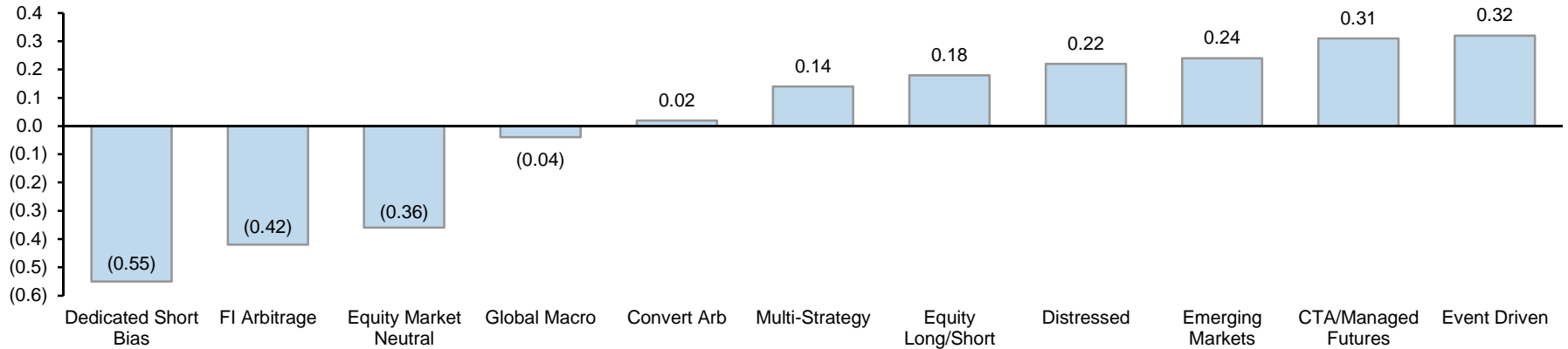
Hedge Fund Age	% of Total	Median AUM (\$MM)	Median Monthly Perform	Median YTD Perform	Domicile: Americas Region	Off-Shore	Preferred Lock-Up / % of Total	Preferred Redemption Notice/ % of Total	Preferred Redemption Frequency/ % of Total
Under 2 yrs	27%	\$29	0.3%	2.5%	87%	79%	1-2 yrs / 71%	7-30 days / 32%	Monthly / 44%
2-5 yrs	28%	\$29	0.1%	2.3%	64%	78%	1-2 yrs / 63%	7-30 days / 43%	Monthly / 52%
Over 5 yrs	45%	\$33	0.1%	2.7%	68%	65%	No / 42%	7-30 days / 55%	Monthly / 54%
Total	100%	\$32	0.3%	2.7%	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.

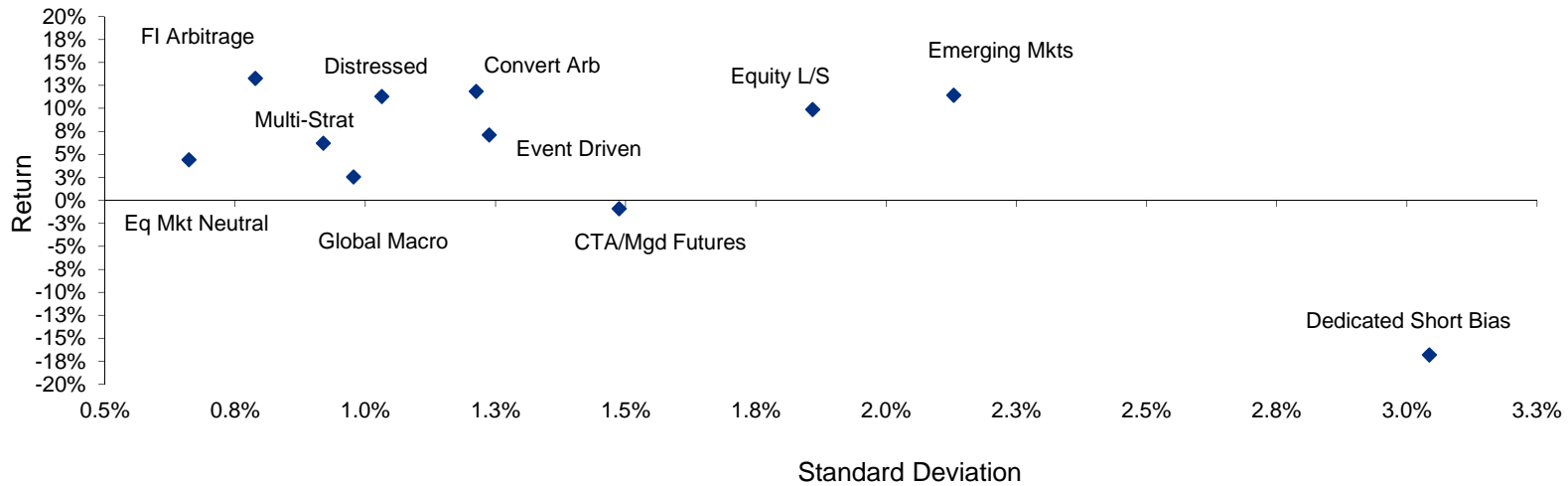
Risk and Return Metrics

Sharpe Ratios (Oct-04 - Feb-13)



Source: Credit Suisse Tremont.

Risk vs. Return (Feb 12 – Feb13)

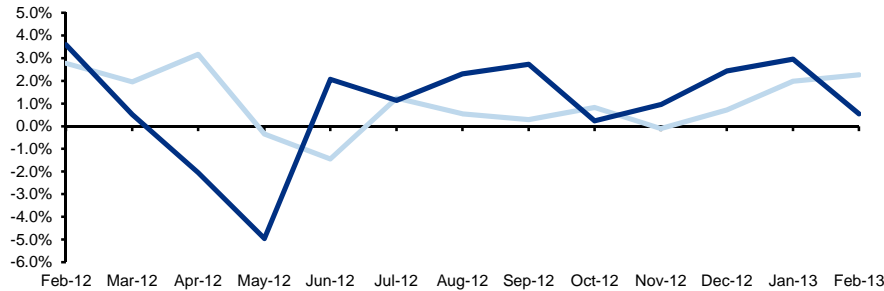


Source: Citi Prime Finance.

