

# Balanced Income Portfolio

30<sup>th</sup> June 2024



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

The Rivers Balanced Income Portfolio targets an income of 4.0% by diversifying across a broad range of assets. The portfolio is expected to maintain real value, net of income, after inflation while minimising the possibility of the investment falling in value. The typical investor seeks consistent income from their investment but is able to accept a moderate level of risk for the potential of higher income. They recognise that their capital is at risk and that its value may fluctuate.

## Market Comment

June saw increased volatility within equity indices although most ended the month higher. Emerging markets, led by Indian equities, were the strongest 'Enhancer' assets, with the US and Japan being positive but Europe and the UK falling slightly. For 'Anchors', benchmark interest rates fell marginally, as the expectation of a July UK interest rate cut rose, and returns were boosted with positive returns from money market and absolute return allocations. In contrast, 'Diversifiers' struggled, with Energy, Insurance and Gold all losing value. This was in part offset by Real Estate. Looking forward, with some sector valuations extended and geopolitical 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
Rivers Balanced Income	0.40	0.9	3.3	7.0	2.6	12.4
IA Mixed 20-60% Shares	1.01	1.1	3.7	9.4	2.8	15.2
IA Global Equity Income	1.06	0.5	6.8	12.8	24.3	46.7

Quarterly	Q1	Q2	Q3	Q4	Total
2018	-2.8%	3.5%	5.8%	1.4%	7.9%
2019	4.7%	3.1%	1.7%	1.5%	11.3%
2020	-14.1%	10.8%	0.9%	6.6%	2.4%
2021	0.2%	3.0%	0.7%	1.5%	5.5%
2022	-1.2%	-5.9%	-3.4%	3.2%	-7.2%
2023	1.1%	-1.2%	-0.3%	3.7%	3.3%
2024	2.3%	0.8%	-	-	3.2%

## 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)

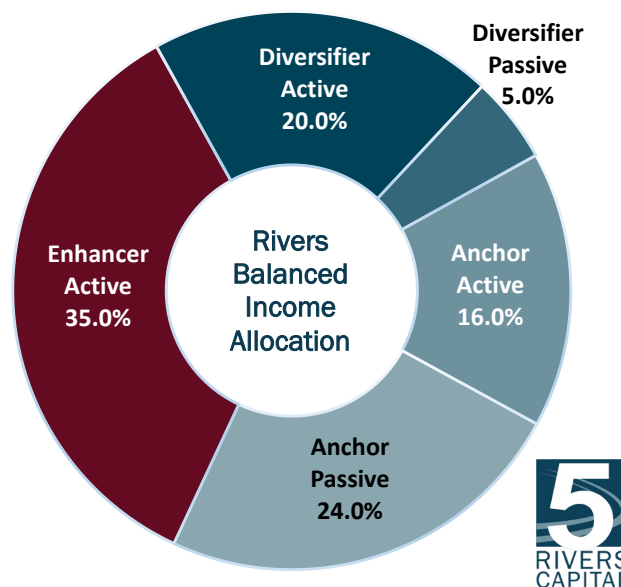
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involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or otherwise in circumstances which have not resulted and will not result in an offer to the public within the meaning 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>	5.0-6.0%	3.8%
Portfolio Volatility <sup>2</sup>	<7.0%	7.3%
Maximum Loss <sup>3</sup>	<10.0%	-14.0%
Ongoing charge of underlying <sup>4</sup>	>0.75%	0.56%
Number of holdings	<25	15
Last rebalance date		Dec-23
Current expected portfolio yield <sup>5</sup>		4.17%
Classified 'Passive' investments <sup>6</sup>	40%	29.0%
Since Inception Total Return		34.8%

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 Inc	Anchor Passive	17.0%
BNY Mellon - Global Dynamic Bond Inst W Inc	Anchor Active	9.0%
BNY Mellon - Global Income Inst W Inc	Enhancer Active	9.0%
Artemis - Strategic Bond I Monthly Inc	Anchor Active	7.0%
Fidelity - Enhanced Income W Inc	Enhancer Active	6.0%
TwentyFour - Dynamic Bond I Net Inc	Enhancer Active	6.0%
BNY Mellon - Real Return Inst W Inc	Diversifier Active	6.0%
iShares - UK Gilts All Stocks Index (UK) D Inc	Anchor Passive	5.0%
Schroder - Monthly Income Z Inc	Enhancer Active	5.0%
Baillie Gifford - High Yield Bond B Inc	Enhancer Active	5.0%

