



# saltydog

INVESTOR

Successful trend investing

July 2024

## Labour wins a landslide victory

On 4th July the United Kingdom went to the polls. As had been widely forecasted, the Conservatives were ousted after 14 years in power, as Labour, led by Keir Starmer, secured a decisive victory.

This marked Labour's first general election win since 2005. They gained a substantial majority in the House of Commons, winning 411 seats out of 650, giving them a majority of over 170.

The Conservative Party, led by Rishi Sunak, suffered a historic defeat, winning only 121 seats, their worst result ever. This represented a loss of 244 seats compared to their 2019 performance, including the seats of twelve Cabinet members and former Prime Minister Liz Truss. The Conservatives were completely wiped out in Wales and saw significant losses across the country.

The Liberal Democrats made substantial gains, winning 72 seats, while the Scottish National Party experienced a significant decline, dropping from 48 seats in 2019 to just 9 in this election.

of this election was the rise of Reform UK, led by Nigel Farage. While they only won five seats they gathered a significant proportion of the vote, particularly from former Conservative supporters.

Interestingly, Labour's landslide victory in terms of seats did not correspond to a significant increase in their share of the votes. In fact, Labour received fewer total votes than in the 2019 election, despite winning many more seats.

The election saw a decline in voter turnout, dropping from 67.3% in 2019 to a near-record low of 60.0%. This low turnout, combined with the split in the

right-wing vote between the Conservatives and Reform UK, contributed to Labour's sweeping victory despite their relatively unchanged vote share.

Labour now faces the challenge of delivering on their promises of economic growth and improved public services without significant tax increases or spending cuts. I wish them well with that.

Fortunately, they may be helped along the way by a general improvement in economic performance.

The UK economy grew quicker than expected in May, with the

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*Our Tugboat portfolio has gone up by 0.9% over the last four weeks.*



Average Annual Return 5.0%  
Tugboat Portfolio 4 - 5

Ocean Liner 6 - 7

*This portfolio has gained 1.2% over the last four weeks.*



Sector Performance 2024

*Our look at the IA Sector performance for the last few months.*

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Clean energy funds

Saltyblog 8

Sector and Fund Performance Tables and Graphs, showing IA sector trends, and highlighting the best performing funds.

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## UK growth exceeds forecast in May

One of the most notable aspects

## Labour wins a landslide victory

### > Continued from p1

Office for National Statistics (ONS) reporting that gross domestic product increased by 0.4%, exceeding predictions of 0.2% growth.

In June, inflation also fell back to the 2% target for the first time in nearly three years. The ONS figures show that the Consumer Price Index dropped to 2% in May, down from 2.3% in April. That's a long way away from the double-digit figures that we were looking at 18 months ago.

Latest data from the US also shows annual inflation falling from 3.3% in May down to 3.0% in June, also beating forecasts.

The Bank of England and the US Federal Reserve are

working hard to manage expectations about interest rates coming down, but most economists are still anticipating cuts this year.

We were concerned that there might be some short-term volatility in the UK stock markets around the election, but they seem to have taken it all in their stride. The FTSE 100 and FTSE 250 are currently showing month-to-date gains. The pound has also strengthened against the dollar and the euro.

Markets don't like uncertainty, so the election result being broadly in line with expectations would have been reassuring. The fact that the government has such a large majority should also help bring some political stability.

### Stock Market Update

Out of the twelve stock market indices that we track, only half of them went up in June.

The FTSE 100 fell by 1.3%, while the FTSE 250 went down by 2.1%.

In France, markets were rattled by President Macron's unexpected decision to hold a snap election and the CAC 40 subsequently fell, ending the month down 6.4%. The German DAX didn't do as badly, but still dropped by 1.4%.

After a disappointing April, the US indices picked up in May and continued to perform well in June. The Dow Jones Industrial Average gained a further 1.1%, while the S&P 500 rose by

3.5%, and the Nasdaq grew by 6.0%.

In China, the Shanghai Composite fell for the second month in a row. It went down by 0.6% in May and lost a further 3.9% in June. The Hong Kong Hang Seng, which had gone up in May, fell by 2.0% last month.

Other Asian markets were more buoyant. The Japanese Nikkei 225 posted a one-month return of 2.8%, while the Indian Sensex recorded a new all-time high and ended the month up 6.9%.

So far, this month has started reasonably well. All of these stock market indices are currently showing month-to-date gains and it's great to see that the UK's FTSE 250 is leading the way, up 4.5%.

Stock Market Indices	2024						
	January	February	March	April	May	June	1st to 12th July
FTSE 100	-1.3%	0.0%	4.2%	2.4%	1.6%	-1.3%	1.1%
FTSE 250	-1.7%	-1.6%	4.4%	0.4%	3.8%	-2.1%	4.5%
Dow Jones Ind Ave	1.2%	2.2%	2.1%	-5.0%	2.3%	1.1%	2.3%
S&P 500	1.6%	5.2%	3.1%	-4.2%	4.8%	3.5%	2.8%
NASDAQ	1.0%	6.1%	1.8%	-4.4%	6.9%	6.0%	3.8%
DAX	0.9%	4.6%	4.6%	-3.0%	3.2%	-1.4%	2.8%
CAC40	1.5%	3.5%	3.5%	-2.7%	0.1%	-6.4%	3.3%
Nikkei 225	8.4%	7.9%	3.1%	-4.9%	0.2%	2.8%	4.1%
Hang Seng	-9.2%	6.6%	0.2%	7.4%	1.8%	-2.0%	3.2%
Shanghai Composite	-6.3%	8.1%	0.9%	2.1%	-0.6%	-3.9%	0.1%
Sensex	-0.7%	1.0%	1.6%	1.1%	-0.7%	6.9%	1.9%
Ibovespa	-4.8%	1.0%	-0.7%	-1.7%	-3.0%	1.5%	4.0%

Data source: Morningstar

## Membership Scheme

If you know someone else who would be interested in making the most of their investments, please go to the 'membership scheme' section of our website [www.saltydoginvestor.com](http://www.saltydoginvestor.com) and give us their details.

We will e-mail them, and encourage them to come on board. If they subscribe and pay membership for at least 3 months, then we will send you £50 as a thank you.

**Recommend  
a friend**

and you could receive

**£50**

# Portfolio Update

## RICHARD WEBB



Each month I look at how the recent changes in sector performance affect our hypothetical portfolios.

In previous newsletters, I have discussed the rationale behind our example portfolios. If you haven't seen these, subscribers have access to our previous newsletters on our website - [saltydoginvestor.com](http://saltydoginvestor.com).

There is also an explanation in our members guide.

## Our example portfolios

Here are the three hypothetical portfolios that we look at each month. They are shown at their most aggressive (under optimum market conditions), and how they are now - based on this month's data.

The overall sector performance isn't as good as it was earlier in the year, but there are still several sectors in each Group showing gains over the last four weeks, and most are up over twelve and twenty-six weeks.

Last year started well with most sectors making gains in quarter one, but mainly because they had a strong January. The second and third quarters were less encouraging, but there was a rally during November and December.

By this January's newsletter we had already started to reduce the overall amount invested in the 'Safe Haven' funds, but it was still relatively high. 80% in the Tug, 60% in the Ocean Liner and 40% in the Speedboat.

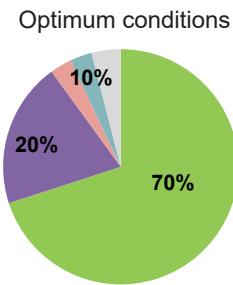
We started reducing our exposure to the equity markets fairly early on in the year. In the February 2023 newsletter our Tug portfolio had 60% in cash and the Safe Haven funds. That increased to 75% in the March edition and peaked at 95% in the June issue.

Over the same period the amount allocated to 'Safe Haven' in the Ocean Liner moved from 40% to 85%, and in the Speedboat it went from 20% to 70%.

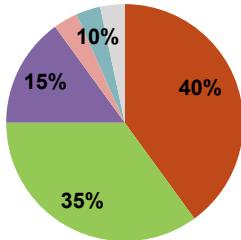
Since then, we've been dropping it further when markets have been rising, and holding it level if there has been some short term volatility.

By May's newsletter it had fallen to 55% in the Tug, 30% in the Ocean Liner and 15% in the Speedboat. In the last couple of months we have dropped it a little further, but we were slightly cautious in the lead up to the recent General Election.

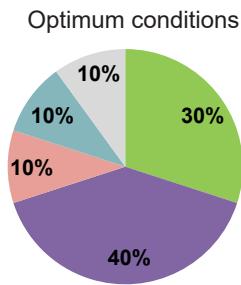
**Portfolio 1 - The Tug**



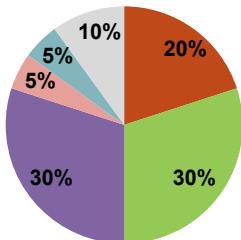
Market conditions  
10/07/2024



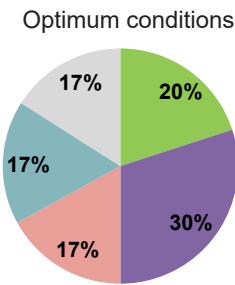
**Portfolio 2 - The Ocean Liner**



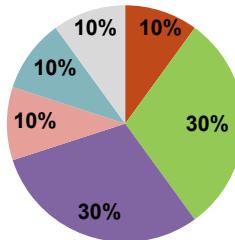
Market conditions  
10/07/2024



**Portfolio 3 - The Speedboat**



Market conditions  
10/07/2024



On the next few pages we give the details of the Saltydog Demonstration Portfolios that we use to show how the Saltydog information can be used - details of each trade are reported every week on the website.

# Tugboat Portfolio

## Objective

In November 2010 we put just over £40,000 into a fund supermarket to demonstrate how the data that we produce can be used to run a simple portfolio.

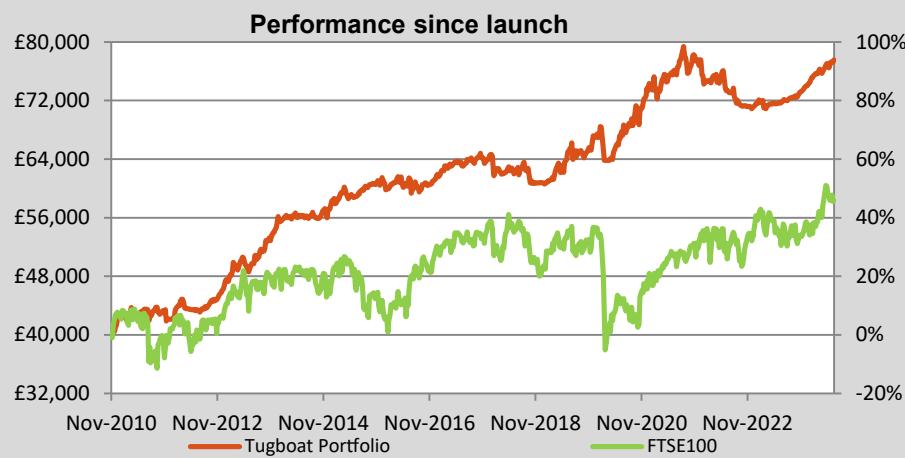
The aim is to run it in such a way that it avoids any major market falls, but also makes gains when they rise.

Because it's designed to weather the storms and make slow, but steady, progress we called it the 'Tugboat'.

The rules that we use to operate it are simple.

- Keep the majority of the portfolio in the 'Slow Ahead' Group, or the 'Safe Haven' and cash if necessary; never invest too much in the riskier 'Full Steam Ahead' Groups, a maximum of 10%.
- Only invest in the more volatile groups when their recent performance justifies it.
- Having determined which groups to invest in, choose the leading sectors from each group.
- Finally, pick funds from these sectors based on their recent performance.

