



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary April 2019

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“The global economy saw a renewed appetite for risk after the poor end to 2018, which subsequently saw equities deliver strong returns”

Q1 Review

During the first quarter of 2019 the global economy saw a renewed appetite for risk after the poor end to 2018, which subsequently saw equities deliver strong returns. However, the performance of the S&P 500 since the start of the year has been almost entirely driven by a re-rating of stock valuations, rather than an expansion of corporate earnings expectations.

The Federal Reserve's dovish turn in policy was followed by similar moves at other central banks, supporting government bonds across regions

LGT Vestra Portfolio Positioning

Growth funds benefited from the central banks dovish rhetoric as well as increased confidence of a resolution to the trade disputes. During March Fundsmith and Lindsell Train Global Equity funds posted returns of over 5% , and our Japanese and Asian funds were also up over 4%. Jupiter India was the best performing fund and was up almost 16% during March as it benefited from improved polling figures for Modi ahead of the election with investors ploughing more than \$6 billion into the region, the most in a one month period since September 2010.

During the month, Brexit drove our index-linked gilt exposure to provide 9% returns as investors searched for protection against a bad-Brexit scenario.



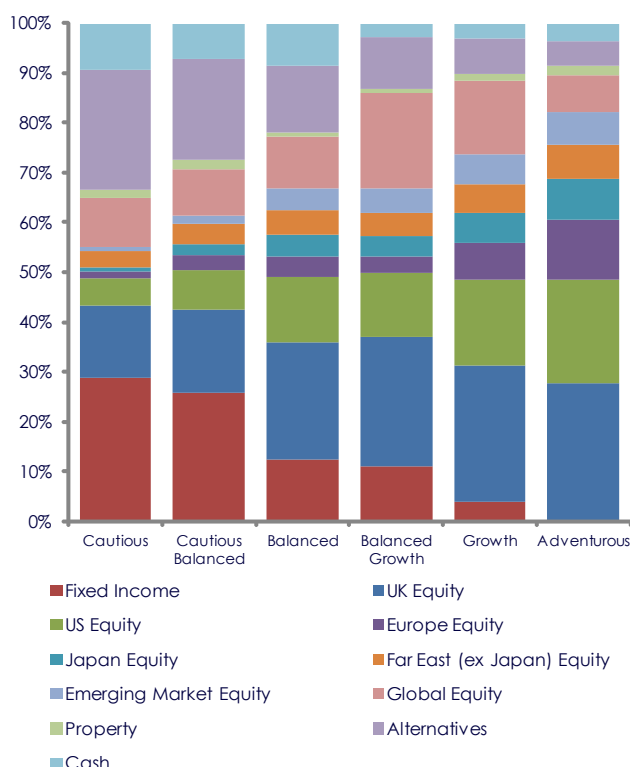
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Cornelian

Asset Allocation as at 31/03/2019



Cornelian Portfolio Positioning

The portfolios continued to benefit from the recovery in equity markets, with US and European equities making strong contributions to performance over the month. The rebound in risk assets during the first quarter of the year was as a result of various factors, the most important of which were: The US Federal Reserve indicating that it would adjust its monetary policy. Secondly, the oil price rebounded as evidence materialised that OPEC, Russia and Canada were cutting oil production swiftly in response to the glut in supply. Finally, company trading updates in January and February generally reassured investors concerning the outlook for 2019.

We are now at a slightly uncomfortable juncture as share prices have rallied strongly, whilst indicators of global macro-economic activity have continued to come in weaker than expected. In order for risk assets to continue producing positive returns, investors will need to believe that the US consumer will start to spend again and that Chinese economic growth will stabilise, after a period in which it has slowed. We hold a positive view on both outcomes. Nonetheless, we 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 31/03/2019

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	2.70	16.18	26.41	4.17
SP4 Cautious Balanced	2.78	18.68	29.66	5.04
SP5 Balanced	2.69	22.22	35.18	6.46
SP6 Balanced Growth	3.42	25.69	39.72	6.91
SP7 Growth	2.91	27.05	41.49	7.85
SP8 Adventurous	2.09	26.48	40.34	8.56

Data source FE Analytics 31/03/2019. 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.

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