

Portfolio commenced 1st June 2011

OBJECTIVE:

To outperform cash.

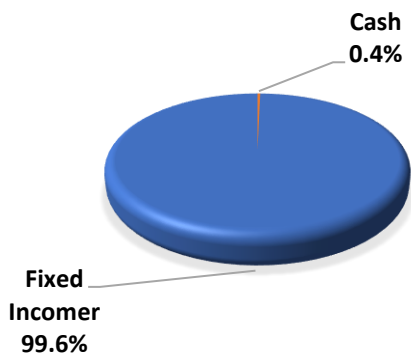
STRATEGY:

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 30th of November 2018 %

UBS ETF BlombgBarcl USD EM Sovn GBPH A	15.1
UBS ETF BlombgBarcl US LqCrp1-5Yr GBPH A	15.1
UBS ETF BlombgBarcl US Liq Corp GBPH A	15.0
iShares JPMorgan \$ EM Corp Bd ETF \$ Dist	9.9
PIMCO EM Advtg Lcl Bd Res ETF Acc USD	8.5
iShares Core £ Corp Bond ETF GBP Dist	7.9
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	4.6

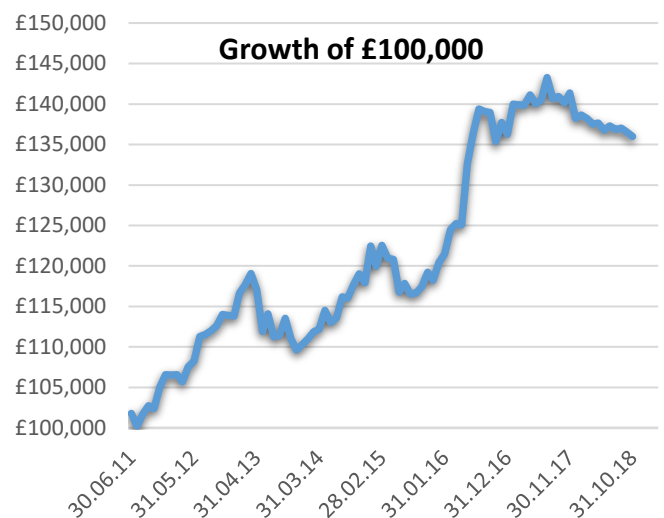
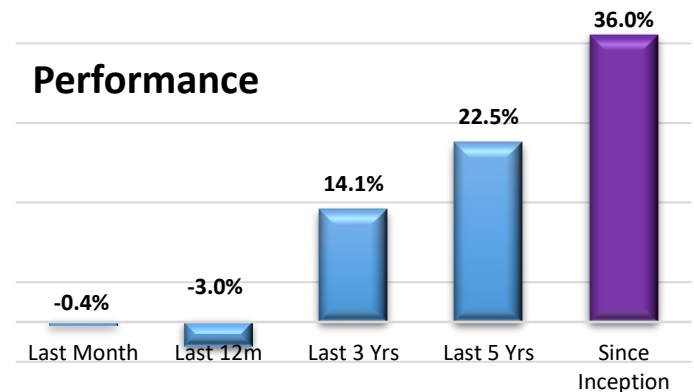
OVERALL ASSET ALLOCATION



Underlying Holdings Key Statistics

No. Holdings	Yield to Maturity	Maturity (Yrs from Today)	Modified Duration	S&P Rating
792 Govt. Bonds	4.8 %	9.0 Yrs	5.8	BBB+
2,884 Corp. Bonds				

Performance



Rolling Return

12m to 30.11.18	12m to 30.11.17	12m to 30.11.16	12m to 30.11.15	12m to 30.11.14	12m to 30.11.13
-3.0%	3.5%	13.6%	0.2%	7.2%	-2.6%

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 0.07% pa)</i>	<i>0.14%</i>
<i>Custody & Administration fee</i>	<i>0.12%</i>
TOTAL COST OF INVESTING	1.06%

