



# saltydog

INVESTOR

Successful trend investing

September 2023

## Economic activity falls in July

Latest figures from the Office for National Statistics show that the UK's gross domestic output fell by 0.5% between June and July.

The drop was larger than expected and wiped out the gain that we saw in June. However, the economy has still grown by 0.2% over the three months to the end of July. When you think that it was widely predicted that we would be in a recession this year, that's not a bad result.

All of the main sectors of the economy, services, manufacturing and construction, went backwards in July. Manufacturing fell by 0.8% and construction wasn't far behind with a 0.5% drop. The services sector, which usually makes up about three-quarters of private sector activity, also went down by 0.5% in July.

The unusually wet weather was partly to blame, along with strikes in schools and hospitals.

With interest rates at a fifteen year high it's not surprising that some households are struggling,

and retail sales are falling. However, officials on the Bank of England's monetary policy committee have said that the economy has proven more resilient during a period of high interest rates than they expected.

Until inflation is under control, interest rates will remain high and could potentially go even higher. Average annual wage rises, excluding bonuses, are currently up at 7.8% which may encourage policymakers to increase interest rates by another 0.25% at their next meeting.

The good news is that inflation has started to fall, although it has still got a long way to go to

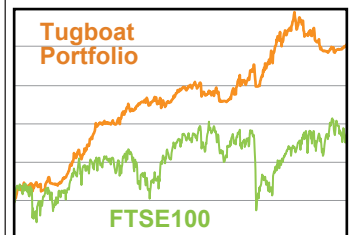
get down to the government's 2% target. The Consumer Price Index rose by 6.8% in the twelve months to July 2023, down from 7.9% in June. This time last year it was running at around 10%.

The UK isn't the only country facing high inflation and rising interest rates.

The European Central Bank has just raised interest rates to the highest level since the euro was launched in 1999 and at the same time cut its growth forecasts for this year and next. Inflation is coming down, but is still over 5%. Christine Lagarde, the President of the ECB, said

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*Our Tugboat portfolio has gone up by 0.5% over the last four weeks.* 😊



Average Annual Return 4.7%  
Tugboat Portfolio **4 - 5**

Ocean Liner **6 - 7**

*This portfolio has gained 0.9% over the last four weeks.* 😊

Sector Performance 2023

*Our look at the IA Sector performance for the last few months.* **8**

Rising oil prices

**Saltyblog** **8**

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

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**UK GDP down 0.5% in July**

## Economic activity falls in July

### > Continued from p1

interest rates had reached levels that would make 'a substantial contribution to the timely return of inflation to the target'. I hope she is right.

In the US inflation has fallen further. The Consumer Price Index peaked in June 2022 at 9.1% but then fell for twelve months in a row. This June it was running at 3.0%. Since then, it has started to go up again. It was 3.2% in July and 3.7% in August. The fact that it is now moving away from the Federal Reserve's 2% target means that it is unlikely that they will cut interest rates any time soon and they could even put them up later this year.

Hopefully that won't be necessary. It would be nice to think that rates might stabilise for a while. It takes time for interest rate hikes to impact inflation and the central banks will need to be patient.

### Stock Market Update

After an encouraging July, August was a disappointing month for global stock markets. All of the indices that we track went down.

In the UK the FTSE 100 fell by 3.4% and the FTSE 250 went down by 2.8%. There were similar losses in mainland Europe where the French CAC 40 dropped by 2.4% and the German DAX lost 3.0%.

The S&P 500 did slightly better, but still ended the month down 1.8%. The Nasdaq lost 2.2% and the Dow Jones Industrial Average fell by 2.4%.

In South America, the Brazilian Ibovespa saw a bigger loss, down 5.1%.

Out of all of the indices that we follow, the Japanese Nikkei 225 dropped the least with a one-month loss of 1.7%.

Other Asian markets didn't do as well, the Shanghai Composite went down by 5.2% and the Hong Kong Hang Seng lost 8.5%. The Indian Sensex did relatively well, only losing 2.5%.

So far September has been

more mixed.

The FTSE 100 has performed particularly well and is currently up 3.7% since the beginning of the month and at a three-month high. The FTSE 250 hasn't done quite as well but is still up by 1.0%.

The three US indices that we track are down and in Europe the DAX is down, but the CAC 40 is up.

The Nikkei 225 has already recovered the loss that it made last month, while the Chinese markets have fallen further.

The Indian Sensex is currently the star of the show with a month-to-date return of 4.6%.

Stock Market Indices									
Index	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	1st to 16th September
FTSE 100	4.3%	1.3%	-3.1%	3.1%	-5.4%	1.1%	2.2%	-3.4%	3.7%
FTSE 250	5.3%	0.3%	-4.9%	2.6%	-3.6%	-1.6%	3.9%	-2.8%	1.0%
Dow Jones Ind Ave	2.8%	-4.2%	1.9%	2.5%	-3.5%	4.6%	3.3%	-2.4%	-0.3%
S&P 500	6.2%	-2.6%	3.5%	1.5%	0.2%	6.5%	3.1%	-1.8%	-1.3%
NASDAQ	10.7%	-1.1%	6.7%	0.0%	5.8%	6.6%	4.0%	-2.2%	-2.3%
DAX	8.7%	1.6%	1.7%	1.9%	-1.6%	3.1%	1.9%	-3.0%	-0.3%
CAC40	9.4%	2.6%	0.7%	2.3%	-5.2%	4.2%	1.3%	-2.4%	0.8%
Nikkei 225	4.7%	0.4%	2.2%	2.9%	7.0%	7.5%	-0.1%	-1.7%	2.8%
Hang Seng	10.4%	-9.4%	3.1%	-2.5%	-8.3%	3.7%	6.1%	-8.5%	-1.1%
Shanghai Composite	5.4%	0.7%	-0.2%	1.5%	-3.6%	-0.1%	2.8%	-5.2%	-0.1%
Sensex	-2.1%	-1.0%	0.0%	3.6%	2.5%	3.3%	2.8%	-2.5%	4.6%
Ibovespa	3.4%	-7.5%	-2.9%	2.5%	3.7%	9.0%	3.3%	-5.1%	2.6%

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.

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.

This month we are still heavily weighted towards cash and Safe Haven funds in all of the portfolios. However, there are some other funds that are worth considering. The MI TwentyFour AM Monument Bond in the 'Steady as She Goes' Group continues to make reasonable progress. In the more volatile sectors the US, Japanese, Technology, and Indian funds are currently the best performers.

Last year nearly all of the Investment Association sectors went down and there were some significant drops. UK Smaller Companies fell by 26%, Technology & Technology Innovations went down by 27%, and UK Index-Linked Gilts lost 35%.

This year started well with most sectors making gains in January, but the last few months have been disappointing. Only two sectors have gone up in each of the last four months, Standard Money Market and Short Term Money Market.

We started reducing our exposure to the equity markets a few months ago. In the February newsletter our hypothetical 'Tug'

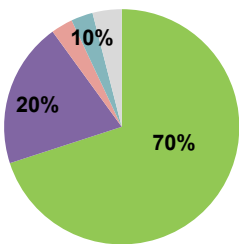
portfolio had 60% in cash and the Safe Haven funds. That increased to 75% in the March edition and peaked at 95% in the June issue. Over the same period the amount allocated to 'Safe Haven' in the Ocean Liner moved from 40% to 85%, and in the Speedboat it went from 20% to 70%.

In June and July our sector performance analysis was a bit more encouraging and so we reduced the amount of cash that we were holding in all of the portfolios.

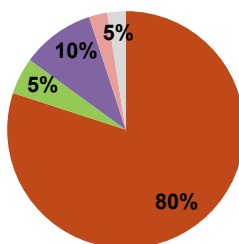
Overall market conditions are not great at the moment with more than half the sectors showing four-week losses. However, there are some funds that have been going up fairly consistently.

**Portfolio 1 - The Tug**

Optimum conditions

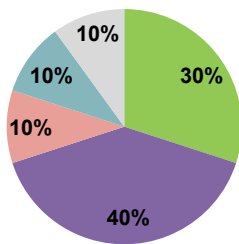


Market conditions  
13/09/2023

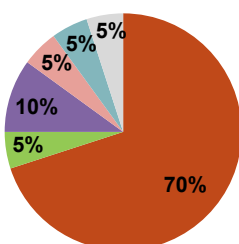


**Portfolio 2 - The Ocean Liner**

Optimum conditions

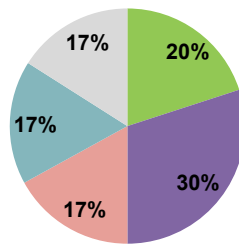


Market conditions  
13/09/2023

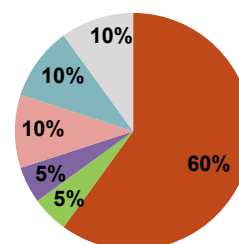


**Portfolio 3 - The Speedboat**

Optimum conditions



Market conditions  
13/09/2023



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 super-market 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.

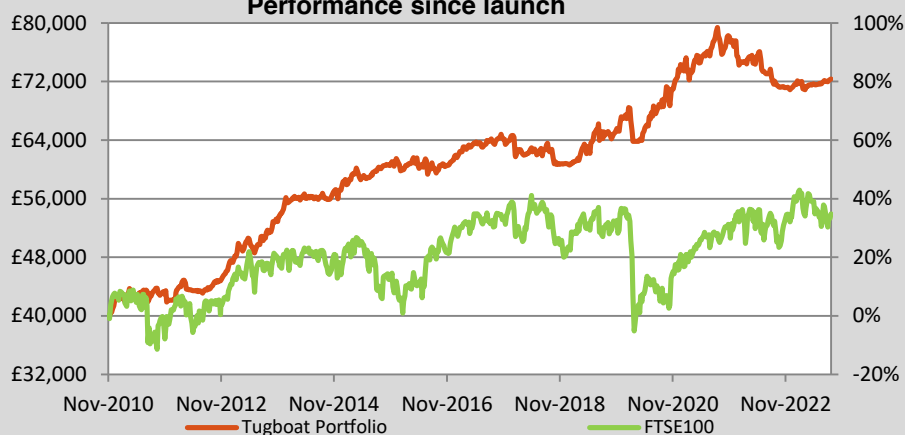
Because it's designed to weather the storms and make slow, but steady, progress we called it the 'Tugboat'.

