

Industry trend confirmed - hedge fund managers offer reduced fees

Stockholm (HedgeNordic/BarclayHedge) - A hedge fund survey from alternative investment database provider BarclayHedge, confirms the trend of lower fees in the hedge fund industry. According to BarclayHedge's July 2017 survey, 36.6 percent of hedge fund managers respond that they currently offer reduced or no fee alternatives to their investors and a further 20 percent plan to offer lower or no fee products in the next 3 to 6 months.

"The hedge fund industry has been under pressure to offer lower fee alternatives for some time," said Sol Waksman, founder and president at BarclayHedge. "We expect that these pressures will continue and that low or no fee products will continue to grow."

The BarclayHedge survey was conducted between July 17 and July 28 and received 134 replies from a broad range of hedge funds managers.

In a recent study of Nordic hedge funds, HedgeNordic confirmed that the traditional 2/20 fee structure is far from being the current standard. According to the HedgeNordic study, Nordic hedge funds charge an average management fee of 1.18% and average performance fee of 16.23%. Swedish hedge fund managers charge the lowest fee structure, with an average management fee of 1.07%, and an average incentive fee of 17.12%. Meanwhile, the Finnish hedge fund industry charges the highest management fee (1.48%) and the lowest performance fee (13.82%) throughout the Nordics.

"The mutual interest of Nordic fund managers and investors seems well aligned, thanks to the seemingly low management fee and the much-appreciated high-water mark. The fee structure used by most Nordic hedge funds ensures that fund managers make money only if their investors make money", the HedgeNordic study concluded.

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