

Monthly Report – August 2018

Clear Alpha Global Index (CLAXGBL Index) -0.18% in August, -0.11% 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 August 2018, the database contained 2,470 live and 2,061 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%	-0.06%	-0.58%	0.17%	-0.18%					-2.01%

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

	Aug Return	1Y Return	1Y Sharpe	5Y Return	5Y Sharpe
Global Index	-0.18%	-0.11%	-0.52	7.88%	0.38
Arbitrage	-0.44%	0.41%	-0.27	16.84%	0.79
Carry	-5.05%	-4.53%	-1.38	-4.58%	-0.30
Commodity	2.34%	7.77%	1.10	43.66%	1.22
Fixed Income	0.53%	5.70%	0.98	29.78%	0.93
Volatility	0.13%	-3.00%	-0.48	8.29%	0.18
Economic Indicators	-0.44%	-0.24%	-0.57	-2.11%	-0.35
Research	-0.17%	-1.88%	-0.66	-9.32%	-0.47
Macro	-0.82%	2.03%	0.15	3.94%	0.07
Momentum	0.49%	-0.75%	-0.47	7.14%	0.23
Mean Reversion	0.43%	-3.93%	-0.49	7.42%	0.12
Trend Following	0.51%	0.39%	-0.31	6.29%	0.18

The Global Index was down -0.18% in August following a global deterioration in risky assets, particularly within Emerging Markets.

US bonds, equities and the dollar were the only strong performers last month. European and Asian equity markets fell. EM currencies were caught in a sell-off among rising tensions in trade negotiations with China and US sanctions against Iran and Turkey. Energy prices made gains, while Agriculture and Metals declined. Interest rates finished marginally lower and volatility levels remained relatively stable given the risk-off market sentiment.

Commodity Arbitrage positions came out on top again (+2.3%) as the strategy's year-to-date performance reached +6.4%, despite the -3.3% drawdown in June. Gains came with steepening Agriculture futures curves, as well as long positions in oil futures held as a hedge against flattening curves. Trend Following strategies produced respectable gains (+0.5%), as FX algorithms were short EM currencies and commodity strategies were short the Agriculture sector. The Fixed Income Arbitrage sub-index (+0.5%) was helped by declining interest rates.

The bulk of losses were sustained by FX carry positions (-5.5%) as one could expect in a market where the Turkish Lira and the Argentine Peso both declined -23.6% in one month.

