



HEDGE FUND RESEARCH, INC.

## FOR IMMEDIATE RELEASE

### Contacts:

**Hedge Fund Research**  
Kenneth Heinz  
Chicago/312.628.0315  
[kheinz@hfr.com](mailto:kheinz@hfr.com)

**MacMillan Communications**  
Mike MacMillan/Chris Sullivan  
New York/212.473.4442  
[mike@macmillancom.com](mailto:mike@macmillancom.com)

**Par Excellence PR**  
Henrietta Hirst/Marina Jane-Sanchez  
London/ +44 20 7395 6803  
[Marina@parexpr.com](mailto:Marina@parexpr.com)

## GLOBAL INVESTORS ALLOCATE TO ASIAN HEDGE FUNDS IN 3Q11 AS GLOBAL EQUITY, SOVEREIGN DEBT MARKETS FALL

*HFRX China Index tops Shanghai Composite despite quarterly decline;  
Sixth consecutive quarter of inflows to Asian hedge funds*

CHICAGO (November 3, 2011) – Global hedge fund investors allocated over \$1.4 billion in net new capital to Asian hedge funds in 3Q11 as global financial markets responded to developments in the European sovereign debt crisis and weakening economic growth prospects across developed economies, according to the latest edition of the Asian Hedge Fund Industry Report, released today by HFR, the global leader in the indexation, analysis and database management of the alternative investment industry. The third quarter inflow represents the sixth consecutive quarterly net inflow from investors into Asian hedge funds and the eighth quarter in the last nine quarters that Asian funds have seen positive flows. As a result of performance based asset declines, total assets under management (AUM) in Asian hedge funds declined to \$82.6 billion, the first quarterly decline in over a year.

Asian hedge funds performance posted declines for the quarter, though in most cases Asian hedge fund performance significantly outperformed Asian equity indices, which experienced significant losses and volatility late in 3Q. The HFRX China Index posted a decline of -3.4 percent for 3Q and -5.4 through the first three quarters of 2011; in contrast, the Shanghai Composite Index declined over -14.5 percent for the quarter and nearly -16.0 percent over the first three quarters of 2011.

Inflows were concentrated in Equity Hedge strategies and pan-Asian exposure, with these funds experiencing inflows of over \$1 billion and nearly \$1.6 billion, respectively. Asian Macro funds and funds focusing exclusively on Emerging Asia experienced modest outflows for the quarter. Through the first three quarters of 2011, investors have allocated \$7.6 billion in net inflows to Asian hedge funds, which represents approximately 10 percent of the \$70.7 billion in net inflows committed to the global hedge fund industry over this period.

“In what proved to be a challenging quarter for global financial markets, investors affirmed their ongoing and forward looking commitment to Asian hedge funds,” said Kenneth J. Heinz, President of HFR. “With continued volatility associated with European sovereign debt and weakening global economic growth, Asian hedge funds represent a crucial area of growth potential for investors. Asian financial markets and institutions have become powerful drivers of global macro trends in currency and commodity markets and Asian hedge funds offer global investors specialized local market expertise and tactical exposure to these powerful trends.”

### **HFR and Wind announce strategic partnership**

**HFR** is pleased to announce the strategic partnership with **Wind Information**, the leading provider of data and information to the Asian marketplace, effective October 2011. Wind Information Co., Ltd (Wind Info), headquartered in Lujiazui Financial Center in Shanghai, is a leading integrated service provider of financial data, information and software. The partnership between HFR and Wind Info enables Chinese financial institutions to access HFR Database with local market support and distribution. “The relationship marks a significant milestone in the growth and visibility of the hedge fund industry in China and with Asian investors,” said Kenneth J. Heinz, President of HFR. “Asian economies, financial markets and institutions have become primary sources of global leadership and growth, and the HFR Wind strategic partnership enables both firms to service Asian investors as the size and influence of the global hedge fund industry continues to expand and evolve in coming years.”

### **About HFR**

**HFR (Hedge Fund Research, Inc.)** is the global leader in the alternative investment industry. Established in 1992, HFR specializes in the areas of indexation and analysis of hedge funds. HFR Database, the most 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 the industry’s most detailed fund classification system, enabling granular and specific queries for relative performance measurement, peer group analysis and benchmarking. HFR produces over 100 indices of hedge fund performance ranging from industry-aggregate levels down to specific, niche areas of sub-strategy and regional investment focus. With performance dating back to 1990, the HFRI Fund Weighted Composite Index is the industry’s most widely used standard benchmark of hedge fund performance globally. The HFR suite of Analysis Products leverages the 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 nuanced analysis. For the hedge fund industry’s leading investors and hedge fund managers, **Hedge Fund Research is The Institutional Standard.**

###