

# Balanced Portfolio

30<sup>th</sup> November 2022



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

November was, for the second month in a row, positive for nearly all asset classes within the portfolio. Once again funds within Anchors, Enhancers and Diversifiers added value. Anchor assets were aided by continued moderation in benchmark interest rate expectations. While the primary cause of this was worsening economic expectations this did not seem to unduly affect equity valuations. Within Enhancers the strongest gains were seen within Emerging Market equities, which rallied sharply after some relaxation of China's strict zero Covid policies. Strong gains were also seen in UK and European Equities as there were some indications that inflation has peaked, particularly in Europe. Within Diversifiers, Gold, Real Assets and Insurance all gained as a slight fall in the dollar increased optimism for 2023. As we approach year-end, the portfolio remains neutrally positioned, in terms of risk.

Performance (%) <sup>1</sup>	1m	3m	YTD	1yr	3yr	5yr
Rivers Balanced	3.9	0.4	-3.9	-3.6	12.6	24.2
IA Mixed 20-60% Shares	3.4	-1.1	-8.6	-7.5	2.7	8.7
IA Flexible Investment	3.5	-1.1	-8.0	-6.7	11.4	19.3

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%	-0.8%	-	-8.7%

## 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.

Please contact Rivers directly on 020 3383 0180 or by emailing [info@riverscm.com](mailto:info@riverscm.com)

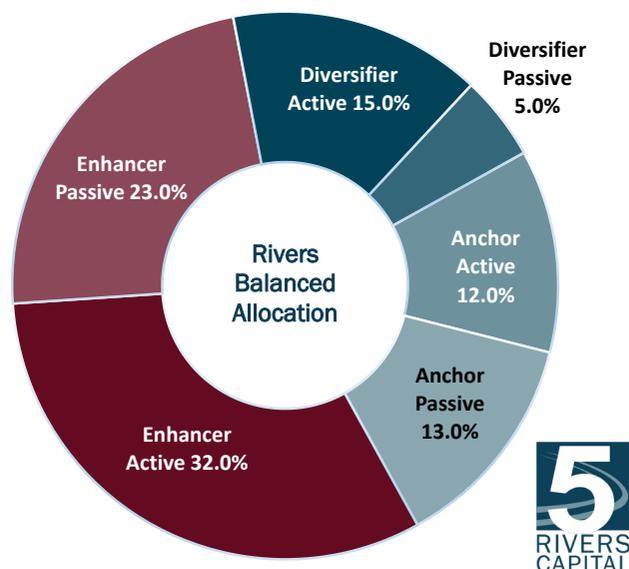
Disclaimer: Rivers Capital Management is authorised & regulated by the Financial Conduct Authority (FCA) Reference No. 801238. Its registered offices are at 1027a Garratt Lane, SW17 0LN, London, United Kingdom. This factsheet is intended only for use by Financial Advisors and not for distribution to retail investors. This document does not constitute professional advice, or an offer, or a solicitation of an offer, to sell securities and no securities are to be offered or sold other than to persons whose ordinary activities

involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or otherwise in circumstances which have not resulted and will not result in an offer to the public within the meaning of the Financial Services and Markets Act 2000. The Model Portfolio is not suitable for all types of investor and investor accounts may only be attached to it by the instruction of a professional Financial Advisor. Past performance is not necessarily a guide to the future performance. Market and

currency movements may cause the value of investments and the income from them to fall as well as rise. Unless otherwise stated, the source of all figures contained herein is Rivers Capital Management. Whilst all reasonable care has been taken in preparing this factsheet, the information contained herein has been obtained from sources that we consider reliable but we do not represent that it is complete or accurate and it should not be relied upon as such.

Model Characteristics	Target	Current
Annualised Return <sup>1</sup>	5.2-6.7%	6.1%
Portfolio Volatility <sup>2</sup>	<9.0%	7.2%
Maximum Loss <sup>3</sup>	<10.0%	-10.4%
Ongoing charge of underlying <sup>4</sup>	<0.75%	0.54%
Number of holdings	<25	21
Last rebalance date	-	Oct-22
Current expected portfolio yield <sup>5</sup>	-	1.25%
Classified 'Passive' investments <sup>6</sup>	20%	41.0%
Since Inception Total Return	-	46.5%

Allocation	Strategic	Current	Tactical
Anchors	27.0%	25.0%	-2.0%
Enhancers	55.0%	55.0%	0.0%
Diversifiers	18.0%	20.0%	2.0%



## Top 10 Holdings

TM Fulcrum - Diversified Liquid Alt F Acc	Anchor Active	7.0%
iShares III PLC UK Gilts 0-5YR ETF GBP Dist	Anchor Passive	6.0%
HSBC - FTSE 100 Index C Acc	Enhancer Passive	6.0%
Vermeer - Global Equity C	Enhancer Active	6.0%
Cohen & Steers - Div Real Assets Hdged Acc	Diversifier Active	6.0%
TwentyFour - Monument Bond I Net Acc GBP	Anchor Active	5.0%
iShares - UK Gilts All Stocks Index (UK) D Acc	Anchor Passive	5.0%
Fidelity - Index World P	Enhancer Passive	5.0%
Lazard - Thematic Inflatn Opp EA Acc GBP	Enhancer Active	5.0%
Baillie Gifford - Emerging Markets Growth	Enhancer Active	5.0%