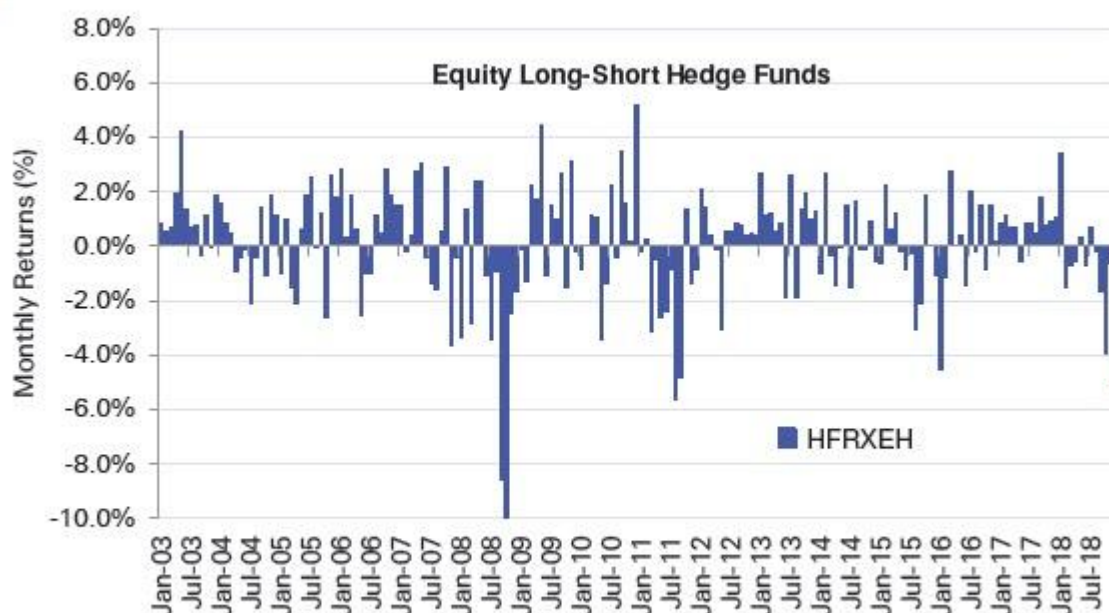


Equity Hedge Funds Get Hammered in December, Industry Suffers Worst Year Since 2011

Stockholm (Hedgenordic) – Long/short equity hedge funds had its worst month since August 2011 in December according to data from Hedge Fund Research. The month-to-date loss for the HFRX Equity Hedge Index was 4,6 percent bringing year-to-date returns to -9.7 percent. For the overall hedge fund industry, 2018 was almost equally bad with the HFRX Global Hedge Fund Index ending the year with a loss of 7 percent, after suffering a 2.2 percent drop in December. That is the worst yearly performance since 2011 when the index lost 8,9 percent.

Figure 16: Equity L/S HF performance MTD is the worst since August 2011



Source: Deutsche Bank Asset Allocation & Delta-1 Strategy, Bloomberg Finance LP. Data as of 27-Dec-18.

Monthly performance of long/short equity hedge funds according to Hedge Fund Research. December loss worst since August 2011. Chart compiled by Deutsche Bank and derived from www.zerohedge.com.

Among the most widely known hedge funds globally, not many managed to provide equity market protection during the month and high-profiled names such as Greenlight Capital, Cantab and Transtrend (through the Tulip trend fund which is a leveraged version of Transtrend's flagship program) suffered heavy losses on the year, according to data from HSBC.

