



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary October 2021

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Equity markets posted solid returns due to strong corporate earnings as consumer spending and labour markets recovered”



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September Review

Equity markets have generated solid returns on the back of strong corporate earnings, which have been supported by the labour market recovery and increased consumer spending, as global economies have reopened. The Delta Strain continues to impact global supply chains and may lead to restrictions being reimposed, causing volatility to the recovery for the foreseeable future, especially as furlough schemes end.

The Central Banks of the US and UK have intimated a potential change in their policy direction with the start of tapering their respective asset purchase programmes. The European Central Bank (ECB) has no such plans to taper its asset Pandemic Emergency Purchase Programme at the current time, but has slowed the pace of its purchases. However, with the ECB raising its growth forecast for the year, it is possible that it may soon reconsider its current level of monetary support.

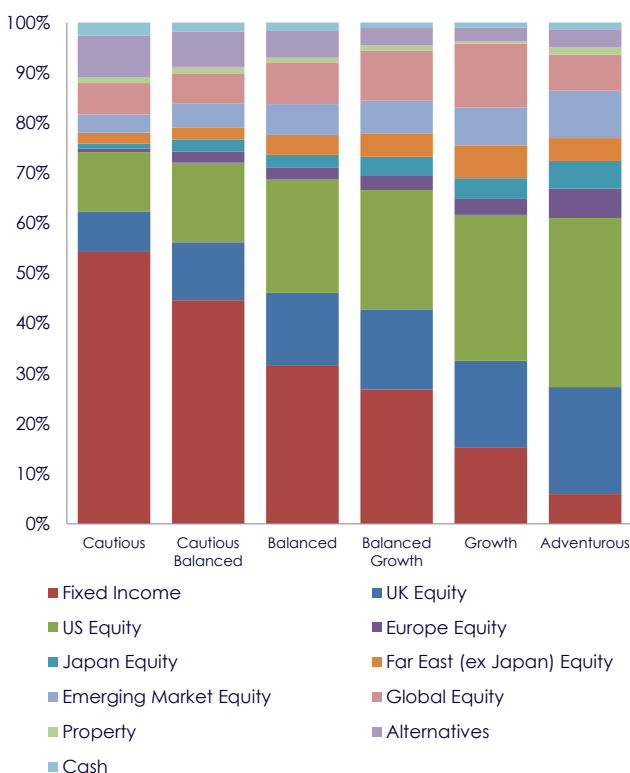
LGT Vestra Portfolio Positioning

We remain happy with the current positioning of the Model Portfolios and made no changes this month. This is based on our decision to maintain exposure to high quality growth companies and this has helped boost the recent performance. We also continue to favour active investment managers who are nimble in their stock selections in volatile markets.

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Asset Allocation as at 30/09/2021



Cornelian Portfolio Positioning

Whilst the portfolios delivered positive returns for the quarter overall, September was a more challenging month. Market levels pulled back as investors digested the news that the Federal Reserve was likely to taper its asset purchase scheme this year, whilst soaring energy prices and disrupted supply chains led to questions concerning the sustainability of earnings upgrades going forward.

Against a global backdrop of negative equity market returns, the portfolios' Japanese equity allocations delivered positive contributions to performance, as did the thematic equity allocation to US financials which outperformed the general US equity market.

In terms of portfolio activity, Greencoat UK Wind, a renewable energy infrastructure fund, was purchased. The firm has assembled one of the largest portfolios of UK wind energy assets. Through this direct ownership of wind farms, Greencoat provides investors with the opportunity to play a meaningful role in the deployment of renewable energy and reduction in global greenhouse gas emissions.

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 30/09/2021

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	5.64	12.64	21.97	5.37
SP4 Cautious Balanced	9.39	16.96	28.49	6.44
SP5 Balanced	12.18	19.67	35.75	8.47
SP6 Balanced Growth	15.48	22.92	42.65	9.45
SP7 Growth	17.37	24.97	45.83	10.70
SP8 Adventurous	20.38	27.67	47.95	11.81

Data source FE Analytics 30/09/2021. 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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