#FUNDS NEWS

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Human-run hedge funds emerge as 2017 victor against machines

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LONDON, Jan 10 (Reuters) - Alibaba, Tencent and AAC Technologies helped Hong Kong-based Oceanwide Asset Management make gains of 43 percent last year in its China equities hedge fund.

Selective stock-picking by Oceanwide's team led to the long-short strategy becoming the top-performing fund in 2017, according to a list compiled by HSBC.

Human-led stock-picking strategies, like Oceanwide, made up three of the top five best-performing hedge funds last year, showed the HSBC research.

Two out of the top-five were computer-driven strategies, including Swiss asset manager GAM Systematic Cantab's CCP Quantitative Fund, which made 31 percent last year.

But while long-short hedge funds made up almost half of the top-20, strategies run by machine algorithms accounted for just 15 percent overall.

"I've not been a big believer in machines because the world has changed since Trump got elected," said one investor with $2 billion in hedge funds.

"I think you need a stock-picker who can put into perspective what Trump is going to do or what is happening on the other side of the world."

So-called long-short funds, which bet on shares rising and falling, delivered performance of 13.2 percent in 2017, when the average hedge fund made 8.54 percent, showed data from industry tracker Hedge Fund Research.

Two of the other other hedge funds in HSBC's top-five were run by London-based long-short equities firm Sloane Robinson.

Five of Sloane Robinson's stock-picking strategies, which bet on emerging markets, Japan, frontier markets and globally, made it into HSBC's 20 top-performing funds.

Activist, event-driven and financials-focused strategies run by humans also made up the top-20 performers. (Reporting by Maiya Keidan Editing by Jeremy Gaunt)

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