

Portfolio commenced 8th 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.

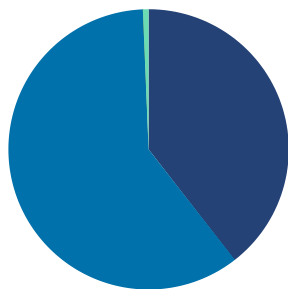
#### Strategy

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 30th October 2023

iShares Core MSCI EM IMI ETF USD Acc	14.6%
Lyxor Core UK Eq All Cap (DR) ETF Dist	11.8%
iShares Core FTSE 100 ETF GBP Dist	10.6%
Amundi MSCI Japan (DR) ETF	6.6%
iShares £ Corp Bond 0-5yr ETF GBP Dist	5.5%
Invesco GBP Corporate Bond ETF Dist	4.5%
SPDR® MSCI Emerging Markets SmallCap ETF	4.5%
Vanguard FTSE 250 UCITS ETF	4.1%
iShares \$ Floating Rate Bd ETF GBPH Dist	4.0%
Lyxor Smart Overnight Return ETF C GBP	4.0%

### Overall Asset Allocation



■ Bonds 39.5% ■ Equities 59.9% ■ Cash 0.6%

### Bond Component

No. Holdings	Yield to Maturity	Maturity	Duration	S&P Rating
2,075 Crp 730 Gov	6.0%	5.3	3.4	BBB+

### Equity Component

No. Holdings	Dividend Yield	P/B	P/E	EPS
4,845	4.0%	1.4	10.9	10.4%

#### WINNERS 2020

Alan Miller - 30 Most Influential in the European ETF Industry List 2020 • *ETF Stream*

#### WINNERS 2019

Most Trusted Online Investment Manager of 2019 - UK • *Corporate Excellence Awards 2019*

#### 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

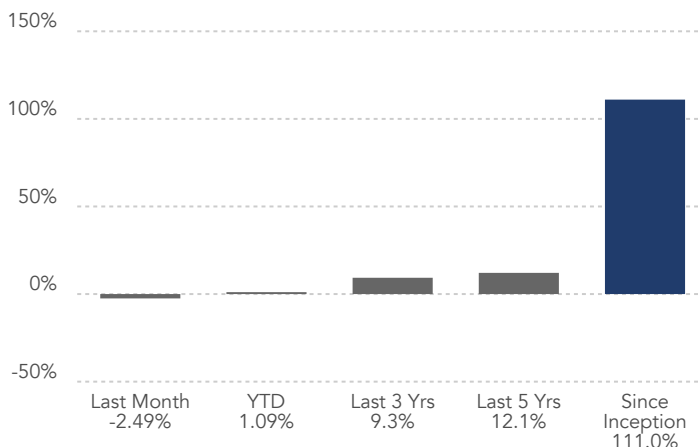
50 Most Influential • *PAM Awards* Investment Manager of The Year • *Acquisition International*

#### WINNERS 2016

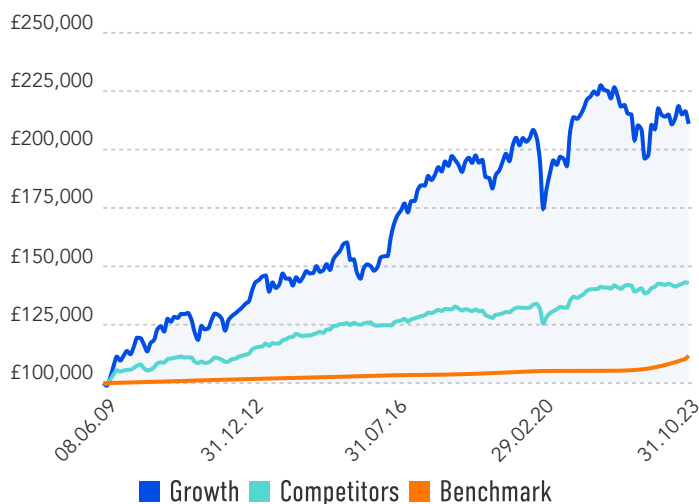
UK Long-Term Return Fund of the Year • ACQS  
Transparency Champions • *Transparency Taskforce* Fund Manager of The Year • *Acquisition International*  
Inspirational Women Innovators - Gina Miller • *Brummel*  
UK Leading Fund Management Firm of the Year • ACQS  
UK Game Changers of the Year (FM) - Alan & Gina Miller • ACQS

