

SVM Funds ICVC

Annual Report

31 December 2021

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SVM Funds ICVC

The Company

SVM Funds ICVC

Head Office:

7 Castle Street

Edinburgh

EH2 3AH

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association.

Authorised Corporate Director (ACD) and Investment Manager

SVM Asset Management Limited

Head Office:

7 Castle Street

Edinburgh

EH2 3AH

Incorporated in the United Kingdom under registered number SC125817.

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association.

Custodian

State Street Bank and Trust Company

Registered Office:

20 Churchill Place

Canary Wharf

London

E14 5HJ

Correspondence Address:

Quartermile 3, 10 Nightingale Way

Edinburgh

EH3 9EG

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association.

Depositary

State Street Trustees Limited

Registered Office:

20 Churchill Place

Canary Wharf

London

Correspondence Address:

Quartermile 3, 10 Nightingale Way

Edinburgh

EH3 9EG

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association.

Registrar

SS&C Financial Services International Limited

Registered Office:

SS&C House

St. Nicholas Lane

Basildon, SS15 5FS

United Kingdom

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association.

Independent Auditor

Azets Audit Services

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Authorised Corporate Director's Report

We present our Annual Report for the SVM Funds ICVC ('the ICVC' or the 'Funds') for the year ended 31 December 2021.

2021 was a good year for global stock-markets, as economies began to re-open. Overall the stock-market pattern favoured businesses more exposed to recovery, inflation and higher interest rates. Many growth shares that had performed well in 2020 saw profit-taking in 2021 and lagged. Central bank policy in the US, Europe and the UK is now focused on bringing inflation under control.

Percentage growth for 12 months to	31/12/17 %	31/12/18 %	31/12/19 %	31/12/20 %	31/12/21 %
All Europe SRI Fund	18.3	(17.2)	23.6	1.0	25.2
Continental Europe Fund	17.0	(12.6)	18.3	36.7	22.4
UK Growth Fund	23.7	(16.2)	26.1	6.2	14.7
UK Opportunities Fund	13.7	(12.4)	30.4	(8.8)	23.4
World Equity Fund	12.0	(13.6)	29.6	13.3	25.8

Source: FE fundinfo, mid to mid, UK net, to 31 December 2021. Figures are for the A share class.

Information on share prices and monthly factsheets for each of the sub-funds giving stock, performance and market information can be found at www.svmonline.co.uk

Authorised Status

The ICVC is an investment company with variable capital incorporated in United Kingdom and registered under the OEIC Regulations with the Financial Conduct Authority ("FCA") and has its head office at 7 Castle Street, Edinburgh EH2 3AH. It has an umbrella structure and each sub-fund is invested as a Securities Scheme which complies with the FCA's Collective Investment Schemes Sourcebook ("the COLL") Rules.

The Instrument of Incorporation of the ICVC permits the scheme to operate as a UCITS scheme which complies with the COLL. The Prospectus is dated 30 July 2021.

Shareholders are not liable for the debts of the ICVC.

This report covers the year ending 31 December 2021 including the financial statements which show the financial position of each of the sub-funds.

About the ICVC

The ICVC is valued on a daily basis and currently has five active Funds, all of which have two share classes. The share classes are subject to different charging structures and subscription limits. All shares are single priced. Details of the Funds and the share classes are contained in the Prospectus. Copies of the Prospectus, Supplementary Information Document, Key Investor Information Document and Instrument of Incorporation can be obtained from the Authorised Corporate Director (ACD).

Remuneration

SVM Asset Management ('the Manager') is the Investment Manager and the Authorised Corporate Director of the Company. Staff providing services to the Manager are subject to the SVM Remuneration Policy which reflects the remuneration requirements of the UCITS V Directive. It is available through the website www.svmonline.co.uk and is updated periodically to reflect changes to the policy.

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code. Under the UCITS V Directive, the Manager is required to disclosure information relating to the remuneration paid to its staff for the financial year (2021), split into fixed and variable remuneration as set out in the table below. The average number of staff during the year was 18.

	Total Remuneration £000
Total staff of the Manager	1,822
Of which:	
Fixed remuneration	1,486
Variable remuneration	336
Identified code staff of the Manager ⁽¹⁾	1,231
Of which:	
Senior management	627
Other identified staff	604

(1) Identified code staff are those whose activities have a material impact on the risk profile of the Company or the Manager.

Share Class Information and Expenses Cap

Each fund has Class A Shares (retail) and Class B Shares (institutional) available for subscription. The annual management fees of the ACD borne by, and the level at which the ACD has agreed to cap the expenses for the period/year ended 31 December 2021 of, the share classes are given in the following table:

Percentage charge per share class	Annual Fee		Expense Cap	
	A	B	A	B
All Europe SRI Fund	1.50	0.75	1.98	1.23
Continental Europe Fund	1.50	0.75	1.98	1.23
UK Growth Fund	1.50	0.75	1.98	1.23
UK Opportunities Fund	1.50	0.75	1.98	1.23
World Equity Fund	1.50	0.75	1.98	1.23

Rights on Winding Up

All classes of shares have the same rights on winding up.

Prospectus Changes

A copy of the Prospectus is available on request from the ACD.

Risks

If you invest in the ICVC you should be aware that there are certain risks involved:

- Your investment can be affected by changing conditions on the stockmarkets in which the ICVC invests. Both the value of your investment and any revenue the ICVC may pay, may go down as well as up.
- You are not certain to make a profit and you may make a loss.
- Past performance should not be seen as an indication of future performance.
- If the ICVC invests in overseas securities it may be affected by currency fluctuations. These can have a negative or positive impact on the value of your investment.
- The effect of the initial charge means that, even in the absence of a fall in the share price, if you sell your shares after a short period you may not get back the amount originally invested. You should therefore regard your investment as medium to long term.
- Tax rates, as well as the tax treatment of the ICVC, could change at any time in the future.

Further information on the risks associated with investing in the ICVC can be found in the Prospectus.

The ACD has expressed its own views and opinions in this Report and these may change. None of the views expressed in this Report should be construed as advice to buy or sell a particular investment.

SVM Asset Management Limited
26 April 2022

Statement of the Authorised Corporate Director's Responsibilities

The FCA Collective Investment Schemes rules (COLL) require the ACD to prepare Financial Statements for each annual and interim accounting period, which give a true and fair view of the financial position of the ICVC and of its net revenue/expense and the net capital gains/losses for the period/year.

In preparing the Financial Statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of Authorised Funds;
- keep proper accounting records which enable it to demonstrate that the financial statements comply with the above requirements;
- take reasonable steps for the prevention and detection of fraud and irregularities; and
- prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the company will continue in operation.

The ACD is responsible for the management of the ICVC in accordance with the Instrument of Incorporation, the Prospectus and the COLL.

Report of the Authorised Corporate Director

The Annual Report and Financial Statements have been approved and signed on behalf of the ACD by :



Colin W McLean
Director



Margaret Lawson
Director

SVM Asset Management Limited
Authorised Corporate Director
26 April 2022

Statement of Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of the SVM Funds ICVC

for the year ended 31 December 2021

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the COLL, the OEIC Regulations and the Company's Instrument of Incorporation, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers of the Company.

Report of the Depositary

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- has carried out the creation, cancellation and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL and, where applicable, the OEIC Regulations and the Instrument of Incorporation of the Company; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

26 April 2022

Independent Auditor's Report to the Members of SVM Funds ICVC

for the year ended 31 December 2021

Opinion

We have audited the financial statements of SVM Funds ICVC (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes, and the Distribution Table for each sub-fund. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association in May 2014, the FCA COLL and the Instrument of Incorporation.

In our opinion the financial statements:

- give a true and fair view of the financial position of each sub-fund at 31 December 2021 and the net revenue and the net capital gains or losses of the scheme property of each sub-fund for the year ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice: "Financial Statements of Authorised Funds", the COLL and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the ACD's use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the FCA COLL

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanation which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the ACD's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the ACD and Depositary

As explained more fully in the Depositary's Responsibilities Statement on page 6 and ACD's Responsibilities Statement set out on page 5, the Depositary is responsible for safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the ACD and other management, and from our commercial knowledge and experience of the financial sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, financial conduct authority specific regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Nick Bennett (Senior Statutory Auditor)
For and on behalf of Azets Audit services, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL
26 April 2022



Notes to the Financial Statements

as at 31 December 2021

1. Accounting and distribution policies

The accounting policies are applicable to the aggregated and individual sub-fund financial statements.

- (a) The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the revised Statement of Recommended Practice ("SORP") for Authorised Funds issued by the Investment Association (IA) in May 2014, in compliance with FRS 102 and United Kingdom Generally Accepted Accounting Practice.

The financial statements have been prepared on a going concern basis.

- (b) Dividends receivable from equity and non equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is received. Interest on debt securities is recognised on an effective interest basis. Bank interest is recognised on an accrual basis. Distributions receivable from onshore Collective Investment Schemes are recognised when the security is quoted ex-dividend. Distributions from Offshore Collective Investment Schemes are recognised at its ex-dividend date and any additional reported income is recognised on the underlying funds reporting date. Equalisation on accumulations do not form part of the distribution.
- (c) Dividends from the UK Real Estate Investment Trusts ("REITs") are recognised as distributable revenue when the securities are quoted ex-dividend.
- (d) Special dividends and the proceeds from share buy-backs are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature.
- (e) Underwriting commission is recognised when the issue takes place. Where the sub-fund is required to take up some or all of the shares underwritten, an appropriate proportion of the commission earned is deducted from the cost of those shares.
- (f) All expenses, including management expenses, are dealt with on an accruals basis and charged against revenue except for dealing costs which are charged against capital.
- (g) All listed investments have been valued at bid market prices at 12 noon on 31 December 2021. Collective Investment Schemes have been valued at the last sale price available at the valuation point. Unlisted investments are valued at fair value by the ACD, based on the latest available information, principally net asset value, and with reference to the Institutional Private Equity and Venture Capital Valuation Guidelines.
- (h) The ACD has agreed to cap the expenses of the sub-funds as described on page 3. Any reimbursement due back to the Funds is calculated and accrued on a daily basis and is shown as a deduction to expenses in note 4.
- (i) All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates ruling on that date.
- (j) The charge for taxation is 20% of revenue less expenses, and is based on the results for the year. In general, the tax accounting treatment follows that of the principal amount. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.
- (k) Where appropriate, certain permitted transactions such as derivatives or forward foreign currency transactions are used for efficient portfolio management and investment purposes. Revenue and expenses derived from the derivative instruments such as Contracts for Difference ("CFDs") are included in the statement of total return. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Any CFD positions open at the year end are reflected in the balance sheet at their marked to market value.
- (l) The distribution policy of the sub-funds is to accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.
- (m) The allocation of revenue and expenses (including taxation) to each share class is based on the proportion of a Fund's assets attributable to each share class on the day the revenue is earned or the expense is incurred. The ACD's periodic charge is allocated on a share class specific basis.
- (n) Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. This revenue forms part of any distribution. In the case of enhanced scrip dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.
- (o) Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of income included in the purchase of group 2 shares and is refunded to the shareholders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Authorised Fund Manager's Report

for the year ended 31 December 2021

Investment Objective and Policy

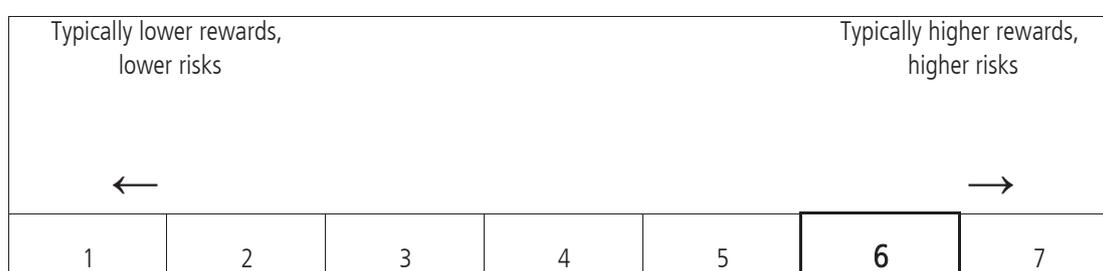
The objective of this Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI Europe Index.

Whilst focused on profitability and investor returns, the ACD is also aware of the environmental, social and corporate governance aspects of its investments and the fund will invest in companies that meet SVM's socially responsible criteria. Although the Fund may negatively screen out some companies the approach is one of positive screening and active engagement with the management of investee companies. Information on this strategy is available from the ACD on request and is also available in the Responsible Investing area on the ACD's website at <https://www.svmonline.co.uk/InvestmentProfessional/About-SVM/Responsible-Investing>.

The Fund will invest at least 80% of its assets in equities and equities related instruments which are dealt in or traded on all European Eligible Securities Markets. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, the Fund may invest in transferable securities which are dealt in or traded on other Eligible Securities Markets or which are otherwise permitted for the Fund.

The MSCI Europe Index has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the investment policy for the Fund.

Synthetic Risk and Reward Indicator



- This Fund has been classed as 6 because it has experienced high volatility historically.
- The SRRI category shown is not guaranteed and may change over time.
- The lowest category (1) does not mean risk free and extreme adverse market circumstances can mean you suffer losses in all cases.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a long term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- The effect of currency movements can be significant where investments are denominated in currencies other than Sterling and may adversely affect the value of your investment.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.

Investment Review

Performance	31/12/2016 to 31/12/17 %	31/12/2017 to 31/12/18 %	31/12/2018 to 31/12/19 %	31/12/2019 to 31/12/20 %	31/12/2020 to 31/12/21 %
All Europe SRI Fund	18.3	(17.2)	23.6	1.0	25.2

Source: FE fundinfo, mid to mid, UK net to 31 December 2021.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Market Review

Equity markets made a strong start to 2021 as economic activity rebounded around the globe, boosted by supportive fiscal and monetary policy. The successful roll-out of Covid-19 vaccine programmes led to optimism that lockdown restrictions would soon become a thing of the past. Household wealth in the UK, benefiting from government support, reached record levels in the second quarter of the year. In Europe, old orthodoxies were challenged with the then German finance minister, Olaf Scholz, dismissing any suggestion that German and EU fiscal rules should be tightened.