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

### Performance since launch



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 £72,000.

Since its launch in 2010 it has produced an average annual return of 4.7%.

## Returns

Portfolio Launch Date	23/11/2010	Return in the last 4 weeks	0.5%
Initial Investment	£40,042	Return in the last 3 months	1.1%
Current Value	£72,360	Return in the last 6 months	1.9%
Return since launch	80.7%	Average Annual Return since launch	4.7%

## 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	107	£18,029	£17,456	£573	3.3%	24.9%
23/03/2023	L&G Cash Trust fund	Safe	103	£17,790	£17,448	£342	2.0%	24.6%
08/06/2023	abrdn Sterling Money Market	Safe	121	£17,699	£17,500	£199	1.1%	24.5%
06/07/2023	Liontrust Balanced	Slow	223	£2,548	£2,500	£48	1.9%	3.5%
06/07/2023	MI TwentyFour AM Monument Bond	Steady	15,028	£6,064	£6,000	£64	1.1%	8.4%
15/06/2023	UBS US Growth	Developed	274	£3,116	£3,000	£116	3.9%	4.3%
	Cash			£7,114				9.8%
	<b>Total Portfolio Value</b>			<b>£72,360</b>				

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

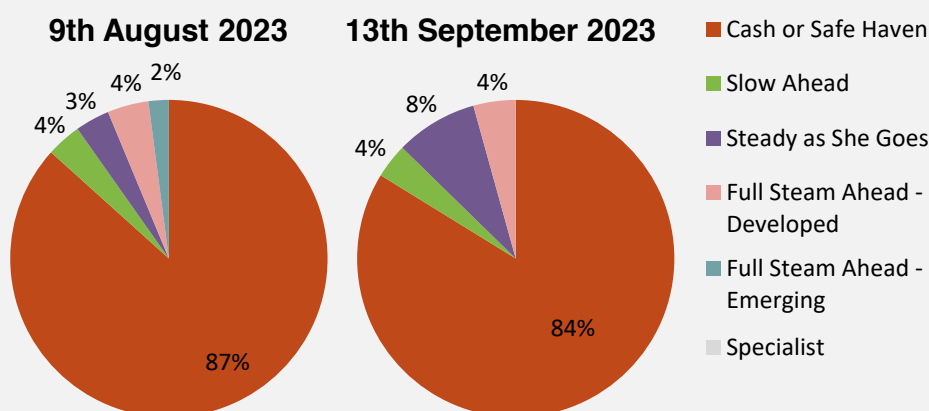
We are investing £1,500 (2.1% of the portfolio) into the Jupiter India fund.

# Tugboat Portfolio

## Other transactions this month

Fund	Group	Value (£)	Transaction	Date
L&G Global Technology Index	Emerging	£1,442	Sell	17/08/2023
MI TwentyFour AM Monument Bond	Steady	£1,500	Increase current holding	17/08/2023
L&G Cash Trust fund	Safe	£2,500	Increase current holding	31/08/2023
abrdn Sterling Money Market	Safe	£2,500	Increase current holding	31/08/2023
MI TwentyFour AM Monument Bond	Steady	£2,000	Increase current holding	31/08/2023

## Group Allocation



After a difficult 2022, this year started well with nearly all of the Investment Association sectors making reasonable gains in January. However, since then it has been hard going.

There was a slight pickup in July, but August has been disappointing.

We remain predominantly in cash, or the money market funds, but have slightly increased our exposure to the markets in the last few weeks.

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

### 'Cash & Safe Haven' - Down from 87% to 84% of the portfolio.

Since the last newsletter we have sold one fund and increased some of our existing holdings. We are in the process of buying the Jupiter India fund which will take the amount in cash and the Safe Haven funds down from 84% to 82%. We've switched some more cash into the money market funds which are now going up quite nicely. Since the last newsletter the Royal London Short Term Money Market fund has gone up by over 0.5%.

### 'Slow Ahead' - Unchanged at 4% of the portfolio.

We're still holding the Liontrust Balanced fund. It started going down after the last newsletter, and at one point was showing an overall loss, however it has now bounced back.

### 'Steady as She Goes' - Up from 4% to 8% of the portfolio.

We bought the MI TwentyFour AM Monument Bond fund because it was in Vindex 1 and we were hoping that it wouldn't be too volatile and give us some consistent, although not spectacular, returns. It's started well and we have now increased our holding a couple of times.

### 'Full Steam Ahead' & Specialist - Down from 6% to 4% of the portfolio.

We sold the L&G Global Technology Index fund in August and are now buying the Jupiter India fund to replace it. That will take our holdings in the 'Full Steam Ahead' Groups and Specialist sector back up to 6%.

# 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 51.5%.

Our initial investment of just under £41,500 is now worth nearly £62,800.

Since its launch in 2013 it has produced an average annual return of 4.3%.

## Returns

Portfolio Launch Date	23/11/2013	Return in the last 4 weeks	0.9%
Initial Investment	£41,452	Return in the last 3 months	1.2%
Current Value	£62,786	Return in the last 6 months	2.0%
Return since launch	51.5%	Average Annual Return since launch	4.3%

## 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	107	£12,971	£12,467	£504	4.0%	20.7%
30/03/2023	L&G Cash Trust fund	Safe	103	£12,766	£12,500	£266	2.1%	20.3%
08/06/2023	abrdn Sterling Money Market	Safe	121	£12,663	£12,500	£163	1.3%	20.2%
06/07/2023	Liontrust Balanced	Slow	223	£2,548	£2,500	£48	1.9%	4.1%
08/06/2023	MI TwentyFour AM Monument Bond	Steady	15028	£6,622	£6,500	£122	1.9%	10.5%
15/06/2023	UBS US Growth	Developed	274	£4,174	£4,000	£174	4.3%	6.6%
06/07/2023	Liontrust Global Technology	Emerging	402	£1,969	£1,964	£5	0.3%	3.1%
31/08/2023	Jupiter India	Specialist	192	£2,064	£2,000	£64	3.2%	3.3%
	Cash			£7,010				11.2%
Total Portfolio Value				£62,786				

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

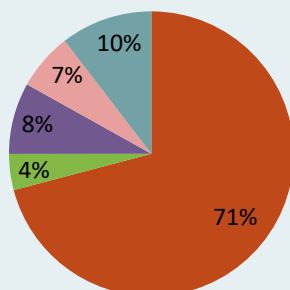
# Ocean Liner Portfolio

## Other transactions this month

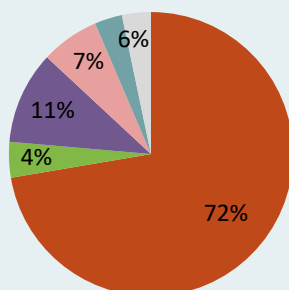
Fund	Group	Value (£)	Transaction	Date
L&G Global Technology Index	Emerging	£2,450	Sell	17/08/2023
MI TwentyFour AM Monument Bond	Steady	£1,500	Increase current holding	17/08/2023
Liontrust Global Technology	Emerging	£2,000	Reduce current holding	31/08/2023
Jupiter India	Specialist	£2,000	Buy	31/08/2023

## Group Allocation

9th August 2023



13th September 2023



Cash or Safe Haven

Slow Ahead

Steady as She Goes

Full Steam Ahead -  
Developed

Full Steam Ahead -  
Emerging

Specialist

In the first quarter of this year 27 of the 35 sectors that we monitor made gains, but mainly due to a strong start in January.

Overall sector performance fell in February, and although it picked up a little in March and April, dropped back again in May. For most of this time our portfolio was mainly in cash or the money market funds.

In June and July we saw an improvement in sector performance and slightly increased our exposure to the markets. Things turned south again in August, but we've kept our cash level about the same.

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

### 'Cash & Safe Haven' - Up from 71% to 72% of the portfolio.

It's been another month without many changes. We've slightly reduced our exposure to the more volatile funds in the 'Full Steam Ahead' Groups and the Specialist sector, but added to the fund that we are holding in the 'Steady as She Goes' Group. The net effect has been a 1% rise in the amount of cash that we are holding.

### 'Slow Ahead' - Unchanged at 4% of the portfolio.

We are still invested in the Liontrust Balanced fund from the Mixed Investment 40-85% Shares sector. It started well, but had a bit of a wobble soon after the last newsletter. Hopefully it's now back on track.

### 'Steady as She Goes' - Up from 8% to 11% of the portfolio.

We are only holding one fund from the 'Steady as She Goes' Group, MI TwentyFour AM Monument Bond. It's been remarkably consistent over the last six months, and we are hoping that it will continue to give us slow and steady returns. Since the last newsletter we have added to our position.

### 'Full Steam Ahead' & Specialist - Down from 17% to 13% of the portfolio.

We have sold one technology fund and reduced another. Although we have recently bought the Jupiter India fund, the overall amount invested in the 'Full Steam Ahead' Groups and the Specialist sector has gone down.

# Sector Analysis 2023

Every month we publish the Investment Association's average sector performance for the previous month, along with some recent history.

Most sectors made losses in 2022, but the final quarter was better than the previous three.

This year got off to a flying start with most sectors making

reasonable gains in January.

Unfortunately the rally didn't last long. In February a significant number of sectors went down, and that trend continued

through March. April was more mixed, but not much better, and May was disappointing. In June the situation improved, and most sectors made gains.

July was even better and almost as good as January. Unfortunately, it didn't last long. August was a different story with most sectors making losses. The worst, China / Greater China went down by 7% and has now lost 13% so far this year.

