

Cautious Portfolio

31st October 2020



INTELLIGENT INTUITIVE INVESTING

Investment Objective

The Rivers Cautious Portfolio targets modest long term returns above inflation, and after fees, at controlled volatility levels. The portfolio aims to achieve its objective by diversifying across a broad range of assets with moderate return and lower volatility profiles. The portfolio may be somewhat exposed to global equity and interest rate market cycles. The typical investor seeks modest capital growth but must accept that the portfolio's investment value may fluctuate in the short term.

Market Comment

October proved to be the most challenging month for investors since the market lows in March. The widespread return of the coronavirus in Europe, and the US, has raised fears of a difficult winter ahead. While Emerging market equities added value all the main developed equity indices fell sharply impacting Enhancer returns. The defensive risk level of the portfolio reduced losses although Anchor and Diversifier assets did not add much value. The primary risk remains the coronavirus although Brexit, the chances of no trade agreement being reached with the EU, and the US election increases uncertainty. We expect there will be increased opportunity to add risk to the portfolio in the coming weeks.

Performance (%) ¹	1m	3m	YTD	1yr	3yr
Rivers Cautious Portfolio	-0.66	0.16	3.81	4.53	11.09
IA Mixed 0%-35% Shares	-0.70	-0.40	-0.91	0.35	4.81

Quarterly	Q1	Q2	Q3	Q4	Total
2016	-	-	5.97%	2.33%	8.44%
2017	2.71%	-0.04%	1.57%	1.74%	6.09%
2018	-1.57%	1.96%	1.17%	-3.43%	-1.95%
2019	3.75%	3.11%	2.15%	-0.59%	8.64%
2020	-6.56%	10.47%	1.26%	-	4.53%

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.

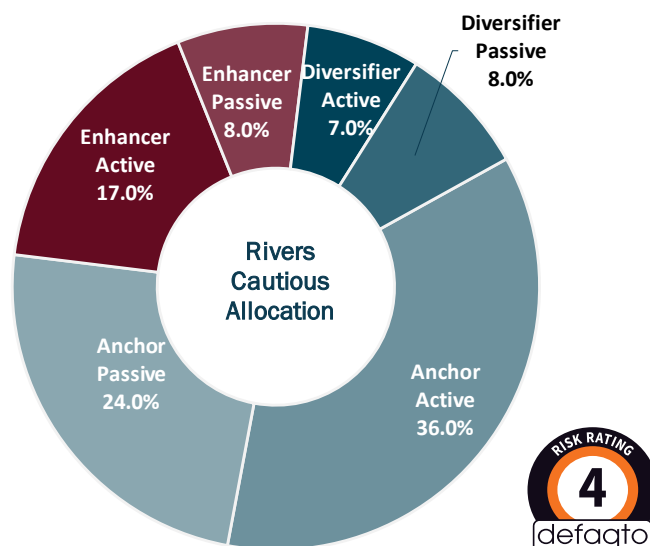
For a more detailed explanation please contact Rivers Capital Management

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 and annualised since inception (June 30th 2016)
2. Volatility is calculated as the annualised average weekly standard deviation of return since inception (June 30th 2016)
3. The maximum loss is calculated as the total loss from the highest previous month end portfolio value. Intra month or daily data may exceed this.
4. The ongoing charge is based on the current portfolio weightings using the latest available OCF data of each fund.
5. The yield is the average yield as published by each fund and not guaranteed
6. Rivers investment committee determines a Passive allocation target (20-60%) dependant on the perceived market opportunity
7. Relative risk level determined between 1 and 7 within the tactical constraints of all models with a level 4 considered tactically neutral

Model Characteristics	Target	Current
Annualised Return ¹	4.5-6.0%	5.7%
Portfolio Volatility ²	<7.0%	5.4%
Maximum Loss ³	<6.0%	-7.7%
Ongoing charge of underlying ⁴	<0.75%	0.48%
Number of holdings	<25	21
Last rebalance date	-	Apr-20
Current expected portfolio yield ⁵	-	1.08%
Classified 'Passive' investments ⁶	40%	40.0%
Since Inception Total Return	-	27.22%

Allocation	Strategic	Current	Tactical
Cash	0.0%	0.0%	0.0%
Anchors	43.0%	60.0%	17.0%
Enhancers	40.0%	25.0%	-15.0%
Diversifiers	17.0%	15.0%	-2.0%



Top 10 Holdings

Vanguard - UK Inftn-Lnkd Gilt A Grs Acc GBP	Anchor Passive	10.0%
Royal London - Cash Plus Y Acc	Anchor Passive	9.0%
TwentyFour - Monument Bond I Net Acc GBP	Anchor Active	8.0%
Smith & Williamson - Defensive Growth B Inc	Anchor Active	7.0%
Artemis - Strategic Bond I Monthly Acc	Anchor Active	6.0%
EdenTree - Amity Sterling Bond B	Anchor Active	6.0%
Kames - Gbl Equity Market Neutral C Acc GBP	Anchor Active	5.0%
Vermee - Global Equity C	Enhancer Active	5.0%
Kames - Absolute Return Bond C Acc GBP	Anchor Active	4.0%
Polar Capital - Global Insurance I Acc GBP	Diversifier Active	4.0%



Please contact Rivers directly on **020 3383 0180** or by emailing **info@riverscm.com**

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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.