

SVM Funds ICVC
Annual Report
31 December 2019

SVM Funds ICVC

The Company

SVM Funds ICVC

Head Office:

7 Castle Street

Edinburgh

EH2 3AH

Authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (ACD) and Investment Manager

SVM Asset Management Limited

Head Office:

7 Castle Street

Edinburgh

EH2 3AH

Incorporated in United Kingdom under registered number SC125817.

Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association.

Custodian

State Street Bank and Trust Company

Registered Office:

20 Churchill Place

Canary Wharf

London

E14 5HJ

Correspondence Address:

Quartermile 3, 10 Nightingale Way

Edinburgh

EH3 9EG

Authorised and regulated by the Financial Services Authority.

Depository

State Street Trustees Limited

Registered Office:

20 Churchill Place

Canary Wharf

London

E14 5HJ

Correspondence Address:

Quartermile 3, 10 Nightingale Way

Edinburgh

EH3 9EG

Authorised and regulated by the Financial Conduct Authority.

Registrar

DST Financial Services International Limited

Registered Office:

DST House

St. Nicholas Lane

Basildon

SS15 5FS

United Kingdom

Authorised and regulated by the Financial Conduct Authority.

Independent Auditor

Scott-Moncrieff

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

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Authorised Corporate Director's Report

We present our Annual Report for the SVM Funds ICVC ('the ICVC' or the 'Funds') for the year ended 31 December 2019.

2019 was a good year for global stockmarkets, reflecting a continuation of global growth. Despite trade friction between the US and China, and concerns over Brexit, the UK and other major economies continued to expand. Towards the end of the year, as some clarity emerged on Brexit, the Pound and UK shares began to recover. Central bank policy in the US, Europe and UK continues to support growth.

The performance of the funds for each of the last five years is shown in the table below.

Percentage growth for 12 months to	31/12/15 %	31/12/16 %	31/12/17 %	31/12/18 %	31/12/19 %
All Europe SRI Fund	13.7	9.3	18.3	(17.2)	23.6
Continental Europe Fund	17.0	13.0	17.0	(12.6)	18.3
UK Growth Fund	19.8	(3.6)	23.7	(16.2)	26.1
UK Opportunities Fund	18.5	7.8	13.7	(12.4)	30.4
World Equity Fund	7.3	21.1	12.0	(13.6)	29.6

Source: Lipper Hindsight, mid to mid, UK net, to 31 December 2019. Figures are for the A share class.

Information on share prices and monthly factsheets for each of the sub-funds giving stock, performance and market information can be found at www.svmonline.co.uk

SVM Asset Management is incorporated in the United Kingdom under registered number 125817. Authorised and regulated by the Financial Conduct Authority ("FCA").

Authorised Status

The ICVC is an investment company with variable capital incorporated in the United Kingdom and registered under the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") with the FCA and has its head office at 7 Castle Street, Edinburgh EH2 3AH. It has an umbrella structure and each sub-fund is invested as a Securities Scheme which complies with the FCA's Collective Investment Schemes Sourcebook ("COLL") Rules.

The Instrument of Incorporation of the ICVC permits the scheme to operate as a Undertakings Collective Investment in Transferable Securities ("UCITS") scheme which complies with COLL. The Prospectus is dated 7 August 2019.

Shareholders are not liable for the debts of the ICVC.

This report covers the year ending 31 December 2019, including the financial statements which show the financial position of each of the sub-funds.

About the ICVC

The ICVC is valued on a daily basis and currently has five active Funds, all of which have two share classes. The share classes are subject to different charging structures and subscription limits. All shares are single priced. Details of the Funds and the share classes are contained in the Prospectus. Copies of the Prospectus, Supplementary Information Document, Key Investor Information Document and Instrument of Incorporation can be obtained from the Authorised Corporate Director (ACD).

Remuneration

SVM Asset Management Limited ('the Manager') is the Investment Manager and the ACD of the ICVC. Staff providing services to the Manager are subject to the SVM Remuneration Policy which reflects the remuneration requirements of the UCITS V Directive. It is available through the website www.svmonline.co.uk and is updated periodically to reflect changes to the policy.

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code. Under the UCITS V Directive, the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year (2019), split into fixed and variable remuneration as set out in the table below. The average number of staff during the year was 21.

	Total Remuneration £000
Total staff of the Manager	1,870
Of which:	
Fixed remuneration	1,619
Variable remuneration	251
Identified code staff of the Manager ⁽¹⁾	1,027
Of which:	
Senior management	581
Other identified staff	446

(1) Identified code staff are those whose activities have a material impact on the risk profile of the Company or the Manager.

Share Class Information and Expenses Cap

Each fund has Class A Shares (retail) and Class B Shares (institutional) available for subscription. The annual management fees of the ACD borne by the share classes and the level at which the ACD has agreed to cap the expenses for the year ended 31 December 2019 are given in the following table:

Percentage charge per share class	Annual Fee		Expense Cap	
	A	B	A	B
All Europe SRI Fund	1.50	0.75	1.98	1.23
Continental Europe Fund	1.50	0.75	1.98	1.23
UK Growth Fund	1.50	0.75	1.98	1.23
UK Opportunities Fund	1.50	0.75	1.98	1.23
World Equity Fund	1.50	0.75	1.98	1.23

Rights on Winding Up

All classes of shares have the same rights on winding up.

Prospectus Changes

- The Prospectus was updated during the year to include information on SVM Remuneration Policy, and relating to the depositary under UCITS V.

A copy of the Prospectus is available on request from the ACD.

Risks

If you invest in the ICVC you should be aware that there are certain risks involved:

- Your investment can be affected by changing conditions on the stockmarkets in which the ICVC invests. Both the value of your investment and any revenue the ICVC may pay, may go down as well as up.
- You are not certain to make a profit and you may make a loss.
- Past performance should not be seen as an indication of future performance.
- If the ICVC invests in overseas securities it may be affected by currency fluctuations. These can have a negative or positive impact on the value of your investment.
- The effect of the initial charge means that, even in the absence of a fall in the share price, if you sell your shares after a short period you may not get back the amount originally invested. You should therefore regard your investment as medium to long term.
- Tax rates, as well as the tax treatment of the ICVC, could change at any time in the future.

Further information on the risks associated with investing in the ICVC can be found in the Prospectus.

The ACD has expressed its own views and opinions in this Report and these may change. None of the views expressed in this Report should be construed as advice to buy or sell a particular investment.

SVM Asset Management Limited
28 February 2020

Statement of the Authorised Corporate Director's Responsibilities

The FCA COLL require the ACD to prepare Financial Statements for each annual and interim accounting period, which give a true and fair view of the financial position of the ICVC and of its net revenue/expense and the net capital gains/losses for the period/year.

In preparing the Financial Statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to the Financial Statements of Authorised Funds;
- keep proper accounting records which enable it to demonstrate that the financial statements comply with the above requirements;
- take reasonable steps for the prevention and detection of fraud and irregularities; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The ACD is responsible for the management of the ICVC in accordance with the Instrument of Incorporation, the Prospectus and COLL.

Report of the Authorised Corporate Director

The Annual Report and Financial Statements have been approved and signed on behalf of the ACD by:

Colin W McLean
Director

Margaret Lawson
Director

SVM Asset Management Limited
Authorised Corporate Director

28 February 2020

Statement of Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of the SVM Funds ICVC

for the year ended 31 December 2019

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the COLL, the OEIC Regulations and the Company's Instrument of Incorporation, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers of the Company.

Report of the Depositary

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- has carried out the creation, cancellation and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL and, where applicable, the OEIC Regulations and the Instrument of Incorporation of the Company; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

28 February 2020

Independent Auditor's Report to the Members of SVM Funds ICVC

for the year ended 31 December 2019

Opinion

We have audited the financial statements of SVM Funds ICVC (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes, and the Distribution Table for each sub-fund. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association in May 2014, the FCA COLL and the Instrument of Incorporation.

In our opinion the financial statements:

- give a true and fair view of the financial position of each sub-fund at 31 December 2019 and the net revenue and the net capital gains or losses of the scheme property of each sub-fund for the year ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice: "Financial Statements of Authorised Funds", the COLL and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the FCA COLL

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanation which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the ACD's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the ACD and Depositary

As explained more fully in the Depositary's Responsibilities Statement on page 6 and ACD's Responsibilities Statement set out on page 5, the Depositary is responsible for safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the Company's shareholders, as a body, pursuant to Paragraph 4.5.12 R of the rules of the FCA COLL. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of Scott-Moncrieff Audit services, Statutory Auditor

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

28 February 2020

Notes to the Financial Statements

as at 31 December 2019

1. Accounting and distribution policies

The accounting policies are applicable to the aggregated and individual sub-fund financial statements.

- (a) The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the revised Statement of Recommended Practice ("SORP") for Authorised Funds issued by the Investment Association (IA) in May 2014, in compliance with FRS 102 and United Kingdom Generally Accepted Accounting Practice.

The financial statements have been prepared on a going concern basis.

- (b) Dividends receivable from equity and non equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is received. Interest on debt securities is recognised on an effective interest basis. Bank interest is recognised on an accrual basis. Distributions receivable from onshore Collective Investment Schemes are recognised when the security is quoted ex-dividend. Distributions from Offshore Collective Investment Schemes are recognised at its ex-dividend date and any additional reported income is recognised on the underlying funds reporting date. Equalisation on accumulations do not form part of the distribution.
- (c) Dividends from the UK Real Estate Investment Trusts ("REITs") are recognised as distributable revenue when the securities are quoted ex-dividend.
- (d) Special dividends and the proceeds from share buy-backs are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature.
- (e) Underwriting commission is recognised when the issue takes place. Where the sub-fund is required to take up some or all of the shares underwritten, an appropriate proportion of the commission earned is deducted from the cost of those shares.
- (f) All expenses, including management expenses, are dealt with on an accruals basis and charged against revenue except for dealing costs which are charged against capital.
- (g) All listed investments have been valued at bid market prices at 12 noon on 31 December 2019. Collective Investment Schemes have been valued at the last sale price available at the valuation point. Unlisted investments are valued at fair value by the ACD, based on the latest available information, principally net asset value, and with reference to the Institutional Private Equity and Venture Capital Valuation Guidelines.
- (h) The ACD has agreed to cap the expenses of the sub-funds as described on page 3. Any reimbursement due back to the Funds is calculated and accrued on a daily basis and is shown as a deduction to expenses in note 4.
- (i) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the dates of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates ruling on that date.
- (j) The charge for taxation is 20% of revenue less expenses, and is based on the results for the year. In general, the tax accounting treatment follows that of the principal amount. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the ACD considers it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.
- (k) Where appropriate, certain permitted transactions such as derivatives or forward foreign currency transactions are used for efficient portfolio management and investment purposes. Revenue and expenses derived from the derivative instruments such as Contracts for Difference ("CFDs") are included in the statement of total return. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Any CFD positions open at the year end are reflected in the Balance Sheet at their marked to market value.
- (l) The distribution policy of the sub-funds is to accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.
- (m) The allocation of revenue and expenses (including taxation) to each share class is based on the proportion of a Fund's assets attributable to each share class on the day the revenue is earned or the expense is incurred. The ACD's periodic charge is allocated on a share class specific basis.
- (n) Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. This revenue forms part of any distribution. In the case of enhanced scrip dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.
- (o) Equalisation applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of income included in the purchase of group 2 shares and is refunded to the shareholders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

All Europe SRI Fund

Authorised Fund Manager's Report

for the year ended 31 December 2019

Investment Objective and Policy

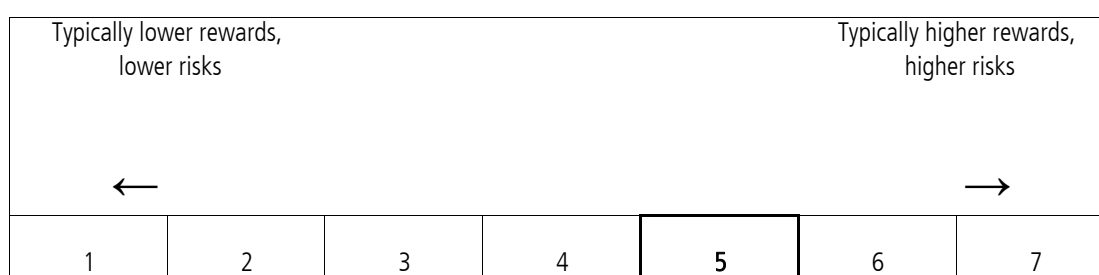
The objective of this Fund is to achieve above average capital growth over the medium to long term (although short term investment opportunities will also be considered) and it aims to outperform the FTSE World Europe Index (or any successor index).

