

Balanced ESG Portfolio

31st December 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

December, and the last quarter of 2023, were positive for the portfolio overall. With most equity and bond markets seeing strong returns in both November and December the year finished well. Having added risk at the start of November we expected an improvement in sentiment. What happened exceeded our expectations and led to the decision to take profits and reduce risk on December 18th. Within Anchor assets gains were led by longer duration bonds as interest expectations fell materially. Within Enhancers the strongest gains were in European and the UK equity indices although all regions were positive. Diversifiers assets, with the exception of Gold, struggled especially the energy and macro allocations. The portfolio started 2024 with a relative underweight risk allocation as the we believe market optimism is at a level that the risk of disappointed is high.

Performance (%)¹

	1m	3m	YTD	1yr	3yr	5yr
Rivers ESG Balanced	4.39	6.01	6.14	6.14	3.42	33.08
IA Mixed 20-60% Shares	3.82	5.65	6.80	6.80	3.65	19.99
IA Flexible Investment	3.98	5.27	7.08	7.08	8.47	33.86

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%	5.5%	5.6%

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.

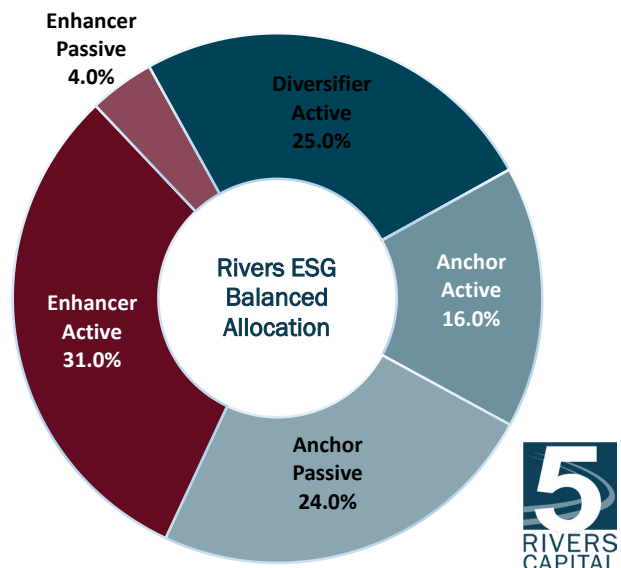
For a more detailed explanation please contact Rivers Capital Management

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%	4.6%
Portfolio Volatility ²	<9.0%	8.4%
Maximum Loss ³	<10.0%	-11.2%
Ongoing charge of underlying ⁴	<0.75%	0.57%
Number of holdings	<25	15
Last rebalance date	-	Dec-23
Current expected portfolio yield ⁵	-	2.45%
Classified 'Passive' investments ⁶	30%	28.0%
Since Inception Total Return	30-Jun-17	35.22%

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%
iShares - UK Gilts All Stocks Index (UK) D Acc	Anchor Passive	8.0%
EdenTree - Responsible and Sust Bond B	Anchor Active	8.0%
Aegon - Absolute Return Bond C Acc	Anchor Active	8.0%
Ninety One - Global Environment I	Enhancer Active	8.0%
Royal London - Sustainable Div Trust C Acc	Diversifier Active	8.0%
CT - Responsible Global Equity 2 Acc	Enhancer Active	6.0%
Rathbone - Ethical Bond Inst Acc	Enhancer Active	6.0%
Guinness - Sustainable Energy Y	Diversifier Active	6.0%
Robeco - SAM Sust Water Equities G EUR	Diversifier Active	6.0%

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

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