



saltydog

INVESTOR

Successful trend investing

March 2025

US tariffs trigger Trump slump

Immediately after Donald Trump's decisive election victory, US stocks surged. Unfortunately, in the past few weeks, those gains have been wiped out.

At the end of October, just before the presidential election, the S&P 500, widely seen as a key barometer of the US stock markets, closed at 5,705. Trump's victory was initially viewed as positive for markets, with investors expecting a continuation of his business-friendly policies. On 19th February, the S&P 500 peaked, closing at 6,144, up 7.7% in under four months.

However, that momentum has now reversed sharply. The S&P 500 has dropped below 5,640, an 8.2% fall from its peak, taking it below pre-election levels.

As is often the case, the swings in the technology-focused Nasdaq have been even more pronounced

A key feature of Trump's campaign was the close relationship-building between his team and the leaders of

major US technology companies. The most notable was with Elon Musk, owner of Tesla and X (formerly Twitter), and the world's richest man. Musk donated over \$100 million to Trump's campaign and appeared alongside him at several key rallies. Following Trump's election, Musk was appointed head of the newly created Department of Government Efficiency (DOGE). Trump also engaged with Apple's Tim Cook, Google's Sundar Pichai, Meta's Mark Zuckerberg, and Amazon's Andy Jassy, many of whom attended his inauguration.

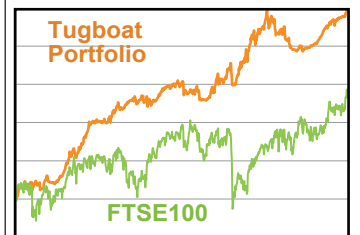
The Nasdaq Composite, which tracks over 3,000 stocks, was

just below 18,100 in October. It surged past 19,000 the day after Trump's victory and hit a record 20,174 in mid-December. However, it has since tumbled, closing last week at 17,754, down 12.0% from its peak.

The main issue appears to be Trump's unpredictable approach to tariffs. In January, he announced 25% tariffs on all imports from Mexico and most from Canada. These were confirmed at the end of the month and set to take effect on 4th February. However, on 3rd February, Trump agreed to delay implementation by a

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Our Tugboat portfolio has gone down by 2.7% in the last four weeks. 😞



Average Annual Return 4.7%
Tugboat Portfolio 4 - 5

Ocean Liner 6 - 7

This portfolio has fallen by 5.9% over the last four weeks. 😞

Sector Performance 2025

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

Senate finally passes funding bill

Saltyblog 8

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

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**Nasdaq down 12%
in three months**

US tariffs trigger Trump slump

> Continued from p1

month after negotiations with the Canadian Mexican Presidents. The markets welcomed the delay, but the tariffs ultimately went ahead in March.

On 4th February, the Trump administration imposed a 10% tariff on all imports from China, increasing to 20% in March. Tariffs have also been put on all imported steel and aluminium.

Although some tariffs have since been rolled back, market confidence has yet to recover. While Trump argues they will help curb illegal immigration and drug trafficking, investors worry they could do more harm than good. Uncertainty remains over how long these tariffs will remain in place and whether further restrictions will be introduced.

The fear is that a global trade war could tip the US into a recession. When asked about this in a recent Fox News interview, Trump refused to rule it out, saying: "I don't like to make predictions like that. We're in a transition phase because what we're doing is monumental. We're bringing wealth back to America. It takes time, but I think it's going to be good for us in the end."

It wasn't the reassurance markets were hoping for.

Stock Market Update

After a reasonable January, most of the global stock markets we monitor fell in February, though it wasn't all bad news. The standout performer was Hong Kong's Hang Seng, which posted a one-month return of 13.4%,

while the Shanghai Composite ended the month up 2.2%.

European indices also had a strong start to the year. By the end of February, the Paris CAC 40 had risen by 9.9%, and the Frankfurt DAX was up 13.3%. Both continued to make gains into the first week of March.

Closer to home, the FTSE 100 finished the month at an all-time high, adding 1.6% to its 6.1% gain from January. Unfortunately, the more domestically focused FTSE 250 has had a tougher couple of months. It rose 1.6% in January but then fell by 3.0% in February.

Across the Atlantic, US markets also struggled in February after a buoyant January. The S&P 500 fell by 1.4%, the Dow Jones Industrial Average lost 1.6%, and the Nasdaq dropped 4.0%.

Other markets faced similar challenges. Brazil's Ibovespa and India's Sensex fell by 2.6% and 5.6%, respectively, while Japan's Nikkei 225 had an especially difficult month, losing 6.1%.

So far, March has also been disappointing, particularly for developed markets. After two weeks, the FTSE 250 has lost a further 1.6%, and the FTSE 100 has dropped 2.0%, reversing February's gain. In the US, all three major indices have fallen by more than 5%.

Emerging markets have fared better. The Indian Sensex is up 0.9%, and Brazil's Ibovespa has made an impressive 5.0% gain. Hong Kong's Hang Seng, which surged 13.4% in February, has added another 4.4%, while the Shanghai Composite has risen by 3.0%.

Index	1st Jan to 31st March	1st April to 30th June	1st July to 30th Sept	1st Oct to 31st Dec	January	February	1st to 14th March
FTSE 100	2.8%	2.7%	0.9%	-0.8%	6.1%	1.6%	-2.0%
FTSE 250	1.0%	2.0%	3.8%	-2.0%	1.6%	-3.0%	-1.6%
Dow Jones Ind Ave	5.6%	-1.7%	8.2%	0.5%	4.7%	-1.6%	-5.4%
S&P 500	10.2%	3.9%	5.5%	2.1%	2.7%	-1.4%	-5.3%
NASDAQ	9.1%	8.3%	2.6%	6.2%	1.6%	-4.0%	-5.8%
DAX	10.4%	-1.4%	6.0%	3.0%	9.2%	3.8%	1.9%
CAC40	8.8%	-8.9%	2.1%	-3.3%	7.7%	2.0%	-1.0%
Nikkei 225	20.6%	-1.9%	-4.2%	5.2%	-0.8%	-6.1%	-0.3%
Hang Seng	-3.0%	7.1%	19.3%	-5.1%	0.8%	13.4%	4.4%
Shanghai Composite	2.2%	-2.4%	12.4%	0.5%	-3.0%	2.2%	3.0%
Sensex	2.0%	7.3%	6.7%	-7.3%	-0.8%	-5.6%	0.9%
Ibovespa	-4.5%	-3.3%	6.4%	-8.7%	4.9%	-2.6%	5.0%

Data source: Morningstar

Membership Scheme

If you know someone else who would be interested in making the most of their investments, please go to the 'membership scheme' section of our website www.saltydoginvestor.com 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.

In last January's newsletter, the Tug had 80% in the 'Safe Haven' Group, the Ocean Liner had 60%, and the Speedboat had 40%.

During the first half of the year, we continued to reduce our 'Safe Haven' allocation as overall sector performance improved. By July, it had fallen to 40% in the Tug, 20% in the Ocean Liner, and 10% in the Speedboat.

We then experienced a period of volatility, with stock markets falling sharply, recovering, and then dropping back down again.

In quarter three, the number of sectors making gains gradually declined - 26 out of 34 in July, 24 in August, then 22 in September.

By October, only 12 sectors were rising. In response, we reduced our equity exposure and increased our cash holdings. Markets rallied in November, only to ease back in December.

January, however, was much more positive, and our analysis showed that nearly all sectors were showing gains over four, twelve, and twenty-six weeks. As a result, we significantly reduced the 'Safe Haven' allocation across all portfolios.

Unfortunately, conditions have deteriorated and we are now back in a position where most sectors are reporting losses over four weeks. All portfolios are now looking slightly more defensive.

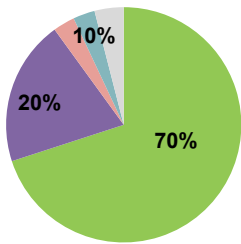
Our example portfolios

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.

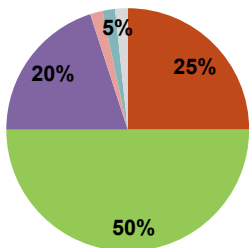
Most sectors made gains in November, but then fell in December. January ended up being much more encouraging, but unfortunately February wasn't great and March hasn't started well. However, some sectors are still heading in the right direction.

Portfolio 1 - The Tug

Optimum conditions

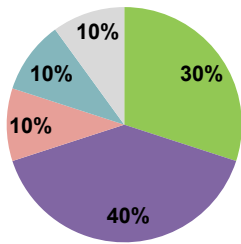


Market conditions
12/03/2025

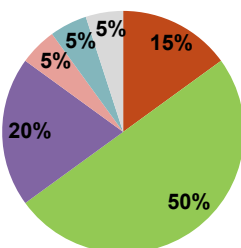


Portfolio 2 - The Ocean Liner

Optimum conditions

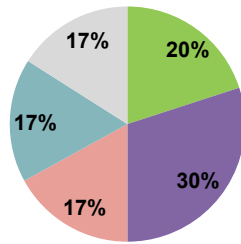


Market conditions
12/03/2025

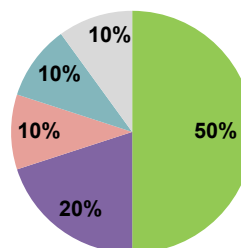


Portfolio 3 - The Speedboat

Optimum conditions



Market conditions
12/03/2025



- 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.

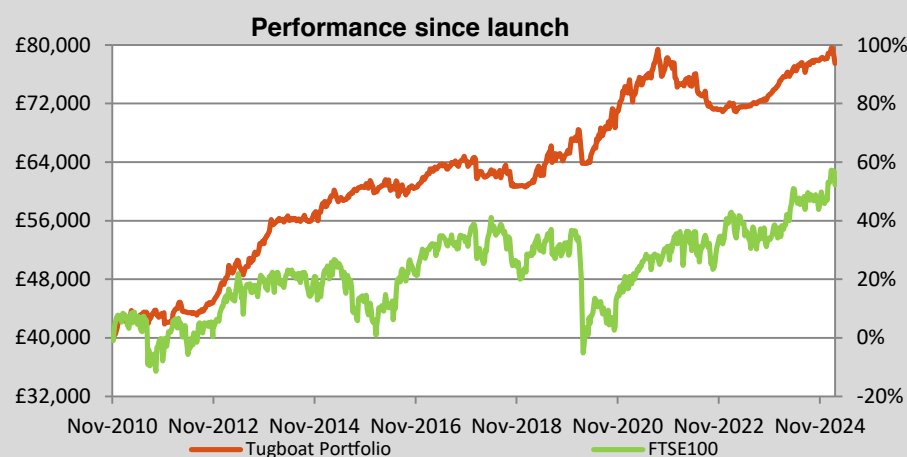
The aim is to run it in such a way that it avoids any major market falls, but also makes gains when they rise.

