

# Balanced Portfolio

31<sup>st</sup> July 2023



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

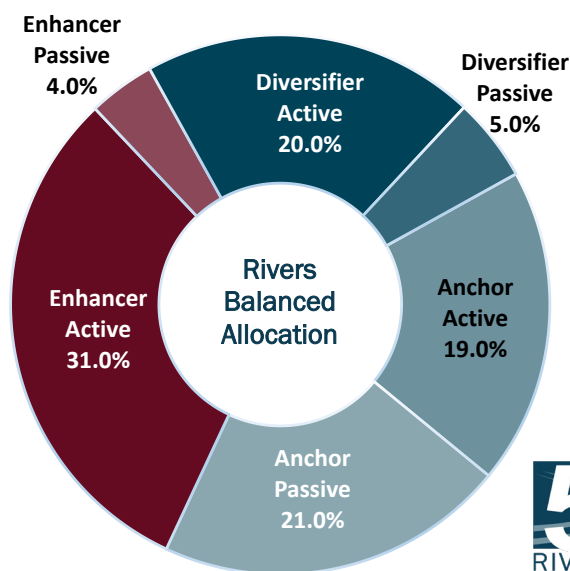
The Rivers Balanced Portfolio targets moderate long term returns above inflation, and after fees, at volatility levels considerably below those expected in equities. The portfolio aims to achieve its objective by maximising diversification across a range of assets. The portfolio will be moderately exposed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

Overall, the performance for most funds across the portfolio was positive in July. The Anchors asset class had relatively muted performance, led primarily by short duration bonds and cash. Enhancers performed well, with both Developed and Emerging Market Equity posting strong returns. These returns were not as concentrated in AI stocks as has been seen recently. Diversifiers performed well, with gold, energy, real assets and, where held, real estate, posting positive returns. Looking forward, we remain cautious as performance will likely be affected by a number of factors, including stubborn inflation and concerns about global economic growth. With this in mind the cautious tactical allocation, risk level 2 (out of 7) remains appropriate as we enter a seasonally challenging period of the year.

Model Characteristics	Target	Current
Annualised Return <sup>1</sup>	5.2-6.7%	5.8%
Portfolio Volatility <sup>2</sup>	<9.0%	7.0%
Maximum Loss <sup>3</sup>	<10.0%	-10.4%
Ongoing charge of underlying <sup>4</sup>	<0.75%	0.61%
Number of holdings	<25	18
Last rebalance date	-	Jun-23
Current expected portfolio yield <sup>5</sup>	-	1.84%
Classified 'Passive' investments <sup>6</sup>	20%	30.0%
Since Inception Total Return	-	49.5%

Allocation	Strategic	Current	Tactical
Anchors	27.0%	40.0%	13.0%
Enhancers	55.0%	35.0%	-20.0%
Diversifiers	18.0%	25.0%	7.0%



Performance (%) <sup>1</sup>	1m	3m	YTD	1yr	3yr	5yr
Rivers Balanced	1.8	1.1	3.3	3.6	10.1	21.9
IA Mixed 20-60% Shares	1.4	0.5	2.7	0.0	7.0	8.7
IA Flexible Investment	1.8	1.5	3.6	1.8	16.5	18.6

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%	-0.4%	-	-	1.5%

## 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	14.0%
TwentyFour - Monument Bond I Net Acc	Anchor Active	7.0%
Jupiter - Merian Global Equity Abs Ret Hgd Acc	Anchor Active	6.0%
TM Fulcrum - Diversified Liquid Alt F Acc	Anchor Active	6.0%
Vermeer - Global Equity C	Enhancer Active	6.0%
iShares - UK Gilts All Stocks Index (UK) D Acc	Anchor Passive	5.0%
VT - De Lisle America B	Enhancer Active	5.0%
Lazard - Thematic Inflation Opps EA Acc	Enhancer Active	5.0%
TwentyFour - Dynamic Bond I Net Acc	Enhancer Active	5.0%
Polar Capital - Global Insurance I Acc	Diversifier Active	5.0%

## 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 (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.