

SVM Funds ICVC

Interim Report

30 June 2018

(Unaudited)

# SVM Funds ICVC

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## **The Company**

SVM Funds ICVC

*Head Office:*

7 Castle Street

Edinburgh

EH2 3AH

Authorised and regulated by the Financial Conduct Authority.

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## **Authorised Corporate Director (ACD) and Investment Manager**

SVM Asset Management Limited

*Head Office:*

7 Castle Street

Edinburgh

EH2 3AH

Incorporated in United Kingdom under registered number SC125817.

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association.

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## **Custodian**

State Street Bank and Trust Company

*Registered Office:*

20 Churchill Place

Canary Wharf

London

E14 5HJ

*Correspondence Address:*

Quartermile 3, 10 Nightingale Way

Edinburgh

EH3 9EG

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## **Depository**

State Street Trustees Limited

*Registered Office:*

20 Churchill Place

Canary Wharf

London

E14 5HJ

*Correspondence Address:*

Quartermile 3, 10 Nightingale Way

Edinburgh

EH3 9EG

Authorised and regulated by the Financial Conduct Authority.

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## **Registrar**

DST Financial Services International Limited

*Registered Office:*

DST House

St. Nicholas Lane

Basildon, SS15 5FS

United Kingdom

Authorised and regulated by the Financial Conduct Authority.

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## **Independent Auditor**

Scott-Moncrieff

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

## Contents

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### Page

- 2 Authorised Corporate Director's Report\*
- 4 Statement of the Authorised Corporate Director's Responsibilities
- 4 Report of the Authorised Corporate Director\*
- 5 Accounting Policies

### **Authorised Fund Manager's Report\* and Financial Statements for:**

- 6 All Europe SRI Fund
- 14 Continental Europe Fund
- 21 UK Growth Fund
- 30 UK Opportunities Fund
- 38 World Equity Fund
- 46 General Information

\*Collectively, these comprise the Authorised Corporate Director's Report.

## Authorised Corporate Director's Report

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We present our Interim Report for the SVM Funds ICVC ('the ICVC' or the 'Funds') for the six months ended 30 June 2018.

The performance of the Funds over the six months to 30 June 2018 was as follows. The UK Opportunities Fund and UK Growth Fund rose by 6.5% and 3.4% respectively, with the World Equity Fund rising by 1%. The All Europe SRI Fund fell by 1.9% and the Continental Europe Fund fell by 2.6%. Over longer time periods compared to benchmark indices, three of the five Funds, UK Opportunities Fund, UK Growth Fund and Continental Europe Fund, have outperformed over three and five years. These three Funds, along with the All Europe SRI Fund, are in the top quartile of their peer group over five years.

The global economy grew, despite trade frictions and higher US interest rates. The best performing areas of the stockmarket over the period were shares of growth businesses, such as technology, and resources businesses such as oil companies and metals producers.

The performance of the funds for each of the last five years is shown in the table below.

Percentage growth for 12 months to	30/06/14 %	30/06/15 %	30/06/16 %	30/06/17 %	30/06/18 %
All Europe SRI Fund	14.4	7.5	(4.2)	28.3	6.6
Continental Europe Fund	19.4	9.3	5.4	26.9	3.2
UK Growth Fund	11.2	14.4	(4.5)	22.2	15.4
UK Opportunities Fund	12.9	10.6	(1.3)	23.4	13.8
World Equity Fund	6.3	10.2	(0.1)	28.3	7.3

*Source: Lipper Hindsight, mid to mid, UK net, to 30 June 2018. Figures are for the A share class.*

Information on share prices and monthly factsheets for each of the sub-funds giving stock, performance and market information can be found at [www.svmonline.co.uk](http://www.svmonline.co.uk)

SVM Asset Management is incorporated in United Kingdom under registered number 125817. Authorised and regulated by the Financial Conduct Authority.

### Authorised Status

The ICVC is an investment company with variable capital incorporated in United Kingdom and registered under the OEIC Regulations with the Financial Conduct Authority ("FCA") and has its head office at 7 Castle Street, Edinburgh EH2 3AH. It has an umbrella structure and each sub-fund is invested as a Securities Scheme which complies with the FCA's Collective Investment Schemes Sourcebook ("COLL") Rules.

The Instrument of Incorporation of the ICVC permits the scheme to operate as a UCITS scheme which complies with COLL. The Prospectus is dated 14 November 2017.

Shareholders are not liable for the debts of the ICVC.

This report covers the period ending 30 June 2018 including the financial statements which show the financial position of each of the sub-funds.

### About the ICVC

The ICVC is valued on a daily basis and currently has five active Funds, all of which have two share classes. The share classes are subject to different charging structures and subscription limits. All shares are single priced. Details of the Funds and the share classes are contained in the Prospectus. Copies of the Prospectus, Supplementary Information Document, Key Investor Information Document and Instrument of Incorporation can be obtained from the Authorised Corporate Director (ACD).

### Remuneration

The Company operates a remuneration policy as prescribed by, and in accordance with, the UCITS V Directive. Details of the remuneration policy are disclosed on the Company website [www.svmonline.co.uk](http://www.svmonline.co.uk).

**Share Class Information and Expenses Cap**

Each fund has Class A Shares (retail) and Class B Shares (institutional) available for subscription. The annual management fees of the ACD borne by, and the level at which the ACD has agreed to cap the expenses for the period ended 30 June 2018 of, the share classes are given in the following table:

Percentage charge per share class	Annual Fee		Expense Cap	
	A	B	A	B
All Europe SRI Fund	1.50	0.75	1.98	1.23
Continental Europe Fund	1.50	0.75	1.98	1.23
UK Growth Fund	1.50	0.75	1.98	1.23
UK Opportunities Fund	1.50	0.75	1.98	1.23
World Equity Fund	1.50	0.75	1.98	1.23

**Rights on Winding Up**

All classes of shares have the same rights on winding up.

**Prospectus Changes**

- The Prospectus was not changed during the period.

A copy of the Prospectus is available on request.

**Risks**

If you invest in the ICVC you should be aware that there are certain risks involved:

- Your investment can be affected by changing conditions on the stockmarkets in which the ICVC invests. Both the value of your investment and any revenue the ICVC may pay, may go down as well as up.
- You are not certain to make a profit and you may make a loss.
- Past performance should not be seen as an indication of future performance.
- If the ICVC invests in overseas securities it may be affected by currency fluctuations. These can have a negative or positive impact on the value of your investment.
- The effect of the initial charge means that, even in the absence of a fall in the share price, if you sell your shares after a short period you may not get back the amount originally invested. You should therefore regard your investment as medium to long term.
- Tax rates, as well as the tax treatment of the ICVC, could change at any time in the future.

Further information on the risks associated with investing in the ICVC can be found in the Prospectus.

The ACD has expressed its own views and opinions in this Report and these may change. None of the views expressed in this Report should be construed as an offer, investment recommendation, or advice to buy or sell a particular investment.

SVM Asset Management Limited  
28 August 2018

## Statement of the Authorised Corporate Director's Responsibilities

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The FCA Collective Investment Schemes rules (COLL) require the ACD to prepare Financial Statements for each annual and interim accounting period, which give a true and fair view of the financial position of the ICVC and of its net revenue/expense and the net capital gains/losses for the period.

In preparing the Financial Statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of Authorised Funds;
- keep proper accounting records which enable it to demonstrate that the financial statements comply with the above requirements;
- take reasonable steps for the prevention and detection of fraud and irregularities; and
- prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the company will continue in operation.

The ACD is responsible for the management of the ICVC in accordance with the Instrument of Incorporation, the Prospectus and COLL.

## Report of the Authorised Corporate Director

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The Interim Report and Financial Statements have been approved and signed on behalf of the ACD by :

Colin W McLean  
Director

Margaret Lawson  
Director

SVM Asset Management Limited  
Authorised Corporate Director  
28 August 2018

## Accounting Policies

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for the period 1 January 2018 to 30 June 2018 (unaudited)

### **Basis of accounting**

The interim financial statements for each of the sub-funds have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014 (SORP 2014), in compliance with FRS 102 and United Kingdom Generally Accepted Accounting Practice.

### **Accounting policies**

There have been no changes to the accounting policies as detailed in the audited financial statements for the year ended 31 December 2017.

# All Europe SRI Fund

## Authorised Fund Manager's Report

for the period 1 January 2018 to 30 June 2018 (unaudited)

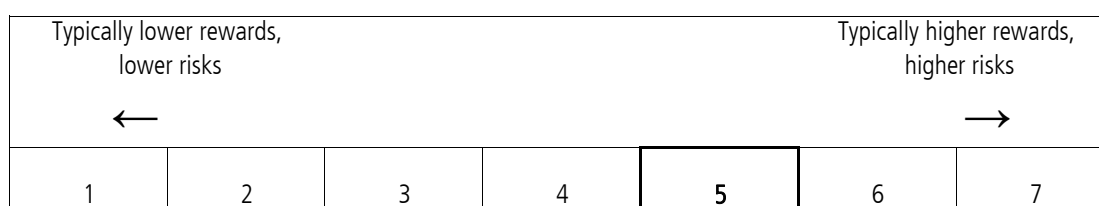
### Investment Objective and Policy

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 World Europe Index (or any successor index).

