



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary February 2023

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

"Equities and bonds had a strong start to 2023 as expectation of interest rates reaching their peak and China's policy changes boosted investor sentiment"

January Review

Both developed and emerging market equities had a strong start to 2023. Investor sentiment has been boosted by China's relaxation of the zero-Covid policy. China has also eased its regulatory crackdown on technology companies and offered support to the distressed property market. In addition, it is anticipated that the Central Banks are nearing the peak of their interest rate hiking cycle, which assisted both equities and bonds, where yields fell and prices rose.

LGT Wealth Portfolio Positioning

Within the portfolios two changes were made during January. Firstly, we decided to remove the MS US Advantage Fund from the portfolios, which has been a long-term holding. The decision was based on the fund's exposure to US technology stocks (75%), which at this time was felt to be too high. The sale proceeds from this fund were reinvested into the Lazard Global Equity Franchise Fund, which provides for greater geographical and asset class diversity.

Secondly, the cash raised last year by selling the Vanguard US Treasury index Fund has been reinvested into UK Gilts, via the Vanguard UK Long Duration Gilt Index Fund. This looks like an attractive opportunity, especially as the long-dated (30 year) UK Gilt yields are higher than long dated long-dated US Treasuries at 4%.

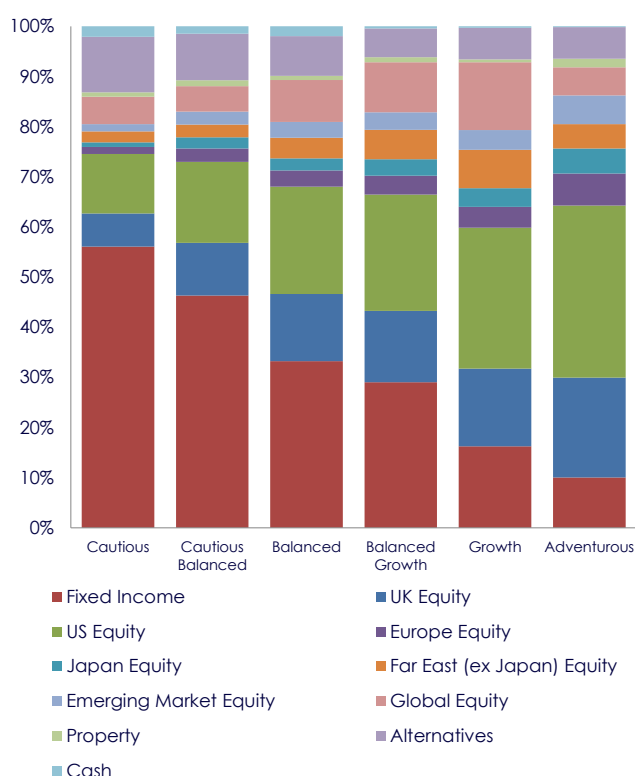


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Asset Allocation as at 31/01/2023



Cornelian Portfolio Positioning

The bond investments produced good returns. In particular, the iShares Core Sterling Corporate Bond and UBS Barclays US Liquid Corporate Sterling Hedged ETFs did well.

The global equity allocations performed well. The Legal and General Global Technology, Blackrock European Dynamic and Schroders Asian Total Return funds all performed well given their bias to growth stocks. However, as views about the direction of interest rates changed, the Legal and General Global Pharmaceuticals Index Fund was negatively impacted.

The portfolio of direct UK equities outperformed the benchmark. Auto Trader and Future, both growth stocks, performed strongly. Whilst Prudential benefited from the Chinese authorities' decision to re-open the land border between mainland China and Hong Kong.

In aggregate, the alternative asset allocations produced a flat return. Greencoat UK Wind (Infrastructure) and Assura (Real Estate) produced the strongest returns.

The most notable trade undertaken in January was the purchase of a long dated gilt fund. No other notable trades were placed.

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 31/01/2023

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-5.77	-1.32	5.10	6.56
SP4 Cautious Balanced	-5.03	3.03	10.17	7.66
SP5 Balanced	-3.84	6.89	13.84	9.61
SP6 Balanced Growth	-3.56	9.11	17.74	10.60
SP7 Growth	-2.52	11.86	20.36	11.89
SP8 Adventurous	-1.72	16.91	24.89	13.00

Data source FE Analytics 31/01/2023. 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 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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