

The Russian Hedge Fund Universe

data as of December 31, 2017

[presentation dated April 4, 2018]

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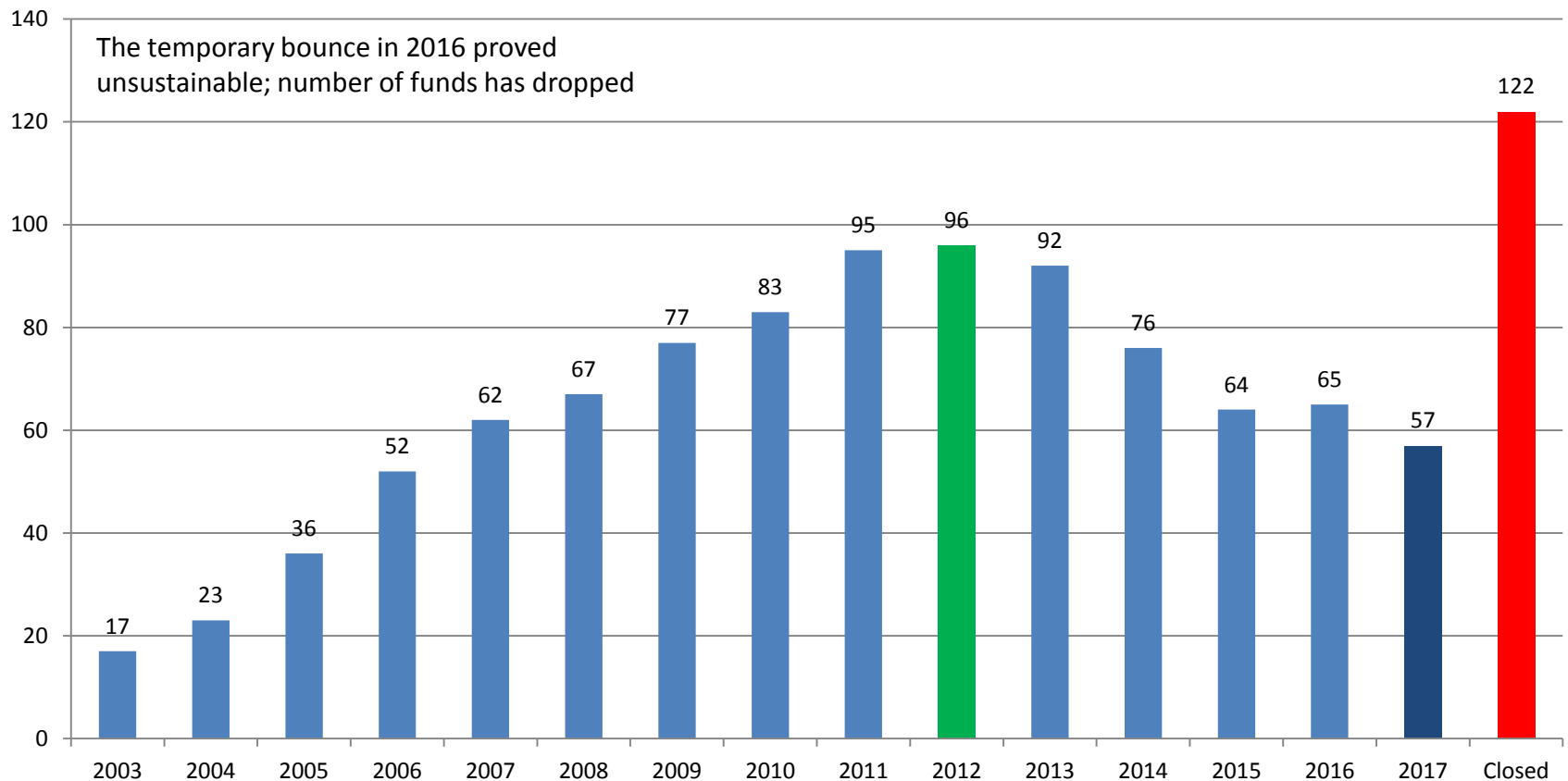


...What is a Russian Hedge Fund?

- What is meant by “Russian”?
 - New official Hedge Fund Committee “Russian” criteria
 - Two of eight “Russian” criteria must be met
 - What is meant by “hedge fund”?
 - Broad definition, not narrow definition
 - Alternative investment fund investing in traded instruments
 - Not a PE/VC/RE fund
 - Not similar to a daily liquidity regulated mutual fund
- *Note: the source for almost all of the data to follow is the Investment Managers / Investment Advisors themselves; some data is from independent sources such as Bloomberg and general internet search*

