Portfolio Investment Policy Statement for a Rivers ESG Investment Solution

Investment Objective: The aim of the investment is to *target long term capital growth in real terms[1] (after inflation) at an annualised rate of 4%[1], after fees. The portfolio is to be invested on in solutions at pass strict criteria of Environmental, Social and Govern*ance (ESG) requirements. At an overall level the portfolio will be limited to a Volatility[2] not exceeding *9.0%[2] on an annualised basis and a* the Maximum Loss[3] which is expected to not exceed *12.0%[3] throughout a normal business cycle.*

Investment Parameters

Strategic Asset Allocation: Within the ESG criteria the portfolio will be managed around a Strategic Asset Allocation which will define the 'equilibrium, or neutral asset allocation for the portfolio. This allocation is *made up of 27%* Anchors assets, *55%* Enhancers Assets and *18%* Diversifier assets with the categorisation of all investments be made prior to investment. A minimum of *2%* of the portfolio will be allocated to Cash for liquidity purposes. This will come out of the Anchor assets allocation

Tactical Adjustments: *At the Manager's discretion the portfolio asset allocation can be varied according to the Manager's ongoing economic outlook and market conditions. At the time of rebalance the manager will limit tactical adjustments to the portfolio so that Anchors assets are limited to between 10% and 50%, Enhancers to between 25% and 70% and Diversifiers to between 18% and 25% of the overall portfolio.*

Investment Types (ESG): The portfolio will be restricted to *Open-Ended Investment Funds (OIECs), Unit Trusts and SICAVs which are registered for sale in the UK and score above average on the Morningstar Sustainability Index or invest exclusively in securities approved for the MSCI ESG Indices. All investments will be permissible for inclusion in UK ISAs and pension wrappers. At the managers discretion ESG 'approved' Investment Trusts and Exchange Traded funds will be permitted in the exceptional case of no appropriate open-ended alternative being available.*

Fees: *Underlying fees of the portfolio management and its underlying components will not exceed 1.00%.* This includes the Manager's Service Fee (Incl. VAT), total OCF of underlying investments and underlying Investment Performance Fees. This excludes Underlying Transaction Fees, Platform Fees and Advisor Fees.

Asset Class Preferences/Exclusions: Within the ESG investment target risk and return parameters the manager has the discretion to allocate capital across *all regulated and permissible asset classes*.

Active/Passive Preference: The allocation between ESG Approved Actively Managed or Passive solutions will be *at the discretion of the manager and will vary according to their judgement regarding the business cycle.*

Rebalance Approach: The portfolio will be rebalanced *at the discretion of the manager but not more than within 90 days of the previous rebalance.*

Management, Reporting and Monitoring. The client will be able to see the valuations on (platform web site) and will receive standard valuations via an online report on a quarterly basis.

Glossary:

1 - Long term capital growth in real terms (%) – This is the expected annualised total return, discounting for inflation, over a 5-10-year period from the risk graded portfolio based on its objective and underlying strategic asset allocation.

2 - Volatility (%) - is a statistical measure of the dispersion of returns for the portfolio. Volatility can either is measured by using the standard deviation or variance between returns from portfolio. Commonly, the higher the volatility, the riskier the portfolio.

3 - Potential Maximum Loss (%) – This is the potential loss you could experience by investing at the risk level noted during any period, over the long term. By drawing on data/evidence supplied by Bloomberg, the maximum loss figures have been compiled by back testing over a period of 15 years based on the recommended asset allocation. On-going oversight and risk management has the primary objective of minimising maximum losses for all risk graded portfolios.

"Anchors" include Fixed Income instruments of varying high credit quality but different durations and certain Low Risk absolute return opportunities. Anchor assets can also be found in certain Low Risk absolute return opportunities although liquidity often prevents inclusion. Essentially "Anchor" investments are selected for low market correlation, low risk and capital preservation. Long term capital risk and volatility is low, but interest rate risk can create liquidity concerns.

"Enhancers" include equity related risk, be it direct equity, public equity, high yield credit or unsecured debt. Enhancer assets should offer long term attractive returns, but the capital risk and volatility may be high. Enhancers will significantly reflect economic and market trends and need to be moderated for portfolios with limited maximum loss constraints.

"Diversifiers" include assets such as commodity investments, macro timing and trading funds, real estate, other higher volatility market neutral funds. By definition Diversifier assets have less than 0.70 correlation to interest rates and equity risk factors. The individual volatility of these investments is less important than the minimal or negative correlation to the other assets of the total fund. These assets often have high positive returns, but their inclusion remains to diversify risk.