

# Hedge Redemptions Roll On amid 'Zombie' Fund Worries

By Lydia Tomkiw | 7/3/19

...Allocating to a large, multi-strategy hedge fund is a safe bet for many institutional investors, says [Chris Cutler, president of Manager Analysis Services](#).

“It’s a safer investment decision in a sense: the returns are strong, the resources are there, most will pass operational due diligence. The terms are something people might struggle with if they look closer,” he says referencing fees, transparency, and liquidity terms. “But if something were to go wrong with a hedge fund like that, the investors wouldn’t be alone in sharing that problem.”

...Multi-strategy funds have also benefited from broader trends driving talent toward their model. The tough odds of raising enough capital – \$500 million to \$1 billion – to have a sustainable, long-term business model, has given an edge to the multi-strategy space as a destination for investment pros aiming to run a portfolio, Cutler says.

“With respect to hedge fund managers who might otherwise set up their own fund, they are spared all the challenges of running their own businesses,” he says. This is why multi-strategy funds have succeeded in attracting top talent, he adds.