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Round Table Discussion: Managed Futures / CTA



Editor's Note...

Imposter Syndrome in Extraordinary Company

My job regularly puts me in front of people whose ideas and decisions reshape financial markets. Some of them have built empires from scratch. Some have outsmarted the smartest and reshaped entire corners of financial markets. Some manage money at a scale that bends asset classes. Others design systems so elegant and powerful that they deserve to hang in museums. I meet founders, pioneers, risk-takers, polymaths, and the occasional genius disguised in Patagonia fleece. Some of them I read about in books when I first entered the world of financial markets.

And then, every year, I get to host HedgeNordic's CTA

Roundtable. Once the lineup starts to take shape, comes the moment I am reminded that whatever league I thought I was playing in, this is a different one entirely. The feeling starts long before the event. As the preparation begins, as we gather topics, as the calls come in, it becomes painfully obvious: I am the kid who was clumsily kicking a ball in the backyard and somehow finds himself beamed straight into the World Cup final. Floodlights on. Stadium roaring. And I'm still wearing the wrong boots.

Sure, I am "just" the moderator. My job is to ask reasonably relevant questions, keep time, steer the

debate, and try not to embarrass myself in front of people who can outrun me in oh so many fields. That creeping sense of being the imposter in the room never completely goes away. Not here.

You see, CTA managers do not just trade markets. They compete on the sharpest edges of the global financial system, and usually on leverage. They take positions in the world's most liquid, contested, information-rich arenas. Their opponents are not weekend hobbyists. CTAs compete in the arenas dominated by the biggest banks, the most sophisticated hedge funds, the largest corporates hedging global supply chains, algorithmic powerhouses, central banks, sovereign wealth funds, and institutions armed with every technological and intellectual advantage imaginable.

And then there are the specialists, the masters of the niche and the obscure. The ones who trade markets you didn't even know had tickers. The ones who can explain the difference between two seemingly identical contracts and why that difference makes or breaks the year. Their insight runs deep into market microstructure, liquidity, behavioral patterns, geopolitical shocks, and regime shifts. It is a level of knowledge that makes you sit back in awe.

These people play the Premier League of investing. And they play globally. Against the best. At full speed. In real time. Twenty-four hours a day, 365 days a year.

And yet, every year, despite the discomforts a November in Stockholm brings, they make the journey to gather for this roundtable. It started as small regional forum that has somehow become a genuine tradition in the managed futures world. What makes it unique is the absence of the usual noise that surrounds more public forums.

Without audiences to impress or agendas to advance, the conversation becomes what it was always meant to be: practitioners speaking openly among peers, exchanging perspectives, challenging each other, and exploring, each in their own way, the merits and purpose of this craft. I like to believe they come out of curiosity, collegiality, and a shared passion for this strange and beautiful business of following trends in a world that rarely wants to be followed. And of course, they come to test ideas, to spar with peers, and to add their voice to a conversation that strengthens the entire space.

The privilege for me lies less in hosting, but in witnessing and being part of a group of peers who genuinely value open, honest, real-world dialogue. It is that these managers believe conversations like this matter, and that in today's high paced, abstract, artificial and digital world, meeting up, shaking hands, sharing war stories and laughs while sitting around a table, breaking bread and debating issues face to face still matters.

It is humbling. It is inspiring. And through the write-up in this paper, you too get more than a seat in the room. You gain access to one of the few places in this industry where ideas are challenged honestly, where practitioners speak without filters, and where the realities of trading are examined in real time. In these pages, you are not just a spider on the wall but are part of a conversation that rarely happens in public.



KAMRAN GHALITSCHI
PUBLISHER, HEDGENORDIC

PARTICIPANTS:

THE ROUND TABLE DISCUSSION TOOK PLACE IN STOCKHOLM, SWEDEN, ON NOVEMBER 18, 2025.



Kathryn Kaminski
Chief Research Strategist, PM



Razvan Remsing
Director of Investment Solutions



Joseph "Joe" Kelly
Partner, Managing Director



Jerry Parker
CEO



Andrew Beer
Managing Member



Thomas Babbedge
Co-Head & Chief Scientist



As Chief Research Strategist at AlphaSimplex, Kaminski conducts applied research, leads strategic research initiatives, focuses on portfolio construction and risk management, and product development.

Kaminski is a member of the Investment Committee and serves as a co-portfolio manager for the AlphaSimplex Managed Futures Strategy.

Prior, she held portfolio management positions as director, investment strategies at Campbell and Company and as a senior investment analyst at RPM.

Kaminski has taught at the MIT Sloan School of Management, the Stockholm School of Economics and the Swedish Royal Institute of Technology.

Kaminski earned a S.B. in Electrical Engineering and Ph.D. in Operations Research from MIT.



Razvan Remsing joined Aspect Capital, in 2010 and is Director of Investment Solutions. He is also a member of the Investment Committee, responsible for reviewing and approving all research leading to new or improved trading strategies, as well as for the ongoing monitoring of existing strategies and client portfolios.

Remsing's role spans product development and research functions at Aspect as well as heading the team that provides quantitative expertise to Aspect's clients on the investment process and the development of new product ideas. His primary responsibility is client engagement on matters relating to strategies, products, performance and research.

Prior to joining Aspect, Remsing worked at Skybound Capital, Clear Horizon Capital, and PeregrineQuant (now Vunani Fund Managers). He graduated with distinctions in Mathematics, Applied Mathematics and Physics from Rhodes University. He holds a BSc (Hons) in Theoretical Physics from Wits University and was awarded an MSc in Financial Mathematics from the University of Cape Town and is a CFA Charter holder.



Joe Kelly is a Partner and a Member of the Board of Directors of the controlling entity Campbell & Company, LLC.

As the Global Head of Institutional Solutions, Mr. Kelly manages the team responsible for Institutional partnerships and Consultant Relations.

Kelly has 30 years of experience across various roles in derivatives trading and alternatives asset management, including: Head of Alternatives for Russell Investments' Americas Institutional business, Founder and EVP of fintech start-up iOptions Group, LLC, and Senior Derivatives Trader managing the CME profit center for the Hull Group (HF volatility firm acquired by Goldman Sachs in 1998).

Kelly holds a B.A in International Relations from the University of Pennsylvania.



Jerry Parker is the Chairman and CEO of Chesapeake Capital and Chesapeake Holding Company. Parker received a BSc degree in Commerce with an emphasis in Accounting from the University of Virginia in January 1980.

Parker started his trading career in 1983 as an exempt commodity trading advisor for Mr. Richard J. Dennis, in his "Turtle" training program.

Parker, a portfolio manager, has overseen Chesapeake's operations and its trading since its inception in February 1988.



Andrew Beer is the founder, a Managing Member and Co-Portfolio Manager of DBi. Andrew has been in the hedge fund business since 1994, when he joined the Baupost Group, Inc., focusing on value investing. In 2003, Beer was a founder of Pinnacle Asset Management and also a founder of Apex Capital Management, one of the earliest hedge funds focused on the Greater China. He began his career as a mergers and acquisitions investment banker at James D. Wolfensohn Inc.

Beer is a frequent speaker on hedge fund investment strategies and industry dynamics and is an active contributor to various industry publications. Beer formerly was a member of the Board of Directors of the US Fund for UNICEF.

