

Balanced ESG Portfolio

31st May 2023



INTELLIGENT INTUITIVE INVESTING

Investment Objective

The Rivers ESG Balanced Portfolio targets long term capital growth in real terms and after fees. The portfolio invests only in solutions which pass strict criteria of Environmental, Social and Governance (ESG) requirements. The portfolio will be moderately exposed to global equity market cycles. The typical investor seeks capital growth from their investment and is able to accept a moderate level of risk for the potential of higher returns.

Market Comment

May was difficult for most asset classes and the portfolio overall. Fixed income values fell as interest rates rose while most equity indices fell. Global equities were positive overall but were driven by gains within only a few US technology stocks. With valuations in the tech sector already high, the allocation within the portfolio is low. This has adversely affected performance but is unlikely to be sustained. Within Anchors, the money market allocation reduced the impact of rising bond yields and offset some absolute return losses. Within Enhancers the European, UK and Emerging Markets lost value. US equity gains were led by technology, to which the portfolio is underweight. Within Diversifiers the energy, insurance and real asset allocations struggled but should provide protection against sustained inflation which remains a primary risk.

Performance (%)¹

	1m	3m	YTD	1yr	3yr	5yr
Rivers ESG Balanced	-1.4	-2.3	1.0	-2.3	11.1	21.3
IA Mixed 20-60% Shares	-1.0	-1.0	1.2	-3.0	7.4	8.0
IA Flexible Investment	-0.6	-1.2	1.5	-1.3	16.6	17.7

Quarterly

	Q1	Q2	Q3	Q4	Total
2017	-	0.8%	0.9%	2.6%	4.3%
2018	-2.7%	2.8%	1.5%	-4.6%	-3.2%
2019	5.8%	4.3%	2.6%	0.3%	13.4%
2020	-8.8%	11.4%	2.5%	4.7%	9.1%
2021	-0.8%	3.5%	0.9%	2.3%	6.1%
2022	-3.8%	-7.0%	-2.2%	3.0%	-9.9%
2023	2.3%	-	-	-	2.3%

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.

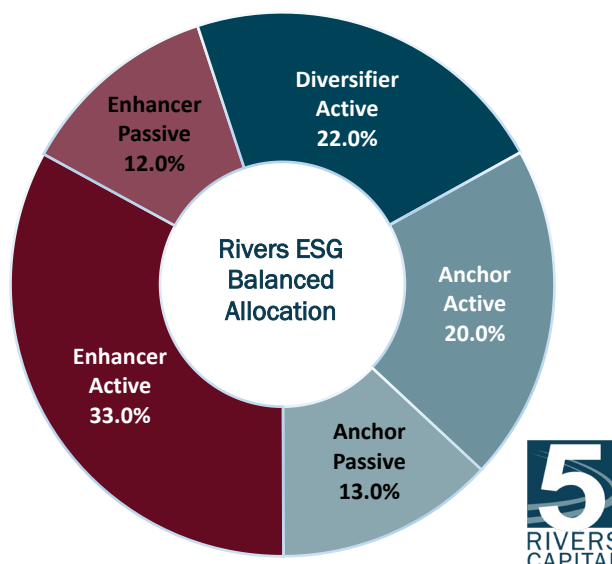
For a more detailed explanation please contact Rivers Capital Management

Notes:

- The performance data shown is indicative only. Rivers Capital Management attempts to replicate accurately the performance of the underlying portfolio using composite fund 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 (March 31st 2017).
- Volatility is calculated as the annualised average weekly standard deviation of return since inception (March 31st 2017).
- 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.

Model Characteristics	Target	Current
Annualised Return ¹	5.2-6.7%	3.9%
Portfolio Volatility ²	<9.0%	8.4%
Maximum Loss ³	<10.0%	-11.2%
Ongoing charge of underlying ⁴	<0.75%	0.66%
Number of holdings	<25	16
Last rebalance date	-	Jan-23
Current expected portfolio yield ⁵	-	1.55%
Classified 'Passive' investments ⁶	30%	25.0%
Since Inception Total Return	30-Jun-17	26.9%

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%



Top 10 Holdings

Royal London - Short Term Money Mkt Y Acc	Anchor Passive	11.0%
TM Fulcrum - Div Core Absolute Ret C Acc	Anchor Active	8.0%
Vanguard - SRI European Stock Acc	Enhancer Passive	8.0%
EdenTree - Responsible and Sus Bond B	Anchor Active	7.0%
Vontobel - mtX Sustainable EM Leaders N	Enhancer Active	7.0%
Ninety One - Global Environment I	Enhancer Active	6.0%
Rathbone - Ethical Bond Inst Acc	Enhancer Active	6.0%
Royal London - Sus Diversified Trust C Acc	Diversifier Active	6.0%
Robeco - SAM Sust Water Equities G EUR	Diversifier Active	6.0%
Aegon - Absolute Return Bond C Acc	Anchor Active	5.0%

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

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