As the year progressed, however, the disruption to global trade caused by the pandemic manifested itself across a range of sectors. A shortage in semiconductor chips led to a decline in global automobile production. Shipping costs surged as increased demand for consumer goods outstripped the number of available vessels and containers. These factors, alongside other commodity price increases, fuelled the core unresolved debate of 2021: were these inflationary pressures transitory or likely to be longer lasting? Headline inflation in the US hit 6.2% in the final quarter and was well above the Bank of England's target rate in the UK. This led to both the Federal Reserve Board and Bank of England becoming progressively more hawkish towards the end of the year. Complicating matters further, the emergence of the more transmissible Omicron variant in November precipitated a new bout of government restrictions. Thankfully, it swiftly became apparent that, despite soaring infection rates, Omicron is considerably less virulent than previous variants.

The Fund returned 25.2% versus the MSCI Europe that returned 17.6% and the average fund in the IA Europe Including UK Sector that returned 17.1%. Over three, five and ten years the fund has returned 56.22%, 53.0%, and 182.7% versus the MSCI Europe which has returned 54.0%, 63.4%, and 206.5%.

Portfolio Review

Uniphar, the Irish pharmaceutical and medical technology service business, was the largest positive contributor to fund performance during the year. It continued to successfully deploy cash from its lower-growth pharmacy businesses into faster-growing areas like product access and medical marketing services. Alpha Financial Markets (AFM), a provider of consulting services to financial services businesses, also outperformed as it delivered strong organic revenue growth and acquired Lionpoint, a specialist in the 'alternatives' marketplace. The deal significantly expanded AFM's presence in the US market. Norcros, the manufacturer of kitchen and bathroom products, benefited from strong consumer demand and its ability to successfully manage supply chain pressures helped it deliver a steady stream of earnings upgrades. Capgemini, the French IT services company, outperformed as customer demand for help with digital transformation and the adoption of new technologies remained buoyant.

Creo Medical, the medical device company, was the single largest negative contributor to fund performance. The group raised capital during the year to fund growth, which led to some investor 'indigestion'. Despite this year's lacklustre share price performance, we remain very excited about the company's prospects. Synthomer, the UK chemicals company, declined as brokers raised concerns over the outlook for the synthetic rubber glove market. We believe the company is significantly more diversified than it has been historically and that its valuation is attractive.

Outlook

Markets entered 2022 in a state of flux. The potential for an aggressive tightening cycle has destabilised both the risk-free rate and the equity risk premium. Many commentators are focused on the squeeze on real incomes due to higher inflation and the potential for a classic wage-price spiral. While acknowledging the risk that we are too sanguine, the significant improvement in household finances over the pandemic should provide substantial mitigation. Covid will have a reduced impact on markets during 2022 as countries adjust to life with the virus. Overall, we expect the global economy to remain resilient and equities to generate another year of positive returns.

SVM Asset Management Limited

February 2022

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

All Europe SRI Fund

Portfolio Statement

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (6.05%*)		1,041	5.16
Synthomer	261,000	1,041	5.16
CONSUMER DISCRETIONARY (8.83%*)		1,082	5.36
JOST Werke	11,711	482	2.39
TI Fluid Systems	237,000	600	2.97
CONSUMER STAPLES (11.42%*)		1,572	7.78
Tesco	198,947	576	2.85
Uniphar	240,000	996	4.93
FINANCIALS (18.44%*)		3,787	18.75
AXA	45,000	986	4.88
Jackson Financial	1,725	53	0.26
Lloyds Banking	1,870,000	896	4.44
OSB	176,235	976	4.83
Prudential	69,000	876	4.34
HEALTH CARE (10.00%*)		1,982	9.81
Apontis Pharma	9,111	147	0.73
Creo Medical	455,274	665	3.29
Lunglife AI	218,750	400	1.98
Sedana Medical	40,000	320	1.58
Smith & Nephew	35,000	450	2.23
INDUSTRIALS (36.62%*)		8,111	40.18
Alpha Financial Markets Consulting	340,925	1,568	7.77
CRH	23,000	900	4.46
DCC	10,000	605	3.00
Forterra	237,496	645	3.19
John Menzies	131,036	402	1.99
Norcros	436,416	1,375	6.81
Rexel	56,200	846	4.19
Smurfit Kappa	29,080	1,185	5.87
Volution	105,000	585	2.90
TECHNOLOGY (4.12%*)		1,015	5.03
ActiveOps	119,118	199	0.99
Capgemini	4,500	816	4.04
Portfolio of investments		18,590	92.07
Net other assets (4.51%*)		1,602	7.93
Total net assets		20,192	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

* Comparative figures shown in brackets relate to 31 December 2020.

All Europe SRI Fund

Material Portfolio Changes

for the year ended 31 December 2021

	Cost £000		Proceeds £000
Major purchases		Major sales	
Nordic Entertainment	659	Uniphar	962
Smith & Nephew	485	Roche	789
Lunglife AI	385	RWS	766
Allianz	361	Allianz	642
Sedana Medical	314	Vistry	634
Rexel	228	AstraZeneca	634
ActiveOps	200	Nordic Entertainment	614
Creo Medical	200	STO Preference Shares	525
AXA	197	Unilever	400
Synthomer	153	Koninklijke Philips	376

All Europe SRI Fund

Comparative table

as at 31 December 2021

Net Asset Value and Ongoing Charges Figure

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	307.64	305.28	247.23
Return before operating charges*	84.83	7.76	63.56
Operating charges	(7.24)	(5.40)	(5.51)
Return after operating charges*	77.59	2.36	58.05
Distributions on accumulation shares	(1.71)	-	(2.96)
Retained distributions on accumulation shares	1.71	-	2.96
Closing net asset value per share	385.23	307.64	305.28
*after direct transaction costs of:	0.29	0.56	0.60
Performance			
Return after charges	25.22%	0.77%	23.48%
Other information			
Closing net asset value (£'000)	1,120	1,030	1,207
Closing number of shares	290,830	334,813	395,332
Operating charges (ongoing charges figure)	1.98%	1.98%	1.98%
Direct transaction costs	0.08%	0.21%	0.22%
Prices			
Highest share price	398.90	318.20	311.50
Lowest share price	308.70	201.70	250.90
Price at year end	392.10	313.10	310.10

All Europe SRI Fund

Comparative table

(continued)

as at 31 December 2021

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	347.95	341.80	274.45
Return before operating charges*	95.49	9.88	71.13
Operating charges	(5.03)	(3.73)	(3.78)
Return after operating charges*	90.46	6.15	67.35
Distributions on accumulation shares	(4.99)	(0.38)	(5.63)
Retained distributions on accumulation shares	4.99	0.38	5.63
Closing net asset value per share	438.41	347.95	341.80
*after direct transaction costs of:	0.33	0.62	0.66
Performance			
Return after charges	26.00%	1.80%	24.54%
Other information			
Closing net asset value (£'000)	19,072	19,668	22,715
Closing number of shares	4,350,207	5,652,563	6,645,656
Operating charges (ongoing charges figure)	1.23%	1.23%	1.23%
Direct transaction costs	0.08%	0.21%	0.22%
Prices			
Highest share price	446.40	354.20	344.00
Lowest share price	343.90	223.20	275.10
Price at year end	439.90	348.60	342.50

All Europe SRI Fund

Statement of Total Return

for the year ended 31 December 2021

	Notes	Year Ended 31 December 2021		Year Ended 31 December 2020	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		4,356		(31)
Revenue	3	510		282	
Expenses	4	(255)		(255)	
Interest payable and similar charges		(3)		(7)	
Net revenue before taxation		252		20	
Taxation	5	(12)		3	
Net revenue after taxation			240		23
Total return before distribution			4,596		(8)
Distribution	6		(240)		(29)
Change in net assets attributable to shareholders from investment activities			4,356		(37)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2021

	Year Ended 31 December 2021		Year Ended 31 December 2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		20,698		23,922
Amounts receivable on creation of shares	2,609		2,228	
Less: Amounts payable on cancellation of shares	(7,693)		(5,437)	
		(5,084)		(3,209)
Change in net assets attributable to shareholders from investment activities		4,356		(37)
Retained distribution on accumulation shares		222		22
Closing net assets attributable to shareholders		20,192		20,698

Notes to the Financial Statements are on pages 19 to 24.

All Europe SRI Fund

Balance Sheet

as at 31 December 2021

	Notes	31/12/2021 £000	31/12/2020 £000
Fixed Assets			
Investments		<u>18,590</u>	<u>19,765</u>
Current assets:			
Debtors	8	193	469
Cash and bank balances		<u>1,476</u>	<u>509</u>
Total assets		<u>20,259</u>	<u>20,743</u>
Liabilities:			
Creditors:			
Other creditors	9	<u>(67)</u>	<u>(45)</u>
Total liabilities		<u>(67)</u>	<u>(45)</u>
Net assets attributable to shareholders		<u>20,192</u>	<u>20,698</u>

Notes to the Financial Statements are on pages 19 to 24.

Notes to the Financial Statements

as at 31 December 2021

1. Accounting basis and policies

Please see page 10 for accounting basis and policies

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Non-derivative securities	4,399	(147)
Currency (losses)/gains	(42)	117
Handling charges	(1)	(1)
Net capital gains/(losses)	<u>4,356</u>	<u>(31)</u>

3. Revenue

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
UK dividends	272	92
Overseas taxable revenue	(1)	(1)
Overseas non-taxable revenue	239	191
Total revenue	<u>510</u>	<u>282</u>

4. Expenses

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	159	159
Registration fees	35	40
	<u>194</u>	<u>199</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	18	18
Safe custody fees	2	1
	<u>20</u>	<u>19</u>
Other expenses:		
Administration fee	32	32
Audit fee	9	9
Printing, publishing and postage fees	-	(3)
Other expenses	4	1
	<u>45</u>	<u>39</u>
Expenses rebate *	(4)	(2)
	<u>255</u>	<u>255</u>

*The ACD has agreed to cap the expenses as described in the ACD's report (see page 3).

as at 31 December 2021

5. Taxation

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	12	(3)
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:		
Net revenue before taxation	252	20
Corporation tax of 20% (2020: 20%)	50	4
Effects of:		
UK dividends*	(54)	(18)
Overseas non-taxable revenue*	(48)	(38)
Movement in excess management expenses	52	52
Irrecoverable overseas tax	12	(3)
Current tax charge for year (note 5a)	12	(3)

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £581,712 (31/12/20: £530,068) relating to surplus management expenses. No deferred tax asset was recognised in the prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Final	222	22
Add: Revenue deducted on cancellation of shares	40	8
Deduct: Revenue received on creation of shares	(22)	(1)
Net distribution for the year	240	29

Details of the distribution per share is set out in the Distribution Tables on page 25.

7. Movement between net revenue and net distribution

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Net revenue after taxation	240	23
Fund shortfall funded from capital	-	6
Net distribution for the year	240	29

as at 31 December 2021

8. Debtors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts receivable for issue of shares	121	432
Accrued revenue	14	-
Overseas tax recoverable	58	37
Total debtors	<u>193</u>	<u>469</u>

9. Creditors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts payable for cancellation of shares	30	8
Accrued ACD's periodic charge*	13	13
Accrued depositary fee*	1	3
Accrued other expenses	23	21
Total creditors	<u>67</u>	<u>45</u>

*This is a related party (see note 10).

10. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £91,315 (2020: £424,185) due in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £14,084 (2020: £13,745) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £1,529 (2020: £3,000) due at the year end.

At the balance sheet date the following shareholders held more than 20% of the shares in the fund:

	Year Ended 31 December 2021	Year Ended 31 December 2020
Pershing Nominees Limited	nil%	12.90%
Transact Nominees Ltd	27.12%	nil%

as at 31 December 2021

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 15 to 16.

The distribution per share class is given in the Distribution Tables on page 25.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/2020	01/01/21 to 31/12/21		31/12/2021
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	334,813	14,836	(58,819)	290,830
Share Class B - Accumulation	5,652,563	617,216	(1,919,571)	4,350,207
Total	<u>5,987,376</u>	<u>632,051</u>	<u>(1,978,390)</u>	<u>-</u> 4,641,037

12. Capital commitments and contingent liabilities

On 31 December 2021, the Fund had no capital commitments (2020: £nil) and no contingent liabilities (2020: £nil).

13. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 11. The risks inherent in the sub-fund's investment portfolio are as follows:

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding sterling):

	Currency exposure Year Ended 31 December 2021	Currency exposure Year Ended 31 December 2020
Currency	£000	£000
Euro	7,483	7,934
Swedish krona	320	669
Swiss franc	22	767
US dollar	53	-
Total	<u>7,878</u>	<u>9,370</u>

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £nil (2020: holding £508,717) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

as at 31 December 2021

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the fund managers weekly.

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the authorised corporate director in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Steet Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Steet Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depository receives and reviews an annual report on the internal controls in place at State Steet Bank and Trust Company.

14. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	31 December 2021 £000	31 December 2020 £000	31 December 2021 £000	31 December 2020 £000
Equities	3,547	9,878	9,010	13,111
Commissions				
Equities	3	9	(10)	(13)
Taxes				
Equities	4	20	-	-
Total costs	7	29	(10)	(13)
Total net trades in the year after transaction costs	3,554	9,907	9,000	13,098

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions				
Equities	0.08	0.09	0.11	0.10
Taxes				
Equities	0.11	0.20	-	-

as at 31 December 2021

Total transaction cost expressed as a percentage of average net asset value.

