

SVM World Equity 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 ACWI IMI. The Fund will identify investment opportunities in companies globally whose future growth is not reflected in current market expectations. The Fund may invest in 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 11.5% versus the MSCI ACWI IMI NR that returned 9.1%.

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 major source of 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. Ryanair was the largest individual contributor to the fund's performance. The shares climbed higher as investors anticipated a rapid return to normality. We believe that consensus profit expectations underestimate the potential strength of the recovery both in the short and medium term. Industry surveys suggest there is considerable pent-up demand. But many airlines have reduced capacity in response to the pandemic and are no longer in a position to bring it back. Ryanair's excellent financial position has enabled it to navigate through the current turbulence with its operations largely intact, leaving it well placed for the upturn. Financials, including Prudential, were also strong. Indeed, 'value' as a style enjoyed its best day versus 'growth' for a number of years. Energy stocks, Engean and Jadestone, rose as the oil price jumped in response to the prospect of improved demand. Both SK Hynix and Micron performed strongly as channel checks suggested that demand for memory chips was recovering faster than anticipated. The current quarter appears to have benefitted from a pick-up in industrial and automotive demand while pc has remained strong. The recovery in demand appears likely to be sustained through 2021 as the roll-out of 5G smart phones accelerates, pc/console demand remains robust and industrial rebounds. There were no significant negative contributors.

New positions were initiated in Trimble and Pantheon Resources.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 1 December 2010

Benchmark Index:
MSCI ACWI IMI Index

IA Sector: Global

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

Fund Size: £13.9m

Fund Manager:

Neil Veitch (Fund Manager)
Appointed: 01/12/2010
Years at SVM: 14 Industry Experience: 24

Fund Charges (OCF*):

Share Class A 1.97%
Share Class B 1.22%

*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 10/07/2020

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.

Technology	40.6	
Cyclical	23.1	
Consumer Cyclical	20.5	
Defensive	7.5	
Oil & Gas	6.8	
Unstable Financial	3.6	
Stable Financial	0.0	
Mining	0.0	
Cash	-2.2	

Technology

40.6%

Alphabet	9.1
Microsoft	8.6
Micron Technology	5.0

Cyclical

23.1%

Synthomer	5.5
Hitachi	4.1
Denka	3.4

Consumer Cyclical

20.5%

Visa	8.3
GVC Holdings	5.2
Ryanair	4.4

Defensive

7.5%

Uniphar	3.9
Roche Holdings	3.6

Oil & Gas

6.8%

Jadestone Energy	2.8
Energean	2.3
Pantheon Resources	1.2

Unstable Financial

3.6%

Prudential	3.6
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Stable Financial

0.0%

Mining

0.0%

This Month's Featured Stock

SK Hynix

SK Hynix ('SK'), originally founded as Hyundai Electronics in 1983, is one of the world's leading semiconductor manufacturers. The company focuses largely on the production of DRAM and NAND Flash memory semiconductors, essential components for the mobile and computing industry.

DRAM semiconductor prices have been somewhat volatile through 2020. Covid-induced shift towards online-based activities increased demand through the first half of the year and boosted prices. Towards the end of the year customer destocking had a dampening effect

as things began to normalise. Looking forward, though, both the short and medium-term outlook remain positive. The 5G mobile cycle, demand for Sony and Microsoft's new gaming consoles, and normalised customer inventory levels all bode well for the upcoming year.

SK announced in October that it was acquiring Intel's NSG (Non-volatile memory Solutions Group) business for \$9bn. This deal will significantly increase the company's market position in the NAND Flash market, from c.11% to over 20%, making it the second largest global player behind Samsung. Intel brings a strong position in Solid

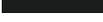
State Drives, important in the enterprise and data centre markets, where SK Hynix had previously been weak. Intel's Chinese fabrication facility also gives the group direct exposure to this important market. Although the deal is structured in a way that asset handovers are phased over a few years, it should enhance both SK's product offering and operational efficiency.

Currently trading on an estimated 2021 PE of only 12x, we believe the market has not fully recognised the attractiveness of SK's core business or the opportunities the Intel deal has provided.

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

	(%)	
Alphabet	9.1	
Microsoft	8.6	
Visa	8.3	
Synthomer	5.5	
GVC Holdings	5.2	
Micron Technology	5.0	
SK Hynix	5.0	
Ryanair	4.4	
Hitachi	4.1	
Uniphair	3.9	
Rest of Portfolio	41.0	

Geographic Stock Analysis (%)

North America	37.5	
United Kingdom	36.8	
Europe (excluding UK)	14.3	
Asia Pacific (excluding Japan)	6.0	
Japan	7.5	
Latin America	0.0	
Other	0.0	

Sector Breakdown

	(%)	
Technology	31.4	
Industrials	14.6	
Consumer Services	13.6	
Financials	11.9	
Basic Materials	8.9	
Health Care	7.5	
Oil & Gas	6.8	
Consumer Goods	5.2	
Telecommunications	2.4	
Utilities	0.0	



Size Analysis

	(%)
Mega Cap (>£50bn)	39.4
Large Cap (<£50bn)	15.8
Mid Cap (<£10bn)	23.9
Small Cap (<£1bn)	23.0



Net Currency Exposure

	(%)
Euro	12.8
Sterling	34.9
Europe non-Euro	3.6
US Dollar	35.3
Japanese Yen	7.6
Others	6.0

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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 World Equity Fund B	11.5	8.9	13.9	26.1	70.0	178.2
MSCI ACWI IMI Index	9.1	9.9	11.1	29.7	87.0	179.7

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 01 December 2010

Percentage growth year on year to 30 September

	2020	2019	2018	2017	2016
SVM World Equity Fund B	9.9	-2.5	10.9	19.2	20.4
MSCI ACWI IMI Index	4.4	6.3	12.8	15.0	30.9
Performance Difference	+5.5	-8.8	-1.9	+4.2	-10.5

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 (%)



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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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. 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.

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.