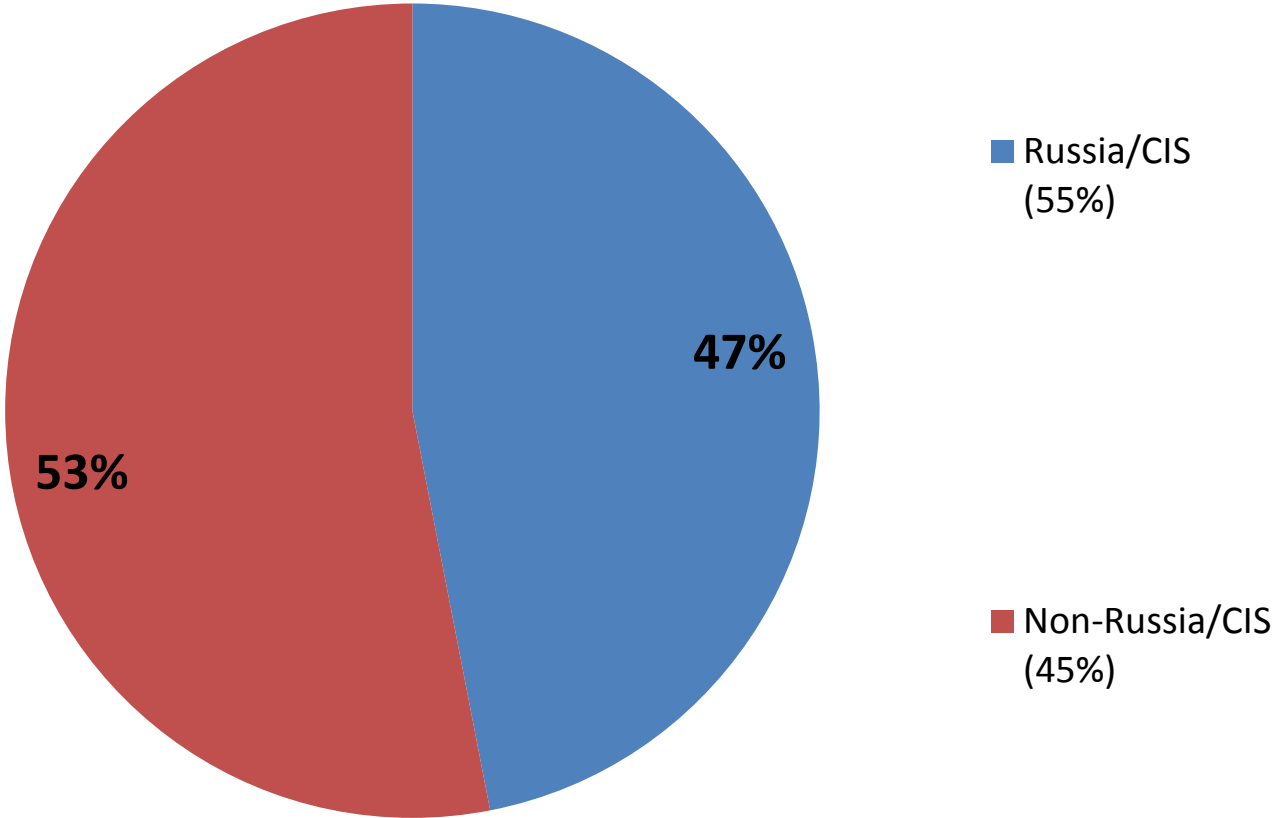
...Historical Growth Trend in Funds...

[Note: reduction in 2017 partially due to more rigid criteria used]



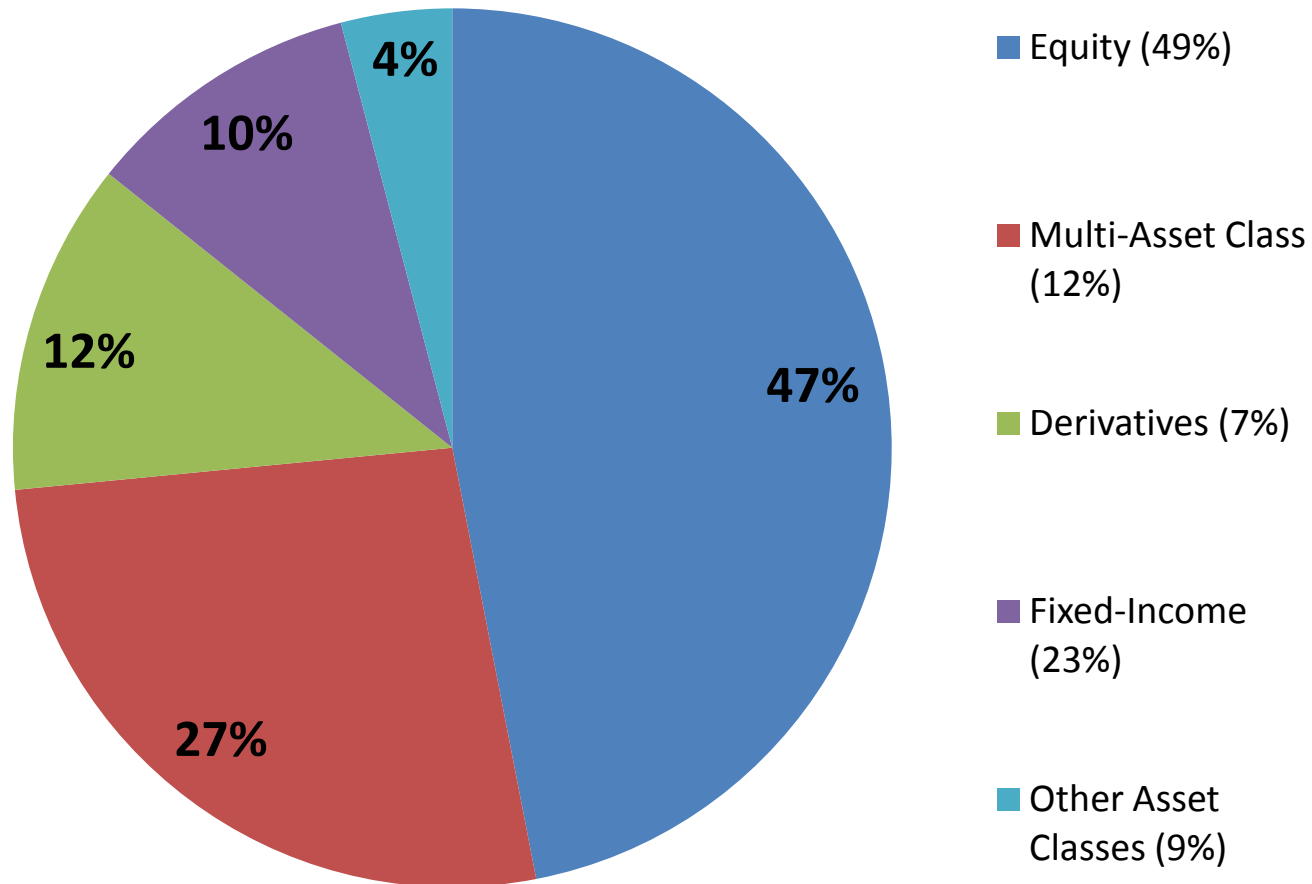
...By Core Geographic Investment Focus...

