

# Investors Flee Hedge Funds

Stockholm (HedgeNordic) – Capital is flowing out of the hedge fund industry for a third consecutive quarter, according to alternative data specialist Preqin. Investors pulled out \$45.1 billion from the industry in the fourth quarter of 2018, which brought last year's total volume of net outflows to \$33.9 billion.

The fourth-quarter outflows were mainly attributable to equity-focused and CTA strategies, which registered net outflows of \$20.9 billion and \$21.3 billion, respectively. For the entire 2018, equity strategies posted the most massive redemptions across all main strategies tracked by Preqin. The net outflows amounted to \$23.7 billion and brought the assets under management for the strategy down to \$852.8 billion.

Multi-strategy vehicles and funds employing niche strategies were the only two groups of strategies that attracted investor capital in the fourth, posting net inflows of \$1.4 billion and \$7 billion, correspondingly. According to Preqin data, the hedge fund industry's assets under management stand at \$3.45 trillion as of the end of December, which marks a year-over-year decline of 3.5 percent.

Other sources corroborate Preqin's findings. Hedge fund data provider Hedge Fund Research (HFR), for instance, writes that investors redeemed an estimated \$22.5 billion from hedge funds in the four quarter. The fourth-quarter redemptions brought the hedge fund industry's full-year capital outflows to \$34 billion, leaving the industry with \$3.11 trillion in assets under management.

*Picture © Lightspring—shutterstock*