Balanced Portfolio

31st July 2018

INTELLIGENT INTUITIVE INVESTING

Investment Objective

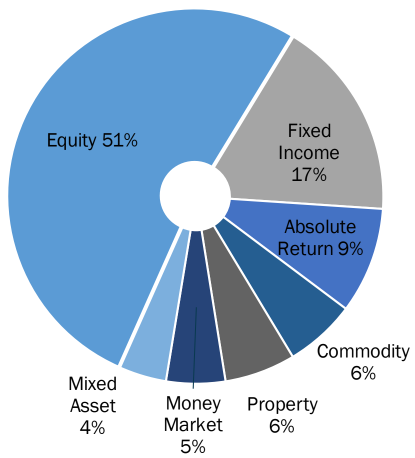
The Balanced Portfolio aims to achieve its objective by diversifying across a broad range of assets with differing return and volatility profiles. The portfolio targets long term returns of 4-6% above cash at volatility levels considerably below those expected in equity. The typical investor seeks capital 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

July was a positive month for nearly all risk asset classes. The index highs of early January have even been surpassed by many developed equity indices and Emerging Markets reversed much of their recent losses. India was the strongest performing equity market overall. Fixed income struggled as the positive sentiment saw benchmark interest rates rise. Diversifiers, especially commodities, also struggled and oil, gold and silver prices all fell. Despite record corporate earnings for the second quarter equities remain relatively more expensive than any time since 2001. The portfolio maintains a modest underweight allocation to risk as we expect rising lending costs to affect consumption and investment in the coming months.

Key Objectives	Target	Actual[2]
Annualised Return[2]	5.2-6.7%	10.0%
Portfolio Volatility[2]	9.0%	4.7%
Maximum Loss[2]	10.0%	2.3%
Highest OCF[2]	0.75%	0.73%

Performance (%)[1]	1 mth	3 mth	6 mth	YTD	1yr	S/I
Rivers Balanced Portfolio	**1.62**	**3.10**	**2.73**	**2.69**	**6.37**	**21.94**
IA Mixed 20%-60% Equity	1.12	1.74	0.74	0.70	3.00	15.87
IA Flexible Investment	1.60	3.01	1.24	1.85	5.56	25.83



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%
Xtrackers - Physical Gold ETC	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)[3]	0.61%
Last rebalance date	Mar-18
Current expected portfolio yield[3]	1.37%
Classified 'Passive' investments	36.0%
Current loss since previous high[4]	-

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

Notes:

1. 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.
2. The 'Actual' data includes the highest ever OCF and loss and the annualised total return and volatility since inception on June 30, 2016
3. The fees quoted are based on the current portfolio weightings using the latest available OCF data of each fund. The yield is not guaranteed.
4. 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.

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