

# Hedge Fund Gains Reach 4.87% in the First Half of 2017

## Preqin All-Strategies Hedge Fund benchmark records 0.57% in June

The hedge fund industry continued its recent run of consistent gains in June, returning 0.57% for the month. This is the eighth consecutive month of positive performance for the industry, surpassing the seven-month period recorded in March-September 2016. These gains have pushed 2017 YTD returns to 4.87%, the highest H1 performance since the first half of 2009 (+16.94%). It is also the first time since 2007 in which the first six months of the year have all recorded positive returns.

Equity strategies funds recorded the highest returns for the month (+0.91%), taking 12-month performance to 13.62%. Event driven strategies made gains of 0.48%, but have the highest 12-month returns at 14.11%. CTAs, by contrast, recorded losses of 1.04%, their lowest returns since October 2016. As a result, performance for CTAs is in negative territory at the mid-point of the year, returning -0.57% for the year so far and -2.64% over the past 12 months.

**For more information and analysis, see the full *Preqin June Hedge Fund Benchmarks* below:**

### Key Hedge Fund Performance Facts:

- **Hedge funds returned 0.57% in June**, taking YTD gains to 4.87%, and 12-month returns to 10.91%.
- Equity strategies funds gained 0.91% through the month, the highest of any leading strategy. **Macro strategies funds saw losses of 0.44%**, the only leading strategy to lose ground in June.
- **Discretionary funds continued to outperform systematic vehicles**, with returns of 0.95% and -0.22% respectively in June. 12-month returns for discretionary funds are now 13.28%, more than double that of systematic funds (+6.20%).
- **Asia-Pacific hedge funds returned 1.53% in June**, higher than either North America (+0.59%) or Europe (+0.20%) funds.
- **Funds of hedge funds marked gains of 0.06%**, continuing a run of eight positive performance months. Overall returns for 2017 YTD now stand at 2.14%.
- **UCITS funds gained 0.05% through the month, while alternative mutual funds returned 0.24%**. 12-month returns for these fund types now stand at 6.42% and 4.12% respectively.
- CTAs recorded losses of 1.04% in June, bringing performance in H1 2017 to -0.57%. However, **discretionary CTAs have made gains of 1.94% through the year so far**, while systematic CTAs have returned -0.78%.

### Amy Bensted, Head of Hedge Fund Products:

“Despite negative investor sentiment at the start of the year, over the past six months the hedge fund industry has recorded one of its strongest H1 performance periods since the Global Financial Crisis. Although we have not seen large monthly gains, consistent performance has bolstered the asset class’ returns, and 12-month performance is now in double digits.

Despite growing interest from hedge funds in AI and machine learning technology, the gap between the performance of discretionary and systematic funds continues to widen: over the past 12 months, discretionary funds have now made twice the gains seen by systematic vehicles. Continued investment themes globally – including a more hawkish attitude from central banks, as well as more settled markets in Europe and Asia – have allowed discretionary fund managers to pull ahead of their systematic counterparts.”

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# PREQIN'S JUNE 2017 HEDGE FUND PERFORMANCE BENCHMARKS

## Summary of Preliminary June 2017 Performance Benchmarks (Net Return, %)\*

	June 2017	May 2017	2017 YTD	12 Months
<b>Hedge Funds</b>	<b>0.57</b>	<b>0.21</b>	<b>4.87</b>	<b>10.91</b>
HF - Equity Strategies	0.91	0.23	6.47	13.62
HF - Event Driven Strategies	0.48	0.30	5.07	14.11
HF - Relative Value	0.23	-0.20	1.86	5.53
HF - Macro Strategies	-0.44	-0.06	0.77	3.62
HF - Multi-Strategy	0.51	0.40	5.03	9.58
HF - Credit Strategies	0.26	0.44	3.88	9.60
Activist	0.73	0.54	6.24	16.50
Volatility	0.23	0.48	3.35	6.38
Discretionary	0.95	0.29	5.99	13.28
Systematic	-0.22	0.13	3.17	6.20
HF - North America	0.59	-0.10	3.88	12.41
HF - Europe	0.20	0.82	5.31	11.29
HF - Asia-Pacific	1.53	0.79	7.45	12.02
HF - Developed Markets	0.06	0.25	2.87	9.20
HF - Emerging Markets	0.34	0.12	7.21	12.84
HF - Emerging (Less than \$100mn)	0.42	-0.09	4.25	10.51
HF - Small (\$100-499mn)	0.65	0.25	4.95	11.60
HF - Medium (\$500-999mn)	1.02	0.76	5.72	12.67
HF - Large (\$1bn plus)	-0.13	0.86	4.63	9.89
<b>Funds of Hedge Funds</b>	<b>0.06</b>	<b>0.20</b>	<b>2.14</b>	<b>5.05</b>
FOHF - Equity Strategies	-0.27	0.62	4.76	8.19
FOHF - Multi-Strategy	0.00	0.16	2.44	5.34
FOHF - USD	0.16	0.34	3.23	6.34
FOHF - EUR	-0.25	0.02	-0.32	1.46
<b>Alternative Mutual Funds</b>	<b>0.24</b>	<b>-0.02</b>	<b>2.29</b>	<b>4.12</b>
<b>UCITS</b>	<b>0.05</b>	<b>0.49</b>	<b>3.63</b>	<b>6.42</b>
UCITS - Equity Strategies	0.27	0.81	6.28	10.31
UCITS - Relative Value	0.15	0.15	1.15	1.87
UCITS - Macro Strategies	-0.22	0.20	1.27	3.95
UCITS - USD	0.46	0.86	5.60	8.25
UCITS - EUR	-0.12	0.25	2.65	5.16
<b>CTAs</b>	<b>-1.04</b>	<b>0.48</b>	<b>-0.57</b>	<b>-2.64</b>
Discretionary	1.36	-0.29	1.94	3.11
Systematic	-1.57	0.86	-0.78	-4.11
CTA - USD	-1.10	0.44	-0.55	-3.06
CTA - EUR	-2.61	0.83	-1.19	-2.70

Source: Preqin Hedge Fund Online

\*Please note, all performance information includes preliminary data for June 2017 based on net returns reported to Preqin in early July 2017. Although stated trends and comparisons are not expected to alter significantly, final benchmark values are subject to change.

### HEDGE FUND ONLINE

Preqin's **Hedge Fund Online** is the leading source of intelligence on the hedge fund industry, and contains performance information for over 15,000 hedge funds across all leading strategies and geographies.

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