

July investment insights: Which were the best and worst performing funds?

In July, smaller company funds emerged as the top performers in the market, as the most undervalued assets began to recover.

North American Smaller Companies funds yielded a return of 5.3 per cent throughout the month, closely followed by Property (Other) at 4.5 per cent and UK Smaller Companies at 4.3 per cent.

The prevalence of small companies was so evident that nine out of the ten fastest growing funds during the month were either smaller companies or mid cap funds, with the only exception being the Lazard Global Listed Infrastructure Equity (+7.9 per cent).

Ben Yearsley, director of Fairview Investing, noted: "If you look to the wider top 20/30 funds, there are many more smaller companies funds (UK and US) to be found,".

The worst performing funds of the month also showed a similar trend, with the tech sector dominating the top ten. Seven out of the bottom ten funds were tech funds, with the Liontrust Global Technology fund being the worst performer, losing 12.5 per cent, as reported by [City AM](#).

In fact, Liontrust had three funds in the bottom ten.

The entire tech fund sector lost an average of 5.7 per cent.

Yearsley also highlighted another significant theme from last month: "[China](#) was the other notable theme last month with many Chinese equities funds having a tough time," including the SVS Aubrey China fund that declined over 10 per cent.

Other poorly performing sectors included Global Emerging Markets (-2.7 per cent), Asia Pacific ex Japan (-2.5 per cent) and Latin America (-1.2 per cent).

Investment trusts have performed in a similar vein to other investment funds, with three of the five top-performing categories representing smaller companies: North American with a 12.3% uplift, UK rising by 8.5%, and Global increasing by 7.9%.

“Downing Strategic Micro Cap officially topped the tables with a gain of 40% however that’s slightly illusory as the trust is winding up and paying back capital to shareholders,” observed Yearsley.

The outstanding funds and their returns (in percentages) are detailed below:.

- Goldman Sachs US Small Cap Core Equity Portfolio (+9.0%)
- CT US Smaller Companies (+8.15%)
- Janus Henderson US Small Mid Cap Value (+8.01%)
- CT American Smaller Companies (+7.97%)
- Aviva UK Listed Small & Mid Cap (+7.94%)

Source: FE fundinfo.

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