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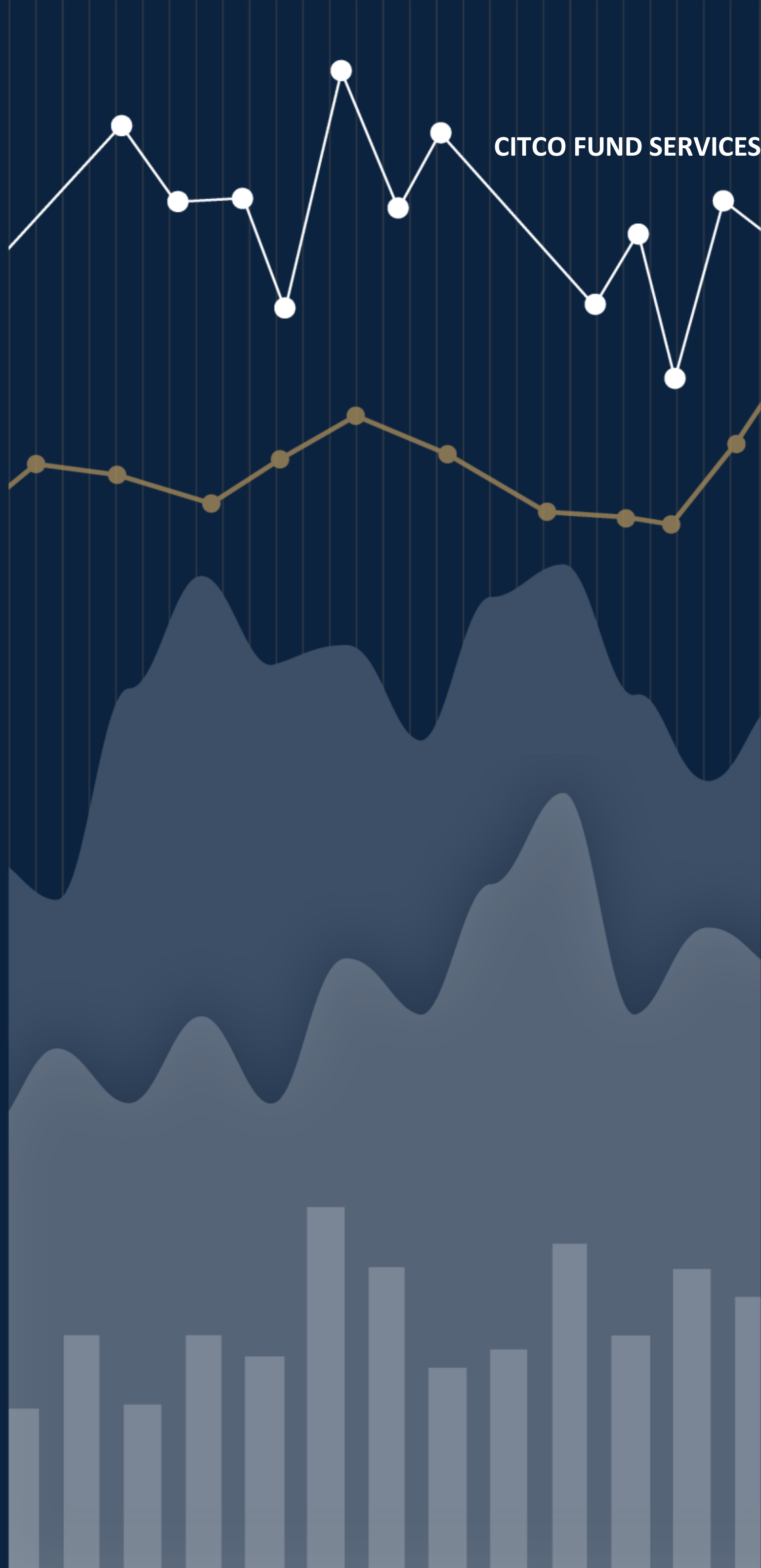


A YEAR IN REVIEW

CITCO HEDGE FUND REPORT

2024

Executive Summary

Hedge funds delivered their highest annual return since the start of the decade in 2024, with more than 80% of funds seeing positive returns.