Convertible Arbitrage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.3%	0.3%											2.5%

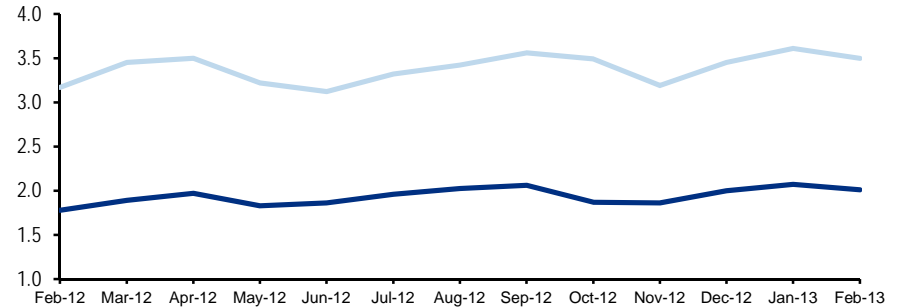
Hedge Fund Performance vs. Benchmark (Monthly, LTM)



	Feb-13	Jan-13	Feb-12	YTD-13
Convert Arb	0.3%	2.3%	2.0%	2.5%
CWB ETF	0.5%	3.0%	3.6%	3.5%

Source: Citi ICG Analytics; FactSet.

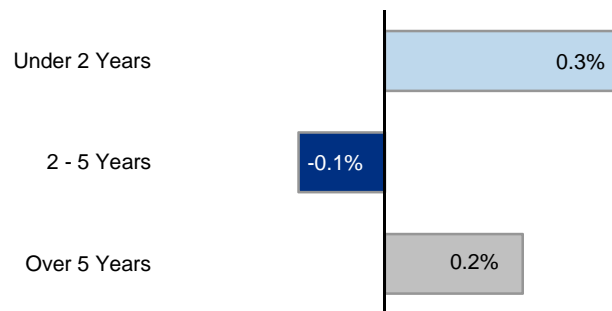
Leverage Profile (Monthly, LTM)



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

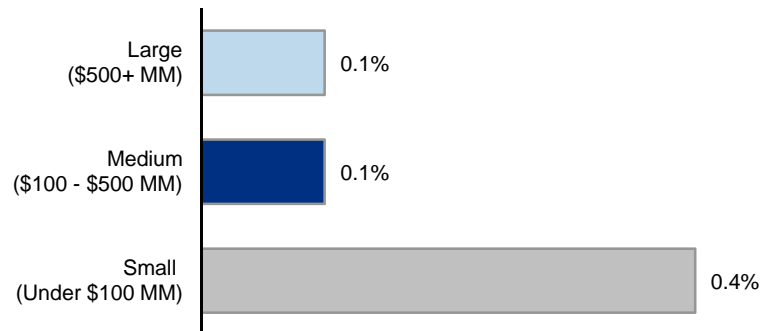


Source: Citi Prime Finance.

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

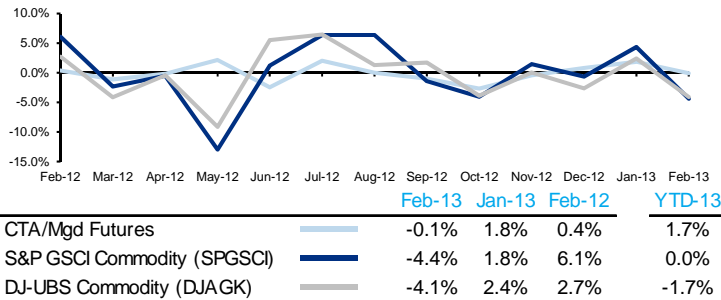


Source: Citi Prime Finance.

CTA/Managed Futures

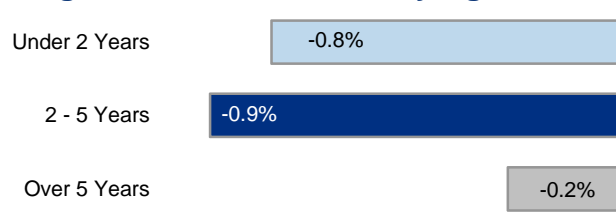
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.8%	-0.1%											1.7%

Hedge Fund Performance vs. Benchmark



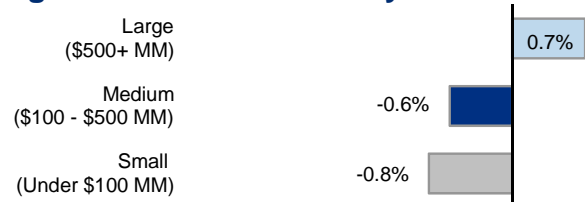
Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age



Source: Citi Prime Finance.

Hedge Fund Performance by Size



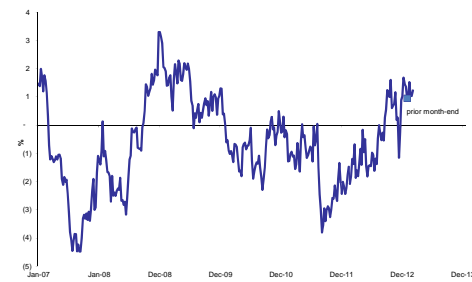
Source: Citi Prime Finance.