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

		1Y Sharpe	1Y return	Aug-18 return	YTD return	2017 return	2016 return	2015 return
Arbitrage - Carry								
1) Societe Generale FX G10 Carry	G10 FX Carry Arbitrage	0.5	5.1%	1.1%	5.6%	-7.5%	3.6%	-7.3%
2) Credit Suisse Dividend Alpha on Nikkei 225	Nikkei 225 Dividend Arbitrage	0.3	3.1%	1.8%	1.8%	9.7%	-7.1%	10.9%
3) BNP Paribas Converse Spread Europe	Euro Stoxx 50 Dividend Arbitrage	0.2	0.0%	-0.1%	1.4%	1.9%	3.7%	1.3%
Arbitrage - Commodity Yield Optimization								
1) RBS Aquantum Pegasus EL	Commodity Future Arbitrage - 24 commodities	2.7	8.0%	1.0%	5.6%	7.4%	0.9%	3.8%
2) Credit Suisse Seasonal Alpha	Commodity Future Arbitrage	2.1	7.3%	1.9%	5.9%	5.0%	0.5%	-3.1%
3) DB Commodity Harvest OYE	Commodity Future Arbitrage - BCOM Weights	2.1	4.5%	0.6%	2.6%	6.6%	4.7%	0.8%
Arbitrage - Fixed Income								
1) Barclays Atlantic HYIGS Beta	HY vs IG Credit Spread Arbitrage (Static)	1.5	3.7%	0.5%	2.8%	3.1%	4.5%	2.4%
2) DB Pulse Basket	USD & EUR Forward Rate Bias Arbitrage	1.4	1.8%	0.2%	1.4%	1.0%	0.3%	0.6%
3) Societe Generale BOSS	Global Yield Curve Carry Arbitrage	1.2	5.0%	0.9%	4.2%	1.4%	-0.5%	2.2%
Arbitrage - Volatility								
1) DB ImpAct Dollar Rates	Short USD Swaption Straddles	2.3	3.1%	0.3%	1.8%	3.1%	0.7%	0.6%
2) Credit Suisse Adaptive Volatility Index All Rolls USD	Short USD Swaption Straddles	2.2	8.7%	0.1%	6.2%	6.5%	6.5%	8.6%
3) BOA Merrill Lynch Short Synthetic Variance Index - GL	Short SPDR Gold ETF Variance Swaps	1.6	8.5%	0.2%	5.7%	11.7%	7.8%	14.4%
Economic Indicators - Research								
1) Morgan Stanley EF Global Quality	Global Equity Long/Short Quality Factor	3.1	14.1%	2.0%	10.9%	3.7%		
2) Societe Generale European Profitability Hedged	Europe Equity Long/Short Quality Factor	1.6	8.1%	2.6%	6.6%	5.6%	-5.8%	
3) Societe Generale European Quality Hedged	Europe Equity Long/Short Quality Factor	1.4	7.3%	2.7%	5.4%	6.8%	-7.0%	
Economic Indicators - Macro								
1) Nomura Macro Cross-Country	Government Bonds Relative Value Investing	1.9	3.0%	0.0%	2.6%	0.4%	0.2%	1.3%
2) Bloomberg US Dynamic Balance	S&P 500 vs US Bonds Vol Based Allocation	1.8	12.8%	2.3%	5.6%	15.9%	4.8%	-2.0%
3) Credit Suisse FX Metrics ToT	Trade Balance Based FX Macro Strategy	1.8	11.5%	3.4%	8.9%	-4.8%	-2.2%	6.4%
Momentum - Mean Reversion								
1) Societe Generale Enhanced Buy Write US	S&P 500 Buy-Write	1.4	19.5%	3.2%	9.9%	21.4%	2.9%	-4.1%
2) BNP Paribas Buy Write 103	S&P 500 Buy-Write	1.3	16.9%	3.1%	8.0%	19.4%	8.1%	10.0%
3) BNP Paribas 103 US Call Carry	S&P 500 Buy-Write	1.3	12.2%	2.4%	4.6%	16.4%	-0.4%	-0.9%
Momentum - Trend Following								
1) Societe Generale US Momentum Balanced	Multi-Asset Trend Following Long Only	2.6	16.5%	2.4%	8.4%	15.4%	3.1%	
2) Commerzbank Multi Asset Sharpe	Global Multi-Asset Macro Allocation (Sharpe)	2.5	21.2%	2.0%	13.1%	5.8%		
3) Societe Generale Gold to Oil	Commodity Trend Following - Gold and Oil	1.6	10.3%	0.9%	3.5%	6.4%	1.8%	-1.3%

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.

Disclaimer: to the extent the information relates to the Clear Alpha Global Index™ (the "Index"), the information contained herein (including historical prices or values) has been obtained from sources that Clear Alpha considers to be reliable; however, Clear Alpha does not make any representation as to, or accepts any responsibility or liability for, the accuracy or completeness of the information contained herein. For a more complete description of the Clear Alpha Global Index™, reference is made to the document Index Methodology, available from Clear Alpha on request. All data are historical estimations using available data. Clear Alpha does not make any representation herein regarding the advisability of investing in any product based on the Index. Past performance is no guarantee of future performance.

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Arbitrage Strategies (CLAXARB Index)

-0.44% in August, +0.41% in the last 12 months

Carry Strategies (CLAXCAR Index) -5.05% in Aug, -4.53% 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%	-0.84%	-1.05%	1.42%	-5.05%					-5.52%

Carry strategies posted their worst return in five years, down -5.05% in aggregate. EM currencies were hit particularly hard as Turkish markets were caught in a sell-off (following US sanctions) that engulfed other EM currencies (e.g. the Argentine Peso and the South African Rand)². Rising trade tensions between the West and Russia and China only exacerbated losses. The US dollar rose, both against G10 and EM currencies, while low yielding currencies remained comparatively strong³. EM strategies were down -4.9% on average, while G10 strategies limited losses to -1.2%. Equity dividend carry strategies were marginally profitable.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Carry	Aug-18 return	YTD return	1Y Sharpe	1Y return
1) Credit Suisse Dividend Alpha on Nikkei Nikkei 225 Dividend Arbitrage	1.8%	1.8%	0.3	3.1%
2) Credit Suisse Emerging Market FX Factor EM FX Carry Arbitrage	1.4%	2.6%	-0.3	-0.3%
3) Societe Generale FX G10 Carry G10 FX Carry Arbitrage	1.1%	5.6%	0.5	5.1%