Funds administered by the Citco group of companies (Citco) achieved a weighted average return of 15.7%, driven by Equity and Global Macro strategies which delivered the highest returns.

Equities were once again the top performing strategy group, with a weighted average return of 20.2%, just ahead of Global Macro funds at 19.5%. Multi-Strategy funds also achieved double-digit returns, at 13.3% for the year.

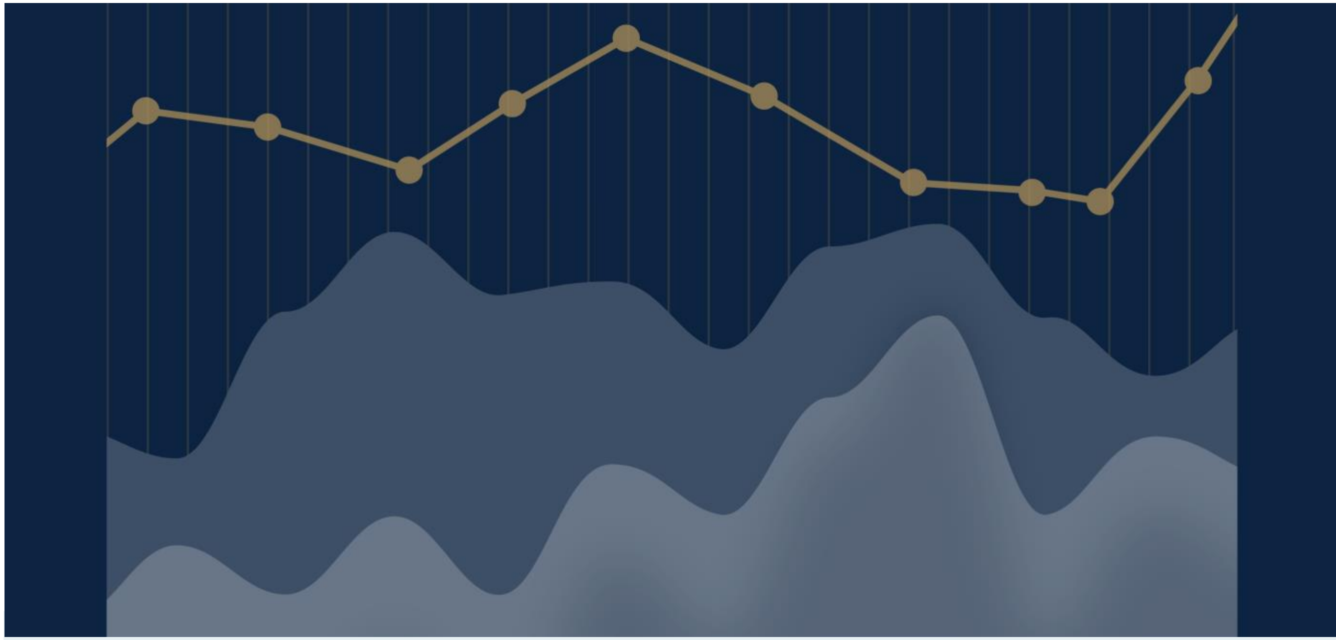
There were small net outflows overall in 2024, with the majority coming in the final quarter. Overall, net outflows were around 75% lower than the previous year, with Multi-Strategy and Equity funds seeing the lion's share of activity.

Meanwhile, trade volumes broke records throughout 2024, with every month seeing significantly higher daily activity versus the same period the previous year. While activity was high throughout the year, it spiked mid-summer as high-frequency trading strategies impacted volumes, and then stayed elevated throughout the second half.

Treasury payments saw their fastest growth since 2021 last year across hedge funds administered by Citco, setting a new peak above 600,000. The year saw numerous records tumble, with a new monthly high set in July amid expectations of an imminent cut to policy rates. July's peak was then surpassed in October, and again in December when monthly volumes came in just below 60,000, the highest since Citco started reporting on volumes in December 2019.

