



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary January 2024

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“December saw most asset classes finish 2023 positively. The strength of the US economy and expectation of interest rates cuts buoyed sentiment”



Matthew Cove DipFA
Director
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December Review

Equity and bond markets ended 2023 strongly, with both rising during the month. This rally was fuelled predominantly by the US Federal Reserve's pivot to contemplating interest rate cuts in 2024. Furthermore, the US economy looks robust as inflation is falling and the labour market is weakening. This led to market commentators expecting the world's largest economy to avoid recession and achieve an economic soft-landing.

Some markets did not participate in the rally, with Chinese equities negative over the period and commodity prices impacted by falling energy costs.

Blackrock Portfolio Positioning

During December we increased our allocation to US, Japanese and Emerging Market equities, and reduced exposure to UK and European equities. Corporate earnings in the UK and Europe have weakened and we feel these regions are more vulnerable to geopolitical turmoil.

We also further diversified our government bond allocations by increasing our allocation to European government climate (green) bonds, UK ultrashort bonds and local currency Emerging Market debt. However, we kept our commodities allocation unchanged.

Throgmorton Select Portfolios Powered by:

Vanguard

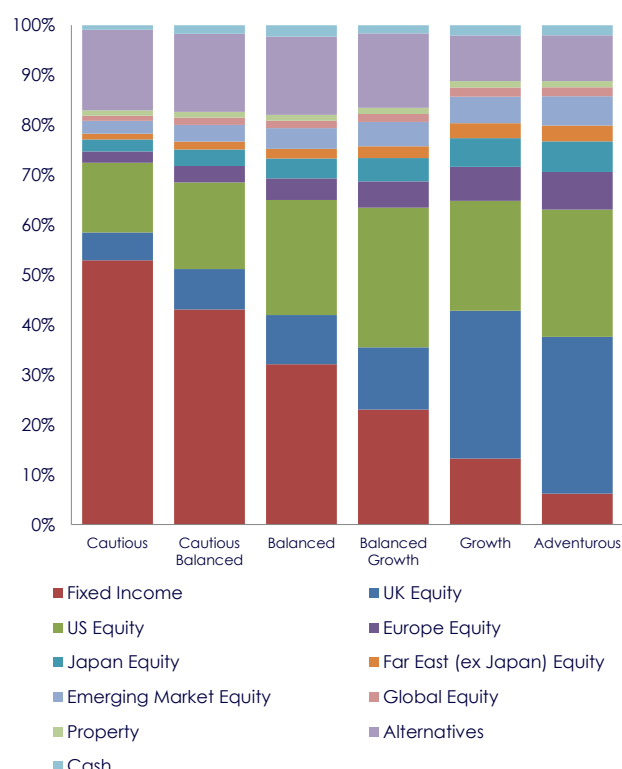
Dimensional

BlackRock

**ATLANTIC HOUSE
GROUP**

Cornelian

Asset Allocation as at 31/12/2023



Cornelian Portfolio Positioning

The portfolios produced good returns during December as investors started to anticipate more interest rate cuts than previously expected during 2024. Our holding in long dated gilts performed particularly strongly in our bond portfolio.

Our international equity holdings beat their benchmark over the month. The funds which performed well versus their regional benchmarks included the Baillie Gifford Japanese fund, the Schroder Asian Total Return fund and the T Rowe Price US Smaller Companies fund.

The UK equity portfolio marginally underperformed its benchmark, despite the strong performance of Vesuvius and Experian. Vesuvius in particular performed well as it updated its medium term financial targets and announced a share buyback program, both of which were well received by investors.

Our holdings in REITs and Infrastructure benefitted from the expectation of falling interest rates. Our REITs produced a double digit return with LXI REIT and Supermarket Income REIT leading the way. Within infrastructure, International Public Partnerships and JLEN Environmental Assets performed strongly.

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 31/12/2023

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	3.03	-2.64	10.64	6.67
SP4 Cautious Balanced	4.08	0.30	17.71	7.64
SP5 Balanced	5.09	3.13	25.01	9.28
SP6 Balanced Growth	5.54	4.90	29.70	10.26
SP7 Growth	6.28	7.21	34.95	11.40
SP8 Adventurous	7.60	12.23	43.20	12.35

Data source FE Analytics 31/12/2023. 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 the historical portfolio asset allocations. 2. Volatility figures calculated on a five year annualised basis.

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