

# Balanced Portfolio

30<sup>th</sup> April 2018



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

The Balanced Portfolio aims to achieve its objective by diversifying across a broad range of assets with differing return and volatility profiles. The portfolio targets long

term returns of 4-6% above cash at volatility levels considerably below those expected in equity. The typical investor seeks capital growth from their investment and is able

to accept a moderate level of risk for the potential of higher returns. They recognise that their capital is at risk and that its value may fluctuate.

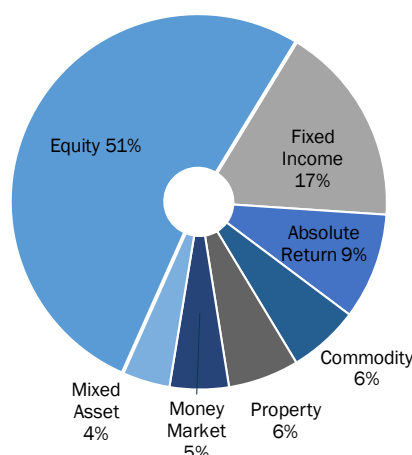
## Market Comment

Volatility continued into April and large price swings were seen in many asset classes. Overall the month ended on a positive note with UK Equities returning strong gains. Economic fundamentals in the UK were not strong but equities were boosted by currency weakness after a fall in UK Interest Rate expectations. In

sterling terms, nearly all regions saw positive returns for investors with Europe and India adding the most value. For fixed income the US 10 Year Yield rising above 3% caused volatility to rise in the main equity S&P500 index but compared to 2013, when rates last breached 3%, markets remained relatively calm. Overall the

portfolio added value after we increased risk at the start of the month but we expect volatility to continue and will be looking to add more risk, opportunistically, in the coming months.

Key Objectives	Target	Actual <sup>2</sup>
Annualised Return <sup>2</sup>	5.2-6.7%	9.6%
Portfolio Volatility <sup>2</sup>	9.0%	4.8%
Maximum Loss <sup>2</sup>	10.0%	2.3%
Highest OCF <sup>2</sup>	0.75%	0.73%



Performance (%) <sup>1</sup>	1 mth	3 mth	6 mth	YTD	1yr	S/I
Rivers Balanced Portfolio	1.90	-0.37	0.42	-0.40	3.89	18.26
IA Mixed 20%-60% Equity	2.20	-0.97	-0.20	-1.02	2.97	13.89
IA Flexible Investment	2.95	-1.71	-0.09	-1.12	5.68	22.15

### Top 10 Holdings

Allianz - Best Styles Global AC Equity C Acc	8.0%
Janus Henderson - Strategic Bond I Inc	7.0%
Old Mutual - Global Equity Absolute Return R Hedged Acc GBP	6.0%
Polar Capital - Global Insurance I Acc GBP	6.0%
DB - Physical Gold	6.0%
iShares - Global Property Securities Equity Index (UK) D Acc	6.0%
BlackRock - Cash D Acc	5.0%
JPM - Europe Dynamic Ex UK C Acc	5.0%
Fidelity - Index Europe ex UK P Acc	5.0%
Investec - Global Franchise I Acc	5.0%

Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	27.0%	29.0%	2.0%
Enhancers	55.0%	46.0%	-9.0%
Diversifiers	18.0%	25.0%	7.0%

### Current Model Characteristics

Number of holdings	21
Underlying fund charges (Excl fee) <sup>3</sup>	0.62%
Last rebalance date	Mar-18
Current expected portfolio yield <sup>3</sup>	1.27%
Classified 'Passive' investments	36.0%
Current loss since previous high <sup>4</sup>	-

Notes:

- The performance data shown is indicative only. Rivers Capital Management attempts to replicate accurately the performance of the underlying portfolio using Financial Express data but performances will likely differ from individual accounts due to inflows and timing issues. The performance is net of a 0.25%+VAT Rivers Capital Management fee.
- The 'Actual' data includes the highest ever OCF and loss and the annualised total return and volatility since inception on June 30, 2016
- The fees quoted are based on the current portfolio weightings using the latest available OCF data of each fund. The yield is not guaranteed.
- The current loss is calculated as the replicated loss from the previous month end highest portfolio value. Intra month or daily data may exceed this.

### Rivers Asset Classification System:

**"Anchors"**: investments selected for low market correlation, low risk and capital preservation core characteristics. Significant allocation in low risk portfolios.

**"Enhancers"**: selected to increase portfolio long term return but exposed to equity risk. Allocation likely to increase with risk tolerance as returns become more volatile.

**"Diversifiers"**: selected for low correlation to traditional market equity and fixed income risk.

Diversifiers are essential for efficiency in all but the lowest and highest risk portfolios.

For a more detailed explanation please contact Rivers Capital Management



For further information or enquires, professional advisors please contact the investment team directly on **020 3383 0180** or by emailing **info@riverscm.com**

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may cause the value of investments and the income from them to fall as well as rise. Unless otherwise stated, the source of all figures contained herein is Rivers Capital Management. Whilst all reasonable care has been taken in preparing this factsheet, the information contained herein has been obtained from sources that we consider reliable but we do not represent that it is complete or accurate and it should not be relied upon as such.