Investment Association Sector	Monthly Returns (%)								1st Jan to 31st Aug
	Jan	Feb	Mar	April	May	June	July	Aug	
<b>Safe Haven</b>									
Standard Money Market	0.3	0.3	0.3	0.4	0.4	0.3	0.5	0.5	2.9
Short Term Money Market	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.4	2.5
<b>Slow Ahead</b>									
£ High Yield	3.1	-0.5	-0.5	0.7	-0.1	0.7	1.2	0.3	5.0
£ Corporate Bond	3.7	-2.1	0.8	0.3	-2.0	-1.1	2.0	0.0	1.3
£ Strategic Bond	3.0	-1.6	0.3	0.5	-1.1	-0.3	1.2	-0.1	1.8
Mixed Investment 0-35% Shares	2.6	-1.2	0.3	0.3	-1.1	-0.2	1.0	-0.6	1.1
Mixed Investment 20-60% Shares	3.0	-0.8	-0.6	0.6	-1.0	0.1	1.4	-0.9	1.7
Mixed Investment 40-85% Shares	3.4	-0.3	-0.8	0.6	-0.8	0.3	1.7	-1.3	2.9
<b>Steady as She Goes</b>									
<b>Global &amp; GEM Bonds*</b>	1.7	-1.4	0.8	-0.2	-0.6	-0.5	0.3	0.1	0.1
UK Gilts	2.7	-3.6	3.0	-1.6	-3.3	-0.6	0.7	-0.3	-3.3
UK Direct Property	0.1	-0.2	-0.4	0.7	0.2	-0.3	0.1	-0.3	-0.1
UK Index Linked Gilts	3.9	-5.8	7.5	-4.6	-6.2	2.1	-0.2	-0.9	-5.0
Flexible Investment	3.5	-0.7	-0.9	0.5	-0.6	0.4	1.8	-1.4	2.6
UK Equity Income	4.2	1.9	-4.1	2.3	-3.2	-0.7	2.6	-1.7	1.0
UK Smaller Companies	3.2	-0.2	-5.7	1.9	-1.9	-1.4	1.5	-2.2	-4.9
UK All Companies	4.5	1.6	-3.4	2.6	-2.9	-0.4	2.5	-2.2	2.1
<b>Full Steam Ahead - Developed</b>									
Japanese Smaller Companies	1.9	-3.1	0.6	-2.2	-0.9	0.2	1.0	0.4	-2.2
North America	3.7	-0.3	-0.2	-0.2	1.5	3.7	2.2	-0.4	10.3
Global Equity Income	2.5	0.5	-0.7	1.1	-1.6	1.6	1.8	-1.2	4.1
Japan	3.7	-2.1	1.7	-0.6	2.2	1.3	1.3	-1.3	6.2
Global	4.5	-0.2	-0.1	-0.2	0.2	2.4	1.9	-1.6	6.9
North American Smaller Companies	6.6	0.9	-5.9	-2.4	0.1	5.5	2.5	-1.9	4.8
Europe Including UK	6.0	1.2	0.2	2.1	-3.8	1.7	1.9	-2.5	6.7
Europe Excluding UK	6.0	2.1	-0.1	1.4	-2.9	1.5	2.1	-2.5	7.6
European Smaller Companies	5.3	2.4	-2.3	0.9	-3.7	0.1	2.0	-2.8	1.6
<b>Full Steam Ahead - Emerging</b>									
Tech & Tech Innovations	9.3	1.0	4.9	-2.8	8.9	1.8	2.6	-1.6	25.8
Asia Pacific Including Japan	5.3	-4.1	0.5	-2.5	-0.6	1.0	2.4	-3.8	-1.9
Global Emerging Markets	5.8	-4.1	0.4	-2.6	-0.2	1.8	3.9	-4.0	0.4
Asia Pacific Excluding Japan	6.2	-4.7	0.1	-2.9	-1.7	0.7	3.2	-4.4	-3.9
China/Greater China	8.4	-7.4	-0.4	-6.2	-7.7	0.6	7.2	-7.0	-13.1
<b>Specialist / Thematic</b>									
India/Indian Subcontinent	-3.3	-1.0	-1.7	2.4	4.2	3.0	1.3	1.0	5.8
Healthcare	-0.7	-2.0	-0.8	1.7	-1.7	0.7	-0.3	-0.9	-4.0
Financials and Financial Innovation	6.4	0.4	-7.2	1.3	-2.2	3.3	3.9	-1.4	3.9
Infrastructure	0.9	-1.7	-0.9	1.5	-3.6	-0.8	0.5	-2.9	-7.0
Latin America	6.3	-3.4	-1.5	-0.3	3.3	7.6	3.5	-4.1	11.2

\* 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



## Rising oil prices

In the last couple of months, we've seen the price of oil move up quite significantly.

West Texas Intermediate (WTI), one of the most commonly traded and referenced benchmarks for crude oil prices, has gone from below \$70 per barrel at the end of June to over \$90. That's an increase of over 25%.

It's now at a ten-month high. You've probably already seen the effect of this at the petrol pumps.

Isn't it strange how the forecourt prices tend to go up in line with the crude oil prices, but they're a bit slower going down when the price falls.

We've also seen this coming through in our latest reports. Funds like Guinness Global Energy, BGF World Energy, and Schroder ISF Global Energy are currently among our top performers.

China has recently cut the cash reserve requirements for its banks to help boost the economy, which in turn will increase the demand for oil from the world's largest oil importer. At the same time supply is being restricted by Saudi Arabia and Russia.

In the US oil reserves are at a forty-year low.

As we head into winter it seems likely that prices will remain inflated for some time.



# 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) 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:

**Safe Haven:**

Very low risk, but also very low returns.

**Slow Ahead:**

Normally a low risk level and often with adequate returns.

**Steady as She Goes:**

Generally low to medium risk, with potentially higher returns.

**Full Steam Ahead Developed:**

Higher risk, but potentially higher returns.

**Full Steam Ahead Emerging:**

Higher risk, but potentially higher returns.

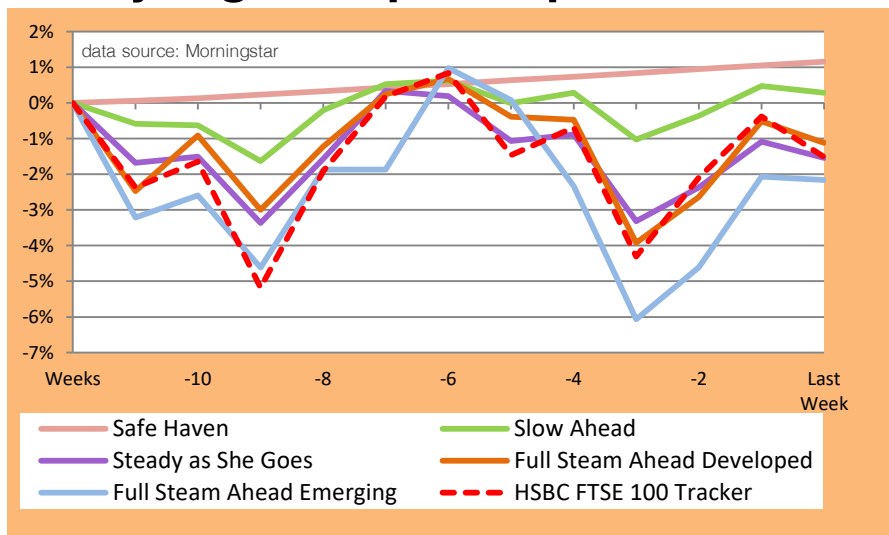
Need more information? Check out the 'How To' guides on our website - saltydoginvestor.com

## 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

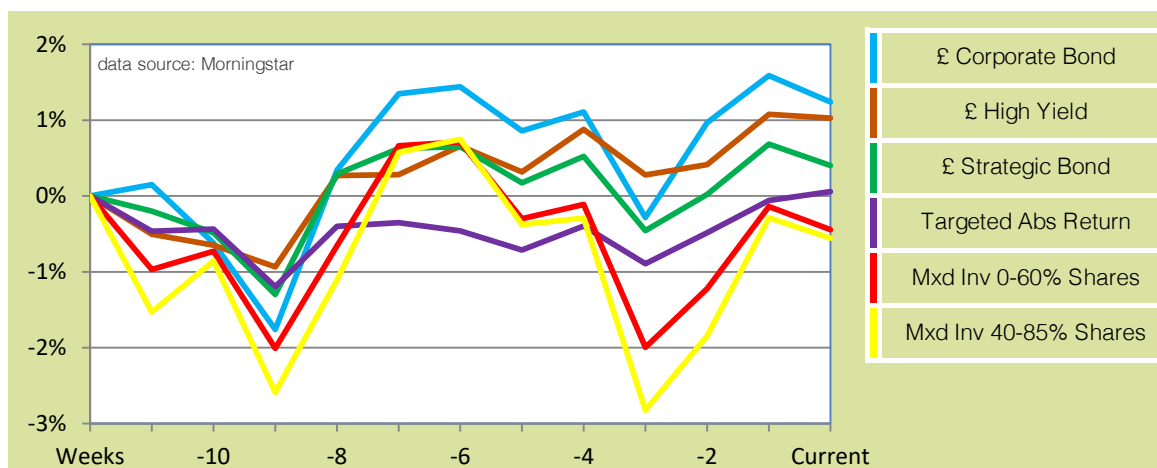


### Group Performance for Last Week

Safe Haven	0.11%
Slow Ahead	-0.2%
Steady as She Goes	-0.5%
Full Steam Ahead Developed	-0.6%
Full Steam Ahead Emerging	-0.1%
HSBC FTSE 100 Tracker	-1.1%

**The Safe Haven Group made its usual very small gain last week, the other Groups all made small losses, whilst the HSBC FTSE 100 Tracker went down by 1.1%.**

## 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	
Targeted Abs Return	0.5%	0.0%	0.3%	0.1%	0.4%	0.4%	-0.5%	0.3%	-0.3%	-0.1%	0.0%	
£ Corporate Bond	0.1%	1.2%	-1.2%	-0.3%	0.6%	1.2%	-1.4%	0.3%	-0.6%	0.1%	1.0%	
£ High Yield	0.1%	1.0%	2.5%	-0.1%	0.7%	0.1%	-0.6%	0.6%	-0.3%	0.4%	0.0%	
£ Strategic Bond	-0.1%	0.4%	-0.2%	-0.3%	0.7%	0.5%	-1.0%	0.3%	-0.5%	0.0%	0.3%	
Mxd Inv 40-85% Shares	-0.3%	-0.7%	-0.2%	-0.3%	1.6%	1.0%	-2.5%	0.1%	-1.1%	0.2%	1.7%	
Mxd Inv 0-60% Shares	-0.3%	-0.5%	-0.9%	-0.3%	1.1%	0.8%	-1.9%	0.2%	-1.0%	0.0%	1.3%	
<b>Average:</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>-0.2%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>-1.3%</b>	<b>0.3%</b>	<b>-0.6%</b>	<b>0.1%</b>	<b>0.7%</b>	

### Targeted Absolute Return

This is one of the Investment Association sectors designated for 'funds principally targeting an outcome'.

