THE EUREKAHEDGE REPORT

FEBRUARY 2020

EUREKAHEDGE NORTH AMERICAN HEDGE FUND AWARDS

27 MAY 2020
CAPITALE, NEW YORK

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+65 6212 0925 (Singapore)
+1 212 706 7020 (US)

awards@eurekahedge.com
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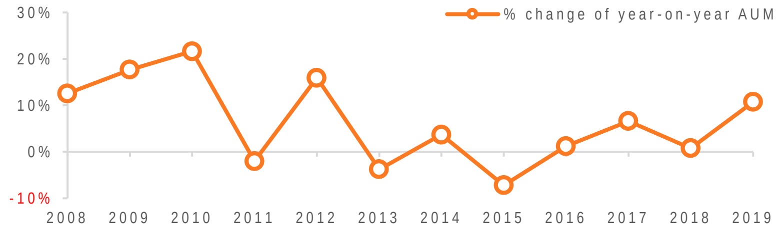
INFOGRAPHIC SUMMARY OF ISLAMIC FUNDS

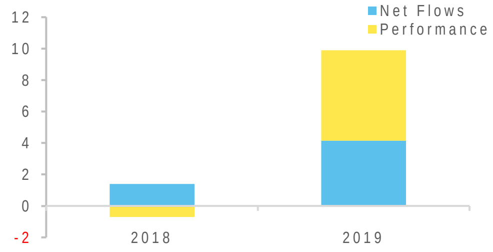
ISLAMIC FUNDS AUM (2005 – 2019)

US$102 billion AUM 41% GLOBAL MANDATE



Source: Eurekahedge

US$1.4 billion investor inflows in 2018
US$4.1 billion investor inflows in 2019

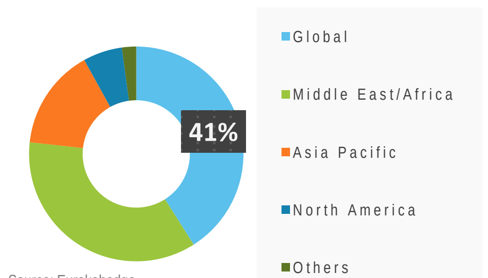


Source: Eurekahedge

ISLAMIC FUND STRATEGY RETURN TABLE

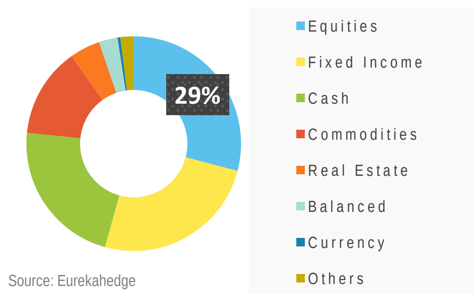
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Money Market 2.52	Equity 29.03	Equity 12.42	Real Estate 5.88	Real Estate 14.37	Equity 16.61	Real Estate 10.74	Money Market 2.02	Equity 5.17	Equity 8.99	Fixed Income 0.99	Real Estate 12.53
Fixed Income -0.54	Balanced 27.50	Balanced 7.83	Fixed Income 2.84	Equity 10.57	Balanced 9.32	Equity 3.65	Fixed Income 1.86	Real Estate 3.48	Balanced 4.98	Money Market 0.91	Equity 12.48
Real Estate -14.71	Fixed Income 7.23	Real Estate 4.84	Money Market 1.42	Balanced 5.18	Real Estate 9.21	Fixed Income 2.36	Balanced -1.03	Fixed Income 2.53	Money Market 4.42	Balanced -6.39	Balanced 8.53
Balanced -29.64	Real Estate 5.72	Fixed Income 4.50	Balance -3.45	Fixed Income 4.26	Money Market 1.97	Balanced 1.11	Equity -3.28	Balanced 1.92	Fixed Income 2.25	Equity -6.95	Money Market 4.75
Equity -39.66	Money Market -0.60	Money Market 0.67	Equity -6.09	Money Market 1.48	Fixed Income 1.53	Money Market 0.42	Real Estate -3.45	Money Market 1.81	Real Estate -3.10	Real Estate -11.42	Fixed Income 4.43

AUM BY INVESTING GEOGRAPHY, 2019



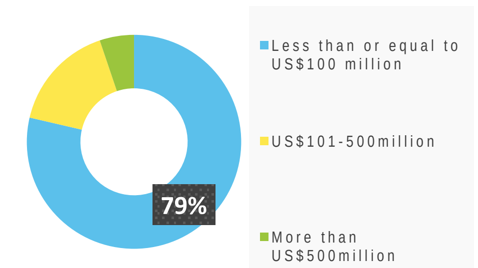
Source: Eurekahedge

AUM BY STRATEGY, 2019



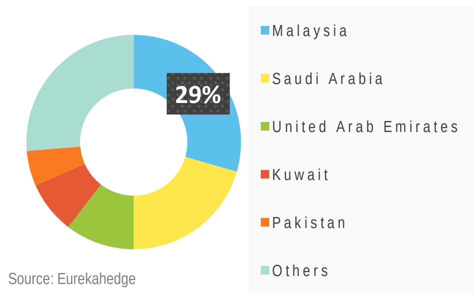
Source: Eurekahedge

NUMBER OF FUNDS BY FUND SIZE



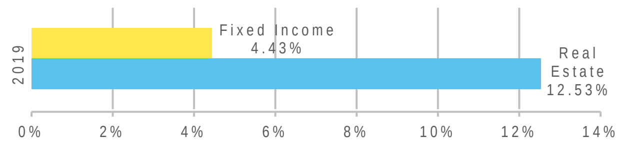
Source: Eurekahedge

NUMBER OF FUNDS BY HEAD OFFICE



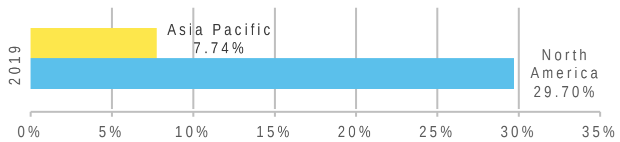
Source: Eurekahedge

BEST AND WORST STRATEGY, 2019



Source: Eurekahedge

BEST AND WORST REGIONAL MANDATE, 2019



Source: Eurekahedge

"The *Eurekahedge Hedge Fund Index* ended 2019 up 8.67%, recording its strongest annual performance since 2013."

"Preliminary data for January estimated that the global hedge fund industry witnessed US$1.6 billion of performance-driven gains and US$0.4 billion of net investor inflows."

"The assets under management of the global hedge fund industry stood at US$2,304.6 billion as of end-January 2020."

"The *Eurekahedge Greater China Hedge Fund Index* ended 2019 up 16.04% on the back of the region's underlying equity market rally."

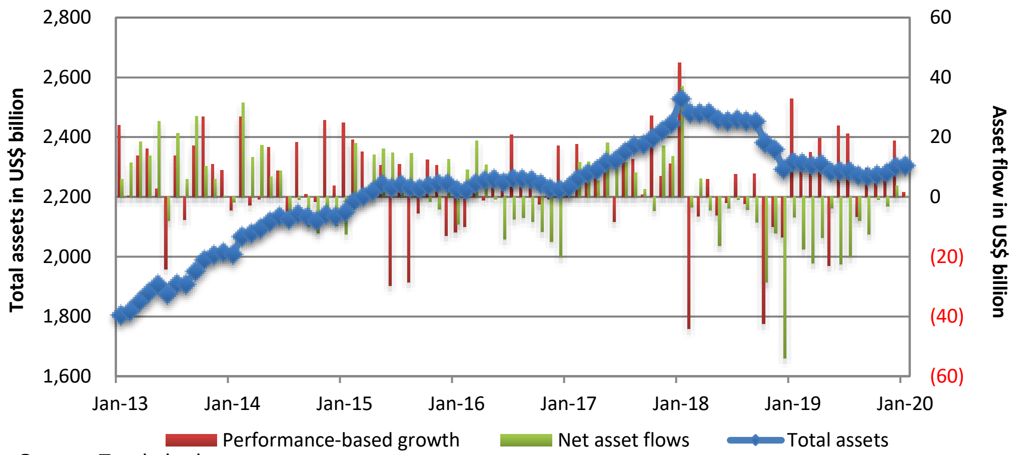
"The *Eurekahedge ILS Advisers Index*, which represents fund managers primarily exposed to non-life risks ended 2019 up 0.92%."

Introduction

The *Eurekahedge Hedge Fund Index* ended 2019 up 8.67%, recording its strongest annual performance since 2013 on the back of the de-escalation of the US-China trade war and accommodative central bank policies. Going into 2020, hedge fund managers returned 0.14%[1] in January, outperforming the MSCI ACWI (Local) which slumped 0.90% over the month following the COVID-19 outbreak in China. Despite liquidity injection by the People's Bank of China and the reduction of tariffs on US imports, investors remained concerned on the impact of the epidemic on the global economic outlook. Returns were mixed across regions in January, with Asia ex-Japan fund managers returning 0.93%, ahead of their peers focusing on North America, who ended the month down 0.11%. Long/short equities fund managers were down 0.35% in January as the weak equity market performance throughout the latter half of the month weighed on their returns.

Final asset flow figures for December showed that hedge fund managers recorded performance-based gains totalling US$18.8 billion, on top of net investor allocations totalling US$3.8 billion throughout the month. Preliminary data for January estimated that the global hedge fund industry witnessed US$1.6 billion of performance-driven gains and US$0.4 billion of net investor inflows. The assets under management (AUM) of the global hedge fund industry stood at US$2,304.6 billion as of end-January 2020. On an annual basis, the industry had seen US$137.8 billion of performance growth and US$127.5 billion of investor redemptions throughout 2019.

Figure 1a: Summary monthly asset flow data since January 2013



Source: Eurekahedge

Key highlights for January 2020:

- The *Eurekahedge Hedge Fund Index* returned 8.67% in 2019, supported by the risk-on sentiment among investors and positive geopolitical developments throughout the year. Roughly 37.6% of the hedge fund managers comprising the index have recorded double-digit gains over the year.
- The global hedge fund industry AUM had increased by US$10.3 billion in 2019. Investor redemptions totalling US$127.5 billion have been recorded throughout the year, a level the industry has not seen after the global financial crisis.
- The *Eurekahedge North American Hedge Fund Index* was up 9.06% throughout 2019, as fund managers focusing on the region benefited from the equity market rally throughout the year. The S&P 500 has gained 28.88% over the year, while the tech-heavy NASDAQ Composite was up 35.23% over the same period. North American hedge fund managers had recorded US$94.9 billion of performance growth in 2019.

[1]Based on 42.79% of funds which have reported January 2020 returns as at 13 February 2020

- The *Eurekahedge Greater China Hedge Fund Index* ended 2019 up 16.04% on the back of the region's underlying equity market rally. The US$30.3 billion mandate has seen US$2.7 billion of performance growth, offset by US$0.3 billion of investor redemptions over the year.

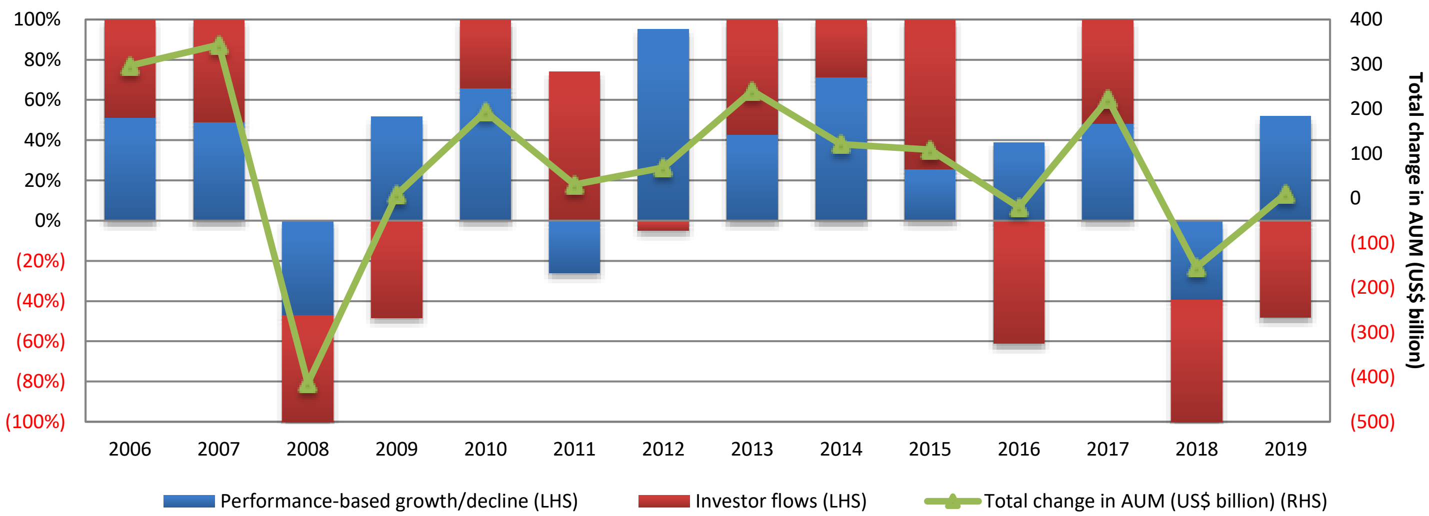
- The *Eurekahedge Long Short Equities Hedge Fund Index* was up 11.24% in 2019, as they benefited from the robust equity market rally throughout the year, which resulted in double-digit gains for the MSCI ACWI (Local). The strategic mandate had a slow start in 2020, as equity fund managers slumped 0.35% in January on the back of weak global equity market performance.

- The *Eurekahedge Fixed Income Hedge Fund Index* returned 7.94% throughout 2019, supported by major central bank policies which pushed yields lower throughout the year. Fixed income fund managers gained 0.82% in January as investors sought safe haven assets following the COVID-19 outbreak.

- The *Eurekahedge ILS Advisers Index*, which represents fund managers primarily exposed to non-life risks ended 2019 up 0.92%, in contrast to how the index was down 3.92% and 5.60% in 2018 and 2017 respectively as ILS fund managers bore the brunt of the catastrophic Atlantic hurricane seasons during those years. In contrast, ILS fund managers with significant life risk exposure ended the year up 7.65%.

- The *Eurekahedge Crypto-Currency Hedge Fund Index* was up 22.29% in January, supported by the strong performance of Bitcoin which ended the month up 31.63%. Fund managers focusing on crypto-currencies gained 16.41% throughout 2019.

Figure 1b: Contribution by hedge fund performance and investor flows for the global hedge fund industry since 2006



Source: Eurekahedge

Figure 1b shows the share by performance-based growth/decline and net investor flows for the global hedge fund industry since 2006. During the pre-financial crisis period, the share of performance-based growth and investor inflows was almost evenly split with total asset growth coming in at US$343.4 billion. During the financial crisis in 2008, investor outflows accounted for over half of the total loss of capital for the global hedge fund industry as investors grew nervous over the prospect of their investments.

The years following the financial crisis saw accommodative central bank policies largely on the back of asset purchases and low interest rates, setting the momentum for an economic recovery. Investor sentiment improved with positive investor inflows in 2010 and 2011 but the height of the Eurozone crisis witnessed further redemptions in 2012 which were less severe than those in the post-global financial crisis period. In 2013, hedge funds recorded the strongest growth in their AUM since 2007 with assets increasing by US$240.4 billion during the year on the back of strong performance-based gains and investor inflows.

This happened against the backdrop of a global equity market rally and a recovery in the US economy that saw investors scale up their allocations to hedge funds. While the Greek and Ukrainian crisis contributed to some investor nervousness in 2014, investor inflows remained positive with modest performance-driven gains resulting in the industry's asset growing by half the levels seen in 2013. 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 – the steepest outflows recorded since 2010. Redemption pressure appears to have eased going into 2017 as investors positive sentiment buoyed allocation activity into hedge funds. Hedge funds recorded the strongest growth in their AUM since 2014 with assets increasing by US$221.9 billion in 2017 on the back of strong performance-based gains and investor inflows. Final asset figures for 2017 saw investor inflows of US$114.6 billion of new allocations accounting for almost 52% of the total hedge fund asset growth recorded during the year, while performance-driven gains of US$107.3 billion were recorded – the highest performance figures since 2010. Meanwhile, in 2018, international trade conflict between the two largest economies, concerns over slowing global growth and aggressive Fed rate hikes acted as headwinds to hedge fund performance. As a result, performance-based losses of US$44.2 billion and US$42.5 billion were recorded in February and October respectively – the highest monthly performance-based losses since October 2008. In 2019, supported by the robust rallied in the global equity market, the industry recorded its strongest performance-driven gains of US$137.8 billion since 2007. However, the industry AUM only grew by US$10.3 billion year-on-year, as substantial investor redemptions totalling US$127.5 billion were recorded throughout the year.

Table 1: Performance-based changes in assets and asset flows in January 2020

	Assets at start	Net growth (performance)	Net flows	Assets at end	% change in assets
Hedge funds	2302.6	1.6	0.4	2304.6	0.09%
By geographic mandate					
Asia ex-Japan	169.7	0.0	(0.6)	169.2	(0.31%)
Japan	17.1	0.0	(0.0)	17.1	(0.17%)
Europe	470.2	0.1	(0.9)	469.5	(0.16%)
Latin America	62.5	0.1	0.0	62.6	0.26%
North America	1583.1	1.3	1.9	1586.3	0.20%
By strategic mandate					
Arbitrage	181.5	0.1	0.2	181.8	0.16%
CTA/managed futures	233.1	1.6	1.4	236.2	1.31%
Distressed debt	53.4	0.0	(0.1)	53.3	(0.12%)
Event driven	227.3	(0.0)	0.3	227.5	0.11%
Fixed income	177.1	0.7	(0.1)	177.8	0.37%
Long/short equities	798.7	0.5	(2.2)	796.9	(0.22%)
Macro	155.8	(0.1)	0.5	156.1	0.22%
Multi-strategy	333.3	(2.1)	0.4	331.7	(0.49%)
Relative value	71.6	0.4	0.0	72.1	0.64%
Others	70.8	0.4	(0.0)	71.2	0.58%
By fund size (US$ millions)					
≤20	20.8	0.0	(0.0)	20.8	0.07%
>20-≤50	44.0	(0.0)	0.0	44.0	(0.06%)
>50-≤100	54.6	0.1	0.1	54.7	0.27%
>100-≤250	242.2	0.2	0.0	242.4	0.07%
>250-≤500	320.9	0.4	0.2	321.4	0.16%
>500-≤1000	473.7	0.4	0.5	474.6	0.20%
>1000	1146.4	0.6	(0.4)	1146.7	0.02%

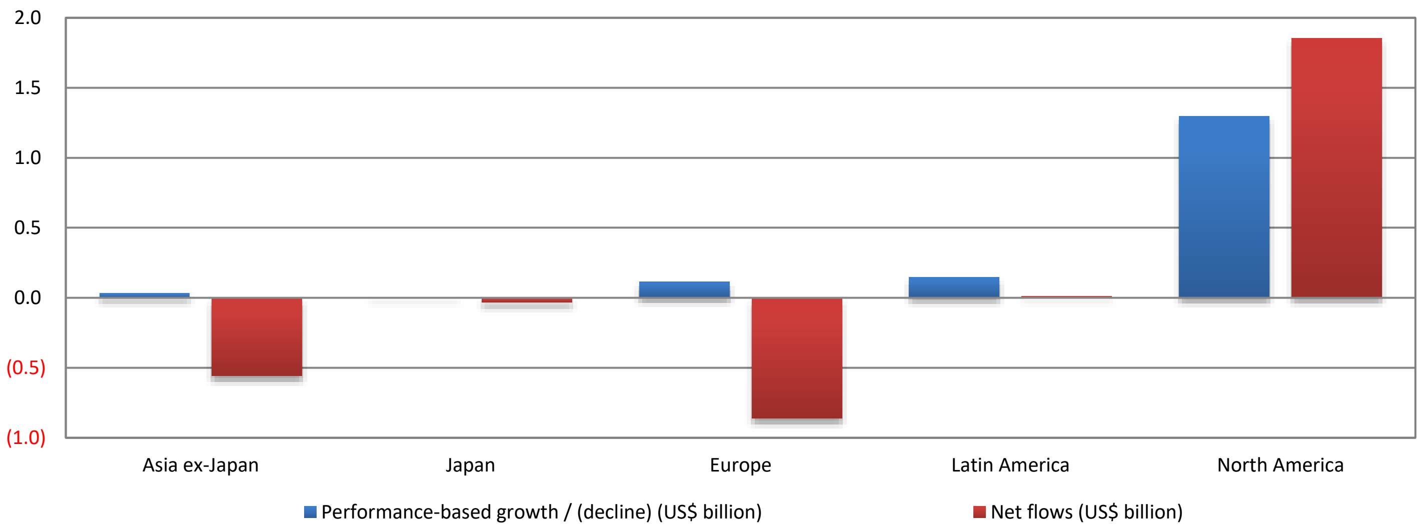
Note: All figures are in US$ billion, and rounded off to 1 decimal place Source: Eurekahedge

North American funds recorded net asset inflows of US$1.9 billion and performance-based gains of US$1.3 billion during the month of January. Fund managers focusing on the region have reported performance-based gains totalling US$94.9 billion in 2019, offset by net investor outflows of US$58.6 billion over the same period. Total assets in North American hedge funds stood at US$1,583.1 billion in 2019.

