

Portfolio commenced 1st June 2011

OBJECTIVE:

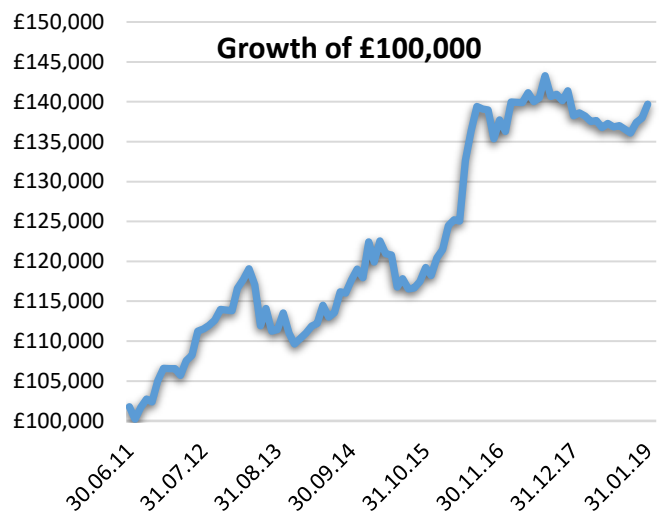
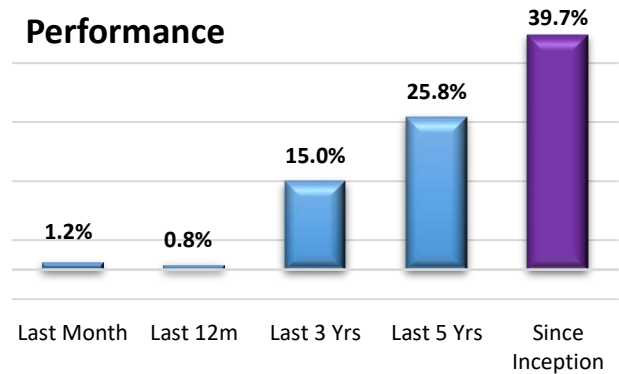
To outperform cash.

STRATEGY:

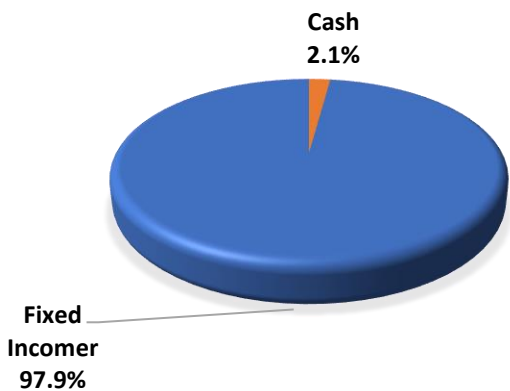
Actively managed. This well-diversified portfolio is made up of cash, credit and fixed interest investments. It normally invests in a wide range of ETFs to gain significant diversification and exceptional liquidity at very low cost.

Top Holdings as at 28 th of February 2019	%
UBS ETF BlombgBarcl USD EM Sovn GBPH A	15.0
UBS ETF BlombgBarcl US Liq Corp GBPH A	14.7
UBS ETF BlombgBarcl US LqCrp1-5Yr GBPH A	14.7
UBS ETF JPM USD EM Dvrs Bd1-5H GBP A-dis	13.5
PIMCO EM Advtg Lcl Bd Res ETF Acc USD	8.2
iShares Core £ Corp Bond ETF GBP Dist	8.0
SPDR® Blmbrg Bcly Stlg Corp Bd ETF	7.4
iShares £ Corp Bond ex-Fncl ETF GBP Dist	7.3
iShares \$ Floating Rate Bd ETF GBPH Dist	4.9
iShares JPMorgan EM Lcl Govt Bd ETF\$Dist	4.3

Performance



OVERALL ASSET ALLOCATION



Underlying Holdings Key Statistics

No. Holdings	Yield to Maturity	Maturity (Yrs from Today)	Modified Duration	S&P Rating
704 Govt. Bonds	4.3 %	8.2 Yrs	5.6	BBB+
2,451 Corp. Bonds				

Rolling Return

12m to 28.02.19	12m to 28.02.18	12m to 28.02.17	12m to 29.02.16	12m to 28.02.15	12m to 28.02.14
0.8%	-1.0%	15.2%	1.3%	8.0%	-4.8%

Source: SCM Private LLP

Past performance is not a guide to future performance. The value of the investment and the income deriving from it can go down as well as up and can't be guaranteed. You may get back less than you invested.