	Year Ended 31 December 2021	Year Ended 31 December 2020
	%	%
Commissions	0.06	0.11
Taxes	0.02	0.10
Total costs	<u>0.08</u>	<u>0.21</u>

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.88% (2020: 0.74%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

15. Fair value

Valuation technique	Year Ended		Year Ended	
	31 December 2021		31 December 2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	18,590	-	19,765	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>18,590</u>	<u>-</u>	<u>19,765</u>	<u>-</u>

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability,

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

All Europe SRI Fund

Distribution Tables

for the year ended 31 December 2021

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2021

Group 2 Final Shares purchased on or between 1 January 2021 and 31 December 2021

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/22	Distributions paid on 30/04/21
Group 1	(p)	(p)	(p)	(p)
Final	1.7122	-	1.7122	-
Group 2	(p)	(p)	(p)	(p)
Final	-	1.7122	1.7122	-

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/22	Distributions paid on 30/04/21
Group 1	(p)	(p)	(p)	(p)
Final	4.9899	-	4.9899	0.3840
Group 2	(p)	(p)	(p)	(p)
Final	1.7199	3.2700	4.9899	0.3840

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Continental Europe Fund

Authorised Fund Manager's Report

for the year ended 31 December 2021

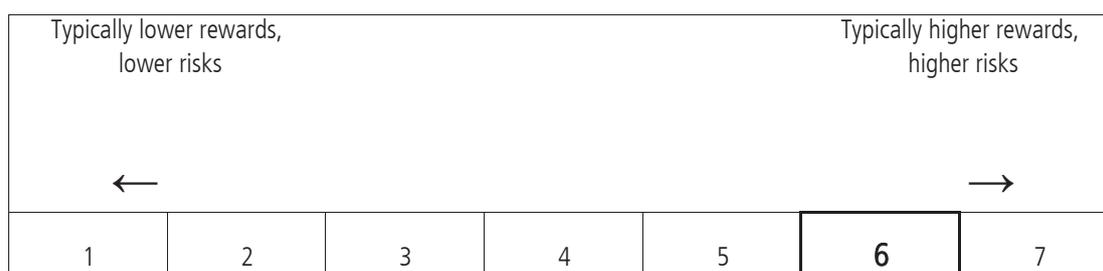
Investment Objective and Policy

The objective of this Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI Europe ex UK Index.

This Fund will identify investment opportunities in undervalued companies in European equity markets which will not necessarily be prominent in mainstream indices. This Fund will invest at least 80% in equities and equity related instruments which are dealt in or traded on European Eligible Securities Markets. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in transferable securities which are dealt in or traded on other Eligible Securities Markets or which are otherwise permitted for this Fund.

The MSCI Europe ex UK Index has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the investment policy for the Fund.

Synthetic Risk and Reward Indicator



- This Fund has been classed as 6 because it has experienced high volatility historically.
- The SRRI category shown is not guaranteed and may change over time.
- The lowest category (1) does not mean risk free and extreme adverse market circumstances can mean you suffer losses in all cases.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a long term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- The effect of currency movements can be significant where investments are denominated in currencies other than Sterling and may adversely affect the value of your investment.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.

Investment Review

Performance	31/12/2016 to 31/12/17 %	31/12/2017 to 31/12/18 %	31/12/2018 to 31/12/19 %	31/12/2019 to 31/12/20 %	31/12/2020 to 31/12/21 %
Continental Europe Fund	17.00	(12.60)	18.30	36.70	22.40

Source: FE fundinfo, mid to mid, UK net to 31 December 2021.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Market Review

European equity markets got off to a great start in the first few trading days of 2021 buoyed by a growing acceptance that the vaccination programmes being rolled out globally would be sufficient to stem the onslaught of the Covid 19 virus. As countries gradually eased lockdowns and restrictions on activity, the resultant rebound in economic activity was notable, but so too was the impact on inflation, fuelled by supply chain bottlenecks and component shortages. Largely shrugged off by central banks as transitory in nature there were few signals that the stimulus packages, in place for so long, were ending anytime soon. Little wonder then that the previous year's lockdown winners were usurped by a strong rally in the value end of the market, illustrated handsomely by a marked outperformance of the Dow Jones Industrial Average over the Nasdaq index. The eventual return of +17.6% for the MSCI Europe ex UK index was, however, far from plain sailing. While vaccinations had eased the pressure of the pandemic, the emergence of the Delta variant and its successor Omicron, caused some severe bouts of volatility. Nonetheless the underlying trend was ever upwards. Towards the year end some strong inflation prints, including one of over 6% for the US in November, called into question the relaxed attitude toward the ongoing pressure on prices, as one by one central bankers turned from doves to hawks. Despite this, the income on offer from equity markets still remained far superior to most fixed income alternatives allowing the index to close the year near to the all-time high achieved in November 2021.

Portfolio Review

Portfolio performance was boosted by 10 stocks returning more than 50% over the course of the year. In three cases, fibre optic supplier Hexatronic and IT service companies Nagarro and Allgeier, the returns exceeded 100%. The technology sector continued to benefit from the buoyant conditions created by the necessity to work from home and the ever-burgeoning demand for digitalisation. Financials also performed well as the promise of increasing bond yields tempted investors back into this deeply out of favour but cheap end of the market. Two stocks, coffee house JDE Peets and packaging producer Aluflexpack both declined by just over 30%. The former was impacted by the outbreaks of new variants while the latter saw margins pressured by rising energy costs. There were six new entrants to the portfolio and five divestments.

Outlook

2021 was a good year for equity markets which offered one of the few alternatives to stubbornly low bond yields. It is fair to expect decent growth in 2022 as economies return to normal following the damage inflicted by the pandemic and the resultant lockdowns and government restrictions. Perhaps the greatest threat to this scenario is inflation. Supply shortages, elevated energy costs and, to a certain extent, base effects from the pandemic can all be pointed to as temporary in nature, but the duration of the pressure on corporate and personal finances can still prove more permanent were wage and price increases to spiral. Central banks have the wherewithal to combat such a scenario but this may be at the cost of equity market performance so a note of caution should be sounded for the year ahead.

SVM Asset Management Limited

February 2022

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Continental Europe Fund

Portfolio Statement

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
CONSUMER DISCRETIONARY (13.26%*)		4,335	10.79
Adevinta	43,762	432	1.08
Dustin	135,183	1,178	2.93
IPSOS	34,566	1,197	2.98
JOST - Werke	11,735	483	1.20
Pirelli	94,150	482	1.20
Schibsted	22,560	563	1.40
CONSUMER STAPLES (2.14%*)		372	0.93
JDE Peet's	16,385	372	0.93
ENERGY (1.30%*)		905	2.25
Aker Carbon Capture	226,286	525	1.31
TOTAL	10,117	380	0.94
FINANCIALS (25.42%*)		9,834	24.48
Allianz	7,597	1,325	3.30
AXA	58,933	1,291	3.21
Banca Mediolanum	186,056	1,357	3.38
LEG Immobilien	7,232	743	1.85
Mediobanca	140,636	1,195	2.98
Partners	481	591	1.47
PATRIZIA	71,969	1,239	3.08
Ringkjoebing Landbobank	11,723	1,161	2.89
S IMMO	51,008	932	2.32
HEALTH CARE (6.42%*)		2,116	5.27
Apontis Pharma	27,466	443	1.10
Roche	3,463	1,067	2.66
Sedana Medical	75,617	606	1.51
INDUSTRIALS (8.21%*)		5,879	14.65
Aluflexpack	35,290	677	1.69
H+H International	37,125	952	2.37
Rexel	67,074	1,009	2.51
Thales	19,198	1,207	3.01
Verallia	42,341	1,103	2.75
Wienerberger	34,279	931	2.32
TECHNOLOGY (23.52%*)		8,067	20.07
Allgeier	42,849	1,994	4.96
Barco	46,213	748	1.86
Capgemini	6,874	1,247	3.10
Crayon	64,658	994	2.47
Nagarro	3,625	612	1.52
Sesa	7,423	1,076	2.68
United Internet	47,596	1,396	3.48

Continental Europe Fund

Portfolio Statement

(continued)

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
TELECOMMUNICATIONS (2.68%*)		1,033	2.57
Hexatronic	9,878	407	1.01
Orange	79,562	626	1.56
UTILITIES (12.04%*)		3,190	7.95
Energiekontor	19,181	1,139	2.84
PNE	98,000	691	1.72
Veolia Environnement	50,437	1,360	3.39
Portfolio of investments		35,731	88.96
Net other assets (5.01%*)		4,435	11.04
Total net assets		40,166	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

* Comparative figures shown in brackets relate to 31 December 2020.

Continental Europe Fund

Material Portfolio Changes

for the year ended 31 December 2021

	Cost £000		Proceeds £000
Major purchases		Major sales	
Verallia	1,153	Hexatronic	1,200
IPSOS	1,047	Energiekontor	1,072
Rexel	1,011	Nagarro	981
Wienerberger	919	Lime Technologies	713
Allianz	916	BNP Paribas	673
Allgeier	766	Nacon	372
PATRIZIA	733	Sedana Medical	352
Thales	680	Aker Carbon Capture	334
Banca Mediolanum	630	Hypoport	308
Veolia Environnement	575	Novartis	294

Continental Europe Fund

Comparative table

as at 31 December 2021

Net Asset Value and Ongoing Charges Figure

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	748.56	547.99	463.24
Return before operating charges*	182.09	211.94	94.91
Operating charges	(15.72)	(11.37)	(10.16)
Return after operating charges*	166.37	200.57	84.75
Distributions on accumulation shares	-	-	(2.68)
Retained distributions on accumulation shares	-	-	2.68
Closing net asset value per share	914.93	748.56	547.99
*after direct transaction costs of:	1.05	0.70	0.38
Performance			
Return after charges	22.23%	36.60%	18.30%
Other information			
Closing net asset value (£'000)	12,150	10,442	8,216
Closing number of shares	1,327,963	1,394,947	1,499,340
Operating charges (ongoing charges figure)	1.91%	1.99%	1.98%
Direct transaction costs	0.13%	0.12%	0.08%
Prices			
Highest share price	942.40	755.00	553.70
Lowest share price	716.50	388.80	464.20
Price at year end	918.40	750.10	548.90

Continental Europe Fund

Comparative table

(continued)

as at 31 December 2021

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	856.51	622.53	522.37
Return before operating charges*	209.40	242.08	107.26
Operating charges	(11.05)	(8.10)	(7.10)
Return after operating charges*	198.35	233.98	100.16
Distributions on accumulation shares	(7.06)	(1.11)	(7.37)
Retained distributions on accumulation shares	7.06	1.11	7.37
Closing net asset value per share	1,054.86	856.51	622.53
*after direct transaction costs of:	1.22	0.80	0.43
Performance			
Return after charges	23.16%	37.59%	19.17%
Other information			
Closing net asset value (£'000)	28,016	14,313	9,297
Closing number of shares	2,655,887	1,671,042	1,493,354
Operating charges (ongoing charges figure)	1.16%	1.24%	1.23%
Direct transaction costs	0.13%	0.12%	0.08%
Prices			
Highest share price	1,084.00	862.80	628.00
Lowest share price	819.40	441.80	522.60
Price at year end	1,058.00	857.30	622.70

Continental Europe Fund

Statement of Total Return

for the year ended 31 December 2021

	Notes	Year Ended 31 December 2021		Year Ended 31 December 2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		5,540		6,974
Revenue	3	621		247	
Expenses	4	(418)		(293)	
Interest payable and similar charges		-		(1)	
Net revenue/(expenses) before taxation		203		(47)	
Taxation	5	(63)		13	
Net revenue/(expenses) after taxation			140		(34)
Total return before distribution			5,680		6,940
Distribution	6		(141)		(17)
Change in net assets attributable to shareholders from investment activities			5,539		6,923

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2021

	Year Ended 31 December 2021		Year Ended 31 December 2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		24,755		17,513
Amounts receivable on creation of shares	13,564		6,826	
Less: Amounts payable on cancellation of shares	(3,880)		(6,526)	
		9,684		300
Change in net assets attributable to shareholders from investment activities		5,539		6,923
Retained distribution on accumulation shares		188		19
Closing net assets attributable to shareholders		40,166		24,755

Notes to the Financial Statements are on pages 35 to 40.

Continental Europe Fund

Balance Sheet

as at 31 December 2021

	Notes	31/12/2021 £000	31/12/2020 £000
Fixed Assets			
Investments		<u>35,731</u>	<u>23,514</u>
Current assets:			
Debtors	8	399	382
Cash and bank balances		<u>4,126</u>	<u>928</u>
Total assets		<u>40,256</u>	<u>24,824</u>
Liabilities:			
Creditors:			
Other creditors	9	<u>(90)</u>	<u>(69)</u>
Total liabilities		<u>(90)</u>	<u>(69)</u>
Net assets attributable to shareholders		<u>40,166</u>	<u>24,755</u>

Notes to the Financial Statements are on pages 35 to 40.

