

SVM

All Europe SRI Fund

The Fund aims to achieve medium to long-term capital growth and to outperform the FTSE World Europe Index. It adopts a positive engagement approach toward investment and enters into meaningful dialogue with companies regarding social and environmental issues. Investments are made in European stocks and other permitted securities.

September 2020 | Share Class B

Figures as at 31 August 2020



Fund Managers



Neil Veitch
Co Fund Manager

Industry Experience: 24

Years at SVM: 14

Appointed: 31/10/2006



Hugh Cuthbert
Co Fund Manager

Industry Experience: 25

Years at SVM: 14

Appointed: 31/10/2006

Monthly Fund Commentary

Global equities continued to make new highs led by the relentless upwards march of technology stocks. Abundant liquidity, policy stimulus, and a weakening US dollar have created the fertile conditions necessary for speculative excess. Outside of the technology sector returns were more muted and the bifurcation in returns between the perceived Covid winners and losers remains extreme. The fund returned +5.1% versus the FTSE Europe that returned +2.1%.

The disease outlook remains the key variable for both economies and markets. Economic data in both Europe and the UK remains mixed. Certain segments such as retail sales and housing transactions have recovered strongly while business investment and employment remain depressed. September and October are key months for many businesses, particularly those exposed to business investment, and will provide a gauge of the strength and sustainability of the recovery. Should a vaccine prove effective there is the tantalising prospect of synchronised global recovery sometime in 2021. If this materialises then the current narrow equity market leadership will broaden out significantly.

The Brexit negotiations continue to make little progress. Both sides have adopted the familiar negotiating tactic of promising compromise while labelling the other side as being unrealistic and uncooperative. Breakthroughs in EU negotiations tend to only occur at the eleventh hour and the current impasse is therefore unsurprising, but the clock is ticking.

The fund's technology holdings performed strongly. SDL, a provider of translation software and services, rose as the group announced that it was being acquired by RWS at a significant

premium in an all paper deal. Earlier in the month the group's interim results had demonstrated its financial and operational resilience. Over the last few years the current management team have made numerous improvements to the business which had left it well placed to grow both organically and inorganically. Crayon, the Nordic provider of software management and services, gained as it delivered its best ever quarterly result. The company is firmly in the category of Covid winners as corporates look to make their IT spend more efficient. The adoption of cloud computing and the use of public cloud services such as Amazon Web Services and Microsoft's Azure has been particularly beneficial. Crayon has a very strong relationship with Microsoft and has recently signed a strategic partnership agreement with Amazon Web Services. Interim results from Va-Q-Tec, a provider of vacuum storage solutions, delivered another quarter of double-digit revenue growth and the shares responded accordingly. One Savings Bank rebounded as interim results showed that the business was continuing to grow and that the balance sheet was robust despite higher provisioning. Associated British Foods rose as UK retail sales came in ahead of expectations.

TI Fluid declined as investors fretted over the outlook for the global automotive space. We believe that current sentiment is overly negative but recognise it will take some time for this to reverse. Philips fell as healthcare stocks underperformed. Norcros declined for no discernible reason.

Trading activity was limited. The fund continued to take profits in Lime Technologies.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
FTSE World Europe Index

IA Sector: Europe inc UK

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

Fund Size: £19.7m

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 5 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.

ACTIVE STOCKPICKERS

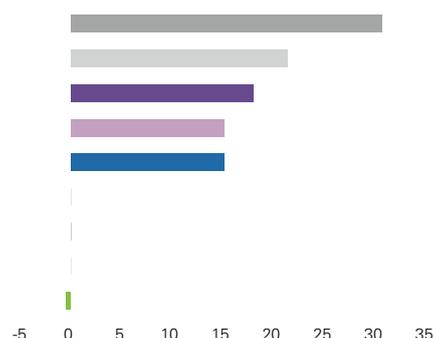
Portfolio Analysis

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.

	(Net %)
Cyclical	30.8
Consumer Cyclical	21.4
Defensive	18.0
Unstable Financial	15.2
Technology	15.1
Stable Financial	0.0
Mining	0.0
Oil & Gas	0.0
Cash	-0.5



Cyclical: 30.8%

(%)

Capgemini	4.5
Synthomer	4.5
Smurfit Kappa Group	4.0
CRH	3.2
Alpha FMC	3.2

Consumer Cyclical: 21.4%

(%)

Nestlé	4.9
Unilever	4.6
Tesco	3.9
Norcros	3.2
Jost Werke	2.5

Defensive: 18.0%

(%)

Uniphar	5.6
DCC	4.7
Roche Holdings	3.9
AstraZeneca	3.8

Unstable Financial: 15.2%

(%)

Prudential	5.2
AXA	3.9
Onesavings Bank	2.7
Lloyds Banking Group	1.7
Allianz	1.6

Technology: 15.1%

(%)

SDL	3.6
Creo Medical Group	2.4
Crayon	2.1
Koninklijke Philips	2.0
Ericsson	1.8

Stable Financial: 0.0%

(%)

Mining: 0.0%

(%)

Oil & Gas: 0.0%

(%)

This Month's Featured Stock

CRH

European companies often find themselves well-positioned when it comes to sectors that are seeing increased awareness of ESG issues worldwide, as they have generally had to cope with some of the most stringent levels of global regulation. This can create meaningful competitive advantages, with the construction materials firm CRH a relevant example. By operating to top industry standards in terms of emissions intensities and health and safety, the company is able to lower costs and knows how to generate significant improvements in acquired assets, making it a natural consolidator.

