

# Balanced Portfolio

31<sup>st</sup> May 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

May saw further gains for sterling investors in nearly all asset classes reversing year to date losses in all portfolios. While much of that was a result of further weakening in sterling, the reallocation of risk at the end of March has been rewarded. In sterling terms the US equity market was strongest, but returns were positive

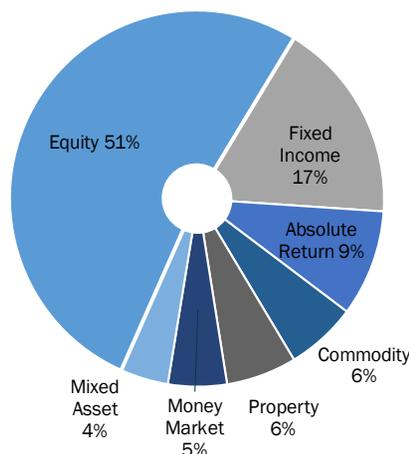
in all regions. Buoyed by a weaker pound the UK FTSE 100 added a further 2.8% and is now over 10% higher than it was at the end of March. Global High Yield was the only negative performer of all the indices we follow and it remains at an underweight or zero allocation across the portfolios. Looking ahead we plan to

rebalance the portfolio during June but do not envisage any significant changes in positioning.

Key Objectives	Target	Actual <sup>2</sup>	Performance (%) <sup>1</sup>	1 mth	3 mth	6 mth	YTD	1yr	S/I
Annualised Return <sup>2</sup>	5.2-6.7%	10.2%	<b>Rivers Balanced Portfolio</b>	<b>1.82</b>	<b>2.45</b>	<b>2.48</b>	<b>1.42</b>	<b>4.77</b>	<b>20.43</b>
Portfolio Volatility <sup>2</sup>	9.0%	4.7%	IA Mixed 20%-60% Equity	0.90	1.30	0.89	-0.13	2.09	14.92
Maximum Loss <sup>2</sup>	10.0%	2.3%	IA Flexible Investment	1.69	1.53	1.70	0.55	4.82	24.22
Highest OCF <sup>2</sup>	0.75%	0.73%							

### 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%



### 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.