

Cautious Income Portfolio

30th November 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

Considering we saw the first rise in UK interest rates in a decade and uncertainty over Brexit dominating the news November was an uneventful month for investors. Many equity indices recorded losses, especially in sterling terms, as investors consolidated recent gains, but the positive trend continued in Japan and

the US where gains were strong enough to offset any currency losses. Surprising many, Gilts gained value as expectations of further interest rate rises were diminished by the Bank of England. Overall the portfolio recorded a modest loss as sterling strength effected the position we hold in Enhancer assets. December

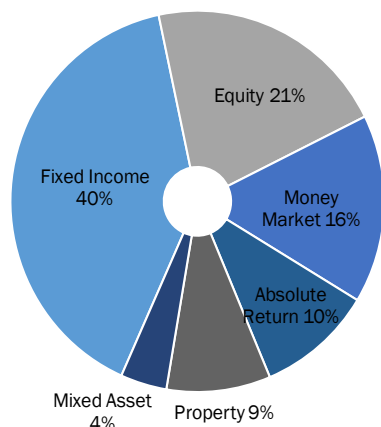
is often a positive month for investors, so we are hopeful of a positive end to a positive year. That said with valuations remaining high we remain defensively positioned going into what we expect to be a challenging 2018.

Key Objectives	Target	Actual ²
Annualised Return ²	4.0-5.0%	5.3%
Portfolio Volatility ²	7.0%	3.3%
Maximum Loss ²	6.0%	1.5%
Highest OCF ²	0.75%	0.72%

Performance (%) ¹	1 mth	3 mth	6 mth	YTD	1yr	S/I
Rivers Cautious Income	-0.26	-0.41	-0.23	3.29	4.64	7.58
IA Mixed 0%-35% Equity	-0.12	-0.11	0.50	4.03	5.61	8.73
IA Global Equity Income	0.02	0.94	2.36	8.89	12.82	22.87

Top 10 Holdings

Aviva Inv - Multi Strategy Target Income 2	10.0%
iShares - UK Gilts All Stocks Index (UK) 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) ³	0.58%
Last rebalance date	Mar-17
Current expected portfolio yield ³	3.80%
Classified 'Passive' investments	34.0%
Current loss since previous high ⁴	-0.15%

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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