GILBOA FUNDS

2026 Survey of Israeli Hedge Funds

2026 IHFA 13th Annual Conference

November 2026

These findings are as of September 30th, 2026. All information in this report has been presented with the understanding that participant identities remain confidential. Information provided to Gilboa was accepted as accurate without independent verification. All performance data is presented net of fees. This survey is intended for informational purposes only, and any figures provided are estimates. External publication of this survey requires prior written permission from Gilboa. All inquiries regarding this survey or requests for additional information can be addressed to db@gilboafunds.com.

INDUSTRY

Industry Assets

Industry assets and fund counts continued to expand

Total liquid AUM

$21.5bn

▲ from $16.7bn in 2025

Growth in a year

+29%

in USD · +16.2% in ₪

Funds

256

▲ +10% from 232

Managers

170

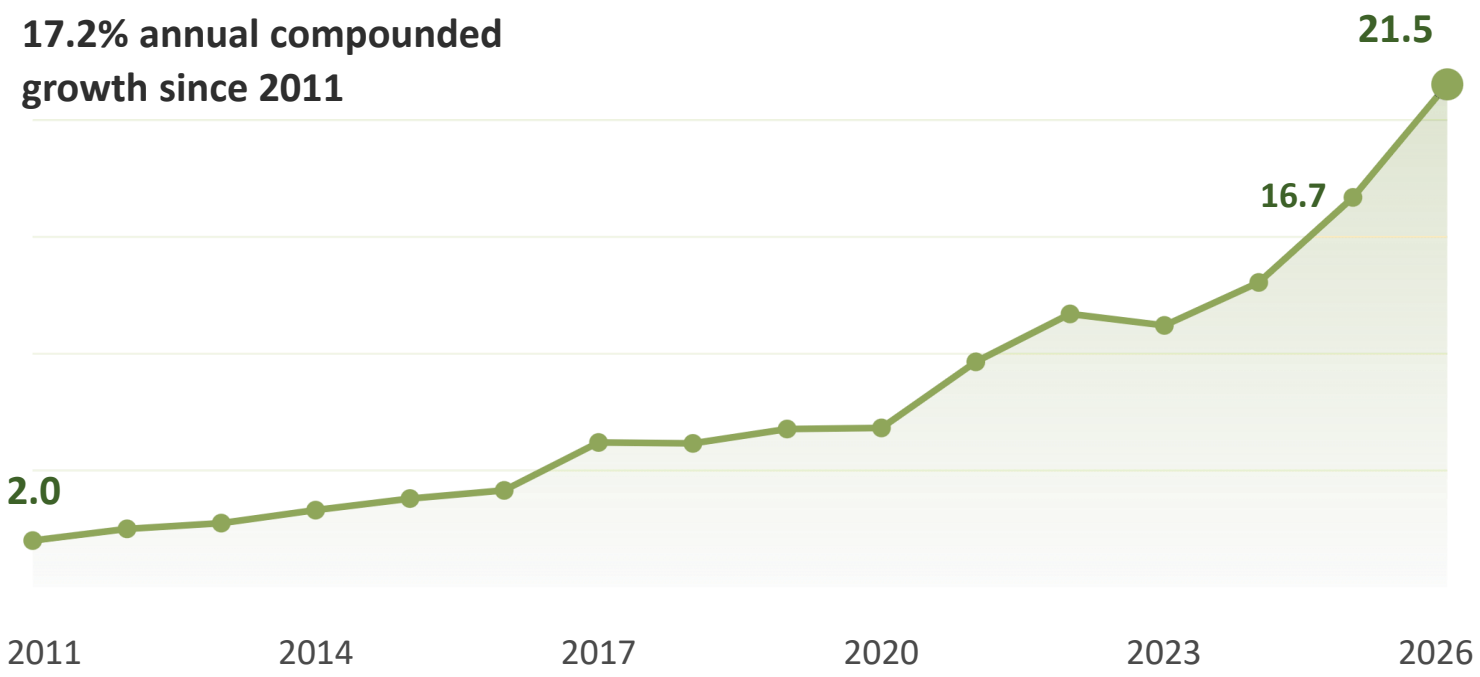
▲ +5% from 162

INDUSTRY

Liquid Hedge Funds

