



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary February 2024

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Expectations for developed market interest rate cuts have been delayed by robust economic data. This led to bond prices falling, but equities rising”



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Director
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January Review

Interest rate policy continued to drive markets in January, with regional differences now being noticeable. In emerging markets, interest rates have already started to be cut, which has been positive for bonds, but not equities, which fell in January. Furthermore, emerging market equities were dragged downwards by China, where investor confidence remains weak.

In developed markets, the expectation of forthcoming interest rate cuts has been delayed by the release of robust economic data. This has led to bond yields rising and prices subsequently falling. However, unlike emerging market equities, developed market equities posted positive returns.

Blackrock Portfolio Positioning

There were no changes to the portfolio during January as we expect global growth to continue to decelerate and that the outlook will not improve until Central Banks pivot their policies towards cutting interest rates.

The higher risk portfolios produced better returns as equities rose, with our exposure to US and Japan equities producing positive returns and these were the main contributors to performance. However, our exposure to Global Clean Energy, Emerging Market equities and UK Gilts detracted from performance. Other asset classes held were fairly flat for the month.

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Vanguard

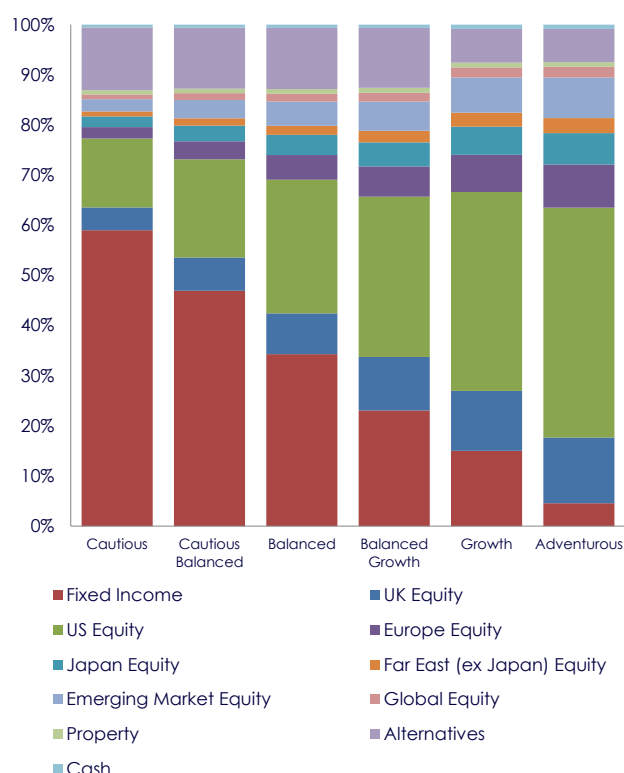
Dimensional

BlackRock

**ATLANTIC HOUSE
GROUP**

Cornelian

Asset Allocation as at 31/01/2024



Cornelian Portfolio Positioning

The bond assets reduced in value as investors reappraised the outlook for interest rate cuts following more robust than expected economic data. However, the holdings in specialist credit funds, such as Twentyfour Strategic Income Fund, continued to do well.

Our international equity holdings underperformed the benchmark over the month, albeit the Artemis US Select and the L&G Global Technology Index Trust continued to perform strongly. There was also a rally in the performance of the L&G Global Health and Pharmaceutical Index Trust, which had recently lagged its peer group.

The UK equity portfolio outperformed its benchmark. In particular GSK reported strong trading performance, especially in relation to their vaccines business. Furthermore, Cranswick announced that Christmas trading had been positive and that further investment in capacity and efficiency continued to progress well.

Returns from the alternative assets were mixed. The real estate and absolute return investments, in aggregate, broadly held their own. However, the infrastructure holdings detracted from performance as energy prices fell.

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 31/01/2024

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	3.53	-1.07	10.82	6.63
SP4 Cautious Balanced	4.46	2.61	17.93	7.58
SP5 Balanced	5.34	5.98	25.07	9.17
SP6 Balanced Growth	5.84	8.50	29.75	10.17
SP7 Growth	6.46	11.18	35.25	11.27
SP8 Adventurous	7.61	16.79	43.66	12.20

Data source FE Analytics 31/01/2024. 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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