

Cautious Income Portfolio

31st October 2016



INTELLIGENT INTUITIVE INVESTING

Investment Objective

The Cautious Income Portfolio targets an Income in 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.

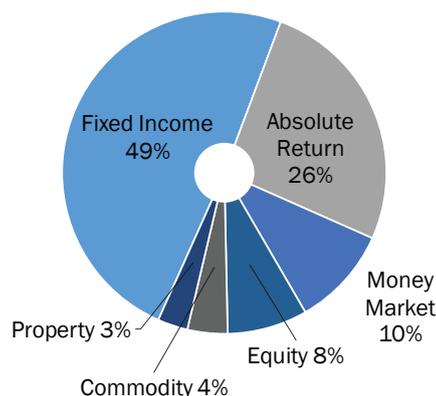
Market Comment

October was a difficult month for some asset classes, specifically government fixed income, as sovereign bonds struggled to hold on to elevated valuations. In general, equities managed to maintain their positive momentum that has so far lasted since early summer. Sterling's depreciation raised fears of impending domestic

inflation, a concern we believe is real, but the positive effect for sterling returns from foreign held assets was material. The asset diversification and our allocation to index-linked bonds provided protection against losses in bonds. Looking ahead, and given the impending U.S. Presidential Election, our

view is fairly cautious as there are some signs that the Federal Reserve may raise rates and that the European Central Bank may 'taper' its aggressive quantitative easing program. We have, so far, delayed adopting a more cautious tactical position but expect this to be prudent should valuations rise further or risks escalate.

Key Objectives	Target	S/I ²	Performance (%) ¹	1 mth	3 mth	6 mth	YTD	1yr	S/I ²
Target Return	4.50%		Rivers Cautious Income Portfolio	0.8	2.0	N/A	N/A	N/A	3.0
Maximum Risk	7.00%		IA Mixed 0%-35% Equity	-0.1	1.5	6.8	8.4	8.3	1.5
Expected Maximum Loss	6.00%		IA Money Market	4.2	5.8	18.2	21.7	22.8	5.8
Maximum OCF ³	0.75%								



Top 10 Holdings

Kames - Absolute Return Bond C Acc GBP**	12.0%
BlackRock - Cash D Acc	10.0%
L&G - All Stocks Index Linked Gilt Index Trust M Acc	10.0%
Insight - Absolute Insight Equity Market Neutral B3p GBP	10.0%
Muzinich - Enhancedyield Short Term A Hedged Inc GBP**	9.0%
Fidelity - MoneyBuilder Income Reduced Duration Y Gr Inc**	9.0%
TwentyFour - Monument Bond I Net Acc GBP	9.0%
Newton - Global Dynamic Bond W Acc GBP	8.0%
Ardevora - Global Equity C	4.0%
Allianz - Best Styles Global AC Equity C Acc	4.0%

Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	43.0%	50.0%	7.0%
Enhancers	40.0%	39.0%	-1.0%
Diversifiers	17.0%	11.0%	-6.0%

Current Model Characteristics

Number of holdings	15
Underlying fund charges (Excl fee) ³	0.72%
Last rebalance date	Jul-16
Current expected portfolio yield ³	3.57%
Classified 'Passive' investments	0.0%
Current loss since previous high 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 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**

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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.