Industry assets and fund counts continued to expand

Liquid hedge fund AUM, $bn



+29%

2025 → 2026

10 largest funds

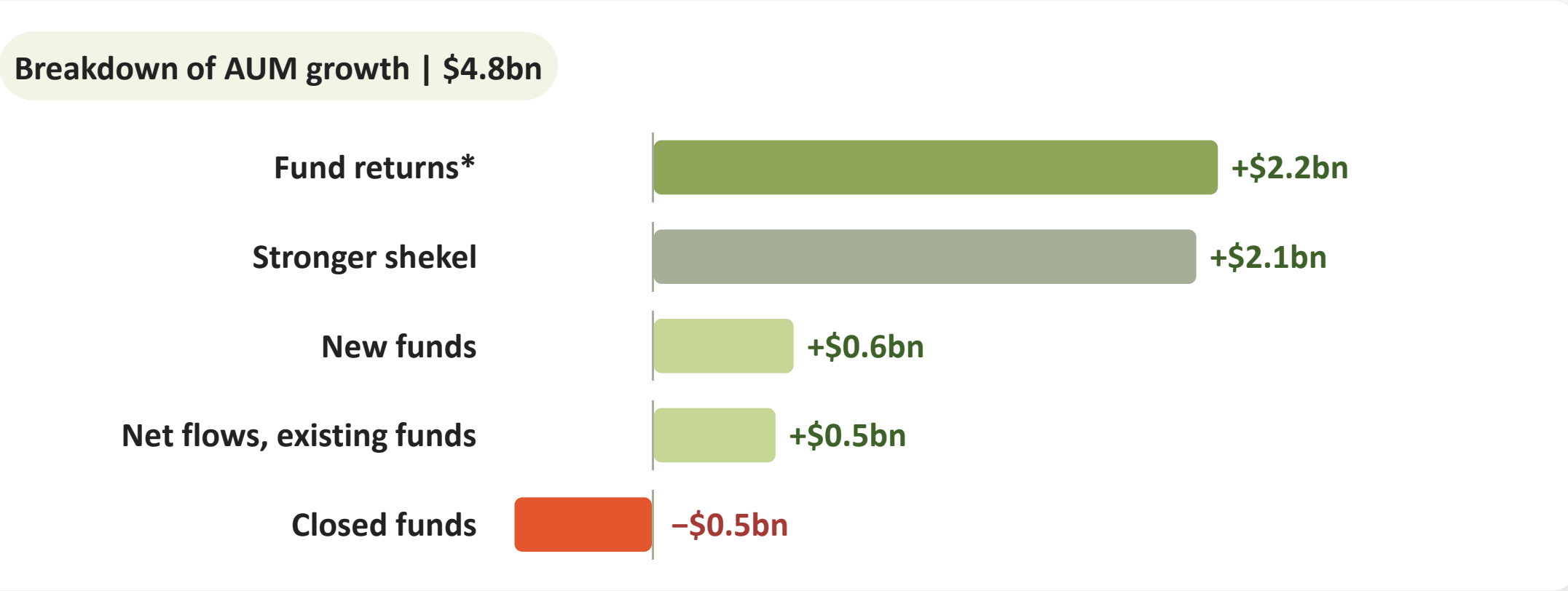
$8.6bn · 40% of total AUM

Funds over $100m	**34**
Average fund	**$84m**

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Sources of AUM Growth

Returns and currency appreciation explain most AUM growth in USD

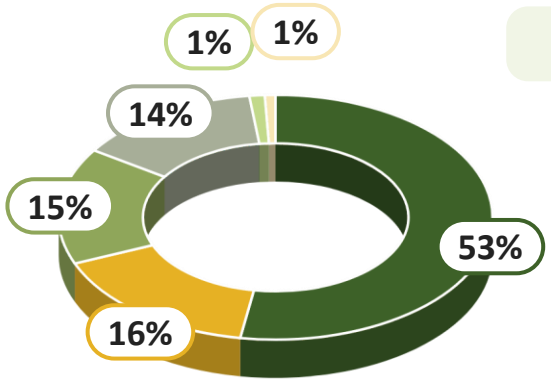


* TGI Israeli Hedge Funds, Oct 2025–Sep 2026: +13.7% on existing funds' 2025 assets

INDUSTRY

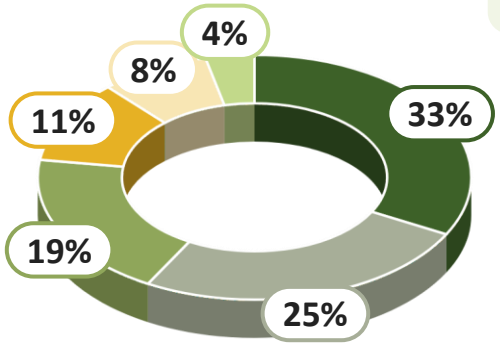
Strategy Breakdown

Israeli equity holds half of industry assets | multi-strategy's AUM share down by 6% from 2025



Strategy Share by Total AUM

- Israeli Equity 53%
- Multi-Strategy 16% ▼6%
- Fixed Income 15%
- Global Equity 14% ▲5%
- Macro/Futures/Options 1%
- Quantitative 1%



Hedge Fund Strategy Share by Number of Funds

- Israeli Equity 33%
- Global Equity 25%
- Fixed Income 19%
- Multi-Strategy 11%
- Quantitative 8%
- Macro/Futures/Options 4%

