



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

HFRI EXTENDS 2019 GAINS TO BEGIN THE FOURTH QUARTER

*Healthcare, Quantitative Equity exposures lead in October;
HFRI Activist, Fundamental Value sub-strategies lead YTD*

CHICAGO, (November 7, 2019) – The hedge fund industry was in positive territory to begin the fourth quarter, extending industry-wide YTD gains with strong contributions from Healthcare, Quantitative Equity, Activist and Fundamental Value funds, according to data released 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® advanced +0.4 percent in October as equities recovered from early intra-month declines and as the U.S. Federal Reserve lowered interest rates. Performance gains across Equity Hedge, Event-Driven and Relative Value Arbitrage strategies were partially offset by declines in Macro strategies. The HFRI 500 Fund Weighted Composite Index, an investible index of 500 leading hedge funds, gained +0.5 percent in October. Liquid Alternative UCITS strategies also advanced for the month, with the HFRI-I Liquid Alternative UCITS Index returning +0.43 percent, led by a +1.03 percent gain in the HFRI-I Liquid Alternative UCITS Equity Hedge Index.

Bank Risk Premia strategies posted mixed performance for the month, with the HFR Bank Systematic Risk Premia Multi-Strategy Index advancing +1.8 percent, which was only partially offset by the HFR Bank Systematic Risk Premia Rates Index, which declined -3.08

percent. The HFR Risk Parity Vol 15 Index gained +1.0 percent in October, extending the YTD return to +27.4 percent.

The HFRI Equity Hedge (Total) Index led main strategy performance for the month with a +1.3 percent return, bringing the YTD gain to +9.3 percent. EH sub-strategies in October were led by the HFRI EH: Healthcare Index, which surged +4.3 percent, and the HFRI EH: Quantitative Directional Index, which jumped +2.7 percent. The HFRI Emerging Markets (Total) Index gained +1.75 percent for the month, led by the HFRI EM: Asia ex-Japan Index, which surged +3.1 percent. For the year, the HFRI EH: Fundamental Value Index leads EH sub-strategies with an +11.2 percent return.

Event-Driven and fixed income-based Relative Value Arbitrage strategies also advanced for the month, as the U.S. Federal Reserve lowered interest rates. The HFRI Event-Driven (Total) Index gained +0.8 percent, while the HFRI Relative Value (Total) Index added +0.4 percent. ED sub-strategy performance was led by the HFRI Activist Index, which advanced +1.7 percent for the month and increased its YTD return to +11.7 percent. RVA was led in October by the HFRI Fixed Income-Sovereign Index, which advanced +1.0 percent. For the year, the HFRI RV: Yield Alternatives Index leads RVA sub-strategies with a +10.2 percent return.

Macro strategies declined in October, as losses in quantitative trend-following CTA funds offset gains in Fundamental Discretionary Macro exposures. The HFRI Macro (Total) Index fell -1.3 percent for the month, paring its YTD return to +5.4 percent. Negative contributions were led by the HFRI Macro: Systematic Diversified Index, which fell -2.3 percent in October. Trend-following losses were partially offset by gains in the HFRI Macro: Active Trading Index, which advanced +1.0 percent, and the HFRI Macro: Discretionary Thematic Index which added +0.9 percent.

“Hedge funds posted broad-based gains across a wide range of exposures and strategies in October, navigating early-month equity market volatility and speculation about short- and intermediate-term expectations for US interest rates following the rate cut by the Federal Reserve,” stated Kenneth J. Heinz, President of HFR. “Managers are actively positioning for interest rate volatility in 2020, Brexit scenarios, ongoing trade negotiations, impeachment proceeding and the US election- with any of these serving as a catalyst for market dislocations or sustained increases in realized volatility. Managers positioned for opportunities created by these powerful trends are likely to continue to attract investors into year end.”



Follow HFR on Twitter: @HFRInc



Follow Ken Heinz on Twitter: @KennethJHeinz

Follow HFR on Weibo: @HFRAsia

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.**

###