

Nordic CTAs - rock solid start to 2016

Stockholm (HedgeNordic) - Nordic CTAs had a rock solid start to 2016. Summarizing the performance for the first quarter reveals that the NHX CTA, a composite index of all CTA programs in the Nordics, gained 6,1% during the period, thereby more than recovering the losses from the previous year in a three month stretch. NHX CTA outperformed global benchmarks, both in absolute and risk adjusted terms.

There were no negative numbers to be reported during the period as the accumulated gains that were recorded in January and February were more than enough to cope with the losses experienced in March. Managers overall benefited from the turbulence experienced in the first two months exploiting the bearish trends that developed in commodities and equities while holding on to long fixed income positions.

Among individual programs, IPM Systematic Macro, RPM Evolving CTA and IPM Systematic Currency stood out as the strongest performers in absolute terms. On a risk adjusted basis, the two funds from IPM came out on top (see chart 1 below).

Having experienced a dull year in 2015, the CTA industry seems to be back on track following the pick-up in volatility seen in the first quarter of 2016. Once again, the strategy shows its worth in times of equity market distress. It remains to be seen if the March downturn was just a temporary setback in a long-term positive trend for the CTA industry, an increased risk awareness in global financial markets suggest more pressure on risk assets and more volatility ahead, a market typically loved by the strategy.

Table 1. Performance ranking Nordic CTAs - Q1 2016

Manager/Program	Volatility*	Jan	Feb	Mar	Q1 2016	2015
Trend Following						
Alfakraft ALFA Commodity Fund	16,5%	4,5%	3,7%	-1,4%	6,8%	-5,1%
LYNX	14,7%	2,2%	3,5%	-0,1%	5,7%	-7,9%
Estlander & Partners Alpha Trend	11,4%	5,5%	4,5%	-3,8%	6,1%	0,7%
Nordea 1 Heracles Long/Short MI Fund	11,4%	5,6%	2,3%	-5,5%	2,2%	-13,0%
SEB Asset Selection	9,5%	4,2%	1,8%	-2,8%	3,2%	-1,5%
SEB Asset Selection Opportunistic	18,2%	8,0%	3,2%	-5,1%	5,8%	-2,8%
Average	13,6%	5,0%	3,2%	-3,1%	4,9%	-4,9%
Macro/Fundamental						
IPM Systematic Macro	9,8%	6,3%	5,3%	-1,7%	10,1%	4,4%
Average	9,8%	6,3%	5,3%	-1,7%	10,1%	4,4%
Commodities						
MG Commodity	3,1%	1,1%	-0,2%	0,9%	1,8%	12,5%
Average	3,1%	1,1%	-0,2%	0,9%	1,8%	12,5%
Currencies						
IPM Systematic Currency	9,2%	3,5%	4,9%	-1,5%	6,9%	2,6%
Average	9,2%	3,5%	4,9%	-1,5%	6,9%	2,6%
Short-Term						
Estlander & Partners Presto	10,6%	-0,3%	3,4%	-0,5%	2,6%	-6,4%
Average	10,6%	-0,3%	3,4%	-0,5%	2,6%	-6,4%
Multi-Manager						
RPM Evolving CTA Fund	17,2%	7,5%	4,8%	-2,2%	10,1%	-4,1%
RPM Galaxy Fund	21,0%	4,2%	6,2%	-5,3%	4,7%	3,1%
Average	19,1%	5,9%	5,5%	-3,8%	7,4%	-0,5%
Nordic CTA Average	11,7%	4,0%	3,3%	-2,2%	5,1%	-1,3%
Benchmark						
Barclay BTOP50	8,0%	2,9%	2,3%	-2,9%	2,2%	-1,0%
SG CTA Index	8,8%	4,2%	3,0%	-3,0%	4,1%	0,0%
SG Trend Index	11,0%	3,8%	2,4%	-2,9%	3,2%	0,1%
NHX CTA	10,2%	5,1%	4,3%	-3,2%	6,1%	-2,2%
Benchmark Average	9,5%	4,0%	3,0%	-3,0%	3,9%	-0,8%

