

# The BarclayHedge Fund Flow Indicator

July 2023

## Hedge Fund Assets Slipped on Continued Redemptions, Trading Loss

Hedge fund redemptions slowed somewhat from the prior month in May totaling **-\$24.46 billion**, **-0.49%** of industry assets, according to the Barclay Fund Flow Indicator published by Backstop-BarclayHedge.

A **-\$20.38 billion** trading loss during the month left total hedge fund industry assets at more than **\$4.97 trillion** as May ended.

“Concerns over slowing economies contributed to investors’ decisions to look elsewhere for opportunities in May, while portfolio rebalancing remained a factor among some investors as well,” said Ben Crawford, Head of Research at Backstop-BarclayHedge. “Persistent central bank interest rate hikes also played a part in investors’ decisions, while continued uncertainty around the likelihood of a critical agreement to raise the U.S. debt ceiling prompted some to reconsider their positions.”

Nearly all hedge fund subsectors experienced net outflows in May. Running counter to the trend, **Emerging Markets – Latin America** funds saw **+\$0.20 billion** in inflows (**1.77% of sector assets**), while **Option Strategies** funds added **+\$0.06 billion** (**0.12% of sector assets**).

Among the subsectors seeing the largest May redemptions, **Merger Arbitrage** funds experienced **-\$3.57 billion** in outflows (**-3.02% of sector assets**), **Event Driven** funds shed **-\$3.16 billion** (**-1.25% of sector assets**), **Sector Specific** funds saw **-\$2.48 billion** exit (**-0.50% of sector assets**), **Balanced (Stocks & Bonds)** funds experienced **-\$2.42 billion** in redemptions (**-0.32% of sector assets**), and **Multi-Strategy** funds saw **-\$2.41 billion** in outflows (**-0.34% of sector assets**).

The hedge fund industry actually experienced net inflows across the majority of the world’s regions in May. But **-\$9.97 billion** in outflows from funds in **Continental Europe** (**-0.72% of regional assets**), **-\$9.70 billion** in redemptions from funds in the **U.S. and its offshore islands** (**-0.35% of regional assets**), and **-\$4.83 billion** in outflows from funds in the **U.K. and its offshore island** (**-0.91% of regional assets**), more than tipped the industrywide scale toward redemptions for the month. Among the regions seeing monthly inflows, funds in **Canada** led the way attracting **+\$1.71 billion** in May (**1.04% of regional assets**).

The managed futures industry was in redemption territory again in May as well with **-\$0.64 billion** in outflows, equivalent to a decrease of **-0.18% of industry assets**. All four CTA subsectors tracked reported net redemptions for the month.