He received his Master of Business Administration degree, as a Baker Scholar, from Harvard Business School and his Bachelor of Arts degree, magna cum laude, from Harvard College.



Dr. Thomas Babbedge is Co-Head & Chief Scientist, GreshamQuant. He is responsible for developing the underlying methods and codebase for the firm's systematic managed futures strategies, as well as on-going research into new trading systems, portfolio construction and risk management.

Prior to joining Gresham in 2016, Babbedge was a Senior Researcher at Winton Capital Ltd. During his time there he was, amongst other roles, Head of Investment Analytics and personal researcher for both David Harding (Founder) and Prof. David Hand (Chief Scientific Advisor).

Previously, Babbedge was a post-doctoral researcher in the Astrophysics group at Imperial College London (2004-2007), working on galaxy evolution, modelling and observations. Babbedge holds a Ph.D. in Extragalactic Astrophysics from Imperial College London and a Masters in Physics with Astronomy from Bristol University.

PARTICIPANTS:

THE ROUND TABLE DISCUSSION TOOK PLACE IN STOCKHOLM, SWEDEN, ON NOVEMBER 18, 2025.



Martin Källström
CEO



Moritz Seibert
Founder & CEO



Harold de Boer
Observer

L Y N X

Martin Källström is the CEO and a Partner of Lynx Asset Management.

Before joining Lynx in 2018, Martin worked for The First Swedish National Pension Fund (AP1) for 11 years as Head of Alternative Investments. At AP1 he successfully built a team and managed a USD 10 bn portfolio of hedge funds, private equity, real estate, infrastructure and farmland investments.

Prior to joining AP Källström created and headed the investment and actuarial consulting business for Aon in the Nordics.

He started his career as an actuary with Watson Wyatt and holds a MSc in Finance from Stockholm University.

TAKAHĒ

Moritz Seibert is the founder and principal investment manager of TAKAHĒ Capital.

He began his professional career as a derivatives trader at HSBC in Germany.

Later, he worked for RBS, where he was responsible for the bank's equity derivatives structuring business. In 2012, Moritz co-founded Aquantum, a Munich-based systematic CTA focused on trend following and spread trading strategies. Subsequently, Moritz served as the CEO and CIO of Munich Re Investment Partners, a quantitative asset management firm focused on institutional investment solutions.

He also hosts the Open Interest podcast series on Top Traders Unplugged.



Harold de Boer is the architect of Transtrend's Diversified Trend Program, responsible for R&D, portfolio management and trading. Harold was born and raised on a dairy farm in Drenthe.

From a young age, he has been intrigued by linking mathematics to the real world around us. In the final phase of his studies, while working on the project that would later become Transtrend, he became fascinated by the concept of leptokurtosis – or 'fat tails' – in probability distributions, a topic which has inspired him throughout his career.

De Boer's approach to markets is best described as a combination of a farmer's common sense and mathematics, never losing sight of the underlying fundamentals.



**“Chance favors
the prepared mind.”**

Louis Pasteur



Participants (left to right): Jerry Parker (Chesapeake), Kathryn Kaminski (AlphaSimplex), Joe Kelly (Campbell), Thomas Babbedge (GreshamQuant), Andrew Beer (DBI), Kamran Ghalitschi (HedgeNordic), Harold de Boer (Transtrend), Martin Källström (Lynx), Moritz Seibert (Takahē), Razvan Remsing (Aspect)

ROUND TABLE DISCUSSION

MANAGED FUTURES / CTA

THE ROUND TABLE DISCUSSION TOOK PLACE IN STOCKHOLM ON NOVEMBER 18 2025. ALL REFERENCES TO DATES, TIMELINES, PERFORMANCES, NEWS AND EVENTS ARE TO BE SEEN FROM THAT POINT IN TIME.

Some of the world's leading CTAs gather in Stockholm to dissect a turbulent year, explore widening strategy dispersion and consider what resilience looks like in an age of political shocks and unstable regimes.

2025 has been a challenging year for many trend-following strategies, not least because of the extreme market swings surrounding the "Liberation Day" announcement some strategies were still digesting on. During HedgeNordic's annual CTA roundtable on November 18 in Stockholm, participants reflected on how different market environments throughout the year tested the resilience and adaptability of various approaches. Across styles, time frames, and execution speeds, managers navigated a landscape defined by both steady trends and sudden shocks, resulting in notable dispersion in performance across the trend-following space.

MARKET VOLATILITY AND LIBERATION DAY IMPACT

To illustrate the impact of the Liberation Day announcement on trend-following strategies, Kathryn Kaminski, Chief Research Strategist at AlphaSimplex, points to a metric known as turbulence, which is defined using the Mahalanobis distance, a statistical measure of how far today's return vector deviates from its historical mean. This metric allows one to decompose each daily move into magnitude surprises (shocks) or correlation surprises (changes in relative relationships across managers). "Historically, we've occasionally had one very large shock (for example, Silicon Valley Bank, Black Friday, etc.), which is a magnitude surprise, and CTAs are very susceptible to these shocks," explains Kaminski. "During Liberation Day, we had three days of sustained magnitude surprise in markets, followed by flat movements, then followed by a strong reversal." Kaminski notes that this sequence created a particularly challenging environment for many pure trend-following systems, which typically rely on persistent market direction to adjust positioning effectively. Typical shocks

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Kathryn Kaminski



Kathryn Kaminski, AlphaSimplex

CAMPBELL

CHESAPEAKE



Martin Källström, Lynx

in the past have been one day followed by some level of positive reversal.

This kind of sustained shock is something the AlphaSimplex team has never observed in any of the historical data they have examined, which, as Kaminski notes, "gives us an idea of how extreme that particular event was." The consequence was that more classical, pure-trend strategies that rely on price data struggled the most. By contrast, Kaminski observes that "slower signals worked better in some pockets, and macro strategies that focused on the underlying fundamental information and did not overreact to the extreme price shock also performed better."

Razvan Remsing, Investment Committee Member and Head of Investment Solutions at Aspect Capital, notes that Liberation Day played out differently across manager types: difficult for a directional trend-follower, and more manageable for managers using relative-value models. Looking across the families of models employed by Aspect, from directional technical signals to more macro-oriented approaches, Remsing explains that for directional models, the slower strategies performed

better. "If you were directional and able to look through the noise, being slower helped, because the world didn't actually fall apart," he says. "But that wasn't the case everywhere. It paid to be quick in equities but not too quick, else you'd get hurt on the drop and the recovery." On the non-trend side, particularly within the macro-oriented models, Remsing observes a different dynamic. "For the more thematic models, those looking at sentiment or seasonality, the faster you went, the better it worked," he says. "We have had a really wide range of experiences across the firm's models. Trend-heavy models focused on traditional markets struggled more than those that trade more alternative markets." That effect extended all the way to China-specific markets, where Aspect saw almost no impact from Liberation Day. "Those markets were driven by entirely different factors, but overall, this year has been marked by plenty of dispersion."

Martin Källström, CEO of Lynx Asset Management, notes that 2025 has highlighted the importance of diversification, not only across trend strategies, but also across model speeds and approaches. "When it comes to trend strategies, speed has mattered a lot



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Harold de Boer

this year,” Källström says. “Given our mandate, we have an explicit objective to protect portfolios. That leads us to run relatively faster models, which performed well in the early part of the year, but have faced greater headwinds in the second half.” Longer-term strategies, he adds, have delivered more stable results, though they currently represent a smaller share of Lynx’s overall risk allocation.

