



Willis Owen shares the best and worst-performing sectors and funds in December 2018

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Posted by **Adrian Lowcock** in **Press releases** category on **03 Jan 19**

- Gold funds offer investor protection in a disappointing December
- Gilts and bonds account for seven of the 10 best-performing sectors
- US Smaller companies takes "honours" for worst performing sector in December

Adrian Lowcock, Head of Personal Investing, Willis Owen says:

"December saw little to celebrate for investors as concerns over the strength of the global economy continued to weigh on stock markets. However, diversified investors will have at least seen some areas of their portfolios deliver positive returns as investors moved into more defensive assets with UK Index-Linked Gilts and UK Gilts offering the best returns for the month. Corporate bonds also provided some positive returns, led by the Global Emerging Markets Bond sector, while property, targeted absolute return funds and high yield bonds sheltered investors from the worst of the falls.

The best-performing funds further highlighted the negative sentiment among investors as gold funds dominated the top 10-performing list for the month. HC Charteris Gold and Precious Metal led its peers, delivering a strong return for the month. Investec Global Gold and Blackrock Gold and General were not far behind in the performance tables. December should act as a reminder to investors that diversification and exposure to a variety of assets classes can protect their capital just when that is needed.

The top 10 best-performing sectors

Investment Association Sector	Percentage Return
UK Index Linked Gilts	2.57
UK Gilts	2.27
Global Emerging Markets Bond	1.09

Investment Association Sector	Percentage Return
Global Bonds	0.66
Sterling Corporate Bond	0.54
Sterling Strategic Bond	0.15
UK Direct Property	-0.31
Targeted Absolute Return	-0.51
Mixed Investment 0-35% Shares	-1.09
Sterling High Yield	-1.43

Source: FE Analytics, performance from 30th November 2018 to 31st December 2018 in pounds sterling on a total return basis

10 best-performing funds

Funds	Percentage Return
HC Charteris Gold & Precious Metals	11.98
Investec Global Gold	11.58
BlackRock Gold & General	9.55
Quilter Investors Precious Metals Equity	9.17
Smith & Williamson Global Gold & Resources	8.74
Merian Gold And Silver	8.5
GAM Star Global Rates	8.02
LF Ruffer Gold	7.66
Polar Capital UK Absolute Equity	7.31
Oldfield Overstone UCITS EAFE Equity	5.96

Source: FE Analytics, performance from 30th November 2018 to 31st December 2018 in pounds sterling on a total return basis

US Smaller Companies was the worst performing sector as President Trump announced a government shutdown which, combined with the US-Chinese trade war, caused investors to avoid the region. Japanese and European stocks also suffered as slowing growth in those regions weighed on investor sentiment. The UK Smaller Companies rounded off the bottom 10 as Brexit continues to weigh – although this is nothing new for investors.

The list of worst performing funds reflected the sectors closely with Baillie Gifford Japanese Smaller Companies leading the worst performers, a reminder that performance is never a smooth line and what goes up can often come down. While the Legg Mason Royce US Small Cap Opportunity was one of three US small cap funds to feature in the list of 10 worst-performing funds.

10 worst-performing sectors

Investment Association Sector	Percentage Return
North American Smaller Companies	-11.4
Japanese Smaller Companies	-10.88
North America	-8.97
Japan	-8.09
Global	-6.76
European Smaller Companies	-6.36
Global Equity Income	-6.04
Technology & Telecommunications	-5.59
IA Europe Excluding UK	-5.42
UK Smaller Companies	-5.13

Source: FE Analytics, performance from 30th November 2018 to 31st December 2018 in pounds sterling on a total return basis

10 worst-performing funds

Funds	Percentage Return
Baillie Gifford Japanese Smaller Companies	-14.47
Legg Mason Royce US Small Cap Opportunity	-13.81

Funds	Percentage Return
RWC Nissay Japan Focus	-13.3
Schroder ISF Global Energy in GB	-12.95
Barclays GlobalAccess US Equity	-12.84
LF Miton US Smaller Companies	-12.6
The Boston Company US Opportunities	-12.47
Royal London US Growth Trust	-12.37
AXA Framlington Biotech	-12.11
M&G Global Recovery	-12.04

Source: FE Analytics, performance from 30th November 2018 to 31st December 2018 in pounds sterling on a total return basis

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