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Industry Employees

Investment staff account for most of industry employment | exclude staff at external service providers

Total employees

1,070

+9% vs. 980 in 2025

Investment staff

740

managers, analysts, traders

+4% vs. 710 in 2025

Back office & marketing

330

operations, marketing, IR

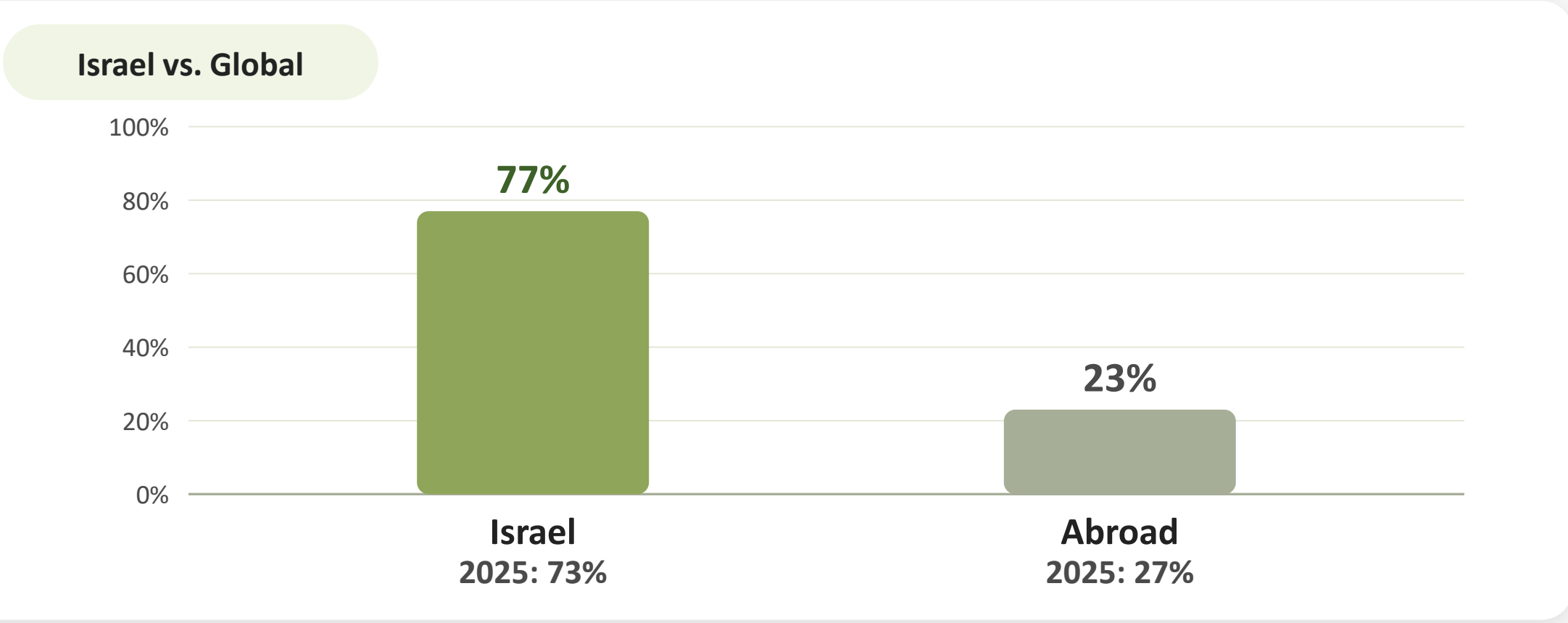
+21% vs. 270 in 2025

69% investment | **31% other**

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Geographical Asset Breakdown

Roughly 75% of hedge funds assets invested locally



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Investor Profile Breakdown

Most capital comes from private investors | Share of Israeli investor increase

Private vs. Institutional

Investor group	2025	2026
Private investors	80%	81%
Institutional investors	20%	19%

Israeli vs. Foreign

Investor group	2025	2026
Israeli investors	88%	93%
Foreign investors	12%	7%

RECENT PERFORMANCE

Index recent Performance

Jan–Sep 2026: benchmarks led on returns | TGI Israeli and Global Equity led on Sharpe ratio

