Preservation Portfolio

31st July 2019

RIVERS CAPITAL MANAGEMENT

INTELLIGENT INTUITIVE INVESTING

Investment Objective

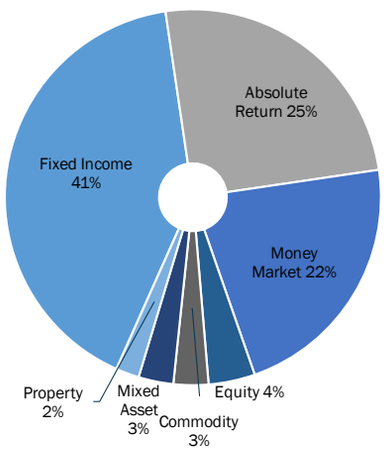
The objective of the Capital Preservation portfolio is to create sufficient returns to maintain the real value of the portfolio after inflation. The portfolio can tolerate short term and limited capital loss but its primary objective is to maintain value over the medium term. The portfolio will be invested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

Market Comment

July was a positive month for nearly all asset classes. The portfolio benefited from value growth in Anchors, Enhancers and Diversifiers. Strong underlying returns in global assets were further boosted by sterling devaluation as concern regarding a no-deal Brexit increased. Within Anchor assets the best performing investment was inflation linked bonds. Nearly all Enhancer assets were positive led by US and Global Equity funds. The strongest returns of all, for July and year to date, have been seen within Diversifiers where precious metals, commodities and insurance have offered strong uncorrelated returns. Looking forward, the cautious risk allocation adopted in March continues to make sense as already high valuations continue to rise.

Key Objectives	Target	Actual[2]
Annualised Return[2]	3.0-4.0%	4.0%
Portfolio Volatility[2]	4.5%	2.3%
Maximum Loss[2]	5.0%	-1.7%
Highest OCF[2]	0.75%	0.66%

Performance (%)[1]	1 mth	3 mth	6 mth	YTD	1yr	S/I
Rivers Preservation	**0.95**	**2.64**	**3.96**	**4.76**	**3.00**	**12.81**
IA Money Market	0.07	0.19	0.40	0.47	0.73	1.18
IA Mixed 0%-35% Equity	1.51	3.02	5.86	7.75	4.10	14.12



Top 10 Holdings	
Kames - Absolute Return Bond C Acc GBP	12.0%
Aberdeen - Sterling Money Market I Acc	10.0%
Royal London - Cash Plus Y Acc	10.0%
Merian - Global Equity Absolute Ret R Hedged Acc GBP	10.0%
Artemis - Strategic Bond I Monthly Acc	9.0%
TwentyFour - Monument Bond I Net Acc GBP	9.0%
iShares - UK Gilts All Stocks Index (UK) D Acc	7.0%
EdenTree - Amity Sterling Bond B	7.0%
Vanguard - UK Inflation-Linked Gilt A Gross Acc GBP	7.0%
Allianz - Best Styles Global AC Equity C Acc	4.0%

Asset Type	Strategic Weight	Current Weight	Tactical Position
Cash	0.0%	0.0%	0.0%
Anchors	70.0%	83.0%	13.0%
Enhancers	17.0%	6.0%	-11.0%
Diversifiers	13.0%	11.0%	-2.0%

Current Model Characteristics	
Number of holdings	15
Underlying fund charges (Excl fee)[3]	0.47%
Last rebalance date	Feb-19
Current expected portfolio yield[3]	1.33%
Classified 'Passive' investments	38.0%
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 2019 ★★★★★ DFM MPS on Platform

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