European fund managers recorded net asset outflows of US$0.9 billion and performance-based gains of US0.1 billion during the month. Total assets in European hedge funds stood at US$469.5 billion as at end-2019, below their January 2018 high of US$577.5 billion. On a year-to-date basis, European hedge fund managers have seen performance-driven gains of US$24.1 billion while net asset outflows stood at US$53.8 billion over the same period.

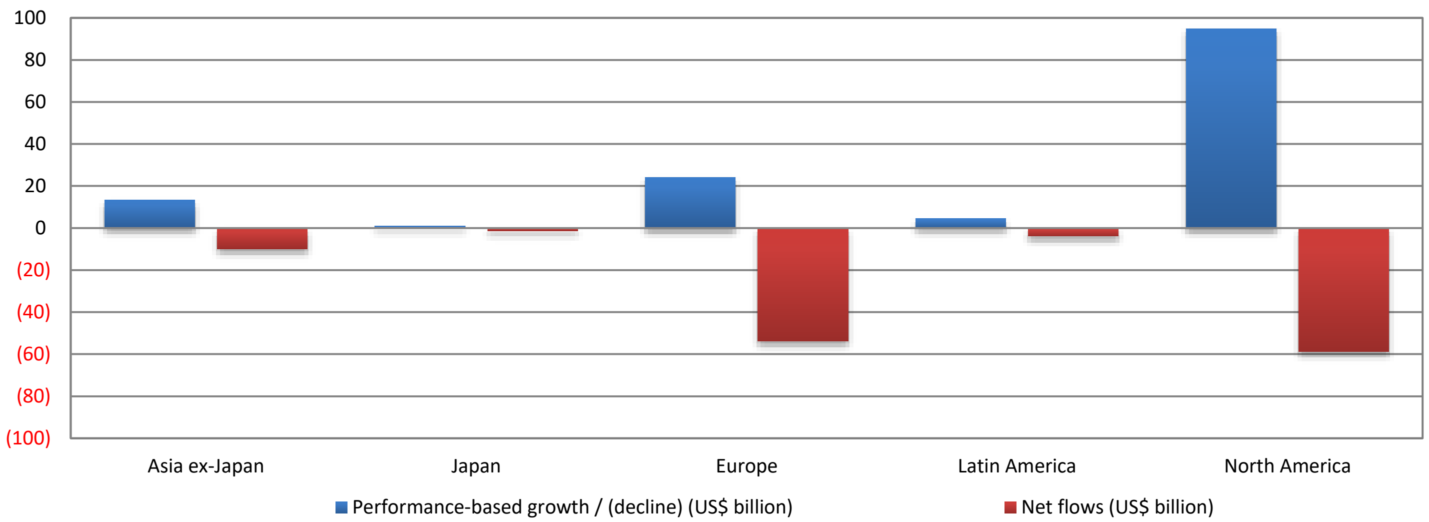
Asian funds posted flat performance growth in January and investor outflows stood at US$0.6 billion during the month. Total assets for Asian hedge funds stood at US$186.8 billion in 2019. The Pan-Asia mandate saw US$14.2 billion of performance-driven gains and US$11.3 billion of net investor outflows over the same period.

Figure 2: January 2020 asset flow by geographic mandate



Source: Eurekahedge

Figure 3: 2019 asset flows by geographic mandate



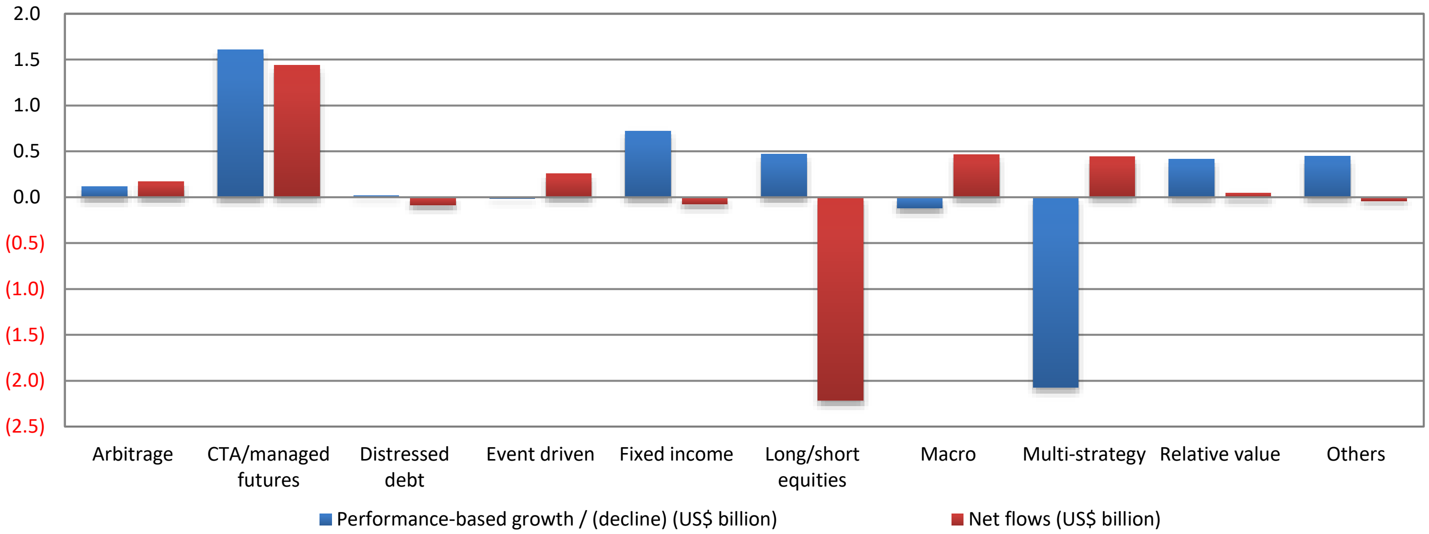
Source: Eurekahedge

Figure 4 gives a breakdown of performance-based gains and net flows for the hedge fund industry by various strategies for the month of January. Net allocation activity was mixed across the board, thanks to the risk-off sentiment among investors towards the end of the month.

Fund managers utilising CTA/managed futures strategies posted the strongest performance-based gains of US$1.6 billion combined with investor allocations of US$1.4 billion throughout the month. Some fund managers with short exposure to oil benefited from the sharp decline of the energy sector during the month, driven by the easing tension in the Middle East and the COVID-19 outbreak. On the other hand, despite the weak performance of global equities in January, the long/short equities mandate posted performance based-gains of US$0.5 billion offset by investor redemptions of US$2.2 billion over the month.

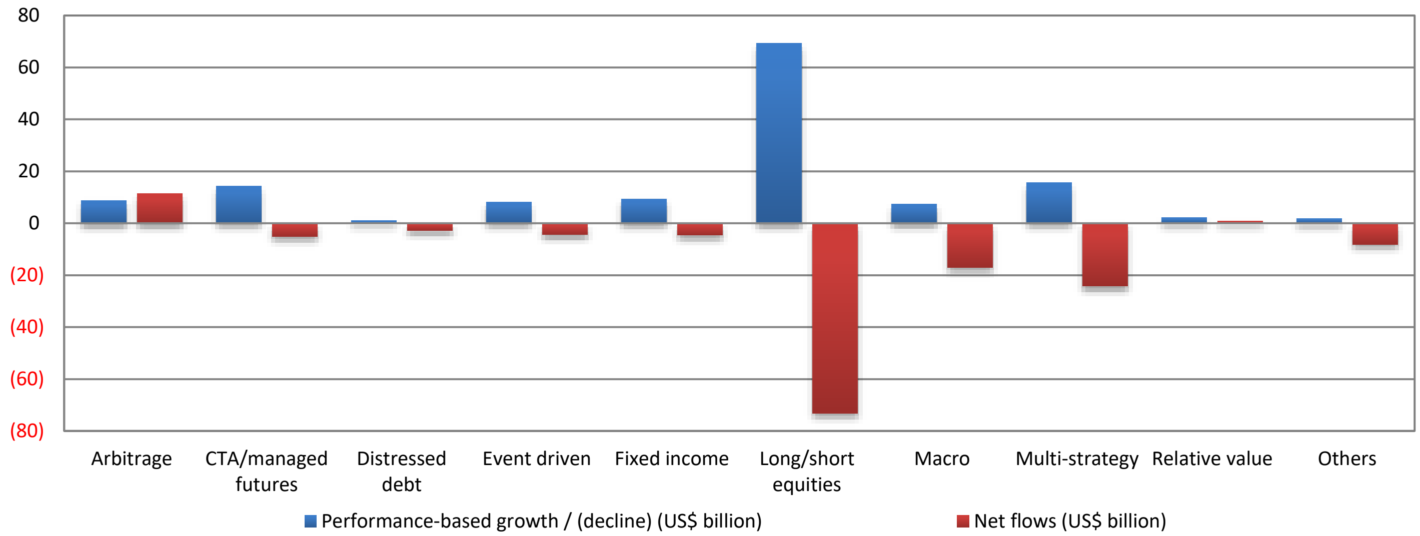
On a yearly basis, the long/short equities mandate recorded investor redemptions totalling US$73.3 billion despite the strong performance-driven gains of US$69.3 billion over 2019. Multi-strategy and macro mandates posted investor outflows totalling US$24.3 billion and US$17.1 billion respectively throughout the year. On the other hand, arbitrage mandate saw positive investor allocations of US$11.4 billion in 2019.

Figure 4: January 2020 asset flow by strategy employed



Source: Eurekahedge

Figure 5: 2019 asset flow by strategy employed



Source: Eurekahedge

Table 2: Performance-based changes in assets and asset flows 2019

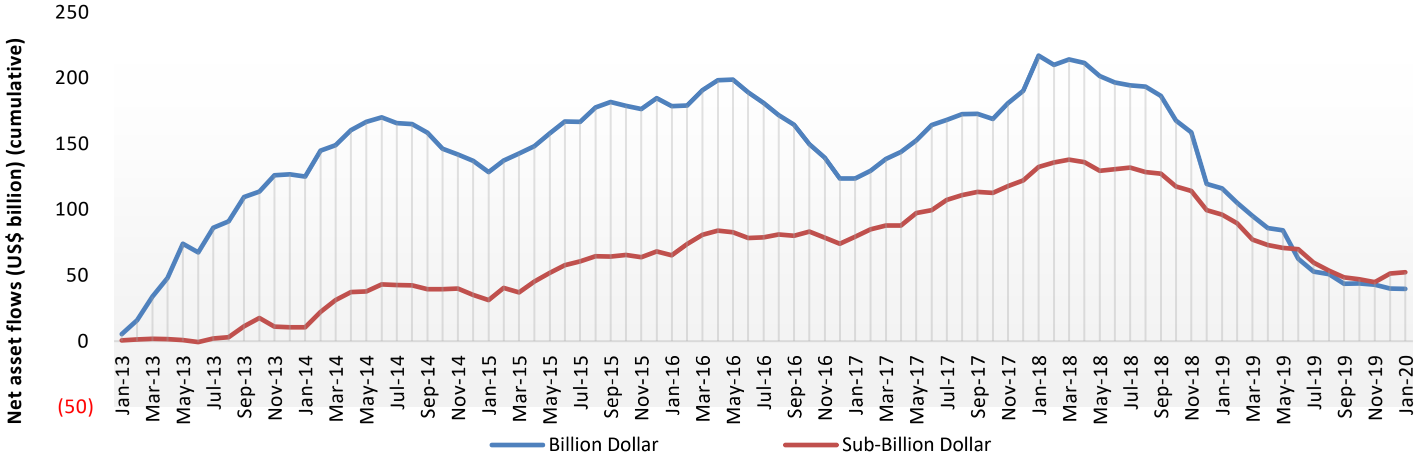
	Assets at start	Net growth (performance)	Net flows	Assets at end	% change in assets
Hedge funds	2292.3	137.8	(127.5)	2302.6	0.45%
By geographic mandate					
Asia ex-Japan	166.4	13.3	(10.0)	169.7	1.99%
Japan	17.5	0.9	(1.3)	17.1	(2.09%)
Europe	499.8	24.1	(53.8)	470.2	(5.93%)
Latin America	61.7	4.6	(3.8)	62.5	1.23%
North America	1546.8	94.9	(58.6)	1583.1	2.35%
By strategic mandate					
Arbitrage	161.4	8.7	11.4	181.5	12.46%
CTA/managed futures	224.0	14.3	(5.2)	233.1	4.06%
Distressed debt	55.2	1.0	(2.8)	53.4	(3.30%)
Event driven	223.5	8.1	(4.4)	227.3	1.67%
Fixed income	172.3	9.4	(4.6)	177.1	2.79%
Long/short equities	802.7	69.3	(73.3)	798.7	(0.50%)
Macro	165.4	7.5	(17.1)	155.8	(5.79%)
Multi-strategy	341.9	15.6	(24.3)	333.3	(2.52%)
Relative value	68.7	2.1	0.8	71.6	4.28%
Others	77.1	1.8	(8.2)	70.8	(8.23%)
By fund size (US$ millions)					
≤20	20.2	0.5	0.1	20.8	2.96%
>20-≤50	42.6	1.3	0.1	44.0	3.26%
>50-≤100	54.8	1.9	(2.1)	54.6	(0.44%)
>100-≤250	239.3	11.3	(8.3)	242.2	1.24%
>250-≤500	330.2	11.2	(20.5)	320.9	(2.81%)
>500-≤1000	470.9	20.0	(17.3)	473.7	0.59%
>1000	1134.3	91.5	(79.4)	1146.4	1.07%

Note: All figures are in US$ billion, and rounded off to 1 decimal place

Source: Eurekahedge

Figure 6 shows the cumulative investor flows since 2013, with 2H 2016 showing a pronounced decline in investor flows for billion dollar hedge funds. In 2016, billion dollar hedge funds saw steep investor redemptions for seven consecutive months between June 2016 and December 2016, totalling US$75.0 billion. Sub-billion dollar hedge funds have also recorded redemptions over the same period, totalling US$8.8 billion. Redemption pressure eased going into 2017, with billion dollar hedge funds seeing inflows of US$66.5 billion in 2017. Sub-billion dollar funds also realised an encouraging year, with US$48.1 billion of inflows recorded over the same period. Throughout 2018, billion dollar hedge funds had seen redemptions totalling US$70.9 billion, while their sub-billion dollar counterparts recorded net outflows totalling US$22.5 billion over the year. Billion dollar hedge funds recorded performance-based gains of US$0.6 billion, offset by investor outflows of US$0.4 billion in January.

Figure 6: Cumulative investor flows since 2013

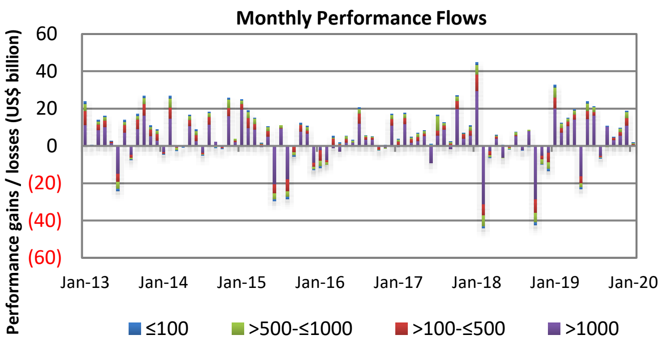


Source: Eurekahedge

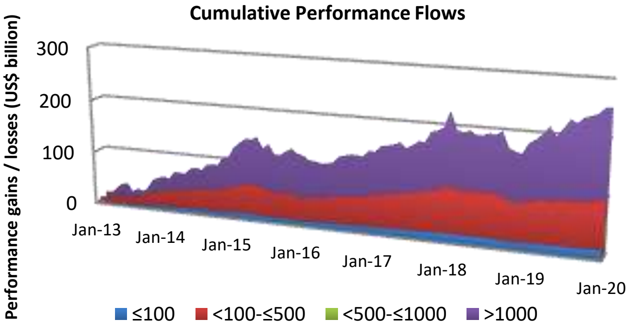
Figures 7 and 8 illustrate performance and net asset flows across the various fund size categories since January 2013. Over the period depicted, the global hedge fund industry has raked in performance-based gains of US$437.8 billion. Billion dollar hedge funds account for over half of these gains as they have delivered cumulative performance-based gains of US$251.6 billion since the start of 2013. Funds managing assets in the US$100 million to US$500 million range have seen performance-based gains of US$101.0 billion, compared to US$68.5 billion in performance gains posted by funds managing between US$500 million and US$1000 million.

A similar picture emerges based on net asset flows, with the global hedge fund industry attracting US$92.1 billion since January 2013, out of which billion dollar hedge funds accounted for US$39.8 billion of these net capital allocations. Given this preference on part of investors to allocate to larger billion dollar hedge funds, the success of small to medium sized hedge funds (less than US$500 million) will become increasingly dependent on the skill of the managers in growing them to a point where they can gather enough scale to attract large institutional investors.

Figure 7: Performance based gains/losses by fund size

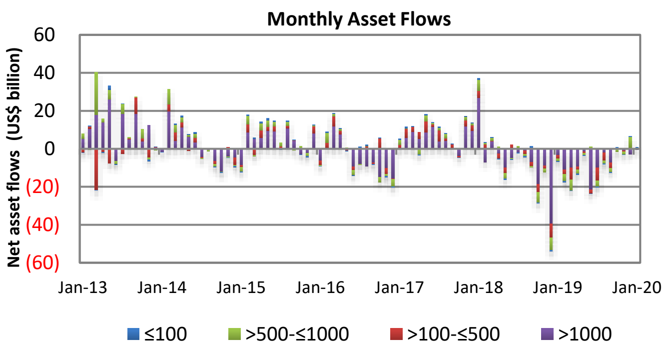


Source: Eurekahedge (US$ million)

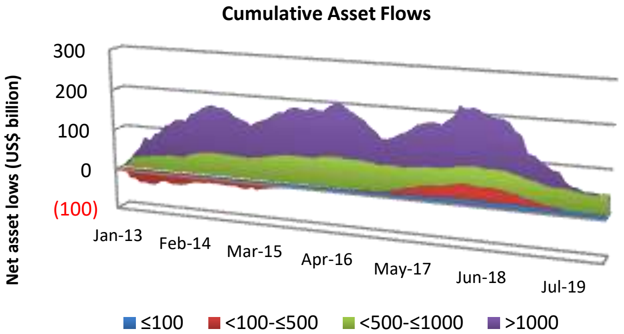


Source: Eurekahedge (US$ million)

Figure 8: Net asset flows by fund size



Source: Eurekahedge (US$ million)



Source: Eurekahedge (US$ million)

"The *Eurekahedge Hedge Fund Index* was up 0.14% in January, ahead of the underlying equity market which lost 0.90% over the same period."

"Approximately 56.0% of the underlying constituents of the *Eurekahedge Hedge Fund Index* posted positive returns in January."

"Returns were mixed across regions, with Asia ex-Japan fund managers up 0.93% in January, and North American fund managers down 0.11%."

"The *Eurekahedge Fixed Income Hedge Fund Index* was up 0.82% in January, as the risk-off sentiment in the market pushed yields lower during the month."

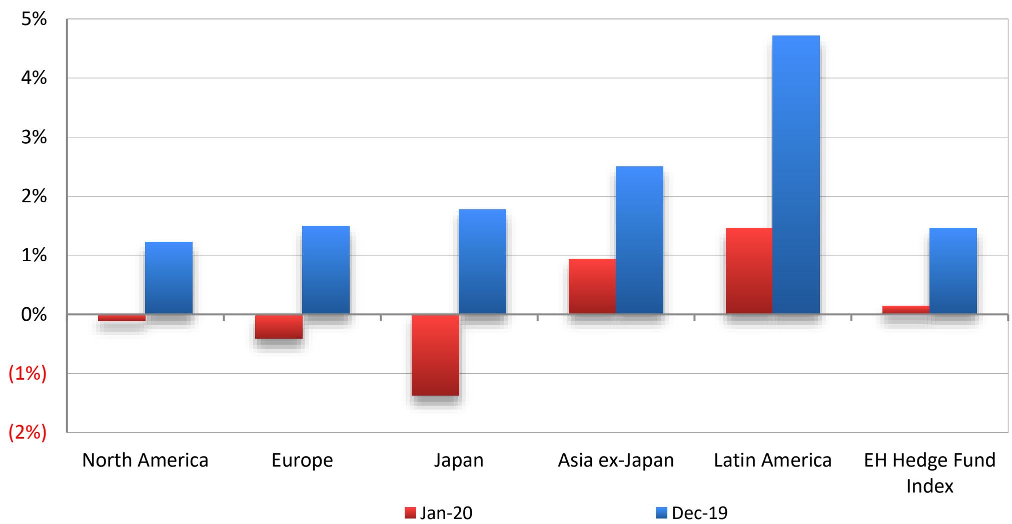
"The *CBOE Eurekahedge Long Volatility Hedge Fund Index* returned 1.57%, thanks to the spike of market volatilities during the month."