Against a backdrop of strong equity market returns powered by the ongoing bull run in US equities, hedge funds once again delivered double-digit returns in 2024, while providing diversification to investors. As we begin 2025, new factors are at play, including a new President in the US, easing inflation, and positive growth expectations in major economies.

Amongst Citco's clients we see a focus on transformation, an increasing usage of AI, and a desire to remove duplication and associated costs. Citco is actively supporting these transformation initiatives and assisting our clients in overcoming challenges and grasping opportunities as these trends unfold.



Overview of data

PERFORMANCE DATA

We have considered funds for which Citco delivers daily PNL/NAV reporting. We only include returns for those strategies where we believe Citco has sufficient daily service delivery on that strategy.

TREASURY

Data on payments volumes are constituted by all dispatched payments including Letter of Acceptances (LOAs). Excludes all payments to investors/limited partners.

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Performance

Hedge funds delivered their highest annual return for four years in 2024, with a weighted average return of 15.7% overall.

Equity and Global Macro strategies drove returns in 2024, with Equity funds once again the top performing strategy group overall after achieving a weighted average return of 20.2%. This was marginally lower than 2023's return of 21.9%.

Global Macro strategies were just behind with a weighted average return of 19.5% for the year, well ahead of the 0.8% seen in 2023, while Multi-Strategy funds also achieved double-digit returns in 2024, at 13.3% for the year, marginally ahead of last year's figure of 12.6%.

Equity funds were the top performing strategy for a second year in a row, with a weighted average return of

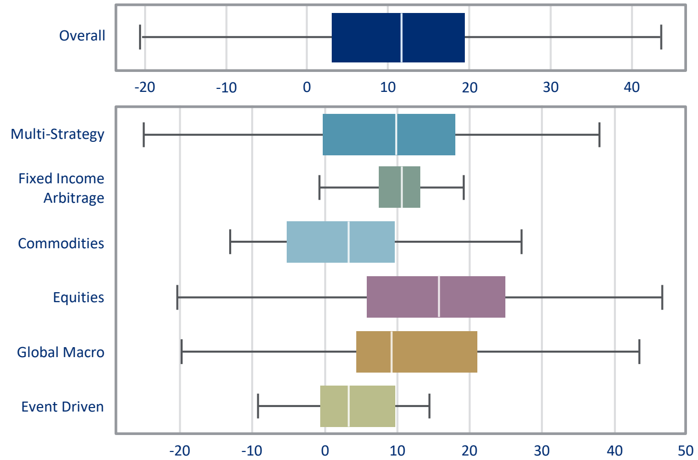
20.2%

Event Driven funds were next at 8.4%, while Fixed Income Arbitrage strategies came in at 7.3%. Only Commodities funds were negative, with a weighted average return of -1.3%, making it two consecutive years of negative returns.

On an assets under administration (AUA) basis it was another positive year for all categories. The largest funds with more than $3B of AUA had the highest weighted average return, at 16.8% for the year, closely followed by the $1B-$3B of AUA grouping at 16.6%. Continuing in descending order of fund size, the $500M-$1B of AUA category had a weighted average return of 12.8%, followed by funds with between $200M-$500M of AUA, at 10.9%, and the sub $200M category at 6.6%.

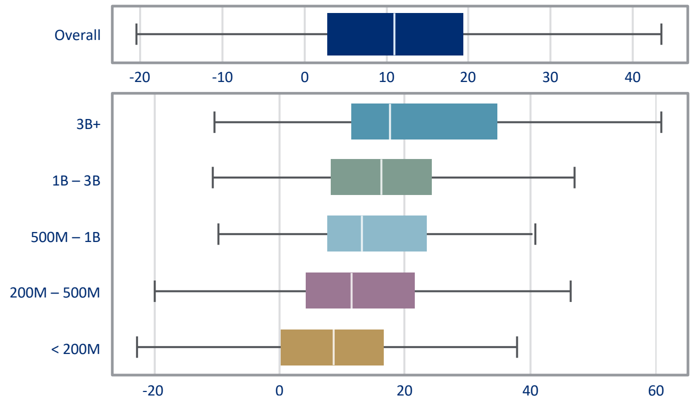
In total, 82% of funds achieved a positive annual return in 2024, up marginally from 2023's tally of 80%. Meanwhile, the divergence between the best and worst performing funds was similar to last year, with the rate of return spread between the top and bottom 10% of funds coming in at 37.9%, just above the 36.8% seen in 2023.