## Portfolio Performance



This portfolio was launched in November 2010, and demonstrates how the Saltydog data can be used to manage a cautious portfolio.

The majority of the investments are usually in funds from the sectors in the lowest volatility Groups. Our initial investment of £40,000 has now grown to over £77,500.

In the last six months it has gone up by 4.7%.

## Returns

Portfolio Launch Date	23/11/2010	Return in the last 4 weeks	0.9%
Initial Investment	£40,042	Return in the last 3 months	1.9%
Current Value	£77,565	Return in the last 6 months	4.7%
Return since launch	93.7%	Average Annual Return since launch	5.0%

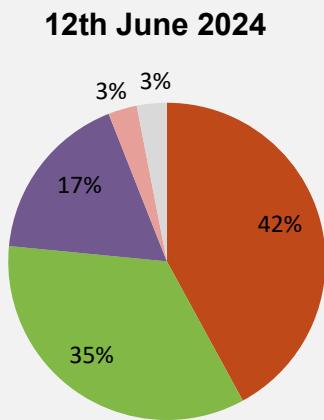
## Current Holdings

Initial Trade Date	Fund Name	Group	Current Price (p)	Current Value (£)	Original Cost (£)	Gain (£)	Gain (%)	Portfolio %
13/10/2022	Royal London Short Term MMF	Safe	111	£13,775	£12,706	£1,069	8.4%	17.8%
23/03/2023	L&G Cash Trust fund	Safe	107	£13,492	£12,642	£850	6.7%	17.4%
06/07/2023	Liontrust Balanced	Slow	258	£11,686	£11,000	£686	6.2%	15.1%
28/09/2023	Schroder High Yield Opportunities	Slow	107	£8,424	£8,000	£424	5.3%	10.9%
22/02/2024	Royal London Sustainable World	Slow	374	£3,791	£3,616	£175	4.8%	4.9%
28/03/2024	Liontrust SF Managed	Slow	262	£2,944	£3,000	-£56	-1.9%	3.8%
21/03/2024	Ninety One UK Special Situations	Steady	317	£4,223	£4,000	£223	5.6%	5.4%
23/05/2024	Schroder UK Smaller Companies	Steady	178	£2,031	£2,000	£31	1.5%	2.6%
06/07/2023	MI TwentyFour AM Monument Bond	Steady	16,126	£5,314	£5,000	£314	6.3%	6.9%
15/06/2023	UBS US Growth	Developed	357	£3,922	£3,163	£759	24.0%	5.1%
14/09/2023	Jupiter India	Specialist	267	£3,892	£3,159	£733	23.2%	5.0%
Cash				£4,071				5.2%
Total Portfolio Value				£77,565				

Pending Transactions (these are orders that have been placed, but not yet reflected in the figures above)

# Tugboat Portfolio

## Group Allocation



After a difficult 2022, last year started well. However, the subsequent months proved challenging. Fortunately, there was a final flourish in November and December.

This year started slowly but picked up towards the end of January. We then began steadily reducing our cash and overall exposure to the 'Safe Haven' Group and increasing our holdings in funds from the other Groups.

## Why we've done what we've done

**‘Cash & Safe Haven’ - Down from 42% to 40% of the portfolio.**

Both of our portfolios have been heavily invested in the Money Market funds from our 'Safe Haven' Group since 2022. However, this year we've seen overall fund performance improving and so we've reduced our exposure to the 'Safe Haven' funds and started to reinvest in some potentially more rewarding funds. We haven't made a lot of changes since the last newsletter, but the overall amount in cash and the 'Safe Haven' funds has fallen slightly.

## **‘Slow Ahead’ - Unchanged at 35% of the portfolio.**

We're still holding the Liontrust Balanced fund that we bought in July and the Schroder High Yield Opportunities fund that we added in September. We have recently reduced our holding in the Royal London Sustainable World fund but put more into the Liontrust Balanced fund.

## **'Steady as She Goes' - Down from 17% to 15% of the portfolio.**

The UK Smaller Companies sector was the best performing sector in May, so we added the Schroder UK Smaller Companies and Ninety One UK Smaller Companies funds to the portfolio. We are still holding the Schroder UK Smaller Companies fund but have sold the Ninety One UK Smaller Companies fund.

**'Full Steam Ahead' & Specialist - Up from 6% to 10% of the portfolio.**

The Jupiter India and UBS US Growth funds have both gone up since the June newsletter and we have increased our holdings.

# Ocean Liner Portfolio

## Objective

In November 2013 we launched our 'Ocean Liner' Portfolio.

We had been running our cautious 'Tugboat' for three years and wanted to demonstrate how our fund performance data could be used to run a more adventurous portfolio.

Protecting our capital during down-turns is still important, but we accept that if markets drop quickly this portfolio is more likely to suffer losses than the Tugboat. When markets are doing well, we hope to be able to take advantage by having increased exposure to the 'Full Steam Ahead' Groups.

- The overall volatility is limited by keeping at least 30% of the portfolio invested in the 'Slow Ahead' group (or Safe Haven / cash if market conditions are unfavourable).
- We only invest in the more volatile groups when their recent performance justifies it.
- When conditions are favourable, up to 30% of the portfolio can be invested in the most volatile 'Full Steam Ahead' Groups and the 'specialist' sector.

## Portfolio Performance

### Portfolio performance since launch in November 2013



The Ocean Liner portfolio was launched in November 2013 and aims to be slightly more adventurous than the Tugboat portfolio, which was started three years earlier. Since then it has gone up by more than 65%.

Our initial investment of just under £41,500 is now worth over £68,500.

In the last six months it has gone up by 6.8%.

## Returns

Portfolio Launch Date	23/11/2013	Return in the last 4 weeks	1.2%
Initial Investment	£41,452	Return in the last 3 months	2.2%
Current Value	£68,662	Return in the last 6 months	6.8%
Return since launch	65.6%	Average Annual Return since launch	4.9%

## Current Holdings

Initial Trade Date	Fund Name	Group	Current Price (p)	Current Value (£)	Original Cost (£)	Gain (£)	Gain (%)	Portfolio %
13/10/2022	Royal London Short Term MMF	Safe	111	£8,471	£7,974	£497	6.2%	12.3%
06/07/2023	Liontrust Balanced	Slow	258	£10,676	£10,000	£676	6.8%	15.5%
28/09/2023	Invesco High Yield	Slow	353	£10,631	£10,000	£631	6.3%	15.5%
08/06/2023	MI TwentyFour AM Monument Bond	Steady	16126	£6,384	£6,000	£384	6.4%	9.3%
07/12/2023	Ninety One UK Special Situations	Steady	317	£7,736	£7,000	£736	10.5%	11.3%
10/05/2024	Schroder UK Smaller Companies	Steady	178	£5,178	£5,000	£178	3.6%	7.5%
15/06/2023	UBS US Growth	Developed	357	£4,942	£4,282	£660	15.4%	7.2%
04/07/2024	L&G Global Technology Index	Emerging	177	£2,540	£2,500	£40	1.6%	3.7%
31/08/2023	Jupiter India	Specialist	267	£4,582	£3,480	£1,102	31.7%	6.7%
04/07/2024	Stewart Inv India Subcontinent	Specialist	538	£2,501	£2,500	£1	0.0%	3.6%
Cash				£5,023				7.3%
Total Portfolio Value				£68,662				

Pending Transactions (these are orders that have been placed, but not yet reflected in the figures above)

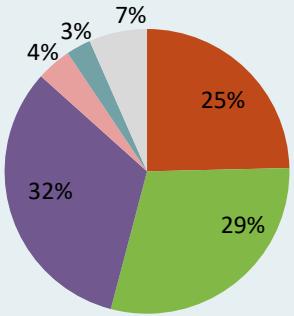
# Ocean Liner Portfolio

## Other transactions this month

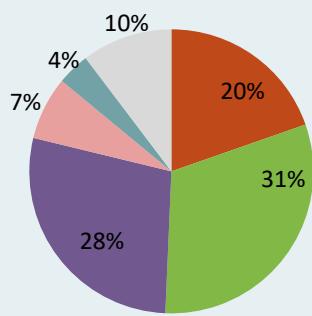
Fund	Group	Value (£)	Transaction	Date
Royal London Sustainable World	Slow	£3,002	Sell	13/06/2024
Baillie Gifford China	Emerging	£1,890	Sell	13/06/2024
Liontrust Balanced	Slow	£2,000	Increase current holding	13/06/2024
Invesco High Yield	Slow	£2,000	Increase current holding	13/06/2024
UBS US Growth	Developed	£2,000	Increase current holding	13/06/2024
Ninety One UK Smaller Companies	Steady	£2,855	Sell	20/06/2024
L&G Global Technology Index	Emerging	£2,500	Buy	04/07/2024
Stewart Inv India Subcontinent	Specialist	£2,500	Buy	04/07/2024

## Group Allocation

**12th June 2024**



**10th July 2024**



- Cash or Safe Haven
- Slow Ahead
- Steady as She Goes
- Full Steam Ahead - Developed
- Full Steam Ahead - Emerging
- Specialist

Most sectors made gains last year, but it wasn't easy. The majority had a good start, making sensible returns in January, but then went off the boil. Fortunately, we saw a rally during November and December.

For most of this year, we have been reducing our cash and the amount invested in the 'Safe Haven' funds and increasing our exposure to funds from the other Groups. That's certainly been the case over the last few weeks.

## Why we've done what we've done

### 'Cash & Safe Haven' - Down from 25% to 20% of the portfolio.

At the beginning of the year, we had over 60% of the portfolio either in cash or the Money Market funds from the 'Safe Haven' Group. As market conditions improved, we have been bringing this figure down.

### 'Slow Ahead' - Up from 29% to 31% of the portfolio.

We have sold the Royal London Sustainable World fund, but have added to the Liontrust Balanced and Invesco High Yield funds. The net result has been a slight increase in the amount invested in funds from this Group.

### 'Steady as She Goes' - Down from 32% to 28% of the portfolio.

We were holding two funds from the UK Smaller Companies sector. Schroder UK Smaller Companies and Ninety One UK Smaller Companies. We have sold the Ninety One UK Smaller Companies fund.

### 'Full Steam Ahead' & Specialist - Up from 14% to 21% of the portfolio.

The best performing funds over the last couple of months have been in the Technology & Technology Innovations sector along with the India funds in the Specialist sector. In the last few weeks we have increased our exposure to these funds. We have also sold the Baillie Gifford China fund that started going down soon after we bought it.

# Sector Analysis 2024

At the beginning of each year, we publish the Investment Association's average sector performance for the previous twelve months. Here we look at what has happened so far this year.

Most sectors went up in 2023, but mainly due to a strong rally at the end of the year.

Unfortunately, this year didn't

start particularly well. Only 11 sectors went up in January.

In February things improved, with most sectors making gains,

and March was even better. Things then took a turn for the worse in April with only 10 sectors making gains.

In May, 27 out of the 34 sectors went up. The best, UK Smaller Companies, rose by over 6%.

Last month was slightly worse with only 24 sectors making gains. The best was India up 8.1%, followed by the Technology sector, up 6.4%.

