



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary November 2020

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Global trade has returned to an upward trajectory with a sharp rebound in October after the steep drops in May and June”



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October Review

Despite many leading economic indicators suggesting that global trade has returned to an upward trajectory in October, after the steep drops in May and June, only the MSCI Emerging Markets and CSI China Securities 300 indices (from the world's main stock markets) provided positive returns during October, returning 2.04% and 4.05% respectively. Whilst the aforementioned indicators are projecting a sharp rebound in global trade through October, they also suggest that this will be followed by a slower recovery towards pre-pandemic trade levels.

Chinese stock market performance is largely down to its exports being boosted by products that were in demand during the initial national lockdowns, which included personal protective equipment (PPE) and pharmaceuticals.

LGT Vestra Portfolio Positioning

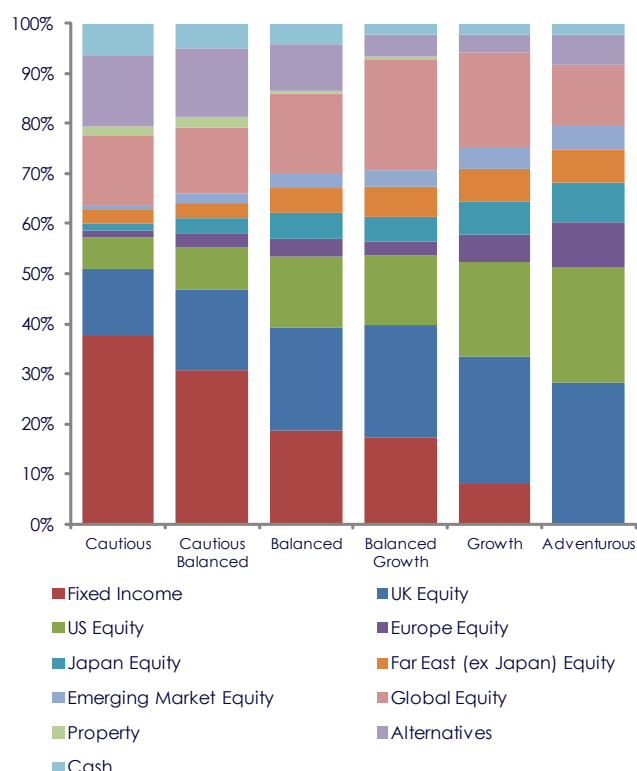
The portfolios are well positioned to navigate through the impact that markets face from the Covid-19 pandemic, the outcome of the US election and the Brexit trade deal negotiations. Thus, no changes were made to the portfolios, which are currently over weight to high quality global funds such as Fundsmith and Morgan Stanley Global Brands, as well as the use of investment grade credit and inflation linked sovereign debt.

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Cornelian

Asset Allocation as at 31/10/2020



Cornelian Portfolio Positioning

The portfolios remain diversified across a broad range of different asset classes. They benefited from the relative out-performance of the active equity fund allocations during September and were protected somewhat during October by the allocations to investment grade corporate bonds and alternatives, which made positive returns.

Within the portfolios' international equity allocation, the BlackRock Emerging Markets, Schroder Asian Total Return and Polar Capital Global Technology funds were notable contributors. Within fixed income allocations the Allianz Strategic Bond fund continues an impressive year to date performance. Alternative assets were the top contributors to portfolio performance as infrastructure and real estate holdings posted strong returns over the month.

With potential positive vaccine news emerging in the coming months, Brexit clarity on the horizon and the government viewed as stable and market-friendly, over the course of October we took advantage of buying opportunities in the UK equity market by increasing exposure to selected holdings. In coming months, more allocation may be redirected to further UK assets from our cash holdings.

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 31/10/2020

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	1.31	6.30	23.29	4.28
SP4 Cautious Balanced	1.75	6.81	26.72	4.85
SP5 Balanced	2.32	6.67	31.50	5.63
SP6 Balanced Growth	1.43	7.17	35.18	6.21
SP7 Growth	1.88	7.03	37.49	6.49
SP8 Adventurous	2.19	6.20	36.97	6.57

Data source FE Analytics 31/10/2020. 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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