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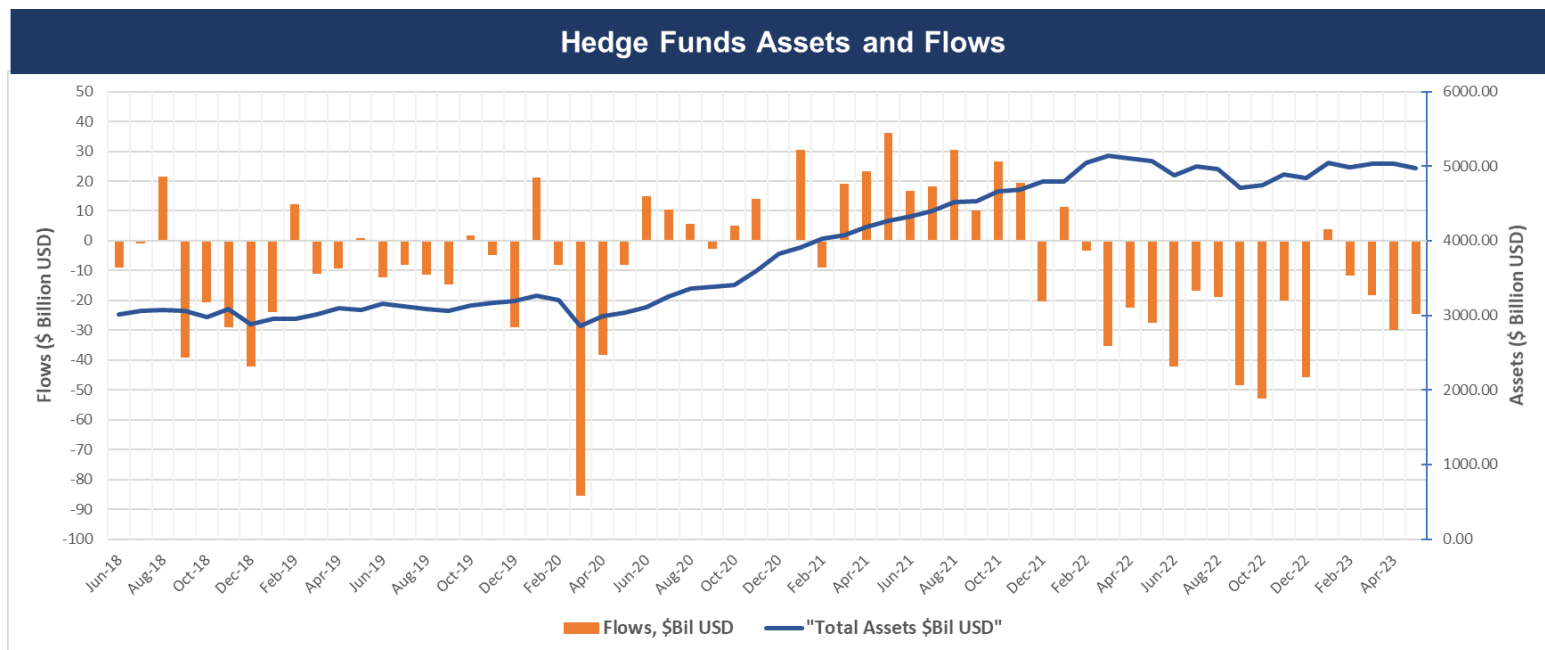
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## HEDGE FUND & CTA FLOWS (\$ BILLION) -- JUNE 2023