RETURNS

TGI Israeli Equity

	TGI	TA-125
2025	+38.1%	+51.0%
Jan–Sep 26	+9.6%	+11.3%

TGI Global Equity

	TGI	S&P 500 TR
2025	+26.6%	+17.9%
Jan–Sep 26	+10.6%	+12.7%

TGI Fixed Income

	TGI	All Bonds
2025	+11.8%	+6.3%
Jan–Sep 26	+0.8%	+2.4%

SHARPE RATIO

TGI Israeli Equity

	TGI	TA-125
2025	4.3	4.2
Jan–Sep 26	1.1	0.8

TGI Global Equity

	TGI	S&P 500 TR
2025	3.0	1.6
Jan–Sep 26	1.4	1.1

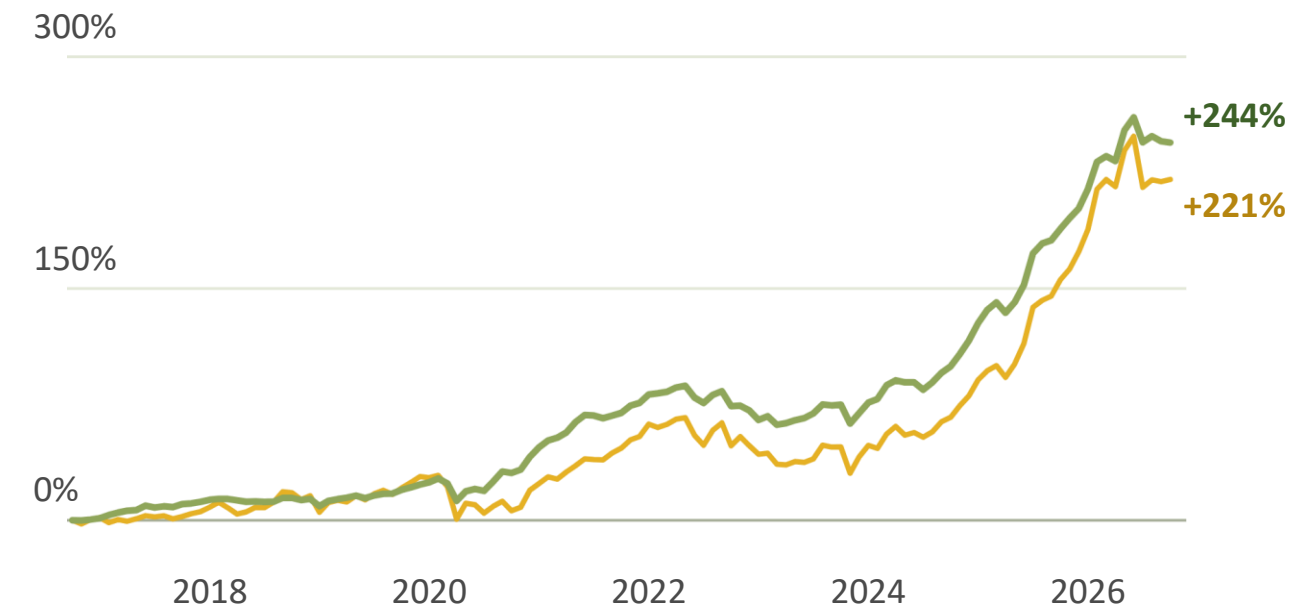
TGI Fixed Income

	TGI	All Bonds
2025	4.3	2.9
Jan–Sep 26	0.3	1.5

LONG TERM PERFORMANCE

Israeli Equity vs. TA-125

Israeli equity hedge funds generated higher returns with lower volatility than the TA-125



10-year annual return

TGI Israeli equity	13.2%
TA-125	12.4%

Volatility (std. deviation)

