



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary January 2019

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

"The 4th quarter of 2018 saw some of the worst returns since the financial crisis, with the MSCI All Country World Index down by 12.7%"

4th Quarter Review

The 4th quarter of 2018 delivered some of the worst returns risk assets have experienced since the financial crisis, with the MSCI All Country World Index down by 12.7%. This is primarily due to slowing global growth, reduced global liquidity, trade protectionism and political gridlock.

Sovereign bonds did provide some relief to investors with yields supported by the decent economic outlook and whilst there is an increased risk of recession over the next year, leading indicators suggest there is still only a moderate chance of this happening.

LGT Vestra Portfolio Positioning

During December, the asset classes that performed well in the portfolios were the Alternative Funds such as the Merian GEARS Fund and UK Gilts, both of which were up over 2%.

Indian equities, built on the strong rebound of October and November, also finishing up 2% in December. The Jupiter India fund which we hold in the Balanced, Growth and Adventurous portfolios was up 20% from early October to the end of December.

The Japanese funds and US Smaller Companies were the biggest detractors of performance during December, all of which were down more than 10%.



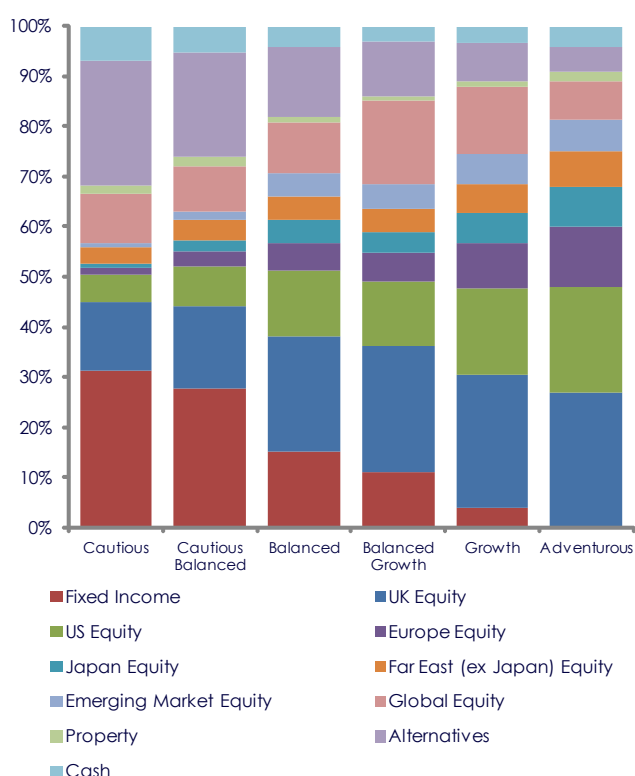
Matthew Cove DipFA
Director
1304 371 753

Throgmorton Select Portfolios Powered by:



Cornelian

Asset Allocation as at 31/12/2018



Cornelian Portfolio Positioning

In December, the portfolios' holding in Shire was sold following confirmation that Takeda's takeover of the company would go ahead.

The monies raised were re-invested in DCC, which is a global sales, marketing and distribution company focused on four sectors, Liquified Petroleum Gas (LPG), Retail & Oil, Healthcare and Technology.

DCC commands a strong position in the markets in which it operates. The management team has a strong track record of delivery and is highly regarded. The end markets that DCC sells and distributes to tend to be relatively less sensitive to the economic cycle. Utilising a disciplined approach, the business has grown into new products and geographies and is now positioned to exploit a number of potential growth opportunities across its divisions, aided by a strong balance sheet.

The market falls have resulted in a reset of equity and corporate debt valuations which are attractive if you believe, as we do, that the United States will not go into recession during the next 12-18 months.

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 31/12/2018

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	-3.75	11.78	23.30	4.22
SP4 Cautious Balanced	-4.89	13.19	25.31	5.09
SP5 Balanced	-7.35	14.47	28.38	6.52
SP6 Balanced Growth	-7.29	17.08	31.78	6.98
SP7 Growth	-9.02	17.45	31.89	7.90
SP8 Adventurous	-10.51	16.48	29.87	8.57

Data source FE Analytics 31/12/2018. 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.

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.