

SVM UK Growth 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 that can grow faster than the wider markets and are capable of sustained growth. The Fund will invest at least 80% in equities and equity related instruments in UK companies. The Fund may invest in other permitted securities.



July 2021 | Share Class B

Factsheet as at 30 June 2021



Monthly Fund Commentary

Can a strong stockmarket still be seen as cheap? UK equities have enjoyed a strong rally, with June seeing investors begin to return to growth businesses. And the gain in global markets is in part explained by central bank asset purchases now totalling almost one-third of the value of global equities. But even within this broadly based global recovery, the UK still has special attraction. This follows years of Brexit uncertainty and the withdrawal of many international investors until the trading outlook became clearer.

UK economic growth appears to be running at around 7% this year, helped by stimulation and a successful vaccination programme. Yet, the UK equity market is still below its 20 year average rating. By many measures, British shares on average stand at a discount to the rest of the world. In particular, even adjusted for the sector biases in UK listings, the UK market still lags the US and Europe in valuation. It is hard to argue that the UK is a less dynamic economy than the Eurozone; indeed, Brexit appears to have triggered renewed national purpose with a focus on resilience and sustainability.

Furlough and some stimulation schemes will soon wind-down; forbearance on some debts and tax will reverse. But there is scope for capital investment to pick-up and the currently high level of personal savings could unwind as consumers gain confidence. If there is a clear indicator of the underlying dynamism of the UK economy, it is surely the level of IPOs and the window this offers into value creation in emerging disruptive business models. Many of these enter the stockmarket as small or mid cap, but are destined to be much bigger businesses. Those new business models and technologies are likely to undermine value within some of today's goliaths, particularly in banking and consumer sectors.

The new listings remind investors that there is a cycle in the life of companies, with risk in mature businesses that operate with legacy cost structures. No longer should big 'blue

chip' businesses be seen as safer; many are fighting the challenge of innovative new competition. Inflation may not change this evolution. Investors may view recent months as a rotation from growth to value, but the bigger picture is that traditional legacy businesses are giving way to growing small and medium sized entrants. The UK economy is dynamic, and by many measures still offers value.

Performance

In June, SVM UK Growth Fund returned 1.5% compared with the return of 0% for the MSCI UK IMI TR Index and -0.2% for the average fund in the IA UK All Companies sector. For the 5 years to 30 June, the Fund is top quartile, returning 71.1%, compared to a return of 32.7% for the MSCI UK IMI TR Index and 51.3% for the average fund in the IA UK All Companies sector. In June, investor interest returned to growth businesses, given the dampening effect of the third wave on growth, and hopes that central bank intervention would dampen longer term inflation expectations.

Trading and results

June saw good performance in a number of the portfolio's growth businesses. DiscoverIE Group, ITM Power, Dechra Pharmaceuticals, Keystone Law and Croda all made good contribution to performance. Laggards reflected uncertainty over lockdowns and travel; On The Beach, Unite Group and Jet2.

In June, additional investment was made in Genus, Kin & Carter, Renew Holdings and MPAC Group. The Fund participated in a placing for private equity fund, Draper Esprit. To fund these, part sale was made of Experian and full sale of Just Eat Takeaway.

Your Fund remains fully invested, including likely recovery beneficiaries and strong growth businesses.

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: £190.5m

Fund Managers:

Margaret Lawson (Co Fund Manager)
Appointed: 31/10/2005
Years at SVM: 30 Industry Experience: 40

Colin McLean (Co Fund Manager)
Appointed: 29/02/2008
Years at SVM: 30 Industry Experience: 46

Fund Charges (OCF*):

Share Class A 1.72%
Share Class B 0.97%

*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:



This profile is a historical indication of the Fund's volatility. The higher the number, the greater the risk that the Fund will make losses as well as gains.

This Fund has been classed as 6 because its volatility has been measured as high.

The historical data used for this purpose may not be a reliable indication of the future risk and reward profile for this Fund.

The risk category shown is not guaranteed and may change over time.

The lowest risk number does not mean risk free.

