

Consumer Duty: Consumer Duty Information for Distributors

Rivers Model Portfolios available on platform

Assessment date: October 2026 · Data as at 30 September 2026 · Next review: October 2027

Approved by the RCM Investment Committee on 20th October 2026

1. Purpose and scope

Rivers Capital Management Ltd (RCM, FRN 801238) is the manufacturer of the Rivers Model Portfolio Service (MPS). This document sets out the target market and our annual price and value assessment for each Rivers model portfolio, so that distributors can meet their own Product Governance and Consumer Duty obligations.

It covers six Rivers MPS models available on platform: Cautious Risk, Balanced Risk, Adventurous Risk, Aggressive Risk, Balanced Income and ESG Balanced.

2. Target market

2.1 Common to all models

- **Client type:** UK retail clients who receive ongoing advice from an FCA-regulated financial adviser. The models are not available on a non-advised or execution-only basis.
- **Distribution strategy:** Advised only. Advisers access the models on Platforms under RCM's agent-as-client Investment Management Agreement, which sets out each firm's responsibilities. The adviser assesses suitability, including attitude to risk, capacity for loss and time horizon, and selects the model.
- **Knowledge and experience:** No specific investment knowledge is required, because the client is advised. Clients should understand that the value of their investment can fall as well as rise.
- **Wrappers:** General investment account, ISA, SIPP and Junior ISA, adapted for off-shore bond as appropriate subject to platform's product range
- **Investments used:** Predominantly UK-authorized and FCA-recognised open-ended funds (OEICs, unit trusts, SICAVs). Exchange-traded funds and commodities are used where they are the most efficient way to hold an exposure, for example physical gold. All holdings are eligible for ISA and pension wrappers – for offshore-bond proxy investments are used as appropriate

2.2 By model

	Cautious Risk	Balanced Risk	Adventurous Risk	Aggressive Risk	Balanced Income	ESG Balanced
Risk profile (RCM mapping to Dynamic Planner / Defaqto 1–10 scale)¹	4 – Low Medium	5 – Medium	6 – High Medium	7 – High	5 – Medium	5 – Medium
Primary need	Modest real growth with controlled volatility	Moderate long-term growth	Capital growth; accepts larger fluctuations	High long-term growth	Regular natural income of c.4% p.a.	Moderate growth, invested only in ESG-screened funds
Target return (long-term annualised, after fees)	4.5%-6%	5.2%-7.2%	6.0%-8%	7.0%-10%	5.2% (yield >4.0%)	5%-7%
Volatility limit (annualised)	<7%	<9%	<13%	<16%	<9%	<9%
Maximum loss guide (not guaranteed)	<6%	<10%	<15%	<18%	<10%	<10%
Strategic Enhancer (equity-type risk) allocation	40%	55%	74%	83%	55%	55%
Minimum time horizon	4 years	6 years	8 years	10 years	5 years	6 years

	Cautious Risk	Balanced Risk	Adventurous Risk	Aggressive Risk	Balanced Income	ESG Balanced
Ability to bear losses	Can accept modest short-term falls	Can accept moderate falls	Can accept significant falls	Can accept large falls and long recovery periods	Can accept moderate falls; income may vary	Can accept moderate falls
Not suitable for (negative target market)	Clients needing capital security or a guaranteed return; horizon <5 years	As Cautious; clients unable to tolerate falls of c.10%	As Cautious; clients unable to tolerate falls of c.15%	As Cautious; clients unable to tolerate equity-market-level falls	Clients needing a fixed or guaranteed income; clients seeking capital growth above inflation as a priority	Clients requiring specific ethical exclusions beyond RCM's screen, or a product with an FCA sustainability label

¹ RCM's own mapping of each model to the 1–10 scale used by Dynamic Planner and Defaqto. It is currently not an independent risk rating.

2.3 Customers with characteristics of vulnerability

The models are designed to be suitable for vulnerable customers within the target market, provided the adviser has taken their circumstances into account. In particular:

- Clients drawing an income, including older clients in decumulation, are most exposed to sequence risk. Balanced Income targets natural income, so capital does not need to be sold to pay it, but income and capital values can still fall.
- Clients with low financial resilience may be harmed by falls near the maximum loss guide. Advisers should weigh capacity for loss as well as attitude to risk.
- We publish factsheets, rebalance notes and commentary in plain English so that advisers can explain changes to clients who need extra support.

