



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary August 2020

Independent Advice. Bespoke Solutions.

### Market Update & Portfolio Positioning

“Developed market central banks were quiet in July, but they committed to using their full suite of monetary policy tools to support their economies”



Matthew Cove DipFA  
Director  
01304 371 753

#### July Review

In equity markets, better economic activity data pushed prices higher, albeit for U.K. Sterling based investors most international equity markets ended the month in negative territory as the U.S. Dollar weakened. The MSCI Emerging Market Index outperformed, up 9% for the month. Among global equities, China's CSI 300 Index led the way with a 14.2% gain. In developed markets performance was consistent with the resurgence in global growth. North American indices beat their European counterparts, with the S&P 500 and Eurostoxx 50 returning 5.5% and 2.9% respectively.

Developed market central banks were quiet in July. The European Central Bank, U.S. Federal Reserve and Bank of Japan held policy rates unchanged, pointing to the economic burden of the coronavirus and committing to using their full suite of monetary policy tools to support their economies.

#### LGT Vestra Portfolio Positioning

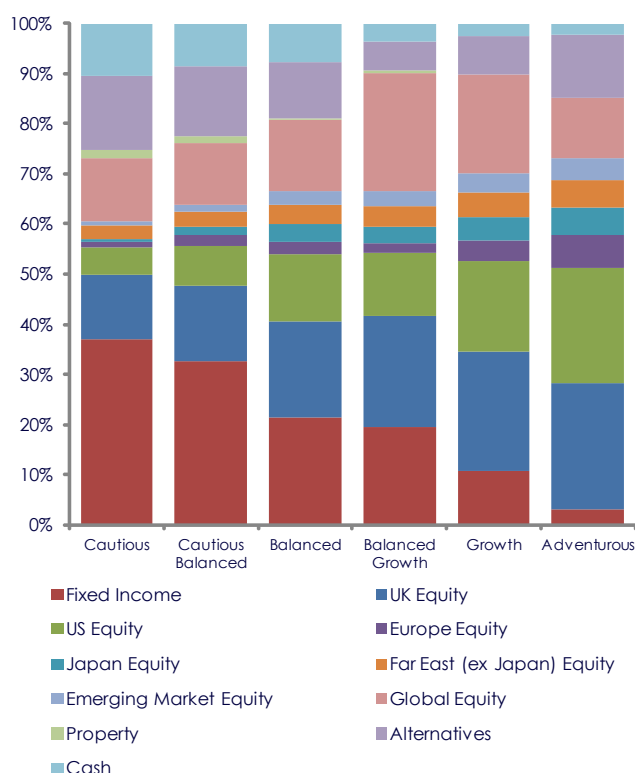
Although we made no changes to the portfolios during July, we have decided to remove the RWC Global Emerging Markets fund in favour of an Asia fund which is more of a pure play on this region and that does not have exposure to other regions that are viewed as having heightened risks from the fallout out of COVID-19, such as Latin America. Currently such a fund is not available, but one should be shortly. This change will also result in a slight increase to the equity allocation of the portfolios, by around 1%.

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## Cornelian

### Asset Allocation as at 31/07/2020



### Cornelian Portfolio Positioning

The portfolios delivered positive performance during July, with the fixed income and international equity allocations delivering a positive return overall. Emerging market equities led returns, but positive returns from gold and private equity were marginally outweighed by negative returns from listed real estate and infrastructure.

We purchased Astrazeneca for the portfolios during the month. The company has leading positions in oncology and immunology, which are expected to provide good sales and profit growth going forward. The firm has also been successful in developing an encouraging pipeline of potential drugs which are currently being assessed and which should provide positive catalysts for share price performance going forward.

We also purchased the Artemis U.S. Select Fund. This high conviction strategy represents the best ideas from across the U.S. equity market generated by a well-resourced and experienced research team led by Cormac Weldon. The manager has built an exceptional long-term track record and the fund has materially outperformed the U.S. equity market since its launch in 2014.

**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 31/07/2020

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	0.47	8.55	23.58	5.49
SP4 Cautious Balanced	0.43	9.01	26.37	6.61
SP5 Balanced	-0.50	8.73	29.86	8.64
SP6 Balanced Growth	-1.94	9.24	32.68	9.49
SP7 Growth	-1.74	9.09	34.69	10.78
SP8 Adventurous	-1.24	8.16	34.20	11.75

Data source FE Analytics 31/07/2020. 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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