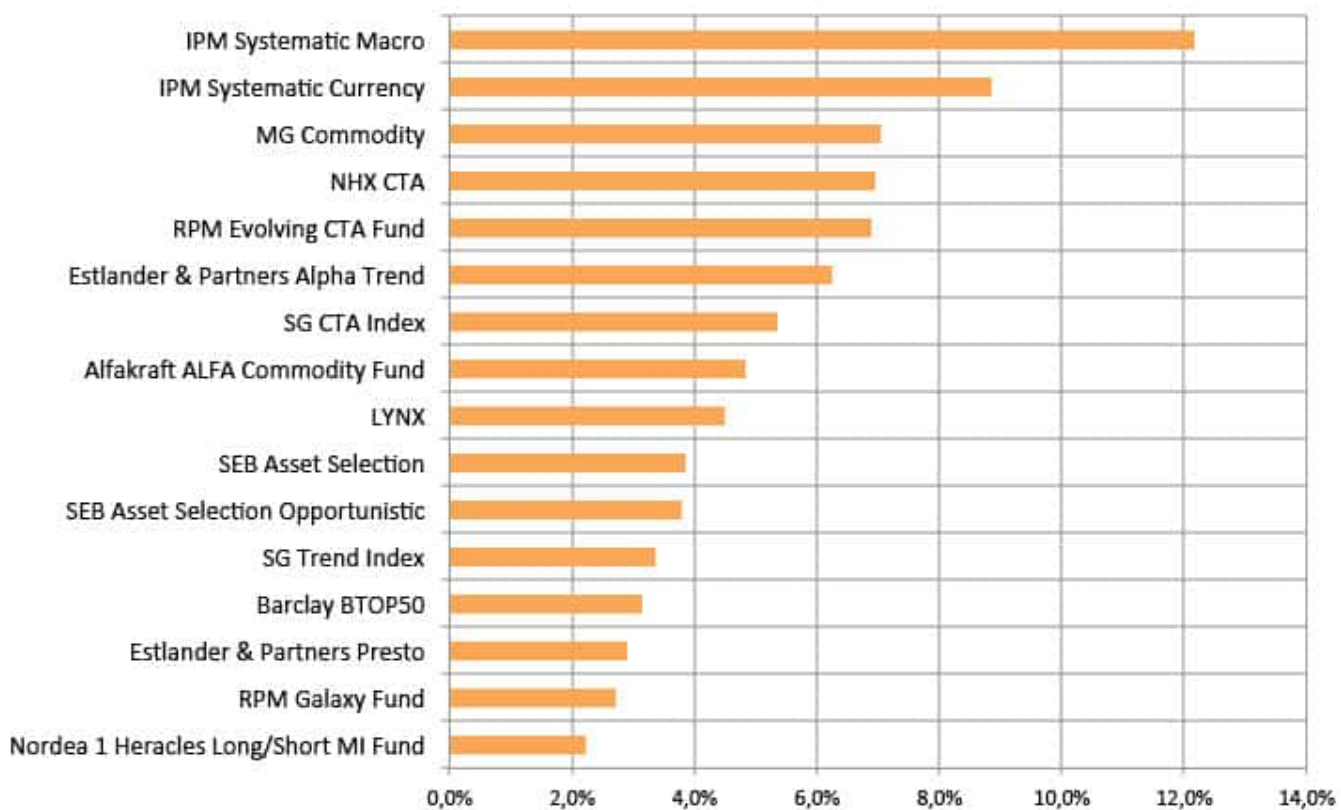
*Volatility measured on 24-month rolling window. Source: HedgeNordic, BarclayHedge, SG Prime Services

Table 2. Risk-adjusted performance ranking Nordic CTAs - Q1 2016

Manager/Program	Volatility**	Jan	Feb	Mar	Q1 2016	2015
Trend Following						
Alfakraft ALFA Commodity Fund	11,7%	3,2%	2,7%	-1,0%	4,8%	-3,4%
LYNX	11,7%	1,7%	2,8%	-0,1%	4,5%	-6,2%
Estlander & Partners Alpha Trend	11,7%	5,7%	4,6%	-3,9%	6,2%	0,7%
Nordea 1 Heracles Long/Short MI Fund	11,7%	5,8%	2,4%	-5,6%	2,2%	-13,4%
SEB Asset Selection	11,7%	5,2%	2,3%	-3,4%	3,9%	-2,0%
SEB Asset Selection Opportunistic	11,7%	5,2%	2,0%	-3,3%	3,8%	-1,4%
Average	11,7%	4,5%	2,8%	-2,9%	4,2%	-4,3%
Macro/Fundamental						
IPM Systematic Macro	11,7%	7,6%	6,4%	-2,0%	12,2%	5,3%
Average	11,7%	7,6%	6,4%	-2,0%	12,2%	5,3%
Commodities						
MG Commodity	11,7%	4,3%	-0,9%	3,6%	7,1%	55,5%
Average	11,7%	4,3%	-0,9%	3,6%	7,1%	55,5%
Currencies						
IPM Systematic Currency	11,7%	4,5%	6,2%	-1,9%	8,8%	3,2%
Average	11,7%	4,5%	6,2%	-1,9%	8,8%	3,2%
Short-Term						
Estlander & Partners Presto	11,7%	-0,3%	3,8%	-0,5%	2,9%	-7,2%
Average	11,7%	-0,3%	3,8%	-0,5%	2,9%	-7,2%
Multi-Manager						
RPM Evolving CTA Fund	11,7%	5,1%	3,2%	-1,5%	6,9%	-2,5%
RPM Galaxy Fund	11,7%	2,3%	3,4%	-3,0%	2,7%	2,5%
Average	11,7%	5,1%	3,2%	-1,5%	6,9%	-2,5%
Nordic CTA Average	11,7%	4,5%	3,3%	-1,9%	5,9%	4,0%
Benchmarks						
Barclay BTOP50	11,7%	4,2%	3,3%	-4,2%	3,1%	-1,7%
SG CTA Index	11,7%	5,6%	4,0%	-4,0%	5,4%	-0,1%
SG Trend Index	11,7%	4,0%	2,6%	-3,1%	3,4%	0,0%
NHX CTA	11,7%	5,8%	4,9%	-3,7%	7,0%	-2,6%
Benchmark Average	11,7%	4,9%	3,7%	-3,7%	4,7%	-1,1%

**All programs adjusted to the average annualized volatility of Nordic CTAs (11,7%). Source: Own calculation based on data from HedgeNordic, BarclayHedge, SG Prime Services

Chart 1. Risk-adjusted performance ranking of individual CTA programs - Q1 2016



Risk-adjusted performance ranking of Nordic CTAs, all programs adjusted to average annualised volatility of Nordic CTAs

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