Lynx’s results this year have also underscored the contribution of its non-trend models. “Our diversifying strategies, machine learning in particular, but also systematic macro, have been standout performers in 2025,” Källström says. “They have provided meaningful support at times when faster trend models struggled, reinforcing the value of maintaining a broad mix of approaches.”

For Joe Kelly at Campbell, which leans toward the multi-strategy end of the spectrum, “short-term trend models have been more disappointing, mostly due to what I’d call the strong run through Liberation Day, followed by a subsequent volatility collapse in the one- to two-day window that followed.” Trends have been “chopped up.” Yet, so-called adaptive models have fared considerably better, Kelly notes. “Everyone has their own definition, but our adaptive trend strategies performed well, positive through that period and positive year to date.” Some of the more thematic trend strategies, by contrast, largely mirrored general market trends. “What

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Joe Kelly

surprised us was the snapback in certain strategies,” he adds, before concluding that “short-term trend models were somewhat disappointing, but adaptive trend models have been a bright spot.”

Zooming in on the Liberation Day announcement and the days that followed, Razvan Remsing of Aspect Capital notes that “the starting portfolio simply wasn’t the right one for the news that was about to break,” as the strategy entered the period “slightly long the US dollar, slightly net long stock indices, and slightly short the euro.” However, Remsing points out how quickly the models adapted. “Within just a few trading sessions, the portfolio reacted so aggressively and cleanly that it provided immediate protection by the time we were staring into the abyss before the first ‘TACO.’ By the time April 9 arrived, the strategy had already moved aggressively short equities and reversed its dollar positions, fully positioning itself to capture that major risk factor. “That’s the bittersweet part,” Remsing adds, “the systems reacted exactly as designed, but the risk never actually materialized.”

Harold de Boer, Head of R&D at Transtrend, extends the analysis by distinguishing three periods: the week following Liberation Day, the period leading up to it, and the period thereafter. The distinction, he explains, comes down to how market participants interpreted the actions and rhetoric coming from the U.S. administration. “Many investment managers don’t like to talk about politics, but politics is one of the main drivers of trends.

It always has been, whether it’s government politics or central bank politics,” says de Boer. “When the market understands the policy,” de Boer notes, “it tends to move in the direction of that policy. However, since the current U.S. administration took office, it has repeatedly surprised the market by acting differently than expected. This caused massive trend reversals. And Liberation Day marked the peak of this dynamic. The announced ‘reciprocal tariffs’ turned out not to be reciprocal at all.” After that, market participants realized that “we cannot form any rational expectation anymore about what the U.S. government is doing,” de Boer says. “Having learned from experience, the market began to ignore everything the U.S. government threatened or announced it would do,” he explains. “From that point onward, the market only responded when the government actually acted – and then only in the specific markets that were directly affected. For instance, when tariffs on steel were introduced, there was only an extreme price move in U.S. steel and in the stocks of one or two U.S. steel producers, while the rest of the market barely responded.”

The resulting dynamic – recurring price spikes, often short-term and sometimes extreme, but confined to specific areas – “is ideal for a strategy like our Diversified Trend Program, which is aimed at diversification,” de Boer notes. “This diversification across markets and geographies didn’t provide protection, let alone generate returns, during the first months of the year. But soon after Liberation Day it started to work very well again.”

“While many CTAs may be 90-100 percent long equities now, trading individual stocks offers more opportunities for shorting.”

Jerry Parker

he adds. “That’s why we started making money again.” Moritz Seibert, CEO and CIO of Takahē Capital, has observed similar dynamics, where the same commodity or closely related commodities can react differently across markets. “We all felt the big shock in April. That was significant for us, but it wasn’t the only one,” Seibert explains. “We had a couple of aftershocks. When you consider the movements in copper, one lesson was that it’s important to trade across multiple copper markets, not just one.” He is referring to the fact that copper trades on several exchanges and can behave differently depending on warehouse locations and delivery mechanics, such as Comex in New York, the London Metal Exchange, and the Shanghai Futures Exchange.

Early in 2025, uncertainty over potential U.S. import tariffs on critical minerals, including silver, led traders to shift significant quantities of the metal from London to New York, aiming to pre-empt any potential levies. This initial outflow was a key factor in tightening London’s supply. “All of this was driven by trade policy, which is something we cannot forecast or build our models for,” Seibert explains.

Looking back over the year, Seibert notes that Takahē Capital had a strong start to the year, then came Liberation Day. “We didn’t incur our largest losses in equities, most of our setbacks came from certain currency and bond markets, especially JGBs.” While many market participants focus on the V-shaped

recovery in the S&P 500 Index, Seibert emphasizes, “That’s just one element among many.” Since Liberation Day, the market environment has been more fertile for Takahē Capital. “Ever since then, it’s actually been a good year. We’ve made money being short orange juice and long livestock, which now has plateaued a bit, and, of course, we’re all likely long precious metals, which has worked beautifully so far.”

GreshamQuant, in contrast to most CTA managers, navigated the Liberation Day event relatively unscathed. “For us, it has been a painful year, but where our pain has come from often differs from much of the CTA space,” says Thomas Babbedge, Co-Head and Chief Scientist at GreshamQuant. “In April, around Liberation Day, we were actually positive for the month,” he explains. “That’s largely because we focus on different risk factors than the broader CTA industry.”

“We participate in certain trends and risk exposures that others aren’t in,” says Babbedge. He elaborates that while the firm participates in trends and exposures that plot a different course, this produces lower correlations with other managers. “It reaffirms our approach of targeting distinct commodity markets, risk factors, and sensitivities compared to other managers,” he notes. “Perhaps the one thing we try to guarantee to our investors is low correlation, so our performance is rarely in line with the industry.”

Jerry Parker of Chesapeake Capital, which typically allocates one-fourth of its risk to each of equities, currencies, commodities, and bonds/interest rates, notes that one defining feature of 2025 so far has been the lack of movement in certain key markets. “There has been little to no movement in the currencies or in interest rates, and that’s a big part of what we do,” Parker says. Chesapeake’s approach to trend following has also evolved over time, particularly by trading single stocks as part of its long-term, trend-only strategies. “We have traded a lot of stocks, and equities have done well recently. There are a lot of big trends out there,” Parker adds. One of the advantages of trading single stocks, according to Parker, is that it allows building meaningful short exposure. “While many CTAs may be 90-100 percent long equities now, trading individual stocks offers more opportunities for shorting.”

According to Parker, from a trend point of view, around 30 percent of the stocks in the S&P are currently in a long-term downtrend. “And that number keeps growing,” he notes. “That may be what the market is showing us, that some of these stocks have been quietly building strong short trends and profitable short positions for quite some time.”

Andrew Beer of DBi, who has a broad perspective on the trend-following CTA landscape through the firm’s replication strategy, describes 2025 as “a very interesting year, marked by astonishing whipsaws in





Harold de Boer, Transtrend

market sentiment." He explains that his team typically views alpha generation in the managed futures space as the result of capturing meaningful shifts in underlying information, whether driven by changes in growth, inflation, or financial stability.

