

Monthly Report – April 2018

Clear Alpha Global Index (CLAXGBL Index)

+0.02% in April, +2.16% in the last 12 months

About the Clear Alpha Global Index and its sub-indices

























The Clear Alpha Global Index™ is designed as a benchmark for the universe of trading strategy indices. It is calculated and published daily. Its constituents and their respective weights are updated once a quarter.

At the end of April 2018, Clear Alpha's database contained 2,586 live and 1,877 discontinued trading strategy indices. Indices are considered for inclusion in the Clear Alpha Global Index™ if they i) are unique due to either a different algorithm, sponsor, region or asset class, and ii) aim to exhibit substantial de-correlation to traditional asset benchmarks.

Clear Alpha Global Index Monthly Performance, 2012 to 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012	0.94%	0.44%	-0.28%	-0.16%	-0.38%	-1.17%	0.47%	0.30%	-0.14%	-0.36%	0.25%	0.30%	0.18%
2013	0.14%	-0.19%	0.14%	0.27%	-0.01%	-0.47%	-0.02%	-0.40%	0.38%	0.67%	0.15%	-0.78%	-0.14%
2014	-0.75%	0.10%	0.32%	0.35%	0.95%	0.64%	-0.75%	0.74%	-0.51%	-0.37%	0.79%	0.07%	1.57%
2015	0.09%	0.34%	0.21%	-0.45%	-0.05%	-1.27%	0.45%	-1.88%	0.31%	0.80%	0.77%	-0.11%	-0.81%
2016	-0.08%	1.03%	0.25%	-0.37%	-0.13%	0.70%	0.64%	-0.21%	0.45%	-0.02%	0.05%	0.04%	2.37%
2017	0.42%	1.26%	0.17%	0.77%	0.23%	-0.15%	0.61%	0.92%	0.19%	0.90%	0.30%	0.53%	6.31%
2018	0.20%	-2.07%	0.50%	0.02%									-1.37%

The Global Index reflects the performance of all indices across our database, rather than a product managed by Clear Alpha

	Apr Return	1Y Return	1Y Sharpe		5Y Return	5Y Sharpe	
Global Index	0.02%	2.16%	0.31		7.60%	0.42	
Arbitrage	0.24%	1.94%	0.19		12.49%	0.60	
Carry	0.91%	1.10%	-0.01		-6.23%	-0.34	
Commodity	-1.37%	8.51%	1.53		39.87%	1.17	
Fixed Income	0.27%	1.71%	0.16		18.04%	0.57	
Volatility	0.79%	-0.74%	-0.20		5.93%	0.13	
Economic Indicators	-0.29%	4.46%	1.24		1.82%	-0.02	
Research	-0.87%	3.61%	0.60		-3.91%	-0.24	
Macro	0.48%	5.51%	1.67		6.28%	0.28	
Momentum	0.06%	-0.25%	-0.28		5.88%	0.20	
Mean Reversion	0.81%	-1.97%	-0.28		5.80%	0.10	
Trend Following	-0.27%	0.22%	-0.25		5.31%	0.17	

Strategies continued to recover during April following their correction in February. Overall month-end gains were marginal (+0.02% for the Global Index) but Arbitrage (+0.24%) and Mean Reversion algorithms (+0.81%) managed to produce attractive risk adjusted returns.

US stock markets finished moderately higher (the S&P 500 index was up +0.27%), volatility levels abated (the VIX index fell -4 points), the US Dollar made sizeable gains against both EM and G10 currencies, and commodity prices (energy in particular) rose. Interest rates finished higher across major currencies.

The strongest strategy groups were FX Carry Arbitrage (+0.91%), Equity Mean Reversion (+0.81%) and Volatility Arbitrage (+0.79%). The gains were due to a combination of weak G10 currencies (versus the US Dollar), a pattern of short term mean reversion in US equities, and lower volatility levels (both implied and realised) across asset classes.

On the negative side, Commodity Arbitrage positions lost ground (-1.37%) - a correction that was due given recent gains in this strategy group (it was up +4.89% year to date at the end of March). Similarly, equity factor strategies staged a correction (-0.87%) after their strong numbers in March (+1.89%).

