



The Vintage Funds Report



July 2021

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“ 94% of funds
fail to beat our
straightforward
long-term
performance
benchmark. ”

The **Vintage** Funds Report: July 2021

92% of funds are not good enough – they are no better than mediocre. That has been the conclusion of our research for years past.

Now it has got worse – **94%**. This is sad conclusion of the latest **Vintage Funds Report**.

We update this research every year because we believe you should invest into the best possible funds.

Our **Vintage Fund Ratings** consider the longer-term consistency of a fund, to identify these funds.

In this report we start by addressing the BIG problem facing investors, then look at ratings systems and what makes a good one. Finally, we will set out our sector-by-sector **Vintage Funds** review.

Here is a breakdown of what is covered in this Report:

1. Key Findings
2. The BIG Problem
3. What Goes Into An Outstanding Rating System?
4. Questions For Your Adviser
5. What Is A **Vintage** Fund Rating?
6. Spotlight: 3 Popular Sectors
7. The **Vintage** Funds Sector Review
8. Appendix 1: “I can’t find my fund” or “I can’t buy the fund in your list”
9. Appendix 2: Sectors or funds excluded from summary tables
10. Important Information & Endnotes

1. Key Findings

Vintage Ratings identify the small number of funds which consistently perform better than the other funds in their sector. In other words, those consistently providing you with more growth.

We analysed 2230¹. Of those:

- Only **6%** (133 funds) are good enough to receive a **Vintage rating**
- **94%** of funds are **mediocre or worse**
- **Ugly** funds (those consistently in the bottom two quintiles) make up **59%** of the funds analysed

That’s £1,731bn invested in funds that are mediocre or worse.

We believe you should have the opportunity to invest in the best possible funds, as the benefits to you can be huge, as you can see in [Section 6](#).

2. The BIG Problem

The BIG problem for investors in funds is that most funds simply are not good enough.

94% of funds don't beat our straightforward benchmark, as we illustrate on page 4 of this report. For those that have been paying attention, this is not new news.

Regular visitors to FundExpert will know about our **Dynamic** Fund Ratings. There is detailed academic research going back to the 1930s which proves that the recent past is an excellent guide to the future – this research focuses on what is called momentum investing: buying today's winners in the knowledge that there is a strong likelihood they will also be winners tomorrow.

We exploit the latter tendency with our **Dynamic** Fund Ratings.

In this report our focus is on **Vintage** Fund Ratings. The differences are:

Dynamic Fund Ratings:

- Exploit opportunities derived from shorter term momentum.
- 6-monthly review periods and a high turnover of funds at each of those review points.
- In this case, we don't care whether the fund manager is skillful or lucky, we just want to piggyback on their current performance.

Vintage Fund Ratings

- Tell us more about the quality of a fund manager derived from 10 years' worth of data. ¹
- A high rating suggests the fund manager is more skillful than lucky.
- These funds are reviewed every year, but turnover should be relatively low at your review point.

Now let's look at what makes a good rating system and how the rating is calculated.

¹ We review 120 individual overlapping 6-monthly rolling periods, with a higher weighting given to more recent periods. This gives us a **Vintage** score for each fund.

3. What Goes Into An Outstanding Rating System?

Our view is that any best-buy list or fund rating system must be supported by a tight process. More precisely, these are the must-haves for an effective process to identify outstanding funds:

- **Straightforward** to identify top-rated funds.
- The underlying process must be **objective**, clear and understandable.
- It must be easily **repeatable**.
- There must be a volume of long-term **evidence** of it generating extra growth.

These are straightforward requirements and our *Vintage Ratings* meet these criteria.

These ratings are not seat of pants – they are objective (see below).

It's not fund recommendation by proclaiming "because I'm an expert".

There is no scope for *Vintage Ratings* to be skewed by fund managers with a good story.

Our *Vintage Ratings* are both objective and measure **long-term** quality.

4. Questions For Your Adviser

Our focus is on helping you achieve outstanding investment outcomes. Simple really.

So why does our industry struggle so badly with doing this? Of course, there are exceptions, and I do believe that a decent number of firms around the UK are really trying hard to make a difference.

So here I want to help you spot if your source of fund advice is adding value. Do they show symptoms of one or more of these tendencies which are wholly bad news for you:

No fund selection process. If your adviser recommends funds, or your fund platform highlights certain funds, it is vital that they should be able to set out the basis on which they select funds – AND provide clear evidence, over a meaningful period, of how this process has added value.

The key is evidence – a lot of our industry talks a good game, but comes up short when put to proof.

Sell funds rather than solutions. Too often there is a tendency to sell funds, particularly new fund launches, with little sense of why this fund might suit you. A good process will help you identify solutions to meet YOUR needs – do they promote such a process?

Sell low charges rather than outstanding funds. This just plays to the lowest common denominator. Too many investors do not understand how to consistently identify outstanding funds; some advisers and fund platforms sell funds based on “cheap” rather than “quality” – and they are doing you a huge dis-service.

5. What Is A Vintage Fund Rating?

We have already established that **Dynamic** Fund Ratings focus on recent performance. This suits pro-active investors who prefer to review funds at least every 6-months.

Vintage Fund Ratings identify those funds with consistent longer-term performance. It suits investors that don't want to review their funds any more than annually.

Trying to identify those funds that are outstanding due to skill rather than luck has been a perpetual journey for many investors, advisers and fund managers. It was an important trigger at the birth of the fund rating industry.

To achieve a **Vintage** rating a fund must be in the top 40% of performers in its own sector 60% of the time. The "time" is the 120 overlapping 6-monthly periods in the last 10 years with a higher weighting being given to more recent periods.

