Preservation Portfolio

31st January 2018

RIVERS CAPITAL MANAGEMENT

INTELLIGENT INTUITIVE INVESTING

Investment Objective

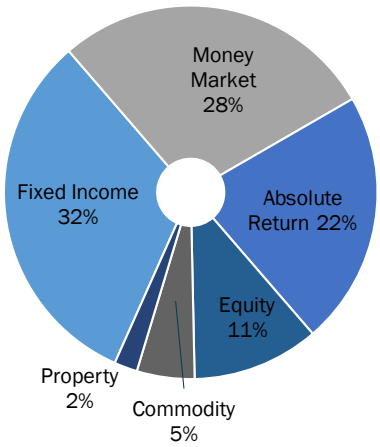
The objective of the Capital Preservation portfolio is to create sufficient returns to maintain the real value of the portfolio after inflation. The portfolio can tolerate short term and limited capital loss but its primary objective is to maintain value over the medium term. The portfolio will be invested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

Market Comment

Despite headlines of new highs in global equity markets and accelerating global growth investors had a mixed start to 2018. Global equity markets did see strong gains in local terms but for UK investors an increase in the value of sterling, especially against the US Dollar, impacted returns and saw domestic UK equity values retreat. In addition, a rise in benchmark longer term interest rates affected the valuations of many fixed income securities held in lower risk portfolios. Equity valuations appear high, even considering strong global growth. The defensive allocation we continue to recommend will protect overall portfolio value and enable opportunistic rebalancing at more attractive valuations in the future.

Key Objectives	Target	Actual[2]
Annualised Return[2]	3.0-4.0%	5.2%
Portfolio Volatility[2]	4.5%	2.6%
Maximum Loss[2]	5.0%	0.8%
Highest OCF[2]	0.75%	0.66%

Performance (%)[1]	1 mth	3 mth	6 mth	YTD	1yr	S/I
Rivers Preservation	**-0.11**	**0.2**	**1.87**	**-0.11**	**3.58**	**9.11**
IA Money Market	0.01	0.03	0.04	0.01	0.05	0.11
IA Mixed 0%-35% Equity	-0.30	0.26	0.98	-0.30	4.17	8.79



Top 10 Holdings	
Royal London - Cash Plus Y Acc	13.0%
Kames - Absolute Return Bond C Acc GBP	12.0%
Aberdeen - Sterling Money Market I Acc	10.0%
Old Mutual - Global Equity Absolute Return R Hedged Acc GBP	10.0%
TwentyFour - Monument Bond I Net Acc GBP	8.0%
EdenTree - Amity Sterling Bond B	8.0%
Vanguard - UK Inflation-Linked Gilt Index A Gross Acc GBP	7.0%
Muzinich - Enhancedyield Short Term A Hedged Inc GBP	5.0%
iShares - UK Gilts All Stocks Index (UK) D Acc	5.0%
DB - Physical Gold	5.0%

Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	70.0%	78.0%	8.0%
Enhancers	17.0%	10.0%	-7.0%
Diversifiers	13.0%	12.0%	-1.0%

Current Model Characteristics	
Number of holdings	17
Underlying fund charges (Excl fee)[3]	0.46%
Last rebalance date	Mar-17
Current expected portfolio yield[3]	1.17%
Classified 'Passive' investments	48.0%
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 'Actual' data includes the highest ever OCF and loss and the annualised total return and volatility since inception on June 30, 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.

defaqto 2017 ★★★★★ DFM MPS on Platform

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.