Cautious Portfolio

31st October 2018

RIVERS CAPITAL MANAGEMENT

INTELLIGENT INTUITIVE INVESTING

Investment Objective

The Cautious Portfolio targets a return in excess of inflation by diversifying across a broad range of assets with differing return and volatility profiles. The portfolio targets a return 3-4% above inflation while minimising the possibility of the investment falling in value. The Cautious portfolio investment value may fluctuate in the short term, but we would not expect significant fluctuations in value over a sustained period.

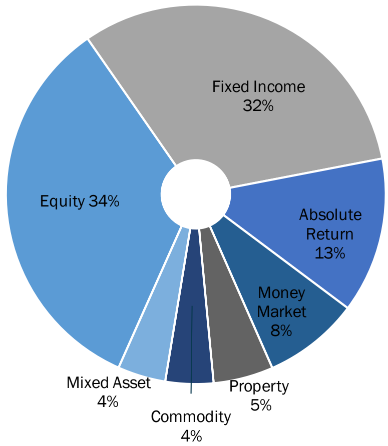
Market Comment

The risk reduction implemented across portfolios in September did provide some protection but October still proved to be a challenging month for most investments. Both Developed and Emerging Market equities saw sharp falls as extended valuations, fears of slowing global growth and rising US interest rates impacted confidence. Some protection came from Anchors and Diversifiers, with government bonds and Gold offering the only clearly positive returns for the month, but the sell off did affect most assets. With economic fundamentals remaining positive and valuations improved we took the opportunity, towards the end of the month, to reduce the underweight risk position. While volatility is expected to be sustained the outlook towards the end of the year is positive.

Key Objectives	Target	Actual[2]
Annualised Return[2]	4.5-6.0%	6.2%
Portfolio Volatility[2]	7.0%	3.7%
Maximum Loss[2]	6.0%	-1.8%
Highest OCF[2]	0.75%	0.71%

Performance (%)[1]	1 mth	3 mth	6 mth	YTD	1yr	S/I
Rivers Cautious Portfolio	**-1.37**	**-1.45**	**0.49**	**0.14**	**0.60**	**15.20**
IA Mixed 0%-35% Equity	-1.65	-2.04	-1.00	-2.02	-1.36	7.37
FTSE Act. Gilts All Stocks	0.93	-0.47	0.35	-0.41	1.27	0.22

Top 10 Holdings	
BlackRock - Cash D Acc	8.0%
TwentyFour - Monument Bond I Net Acc GBP	7.0%
Old Mutual - Global Equity Absolute Return R Hedged Acc GBP	7.0%
EdenTree - Amity Sterling Bond B	6.0%
Kames - Absolute Return Bond C Acc GBP	6.0%
Investec - Global Franchise I Acc	6.0%
Allianz - Best Styles Global AC Equity C Acc	6.0%
Artemis - Strategic Bond I Monthly Acc	5.0%
Fidelity - Index Europe ex UK P Acc	5.0%
M&G - Strategic Corporate Bond I Acc GBP	5.0%



Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	43.0%	49.0%	6.0%
Enhancers	40.0%	35.0%	-5.0%
Diversifiers	17.0%	16.0%	-1.0%

Current Model Characteristics	
Number of holdings	20
Underlying fund charges (Excl fee)[3]	0.53%
Last rebalance date	Oct-18
Current expected portfolio yield[3]	1.75%
Classified 'Passive' investments	37.0%
Current loss since previous high[4]	0.1%

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.

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