At the end of April, the Global Index has recovered slightly more than 50% of the losses sustained in February.

Monthly Report – April 2018

Top 3 Sub-index Constituents¹ (ranked by 1 year Sharpe ratio)

		1Y Sharpe	1Y return	Apr-18 return	YTD return	2017 return	2016 return	2015 return
Arbitrage - Carry								
1) DB Euro Dividend Mid-Term	Euro Stoxx 50 Dividend Arbitrage	1.5	6.6%	0.9%	-1.5%	10.9%		
2) UBS Constant Maturity Dividend Index	Euro Stoxx 50 Dividend Arbitrage	1.3	5.1%	0.7%	-1.2%	8.7%	8.7%	2.4%
3) Credit Suisse Dividend Alpha on Nikkei 225	Nikkei 225 Dividend Arbitrage	1.3	7.0%	2.3%	2.8%	9.7%	-7.1%	10.9%
Arbitrage - Commodity Yield Optimization								
1) DB Commodity Harvest OYE	Commodity Future Arbitrage - BCOM Weights	3.2	6.0%	0.2%	1.4%	6.6%	4.7%	0.8%
2) RBS Aquantum Pegasus EL	Commodity Future Arbitrage - 24 commodities	3.0	8.7%	-0.3%	3.8%	7.5%	0.9%	3.8%
3) RBS Aquantum Pegasus Zeus	Commodity Future Arbitrage - 13 commodities	3.0	16.2%	-1.5%	4.3%	14.1%	-0.1%	10.0%
Arbitrage - Fixed Income								
1) DB Pulse Basket	USD & EUR Forward Rate Bias Arbitrage	2.6	1.7%	0.2%	0.8%	1.0%	0.3%	0.6%
2) Morgan Stanley Enhanced FRB+ USD	USD Forward Rate Bias Arbitrage	2.3	2.9%	0.5%	1.5%	1.7%	-0.1%	1.2%
3) BOA Merrill Lynch Enh. Short-End Arbitrage EUR	EUR Forward Rate Bias Arbitrage	2.2	1.4%	0.2%	0.6%	1.2%	0.5%	0.4%
Arbitrage - Volatility								
1) DB ImpAct Euro Rates	Short EUR Swaption Straddles	2.2	2.5%	0.3%	0.8%	2.5%	0.8%	-0.7%
2) DB ImpAct Dollar Rates	Short USD Swaption Straddles	2.2	2.7%	0.3%	0.4%	3.1%	0.7%	0.6%
3) Credit Suisse Adaptive Volatility Index All Rolls USD	Short USD Swaption Straddles	1.8	6.4%	1.3%	2.1%	6.5%	6.5%	8.6%
Economic Indicators - Research								
1) Morgan Stanley EF Global Quality	Global Equity Long/Short Quality Factor	2.1	10.0%	1.8%	5.1%	3.8%		
2) BOA Merrill Lynch Europe Long-Short Value	Europe Equity Long/Short Value Factor	1.8	7.0%	-0.6%	0.2%	6.7%		
3) Commerzbank US Risk Premia	US Equity Long/Short Multi-Factor	1.3	14.9%	-3.3%	-0.2%	22.2%	-2.4%	
Economic Indicators - Macro								
1) DB Trend EUR	EUR Yield Curve Macro Strategy	2.2	1.4%	0.2%	0.6%	1.1%	0.7%	0.4%
2) Barclays CRYSTAL	USD & EUR Short-Term IR Futures Macro Strategy	1.9	1.7%	0.2%	0.7%	1.4%	0.7%	1.2%
3) Citi FX G10 PPP	G10 FX Value Convergence	1.9	9.9%	0.2%	0.1%	13.9%	4.4%	-5.0%
Momentum - Mean Reversion								
1) Societe Generale Interest Rates Strangle Premium Euro	Short EUR Swaption Strangle	1.0	2.8%	0.2%	1.1%	4.6%	6.5%	-2.0%
2) Societe Generale Enhanced Buy Write US	S&P 500 Buy-Write	1.0	13.1%	0.4%	-0.3%	21.4%	2.9%	-4.1%
3) BNP Paribas 103 US Call Carry	S&P 500 Buy-Write	0.8	8.4%	2.1%	-2.4%	16.4%	-0.4%	-0.9%
Momentum - Trend Following								
1) Nomura Macro Pulse	USD, EUR, JPY, GBP & CAD Short Term Interest Rate	2.5	1.4%	0.2%	0.7%	0.9%	0.2%	0.2%
2) UBS IR Strategies STRAUS	USD, EUR, JPY, GBP & CHF Short Term Interest Rate	2.3	1.5%	0.2%	0.7%	1.1%	0.2%	0.3%
3) Societe Generale Harmonia	Multi-Asset Trend Following - Long Only ERC	2.0	12.3%	-0.1%	1.2%	14.2%	2.0%	-3.8%