## SCM Absolute Return Portfolio (GBP) As at 30th October 2023

### Performance after fees



### Growth of £100,000



Past performance is not a guide to future returns.

### Rolling Return

12m to 31.10.18	12m to 31.10.19	12m to 31.10.20	12m to 31.10.21	12m to 31.10.22	12m to 31.10.23
-3.4%	8.1%	-5.1%	16.7%	-12.3%	6.9%

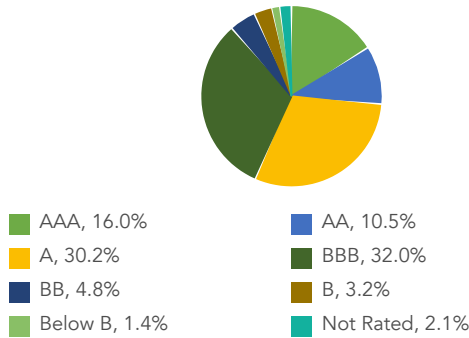
Source SCM Private LLP

### ALL Fees & Charges



SCM Discretionary Fund Management Charge	0.40%
Underlying ETF costs (KIID Ongoing Charge)	0.24%
Transaction Costs of buying/selling funds	0.12%
Transaction Costs within funds	0.04%
Custody & Administration Fee	0.12%
<b>Total Fees &amp; Charges</b>	<b>0.92%</b>

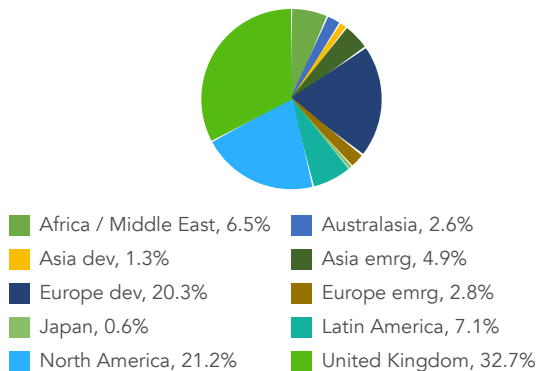
## Fixed Income By Credit Rating



## Equities by region

United Kingdom	42.0%
Asia emrg	15.3%
Japan	14.4%
Europe dev	11.0%
Asia dev	9.8%
Africa / Middle East	3.3%
Latin America	2.7%
Europe emrg	0.8%
North America	0.6%
Australasia	0.0%

## Fixed Income By Region (By Issuer)



## Last 3 years annualised volatility

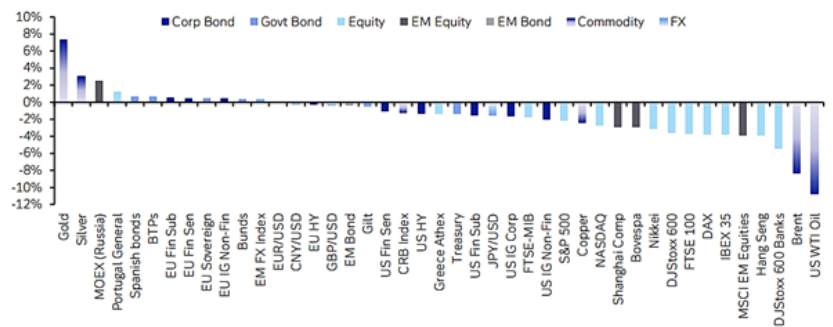
<b>SCM Absolute Return</b>	<b>9.2%</b>
UK Corp Bonds (iBoxx Large Cap TRI Index)	10.2%
UK Gilts (Bloomberg UK Govt All>1 Yr)	11.0%
UK Equities (MSCI UK)	12.1%
Japan (MSCI Japan)	13.1%
UK Index-Linked Gilts (Barclays UK Infl Linked)	15.2%
Europe Excl UK (MSCI Eur. Ex UK)	16.0%
Em Markets (MSCI EM)	18.0%
US Equities (MSCI USA)	18.2%
Asia Pacific Ex. Japan (MSCI Asia Ex Jap)	19.4%

