



## 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	48.1	
Cyclical	20.8	
Consumer Cyclical	13.1	
Defensive	9.1	
Oil & Gas	6.5	
Unstable Financial	2.5	
Stable Financial	0.0	
Mining	0.0	
Cash	-0.2	

### Technology

48.1%

Microsoft	8.6
Alphabet	8.2
Micron Technology	5.4

### Cyclical

20.8%

Synthomer	4.4
Alpha FMC	4.2
Hitachi	3.9

### Consumer Cyclical

13.1%

Entain	5.6
Norcros	2.8
Ryanair	2.6

### Defensive

9.1%

Uniphar	5.4
Drax Group	1.9
Smith & Nephew	1.8

### Oil & Gas

6.5%

Jadestone Energy	3.1
Energiean	1.4
Savannah Energy	1.2

### Unstable Financial

2.5%

Prudential	2.4
Jackson Financial	0.1

### Stable Financial

0.0%

### Mining

0.0%

## This Month's Featured Stock

### Synthomer

Synthomer is a diversified chemicals company. The group manufactures speciality polymers for a wide range of industries.

As mentioned in the fund commentary, Synthomer was impacted during the month by a broker note raising concerns about the outlook for the synthetic rubber glove market. Synthomer is a global leader in the manufacture of nitrile butadiene reflex (NBR), the key raw material used in the production of nitrile rubber gloves. This industry has been in structural growth for many years, driven by increasing global hygiene standards and the substitution of traditional rubber gloves, which are not suitable for those

with latex allergies. A Covid-induced spike in demand led to surge in unit margins, helping Synthomer achieve super-normal margins over the past 18 months. This will inevitably normalise over the upcoming year, an outcome that is widely anticipated, but we believe that the longer-term growth characteristics of the industry remain unchanged.

These Covid-related benefits have distorted Synthomer's earnings profile. Consensus analyst estimates now expect operating profits in 2022 to be c.25% below those achieved in 2021. Lazier investors who rely heavily on earnings momentum as a screen will take a negative view

on the stock. In our opinion, this is a mistake. The additional cash generated over the past 18 months has allowed management to accelerate the group's M&A strategy. November's acquisition of Eastman's Adhesive Resins helps diversify Synthomer from both a geographic and end-market perspective.

Trading on an estimated 2022 PE of c.8x, we believe Synthomer is significantly undervalued. The business has been transformed in recent years to become a truly global chemicals company exposed to a range of industries with attractive demand profiles. Having attracted private equity interest in the past, it would be no

## 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

	(%)	
Microsoft	8.6	
Alphabet	8.2	
Entain	5.6	
Micron Technology	5.4	
Uniphar	5.4	
MagnaChip Semiconductor	5.1	
Apple	4.6	
SK Hynix	4.5	
ON Semiconducto	4.4	
Synthomer	4.4	
<b>Rest of Portfolio</b>	<b>43.7</b>	

### Geographic Stock Analysis (%)

North America	39.4	
United Kingdom	39.2	
Europe (excluding UK)	11.0	
Japan	5.5	
Asia Pacific (excluding Japan)	5.1	
Latin America	0.0	
Other	0.0	

### Sector Breakdown

	(%)	
Information Technology	36.5	
Industrials	15.4	
Health Care	10.7	
Consumer Discretionary	9.4	
Materials	9.1	
Communication Services	8.2	
Energy	6.5	
Financials	2.5	
Utilities	1.9	
Consumer Staples	0.0	
Real Estate	0.0	



### Size Analysis

	(%)
Mega Cap (>£50bn)	31.3
Large Cap (<£50bn)	18.2
Mid Cap (<£10bn)	27.2
Small Cap (<£1bn)	23.4



### Net Currency Exposure

	(%)
Euro	11.0
Sterling	39.4
US Dollar	39.5
Japanese Yen	5.5
Others	5.1

## Fund Performance

to 31/12/2021

### Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	4.1	26.7	26.7	89.0	85.7	269.8
MSCI ACWI IMI Index	1.6	19.3	19.3	63.3	76.6	242.2

Source: FE fundinfo, as at 31/12/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

\*The Fund was launched on 01 December 2010

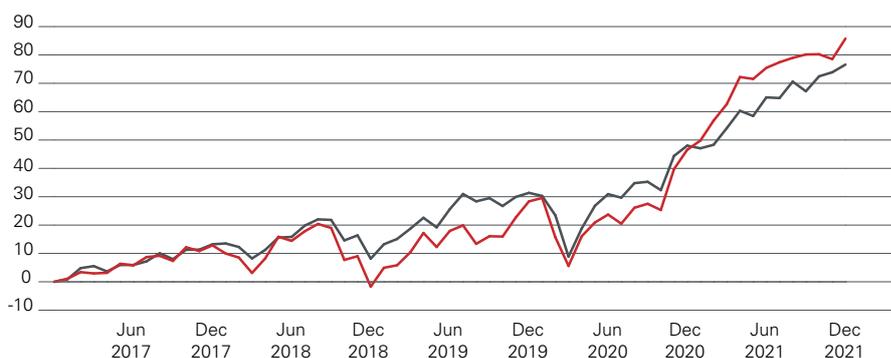
### Percentage growth year on year to 31 December

	2021	2020	2019	2018	2017
SVM World Equity Fund B	26.7	14.2	30.6	-12.9	12.8
MSCI ACWI IMI Index	19.3	12.7	21.5	-4.5	13.2
Performance Difference	+7.4	+1.5	+9.1	-8.4	-0.4

Source: FE fundinfo, as at 31/12/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

### Five Year Performance (%)

■ SVM World Equity Fund B ■ MSCI ACWI IMI Index



Source: FE fundinfo, as at 31/12/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but it neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

### Past performance is not a guide to future performance.

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

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

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

### The Fund incurs the following key risks:

In the event a preliminary charge is levied and an Investor then redeems the investment shortly after investing, they may not get back the original amount due to the initial charges; regardless of any market movements. Tax treatment can change at any time without notice and is beyond control of the Fund. Expenses incurred by the Fund that are chargeable can reduce income and restrain the capital growth of the Fund. Currency movements may cause the value of your investment to fall as well as rise. Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio. There can be no guarantee that the investment objective of a Fund will be achieved or provide the returns sought by the Fund. The Fund 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.

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### MEX:

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Share Class B SXUAB

### SEDOL:

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**INDEPENDENT THINKING**