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**WSI**  
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**WSI NEWS**

**INCOME FOR THE LONG TERM  
FOR MANY, BUT NOT FOR ALL**

In uncertain times, investors need to choose between caution and risk. Here are the best stock and flexible funds, according to an analysis by MC Advisory

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Developments in today's world are causing frequent changes of direction for the stock markets and other risky assets. All of this could in turn lead to increased tension when it's time to make investment decisions. Investors need to be aware of the effect of these dynamics on their behaviour but they must also be in a position to grasp the opportunities that can arise in precisely these circumstances.

But how? In situations like this the best thing is to delegate matters to an asset manager. With the stock markets at the mercy of volatility and bond markets' performance growing ever weaker, for the most astute investors opportunities are becoming very limited in the world of managed investment.

To obtain returns, one thing is certain: you need to take some risks. Let's see, then, how things have gone in recent years when investments have been made through flexible, multi-asset, long-short funds -- products with a lower total expense ratio (TER), more stable but also less remunerative; or through stock funds - volatile but also with the potential to provide greater investor satisfaction. In collaboration with [www.robo4advisor.com](http://www.robo4advisor.com), the support platform for advisors created by MC Advisory, the company set up by Raimondo Marcialis, Wall Street Italia has conducted an analysis to establish who are the best asset managers on the market in terms of persistent performance measured using the Macrorating multi-period indicator.

The concept of persistent performance is a key factor and so must be carefully examined in the historical analysis of the fund's performance. Not only must the fund show that it can out-perform the benchmark throughout the analysis period, but it must do so constantly over time without exposing investors to excessive variability in results, again with respect to the benchmark.

In the first part of the research, the funds were selected using statistical methodologies, after which the team of analysts at [www.robo4advisor.com](http://www.robo4advisor.com) selected just a few of the funds that best embody continuity. The rankings we propose could provide some tips for the future, bearing in mind that past performance should not be the only criterion in selecting mutual funds.

**Flexible funds, performance around 3%.** Let's first take a look at flexible funds, which are available through all the networks of financial advisors and banks and are intended to perform well in any market situation. Considering those with the most persistent performance and also taking costs into consideration through the TER, **the average performance, taking a universe of 2,600 flexible funds included in the pure and alternative categories, is 3%.**

**In selecting funds persistence over time is important but the cost factor shouldn't be ignored. In short, pay more only if you obtain better results.**

#### SELECTION OF THE BEST FLEXIBLE RETAIL FUNDS

Source: [wwiv.roto4advisor.com](http://wwiv.roto4advisor.com) -- based on data at 5 April 2018

SECURITY	CODICE ISIN	TIPOLOGIA	PERF. MEDIA F1	VOLATILITÀ F1	PERF. MEDIA F2	VOLATILITÀ F2	MACRO RATING	TER	IC
Hypo Portfolio Selection Sicav Basic B Acc.	LU0082941195	Flessibili Euro	3,692%	14,752	11,595%	14,225	5,28	2,24	2,36
Credit Suisse One ILuxd Sicav Small and Mid Cap Alpha Long/Short B	LU0525285697	Alternative Azionari long/short	3,353%	10,634	6,626%	10,151	4,9	1,87	2,62
Banor Sicav Rosemary R Cap.	LU0625190961	Flessibili Internazionali	4,141%	7,173	5,459%	7,230	4,73	2,14	2,21
GLG Investments PLC GLG Alpha Select Alternative DN	IE00B5ZNR51	Alternative Azionari long/short	4,907%	4,422	5,692%	4,282	4,49	1,78	2,52
Ellipsis Euro Dividend Fund P EUR	FR0010986224	Alternative Azionari altre strategie	3,733%	6,327	3,870%	6,799	4,41	1,51	2,92
Rothschild & Cie R Valor C	FR0011753624	Flessibili Internazionali	3,017%	15,220	10,995%	14,145	4,34	1,32	3,79
Nordea 1 - Alpha 10 MA Fund BP EUR	LU0445386369	Alternative Azionari long/short	4,798%	6,990	4,153%	7,192	4,02	1,99	2,02
ACMBernstein Sicav Emerging Markets Multi-Asset Portfolio A Hedged	LU0633142186	Flessibili Internazionali	3,767%	11,335	2,381%	10,398	3,44	1,83	1,88
Old Mutual Global Equity Absolute Return Fund A EUR Hedged Acc	IE00BLP55460	Absolute return flessibile	4,688%	4,085	5,493%	4,165	3,41	1,56	2,19
Schroder GAIA Sirios US Equity E Acc. Hedged	LU0885728583	Alternative Azionari long/short	3,097%	8,195	6,409%	8,184	3,06	1,38	2,22

Legend: F1 and F2 – reference periods for the analyses. F1 – From the previous stock market peaks [from 16 April 2015]. F2 – Last five years. Macrorating – summary rating of performance in the various market phases considered. IC – an indicator of cost calculated as the ratio between macrorating and ongoing costs. In essence, how much the performance of the fund cost; the higher the indicator, the better. The data are adjusted and in decreasing order considering the average performance obtained in the most recent phase (F1)

### **Persistence. The ability of the fund to achieve stable performance over time**

The IC indicator was used to obtain the ratio between performance in the various market phases considered (macrorating) and the ongoing costs applied. The higher this index, the better.

