



# saltydog

INVESTOR

Successful trend investing

January 2025

## A disappointing end to the year

**Although most major stock markets around the world went up last year, the final quarter was by far the worst, with many posting three-month losses.**

To put things in context, I'd like to go back a year. 2023 ended with a bit of a flourish. After a difficult August, September, and October, markets rallied in November and enjoyed the benefits of a Santa Rally at the end of December. Inflation was heading down, and there was an expectation that interest rates would fall in 2024.

Although the economic outlook had improved, the geopolitical situation wasn't so encouraging. The war in Ukraine had been dragging on for nearly two years, and there was no sign of an imminent resolution. On top of that, conflict had broken out in the Middle East the previous October, when Hamas-led Palestinian militant groups attacked Israel.

Early in 2024, the UK and US launched a joint airstrike on Yemen, bombing military facilities used by the Iranian backed Houthi militia. The

Houthis had been supporting Hamas by attacking ships in the Red Sea heading towards Israel. There were concerns that the war could escalate across the region.

Two weeks into the new year, and much of the festive euphoria had evaporated, and most stock markets had also fallen. After that, the scene was set, and the main driving forces behind investor sentiment didn't really change. Had central banks beaten inflation, would there be a global recession, were interest rates going to fall, and what would happen in Ukraine and Gaza?

A year later, and the wars in Ukraine and Gaza are still

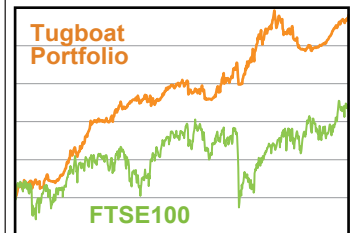
ongoing, although we are now on the brink of a ceasefire between Israel and Hamas which could end hostilities. Donald Trump has also promised to end the war in Ukraine. I'm not quite sure how, but hopefully this year we will see a sensibly negotiated resolution.

From an economic perspective, we're probably in a better position than we were this time last year. Inflation has come down, as have interest rates, and the major economies have avoided a drawn-out recession. But we're not out of the woods.

One of the most significant things about last year is that

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*Our Tugboat portfolio has gone up by 0.3% in the last four weeks.* 😊



Average Annual Return 4.8%  
Tugboat Portfolio 4 - 5

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*This portfolio has fallen by 0.8% over the last four weeks.* 😞

Sector Performance 2024

**Our look at the IA Sector performance for last year.**

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**FTSE 100 & FTSE 250 fall in Q4**

## A disappointing end to the year

### > Continued from p1

more than half of the world's population was affected by national elections. Most of the outcomes were broadly in line with expectations, but there were some nuanced variances. In India, the most populous country in the world, Prime Minister Narendra Modi's BJP party fell short of an outright parliamentary majority, but was able to form a coalition. The same was true in South Africa, where the African National Congress failed to win a majority of National Assembly seats for the first time since the end of apartheid, forcing another coalition government.

Closer to home, the UK Labour Party won a landslide victory in July, ending 14 years of

Conservative rule. However, Keir Starmer's labour party hasn't exactly had a golden honeymoon. An Ipsos poll, conducted last month, found that Starmer had the worst approval rating of any prime minister after five months in office since the late 1970s. Their first budget has also raised concerns about their commitment to reigning in government spending and avoid raising taxes.

Probably the most significant election last year was in the US, where Donald Trump beat Kamala Harris. He's a very divisive figure, and not frightened to rock the boat. Unfortunately, his talk of widespread tariffs is also seen as inflationary.

It's great to see people voting

and exercising their democratic right, but when the axis of power changes, there's always uncertainty about what will come next. The steady trajectory of lower inflation, and falling interest rates, suddenly doesn't seem so certain, and that appears to have rattled the markets.

### Stock Market Update

In the US, the Nasdaq made a small gain in December, up 0.5%, and some of the European indices also performed reasonably well. The German DAX rose by 1.4%, and the French CAC 40 made 2.0%. There were larger gains in the Far East, where the Hong Kong Hang Seng increased by 3.3%, and the Japanese Nikkei 225 did even better, finishing the

month up 4.4%. The Shanghai Composite also went up, but with a more modest gain of 0.8%.

However, closer to home, the FTSE 250 went down by 0.7%, and the FTSE 100 lost 1.4%.

It was not just the UK indices that struggled. In the US, the S&P 500 fell by 2.5%, and the Dow Jones Industrial Average did even worse, ending the month down 5.3%.

There were also losses in some of the major emerging markets. The Indian Sensex fell by 2.1% and the Brazilian Ibovespa dropped 4.3%.

2025 got off to a fairly slow start, but stock markets have picked up in the last few days.

Index	Country	1st Jan to 31st March	1st April to 30th June	1st July to 30th Sept	Oct 2024	Nov 2024	Dec 2024	1st to 17th Jan 2025
FTSE 100	UK	2.8%	2.7%	0.9%	-1.5%	2.2%	-1.4%	4.1%
FTSE 250	UK	1.0%	2.0%	3.8%	-3.2%	1.9%	-0.7%	-0.1%
Dow Jones Ind Ave	US	5.6%	-1.7%	8.2%	-1.3%	7.5%	-5.3%	2.2%
S&P 500	US	10.2%	3.9%	5.5%	-1.0%	5.7%	-2.5%	2.0%
NASDAQ	US	9.1%	8.3%	2.6%	-0.5%	6.2%	0.5%	1.7%
DAX	Germany	10.4%	-1.4%	6.0%	-1.3%	2.9%	1.4%	5.0%
CAC40	France	8.8%	-8.9%	2.1%	-3.7%	-1.6%	2.0%	4.5%
Nikkei 225	Japan	20.6%	-1.9%	-4.2%	3.1%	-2.2%	4.4%	-3.6%
Hang Seng	Hong Kong	-3.0%	7.1%	19.3%	-3.9%	-4.4%	3.3%	-2.4%
Shanghai Composite	China	2.2%	-2.4%	12.4%	-1.7%	1.4%	0.8%	-3.3%
Sensex	India	2.0%	7.3%	6.7%	-5.8%	0.5%	-2.1%	-1.9%
Ibovespa	Brazil	-4.5%	-3.3%	6.4%	-1.6%	-3.1%	-4.3%	1.7%

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.

This time last year, stock markets were performing well and we were reducing the amount that we had allocated to cash and the Money Market funds in our 'Safe Haven' Group. However, it was still relatively high. In las January's newsletter, the Tug had 80% in the 'Safe Haven' Group. In the Ocean Liner it was 60%, and it was 40% in the Speedboat.

During the first half of this year, we continued to reduce the amount that we had allocated to the 'Safe Haven' Group, as overall sector performance improved. When we were producing the July newsletter, it had fallen to 40% in the Tug, 20% in the Ocean Liner, and 10% in the Speedboat.

We then had a period of market volatility where stock markets fell sharply, then recovered, only to drop back down again.

During quarter three we saw the number of sectors making gains gradually reduce from 26 out of 34 in July, to 24 in August, and then 22 in September. In October only 12 sectors went up.

As overall sector performance decreased we increased the amount that the portfolios had allocated to the 'Safe Haven' Group. However, markets rallied in November so we increased our exposure to the markets. Unfortunately, December was less encouraging and so we didn't make any further changes.

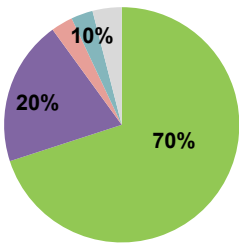
## Our example portfolios

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.

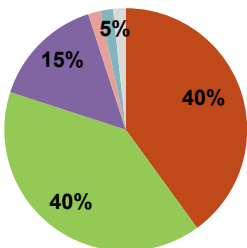
Most sectors made gains in November, but then fell in December. We're waiting to see what the new year brings.

**Portfolio 1 - The Tug**

Optimum conditions

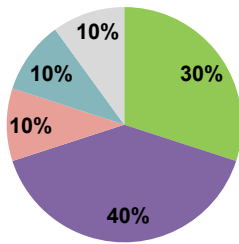


Market conditions  
15/01/2025

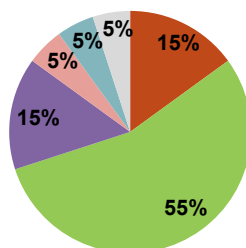


**Portfolio 2 - The Ocean Liner**

Optimum conditions

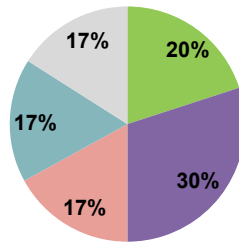


Market conditions  
15/01/2025

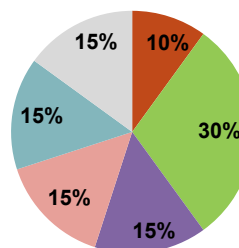


**Portfolio 3 - The Speedboat**

Optimum conditions



Market conditions  
15/01/2025



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

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.

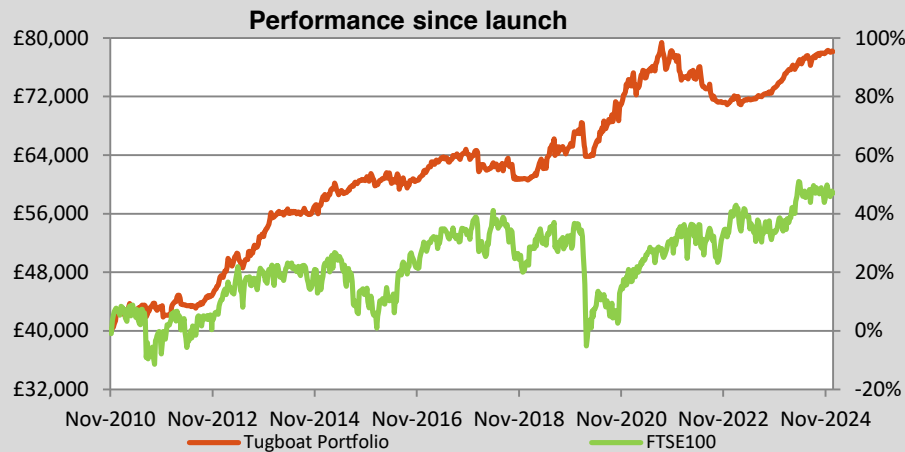
The aim is to run it in such a way that it avoids any major market falls, but also makes gains when they rise.

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



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 £78,000.

In 2024 it went up by 5.6%.

