

# SVM All Europe SRI Fund Short Report



Period to 30 June 2009

## Key Objectives

The investment 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 World Europe Index. The Fund will adopt a positive engagement approach towards investment and enter into meaningful and consistent dialogue with companies to ensure investors in the Fund have their assets working effectively.

## Risk Profile

The Fund is exposed to market and currency risks as it invests in European companies. It also invests in companies outside the FTSE 100 Index which can be less liquid and may carry greater risk and volatility. The Fund is exposed to Sterling and a variety of European currencies as well as stockmarket fluctuations. The Fund does not actively hedge the currency risk of the portfolio.

## 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
All Europe SRI A Class	0.7248	Nil
All Europe SRI B Class	1.4954	Nil

## 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

All Europe SRI Fund

1.78 %

1.03 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 6 months X 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 Expense Ratio and will vary from year to year.

## Fund Performance

Percentage growth for each year to last quarter end	31/10/06 (launch) 30/06/07	30/06/07 30/06/08	30/06/08 30/06/09
All Euro SRI	+23.3	-7.8	-14.4

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 per share	Shares in issue
As at 30/06/09			
All Europe SRI A class	767	95.74	801,369
All Europe SRI B class	493	97.44	506,011
As at 31/12/08			
All Europe SRI A class	500	72.24	673,840
All Europe SRI B class	359	75.50	475,113

### Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 30/06/09			
All Europe SRI A class	102.4	64.80	97.29
All Europe SRI B class	104.5	66.01	99.32
During period to 31/12/08			
All Europe SRI A class	128.0	61.71	74.44
All Europe SRI B class	129.6	62.71	75.70











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

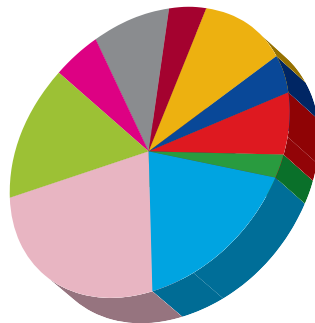
Afren	7.2
Pace	5.1
Tullow Oil	3.9
Firstgroup	3.7
International Power	3.6
GKN	3.4
C&C	3.3
Healthcare Locums	3.1
Yule Catto	3.0
Evolution	3.0
Total	39.3

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

Tullow Oil	5.6
International Power	5.3
AstraZeneca	4.7
Premier Oil	4.6
Dana Petroleum	4.0
Société Générale	3.8
Firstgroup	3.5
Roche Holdings AG	3.2
Novartis (Registered)	3.1
CRH (London)	2.9
Total	40.9

## Sector Analysis

	30/06/09	31/12/08
 <b>Basic Materials</b>	<b>4.7%</b>	6.8%
 <b>Consumer Goods</b>	<b>11.3%</b>	3.5%
 <b>Consumer Services</b>	<b>4.8%</b>	11.6%
 <b>Financials</b>	<b>6.7%</b>	7.9%
 <b>Healthcare</b>	<b>2.7%</b>	12.6%
 <b>Industrials</b>	<b>17.2%</b>	17.9%
 <b>Oil &amp; Gas</b>	<b>24.7%</b>	17.5%
 <b>Technology</b>	<b>14.5%</b>	5.1%
 <b>Utilities</b>	<b>4.8%</b>	11.7%
 <b>Net Current Assets</b>	<b>8.6%</b>	5.4%



## Fund Managers



**Neil Veitch**



**Hugh Cuthbert**

Following a very difficult 2008, your Fund has enjoyed a much better start to 2009 rising 30.7% in the six months to June versus the FTSE Europe Index down 5.9%. While the last twelve months have clearly been very challenging, we are pleased that our focus on company fundamentals is now being rewarded. A number of the Fund's bigger holdings that suffered in last year's indiscriminate sell-off have recovered strongly. Pace Plc, for example, which declined by c.40% in the latter part of 2008 has since increased in value by almost 300%. The exceptional volatility witnessed over the last six months has provided considerable opportunities and caused the level of portfolio turnover to be higher than average. This reflects a number of stocks reaching their price targets rather than any shift towards a more aggressive trading strategy.

In our last report, we commented on the fear that was dominating market psychology and the opportunities it afforded. Six months later, whilst this sense of desperation has abated, the majority of market participants continue to view the glass as half empty. Although there remains very legitimate longer term concerns as to the nature of any recovery, we believe that equities are attractively valued. Stocks are no longer priced for depression (as they were at the end of 2008) but, despite the rally, we do not believe that they are discounting anything more than a relatively anaemic recovery. Some sectors have unquestionably moved too far, too quickly but we remain convinced that overall there remains considerable upside.

## Further Information

Further information about the share price and activities of the Fund 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. Investing in smaller companies may increase the volatility of your investment. Currency movements may cause the value of your investment to fall as well as rise.

## Contacts

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Authorised and regulated by the Financial Services Authority

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