Funds are managed with the aim of delivering positive returns in any market conditions, but returns are not guaranteed. Funds in this sector may aim to achieve a return that is more demanding than a "greater than zero after fees objective."

Funds must state the timeframe over which they aim to meet their objective, and it must not be longer than three years.

### Overall Group Performance

This Group's average four-week return in the July issue was a 1.6% loss. Last month it showed a gain of 1.6%, and this month it's level.

After a difficult 2022, this year got off to a good start with all sectors making gains in January. The best performing sector was £ Corporate Bond with a four-week return of 3.1%.

Unfortunately, February wasn't so good as all sectors went down. March was more mixed with half of the sectors making gains and half making losses. In the end all sectors were up over the first quarter, but only because of the strong start in January.

The second quarter wasn't as good. Although all sectors went

up in April, they all went down in May. June was a bit more mixed. Two sectors, £ High Yield and Mixed Investment 40-85% Shares, made gains over the quarter. The remaining sectors in this Group went down.

In July's newsletter all of the 'Slow Ahead' sectors were down over the previous four weeks, but last month they were all up.

This month three sectors are showing four-week gains and three are showing losses. The leading sector over four weeks is Targeted Absolute Returns.

### 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.

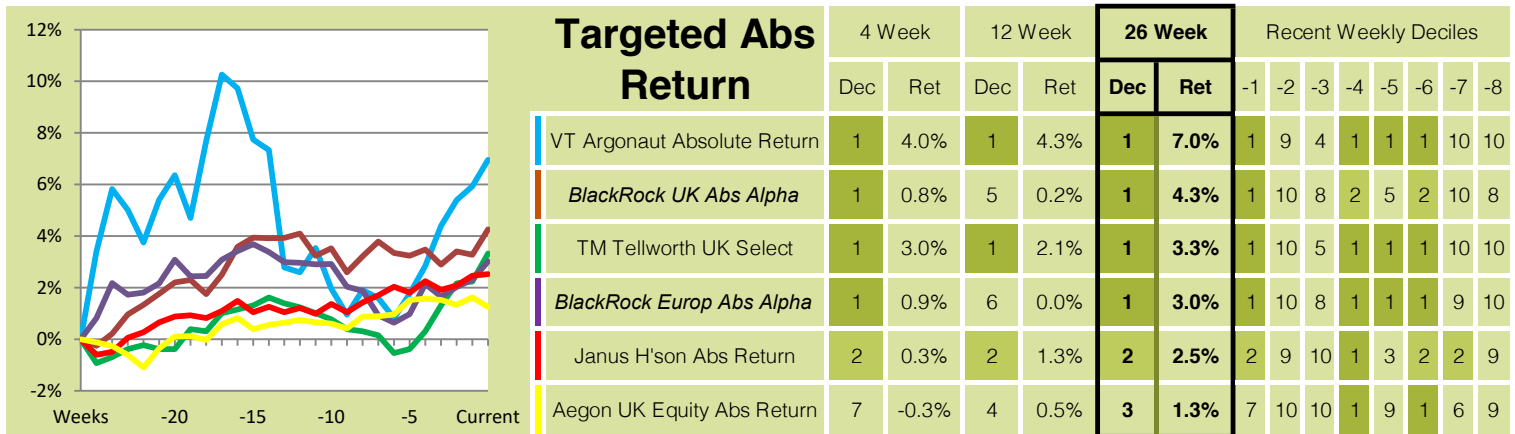
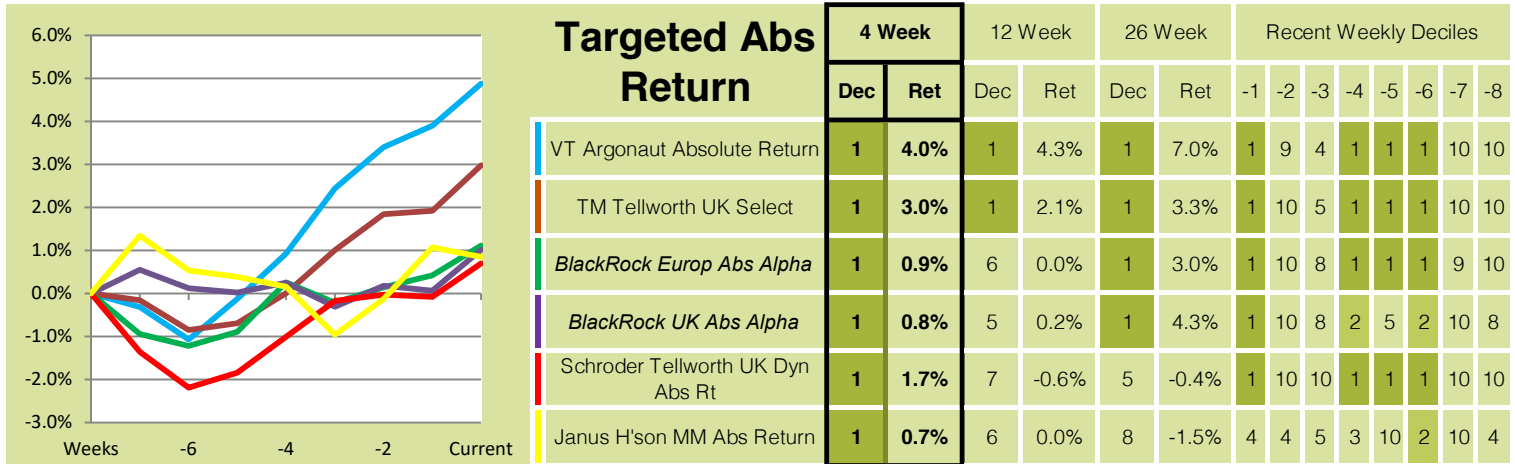
The 'Targeted Absolute Returns' funds are also in this Group and they aim to deliver positive returns in any market conditions. Typically funds in this sector would normally expect to generate absolute returns on a 12 month basis.

# Performance by Saltydog Group - Slow Ahead

## From last to first

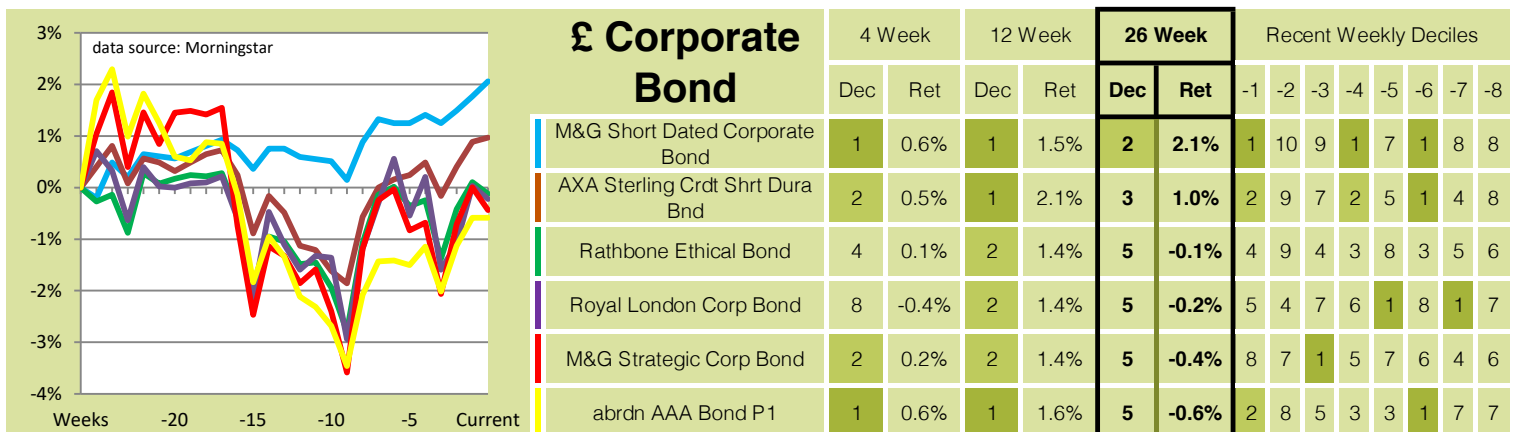
The last time that the Targeted Absolute Return sector was at the top of the table was in the May newsletter. It dropped to fourth the following month but was back up in second place in the July issue, even though it had gone down by 1.1% in the previous four weeks. Last month it was showing a four-week gain of 0.5% but had fallen to the bottom of the table. In the last four weeks it has gone up by another 0.5%, but this time it's enough to take the top spot.

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

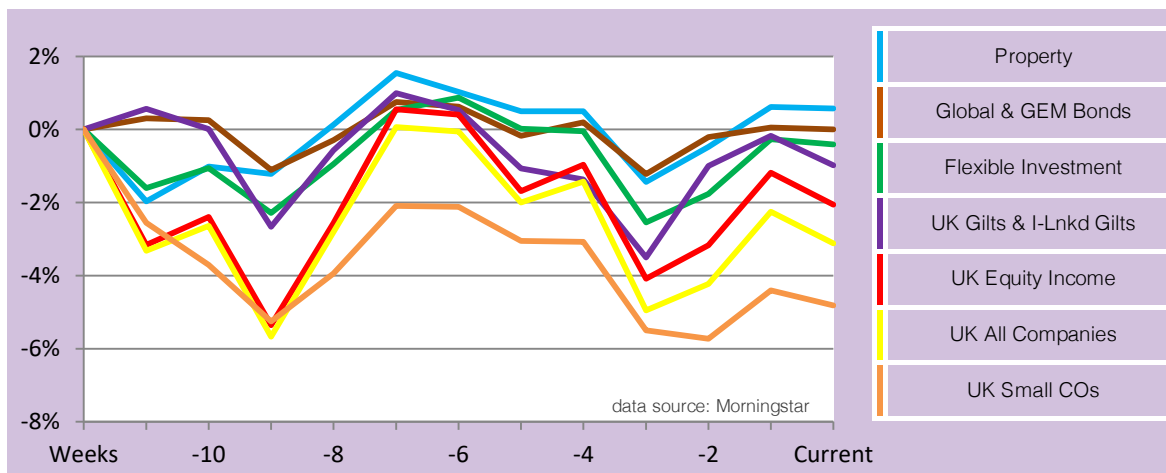


## From first to second

The £ Corporate Bond sector was at the bottom of the table in the June and July newsletters. However, last month it jumped to the top of the table with a four-week return of 2.6%. This month it has dropped to second place with a four-week return of 0.1%. It doesn't sound like much, but only three of the six sectors are showing four-week gains this month and it's one of them.