Fees & Charges



ANNUAL MANAGEMENT CHARGE: 0.4% +VAT	0.48%
<i>Underlying ETF costs (KIID Ongoing Charge)</i>	<i>0.32%</i>
<i>Est. Dealing Costs (transaction costs of buying & selling ETFs of 0.07% pa + underlying transaction costs within ETFs of 0.05% pa)</i>	<i>0.12%</i>
<i>Custody & Administration fee</i>	<i>0.12%</i>
TOTAL COST OF INVESTING	1.04%

WINNERS 2018

Online Wealth Manager of the Year • *Global Business Insight Awards*
Business Women of the Year - Gina Miller • *CEO Today*
Excellence Award - Gina Miller • *Wintrade*

WINNERS 2017

50 Most Influential • *PAM Awards*
Investment Manager of The Year • *Acquisition International*

WINNERS 2016

UK Long-Term Return Fund of the Year • *ACQ5*
Transparency Champions • *Transparency Taskforce*
Fund Manager of The Year • *Acquisition International*
Inspirational Women Innovators - Gina Miller • *Brummel*
UK Leading Fund Management Firm of the Year • *ACQ5*
UK Game Changers of the Year (FM) - Alan & Gina Miller • *ACQ5*

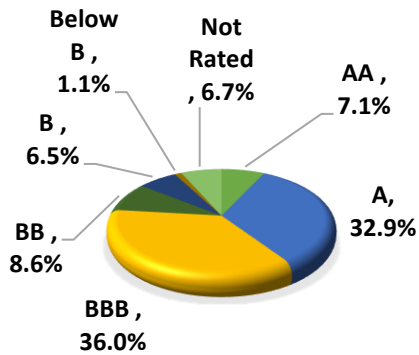
WINNERS 2015

Best Long-Term Returns • *Wealth & Money Management*
UK Game Changers of the Year (FM) - Alan & Gina Miller • *ACQ5*
Most Innovative Fund Management Firm UK • *Wealth & Money Management*

WINNERS 2014

City Champions - Alan & Gina Miller for Moral Leadership • *Spears*

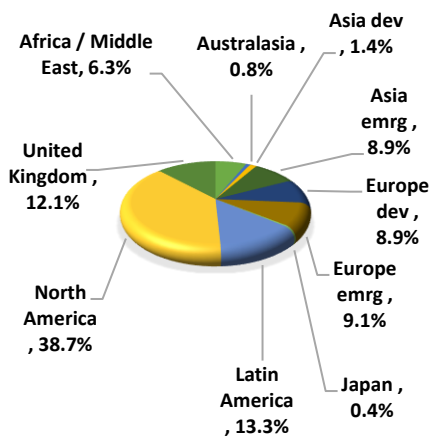
OVERALL ASSET ALLOCATION



Last 3 years annualised volatility

Asset Class	Volatility
SCM Bond Reserve	5.4%
UK Gilts (Bloomberg UK Govt All>1 Yr)	7.3%
UK Corp Bonds (iBoxx Large Cap TRI Index)	7.3%
UK Equities (MSCI UK)	10.5%
US Equities (MSCI USA)	10.2%
UK Index-Linked Gilts (Barclays UK Infl. Linked)	11.2%
Europe Excluding UK (MSCI Eur. Ex UK)	12.5%
Asia Pacific Excl. Japan (MSCI Asia Ex Jap)	16.1%
Em Markets (MSCI EM)	16.5%
Japan (MSCI Japan)	16.6%

FIXED INCOME BY REGION (BY ISSUER)



Asset Allocation Changes and Market Commentary

The SCM Investment team made no changes during February.