As at 09/04/2021

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

Strategies

The SVM UK Growth fund aims to identify best in class companies that can grow faster than the wider market over the medium term. Portfolio businesses are drawn from those that are dominant in their sector, usurpers that will come to own their space and hero franchises utilising fast growing channels. We aim to

identify those opportunities earlier than our peers, not at the pioneering stage but when the model is accelerating.

This leads to a flexible diversified portfolio blending a core of sustainable growth stocks, tactical mid-term cyclical holdings and innovative business models focussing on future trends.

Industrials 32.8%

| | |
|--------------|-----|
| Ceres Power | 4.0 |
| Keystone Law | 3.4 |
| Wizz Air | 2.8 |
| Diploma | 2.3 |
| Experian | 2.2 |

Financials 9.8%

| | |
|------------------------|-----|
| Intermediate Capital | 2.7 |
| London Stock Exchange | 1.7 |
| Beazley | 1.7 |
| Impax Asset Management | 1.6 |
| Draper Esprit | 1.2 |

Materials 6.2%

| | |
|---------------------|-----|
| Croda | 3.6 |
| CRH | 1.5 |
| Smurfit Kappa Group | 1.1 |

Utilities 0.0%

Consumer Discretionary 23.6%

| | |
|-----------------------|-----|
| JD Sports Fashion | 3.6 |
| Entain | 3.1 |
| AB Dynamics | 2.5 |
| Flutter Entertainment | 2.3 |
| Games Workshop | 2.1 |

Communication Services 8.5%

| | |
|----------------------|-----|
| Gamma Communications | 3.5 |
| Future | 1.7 |
| Team17 | 1.5 |
| Kin & Carta | 0.7 |
| Dianomi | 0.6 |

Health Care 5.6%

| | |
|------------------------|-----|
| Dechra Pharmaceuticals | 3.6 |
| Kooth | 1.0 |
| Genus | 0.5 |
| Inspects Group | 0.3 |
| Indivior | 0.3 |

Energy 0.0%

Information Technology 12.7%

| | |
|--------------------|-----|
| Kainos | 2.8 |
| AVEVA | 1.8 |
| Oxford Instruments | 1.5 |
| Softcat | 1.4 |
| Boku | 1.2 |

Real Estate 6.3%

| | |
|-----------------------|-----|
| Unite Group | 2.1 |
| Segro | 1.8 |
| Watkin Jones | 1.4 |
| Londonmetric Property | 1.0 |

Consumer Staples 5.4%

| | |
|-------------------|-----|
| Cranswick | 2.4 |
| Hilton Food Group | 1.4 |
| Kerry Group | 1.0 |
| Fevertree Drinks | 0.6 |

Portfolio Structure

As an unconstrained fund we invest in our highest conviction ideas irrespective of market capitalisation, though there will be an emphasis on large cap holdings, or sector. As a consequence The SVM UK Growth Fund portfolio will vary considerably from the benchmark index and from other funds that are in the same IA sector.

Top 10 Long Holdings (Gross %)

| | | |
|--------------------------|-------------|---|
| Ceres Power | 4.0 |  |
| Dechra Pharmaceuticals | 3.6 |  |
| JD Sports Fashion | 3.6 |  |
| Croda | 3.6 |  |
| Gamma Communications | 3.5 |  |
| Keystone Law | 3.4 |  |
| Entain | 3.1 |  |
| Kainos | 2.8 |  |
| Wizz Air | 2.8 |  |
| Intermediate Capital | 2.7 |  |
| Rest of Portfolio | 66.9 |  |

Size Analysis (Gross %)

| | |
|---|------|
|  Large Cap | 45.0 |
|  Med/Mid 250 | 46.6 |
|  Small/Small Cap | 19.4 |



Sector Breakdown (%)

| | | |
|------------------------|------|---|
| Industrials | 32.8 |  |
| Consumer Discretionary | 23.6 |  |
| Information Technology | 12.7 |  |
| Financials | 9.8 |  |
| Communication Services | 8.5 |  |
| Real Estate | 6.3 |  |
| Materials | 6.2 |  |
| Health Care | 5.6 |  |
| Consumer Staples | 5.4 |  |
| Energy | 0.0 | |
| Utilities | 0.0 | |

