

SVM UK Opportunities Fund

Short Report

Period to 30 June 2007



Investment Objective

The objective of this Fund is to achieve above average capital growth over the medium to long-term (although short-term investment opportunities will also be considered) and it aims to outperform a Blended Benchmark comprising principally the FTSE 250 ex Investment Trusts Index and to a lesser extent the FTSE Small Cap ex Investment Trusts Index.

Risk Profile

The Fund is exposed to market risk. It invests in companies outside the FTSE 100 Index which can be less liquid and may carry greater risk and volatility. The Fund is exposed to stockmarket fluctuations.

Distribution

XD date: 31 December

Payment date: 30 April (Accumulation shares)

The following distribution was accumulated over the last accounting period.

Income

	31/12/06 pence per share	31/12/05 pence per share
UK Opportunities A class	Nil	0.6608
UK Opportunities B class	1.4505	1.7741

Total Expense Ratio (TER)

The TER shows the annualised operating expenses of the Fund. It does not include transaction expenses.

Fund Total Expense Ratio (p.a.)	Class A Shares	Class B Shares
UK Opportunities Fund	1.76 %	1.02 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 6 months

The above figures were calculated by SVM Asset Management using data sourced from the 30 June 2007 Interim Report and Accounts. The figures are intended to provide an indication of the Total Expenses Ratio and will vary from year to year.

Fund Performance

Percentage growth for each year to last quarter end	30/06/02 30/06/03	30/06/03 30/06/04	30/06/04 30/06/05	30/06/05 30/06/06	30/06/06 30/06/07
UK Opportunities	-12.6	+31.0	+19.0	+28.3	+29.1

Source: Lipper Hindsight, mid to mid, UK net. Past performance should not be seen as an indication of future performance. All performance data refers to the A (retail) share class.

Comparative Tables

Net Asset Values

	Net asset value of shares £'000	Net asset value in pence per share	Shares in issue
As at 30/06/07			
UK Opportunities A class	59,207	261.53	22,638,148
UK Opportunities B class	35,435	270.64	13,092,918
As at 31/12/06			
UK Opportunities A class	40,011	248.83	16,079,036
UK Opportunities B class	29,412	256.69	11,458,171

Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 30/06/07			
UK Opportunities A class	275.00	241.00	264.20
UK Opportunities B class	284.60	249.30	273.40
During period to 31/12/06			
UK Opportunities A class	251.5	187.7	251.5
UK Opportunities B class	259.5	192.2	259.5














Top 10 Holdings: 30/06/07 %

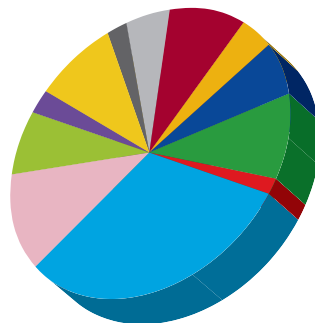
Innovation	3.1
Hunting	3.0
Invensys	2.9
CRH	2.9
Interserve	2.8
Morgan Sindall	2.8
Tullow Oil	2.8
Pace Micro Technology	2.5
Cable & Wireless	2.5
Old Mutual	2.1

Top 10 Holdings: 31/12/06 %

Punch Taverns	2.9
CRH	2.8
Aberdeen Asset Management	2.8
Acertec	2.5
Capital & Regional Props	2.4
Premier Oil	2.3
Ryanair	2.2
Novae	2.1
Intertek Testing Services	2.1
Invensys	2.1

Sector Analysis

	30/06/07	31/12/06
 Basic Materials	9.7%	5.0%
 Consumer Goods	4.3%	7.1%
 Consumer Services	6.6%	12.3%
 Financials	9.4%	19.7%
 Healthcare	1.8%	0.0%
 Industrials	31.1%	34.4%
 Oil & Gas	12.0%	11.1%
 Technology	6.8%	1.7%
 Telecommunications	2.6%	0.2%
 Utilities	0.0%	3.3%
 Europe Excluding UK	8.5%	2.8%
 North America	2.2%	1.0%
 Net Current Assets	5.0%	1.4%



Fund Manager



Neil Veitch

The first half of 2007 was characterised by the stock market climbing the proverbial wall of worry to end the half in positive territory. Market leadership was relatively concentrated with resources and industrials leading the market higher while companies with domestic earnings streams tended to under perform. The Fund got off to a slow start but finished the half ahead of its blended benchmark but slightly behind the FTSE All-Share.

The biggest contributor to performance was Pace Micro Technology, a manufacturer of set-top boxes. The company is currently benefiting from strong demand for its products and improved operational performance. Our faith in a number of our smaller companies was rewarded with strong performances from Jubilee Platinum, Healthcare Locums and Kirkland Lake. Two of last year's strong performers Invensys and AMEC also delivered further gains as excellent results continued to highlight the strength of their respective turnarounds. The Fund endured disappointing performances from British Airways, Salamander Energy, Barratt Development and Hogg Robinson. With the exception of the latter, we remain committed holders and have added to our positions.

Despite four years of strong gains we believe that the outlook for equities remains positive with valuations reasonable and global growth robust.

Further Information

Further information about the share price, activities and performance of the Fund for this and previous periods, together with related product literature and further information on the Manager can be found on our website at www.svmonline.co.uk

Report and Accounts

This document is a short report for a sub-fund of the SVM Funds ICVC taken from the Interim Report and Accounts 30 June 2007. The Long Form version of the Report and Accounts is available on written request to the Marketing Department, SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH or by email to info@svmonline.co.uk

Investment Warning

Past performance should not be seen as an indication of future performance. The value of an investment may fall as well as rise and investors may not get back the amount originally invested. Currency movements may cause the value of your investment to fall as well as rise. Investing in smaller companies may increase the volatility of your investment.

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