



## Hedge-Fund Investors Remove Record \$152 Billion in Last Quarter

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By Saijel Kishan

Jan. 21 (Bloomberg) -- Hedge-fund investors withdrew a record \$152 billion in the fourth quarter as the industry posted its worst returns in almost two decades, according to Hedge Fund Research Inc.

Global assets dropped to \$1.4 trillion at the end of the year, the same level as 2006 and \$525 billion less than a peak of \$1.93 trillion in June, the Chicago-based firm said in a statement today.

"Investor risk aversion remained at historically extreme levels through year end," **Kenneth Heinz**, president of Hedge Fund Research, said in the statement. "Investor redemptions were widespread and indiscriminate across fund strategies, regions, asset sizes and performance."

Investments by hedge funds lost a record 18.3 percent last year, according to the firm, the most since it began tracking data in 1990. The fourth-quarter withdrawals contrasted with 2007, when hedge funds attracted an all-time high of \$194 billion from investors, Hedge Fund Research said.

Earlier reports also showed a decline in hedge-fund wealth last year. Assets fell 48 percent \$998.4 billion, according to a Jan. 14 report by TrimTabs Investment Research and BarclayHedge. Eurekahedge Pte said Jan. 13 that the industry shrank by about a fifth to \$1.5 trillion at the end of the year.

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