Commodity Yield Optimisation (CLAXCYO Index) +2.34% in Aug, +7.77% 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%	1.75%	-3.26%	2.10%	2.34%					6.39%

Commodities declined in August despite rising oil prices following the re-introduction of US sanctions against Iran. The BCOM Energy sub-index rose +3.6%, while Agriculture and Industrial Metal sub-indices fell -6.1% and -4.5% respectively. Commodity Arbitrage strategies made strong gains, posting their highest monthly return so far this year (+2.34%). Despite the rise in prices, oil curve inversion did not increase⁴ which meant strategies avoided losses (and beta hedged implementations made gains on their long hedge positions). Algorithms made further gains in the Agriculture sector where curves steepened: the September 2019 to 2018 premium for Corn and Wheat futures went from +9.1% to +11.3%, and +8.2% to +11.3% respectively. 34 strategies posted gains out of a total of 37 in this group, with returns ranging from +2.8% to -0.5%. Congestion arbitrage algorithms contributed only marginally, up +0.2% on average.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Commodity Yield Optimization	Aug-18 return	YTD return	1Y Sharpe	1Y return
1) Credit Suisse Custom 88 Curve Arbitrage Commodity Future Arbitrage - 10 Commodities	2.8%	4.1%	1.2	5.7%
2) Credit Suisse Seasonal Alpha Commodity Future Arbitrage	1.9%	5.9%	2.1	7.3%
3) Societe Generale Roll Alpha 1 Vt8 Commodity Future Arbitrage	1.9%	8.2%	1.7	9.1%

² The TRY and ARS were both down -23.6%, the ZAR -10.5%, and the RUB -7.1%, all versus the USD. Source: Bloomberg

³ The EUR was down -1.1%, the JPY was up +0.5% and the CHF up +1.9%, all versus the USD. Source: Bloomberg

⁴ The Oct 2019 versus Oct 2018 discount remained at -5.5% for WTI crude oil. Source: Bloomberg

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Arbitrage Strategies (CLAXARB Index)

-0.44% in August, +0.41% in the last 12 months

Fixed Income Arbitrage Strategies (CLAXFIA Index) +0.53% in Aug, +5.70% 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%	1.70%	1.24%	0.84%	0.53%					6.64%

August was another positive month for the Fixed Income arbitrage sub-index (up +0.53%). It now stands at +6.6% year-to-date and is the top-performing strategy for 2018. Interest rates came down in August as central bank tightening in the US and the UK now appears to be priced into curves. Ten year swap rates were down -11bps in USD, -7bps in EUR, -5bps in GBP, and flat in JPY; two year swap rates fell -5bps in USD, -2bps in GBP, and were flat in EUR and JPY. Interest rate curves flattened, with the USD 2Y versus 10Y swap spread closing slightly below 10bps, its lowest level since 2007. The best performing algorithms were positioned in longer tenors (typically 10 years) and gained +0.4% at the median (see table below for examples). Forward rate bias strategies gained +0.2% at the median.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Fixed Income	Aug-18 return	YTD return	1Y Sharpe	1Y return
1) Societe Generale BOSS Global Yield Curve Carry Arbitrage	0.9%	4.2%	1.2	5.0%
2) Barclays Star 20 EUR Curve Steepening	0.6%	2.7%	0.4	2.5%
3) Barclays Atlantic HYIGS Beta HY vs IG Credit Spread Arbitrage (Static)	0.5%	2.8%	1.5	3.7%

Volatility Arbitrage Strategies (CLAXVOA Index) +0.13% in Aug, -3.00% 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%	-0.93%	0.51%	1.22%	0.13%					-7.03%

