

Hedge Funds: Down But Not Out

Stockholm (HedgeNordic) - A recent report from the Boston Consulting Group - Hedge Funds: Down But Not Out is suggesting three scenarios for the hedge fund industry through to 2020.

In what the report suggests are the options of 1) momentum, 2) slowdown and 3) disruption, prognosis veers between an investment performance returning to pre-2014 levels over the next years with new opportunities (albeit still with the need to reform), to a warning of performance remaining subdued following trends in recent years and AUM sinking as much as 20-30%.

“In the most dire scenario, disruption, the structure of the market would be wholly transformed and hedge funds would suffer significant reductions in AuM, margins, and employee compensation,” the report says.

In this scenario, very large players and niche players would win out, “and a large portion of the middle of the market [would be] wiped out.”

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