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 Trader (Futures & Options) Report Net of Longs Less Shorts as Percent of Total Open Positions

Combined S&P/Weighted Mini S&P Contracts



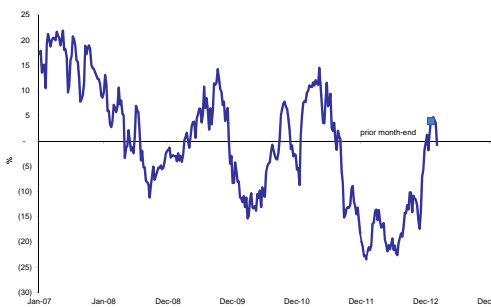
Last Update: 2/28/13 +1.2%

US 10-Year Treasury Futures



Last Update: 2/28/13 +2.0%

EuroFX Futures



Last Update: 2/26/13 -0.7%

Gold Futures



Last Update: 2/26/13 +8.8%

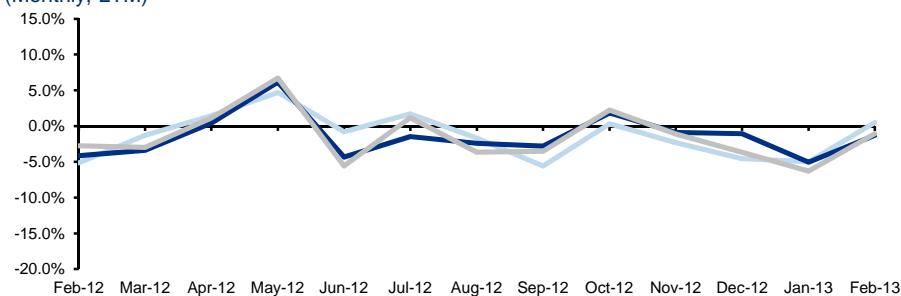
Source: CFTC, Bloomberg, Citi Futures Perspective.

Dedicated Short Bias

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	-5.0%	0.5%											-4.5%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

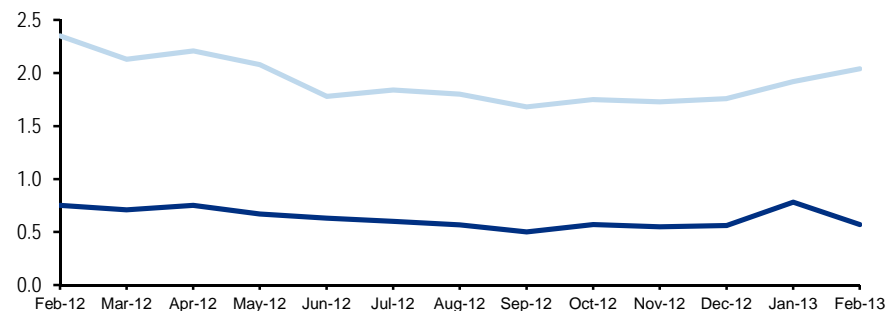


	Feb-13	Jan-13	Feb-12	YTD-13
Ded Short Bias	0.5%	-5.0%	-5.2%	-4.5%
S&P Short ETF (SH)	-1.3%	-5.1%	-4.2%	-6.4%
Rus 2000 Short ETF (RWM)	-1.1%	-6.3%	-2.8%	-7.3%

Source: Citi Prime Finance; FactSet.

Leverage Profile

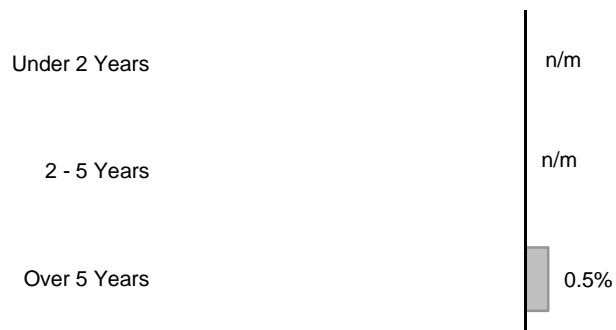
(Monthly, LTM)



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

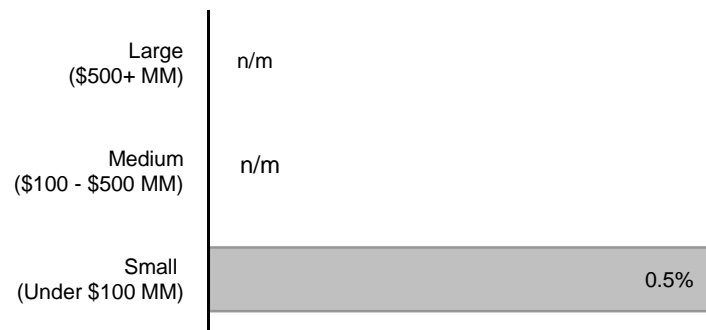
Source: Citi Prime Finance.

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.

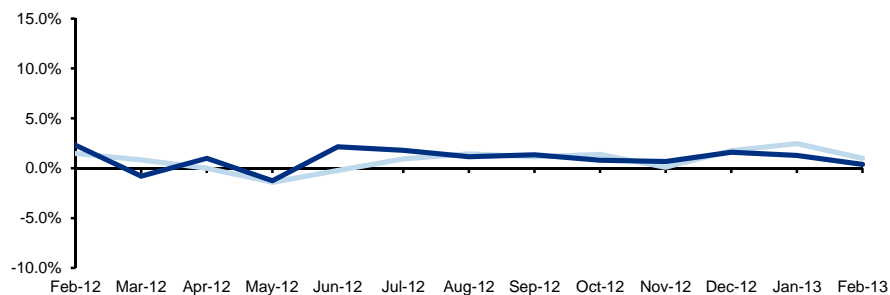
1. Universe and sample sizes may be small.

Distressed

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.5%	1.0%											3.4%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

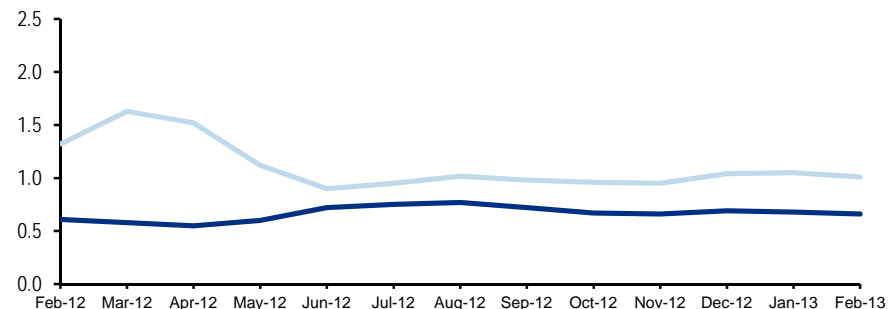


	Feb-13	Jan-13	Feb-12	YTD-13
Distressed	1.0%	2.5%	1.5%	3.4%
Citi HY Bond Index	0.4%	1.3%	2.3%	1.7%