Industry/Sector	Net Inflows (\$ Bil USD)			Year-to-Date Net Inflows (\$ Bil USD)			Trailing Twelve Months Net Inflows (\$ Bil USD)			AUM (\$ Bil USD)
	Flow	Trading P&L	Flow %	YTD Flow	YTD Trading P&L	YTD Flow %	TTM Flow	TTM Trading P&L	TTM Flow %	Total Assets
Balanced (Stocks & Bonds)	-2.42	-9.13	-0.32%	-24.36	9.20	-3.19%	-50.29	-30.93	-6.21%	752.88
Convertible Arbitrage	-0.01	0.26	-0.04%	-0.36	0.88	-0.99%	0.06	1.59	0.15%	37.17
Distressed Securities	-0.02	-0.04	-0.11%	-0.02	-0.08	-0.13%	-0.90	-0.47	-5.68%	15.95
Emerging Markets - Global	-1.53	-2.01	-0.62%	2.74	3.84	1.23%	-8.87	-16.25	-3.49%	247.39
Emerging Markets - Eastern Europe	-0.01	0.00	-0.58%	0.01	0.00	0.44%	-0.08	0.15	-1.54%	2.08
Emerging Markets - Asia	-0.94	-3.02	-0.54%	1.10	0.75	0.71%	-9.31	-1.66	-5.59%	169.74
Emerging Markets - Latin America	0.20	0.32	1.77%	-0.20	0.37	-1.99%	0.24	0.11	1.93%	11.63
Equity Long Bias	-0.81	-4.39	-0.26%	-8.88	5.99	-2.88%	-33.59	-1.36	-9.77%	306.39
Equity Long/Short	-1.03	-0.06	-0.66%	-7.35	3.43	-4.68%	-18.12	4.55	-10.87%	153.32
Equity Long-Only	-2.10	5.85	-0.44%	-8.32	39.23	-2.10%	-17.54	10.18	-4.63%	479.3
Equity Market Neutral	-1.67	-0.08	-3.27%	-0.48	0.46	-0.96%	-6.68	0.82	-12.24%	49.34
Event Driven	-3.16	-2.59	-1.25%	-1.55	0.68	-0.62%	-11.97	-2.25	-4.63%	240.75
Fixed Income	-1.97	-3.50	-0.21%	-3.26	12.31	-0.36%	-78.66	-17.24	-8.23%	949
Macro	-0.39	-1.70	-0.25%	-6.81	-1.62	-3.66%	-19.77	0.49	-9.80%	153.93
Merger Arbitrage	-3.57	-1.06	-3.02%	-13.74	-0.64	-10.52%	-12.64	1.30	-11.50%	93.46
Multi-Strategy	-2.41	-6.03	-0.34%	1.33	9.88	0.20%	-34.06	9.44	-4.87%	694.37
Option Strategies	0.06	0.14	0.12%	-0.42	0.23	-0.85%	-4.06	0.48	-7.25%	49.18
Other	-0.34	-0.73	-0.38%	-2.00	0.05	-2.26%	-1.17	-3.18	-1.30%	86.54
Sector Specific	-2.48	7.41	-0.50%	-8.12	29.53	-1.74%	-17.88	6.48	-3.66%	497.85
<b>Hedge Fund Industry</b>	<b>-24.46</b>	<b>-20.38</b>	<b>-0.49%</b>	<b>-80.46</b>	<b>114.81</b>	<b>-1.66%</b>	<b>-325.82</b>	<b>-37.08</b>	<b>-6.42%</b>	<b>4973.91</b>
UCITS 40 Act	-11.73	-12.25	-0.57%	-35.16	66.57	-1.77%	-139.14	-64.07	-6.42%	2070.5
UCITS Funds	-13.47	1.94	-0.88%	-45.53	43.12	-3.23%	-122.36	-6.06	-8.76%	1506.32
Funds of Funds	-2.51	-0.18	-0.73%	-13.94	5.52	-4.12%	-21.52	-3.80	-6.17%	335.65
<b>Managed Futures Industry</b>	<b>-0.64</b>	<b>0.89</b>	<b>-0.18%</b>	<b>-9.57</b>	<b>-4.95</b>	<b>-2.62%</b>	<b>-33.53</b>	<b>-10.32</b>	<b>-8.72%</b>	<b>350.83</b>
CTA - Discretionary	-0.49	-0.07	-1.62%	0.14	0.05	0.47%	4.43	-0.41	20.21%	29.73
CTA - Systematic	-0.03	1.13	-0.01%	-10.08	-5.01	-3.11%	-37.87	-9.22	-10.89%	310.91
CTA - Hybrid	-0.11	-0.17	-0.62%	0.36	0.00	1.72%	-0.10	-0.69	-0.43%	18.07
CTA - Multi Advisor Futures Fund	-0.05	0.05	-0.31%	-0.17	-0.25	-0.88%	0.70	-0.29	3.82%	17.42

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## Convertible Arbitrage, Emerging Markets – Latin America Funds Again Report 12-Month Inflows

