

CTAs saved by the Brexit-bell in second quarter

Stockholm (HedgeNordic) – In what looked to become a negative second quarter for the CTA industry following weak numbers in April and May, was to become a positive one as financial markets reacted forcefully to the Brexit vote in June. The event reinforced longer term bullish trends in fixed income and precious metals markets while triggering some significant moves in currencies, playing in the hands of the CTA community.

Nordic CTAs, as expressed by the NHX CTA Index, outperformed global benchmarks during the quarter with a net gain of 0.3%. The Barclay BTOP50 Index (-1.6%) as well as the SG Trend Index (-1.2%) posted losses in Q2 while the SG CTA Index (+0.1%) was marginally positive.

On an individual manager basis, the IPM Currency fund stood out with a net gain of 8.9% during the quarter, adding 6.7% in June alone. According to the managers monthly comment, the portfolio enjoyed large positive contributions from its developed currency portfolio, which benefited as investors sold the GBP in favour of safe haven currencies like the JPY and CHF (see separate HedgeNordic article here).

MG Commodity was the second best performer on a risk-adjusted basis, adding to its recent strong showing. The program had a very strong 2015 (+12.5%), especially considering its low volatility profile and has added another 4.3% in the first six months of 2016.

On the trend following side, Lynx put in a remarkable June (see separate story) adding 10.3%, which brought Q2 performance to +5.1% and year-to-date numbers to +10.1%, significantly outperforming global peers. SEB Asset Selection Opportunistic and Nordea Heracles also had a strong June with net gains of 8.5% and 7.5% respectively.

On the multi-manager front, the two funds from RPM; Evolving and Galaxy, gained 0.7% and 1.4% during the quarter, holding on to solid returns for the full year with Evolving being up 10.9% and Galaxy up 6.2%.

The complete rankings of Nordic CTAs, compiled by HedgeNordic and compared both in absolute and risk-adjusted terms, are shown below.

Nordic CTAs - Performance overview, Q2 2016

Manager/Program	Volatility*	Apr	May	Jun	Q2 2016	2016
Trend Following						
Alfakraft ALFA Commodity Fund	15,0%	3,1%	0,7%	-2,4%	1,3%	8,2%
LYNX	16,3%	-0,1%	-4,6%	10,3%	5,1%	10,1%
Estlander & Partners Alpha Trend	11,9%	-1,4%	-4,7%	4,3%	-2,0%	3,9%
Nordea 1 Heracles Long/Short MI Fund	12,3%	-2,3%	-2,1%	7,5%	2,8%	5,0%
SEB Asset Selection	10,0%	-0,8%	-2,2%	4,6%	1,5%	4,7%
SEB Asset Selection Opportunistic	18,9%	-1,6%	-4,1%	8,5%	2,3%	8,3%
Average	14,1%	-0,5%	-2,8%	5,5%	1,8%	6,7%
Macro/Fundamental						
IPM Systematic Macro	10,2%	3,8%	-3,2%	-0,5%	0,0%	10,1%
Average	10,2%	3,8%	-3,2%	-0,5%	0,0%	10,1%
Commodities						
MG Commodity	3,0%	1,6%	-0,6%	1,4%	2,4%	4,3%
Average	3,0%	1,6%	-0,6%	1,4%	2,4%	4,3%
Currencies						
IPM Systematic Currency	9,9%	2,4%	-0,4%	6,7%	8,9%	16,4%
Average	9,9%	2,4%	-0,4%	6,7%	8,9%	16,4%
Short-Term						
Estlander & Partners Presto	10,3%	-0,1%	2,3%	-0,9%	1,2%	3,9%
Average	10,3%	-0,1%	2,3%	-0,9%	1,2%	3,9%
Multi-Manager						
RPM Evolving CTA Fund	17,2%	-2,0%	-2,2%	5,1%	0,7%	10,9%
RPM Galaxy Fund	21,8%	-3,8%	-2,7%	8,3%	1,4%	6,2%
Average	19,5%	-2,9%	-2,5%	6,7%	1,1%	8,6%
Nordic CTA Average	12,0%	-0,1%	-1,8%	4,1%	2,0%	7,1%
Benchmark						
Barclay BTOP50	8,4%	-2,1%	-1,6%	2,1%	-1,6%	0,5%
SG CTA Index	9,5%	-2,2%	-2,1%	4,5%	0,1%	4,2%
SG Trend Index	11,9%	-3,7%	-2,7%	5,4%	-1,2%	1,9%
NHX CTA	10,3%	-0,6%	-3,0%	4,1%	0,3%	6,4%
Benchmark Average	10,0%	-2,2%	-2,3%	4,0%	-0,6%	3,2%

