

# FACTUAL STUDIES ON MANAGED FUTURES INTERACTION WITH STOCKS



Trading futures and options involves substantial risk of loss and is not suitable for all investors. The use of the phrase “Managed Futures” refers to the asset class, and not to any individual Commodity Trading Advisors program. Be advised that an individual program could have better or worse performance results when compared to the Stock Market. There are no guarantees of profit no matter who is managing your money. Past performance is not necessarily indicative of future results. The studies presented in this brochure are based on actual performance of managed futures and stocks for the periods shown, they are not based on academic theory. This matter is intended as a solicitation.

# THE GROWTH OF THE MANAGED FUTURES INDUSTRY

**In the last 24 years, assets under management for the managed futures industry have grown approximately an unprecedented 860%**

According to the CME Group, “Managed futures have been used successfully by investment management professionals for more than 30 years. Institutional investors looking to maximize portfolio exposure continue to increase their use of managed futures as an integral component of a well diversified portfolio. With the ability to go both long and short, managed futures are highly flexible financial instruments with the potential to profit from rising and falling markets. Moreover, managed future funds have virtually no correlation to traditional asset classes, enabling them to enhance returns as well as lower overall volatility.

Recent growth in managed futures has been substantial. In 2000, it was estimated that there was \$37.90 billion was under management by managed futures trading advisors. By the end of the first quarter of 2024, that number had grown to more than \$364 billion.

Why are managed futures so popular with investors? According to Sol Waksman, founder and President of BarclayHedge the current growth in managed futures assets has been more closely aligned with changing sentiment among sophisticated investors, who are now seeking transparency, liquidity and lower downside volatility within their portfolios all of which managed futures can potentially provide.

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STUDY SHOWING HOW MANAGED FUTURES  
PERFORMED WHEN STOCKS PERFORMED  
POORLY

# CTA RETURN DURING PERIODS WHEN THE S&P 500 LOST MORE THAN 10% IN A QUARTER (FROM SEPT 1990 - JUN 2024)



The chart above demonstrates how the Autumn Gold CTA Index performed during periods when the S&P 500 TR Index experienced quarterly losses greater than 10%. The period covered is from September 1990 to June 2024. Note that the last quarter in which the S&P 500 TR Index was down more than 10% was June 2022. **Note how in the thirteen periods shown, Managed Futures was positive ten times while the S&P 500 was negative. In the three periods that Managed Futures was negative along with the S&P 500, losses were seven to ten times less.** The Autumn Gold CTA Index reflects the average performance of Commodity Trading Advisors (CTAs) reporting to the Autumn Gold Database. The chart demonstrates that the Autumn Gold CTA Index produced above average quarterly returns during periods when the S&P 500 TR Index incurred quarterly losses in excess of 10%. In every instance from January 1990 to June 2022, when the S&P 500 TR Index incurred these losses, the Autumn Gold CTA index produced positive return or minimal losses.

Managed Futures are represented by the Autumn Gold CTA Index. The Autumn Gold CTA Index is comprised of the client performance of all CTA programs included in the AG database and does not represent the complete universe of CTAs.

CTA programs with proprietary performance are not included. Monthly numbers are updated until 45 days after the end of the month.

**S&P 500 TR Index** - The S&P 500 indices are designed to reflect all sectors of the U.S. equity markets. The S&P 500 includes 500 blue chip, large cap stocks, which together represent about 75% of the total U.S. equities market. Companies eligible for addition to the S&P 500 have market capitalization of at least US\$3.5 billion. The TR Index accounts for the reinvestment of dividends.