# 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 Gilts & I-Lnkcd Gilts	0.3%	-1.1%	-5.6%	-0.8%	0.8%	2.5%	-2.1%	-0.3%	-1.6%	-0.5%	1.6%
Property	0.0%	0.4%	-0.3%	0.0%	1.1%	1.0%	-1.9%	0.0%	-0.5%	-0.5%	1.4%
Global & GEM Bonds	-0.2%	0.0%	-1.7%	-0.1%	0.3%	1.0%	-1.4%	0.4%	-0.8%	-0.1%	1.0%
Flexible Investment	-0.4%	-0.4%	-0.1%	-0.1%	1.5%	0.8%	-2.5%	-0.1%	-0.9%	0.3%	1.5%
UK Equity Income	-1.2%	-2.3%	-3.5%	-0.9%	2.0%	0.9%	-3.1%	0.7%	-2.1%	-0.1%	3.1%
UK All Companies	-1.8%	-3.4%	-3.1%	-0.9%	2.0%	0.7%	-3.5%	0.6%	-1.9%	-0.1%	2.9%
UK Small COs	-1.8%	-4.8%	-5.5%	-0.4%	1.3%	-0.2%	-2.4%	0.0%	-0.9%	0.0%	1.9%
<b>Average:</b>	<b>-0.7%</b>	<b>-1.7%</b>	<b>-2.8%</b>	<b>-0.5%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>-2.4%</b>	<b>0.2%</b>	<b>-1.3%</b>	<b>-0.2%</b>	<b>1.9%</b>

## UK Gilts & Index-Linked Gilts

There are two Investment Association sectors for funds investing in UK Government Securities (Gilts).

Funds in the UK Gilts sector must invest at least 95% of their assets in Sterling denominated (or hedged back to Sterling) government backed securities, with a rating the same or higher than that of the UK, with at least 80% invested in conventional UK Gilts. The definition of the Index-Linked Gilts sector is similar, except that the core 80% must be invested in UK Index-Linked Gilts.

We combine these sectors for our analysis.

## Overall Group Performance

The four-week average for the sectors in this Group was a 3.1% loss in the July newsletter, but it went up by 2.3% last month. This month it's down 0.7%.

2022 was not a good year for the sectors in this Group. They all went down; two fell by around 25% and the worst lost 35%.

This year had a promising start with all sectors going up in January. Unfortunately only the UK All Companies and UK Equity Income sectors made further gains in February.

March was a different story. Only the UK Gilts and Global Bond sectors went up. However, over the first quarter most sectors were up, the exceptions were UK Direct Property and UK Smaller Companies.

Quarter two started OK, with most sectors going up in April, but things took a turn for the worse in May and June. Only two sectors made gains over the three-month period. UK Direct Property went up by 0.6% and Flexible Investment made 0.3%. At the other end of the spectrum, UK Index Linked Gilts lost 8.7%.

In July's newsletter, all sectors were down over four, twelve, and twenty-six weeks.

Last month things started to look a little better and all sectors were up over four weeks, but this month most have gone down again.

## 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.

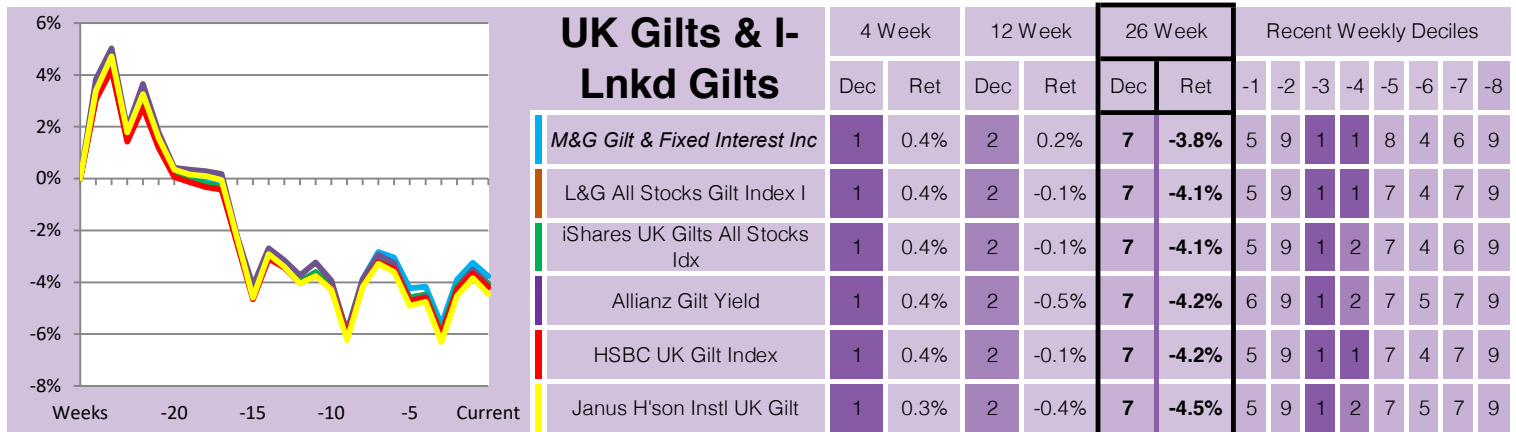
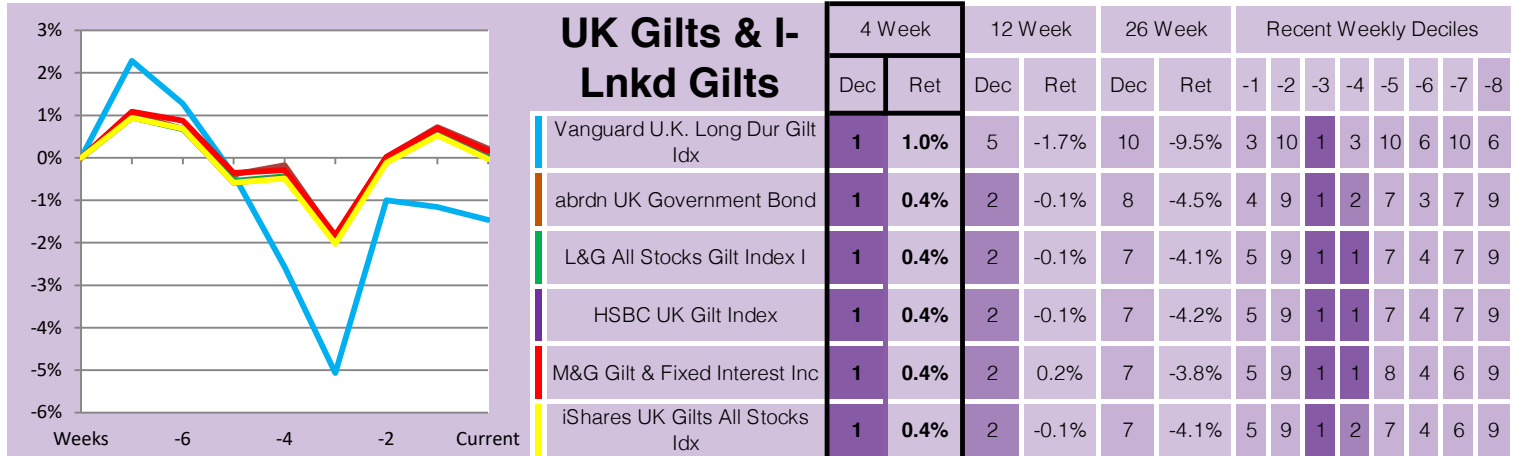
[www.theinvestmentassociation.org](http://www.theinvestmentassociation.org)

# Performance by Saltydog Group - Steady as She Goes

## A new top dog

The UK Gilts & Index Linked Gilts sector has had a difficult couple of months, but has now made its way back to the top of the table. Last month it was down in sixth position, with a four-week return of 1.6%. In the last four weeks it has only gone up by 0.3%, but under current market conditions that's not a bad result and puts it at the top of the table.

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

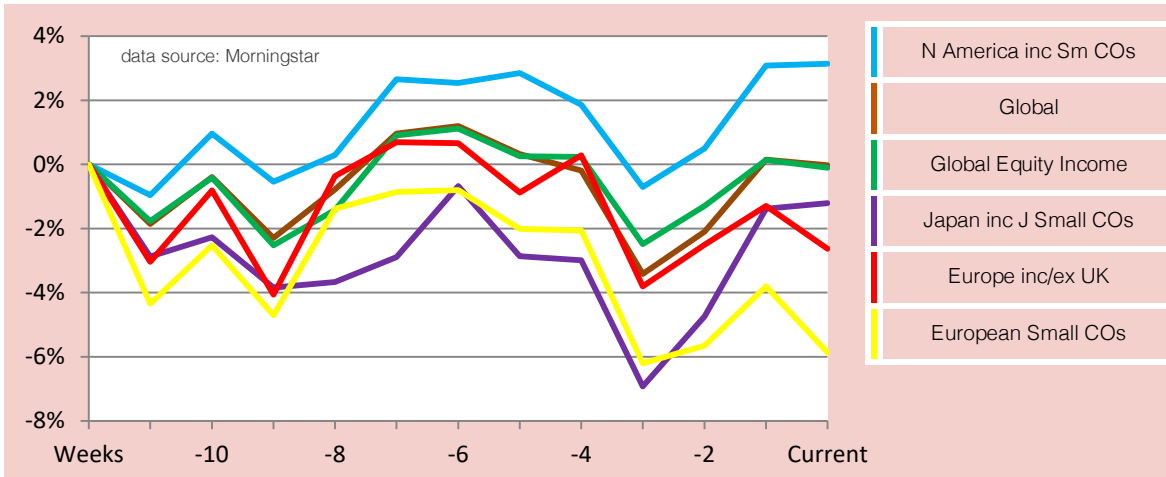


## A hidden gem

From time to time, you find a fund that appears to be riding a different wave to the rest of the crowd, and at the moment it's the MI Twentyfour Monument bond. It's not risk free, which is why it's included in our 'Steady as She Goes' Group, but it certainly seems to be doing something right at the moment.



