

# Cautious Income Portfolio

31st March 2017



INTELLIGENT INTUITIVE INVESTING

## Investment Objective

The Cautious Income Portfolio targets an Income of 3.5% by diversifying across a broad range of assets with differing return and volatility profiles.

The portfolio after Income is expected to maintain real value after inflation while minimising the possibility of the investment falling in value. The Cautious

Income portfolio investment value will fluctuate in the short term, but we would not expect significant falls in value over a sustained period.

## Market Comment

March was generally another positive month for investors although increased volatility indicated heightened investor concern in some asset classes. The pound modestly strengthened against the US dollar as the Federal Reserve indicated interest rates would rise more slowly

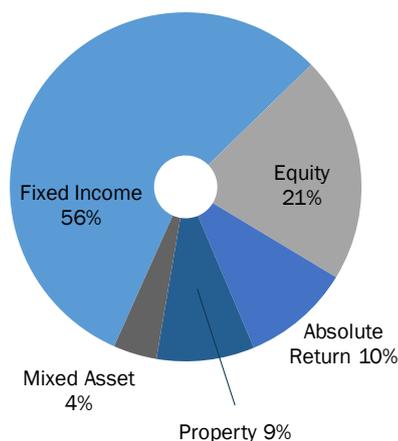
than had previously been expected. US Dollar weakness affected commodity prices and some non sterling equities although European and Emerging Market equities gained relatively. During the month we lowered risk by decreasing exposure to equity and adding diversification.

Valuations are high and we believe protecting capital now will enable us to be opportunistic when valuations become more attractive in the future

Key Objectives	Target	S/I <sup>2</sup>	Performance (%) <sup>1</sup>	1 mth	3 mth	6 mth	YTD	1yr	S/I <sup>2</sup>
Target Return	4.0-5.0%		<b>Rivers Cautious Income Portfolio</b>	<b>0.33</b>	<b>2.45</b>	<b>3.08</b>	<b>2.45</b>	<b>N/A</b>	<b>6.86</b>
Maximum Risk	7.0%		IA Mixed 0%-35% Equity	0.50	2.13	2.07	2.13	9.38	6.74
Expected Maximum Loss	6.0%		IA Money Market	1.61	4.91	10.71	4.91	25.42	18.38
Maximum OCF <sup>3</sup>	0.75%								

### Top 10 Holdings

Aviva Inv - Multi Strategy Target Income 2	10.0%
BlackRock - UK Gilts All Stocks Tracker D Inc	9.0%
Legg Mason - IF Western Asset Global Multi Strategy Bond X Inc	9.0%
Royal London - Cash Plus M Inc	8.0%
Muzinich - Enhancedyield Short Term A Hedged Inc GBP	8.0%
Schroder - Strategic Credit L Inc	8.0%
L&G - Dynamic Bond Trust I Inc	8.0%
Schroder - Mixed Distribution Z Inc	6.0%
Fidelity - Enhanced Income W Inc	6.0%
L&G - Emerging Markets Government Bond (US\$) Index I Inc	6.0%



Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	43.0%	60.0%	17.0%
Enhancers	40.0%	27.0%	-13.0%
Diversifiers	17.0%	13.0%	-4.0%

## Current Model Characteristics

Number of holdings	16
Underlying fund charges (Excl fee) <sup>3</sup>	0.58%
Last rebalance date	Nov-16
Current expected portfolio yield <sup>3</sup>	3.64%
Classified 'Passive' investments	34.0%
Current loss since previous high <sup>4</sup>	

## 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 Financial Express data but performances will likely differ from individual accounts due to inflows and timing issues. The performance is net of a 0.25%+VAT Rivers Capital Management fee.
- The since inception data will be blank until the July 2017 when the model replication will be 12 months old. The model inception date is July first 2016.
- The fees quoted are based on the current portfolio weightings using the latest available OCF data of each fund. The yield is not guaranteed.
- The current loss is calculated as the replicated loss from the previous month end highest portfolio value. Intra month or daily data may exceed this.

For further information or enquires, professional advisors please contact the investment team directly on **020 7866 2140** or by emailing **info@riverscm.com**

Disclaimer: Rivers Capital Management is an appointed representative of SCD & Co Ltd, which is authorised & regulated by the Financial Conduct Authority (FCA). Its registered offices are at 1 Berkeley Street, London W1J 8DJ United Kingdom. This factsheet is intended only for use by Financial Advisors and not for distribution to retail investors. This document does not constitute professional advice, or an offer, or a solicitation of an offer, to sell securities and no securities are to be offered or sold other than to persons whose ordinary activities

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.