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

Leverage Profile

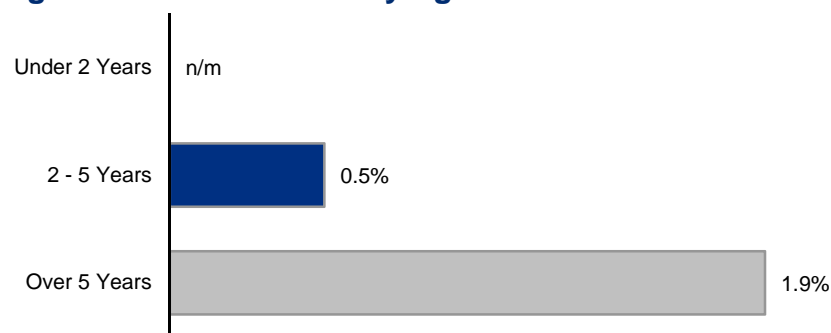
(Monthly, LTM)



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

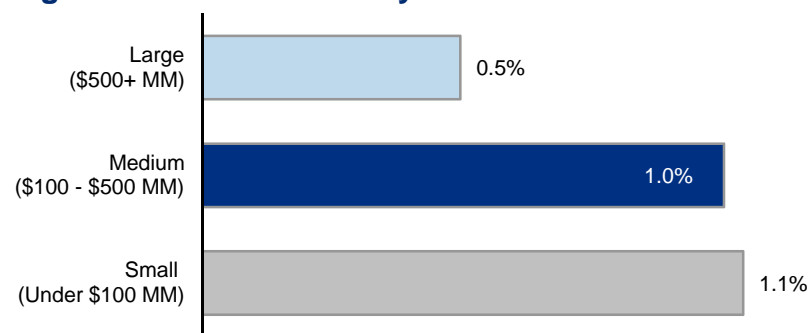
Source: Citi Prime Finance.

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.

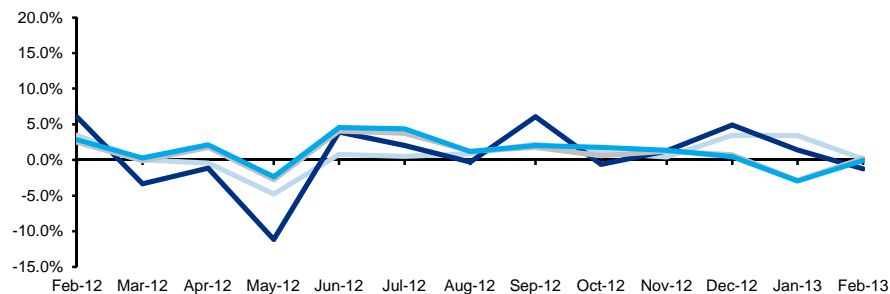
1. Universe and sample sizes may be small.

Emerging Markets

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	3.4%	0.1%											3.6%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

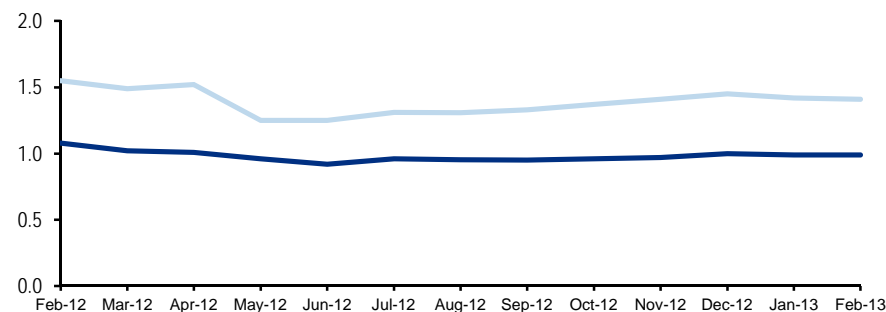


	Feb-13	Jan-13	Feb-12	YTD-13
Emerging Mkts	0.1%	3.4%	3.5%	3.6%
MSCI EM	-1.2%	1.4%	6.0%	0.2%
JPM EMBIG Core ETF (EMB)	0.3%	-2.9%	1.1%	-2.6%
DB EM Liquid ETF (PCY)	-0.1%	-3.0%	2.9%	-3.0%

Source: Citi Prime Finance; FactSet.

Leverage Profile

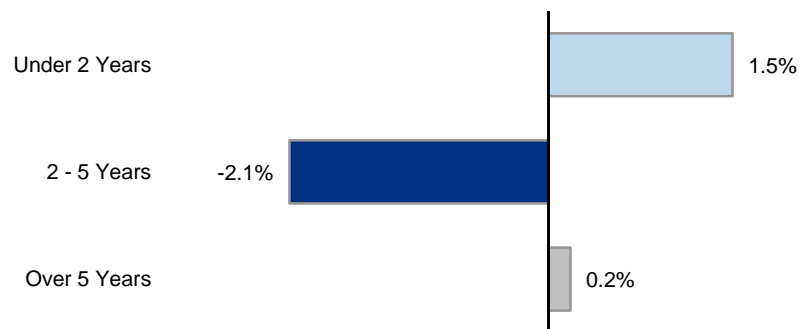
(Monthly, LTM)



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

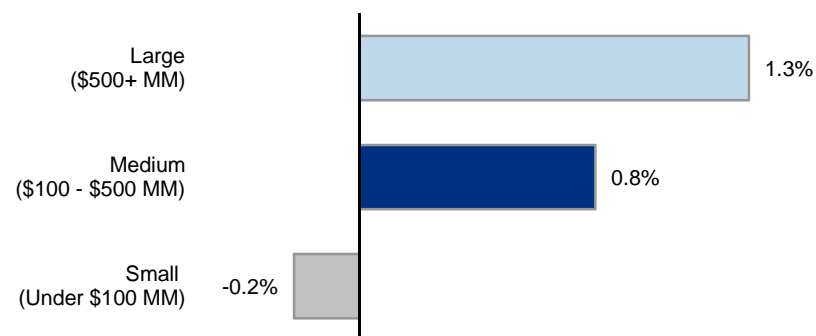
Source: Citi Prime Finance.

