



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary March 2023

Independent Advice. Bespoke Solutions.

### Market Update & Portfolio Positioning

“Economic activity in the US and China was better than expected and led to GDP forecasts being revised upwards, but did not prevent bonds prices falling”

#### February Review

The UK and Europe markets were amongst the stronger performing major regional equity markets, whilst the Emerging Markets and Asia ex Japan equity indices gave back some of their relative out performance from earlier in 2023. Government bond prices fell in February as yields rose. However, GDP forecasts were revised upwards after better than anticipated economic activity predominantly in the US and China was recorded.

#### LGT Wealth Portfolio Positioning

To gain some access to inflation protection we introduced the L&G Global Inflation Linked Bond Index Fund to the portfolios. This has around two-thirds of the fund invested in the US Treasuries and the balance distributed across inflation protected government bonds from elsewhere in the world. This has been funded from taking monies out of the Jupiter Strategic Bond Fund, which does not fully provide for the inflation protection desired.

Furthermore, we introduced the Cohen & Steers Diversified Real Assets Fund. This should also offer investors an element of inflation protection by investing in real assets such as Commodities futures, real estate, listed infrastructure equities, as well as allowing for tactical exposure to natural resource such as gold. This position has been funded from some of our equity funds and thus increases diversity in the portfolios.

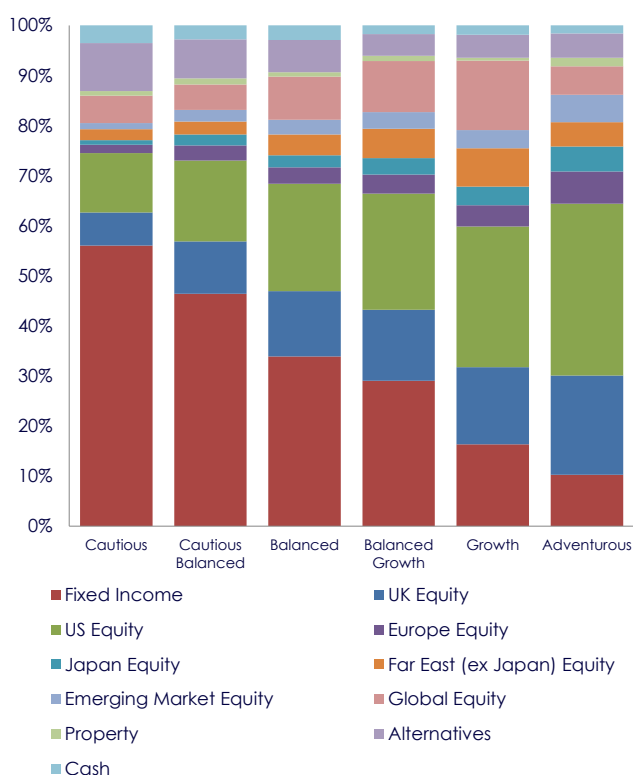


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## Asset Allocation as at 28/02/2023



## Cornelian Portfolio Positioning

Our bond investments produced a modest negative return which was a better outcome than the market. Exposure to shorter dated bond funds held up best, but the directly held long dated Gilt, which currently yields around 4.1% per annum to maturity (2051), detracted from performance.

Within our overseas equity funds, the Blackrock European Dynamic and Waverton European Capital Growth funds performed well. However, the Blackrock Emerging Markets fund lagged.

The UK equity portfolio modestly under-performed the benchmark. BP was the strongest performing holding as it provided a comprehensive update on its trading and energy transition strategy.

In alternatives, the BH Macro Absolute Return Fund produced a positive return over the month. The Commercial Real Estate and Infrastructure holdings impacted performance as asset valuations were revised to take into account higher funding costs.

Following a run of persistent under-performance following the departure of a senior member of the fund management team it was decided to sell the Allianz Strategic Bond fund.

**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 28/02/2023

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	-5.25	0.49	5.04	6.56
SP4 Cautious Balanced	-4.22	5.54	10.49	7.65
SP5 Balanced	-2.68	11.28	14.92	9.58
SP6 Balanced Growth	-2.28	14.80	18.85	10.57
SP7 Growth	-0.87	18.38	22.20	11.85
SP8 Adventurous	0.17	23.52	27.16	12.95

Data source FE Analytics 28/02/2023. 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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