annual performance is blank for indices that were not live during the full year

¹ All performance figures are based on daily snapshots of published returns, not allowing for corrections or restatements at a later stage. In order for all indices to be comparable, the performance numbers in this report have been adjusted when an index is not published in USD or its return is not expressed as a total return.

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Monthly Report – April 2018

Arbitrage Strategies (CLAXARB Index)

+0.24% in April, +1.94% in the last 12 months

Carry Strategies (CLAXCAR Index) +0.91% in Apr, +1.10% in the last 12 months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	-2.11%	2.39%	2.75%	0.13%	0.72%	0.37%	-0.30%	0.73%	-2.61%	0.38%	0.12%	-1.14%	1.30%
2015	-2.82%	1.02%	-0.83%	0.97%	-0.87%	-1.42%	-1.92%	-4.18%	-1.76%	2.88%	0.74%	-1.03%	-9.04%
2016	-1.20%	-0.44%	2.68%	0.09%	-0.90%	1.69%	0.28%	0.55%	0.74%	1.90%	0.38%	0.88%	6.78%
2017	-0.05%	1.91%	-0.39%	-0.61%	-0.37%	0.22%	0.61%	-0.40%	0.67%	-0.63%	-0.42%	1.44%	1.95%
2018	-0.45%	-0.17%	-0.29%	0.91%									-0.00%

April was the first positive month in 2018 for FX Carry strategies (+0.91%, the highest return among the eight sub-strategies); their year-to-date performance is now flat. The largest gains were made on short JPY, CHF and EUR positions², which benefitted G10 strategies and EM ones to some extent. G10 algorithms averaged +1.8% across eleven indices, while global and EM strategies lost -0.5% across 14 indices. Losses came from EM currency positions (the J.P. Morgan EM currency index was down -2.6%), with some currencies (e.g. RUB, BRL, ZAR) finishing the month sharply lower against the US Dollar³. Equity dividend carry strategies were largely profitable, finishing up +0.5% as a group.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Carry		Apr-18 return	YTD return	1Y Sharpe	1Y return
1) Societe Generale FX G10 Carry	G10 FX Carry Arbitrage	3.6%	1.6%	-0.8	-4.3%
2) Barclays Intelligent Carry	G10 FX Carry Arbitrage	2.7%	2.3%	0.3	2.7%
3) Credit Suisse Dividend Alpha on Nikkei	Nikkei 225 Dividend Arbitrage	2.3%	2.8%	1.3	7.0%

Commodity Yield Optimisation (CLAXCYO Index) -1.37% in Apr, +8.51% in the last 12 months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	-3.92%	1.63%	1.16%	0.77%	1.29%	1.57%	2.13%	0.79%	-0.20%	0.41%	0.04%	1.53%	7.29%
2015	0.71%	0.08%	0.30%	-3.96%	-1.41%	0.33%	0.87%	-0.70%	-0.12%	2.72%	4.07%	2.97%	5.75%
2016	0.80%	2.96%	-0.05%	-2.11%	0.03%	1.04%	2.58%	-0.02%	0.13%	0.40%	0.73%	-1.29%	5.22%
2017	2.41%	1.14%	0.24%	1.13%	-0.19%	0.78%	0.90%	2.03%	-0.11%	0.21%	1.61%	-0.42%	10.13%
2018	1.92%	2.16%	0.73%	-1.37%									3.45%

