

Portfolio commenced 8 June 2009
OBJECTIVE:

To outperform inflation.

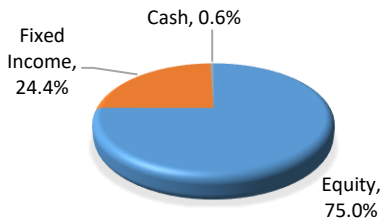
STRATEGY:

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 30th April 2019

Vanguard FTSE 100 UCITS ETF	9.8
Lyxor Core Morningstar UK NT (DR) ETF	9.7
UBS ETF Fact MSCI USA PrmVal H GBP A dis	9.1
iShares Core FTSE 100 ETF GBP Dist	8.0
Vanguard Global Val Fac UCITS ETFUSDAcc	7.7
iShares Core MSCI EM IMI ETF USD Acc	5.4
iShares Core MSCI Japan IMI ETF USD Acc	5.3
iShares MSCI EMU ETF GBP H Dist	5.0
UBS ETF BlombgBarcl USD EM Sovn GBPH A	3.9
UBS ETF BlombgBarcl US Liq Corp GBPH A	3.9

Underlying Holdings Key Statistics
OVERALL ASSET ALLOCATION

Bonds Component

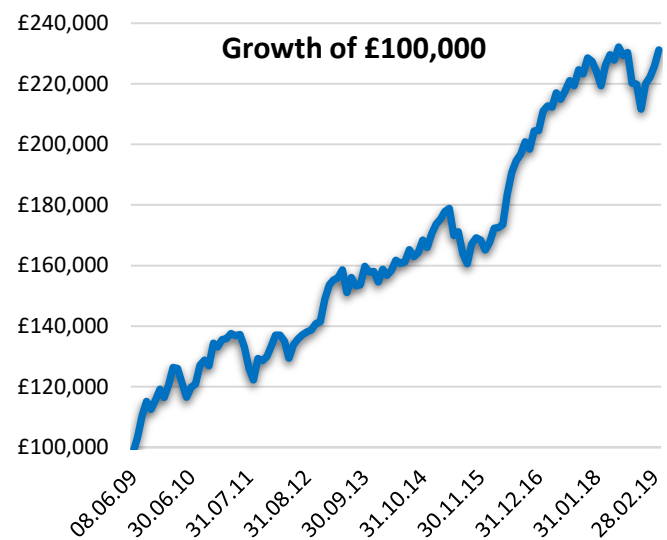
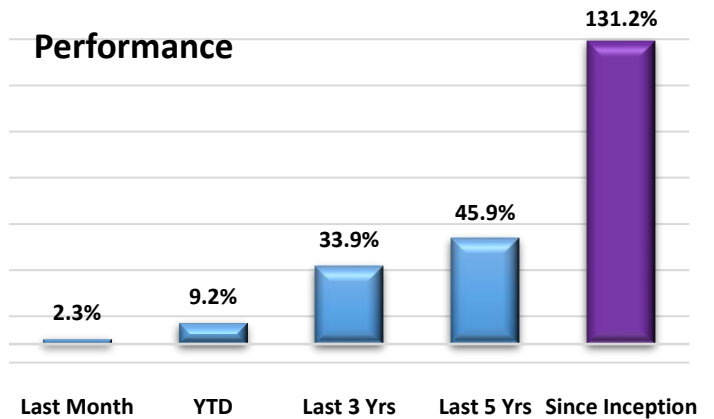
No. Holdings	Yield to Maturity	Maturity (Yrs from Today)	Modified Duration	S&P Rating
716 Gov Bonds	4.1%	8.6 Yrs	6.0	BBB+
2,520 Corp Bonds				

Equities Component

No. Holdings	Dividend Yield	Price to Book Ratio	P/E Ratio *	LTG EPS**
5,226	3.8%	1.4x	12.4x	9.8%

*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 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
-1.9%	15.6%	1.5%	12.3%	-3.0%	23.0%	6.6%	2.2%

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>0.25%</i>
<i>Est. Dealing Costs (transaction costs of buying & selling ETFs of 0.11% pa + underlying transaction costs within ETFs of 0.06% pa)</i>	<i>0.17%</i>
<i>Custody & Administration fee</i>	<i>0.12%</i>
TOTAL COST OF INVESTING	1.02%

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

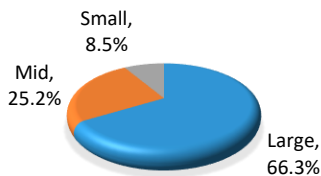
 Best Long-Term Returns • Wealth & Money Management
 UK Game Changers of the Year (FM) - Alan & Gina Miller
 Most Innovative Fund Management Firm UK • Wealth & Money Management

WINNERS 2014

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

Underlying Holdings (Source: Bloomberg)

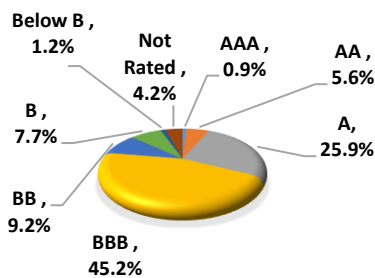
EQUITIES BY SIZE



Equities by Region

United Kingdom	39.0%
North America	19.7%
Europe dev	12.6%
Japan	10.9%
Asia dev	7.4%
Asia emrg	4.8%
Europe emrg	3.2%
Latin America	1.3%
Africa / Middle East	1.0%
Australasia	0.0%

FIXED INCOME BY CREDIT RATING

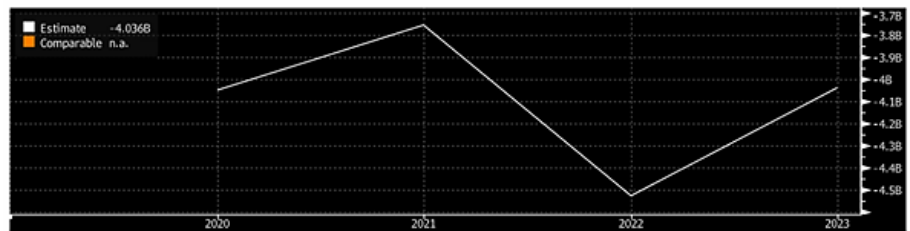


Last 3 years annualised volatility

UK Corp Bonds (iBoxx Large Cap TRI Index)	6.6%
SCM Long-Term Return	7.3%
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

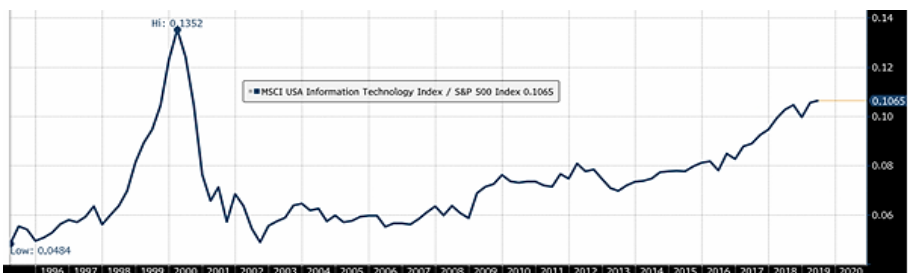
During April the Investment Team made no change to the Portfolio. One area of interest at present is the recent performance of many tech stocks and 'disruptors'. The Uber flotation should remind investors of the dangers of investing in tech stocks generally, and perennially loss-making tech stocks specifically. 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 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.