"What works best is when there are genuine changes in information," Beer says. "When that's not the case, what you're really trading is noise and shifts in market sentiment." This year, he adds, has been dominated largely by exactly that: heightened noise and rapid swings in sentiment.

Given DBi's approach to replicating the managed futures space, Beer says performance is best viewed on a relative basis. "We had a very good 2024 and a very good 2025," he notes. Part of that outperformance, he explains, came from avoiding some of the most extreme whipsaws in non-core markets. "Being a little bit slower actually helped us. We were not fully de-risked when Trump changed his mind," Beer says, adding that there was also an element of favourable timing around portfolio rebalancing. "The most interesting thing, though, is the staggering amount of noise, while the world itself really hasn't changed that much."

"What works best is when there are genuine changes in information."

Andrew Beer

Beer illustrates this with a simple thought experiment: if you had unplugged from markets on December 31 and returned today, you would likely conclude that economic growth has not changed dramatically, inflation has not surged back, and the global economy is not in recession. Yet in financial markets, the experience has felt very different. "It's felt as though we've gone through three recessions, with waves of market chaos," Beer says. "The big question is to what extent Trump turning up or down the dial on sentiment simply adds another layer of noise, making it harder to make money."

PERFORMANCE DISPERSION AND MANAGER APPROACHES

Despite an SG Trend Index that has largely gone nowhere, performance among individual managers has been anything but uniform. Several strategies have hovered around flat, while others have generated sharply divergent outcomes. In fact, the gap between the strongest and weakest performers in this group is approaching 30 percent, level of dispersion that is not surprising for managers participating at the roundtable. But this raises the question: where is that divergence really coming from? Is it rooted in differences in models, market exposure, timing, portfolio construction, or perhaps a combination of all four?



Razvan Remsing, Aspect

"Ultimately, it often comes down to speed, allocation and risk protocols."

Razvan Remsing

"All of the above would be my answer," says Razvan Remsing of Aspect Capital. He notes that the scale of market moves this year has been so significant that small differences in timing and exposure have led to widely divergent outcomes. "If you were two days slower or two days faster, if your peak exposure was in New York copper versus London or Shanghai copper, or if you were more exposed to Asian rather than U.S. equities, you could end up with a very different results," Remsing explains. "In an environment like this, risk management, how quickly you de-risk and how quickly you put risk back on, has been crucial," he adds. "Ultimately, it often comes down to speed, allocation and risk protocols."

Harold de Boer of Transtrend agrees, noting that "different choices can make a hell of a difference." He observes that, in most cases, those choices are not even made deliberately. "Some managers will have traded New York copper because they didn't like the LME, and for perfectly valid reasons. Others, for different but equally valid reasons, will have traded copper only on LME," he explains. In July, however, copper prices on the London Metal Exchange and New York's COMEX, which usually move in step, diverged unprecedentedly. "In that sense, there is an element of luck. Still, the impact

"Different choices can make a hell of a difference."

Harold de Boer



Andrew Beer, DBi



on performance can be significant," says de Boer. He sees this as part of a broader breakdown in correlations across markets and instruments. "We've gone through decades of increasing globalization, but this trend has now reversed. You see the impact of this shift across markets, including in commodities."

Thomas Babbedge notes that this year's level of dispersion among top and bottom performers in the SG Index is not unexpected. "That's true every year," he says. According to Babbedge, people often make the mistake of assuming that "oh, this guy did best this year, they must be the best, and this guy is doing something stupid because they're at the bottom in that dispersion." However, he emphasizes that the dispersion "is primarily where you happen to be in the speed dimension, what markets you were in and what allocations you had to those markets. A lot of it comes down to those choices." Babbedge adds that obsessing over dispersion in CTAs can be misleading. It may highlight differences in approach between managers, but it rarely says much about overall quality or which manager is "better." "If you didn't see a dispersion, that would be a bad sign because there's no choice left," adds Babbedge.

Andrew Beer of DBi recalls a conversation with the head of Abbey Capital, which has broad visibility into dozens of managers and their positions. "I asked him what explained the difference between the top and bottom performers, and he said: noise," Beer says. "This year has just been incredibly noisy." He adds that the effect is visible even on DBi's side. "Sometimes we rebalance on Wednesday and feel like geniuses. Sometimes we rebalance on Monday and feel like fools. That's been the dominant theme this year, this noise translates into shockingly large divergences."

Martin Källström of Lynx Asset Management notes that the dispersion seen this year followed a familiar historical pattern. "Sharp market moves naturally amplify differences in managers' models and risk management, causing performance to diverge. Intra-year, we saw quite a bit of dispersion," Källström says. "Yet as markets reversed, much of that initial spread narrowed again." Jerry Parker of Chesapeake Capital adds that "it's important to remind clients that dispersion over such a short period doesn't really matter, unless it's really, really bad."



Kathryn Kaminski of AlphaSimplex has observed an increasing range and variety of vehicles, strategies, and approaches, which is great for the industry but could potentially make decisions more challenging for allocators. "There are a wide range of vehicles and different strategies. Economic trend has become a new buzzword that everyone's talking about, and that type of approach has worked very well this year relative to trend. There's also a wide range of ETFs with daily visibility that demonstrate very different approaches," says Kaminski. "You are really seeing how much the industry has morphed and expanded into many different pockets. That's a positive, because it means there are many options and choices available."

However, she makes the case that this breadth can pose a challenge for investors. "For investors, it highlights just how difficult it can be to understand what you actually need in a certain environment," Kaminski explains. "There is such a wide range of products and themes, and going forward it's clear that choosing managers and strategies is going to be a challenging task for allocators with all these options." Harold de Boer, however, argues that this variety should not be seen as a problem for allocators. "Essentially, it's great. It shows that our different choices can lead to meaningful and explainable differences in outcomes," he says. "Think of it like going to a theater. You don't want 12 movies that are all the same. You want 12 different movies so you can choose, or even see them all. That diversity is valuable."

"Economic trend has become a new buzzword that everyone's talking about, and that type of approach has worked very well this year relative to trend."

Kathryn Kaminski

SIMPLICITY, COMPLEXITY, AND RISK MANAGEMENT

Liberation Day illustrated just how quickly market conditions can shift, highlighting the tension between simplicity and complexity in systematic investing. While simple rules can provide clarity and discipline, periods of market stress often reveal the layers of complexity that models must navigate to remain effective. For rules-based managers, this raises a critical question: how do you design and operate a system that is simple enough to execute reliably, yet flexible enough to adapt when the "rules of the game" appear to change?

"Simplicity and robustness" is the answer, according to Moritz Seibert at Takahē Capital. "There's a higher propensity for risk if you have these overfit models with lots of filters, degrees of freedom, and parameters. They might react to one specific market move, but on a repetitive basis, probably not," Seibert argues. He lays out that simplicity and resilience are two sides of the same coin. "It may get you into a larger drawdown; you may take heat and take it on the chin, but it's probably a system that allows you to come back and start running again, even though it's inconvenient at times to hold onto it," he explains. "In these noisy markets, there is real value in models that are simple enough to avoid drowning in complexity. Not too simple, but simple enough to be effective."

"There's a higher propensity for risk if you have these overfit models with lots of filters, degrees of freedom, and parameters."

