

# **The Lawrence Clarke Trend Followers Index**

## **June 2011- Update**

**June 2011 Non - weighted Performance = -4.32% (AUM \$ 52.3 Billion)**

### **Methodology – No Bias, Un-weighted: Just the Facts**

The majority of Indices purporting to represent the results of managed futures / trend following make no differentiation between the exact styles of component investment managers. Managed futures indices for example may contain funds that pursue vastly different trading strategies in the futures space. This can be misleading. The Lawrence Clarke trend following index focuses on managers who focus on a specific style of trading (Systematic Trend Following) so as to give a clearer picture of the success of that exact strategy.

The Lawrence Clarke Trend Followers Index is a very simple index showing the un-weighted cumulative performance of 30 Trend Followers, the majority of whom have been in existence for more than 20 years. The funds have been chosen not as the best of breed but as to give a broad and balanced picture geographically and in terms of size of fund. Where a program ceases trading it is left in the index. Currently there is only one program that launched prior to July 1989 that no longer runs and the performance is included in the index. The index is hence consistent.

The Index is unweighted so as to give a clearer picture of the success of the strategy – NOT – where Investors have invested their assets – their choices could, after all, be wrong. Hence leaving the index un-weighted, in our opinion, makes more sense.

The Index contains 30 Trend Following Programmes and one “dead programme” (ceased trading in March 2008) and takes account of \$50 Billion of AUM (as of March 31<sup>st</sup> 2011).

| 2011                     | Jan    | Feb   | Mar    | Apr   | May    | June   | July | Aug | Sep | Oct | Nov | Dec | YTD    |
|--------------------------|--------|-------|--------|-------|--------|--------|------|-----|-----|-----|-----|-----|--------|
| LC TF Index              | -0.88% | 3.23% | -3.41% | 6.10% | -5.90% | -4.32% |      |     |     |     |     |     | -5.58% |
| SP500 Total Return       | 2.37%  | 3.43% | 3.97%  | 2.96% | -1.13% | -1.67% |      |     |     |     |     |     | 10.19% |
| DJ / CS Hedge Fund Index | 0.69%  | 1.38% | 0.12%  | 1.80% | -0.96% | -1.36% |      |     |     |     |     |     | 1.64%  |
| DJ / CS Man FuturesIndex | -0.82% | 2.60% | -2.76% | 5.40% | -4.44% | -3.07% |      |     |     |     |     |     | -3.40% |
| BTOP 50 Index            | -1.16% | 0.46% | -1.33% | 2.26% | -2.60% | -1.09% |      |     |     |     |     |     | -3.48% |

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This document does not constitute a solicitation to raise money nor does it constitute investment advice and it should not be relied upon in making investment decisions. The information has been presented purely for informative purposes only. Investing in futures carries a high degree of risk and the value of any investment can go up or down. Past performance is not always indicative of future success. The author has procured the majority of the information directly from source. Otherwise performance data has been taken from [www.autumngold.com](http://www.autumngold.com), [www.iasg.com](http://www.iasg.com) and [www.barclayhedge.com](http://www.barclayhedge.com). The author cannot be held responsible for any errors in the reported performance by any of these third party sources and no recourse exists against the author for any losses incurred by anybody relying on this information to make investment decisions.

