



HEDGEfund

Best Systematic Managed Futures Fund - Trend Concept Fund Multi Asset Allocator

TRENDCONCEPT



TrendConcept as an asset management firm, which was established in 1994, while TrendConsult is a software and advisory firm established in 1989. The five founders and managing directors of the firm have worked together as a team from the outset. They manage mutual funds for private clients, and segregated funds for pension funds, family offices, insurances, church institutions and banks. They use a systematic tactical asset management approach and their aim is to make money for clients with controlled risk.



The fund they manage is called the TrendConcept Fund Multi Asset Allocator which “is a managed futures fund according to UCITS III that runs long- or short-positions in the global equity, bond, and currency markets” explains Caspar von Zitzewitz. “The TrendConcept approach is applied to let profits run, but cut losses early according to Dow theory. The margin to equity ratio is conservatively low” he adds.

“The TrendConcept approach is strictly systematic. Preserving capital is the no 1 priority, while opportunities to make money with controlled risk are used. We believe the market and market movements are the best future indicator. We use mathematical and statistical indicators to determine trend directions early on. We then invest solely in top-quality, liquid equity, bond and currency markets in which there is a liquid future for taking positions-or hedging” he continues

The firm work solely in top-quality liquid equity, bond, and currency markets with liquid futures contracts von Zitzewitz underlines. “We exploit major trends both on the upside and the downside with ‘long-’ or ‘short-’positions. The challenges lie in the trendless periods which we handle by applying filter rules in order to minimise transactions” he adds.

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When working in an industry that is constantly changing, von Zitzewitz explains that in order for his firm to keep at the forefront of any emerging developments, their “approach has been developed over the past 30 years. Its basis is very robust and has never changed. It centres on our philosophy of ‘letting profits run but cutting losses’, which may seem obvious but is not easy to implement in a disciplined manner. The main focus of work to develop the methodology further has always been on getting better in trendless phases”.

Looking ahead

The final word goes to von Zitzewitz, who paints a positive picture of the future:

“We have a strong belief that, given the world’s huge indebtedness and other economic imbalances, our systematic, tactical asset management style is one of the few that will be able to avoid major mistakes in the future. Against the backdrop of low or even negative interest rates and the imbalances mentioned above, the statistical probability of making major mistakes will be even higher in the next 10 or 20 years than in the past. We therefore expect to see substantial growth in the management of funds for top-class asset managers applying a tactical asset management approach.”