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 £77,000.

Returns

Portfolio Launch Date	23/11/2010	Return in the last 4 weeks	-2.7%
Initial Investment	£40,042	Return in the last 3 months	-1.1%
Current Value	£77,457	Return in the last 6 months	0.2%
Return since launch	93.4%	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	115	£11,295	£10,551	£744	7.1%	14.6%
28/09/2023	Schroder High Yield Opportunities	Slow	115	£12,048	£11,000	£1,048	9.5%	15.6%
14/11/2024	Baillie Gifford High Yield Bond	Slow	297	£12,106	£12,000	£106	0.9%	15.6%
15/08/2024	L&G Strategic Bond	Slow	130	£8,304	£8,000	£304	3.8%	10.7%
29/11/2024	Vanguard LifeStrategy 80% Equity	Slow	30,290	£7,629	£8,000	£-371	-4.6%	9.8%
12/12/2024	Liontrust Balanced	Slow	253	£5,165	£5,710	£-545	-9.5%	6.7%
06/07/2023	MI TwentyFour AM Monument Bond	Steady	16,827	£7,609	£7,000	£609	8.7%	9.8%
06/02/2025	Artemis Income	Steady	720	£2,879	£3,000	£-121	-4.0%	3.7%
05/12/2024	Janus Henderson Global Financials	Specialist	1,019	£2,502	£2,500	£2	0.1%	3.2%
	Cash			£7,920				10.2%
	Total Portfolio Value			£77,457				

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

This week we are selling the Vanguard LifeStrategy 80% Equity fund and the balance of the Liontrust Balanced fund. We are increasing our holding in the TwentyFour AM Monument Bond fund by £5,000

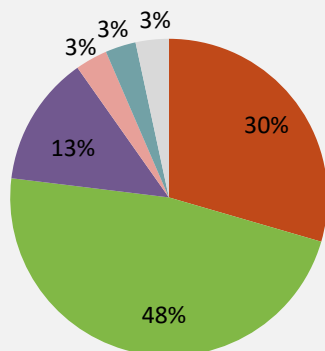
Tugboat Portfolio

Other transactions this month

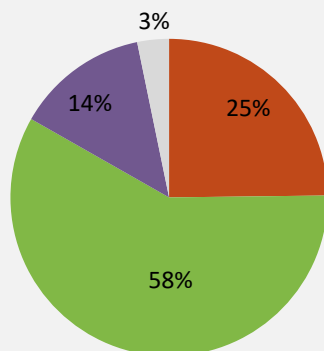
Fund	Group	Value (£)	Transaction	Date
Baillie Gifford High Yield Bond	Slow	£4,000	Increase current holding	13/02/2025
Liontrust Balanced	Slow	£4,000	Increase current holding	13/02/2025
Pictet Robotics	Emerging	£2,323	Sell	27/02/2025
Schroder High Yield Opportunities	Slow	£3,000	Increase current holding	27/02/2025
Fidelity American	Developed	£2,388	Sell	06/03/2025
Liontrust Balanced	Slow	£6,000	Reduce current holding	06/03/2025
Baillie Gifford High Yield Bond	Slow	£4,000	Increase current holding	06/03/2025

Group Allocation

15th February 2025



12th March 2025



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

Last year got off to a slow start. We began with 80% of the portfolio in cash or 'Safe Haven' funds but soon started reducing this and adding to funds from other Groups. By the July newsletter, cash and 'Safe Haven' holdings had fallen to 40%. However, as market conditions worsened, our 'Safe Haven' allocation began to rise again.

After the US election, markets picked up, and we resumed reinvesting - a process that continued until recently. In the past few weeks, American markets have seen a sharp decline, prompting us to rebalance the portfolio.

Why we've done what we've done

'Cash & Safe Haven' - Down from 30% to 25% of the portfolio, but heading back to 35%.

The combined total held in the money market funds and cash has been falling over the past few months, briefly dipping below 20%. However, with market conditions deteriorating sharply in recent weeks, and nearly all sectors posting four-week losses, we have begun increasing our allocation to the 'Safe Haven' again.

'Slow Ahead' - Up from 48% to 58% of the portfolio, but falling to 42%

This time last month, the Mixed Investment 40-85% Shares Sector was the leading sector in the 'Slow Ahead' Group, with a four-week return of 3.2%. We already held the Vanguard LifeStrategy 80% Equity and the Liontrust Balanced funds and were adding to the Liontrust fund. Since then, the sector has fallen by 3.2%, and these funds have dropped sharply. We reduced our holding in the Liontrust Balanced fund earlier in the month and are now selling the rest along with the Vanguard fund. At the same time, we have been increasing our exposure to bond funds.

'Steady as She Goes' - Down from 13% to 14% of the portfolio, soon to be 20%

We are in the process of increasing our holding in the MI TwentyFour AM monument bond. Although it is in the 'Steady as She Goes' Group it is in Vindex 1, which makes it one of the least volatile funds in our analysis. We've held it in this portfolio since July 2023 and it has made steady gains, even when almost everything else has been going down.

'Full Steam Ahead' & Specialist - Down from 9% to 3% of the portfolio.

Since the last newsletter, we have sold the Pictet Robotics and Fidelity American funds, both of which have been hit by the slump in US markets.

Ocean Liner Portfolio

Objective

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

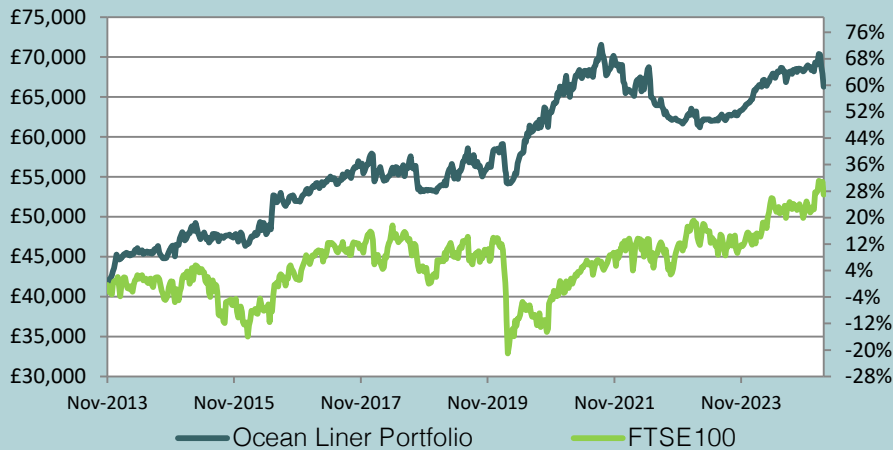
We had been running our cautious 'Tugboat' for three years and wanted to demonstrate how our fund performance data could be used to run a more adventurous portfolio.

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 70%.

Our initial investment of just under £41,500 is now worth over £66,000.

Returns

Portfolio Launch Date	23/11/2013	Return in the last 4 weeks	-5.9%
Initial Investment	£41,452	Return in the last 3 months	-3.9%
Current Value	£66,283	Return in the last 6 months	-2.4%
Return since launch	59.9%	Average Annual Return since launch	4.2%

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	376	£11,327	£10,000	£1,327	13.3%	17.1%
15/08/2024	Man GLG Sterling Corporate Bond	Slow	131	£10,373	£10,000	£373	3.7%	15.7%
28/11/2024	Liontrust Balanced	Slow	253	£4,248	£4,640	£-392	-8.5%	6.4%
28/02/2025	Man High Yield Opportunities	Slow	161	£9,994	£10,000	£-6	-0.1%	15.1%
08/06/2023	MI TwentyFour AM Monument Bond	Steady	16827	£6,662	£6,000	£662	11.0%	10.1%
06/02/2025	Artemis UK Select	Steady	1096	£9,629	£10,000	£-371	-3.7%	14.5%
14/11/2024	Baillie Gifford American	Developed	1464	£4,140	£5,000	£-860	-17.2%	6.2%
05/12/2024	Janus Henderson Global Financials	Specialist	1019	£4,864	£5,000	£-136	-2.7%	7.3%
	Cash			£5,046				7.6%
Total Portfolio Value				£66,283				

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

This week we are selling the Liontrust Balanced fund and the Baillie Gifford American fund. We are investing £2,500 in the Baring German Growth fund and £2,500 in the Baillie Gifford China fund

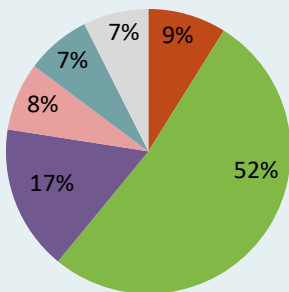
Ocean Liner Portfolio

Other transactions this month

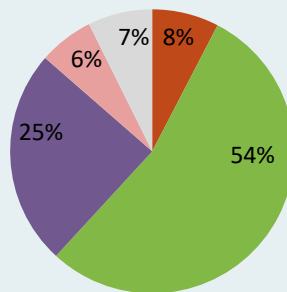
Fund	Group	Value (£)	Transaction	Date
Liontrust Balanced	Slow	£5,000	Increase current holding	13/02/2025
Royal London Sustainable World	Slow	£5,000	Reduce current holding	27/02/2025
Pictet Robotics	Emerging	£2,323	Sell	27/02/2025
Man High Yield Opportunities	Slow	£5,000	Buy	27/02/2025
BFG (Blackrock) World Technology	Emerging	£2,328	Sell	06/03/2025
Royal London Sustainable World	Slow	£4,158	Sell	06/03/2025
Liontrust Balanced	Slow	£10,000	Reduce current holding	06/03/2025
Man Sterling Corporate Bond	Slow	£5,000	Increase current holding	06/03/2025
Man High Yield Opportunities	Slow	£5,000	Increase current holding	06/03/2025
Artemis UK Select	Steady	£5,000	Increase current holding	06/03/2025

Group Allocation

12th February 2025



12th March 2025



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

At the start of last year, 66% of this portfolio was either in cash or invested in Money Market funds. Over the next six months, that figure declined, reaching 20% by the July newsletter.