The FTSE World Europe Index has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the securities permitted for the Fund. The Fund is not constrained by the benchmark and may invest in other permitted securities. Comparison of the Fund's performance against the above target benchmark will allow investors to determine whether the Fund has achieved its aim.

This Fund will invest principally in securities which are dealt in or traded on all European Eligible Securities Markets. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in securities which are dealt in or traded on other Eligible Securities Markets or which are otherwise permitted for this Fund.

Whilst focused on profitability and investor returns, the ACD is also aware of the social and environmental aspects of its investments. Although the Fund may negatively screen out some companies the approach is one of positive screening and actively engaging with the management of investee companies. Information on this strategy is available from the ACD on request and is also available on the ACD's website at www.svmonline.co.uk.

Synthetic Risk and Reward Indicator



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.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- The effect of currency movements can be significant where investments are denominated in currencies other than Sterling and may adversely affect the value of your investment.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- 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.

Investment Review

Performance	31/12/14 to 31/12/15 %	31/12/15 to 31/12/16 %	31/12/16 to 31/12/17 %	31/12/17 to 31/12/18 %	31/12/18 to 31/12/19 %
All Europe SRI Fund	13.7	9.3	18.3	(17.2)	23.6

Source: *Lipper Hindsight, mid to mid, UK net to 31 December 2019.*

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the year ended 31 December 2019

Market Review

The year began positively for global equity markets as a combination of dovish central bank statements and robust economic data reassured investors. Brexit, however, overshadowed the UK market for much of the year. Sterling fluctuated on the likelihood at any given point of a 'hard' or 'soft' Brexit. The announcement of a December general election, and subsequent Conservative majority, led to a strong year-end rally for UK equities. Trade tensions between the US and China escalated during the year, with tit-for-tat tariff announcements and policy uncertainty having a cooling effect on the global economy. Protests in Hong Kong, triggered by an unpopular extradition bill, also heightened investor nervousness. Economic growth consequently disappointed through the year. European economic data was largely stagnant. Germany, particularly, suffered given the importance of its manufacturing sector and exposure to global trade. While US economic data proved more resilient, more was expected following the fiscal impetus of President Trump's tax cuts. Central banks, which were widely expected at the beginning of 2019 to increase rates throughout the year, either held rates flat or, most notably in the case of the US Federal Reserve, cut.

The Fund returned 23.55% versus the FTSE Europe that returned 19.78% and the average fund that returned 20.97%. Over three, five and ten years the fund has returned 21.04%, 50.39%, and 143.98% versus the FTSE Europe which has returned 25.71%, 55.25%, and 114.62%.

Portfolio Review

At a stock-specific level, Norcros, a bathroom and kitchen equipment supplier, was the largest single positive contributor to fund performance. Despite challenging market conditions in its core markets of the UK and South Africa, management's relentless focus on operational improvement led to another year of growth. Forterra, the UK building materials company, delivered a strong operating performance. The UK brick market remains tightly supplied and the group's capacity expansion will offer lower cost, more environmentally friendly production. IWG, the provider of serviced offices, outperformed as management actions highlighted the intrinsic value of the group's office portfolio.

There were few significant disappointments during the year.

Outlook

Despite the difficulties faced by the global economy in 2019, we are constructive on the outlook for 2020. While economic growth weakened throughout the previous year, consumer demand remained relatively healthy. The announcement of a 'phase one' trade deal between China and the US is a positive and a more stable domestic political situation in the UK should lead to less uncertainty for both businesses and consumers. We continue to believe that the significant imbalances in the real economy or financial sector that typically emerge at the end of the cycle are not currently apparent.

The Fund remains overweight to the UK versus continental Europe. Despite the year-end rally, UK stocks continue to trade at a marked discount to European peers. Against a more stable political backdrop, we believe that the intrinsic strengths of the UK economy will become more apparent. Sterling remains undervalued and we expect both it and the UK economy to outperform consensus expectations. We believe the portfolio offers a very attractive risk vs reward profile at current levels although volatility may remain elevated as investors seek to discern the strength of the global economy.

SVM Asset Management Limited

January 2020

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

All Europe SRI Fund

Portfolio Statement

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (9.26%*)		1,379	5.77
Covestro	11,000	387	1.62
Synthomer	279,500	992	4.15
CONSUMER GOODS (7.37%*)		2,172	9.09
JOST - Werke	22,559	710	2.98
TI Fluid Systems	312,000	807	3.37
Unilever	15,000	655	2.74
CONSUMER SERVICES (5.65%*)		2,993	12.50
Informa	90,000	770	3.22
Pebble	177,143	239	1.00
Tesco	277,000	703	2.94
Uniphar	540,000	555	2.31
Wizz Air	18,600	726	3.03
FINANCIALS (21.15%*‡)		5,969	24.95
AXA	50,000	1,065	4.45
Just	300,000	239	1.00
Legal & General	285,000	869	3.63
Lloyds Banking	1,200,000	750	3.14
M&G	106,000	251	1.05
Melrose Industries	300,000	721	3.01
OneSavings Bank	176,235	759	3.17
Prudential	91,000	1,315	5.50
HEALTH CARE (1.91%*)		464	1.94
Creo Medical	260,724	464	1.94
INDUSTRIALS (29.62%*‡)		8,710	36.40
Alpha Financial Markets Consulting	358,480	882	3.69
Ashtead	21,250	512	2.13
Biffa	264,617	713	2.98
DCC	16,000	1,040	4.35
Forterra	292,496	1,012	4.23
IWG	140,000	610	2.55
John Menzies	175,000	829	3.47
Norcros	461,416	1,269	5.30
Rexel	40,000	401	1.68
Smurfit Kappa	40,000	1,161	4.85
STO Preference Shares	2,900	281	1.17
OIL & GAS (3.07%*)		-	-
TECHNOLOGY (1.92%*)		1,343	5.62
Capgemini	8,500	793	3.31
SDL	96,139	550	2.31
TELECOMMUNICATIONS (3.32%*)		-	-

All Europe SRI Fund

Portfolio Statement

(continued)

as at 31 December 2019

	Market Value £000	Total Net Assets %
UTILITIES (0.55%*)	73	0.31
Simec Atlantis Energy	73	0.31
Portfolio of investments	23,103	96.58
Net other assets (16.18%*)	819	3.42
Total net assets	23,922	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

* Comparative figures shown in brackets relate to 31 December 2018.

‡ Since the previous report the Industry Sector Classification headings have been updated by data providers. Where the portfolio statement shows Industry Sectors, the new sector names have been reflected in the report in respect of the current holdings and comparative holdings have been restated where appropriate.

All Europe SRI Fund

Material Portfolio Changes

for the year ended 31 December 2019

	Cost £000		Proceeds £000
Major purchases		Major sales	
DCC	1,115	Lanxess	1,174
Danone	822	Faroe Petroleum	766
Capgemini	764	Danone	757
Prudential	728	Orange	688
Tesco	685	Panalpina Welttransport	543
Informa	665	HELLA	514
Uniphar	558	Prudential	510
Aluflexpack	470	Bodycote	490
Bodycote	469	RPC	465
Lanxess	324	Aluflexpack	463

All Europe SRI Fund

Comparative table

as at 31 December 2019

Net Asset Value and Ongoing Charges Figure

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	247.23	300.07	253.39
Return before operating charges*	63.56	(47.08)	52.30
Operating charges	(5.51)	(5.76)	(5.62)
Return after operating charges*	58.05	(52.84)	46.68
Distributions on accumulation shares	(2.96)	(0.82)	(1.33)
Retained distributions on accumulation shares	2.96	0.82	1.33
Closing net asset value per share	305.28	247.23	300.07
*after direct transaction costs of:	0.60	0.65	0.81
Performance			
Return after charges	23.48%	(17.61%)	18.42%
Other information			
Closing net asset value (£'000)	1,207	1,289	1,780
Closing number of shares	395,332	521,150	593,208
Operating charges (ongoing charges figure)	1.98%	1.98%	1.98%
Direct transaction costs	0.22%	0.23%	0.29%
Prices			
Highest share price	311.50	307.50	303.40
Lowest share price	250.90	248.10	256.20
Price at year end	310.10	251.00	303.00

All Europe SRI Fund

Comparative table

(continued)

as at 31 December 2019

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	274.45	329.51	276.33
Return before operating charges*	71.13	(51.16)	56.99
Operating charges	(3.78)	(3.90)	(3.81)
Return after operating charges*	67.35	(55.06)	53.18
Distributions on accumulation shares	(5.63)	(3.20)	(3.73)
Retained distributions on accumulation shares	5.63	3.20	3.73
Closing net asset value per share	341.80	274.45	329.51
*after direct transaction costs of:	0.66	0.71	0.88
Performance			
Return after charges	24.54%	(16.71%)	19.25%
Other information			
Closing net asset value (£'000)	22,715	21,609	24,966
Closing number of shares	6,645,656	7,873,743	7,576,749
Operating charges (ongoing charges figure)	1.23%	1.23%	1.23%
Direct transaction costs	0.22%	0.23%	0.29%
Prices			
Highest share price	344.00	336.30	329.90
Lowest share price	275.10	272.00	276.80
Price at year end	342.50	275.20	329.80

All Europe SRI Fund

Statement of Total Return

for the year ended 31 December 2019

	Notes	Year Ended 31 December 2019		Year Ended 31 December 2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		4,635		(4,935)
Revenue	3	753		645	
Expenses	4	(300)		(351)	
Interest payable and similar charges		(10)		(16)	
Net revenue before taxation		443		278	
Taxation	5	(13)		(19)	
Net revenue after taxation			430		259
Total return before distribution			5,065		(4,676)
Distribution	6		(430)		(259)
Change in net assets attributable to shareholders from investment activities			4,635		(4,935)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	Year Ended 31 December 2019		Year Ended 31 December 2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		22,898		26,746
Amounts receivable on creation of shares	2,361		3,130	
Less: Amounts payable on cancellation of shares	(6,358)		(2,299)	
		(3,997)		831
Change in net assets attributable to shareholders from investment activities		4,635		(4,935)
Retained distribution on accumulation shares		386		256
Closing net assets attributable to shareholders		23,922		22,898

Notes to the Financial Statements are on pages 19 to 23.

