



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary April 2024

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“The economic picture improved during Q1 2024, which benefited equities. However with fewer interest rate cuts expected, bond values fell”

Q1 2024 Review

Most global equity markets had a strong start to the first quarter of 2024, on the backdrop of an improving economic picture. The US led the way, as its economy remained resilient and unlikely to enter recession, thus on course to achieve the “soft landing” policy makers have been hoping for. Furthermore, Artificial Intelligence stocks continued to boom. However, expectations for interest rate cuts have changed from the start of the year, to the end of the quarter, with fewer cuts now expected and for these to be later in 2024. These expectations meant that global bonds yields rose, prices fell and global bonds posted negative returns.

Blackrock Portfolio Positioning

During April, we introduced an allocation to a World Small Cap equities by selling some of our allocation to commodities. Our expectations are that small cap equities are likely to benefit from a resilient global economy and a downward trend in inflation. We also trimmed our allocation to UK equities, remaining more in favour of both US and Japanese equities at this time. Furthermore, we closed our position in global clean energy, as we don't see particularly strong catalysts supporting the position in the near term. We also reduced our exposure to inflation linked bonds on the premise that global inflation will continue to fall, using the monies raised to increase our allocation to European corporate bonds, which look attractively priced.



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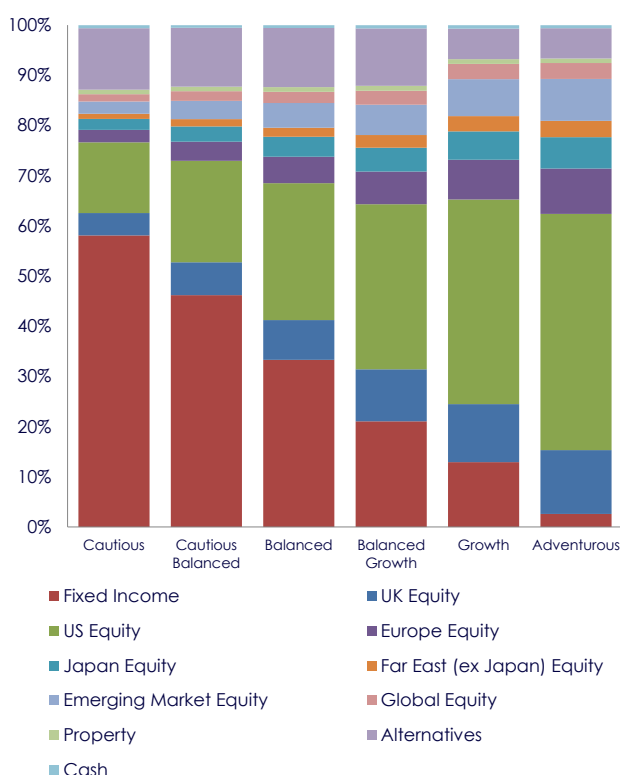
Dimensional

BlackRock

**ATLANTIC HOUSE
GROUP**

Cornelian

Asset Allocation as at 31/03/2024



Cornelian Portfolio Positioning

Bond markets staged a recovery during March, which led to strong performance from our holdings in longest dated UK Gilts.

Equity markets advanced in March, with our US equity holdings doing well. The Artemis US Select fund being the top performer, largely thanks to its positions in Microsoft, Amazon, Nvidia and Meta. Elsewhere the Blackrock Emerging Market fund and the Schrodgers Asian Total Return fund also produced good relative performances.

The UK equity portfolio benefitted from good trading updates in particular by Balfour Beatty, Lloyds Banking Group and Cairn Homes.

During March, we met with RELX, which is held in the portfolios. RELX has reported that legal firms using their AI-enabled services reported circa 10% productivity gains across some of their activities, which represents an impressive initial deployment and justifies our positive outlook for the company.

Our diversifying assets in aggregate produced a positive return. Particularly noteworthy was the return from the portfolio of REIT holdings, which benefited from merger and acquisition activity within the sector as well as speculation that financing costs may begin to fall.

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 31/03/2024

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	6.47	2.11	11.00	6.64
SP4 Cautious Balanced	8.46	5.65	19.05	7.61
SP5 Balanced	10.18	9.16	26.51	9.21
SP6 Balanced Growth	11.45	11.15	31.13	10.20
SP7 Growth	13.26	14.64	38.22	11.34
SP8 Adventurous	15.72	20.26	48.67	12.29

Data source FE Analytics 31/03/2024. 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 the historical portfolio asset allocations. 2. Volatility figures calculated on a five year annualised basis.

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