We exclude funds that are less than £50m in size but don't actively exclude funds based on their age. The nature of **Vintage Fund Ratings** is that funds need to have been around for a few years to build up a track record before they can get a **Vintage** rating.

We did not think this was a demanding benchmark.

But we found that 94% of funds failed to beat it.

6. Spotlight: 3 Popular Sectors

Here we look at what happens when you apply our Vintage ratings to three popular investment sectors: **UK All Companies, Global** and **Mixed 20-60% Shares**.

In the graphs in the next four pages we show the Vintage performance (green line) compared to the sector average (grey line). Plus, in the table under each graph we show you the volatility, by way of the Worst calendar month and the Worst calendar year for the 17-year period from July 2004 to July 2021.

Performance highlights

Here are the key performance highlights for three very popular sectors, assuming you had invested £100,000 at the beginning of the period in 2004:

- Applying **Vintage** ratings to the UK All Companies sector, this £100,000 would have grown to **£492,330**. **£153,870 extra** – compared to the sector average (**£338,460**).
- In the Global sector you generated **144% more growth**. That is **£144,780 extra** compared with the sector average.
- In the Mixed 20-60% Shares sector Vintage ratings generated **60% more growth**. That is **£59,770 extra** compared with the sector average.

The sector process:

In the following examples we use the period from 1 July 2004 to 28 June 2021.

- We assume that you would have started investing on 1 July 2004
- You selected the top 3 Vintage-rated funds.
- Then every 12 months you reviewed...
- ...and switched into the latest top 3 Vintage rated funds.

UK All Companies

In our analysis there are 23 **Vintage** rated funds in this sector. The detail on the sector is [here](#).

If you had used our **Vintage** ratings to select funds from the UK All Companies sector from July 2004 your portfolio would have returned 392%.

In contrast, the UK All Companies sector average growth was 238%, a difference of 154%.

If you had invested £100,000 in July 2004 that would have grown to **£492,330**.

£153,870 extra – compared to the sector average (**£338,460**).

And the volatility is lower compared to the sector average. The Worst Month is 10.1% for the **Vintage** Portfolio compared with 18.4% for the sector average.



01/07/2004 - 28/06/2021 Data from FE fundinfo2021

	Overall %	Annualised %	Worst Month %	Worst Year %
Vintage UK All Co's Portfolio	392.33	10.74	-10.1	-14.59
UK All Companies Sector Avg	238.46	8.41	-18.4	-20.01

Global

In our analysis there are 18 **Vintage** rated funds in this sector. The detail on the sector is [here](#).

If you had used our **Vintage** ratings to select funds from the Global sector from July 2004 your portfolio would have grown by 498%.

In contrast, the Global sector average growth was 354%, a difference of 144%.

If you had invested £100,000 in July 2004 that would have grown to **£598,940**.

£144,780 extra – compared to the sector average (**£454,160**).

The risk is higher for the Global sector. The worst month is 16% for the **Vintage** Portfolio compared with 13% for the sector average. Do note this.



	Overall	Annualised	Worst Month	Worst Year
	%	%	%	%
Vintage Global Portfolio	498.94	12.15	-16.1	-29.4
Global Sector Avg	354.16	9.97	-12.9	-24.3

Mixed 20-60% Shares

In our analysis there are just 3 *Vintage* rated funds in this sector. The detail on the sector is [here](#).

If you had used our *Vintage* ratings to select funds from the Mixed 20-60% Shares sector from July 2004 your portfolio would have grown by 190%.

In contrast, the Mixed 20-60% Shares sector average growth was 130%, a difference of 60%.

If you had invested £100,000 in July 2004 that would have grown to **£290,630**.

£59,770 extra – compared to the sector average (**£230,860**).

The volatility compared with the sector average is higher based on the Worst Month (12.6% vs. 10%) but much lower over a year (9.5% vs. 15.8%).



	Overall %	Annualised %	Worst Month %	Worst Year %
Vintage Mixed 20-60% Portfolio	190.63	6.6	-12.6	-9.5
Mixed 20-60% Sector Avg	130.86	5.3	-10.0	-15.8

In summary, **Vintage** fund ratings are a great resource for investors that do not want to review every 6 months, and you can see from these numbers that the results are impressive.

But remember, you should not adopt a “buy-and-forget” approach with these funds (or any of your investments) because inertia is one of the biggest roadblocks to you making best possible gains.

Now you have all the background detail. In the next section we look at the high-level numbers for each of the main sectors as well as the 5 top-rated funds in each sector. For the popular Global and UK All Companies sectors we list all of the current **Vintage** rated funds.

7. The Vintage Funds Sector Review

Here are the summaries for each of the main sectors, in alphabetical order.²

Each sector breakdown has bulleted highlights and two tables.

The first table is an **overview** showing how many funds in that sector were rated:

- **Vintage** (scoring 60% or more)
- Mediocre (scoring 40% to 60%)
- or Ugly (scoring less than 40%)

We also show how much was invested in these **Vintage**, Mediocre and Ugly funds.

The second table shows the current top-rated funds in that sector in descending order, based on our **Vintage** score in the right-hand columns.³ In the right-hand columns we also show you the funds from the last period and for some sectors we highlight any funds that have lost their **Vintage** rating in red.

Current **Vintage** funds are shown in **bold and italics**. **Vintage** funds from the last edition are shown in *italics*. If there are any notes on a sector these are shown as footnotes on each page. If you can't find a sector, then do check the [Appendices](#) at the end where we break down what is covered and what isn't.