Investment Association Sector	Annual Returns (%)		Monthly Returns 2024 (%)									1st Jan to 30th June
	2022	2023	Jan	Feb	Mar	Q1	April	May	June			
<b>Safe Haven</b>												
Standard Money Market	1.2	4.8	0.5	0.4	0.4	1.3	0.5	0.4	0.4			2.6
Short Term Money Market	1.0	4.0	0.4	0.4	0.3	1.2	0.4	0.4	0.3			2.3
<b>Slow Ahead</b>												
Mixed Investment 40-85% Shares	-10.1	8.1	-0.1	1.4	2.8	4.2	-0.7	1.0	1.4			5.9
£ Corporate Bond	-16.4	9.3	-1.0	-0.7	2.1	0.3	-1.5	0.5	1.2			0.4
Mixed Investment 0-35% Shares	-10.2	6.1	-0.6	0.1	2.0	1.4	-1.0	0.6	1.1			2.1
£ Strategic Bond	-11.7	8.0	-0.1	-0.5	1.6	1.0	-1.3	0.7	1.1			1.5
Mixed Investment 20-60% Shares	-9.6	6.9	-0.4	0.5	2.4	2.5	-0.7	0.9	1.0			3.7
£ High Yield	-9.8	10.9	0.7	0.4	0.9	2.0	-0.3	0.9	0.7			3.4
<b>Steady as She Goes</b>												
UK Gilts	-24.3	3.6	-2.6	-1.3	2.2	-1.7	-2.5	0.2	1.8			-2.3
Flexible Investment	-9.1	7.3	0.0	1.7	2.8	4.5	-0.5	0.9	1.3			6.2
UK Index Linked Gilts	-35.3	0.5	-5.7	-0.7	3.9	-2.7	-3.1	0.1	1.3			-4.4
<b>Global &amp; GEM Bonds*</b>	-7.4	4.7	-0.7	-0.2	1.0	0.1	-1.1	0.2	0.6			-0.2
UK Direct Property	-7.8	-0.4	-0.5	-0.9	0.2	-1.2	0.1	0.6	0.0			-0.4
UK All Companies	-9.2	7.4	-0.9	-0.1	3.9	2.9	1.8	3.2	-1.2			6.9
UK Equity Income	-2.2	7.1	-1.4	-0.5	4.4	2.5	2.7	3.2	-1.3			7.2
UK Smaller Companies	-25.6	0.4	-0.2	-1.4	2.9	1.3	2.9	6.1	-1.7			8.7
<b>Full Steam Ahead - Developed</b>												
North America	-10.1	16.7	1.8	5.0	3.7	10.8	-3.1	1.4	3.5			12.7
Global	-11.3	12.7	0.4	4.1	3.3	7.9	-2.4	1.4	1.8			8.7
Global Equity Income	-1.1	9.3	0.7	2.3	3.0	6.1	-1.5	1.0	1.1			6.7
Japan	-8.4	11.0	2.8	3.5	2.7	9.3	-3.7	-0.5	0.6			5.3
North American Smaller Companies	-13.7	10.8	-1.8	4.9	3.8	6.9	-5.1	2.1	-0.3			3.3
Europe Including UK	-8.2	13.3	-0.3	2.2	3.6	5.5	-1.4	3.2	-1.7			5.5
Europe Excluding UK	-8.9	14.3	-0.2	3.0	3.5	6.4	-1.4	2.8	-2.1			5.7
European Smaller Companies	-21.9	8.0	-1.9	1.4	3.7	3.2	-0.6	4.0	-3.7			2.7
<b>Full Steam Ahead - Emerging</b>												
Tech & Tech Innovations	-27.0	38.7	3.2	5.7	1.8	11.0	-3.7	2.6	6.4			16.7
Asia Pacific Excluding Japan	-6.8	-0.9	-4.3	4.7	2.5	2.6	1.3	-0.2	4.2			8.1
Global Emerging Markets	0.3	7.7	-3.7	5.0	2.2	3.4	1.2	-0.9	3.8			7.6
Asia Pacific Including Japan	-12.7	2.4	-2.4	3.9	1.1	2.5	-0.5	-0.2	2.7			4.6
China/Greater China	-15.9	-20.4	-9.7	9.5	0.7	-0.5	5.8	-1.0	-1.7			2.4
<b>Specialist / Thematic</b>												
India/Indian Subcontinent	-1.5	17.1	2.0	2.6	0.4	5.1	3.4	-1.1	8.1			16.2
Healthcare	-3.0	-2.1	1.0	3.9	2.1	7.2	-4.2	0.5	3.3			6.6
Financials and Financial Innovation	-17.7	12.7	1.6	3.8	3.7	9.3	-2.9	1.0	0.1			7.3
Infrastructure	1.6	-2.8	-3.2	-0.5	2.3	-1.5	-0.9	3.0	-1.5			-1.0
Latin America	17.0	23.4	-4.5	0.0	1.9	-2.7	-3.0	-4.8	-5.8			-15.3

\* The Global & GEM bonds figure is calculated by taking an average of the 17 non-UK bond sectors

data source: Morningstar

**saltyblog**  
A PERSONAL VIEW



### Clean energy funds.

We include a few funds in our analysis that aim to benefit as the world transitions to renewable energy. Funds like Pictet Clean Energy, BGF Sustainable Energy, and Guinness Sustainable Energy. These funds performed particularly well during the COVID-19 lockdowns when governments in the UK, Europe, and the US, were discussing significant investments to achieve net-zero emissions and develop the infrastructure necessary for a more environmentally sustainable economy.

During 2020, the Guinness Sustainable Energy fund went up by over 75%.

More recently, these funds haven't been as prominent in our regular reports. Instead, we've seen more focus on the funds which invest in large fossil fuel companies.

However, that could change. The new Labour government has pledged to make the UK a "clean energy superpower." They have ambitious plans to double onshore wind capacity, quadruple offshore wind capacity, and triple solar power.

Additionally, they plan to establish a new publicly owned company called Great British Energy to drive investment in clean, home-grown energy production.

If other countries follow suit, this could give the clean energy funds another boost.

# Understanding the Saltydog System

## Our Objective

We aim to provide you with up-to-date information about readily available investment funds, so that you can see which are currently performing well. In other words, to provide you with the data that will make DIY Investing a worthwhile hobby.

## The Data

We cover Unit Trusts, OEICs, Investment Trusts, and ETFs.

At the beginning of each week we download the latest data, and select the funds that are easy to access in the UK. We then sort the data and highlight the best performing funds.

This sorted data is available to our subscribers on our website ([saltydoginvestor.com](http://saltydoginvestor.com)) each week, and a summary of the data is included in our Newsletter.

To give an example of how our information can be used, we run our own real money portfolios based on the data, and publish details of what we buy and sell, and the overall performance.

We are very ready to help with any queries, but have to emphasise that we are not able to offer any financial advice.

## Sectors

All funds are allocated a Sector by the relevant Financial 'body' such as the IA - the Investment Association. That means that all funds within a Sector will be investing within the constraints of that Sector, and so worthwhile comparisons of performance can be made.

## Groups

We analysed the Sectors, and decided that it would be helpful to group sectors together according to their historical volatility, so we created Saltydog Groups.

These are:

<b>Safe Haven:</b>	Very low risk, but also very low returns.
<b>Slow Ahead:</b>	Normally a low risk level and often with adequate returns.
<b>Steady as She Goes:</b>	Generally low to medium risk, with potentially higher returns.
<b>Full Steam Ahead Developed:</b>	Higher risk, but potentially higher returns.
<b>Full Steam Ahead Emerging:</b>	Higher risk, but potentially higher returns.

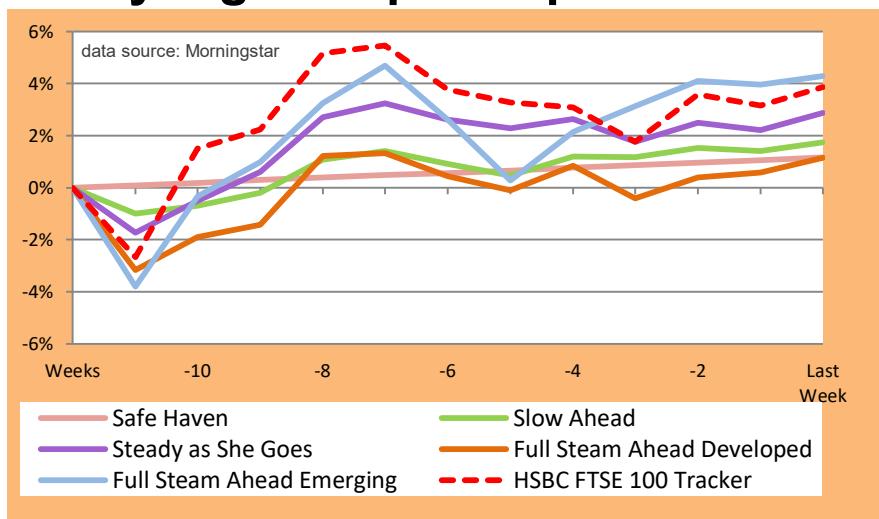
Need more information? Check out the 'How To' guides on our website - [saltydoginvestor.com](http://saltydoginvestor.com)

## Let's Get Underway!

The chart below shows how the 5 Saltydog Groups have performed over the last 12 weeks, based on the average of the leading funds in each Sector within the Group, on a week-by-week basis.

In the following pages you can see how the Sectors have performed within the Groups, and the funds that have performed best in each of the Sectors.

## Saltydog Group Comparison



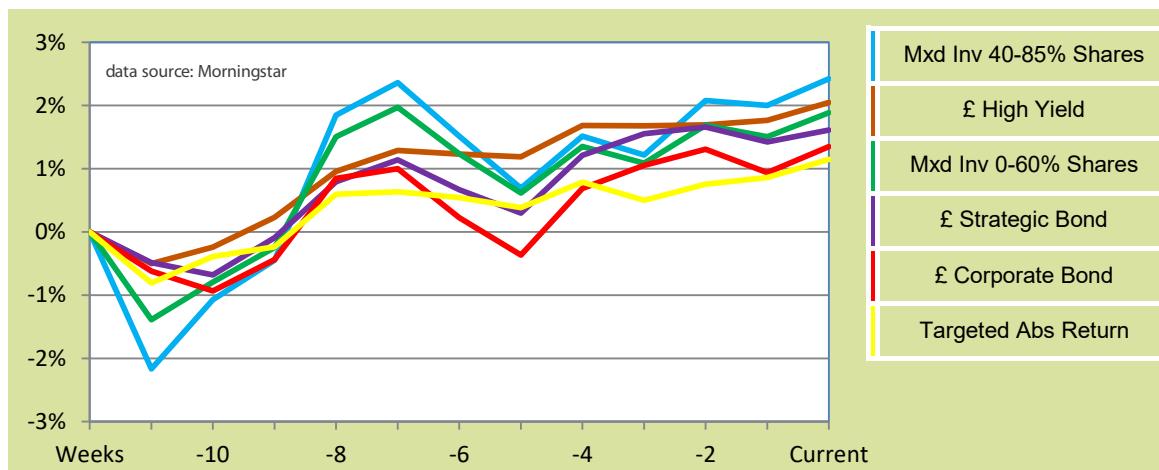
### Group Performance for Last Week

Safe Haven	0.10%
Slow Ahead	0.3%
Steady as She Goes	0.7%
Full Steam Ahead Developed	0.6%
Full Steam Ahead Emerging	0.3%
HSBC FTSE 100 Tracker	0.7%

**Gains for all sectors, and for the HSBC FTSE 100 Tracker last week.**

**The Steady Group had the best gain with 0.7%, and the Developed Group was close behind with 0.6%.**

## Performance by Saltydog Group - Slow Ahead



This chart shows the relative performance of the sectors in this Group, calculated by looking at the average % return of the leading funds in each sector every week. In the table below the sectors are ranked by their four-week % return. All the return data is shaded to highlight the higher figures in each column.

