

A Snapshot of the Crypto HF Industry

Stockholm (HedgeNordic) – Around 150 active crypto hedge funds manage an estimated \$1 billion in assets under management, according to PwC and Elwood Asset Management, an investment firm specializing in digital assets. The two firms published a report that sheds light on the global crypto hedge fund industry.

The report is based on data from research conducted in the first quarter of 2019 across 100 of the largest global crypto hedge funds by assets under management. The report shows that less than ten percent of crypto hedge funds manage over \$50 million. More than 60 percent of these funds manage less than \$10 million in assets, with the average fund overseeing \$21.9 million.

Crypto markets experienced a challenging year in 2018, with the price of bitcoin plunging 72 percent for the year. The median crypto fund, however, returned a negative 46 percent in 2018. Whereas crypto hedge funds as a group incurred a nearly 50 percent loss, quantitative funds recorded a median gain of eight percent for the year. Of the surveyed funds, 37 percent employ quant-based strategies, 44 percent pursue discretionary strategies, and 19 percent employ fundamental strategies. The median fundamental and discretionary funds posted negative returns of 53 percent and 63 percent last year, respectively.

“The crypto hedge fund industry today is probably where the traditional hedge fund industry was in the early 1990s. We expect the industry to go through a rapid period of institutionalisation and implementation of sound practices over the coming years,” said Henri Arslanian, PwC Global Crypto Leader. “The crypto hedge fund space is just one part of a much broader ecosystem of digital assets, around which there is increasing evidence of institutionalisation,” added Bin Ren, CEO of Elwood.

The complete report can be viewed [here](#):

