



# NilssonHedge Chart of the Month: Hedge Fund Strategy Performance Review

9 January 2023 [Greg Winterton](#)

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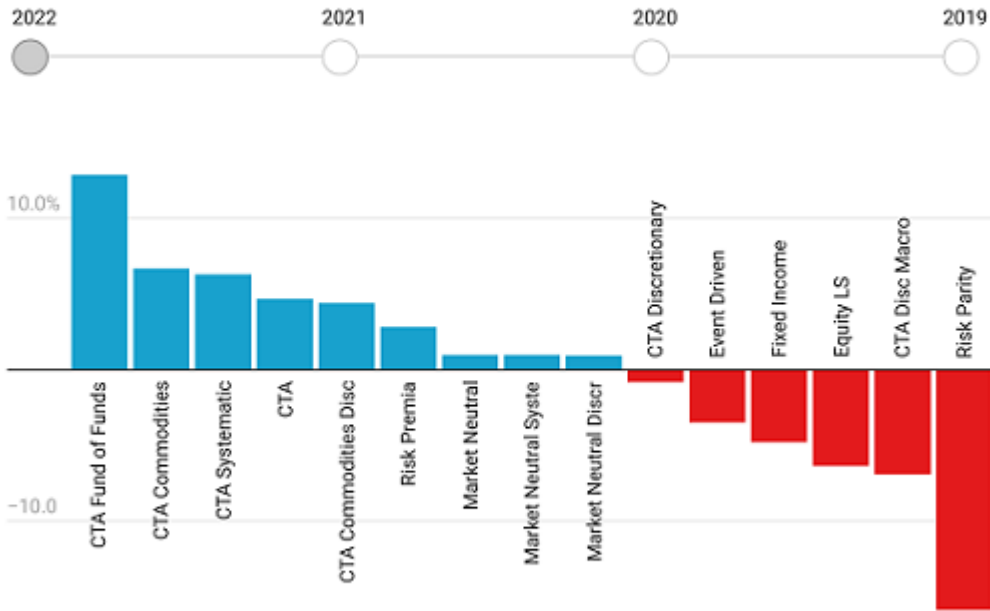
Fund of hedge funds were supposed to be going the way of the dinosaurs – the post-GFC decade combination of relentlessly increasing public equities and increasing demand for customised hedge fund portfolios spelled double trouble for the FoHF sector.

Those FoHFs that focus on managed futures strategies specifically will be feeling smug right now. These strategies delivered the best performance of all of the sub-categories of the hedge fund industry that data provider NilssonHedge tracks in 2022, and was the only one that delivered returns of more than 10%. Indeed, managed futures strategies dominated last year, with the top five performing strategy indices all being CTA/Managed Futures.

**Figure 1: Yearly Index Performance**

## NilssonHedge Yearly Index Performance

The NilssonHedge Indices (ex-Crypto)



Updated: 2023-01-03

Source: NilssonHedge - Created with Datawrapper

Source: NilssonHedge

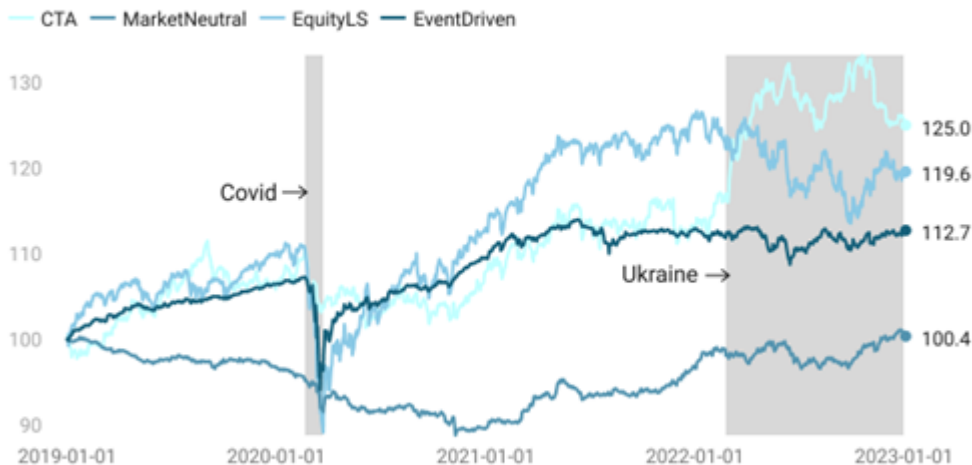
Investors are (should be...) concerned with the medium-long term, however. Back at the start of 2019, the world seemed comparatively sedate (compared to the past three years). Yes, there was an equity drawdown in Q4 2018, but managed futures were still out of favour, and everyone loved equities.

What a difference a couple of crises can make. Whilst almost everything moved in lock-step at the onset of the Covid-19 pandemic, managed futures strategies really showed their value at the onset of the Russian invasion of Ukraine, as commodity prices spiked and trend-following strategies made money on falling equity and bond markets. Indeed, the NilssonHedge CTA Index is the best performing of the top-level indices tracked by the firm since the beginning of 2019.

**Figure 2: Daily Hedge Fund Indices**

## NilssonHedge Daily Hedge Fund Indices

Estimated returns from daily data



Updated: 2023-01-05

Chart: NilssonHedge • Source: NilssonHedge.com • Created with Datawrapper

Source: NilssonHedge

Only time will tell us what 2023 has in store for investors and markets. And let's be clear – some of these funds of funds will have used notional funding to achieve these higher returns. But managed futures strategies – and funds of funds products based on them – will no doubt be feeling more than a little content at besting their peers in other hedge fund categories in what was a truly remarkable year.

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