



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary February 2022

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Markets remained volatile, due to the concern about rising inflation and commodity prices, supply chain issues and tightening labour markets ”



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Director
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January Review

The Omicron variant proved less disruptive than expected, and meant energy and travel/leisure equities recovered in January. However, concern around inflation, supply chain bottlenecks, tightening labour markets and rising commodity prices meant that markets remained volatile.

Inflation in the US reached 7%, its largest annual rise since 1982. The Federal Reserve (Fed) has already signalled its intent to raise rates, but the pace of this is expected to increase. The Fed also reconfirmed that its quantitative easing programme will now end by March 2022.

In the UK, the Bank of England (BoE) is expected to continue increasing rates at a moderate pace. However, the BoE predicts that the inflationary pressures will peak in the first half of 2022. The European Central Bank (ECB), by contrast, kept rates unchanged and announced that it will taper asset purchases in the coming months.

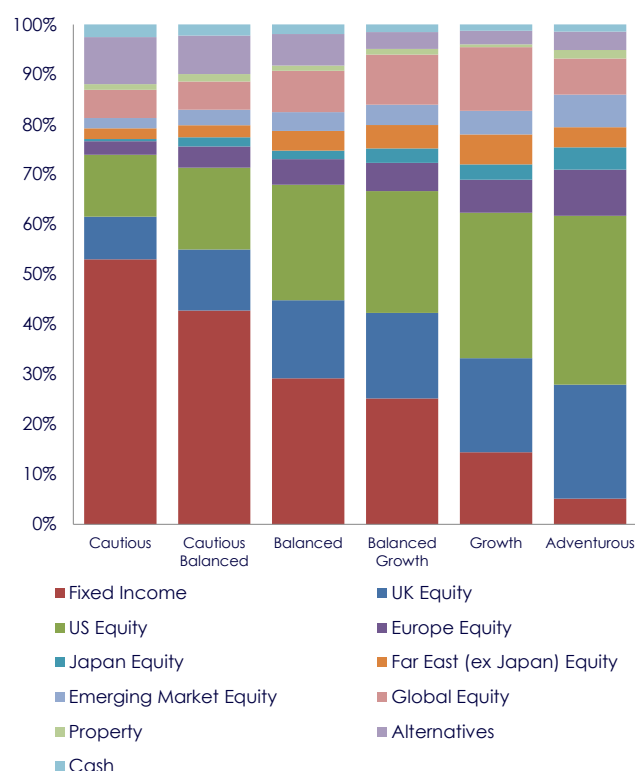
LGT Vestra Portfolio Positioning

Even with the market volatility in mind, we decided not to make any changes to the portfolios as we remain focussed on long-term returns, rather than short-term volatility. Our investment preference continues to be for businesses which are well managed, with sustainable competitive advantages, and that produce consistent earnings.

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Asset Allocation as at 31/01/2022



Cornelian Portfolio Positioning

Within our bond portfolio, our preference for short duration credit and inflation protected government bonds helped protect portfolio values, despite the equity market volatility. The best performing assets in the portfolios were the Commercial Property REITs which benefited from rising property valuations as rental payments and vacancy rates continued to improve.

Global equities produced a negative return. However, the Waverton European Capital Growth Fund outperformed its respective benchmark, and the iShares S&P 500 Financials Sector ETF was a strong relative performer. The UK equity portfolio outperformed global equities, with the holdings in BP and Shell producing strong returns on the back of rising energy prices.

During January, we purchased shares in Computacenter plc. The company is a global seller of computer hardware and provides outsourced IT management services. The firm's longstanding management team have grown the business and steadily increased their profit margins. The business is highly cash generative, has a strong balance sheet and is looking to increase market share in both Asia Pacific and the US.

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 31/01/2022

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	1.42	13.66	19.45	5.52
SP4 Cautious Balanced	3.43	18.91	25.31	6.57
SP5 Balanced	4.62	23.51	30.20	8.66
SP6 Balanced Growth	6.30	27.17	36.23	9.65
SP7 Growth	7.13	30.36	38.73	10.92
SP8 Adventurous	10.42	35.83	42.58	11.91

Data source FE Analytics 31/01/2022. 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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