



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary July 2020

Independent Advice. Bespoke Solutions.

### Market Update & Portfolio Positioning

“The MSCI All Companies World Index had its best monthly return since 2019, ending up 19.4%, only 8.3% down on its pre-COVID-19 high”

#### Q2 Review

It was a historic quarter for financial markets. Coming into the quarter, markets had just begun to rebound after the outbreak of COVID-19 and subsequent government mandated lockdowns, which caused the MSCI All Country World Index (ACWI) to lose 33% of its value in just a month. However, as governments and central banks intervened forcefully with stimulus packages of unprecedented size and scope, and the growth rate of coronavirus cases began to slow, markets were quick to react. To the end of June 2020 the MSCI ACWI was up 19.4%, down only 8.3% from its pre-COVID-19 high, which represented the best monthly performance since 2009.



Matthew Cove DipFA  
Director  
01304 371753

#### LGT Vestra Portfolio Positioning

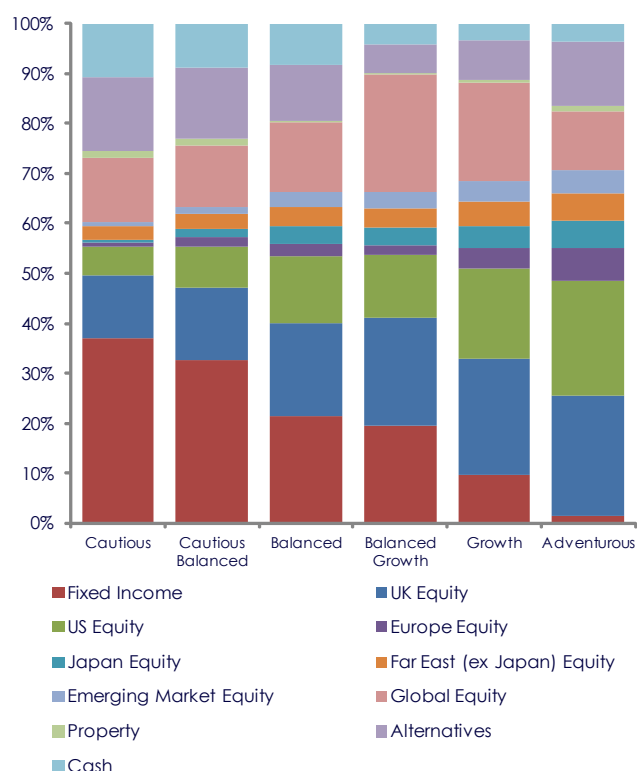
We made changes to our UK and alternatives allocations. In the UK, we sold the Schroders Income Fund and reallocated to the Brown Advisory Global Leaders Fund, which invests in high-quality global companies and complements our existing global funds like Fundsmith Equity. Within alternatives we introduced the BlackRock Event Driven fund and US Treasuries, in place of the Winton Absolute Return Futures and Threadneedle Credit Opportunities Funds. The BlackRock fund has in particular delivered impressive returns and provides diversity to the other assets within the portfolios.

# Throgmorton Select Portfolios Powered by:



## Cornelian

### Asset Allocation as at 30/06/2020



### Cornelian Portfolio Positioning

The portfolios delivered another month of positive performance, ending a quarter of strong recovery from the market trough in March. Asian and Emerging Market equities led returns, with the BlackRock Emerging Markets and Schrodgers Asian Total Return funds outperforming their respective sectors. The Global equity allocation was a notable positive contributor too.

Within fixed income, our relative preference for corporate bonds was beneficial as government bonds under-performed. The specialist corporate bond investment trusts held across the portfolios performed well, and the strategic bond funds continue to navigate the current market conditions favourably.

Private equity investment trust Hipgnosis Songs Fund was a notable positive contributor within the alternatives allocation. This was added to the mid-risk portfolio over the month, having been held in the higher risk portfolios for some time. The company gives exposure to music royalty payments that accrue to song writers across a varied catalogue of music genres and vintages and provides some diversity to other assets held within the portfolios.

**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 30/06/2020

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	1.74	8.28	23.66	5.50
SP4 Cautious Balanced	2.13	8.87	26.63	6.62
SP5 Balanced	1.85	8.83	30.37	8.65
SP6 Balanced Growth	0.81	9.96	33.65	9.49
SP7 Growth	1.35	9.63	35.64	10.79
SP8 Adventurous	2.04	8.43	35.05	11.75

Data source FE Analytics 30/06/2020. 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.

IMPORTANT: Throgmorton Private Capital Ltd 31-33 High Street, Deal, Kent, CT14 6EL Tel: 01304 371753 [www.throgmortononline.co.uk](http://www.throgmortononline.co.uk) is authorised and regulated by the Financial Conduct Authority (FCA). This document is a general communication and is being provided for informational purposes only. It is not designed or intended to be advice or a personal recommendation of any kind. You are recommended to seek appropriate professional independent advice before taking or refraining from taking any action on the basis of the contents of this publication, which does not contain sufficient information to support an investment decision and should not be relied upon in the evaluation of the merits of any specific investment, investment strategy, product or transaction.