All Europe SRI Fund

Balance Sheet

as at 31 December 2019

	Notes	31/12/19 £000	31/12/18 £000
Fixed Assets			
Investments		<u>23,103</u>	<u>19,192</u>
Current assets:			
Debtors	7	137	79
Cash and bank balances		<u>731</u>	<u>3,723</u>
Total assets		<u>23,971</u>	<u>22,994</u>
Liabilities:			
Creditors:			
Other creditors	8	<u>(49)</u>	<u>(96)</u>
Total liabilities		<u>(49)</u>	<u>(96)</u>
Net assets attributable to shareholders		<u>23,922</u>	<u>22,898</u>

Notes to the Financial Statements are on pages 19 to 23.

All Europe SRI Fund

Notes to the Financial Statements

as at 31 December 2019

1. Accounting basis and policies

Please see page 9 for accounting basis and policies.

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Non-derivative securities	4,670	(5,001)
Forward foreign exchange currency contracts	-	2
Currency (losses)/gains	(34)	51
Handling charges	(1)	13
Net capital gains/(losses)	4,635	(4,935)

3. Revenue

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
UK dividends	460	406
Overseas non-taxable revenue	293	228
Property revenue from UK REITs - PID	-	11
Total revenue	753	645

4. Expenses

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	186	214
Registration fees	92	85
	278	299
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	18	18
Safe custody fees	1	2
	19	20
Other expenses:		
Administration fee	32	32
Audit fee	9	9
Printing, publishing and postage fees	1	1
Other expenses	1	8
	43	50
Expenses rebate *	(40)	(18)
	300	351

*The ACD has agreed to cap the expenses as described in the ACD's report (see page 3).

as at 31 December 2019

5. Taxation

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	13	19
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:		
Net revenue before taxation	443	278
Corporation tax of 20% (2018: 20%)	89	56
Effects of:		
UK dividends*	(92)	(81)
Overseas non-taxable revenue*	(59)	(46)
Movement in excess management expenses	62	71
Irrecoverable overseas tax	13	19
Current tax charge for year (note 5a)	13	19

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £477,613 (31/12/18: £415,703) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Final	386	256
Add: Revenue deducted on cancellation of shares	69	18
Deduct: Revenue received on creation of shares	(25)	(15)
Net distribution for the year	430	259

Details of the distribution per share is set out in the Distribution Tables on page 24.

7. Debtors

	31/12/19 £000	31/12/18 £000
Amounts receivable for issue of shares	90	17
Accrued revenue	17	40
Accrued expenses rebate due from ACD*	4	5
Overseas tax recoverable	26	17
Total debtors	137	79

*This is a related party (see note 9).

as at 31 December 2019

8. Creditors

	31/12/19	31/12/18
	£000	£000
Amounts payable for cancellation of shares	-	31
Accrued ACD's periodic charge*	16	16
Accrued depositary fee*	2	2
Accrued other expenses	31	47
Total creditors	<u>49</u>	<u>96</u>

*This is a related party (see note 9).

9. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £89,718 receivable (31/12/18: £14,699 due) in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £11,473 (31/12/18: £11,172) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £1,529 (31/12/18: £1,529) due at the year end.

Shares held by associates of the ACD

On 31 December 2019, the shares held by the ACD as a percentage of the Fund's shares were:

	% held	
	31/12/19	31/12/18
Share Class B - Accumulation:	1.8%	1.5%
At the balance sheet date the following shareholders held more than 20% of the shares in the fund:		
	31/12/19	31/12/18
Pershing Nominees Limited	19.49%	25.60%

10. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 15 to 16.

The distribution per share class is given in the Distribution Tables on page 24.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/18	01/01/19 to 31/12/19		31/12/19
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	521,150	4,989	(130,807)	-
Share Class B - Accumulation	7,873,743	763,539	(1,991,626)	-
Total	<u>8,394,893</u>	<u>768,528</u>	<u>(2,122,433)</u>	<u>-</u>
				<u>7,040,988</u>

as at 31 December 2019

11. Capital commitments and contingent liabilities

On 31 December 2019, the Fund had no capital commitments (31/12/18: £nil) and no contingent liabilities (31/12/18: £nil).

12. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 10. The risks inherent in the sub-fund's investment portfolio are as follows:

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure	Currency exposure
	31/12/19	31/12/18
	£000	£000
Euro	6,647	9,478
Swiss franc	13	480
Total	<u>6,660</u>	<u>9,958</u>

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £730,506 (31/12/18: holding £3,723,111) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depository.

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the Fund managers weekly.

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

Notes to the Financial Statements

(continued)

as at 31 December 2019

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Street Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Street Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depository receives and reviews an annual report on the internal controls in place at State Street Bank and Trust Company.

13. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/01/19 to 31/12/19	01/01/18 to 31/12/18	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000	£000	£000
Equities	8,236	14,736	9,045	13,516
Commissions				
Equities	7	14	(9)	(13)
Taxes				
Equities	34	33	-	-
Total costs	41	47	(9)	(13)
Total net trades in the year after transaction costs	8,277	14,783	9,036	13,503

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/01/19 to 31/12/19	01/01/18 to 31/12/18	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	%	%	%	%
Commissions				
Equities	0.08	0.10	0.10	0.10
Taxes				
Equities	0.41	0.22	-	-

Total transaction cost expressed as a percentage of average net asset value.

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	%	%
Commissions	0.07	0.11
Taxes	0.15	0.12
Total costs	0.22	0.23

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.56% (31/12/2018: 0.80%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

14. Fair value

Valuation technique	31/12/19		31/12/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	23,103	-	19,192	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	23,103	-	19,192	-

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

All Europe SRI Fund

Distribution Tables

for the year ended 31 December 2019

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2019

Group 2 Final Shares purchased on or between 1 January 2019 and 31 December 2019

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	2.9562	-	2.9562	0.8170
Group 2	(p)	(p)	(p)	(p)
Final	0.8096	2.1466	2.9562	0.8170

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	5.6319	-	5.6319	3.1985
Group 2	(p)	(p)	(p)	(p)
Final	2.3232	3.3087	5.6319	3.1985

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Continental Europe Fund

Authorised Fund Manager's Report

for the year ended 31 December 2019

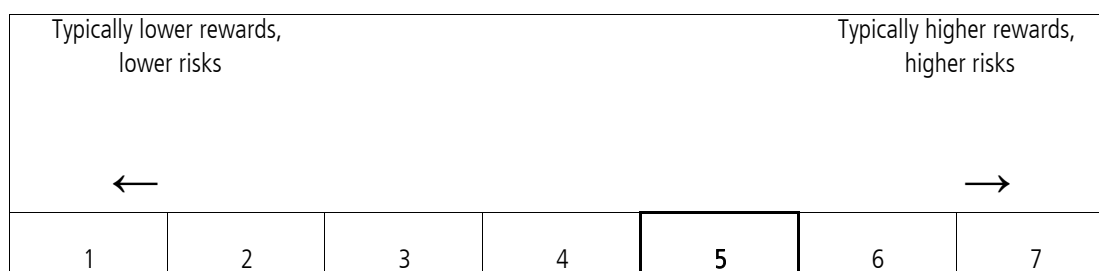
Investment Objective and Policy

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 World Europe ex UK Index (an index which aims to cover 85% of the market capitalisation of listed stocks on European stock markets excluding the UK).

The FTSE World Europe ex UK Index has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the securities permitted for the Fund. The Fund is not constrained by the benchmark and may invest in other permitted securities. Comparison of the Fund's performance against the above target benchmark will allow investors to determine whether the Fund has achieved its aim.

This Fund will invest principally in securities dealt in or traded on European Eligible Securities Markets. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in securities which are dealt in or traded on other Eligible Securities Markets or which are otherwise permitted for this Fund.

Synthetic Risk and Reward Indicator



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.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- The effect of currency movements can be significant where investments are denominated in currencies other than Sterling and may adversely affect the value of your investment.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- 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.

Investment Review

Performance	31/12/14 to 31/12/15 %	31/12/15 to 31/12/16 %	31/12/16 to 31/12/17 %	31/12/17 to 31/12/18 %	31/12/18 to 31/12/19 %
Continental Europe Fund	17.0	13.0	17.0	(12.6)	18.3

Source: Lipper Hindsight, mid to mid, UK net to 31 December 2019.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the year ended 31 December 2019

Market Review

As 2019 progressed it became increasingly clear that the equity market sell-off witnessed in the final quarter of 2018 had been discounting the gloomy economic and political news flow we were about to witness over the following 12 months. From an economic perspective there was very little in the way of positive data to support the double-digit increase for the FTSE World Europe ex UK Index over the course of 2019. Europe suffered more than most with its largest economy, Germany, only narrowly avoiding recession. The consistent theme was weakness in manufacturing offset by continued buoyancy for the services sector. With its strong focus on exports the German underperformance was therefore hardly surprising. Central banks, however, did not simply sit idly by as the slowdown unfolded. Even in the US, where the data was less negative than elsewhere, the Federal Reserve chose to cut rates in July for the first time since 2008 with a further two moves, one in September and the second in December, indicating a truly dovish stance. In Europe Mario Draghi, as a final act before his retirement, not only cut rates but committed the ECB to further stimulus for the banking sector in an attempt to stimulate both lending and hence the moribund economy. This lure of ever looser monetary policy and lower rates for longer clearly contributed to the market's strength over the year combined with equity markets still providing an attractive yield compared to most other asset classes. From a political viewpoint there were several potentially market moving events not least the US/China trade spat, Brexit, European parliamentary elections and Italian government turmoil, but despite numerous bouts of volatility none had the ability to hinder the market's gains.

Portfolio Review

The fund returned 18.25% against a 20.45% gain for the index. The large cash position we held as we entered 2019 explains much of the underperformance. In hindsight we were too bearish on the prospects for European economies and underestimated the impact ample liquidity and ultra-low interest rates would have on market valuations. In terms of the actual economic outcome the market took comfort from the fact that the global slowdown did not turn into a more sinister recession. From a stock specific perspective United Internet of Germany was the worst contributor to fund performance falling by over 25%. The company is transitioning its business from an asset light model to a full network owning operator. This has made forecasting the company's financial progress difficult but we have kept in very close contact with management and we are convinced the approach will bring rich rewards to shareholders in the medium to long term. The only other stock costing more than 50bps of performance was French aerospace and defence company Thales. The company has experienced a slowdown, particularly in its Space division, but the nature of the business means large lumpy contracts should be expected so we are comfortable here with the outlook for 2020. The two best performing stocks were fintech Hypoport of Germany which rose by slightly more than 100% on the back of stellar growth numbers for their mortgage financing business while IT services company Sesa of Italy rose by just over 97% from what we had always considered to be an extremely undervalued position. New holdings introduced over the course of the year included stocks from both the IT hardware, software and services sectors including Crayon of Norway, Sweden's Lime Technologies, Cap Gemini of France as well as Barco from Belgium. These stocks are beneficiaries of what we view as the secular growth this dynamic sector of the market has to offer. The remaining new buys, Metsa Board, Veolia, H+H Group and Va-Q-Tec came from the packaging, utility, construction and transportation sectors. We sold our holdings in Also, Covestro, Alcon and Mutares to fund these purchases as well as using the cash position built at the end of 2018.

