Preservation Portfolio

31st January 2017

RIVERS CAPITAL MANAGEMENT

INTELLIGENT INTUITIVE INVESTING

Investment Objective

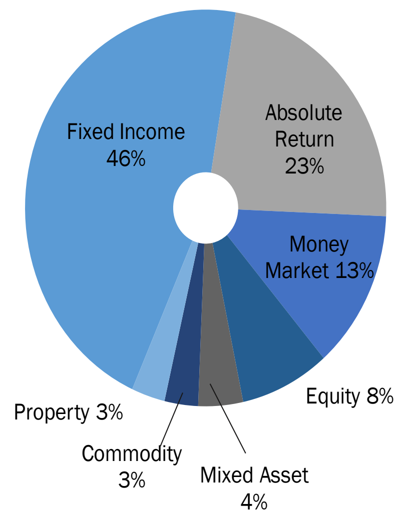
The objective of the Capital Preservation portfolio is to create sufficient returns to maintain the real value of the portfolio after inflation. The portfolio can tolerate short term and limited capital loss but its primary objective is to maintain value over the medium term. The portfolio will be invested primarily in low risk assets which will be anchored to the prevailing risk free rate of return.

Market Comment

January saw modest losses in developed fixed income markets as bond yields rose in response to concerns regarding inflation. Equities lost some momentum in the final few trading sessions of but broadly finished the month higher. Overall the portfolios started the year positively despite an underweight risk allocation. With President Trump now inaugurated and Brexit implications uncertain there are clearly rising geo-political tension but so far the investment market reaction has been muted. Valuations across most asset classes continue to look historically high and while they could easily get higher risk remains elevated. We continue to recommend remaining significantly allocated whilst keeping a keen eye of escalating market and political risks.

Key Objectives	Target	S/I[2]
Target Return	3.0-4.0%	
Maximum Risk	4.5%	
Expected Maximum Loss	5.0%	

Performance (%)[1]	1 mth	3 mth	6 mth	YTD	1yr	S/I[2]
Rivers Preservation	**-0.1**	**0.18**	**3.62**	**-0.10**	**N/A**	**5.36**
IA Money Market	0.01	0.04	0.10	0.01	0.23	0.13
IA Mixed 0%-35% Equity	0.07	0.10	1.60	0.07	9.59	4.59



Top 10 Holdings	
BlackRock - Cash D Acc	13.0%
BlackRock - UK Gilts All Stocks Tracker D Acc	12.0%
Vanguard - UK Inflation Linked Gilt Index Acc	10.0%
Insight - Absolute Insight Equity Market Neutral B3p GBP	10.0%
Kames - Absolute Return Bond C Acc GBP	9.0%
Muzinich - Enhancedyield Short Term A Hedged Inc GBP	8.0%
TwentyFour - Monument Bond I Net Acc GBP	8.0%
Vanguard - UK Long Duration Gilt Index Acc	4.0%
Newton - Real Return Inst W Acc	4.0%
Ardevora - Global Equity C	4.0%

Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	70.0%	74.0%	4.0%
Enhancers	17.0%	12.0%	-5.0%
Diversifiers	13.0%	14.0%	1.0%

Current Model Characteristics	
Number of holdings	15
Underlying fund charges (Excl fee)[3]	0.55%
Last rebalance date	Nov-16
Current expected portfolio yield[3]	0.97%
Classified 'Passive' investments	50.0%
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:

1. 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.
2. 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.
3. The fees quoted are based on the current portfolio weightings using the latest available OCF data of each fund. The yield is not guaranteed.
4. 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**