



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary July 2022

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Most developed world equity markets fell as investors worried about the impact inflation will have on consumers ability to spend”



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Director

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June Review

Investors continued to contemplate whether inflation will remain elevated and impact upon consumers ability to spend during June. This in turn led to most equity markets having a negative month, with the exception of China, where the relaxation of Covid restrictions led to a significant positive return.

Inflation in the US increased to a higher than expected rate of 8.6%, which was swiftly followed by the US Federal Reserve further increasing the base rate of interest by a further 0.75%. The Bank of England also made a further rate increase of 0.25%, with the European Central Bank also expected to increase rates in July.

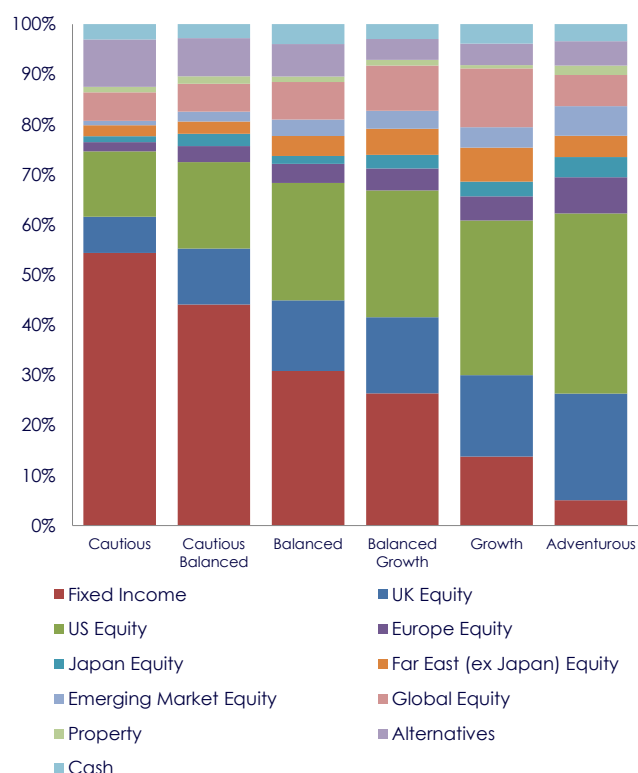
LGT Vestra Portfolio Positioning

The Lazard Global Equity Franchise fund was introduced into our portfolios in June following approval from the Investment Committee. It replaced a US equity index tracker, which had been held whilst the merits of the Lazard fund were being considered. The Lazard Fund invests in value style stocks unlike the other core and growth biased funds held in the portfolios such as the Evenlode Global Income or Fidelity Global Dividend. As we expect volatility to remain elevated and swings between value and growth investment styles to remain frequent occurrences, introducing this fund will add a style balance to the portfolios.

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Asset Allocation as at 30/06/2022



Cornelian Portfolio Positioning

Whilst the wider bond market had a poor month, some of the specialist bond investments held in the funds produced positive returns as did a couple of the short dated corporate bond funds, which meant that the portfolios' performance was relatively good for this asset class.

Within our international equity holdings, the Findlay Park American, Waverton European Capital Growth and the JPMorgan Emerging Markets Income funds all performed well as their greater exposure to stocks with a bias to the value style proved beneficial.

Strong performers within the UK equity portfolio included BP and Shell, which continued to benefit from rising energy prices, despite the imposition of a windfall tax. Another good performer was Vesuvius, which reported a strong boost to their margins from price rises as well as increased market share.

The alternatives gave up some of the gain produced in May, as the gold price, Hipgnosis Songs Fund and Greencoat UK Wind, share prices slipped back. More positively, Assura, the Medical Centres specialist REIT, performed strongly as it reported an acceleration in rental growth.

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 30/06/2022

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-8.24	-0.19	6.39	5.90
SP4 Cautious Balanced	-8.21	3.88	10.87	6.99
SP5 Balanced	-8.47	6.85	14.32	9.02
SP6 Balanced Growth	-8.66	8.61	18.67	10.02
SP7 Growth	-8.74	11.14	20.40	11.33
SP8 Adventurous	-7.28	16.39	23.68	12.40

Data source FE Analytics 30/06/2022. 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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