



FOR IMMEDIATE RELEASE

Contacts:

Hedge Fund Research, Inc.

Kenneth Heinz

Chicago/312.658.0955

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

CitySavvy

Henrietta Hirst

London/+44 (0) 20 3691 7560

henrietta@citysavvy.com

ASIAN HEDGE FUNDS EXTEND GAINS AS RISK OF NORTH KOREAN CONFLICT RISES

*HFRI India, China Indices top regional equities by greater than 1000 bps;
Asian hedge fund capital rises to highest level since 2015 as inflows resume*

CHICAGO, (August 4, 2017) – Asian hedge funds extended 1Q gains through mid-year, led by funds investing in India and China, resulting in the first quarterly asset inflows since 2Q15 and increasing Asian hedge fund capital to the highest level since 4Q15.

The HFRX India Index gained +6.4 percent in 2Q17, bringing YTD performance to +26.6 percent, topping the Sensex 30 Index by over 1000 basis points for 1H17. Total capital invested in Asian hedge funds rose to \$117.1 billion (787 billion RMB, ¥ 12.95 trillion JPY, 7.45 trillion Indian Rupee), a quarterly increase of \$6.7 billion, according to the latest *HFR Asian Hedge Fund Industry Report*, released today by HFR[®], the established global leader in the indexation, analysis and research of the global hedge fund industry. New net capital inflows totaled \$1 billion.

Chinese hedge funds also extended gains despite growing global geopolitical tensions on the Korean peninsula, with the HFRX China Index climbing +5.2 percent in 2Q17 and +16.2 percent for 1H17. This topped the muted gain of Chinese equities in 1H17 by more than 1300 basis points. Total capital invested in China-focused hedge funds increased to \$52.5 billion through mid-year, a YTD increase of \$3.9 billion. Similarly, the HFRI EM: Asia ex-Japan Index

gained +15.0 percent in 1H17, which, alongside contributions from funds investing in Middle East, Russia/Eastern Europe and Latin America, drove HFRI Emerging Markets (Total) Index performance to +9.6 percent in 1H17.

Hedge funds focused on Japan were also up through 1H17 as the Japanese Yen climbed against the US Dollar, with the HFRI Japan Index advancing +3.0 percent in 2Q17, bringing 1H17 gain to +6.8 percent. This topped the performance of the Nikkei 225 by approximately 200 basis points. Total capital managed by hedge funds focused on Japan rose to \$28.6 billion through mid-year.

Asian-located hedge funds investing in Equity Hedge (EH) and Event-Driven (ED) strategies led performance through mid-year, with Asian-located EH funds returning +12.2 percent in 1H17, while Asian-located ED funds gained +10.5 percent. The HFRI Equity Hedge (Total) Index was up +5.9 percent in 1H17, while the HFRI Event-Driven (Total) Index climbed +4.1 percent.

“For the second consecutive quarter, Asian hedge fund performance was led by exposures to India and China, as allocations outpaced redemptions to Asian-focused funds for the first time in eight quarters”, stated Kenneth J. Heinz, President of HFR. “As investor concerns over the geopolitical tension in North Korea rises and the attention towards currency trade policies increases, funds that strategically position for these events are likely to lead Asian hedge fund industry performance in the second half of 2017.”

 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.**

###