



THROGMORTON
PRIVATE CAPITAL

Throgmorton Select Portfolios



Monthly Commentary August 2018

Independent Advice. Bespoke Solutions.

Market Update & Portfolio Positioning

“Trade tensions dominated news due to US tariffs on Chinese imports. However, all major global equity market indices rose during July”

July Review

Trade tensions continued to dominate news during July, with the US administration imposing tariffs on Chinese imports. However, all major global equity market indices rose, supported by strong company earnings growth and fears of a US / Eurozone trade war abating due to rhetoric about free trade, providing investors with some comfort. The US, Europe and Emerging Markets gained 4.4%, 4% and 2.9% respectively. Weakness in the U.S. tech sector was shrugged off and global bond yields rose due to Japanese Central Bank policy.

In China, policymakers acted to stabilise growth in the region by loosening monetary policy and adding fiscal stimulus. In turn, these actions helped Emerging Markets recover and lifted metal prices on expectations for increased Chinese infrastructure investment.

LGT Vestra Portfolio Positioning

Emerging Market Debt was an asset class that performed very well for the portfolios in July. The improving fundamentals and recent sell-off have made some valuations attractive and has encouraged investors back into this sector.

The best performing fund within the portfolios was Jupiter India, which is pleasing as it is a fund that has struggled over the past few months.



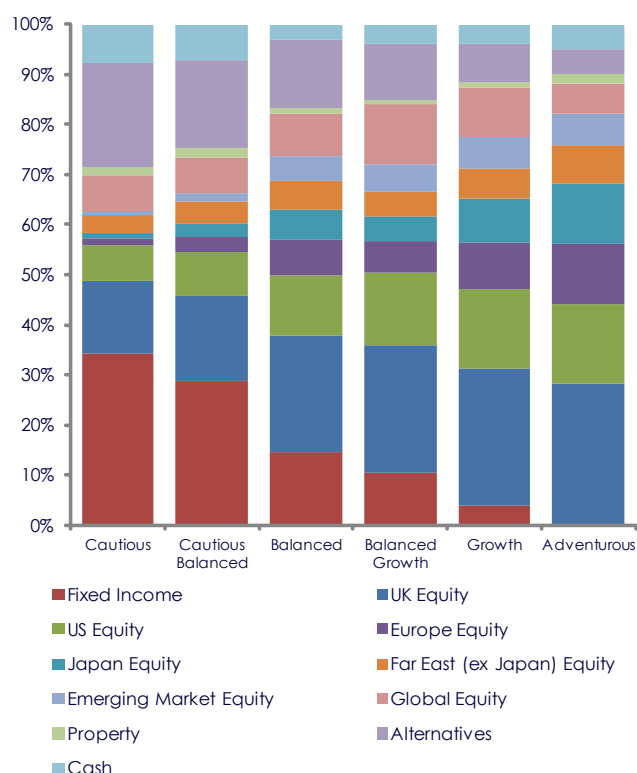
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Cornelian

Asset Allocation as at 31/07/2018



Cornelian Portfolio Positioning

Our international equity allocations (US, European and Emerging Markets in particular) made strong positive contributions to the performance of our portfolios, with most asset classes gaining during July.

Our holdings in Sage plc were sold during the Month due to our reduced conviction regarding delivery of their sales targets and concerns about their new products being less effective than we had previously believed.

Auto Trader Group plc was bought across all of our portfolios during the Month. The Company is the dominant online platform for buying and selling used cars in the UK & Ireland with around 85% of used car dealerships in the UK listing their cars on the platform. They are more than four times the size of their next biggest competitor and as a result, can offer car dealerships unrivalled customer access. They have strong pricing power and we expect them to up-sell additional value-added services, such as finance, to their customers. In the medium term, they are also targeting further growth opportunities in the New Car and Business to Business markets.

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 31/07/2018

	1 Year Return % ¹	3 Year Return % ¹	5 Year Return % ¹	Volatility % ²
SP3 Cautious	3.79	18.25	30.89	3.99
SP4 Cautious Balanced	2.78	16.25	28.43	4.13
SP5 Balanced	4.60	22.87	39.80	5.39
SP6 Balanced Growth	5.07	25.45	42.98	6.20
SP7 Growth	6.78	30.78	50.52	6.72
SP8 Adventurous	6.42	31.32	50.55	7.40

Data source FE Analytics 31/07/2018. 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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