After that, sector performance deteriorated, leading to an increase in cash holdings. However, following the US election, markets picked up, and we resumed reinvesting. Unfortunately, US markets have suffered a sharp downturn in recent weeks, forcing us to adjust the portfolio once again.

Why we've done what we've done

'Cash & Safe Haven' - Down from 9% to 8% of the portfolio, but rising to 13%.

We sold our holdings in the Money Market funds a while ago, and by the end of February, the cash level had dropped below 2% - the lowest it had been in a long time. Unfortunately, since then market conditions have taken a turn for the worse. We are rebalancing the portfolio and, as a result, I would expect the cash level to rise.

'Slow Ahead' - Up from 52% to 54% of the portfolio, but soon dropping back to 47%.

In last month's newsletter, I reported that we had been reducing our exposure to bond funds in favour of funds from the Mixed Investment 40-85% Shares sector. However, since then the performance of the Mixed Investment 40-85% Shares sector has deteriorated. We have already reduced our exposure to these funds and are in the process of selling the remainder. Meanwhile, we have been adding to our bond fund holdings.

'Steady as She Goes' - Up from 17% to 25% of the portfolio.

This month we have added to the Artemis UK select fund which we bought in early February.

'Full Steam Ahead' & Specialist - Down from 22% to 13% of the portfolio, but soon to be 15%.

We have sold our Technology funds and are in the process of selling the Baillie Gifford American fund. They have all suffered as a result of the sudden downturn in US markets. We are buying the Baring German Growth and Baillie Gifford China funds.

Sector Analysis 2025

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

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. 23 sectors went up in the second quarter, and 29 sectors rose in quarter three. The final quarter was the worst of the year, with only 15 sectors making gains. This year started well with nearly all sectors making gains in January. Unfortunately, it didn't last long and in February the majority of the sectors went down.

Investment Association Sector	2024 Quarterly Returns (%)				2025	
	Q1	Q2	Q3	Q4	Jan	Feb
Safe Haven						
Standard Money Market	1.3	1.3	1.3	1.2	0.4	0.4
Short Term Money Market	1.2	1.2	1.2	1.1	0.4	0.3
Slow Ahead						
£ Strategic Bond	1.0	0.5	3.6	-0.5	1.0	1.0
£ High Yield	2.0	1.3	3.6	1.5	1.1	0.9
£ Corporate Bond	0.3	0.1	2.6	-0.4	1.0	0.7
Mixed Investment 0-35% Shares	1.4	0.7	2.6	-0.4	1.7	0.1
Mixed Investment 20-60% Shares	2.5	1.2	2.3	0.1	2.4	-0.3
Mixed Investment 40-85% Shares	4.2	1.7	1.6	1.2	3.3	-1.2
Steady as She Goes						
UK Gilts	-1.7	-0.6	2.1	-3.1	0.8	0.7
Global & GEM Bonds*	0.1	-0.3	1.5	1.2	1.5	0.2
UK Direct Property	-1.2	0.8	2.0	-1.2	0.4	0.2
UK Equity Income	2.5	4.6	2.8	-1.4	3.6	-0.1
UK Index Linked Gilts	-2.7	-1.8	1.5	-6.8	1.4	-0.5
UK All Companies	2.9	3.9	2.3	-1.2	4.2	-0.6
Flexible Investment	4.5	1.7	1.1	1.7	3.5	-1.5
UK Smaller Companies	1.3	7.3	-0.2	-1.9	-0.9	-3.1
Full Steam Ahead - Developed						
Europe Including UK	5.5	0.0	0.9	-3.7	7.2	1.2
Europe Excluding UK	6.4	-0.7	0.4	-4.0	7.7	0.9
European Smaller Companies	3.2	-0.4	1.4	-3.5	6.1	-0.8
Global Equity Income	6.1	0.6	2.4	1.5	5.0	-0.8
Japan	9.3	-3.6	1.5	1.6	3.0	-2.4
Global	7.9	0.7	0.2	3.6	5.0	-3.3
North America	10.8	1.7	-0.1	8.5	4.6	-3.9
North American Smaller Companies	6.9	-3.3	1.5	7.7	4.6	-8.0
Full Steam Ahead - Emerging						
China/Greater China	-0.5	3.0	12.7	-1.4	1.2	6.0
Global Emerging Markets	3.4	4.1	1.5	-1.1	2.1	-1.4
Asia Pacific Excluding Japan	2.6	5.3	2.9	-1.1	1.7	-1.4
Asia Pacific Including Japan	2.5	2.0	2.7	-0.8	3.0	-2.5
Tech & Tech Innovations	11.0	5.1	-4.8	11.2	5.0	-5.7
Specialist / Thematic						
Infrastructure	-1.5	0.6	7.0	-2.5	1.2	0.9
Financials and Financial Innovation	9.3	-1.8	3.9	11.1	7.2	-2.7
Latin America	-2.7	-13.0	-1.4	-10.1	11.3	-3.4
Healthcare	7.2	-0.6	-1.1	-4.0	7.2	-3.5
India/Indian Subcontinent	5.1	10.6	0.9	0.3	-5.0	-9.4

* 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



Senate finally passes funding bill

The US government has narrowly avoided a shutdown that could have begun at midnight on Friday, 14th March. It's remarkable how often government funding reaches these critical moments. One would think that those in charge should be able to resolve their differences without putting employees at risk of furloughs or forcing them to work without pay.

According to the Congressional Research Service, there have been 14 shutdowns since 1981. Many only lasted a day or two, however the most recent one, which began in December 2018, went on for 35 days. That was during Trump's first term and was triggered by a dispute over his border security plans.

The issue stems from the requirement that Congress allocates funding to government agencies before the start of the fiscal year on 1st October. When this deadline is missed, as it often is, temporary spending bills must be passed to keep operations running.

There's no doubt that opposing Senators see these moments as opportunities to exert political influence, but it seems unfair that essential workers are potentially left in limbo - expected to continue working without knowing when they'll be paid.

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.

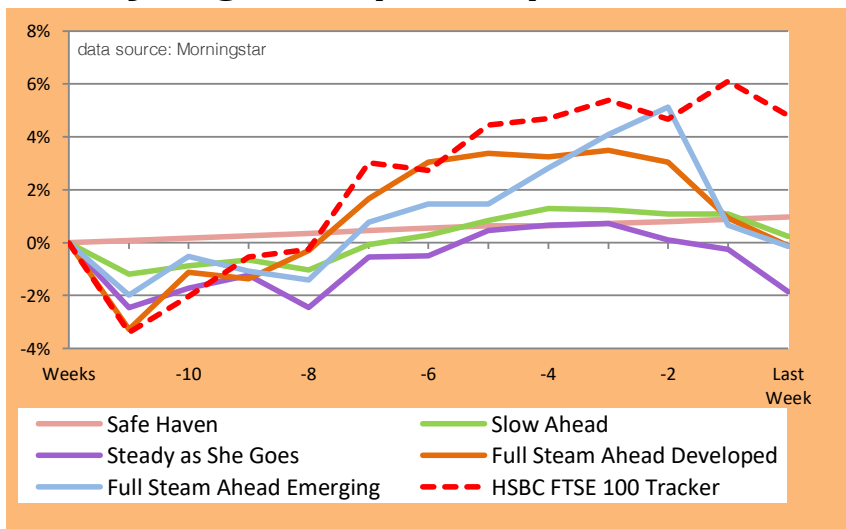
Need more information? Check out the 'How To' guides on our website - saltydoginvestor.com

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



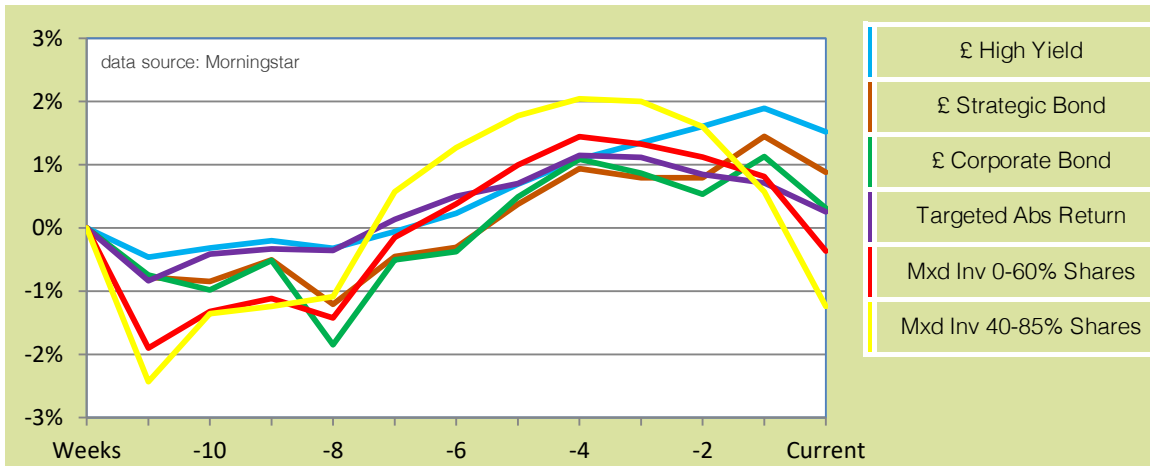
Group Performance for Last Week

Safe Haven	0.08%
Slow Ahead	-0.9%
Steady as She Goes	-1.6%
Full Steam Ahead Developed	-1.0%
Full Steam Ahead Emerging	-0.8%
HSBC FTSE 100 Tracker	-1.3%

Negatives all the way last week apart from the Safe Haven Group which made another small gain.

The Steady Group went down the most last week with a 1.6% loss, followed by the HSBC FTSE 100 Tracker going down 1.3%.

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	0.4%	1.6%	4.3%	-0.4%	0.3%	0.3%	0.3%	0.4%	0.5%	0.3%	0.3%	
£ Strategic Bond	-0.1%	0.9%	1.3%	-0.6%	0.7%	0.0%	-0.1%	0.6%	0.7%	0.1%	0.8%	
£ Corporate Bond	-0.8%	0.4%	0.3%	-0.8%	0.6%	-0.3%	-0.2%	0.6%	0.9%	0.1%	1.3%	
Targeted Abs Return	-0.9%	0.3%	2.3%	-0.5%	-0.1%	-0.3%	0.0%	0.4%	0.2%	0.4%	0.5%	
Mxd Inv 0-60% Shares	-1.8%	-0.4%	1.5%	-1.2%	-0.3%	-0.2%	-0.1%	0.4%	0.6%	0.5%	1.3%	
Mxd Inv 40-85% Shares	-3.2%	-1.3%	3.0%	-1.8%	-1.0%	-0.4%	0.0%	0.3%	0.5%	0.7%	1.7%	
Average:	-1.1%	0.2%	2.1%	-0.9%	0.0%	-0.2%	0.0%	0.5%	0.6%	0.4%	1.0%	

£ 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 a 1.0% loss in the January newsletter. Last month it was a 2.4% gain, but this month it's a 1.1% loss.