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.

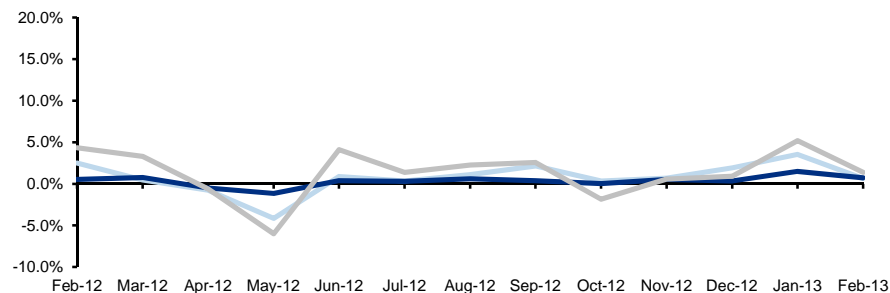
1. Universe and sample sizes may be small.

Equity Long/Short

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	3.5%	0.7%											4.2%

Hedge Fund Performance vs. Benchmark

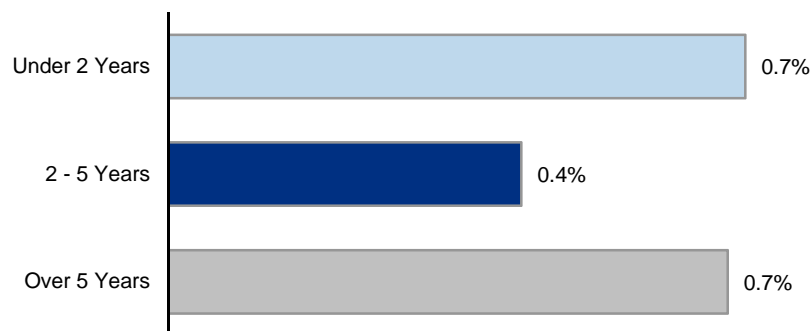
(Monthly, LTM)



	Feb-13	Jan-13	Feb-12	YTD-13
Eq Long/Short	0.7%	3.5%	2.5%	4.2%
Eq Mkt Neutral	0.7%	1.5%	0.5%	2.2%
S&P 500	1.4%	5.2%	4.3%	6.5%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



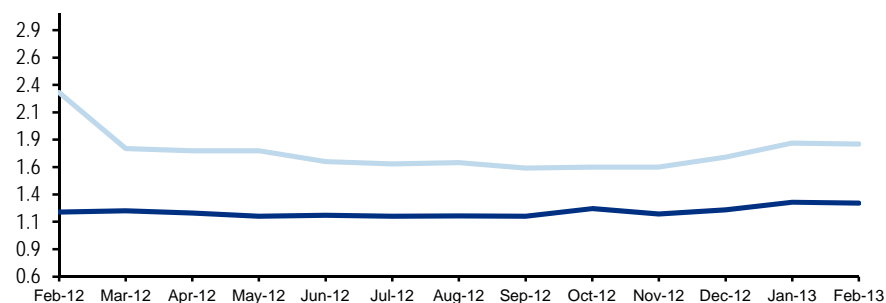
Source: Citi Prime Finance.

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)

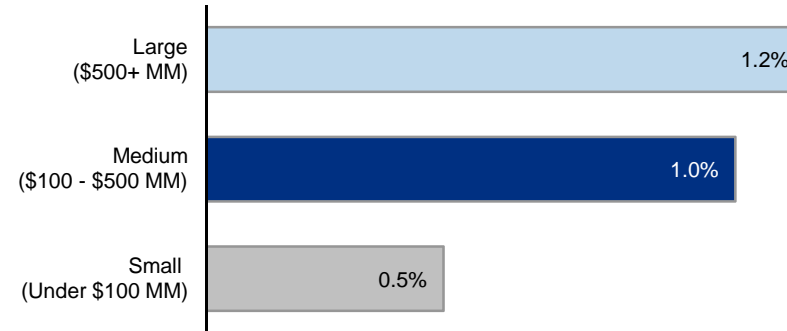


Gross Leverage (Mean): Defined as the sum of (LMV + abs SMV) / Net Equity

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

Source: Citi Prime Finance.

Hedge Fund Performance by Size¹



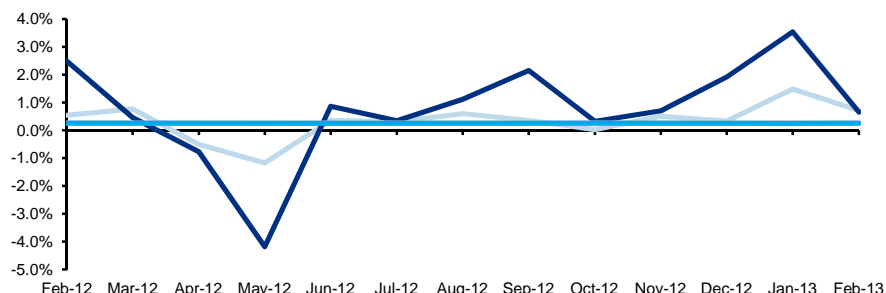
Source: Citi Prime Finance.

Equity Market Neutral

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.5%	0.7%											2.2%

Hedge Fund Performance vs. Benchmark

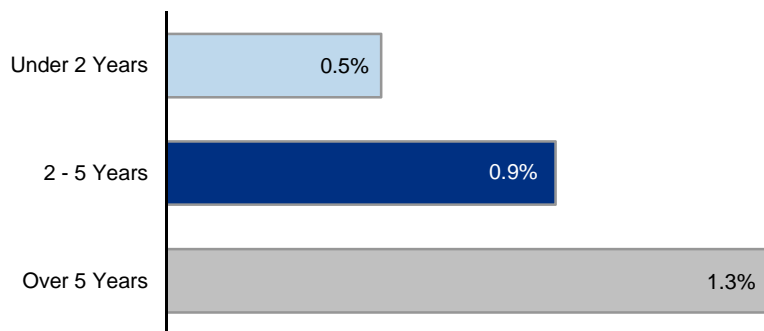
(Monthly, LTM)



	Feb-13	Jan-13	Feb-12	YTD-13
Eq Mkt Neutral	0.7%	1.5%	0.5%	2.2%
Eq Long/Short	0.7%	3.5%	2.5%	4.2%
LIBOR + 300 bps	0.3%	0.3%	0.3%	0.5%
US T-Bill + 300 bps	0.3%	0.3%	0.3%	0.5%

Source: Citi Prime Finance; FactSet.