# 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
Japan inc J Small COs	1.6%	-1.4%	1.2%	0.2%	3.4%	2.2%	-3.9%	-0.1%	-2.2%	2.2%	0.8%
N America inc Sm COs	1.2%	3.0%	7.5%	0.1%	2.6%	1.2%	-2.6%	-1.0%	0.3%	-0.1%	2.4%
Global	0.1%	-0.2%	3.1%	-0.2%	2.2%	1.3%	-3.2%	-0.5%	-0.9%	0.2%	1.7%
Global Equity Income	-0.4%	-0.2%	1.6%	-0.2%	1.4%	1.2%	-2.7%	0.0%	-0.9%	0.2%	2.3%
Europe inc/ex UK	-3.0%	-2.9%	-2.0%	-1.3%	1.2%	1.3%	-4.1%	1.2%	-1.5%	0.0%	1.1%
European Small COs	-3.9%	-6.0%	-6.7%	-2.1%	1.9%	0.5%	-4.1%	0.0%	-1.2%	0.1%	0.5%
<b>Average:</b>	<b>-0.7%</b>	<b>-1.3%</b>	<b>0.8%</b>	<b>-0.6%</b>	<b>2.1%</b>	<b>1.3%</b>	<b>-3.4%</b>	<b>-0.1%</b>	<b>-1.1%</b>	<b>0.4%</b>	<b>1.5%</b>

## The Japanese Sectors

Within its Overseas Equities category the Investment Association has two sectors dedicated to Japanese funds.

The definition for the **Japanese** sector is:

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

And the definition of the **Japanese Smaller Companies** is:

*Funds which invest at least 80% of their assets in Japanese equities of companies which form the bottom 30% by market capitalisation.*

We combine these sectors for our analysis.

## Overall Group Performance

In the July newsletter, the overall Group four-week average was a loss of 1.9%, but last month it picked up and was reporting a 2.6% gain. This month it's showing a four-week loss of 0.7%.

In the first quarter of this year nearly all of these sectors went up. The best, Europe excluding UK, made 8.1%, followed by Europe including UK, which went up by 7.5%. However, most of the gains were made in January.

The second quarter was more mixed. The North American sector was the best, with a three-month return of 5.0%, followed by the North American Smaller Companies sector, which made 3.0%. The Global, Global Equity Income and Japan sectors also made gains.

Unfortunately, the Japanese Smaller Companies sector went down as did the European sectors.

In July's newsletter, our combined North America and North American Smaller Companies sector was at the top of the table, up 0.2%, but all of the other sectors in this Group had gone down.

Last month all sectors were up over four weeks with America leading the way. This month is more mixed. Three sectors have gone up, but three are now showing four-week losses.

## 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, as have the Japan and the Japanese Smaller Companies.

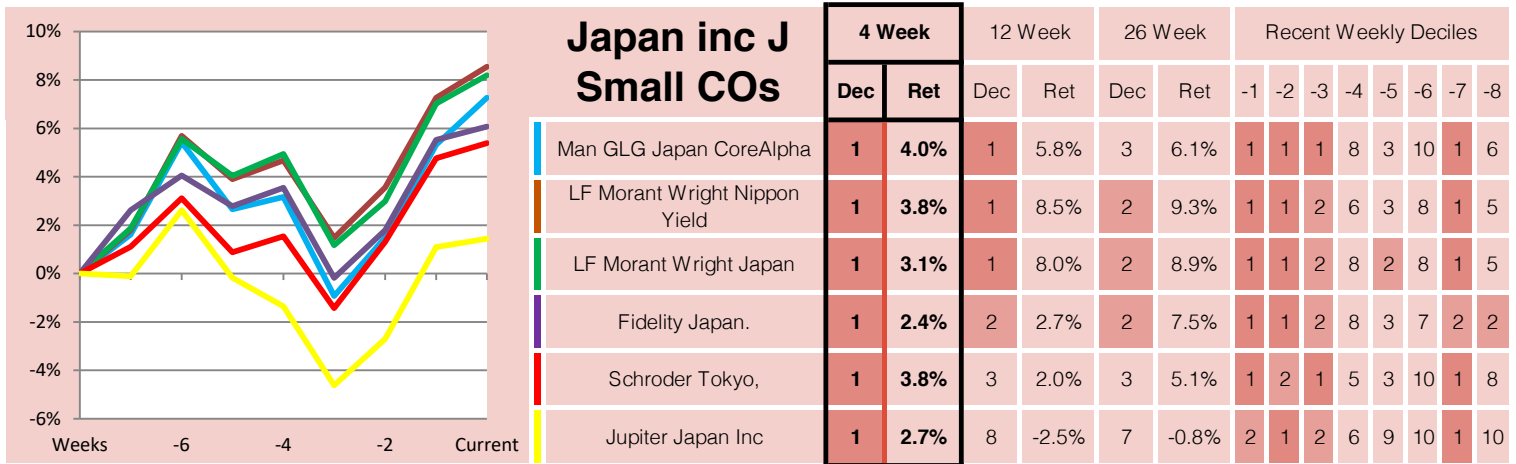
We also include the 'Property' sector in this Group.

# Performance of the Full Steam Ahead Developed Group

## From last to first

The combined Japan and Japanese Smaller Companies sector was showing a 1.3% four-week return in the June newsletter, but then struggled for a couple of months. In the July issue it was fifth place in the table, having gone down by 3.1% in the previous four weeks, and last month it was at the bottom of the table, with a four-week return of 0.9%. This month it's a different story. It's now at the top of the table with a four-week return of 1.6%.

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

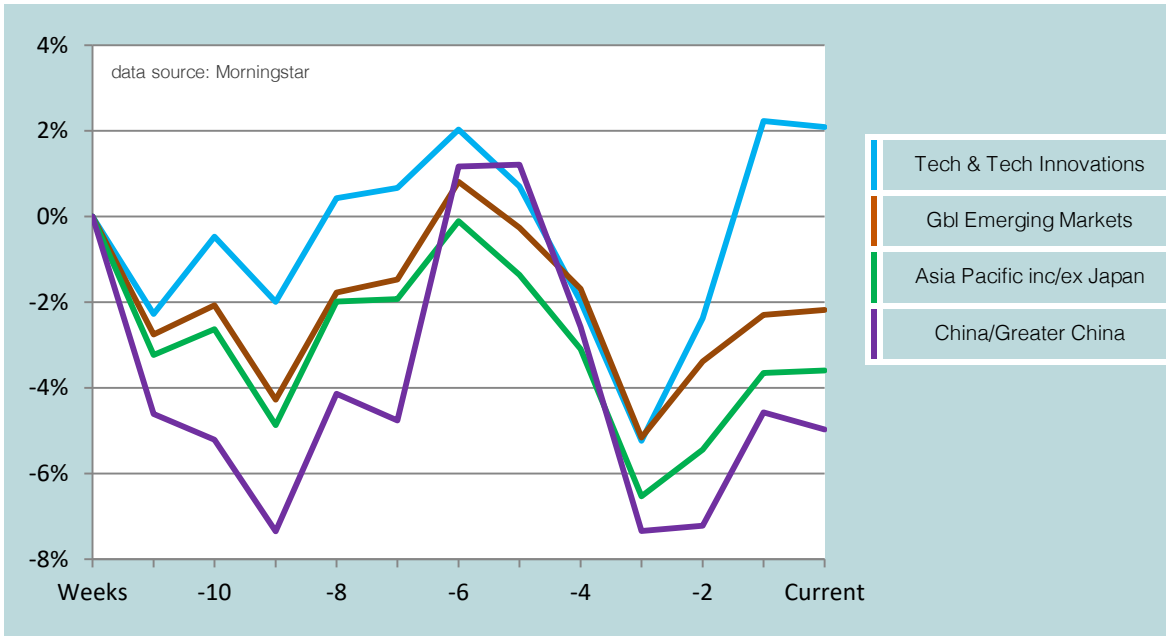


## Last month's winner

The North America and North American Smaller Companies sector was fourth in the April newsletter having lost 1.1% in the previous four weeks. May was even worse, it was at the bottom of the table with a four-week loss of 1.5%. By June it had rebounded strongly, gaining 4.2% in four-weeks, and moving to the top of the table. It was still there in July, but its four-week return had fallen to 0.2%, and it was there again last month, with a four-week return of 3.4%. This month it's dropped to second place with a four-week return of 1.2%.



# 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 Innovations	<b>3.9%</b>	1.8%	17.9%	-0.1%	4.6%	2.9%	-3.3%	-2.7%	-1.3%	1.4%	0.2%	
Gbl Emerging Markets	<b>-0.6%</b>	-2.4%	-0.3%	0.1%	1.1%	1.8%	-3.5%	-1.4%	-1.1%	2.3%	0.3%	
Asia Pacific inc/ex Japan	<b>-0.6%</b>	-3.7%	-3.5%	0.1%	1.8%	1.1%	-3.4%	-1.7%	-1.3%	1.8%	0.1%	
China/Greater China	<b>-2.5%</b>	-5.5%	-11.5%	-0.4%	2.7%	0.1%	-4.8%	-3.8%	0.0%	5.9%	-0.6%	
<b>Average:</b>	<b>0.1%</b>	<b>-2.5%</b>	<b>0.6%</b>	<b>-0.1%</b>	<b>2.5%</b>	<b>1.5%</b>	<b>-3.7%</b>	<b>-2.4%</b>	<b>-0.9%</b>	<b>2.8%</b>	<b>0.0%</b>	

## Tech & Tech Innovations

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 loss of 2.7% in the July newsletter. Last month it went up by 4.7%, but this month it’s only showing a 0.1% gain.**

Unfortunately, last year was a year of losses. All sectors went down and the worst, Technology & Technology Innovations, fell by just over 27%.