Remember that the target **Vintage Rating** that the funds are aiming to beat is 60%, as bulleted above.

In each sector we show the top 5 funds based on our **Vintage** research except for the popular UK All Companies and Global sectors, where we show all the **Vintage** rated funds. In some sectors there are fewer than 5 Vintage funds and, in some cases, there are none. In these instances, we still show the top 5 funds based on their **Vintage** score, even though less than 60.

² We use the Investment Association and UT & OEICs universes, excluding funds that are less than £50m in size.

³ Not all funds will be available on all investment platforms.

Asia-Pacific ex-Japan sector

Funds in this sector invest at least 80% of their assets in Asia Pacific equities and exclude Japanese securities.

- There are 9 **Vintage** funds, which is 5% of the funds available...
- ...and 14% of the money invested in the sector.
- £38 billion is invested in Ugly funds, nearly 51% of the sector total.
- This is an increase in the number of funds from last edition, which featured 5 **Vintage** funds.
- The best **Vintage** score is for **Fidelity Sustainable Asia Equity** (66%).
- Fidelity dominate this sector, 3 out of the 5 **Vintage** rated funds are Fidelity funds
- The average 10-year return for **Vintage**-rated funds is 222%...
- ...100% better than average for Ugly funds (123%).

Asia-Pacific ex-Japan overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	9	32	61	102
<i>% of Total</i>	5%	31%	64%	
£m invested	10,731	26,440	38,356	75,527
<i>% of Total</i>	14%	35%	51%	

	Vintage	Mediocre	Ugly	Sector
Number of Funds	9	32	61	102
<i>% of Total</i>	5%	31%	64%	
£m invested	10,731.6	26,440.9	38,356.3	75,528.8
<i>% of Total</i>	14%	35%	51%	
Average 10yr Cuml. Perf. %	222.7	155.7	106.8	127.4
Average 10yr Annlzd. Perf. %	12.4	9.8	7.5	8.6

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
Fidelity Sustainable Asia Equity	66.0%	<i>Veritas Asian</i>	78.6%
JPM Asia Growth	65.6%	<i>Ninety-One Asia Pacific Franchise</i>	64.5%
Fidelity Asia Pacific Opportunities	65.5%	<i>Fidelity Asia</i>	63.1%

Fidelity Asia	63.1%	JPM Asia Growth	62.4%
Baillie Gifford Pacific	61.0%	Fidelity Emerging Asia	61.2%

Quick reminder

Vintage: Top 40% of performers 60% of the time
Ugly: Bottom 40% of performers 60% of the time
Mediocre: Everything else!

China/Greater China [NEW]

China is a new sector for this edition of the **Vintage** Funds Report. Funds in this sector invest at least 80% of their assets directly or indirectly in equities of the People's Republic of China, Hong Kong or Taiwan. Funds may invest in one or more of the countries.

- There are 5 **Vintage** rated funds in this sector, compared to zero Vintage funds in our 2020 report.
- 66% of the funds in this sector are Ugly rated...
- With 54% of total money invested going into these Ugly rated funds.
- The top rated fund is the **JPM Greater China** fund, with a Vintage score of 67%
- This is a sector to keep an eye on as China will be a growing part of investors' portfolios in coming years as the country develops.

China/Greater China overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	5	10	29	44
<i>% of Total</i>	11%	23%	66%	
£m invested	7,937	3,965	13,748	25,650
<i>% of Total</i>	31%	15%	54%	

Top funds from the sector for this edition

Fund	Vintage Score
JPM Greater China	67.30%
Baillie Gifford China	66.90%
Schroder ISF Greater China	66.80%
Allianz China A-Shares	62.90%
Pictet Greater China	61.30%

Europe ex-UK sector

Funds in this sector invest at least 80% of their assets in European equities and exclude UK securities.

- There are 9 **Vintage** funds, which is 8% of the funds available...
- ...and just 18% of the money invested in the sector.
- £68 billion is invested in Ugly funds, 66% of the sector total.
- For the second report in a row, the best **Vintage** score is for **BlackRock European Dynamic** (77%).
- The average 10-year return for **Vintage**-rated funds is 230%...
- ...over twice the return of the average Ugly funds (110%).

Europe ex-UK overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	9	30	77	116
<i>% of Total</i>	8%	27%	66%	
£m invested	18,665	16,659	68,779	104,104
<i>% of Total</i>	18%	16%	66%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
BlackRock European Dynamic	77.0%	<i>BlackRock European Dynamic</i>	73.5%
Baillie Gifford European	66.8%	<i>Jupiter European</i>	69.4%
Blackrock Continental European	65.1%	<i>Baillie Gifford European</i>	66.5%
T Rowe Price Continental European Equity	65.0%	<i>Fidelity European</i>	65.8%
Quilter Investors Europe Equity Growth	63.2%	<i>LF Miton European Opportunities</i>	65.0%

Quick reminder

Vintage: Top 40% of performers 60% of the time
Ugly: Bottom 40% of performers 60% of the time
Mediocre: Everything else!

Flexible sector

Funds in this sector are expected to have a range of different investments. However, the fund manager has significant flexibility over what to invest in. There is no minimum or maximum requirement for investment in company shares (equities) and there is scope for funds to have a high proportion of shares.

- There are 5 **Vintage** funds, which is 5% of the funds available...
- ...and 7% of the money invested in the sector.
- £32 billion is invested in Ugly funds, 67% of the sector total.
- This is an increase in the number of funds from last edition, which featured four **Vintage** funds.
- For the third consecutive year, the best **Vintage** score comes from the **Liontrust SF Managed Growth** fund (75.8%).
- The average 10-year return for **Vintage**-rated funds is 211%...
- ...over twice the return of the average Ugly funds (81%).