TGI Israeli equity	9.1%
TA-125	14.9%

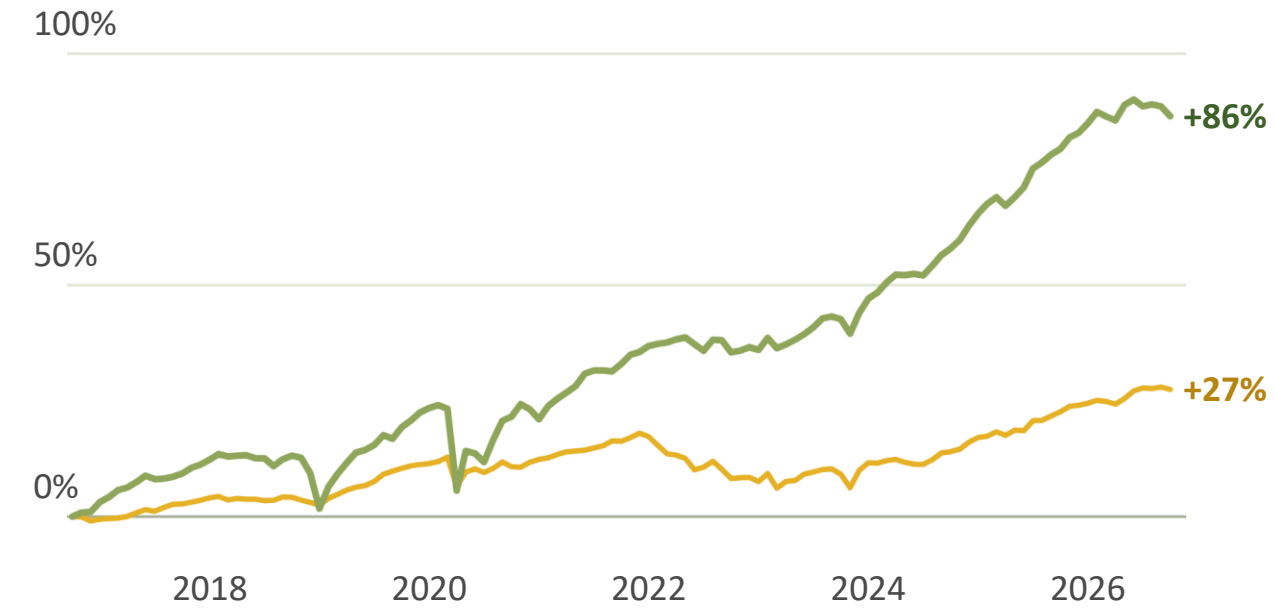
Sharpe ratio

TGI Israeli equity	1.5
TA-125	0.8

LONG TERM PERFORMANCE

Fixed Income vs. All Bonds

Fixed income hedge funds posted higher returns, although with higher volatility



10-year annual return

TGI Fixed income	6.4%
All Bonds	2.5%

Volatility (std. deviation)

TGI Fixed income	7.2%
All Bonds	3.6%

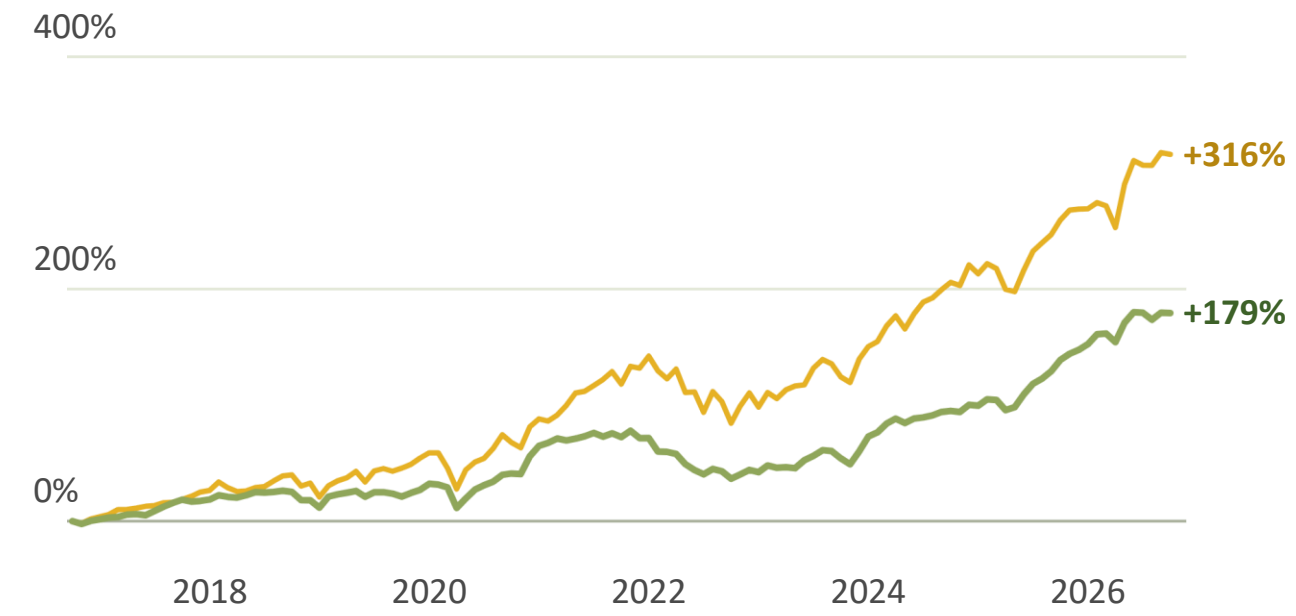
Sharpe ratio

TGI Fixed income	0.9
All Bonds	0.7

LONG TERM PERFORMANCE

Global Equity vs. S&P 500

Lower volatility and a similar Sharpe ratio, lower returns than the S&P 500



10-year annual return

TGI Global equity	10.8%
S&P 500 TR	15.3%

Volatility (std. deviation)