This started well with all sectors making gains in January. The Technology sector went up by 9.3% and China made 8.4%.

February and March were more mixed, but most of the sectors ended up showing gains over the first quarter. The only exception was China/Greater China and it had only lost 0.02%. The Technology sector was up 15.8%.

In the second quarter of this year the Technology sector gained a further 7.8%, but the other sectors went down. The worst, China/Greater China, lost 12.8%.

In the July issue only the Technology sector was up over four weeks, with a return of just 0.2%.

Last month all sectors were showing gains over four and twelve weeks. The Chinese sector was at the top of the table with a four-week return of 8.6%.

This month only the Technology sector is up over four weeks.

## 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.

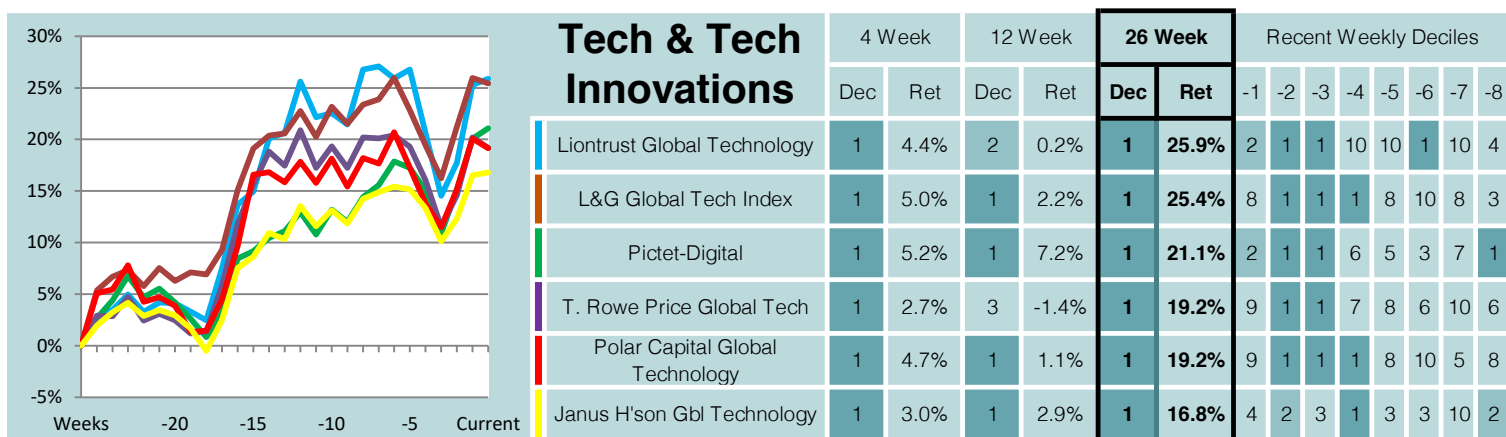
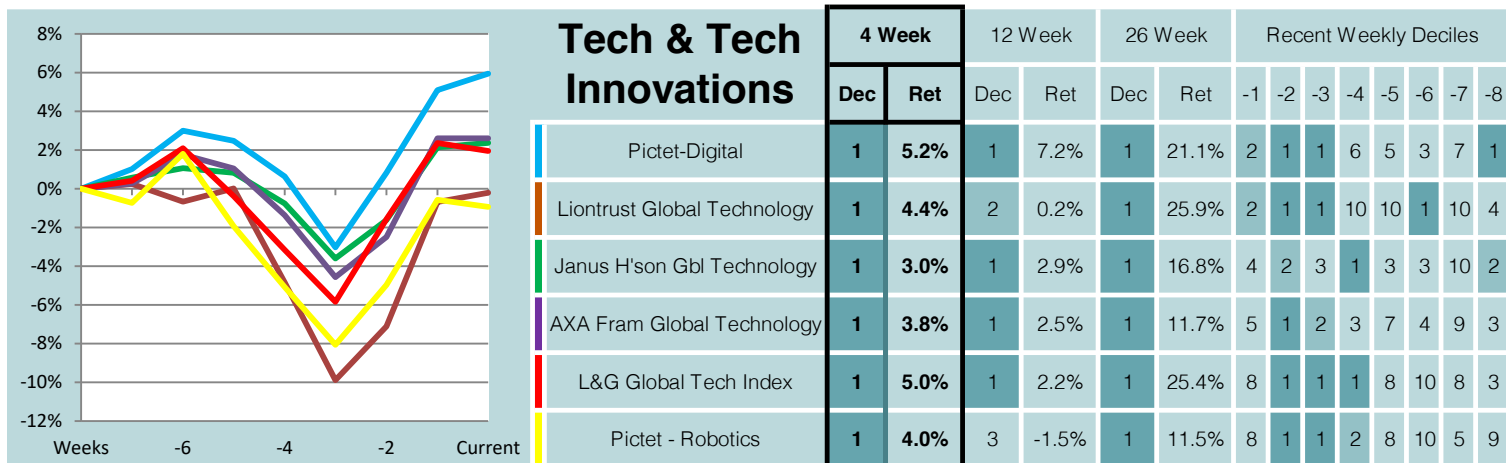


# Performance of the Full Steam Ahead Emerging Group

## Back on top

The Technology & Technology Innovations sector was in first place in the June newsletter, up 9.6% in four weeks, and again in July, although it had only gained a further 0.2%. Last month it dropped to the bottom of the table, with a four-week return of 2.7%, but this month it's back on top and the only sector that's made a gain over the last four weeks, up 3.9%.

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

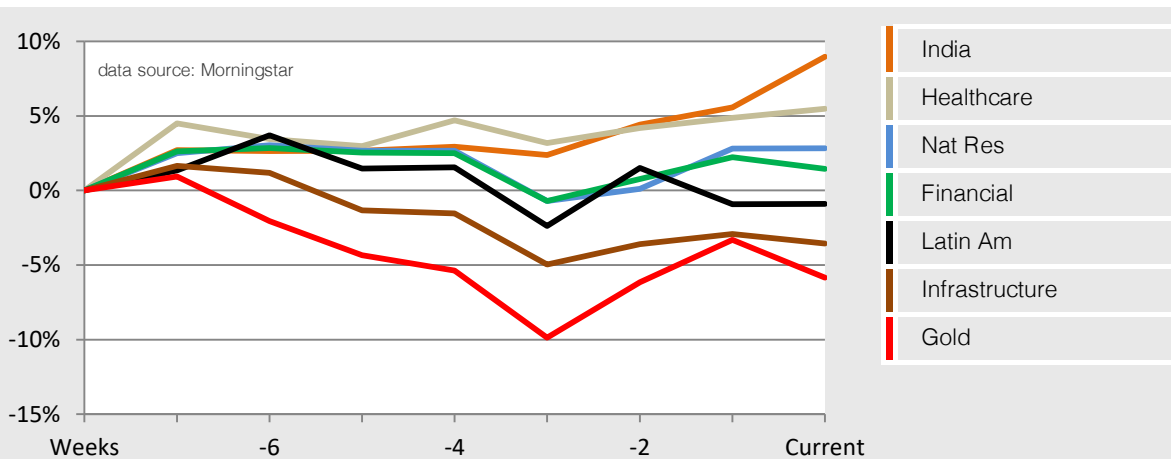


## From first to last

The China/Greater China sector was at the bottom of the table in the May, June and July newsletters. Last month it jumped to the top of the table, with a four-week return of 8.6%, but its revival was shortlived. This month it's back at the bottom of the table. It's down 2.5% over four weeks, 5.5% over twelve weeks and 11.5% over twenty-six weeks.



# 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	6.1%	10.9%	15.2%	3.4%	1.2%	2.0%	-0.5%	0.3%	0.0%	-0.1%	2.7%
Healthcare	0.8%	1.6%	3.8%	0.6%	0.7%	1.0%	-1.5%	1.7%	-0.5%	-1.0%	4.5%
Nat Res	0.1%	2.7%	-2.2%	0.0%	2.7%	0.8%	-3.4%	0.0%	-0.4%	0.5%	2.5%
Gold	-0.8%	-6.9%	-0.4%	-2.5%	2.8%	3.7%	-4.5%	-1.0%	-2.3%	-3.0%	0.9%
Financial	-1.1%	2.3%	-0.6%	-0.8%	1.5%	1.5%	-3.2%	0.0%	-0.3%	0.2%	2.6%
Infrastructure	-2.1%	-6.1%	-8.1%	-0.6%	0.7%	1.4%	-3.4%	-0.2%	-2.5%	-0.5%	1.7%
Latin Am	-2.6%	-2.9%	1.9%	0.0%	-2.4%	3.9%	-3.9%	0.1%	-2.2%	2.4%	1.3%
<b>Average:</b>	<b>0.0%</b>	<b>0.2%</b>	<b>1.4%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>2.0%</b>	<b>-2.9%</b>	<b>0.1%</b>	<b>-1.2%</b>	<b>-0.2%</b>	<b>2.3%</b>

## Overall Performance

Last month the SubZone four-week average was a gain of 2.3%, and all but one of the SubZones were up over four weeks. This month it's flat at 0.0%.

This year started well and in the January newsletter only one SubZone, India, was showing a four-week loss. A month later and the tide had turned. Only one SubZone, Financial, was up over four weeks.

In March only one sector had gone up in the previous four weeks, this time it was Latin America, which had made 2.4%.

By the April issue, the Gold SubZone had shot to the top of the table with a four-week return of 19.4%. It was still at the top in May, but its four-week return had

dropped to 2.3%. By June it was at the bottom of the table, and it was still there a month later.

In the July issue the India SubZone was at the top of the table with a four-week return of 3.0%. It was the only SubZone that had gone up in the previous four weeks.