Sector	Percentage Return Data										
	4wks	12wks	26wks	Wk -1	Wk -2	Wk -3	Wk -4	Wk -5	Wk -6	Wk -7	Wk -8
Mxd Inv 40-85% Shares	0.9%	2.4%	8.2%	0.4%	-0.1%	0.9%	-0.3%	0.8%	-0.8%	-0.8%	0.5%
£ Corporate Bond	0.7%	1.4%	2.6%	0.4%	-0.4%	0.3%	0.4%	1.1%	-0.6%	-0.8%	0.2%
Mxd Inv 0-60% Shares	0.5%	1.9%	5.1%	0.4%	-0.2%	0.6%	-0.3%	0.7%	-0.6%	-0.7%	0.5%
£ Strategic Bond	0.4%	1.6%	2.9%	0.2%	-0.2%	0.1%	0.3%	0.9%	-0.4%	-0.5%	0.3%
£ High Yield	0.4%	2.0%	4.4%	0.3%	0.1%	0.0%	0.0%	0.5%	0.0%	-0.1%	0.3%
Targeted Abs Return	0.4%	1.1%	5.2%	0.3%	0.1%	0.3%	-0.3%	0.4%	-0.2%	-0.1%	0.0%
Average:	0.5%	1.7%	4.7%	0.3%	-0.1%	0.3%	0.0%	0.7%	-0.4%	-0.5%	0.3%

## The Mixed Investment Sectors

These are the Flexible Investment, Mixed Investment 40-85% Shares, Mixed Investment 20-60% Shares, and the Mixed Investment 0-35% Shares sectors. There are so few funds in the 0-35% sector that we have combined them with the Mixed Investment 20-60% Shares and called them 'Mxd Inv 0-60% Shares'.

These sectors can hold a combination of equities and fixed interest assets, and it's down to the fund manager to vary the proportions. They replaced the old Active, Balanced, and Cautious Managed sectors.

## Overall Group Performance

**This Group's average four-week return was a 1.1% gain in the May issue. Last month it made a further 0.1%, and this month it's gone up by 0.5%.**

All of the sectors in this group went up in 2023, however it wasn't plain sailing. The year started well with all sectors making gains in the first quarter, but only because of a strong start in January.

The second and third quarters were disappointing and there were further losses in October. Fortunately, things picked up towards the end of the year.

By the time we were writing this January's newsletter, all sectors were up over four, twelve and twenty-six weeks.

In the first quarter of 2024 all of the sectors in this group went up. The Mixed Investment 40-85% Shares sector did the best with a three-month return of 4.2%.

It was a similar story in the second quarter. All sectors went up with the Mixed Investment 40-85% Shares sector leading the way. However, it only went up by 1.7% during April, May and June.

This month all of the sectors in this group are showing gains over four, twelve, and twenty-six weeks.

## About the 'Slow Ahead' Group ...

Unit Trust and OEICs are already allocated IA sectors which determine what they can invest in. To bring together sectors of similar historic volatility, so that they can be analysed, we have created the Saltydog Groups.

The least volatile is the 'Safe Haven'. These are basically deposit accounts - performance data is only available on the website.

Next is the 'Slow Ahead' Group. Funds in this Group are normally relatively low risk, but can often deliver adequate returns.

Within the 'Slow Ahead' Group you will find sectors investing in bonds and gilts. Bond prices go up and down like share prices, but are usually less extreme.

There are also some of the mixed investment sectors which invest in a combination of bonds and shares.

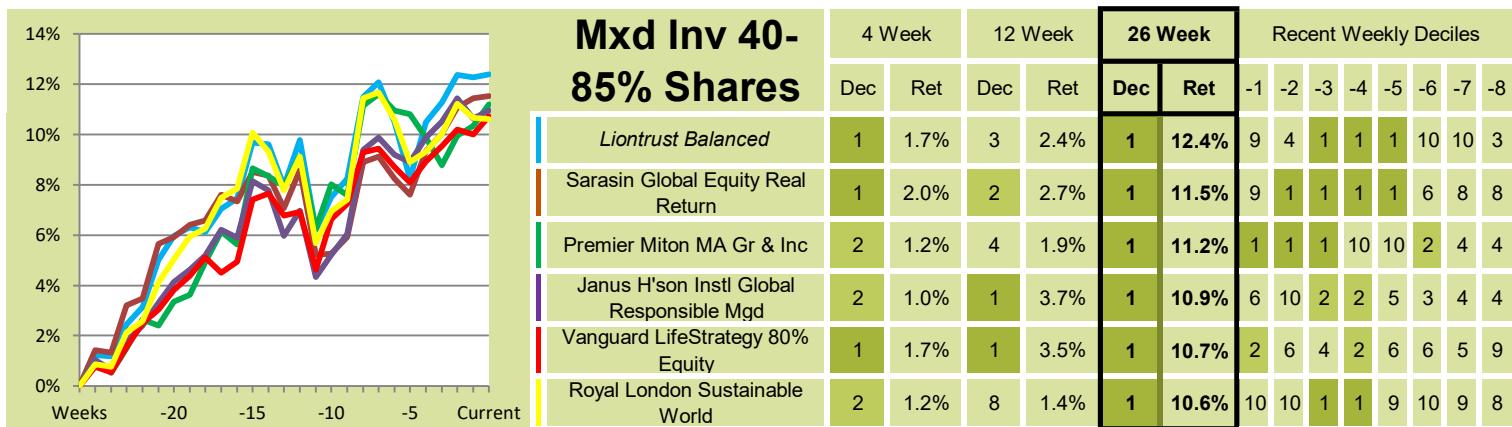
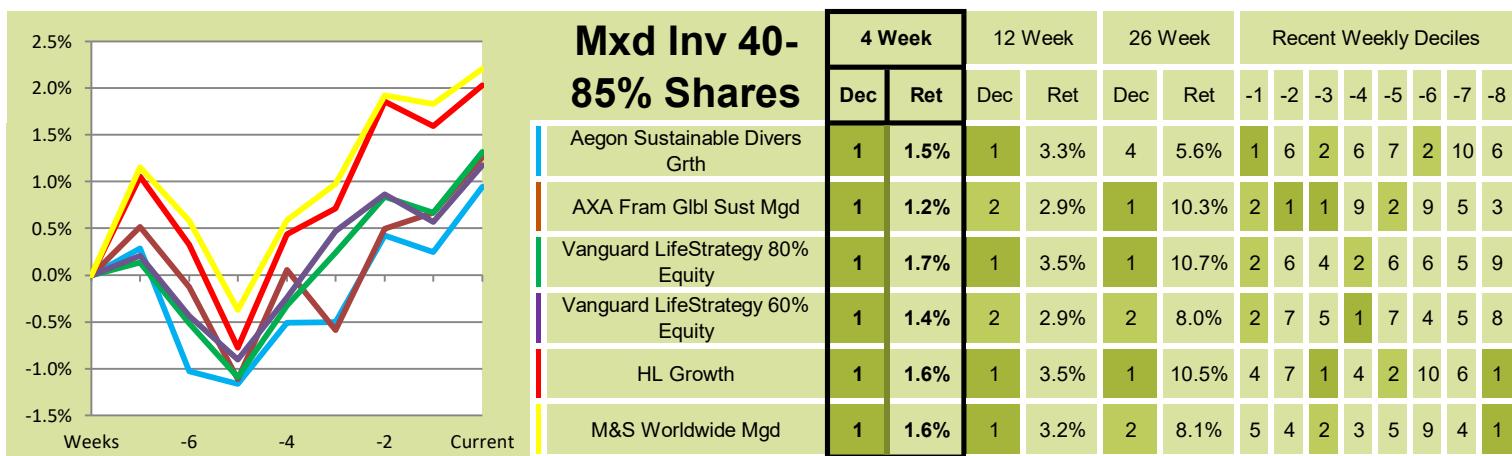
The 'Targeted Absolute Returns' funds are also in this Group and they aim to deliver positive returns in any market conditions. Typically funds in this sector would normally expect to generate absolute returns on a 12 month basis.

## Performance by Saltydog Group - Slow Ahead

### From first to last and back to first again

The Mixed Investment 40-85% Shares sector moved to the top of the table in the February newsletter with a four-week return of 1.4%. In March it was still in pole position, with a four-week return of 2.1%, and it retained its position in April, albeit with a lower four-week return of 1.0%. It was still there in May, having risen by 1.8% in the previous four weeks, but last month it dropped to the bottom of the table with a four-week loss of 0.3%. This month it is back in first place.

Similar listings are available for all sectors in the members area of the website.

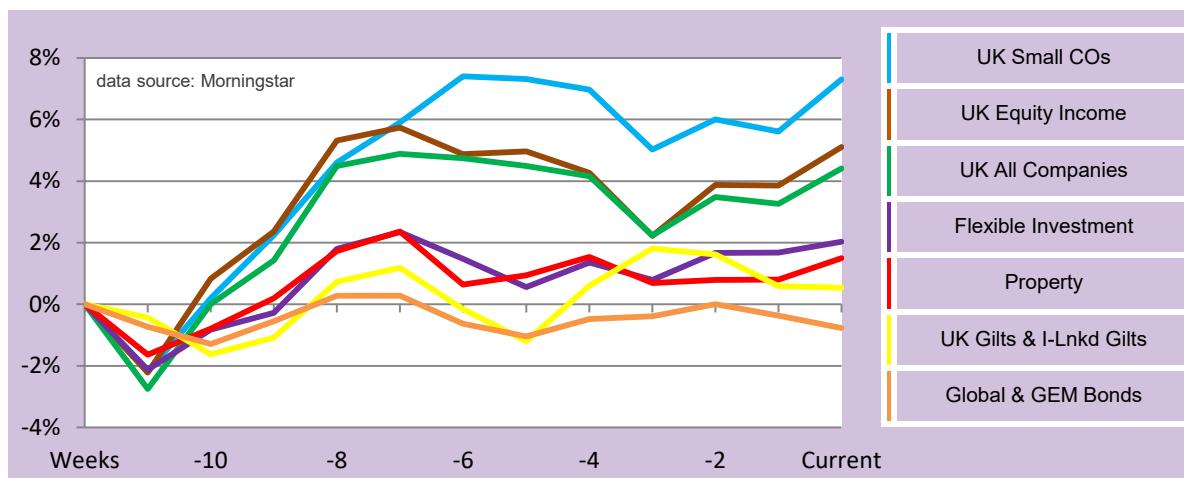


### Last month's leader

The £ High Yield sector was in fifth place in the April newsletter, with a four-week gain of 0.1%. It moved up into third place in May, having gained 0.9% in the previous four weeks, and last month it was at the top of the table with a four-week return of 0.7%. This month it has dropped to fifth place, but has still gone up by 0.4% in the last four weeks.



## Performance by Saltydog Group - Steady as She Goes



This chart shows the relative performance of the sectors in this Group, calculated by looking at the average % return of the leading funds in each sector every week. In the table below the sectors are ranked by their four-week % return. All the return data is shaded to highlight the higher figures in each column.