## Returns

Portfolio Launch Date	23/11/2010	Return in the last 4 weeks	0.3%
Initial Investment	£40,042	Return in the last 3 months	1.3%
Current Value	£78,141	Return in the last 12 months	5.1%
Return since launch	95.1%	Average Annual Return since launch	4.8%

## 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	114	£11,213	£10,551	£663	6.3%	14.4%
23/03/2023	L&G Cash Trust fund	Safe	110	£8,843	£8,230	£613	7.4%	11.3%
28/09/2023	Schroder High Yield Opportunities	Slow	112	£8,819	£8,000	£819	10.2%	11.3%
24/10/2024	Man GLG High Yield Opportunities	Slow	156	£3,992	£4,000	£-8	-0.2%	5.1%
14/11/2024	Baillie Gifford High Yield Bond	Slow	292	£4,035	£4,000	£35	0.9%	5.2%
15/08/2024	L&G Strategic Bond	Slow	128	£8,138	£8,000	£138	1.7%	10.4%
29/11/2024	Vanguard LifeStrategy 80% Equity	Slow	31,187	£3,980	£4,000	£-20	-0.5%	5.1%
12/12/2024	Liontrust Balanced	Slow	266	£3,864	£4,000	£-136	-3.4%	4.9%
06/07/2023	MI TwentyFour AM Monument Bond	Steady	16,642	£7,526	£7,000	£526	7.5%	9.6%
18/07/2024	J O Hambro UK Equity Income	Steady	212	£2,985	£3,000	£-15	-0.5%	3.8%
28/11/2024	Fidelity American	Developed	8,142	£2,557	£2,500	£57	2.3%	3.3%
05/12/2024	Janus Henderson Global Financials	Specialist	1,019	£2,502	£2,500	£2	0.1%	3.2%
Cash				£9,689				12.4%
Total Portfolio Value				£78,141				

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

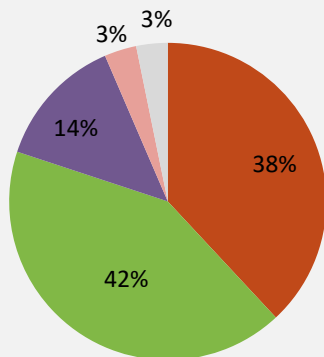
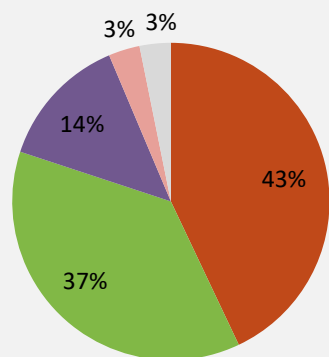
# Tugboat Portfolio

Other transactions this month				
Fund	Group	Value (£)	Transaction	Date
Royal London Short Term MMF	Safe	£8,000	Reduce current holding	12/12/2024
Liontrust Balanced	Slow	£4,000	Buy	12/12/2024

## Group Allocation

11th December 2024

15th January 2025



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

Last year began slowly, but picked up towards the end of January. We started with 80% of the portfolio either in cash or the ‘Safe Haven’ funds, but were soon reducing this and increasing our holdings in funds from the other Groups.

By the July newsletter, the cash and ‘Safe Haven’ funds were down to 40% of the portfolio. However, market conditions then deteriorated and so the ‘Safe Haven’ allocation began to rise again.

After the US election, markets picked up and so we started reinvesting. Unfortunately the last few weeks have been disappointing.

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

### ‘Cash & Safe Haven’ - Down from 43% to 38% of the portfolio.

The total amount invested in the money market funds, plus the cash that we are holding, has dropped since the last newsletter. However, it's only because a couple of transactions that we already requested have now completed.

### ‘Slow Ahead’ - Up from 37% to 42% of the portfolio.

Towards the end of November we invested in the Vanguard LifeStrategy 80% fund, and last month we added the Liontrust Balanced fund. At the time, the Mixed Investment 40-85% Shares sector was the leading sector in the ‘Slow Ahead’ Group. This month it has dropped to fifth. If it doesn't start picking up soon, we'll consider reducing our exposure to the funds in this sector.

### ‘Steady as She Goes’ - Unchanged at 14% of the portfolio.

Since the last newsletter, we haven't made any changes to the funds that we are holding from this Group.

### ‘Full Steam Ahead’ & Specialist - Unchanged at 6% of the portfolio.

Since the last newsletter, we haven't made any changes to the funds that we are holding from either of the ‘Full Steam Ahead’ Groups, or the Specialist sector.

# Ocean Liner Portfolio

## Objective

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

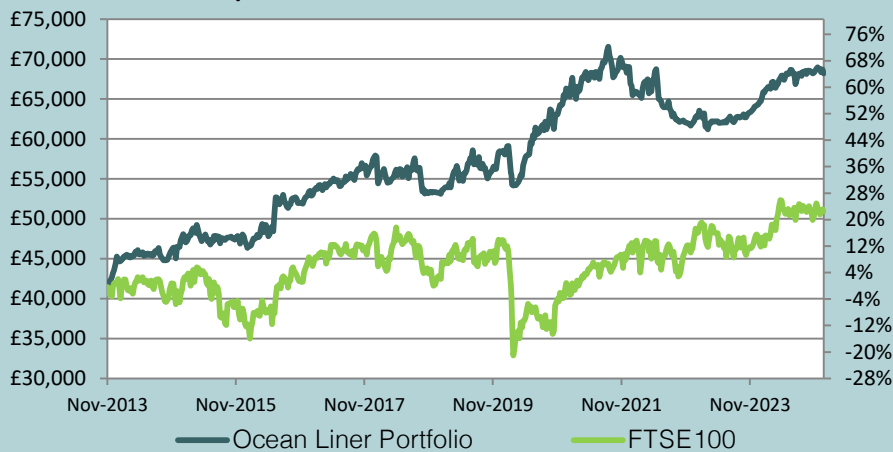
We had been running our cautious 'Tugboat' for three years and wanted to demonstrate how our fund performance data could be used to run a more adventurous portfolio.

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 almost 65%.

Our initial investment of just under £41,500 is now worth over £68,000.

In 2024 it went up by 6.5%.

## Returns

Portfolio Launch Date	23/11/2013	Return in the last 4 weeks	-0.8%
Initial Investment	£41,452	Return in the last 3 months	-0.5%
Current Value	£68,225	Return in the last 12 months	5.6%
Return since launch	64.6%	Average Annual Return since launch	4.6%

## Current Holdings

Initial Trade Date	Fund Name	Group	Current Price (p)	Current Value (£)	Original Cost (£)	Gain (£)	Gain (%)	Portfolio %
28/09/2023	Invesco High Yield	Slow	369	£11,121	£10,000	£1,121	11.2%	16.3%
26/09/2024	Man GLG High Yield Opportunities	Slow	156	£9,504	£9,500	£4	0.0%	13.9%
15/08/2024	Man GLG Sterling Corporate Bond	Slow	126	£10,085	£10,000	£85	0.8%	14.8%
28/11/2024	Liontrust Balanced	Slow	266	£9,754	£10,000	£-246	-2.5%	14.3%
08/06/2023	MI TwentyFour AM Monument Bond	Steady	16642	£6,589	£6,000	£589	9.8%	9.7%
18/07/2024	J O Hambro UK Equity Income	Steady	212	£4,848	£5,000	£-152	-3.0%	7.1%
14/11/2024	Baillie Gifford American	Developed	1727	£2,549	£2,500	£49	1.9%	3.7%
28/11/2024	BFG (Blackrock) World Technology	Emerging	8687	£2,624	£2,500	£124	5.0%	3.8%
05/12/2024	Janus Henderson Global Financials	Specialist	1019	£2,502	£2,500	£2	0.1%	3.7%
	Cash			£8,650				12.7%
Total Portfolio Value				£68,225				

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

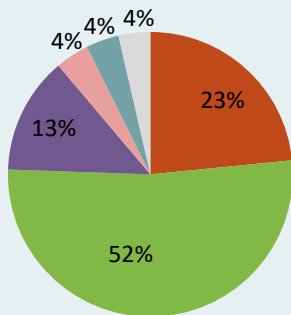
# Ocean Liner Portfolio

## Other transactions this month

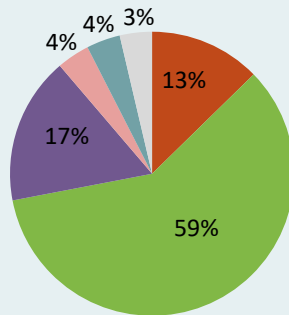
Fund	Group	Value (£)	Transaction	Date
Royal London Short Term MMF	Safe	£8,655	Sell	12/12/2024
Liontrust Balanced	Slow	£5,000	Increasing current holding	12/12/2024
J O Hambro UK Equity Income	Steady	£2,500	Increasing current holding	12/12/2024

## Group Allocation

11th December 2024



15th January 2025



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

At the beginning of last year, this portfolio had 66% of its value either in cash or invested in the Money Market funds.

In the next six months that figure started coming down, and by the July newsletter had fallen to 20%.

After that, overall sector performance worsened and so our cash level increased.

However, after the US election we started reinvesting again, as market conditions improved, but in the last few weeks the rally appears to have stalled.

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

### 'Cash & Safe Haven' - Down from 23% to 13% of the portfolio.

When we were writing the last newsletter there were three transactions pending that would reduce the amount allocated to the 'Safe Haven' Group by 10%. They have now been processed. We haven't made any other changes.

### 'Slow Ahead' - Up from 52% to 59% of the portfolio.

This time last month, the leading sector in the 'Slow Ahead' Group was Mixed Investment 40-85% Shares, based on its performance over the previous four weeks. We had already bought the Liontrust Balanced fund, at the end of November, and were in the process of increasing our position. Since then, its performance has been disappointing; if we don't see an improvement we will have to consider reducing our holding.

### 'Steady as She Goes' - Up from 13% to 17% of the portfolio.

When we were writing the last newsletter, we had already decided to increase our holding in the J O Hambro UK Equity Income fund. However, since then it has fallen quite significantly, but has started to recover in the last couple of days.

### 'Full Steam Ahead' & Specialist - Down from 12% to 11% of the portfolio.

We haven't made any changes to the funds that we are holding in the 'Full Steam Ahead' Groups and Specialist sector. The percentage allocated to them has only moved because of the relative performance of the funds in our portfolio.

# Sector Analysis 2024

At the beginning of each year we publish the Investment Association's average sector performance for the previous twelve months.

In 2022, nearly all sectors went down. 2023 was significantly better. 29 out of the 34 sectors that we track ended up posting gains, but mainly due to a rally in November and December.

Last year, 30 sectors went up. The first quarter was the best, with 28 sectors making gains. Only 23 sectors went up in the second quarter, and although 29 sectors rose in quarter three, the returns weren't as good as in quarter two. The final quarter was the worst of the year, despite a strong November, with only 15 sectors making gains.

