Get Rich Slowly: All the small things

If you blinked, you missed the Trump Dump dip…

Update
15 May 2025

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My partner and I have started trying to forage more often, when nature allows. A couple of guided walks have opened our eyes to the bounty of fruit and leaves that are around us all – even where we live in suburban London. Last year, our homemade jam and marmalade collection included blackberry and apple, mulberry, plum, and orange and elderflower.

What we learned last summer was that once you see these things starting to blossom, you need to act quickly. We'd noticed the elderflower coming through, but by the time we got round to picking them about two weeks after, we were almost too late meaning we didn't have anywhere near as much elderflower cordial as we'd expected.

The lesson was that you need to be quick to take advantage of the seasons. As soon as we see the elderflowers in full bloom this year (they're starting to come through already) we'll be out and about filling up our baskets.

I've learned a similar lesson from the so-called post-Liberation Day Trump Dump: when stock markets fall steeply, you need to be swift and aggressive to take advantage in case they bounce back quickly.

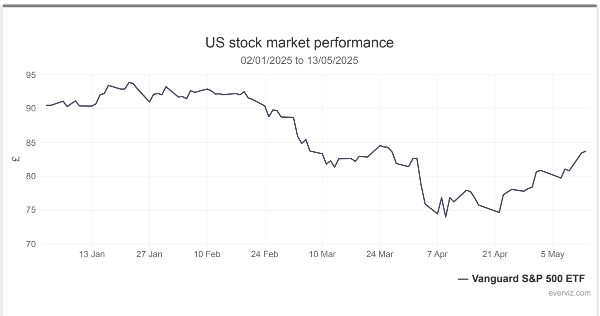
Sometimes, there's a real blink-and-you-miss-it nature to stock markets. Six weeks ago, commentators were speculating that the fallout from US President Donald Trump's tariffs would drag on for months, leading to prolonged losses for global index investors.

The argument was that the new US administration would make the country an unreliable partner, leading foreign investors to disinvest and reallocate their cash to other, cheaper markets.

Fast-forward to the time of writing (13/05/2025) and US markets have made up all of their falls since Liberation Day, after the Trump administration struck fledgling trade deals first with the UK then, most significantly, with China.

Details remain scant, but the immediate reaction from investors was positive – the S&P 500 rose c. 3.2% on Monday. The speed of the market recovery has been quite powerful. So much so that if you'd slept through the past six weeks, you'd barely know anything had happened – albeit the S&P 500 remains c. 5.6% below its mid-February peak. Here's how a UK-listed ETF tracking the performance of the S&P 500 in pound sterling terms has performed since the start of the year.

Fig.1: The Ups And Downs Of Markets



Source: investing.com
Past performance is not a reliable indicator of future results

Slow on the draw

It certainly closed the window on what had been shaping up to be a generational buying opportunity. I had been sitting on lots of uninvested cash in my SIPP portfolio, which gave me plenty of ammunition.

Around half the value of my SIPP was in money market funds because I've been slowly investing my cash over a period of 12 months in order to average out my purchases through the ebb and flow of market gyrations. My rationale for that is you want to be investing at a slower pace when markets are trading at record highs, and a faster pace after they've fallen sharply.

I liquidated half of those money market funds on Liberation Day, in the hope that the turmoil would endure throughout the second quarter of this year as markets stayed lower for longer while investors assessed the damage. No such luck.

I managed to get some of my SIPP cash into the market and open some new positions fairly quickly, with the purchase of **Allianz Technology Trust (ATT)** looking smart, currently up c. 20%. Sadly, though, it currently accounts for less than 1% of my total portfolio.

In my small Trading 212 portfolio, which consists of individual company investments, small purchases of gym wear maker Lululemon Athletica and the tech firm Lam Research have worked out nicely, again both up c. 20%, but again both smaller-than-hoped positions.

Now, the plan is to keep with my regular investing plan, buying cheap investment trusts on attractive discounts; open-ended funds giving me exposure to cheap markets, with Japan, healthcare and biotechnology high on the agenda; and some new additions to my global equity sleeve. Perhaps I'll get another bite at the cherry once the 90-day tariff pause ends at the start of July.

Winners and losers

I had been expecting this article to be a run through the (few) winners and (many) losers in my portfolio as the so-called Trump Dump continued to rock markets. As it happens, most of my funds are showing positive returns since Liberation Day, with just five out of 34 failing to beat the performance of the Vanguard FTSE All-World ETF, a good proxy for the global stock market.

I think it's still worth looking at what worked and what didn't. Most of the damage done by Trump's tariff announcement happened between 02/04/2025 and 09/04/2025, so we'll look at this period first.

Ruffer Investment Company (RICA) finally came of age, seeing a share price total return of 1.6%, while **Capital Gearing (CGT)** and the Man Sterling Corporate Bond fund fell only modestly. Some of my infrastructure names – **The Renewables Infrastructure Group (TRIG)** and **BBGI Global Infrastructure (BBGI)** – were resilient, too.

My two remaining index fund holdings – the WisdomTree Global Quality Dividend Growth ETF and Vanguard Global Small-Cap Index fund – were my two best-performing equity holdings. I had earmarked both to be sold, so thought a second opinion was warranted. In the event, my active funds have outperformed both over longer timeframes, so the decision stands. I've started to replace the WisdomTree ETF with some value funds: Ranmore Global Equity and Orbis Global Equity.

Unsurprisingly, the worst performers during the tariff turmoil were those exposed to emerging markets, with **Fidelity China Special Situations (FCSS)**, **Pacific Horizon (PHI)**, **Fidelity Emerging Markets (FEML)** and Jupiter Asian Income down c. 19%, 14.2%, 11.2% and 10.6% respectively.

The rest of the big losers straddled sectors such as UK equity income, UK smaller companies, global, environmental and private equity, but had one thing in common: they were funds investing in equities.

Since Liberation Day, things look much better and I was glad to see that the best-performers in the recovery since have been UK smaller companies funds, with **Aberforth Smaller Companies (ASL)**, **Artemis UK Future Leaders (AFL)** and **BlackRock Smaller Companies (BRSC)** leading the way.

If there's a lesson for me from all this pontificating? For me, it's that as elderflower season is fleeting, so, mostly, are stock market dips. Next time, I'll be on high alert and be faster and more aggressive with my dip-buying.

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