Volatility Arbitrage strategies made a small positive contribution in August, up +0.13%. Equity and Commodity strategies were slightly positive while Fixed Income and FX algorithms lost ground. The S&P 500 index was up +3.0% and the VIX index stayed unchanged at 12.8. Meanwhile the Euro Stoxx 50 index dropped -3.8% and the VStoxx index closed up +3.1 points, at 15.6. Equity volatility arbitrage strategies gained +0.7% at the median, the largest gains coming from short variance swap positions on US indices (the majority in this group). The S&P 500 index' 20-day realised volatility finished at 7.5% (down -1.4%) while the Euro Stoxx 50 index' realised volatility rose from 10.1% to 12.1%. Commodity volatility arbitrage strategies gained +0.5% on average with implied volatility trading lower⁵. Fixed Income and FX volatility arbitrage algorithms posted average losses of -0.1%, due in part to a rise in implied FX volatility during the EM currency sell-off⁶.

Top 3 movers (ranked by 1 month returns)

Arbitrage - Volatility	Aug-18 return	YTD return	1Y Sharpe	1Y return
1) Nomura Volatility Risk Premia Short S&P 500 Variance Swaps	4.4%	-8.2%	0.1	6.6%
2) BOA Merrill Lynch VolRyder Long/Short Vix and VStoxx Futures	4.2%	-9.7%	-0.9	-10.1%
3) DB Impact Dollar Equity Volatility Short S&P 500 Variance Swaps	2.5%	5.5%	0.4	14.3%

⁵ Brent and WTI crude oil 3-month implied volatilities fell -1.7% and -0.2% respectively, to 24.5% and 24.4%. Source: Bloomberg.

⁶ For example the EUR/USD 1M implied volatility rose 1.3 points to 7.4. Source: Bloomberg.

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Economic Indicator Strategies (CLAXECI Index)

-0.44% in August, -0.24% in the last 12 months

Research Strategies (CLAXRES Index) -0.17% in Aug, -1.88% 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%	-0.02%	-2.17%	-1.75%	-0.17%					-4.91%

Equity factor strategies lost -0.17% in August. Momentum factor strategies finished at the top of the table while Value factor strategies deteriorated most. In the US, the S&P 500 index was up +3.0%, the Russell 2000 index was up +4.2%, and the Nasdaq index was up +5.7%. In Europe, the Euro Stoxx 50 index was down -3.8%, the Stoxx 600 index was down -2.4%, and the Stoxx Technology index was up +1.1%. As such, small cap and growth stock selections generally outperformed cap weighted benchmarks. Across the database, the Momentum factor produced excess returns of +1.8% while the Value factor lost -1.7% (we record 13 Value factor strategies versus 8 Momentum strategies). Low Vol and Quality factors came second and third with average returns of +0.9% and +0.6%, respectively. European focused strategies produced gains (+1.1% across 20 algorithms), while US and Global selections suffered losses (-0.1% across 50 algorithms).

Top 3 movers (ranked by 1 month returns)

Economic Indicators - Research		Aug-18 return	YTD return	1Y Sharpe	1Y return	
1)	BNP Paribas SPECTRUM Long/Short	Global Equity Long/Short Multi-Factor	3.9%	9.0%	1.0	7.8%
2)	Morgan Stanley EF Global Momentum	Global Equity Long/Short Momentum Factor	3.9%	6.1%	0.3	3.7%
3)	Commerzbank US Risk Premia	US Equity Long/Short Multi-Factor	3.6%	0.1%	1.0	12.2%

Macro Strategies (CLAXMAC Index) -0.82% in Aug, +2.03% 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%	-0.54%	0.49%	-0.53%	-0.82%					-0.85%

The Macro sub-index lost -0.82% primarily due to FX strategies which were caught long EM currencies during the August sell-off⁷. FX macro strategies lost -0.9% in aggregate; the impact on index returns was magnified by inverse volatility weighting (the volatility of FX macro strategies is relatively low, at 1.5%). Commodity backwardation strategies made gains (+1.0%) on long Energy and short Agriculture positions⁸ (energy curves are mostly inverted while agriculture curves are steep). Equity macro strategies finished positive (+0.4%) primarily due to one strategy's long position on the S&P 500 index in low volatility environments. Fixed income macro algorithms lost -0.1% on average, with a median of +0.2%, due to outsized losses suffered by an EM-Bond allocation strategy.

