



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary September 2021

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Equity and bond markets should continue to be supported by the expectation of no changes to central bank fiscal and monetary policy”



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August Review

COVID-19 has undoubtedly caused worldwide disruption to the global economy. It brought about restrictions on movement through lockdowns and required extraordinary monetary and fiscal stimulus to curtail the economic damage. However, as vaccine rollouts have gathered momentum allowing economies to gradually reopen, global growth is recovering and consequently led stock markets to continue on a positive trajectory. It is unlikely that the Central Banks will raise rates any time soon and coupled with a gradual tapering of their asset purchase programmes, this should continue to support equity and bond markets for the foreseeable future.

Concerns with regard to the global recovery remain, such as inflation, a “fourth wave” of the Pandemic and tighter domestic regulation by the Chinese central government. However, whilst this may cause short-term volatility the outlook still remains fairly positive at this time.

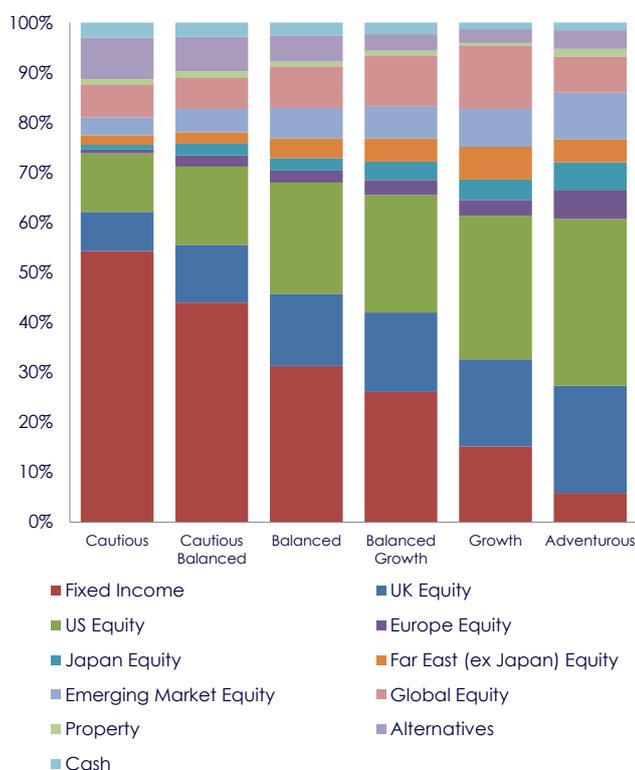
LGT Vestra Portfolio Positioning

The portfolios remain positioned in high-quality companies, predominantly through actively managed funds. This positioning should be beneficial if inflation becomes a persistent problem as such companies tend to have the ability to pass through cost increases. With this in mind, no changes were made to the portfolios in August.

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Asset Allocation as at 31/08/2021



Cornelian Portfolio Positioning

The portfolios delivered positive returns over August. All asset classes delivered reasonable returns, but the performance was mainly driven by the UK and international equity allocations. In particular the Schroder Asian Total Return, BlackRock European Dynamic and S&P 500 Financial Sector Exchange Traded Fund (ETF) being the notable contributors. Elsewhere, our preference for corporate bonds over government bonds was beneficial as the former outperformed the latter. The infrastructure allocation also generated strong returns.

During August we sold Blue Prism, who are a Robotic Process Automation pioneer. Their recent trading update highlighted disappointing sales growth and other firms in this sector are now outgrowing them by a considerable margin. Thus, it appears to be a good time to take profit from this holding.

It was also decided to take more profit from our Sterling hedged currency positions. This was achieved by selling the holding in the iShares MSCI EMU GBP Hedged ETF and switching the proceeds into the unhedged Vanguard FTSE Developed Europe ex-UK ETF.

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 31/08/2021

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	7.18	13.84	23.97	5.30
SP4 Cautious Balanced	10.95	18.15	30.68	6.39
SP5 Balanced	14.13	20.77	38.46	8.42
SP6 Balanced Growth	17.66	23.90	45.69	9.40
SP7 Growth	19.53	26.00	49.04	10.65
SP8 Adventurous	22.20	28.68	51.05	11.77

Data source FE Analytics 31/08/2021. 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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