The Telegraph

Fund tips for the age of Donald Trump

Last year investors were subjected to political uncertainty and markets taking a roller-coaster ride.

As a result, people attempted to diversify their investments across many regions and sectors.

Data from Fidelity, the fund shop, on the most popular funds purchased in 2016 saw Terry Smith's Fundsmith Equity top the list, as investors flocked to a fund that invests in companies across the globe.

This year has already seen Donald Trump's inauguration and sterling fall amid speculation about how the UK will exit the European Union, and more uncertainty is on the way.

Later this year we will see the impact of Mr Trump's policies, further elections across Europe, the developing relationship between Russia and the US and the triggering of Article 50 for Britain.

There is a bewildering choice of funds and only a small proportion are worth considering. To help you, *Telegraph Money* has compiled a list of the top funds across every sector to help navigate you through 2017.

These are based on expert recommendations, funds we have tipped in the past, and funds relevant to particular trends this year.

Both "active" funds, run by asset managers taking calls on the companies that will outperform, and "passive" funds that track the market, have been included.

Within "active" funds we look at both funds and investment companies, while in "passives" we look at trackers and exchange-traded funds.

guaranteed to go up. These tips are best used to help construct a diversified portfolio.

Charges are the ongoing charge figure: the investment shop through which you buy the fund will levy an additional fee.

We consulted Mark Dampier of Hargreaves Lansdown, Darius McDermott of Chelsea Financial Services, Gary Potter of F&C Asset Management, Andy Parsons of the Share Centre, Brian Dennehy of Fund Expert, Ben Willis of Whitechurch Securities, Simon Evan-Cook of Premier Asset Management, Ryan Hughes of AJ Bell, Adrian Lowcock of Architas, John Husselbee of Liontrust Asset Management, and Winterflood Securities.

UK shares

- **Man GLG Undervalued Assets - 0.9pc charge**

This fund invests in assets that have fallen out of favour, seen stock price falls and appear undervalued. It was tipped by seven of the experts. With America having increased interest rates and expected to make further rises, and global growth likely to rise, a "value" approach such as this is poised to do well.

- **Old Mutual UK Dynamic Equity - 1.1pc charge**

Luke Kerr has managed this fund since 2009, and it invests in 40 to 60 medium-sized British companies. The fund has the ability to "short sell" - profiting from a share price fall - which the manager said is used to protect against large falls in the market.

- **Marlborough UK Micro Cap Growth - 0.8pc charge**

This fund invests in many smaller British firms. The theory is managers can hunt out businesses whose share price will rise where others have not spotted them in this less-researched area of the market. Manager Giles Hargreave has many decades of experience.

UK equity income

- **JO Hambro UK Equity Income - 0.81pc charge**

This fund places an emphasis on buying stocks that deliver more income than the market. The managers have a strict discipline of selling when the yield falls too low. It has a historic yield of 4.5pc.

- **Majedie UK Income - 0.77pc charge**

Majedie's fund targets undervalued companies that it believes are priced too cheaply and can provide a growing income. The fund has a historic yield of 4.6pc.

Global shares

- **Scottish Mortgage Investment Trust - 0.51pc charge**

Scottish Mortgage is an investment trust that can invest a significant amount in unlisted companies. Fund manager James Anderson hunts globally for firms he expects to grow significantly.

- **Vanguard LifeStrategy range - 0.22pc charge**

Vanguard's LifeStrategy range provides a readymade portfolio of tracker funds investing across the globe, for a very low cost. There are versions with 20pc, 40pc, 60pc, 80pc, and 100pc exposure to shares, to cater for different risk appetites.

- **Artemis Global Income - 0.81pc charge**

This fund has a 3pc historic yield but has also grown capital by 50 percentage points, more than the average of its peer group over the past five years. Roughly 45pc of the fund is invested in America and Britain, with the rest spread around the world.

