Balanced Income Portfolio

31st July 2022

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

July provided some welcome relief after what has been a difficult year for all investors. Adding risk, to our neutral stance at the lows in June helped boost return but with most asset classes appreciating, the gains were universal. The interpretation that the Federal Reserve will ease interest rates sooner than was previously expected, pushed benchmark interest rates lower, helping Anchors, and most equity indices higher, which helped Enhancers. Diversifiers had a mixed month with commodities and gold losing value overall. These should offer protection if, as we suspect, inflation is more persistent than currently expected. This rally is welcomed, but with inflation not yet trending down, we think these gains may be short lived. By lowering portfolio risk to Underweight on the last day of July, the portfolio is better prepared for the volatility we expect ahead.

Performance (%)[1]	1m	3m	YTD	1yr	3yr	5yr
Rivers Balanced	2.5	-2.4	-4.6	-3.3	4.5	12.4
IA Mixed 20-60% Shares	2.6	-2.2	-7.1	-5.3	4.6	11.9
IA Global Equity Income	4.3	-1.1	-2.4	4.8	19.6	38.8

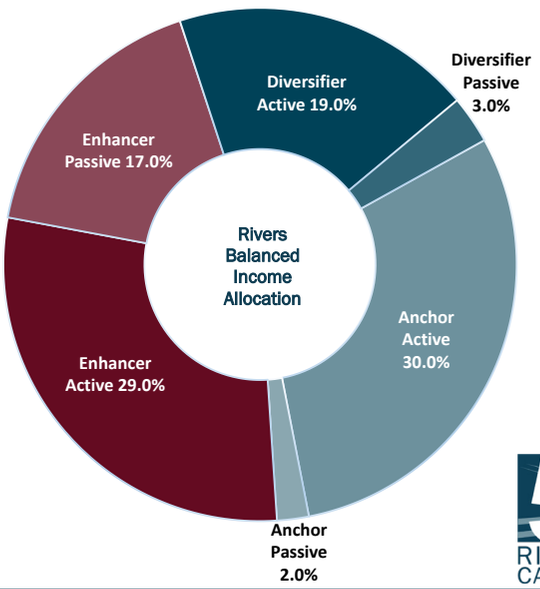
Quarterly	Q1	Q2	Q3	Q4	Total
2016	-	-	5.8%	1.4%	7.2%
2017	-	-	0.5%	1.4%	1.9%
2018	-2.7%	3.6%	0.2%	-4.2%	-3.2%
2019	4.7%	3.1%	1.7%	1.5%	11.3%
2020	-14.2%	10.8%	0.9%	6.6%	2.3%
2021	0.2%	3.0%	0.7%	1.5%	5.5%
2022	-1.2%	-5.8%	-	-	-6.9%

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

Model Characteristics	Target	Current
Annualised Return[1]	5.0-6.0%	3.9%
Portfolio Volatility[2]	<7.0%	7.3%
Maximum Loss[3]	<10.0%	-14.2%
Ongoing charge of underlying[4]	>0.75%	0.60%
Number of holdings	<25	16
Last rebalance date	-	Jul-22
Current expected portfolio yield[5]	-	4.09%
Classified 'Passive' investments[6]	N/A	22.0%
Since Inception Total Return	-	26.4%

Allocation	Strategic	Current	Tactical
Anchors	27.0%	32.0%	5.0%
Enhancers	55.0%	46.0%	-9.0%
Diversifiers	18.0%	22.0%	4.0%



Top 10 Holdings

TwentyFour - Corporate Bond I Inc GBP	Anchor Active	9.0%
Fidelity - Enhanced Income W Inc	Enhancer Active	8.0%
VT - RM Alternative Income F Inc GBP	Diversifier Active	8.0%
Legg Mason - Westn Glb Mult Strat Bond X Inc	Anchor Active	7.0%
Templeton - Global Total Return Bond W Inc	Anchor Active	7.0%
EdenTree - Amity Sterling Bond B	Anchor Active	7.0%
Schroder - Mixed Distribution Z Inc	Enhancer Active	7.0%
HSBC - FTSE 100 Index C Inc	Enhancer Passive	7.0%
HSBC - FTSE All World Index C Inc	Enhancer Passive	7.0%
VT - Gravis Clean Energy Income C Inc GBP	Diversifier Active	7.0%

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% Rivers Capital Management fee and annualised since inception (June 30th 2016).
2. Volatility is calculated 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 guaranteed.
6. Rivers investment committee determines a Passive allocation target (20-60%) dependant on the perceived market opportunity.
7. Relative risk level determined between 1 and 7 within the tactical constraints of all models with a level 4 considered tactically neutral.

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

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