Introduction

The *Eurekahedge Hedge Fund Index* was up 0.14%[1] in January, ahead of the underlying equity market as represented by the MSCI ACWI (Local) which lost 0.90% over the same period. Global equities rallied earlier into the month, supported by the easing tension in the Middle East and the signing of the US-China phase-one trade deal. The S&P 500 and the tech-heavy NASDAQ returned 2.29% and 1.97% respectively for the week ending January 17. However, market sentiment shifted rapidly towards the end of the month, following the coronavirus outbreak in China. Investors feared that the epidemic, which draws parallel to the SARS outbreak in 2003 might have an adverse impact on the global economic outlook. The Shenzhen and Shanghai benchmarks were down 8.45% and 7.72% on February 3, after the onshore markets reopened following the Chinese New Year holiday. The two market benchmarks partially recouped their losses over the following days thanks to the liquidity injection introduced by the PBOC, as well as the tariff reduction on US imports. Over in Europe, the FTSE 100 ended January down 3.40%, underperforming other European equity markets as strong British pound weighed on UK equities. Meanwhile, global government bonds posted gains during the month, driven by the risk-off sentiment in the market which pushed yields lower.

Approximately 56.0% of the underlying constituents of the *Eurekahedge Hedge Fund Index* posted positive returns in January, and 37.6% of the fund managers in the database were able to generate double-digit returns in 2019. Returns were mixed across regions, with Asia ex-Japan fund managers up 0.93% in January, in spite of the COVID-19 outbreak which contributed to the weak performance of the equity market in the region. Fund managers focusing on North America lost 0.11%, despite encouraging geopolitical developments and strong corporate earnings. Looking at 2019 returns, Asia ex-Japan hedge funds have returned 12.04%, ahead of their North American peers who were up 9.06%.

Figure 1: January 2020 and December 2019 returns across regions

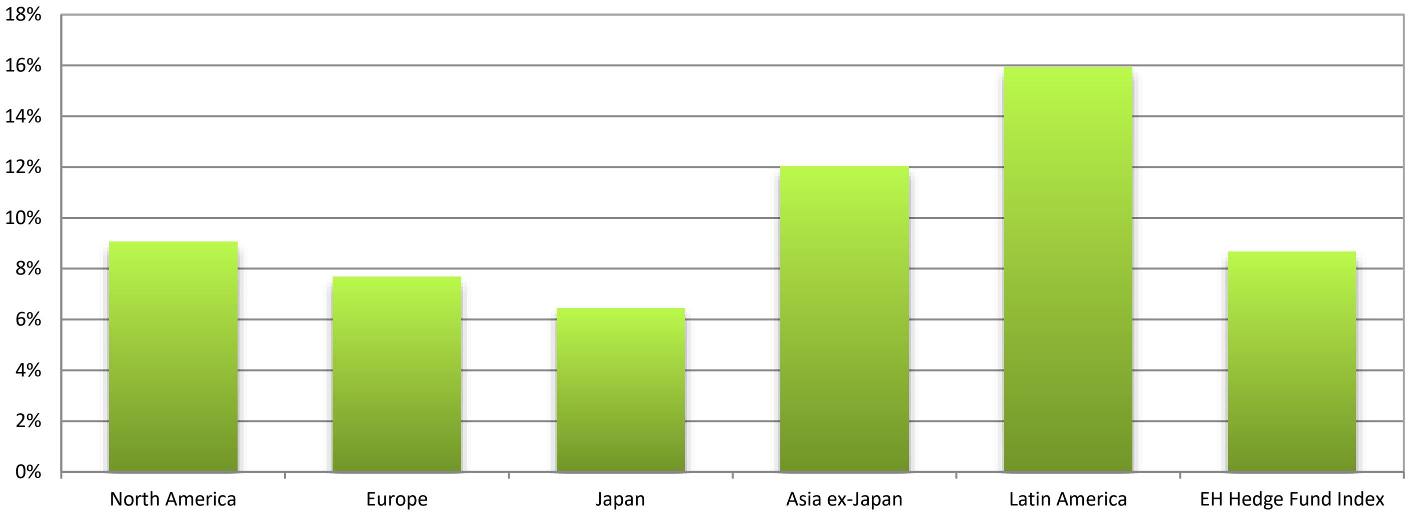


Source: Eurekahedge

Figure 2 illustrates the 2019 performance of hedge fund managers across regions. Supported by the strong performance of the global equity and bond markets, all regional mandates were up for the year, with Latin American hedge funds leading the pack with their 15.94% return. On the other end, fund managers focusing on Japan have returned 6.44% year-to-date, trailing behind the other regional mandates.

[1] Based on 42.79% of funds which have reported January 2020 returns as at 13 February 2020

Figure 2: 2019 returns across regions



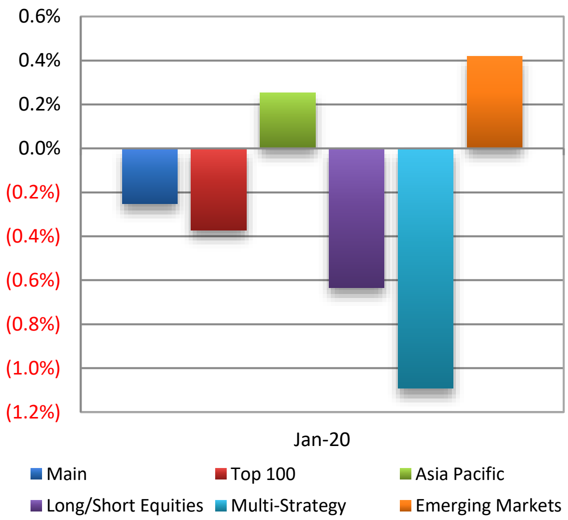
Source: Eurekahedge

Mizuho-Eurekahedge Asset Weighted Index

The asset-weighted *Mizuho-Eurekahedge Index - USD* was down 0.25% in January, after finishing 2019 with 6.96% return. It should also be noted that the *Mizuho-Eurekahedge Index* is US dollar denominated, and during months of strong US dollar gains, the index results include the currency conversion loss for funds that are denominated in other currencies.

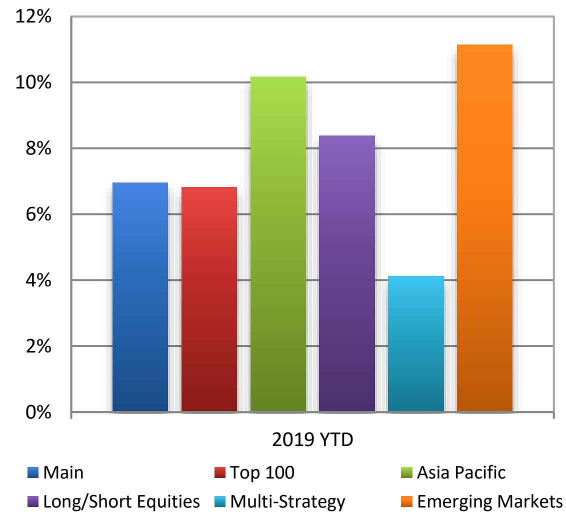
Most of the Mizuho-Eurekahedge indices were down in January, with the exception of the *Mizuho-Eurekahedge Emerging Index* which gained 0.42% over the month. In 2019, all of the Mizuho-Eurekahedge indices were in positive territory, with managers focusing on emerging markets generating the strongest returns of 11.14% return throughout the year.

Figure 3a: *Mizuho-Eurekahedge Indices* January 2020 returns



Source: Eurekahedge

Figure 3b: *Mizuho-Eurekahedge Indices* 2019 returns



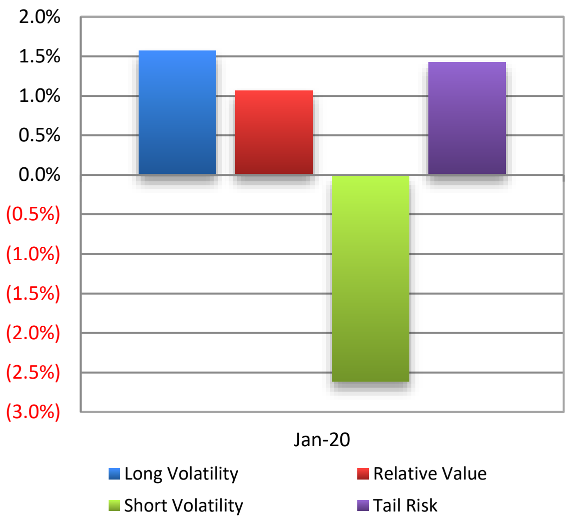
Source: Eurekahedge

CBOE Eurekahedge Volatility Indexes

The *CBOE Eurekahedge Volatility Indexes* comprise four equally-weighted volatility indices – long volatility, short volatility, relative value and tail risk. The *CBOE Eurekahedge Long Volatility Index* is designed to track the performance of underlying hedge fund managers who take a net long view on implied volatility with a goal of positive absolute return. In contrast, the *CBOE Eurekahedge Short Volatility Index* tracks the performance of underlying hedge fund managers who take a net short view on implied volatility with a goal of positive absolute return. This strategy often involves the selling of options to take advantage of the discrepancies in current implied volatility versus expectations of subsequent implied or realised volatility. The *CBOE Eurekahedge Relative Value Volatility Index* on the other hand measures the performance of underlying hedge fund managers that trade relative value or opportunistic volatility strategies. Managers utilising this strategy can pursue long, short or neutral views on volatility with a goal of positive absolute return. Meanwhile, the *CBOE Eurekahedge Tail Risk Index* tracks the performance of underlying hedge fund managers that specifically seek to achieve capital appreciation during periods of extreme market stress.

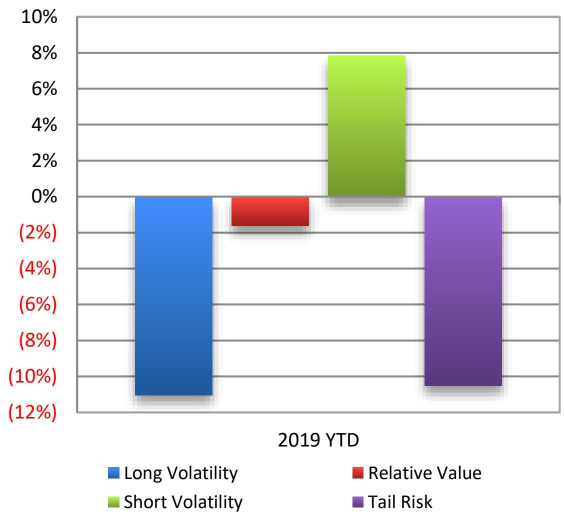
Most of the CBOE volatility indices were in positive territory in January. The *CBOE Eurekahedge Long Volatility Hedge Fund Index* topped the chart with its 1.57% return, thanks to the spike of market volatilities during the month. Looking at their 2019 returns, long volatility hedge fund managers were down 11.05%, placing them last among the four volatility strategy categories.

Figure 4a: *CBOE Eurekahedge Volatility Indexes* January 2020 returns



Source: Eurekahedge

Figure 4b: *CBOE Eurekahedge Volatility Indexes* 2019 returns

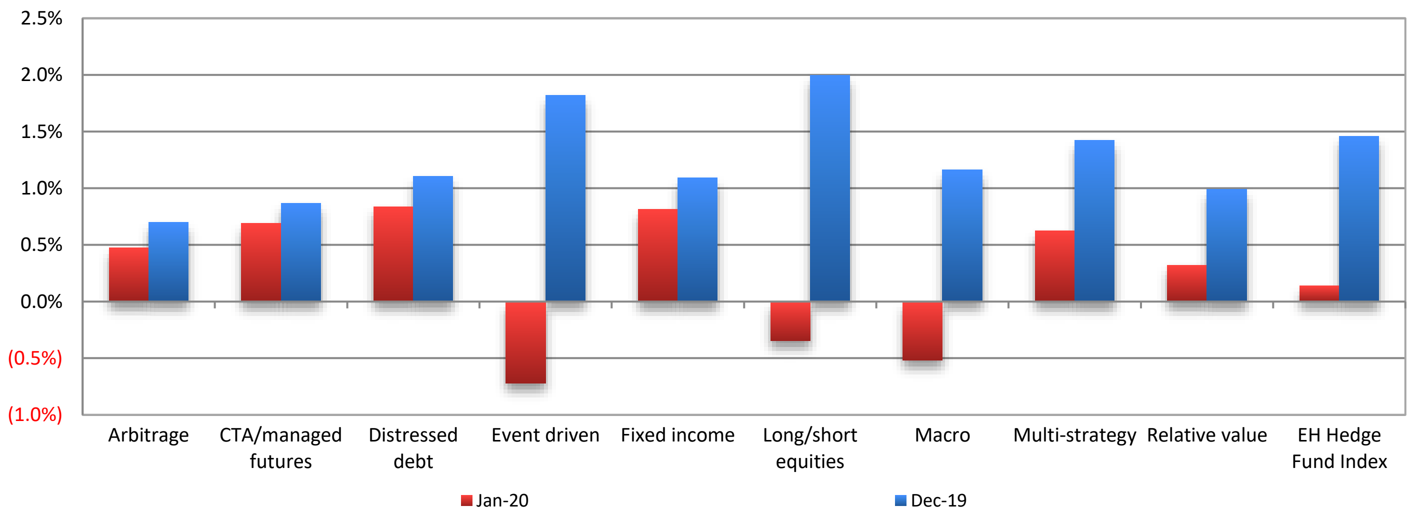


Source: Eurekahedge

Strategy Performance

Performance across major strategic mandates was mostly positive in January. Distressed debt hedge funds led the pack by gaining 0.84% in January, followed by fixed income hedge funds with their 0.82% return over the same month.

Figure 5: January 2020 and December 2019 returns across strategies



Source: Eurekahedge

Looking at 2019 returns, long/short equities and macro managers ended at the top with 11.24% and 8.58% returns respectively, followed by multi-strategy and fixed income mandates. Meanwhile, distressed debt and relative value managers trailed behind their peers throughout the year.

Figure 6: 2019 returns across strategies

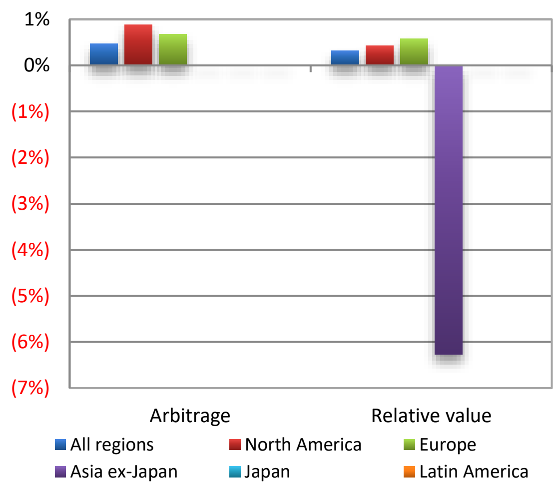
Source: Eurekahedge

Arbitrage and relative value

Arbitrage hedge fund managers were up 0.48% during the month, with all of its underlying regional mandate posting positive returns in January. North American arbitrage fund managers led the group with their 0.89% returns in January. In terms of 2019 returns, the *Eurekahedge Arbitrage Hedge Fund Index* was up 5.70%, with its underlying North American and European mandates gaining 5.34% and 4.35% respectively.

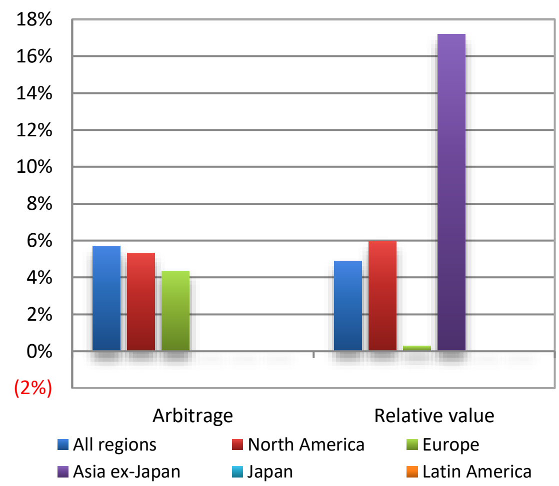
Hedge fund managers utilising relative value strategy ended the month of January up 0.32%, with the underlying Asia ex-Japan mandate losing 6.26% during the month. Looking at 2019 returns, the *Eurekahedge Relative Value Hedge Fund Index* was up 4.90% throughout the year.

Figure 7a: Arbitrage and relative value January 2020 returns



Source: Eurekahedge

Figure 7b: Arbitrage and relative value 2019 returns



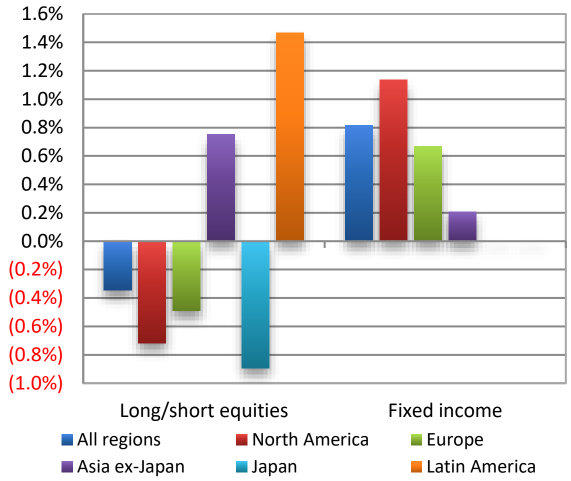
Source: Eurekahedge

Long/short equities and fixed income

The *Eurekahedge Long Short Equities Hedge Fund Index* ended the month down 0.35%, outperforming the global equity market as represented by the MSCI ACWI (Local) which lost 0.90%. The COVID-19 outbreak contributed to the weak performance of global stock market during the month. Most of the underlying regions of the mandate were in negative territory, with North American mandate losing 0.72%. Asia ex-Japan and North American mandates were up 13.59% and 13.07% throughout 2019, outperforming their peers focusing on Europe and Japan.

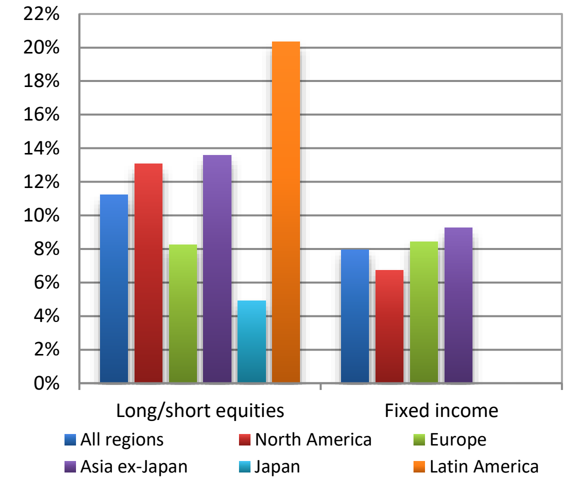
The *Eurekahedge Fixed Income Hedge Fund Index* was up 0.82% in January, as the risk-off sentiment in the market pushed yields lower during the month. The fixed income strategic mandate was up 7.94% in 2019, with all of its underlying mandates in positive territory.

Figure 8a: Long/short equities and fixed income January 2020 returns



Source: Eurekahedge

Figure 8b: Long/short equities and fixed income 2019 returns



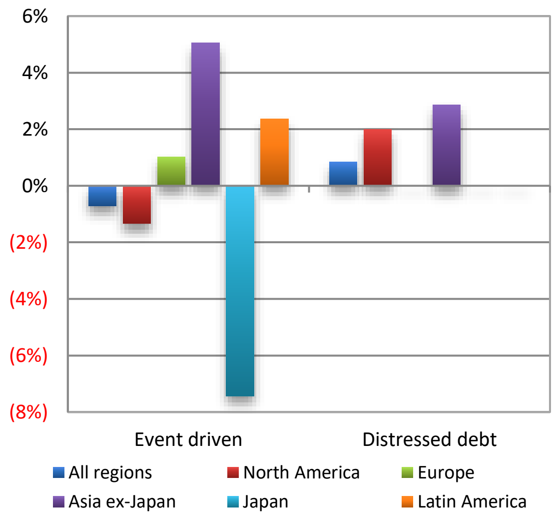
Source: Eurekahedge

Event driven and distressed debt

The *Eurekahedge Event Driven Hedge Fund Index* slumped 0.72% during the month, with most of its underlying regional mandates generating positive returns. Event driven funds managers focusing on Asia ex-Japan posted gains of 5.06% in January. Looking at 2019 returns, event driven hedge funds were up 7.22%, and most of the underlying regions were positive.

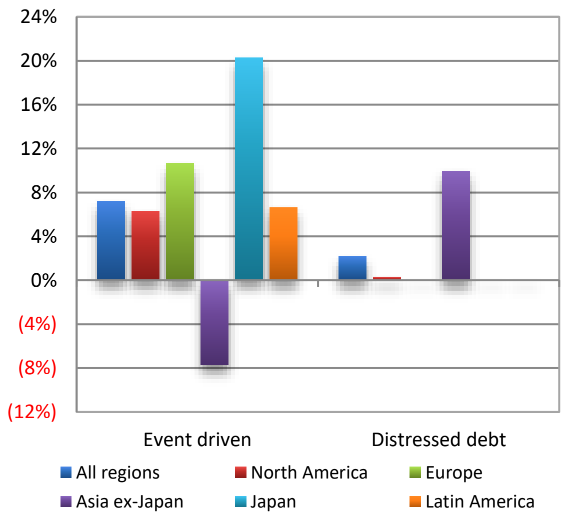
The *Eurekahedge Distressed Debt Hedge Fund Index* was up 0.84% in January, with all of its underlying regional mandates were in positive territory. Looking at their 2019 performance, distressed debt fund managers were up 2.19% in 2019, underperforming their peers utilising other strategies.