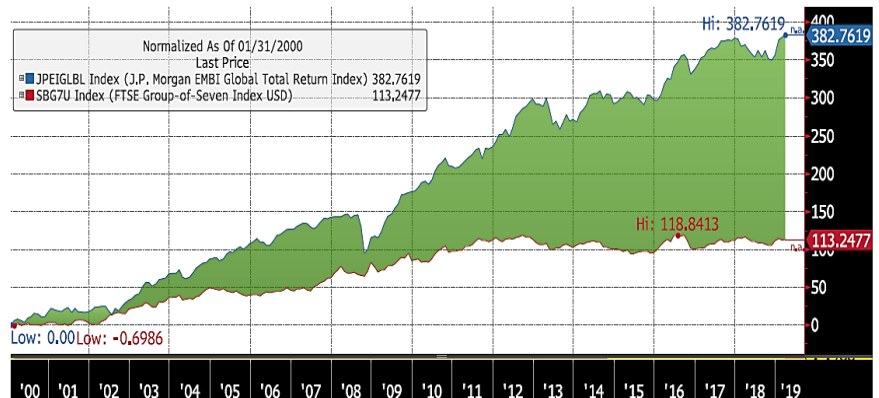
One question that has surfaced on several occasions during recent months is why we hold such a large exposure to emerging market bonds (EM bonds). At present the Bond Reserve Portfolio holds 13% within two local currency denominated EM bond ETFs and 29% within two US\$ denominated EM bond ETFs.

Here are the characteristics of these ETFs in terms of valuation at present (the weighted average has been calculated using our current weightings) compared to an ETF holding just government bonds – the iShares Global Government Bond ETF, which tracks the performance of the G7 countries (Canada, France, Germany, Italy, Japan and the US):

	Yield to Maturity	Maturity (years from Today)
PIMCO EM Mkts Adv Local ETF	6.95	5.09
UBS USD EM Mkts Bond 1-5 Year ETF	5.18	3.38
UBS USD EM Mkts Bond ETF	5.88	10.95
iShares EM Local Govt Bond ETF	6.24	7.49
Weighted Average SCM EM Bond Holdings	5.90	6.91
iShares Global Government Bond ETF	1.42	9.70

Source: Bloomberg LP

It is interesting to see the long-term returns of an index of EM bonds versus G7 Government Bonds since 2000, with the EM bonds returning 3x the G7 bonds over this period:



Source: Bloomberg LP

Of course, EM bonds can be more volatile over the short term, but we can dampen this volatility by holding a mixture of different EM funds, with different exposures and strategies. Some concentrate on short term maturities, some long-term maturities, some US\$ denominated, some local currency denominated. Furthermore, the other (non-EM) bond ETFs held within the portfolio have different characteristics, both in terms of their valuation and their performance.

Alan Miller - Chief Investment Officer, 20th March 2019

Performance is based on the monthly performance of the first client discretionary portfolio after all charges. Individual client portfolios may differ due partly to differences in the timing of initial investment or withdrawals or rebalancing. The SCM Direct Bond Reserve (GBP) Benchmark is the Barclays Benchmark Overnight GBP Cash Index. Investing in Exchange Traded Funds may expose the investor to a number of risks, some of which are specific to Exchange Traded Funds and some of which are general investment risks. Discretionary portfolios are not subject to the same regulatory constraints as UCITS and other regulated funds. Risk and performance can change over time and the SCM Direct Portfolios may not be suitable for all types of investor. The tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation. We aim to provide investors with simple, understandable information so they can make fully informed decisions. If you are unsure about the suitability of our investment portfolios, please contact an independent financial adviser. SCM Direct is a trading name of SCM Private LLP which is authorised and regulated by the Financial Conduct Authority to conduct investment business. Company registered in England and Wales, no. OC342778.

The value of investments can go down in value as well as up, so you could get back less than you invest. Exchange rates may cause the value of overseas investments and income from them to rise and fall. It is therefore important that you understand the past performance is not a guide to future returns. SCM Direct does not give personal advice.