2024 PERFORMANCE BY STRATEGY



Strategy	Median Return	Weighted average return
Overall	11.6%	15.7%
Multi-Strategy	9.9%	13.3%
Fixed Income Arbitrage	10.6%	7.3%
Commodities	3.3%	-1.3%
Equities	15.8%	20.2%
Global Macro	9.2%	19.5%
Event Driven	3.3%	8.4%

2024 ASSETS UNDER ADMINISTRATION PERFORMANCE DISTRIBUTION



AUA	Median Return	Weighted average return
Overall	11.6%	15.7%
3B+	17.7%	16.8%
1B - 3B	16.1%	16.6%
500M - 1B	13.1%	12.8%
200M - 500M	11.4%	10.9%
< 200M	8.7%	6.6%

Trade Volumes

Trade volumes broke records throughout 2024, with every month seeing significantly higher daily activity versus the same period the previous year.

While activity was high throughout the year, it spiked mid-summer as high-frequency trading strategies impacted volumes, and then stayed elevated throughout the second half.

Cuts to interest rates prompted heightened levels throughout the last two quarters as managers reacted to the shift in policy rates. While equity and equity swap trades continued to have the highest volumes, their overall share of the total processed volume has reduced, with Loans, Commodity Futures, Interest Rate Futures and Index Derivatives trades increasing their share amongst most managers.

JANUARY – MARCH 2024:

Trading volumes got the year off to a flying start after hitting a new record high

The first quarter of 2024 saw record trading volumes, eclipsing the high we witnessed in the final quarter of 2023. While activity was largely driven by high-frequency trading strategies resulting in significant trading volume in equities and equity swaps, there was also sustained interest in fixed income products and derivatives on commodities, rates and indices. February and March have always been busy months and while 2024 continued that pattern, the difference this time was that the increased activity was in the face of dwindling volatility in equity markets.

AUGUST 2024:

August saw a remarkable 7.8% jump in daily average trading volumes versus July, driven by surging volatility at the start of the month. A four-to-five-fold increase in trading volumes was observed across all managers and strategies, peaking in the second week of the month. Index futures and interest rate derivatives saw a dramatic 200% day-over-day increase. As volatility subsided, trade volumes stabilized, with high-frequency strategies maintaining their pace.

daily average trading volumes jumped

7.8%

month-over-month

OCTOBER - DECEMBER 2024:

Q4 was Citco's busiest quarter on record since it started producing these reports. The quarter saw more than a 30% increase in volumes overall versus Q4 2023, and featured the busiest ever month in November, when the daily average trading volume peaked around the US Presidential Election.

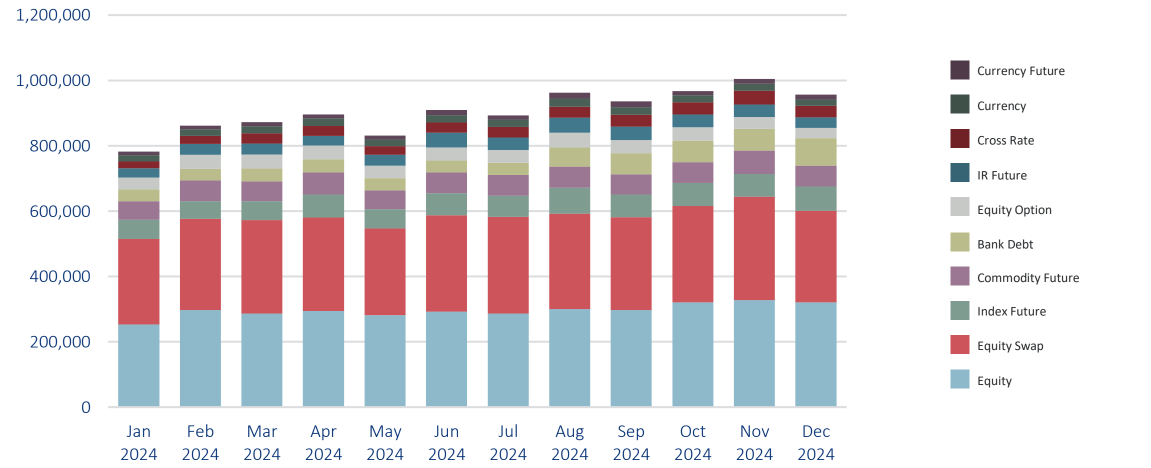
November saw daily average trading volumes top 1 million trades for the first time