Flexible overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	5	34	57	96
<i>% of Total</i>	5%	35%	59%	
£m invested	3,347	12,347	32,255	47,950
<i>% of Total</i>	7%	26%	67%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
Liontrust SF Managed Growth	75.8%	<i>Liontrust SF Managed Growth</i>	79.4%
Embark Horizon Multi Asset	70.3%	<i>Margetts Sentinel Enterprise Portfolio</i>	62.7%
Liontrust Global Alpha	65.3%	<i>Liontrust Global Alpha</i>	62.6%
LF Ruffer Japanese	63.7%	<i>Pimco GIS Strategic Income</i>	61.4%
BNY Mellon Multi-Asset Growth	60.2%	<i>LF Ruffer Japanese</i>	60.0%

Global sector

Funds in this sector invest at least 80% of their assets globally in equities. Funds must be diversified by geographic region.

- There are 18 **Vintage** funds, which is 5% of the funds available...
- ...down from 23 Vintage funds in 2020.
- £190 billion is invested in Ugly funds, 46% of the sector total.
- The top **Vintage** rated fund, **T Rowe Price Global Focused Growth Equity**.
- Funds that have lost their **Vintage** rating are shown in red in the table below.
- The average 10-year return for **Vintage**-rated funds is 369%...
- ... 215% more than the return of the average Ugly funds (154%).

Global overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	18	99	188	305
<i>% of Total</i>	5%	30%	65%	
£m invested	72,066	153,089	190,512	415,668
<i>% of Total</i>	17%	37%	46%	

Top funds from the sector for this edition (left) and from the last July edition (right) ⁴

Fund	Vintage Score	Fund	Vintage Score
T. Rowe Price Global Focused Growth Eq	80.4%	<i>T. Rowe Price Global Focused Growth Eq</i>	76.1%
Seilern World Growth	75.7%	<i>Fundsmith Equity</i>	74.3%
GAM Star Disruptive Growth	74.9%	<i>Lindsell Train Global Equity</i>	71.7%
Nordea 1 Global Climate and Environment	72.7%	<i>Morg Stnly Global Opportunity</i>	71.2%
Morg Stanley Global Opportunity	69.6%	<i>Guinness Global Innovators</i>	69.0%
Baillie Gifford International	68.6%	<i>Baillie Gifford International</i>	68.7%
Nomura American Century Concentrated Global Growth Equity	68.1%	<i>Robeco Global Consumer Trends Equities</i>	68.3%
Robeco Global Consumer Trends Equities	67.9%	<i>GAM Star Disruptive Growth</i>	67.5%
Invesco Global Consumer Trends	67.6%	<i>Threadneedle Global Extended Alpha</i>	66.6%
Guinness Global Innovators	67.1%	<i>Baillie Gifford Global Alpha Growth</i>	66.0%

⁴ **Vintage** fund excluded from list. See [Appendix 2](#)

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Baillie Gifford Global Alpha Growth	66.8%	Janus Henderson Global Equity	64.2%
Fundsmith Equity	63.4%	<i>Pictet Security</i>	62.8%
Fidelity Institutional Global Focus	62.3%	BMO Responsible Global Equity	62.6%
Baillie Gifford Global Discovery	62.0%	AB Concentrated Global Equity Portfolio	62.4%
Janus Henderson Global Sustainable Equity	61.9%	Morgan Stanley Global Brands	61.9%
JOCHM Global Select	61.0%	Janus Henderson Global Sustainable Eq	61.2%
BMO Responsible Global Equity	60.6%	Morg Stnly Global Brands	61.1%
AB Concentrated Global Equity	60.5%	<i>T. Rowe Price Global Growth Equity</i>	60.9%

Quick reminder

Vintage: Top 40% of performers 60% of the time
Ugly: Bottom 40% of performers 60% of the time
Mediocre: Everything else!

Global Emerging Markets sector

Funds in this sector invest 80% or more of their assets in equities from emerging market countries as defined by the relevant FTSE or MSCI Emerging Markets and Frontier indices. The maximum frontier equity exposure is restricted to 20% of the total fund.

- There are 7 *Vintage* funds, which is 6% of the funds available...
- ...and just 10% of the money invested in the sector.
- £73 billion is invested in Ugly funds, 53% of the sector total.
- One *Vintage* rated fund from 2020 lost their rating – *T.Rowe Price Emerging Markets Equity*.
- The top Vintage rated fund with a score of 72.7% is *Baillie Gifford Emerging Markets Leading Companies*.
- The two Baillie Gifford funds were also the top two ranked funds from our Vintage Report 2020.
- The average 10-year return for *Vintage*-rated funds is 139%...
- ...74% more than the return of the average Ugly funds (65%).

Global Emerging Markets overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	7	42	65	114
<i>% of Total</i>	6%	37%	57%	
£m invested	13,262	51,146	73,749	138,158
<i>% of Total</i>	10%	37%	53%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
<i>Baillie Gifford Emerging Markets Leading Companies</i>	72.7%	<i>Baillie Gifford Emerging Markets Leading Companies</i>	71.0%
<i>Baillie Gifford Emerging Markets Growth</i>	68.9%	<i>Baillie Gifford Emerging Markets Growth</i>	68.9%
<i>Quilter Investors Emerging Markets Equity Growth</i>	67.5%	<i>BlackRock Emerging Markets</i>	65.8%
<i>GS Emerging Markets Equity Portfolio</i>	65.7%	<i>Federated Hermes Global Emerging Markets</i>	63.6%
<i>BlackRock Emerging Markets</i>	64.4%	<i>T. Rowe Price Emerging Markets Equity</i>	62.8%

Japan sector

Funds in this sector invest at least 80% of their assets in Japanese equities.

