



## FOR IMMEDIATE RELEASE

### Contacts:

#### Hedge Fund Research, Inc.

Kenneth Heinz

Chicago/312.658.0955

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

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

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

#### MacMillan Communications

Mike MacMillan/Chris Sullivan

New York/212.473.4442

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

#### CitySavvy

Henrietta Hirst

London/+44 (0) 20 3691 7560

[henrietta@citysavvy.com](mailto:henrietta@citysavvy.com)

## **HEDGE FUNDS GAIN IN JULY; BLOCKCHAIN, CREDIT RISK PREMIA INDICES SURGE**

***Equity Hedge, Relative Value Arbitrage lead HFRI for the month;  
HFRI Healthcare Index leads all indices YTD, topping Nasdaq Composite***

CHICAGO, (August 7, 2018) – Hedge funds posted gains in July to begin the second half of 2018, recovering the narrow decline from June, and effectively navigating a primarily positive earnings season punctuated with certain idiosyncratic equity volatility and directional dislocations, including Facebook and Apple. The HFRI Fund Weighted Composite Index<sup>®</sup> advanced +0.6 percent for the month, according to data released today by HFR<sup>®</sup>, the established global industry leader in the indexation, analysis and research of the global hedge fund industry, with contributions from equity, credit, M&A and currency exposures.

Bank Systematic Risk Premia strategies again posted mixed performance in July with gains concentrated in Credit and Equity strategies. The HFR BSRP Credit Index gained +3.14 percent for the month, led by the HFR BSRP Credit Multi-Strategy Index, which jumped +10.09 percent. Similarly, the HFR BSRP Equity Index added +0.53 percent for the month, led by a +4.72 percent return in the HFR BSRP Equity Low Beta Index.

The volatile HFR Blockchain Index also surged in July, driven by strong gains in underlying cryptocurrencies. The HFR Blockchain Index gained +13.2 percent for the month, the strongest gain since April, bringing the YTD decline to -42.6 percent.

HFRI performance was led by Equity Hedge strategies, as overall equity markets gained for the month despite earnings-specific volatility across many widely held equity positions including Facebook, Apple, Tesla, General Electric, General Motors, and Ford. The HFRI Equity Hedge (Total) Index advanced +1.1 percent in July, increasing YTD return to +2.3 percent. EH sub-strategy performance was led by the HFRI EH: Quantitative Directional Index, which gained +2.0 percent for the month. The HFRI EH: Healthcare Index advanced +1.8 percent, bringing the YTD return to +11.2 percent, which leads all hedge fund sub-strategies, as well as the Nasdaq Composite Index.

Fixed income-based Relative Value Arbitrage funds also advanced in July, with the HFRI Relative Value (Total) Index gaining +1.0 percent and bringing the YTD return to +2.6 percent, the leading area of main strategy performance. RVA July sub-strategy performance was led by the HFRI RV: Yield Alternatives and HFRI RV: Volatility Indices, which gained +1.9 and +1.6 percent, respectively, for the month. The HFR Risk Parity Indices posted narrow gains in July, as the Vol 10 Index added +0.05 percent, and the Vol 12 and Vol 15 indices advanced +0.24 and +0.05 percent, respectively.

Event-Driven hedge funds also extended YTD gains, with the HFRI Event-Driven (Total) Index advancing +0.5 percent in July, bringing the YTD return to +2.5 percent, very near the gains from the HFRI RVA and EH indices. ED July sub-strategy performance was led by the HFRI ED: Distressed Index, which added +1.6 percent for the month and leads ED sub-strategies YTD 2018 with a +4.6 percent return.

Macro hedge funds experienced mixed performance in July, with the HFRI Macro (Total) Index declining -0.5 percent. Strength in the HFRI Macro: Currency and HFRI Macro: Active Trading Indices, which gained +1.2 and +0.6, respectively, was offset by weakness in CTA strategies, as the HFRI Macro: Systematic Diversified Index declined -1.0 percent.

“Corporate earnings, trade-tariff negotiations and continued US-centric economic growth drove hedge fund performance in July, with managers navigating post-earnings directional volatility, both long and short, across a number of widely held equity positions, inclusive of specialized exposure to Technology,” stated Kenneth J. Heinz, President of HFR. “Powerful trends also propelled gains across credit and blockchain exposures, with the former including risk premia strategies while the latter pared steep 2018 losses. With continued acceleration of the

US economy and expectations for higher US interest rates in 2H18, it is likely that funds tactically positioned for these trends will continue to lead industry performance into 2019.”

 Follow HFR on Twitter: @HFRInc

 Follow Ken Heinz on Twitter: @KennethJHeinz

Follow HFR on Weibo: @HFRAsia

#### **About HFR<sup>®</sup>**

**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.**

###