Contents

	reword	xi xiii
	face knowledgements	xvii
1	CROSS-ASSET TREND FOLLOWING WITH FUTURES	1
1		TY
	Diversified Trend Following in a Nutshell	2
	The Traditional Investment Approach	4 7
	The Case for Diversified Managed Futures	8
	Criticism of Irend-Pollowing Strategies	10
	Managed Futures as a Business Differences Returned Running a Trading Rusiness and Personal Trading	12
	Differences Between Running a Trading Business and Personal Trading Marketability of your strategy	13
	Marketability of your strategy Volatility profile	13
	Subscriptions and redemptions	15
	Psychological difference	15
2	FUTURES DATA AND TOOLS	17
_	NO PARA PRODUCESTADO ESTADO ESTADO CONTRACTOR DE CONTRACTOR DE CONTRACTOR DE CONTRACTOR DE CONTRACTOR DE CONTR	17
	Futures as an Asset Class	21
	Futures exchanges	22
	Futures and currency exposure Futures Data	24
	Dealing with limited life span	24
	Term structure	26
	Basis gaps	
	Futures Sectors	30
	Agricultural commodities	31
	Non-agricultural commodities	33
	Currencies	37
	Equities	38
	Rates Rates	39

	Required Tools	4	12
	A word about programming	4	42
	Development environment	4	42
	Data vendors	4	44
	Data storage		14
3	CONSTRUCTING DIVERSIFIED FUT	URES	
	TRADING STRATEGIES		45
	They Are All Doing the Same Thing		45
	Cracking Open the Magic Trend-Following	g Black Box	49
	Investment universe		52
	Position sizing		53
	Slippage, commission and other costs		56
	Interest on liquidity		56
	Strategy personality		56
	Anatomy of a trend-following strategy	anous growers	57
4	TWO BASIC TREND-FOLLOWING S	FRATEGIES	61
	Strategy Performance	an gaiwollos bass housewill	53
	Correlations between strategies	india mamicana makamara ana	58
	Parameter stability	RELEVANCE OF TAKETS AND THE STATE OF THE	70
	Conclusions from the basic strategies	at Management-mail to distance	72
	Improving the Strategies	espitisher it sie samma nationalist	72
	Trend filter	P SIMILING REALISCH CYROCHET	73
	An improved stop loss mechanism	Granne anny ao Armannosiana	75
	Controlling the risk level		30
	Parameter stability check	nondaiseat was snordussance	34
	A solid foundation for futures trading		36
	Core strategy rules		37
5	IN-DEPTH ANALYSIS OF TREND-FO	LLOWING	
	PERFORMANCE	Figures and currency exposure	89
	Strategy Behaviour	Futures Data	39
	As a Complement to an Equity Portfolio	mak am fair in min Surrect	91
	Trading Direction	c mionns aroa.	94
	Sector Impact	admi stener	97
	Cash Management and the Effect of Free (Government Money 10	01
	Putting I avarage into Contaxt	10)4
	and develope into content		, ,
6	YEAR BY YEAR REVIEW	Outrongies 10	09
		and the second s	10
	How to Read this Chapter 1990		10
		1	LU

Contents

	1991 1992	117 122
	1993	127
	1994	132
	1995	138
	1996 . above mentawate in whiteful very	142
	1997	148
	1998 gl.I-wolfo-T.vgat	
	1999	158
	2000	163
	2001	168
	2002	174
	2003	1/8
	2004	184
	2005	189
	2006	194
	2007	200
	2008	205
	2009	211
	2010	216
	2011	221
	Conclusions of Year by Year Review	227
7	REVERSE ENGINEERING THE COMPETITION	229
	Investment Universes	230
	Comparing the Investment Universes	234
	Replicating Existing Funds	235
	Campbell Composite	236
	Sunrise Capital Diversified	239
	Palm Trend Fund	240
	Transtrend Standard Risk Program	242
	Mulvaney Capital Management Global Markets Fund	243
	More funds	245
	Conclusions	248
8	TWEAKS AND IMPROVEMENTS	249
	Trading Multiple Time Frames	249
	Trading Synthetic Contracts	251
	Adding A Counter-Trend Component	252
	Intraday Stops	253
	Correlation Matrices, Position Sizing and Risk	255
	The Rollover Effect	257
	Optimisation and its Discontents	258

Contents

9	PRACTICALITIES OF FUTURES TRADING	261
	Required Asset Base	261
	Going Live	262
	Execution	263
	Cash Management	264
	Higher Volatility in Drawdown Mode	266
	Portfolio Monitoring	267
	Strategy Follow-Up	268
10	FINAL WORDS OF CAUTION	269
	Diminishing Returns of Futures Funds	269
	Ending Up in the Soup Bowl	271
	Setting the Initial Risk Level	272
	BIBLIOGRAPHY	275
	Official Book Website	275
	Research Papers, Articles and Websites	275
	Books	276
	INDEX	277