

# Balanced Portfolio

31<sup>st</sup> March 2023



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

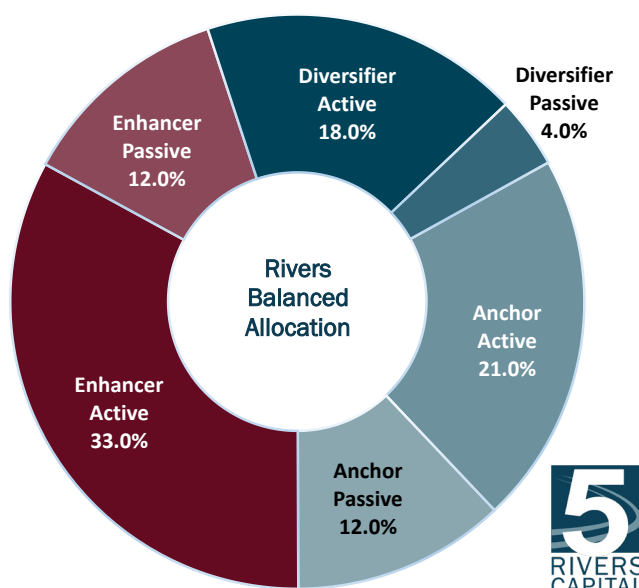
The Rivers Balanced Portfolio targets moderate long term returns above inflation, and after fees, at volatility levels considerably below those expected in equities. The portfolio aims to achieve its objective by maximising diversification across a range of assets. The portfolio will be moderately exposed 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

Portfolio performance for March was negative but remains positive overall for the first quarter of the year. Volatility remains high with inflation and recession the primary risk factors. During March fears regarding banks and solvency were abated. This lowered interest rate expectations and prompted a strong rally in growth related equities. Within Anchor assets long dated bonds outperformed cash while for Enhancers, European and UK equities, both overweight within the portfolio, performed relatively badly for the month compared to other regions. Within the Diversifier asset allocation, the Gold price rose strongly although other positions (within energy and insurance, for example) struggled. Looking forward the portfolio remains slightly underweight risk as we expect the Central Banker focus on inflation to continue and rate cut expectations to be disappointed.

Model Characteristics	Target	Current
Annualised Return <sup>1</sup>	5.2-6.7%	5.9%
Portfolio Volatility <sup>2</sup>	<9.0%	7.1%
Maximum Loss <sup>3</sup>	<10.0%	-10.4%
Ongoing charge of underlying <sup>4</sup>	<0.75%	0.60%
Number of holdings	<25	20
Last rebalance date	-	Jan-23
Current expected portfolio yield <sup>5</sup>	-	1.40%
Classified 'Passive' investments <sup>6</sup>	20%	28.0%
Since Inception Total Return	-	47.6%

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%



Performance (%) <sup>1</sup>	1m	3m	YTD	1yr	3yr	5yr
Rivers Balanced	-0.8	2.0	2.0	-1.5	24.6	26.5
IA Mixed 20-60% Shares	-0.6	1.6	1.6	-4.8	17.2	11.9
IA Flexible Investment	-1.1	1.5	1.5	-4.1	29.9	23.3

Quarterly	Q1	Q2	Q3	Q4	Total
2017	3.6%	0.0%	1.6%	2.6%	7.9%
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%	3.6%	-5.5%
2023	2.0%	-	-	-	2.0%

## 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

## Top 10 Holdings

Royal London - Short Term Money Mkt Y Acc	Anchor Passive	10.0%
TwentyFour - Monument Bond I Net Acc GBP	Anchor Active	8.0%
TM Fulcrum - Diversified Liquid Alt F Acc	Anchor Active	8.0%
Janus Henderson - European Focus I Acc	Enhancer Active	6.0%
Lazard - Thematic Inflatn Opp EA Acc GBP	Enhancer Active	6.0%
Vermeer - Global Equity C	Enhancer Active	6.0%
Cohen & Steers - Div Real Assets Hged Acc	Diversifier Active	6.0%
Aegon - Absolute Return Bond C Acc GBP	Anchor Active	5.0%
VT - De Lisle America B GBP	Enhancer Active	5.0%
HSBC - FTSE 100 Index C Acc	Enhancer Passive	4.0%

## 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)

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