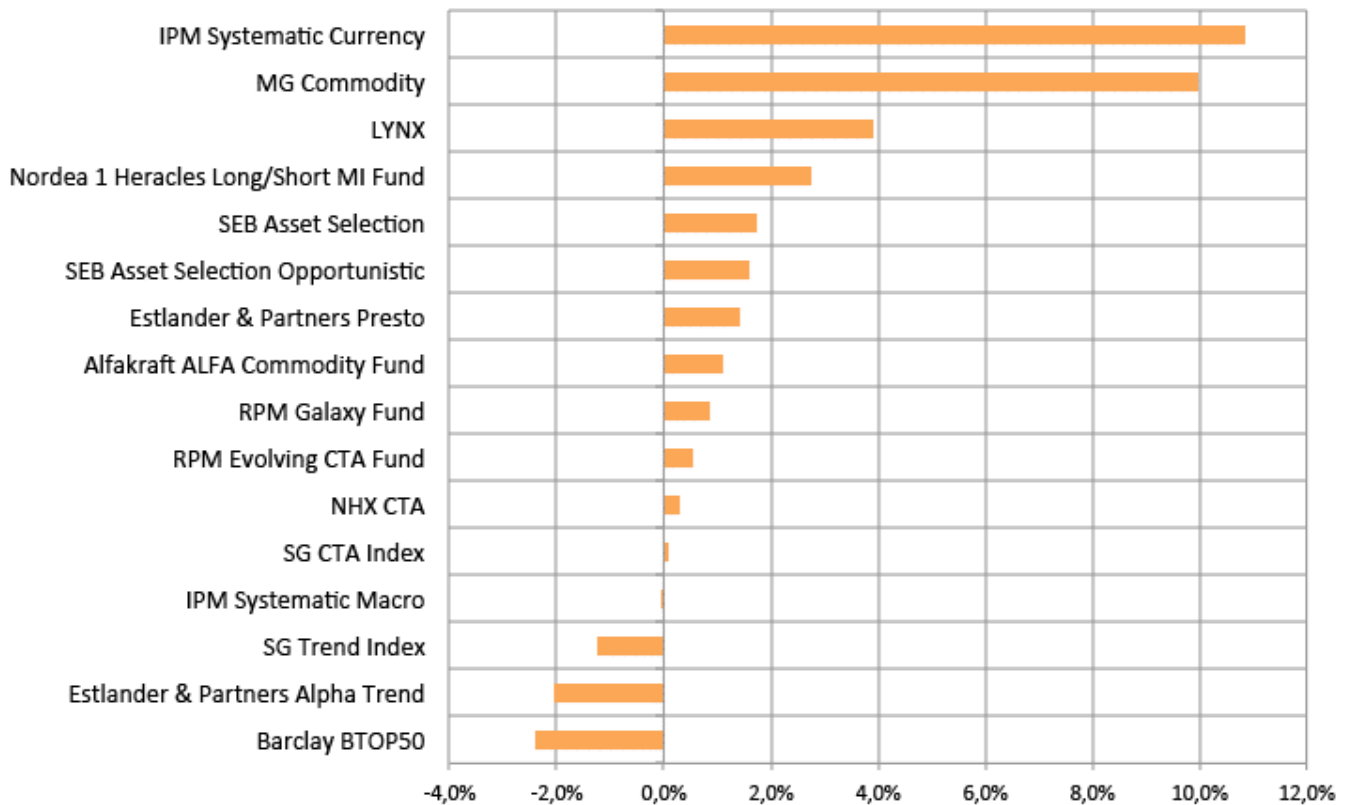
Overview of Nordic CTA performance and benchmarks in Q2, 2016. Source: HedgeNordic, SG Prime Services, BarclayHedge *Volatility calculated over the last 24 months