- There are 9 **Vintage** funds, which is 11% of the funds available...
- ...and 11% of the money invested in the sector.
- £32 billion is invested in Ugly funds, 53% of the sector total.
- This is an increase in the number of funds from last edition, which featured 5 **Vintage** funds.
- The top **Vintage** rated fund from the last edition has lost its rating, **Comgest Growth Japan** falls just outside of the **Vintage** threshold on 59%.
- The top **Vintage**-rated fund is **Baillie Gifford Japanese (65.4%)**.
- The average 10-year return for **Vintage**-rated funds is 213%...
- ...not far off twice the return of the average Ugly funds (129%).

Japan overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	9	26	48	83
<i>% of Total</i>	10%	31%	53%	
£m invested	9,714	17,006	32,714	59,436
<i>% of Total</i>	16%	29%	55%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
Baillie Gifford Japanese	65.4%	<i>Comgest Growth Japan</i>	71.0%
iShares Nikkei 225 ETF	63.6%	<i>T. Rowe Price Japanese Equity</i>	68.9%
Xtrackers Nikkei 225 ETF	62.9%	<i>Nomura Japan High Conviction</i>	65.8%
JPM Japan	62.2%	<i>JPM Japan</i>	63.6%
GAM Star Japan Leaders	62.1%	<i>Lindsell Train Japanese Equity</i>	62.8%

Quick reminder

Vintage: Top 40% of performers 60% of the time
Ugly: Bottom 40% of performers 60% of the time
Mediocre: Everything else!

Mixed 0-35% Shares sector

Funds in this sector are required to have a range of different investments. Up to 35% of the fund can be invested in company shares (equities). At least 45% of the fund must be in fixed income investments (for example, corporate and Government bonds) and/or “cash” investments. “Cash” can include investments such as current account cash, short-term fixed income investments and certificates of deposit.

- There is just 1 **Vintage** fund, which is 3% of the funds available...
- ...this fund is the **Royal London Sustainable Managed Growth** fund...
- With a brilliant Vintage score of 77.6%, down from 83.6% the previous year.
- This is a decrease in the number of funds from last edition, which featured 5 **Vintage** funds.
- These are quite new funds, so they do not have 10 years of performance data.

Mixed 0-35% Shares overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	1	12	22	35
<i>% of Total</i>	3%	34%	63%	
£m invested	1,137	8,426	5,576	15,141
<i>% of Total</i>	8%	56%	37%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
Royal London Sustainable Managed Growth Trust	77.6%	<i>Royal London Sustainable Managed Growth Trust</i>	83.0%
		<i>Vanguard LifeStrategy 20% Equity</i>	64.4%
		<i>BlackRock NURS II Consensus 35</i>	61.8%
		<i>Jupiter Merlin Conservative Portfolio</i>	56.3%
		<i>Threadneedle Managed Bond Focused</i>	53.4%

Mixed 20-60% Shares sector

Funds in this sector are required to have a range of different investments. The fund must have between 20% and 60% invested in company shares (equities). At least 30% of the fund must be in fixed income investments (for example, corporate and Government bonds) and/or “cash” investments e.g. current account cash or short-term fixed income.

- There are 3 *Vintage* funds, which is 3% of the funds available...
- ...and just 8% of the money invested in the sector.
- £28 billion is invested in Ugly funds, 45% of the sector total.
- This is a decrease in the number of funds from last edition, which featured 5 *Vintage* funds.
- The funds that have lost their *Vintage* rating are shown in red in the table below. The **Embark Horizon Multi Asset** fund fell just down to 56.1%, while the **Vanguard LifeStrategy** fund has dropped down to 54%.
- **Royal London Sustainable Diversified Trust** is again the top performing fund with a Vintage score of 73.3%, down from 80.6% in 2020.
- The average 10-year return for *Vintage*-rated funds is 122%...
- ... exactly twice the return of the average Ugly funds (61%).

Mixed 20-60% Shares overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	3	45	62	110
<i>% of Total</i>	3%	41%	56%	
£m invested	5,143	28,886	28,187	62,217
<i>% of Total</i>	8%	46%	45%	

Top funds from the sector for this edition (left) and from the last July edition (right)⁵

Fund	Vintage Score	Fund	Vintage Score
Royal London Sustainable Diversified Trust	73.6%	<i>Royal London Sustainable Diversified Trust</i>	<i>80.6%</i>
Premier Miton Multi-Asset Distribution	62.9%	<i>Liontrust Sustainable Future Defensive Managed</i>	<i>75.9%</i>
Liontrust Sustainable Future Defensive Managed	62.7%	<i>Embark Horizon Multi Asset</i>	<i>68.5%</i>
		<i>Vanguard LifeStrategy 40% Equity</i>	<i>60.2%</i>
		<i>AXA Global Distribution</i>	<i>60.6%</i>

⁵ *Vintage* fund excluded from list. See [Appendix 2](#)

Mixed 40-85% Shares sector

Funds in this sector are required to have a range of different investments. However, there is scope for funds to have a high proportion in company shares (equities). The fund must have between 40% and 85% invested in company shares.