The Commodity Arbitrage sub-index gave back -1.37% in April as oil curves inverted further in rising markets. The June 19 to June 18 discount in Brent crude oil widened from -6.8% to -8.1%. The same spread in WTI crude oil widened from -8.6% to -9.0%. Meanwhile, in the agriculture sector Wheat futures flattened back to where they stood two months ago: the premium of May 19 over May 18 contracts fell back to +11.2%, from +17.7%. Commodity future arbitrage strategies are mostly positioned long in longer dated contracts, against a short position in the near end; the market movements described above all generated losses. Congestion arbitrage algorithms did not fare better: average losses amounted to -0.7% across eight indices.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Commodity Yield Optimization		Apr-18 return	YTD return	1Y Sharpe	1Y return
1) Nomura Commodity Intra Curve	Commodity Future Arbitrage - 3 Commodities	0.5%	0.2%	0.4	1.9%
2) UBS CABNS T4	Commodity Future Arbitrage - Beta Neutral	0.4%	3.3%	1.7	6.4%
3) Credit Suisse DRIVERS	Commodity Future Arbitrage - Pairs Trading	0.4%	2.1%	1.7	5.7%

² The CHF was down -3.5%, the JPY down -2.7%, the EUR down -1.8%, all versus USD. The DXY Dollar index was up +1.9%. Source: Bloomberg

³ The RUB was down -8.7%, the BRL -5.5%, the ZAR -4.4%. Source: Bloomberg

Monthly Report – April 2018

Arbitrage Strategies (CLAXARB Index)

+0.24% in April, +1.94% in the last 12 months

Fixed Income Arbitrage Strategies (CLAXFIA Index) **+0.27% in Apr, +1.71% in the last 12 months**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	1.33%	1.93%	-0.18%	1.25%	1.61%	-0.57%	-1.19%	2.38%	-1.09%	3.25%	1.79%	-1.59%	9.14%
2015	2.21%	-0.12%	1.77%	0.12%	-0.27%	-1.57%	1.33%	1.09%	1.87%	0.41%	0.03%	-1.21%	5.74%
2016	3.84%	0.88%	-0.29%	-0.34%	-0.27%	3.22%	-0.35%	-0.29%	0.03%	-1.47%	-4.19%	-1.20%	-0.67%
2017	-0.43%	1.25%	0.20%	1.70%	1.47%	-1.92%	0.14%	0.77%	-0.08%	1.19%	-0.65%	-1.33%	2.25%
2018	0.41%	0.31%	1.16%	0.27%									2.17%

Despite rising interest rates across all major currencies⁴ Fixed Income Arbitrage strategies managed to post gains of +0.27% in April. Forward rate bias algorithms finished mostly positive (+0.1% on average) with gains made on USD short future positions. Inter-curve carry strategies positioned on longer tenors gained +0.2% (see for example J.P. Morgan's CarryMax strategy in the table below). High yield versus investment grade carry strategies did well as US high yield bonds outperformed investment grade positions⁵. US municipal bond arbitrage strategies were broadly flat. This is the fourth consecutive positive monthly return for Fixed Income Arbitrage strategies, which is remarkable given the current rising interest rate environment.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Fixed Income	Apr-18 return	YTD return	1Y Sharpe	1Y return
1) Societe Generale FIRM Gulf Stream USD & EUR Forward Rate Bias Arbitrage	0.8%	1.8%	-0.1	1.1%
2) JPMorgan CarryMAX Global Yield Curve Carry Arbitrage	0.6%	0.7%	1.3	4.5%
3) Barclays Atlantic HYIGS Beta HY vs IG Credit Spread Arbitrage (Static)	0.5%	1.2%	1.1	2.8%