Moritz Seibert



Martin Källström of Lynx Asset Management pushes back against the notion that simpler investment approaches are inherently superior, arguing that complexity, when well-designed and properly controlled, can be a meaningful advantage. "We run a fair number of these more sophisticated strategies and have seen them perform exactly as intended," he says. The decisive factor, he emphasizes, is disciplined oversight: "You need strong risk management and a framework that ensures robustness over time."

Källström notes that in a fast-changing environment, more complex, adaptive approaches have often outperformed more rudimentary ones. "Our adaptive strategies have worked better than the simple approaches," he says. "We would absolutely defend the use of complex models, provided they are grounded in a sound process rather than complexity for its own sake." Offering a contrasting perspective, Thomas Babbedge of GreshamQuant acknowledges the appeal of complex strategies. "It's great when complex strategies are performing well. Especially as a quant, it's very alluring to have that level of sophistication because that's what gets you out of bed," he says. However, he quickly points out the downside. When those systems falter, the challenge shifts from technical performance to client trust. "What is tough is when those systems aren't delivering," he says. "If you have a very complex system and it has a bad year, you as the manager may still believe in it. But do your clients?" The real question becomes: "can you bring them along through that drawdown?" According to Babbedge, "that's much harder when the system is

"If you have a very complex system and it has a bad year, you as the manager may still believe in it. But do your clients?"

Thomas Babbedge

highly complex."

Joe Kelly of Campbell reiterates his earlier observation that "the adaptive and some of the more complex strategies have done better this year." Even so, he favors a blend of simpler and more advanced approaches, "as long as you don't go all in on one or the other." What he is firmly against, however, is "complexity for complexity's sake, which makes it harder to explain it to your client." For Kelly, staying within clear explanatory boundaries is as much about discipline as it is about sanity. "You try to stay inside of that, just for your own sanity."

Kathryn Kaminski of AlphaSimplex has seen the firm's more complex models, particularly those based on machine learning, underperform this year after outperforming in strong environments like 2022. "Obviously, we are asked fewer questions on the upside than we are during a downturn" she notes. Regardless

of whether models perform well or poorly, "it's always a time for reflection," Kaminski adds, especially in market environments like those experienced this year.

She explains that more complex models designed to react to interest-rate dynamics struggled, in part because the current Federal Reserve environment has little historical precedent. "If you look at the makeup of the Fed based on past historical events, we haven't had so many dissents in the Fed in over 20 years, and we could be moving toward a very different type of behavior for monetary policy, particularly in the U.S.," she says. At the same time, Kaminski points out that the key advantage of these models lies in their adaptability. "That's what these models do, they learn and adjust," she says. As more data come in, "they should be able to change and capture some of these phenomena."

Andrew Beer of DBi, which employs a replication approach designed to approximate the actual positioning of trend-following managers, says the answer lies in self-adaptation. "The reason we settled on this very simple, top-down replication is because it's only a one-week bet and it's self-adaptive," Beer explains. When comparing longer- versus shorter-term, and complex versus simple models, he notes that, in an ideal world, investors would be able to test each option extensively. "If you were a physicist, what you'd love to do is run a million experiments and study the results," he says. "But in markets, we only have one data set, and it can take years to figure out which of these things really work." That limitation, he adds, makes the allocator's job

exceptionally difficult. "It's incredibly hard, from an allocator's perspective, to make an ex-ante determination about which model should work better over time, based on the historical information available," Beer says. For that reason, DBi's approach has been to keep its bets "as short as reasonably possible" and to "let the rebalancing itself be the adaptive system."

BREADTH VERSUS FOCUS

The discussion turned to the breadth versus focus of markets and instruments used. The root was, how widely does a manager need to cast the net across markets and instruments to capture the right signals. In an environment where related instruments have behaved differently across exchanges and regions, the extent of market coverage – or lack of it – has increasingly shaped outcomes.

"Every single one of these markets is another lottery ticket in the tail lottery."

Moritz Seibert



Thomas Babbedge, Gresham Quant

“The reason we settled on this very simple, top-down replication is because it’s only a one-week bet and it’s self-adaptive.”

Andrew Beer

“Every single one of these markets is another lottery ticket in the tail lottery,” says Moritz Seibert at Takahē Capital. “Markets can all become crazy and chaotic and that’s where we make our money. Not having them in the portfolio carries the risk of missing out on that participation.” However, Seibert stresses that it’s not a numbers game. “It’s not about having 100 markets, or 1,000 or 2,000 markets. The real question is: what types of markets are in the portfolio, and how different are they?” he argues. “If you combine cocoa and sugar, that’s a great, orthogonal pairing. But if you add the 2-year note to the 5-year note, you create a risk cluster that lacks independence.”

While the largest and most liquid instruments, such as gold, silver, and palladium, may have driven strong trends earlier this year, “it’s not always these large markets that generate returns,” says Seibert. “Think of cocoa, think of orange juice. If you go down the list and examine your backtests, you will find examples in oats, lumber, canola, French wheat, and Malaysian palm oil. These markets can produce massive trends, so why miss out on that diversification potential?”

To successfully capture trends in less liquid, thinly traded markets, it is essential to manage market impact

carefully when running a trend-following strategy. Seibert explains that Takahē Capital has self-restricted the amount of asset the firm would manage. “We are never going to be a \$1 billion shop as we want these smaller markets to have a meaningful and appropriate footprint in our portfolio. That’s why we have legal language in our offering documents that caps our fund’s size at \$500 million,” he says. “That amount of money allows us to create and trade what we think is the best possible portfolio of markets.”

While Takahē Capital is deliberately smaller and more niche than multi-billion-dollar CTAs, the firm aims to give each market an equal chance to contribute to the overall portfolio. “We treat all markets the same in terms of expected contribution,” Seibert adds. “At the end of the year, we examine the statistical distribution, some markets will have performed very well, others less so, but we never know in advance which ones. That’s why we embrace them all and include them in the portfolio.” Contrary to popular belief, Harold de Boer at Transtrend argues that adding more markets does not automatically lead to broad diversification. “Some may think that if you trade a thousand markets instead of ten, consequently instead of allocating one-tenth to each trade, you end up allocating one-thousandth,” says de Boer. “It doesn’t

have to be that way. Although we trade a very large number of markets, in the recent past we had two years when our largest gains by far came from just one market: cocoa. This wouldn’t have been the case if we had only a few thousandths of risk allocated to cocoa!”

“Even if you trade many, many markets, you don’t have to make large bets in all of them at the same time,” argues de Boer. In his view, the fundamental question is position sizing, not the number of markets. “It’s about how much you allocate to any individual trend. And once you think in those terms, it often doesn’t matter in which and in how many markets you trade that particular trend.”