Investment Association Sector	Annual Returns (%)						
	2017	2018	2019	2020	2021	2022	2023
<b>Safe Haven</b>							
Standard Money Market	0.1	0.4	0.7	0.5	-0.1	1.2	4.8
Short Term Money Market	0.1	0.4	0.6	0.1	-0.1	1.0	4.0
<b>Slow Ahead</b>							
Mixed Investment 40-85% Shares	10.0	-6.1	15.9	5.5	11.1	-10.1	8.1
£ High Yield	6.1	-3.6	11.4	3.5	4.2	-9.8	10.9
Mixed Investment 20-60% Shares	7.2	-5.1	12.1	3.5	6.3	-9.6	6.9
£ Strategic Bond	5.2	-2.5	9.2	6.1	0.9	-11.7	8.0
Mixed Investment 0-35% Shares	5.0	-3.4	8.8	4.0	2.6	-10.2	6.1
£ Corporate Bond	5.1	-2.2	9.5	7.9	-1.9	-16.4	9.3
<b>Steady as She Goes</b>							
Flexible Investment	11.1	-6.6	15.6	7.0	11.4	-9.1	7.3
UK Equity Income	11.5	-10.5	20.1	-10.9	18.3	-2.2	7.1
UK All Companies	14.1	-11.2	22.4	-6.2	17.1	-9.2	7.4
UK Smaller Companies	27.1	-11.8	25.4	7.0	20.6	-25.6	0.4
<b>Global &amp; GEM Bonds*</b>	3.1	0.0	6.2	6.6	-1.8	-7.4	4.7
UK Direct Property	7.6	2.9	-0.8	-3.8	7.4	-7.8	-0.4
UK Gilts	1.7	-0.1	7.2	9.0	-5.3	-24.3	3.6
UK Index Linked Gilts	2.2	-0.5	5.9	11.9	3.9	-35.3	0.5
<b>Full Steam Ahead - Developed</b>							
North America	10.5	-1.2	24.6	16.5	25.3	-10.1	16.7
North American Smaller Companies	7.2	-4.6	26.0	23.5	14.6	-13.7	10.8
Global	13.9	-5.7	22.0	14.8	17.6	-11.3	12.7
Global Equity Income	10.2	-5.7	18.9	3.4	18.9	-1.1	9.3
Japan	17.8	-11.3	17.1	13.9	1.6	-8.4	11.0
Europe Including UK	15.6	-10.0	20.9	7.0	17.3	-8.2	13.3
Europe Excluding UK	17.4	-12.2	20.4	10.5	15.6	-8.9	14.3
European Smaller Companies	25.4	-15.3	20.6	18.0	19.3	-21.9	8.0
<b>Full Steam Ahead - Emerging</b>							
Tech & Tech Innovations	23.6	1.1	31.1	44.8	16.5	-27.0	38.7
China/Greater China	36.5	-14.3	22.3	32.8	-10.5	-15.9	-20.4
Asia Pacific Excluding Japan	25.3	-9.8	15.9	19.9	1.5	-6.8	-0.9
Asia Pacific Including Japan	23.9	-9.0	16.9	26.8	0.3	-12.7	2.4
Global Emerging Markets	5.6	-4.1	9.7	0.6	-7.6	0.3	7.7
<b>Specialist / Thematic</b>							
Financials and Financial Innovation	16.3	-8.8	26.8	11.2	14.4	-17.7	12.7
India/Indian Subcontinent	27.5	-7.0	0.3	9.7	29.0	-1.5	17.1
Infrastructure	8.6	-1.2	23.1	-1.5	13.0	1.6	-2.8
Healthcare	10.6	7.0	18.4	15.7	13.9	-3.0	-2.1
Latin America	14.7	-3.5	15.4	-15.6	-11.5	17.0	23.4

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

data source: Morningstar

saltyblog  
A PERSONAL VIEW



## Dividend payments

In the last month, several people have asked about dividend payments. The questions tend to go along the following lines ... I'm considering selling a fund, but a dividend payment is approaching. Should I wait?

In our demonstration portfolios we hold the Accumulation share class, so the dividends are automatically reinvested.

What actually happens is that the fund manager always accounts for the dividend in the price of the units. The allowance (accrual) increases up until the dividend is paid, at which point the accrual is removed and the dividend reinvested. The process then starts all over again.

With Income units it works slightly differently. The fund manager still accounts for the dividend in the price of the units, but when the ex-dividend date is reached the price of the units drops by an amount equal to the dividend.

If you hold the units when they go ex-dividend, you are entitled to the dividend which will automatically be paid later on.

So, it doesn't really matter when you sell the units. You either get the higher price, but no dividend payment (if you sell before the ex-dividend date), or you get the lower price, and receive the dividend payment (if you sell after the ex-dividend date).



# 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.

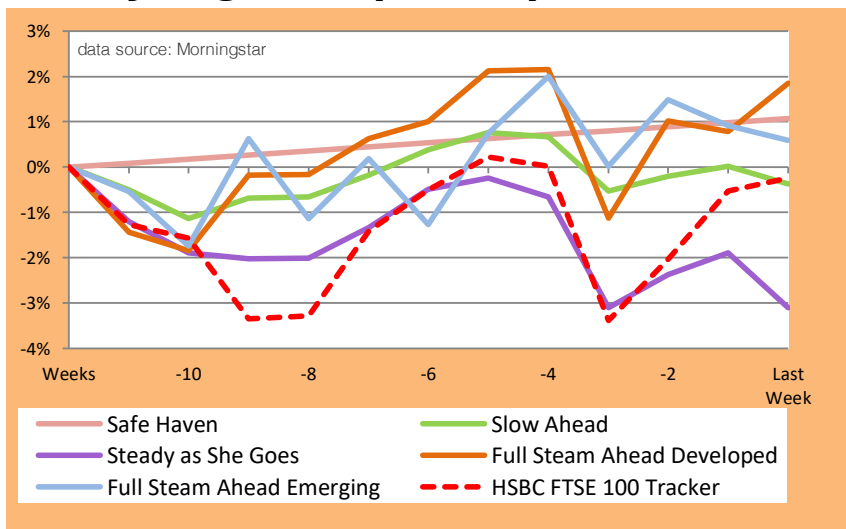
Need more information? Check out the 'How To' guides on our website - saltydoginvestor.com

## 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



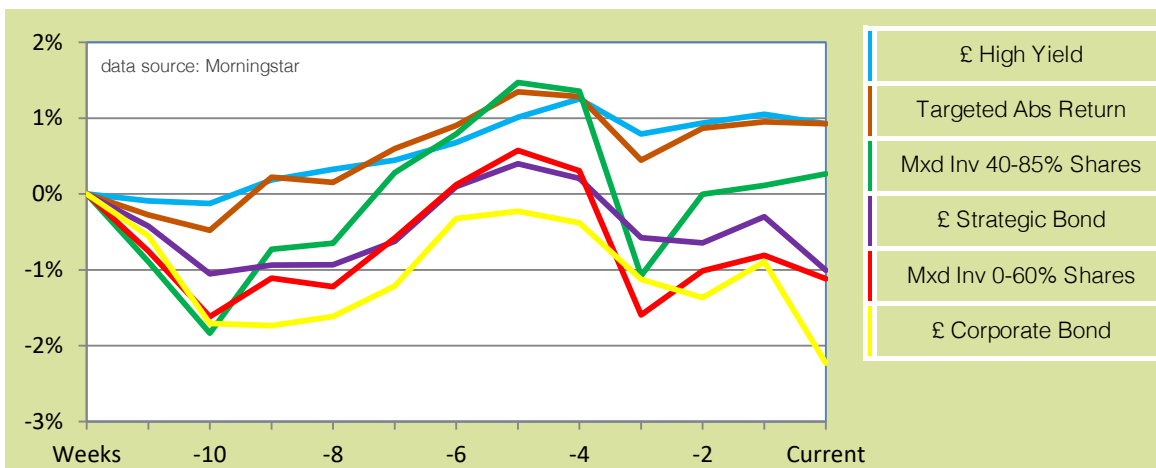
### Group Performance for Last Week

Safe Haven	0.09%
Slow Ahead	-0.4%
Steady as She Goes	-1.2%
Full Steam Ahead Developed	1.1%
Full Steam Ahead Emerging	-0.3%
HSBC FTSE 100 Tracker	0.3%

**The Developed Group was the star of the show last week, with a 1.1% gain.**

**The other main Groups made losses with the Steady Group suffering most with a 1.2% loss.**

# 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	
£ High Yield	-0.2%	1.0%	4.8%	-0.1%	0.1%	0.1%	-0.5%	0.2%	0.3%	0.2%	0.1%	
Targeted Abs Return	-0.4%	1.0%	2.0%	0.0%	0.1%	0.4%	-0.8%	-0.1%	0.4%	0.3%	0.4%	
Mxd Inv 40-85% Shares	-1.1%	0.3%	2.4%	0.2%	0.1%	1.1%	-2.4%	-0.1%	0.7%	0.5%	0.9%	
£ Strategic Bond	-1.2%	-1.0%	1.9%	-0.7%	0.3%	-0.1%	-0.8%	-0.2%	0.3%	0.7%	0.3%	
Mxd Inv 0-60% Shares	-1.4%	-1.1%	1.2%	-0.3%	0.2%	0.6%	-1.9%	-0.3%	0.5%	0.7%	0.6%	
£ Corporate Bond	-1.8%	-2.1%	0.2%	-1.3%	0.5%	-0.2%	-0.7%	-0.2%	0.1%	0.9%	0.4%	
<b>Average:</b>	<b>-1.0%</b>	<b>-0.3%</b>	<b>2.1%</b>	<b>-0.4%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>-1.2%</b>	<b>-0.1%</b>	<b>0.4%</b>	<b>0.6%</b>	<b>0.5%</b>	

## £ High Yield

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

It is one of the 'fixed income' sectors, along with UK Gilts, Index Linked Gilts, £ Corporate Bonds and £ Strategic Bonds. This is the sector definition:

*"Funds which invest at least 80% of their assets in Sterling denominated (or hedged back to Sterling) below BBB minus fixed interest securities (as measured by Standard and Poors or an equivalent external rating agency). This includes unrated bonds but excludes convertibles, preference shares and permanent interest bearing shares (PIBs)."*

## Overall Group Performance

**This Group's average four-week return was 0.0% in the November newsletter. Last month it was a 1.4% gain, but this month it is down 1.0%.**

In the first quarter of 2024, all of the sectors in this Group made gains. The Mixed Investment 40-85% Shares sector did the best, posting 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 continuing to lead the way. However, it only went up by 1.7% during April, May, and June.

In the following three months there were further gains, but now the bond sectors started to outperform the mixed investment sectors. The best-performing

sector was £ Corporate Bond, with a three-month return of 2.6%.

By November's newsletter, only three sectors were showing four-week gains, and the £ High Yield sector had moved to the top of the table.

In last month's issue, all sectors were up over four weeks, and the Mixed Investment 40-85% Shares sector was back at the top of the table with a 2.2% return.

Unfortunately, this month all sectors are showing four-week losses.