Outlook

As yet, the slowdown experienced in Europe, as well as many other global economies, has been nothing more than an easing in the rate of growth rather than a full-blown decline in GDP. With the strong gains seen in 2019, stock markets have now reflected the fact that the outcome for the year in economic terms was satisfactory compared to the initial expectations of many observers. Towards the year end many economic indicators started to indicate a stabilization of this dynamic and should this stabilization turn toward an increase in the rate of growth then more upside from equities should be expected. In an environment of continued low interest rates and loose monetary policy equities will continue to provide an attractive yield alternative further boosting the prospects for 2020. The ongoing US/China trade dispute and other socioeconomic events such as Brexit will of course as ever have the ability to influence the actual outcome. In this environment we remained fully invested going into the new

SVM Asset Management Limited

January 2020

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

Continental Europe Fund

Portfolio Statement

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (1.45%*)		298	1.70
Metsa Board	58,452	298	1.70
CONSUMER GOODS (3.16%*‡)		622	3.55
JOST - Werke	12,466	393	2.24
Pirelli	52,276	229	1.31
CONSUMER SERVICES (11.59%*)		1,687	9.64
Adevinta	32,041	285	1.63
Dustin	83,356	511	2.92
Schibsted	32,041	693	3.96
Sixt Preference Shares	3,577	198	1.13
FINANCIALS (27.25%*)		5,341	30.49
AXA	47,936	1,021	5.83
BNP Paribas	4,980	223	1.27
Hypoport	1,102	295	1.68
ING	16,883	154	0.88
LEG Immobilien	3,449	309	1.76
Mediobanca	70,140	586	3.35
Partners	1,021	709	4.05
PATRIZIA Immobilien	49,231	832	4.75
Ringkjoebing Landbobank	12,988	758	4.33
S IMMO	23,897	454	2.59
HEALTH CARE (7.50%*)		877	5.00
Novartis	4,960	357	2.04
Roche	1,495	368	2.10
Sedana Medical	13,960	152	0.86
INDUSTRIALS (5.49%*‡)		2,662	15.19
Aluflexpack	20,089	313	1.79
Barco	1,872	349	1.99
H+H International	29,625	421	2.40
HELLA	7,061	295	1.68
Leonardo	29,949	267	1.52
Stef	3,302	226	1.29
Thales	7,097	555	3.17
va-Q-tec	20,376	236	1.35
OIL & GAS (4.99%*)		692	3.96
Royal Dutch Shell	11,999	269	1.54
TOTAL	10,117	423	2.42
TECHNOLOGY (11.06%*)		2,850	16.29
Allgeier	30,597	882	5.04
Capgemini	3,926	366	2.09
Crayon	54,082	241	1.38
Lime Technologies	15,506	185	1.06
Scout24	10,488	523	2.99
SeSa	16,270	653	3.73
TELECOMMUNICATIONS (8.83%*)		1,323	7.55
Orange	62,020	692	3.95
United Internet	25,326	631	3.60

Continental Europe Fund

Portfolio Statement

(continued)

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
UTILITIES (1.33%*)		751	4.29
Energiekontor	26,918	483	2.76
Veolia Environnement	13,326	268	1.53
Portfolio of investments		17,103	97.66
Net other assets (17.35%*)		410	2.34
Total net assets		17,513	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

* Comparative figures shown in brackets relate to 31 December 2018.

‡ Since the previous report the Industry Sector Classification headings have been updated by data providers. Where the portfolio statement shows Industry Sectors, the new sector names have been reflected in the report in respect of the current holdings and comparative holdings have been restated where appropriate.

Continental Europe Fund

Material Portfolio Changes

for the year ended 31 December 2019

	Cost £000		Proceeds £000
Major purchases		Major sales	
Thales	667	Allgeier	568
Allgeier	482	Novartis	440
H+H International	367	Sedana Medical	342
Capgemini	354	ING	330
Veolia Environnement	352	Dustin	315
Aluflexpack	341	ALSO	306
Metsa Board	278	mutares	272
Barco	262	Leonardo	264
Crayon	226	Covestro	255
va-Q-tec	208	Scout24	254

Continental Europe Fund

Comparative table

as at 31 December 2019

Net Asset Value and Ongoing Charges Figure

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	463.24	530.32	453.42
Return before operating charges*	94.91	(56.76)	86.92
Operating charges	(10.16)	(10.32)	(10.02)
Return after operating charges*	84.75	(67.08)	76.90
Distributions on accumulation shares	(2.68)	(3.08)	(3.56)
Retained distributions on accumulation shares	2.68	3.08	3.56
Closing net asset value per share	547.99	463.24	530.32
*after direct transaction costs of:	0.38	0.33	0.64
Performance			
Return after charges	18.30%	(12.65%)	16.96%
Other information			
Closing net asset value (£'000)	8,216	7,922	10,557
Closing number of shares	1,499,340	1,710,190	1,990,662
Operating charges (ongoing charges figure)	1.98%	1.98%	1.98%
Direct transaction costs	0.08%	0.06%	0.13%
Prices			
Highest share price	553.70	557.60	544.10
Lowest share price	464.20	459.60	451.40
Price at year end	548.90	464.20	531.20

Continental Europe Fund

Comparative table

(continued)

as at 31 December 2019

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	522.37	593.46	503.65
Return before operating charges*	107.30	(63.89)	96.79
Operating charges	(7.14)	(7.20)	(6.98)
Return after operating charges*	100.16	(71.09)	89.81
Distributions on accumulation shares	(7.37)	(7.62)	(8.16)
Retained distributions on accumulation shares	7.37	7.62	8.16
Closing net asset value per share	622.53	522.37	593.46
*after direct transaction costs of:	0.43	0.37	0.72
Performance			
Return after charges	19.17%	(11.98%)	17.83%
Other information			
Closing net asset value (£'000)	9,297	9,699	12,965
Closing number of shares	1,493,354	1,856,654	2,184,729
Operating charges (ongoing charges figure)	1.23%	1.23%	1.23%
Direct transaction costs	0.08%	0.06%	0.13%
Prices			
Highest share price	628.00	623.60	607.50
Lowest share price	522.60	517.40	501.30
Price at year end	622.70	522.60	593.90

Continental Europe Fund

Statement of Total Return

for the year ended 31 December 2019

	Notes	Year Ended 31 December 2019		Year Ended 31 December 2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		2,884		(2,735)
Revenue	3	476		609	
Expenses	4	(279)		(339)	
Interest payable and similar charges		(8)		(4)	
Net revenue before taxation		189		266	
Taxation	5	(24)		(55)	
Net revenue after taxation			165		211
Total return before distribution			3,049		(2,524)
Distribution	6		(165)		(211)
Change in net assets attributable to shareholders from investment activities			2,884		(2,735)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	Year Ended 31 December 2019		Year Ended 31 December 2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		17,621		23,522
Amounts receivable on creation of shares	568		1,321	
Less: Amounts payable on cancellation of shares	(3,710)		(4,681)	
		(3,142)		(3,360)
Change in net assets attributable to shareholders from investment activities		2,884		(2,735)
Retained distribution on accumulation shares		150		194
Closing net assets attributable to shareholders		17,513		17,621

Notes to the Financial Statements are on pages 34 to 38.

Continental Europe Fund

Balance Sheet

as at 31 December 2019

	Notes	31/12/19 £000	31/12/18 £000
Fixed Assets			
Investments		<u>17,103</u>	<u>14,563</u>
Current assets:			
Debtors	7	77	67
Cash and bank balances		<u>412</u>	<u>3,136</u>
Total assets		<u>17,592</u>	<u>17,766</u>
Liabilities:			
Creditors:			
Other creditors	8	<u>(79)</u>	<u>(145)</u>
Total liabilities		<u>(79)</u>	<u>(145)</u>
Net assets attributable to shareholders		<u>17,513</u>	<u>17,621</u>

Notes to the Financial Statements are on pages 34 to 38.

Continental Europe Fund

Notes to the Financial Statements

as at 31 December 2019

1. Accounting basis and policies

Please see page 9 for accounting basis and policies.

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
Non-derivative securities	3,014	(2,708)
Forward foreign exchange currency contracts	-	1
Currency losses	(129)	(44)
Handling charges	(1)	16
Net capital gains/(losses)	2,884	(2,735)

3. Revenue

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
Overseas taxable revenue	-	(1)
Overseas non-taxable revenue	476	606
Overseas scrip dividends	-	4
Total revenue	476	609

4. Expenses

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	194	233
Registration fees	60	61
	254	294
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	18	18
Safe custody fees	3	4
	21	22
Other expenses:		
Administration fee	32	32
Audit fee	9	9
Printing, publishing and postage fees	1	1
Other expenses	-	7
	42	49
Expenses rebate *	(38)	(26)
	279	339

*The ACD has agreed to cap the expenses as described in the ACD's report (see page 3).

as at 31 December 2019

5. Taxation

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	24	55
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:		
Net revenue before taxation	189	266
Corporation tax of 20% (2018: 20%)	38	53
Effects of:		
Non-taxable scrip dividends	-	(1)
Overseas non-taxable revenue*	(95)	(121)
Movement in excess management expenses	57	69
Irrecoverable overseas tax	24	55
Current tax charge for year (note 5a)	24	55

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £643,666 (31/12/18: £586,387) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Final	150	194
Add: Revenue deducted on cancellation of shares	17	24
Deduct: Revenue received on creation of shares	(2)	(7)
Net distribution for the year	165	211

Details of the distribution per share is set out in the Distribution Tables on page 39.

7. Debtors

	31/12/19 £000	31/12/18 £000
Amounts receivable for issue of shares	-	5
Accrued revenue	-	6
Accrued expenses rebate due from ACD*	4	4
Overseas tax recoverable	73	52
Total debtors	77	67

*This is a related party (see note 9).

as at 31 December 2019

8. Creditors

	31/12/19	31/12/18
	£000	£000
Amounts payable for cancellation of shares	34	81
Accrued ACD's periodic charge*	16	17
Accrued depositary fee*	2	1
Accrued other expenses	27	46
Total creditors	<u>79</u>	<u>145</u>

*This is a related party (see note 9).

9. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £34,353 (31/12/18: £75,279) due in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £12,261 (31/12/18: £12,482) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £1,529 (31/12/18: £1,529) due at the year end.

At the balance sheet date the following shareholders held more than 20% of the shares in the fund:

	31/12/19	31/12/18
Canada Life Limited	24.7%	19.4%

10. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 30 to 31.

The distribution per share class is given in the Distribution Tables on page 39.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/18	01/01/19 to 31/12/19		31/12/19
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	1,710,190	44,668	(255,518)	- 1,499,340
Share Class B - Accumulation	1,856,654	60,186	(423,486)	- 1,493,354
Total	<u>3,566,844</u>	<u>104,854</u>	<u>(679,004)</u>	<u>- 2,992,694</u>

11. Capital commitments and contingent liabilities

On 31 December 2019, the Fund had no capital commitments (31/12/18: £nil) and no contingent liabilities (31/12/18: £nil).

as at 31 December 2019

12. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 25. The risks inherent in the sub-fund's investment portfolio are as follows:

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure	Currency exposure
	31/12/19	31/12/18
	£000	£000
Danish krone	1,193	544
Euro	12,336	12,830
Norwegian krone	1,222	950
Swedish krona	848	1,087
Swiss franc	1,777	1,887
Total	<u>17,376</u>	<u>17,298</u>

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £411,758 (31/12/18: holding £3,135,811) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the Fund managers weekly.

