



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary September 2019

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

"The positive momentum of June & July halted in August as trade negotiations between the U.S. and China broke down"

August Review

Global equity indices declined during August as the U.S. and China exchanged tariff hikes, hurting investor confidence and raising trade concerns. Furthermore, weak macroeconomic data helped spur a rally in bond yields which saw 30 year U.S. Treasury bonds reaching all-time lows.

In Europe, the formation of a new Italian government lowered political risk and expectations rose for a European Central Bank easing package. Prime Minister, Boris Johnson has raised the probability that the U.K. will leave the EU without a deal, resulting in sterling declining further.

LGT Vestra Portfolio Positioning

We decided to reduce exposure to the Lindsell Train UK and Global Equity funds in the portfolios following some very strong performance, which are both up 23% since the start of the year, and up 44% and 71% over three years respectively.

The Trojan Income strategy has been added, providing more defensive characteristics to the blend of UK equities held in the portfolios. The Polar Capital Insurance fund has been added to the Growth portfolio and topped up in the Adventurous portfolio as it also provides more defensive characteristics by investing in insurance companies that are not particularly sensitive to the economic cycle.



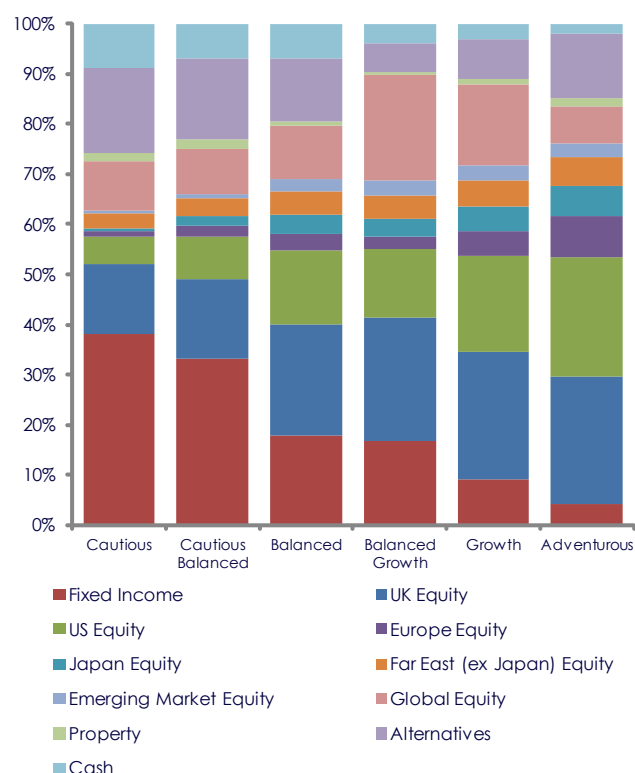
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Cornelian

Asset Allocation as at 31/08/2019



Cornelian Portfolio Positioning

In a volatile month the benefits of diversification shone through as positive contributions from allocations to fixed income, property, infrastructure and gold helped to cushion the impact of broad-based weakness in equities.

August was an active month for the funds with a number of asset allocation and stock selection changes undertaken. New additions to portfolios included UDG Healthcare and the Legal & General (L&G) Multi-Asset Target Return Fund.

UDG Healthcare is a leading global healthcare support services company, operating mainly in North America and Western Europe. The company is focused on the higher margin, faster growing medical packaging and medical services sectors. With a robust balance sheet and leading positions in attractive end markets, we believe UDG Healthcare is undervalued and well positioned to deliver attractive returns.

The L&G Multi-Asset Target Return Fund is an absolute return strategy that uses the broad range of capabilities of the fund group to create a diverse portfolio of assets aiming to generate returns of U.K. Base Rate + 5% per annum over rolling three-year periods while limiting the downside risk and correlation to equities.

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 31/08/2019

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	4.25	13.33	29.25	4.32
SP4 Cautious Balanced	3.62	14.54	32.55	5.28
SP5 Balanced	2.15	17.02	38.20	6.84
SP6 Balanced Growth	2.84	20.73	43.78	7.28
SP7 Growth	1.72	20.20	45.42	8.40
SP8 Adventurous	0.37	17.81	43.49	9.29

Data source FE Analytics 31/08/2019. 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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