Sector	Percentage Return Data										
	4wks	12wks	26wks	Wk -1	Wk -2	Wk -3	Wk -4	Wk -5	Wk -6	Wk -7	Wk -8
UK Equity Income	0.8%	5.0%	10.1%	1.2%	0.0%	1.7%	-2.1%	-0.7%	0.1%	-0.9%	0.4%
Flexible Investment	0.7%	2.0%	8.2%	0.3%	0.0%	0.9%	-0.6%	0.8%	-0.9%	-0.9%	0.5%
UK Small COs	0.3%	7.4%	12.6%	1.7%	-0.4%	1.0%	-1.9%	-0.3%	-0.1%	1.5%	1.3%
UK All Companies	0.2%	4.4%	10.3%	1.1%	-0.2%	1.2%	-1.9%	-0.3%	-0.2%	-0.1%	0.4%
Property	-0.1%	1.5%	-0.1%	0.7%	0.0%	0.1%	-0.9%	0.6%	0.3%	-1.7%	0.6%
UK Gilts & I-Lnkd Gilts	-0.1%	0.5%	-0.5%	-0.1%	-1.0%	-0.2%	1.2%	1.8%	-1.0%	-1.3%	0.5%
Global & GEM Bonds	-0.3%	-0.8%	-0.5%	-0.4%	-0.4%	0.4%	0.1%	0.6%	-0.4%	-0.9%	0.0%
Average:	0.2%	2.9%	5.7%	0.7%	-0.3%	0.7%	-0.9%	0.3%	-0.3%	-0.6%	0.5%

## The UK Equity Sectors

The Investment Association differentiates between funds investing for income and ones investing for growth. They specify two different 'UK Equities' sectors for funds investing in UK equities and targeting growth. They are:

### UK All Companies:

*"Funds which invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth."*

### UK Smaller Companies:

*"Funds which invest at least 80% of their assets in UK equities of companies which form the bottom 10% by market capitalisation."*

## Overall Group Performance

**The four-week average for the sectors in this Group was a 2.7% gain in the May newsletter, but a 0.1% loss last month. This month it's up 0.2%.**

In 2022 all of the sectors in this Group went down; two fell by around 25% and the worst lost 35%. Fortunately, last year ended up being much better, but mainly due to a strong performance at the end of the year.

By this January's newsletter all sectors were showing gains over four, twelve and twenty-six weeks. The best, UK Smaller Companies, was up 4.4% in four weeks.

In the first quarter of 2024 the best performing sector was Flexible Investment with a three-month return of 4.5%. Next was UK All Companies, up 2.9%, and

then the UK Equity Income and UK Smaller Companies sectors. Not all sectors went up. The UK Gilts, Index-Linked Gilts and UK Direct Property sectors went down.

In the second quarter the UK equity sectors continued to do well. The best, UK Smaller Companies, went up by 7.3%. UK Equity Income went up by 4.6% and UK All Companies rose by 3.9%. The UK Gilts & Index-Linked Gilts saw further losses.

This month is much the same. The UK equity sectors and Flexible Investment are up, but Property, Bonds and Gilts are down.

### A bit about the 'Steady as She Goes' Group ...

The sectors in this Group have historically been more volatile than those in the 'Slow Ahead' Group, but when conditions are favourable they can give better returns.

In this Group there are some bond sectors as well as the Flexible Investment sector which invests in a combination of bonds and equities. It is one of the mixed asset sectors which were renamed at the end of 2011 and were previously known as the Cautious, Balanced, and Active Managed Sectors. These are often the 'default' funds for many financial products.

There's also the UK Equity Income sector. The income funds invest in shares that pay good dividends, and are less focused on capital growth. These tend to be the large, well known businesses like the banks, supermarkets, oil, utilities, and pharmaceutical companies.

The UK All Companies and UK Smaller Companies sectors are in this Group. Although they invest in UK Companies it's worth remembering that those companies are often international.

A full list of the sector definitions is available on the Investment Association website.

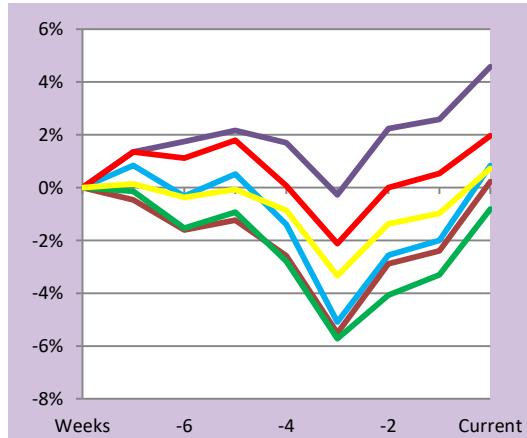
[www.theinvestmentassociation.org](http://www.theinvestmentassociation.org)

## Performance by Saltydog Group - Steady as She Goes

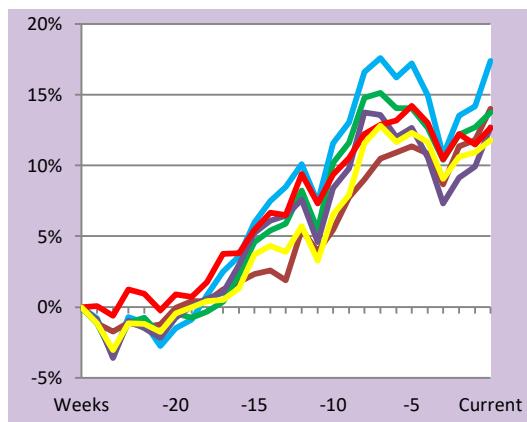
### Back on top

In the February newsletter, the UK Equity Income sector was in fourth place having gone down by 1.2% in the previous four weeks. In March it moved up to second place, with a four-week return of 2.4%, and by April it was in the top spot, after gaining 2.5% in the previous four weeks. In May it was still in pole position with a four-week return of 5.3%, but last month it dropped to the bottom of the table with a four-week loss of 1.0%. Since then, it has gone up by 0.8% and is back at the top of the table.

Similar listings are available for all sectors in the members area of the website.



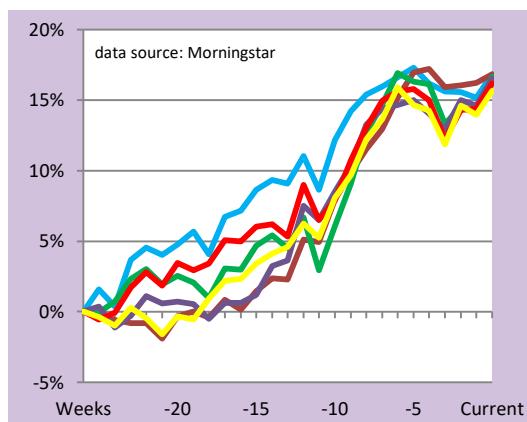
UK Equity Income	4 Week		12 Week		26 Week		Recent Weekly Deciles														
	Dec	Ret	Dec	Ret	Dec	Ret	-1		-2		-3		-4		-5		-6		-7		
							1	1	1	1	10	10	1	8	4						
JOHCM UK Equity Income	1	2.1%	2	6.6%	1	17.4%	1	1	1	1	10	10	1	8	4						
abrdn UK Income Unconstrained Eq	1	2.7%	3	6.1%	5	10.1%	1	1	1	1	10	10	2	8	10						
BNY Mellon UK Income	1	1.9%	4	4.7%	2	12.7%	1	1	3	10	10	1	9	9							
VT Downing Small & Mid-Cap Inc	1	2.8%	1	8.1%	2	14.0%	2	1	1	7	7	2	3	2							
Premier Miton UK Multi Cap Inc	1	1.9%	4	5.0%	3	11.2%	3	1	1	8	10	1	4	2							
Slater Income	1	1.5%	4	5.2%	4	10.6%	3	1	2	9	9	2	5	7							



UK Equity Income	4 Week		12 Week		26 Week		Recent Weekly Deciles														
	Dec	Ret	Dec	Ret	Dec	Ret	-1		-2		-3		-4		-5		-6		-7		
							1	1	1	1	10	10	1	8	4						
JOHCM UK Equity Income	1	2.1%	2	6.6%	1	17.4%	1	1	1	1	10	10	1	8	4						
VT Downing Small & Mid-Cap Inc	1	2.8%	1	8.1%	2	14.0%	2	1	1	7	7	2	3	2							
UBS UK Equity Inc	3	1.0%	4	5.1%	2	13.8%	5	1	3	7	10	4	7	6							
BNY Mellon UK Income	1	1.9%	4	4.7%	2	12.7%	1	1	3	10	10	1	9	9							
Marlborough Multi Cap Income	8	-0.3%	7	3.0%	2	12.7%	5	9	3	8	9	1	3	5							
L&G UK Equity Income	7	0.1%	3	5.7%	3	11.8%	6	2	4	8	8	1	7	3							

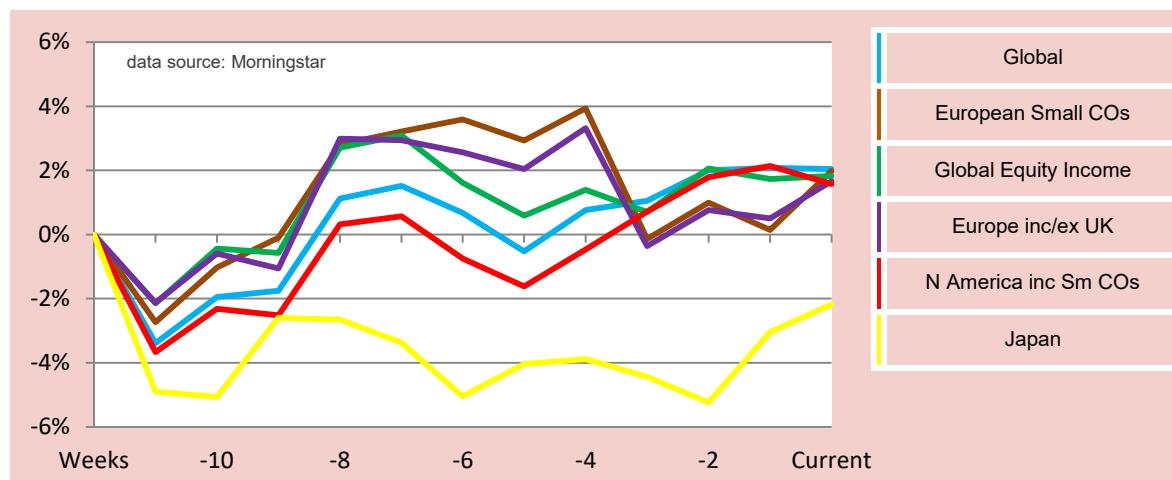
### Last month's leader

The UK Smaller Companies sector was in fourth place in the April edition, with a four-week return of 0.8%. In May it moved up to second place, having gained 4.6% in the previous four weeks, and last month it was in first place with a four-week return of 2.4%. This month it has dropped to third place with a four-week return of 0.3%.



UK Small COs	4 Week		12 Week		26 Week		Recent Weekly Deciles														
	Dec	Ret	Dec	Ret	Dec	Ret	-1		-2		-3		-4		-5		-6		-7		
							1	1	1	1	10	10	1	3	5						
MI Sterling Select Companies	4	0.6%	4	5.2%	1	16.8%	3	7	10	3	9	1	3	5							
Schroder UK Small COs	8	-0.3%	1	11.1%	1	16.8%	7	2	9	4	4	1	1	2							
M&G Small COs	5	0.4%	1	9.4%	1	16.6%	1	8	5	9	5	7	1	1							
Unicorn UK Sm COs	1	2.2%	1	8.4%	1	16.5%	3	7	2	4	9	2	3	3							
TB Whitman UK Small Cap Growth	3	1.0%	2	6.6%	1	16.2%	3	3	2	9	9	3	3	3							
Aberforth UK Small COs:	2	1.2%	1	8.9%	1	15.7%	3	8	1	8	7	9	1	2							

## Performance for the Full Steam Ahead Developed Group



This chart shows the relative performance of the sectors in this Group, calculated by looking at the average % return of the leading funds in each sector every week. In the table below, the sectors are ranked by their four-week % return. All the return data is shaded to highlight the higher figures in each column.

