

SVM All Europe SRI Fund

The objective of the Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI Europe Index. It adopts a positive engagement approach toward investment and enters into meaningful dialogue with companies regarding environmental, social and corporate governance issues. Investments are made in European equities and other permitted securities.



April 2021 | Share Class B

Factsheet as at 31 March 2021



Monthly Fund Commentary

Equities made further progress over the month despite mixed Covid news. Tensions over vaccines remain and many parts of Europe are entering further lockdowns. Further wrangling over the safety profile of the Astra/Oxford vaccine risks undermining vaccination efforts in Europe and elsewhere. Infection rates also continue to rise in places such as India and Brazil where it had been thought there was a reasonable element of herd immunity. In spite of such concerns, investors continued to focus on the bigger picture: the vaccine roll-out is ongoing and recent economic data has highlighted the scope for a significant acceleration in economic activity. The fund gained +7.4% versus +4.6% for the MSCI Europe Index.

Economic activity continued to rebound across the globe. Hiring is picking up aggressively and there is little evidence that either business or consumers have been significantly scarred by the pandemic. House prices in the US and elsewhere are rising at the fastest rate since the global financial crisis. President Biden's stimulus was passed by US lawmakers and Europe is moving ahead with its recovery fund despite an attempted intervention by the German constitutional court. With monetary policy also extremely supportive, economic and profit forecasts for the next twelve to eighteen months look unduly conservative.

The fund's consumer cyclical stocks performed well as investors looked forward to the reopening of the economy. Many of them were buoyed by strong updates. Bathroom and kitchen supplier, Norcros, even managed to release two positive trading updates in just one month. These resulted in the house broker raising forecasts for over 30% for the current year to the end of April and over 20% for the following year. Importantly, the impressive profit performance has been mirrored by the

group's cash generation and the business will be in a net cash position at year-end, providing significant scope for further acquisitions. Norcros has successfully acquired and integrated a number of smaller suppliers over the last couple of years and these acquisitions have generated material revenue synergies. As long-term shareholders, we look forward to the benefits of further acquisitions. Despite the management's impressive track record the shares continue to languish at a material discount to both the sector and the market.

Vistry delivered full-year results that confirmed the strength of the ongoing recovery in the housebuilding division and strength in the partnerships business. In the twelve months since it acquired Linden Homes and the Partnerships & Regeneration business from Galliford Try, the group has made excellent progress in integrating the businesses and reducing debt. Management's confidence in the outlook for the business was evidenced by significant share purchases by the CEO, Greg Fitzgerald.

Volusion rose post impressive full-year results. Revenue grew at high-single digits in constant currency and adjusted profits grew in excess of 20%. Despite the sharp move in the share price over the last six months we believe there is further upside. Ventilation and air handling are of increasing importance in both new build and refurbished properties and look set to deliver robust growth for many years. Aviation services provider, Menzies, climbed as investors anticipated the resumption of air travel. The group's full year results provided further evidence of improved operational delivery. Costs have been cut and new contracts signed.

There were no significant decliners. The fund participated in the IPO of operational software business, ActiveOpps.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
MSCI Europe Index

IA Sector: Europe inc UK

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

Fund Size: £19.2m

Fund Managers:

Neil Veitch (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 14 Industry Experience: 24
Hugh Cuthbert (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 14 Industry Experience: 25

Fund Charges (OCF*):

Share Class A 1.98%
Share Class B 1.23%

*Ongoing Charges Figure includes Annual Management Charge and additional expenses.

Minimum Investment:

	Initial	Subsequent
Share Class A	£1,000	£200
Share Class B	£250,000**	£200

**Discounted to £1,000 for Professional Advisers

Risk and Reward Profile:



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

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

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

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

The lowest risk number does not mean risk free.

As at 01/01/2021

Past Performance is not a guide to future performance. All financial instruments involve a degree of risk. The value of your investments and any income from them can go down as well as up and you may not get back the amount originally invested.

INDEPENDENT THINKING

Portfolio Analysis

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.

