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The top 20 international alternative funds in 2017

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Alternative funds came out tops in Funds People's ranking of 2017's best international funds by category.

Unlike 2016, **2017 was a better year for alternative strategies**, even though yields were markedly lower than for equity. **Long/short equity strategies performed best last year, while event-driven and global macro funds, and those investing on the back of volatility, were the worst performing over the last 12 months.**

Of the top 20 products, 14 are from the long/short equity category. We find four sub-funds focusing on the emerging markets, three on Europe and one on the United Kingdom. Three products invest in stocks at the global level and one is from Morningstar's "other" alternative category. **Completing the list we find three global macro funds, two multistrategy and one equity fund of funds.** In terms of asset managers with the biggest number of funds in the top 20 we find **Natixis IM** with three products and **Schroders** with two.

The best product in the category is **BANOR SICAV Greater China Equity**, with +62.89%. This sub-fund invests directly or through equity derivatives or securities linked to the shares of highly capitalised companies operating mainly in China, Hong Kong and Taiwan, but also in bonds issued by these companies, shares and debt instruments issued by

non-Chinese companies. **Investment decisions are based on analyses of companies' financial data, especially the book value, cash flow and earnings per share.** The main investment region is emerging Asia (86.71%), but the fund also invests in Africa and the United States, with about 6.5% each (at 30 November [2017]). In terms of sectoral diversification (again at 30 November), investments are concentrated primarily in four segments: technology, defensive consumer goods, financial and cyclical consumer goods. Completing the podium we have **Plurima CSV China Opp** and **Polar UK Absolute Equity** with, respectively, +47.50% and 41.85%.

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Fund	Asset management firm	% return (in euro)	Morninstar Category
BANOR SICAV Greater China Equity	Casa4Funds	62.89	EAA Fund Alt - Long/Short Equity - Emerging Markets
Plurima CSV China Opp	European and Global Investments	47.50	EAA Fund Alt - Long/Short Equity - Other
Polar UK Absolute Equity	Polar Capital	41.85	EAA Fund Alt - Long/Short Equity - UK
Kairos Intl Pegasus UCITS	Kairos	33.73	EAA Fund Alt - Long/Short Equity - Europe
CS (Lux) Sm and Md Cp Alpha L/S	Credit Suisse	26.13	EAA Fund Alt - Long/Short Equity - Europe
H2O Vivace	Natixis IM	24.30	EAA Fund Alt - Global Macro
Schroder GAIA Indus Pac Chc	Schroders	22.18	EAA Fund Alt - Long/Short Equity - Other
Algebris Financial Equity	Algebris Investments	21.76	EAA Fund Alt - Long/Short Equity - Global
H2O Multistrategies	Natixis IM	20.94	EAA Fund Alt - Global Macro
OAKS Emerging and Frontier Opp	Fiera Capital	19.95	EAA Fund Alt - Long/Short Equity - Emerging Markets
H2O Allegro	Natixis IM	19.22	EAA Fund Alt - Global Macro
Seven Lux SICAV-SIF Seven Blacksnake	Seven Capital	18.70	EAA Fund Alt - Multistrategy
MS Alkeon UCITS	Morgan Stanley IM	17.62	EAA Fund Alt - Long/Short Equity - Global
Alken Absolute Return Europe	Alken AM	17.20	EAA Fund Alt - Long/Short Equity

Legg Mason MC Jpn Abs Alp	Legg Mason	16.65	- Europe EAA Fund Alt - Long/Short Equity - Other
MLIS ZEAL Greater CHN LS	Merrill Lynch	16.22	EAA Fund Alt - Long/Short Equity - Emerging Markets
Pictet TR - Mandarin	Pictet AM	16.01	EAA Fund Alt - Long/Short Equity - Emerging Markets
Vitruvius UCITS Selection BI	Kredietrust Luxembourg	15.71	EAA Fund Alt - Fund of Funds - Equity
Schroder GAIA Egerton Equity	Schroders	15.03	EAA Fund Alt - Long/Short Equity - Global
Esperia Fds SICAV Alkimis Spec Val	Banca Esperia	15.01	EAA Fund Alt - Multistrategy

Source: Morningstar Direct, at 31/12/2017