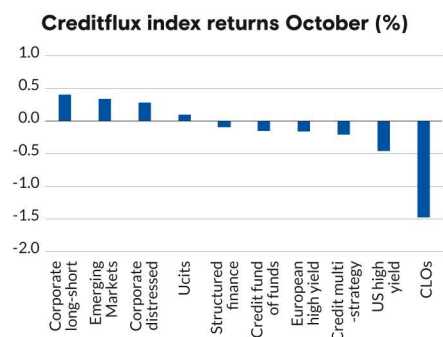


# Fund performance

## Long-short funds rule in October as CLO funds struggle



Many credit hedge funds suffered a rocky start to Q4 as just over half (52%) present in the *Creditflux* hedge fund database made negative returns in October. This trend was most noticeable in the CLO fund category where only one fund made positive returns – Lupus alpha CLO Opportunity Notes II with 0.74%. The credit multi-strategy and US high yield categories also suffered as 35% and 18% of funds returned positive figures, respectively.

Corporate long-short funds performed admirably as half of the top 10 funds in October belonged to this category. Orchard, Selwood and Tikehau all managed to grab spots in the top 10, which is led by two Cheyne funds. October also saw Chenavari European Deleveraging Opportunities Fund II and Mahogany Credit Fund from the structured finance category pull their YTD figures up to 7.66% and 8.22%, respectively.

### Leading fund

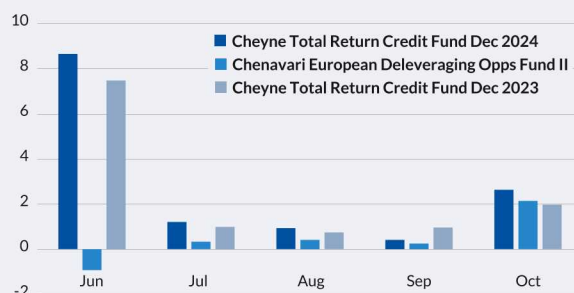
## Cheyne Total Return Credit Fund December 2024

London-based manager Cheyne Capital tops the *Creditflux* performance tables again, with its recently launched credit fund, Cheyne Total Return Credit Fund December 2024. In October it returned 2.64%, which helped elevate the average return since inception to 2.78%.

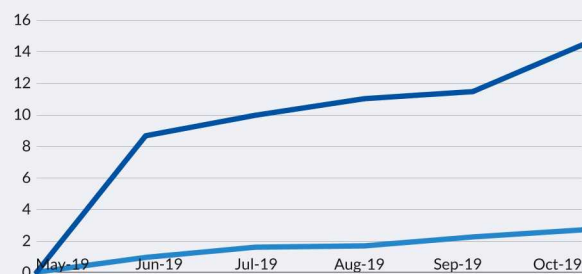
Duncan Sankey, head of credit research told us: “The strategy captures the persistent excess risk premium in credit spreads versus realised defaults, without taking interest rate risk. It was well positioned to capitalise on spread tightening and relative spread decompression between investment grade and high yield over the past year.”

He also noted that “historically steep credit curves continue to furnish strong returns from roll-down while dampening sensitivity to market spread movements over time.”

### Top performers in October 2019 (%)



### Cheyne Total Return Credit Fund Dec 2024 vs corporate long-short cumulative returns (%)



	Cheyne TRCF Dec-2024	ishares LQD \$ investment grade corporate bond ETF	SPDR S&P 500 ETF
October returns	2.64%	0.20%	3.62%
12 months	-	2.89%	7.27%
Average returns*	2.78%	0.58%	1.43%
Monthly return std deviation*	3.39%	1.76%	1.94%
Sharpe ratio*	2.83	1.12	2.53
Correlation to fund*	-	-18.50%	11.84%

\*Data since fund inception (May-19)

Top 10 credit hedge funds in October										
Fund name	Manager	Category	October	YTD	12 months	Annual return since inception	Launch date	Redemption min/max	AUM (\$bn)	
Cheyne Total Return Credit Fund Dec 2024	Cheyne	corporate long-short	2.64%	-	-	38.23%	May-19	30/60	<0.5	
Chenavari European Deleveraging Opps Fund II	Chenavari	structured finance	2.15%	7.66%	8.16%	6.22%	May-16	90/180	<0.5	
Cheyne Total Return Credit Fund Dec 2023	Cheyne	corporate long-short	1.98%	34.11%	21.31%	14.85%	Mar-18	30/60	<1.0	
Mahogany Credit Fund	Diamond	structured finance	1.94%	8.22%	7.74%	6.80%	Nov-12	30/60	<0.1	
Duemme Sicav Euro Investments Plus	C-Quadrat	ucits	1.89%	10.49%	8.85%	3.64%	Jan-10	1/2	<0.5	
ChapelGate Credit Opportunity Fund	Orchard	corporate long-short	1.70%**	8.44%	5.64%	11.45%	Nov-05	90/180	<1.0	
Owl Creek Credit Opportunities Fund	Owl Creek	credit multi-strategy	1.48%	7.30%	5.87%	7.72%	Jul-12	360/360	<0.5	
Selwood Credit Opportunity Fund II	Selwood	corporate long-short	1.38%	14.75%	16.82%	19.44%	Aug-18	0/0	<1.0	
Mirabaud EM Hard Currency HY Bond Fund	Mirabaud	emerging markets	1.35%	6.14%	6.71%	5.75%	Apr-09	5/6	<0.5	
Tikehau Subordonnées Financières	Tikehau	corporate long-short	1.30%	9.88%	7.04%	6.09%	Feb-11	1/2	<0.5	

\*\*Estimates

For hedge fund listing notes see page 25