

Gold strategies top the performance tables in June as Woodford funds struggle

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Gold equity funds among the best individual performers as Neil Woodford's two open-ended funds sink to the bottom of the performance tables.



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Gold equity strategies soared to the top of performance table in June, while two of veteran manager Neil Woodford's income funds sunk to the bottom, according to data from FE Analytics.

After a challenging May, performance in June picked up somewhat as the expectations of interest rate cuts by the Federal Reserve buoyed markets and the US-China trade war talk abated.

"After such a torrid fourth quarter of 2018 for global markets, many would have looked ahead to 2019 with dread," said Ben Yearsley, director of Shore Financial Planning.

"As usual, the Fed rode to the rescue in January with an effective halt to rate rises and hints of cuts. Those hints have become stronger even if there has been no action thus far."

The best overall sector performance was recorded by the IA China/Greater China peer group where the average fund rose by 6.90 per cent during June.

It marks a significant turnaround in performance for Chinese equity strategies, with the peer group registering the biggest loss in May as the average fund lost 7.75 per cent.

The sector's best performer in June was the four FE Crown-rated Baillie Gifford China fund, overseen by Mike Gush, Sophie Earnshaw and Richard Sneller. The £123.5m growth-oriented fund made a total return of 8.78 per cent last month.

It was closely followed by the Legg Mason IF Martin Currie China fund, managed by James Chong, which was up by 8.72 per cent.

Other sectors benefited as the trade war rhetoric was dialled down, as the IA Asia Pacific Excluding Japan and IA Global Emerging Markets – two areas also at risk of deteriorating relations between the US and China – recorded gains of around 5.4 per cent.

North American strategies also did well with the average IA North American Smaller Companies fund up by 5.60 per cent, while the IA North America peer group was up by 4.85 per cent.

Best & worst performing sectors of June 2019

Best	Performance	Worst	Performance
IA China/Greater China	6.90%	IA UK Index Linked Gilts	-1.87%
IA North American Smaller Companies	5.60%	IA UK Smaller Companies	-1.08%
IA Asia Pacific Excluding Japan	5.43%	IA UK Gilts	0.14%
IA Global Emerging Markets	5.41%	IA UK Direct Property	0.31%
IA Europe Including UK	5.14%	IA Property Other	0.77%
IA North America	4.85%	IA Targeted Absolute Return	0.86%
IA Global	4.77%	IA Sterling Corporate Bond	1.34%
IA European Smaller Companies	4.76%	IA Mixed Investment 0-35% Shares	1.53%
IA Technology & Telecommunications	4.60%	IA Sterling Strategic Bond	1.55%
IA Asia Pacific Including Japan	4.50%	IA Global Bonds	1.69%

Source: FE Analytics

At the other end of the performance table were gilts strategies, most notably the IA UK Index Linked Gilts where the average fund lost 1.87 per cent and the IA UK Gilts, which recorded a 0.14 per cent rise.

Other than inflation-linked gilts, the only other loss-making sector in June was the IA UK Smaller Companies sector, which was down by 1.87 per cent.

The ongoing uncertainty surrounding Brexit while a new prime minister is chosen meant that UK equities remain out-of-favour with international investors.

Last month the FTSE Small Cap index was down by 2.27 per cent while the FTSE AIM All Share index made a loss of 4.09 per cent.

On an individual fund level, gold equity strategies were June's best performers dominating the top of the table. While the Bloomberg Gold Sub index was up 5.2 per cent (in sterling terms), the Nasdaq Philadelphia Stock Exchange Gold/Silver index – a closely watched index of 30 of the largest precious metals miners – was up by 19.10 per cent.

The £872m [LF Ruffer Gold](#) emerged as the best performer last month, making a total return of 22.91 per cent.

It was joined at the top by [HC Charteris Gold & Precious Metals](#) (up 19.81 per cent), [BlackRock Gold & General](#) (18.84 per cent), [Investec Global Gold](#) (18.84 per cent), [Quilter Investors Precious Metals Equity](#) (18.10 per cent), [Smith & Williams Global Gold & Resources](#) (15.36 per cent), [Merian Gold And Silver](#) (15.34 per cent), [MFM Junior Gold](#) (13.87 per cent) and [TC South River Gold and Precious Metals](#) (11.88 per cent).

