

Trend-Following Alfa Axiom Fund Stages a Comeback in July

Stockholm (HedgeNordic) – Trend-following fund Alfa Axiom Fund generated a whopping return of 8.30% in July, reducing the fund's year-to-date loss to 5.15%. This represents the fund's most profitable month since achieving a return of 8.38% in January 2015. The July return came as a breath of fresh air for Alfa Axiom Fund, as the fund was down a worrying 12.42% in the first half of 2017.

The lackluster performance experienced by many trend-following CTAs in the last couple of months was mostly attributable to a lack of volatility. Specifically, a lack of directional volatility hurt performance within the universe of CTA funds. However, Nordic CTA funds, as measured by the NHX CTA Index, staged a comeback in July, returning 2.37% in the first month of the second half of 2017. The CTA family of funds was by far the best performing sub-category within the NHX universe in July.

Alfa Axiom Fund's largest drivers of performance at the beginning of July were the fund's long positions in the grain markets, as well as short positions in European and American bonds. During the last several days of the month, the fund managed to add another 1.5 percentage points to the final performance figure despite experiencing headwinds for a couple of days. Alfa Axiom Fund ended up taking profits across the board, leaving only a few small positions: long positions in the British pound and the Euro, as well as gasoline and heating oil.

After enjoying the 8.30% return in July, fund manager Thomas Stridsman believes achieving a good profit for the year is "certainly within reach." Nonetheless, Alfa Axiom Fund needs a far-fetched 18 percentage-point gain to reach a new equity high, after the fund suffered losses both in 2015 and 2016.