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Street Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Street Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depositary receives and reviews an annual report on the internal controls in place at State Street Bank and Trust Company.

as at 31 December 2019

13. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/01/19 to 31/12/19	01/01/18 to 31/12/18	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000	£000	£000
Equities	4,536	4,946	5,024	8,901
Commissions				
Equities	4	5	(5)	(8)
Taxes				
Equities	4	-	-	-
Total costs	8	5	(5)	(8)
Total net trades in the year after transaction costs	4,544	4,951	5,019	8,893

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/01/19 to 31/12/19	01/01/18 to 31/12/18	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	%	%	%	%
Commissions				
Equities	0.09	0.10	0.10	0.09
Taxes				
Equities	0.09	-	-	-

Total transaction cost expressed as a percentage of average net asset value.

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	%	%
Commissions	0.05	0.06
Taxes	0.03	-
Total costs	0.08	0.06

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.39% (31/12/2018: 0.29%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

14. Fair value

Valuation technique	31/12/19		31/12/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	17,103	-	14,563	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	17,103	-	14,563	-

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Continental Europe Fund

Distribution Tables

for the year ended 31 December 2019

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2019

Group 2 Final Shares purchased on or between 1 January 2019 and 31 December 2019

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	2.6816	-	2.6816	3.0756
Group 2	(p)	(p)	(p)	(p)
Final	0.9344	1.7472	2.6816	3.0756

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	7.3705	-	7.3705	7.6209
Group 2	(p)	(p)	(p)	(p)
Final	4.0705	3.3000	7.3705	7.6209

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Authorised Fund Manager's Report

for the year ended 31 December 2019

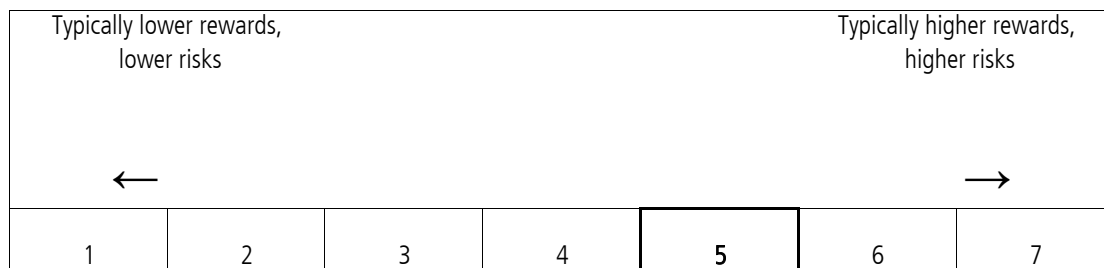
Investment Objective and Policy

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 All Share Index (or any successor index).

The FTSE All Share Index has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the securities permitted for the Fund. The Fund is not constrained by the benchmark and may invest in other permitted securities. Comparison of the Fund's performance against the above target benchmark will allow investors to determine whether the Fund has achieved its aim.

This Fund will invest principally in securities listed on the London Stock Exchange. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in securities which are dealt in or traded on the London Stock Exchange but outside the FTSE 100 Index or which are otherwise permitted for this Fund.

Synthetic Risk and Reward Indicator



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.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investment to fall as well as rise.
- The Fund uses Contracts for Difference (CFDs) for efficient portfolio management (EPM) purposes. This may create gearing and could lead to greater fluctuations in the Net Asset Value of the Fund. Full details on EPM can be found in Appendix A of the Prospectus.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.

Due to global and UK market fluctuations trading may become difficult and the Fund may not be able to realise some of the investments it has made nor may prices be readily available that are a reliable indication of value of the investments.

Investment Review

Performance	31/12/14 to 31/12/15 %	31/12/15 to 31/12/16 %	31/12/16 to 31/12/17 %	31/12/17 to 31/12/18 %	31/12/18 to 31/12/19 %
UK Growth Fund	19.8	(3.6)	23.7	(16.2)	26.1

Source: Lipper Hindsight, mid to mid, UK net to 31 December 2019.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the year ended 31 December 2019

Market Review

After a sharp fall in late 2018, stockmarkets rebounded from January 2019. Trade frictions and uncertainty over US monetary policy were behind the fall, but investor fears dissipated as 2019 progressed. Brexit concerns and UK political turmoil also continued to be a challenge for UK equities, with weakness in the Pound as international investors reduced UK exposure. However, the Pound began to recover after the summer. In December, the General Election triggered a good recovery in shares of domestically-oriented medium sized companies.

The Bank of England, in line with the European Central Bank and US Federal Reserve, moved to a more accommodative stance, helpful to global growth. Despite the uncertainty over Brexit, the UK economy grew over the 12 months under review, although the pace is slowing. There was also an acceleration in UK wage growth, reducing the consumer squeeze. This growth is favourable for businesses in the portfolio that are exposed to discretionary consumer expenditure.

The Fund has a growth-oriented portfolio based on fundamental analysis. The forces favouring growth businesses have been in place for more than 20 years. In contrast, the biggest global companies have been more impacted by disinflation and, more recently, disruption. This trend seems likely to continue despite the recent uptick in inflation, due to ongoing technology change and global competition. The Fund has relatively low exposure to sectors such as energy, mining and major banks, which are dominated by large global businesses more subject to competition and the impact of the economic cycle.

Portfolio Review

Over the 12 months, the SVM UK Growth Fund ("A" share class) returned 26.1%, compared to 22.6% for the IA UK All Companies Sector average and 19.2% for the FTSE All-Share Index. Over five years, the SVM UK Growth Fund ("A" share class) has returned 51.0% versus 46.7% for the IA UK All Companies Sector average and 43.8% for the FTSE All-Share Index. The Fund is top quartile over one, three, five and ten years to 31 December 2019.

Over the 12 month period under review, there were good contributions to performance from JD Sports Fashion, LSE, Unite Group, Johnson Services Group and Ocado. Ocado's delivery technology has attracted a number of major international grocery chains to partner with it. Ocado now has eight major existing deals and has potential to sign new ones. There are risks in execution, but Ocado has a low-cost model that could address other industries. During the 12 months under review, the portfolio emphasis on travel was helpful, with airline shares recovering from a low point in August. The failure of Thomas Cook and some small airlines appears to have tightened capacity. The portfolio includes Wizz Air, Dart Group and Ryanair. The main disappointments in the period were Burford Capital, Ted Baker, Sainsbury and Hostelworld. All of these were sold during 2019.

New investments were made in Dart Group, Future, Trainline, WH Smith, Intermediate Capital Group and office property services provider IWG. Trainline is well placed to benefit from trends to e-tickets; at present, in the UK, only 1 in 7 tickets are e-tickets. This is lower than other travel sectors, but online penetration has been growing rapidly. Trainline has a 70% share of online rail ticket distribution in the UK and we see the group as the main beneficiary of the switch to online ticket purchasing. Intermediate Capital is a private equity fund manager, offering credit and equity funds worldwide. It has now developed to a stage where it has a substantial institutional client base that consistently supports new funds, which represent recurring income. To fund these, DCC, Weir Group and Fevertree Drinks were sold.

Outlook

The global economy has not yet been significantly adversely impacted by trade frictions. Many portfolio companies have an international spread of interests, which may provide a degree of protection if the UK does not achieve satisfactory trade terms. Despite the uptick in global growth, debt has been increasing in many nations. This will bring disinflationary pressures in the medium term despite the current respite. With technology maintaining pressure on margins, there remain longer term headwinds for some cyclical sectors. The environment favours businesses with genuine organic growth and some pricing power.

The Brexit process still has pitfalls, but the path to agreement on future trading terms with the EU now looks clearer. Following the UK General Election, there are indications that foreign investors are beginning to return. The UK stockmarket has been de-rated during the Brexit process, and the economy may rebound if clarity emerges on Britain's future.

The Fund focuses on individual business prospects. The UK Growth Fund emphasises exposure to economic growth in the UK. Your Fund remains fully invested, with some additional gearing.

SVM Asset Management Limited

January 2020

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

UK Growth Fund

Portfolio Statement

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (4.90%*)		4,437	2.56
Croda International	86,923	4,437	2.56
CONSUMER GOODS (9.21%*)		13,307	7.68
Associated British Foods	25,000	645	0.37
Cranswick	115,235	3,927	2.27
Hilton Food	236,500	2,592	1.49
Kerry	59,680	5,626	3.25
Reckitt Benckiser	8,468	517	0.30
CONSUMER SERVICES (22.76%*)		44,604	25.73
4Imprint	15,000	522	0.30
Applegreen	810,026	3,605	2.08
boohoo	250,000	746	0.43
Cineworld	535,474	1,174	0.68
Compass	25,000	473	0.27
Dalata Hotel	361,000	1,580	0.91
Dart	120,000	2,038	1.18
easyJet	118,600	1,687	0.97
Flutter Entertainment	30,084	2,786	1.61
Future	55,350	803	0.46
GVC	476,700	4,202	2.42
JD Sports Fashion	808,150	6,788	3.92
Ocado	346,500	4,413	2.55
On the Beach	375,000	1,840	1.06
SSP	442,758	2,873	1.66
Trainline	417,071	2,106	1.21
WH Smith	100,000	2,590	1.49
Wizz Air	112,200	4,378	2.53
FINANCIALS (24.69%*)		42,153	24.32
AJ Bell	325,000	1,401	0.81
Aquis Exchange	196,678	787	0.45
Beazley	1,086,000	6,038	3.48
Derwent London**	31,740	1,273	0.73
Draper Esprit	368,300	1,768	1.02
Hiscox	60,236	855	0.49
Intermediate Capital	239,000	3,857	2.23
K3 Capital	846,364	2,201	1.27
London Stock Exchange	82,545	6,368	3.67
LondonMetric Property**	452,000	1,069	0.62
Manolete Partners	307,385	1,352	0.78
Mortgage Advice Bureau	50,000	375	0.22
OneSavings Bank	245,000	1,055	0.61
Plus500	72,200	640	0.37
Segro**	292,000	2,612	1.51
Syncona	658,754	1,446	0.83
UNITE**	619,097	7,813	4.51
Workspace**	104,370	1,243	0.72
HEALTH CARE (3.94%*)		11,266	6.49
AstraZeneca	68,588	5,172	2.98
Dechra Pharmaceuticals	150,700	4,355	2.51
Indivior	310,000	121	0.07
UDG Healthcare	200,000	1,618	0.93

UK Growth Fund

Portfolio Statement

(continued)

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
INDUSTRIALS (21.76%*)		44,490	25.67
AB Dynamics	275,253	5,670	3.27
Ashtead	110,850	2,670	1.54
Boku	1,197,000	1,017	0.59
Diploma	138,910	2,839	1.64
discoverIE	511,546	2,916	1.68
Experian	185,959	4,733	2.73
HomeServe	241,362	3,046	1.76
IWG	175,000	763	0.44
Johnson Service	3,205,353	6,218	3.59
Keystone Law	956,000	4,971	2.87
Kingspan	42,000	1,939	1.12
Knights	400,000	1,344	0.77
Renishaw	40,000	1,514	0.87
Rentokil Initial	798,000	3,588	2.07
Severfield	600,000	502	0.29
XP Power	25,000	760	0.44
OIL & GAS (1.17%*)		-	-
TECHNOLOGY (5.13%*)		4,332	2.50
FDM	157,000	1,658	0.96
Kainos	361,364	2,674	1.54
TELECOMMUNICATIONS (1.36%*)		4,436	2.56
Gamma Communications	332,288	4,436	2.56
DERIVATIVES (-1.01%*)		3,004	1.73
CONTRACTS FOR DIFFERENCE			
Aveva - CFD	35,000	435	0.25
CD Project - CFD	65,200	1,281	0.74
Compass Group - CFD	75,000	(19)	(0.01)
Melrose - CFD	915,000	627	0.36
Onesavings Bank - CFD	242,024	140	0.08
Oxford Instruments - CFD	120,091	334	0.19
Reckitt Benckiser - CFD	10,350	(19)	(0.01)
Rio Tinto - CFD	38,400	48	0.03
Watkin Jones - CFD	1,572,222	177	0.10
Portfolio of investments[^]		172,029	99.24
Net other assets (6.09%*)		1,316	0.76
Total net assets		173,345	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

* Comparative figures shown in brackets relate to 31 December 2018.