- There are 7 **Vintage** funds, which is 6% of the funds available...
- ...and 25% of the money invested in the sector.
- £26 billion is invested in Ugly funds, 31% of the sector total.
- This is a decrease in the number of funds from last edition, which featured 11 **Vintage** funds.
- The top three rated funds are exactly the same as they were in the 2020 Report - **Royal London Sustainable World Trust (79.9%), Liontrust Sustainable Future Managed (79.4%) and Baillie Gifford Managed (71.0%)**
- The average 10-year return for **Vintage**-rated funds is 186%...
- ...over twice the return of the average Ugly funds (82%).

Mixed 40-85% Shares overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	7	41	77	125
<i>% of Total</i>	6%	33%	61%	
£m invested	21,330	36,100	26,401	83,831
<i>% of Total</i>	25%	43%	31%	

Top funds from the sector for this edition (left) and a selection from the last July edition (right)⁶

Fund	Vintage Score	Fund	Vintage Score
Royal London Sustainable World Trust	79.9%	<i>Royal London Sustainable World Trust</i>	88.5%
Liontrust Sustainable Future Managed	79.4%	<i>Liontrust Sustainable Future Managed</i>	80.9%
Baillie Gifford Managed TR in GB	71.0%	<i>Baillie Gifford Managed TR in GB</i>	71.9%
Janus Henderson Inst Global Responsible Managed	66.7%	<i>Liontrust Sustainable Future Cautious Managed</i>	71.2%
Vanguard LifeStrategy 80% Equity	66.4%	<i>Janus Henderson Inst Global Responsible Managed</i>	68.7%

⁶ **Vintage** fund excluded from list. See [Appendix 2](#)

North America sector

Funds which invest at least 80% of their assets in North American equities.

- There are 14 **Vintage** funds, which is 7% of the funds available...
- ...and astonishingly just 15% of the money invested in the sector is in Vintage funds...
- compared to 70% (**£210 billion**) invested in Ugly funds.
- **Janus Henderson US Forty** has dropped from the highest rated to fourth, but keeping a very similar Vintage score (68.9% down from 69.6% last year)
- The average 10-year return for **Vintage**-rated funds is 486%...
- ...over double the return of the average Ugly funds (266%).

North America overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	14	47	129	190
<i>% of Total</i>	7%	25%	68%	
£m invested	44,438	46,605	210,917	301,962
<i>% of Total</i>	15%	15%	70%	

Top funds from the sector for this edition (left) and from the last July edition (right)⁷

Fund	Vintage Score	Fund	Vintage Score
Seilern America	76.3%	<i>Janus Henderson US Forty</i>	69.6%
IShares NASDAQ 100 ETF	76.2%	<i>Legg Mason ClearBridge US Large Cap Growth</i>	67.4%
AB American Growth	69.4%	<i>T. Rowe Price US Large Cap Growth Eq</i>	66.0%
Janus Henderson US Forty	68.9%	<i>Brown Advisory US Equity Growth</i>	65.6%
Legg Mason ClearBridge US Large Cap Growth	65.8%	<i>T. Rowe Price US Blue Chip Equity</i>	63.2%

⁷ **Vintage** fund excluded from list. See [Appendix 2](#)

Sterling Corporate Bond sector

Funds which invest at least 80% of their assets in Sterling denominated (or hedged back to Sterling) investment grade corporate debt (Triple BBB minus or above as measured by Standard & Poors or an equivalent external rating agency). This excludes convertibles, preference shares and permanent interest bearing shares (PIBs).

- There are 11 **Vintage** funds, which is 13% of the funds available...
- ...and 14% of the money invested in the sector.
- £46 billion is invested in Ugly funds, 64% of the sector total.
- This is the same number of funds from last edition, which also featured 11 **Vintage** funds.
- **L&G Managed Monthly Income Trust** is the top performing fund (73.7%).
- The average 10-year return for **Vintage**-rated funds is 92%...
- ...1.6 times the return of the average Ugly funds (56%).

Sterling Corporate Bond overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	11	22	55	88
<i>% of Total</i>	12%	25%	63%	
£m invested	10,039	15,751	46,631	72,423
<i>% of Total</i>	14%	22%	64%	

Top funds from the sector for this edition (left) and from the last July edition (right)⁸

Fund	Vintage Score	Fund	Vintage Score
L&G Managed Monthly Income Trust	73.7%	<i>Royal London Sterling Credit</i>	77.3%
Schroder Sterling Corporate Bond	71.4%	<i>L&G Managed Monthly Income Trust</i>	68.6%
Threadneedle Sterling Medium & Long Dated Corporate Bond	67.4%	<i>Baillie Gifford Investment Grade Long Bond</i>	68.2%
Schroder Long Dated Corporate Bond	66.4%	<i>Schroder Sterling Corporate Bond</i>	62.5%
ASI (SLI) Corporate Bond	64.8%	<i>Royal London Corporate Bond</i>	62.2%

⁸ **Vintage** fund excluded from list. See [Appendix 2](#)

Sterling Strategic Bond sector

Funds which invest at least 80% of their assets in Sterling denominated (or hedged back to Sterling) fixed interest securities. This does include convertibles, preference shares and permanent interest bearing shares (PIBs).

- There are 5 **Vintage** funds, which is 7% of the funds available...
- ...and 12% of the money invested in the sector.
- £21 billion is invested in Ugly funds, 42% of the sector total.
- This is the same number of funds from last edition, which also featured 5 **Vintage** funds.
- **GAM Star Credit Opportunities** is the top performing fund (66.9%).
- The average 10-year return for **Vintage**-rated funds is 86%...
- ...which is 1.7% twice the return of the average Ugly funds (52%).