We ask distributors to tell us if they identify any group of clients, including vulnerable clients, for whom a model is not delivering the expected outcome.

3. Value assessment

3.1 Approach

For each model we compare the total cost the client pays with the benefits they receive: returns against the model's target, its peers and inflation; risk against the stated limits; and the quality of service. We do not see platform or adviser charges, so this assessment covers the costs RCM controls or selects.

3.2 Costs

Model	Underlying fund OCF 30/9/2026	Underlying transaction costs (ex-ante) ²	RCM DFM charge (0% VAT)	Total ongoing cost (excl. platform & adviser)
Cautious Risk	0.44%	0.17%	0.25%	0.86%
Balanced Risk	0.53%	0.18%	0.25%	0.96%
Adventurous Risk	0.55%	0.14%	0.25%	0.94%
Aggressive Risk	0.57%	0.12%	0.25%	0.94%
Balanced Income	0.60%	0.12%	0.25%	0.97%
ESG Balanced	0.60%	0.13%	0.25%	0.98%

² Weighted ex-ante transaction costs of the underlying funds, as reported by fund managers. Holdings without reported data (cash and the physical gold ETC, together under 5% of each model) are excluded. All figures are as at 30 September 2026.

RCM charges a single 0.25% p.a. fee. Three underlying funds can charge performance fees (Jupiter Merian Global Equity Absolute Return, Polar Capital Healthcare Opportunities and Algebris Financial Credit). Between 15% and 33% of each model is held in passive funds.

3.3 Performance and risk to 30 September 2026

Model	5 yr ann.	Peer A 5 yr	Peer B 5 yr	10 yr ann. ³	Since launch ann. vs target	5 yr vol	Max loss vs guide
Cautious Risk	5.2%	1.9%	3.5%	5.3%	5.8% vs 4.5%	5.5%	-7.7% vs <6%
Balanced Risk	7.0%	3.9%	4.7%	6.9%	7.5% vs 5.2%	6.6%	-10.4% vs <10%
Adventurous Risk	7.0%	5.7%	6.5%	7.4%	8.0% vs 6.0%	8.4%	-10.8% vs <15%
Aggressive Risk	6.8%	10.9%	8.2%	7.9%	8.6% vs 7.0%	9.4%	-14.3% vs <18%
Balanced Income	4.7%	3.9%	4.1%	4.6%	5.1% vs 5.2%	6.3%	-14.1% vs <10%
ESG Balanced	3.7%	3.9%	4.7%	n/a	5.5% vs 5.2%	8.2%	-13.1% vs <10%

Returns are annualised, net of underlying fund charges and the 0.25% RCM fee, and calculated from composite fund data. Individual client accounts will differ because of the timing of cash flows. Launch date is 30 June 2016 (ESG Balanced: 31 March 2017). Maximum loss is the largest fall from peak to trough since launch. ³ ESG Balanced has under 10 years of history. Past performance is not a guide to future returns.

Model	Peer A	Peer B
Cautious Risk	IA Mixed Investment 0–35% Shares	UK MPS 30%–45% Growth
Balanced Risk	IA Mixed Investment 20–60% Shares	UK MPS 45%–65% Growth
Adventurous Risk	IA Mixed Investment 40–85% Shares	UK MPS 65%–85% Growth
Aggressive Risk	FTSE All Share	UK MPS 85%–100% Growth
Balanced Income	IA Mixed Investment 20–60% Shares	UK RTMA Risk 3 – Moderate
ESG Balanced	IA Mixed Investment 20–60% Shares	UK MPS 45%–65% Growth

Returns after inflation. UK CPI (ONS series D7BT) rose by 3.6% a year from June 2016 and by 5.1% a year over the last five years, which includes the 2021–23 inflation spike.