TGI Global equity	11.5%
S&P 500 TR	15.4%

Sharpe ratio

TGI Global equity	0.9
S&P 500 TR	1.0

NEW IN 2026

AI Adoption

Use of artificial intelligence across fund functions

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NEW IN 2026

AI Adoption

Research is the strongest reported AI use case

Research & analysis

High use

3.8 / 5

Operations & admin

Moderate use

2.8 / 5

Legal & compliance

Low use

2.4 / 5

Marketing & IR

Low use

2.3 / 5

PRESENTATION SCALE High: 3.5–5.0 · Moderate: 2.5–3.49 · Low: below 2.5

MUTUAL FUNDS

Mutual Hedge Funds

Industry development in mutual fund structures

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Mutual Hedge Fund Industry

Mutual-fund hedge fund AUM grew 77% over the past year to ₪5.8bn

Mutual hedge fund AUM, ₪m

From ₪33m in March 2023 to ₪5.8bn in September 2026



+77%

Sep 2025 → Sep 2026

5 largest funds

₪2.9bn · 50% of total AUM

2025: ₪1.6bn · 49% of total AUM

Funds	**46**
Fund managers	**20**

FAMILY OFFICES

Family Offices

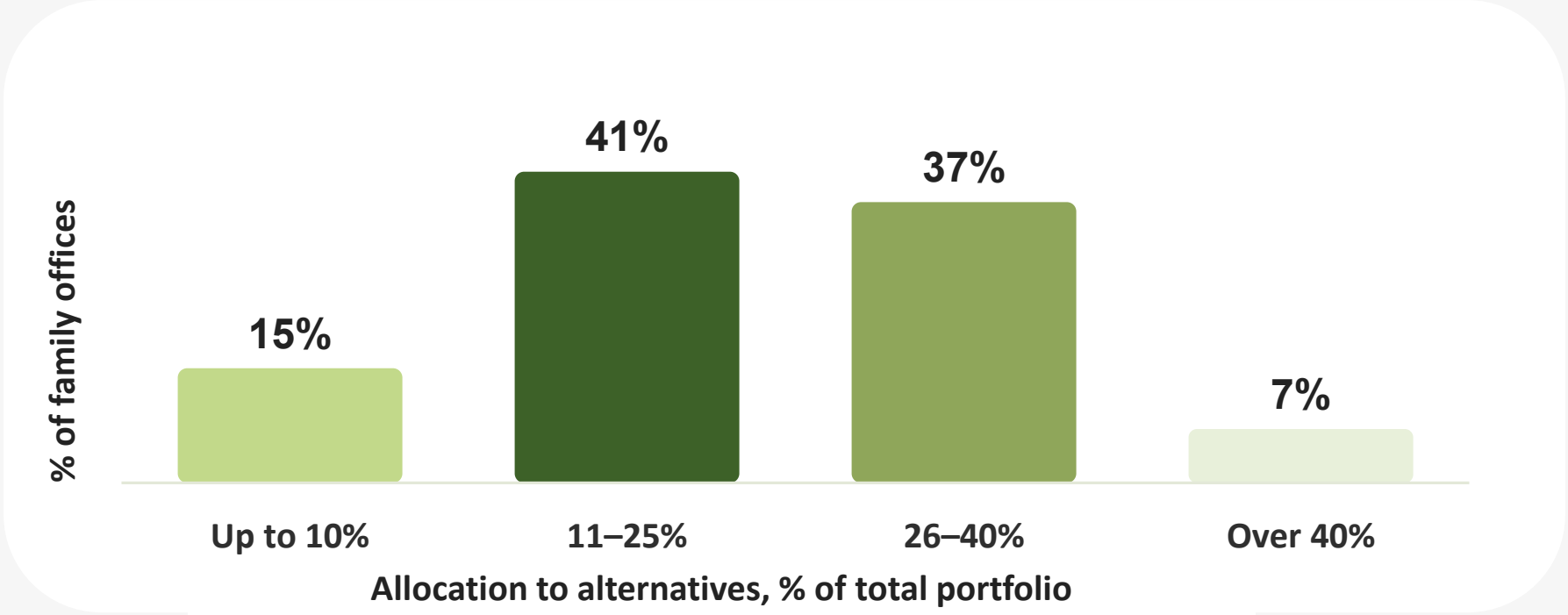
Portfolio allocations and investment preferences

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Alternative Investment Allocation

SURVEY QUESTION:

What percentage of your portfolio is currently allocated to alternative investments (PE, real estate, hedge funds, credit, VC)?



78% of respondents allocate 11–40% of their portfolio to alternatives

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Hedge Fund Allocation & Outlook

Most plan to maintain hedge fund exposure

Hedge funds as a share of the portfolio today

Up to 10% hedge fund allocation	**56%**
11–25% hedge fund allocation	**39%**
Over 25% hedge fund allocation	**5%**

