

SVM UK Opportunities Fund

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. The 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. The Fund may invest in other permitted securities.



August 2021 | Share Class B

Factsheet as at 31 July 2021



Monthly Fund Commentary

The UK market traded sideways in July. The main positive was a slowdown in the UK's Covid daily infection rate. Outside of the UK the Delta variant continues to spread with recent outbreaks in Asia bringing into question the sustainability of eradication strategies. The proliferation of the Delta variant continues to obscure the underlying strength of the global economy. Economic data has been mixed and increased uncertainty drove further gains in the bond market and the outperformance of growth stocks. However, we expect the reflation trade to reassert itself in the second half. Your fund rose 1.2% versus 0.7% for the MSCI UK Index.

We believe the global economy remains robust. Consumer and corporate balance sheets have been protected by government handouts. Our strong belief is that neither household's or businesses have fundamentally altered their desired cash balances in response to the crisis and any excess savings will ultimately be spent. Even if the impact of the delta variant persists for longer than anticipated, policy support will be extended. The earnings season has got off to a positive start and looks to be fuelling a new capex cycle. This suggests that despite concerns over peaking growth and a slowdown in the second derivative, the outlook for equities remains positive. Multiples in certain sectors may appear extended, but valuation in isolation has historically been a very poor predictor of returns. With policy supportive and earnings strong we believe the current rally has further to run.

At the stock level the fund enjoyed strong performances from a number of stocks. Reach, the newspaper and digital publisher, rallied almost 40% as earnings came in ahead of expectations. Its interim results showed the group continued to make good

operational progress and advertising revenue was rebounding strongly after the previous year's Covid impact. Organic revenue growth turned positive for the first time in over a decade and we believe that the group has reached the point where growth in its online businesses can more than offset the structural decline in print. With strong hyper-local brands alongside national titles like the Daily Mirror, management believe that Reach is only beginning to tap the huge potential of its digital audience.

Pantheon Resources gained as management further upgraded the potential size of the group's Alaskan acreage. Interestingly, a portion of the resources were moved from prospective to contingent resource. There is still a long way to go before the commerciality of the field is proven, but the scale of the opportunity is significant. Volition rose as a trading update revealed a further upgrade to profit forecasts. The business is performing strongly and benefitting from the trends toward energy efficiency and improved ventilation. Organic growth is currently running at almost 20% and revenue is significantly ahead of where it was in 2019. The shares have performed well but the medium-term upside remains considerable. Team 17 and Forterra also delivered positive updates and the shares responded accordingly.

There were no significant disappointments. Small cap software business, ActiveOps, drifted despite robust results. Norcross declined as investors fretted over the outlook for its South African operations.

New units were started in Revolution Beauty and Bank of Ireland. The position in Roche was exited as the shares approached our price target.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 20 March 2000

Benchmark Index:
MSCI United Kingdom IMI Index

IA Sector: UK All Companies

Type of Shares: Accumulation
XD Date: 31 December
Pay Date: 30 April

Fund Size: £196.5m

Fund Managers:

Neil Veitch (Fund Manager)
Appointed: 23/01/2006
Years at SVM: 15 Industry Experience: 24

Craig Jeruzal (Deputy Fund Manager)
Appointed: 01/01/2014
Years at SVM: 14 Industry Experience: 16

Fund Charges (OCF*):

Share Class A 1.74%
Share Class B 0.99%

*Ongoing Charges Figure includes Annual Management Charge and additional expenses.

Minimum Investment:

	Initial	Subsequent
Share Class A	£1,000	£200
Share Class B	£250,000**	£200

**Discounted to £1,000 for Professional Advisers

Risk and Reward Profile:



The Synthetic Risk & Reward Indicator ('SRRI') may be a guide to the level of risk of the Fund compared with other funds. The SRRI is calculated based on the historical volatility of the fund over the last 5 years and it may not be a reliable indication of the future risk and reward profile of the fund.

- 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.

As at 09/04/2021



Square Mile ratings are sourced from Square Mile.

Past Performance is not a guide to future performance. All financial instruments involve a degree of risk. The value of your investments and any income from them can go down as well as up and you may not get back the amount originally invested.

INDEPENDENT THINKING

Portfolio Analysis

Risk Baskets

To help understand the overall balance of the portfolio, stocks are allocated to one of eight risk groups: defensive, cyclical, stable financial, unstable financial, consumer cyclical, oil & gas, mining and finally technology. Most of these groups are self explanatory but financials deserve some clarity. All financials are inherently unstable, but in the main, Lloyd's underwriters and General Insurers take less balance sheet risk, so are relatively more stable than Banks or Life Assurers.