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.

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%.

In the final quarter, only three sectors went up. The leading sector was £ High Yield, up 1.5%.

This year didn't start very well, and in January's issue all of the sectors in this Group were showing four-week losses.

Last month was a bit better. All six sectors were showing four-week gains, with the best, Mixed Investment 40-85% Shares, posting a 3.2% return.

This month only one sector, £ High Yield, is up over four weeks, and it's only risen by 0.4%.

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.

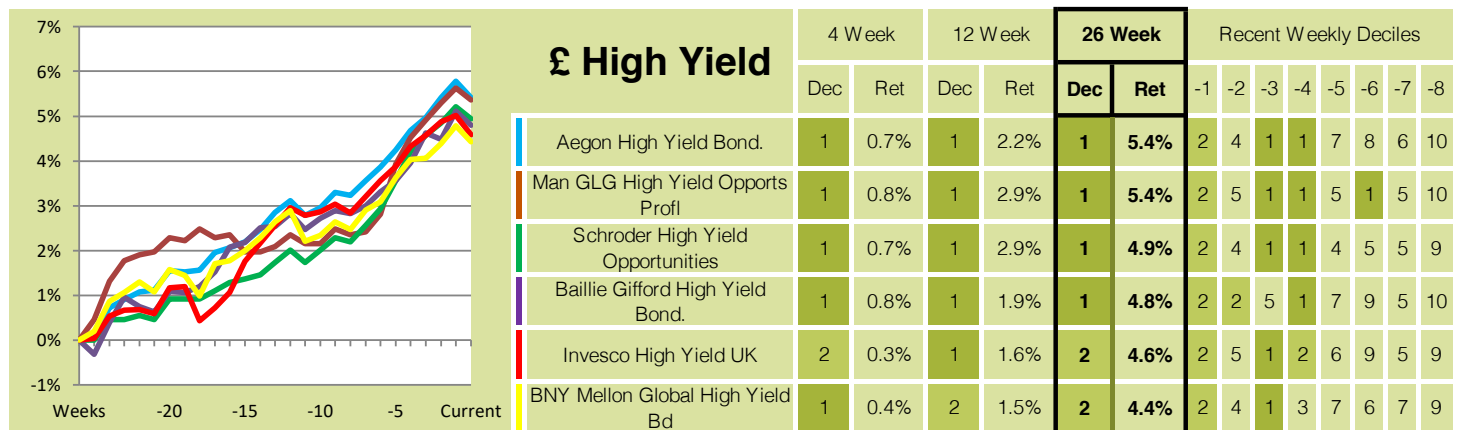
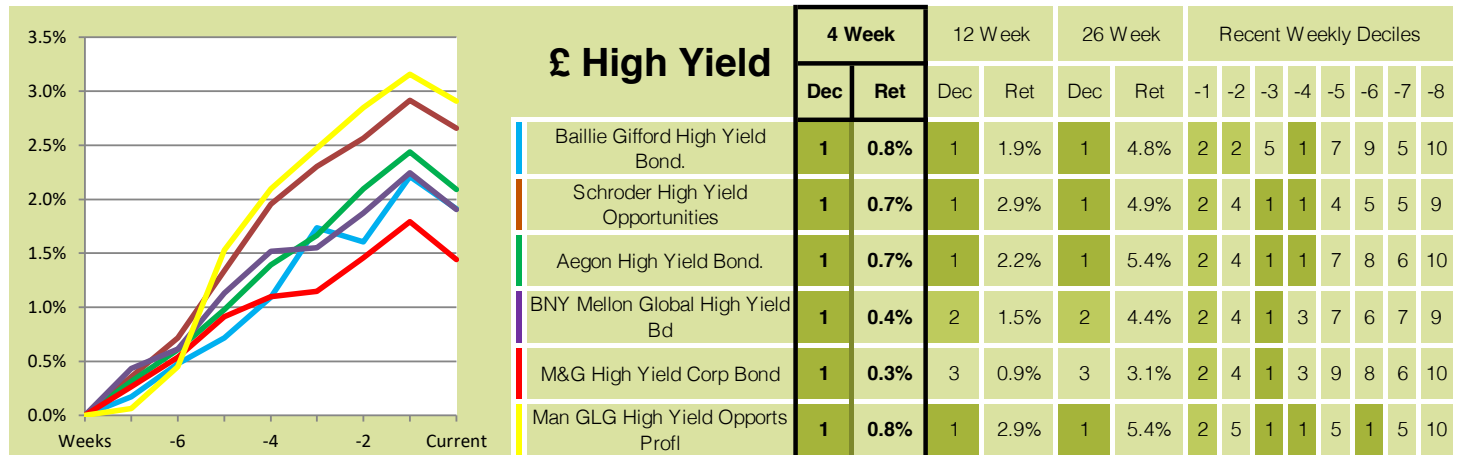
The 'Targeted Absolute Returns' funds are also in this Group and they aim to deliver positive returns in any market conditions. Typically funds in this sector would normally expect to generate absolute returns on a 12 month basis.

Performance by Saltydog Group - Slow Ahead

From last to first

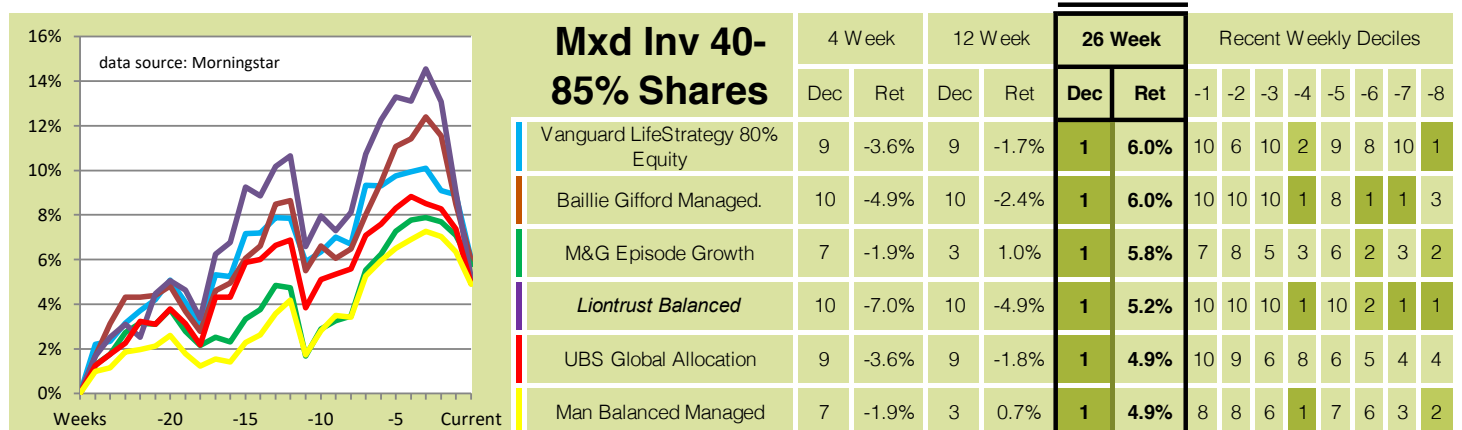
In September, the £ High Yield sector was at the top of the table with a four-week return of 1.6%. The following month it dropped to second place, but had still gained 1.1% in the previous four weeks. In November, it was back in the lead with a 0.6% gain, but then dropped to the bottom of the table in the December newsletter. In January it was back in first place, even though it had gone down by 0.2% in the previous four weeks. Last month it dropped back to the bottom of the table again, although it had risen by 1.4% in the previous four weeks. This month it's the only sector in this Group showing a four-week gain, up 0.4%, and it's back at the top of the table.

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

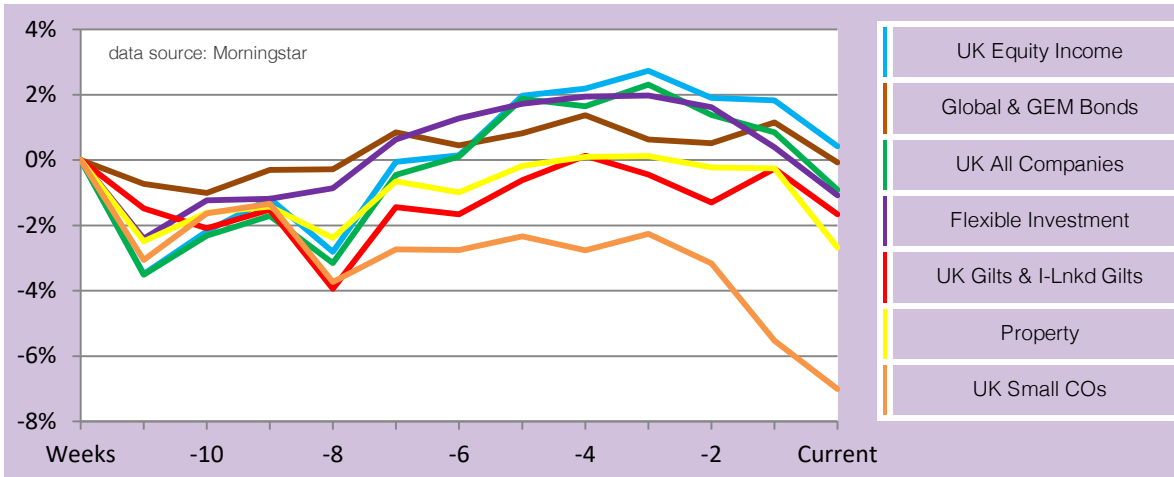


From first to last

The Mixed Investment 40-85% Shares sector was at the top of the table in last February's newsletter, and was still there in the March, April, and May issues. It was also in first place in the July, October, and December editions. In January it dropped to third place, but last month regained its position at the top of the table, with a 3.2% four-week return. Since then, it has fallen by 3.2% and is now at the bottom of the table again.



