



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary October 2019

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“The third quarter exhibited difficult conditions for investors, however despite these challenges, the S&P 500 approached new record highs”



Matthew Cove DipFA
Director
01304 371 753

Q3 Review

The third quarter presented investors with difficult conditions, where the interplay between trade, monetary policy and growth, characterised the economic narrative that has prevailed throughout 2019.

Equity indices' performance varied over the quarter with the key S&P 500 index approaching new all-time highs, but with U.S. Smaller Companies and Emerging Market equity indexes declining.

U.S. 10-year Treasury bond prices increased and other developed market bonds followed suit. Italian government bonds were particularly strong following a dovish European Central Bank meeting. In currency markets the U.S. Dollar strengthened and the Chinese Yuan weakened.

LGT Vestra Portfolio Positioning

We have decided to take some profits in the areas that have performed the strongest year to date. We did this by reducing our holding in T. Rowe U.S. Smaller Companies which is up over 30% this year, with the proceeds being reinvested into U.S. Government Bonds.

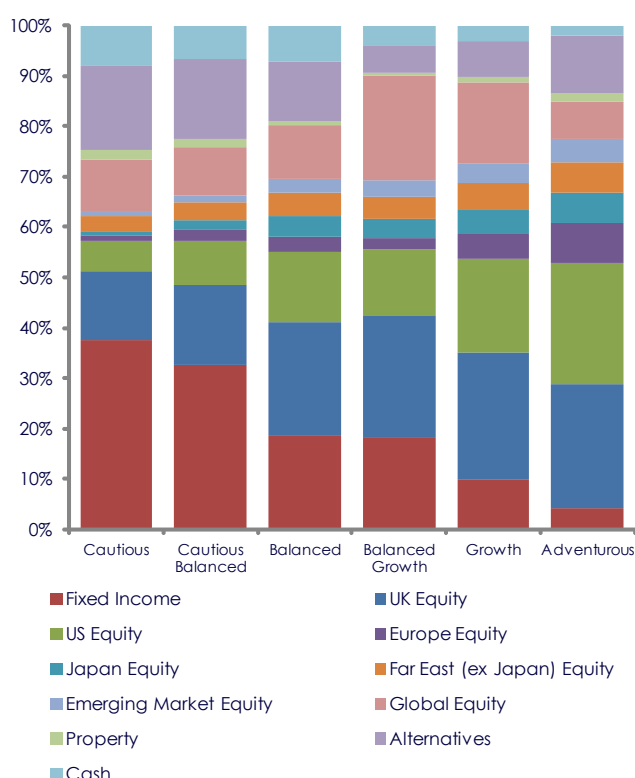
We have decided to diversify our U.S. equity exposure by adding another U.S. fund. The holding in the Jupiter India Fund in the Balanced and Growth portfolios has been sold as this fund has continued to underperform.

Throgmorton Select Portfolios Powered by:



Cornelian

Asset Allocation as at 30/09/2019



Cornelian Portfolio Positioning

Over the month, equities led returns in the portfolios, with strong positive contributions being delivered by the allocations to the U.K., Japan and emerging markets. Absolute return and commercial property ended the quarter with another month of strong positive performance.

New additions to the portfolios included the BlackRock Emerging Markets Fund and the Allianz Strategic Bond Fund.

The performance of the BlackRock Emerging Markets Fund has been strong since manager Gordon Fraser took over responsibility for the fund in March 2017. While his tenure on this fund is relatively short, Mr Fraser is an experienced investor who has built up an impressive long-term track record since joining Blackrock in 2006.

The Allianz Strategic Bond Fund seeks to generate returns from a broader range of views and positions than those typically expressed in more traditional bond funds. It has a flexible mandate and seeks to generate returns across interest rate, currency, inflation and credit markets within a sensibly controlled risk framework and should act as a useful diversifier in the more challenging environment we see today.

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 30/09/2019

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	4.75	13.10	29.66	4.30
SP4 Cautious Balanced	4.50	14.66	33.69	5.26
SP5 Balanced	3.61	17.36	40.37	6.81
SP6 Balanced Growth	4.36	20.86	46.26	7.24
SP7 Growth	3.72	20.90	48.48	8.37
SP8 Adventurous	2.82	19.15	47.08	9.28

Data source FE Analytics 30/09/2019. 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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