Top 3 movers (ranked by 1 month returns)

Economic Indicators - Macro		Aug-18 return	YTD return	1Y Sharpe	1Y return	
1)	Nomura Commodity Relative Carry	Commodity Backwardation - Inflation Adjusted	3.7%	4.2%	0.5	4.5%
2)	Morgan Stanley EW Dynamic Backwarda	Commodity Backwardation - Equal Weights	3.5%	10.4%	1.2	21.0%
3)	Credit Suisse FX Metrics ToT	Trade Balance Based FX Macro Strategy	3.4%	8.9%	1.8	11.5%

⁷ The J.P. Morgan EM currency Index fell -6.6%. Source: Bloomberg.

⁸ The BCOM Energy sub-index rose +3.6% while the BCOM Agriculture sub-index fell -6.1%. Source: Bloomberg.

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Momentum Strategies (CLAXMOM Index) +0.49% in August, -0.75% in the last 12 months

Mean Reversion Strategies (CLAXMRE Index) +0.43% in Aug, -3.93% 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%	-0.45%	0.37%	1.37%	0.43%					-4.94%

Equity Mean Reversion strategies were up +0.43% in August. Gains on S&P 500 buy-write strategies (+2.1%) drove returns higher; these were partially offset by losses from Euro Stoxx 50 buy-write strategies (-1.7%)⁹. Short term mean reversion strategies on the Euro Stoxx 50 index finished up +0.7%. They outperformed their S&P 500 peers which lost -0.1% due to little corrections during the market rally in the second half of August: the S&P 500 index was up +3.0% over 12 days, with 9 positive and 3 negative days (and a cumulative positive return of +3.6%, against a negative return of -0.6%).

Top 3 movers (ranked by 1 month returns)

Momentum - Mean Reversion	Aug-18 return	YTD return	1Y Sharpe	1Y return
1) Societe Generale Enhanced Buy Write U S&P 500 Buy-Write	3.2%	9.9%	1.4	19.5%
2) BNP Paribas Buy Write 103 S&P 500 Buy-Write	3.1%	8.0%	1.3	16.9%
3) DB Europe Bi-weekly Mean Reversion Euro Stoxx 50 Mean Reversion (Bi-Weekly)	2.5%	-6.2%	-0.7	-8.4%

Trend-Following Strategies (CLAXTRF Index) +0.51% in Aug, +0.39% 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%	0.01%	-0.10%	-0.42%	0.51%					-0.50%

Trend following quant funds and related indices all enjoyed positive returns in August¹⁰, as did our Trend Following sub-index, up +0.5%. Gains were driven by Commodity and FX strategies, with median returns of +0.9% and +2.4% respectively. Commodity strategies maintained successful short positions in Agriculture futures¹¹ which offset losses in the Energy sector. FX strategies were correctly positioned short EM currencies and benefitted from the August sell-off¹². Equity trend following strategies had a negligible impact (+0.1%) while Fixed Income strategies lost -0.3% on average, as interest rates came down. Multi-asset trend following algorithms were up +0.9% across 32 indices, reflecting the gains observed for Commodity and FX asset classes.

Top 3 movers (ranked by 1 month returns)

Momentum - Trend Following	Aug-18 return	YTD return	1Y Sharpe	1Y return
1) Credit Suisse Multi-Asset Futures Multi-Asset Trend Following - Long/Short	4.6%	4.0%	0.5	6.1%
2) Credit Suisse FX Metrics Momentum Global FX Trend Following	3.6%	3.7%	-0.1	0.9%
3) Nomura EM Momentum EMFX Trend Following	3.6%	7.1%	0.6	7.1%

⁹ The S&P 500 index was up +3.0%, the Euro Stoxx 50 index was down -3.8%. Source: Bloomberg

¹⁰ The SG CTA Index was up 2.6%, the Credit Suisse Managed Futures index was up +1.4%, as was Winton's flagship fund. Source: Bloomberg

¹¹ The BCOM Agriculture sub-index was down -6.1% in August. It is down -13.0% in the twelve months ended July 2018. Source: Bloomberg

¹² The J.P. Morgan EM Currency Index was down -6.6% in August. It is down -6.5% in the twelve months ended July 2018. Source: Bloomberg