

EDHEC ALTERNATIVE INDEX

MERGER ARBITRAGE

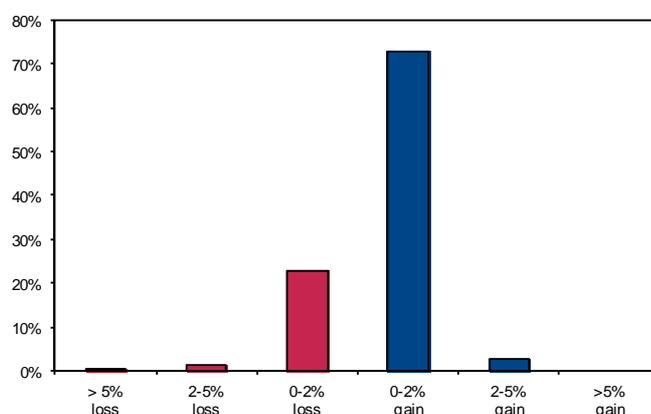
Merger Arbitrage Funds (those funds may also be referred as to Risk Arbitrage or Deal Arbitrage Funds) invest in companies involved in a Merger or an Acquisition process. They typically go long the targeted company and sell short the stock of the acquiring one. This strategy aims at capturing the price spread (i.e. Merger Spread) between the current market price of the targeted company and the price offered by the acquiring firm. The performances of those funds will depend on their ability to assess the corporate transactions' probability of success.

	Jan	Feb	March	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2019	1.38%	0.57%	0.43%	0.67%	-0.47%	0.44%	0.57%	-0.03%	0.37%	0.52%	0.53%	0.90%	6.02%
2020	0.21%	-0.65%	-7.90%	4.12%	0.30%	1.57%	1.08%	0.70%	0.83%	0.44%	4.72%	4.71%	9.92%
2021	3.52%	1.88%	-1.35%	2.34%	0.58%	0.19%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.30%

RISK PROFILE

Risk Profile	Edhec Merger Arbitrage Index	S&P 500	Lehman Treasury
Monthly Std Dev Ann'd	3.80%	14.97%	4.44%
Sharpe Ratio	0.35	0.35	0.05
Information ratio	-0.30	n.a.	n.a.
Min. Monthly Return	-7.90%	-16.80%	-4.39%
Max. Monthly Return	4.72%	12.82%	5.31%
Mean Monthly Return	0.43%	0.74%	0.35%
Median Monthly Return	0.53%	1.29%	0.33%
Exc. Kurtosis	14.94	126	127
Skewness	-1.43	-0.60	0.10
% of winning Months	75.61%	66.67%	58.54%
Average Winning Return	0.84%	3.07%	1.15%
% of losing Months	24.39%	33.33%	41.46%
Average Losing Return	-0.83%	-3.93%	-0.79%

RETURN DISTRIBUTION



CORRELATION ANALYSIS

Correlation Analysis	Edhec Merger Arbitrage Index	S&P 500	Lehman Treasury
S&P 500	0.60	1.00	-0.36
S&P 500 Value	0.59	0.97	-0.38
S&P 500 Growth	0.57	0.97	-0.32
S&P Mid Cap	0.68	0.93	-0.37
S&P Small Cap	0.65	0.87	-0.39
Lehman Treasury	-0.20	-0.36	1.00
Baa-Aaa	0.07	-0.02	0.04
Chg in Baa - Aaa	0.02	0.05	0.10
10 years - 3 Months	-0.11	-0.06	0.06
Chg in 10 years - 3 Months	-0.21	-0.11	-0.03
VIX	-0.28	-0.43	0.26
Chg in VIX	-0.41	-0.69	0.23

CUMULATIVE RETURNS

