

SVM All Europe SRI Fund Short Report



Period to 30 June 2008

Key Objectives

The investment 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 World Europe Index. The Fund will adopt a positive engagement approach towards investment and enter into meaningful and consistent dialogue with companies to ensure investors in the Fund have their assets working effectively.

Risk Profile

The Fund is exposed to market and currency risks as it invests in European companies. It also invests in companies outside the FTSE 100 Index which can be less liquid and may carry greater risk and volatility. The Fund is exposed to Sterling and a variety of European currencies as well as stockmarket fluctuations. The Fund does not actively hedge the currency risk of the portfolio.

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
All Europe SRI A Class	Nil	Nil
All Europe SRI B Class	Nil	Nil

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

All Europe SRI Fund

1.78 %

1.03 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 6 months

The above figures were calculated by SVM Asset Management using data sourced from the 30 June 2008 Interim Report and Accounts. The figures are intended to provide an indication of the Total Expense Ratio and will vary from year to year.

Fund Performance

Percentage growth for each year to last quarter end	31/10/06 (launch) 30/06/07	30/06/07 30/06/08
All Euro SRI	+23.3	-7.8

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 30/06/08			
All Europe SRI A class	706	114.48	616,345
All Europe SRI B class	528	115.98	455,489
As at 31/12/07			
All Europe SRI A class	509	118.74	428,542
All Europe SRI B class	483	119.84	402,795

Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 30/06/08			
All Europe SRI A class	128.0	106.3	113.7
All Europe SRI B class	129.6	107.4	115.2
During period to 31/12/07			
All Europe SRI A class	130.3	105.0	120.1
All Europe SRI B class	130.9	105.4	121.3












Top 10 Holdings: 30/06/08 %

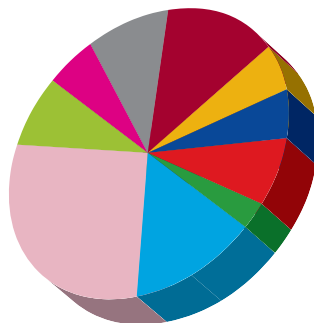
Tullow Oil	5.6%
Dana Petroleum	5.3%
Premier Oil	5.3%
Hunting	4.9%
Afren	4.8%
Xstrata	3.9%
International Power	3.1%
Lonmin	3.0%
Voestalpine	2.7%
Bodycote	2.6%

Top 10 Holdings: 31/12/07 %

Premier Oil	5.2%
Tullow Oil	3.9%
Hunting	3.5%
Innovation	3.4%
Allianz	3.1%
Brisa Auto Estradas	2.9%
Cable & Wireless	2.9%
France Telecom	2.9%
Linde	2.7%
Bank Of Cyprus	2.7%

Sector Analysis

	30/06/08	31/12/07
 Basic Materials	14.4%	2.8%
 Consumer Goods	5.8%	7.2%
 Consumer Services	5.4%	10.9%
 Financials	7.4%	20.5%
 Health Care	2.6%	0.0%
 Industrials	13.4%	20.7%
 Oil & Gas	29.3%	14.4%
 Technology	7.5%	7.8%
 Telecommunications	0.0%	5.6%
 Utilities	5.3%	2.3%
 Net Current Assets	8.9%	7.8%



Fund Managers



Neil Veitch



Hugh Cuthbert

In the six months to June the Fund returned -5.3% versus -12.0% for the benchmark. Although the Fund suffered from its exposure to small and mid-cap stocks this was more than offset by strong stock selection. While the performance of small and mid-caps is disappointing we remain convinced that the best opportunity to add value in the longer term is through exposure to this segment of the market.

Performance over the period was helped by the Fund's exposure to the oil sector and its relatively low exposure to consumer cyclicals. Detractors to performance included the exposure to telecoms and construction. The best individual performances came from oil investments Tullow Oil, Afren and Dana, while in the industrial sector; Invensys continued its rehabilitation. Particular disappointments came from Innovation Group and British Airways.

While considerable uncertainty remains and credit markets are likely to continue to be volatile, equities appear attractively valued. Profit forecasts will remain under pressure but this, in our view, is already discounted in valuations. However, a sustained upwards movement in equities is unlikely until we begin to see a decline in bond yields and better news from the credit markets.

Further Information

Further information about the share price and activities of the Fund 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 30 June 2008. 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 e-mail 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. Investing in smaller companies may increase the volatility of your investment. Currency movements may cause the value of your investment to fall as well as rise.

Contacts

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