



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary January 2023

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Central Banks surprised markets with hawkish rhetoric despite signs of inflation having peaked. This led to bond yields rising and prices falling”



Matthew Cove DipFA
Director
01304 371 753

December Review

After a market rally the previous month, most equity markets remained volatile in December and finished lower. China proved to be the exception as shares were boosted by the relaxation of its zero-Covid policy and the announcement of further support for the ailing property market. Central Banks hawkish rhetoric impacted the performance of bonds as they reiterated plans to continue on the course of tighter monetary policy despite inflation showing signs of having peaked. Thus, bond yields rose, and their prices fell.

LGT Wealth Portfolio Positioning

We reduced equity risk in the mid-risk portfolios by topping up our cash positions and adding the Vontobel Sustainable Short Term Bond fund. These positions were funded by selling some of the larger fund positions that had a bias towards growth stocks. We also swapped our holding into the Redwheel Enhanced Income fund to the Redwheel UK Equity Income. The reason for this change is that the former fund is changing its process to a “Climate Engagement” strategy, which we do not feel is appropriate for our portfolios.

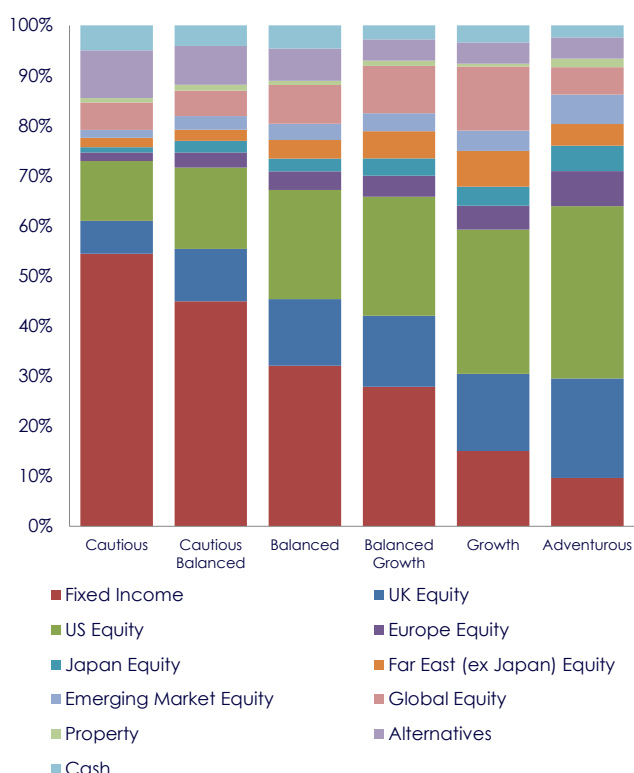
Cornelian Portfolio Positioning

Our fixed income holdings, in aggregate, provided resilience in a weak market by producing a flat return. The exposure to shorter duration

Throgmorton Select Portfolios Powered by:



Asset Allocation as at 31/12/2022



Government bonds helped performance. Corporate bonds performed well with the Invesco AT1 Capital Bond, Sequoia Economic Infrastructure Income, TwentyFour Income, Starwood European Real Estate Finance, TwentyFour Absolute Return Credit and iShares Sterling Ultrashort Bond funds all producing positive returns.

Our international equity holdings outperformed the wider market. Returns were particularly strong in the Artemis US Select, the Blackrock Emerging Markets and JP Morgan Emerging Markets Income funds. Our allocations to active managers, in general, performed well during December.

The UK equity portfolio produced a return which was behind its benchmark. For a second month in a row, Prudential outperformed, benefiting from the relaxation of Covid related movement restrictions in China.

The alternative segment of the portfolio provided a modestly positive return, which was good performance given the generally negative market conditions. The commercial real estate and infrastructure sub-sectors boosted the returns.

December was a quiet month in terms of trading and limited changes were made to the portfolios.

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 31/12/2022

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-11.21	-3.32	2.58	6.47
SP4 Cautious Balanced	-11.02	0.52	7.12	7.56
SP5 Balanced	-11.09	3.74	10.41	9.51
SP6 Balanced Growth	-11.32	5.42	13.85	10.50
SP7 Growth	-11.17	7.88	16.41	11.79
SP8 Adventurous	-9.80	12.59	20.75	12.90

Data source FE Analytics 31/12/2022. 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.

IMPORTANT: Throgmorton Private Capital Ltd 31-33 High Street, Deal, Kent, CT14 6EL Tel: 01304 371753 www.throgmortononline.co.uk is authorised and regulated by the Financial Conduct Authority (FCA). This document is a general communication and is being provided for informational purposes only. It is not designed or intended to be advice or a personal recommendation of any kind. You are recommended to seek appropriate professional independent advice before taking or refraining from taking any action on the basis of the contents of this publication, which does not contain sufficient information to support an investment decision and should not be relied upon in the evaluation of the merits of any specific investment, investment strategy, product or transaction.