Hedge Fund Performance by Age¹



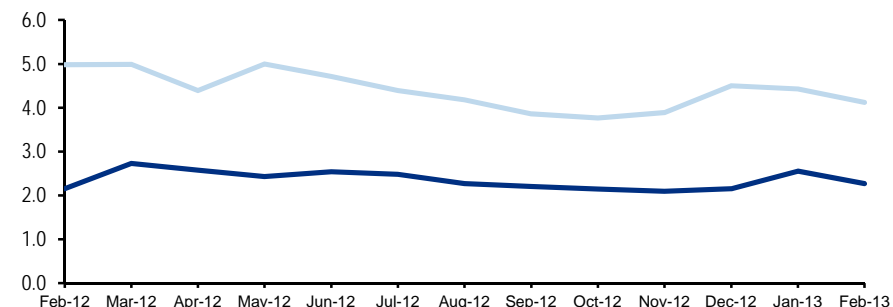
Source: Citi Prime Finance.

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

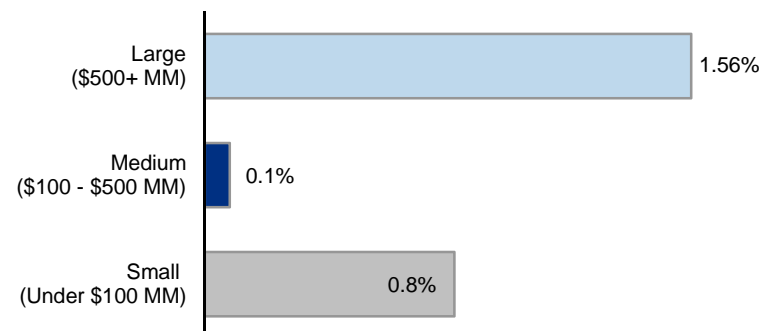
(Monthly, LTM)



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



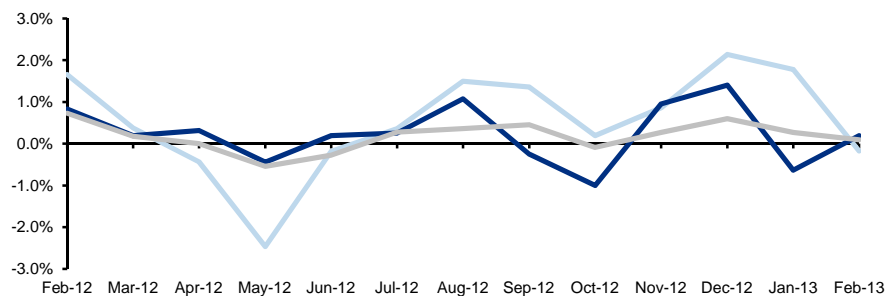
Source: Citi Prime Finance.

Event Driven

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.8%	-0.2%											1.6%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

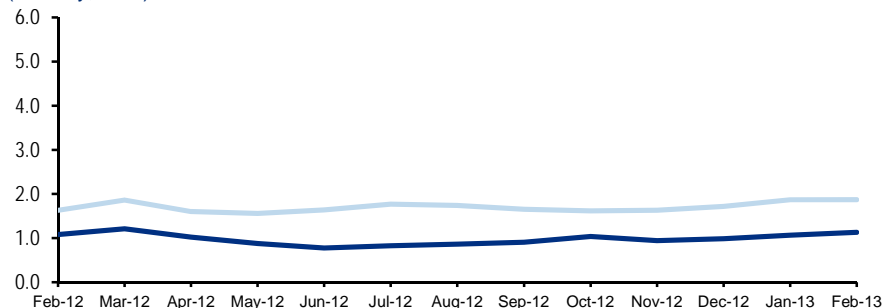


	Feb-13	Jan-13	Feb-12	YTD-13
Event Driven	-0.2%	1.8%	1.7%	1.6%
The Merger Fund (MERFX)	0.2%	-0.6%	0.8%	-0.4%
AQR Div Arb Fund (ADANX)	0.1%	0.3%	0.7%	0.4%

Source: Citi Prime Finance; FactSet.

Leverage Profile

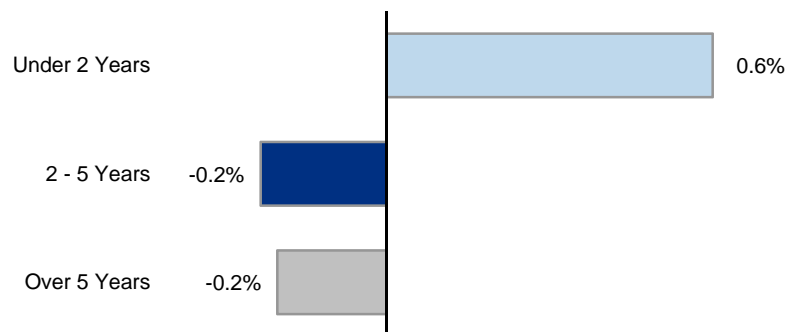
(Monthly, LTM)



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

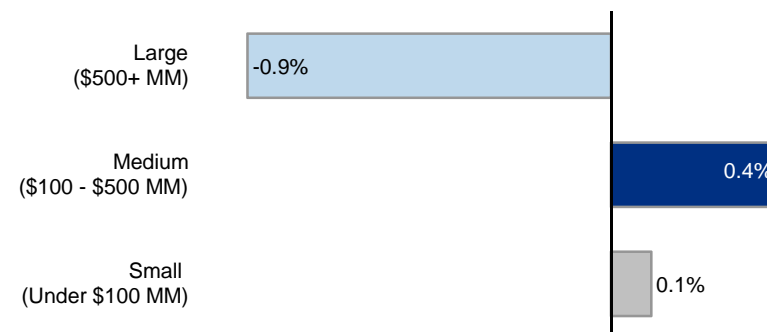
Source: Citi Prime Finance.

