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PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary August 2021

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Investors may have been given pause for thought, but the outlook continues to look positive as data supports the forecast of strong economic growth ”



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July Review

Investor's have been given pause for thought over the last month, with the spread of the Delta variant of COVID-19 and softening economic data. This suggests that the global recovery post pandemic may be slowing slightly. However, the near-term outlook continues to look encouraging as the pace of vaccination rollouts has accelerated and the data still supports the analyst's forecasts of strong economic growth continuing .

Inflation fears do remain on investor's minds, but the US Federal Reserve (Fed) has maintained its view that this remains predominantly 'transitory'. This rhetoric suggests that the Fed does not foresee an immediate need to change its interest rates in the near term, with the first expected rises projected for 2023. The European Central Bank has stated a similar view, saying that it will tolerate inflation above its 2% target for the short-term.

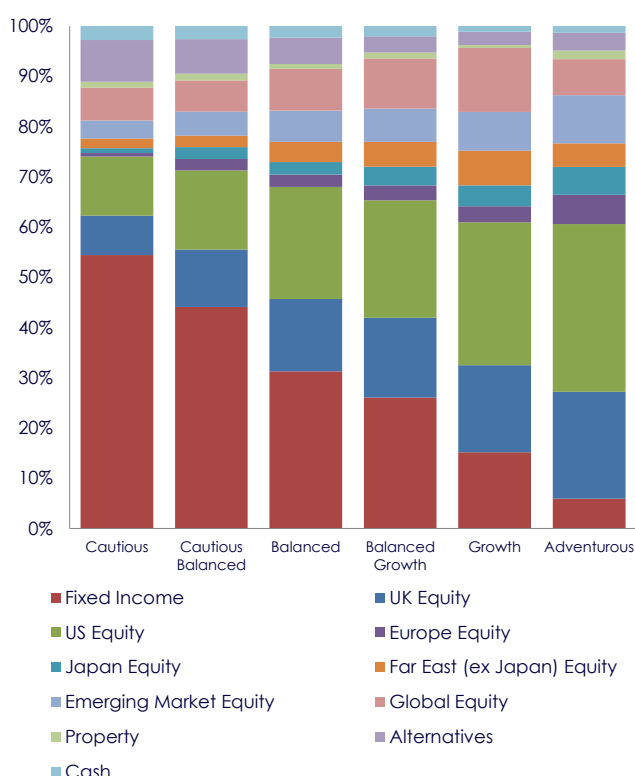
LGT Vestra Portfolio Positioning

This month the MPS Investment Committee decided to implement some changes to the lower risk profiles. We switched our passively managed UK funds in the cautious and balanced models into our existing actively managed UK funds. We also made a change within our alternative's allocation, switching from the Artemis US Absolute Return strategy into the Janus Henderson Absolute Return fund.

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Asset Allocation as at 31/07/2021



Cornelian Portfolio Positioning

Our allocation to alternative asset classes was the top contributor to portfolio performance during July, as the commercial property Real Estate Investment Trusts (REITs) and gold delivered strong returns. Performance across the fixed income allocation was also solid, with index-linked bonds a notable positive.

International equity performance was mixed. The Findlay Park American and BlackRock European Dynamic funds both outperformed their respective sectors. The direct UK equity allocations also outperformed, especially as both Rentokil and Experian released good sets of results, which boosted their respective share prices.

Within the portfolios we took profit from our equity holding in Legal and General as the share price has benefited from the economic re-opening in the UK. We also reduced other UK and European equities, again crystallising profits after strong returns in both regions. Within this, we reduced the level of our sterling hedged currency exposure as our conviction has dissipated somewhat as a result of a more mixed outlook for global growth and inflation going forward.

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 31/07/2021

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	7.31	12.96	24.42	5.32
SP4 Cautious Balanced	11.14	16.71	31.15	6.40
SP5 Balanced	14.69	18.84	38.75	8.43
SP6 Balanced Growth	18.27	21.91	45.73	9.40
SP7 Growth	20.21	23.32	49.31	10.65
SP8 Adventurous	22.94	25.22	51.71	11.79

Data source FE Analytics 31/07/2021. 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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