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E Corriere Economia

League tables. Mondo Alternative's ranking of categories and individual portfolios

Alternative funds. "Long short" beats the high volatility

UCITS funds bore a risk of 3% compared with 20% for the stock markets

Global funding tops 50 billion. Here are the best performers.

BY **PATRIZIA PULIAFITO**

2015 was a year of high volatility which saw the markets having to face periods of difficulty, especially in the second semester. UCITS funds adopting alternative absolute return strategies gained, on average, 0.77% with volatility limited to 3.03%, according to the figures produced by MondoAlternative's research office. Treading water, essentially, if compared with the stock markets in Milan's Piazza Affari and in Europe, which ended the year up 15.78% and 10.71% respectively. The difference lies in volatility, which is close to 20% for both indices.

In the same period, government bonds in the euro area grew by 0.73%, corporate bonds lost 0.66% and commodities saw a collapse of 23.40%. The numbers are different, and higher, if we take the "league tables" of the best categories and best funds. The UNITS alternative strategy that achieved the best result in 2015, managing to limit market losses in the last few months, is the long/short equity product which, according to the Ma-Eurizon UCITS Alternative Long/Short Equity Index, gained 4.19%. The long/short equity funds topping the list in terms of performance for the whole of 2015 include UBS Equity Opportunity Long Short Fund Class I (+26.89%), UBS European Opportunity Unconstrained Class Q (+24.44%) and MS Algebris Global Financials UCITS Fund Class B (+15.75%) (see the winners in the table below).

The numbers

But how much is the market for these instruments worth? In the course of 2015, single-manager UCITS alternative funds attracted 50.2 billion euro on the global market, taking the assets of the international business to a new historic maximum of 217.7 billion euro. UCITS alternative funds of funds also performed well, with net inflows of 379 million euro and assets administered of 3.7 billion euro.

Single-manager products numbered 513 at the end of 2015, and multi-manager products 29.

The balance of funds launched and liquidated over 2015 was positive, thanks to the 73 new products launched, compared with 51 closed. The long/short equity strategy made a significant contribution to the excellent funding result, with 13.2 billion in net flows. Within this category, funds focused on Europe fared best (8.2 billion euro), followed by those with the focus on the United Kingdom (3.1 billion), global level (1.3 billion), the United States (410 million) and the Asia-Pacific region (252 million). Sector-based long/short equity funds, on the other hand, lost ground, with outflows of 119 million euro.

Other products that had a positive year in 2015 were equity market neutral (12.8 billion euro), multi-strategy (10.5 billion), multi-asset (3.7 billion) and relative value arbitrage (3.2 billion euro). Only alternative strategies active in the emerging markets (-200 million euro) and long short credit (-321 million euro) experienced net redemptions over the year.

And in Italy? According to a survey by MondoAlternative's research office, to which 38 fund management firms handling about 90 billion euro in alternative UCITS funds responded, Italian investors are in first place in Europe in this segment, with a share of 24.5%. Next come British investors, followed by the Swiss. Most of the funds raised come from intermediaries (45.6%), followed by private investors not backed by intermediaries (26.2%) and by direct institutional investors (25.3%).

The flow of Italian investors leaving FIAs – hedge strategy alternative investment funds (AIFs) which respond to the Alternative Investment Fund Managers (AIFM) Directive – seems to have halted. The second half of 2015 funds saw a positive balance of 81 million, while in the first half total redemptions amounted to 255 million. These products represent assets of 3.9 billion. In 2015 Italian hedge funds gained 1.60%, with a volatility of 3.59%. For multi-strategy products, Tages Platinum Growth is in first place (+8,19%), followed by Kairos Multi Strategy Classe A (+7.11%) and Fondaco Select Opportunities Classe A (+4.61%).

ON THE PODIUM

The best UCITS funds of 2015

	Perf. 2015	Indice di Sharpe
Credit Long/Short		
Seb Credit Multi Strategy	1,50%	0,74
Emerging Markets		
Lyxor Capricorn Gem Strategy Fund	22,55%	3,63
Equity Market Neutral		
Pictet Total Return Agora	13,09%	2,75
Event Driven		
Allianz Merger Arbitrage Strategy	3,23%	1,43
Fixed Income		
Goldman Sachs Glob Strat. Macro Bond Port.	2,37%	0,62
Global Macro		
H2O Allegro	25,34%	1,30
Multi Asset		
Nordea 1 - Alpha 15 Fund	9,61%	1,26
Managed Futures		
Lyxor Epsilon Global Trend Fund	5,35%	0,50
Long/short equity Europa		
Alpha Ucits Sicav Amber Equity Fund	14,13%	2,37
Long/short Equity Global		
Ubs Equity Opportunity Long Short Fund	26,89%	2,02
Long/short Equity Usa		
Artemis US Absolute Return Fund	7,13%	1,83
Multistrategy		
Mlis Agr Global Relative Value Ucits Fund	9,53%	1,40
Relative Value		
Bsf Fixed Income Strategies Fund	2,50%	1,22
Volatility Trading		
The 1.2 Fund Lux	13,14%	1,58
Fondo di fondi Ucits alternativi		
Exane Cristal Fund	4,90%	2,35

and the best of the last three years

	36 mesi	Indice di Sharpe
Credit Long/Short		
Muzinich Long Short Credit Yield Fund	14,29%	1,73
Emerging Markets		
Henderson Horizon China Fund	52,61%	0,87
Equity Market Neutral		
Old Mutual Glob. Eq. Absolute Return Fund	33,07%	1,89
Event driven		
Mlis York Asian Event Driven Ucits Fund	16,83%	0,72
Fixed Income		
Controlfida Delta Defensive Ucits Fund	7,78%	0,78
Global Macro		
H2O Multibonds	90,95%	1,47
Multi Asset		
M&G Dynamic Allocation Fund	22,29%	0,95
Long/short equity Europa		
Ram (Lux) System. F.-Long Short Eur. Eq. F.	39,93%	1,77
Long/short equity Global		
CF Odey Absolute Return Fund	62,30%	1,61
Long/short equity Usa		
Banor Sicav North America Long Short Eq.	29,89%	1,01
Managed Futures		
Lyxor Epsilon Global Trend Fund	43,97%	1,14
Multistrategy		
Mlis Agr Global Relative Value Ucits Fund	21,58%	1,25
Relative Value		
Bsf Fixed Income Strategies Fund	11,22%	2,05
Volatility Trading		
Allianz Structured Alpha Strategy	14,67%	1,29
Fondo di fondi Ucits alternativi		
HI Core Ucits Fund	15,39%	1,45