Model	Since launch: return / CPI / real	5 years: return / CPI / real
Cautious Risk	5.8% / 3.6% / +2.2%	5.2% / 5.1% / +0.1%
Balanced Risk	7.5% / 3.6% / +3.8%	7.0% / 5.1% / +1.8%
Adventurous Risk	8.0% / 3.6% / +4.3%	7.0% / 5.1% / +1.8%
Aggressive Risk	8.6% / 3.6% / +4.9%	6.8% / 5.1% / +1.6%
Balanced Income	5.1% / 3.6% / +1.5%	4.7% / 5.1% / -0.4%
ESG Balanced	5.5% / 3.7% / +1.8%	3.7% / 5.1% / -1.3%

3.4 Service

- Monthly factsheets and commentary, and a rebalance note explaining every change to a model.
- Direct access for advisers to the portfolio managers.
- Rebalances implemented in last 12 months: 4 Errors or delays: none
- Complaints relating to the models since the last assessment: none

3.5 Conclusions

Model	Outcome	Basis	Action
Cautious Risk	Fair value	Ahead of both peer groups over 5 and 10 years with lower drawdown; mid-range cost.	Review the <6% maximum loss guide, which was exceeded (-7.7%) in March 2020.
Balanced Risk	Fair value	Ahead of both peer groups over 5 and 10 years at equal or lower volatility.	Maximum loss marginally exceeded the guide (-10.4% vs <10%); review the guide.
Adventurous Risk	Fair value	Ahead of both peer groups over 5 and 10 years with a materially lower drawdown.	None.
Aggressive Risk	Fair value – monitor	Behind both comparators over 5 years, but with much lower volatility and drawdown than the FTSE All Share and MPS 85–100% peers.	Monitor relative returns. Review the wording “aims to exceed long-term equity market returns”, which has not been met over 5 or 10 years.

Model	Outcome	Basis	Action
Balanced Income	Fair value – monitor	Income target met (4.23% yield); total return ahead of peers over 5 and 10 years.	Maximum loss (-14.1%) exceeded the <10% guide. Capital has not kept pace with inflation after income; review the “maintain real value” wording.
ESG Balanced	Under review	Behind both peer groups over 5 years and 1 year, with higher volatility and drawdown, at the highest cost in the range.	Investment Committee review of fund selection and screening; report back to distributors by [date].

Overall, the Investment Committee concludes that five of the six models provide fair value to their target market. ESG Balanced is under review because its returns have lagged comparable portfolios at a higher level of risk and cost. We will tell distributors the outcome of that review and any changes that result.

4. Consumer understanding

RCM’s documents are written for financial advisers. Under our agent-as-client arrangement the adviser is our client and explains the models to their own clients. Our job is to give advisers clear, consistent information to do that:

- **Factsheets:** monthly for each model, showing the objective, target ranges, risk level, holdings, charges and performance against peers.
- **Rebalance notes:** issued with every change to a model, explaining what changed and why.
- **Commentary:** monthly market and portfolio commentary.
- **This document:** updated annually, setting out the target market, costs and value of each model.

The target ranges, charges and performance figures in this document are the same as those on our factsheets, so advisers and their clients see one set of numbers.

5. Consumer support

- **Access:** advisers can speak directly to the portfolio managers who run the models.
- **Implementation:** RCM implements model changes on each platform. In the last 12 months there were four rebalances, with no errors or delays.
- **Charges for moving:** RCM charges a single annual fee. We make no charge for joining, switching between or leaving the models; platform charges may apply.
- **Flexibility:** advisers can move a client between models, or out of the service, at any time through the platform.
- **Additional needs:** where an adviser tells us a client has particular needs, including characteristics of vulnerability, we will work with the adviser on any additional information they need.
- **Complaints:** handled under RCM’s complaints procedure, available on request. No complaints relating to the models were received in the period.

6. Information we ask distributors to share

- Any issue with this target market, or evidence that a model is being used outside it.
- Any foreseeable harm, poor outcome or complaint involving a Rivers model, including for clients with characteristics of vulnerability.
- Summary information on how the models are used, such as client numbers by model, where this is readily available. We do not need individual client data.

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This document is for financial advisers and distributors only. It is not for retail clients. Rivers Capital Management Ltd is authorised and regulated by the Financial Conduct Authority (FRN 801238).