- **RIT Capital Partners - 0.97pc charge**

This investment trust is a "wealth preservation" fund, set up to manage some of the Rothschild's wealth. It invests in assets including shares, gold and property. It is trading at a 5pc premium, meaning you are paying more than the value of its assets, but this fluctuates between 0pc and 7.5pc so timing when to buy would be wise.

Japan

- **Man GLG Japan CoreAlpha - 0.9pc charge**

Japan CoreAlpha was recommended by several of our experts. Japan is having an investment revolution, with a new culture moving towards rewarding shareholders. This fund takes a value approach.

- **Baillie Gifford Japan Trust - 1.2pc charge**

This investment trust has delivered significant long-term outperformance. It is trading at a slight discount at present.

America

- **BlackRock North American Equity Tracker - 0.07pc charge**

America is one of the world's best researched markets, so very few active managers outperform it. This fund tracks the FTSE World North America Index for broad exposure.

- **Fidelity American Special Situations - 0.95pc charge**

For those who want to take an active route for the American market, a trio of the experts recommended this fund. Over the past three years, it has returned more than any other fund in the North America sector.

Europe

- **Crux European Special Situations - 0.86pc charge**

Manager Richard Pease has decades of investment experience. This top fund is concentrated, with 35 to 50 stocks, focusing on firms with pricing power.

- **BlackRock European Dynamic - 0.92pc charge**

Manager Alister Hibbert is backed by a 20-strong research team, and BlackRock's significant resources. French, German and Danish shares account for around half of the fund, which is in the top 10 European funds for performance over five years.

Asia and emerging markets

- **Hermes Global Emerging Markets - 1.14pc charge**

The fund is more concentrated in certain sectors when compared to the index. It picks firms using All eyes are on government from Chancellor Philip Hammond environmental, social and governance factors. It is in the top five of the global emerging markets sector for three and five-year performance.

- **Stewart Investors Asia Pacific Leaders - 0.9pc charge**

This fund invests in large companies in emerging regions, and is now managed by David Gait after veteran manager Angus Tulloch stepped down. India, Taiwan and Hong Kong stocks take up around 60pc of the fund.

- **Schroder Asian Income - 0.93pc charge**

Three of our experts tipped this fund, which invests in 60 dividend-paying stocks. It has a historic yield of 3.5pc.

- **TwentyFour Dynamic Bond - 0.8pc charge**

TwentyFour is a specialist bond asset manager. The fund has a historic yield of 4.6pc and is predominantly invested in Britain and Europe. Investors should be aware of the challenges facing bonds if inflation starts to rise, as bond yields are not linked to inflation and so could look less appealing.

- **L&G Emerging Markets Government Bond - 0.29pc charge**

This index tracker offers exposure to the government debt of various emerging markets. It provides valuable diversification for a low fee.

- **Property F&C Commercial Property Trust - 1.18pc charge**

The crisis faced by property funds after the EU referendum has shown an investment trust structure works better for investing in property. The sector faces major headwinds, but F&C's trust is back to trading at a slight premium after falling to a more than 20pc discount following the vote.

Alternatives to diversify your portfolio

- **JPM Global Financials - 0.93pc charge**

Insurers and banks stand to gain from rates heading back up. This fund holds shares in many of the world's largest banks, with 50pc of the fund in American companies.

- **Jupiter India - 1.09pc charge**

It is easy to see India's longterm growth prospects, although investors will need a stomach for the wild rises and falls in markets that come with investing in this country.

Commodities

- **EFT Securities All Commodities - 0.54pc**

Commodity prices have recovered strongly but are still well off their highs of a few years ago. This exchange-traded fund offers broad access to a range of commodities at a reasonable charge.

- **Smith & Williamson Global Gold & Resources - 0.72pc**

This fund focuses on gold miners, and its share price tends to move more than the spot price of gold itself. New policy If you think the price of gold is heading up, this is one way to magnify returns.