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	-1.4%	-0.1%	0.5%	-1.2%	0.6%	-0.1%	-0.7%	0.5%	0.4%	-0.4%	1.1%
UK Equity Income	-1.8%	0.3%	1.0%	-1.4%	-0.1%	-0.8%	0.5%	0.2%	1.8%	0.2%	2.8%
UK Gilts & I-Lnkd Gilts	-1.8%	-1.8%	-6.0%	-1.4%	1.0%	-0.9%	-0.6%	0.8%	1.0%	-0.2%	2.5%
UK All Companies	-2.6%	-1.0%	0.8%	-1.8%	-0.5%	-0.9%	0.7%	-0.2%	1.8%	0.6%	2.7%
Property	-2.8%	-2.8%	-4.4%	-2.4%	0.0%	-0.3%	0.0%	0.3%	0.8%	-0.3%	1.7%
Flexible Investment	-3.0%	-1.2%	3.7%	-1.5%	-1.2%	-0.4%	0.0%	0.2%	0.4%	0.6%	1.5%
UK Small COs	-4.3%	-6.9%	-8.5%	-1.5%	-2.4%	-0.9%	0.5%	-0.4%	0.4%	0.0%	1.0%
Average:	-2.5%	-1.9%	-1.8%	-1.6%	-0.4%	-0.6%	0.1%	0.2%	1.0%	0.1%	1.9%

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

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 2.5% loss in the January newsletter, but a 3.1% 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, apart from UK Smaller Companies, which lost 0.2%.

In the final three months of the year, nearly all of the sectors in this Group went down, the only exceptions were Flexible Investment and Global & GEM Bonds.

By January's newsletter all of the sectors were reporting four-week losses. However, last month the situation was looking a bit better. All sectors were up over four weeks with the best, UK Equity Income, posting a 5.1% return.

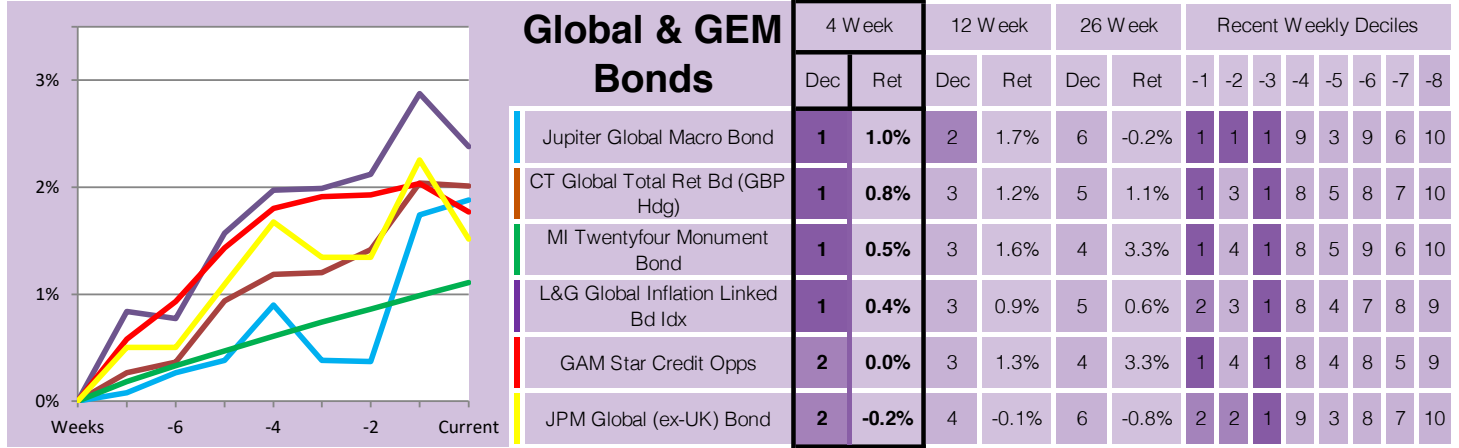
Unfortunately, this month isn't looking so clever. All sectors are showing four-week losses, and the worst, UK Smaller Companies, has fallen by 4.3%.

Performance by Saltydog Group - Steady as She Goes

Back on top

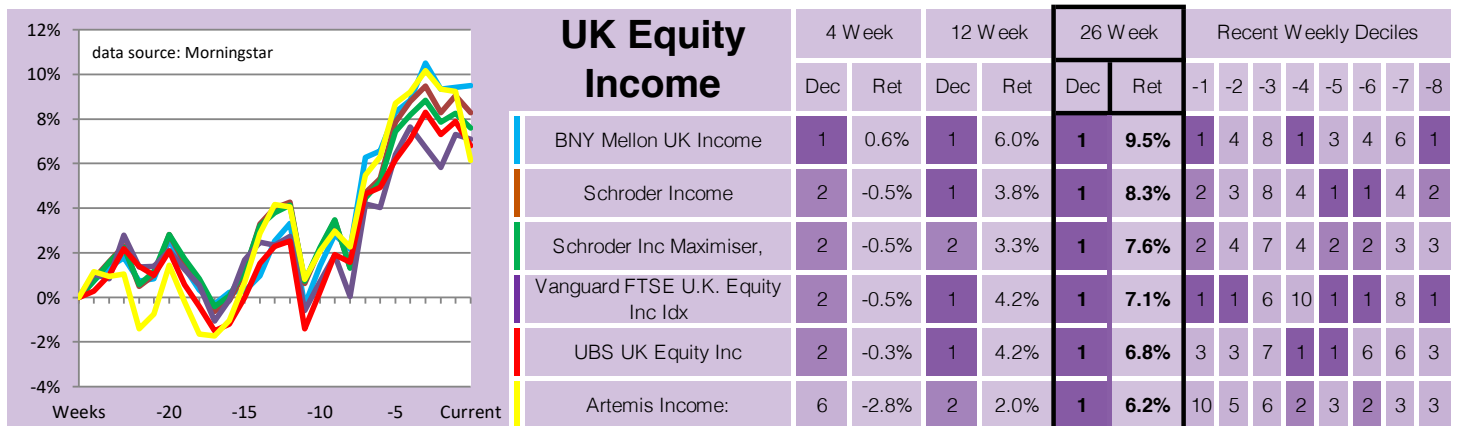
The Global & Global Emerging Market Bond sector was in third place in the October newsletter with a 0.3% four-week return. The following month, it was still in third place, but was showing a 0.5% loss. In December it slipped to fourth place, but had still gone up by 1.4% in four weeks. By January's newsletter it was back in the top spot, despite having fallen by 0.3% in the previous four weeks. Last month it dropped to sixth place, even though it was up 1.7% over four weeks. This month it's showing a four-week loss of 1.4%, but is back at the top of the table.

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

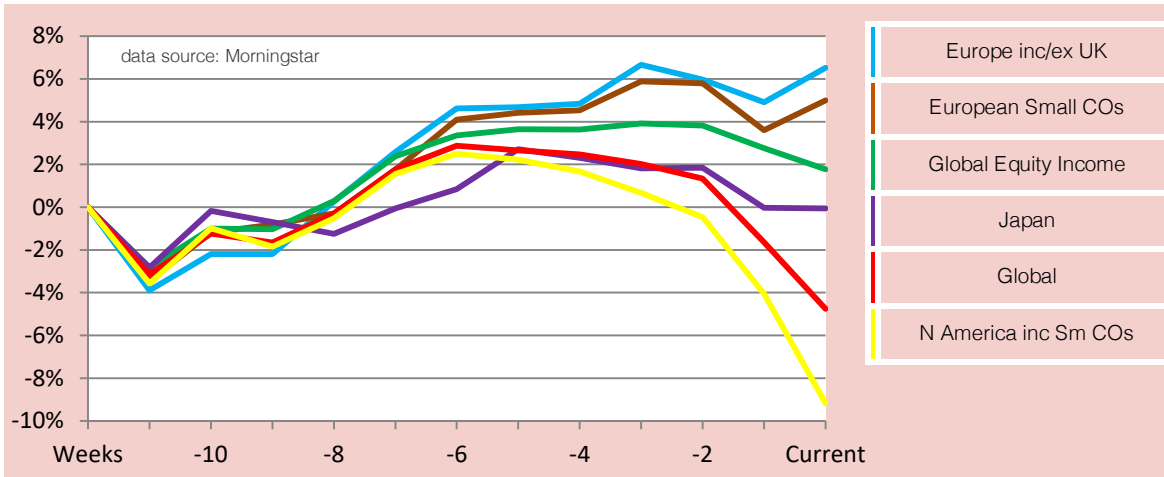


From first to second

The UK Equity Income sector was at the bottom of the table in the November newsletter, with a four-week loss of 1.8%. However, by the December issue it had moved up to second place with a 3.4% four-week return. January was less impressive, it had dropped to fourth place after losing 2.9% in the previous four weeks. However, last month it was at the top of the table with a 5.1% four week return. In the last four weeks it has fallen by 1.8% and is now in second 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	
Europe inc/ex UK	1.7%	6.6%	6.8%	1.6%	-1.1%	-0.7%	1.8%	0.2%	0.1%	2.0%	2.3%	
European Small COs	0.4%	4.9%	5.2%	1.4%	-2.2%	-0.1%	1.4%	0.1%	0.3%	2.3%	2.0%	
Global Equity Income	-1.8%	1.7%	7.6%	-1.0%	-1.1%	-0.1%	0.3%	0.0%	0.3%	1.0%	2.1%	
Japan	-2.4%	-0.2%	3.9%	0.0%	-1.9%	0.0%	-0.5%	-0.4%	1.9%	0.9%	1.2%	
Global	-7.0%	-4.8%	4.6%	-3.1%	-3.0%	-0.7%	-0.5%	-0.2%	-0.2%	1.1%	2.1%	
N America inc Sm COs	-10.4%	-9.1%	5.8%	-5.1%	-3.6%	-1.1%	-1.0%	-0.6%	-0.3%	0.9%	2.1%	
Average:	-3.3%	-0.1%	5.7%	-1.0%	-2.1%	-0.4%	0.3%	-0.1%	0.3%	1.4%	2.0%	

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.

The European Sectors

Funds investing predominantly in Europe fall into three different Investment Association sectors.

Europe including UK for funds investing at least 80% of their assets in European equities. They may include UK equities, but these must not exceed 80% of the fund's assets.

Europe excluding UK for funds which invest at least 80% of their assets in European equities and exclude UK securities.