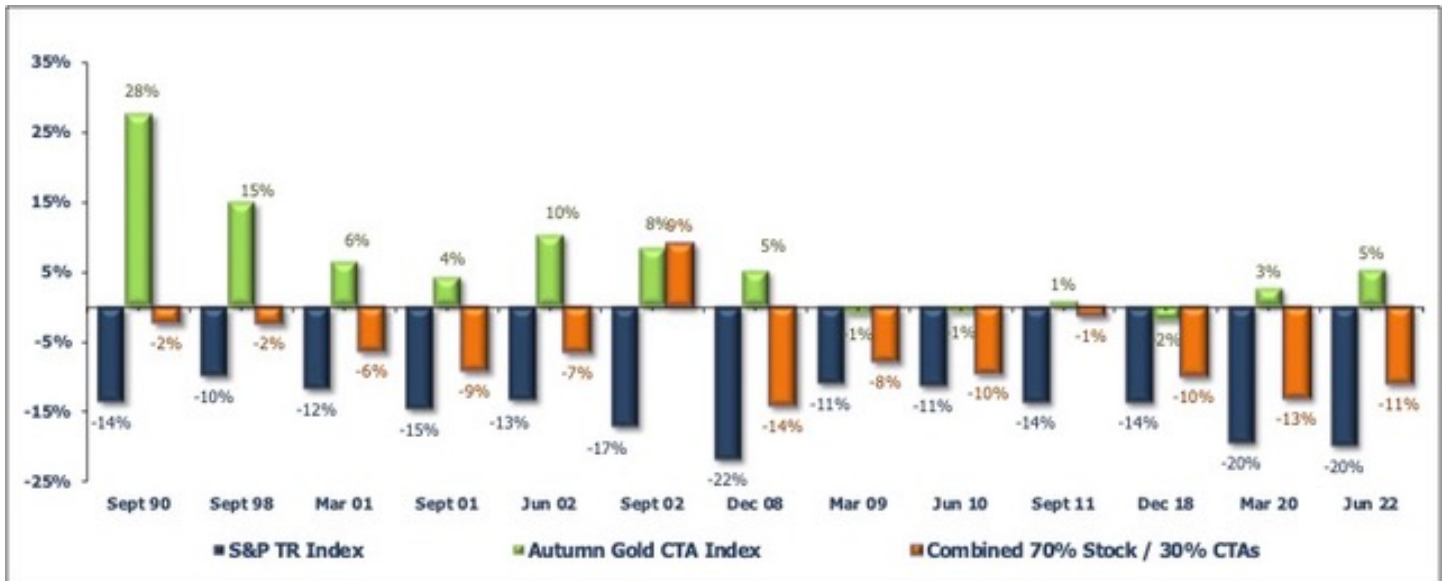
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The addition of managed futures to a client's portfolio does not mean that a portfolio will be profitable or that it will not experience substantial losses and that the studies conducted in the past may not be indicative of current time periods or of the performance of any individual CTA.

An individual cannot invest in the index itself and performance of an individual program may differ and be more volatile than the index.

STUDY SHOWING HOW STOCKS, CTAS, AND A  
COMBINED PORTFOLIO OF STOCKS AND CTAS  
PERFORMED DURING LOSING PERIODS FOR THE  
S&P OF MORE THAN 10%

# COMBINED RETURNS DURING PERIODS WHEN THE S&P LOST MORE THAN 10% IN A QUARTER (FROM SEPT 1990 - JUN 2024)



In all periods shown, the inclusion of allocating 30% of the portfolio to Managed Futures could have reduced losses and increased performance in the combined portfolio of 70% stocks and 30% Managed Futures.

