

Hedge fund assets slip below 3TRN USD mark

June 2016 goes down as the weakest of “the Junes” since eVestment began tracking monthly flows in 2009. According to eVestment’s latest Hedge Fund Industry Asset Flow Report, investors redeemed a net USD20.70 billion from hedge funds in June 2016. With that number, net flows for the second quarter clock in negative USD10.68 billion and negative by USD27.95 billion for the first half of the year. Total assets of the hedge fund industry are therefor estimated to have slipped below the three trillion Dollar mark.

“While there are exceptions, investors are clearly dissatisfied not only with 2015 returns, but also with performance from portions of the industry in 2016. The result of the Brexit vote, and its impact on returns across the industry, has likely not been factored into investor flows to this point given redemption requests typically require at least a month’s notice”, eVestment says.

In contrast to eVestments calculations, Hedge fund assets under management increased in the second quarter of 2016, recovering the decline from the previous quarter and rising above year-end 2015 to reach the third highest quarterly capital total on record, HFR’s Global Hedge Fund Industry Report reveals.

Total capital allocated to hedge funds according to HFR rose to USD 2.898 trillion as of June 30, an increase of USD 42.06 billion during the quarter. The current capital level was only surpassed in Q1 2015 and Q2 2015, at which time capital peaked at a record USD2.969 trillion, before falling into year-end 2015.

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