



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary July 2018

Independent Advice. Bespoke Solutions.

“Volatility will continue, but remember the global economy is broadly in good health and there are many reasons to be positive ”



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Market Update & Portfolio Positioning

Second Quarter Review

Second quarter performance among major asset markets slightly improved over the disappointing first quarter results. However, overall the first half of 2018 proved to be a tougher environment for investors than 2017.

The MSCI All Country World Index finished the quarter up just 0.3% as investors balanced a solid global economic backdrop and accelerating earnings growth against escalating trade tensions and concerns over European political populism.

Major equity markets delivered varied results, reflecting the divergence in short-term growth prospects across regions and the fact that trade protectionism produces winners and losers.

LGT Vestra Portfolio Positioning

The last month has been eventful; Italy formed a Government, there was the much anticipated US/North Korea Summit and as European political concerns weighed on global risk assets, the recent strong performance of global equity markets was sent into reverse.

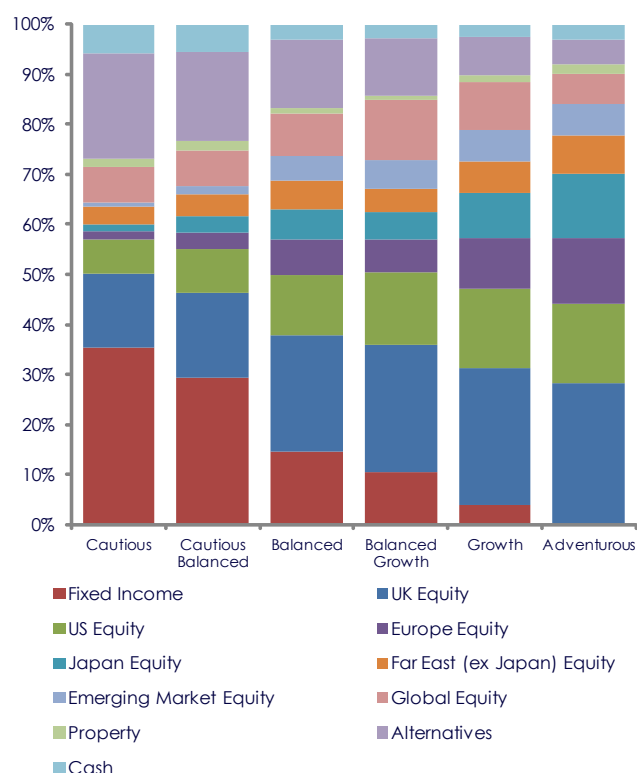
In conclusion, despite the eventful month, our view of the world is unchanged. We believe that equity market volatility is likely to continue, but remain broadly positive for global risk assets going forward.

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Asset Allocation as at 30/06/2018



Cornelian Portfolio Positioning

Global equities produced a marginally positive return for sterling investors over the month of June. UK Gilts produced a negative return.

Our allocations to property and absolute return funds were positive for performance over the month, demonstrating the benefits of diversification during what was a volatile period.

Vodafone was sold, due to concerns regarding competitive pressures in their core markets. We reinvested the proceeds from this sale into RELX, a global information and analytics business which we believe has significant scope for growth.

Following a run of poor performance, the Henderson European Select Opportunities Fund was sold and largely reinvested into the Waverton European Capital Growth Fund, which has an impressive track record of consistently beating its benchmark dating back to the early 2000s.

We believe there are good reasons to conclude that the outlook for equity markets over the medium term is positive. However, the summer months could be challenging for asset prices as there is a confluence of forthcoming political events which could knock investor confidence.

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 30/06/2018

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	3.08	17.35	32.28	4.05
SP4 Cautious Balanced	3.52	20.15	37.41	4.91
SP5 Balanced	4.54	24.89	47.37	6.07
SP6 Balanced Growth	5.96	28.22	51.96	6.55
SP7 Growth	5.89	30.60	55.50	7.37
SP8 Adventurous	5.13	30.82	55.50	8.02

Data source FE Analytics 30/06/2018. 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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