[Note: % in brackets represents whole history, including closed funds]



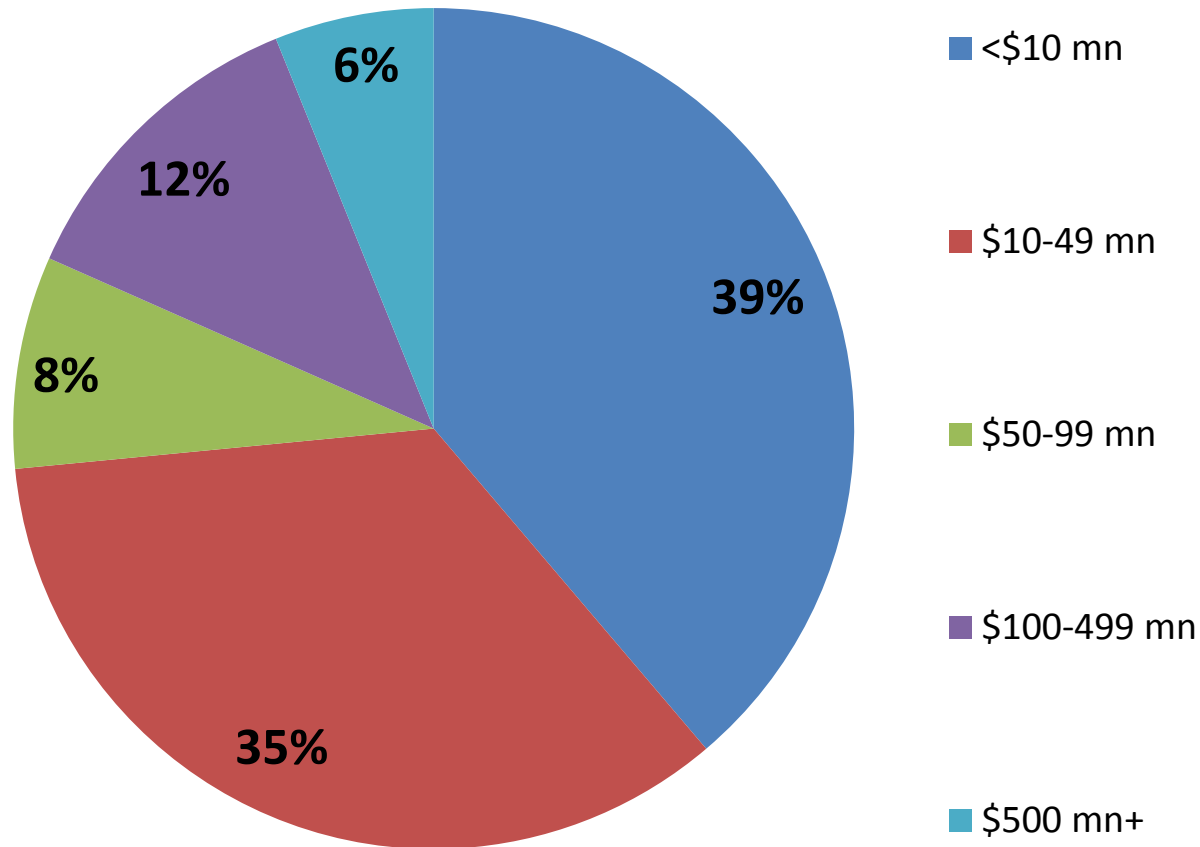
...By Core Asset Class...