This Fund will invest principally in securities which are dealt in or traded on all European Eligible Securities Markets. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in securities which are dealt in or traded on other Eligible Securities Markets or which are otherwise permitted for this Fund.

Whilst focused on profitability and investor returns, the ACD is also aware of the social and environmental aspects of its investments. Although the Fund may negatively screen out some companies the approach is one of positive screening and actively engaging with the management of investee companies. Information on this strategy is available from the ACD on request and is also available on the ACD's website at [www.svmonline.co.uk](http://www.svmonline.co.uk).

### Synthetic Risk and Reward Indicator



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 5 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.

### The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investments 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.
- 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.

### Investment Review

Performance	30/06/13 to 30/06/14 %	30/06/14 to 30/06/15 %	30/06/15 to 30/06/16 %	30/06/16 to 30/06/17 %	30/06/17 to 30/06/18 %
All Europe SRI Fund	14.4	7.5	(4.2)	28.3	6.6

Source: *Lipper Hindsight, mid to mid, UK net to 30 June 2018.*

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.



**Market Review**

Entering 2018 the consensus was that the global economy would remain strong, inflationary pressures would rise slowly, and that central banks would continue to tighten. This remains our view. Over the last six months, however, sentiment indicators have turned down and economic data generally disappointed. Recent weakness represents a mid-cycle slowdown and the global economy remains robust. We do recognise, though, that the increasingly strident political rhetoric, particularly in the US but also seen elsewhere, means that risks have increased. Brexit negotiations continue to disappoint with neither side emerging with much credit. Both seem intent on scoring political points rather than delivering a mutually beneficial arrangement. Despite this we continue to overweight the UK relative to Europe. The market is only now beginning to wake-up to the increased tensions in Southern Europe and its potential to negatively impact Eurozone growth, whereas UK equities already discount a fairly pessimistic outturn. Your fund returned -1.9% over the 6 months to 30 June 2018 versus -0.6% for the FTSE World Europe Index.

**Portfolio Review**

Norcros rose as results came in slightly ahead of analyst expectations. More importantly the company updated the market on its medium term growth expectations. After doubling its earnings over the last five years management believe the company can do this again over the next five years. The strength of the company's track record and its future growth plans are inconsistent with a stock trading on a PER of 7x and dividend yield 3.6%. Faroe Petroleum gained as the company announced that a competitor, DNO, had acquired almost 30% of their shares at a premium to the prevailing share price. This is a significant validation of Faroe's strategy and underwrites the share price but still fails to recognise the value of its near-field exploration strategy. Greencore, rose as the shares rebounded from the previous quarter's profit warning. There remain considerable uncertainties around the current trading environment, but believe the upside versus the potential downside is attractive. The shares were bolstered by Tesco's trading update which highlighted the strength and importance of ready meals. Jost Werke declined as margins weakened and investor sentiment towards emerging markets deteriorated. RPC remained under pressure as investors continued to fret over the outlook for plastic packaging. The small residual position in Micro Focus declined following a profit-warning.

**Outlook**

Investor confidence has deteriorated and many are anticipating a further pullback. Pessimism is intellectually seductive: highlighting risks and pointing out potential pitfalls appears to convey more thought and rigour. Conversely, optimism can often appear promotional and lacking in substance. Political tensions in Europe allied to Trump's apparent determination to see through his campaign promise to put 'America First' have undoubtedly raised the risks. Nonetheless, the significant imbalances in the real economy or financial sector that typically emerge at the end of the cycle are not apparent. Aggregate demand in most parts of the world is robust, particularly in the US, and corporate earnings are strong.

SVM Asset Management Limited

August 2018

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# All Europe SRI Fund

## Portfolio Statement

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>BASIC MATERIALS (6.94%*)</b>		<b>3,002</b>	<b>10.89</b>
Covestro	12,000	807	2.93
LANXESS	17,200	1,016	3.68
Synthomer	223,600	1,179	4.28
<b>CONSUMER GOODS (2.64%*)</b>		<b>1,634</b>	<b>5.93</b>
Greencore	220,000	407	1.48
JOST - Werke	22,559	632	2.29
TI Fluid Systems	240,000	595	2.16
<b>CONSUMER SERVICES (6.93%*)</b>		<b>1,543</b>	<b>5.60</b>
Hollywood Bowl	200,000	450	1.63
Wizz Air	30,600	1,093	3.97
<b>FINANCIALS (23.20%*)</b>		<b>4,198</b>	<b>15.22</b>
Arix Bioscience	86,667	169	0.61
AXA	50,000	936	3.39
Bank of Ireland	48,000	290	1.05
Barclays	145,000	275	1.00
Legal & General	235,000	623	2.26
Lloyds Banking	1,200,000	756	2.74
Prudential	66,000	1,149	4.17
<b>HEALTH CARE (3.39%*)</b>		<b>1,860</b>	<b>6.74</b>
Abzena	308,167	28	0.10
Creo Medical	49,724	61	0.22
GlaxoSmithKline	60,000	916	3.32
Novartis	15,000	855	3.10
<b>INDUSTRIALS (28.42%*)</b>		<b>9,583</b>	<b>34.75</b>
Ashtead	55,000	1,264	4.58
Biffa	264,617	664	2.41
Forterra	229,373	709	2.57
HELLA	20,000	852	3.09
IWG	90,000	284	1.03
John Menzies	100,000	634	2.30
Melrose Industries	380,000	810	2.94
Norcros	621,416	1,367	4.96
Panalpina Welttransport	4,500	458	1.66
Rexel	80,000	877	3.18
RPC	60,563	449	1.63
Smurfit Kappa	30,000	932	3.38
STO Preference Shares	2,900	283	1.02
<b>OIL &amp; GAS (1.76%*#)</b>		<b>697</b>	<b>2.53</b>
Faroe Petroleum	479,043	697	2.53
<b>TECHNOLOGY (7.83%*)</b>		<b>363</b>	<b>1.32</b>
SDL	85,000	363	1.32
<b>TELECOMMUNICATIONS (4.23%*)</b>		<b>1,181</b>	<b>4.28</b>
Gamma Communications	55,391	417	1.51
Orange	60,000	764	2.77

# All Europe SRI Fund

## Portfolio Statement

(continued)

as at 30 June 2018 (unaudited)

	Market Value £000	Total Net Assets %
<b>UTILITIES (0.33%*‡)</b>	<b>180</b>	<b>0.65</b>
Simec Atlantis Energy	544,196	0.65
<b>Portfolio of investments</b>	<b>24,241</b>	<b>87.91</b>
<b>Net other assets (14.33%*)</b>	<b>3,335</b>	<b>12.09</b>
<b>Total net assets</b>	<b>27,576</b>	<b>100.00</b>

All investments held are listed on Regulated Exchanges, unless otherwise stated.

\* Comparative figures shown in brackets relate to 31 December 2017.

‡ Since the previous report the Industry Sector Classification headings have been updated by data providers. Where the portfolio statement shows Industry Sectors, the new sector names have been reflected in the report in respect of the current holdings and comparative holdings have been restated where appropriate.

## All Europe SRI Fund

### Material Portfolio Changes

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for the period 1 January 2018 to 30 June 2018 (unaudited)

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Ashtead	1,162	Infineon Technologies	1,144
LANXESS	1,058	RPC	1,080
HELLA	966	British Land	999
JOST - Werke	939	Clariant	951
Novartis	857	Avast	773
Covestro	800	Vonovia	676
Avast	797	Galenica	578
Smurfit Kappa	771	Johnson Service	475
IWG	583	BT	430
Panalpina Welttransport	540	Micro Focus International	341

# All Europe SRI Fund

## Comparative table

as at 30 June 2018 (unaudited)

### Net Asset Value and Ongoing Charges Figure

	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class A - Accumulation</b>				
Closing net asset value (£'000)	1,664	1,780	1,630	2,604
Closing number of shares	565,957	593,208	643,205	1,119,117
Closing net asset value per share (p)	294.09	300.07	253.39	232.67
Operating charges (ongoing charges figure)	1.98%	1.98%	1.98%	2.00%
<b>Prices</b>				
Highest share price	307.30	303.40	256.20	235.20
Lowest share price	280.50	256.20	206.80	205.00
Price at year end	297.40	303.00	256.20	234.50
	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class B - Accumulation</b>				
Closing net asset value (£'000)	25,912	24,966	19,764	20,439
Closing number of shares	7,990,368	7,576,749	7,152,590	8,151,404
Closing net asset value per share (p)	324.29	329.51	276.33	250.75
Operating charges (ongoing charges figure)	1.23%	1.23%	1.23%	1.23%
<b>Prices</b>				
Highest share price	335.50	329.90	276.80	252.20
Lowest share price	306.00	276.80	221.90	218.20
Price at year end	324.80	329.80	276.80	251.40