Seeing the portfolio broken down into these categories allows an understanding of how aggressive or defensive the overall portfolio is, and where risk is being taken.

Cyclical	32.2	
Consumer Cyclical	27.2	
Unstable Financial	12.4	
Oil & Gas	11.7	
Technology	10.4	
Defensive	8.5	
Stable Financial	0.0	
Mining	0.0	

Top 5 long holdings

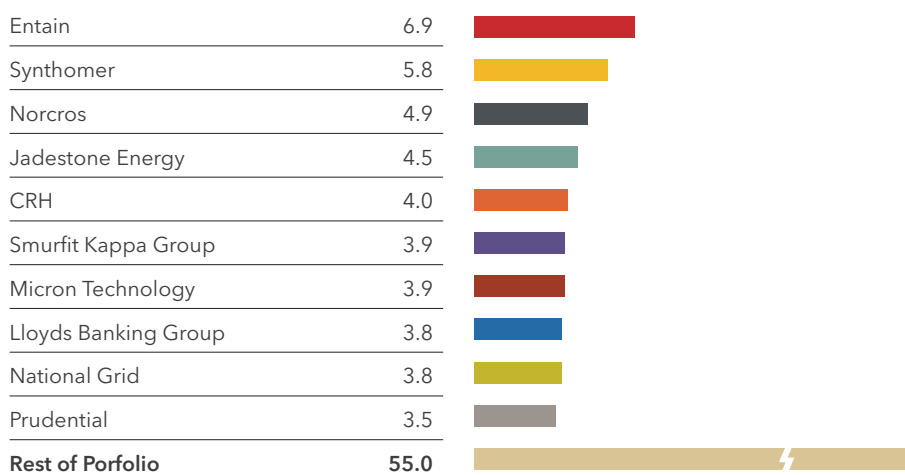
Group totals net %.

	Cyclical	32.2%		Consumer Cyclical	27.2%		Unstable Financial	12.4%	
Synthomer	5.8	Entain	6.9	Lloyds Banking Group	3.8	CRH	4.0	Prudential	3.5
Smurfit Kappa Group	3.9	Norcros	4.9	Legal & General	2.6	Alpha FMC	3.3	OSB Group	1.8
Balfour Beatty	2.4	Reach	3.0	Bank of Ireland	0.8	Oil & Gas	11.7%	Technology	10.4%
Jadestone Energy	4.5	Tesco	3.0	Defensive	8.5%	Pantheon Resources	2.5	National Grid	3.8
Energiean	1.4	Ryanair	2.8	GlaxoSmithKline	2.7	Longboat Energy	1.4	DCC	2.1
Jersey Oil & Gas	0.8	Micron Technology	3.9	Mining	0.0%	Stable Financial	0.0%		
		Creo Medical Group	2.4						
		Team17	1.6						
		Diurnal Group	0.9						
		ActiveOps	0.9						

Portfolio Structure

As an unconstrained fund we invest in our highest conviction ideas irrespective of market capitalisation or sector. As a consequence the SVM UK Opportunities Fund portfolio will vary considerably from the benchmark index and from other funds that are in the same IA sector.

Top 10 Long Holdings (Net %)



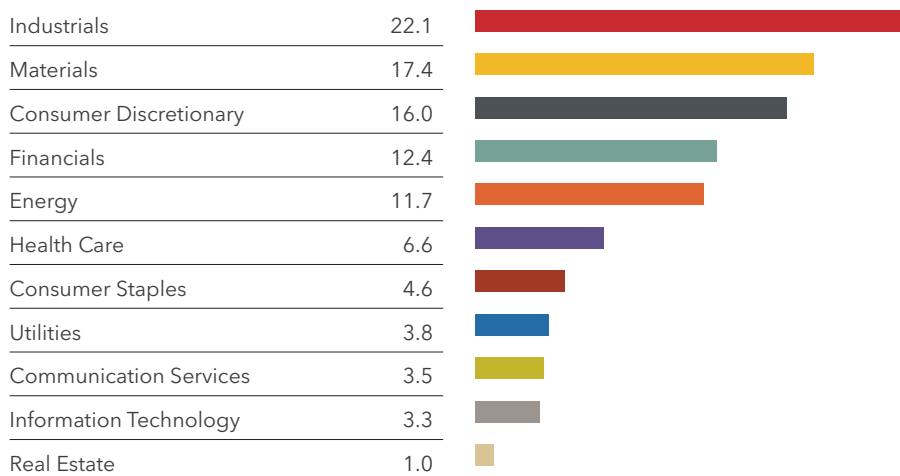
Size Analysis* (Net %)

Large Cap	41.0
Med/Mid 250	26.9
Small/Small Cap	32.1



*Long only positions and excludes Cash

Sector Breakdown (%)



This Month's Featured Stock

Inchcape

Inchcape is one of the world's leading distributor and retailer of automobiles. The group operates as a key strategic partner across for many leading original equipment manufacturers (OEM's) including Toyota, BMW, and Daimler.

