

EDHEC ALTERNATIVE INDEX

EQUITY MARKET NEUTRAL

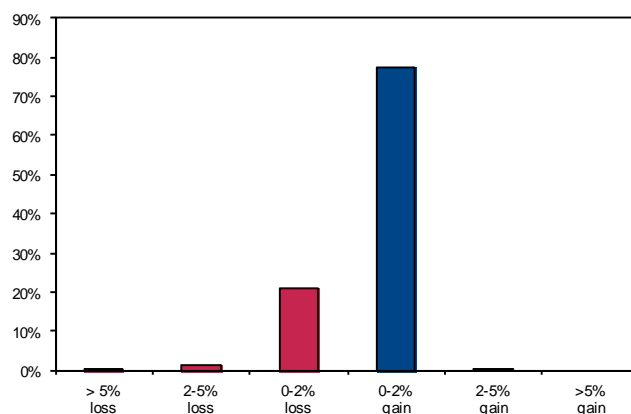
Equity Market Neutral funds take long and short positions in such a way that the impact of the overall market is minimized. Market neutral can imply dollar neutral, beta neutral or both. While dollar neutrality has the virtue of simplicity, beta neutrality better defines a strategy uncorrelated with the market return. Many practitioners of market-neutral long/short equity trading balance their longs and shorts in the same sector or industry. By being sector neutral, they avoid the risk of market swings affecting some industries or sectors differently than others.

	Jan	Feb	March	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2019	1.09%	0.08%	0.17%	-0.71%	0.07%	0.38%	0.29%	0.09%	-0.27%	-0.14%	0.04%	0.38%	1.46%
2020	-0.24%	-1.03%	-2.44%	1.24%	0.53%	0.85%	2.36%	0.15%	-0.20%	-0.45%	0.33%	1.50%	2.55%
2021	0.03%	1.39%	1.02%	1.47%	0.35%	0.27%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.60%

RISK PROFILE

Risk Profile	Edhec Equity Market Neutral Index	S&P 500	Lehman Treasury
Monthly Std Dev Ann'd	2.71%	14.97%	4.44%
Sharpe Ratio	-0.09	0.35	0.05
Information ratio	-0.39	n.a.	n.a.
Min. Monthly Return	-5.87%	-16.80%	-4.39%
Max. Monthly Return	2.36%	12.82%	5.31%
Mean Monthly Return	0.31%	0.74%	0.35%
Median Monthly Return	0.37%	1.29%	0.33%
Exc. Kurtosis	16.51	1.26	1.27
Skewness	-2.64	-0.60	0.10
% of winning Months	77.64%	66.67%	58.54%
Average Winning Return	0.59%	3.07%	1.15%
% of losing Months	22.36%	33.33%	41.46%
Average Losing Return	-0.68%	-3.93%	-0.79%

RETURN DISTRIBUTION



CORRELATION ANALYSIS

Correlation Analysis	Edhec Equity Market Neutral Index	S&P 500	Lehman Treasury
S&P 500	0.43	1.00	-0.36
S&P 500 Value	0.41	0.97	-0.38
S&P 500 Growth	0.42	0.97	-0.32
S&P Mid Cap	0.49	0.93	-0.37
S&P Small Cap	0.45	0.87	-0.39
Lehman Treasury	-0.29	-0.36	1.00
Baa-Aaa	-0.17	-0.02	0.04
Chg in Baa - Aaa	-0.16	0.05	0.10
10 years - 3 Months	-0.05	-0.06	0.06
Chg in 10 years - 3 Months	-0.13	-0.11	-0.03
VIX	-0.36	-0.43	0.26
Chg in VIX	-0.34	-0.69	0.23

CUMULATIVE RETURNS

