

# Preservation Portfolio

31<sup>st</sup> December 2021



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

The Rivers Preservation Portfolio modest allocations to higher targets sufficient returns to risk assets may be included if maintain the real value of the portfolio after inflation. The portfolio aims to achieve this objective by combining assets with lower volatility profiles although

## Market Comment

Despite the Omicron variant and rising inflationary fears equities finished 2021 with a positive December. Enhancer assets experienced a poor start to the month but finished dramatically over the holiday period, particularly in the UK and Europe. Anchor assets struggled as Central Banks finally appeared to accept the threat of inflation being more than transitory. The Bank of England was the first major Central Bank to raise

modest allocations to higher risk assets may be included if appropriate. The portfolio will be invested primarily in low risk assets which will be anchored to the prevailing risk-free rate of return. rates but expectations of further increases have not yet affected positive equity sentiment. The portfolio finished the year within its target return range but below the benchmark as we continue to take a defensive tactical allocation. In 2022 we expect to see heightened volatility across asset classes as macro fundamentals play out.

Model Characteristics	Target	Current
Annualised Return <sup>1</sup>	3.0-4.0%	3.2%
Portfolio Volatility <sup>2</sup>	<4.5%	3.7%
Maximum Loss <sup>3</sup>	<5.0%	-5.7%
Ongoing charge of underlying <sup>4</sup>	<0.75%	0.54%
Number of holdings	<25	13
Last rebalance date	-	Nov-21
Current expected portfolio yield <sup>5</sup>	-	1.05%
Classified 'Passive' investments <sup>6</sup>	40%	20.0%
Since Inception Total Return	-	18.99%

Allocation	Strategic	Current	Tactical
Cash	0.0%	0.0%	0.0%
Anchors	70.0%	85.0%	15.0%
Enhancers	17.0%	0.0%	-17.0%
Diversifiers	13.0%	15.0%	2.0%

Performance (%) <sup>1</sup>	1m	3m	YTD	1yr	3yr	5yr
Rivers Preservation Portfolio	-0.15	0.84	1.21	1.21	10.76	12.97
IA Money Market	0.00	-0.01	-0.05	-0.05	1.11	1.71

Quarterly	Q1	Q2	Q3	Q4	Total
2016	-	-	4.51%	0.92%	5.47%
2017	1.27%	-0.24%	1.30%	1.04%	3.41%
2018	-0.54%	0.46%	0.12%	-1.40%	-1.37%
2019	2.08%	1.68%	1.56%	-0.99%	4.38%
2020	-4.44%	7.17%	0.57%	1.80%	4.85%
2021	-1.07%	1.22%	0.22%	0.84%	1.21%

## Rivers Asset Classification System:

**"Anchors"**: investments selected for low market correlation, low risk and capital preservation core characteristics. Significant allocation in low risk portfolios.

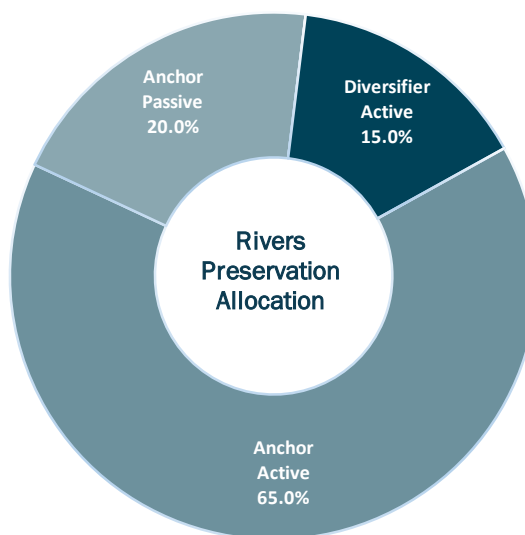
**"Enhancers"**: selected to increase portfolio long term return but exposed to equity risk. Allocation likely to increase with risk tolerance as returns become more volatile.

**"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% Rivers Capital Management fee and annualised since inception (June 30<sup>th</sup> 2016).
- Volatility is calculated as the annualised average weekly standard deviation of return since inception (June 30<sup>th</sup> 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.



## Top 10 Holdings

Aegon - Absolute Return Bond C Acc GBP	Anchor Active	12.0%
Royal London - Short Term Money Mkt Y Acc	Anchor Passive	10.0%
Nomura - Global Dynamic Bond I Hedged GBP	Anchor Active	10.0%
TM Fulcrum - Diversified Liq Alternatives F Acc	Anchor Active	10.0%
JPM - Global Macro Opportunities C Acc	Anchor Active	10.0%
TwentyFour - Monument Bond I Net Acc GBP	Anchor Active	9.0%
Vanguard - UK Infl-Lnkd Gilt A Gross Acc GBP	Anchor Passive	8.0%
Artemis - Strategic Bond I Monthly Acc	Anchor Active	7.0%
EdenTree - Amity Sterling Bond B	Anchor Active	7.0%
VT - Gravis Clean Energy Income C Acc GBP	Diversifier Active	5.0%



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

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