Last month it had dropped to fourth place, but had still gone up by 2.0% in the previous four weeks. The Financial SubZone was back in the top spot. This month India is back on top with a four-week return of 6.1%.

## The India Subzone

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

The Liontrust fund was originally the Neptune India fund, and has been going since 2006. It is currently valued at around £60 million. The other funds are much bigger. The Jupiter fund is £700 million and Stewart Investors fund is around £625 million. The largest is the Luxembourg domiciled GS India Equity fund which weighs in at around £2 billion.

## 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.

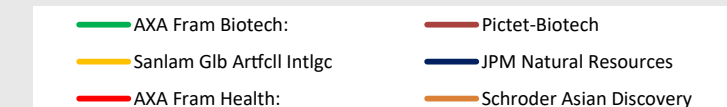
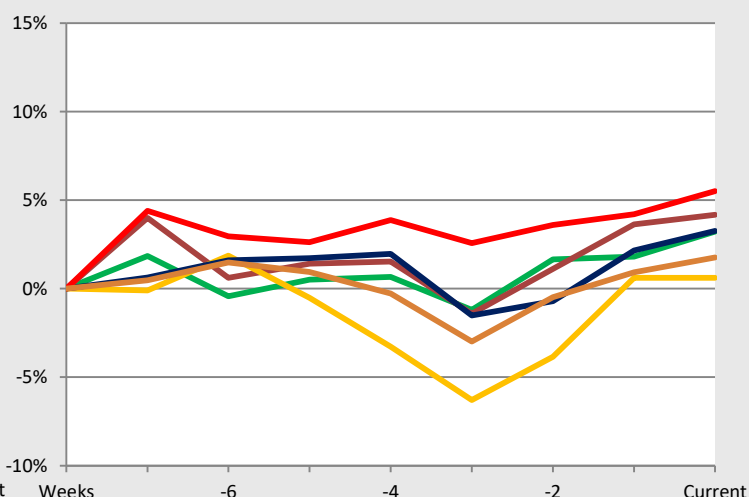
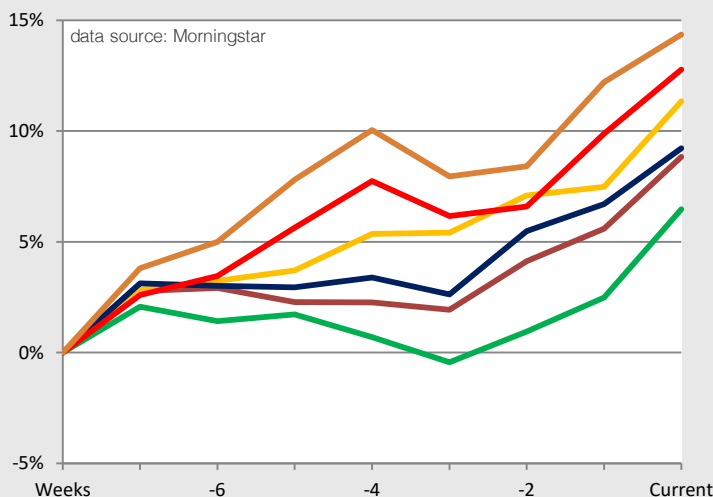
In total we analyse around 65 funds in this sector, most of which do not fall within one of the SubZones.

# 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
Stewart Inv Indian Sbctnt Sustnby	India	1	5.8%	2	8.1%	1	12.8%	1	5	6	2	9	2	8	5
Liontrust India	India	1	6.7%	2	10.3%	2	12.6%	1	6	4	1	5	5	5	4
Jupiter India	India	1	6.1%	1	14.7%	1	19.8%	1	9	5	1	1	2	5	3
GS India Equity	India	1	5.9%	1	10.7%	1	15.6%	2	7	2	1	3	3	6	3
TB Guinness Global Energy	Nat Res	2	5.0%	1	14.8%	2	5.2%	1	1	10	2	1	1	3	4
BGF World Energy D4 GBP	Nat Res	2	4.3%	1	16.2%	2	6.0%	2	1	9	3	1	1	2	2
AXA Fram Biotech:		2	2.5%	7	-2.9%	6	-0.4%	2	10	2	3	4	1	10	6
Pictet-Biotech		2	2.6%	7	-3.2%	2	5.3%	3	2	3	5	4	1	10	2
Sanlam Gbl Artfcll Intlgc		2	3.8%	4	0.6%	1	16.2%	4	1	3	5	10	8	1	10
JPM Natural Resources.	Nat Res	3	1.2%	3	2.1%	7	-2.5%	2	2	8	7	4	3	2	9
AXA Fram Health:	Healthcare	3	1.6%	4	1.5%	2	4.0%	2	9	7	2	2	4	9	1
Schroder Asian Discovery		3	2.0%	3	1.8%	3	3.8%	3	6	3	4	9	4	2	9
<i>BMO Diversified Monthly Income 2</i>		3	1.3%	3	2.2%	3	3.4%	3	7	9	1	4	4	5	7
<i>CG Absolute Return</i>		3	0.7%	4	0.2%	7	-2.4%	4	8	7	2	8	3	7	7
Stewart Inv APAC Ldrs Sstby		4	0.7%	5	-0.6%	6	-1.3%	3	7	9	3	7	5	5	9
<i>BlackRock Ntrl Resources</i>	Nat Res	4	0.6%	3	3.0%	9	-5.0%	4	2	9	7	6	2	3	5
Invesco Global Financial Capital	Financial	4	0.4%	2	3.6%	4	1.7%	6	8	8	2	3	3	3	8
Pictet-Clean Energy	Nat Res	4	0.5%	7	-2.8%	3	3.9%	8	2	2	9	10	9	4	10
LF Ruffer Gold	Gold	4	0.0%	10	-8.0%	7	-1.9%	10	1	10	4	10	10	10	1
Janus H'son Gbl Financials	Financial	5	-0.6%	2	4.2%	6	-0.2%	4	4	8	5	8	2	8	1
L&G Gbl Health&Pharma Index	Healthcare	5	-0.1%	4	1.7%	3	3.6%	5	8	7	3	1	5	8	1
CT Monthly Extra Inc		5	-0.2%	5	-0.3%	5	0.9%	6	4	8	4	2	6	4	4
Royal London UK Income + Grth		5	-0.4%	6	-0.9%	8	-4.7%	7	4	6	4	3	7	6	3
LF Canlife UK Equity and Bond Inc		5	-0.7%	5	-0.7%	8	-3.1%	8	4	6	5	3	5	6	4
Jupiter Monthly Alternative Income		6	-0.8%	8	-3.8%	10	-8.1%	3	4	8	7	6	4	9	2
Baring Korea:		6	-0.9%	9	-6.1%	4	1.2%	7	5	4	7	9	10	3	8
HSBC Monthly Inc		6	-0.7%	5	-0.8%	7	-2.3%	7	5	6	4	2	6	6	4
<i>BlackRock Dynamic Diversified</i>		6	-0.7%	6	-1.4%	5	0.4%	7	8	9	3	5	5	6	9
Ninety One Global Gold	Gold	6	-0.9%	9	-5.8%	5	0.6%	9	3	1	10	8	9	9	10

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



# Global Bond Analysis

In 2021, the Investment Association introduced a whole range of new sectors to provide more specific information about Global Bonds. Every few months we have a closer look at how they are doing.

On Page 8 we look at the monthly performance of most of the Investment Association sectors. This includes UK Gilts and Index Linked Gilts, as well as £ Corporate Bonds, £ High Yield Bonds and £ Strategic Bonds. All the other bond sectors are represented by our

Global and GEM Bond sector.

Here we drill down into the performance of all the other individual bond sectors over the last couple of years.

So far this year half of the bond sectors have gone up and half

are down. The leading sector after eight months is Global High Yield Bond, up 3.6%.

The sectors investing in US bonds were the top performers in August. USD High Yield Bond led the way with a 1.6% one-month gain.

Investment Association Sector	Monthly Returns (%)						1st Jan to 31st Aug
	Mar	April	May	June	July	Aug	
Euro Corporate Bond	1.2	0.6	-1.9	-0.6	0.8	0.1	-0.5
Euro Government Bond	2.6	-0.1	-1.6	-0.5	-0.2	0.2	-0.8
Euro High Yield Bond	0.2	0.3	-1.4	0.4	1.0	0.3	2.3
Euro Mixed Bond	1.5	0.1	-1.5	-0.7	0.3	0.2	-0.9
USD Corporate Bond	0.3	-0.9	0.2	-2.3	-0.8	1.0	-2.5
USD Government Bond	0.6	-1.2	0.3	-3.1	-1.4	1.0	-4.1
USD High Yield Bond	-1.1	-0.6	0.3	-0.8	0.3	1.6	1.2
USD Mixed Bond	-0.1	-0.8	0.3	-2.3	-0.8	1.1	-2.4
Global Corporate Bonds	1.2	0.5	-0.6	-0.6	0.6	-0.1	1.6
Global Government Bond	1.9	-0.6	-0.8	-1.4	-0.4	-0.4	-2.6
Global High Yield Bond	-0.2	0.3	-0.5	0.5	1.2	0.5	3.6
Global Inflation Linked Bond	2.5	-0.6	-1.5	-0.4	0.2	-0.4	-0.5
Global Mixed Linked Bond	0.9	0.0	-0.7	-0.6	0.4	-0.1	0.3
G.E.M Bond - Blended	0.6	-0.1	-0.2	1.9	1.3	-1.2	2.7
G.E.M Bond - Hard Currency	-0.7	-0.3	-0.2	0.5	1.1	-0.5	0.3
G.E.M Bond - Local Currency	2.1	-0.3	-0.4	1.5	1.7	-1.6	3.5

Data source: Morningstar

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## WHAT'S HOT AND WHAT'S NOT

### GOING UP

Crude oil at 10-month high

State pension set to rise by 8.5% in April

ECB raises interest rates to all-time high

US inflation rises to 3.7% in August

Industrial production in China up 4.5% since last year

### GOING DOWN

UK economy contracts by 0.5% in July

UK house prices suffer largest fall in 14 years

30,000 displaced by flooding in Libya

Thousands killed by Moroccan earthquake

Apple forced to withdraw iPhone 12 in France due to high radiation levels

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