Investors pull money from fund managers as stocks and bonds fall in tandem

S
ome of the best-known names in the City offered fresh insight into the impact of simultaneous tumbles for stock and bond markets this year, with investors pulling money from fund managers.

Man Group, one of the largest listed hedge funds in the world, said it was “a very difficult quarter for the asset management industry” as it reported a fall of almost $4 billion in assets under management to just over $138 billion.

The FTSE 250 company also took a $4.5 billion hit from the stronger dollar in the third quarter and net outflows from its funds of £500 million. Its “absolute return strategies” brought in $1.6 billion from a blend of investments designed to prosper during falling markets, rather than just out-running overall rises. It called that “a strong investment performance.” It’s traditional long-only funds lost $1.4 billion. Man’s shares fell 8p to 210p, a drop of almost 4%.

Rathbones, one of the square mile’s oldest investment houses, reported a £1 billion drop in funds under management and administration of £57.9 billion. Its stock slipped 8p, or 0.5% to 1781p.

Quilter, the wealth manager formerly known as Old Mutual, posted a fall in of almost £12 billion in assets under management and administration to just under £97 billion. It said the decline reflected “a challenging market backdrop over the summer”. But it kept money coming into its funds, with net inflows of £ 200 million. Its shares were down 3p to 90p, a fall of over 3%.

Read More

- Markets soothed as new Chancellor sharply reverses mini-budget policies
- UK government bonds and pound rally ahead of Chancellor's emergency budget plans
- Pound surges higher as new Chancellor to unveil emergency budget plan
- SPONSORED

  How Scania's new trucks are the future of HGVs, today

Liontrust, the Strand-based asset manager that launched in 1995, reported net outflows of £1.6 billion.

John Ions, chief executive, said: "After decades of low inflation and cheap liquidity, we have entered a new environment for investors. In the future, successful asset managers will be those that excel at distribution, have a strong brand and are innovative at product development for multiple distribution channels."

Shares in Liontrust eased by 6p to 818p, a decline of 0.7%