



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary July 2019

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Both equities and bonds rallied in response to mixed signals, but each market’s dynamics suggest a different interpretation of the growth outlook ”



Matthew Cove DipFA
Director
01304 371 753

Q2 Review

Q2 brought largely negative news on the U.S.-China trade front (albeit at the end of the quarter the potential ceasefire in the trade war caused Asian and U.S. equities to rally), a dovish shift from central banks and mixed economic data suggesting a global economy operating slightly below trend. However, whilst U.S. business sentiment surveys have been weak, U.S. consumer figures are strong and some forward-looking indicators appear to have stabilised. European data began to improve over Q2, but the improvements were focused in France, whilst Germany was essentially flat. Industrial production growth in China slowed, credit grew at a moderate pace and exports did fairly well. Chinese policymakers appear to be fine-tuning the scale of stimulus, but with limited implications outside of their borders. Equities, corporate credit and government bonds rallied in response to these mixed signals, but each market's dynamics suggest a different interpretation of the growth outlook.

LGT Vestra Portfolio Positioning

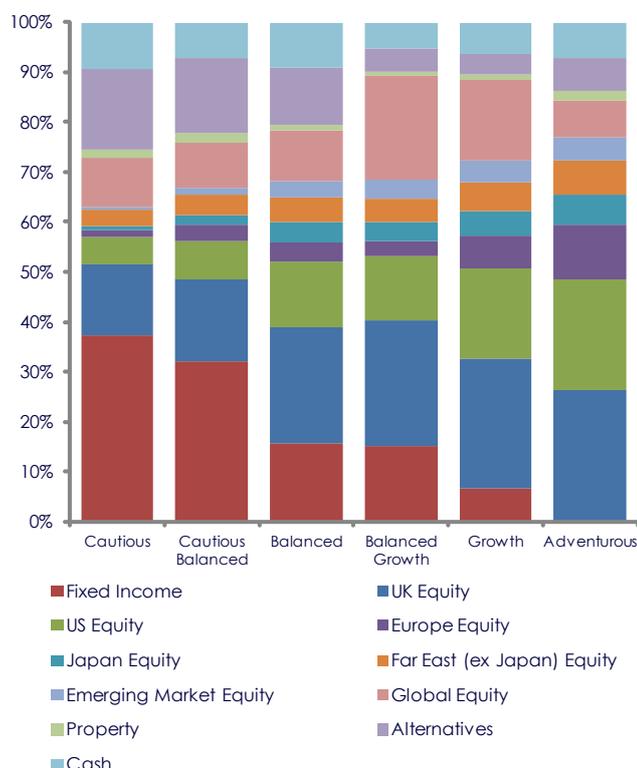
Within the Model Portfolios, the Blackrock Asia Special Situations and Morgan Stanley U.S. Advantage funds posted returns of 5.80% and 5.50% respectively. Alongside this, the build-up to the G20 Summit saw a strong rally in Bonds, Equities and Gold as investors started pricing in the likelihood of an interest rate cut in the U.S.

Throgmorton Select Portfolios Powered by:



Cornelian

Asset Allocation as at 30/06/2019



Cornelian Portfolio Positioning

The portfolios ended Q2 with particularly strong performance. All equity regions delivered positive contributions, with out-performance being strongest in our Emerging Markets, European and Japanese funds. Within fixed income, our active credit managers also delivered positive contributions over the month. We increased our allocation to gold in recognition of rising global risks and, aided by sterling weakness over the period, it was one of our best performing assets.

During the Quarter, Countryside Properties and Experian were purchased. Countryside has a good house building business, which is targeting further growth and a partnerships business that works with local authorities to regenerate brown-field land providing housing for the private sector.

Experian is a global information services company that provides data and analytical tools and has a very strong position in its marketplace, with substantial proprietary data assets. The business is highly cash generative and has been investing heavily in new product development, which has enabled market share gains and expansion into adjacent markets and sectors. We expect these positive growth dynamics to persist 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 30/06/2019

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	3.24	16.49	28.19	4.27
SP4 Cautious Balanced	2.98	19.36	31.94	5.21
SP5 Balanced	2.21	23.44	38.45	6.72
SP6 Balanced Growth	2.97	27.82	44.23	7.14
SP7 Growth	2.17	29.08	45.98	8.22
SP8 Adventurous	1.08	28.26	44.10	9.08

Data source FE Analytics 30/06/2019. 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.