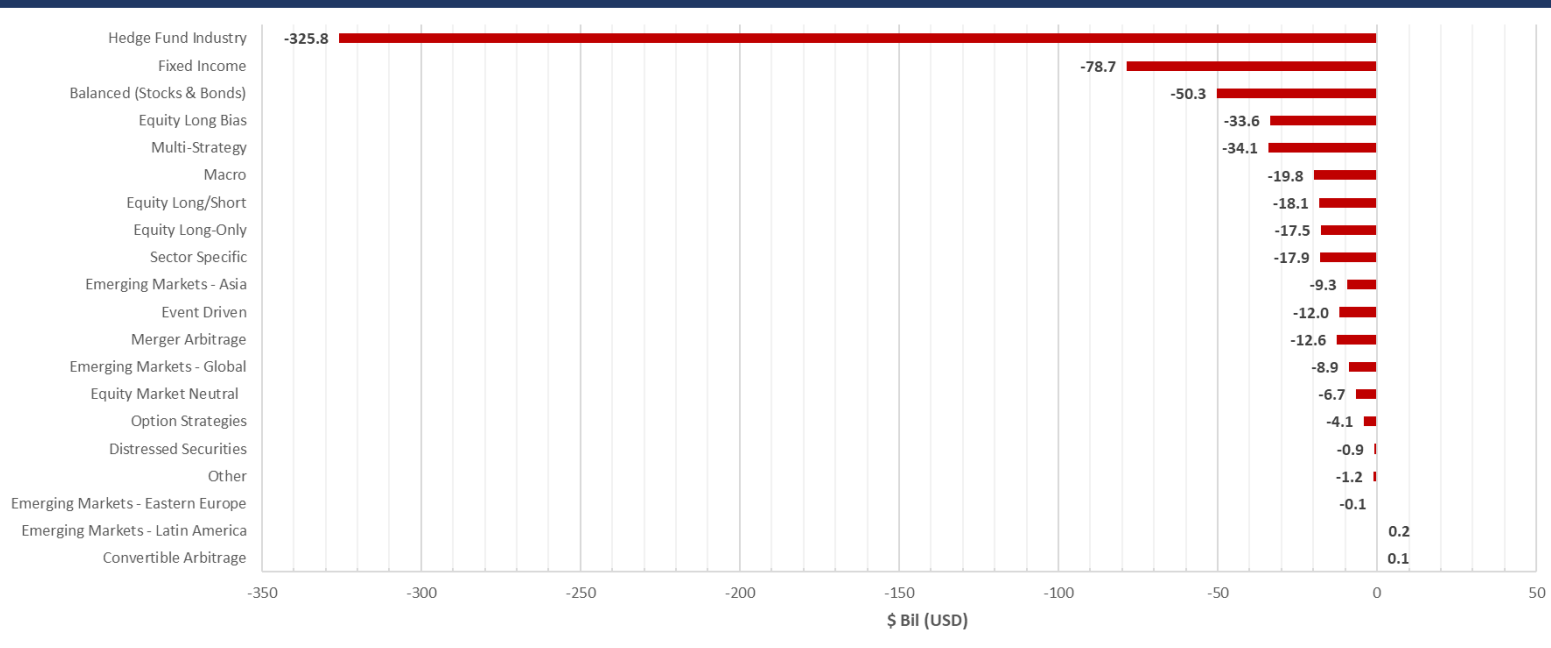
Two hedge fund subsectors continued to post 12-month inflows through the end of May. **Emerging Markets – Latin America** funds attracted **+\$0.24 billion (1.93% of sector assets)**, while **Convertible Arbitrage** funds brought in **+\$0.06 billion (0.15% of sector assets)**.

Leading the group reporting 12-month redemptions, **Fixed Income** funds saw **-\$78.66 billion** in outflows (**-8.23% of sector assets**), **Balanced (Stocks & Bonds)** funds shed **-\$50.29 billion (-6.21% of sector assets)**, **Multi-Strategy** funds experienced **-\$34.06 billion** in redemptions (**-4.87% of sector assets**), **Equity Long Bias** funds saw **-\$33.59 billion** exit (**-9.77% of sector assets**), and **Macro** funds experienced **-\$19.77 billion** in outflows (**-9.80% of sector assets**).

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Trailing Twelve Month (TTM) Aggregate Net Inflows (Outflows) -- HF Industry



## Hedge Fund Inflows in Most Regions Not Enough to Tip May's Flow Trend from Redemptions

Despite May's industrywide redemption trend, hedge fund inflows were the norm in a majority of the world's regions in May.