## All Europe SRI Fund

### Statement of Total Return

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(622)		1,811
Revenue	402		371	
Expenses	(183)		(146)	
Interest payable and similar charges	(7)		(2)	
Net revenue before taxation	212		223	
Taxation	(19)		(8)	
Net revenue after taxation		193		215
<b>Total return before equalisation</b>		<b>(429)</b>		<b>2,026</b>
Equalisation		2		1
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(427)</b>		<b>2,027</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>26,746</b>		<b>21,394</b>
Amounts receivable on creation of shares	1,940		1,613	
Less: Amounts payable on cancellation of shares	(683)		(1,178)	
		1,257		435
Change in net assets attributable to shareholders from investment activities		(427)		2,027
<b>Closing net assets attributable to shareholders</b>		<b>27,576</b>		<b>23,856</b>

*Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.*

# All Europe SRI Fund

## Balance Sheet

as at 30 June 2018 (unaudited)

	30/06/18 £000	31/12/17 £000
<b>Fixed Assets</b>		
Investments	<u>24,241</u>	<u>22,913</u>
<b>Current assets:</b>		
Debtors	1,372	161
Cash and bank balances	<u>2,880</u>	<u>3,725</u>
<b>Total assets</b>	<u><b>28,493</b></u>	<u><b>26,799</b></u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	<u>(917)</u>	<u>(53)</u>
<b>Total liabilities</b>	<u><b>(917)</b></u>	<u><b>(53)</b></u>
<b>Net assets attributable to shareholders</b>	<u><b>27,576</b></u>	<u><b>26,746</b></u>

# Continental Europe Fund

## Authorised Fund Manager's Report

for the period 1 January 2018 to 30 June 2018 (unaudited)

### Investment Objective and Policy

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 World Europe ex UK Index (an index which aims to cover 85% of the market capitalisation of listed stocks on European stock markets excluding the UK).

This Fund will invest principally in securities dealt in or traded on European Eligible Securities Markets. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in securities which are dealt in or traded on other Eligible Securities Markets or which are otherwise permitted for this Fund.

### Synthetic Risk and Reward Indicator

Typically lower rewards, lower risks			Typically higher rewards, higher risks			
←			→			
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 5 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.

### The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investments 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.
- 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.

### Investment Review

Performance	30/06/13 to 30/06/14 %	30/06/14 to 30/06/15 %	30/06/15 to 30/06/16 %	30/06/16 to 30/06/17 %	30/06/17 to 30/06/18 %
Continental Europe Fund	19.4	9.3	5.4	26.9	3.2

Source: Lipper Hindsight, mid to mid, UK net to 30 June 2018.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.



**Market Review**

A barrage of strong economic data saw European equity markets begin 2018 on a strong note. From unemployment data, which at 8.7% was the lowest for the Eurozone since 2009, to industrial output, which for Germany came in at almost twice the level the market had been anticipating, the news in January was almost overwhelmingly positive. Of course such strength had implications, not least its influence on central bank decision making, and, in particular for Europe, the impact on currency. Continued Euro strength took its toll particularly on export laden Germany where the DAX saw clear underperformance against less export dependent indices. However, central bank decision making was not the only political influence on stock markets and as the half year progressed a stream of political developments led to a reversal in the market's trajectory. Italy slowly but surely became the focus of attention as an inconclusive election saw the once inconceivable formation of a shaky coalition between the Northern League and 5 Star parties. The anti-Euro stance of the latter caused tremors in the Italian sovereign bond market, although their policy did appear to soften as the realities of political office sank in. Too late however for the Italian stock market which lost all its out-performance from the start of the year. Donald Trump also proved a magnet for volatility with his ever-increasing rhetoric over trade wars. China appeared ready to retaliate although a cut in automotive tariffs did question their resolve on the issue. The US bombing of Syrian chemical dumps further soured Russia relations and added to the overall geopolitical risk that markets so dislike. The result was a modest 1.4% fall for the FTSE World Europe ex UK Index over the six month period.

**Portfolio Review**

The portfolio underperformed the index falling by 1.2%. The worst contributor to performance was German industrial Jost Werke which was impacted by fears of a strengthening Euro combined with a soaring steel price. A subsequent announcement from the company proved these fears unfounded with confirmation of their full year guidance. French insurer Axa also impacted performance as it announced a large acquisition judged by many to be of poor timing. We have held on to the shares following a supportive meeting with the CEO. German investment company Mutares also underperformed as they listed their largest holding at a price below their latest published NAV. Again we remain holders of the shares as not only had we already reduced our holding well before this news flow but also we believe the valuation is now at an attractive level. Good performance was posted by Finish paperboard manufacturer Metsa Board, property and automotive portal Scout 24, car rental company Sixt ag and oil services provider Schoeller-Bleckman all of which rose more than 15%.

Four new holdings were introduced in H1 2018, German IT services company Allgeier, wind power generator Energiekontor, Italian tyre manufacturer Pirelli and Norwegian defence company Kongsberg Gruppen. Outright sales were made of Nokia, Cairo Communications and Huhtamaki. We also reduced our Italian exposure as the political drama unfolded.

**Outlook**

Despite the geopolitical turmoil in the first half of 2018 and the ever-present specter of central bank tightening, European equity markets only posted modest falls over the period. At the time of writing leading indicators may indicate a slowing or peaking in the rate of economic growth but there is little sign of anything more sinister. For markets to resume their upward trajectory corporates will need to continue to deliver in terms of earnings while politics and especially the prospect of full scale trade war will need to enter calmer waters. As this situation develops we are holding a higher cash balance than usual which we will only deploy as appropriate opportunities arise.

SVM Asset Management Limited

August 2018

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Continental Europe Fund

## Portfolio Statement

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>BASIC MATERIALS (9.22%*)</b>		<b>1,049</b>	<b>5.04</b>
Covestro	10,220	687	3.30
Metsa Board	42,263	362	1.74
<b>CONSUMER GOODS (0.00%)</b>		<b>330</b>	<b>1.59</b>
Pirelli	52,276	330	1.59
<b>CONSUMER SERVICES (13.67%*)</b>		<b>2,536</b>	<b>12.19</b>
Dustin	117,900	797	3.83
Schibsted	53,835	1,180	5.67
Sixt Preference Shares	9,400	559	2.69
<b>FINANCIALS (24.73%*)</b>		<b>4,194</b>	<b>20.16</b>
AXA	56,400	1,055	5.07
BNP Paribas	7,399	348	1.67
Danske Bank	23,070	546	2.63
ING	51,570	566	2.72
Mediobanca	55,936	397	1.91
mutares	35,294	361	1.74
Partners	1,021	573	2.75
PATRIZIA Immobilien	23,954	348	1.67
<b>HEALTH CARE (4.41%*)</b>		<b>939</b>	<b>4.51</b>
Novartis	9,605	548	2.63
Roche	2,330	391	1.88
<b>INDUSTRIALS (16.22%*)</b>		<b>3,166</b>	<b>15.24</b>
HELLA	17,726	755	3.63
JOST - Werke	17,398	487	2.35
KONGSBERG	19,953	320	1.54
Koninklijke Volkerwessels	15,752	307	1.48
Leonardo	59,610	447	2.15
Stef	9,274	850	4.09
<b>OIL &amp; GAS (7.16%*)</b>		<b>1,588</b>	<b>7.63</b>
Royal Dutch Shell	25,270	668	3.21
Schoeller-Bleckmann Oilfield Equipment	3,469	318	1.53
TOTAL	13,002	602	2.89
<b>TECHNOLOGY (8.24%*)</b>		<b>2,197</b>	<b>10.56</b>
Allgeier	24,705	606	2.90
ALSO	7,050	642	3.09
Scout24	14,080	565	2.72
SeSa	15,496	384	1.85
<b>TELECOMMUNICATIONS (6.53%*)</b>		<b>1,535</b>	<b>7.38</b>
Orange	62,020	790	3.80
United Internet	16,950	745	3.58
<b>UTILITIES (0.00%*)</b>		<b>263</b>	<b>1.26</b>
Energiekontor	19,948	263	1.26
<b>Portfolio of investments</b>		<b>17,797</b>	<b>85.56</b>
<b>Net other assets (9.82%*)</b>		<b>3,003</b>	<b>14.44</b>
<b>Total net assets</b>		<b>20,800</b>	<b>100.00</b>

All investments held are listed on Regulated Exchanges, unless otherwise stated.

\* Comparative figures shown in brackets relate to 31 December 2017.

