



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary July 2021

Independent Advice. Bespoke Solutions.

### Market Update & Portfolio Positioning

“Following the sharpest recession on record due to the impact of the COVID Pandemic, a strong global economic recovery is in progress.”



Matthew Cove DipFA  
Director  
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#### June Review

Following the impact of the Pandemic on global economies, we have experienced one of the sharpest recessions in history, followed by one of the strongest recoveries. Currently many analysts are forecasting that the enormous stimulus applied to counter the pandemic's effects will lead to a sharp and potentially permanent rise in inflation. However, global central banks continue to express the view that inflation this year and next year, will be transitory and therefore interest rate rises remain unlikely at this time.

Regionally, the euro area is experiencing a return to growth following a double dip recession as pandemic restrictions are eased. Furthermore, the delay to the UK economy fully reopening is not forecast to materially affect anticipated growth for 2021. However, growth in the US is expected to slow slightly in the second half of this year after a strong Q2.

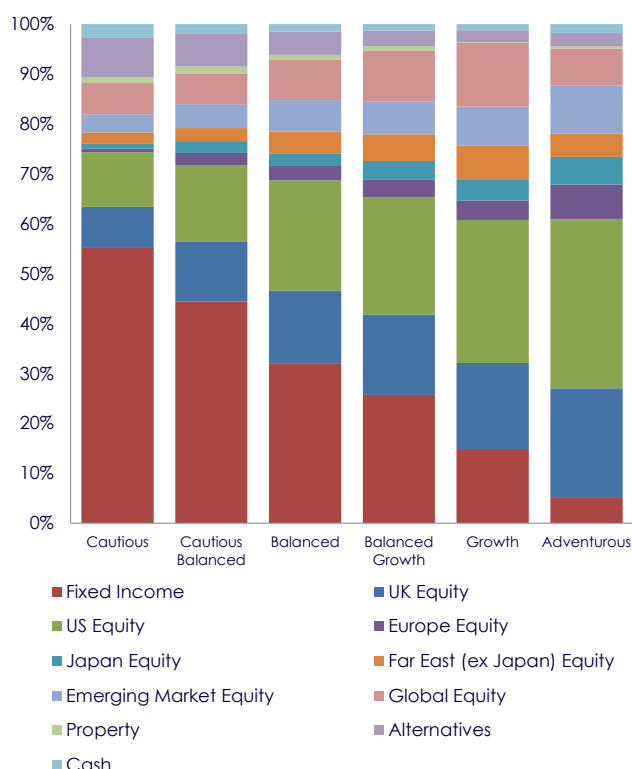
#### LGT Vestra Portfolio Positioning

We are happy with the positioning of the Model Portfolios and decided not to make changes this month. We continue to maintain exposure to quality growth companies in our equity positions, which has boosted the performance this month. However, we continue to be selective in respect of our fixed interest exposures. On the whole, we continue our preference for active fund managers who are nimble, picking the winners and avoiding potential value traps.

# Throgmorton Select Portfolios Powered by:



## Asset Allocation as at 30/06/2021



## Cornelian Portfolio Positioning

The portfolios ended the quarter by delivering another month of positive performance. US, thematic and emerging market equities were top contributors as the Polar Capital Global Technology and BlackRock Emerging Markets funds outperformed their respective benchmarks and the S&P 500 ETF also produced a strong return.

In terms of portfolio activity over the month, UDG Healthcare, the UK-listed global healthcare services company, was sold from across the portfolios after the UDG Board recommended a takeover bid from a private equity firm. As the share price had risen above the recommended cash bid price of £10.23 per share, we decided to crystallise the profit.

The BMO Commercial Property Trust (REIT) was purchased for the medium-to-higher risk portfolios. The REIT holds a diversified portfolio of good quality office, retail and industrial commercial property units spread across the UK. Due to the COVID-19 induced lockdown the share price moved to a discount to the Net Asset Value, which represents a buying opportunity as it does not reflect the diversified nature of the property portfolio or the firm's conservative balance sheet.

**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 30/06/2021

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	6.89	12.38	27.06	5.46
SP4 Cautious Balanced	10.82	16.62	35.18	6.59
SP5 Balanced	14.57	19.41	44.26	8.62
SP6 Balanced Growth	17.94	22.54	52.38	9.61
SP7 Growth	20.18	24.54	57.41	10.89
SP8 Adventurous	23.02	26.89	61.01	12.05

Data source FE Analytics 30/06/2021. 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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