Hedge funds managed in North America suffered the greatest capital withdrawal of any region in Q4 ($29.7bn, Fig. 2), with just under half (49%) of all funds enduring outflows. All other regions managed to generate inflows in the final quarter, with Asia-Pacific leading the way ($6.7bn). Despite these improved headline figures in Q4, all regions suffered net outflows for the whole of 2019, with North America hit the hardest ($64.6bn).

As ever, past performance plays an integral part in a hedge fund manager’s ability to attract additional capital. Forty-six percent of funds that produced a return of +5.00% or greater on a three-year annualized basis recorded inflows in Q4 2019 (Fig. 8). This is in stark contrast to the 22% of funds that returned -5.00% or less that enjoyed inflows.
Fig. 3: Hedge Fund Asset Flows ($bn), Q1 2015 - Q4 2019

Source: Preqin Pro

Fig. 4: Hedge Fund Asset Flows over Q4 2019 by Top-Level Strategy

Sources: Preqin Pro

Fig. 5: Hedge Fund Asset Flows over Q4 2019 by Fund Size

Source: Preqin Pro

Fig. 6: Hedge Fund Asset Flows over Q4 2019 by Fund Manager Headquarters

Source: Preqin Pro

Fig. 7: Hedge Fund Asset Flows over Q4 2019 by H2 2018 Performance

Source: Preqin Pro

Fig. 8: Hedge Fund Asset Flows over Q4 2019 by Three-Year Annualized Performance

Source: Preqin Pro