## Continental Europe Fund

### Material Portfolio Changes

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for the period 1 January 2018 to 30 June 2018 (unaudited)

	Cost £000		Proceeds £000
<b>Total purchases</b>		<b>Major sales</b>	
Allgeier	591	Metsa Board	693
Pirelli	339	Mediobanca	658
KONGSBERG	338	Cairo Communication	569
Energiekontor	256	Huhtamaki	428
ING	174	HELLA	389
Leonardo	111	Nokia	336
United Internet	108	Schoeller-Bleckmann Oilfield Equipment	313
		JOST - Werke	287
		Sixt Preference Shares	240
		BNP Paribas	190

# Continental Europe Fund

## Comparative table

as at 30 June 2018 (unaudited)

### Net Asset Value and Ongoing Charges Figure

	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class A - Accumulation</b>				
Closing net asset value (£'000)	9,763	10,557	10,310	10,652
Closing number of shares	1,892,397	1,990,662	2,273,817	2,654,977
Closing net asset value per share (p)	515.89	530.32	453.42	401.22
Operating charges (ongoing charges figure)	1.98%	1.98%	1.98%	2.01%
<b>Prices</b>				
Highest share price	557.60	544.10	454.10	403.80
Lowest share price	501.50	451.40	345.80	339.60
Price at year end	517.40	531.20	454.10	402.00
	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class B - Accumulation</b>				
Closing net asset value (£'000)	11,037	12,965	12,241	9,791
Closing number of shares	1,905,212	2,184,729	2,430,354	2,214,163
Closing net asset value per share (p)	579.33	593.46	503.65	442.17
Operating charges (ongoing charges figure)	1.23%	1.23%	1.23%	1.23%
<b>Prices</b>				
Highest share price	623.60	607.50	503.70	444.50
Lowest share price	561.70	501.30	381.00	371.00
Price at year end	580.30	593.90	503.70	442.50

## Continental Europe Fund

### Statement of Total Return

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(747)		2,072
Revenue	434		497	
Expenses	<u>(182)</u>		<u>(185)</u>	
Net revenue before taxation	252		312	
Taxation	<u>(53)</u>		<u>(27)</u>	
Net revenue after taxation		<u>199</u>		<u>285</u>
<b>Total return before equalisation</b>		<b>(548)</b>		<b>2,357</b>
Equalisation		<u>(6)</u>		<u>2</u>
<b>Change in net assets attributable to shareholders from investment activities</b>		<b><u>(554)</u></b>		<b><u>2,359</u></b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>23,522</b>		<b>22,551</b>
Amounts receivable on creation of shares	822		2,438	
Less: Amounts payable on cancellation of shares	<u>(2,990)</u>		<u>(2,221)</u>	
		(2,168)		217
Change in net assets attributable to shareholders from investment activities		<u>(554)</u>		<u>2,359</u>
<b>Closing net assets attributable to shareholders</b>		<b><u>20,800</u></b>		<b><u>25,127</u></b>

*Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.*

# Continental Europe Fund

## Balance Sheet

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as at 30 June 2018 (unaudited)

	30/06/18 £000	31/12/17 £000
<b>Fixed Assets</b>		
Investments	<u>17,797</u>	<u>21,213</u>
<b>Current assets:</b>		
Debtors	56	87
Cash and bank balances	<u>3,191</u>	<u>2,284</u>
<b>Total assets</b>	<u><b>21,044</b></u>	<u><b>23,584</b></u>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	<u>(244)</u>	<u>(62)</u>
<b>Total liabilities</b>	<u><b>(244)</b></u>	<u><b>(62)</b></u>
<b>Net assets attributable to shareholders</b>	<u><b>20,800</b></u>	<u><b>23,522</b></u>

# UK Growth Fund

## Authorised Fund Manager's Report

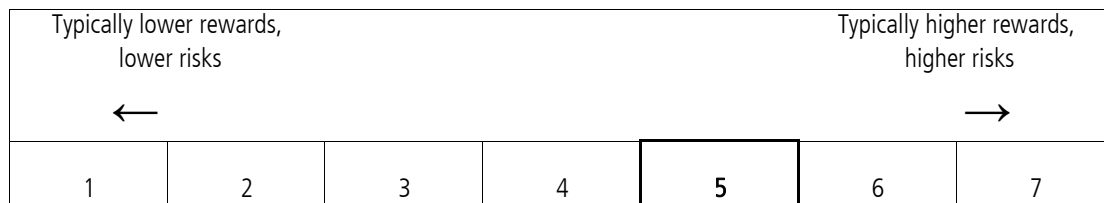
for the period 1 January 2018 to 30 June 2018 (unaudited)

### Investment Objective and Policy

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 All Share Index (or any successor index).

This Fund will invest principally in securities listed on the London Stock Exchange. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in securities which are dealt in or traded on the London Stock Exchange but outside the FTSE 100 Index or which are otherwise permitted for this Fund.

### Synthetic Risk and Reward Indicator



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 5 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.

### The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investments to fall as well as rise.
- 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.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- 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.

### Investment Review

Performance	30/06/13 to 30/06/14 %	30/03/14 to 30/06/15 %	30/06/15 to 30/06/16 %	30/06/16 to 30/06/17 %	30/06/17 to 30/06/18 %
UK Growth Fund	11.2	14.4	(4.5)	22.2	15.4

Source: Lipper Hindsight, mid to mid, UK net to 30 June 2018.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

**Market Review**

The UK stockmarket was volatile during the six months under review, but ended with a small gain. The British economy proved resilient despite the uncertainty of the Brexit negotiations. The global economy grew, but increasing trade frictions are creating risks, following the imposition of higher tariffs by the US. Its trading partners retaliated, which will create some inflationary pressure on the global economy in the short term, and is likely to dampen economic activity longer term if not resolved. The negative impact has been mainly felt by manufacturers rather than services and technology, but US policy and global growth have also triggered higher oil and metals prices, combined with a stronger US Dollar.

An acceleration in UK wage growth that began in mid-2017 continued in the first half of 2018. This has eased the consumer squeeze, and is favourable for many of the businesses in the portfolio. Central banks are exercising caution with the speed of interest rate rises. There is little sign of overheating in the UK and Eurozone, and the Bank of England is unlikely to raise interest rates as quickly as the US.

Over the period under review, share prices of mining and oil & gas companies performed well. The UK Growth Fund has relatively low exposure to these sectors, which are dominated by large global businesses more subject to competition and the impact of the economic cycle. However, many growth companies, which are well represented in the portfolio, performed well over the six months.

**Portfolio Review**

Most companies in the portfolio are reporting good earnings progress. Portfolio exposure to medium-sized companies with an emphasis on the UK and Eurozone contributed to performance. The technology sector performed strongly, and the portfolio emphasis on consumer goods and services was also helpful.

The best contributions to performance over the six months under review came from Burford Capital, Fevertree Drinks, Ocado Group, Decra Pharmaceuticals, GVC and JD Sports Fashion. A number of technology-based businesses also performed well. Litigation finance group, Burford, reported strong profits growth, with cash generation beating marketing expectations. Fevertree gained as the potential for US growth was recognised. Currently the majority of Fevertree's sales are in the UK, but the US premium mixer market is likely to be much larger. Ocado distributes retail consumer products and its delivery technology has attracted a number of major international grocery chains to partner with it, accelerating growth. Gaming group, GVC, gained as the US Supreme Court ended the ban on sports betting. GVC is well positioned to benefit. In early 2018, GVC purchased Ladbrokes Coral, creating one of the world's biggest gaming groups. The merger provides opportunities for cost savings and enhanced growth prospects. Micro Focus was the main disappointment over the six months. Its US sales fell below expectations and the shares were sold.

There was a new portfolio investment in urban regeneration specialist, Sigma Capital. Sigma manages low cost private rented housing, working closely with housebuilders. Investment was also made into Ryanair, Blue Prism, K3 Capital, Mortgage Advice Bureau, WANdisco and Ocado. To fund the purchases, sales were made of Oxford Instruments, Eve Sleep, Randgold Resources, Arrow Global, BTG, and WH Smith.

**Outlook**

Despite the uptick in global growth, debt has been increasing in many nations. This will bring disinflationary pressures in the medium term despite the current respite. The environment favours businesses with genuine organic growth and some pricing power.

The UK Growth Fund continues to be fully invested, emphasising exposure to economic growth in the UK. The portfolio focus is on businesses with a competitive edge that can deliver above-average growth.

SVM Asset Management Limited

August 2018

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.