Nordic CTAs - Performance overview risk-adjusted, Q2 2016

Manager/Program	Volatility**	Apr	May	Jun	Q2 2016	2016
Trend Following						
Alfakraft ALFA Commodity Fund	12,0%	2,5%	0,5%	-1,9%	1,1%	6,6%
LYNX	12,0%	-0,1%	-3,4%	7,6%	3,9%	7,5%
Estlander & Partners Alpha Trend	12,0%	-1,5%	-4,7%	4,3%	-2,1%	3,9%
Nordea 1 Heracles Long/Short MI Fund	12,0%	-2,2%	-2,0%	7,3%	2,8%	4,9%
SEB Asset Selection	12,0%	-1,0%	-2,6%	5,5%	1,7%	5,6%
SEB Asset Selection Opportunistic	12,0%	-1,0%	-2,6%	5,4%	1,6%	5,4%
Average	12,0%	-0,6%	-2,5%	4,7%	1,5%	5,7%
Macro/Fundamental						
IPM Systematic Macro	12,0%	4,5%	-3,8%	-0,6%	-0,1%	12,0%
Average	12,0%	4,5%	-3,8%	-0,6%	-0,1%	12,0%
Commodities						
MG Commodity	12,0%	6,6%	-2,3%	5,6%	10,0%	18,2%
Average	12,0%	6,6%	-2,3%	5,6%	10,0%	18,2%
Currencies						
IPM Systematic Currency	12,0%	3,0%	-0,5%	8,2%	10,9%	20,2%
Average	12,0%	3,0%	-0,5%	8,2%	10,9%	20,2%
Short-Term						
Estlander & Partners Presto	12,0%	-0,1%	2,6%	-1,1%	1,4%	4,5%
Average	12,0%	-0,1%	2,6%	-1,1%	1,4%	4,5%
Multi-Manager						
RPM Evolving CTA Fund	12,0%	-1,4%	-1,5%	3,6%	0,5%	7,7%
RPM Galaxy Fund	12,0%	-2,1%	-1,5%	4,6%	0,9%	3,6%
Average	12,0%	-1,4%	-1,5%	3,6%	0,5%	7,7%
Nordic CTA Average	12,0%	0,8%	-2,2%	4,4%	3,0%	9,0%
Benchmarks						
Barclay BTOP50	12,0%	-3,1%	-2,3%	3,1%	-2,4%	0,6%
SG CTA Index	12,0%	-2,8%	-2,6%	5,7%	0,1%	5,2%
SG Trend Index	12,0%	-3,7%	-2,7%	5,4%	-1,3%	1,9%
NHX CTA	12,0%	-0,8%	-3,5%	4,8%	0,3%	7,4%
Benchmark Average	12,0%	-2,6%	-2,8%	4,7%	-0,8%	3,8%