[Note: % in brackets represents whole history, including closed funds]

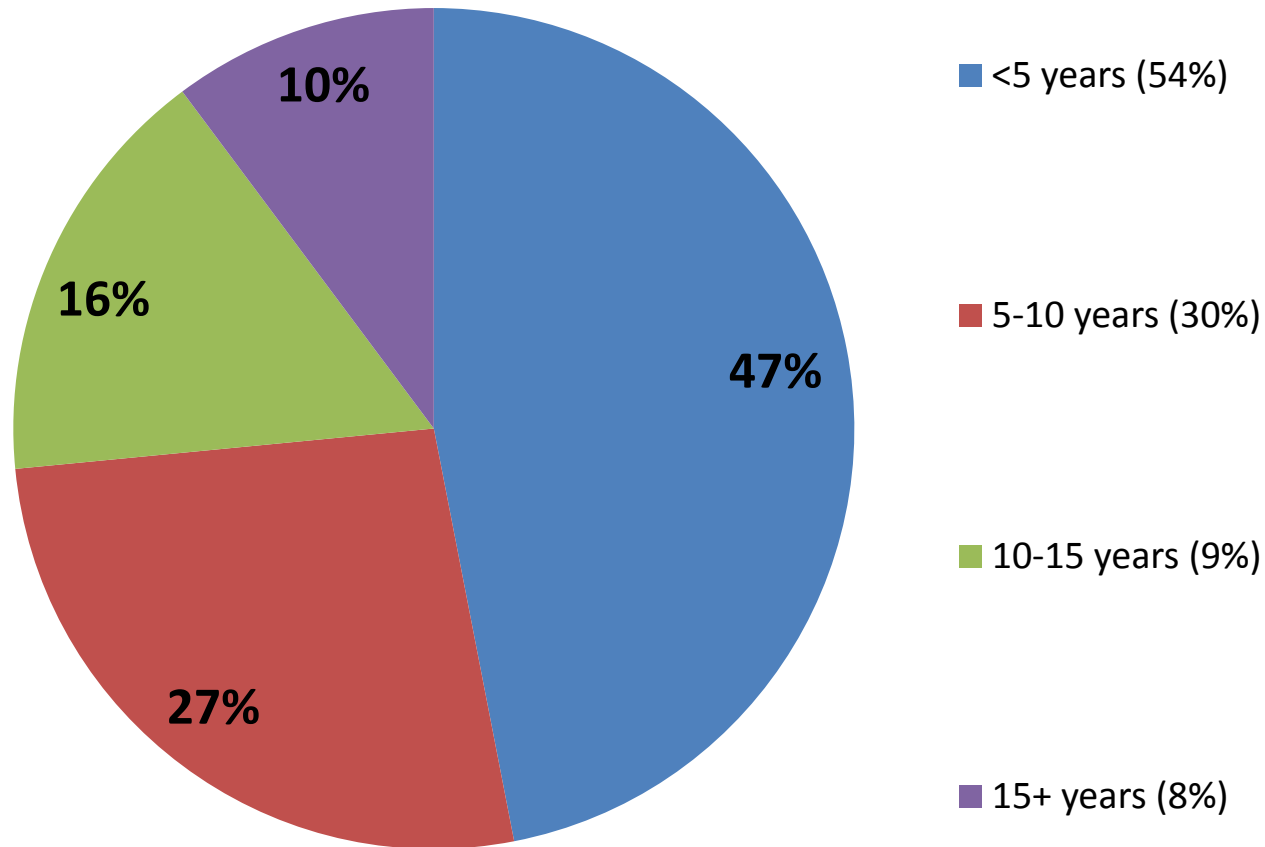


...By Size of Fund (NAV)...

[Note: total estimated size of the universe: \$4.5 – \$5.0 bn]

