

CTAs down on performance, gaining assets

Stockholm (HedgeNordic) – A monthly update by Eurekahedge shows CTA/managed futures funds saw the net inflows even though they recorded performance-based losses of 2,4 billion Dollars. Performance-driven asset losses for CTA were the highest in October of all hedge fund strategies as the Eurekahedge CTA/Managed Futures Index fell into negative territory, losing 1.0%.

“On the whole, the October market swing affected the performance of a majority of trend-following CTAs – some of which ended the month in negative territory, while some funds managed to eke out a positive gain during the month, as the decline in commodity prices particular energy resumed after a brief reversal,” Eurekahedge noted.

On the year, CTA/managed futures funds have grown their asset base by 16.8% to 238 billion Dollars. Net investor inflows were 29,8 billion Dollars, the second highest inflow of any hedge fund strategy. Last year in comparison investors withdrew 16 billion Dollars from the sector despite strong returns. CTA’s inflow was second only to long/short equity mandated funds. These strategies were able to record the highest net inflow in October of 2.3 billion Dollars, bringing their YTD inflow to 31.5 billion Dollars.

Nordic CTAs too had a difficult month in October. Early indications showed a loss of as much as -3,7%. With all programs having reported their monthly returns, the sector managed to claw back some territory, yet with now a 100% conviction, the final number for the NHX CTA index still stands at -3.1% for the month and -2,8% for the year. NHX composite added 0,8% in October and is up by 3% year to date.

Trend followers were the hardest hit among the CTA strategies with the high leverage version of Estlander’s Alpha Trend II Class P program being down as much as 18 % on the month. SEB Asset Selection also had a difficult month with the standard leverage program down 3.9% and the Opportunistic version down by 7.6%.

Among the better performing programs, short-term strategies such as Estlander Presto and Romanesco Persistence stood out. Both programs are still in the red for the year however.



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