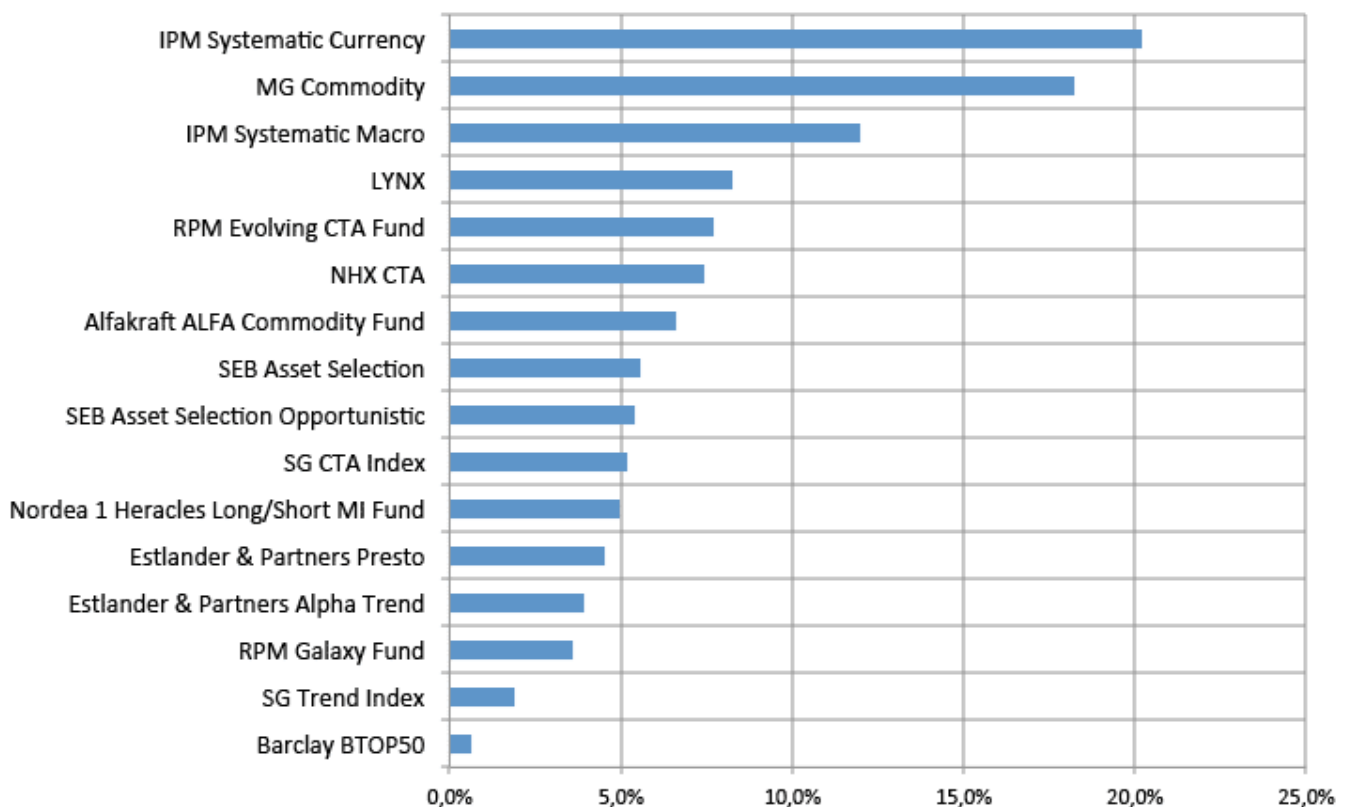
Overview of Nordic CTA performance and benchmarks in Q2, 2016. All programs adjusted to same volatility. Source: HedgeNordic, SG Prime Services, BarclayHedge. ** Volatility adjusted to the average volatility of Nordic CTAs as measured on a rolling 24-month basis

Nordic CTAs - QTD performance ranking risk-adjusted, Q2 2016



Performance ranking of Nordic CTAs in the second quarter 2016. All programs adjusted to equal volatility (12%). Source: HedgeNordic, Barclayhedge, SG Prime Services

Nordic CTAs - YTD performance ranking risk-adjusted, Q2 2016



Performance ranking of Nordic CTAs for the full year 2016. All programs adjusted to equal volatility (12%). Source: HedgeNordic, Barclayhedge, SG Prime Services