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.

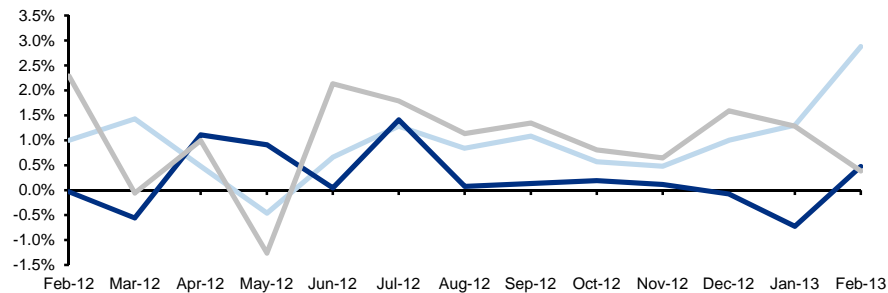
1. Universe and sample sizes may be small.

FI Arbitrage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	1.3%	2.9%											4.2%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

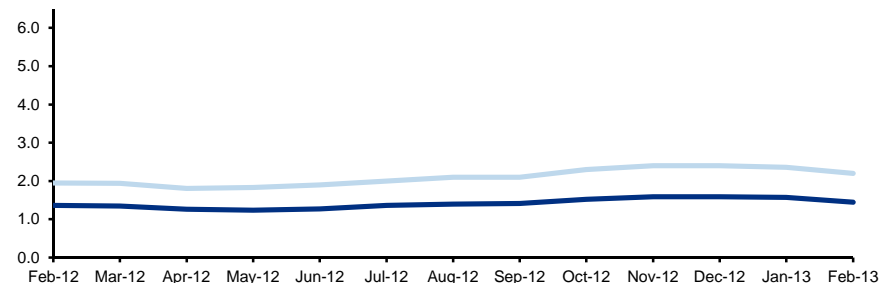


		Feb-13	Jan-13	Feb-12	YTD-13
FI Arbitrage		2.9%	1.3%	1.0%	4.2%
Citi US BIG Index		0.5%	-0.7%	0.0%	-0.3%
Citi HY Bond Index		0.4%	1.3%	2.3%	1.7%

Source: Citi Prime Finance; Citigroup Index LLC.

Leverage Profile

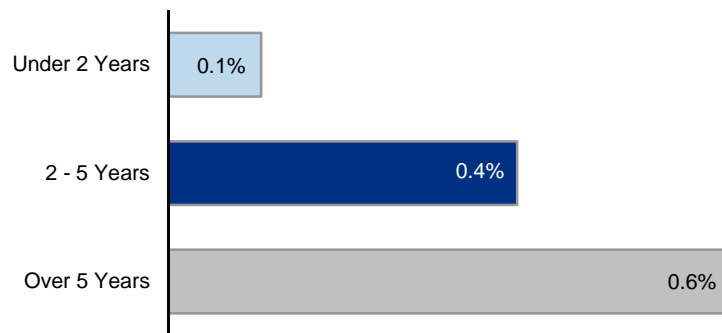
(Monthly, LTM)



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

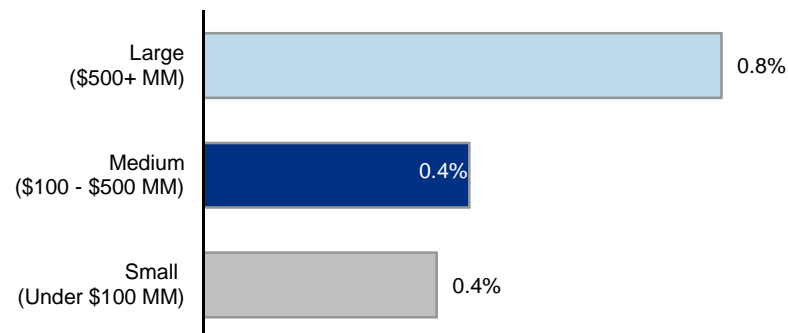
Source: Citi Prime Finance.

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.

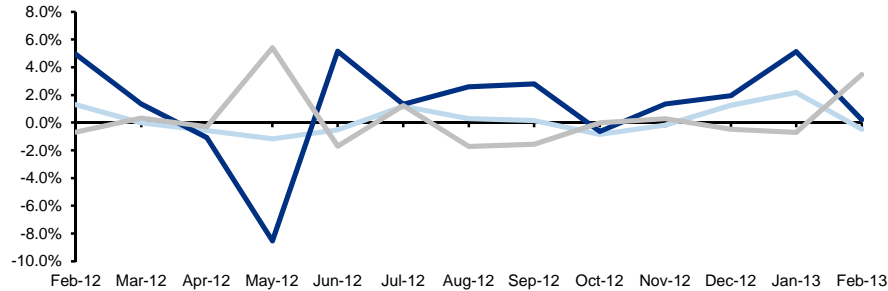
1. Universe and sample sizes may be small.

Global Macro

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.2%	-0.5%											1.7%

Hedge Fund Performance vs. Benchmark

(Monthly, LTM)

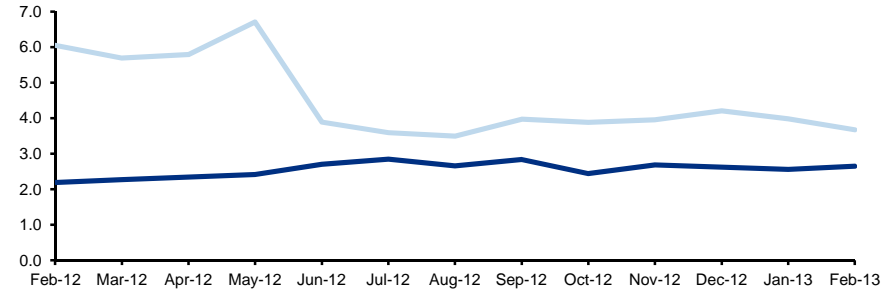


		Feb-13	Jan-13	Feb-12	YTD-13
Global Macro	—	-0.5%	2.2%	1.3%	1.7%
MSCI World	—	0.2%	5.1%	4.9%	5.3%
US\$-Index	—	3.5%	-0.7%	-0.7%	2.8%

Source: Citi Prime Finance; FactSet.

