



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary April 2023

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Banking stocks caused an equity sell off and increased market volatility as US bank SVB collapsed. In Europe UBS bought out Credit Suisse”



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March Review

Equities suffered from a disorderly sell off and a marked increase in volatility as concerns about the US and European banking sectors surfaced. In the US, Silicon Valley Bank (SVB) collapsed and immediately caused investor's concern about the health of the US financial system, despite reassurances from the US Federal Reserve. Banking stocks subsequently fell and depositors took money out of SVB at a faster rate than they could deliver, which led to them selling assets at a loss to meet their liabilities.

Investor focus then turned to Europe and in particular Credit Suisse, who have suffered from recent instability. Ultimately, UBS bought Credit Suisse in a deal which was facilitated by the Swiss Government.

Despite the volatility in the banking sector, equities recovered some of the losses as the expectation soon became that the Central Banks may pause their interest rate hiking policies to protect the financial system. Furthermore, markets also see a greater probability that interest rates may be cut before the end of 2023. These expectations aided bonds, which also rebounded from their recent losses.

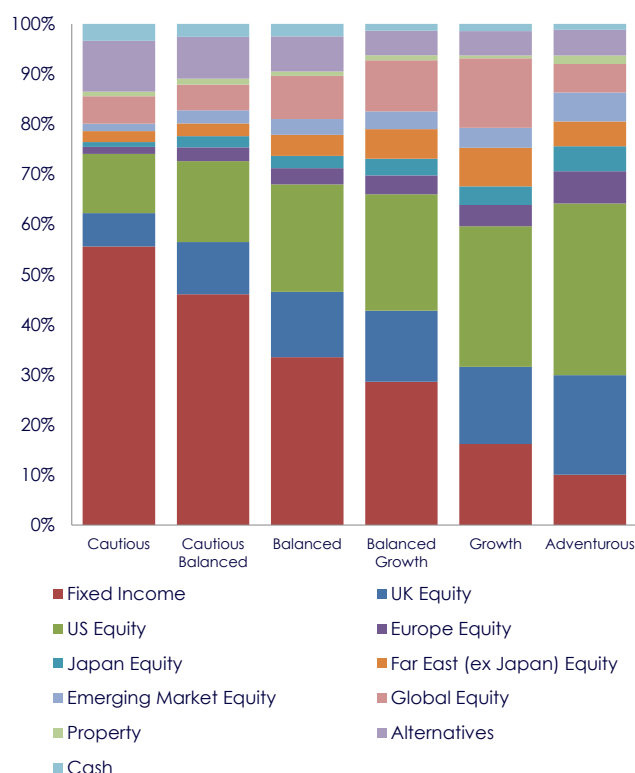
LGT Wealth Portfolio Positioning

Despite the market volatility experienced in March, the Investment Committee agreed that no changes were to be made to the portfolios.

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Asset Allocation as at 31/03/2023



Cornelian Portfolio Positioning

Our safe haven assets such as Gilts and gold performed strongly. However, the Invesco AT1 Capital Bond ETF detracted from the performance as it was impacted by its exposure to Credit Suisse.

Within international equities, the Legal & General Global Technology Index Trust was a standout performer, as investor expectation for large technology companies improved on the premise of them providing some defensive qualities for portfolios, as expectation of slower economic growth was forecast.

UK equities in general, performed poorly due to the high exposure to financials and the energy sector. Within this context, our UK equity holdings performed comparatively well. In particular Rentokil Initial's results were strong and were bolstered by the expectation that their recent US acquisition could increase their earnings potential.

Our absolute return holdings were impacted by the change in economic outlook induced by the banking crisis, with investors in particular starting to attach a higher probability of refinancing risks in the commercial property REIT sector.

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 31/03/2023

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-5.47	7.58	7.17	6.53
SP4 Cautious Balanced	-5.25	13.84	12.88	7.60
SP5 Balanced	-4.56	22.28	18.00	9.50
SP6 Balanced Growth	-4.75	27.59	21.79	10.50
SP7 Growth	-4.06	33.08	25.69	11.75
SP8 Adventurous	-3.87	40.24	31.16	12.83

Data source FE Analytics 31/03/2023. 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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