## 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.

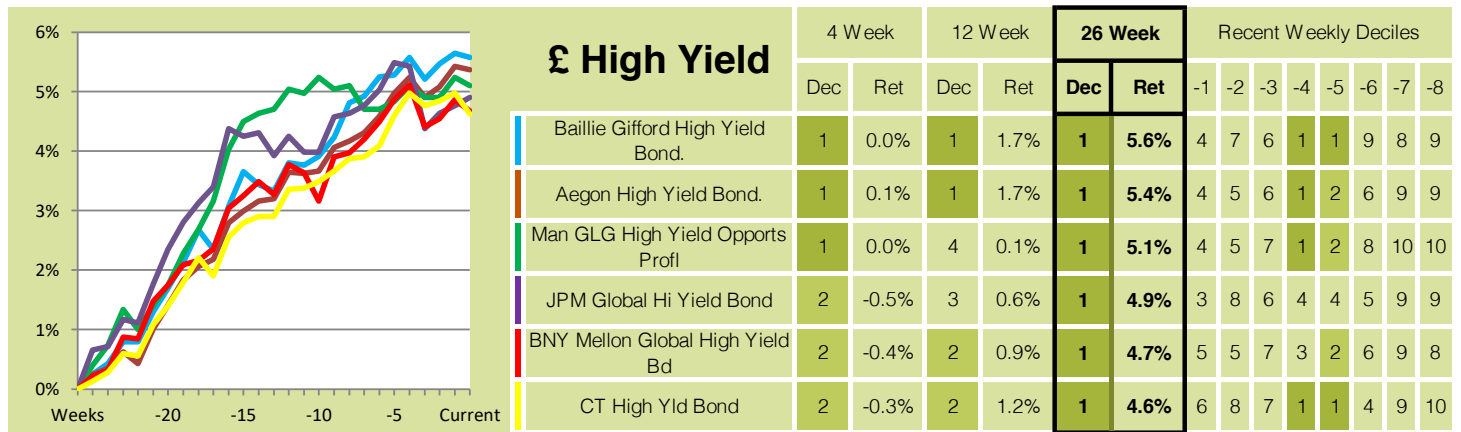
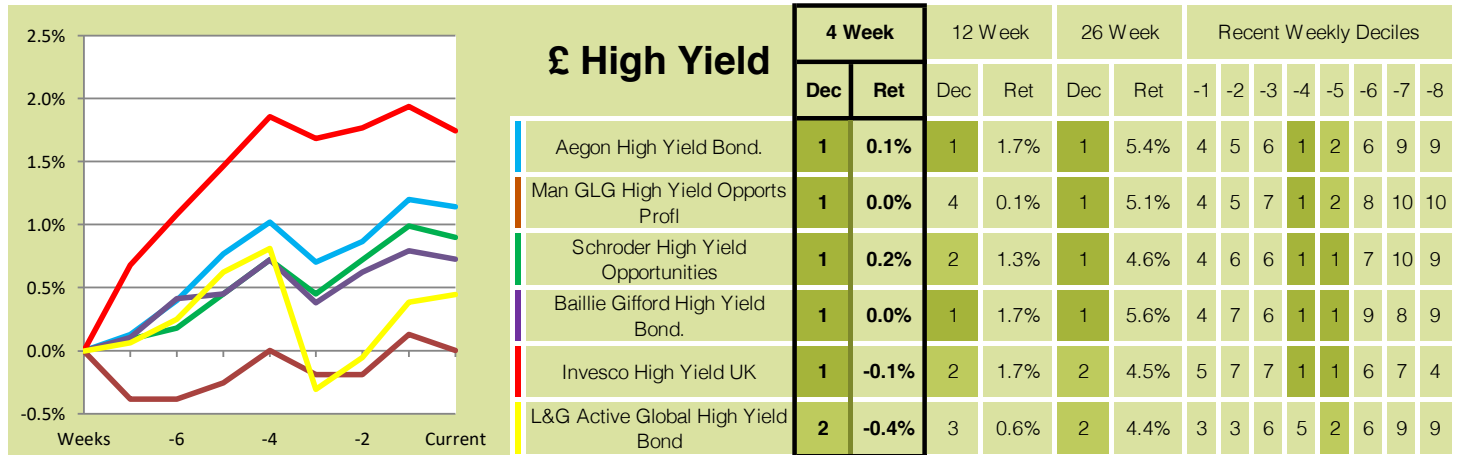
The 'Targeted Absolute Returns' funds are also in this Group and they aim to deliver positive returns in any market conditions. Typically funds in this sector would normally expect to generate absolute returns on a 12 month basis.

# Performance by Saltydog Group - Slow Ahead

## From first to last, and back again

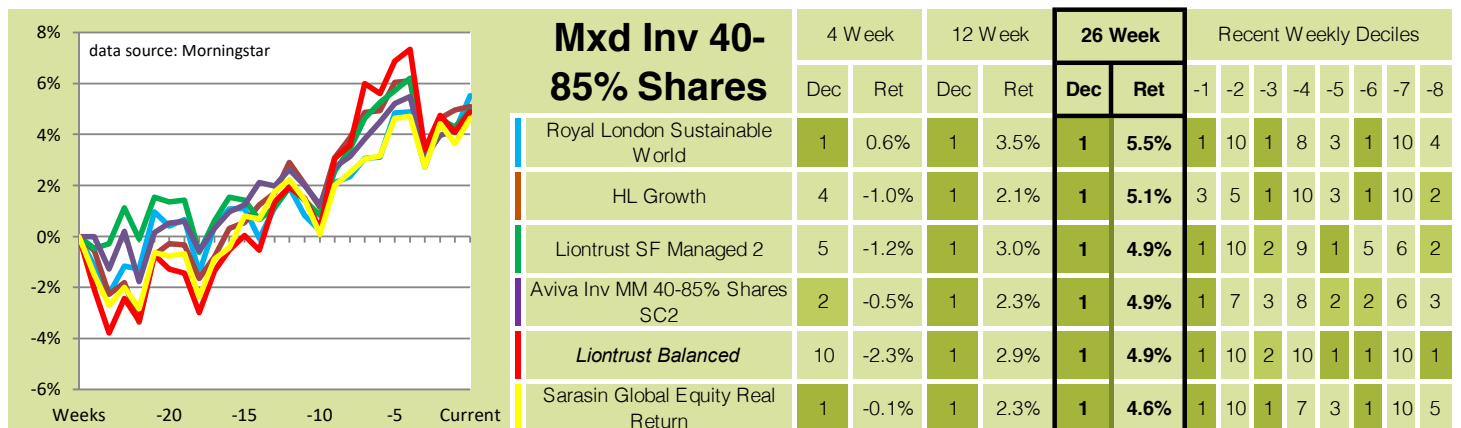
In September, the £ High Yield sector was at the top of the table with a four-week return of 1.6%. The following month it dropped to second place, but had still gained 1.1% in the previous four weeks. In November, it was back in pole position with a 0.6% gain. Last month it dropped to the bottom of the table, but had still gone up by 0.8% in the previous four weeks. This month it's back in first place, even though it has gone down by 0.2% in the last four weeks.

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

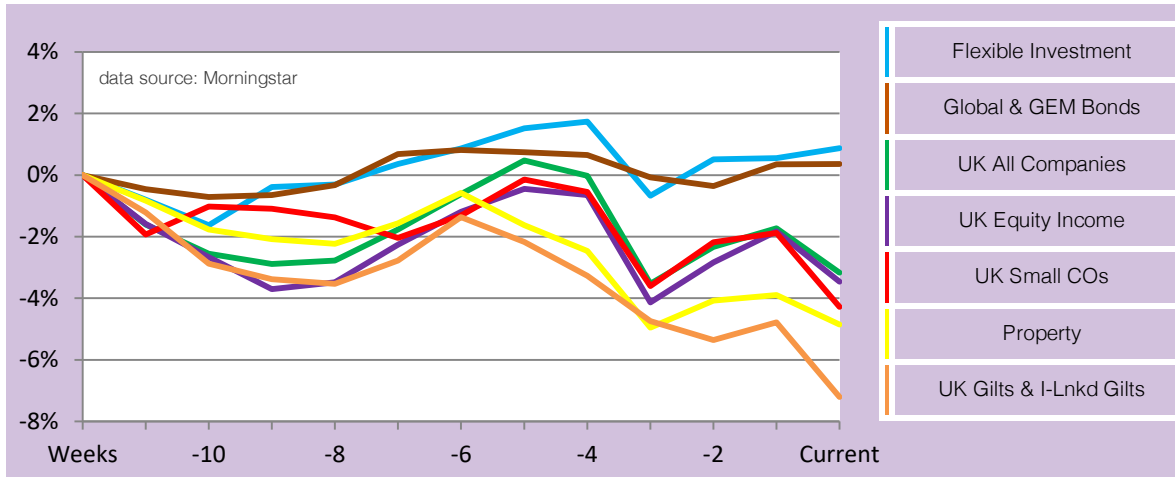


## Last month's top dog

The Mixed Investment 40-85% Shares sector was at the top of the table in the February newsletter, and was still there in the March, April, and May issues. Then, in June, it suddenly dropped to the bottom of the table. However, it was back in first place in the July edition. It then dropped to last place in August, and was in fifth place in the September issue. A month later, and it was back in the top spot with a four-week return of 1.9%. In November it dropped to third place, but last month it was back in pole position. This month it is in third place.



# 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
Global & GEM Bonds	-0.3%	0.4%	2.8%	0.0%	0.7%	-0.3%	-0.7%	-0.1%	-0.1%	0.1%	1.0%
Flexible Investment	-0.9%	0.8%	2.4%	0.3%	0.0%	1.2%	-2.4%	0.2%	0.7%	0.5%	0.7%
Property	-2.4%	-5.0%	-2.0%	-1.0%	0.2%	0.9%	-2.5%	-0.8%	-1.0%	1.0%	0.7%
UK Equity Income	-2.9%	-3.5%	-1.9%	-1.6%	1.0%	1.3%	-3.5%	-0.2%	0.7%	1.1%	1.2%
UK All Companies	-3.2%	-3.2%	-1.8%	-1.4%	0.6%	1.2%	-3.5%	-0.5%	1.1%	1.1%	1.0%
UK Small COs	-3.7%	-4.3%	-7.7%	-2.4%	0.3%	1.4%	-3.1%	-0.4%	1.2%	0.7%	-0.7%
UK Gilts & I-Lnkd Gilts	-3.9%	-7.0%	-5.4%	-2.4%	0.6%	-0.6%	-1.5%	-1.1%	-0.8%	1.4%	0.8%
<b>Average:</b>	<b>-2.5%</b>	<b>-3.1%</b>	<b>-1.9%</b>	<b>-1.2%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>-2.5%</b>	<b>-0.4%</b>	<b>0.2%</b>	<b>0.9%</b>	<b>0.7%</b>

## Global & GEM Bonds

The Investment Association now has over twenty sectors for funds investing in bonds and gilts. Funds are classified based on the type of bond that they invest in, and what currency they are denominated in.

There are four main types of bond. Corporate, Government, High Yield and Mixed. The currency categories for the Developed Markets are Sterling, Euro, US Dollar, and Global. Emerging Markets have local, hard, and blended.

For our analysis we split out the UK sectors, but put the rest into our combined Global & Global Emerging Market Bonds sector.