** Real Estate Investment Trust (REIT).

[^] Including investment liabilities of £38,403.

UK Growth Fund

Material Portfolio Changes

for the year ended 31 December 2019

	Cost £000		Proceeds £000
Major purchases		Major sales	
WH Smith	4,348	DCC	5,200
AstraZeneca	4,266	Fevertree Drinks	3,021
Intermediate Capital	3,338	UDG Healthcare	2,994
AB Dynamics	2,982	Alpha Financial Markets	2,716
Kingspan	1,735	Prudential	2,487
Trainline	1,660	SSP	2,366
UDG Healthcare	1,588	Keywords Studios	2,366
Dart	1,502	Mortgage Advice Bureau	2,345
AJ Bell	1,253	Ted Baker	2,268
Knights	1,122	Burford Capital	2,183

UK Growth Fund

Comparative table

as at 31 December 2019

Net Asset Value and Ongoing Charges Figure

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	395.93	476.18	385.55
Return before operating charges*	114.40	(71.94)	98.42
Operating charges	(8.17)	(8.31)	(7.79)
Return after operating charges*	106.23	(80.25)	90.63
Distributions on accumulation shares	(0.89)	(0.72)	(1.30)
Retained distributions on accumulation shares	0.89	0.72	1.30
Closing net asset value per share	502.16	395.93	476.18
*after direct transaction costs of:	0.59	0.66	1.04
Performance			
Return after charges	26.83%	(16.85%)	23.51%
Other information			
Closing net asset value (£'000)	11,776	11,204	14,607
Closing number of shares	2,345,037	2,829,925	3,067,471
Operating charges (ongoing charges figure)	1.79%	1.77%	1.80%
Direct transaction costs	0.13%	0.14%	0.24%
Prices			
Highest share price	508.60	506.50	478.40
Lowest share price	400.80	395.80	386.70
Price at year end	505.70	399.60	478.40

UK Growth Fund

Comparative table

(continued)

as at 31 December 2019

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	440.84	525.28	421.87
Return before operating charges*	127.30	(79.19)	108.44
Operating charges	(5.27)	(5.25)	(5.03)
Return after operating charges*	122.03	(84.44)	103.41
Distributions on accumulation shares	(4.81)	(4.72)	(4.98)
Retained distributions on accumulation shares	4.81	4.72	4.98
Closing net asset value per share	562.87	440.84	525.28
*after direct transaction costs of:	0.66	0.72	1.14
Performance			
Return after charges	27.68%	(16.08%)	24.51%
Other information			
Closing net asset value (£'000)	161,569	167,285	158,076
Closing number of shares	28,704,601	37,946,761	30,093,954
Operating charges (ongoing charges figure)	1.04%	1.02%	1.06%
Direct transaction costs	0.13%	0.14%	0.24%
Prices			
Highest share price	567.80	559.50	526.20
Lowest share price	444.30	438.60	422.20
Price at year end	564.70	442.80	526.20

UK Growth Fund

Statement of Total Return

for the year ended 31 December 2019

	Notes	Year Ended 31 December 2019		Year Ended 31 December 2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		41,971		(36,897)
Revenue	3	3,932		3,872	
Expenses	4	(1,973)		(2,061)	
Interest payable and similar charges		(253)		(192)	
Net revenue before taxation		1,706		1,619	
Taxation	5	(18)		(19)	
Net revenue after taxation			1,688		1,600
Total return before distribution			43,659		(35,297)
Distribution	6		(1,688)		(1,600)
Change in net assets attributable to shareholders from investment activities			41,971		(36,897)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	Year Ended 31 December 2019		Year Ended 31 December 2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		178,489		172,683
Amounts receivable on creation of shares	14,699		55,189	
Less: Amounts payable on cancellation of shares	(63,214)		(14,297)	
		(48,515)		40,892
Change in net assets attributable to shareholders from investment activities		41,971		(36,897)
Retained distribution on accumulation shares		1,400		1,811
Closing net assets attributable to shareholders		173,345		178,489

Notes to the Financial Statements are on pages 49 to 54.

UK Growth Fund

Balance Sheet

as at 31 December 2019

	Notes	31/12/19 £000	31/12/18 £000
Fixed Assets			
Investments		<u>172,067</u>	<u>169,512</u>
Current assets:			
Debtors	7	1,902	405
Cash and bank balances	8	<u>827</u>	<u>10,707</u>
Total assets		<u>174,796</u>	<u>180,624</u>
Liabilities:			
Investment liabilities		<u>(38)</u>	<u>(1,885)</u>
Creditors:			
Bank overdrafts		(12)	(29)
Other creditors	9	<u>(1,401)</u>	<u>(221)</u>
Total other liabilities		<u>(1,413)</u>	<u>(250)</u>
Total liabilities		<u>(1,451)</u>	<u>(2,135)</u>
Net assets attributable to shareholders		<u>173,345</u>	<u>178,489</u>

Notes to the Financial Statements are on pages 49 to 54.

Notes to the Financial Statements

as at 31 December 2019

1. Accounting basis and policies

Please see page 9 for accounting basis and policies.

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
Non-derivative securities	37,615	(34,219)
Derivative contracts	4,571	(2,683)
Currency losses	(212)	(6)
Handling charges	(3)	11
Net capital gains/(losses)	41,971	(36,897)

3. Revenue

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
UK dividends	2,425	2,494
Overseas taxable revenue	(1)	-
Overseas non-taxable revenue	699	734
Property revenue from UK REITs - PID	263	204
Property revenue from UK REITs - Non PID	59	59
Bank interest	2	2
Revenue from CFDs	485	379
Total revenue	3,932	3,872

4. Expenses

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	1,456	1,548
Registration fees	404	351
	1,860	1,899

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees	59	63
Safe custody fees	2	2
	61	65

Other expenses:

Administration fee	40	41
Audit fee	9	9
Printing, publishing and postage fees	1	1
Other expenses	2	46
	52	97
	1,973	2,061

as at 31 December 2019

5. Taxation

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	18	19
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:		
Net revenue before taxation	1,706	1,619
Corporation tax of 20% (2018: 20%)	341	324
Effects of:		
UK dividends*	(485)	(499)
Overseas non-taxable revenue*	(140)	(147)
Movement in excess management expenses	296	334
Irrecoverable overseas tax	18	19
Property revenue from UK REITs - Non PID	(12)	(12)
Current tax charge for year (note 5a)	18	19

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,321,091 (31/12/18: £2,025,701) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Final	1,400	1,811
Add: Revenue deducted on cancellation of shares	371	130
Deduct: Revenue received on creation of shares	(83)	(341)
Net distribution for the year	1,688	1,600

Details of the distribution per share is set out in the Distribution Tables on page 55.

7. Debtors

	31/12/19 £000	31/12/18 £000
Sales awaiting settlement	1,722	-
Amounts receivable for issue of shares	32	271
Accrued revenue	129	121
Dilution levy receivable	-	1
Overseas tax recoverable	19	12
Total debtors	1,902	405

Notes to the Financial Statements

(continued)

as at 31 December 2019

8. Cash and bank balances

	31/12/19	31/12/18
	£000	£000
Cash and bank balances	395	6,395
Amounts held at futures clearing houses and brokers	432	4,312
Total cash and bank balances	827	10,707

9. Creditors

	31/12/19	31/12/18
	£000	£000
Amounts payable for cancellation of shares	1,194	12
Accrued ACD's periodic charge*	116	124
Accrued depositary fee*	5	5
Accrued other expenses	86	80
Total creditors	1,401	221

*This is a related party (see note 10).

10. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £1,162,299 receivable (31/12/18: £258,893 due) in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £116,463 (31/12/18: £123,879) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £4,816 (31/12/18: £5,090) due at the year end.

At the balance sheet date the following shareholders held more than 20% of the shares in the fund:

	31/12/19	31/12/18
Pendragon Group Pension Scheme	nil%	17.1%

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 45 to 46.

The distribution per share class is given in the Distribution Tables on page 55.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/18	01/01/19 to 31/12/19		31/12/19
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	2,829,925	104,930	(589,818)	-
Share Class B - Accumulation	37,946,761	2,827,532	(12,069,692)	-
Total	40,776,686	2,932,462	(12,659,510)	-
				31,049,638

as at 31 December 2019

12. Capital commitments and contingent liabilities

On 31 December 2019, the Fund had no capital commitments (31/12/18: £nil) and no contingent liabilities (31/12/18: £nil).

13. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 40. The risks inherent in the sub-fund's investment portfolio are as follows:

The UK Growth Fund utilises CFDs for effective portfolio management (EPM). The benefit of CFDs is that the Fund can gain exposure to price movements in underlying securities by making a margin payment rather than paying the full amount for the investment. This may result in the fund being leveraged beyond the net asset value and hence market movements may have a greater impact on the fund in this scenario. The use of derivatives may lead to an increase in the fund's volatility and may also increase counterparty risk within the fund. The UK Growth Fund restricts its exposure to counterparty risk on derivative instruments by trading via an International Swap Derivative Association (ISDA) Master Agreement with derivative counterparties.

Under CFDs the Fund has long positions with exposure to underlying securities with a total market value of £17,948,135 (31/12/18: £11,037,551). The counterparty is UBS AG. The Fund has a cash collateral position of £420,293 (31/12/18: £4,283,618) on deposit.

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure	Currency exposure
	31/12/19	31/12/18
	£000	£000
Euro	9,154	9,259
Polish zloty	(18)	(438)
US dollar	10	8
Total	<u>9,146</u>	<u>8,829</u>

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £394,991 (31/12/18: holding £6,394,717) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

The Fund holds net cash at futures brokers of £420,293 (31/12/18: cash £4,283,618), whose rates are determined by reference to rates supplied by the broker.

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the Fund managers weekly.

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

as at 31 December 2019

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Street Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Street Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depository receives and reviews an annual report on the internal controls in place at State Street Bank and Trust Company.

Certain transactions in securities that the sub-funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The sub-funds only buy and sell investments and trades CFD's through brokers which have been approved by the ACD as an acceptable counterparty; the broker through which CFD's are transacted requires a cash margin to be maintained with them as collateral for those positions. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' credit ratings are reviewed.

14. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Equities	33,860	69,785	71,493	30,052
Commissions				
Equities	31	72	(89)	(36)
Collective Investment Schemes	1	3	(2)	-
Taxes				
Equities	113	157	-	-
Total costs	145	232	(91)	(36)
Total net trades in the year after transaction costs	34,005	70,017	71,402	30,016

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %
Commissions				
Equities	0.09	0.10	0.12	0.12
Taxes				
Equities	0.33	0.22	-	-

Total transaction cost expressed as a percentage of average net asset value.

