

# SVM UK100 Select Fund

## Short Report

Period to 30 June 2009



### Investment Objective

The objective of this Fund is to achieve above average capital growth over the medium to long-term (although short-term investment opportunities will also be considered) and it aims to outperform the FTSE 100 Index.

### Risk Profile

The Fund is exposed to market risk as it invests mainly in large companies listed on the FTSE 100 index. The Fund holds a concentrated portfolio of around 30-40 companies and is exposed to stockmarket fluctuations.

### Distribution

XD date: 31 December

Payment date: 30 April (Accumulation shares)

The following distribution was accumulated over the last accounting period.

Income		
	31/12/08 pence per share	31/12/07 pence per share
UK100 Select A class	0.2338	1.1094
UK100 Select B class	1.2640	2.0578

### Total Expense Ratio (TER)

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

Fund Total Expense Ratio (p.a.)	Class A Shares	Class B Shares
UK100 Select Fund	1.78 %	0.98 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 6 months × 100

The above figures were calculated by SVM Asset Management using data sourced from the 30 June 2009 Report and Accounts. The figures are intended to provide an indication of the Total Expenses Ratio and will vary from year to year.

## Fund Performance

Percentage growth for each year to last quarter end	30/06/04 30/06/05	30/06/05 30/06/06	30/06/06 30/06/07	30/06/07 30/06/08	30/06/08 30/06/09
UK100 Select	+14.7	+21.7	+20.7	+2.3	-22.3

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

## Comparative Tables

### Net Asset Values

	Net asset value of shares £'000	Net asset value in pence in pence per share	Shares in issue
As at 30/06/09			
UK100 Select A class	4,873	145.5	3,349,001
UK100 Select B class	161	149.6	107,466
As at 31/12/08			
UK100 Select A class	3,573	138.0	2,589,231
UK100 Select B class	74	141.8	52,242

### Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 30/06/09			
UK100 Select A class	158.4	122.0	146.7
UK100 Select B class	163.3	125.6	151.3
During period to 31/12/08			
UK100 Select A class	205.3	118.0	139.1
UK100 Select B class	210.1	121.1	142.9












### Top 10 Holdings: 30/06/09 %

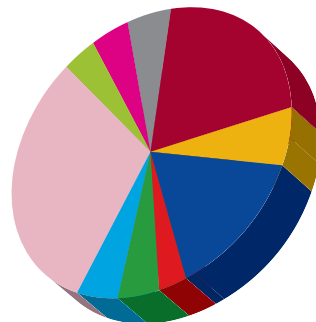
BG Group	6.1
Xstrata	5.2
Royal Dutch Shell 'B' shares	5.2
AstraZeneca	4.8
British American Tobacco	3.6
Compass	3.2
Tullow Oil	3.2
Aquarius Platinum	2.9
Pennon Group	2.9
Kazakhmys	2.7
Total	39.8

### Top 10 Holdings: 31/12/08 %

AstraZeneca	7.0
BG Group	5.9
BAT Industries	5.4
Tesco	5.3
Prudential	4.7
GlaxoSmithKline	4.4
Compass Group plc	4.4
Royal Dutch Shell 'B' shares	4.1
Pennon Group	4.0
Capita Group	3.7
Total	49.0

## Sector Analysis

	30/06/09	31/12/08
 <b>Basic Materials</b>	<b>22.3%</b>	1.2%
 <b>Consumer Goods</b>	<b>6.4%</b>	10.3%
 <b>Consumer Services</b>	<b>15.0%</b>	15.4%
 <b>Financials</b>	<b>3.1%</b>	5.8%
 <b>Healthcare</b>	<b>4.8%</b>	11.2%
 <b>Industrials</b>	<b>4.8%</b>	5.0%
 <b>Oil &amp; Gas</b>	<b>30.9%</b>	18.4%
 <b>Technology</b>	<b>3.6%</b>	1.8%
 <b>Telecommunications</b>	<b>–</b>	2.8%
 <b>Utilities</b>	<b>4.3%</b>	7.9%
 <b>Net Current Assets</b>	<b>4.8%</b>	20.2%



## Fund Managers



**Margaret Lawson**



**Colin McLean**

During the period under review, our portfolio shifted from a defensive bias with a high cash balance to a more aggressive recovery stance. Unprecedented government policy actions have succeeded in restoring the health of the credit markets and companies are once again able to refinance and raise fresh equity. The dramatic policy response of cutting interest rates, QE and fiscal stimulus has recently led to an improvement in a range of economic indicators which suggests that the recession is coming to an end and a global recovery is underway.

The path of economic adjustment is well advanced, companies have swiftly retrenched and households have repaired their balance sheets. A recognition that

the trough in the corporate profit cycle has passed gives us confidence that equities have plenty of support from a valuation perspective. We now expect the pace of economic recovery to surprise on the upside into 2010.

SVM's UK100 Select Fund maintained an overweight position in basic resources and oils which are heavily geared into any economic recovery. Our holdings in financials increased with the addition of Barclay's Bank and HSBC. Overall we maintained our structural preference for quality companies with growing market shares and strong balance sheets such as Compass, Tesco and Cadbury, which will be long-term winners over the coming years. However, we have progressively raised our exposure to recovery stocks with investments in Invensys, Cookson, Inchcape and Pace, which all outperformed during the period. With a global recovery underway, business and consumer confidence improving, we are confident that our portfolio is well placed to outperform in the second half of 2009.

## Further Information

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

## Report and Accounts

This document is a short report for a sub-fund of the SVM Funds ICVC taken from the Report and Accounts for the period ending 30 June 2009. The Long Form version of the Report and Accounts is available on written request to the Marketing Department, SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH or by e-mail to [info@svmonline.co.uk](mailto:info@svmonline.co.uk)

## Investment Warning

Past performance should not be seen as an indication of future performance. The value of an investment may fall as well as rise and investors may not get back the amount originally invested.

## Contacts

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Authorised and regulated by the Financial Services Authority

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