Trade Volumes (cont.)

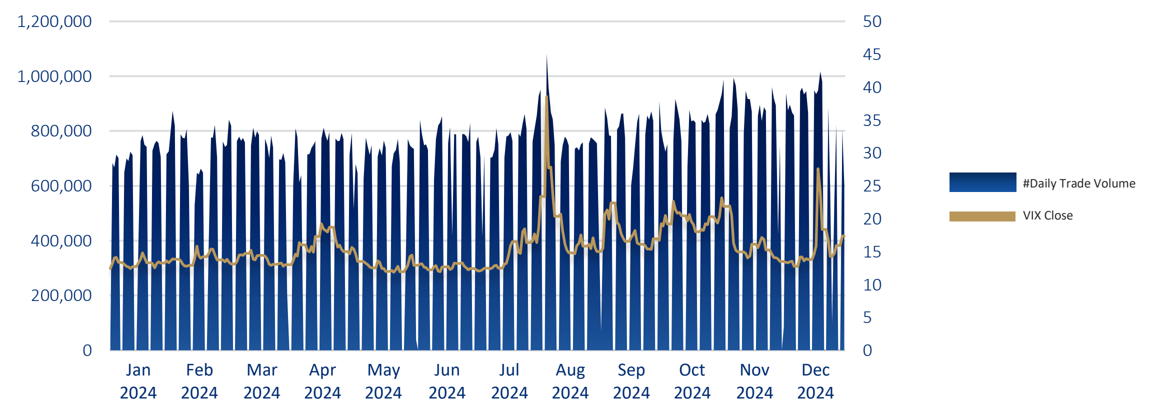
Having seen a record-breaking year in 2023, 2024 went on to shatter yet more records. Each quarter set a new peak for trading volumes, even when volatility dipped in the first two quarters, while managers diversified their trades, with more activity seen in bank debt, index futures and other areas than previous years.

n the face of record levels of trades, Citco's infrastructure maintained its processing levels, with trade STP rates at 96.9% on average for 2024.

VOLUMES BY ASSET CLASS



DAILY TRADE VOLUMES AND VOLATILITY INDEX



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Treasury

Treasury payments saw their fastest growth since 2021 last year across hedge funds administered by Citco, setting a new peak above 600,000.

