

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.



December 2020 | Share Class B

Factsheet as at 30 November 2020



Monthly Fund Commentary

Equities rose strongly over the month as investors digested a slew of positive vaccine data. The three groups closest to having a vaccine approved all announced encouraging results. Although the clinical trial data for each drug varied, they all appear to be highly efficacious in preventing symptoms as well as reducing the number of severe cases. This should significantly diminish Covid's impact on healthcare systems and likely herald a return to normality by the summer of 2021. In response those companies that have been most impacted by the pandemic saw their share prices rebound strongly. Challenges remain but we believe the outlook for equities is now as positive as it has been for a considerable time. The fund returned 15.8% versus the MSCI Europe TR that returned 13.3%.

Away from the pandemic the Brexit negotiations inched inexorably towards a conclusion. At the time of writing the outcome remains uncertain. On balance we believe there will be some form of deal. The substance of it, however, is unlikely to be vastly different from what we might have termed 'no deal' at the outset of the process. Nonetheless, should a deal be forthcoming we would expect UK assets to rally as a source of major uncertainty is removed.

It is an unusual time when the outcome of the US Presidential election is relegated to the third paragraph of a fund manager's monthly. After a string of upsets pollsters finally regained some credibility as the long-time frontrunner, Joe Biden, won the US election – even if The Donald has yet to recognise it. The Democrats, however, failed to win a majority in the Senate. Technically, it is still possible as Georgia's two senate seats will be decided in a run-off but the republicans should retain at least one. A Democratic President and a Republican

controlled Senate is a reasonable outcome for investors and markets responded accordingly.

The vaccine news dominated returns at a stock level. Many leisure and consumer exposed businesses rose over 30% during the month. Banks and insurers were also strong. Axa and Prudential each added over 1pct to the fund's performance. Indeed, 'value' as a style enjoyed its best day versus 'growth' for a number of years. Va-Q-Tec was the largest positive contributor to performance. The stock soared as the company confirmed it was in discussions with a number of the Covid-19 vaccine developers regarding the use of its proprietary packaging technology to keep the serum at the correct temperature in the supply chain. The group's products use a combination of vacuum packs and phase change materials to maintain the low temperatures that are required to transport the majority of vaccines. Not only do their packaging solutions keep the vaccine at the appropriate temperature but it is remotely monitored as well as being more environmentally friendly than competing solutions. Visualisation and display provider, Barco, jumped as the outlook for their entertainment division improved with the prospect of a vaccine. The group has an interesting product offering but its shares have been weighed down by the outlook for this division. With demand likely to improve and a major competitor leaving the industry we think there is material opportunity to improve the group's financial performance. There were no significant negative contributors.

The holdings in Nestle, Lime Technologies, and Kooth were exited and the position in Unilever significantly reduced. A new unit was added in Rexel and additions were made to a number of cyclical holdings.

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: £20.0m

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 29/05/2020

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	39.2	
Unstable Financial	17.6	
Defensive	16.6	
Consumer Cyclical	15.4	
Technology	7.7	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	3.5	

Cyclical 39.2%

Synthomer	6.0
Smurfit Kappa Group	5.1
Forterra	3.8
Alpha FMC	3.5
TI Fluid Systems	3.4

Unstable Financial 17.6%

Prudential	4.9
AXA	4.4
OSB Group	3.4
Lloyds Banking Group	3.0
Allianz	1.8

Defensive 16.6%

Uniphar	5.5
DCC	4.0
Roche Holdings	3.6
AstraZeneca	3.6

Consumer Cyclical 15.4%

Norcros	4.7
Tesco	4.0
Jost Werke	2.7
Unilever	2.0
Associated British Foods	1.9

Technology 7.7%

Creo Medical Group	2.9
Koninklijke Philips	2.2
Barco	1.7
Simec Atlantis Energy	0.9

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

AstraZeneca

UK and Swedish listed pharmaceutical company AstraZeneca not only develops and manufactures innovative and life-saving drugs but also has a best in class approach to sustainability reporting. Numerous targets and data are released ranging from renewable energy, where a 100% target is set for 2025, to the discharge of active pharmaceutical ingredients which allows for the number and percentage of safe releases to be monitored.

The company has been in the news lately for the role it hopes to play in the search for a vaccine against COVID-19. CEO Pascal Soriot has

repeatedly stated that the company will not profit from this development viewing the undertaking as a project to aid mankind rather than turn a profit. This approach appears to reflect the underlying ethos of the company toward sustainability but of course management and supervisory boards can change so how can we, as investors, ensure this ethos remains embedded in the company culture?

For AstraZeneca we contacted the company last year requesting consideration is given to embedding ESG metrics in the remuneration packages of senior management. Their reply was that this was not something they could currently

undertake but would keep the issue under review. Interestingly the latest report from the company's Remuneration Committee now states the following;

"Looking ahead, the Committee will be seeking to include one or more ESG metrics into executive incentive arrangements for the 2021 performance year, to underline the importance we place on these issues."

Great news, hopefully ensuring that sustainability remains very much at the forefront of management thinking for many years to come.

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.

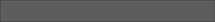
Top 10 Holdings

	(%)	
Synthomer	6.0	
Uniphar	5.5	
Smurfit Kappa Group	5.1	
Prudential	4.9	
Norcros	4.7	
AXA	4.4	
Tesco	4.0	
DCC	4.0	
Forterra	3.8	
Roche Holdings	3.6	
Rest of Portfolio	53.9	

Country Breakdown

	No. of Stocks	(%)	
UK	17	55.3	
Ireland	2	10.6	
France	3	9.8	
Germany	4	7.7	
Netherlands	2	4.2	
Switzerland	1	3.6	
Sweden	1	3.6	
Belgium	1	1.7	
Other	0.0	0.0	

Sector Breakdown

	(%)	
Industrials	37.8	
Financials	17.6	
Health Care	12.2	
Consumer Goods	10.1	
Consumer Services	9.5	
Basic Materials	6.0	
Technology	2.3	
Utilities	0.9	
Oil & Gas	0.0	
Telecommunications	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	11.0
Large Cap (<€50bn)	26.2
Mid Cap (<€10bn)	30.1
Small Cap (<€1bn)	29.3



Currency Exposure

	(%)
Euro	37.4
Sterling	52.0
Swiss Franc	3.6
Swedish Krona	3.6

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Share Class B GB00B1FL7V46

MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

Sedol GBP B1FL7S1
Sedol GBP B1FL7V4

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Fund Performance

to 30/11/2020

Cumulative Performance, % change

	One month	2020 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	15.8	-1.6	3.6	3.1	36.6	237.0
MSCI Europe Index	13.3	0.4	1.8	11.1	50.1	129.1
IA Europe inc UK Sector	12.4	4.2	5.9	14.9	52.6	131.8

Source: Lipper, as at 30/11/2020, 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 30 September

	2020	2019	2018	2017	2016
SVM All Europe SRI Fund B	-2.8	-4.0	2.4	21.9	10.7
MSCI Europe Index	-4.9	5.7	3.2	19.1	20.3
Performance Difference	+2.1	-9.7	-0.8	+2.8	-9.6

Source: Lipper, as at 30/09/2020, 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 30/11/2020, 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.

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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.