European Smaller Companies for funds investing in companies from the bottom 20% of the European market by market capitalisation.

Overall Group Performance

In the January newsletter, the overall Group four-week average was a loss of 0.4%, but last month it was a gain of 3.6%. However, in the last four weeks we have seen a further 3.3% loss.

In the first quarter of 2024, all sectors made three-month gains. The best was North America, with a 10.8% return.

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

However, in quarter three all sectors went up again, apart from North America, which only fell by 0.1%.

In the fourth quarter, the North American, Global, and Japanese sectors made gains, but the European sectors went down.

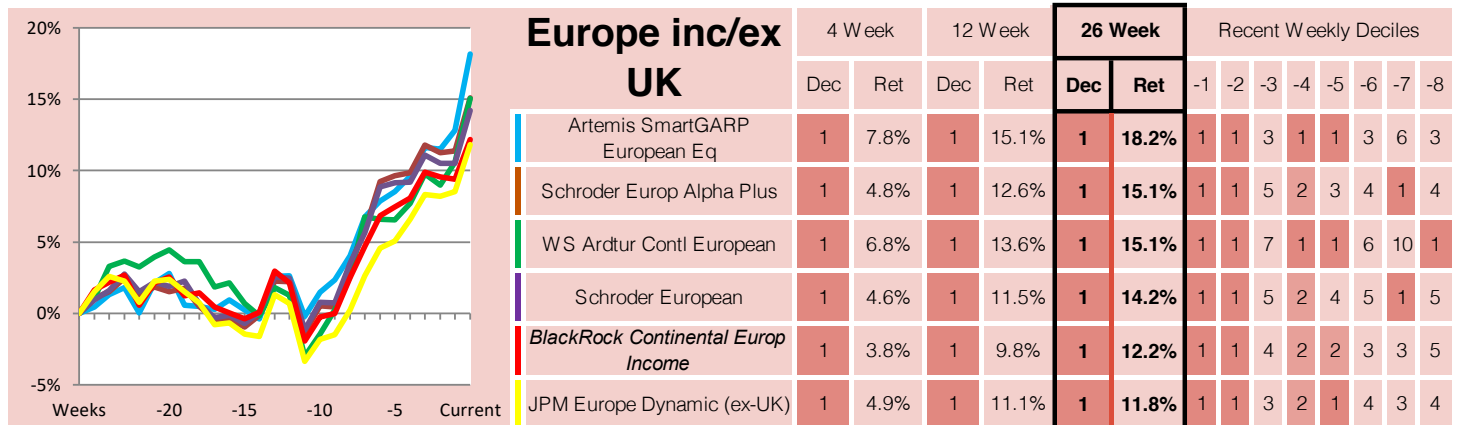
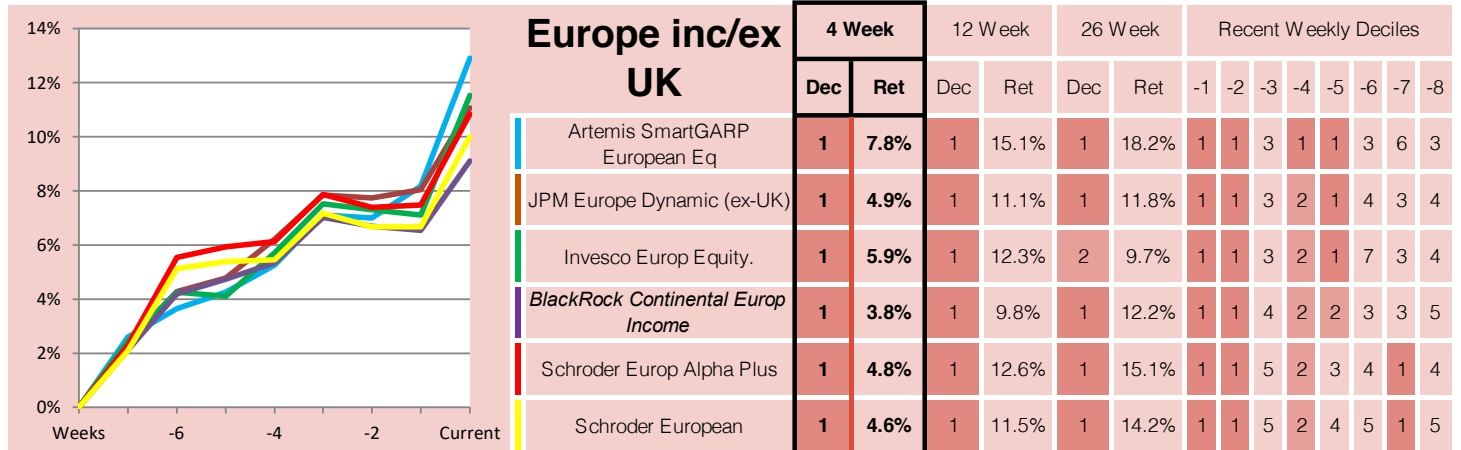
In the January issue, only two sectors were showing four-week gains. Global Equity Income and Europe inc/ex UK.

Last month was more encouraging, with all sectors up over four weeks. This month the European sectors are still at the top of the table, having made further gains. Unfortunately, all of the other sectors have gone down.

Performance of the Full Steam Ahead Developed Group

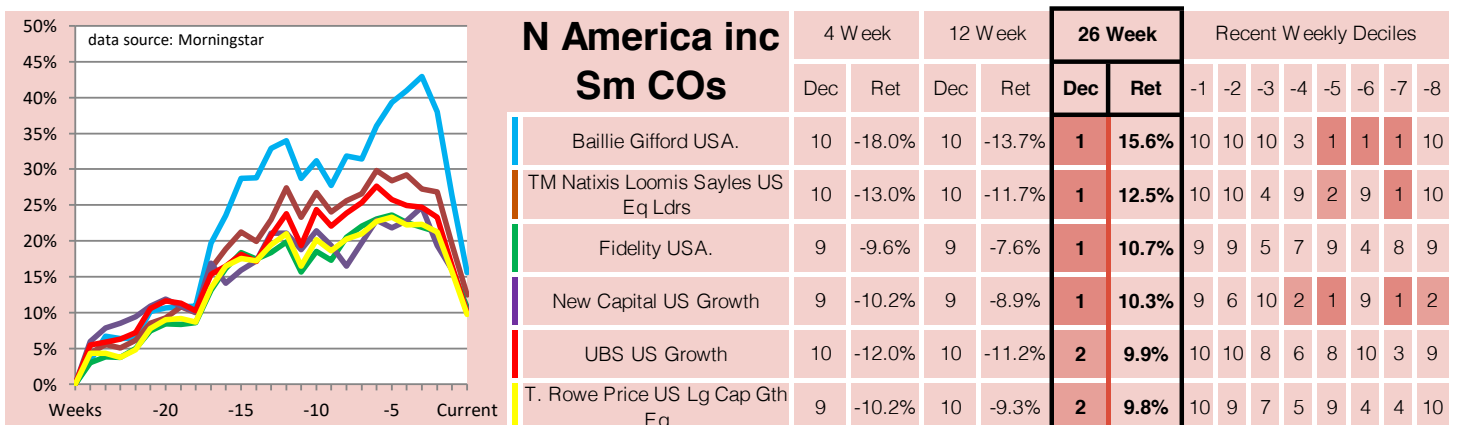
A new top dog

The European sectors were at the bottom of the table in the November newsletter. The European Smaller Companies sector had fallen by 2.0% in the previous four weeks, and the Europe inc/ex UK sector was down 3.1%. They were still at the bottom of the table, a month later, but were showing gains over the previous four weeks. In January, the Europe inc/ex UK sector was up in second place and the European Smaller Companies sector was in fourth. Last month the Europe inc/ex UK sector was in second place, up 4.6%, and the European Smaller Companies sector was in first place, up 4.9%. This month they have switched places.



Stuck on the bottom

The combined North America and North American Smaller Companies sector was at the top of the table in the October newsletter, with a 4.4% four-week return. It was still there a month later, having gained a further 5.2%, and remained at the top of the table in the December issue, with a four-week return of 3.5%. However, in January it dropped to fifth, with a 0.6% four-week loss, and last month it was at the bottom of the table, although it had risen by 2.2% in the previous four weeks. This month it's still in last place, but with a 10.4% 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
China/Greater China	6.6%	12.0%	36.0%	2.7%	-3.2%	2.6%	4.5%	3.1%	1.5%	0.7%	3.6%
Gbl Emerging Markets	-2.4%	-0.7%	6.7%	-0.2%	-4.0%	1.4%	0.4%	1.3%	0.2%	0.3%	1.5%
Asia Pacific inc/ex Japan	-2.4%	-1.6%	6.5%	-0.2%	-3.5%	1.0%	0.2%	0.5%	0.0%	0.1%	1.4%
Tech & Tech Innovations	-13.1%	-10.6%	9.4%	-5.6%	-7.1%	-0.9%	-0.1%	0.5%	-1.8%	1.8%	2.2%
Average:	-2.8%	-0.2%	14.7%	-0.8%	-4.5%	1.0%	1.3%	1.3%	0.0%	0.7%	2.2%

China / Greater China

It's hard to imagine that up until 2011 there wasn't a separate sector for funds investing in China. That's when the China & Greater China sector was launched for funds investing "at least 80% of their assets directly or indirectly in equities of the People's Republic of China, Hong Kong or Taiwan."

Before that, these funds would have been in the 'Specialist' Group, or you could have gained exposure via a broader fund investing in either Asia Pacific or Global Emerging Markets.

Now that they are on their own it is easier to see how they have performed in recent weeks. The sector is up 6.6% in four weeks.

Overall Group Performance

The Group's overall four-week average was a loss of 1.4% in the January newsletter. Last month it was up 4.2%, but this month it's down 2.8%.

In the first quarter of last 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. China led the way, ending the quarter up 12.7%, and the Asia Pacific and

Global Emerging Market sectors also made gains. However, the Technology sector lost 4.8%.

In the final three months of the year, the Technology sector rose by 11.2%, but the other sectors in this Group went down.

The technology sector was also the only sector showing a four-week gain in the January newsletter. Last month, the other sectors bounced back with the Chinese sector at the top of the table. It's also showing a four-week gain this month, but all of the other sectors have gone down.

