



## FOR IMMEDIATE RELEASE

### Contacts:

#### HFR

Kenneth Heinz  
Chicago/312.658.0955

[info@hfr.com](mailto:info@hfr.com)

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

@KennethJHeinz

#### MacMillan Communications

Chris Sullivan  
New York/212.473.4442

[chris@macmillancom.com](mailto:chris@macmillancom.com)

#### Hydra Strategy

Henrietta Hirst  
London/+44 (0) 7880 742 375

[henrietta.hirst@hydrastrategy.co.uk](mailto:henrietta.hirst@hydrastrategy.co.uk)

## HEDGE FUNDS POST STRONGEST 1H GAIN SINCE 1999

### *HFRI Equity Hedge tops strategy performance on reopening, inflation uptick; Sub-Strategies led by Technology, Commodity on earnings, oil volatility*

CHICAGO, (July 8, 2021) – Hedge fund performance advanced in June, extending the streak of consecutive monthly gains to nine and completing the best first half of a calendar year since 1999, driven by optimism regarding the US economic reopening and despite increasing signs of building inflationary pressures in the US and Europe. The HFRI Fund Weighted Composite Index<sup>®</sup> (FWC) gained +0.4 percent in June, while the investable HFRI 500 Fund Weighted Composite Index advanced +0.2 percent, 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 HFRI FWC Index has gained +10.0 percent through the first six months of 2021, the strongest performance in the first half of a calendar year since 1999 and the longest period of consecutive monthly gains (9) since the index produced 15 consecutive positive months ending January 2018. In the trailing nine-month period ending June 2021, the HFRI FWC has surged +22.0 percent.

The performance dispersion of the underlying index constituents increased slightly in June, as the top decile of the HFRI gained an average of +7.6 percent, while the bottom decile declined by an average of -5.5 percent for the month, representing a top-bottom dispersion of 13.1 percent in June compared to a top-bottom dispersion of 12.1 percent in May. For the 1H21, the top decile of the HFRI jumped an average of +38.6 percent, while the bottom decile declined an average -6.9 percent.

Equity Hedge strategies, which invest long and short across specialized sub-strategies, extended recent gains in June, as many equity markets reached record highs, while realized equity volatility remained elevated. The HFRI Equity Hedge (Total) Index jumped +1.3 percent for the month, with strong

contributions from a wide dispersion of sub-strategy performance led by the high-beta, long-biased Quantitative, Technology, and Multi-Strategy exposures. The investable HFRI 500 Equity Hedge Index gained +1.2 percent in June, extending its nine-month gain to +26.3 percent, representing the third strongest such period on record. The HFRI EH: Quantitative Directional Index surged +3.7 percent, the HFRI EH: Technology advanced +3.5 percent, and the HFRI EH: Multi-Strategy Index added +2.6 percent in June. The HFRI Equity Hedge (Total) Index leads all strategies for 1H21 with a gain of +12.7 percent, while the Index has gained +29.5 percent in trailing three quarters. Sub-strategy performance has been led by the HFRI EH: Energy Basic Materials Index in the first half, gaining +19.9 percent in 1H21 and +46.9 percent since Oct 2020.

The fixed income-based, interest rate-sensitive HFRI Relative Value (Total) Index advanced +0.2 percent while the investable HFRI 500 Relative Value Index posted a slight decline of -0.06 percent, as interest rates declined in June. Sub-strategy performance was led by the HFRI RV: Yield Alternatives Index, which jumped +1.8 percent for the month, while the investable HFRI 500 RV: FI-Corporate Index added +0.6 percent.

Event-Driven strategies, which often focus on out-of-favor, deep value equity exposures and speculation on M&A situations, extended strong 1H gains through June as the investable HFRI 500 Event-Driven Index advanced +0.2 percent in June, while the HFRI Event-Driven (Total) Index gained +0.4 percent. ED sub-strategy gains were led by the HFRI ED: Distressed/Restructuring Index, which advanced +1.5 percent, while the HFRI ED: Merger Arbitrage Index added +0.6 percent in June.

Uncorrelated Macro strategies posted a decline in June despite gains in commodity strategies, with the HFRI Macro (Total) Index falling -1.0 percent for the month, while the investable HFRI 500 Macro (Total) Index declined -1.3 percent. Macro sub-strategy performance was led by the HFRI Macro: Commodity Index, which gained +2.9 percent in June, while the HFRI Macro: Active Trading Index added +0.9 percent. The HFRI Macro Currency Index fell -0.7 percent for the month, while the HFRI Macro: Discretionary Thematic Index declined -1.8 percent.

Risk Premia and Liquid Alternatives also posted gains in June, led by Commodity and Credit exposures. The HFR BSRP Credit Index gained +3.3 percent for the month, while the HFR BSRP Commodity Index advanced +2.0 percent. The HFRX Global Hedge Fund Index advanced +0.4 percent in June, driven by a +1.2 percent gain in the HFRX Equity Hedge Index. Risk Parity posted its fourth consecutive months of gains in June, as the HFR Risk Parity Vol 15 Index surged +1.4 percent for the month, bringing the 1H21 return to +10.7 percent.

The HFRI Women Index advanced +0.2 percent in June, while the HFRI Diversity Index posted a narrow decline of -0.2 percent.

“Hedge funds extended gains in June to complete the strongest first half of a calendar year since 1999, although performance drivers and market sentiment shifted for the month with a moderation of the broader macroeconomic reopening, higher interest rates and inflation trends which have defined the previous three quarters, as interest rates declined and realized equity market volatility remained elevated,” stated Kenneth J Heinz, President of HFR. “While investor optimism regarding the global reopening remains strong and justified, hedge fund managers and investors are positioning for a dynamic performance environment which may shift rapidly as a function of political developments, new information on virus mutation and vaccine efficacy, as well as demand shifts relating to consumer, technology and energy trends. Managers tactically and opportunistically positioned to monetize opportunities created as well as preserve capital through the volatility are likely to attract institutional investor capital and lead industry growth in 2H21.”

***For more information from HFR:***

Visit [www.HFR.com](http://www.HFR.com)

Follow HFR on Weibo: @HFRAsia

 Follow HFR on Twitter: @HFRInc

 Follow Ken Heinz on Twitter: @KennethJHeinz

**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.**

###