

## North America-Focused Hedge Funds Post Strong Returns in November

### Preqin All-Strategies Hedge Fund benchmark records further gains in November (1.00%) as industry looks to take performance momentum into 2017

North America-focused hedge funds recovered from losses suffered in October (-0.69%) to post returns of 2.89% through November, the greatest of any region. This takes North America funds' 2016 YTD performance to 9.09%, also the highest of any region. By contrast, Europe-focused hedge funds posted smaller gains of 0.09% in November, while Asia-Pacific funds suffered losses of 0.47%, taking YTD performance to 1.07% and 1.88% respectively for the two regions.

Overall, November saw positive performance across the hedge fund industry; the Preqin All-Strategies Hedge Fund benchmark recorded gains of 1.00% in November, taking 2016 YTD performance to 6.34%. All top-level strategies saw positive returns for the month, with event driven strategies seeing the biggest gains of 2.34%. Through 2016 so far, event driven funds have returned 10.74%, the highest of any strategy, while relative value funds have had the lowest YTD performance, returning 4.08% as of the end of November.

#### Other Key Hedge Fund Performance Facts:

- **Emerging Markets Lose Out:** In November, emerging markets-focused hedge funds suffered losses of 1.73%, while developed markets posted gains of 0.96%. However, **in 2016 YTD vehicles focused on emerging markets have returned 7.91%**, above that of developed markets (+5.20%).
- **Large Funds Return to Form:** In 2016, Preqin's performance by size classification\* breakdown in 2016 has largely seen smaller funds post the highest returns. However, **in November funds larger than \$1bn posted 1.10%, the best performance of any size**, with emerging and small funds making gains of 0.89% and 0.97% respectively.
- **CTA Struggles Continue: CTAs ended their run of negative performance in November, as they returned 0.07% for the month.** Despite this, CTA funds have made YTD losses of 0.30%, and 12-month performance is also negative, standing at -1.69%.
- **Positive Month for Activist Funds:** 2016 has been a positive year for activist hedge funds so far; **the trading style recovered from losses in October to post returns of 2.34% in November**, and have now made gains of 8.67% in 2016 YTD. Volatility-focused funds also saw gains of 0.85% in November, and have posted only one month of negative performance through the year so far.

**To access further information and analysis, please see the factsheet below:**

#### Comment:

"Hedge funds focused on North America generated healthy performance in November and exceeded all other regions, as firms capitalized on opportunities arising from the US election result. The majority (53%) of hedge fund managers surveyed by Preqin in November said that they expect the performance of their portfolio to profit as a result of the US election over the remainder of 2016. Europe- and Asia-focused funds have seen more marginal gains, but all regions have performed positively over the year so far.

Overall, the hedge fund industry has rebounded well over 2016 from the difficulties seen at the beginning of the year, and can approach 2017 with optimism, as performance is on track to exceed 2015 and 2014. Although the industry benchmark has not made monthly gains exceeding 1% across most of the year, the run of positive performance from March to September was the longest consistent run of gains seen since 2012-13."

#### Amy Bensted – Head of Hedge Fund Products, Preqin

\*Preqin size classifications: *Emerging (less than \$100mn); Small (\$100-499mn); Medium (\$500mn-999mn); Large (\$1bn plus)*

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**Note to Editors:**

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

**About Preqin:**

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: [www.preqin.com](http://www.preqin.com)

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# Preqin's November 2016 Hedge Fund Performance Benchmarks

Summary of Preliminary November 2016 Performance Benchmarks (Net Return, %)\*

	Nov-16	Oct-16	2016 YTD	12 Months
<b>Hedge Funds</b>	<b>1.00</b>	<b>-0.09</b>	<b>6.34</b>	<b>5.72</b>
HF - Equity Strategies	1.10	-0.54	5.77	4.99
HF - Event Driven Strategies	2.34	0.13	10.74	9.76
HF - Relative Value Strategies	0.84	0.67	4.08	3.88
HF - Macro Strategies	0.35	-0.13	5.77	5.15
HF - Multi-Strategy	0.36	-0.03	5.41	5.04
HF - Credit Strategies	0.10	0.84	7.14	6.58
Activist	2.34	-0.32	8.67	8.19
Volatility	0.65	0.08	6.58	6.02
Discretionary	1.02	-0.01	5.82	5.16
Systematic	0.28	-0.39	3.57	3.49
HF - North America	2.89	-0.69	9.09	7.76
HF - Europe	0.09	0.02	1.07	1.01
HF - Asia-Pacific	-0.47	0.41	1.88	2.45
HF - Developed Markets	0.96	-0.49	5.20	4.33
HF - Emerging Markets	-1.73	1.15	7.91	7.74
HF - Emerging (Less than \$100mn)	0.89	-0.01	6.72	6.12
HF - Small (\$100-499mn)	0.97	-0.21	5.46	4.88
HF - Medium (\$500-999mn)	0.36	0.46	3.86	3.40
HF - Large (\$1bn or More)	1.10	0.37	4.11	3.69
<b>Funds of Hedge Funds</b>	<b>0.36</b>	<b>-0.13</b>	<b>-0.97</b>	<b>-1.55</b>
FOHF - Equity Strategies	0.37	-0.52	-1.02	-1.60
FOHF - Multi-Strategy	0.30	-0.08	-1.23	-1.80
Funds of CTAs	-1.44	-3.09	-4.63	-7.53
FOHF - USD	0.50	-0.24	-0.68	-1.16
FOHF - EUR	0.21	-0.38	-3.17	-3.86
<b>Alternative Mutual Funds</b>	<b>0.90</b>	<b>-1.13</b>	<b>2.03</b>	<b>0.70</b>
<b>UCITS</b>	<b>-0.49</b>	<b>-0.11</b>	<b>-0.04</b>	<b>-0.84</b>
UCITS - Equity Strategies	-0.60	-0.29	-0.95	-1.50
UCITS - Relative Value Strategies	-1.14	0.11	-0.69	-1.09
UCITS - Macro Strategies	-0.07	0.76	1.07	-0.44
UCITS - USD	-0.69	-0.27	0.18	-0.49
UCITS - EUR	-0.52	-0.10	-0.68	-1.54
<b>CTAs</b>	<b>0.07</b>	<b>-1.37</b>	<b>-0.30</b>	<b>-1.69</b>
Discretionary	0.75	1.39	4.90	5.06
Systematic	-0.07	-2.29	-1.79	-3.34
CTA - USD	-0.37	-1.42	-0.31	-1.78
CTA - EUR	0.87	-2.10	-6.16	-7.66

Source: Preqin Hedge Fund Online

\*Please note, all performance information includes preliminary data for November 2016 based on net returns reported to Preqin in early December 2016. Although stated trends and comparisons are not expected to alter significantly, final benchmark values are subject to change.

## 2016 Preqin Alternative Assets Performance Monitor

The **2016 Preqin Alternative Assets Performance Monitor** provides unrivalled insight into the performance of alternative assets funds, analyzing performance data for over 22,900 funds. Bringing together extensive data from Preqin's industry-leading online products, the Alternative Assets Performance Monitor offers detailed statistics, league tables, charts and analysis of performance across the alternative assets industry.

To receive a complimentary press copy of the **2016 Preqin Alternative Assets Performance Monitor**, please email: [press@preqin.com](mailto:press@preqin.com)

