



## Comment

July 2023

### Performance of Value picks up

Interest rates continued to rise in the major economic blocs in July as central banks tightened monetary policy yet again. The net effect was to edge sterling higher over the period, presumably because the market expects more interest rate rises to come for this currency than others.

Despite this headwind, value stocks slightly outperformed the main market in July and helped the relative performance of the fund. This was encouraging after the underperformance during the first half of the year. Even though the holiday season is well underway, many large companies reported earnings for the first half of the year. Banks generally had better earnings than last year, for the most part because of the higher interest rate environment the world is now in. Resource companies were, overall, not quite so profitable as a year ago because many commodity prices have drifted lower over the course of the year so far.

Smaller companies, which tend to be more focused on the UK economy, will report over the next month or so. But these companies did less well during July, probably reflecting the more challenging business environment they face in the domestic economy.

Valu-Trac Investment Management Limited

#### **VT Munro Smart-Beta UK Fund**

Valu-Trac Investment Management Limited. Authorised and regulated by the Financial Conduct Authority (FCA), registration number 145168. Head Office: Orton, Fochabers, Moray, IV32 7QE Telephone : +44 (0)1343 880217 Registered in England No. 2428648 Registered Office: Level 4, Dashwood House, 69 Old Broad Street, London, EC2M 1QS.

Visit our Website at <https://www.valu-trac.com/administration-services/clients/munro/>

Direct contact details for Robert Davies: Telephone: 01360 771921 Mobile: 07889 690369