# UK Growth Fund

## Portfolio Statement

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>BASIC MATERIALS (6.93%*)</b>		<b>9,850</b>	<b>4.96</b>
Croda International	89,044	4,283	2.16
Mondi	71,500	1,473	0.74
Rio Tinto	40,700	1,716	0.86
Synthomer	450,857	2,378	1.20
<b>CONSUMER GOODS (11.83%*)</b>		<b>22,443</b>	<b>11.31</b>
Associated British Foods	30,000	820	0.41
Codemasters	135,000	301	0.15
Cranswick	115,235	3,900	1.97
Fevertree Drinks	156,081	5,287	2.66
Hilton Food	236,500	2,285	1.15
Kerry	54,680	4,362	2.20
Reckitt Benckiser	8,468	529	0.27
SuperGroup	30,000	338	0.17
Team17	193,340	454	0.23
Ted Baker	117,000	2,527	1.27
Victoria	202,000	1,640	0.83
<b>CONSUMER SERVICES (24.72%*)</b>		<b>50,793</b>	<b>25.58</b>
4imprint	30,000	512	0.26
Applegreen	502,526	2,724	1.37
Ascential	439,852	1,981	1.00
ASOS	44,795	2,713	1.37
CVS	124,241	1,401	0.71
Dalata Hotel	541,000	3,278	1.65
Dignity	80,122	812	0.41
easyJet	118,600	1,988	1.00
GVC	576,700	6,073	3.06
GVC Contingent Value Rights	200,000	23	0.01
Hostelworld	555,705	1,756	0.88
J Sainsbury	306,000	988	0.50
JD Sports Fashion	808,150	3,570	1.80
Just Eat	106,000	832	0.42
Ocado	346,500	3,560	1.79
On the Beach	575,000	2,933	1.48
Paddy Power Betfair	23,484	1,953	0.98
Quiz	418,230	784	0.38
Ryanair	245,500	3,409	1.72
SSP	847,096	5,429	2.73
Taptica International	150,000	488	0.25
TUI	63,000	1,051	0.53
Wizz Air	71,000	2,535	1.28

# UK Growth Fund

## Portfolio Statement

(continued)

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (14.95%*)</b>		<b>43,712</b>	<b>22.02</b>
Aquis Exchange	200,000	890	0.45
Beazley	1,086,000	6,293	3.17
Burford Capital	317,050	4,610	2.32
Derwent London**	31,740	978	0.49
Draper Esprit	430,000	2,171	1.09
Hargreaves Lansdown	75,000	1,484	0.75
Hiscox	167,000	2,533	1.28
K3 Capital	596,364	1,694	0.85
London Stock Exchange	82,545	3,719	1.87
LondonMetric Property**	452,000	838	0.42
Mortgage Advice Bureau	439,100	2,731	1.38
OneSavings Bank	385,500	1,581	0.80
Plus500	40,000	651	0.33
Prudential	276,100	4,807	2.42
Segro**	232,000	1,543	0.78
Sigma Capital	795,521	1,154	0.58
St. Modwen Properties	153,621	636	0.32
UNITE**	551,298	4,708	2.37
Workspace**	64,370	691	0.35
<b>HEALTH CARE (6.87%*)</b>		<b>13,509</b>	<b>6.81</b>
Animalcare	40,928	66	0.03
BTG	141,500	729	0.37
Clinigen Healthcare	85,000	794	0.40
Dechra Pharmaceuticals	150,700	4,165	2.10
Hutchison China MediTech	56,537	2,544	1.28
Indivior	310,000	1,182	0.60
UDG Healthcare	488,000	4,029	2.03
<b>INDUSTRIALS (21.48%*)</b>		<b>40,892</b>	<b>20.58</b>
Alpha Financial Markets Consulting	783,460	1,865	0.94
Ashtead	165,850	3,813	1.92
Breedon	1,887,452	1,529	0.77
DCC	73,859	5,137	2.59
discoverIE	436,546	1,908	0.96
DS Smith	238,500	1,251	0.63
Hill & Smith	86,108	1,262	0.63
HomeServe	241,362	2,172	1.09
John Menzies	87,000	552	0.28
Johnson Service	3,205,353	4,340	2.19
Keystone Law	572,000	1,888	0.95
Keywords Studios	210,000	3,704	1.87
Premier Technical Services	998,000	1,896	0.94
Renishaw	40,000	2,090	1.05
Rentokil Initial	798,000	2,791	1.41
Restore	180,910	926	0.47
Severfield	600,000	509	0.26
Weir	119,750	2,372	1.18
XP Power	25,000	887	0.45
<b>OIL &amp; GAS (0.34%*)</b>		<b>3,168</b>	<b>1.60</b>
Hunting	323,000	2,495	1.26
Petrofac	117,400	673	0.34

# UK Growth Fund

## Portfolio Statement

(continued)

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>TECHNOLOGY (6.45%*)</b>		<b>8,172</b>	<b>4.11</b>
Blue Prism	152,217	2,718	1.37
FDM	272,000	2,644	1.33
GBG	50,000	304	0.15
Kainos	275,000	1,136	0.57
WANdisco	124,538	1,370	0.69
<b>TELECOMMUNICATIONS (1.24%*)</b>		<b>2,499</b>	<b>1.26</b>
Gamma Communications	332,288	2,499	1.26
<b>DERIVATIVES (0.55%*)</b>		<b>43</b>	<b>0.02</b>
<b>CONTRACTS FOR DIFFERENCE</b>			
British American Tobacco - CFD	30,000	(168)	(0.09)
CD Project - CFD	33,200	112	0.06
Melrose - CFD	915,000	(126)	(0.06)
Onesavings Bank - CFD	370,000	23	0.01
Oxford Instruments - CFD	30,091	66	0.03
Reckitt Benckiser - CFD	10,350	33	0.02
Rio Tinto - CFD	38,400	83	0.04
Watkin Jones - CFD	1,572,222	20	0.01
<b>Portfolio of investments<sup>^</sup></b>		<b>195,081</b>	<b>98.25</b>
<b>Net other assets (4.64%*)</b>		<b>3,476</b>	<b>1.75</b>
<b>Total net assets</b>		<b>198,557</b>	<b>100.00</b>

All investments held are listed on Regulated Exchanges, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

\* Comparative figures shown in brackets relate to 31 December 2017.

\*\* Real Estate Investment Trust (REIT).

<sup>^</sup> Including investment liabilities of £293,738.

## UK Growth Fund

### Material Portfolio Changes

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for the period 1 January 2018 to 30 June 2018 (unaudited)

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Hunting	2,815	Micro Focus International	2,180
Mortgage Advice Bureau	2,693	Randgold Resources	2,095
Ocado	2,367	Ryanair	1,725
Hiscox	2,358	Sophos	1,609
Draper Esprit	1,915	Eve Sleep	1,405
Hostelworld	1,889	lbstock	1,332
discoverIE	1,827	Playtech	1,288
easyJet	1,809	WH Smith	862
K3 Capital	1,734	Johnson Service	763
Dechra Pharmaceuticals	1,496	Polypipe	760

## UK Growth Fund

### Comparative table

as at 30 June 2018 (unaudited)

#### Net Asset Value and Ongoing Charges Figure

	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class A - Accumulation</b>				
Closing net asset value (£'000)	13,850	14,607	16,278	15,780
Closing number of shares	2,828,590	3,067,471	4,221,913	3,976,636
Closing net asset value per share (p)	489.65	476.18	385.55	396.81
Operating charges (ongoing charges figure)	1.77%	1.80%	1.77%	1.85%
<b>Prices</b>				
Highest share price	505.70	478.40	401.50	402.40
Lowest share price	448.20	386.70	337.50	329.70
Price at year end	494.70	478.40	386.70	401.00
	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class B - Accumulation</b>				
Closing net asset value (£'000)	184,707	158,076	129,795	124,652
Closing number of shares	34,048,676	30,093,954	30,766,812	28,957,132
Closing net asset value per share (p)	542.48	525.28	421.87	430.47
Operating charges (ongoing charges figure)	1.03%	1.06%	1.02%	1.10%
<b>Prices</b>				
Highest share price	558.10	526.20	437.50	436.00
Lowest share price	493.40	422.20	367.00	354.70
Price at year end	546.10	526.20	422.20	434.50

## UK Growth Fund

### Statement of Total Return

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
Income				
Net capital gains		5,121		14,612
Revenue	2,317		2,270	
Expenses	(1,081)		(876)	
Interest payable and similar charges	-		-	
Net revenue before taxation	1,236		1,394	
Taxation	(7)		2	
Net revenue after taxation		1,229		1,396
<b>Total return before equalisation</b>		<b>6,350</b>		<b>16,008</b>
Equalisation		56		(48)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>6,406</b>		<b>15,960</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>172,683</b>		<b>146,073</b>
Amounts receivable on creation of shares	21,220		4,810	
Less: Amounts payable on cancellation of shares	(1,752)		(17,849)	
		19,468		(13,039)
Change in net assets attributable to shareholders from investment activities		6,406		15,960
<b>Closing net assets attributable to shareholders</b>		<b>198,557</b>		<b>148,994</b>

*Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.*

# UK Growth Fund

## Balance Sheet

as at 30 June 2018 (unaudited)

	30/06/18 £000	31/12/17 £000
<b>Fixed Assets</b>		
Investments	<u>195,375</u>	<u>165,178</u>
<b>Current assets:</b>		
Debtors	650	1,391
Cash and bank balances	<u>3,044</u>	<u>7,147</u>
<b>Total assets</b>	<u><b>199,069</b></u>	<u><b>173,716</b></u>
<b>Liabilities:</b>		
Investment liabilities	<u>(294)</u>	<u>(505)</u>
<b>Creditors:</b>		
Bank overdrafts	(1)	-
Other creditors	<u>(217)</u>	<u>(528)</u>
<b>Total other liabilities</b>	<u><b>(218)</b></u>	<u><b>(528)</b></u>
<b>Total liabilities</b>	<u><b>(512)</b></u>	<u><b>(1,033)</b></u>
<b>Net assets attributable to shareholders</b>	<u><u><b>198,557</b></u></u>	<u><u><b>172,683</b></u></u>

# UK Opportunities Fund

## Authorised Fund Manager's Report

for the period 1 January 2018 to 30 June 2018 (unaudited)

### Investment Objective and Policy

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 All Share Index (or any successor index).