Figure 9a: Event driven and distressed debt January 2020 returns



Source: Eurekahedge

Figure 9b: Event driven and distressed debt 2019 returns



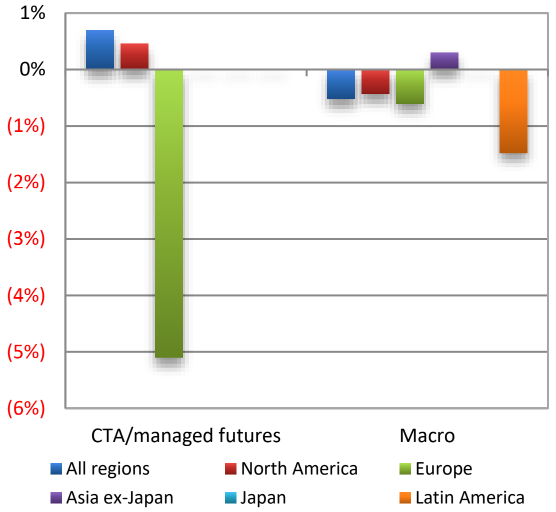
Source: Eurekahedge

CTA/managed futures and macro

Hedge fund managers utilising CTA/managed futures strategies were up 0.69% in January, with mixed returns across the underlying regional mandates. Oil prices sharply declined during the month owing to the easing tension in the Middle East combined risk-off sentiment among investors. The *Eurekahedge CTA/Managed Futures Hedge Fund Index* was up 5.47% in 2019.

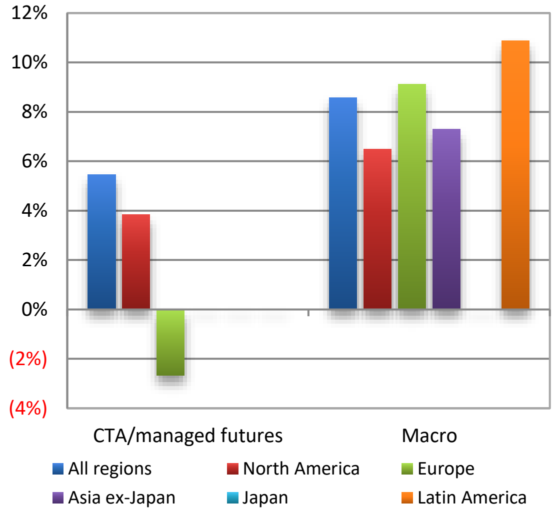
The *Eurekahedge Macro Hedge Fund Index* lost 0.52% in January, with most of its underlying regional mandates in negative territory. Macro fund managers were up 8.58% throughout 2019.

Figure 10a: CTA/managed futures and macro January 2020 returns



Source: Eurekahedge

Figure 10b: CTA/managed futures and macro 2019 returns



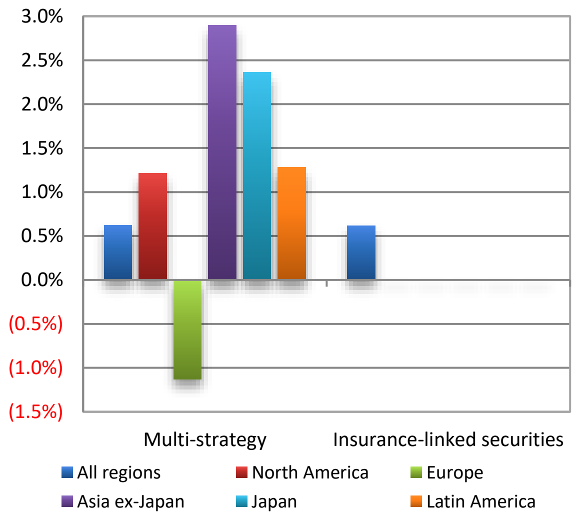
Source: Eurekahedge

Multi-strategy and insurance-linked securities

The *Eurekahedge Multi-Strategy Hedge Fund Index* was up 0.62% during the month, with the underlying Asia ex-Japan mandates posting the strongest return of 2.90%. The *Eurekahedge Multi-Strategy Hedge Fund Index* was up 7.97% in 2019, with all of its underlying regional mandates in positive territory.

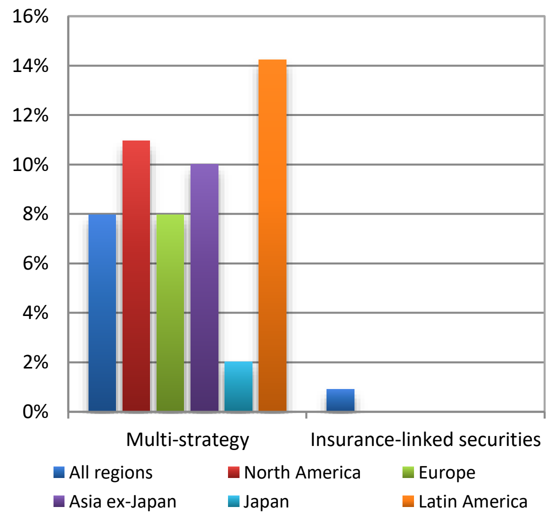
The *Eurekahedge ILS Advisers Index* gained 0.62% in January, after they generated 0.92% return in 2019. ILS hedge fund managers suffered considerable losses from the recent Atlantic hurricane seasons in 2018 and 2017, during which the index was down 3.92% and 5.60% respectively

Figure 11a: Multi-strategy and insurance-linked securities January 2020 returns



Source: Eurekahedge

Figure 11b: Multi-strategy and insurance-linked securities 2019 returns

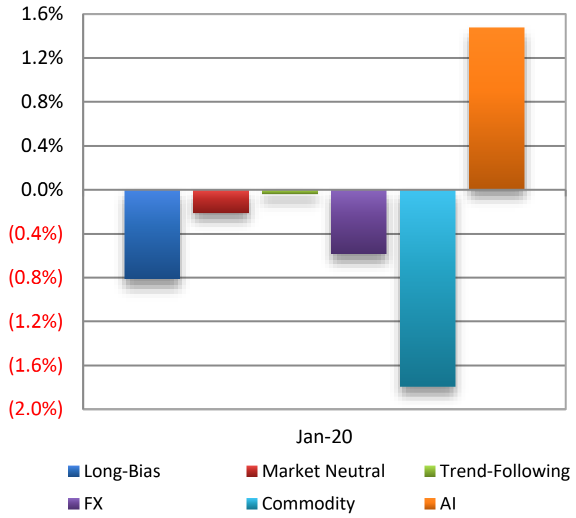


Source: Eurekahedge

Sub-strategies

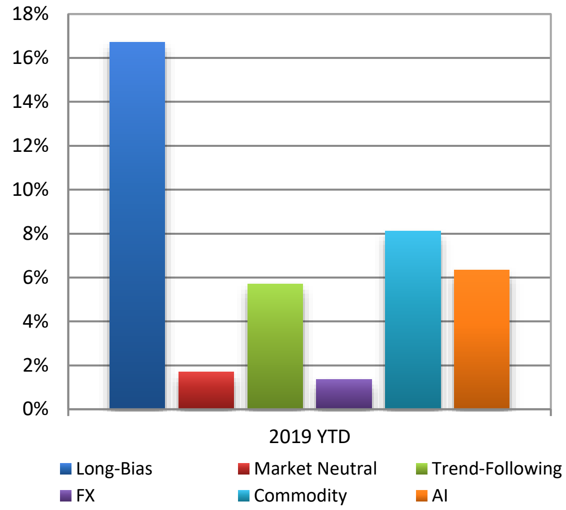
All of the secondary strategic mandates posted negative returns in January, with the exception of AI strategies as they returned 1.48% over the month. Looking at 2019 returns, all of the sub-strategies were positive with equity long-bias mandate leading the group by returning 16.72% throughout the year.

Figure 12a: Sub-strategies January 2020 returns



Source: Eurekahedge

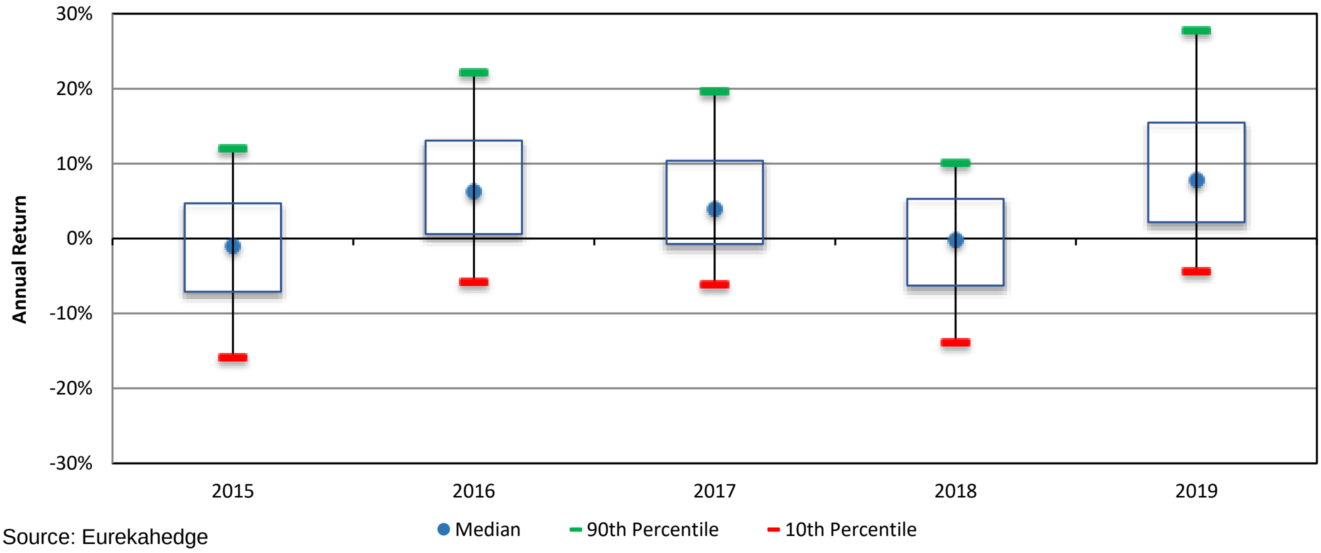
Figure 12b: Sub-strategies 2019 returns



Source: Eurekahedge

Figure 13 provides the performance distribution of the hedge funds in the Eurekahedge database, showing the median return, 10th and 90th percentile returns, as well as the top and bottom quartile returns on a yearly basis since 2015.

Figure 13: Performance distribution of global hedge funds



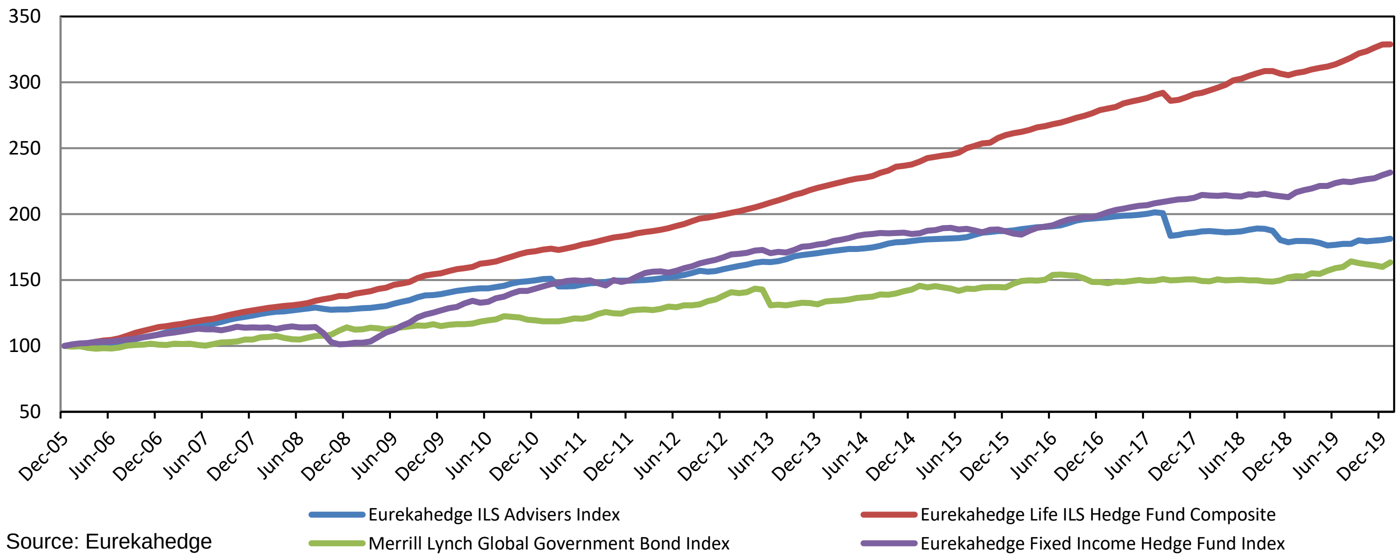
Source: Eurekahedge

Continued loss creep from past events curtailed ILS fund performance in 2019

The *Eurekahedge ILS Advisers Index* gained 0.92% in 2019, following two consecutive years of losses during which ILS fund managers with catastrophe risk exposure suffered from the damage caused by the Atlantic hurricane seasons. Despite being a period of calm insurance losses, 2019 saw ILS fund managers languishing under loss creep from upward adjustments in estimated losses of past events. Insurance-linked securities (ILS) hedge funds trade in instruments whose values depend on insurance loss events. The majority of these instruments are reinsurance policies that assume the risk taken by insurance companies, which in turn assume the risk taken by individuals or institutions. A reinsurance policy allows a second insurer to take a share in the potential profit and loss from the underlying insurance policy. The ILS market covers the reinsurance of various types of risk, including life insurance risk, catastrophic risk and debt risk. Life reinsurance ILS protects the insurance companies against extreme events that cause the deaths of a massive number of people, such as terrorist attacks, epidemic, or natural disasters. On the other hand, debt reinsurance ILS covers the potential losses caused by debt defaults.

Figure 1 below compares the performance of the *Eurekahedge ILS Advisers Index* and the *Eurekahedge Life ILS Hedge Fund Composite* against the global government bond market represented by the Merrill Lynch Global Government Bond Index, as well as fixed income hedge funds. The *Eurekahedge ILS Advisers Index*, launched in 2012, is an equal-weighted index designed to help institutional investors in tracking the performance of hedge fund managers who have at least 70% of their portfolio invested in non-life risk. The *Eurekahedge Life ILS Hedge Fund Composite* is a custom equal-weighted index comprising ILS hedge funds which primarily focus on life risk.

Figure 1: The *Eurekahedge ILS Advisers Index* performance since inception



Source: Eurekahedge

As observed in Figure 1, both life ILS and non-life ILS hedge funds have managed to outperform the global government bond market over the period starting from end-2005. The *Eurekahedge ILS Advisers Index* has generated 4.32% annualised return since its inception, trailing behind the *Eurekahedge Life ILS Hedge Fund Composite* which returned 8.82% per annum over the same period. Both indices have exhibited very low levels of correlation against the global government bond market and other traditional hedge fund strategies.

Table 1: Performance in numbers – *Eurekahedge ILS Advisers Index*

	Eurekahedge ILS Advisers Index	Eurekahedge Life ILS Hedge Fund Composite	Merrill Lynch Global Government Bond Index	Eurekahedge Fixed Income Hedge Fund Index
2006	8.68%	14.34%	0.88%	8.42%
2007	13.22%	10.91%	3.93%	5.12%
2008	3.83%	8.71%	8.88%	(10.99%)
2009	8.99%	12.57%	0.86%	25.10%
2010	7.52%	10.67%	3.64%	12.98%
2011	(0.14%)	7.19%	6.09%	4.41%
2012	5.93%	8.51%	9.08%	11.69%
2013	7.61%	10.05%	(4.67%)	5.89%
2014	5.42%	8.11%	8.37%	4.44%
2015	4.24%	9.42%	1.22%	1.05%
2016	5.19%	7.30%	2.96%	6.71%
2017	(5.60%)	4.29%	1.16%	6.54%
2018	(3.92%)	4.94%	0.99%	0.18%
2019	0.92%	7.65%	5.39%	7.94%
2020 year-to-date	0.62%	0.03%	2.03%	0.82%
3-year annualised return	(2.82%)	5.49%	3.44%	4.76%
3-year annualised volatility	5.71%	1.94%	2.95%	1.73%
3-year Sharpe ratio (RFR = 2%)	(0.84)	1.80	0.49	1.59
5-year annualised return	0.12%	6.52%	2.30%	4.55%
5-year annualised volatility	4.56%	1.68%	3.17%	2.09%
5-year Sharpe ratio (RFR = 2%)	(0.41)	2.68	0.10	1.22
10-year annualised return	2.59%	7.69%	3.49%	6.06%
10-year annualised volatility	3.66%	1.45%	4.13%	2.57%
10-year Sharpe ratio (RFR = 2%)	0.16	3.93	0.36	1.58

Source: Eurekahedge

Table 1 provides the detailed risk return statistics of the four indices shown in the figure above. Key takeaways include:

1. The *Eurekahedge ILS Advisers Index* was up 0.92% in 2019, as ILS fund managers focusing on cat bonds suffered loss creep from upward adjustments in the estimated damages of past events. The index was down 5.60% and 3.92% in 2017 and 2018 respectively. Life ILS hedge fund managers on the other hand have returned 7.65% in 2019, outperforming their non-life ILS peers and the global government bond market.

2. Looking over the last three and five year periods, non-life ILS fund managers have failed to generate competitive annualised returns compared to their life ILS peers and other hedge fund strategies. This is largely caused by the significant losses they suffered during the Atlantic hurricane seasons of 2017 and 2018, which wiped out nearly two years' worth of gains and sent the value of the *Eurekahedge ILS Advisers Index* below its February 2015 level.

3. Over a longer period of 10 years, the *Eurekahedge ILS Advisers Index* has recorded an annualised return of 2.59% and a Sharpe ratio of 0.16, which compares to the 7.69% return per annum and 3.93 Sharpe ratio generated by the *Eurekahedge Life ILS Hedge Fund Composite* over the same period.

Table 2 provides the correlation values between the performance of ILS fund managers against the government bond markets and fixed income hedge funds. As seen in the table below, both the *Eurekahedge ILS Advisers Index* and the *Eurekahedge Life ILS Hedge Fund Composite* are very weakly correlated to the two other indices, supporting the idea that ILS investments are able to provide market-uncorrelated returns for an investor's portfolio. On the other hand, life ILS hedge funds exhibit a fairly strong correlation against their non-life ILS peers.

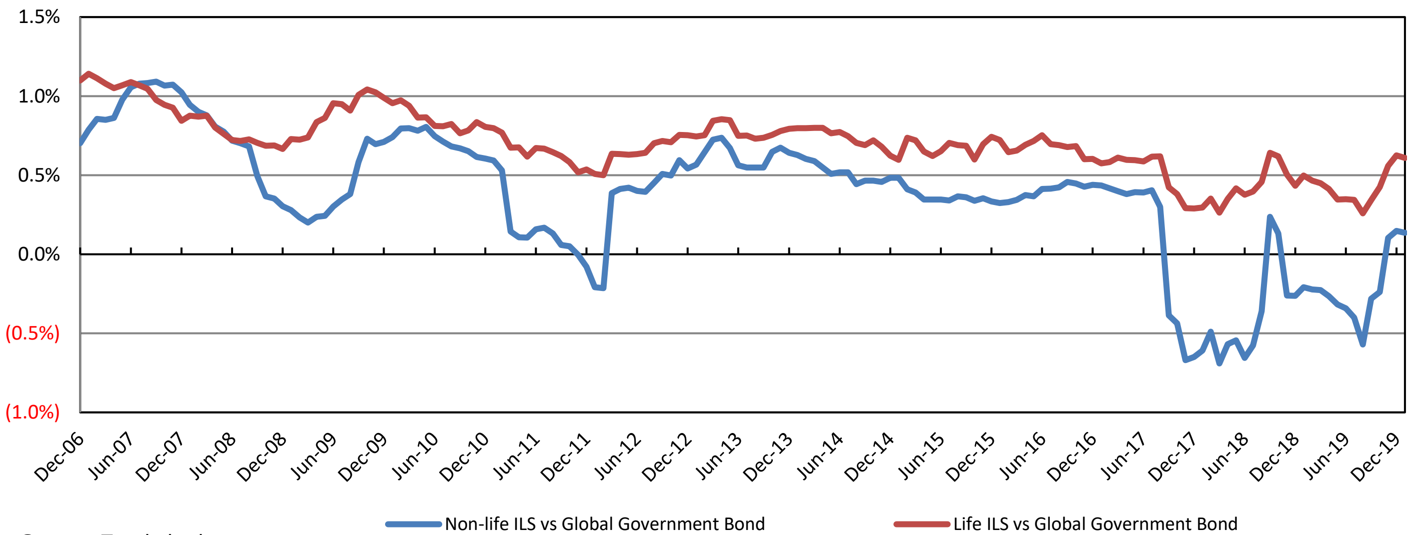
Table 2: Correlation matrix

	Eurekahedge ILS Advisers Index	Eurekahedge Life ILS Hedge Fund Composite	Merrill Lynch Global Government Bond Index	Eurekahedge Fixed Income Hedge Fund Index
Eurekahedge ILS Advisers Index	1.00			
Eurekahedge Life ILS Hedge Fund Composite	0.72	1.00		
Merrill Lynch Global Government Bond Index	0.05	0.01	1.00	
Eurekahedge Fixed Income Hedge Fund Index	0.20	0.08	-0.05	1.00

Source: Eurekahedge

Figure 2 provides the 12-months rolling alpha of the *Eurekahedge ILS Advisers Index* and the *Eurekahedge Life ILS Hedge Fund Composite* against the Merrill Lynch Global Government Bond Index, assuming a 0% risk-free rate. As the figure below shows, life ILS funds typically generate higher excess returns over the government bond markets as opposed to non-life ILS funds.

