



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary January 2020

Independent Advice. Bespoke Solutions.

“Sentiment improved in the fourth quarter of 2019, which spurred all major asset classes, particularly equities, to enjoy attractive returns”



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### Market Update & Portfolio Positioning

#### Q4 Review

All major asset classes, particularly global equities, enjoyed attractive returns in Q4 of 2019 in an environment of improved risk sentiment globally.

The improved sentiment has been spurred by the U.S. - China “Phase One” trade agreement, reduced Brexit uncertainty and the view that the risk of a recession has abated.

Global macroeconomic data improved over the quarter: U.S. job gains picked up as business conditions stabilized and manufacturing outlook improved globally, although German industry remains weak.

#### LGT Vestra Portfolio Positioning

The portfolios have fared well over the past few months, owing to strong portfolio positioning, prudent profit taking and the conviction to hold onto funds that have had relative under performance in comparison to their sectors until recently, such as the Schroder Income Fund.

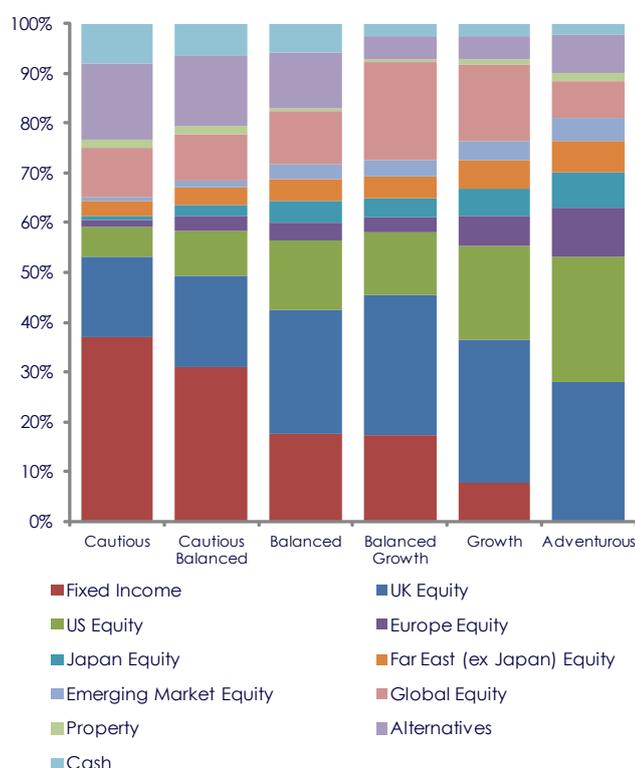
Following the U.K. Election result, we increased the portfolios' exposure to the U.K. by using the Vanguard FTSE All-Share Tracker Fund in the Defensive, Cautious and Balanced portfolios and by topping up our existing positions in Mid Cap and FTSE 100 index tracking funds in the Growth and Adventurous portfolios.

# Throgmorton Select Portfolios Powered by:



## Cornelian

### Asset Allocation as at 31/12/2019



### Cornelian Portfolio Positioning

The portfolios ended 2019 at new highs, after a strong month of performance over December.

In fixed income the use of specialist investment trusts produced particularly strong performance.

Our positions in Europe, U.K. and Global equities were significant positive contributors to performance, especially after we had tactically increased exposure to U.K. domestic companies ahead of the general election, which have subsequently outperformed.

Furthermore, our allocation to alternative asset classes such as commercial real estate and infrastructure were notable positive contributors.

During the month, we purchased HICL Infrastructure, which is a London listed Investment Trust. Sentiment towards the infrastructure sector had been clouded by the risk of nationalisation by a Labour government. With this issue now resolved, the outlook for infrastructure has clearly improved and HICL has exposure to over 100 high quality projects which offer investors an attractive long-term, inflation-linked dividend yield.

**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 31/12/2019

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	10.21	13.39	27.45	4.26
SP4 Cautious Balanced	12.05	15.11	31.75	5.20
SP5 Balanced	14.89	17.10	38.15	6.76
SP6 Balanced Growth	16.43	20.65	43.90	7.21
SP7 Growth	18.56	21.07	47.03	8.32
SP8 Adventurous	19.84	19.94	46.94	9.19

Data source FE Analytics 31/12/2019. 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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