Hedge funds in **Canada** added **+\$1.71 billion** during the month (**1.04% of regional assets**), while funds in **Asia excluding China and Japan** saw **+\$0.26 billion** in inflows (**0.40% of regional assets**), funds in **Latin America** brought in **+\$0.05 billion** (**0.57% of regional assets**), funds in **China and Hong Kong** attracted **+\$0.02 billion** (**0.04% of regional assets**), and funds in **Japan** experienced **+\$0.01 billion** in inflows (**0.23% of regional assets**).

There were redemptions elsewhere in the world during the month, however, to the tune of **-\$9.97 billion** in **Continental Europe** (**-0.72% of regional assets**), **-\$9.70 billion** in the **U.S. and its offshore islands** (**-0.35% of regional assets**), and **-\$4.83 billion** in the **U.K. and its offshore islands** (**-0.91% of regional assets**).

# The BarclayHedge Fund Flow Indicator

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## FLows INTO HEDGE FUNDS BY REGION

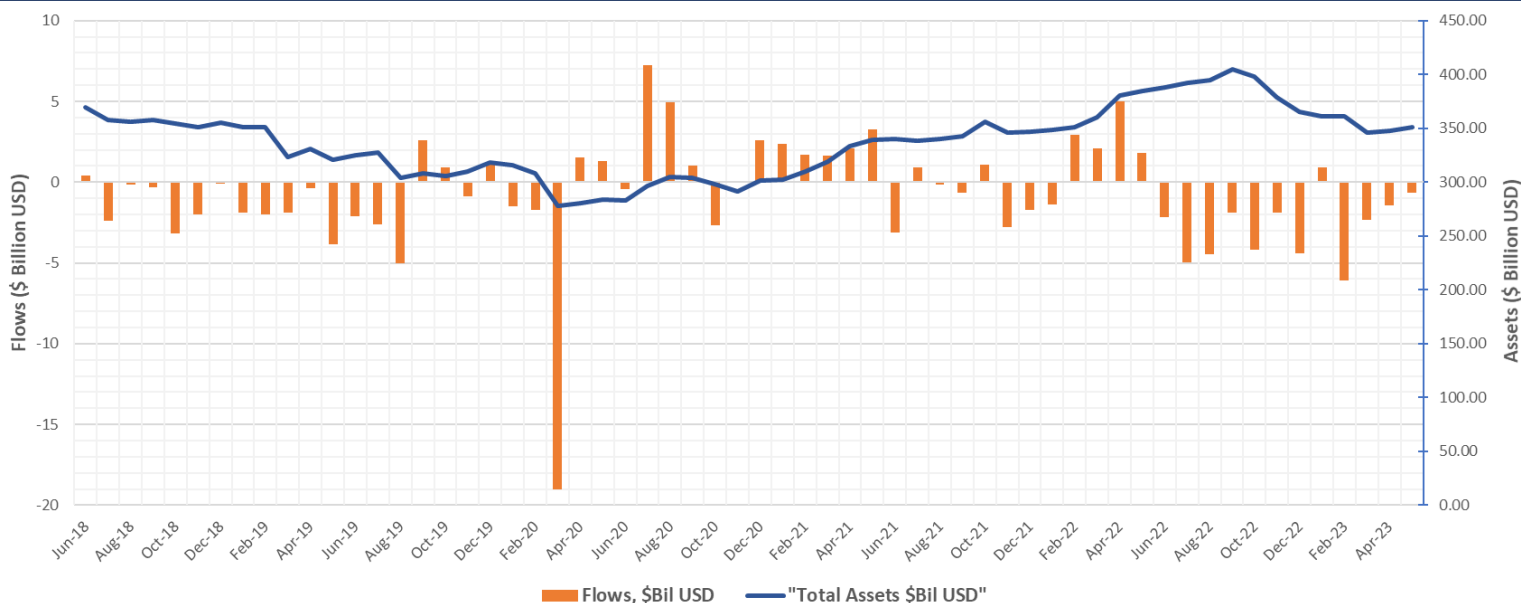
Industry- Region	Net Inflows (\$ Bil USD)			Year-to-Date Net Inflows (\$ Bil USD)			Trailing Twelve Months Net Inflows (\$ Bil USD)			AUM (\$ Bil USD)
	Flow	Trading P&L	Flow %	YTD Flow	YTD Trading P&L	YTD Flow %	TTM Flow	TTM Trading P&L	TTM Flow %	Total Assets
HF - U.S. and Offshore Islands	-9.70	-11.91	-0.35%	-23.36	75.25	-0.86%	-192.28	-39.73	-6.52%	2818.07
HF - Asia Ex. China/Japan	0.26	-0.24	0.40%	1.08	2.20	1.87%	0.57	-0.21	0.93%	63.87
HF - Canada	1.71	-1.77	1.04%	4.27	0.79	2.81%	-0.09	-0.77	-0.06%	164.04
HF - China/Hong Kong	0.02	-0.53	0.04%	-2.00	0.54	-4.47%	-6.38	0.25	-12.29%	42.06
HF - Continental Europe	-9.97	2.64	-0.72%	-34.67	45.34	-2.71%	-91.84	-0.07	-7.34%	1371.42
HF - Japan	0.01	0.02	0.23%	0.14	0.11	3.43%	0.21	0.20	5.39%	4.42
HF - Latin America	0.05	0.17	0.57%	-0.25	0.07	-3.22%	-0.05	0.01	-0.43%	9.39
HF - U.K. and Offshore Islands	-4.83	-0.75	-0.91%	-11.52	12.99	-2.40%	-49.21	3.46	-9.69%	518.65

