



Maximising Your Profits From Funds (June 2013 Edition)

 **Fund**Expert.co.uk

Smart research. Better investing.

The Problem?

- You want to maximise profits from your funds
- A large number of investment funds are simply not good enough.
- Too many investors accept mediocrity
- Investors don't realise there are straightforward alternatives

The Solution?

No, the answer is not to put it all in a Mongolian Smaller Companies or Gold fund!

The answer? Simple. Have a process for identifying an OUTSTANDING fund.

In this note we will explain such a process, highlight its outstanding track record, and explain how we can help you generate consistently more growth from your funds.

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Cost to YOU of Mediocrity?

Imagine this:

- You invest £100,000 over 5 years into a UK growth fund
- You have two alternative outcomes
- 1. An average return, OR
- 2. The average return plus an **EXTRA £44,680**

Let's call Option 1 "mediocrity" (though we doubt many investors even achieve a consistently average return, let alone anything better).

If Option 2 was realistic, would you opt for that? Or stick with mediocrity?

Remember, Option 2 creates the opportunity for an EXTRA £44,680 after 5 years – from an initial investment of £100,000

We will return to the research behind these numbers in a moment – and all of our work on this is published on our web site. The investment process for option 2 has been widely recognised by the investment industry for decades – in fact the first research was in the 1930s. Sadly it has not been made accessible to retail investors via mainstream funds – UNTIL NOW!

The Solution? – Dynamic Fund Selection

We've developed a unique rating system to identify funds with a high probability of extra growth. On FundExpert.co.uk you will see that each fund is rated, and here are the key benefits:

- All funds have a clear rating, and a clear action is indicated
- For example, a 5 star fund is a "Buy"
- All other funds are a "Sell"
- The ratings are updated every month

So it couldn't be clearer for investors.

Fund ratings are regularly updated, with a clear recommendation, and a clear (proven) process underlying the ratings system.

This is in stark contrast to most fund rating systems which have: no clear basis for the rating; no historical track record to illustrate how they improve performance; no regular re-ratings. Plus they often aren't independent as the rating is paid for by the fund manager!

What is Dynamic Fund Selection?

- **Our ratings are based on a form of momentum investing**
- This means buying an investment (in this case a fund) which is already performing well in the likelihood that it will continue to perform well
- **Funds are allocated a star rating based partly on their performance over the previous 6 months.**
- The funds with greatest momentum are awarded 5 stars

Think of it this way...

- Think of the fund as a relay runner...
- ...and the baton is your money
- You hand the baton (your money) to a runner in motion (the fund with momentum)
- At the end of a lap (after 6 months) the runner hands the baton (your money) to another runner, the fund with most momentum now
- This process is repeated every 6 months

How Successful Is Dynamic Fund Selection?

We rigorously tested the effectiveness of investing using the Dynamic Fund Selection on a sector by sector basis, typically analysing 164 five year periods since 1994.

The results are impressive.

For example, let's consider UK growth funds, as found in the UK All Companies sector. This is the average EXTRA growth achieved by using Dynamic Fund Selection:

- **7.67% per annum EXTRA growth** – 5 star funds pinpointed by Dynamic Fund Selection vs the average fund in the sector
- **This equates to £44,680 EXTRA return after 5 years** – from an initial investment of £100,000
- **90.85% chance of outperformance** - Dynamic Fund Selection outperformed in 149/164 five year periods since 1994
- To reiterate, the above analysis is based on 164 different 5 year periods since 1994

How do I get started?

Try these two steps:

Step 1. Use this guide

In the following pages we identify the 3 funds with the greatest momentum, in the most popular sectors.

- If you hold investment funds, check whether any of them are featured in these tables of outstanding funds. If not, Dynamic Fund Selection means you no longer have to tolerate mediocrity.
- If you have cash to invest, the tables provide some ideas on outstanding funds.

Step 2. Check your funds online now – and it's FREE

Do you have an existing portfolio of funds? Now you can check their ratings for free via FundExpert.co.uk.

There is no charge, or compulsory registration.

This is what do:

- i. Go to the FundExpert.co.uk [“homepage”](#)
- ii. Select the red button labeled [‘Are my funds any good? Can I do better?’](#)
- iii. Then select your funds from the drop down list
- iv. You will see our rating and our suggested action (sell or hold).

