



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary October 2024

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“It was a positive month for both global equities and bonds as markets started to price in a more aggressive interest rate cutting cycle.”



Matthew Cove DipFA
Director
01304 371 753

September 2024 Review

In September, equity markets faced challenges but recovered due to a pick-up in macroeconomic data and expansionary monetary policy, which alleviated recession concerns. Both the US Federal Reserve and the European Central Bank (ECB) delivered rate cuts of 0.5% and 0.25% respectively. Additionally, positive momentum in China helped contribute to global equity performance. Global equities ended the month in positive territory.

Bonds also performed strongly throughout the month as the market priced in a more aggressive interest rate cutting cycle, in the months ahead. Global bonds also ended the month in positive territory.

Blackrock Portfolio Positioning

Risk was added to the portfolios as our base case is that the global economy will avoid a recession despite slowing growth.

We took the opportunity to introduce an allocation to Real Estate Investment Trusts (REITs) across the portfolios, as we expect them to do well in an interest rate cutting environment.

We also added to our European ex-UK equity allocation, due to attractive valuations. At the same time, we reduced our exposure to Japanese and

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Vanguard

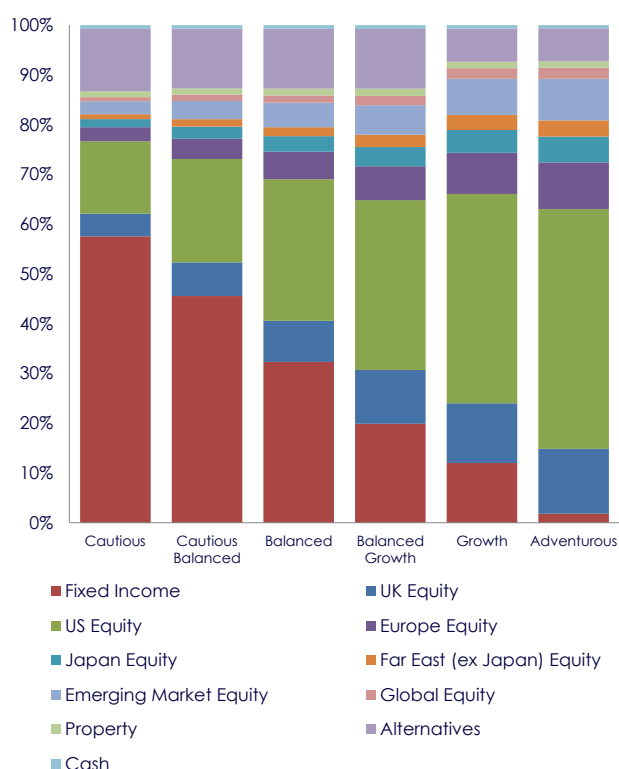
Dimensional

BlackRock

**ATLANTIC HOUSE
GROUP**

Cornelian

Asset Allocation as at 30/09/2024



Emerging Market (EM) equities. Lastly, we kept our allocation to Gold unchanged, due to persistent geopolitical tensions and a weakening US Dollar.

Cornelian Portfolio Positioning

The portfolios diversifying assets (infrastructure, absolute return and real estate) outperformed the respective benchmarks. HICL and International Public Partnerships benefited from the perception that the interest rate cycle has turned. Similarly, a number of less economically sensitive REITs (such as Target Healthcare, Assura and Impact Healthcare) performed well as investors were attracted to their high occupancy rates and low funding costs.

During the month, the Baillie Gifford Japanese fund was sold and the proceeds were re-invested into the Pictet Japanese Equity Opportunities fund, which has an impressive track record of producing good relative returns regardless of the market cycle.

Convatec Group plc, the medical products company was also bought for the funds. The company has been restructured and a prolonged period of re-investment into its manufacturing footprint and new product development should, we believe, start to bear fruit.

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 30/09/2024

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	12.18	0.64	9.82	6.54
SP4 Cautious Balanced	13.95	3.26	17.42	7.45
SP5 Balanced	16.11	5.82	24.87	8.91
SP6 Balanced Growth	17.48	7.05	28.94	9.91
SP7 Growth	20.01	10.03	35.82	10.92
SP8 Adventurous	21.43	14.46	45.70	11.73

Data source FE Analytics 30/09/2024. 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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