

Investors Still Fleeing Hedge Funds

Stockholm (HedgeNordic) – Investors continue to flee hedge funds despite the industry’s broadly solid performance in the first half of the year. According to eVestment, net redemptions from hedge funds reached \$16.3 billion in June, capping off the fifth consecutive quarter of net outflows from the industry.

eVestment’s Hedge Fund Asset Flows report for June shows that the hedge fund industry experienced net redemptions of \$44.6 billion in the first half of 2019, leaving the industry’s assets under management at \$3.27 trillion at the end of June. For the month of June, around 57 percent of reporting hedge funds experienced net redemptions, slightly above the average of 53 percent since the beginning of 2016. About 63 percent of reporting managers experienced net outflows for the year.

“The end of Q2 2019 brought more questions than answers for the hedge fund industry,” said Peter Laurelli, Global Head of Research at eVestment. “The majority of products continue to face redemption pressures, and flows for the quarter were the worst the industry has seen in a second quarter for as long as we have tracked the industry’s flows (since 2004),” he added.

Nonetheless, “not everyone is feeling the seemingly widespread pain of asset declines,” pointed out Laurelli. “As we look across those products gaining new assets there are familiar names and themes,” he said, adding that “performance clearly remains a driver, but there were signs of life within even the most maligned of the industry’s strategies.”

According to eVestment, long/short equity funds lost the highest volume of assets as a group both in June and year-to-date. Investors pulled \$5.7 billion out of this group in June alone, bringing the year-to-date volume of net redemptions to \$23.2 billion. Long/short equity funds remain the largest hedge fund strategy group with \$761.5 billion in assets under management as of the end of June.

The June 2019 eVestment Hedge Fund Asset Flows report can be found below:



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