

Balanced Income Portfolio

30th September 2019



INTELLIGENT INTUITIVE INVESTING

Investment Objective

The Rivers Balanced Income Portfolio targets an income of 4.0% by diversifying across a broad range of assets. The portfolio is expected to maintain real value, net of income, 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 uncertainty over Brexit in the UK global markets were mainly stable during September. Most asset classes saw modest gains in Sterling terms, with the exceptions being Gold (-4.7%) precious metals, and Government Bonds, to a lesser extent. Gold remains up nearly 30% over the last year, in Sterling terms, so the reversal is not significant. The portfolio overall saw little change during September but after a positive third quarter, remains above its return objective year to date. It remains cautiously allocated relative to its strategic allocation with fewer Enhancer Assets than would be typical. We expect the final quarter to be volatile and will look opportunistically to add risk if asset valuations improve.

| Performance (%) ¹ | 1m | 3m | YTD | 1yr | 3yr |
|------------------------------|------|------|------|------|-------|
| Rivers Balanced Income | 0.51 | 1.65 | 9.71 | 5.12 | 14.22 |
| IA Mixed 20%-60% Shares | 0.70 | 1.84 | 9.95 | 4.01 | 13.28 |

| 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% | 1.67% | - | 9.73% |

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.

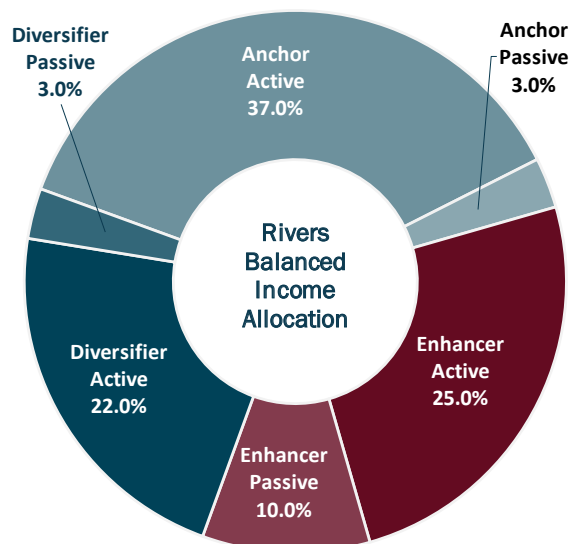
For a more detailed explanation please contact Rivers Capital Management

Notes:

- 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

| Model Characteristics | Target | Current |
|---|----------|---------|
| Annualised Return ¹ | 5.0-6.0% | 6.0% |
| Portfolio Volatility ² | <7.0% | 4.4% |
| Maximum Loss ³ | <10.0% | -5.2% |
| Ongoing charge of underlying ⁴ | <0.75% | 0.77% |
| Number of holdings | <25 | 16 |
| Last rebalance date | - | Apr-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% |



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 Capital - Wealthy Nations Bond Inst Inc | Enhancer Active | 6.0% |



Please contact Rivers 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.