MUNRO

Comment

May 2025

UK equities up across most sectors

Every sector in the UK market rose in May enabling the market overall to increase by mid-single digits. The spread of returns ranged from barely positive for Consumer Staples to high-single digits for Materials. However, most sectors made gains in the lower half of the range. Over the course of the year to date, three sectors - Financial, Industrials and Utilities - have made gains well into double digits.

External political factors were the main drivers of moves in the market as analysts did their best to interpret the likely impact of changes to US tariffs. Sterling strengthened a little over the month but did not play a large role in the changes to valuations. A modest improvement in the oil price over the same period was also not a material factor.

There was a very small increase in the forecast for dividends to be paid by listed UK companies next year. Declines from dollar sensitive companies in sectors like oil and banking were compensated by increases from a mixture of others.

Valu-Trac Investment Management Limited

VT Munro Smart-Beta UK Fund

Visit our website at https://www.munrofunds.co.uk