



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary December 2023

Independent Advice. Bespoke Solutions.

“As inflation slows, investors anticipate that interest rates have peaked, which benefitted global equities and bonds, with markets rallying in November”



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### Market Update & Portfolio Positioning

#### November Review

Chinese equities notably underperformed their regional peers and other established markets, as disappointing growth, concerns about the ailing property sector and limited central Government intervention worried investors. However, elsewhere it was a positive month for global equities, with inflation slowing and hope building that interest rates may have reached their peak. This also enable global bond markets to rally, as yields fell and prices subsequently rose.

#### Blackrock Portfolio Positioning

Most of the underlying assets in the portfolio made a contribution to returns over the month. Our exposure to developed market equities in particular adding to returns. Furthermore, our policy of hedging our US Dollar exposures back into Pounds Sterling was positive as the latter strengthened against the former. However, some of our bond holdings detracted from the performance. All of the portfolios posted positive returns, with the higher risk profiles making the highest returns.

Our base case remains that both global growth and inflation are likely to continue to slow down, with inflation getting towards Central Bank targets. We therefore, expect soft landings for global economies and not deep recessions. We feel that our portfolios are currently well positioned for this scenario and therefore, did not make any changes during the month.

# Throgmorton Select Portfolios Powered by:

**Vanguard**

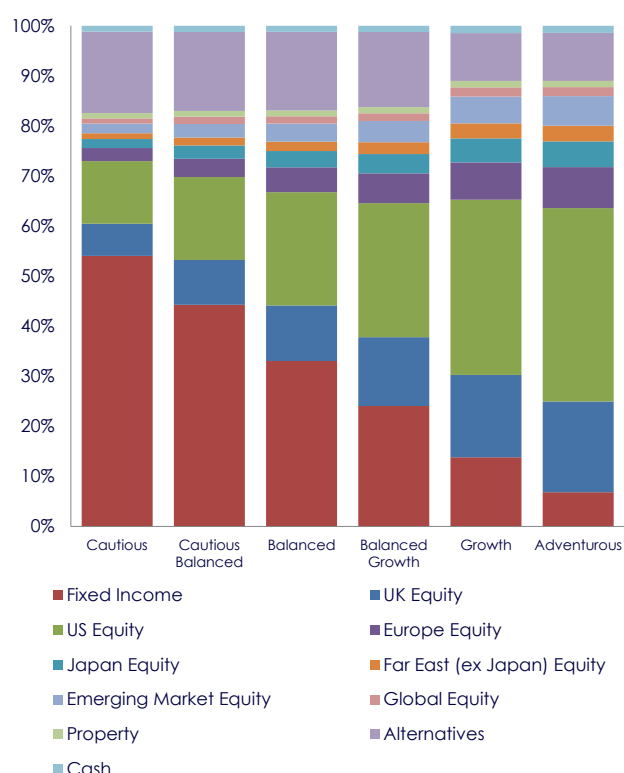
**Dimensional**

**BlackRock**

**ATLANTIC HOUSE  
GROUP**

**Cornelian**

## Asset Allocation as at 30/11/2023



## Cornelian Portfolio Positioning

With investors anticipating earlier than expected interest rate cuts in the US, the specialist bond funds, such as Sequoia Economic Infrastructure Income and Starwood European Real Estate Finance, performed strongly. Similarly, our UK Gilt holdings and the Vanguard US Investment Grade Credit Index Fund, also performed well.

A number of funds in our global equity holdings outperformed their regional benchmarks. Such funds included the Blackrock European Dynamic, Schroder Asian Total Return, Artemis US Select and T.Rowe Price US Smaller Companies funds.

The direct UK equities also performed strongly. Particularly noteworthy were the share price performances of Auto Trader and Experian, both of which released good trading updates, which were contrary to those of a number of their peers.

The alternatives part of the portfolios also performed well, with the holdings in Infrastructure and Real Estate investment Trusts (REITs) helped by the rising possibility of earlier than expected interest rate cuts. HICL Infrastructure, JLEN Environmental Assets, Supermarket Income REIT and UK Commercial Property REIT, all produced double digit returns.

**All investment involves risk. It is important you understand that past performance is not a guarantee of future performance. The value of investments and any income derived from them may go down as well as up and you might not get back the full amount you invested.**

## Investment Performance and Volatility as at 30/11/2023

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	1.58	-3.64	7.65	6.60
SP4 Cautious Balanced	2.38	0.16	14.09	7.61
SP5 Balanced	2.81	3.35	19.83	9.36
SP6 Balanced Growth	3.21	5.75	23.64	10.35
SP7 Growth	3.38	8.05	28.06	11.55
SP8 Adventurous	4.37	13.68	35.79	12.57

Data source FE Analytics 30/11/2023. Figures are net of underlying fund costs, but gross of all other charges, such as discretionary management fees, platform custody charges, adviser charges & where applicable transaction costs. 1. Performance figures are representative of the historical portfolio asset allocations. 2. Volatility figures calculated on a five year annualised basis.

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