

SVM UK ACTIVE FUND PLC

Half Yearly Statement for the six months to 30 September 2008

Investment Objective

The investment objective of the Fund is to achieve superior returns by actively managing a portfolio of principally UK listed companies that offer attractively priced growth.

Highlights

- During the review period net asset value declined by 18.0% compared with a fall of 13.5% in the FTSE All-Share. Since the end of the review period, there has been some recovery in the relative performance.
- Over the five years to 30 September 2008, the share price has increased by 46.1% compared to 44.5% for the benchmark index.
- The Company's exposure to smaller companies, adversely affected performance. Investment in this area has been steadily reduced and now represents less than 4% of the portfolio.
- The Company's hedging policy proved helpful, with gains achieved that helped to mitigate some of the weakness in resources and financials.
- The portfolio emphasises healthcare, utilities, tobaccos and other businesses with greater resilience to a weaker economy.
- The Company currently holds more than 20% in cash.
- Over the six months, the discount averaged 11.5%. The Board remains committed to stability of the discount during relatively volatile markets, whilst recognising the extent to which this must be influenced by overall industry trends.

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