

Hedge Investors Flood Macro Strategies

By Mariah Summers | 10/17/18

...But the 10-largest macro funds have fared a bit better, returning .90% so far this year, though they saw performance of -1.46% in the third quarter, compared to -.90% among all macro funds.

This trend is likely to spell trouble for macro funds of all sizes if it continues, says [Christopher Cutler, president of Manager Analysis Services](#).

“There is a high risk of disappointment if returns do not improve,” Cutler says. “I was speaking with one very large institutional allocator recently that still is a very prominent hedge fund investor. His organization is likely to make large redemptions and greatly reduce the share of hedge funds in their portfolio over the next year.”

That puts pressure on macro funds, he says.

“I would like for macro hedge funds to demonstrate sufficiently improved results to sustain the recent rally in allocations, but hedge funds seem to be slipping behind private equity and ‘real assets’ investing as perceived ways to diversify institutional portfolios,” Cutler says.

But for now, macro managers may have a short window still to work out performance issues in the near term as investor fears of a sell-off intensify.