

# Balanced Income Portfolio

31<sup>st</sup> March 2019



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

The Balanced Income Portfolio targets an income of 4.0% by diversifying across a broad range of assets with differing return and volatility profiles. After Income, the portfolio is expected

to maintain real value after inflation while minimising the possibility of the investment falling in value. The typical investor seeks consistent income from their investment but is able to accept a

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

## Market Comment

Despite the continued Brexit chaos in the UK Parliament, returns on investment assets were broadly positive during March. For Anchor assets, Government Bonds, in particular inflation-linked bonds, were positive as interest rate expectations fell.

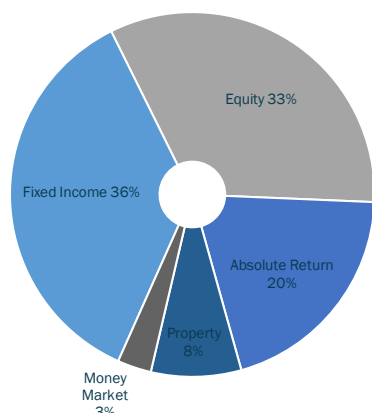
For Enhancers a fall in the value of Sterling improved returns for non-UK equity exposure while simultaneously boosting UK corporate earnings. In portfolios with Emerging Market exposure Indian equities were especially strong having struggled in the first two months

of the year. Within Diversifiers property exposure added value but commodity and gold returns were mixed. Despite the current cautious asset allocation overall returns across the portfolio were good.

| 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>    | 5.0-6.0% | 5.3%                | Rivers Balanced Income       | 1.24  | 4.64  | 0.26  | 4.64 | 3.99 | 15.28 |
| Portfolio Volatility <sup>2</sup> | 7.00%    | 4.6%                | IA Mixed 20%-60% Equity      | 1.25  | 4.97  | -0.70 | 4.97 | 2.86 | 14.63 |
| Maximum Loss <sup>2</sup>         | 10.00%   | 5.2%                | IA Global Equity Income      | 2.20  | 8.00  | -1.43 | 8.00 | 8.50 | 26.66 |
| Highest OCF <sup>2</sup>          | 0.75%    | 0.70%               |                              |       |       |       |      |      |       |

### Top 10 Holdings

|   |      |
|---|------|
| Aviva Inv - Multi Strategy Target Income 2      | 9.0% |
| Janus Henderson - Strategic Bond I Inc          | 8.0% |
| EdenTree - Amity Sterling Bond B                | 8.0% |
| RWC - Enhanced Income B Dis GBP                 | 8.0% |
| Artemis - Strategic Bond I Monthly Inc          | 7.0% |
| Foresight UK Infrastructure Income Inc          | 7.0% |
| Fidelity - Enhanced Income W Inc                | 7.0% |
| HSBC - FTSE All World Index C Inc               | 7.0% |
| Jupiter - Monthly Income I Inc                  | 6.0% |
| New Capital - Wealthy Nations Bond Inst Inc GBP | 6.0% |



| Asset Type   | Strategic Weight | Current Weight | Tactical Position |
|--------------|------------------|----------------|-------------------|
| Cash         | 0.0%             | 0.0%           | 0.0%              |
| Anchors      | 27.0%            | 40.0%          | 13.0%             |
| Enhancers    | 55.0%            | 35.0%          | -20.0%            |
| Diversifiers | 18.0%            | 25.0%          | 7.0%              |

### Current Model Characteristics

|   |        |
|---|--------|
| Number of holdings                              | 16     |
| Underlying fund charges (Excl fee) <sup>3</sup> | 0.75%  |
| Last rebalance date                             | Feb-19 |
| Current expected portfolio yield <sup>3</sup>   | 4.09%  |
| Classified 'Passive' investments                | 16.0%  |
| Current loss since previous high <sup>4</sup>   | 0.22%  |

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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