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Throgmorton Select Portfolios



Monthly Commentary April 2022

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Commodity and energy prices have been impacted by the war in Ukraine, causing prices to rise faster than forecasted and inflation to surge”



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March Review

During March, concerns over the economic implications of the Russian invasion of Ukraine has weighed on both equities and bonds. Russia is a major energy and commodity producer with the conflict pushing prices markedly higher, which has exacerbated the surge in inflation. Furthermore, the global supply chain remains disrupted from the impact of the pandemic and remains a risk to global growth, especially in China where further lockdowns have been enacted.

It is now forecast that central banks will proceed with a faster pace of interest rate hikes to combat high inflation rates. In fact, the US Federal Reserve & the Bank of England have already acted, and in March they both raised their respective rates by 0.25%. The European Central Bank has also announced that its asset purchase programme will end in Q3 2022 and that is open to raising interest rates by the end of 2022.

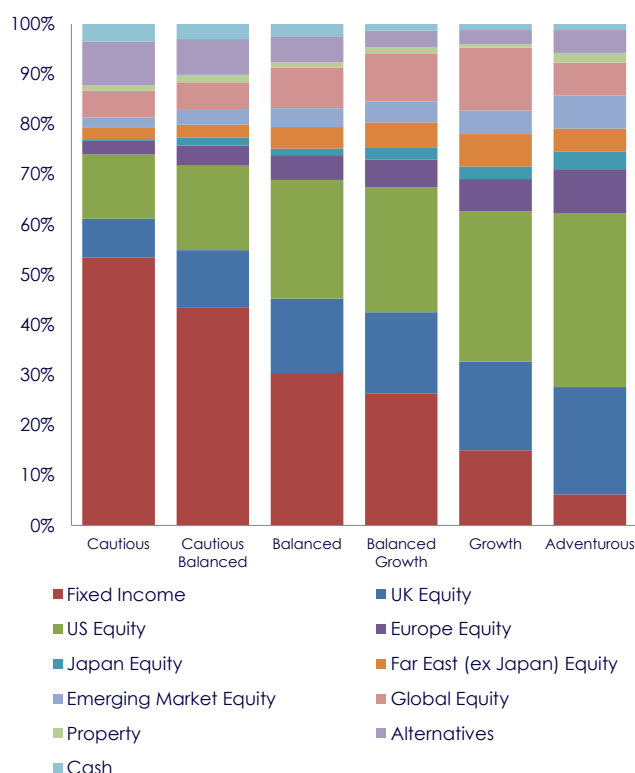
LGT Vestra Portfolio Positioning

With market volatility remaining elevated we have decided against making any significant short-term trades. The uncertainty about the length of the conflict in Ukraine along with the dilemma of persistent inflation impacting Central Bank policy and, therefore market sentiment, mean we continue to prefer quality growth companies. That said, we continue to look for investment opportunities to implement when the current volatility subsides.

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Asset Allocation as at 31/03/2022



Cornelian Portfolio Positioning

Bond values have continued to fall in response to hawkish statements made by numerous developed market central banks concerning the prospect of future interest rate rises. However, as we have a relatively high exposure to short-dated bonds whose asset values have been relatively protected from the sharp price falls. Furthermore, bond holdings with inflation protection embedded within them, such as Sequoia Economic Infrastructure Income, Starwood European Real Estate Finance and index-linked government bonds, produced positive returns over the month.

Our equity holdings performed strongly. In particular our US funds, such as the Artemis US Select fund, outperformed the market in March. Likewise, the UK equity portfolio outperformed its benchmark during the period. Strong contributions were made by LSE Group and M&G both of which reported good trading.

In our alternative allocations, REITs, Infrastructure, Absolute Return, Commodities and Gold all produced strong returns. UK Commercial Property REIT and Hipgnosis Songs Fund produced the best performance. Hipgnosis in particular, rebounded

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 31/03/2022

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	1.45	10.35	15.72	5.54
SP4 Cautious Balanced	2.81	15.88	21.64	6.62
SP5 Balanced	3.80	20.35	26.39	8.71
SP6 Balanced Growth	4.71	23.58	32.05	9.70
SP7 Growth	5.50	27.23	35.14	11.01
SP8 Adventurous	8.11	33.65	39.86	12.05

Data source FE Analytics 31/03/2022. 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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