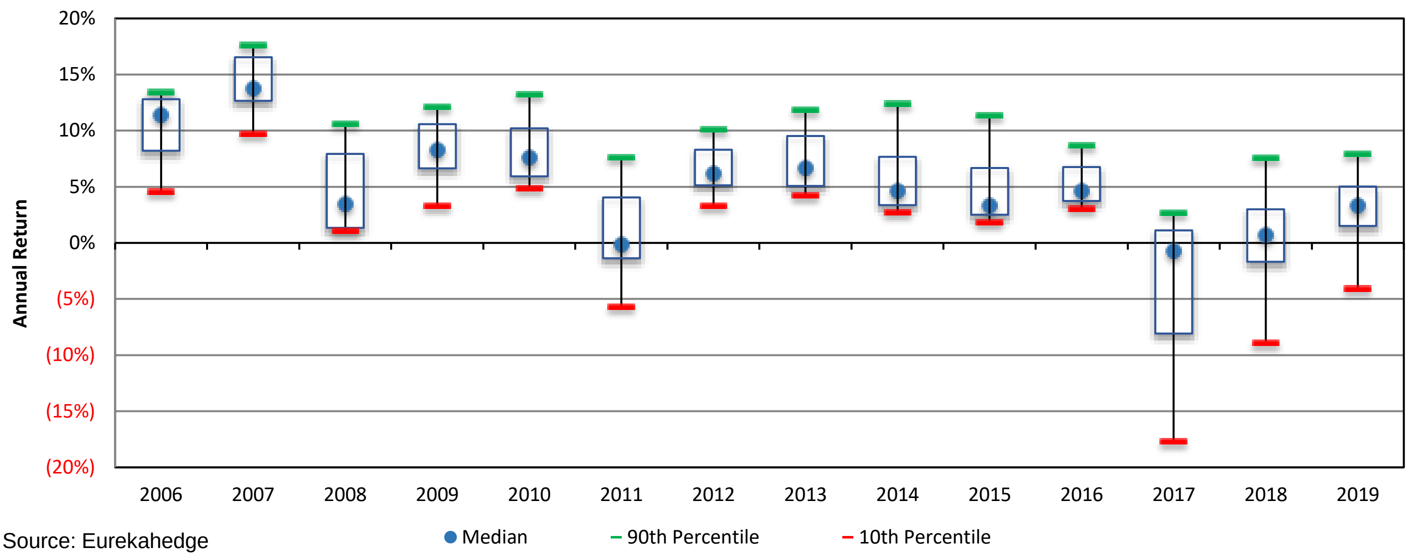
Figure 2: 12-month rolling alpha of ILS hedge fund strategies against global government bonds



Source: Eurekahedge

Figure 3 provides the performance distribution of all ILS hedge funds in the Eurekahedge database, including funds solely investing in catastrophe risk, as well as those focusing on life risk. The devastating losses incurred by the Atlantic hurricane seasons of 2017 and 2018 resulted in some of the greatest performance dispersion within the ILS hedge fund industry, leaving the bottom 10% of these fund managers down at least 17.67% in 2017, and 8.90% in 2018.

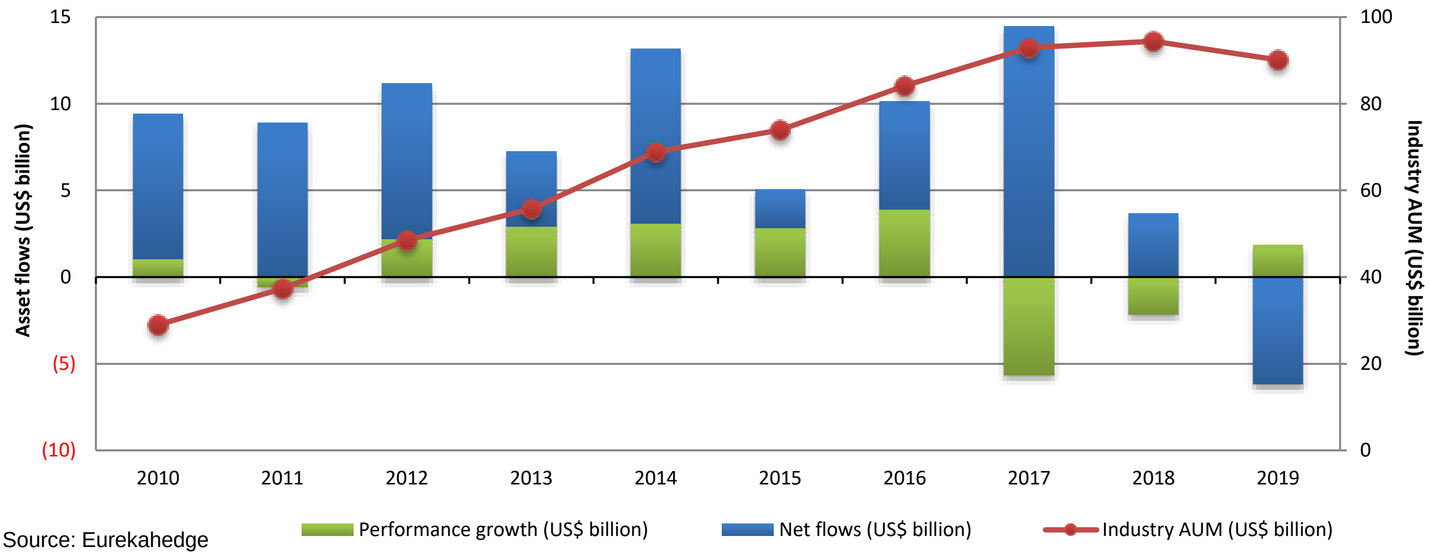
Figure 3: Performance distribution of ILS hedge funds



Source: Eurekahedge

The last part of this strategy profile report takes a look at the ILS hedge fund industry size and asset flows over the last few years. The ILS hedge fund industry has grown from an estimated US$29.0 billion of AUM back in 2010 to US$94.4 billion by the end of 2018, before slipping to US$90.1 billion by the end of 2019. Despite the performance-based losses suffered by ILS fund managers in 2017 and 2018, the industry saw strong investor inflows which more than compensated for the losses. This trend reversed in 2019, during which US$6.2 billion of net redemptions were registered by the industry in spite of positive performance growth.

Figure 4: Annual asset flows and AUM of the ILS hedge fund industry



Source: Eurekahedge

Introduction

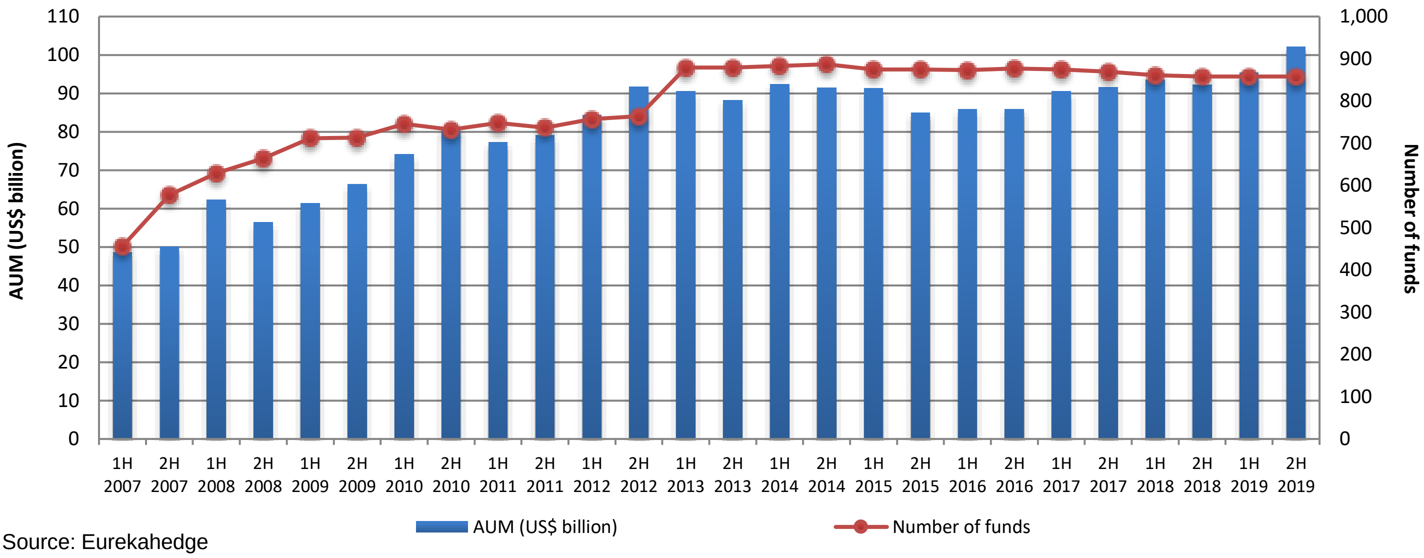
The Islamic finance industry is a niche market predominantly serving the needs of the world's Muslim population. Products marketed under the umbrella of Islamic finance comply with a different investment philosophy as opposed to traditional investment philosophy which the rest of the world are familiar with. Under a Shariah-compliant framework, transactions which are considered to be unethical under Islamic law are prohibited and instead, fund managers invest in products which are compliant with Islamic guidelines. Islamic financial products are accessible to all investors, some of whom choose to allocate into Islamic funds for purposes of portfolio diversification or their preference in investing in products which deemed as socially responsible. In recent years, Islamic finance has been catching on with traditional finance institutions as international banks have expanded into providing Islamic finance services. As the use of derivatives, options and futures are deemed to be speculative; Shariah-compliant products tend to exclude their use, thus making the structure of Islamic finance products different from those found in conventional finance. Though appearing to be esoteric, Islamic finance has been garnering the attention of the broader global investment community as attempts at harmonising the difference between conventional and Islamic finance offers both familiarity and stability to participants of Islamic finance.

Islamic funds ended the year 2019 with its strongest performance since 2009. The *Eurekahedge Islamic Fund Index* was up 10.09%, supported by the robust performance of global equity markets as represented by the Dow Jones Islamic Index and the MSCI World Index which gained 28.96% and 23.49% respectively over the same period. The positive progress of the US-China trade negotiation combined with the dovish stance of the major central banks acted as tailwinds to the performance of the risk assets throughout the year. After a couple of setbacks in the US-China trade negotiations which triggered global stock sell-offs in May and August, the two-leading economies finally agreed on a phase-one deal in October. The said agreement was officially signed in January 2020. In addition, the accommodative monetary policies of major central banks, particularly the Federal Reserve and the People's Bank of China, contributed to the performance of risk assets in 2019. Despite the encouraging geopolitical development, the Asia Pacific Islamic funds only gained 7.74% in 2019, underperforming their peers investing globally, which generated 15.57% return over the year.

Industry growth

Figure 1 shows the industry growth of Islamic funds since 2007 with its assets under management (AUM) currently standing at US$102.2 billion overseen by a total number of 858 funds. The conservative approach of Islamic finance investing has worked in their favour in some cases. The 2008 financial crisis which had its epicentre in speculative and highly-leveraged investments is one such instance where Islamic funds have managed to avoid the repercussions of the collapse of asset prices. The *Eurekahedge Islamic Fund Index* fell only 26.61% in 2008, compared to the MSCI World Index[1] which plummeted 41.12%. Growth picked up in the following year as equity markets began to recover, and the number of Islamic funds peaked around 2013 and 2014 before showing a trend of decline.

Figure 1: Industry growth over the years



Source: Eurekahedge

[1] MSCI AC World IMI (Local)

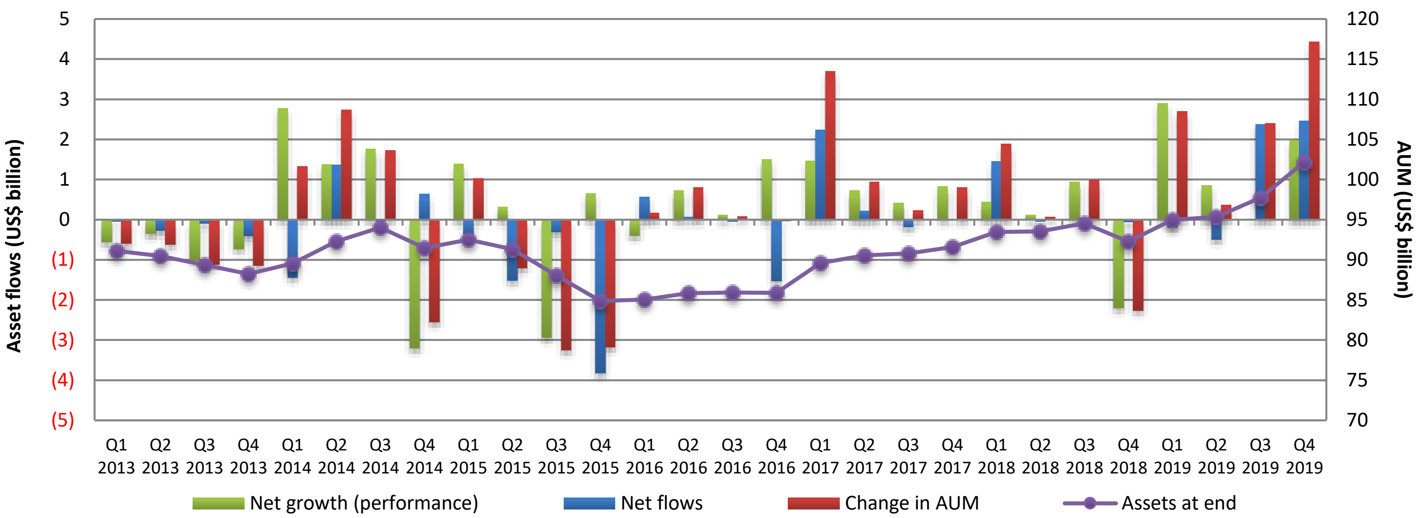
Assets under management of the Islamic fund industry slumped in the second half of 2015 following the crash in oil prices. The slow economic growth of Asia Pacific countries in 2015 and 2016 made it difficult for the Islamic fund industry to recover from this recess. It wasn't until the latter half of 2017 that Islamic funds managed to bounce back above their previous peak AUM in June 2014, propelled by the recovery in oil prices thanks to OPEC production cut and equity market rallies in Asia Pacific countries. Over in 1H 2018, the industry's asset under management continued to expand supported by the continuation of the 2017's global equity rally and recovering oil price. However, the industry AUM had declined by the end of 2018 as a result of several economic headwinds which hit the industry. In 2019, the industry's asset reached a peak of US$102.2 billion, supported by the strong performance-based growth and investor allocations throughout the year. Meanwhile, fund launch activities remained muted since 2013, resulting in a stagnating industry population size over the recent years.

Industry composition and growth trends

Asset flows

Figure 2 displays the quarterly asset flows in global Islamic funds since 2012, breaking down to both performance-based gains and investor flows. Islamic funds witnessed strong growth in 2012 due to a combination of robust capital allocations as well as performance-based gains, with net assets reaching a new high of US$92.1 billion by the end of the third quarter. The crash of oil prices in 2015 hit Islamic fund industry particularly hard due to the fact that the majority of Islamic countries in the Middle East region are oil exporters. The fourth quarter of 2015 alone recorded US$4.9 billion redemptions. Investor confidence didn't recover until 2017, which recorded US$6.0 billion investor allocations in the first quarter alone. Breaking down the asset flows of Islamic funds in 2017, nearly 80% of the AUM growth over the year were contributed by investor allocations, while performance-based growth contributed the remainder. In 2018, the Islamic fund industry recorded performance-based gains as the rise of oil prices helped the Islamic funds focusing on the Middle East region to perform well over the first half of the year. However, in the fourth quarter of 2018, the industry posted performance-based losses of US$2.2 billion and investor redemptions of US$0.1 billion, owing to the global equity sell-off in October and December. Looking at the year 2019, the industry asset grew by US$9.9 billion year-on-year, driven by the strong performance-based gains and investor allocations of US$5.8 billion and US$4.1 billion, respectively. The encouraging geopolitical development surrounding the US-China trade talks and accommodative stance of central banks in the developing economies contributed to the performance of the Islamic funds throughout the year.

Figure 2: Quarterly asset flows in global Islamic funds

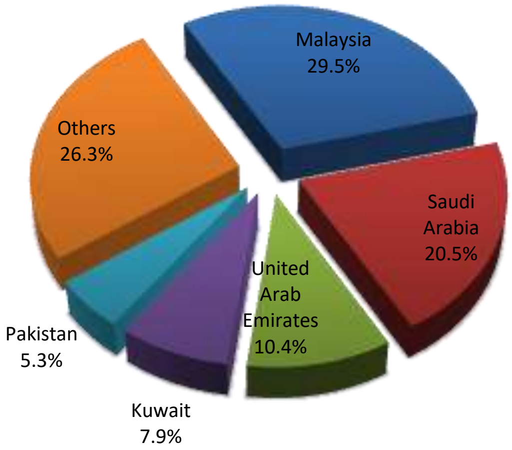


Source: Eurekahedge

Head office and fund domicile locations

Malaysia, Saudi Arabia, United Arab Emirates and Kuwait are the most popular locations for Islamic funds; the four locations have a collective share of over 60% of the Islamic fund population between them. As seen in Figure 3, it is apparent that Islamic funds are highly concentrated within the Southeast Asia and Middle East regions.

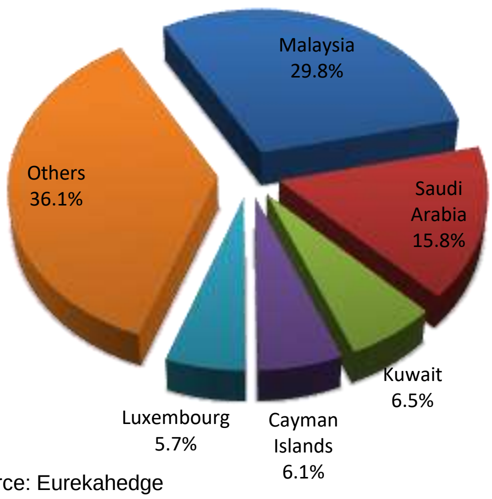
Figure 3: Head office locations by number of funds



Source: Eurekahedge

Fund domiciliation also reflects a similar trend with Malaysia, Saudi Arabia and Kuwait being the top three locations seeing a collective share of over half of total populations. Throughout the 2000s, Malaysia has been the leading fund centre; helped in particular by its move to restructure the public perception of Shariah-compliant products as an 'ethical investment' aside from it being exclusively Islamic. This particular approach to the promotion of Islamic finance is setting up Malaysia to retain its position as the most sought after Islamic fund centre for the upcoming years. In addition, Malaysia is continually innovating and evolving its Shariah-compliant products in its attempt to attract more private institutions into the Islamic finance scene. Furthermore, a relatively more stable ASEAN along with its sizeable Muslim population also give Malaysia an edge over its Gulf and Middle Eastern counterparts where regional instability undermines the potential advantages of tapping into a vast Muslim clientele. It is worth noting that major low tax jurisdictions such as Cayman Islands and Luxembourg managed to attract a sizeable number of Islamic funds, albeit to a much lesser extent than their market shares within the global hedge fund industry.

Figure 4: Fund domicile by number of funds



Source: Eurekahedge

Management fees

Table 1 provides the average management fees charged by Islamic funds based on their launch year. Unlike the global hedge fund industry which saw trends of declining fees, Islamic funds launching within the last two years charge higher fees on average compared to their immediate predecessors. It is important to note that there are additional costs incurred in the process of obtaining Shariah compliance. On the other hand, limitations imposed on Islamic funds in terms of tradable asset classes prevent these funds from employing highly complex strategies that require speculative derivatives, so generally the fees charged by Islamic funds lie below the fees charged by hedge funds that employ complex strategies. At the end of the day, despite investors' religious/ethical leanings, the additional cost of a 'Shariah-screen' needs to justify itself in the form of better risk-adjusted returns for investors, failing which the pressure on fees is likely to grow.

