

MetLife redeem 1.2 billion USD in hedge funds

Stockholm (HedgeNordic) – MetLife, the largest U.S. life insurer, said it is seeking to exit most of its hedge fund portfolio after a slump in underlying investments, according to Bloomberg.

The insurer is looking to redeem 1.2 billion USD of its 1.8 billion USD it holds in hedge fund allocations, a process that may take a couple of years to complete, Chief Investment Officer Michael Goulart said in a conference call on Thursday discussing first-quarter results.

According to Goulart, the portfolio, which suffered losses during the quarter, was cut by 600 million USD already in 2015.

“It’s had up-and-down years and really it’s just too inconsistent, we think, in actual performance. What we’ll be left with is a small portfolio of really our most consistently performing managers in hedge funds”, Goulart said.

MetLife’s competitor, American International Group (AIG), is also shifting allocations after posting three straight unprofitable quarters. The company said Tuesday that it has submitted notices of redemption for 4.1 billion USD of hedge fund holdings through March 31. Average invested assets in hedge funds at AIG were 10.1 billion USD for the first quarter, Bloomberg reports.

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