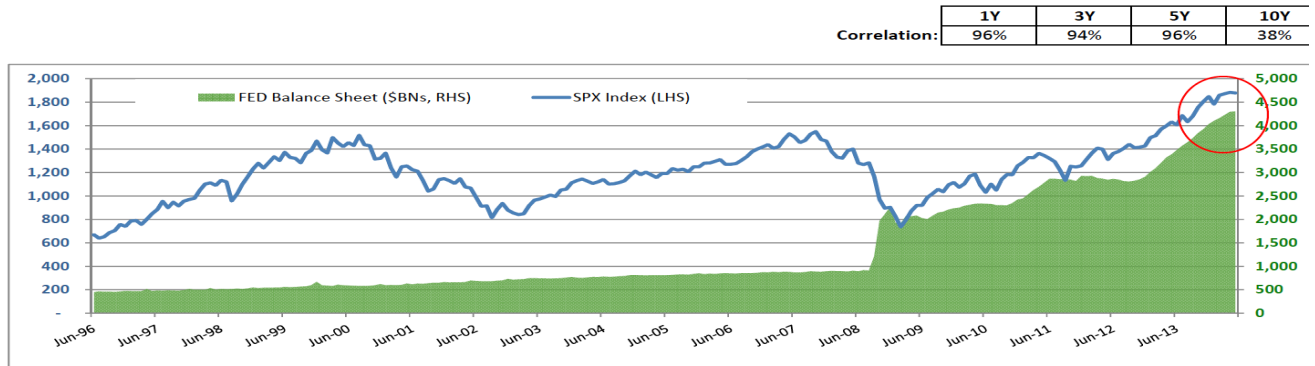




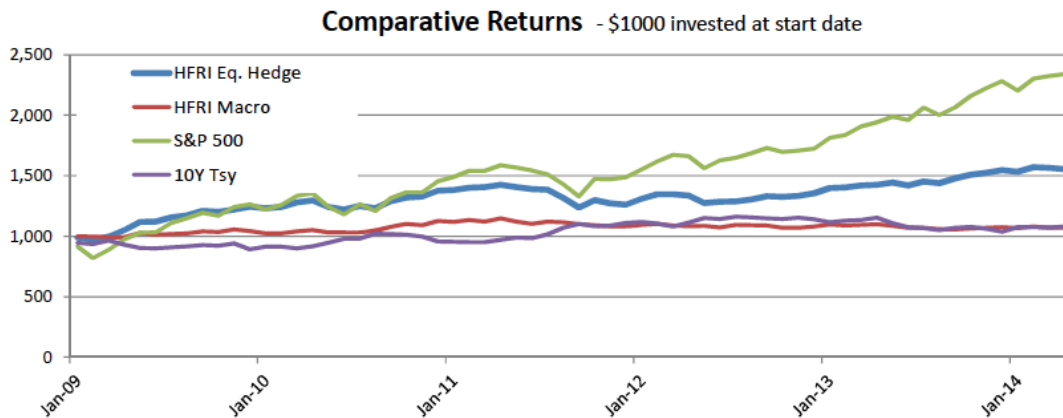
Hedge Funds

Macro factors blunt tools for many...
making manager selection imperative

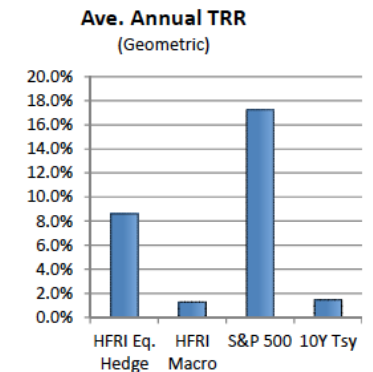
The FEDs expanding balance sheet and ZiRP have effectively taken air out of Hedge fund returns by blunting the once powerful research and trading functions at many hedge funds.



Resulting in S&P 500 (green line) outperformance vs. the vast majority of hedge fund strategies since 2009



Data thru 04/30/14



The two largest Hedge fund strategies have lagged even when compared on a risk-adjusted basis as shown below

The steady decline in Alpha since 2010 has abated for L/S Equity, but NOT for Systematic Macro.

