

SVM UK100 Select Fund

Short Report

Year to 31 December 2007



Investment Objective

The objective of this Fund is to achieve above average capital growth over the medium to long-term (although short-term investment opportunities will also be considered) and it aims to outperform the FTSE 100 Index.

Risk Profile

The Fund is exposed to market risk as it invests mainly in large companies listed on the FTSE 100 index. The Fund holds a concentrated portfolio of around 30-40 companies and is exposed to stockmarket fluctuations.

Distribution

XD date: 31 December

Payment date: 30 April (Accumulation shares)

The following distribution was accumulated over the last accounting period.

Income		
	31/12/07 pence per share	31/12/06 pence per share
UK100 Select A class	1.1094	2.3891
UK100 Select B class	2.0578	2.9463

Total Expense Ratio (TER)

The TER shows the annualised operating expenses of the Fund. It does not include transaction expenses.

Fund Total Expense Ratio (p.a.)	Class A Shares	Class B Shares
UK100 Select Fund	1.46 %	0.98 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 12 months X 100

The above figures were calculated by SVM Asset Management using data sourced from the 31 December 2007 Report and Accounts. The figures are intended to provide an indication of the Total Expenses Ratio and will vary from year to year.

Fund Performance

Percentage growth for each year to last quarter end	31/12/02 31/12/03	31/12/03 31/12/04	31/12/04 31/12/05	31/12/05 31/12/06	31/12/06 31/12/07
UK100 Select	+12.3	+10.3	+19.9	+22.4	+7.1

Source: Lipper Hindsight, mid to mid, UK net. Past performance should not be seen as an indication of future performance. All performance data refers to the A (retail) share class.

Comparative Tables

Net Asset Values

	Net asset value of shares £ 000	Net asset value in pence per share	Shares in issue
As at 31/12/07			
UK100 Select A class	1,442	186.63	772,408
UK100 Select B class	97	190.60	51,266
As at 31/12/06			
UK100 Select A class	1,242	176.68	703,209
UK100 Select B class	86	180.00	47,636

Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 31/12/07			
UK100 Select A class	194.9	162.1	187.0
UK100 Select B class	198.6	165.2	191.0
During period to 31/12/06			
UK100 Select A class	176.1	142.9	174.6
UK100 Select B class	179.4	145.2	177.9












Top 10 Holdings: 31/12/07 %

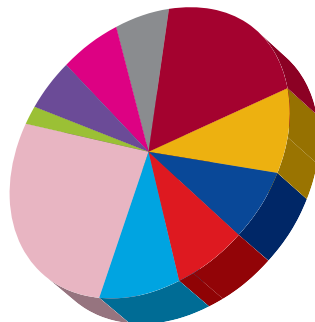
Xstrata	8.3
BG	7.4
BP	6.5
International Power	4.8
Randgold	4.1
MAN	4.0
Tullow Oil	4.0
Cairn Energy	4.0
Tesco	3.9
Royal Dutch Shell B	3.8

Top 10 Holdings: 31/12/06 %

Xstrata	6.8
Man	5.9
BG	4.8
British Airways	4.0
Hammerson	3.7
British Land	3.4
International Power	3.3
BT	3.3
Marks & Spencer	3.2
Compass	2.8

Sector Analysis

	31/12/07	31/12/06
 Basic Materials	20.6%	10.5%
 Consumer Goods	9.4%	3.7%
 Consumer Services	7.5%	27.0%
 Financials	7.7%	28.2%
 Industrials	9.3%	6.5%
 Oil & Gas	25.7%	9.7%
 Technology	1.8%	0.0%
 Telecommunications	5.3%	3.3%
 Utilities	6.7%	6.6%
 Overseas	0.0%	2.1%
 Net Current Assets	6.0%	2.4%



Fund Manager



Margaret Lawson

Equity markets produced their 5th consecutive year of positive returns albeit the smallest annual return in the current Bull Run. In the UK the best performance was in the FTSE 100 producing a return of 7.4%. Within the FTSE it was the mega caps (top 15 stocks) which outperformed for the first time since 1998. Our fund performed in line with the market with performance driven by our overweight position in commodities - Xstrata, Randgold and Anglo American. Cairn Energy, International Power and Sainsbury's also made a positive contribution to the Fund.

We adopted a heavily underweight position to financials in mid 2007 in light of our concerns about the approaching fallout from the US mortgage crisis, and the prospect of contagion into the real economy. This led to a change in focus away from consumer facing stocks and towards commodities, oil and economically insensitive stocks like tobaccos and utilities.

The economic background will be very difficult in 2008 with the prospect of slowing growth and the threat of rising inflation impacting economies worldwide. We are confident that our focus on investing in companies in sectors which have favourable economic prospects, strong balance sheets, robust financial foundations such as energy and commodities will continue to outperform.

The low level of confidence currently undermining world financial markets should improve by the end of 2008, providing opportunities to pick up financial stocks which have fallen dramatically in recent months.

Further Information

Further information about the share price, activities and performance of the Fund for this and previous periods, together with related product literature and further information on the Manager can be found on our website at www.svmonline.co.uk

Report and Accounts

This document is a short report for a sub-fund of the SVM Funds ICVC taken from the Interim Report and Accounts for the period ending 31 December 2007. The Long Form version of the Report and Accounts is available on written request to the Marketing Department, SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH or by email to info@svmonline.co.uk

Investment Warning

Past performance should not be seen as an indication of future performance. The value of an investment may fall as well as rise and investors may not get back the amount originally invested.

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