Balanced Portfolio

31st July 2022

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

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	2.7	-2.6	-5.5	-4.3	9.9	23.9
IA Mixed 20-60% Shares	2.6	-2.2	-7.1	-5.3	4.6	11.9
IA Flexible Investment	3.2	-2.0	-7.4	-4.2	11.6	23.0

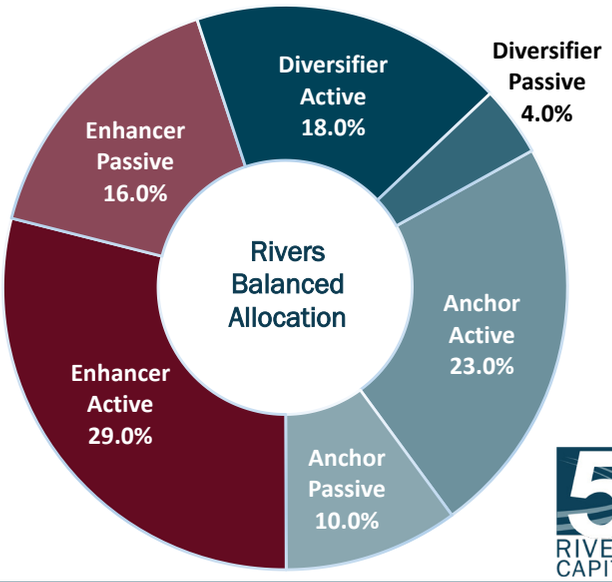
Quarterly	Q1	Q2	Q3	Q4	Total
2016	-	-	7.3%	2.6%	10.1%
2017	-	-	1.6%	2.6%	4.2%
2018	-2.3%	3.4%	1.5%	-4.3%	-1.8%
2019	5.0%	3.4%	2.2%	0.1%	11.2%
2020	-9.6%	13.8%	1.9%	4.8%	9.9%
2021	-0.2%	3.3%	0.6%	1.8%	5.6%
2022	-1.7%	-6.4%	-	-	-8.0%

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

Model Characteristics	Target	Current
Annualised Return[1]	5.2-6.7%	5.9%
Portfolio Volatility[2]	<9.0%	6.9%
Maximum Loss[3]	<10.0%	-10.4%
Ongoing charge of underlying[4]	<0.75%	0.60%
Number of holdings	<25	22
Last rebalance date	-	Jul-22
Current expected portfolio yield[5]	-	1.38%
Classified 'Passive' investments[6]	20%	30.0%
Since Inception Total Return	-	42.0%

Allocation	Strategic	Current	Tactical
Anchors	27.0%	33.0%	6.0%
Enhancers	55.0%	45.0%	-10.0%
Diversifiers	18.0%	22.0%	4.0%



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Top 10 Holdings

TM Fulcrum - Diversified Liquid Altern F Acc	Anchor Active	9.0%
TwentyFour - Monument Bond I Net Acc GBP	Anchor Active	7.0%
JPM - Global Macro Opportunities C Acc	Anchor Active	7.0%
Vermeer - Global Equity C	Enhancer Active	6.0%
Baillie Gifford - Emerging Markets Growth	Enhancer Active	6.0%
Vanguard - UK Infl-Linkd Gilt A Gross Acc GBP	Anchor Passive	5.0%
VT - RM Alternative Income F Acc GBP	Diversifier Active	5.0%
Polar Capital - Global Insurance I Acc GBP	Diversifier Active	5.0%
Janus Henderson - European Focus I Acc	Enhancer Active	4.0%
HSBC - FTSE 100 Index C Acc	Enhancer Passive	4.0%

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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