	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %
Commissions	0.07	0.06
Taxes	0.06	0.08
Total costs	0.13	0.14

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.69% (31/12/2018: 1.01%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

as at 31 December 2019

15. Fair value

Valuation technique	31/12/19		31/12/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	169,025	-	169,433	-
Level 2	3,042	(38)	79	(1,885)
Level 3	-	-	-	-
Total fair value	172,067	(38)	169,512	(1,885)

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e for which market data is unavailable) for the asset or liability.

UK Growth Fund

Distribution Tables

for the year ended 31 December 2019

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2019

Group 2 Final Shares purchased on or between 1 January 2019 and 31 December 2019

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	0.8864	-	0.8864	0.7231
Group 2	(p)	(p)	(p)	(p)
Final	-	0.8864	0.8864	0.7231

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	4.8058	-	4.8058	4.7177
Group 2	(p)	(p)	(p)	(p)
Final	1.8203	2.9855	4.8058	4.7177

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

UK Opportunities Fund

Authorised Fund Manager's Report

for the year ended 31 December 2019

Investment Objective and Policy

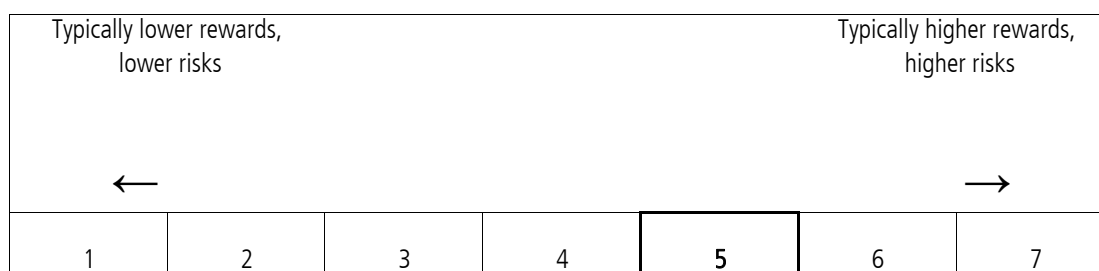
The objective of this Fund is to achieve above average capital growth over the medium to long term (although short term investment opportunities will also be considered) and it aims to outperform the FTSE All Share Index (or any successor index).

The FTSE All Share Index has been selected as the target benchmark for the Fund; its constituents make it an appropriate benchmark given the securities permitted for the Fund. The Fund is not constrained by the benchmark and may invest in other permitted securities. Comparison of the Fund's performance against the above target benchmark will allow investors to determine whether the Fund has achieved its aim.

The Fund will seek to invest in the full range of opportunities available to it, which will include shares on the Alternative Investment Market. The Fund also will seek to generate returns regardless of market capitalisation.

The Fund will invest principally in securities of UK companies listed on the London Stock Exchange. From time to time, when particular opportunities are identified, or the ACD considers it appropriate, this Fund may invest in other permitted transferable securities.

Synthetic Risk and Reward Indicator



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.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investment to fall as well as rise.
- The Fund uses Contracts for Difference (CFDs) for efficient portfolio management (EPM) purposes. This may create gearing and could lead to greater fluctuations in the Net Asset Value of the Fund. Full details on EPM can be found in Appendix A of the Prospectus.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.

Investment Review

Performance	31/12/14 to 31/12/15 %	31/12/15 to 31/12/16 %	31/12/16 to 31/12/17 %	31/12/17 to 31/12/18 %	31/12/18 to 31/12/19 %
UK Opportunities Fund	18.5	7.8	13.7	(12.4)	30.4

Source: Lipper Hindsight, mid to mid, UK net to 31 December 2019.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the year ended 31 December 2019

Market Review

The year began positively for global equity markets as a combination of dovish central bank statements and robust economic data reassured investors. Brexit, however, overshadowed the UK market for much of the year. Sterling fluctuated on the likelihood at any given point of a 'hard' or 'soft' Brexit. The announcement of a December General Election, and subsequent Conservative majority, led to a strong year-end rally for UK equities. Trade tensions between the US and China escalated during the year, with tit-for-tat tariff announcements and policy uncertainty having a cooling effect on the global economy. Protests in Hong Kong, triggered by an unpopular extradition bill, also heightened investor nervousness. Economic growth consequently disappointed through the year. European economic data was largely stagnant. Germany, particularly, suffered given the importance of its manufacturing sector and exposure to global trade. While US economic data proved more resilient, more was expected following the fiscal impetus of President Trump's tax cuts. Central banks, which were widely expected at the beginning of 2019 to increase rates throughout the year, either held rates flat or, most notably in the case of the US Federal Reserve, cut.

The Fund returned 30.38% versus the FTSE All-Share that returned 19.17% and the average fund that returned 22.64%. Over three, five and ten years the fund has returned 29.93%, 65.84%, and 182.19% versus the FTSE All-Share which has returned 22.01%, 43.84%, and 118.28%.

Portfolio Review

At a stock-specific level, Jadestone Energy, an oil and gas E&P company, was the largest positive contributor to fund performance. Alongside strong operational performance throughout the year, the company also announced the acquisition of a 69% interest in the Maari Project, Offshore New Zealand, from OMV. The exceptional financial returns on the transaction demonstrate the attractive opportunities available to Jadestone and we expect further deals over the next twelve months. Norcros, a bathroom and kitchen equipment supplier, also outperformed despite challenging market conditions in its core markets of the UK and South Africa. Management's relentless focus on operational improvement led to another year of growth. Team 17, a developer and publisher of computer games, delivered a string of revenue and profit upgrades throughout the year. The market has failed to recognise the strength of the company's back-catalogue, development pipeline and lower-risk approach to game development. Elsewhere, the Fund's low-cost airline stocks, Ryanair and Wizz, rallied into the year-end as they benefited from an improving supply and demand outlook for the European aviation market.

There were few significant disappointments during the year. Arena Events, the events solutions provider, lowered guidance as poor cost controls in its core UK division led to earnings downgrades.

Outlook

Despite the difficulties faced by the global economy in 2019, we are constructive on the outlook for 2020. While economic growth weakened throughout the previous year, consumer demand remained relatively healthy. The announcement of a 'phase one' trade deal between China and the US is a positive and a more stable domestic political situation in the UK should lead to less uncertainty for both businesses and consumers. We continue to believe that the significant imbalances in the real economy or financial sector that typically emerge at the end of the cycle are not currently apparent.

Despite the year-end rally, UK stocks continue to trade at a marked discount to their international peers. Against a more stable political backdrop, we believe that the intrinsic strengths of the UK economy will become more apparent. Sterling remains undervalued and we expect both it and the UK economy to outperform consensus expectations. We believe the portfolio offers a very attractive risk vs reward profile at current levels although volatility may remain elevated as investors seek to discern the strength of the global economy.

SVM Asset Management Limited

January 2020

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

UK Opportunities Fund

Portfolio Statement

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
UNITED KINGDOM (65.29%*)		98,576	67.52
BASIC MATERIALS (3.21%*)		6,788	4.65
Synthomer	1,912,096	6,788	4.65
CONSUMER GOODS (4.24%*)		9,118	6.24
Team17	1,328,508	4,982	3.41
TI Fluid Systems	1,600,000	4,136	2.83
CONSUMER SERVICES (5.17%*)		9,481	6.50
Arena Events	2,318,000	463	0.32
Informa	803,252	6,874	4.71
Marshall Motor	423,994	649	0.45
Pebble	1,107,143	1,495	1.02
FINANCIALS (16.80%*‡)		28,029	19.20
Aquis Exchange	230,921	924	0.63
Arden Partners	812,500	138	0.10
Cluff Natural Resources	42,857,142	664	0.46
Lloyds Banking	11,330,000	7,079	4.85
M&G	887,000	2,104	1.44
Melrose Industries	1,534,601	3,686	2.52
OneSavings Bank	799,442	3,444	2.36
Prudential	487,000	7,037	4.82
St Modwen Properties	588,174	2,953	2.02
HEALTH CARE (2.21%*)		3,129	2.14
Creo Medical	1,757,683	3,129	2.14
INDUSTRIALS (21.51%*‡)		29,727	20.36
Alpha Financial Markets Consulting	2,253,491	5,544	3.80
Biffa	1,560,554	4,206	2.88
Forterra	1,388,373	4,804	3.29
John Menzies	909,054	4,304	2.95
Norcros	2,914,709	8,015	5.49
Speedy Hire	3,795,000	2,854	1.95
OIL & GAS (12.15%*)		12,304	8.43
BP	862,000	4,084	2.80
Energear Oil & Gas	387,244	3,574	2.45
Jersey Oil & Gas	730,454	1,088	0.74
Longboat Energy	500,000	470	0.32
Pantheon Resources	10,014,188	1,630	1.12
Savannah Petroleum	6,942,000	1,458	1.00
AUSTRALIA (0.13%*)		-	-
CANADA (1.22%*)		8,761	6.00
Jadestone Energy	9,522,436	8,761	6.00
IRELAND (9.07%*)		14,433	9.89
DCC	100,705	6,548	4.49
Ryanair	635,000	7,885	5.40
ISLE OF MAN (3.65%*)		6,120	4.19
GVC	650,000	5,729	3.92
Petro Matad	10,849,614	391	0.27
SINGAPORE (0.29%*)		375	0.26
Simec Atlantis Energy	3,747,431	375	0.26

UK Opportunities Fund

Portfolio Statement

(continued)

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
DERIVATIVES (-3.64%*)		4,947	3.39
CONTRACTS FOR DIFFERENCE			
Ashtead Group - CFD	95,500	341	0.23
Balfour Beatty - CFD	1,790,000	590	0.40
Berkeley - CFD†	20,250	(215)	(0.15)
Boohoo.Com - CFD†	60,000	(71)	(0.05)
Colruyt - CFD†	46,000	609	0.42
Cranswick - CFD†	49,780	(356)	(0.24)
Grenke - CFD†	27,000	(186)	(0.13)
Halma - CFD†	144,000	(860)	(0.59)
Howden Joinery - CFD†	314,500	(525)	(0.36)
International Consolidated Airlines - CFD	960,000	998	0.68
IWG - CFD	1,116,000	2,247	1.54
Just Group - CFD	1,830,145	7	-
Kainos Group - CFD	402,250	959	0.66
Keywords Studios - CFD†	98,183	(303)	(0.21)
Legal & General - CFD	1,330,000	507	0.35
Lookers - CFD	975,000	(470)	(0.32)
Rightmove - CFD†	320,000	(528)	(0.36)
SDL - CFD	653,867	(33)	(0.02)
Smurfit Kappa - CFD	140,000	795	0.55
Spirax Sarco Engineering - CFD†	15,286	(325)	(0.22)
Tesco - CFD	2,840,000	865	0.59
Wizz Air - CFD	136,400	901	0.62
Portfolio of investments^		133,212	91.25
Net other assets (23.99%*)		12,770	8.75
Total net assets		145,982	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

* Comparative figures shown in brackets relate to 31 December 2018.

† Short positions

^ Including investment liabilities of £3,872,121.

‡ Since the previous report the Industry Sector Classification headings have been updated by data providers. Where the portfolio statement shows Industry Sectors, the new sector names have been reflected in the report in respect of the current holdings and comparative holdings have been restated where appropriate.

