

# Rivers Cautious Risk Portfolio

31<sup>st</sup> July 2025



## Investment Objective

The Rivers Cautious Portfolio targets modest long term returns above inflation, and after fees, at controlled volatility levels. The portfolio aims to achieve its objective by diversifying across a broad range of assets with moderate return and lower volatility profiles. The portfolio may be somewhat exposed to global equity and interest rate market cycles. The typical investor seeks modest capital growth but must accept that the portfolio's investment value may fluctuate in the short term.

## Market Comment

Markets continued to advance in July, with many reaching all-time highs. Portfolio returns have been strong since tactically increasing risk exposure on April 8<sup>th</sup>. In July, the largest contributor was the Enhancer (equity) allocation, with all positions adding value, led by Emerging Market equities. Anchor allocations also delivered positive returns across the board. Diversifiers were more mixed: Gold and Infrastructure performed well, while Macro struggled and Insurance was the weakest performer. At month-end, we tactically reduced risk exposure in a rebalance that shifted allocation from Enhancer to Anchors and Diversifiers. This adjustment aims to lock in gains and reduce exposure ahead of an expected more volatile period.

Performance (%) <sup>1</sup>	1m	3m	YTD	1yr	3yr	5yr
Rivers Cautious Risk	1.68	4.51	6.02	5.71	19.6	24.4
IA Mixed 0-35% Eqty	1.32	3.60	4.01	5.29	10.9	10.2
RCM LowMed RR BM	1.97	4.91	4.05	5.57	12.7	22.8

Quarterly	Q1	Q2	Q3	Q4	Total
2019	3.83%	3.19%	2.23%	-0.52%	9.0%
2020	-6.49%	10.55%	1.30%	3.42%	8.3%
2021	-0.58%	2.50%	0.87%	1.45%	4.3%
2022	-1.56%	-5.41%	-0.89%	3.69%	-4.3%
2023	1.54%	0.15%	2.06%	3.15%	7.1%
2024	3.90%	1.06%	0.85%	-0.54%	5.3%
2025	0.29%	3.97%			6.0%

### Rivers Asset Classification System:

**"Anchors"**: investments selected for low market correlation, low risk and capital preservation core characteristics. Significant allocation in low risk portfolios.

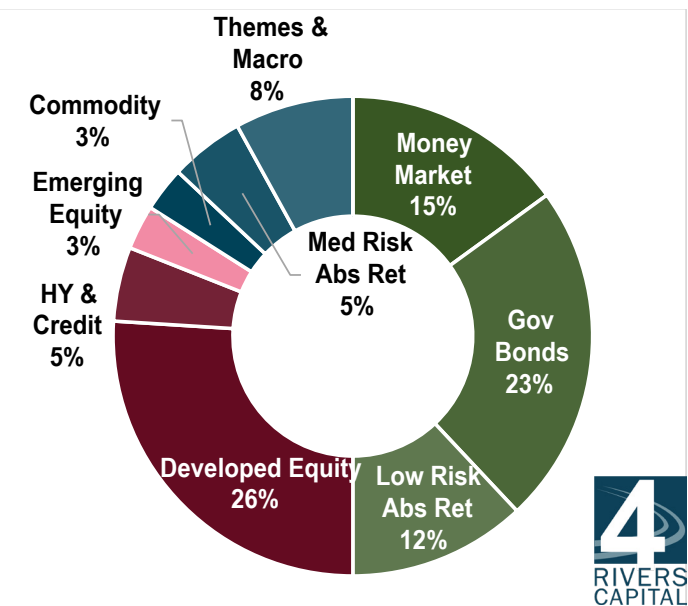
**"Enhancers"**: selected to increase portfolio long term return but exposed to equity risk. Allocation likely to increase with risk tolerance as returns become more volatile.

**"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

Model Characteristics	Target	Current
Annualised Return <sup>1</sup>	4.5-6%	5.3%
Portfolio Volatility <sup>2</sup>	<7%	5.2%
Maximum Loss <sup>3</sup>	<7%	-7.7%
Ongoing charge of underlying <sup>4</sup>	<0.70%	0.50%
Number of holdings	<25	18
Last rebalance date		29 <sup>th</sup> July 2025
Current expected portfolio yield <sup>5</sup>		2.67%
Classified 'Passive' investments <sup>6</sup>	40.0%	25.0%
Since Inception Total Return		60.0%

Allocation	Strategic	Current	Tactical
Anchors	43.0%	50.0%	7.0%
Enhancers	40.0%	34.0%	-6.0%
Diversifiers	17.0%	16.0%	-1.0%



### Top 10 Holdings

Royal London - Short Term Money Market Y Acc	Anchor Passive	13.0%
TwentyFour - Monument Bond I Net Acc	Anchor Active	10.0%
AXA - Global Short Duration Bonds Z Acc	Anchor Active	7.0%
Aegon - Absolute Return Bond C Acc	Anchor Active	6.0%
Jupiter - Merian Global Equity Abs Ret Hgd Acc	Anchor Active	6.0%
Nomura - Corporate Hybrid Bond F Hedged Acc GBP	Anchor Active	6.0%
Vanguard - Global Equity Income Acc	Enhancer Active	6.0%
HSBC - FTSE 100 Index C Acc	Enhancer Passive	5.0%
JPM - Global Macro Opportunities C Acc	Diversifier Active	5.0%
L&G - Sterling Corporate Bond Index I Acc	Enhancer Passive	5.0%

### 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 (30/06/2016).
- Volatility is calculated as the annualised average weekly standard deviation of return since inception (30/06/2016).
- 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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