



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary May 2022

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Central Bank policy will be closely watched as price rises continue to add to inflationary pressures despite the pandemic dissipating”



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Director
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April Review

At the start of 2022, it was expected that inflation would ease as the pandemic began to dissipate. However, with the war in Ukraine continuing and the prices of energy, metals, fertilisers and food rising, inflationary pressures have not eased. Inflation in the US alone has reached a 40 year high of 8.5%, with record numbers also projected for the UK and in Europe.

Controlling inflation has become a difficult job for the central banks. Interest rates have been raised in the US and UK, with further rate rises expected this year. It is also expected that the European Central Bank will accelerate their plans and make at least one rate rise at some point during 2022. With real incomes being squeezed by the cost of living increases, policies adopted by central banks will be keenly observed by the markets, which remain volatile at this time.

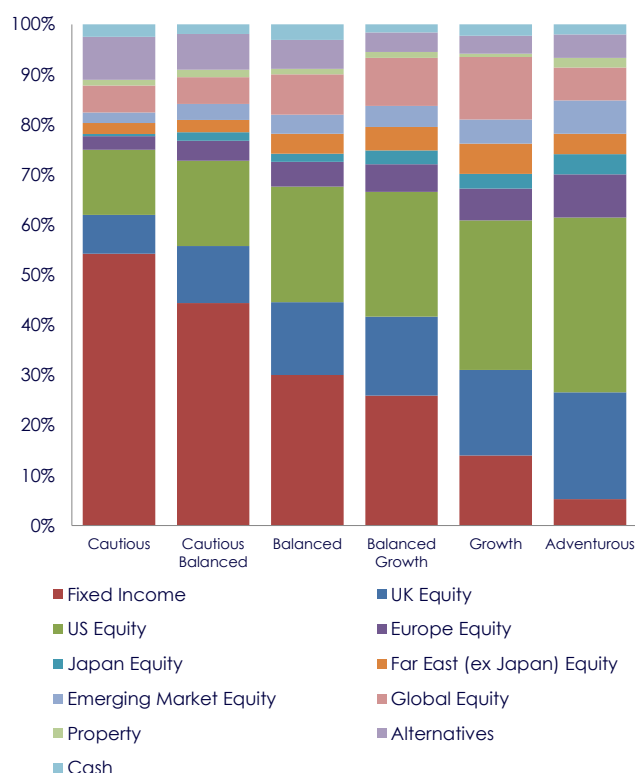
LGT Vestra Portfolio Positioning

We made changes to the Balanced, Growth and Income portfolios by reducing the equity exposure. The portfolios still retain a bias towards high quality growth companies as these are likely to be the ones that have an ability to grow their earnings during the current rising interest rate environment. Such companies also typically have pricing power and healthy balance sheets, which adds further to their resilience in uncertain economic conditions.

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Asset Allocation as at 30/04/2022



Cornelian Portfolio Positioning

Our fixed interest allocations outperformed the general market, with our preference for inflation linked bonds producing positive returns. In particular the specialist bond holdings in the portfolios (TwentyFour Income Fund and Starwood European Real Estate Finance Investment Trust) outperformed due to the embedded inflation protection they provide.

The UK equity portfolio produced a positive return due primarily to energy market exposure. The international equity holdings, in aggregate, outperformed the wider market, helped by an underweight to US and strong relative performance from the L&G Global Health and Pharmaceutical Index Trust.

The alternative asset classes within the funds also produced positive returns. In particular the BMO Commercial Property Trust and Greencoat UK Wind, produced good returns.

The fund's holding in the Polar Capital Global Technology fund was switched into the more cost effective L&G Global Technology Index Trust. This trade reflects our preference for larger technology companies over their smaller, less cash generative counterparts.

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 30/04/2022

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-2.55	5.77	12.62	5.67
SP4 Cautious Balanced	-1.99	10.26	18.19	6.74
SP5 Balanced	-1.71	13.46	22.69	8.82
SP6 Balanced Growth	-1.43	16.11	27.89	9.82
SP7 Growth	-1.09	18.52	30.65	11.12
SP8 Adventurous	0.94	23.58	35.14	12.16

Data source FE Analytics 30/04/2022. 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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