This Month's Featured Stock

Kainos Group

Kainos provides IT services, consulting and software solutions. Kainos has gained from the pandemic and the drive to cloud and resilience. The group was heavily involved in supporting the NHS response. It is well positioned in the public sector, and healthcare in particular, supporting digital transformation with innovative solutions. Kainos is now capitalised at £1.9bn and is premium rated, but has been showing strong growth in sales and profits. Growth has been a combination of organic development and selective acquisition. Profits and cashflow growth may slow a little over the next two years as it consolidates an acquisition.

Kainos' digital service segment supports customised online digital solutions for the UK Government and private sector organisations. The UK Government has steadily increased spending on digital transformation in recent years and is one of the leading implementers of electronic government to assist delivery of public services and enhance citizen interactions. Kainos should participate in this.

With a continued drive to cloud-based solutions by businesses and enhancing resilience, Kainos is likely to remain an essential partner for major transformations, such as NHS in the UK. It has been named as one of 12 suppliers on the £800m Digital Capability for Health Framework. There is strong potential in the US where Kainos currently has a small existing presence. Kainos should expand internationally from its existing base of staff in 13 European countries.

Kainos has a strong balance sheet, good cash conversion, robust pipeline and significant backlog of contracted revenues. It is currently mid cap, dominant in some of the segments it services, but has potential to grow to be a large cap business.

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Calls may be recorded

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Share Class A SXSR
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INDEPENDENT THINKING

Fund Performance

to 30/06/2021

Cumulative Performance, % change

| | One month | 2021 yr to date | One year | Three years | Five years | Since launch* |
|-------------------------------|-----------|-----------------|----------|-------------|------------|---------------|
| SVM UK Growth Fund B | 1.5 | 8.1 | 33.0 | 19.6 | 71.1 | 371.4 |
| MSCI United Kingdom IMI Index | 0.0 | 11.2 | 20.3 | 3.2 | 32.7 | 150.6 |
| IA UK All Companies Sector | -0.2 | 11.7 | 27.8 | 12.1 | 51.3 | 233.1 |

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

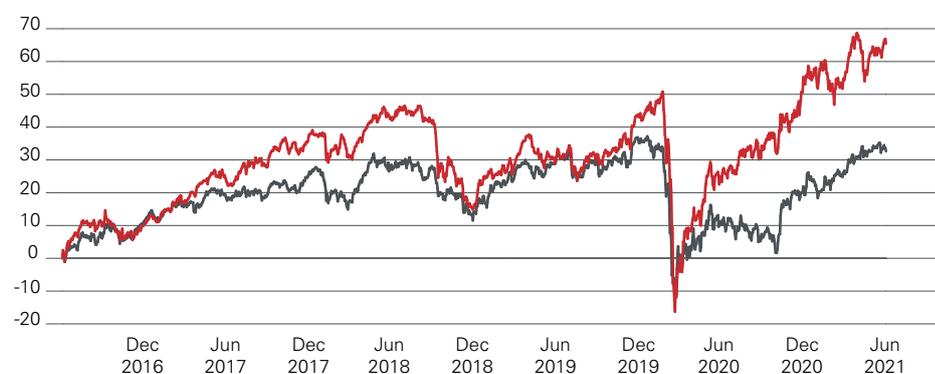
*The Fund was launched on 20 March 2000

Percentage growth year on year to 30 June

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------------|-------|-------|------|------|------|
| SVM UK Growth Fund B | 33.0 | -4.3 | -6.0 | 16.2 | 23.1 |
| MSCI United Kingdom IMI Index | 20.3 | -14.6 | 0.5 | 9.3 | 17.6 |
| Performance Difference | +12.7 | +10.3 | -6.5 | +6.9 | +5.5 |

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 Growth Fund B ■ MSCI United Kingdom IMI Index

Source: Lipper, as at 30/06/2021, 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 medium to long term 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.