

CTAs Retreat Again

Stockholm (HedgeNordic) – Nordic CTAs were unable to build on the positive performance experienced in October as November showed a loss of 1.3 percent for the NHX CTA index. There was significant dispersion among individual managers' performance during the month with the best fund (SEB Asset Selection Opportunistic) adding 0.9 percent, while the worst performer (Coeli Prognosis Machines) lost 4.3 percent.

For the year-to-date, the NHX CTA Index shows a loss of 1.9 percent and is thereby the only NHX strategy subset being in the red as the year is coming to a close. The NHX CTA index remains in its deepest and longest drawdown since inception in 2005.

The year has proved difficult for most CTAs, particularly for those employing trend-following systems. The SG Trend Index, a widely followed benchmark for trend following strategies, remains in negative territory for the year while the broader SG CTA Index is up slightly so far this year.

Trend followers in the Nordics have suffered losses overall. Estlander Alpha Trend (-10.2%), RPM Evolving CTA Fund (-9.2%), Alfa Axiom (-5.4%) and Lynx (-5.2%) are among the trend following funds experiencing the most difficult trading conditions. SEB Asset Selection has performed relatively well being flat on the year.

The top-performing Nordic CTA Funds in 2017, disregarding differences in volatility levels, are Alfa Sigma Opportunities (+12.3%), MG Commodity (+10.1%), and Nordea 1 – Heracles Long/Short MI Fund (+6.7%).

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