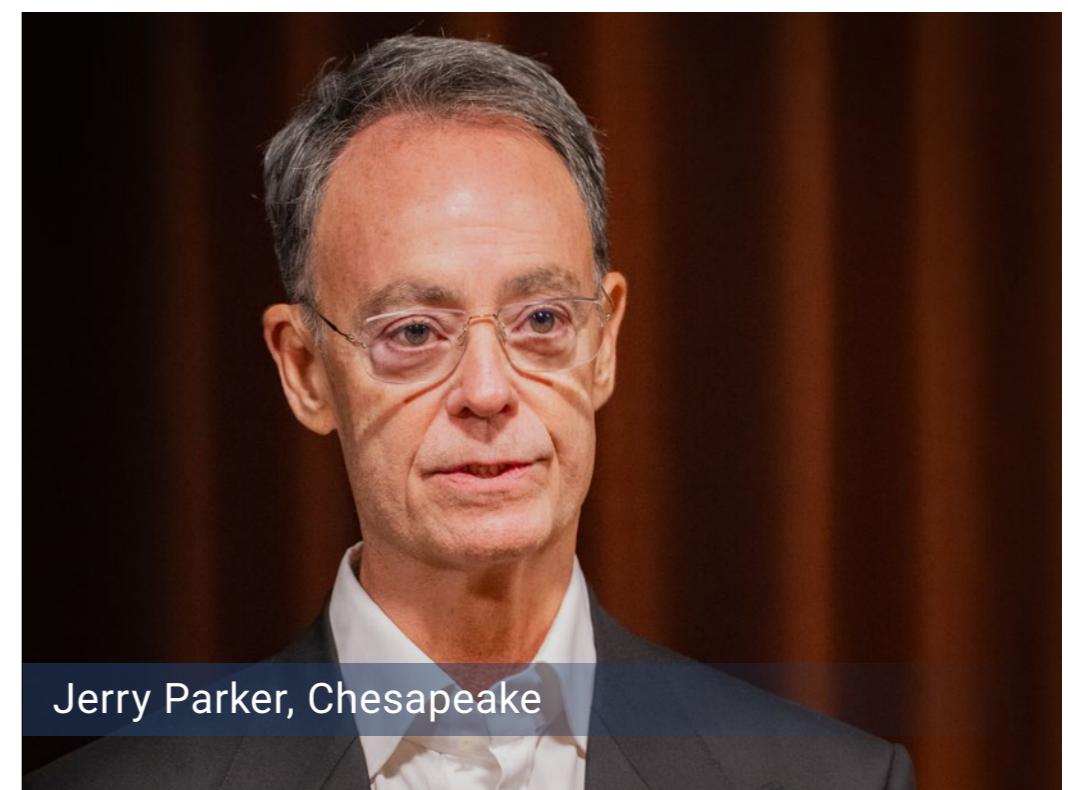
Kathryn Kaminski at AlphaSimplex notes “when you compare small markets with big markets, you can see long periods where their relative performance shifts dramatically.” While trading the largest, most liquid markets may have worked better recently, she stresses that there are many periods in which niche markets outperform their larger counterparts. “That’s very common over long CTA cycles.”

Kaminski has seen firsthand how breadth versus focus can create an additional layer of dispersion among

managers. “We see this in the replication side of our business. Trading a smaller set of markets, essentially the most liquid markets, happens to be the best approach right now. For example, if the only commodity you traded in 2025 was gold one could easily look like a hero.” However, looking across longer time horizons tells a more nuanced story. “If you examine those stylistic factors over time, you’ll find that trends sometimes work better in bigger markets, but not always.”

Thomas Babbedge of GreshamQuant, which focuses exclusively on alternative markets, says the discussion ultimately comes back to the Grinold-Kahn framework, the idea that strong performance tends to arise from making many small, independent, skill-based bets repeatedly. “You can break it down into the number of independent bets, not the number of markets, and how many truly different, orthogonal risk factors you can access,” explains Babbedge. “Adding more markets doesn’t increase that number in a linear way. There is an asymptote, a limit to how many independent opportunities you can meaningfully capture.”

The other side of the equation, Babbedge argues, concerns the quality of those bets, essentially, the



Jerry Parker, Chesapeake

Sharpe ratio per opportunity. The standard quant view is often that more markets are better and that each market contributes more or less equally. "We would challenge that," he says. "In alternative commodities, you can point to a fundamental reason why they trend. It's inelastic supply and demand, there is a natural inelasticity that creates trends," he explains. Babbedge makes the case that commodity markets offer a higher Sharpe ratio per bet. "If you have enough of these independent risk factors, you also end up with a more stable correlation structure in commodities than in the large, highly financialized markets."

Babbedge reinforces Seibert's point about making a trade-off on capacity. "If you don't restrict capacity, you end up dumping everything into Dutch gas or German power, and suddenly everyone looks the same, your correlation to the market rises, and your breadth decreases," he says. The decision between focus and breadth, he notes, also reflects what the strategy aims to deliver for investors. "If you are trying to provide crisis alpha to equities, then you need some S&P trend exposure. Are you aiming for low correlation to other assets? Or are you trying to deliver alpha or convexity to inflation," asks Babbedge. "There's no single right choice. It depends on what you are offering your clients."

"You can break it down into the number of independent bets, not the number of markets, and how many truly different, orthogonal risk factors you can access."

Thomas Babbedge



Joe Kelly, Campbell

For Andrew Beer at DBi, simplicity and focus are key. DBi's replication approach analyzes past trades and returns of various trend-following CTAs, identifies common factors driving their performance and constructs synthetic positions that capture the overall directional bets of the group. "First of all, no sensible person is going to build a 10-factor, bottom-up trend-following model and think they are sufficiently diversified. I completely agree with that," Beer acknowledges. "We're not a perfect solution for everyone. We're just trying to find an efficient approach."

"In a period when copper or wheat is going bananas, we will often pick it up because something else is moving," explains Beer. In DBi's ten-dimensional factor space, "trends in smaller, niche markets don't always show up perfectly in our factor-based approach. In theory though, we still capture some of the directional movement." There are times when DBi's approach misses trends in certain markets or instruments. "There is an entire list of instruments that had strong trends, but we simply weren't seeing in our factor set," he admits. Still, he emphasizes that the approach captures the major, punctuated moves. "Take 2022, for example. It was

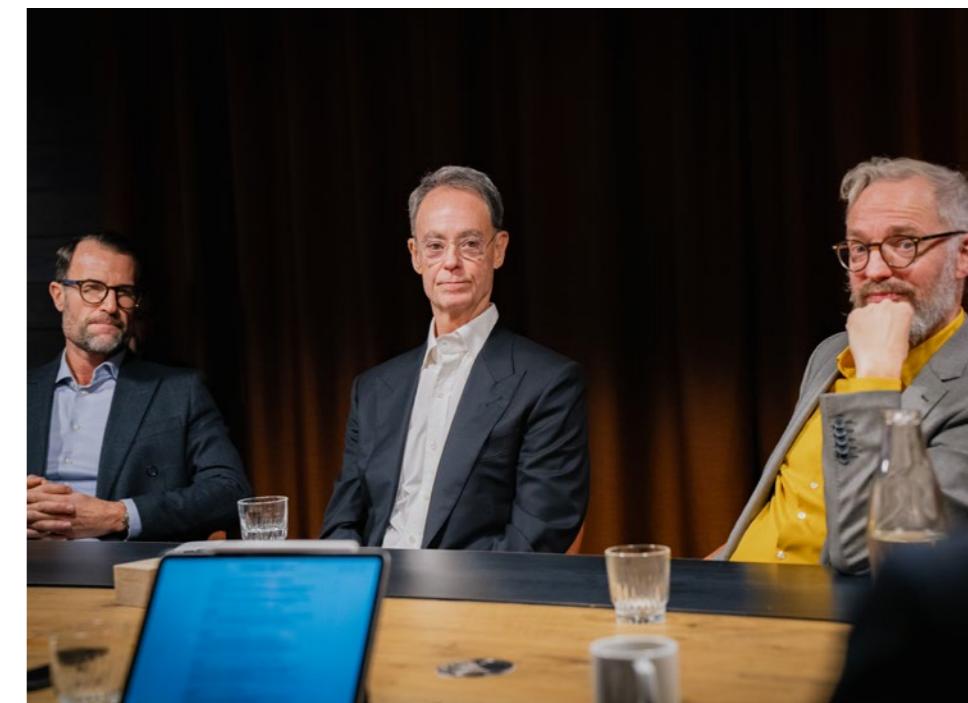
all about Treasuries, interest rates, and the big market swings. Those periods can generate a decade's worth of alpha in a single year. That's what we end up picking up," says Beer.

