

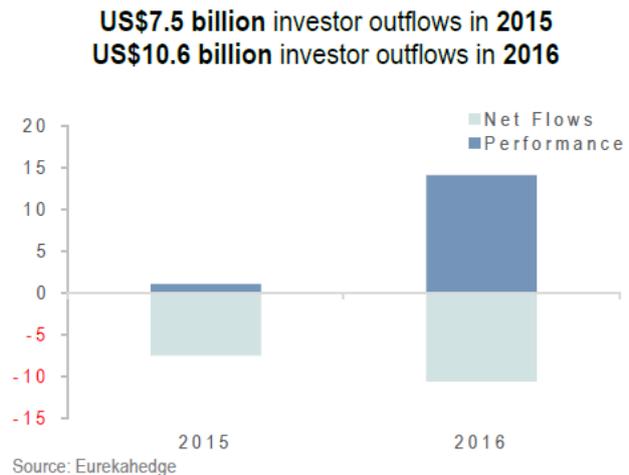
Eurekahedge February Update Concluded

Please find below a brief conclusion of Eurekahedge's February Report.

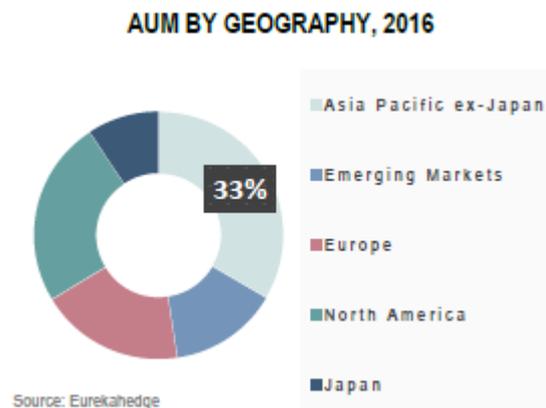
Developments in 2016

In its February Report Eurekahedge presents the following graph. It shows that even though the performance of long-only absolute return funds increased by more than 10%, there were outflows of US\$ 10.6 billion away from the US\$225.9 billion industry.

The same is true for the US\$774.0 billion long/short equities hedge fund industry, it recorded the steepest decline in net outflows among strategic mandates or US\$29.1 billion in annual year 2016 while performance-based gains stood at US\$8.7 billion over the same period. In annual year 2016, performance-driven gains of US\$35.1 billion were recorded while investor outflows stood at US\$55.1 billion over the same period for the full hedge-funds industry.



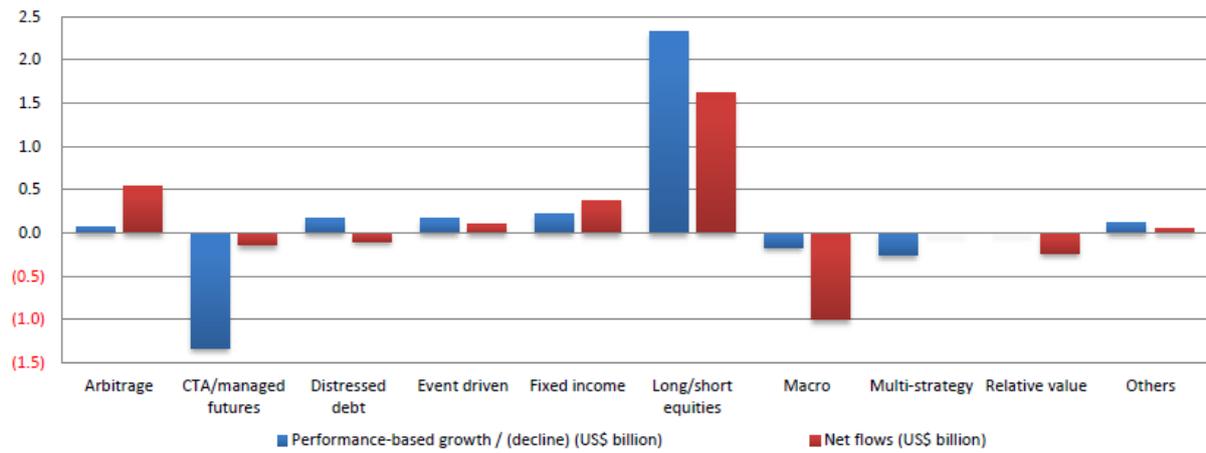
Another interesting fact is that Asia Pacific (ex-Japan) has overtaken North America as region with the most assets under management from long-only absolute return funds in 2016. This is because North America has lost around US\$22 billion of assets in 2016, while Asia Pacific (ex-Japan) only lost about US\$3 billion. Unfortunately, as well the European hedge-fund industry lost asset in value of about US\$28 billion in 2016.



Developments in January 2017

In January long/short equities strategies were the big winners with US\$2.3 billion of performance gains and US\$1.6 billion inflows. On the loser side were the CTA/managed futures strategy with a US\$1.4 billion performance loss and macro strategy funds whose assets declined by US\$1 billion. Hedge funds started the year on a positive note, up by 0.87% during the month of January. Meanwhile, underlying markets as represented by the MSCI AC World Index (Local) gained 1.49% over the same period. The negative effect of the uncertainty, due to how President Trump will implement his policy, was balanced out by positive news from macro-economic numbers for the US and as well Europe.

Figure 4: January 2017 asset flow by strategy employed



Source: Eurekahedge