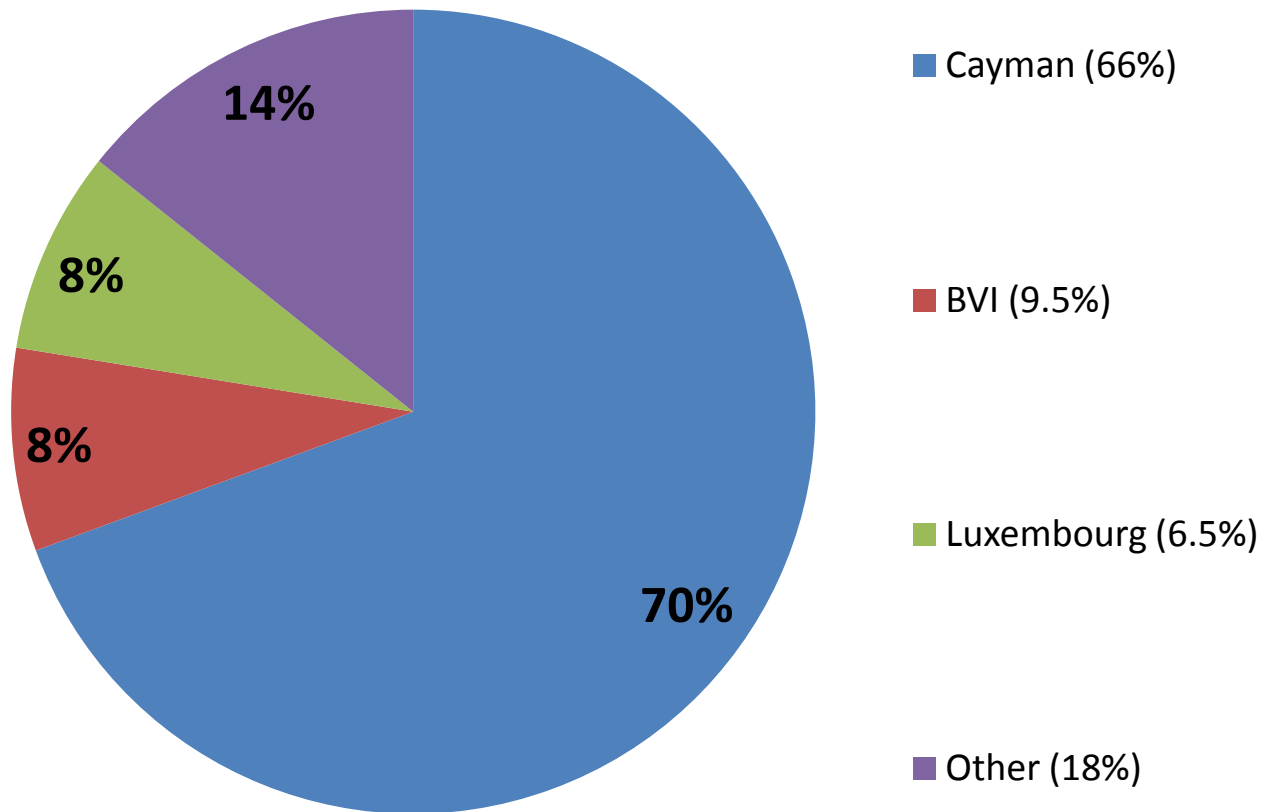


...By Length of Track Record...



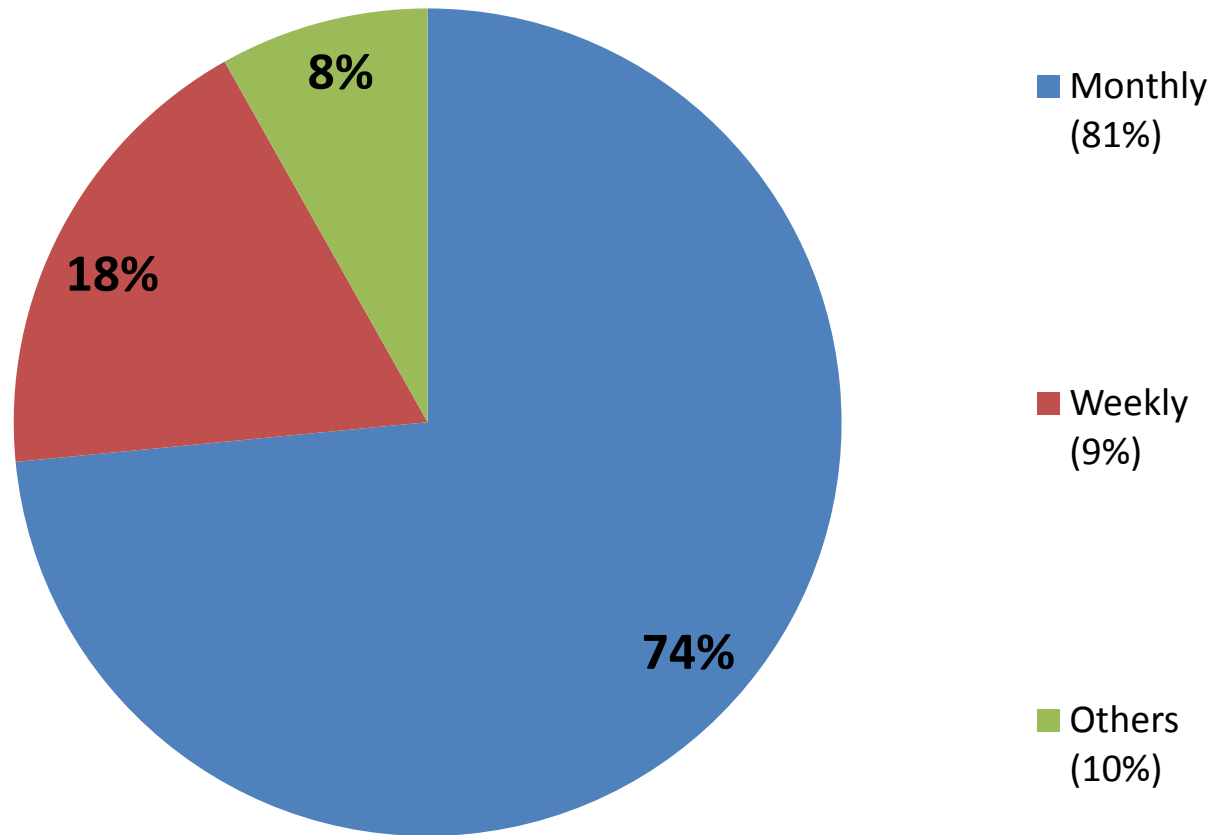
...By Jurisdiction of Incorporation...