Discussing the trend of managers moving into more alternative markets, Beer observes that a rush into these areas changed the dynamics and often adds complexity without proportionate benefit. "While the 200th position in a portfolio might contribute incrementally," according to Beer, he raises important questions: liquidity assumptions in these markets, how conditional that liquidity is, and the costs of implementation during volatile periods. For DBi's replication approach, simplicity addresses many of these concerns. "Our default is that we can trade our ten instruments once a week, essentially frictionlessly. We don't have front-running issues, liquidity gaps, or unexpected execution costs," notes Beer. "For what we're trying to do, namely capturing the big, broad themes it works best."

Jerry Parker of Chesapeake Capital, one of the veterans of classic trend following, argues that managers should harvest trends wherever they appear across as many



Moritz Seibert, Takahē



markets as possible. His reasoning is straightforward: even highly correlated markets can still produce outsized moves that matter for performance. "If your main goal is a traditional trend approach, to find the big trends and hold onto them, then we're going to trade a market even if it is 90 percent correlated most of the time. The remaining 10 percent of the time, when it delivers a big outlier move, that really counts," Parker is convinced.

Parker warns that focusing only on the largest, most liquid markets risks missing those powerful, idiosyncratic trends that occasionally emerge elsewhere. "By not having certain markets in your portfolio, you can leave money on the table," he says. "When an entire sector moves, some of the smaller or less obvious markets can produce even bigger trends than the headline ones."

Transtrend's Harold de Boer sees the variety of approaches across managers as not just healthy, but essential. "It is crucial that we all do things differently, otherwise it would be a disaster," he says. "If everyone started doing what any particular manager at this table is doing, that would be a disaster. And if everyone did what we at Transtrend are doing, it would be an even bigger disaster," he jokes. Andrew Beer stresses that

this very heterogeneity is what DBi's replication model is designed to harness. "What we do works best with a target pool of funds that are heterogeneous in nature, but where the principal drivers still come from the major liquid markets," he explains. "Heterogeneity is a very, very good thing."

For managers who venture beyond the most liquid markets, de Boer warns that market impact becomes a critical concern. "We trade many of those markets, and during recent moves we saw players who normally stick to larger markets suddenly trading oats and other smaller contracts," he explains. "One could immediately see how those markets started to move." At the end of the day, he stresses, "it's really important to know how to execute in these types of markets."

Thomas Babbedge of GreshamQuant offers a concrete example that highlights why execution is so critical in more alternative, niche markets. "Take the freight markets, the bid-ask spread can be 200 basis points," he says. "Yet this year, our overall portfolio slippage was low because of how we trade these markets." He stresses that without the right execution approach, the cost would be crippling. "If you could simply plug

your computer into the exchange, which for many of the markets we trade you cannot, you'd be paying that spread every single time. You'd probably be spending 500 basis points or more per year just in slippage across the markets we trade," he explains. "In some cases, real specialization in the markets you trade isn't just helpful, it is crucial," he concludes.

TARGETED VOLATILITY AND INVESTOR PREFERENCES

The question came up if a notable shift has taken place in the risk-return profile targeted by CTA managers. Fifteen to twenty years ago, it was common for trend-following programs to run at a volatility level of 20 to 30 percent. Today, that figure has seemingly compressed to around 10 percent for many managers. This evolution suggests more than just cyclical adaptation. It rather hints at a structural change in how managed futures strategies are designed, positioned, and marketed.

Moritz Seibert of Takahē Capital, who has studied long-term data on how the volatility and return profiles of trend-following managers have evolved, notes that

"By not having certain markets in your portfolio, you can leave money on the table," he says. "When an entire sector moves, some of the smaller or less obvious markets can produce even bigger trends than the headline ones."

Jerry Parker



"across the cross-section – and this isn't just CTAs, it's hedge funds in general – volatilities have come down to roughly 8 to 12 percent. That aligns perfectly with the preferences of institutional investors, who want to write larger tickets." According to Seibert, career risk is a major driver of this shift. "The big allocators have boards to report to, all sorts of constraints, and they've absolutely fallen in love with the Sharpe ratio," he says. "They don't like drawdowns, they don't like surprises, and they don't like a large down month." As a result, institutional investors prefer the 8-12 percent volatility bucket.

While it's difficult to prove that declining volatility is entirely the result of institutional demand, Seibert sees a clear alignment of incentives. "It's a match made in heaven," he says. "On one side, you have an institutional allocator saying, 'I have a \$100 million ticket, would you like it?' And, of course, the answer is yes. But the implicit response is: I'm going to lower my volatility because that's what you want now." This dynamic, he adds, allows hedge funds to scale into the billions far more easily as they now trade fewer contracts per million, and in turn, it shifts the underlying business model. "If you rely on the management fee to become a much bigger driver of your economics than the incentive fee, then the whole structure naturally pushes you toward lower volatility." Harold de Boer of Transtrend argues that CTA managers have not adjusted their targeted volatility as much as headline figures suggest. What he observes is that "allocators have also gravitated toward the lower-volatility CTAs, which have consequently grown in assets,"



"For us, it's actually hard to increase risk because our approach is super diversified. We aren't making concentrated bets."

Joe Kelly

which in turn changed the composition of trend indices." In essence, many higher-volatility CTA managers have continued what they were doing but have not grown as much as their lower-volatility peers. According to de Boer, Transtrend has actively adjusted its volatility in response to market conditions. "We ourselves have been increasing our volatility again since 2014. We realized that this trend of CTAs lowering volatility or trying to limit risk wasn't paying off, rather it was costing money," he explains.

Joe Kelly of Campbell believes that the industry-wide reduction in volatility has been driven more by underlying market conditions than by top-down pressure from allocators. "For us, it's actually hard to increase risk because our approach is super diversified. We aren't making concentrated bets," he explains. Kelly adds that Campbell has been asked by a major allocator to target 13 percent volatility. "We could barely deliver that level



of risk because of the diversification, not because we didn't want more alpha," he says. "It's more of a bottom-up evolution than a top-down decision, like, 'let's go chase bigger dollars.'"

Martin Källström of Lynx Asset Management observes that industry flows have been shaped by the rise of low-fee, flat-fee vehicles, products that appeal to institutions eager to signal fee discipline. These strategies have grown quickly, he notes, partly because of their low headline fees, but they also tend to run at lower levels of volatility.

By contrast, he argues, sophisticated allocators are moving in the opposite direction. "Many of our most advanced clients are gearing up through managed accounts to maximise capital efficiency," Källström says. "They know what they are paying for and have no issue paying per unit of volatility."