Volatility Arbitrage Strategies (CLAXVOA Index) **+0.79% in Apr, -0.74% in the last 12 months**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	-1.65%	0.93%	0.03%	0.59%	0.69%	1.08%	-0.81%	0.99%	-0.19%	-2.45%	0.83%	-1.61%	-1.63%
2015	-1.37%	2.89%	-0.90%	1.10%	0.13%	-1.24%	2.27%	-5.35%	-0.07%	1.45%	0.83%	-0.12%	-0.64%
2016	-1.80%	-0.65%	1.91%	0.08%	2.12%	-2.29%	0.74%	1.39%	0.08%	0.71%	-0.20%	1.12%	3.15%
2017	1.22%	1.61%	0.99%	1.35%	1.07%	0.25%	1.59%	0.34%	1.32%	1.31%	0.92%	0.71%	13.43%
2018	-0.87%	-7.10%	-0.76%	0.79%									-7.88%

Volatility Arbitrage strategies posted their first positive return this year (+0.79%) as volatility levels started to come down. The VIX index finished -4 points lower at 15.9% while the VStoxx index was down -3.7 points at 13.7%. 20-day realised volatility for the S&P 500 finished at 15.7%, around five points lower than last month. Realised volatility for the Euro Stoxx 50 index finished even lower, at 12.1%. In FX markets, both implied and realised volatilities declined for the EUR/USD cross; in swap markets, the implied USD 1M into 10Y swaption volatility declined as well⁶. These market conditions led to gains of +1.1% for Equity Volatility Arbitrage indices, +0.5% for FX Volatility Arbitrage indices and +0.5% for Fixed Income Volatility Arbitrage indices. Commodity volatility arbitrage algorithms, on the other hand, finished slightly negative, down -0.4% on average.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Volatility	Apr-18 return	YTD return	1Y Sharpe	1Y return
1) BNP Paribas Volatility Mean Reversion Short VIX Futures	4.5%	-4.1%	0.2	4.3%
2) BNP Paribas AIR Japan Short Nikkei 225 delta hedged options	4.4%	-3.9%	0.5	5.8%
3) Credit Suisse Global Carry Selector Short Global Equity Variance Swaps	4.3%	-6.8%	0.6	13.0%

⁴ USD, EUR, GBP and JPY 10 year swap rates were up +19bps, +3bps, +6bps, and +1bp respectively. Source: Bloomberg.

⁵ The iBoxx USD High Yield index (IBOXHY) was up +0.8%, while the iBoxx Investment Grade index (IBOXIG) was down -1.2%. Source: Bloomberg.

⁶ The EUR/USD 1M implied volatility dropped from 6.5% to 6.3%; the 20-day realised volatility of the cross went from 6.9% to 5.6%. Implied normal volatility for 1M into 10Y USD swaptions fell -8% to 57bps. Source: Bloomberg.

Monthly Report – April 2018

Economic Indicator Strategies (CLAXECI Index)

-0.29% in April, +4.46% in the last 12 months

Research Strategies (CLAXRES Index) -0.87% in Apr, +3.61% in the last 12 months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	2.34%	0.11%	0.49%	-1.78%	-1.20%	1.20%	-2.73%	0.89%	-2.39%	0.27%	-1.01%	1.23%	-2.69%
2015	-1.71%	0.76%	0.69%	-1.30%	1.63%	0.08%	-2.66%	-3.20%	-1.19%	-1.04%	-0.22%	0.81%	-7.22%
2016	-3.64%	1.08%	1.80%	-1.12%	-0.79%	-4.33%	0.73%	-0.90%	2.30%	-0.11%	2.69%	1.72%	-0.83%
2017	0.08%	0.80%	0.33%	0.32%	-0.68%	0.99%	0.33%	0.67%	1.12%	1.26%	0.43%	0.33%	6.14%
2018	-1.37%	-0.51%	1.89%	-0.87%									-0.88%

Equity Factor strategies gave back some of their previous month's gains during April (-0.87%). US equity markets had lacklustre returns with small cap stocks slightly outperforming larger cap benchmarks (the Russell 2000 was up +0.8% while the S&P 500 index was up +0.3%, for example). In Europe the picture was the opposite: the Euro Stoxx 50 index was up +5.2% while the Stoxx 600 index was up only +3.9%. Across the 83 factor indices included in the Global Index, we saw excess returns from Value (+0.4%) and Low Vol factors (+0.3%). Losses were incurred in both Momentum (-0.4%) and Quality factors (-0.4%). This summary does not always hold when broken down by geography. In Europe for instance, Value and Low Vol factor returns were negative (-0.4% and -0.6% respectively).