Sterling Strategic Bond overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	5	23	44	72
<i>% of Total</i>	7%	32%	61%	
£m invested	5,898	23,541	21,735	51,174
<i>% of Total</i>	12%	46%	42%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
GAM Star Credit Opportunities GBP	66.9%	<i>Royal London Ethical Bond</i>	77.3%
Royal London Sterling Extra Yield Bond	62.6%	<i>Baillie Gifford Strategic Bond</i>	73.0%
Baillie Gifford Strategic Bond	61.1%	<i>GAM Star Credit Opportunities GBP</i>	69.4%
Fidelity Extra Income	60.8%	<i>Royal London Sterling Extra Yield Bond</i>	68.6%
Royal London Ethical Bond	60.3%	<i>Man GLG Strategic Bond</i>	68.2%

Quick reminder

Vintage: Top 40% of performers 60% of the time
Ugly: Bottom 40% of performers 60% of the time
Mediocre: Everything else!

UK All Companies sector

Funds in this sector invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth.

- There are 23 **Vintage** funds, which is 11% of the funds available...
- ...and 15% of the money invested in the sector.
- £127 billion is invested in Ugly funds, 64% of the sector total.
- Funds that have lost their **Vintage** rating are shown in red in the table below.
- **Liontrust UK Ethical** is the top performing fund (77.1%).
- The average 10-year return for **Vintage**-rated funds is 203%...
- ...well over twice the return of the average Ugly funds (79%).

UK All Companies overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	23	67	113	203
<i>% of Total</i>	11%	33%	56%	
£m invested	29,358	42,881	127,359	199,599
<i>% of Total</i>	15%	21%	64%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
Aviva Inv UK Equity MoM	77.1%	Aviva Inv UK Equity MoM	75.0%
Slater Recovery	71.2%	Liontrust Special Situations	74.7%
Slater Growth	71.0%	Royal London Sustainable Leaders Trust	74.0%
MI Chelverton UK Equity Growth	70.5%	Lindsell Train LF Lindsell Train UK Equity	73.7%
Liontrust Sustainable Future UK Growth	70.4%	Liontrust Sustainable Future UK Growth	72.7%
CFP SDL UK Buffettology	68.5%	CFP SDL UK Buffettology	71.8%
Royal London Sustainable Leaders Trust	68.4%	Liontrust UK Ethical	69.4%
Premier Miton Ethical	68.4%	AXA Framlington UK Mid Cap	68.3%
Premier Miton UK Growth	66.8%	BlackRock UK Equity	67.8%
AXA Framlington UK Mid Cap	66.0%	TB Evenlode Income	66.7%
Liontrust Special Situation	66.0%	EdenTree UK Equity Growth	65.0%
EdenTree Responsible & Sustainable UK Equity	65.1%	Marlborough Multi-Cap Growth	64.5%
Blackrock UK Equity	64.8%	Slater Recovery	64.4%
Marlborough Multi-Cap Growth	64.4%	Slater Growth	64.2%

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Lindsell Train LF UK Equity	64.0%	ASI UK Mid Cap Equity	62.4%
L&G Growth Trust	63.5%		
Jupiter UK Mid Cap	62.9%		
ASI UK Responsible Equity	62.1%		
Royal London UK Mid-Cap Growth	61.8%		
Quilter Investors Equity	61.4%		
Jupiter UK Dynamic Equity	61.4%		
ASI UK Opportunities Equity	61.1%		
SVM UK Growth	61.1%		

UK Equity Income sector

Funds in this sector invest at least 80% in UK equities and which intend to achieve a historic yield on the distributable income in excess of 100% of the FTSE All Share yield at the fund's year end on a 3 year rolling basis and 90% on an annual basis.

- There are 0 **Vintage** funds
- ...which is down from 3 Vintage funds in 2020
- £14.6 billion is invested in Ugly funds, 31% of the sector total.
- Funds that have lost their **Vintage** rating are shown in red in the table below.
- **Janus Henderson UK Responsible Income** is the top performing fund with a score of 57.4%.

UK Equity Income overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	0	34	38	72
<i>% of Total</i>	0%	47%	53%	
£m invested		32,942	14,642	47,584
<i>% of Total</i>		69%	31%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
<i>Janus Henderson UK Responsible Inc</i>	<i>57.4%</i>	Aviva Inv UK Listed Equity Income	68.4%
Premier Miton UK Multi Cap Income	51.7%	Royal London UK Equity Income	66.5%
<i>BMO Responsible UK Income</i>	<i>55.6%</i>	Janus Henderson UK Responsible Inc	61.4%
SPW Multi-Manager UK Equity Income	55.6%	Liontrust Income	59.2%
<i>Liontrust Income</i>	<i>55.5%</i>	BMO Responsible UK Income	58.9%

UK Smaller Companies sector

Funds in this sector invest at least 80% of their assets in UK equities of companies which form the bottom 10% by market capitalisation.

- There is 1 **Vintage** fund, which is 2% of the funds available...
- ...and 1% of the money invested in the sector.
- £6.4 billion is invested in Ugly funds, 30% of the sector total.
- The Liontrust UK Smaller Companies fund has lost its **Vintage** rating from 2020, which is shown in red below.
- **Thesis Stonehage Fleming AIM** fund is a new **Vintage** fund, and is the top performing fund with a score of 63.3%.
- The average 10-year return for **Vintage**-rated funds is 349%...
- ...1.7 times the return of the average Ugly funds (202%).

