

# Adventurous Portfolio

30<sup>th</sup> April 2024



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

The Rivers Adventurous Portfolio seeks capital growth, after fees, as its primary objective whilst maintaining a moderate constraint over overall short-term volatility. The portfolio aims to achieve its objective by diversifying across a broad range of global assets with differing return and volatility profiles. The portfolio will be exposed to global equity market cycles. Fluctuations in the value of the portfolio should be expected in order to achieve greater potential returns over the longer term.

## Market Comment

During April long duration Anchor assets struggled and performance was mixed among Enhancer and Diversifier assets. Within Anchors, cash and absolute return exposure offset any exposure to long duration bonds. For Enhancers, UK equity was strongest with exposure to defensive sectors highest. The worst performing regions were the US and Japan which impacted global funds. Emerging Markets outperformed despite the continued strength of the US Dollar. Within Diversifiers, commodities including energy and gold, surged while Insurance and Real estate struggled. With inflation, at least in the US, higher than expected it is unlikely interest rates will be cut quickly. This will likely affect growth expectations but is not, despite recent volatility, reflected in many asset prices. The portfolio remains underweight risk as we expect valuations to improve in the short term.

| Performance (%) <sup>1</sup> | 1m    | 3m  | YTD | 1yr  | 3yr  | 5yr  |
|------------------------------|-------|-----|-----|------|------|------|
| Rivers Adventurous           | 0.37  | 4.9 | 4.9 | 10.3 | 11.3 | 34.2 |
| IA Mixed 40-85% Shares       | -0.70 | 3.5 | 3.5 | 8.8  | 6.6  | 24.2 |
| IA Flexible Investment       | -0.44 | 4.0 | 4.0 | 9.1  | 6.8  | 27.3 |

| Quarterly | Q1     | Q2    | Q3    | Q4    | Total |
|-----------|--------|-------|-------|-------|-------|
| 2018      | -2.7%  | 3.9%  | 1.4%  | -4.7% | -2.3% |
| 2019      | 5.6%   | 3.8%  | 2.1%  | 0.3%  | 12.3% |
| 2020      | -10.1% | 15.7% | 2.5%  | 6.0%  | 13.0% |
| 2021      | 0.3%   | 4.2%  | 0.6%  | 2.0%  | 7.2%  |
| 2022      | -2.4%  | -7.1% | -0.7% | 4.3%  | -6.1% |
| 2023      | 1.7%   | -0.6% | 1.4%  | 4.4%  | 7.1%  |
| 2024      | 4.4%   | -     | -     | -     | 4.4%  |

## 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 (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)

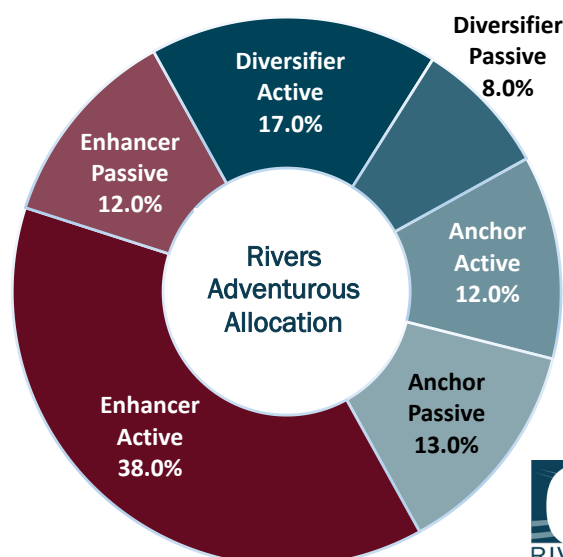
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involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or otherwise in circumstances which have not resulted and will not result in an offer to the public within the meaning 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.

| Model Characteristics                         | Target   | Current |
|-----------------------------------------------|----------|---------|
| Annualised Return <sup>1</sup>                | 6.0-8.5% | 7.1%    |
| Portfolio Volatility <sup>2</sup>             | <13.0%   | 7.7%    |
| Maximum Loss <sup>3</sup>                     | <15.0%   | -10.8%  |
| Ongoing charge of underlying <sup>4</sup>     | <0.75%   | 0.65%   |
| Number of holdings                            | <25      | 21      |
| Last rebalance date                           |          | Feb-24  |
| Current expected portfolio yield <sup>5</sup> |          | 1.80%   |
| Classified ‘Passive’ investments <sup>6</sup> | 40%      | 33.0%   |
| Since Inception Total Return                  |          | 70.8%   |

| Allocation   | Strategic | Current | Tactical |
|--------------|-----------|---------|----------|
| Anchors      | 10.0%     | 25.0%   | 15.0%    |
| Enhancers    | 73.0%     | 50.0%   | -23.0%   |
| Diversifiers | 17.0%     | 25.0%   | 8.0%     |



## Top 10 Holdings

|                                                |                  |      |
|------------------------------------------------|------------------|------|
| VT - De Lisle America B                        | Enhancer Active  | 7.0% |
| Royal London - Short Term Money Mkt Y Acc      | Anchor Passive   | 6.0% |
| TwentyFour - Monument Bond I Net Acc           | Anchor Active    | 6.0% |
| Jupiter - Merian Global Equity Abs Ret Hgd 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% |
| Janus Henderson - European Focus I Acc         | Enhancer Active  | 5.0% |
| Brown Advisory - Global Leaders B Acc GBP      | Enhancer Active  | 5.0% |
| L&G - Sterling Corporate Bond Index I Acc      | Enhancer Passive | 5.0% |
| Baillie Gifford - Emerging Markets Growth      | Enhancer Active  | 5.0% |