



Monthly Commentary August 2023

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Market Update & Portfolio Positioning

“With lower than predicted inflation and a pledge from the Chinese authorities to support their economy, global equities saw positive returns”



Matthew Cove DipFA
Director
01304 371 753

July Review

For the first time in 2023, emerging market equities outperformed developed markets. Predominantly this was due to the Chinese authorities pledging to boost and support the areas of the economy that most need it, which includes the ailing property sector. Overall, global equities made positive returns, receiving a boost from lower than expected inflation figures in the US and UK in particular.

Central Banks continued to raise interest rates, which led to yields rising and the capital values falling. The Central Banks are concerned about the persistently high level of core inflation and the strong labour markets.

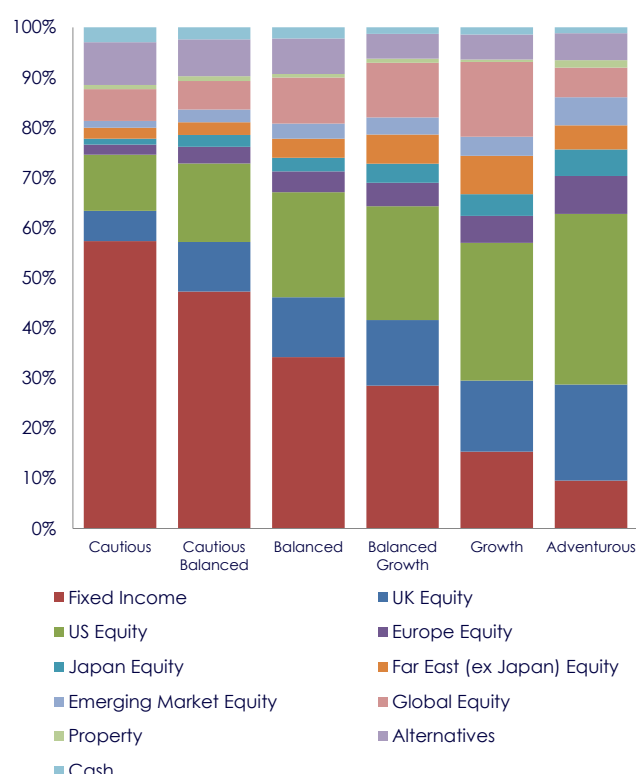
LGT Wealth Portfolio Positioning

Changes were made to the portfolios in July. This was partly to reflect our opinion on the challenging outlook for the UK domestic economy and to take some profit from our strongly performing US holdings. We therefore reduced our holding in the Liontrust Special Situations fund, which predominantly invests in UK domestic companies, and took profit from the Alliance Bernstein US Sustainable, which has performed well and benefitted from the market rally in the US. From the money raised, we added to our holding in the Vontobel Sustainable Short Term Bond fund, to increase exposure to shorter-dated bonds and introduced the L&G Global Equity Index tracker, to widen the geographical spread in the portfolios.

Throgmorton Select Portfolios Powered by:



Asset Allocation as at 31/07/2023



Cornelian Portfolio Positioning

Our bond holdings generated a positive return, being helped by investors anticipating that the headline inflation rate in developed economies has now peaked and will subside. In particular, the Sequoia Economic Infrastructure Income Fund, who are a provider of specialist credit, performed strongly within the portfolios.

Our international equity holdings performed in line with the benchmark. The iShares S&P500 GBP Hedged ETF performed well as Sterling strengthened against the US Dollar during the month. Elsewhere, the Legal & General Global Technology Index Trust continued to perform well.

The UK equity portfolio produced a positive return, albeit behind the benchmark. Future Group, which unexpectedly announced a share buyback, and Vesuvius, which announced better than expected trading, were the best performers. Compass Group lagged the index over the month after a disappointing trading update.

The portfolios investments in diversifying assets produced a positive return. The portfolio of Commercial Real Estate Investment Trusts delivered strong returns on the back of the better than expected inflation data in the UK.

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 31/07/2023

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-1.22	-0.65	4.58	6.50
SP4 Cautious Balanced	0.01	4.85	10.10	7.55
SP5 Balanced	1.51	10.21	14.21	9.39
SP6 Balanced Growth	2.13	14.37	17.89	10.39
SP7 Growth	3.60	18.47	21.53	11.63
SP8 Adventurous	4.49	25.03	27.34	12.70

Data source FE Analytics 31/07/2023. 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 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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