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*

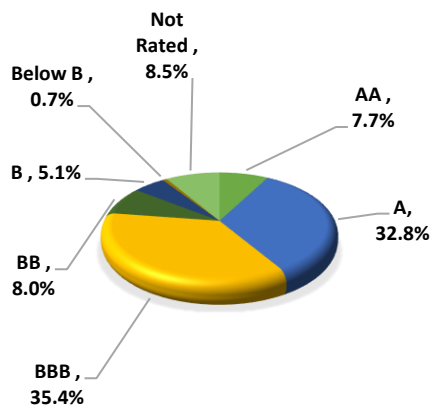
WINNERS 2015

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*

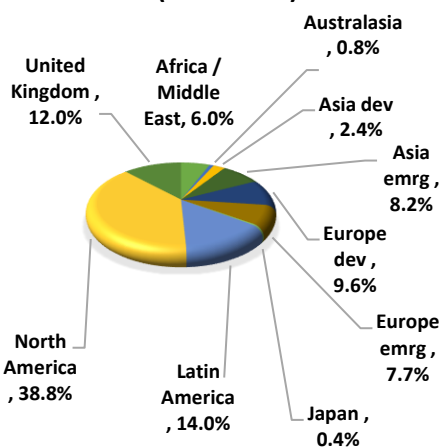
OVERALL ASSET ALLOCATION



Last 3 years annualised volatility

SCM Bond Reserve	5.5%
UK Gilts (Bloomberg UK Govt All>1 Yr)	7.2%
UK Corp Bonds (iBoxx Large Cap TRI Index)	6.7%
UK Equities (MSCI UK)	9.6%
US Equities (MSCI USA)	9.5%
UK Index-Linked Gilts (Barclays UK Infl. Linked)	11.4%
Europe Excluding UK (MSCI Eur. Ex UK)	10.0%
Asia Pacific Excl. Japan (MSCI Asia Ex Jap)	14.8%
Em Markets (MSCI EM)	14.6%
Japan (MSCI Japan)	14.7%

FIXED INCOME BY REGION (BY ISSUER)



Asset Allocation Changes and Market Commentary

No changes were made during the month of November.

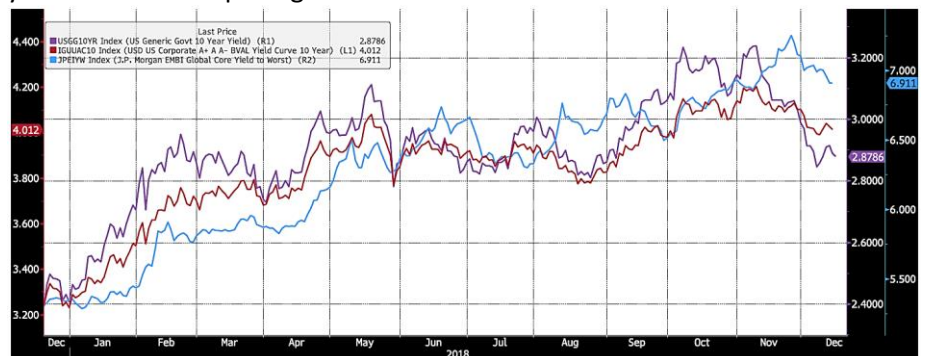
Recently there has been increased commentary regarding the sharp reduction in the interest rate differential between short-term and long-term maturities (see chart below) which often predates recessions. None of the last nine US recessions have occurred without the short rates being greater than the long rates according to various economists. Historical evidence suggests it can take anywhere between six months and two years before GDP growth turns negative.

However, there is now an obsession with this forward indicator which may mean that Goodhart's law might apply – 'once a market focuses on a measure specifically it ceases to be a useful lead indicator'.



Source: Bloomberg

Meanwhile, whilst yields on US treasuries have fallen recently to c. 2.9% pa, other parts of the bond market have not participated equally in this rally. Our portfolio continues to have significant exposure to both corporate bonds and emerging market bonds (red and blue lines in graph below) as their current yields remain compelling.



Source: Bloomberg

Our view is that the current 4.8% pa yield offered by the underlying bonds within the portfolio is attractive – assuming no change in interest rates, no defaults, and an overall cost of investing of the present 1.06% pa, it would imply a 10-year total return after costs of 43.7%.

[Alan Miller](#) - Chief Investment Officer, 18th December 2018

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.