Sector	Percentage Return Data											
	4wks	12wks	26wks	Wk -1	Wk -2	Wk -3	Wk -4	Wk -5	Wk -6	Wk -7	Wk -8	
N America inc Sm COs	2.1%	1.4%	13.6%	-0.6%	0.3%	1.1%	1.2%	1.1%	-0.9%	-1.3%	0.3%	
Japan	1.7%	-2.5%	7.2%	0.9%	2.2%	-0.8%	-0.6%	0.2%	1.0%	-1.7%	-0.7%	
Global	1.3%	1.9%	12.7%	0.0%	0.1%	1.0%	0.3%	1.3%	-1.2%	-0.8%	0.4%	
Global Equity Income	0.4%	1.7%	8.3%	0.1%	-0.3%	1.4%	-0.7%	0.8%	-1.0%	-1.5%	0.4%	
Europe inc/ex UK	-1.7%	1.5%	9.9%	1.2%	-0.3%	1.1%	-3.7%	1.3%	-0.5%	-0.4%	0.0%	
European Small COs	-2.0%	1.8%	10.8%	1.8%	-0.9%	1.1%	-4.1%	1.0%	-0.7%	0.4%	0.4%	
Average:	0.3%	1.0%	10.4%	0.6%	0.2%	0.8%	-1.3%	0.9%	-0.5%	-0.9%	0.1%	

## North American Sectors

The Investment Association has two sectors specially designed for funds focusing on North America.

The North America sector for:

*Funds which invest at least 80% of their assets in North American equities.*

And the more specific North American Smaller Companies Fund for:

*Funds which invest at least 80% of their assets in North American equities of companies which form the bottom 20% by market capitalisation.*

We combine these two sectors for our analysis.

## Overall Group Performance

In the May newsletter, the overall Group four-week average was a gain of 1.1%, but last month it fell by 0.4%. In the most recent four weeks, it has gone up by a further 0.3%.

All of the sectors in this Group went up last year, mainly due to a good start in January and a final flourish in November and December. The months in between were nothing to write home about.

In this January's newsletter, all sectors were up over the previous four, twelve and twenty-six weeks. The Global Equity Income and the North American sectors were at the top of the table, both with a four-week return of 2.0%.

By the end of the first quarter, all

of the sectors were reporting three-month gains. The best, North America, had risen by 10.8%.

The second quarter was less encouraging. The North America sector went up by 1.7%, but North American Smaller Companies was down 3.3%. The Japanese and European sectors also went down.

This month the European sectors are showing four-week losses, but the other sectors are up. All sectors are up over twenty-six weeks.

## The sectors in the 'Full Steam Ahead Developed' Group ...

The sectors in the 'Full Steam Ahead' Groups have historically been the most volatile.

They can give the best returns when conditions are favourable, but are also likely to suffer the most if market conditions take a turn for the worse.

There are a lot of sectors which we consider 'Full Steam Ahead' and so we have split them into two groups to make analysis easier.

The 'Developed' Group focuses on sectors which are usually considered 'Developed' Markets. These are the UK, Europe, North America, and Japan.

The European funds are split into Europe including the UK, and Europe excluding UK, but we have joined them and called it Europe inc / ex UK - an oxymoron, but hopefully now it makes sense.

The North America and North American Smaller Companies sectors have also been combined.

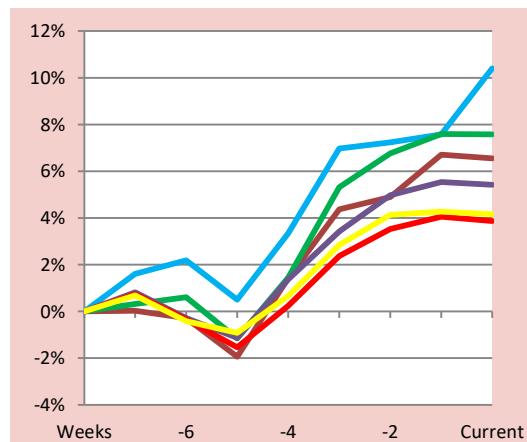
We also include the 'Property' sector in this Group.

# Performance of the Full Steam Ahead Developed Group

## A new top dog

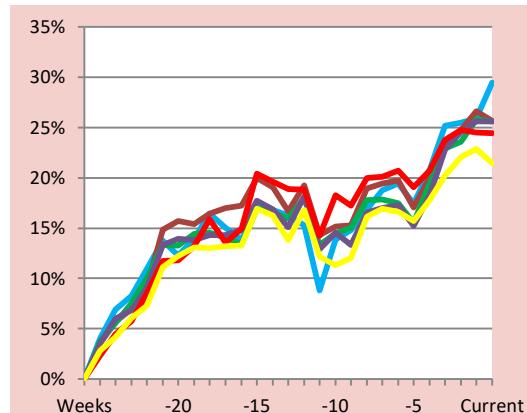
The combined North America and North American Smaller Companies sector was in second place in the April newsletter having gone up by 1.4% in the previous four weeks. It then dropped down to fifth place in the May edition with a four-week return of 0.2%. Last month, it moved up to fourth place even though it had gone down by 0.8% in the previous four weeks. Since then, it has gone up by 2.1% and is now at the top of the table.

Similar listings are available for all sectors in the members area of the website



### N America inc Sm COs

	4 Week		12 Week		26 Week		Recent Weekly Deciles							
	Dec	Ret	Dec	Ret	Dec	Ret	-1	-2	-3	-4	-5	-6	-7	-8
New Capital US Growth	1	7.2%	1	12.3%	1	29.5%	1	4	9	1	1	9	1	1
T. Rowe Price US Lg Cap Gth Eq	1	5.2%	1	6.4%	1	25.6%	7	1	8	1	1	9	3	7
UBS US Growth	1	6.2%	1	6.3%	1	25.6%	7	2	3	1	1	9	1	4
CT America	1	4.1%	2	3.8%	1	18.5%	7	3	3	1	1	6	7	2
AXA Fram USA Growth:	1	3.7%	3	3.4%	2	16.5%	7	3	5	1	3	7	7	2
HSBC American Index	1	3.5%	2	4.1%	2	17.5%	7	5	4	1	4	4	7	3

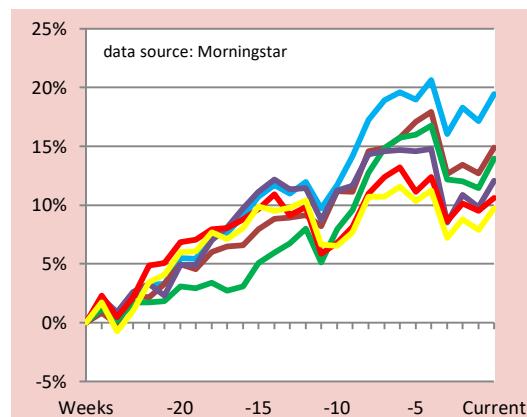


### N America inc Sm COs

	4 Week		12 Week		26 Week		Recent Weekly Deciles							
	Dec	Ret	Dec	Ret	Dec	Ret	-1	-2	-3	-4	-5	-6	-7	-8
New Capital US Growth	1	7.2%	1	12.3%	1	29.5%	1	4	9	1	1	9	1	1
FTF Franklin US Opportunities	1	4.7%	1	5.3%	1	25.6%	9	2	4	1	1	10	1	4
T. Rowe Price US Lg Cap Gth Eq	1	5.2%	1	6.4%	1	25.6%	7	1	8	1	1	9	3	7
UBS US Growth	1	6.2%	1	6.3%	1	25.6%	7	2	3	1	1	9	1	4
SVS Sanlam Nth USA Equity	2	3.1%	1	4.7%	1	24.4%	7	7	7	1	5	8	1	6
Janus H'son US Growth	2	3.1%	2	4.0%	1	21.4%	10	3	3	1	3	5	3	3

## From top to bottom

The European Smaller Companies sector was in fifth place in the February newsletter, having gained 1.5% in the previous four weeks. In March it moved up to third place, with a four-week return of 3.2%. In April it made it to the top of the table, although its four-week return had fallen to 1.9%. In May it dropped to second place, with a four-week return of 2.7%, but it then went up by 1.1% and was at the top of the table in last month's newsletter. This month it has dropped to the bottom of the table with a four-week loss of 2.0%.



### European Small COs

	4 Week		12 Week		26 Week		Recent Weekly Deciles							
	Dec	Ret	Dec	Ret	Dec	Ret	-1	-2	-3	-4	-5	-6	-7	-8
Invesco Europ Small COs.	8	-1.0%	1	6.7%	1	19.4%	1	10	1	9	5	4	1	1
Mirabaud-Discovery Eur ex UK	10	-2.6%	1	5.3%	3	14.9%	1	9	7	10	7	1	1	5
Janus H'son Europ Sm COs	10	-2.4%	1	5.5%	4	14.0%	1	8	9	10	7	2	1	1
JPM Europe Sm COs	10	-2.3%	6	0.6%	5	12.1%	1	10	1	10	9	3	2	5
abrdn European Smaller Companies	9	-1.6%	6	0.7%	5	10.6%	3	9	3	9	6	9	1	1
Schroder Europ Sm COs	8	-1.4%	8	-0.6%	6	9.7%	1	9	3	9	7	7	1	7

## Performance for the Full Steam Ahead Emerging Group



This chart shows the relative performance of the sectors in this Group, calculated by looking at the average % return of the leading funds in each sector every week. In the table below the sectors are ranked by their 4 week % return. All the return data is shaded to highlight the higher figures in each column.

Sector	Percentage Return Data										
	4wks	12wks	26wks	Wk -1	Wk -2	Wk -3	Wk -4	Wk -5	Wk -6	Wk -7	Wk -8
Tech & Tech Innovation	<b>6.6%</b>	7.7%	29.2%	1.2%	1.0%	0.9%	3.4%	2.9%	-2.3%	0.3%	1.7%
Asia Pacific inc/ex Japan	<b>2.9%</b>	4.9%	12.1%	0.6%	0.1%	1.6%	0.6%	2.2%	-2.1%	-2.0%	1.4%
Gbl Emerging Markets	<b>2.9%</b>	2.7%	10.5%	0.4%	0.0%	2.0%	0.4%	1.5%	-2.7%	-2.0%	1.2%
China/Greater China	<b>-3.5%</b>	0.7%	3.7%	-0.9%	-1.7%	-0.6%	-0.4%	0.8%	-2.3%	-4.6%	1.4%
Average:	2.2%	4.0%	13.9%	0.3%	-0.1%	1.0%	1.0%	1.9%	-2.3%	-2.1%	1.4%

## Tech & Tech Innovation

This is one of the more specialist sectors, defined by the Investment Association as:

*"Funds that invest at least 80% of their assets in equities of technology and related sectors, including industries such as telecommunications, robotics and online retailers"*

We include it in our 'Full Steam Ahead - Emerging' Group because of its historic volatility, and for the practical reason that there aren't many other sectors in this Group.

In terms of investment, these funds will probably be predominantly invested in the United States.

## Overall Group Performance

**The Group's overall four-week average was a gain of 3.2% in the May newsletter. Last month it was down 1.2%, but this month it's showing a 2.2% gain.**

2022 was a year of losses. 2023 was much better, although the China/Greater China sector still went down by 20%. The best performing sector was Tech & Tech Innovation with an annual return of almost 39%.

In the first newsletter of this year, only the Asia Pacific and Global Emerging Market sectors were up over the previous four weeks. By February three sectors were showing gains, but the China /Greater China sector continued to struggle. The Tech & Tech Innovation sector was back at the top of the table.

By the March edition, all sectors were showing gains over four, twelve and twenty-six weeks.

In April, the China/Greater China sector was in first place, up 3.4% in four weeks, and it was still there in May, but with a four-week gain of 9.5%.

Last month the Technology sector moved up to the top of the table and was the only sector that had gone up in the previous four weeks. This month it is still at the top of the table with a four-week gain of 6.6%. Only China/ Greater China has gone down.