## Rolling Five Year Performance and Analysis

### Rolling 5 Year Return vrs SP500

| LC Trend Following Index |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                          | Jan    | Feb    | Mar    | Apr    | May    | June   | July   | Aug    | Sep    | Oct    | Nov    | Dec    | YTD    |
| 2006                     |        |        |        |        |        |        | -4.59% | 1.94%  | -1.82% | 1.32%  | 3.93%  | 0.48%  | 1.03%  |
| 2007                     | 0.78%  | -3.56% | -4.60% | 5.51%  | 3.89%  | 3.40%  | -4.28% | -6.42% | 9.84%  | 5.34%  | -0.39% | 1.85%  | 10.50% |
| 2008                     | 7.18%  | 12.23% | -1.77% | -2.43% | 2.38%  | 4.76%  | -6.66% | -2.01% | 2.93%  | 13.77% | 3.86%  | 2.48%  | 40.98% |
| 2009                     | -0.67% | -0.12% | -3.66% | -2.98% | 2.78%  | -3.04% | -0.20% | 2.32%  | 2.19%  | -2.91% | 5.96%  | -4.41% | -5.16% |
| 2010                     | -4.01% | 0.21%  | 3.15%  | 1.70%  | -3.39% | 0.57%  | -1.55% | 4.40%  | 5.09%  | 6.60%  | -3.12% | 7.92%  | 18.05% |
| 2011                     | -0.88% | 3.23%  | -3.41% | 6.10%  | -5.90% | -4.32% |        |        |        |        |        |        | -5.58% |

### SP500 Total Returns (Including Dividends)

|      | Jan    | Feb     | Mar    | Apr   | May    | June   | July   | Aug    | Sep    | Oct     | Nov    | Dec    | YTD    |
|------|--------|---------|--------|-------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| 2006 |        |         |        |       |        |        | 0.62%  | 2.38%  | 2.58%  | 3.26%   | 1.90%  | 1.40%  | 12.75% |
| 2007 | 1.51%  | -1.96%  | 1.12%  | 4.43% | 3.49%  | -1.66% | -3.10% | 1.50%  | 3.74%  | 1.59%   | -4.18% | -0.69% | 5.50%  |
| 2008 | -6.00% | -3.25%  | -0.43% | 4.87% | 1.30%  | -8.43% | -0.84% | 1.45%  | -8.91% | -16.80% | -7.18% | 1.06%  | -37%   |
| 2009 | -8.43% | -10.65% | 8.76%  | 9.57% | 5.59%  | 0.20%  | 7.56%  | 3.61%  | 3.73%  | -1.86%  | 6.00%  | 1.93%  | 26.45% |
| 2010 | -3.60% | 3.10%   | 6.03%  | 1.58% | -7.99% | -5.28% | 7.00%  | -4.51% | 8.92%  | 3.80%   | 0.01%  | 6.68%  | 14.98% |
| 2011 | 2.37%  | 3.43%   | 3.97%  | 2.96% | -1.13% | -1.67% |        |        |        |         |        |        | 10.19% |

|                         | TF Index | SP500   |
|-------------------------|----------|---------|
| Months                  | 60       | 60      |
| CAGR%                   | 10.72%   | 4.07%   |
| Monthly Comp ROR        | 0.85%    | 0.33%   |
| Max D/D                 | 10.43%   | 50.95%  |
| MAR Ratio               | 1.03     | 0.08    |
| VAMI                    | \$1,664  | \$1,221 |
| Std Dev Monthly Returns | 4.51%    | 5.22%   |
| Correlation             |          | -0.11   |

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### **Full Period Analysis**

The LC Trend Following Index dates back to 1977. At this point 1 Trend Following Programme made up the index and as other programmes were launched they joined the index with the bulk of the index being made up by the mid 1990's.

The below statistics show the basic risk adjusted return analysis for the LC TF Index vs. the SP500 (Total Returns) going back to February 1977.

|                | LC<br>TF Index | SP500<br>TR |
|----------------|----------------|-------------|
| No. Of Months  | 413            | 413         |
| No. of Years   | 34.42          | 34.42       |
| CAGR%          | 24.48%         | 11.15%      |
| Monthly CROR % | 1.84%          | 0.89%       |
| Max Draw Down  | 26.68%         | 50.95%      |
| MAR Ratio      | 0.92           | 0.22        |
| VAMI           | \$1,873,329    | \$38,077    |

For more information on the constituent funds of the Index and the index itself please visit our website; [www.lawrenceclarkeim.com](http://www.lawrenceclarkeim.com) or email [chris@lawrenceclarkeim.com](mailto:chris@lawrenceclarkeim.com).

Best Wishes and keep your money safe,

Chris Clarke

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