The Fund will seek to invest in the full range of opportunities available to it, which will include shares on the Alternative Investment Market. The Fund also will seek to generate returns regardless of market capitalisation.

The Fund will invest principally in securities of UK companies listed on the London Stock Exchange. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in other permitted transferable securities.

### Synthetic Risk and Reward Indicator

Typically lower rewards, lower risks			Typically higher rewards, higher risks			
←			→			
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 5 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.

### The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investment to fall as well as rise.
- 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.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- 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.

### Investment Review

Performance	30/06/13 to 30/06/14 %	30/06/14 to 30/06/15 %	30/06/15 to 30/06/16 %	30/06/16 to 30/06/17 %	30/06/17 to 30/06/18 %
UK Opportunities Fund	12.9	10.6	(1.3)	23.4	13.8

Source: Lipper Hindsight, mid to mid, UK net to 30 June 2018.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.



**Market Review**

Entering 2018 the consensus was that the global economy would remain strong, inflationary pressures would rise slowly, and that central banks would continue to tighten. This remains our view. Over the last six months, however, sentiment indicators have turned down and economic data generally disappointed. There are many competing theories as to why this may have been the case. Recent weakness represents a mid-cycle slowdown and the global economy remains robust. We do recognise, though, that the increasingly strident political rhetoric, particularly in the US but also seen elsewhere, means that risks have increased. Brexit negotiations continue to disappoint with neither side emerging with much credit. Both seem intent on scoring political points rather than delivering a mutually beneficial arrangement. UK equities already discount a fairly pessimistic outcome. Your fund returned 6.5% versus 1.7% for the FTSE All-Share.

**Portfolio Review**

Alpha Financial Consulting, an advisor to asset managers, gained as the company delivered full-year results that exceeded analyst expectations. Revenue increased by over 50% and profits grew by 60%. Such a rate of growth is unsustainable, but the company continues to benefit from its expanding footprint as well as the unprecedented rate of change in the asset management industry. Increasing pressure on fees as well as a greater regulatory focus is driving a range of complex change initiatives and projects. We envisage this situation will persist for a number of years. Faroe Petroleum gained as the company announced that a competitor, DNO, had acquired almost 30% of their shares at a premium to the prevailing share price. Subsequent to this announcement, DNO, stated that it has no immediate intention to make an offer for all of Faroe. Nonetheless, stakes of this size in listed companies are very rarely 'passive'. These developments are a significant validation of Faroe's strategy and underwrite the share price at current levels but still fail to recognise the value of its near-field exploration strategy. GKN gained over 50% following its takeover by Melrose Plc. GKN had become something of a serial disappointment for investors in recent years, as good sales performance were allied with weak profit margins. Strong market positions across a range of products hinted at the latent value within the business, but continued poor execution indicated change was necessary. RPC remained under pressure as investors continued to fret over the outlook for plastic packaging. Our very small residual position in Micro Focus declined in response to a profit-warning.

**Outlook**

Investor confidence has deteriorated and many are anticipating a further pullback. Pessimism is intellectually seductive: highlighting risks and pointing out potential pitfalls appears to convey more thought and rigour. Conversely, optimism can often appear promotional and lacking in substance. Political tensions in Europe allied to Trump's apparent determination to see through his campaign promise to put 'America First' have undoubtedly raised the risks. Nonetheless, the significant imbalances in the real economy or financial sector that typically emerge at the end of the cycle are not apparent. Aggregate demand in most parts of the world is robust, particularly in the US, and corporate earnings are strong.

SVM Asset Management Limited

August 2018

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# UK Opportunities Fund

## Portfolio Statement

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>UNITED KINGDOM (78.21%*)</b>		<b>122,109</b>	<b>66.59</b>
<b>BASIC MATERIALS (4.40%*)</b>		<b>7,680</b>	<b>4.19</b>
Synthomer	1,455,997	7,680	4.19
<b>CONSUMER GOODS (4.39%*)</b>		<b>7,180</b>	<b>3.91</b>
Codemasters	125,000	279	0.15
Team17	1,353,383	3,181	1.73
TI Fluid Systems	1,500,000	3,720	2.03
<b>CONSUMER SERVICES (6.71%*)</b>		<b>9,691</b>	<b>5.29</b>
Arena Events	1,818,000	1,173	0.64
Hollywood Bowl	1,009,026	2,270	1.24
Informa	668,252	5,557	3.03
Marshall Motor	423,994	691	0.38
<b>FINANCIALS (15.13%*)</b>		<b>25,797</b>	<b>14.06</b>
Aquis Exchange	320,921	1,428	0.78
Arden Partners	812,500	301	0.16
Arix Bioscience	583,333	1,137	0.62
Charter Court Financial Services	757,210	2,442	1.33
John Laing	1,401,933	3,822	2.08
Lloyds Banking	10,230,000	6,444	3.51
Prudential	475,000	8,270	4.51
Quilter	1,332,500	1,953	1.07
<b>FIXED INCOME (6.15%*)</b>		-	-
<b>HEALTH CARE (0.42%*)</b>		<b>8,068</b>	<b>4.40</b>
Abzena	1,753,833	161	0.09
Creo Medical	223,683	273	0.15
GlaxoSmithKline	500,000	7,634	4.16
<b>INDUSTRIALS (28.23%*)</b>		<b>45,759</b>	<b>24.96</b>
Alpha Financial Markets Consulting	2,093,100	4,982	2.72
Balfour Beatty	1,390,000	3,943	2.15
Biffa	1,710,554	4,293	2.34
Essentra	1,141,683	5,494	3.00
Forterra	2,007,126	6,202	3.38
John Menzies	500,855	3,175	1.73
Melrose Industries	4,885,432	10,411	5.68
Norcros	3,299,710	7,259	3.96
<b>NON-EQUITY INVESTMENT INSTRUMENT (0.00%)</b>		-	-
Savannah Petroleum Warrants 09/02/2019	1,278,500	-	-
<b>OIL &amp; GAS (4.17%*)</b>		<b>17,899</b>	<b>9.76</b>
BP	1,560,000	9,039	4.93
Faroe Petroleum	3,118,694	4,541	2.48
Hurricane Energy	1,902,102	903	0.49
Jersey Oil & Gas	730,454	1,527	0.83
Pantheon Resources	899,497	166	0.09
Savannah Petroleum	5,942,000	1,723	0.94
<b>TECHNOLOGY (1.92%*)</b>		-	-
<b>TELECOMMUNICATIONS (3.85%*)</b>		<b>35</b>	<b>0.02</b>
Gamma Communications	4,609	35	0.02
<b>UTILITIES (2.84%*)</b>		-	-

# UK Opportunities Fund

## Portfolio Statement

(continued)

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>AUSTRALIA (0.00%*)</b>		<b>428</b>	<b>0.23</b>
Harvest Minerals	2,162,162	428	0.23
<b>IRELAND (4.53%*)</b>		<b>20,079</b>	<b>10.95</b>
DCC	110,000	7,651	4.17
Greencore	1,425,000	2,638	1.44
Ryanair	705,000	9,790	5.34
<b>ISLE OF MAN (0.00%*)</b>		<b>9,913</b>	<b>5.41</b>
GVC	850,000	8,950	4.88
Petro Matad	10,349,614	963	0.53
<b>SINGAPORE (0.63%*)</b>		<b>680</b>	<b>0.37</b>
Simec Atlantis Energy	2,059,931	680	0.37
<b>DERIVATIVES (1.83%*)</b>		<b>549</b>	<b>0.30</b>
<b>CONTRACTS FOR DIFFERENCE</b>			
Ashtead Group - CFD	350,000	646	0.35
Asos - CFD†	13,000	68	0.04
Barclays - CFD	1,047,500	(127)	(0.07)
Boohoo.com - CFD†	400,000	(168)	(0.09)
Colruyt - CFD†	46,000	(87)	(0.05)
Computacenter - CFD†	30,000	(170)	(0.09)
Covestro - CFD	50,000	(33)	(0.02)
Elis - CFD†	66,500	125	0.07
Gerresheimer - CFD†	29,000	(83)	(0.05)
Greggs - CFD†	116,770	185	0.10
GRENKE - CFD†	9,000	(175)	(0.10)
Halma - CFD†	175,000	(471)	(0.26)
International Consolidated Airlines - CFD	600,000	301	0.17
IWG - CFD	650,000	29	0.02
Just Group - CFD	2,500,000	(217)	(0.12)
Legal & General - CFD	1,560,000	12	0.01
Lookers - CFD	975,000	(16)	(0.01)
Newriver Reit - CFD†	400,000	178	0.10
RPC - CFD	547,889	(405)	(0.22)
SDL - CFD	510,000	(217)	(0.12)
Spirax Sarco Engineering - CFD†	32,786	(302)	(0.16)
Tesco - CFD	1,600,000	369	0.20
Wizz Air - CFD	189,400	1,107	0.60
<b>Portfolio of investments<sup>^</sup></b>		<b>153,758</b>	<b>83.85</b>
<b>Net other assets (14.80%*)</b>		<b>29,610</b>	<b>16.15</b>
<b>Total net assets</b>		<b>183,368</b>	<b>100.00</b>

All investments held are listed on Regulated Exchanges, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

\* Comparative figures shown in brackets relate to 31 December 2017.