**The sectors in the 'Full Steam Ahead Emerging' Group ...**

The sectors in the 'Full Steam Ahead' Groups have historically been the most volatile.

They can give the best returns when conditions are favourable, but are also likely to suffer the most if market conditions take a turn for the worse.

There are a lot of sectors which we consider to be 'Full Steam Ahead' and so we have split them into two groups to make analysis easier.

The 'Emerging' Group focuses on sectors which are usually considered 'Emerging' Markets. These are Asia Pacific, China & Greater China, and Global Emerging Markets.

The Asia Pacific funds are split into those including Japan and those not including Japan - we have joined the two sectors and called it Asia Pacific inc / ex Japan.

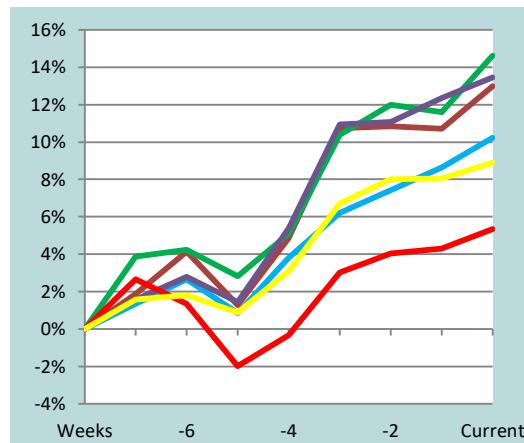
The 'Technology & Technology Innovations' sector is also in this Group. It may not fit exactly with our 'Emerging Markets' theme, but the funds have a similar level of volatility, and so we put it into the 'Full Steam Ahead' Group with the fewest other sectors.

## Performance of the Full Steam Ahead Emerging Group

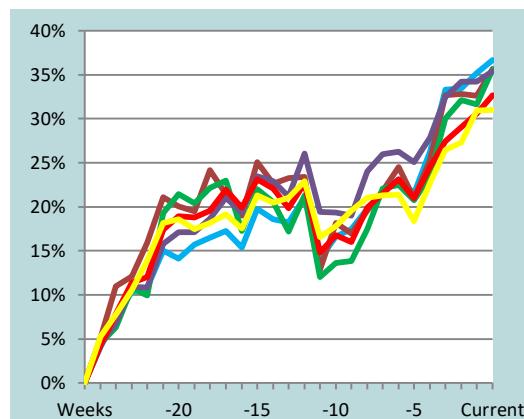
### Still on top

The Technology & Technology Innovation sector was at the top of the table in the November newsletter with a four-week gain of 0.9%, and it was still there in December, having gained a further 4.7%. In January it dropped to third, having lost 0.1% in the previous four weeks. It then made a remarkable comeback, rising by 10.7% in four weeks, which put it back at the top of the table in the February newsletter. In March it dropped to the bottom of the table, but had still gone up by 1.7%. In the next four weeks it lost 0.3%, remaining in fourth place. In May it was still in last place with a four-week loss of 1.4%. Last month it moved back to the top of the table, with a four-week return of 2.6%. Since then, it has gained a further 6.6% and remains in first place.

Similar listings are available for all sectors in the members area of the website.



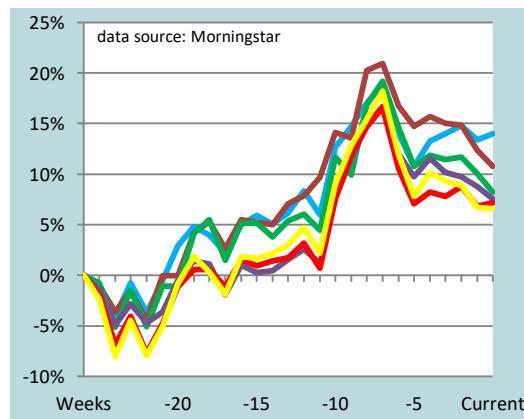
Tech & Tech Innovations	4 Week		12 Week		26 Week		Recent Weekly Deciles							
	Dec	Ret	Dec	Ret	Dec	Ret	-1	-2	-3	-4	-5	-6	-7	-8
			Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret
T. Rowe Price Global Tech	1	6.6%	1	8.1%	1	32.7%	1	1	6	1	2	3	1	6
Polar Capital Global Technology	1	8.3%	1	9.9%	1	35.7%	1	5	8	1	1	8	1	3
Liontrust Global Technology	1	9.8%	1	11.7%	1	35.6%	1	7	5	1	3	2	1	1
L&G Global Tech Index	1	8.2%	1	12.8%	1	36.7%	2	1	8	1	1	2	1	5
AXA Fram Global Technology	1	5.8%	7	3.1%	2	15.7%	2	3	7	1	6	10	2	1
Janus H'son Gbl Technology	1	5.9%	1	7.4%	1	35.4%	3	4	6	1	3	1	1	5



Tech & Tech Innovations	4 Week		12 Week		26 Week		Recent Weekly Deciles							
	Dec	Ret	Dec	Ret	Dec	Ret	-1	-2	-3	-4	-5	-6	-7	-8
			Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret
L&G Global Tech Index	1	8.2%	1	12.8%	1	36.7%	2	1	8	1	1	2	1	5
Polar Capital Global Technology	1	8.3%	1	9.9%	1	35.7%	1	5	8	1	1	8	1	3
Liontrust Global Technology	1	9.8%	1	11.7%	1	35.6%	1	7	5	1	3	2	1	1
Janus H'son Gbl Technology	1	5.9%	1	7.4%	1	35.4%	3	4	6	1	3	1	1	5
T. Rowe Price Global Tech	1	6.6%	1	8.1%	1	32.7%	1	1	6	1	2	3	1	6
Pictet-Digital	1	6.8%	2	6.6%	1	31.0%	8	1	8	1	1	7	1	10

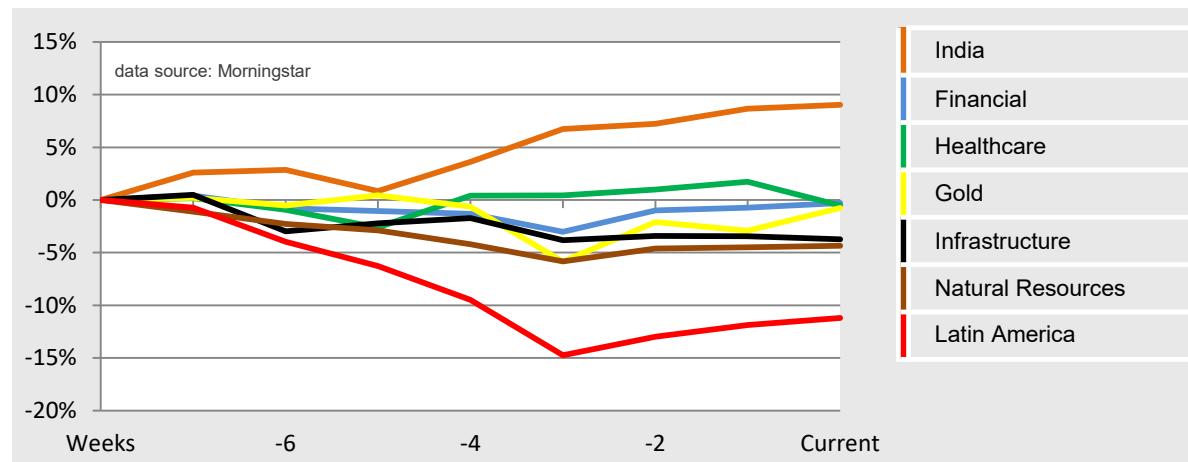
### Stuck at the bottom

The China/Greater China sector was at the bottom of the table in the February newsletter. It had lost 1.7% in the previous four weeks and was down 16.9% over twelve weeks and 27.1% over twenty-six weeks. In March it moved up to third place, with a four-week return of 2.1%, and by April it was at the top of the table with a four-week return of 3.4%. In May it was still in first place, having gone up by 9.5% in the previous four weeks, and was also showing gains over twelve and twenty-six weeks. Last month it dropped to the bottom of the table with a four-week loss of 4.7%. In the last four weeks it has lost a further 3.5% and it remains stuck at the bottom of the table.



China/Greater China	4 Week		12 Week		26 Week		Recent Weekly Deciles							
	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret
			Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret	Dec	Ret
HSBC GIF Chinese Equity	8	0.6%	4	5.2%	3	14.0%	5	9	7	4	3	8	9	5
Ninety One GSF All China Equity IX Inc	10	-4.2%	7	2.7%	6	10.8%	10	10	9	9	9	2	8	9
Pictet-Greater China	9	-3.3%	7	2.1%	7	8.2%	10	9	8	8	9	10	8	2
Matthews China Dividend	9	-3.6%	4	4.9%	7	7.6%	9	8	9	10	6	3	9	4
Barings Hong Kong China I	8	-1.0%	5	3.9%	7	7.2%	6	9	7	9	9	9	10	4
Liontrust China	9	-3.2%	8	1.8%	8	6.6%	8	9	9	9	3	10	10	1

## Performance of the Saltydog SubZones



This chart shows the relative performance of the different SubZones that we have created to help make sense of this sector. In the table below the SubZones are ranked by their 4 week % return. All the return data is shaded to highlight the higher figures in each column.

SubZone	Percentage Return Data										
	4wks	12wks	26wks	Wk -1	Wk -2	Wk -3	Wk -4	Wk -5	Wk -6	Wk -7	Wk -8
India	5.5%	8.4%	17.3%	0.4%	1.4%	0.5%	3.1%	2.8%	-2.0%	0.3%	2.6%
Financial	1.0%	2.3%	11.8%	0.4%	0.3%	2.0%	-1.7%	-0.3%	-0.3%	-1.2%	0.4%
Natural Resources	-0.2%	-3.3%	5.1%	0.1%	0.1%	1.2%	-1.6%	-1.3%	-0.6%	-1.2%	-1.1%
Gold	-0.4%	0.9%	16.7%	2.2%	-0.8%	3.7%	-5.2%	-1.1%	1.0%	-0.7%	0.2%
Healthcare	-1.0%	1.0%	5.6%	-2.2%	0.7%	0.6%	0.0%	3.0%	-1.7%	-1.1%	0.2%
Latin America	-1.9%	-10.8%	-11.0%	0.7%	1.1%	1.8%	-5.3%	-3.2%	-2.3%	-3.3%	-0.7%
Infrastructure	-2.0%	2.7%	-0.7%	-0.3%	0.0%	0.4%	-2.1%	0.5%	0.7%	-3.5%	0.5%
Average:	0.1%	0.2%	6.4%	0.2%	0.4%	1.5%	-1.8%	0.1%	-0.7%	-1.5%	0.3%

## Overall Performance

Last month the SubZone four-week average was a 1.6% loss. This month it's gone up by 0.1% but most SubZones are reporting four-week losses.

In the January newsletter the Healthcare SubZone was at the top of the table, with a four-week return of 4.3%, followed by India with a 3.8% return. A month later and the India SubZone had moved up into the top spot with a four-week gain of 3.4%. Three of the SubZones were showing four-week losses, including Gold which had fallen by 4.1% in the previous four weeks. It was also down over twelve and twenty-six weeks.

By the March issue, the Gold SubZone had recovered and made its way to the top of the

table. In April the Gold SubZone was still in first place, with a four-week return of 11.5%. By May it had dropped to fourth place, and the Infrastructure SubZone was in the top spot.

Last month the India SubZone moved up to the top of the table with a four week return of 3.6%. This month it is still at the top of the table. It has gone up by 5.5% in four weeks, 8.4% in twelve weeks, and 17.3% in twenty-six weeks. Next is the Financial SubZone, up 1.0% in four weeks. The remaining SubZones have all gone down.

