



The Ultimate Guide to the

Coquest CTA Challenge



What is the CTA Challenge?

The CTA Challenge, hosted by Coquest Inc., is an annual campaign created to evaluate and rank investment programs in the Managed Futures asset class. Unlike similar investment ranking sites, which focus exclusively on the returns achieved by a program, The CTA Challenge incorporates both the returns and the risks taken to achieve those returns in its ranking criteria.

The nature of the CTA Challenge rankings is based on daily, risk-adjusted analysis for year-to-date activity for all participating investment programs. Outright rate-of-return (ROR) is only one of the seven criteria used to determine the risk/reward profile for each participant. We also evaluate the amount of risk and leverage that is being employed to produce returns. Managed Futures as a strategy is, by design, unique in that portfolio managers can employ leverage. To produce meaningful rankings, investment programs utilizing futures contracts have to be evaluated differently than your general mutual fund or hedge fund, which use no leverage and are based solely on ROR. Investment programs in the CTA Challenge are traded as managed accounts and are ranked comparatively against each other.

Who is eligible to participate in the CTA Challenge? What are the requirements?

The CTA Challenge is open for any registered Commodity Trading Advisor (CTA) to participate. Each CTA must be registered with the NFA, FSA or similarly recognized regulatory body that oversees money management companies.

The CTA Challenge is open to any CTA that trades futures markets only. Trading in other products, like OTC FX or securities, are not permissible for inclusion in the CTA Challenge. You can see the complete list of requirements and restrictions here:

<https://www.ctachallenge.com/rules-eligibility.php>

When was the CTA Challenge started?

The annual CTA Challenge started in 2013 and has continued each year, growing both in the number of annual participants and in popularity among investors that are looking for quality managed futures investment insight.



Why was the CTA Challenge started?

The CTA Challenge was launched as a way to systematically evaluate and rank a basket of managed futures trading programs over an extended period of time. The manual research and analysis workload borne by most alternative investment groups is exhaustive and time consuming. This process typically consists of independently auditing performance numbers, reviewing a year's worth of daily statements for trade details, running live trade scenarios into risk systems, and much more for each program being evaluated.

Finding a way to automate a large portion of the analysis was crucial to Coquest's ability to evaluate a large number of CTA programs at the same time, in a very organized and specialized fashion, and properly rank them against each other to identify the best of breed amongst all participants.

What are the judging criteria of the CTA Challenge?

Participating programs in the CTA Challenge are evaluated using 7 unique return-based and position-based metrics, listed below.

- Daily Rate of Return
- Daily Rate of Return vs. Daily Volatility
- Daily Rate of Return vs. Daily Downside Volatility
- Daily Rate of Return vs. Maximum Daily Drawdown
- Daily Rate of Return vs. Daily Margin to Equity
- Daily Rate of Return vs. Daily Value at Risk
- Daily Rate of Return vs. Daily Conditional Value at Risk

Who are the CTA Challenge judges and what are their qualifications?

The CTA Challenge is judged primarily by a systematic evaluation process designed specifically to automate the ranking of managed futures programs. The 7 criteria used for the CTA Challenge rankings were decided upon collectively by the research team at Coquest Advisors along with the brokerage and sales team at Coquest Inc.

Ryan Hart, CFA, CAIA is the lead person involved on behalf of Coquest Advisors. Mr. Hart is the CIO and portfolio manager for Coquest Advisors and has over 15 years of experience in alternative investment research and analysis.

Michael Lock is the lead person involved on behalf of Coquest Inc. Mr. Lock is the Director of Brokerage for Coquest Inc and has over 15 years of experience in alternative investment operations and sales.

Both of these persons are heavily involved in the oversight of the monthly estimates and end-of-year official rankings. This includes monitoring for potential activity that warrants disqualification.



How many CTAs participate annually in the CTA Challenge?

The number of participating CTA programs varies each year. In 2020, there were 115 programs participating in the CTA Challenge.

When is the deadline for CTAs to enter the CTA Challenge?

The CTA Challenge is an annual campaign, starting January 1 and ending December 31 each year. The deadline to register and for each year is the first week of December preceding the Challenge. For example, the deadline to register for the 2021 CTA Challenge is on December 4, 2020.

How many finalists or winners are chosen in the CTA Challenge?

Each year, the CTA Challenge crowns its #1 ranked participant and also recognizes the remaining top 5 finishers in announcements and accolades.

Is there a prize or reward for winning the CTA Challenge?

The annual CTA Challenge winner and top 5 finishers receive extensive media exposure across the investment industry including press release announcements, Coquest newsletter highlights, conference advertising and even possibly complimentary access to select industry conferences.

In addition, Coquest Advisors performs deep analysis on the top 5 finishers, which includes extensive due diligence, with the intent to validate and possibly include the programs in Coquest's institutional recommended list. The Coquest sales team, as well as our industry peers, put focus on these top finishers for capital introductions throughout the year.

The top 5 finishers also receive official CTA Challenge digital trophy badges to use in their own marketing and print materials, along with lifetime bragging rights.



How does a CTA go about entering the CTA Challenge?

Participation in the CTA Challenge requires an initial screening process to be done by designated Coquest team members. This screening is to validate that the CTA program parameters and reporting capabilities all meet the basic minimums for participation. Once approved to participate, the CTA will complete a registration form and provide read-only access to a live trading account for Coquest to track.

To start the process, the CTA can contact the Coquest team at ctachallenge@coquest.com with a request to participate.

CTAs can also start the registration process by completing the online request form at www.ctachallenge.com/mission.php.

Where can I read about previous CTA Challenge strategy winners?

Historical winners are listed on the CTA Challenge website at <https://www.ctachallenge.com/history.php>

Additional information on these programs can be found on our global managed futures program database at https://app.coquesttradersresearch.com/Port/program_profiles

What is the CTA Challenge Newsletter and how do I subscribe?

The CTA Challenge Newsletter, named “The Coquest Call” is a bi-monthly digital newsletter that updates readers on current year-to-date standings of the CTA Challenge participants. The newsletter also includes managed futures industry insight, CTA profile highlights, sponsor information and a calendar of industry events that Coquest will be attending.

You can subscribe to the CTA Challenge Newsletter by emailing us with a request at ctachallenge@coquest.com or by signing up for Coquest’s free premium research site access, [found here](#).

Where can I see participating CTA Manager Profiles and Strategies?

The complete list of current CTA Challenge participants can be found at www.ctachallenge.com at any given time. Click on the program lists to drill down and see more detailed information on the individual participating programs.



Who can I contact at Coquest if I have additional questions about the CTA Challenge?

CTAs, Investors, Sponsors, Brokers or Media can email ctachallenge@coquest.com or call 1-214-580-4220 to speak with Mike Lock about the CTA Challenge.

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