SVM World Equity Fund

The objective of the Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI ACWI IMI. The Fund will identify investment opportunities in companies globally whose future growth is not reflected in current market expectations. The Fund may invest in other permitted securities.

March 2021 | Share Class B

Factsheet as at 28 February 2021

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INDEPENDENT THINKING

Monthly Fund Commentary

Equities were mixed during February. Markets bounced early in the month as concerns over new virus variants and their potential to reduce vaccine efficacy eased. Improving vaccine sentiment and generally better than expected economic data led to a sell-off in government bonds. The increase in yields accelerated into month-end as Fed Chairman Powell testified that he remained unconcerned about the inflation outlook and US jobs data came in ahead of expectations. The volatility in the bond market led to a pullback in equities. The fund returned 4.7% for the month versus 0.8% for the MSCI ACWI IMI index.

The increase in bond yields was particularly pronounced in the US where investors have become concerned that President Biden's stimulus package will result in an increase in inflation. This has led to a spirited debate between economists about the potential for inflationary pressures to become entrenched and potentially choke off the economic recovery. The debate has not just been confined to the US. Bank of England chief economist, Andy Haldane, warned that central banks ran the risk of becoming complacent on inflation as the economy recovers from the coronavirus pandemic.

Outside of a resurgence in the virus, the potential for significantly higher bond yields is the biggest risk facing equity markets. Every strategist/economist/fund manager has offered their view on what rising yields mean for equities. The honest answer is that no-one really knows. Economists still can't even agree what the primary determinant of long-term interest rates are. The best guess, somewhat counterintuitively, is short-term rates. Markets are complex, adaptive systems where relatively small changes in inputs can result in significant changes to outcomes. We believe that a rise in yields is more likely to result in changing relative valuations within markets, rather than the catalyst for a sustained market reversal. Volatility, however, will remain higher than usual.

At a stock level the fund benefitted from its exposure to some of the more economically sensitive sectors of the market. Oil & gas stocks rose as the oil price continued to move higher. The market appears to be gradually realising that while oil demand is unlikely to dramatically rise from pre-Covid levels, supply may well disappoint. Semiconductor stocks, Micron, SK Hynix, and Magnachip were all in demand as chip pricing continued to improve. The outlook for DRAM pricing, in particular, looks robust. Prudential bounced following last month's overreaction to the announcement that it was going to 'spin-out' Jackson, its US life business, as opposed to an IPO. Entain rebounded after last month's announcement that it was no longer in takeover talks. Indeed, the shares are now higher than when discussions were terminated.

M&A activity was again a feature of the market. Specialty chemical maker, Synthomer, was speculated to have been approached by private equity firm, CVC Capital. Pointedly, Synthomer announced that it was not currently in takeover discussions, but never stated that it had not been approached. Takeover rumours swirled around a number of other mid-cap companies. Corporate financiers are busy and we would expect to see more bids over the next few weeks and months. Such an environment is generally positive for the fund's performance.

A new holding was taken in Amazon post the announcement that highly regarded CEO, Jeff Bezos, was stepping down.

Fund and index performance source: Lipper

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.

Fund Facts

Launch Date: 1 December 2010

Benchmark Index:
MSCI ACWI IMI Index

IA Sector: Global

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

Fund Size: £15.3m

Fund Manager:

Neil Veitch (Fund Manager)
Appointed: 01/12/2010
Years at SVM: 14 Industry Experience: 24

Fund Charges (OCF*):

Share Class A	1.97%
Share Class B	1.22%

*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:

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

1	2	3	4	5	**6**	7

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 10/07/2020

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.

Technology	38.5
Consumer Cyclical	22.1
Cyclical	20.1
Defensive	6.8
Oil & Gas	5.5
Unstable Financial	3.9
Stable Financial	0.0
Mining	0.0
Cash	3.0

Technology	38.5%
Alphabet	8.0
Microsoft	7.3
SK Hynix	6.2

Consumer Cyclical	22.1%
Visa	6.8
Entain	5.5
Ryanair	4.2

Cyclical	20.1%
Synthomer	4.7
Hitachi	4.3
Denka	3.6

Defensive	6.8%
Uniphar	3.8
Roche Holdings	3.1

Oil & Gas	5.5%
Jadestone Energy	3.4
Pantheon Resources	1.1
Savannah Energy	1.0

Unstable Financial	3.9%
Prudential	3.9

Stable Financial	0.0%

Mining	0.0%

This Month's Featured Stock

Norcros

Norcros is a supplier of bathroom and kitchen products in the UK and South Africa. The company designs and manufactures showers, taps, tiles and other related products under a wide range of brands such as Triton, Abode, and Vado.

Norcros' operating performance in 2020 was heavily impacted by Covid. In Q2, Norcros' revenues dropped by over 40% as restrictions impacted demand. The strength of the recovery since then has been impressive. In Q3, Norcros saw like-for-like revenues increase by 5%. While the group benefited from a strong RMI market in the UK and positive longer-term trends for bathroom and plumbing products in South Africa, it also gained market share at the expense of competitors. Norcros' decentralised operating model allowed it to react nimbly, while it had sufficient scale to ensure that it could meet the demands of both existing and new customers.

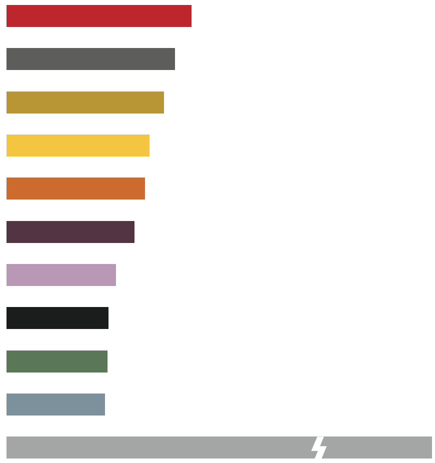
Norcros' pension has always been something of a millstone around management's neck. Although the net deficit isn't large, gross liabilities of c.£450m are more than double the group's market cap. The scheme, however, is super-mature with a rapidly reducing membership and the prospect of higher inflation should help lessen investor concerns.