Top & Bottom 20 Funds of 2018

Top

| Investment Funds | Return | Date |
|--|--------|-----------|
| ODEY EUROPEAN, INC (EUR) | 51.52 | 14 Dec 18 |
| GRESHAM QUANT ACAR FUND | 28.14 | 14 Dec 18 |
| ROSEN V OFFSHORE LTD | 20.64 | 30 Nov 18 |
| MILLBURN COMMODITY PROGRAM | 19.24 | 19 Dec 18 |
| MUDRICK DISTRESSED OPPORTUNITY FUND LTD | 15.61 | 14 Dec 18 |
| ORTUS AGGRESSIVE FUND (CAYMAN) LTD | 14.97 | 30 Nov 18 |
| BLACK DIAMOND CREDIT STRATEGIES MASTER FUND LTD | 14.23 | 31 Oct 18 |
| GRAHAM GLOBAL INVESTMENT FUND - QUANT MACRO SERIES A | 14.15 | 18 Dec 18 |
| OMNI EVENT FUND LIMITED | 13.36 | 30 Nov 18 |
| HORSEMAN JAPAN FUND USD | 13.09 | 12 Dec 18 |
| WESTFIELD FUND (CAYMAN) LTD | 12.74 | 31 Oct 18 |
| BREXAN HOWARD FUND, LTD - USD CLASS A | 11.98 | 30 Nov 18 |
| CAIUS CAPITAL MASTER FUND | 11.70 | 30 Nov 18 |
| AG MORTGAGE VALUE PARTNERS LTD | 10.59 | 30 Nov 18 |
| SEMPER MIDAS FUND LP | 10.16 | 31 Oct 18 |
| TILDEN PARK OFFSHORE INVESTMENT FUND LTD | 10.00 | 30 Nov 18 |
| AG REAL ESTATE DEBT INVESTMENT FUND LTD | 9.90 | 30 Nov 18 |
| TIG ARBITRAGE ENHANCED FUND | 9.88 | 30 Nov 18 |
| SEGANTII ASIA-PACIFIC EQUITY MULTI-STRATEGY FUND | 9.72 | 14 Dec 18 |
| TUDOR B.V.I GLOBAL FUND LTD -A- ALT SERIES 01 | 9.72 | 30 Nov 18 |

Bottom

| Investment Funds | Return | Date |
|---|--------|-----------|
| JABCAP MULTI STRATEGY FUND LTD CLASS D/1 NI | -37.12 | 30 Nov 18 |
| JABCAP GLOBAL BALANCED FUND LTD CLASS D/1 NI | -35.78 | 30 Nov 18 |
| GREENLIGHT CAPITAL OFFSHORE, LTD - A/1 | -27.70 | 30 Nov 18 |
| CANTAB CAPITAL PARTNERS QUANTITATIVE FUND (THE) - USD ARISTARCHUS | -27.69 | 07 Dec 18 |
| ANTARES EUROPEAN FUND, LTD - USD | -27.33 | 14 Dec 18 |
| TRIAS L/S FUND | -26.86 | 18 Dec 18 |
| QUANTEDGE GLOBAL FUND | -24.46 | 30 Nov 18 |
| TULIP TREND FUND, LTD - A | -24.08 | 14 Dec 18 |
| PORTLAND HILL FUND SICAV - CATALYST DRIVEN | -23.66 | 18 Dec 18 |
| ZEAL CHINA FUND LTD - USD -NI | -22.03 | 14 Dec 18 |
| DUNN WMA FUND SA | -21.96 | 30 Nov 18 |
| EQUILIBRIA JAPAN FUND LTD 2X USD | -21.83 | 14 Dec 18 |
| MARSHALL WACE UCITS FUNDS PLC - MW TOPS CHINA A SHARE UCITS FUND (130-30 LONG BIASED) | -21.76 | 18 Dec 18 |
| L1 CAPITAL LONG SHORT FUND | -21.66 | 30 Nov 18 |
| DORSET ENERGY FUND, LTD - CLASS A | -21.28 | 07 Dec 18 |
| GOLDEN CHINA FUND NR CLASS | -20.79 | 14 Dec 18 |
| TELLIGENT GREATER CHINA FUND | -20.72 | 30 Nov 18 |
| BLACKROCK EUROPEAN DIVERSIFIED EQUITY A.R.F - SHARE CLASS D | -19.71 | 19 Dec 18 |
| SR GLOBAL FUND - C - INTERNATIONAL (REAL PERF) | -19.07 | 14 Dec 18 |
| BAY RESOURCE PARTNERS OFFSHORE FUND LTD | -18.15 | 30 Nov 18 |

The top and bottom performing hedge funds in 2018 according to HSBC. Table derived from www.zerohedge.com.

With regards to Nordic hedge funds, data is yet to be retrieved for the underlying funds constituting the Nordic Hedge Fund Index, however, already in November the index was on track for its worst performance since 2011 with a year-to-date loss of approximately 2 percent. This was on the back of the index suffering its worst monthly loss in ten years in October (see separate story here). Judging from the intra-month numbers presented in December, the month provided no relief for Nordic hedge fund managers.

We will return with a complete 2018 review for the NHX index as soon as it has been updated.

Photo by Zachary Young on Unsplash