Top 3 movers (ranked by 1 month returns)

Economic Indicators - Research	Apr-18 return	YTD return	1Y Sharpe	1Y return
1) Commerzbank Europe Equity Risk Premi; Europe Equity Long/Short Multi-Factor	3.3%	5.9%	0.4	4.2%
2) Societe Generale Global Value Beta Hd Global Equity Long/Short Value Factor	2.0%	2.0%	0.8	7.8%
3) Societe Generale Global Quality Income Global Equity Long/Short Dividend Factor	1.9%	-3.0%	-1.3	-5.1%

Macro Strategies (CLAXMAC Index) +0.48% in Apr, +5.51% in the last 12 months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	-0.33%	-2.25%	-0.04%	0.16%	1.81%	0.31%	-0.60%	0.24%	0.59%	-0.16%	0.29%	-0.60%	-0.64%
2015	-0.55%	-0.49%	0.22%	-0.55%	-0.04%	-2.19%	1.72%	-0.20%	0.57%	1.10%	0.29%	0.06%	-0.10%
2016	0.80%	1.79%	-0.38%	-0.37%	-0.95%	1.08%	1.27%	-0.33%	-0.35%	-0.92%	0.45%	-0.26%	1.82%
2017	-0.00%	1.39%	0.35%	1.30%	0.44%	-0.21%	0.24%	1.49%	0.38%	0.92%	1.01%	0.56%	8.13%
2018	0.13%	-0.96%	0.93%	0.48%									0.57%

The Macro sub-index was up +0.48% in April, with positive returns seen in all asset classes. Commodity macro algorithms rose +0.9% as commodity backwardation algorithms extended last month's gains on long energy versus short agriculture positions⁷. Equity strategies were up +1.3% helped by strong equity markets in Europe⁸. FX macro strategies were up +0.2% with positive contributions from value convergence positions, which were helped by a weak CHF⁹. Fixed income macro algorithms were broadly flat. Finally Multi-Asset Macro Allocation strategies gained +0.5% on average as their long positions in equities more than covered for the losses on their bond holdings.

Top 3 movers (ranked by 1 month returns)

Economic Indicators - Macro	Apr-18 return	YTD return	1Y Sharpe	1Y return
1) Credit Suisse GAINS Risk Parity Commodity Macro Long/Short	4.2%	-1.1%	-0.1	0.1%
2) Societe Generale Commodity Curve Mon Commodity Backwardation - GSCI Weights	3.3%	-4.7%	-0.4	-4.4%
3) BNP Paribas Longitude Global Multi-Asset Macro Allocation	3.1%	1.6%	0.9	8.1%

⁷ The BCOM Energy sub-index was up +4.9% while the Agriculture sub-index was up +1.3%. Source: Bloomberg.

⁸ The Euro Stoxx 50 index was up +5.2%. Source: Bloomberg.

⁹ The CHF was down -3.5% versus the USD. Source: Bloomberg.

Monthly Report – April 2018

Momentum Strategies (CLAXMOM Index)

+0.06% in April, -0.25% in the last 12 months

Mean Reversion Strategies (CLAXMRE Index) +0.81% in Apr, -1.97% in the last 12 months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	0.18%	0.93%	1.38%	1.04%	0.78%	0.07%	-0.45%	-0.07%	-0.89%	-3.02%	0.21%	0.47%	0.56%
2015	0.24%	0.52%	0.75%	-0.24%	0.37%	0.06%	-0.20%	-3.32%	2.36%	0.19%	0.27%	0.56%	1.48%
2016	-1.54%	0.33%	0.08%	-0.18%	0.45%	1.56%	-0.05%	0.40%	1.01%	0.19%	-0.31%	-0.25%	1.65%
2017	0.75%	0.38%	0.84%	0.73%	0.37%	0.47%	1.18%	1.73%	0.07%	0.65%	-0.86%	1.21%	7.77%
2018	-1.42%	-6.31%	0.37%	0.81%									-6.55%

