

Balanced Income Portfolio

31st October 2017



INTELLIGENT INTUITIVE INVESTING

Investment Objective

The Balanced Income Portfolio targets an income of 4.0% by diversifying across a broad range of assets with differing return and volatility profiles. After Income, the portfolio is expected

to maintain real value 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.

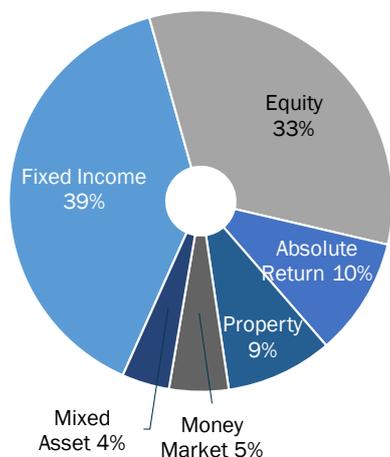
Market Comment

October was another good month for investors. Nearly all developed and emerging market Enhancer assets held within the portfolio provided positive performance. The US equity market, led primarily by technology continued to set new highs despite concerns about valuations.

For Anchor assets, returns were modest but generally positive, while for Diversifiers real estate struggled while commodities, and especially energy, added value. Overall the portfolio recovered modest losses from September and benefited from exposure across

many asset classes. Global growth remains positive but with valuation increases continuing to outpace economic fundamentals we continue with an underweight but positive risk allocation. No new funds or material asset allocation changes were implemented throughout October.

| Key Objectives | Target | Actual ² | Performance (%) ¹ | 1 mth | 3 mth | 6 mth | YTD | 1yr | S/I |
|-----------------------------------|----------|---------------------|------------------------------|-------|-------|-------|------|-------|-------|
| Annualised Return ² | 5.0-6.0% | 9.8% | Rivers Balanced Income | 0.85 | 0.73 | 2.10 | 5.60 | 5.30 | 13.26 |
| Portfolio Volatility ² | 7.00% | 4.1% | IA Mixed 20%-60% Equity | 1.43 | 1.45 | 3.18 | 6.27 | 6.88 | 14.12 |
| Maximum Loss ² | 10.00% | 1.8% | IA Global Equity Income | 2.29 | 2.43 | 5.51 | 8.87 | 10.25 | 22.85 |
| Highest OCF ² | 0.75% | 0.70% | | | | | | | |



Top 10 Holdings

| | |
|--|-------|
| Schroder - Strategic Credit L Inc | 10.0% |
| Aviva Inv - Multi Strategy Target Income 2 | 10.0% |
| L&G - Dynamic Bond Trust I Inc | 9.0% |
| Fidelity - Enhanced Income W Inc | 9.0% |
| Legg Mason - IF Western Asset Global Multi Strategy Bond X Inc | 8.0% |
| Schroder - Mixed Distribution Z Inc | 8.0% |
| NB - Short Duration High Yield Bond Inst Inc GBP | 8.0% |
| HSBC - FTSE All Share Index C Inc | 7.0% |
| iShares - Global Property Securities Equity Index (UK) D Inc | 6.0% |
| Royal London - Cash Plus M Inc | 5.0% |

| Asset Type | Strategic Weight | Current Weight | Tactical Position |
|--------------|------------------|----------------|-------------------|
| Cash | 0.0% | 0.0% | 0.0% |
| Anchors | 27.0% | 42.0% | 15.0% |
| Enhancers | 55.0% | 45.0% | -10.0% |
| Diversifiers | 18.0% | 13.0% | -5.0% |

Current Model Characteristics

| | |
|---|--------|
| Number of holdings | 16 |
| Underlying fund charges (Excl fee) ³ | 0.65% |
| Last rebalance date | Mar-17 |
| Current expected portfolio yield ³ | 4.19% |
| Classified 'Passive' investments | 25.0% |
| Current loss since previous high ⁴ | 0.22% |

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 'Actual' data includes the highest ever OCF and loss and the annualised total return and volatility since inception on June 30, 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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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.