

# Balanced Income Portfolio

31<sup>st</sup> May 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.

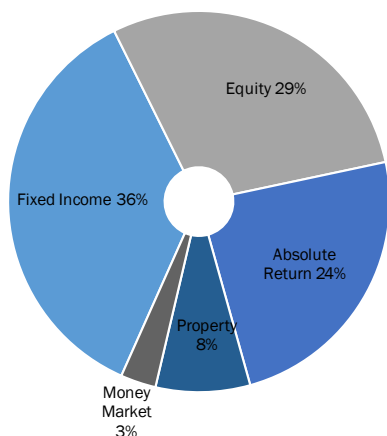
## Market Comment

After a very strong start to the year May saw a partial reversal in equity returns but this only moderately impacted the portfolio overall. The weakness in sterling offered some protection to global equity losses and the defensive positioning across the portfolio

managed to significantly reduce the losses. Drawdowns were mainly seen in Enhancer Assets as Anchor Assets provided some safety for investors. Escalating concern over trade affected Asian equities broadly, although our Indian exposure benefited from

the re-election of President Modi. Looking forward, equity valuations are improved but still remain elevated. That said we expect to see an opportunity to reallocate to a less defensive allocation in the coming weeks.

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%	5.4%	Rivers Balanced Income	-0.37	2.46	3.47	5.91	1.51	16.67
Portfolio Volatility <sup>2</sup>	7.00%	4.5%	IA Mixed 20%-60% Equity	-0.96	2.10	3.23	5.84	0.59	15.59
Maximum Loss <sup>2</sup>	10.00%	5.2%	IA Global Equity Income	-1.67	3.62	2.98	9.49	4.03	28.41
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>	4.15%
Classified 'Passive' investments	24.0%
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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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.