Leverage Profile

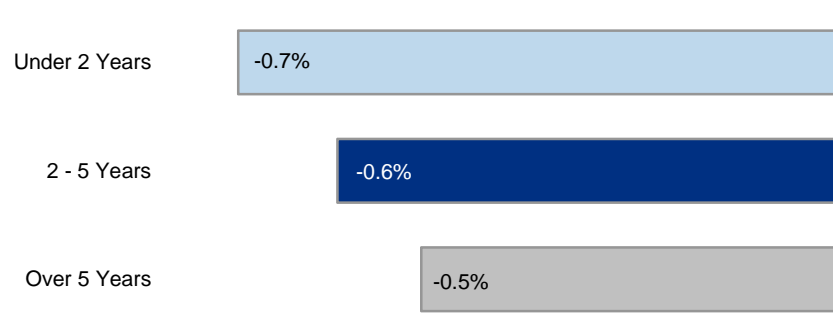
(Monthly, LTM)



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

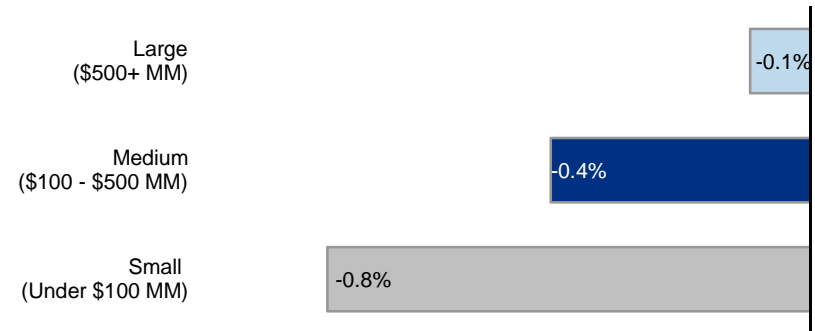
Source: Citi Prime Finance; FactSet.

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.

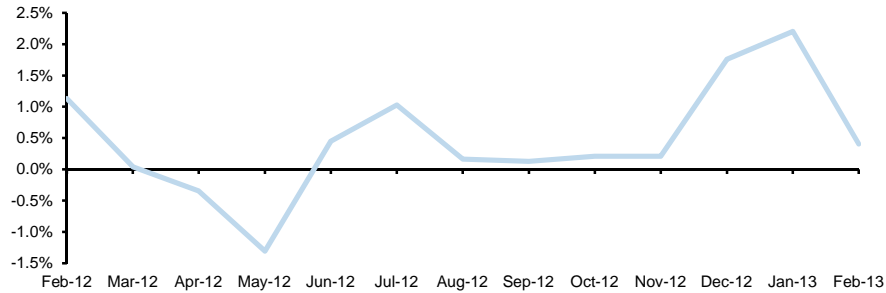
1. Universe and sample sizes may be small.

Multi-Strategy

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Citi-derived Median	2.2%	0.4%											2.6%

Hedge Fund Performance vs. Benchmark

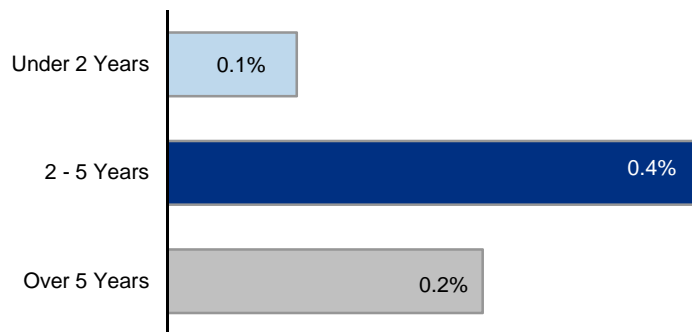
(Monthly, LTM)



	Feb-13	Jan-13	Feb-12	YTD-13
Multi-Strategy	0.4%	2.2%	1.1%	2.6%

Source: Citi Prime Finance.

Hedge Fund Performance by Age¹



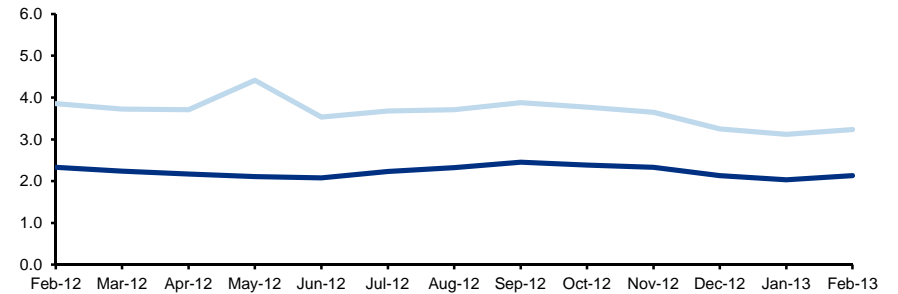
Source: Citi Prime Finance.

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.

Leverage Profile

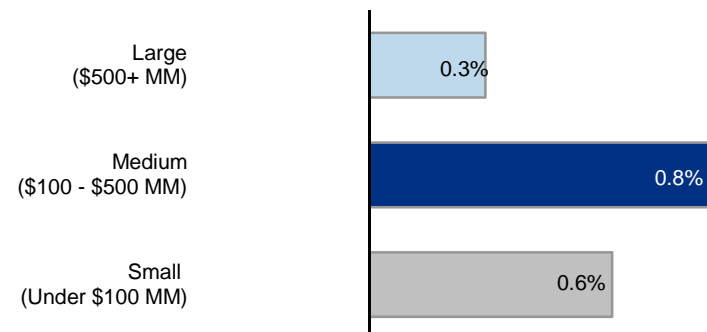
(Monthly, LTM)



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.

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