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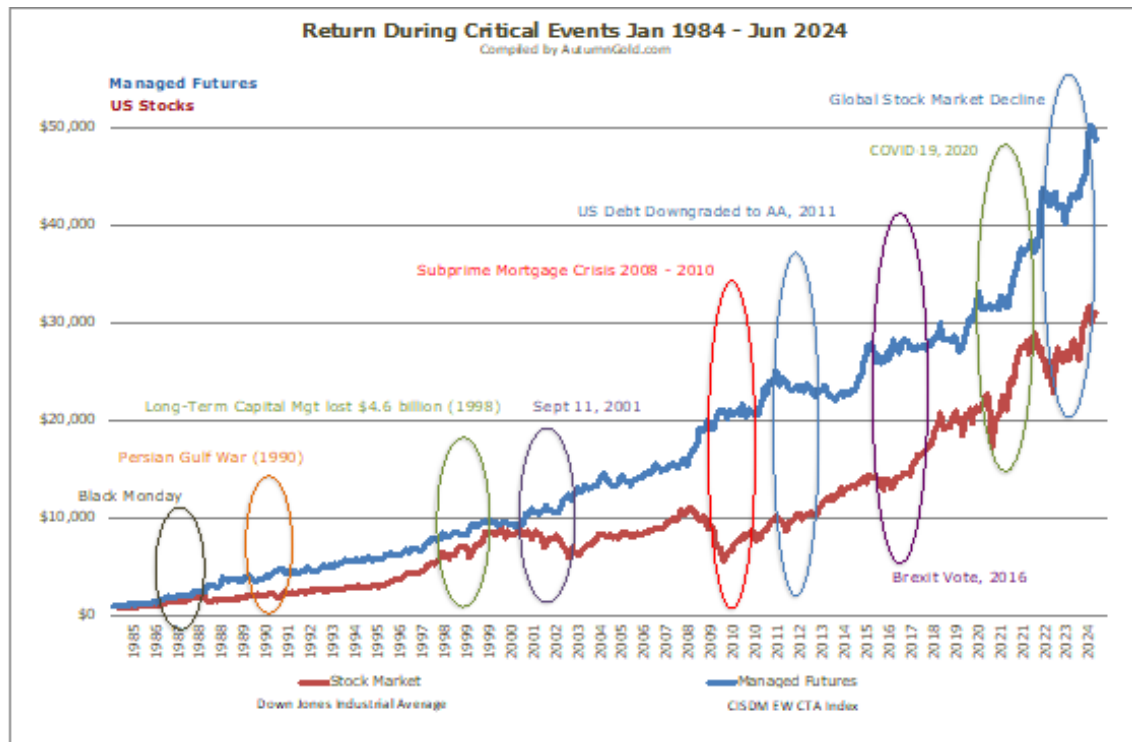
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Source: Autumn Gold

HOW DID MANAGED FUTURES PERFORM  
DURING CRITICAL EVENTS FROM JANUARY  
1984 THROUGH JUNE 2024?

# RETURN DURING CRITICAL EVENTS JANUARY 1984 - JUNE 2024



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The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The CISDM Equal Weighted CTA Index is an equal weighted index of CTAs maintained by The Center for International Securities and Derivatives Markets at the University of Massachusetts Amherst. It reflects the average performance of Commodity Trading Advisors reporting to the CISDM Hedge Fund/CTA Database. Each CTA must have at least \$500,000 under management and at least a 12-month track record. The CISDM CTA Index is a continuation of the earlier MAR Index which was sold to Zurich Capital Markets in 2001 and was gifted by Zurich to the University of Massachusetts in 2002 and renamed the CISDM Indices.

## PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

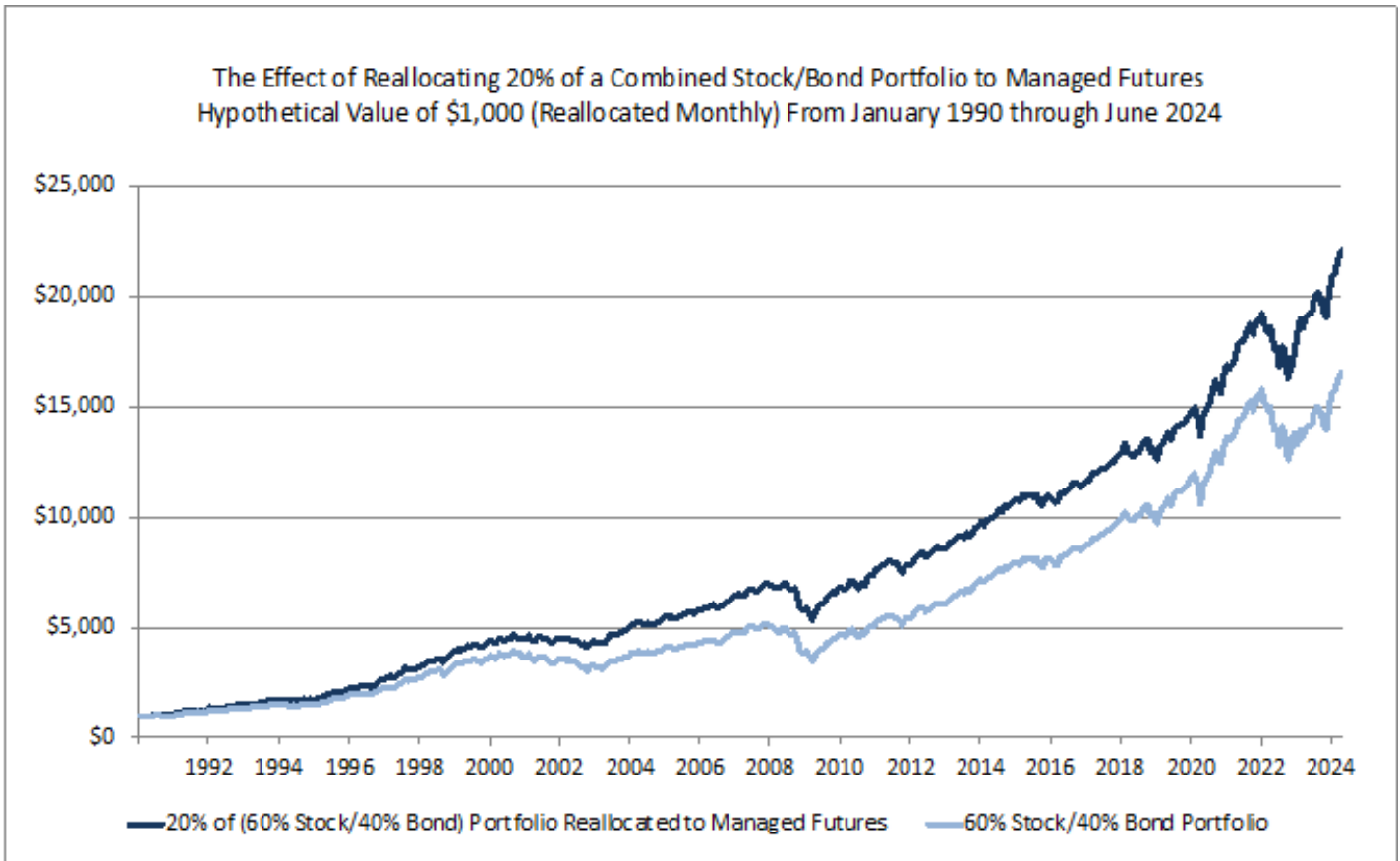
THE RISK OF TRADING COMMODITY FUTURES, OPTIONS AND FOREIGN EXCHANGE ("FOREX") IS SUBSTANTIAL. THE HIGH DEGREE OF LEVERAGE ASSOCIATED WITH COMMODITY FUTURES, OPTIONS AND FOREX CAN WORK AGAINST YOU AS WELL AS FOR YOU. THIS HIGH DEGREE OF LEVERAGE CAN RESULT IN SUBSTANTIAL LOSSES, AS WELL AS GAINS. YOU SHOULD CAREFULLY CONSIDER WHETHER COMMODITY FUTURES, OPTIONS AND FOREX IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IF YOU ARE UNSURE YOU SHOULD SEEK PROFESSIONAL ADVICE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE SUCCESS. IN SOME CASES MANAGED ACCOUNTS ARE CHARGED SUBSTANTIAL COMMISSIONS AND ADVISORY FEES. THOSE ACCOUNTS SUBJECT TO THESE CHARGES MAY NEED TO MAKE SUBSTANTIAL TRADING PROFITS JUST TO AVOID DEPLETION OF THEIR ASSETS. EACH COMMODITY TRADING ADVISOR ("CTA") IS REQUIRED BY THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") TO ISSUE TO PROSPECTIVE CLIENTS A RISK DISCLOSURE DOCUMENT OUTLINING THESE FEES, CONFLICTS OF INTEREST AND OTHER ASSOCIATED RISKS. THE FULL RISK OF COMMODITY FUTURES, OPTIONS AND FOREX TRADING CANNOT BE ADDRESSED IN THIS RISK DISCLOSURE STATEMENT. NO CONSIDERATION TO INVEST SHOULD BE MADE WITHOUT THOROUGHLY READING THE DISCLOSURE DOCUMENT OF EACH OF THE CTAs IN WHICH YOU MAY HAVE AN INTEREST. REQUESTING A DISCLOSURE DOCUMENT PLACES YOU UNDER NO OBLIGATION AND EACH DOCUMENT IS PROVIDED AT NO COST. THE CFTC HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN ANY OF THE FOLLOWING PROGRAMS NOR ON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE DOCUMENTS. OTHER DISCLOSURE STATEMENTS ARE REQUIRED TO BE PROVIDED TO YOU BEFORE AN ACCOUNT MAY BE OPENED FOR YOU.

