

ALTIQUANT

GLOBAL FUND

Investment Returns Benchmarking Analysis

(Period: 1 Jun 2013 – 30 Sep 2018)

Background

We started Altiquant on 31st May 2013 with Class B Net Asset Value (NAV) of US\$100 at inception.

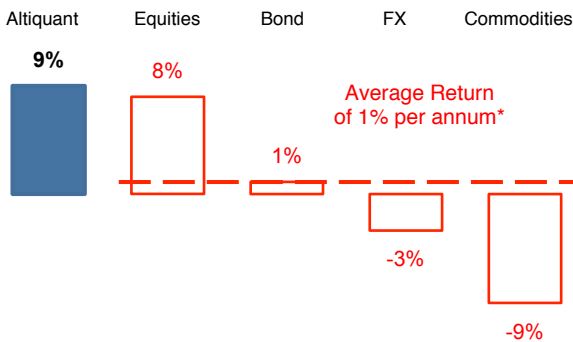
Just 30 days later, the global bond markets went into one of the steepest decline on record due to an event now known as the US Federal Reserve Taper Tantrum hence by 30th June 2013, our first month NAV was US\$77; reflecting a drop of 22% for the Fund.

Benchmarking 5 Years later

Since our inception in mid 2013, there was a broad divergence of major asset class performance which almost cancelled out each other.

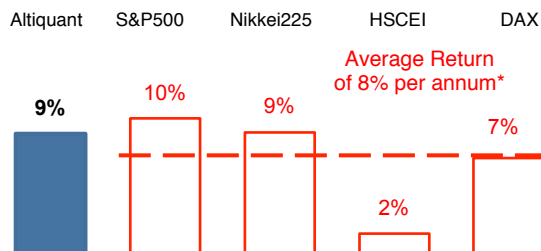
The Fund delivered +9% per annum for our inaugural class of investors while the broader market averaged around +1% per annum.

Benchmarking #1: Altiquant vs. Major Asset Classes



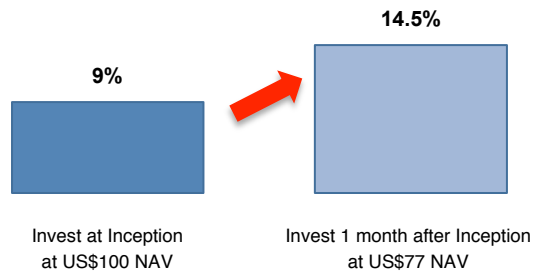
If we compare solely within Equity asset class, the Fund is broadly in-line with top equity indices and is ahead of the global equity index.

Benchmarking #2: Altiquant vs. Equity Indices



Chasing Declines is Key

While nothing could be done about the state of the global markets, we noticed that an investor who joined a month after our inception due to paperwork delays almost doubled his / her annual returns versus our inaugural class of investors.



The said investor manage to achieve a net return of +20% per annum when the Fund hit its peak NAV of US\$180 in January this year before settling back at +14.5%. Interestingly, this was achieved in the same backdrop of ultra-low Major Asset Class average returns of +1% per annum.

While we hold the belief that no one is able to consistently time the market, the next best option may be to **'chase declines'** and consider adding meaningfully whenever the Fund is down by 20% in order to improve your long-term rate of return.

Conclusion

Our latest benchmarking indicates that Quantedge continues to:

1. **Vastly outperform** a broad based, long-biased portfolio that invests in all Major Asset Class
2. **Outperform** all individual Major Asset Class
3. **Perform in-line** with top equity indices

Given the results, we will continue to maintain Quantedge as our core position for Q1 Fund, Q2 Fund and our proprietary Investment Office holdings.

Best Regards,

Michael & Satoko

Altiquant Benchmarking Analysis

For Period: 1 Jun 2013 – 30 Sep 2018

Asset Class / Equity Indices		Altiquant	Major Asset Class Indices				Regional Equity Indices								
		Region / Country	Equities Global	Bonds Global	Comm. Global	FX Global	S&P US	Nikkei Japan	HSCEI HK/China	STI S'pore	NIFTY India	DAX Germany	FTSE UK		
Average Annual Returns (Net)		Actual	W.Average					W.Average							
A.	May 2013 start (inception of Altiquant)	9%	1%	8%	1%	-9%	-3%	8%	10%	9%	2%	0%	11%	7%	3%
B.	Jun 2013 start (1 month after inception)	14%	1%	Similar to above				7%	Similar to above						
C.	Jun 2013 start (till Jan 2018)	20%	2%	10%	2%	-11%	-2%	10%	12%	12%	8%	2%	15%	11%	3%

Notes:

Regional Equity Indices selection

1. For US equity indices, S&P500 and Dow Jones Industrial's returns are fairly similar, hence only S&P is used
2. For Asia equity indices, Hang Seng and HSCEI returns are fairly similar, hence only HSCEI is used

Major Asset Class Indices

3. Equities: MSCI World Index (Gross), Bonds: JPM Global Aggregate Bonds Index (Total Returns), Commodities: GSCI (Total Returns), FX: DB G10 Cur. Harvest Index (Total Returns)

Weightage for Average Calculations

4. For 'Major Asset Class Indices', we used the following weights 33.3% Equities, 33.3% Bonds, 16.5% Commodities, 16.5% Currencies
5. For 'Regional Equity Indices', we used 50% weight for S&P500 and equal split of weights for remaining regional indices