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MACRO LEADS HFRI SURGE IN JANUARY ON COMMODITY, ENERGY VOLATILITY

HFRI Macro (Total) Index produces strongest monthly return in over 22 years; HFRI Commodity Index jumps +6.2 percent as geopolitical risks rise

CHICAGO, (February 6, 2026) – Hedge fund performance accelerated in January driven by strong gains across Macro and Equity Hedge funds, as managers navigated volatile and shifting market cycles, including intense volatility in the commodity sector spurred by evolving geopolitical and macroeconomic uncertainty.

The HFRI Fund Weighted Composite Index® (FWC) advanced +3.0 percent in January, the ninth consecutive month of performance gains, led by trend-following and commodity Macro funds, as well as energy and fundamental growth Equity Hedge funds, as reported today by HFR®, the established global leader in the indexation, analysis and research of the global hedge fund industry.

The strong January return extends the recent run of FWC performance after the index advanced +12.4 percent in 2025, the strongest calendar year since 2009.

Extending the trend from early 4Q25, hedge funds successfully navigated heightened risk-on and risk-off volatility in January. Managers focused on AI-related valuation dynamics while positioning for commodity-driven volatility linked to geopolitical developments in Iran and Venezuela, evolving Federal Reserve leadership considerations, uncertainty on the pace of potential interest rate cuts, and expectations for heightened M&A and IPO activity in 2026.

"Macro hedge funds accelerated historic gains to lead industry performance through the end of 2025 and into 2026, with performance driven by a range of factors including both energy and commodity market reaction to evolving geopolitical situations in Iran and Venezuela, as well as the nomination of

Kevin Warsh as the candidate for Chairman of the US Federal Reserve," stated Kenneth J. Heinz, President of HFR. "The nomination of Kevin Warsh, with his extensive financial markets experience and Macro hedge fund background, is likely a strong catalyst for hedge fund and Macro performance in 2026. With heightened economic policy tension between the desire for stimulus of lower interest rates, persistent inflationary pressures and ongoing concerns about the AI impact on future employment markets, it is likely that a more predictable approach to monetary policy could be beneficial for managers focused on identifying and positioning for traditional macro drivers of performance, making Macro hedge funds an exciting area of industry performance leadership in 2026."

Driven by commodity, trend-following, and equities exposures, the HFRI Macro (Total) Index advanced +4.8 percent in January, the strongly monthly return for the index since May 2003, extending its positive performance streak to eight months, and gaining +15.2 percent over that period. Macro sub-strategy performance was led by the HFRI Macro: Commodity Index, which surged +6.2 percent, its strongest monthly return since February 2008 and the second best monthly gain since index inception. Macro performance was also driven by the HFRI Macro: Discretionary Thematic Index, which jumped +5.2 percent, and the HFRI Macro: Systematic Diversified Index, which added +5.0 percent in January. The HFR Cryptocurrency Index fell -9.9 percent in January, its largest decline since February 2025.

Equity Hedge (EH) funds, which invest long and short across specialized sub-strategies, also posted strong gains in January, navigating intense intra-month volatility and rapidly shifting risk sentiment. The HFRI Equity Hedge (Total) Index gained +3.15 percent in January, further extending the 2025 return of +16.9 percent, the strongest calendar year of performance for the Index since 2020 and the 2nd strongest since 2009. Driven by evolving commodity gains and risk, EH sub-strategy performance was led by the HFRI EH: Energy/Basic Materials Index, which surged +6.5 percent in January, also building on the 2025 return of +20.2 percent, which was the Energy index's strongest annual gain since 2021. The HFRI EH: Fundamental Growth Index also posted strong January performance, gaining +4.6 percent, while the HFRI EH: Fundamental Value Index added +3.5 percent.

Event-Driven (ED) strategies, which often focus on out-of-favor, deep value equity exposures and speculation on M&A situations, produced positive performance in January driven by expectations for strong M&A and IPO environments in 2026, with an increased focus on AI-related technology and infrastructure opportunities. The HFRI Event-Driven (Total) Index gained +1.4 percent in January led by the HFRI ED: Distressed Index, which gained +3.4 percent, and the HFRI ED: Activist Index, which added +1.9 percent for the month.

Fixed income-based, interest rate-sensitive strategies advanced in January as interest rates held steady despite commodity and macroeconomic uncertainty. The HFRI Relative Value (Total) Index returned +1.2 percent for the month, led by the HFRI RV: Fixed Income-Convertible Arbitrage Index, which gained +2.0 percent, while the HFRI RV: Volatility Index added +1.6 percent

Liquid Alternative UCITS strategies also advanced in January, as the HFRX Global Index gained +2.0 percent, while the HFRX Market Directional Index added +2.95 percent for the month. HFRX main strategy performance was led by the HFRX Macro/CTA Index, which advanced +4.0 percent, with this driven by the sub-strategy HFRX Macro: Systematic Diversified CTA Index, which added +5.2 percent for the month.

Hedge fund performance dispersion expanded significantly in January, as the top decile of the HFRI FWC constituents advanced by an average of +14.8 percent, while the bottom decile of constituents fell by an average of -4.4 percent, representing a top/bottom dispersion of 19.2 percent for the month. By comparison, the top/bottom performance dispersion in December was 11.2 percent. For the trailing 12 months ending January 2026, the top decile of FWC constituents gained +73.1 percent, while the bottom decile declined -11.1 percent, representing a top/bottom dispersion of 84.2 percent. Approximately 80% of hedge funds produced positive performance in January.

NOTE: January 2026 index performance figures are estimated as of February 6, 2026

HFR Indices are ESMA registered

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