## The India SubZone

There are four funds that we analyse in the specialist sector which focus on investing in Indian companies, or companies which do most of their business in India - Liontrust India, GS India Equity, Jupiter India and the Stewart Investors Indian Subcontinent fund.

Three are in a group near the top of our Specialist sector table and the fourth is slightly further down.

Our demonstration portfolios have been holding the Jupiter India fund since last August/September. It's currently up 4.4% in four weeks, 5.4% in twelve weeks, and 19.1% in twenty-six weeks.

## What is special about the 'Specialist' sector?

The specialist sector is a bit of an odd ball!

This is where all the funds which don't naturally fit into another sector end up and so, not surprisingly, is something of a mixed bag.

We consider it 'high risk', because most of the funds have the same level of volatility that you would associate with the 'Full Steam Ahead' Groups, but this is not always the case.

We don't calculate a sector average because it wouldn't be a fair comparison with the other Groups. There are nearly always funds doing well in this sector, but they might not be the ones that were doing well last month.

To help with our analysis we have created a number of SubZones where we analyse the relative performance of various funds investing in similar things. These are Financial, Infrastructure, Healthcare, India, Latin America, Russia & Eastern Europe, and Gold.

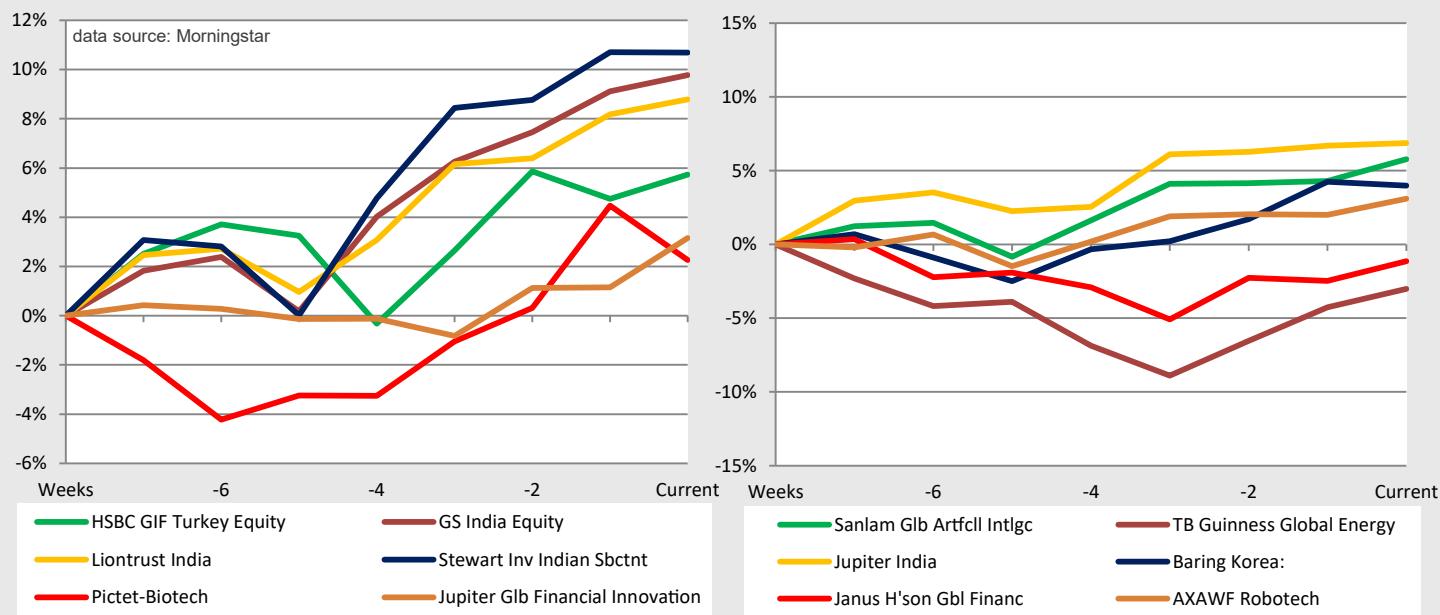
In total we analyse around 65 funds in this sector, most of which do not fall within one of the SubZones.

# Specialist Sector - 4 Week Data

The Specialist Sector contains funds that do not fit into the constraints of the mainstream sectors, so they are something of a mixed bag. We have created our own SubZones for the funds that have a broadly similar focus - Healthcare, Financial, Gold, India, Latin America, Natural Resources, Infrastructure, Russia & Eastern Europe. All the funds are measured by their 4 Week Decile Ranking and then their Recent Weekly Deciles.

Fund	SubZone (If Applicable)	4 Week		12 Week		26 Week		Recent Weekly Deciles							
		Decile	Return	Decile	Return	Decile	Return	-1	-2	-3	-4	-5	-6	-7	-8
HSBC GIF Turkey Equity		1	6.1%	1	15.6%	1	42.3%	3	10	1	1	10	6	1	1
GS India Equity	India	1	5.9%	1	9.8%	2	17.1%	4	2	5	2	1	9	2	1
Liontrust India	India	1	5.8%	2	6.9%	2	17.1%	5	2	9	1	2	8	2	1
Stewart Inv Indian Sbctnt Sustnby	India	1	6.0%	1	11.4%	2	16.1%	8	2	8	1	1	10	4	1
Pictet-Biotech		1	5.5%	5	2.3%	7	4.7%	10	1	4	2	6	1	9	10
Jupiter Global Financial Innovation	Financial	2	3.3%	3	5.2%	1	20.7%	1	7	3	5	6	6	3	4
Sanlam Glb Artificial Intelligence		2	4.2%	2	6.4%	1	22.6%	2	6	9	1	2	10	3	2
TB Guinness Global Energy	Nat Res	2	3.8%	9	-4.3%	4	10.8%	3	1	2	7	10	3	7	10
Jupiter India	India	2	4.4%	2	5.4%	2	19.1%	7	4	9	1	5	7	2	1
Baring Korea:		2	4.4%	1	8.0%	4	12.3%	9	1	4	3	2	8	6	3
Janus H'son Gbl Financials	Financial	3	1.7%	5	2.5%	3	14.4%	2	8	2	8	8	3	9	4
AXAWF Robotech		3	2.9%	2	5.5%	1	21.2%	3	7	9	2	3	9	1	7
AXA Framlington FinTech	Financial	3	1.5%	8	-0.8%	8	3.4%	6	2	3	8	4	10	8	2
Stewart Inv APAC Ldrs Sstby		3	2.0%	2	5.8%	5	9.4%	6	4	7	3	1	8	4	2
BGF World Energy D4 GBP	Nat Res	3	2.2%	10	-7.4%	5	7.8%	8	1	2	8	9	4	9	10
Royal London UK Income + Grth		4	1.1%	3	4.4%	5	8.3%	3	7	4	5	6	5	6	5
Jupiter Financial Opps	Financial	4	1.4%	4	2.5%	3	14.5%	4	3	3	9	8	2	5	6
Pictet-Clean Energy	Nat Res	4	1.2%	4	3.4%	3	13.1%	4	8	10	2	6	8	2	5
Schroder Asian Discovery		4	1.5%	5	2.1%	4	10.3%	5	4	6	4	2	7	5	3
AXA Fram Biotech:		4	1.1%	5	2.4%	8	3.2%	10	1	10	2	1	2	7	8
JPM Natural Resources.	Nat Res	5	1.0%	9	-4.4%	6	6.4%	1	4	2	9	9	4	7	9
Jupiter Monthly Alternative Income		5	0.8%	3	5.2%	9	0.8%	3	7	6	5	4	2	7	3
Invesco Global Financial Capital	Financial	5	0.8%	4	3.3%	6	6.8%	4	6	9	4	5	5	3	4
BlackRock Dynamic Diversified		5	1.0%	4	2.6%	6	7.0%	6	8	8	3	3	5	3	4
WS Ruffer Gold	Gold	5	0.6%	3	3.9%	2	18.2%	8	3	6	5	10	10	1	2
HSBC Monthly Inc		6	0.6%	4	2.9%	5	7.3%	4	6	5	6	7	5	4	7
BlackRock Ntral Resources	Nat Res	6	0.4%	10	-4.5%	7	4.0%	5	3	2	9	9	3	6	9
WS Canlife UK Equity and Bond Inc		6	0.1%	6	2.0%	6	6.2%	5	6	6	6	8	5	5	7
CT Monthly Extra Inc		6	0.3%	3	3.6%	5	9.4%	6	5	5	6	6	4	4	5

The charts below shows the 8 week performance of the leading funds in the Specialist sector table above.



# Leading funds in Q2

The table below shows the top 20 funds, based on their performance in the second quarter of this year.

In the final quarter of 2023, funds from nine different sectors made it into our list of top twenty funds. However, the majority of them had some exposure to the large technology companies which were benefiting from a surge in interest in Artificial Intelligence. It was a similar story in the first

quarter of this year. Five funds were from the Technology sector. Another six were from the Global sector and two were from the North America sector. All had exposure to technology stocks.

The last three months have seen a change in emphasis.

There's only one fund from the Technology sector. The UK funds have done particularly well with ten funds from the UK Smaller Companies featuring, along with two from the UK All Companies sector. The leading fund is HSBC Turkey Equity, which has gone up by 27.1% in three months.

Fund Name	April % Return	May % Return	June % Return	3 Month Return
HSBC GIF Turkey Equity	16.7	7.5	1.3	27.1
Stewart Investors Indian Subcontinent	2.8	0.7	11.1	14.9
L&G Global Technology Index	-1.7	4.2	11.3	14.0
Schroder UK Smaller Companies	6.8	7.0	-0.6	13.5
TM Stonehage Fleming Opportunities	7.9	5.4	-0.2	13.5
JOHCM UK Growth	9.8	4.8	-1.8	13.1
WS Ruffer Gold	12.8	2.5	-2.6	12.6
TM Stonehage Fleming AIM	5.6	5.9	0.4	12.4
GS India Equity	4.2	-1.4	9.2	12.3
IFSL Marlborough Nano Cap Growth	7.6	4.9	-1.0	11.9
Artemis UK Smaller Companies	2.8	7.8	0.2	11.1
Unicorn UK Smaller Companies	6.5	4.6	-0.3	11.0
IFSL Marlborough UK Micro Cap Growth	4.9	7.0	-1.3	10.8
TM Tellworth UK Smaller Companies	7.3	3.6	-1.0	10.1
L&G Global 100 Index	0.2	2.5	6.9	9.8
AXA Framlington UK Smaller Companies	2.9	7.4	-0.7	9.7
BlackRock Gold and General	11.2	2.3	-3.6	9.6
Aberforth UK Small Companies	4.5	5.4	-0.6	9.5
Invesco UK Smaller Companies Equity	1.7	9.3	-1.6	9.5
IFSL Marlborough Far East Growth	0.5	1.9	6.8	9.4

Data source: Morningstar

If you are managing your own investments, but need fixed tariff financial planning, then Saltydog have negotiated special rates for subscribers with IFA firm JPM Asset Management Ltd. For more information give them a call on 01184 181818, or visit their website [www.jpmasst.co.uk](http://www.jpmasst.co.uk)

## WHAT'S HOT

### AND

## WHAT'S NOT

### GOING UP

UK GDP grows in May

Indian Sensex breaks through 80,000

Nigel Farage finally becomes an MP

Sterling strengthens against dollar and euro

UEFA EURO 2024 gives £3bn boost to British economy

### GOING DOWN

Carpetright files for administration

Unilever planning to cut thousands of jobs in Europe

Rishi Sunak stands down as Tory leader.

Biden under pressure after more gaffes and stumbles

Andy Murray says farewell to Wimbledon

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