



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary September 2023

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Market volatility increased on renewed concerns about the strength of the Chinese economy and its struggling property sector”



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August Review

In August, market volatility increased, reflecting renewed stress in the Chinese property market, weak macroeconomic data out of China and an increase in government bond yields. Chinese authorities have acted by reducing interest rates twice in August as well as undertaking initiatives to support markets, but investors remain cautious, given the difficulties facing the largest Chinese property companies, Country Garden & Evergrande.

Given this backdrop, global stocks (MSCI All Companies World Index) declined by 2.8% over August. Furthermore, emerging markets notably underperformed developed markets due to the negative investor sentiment towards China.

Bonds did not help investors absorb equity losses, with the Bloomberg Global Aggregate Index falling 1.4% in August as yields rose. Yields on 10-year US Treasury increased to 4.1%.

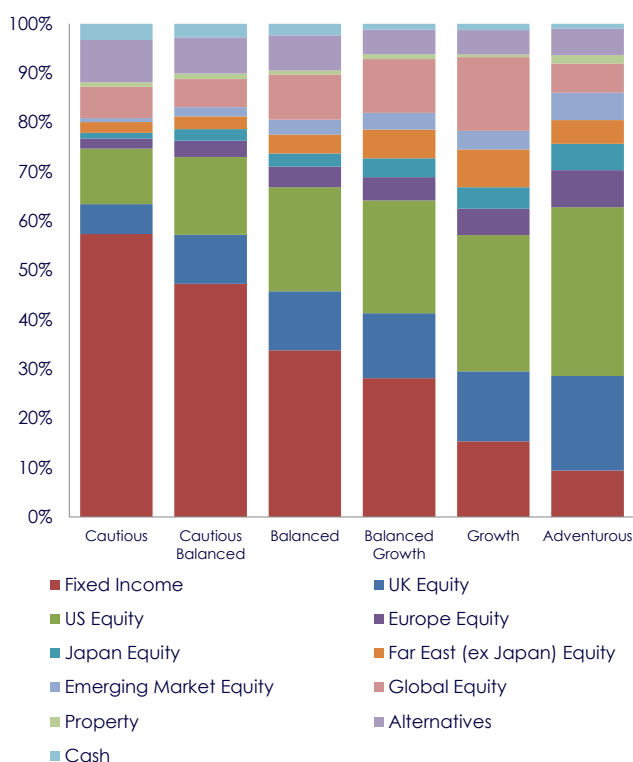
LGT Wealth Portfolio Positioning

After a few changes to the portfolios in the previous month, where profits from the UK & US holdings were allocated into the existing holdings in the Vontobel Sustainable Short Term Bond fund and the newly introduced L&G Global Equity Index fund, there were no further changes to the asset allocation or the underlying fund holdings in the portfolios.

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Asset Allocation as at 31/08/2023



Cornelian Portfolio Positioning

Our bond holdings produced a flat return in August, albeit both the Starwood European Real Estate Finance and Sequoia Economic Infrastructure Income, produced positive returns.

Our international equity holdings, in aggregate, were marginally behind their benchmark. Artemis US Select and Findlay Park American, outperformed their sector, as did the L&G Global Health and Pharmaceutical Index Trust despite the technology rally pausing.

Our UK equity holdings also marginally underperformed their benchmark in August. BP & Shell, performed well as the oil price rose on further OPEC supply restraint and optimism that the global economy may perform more strongly than previously expected. Prudential's share price underperformed as the company reported that demand for its products in mainland China was weaker than expected.

Within the alternative assets in the portfolios, UK Commercial Property REIT and HICL Infrastructure produced good returns, with both providing good interim trade updates.

No major changes were made to the portfolios during August.

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 31/08/2023

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-0.80	-2.39	3.67	6.51
SP4 Cautious Balanced	-0.04	2.52	9.16	7.56
SP5 Balanced	0.82	6.76	12.97	9.41
SP6 Balanced Growth	1.06	10.36	16.21	10.42
SP7 Growth	1.69	13.57	19.71	11.66
SP8 Adventurous	2.56	19.53	25.87	12.72

Data source FE Analytics 31/08/2023. 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 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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