

Balanced ESG Portfolio

31st October 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

The portfolio value decreased during October as losses from the underweight Enhancer allocation offset gains from the Anchor and Diversifier allocations. Within Anchors, the allocation to money market funds offset any losses from the longer duration bond funds held. With interest rates now expected to stay high for longer, the yield on long duration bonds exceeded all levels since the financial crisis. Within Enhancers, losses were widespread as robust economic data pushed back any expectations of interest rate cuts into 2025. The message from Central banks that interest rates may go higher and will be held high, saw investor sentiment continue to deteriorate. Within Diversifiers, precious metals and macro added value while real assets, infrastructure and real estate struggled. At the beginning of November the portfolio was rebalanced to lower the tactical underweight allocation. After three months of overall falling equity valuations the opportunity from a marginally increased, but still underweight, risk exposure is attractive.

Performance (%)¹

	1m	3m	YTD	1yr	3yr	5yr
Rivers ESG Balanced	-2.04	-4.2	-1.9	0.5	1.7	19.9
IA Mixed 20-60% Shares	-1.80	-3.3	-0.7	1.7	3.9	8.8
IA Flexible Investment	-2.52	-4.3	-0.9	1.5	10.5	19.7

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	2.2%	-1.0%	-1.1%	-	0.1%

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.

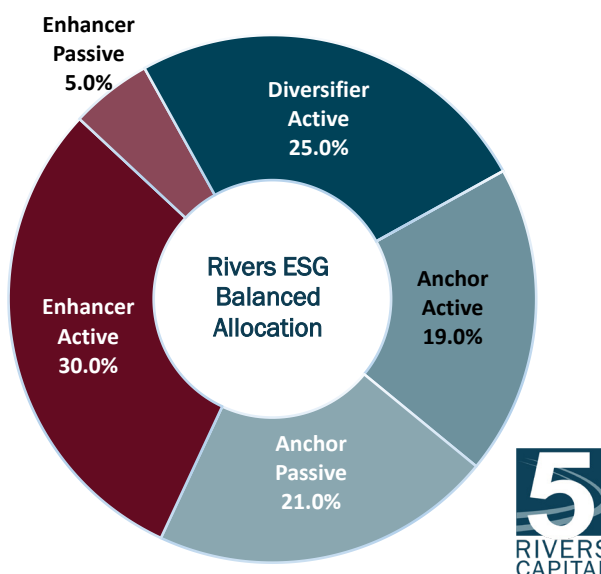
For a more detailed explanation please contact Rivers Capital Management

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%	3.2%
Portfolio Volatility ²	<9.0%	8.2%
Maximum Loss ³	<10.0%	-11.2%
Ongoing charge of underlying ⁴	<0.75%	0.65%
Number of holdings	<25	15
Last rebalance date	-	Jun-23
Current expected portfolio yield ⁵	-	2.14%
Classified 'Passive' investments ⁶	30%	26.0%
Since Inception Total Return	30-Jun-17	23.2%

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%



Top 10 Holdings

Royal London - Short Term Money Mkt Y Acc	Anchor Passive	14.0%
EdenTree - Responsible and Sus Bond B	Anchor Active	7.0%
TM Fulcrum - Diversified Core Abs Ret C Acc	Anchor Active	7.0%
CT - Responsible Global Equity 2 Acc	Enhancer Active	7.0%
Ninety One - Global Environment I	Enhancer Active	7.0%
Rathbone - Ethical Bond Inst Acc	Enhancer Active	7.0%
Royal London - Sus Diversified Trust C Acc	Diversifier Active	7.0%
VT - Gravis Clean Energy Income C Acc	Diversifier Active	7.0%
Robeco - SAM Sus Water Equities G EUR	Diversifier Active	6.0%
iShares - UK Gilts All Stocks Index (UK) D Acc	Anchor Passive	5.0%

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

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