

At Last Hedge Fund Launches Surpass Closures

Stockholm (HedgeNordic) – The number of hedge fund launches surpassed liquidations on a quarterly basis for the first time in more than two years, as investors are regaining confidence in the sometimes heavily-criticised industry. Investor appetite for hedge funds has picked up due to improved investor risk tolerance and lower costs, pushing hedge fund industry capital to a record \$3.16 trillion at the end of the third quarter.

According to the latest HFR Market Microstructure Report released by Hedge Fund Research, the number of hedge fund launches climbed to 176 in the third quarter of 2017 from 170 recorded in the same quarter of 2016. A total of 545 funds were launched year-to-date through the end of September.

The trend of decelerating closures in the hedge fund industry has picked up pace, as the number of liquidations dropped to 137 in the third quarter of this year from 222 in the previous quarter and 252 closures in the third quarter of 2016. A total of 618 funds were liquidated year-to-date through the end of September. The year-to-date number of closures in 2017 is significantly lower than the number registered last year. A total of 1,057 funds were closed in 2016, a figure that surpassed the post-financial peak of 1,023 closures recorded in 2009.

“2017 has been a recovery year for the hedge fund industry from 2016, with improved performance, exciting strategy expansion and lower costs driving new fund launches and total industry capital to a new record,” stated Kenneth J. Heinz, President of HFR.

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