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EMERGING ASIA, RUSSIA LEAD EMERGING MARKETS HEDGE FUNDS THROUGH GLOBAL REOPENING

Cryptocurrency hedge funds manage volatility spike; HFRI Emerging Markets Indices top regional equity benchmarks

CHICAGO, (August 27, 2021) - Emerging Markets (EM) hedge funds, led by funds investing in India, Russia, China, and the Middle East extended strong gains through mid-year 2021 as EM hedge fund capital eclipsed another record, with performance again topping gains in EM regional equity markets and complemented by volatile cryptocurrencies.

The HFRI Emerging Markets (Total) Index has returned +8.1 percent YTD 2021 through July, led by the HFRI Emerging Markets: India Index, which surged +33.3 percent, while the HFRI Emerging Markets: Russia/Eastern Europe Index vaulted +16.3 percent YTD, as reported today with the releases of the HFR Asian Hedge Fund Industry Report and the HFR Emerging Markets Hedge Fund Industry Report from HFR[®], the established global leader in the indexation, analysis and research of the global hedge fund industry. The investable HFRI 500 Fund Weighted Composite Index, which includes funds across all regions in both Emerging and Developed markets, has gained +8.8 percent YTD 2021 through July.

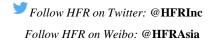
Total Emerging Markets hedge fund assets increased to a record of \$273.7 billion to end 2Q21, representing an increase of \$8.87 billion over the prior quarter and \$17.0 billion since year end 2020.

While EM hedge fund performance was led by India and Russia, other EM regions also posted strong performance. The HFRI MENA Index jumped +11.0 percent through July while the HFRI EM: China Index added +7.0 percent YTD 2021, topping the performance of the Chinese equities. The HFRI EM: Latin America Index posted a modest gain of +1.1 percent YTD through July, though still topping the moderate decline of Brazilian equities.

Hedge funds across EM regions including Korea, Russia, China, and the Middle East (as well as Japan) have become increasingly active in cryptocurrency trading. Despite recent volatility, the HFR Cryptocurrency Index has surged +174 percent YTD 2021 through July, though paring gains in recent months as many currencies fell sharply from record highs.

Total capital invested in Asian hedge funds increased to a new record of \$138.5 billion to end 2Q21, representing an increase of \$5.9 billion over the prior quarter and \$12.6 billion since year end 2020.

"Emerging Markets hedge funds performance and capital extended to 2021 surge as the global economy reopening progressed through mid-year, albeit with complications from new virus variants. Inflationary pressures remain present across both EM and developed markets, with EM hedge fund performance topping the performance of most respective EM regions. Once again, hedge funds across both EM and Japan have continued to increased exposure to cryptocurrencies, mirroring expansion of consumer adoption and usage of cryptocurrencies in EM regions," stated Kenneth J. Heinz, President of HFR. "Leading global institutions and investors extended their increases exposures to EM and Cryptocurrency hedge funds, positioning for continuation of powerful and favorable EM and cryptocurrency trends through 2H21."



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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.