## Asset Allocation Changes and Market Commentary

During October, the SCM Direct Investment Team made no changes besides rebalancing the portfolios at the end of October to ensure we took advantage of those assets that had fallen back the most over recent months.

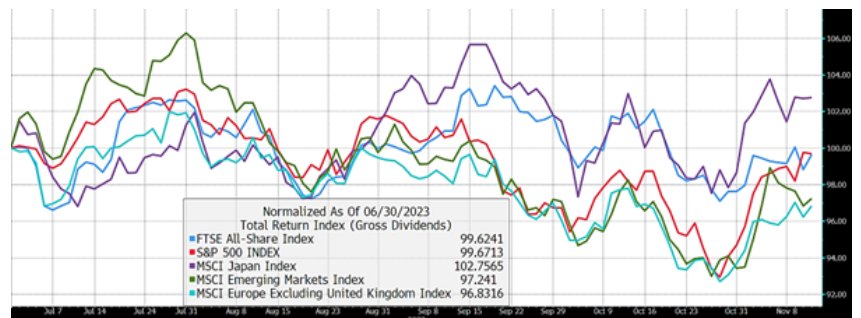
October was another weak month for markets, with several factors driving losses across different asset classes. In particular, the attack by Hamas on Israel on October 7 led to significant concerns about geopolitical risk, and investors remained cautious given concerns about a wider escalation. October saw another strong round of US economic data, which helped drive a fresh rise in long-dated borrowing costs and added to fears about the impact of higher rates on the broader economy. At the start of October, the US jobs report showed that +336k jobs were added in September, which was the most since January. The latest data also showed ongoing inflationary pressures, with core US CPI coming in at a 5-month high in September of +0.32%. That meant the S&P 500 lost ground for a 3<sup>rd</sup> consecutive month for the first time since the pandemic turmoil of March 2020, whilst US Treasuries lost ground for a 6th consecutive month. The 10 year yield rose for a 6th consecutive month to close at 4.93% at the end of October, having briefly surpassed the 5% mark for the first time since 2007.

Total Return Performance of Major Global Financial Assets in October (in Local Currency)



Source: Deutsche Bank, Bloomberg Finance LP

However, as in politics, a week can be a very long time in markets and the October downward moves have been nearly recovered at the time of writing in November. To put these moves into context, most major equity markets are very close to their levels at the end of June this year:



Source: Bloomberg LP

We always try and focus on the future rather than the past and not get distracted by the noise of short term market moves which often creates bouts of wild pessimism and optimism and can lead to detrimental investment decisions based on panicking out or into markets at inopportune times. For the last few years, we have avoided longer maturity bonds and Western Government Bonds. We believe that we are closer to the peak in interest rates and the seismic upward shift in long bond yields has nearly played out – for the last few years we have month by month reduced the interest rate risk of our bond holdings by reducing the maturities. For the first time this month, we are now considering slightly lengthening the maturity of our bond holdings to take advantage of the attractive rates on offer.

Alan Miller, Chief Investment Officer, November 15 2023

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. Competitor data is based on the performance of the IA Targeted Absolute Return Sector and the comparison is offered as a guide only. 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.