[Note: % in brackets represents whole history, including closed funds]



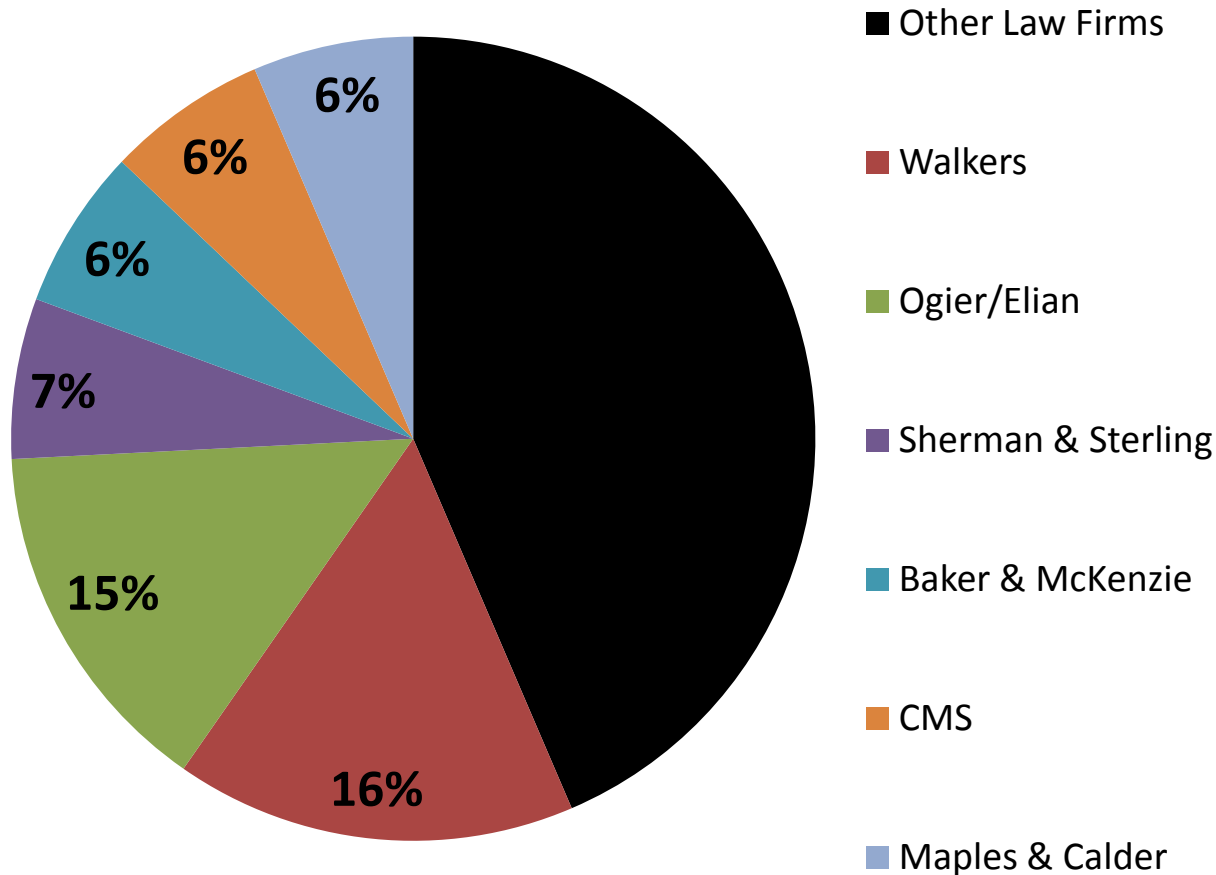
...By Selection of NAV Cycle...

[Note: % in brackets represents whole history, including closed funds]