UK Smaller Companies overview

	Vintage	Mediocre	Ugly	Sector
Number of Funds	1	22	21	44
<i>% of Total</i>	2%	50%	48%	
£m invested	133	14,813	6,455	21,402
<i>% of Total</i>	1%	69%	30%	

Top funds from the sector for this edition (left) and from the last July edition (right)

Fund	Vintage Score	Fund	Vintage Score
Thesis Stonehage Fleming AIM	63.3%	<i>Liontrust UK Smaller Companies</i>	<i>61.3%</i>
<i>Marlborough Nano Cap Growth</i>	<i>59.9%</i>	<i>TB Amati UK Smaller Companies</i>	<i>59.6%</i>
<i>TB Amati UK Smaller Companies</i>	<i>58.9%</i>	<i>ASI UK Smaller Companies</i>	<i>57.7%</i>
<i>Threadneedle UK Smaller Companies</i>	<i>56.0%</i>	<i>Threadneedle UK Smaller Companies</i>	<i>56.5%</i>
<i>Liontrust UK Smaller Companies</i>	<i>55.8%</i>	<i>LF Gresham House UK Micro Cap</i>	<i>56.4%</i>

Quick reminder

Vintage: Top 40% of performers 60% of the time
Ugly: Bottom 40% of performers 60% of the time
Mediocre: Everything else!

8. Appendix 1: “I can’t find my fund” or “I can’t buy the fund in your list”

We have used the UT & OEICs universe and the Investment Association universe with a minimum fund size of £50m. If your funds aren’t shown it’s likely for one of the following reasons:

- Their rating isn’t high enough: we only show the top 5 funds in each sector, except for the UK All Companies and Global sectors.
- They are too small: we exclude funds less than £50m in size
- They aren’t part of the fund universes that we use. If the fund isn’t in the Investment Association or UT & OEICs universe then it won’t appear in this report.

They may also be part of one of the sectors that we don’t include because of the nature or size of the sector. Small sectors, like the Japanese Smaller Companies sector, have some great funds but **Vintage** analysis doesn’t work well in sectors with a small number of funds (see [Appendix 2](#)).

You may also find that a fund is not available on your investment platform. We are covering a wide range of funds but not all funds are available on all platforms.

9. Appendix 2: Sectors or funds excluded from summary tables

Our *Vintage Fund Ratings* are merely one means to identify outstanding funds (although we do caution anyone looking at alternatives to judge them by the basics needs which any rating system worthy of the name should be able to meet – see page 6).

The important thing to note (and for us to remember) is that not every fund's quality or potential is going to be reflected in our analysis. So, let us consider some of those exceptions:

- Not all sectors have a high degree of homogeneity. One example is the **Targeted Absolute Return** sector. Within this sector there are funds that will provide consistent very low volatility returns in most years, at a margin over deposit returns. But there will frequently be more aggressive, less diversified, funds in this sector generating bigger returns.
- The **Specialist** sector is another mixed bag. No sector level ratings can sensibly be applied (though our Dynamic Fund Ratings work superbly in this sector).
- The **Global Bonds** sector was split into 14 smaller sectors earlier this year, so our Vintage Ratings will struggle to draw out any meaningful conclusions yet.

The following sectors are not included in the analysis because they either do not contain enough funds or they are too mixed up to produce meaningful results:

- Asia-Pacific incl. Japan
- European Smaller Companies
- Global Bonds
- Global Equity Income
- Global Emerging Market Bonds – Blend
- Global Emerging Market Bonds – Hard
- Global Emerging Market Bonds – Local
- Japanese Smaller Companies
- North American Smaller Companies
- Specialist
- Sterling High Yield Bonds
- Targeted Absolute Return
- UK Gilts
- UK Index-Linked Gilts
- UK Direct Property (physical property)
- UK Property – Other (property shares)

The following funds made it into the top tables in their sectors but you may struggle to purchase the funds due to limited platform availability.

Global

- Wellington Global Quality Growth
- Seilern World Growth

[North America](#)

- AB American Growth Portfolio

[Sterling Corporate Bonds](#)

- Schroder Long Dated Corporate Bond
- Threadneedle Sterling Medium and Long Dated Corporate Bond

10. Important Information

FundExpert is an Appointed Representative of Dennehy Weller & Co, who are authorised and regulated by the Financial Conduct Authority.

Funds reviewed in this guide (whether you hold them in ISAs, SIPPs, or otherwise) are risk investments and are intended as long-term investments (5-10 years at least). If you withdraw from these investments in the early years you may not get back the full amount invested. The value of risk investments can go down as well as up.

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.

Although we have taken reasonable care to ensure that statements of fact and opinion contained within this document are fair and accurate in all material respects, such accuracy cannot be guaranteed. While reports contained within this document may make generic investment recommendations, nothing in this guide is an invitation to purchase shares or other securities. It does not seek to provide advice and recommendations in respect of the suitability of any fund or product listed. The use of this information by any party for any purpose whatsoever shall be entirely at such party's risk.

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This document is intended for use by U.K. investors only and the investments referred to are available only in the U.K.

Endnotes

ⁱ We analysed funds from the Investment Association and Unit Trust & Open-ended Investment Collectives (UT & OEICs) universe greater than £50m in size. We expanded our analysis to include funds from the Investment Association (IA). Many of the funds in the IA universe are not domiciled in the UK and historically were not widely available to invest in by retail investors. They are becoming more widely available retail investor platforms, so we have included them in this analysis. Some sectors like Specialist do not allow us to rank the funds in the IA universe (note that Specialist is not included in this report). For sectors where this happens, we have used the UT & OEICs universe only, which does still allow ranking.