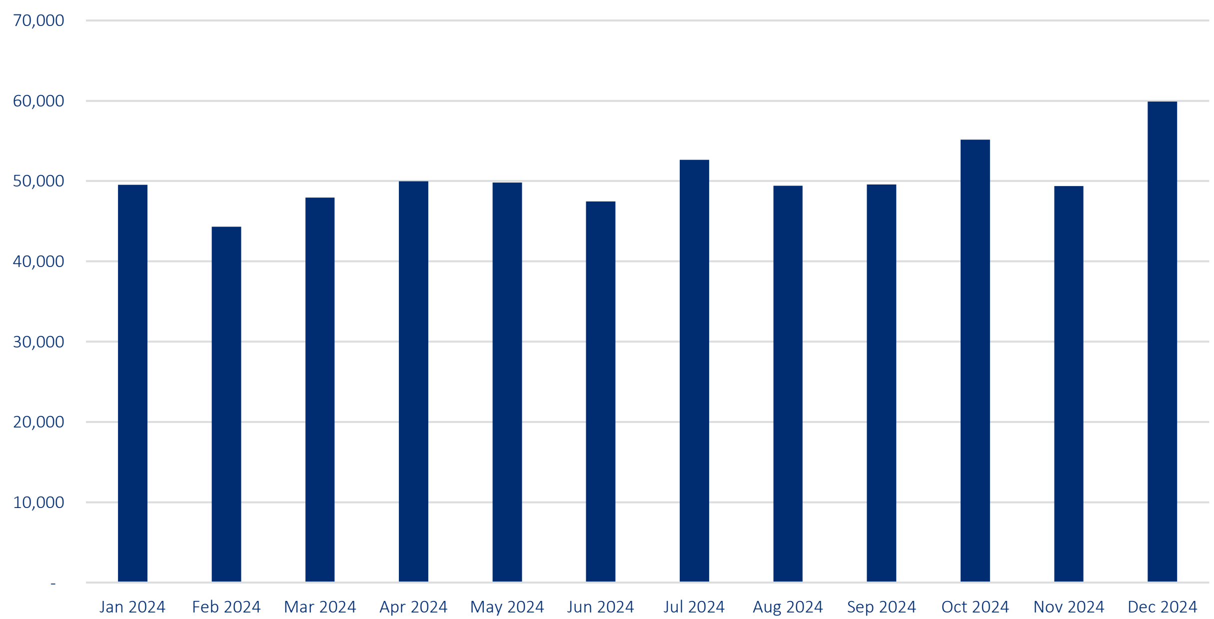
As the battle between policy rates and inflation in the US continued throughout 2024, treasury payment volumes soared some 19% versus the previous year, hitting 605,153 transactions overall annually. This was the fastest rate of growth since volumes jumped more than 30% in 2022 versus the previous year.

The year saw numerous records tumble, with a monthly high set in July amid expectations of an imminent cut to policy rates. July's peak was then surpassed in October, and again in December when monthly volumes came in just below 60,000, the highest since Citco started reporting on volumes in December 2019. Quarterly volumes rose consecutively throughout the year, again setting a fresh record in the final quarter.

While there will no doubt be more focus on rates and inflation throughout the coming year amongst hedge fund managers, we expect the trend towards higher levels of treasury outsourcing seen in 2024 to continue as more managers look to third parties to handle these non-core functions.

Technology and a greater scope of services are likely to be the watchwords for middle office in 2025, amid the increasing focus among managers on shortening settlement times to meet both regulatory and client demands.

MONTHLY TREASURY VOLUMES



Investor Flows

Hedge funds administered by Citco saw small net outflows overall in 2024, with the majority of outflows coming in the final quarter.

Subscriptions to hedge funds were much higher overall in 2024 than the previous year, coming in at $192.4B overall, while redemptions came in at $203B, resulting in $10.6B of net outflows. Outflows were significantly lower than the previous year's tally of $47.2B.

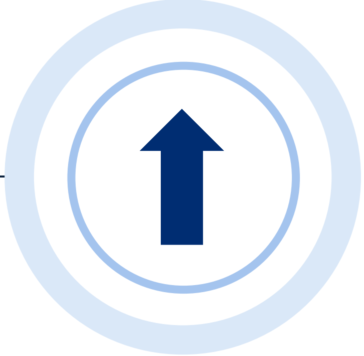
2024 saw small net outflows in Q1, followed by two quarters of net inflows, before an increase in redemptions in the final quarter.

The majority of capital activity was concentrated on Multi-Strategy funds in 2024, with both subscription and redemption levels well ahead of other investment strategies. In total, Multi-Strategy funds saw $85.7B of subscriptions and $90.3B of redemptions, resulting in net outflows of $4.6B.