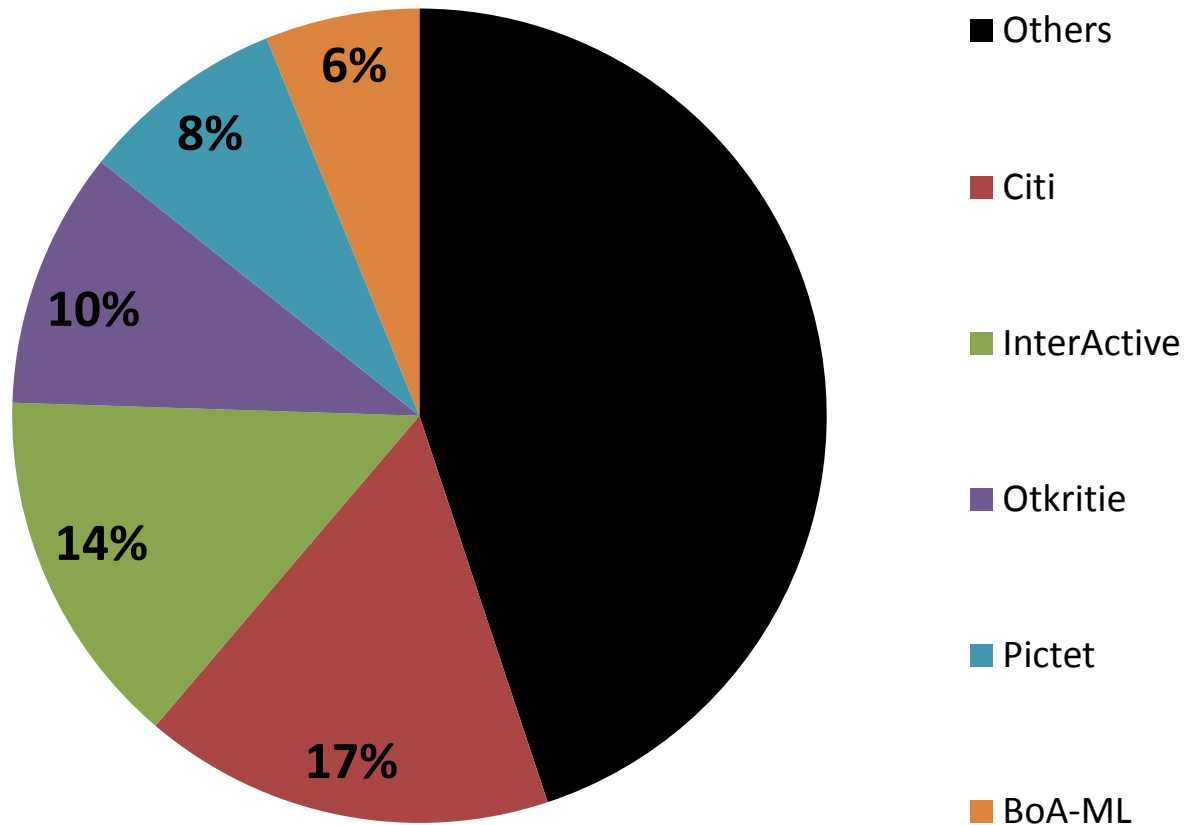
...By Selection of Law Firm(s)...

[Note: % in brackets represents whole history, including closed funds]



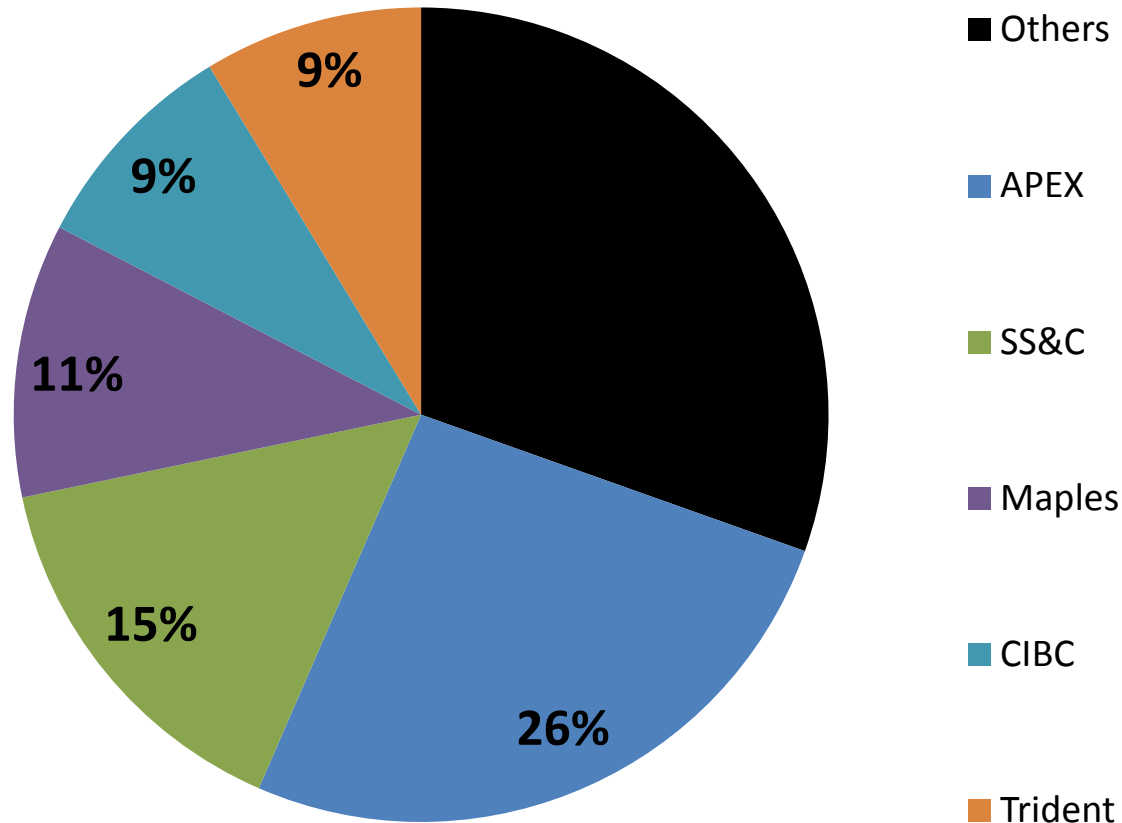
...By Selection of Prime/Custodian...

