



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary October 2023

Independent Advice. Bespoke Solutions.

### Market Update & Portfolio Positioning

“The Magnificent Seven of Apple, Microsoft, Alphabet, Tesla, Nvidia and Meta, were a drag on the US market in September where equities fell in value”

#### September Review

It was a mixed month for equities, with UK, Japanese, Chinese and Emerging Markets posting positive returns during September. However, US equities declined especially as the prices of the “Magnificent Seven”, consisting of Apple, Microsoft, Alphabet, Amazon, Tesla, Nvidia and Meta, fell, which weighed on the overall US market. Nearly 97% of the total US stock market return during 2023 can be attributed to these seven stocks.

Overall, global bonds made a positive return, but government bonds were once again impacted by rising yields and therefore, falling prices.

#### Blackrock Portfolio Positioning

There were no changes to the portfolios during September, despite the negative returns across the portfolio range. As Sterling weakened against the US Dollar, performance was impacted by our currency hedging strategy and returns from our US Dollar denominated holdings fell.

We believe that our portfolios are well positioned for our macroeconomic forecasts, where we expect global growth to cool below the current trending levels and inflation to decelerate closer to Central Bank targets. This should allow the global economy to benefit from a soft landing rather than a deep recession. However, as wage inflation pressures remain in focus, the future direction of monetary policy still remains uncertain.



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## Throgmorton Select Portfolios Powered by:

Vanguard

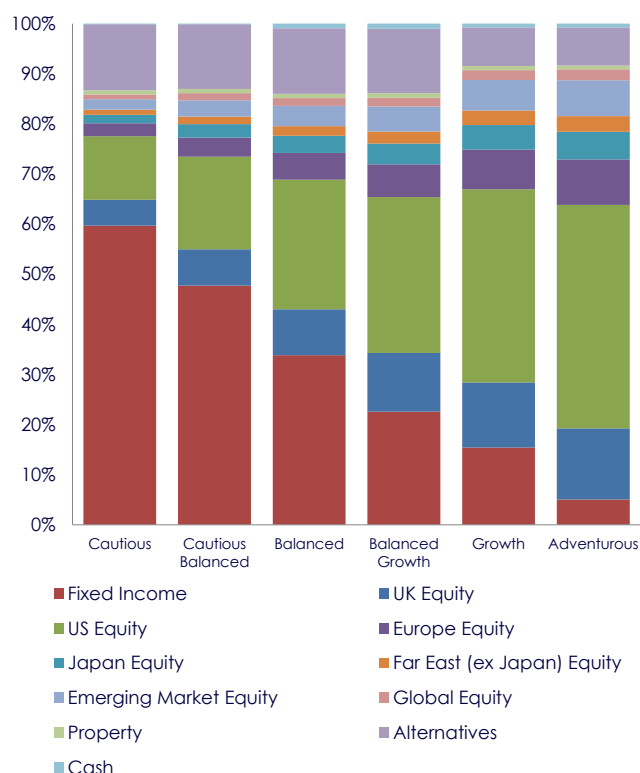
Dimensional

BlackRock

ATLANTIC HOUSE  
GROUP

Cornelian

### Asset Allocation as at 30/09/2023



### Cornelian Portfolio Positioning

Our government bond holdings, namely UK Gilts, under-performed our other bond holdings such as the TwentyFour Absolute Return Credit Fund and the L&G Short Dated Sterling Corporate Bond Index fund, which both produced positive returns.

The international equity holdings produced a result which was ahead of its benchmark. Notable performers included the Findlay Park American, the L&G Global Health and Pharmaceutical Index Trust, and the Polar Capital Global Convertible funds. During the month, we reduced exposure to US 'mega-cap stocks' by switching out of an S&P 500 Exchange Traded Fund (ETF) into an ETF which has greater exposure to US mid and small cap stocks and the T Rowe Price US Smaller Companies fund.

The UK equity portfolio outperformed the benchmark. The two notable performance contributors were Computacenter, an IT sourcing and services provider, and Future, who are a media company. The former reported a strong first half trading result driven by resilient demand and market share gains. The latter released a trading update that reported audience trends had stabilised during their latest reporting period, which benefitted the share price.

**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 30/09/2023

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	2.56	-3.41	2.99	6.53
SP4 Cautious Balanced	3.85	1.62	8.64	7.57
SP5 Balanced	4.78	5.53	12.57	9.42
SP6 Balanced Growth	5.36	8.98	16.00	10.42
SP7 Growth	6.01	12.25	19.52	11.66
SP8 Adventurous	7.66	18.85	26.05	12.72

Data source FE Analytics 30/09/2023. 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 the historical portfolio asset allocations. 2. Volatility figures calculated on a five year annualised basis.

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