Although often grouped with other UK-listed car retailers, Inchcape has a very different business model. Over 90% of the group's operating profits come from exclusive distribution agreements it has with auto brands to serve markets across Asia, Australia, Latin America, Africa, and Eastern Europe, where individual countries are often too small for OEM's to have their own direct sale model. Inchcape will act as a brand custodian, handle import and logistics, and manage dealer networks alongside a range of aftercare services. As OEM's seek to focus on their core markets, Inchcape has benefited from increased levels of outsourcing with its strong regional presence a key advantage.

Inchcape's recently released interim results demonstrated continued strong operating performance. Revenues have rebounded post a Covid-impacted 2020 and margins have benefited from both buoyant customer demand and tight supply. The group also announced a new global strategic partnership with Geely, the Chinese OEM, which could offer significant long-term growth opportunities.

Inchcape currently trades on an estimated FY22 PE of 14x and EV/EBITDA of 7x. With a net cash position on the balance sheet, Inchcape's differentiation has not been appreciated by the market. As the group continues to win distribution contracts and demonstrate its ability to generate high levels of cash, we expect the stock to outperform.

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Fund Performance

to 31/07/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM UK Opportunities Fund B	1.2	21.0	52.6	19.9	61.5	779.5
MSCI United Kingdom IMI Index	0.7	11.9	26.2	2.5	28.6	152.3
IA UK All Companies Sector	1.3	13.2	32.4	12.8	44.0	237.5

Source: Lipper, as at 31/07/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

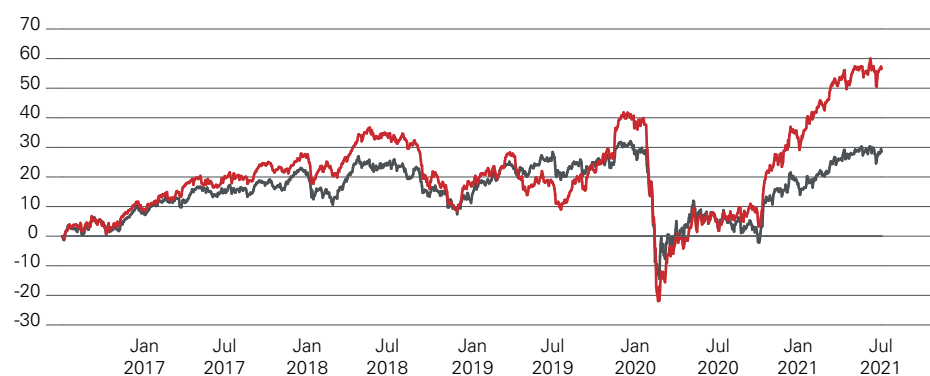
*The Fund was launched on 20 March 2000

Percentage growth year on year to 30 June

	2021	2020	2019	2018	2017
SVM UK Opportunities Fund B	46.2	-11.1	-8.2	14.7	24.3
MSCI United Kingdom IMI Index	20.3	-14.6	0.5	9.3	17.6
Performance Difference	+25.9	+3.5	-8.7	+5.4	+6.7

Source: Lipper, as at 30/06/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



■ SVM UK Opportunities Fund B ■ MSCI United Kingdom IMI Index

Source: Lipper, as at 31/07/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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Past performance is not a guide to future performance.

The value of your investments and any income from them can go down as well as up and you may not get back the amount originally invested.

This material should not be considered as advice or an investment recommendation. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

The Fund is to be considered a long term (5 years or more) investment option.

The Fund incurs the following key risks:

In the event a preliminary charge is levied and an Investor then redeems the investment shortly after investing, they may not get back the original amount due to the initial charges; regardless of any market movements. Tax treatment can change at any time without notice and is beyond control of the Fund. Expenses incurred by the Fund that are chargeable can reduce income and restrain the capital growth of the Fund. Currency movements may cause the value of your investment to fall as well as rise. Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio. There can be no guarantee that the investment objective of a Fund will be achieved or provide the returns sought by the Fund. The Fund uses Contracts for Difference (CFDs) for efficient portfolio management (EPM) purposes. This may create gearing and could lead to greater fluctuations in the Net Asset Value of the Fund. Full details on EPM can be found in Appendix A of the Prospectus. 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. Further information about the risk factors relevant to the Fund can be found in the Prospectus and the Key Investor Information Document.

Unless otherwise stated all data is sourced to SVM.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.