

# Balanced Income Portfolio

28<sup>th</sup> February 2022



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

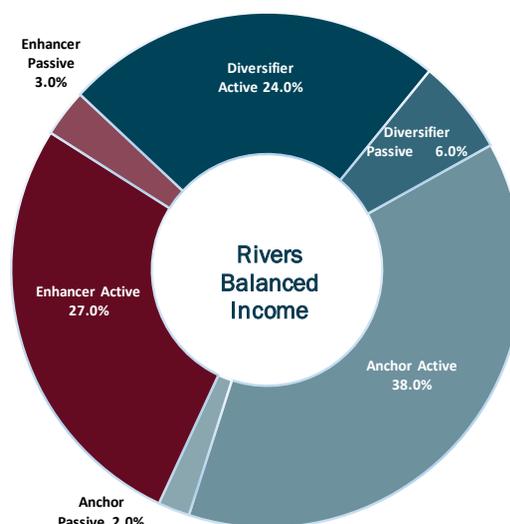
With the first full scale invasion of a European Country for over 80 years, February saw an unwelcome rise in investment risk. Equity indices in nearly all regions saw losses. Benchmark interest rates rose sharply at the start of the month but fell back as investors tempered Central Bank expectations. Diversifiers, particularly gold and energy, added value protecting the portfolio from some losses. While the war had been widely predicted by intelligence services, few thought Putin would show such flagrant disregard for international conventions. The portfolio remains underweight risk and well diversified. Risk is expected to remain high, not least through extra inflationary pressures. We remain focused on protecting capital while waiting for opportunities to add risk should they occur.

Model Characteristics	Target	Current
Annualised Return <sup>1</sup>	5.0-6.0%	4.5%
Portfolio Volatility <sup>2</sup>	<7.0%	7.2%
Maximum Loss <sup>3</sup>	<10.0%	-14.2%
Ongoing charge of underlying <sup>4</sup>	>0.75%	0.61%
Number of holdings	<25	16
Last rebalance date	-	Sep-21
Current expected portfolio yield <sup>5</sup>	-	3.99%
Classified 'Passive' investments <sup>6</sup>	N/A	11.0%
Since Inception Total Return	-	28.23%

Allocation	Strategic	Current	Tactical
Anchors	27.0%	40.0%	13.0%
Enhancers	55.0%	35.0%	-20.0%
Diversifiers	18.0%	25.0%	7.0%

Performance (%) <sup>1</sup>	1m	3m	YTD	1yr	3yr	5yr
Rivers Balanced Income	-1.30	-2.43	-3.20	2.94	12.42	16.25
IA Mixed 20%-60% Shares	-1.74	-3.55	-4.74	2.55	14.03	17.72

Quarterly	Q1	Q2	Q3	Q4	Total
2016	-	-	5.81%	1.36%	7.25%
2017	3.45%	0.80%	0.46%	1.44%	6.26%
2018	-2.67%	3.55%	0.18%	-4.17%	-3.24%
2019	4.66%	3.15%	1.66%	1.46%	11.34%
2020	-14.18%	10.75%	0.95%	6.59%	2.28%
2021	0.19%	3.00%	0.66%	1.54%	5.46%



## 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

Liontrust - Monthly Income Bond B Gr Inc	Anchor Active	9.0%
TwentyFour - Corporate Bond I Inc GBP	Anchor Active	9.0%
Schroder - Mixed Distribution Z Inc	Enhancer Active	8.0%
Fidelity - Enhanced Income W Inc	Enhancer Active	8.0%
Legg Mason - Westn Glb Multi Strat Bond X Inc	Anchor Active	7.0%
Templeton - Global Total Return Bond W Inc	Anchor Active	7.0%
Foresight UK Infrastructure Income Inc	Diversifier Active	7.0%
VT - RM Alternative Income F Inc GBP	Diversifier Active	7.0%
EdenTree - Amity Sterling Bond B	Anchor Active	6.0%
iShares - Global Property Securities Eq D Inc	Diversifier Passive	6.0%



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

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