



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary June 2023

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“As manufacturing output data and commodity prices fell, the majority of global equities declined, which was also the case with bonds as yields rose”



Matthew Cove DipFA
Director
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May Review

With the exception of the US, Japan and some Asian markets, global equities declined in May as a mixture of economic data impacted investor sentiment. On the one hand, expectations for technology and in particular Artificial Intelligence (AI) aided some, but declining manufacturing output data, along with falling commodity prices impacted others. Furthermore, with inflation still proving to be sticky, and expectations of further interest rate rises, Government bond yields continued to rise, which subsequently meant capital values fell.

LGT Wealth Portfolio Positioning

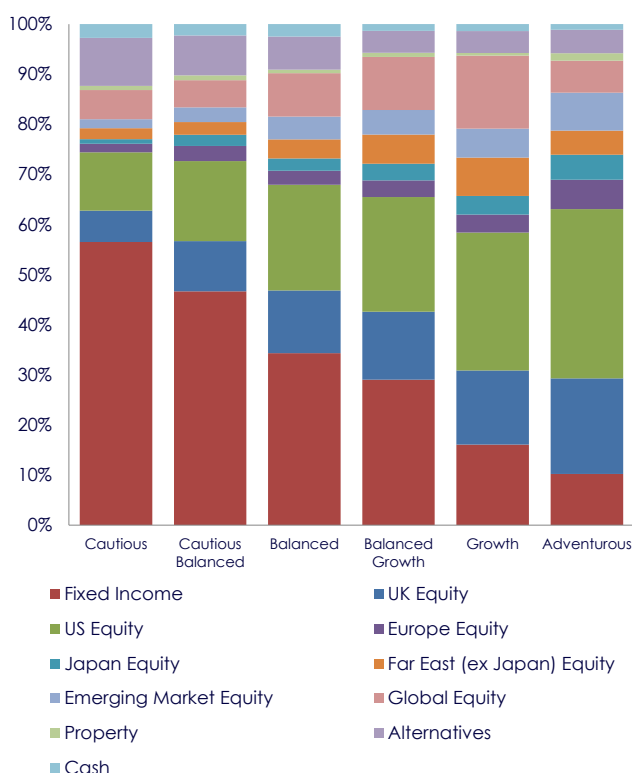
We decided to reduce risk in some of the portfolios. Predominantly the decision to do so was based on our thoughts that a narrow range of US equities are driving the positive returns in the market and that these look a little stretched in terms of their valuations currently.

To enable this reduction in risk, monies were taken from our global equity holdings and the proceeds from these sales were reinvested into the Vontobel Sustainable Short Term Bond fund. This is a fund already held in the lower risk portfolios and is a low volatility, low duration, high yielding bond fund with a sustainable overlay. No other changes were made to the portfolios in May.

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Asset Allocation as at 31/05/2023



Cornelian Portfolio Positioning

Our bond portfolio produced a negative return, but significantly outperformed the wider market. This was due in particular to our holdings in the iShares Ultrashort Bond ETF and Starwood European Real Estate Finance Investment Trust, which boosted performance.

Our global equities, in aggregate, outperformed the market. The Artemis US Select, Blackrock European Dynamic and Blackrock Emerging Market funds produced positive returns. However, the standout performer was the L&G Global Technology Index which, has significant exposure to companies involved in the development of AI.

Whilst producing a negative return, the UK equities in the portfolio outperformed the market. Positive trading updates for the Compass Group and LSE Group, boosted portfolio performance.

The alternative assets portfolio struggled in the rising interest rate environment. Holdings in the infrastructure and commercial real estate sectors, in aggregate, produced negative returns. Overall, the absolute return funds produced a marginally negative return over the period.

No significant changes were made to the portfolios in May.

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 31/05/2023

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-2.89	0.18	3.59	6.50
SP4 Cautious Balanced	-2.19	5.18	8.75	7.54
SP5 Balanced	-1.08	10.42	12.13	9.40
SP6 Balanced Growth	-0.88	14.26	15.48	10.39
SP7 Growth	0.10	17.68	18.54	11.63
SP8 Adventurous	0.52	23.49	23.92	12.69

Data source FE Analytics 31/05/2023. 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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