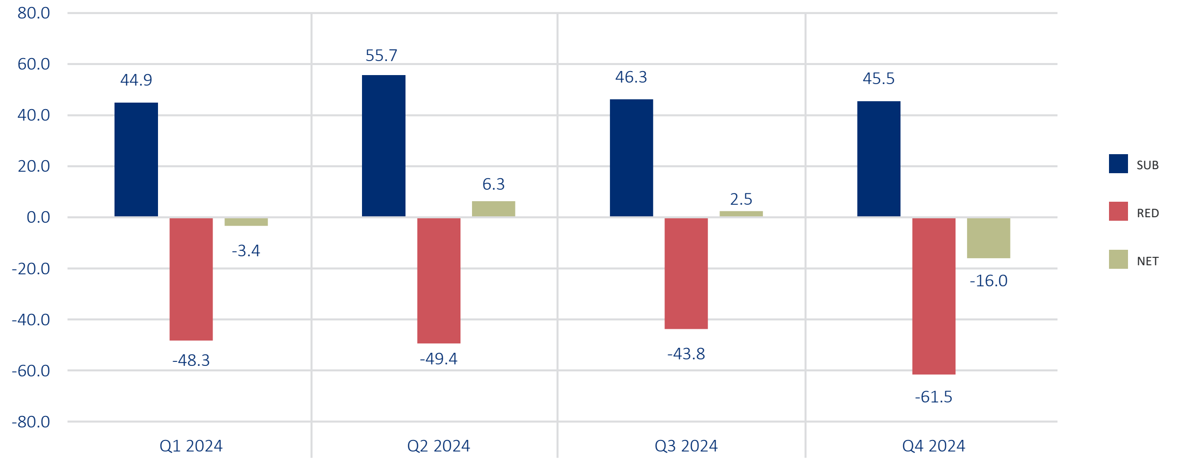
Net outflows came in at

$10.6B in 2024

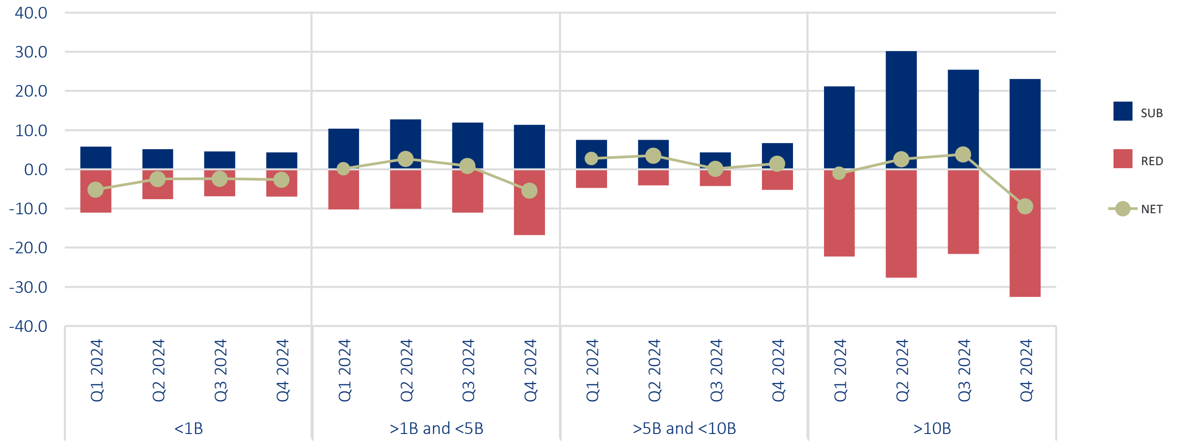
a positive swing from the $47.2B of net outflows seen the previous year



