Investors Pull Funds from the HF Industry

Stockholm (HedgeNordic) – Almost one in every three hedge funds in the Eurekahedge Hedge Fund Index recorded double-digit gains in the first seven months of 2019. Yet, investors continue to pull money from the industry.

After gaining 0.6 percent in July, the Eurekahedge Hedge Fund Index, comprised of over 2,500 hedge funds, was up 6.5 percent year-to-date through the end of July. According to the August issue of the Eurekahedge Report, total hedge fund assets increased by $6 billion in July, as the performance-based increase in assets of $18.1 billion offset the net outflows of $12.1 billion.

Investors continue to redeem capital from the hedge fund industry but at a lower rate than before, as investor redemptions started to slow down. In the second quarter, net redemptions amounted to $40 billion, compared to net outflows of $46.4 billion in the first quarter of 2019 and $94.7 billion in the fourth quarter of last year. According to Eurekahedge, total hedge fund assets currently stand at $2.93 trillion.

Investors withdrew $8.4 billion from the global hedge fund industry last month, according to eVestment, taking the year-to-date net outflows to $55.9 billion. Strong performance across the industry, however, boosted overall hedge fund assets, which stood at $3.3 trillion at the end of last month. So far in 2019, only about 37 percent of all funds reporting to eVestment received net inflows from investors.

Long/short equity funds continue to lose assets, as investors redeemed $4.6 billion from this strategy group in July. On a year-to-date basis, long/short equity vehicles suffered net outflows of $25.5 billion, but still represent the largest hedge fund strategy group tracked by eVestment with $765.6 billion in assets.

eVestment's Hedge Fund Asset Flows Report for July can be accessed below:

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