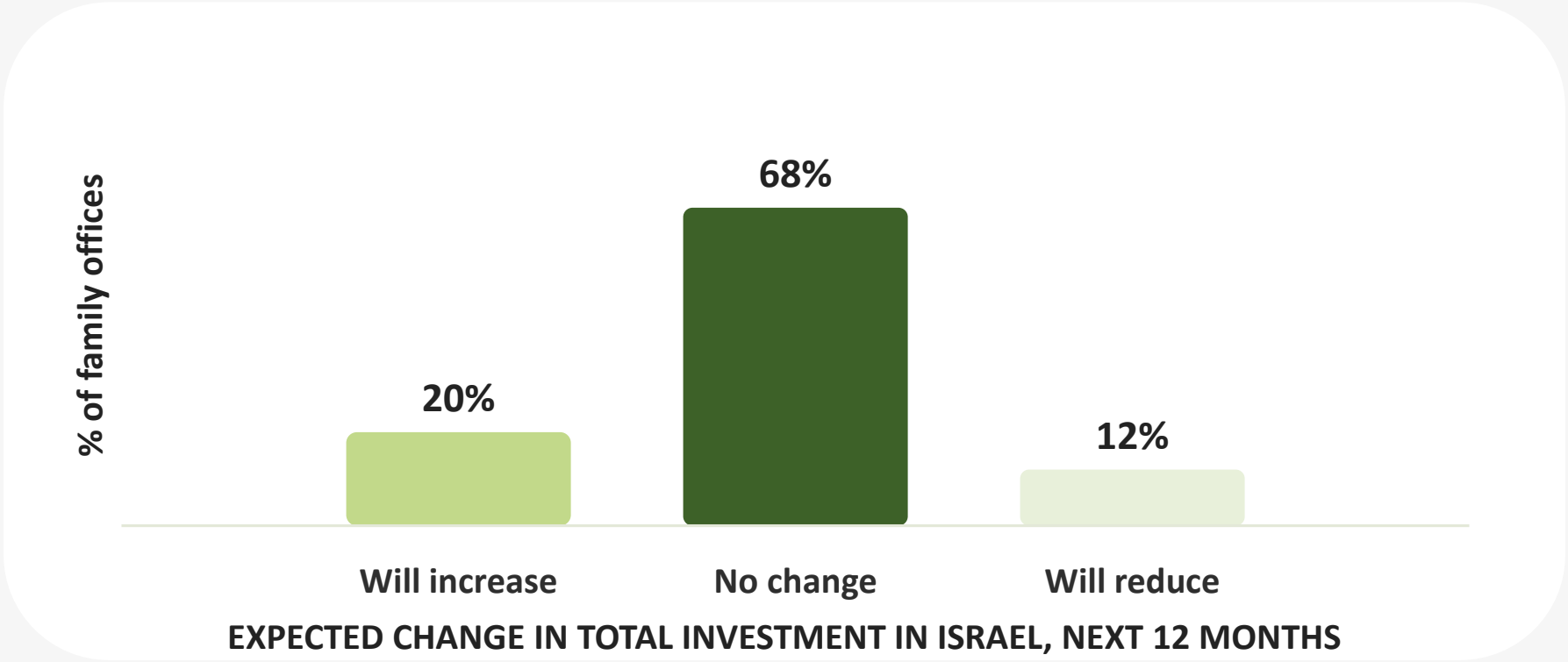
Hedge fund investment, next 12 months

Will increase	**32%**
No change	**63%**
Will reduce	**5%**

Total Investment in Israel

SURVEY QUESTION:

How do you expect your total investment in the Israeli market, both liquid and alternative, to change over the next 12 months?