Mean Reversion strategies gained a solid +0.81% in April, their best return so far this year. Positive contributions came mainly from short term mean reversion strategies on the S&P 500 index (+2.0% on average), as the index experienced a number of opposite daily movements during April¹⁰. The other source of positive returns were buy-write strategies (+1.4%) which benefitted from gains in equity indices, primarily in Europe¹¹. On the negative side, short term mean reversion strategies on the Euro Stoxx 50 index lost ground (-0.8%) as the index' rise in April was mainly one-directional, with little corrections.

Top 3 movers (ranked by 1 month returns)

Momentum - Mean Reversion	Apr-18 return	YTD return	1Y Sharpe	1Y return
1) BNP Paribas Buy Write 103 Euro Stoxx 50 Buy-Write	5.2%	1.9%	0.1	2.0%
2) Credit Suisse Adaptive Mean Reversion S&P 500 Mean Reversion	2.8%	-2.9%	-0.1	-0.2%
3) Societe Generale US Gravity S&P 500 Mean Reversion (Bi-Weekly)	2.7%	-2.6%	0.1	4.5%

Trend-Following Strategies (CLAXTRF Index) -0.27% in Apr, +0.22% in the last 12 months

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	-1.29%	-0.20%	-0.60%	0.49%	0.99%	0.82%	-1.30%	0.91%	0.35%	-0.39%	2.01%	0.91%	2.66%
2015	1.82%	-0.36%	0.33%	-0.62%	-0.00%	-2.08%	0.73%	-1.01%	0.60%	-0.32%	0.82%	-1.36%	-1.51%
2016	0.68%	1.01%	-1.21%	0.24%	-0.22%	1.75%	-0.05%	-1.33%	0.59%	-0.27%	0.13%	0.04%	1.32%
2017	-0.22%	1.54%	-0.68%	0.33%	0.26%	-1.28%	0.28%	0.58%	-1.13%	1.39%	-0.17%	0.83%	1.70%
2018	2.51%	-2.55%	-0.13%	-0.27%									-0.50%

The Trend Following sub-index lost -0.27% in April. Like last month, gains from commodity trend following strategies (+1.0% across 16 indices) which benefitted from long energy positions¹² were offset by losses in Equity, Fixed Income and FX asset classes. Equity trend following strategies lost -0.8%, mainly because of a VIX trend following strategy which was positioned long the market. FX trend following strategies were down (-1.4%) as EM currencies lost ground against the prevailing trend¹³. Fixed income trend following algorithms finished were marginally lower, down -0.1%. Finally multi-asset trend following algorithms gained +0.3% (helped by gains on long positions in equity markets), but this was insufficient to cover the losses mentioned above.

Top 3 movers (ranked by 1 month returns)

Momentum - Trend Following	Apr-18 return	YTD return	1Y Sharpe	1Y return
1) DB Long Short Momentum EUR Europe Multi-Asset Trend Following - Long/Short	6.8%	6.2%	0.9	10.1%
2) JPMorgan Optimax Market Neutral Commodity Trend Following and Mean Variance - Lon	4.1%	4.5%	0.4	3.2%
3) Societe Generale Gold to Oil Commodity Trend Following - Gold and Oil	3.0%	1.2%	1.0	7.0%

¹⁰ For example, after a -2.2% drop on the first trading day of April, the S&P 500 index rebounded +3.1% over the following three days, before falling again -2.2% on the fifth trading day. Source: Bloomberg

¹¹ The S&P 500 index was up +0.3%, the Euro Stoxx 50 index was up +5.2%. Source: Bloomberg

¹² The BCOM Energy sub-index was up +4.9% in April. It was up +20.5% in the nine months to the end of March. Source: Bloomberg

¹³ The MSCI EM Currency index was down -1.7%. It was up +8.0% in the nine months to the end of March. Source: Bloomberg