Table 1: Management fees by launch year

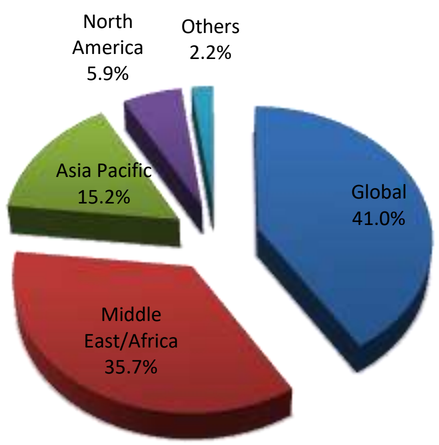
Year	Management Fees (%)
2006	1.44
2007	1.39
2008	1.40
2009	0.82
2010	1.12
2011	1.19
2012	0.99
2013	1.15
2014	0.85
2015	0.85
2016	0.70
2017	1.50
2018	1.00

Source: Eurekahedge

Geographic mandates

Figure 5a displays the geographic mandate distribution of Islamic funds by AUM. The bulk of assets are concentrated in Middle East/Africa and global focused Islamic funds. These two mandates oversee around three quarters of the industry AUM. Asia Pacific focused Islamic funds come in third with a share of 15.2% - most of which are concentrated in Malaysia and Pakistan. Islamic funds which have a dedicated North American mandate, constitute 5.9% of the market share and mostly invest in sectors such as real estate and Shariah-compliant US equities particularly in the information technology and healthcare sectors.

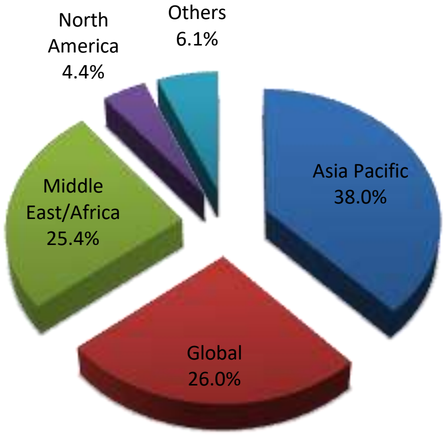
Figure 5a: Geographic mandates by assets under management



Source: Eurekahedge

The distribution of geographic mandates by the number of funds in Figure 5b shows interesting trends especially in Asia Pacific. Despite managing 15.2% of the industry's AUM, Asia Pacific is home to 38.0% of the industry's total fund population. When comparing the average fund size across regions, we see that Asia Pacific's average fund size is smaller than that of Middle East/Africa and globally focused Islamic funds. This suggests a budding Islamic asset management scene in Asia Pacific with new entrants into the market starting off with a smaller asset base. Indeed, favourable tax environment and support towards Islamic finance innovation particularly in Malaysia could point towards this trend while neighbouring Indonesia has also ramped up efforts to spruce the country's Islamic finance industry.

Figure 5b: Geographic mandates by number of funds

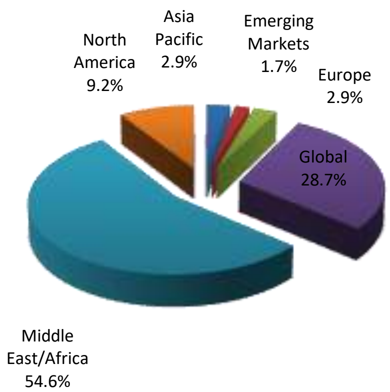


Source: Eurekahedge

Figures 5c-5e show the breakdowns of geographic mandates of Islamic funds by their head office location (GCC, Southeast Asia and Others). Across the GCC countries, 55.0% of the funds concentrated on the Middle East/Africa region. An overwhelming 89.8% of Southeast Asian Islamic funds are focused on Asia Pacific. On the whole, funds headquartered in GCC countries as opposed to those based in Southeast Asia are much more diversified in their regional investment mandates, though it is pertinent to note that managers based in either location allocate the lion's share of their assets into their own backyard (domestic markets). For Islamic funds located outside of GCC and Southeast Asia, 34.2% of them are globally-focused while another 22.4% of the funds are Middle East/Africa mandated. Asia Pacific is also a popular mandate accounting for 30.3% of the market share.

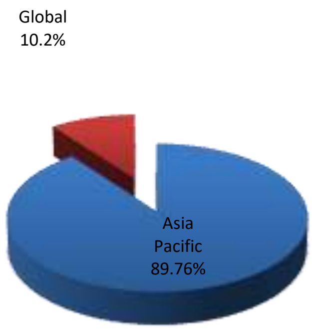
Figures 5c-5e: Geographic mandates by head office location

GCC



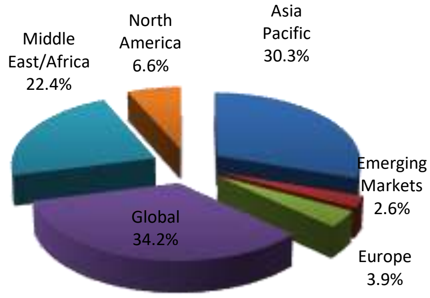
Source: Eurekahedge

Southeast Asia



Source: Eurekahedge

Others

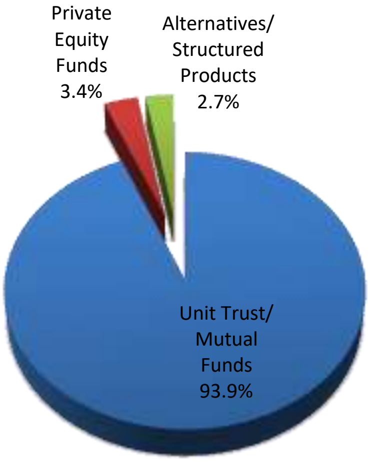


Source: Eurekahedge

Fund types

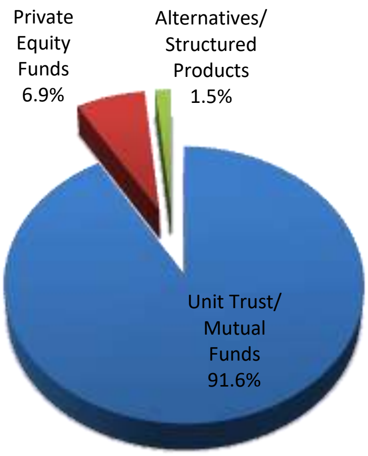
Figure 6a and Figure 6b show the breakdown of Islamic fund types. The vast majority of Islamic funds are structured as mutual funds and cater to retail investors. This is why many of the funds are overseen by well-established Shariah regulators like the Securities Commission of Malaysia as they help to ensure that managers abide by rules designed to safeguard retail investors. Alternative investments and structured products are deemed to be less liquid as conventional hedging strategies such as short-selling and the use of derivatives goes against the rules of Shariah investments. As such, the Islamic asset management industry resembles that of the mutual funds industry dominated by fixed income, equity and money market funds. Islamic funds are also making their foray into the lucrative private equity sector though currently they constitute a small portion of the market given the inherent challenges of mixing a leveraged buy-out deal within the confines of Shariah principles prohibiting excessive leverage. At present, Islamic private equity funds control 3.4% of the market share by AUM while constituting roughly 6.9% of the Islamic fund population. Islamic funds structured as unit trusts or mutual funds account for 93.9% of the industry AUM, and comprise 91.6% of the industry population.

Figure 6a: Fund types by assets under management



Source: Eurekahedge

Figure 6b: Fund types by number of funds

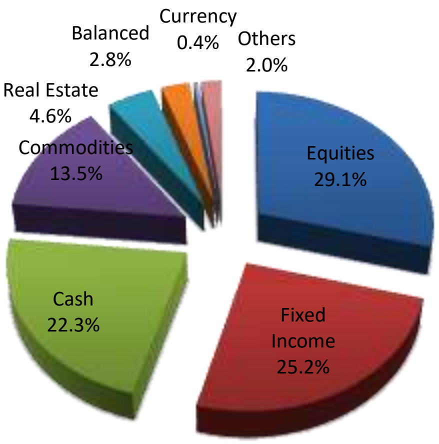


Source: Eurekahedge

Asset classes

Equity investments account for 29.1% of Islamic fund assets as allocating into Shariah-compliant companies is the most popular and accessible form of investing among retail Islamic investors. Fixed income investments came in second accounting for 25.2% of the industry's AUM. The Islamic fixed income scene has been garnering attention recently with a number of countries outside of the Muslim world joining the growing list of Sukuk issuers.

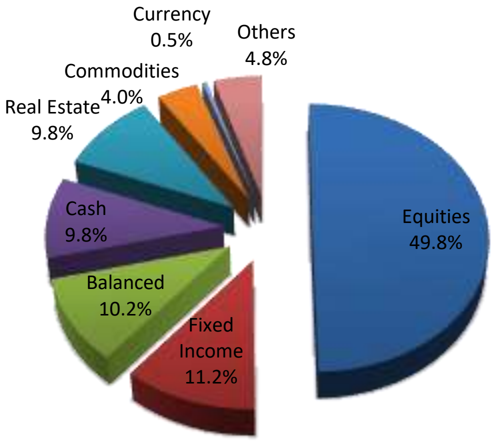
Figure 7a: Asset classes by assets under management



Source: Eurekahedge

Seen in Figure 7b, equities and fixed income have a collective share of 61.0% when looking at the distribution of asset classes by the number of funds. Other than being the most common strategy, equity investments are easily understood by the majority of retail Islamic fund investors and as such are popular among such investors. There are also readily available broad Shariah indices such as those offered by Dow Jones and FTSE to invest in. These indices are regularly reviewed to ensure their constituents are not involved in non-Shariah compliant activities. The ease of commodity funds to comply with Shariah policies have also made it well-placed with investors and managers alike. In light of the focus on Sukuk issuance, we do expect the size of fixed income asset class by number of funds to increase in the next few years depending on the response of conventional investors to Sukuk issuance offered by international banks.

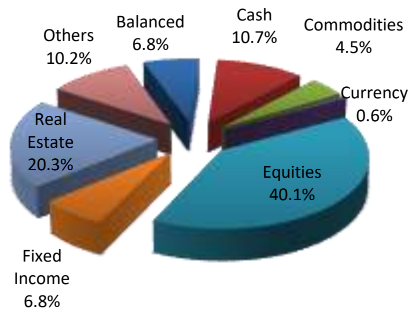
Figure 7b: Asset classes by number of funds



Source: Eurekahedge

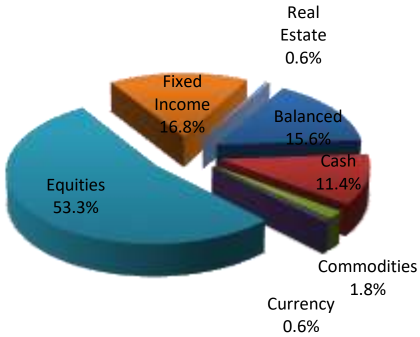
Figures 7c-7e: Asset classes by head office location

GCC



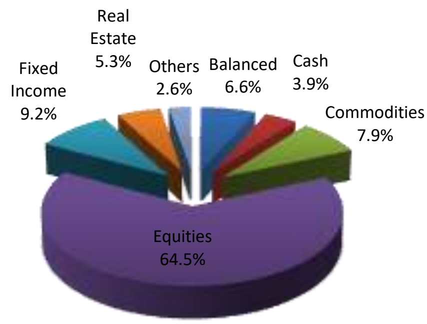
Source: Eurekahedge

Southeast Asia



Source: Eurekahedge

Others



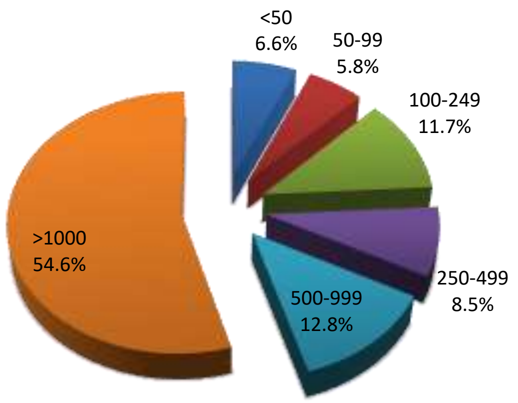
Source: Eurekahedge

Fund sizes

Figure 8a and Figure 8b show the distribution of Islamic fund assets and population based on fund size. Funds managing assets in excess of US$1 billion belong to the minority, comprising 2.3% of the Islamic fund population, but they oversee 54.6% of the industry AUM. On the other end of the spectrum, around four-fifth of the Islamic fund population are smaller sized funds managing assets less than US$100 million, and they collectively manage 12.4% of the industry's total assets.

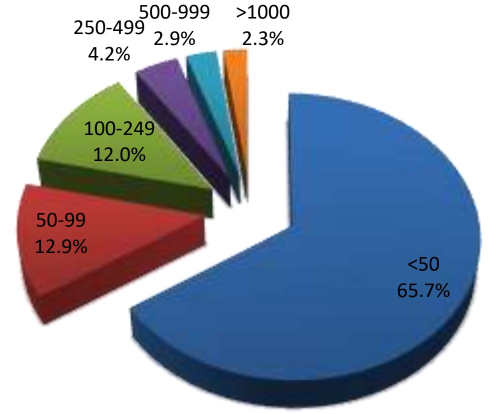
This points towards the prevalence of a large number of small Islamic funds that have over the years struggled to raise assets, which have disproportionately been directed towards the larger players in the industry, in particular the 'big-tickets' or allocations by large institutional investors such as sovereign wealth funds. Another conclusion which can be drawn from the prevalence of a large number of small Islamic funds is their inability to convert large segments of Muslim populations into their clientele, i.e. retail investors; in particular those ascribing to the Islamic faith have not reached that critical point needed to tip over domestic investors *en masse* towards Islamic fund offerings. Without an on-the-ground revolution of such sorts, not to be confused with another Arab Spring, Islamic funds will continue to lack the broad industry-wide acceptability they seek. After all, if the average Muslim is still sitting on the side line of Islamic investing, then capturing the fancy of non-Muslims who are seeking ethical investments via Shariah compliant vehicles will be a dream too far.

Figure 8a: Fund sizes by assets under management



Source: Eurekahedge

Figure 8b: Fund sizes by number of funds

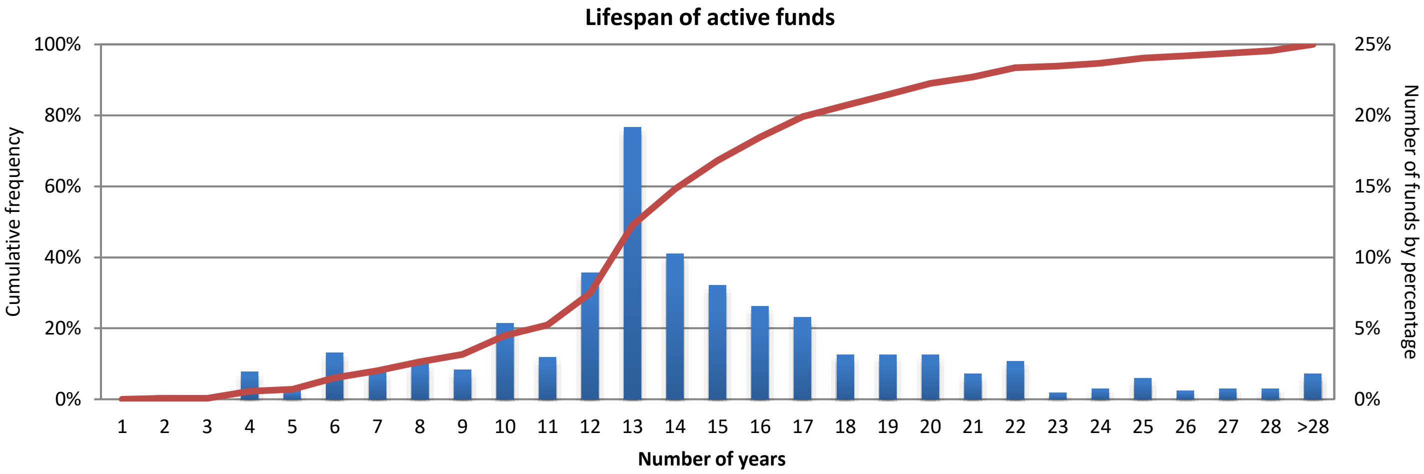


Source: Eurekahedge

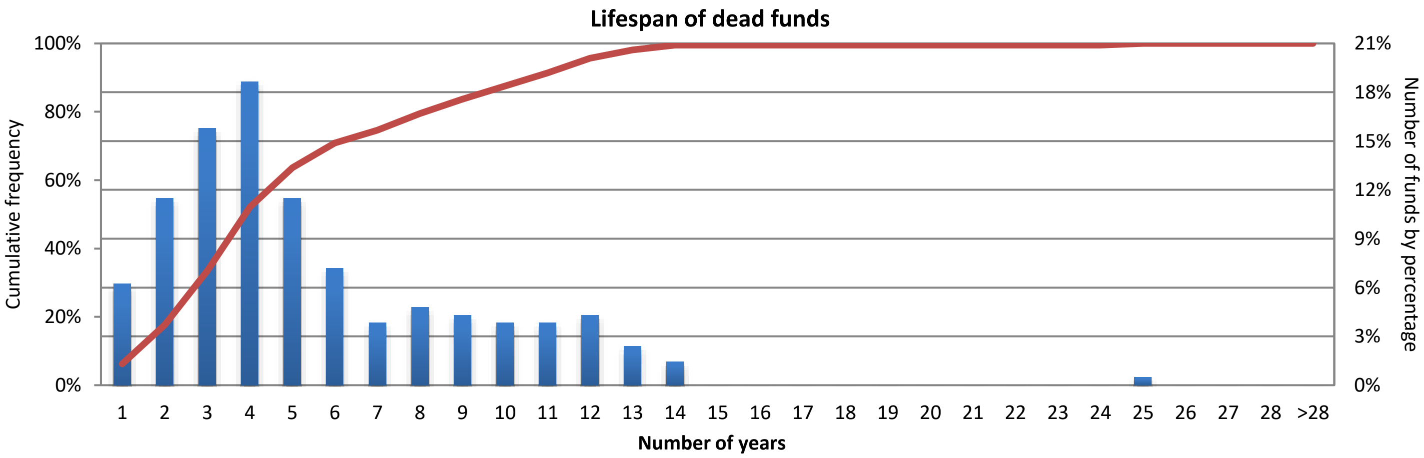
Lifespan

The following two figures display the lifespan distribution of Islamic funds registered within the *Eurekahedge Global Islamic Fund Database*. Just like hedge funds, the lifespan distribution of both the active and dead funds below shows that the first few years are crucial as these will be the determining years if an Islamic fund will be able to survive after its launch in a competitive market. The data suggests that around two-thirds of Islamic funds died in the first five years of their operation, indicating insufficient assets and the inability to deliver returns to their investors. On average, currently active Islamic funds have survived for 13.09 years, while average dead Islamic funds survived for merely 3.88 years.

Figures 9a-9b: Lifespan distribution of active and dead funds



Source: Eurekahedge



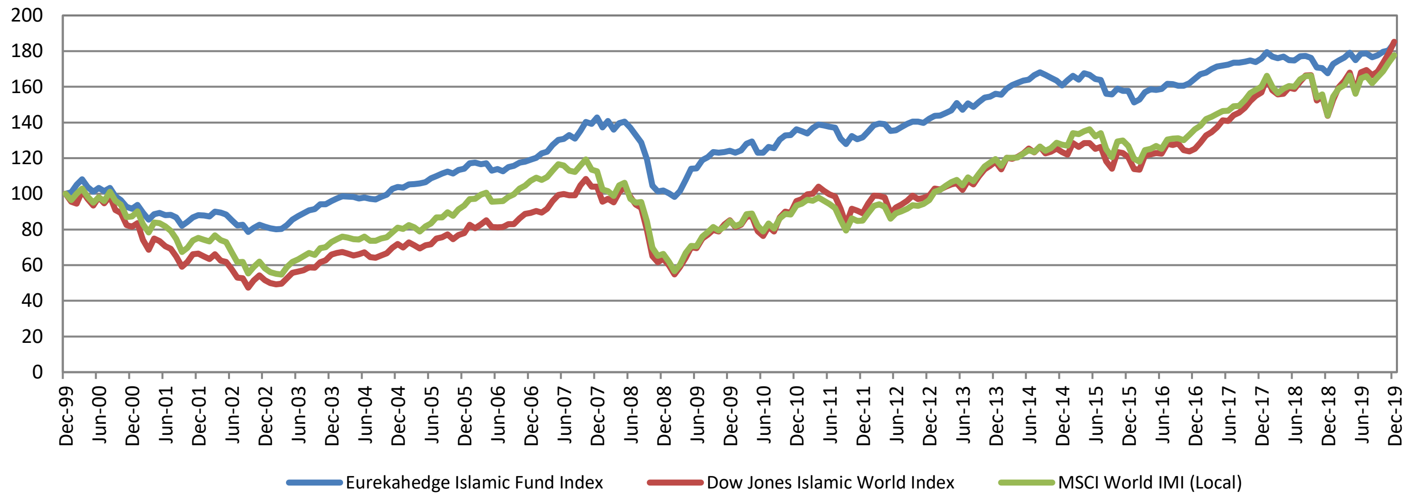
Source: Eurekahedge

Performance review

This section of the report compares the performance of the global Islamic fund industry against other investment vehicles, using both the Dow Jones Islamic World Index and the MSCI World Index[2] as benchmarks. We further dissect the global Islamic fund industry's recent performance by geographic mandates and asset class; taking into account their annualised returns and volatilities over the last three years.