Continental Europe Fund

Notes to the Financial Statements

as at 31 December 2021

1. Accounting basis and policies

Please see page 10 for accounting basis and policies

2. Net capital gains

The net capital gains during the year comprise:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Non-derivative securities	5,558	6,977
Currency losses	(18)	(1)
Handling charges	-	(2)
Net capital gains	<u>5,540</u>	<u>6,974</u>

3. Revenue

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Overseas taxable revenue	(1)	(1)
Overseas non-taxable revenue	622	247
Total revenue	<u>621</u>	<u>247</u>

4. Expenses

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	300	203
Registration fees	47	32
	<u>347</u>	<u>235</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	18	18
Safe custody fees	6	3
	<u>24</u>	<u>21</u>
Other expenses:		
Administration fee	32	32
Audit fee	9	9
Printing, publishing and postage fees	-	(3)
Other expenses	6	1
	<u>47</u>	<u>39</u>
Expenses rebate *	-	(2)
	<u>418</u>	<u>293</u>

*The ACD has agreed to cap the expenses as described in the ACD's report (see page 3).

as at 31 December 2021

5. Taxation

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	63	(13)
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:		
Net revenue/(expenses) before taxation	203	(47)
Corporation tax of 20% (2020: 20%)	41	(9)
Effects of:		
Overseas non-taxable revenue*	(124)	(49)
Movement in excess management expenses	84	58
Irrecoverable overseas tax	62	(13)
Current tax charge for year (note 5a)	63	(13)

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £786,283 (31/12/20: £701,980) relating to surplus management expenses. No deferred tax asset was recognised in the prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Final	188	19
Add: Revenue deducted on cancellation of shares	5	5
Deduct: Revenue received on creation of shares	(52)	(7)
Net distribution for the year	141	17

Details of the distribution per share is set out in the Distribution Tables on page 41.

7. Movement between net revenue / (expenses) and net distribution

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Net revenue / (expenses) after taxation	140	(34)
Fund shortfall funded from capital	1	51
Net distribution for the year	141	17

as at 31 December 2021

8. Debtors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts receivable for issue of shares	237	282
Accrued expenses rebate due from ACD*	-	(1)
Overseas tax recoverable	162	101
Total debtors	<u>399</u>	<u>382</u>

*This is a related party (see note 10).

9. Creditors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts payable for cancellation of shares	30	22
Accrued ACD's periodic charge*	32	21
Accrued depositary fee*	2	3
Accrued other expenses	26	23
Total creditors	<u>90</u>	<u>69</u>

*This is a related party (see note 10).

10. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £206,819 (2020: £260,082) due in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £32,330 (2020: £22,168) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £1,529 (2020: £3,000) due at the year end.

At the balance sheet date the following shareholders held more than 20% of the shares in the fund:

	Year Ended 31 December 2021	Year Ended 31 December 2020
Canada Life Limited	nil%	23.00%

as at 31 December 2021

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 31 to 32.

The distribution per share class is given in the Distribution Tables on page 41.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/2020	01/01/21 to 31/12/21		31/12/2021	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation	1,394,947	164,948	(231,932)	-	1,327,963
Share Class B - Accumulation	1,671,042	1,208,970	(224,125)	-	2,655,887
Total	<u>3,065,989</u>	<u>1,373,918</u>	<u>(456,057)</u>	-	<u>3,983,850</u>

12. Capital commitments and contingent liabilities

On 31 December 2021, the Fund had no capital commitments (2020: £nil) and no contingent liabilities (2020: £nil).

13. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 26. The risks inherent in the sub-fund's investment portfolio are as follows:

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding sterling):

Currency	Currency exposure	Currency exposure
	Year Ended	Year Ended
	31 December 2021	31 December 2020
	£000	£000
Danish krone	2,138	1,400
Euro	26,722	15,626
Norwegian krone	2,516	1,966
Swedish krona	2,190	2,497
Swiss franc	2,368	2,130
Total	<u>35,934</u>	<u>23,619</u>

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £4,125,617 (2020: holding £927,507) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

as at 31 December 2021

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the fund managers weekly.

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the authorised corporate director in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Steet Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Steet Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depository receives and reviews an annual report on the internal controls in place at State Steet Bank and Trust Company.

14. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	31 December 2021 £000	31 December 2020 £000	31 December 2021 £000	31 December 2020 £000
Equities	13,587	8,069	6,965	8,658
Commissions				
Equities	13	8	(7)	(9)
Taxes				
Equities	17	6	-	-
Total costs	30	14	(7)	(9)
Total net trades in the year after transaction costs	13,617	8,083	6,958	8,649

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions				
Equities	0.10	0.10	0.10	0.10
Taxes				
Equities	0.13	0.07	-	-

as at 31 December 2021

Total transaction cost expressed as a percentage of average net asset value.

	Year Ended 31 December 2021	Year Ended 31 December 2020
	%	%
Commissions	0.07	0.09
Taxes	0.06	0.03
Total costs	<u>0.13</u>	<u>0.12</u>

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.21% (2020: 0.30%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

15. Fair value

Valuation technique	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	35,731	-	23,514	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>35,731</u>	<u>-</u>	<u>23,514</u>	<u>-</u>

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability,

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Continental Europe Fund

Distribution Tables

for the year ended 31 December 2021

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2021

Group 2 Final Shares purchased on or between 1 January 2021 and 31 December 2021

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/22	Distribution paid on 30/04/21
Group 1 Final	(p) -	(p) -	(p) -	(p) -
Group 2 Final	(p) -	(p) -	(p) -	(p) -

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/22	Distribution paid on 30/04/21
Group 1 Final	(p) 7.0632	(p) -	(p) 7.0632	(p) 1.1123
Group 2 Final	(p) 2.8183	(p) 4.2449	(p) 7.0632	(p) 1.1123

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Authorised Fund Manager's Report

for the year ended 31 December 2021

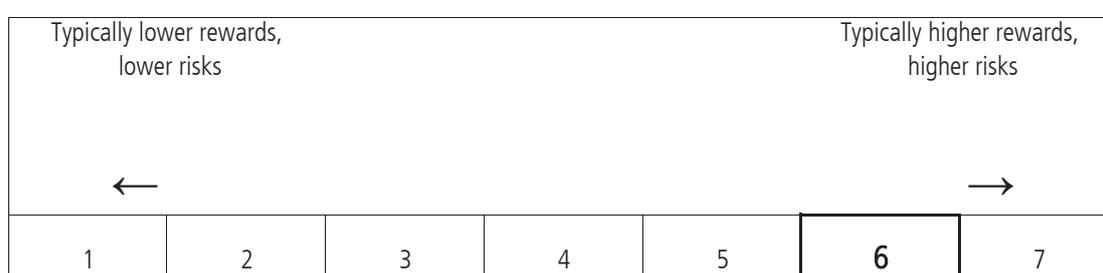
Investment Objective and Policy

The objective of this Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI United Kingdom IMI.

This Fund will identify investment opportunities in UK companies that can grow faster than the wider markets and are capable of sustained growth. This Fund will invest at least 80% in equities and equity related instruments in UK companies. These are companies in any economic sector that may be listed, quoted or traded in the UK or elsewhere but which are incorporated or domiciled or conduct a significant portion of their business in the UK. Some companies may however have overseas earnings as part of their trading profits. The Fund may be invested in any industry sector. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, the Fund may invest in transferable securities which are otherwise permitted for the Fund.

The MSCI United Kingdom IMI has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the investment policy for the Fund.

Synthetic Risk and Reward Indicator



- This Fund has been classed as 6 because it has experienced high volatility historically.
- The SRRI category shown is not guaranteed and may change over time.
- The lowest category (1) does not mean risk free and extreme adverse market circumstances can mean you suffer losses in all cases.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a long term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investments to fall as well as rise.
- The Fund uses Contracts for Difference for efficient portfolio management purposes. This may create gearing and could lead to greater fluctuations in the Net Asset Value of the Fund.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.

Investment Review

Performance	31/12/2016 to 31/12/17 %	31/12/2017 to 31/12/18 %	31/12/2018 to 31/12/19 %	31/12/2019 to 31/12/20 %	31/12/2020 to 31/12/21 %
UK Growth Fund	23.7	(16.2)	26.1	6.2	14.7

Source: FE fundinfo, mid to mid, UK net to 31 December 2021.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Market Review

The UK stock-market continued to be volatile over the 12 months under review, but gained overall as optimism about economic recovery from the pandemic grew, despite concerns about new virus variants, supply shortages and inflation. Overall, there was greater interest in businesses linked to economic recovery. Growth businesses generally fared well during the early stages of the pandemic, as they include many with significant use of technology and online presence but are viewed as potentially more at risk from Bank of England action to reduce inflation.

Most trading updates from portfolio companies have been positive, typically reporting an exceptional rebound as economies re-open. A little inflation allows some readjustment in the economy. That could change, if inflation appears out of control, or if investors really begin to question the power of central banks.

A feature of the recovery in 2021 was supply shortages, initially caused by a sharp pick-up in demand. The pandemic has meant that many of those in jobs and working from home had accumulated greater savings during the lockdown. However, as recovery progressed it has become clearer that there is real disruption to supply across a range of materials and goods. Increased trade frictions - including the impact of Brexit and the US/China technology dispute - have impacted microchips for cars and electronic goods. Labour shortages have constrained services, and higher energy prices have affected transportation and delivery. In the short term, these effects cause inflation, but in time they are likely to act to cool the economy and reduce growth.

Portfolio Review

Medium sized and smaller companies have rebounded strongly from their low points of March 2020. But some of the shares that had performed strongly in 2020, such as Ceres power, experienced profit-taking and lagged.

Over the 12 months, the SVM UK Growth Fund ("A" share class) returned 14.7%, versus a return of 18.7% for the MSCI UK IMI TR Index and 17.3% for the average fund in the IA UK All Companies Sector. Over five years, the Fund has returned 59.3% versus a return for the MSCI UK IMI TR Index of 26.8% and 36.4% for the IA UK All Companies Sector average. The Fund is top quartile over one, three, five and ten years to 31 December 2021*.

Over the 12 month period under review, there were good contributions to performance from Croda International, Keystone Law, Dechra Pharmaceuticals, Kainos and Future. Underperformers included Ceres Power, AO World, Ocado and Flutter. The Fund emphasises growth, but overall the year reflected continuing recovery in value sectors, such as commodities, oil and industrials – areas of low or no exposure in the Fund.

Additional and new investments were made in Hilton Food Group, JTC, Londonmetric, Instem, DiscoverIE and Ideagen. To fund these, part sales were made of LSE, Kerry Group, Beazley and CRH. Overall, new and additional investments were in larger market capitalisation companies, with sales typically of medium sized and smaller companies. This has improved portfolio liquidity and is expected to reduce risk.

Outlook

It is not yet clear that inflation will become embedded in rising wages, or whether that impact might be transitory. It is likely also to cut the dynamism of the UK economy. The UK has been one of the strongest G7 economies in 2021, helped by its early vaccination roll-out and a number of government initiatives to boost the economy. Many activities are running below normal capacity despite the short-term boost of higher prices. Pressures on the labour market and supply chains may continue well into 2022.

Inflation – not least in energy prices – is putting pressure on consumers. Wages are not keeping pace with inflation, and so are currently declining in real terms. The Fund holds some consumer businesses, but also those serving other businesses and the government. Economic slowdown in China and Emerging Markets may mean slower UK economic growth in 2022, despite the current recovery in corporate profitability.

Growth businesses, particularly in mid-cap, typically occupy niches with wide defensive moats. These range from food to legal services, representing innovation in business models for which technology may be just one factor. Some of these shares have been badly hit in the recent sell-off, but as yet have seen no deterioration in business prospects. Indeed, many growth and B2B businesses are well placed to cope with labour shortages, energy costs and inflation.

Your Fund remains fully invested with modest additional gearing, including likely recovery beneficiaries and strong growth businesses. The portfolio emphasises resilient growing businesses, with a competitive edge. The focus is in the UK, with some indirect exposure to companies trading in the US and Eurozone.

(*Source: FE fundinfo as at 31 December 2021, A Share Class, GBP, UK net tax with net income reinvested and no initial charges. The Fund was launched on 20 March 2000)

SVM Asset Management Limited

February 2022

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

UK Growth Fund

Portfolio Statement

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (3.43%*)		8,852	4.34
Croda International	87,989	8,852	4.34
CONSUMER DISCRETIONARY (26.25%*)		46,302	22.70
4imprint	17,685	492	0.24
888 Holdings	338,700	1,020	0.50
ASOS	1,610	39	0.02
Delivery Hero	12,827	1,054	0.52
Dianomi	498,695	2,045	1.00
Dunelm	50,000	692	0.34
Flutter Entertainment	16,028	1,867	0.91
Future	103,600	3,970	1.95
Games Workshop	35,595	3,563	1.75
GlobalData	90,500	1,267	0.62
GVC	301,700	5,046	2.47
Inspecc	127,262	458	0.22
JD Sports Fashion	3,487,250	7,574	3.71
JET2	230,381	2,530	1.24
Loungers	100,000	280	0.14
Next	25,490	2,072	1.02
On the Beach	449,755	1,280	0.63
Pets at Home	287,145	1,343	0.66
Revolution Beauty	432,403	528	0.26
Team17	401,350	3,090	1.51
Watches of Switzerland	95,802	1,385	0.68
Wizz Air	112,200	4,707	2.31
CONSUMER STAPLES (10.31%*)		7,690	3.76
Cranswick	115,235	4,287	2.10
Hilton Food	256,500	2,924	1.43
Kerry	5,000	479	0.23
ENERGY (6.29%*)		7,354	3.61
Ceres Power	555,604	5,484	2.69
ITM Power	475,045	1,870	0.92
FINANCIALS (10.41%*)		25,479	12.49
Alpha FX	90,800	1,952	0.96
Beazley	497,400	2,305	1.13
Impax Asset Management	274,000	4,028	1.97
Intermediate Capital	239,000	5,256	2.58
JTC	441,500	4,075	2.00
K3 Capital	936,302	3,137	1.54
London Stock Exchange	30,277	2,108	1.03
Molten Ventures	256,640	2,618	1.28
HEALTH CARE (4.06%*)		10,352	5.08
Dechra Pharmaceuticals	158,218	8,338	4.09
Genus	20,121	990	0.49
Indivior	400,000	1,024	0.50

Portfolio Statement

(continued)

