

Will Hedge Funds Stop Bleeding Assets?

Stockholm (HedgeNordic) - In August, investors pulled money out of the hedge fund industry for a sixth consecutive month, with the industry suffering net outflows in eleven of the last twelve months. According to eVestment, investors redeemed an estimated \$6.5 billion from the industry last month, which brought the year-to-date outflows to \$63.6 billion. Net outflows and negative performance reduced the industry's overall assets under management to \$3.26 trillion.

Last month's net outflows from the industry are mainly attributable to net redemptions from macro and long/short equity funds. Most other strategy categories tracked by eVestment experienced net inflows. Macro hedge funds suffered net redemptions of \$6.2 billion in August, bringing the year-to-date net outflows to \$18.6 billion. Long/short equity funds, meanwhile, had net redemptions of \$5.3 billion last month and \$31.1 billion year-to-date.

After 17 consecutive months of redemptions outpacing allocations to managed futures funds, this strategy category received net inflows of \$1.5 billion last month and put an end to the asset-losing streak. While allocations did outpace redemptions on aggregate, only 35 percent of managers received net inflows last month. Investors redeemed a net \$10.6 billion from managed futures funds so far in 2019, according to eVestment.

Whereas most strategy groups received net inflows on aggregate last month, rarely did the majority of funds obtain net inflows. Only within the event-driven category did more vehicles receive more inflows than outflows. About 30 percent of long/short equity managers reporting to eVestment received more allocations than redemptions in 2019. Last month, the meaningful inflows in this strategy group went to those managers that produced meaningfully positive results in 2018.

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



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