## Overall Group Performance

The four-week average for the sectors in this Group was a 0.7% loss in the November newsletter, but a 1.8% gain last month. This month it's down 2.5%.

In the first quarter of 2024, the best performing sector in this Group was Flexible Investment with a three-month return of 4.5%. Next up was UK All Companies, and then the UK Equity Income and UK Smaller Companies sectors.

In the next three months, the UK equity sectors continued to make gains. The best-performing sector was UK Smaller Companies, which went up by 7.3%.

During quarter three, nearly all of the sectors in this Group went up, the only exception was UK Smaller Companies, which lost

0.2%. The top-performing sector, UK Equity Income, posted a three-month gain of 2.8%.

However, in the November newsletter, only two sectors were showing four-week gains. UK Smaller companies, up 0.6%, and Flexible Investment, up 0.3%.

Things then picked up, and by the December edition all sectors were showing four-week gains. UK All Companies was at the top of the table with a four-week return of 3.4%. Unfortunately, the upward trend didn't last long, and this month all of the sectors are reporting four-week losses.

## 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.

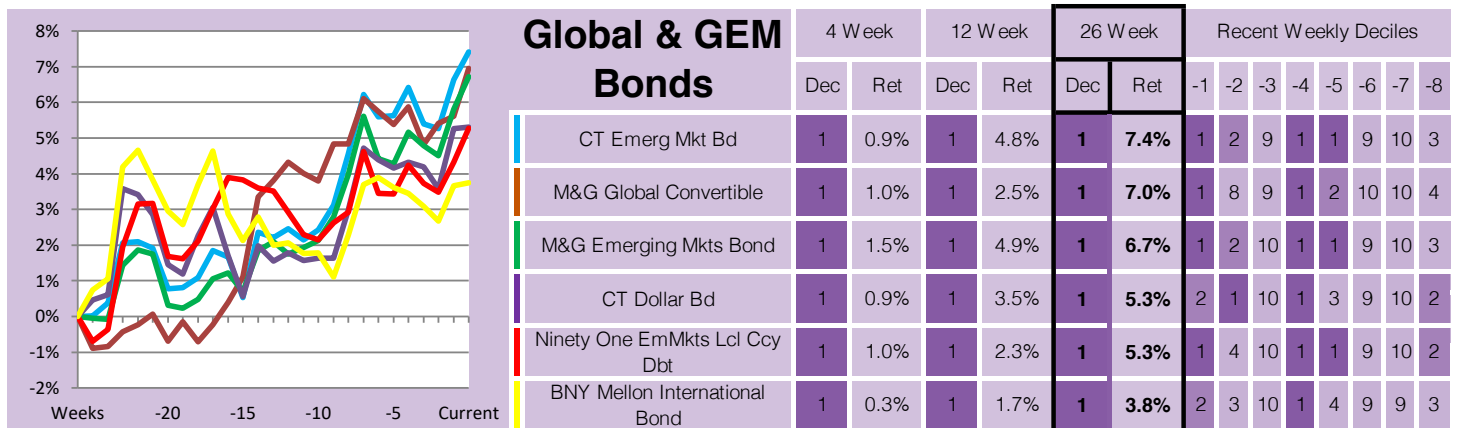
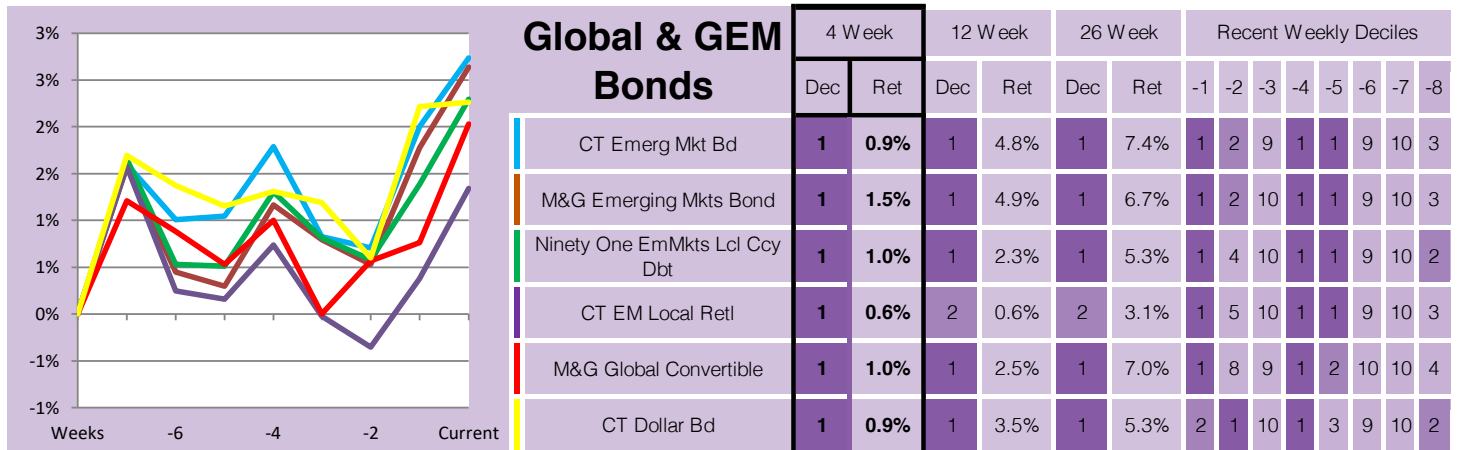
[www.theinvestmentassociation.org](http://www.theinvestmentassociation.org)

# Performance by Saltydog Group - Steady as She Goes

## A new leader of the pack

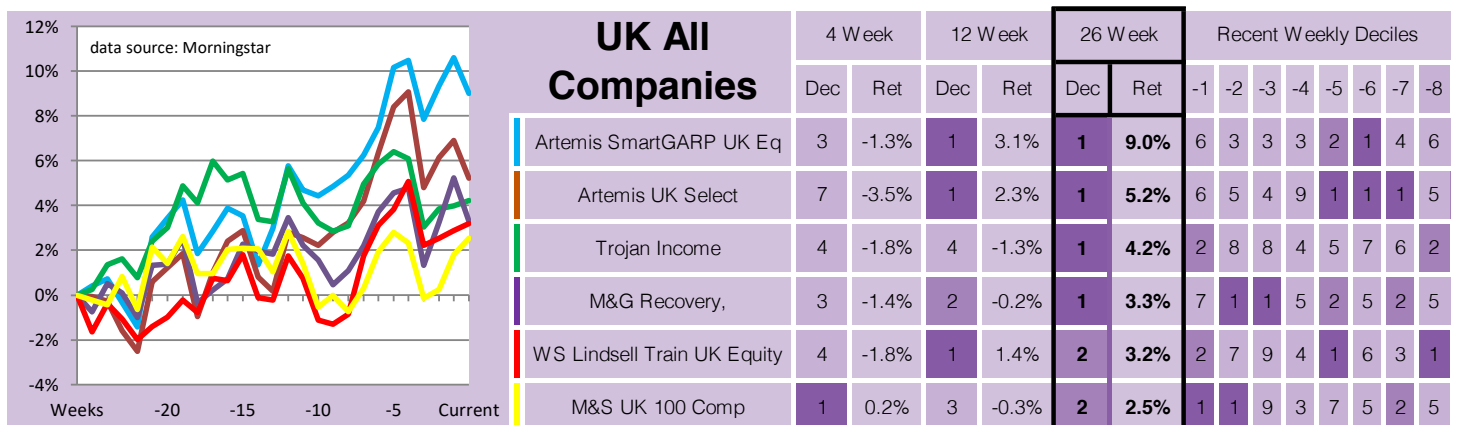
The Global & Global Emerging Market Bond sector was in third place in the October newsletter with a 0.3% four-week return. The following month, it was still in third place, but was showing a 0.5% loss. Last month it slipped to fourth place, but had still gone up by 1.4% in the previous four weeks. This month it's risen to the top spot, even though it's fallen by 0.3% in the last four weeks.

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

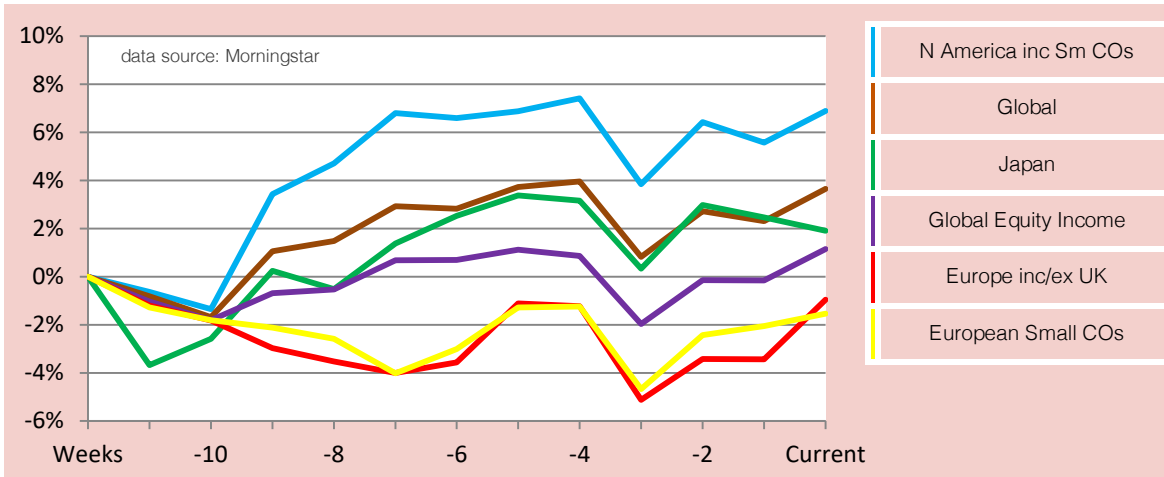


## From first to fifth

The UK All Companies sector was in fourth place in the September newsletter, but at least it had gone up by 0.8% in the previous four weeks. A month later and it was still in fourth place, but now showing a four-week loss of 0.1%. In November it was in fourth place again, but down 0.9% in four weeks. Last month it jumped to the top of the table, with a four-week gain of 4.3%, but in the last four weeks it has fallen by 3.2% and has dropped to fifth place in the table.



