



## FOR IMMEDIATE RELEASE

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## HEDGE FUNDS SURGE ON U.S. ELECTION RESULTS, VACCINE OPTIMISM

*HFRI 500 posts near-record monthly advance;  
Equity Hedge, Event-Driven lead broad-based strategy gains;  
HFR Blockchain, Cryptocurrency Index soar on Bitcoin record;  
Aberdeen Standard commences fundraising for new fund platform including HFRI 500 tracker fund*

CHICAGO, (December 7, 2020) – The HFRI 500 Index surged to its second-strongest monthly gain on record in November, driven by a combination of the U.S. election results and optimism regarding development, approval and availability of multiple coronavirus vaccines. The investable HFRI 500 Fund Weighted Composite Index vaulted +4.6 percent for the month, increasing the YTD 2020 return to +5.6 percent. The HFRI Fund Weighted Composite Index<sup>®</sup> soared +6.2 percent in November, the strongest monthly gain since December 1999 and the second-strongest month since index inception in 1990, according to data released today by HFR<sup>®</sup>, the established global leader in the indexation, analysis and research of the global hedge fund industry.

The near-record HFRI gains were driven by Equity Hedge strategies, as global equities soared on positive developments. The HFRI Equity Hedge (Total) Index surged +8.7 percent for the month, the highest monthly gain since February 2000, while the investable HFRI 500 Equity Hedge Index surged +7.5 percent, the strongest month on record. Equity Hedge performance was driven by broad-based gains across diverse EH sub-strategies, with the investable HFRI 500 EH: Fundamental Growth Index soaring +9.9 percent, while the HFRI EH: Fundamental Value Index surged +10.1 percent. The HFRI EH: Quantitative Directional Index jumped +10.6 percent for the month, while the HFRI EH: Multi-Strategy Index advanced +10.3 percent.

Event-Driven strategies also surged in November, with broad-based strategy gains led by Activist, Special Situations, Merger Arbitrage, and Distressed/Restructuring. The HFRI Event-Driven (Total) Index soared +7.6 percent for the month, shattering the previous monthly record of +5.1 percent in April 1999, while the investable HFRI 500 Event-Driven Index jumped +5.9 percent. Shareholder Activist strategies led ED sub-strategy performance, with the investable HFRI 500 ED: Activist Index surging +11.0 percent, while the HFRI ED: Special Situations Index soared +9.8 percent. The investable HFRI 500 ED: Merger Arbitrage Index and the HFRI ED: Distressed Index both jumped +6.7 percent in November.

Blockchain and Cryptocurrency exposures also drove industry gains, as hedge funds continue to increasingly incorporate related exposures into new and existing fund strategies. The HFR Blockchain Index surged +53.4 percent in November, vaulting YTD 2020 performance to +159.2 percent, while the HFR Cryptocurrency Index soared +57.2 percent for the month.

Risk Premia, Risk Parity and Liquid Alternatives produced strong gains in November, led by credit and equity exposures. The HFR Bank Systematic Risk Premia Credit Index surged +40.5 percent for the month, led by Multi-Strategy Credit. The HFR Risk Parity Volatility 12 Institutional Index jumped +8.4 percent in November, bringing the YTD return to +5.6 percent. The HFRI-I Liquid Alternative UCITS Index gained +2.8 percent for the month, led by the HFRI-I UCITS Equity Hedge Index, which advanced +3.9 percent.

The HFRI Relative Value (Total) Index advanced +4.2 percent for the month, while the investable HFRI 500 Relative Value Index gained +3.2 percent. RVA performance was led by the HFRI RV: Yield Alternatives Index surging +20.7 percent, while the investable HFRI 500 RVA: Convertible Arbitrage Index jumped +3.2 percent.

Uncorrelated Macro strategies also gained for the month as equities and cryptocurrencies surged, with the HFRI Macro (Total) Index advancing +1.3 percent while the HFRI 500 Macro Index gained +1.1 percent. Macro sub-strategy performance was led by fundamental strategies, with the HFRI Macro: Discretionary Thematic Index jumping +2.9 percent, while the HFRI Macro: Systematic Diversified/CTA Index gained +1.9 percent.

### **ASI Commences Fundraising for Innovative New Platform**

Aberdeen Standard Investments (ASI) has commenced fundraising for an innovative new fund platform that is one of the first to offer a traditional passive method for investing in hedge funds. In order to bring the offering to market, the ASI HFRI 500 Index fund is targeting an initial fundraising of USD500m by May 2021, with the focus being to raise assets from institutional investors. The fund will track the HFR 500; an index comprised of 500 hedge funds across a broad range of strategies and will have an investment

capacity in excess of USD50 billion. The aim is to launch a series of products on ASI's dedicated index tracking platform that will allow ASI to track a range of investable hedge fund indices by directly investing in the underlying index constituents.

"HFR is pleased to support the launch of this landmark advancement for the hedge fund industry. For the first time investors can access HFRI Benchmarks through a family of index trackers," stated Joseph Nicholas, Founder and chairman of HFR. "The flagship HFRI 500 Index is a global, equal-weighted benchmark comprised of the largest hedge funds that report to the HFR Database which are open to new investment and offer quarterly liquidity or better. It offers clients a benchmark that is more representative of the hedge fund industry return while also allowing tracking products to deliver the return of the index as a gateway to investing in a broad, diversified set of hedge fund strategies from some of the most prominent managers in the world."

"Hedge funds surged to record performance across a wide range of strategies, led by Equity Hedge, Event-Driven and Cryptocurrency exposures in November, driven by optimism regarding the coronavirus vaccine and decline in uncertainty of the US elections," stated Kenneth J. Heinz, President of HFR. "Through the powerful and volatile macroeconomic and geopolitical trends which have defined 2020, institutions have continued to increase allocations to hedge funds and other alternatives, building in strong performance momentum and positioning for acceleration of these gains into 2021."

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#### **About HFR®**

HFR 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, **HFR is The Institutional Standard.**

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