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
INDUSTRIALS (18.40%*)		46,279	22.67
AB Dynamics	160,653	2,795	1.37
Ashtead	50,330	3,000	1.47
Boku	1,313,695	2,154	1.06
CRH	55,800	2,184	1.07
Diploma	153,761	5,222	2.56
FDM	157,000	2,000	0.98
Johnson Service	1,379,482	1,962	0.96
Keystone Law	956,000	7,839	3.84
Knights	388,000	1,556	0.76
Marlowe	187,000	1,889	0.93
Mpac	117,982	587	0.29
Renew	82,700	681	0.33
Renishaw	40,000	1,928	0.94
Rentokil Initial	624,000	3,634	1.78
RWS	275,700	1,813	0.89
Smart Metering Systems	242,888	2,045	1.00
Volex	200,000	692	0.34
Volution	401,000	2,234	1.09
XP Power	40,000	2,064	1.01
REAL ESTATE (5.77%*)		11,400	5.59
Industrials REIT	150,000	297	0.15
LondonMetric Property	868,334	2,464	1.21
Segro	312,440	4,468	2.19
UNITE	377,252	4,171	2.04
TECHNOLOGY (9.03%*)		29,284	14.35
ActiveOps	786,206	1,313	0.64
AVEVA	90,961	3,084	1.51
Darktrace	101,000	426	0.21
DiscoverIE	348,560	3,583	1.76
Essensys	448,834	1,122	0.55
Ideagen	495,500	1,338	0.66
Instem	125,000	1,088	0.53
Kainos	361,364	6,938	3.40
Kape Technologies	506,677	2,255	1.10
Kin & Carta	500,000	1,465	0.72
Kooth	624,500	2,123	1.04
Microlise	712,867	1,426	0.70
Seeing Machines	4,130,000	418	0.20
Softcat	150,000	2,705	1.33
TELECOMMUNICATIONS (3.49%*)		5,476	2.68
Gamma Communications	332,288	5,476	2.68

Portfolio Statement

(continued)

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (0.80%*)		3,260	1.59
CONTRACTS FOR DIFFERENCE			
ASOS - CFD	32,450	(1,061)	(0.52)
Avon Protection - CFD	39,819	(756)	(0.37)
Ceres Power - CFD	81,300	(247)	(0.12)
Entain - CFD	64,500	27	0.01
Experian - CFD	151,759	1,598	0.78
Flutter Entertainment - CFD	17,800	(360)	(0.18)
Genus - CFD	5,401	(23)	(0.01)
Grafton Group - CFD	140,000	24	0.01
Kingspan - CFD	42,530	1,811	0.89
Marks And Spencer Group - CFD	564,000	361	0.18
Oxford Instruments - CFD	120,091	835	0.41
SKG - CFD	51,700	282	0.14
Watkin Jones - CFD	1,220,222	866	0.42
Whitbread - CFD	25,650	(97)	(0.05)
Portfolio of investments[^]		201,728	98.86
Net other assets (1.76%*)		2,326	1.14
Total net assets		204,054	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

* Comparative figures shown in brackets relate to 31 December 2020.

[^] Including investment liabilities of £2,543,829.

UK Growth Fund

Material Portfolio Changes

for the year ended 31 December 2021

	Cost		Proceeds
	£000		£000
JTC	3,137	Ocado Group	7,320
CRH	2,861	Homeserve	2,474
Smart Metering Systems	2,276	Beazley	1,842
Volusion	2,026	Kerry	1,817
Ashtead	1,810	Johnson Service	1,796
Dianomi	1,586	AB Dynamics	1,644
Marlowe	1,507	Just Eat Takeaway	1,563
Alpha FX	1,504	AO World	1,562
ActiveOps	1,353	Safestore Holdings	1,549
Ideagen	1,338	London Stock Exchange	1,471

UK Growth Fund

Comparative table

as at 31 December 2021

Net Asset Value and Ongoing Charges Figure

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	532.98	502.16	395.93
Return before operating charges*	87.89	38.63	114.40
Operating charges	(9.99)	(7.81)	(8.17)
Return after operating charges*	77.90	30.82	106.23
Distributions on accumulation shares	-	-	(0.89)
Retained distributions on accumulation shares	-	-	0.89
Closing net asset value per share	610.88	532.98	502.16
*after direct transaction costs of:	0.49	0.62	0.59
Performance			
Return after charges	14.62%	6.14%	26.83%
Other information			
Closing net asset value (£'000)	11,264	10,739	11,776
Closing number of shares	1,843,917	2,014,912	2,345,037
Operating charges (ongoing charges figure)	1.71%	1.71%	1.79%
Direct transaction costs	0.08%	0.14%	0.13%
Prices			
Highest share price	649.20	544.40	508.60
Lowest share price	514.30	295.40	400.80
Price at year end	615.90	537.00	505.70

UK Growth Fund

Comparative table

(continued)

as at 31 December 2021

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	602.55	562.87	440.84
Return before operating charges*	99.74	44.61	127.30
Operating charges	(6.35)	(4.93)	(5.27)
Return after operating charges*	93.39	39.68	122.03
Distributions on accumulation shares	-	(0.51)	(4.81)
Retained distributions on accumulation shares	-	0.51	4.81
Closing net asset value per share	695.94	602.55	562.87
*after direct transaction costs of:	0.55	0.70	0.66
Performance			
Return after charges	15.50%	7.05%	27.68%
Other information			
Closing net asset value (£'000)	192,790	167,421	161,569
Closing number of shares	27,702,109	27,785,444	28,704,601
Operating charges (ongoing charges figure)	0.96%	0.96%	1.04%
Direct transaction costs	0.08%	0.14%	0.13%
Prices			
Highest share price	734.50	612.50	567.80
Lowest share price	579.50	330.40	444.30
Price at year end	698.30	604.20	564.70

UK Growth Fund

Statement of Total Return

for the year ended 31 December 2021

	Notes	Year Ended 31 December 2021		Year Ended 31 December 2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		27,681		13,244
Revenue	3	1,848		1,748	
Expenses	4	(1,938)		(1,564)	
Interest payable and similar charges		(2)		(91)	
Net (expenses)/revenue before taxation		(92)		93	
Taxation	5	-		(24)	
Net (expenses)/revenue after taxation			(92)		69
Total return before distribution			27,589		13,313
Distribution	6		2		(134)
Change in net assets attributable to shareholders from investment activities			27,591		13,179

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2021

	Year Ended 31 December 2021		Year Ended 31 December 2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		178,160		173,345
Amounts receivable on creation of shares	22,748		23,027	
Less: Amounts payable on cancellation of shares	(24,445)		(31,532)	
		(1,697)		(8,505)
Change in net assets attributable to shareholders from investment activities		27,591		13,179
Retained distribution on accumulation shares		-		141
Closing net assets attributable to shareholders		204,054		178,160

Notes to the Financial Statements are on pages 53 to 58.

UK Growth Fund

Balance Sheet

as at 31 December 2021

	Notes	31/12/2021 £000	31/12/2020 £000
Fixed Assets			
Investments		<u>204,272</u>	<u>176,398</u>
Current assets:			
Debtors	8	227	550
Cash and bank balances	9	<u>2,337</u>	<u>3,302</u>
Total assets		<u>206,836</u>	<u>180,250</u>
Liabilities:			
Investment liabilities		<u>(2,544)</u>	<u>(1,370)</u>
Creditors:			
Bank overdrafts		-	(14)
Other creditors	10	<u>(238)</u>	<u>(706)</u>
Total other liabilities		<u>(238)</u>	<u>(720)</u>
Total liabilities		<u>(2,782)</u>	<u>(2,090)</u>
Net assets attributable to shareholders		<u>204,054</u>	<u>178,160</u>

Notes to the Financial Statements are on pages 53 to 58.

Notes to the Financial Statements

as at 31 December 2021

1. Accounting basis and policies

Please see page 10 for accounting basis and policies

2. Net capital gains

The net capital gains during the year comprise:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Non-derivative securities	26,656	14,580
Derivative contracts	1,095	(1,017)
Currency losses	(65)	(316)
Handling charges	(5)	(3)
Net capital gains	<u>27,681</u>	<u>13,244</u>

3. Revenue

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
UK dividends	1,500	1,360
Overseas taxable revenue	1	-
Overseas non-taxable revenue	105	87
Property revenue from UK REITs - PID	62	160
Property revenue from UK REITs - Non PID	161	40
Interest on debt securities	1	-
Revenue from CFDs	18	101
Total revenue	<u>1,848</u>	<u>1,748</u>

4. Expenses

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	1,532	1,236
Registration fees	273	225
	<u>1,805</u>	<u>1,461</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	63	52
Safe custody fees	4	1
	<u>67</u>	<u>53</u>
Other expenses:		
Administration fee	41	39
Audit fee	9	9
Printing, publishing and postage fees	-	(3)
Other expenses	16	5
	<u>66</u>	<u>50</u>
	<u>1,938</u>	<u>1,564</u>

Notes to the Financial Statements

(continued)

as at 31 December 2021

5. Taxation

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	-	24
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:		
Net (expenses)/revenue before taxation	(90)	93
Corporation tax of 20% (2020: 20%)	(18)	19
Effects of:		
UK dividends*	(300)	(272)
Overseas non-taxable revenue*	(21)	(17)
Movement in excess management expenses	371	278
Irrecoverable overseas tax	-	24
Property revenue from UK REITs - Non PID	(32)	(8)
Current tax charge for year (note 5a)	-	24

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,971,415 (31/12/20: £2,599,978) relating to surplus management expenses. No deferred tax asset was recognised in the prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Final	-	141
Add: Revenue deducted on cancellation of shares	1	28
Deduct: Revenue received on creation of shares	(3)	(35)
Net distribution for the year	(2)	134

7. Movement between net (expenses) / revenue and net distribution

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Net (expenses) / revenue after taxation	(92)	69
Fund shortfall funded from capital	90	65
Net distribution for the year	(2)	134

as at 31 December 2021

8. Debtors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts receivable for issue of shares	108	377
Accrued revenue	119	173
Total debtors	<u>227</u>	<u>550</u>

9. Cash and bank balances

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Cash and bank balances	500	1,293
Amounts held at futures clearing houses and brokers	1,837	2,009
Total cash and bank balances	<u>2,337</u>	<u>3,302</u>

10. Creditors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts payable for cancellation of shares	51	539
Accrued ACD's periodic charge*	133	116
Accrued depositary fee*	6	10
Accrued other expenses	48	41
Total creditors	<u>238</u>	<u>706</u>

*This is a related party (see note 11).

11. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £57,329 (2020: £161,930) due in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £133,421 (2020: £116,121) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £5,442 (2020: £9,409) due at the year end.

as at 31 December 2021

12. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 49 to 50.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/2020	01/01/21 to 31/12/21		31/12/2021
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	2,014,912	243,809	(414,803)	1,843,918
Share Class B - Accumulation	27,785,444	3,305,627	(3,388,962)	27,702,109
Total	29,800,356	3,549,436	(3,803,765)	- 29,546,027

13. Capital commitments and contingent liabilities

On 31 December 2021, the Fund had no capital commitments (2020: £nil) and no contingent liabilities (2020: £nil).

14. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 42. The risks inherent in the sub-fund's investment portfolio are as follows:

The UK Growth Fund utilises CFDs for effective portfolio management (EPM). The benefit of CFDs is that the Fund can gain exposure to price movements in underlying securities by making a margin payment rather than paying the full amount for the investment. This may result in the fund being leveraged beyond the net asset value and hence market movements may have a greater impact on the fund in this scenario. The use of derivatives may lead to an increase in the fund's volatility and may also increase counterparty risk within the fund. The UK Opportunities Fund restricts its exposure to counterparty risk on derivative instruments by trading via an International Swap Derivative Association (ISDA) Master Agreement with derivative counterparties.

Under CFDs the Fund has long positions with exposure to underlying securities with a total market value of 26,979,592 (2020: £22,900,837). The counterparty is UBS AG. The Fund has a cash collateral position of £1,836,588 (2020: £1,995,277) on deposit.

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding sterling):

	Currency exposure Year Ended 31 December 2021	Currency exposure Year Ended 31 December 2020
	£000	£000
Currency		
Euro	1,589	5,030
Polish zloty	782	845
Total	2,371	5,875

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £500,142 (2020: holding £1,292,433) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

The Fund holds net cash at futures brokers of £1,836,588 (2020: cash £1,995,277), whose rates are determined by reference to rates supplied by the broker.

as at 31 December 2021

(c) *Liquidity risk*

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the fund managers weekly.

(d) *Market price risk and fair value of financial assets and liabilities*

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the authorised corporate director in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

(e) *Counterparty risk*

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Steet Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Steet Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depositary receives and reviews an annual report on the internal controls in place at State Steet Bank and Trust Company.

Certain transactions in securities that the sub-funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The sub-funds only buy and sell investments and trades CFD's through brokers which have been approved by the ACD as an acceptable counterparty; the broker through which CFD's are transacted requires a cash margin to be maintained with them as collateral for those positions. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' credit ratings are reviewed.

as at 31 December 2021

15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	31 December 2021 £000	31 December 2020 £000	31 December 2021 £000	31 December 2020 £000
Equities	40,157	50,111	42,083	60,065
Commissions				
Equities	34	51	(40)	(48)
Collective Investment Schemes	-	-	-	(2)
Taxes				
Equities	86	110	-	-
Total costs	120	161	(40)	(50)
Total net trades in the year after transaction costs	40,277	50,272	42,043	60,015

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions				
Equities	0.08	0.10	0.10	0.08
Taxes				
Equities	0.21	0.22	-	-

Total transaction cost expressed as a percentage of average net asset value.