With minimal net debt, management can also augment the group's organic growth prospects with returns-enhancing M&A. Trading on an estimated March-2022 PE of less than 10x, we believe that Norcros' impressive operating performance and growth prospects are not reflected in its current share price.

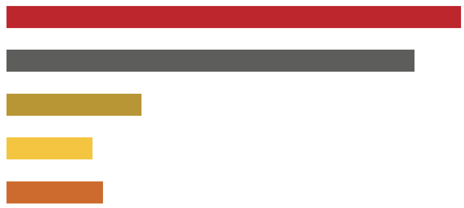
Portfolio Structure

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

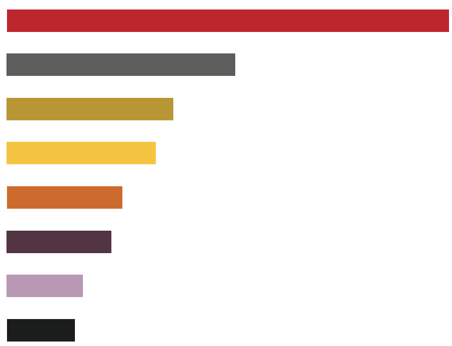
Top 10 Holdings	(%)
Alphabet	8.0
Microsoft	7.3
Visa	6.8
SK Hynix	6.2
Micron Technology	6.0
Entain	5.5
Synthomer	4.7
MagnaChip Semiconductor	4.4
Hitachi	4.3
Ryanair	4.2
Rest of Porfolio	**42.7**

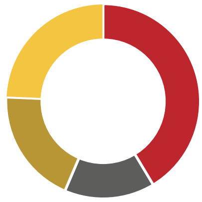


Geographic Stock Analysis (%)	
North America	37.4
United Kingdom	33.5
Europe (excluding UK)	11.1
Asia Pacific (excluding Japan)	7.1
Japan	7.9
Latin America	0.0
Other	0.0

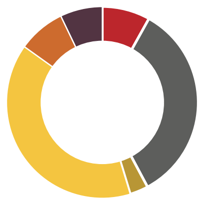


Sector Breakdown	(%)
Technology	31.8
Consumer Services	16.4
Industrials	12.0
Financials	10.7
Basic Materials	8.3
Health Care	7.5
Oil & Gas	5.5
Consumer Goods	4.9
Telecommunications	0.0
Utilities	0.0





Size Analysis	(%)
Mega Cap (>£50bn)	40.1
Large Cap (<£50bn)	14.6
Mid Cap (<£10bn)	18.7
Small Cap (<£1bn)	23.6



Net Currency Exposure	(%)
Euro	8.0
Sterling	33.8
Europe non-Euro	3.1
US Dollar	39.2
Japanese Yen	7.9
Others	7.1

Please note that figures may not add up to 100% due to Cash holding.

Enquiries

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Calls may be recorded

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ISIN:

Share Class A	GB00B0KXRB86
Share Class B	GB00B0KXSK43

MEX:

Share Class A	SXUAT
Share Class B	SXUAB

SEDOL:

Sedol GBP	B0KXRB8
Sedol GBP	B0KXSK4

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Registered No. 125817

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INDEPENDENT THINKING

Fund Performance

to 28/02/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	4.7	7.0	35.6	44.5	100.0	212.3
MSCI ACWI IMI Index	0.8	0.2	20.1	32.1	94.3	187.3

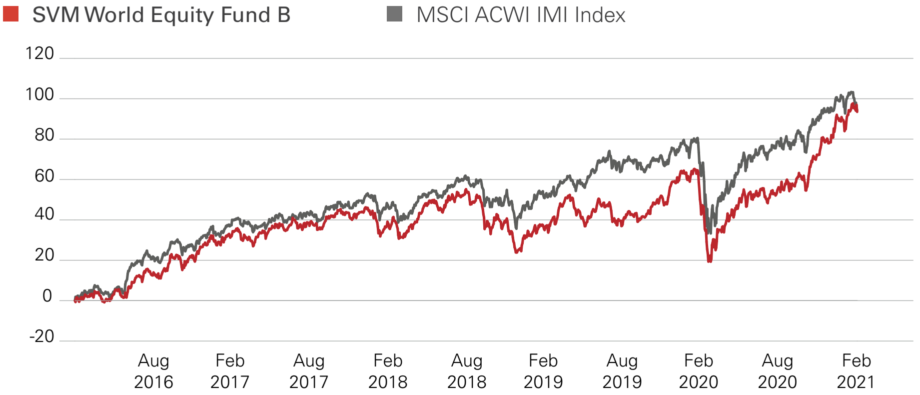
Source: Lipper, as at 28/02/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.
*The Fund was launched on 01 December 2010

Percentage growth year on year to 31 December

	2020	2019	2018	2017	2016
SVM World Equity Fund B	14.2	30.6	-12.9	12.9	22.0
MSCI ACWI IMI Index	12.7	21.5	-4.5	13.2	29.3
Performance Difference	+1.5	+9.1	-8.4	-0.3	-7.3

Source: Lipper, as at 31/12/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: Lipper, as at 28/02/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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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 may enter into derivative contracts for efficient portfolio management (EPM) purposes. 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. The Fund is exposed to currency risk. The Fund may use currency management techniques, including hedging and entering into derivatives contracts, for efficient portfolio management (EPM) purposes. Full details on EPM can be found in Appendix A of the Prospectus. 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.