## Despite Redemptions, Trading Profit Helped Take CTA Assets Higher in May

The managed futures industry experienced **-\$0.64 billion** in redemptions in May (**-0.18% of industry assets**). A **+\$0.89 billion** trading profit during the month brought total CTA industry assets to \$350.83 billion at the end of May, up from \$347.6 billion at the end of April.

For the 12-month period through May, the CTA industry reported **-\$33.53 billion** in net outflows (**-8.72% of industry assets**). A **-\$10.32 billion** trading loss over the period contributed to the \$350.83 billion in total managed futures industry assets as May ended, down from \$387.75 billion a year earlier.

## CTA Industry Assets and Flows



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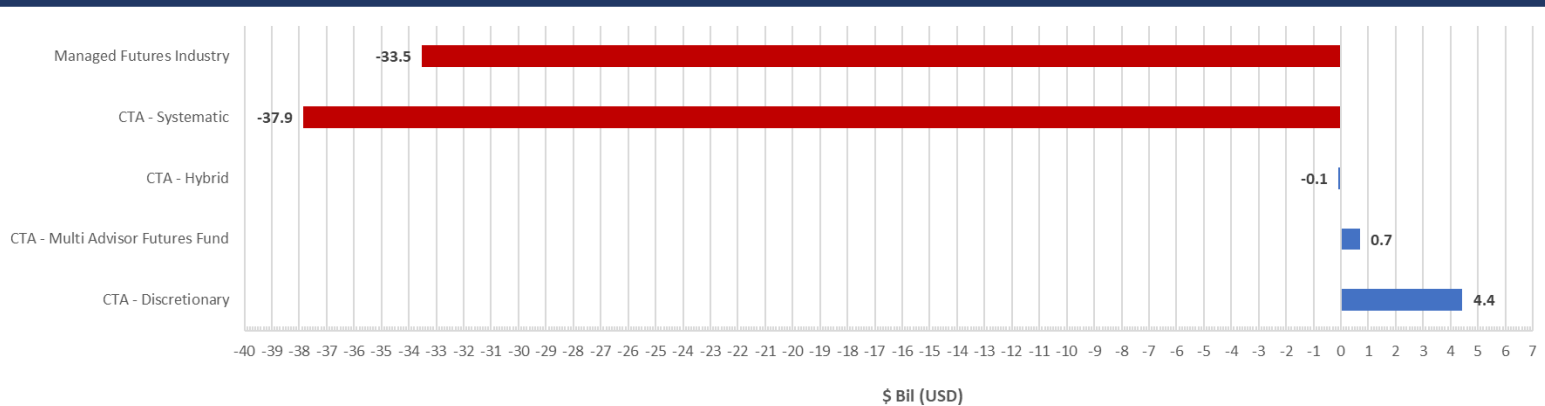
## Redemptions the Norm Across All CTA Subsectors in May