	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions	0.04	0.07
Taxes	0.04	0.07
Total costs	0.08	0.14

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.74% (2020: 0.60%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

16. Fair value

Valuation technique	31 December 2021		31 December 2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	198,468	-	173,577	-
Level 2	5,804	(2,544)	2,821	(1,370)
Level 3	-	-	-	-
Total fair value	204,272	(2,544)	176,398	(1,370)

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability,

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

UK Growth Fund

Distribution Tables

for the year ended 31 December 2021

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2021

Group 2 Final Shares purchased on or between 1 January 2021 and 31 December 2021

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/22	Distributions paid on 30/04/21
Group 1 Final	(p) -	(p) -	(p) -	(p) 0.5069
Group 2 Final	(p) -	(p) -	(p) -	(p) 0.5069

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

UK Opportunities Fund

Authorised Fund Manager's Report

for the year ended 31 December 2021

Investment Objective and Policy

The objective of this Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI United Kingdom IMI.

This Fund will identify investment opportunities in UK companies whose future growth is not reflected in current market expectations. The Fund will invest at least 80% in equities and equity related instruments in UK companies. These are companies in any economic sector that may be listed, quoted or traded in the UK or elsewhere but which are incorporated or domiciled or conduct a significant portion of their business in the UK. Some companies may however have overseas earnings as part of their trading profits. The Fund may be invested in any industry sector. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in other permitted transferable securities.

The Fund will seek to invest in the full range of opportunities available to it, which will include shares on the Alternative Investment Market.

The MSCI United Kingdom IMI has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the investment policy for the Fund.

Synthetic Risk and Reward Indicator

Typically lower rewards, lower risks			Typically higher rewards, higher risks			
←			→			
1	2	3	4	5	6	7

- This Fund has been classed as 6 because it has experienced high volatility historically.
- The SRRI category shown is not guaranteed and may change over time.
- The lowest category (1) does not mean risk free and extreme adverse market circumstances can mean you suffer losses in all cases.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a long term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- The effect of currency movements can be significant where investments are denominated in currencies other than Sterling and may adversely affect the value of your investment.
- The Fund uses Contracts for Difference for efficient portfolio management purposes. This may create gearing and could lead to greater fluctuations in the Net Asset Value of the Fund.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.

Investment Review

Performance	31/12/2016 to 31/12/17 %	31/12/2017 to 31/12/18 %	31/12/2018 to 31/12/19 %	31/12/2019 to 31/12/20 %	31/12/2020 to 31/12/21 %
UK Opportunities Fund	13.7	(12.4)	30.4	(8.8)	23.4

Source: FE fundinfo, mid to mid, UK net to 31 December 2021.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Market Review

The UK equity market made a strong start in 2021 as economic activity rebounded around the globe, boosted by supportive fiscal and monetary policy. The successful roll-out of Covid-19 vaccine programmes led to optimism that lockdown restrictions would soon become a thing of the past. Household wealth in the UK, benefiting from government support, reached record levels in the second quarter of the year.

As the year progressed, however, the disruption to global trade caused by the pandemic manifested itself across a range of sectors. A shortage in semiconductor chips led to a decline in global automobile production. Shipping costs surged as increased demand for consumer goods outstripped the number of available vessels and containers. These factors, alongside other commodity price increases, fuelled the core unresolved debate of 2021: were these inflationary pressures transitory or likely to be longer lasting? Headline inflation in the US hit 6.2% in the final quarter and was well above the Bank of England's target rate in the UK. This led to both the Federal Reserve Board and Bank of England becoming progressively more hawkish towards the end of the year. Complicating matters further, the emergence of the more transmissible Omicron variant in November precipitated a new bout of government restrictions. Thankfully, it swiftly became apparent that, despite soaring infection rates, Omicron is considerably less virulent than previous variants.

The Fund returned 23.4% for 12 months versus the MSCI United Kingdom IMI that returned 18.7% and the average fund in the IA UK All Companies Sector that returned 17.2%. Over three, five and ten years the fund has returned 46.8%, 46.3%, and 190.7% versus the MSCI United Kingdom IMI which has returned 24.2%, 26.8%, and 102.6%.

Portfolio Review

Entain, the betting company, was the largest positive contributor to fund performance during the year. During the year the business' strategic strength was highlighted by the two bid approaches it received. In January it spurned a takeover approach from MGM, its US joint venture partner, and an October bid from DraftKing, a US rival, failed when both parties couldn't agree on the terms of a deal. With a strong technology platform and international presence, Entain is an attractive asset in a consolidating industry. Alpha Financial Markets (AFM), a provider of consulting services to financial services businesses, also outperformed as it delivered strong organic revenue growth and acquired Lionpoint, a specialist in the 'alternatives' marketplace. The deal significantly expanded AFM's presence in the US market. Norcros, the manufacturer of kitchen and bathroom products, benefited from strong consumer demand and its ability to successfully manage supply chain pressures helped it deliver a steady stream of earnings upgrades. Elsewhere, the fund's energy holdings benefited from increasing oil prices.

Creo Medical, the medical device company, was the single largest negative contributor to fund performance. The group raised capital during the year to fund growth, which led to some investor 'indigestion'. Despite this year's lacklustre share price performance, we remain very excited about the company's prospects. Easyjet, the low-cost airline, declined as both the Delta and Omicron variants had a negative impact on sentiment towards the travel industry. Following a capital raise, we believe the company is now in a strong position to take advantage of a recovery in air travel as restrictions are eased across Europe.

Outlook

Markets entered 2022 in a state of flux. The potential for an aggressive tightening cycle has destabilised both the risk-free rate and the equity risk premium. Many commentators are focused on the squeeze on real incomes due to higher inflation and the potential for a classic wage-price spiral. While acknowledging the risk that we are too sanguine, the significant improvement in household finances over the pandemic should provide substantial mitigation. We expect Covid to have a reduced impact on markets during 2022 as countries adjust to life with the virus.

UK stocks continue to trade at a discount to international peers. With a relatively stable, albeit noisy, political backdrop, we believe that the intrinsic strengths of the UK economy will become more apparent as the year progresses. We expect both Sterling and UK markets to outperform consensus expectations during 2022. We believe that the portfolio offers a very attractive risk vs reward profile at current levels although volatility may remain elevated as investors react to newsflow about the global economy.

SVM Asset Management Limited

February 2022

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

UK Opportunities Fund

Portfolio Statement

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
UNITED KINGDOM (57.17%*)		132,556	65.69
BASIC MATERIALS (4.04%*)		9,725	4.82
Synthomer	2,437,241	9,725	4.82
CONSUMER DISCRETIONARY (5.77%*)		12,001	5.95
Reach	1,650,000	4,620	2.29
Revolution Beauty	1,172,500	1,430	0.71
Team17	378,508	2,915	1.45
TI Fluid Systems	1,200,000	3,036	1.50
CONSUMER STAPLES (3.94%*)		7,301	3.62
Tesco	2,521,052	7,301	3.62
ENERGY (6.57%*)		24,673	12.23
Deltic Energy	42,857,142	921	0.46
Energiean Oil & Gas	400,404	3,426	1.70
Jadestone Energy	11,208,790	9,303	4.61
Jersey Oil & Gas	1,180,547	1,617	0.80
Longboat Energy	4,071,666	2,484	1.23
Pantheon Resources	5,817,399	4,526	2.24
Savannah Energy	10,651,060	2,396	1.19
FINANCIALS (9.72%*)		20,635	10.22
CMC Markets	900,000	2,389	1.18
Lloyds Banking	16,338,000	7,826	3.88
OSB	719,442	3,986	1.97
Prudential	507,000	6,434	3.19
HEALTH CARE (6.05%*)		15,231	7.55
Advanced Medical Solutions	450,000	1,512	0.75
Creo Medical	4,089,083	5,970	2.96
Diurnal	3,300,000	1,815	0.90
GlaxoSmithKline	370,000	5,934	2.94
INDUSTRIALS (16.66%*)		40,444	20.04
Alpha Financial Markets Consulting	1,887,058	8,680	4.30
Balfour Beatty	1,540,000	4,062	2.01
Brickability	3,184,316	3,152	1.56
Facilities by Adf	1,000,000	500	0.25
Forterra	1,327,294	3,604	1.79
John Menzies	1,305,034	4,000	1.98
Norcros	3,250,682	10,240	5.07
Serco	2,600,000	3,523	1.75
Speedy Hire	2,749,931	1,716	0.85
Volution	173,548	967	0.48
ActiveOps	1,524,411	2,546	1.26
CANADA (3.82%*)		-	-
IRELAND (10.70%*)		21,765	10.78
Ryanair	385,000	4,964	2.46
DCC	108,705	6,579	3.26
Smurfit Kappa	250,920	10,222	5.06
ISLE OF MAN (5.17%*)		9,199	4.56
GVC	550,000	9,199	4.56
UNITED STATES (0.00%)		9,572	4.74
Micron Technology	137,400	9,572	4.74

UK Opportunities Fund

Portfolio Statement

(continued)

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (2.13%*)		2,678	1.32
CONTRACTS FOR DIFFERENCE (0.00%)		2,678	1.32
888 Holdings - CFD	1,140,000	(1,073)	(0.53)
Ashtead Group - CFD†	30,000	45	0.02
Associated British Foods - CFD	190,000	(221)	(0.11)
CRH - CFD	220,413	871	0.43
Drax Group - CFD	745,842	975	0.48
easyJet - CFD	414,894	(424)	(0.21)
Halma - CFD†	99,000	(902)	(0.45)
Howden Joinery - CFD†	272,250	(1,005)	(0.50)
IMI - CFD	335,000	1,653	0.82
Inchcape - CFD	495,000	1,739	0.86
Kingspan - CFD†	20,000	(735)	(0.36)
Lookers - CFD	2,895,000	596	0.30
Marks And Spencer Group - CFD	2,850,000	2,630	1.30
Rightmove - CFD†	320,000	(537)	(0.27)
Smith & Nephew -CFD	305,000	(304)	(0.15)
Spirax-Sarco Engineering - CFD†	15,286	(806)	(0.40)
Workspace Group - CFD	240,964	176	0.09
Portfolio of investments[^]		175,770	87.09
Net other assets (21.01%*)		26,046	12.91
Total net assets		201,816	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

* Comparative figures shown in brackets relate to 31 December 2020.

† Short positions

[^] Including investment liabilities of £6,007,360.

UK Opportunities Fund

Material Portfolio Changes

for the year ended 31 December 2021

	Cost £000		Proceeds £000
Major purchases		Major sales	
Micron Technology	13,616	National Grid	7,956
Synthomer	5,083	Micron Technology	5,299
Reach	4,125	GVC	4,943
Creo Medical	3,228	Vistry Group	4,061
Smurfit Kappa	3,130	St Modwen Properties	3,576
Brickability	3,031	Pantheon Resources	2,771
Longboat Energy	2,699	Volution	2,412
National Grid	2,634	Supreme	1,712
ActiveOps	2,552	Diversifield Energy	1,699
CMC Markets	2,480	Jadestone Energy	1,607

UK Opportunities Fund

Comparative table

as at 31 December 2021

Net Asset Value and Ongoing Charges Figure

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	534.89	588.16	447.94
Return before operating charges*	134.76	(45.15)	149.28
Operating charges	(10.79)	(8.12)	(9.06)
Return after operating charges*	123.97	(53.27)	140.22
Distributions on accumulation shares	(0.70)	-	(5.16)
Retained distributions on accumulation shares	0.70	-	5.16
Closing net asset value per share	658.86	534.89	588.16
*after direct transaction costs of:	0.88	1.41	0.46
Performance			
Return after charges	23.18%	(9.06%)	31.30%
Other information			
Closing net asset value (£'000)	23,065	24,581	30,350
Closing number of shares	3,500,671	4,595,403	5,160,137
Operating charges (ongoing charges figure)	1.71%	1.74%	1.80%
Direct transaction costs	0.14%	0.30%	0.09%
Prices			
Highest share price	681.50	596.10	592.20
Lowest share price	538.40	327.80	452.30
Price at year end	665.20	539.20	590.90

UK Opportunities Fund

Comparative table

(continued)

as at 31 December 2021

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	615.06	670.09	507.55
Return before operating charges*	156.82	(49.78)	168.50
Operating charges	(7.00)	(5.25)	(5.96)
Return after operating charges*	149.82	(55.03)	162.54
Distributions on accumulation shares	(6.31)	(0.39)	(10.10)
Retained distributions on accumulation shares	6.31	0.39	10.10
Closing net asset value per share	764.88	615.06	670.09
*after direct transaction costs of:	1.02	1.61	0.52
Performance			
Return after charges	24.36%	(8.21%)	32.02%
Other information			
Closing net asset value (£'000)	178,751	126,550	115,632
Closing number of shares	23,370,045	20,575,276	17,256,295
Operating charges (ongoing charges figure)	0.96%	0.99%	1.05%
Direct transaction costs	0.14%	0.30%	0.09%
Prices			
Highest share price	786.00	677.80	673.30
Lowest share price	617.20	373.30	510.40
Price at year end	768.00	617.70	671.80

UK Opportunities Fund

Statement of Total Return

for the year ended 31 December 2021

	Notes	Year Ended 31 December 2021		Year Ended 31 December 2020	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		35,840		(7,737)
Revenue	3	3,427		1,545	
Expenses	4	(1,988)		(1,351)	
Interest payable and similar charges		-		(264)	
Net revenue/(expenses) before taxation		1,439		(70)	
Taxation	5	(7)		(10)	
Net revenue/(expenses) after taxation			1,432		(80)
Total return before distribution			37,272		(7,817)
Distribution	6		(1,432)		(77)
Change in net assets attributable to shareholders from investment activities			35,840		(7,894)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2021

	Year Ended 31 December 2021		Year Ended 31 December 2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		151,131		145,982
Amounts receivable on creation of shares	29,028		33,580	
Less: Amounts payable on cancellation of shares	(15,681)		(20,618)	
		13,347		12,962
Change in net assets attributable to shareholders from investment activities		35,840		(7,894)
Retained distribution on accumulation shares		1,498		81
Closing net assets attributable to shareholders		201,816		151,131

Notes to the Financial Statements are on pages 69 to 74.

