HFR

FOR IMMEDIATE RELEASE

Contacts:

HFR	**Craft & Capital**	**Hydra Strategy**
Kenneth Heinz	Chris Sullivan	Henrietta Hirst
Chicago/312.658.0955	New York/917.902.0617	London/+44 (0) 7880 742 375
info@hfr.com @HFRInc @KennethJHeinz	chris@craftandcapital.com	Henrietta.hirst@hydrastrategy.co.uk

TECHNOLOGY HEDGE FUNDS SUFFER WORST DECLINE SINCE 2008

HFRI Technology Index falls -7.0 percent on AI weakness;
Fixed Income RVA, Fundamental Value and Commodity Indices gain

CHICAGO, (August 7, 2026) – Hedge funds declined in July to post their first monthly loss since March, driven by weakness in Technology and AI equities, as well as deterioration in the outlook for a near term resolution of the Iran military conflict, giving rise to a sharp increase in oil and energy prices.

The HFRI Fund Weighted Composite Index® (FWC) fell -1.1 percent in July with declines 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 July decline follows the 2Q 2026 return of +6.4 percent, which was the best quarter for hedge funds since 4Q 2020, and pares the YTD 2026 gain of the FWC Index to +6.2 percent.

"Hedge funds navigated an extremely intense and volatile trading environment, with exposure to negative technology momentum contributing to the largest decline for Technology hedge funds since 2008," said Kenneth J. Heinz, President of HFR. "The macroeconomic outlook for 2H presents a mixed picture for broader financial markets, with investors facing an ever more complex landscape shaped by evolving AI expectations, geopolitical risk, supply chain pressures, interest rate uncertainty, and shifting political dynamics. These are conditions in which the most agile and experienced hedge fund managers are likely to differentiate themselves and lead industry gains."

Fixed income-based, interest rate-sensitive strategies posted mixed performance as bond yields rose while the Federal Reserve left rates unchanged; the HFRI Relative Value (Total) Index advanced +0.2 percent for the month. RVA sub-strategy performance was led by the HFRI RV: Yield Alternatives

Index and the HFRI FI: Multi-Strategy Index which gained +2.1 and +0.7 percent, respectively, while declines were led by the HFRI RV: FI-Sovereign Index, which fell -1.6 percent.

Navigating ongoing geopolitical volatility and sharply increasing oil prices, the HFRI Macro (Total) Index declined a modest -0.3 percent in July, with gains in pure Commodity strategies offset by losses in Systematic CTA strategies. Macro sub-strategy performance was led by the HFRI Macro: Commodity Index, which advanced +2.2 percent, while the HFRI Macro: Systematic Diversified/CTA Index and HFRI Macro: Discretionary Thematic Index each fell -0.9 percent for the month. The HFR Cryptocurrency Index added an estimated +2.4 percent in July, while the HFRI Multi-Manager/Pod Shop Index declined -0.4 percent for the month.

The HFRI Equity Hedge (Total) Index fell -1.85 percent in July, driven down by the HFRI EH: Technology Index, which declined -7.0 percent – the worst monthly return since January 2008 – and the HFRI EH: Fundamental Growth Index, which fell -4.2 percent. Partially offsetting these losses, the HFRI EH: Fundamental Value Index advanced an estimated +0.5 percent in July.

Event-Driven (ED) strategies also declined for the month, as the HFRI Event-Driven (Total) Index fell -1.77 percent. ED sub-strategy losses were led by the HFRI ED: Special Situations Index, which fell -3.9 percent, and HFRI ED Multi Strategy Index which lost -3.0 percent. Partially offsetting these declines, the HFRI ED: Activist Index gained an estimated +1.0 percent for the month.

Liquid Alternative UCITS strategies declined in July with the HFRX Absolute Return Index posting a narrow decline of -0.21 percent, while the HFRX Global Index fell -1.1 percent. Strategy performance was led by the HFRX Event Driven Index, which declined only -0.45 percent in July, while the HFRX Equity Hedge Index led strategy declines, falling -2.11 percent for the month.

Hedge fund performance dispersion expanded in July, as the top decile of the HFRI FWC constituents advanced by an average of +7.6 percent, while the bottom decile of constituents fell by an average of -12.5 percent, representing a top/bottom dispersion of 20.1 percent for the month. By comparison, the top/bottom performance dispersion in June was 16.7 percent. For the trailing 12 months ending July 2026, the top decile of FWC constituents gained +70.9 percent, while the bottom decile declined -8.2 percent, representing a top/bottom dispersion of 79.1 percent. Approximately 45% of hedge funds produced positive performance in July.

NOTE: July 2026 index performance figures are estimated as of August 7, 2026

HFR Indices are ESMA registered

For more information from HFR:

*Visit **www.HFR.com***

*Follow HFR on Weibo: @**HFRAsia***

*Follow HFR on X: @**HFRInc***

*Follow Ken Heinz on X: **@KennethJHeinz***

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 500 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.**

# # #