Top-20 best performing funds in June 2019

Fund name	Sector	Total return
LF Ruffer Gold	IA Specialist	22.91%
HC Charteris Gold & Precious Metals	IA Specialist	19.81%
BlackRock Gold & General	IA Specialist	18.84%
Investec Global Gold	IA Specialist	18.76%
Quilter Investors Precious Metals Equity	IA Specialist	18.10%
Smith & Williamson Global Gold & Resources	IA Specialist	15.36%
Merian Gold And Silver	IA Specialist	15.34%
MFM Junior Gold	IA Specialist	13.87%
BlackRock GF World Mining	IA Specialist	12.32%
TC South River Gold and Precious Metals	IA Specialist	11.88%
Smith & Williamson European Equity	IA Europe Excluding	10.84%
HC Charteris Global Macro	IA Global	10.49%
Pictet Emerging Europe	IA Specialist	10.20%
Aberdeen Eastern European Equity	IA Specialist	9.67%
AXA World Funds Framlington Robotech	IA Specialist	9.41%
Legg Mason IF Martin Currie European Unconstrained	IA Europe Excluding UK	9.33%
Hermes Europe ex UK Equity	IA Europe Excluding UK	9.15%
BlackRock GF Emerging Europe	IA Specialist	9.04%
Investec Enhanced Natural Resources	IA Specialist	8.89%
Pictet Russian Equities	IA Specialist	8.84%

Source: FE Analytics

Outside of the gold strategies – and the [BlackRock GF World Mining](#) fund, which was up 12.32 per cent – another notable trend was the strong performance of European equity strategies.

Giles Worthington's £24m [Smith & Williamson European Equity](#) was up by 10.84 per cent last month and was the best performing fund outside of the gold miners-focused strategies.

Other top-performing European equity funds last month included several emerging Europe strategies, including [Pictet Emerging Europe](#) (with a total return of 10.20 per cent), [Aberdeen Eastern European Equity](#) (9.67 per cent) and [BlackRock GF Emerging Europe](#) (9.04 per cent).

At the other end of the performance table, one name stood out among the others as two of veteran fund manager [Neil Woodford's](#) open-ended strategies and another fund managed for Omnis Investments slipped to losses.

While it was unaffected by the gating last month of Woodford's flagship UK equity income fund, the worst performer was the internationally focused [LF Woodford Income Focus](#) fund, which made a loss of 8.46 per cent.

Omnis Income & Growth – a fund managed by Woodford for Omnis Investments – saw a loss of 8 per cent, although the Omnis-parent and adviser network Openwork announced that they would be handing the mandate to Jupiter Asset Management's [Ben Whitmore](#) who also manages the [Jupiter Income Trust](#).

The [LF Woodford Equity Income](#) fund, which was gated over performance and liquidity concerns at the start of the month, was down by 5.80 per cent.

Top-20 worst performing funds in June 2019

Fund name	Sector	Total return
LF Woodford Income Focus	IA UK Equity Income	-8.46%
Omnis Income & Growth	IA Unclassified	-8.00%
The VT Oxeye Hedged Income Option	IA Unclassified	-7.08%
LF Woodford Equity Income	IA UK All Companies	-5.80%
Elite Webb Capital Smaller Companies Income & Growth	IA UK Smaller Companies	-5.30%
LF Odey Absolute Return	IA Targeted Absolute Return	-5.28%
JGF-Jupiter India Select	IA Specialist	-4.93%
Jupiter India	IA Specialist	-4.76%
VT Garraway Absolute Equity	IA Unclassified	-4.61%
Neptune India	IA Specialist	-4.02%
Standard Life Strategic Investment Allocation	IA Specialist	-3.61%
Baillie Gifford British Smaller Companies	IA UK Smaller Companies	-3.44%
Thesis TM Sanditon European Select	IA Targeted Absolute Return	-3.39%
Unicorn UK Ethical Income	IA UK Equity Income	-3.29%
Premier Pan European Property Share	IA Property Other	-3.18%
Aberforth UK Small Companies	IA UK Smaller Companies	-3.18%
Merian UK Smaller Companies Focus	IA UK Smaller Companies	-3.11%
FP Octopus UK Micro Cap Growth	IA UK Smaller Companies	-2.97%
AXA Framlington UK Smaller Cos	IA UK Smaller Companies	-2.90%
TM Cavendish Opportunities	IA UK All Companies	-2.82%

Source: FE Analytics

As mentioned above, UK smaller companies funds were also among the worst performers during June, with several making the bottom of the list.

The worst-performing UK small-cap fund was Peter Webb's [Elite Webb Capital Smaller Companies Income & Growth](#) fund, which was down by 5.30 per cent.

Other funds at the bottom of the table included [Baillie Gifford British Smaller Companies](#) (down 3.44 per cent), [Aberforth UK Small Companies](#) (-3.18 per cent), [Merian UK Smaller Companies Focus](#) (-3.11 per cent), [FP Octopus UK Micro Cap Growth](#) (-2.97 per cent) and [AXA Framlington UK Smaller Companies](#) (-2.90 per cent).

Tags:

study

Funds:

[Baillie Gifford British Smaller Companies](#)

[Aberdeen Eastern European Equity](#)

[BlackRock Gold & General](#)

[Baillie Gifford China](#)

[MFM Junior Gold](#)

[AXA Framlington UK Smaller Cos](#)

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Managers:

[Richard Sneller](#)

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