OVERALL NET FLOW



NET FLOW BY AUA BUCKET



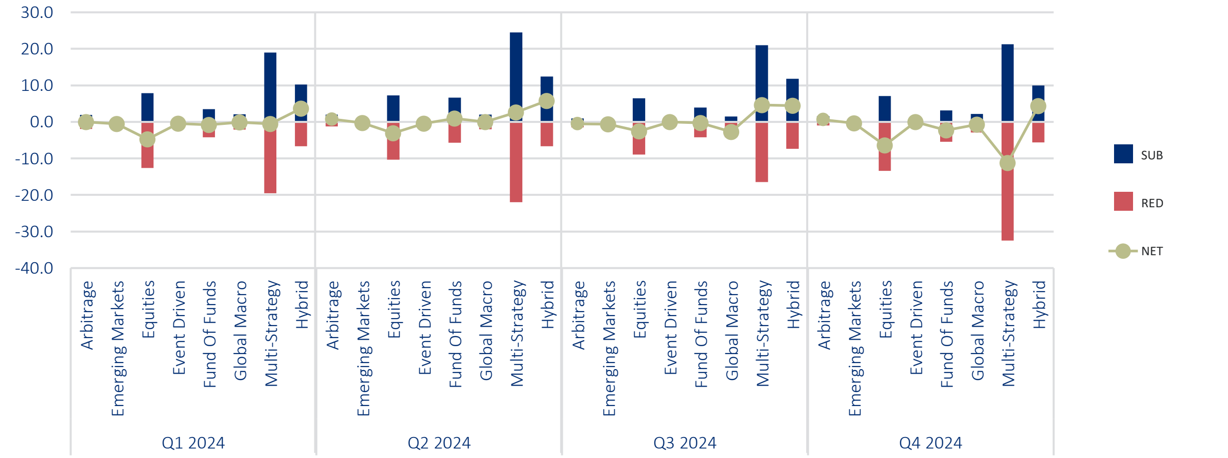
Investor Flows (cont.)

Equity and Hybrid funds were also focal points in 2024; against a backdrop of a multi-year bull market for US equities, equity funds had net outflows each quarter, resulting in overall net outflows of $16.7B, while Hybrid funds countered this with net inflows of $18.2B.

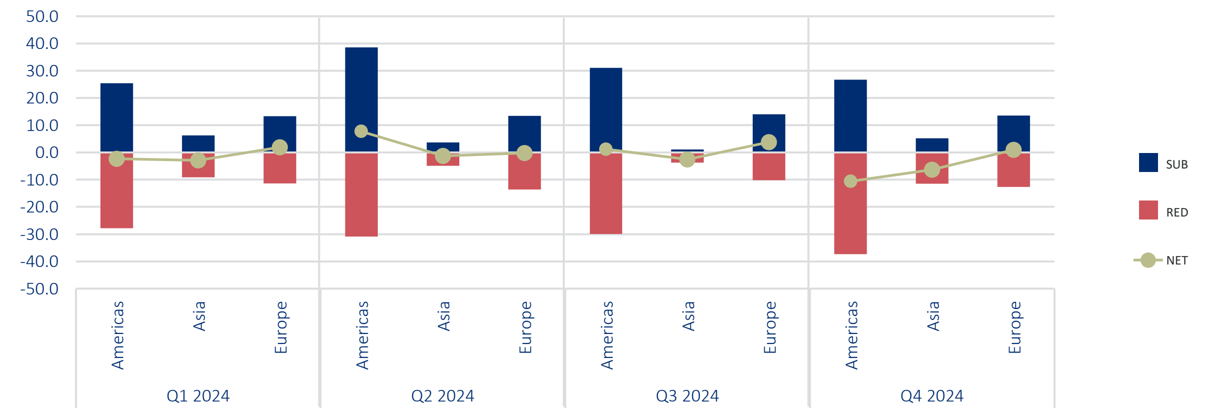
Assets under administration (AUA) groupings were mixed in 2024. Funds with between $5B-$10B of AUA enjoyed four quarters of net inflows, with $7.8B of net inflows for the full year. Meanwhile, the largest funds with more than $10B of AUA had net outflows of $4B, while funds with between $1B-$5B of AUA had net outflows of $1.7B. The smallest funds with less than $1B of AUA had net outflows of $12.6B.

Europe once again saw another year of net inflows, at $6.5B, while funds in the Americas had net outflows of $4B, and funds in Asia had net outflows of $13.1B.

NET FLOW BY INVESTMENT STRATEGY



NET FLOW BY REGION



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