

# SVM UK Emerging Fund plc

The investment objective of the Fund is long-term (5 years or more) capital growth from investments in smaller and medium sized UK companies. Its aim is to outperform the IA UK All Companies Sector Average Index on a total return basis.



October 2021

Figures as at 30 September 2021



## Quarterly Fund Commentary

Over the quarter, the Fund returned 7.1% (NAV) and 12.7% (share price) versus returns of 2.7% in the IA UK All Companies Sector average, and 2.3% in the MSCI UK Investable Market Index. This took the Fund's 12 month performance to 38.8% (NAV) and 62.7% (share price), versus IA UK All Companies Sector average and MSCI UK IMI returns of 32.4% and 27.6%, respectively (to 30 September 2021). Over five years to 30 September 2021 the Fund has returned 70.4% (NAV) and 79.1% (share price) versus IA UK All Companies Sector average and MSCI UK IMI returns of 38.6% and 26.1%, respectively. (total return, FE fundinfo data, average and index returns for comparison purposes).

The quarter saw gains in a number of the portfolio's growth businesses; Alpha FX, Kape Technologies, Reach, FDM and Dianomi. Entain gained on a bid approach, lifting others in the gaming sector including Flutter. Laggards in the quarter included ASOS, Restaurant Group, XP Power and NCC Group.

During the quarter, additional investments were made in NCC Group, Porvair, Maxcyte and Marlowe. Revolution Beauty and Microlise Group were new purchases. To fund these, Moonpig, Fevertree, Insig AI, Ocado, AO World and The Hut Group were sold.

Revolution Beauty floated in July 2021, and it sells cosmetics and skin and haircare products via Boots and online. It uses innovative influencer-led marketing strategies and is growing strongly, both digitally and physically.

Microlise was also an IPO during the quarter, but is a long established business. It provides logistics management services via digital and remote methods to optimise operations and ensure regulatory compliance for truck fleets. It dominates the market for large fleets.

Kooth reported strong trading, it floated in 2020 and provides services for mental wellbeing, with Health Commission Groups as clients. It is moving into more adult provision and servicing corporates. This is a growing area of need and Kooth has developed effective services for early intervention.

Your Fund remains fully invested with some additional gearing, focused on resilient growing businesses.

## Fund Facts

**Launch Date:** 18 October 2000

**Benchmark Index:**  
IA UK All Companies Sector Average

**Fund type:** Investment Trust

**Registered No:** SC211841

### Fund Managers:

**Margaret Lawson** (Fund Manager)

Appointed: 01/10/2012

Years at SVM: 31 Industry Experience: 41

**Colin McLean** (Deputy Fund Manager)

Appointed: 18/10/2000

Years at SVM: 31 Industry Experience: 47

### Listed:

London Stock Exchange

Investments: £8.8m

Share Price: 115.50p

NAV: 145.69p

**The month end published NAV is calculated on a bid price basis.**

### Corporate Calendar

Year End: 31 March

Half Year: 30 September

### Codes:

RIC: SVME

ISIN: GB0000684174

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 Structure

Top 10 Long Holdings	(Net %)	Sector Breakdown	(%)
Alpha FX Group	4.6	Industrials	26.8
Dechra Pharmaceuticals	3.3	Information Technology	19.2
4imprint Group	3.3	Consumer Discretionary	15.5
Ceres Power	3.2	Communication Services	13.2
Watches of Switzerland	3.0	Financials	9.1
Unite Students	2.5	Health Care	8.3
Draper Esprit	2.4	Consumer Staples	4.0
FDM Group	2.4	Real Estate	3.1
Keystone Law Group	2.4	Materials	0.8
XP Power	2.3	Energy	0.0
		Utilities	0.0
		Portfolio Analysis	(%)
		Large Cap	19.5
		Mid Cap	30.9
		Small Cap	4.2
		AIM	45.4

## Enquiries

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Calls may be recorded

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## Fund Performance

to 30/09/2021

### Percentage growth year on year to 30 September

	2021	2020	2019	2018	2017
SVM UK Emerging NAV	38.9	-5.8	-13.3	19.3	25.9
IA UK All Companies Average	32.4	-12.7	0.0	5.5	13.7
Performance difference	+6.5	+6.9	-13.2	+13.8	+12.2

Source: SVM/FE fundinfo, as at 30/09/2021, total return, UK net tax.

The Fund was launched on 18 October 2000.

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

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

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

### The Fund incurs the following key risks:

If an Investor redeems the investment shortly after investing, they may not get back the original amount due to market movements. Tax treatment can change at any time without notice and is beyond control of the Fund. The Fund is exposed to credit and settlement risk in its dealings with Counter Parties in day to day business. This may result in a loss to the Fund if a Counter Party business fails. 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. A Fund with a concentrated portfolio carries a greater risk to that of a Fund with a larger spread of investments. Investment trusts can borrow money to make investments; this can lead to greater losses if markets fall. The Fund uses Contracts for Difference (CFDs) as part of the investment strategy; this can increase the risk profile and volatility of the Fund. Some unquoted investments may become difficult to realise as prices may not be readily available or a reliable indicator of value.