He sees this split across the industry: large, sophisticated investors use managed accounts and leverage to gain capital effectiveness with quality managers, while more retail-oriented investors gravitate toward lower-volatility, low-fee products in part due to their greater loss aversion.

Razvan Remsing from Aspect Capital shares a similar view, noting that institutions entering a new space often prefer lower-volatility assets. "I find that when institutions are first stepping into a new investment strategy, be it due to career risk or the novelty of it, or



if there are too many stakeholders involved, they tend to go for lower-volatility implementations," he explains. By contrast, more experienced investors, who form the core of Aspect's client base, take a different approach. "They are often not invested in the funds themselves but tend to invest via managed accounts where they can target higher vols and also be more cash efficient," Remsing adds.

Thomas Babbedge of GreshamQuant notes that while investor demand has partly driven the reduction in volatility, the trend is now reversing. "It's going the other way," he explains. "If you can get a risk-free return of 5 percent, why would you settle for something of similar volatility but less certain return?" Babbedge emphasizes that investors seeking broad exposure will still allocate to lower-volatility strategies that charge only a management fee. "But many clients now want performance. They want alignment, they want you on

"They know what they are paying for and have no issue paying per unit of volatility."

Martin Källström

the same journey, feeling the pain when they feel the pain," he adds. "Volatility has come down over the past 25 years, but now there's demand for the other side, especially in response to current interest rates."

Kathryn Kaminski of AlphaSimplex agrees with many that the reduction in volatility across the industry reflects investor preference. "It's completely an investor preference and a shift in the investor landscape," she explains. Kaminski notes that many institutions weren't using SMAs in the past, with the increasing reliance on SMAs now leading to a bifurcation among institutional investors: some taking much higher risk, others opting for lower-volatility, more scalable strategies. She also highlights the growing presence of retail investors seeking access to the managed futures space. "We didn't even have retail investors at all early on and the percentage of assets from retail still only takes up a small proportion of assets in the Managed Futures space," she says. The transition toward lower risk, she argues, is largely driven by these investor preferences. "We were happy to give investors whatever level of risk they wanted."

"We are investing heavily in this area, and while it may not be a revolution for the CTA industry, it could prove transformative for quantitative approaches more broadly."

Martin Källström



ALTERNATIVE DATA

Returning to the theme of breadth versus focus, managers are not only expanding across markets: many are also widening the informational lens. For those leaning into more diversifying styles, alternative non-price data represents another layer of breadth, one that can, in theory, enhance predictability.

Lynx Asset Management has incorporated non-price data into parts of its research process since 2015, with its use expanding gradually over the years. "It represents an additional source of information for systematic managers," says CEO Martin Källström. He stresses that such data is used selectively and within well-defined areas. "It's not applicable everywhere, but in certain markets it can provide complementary signals," he notes. The team at Lynx Asset Management has explored a range of alternative data sources, including satellite imagery, shipping indicators, and webscraped information, as part of its broader research effort. These datasets can, in some cases, offer perspectives that complement traditional market data. "Some of these inputs have been helpful in our research," says Källström. He adds that the firm is gradually expanding its work with unstructured data with the help of machine learning.

Källström sees this as an important evolution for quantitative strategies. "We are investing heavily in this area, and while it may not be a revolution for the CTA industry, it could prove transformative for quantitative approaches more broadly," he says. "It's not trend-following in the traditional sense, but it integrates well into a CTA framework given the types of futures we trade."

Thomas Babbedge at GreshamQuant jokes that "the cynic in me would say the best way to make money from alt data is to sell it." While he acknowledges that "that's not the whole story and there are pockets of real usefulness," he returns to the classic principle that markets already absorb most information. "The nice thing about price is that you always have it, and it integrates all that other information in one way or another," Babbedge says. "The data we find most valuable is the kind that helps us understand our markets, who is trading them, and why." Källström notes that some forms of alternative, non-price data can provide perspectives that are not immediately visible in market prices. "Certain datasets can be helpful because they offer an early read on underlying developments," he says. For instance, tracking publicly available online prices may give a timely indication of inflation trends relevant to specific markets. Other data sources play a more complementary role. "Some simply

“Sometimes you find a data set with real traction, but you also have to accept that the traction may disappear quickly.”

Razvan Remsing

provide additional context, offering a more nuanced picture of conditions in a particular asset or market,” Källström adds. “Different datasets play different roles.” He is also candid about the limitations. “We review a large amount of data, and much of it turns out to have limited or no predictive value,” he says. “But there are areas where we do find signals that add value within our broader framework.”

Razvan Remsing notes that Aspect Capital “leans more toward price action, which offers far greater fidelity and robustness.” In his view, “it is ultimately the aggregate behavior of investors that drives prices.” Even so, alternative data sets have been useful at Aspect for assessing sentiment and understanding the activity of different investor groups, whether through flows or the behavior of specific market participants. “Similar to expanding a portfolio across many markets, the goal is not to allocate aggressively to any single data source,” Remsing says. “Sometimes you find a data set with real traction, but you also have to accept that the traction may disappear quickly.”

However, Remsing reiterates that Aspect typically looks for signals that are less transient but that reveal the behavior of market participants. He cites, for example, option surface data that reveals how specialists hedge their books or deploy capital to offset known risks. “There can be useful information there, and sometimes we can act on it,” says Remsing. He adds, with a touch of humor, that in the alternative data industry, most of the value is created by selling the data, rather than by acting on it.

Harold de Boer at Transtrend echoes this view, noting that “most of the money in alternative data can be made by selling it,” followed by profits from “selling the computers and software to analyze that data.” De

Boer adds that selling the story of using alternative data comes next, and only after that come the profits from trading based on it.

Jerry Parker of Chesapeake Capital concludes by posing a series of rhetorical questions. “Could machine learning and AI make trend following better and easier?” Might alternative data make trend-following quicker or more responsive? He notes that “we’ve all become longer-term trend followers, which is not that great,” and wonders whether focusing more on alternative data could fundamentally change traditional trend-following. These questions highlight both the uncertainty and the potential of new technologies to reshape established trading strategies.

CONCLUSION

The roundtable revealed a year shaped by abrupt political shocks, uneven market responses and significant divergence across CTA strategies. Managers noted that the turbulence around events such as Liberation Day created rapid shifts in liquidity and direction that challenged both trend and non-trend models. Despite this, the discussion showed broad agreement that markets continue to reward disciplined rules-based processes, although the edges now come less from raw signal generation and more from portfolio design, diversification and execution quality. Several participants highlighted that dispersion in 2025 was not a mystery, but the natural result of differences in speed, breadth, risk treatment and design philosophy – a good thing!

Looking ahead, the managers expect continued regime variability, geopolitical noise and periods of sharp sentiment reversal, which means that adaptability rather than prediction will shape performance. While complexity in models and data will keep evolving, most agreed that clarity and robustness matter more than sophistication for its own sake. They also expect the importance of alternative and specialized markets to grow as investors demand truly uncorrelated returns and as capacity pressures continue to influence volatility targets across the industry. The sense leaving the table was that CTAs remain well positioned for an uncertain world, provided they stay committed to the core principles that have served the space for decades while remaining open to innovation where it truly adds value.



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