

# Preservation Portfolio

31<sup>st</sup> March 2018



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.

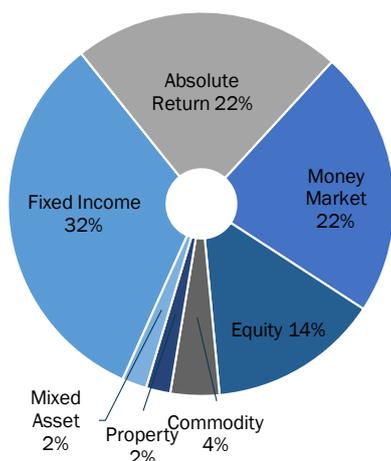
## Market Comment

Concerns regarding rising protectionist policies put further pressure on global equity indices during March. Fixed income, despite concerns over rising interest rates, offered some protection to investors as government bonds rallied. Property and some commodities, mainly energy related, gained value but overall it was another

challenging month for the portfolio. With many equity indices now down nearly 10% from early January highs, and more attractively priced on a valuation perspective, we added some Enhancer risk to the portfolios at the end of the month. The portfolio remains cautiously positioned as we expect volatility to continue in the coming

months. That said, with fundamental economic indicators remaining positive, and provided protectionism does not escalate, we would again welcome further opportunity to further increase portfolio risk exposure.

Key Objectives	Target	Actual <sup>2</sup>	Performance (%) <sup>1</sup>	1 mth	3 mth	6 mth	YTD	1yr	S/I
Annualised Return <sup>2</sup>	3.0-4.0%	8.6%	Rivers Preservation	-0.22	-0.55	0.47	-0.55	1.64	8.63
Portfolio Volatility <sup>2</sup>	4.5%	2.6%	IA Money Market	0.01	0.05	0.09	0.05	0.13	0.30
Maximum Loss <sup>2</sup>	5.0%	0.8%	IA Mixed 0%-35% Equity	-0.88	-2.22	-0.71	-2.22	0.37	7.14
Highest OCF <sup>2</sup>	0.75%	0.66%							



## Top 10 Holdings

Kames - Absolute Return Bond C Acc GBP	12.0%
Old Mutual - Global Equity Absolute Return R Hedged Acc GBP	10.0%
Aberdeen - Sterling Money Market I Acc	9.0%
TwentyFour - Monument Bond I Net Acc GBP	9.0%
Royal London - Cash Plus Y Acc	8.0%
Newton - Global Dynamic Bond Institutional W Acc GBP	7.0%
Muzinich - Enhancedyield Short Term A Hedged Inc GBP	5.0%
EdenTree - Amity Sterling Bond B	5.0%
Vanguard - UK Inflation-Linked Gilt Index A Gross Acc GBP	5.0%
iShares - UK Gilts All Stocks Index (UK) D Acc	4.0%

Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	70.0%	76.0%	6.0%
Enhancers	17.0%	12.0%	-5.0%
Diversifiers	13.0%	12.0%	-1.0%

## Current Model Characteristics

Number of holdings	20
Underlying fund charges (Excl fee) <sup>3</sup>	0.51%
Last rebalance date	Mar-17
Current expected portfolio yield <sup>3</sup>	1.34%
Classified 'Passive' investments	38.0%
Current loss since previous high <sup>4</sup>	-

### 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.

## 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



For further information or enquires, professional advisors please contact the investment team directly on **020 3383 0180** or by emailing **info@riverscm.com**

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