

SVM All Europe SRI 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 Europe Index. It adopts a positive engagement approach toward investment and enters into meaningful dialogue with companies regarding environmental, social and corporate governance issues. Investments are made in European equities and other permitted securities.



February 2021 | Share Class B

Factsheet as at 31 January 2021



Monthly Fund Commentary

Equity markets gained over the first part of the month only for virus concerns to re-emerge. Slower than anticipated vaccine rollouts and unease over new mutations of the virus led to a pull-back. Markets were rattled further by aggressive retail-led short squeezes in a number of heavily shorted US stocks which raised fears over the viability of a small number of hedge funds. This 'gammafication' of markets is unhealthy, impedes price discovery, and highlights the misallocation of capital created by QE. It should be noted that this does not pose a systematic risk and will not be the catalyst for a material correction. High absolute valuations in certain market segments, however, may lead to volatility. The fund returned -0.9% versus the MSCI Europe TR Index that returned -1.9%.

Despite stretched valuations we remain fundamentally constructive on the outlook. Outside the risk of a vaccine-evading mutation, the biggest risk to markets is the premature tightening of policy. In this regard policymakers have generally been at pains to emphasise that they are prepared to let the economy run 'hot' rather than risk choking off the recovery. Such a policy is eminently sensible when long-term interest rates are exceptionally low and the global economy is characterised by large output gaps. President Biden's proposed \$1.9 trillion stimulus plan – equivalent to 9% of GDP – epitomises this thinking. Fiscal stimulus is less explicit in the UK, but the Chancellor has indicated his desire to make any fiscal tightening back-end loaded. In Europe, however, the debate appears less clear-cut. German fiscal conservatives pushed back on suggestions by Helge Braun, a close aide of Angela Merkel, that the 'debt brake' enshrined

in the constitution be formally suspended for longer than is currently envisaged.

Alpha Financial Consulting rose on little newsflow. The company is hosting a capital markets day at the end of the month that will highlight the core drivers for growth within the North American business and the insurance client segment. These both offer a significant market opportunity for the group and are key drivers of its long-term growth. Despite the recent appreciation in the shares, we think there is material upside as the company begins to leverage its international footprint. RWS gained as some of the 'technical' selling that had weighed on the stock since its merger with SDL abated. The execution risks associated with the merger should not be underestimated, but equally the potential upside is significant if management can harness the value of SDL's technology with RWS's client relationships.

Prudential fell as it revealed that it would no longer IPO its US subsidiary, Jackson Life, but instead would spin it off. Consequently, Prudential will now not receive a dividend from Jackson and will need to raise a small amount of capital to fund its Asian growth ambitions. If this were to be via a listing in Hong Kong or elsewhere in Asia it would facilitate easier comparisons with AIA, its main peer. Financial stocks Allianz and Lloyds, as well as aviation services provider, Menzies, declined as concerns over the pace of vaccinations and the emergence of new, potentially more dangerous, virus variants led to nervousness around the speed of the economic recovery.

Trading was limited.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
MSCI Europe Index

IA Sector: Europe inc UK

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

Fund Size: £18.9m

Fund Managers:

Neil Veitch (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 14 Industry Experience: 24
Hugh Cuthbert (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 14 Industry Experience: 25

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 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 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.

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.

Cyclical	41.6	
Unstable Financial	17.9	
Defensive	16.8	
Consumer Cyclical	14.9	
Technology	7.7	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	1.2	

Cyclical

41.6%

Smurfit Kappa Group	6.0
Synthomer	5.9
Forterra	4.6
Alpha FMC	4.2
CRH	3.7

Unstable Financial

17.9%

Prudential	4.3
OSB Group	3.8
Allianz	3.5
Lloyds Banking Group	3.3
AXA	3.0

Defensive

16.8%

Uniphar	5.3
DCC	4.1
Roche Holdings	3.9
AstraZeneca	3.6

Consumer Cyclical

14.9%

Norcros	5.2
Tesco	4.5
Jost Werke	3.0
Vistry Group	2.2

Technology

7.7%

Creo Medical Group	3.8
Koninklijke Philips	2.4
Barco	1.6

Stable Financial

0.0%

Mining

0.0%

Oil & Gas

0.0%

This Month's Featured Stock

Volusion Group plc

Companies deemed sustainable by virtue of the product or service they sell are still subject to SVM's rigorous ESG analysis and engagement process to ensure the manner in which these goods and services are produced and delivered matches the ESG credentials of their underlying offering. A good example of this approach is the research and engagement we have had with Volusion Group plc. The sustainability of the company's products is encouraging as their airflow systems are intrinsically designed to reduce emissions helping, as the company states, to support the net-zero ambitions of the

countries in which they operate. But despite this lofty statement there is still room for considerable improvement.

