

Portfolio commenced 8 June 2009

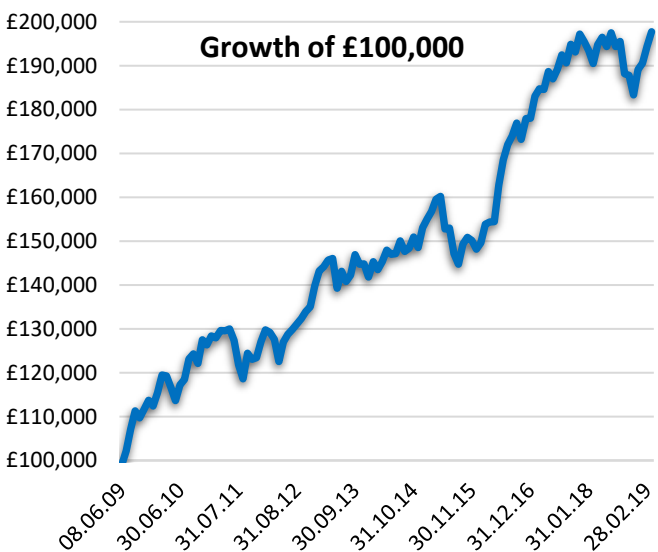
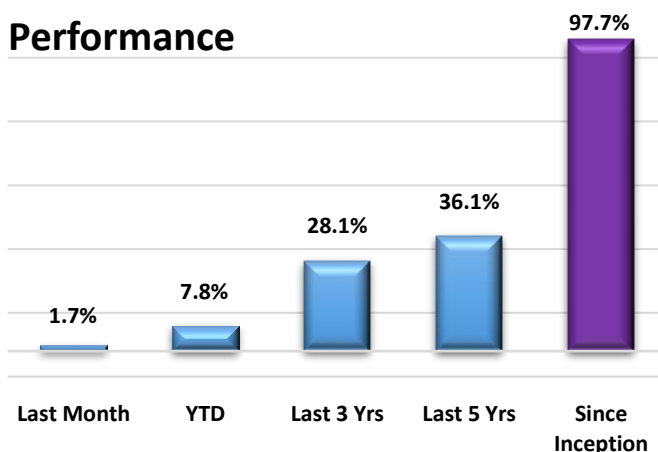
OBJECTIVE:

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.

Performance



Rolling Returns

12m to 30.04.12	12m to 31.04.13	12m to 30.04.14	12m to 30.04.15	12m to 30.04.16	12m to 30.04.17	12m to 30.04.18	12m to 30.04.19
-1.6%	14.2%	-0.2%	9.8%	-3.3%	19.6%	5.5%	1.5%

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.

ALL Fees & Charges



ANNUAL MANAGEMENT CHARGE: 0.4% +VAT	0.48%
<i>Underlying ETF costs (KIID Ongoing Charge)</i>	0.26%
<i>Est. Dealing Costs (transaction costs of buying & selling ETFs of 0.12% pa + underlying transaction costs within ETFs of 0.06% pa)</i>	0.18%
<i>Custody & Administration fee</i>	0.12%
TOTAL COST OF INVESTING	1.04%

Top Holdings as at 30th April 2019

ETF Name	%
Vanguard FTSE 100 UCITS ETF	11.7
Lyxor Core Morningstar UK NT (DR) ETF	7.4
iShares Core MSCI Japan IMI ETF USD Acc	6.3
iShares Core MSCI EM IMI ETF USD Acc	6.2
UBS ETF BlombgBarcl USD EM Sovn GBPH A	6.1
UBS ETF BlombgBarcl US Liq Corp GBPH A	6.0
iShares Core FTSE 100 ETF GBP Dist	6.0
UBS ETF BlombgBarcl US LqCrp1-5Yr GBPH A	6.0
UBS ETF JPM USD EM Dvrs Bd1-5H GBP A-dis	5.6
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
716 Govt. Bonds 2,520 Corp. Bonds	4.1 %	8.6 Yrs	6.0	BBB+

Equities Component

No. Holdings	Dividend Yield	Price to Book Ratio	P/E Ratio *	LTG EPS**
5,167 Equities	4.1%	1.3x	12.3x	9.9%

*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.