Although cement is inherently carbon intense in its production process, it also offers unique properties that have so far been very difficult to replicate with substitutes at scale. In order to cope with climate change, it is likely that improved cementitious materials will still have to play a large role in future infrastructure projects, until alternative solutions can be found. The main industry body, of which CRH is a member, is supporting innovation into low carbon products, and although CRH's target of 50% of revenues to come from products with sustainability attributes remains somewhat poorly defined, we believe it signals the right

intent. Possibilities such as sequestering carbon dioxide into cement are among the potential game changers.

Through our engagement activities we were encouraged to find an open attitude and willingness to improve, and the company will consider proposals such as incorporating certain industry-critical KPIs more explicitly into variable management remuneration, as well as refining certain environmental targets.

Stock Analysis

Top 10 Holdings	(%)
Uniphar	5.6
Prudential	5.2
Nestlé	4.9
DCC	4.7
Unilever	4.6
Capgemini	4.5
Synthomer	4.5
Smurfit Kappa Group	4.0
Tesco	3.9
AXA	3.9
Total	45.8

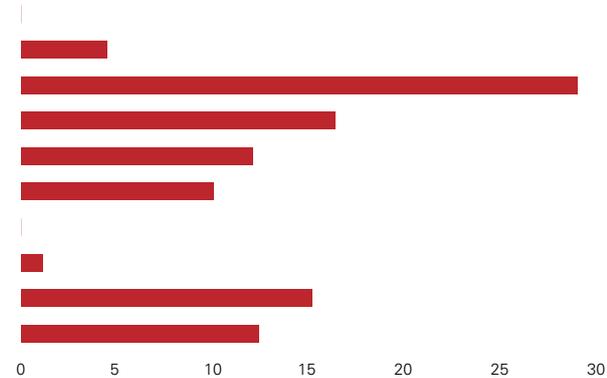
Size Analysis	(%)
Mega Cap (>€50bn)	18.8
Large Cap (<€50bn)	28.1
Mid Cap (<€10bn)	22.1
Small Cap (<€1bn)	31.5

Currency Exposure	(%)
Euro	39.3
Sterling	44.3
Norwegian Krone	2.1
Swiss Franc	8.7
Danish Krone	0.0
Swedish Krona	6.0
Other	0.0

Sector Analysis

Sector Breakdown (%)

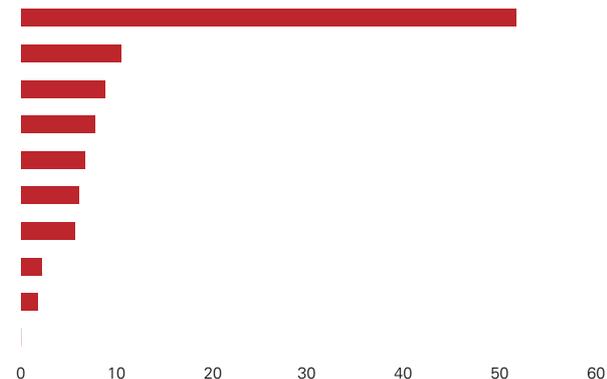
Oil & Gas	0.0
Basic Materials	4.5
Industrials	29.0
Consumer Goods	16.4
Health Care	12.1
Consumer Services	10.0
Telecommunications	0.0
Utilities	1.1
Financials	15.2
Technology	12.4



Geographic Analysis

Country Breakdown

	No. of Stocks	(%)
UK	18	51.6
France	3	10.4
Switzerland	2	8.7
Germany	4	7.7
Netherlands	2	6.6
Sweden	3	6.0
Ireland	1	5.6
Norway	1	2.1
Belgium	1	1.7
Other		0.0



Please note that figures may not add up to 100% due to Cash holding.

Fund Performance to 31/08/2020

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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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Cumulative Performance, % change

	One month	2020 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	5.1	-10.5	3.1	-3.5	26.9	206.7
FTSE World Europe Index	2.1	-6.0	-3.2	2.7	44.1	114.5
IA Europe inc UK Sector	2.5	-1.9	1.4	8.3	50.2	117.9

Source: Lipper, as at 31/08/2020, 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 June

	2020	2019	2018	2017	2016
SVM All Europe SRI Fund B	-6.2	-3.0	7.3	29.3	-3.4
FTSE World Europe Index	-3.2	6.0	4.2	25.4	5.3
Performance Difference	-3.0	-9.0	+3.1	+3.9	-8.7

Source: Lipper, as at 30/06/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: Lipper, as at 31/08/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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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.

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.