



**10 June 2021 – For Immediate Release**

**Disruptive digital wealth manager, SCM Direct, launched by Alan and Gina Miller reaches profitability milestone – probably the UK’s only profitable digital wealth manager.**

**On its 12<sup>th</sup> anniversary, SCM also launches MoneyShe – a female focused information and resource centre on [scmdirect.com](https://scmdirect.com) aimed at increasing women’s confidence about investing.**

Founded in June 2009 by Alan and Gina Miller as a reaction to the Global Financial Crisis, over the last 12 years, SCM Direct has been steadfast in focusing on transparency, putting customers first, and being an ethical activist brand.

As vocal consumer campaigners, SCM has produced extensive research, calling out failings by both the self-interested industry trade bodies and the regulator, challenged anti-consumer behaviours in respect of hidden fees, closet index tracking, liquidity and mispricing, fund labelling, lack of holdings transparency, and greenwashing. The latest research on the continuing issue of hidden transaction costs can be found [here](#).

**In terms of the MoneyShe launch, Gina Miller of SCM Direct said:**

*“There is much said about the gender pay gap, but not enough about the enormity of the investing and pension gender gap. The sector has been aware of the gap for years, yet little has changed. We believe this is because there has been too much focus on designing female-focused products, but our experience is that men and women do not necessarily want different products. What women want is to be communicated with and treated in a straightforward, uncomplicated manner.*

*Aspects of female financial vulnerability have been amplified during the Covid pandemic, and it is important to us that we try to practically help. As a business 39% of our clients are female and we know from them that increasing investment and pension knowledge, understanding and confidence is vital to making them active investors.*

*We launch [MoneyShe](#) today with brochures, a Retirement Tip Sheet and Cost Questionnaire and will be adding to these on a regular basis ensuring we check in with women on what they want. We will soon be launching a blog section, hosting our own and partner events, and a Story Board area where women can share their finance experiences, stories, and feedback. We hope to inspire confidence and trust, not just in us but the wider investment industry.”*

Since launch the Millers have invested across the core SCM Direct ETF Portfolios, on the same fees, terms and asset allocation decisions as their clients.

SCM Direct has been encouraged to see growth in the online wealth/investment/management sector but anxious that despite large external fundraisings, and substantial expenditures on advertising and promotional activity, profitability and sustainability is still proving to be a challenge as this significant spending does not appear to have translated into profitability within the sector. Four of the largest UK digital wealth managers lost a combined £42.8m according to their latest available accounts, which was more than 3x their combined turnover.<sup>[1]</sup>

In terms of the last 12 months to end of May 2021, SCM has also experienced an increase in AUM of 27% and an increase in clients of 20%. SCM Direct believes this organic growth makes it the first UK digital wealth manager to reach profitability – having recorded an overall profit for the 6-months to end April 2021.

#### SCM Client Profiles

	Male	Female
Accounts (by number not including JISAs)	57%	39%
Average age	60 years old	57 years old
Average investment size (minimum £10,000)	£368,345	£158,655

#### SCM Portfolio Performance

SCM Direct launched with two portfolios, which now have 12-year track records:

	SCM Direct 12 Yr Performance Inception to end May 2021 <sup>[2]</sup> (After all Costs & Charges)	ARC Private Client Indices 12 Years to end May 2021
SCM Absolute return (GBP)	+122.8%	+92.2% (ARC Balanced)
SCM Long-Term Return (GBP)	+166.6%	+127.1% (ARC Steady Growth)

Full performance data [here](#)

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<sup>[1]</sup> Based on latest available accounts from Companies House for Nutmeg, Moneyfarm, Netwealth, and Wealthsimple

<sup>[2]</sup> SCM Direct portfolios inception 08/06/2009. ARC comparison based on end May 2009 data as ARC uses end month values.



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## Editor's Notes

**SCM Direct - [www.scmdirect.com](http://www.scmdirect.com)**

SCM Direct is a digital wealth manager offering investors access to 5 core ETF model portfolios – including the SCM ESG (Ethical) Portfolio, and 3 blended ETF model portfolios, in 3 currencies - £, € and US\$; as well as 3 ways to invest – GIA, ISA/JISA and SIPP.

SCM Direct was established in 2009 by Alan and Gina Miller, the aim was to launch an honest, innovative 100% transparency investment company that respects investors by putting their best interests at the heart of all we do, stripping away layers of costs and inefficiencies. The hybrid investment approach of actively managing pure ETF portfolios has seen Alan Miller continue his outperformance track record, whilst also offering clients extremely high levels of liquidity and diversification, which allows the investment team to be nimble in the face of uncertainty.

**Important Notice: The value of investments can go down in value as well as up, so you could get back less than you invest. SCM Direct is a trading name of SCM Private LLP which is authorised and regulated by the Financial Conduct Authority to conduct investment business no 497525. Registered in England and Wales, OC342778.**