† Short positions.

<sup>^</sup> Including investment liabilities of £2,470,657.

## UK Opportunities Fund

### Material Portfolio Changes

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for the period 1 January 2018 to 30 June 2018 (unaudited)

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
BP	9,058	United Kingdom Treasury Bill 0% 11/06/2018	9,993
DCC	8,372	Gamma Communications	5,113
GVC	7,998	Avast	5,065
GlaxoSmithKline	7,419	ContourGlobal	4,010
Avast	5,223	Fenner	3,933
Essentra	3,410	Bodycote	3,728
Greencore	2,296	BT	3,450
Ryanair	2,254	Arrow Global	3,334
Team17	2,233	Johnson Service	2,436
BT	2,171	Micro Focus International	2,041

# UK Opportunities Fund

## Comparative table

as at 30 June 2018 (unaudited)

### Net Asset Value and Ongoing Charges Figure

	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class A - Accumulation</b>				
Closing net asset value (£'000)	32,255	31,745	29,849	33,670
Closing number of shares	5,885,090	6,164,727	6,588,159	8,010,458
Closing net asset value per share (p)	548.07	514.95	453.07	420.33
Operating charges (ongoing charges figure)	1.78%	1.82%	1.79%	1.85%
<b>Prices</b>				
Highest share price	562.90	517.80	454.80	422.10
Lowest share price	486.10	452.60	373.60	352.40
Price at year end	550.80	517.20	454.80	422.10
	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class B - Accumulation</b>				
Closing net asset value (£'000)	151,113	130,442	115,157	87,466
Closing number of shares	24,450,956	22,552,936	22,796,479	18,821,729
Closing net asset value per share (p)	618.02	578.38	505.15	464.71
Operating charges (ongoing charges figure)	1.03%	1.07%	1.04%	1.10%
<b>Prices</b>				
Highest share price	632.60	579.30	505.60	465.70
Lowest share price	544.80	503.40	412.60	386.00
Price at year end	619.20	579.30	505.60	465.70

## UK Opportunities Fund

### Statement of Total Return

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
Income				
Net capital gains		9,971		8,183
Revenue	2,889		2,897	
Expenses	(1,484)		(1,305)	
Interest payable and similar charges	-		-	
Net revenue before taxation	1,405		1,592	
Taxation	(8)		-	
Net revenue after taxation		1,397		1,592
<b>Total return before equalisation</b>		<b>11,368</b>		<b>9,775</b>
Equalisation		52		(25)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>11,420</b>		<b>9,750</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>162,187</b>		<b>145,006</b>
Amounts receivable on creation of shares	12,983		3,519	
Less: Amounts payable on cancellation of shares	(3,222)		(6,472)	
		9,761		(2,953)
Change in net assets attributable to shareholders from investment activities		11,420		9,750
<b>Closing net assets attributable to shareholders</b>		<b>183,368</b>		<b>151,803</b>

*Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.*

# UK Opportunities Fund

## Balance Sheet

as at 30 June 2018 (unaudited)

	30/06/18 £000	31/12/17 £000
<b>Fixed Assets</b>		
Investments	<u>156,229</u>	<u>140,444</u>
<b>Current assets:</b>		
Debtors	1,200	402
Cash and bank balances	<u>29,596</u>	<u>24,189</u>
<b>Total assets</b>	<u><b>187,025</b></u>	<u><b>165,035</b></u>
<b>Liabilities:</b>		
Investment liabilities	<u>(2,471)</u>	<u>(2,257)</u>
<b>Creditors:</b>		
Bank overdrafts	(485)	(415)
Other creditors	<u>(701)</u>	<u>(176)</u>
<b>Total other liabilities</b>	<u><b>(1,186)</b></u>	<u><b>(591)</b></u>
<b>Total liabilities</b>	<u><b>(3,657)</b></u>	<u><b>(2,848)</b></u>
<b>Net assets attributable to shareholders</b>	<u><u><b>183,368</b></u></u>	<u><u><b>162,187</b></u></u>

# World Equity Fund

## Authorised Fund Manager's Report

for the period 1 January 2018 to 30 June 2018 (unaudited)

### Investment Objective and Policy

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 its peers in the IA Global Growth Sector.

The Fund will invest in a portfolio of global equities and other equity related instruments such as Exchange Traded Funds.

### Synthetic Risk and Reward Indicator

Typically lower rewards, lower risks			Typically higher rewards, higher risks			
←			→			
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 5 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.

### The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investment to fall as well as rise.
- 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.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- 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 may enter into derivative contracts for efficient portfolio management (EPM) purposes. Full details on EPM can be found in Appendix A of the Prospectus.

### Investment Review

Performance	30/06/13 to 30/06/14 %	30/06/14 to 30/06/15 %	30/06/15 to 30/06/16 %	30/06/16 to 30/06/17 %	30/06/17 to 30/06/18 %
World Equity Fund	6.3	10.2	(0.1)	28.3	7.3

Source: Lipper Hindsight, mid to mid, UK net to 30 June 2018.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.



**Market Review**

Entering 2018 the consensus was that the global economy would remain strong, inflationary pressures would rise slowly, and that central banks would continue to tighten. This remains our view. Over the last six months, however, sentiment indicators have turned down and economic data generally disappointed. There are many competing theories as to why this may have been the case. Recent weakness represents a mid-cycle slowdown and the global economy remains robust. We do recognise, though, that the increasingly strident political rhetoric, particularly in the US but also seen elsewhere, means that risks have increased. Brexit negotiations continue to disappoint with neither side emerging with much credit. Both seem intent on scoring political points rather than delivering a mutually beneficial arrangement. Despite this we continue to overweight the UK relative to Europe. The market is only now beginning to wake-up to the increased tensions in Southern Europe and its potential to negatively impact Eurozone growth, whereas UK equities already discount a fairly pessimistic outturn. Your fund returned 1.0% versus 2.5% for the average fund.

**Portfolio Review**

Corporate earnings for portfolio companies were generally strong. Luxfer soared as results reassured investors and highlighted the stocks anomalous valuation. The stock has very little analyst coverage and despite the recent rise remains mispriced. We believe the company's niche positioning can deliver mid to high single-digit revenue growth with positive operational leverage. The group has reasonable financial flexibility and the next stage of the group's evolution is likely to involve selective acquisitions. Visa delivered another set of impressive results. The company delivered higher revenues, lower client incentives, and higher eps. These trends will continue for the full year with full year eps now expected to increase by c.30%. Visa continues to benefit from the trend towards a 'cashless' society. Microsoft was another of the fund's large holdings to deliver impressive results. Revenue grew 13% in constant currency, operating income 20% and eps 31%. Microsoft continues to defy the predictions of those bears who focus on its exposure to the PC market. Despite these results, the shares trade on a FCF yield of over 5% - a rating that is similar to, if not cheaper than, many slower-growing consumer staples businesses. Google's parent company, Alphabet, was another tech behemoth that delivered excellent results. RPC remained under pressure as investors continued to fret over the outlook for plastic packaging. Japanese industrial stocks underperformed as a strengthening Japanese Yen and deteriorating sentiment towards emerging markets took their toll.

**Outlook**

Investor confidence has deteriorated and many are anticipating a further pullback. Pessimism is intellectually seductive: highlighting risks and pointing out potential pitfalls appears to convey more thought and rigour. Conversely, optimism can often appear promotional and lacking in substance. Political tensions in Europe allied to Trump's apparent determination to see through his campaign promise to put 'America First' have undoubtedly raised the risks. Nonetheless, the significant imbalances in the real economy or financial sector that typically emerge at the end of the cycle are not apparent. Aggregate demand in most parts of the world is robust, particularly in the US, and corporate earnings are strong.

