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HFRI GAINS IN JUNE DRIVEN BY RECORD EQUITY MARKETS, AI AND IPOs

***HFRI Healthcare Index surges +6.1 percent, Tech adds +4.4 percent;
Commodity, Energy, CTA lead Macro declines***

CHICAGO, (July 8, 2026) – Hedge funds gained in June, posting their third consecutive monthly advance, driven by record equity levels, investor optimism/falling energy prices regarding favorable resolution of the Iran military and hedge fund exposure to the record IPO of Space X.

The HFRI Fund Weighted Composite Index® (FWC) advanced +0.4 percent in June led by Equity Hedge and Event Driven, as reported today by HFR®, the established global leader in the indexation, analysis and research of the global hedge fund industry. The 2Q 2026 return of +6.55 percent is the best quarter for hedge funds since 4Q 2020, and the 1H 2026 return of +7.6 percent is the best first six months to start a year since 2021.

“Hedge funds advanced for the month as equity markets eclipsed new records driven by AI gains, as well as contributions from exposure to the record Space X IPO, although managers were forced to navigate increasing risk off sentiment throughout the month driven by concerns about valuation and the sustainability of AI spending,” said Kenneth J. Heinz, President of HFR. “While these powerful AI and IPO trends drove industry gains in 1H, the macroeconomic outlook for 2H presents a mixed picture, with tension between continuation of these same drivers juxtaposed with an evolving risk profile as it pertains to AI spending, geopolitical risk, global supply chain constraints, uncertainty as to the near-term path of interest and the impact of shifting political sentiment on upcoming elections. While it is likely that 2H26 might look very different from 1H, managers which are tactically positioned for these exposures and rapidly shifting markets cycles are likely to drive industry gains.”

The HFRI Equity Hedge (Total) Index gained +1.3 percent in June, driven by the HFRI EH: Healthcare Index, which surged +6.1 percent, and the HFRI EH: Technology Index, which added +4.4 percent; inclusive of the June return, the Tech Index vaulted +24.1 percent in 2Q. The HFRI EH: Multi-Strategy Index and HFRI EH: Equity Market Neutral Index also added to the strong June EH performance, gaining +2.5 and +2.2 percent, respectively, while the HFRI EH: Energy Index declined an estimated -3.2 percent for the month.

Event-Driven (ED) strategies advanced in June driven by M&A and the Space X IPO, with the HFRI Event-Driven (Total) Index returning +1.2 percent for the month, led by the HFRI ED: Activist Index (+2.0 percent) and the HFRI ED: Distressed/Restructuring Index (+1.8 percent). Complementing these, the HFRI ED: Special Situations Index added +1.6 percent.

Fixed income-based, interest rate-sensitive strategies benefited from the first US Federal Reserve meeting under Chairman Kevin Warsh, as the HFRI Relative Value (Total) Index added +0.25 percent for the month. RVA sub-strategy performance was led by the HFRI Fixed Income: Yield Alternatives Index which jumped +1.8 percent, as well as the HFRI RV: FI-Sovereign Index, which added +0.5 percent in June.

Navigating sharply declining oil prices, the HFRI Macro (Total) Index declined -1.5 percent for the month, only the second monthly decline in the past 13 months. Macro sub-strategy losses were led by the HFRI Macro: Commodity Index, which fell -3.4 percent, and the HFRI Macro: Systematic Diversified/CTA Index which declined -1.4 percent for the month. The HFR Cryptocurrency Index declined sharply in June, dropping an estimated -13.1 percent, while the HFRI Multi-Manager/Pod Shop Index added +0.1 percent for the month.

Liquid Alternative UCITS strategies advanced in June with the HFRX Market Directional Index gaining +1.55 percent, while the HFRX Global Index added +0.63 percent. HFRX main strategy performance was led by the HFRX Equity Hedge Index, which advanced +1.7 percent with strong contributions from the HFRX EH: Fundamental Value Index, which jumped +1.95 percent for the month.

Hedge fund performance dispersion remained steady from the prior month in June, as the top decile of the HFRI FWC constituents advanced by an average of +8.1 percent, while the bottom decile of constituents fell by an average of -8.4 percent, representing a top/bottom dispersion of 16.5 percent for the month. By comparison, the top/bottom performance dispersion in May was 16.6 percent. For the trailing 12 months ending June 2026, the top decile of FWC constituents gained +77.3 percent, while the bottom decile declined -8.8 percent, representing a top/bottom dispersion of 86.1 percent. Approximately 55% of hedge funds produced positive performance in June.

NOTE: June 2026 index performance figures are estimated as of July 8, 2026

HFR Indices are ESMA registered

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