

Global and Nordic Hedge Fund Assets Fall in October

Stockholm (HedgeNordic) – Fresh figures indicate accelerating investor withdrawals from the global hedge fund industry, as most hedge funds struggled to navigate October's troubled waters. The Nordic hedge fund industry also registered a decline in assets under management last month, mainly reflecting a decrease in assets managed by the industry's largest players as a result of weak performance.

According to data from eVestment, investors pulled \$7.1 billion from the hedge fund industry in October, bringing year-to-date outflows to \$10.1 billion. As December has historically been a month characterized by elevated outflows even during years of positive hedge fund performance, the industry appears on track to register net redemptions for the year. eVestment estimates that the industry oversees \$3.25 trillion in assets under management.

The total assets managed by vehicles in the Eurekahedge database of global hedge funds, meanwhile, decreased \$38.5 billion in October, reflecting a \$20.7 billion decrease due to performance. The group of hedge funds tracked by Eurekahedge, which currently manage \$2.41 trillion, incurred net outflows of \$17.9 billion in October. Investors pulled \$53.5 billion from hedge funds globally year-to-date through October, according to Eurekahedge.

How much did Nordic hedge fund assets fall in October?

Based on data for 98 members of the Nordic Hedge Index (NHX), the Nordic hedge fund industry saw its assets under management decline €657.6 million in October from €28.52 billion at the end of September, corresponding to a month-over-month decline of 2.3 percent. Only hedge funds with reported assets data for both September and October were included in the calculations. Much of the decrease in assets is attributable to performance, as the NHX Composite ended the month of October down 2.0 percent. The 11 vehicles managing more than €1 billion, which collectively had €15.34 billion in assets at the end of September, saw their combined assets decline €464.9 million or €42.3 million on average (3.0 percent on average).

The 13 Nordic hedge funds with assets between €300 million and €1 billion, which managed a collective €6.85 billion at the end of September and €526.9 million on average, did not experience a noticeable change in assets during October, mainly reflecting a sharp capital inflow at AAM Absolute Return Fund. The assets managed by the Oslo-based fund focusing on energy stocks increased by €132.7 million month-over-month to €445.5 million.

A total of 27 funds with assets between €100 million and €300 million had their combined assets decrease €154.6 million to €4.64 billion at the end of October. These hedge funds, which manage €172.02 million on average, suffered an average decline in assets of €5.7 million (or roughly 3.3 percent) in October. Lastly, 50 members of the NHX with assets below €100 million, which managed €33.7 million on average at the end of September, saw their assets decrease 2.6 percent on average. These 50 members manage a collective €1.69 billion in assets as of the end of October.