UK Opportunities Fund

Balance Sheet

as at 31 December 2021

	Notes	31/12/2021 £000	31/12/2020 £000
Fixed Assets			
Investments		<u>181,777</u>	<u>120,974</u>
Current assets:			
Debtors	8	459	333
Cash and bank balances	9	<u>27,463</u>	<u>32,239</u>
Total assets		<u>209,699</u>	<u>153,546</u>
Liabilities:			
Investment liabilities		<u>(6,007)</u>	<u>(1,598)</u>
Creditors:			
Bank overdrafts		(248)	(380)
Other creditors	10	<u>(1,628)</u>	<u>(437)</u>
Total other liabilities		<u>(1,876)</u>	<u>(817)</u>
Total liabilities		<u>(7,883)</u>	<u>(2,415)</u>
Net assets attributable to shareholders		<u><u>201,816</u></u>	<u><u>151,131</u></u>

Notes to the Financial Statements are on pages 69 to 74.

UK Opportunities Fund

Notes to the Financial Statements

as at 31 December 2021

1. Accounting basis and policies

Please see page 10 for accounting basis and policies

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Non-derivative securities	30,149	(3,048)
Derivative contracts	5,672	(4,454)
Currency gains/(losses)	27	(220)
Handling charges	(8)	(15)
Net capital gains/(losses)	<u>35,840</u>	<u>(7,737)</u>

3. Revenue

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
UK dividends	2,962	1,140
Overseas taxable revenue	(73)	-
Overseas non-taxable revenue	163	477
Bank interest	-	1
Interest on amounts held at futures clearing houses and brokers	-	69
Interest on debt securities	-	1
Revenue from CFDs	375	(143)
Total revenue	<u>3,427</u>	<u>1,545</u>

4. Expenses

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	1,603	1,081
Registration fees	270	184
	<u>1,873</u>	<u>1,265</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	61	42
Safe custody fees	4	1
	<u>65</u>	<u>43</u>
Other expenses:		
Administration fee	40	37
Audit fee	10	9
Printing, publishing and postage fees	-	(3)
	<u>50</u>	<u>43</u>
	<u>1,988</u>	<u>1,351</u>

as at 31 December 2021

5. Taxation

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	7	10
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:		
Net revenue/(expenses) before taxation	1,439	(70)
Corporation tax of 20% (2020: 20%)	288	(14)
Effects of:		
UK dividends*	(592)	(228)
Overseas non-taxable revenue*	(33)	(95)
Movement in excess management expenses	337	337
Irrecoverable overseas tax	7	10
Current tax charge for year (note 5a)	7	10

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £3,507,222 (31/12/20: £3,170,067) relating to surplus management expenses. No deferred tax asset was recognised in the prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Final	1,498	81
Add: Revenue deducted on cancellation of shares	50	6
Deduct: Revenue received on creation of shares	(116)	(10)
Net distribution for the year	1,432	77

Details of the distribution per share is set out in the Distribution Tables on page 75.

7. Movement between net revenue / (expenses) and net distribution

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Net revenue / (expenses) after taxation	1,432	(80)
Fund shortfall funded from capital	-	157
Net distribution for the year	1,432	77

as at 31 December 2021

8. Debtors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts receivable for issue of shares	262	235
Accrued revenue	196	97
Overseas tax recoverable	1	1
Total debtors	<u>459</u>	<u>333</u>

9. Cash and bank balances

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Cash and bank balances	16,830	27,227
Amounts held at futures clearing houses and brokers	10,633	5,012
Total cash and bank balances	<u>27,463</u>	<u>32,239</u>

10. Creditors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Purchases awaiting settlement	1,250	261
Amounts payable for cancellation of shares	184	15
Accrued ACD's periodic charge*	140	109
Accrued depositary fee*	5	8
Accrued other expenses	49	44
Total creditors	<u>1,628</u>	<u>437</u>

*This is a related party (see note 11).

11. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £79,743 (2020: £220,052) due in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £140,101 (2020: £109,228) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £5,414 (2020: £8,035) due at the year end.

At the balance sheet date the following shareholders held more than 20% of the shares in the fund:

	Year Ended 31 December 2021	Year Ended 31 December 2020
Transact Nominees Ltd	20.28%	nil%

as at 31 December 2021

12. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 65 to 66.

The distribution per share class is given in the Distribution Tables on page 75.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/2020	01/01/21 to 31/12/21		31/12/2021
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	4,595,403	222,384	(1,317,116)	3,500,671
Share Class B - Accumulation	20,575,276	3,804,732	(1,009,963)	23,370,045
Total	<u>25,170,679</u>	<u>4,027,116</u>	<u>(2,327,079)</u>	<u>- 26,870,716</u>

13. Capital commitments and contingent liabilities

On 31 December 2021, the Fund had no capital commitments (2020: £nil) and no contingent liabilities (2020: £nil).

14. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 60. The risks inherent in the sub-fund's investment portfolio are as follows:

The UK Opportunities Fund utilises CFDs for effective portfolio management (EPM). The benefit of CFDs is that the Fund can gain exposure to price movements in underlying securities by making a margin payment rather than paying the full amount for the investment. This may result in the fund being leveraged beyond the net asset value and hence market movements may have a greater impact on the fund in this scenario. The use of derivatives may lead to an increase in the fund's volatility and may also increase counterparty risk within the fund. The UK Opportunities Fund restricts its exposure to counterparty risk on derivative instruments by trading via an International Swap Derivative Association (ISDA) Master Agreement with derivative counterparties.

Under CFDs the Fund has long positions with exposure to underlying securities with a total market value of £47,488,023 (2020: £46,020,990) and short positions with an exposure to underlying securities with a total market value of £14,189,295 (2020: £ 9,830,190). The counterparty is UBS AG. The Fund currently has a cash collateral position of £10,384,864 (2020: £4,632,666) on deposit.

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding sterling):

Currency	Currency exposure	Currency exposure
	Year Ended	Year Ended
	31 December 2021	31 December 2020
	£000	£000
Danish krone	(1)	(1)
Euro	4,715	5,267
Swiss franc	522	31
US dollar	9,587	4
Total	<u>14,823</u>	<u>5,301</u>

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

as at 31 December 2021

(b) *Interest rate risk profile of financial assets and liabilities*

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £16,829,451 (2020: holding £27,226,707) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depository.

The Fund holds net cash at futures brokers of £10,384,864 (2020: cash £4,632,666), whose rates are determined by reference to rates supplied by the broker.

(c) *Liquidity risk*

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the fund managers weekly.

(d) *Market price risk and fair value of financial assets and liabilities*

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the authorised corporate director in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

(e) *Counterparty risk*

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Steet Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Steet Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depository receives and reviews an annual report on the internal controls in place at State Steet Bank and Trust Company.

Certain transactions in securities that the sub-funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The sub-funds only buy and sell investments and trades CFD's through brokers which have been approved by the ACD as an acceptable counterparty; the broker through which CFD's are transacted requires a cash margin to be maintained with them as collateral for those positions. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' credit ratings are reviewed.

15. **Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	31 December 2021 £000	31 December 2020 £000	31 December 2021 £000	31 December 2020 £000
Equities	72,668	61,548	44,673	70,960
Commissions				
Equities	49	38	(44)	(66)
Taxes				
Equities	169	262	-	-
Total costs	218	300	(44)	(66)
Total net trades in the year after transaction costs	72,886	61,848	44,629	70,894

as at 31 December 2021

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions				
Equities	0.07	0.06	0.10	0.09
Taxes				
Equities	0.23	0.43	-	-

Total transaction cost expressed as a percentage of average net asset value.

	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions	0.05	0.09
Taxes	0.09	0.21
Total costs	0.14	0.30

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 1.09% (2020: 1.23%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

16. Fair value

Valuation technique	31 December 2021		31 December 2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	173,092	-	128,265	-
Level 2	8,685	(6,007)	8,819	(3,872)
Level 3	-	-	-	-
Total fair value	181,777	(6,007)	137,084	(3,872)

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability,

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

UK Opportunities Fund

Distribution Tables

for the year ended 31 December 2021

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2021

Group 2 Final Shares purchased on or between 1 January 2021 and 31 December 2021

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/22	Distributions paid on 30/04/21
Group 1	(p)	(p)	(p)	(p)
Final	0.7039	-	0.7039	-
Group 2	(p)	(p)	(p)	(p)
Final	-	0.7039	0.7039	-

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/22	Distributions paid on 30/04/21
Group 1	(p)	(p)	(p)	(p)
Final	6.3063	-	6.3063	0.3928
Group 2	(p)	(p)	(p)	(p)
Final	3.4363	2.8700	6.3063	0.3928

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

World Equity Fund

Authorised Fund Manager's Report

for the year ended 31 December 2021

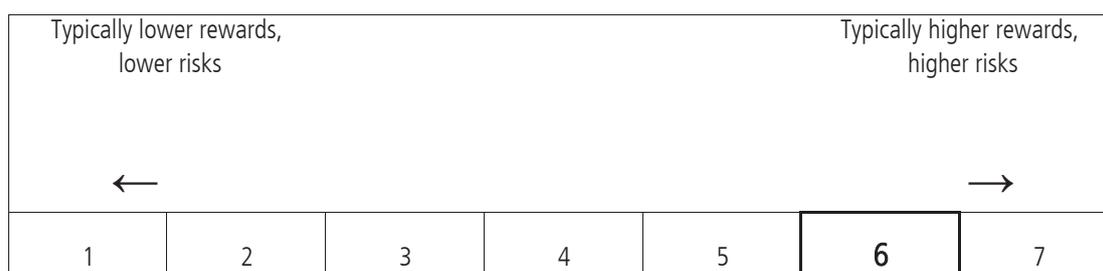
Investment Objective and Policy

The objective of this Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI ACWI IMI.

This Fund will identify investment opportunities in companies globally whose future growth is not reflected in current market expectations. The Fund will invest at least 80% in global equities and other equity related instruments such as Exchange Traded Funds. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, the Fund may invest in transferable securities which are otherwise permitted for the Fund.

The MSCI ACWI IMI has been selected as the target benchmark for the fund; its constituents make it an appropriate benchmark given the investment policy for the Fund.

Synthetic Risk and Reward Indicator



- This Fund has been classed as 6 because it has experienced high volatility historically.
- The SRRI category shown is not guaranteed and may change over time.
- The lowest category (1) does not mean risk free and extreme adverse market circumstances can mean you suffer losses in all cases.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a long term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- The effect of currency movements can be significant where investments are denominated in currencies other than Sterling and may adversely affect the value of your investment.
- The Fund may enter into derivative contracts and use currency management techniques, including hedging, for efficient portfolio management (EPM) purposes. Full details on EPM can be found in Appendix A of the Prospectus.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.

Investment Review

Performance	31/12/2016 to 31/12/17 %	31/12/2017 to 31/12/18 %	31/12/2018 to 31/12/19 %	31/12/2019 to 31/12/20 %	31/12/2020 to 31/12/21 %
World Equity Fund	12.0	(13.6)	29.6	13.3	25.8

Source: FE fundinfo, mid to mid, UK net to 31 December 2021.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Market Review

Equity markets made a strong start to 2021 as economic activity rebounded around the globe, boosted by supportive fiscal and monetary policy. The successful roll-out of Covid-19 vaccine programmes led to optimism that lockdown restrictions would soon become a thing of the past. Household wealth in the UK, benefiting from government support, reached record levels in the second quarter of the year.

As the year progressed, however, the disruption to global trade caused by the pandemic manifested itself across a range of sectors. A shortage in semiconductor chips led to a decline in global automobile production. Shipping costs surged as increased demand for consumer goods outstripped the number of available vessels and containers. These factors, alongside other commodity price increases, fuelled the core unresolved debate of 2021: were these inflationary pressures transitory or likely to be longer lasting? Headline inflation in the US hit 6.2% in the final quarter and was well above the Bank of England's target rate in the UK. This led to both the Federal Reserve Board and Bank of England becoming progressively more hawkish towards the end of the year. In Asia, the financial difficulties of Chinese property developer, Evergrande, sparked fears of contagion across the rest of China's property and financial sectors. Complicating matters further, the emergence of the more transmissible Omicron variant in November precipitated a new bout of government restrictions. Thankfully, it swiftly became apparent that, despite soaring infection rates, Omicron is considerably less virulent than previous variants.

The Fund returned 25.8% versus the average fund in the IA Global Sector that returned 17.7%.

Portfolio Review

Alphabet, the holding company behind Google, was the largest positive contributor to fund performance during the year. The group delivered a string of impressive results throughout the year, with revenues increasing by 41% to reach \$258bn. Growth was broad-based with Search, Cloud, and YouTube all exceeding consensus expectations at the start of the year. Uniphar, the Irish pharmaceutical and medical technology service business, also outperformed. It continued to successfully deploy cash from its lower-growth pharmacy businesses into faster-growing areas like product access and medical marketing services. Alpha Financial Markets (AFM), a provider of consulting services to financial services businesses, also outperformed as it delivered strong organic revenue growth and acquired Lionpoint, a specialist in the 'alternatives' marketplace. The deal significantly expanded AFM's presence in the US market. Microsoft, the US software giant, benefited from buoyant demand for its cloud products and continued traction for MS Teams.

Creo Medical, the medical device company, was the single largest negative contributor to fund performance. The group raised capital during the year to fund growth, which led to some investor 'indigestion'. Despite this year's lacklustre share price performance, we remain very excited about the company's prospects. 888 Holdings, the betting company, declined as investors digested the group's approach for William Hill. We believe the transaction will give the group considerable scale in Western Europe and that its fully-owned technology platform will make it an attractive consolidation target.

