



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary September 2022

Independent Advice. Bespoke Solutions.

“Investors expect further interest rate hikes to counter persistently high inflation, which in turn has resulted in markets remaining highly volatile”



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Market Update & Portfolio Positioning

August Review

Equity and bond markets became increasingly more volatile in August, increasing investor expectations of further interest rate rises being required to counter the high and persistent level of inflation. During August Sterling continued to weaken, particularly against the US Dollar. Whilst this has the advantage of increasing the Sterling value of overseas assets and any income generated, it also disadvantages domestic equity returns.

LGT Wealth Portfolio Positioning

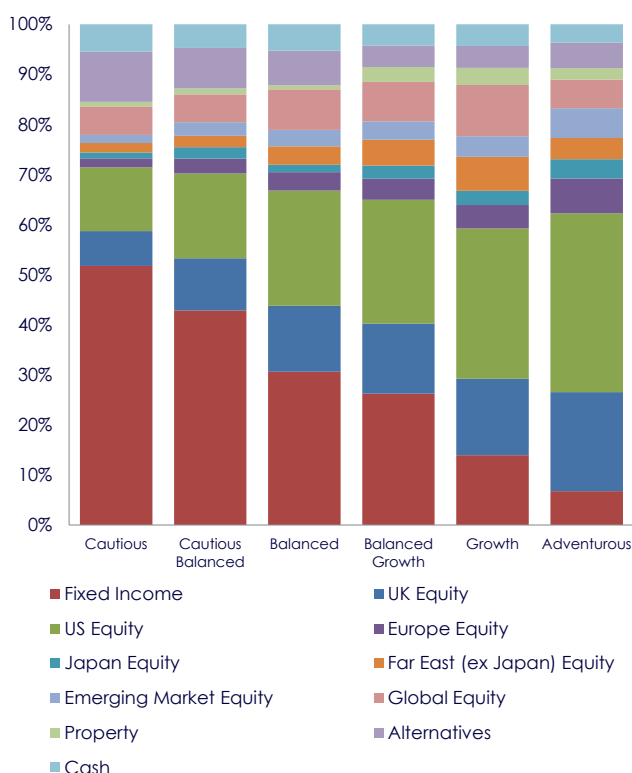
During August we reduced exposure to the Vanguard US Government Bond Index fund as we see this as vulnerable to higher interest rate rises than the market currently expects. Monies raised from reducing this holding have been placed into the Blackrock Cash fund.

Since the last portfolio re-balance, the strongest performing funds reflect our preference for investments with a growth bias, as well as our US strategies. The best performing funds over the last quarter include the Morgan Stanley US Advantage, Legal & General Global Technology, Alliance Bernstein US Sustainable, Lindsell Train UK Equity, T Rowe Price US Smaller Companies, Brown Advisory Global Leaders and Fundsmith Equity funds. These have all produced positive returns in this period despite the volatile markets and overall equity downturn.

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Asset Allocation as at 31/08/2022



Cornelian Portfolio Positioning

Fixed income markets were particularly weak during August, but the portfolios' holdings, whilst producing a negative return in aggregate, held up well versus the broader market. The higher yielding specialist credit funds, including Starwood European Real Estate Finance and Sequoia Economic Infrastructure Income, both produced positive returns.

The international equity holdings produced a positive return in excess of the market. Artemis US Select, Polar Capital Global Convertibles and Blackrock Emerging Markets all produced good relative returns during the period. The direct UK equity portfolio performed in line with the overall market, although BP and Balfour Beatty outperformed, producing double digit returns.

Within 'other assets', the funds' commercial property exposure, in aggregate, produced a negative return. However, infrastructure (including Greencoat UK Wind and JLEN Environmental Assets Group), absolute return, gold and private equity all produced positive returns. The net effect overall was a marginally positive return.

With markets continuing to be highly volatile our trading activity remained light.

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 31/08/2022

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-8.19	0.19	7.08	6.08
SP4 Cautious Balanced	-7.57	5.31	12.33	7.17
SP5 Balanced	-7.25	9.56	16.50	9.18
SP6 Balanced Growth	-7.19	11.72	20.66	10.16
SP7 Growth	-6.57	15.61	23.78	11.48
SP8 Adventurous	-4.63	22.28	28.54	12.59

Data source FE Analytics 31/08/2022. 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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