Comment

December 2024

Financials are main impetus behind 2024 gains

UK equities delivered a strong return over the course of 2024, only just failing to deliver double digit gains. That said, December suffered negative performance in every sector bar two. The worst performing sector was Real Estate closely followed by Materials, Consumer Discretionary and Industrials. Financials and Not Classified were the only two to gain over the month. It is not hard to discern the perceived effect of interest rates on the relative performance between sectors. The bank rate was left unchanged in December.

Over the year Financials were the stand-out winners, rising in value by over a quarter. Industrials, Consumer Staples and Communication Services also posted double-digit gains while Real Estate was down by a similar figure. Partly driven by out-of-favour financials at the start of the year, a Value style delivered superior returns.

External influences were modest in December although the slight strengthening of sterling against the dollar was probably a small negative factor. Despite that the forecast for dividends to be paid out next year edged up slightly.

Valu-Trac Investment Management Limited

VT Munro Smart-Beta UK Fund

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