



Flat End of Summer for CTAs

Stockholm (HedgeNordic) - After enjoying their best month in more than two years in July, Nordic CTAs edged down by 0.2 percent on average last month (94 percent reported). Nordic CTAs were the only NHX sub-strategy to post losses in August. The group is now up 0.6 percent for the year. After netting about 23 percent in the first quarter of the year, Swedish **Volt Diversified Alpha Fund** added to its string of gains in August to bring the year-to-date advance to 34.2 percent.

Equities and commodities rallied over the course of August, whereas fixed-income markets sold off, catching some Nordic CTAs long on fixed income off guard. **Volt Diversified Alpha Fund**, one of the best-performing hedge funds in the Nordics year-to-date, was last month's best performer in the 17-member NHX CTA. The diversified systematic trading vehicle, which uses machine learning and fundamental to capture price moves across markets, gained an estimated 2.7 percent last month.

The Volt Program powering Volt Diversified Alpha profited from long positions in soft commodities and short positions in fixed income and the U.S. dollar. "Currency trading posted profits on the back of the continued weakness of the U.S. dollar," writes the Volt team led by CIO Patrik Säfvenblad (*pictured*) in an update to investors. Because Volt's fundamental program evaluates each market

on a stand-alone basis, “in August, this allowed us to capture expected profits on the long side of equities and commodities, as well as less expected profits on the short side of fixed income.”

Systematic trend-following fund **Lynx (Sweden)**, on the other hand, was caught off guard by the weakness in fixed-income markets. After gaining 7.5 percent in July, Lynx (Sweden) ended August flat as gains enjoyed in equity indices and currencies were offset by losses from trading interest-rates and commodities.

Calculo Evolution Fund, an artificial intelligence-assisted trend-following commodity fund, was last month’s second best-performing member of the NHX CTA with a gain of 0.9 percent. **NS Quant**, currently the second best-performing member of the NHX CTA in 2020 with a year-to-date return of 12.8 percent, gained a similar 0.9 percent last month. According to Calculo Evolution Fund’s portfolio manager Philip Engel Carlsson, “commodities continued their strong rebound from the pandemic-led slump seen during the first quarter and delivered +0.94% to the portfolio.” Carlsson goes on to say that “all sectors traded higher in August with the key drivers being weather worries, the weaker U.S. dollar, improved macroeconomic data and also a rising focus on inflation.”

According to the founder and portfolio manager of Calculo Evolution Fund, “while natural gas jumped on rising demand due to hot weather and the hurricane threat to production, it was the ongoing rally across key agriculture commodities that received most of the attention.” Machine learning strategy **Lynx Constellation**, meanwhile, saw the strong rally in natural gas prices as its primary detractor last month. Lynx Constellation fell an estimated 1.9 percent last month to take the year-to-date performance to a negative 0.7 percent.

The fund family run by Finnish systematic asset manager Estlander & Partners, which had been performing relatively well in 2020, also struggled during the month of August. The asset manager’s pure trend-following strategy, **Estlander & Partners Alpha Trend**, was down 3.3 percent last month to bring the year-to-date advance to 5.2 percent. **Estlander & Partners Freedom**, meanwhile, fell by 2.1 percent to take the 2020 performance to 9.4 percent. Estlander & Partners Freedom currently ranks as this year’s third best-performing member of the NHX CTA. **Estlander & Partners Glaciers**, a futures-based cross-asset multi-factor vehicle, was down 0.5 percent in August.