

CTA INDEX  
JUNE 2013

-0.85%

Source: BarclayHedge  
Estimated performance  
through as of 11 July

Agricultural	-0.11%
Currency	0.17%
Discretionary	-0.17%
Diversified	-1.45%
Financial & Metals	-0.66%
Systematic	-1.10%

## Top monthly funds

Pere Trading	26.94%
Shared Enlightenment (NetCreditOps I)	24.92%

## Bottom monthly funds

Hasenbichler Futures Div. Fund	-16.71%
Superfund Capital Mgmt (Green Gold C)	-17.94%

## YTD

-0.61%

## 2012

-1.7%

## VIEWPOINT



**THE REVERSALS OF the trends of the previous six months across most asset classes hurt CTAs for a second month running in June, leaving few managers in the black.**

Keeping ahead of the competition in an environment such as this can prove a particularly attractive quality – a focus of this month's cover feature. Here, we take a look at the massive research efforts underpinning the evolution and development of the investment strategies of the some of the leading systematic managers: from Winton's never-ending quest for data to find predictive patterns, to open research and technology platforms and the tie-ups firms have established with academia in the in search for new ideas and talent.

We find recruitment of the best and brightest quants is as fierce as ever and competition is growing, and not only from financial quarters. But while quantitative research plays a fundamental role in the testing and efficient execution of tradable systems, not all see it as the starting point.

For Chicago-based Emil Van Essen, who we profile this month, ideas need to come from the market and there is an important role for discretionary decision-making. He also explains how his flagship program has adapted and now targets the largest trend-followers in one of its strategies.

While the Fed's widely interpreted hints of a tapering of QE has sent markets into a spin, we also feature latest research on what a rising rate environment might bring for trend-following.

Other contributions look at how techniques used in facial recognition may help investors distinguish between different CTA programs and why performance of the top CTAs is not persistent and quantitative analysis is no substitute for through due diligence.

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## LAUNCH

## EvE launches I/s commodities fund

Chicago-based CTA manager sets \$3bn capacity for new offering

EMIL VAN ESSEN, the Chicago-based managed futures manager with roughly \$350m in AuM, has launched a long-short commodities program.

The strategy, which began life as two separately managed accounts, is a systematic medium-term system with a discretionary overlay that trades outright positions on 14 exchange-listed commodity futures contracts.

According to the firm, the program has a \$3bn capacity.

"There has been strong demand by investors for long-only and long/short commodity programs that can provide exposure to the commodity asset class while reducing roll cost and providing alpha," Emil van Essen, CEO and CIO of the eponymous hedge fund manager said.

"Our experience in running a successful commodity spread program for many years has allowed us to create a unique product that hopefully will satisfy those needs."

Prior to starting the investment manager, in 2001 van Essen formed a brokerage firm called Vankar Trading where he began developing his flagship Spread Trading Program.

In 2010, he sold his interest in Vankar Trading to his partner in order to focus on his efforts on the CTA program.

The Spread Trading Program, which launched December 2006, has an annualised return of 24% since inception.



Emil van Essen

## LAUNCH

## Man launches fixed income Ucits

MAN GROUP AND investment bank Nomura have launched a fixed income Ucits fund that uses an AHL trend-following strategy.

Man Systematic Strategies (MSS), which merged with Man's \$14bn CTA manager AHL earlier this year, has been running the underlying strategy since July last year.

The Nomura Man Systematic Fixed Income Ucits Fund, which launched with \$50m and has a capacity of up to \$1bn according to Man, seeks to capture directional opportunities in emerging and developed swap, futures and FX markets.

The fund has a core trend-following strategy in short term interest rates, a more recent dynamic FX carry strategy and another that trades the shape of the yield curve. A portfolio of 50 markets is traded,

based on roughly 300 systematic trading signals.

The fund is managed by Andre Rzym and Stefan Sluke, who both previously worked on AHL's managed futures funds. Nomura provides market access through a range of investment products.

Sandy Rattray, CEO of AHL-MSS, said traditional fixed income investing was "challenged" with interest rates being close to 0%, but the backdrop was "favourable" for alternative fixed income investing.

"The competition for pursuing alpha opportunities has diminished as banks have reduced risk taking in fixed income markets since 2008, creating the potential to generate strong returns," Rattray said, adding these opportunities were being offered in a Ucits fund with daily liquidity.