

# Balanced ESG Portfolio

31<sup>st</sup> May 2024



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 saw increased volatility particularly from equities but finished positively after a rally on the last day of the month. Across Enhancer assets, performance varied with Developed market equities materially outperforming both Emerging Market equities and Corporate debt. For Anchors, benchmark interest rates did rise marginally, on the back of stubborn inflation, although losses were more than offset by positive returns from money market and absolute return allocations. Within Diversifiers, the fall in energy prices affected commodities, although Gold continued its strong performance seen this year. Real Estate and Macro saw further small losses but Insurance was positive. Looking forward, with valuations extended and geo-political risks elevated we continue to maintain an underweight risk allocation. Seasonally the summer can be difficult although we remain optimistic in the medium term.

Performance (%) <sup>1</sup>	1m	3m	YTD	1yr	3yr	5yr
<b>Rivers ESG Balanced</b>	1.80	3.5	4.1	9.4	5.2	28.7
IA Mixed 20-60% Shares	0.83	2.5	2.6	8.4	3.0	16.4
IA Flexible Investment	0.82	3.1	4.9	10.6	7.9	30.8

Quarterly	Q1	Q2	Q3	Q4	Total
2018	-	2.8%	1.5%	-4.6%	-0.5%
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%	5.7%
2024	3.3%	-	-	-	3.3%

## 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 31<sup>st</sup> 2017).
- Volatility is calculated as the annualised average weekly standard deviation of return since inception (March 31<sup>st</sup> 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.

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

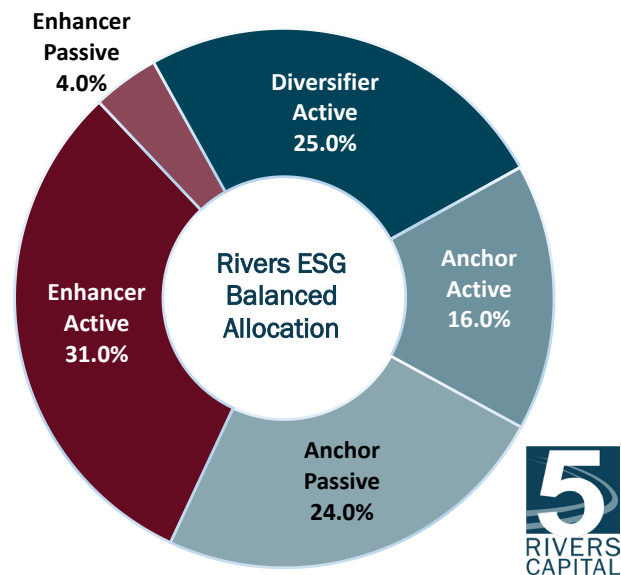
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involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or otherwise in circumstances which have not resulted and will not result in an offer to the public within the meaning 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>	5.2-6.7%	4.9%
Portfolio Volatility <sup>2</sup>	<9.0%	8.3%
Maximum Loss <sup>3</sup>	<10.0%	-11.2%
Ongoing charge of underlying <sup>4</sup>	<0.75%	0.57%
Number of holdings	<25	15
Last rebalance date	-	Dec-23
Current expected portfolio yield <sup>5</sup>	-	2.54%
Classified 'Passive' investments <sup>6</sup>	40%	28.0%
Since Inception Total Return	30-Jun-17	40.7%

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%