Cyclical	42.2	
Unstable Financial	21.9	
Consumer Cyclical	17.2	
Defensive	10.7	
Technology	7.5	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	0.5	

Cyclical 42.2%

Synthomer	5.5
Smurfit Kappa Group	5.2
Rexel	4.5
Forterra	4.3
Alpha FMC	4.1

Unstable Financial 21.9%

Prudential	5.5
AXA	4.6
Lloyds Banking Group	4.1
OSB Group	3.9
Allianz	3.8

Consumer Cyclical 17.2%

Norcros	6.4
Jost Werke	3.7
Vistry Group	2.8
Tesco	2.4
Nordic Entertainment Group	1.9

Defensive 10.7%

Uniphar	5.0
DCC	3.3
Roche Holdings	2.4

Technology 7.5%

Creo Medical Group	3.9
Koninklijke Philips	2.4
ActiveOps	1.2

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

CRH

It is at this time of year we eagerly await disclosure from our investee companies regarding their environmental performance in the previous year. Irish building materials and products company CRH has been of particular interest to us as the highest emitter of CO₂ in our fund as a result of its prominent position in the market for cement production. The company's Corporate Social Responsibility Report was published on the 26th March which we have scrutinised to assess the progress they have made on emissions reduction with an eye to further engagement on this important topic. Our analysis raises a number

of questions which we will put to the company over the coming weeks.

First the good news. The company does appear committed to a reduction in carbon with a host of measures including a target of 33% less CO₂ per KG of cement produced by 2030. There is also a commitment to net zero emissions by 2050 and all this is enhanced by the targets being officially science based which adds an element of credibility to their ambitions. The report also lists a host of initiatives being undertaken including the use of alternative, more environmentally friendly raw materials as well as renewable energy

sources.

But for us this news is overshadowed by the company's overall environmental performance in 2020 not least the fact that group emissions in fact increased from 1.2kg CO₂ per \$ of revenue in 2019 to 1.3kg in 2020 a greater than 8% year on year increase.

While setting of long-term environmental targets clearly have an important role to play, there can be numerous management changes in the intervening period making short term performance an equally important measure and something we will soon be addressing with CRH.

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 All Europe SRI Fund portfolio will vary considerably from the benchmark index and from other funds that are in the same IA sector.

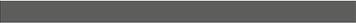
Top 10 Holdings

	(%)	
Norcros	6.4	
Synthomer	5.5	
Prudential	5.5	
Smurfit Kappa Group	5.2	
Uniphar	5.0	
AXA	4.6	
Rexel	4.5	
Forterra	4.3	
Alpha FMC	4.1	
Lloyds Banking Group	4.1	
Rest of Portfolio	50.8	

Country Breakdown

	No. of Stocks	(%)	
UK	17	61.4	
France	3	11.9	
Ireland	2	10.1	
Germany	3	9.4	
Switzerland	1	2.4	
Netherlands	1	2.4	
Sweden	1	1.9	
Other		0.0	

Sector Breakdown

	(%)	
Industrials	28.5	
Financials	21.9	
Materials	20.9	
Health Care	13.7	
Consumer Discretionary	6.2	
Information Technology	4.1	
Consumer Staples	2.4	
Communication Services	1.9	
Energy	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	6.3
Large Cap (<€50bn)	25.9
Mid Cap (<€10bn)	34.6
Small Cap (<€1bn)	32.6



Currency Exposure

	(%)
Euro	37.9
Sterling	57.3
Swiss Franc	2.4
Swedish Krona	1.9

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ISIN:

Share Class A GB00B1FL7S17
Share Class B GB00B1FL7V46

MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

Sedol GBP B1FL7S1
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Fund Performance

to 31/03/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	7.4	10.9	58.9	24.6	60.5	286.7
MSCI Europe Index	4.6	3.3	30.9	22.1	59.1	141.9
IA Europe inc UK Sector	3.9	3.0	35.3	24.4	59.6	146.3

Source: Lipper, as at 31/03/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

*The Fund was launched on 31 October 2006

Percentage growth year on year to 31 March

	2021	2020	2019	2018	2017
SVM All Europe SRI Fund B	58.9	-17.8	-4.7	9.6	17.6
MSCI Europe Index	30.9	-10.6	4.3	2.6	27.0
Performance Difference	+28.0	-7.2	-9.0	+7.0	-9.4

Source: Lipper, as at 31/03/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



■ SVM All Europe SRI Fund B ■ MSCI Europe Index

Source: Lipper, as at 31/03/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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Past performance is not a guide to future performance.

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

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

The Fund is to be considered a medium to long term investment option.

The Fund incurs the following key risks:

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

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.