



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary May 2019

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Global equities’ strong performance continued with the MSCI All-Country World Index up 3.2% by the month’s end, leaving it just shy of its 2018 peak.”

April 2019 Review

Throughout April, global equities continued the strong performance they have enjoyed since the start of 2019 with the MSCI All-Country World Index up 3.2% by the month’s end, leaving it just shy of its September 2018 peak. U.S. and Eurozone stock markets delivered especially solid gains, with the S&P 500 and Euro STOXX 50 indexes making full recoveries from the 2018 Q4 selloff and reaching new all-time highs.

Global growth indicators evolved broadly as investors had expected. The prospect that the U.S. and China were close to confirming a trade deal, whilst other geopolitical risks receded, all helped to lift asset prices as key commodities like oil and iron ore also drifted higher. The ‘Goldilocks’ conditions meant that whilst equities rallied, global interest rates remained low and inflation rates in the U.S., the Eurozone and Australia slowed, further supporting dovish shifts from central banks.

LGT Vestra Portfolio Positioning

April was another strong month for markets. Investors have been buoyed by a stronger than expected U.S. earnings season with particularly impressive performance by Microsoft, Facebook and Amazon. The best performing funds were Merian U.K. Smaller Companies, Morgan Stanley U.S. Advantage and L&G Global Tech Index Trust which were up over 6%, as well as Lindsell Train Global Equity and R&M Global Recovery which were both up over 4%.



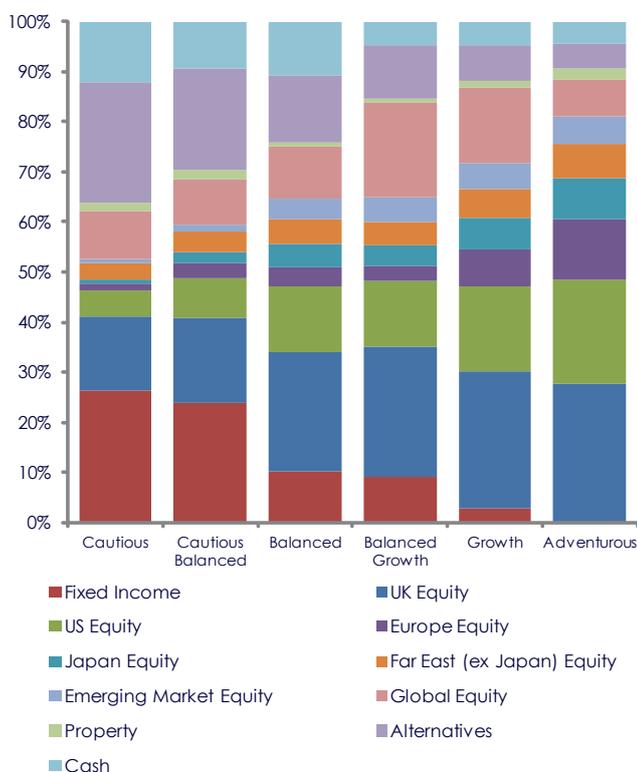
Matthew Cove DipFA
Director
01304 371 753

Throgmorton Select Portfolios Powered by:



Cornelian

Asset Allocation as at 30/04/2019



Cornelian Portfolio Positioning

Cairn Homes, the Irish housebuilder, was bought during April. The company bought most of its Dublin focused land bank from distressed sellers following the financial crisis and is now increasing production. The Dublin housing market has benefited from low supply and strong employment growth. We expect cash generation to increase strongly as the company builds scale and reduces its land bank to industry norms.

During April, Glen Finnegan the highly rated manager of the Janus Henderson Emerging Market Opportunities fund, announced he was leaving, which came as a surprise, notwithstanding a recent period of disappointing performance. Therefore, we switched the holding in his fund into the Vanguard FTSE Emerging Market ETF, whilst we review several actively managed fund alternatives.

In order for risk assets to produce positive returns during the remainder of 2019, investors will need to start to believe that the U.S. consumer will start spending and that, following a period when it has slowed fairly rapidly, Chinese economic growth will stabilise. We hold a positive view on both outcomes, and remain constructive on the medium term outlook for risk assets.

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 30/04/2019

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	2.71	17.94	28.11	4.22
SP4 Cautious Balanced	2.74	21.09	32.41	5.12
SP5 Balanced	2.61	25.74	39.59	6.57
SP6 Balanced Growth	3.32	29.51	44.68	7.01
SP7 Growth	2.94	31.76	47.62	8.00
SP8 Adventurous	2.21	31.82	47.21	8.76

Data source FE Analytics 30/04/2019. 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.

IMPORTANT: Throgmorton Private Capital Ltd 31-33 High Street, Deal, Kent, CT14 6EL Tel: 01304 371753 www.throgmortononline.co.uk is authorised and regulated by the Financial Conduct Authority (FCA). This document is a general communication and is being provided for informational purposes only. It is not designed or intended to be advice or a personal recommendation of any kind. You are recommended to seek appropriate professional independent advice before taking or refraining from taking any action on the basis of the contents of this publication, which does not contain sufficient information to support an investment decision and should not be relied upon in the evaluation of the merits of any specific investment, investment strategy, product or transaction.