

SVM Balanced Managed Fund

Short Report



Period to 30 June 2009

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).

Risk Profile

The Fund is exposed to currency and market risks as it invests in global funds. The Fund is exposed to Sterling and a variety of global currencies as well as stockmarket fluctuations. The Fund does not actively hedge the currency risk of the portfolio.

Distribution

XD date: 31 December

Payment date: 30 April (Accumulation shares)

The following distribution was accumulated over the last accounting period.

Income	
	31/12/08 pence per share
Balanced Managed A class	Nil
Balanced Managed B class	Nil

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

Balanced Managed Fund

1.68 %

1.13 %

Total Expense Ratio = Total Annual Expenses / Average Net Asset Value over 6 months X 100

The above figures were calculated by SVM Asset Management using data sourced from the 30 June 2009 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	15/05/08 (launch) 30/06/08	30/06/08 30/06/09
Balanced Managed	+2.2	-10.9

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 30/06/09			
Balanced Managed A class	270	88.25	305,945
Balanced Managed B class	196	90.08	217,378
As at 31/12/08			
Balanced Managed A class	320	74.82	427,118
Balanced Managed B class	193	75.17	257,718

Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 30/06/09			
Balanced Managed A class	91.73	75.47	91.07
Balanced Managed B class	92.37	75.91	91.75
During period to 31/12/08			
Balanced Managed A class	103.4	73.94	76.51
Balanced Managed B class	103.4	74.28	76.87

Top 10 Holdings: 30/06/09

%









B.P Marsh & Partners	9.4
Prospect Japan	8.4
South African Property Opportunities	7.1
Acheron Portfolio 'A'	5.8
Quorum Oil & Gas Technology Preference	5.3
Private Equity Investor	4.5
Trading Emissions	4.3
F&C Private Equity Trust	3.9
Melchior Japan Investment Trust	3.9
Castle Asia Preference	3.9
Total	56.5

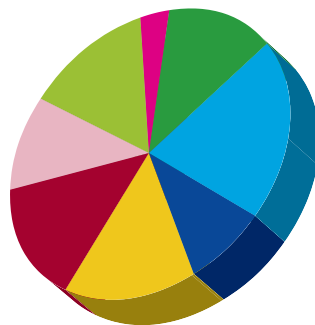
Top 10 Holdings: 31/12/08

%

Acheron Portfolio Corp	10.8
Quorum Oil & Gas	5.5
B.P Marsh	5.4
Prospect Japan Fund	5.1
China Real Estate Opps	4.7
Melchior Japan Investment Trust	4.7
Private Equity Investor	4.6
Low Carbon Accelerator	4.4
South African Property Opportunities	3.9
Allianz Dresdner Endow. Policy Tst 2010	3.6
Total	52.7

Sector Analysis

	30/06/09	31/12/08
 Hedge	13.7%	24.8%
 Private Equity	20.5%	13.9%
 Property	8.4%	10.6%
 Resources	15.2%	11.3%
 Specialist Funds	15.3%	24.3%
 Special Situations	10.4%	5.8%
 Cash	13.3%	9.3%
 Bonds	3.2%	—



Fund Managers



Donald Robertson



Colin McLean

Compared to the challenges of 2008, the first half of 2009 proved to be a blessed relief with global stockmarkets posting modest rises. However, it would be wrong to suggest that it had all been plain sailing. In the first three months we experienced a continuation of the previous year's weakness culminating in hitting multi-year lows at the start of March. Subsequently, markets recovered from what proved to be a grossly over-sold position. In a volatile environment, stockmarkets are akin to pendulums, swinging between positive to negative extremes. Undoubtedly, one extreme was reached in March and the pendulum has subsequently moved the other way as investor risk appetite has recovered.

In conjunction with these stockmarket moves, currencies have again been instrumental in investment

decision making. As the markets fell, investors sought safe havens with the US Dollar being the principal beneficiary at the expense of the weaker currencies, principally Sterling. This trend reversed with Sterling strengthening as confidence returned. Similarly, emerging markets disproportionately suffered as investors incorrectly viewed them as being more affected by the global economic downturn. Paradoxically, these economies are more prudently managed and as such have ridden out the recession better than their more indebted mature competitors. Recently, emerging markets have resumed their out-performance.

As a fund of funds, the 2009 trend of discount narrowing has been particularly welcome especially after the ballooning of discounts in the second half of 2008. We believe that this trend will continue for the foreseeable future. The Fund has been positioned accordingly and has remained as fully invested as the Fund's restrictions allow. The Fund retains its broad thematic approach, remains cautiously positioned and should continue to benefit from the gradual global economic recovery.

Further Information

Further information about the share price and activities of the Fund 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 Report and Accounts for the period ending 30 June 2009. 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 e-mail 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 movement may cause the value of your investment to fall as well as rise.

Contacts

Authorised Corporate Director and Investment Manager

SVM Asset Management Limited
7 Castle Street
Edinburgh
EH2 3AH
Email: info@svmonline.co.uk
Web: www.svmonline.co.uk
Authorised and regulated by the Financial Services Authority

Administrator

BNP Paribas Fund Services UK Limited
Block C, Western House
Peterborough Business Park
Lynchwood
Peterborough
PE2 6BP
Shareholder Services: 0845 358 1108
Dealing: 0845 066 1110
Fax: 01733 285 681

Depository

Royal Bank of Scotland plc
Trustee & Depository Services
The Broadstone
50 South Gyle Crescent
Edinburgh
EH12 9UZ

Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Auditors

Ernst & Young
Ten George Street
Edinburgh
EH2 2DZ