All four managed futures subsectors tracked reported net redemptions in May. **Discretionary CTAs** shed **-\$0.49 billion (-1.62% of sector assets)**, **Hybrid CTAs** saw **-\$0.11 billion** in outflows (**-0.62% of sector assets**), **Multi Advisor Futures Funds** experienced **-\$0.05 billion** in redemptions (**-0.31% of sector assets**), and **Systematic CTAs** saw **-\$0.03 billion** exit (**-0.01% of sector assets**).

The four subsectors were evenly split between inflows and outflows over the 12-month period through May. Seeing inflows were **Discretionary CTAs** adding **+\$4.43 billion (20.21% of sector assets)**, and **Multi Advisor Futures Funds** attracting **+\$0.70 billion (3.82% of sector assets)**.

CTA subsectors experiencing 12-month outflows were **Systematic CTAs** with **-\$37.87 billion** in redemptions (**-10.89% of sector assets**), and **Hybrid CTAs** with **-\$0.10 billion** in outflows (**0.43% of sector assets**).

Trailing Twelve Month (TTM) Aggregate Net Inflows (Outflows) -- CTA Industry



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## CTA Redemptions Continued Across Most Regions in May

The managed futures industry experienced net redemptions in most regions of the world in May. CTAs in the **U.S. and its offshore islands** shed **-\$1.52 billion** during the month (**-1.00% of regional assets**), while those in the **U.K. and its offshore islands** saw **-\$0.25 billion** in outflows (**-0.32% of regional assets**), managed futures funds in **Continental Europe** experienced **-\$0.15 billion** in redemptions, (**-0.52% of regional assets**), and CTAs in **China and Hong Kong** saw **-\$0.01 billion** exit, (**-1.95% of regional assets**).

Regions seeing net CTA inflows during the month included **Canada** with managed futures funds adding **+\$0.02 billion (0.25% of regional assets)**, and **Asia excluding China and Japan** where CTAs attracted **+\$0.01 billion (0.11% of regional assets)**.

### FLows INTO CTAs BY REGION

Industry- Region	Net Inflows (\$ Bil USD)			Year-to-Date Net Inflows (\$ Bil USD)			Trailing Twelve Months Net Inflows (\$ Bil USD)			AUM (\$ Bil USD)
	Flow	Trading P&L	Flow %	YTD Flow	YTD Trading P&L	YTD Flow %	TTM Flow	TTM Trading P&L	TTM Flow %	
CTA - U.S. and Offshore Islands	-1.52	1.07	-1.00%	-1.42	-3.59	-0.63%	-18.28	-9.44	-7.56%	151.86
CTA - Asia Ex. China/Japan	0.01	0.00	0.11%	-0.10	0.01	-1.20%	-0.17	0.05	-2.05%	7.84
CTA - China/Hong Kong	-0.01	0.00	-1.95%	0.02	0.02	3.00%	-0.08	0.02	-11.12%	0.54
CTA - Continental Europe	-0.15	0.38	-0.52%	-1.24	-0.16	-3.64%	-4.41	-0.59	-12.17%	28.26
CTA - Canada	0.02	-0.05	0.25%	-0.69	0.33	-6.51%	-1.19	-0.38	-9.55%	12.48
CTA - U.K. and Offshore Islands	-0.25	0.81	-0.32%	-7.68	-0.40	-8.99%	-11.60	1.34	-13.91%	78.68

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