

Balanced Income Portfolio

31st August 2019



INTELLIGENT INTUITIVE INVESTING

Investment Objective

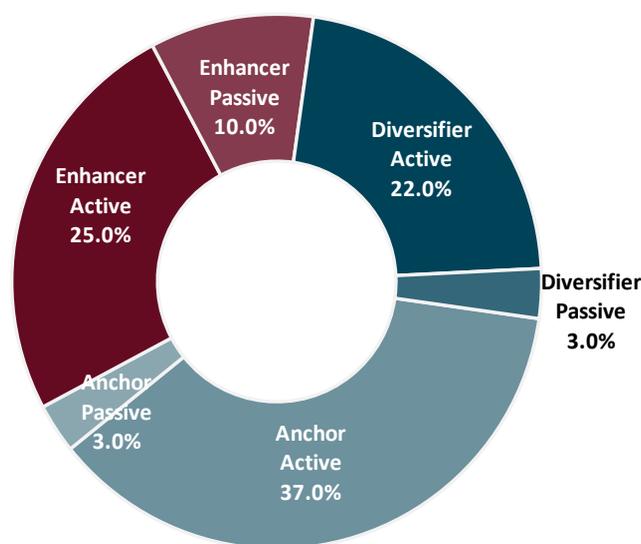
The Balanced Income Portfolio targets an income of 4.0% by diversifying across a broad range of assets with differing return and volatility profiles. After Income, the portfolio is expected to maintain real value after inflation while minimising the possibility of the investment falling in value. The 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

Concern around economic growth, trade and Brexit rose during August. Despite a falling pound boosting non-UK returns many Enhancer asset benchmarks, particularly Developed and Emerging Market Equities, lost value over the month. Particularly hit were Chinese and Asian indices as President Trump further increased pressure on trade and tariffs. The portfolio was protected from these loses as Anchors and Diversifiers continued to add value and some of the underlying funds did well. Gold and other precious metals added the most value as investors sought protection of very low interest rates and falling confidence. The portfolio remains cautiously positioned in comparison to its strategic benchmark and continues to look for opportunities to rebalance to a more neutral allocation in the coming months.

Model Characteristics	Target	Current
Annualised Return ¹	5.0-6.0%	6.0%
Portfolio Volatility ²	<7.0%	4.5%
Maximum Loss ³	<10.0%	-5.7%
Ongoing charge of underlying ⁴	<0.75%	0.70%
Number of holdings	<25	16
Last rebalance date	-	Feb-19
Current expected portfolio yield ⁵	-	4.08%
Classified 'Passive' investments ⁶	40%	16%
Since Inception Total Return	-	20.2%

Allocation	Strategic	Current	Tactical
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%



Performance (%) ¹	1m	3m	YTD	1yr	3yr
Rivers Balanced Income	-0.40	3.12	9.15	4.10	14.63
IA Mixed 20%-60% Shares	-0.95	3.22	9.18	2.95	12.77

Quarterly	Q1	Q2	Q3	Q4	Total
2016	-	-	5.81%	1.36%	7.25%
2017	3.44%	0.79%	0.45%	1.43%	6.21%
2018	-2.68%	3.54%	0.17%	-4.19%	-3.29%
2019	4.65%	3.13%	-	-	7.93%

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

Top 10 Holdings

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

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 and annualised since inception (June 30th 2016)
- Volatility is calculated as the annualised average weekly standard deviation of return since inception (June 30th 2016)
- The maximum loss is calculated as the total loss from the highest previous month end portfolio value. Intra month or daily data may exceed this.
- The ongoing charge is based on the current portfolio weightings using the latest available OCF data of each fund.
- The yield is the average yield as published by each fund and not guaranteed
- Rivers investment committee determines a Passive allocation target (20-60%) dependant on the perceived market opportunity
- Relative risk level determined between 1 and 7 within the tactical constraints of all models with a level 4 considered tactically neutral



Please contact Rivers directly on **020 3383 0180** or by emailing **info@riverscm.com**

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