



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary July 2023

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Global equities were positive in July led by the US where enthusiasm for AI continues to drive markets up. Bonds, however, fell as interest rates rose”

June Review

Most equity markets made positive returns in June. The best performing equity market was the US, where technology stocks have continued to benefit from the investor enthusiasm for Artificial Intelligence. However, China and Asia Pacific ex Japan fell. Chinese equities fell as investors have been disappointed with the growth achieved after the country removed the last of its Covid restrictions and concerns remain about the ailing property sector. This had a knock on effect in the Asian markets.

Global bond markets fell as interest rates rose yet again in most countries. This led to a rise in yields and a fall in capital values.

LGT Wealth Portfolio Positioning

We decided to switch the Janus Henderson Absolute Return Fund into the CG Absolute Return Fund in the Balanced portfolio. However, we continue to own the former in the lower risk portfolios. The CG fund was introduced due its good long term track record in volatile markets and to provide some defensive benefits. This compliments our other alternative strategies held across the various portfolios. We also removed the Marlborough UK Income fund from all portfolios over performance concerns and distributed into our existing UK and Global funds. No other changes were made to the portfolios.

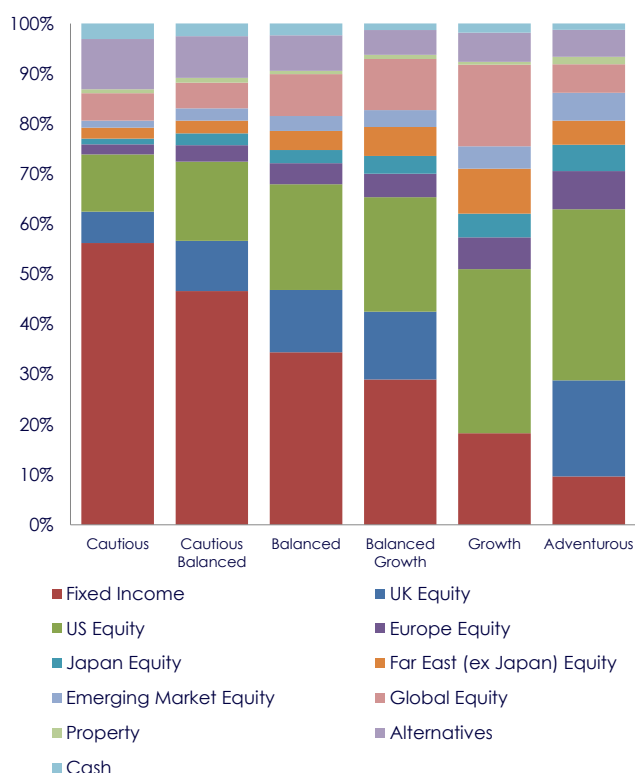


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Asset Allocation as at 30/06/2023



Cornelian Portfolio Positioning

UK bonds produced negative returns over the month as inflation data was worse than expected. However, the overall bond portfolio outperformed the market, with the TwentyFour Strategic Income fund and Starwood European Real State Finance Investment Trust, producing positive returns. Our short-dated bonds also did relatively well.

Our international equity portfolios lagged the wider benchmark. The US holdings outperformed the index, helped by performance from the Findlay Park American Fund and the iShares S&P 500 GBP Hedged ETF. However, our allocation to US equities is less relative to the benchmark and this impacted performance.

The UK equity portfolio outperformed the market. CRH was the strongest performer within the portfolios as shareholders approved the move of their primary listing to the New York Stock Exchange, which boosted the share price.

Our commercial property holdings have been retained despite short-term performance concerns. We feel that once investors start to price in the interest rate peak, these holdings will do well. We have also been adding to our infrastructure positions in the portfolios, which currently look like good value for money.

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 30/06/2023

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	0.97	-0.98	4.10	6.49
SP4 Cautious Balanced	2.40	4.16	9.61	7.54
SP5 Balanced	4.15	9.22	13.83	9.39
SP6 Balanced Growth	4.75	12.85	17.25	10.38
SP7 Growth	6.40	16.70	20.94	11.62
SP8 Adventurous	7.73	22.88	26.74	12.69

Data source FE Analytics 30/06/2023. 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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