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

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

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

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

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

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

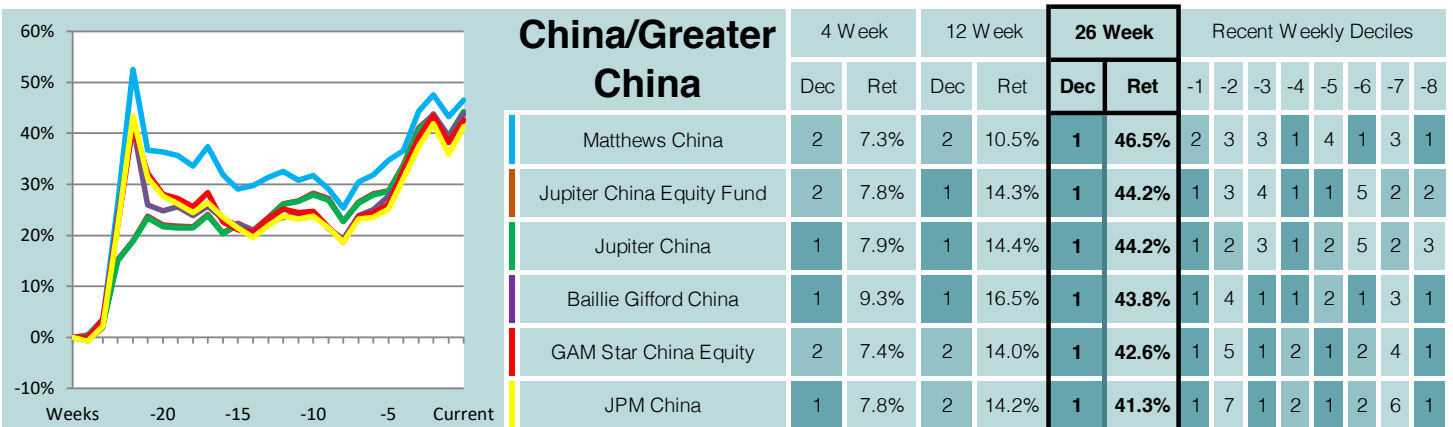
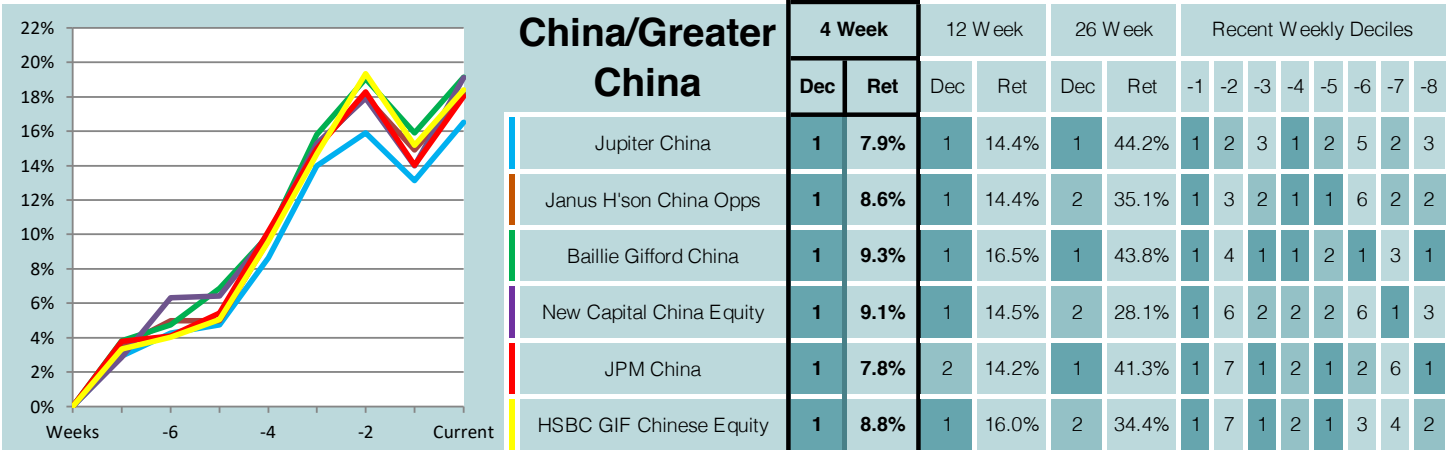
The 'Technology & Technology Innovations' sector is also in this Group. It may not fit exactly with our 'Emerging Markets' theme, but the funds have a similar level of volatility, and so we put it into the 'Full Steam Ahead' Group with the fewest other sectors.

Performance of the Full Steam Ahead Emerging Group

Still leading the pack

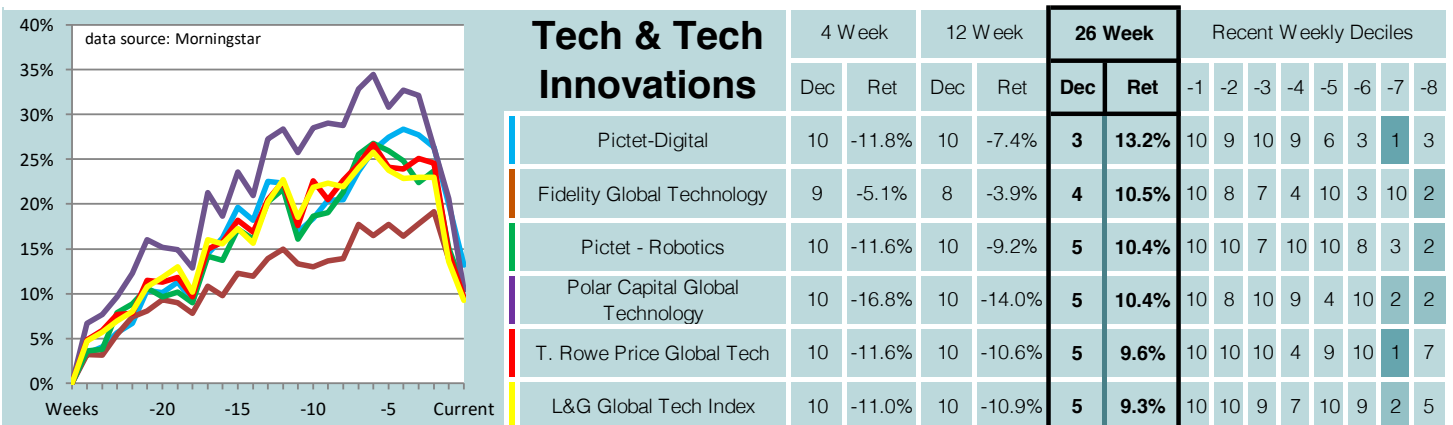
In October's newsletter, the China/Greater China sector was at the top of the table, having risen by a staggering 31.8% in the previous four weeks. However, the following month it dropped to last place, down 1.7% in four weeks. In December's issue it was also at the bottom of the table, down 3.2%, and it was still there a month later, with a 3.3% four-week loss. Since then, it has rebounded. Last month it was at the top of the table, with an 8.6% four-week return, and it's still in the top spot, having gained a further 6.6%.

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

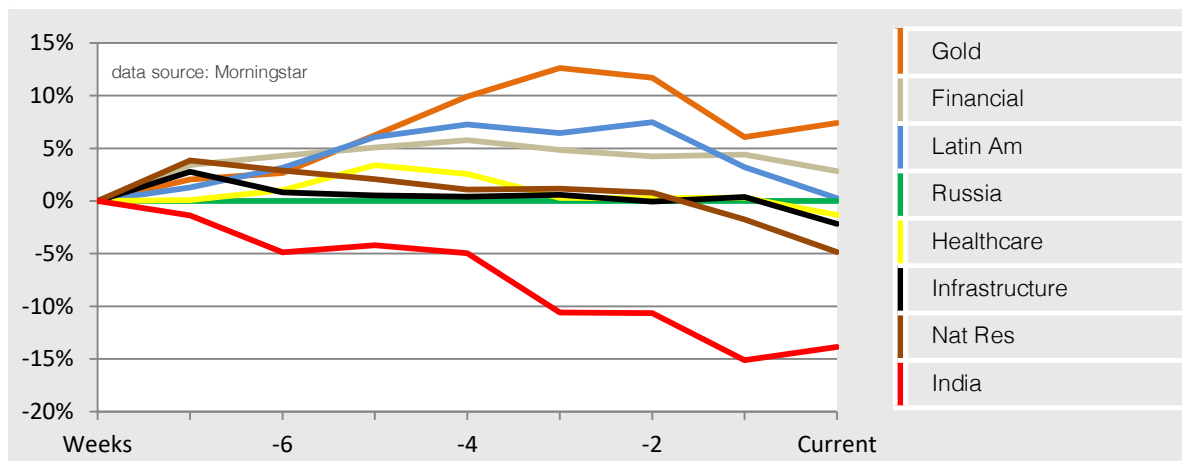


In the doghouse

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, and it was still there in the December and January issues. However, last month it's slipped to third place, albeit with a 2.7% gain, and since then it's fallen by an eye-watering 13.1%, and has dropped to last place.



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
Infrastructure	-2.6%	-2.8%	-2.9%	-2.6%	0.4%	-0.6%	0.2%	-0.1%	-0.3%	-2.0%	2.8%
Gold	-2.7%	6.7%	14.9%	1.3%	-5.6%	-0.9%	2.7%	3.7%	3.6%	0.6%	2.1%
Financial	-3.0%	1.9%	13.4%	-1.6%	0.2%	-0.6%	-0.9%	0.7%	0.8%	0.9%	3.4%
Healthcare	-3.9%	0.9%	-5.3%	-1.6%	0.0%	0.0%	-2.3%	-0.8%	2.4%	0.9%	0.1%
Nat Res	-5.8%	-5.4%	-0.7%	-3.1%	-2.5%	-0.4%	0.1%	-1.0%	-0.8%	-1.0%	3.8%
Latin Am	-6.9%	-2.1%	-5.8%	-2.9%	-4.3%	1.0%	-0.8%	1.2%	2.9%	1.9%	1.3%
India	-8.8%	-17.2%	-14.1%	1.3%	-4.5%	0.0%	-5.6%	-0.8%	0.7%	-3.5%	-1.4%
Average:	-4.8%	-2.6%	-0.1%	-1.3%	-2.3%	-0.2%	-1.0%	0.4%	1.3%	-0.3%	1.7%

Overall Performance

Last month, the SubZone four-week average was a 3.2% gain, and only one of the SubZones was down over four weeks. This month it's a 4.8% loss.

In the October newsletter, the Gold SubZone was at the top of the table, with a 7.8% four-week gain. Natural Resources was in second place, followed by the Infrastructure, and the Financial SubZones.

