Balanced Income Portfolio

31st May 2021

RIVERS CAPITAL MANAGEMENT

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

Markets in May were interesting due to their increased volatility which did not appear to have any particular direction. Fears over inflation were confirmed as nearly all relevant inflationary measures exceeded expectations. This only temporarily appeared to concern investors as Central Banks from the US to Europe continued to suggest the inflationary pressures were transitory and would fade naturally. Meanwhile, almost all economic activity measures pointed to strong, if not excessive growth, high levels of investment and a potentially perfect recovery. The question remains, with the recovery so universally strong how Central Banks can continue to justify such unprecedented support and what happens when they reverse it? We remain cautiously awaiting the outcome.

Model Characteristics	Target	Current
Annualised Return[1]	5.0-6.0%	5.2%
Portfolio Volatility[2]	<7.0%	7.6%
Maximum Loss[3]	<10.0%	-14.2%
Ongoing charge of underlying[4]	>0.75%	0.61%
Number of holdings	<25	18
Last rebalance date	-	Apr-21
Current expected portfolio yield[5]	-	4.16%
Classified 'Passive' investments[6]	N/A	19.0%
Since Inception Total Return	-	28.36%

Allocation	Strategic	Current	Tactical
Anchors	27.0%	50.0%	23.0%
Enhancers	55.0%	25.0%	-30.0%
Diversifiers	18.0%	25.0%	7.0%

Performance (%)[1]	1m	3m	YTD	1yr	3yr
Rivers Balanced Income	0.43	3.05	2.20	12.42	11.57
IA Mixed 20%-60% Shares	0.25	3.73	3.30	13.04	13.64

Quarterly	Q1	Q2	Q3	Q4	Total
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%	1.64%	1.45%	11.28%
2020	-14.19%	10.74%	0.93%	6.58%	2.23%
2021	0.13%	-	-	-	0.13%

Enhancer Passive 3.0%

Diversifier Active 20.0%

Diversifier Passive 5.0%

Enhancer Active 22.0%

Rivers Balanced Income

Anchor Active 39.0%

Anchor Passive 11.0%

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.
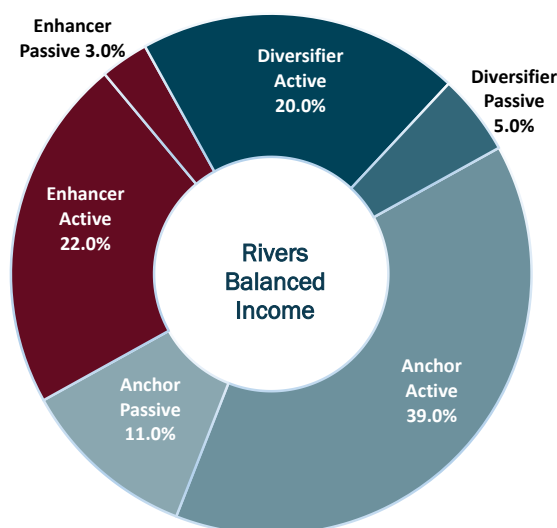
For a more detailed explanation please contact Rivers Capital Management

Top 10 Holdings		
Aviva Inv - Multi Strategy Target Income 2	Anchor Active	8.0%
VT - RM Alternative Income F Inc GBP	Diversifier Active	7.0%
Legg Mason - Western Gbl Multi Strat Bd X Inc	Diversifier Active	6.0%
Templeton - Global Total Return Bond W Inc	Diversifier Active	6.0%
VT - Gravis Clean Energy Income C Inc GBP	Enhancer Active	6.0%
EdenTree - Amity Sterling Bond B	Diversifier Passive	6.0%
Vanguard - UK Infl-Linked Gilt A Grss Inc GBP	Anchor Active	5.0%
Schroder - Mixed Distribution Z Inc	Anchor Active	5.0%
Fidelity - Enhanced Income W Inc	Anchor Active	5.0%
Janus Henderson - Strategic Bond I Inc	Anchor Active	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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EXPERT RATED
★★★★★
DFM MPS on Platform 2021

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