# 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
Global Equity Income	0.2%	1.1%	6.1%	1.3%	0.0%	1.8%	-2.8%	-0.3%	0.4%	0.0%	1.2%
Europe inc/ex UK	0.1%	-1.2%	-3.0%	2.5%	0.0%	1.7%	-3.9%	-0.1%	2.5%	0.4%	-0.5%
Global	-0.4%	3.6%	5.3%	1.3%	-0.4%	1.9%	-3.1%	0.2%	0.9%	-0.1%	1.4%
European Small COs	-0.4%	-1.7%	-2.5%	0.5%	0.4%	2.2%	-3.4%	0.0%	1.7%	1.0%	-1.4%
N America inc Sm COs	-0.6%	6.8%	11.5%	1.3%	-0.9%	2.6%	-3.6%	0.5%	0.3%	-0.2%	2.1%
Japan	-1.3%	1.8%	1.3%	-0.5%	-0.5%	2.6%	-2.8%	-0.2%	0.8%	1.2%	1.9%
<b>Average:</b>	<b>-0.4%</b>	<b>1.8%</b>	<b>3.1%</b>	<b>1.1%</b>	<b>-0.2%</b>	<b>2.2%</b>	<b>-3.3%</b>	<b>0.0%</b>	<b>1.1%</b>	<b>0.4%</b>	<b>0.8%</b>

## The Global Equity Income Sector

This is one of the equity sectors classified by the Investment Association. Their definition is:

*“Funds which invest at least 80% of their assets globally in equities. Funds must be diversified by geographic region and intend to achieve a historic yield on the distributable income in excess of 110% of the MSCI World Index yield at the fund’s year end.”*

Funds are tested over three year rolling periods by taking a simple average of the yield achieved for each fund at its year end. Funds which failed the test are then reclassified.

## Overall Group Performance

In the November newsletter, the overall Group four-week average was a gain of 0.2%, and last month it was a further rise of 2.3%. However, in the last four weeks we have seen a 0.4% loss.

In the first quarter of 2024, all sectors made three-month gains. The best-performing sector was North America, with a three-month return of 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 had also fallen.

In quarter three, all of these sectors went up apart from North America, which only fell by 0.1%.

Global Equity Income had done the best, up 2.4% in three months.

Unfortunately, by the November newsletter, only three sectors were up over four weeks. The American sector was in the top spot, with a 5.2% four-week return.

In last month’s issue, all sectors made gains and the American sector continued to lead the way, with a further 3.5% gain.

This month only two sectors are up over the last four 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.

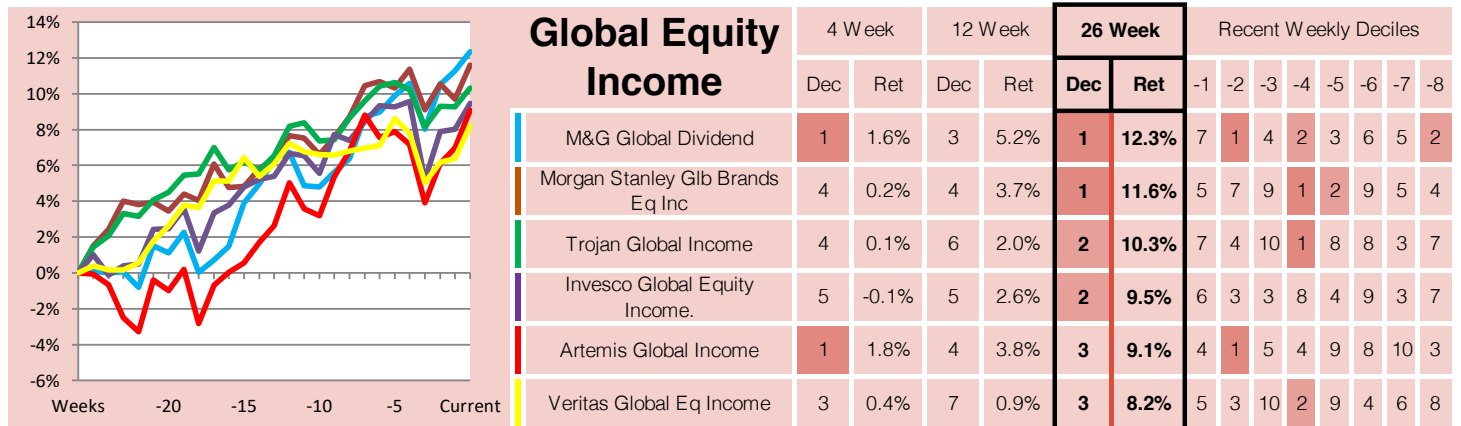
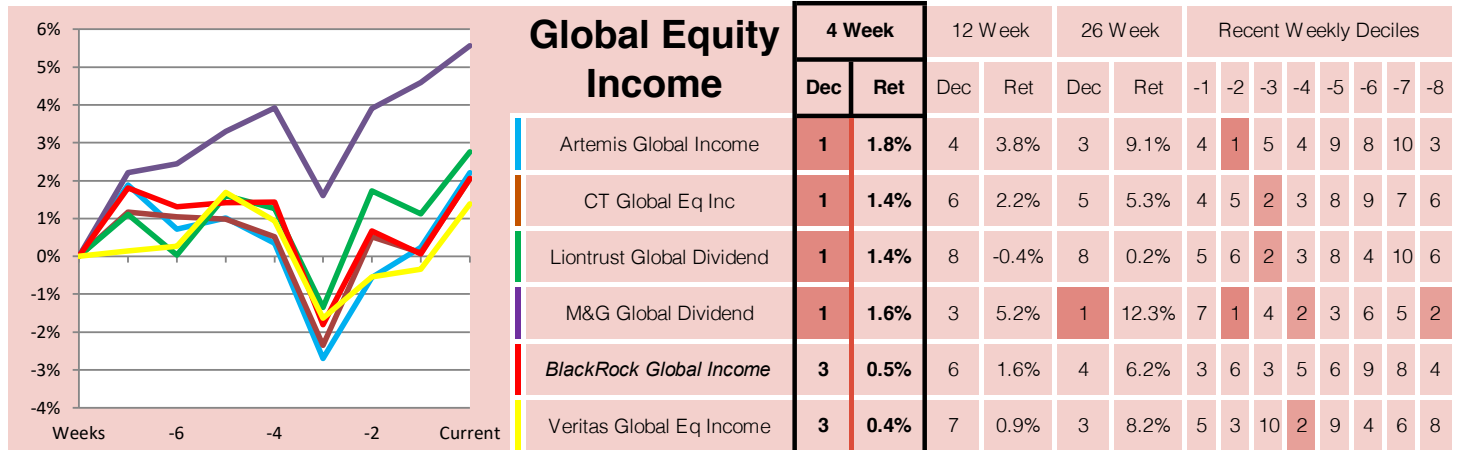
We also include the ‘Property’ sector in this Group.

# Performance of the Full Steam Ahead Developed Group

## All change at the top

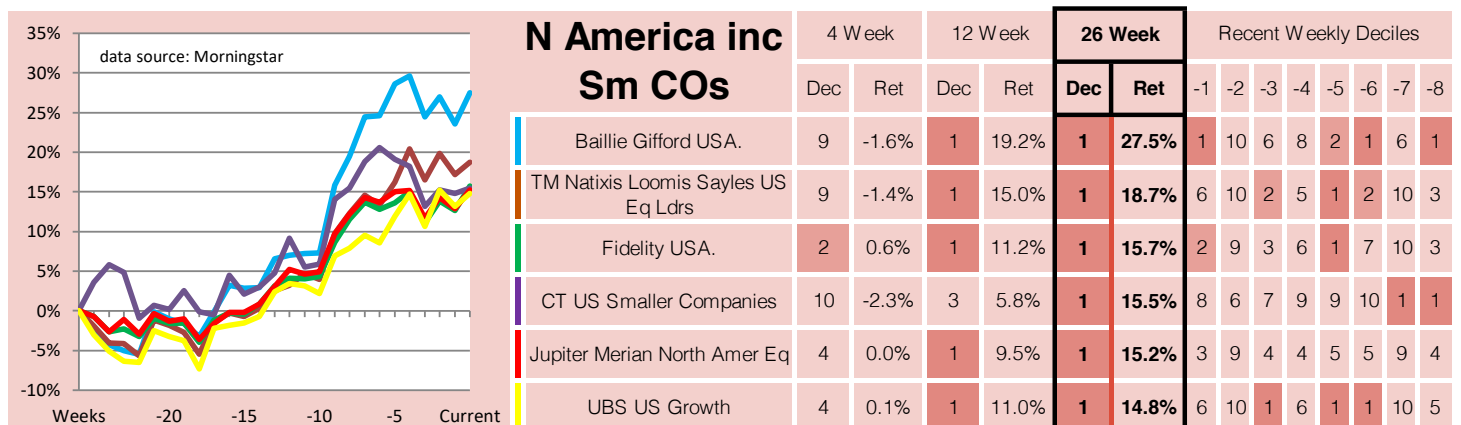
The Global Equity Income sector was in third place in the October newsletter, having risen by 3.2% in the previous four weeks. The following month it was still in third place, but its four-week return had fallen to 0.4%. Last month it dropped to fourth place, but with a four-week gain of 1.9%. In the last four weeks it has only gone up by 0.2%. However, that's still enough to put it in first place.

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



## No longer the top dog

The combined North America and North American Smaller Companies sector was at the top of the table in the July issue. Then in August it dropped to third place, with a four-week loss of 2.8%, and by September it had fallen all the way to last place, down 0.8%. However, in October it was back at the top of the table, with a 4.4% four-week return, and it was still there a month later, having gained a further 5.2%. Last month it was still at the top of the table, with a four-week return of 3.5%. This month it's dropped to fifth, with a 0.6% four-week loss.



# 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	0.3%	10.2%	7.6%	1.1%	-0.3%	2.6%	-3.0%	1.3%	3.6%	-1.5%	2.3%	
Asia Pacific inc/ex Japan	-1.2%	-1.6%	1.1%	-0.2%	0.0%	1.4%	-2.4%	0.9%	1.1%	-1.5%	2.1%	
Gbl Emerging Markets	-1.5%	-1.8%	-0.2%	-0.1%	0.0%	0.9%	-2.3%	1.4%	1.7%	-2.1%	1.6%	
China/Greater China	-3.3%	-4.6%	6.7%	-2.1%	-1.9%	0.9%	-0.3%	1.4%	1.7%	-0.7%	-0.8%	
<b>Average:</b>	<b>-1.4%</b>	<b>0.6%</b>	<b>3.8%</b>	<b>-0.3%</b>	<b>-0.6%</b>	<b>1.5%</b>	<b>-2.0%</b>	<b>1.3%</b>	<b>2.0%</b>	<b>-1.4%</b>	<b>1.3%</b>	

## 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 0.1% in the November newsletter. Last month it was up a further 0.1%, but this month it’s down 1.4%.**

In the first quarter of this year, most of the sectors in this Group went up. The only exception was the China/Greater China sector, which fell by 0.5%. Tech & Tech Innovation rose by 11.2%.

All of the sectors went up in the second quarter. The Asia Pacific excluding Japan sector had the best three-month return, up 5.3%, but Tech & Tech Innovation wasn’t far behind, up 5.1%.

In quarter three we saw further gains for most sectors, but it was a bit of a bumpy ride. All of the sectors went down in July and

August, but in September China bounced back, ending the quarter up 12.7%. This also boosted the Asia Pacific and Global Emerging Market sectors, but the Tech & Tech Innovation sector didn’t recover and ended the quarter down 4.8%.