SVM Asset Management Limited  
August 2018

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# World Equity Fund

## Portfolio Statement

as at 30 June 2018 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
<b>UNITED KINGDOM (27.79%*)</b>		<b>8,651</b>	<b>29.49</b>
Arix Bioscience	125,000	244	0.83
Ashtead	60,000	1,379	4.70
Essentra	135,000	650	2.22
Forterra	103,501	320	1.09
Lloyds Banking	1,380,800	870	2.97
Luxfer	116,000	1,525	5.20
Melrose Industries	240,000	511	1.74
RPC	66,567	493	1.68
SDL	65,000	277	0.94
Synthomer	243,162	1,283	4.37
Team17	193,340	454	1.55
TI Fluid Systems	260,000	645	2.20
<b>AUSTRALIA (0.43%*)</b>		<b>176</b>	<b>0.60</b>
Bionomics	592,337	176	0.60
<b>CAYMAN ISLANDS (1.22%*)</b>		<b>384</b>	<b>1.31</b>
JHL Biotech	250,000	384	1.31
<b>HONG KONG (5.67%*)</b>		<b>1,831</b>	<b>6.24</b>
AIA	275,240	1,831	6.24
<b>INDONESIA (1.22%*)</b>		<b>287</b>	<b>0.98</b>
Link Net	1,250,000	287	0.98
<b>IRELAND (1.76%*)</b>		<b>1,110</b>	<b>3.79</b>
Ryanair	80,000	1,110	3.79
<b>ISLE OF MAN (2.72%*)</b>		<b>1,105</b>	<b>3.77</b>
GVC	105,000	1,105	3.77
<b>JAPAN (16.17%*)</b>		<b>3,295</b>	<b>11.24</b>
Denka	30,000	762	2.60
Hitachi	273,500	1,469	5.01
Resona	155,830	635	2.17
Tosoh	36,350	429	1.46
<b>JERSEY (3.58%*)</b>		<b>1,250</b>	<b>4.26</b>
Wizz Air	35,000	1,250	4.26
<b>SOUTH KOREA (4.33%*)</b>		<b>1,111</b>	<b>3.79</b>
SK Hynix	19,000	1,111	3.79
<b>SWITZERLAND (0.00%)</b>		<b>347</b>	<b>1.18</b>
IWG	110,000	347	1.18
<b>UNITED STATES (30.35%*)</b>		<b>8,515</b>	<b>29.04</b>
Allergan	5,118	656	2.24
Alphabet	2,744	2,353	8.02
Delta Air Lines	28,780	1,091	3.72
Microsoft	26,000	1,952	6.66
Oracle	13,900	464	1.58
Visa	19,800	1,999	6.82

# World Equity Fund

## Portfolio Statement

(continued)

as at 30 June 2018 (unaudited)

	Market Value £000	Total Net Assets %
<b>DERIVATIVES (-0.09%*)</b>	32	0.11
<b>CROSS CURRENCY FORWARDS**</b>		
Bought USD5,500,000 for JPY600,545,000 Settlement 19/09/2018	32	0.11
<b>Portfolio of investments</b>	<b>28,094</b>	<b>95.80</b>
<b>Net other assets (4.85%*)</b>	<b>1,232</b>	<b>4.20</b>
<b>Total net assets</b>	<b>29,326</b>	<b>100.00</b>

All investments held are listed on Regulated Exchanges, unless otherwise stated.

\* Comparative figures shown in brackets relate to 31 December 2017.

\*\* Cross Currency foreign exchange contracts are not listed.

	Total Net Assets %	Total Net Assets %
	30/06/18	31/12/17
<b>SECTOR ANALYSIS</b>		
Basic Materials	8.4	8.8
Consumer Goods	3.8	4.0
Consumer Services	15.5	12.0
Financials	19.0	18.3
Health Care	4.2	3.7
Industrials	22.8	20.3
Oil & Gas	-	1.9
Technology	22.0	26.2
Derivatives	0.1	(0.1)
<b>Net other assets (4.85%*)</b>	<b>4.2</b>	<b>4.9</b>
<b>Total net assets</b>	<b>100.0</b>	<b>100.0</b>

## World Equity Fund

### Material Portfolio Changes

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for the period 1 January 2018 to 30 June 2018 (unaudited)

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Microsoft	1,730	Microsoft	1,294
Ashtead	1,270	RPC	1,222
Applied Materials	1,146	Applied Materials	1,084
Avast	856	Avast	830
IWG	644	Facebook	815
Essentra	612	Hess	798
Ryanair	576	Fujitsu	715
BT	491	Forterra	516
Team17	319	Micro Focus International	497
SK Hynix	298	Oracle	441

# World Equity Fund

## Comparative table

as at 30 June 2018 (unaudited)

### Net Asset Value and Ongoing Charges Figure

	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class A - Accumulation</b>				
Closing net asset value (£'000)	2,403	2,482	2,585	6,823
Closing number of shares	792,844	827,487	964,509	3,077,888
Closing net asset value per share (p)	303.04	299.92	267.97	221.69
Operating charges (ongoing charges figure)	1.98%	1.98%	1.96%	1.99%
<b>Prices</b>				
Highest share price	312.50	304.50	271.60	234.60
Lowest share price	273.10	267.20	193.90	201.30
Price at year end	304.20	301.10	268.90	222.00
	Interim 30/06/18	Final 31/12/17	Final 31/12/16	Final 31/12/15
<b>Share Class B - Accumulation</b>				
Closing net asset value (£'000)	26,923	28,142	27,511	36,347
Closing number of shares	8,067,107	8,552,324	9,429,482	15,203,636
Closing net asset value per share (p)	333.74	329.06	291.75	239.06
Operating charges (ongoing charges figure)	1.23%	1.23%	1.21%	1.23%
<b>Prices</b>				
Highest share price	343.00	332.70	294.80	251.40
Lowest share price	299.30	290.70	209.20	216.50
Price at year end	334.00	329.40	291.90	239.20

## World Equity Fund

### Statement of Total Return

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
Income				
Net capital gains		303		1,631
Revenue	289		269	
Expenses	(195)		(192)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	94		76	
Taxation	(19)		(18)	
Net revenue after taxation		75		58
<b>Total return before equalisation</b>		<b>378</b>		<b>1,689</b>
Equalisation		(3)		(1)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>375</b>		<b>1,688</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2018 to 30 June 2018 (unaudited)

	Period Ended 30 June 2018		Period Ended 30 June 2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>30,624</b>		<b>30,095</b>
Amounts receivable on creation of shares	440		684	
Less: Amounts payable on cancellation of shares	(2,113)		(3,092)	
		(1,673)		(2,408)
Change in net assets attributable to shareholders from investment activities		375		1,688
<b>Closing net assets attributable to shareholders</b>		<b>29,326</b>		<b>29,375</b>

*Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.*

# World Equity Fund

## Balance Sheet

as at 30 June 2018 (unaudited)

	30/06/18 £000	31/12/17 £000
<b>Fixed Assets</b>		
Investments	<u>28,094</u>	<u>29,171</u>
<b>Current assets:</b>		
Debtors	46	22
Cash and bank balances	<u>1,267</u>	<u>1,569</u>
<b>Total assets</b>	<u><b>29,407</b></u>	<u><b>30,762</b></u>
<b>Liabilities:</b>		
Investment liabilities	<u>-</u>	<u>(32)</u>
<b>Creditors:</b>		
Other creditors	<u>(81)</u>	<u>(106)</u>
<b>Total other liabilities</b>	<u><b>(81)</b></u>	<u><b>(106)</b></u>
<b>Total liabilities</b>	<u><b>(81)</b></u>	<u><b>(138)</b></u>
<b>Net assets attributable to shareholders</b>	<u><u><b>29,326</b></u></u>	<u><u><b>30,624</b></u></u>

## General Information

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### About OEICs

The SVM Funds ICVC (the "ICVC") is an umbrella Open Ended Investment Company ("OEIC"). An OEIC is a collective investment vehicle with variable capital. Investments in OEIC funds are pooled with those of other investors. This means investments can be spread across a far wider range of securities, helping investors to spread the risk to their money. The ICVC has separate sub-funds. Each sub-fund is managed in accordance with the investment objectives set out in the Prospectus and the FCA Collective Investment Schemes sourcebook ("COLL").

It should be remembered that the value of your shares will be affected by fluctuations in the relevant markets and foreign currency exchange rates (where applicable) and may, therefore, go down as well as up. You should view your investment over the medium to long-term.

Please contact us on 0845 358 1100 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as schemes which comply with Chapter 5 of the COLL sourcebook.

The base currency of the Company is Sterling.

### Shares

The Company currently offers 2 share classes; Class A and Class B. Each share class has a different ACD fee.

### Prices and Dealing Times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0845 066 1110.

Shares may be bought or sold between 9.00am and 5.00pm on Mondays to Fridays inclusive.

### Protected Cell Regime

The ICVC has adopted a 'protected cell regime' which means that the liabilities of each sub-fund are now segregated from the other sub-funds, so the debts of each sub-fund cannot therefore be passed to another. This has the benefit of providing stronger investor protection.

### Cross Holdings

There were no cross holdings between sub-funds in SVM ICVC as at 30 June 2018.

### Prospectus

The Prospectus, which is available from the ACD free of charge, outlines how the ICVC is managed and gives details of the types of assets in which each sub-fund may invest. The Prospectus and (where applicable) the Instrument of Incorporation have been amended during the six months to 30 June 2018 (as noted in the ACD's Report). Full terms and conditions are available from the ACD.

### Personal Taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisors if they are in any doubt about their position.

### Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact the ACD. Please supply details of your holding (including surname, initials and account number).