



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary June 2021

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Global growth is expected to continue its upward trajectory as economies reopen, boosted by consumer spending”



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May Review

As economies gradually reopen, global growth is expected to continue on its upward trajectory. Growth will continue to be supported by the enormous fiscal and monetary stimulus provided by Governments and the Central Banks. In countries with successful vaccine rollouts, such as the US and UK, there has been a boost to consumer spending, with people eager to enjoy more leisure activities and a return to a sense of “normality”.

However, concerns regarding more persistent inflation have affected markets. Fears that inflation may force central banks to raise interest rates earlier and more quickly than expected, could impact the post pandemic growth rebound.

LGT Vestra Portfolio Positioning

We decided against making any changes to the Model Portfolios, despite the recent US inflation figures. The portfolios have inflation protection via US Treasury Inflation-Protected Securities (TIPS), and through our holdings in Troy Trojan, CG Absolute Return and the CG Dollar Hedged Fund. The portfolios also include infrastructure, including the Lazard Global Listed Infrastructure, which has explicit inflation-linking embedded into contracts and pricing.

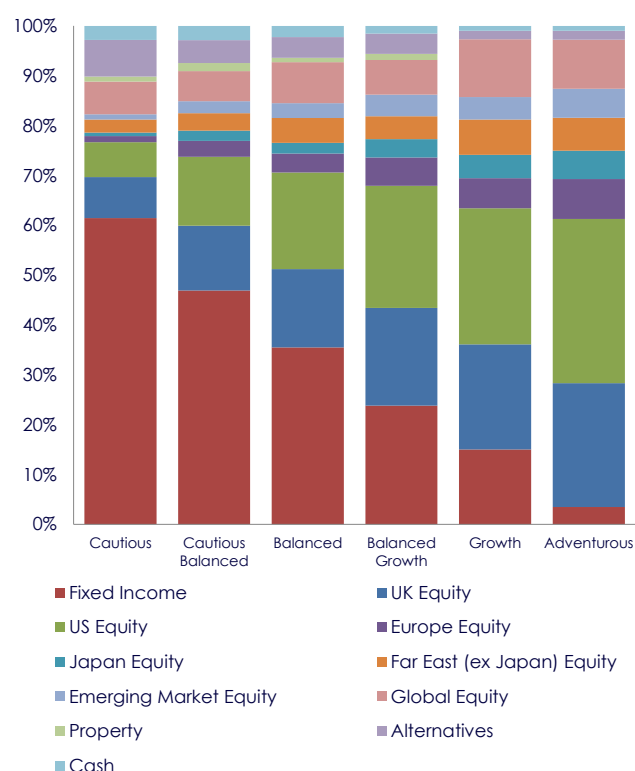
Equity holdings in high quality companies have also historically proven to be strong hedges against inflation and the portfolios have such exposure

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Cornelian

Asset Allocation as at 31/05/2021



through the Evenlode Global Income and Fidelity Global Dividend Funds. For our fixed interest allocations, we continue to favour active managers such as the Allianz Strategic Bond fund which is able to take advantage of the current market conditions.

Cornelian Portfolio Positioning

The portfolios ended a volatile month in positive territory, with our UK equity and alternatives investments being the top contributors to performance, with the former outperforming the broader market. Within alternatives, gold and infrastructure were notable contributors however private equity, absolute return and commercial property also produced positive returns for the month.

Fixed interest allocations produced a marginally positive return, as performance amongst the underlying assets was mixed. UK index-linked gilts outperformed the US equivalents, and corporate bonds outperformed strategic bond funds.

International equities lagged the UK over the month, with Europe the only other region delivering a positive return over the month as the vaccination rollout improved prospects for a growth rebound.

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 31/05/2021

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	5.87	13.95	27.91	4.65
SP4 Cautious Balanced	10.23	17.41	37.76	6.29
SP5 Balanced	13.27	19.88	46.82	7.47
SP6 Balanced Growth	16.65	22.68	56.23	8.94
SP7 Growth	18.88	23.79	62.39	10.13
SP8 Adventurous	22.21	26.22	71.25	11.55

Data source FE Analytics 31/05/2021. 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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