THIS MATERIAL MENTIONS SERVICES WHICH RANK THE PERFORMANCE OF COMMODITY TRADING ADVISORS. PLEASE NOTE THAT THE RANKINGS APPLY ONLY TO THOSE CTAs WHO SUBMIT THEIR TRADING RESULTS. THE RANKINGS IN NO WAY PURPORT TO BE REPRESENTATIVE OF THE ENTIRE UNIVERSE OF COMMODITY TRADING ADVISORS. THE MATERIAL IN NO WAY IMPLIES THAT THESE RESULTS ARE OFFICIALLY SANCTIONED RESULTS OF THE COMMODITY INDUSTRY. BE ADVISED THAT AN INDIVIDUAL CANNOT INVEST IN THE INDEX ITSELF AND THE ACTUAL RATES OF RETURN FOR AN INDIVIDUAL PROGRAM MAY SIGNIFICANTLY DIFFER AND BE MORE VOLATILE THAN THE INDEX.



STUDY SHOWING EFFECT OF ALLOCATING 20%  
TO MANAGED FUTURES IN A STOCK AND BOND  
PORTFOLIO

# THE EFFECT OF REALLOCATING 20% OF A TRADITIONAL STOCK/BOND PORTFOLIO TO MANAGED FUTURES (FROM JAN. 1990 - JUN. 2024)



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**For the period of January 1990 through June 2024, note how reallocating 20% of a 60% Stock/40% Bond Portfolio to Managed Futures could have increased performance of the 60% Stock/40% Bond portfolio by 51.9% (\$22,591 vs. \$14,869).**