A month later, and the Financial SubZone had moved up to first place, with a four-week return of 4.1%. The Gold SubZone had dropped to second place, up 1.7%, but all of the remaining SubZones were reporting four-week losses. The India SubZone was at the bottom of the table with a loss of 3.7%. However, by

the December issue it had moved to the top of the table, with a 4.3% four-week return. The Financial SubZone was a close second, with a 4.2% gain. The Gold SubZone had dropped to sixth, with a 2.3% loss.

In January's edition, only one SubZone, Healthcare, was up over four weeks. Gold was down 0.5% over four weeks and 5.0% over twelve weeks. It then bounced back and last month was at the top of the table, with a four-week return of 10.2%. This month all of the SubZones are showing four-week losses.

Baring German Growth

Most funds investing in European companies are in the Europe inc/ex UK or European Smaller Companies sectors. However, because the Baring German Growth fund focuses specifically on Germany, rather than the whole continent, it is in the Specialist sector.

It was launched in 1990 and currently has a portfolio value of around £350 million. It's investment policy states that it "invests at least 75% of the Fund directly or indirectly in the shares of companies incorporated, listed or which exercise the predominant part of their economic activity in Germany". It's largest holdings are SAP, Siemens, Allianz, and Airbus.

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.

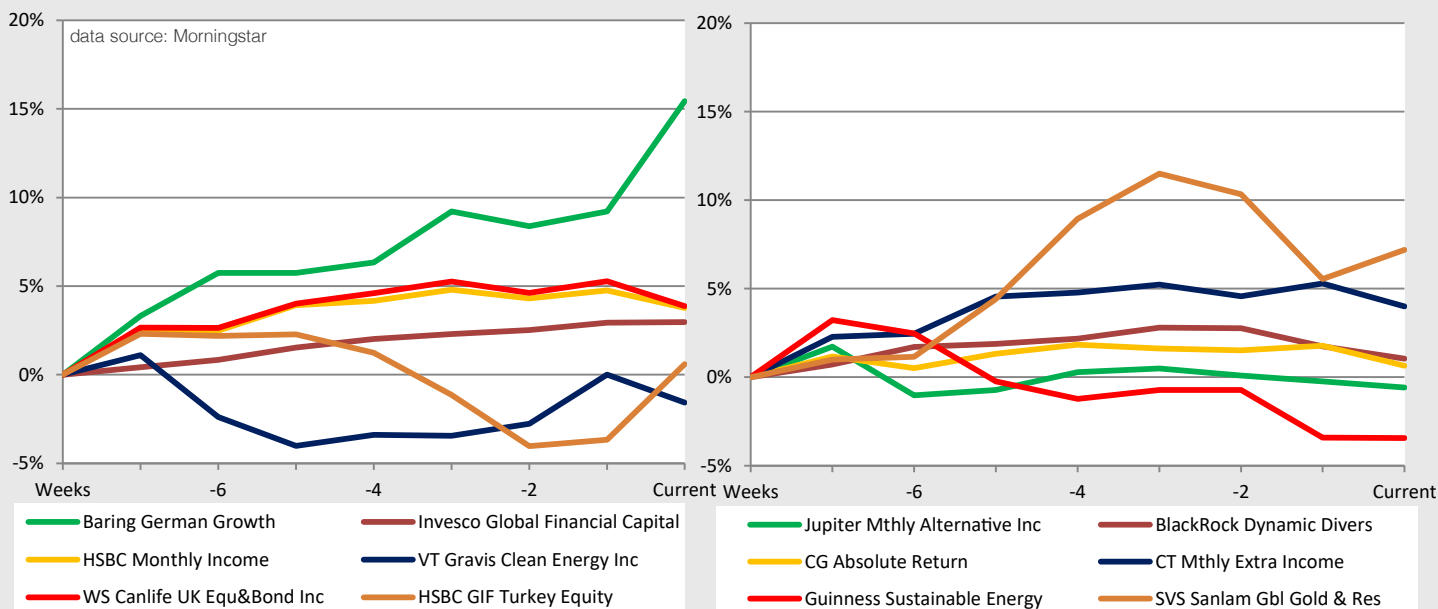
In total we analyse around 65 funds in this sector, most of which do not fall within one of the SubZones.

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
Baring German Growth.		1	9.3%	1	16.3%	1	25.7%	1	1	8	1	3	7	1	4
Invesco Global Financial Capital	Financial	1	1.0%	2	2.2%	3	5.2%	2	2	3	4	4	5	4	9
HSBC Monthly Inc		1	-0.4%	3	2.2%	4	2.9%	4	2	6	3	5	4	6	5
VT Gravis Clean Energy Income	Infrastructure	1	1.8%	7	-4.5%	10	-13.2%	5	1	2	5	3	9	10	8
WS Canlife UK Equity and Bond Inc		1	-0.7%	3	2.2%	4	2.7%	5	2	7	2	4	4	6	5
HSBC GIF Turkey Equ		2	-0.8%	3	1.4%	3	10.8%	1	3	10	9	9	7	6	6
Jupiter Monthly Alternative Income		2	-0.9%	5	-2.2%	7	-3.5%	3	4	6	4	3	6	9	7
<i>BlackRock Dynamic Diversified</i>		2	-1.1%	4	0.0%	3	3.7%	3	5	4	3	5	6	3	9
<i>CG Absolute Return</i>		2	-1.2%	4	0.3%	5	1.3%	4	3	5	6	4	5	7	7
CT Monthly Extra Inc		2	-0.8%	3	1.7%	4	3.6%	5	1	7	4	5	3	5	6
Guinness Sustainable Energy	Nat Res	3	-2.2%	8	-6.7%	8	-4.6%	2	6	4	3	9	10	7	4
SVS Sanlam Global Gold & Res	Gold	3	-1.9%	1	7.1%	2	15.1%	2	8	8	1	1	1	5	8
Royal London UK Income + Grth		3	-1.2%	3	1.0%	5	0.6%	3	2	7	5	5	3	6	6
L&G Gbl Health&Pharma Index	Healthcare	3	-2.3%	2	3.4%	8	-3.9%	4	1	5	9	8	2	4	9
Polar Capital Global Insurance	Financial	3	-2.1%	5	-1.4%	3	4.6%	7	1	9	9	1	7	9	1
Ninety One Global Gold	Gold	4	-2.7%	1	7.5%	1	16.2%	1	10	10	1	1	1	4	6
WS Ruffer Gold	Gold	4	-2.4%	1	4.2%	2	11.6%	3	9	4	1	2	1	3	3
M&G Global Listed Infrastructure	Infrastructure	4	-3.1%	7	-4.9%	8	-5.8%	6	3	8	6	6	8	9	7
FTF ClearBridge Global Infrs	Infrastructure	4	-2.6%	4	-0.8%	6	-1.0%	7	2	8	4	7	6	8	4
First Sentier Gbl Lstd Infra	Infrastructure	4	-3.1%	4	-0.8%	5	0.6%	9	4	3	4	7	5	8	4
<i>BlackRock Gold & General</i>	Gold	5	-3.7%	1	8.1%	1	16.7%	2	10	7	1	1	1	4	8
Jupiter Financial Opps	Financial	5	-4.0%	2	2.5%	2	11.5%	5	5	6	7	7	3	1	3
WS Macquarie Global Infrs,	Infrastructure	5	-3.6%	6	-3.5%	6	-1.4%	6	4	9	3	8	6	8	4
Baring Global Agriculture.	Nat Res	5	-3.3%	7	-3.6%	6	-1.8%	6	5	3	6	10	4	3	1
Janus H'son Gbl Financials	Financial	5	-3.7%	2	3.4%	1	23.0%	8	3	5	7	2	4	2	3
Baring Korea:		6	-5.2%	4	-0.1%	7	-2.9%	5	9	1	3	5	8	3	6
AXA Fram Health:	Healthcare	6	-5.4%	5	-1.6%	8	-6.7%	6	5	4	8	9	3	2	9
<i>BlackRock Ntrl Resources</i>	Nat Res	6	-4.7%	6	-2.8%	4	2.6%	8	6	6	2	6	9	7	2
Pictet-Water	Nat Res	6	-5.7%	8	-5.8%	7	-2.0%	9	3	10	7	9	3	8	2

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



Global Bond Analysis

A few years ago, 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 months.

Most of these bond sectors went up in 2024, and the best,

USD High Yield Bond, rose by more than 9%.

This year started well, with all sectors making gains in January. February was a bit more mixed, but after two months all sectors are showing year-to-date gains.

Investment Association Sector	Returns (%)				1st Jan to 28th Feb
	2023	2024	Jan	Feb	
Euro Corporate Bond	5.1	0.2	1.5	-0.6	0.9
Euro Government Bond	4.6	-3.3	1.0	-0.6	0.4
Euro High Yield Bond	9.4	2.7	1.8	-0.3	1.5
Euro Mixed Bond	5.4	-1.5	1.3	-0.6	0.7
USD Corporate Bond	1.9	4.5	1.3	0.5	1.8
USD Government Bond	-1.9	3.0	1.4	0.7	2.1
USD High Yield Bond	6.1	9.3	2.0	-0.5	1.4
USD Mixed Bond	1.0	5.4	1.4	0.2	1.6
Global Corporate Bonds	6.7	4.0	0.8	1.2	1.9
Global Government Bond	1.3	-1.8	1.0	0.6	1.6
Global High Yield Bond	9.2	7.2	1.5	0.2	1.7
Global Inflation Linked Bond	2.7	0.0	1.3	0.7	2.0
Global Mixed Linked Bond	4.9	2.9	1.1	0.6	1.8
G.E.M Bond - Blended	4.3	8.0	2.4	0.4	2.8
G.E.M Bond - Hard Currency	8.5	3.8	1.7	0.6	2.3
G.E.M Bond - Local Currency	6.1	6.9	2.9	-0.4	2.5

Data source: Morningstar

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WHAT'S HOT AND WHAT'S NOT

GOING UP

Gold hits \$3,000

Trump imposes tariffs on Mexico and Canada

US inflation expectations hit 30 year high

UK defence spending to rise to 2.5% of GDP

Mark Carney elected Canadian Prime Minister

GOING DOWN

UK Economy shrinks in January

Anneliese Dodds resigns over cuts to aid budget

Tesla share price nearly halves in three months

Frankie Dettori files for bankruptcy

Gene Hackman - RIP

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