

## Hedgebay launches secondary hedge fund market index

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The Hedgebay Global Hedge Fund Secondary Market Index provides hedge fund investors with statistics on the key aspects of the secondary market.

Most notably it offers the average discount or premium to net asset value of hedge fund shares traded during the month. It also includes the average discount or premium to NAV over one year and ten years, the highest and lowest individual prices of traded assets and the top two strategies traded.

The inaugural index has revealed another decrease in the average discount of hedge fund assets in September, the third consecutive month that the index has fallen. The fall, compared to stable markets and good hedge fund performance, has shown that hedge fund investors are still using the secondary markets to resolve discrepancies on their balance sheets, rather than generating liquidity. The need for such services has driven higher volume on the secondary markets, with the number of trades for the year up 15 per cent on those for 2008.

Elias Tueta, co-founder of Hedgebay, says: "The financial crisis, and the subsequent evaporation of liquidity, has caused the demand for the secondary market to accelerate. The volume of trades now being done by buyers and sellers seeking liquidity has contributed to the secondary hedge fund market becoming an established industry. The secondary hedge fund market now has a much greater number of investors, and they demand more detailed information on how the market is functioning. The industry needs an index to cater to this growth, and as the market leader, we felt it was incumbent on us to provide it."

The index primarily targets investors in hedge funds, such as fund of hedge funds, pension funds, endowments, foundations, insurance companies, family offices, wealth managers and HNWIs. However, Tueta believes that the index also provides pertinent information for the wider global investment and financial services industry, including leverage providers, regulators, investment banks and prime brokers.

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