



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary December 2021

Independent Advice. Bespoke Solutions.

### Market Update & Portfolio Positioning

“The world is on a path to economic normalisation, but risks remain from Covid, labour shortages, inflation and supply-chain disruption”



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#### November Review

The world continues to be on a path towards post-pandemic normalisation. However, it is clear that the economic disruption has not yet ended. The new Omicron Covid variant, labour shortages, supply-chain disruptions, and inflation, could impact corporate profit margins. With inflation remaining high, expectations for monetary policy tightening from developed world central banks has risen.

The US Federal Reserve confirmed that it will start tapering their asset purchases from December. However, this had little impact on the market, as positive news of the progress on the Biden Administration's infrastructure spending plans was well received. Interest rates were held by the Bank of England but are expected to rise soon. The European Central Bank also met, but it still considers inflation to be transitory and thus lowered market expectations that rates would rise by the end of next year.

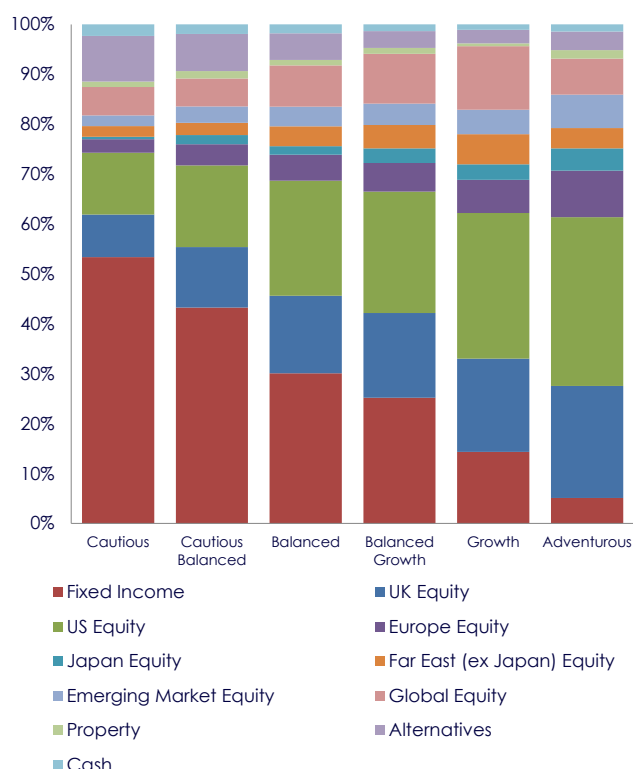
#### LGT Vestra Portfolio Positioning

We introduced the Ruffer Diversified Return fund to the models in place of the Lazard Global Listed Infrastructure fund. With equities at record levels, it was felt that it was an appropriate time to reduce equity exposure, especially in the lower risk portfolios. In the higher risk portfolios, we took some profits from the Morgan Stanley US Advantage fund. Whilst we still have a positive outlook on the fund over the longer-term, we felt it was

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## Asset Allocation as at 30/11/2021



prudent to reduce the size of the position, particularly as it had rallied strongly during November.

## Cornelian Portfolio Positioning

In light of the risk to global demand presented by the new Covid variant and the possibility of further lockdowns, we tactically reduced some of our UK equity allocations by taking profits from the holdings in Rio Tinto, BP and Royal Dutch Shell. Cash from this profit taking remains ready to be deployed when there is further clarity around the impact of the new Covid variant is known.

During November we participated in the Initial Public Offering (IPO) of Atrato Onsite Energy PLC, a new UK investment trust focused on financing rooftop solar power generation on UK industrial and commercial buildings. The Company is targeting an annual total return of 8-10% with a dividend yield of 5% and successfully raised £150m. This is a proven, low risk technology that provides occupiers of flat-roofed commercial buildings such as supermarkets and distribution centres with access to a secure, clean energy source at a lower cost than traditional grid-connected energy by avoiding transmission and distribution infrastructure network charges.

**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 30/11/2021

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	4.85	17.18	25.12	5.29
SP4 Cautious Balanced	7.40	22.37	31.50	6.34
SP5 Balanced	9.81	27.36	38.38	8.39
SP6 Balanced Growth	12.03	31.03	45.44	9.37
SP7 Growth	13.53	34.59	48.77	10.60
SP8 Adventurous	15.84	38.37	50.69	11.69

Data source FE Analytics 30/11/2021. 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 Cornelian's funds & LGT Vestra's MPS portfolios, which are a reasonable reflection of the performance of LGT Vestra's Volare funds given that the investment process, asset allocation & fund selection is identical to that of the MPS portfolios. 2. Volatility figures calculated on a three year annualised basis.

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