However, in November’s newsletter, Tech & Tech Innovation was the only sector showing a four-week gain, up 4.0%. It was a similar story last month, though it had gone up by 4.2%. This month it’s still the only sector that’s gone up in the last four weeks, but it’s only made a gain of 0.3%.

## 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.

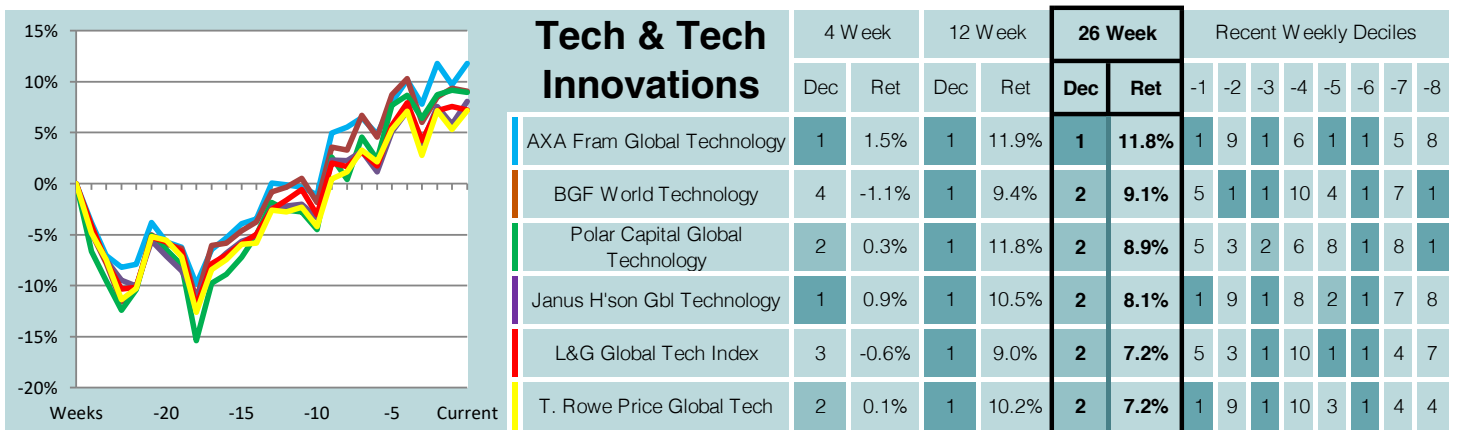
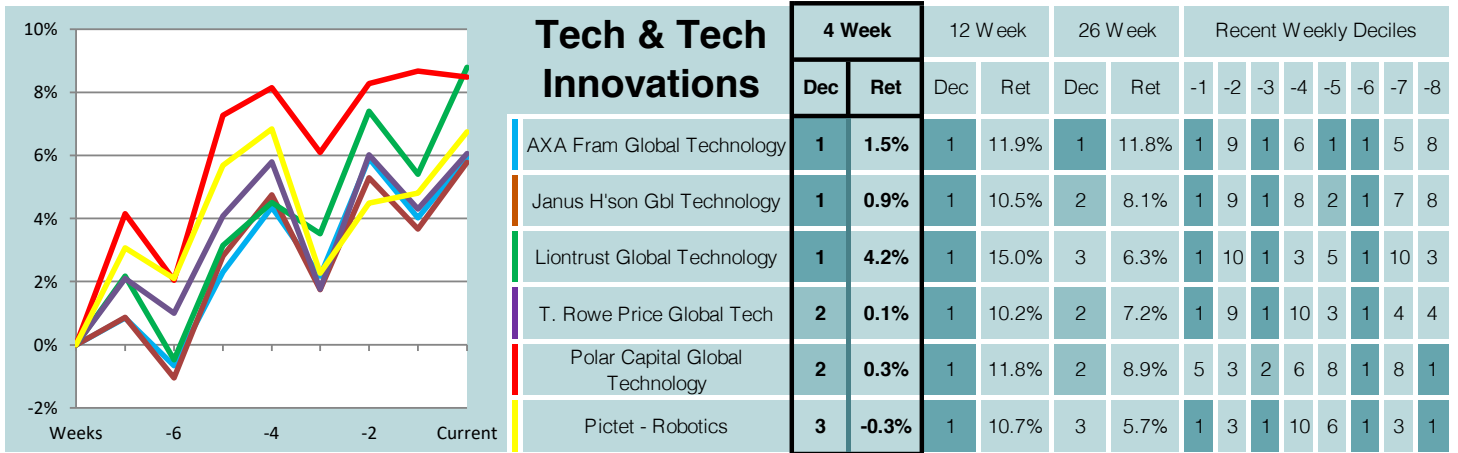


# Performance of the Full Steam Ahead Emerging Group

## Still in the lead

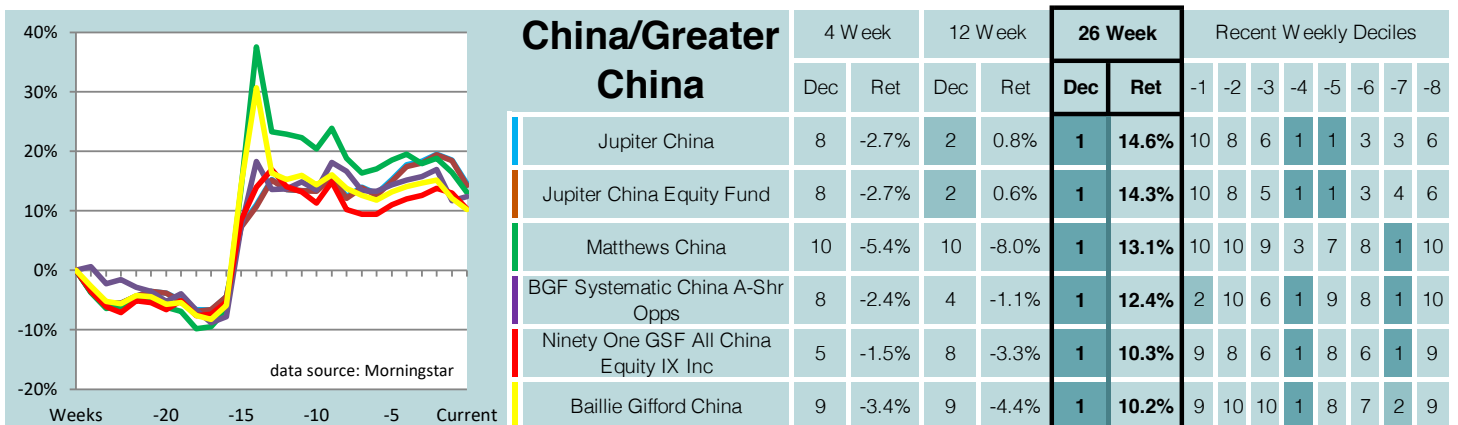
The Technology & Technology Innovation sector was in first place in the June and July newsletters, Unfortunately, in August it wasn't looking so clever. It had dropped to the bottom of the table, with a four-week loss of 10.2%, wiping out its gains from the previous twenty-six weeks. In September's edition it moved up to third place, even though it had lost a further 2.4%. A month later it was showing an impressive 8.3% four-week gain, but still dropped down the table as other sectors had done even better. By November it was back at the top of the table, having gained 4.0% in the previous four weeks, and last month it was still in pole position, up 4.2%. This month it's still at the top of the table, but its four-week return has dropped to 0.3%.

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

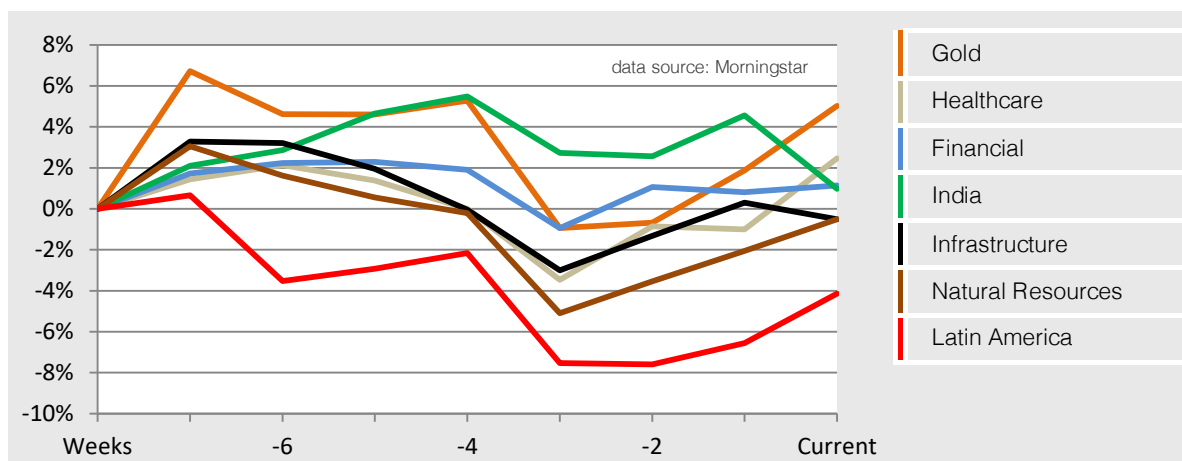


## Another month at the bottom

In October's newsletter, the China/Greater China sector was at the top of the table, having risen by a staggering 31.8% in the previous four weeks. The following month it dropped to last place, down 1.7% in four weeks. Last month it was also at the bottom of the table, down 3.2%, and it's still there this month, with a 3.3% four-week loss.



## 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
Healthcare	2.3%	-2.6%	-1.7%	3.5%	-0.1%	2.6%	-3.5%	-1.4%	-0.8%	0.7%	1.4%
Natural Resources	-0.4%	-0.9%	-0.5%	1.5%	1.5%	1.6%	-4.9%	-0.8%	-1.1%	-1.4%	3.1%
Infrastructure	-0.5%	-3.1%	3.3%	-0.8%	1.6%	1.7%	-3.0%	-2.0%	-1.3%	-0.1%	3.3%
Gold	-0.5%	-5.0%	5.0%	3.1%	2.6%	0.3%	-6.2%	0.7%	0.0%	-2.1%	6.7%
Financial	-0.8%	5.0%	11.3%	0.3%	-0.3%	2.0%	-2.8%	-0.4%	0.1%	0.5%	1.7%
Latin America	-2.1%	-5.5%	-9.9%	2.4%	1.0%	-0.1%	-5.4%	0.8%	0.6%	-4.2%	0.7%
India	-4.5%	-2.9%	-0.7%	-3.6%	2.0%	-0.2%	-2.7%	0.8%	1.8%	0.8%	2.1%
<b>Average:</b>	<b>-0.8%</b>	<b>-1.9%</b>	<b>0.9%</b>	<b>0.8%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>-3.6%</b>	<b>-0.3%</b>	<b>-0.1%</b>	<b>-0.7%</b>	<b>2.4%</b>

## Overall Performance

Last month, the SubZone four-week average was a **0.8% gain**, although only four of the SubZones had gone up. This month it's a **0.8% gain**.

