

Portfolio commenced 8 June 2009
OBJECTIVE:

To outperform inflation.

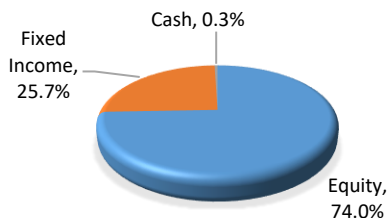
STRATEGY:

Actively managed with a long-term bias to real assets e.g. equities.

The Portfolio normally invests in a wide range of ETFs to gain significant diversification and exceptional liquidity at very low cost.

Top Holdings as at 28th February 2019

Vanguard FTSE 100 ETF	9.7
Lyxor Core Morningstar UK NT (DR) ETF	9.6
UBS ETF Fact MSCI USA PrmVal H GBP A dis	9.1
iShares Core FTSE 100 ETF GBP Dist	7.8
iShares Core MSCI EM IMI ETF USD Acc	7.6
Vanguard Global Value Factor ETF USD Acc	7.5
iShares Core MSCI Japan IMI ETF USD Acc	7.3
iShares MSCI EMU ETF GBP H Dist	5.0
UBS ETF BlombgBarcl USD EM Sovn GBPH A	3.9
UBS ETF BlombgBarcl US LqCrp1-5Yr GBPH A	3.9

Underlying Holdings Key Statistics
OVERALL ASSET ALLOCATION

Bonds Component

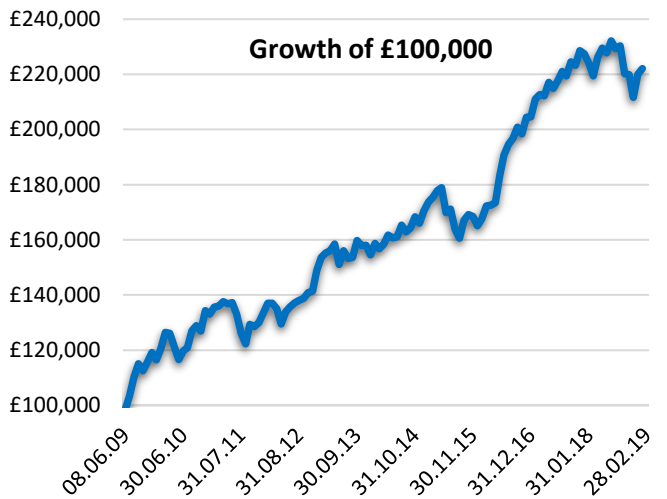
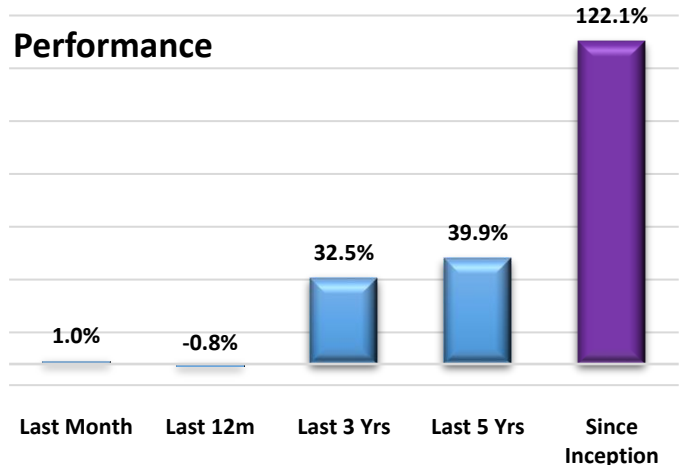
No. Holdings	Yield to Maturity	Maturity (Yrs from Today)	Modified Duration	S&P Rating
704 Gov Bonds	4.8%	8.8 Yrs	5.9	BBB+
2,451 Corp Bonds				

Equities Component

No. Holdings	Dividend Yield	Price to Book Ratio	P/E Ratio *	LTG EPS**
5,179	3.6%	1.4x	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
-0.8%	6.2%	25.9%	-3.5%	9.4%	3.3%	12.1%	1.0%

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>0.23%</i>
<i>Est. Dealing Costs (transaction costs of buying & selling ETFs of 0.11% pa + underlying transaction costs within ETFs of 0.05% pa)</i>	<i>0.16%</i>
<i>Custody & Administration fee</i>	<i>0.12%</i>
TOTAL COST OF INVESTING	0.99%

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 • Brummell
 UK Leading Fund Management Firm of the Year • ACQ5
 UK Game Changers of the Year (FM) - Alan & Gina Miller • ACQ5

WINNERS 2015

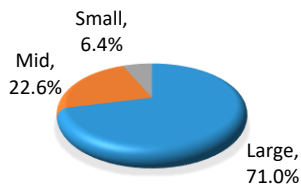
 Best Long-Term Returns • Wealth & Money Management
 UK Game Changers of the Year (FM) - Alan & Gina Miller
 Most Innovative Fund Management Firm UK • Wealth & Money Management

WINNERS 2014

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

Underlying Holdings (Source: Bloomberg)

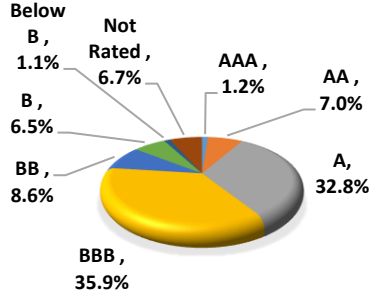
EQUITIES BY SIZE



Equities by Region

United Kingdom	39.2%
North America	19.4%
Europe dev	12.9%
Japan	10.8%
Asia dev	7.0%
Asia emrg	5.2%
Europe emrg	3.3%
Latin America	1.3%
Africa / Middle East	0.9%
Australasia	0.1%

FIXED INCOME BY CREDIT RATING



Last 3 years annualised volatility

UK Corp Bonds (iBoxx Large Cap TRI Index)	7.3%
UK Gilts (Bloomberg UK Govt All>1 Yr)	7.3%
SCM Long-Term Return	7.4%
US Equities (MSCI USA)	10.2%
UK Equities (MSCI UK)	10.5%
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%

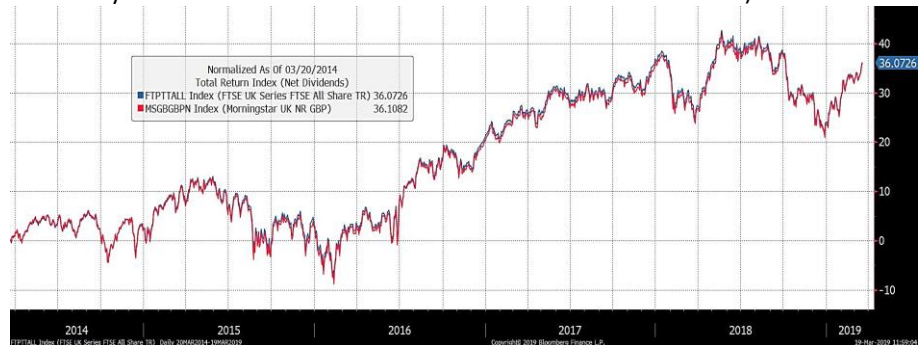
Asset Allocation Changes and Market Commentary

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 (9.6% 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 from 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 SCMP Long-Term Return (£) Benchmark is inflation (the return of the UK RPI All Items 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.