**The best flexible funds.** According to MC Advisory's analyses, the best three flexible funds available to retail customers, ranked using the

macrorating, are: Hypo Portfolio Selection SICAV Basci B. Acc; Credit Suisse One (Lux) SICAV Small and Mid Cap Alpha Long/Short B; and Banor SICAV Rosemary R Cap. The categories are, respectively, Flexible Euro, Alternative - Equity Long/Short, and Flexible International.

As MC Advisory explained, "The analysis focused on those flexible funds that most regularly maintained an average return in the 3%-5% range. The preference was for accumulation funds in euro and to emphasise the diversification element we avoided duplication with equally well-performing funds in the same category.

The ranking considers two time horizons: one encompassing the previous stock market peaks from April 2015 to now (F1) and one covering the last five years (F2). In the first part of the research, the funds were selected using statistical methodologies. After that, only some of the best funds that in subjective terms best embody continuity were selected".

**Equity funds, performance over 7%.** For investors looking for higher returns, equity funds provide another option.

It's worth remembering, however, that with better performance the risk increases too. In the last ten years we've seen one of the longest rallies in the history of the international listings. Shares have, on average, performed exceptionally well. So it will be difficult to continue along this road even if, from the selection perspective, equity will continue to be interesting.

Here too, MC Advisory took persistence into consideration. The funds analysed were from a universe of about 10,000 equity funds in the international, America, Europe, Asia, emerging countries and sector-based categories. Funds that regularly achieved an average performance of over 7% were considered. Here too, the preference was for euro accumulation funds.

**The best equity funds.** Taking the macrorating into account, the best retail equity funds are: Morgan Stanley IF SICAV Global Opportunity AH; Morgan Stanley IF SICAV US Growth AH; and Janus Capital Global Technology A Acc. The categories are, respectively, international equity, US equity, and sectoral-technology equity funds. Here, the top funds were those investing in technology and at the international level in general.

The leading fund includes Amazon, MasterCard and Booking Holdings among its preferred stocks. In geographical terms, 46.77% of its investment is in the US, 22.81% in emerging Asian countries and 9.85% in western Europe, currency euro. The leading stocks in the second fund's portfolio are Amazon, Starbucks, Veeva Systems, Alphabet and Salesforce. 92.75% of its assets are in the US and 4.07% in western Europe (euro), with the remainder divided between Latin and Central America and emerging Asian countries. The success of the technology companies is confirmed with the third fund, whose top five investments are in Alphabet, Microsoft, Tencent Holdings, Salesforce and Alibaba.

While these are interesting signals, they should always be viewed in the light of investors' appetite for risk. ®

### SELECTION OF THE BEST RETAIL STOCK FUNDS

source: [www.roto4advisor.com](http://www.roto4advisor.com) -- based on data at 5 April 2018

SECURITY	ISIN	CLASSIFICAZIONE	PERF. MEDIA F1	VOLATILITÀ F1	PERF. MEDIA F2	VOLATILITÀ F2	MACRO RATING	TER	IC
Morgan Stanley IF Sicav Global Opportunity AH	LU0552305618	Azionari Internazionali	14,293%	15,042	17,79%	14,521	5,39	1,08	2,87
Morgan Stanley IF Sicav US Growth AH	LU0266117414	Azionari USA	12,229%	16,421	15,84%	15,987	5,36	1,68	3,19
Janus Capital Global Technology A Acc.	IE0002167009	Azionari Settoriali - technology	14,557%	15,919	15,16%	14,898	5,34	2,52	2,12
Synergia Azionario Small Cap Italia	IT0004464233	Azionari Italy Mid Small Cap	10,162%	14,726	17,47%	13,984	5,22	2,02	2,58
AXA World Funds Sicav Framlington Europe Microcap F Cap.	LU0212993595	Azionari Europe Mid Small Cap	9,897%	12,754	16,26%	12,03	5,19	1,27	4,09
Parvest Equity Japan Small Cap Classic/Cap.	LU0251807987	Azionari Japan Mid Small Cap	13,637%	18,296	16,81%	18,412	5,16	2,37	2,19
ACMBernstein Sicav ACM International Technology Portfolio A	LU0252219315	Azionari Settoriali Technology	9,527%	19,660	15,64%	18,128	5,17	2,26	2,29
HSBC Asset Management HSRC Microcaps C	FR0000428732	Azionari Euro Mid Small Cap	11,608%	11,650	14,04%	10,735	4,83	2,39	2,02
Henderson Horizon F. Sicav Horizon Global Technology A2	LU0572952280	Azionari Settoriali technology	9,985%	18,848	15,46%	17,077	4,82	1,88	2,56
Schroder ISF Sicav Japanese Smaller Companies A1 Acc.	LU0251570791	Azionari Japan Mid Small Cap	10,142%	19,683	13,14%	19,623	4,49	2,37	1,89

Legend: F1 and F2 are the reference periods of the analyses. F1 – From the previous stock market peaks (from 16 April 2015). F2 – Last five years. Macrorating – Summary rating of performance in the various market phases considered. IC – an indicator of cost calculated as the ratio between macrorating and ongoing costs. In essence, how much the performance of the fund cost; the higher the indicator, the better. The data ARE adjusted and in decreasing order, considering the average performance obtained in the most recent phase.