



## 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.

Defensive	17.0	
Consumer Cyclical	16.4	
Technology	16.3	
Cyclical	14.9	
Unstable Financial	11.7	
Stable Financial	10.1	
Oil & Gas	1.1	
Mining	0.0	
Cash	12.4	

#### Defensive 17.0%

Energiekontor	3.9
Veolia	3.2
Thales Group	2.3
PNE	2.1
Roche Holdings	1.8

#### Consumer Cyclical 16.4%

Ipsos	2.6
Verallia	2.4
Schibsted	2.3
JOST Werke	2.1
Aluflexpack	1.8

#### Technology 16.3%

Crayon	3.4
Sesa	3.3
Hexatronic Group	2.8
United Internet	2.4
Aker Carbon Capture	1.8

#### Cyclical 14.9%

Capgemini	3.6
H+H International	3.3
Dustin	3.2
Rexel	2.4
Wienerberger	2.3

#### Unstable Financial 11.7%

Mediobanca	3.8
AXA	2.9
Banca Mediolanum	2.7
Allianz	2.3

#### Stable Financial 10.1%

Ringkøbing Landbobank	3.4
PATRIZIA	2.1
Partners Group Holding	1.9
LEG Immobilien	1.4
S IMMO	1.4

#### Oil & Gas 1.1%

TotalEnergies	1.1
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#### Mining 0.0%

## This Month's Featured Stock

### Veolia Environnement

French utility Veolia Environnement recently completed a long-awaited merger with arch rival Suez to become a diversified global player in waste and water processing. Not only does the merger offer large cost cutting potential but also the enlarged group will dilute Veolia's exposure to the French market, an issue which has likely held the shares back prior to this new corporate structure being formed. As the company relies on very large long-term contracts any further diversification is welcomed and this deal appears the perfect solution. There are, however, certain

regulatory hurdles which stand in the way but this should not necessarily be viewed in a negative light as any disposals which arise are likely to be sold at a healthy price in today's low interest rate environment. This should be welcomed as Veolia's debt burden will be in excess of 3x net debt/EBITDA under the new structure and any move to bring this to more comfortable levels is likely to be rewarded by the market. The company has a good track record in this area.

We can see a number of clear catalysts on the

horizon for Veolia which, if successfully enacted, should result in good upside for the shares. Currently priced at below 6x EV/EBITDA in the coming years the valuation appears too cheap for a utility which is exposed to many of the themes which investors currently prize highly including waste recycling and clean water provision. Not only this but Veolia offers the prospect of some growth as new contracts are won and their commodity business is highly exposed to global GDP growth.

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

### Top 10 Holdings

	(%)	
Energiekontor	3.9	
Mediobanca	3.8	
Capgemini	3.6	
Crayon	3.4	
Ringkøbing Landbobank	3.4	
H+H International	3.3	
Sesa	3.3	
Dustin	3.2	
Veolia	3.2	
AXA	2.9	
<b>Rest of Portfolio</b>	<b>66.0</b>	

### Country Breakdown

	No. of Stocks	(%)	
France	9	21.6	
Germany	10	21.1	
Italy	4	11.1	
Norway	4	8.8	
Sweden	3	7.0	
Denmark	2	6.7	
Switzerland	3	5.5	
Austria	2	3.7	
Netherlands	1	1.1	
Belgium	1	0.9	

### Sector Breakdown

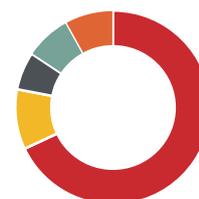
	(%)	
Industrials	17.6	
Financials	17.0	
Information Technology	14.5	
Materials	9.8	
Communication Services	9.6	
Real Estate	4.8	
Consumer Discretionary	4.5	
Health Care	4.4	
Utilities	3.2	
Energy	1.1	
Consumer Staples	1.1	

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



### Size Analysis

	(%)
Mega Cap (>€50bn)	8.2
Large Cap (<€50bn)	14.4
Mid Cap (<€10bn)	51.5
Small Cap (<€1bn)	13.5



### Currency Exposure

	(%)
Euro	59.6
Norwegian Krone	8.8
Swiss Franc	5.5
Danish Krone	6.7
Swedish Krona	7.0

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## Fund Performance

to 31/10/2021

### Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM Continental Europe Fund B	4.1	20.8	52.8	88.7	107.1	583.9
MSCI Europe ex UK Index	3.0	15.0	33.2	42.8	61.7	248.7
IA Europe ex UK Sector**	2.1	13.9	33.3	41.6	56.4	207.1

Source: FE fundinfo, as at 31/10/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

\*The Fund was launched on 20 March 2000

\*\*IA is provided as a comparator

### Percentage growth year on year to 30 September

	2021	2020	2019	2018	2017
SVM Continental Europe Fund B	36.0	21.3	2.7	0.6	24.4
MSCI Europe ex UK Index	21.8	0.2	6.8	2.2	22.4
Performance Difference	+14.2	+21.1	-4.1	-1.6	+2.0

Source: FE fundinfo, as at 30/09/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

### Five Year Performance (%)



### ■ SVM Continental Europe Fund B

Source: FE fundinfo, as at 31/10/2021, 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. 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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