

Portfolio commenced 8 June 2009

OBJECTIVE:

To substantially outperform cash whilst aiming to reduce downside risk. Please note that whilst we aim to achieve positive returns over three year rolling periods, there is no guarantee that such a return will be achieved over this or any other period.

STRATEGY:

Actively managed and may be all equity, all bonds or all cash. 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 February 2019	%
Vanguard FTSE 100 ETF	11.5
iShares Core MSCI Japan IMI ETF USD Acc	8.6
iShares Core MSCI EM IMI ETF USD Acc	8.6
Lyxor Core Morningstar UK NT (DR) ETF	7.3
UBS ETF BlombgBarcl USD EM Sovn GBPH A	6.1
UBS ETF BlombgBarcl US LqCrp1-5Yr GBPH A	6.0
UBS ETF BlombgBarcl US Lq Corp GBPH A	6.0
iShares Core FTSE 100 ETF GBP Dist	5.9
UBS ETF JPM USD EM Dvrs Bd1-5H GBP A-dis	5.5
iShares MSCI EMU ETF GBP H Dist	4.9

Underlying Holdings Key Statistics (Source: Bloomberg)

OVERALL ASSET ALLOCATION



Bonds Component

No. Holdings	Yield to Maturity	Maturity (Yrs from Today)	Modified Duration	S&P Rating
704 Govt. Bonds 2,451 Corp. Bonds	4.0 %	8.6 Yrs	5.8	BBB+

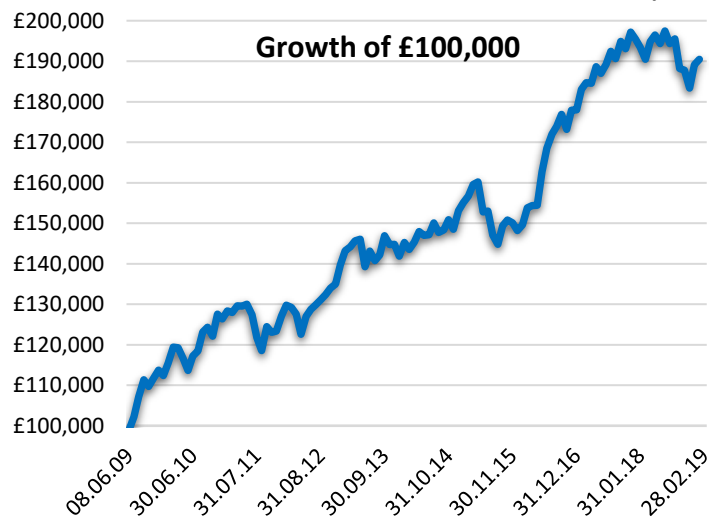
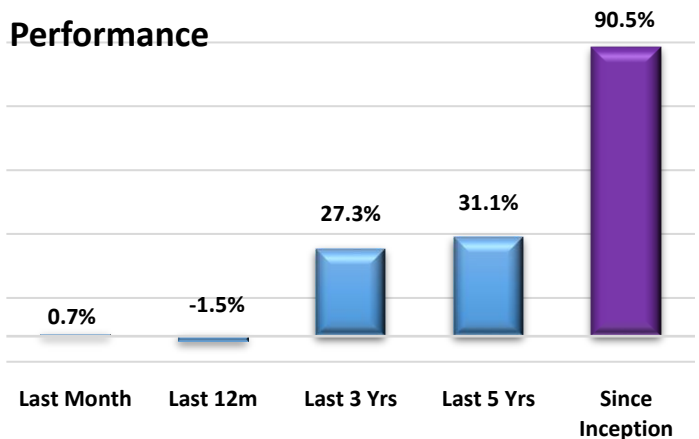
Equities Component

No. Holdings	Dividend Yield	Price to Book Ratio	P/E Ratio *	LTG EPS**
5,116 Equities	3.8%	1.3x	11.8x	10.8%

*Price/projected earnings for a stock is the ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year.