[Note: % in brackets represents whole history, including closed funds]



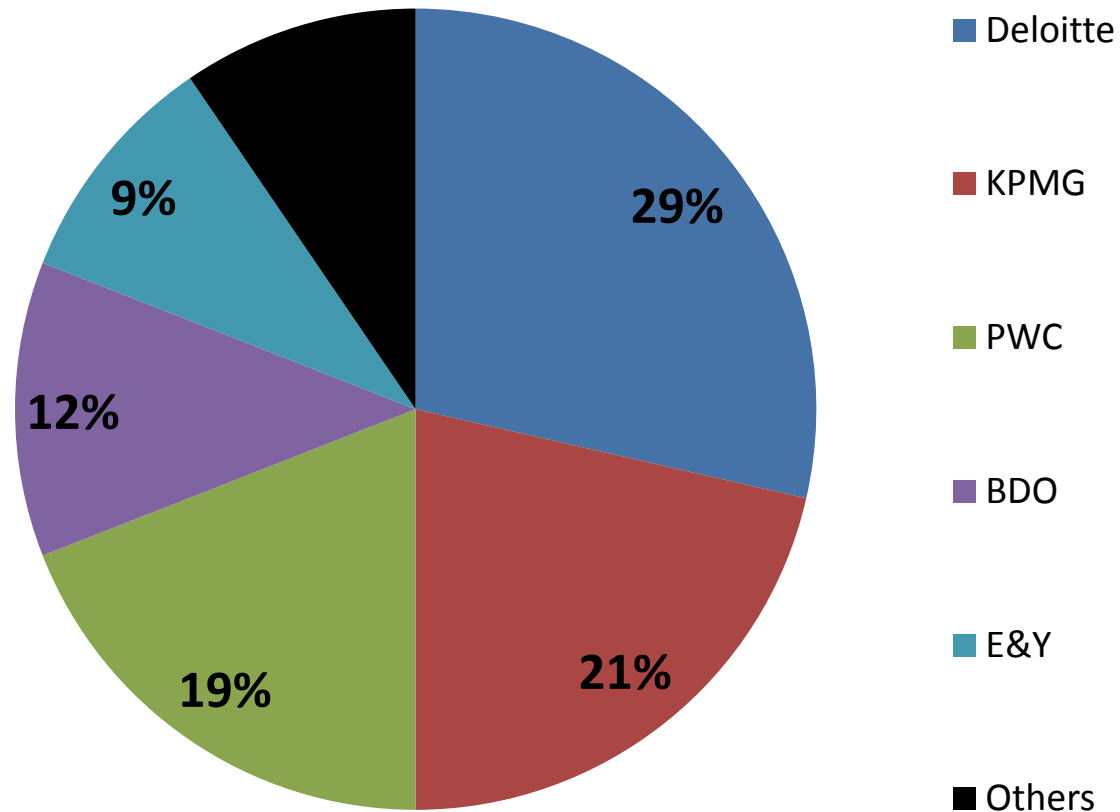
...By Selection of Fund Administrator...

[Note: % in brackets represents whole history, including closed funds]



...By Selection of Audit Firm...

[Note: % in brackets represents whole history, including closed funds]



...By Fund Fee Structure...

[Note: traditional “2%/20%” model also under pressure in Russia]

	<u>Low</u>	<u>High</u>	<u>Average</u>
Management Fee	0,0%	4,0%	1,7%
Performance Fee	5,0%	50,0%	18,5%
Hurdle Rate *	0,0%	20,0%	1,9%

* also: FedFunds; US\$LIBOR; US\$LIBOR+50bp; RTS Index

...2017 Performance...A So-so Year!

[hedge funds of all geographic focuses and all asset classes]

	"Russian" Off-Shore "Hedge Funds" in 2017						
	1-Year Return	1-Year Volatility	SHARP Ratio (rfr=0)	Historical Annualized Return	Historical Annualized Volatility	SHARP Ratio (rfr=0)	Length of Track Record (Yrs)
Top Russian Fund - RELO	34,3%	13,3%	2,58	26,1%	29,9%	0,87	18,00
Top 10 Russian Funds (Average)	26,0%	12,5%	2,08	14,3%	24,9%	0,58	10,70
"Cut-Off" Fund (worst of the best) - RM	18,5%	6,3%	2,94	5,2%	11,4%	0,46	4,33
Arithmetic Average	5,6%	9,5%	0,59	4,1%	18,1%	0,23	6,84
"Cut-Off" Fund (best of the worst) - GD	-2,4%	6,8%	-0,35	-2,3%	24,8%	-0,09	11,08
Bottom 10 Russian Funds (Average)	-19,4%	12,7%	-1,52	-11,3%	22,3%	-0,51	5,49
Bottom Russian Fund - GE	-57,0%	19,5%	-2,93	-47,6%	23,7%	-2,01	1,58
HFRI Fund Weighted Composite Index	8,5%	1,2%	7,43				
HFRI Equity Hedge (Total) Index	13,2%	1,4%	9,33				
HFRI Emerging Markets (Total) Index	20,1%	2,6%	7,74				
HFRI EM: Russia & Eastern Europe Index	10,2%	6,7%	1,51				

...2017 Universe Composition...

	Russia/CIS	Global
Equities L/O	26,5%	12,2%
Equities L/S	8,2%	
Derivatives	12,2%	
Fixed-Income	10,2%	
Multi-Asset	12,2%	14,3%
Other	4,1%	

...2017 Universe Quality Assessment...