Outlook

Markets entered 2022 in a state of flux. The potential for an aggressive tightening cycle has destabilised both the risk-free rate and the equity risk premium. Many commentators are focused on the squeeze on real incomes due to higher inflation and the potential for a classic wage-price spiral. While acknowledging the risk that we are too sanguine, the significant improvement in household finances over the pandemic should provide substantial mitigation. Covid will have a reduced impact on markets during 2022 as countries adjust to life with the virus. Overall, we expect the global economy to remain resilient and equities to generate another year of positive returns.

SVM Asset Management Limited

February 2022

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

World Equity Fund

Portfolio Statement

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
UNITED KINGDOM (27.13%*)		7,031	31.04
ActiveOps	115,544	193	0.85
Alpha Financial Markets Consulting	201,726	928	4.10
Creo Medical	429,550	627	2.77
Drax	70,000	428	1.89
Energean Oil & Gas	37,500	321	1.42
Jadestone Energy	844,500	701	3.09
John Menzies	142,212	436	1.92
Longboat Energy	270,000	165	0.73
Norcros	204,232	643	2.84
Prudential	42,600	541	2.39
Savannah Energy	1,162,120	261	1.15
Smith & Nephew	32,000	412	1.82
Synthomer	250,952	1,001	4.42
TI Fluid Systems	148,000	374	1.65
CANADA (2.81%*)		-	-
CAYMAN ISLANDS (0.94%*)		71	0.31
JHL Biotech	250,000	71	0.31
GIBRALTAR (0.00%)		482	2.13
888 Holdings	160,000	482	2.13
IRELAND (10.29%*)		2,475	10.92
Ryanair	45,100	581	2.56
Smurfit Kappa	17,000	693	3.06
Uniphar	289,500	1,201	5.30
ISLE OF MAN (5.32%*)		1,263	5.57
GVC	75,500	1,263	5.57
JAPAN (7.84%*)		1,259	5.55
Denka	15,220	368	1.62
Hitachi	22,190	891	3.93
SOUTH KOREA (5.60%*)		1,014	4.47
SK Hynix	12,445	1,014	4.47
SWITZERLAND (3.46%*)		-	-
TAIWAN (0.00%)		71	0.31
Chime Biologics	250,000	71	0.31

World Equity Fund

Portfolio Statement

(continued)

as at 31 December 2021

	Holdings	Market Value £000	Total Net Assets %
UNITED STATES (28.50%*)		9,016	39.80
Alphabet	868	1,883	8.31
Apple	8,000	1,058	4.67
Jackson Financial	1,065	33	0.15
Magnachip Semiconductor	74,000	1,150	5.08
Micron Technology	17,884	1,246	5.50
Microsoft	7,818	1,969	8.69
ON Semiconductor	20,000	1,003	4.43
Onto Innovation	9,000	674	2.97
Portfolio of investments		22,682	100.10
Net other assets (6.10%*)		(22)	(0.10)
Total net assets		22,660	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

* Comparative figures shown in brackets relate to 31 December 2020.

World Equity Fund

Material Portfolio Changes

for the year ended 31 December 2021

	Cost £000		Proceeds £000
Major purchases		Major sales	
Micron Technology	1,635	Visa	1,747
ON Semiconductor	921	Roche	808
Apple	875	Micron Technology	608
Visa	769	Rexel	561
Smurfit Kappa	670	Amazon.com	475
Onto Innovation	650	Bristol-Myers Squibb	463
888 Holdings	608	Energean Oil & Gas	411
Rexel	592	Pantheon Resources	370
Bristol-Myers Squibb	499	Lundin Energy	326
Amazon.com	485	Team17	324

World Equity Fund

Comparative table

as at 31 December 2021

Net Asset Value and Ongoing Charges Figure

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	380.60	336.00	258.87
Return before operating charges*	105.83	51.09	83.10
Operating charges	(8.84)	(6.49)	(5.97)
Return after operating charges*	96.99	44.60	77.13
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	477.59	380.60	336.00
*after direct transaction costs of:	0.81	0.98	0.29
Performance			
Return after charges	25.48%	13.27%	29.79%
Other information			
Closing net asset value (£'000)	2,749	2,526	2,083
Closing number of shares	575,401	663,553	619,959
Operating charges (ongoing charges figure)	1.98%	1.98%	1.98%
Direct transaction costs	0.18%	0.30%	0.10%
Prices			
Highest share price	481.10	384.90	339.00
Lowest share price	388.40	253.90	258.60
Price at year end	481.10	382.40	337.40

World Equity Fund

Comparative table

(continued)

as at 31 December 2021

	Final 31/12/21 (p)	Final 31/12/20 (p)	Final 31/12/19 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	426.27	374.32	286.30
Return before operating charges*	119.23	56.42	92.13
Operating charges	(6.18)	(4.47)	(4.11)
Return after operating charges*	113.05	51.95	88.02
Distributions on accumulation shares	-	-	(1.96)
Retained distributions on accumulation shares	-	-	1.96
Closing net asset value per share	539.32	426.27	374.32
*after direct transaction costs of:	0.91	1.09	0.33
Performance			
Return after charges	26.52%	13.88%	30.74%
Other information			
Closing net asset value (£'000)	19,911	12,317	19,425
Closing number of shares	3,691,957	2,889,685	5,189,363
Operating charges (ongoing charges figure)	1.23%	1.23%	1.23%
Direct transaction costs	0.18%	0.30%	0.10%
Prices			
Highest share price	542.20	430.60	376.40
Lowest share price	434.50	282.40	285.00
Price at year end	542.20	427.80	374.60

World Equity Fund

Statement of Total Return

for the year ended 31 December 2021

	Notes	Year Ended 31 December 2021		Year Ended 31 December 2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		3,965		1,008
Revenue	3	187		154	
Expenses	4	(243)		(207)	
Interest payable and similar charges		(1)		(1)	
Net expenses before taxation		(57)		(54)	
Taxation	5	(12)		(14)	
Net expenses after taxation			(69)		(68)
Total return before distribution			3,896		940
Distribution	6		-		-
Change in net assets attributable to shareholders from investment activities			3,896		940

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2021

	Year Ended 31 December 2021		Year Ended 31 December 2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		14,843		21,508
Amounts receivable on creation of shares	7,145		1,756	
Less: Amounts payable on cancellation of shares	(3,224)		(9,361)	
		3,921		(7,605)
Change in net assets attributable to shareholders from investment activities		3,896		940
Closing net assets attributable to shareholders		22,660		14,843

Notes to the Financial Statements are on pages 85 to 90.

World Equity Fund

Balance Sheet

as at 31 December 2021

	Notes	31/12/2021 £000	31/12/2020 £000
Fixed Assets			
Investments		<u>22,682</u>	<u>13,937</u>
Current assets:			
Debtors	7	69	11
Cash and bank balances		<u>84</u>	<u>942</u>
Total assets		<u>22,835</u>	<u>14,890</u>
Liabilities:			
Creditors:			
Other creditors	8	<u>(175)</u>	<u>(47)</u>
Total liabilities		<u>(175)</u>	<u>(47)</u>
Net assets attributable to shareholders		<u>22,660</u>	<u>14,843</u>

Notes to the Financial Statements are on pages 85 to 90.

World Equity Fund

Notes to the Financial Statements

as at 31 December 2021

1. Accounting basis and policies

Please see page 10 for accounting basis and policies

2. Net capital gains

The net capital gains during the year comprise:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Non-derivative securities	3,978	820
Currency (losses)/gains	(13)	189
Handling charges	-	(1)
Net capital gains	<u>3,965</u>	<u>1,008</u>

3. Revenue

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
UK dividends	87	37
Overseas taxable revenue	(1)	1
Overseas non-taxable revenue	104	115
Bank interest	(3)	1
Total revenue	<u>187</u>	<u>154</u>

4. Expenses

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	156	133
Registration fees	29	24
	<u>185</u>	<u>157</u>

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees	18	18
Safe custody fees	1	1
	<u>19</u>	<u>19</u>

Other expenses:

Administration fee	32	32
Audit fee	9	9
Printing, publishing and postage fees	-	(3)
Other expenses	10	4
	<u>51</u>	<u>42</u>
Expenses rebate *	(12)	(11)
	<u>243</u>	<u>207</u>

*The ACD has agreed to cap the expenses as described in the ACD's report (see page 3).

as at 31 December 2021

5. Taxation

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	12	14
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:		
Net expenses before taxation	(56)	(54)
Corporation tax of 20% (2020: 20%)	(11)	(11)
Effects of:		
UK dividends*	(17)	(7)
Overseas non-taxable revenue*	(21)	(23)
Movement in excess management expenses	49	41
Irrecoverable overseas tax	12	14
Current tax charge for year (note 5a)	12	14

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £895,498 (31/12/20: £845,946) relating to surplus management expenses. No deferred tax asset was recognised in the prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Final	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on creation of shares	-	-
Net distribution for the year	-	-

7. Debtors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Amounts receivable for issue of shares	53	-
Accrued revenue	7	3
Accrued expenses rebate due from ACD*	1	2
Overseas tax recoverable	8	6
Total debtors	69	11

*This is a related party (see note 9).

as at 31 December 2021

8. Creditors

	Year Ended 31 December 2021 £000	Year Ended 31 December 2020 £000
Purchases awaiting settlement	83	-
Amounts payable for cancellation of shares	51	14
Accrued ACD's periodic charge*	16	11
Accrued depositary fee*	2	3
Accrued other expenses	23	19
Total creditors	<u>175</u>	<u>47</u>

*This is a related party (see note 9).

9. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £1,572 (2020: £13,435) due in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £16,932 (2020: £8,640) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £1,529 (2020: £3,000) due at the year end.

At the balance sheet date the following shareholders held more than 20% of the shares in the fund:

	Year Ended 31 December 2021	Year Ended 31 December 2020
FIL Nominee (Shareholdings) Limited	21.29%	nil%

10. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 81 to 82.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/2020	01/01/21 to 31/12/21		31/12/2021
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	663,553	112,462	(200,614)	575,401
Share Class B - Accumulation	2,889,685	1,280,353	(478,081)	3,691,957
Total	<u>3,553,238</u>	<u>1,392,815</u>	<u>(678,695)</u>	<u>-</u> <u>4,267,358</u>

11. Capital commitments and contingent liabilities

On 31 December 2021, the Fund had no capital commitments (2020: £nil) and no contingent liabilities (2020: £nil).

as at 31 December 2021

12. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 76. The risks inherent in the sub-fund's investment portfolio are as follows:

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding sterling):

Currency	Currency exposure	Currency exposure
	Year Ended	Year Ended
	31 December 2021	31 December 2020
	£000	£000
Euro	2,477	1,530
Japanese yen	1,259	1,164
South Korean won	1,014	831
Swedish krona	-	299
Swiss franc	6	517
Taiwanese dollar	143	139
US dollar	9,024	5,063
Total	<u>13,923</u>	<u>9,543</u>

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £82,879 (2020: holding £942,498) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the fund managers weekly.

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the authorised corporate director in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

as at 31 December 2021

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Steet Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Steet Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depositary receives and reviews an annual report on the internal controls in place at State Steet Bank and Trust Company.

13. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	31 December 2021 £000	31 December 2020 £000	31 December 2021 £000	31 December 2020 £000
Equities	13,140	7,191	8,405	15,615
Commissions				
Equities	9	6	(6)	(14)
Taxes				
Equities	18	24	-	(3)
Total costs	27	30	(6)	(17)
Total net trades in the year after transaction costs	13,167	7,221	8,399	15,598

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions				
Equities	0.07	0.08	0.07	0.09
Taxes				
Equities	0.14	0.33	-	0.02

Total transaction cost expressed as a percentage of average net asset value.

	Year Ended 31 December 2021 %	Year Ended 31 December 2020 %
Commissions	0.08	0.13
Taxes	0.10	0.17
Total costs	0.18	0.30

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.61% (2020: 0.82%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

as at 31 December 2021

14. Fair value

Valuation technique	31 December 2021		31 December 2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	22,540	-	13,798	-
Level 2	-	-	-	-
Level 3	142	-	139	-
Total fair value	22,682	-	13,937	-

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability,

Level 3: Inputs are unobservable (i.e for which market data is unavailable) for the asset or liability.

General Information

About OEICs

The SVM Funds ICVC (the "ICVC") is an umbrella Open Ended Investment Company ("OEIC"). An OEIC is a collective investment vehicle with variable capital. Investments in OEIC funds are pooled with those of other investors. This means investments can be spread across a far wider range of securities, helping investors to spread the risk to their money. The ICVC has separate sub-funds. Each sub-fund is managed in accordance with the investment objectives set out in the Prospectus and the FCA Collective Investment Schemes ("COLL").

It should be remembered that the value of your shares will be affected by fluctuations in the relevant markets and foreign currency exchange rates (where applicable) and may, therefore, go down as well as up. You should view your investment over the medium to long-term.

Please contact us on 0845 358 1100 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as schemes which comply with Chapter 5 of the COLL sourcebook.

The base currency of the Company is Sterling.

Shares

The Company currently offers 2 share classes; Class A and Class B. Each share class has a different ACD fee.

Prices and Dealing Times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0845 066 1110.

Shares may be bought or sold between 9.00am and 5.00pm on Mondays to Fridays inclusive.

Protected Cell Regime

The ICVC has adopted a 'protected cell regime' which means that the liabilities of each sub-fund are now segregated from the other sub-funds, so the debts of each sub-fund cannot therefore be passed to another. This has the benefit of providing stronger investor protection.

Cross Holdings

There were no cross holdings between sub-funds in SVM ICVC as at 31 December 2021.

Prospectus

The Prospectus, which is available from the ACD free of charge, outlines how the ICVC is managed and gives details of the types of assets in which each sub-fund may invest. The Prospectus and (where applicable) the Instrument of Incorporation have been amended during the year to 31 December 2021 as noted in the ACD's Report. Full terms and conditions are available from the ACD.

Personal Taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisors if they are in any doubt about their position.

Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact the ACD. Please supply details of your holding (including surname, initials and account number).