Over the long-term since the end of 1999, Islamic funds have delivered better returns as opposed to other comparable investments. The *Eurekahedge Islamic Fund Index* has gained 2.95% return annually since its inception in December 1999, outperforming the MSCI World Index which earned 2.80% per annum over the same period. On the other hand, the Dow Jones Islamic World Index rose 3.00% per annum over the same period. In terms of short-term performance, the *Eurekahedge Islamic Fund Index* were up 10.08%, trailing behind the Dow Jones Islamic World Index and MSCI World Index which posted 28.96% and 23.49% gains respectively.

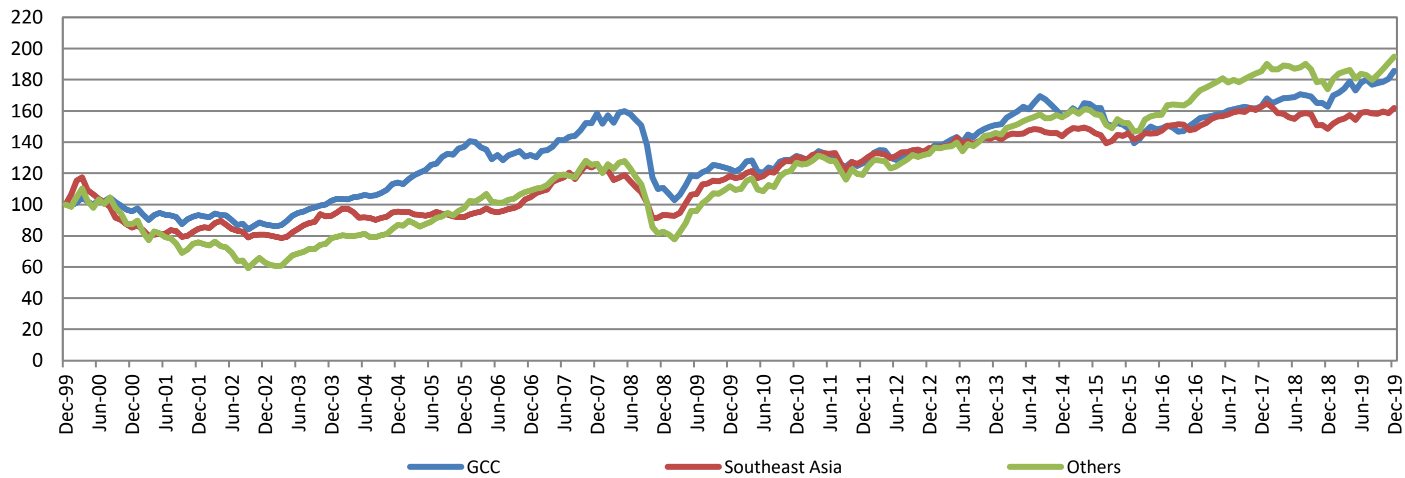
Figure 10: Performance of Islamic funds vs. stock market indices



Source: Eurekahedge

Figure 11 compares the performance of Islamic funds based on their head office locations since December 1999. Islamic funds based in Southeast Asia trailed behind their peers based in GCC and other regions, but they suffered the smallest drop during the global financial crisis in 2008 and posted the lowest annualised volatility. GCC based funds led the group in terms of performance until the end of 2014, and suffered the most during the latter half of 2015, owing to the strong dependence of GCC economies on oil exports.

Figure 11: Performance of Islamic funds by head office location



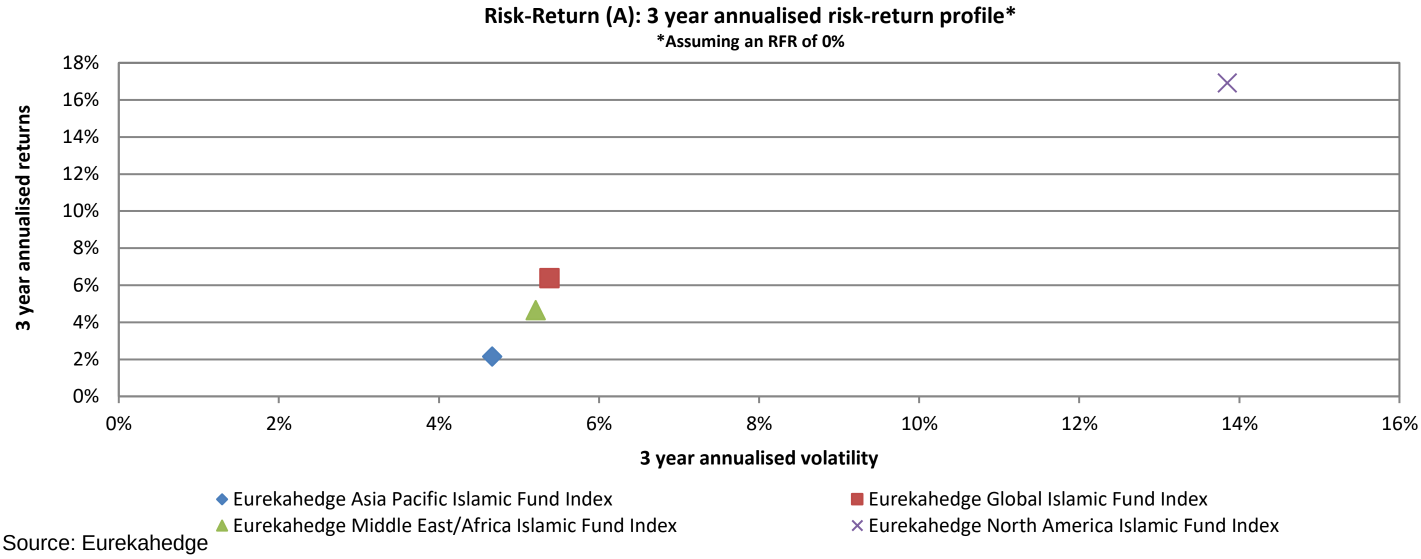
Source: Eurekahedge

[2] MSCI AC World IMI (Local)

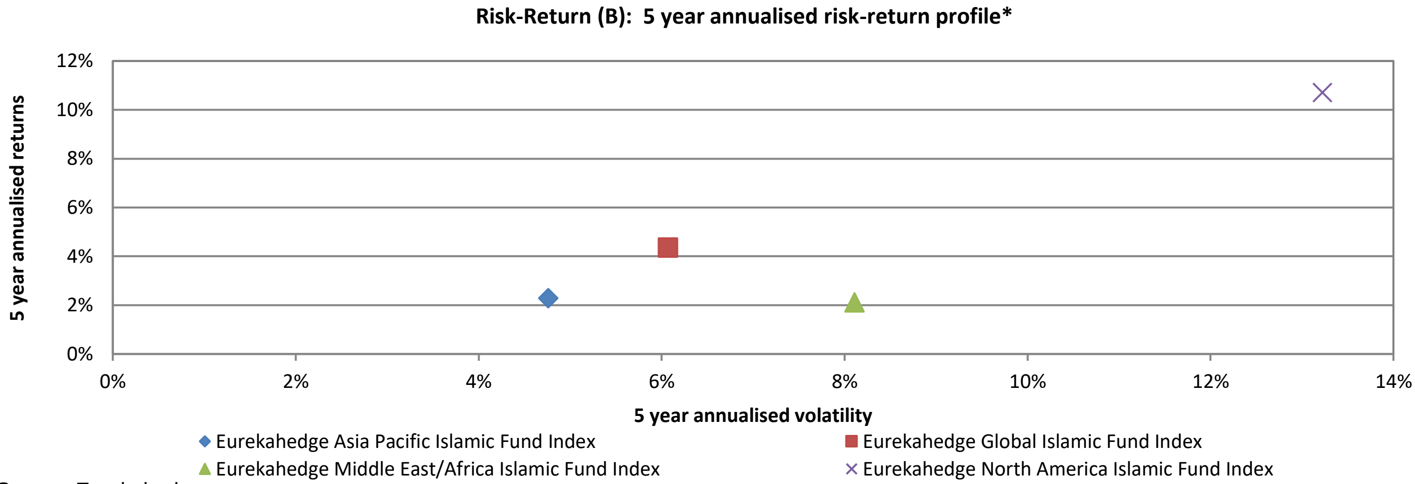
Figure 12a and Figure 12b show the risk-return performance of Islamic funds across geographic mandates over the last three and five year periods respectively. Over the three year period, the *Eurekahedge Asia Pacific Islamic Fund Index* posted the lowest volatility of 4.66% but lags behind the group in terms of annualised returns as it returned 2.15% per annum. Global focused Islamic funds managed to generate the second best annualised return of 5.38% while having the second highest three year volatility of 6.37%. Islamic funds investing in the North American region generated the highest annualised return of 16.93% while having the highest volatility at the same time.

A similar trend is observed over the five year period, with Asia Pacific focused funds posting the lowest annualised volatility of 4.76% while generating 2.28% return per annum, and North America focused funds posting 13.22% annualised volatility while generating 10.71% return per annum.

Figures 12a-12b: Annualised risk-return performance of Islamic funds across geographic mandates



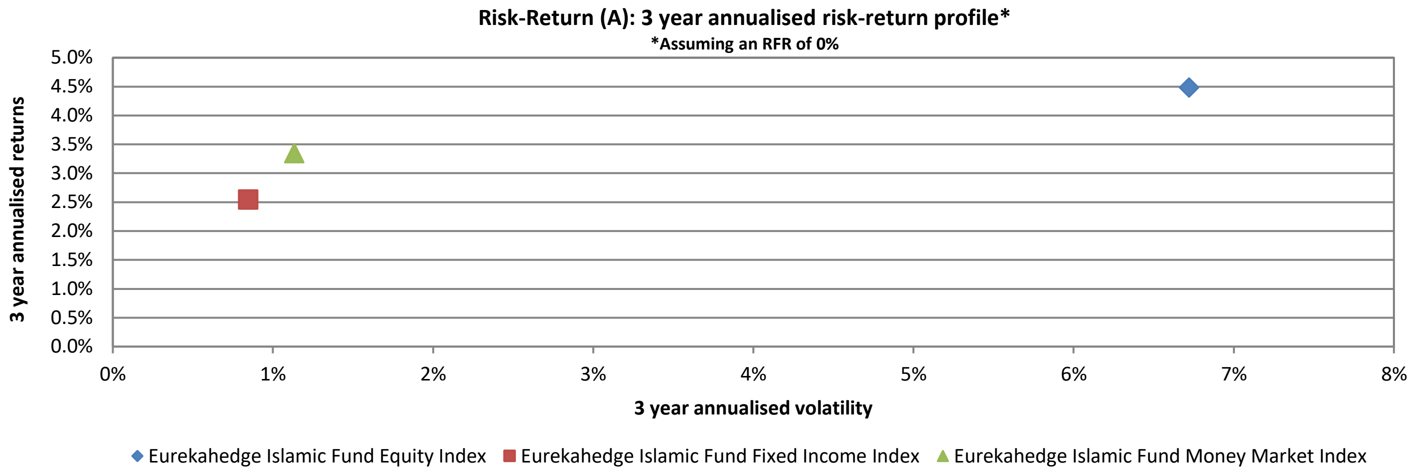
Source: Eurekahedge



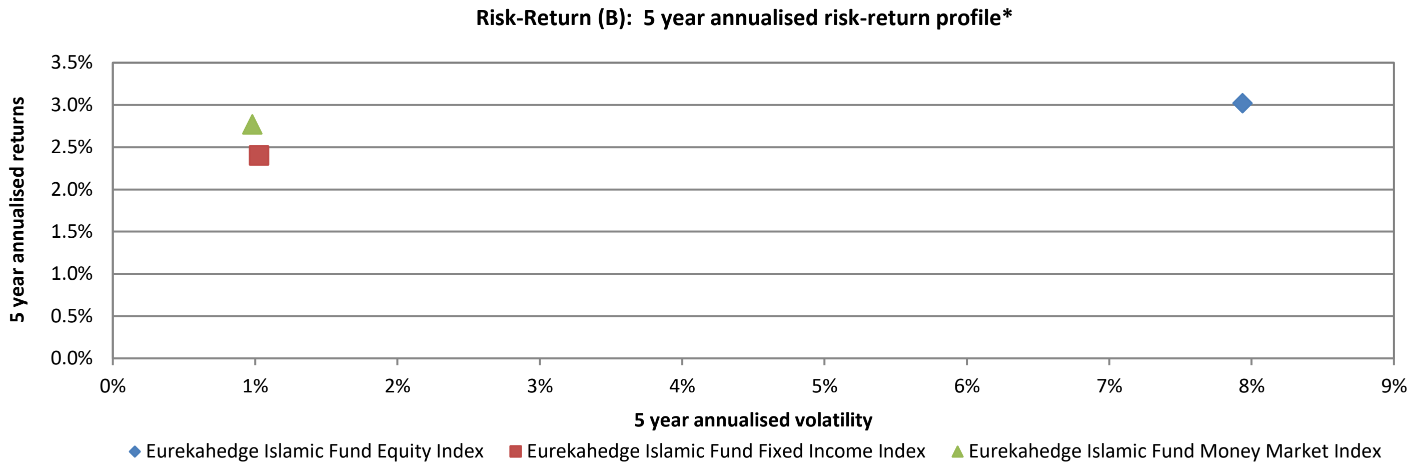
Source: Eurekahedge

Figure 12c and Figure 12d illustrate the risk-return performance of Islamic funds across strategic mandates over the last three and five year periods respectively. Equity Islamic funds generated the highest volatility and annualised return over both periods, thanks to the strong rally of the global equity, which contributed to the robust performance of fund managers over the recent months. A similar observation is typically found when comparing equity hedge funds and fixed income hedge funds, and these characteristics could be attributed to the underlying asset classes traded by these funds.

Figures 12c-12d: Three and five year risk-return performance of Islamic funds across strategic mandates



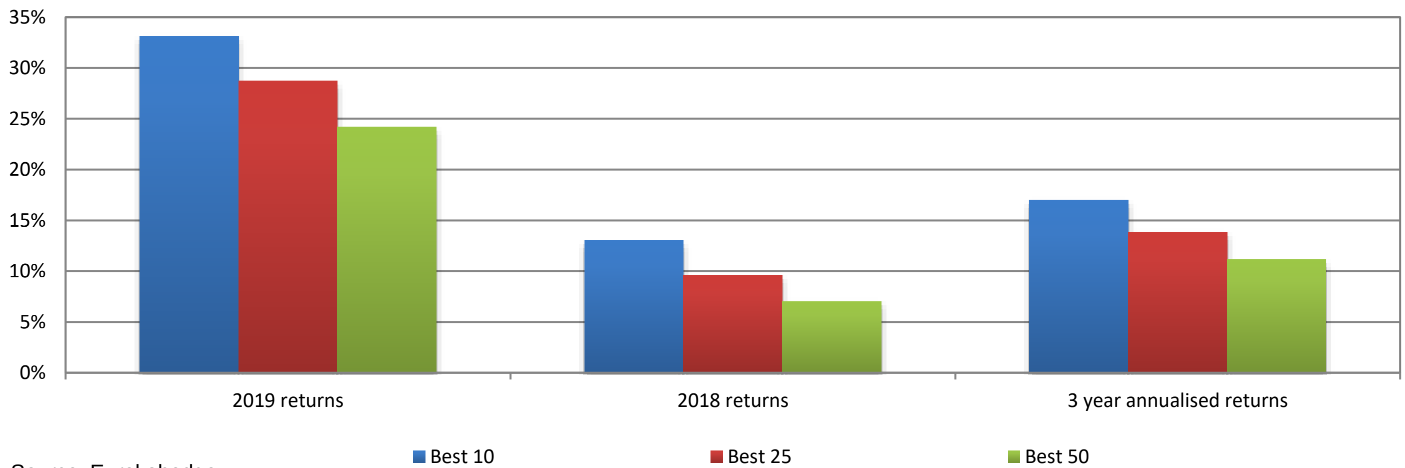
Source: Eurekahedge



Source: Eurekahedge

Figure 13 shows the average performance of the best performing Islamic funds compared against the *Eurekahedge Islamic Fund Index*. It was a strong year for Islamic funds in 2019 as the 10 best Islamic funds gained 33.12% on average, compared to 13.06% in 2018. The exceptional performance of the global equity market boosted the performance of the fund managers throughout the year.

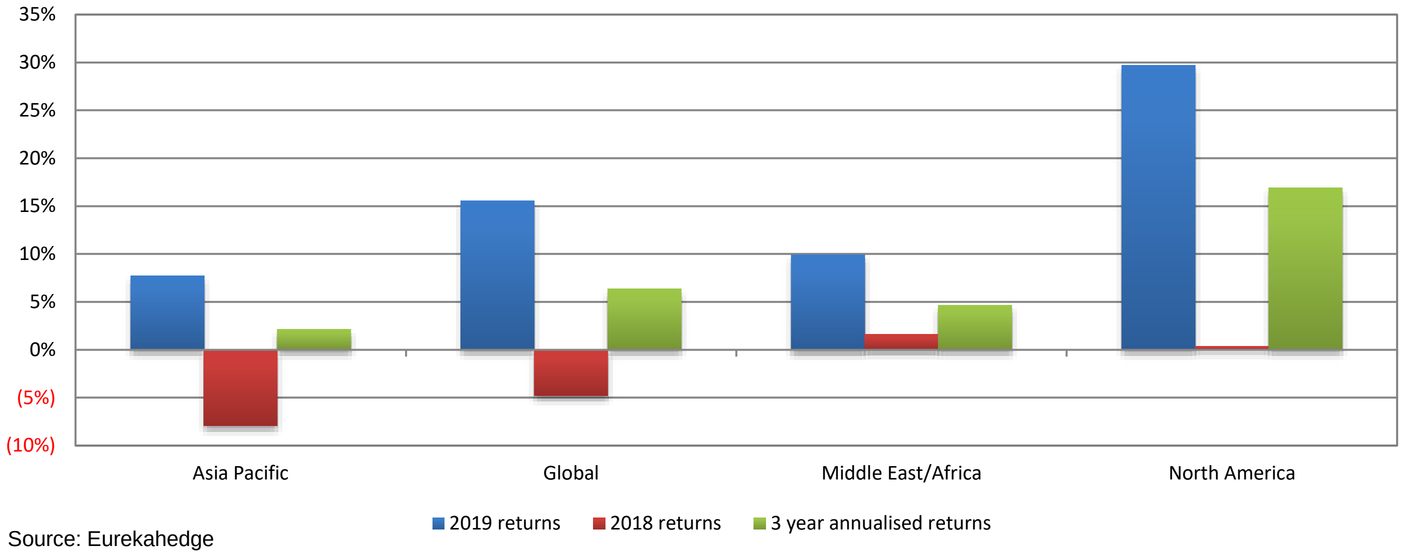
Figure 13: Performance of top Islamic funds



Source: Eurekahedge

Figure 14 shows that majority of the regional mandates were in negative territory in terms of 2019 returns. North American Islamic funds lead the pack with an average return of 29.70% - followed by global Islamic funds which gained 15.57% over the same period. Meanwhile, Asia Pacific and global focused funds generated 8.10% and 4.98% losses respectively.

Figure 14: Performance of Islamic funds by geographic mandates



Source: Eurekahedge

Table 2 shows the performance of Islamic funds by geographic mandates. Over the last three and five year periods, North American Islamic funds generated the best annualised returns of 16.91% and 10.71% respectively, while also topping the table in terms of risk-adjusted returns as represented by their Sharpe ratios. North American Islamic hedge funds posted -14.78% maximum drawdown over the last five years, in comparison to the -8.81% and -9.38% figures posted by global and Asia Pacific Islamic funds over the same period.

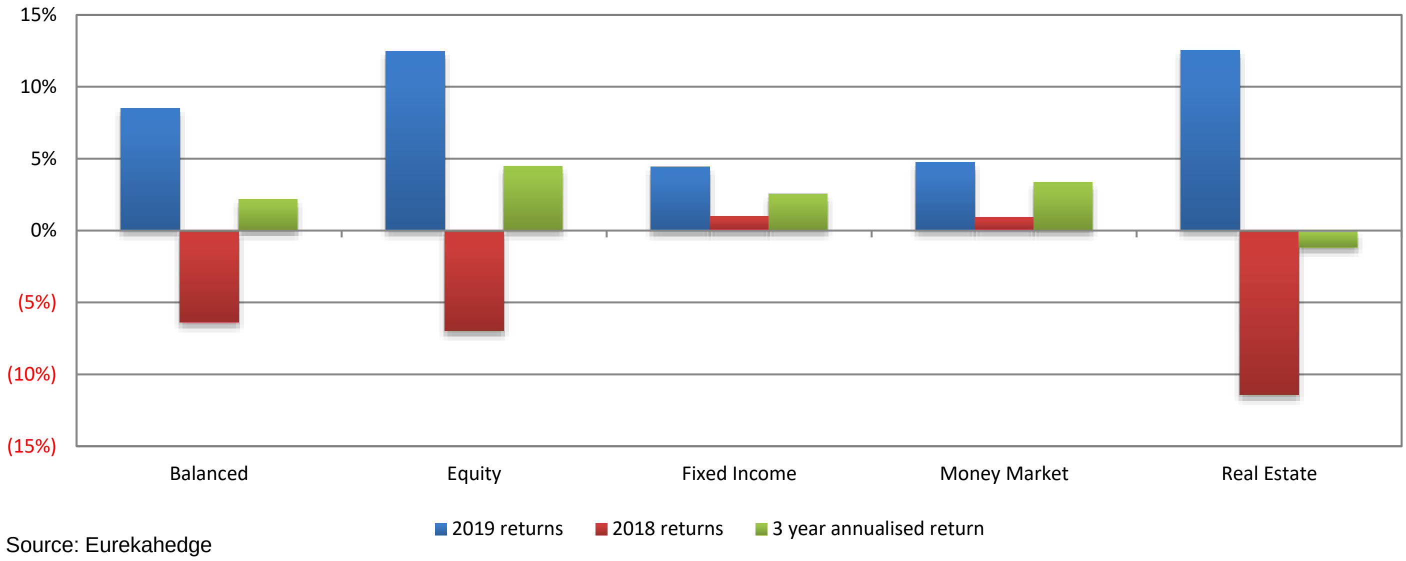
Table 2: Performance of Islamic funds by geographic mandates

	Asia Pacific	Global	Middle East/Africa	North America
2019 returns	7.74%	15.57%	9.92%	29.70%
2018 returns	(7.91%)	(4.77%)	1.63%	0.36%
3 year annualised returns	2.15%	6.37%	4.65%	16.91%
3 year annualised volatility	4.66%	5.38%	5.21%	13.85%
3 year Sharpe ratio (RFR = 2%)	0.03	0.81	0.51	1.08
5 year annualised return	2.28%	4.36%	2.12%	10.71%
5 year annualised volatility	4.76%	6.07%	8.11%	13.22%
5 year Sharpe ratio (RFR = 2%)	0.06	0.39	0.01	0.66
Maximum Drawdown (5 years)	(9.38%)	(8.81%)	(20.19%)	(14.78%)

Source: Eurekahedge

Figure 15 represents the performance of Islamic funds by asset classes. Real estate and equity Islamic funds topped the chart in 2019 with 12.53% and 12.48% returns respectively as the persistent risk-on sentiment among investors boosted the performance of risk-assets throughout the year. On the other hand, fixed income lagged behind the group with 4.43% return as the improved market risk sentiment pushed government bond yields higher.