In the August newsletter, Healthcare was the leading SubZone, up 2.3%, followed by Infrastructure, which had risen by 2.1%. Then it was India, which had gone up by 0.9%. All of the other SubZones were showing four-week losses.

Financial moved to the top of the table in the September issue, with a four week return of 2.9%. Meanwhile, India had dropped to fifth with a 0.6% loss.

In October, Gold moved up to the top spot, with a 7.8% gain. The Financial SubZone was in fourth

place, with a four-week return of 1.5%, and India was fifth, up 0.2%.

A month later, Financial was the top SubZone, up 4.1%, followed by Gold, up 1.7%. All of the other SubZones had gone down in the previous four weeks.

Last month India jumped back to the top of the table, followed closely by Financial.

This month, Healthcare is back at the top of the SubZone table, although BGF World Energy, from the Natural Resources SubZone, is the top-performing fund.

## BGF World Energy

The Blackrock Global Funds (BGF) World Energy fund was launched on the 31st October 2002.

It is domiciled in Luxembourg, and its portfolio value is currently over £2 billion.

Its Investment Policy is to invest in the shares of companies involved in the exploration, development, production and distribution of energy.

Its largest holdings are currently in the large multinational oil companies like Shell, Conocophillips, Exxon Mobil, Chevron, BP and Total.

## 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.

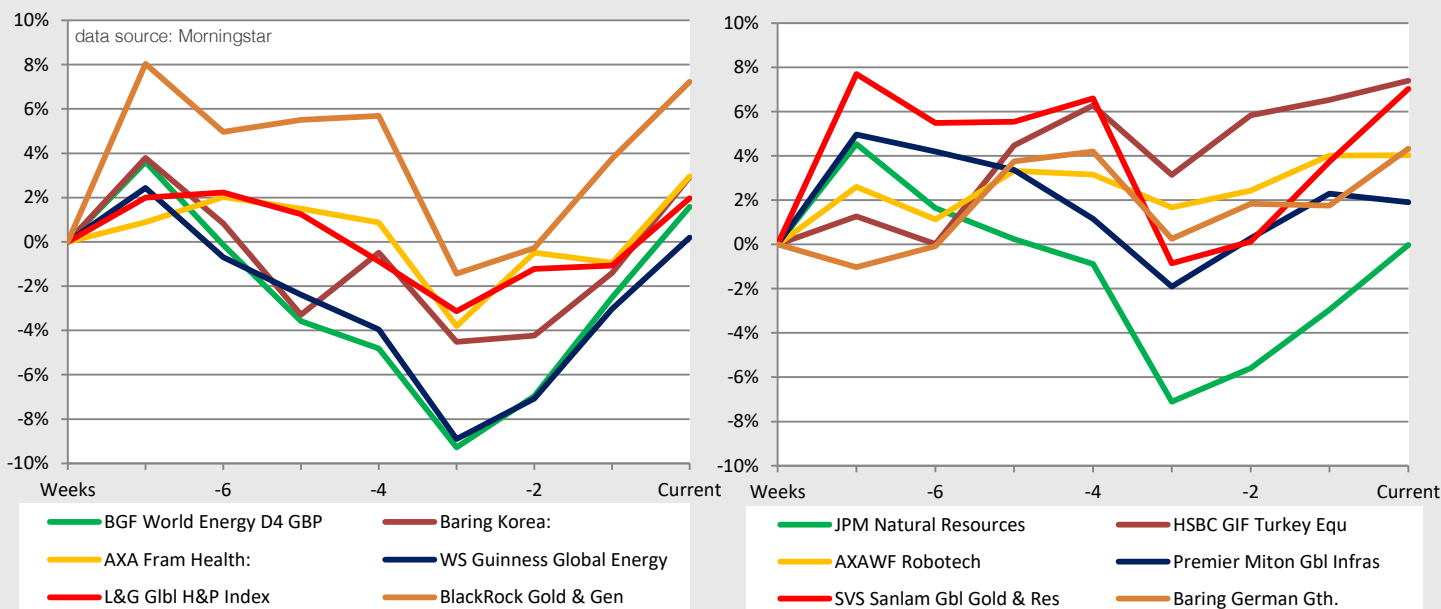
In total we analyse around 65 funds in this sector, most of which do not fall within one of the SubZones.

# 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
BGF World Energy D4 GBP	Nat Res	1	6.3%	1	7.6%	3	5.7%	1	1	2	8	8	10	10	3
Baring Korea:		1	3.2%	6	-2.0%	10	-9.6%	1	2	9	7	1	10	9	2
AXA Fram Health:	Healthcare	1	1.9%	6	-2.2%	8	-2.4%	1	10	1	8	7	7	1	9
WS Guinness Global Energy	Nat Res	1	4.0%	3	2.2%	8	-2.4%	2	1	3	9	9	10	10	5
L&G Gbl Health&Pharma Index	Healthcare	1	2.8%	7	-3.1%	7	-1.0%	2	8	3	2	10	8	5	6
<b>BlackRock Gold &amp; General</b>	Gold	2	1.1%	8	-3.7%	2	6.8%	1	1	6	10	4	4	10	1
JPM Natural Resources.	Nat Res	2	0.6%	6	-2.2%	8	-2.8%	2	2	5	10	8	9	9	1
HSBC GIF Turkey Equity		2	1.0%	1	18.1%	9	-6.9%	5	6	1	5	1	1	8	8
AXAWF Robotech		2	0.8%	2	6.9%	5	2.0%	6	3	8	1	5	2	8	4
Premier Miton Global Infrastructure Inc	Infrastructure	2	0.7%	3	1.1%	1	12.2%	7	2	3	5	10	7	7	1
SVS Sanlam Global Gold & Res	Gold	3	0.0%	8	-4.1%	4	4.1%	2	1	7	10	2	6	9	1
Baring German Growth.		3	0.0%	2	3.3%	3	4.5%	2	8	4	7	3	1	2	10
<b>BlackRock Ntrl Resources</b>	Nat Res	3	0.1%	5	-0.8%	7	-0.2%	3	3	3	10	8	7	9	2
Stewart Inv APAC Ldrs Sstby		3	0.4%	3	0.5%	5	1.7%	4	7	7	3	2	2	8	4
First Sentier Gbl Lstd Infrastructure	Infrastructure	3	0.4%	4	0.0%	2	7.1%	6	4	5	3	9	10	4	2
Ninety One Global Gold	Gold	4	-0.2%	10	-7.3%	4	4.5%	1	1	9	10	2	6	10	1
Janus H'son Gbl Financials	Financial	4	-0.2%	1	8.6%	1	20.2%	5	10	2	5	5	6	4	7
FTF ClearBridge Global Infrs	Infrastructure	4	-0.2%	8	-3.4%	4	4.4%	7	3	5	4	10	8	7	3
Pictet-Biotech		4	-0.3%	8	-4.3%	10	-7.5%	7	6	4	2	10	10	1	7
WS Macquarie Global Infrs,	Infrastructure	4	-0.2%	5	-0.4%	3	6.6%	9	4	4	2	9	8	7	3
AXA Framlington FinTech	Financial	5	-0.7%	2	5.2%	1	12.3%	4	9	2	6	4	7	6	6
Jupiter Global Financial Inovation	Financial	5	-0.3%	1	12.9%	1	12.2%	4	10	1	7	6	2	3	6
AXA Fram Biotech:		5	-0.7%	9	-5.4%	9	-5.2%	4	10	1	9	7	9	1	10
Jupiter Financial Opps	Financial	5	-0.3%	2	4.5%	2	9.7%	5	9	1	6	8	6	3	8
<b>CG Absolute Return</b>		5	-0.3%	4	-0.1%	5	1.4%	8	7	9	1	6	5	5	10
BGF Sustainable Energy		6	-1.0%	7	-2.7%	9	-4.8%	6	5	2	8	7	8	5	8
<b>BlackRock Dynamic Diversified</b>		6	-1.0%	4	0.3%	5	2.2%	6	8	6	2	5	3	5	9
Polar Capital Smart Energy		6	-1.0%	2	6.5%	2	7.4%	7	7	3	6	2	1	8	2
Invesco Global Financial Capital	Financial	6	-0.7%	3	0.6%	4	3.2%	7	9	9	1	4	4	3	10

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



# No Santa Rally in 2024 as most sectors post losses in December

After the first nine months of the year, nearly all of the sectors that we track were showing gains. Unfortunately, only twelve went up in October, but most then rallied in November. December was the worst month of the year.

Only eight out of the thirty-four sectors that we report on each month went up in December.

As we would have expected, the two Money Market sectors made

further gains, but only one sector from the 'Slow Ahead' Group, £ High Yield, went up. All of the sectors in the 'Steady as She Goes' Group posted one-month losses.

Only one sector in the Full Steam Ahead Developed went up. The best-performing Group was Full Steam Ahead Emerging, with the China/Greater China sector leading the way.

## Investment Association Sector Returns December 2024

Safe Haven	% Rtn	Full Steam Ahead - Developed	% Rtn
Standard Money Market	0.4	Japan	0.1
Short Term Money Market	0.3	Europe Excluding UK	-0.1
Slow Ahead	% Rtn	European Smaller Companies	-0.3
£ High Yield	0.3	Europe Including UK	-1.2
£ Strategic Bond	-0.5	Global Equity Income	-1.7
£ Corporate Bond	-0.6	Global	-1.8
Mixed Investment 0-35% Shares	-1.0	North America	-2.3
Mixed Investment 20-60% Shares	-1.0	North American Smaller Companies	-6.2
Mixed Investment 40-85% Shares	-1.1	Full Steam Ahead - Emerging	% Rtn
Steady as She Goes	% Rtn	China/Greater China	2.6
Global & GEM Bonds*	-0.5	Tech & Tech Innovations	1.1
UK Direct Property	-0.5	Global Emerging Markets	0.9
UK Smaller Companies	-0.6	Asia Pacific Excluding Japan	0.1
Flexible Investment	-1.0	Asia Pacific Including Japan	-0.4
UK Equity Income	-1.2	Specialist / Thematic	% Rtn
UK All Companies	-1.4	India/Indian Subcontinent	0.0
UK Gilts	-2.3	Financials and Financial Innovation	-3.1
UK Index Linked Gilts	-5.2	Infrastructure	-4.3
* The Global & GEM bonds figure is calculated by taking an average of all the non-UK bond sectors.		Latin America	-4.4
		Healthcare	-4.7

Data Source : Morningstar

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## WHAT'S HOT AND WHAT'S NOT

### GOING UP

FTSE 100 at a record high

US dollar strengthens

UK gilt yields soar

Octopus becomes UK's largest energy provider

GB win 4-man Gold in Bobsleigh World Cup

### GOING DOWN

UK retail sales fall in December

Tulip Siddiq resigns

UK housebuilding falls for third month

LA devastated by wildfires

David Lynch - RIP

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