** The estimated earnings growth over the next 5 years.

Performance



Rolling Returns

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	12m to 28.02.13	12m to 28.02.12
-1.5%	5.7%	22.3%	-3.5%	6.7%	1.5%	10.4%	1.1%

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>	0.24%
<i>Est. Dealing Costs (transaction costs of buying & selling ETFs of 0.10% pa + underlying transaction costs within ETFs of 0.05% pa)</i>	0.15%
<i>Custody & Administration fee</i>	0.12%
TOTAL COST OF INVESTING	0.99%

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

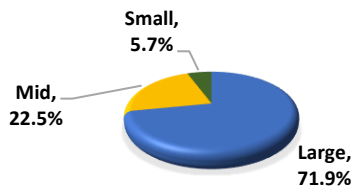
Best Long-Term Returns • *Wealth & Money Management*
UK Game Changers of the Year (FM) - Alan & Gina Miller • *ACQ5*
Most Innovative Fund Management Firm UK • *Wealth & Money Management*

WINNERS 2014

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

Underlying Holdings (Source: Bloomberg)

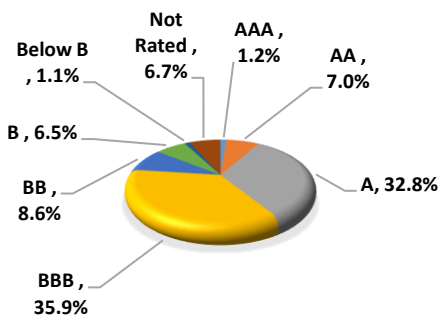
EQUITIES BY SIZE



Equities by Region

United Kingdom	43.8%
Japan	14.7%
Europe dev	14.3%
Asia dev	8.7%
Asia emrg	7.0%
Europe emrg	5.1%
North America	3.5%
Latin America	1.8%
Africa / Middle East	1.2%
Australasia	0.0%

FIXED INCOME BY CREDIT RATING



Last 3 years annualised volatility

SCM Absolute Return	6.6%
UK Corp Bonds (iBoxx Large Cap TRI Index)	7.3%
UK Gilts (Bloomberg UK Govt All>1 Yr)	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%

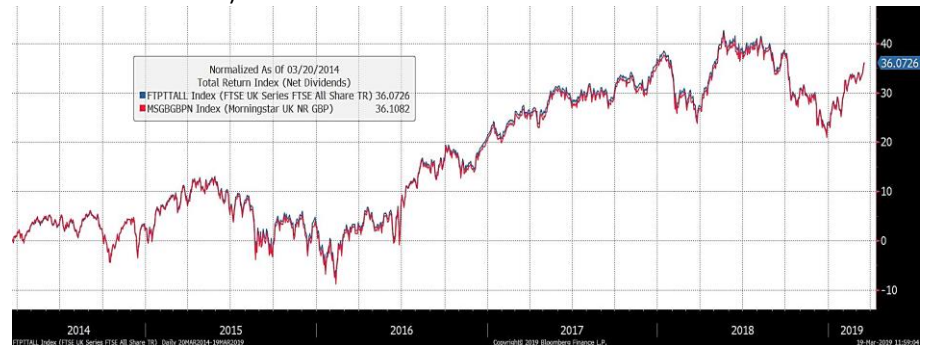
Asset Allocation Changes and Market Commentary

As an investment team, we make two types of asset allocation changes:

1. The asset allocation by switching ETFs into other ETFs with more attractive fundamental valuation characteristics e.g. greater diversification, greater earnings growth, lower earnings multiple, higher yield, higher credit quality, shorter duration etc.
2. The same characteristics/index but via a comparatively lower cost ETF from another provider.

Since the launch of SCM in June 2009, approximately 60% of changes have fallen into category 1. above and 40% into category 2. Above. During February the change was in category 2 i.e. replacing an existing ETF with a very similar ETF but with much lower costs.

We sold the SPDR FTSE All Share ETF (7.2% of the portfolio) and re-invested into the Lyxor Core Morningstar UK ETF. The two underlying indexes are not identical but very similar. The FTSE All Share comprises around 635 companies and represents at least 98% of the full capital value of all UK companies that qualify as eligible for inclusion. The Morningstar UK Index represents the performance of the large and mid-cap segment of the UK's equity market and covers c.97% of the free float-adjusted market capitalisation of the UK. Looking more closely at the two indexes shows that they are very similar (you can barely see the difference between the blue line and the red line):



Source: Bloomberg LP

Yet the costs of the ETF following the Morningstar UK index, is about 78% cheaper than the existing ETF we held, based on these metrics:

	Ongoing Cost Estimated	Transaction Fee Estimated	TOTAL Cost
Lyxor Core Morningstar UK ETF	0.04% pa	0.01 pa	0.05% pa
SPDR FTSE UK All Share ETF	0.20% pa	0.03 pa	0.23% pa

I realise this commentary is technical, but we think it is important to understand the depth of analyse we undertake across the portfolio holdings and the changes from month to month in our constant endeavour to improve the quality, valuation, cost, risk and return metrics of our portfolio.

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 Absolute Return (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.