



FOR IMMEDIATE RELEASE

Contacts:

Hedge Fund Research, Inc.

Kenneth Heinz

Chicago/312.658.0955

info@hfr.com

[@HFRInc](https://twitter.com/HFRInc)

@KennethJHeinz

MacMillan Communications

Chris Sullivan

New York/212.473.4442

chris@macmillancom.com

Hydra Strategy

Henrietta Hirst

London/+44 (0) 7880 742 375

Henrietta.hirst@hydrastrategy.co.uk

HEDGE FUNDS DECLINE IN SEPTEMBER AS ELECTION, VIRUS UNCERTAINTY RISE

*Event-Driven strategies gain as equities fall;
HFRI snaps streak of 5 consecutive months of gains*

CHICAGO, (October 7, 2020) – Hedge funds posted mixed declines in September as investor risk tolerance fell over uncertainty regarding additional coronavirus spreading in Europe and the US, the strength of the US economy and the upcoming US election. The investable HFRI 500 Fund Weighted Composite Index declined -1.1 percent for the month, paring the YTD gain to +0.6 percent, as reported today by HFR®, the established global leader in the indexation, analysis and research of the global hedge fund industry. The HFRI Fund Weighted Composite Index® (FWC) fell -1.2 percent in September, the first monthly decline since March, also paring the 2020 YTD gain to +0.5 percent.

Risk Premia strategies posted mixed performance in September with gains in Equity and Rates exposures offset by losses in Credit. The HFR Bank Systematic Risk Premia Equity Index gained +2.5 percent and HFR Bank Systematic Risk Premia Rates Index gained +2.4 percent for the month, but were offset by the HFR Bank Systematic Risk Premia Credit Index, which fell -12.4 percent in September. The HFRI-I Liquid Alternative UCITS Composite Index posted a moderate decline of -0.5 percent for the month.

Across the major strategies, hedge fund declines were led by Macro funds. The investable HFRI 500 Macro Index declined -1.4 percent for the month, while the HFRI Macro (Total) Index fell -2.1 percent. Macro sub-strategy losses were led by the trend-following HFRI Macro: Systematic Diversified/CTA Index, which fell -3.0 percent, and the HFRI Macro: Discretionary Thematic Index,

which dropped -1.8 percent in September. Partially offsetting these losses, the HFRI Macro: Currency Index gained +0.9 percent and the HFRI: Macro Active Trading Index added +0.1 percent for the month.

Event-Driven strategies posted mixed performance for the month, with both the investable HFRI 500 Event-Driven Index and the HFRI Event-Driven (Total) Index gaining +0.3 percent in September. ED sub-strategy gains were led by the HFRI ED: Credit Arbitrage Index, which advanced +1.9 percent, and the HFRI ED: Merger Arbitrage Index, which added +1.7 percent. ED gains were partially offset by declines in the HFRI ED: Activist Index, which fell -2.0 percent, the first monthly decline since March.

The investable HFRI 500 Relative Value Index posted a narrow gain of +0.12 percent in September, the sixth consecutive monthly gain for the Index, while the HFRI Relative Value (Total) Index fell -0.2 percent. RVA sub-strategy performance was led by the HFRI RV: Volatility Index, which advanced +1.1 percent, and the HFRI RV: Multi-Strategy Index, which added +0.3 percent. These gains were offset by a decline in the HFRI RV: Yield Alternatives Index, which fell -4.2 percent.

Equity Hedge posted declines for September, despite topping the performance of US and European regional equity indices. The investable HFRI 500 Equity Hedge Index fell -1.6 percent while the HFRI Equity Hedge (Total) Index fell -1.5 percent, paring the YTD return of the latter index to +2.2 percent. Performance across EH sub-strategies was mixed, with declines in Fundamental Value and Energy/Basic Materials strategies partially offset by modest gains in Healthcare and Technology. The HFRI EH: Fundamental Value Index declined -2.2 percent in September, while the HFRI EH: Energy/Basic Materials Index fell -1.8 percent. Partially offsetting these losses, the HFRI EH: Healthcare Index advanced +1.9 percent and the HFRI EH: Technology Index added +0.1 percent, topping the decline of the Nasdaq by over 500 basis points.

“Led by Event-Driven and fixed income-based Relative Value strategies, hedge funds effectively navigated a volatile September, outperforming global equity market declines driven by additional virus contagion and upcoming US election uncertainty, with outperformance in healthcare, merger arbitrage, volatility, and credit multi-strategies,” stated Kenneth J Heinz, President of HFR. “As has been the case throughout 2020 and as to be expected into 2021, managers remain positioned with opportunistic, tactical flexibility, adjusting exposures to preserve capital in risk-off environments, while aggressively positioning as liquidity providers to benefit from opportunities created by dynamic and fluid shifts in the macroeconomic and geopolitical trends. Hedge funds have exhibited powerful financial market leadership in recent months and are likely to continue to attract institutional capital into 2021.”

 Follow HFR on Twitter: [@HFRInc](https://twitter.com/HFRInc)

Follow HFR on Weibo: [@HFRAsia](https://weibo.com/HFRAsia)

 Follow Ken Heinz on Twitter: [@KennethJHeinz](https://twitter.com/KennethJHeinz)

About HFR®

HFR (Hedge Fund Research, Inc.) is the global leader in the alternative investment industry, specializing in the indexation and analysis of hedge funds. Established in 1992, HFR produces the HFRI, HFRX and HFRU Indices, the industry's most widely used benchmarks of global hedge fund performance. HFR calculates over 100 indices of hedge fund performance ranging from industry-aggregate levels down to specific, niche areas of sub-strategy and regional investment focus. HFR Database, a comprehensive resource available for hedge fund investors, includes fund-level detail on historical performance and assets, as well as firm characteristics on both the broadest and most influential hedge fund managers. HFR has developed a detailed fund classification system, enabling granular and specific queries for relative performance measurement, peer group analysis and benchmarking. The HFR suite of analysis products leverages HFR Database to provide detailed, current, comprehensive and relevant aggregate reference points on all facets of the hedge fund industry. HFR also offers consulting services for clients seeking customized top-level or more sophisticated analysis. For the hedge fund industry's leading investors and hedge fund managers, **Hedge Fund Research is The Institutional Standard.**

###