Balanced Portfolio

28th February 2020

RIVERS CAPITAL MANAGEMENT

INTELLIGENT INTUITIVE INVESTING

Investment Objective

The Rivers Balanced Portfolio targets moderate long term returns above inflation, and after fees, at volatility levels considerably below those expected in equities. The portfolio aims to achieve its objective by maximising diversification across a range of assets. The portfolio will be moderately exposed to global equity market cycles. The typical investor seeks capital growth from their investment and can accept a moderate level of risk for the potential of higher returns.

Market Comment

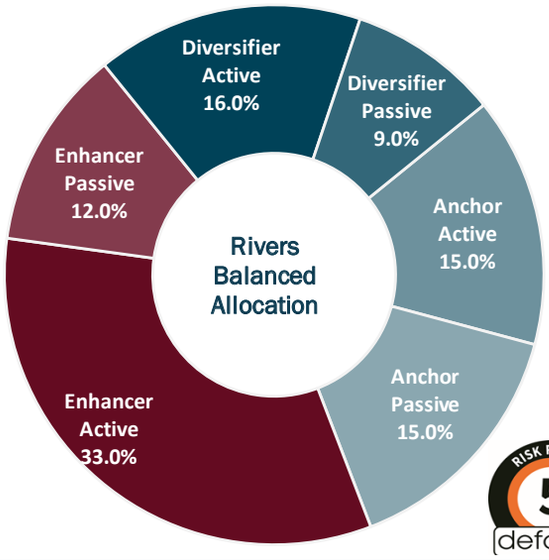
The defensive tactical asset allocation partially protected the portfolio but the broad global equity sell-off in the last week of February reversed all gains year to date. Except for Gold, and Government Bonds, most assets lost value as fears that Coronavirus would reduce global growth escalated. The defensive allocation allowed for a rebalance in the last trading session of the month as we reduced the underweight risk position. Our outlook remains cautious, but Enhancer valuations appear more attractive than they have done for some time. We expect volatility to remain high and will adjust the portfolio tactically as the news surrounding the potential pandemic develops.

Performance (%)[1]	1m	3m	YTD	1yr	3yr
Rivers Balanced Portfolio	-2.85	-1.30	-1.93	5.73	12.22
IA Mixed 20%-60% Shares	-3.09	-1.92	-3.11	4.52	7.91

Quarterly	Q1	Q2	Q3	Q4	Total
2016	-	-	-	2.58%	2.58%
2017	3.56%	0.00%	1.57%	2.55%	7.87%
2018	-2.26%	3.39%	1.50%	-4.29%	-1.83%
2019	5.00%	3.45%	2.21%	0.37%	11.43%

Model Characteristics	Target	Current
Annualised Return[1]	5.2-6.7%	6.8%
Portfolio Volatility[2]	<9.0%	5.1%
Maximum Loss[3]	<10.0%	-3.1%
Ongoing charge of underlying[4]	<0.75%	0.60%
Number of holdings	<25	21
Last rebalance date	-	Dec-19
Current expected portfolio yield[5]	-	1.19%
Classified 'Passive' investments[6]	40%	36.0%
Since Inception Total Return	-	27.08%

Allocation	Strategic	Current	Tactical
Cash	0.0%	0.0%	**0.0%**
Anchors	27.0%	30.0%	**3.0%**
Enhancers	55.0%	45.0%	**-10.0%**
Diversifiers	18.0%	25.0%	**7.0%**



RISK RATING 5 defaqto

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

Vermeer - Global Equity C	Enhancer Active	8.0%
Vanguard UK Infl-Linked Gilt A Gr Acc GBP	Anchor Passive	7.0%
Royal London - Cash Plus Y Acc	Anchor Passive	6.0%
EdenTree - Amity Sterling Bond B	Anchor Active	6.0%
Fidelity - Index Europe ex UK P Acc	Enhancer Passive	6.0%
Investec - Global Franchise I Acc	Enhancer Active	6.0%
Kames - Gbl Equity Market Neutral C Acc GBP	Anchor Active	5.0%
Natixis Loomis Sayles US Eq Ldrs N/A GBP	Enhancer Active	5.0%
RobecoSAM Smart Materials Na GBP	Diversifier Active	5.0%
Xtrackers - Physical Gold ETC	Diversifier Passive	5.0%

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 and annualised since inception (June 30th 2016)
2. Volatility is caculated as the annualised average weekly standard deviation of return since inception (June 30th 2016)
3. 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.
4. The ongoing charge is based on the current portfolio weightings using the latest available OCF data of each fund.
5. The yield is the average yield as published by each fund and not guareenteed
6. Rivers investment committee determines a Passive allocation target (20-60%) dependant on the percieved market opportunity
7. Relative risk level determined between 1 and 7 within the tactical contraints of all models with a level 4 considered tactically neutral

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

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