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*

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

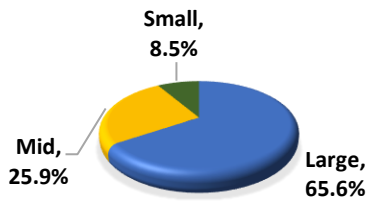
Best Long-Term Returns • *Wealth & Money Management*
UK Game Changers of the Year (FM) - Alan & Gina Miller • *ACQ5*
Most Innovative Fund Management Firm UK • *Wealth & Money Management*

WINNERS 2014

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

Underlying Holdings *(Source: Bloomberg)*

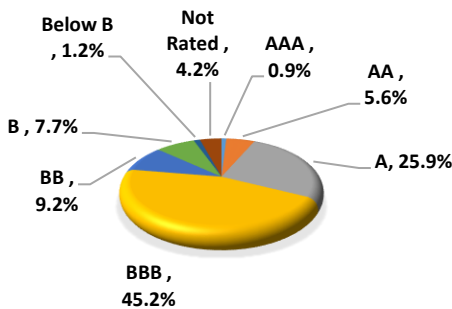
EQUITIES BY SIZE



EQUITIES BY REGION

United Kingdom	43.5%
Japan	14.9%
Europe dev	14.0%
Asia dev	9.3%
Asia emrg	6.6%
Europe emrg	4.9%
North America	3.8%
Latin America	1.7%
Africa / Middle East	1.3%
Australasia	0.0%

FIXED INCOME BY CREDIT RATING



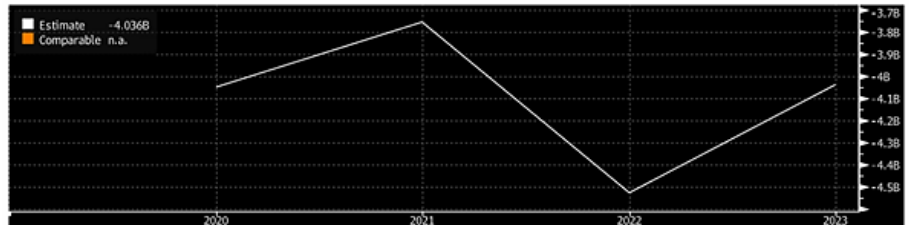
Last 3 years annualised volatility

SCM Absolute Return	6.5%
UK Corp Bonds (iBoxx Large Cap TRI Index)	6.6%
UK Gilts (Bloomberg UK Govt All>1 Yr)	7.2%
UK Equities (MSCI UK)	10.1%
US Equities (MSCI USA)	11.1%
UK Index-Linked Gilts (Barclays UK Infl. Linked)	11.5%
Europe Excluding UK (MSCI Eur. Ex UK)	10.6%
Asia Pacific Excl. Japan (MSCI Asia Ex Jap)	13.3%
Em Markets (MSCI EM)	12.9%
Japan (MSCI Japan)	14.2%

Asset Allocation Changes and Market Commentary

During April the Investment Team made no change to the Portfolio.

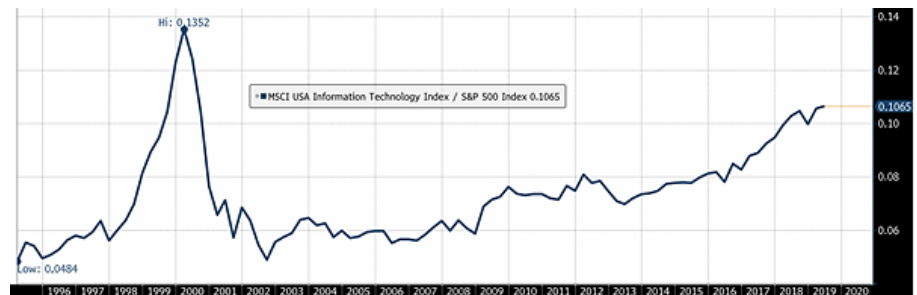
One area of interest at present is the recent performance of many tech stocks and 'disruptors'. The Uber flotation should remind investors of the dangers of investing in tech stocks generally, and perennially loss-making tech stocks specifically. Even though the shares fell after its float, Uber is still valued at more than \$70 bn despite being forecast to lose c. \$4bn a year for the next few years:



Source: Bloomberg LP

Uber has managed to reach these dizzy heights by being labelled as a tech stock and a 'disruptor' even though, not only does it have to compete with taxis and public transport, but other companies with their own ridesharing services e.g. General Motors, Tesla and Google. General Motors (GM) has a market cap of less than Uber (\$52.5 Bn) even though it is forecast to have revenues in 2019 of \$146 Bn, profits of \$8.4bn, and pays a dividend to its shareholders. It also has a self-driving subsidiary called Cruise that recently raised £1.15 Bn valuing it at \$19 Bn.

The investment guru, Warren Buffett appears to have caught the tech bug, recently buying a \$900m stake in [Amazon](#). The Company appears to satisfy the Buffett "moat" credentials but appears not to meet his "intrinsic worth" principle as it stands on a multiple of 69x its 2019 earnings per share, 14x its book value, and 22x its cashflow. In the US, tech stocks have now reached almost their pre-2000 peak in terms of performance:



Source: Bloomberg LP

All this may explain why value stocks have fared so badly in recent years and why so many value driven fund managers appear to be giving up. In my experience, when a fund manager throws the towel in an asset class, region or type of stock, that often marks the bottom. At SCM, over the last 12 months, we have increased our tilts within our portfolios to these out of fashion, value stocks; aiming to take advantage of opportunities rather than give up on them.

Alan Miller - Chief Investment Officer, 21st May 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.