



**THROGMORTON**  
PRIVATE CAPITAL

# Throgmorton Select Portfolios



## Monthly Commentary March 2020

Independent Advice. Bespoke Solutions.

“After markets reached all-time highs, they ended deeply negative after a historic decline in the final week of the month”



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### Market Update & Portfolio Positioning

#### February Review

After equity markets reached all-time highs, hopes of a quick resolution of the coronavirus outbreak faded with the growth of new reported cases across the globe. Stock markets ended the month in deeply negative territory after a historic decline in the final week of the month.

However, economic data confirmed that the U.S. economy remained strong prior to the outbreak and global bonds rallied, especially U.S. Treasuries, with the expectation of further support from the U.S. Federal Reserve.

It is not expected that the economic disruption from coronavirus is a precursor to a U.S. recession and that this should mean that global growth will recover in the second half of 2020.

#### LGT Vestra Portfolio Positioning

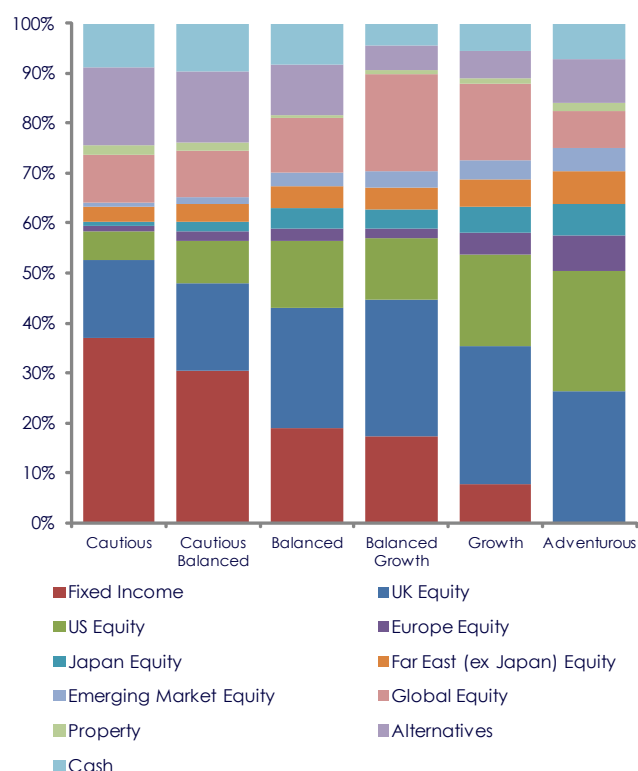
The lower and medium risk portfolios have a healthy cash position that has cushioned the recent market downturn and our position in government debt has also benefited the portfolios as investors seek a safe haven. The Vanguard US Government Bond Index Fund and the CG Dollar Fund were up 3.63% and 1.08% respectively. Our Absolute Return funds have also held up well over the last few weeks since the peak of the equity market in January.

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## Cornelian

### Asset Allocation as at 29/02/2020



### Cornelian Portfolio Positioning

The funds benefited from our decision to reduce equity exposure earlier in the month which provided a degree of insulation from the worst of the market sell-off. In addition, both the UK and international equity allocations outperformed their respective benchmarks during the month.

The funds' fixed income investments proved resilient. Inflation-linked government bonds and high quality bond allocations delivered positive returns with the Allianz Strategic Bond Fund performing particularly well.

The alternatives investments within the funds delivered mixed results, with real estate and infrastructure investment trusts (which are stock-exchange listed securities) in particular being impacted by the market turmoil. The expectation is that such investments should have fared well in a period of stress and declining long-term interest rates, thus we took advantage of this anomaly to increase the funds exposure to the listed infrastructure funds, HICL Infrastructure and International Public Partnerships added to the funds.

Absolute return funds generally struggled during the month although gold performed well, benefiting from safe haven demand.

**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 29/02/2020

	1 Year Return % <sup>1</sup>	3 Year Return % <sup>1</sup>	5 Year Return % <sup>1</sup>	Volatility % <sup>2</sup>
SP3 Cautious	4	9	21	4
SP4 Cautious Balanced	5	10	24	5
SP5 Balanced	4	9	26	7
SP6 Balanced Growth	4	11	30	8
SP7 Growth	5	11	32	9
SP8 Adventurous	5	10	31	10

Data source FE Analytics 29/02/2020. 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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