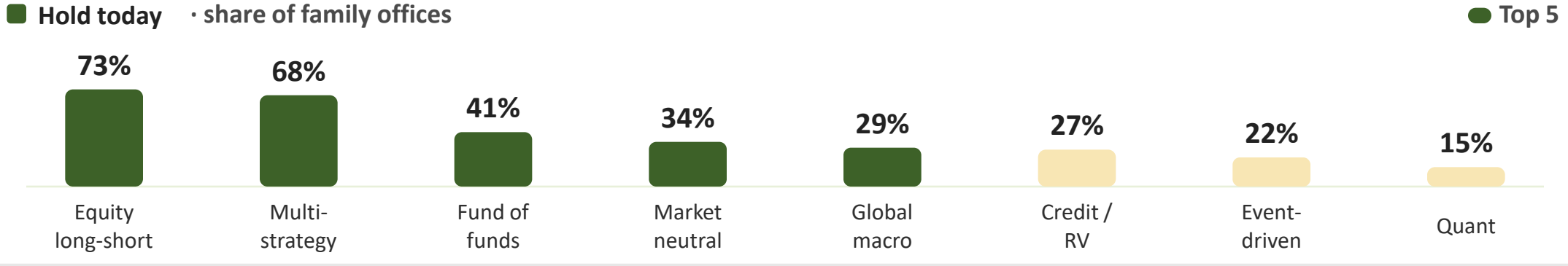


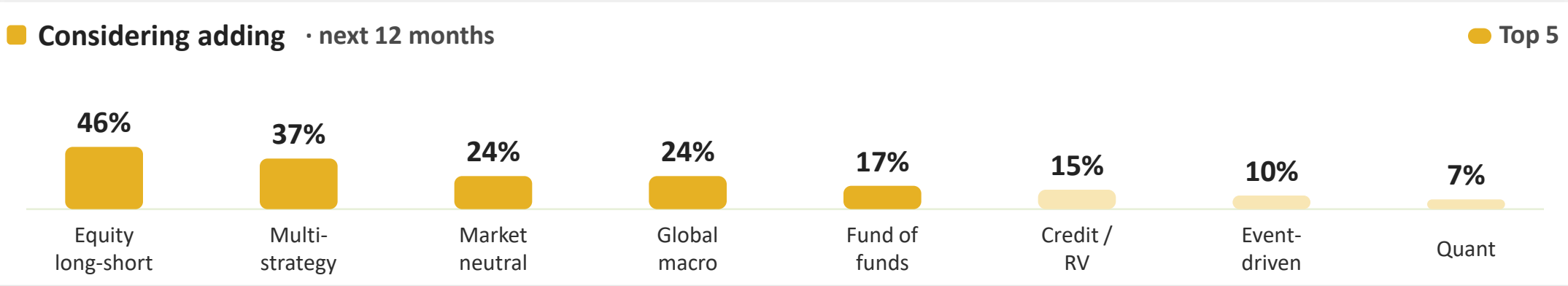
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Hedge Fund Strategy Preferences

SURVEY QUESTIONS:

Hold today: Which hedge fund strategies do you currently invest in?
Considering adding: Which strategies are you considering adding or increasing over the next 12 months?





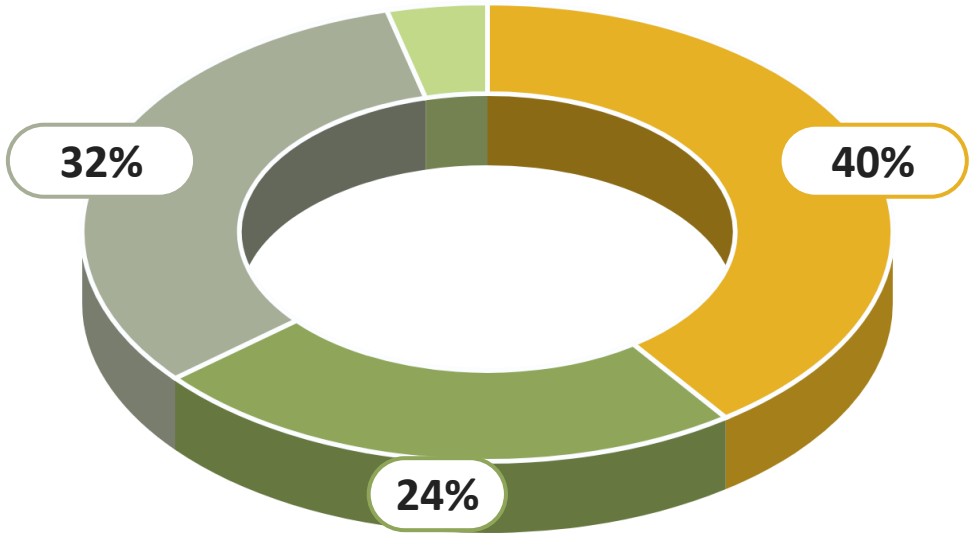
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Preferred Approach to Long-Term Equity Outperformance

SURVEY QUESTION:

Which approach would you prefer in an equity hedge fund that generates excess returns over time?



- **40%** **Significant hedging**
- **24%** Moderate hedging
- **32%** No hedging
- **4%** Leverage

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Hedge Fund Selection Criteria

SURVEY QUESTION:

Which three characteristics matter most when selecting a hedge fund? (Select up to three.)

% of family offices naming each criterion among their top three

66%	51%	46%
Proven ability to generate alpha	Protection in sharp market declines	Consistent returns

Also named in the top three

Team & stability	39%	Operations & risk	37%	Transparency	27%	Low correlation	27%
Liquidity	20%	Absolute return	15%	Terms & fees	12%	Fund size (AUM)	12%

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Thank you

About this survey

This survey is based on information provided by participating Israeli hedge fund managers and family offices, as of September 30, 2026, unless otherwise stated. Participation was voluntary, and the findings may not be fully representative of the Israeli market.

Data was provided by participants and has not been independently verified by Gilboa Funds. Certain figures are estimates and may be subject to revision. Family office responses are presented on an aggregated and anonymous basis.

Unless otherwise stated, hedge fund performance figures are presented net of fees. Past performance is not indicative of future results.

This report is intended for informational purposes only and does not constitute investment advice, an offer, or a solicitation to invest. External publication or distribution requires prior written consent from Gilboa Funds.

For further information, please contact db@gilboafunds.com.

About Gilboa Funds

Gilboa Funds is an Israeli investment firm specializing in alternative investments, with a focus on hedge fund strategies and funds of funds.

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