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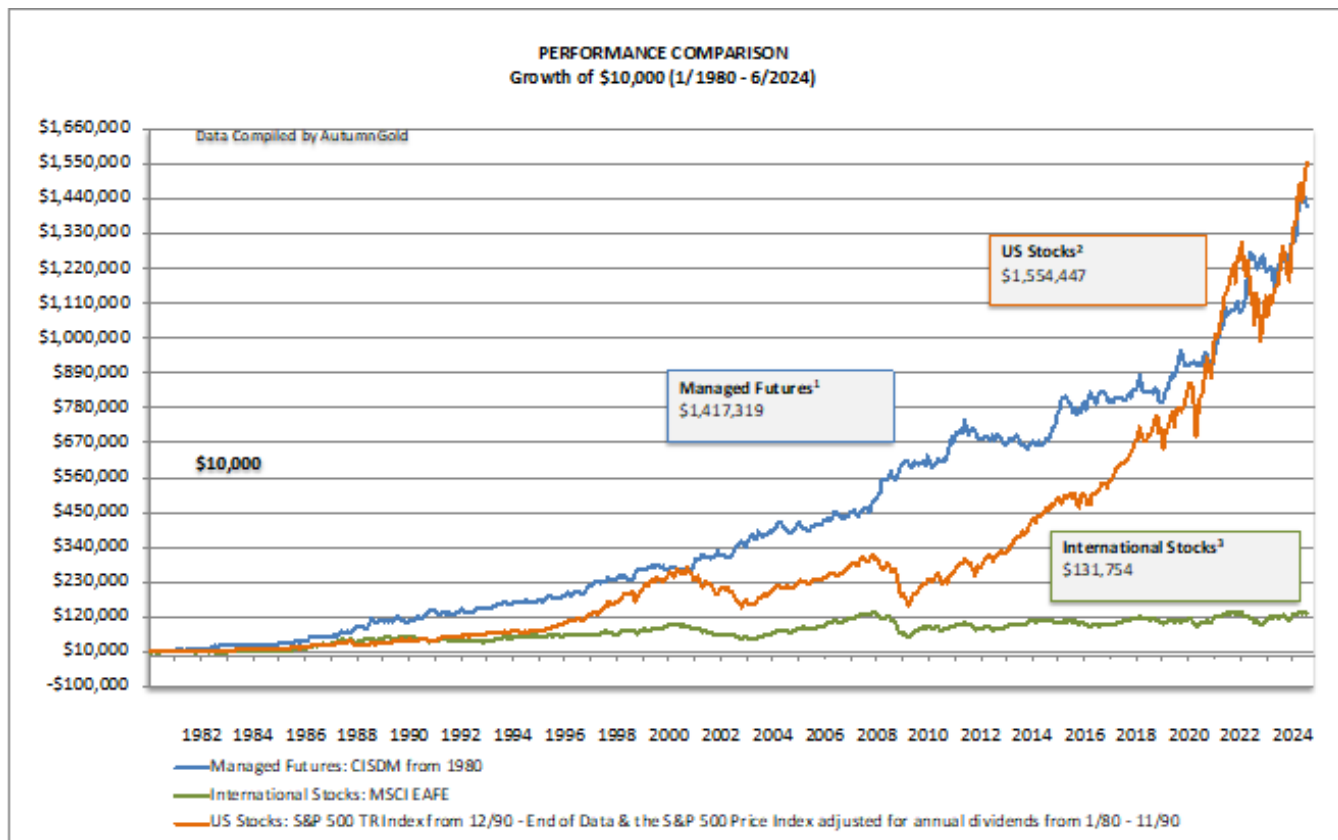
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Bonds are represented by the Barclay's US Aggregate Bond Index (formerly known as the Lehman US Aggregate Bond Index). The U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976.

Source: Autumn Gold

STUDIES SHOWING HOW MANAGED FUTURES  
PERFORMED COMPARED TO STOCKS OVER  
THE PAST 40 YEARS

# PERFORMANCE RESULTS OF A 40 YEAR STUDY COMPARING MANAGED FUTURES\*, U.S. STOCKS AND INTERNATIONAL STOCKS (FROM JAN. 1980 - JUN. 2024)



Comparison of Performance (1/1980 - 6/2024)  
Past performance is not necessarily indicative of future results.

**Over the past 40 years, there have been multiple time periods where managed futures have substantially outperformed U.S. Stocks.**

1- Managed Futures: The CISDM Equal Weighted CTA Index is an equal weighted index of CTAs maintained by The Center for International Securities and Derivatives Markets at the University of Massachusetts Amherst. It reflects the average performance of Commodity Trading Advisors reporting to the CISDM Hedge Fund/CTA Database. Each CTA must have at least \$500,000 under management and at least a 12-month track record. The CISDM CTA Index is a continuation of the earlier MAR Index which was sold to Zurich Capital Markets in 2001 and was gifted by Zurich to the University of Massachusetts in 2002 and renamed the CISDM Indices.

2- US Stocks: The S&P 500 Total Return Index from December 1990 to the end of Data and the S&P 500 Price Index is adjusted for dividends from January 1990 through November 1990. The S&P 500 indices are designed to reflect all sectors of the U.S. equity markets. The S&P 500 includes 500 blue chip, large cap stocks, which together represent about 75% of the total U.S. equities market. Companies eligible for addition to the S&P 500 have market capitalization of at least US\$3.5 billion. The TR Index accounts for the reinvestment of dividends.

3- International Stocks: The MSCI EAFE Index is a stock market index that is designed to measure the equity market performance of 22 major developed markets excluding the US & Canada.

Source: Autumn Gold

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