MUNRO

Comment
August 2025

Value outperforms despite dividend decline

The leading UK equity indices made modest gains over the traditionally quiet summer month of August. Shares with a bias to value did, overall, substantially better. This is slightly surprising as the forecast for dividends to be paid by the bulk of UK companies next year declined. Part of the reason for this change is the advance made by sterling against the dollar over the month, which ordinarily might have put pressure on equity valuations, but here the story is probably more about the US economy than the UK. Oil prices also eased a little over the month.

No sector made a large jump but Consumer Staples, Energy, Health Care and Materials all posted healthy low single digit gains. Sectors that fell were Consumer Discretionary, Industrials, Information Technology, Real Estate and Utilities. Over the year to date only one sector is still in negative territory and that is Consumer Discretionary. The largest gainers are Financials and Industrials, both up by nearly a quarter.

Valu-Trac Investment Management Limited

VT Munro Smart-Beta UK Fund

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