If you find the tool useful why not [register](#) for free with no obligation to buy funds?

Then you will be able to:

- Save your list of funds (up to 20)
- Monitor their ratings in future
- Spot mediocrity before it takes hold.



Best Funds By Sector

The following pages show our fund shortlist for the most popular sectors, which are in turn grouped by investment risk. Low risk sectors are coloured green, medium risk sectors are coloured orange and high risk sectors are red. These funds have been picked using Dynamic Fund Selection (All data is as at 03/06/2013).

Lower Risk Funds – those investing in lower risk funds are prepared to accept some capital volatility for the potential of a better return than on deposit, but do not want the day to day risk of stock market investment.

UK Corporate Bonds

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Old Mutual	Corporate Bond	4.85	28.51	31.23
Kames	Sterling Corporate Bond	4.51	13.61	27.94
Invesco Perp	Corporate Bond	4.49	16.98	25.58

LOW risk	
MEDIUM risk	
HIGH risk	

UK Strategic Bonds

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Artemis	High Income	9.06	24.06	37.70
M&G	Optimal Income	5.51	13.55	31.74
Henderson	Fixed Interest Monthly inc	4.13	12.74	23.05

UK High Yield Bonds

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Invesco Perp	European High Yield	7.51	28.51	44.62
Baillie Gifford	High Yield Bond	6.56	20.90	37.22
M&G	High Yield Corporate Bond	3.94	15.23	26.34

Medium Risk Funds – for those comfortable with stock market risk and taking a long view (of over 5 years). This typically covers mainstream equity market funds.

UK All Companies

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Invesco Perp	UK Aggressive	30.04	56.19	61.07
Schroder	Recovery	28.14	57.11	60.13
Standard Life	UK Equity Unconstrained	27.10	60.41	90.59

LOW risk	
MEDIUM risk	
HIGH risk	

UK Equity Income

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Invesco Perp	UK Strategic Income	22.03	38.26	61.29
Standard Life	UK Equity Income Unconstrained	21.30	42.95	63.79
Schroder	Income	21.07	60.41	90.59

Europe excl. UK




Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Artemis	European Growth	25.57	54.03	39.33
Invesco Perp	European Equity Income	23.50	53.86	36.31
Baillie Gifford	European	21.55	44.69	52.01

North America

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
M&G	North American Value	27.62	29.72	36.90
UBS	US Equity	26.62	29.49	38.85
Old Mutual	North American Equity	25.83	29.30	59.48

Asia excl. Japan

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Henderson	Asian Dividend Income	13.17	29.36	37.68
M&G	Asian	12.81	27.20	31.36
Baillie Gifford	Pacific	12.32	25.95	37.33

LOW risk	
MEDIUM risk	
HIGH risk	

Japan

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Legg Mason	Japan Equity	55.52	82.24	141.10
Neptune	Japan Opportunities	34.64	46.88	11.93
Martin Currie	Japan Alpha	25.14	27.18	15.91

High Risk Funds – these funds are for those investors comfortable with taking at least a 10 year time view and willing to accept a high degree of capital volatility and a greater possibility for loss as well as gain.

Global Growth

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Invesco Perp	Global Opportunities	29.12	42.96	49.93
Cazenove	Multi Manager Global ex UK	9.69	20.65	13.17
Schroder	Global Healthcare	24.58	37.04	56.36

LOW risk	
MEDIUM risk	
HIGH risk	

Global Emerging Markets

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
Invesco Perp	Emerging Countries	11.60	23.39	14.12
Threadneedle	Global Emerging Market Equity	9.69	20.65	13.17
M&G	Global Emerging Markets	8.90	17.94	15.51

Specialist

Company	Fund Name	6 Month Growth%	1 year Growth%	3 Year Growth%
AXA Framlington	Biotech	34.41	44.19	96.34
Henderson	Global Financials	22.84	45.62	27.04
Jupiter	Financial Opportunities	22.15	37.40	7.61

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Risk investments are not suitable for everyone and you should obtain expert advice if you have any doubt about whether they are suitable for your particular circumstances. Levels and bases of, and reliefs from taxation are subject to change. The past is not necessarily a guide to future performance.

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