

Markets

Hedge Funds to Record More Closures Than Launches for Fifth Straight Year

By Nishant Kumar

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- Number of firms on track to shrink for fifth year in a row
- Moore Capital to Arrowgrass return capital to clients in 2019



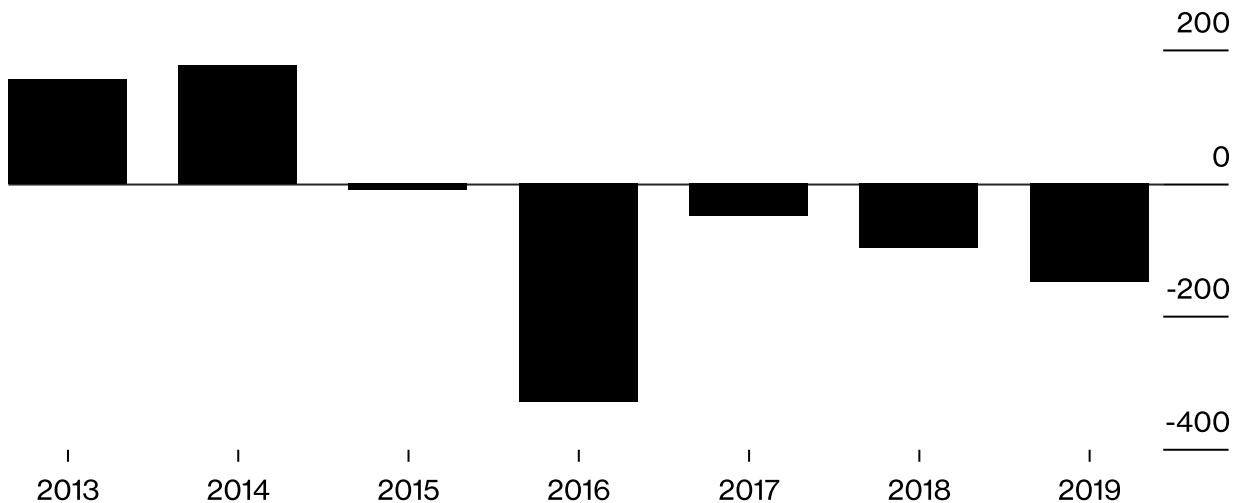
Hedge-Fund Purge Deepens

The pain kept coming for hedge funds in 2019: if they weren't being killed off, they were bleeding cash or wringing out dismal returns.

The industry is now on track to record more closures than launches for a fifth straight year, a blow to a market that once minted millionaires at a heady pace. More than 4,000 funds have been liquidated in the past five years, according to data compiled by Hedge Fund Research Inc.

Go Your Own Way

More hedge funds are closing than launching



Note: Annual net hedge fund openings, 2019 is through 3Q

Source: Hedge Fund Research

Billionaires Louis Bacon and Jeffrey Vinik were among veterans who rocked the more than \$3 trillion industry this year by handing back capital to clients. Many found themselves out of step with the longest running bull market in history, while others faced investor revolt or couldn't raise enough to stay in the game. Some had just been doing it for too long, and wanted out.



Jeffrey Vinik

“Everything has to come to an end, sometime,” Stephen Roberts wrote in a letter to clients this month to announce his decision to close the Horseman European Select fund. “I have

found myself looking at a different path ahead."

Read more: All the Ways to Leave Your Hedge Fund



Louis Bacon

Investors are pulling money at an accelerated pace as high fees and mediocre returns send them searching for yield elsewhere. They've yanked \$81.5 billion this year through November, more than twice the amount for the whole of 2018, according to eVestment data.

As for returns, there's little to cheer there. While the S&P 500 delivered a 28% gain this year through November, the Bloomberg Equity Hedge Fund Index only managed 10%.

The following hedge funds closed or turned into family offices this year:

FIRM/FUND/UNIT

PORTFOLIO MANAGER/FOUNDER

Amplitude

Karsten Schroeder

Argentiere

Deepak Gulati

Arrowgrass	Nick Niell
Atreaus Master Fund	Todd Edgar
BlueMountain flagship & quant funds	Andrew Feldstein, Stephen Siderow, Perry Vais
Cambridge Square	Marco Barrozo
Citadel's Aptigon unit	Eric Felder
CJW Capital*	Chris Wheeler
Duane Park	Andrew Goodwin, Dominick Maggio and David DePaolo
Eikoh Research	James Pulsford
Everett	Kelly Hampaul
HBK Capital's Quant Fund	
Horseman European Select	Stephen Roberts
Lone Pine's Juniper	Stephen Mandel
Macrosynergy Trading Fund	Nikos Makris
Margate	Samantha Greenberg
Moore Capital**	Louis Bacon
Nektar	Patrik Olsson
Oceanwood European Financial	Julian Garcia Woods
Peace Bridge	Christopher Buonafede and Michael Pinelli
Port Meadow	Carl Vine
Precocity	Nick Tiller
Protege Partners & Mov37 ^	Jeffrey Tarrant
Rubicon Global Fund	Paul Brewer

Sandell

Thomas Sandell

Sator Square

Manuel Blanco

Stream Asset Management

Paul Andiorio

Stone Milliner

Jens-Peter Stein, Kornelius Klobucar

Teza Master Fund

Mikhail Malyshev

Three Stones

Jong Beum Kim

Trias L/S

Kilian Kentrup

Vinik Asset Management

Jeffrey Vinik

* Shelved plans to start ** Returning money in its three main funds ^ Closed two funds and returned capital following the death of founder Tarrant

– *With assistance by Suzy Waite, Katherine Burton, Katia Porzecanski, Hema Parmar, Saijal Kishan, Melissa Karsh, Bei Hu, and David Ramli*

In this article

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HEDGE FUND RESEARCH INC

Private Company

SPX

S&P 500

3,221.29 USD ▼ -18.73 -0.58%

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