We are pressing the company to disclose more data on their own emissions derived from the manufacturing process, as opposed to those of the products in isolation. Such improved disclosure will contribute to a proper assessment of the total product life-cycle environmental impact of the company's finished goods. Questions have also been asked regarding the company's target to reduce the use of plastics in production process which notably only applies

to their own production not that of suppliers. Again, more disclosure on total production rather than simply in-house will give a more holistic base from which concerned investors can seek improvements.

Volusion's product portfolio is clearly contributing toward overall global emissions reduction, but, with some further action, it is clear that the good can get even better both in terms of the environment but also the attractiveness of our investment.

Portfolio Structure

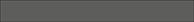
As an unconstrained fund we invest in our highest conviction ideas irrespective of market capitalisation, country or sector. As a consequence The SVM All Europe SRI Fund portfolio will vary considerably from the benchmark index and from other funds that are in the same IA sector.

Top 10 Holdings	(%)	
Smurfit Kappa Group	6.0	
Synthomer	5.9	
Uniphar	5.3	
Norcros	5.2	
Forterra	4.6	
Tesco	4.5	
Prudential	4.3	
Alpha FMC	4.2	
DCC	4.1	
Roche Holdings	3.9	
Rest of Portfolio	52.3	

Country Breakdown

	No. of Stocks	(%)	
UK	16	58.9	
Ireland	2	11.2	
France	3	9.1	
Germany	3	8.3	
Switzerland	1	3.9	
Sweden	1	3.6	
Netherlands	1	2.4	
Belgium	1	1.6	
Other		0.0	

Sector Breakdown

	(%)	
Industrials	40.8	
Financials	17.9	
Health Care	13.6	
Consumer Services	9.7	
Consumer Goods	8.4	
Basic Materials	5.9	
Technology	2.5	
Oil & Gas	0.0	
Telecommunications	0.0	
Utilities	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	10.9
Large Cap (<€50bn)	23.6
Mid Cap (<€10bn)	35.7
Small Cap (<€1bn)	28.6



Currency Exposure

	(%)
Euro	36.2
Sterling	55.2
Swiss Franc	3.9
Swedish Krona	3.6

Enquiries

www.svmonline.co.uk
Calls may be recorded

Investor Services and Dealing:

Dealing, account enquiries and valuations
Phone: 0345 066 1110
Fax: 0330 123 3755
International phone: +44 (0)1268 447 417
International fax: +44 (0)1268 457 731

General Enquiries

Head office and fund enquiries
Phone: +44 (0)131 226 6699
Email: info@svmonline.co.uk
Helpline: 0800 0199 110
Literature Request: 0800 0199 440

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MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

Sedol GBP B1FL7S1
Sedol GBP B1FL7V4

Registered Office:

SVM Asset Management Limited
7 Castle Street
Edinburgh
EH2 3AH
Registered No. 125817

Issued by SVM Asset Management Limited who is authorised and regulated by the Financial Conduct Authority:
12 Endeavour Square
London E20 1JN

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Fund Performance

to 31/01/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	-0.9	-0.9	3.5	5.3	46.0	245.5
MSCI Europe Index	-1.9	-1.9	2.8	9.5	55.9	129.9
IA Europe inc UK Sector	-1.8	-1.8	6.3	13.1	58.3	132.3

Source: Lipper, as at 31/01/2021, 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 31 December

	2020	2019	2018	2017	2016
SVM All Europe SRI Fund B	1.8	24.5	-16.6	19.2	10.1
MSCI Europe Index	2.7	19.8	-9.0	15.3	19.6
Performance Difference	-0.9	+4.7	-7.6	+3.9	-9.5

Source: Lipper, as at 31/12/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



■ SVM All Europe SRI Fund B ■ MSCI Europe Index

Source: Lipper, as at 31/01/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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Past performance is not a guide to future performance.

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.

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.