Figure 15: Performance of Islamic funds by asset class



Source: Eurekahedge

The table below provides the risk-return statistics of Islamic funds over the last three and five years based on the asset classes they trade. Equity funds topped the table in terms of annualised return over the last three and five year periods, thanks to the robust performance of the global equity market throughout the year. In terms of risk-adjusted returns, money market funds led the pack over the last three and five year period. It is also worth noting that two out of five asset classes posted negative Sharpe ratios over the last five years, indicating that they underperformed the assumed risk-free return of 2%.

Table 3: Performance of Islamic funds by asset class

	Balanced	Equity	Fixed Income	Money Market	Real Estate
2019 returns	8.53%	12.48%	4.43%	4.75%	12.53%
2018 returns	(6.39%)	(6.95%)	0.99%	0.91%	(11.42%)
3 year annualised return	2.17%	4.49%	2.55%	3.35%	(1.15%)
3 year annualised volatility	4.66%	6.72%	0.84%	1.13%	5.62%
3 year Sharpe ratio (RFR = 2%)	0.04	0.37	0.65	1.19	-0.56
5 year annualised return	1.47%	3.02%	2.41%	2.77%	(0.71%)
5 year annualised volatility	4.97%	7.94%	1.03%	0.98%	7.14%
5 year Sharpe ratio (RFR = 2%)	-0.11	0.13	0.40	0.79	-0.38
Maximum Drawdown (5 years)	(8.35%)	(15.17%)	(0.76%)	(0.39%)	(16.69%)

Source: Eurekahedge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GLOBAL HEDGE FUNDS TOP TEN TABLES

January 2020 Returns (%)*	
QQQ Capital Fund	43.47
SwissRex Crypto Fund	39.00
MVPQ Ltd	29.61
Rivemont Crypto Fund - Class F	26.57
Quantitative Global 3x Fund LLC	26.50
Silver 8 Partners LP	25.03
Apollo Capital Crypto Fund	21.71
e360 Power Fund LP	20.46
QQFund.com Alpha Beta Program	18.78
Decentral Park Capital LP	15.12

3-Month Returns (%)	
QQQ Capital Fund	61.29
Quantitative Global 3x Fund LLC	51.75
e360 Power Fund LP	45.12
Istanbul Portfoy Second Hedge Fund	31.12
SYW LP	28.96
The Tech Trader Fund	27.73
Granite Point Capital Panacea Global Healthcare Fund	26.89
Quantitative Opportunities Fund LLC	24.15
AZ Quest Small Mid Caps FIC FIA	23.12
UG Greater China Multi-Strategy Fund	22.52

2019 Returns (%)	
Vanda Global Fund Ltd - Class A	320.04
GEM Global Energy Fund Ltd	212.39
PharmaInvest Fund Ltd	192.56
Emerging Value Opportunities Fund	186.59
QQFund.com Alpha Beta Program	149.99
Long Distance Fund I LP	146.32
PruLev Global Macro Fund - Class B	115.78
UG Greater China Multi-Strategy Fund	109.45
The Vilas Fund LP	106.72
UG Hidden Dragon Special Opportunity Fund	99.59

2018 Returns (%)	
LSQ Fund	99.73
Candlewood Puerto Rico SP	87.63
Parplus Equity Fund	78.60
OEI Mac Inc - Class USD	55.19
Judah Value Activist Fund - Class A	53.24
Odey European Inc (EUR)	53.00
Navy Capital Green Fund LP	49.48
ChainLogic Fund LP	46.90
Quanterra Capital Management	43.15
Skopos BRK FIC FIA	42.75

Annualised Returns (%)**	
The Reaper Fund	96.50
Silver 8 Partners LP	74.62
QQQ Capital Fund	69.21
Parplus Equity Fund	50.84
Raise Alpha Program	46.60
Nodemads LLC	46.49
Istanbul Portfoy Second Hedge Fund	40.52
Blue Bar Prime Ag Program	38.95
Balanced Growth Fund LP	35.15
QQFund.com Alpha Beta Program	34.58

Annualised Standard Deviation**	
Asian Trade Finance Fund - Class A	0.17
Aura High Yield SME Fund	0.24
Alceon Australian Real Estate Corporate Senior Loan Fund - Class AUD	0.33
Allianz Credit Opportunities - Class IT13 EUR	0.51
Kames Absolute Return Bond Fund - Class B GBP ACC	0.70
Horse Cove Partners Enhanced Yield Strategy	0.79
Candriam Long Short Credit - Class C EUR	0.82
Blake Capital Management - SRD Currencies	0.92
Omni Secured Lending Fund III - Class A GBP	0.92
Norron Preserve	1.06

Sharpe Ratio**	
Aura High Yield SME Fund	44.08
Asian Trade Finance Fund - Class A	38.25
Alceon Australian Real Estate Corporate Senior Loan Fund - Class AUD	30.54
Horse Cove Partners Enhanced Yield Strategy	10.51
Nodemads LLC	9.07
Pier Special Opportunities Fund LP	8.43
Omni Secured Lending Fund III - Class A GBP	8.03
Asian Strategic Orient Fund	7.75
Avendus Absolute Return Fund	7.68
Amber Hill ES Currency Arbitrage Fund SP - Class C	6.18

Sortino Ratio**	
Omni Secured Lending Fund III - Class A GBP	100.87
Asian Strategic Orient Fund	63.41
JGP Hedge FIC FIM	52.14
Balanced Growth Fund LP	44.91
Waterfall Victoria ERISA Fund Ltd	35.84
SCIO Fund SICAV-FIS - SCIO Opportunity Fund	29.94
Rio Arbitragem FIM	23.31
Waterfall Victoria Fund LP	22.93
Orchard Landmark	22.55
NEO Multi Estrategia FIC FIM	22.08

* Based on 53.45% of funds which have reported January 2020 returns as at 17 February 2020
** For funds with a track record of at least 12 months as at end-January 2020

HEDGE FUNDS STRATEGY TOP TEN TABLES (JANUARY YTD)**

Arbitrage	
Ogee Structured Opportunities	2.34
The Bliss Fund LP	1.70
Commodity Arbitrage Fund - Class A USD	1.57
Helium Alpha - Class A	1.31
Tenor Opportunity Fund	1.13
SM Merger/Arbitrage LP	1.09
Abrax Merger Arbitrage Fund - Class C USD	0.98
Ariana Global Arbitrage Fund	0.94
Windmill Partners LP	0.90
Nineteen77 Global Merger Arbitrage - Class A USD	0.86

CTA/Managed Futures	
Quantitative Global 3x Fund LLC	26.50
e360 Power Fund LP	20.46
QQFund.com Alpha Beta Program	18.78
QDRA Dynamic Macro Strategy	9.70
Red Oak Commodity Advisors	9.50
Cherry Blossom Trend Enhanced Fund - Class A EUR	8.68
Quantitative Global 1x Fund	8.07
Superfund Green Master	7.99
R Best Private Client Program	7.72
AlphaQuest Original (AQO) Program	7.49

Distressed Debt	
ASM Asia Recovery Fund	2.87
Birch Creek Credit Value Fund LP	2.00
Waterfall Eden Fund LP	0.60
Waterfall Victoria Fund LP	0.40
Waterfall Victoria ERISA Fund Ltd	0.40
Alcentra Global Special Situations Fund EUR III A1	-0.01
Hof Hoorneman Phoenix Fund	-1.24

Event Driven	
Accendo Capital - Class A	5.42
Numen Credit Opportunities Inc	5.07
UG Hidden Dragon Special Opportunity Fund	5.06
Polo Norte I FIC FIM	2.37
Twin Securities LP	2.03
Twin Offshore Ltd	1.98
Helium Rising Stars Fund - Class GBP	1.91
Barington Companies Equity Partners LP	1.66
Black Crane Asia Pacific Opportunities Fund	1.56
Pentwater Equity Opportunities LLC	1.40

Fixed Income	
Terebinth SNN FI Macro Retail Hedge Fund	8.51
Sanchi Credit Value Fund	6.42
Istanbul Portfoy Aries Hedge Fund	5.26
AT Total Return Fund	3.56
Alcentra Structured Credit Opportunity Fund II - Class I-B USD	2.72
IP All Seasons Asian Credit Fund	2.59
MontLake G10 Blueglen Equita Total Return Credit UCITS Fund - EUR Class A3 Pooled Shares	2.45
MKP Select Offshore Ltd	2.42
E Fund (HK) Yield Enhanced Bond Fund I	2.37
DCI Global Investment Grade Corporate Bond Fund (UCITS) - Class A USD	2.24

Long/Short Equities	
QQQ Capital Fund	43.47
Istanbul Portfoy Second Hedge Fund	11.94
NAOS Emerging Opportunities Company Ltd	11.11
Whetstone Capital LP	9.90
AlphaQuest Short Bias (AQSB) Program	7.53
SYW LP	7.38
Falchion Master Fund LP	7.35
AZ Quest Small Mid Caps FIC FIA	6.67
Equinox Russian Opportunities Fund Ltd	6.59
Bennelong Long Short Equity Fund	6.52

Long-Only Absolute Return	
Quadriga Igneo UCITS - Class A	8.80
Pie Australasian Emerging Companies Fund	7.20
Strateji Portfolio First Equity Fund	7.01
ValueQuest India Moat Fund Ltd	6.70
Metis India Opportunity Fund	5.81
Banyan India Portfolio	5.60
Karma SELECT Fund	5.19
East Capital Russian Fund - SEK	4.99
Pie Growth UK & Europe Fund	4.70
TreeTop Global Conviction - Class A EUR	4.70

Macro	
Haidar Jupiter Fund LLC	14.60
North Emerging Markets Fund - Class A USD	6.38
Franklin Systematic Global Premia Fund LP - Class A (10% Vol)	3.80
Salus Alpha Directional Markets R EUR	3.21
FORT Global Diversified LP	3.12
Kohinoor Core Fund - Investor Class A EUR	3.08
AIS Balanced Fund LP	2.93
Q Capital Managed Futures Fund Class I1-U	2.63
Odey Odyssey Fund - Class USD	2.44
GCI Systematic Macro Strategy	2.40

Multi-Strategy	
Polar Star Spectrum Fund Ltd	7.86
Edelweiss Alternative Equity Scheme	6.00
Pinerion Managed Volatility Strategy	5.03
UG Greater China Multi-Strategy Fund	4.68
Fort Global UCITS Futures Fund - Class S USD	4.55
Bresser Hedge Plus FIM	4.42
Odin Raven Fund LP	4.29
Goodwood Milford Fund	3.92
Dixon Midland Diversified LLC	3.86
SVAM Diversified Alpha Portfolio	3.71

Relative Value	
Phoenix Systematic Alpha LP	5.47
Leviticus Partners LP	3.20
Pavlik Capital Partners II LLC	2.74
Switchback Dynamic Volatility Fund 1 LP	2.62
III Credit Opportunities Fund LP - Seed Series	2.31
Rosen V Partners LP	2.27
Polar Star SNN Qualified Investor Hedge Fund	2.10
III Select Credit Fund LP - Type A	1.73
Polygon Convertible Opportunity Master Fund - Class D	1.66
Capstone Vol (Offshore) Ltd	1.63

Others	
SwissRex Crypto Fund	39.00
MVPQ Ltd	29.61
Rivemont Crypto Fund - Class F	26.57
Silver 8 Partners LP	25.03
Apollo Capital Crypto Fund	21.71
Decentral Park Capital LP	15.12
Quantitative Tactical Aggressive Fund LLC	11.36
CIM Ukrainian Lighthouse - Class U Shares	9.16
Squadra Long-Only FIC FIA	6.30
Rivemont MicroCap Fund - Class A	3.66

* Based on 53.45% of funds which have reported January 2020 returns as at 17 February 2020
** For funds with a track record of at least 12 months as at end-January 2020

EUREKAHEDGE

ISLAMIC FUNDS TOP TEN TABLES

January 2020 Returns (%)*	
Qinvest Spyglass US Growth Fund	3.04
Atlas Pension Islamic Fund - Equity Sub Fund	2.77
Atlas Islamic Stock Fund	2.48
QInvest Sukuk Fund	2.35
Affin Hwang Aiiman Income Plus Fund	2.17
AmBon Islam	1.99
JS Islamic Fund	1.69
Principal Islamic Lifetime Sukuk Fund	1.58
Meezan Islamic Fund	1.34
Meezan Balanced Fund	1.33

3-Month Returns (%)	
Atlas Pension Islamic Fund - Equity Sub Fund	22.81
Atlas Islamic Stock Fund	22.56
Meezan Tahaffuz Pension Fund - Equity Sub Fund	20.13
Meezan Islamic Fund	19.88
Al Meezan Mutual Fund	19.58
JS Islamic Fund	17.58
Meezan Balanced Fund	12.87
Qinvest Spyglass US Growth Fund	12.15
WSF Asian Pacific Fund - USD I	8.90
Iman Fund - Class B	8.06

2019 Returns (%)	
Al Qasr GCC Real Estate & Construction Equity Trading Fund	40.08
Qinvest Spyglass US Growth Fund	37.52
Iman Fund - Class B	34.68
Deutsche Noor Precious Metals Securities - Class A	34.26
Amana Growth Fund Investor	33.05
SC US Equities Passive Fund - Class S	32.91
SC European Equities Passive Fund - Class S	30.83
FALCOM Saudi Equity Fund	29.46
SC Global Sustainable Equities Fund - Class S	29.25
Hong Leong Dana Makmur	29.17

2018 Returns (%)	
Qinvest Spyglass US Growth Fund	20.33
Riyad Saudi Equity Sharia Fund	15.12
Jadwa Saudi Equity Fund - ClassB	13.11
Al-Beit Al-Mali Fund	12.42
Riyad Balanced Income Fund	12.29
Tharwa Islamic Fund	12.14
NBAD Islamic MENA Growth Fund	11.71
AlAhli GCC Growth and Income Fund	11.45
Al Rajhi Saudi Equity Fund	11.43
Al-Mubarak Pure Saudi Equity Fund	10.57

Annualised Returns (%)**	
Atlas Pension Islamic Fund - Equity Sub Fund	16.13
Qinvest Spyglass US Growth Fund	15.96
SC US Equities Passive Fund - Class S	14.19
SC Global Emerging Market Equities Passive Fund - Class S	12.98
Meezan Tahaffuz Pension Fund - Equity Sub Fund	12.84
Atlas Islamic Stock Fund	12.16
JS Islamic Fund	10.82
SC Global Sustainable Equities Fund - Class S	10.75
WSF Global Equity Fund - USD I	10.74
Amana Growth Fund Investor	10.71

Annualised Standard Deviation**	
Principal Islamic Deposit Fund	0.14
Boubyan KD Money Market Fund II	0.18
Boubyan USD Liquidity Fund	0.21
Principal Islamic Money Market Fund	0.24
Emirates Islamic Money Market Fund Limited Institutional Share Class I USD	0.24
Affin Hwang Aiiman Cash Fund I	0.58
Meezan Tahaffuz Pension Fund - Money Market Sub Fund	0.90
Affin Hwang Aiiman Money Market Fund	0.92
Atlas Pension Islamic Fund - Debt Sub Fund	1.11
Meezan Tahaffuz Pension Fund - Debt Sub Fund	1.26

Sharpe Ratio**	
Boubyan KD Money Market Fund II	10.44
Meezan Tahaffuz Pension Fund - Money Market Sub Fund	8.31
Atlas Pension Islamic Fund - Debt Sub Fund	6.33
Meezan Tahaffuz Pension Fund - Debt Sub Fund	6.00
Boubyan USD Liquidity Fund	5.96
Emirates Islamic Money Market Fund Limited Institutional Share Class I USD	5.47
Insight I-Hajj Syariah Fund	4.42
Principal Islamic Money Market Fund	2.93
Atlas Pension Islamic Fund - Money Market Sub Fund	2.38
SC Global Sukuk Fund - Class S	1.77

Sortino Ratio**	
Atlas Pension Islamic Fund - Debt Sub Fund	29.31
Meezan Tahaffuz Pension Fund - Debt Sub Fund	26.26
Insight I-Hajj Syariah Fund	7.87
Principal Islamic Money Market Fund	6.66
Atlas Pension Islamic Fund - Money Market Sub Fund	4.17
SC Global Sukuk Fund - Class S	4.03
Amana Participation Fund Institutional Shares	3.42
QInvest Sukuk Fund	3.06
Emirates Global Sukuk Fund Limited USD Institutional Share Class (Acc)	2.69
SC US Equities Passive Fund - Class S	2.18

* Based on 30.19% of funds which have reported January 2020 returns as at 17 February 2020
** For funds with a track record of at least 12 months as at end-January 2020

EUREKAHEDGE REGION/STRATEGY INDEX RETURN MATRIX

	Arbitrage		CTA/managed futures		Distressed debt		Event driven		Fixed income		Long/short equities		Macro		Multi-strategy		Relative value		Insurance-linked securities		All strategies	
	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns	January 2020	2019 Returns
Asia	0.33	12.15			2.87	7.92	(1.65)	5.20	0.83	9.82	(0.39)	10.30	(0.32)	5.81	2.34	8.80	(6.26)	15.91			(0.08)	9.81
Asia ex Japan					2.87	9.97	5.06	(7.69)	0.21	9.25	0.75	13.59	0.30	7.30	2.90	10.00	(6.26)	17.20			0.93	12.04
Asia inc Japan					2.87	7.92	2.21	(1.06)	0.83	9.82	(0.26)	11.84	(0.32)	5.81	2.34	10.02	(6.26)	15.91			0.22	10.58
Australia / New Zealand									0.69	7.71	3.53	20.02			0.95	4.77					2.76	16.56
Emerging markets					2.87	14.23	3.72	(5.61)	1.68	9.49	0.25	15.72	1.73	5.49	1.92	11.16	(2.92)	12.82			0.92	12.66
Europe	0.67	4.35	(5.10)	(2.67)			1.03	10.66	0.67	8.42	(0.49)	8.26	(0.60)	9.13	(1.13)	7.96	0.57	0.28			(0.41)	7.68
Greater China											(1.31)	14.77			4.68	36.39					(0.49)	16.04
India											1.53	0.81			6.00	2.50					2.27	1.54
Japan							(7.43)	20.28			(0.90)	4.90			2.36	2.03					(1.37)	6.44
Korea																					(0.22)	2.82
North America	0.89	5.34	0.45	3.84	2.00	0.31	(1.34)	6.29	1.14	6.73	(0.72)	13.07	(0.43)	6.49	1.22	10.96	0.42	5.95			(0.11)	9.06
Latin America							2.37	6.65			1.47	20.35	(1.48)	10.87	1.28	14.23					1.46	15.94
Latin America (Offshore)											0.29	12.94			1.46	3.09					0.76	10.15
Latin America (Onshore)											1.82	23.55	(1.48)	10.87	1.24	17.17					1.61	17.83
All Regions	0.48	5.70	0.69	5.47	0.84	2.19	(0.72)	7.22	0.82	7.94	(0.35)	11.24	(0.52)	8.58	0.62	7.97	0.32	4.90	0.62	0.92	0.14	8.67

* Based on 42.79% of funds which have reported January 2020 returns as at 13 February 2020

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EUREKAHEDGE ASIAN HEDGE FUND AWARDS

24 JUNE 2020

GRAND HYATT, HONG KONG

FOR MORE INFORMATION & SPONSORSHIP OPPORTUNITIES

+65 6212 0925 (Singapore)
+1 212 706 7020 (US)

awards@eurekahedge.com
eurekahedgeawards.com