UK Opportunities Fund

Material Portfolio Changes

for the year ended 31 December 2019

	Cost £000		Proceeds £000
Major purchases		Major sales	
St Modwen Properties	2,431	Melrose Industries	6,159
Speedy Hire	2,118	Essentra	5,549
Jadestone Energy	1,516	Faroe Petroleum	5,306
Pantheon Resources	1,504	BP	4,599
Synthomer	1,492	Forterra	4,532
Pebble	1,163	Bodycote	3,882
Lloyds Banking	1,157	Balfour Beatty	3,125
Synthomer	1,110	GVC	2,672
Forterra	1,043	John Laing	2,350
M&G	921	Hollywood Bowl	1,670

UK Opportunities Fund

Comparative table

as at 31 December 2019

Net Asset Value and Ongoing Charges Figure

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	447.94	514.95	453.07
Return before operating charges*	149.28	(57.80)	70.75
Operating charges	(9.06)	(9.21)	(8.87)
Return after operating charges*	140.22	(67.01)	61.88
Distributions on accumulation shares	(5.16)	(2.52)	(4.65)
Retained distributions on accumulation shares	5.16	2.52	4.65
Closing net asset value per share	588.16	447.94	514.95
*after direct transaction costs of:	0.46	1.44	1.57
Performance			
Return after charges	31.30%	(13.01%)	13.66%
Other information			
Closing net asset value (£'000)	30,350	26,158	31,745
Closing number of shares	5,160,137	5,839,768	6,164,727
Operating charges (ongoing charges figure)	1.80%	1.78%	1.82%
Direct transaction costs	0.09%	0.28%	0.32%
Prices			
Highest share price	592.20	562.90	517.80
Lowest share price	452.30	444.60	452.60
Price at year end	590.90	451.30	517.20

UK Opportunities Fund

Comparative table

(continued)

as at 31 December 2019

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	507.55	578.38	505.15
Return before operating charges*	168.50	(64.85)	79.05
Operating charges	(5.96)	(5.98)	(5.82)
Return after operating charges*	162.54	(70.83)	73.23
Distributions on accumulation shares	(10.10)	(7.24)	(9.26)
Retained distributions on accumulation shares	10.10	7.24	9.26
Closing net asset value per share	670.09	507.55	578.38
*after direct transaction costs of:	0.52	1.62	1.76
Performance			
Return after charges	32.02%	(12.24%)	14.50%
Other information			
Closing net asset value (£'000)	115,632	136,141	130,442
Closing number of shares	17,256,295	26,823,062	22,552,936
Operating charges (ongoing charges figure)	1.05%	1.03%	1.07%
Direct transaction costs	0.09%	0.28%	0.32%
Prices			
Highest share price	673.30	632.60	579.30
Lowest share price	510.40	501.70	503.40
Price at year end	671.80	509.30	579.30

UK Opportunities Fund

Statement of Total Return

for the year ended 31 December 2019

	Notes	Year Ended 31 December 2019		Year Ended 31 December 2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		38,778		(25,096)
Revenue	3	5,062		4,761	
Expenses	4	(1,798)		(2,011)	
Interest payable and similar charges		(699)		(863)	
Net revenue before taxation		2,565		1,887	
Taxation	5	-		(8)	
Net revenue after taxation			2,565		1,879
Total return before distribution			41,343		(23,217)
Distribution	6		(2,565)		(1,879)
Change in net assets attributable to shareholders from investment activities			38,778		(25,096)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	Year Ended 31 December 2019		Year Ended 31 December 2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		162,299		162,187
Amounts receivable on creation of shares	6,568		36,522	
Less: Amounts payable on cancellation of shares	(63,672)		(13,403)	
		(57,104)		23,119
Change in net assets attributable to shareholders from investment activities		38,778		(25,096)
Retained distribution on accumulation shares		2,009		2,089
Closing net assets attributable to shareholders		145,982		162,299

Notes to the Financial Statements are on pages 65 to 70.

UK Opportunities Fund

Balance Sheet

as at 31 December 2019

	Notes	31/12/19 £000	31/12/18 £000
Fixed Assets			
Investments		<u>137,084</u>	<u>130,033</u>
Current assets:			
Debtors	7	268	426
Cash and bank balances	8	<u>14,663</u>	<u>39,511</u>
Total assets		<u>152,015</u>	<u>169,970</u>
Liabilities:			
Investment liabilities		<u>(3,872)</u>	<u>(6,669)</u>
Creditors:			
Bank overdrafts		(1,617)	(755)
Other creditors	9	<u>(544)</u>	<u>(247)</u>
Total other liabilities		<u>(2,161)</u>	<u>(1,002)</u>
Total liabilities		<u>(6,033)</u>	<u>(7,671)</u>
Net assets attributable to shareholders		<u>145,982</u>	<u>162,299</u>

Notes to the Financial Statements are on pages 65 to 70.

UK Opportunities Fund

Notes to the Financial Statements

as at 31 December 2019

1. Accounting basis and policies

Please see page 9 for accounting basis and policies.

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Non-derivative securities	30,770	(19,623)
Derivative contracts	7,900	(5,825)
Forward foreign exchange currency contracts	-	8
Currency gains	121	336
Handling charges	(13)	8
Net capital gains/(losses)	<u>38,778</u>	<u>(25,096)</u>

3. Revenue

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
UK dividends	3,483	3,249
Overseas non-taxable revenue	477	442
Bank interest	9	7
Interest on debt securities	-	12
Revenue from CFDs	1,093	1,051
Total revenue	<u>5,062</u>	<u>4,761</u>

4. Expenses

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	1,352	1,537
Registration fees	344	322
	<u>1,696</u>	<u>1,859</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	51	57
Safe custody fees	1	2
	<u>52</u>	<u>59</u>
Other expenses:		
Administration fee	38	40
Audit fee	9	9
Printing, publishing and postage fees	1	1
Other expenses	2	43
	<u>50</u>	<u>93</u>
	<u>1,798</u>	<u>2,011</u>

as at 31 December 2019

5. Taxation

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	-	8
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:		
Net revenue before taxation	2,565	1,887
Corporation tax of 20% (2018: 20%)	513	377
Effects of:		
UK dividends*	(697)	(650)
Overseas non-taxable revenue*	(95)	(88)
Movement in excess management expenses	279	361
Irrecoverable overseas tax	-	8
Current tax charge for year (note 5a)	-	8

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,832,660 (31/12/18: £2,553,600) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Final	2,009	2,089
Add: Revenue deducted on cancellation of shares	613	139
Deduct: Revenue received on creation of shares	(57)	(349)
Net distribution for the year	2,565	1,879

Details of the distribution per share is set out in the Distribution Tables on page 71.

7. Debtors

	31/12/19 £000	31/12/18 £000
Amounts receivable for issue of shares	233	189
Accrued revenue	34	236
Overseas tax recoverable	1	1
Total debtors	268	426

as at 31 December 2019

8. Cash and bank balances

	31/12/19	31/12/18
	£000	£000
Cash and bank balances	6,741	24,557
Amounts held at futures clearing houses and brokers	7,922	14,954
Total cash and bank balances	14,663	39,511

9. Creditors

	31/12/19	31/12/18
	£000	£000
Amounts payable for cancellation of shares	360	40
Accrued ACD's periodic charge*	107	123
Accrued depositary fee*	4	5
Accrued other expenses	73	79
Total creditors	544	247

*This is a related party (see note 10).

10. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £127,277 receivable (31/12/18: £149,299 due) in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £106,664 (31/12/18: £123,166) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £4,042 (31/12/18: £4,715) due at the year end.

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 61 to 62.

The distribution per share class is given in the Distribution Tables on page 71.

All share classes have the same rights on winding up.

Reconciliation of the share movement in the year:

	31/12/18	01/01/19 to 31/12/19		31/12/19
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	5,839,768	240,961	(920,592)	- 5,160,137
Share Class B - Accumulation	26,823,062	923,952	(10,490,719)	- 17,256,295
Total	32,662,830	1,164,913	(11,411,311)	- 22,416,432

as at 31 December 2019

12. Capital commitments and contingent liabilities

On 31 December 2019, the Fund had no capital commitments (31/12/18: £nil) and no contingent liabilities (31/12/18: £nil).

13. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 56. The risks inherent in the sub-fund's investment portfolio are as follows:

The UK Opportunities Fund utilises CFDs for effective portfolio management (EPM). The benefit of CFDs is that the Fund can gain exposure to price movements in underlying securities by making a margin payment rather than paying the full amount for the investment. This may result in the fund being leveraged beyond the net asset value and hence market movements may have a greater impact on the fund in this scenario. The use of derivatives may lead to an increase in the fund's volatility and may also increase counterparty risk within the fund. The UK Opportunities Fund restricts its exposure to counterparty risk on derivative instruments by trading via an International Swap Derivative Association (ISDA) Master Agreement with derivative counterparties.

Under CFDs the Fund has long positions with exposure to underlying securities with a total market value of £47,363,347 (31/12/18: £31,551,442) and short positions with an exposure to underlying securities with a total market value of £16,850,242 (31/12/18: £15,037,278). The counterparty is UBS AG. The Fund currently has a cash collateral position of £6,304,640 (31/12/18: £14,199,309) on deposit.

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure	Currency exposure
	31/12/19	31/12/18
	£000	£000
Danish krone	1,122	1,191
Euro	6,691	6,186
Swiss franc	227	233
US dollar	4	6,111
Total	<u>8,044</u>	<u>13,721</u>

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £6,741,219 (31/12/18: holding £24,556,472) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

The Fund holds net cash at futures brokers of £6,304,640 (31/12/18: cash £14,199,305), whose rates are determined by reference to rates supplied by the broker.

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the Fund managers weekly.

as at 31 December 2019

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Street Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Street Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depository receives and reviews an annual report on the internal controls in place at State Street Bank and Trust Company.

Certain transactions in securities that the sub-funds enter into expose them to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The sub-funds only buy and sell investments and trades CFD's through brokers which have been approved by the ACD as an acceptable counterparty; the broker through which CFD's are transacted requires a cash margin to be maintained with them as collateral for those positions. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' credit ratings are reviewed.

14. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/01/19 to 31/12/19	01/01/18 to 31/12/18	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000	£000	£000
Equities	22,377	89,951	54,294	66,777
Bonds	-	-	-	9,998
Trades in the year before transaction costs	22,377	89,951	54,294	76,775
Commissions				
Equities	20	53	(55)	(72)
Bonds	-	-	-	(5)
Total commissions	20	53	(55)	(77)
Taxes				
Equities	64	352	-	-
Bonds	-	-	-	-
Total taxes	64	352	-	-
Total costs	84	405	(55)	(77)
Total net trades in the year after transaction costs	22,461	90,356	54,239	76,698

Total transaction cost expressed as a percentage of asset type cost.

as at 31 December 2019

	Purchases		Sales	
	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %
Commissions				
Equities	0.09	0.06	0.10	0.11
Bonds	-	-	-	0.05
Taxes				
Equities	0.29	0.39	-	-
Bonds	-	-	-	-
Total transaction cost expressed as a percentage of average net asset value.				
		01/01/19 to 31/12/19		01/01/18 to 31/12/18
		%		%
Commissions		0.05		0.07
Taxes		0.04		0.21
Total costs		<u>0.09</u>		<u>0.28</u>

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.87% (31/12/2018: 1.09%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

15. Fair value

Valuation technique	31/12/19		31/12/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	128,265	-	129,271	-
Level 2	8,819	(3,872)	762	(6,669)
Level 3	-	-	-	-
Total fair value	<u>137,084</u>	<u>(3,872)</u>	<u>130,033</u>	<u>(6,669)</u>

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

UK Opportunities Fund

Distribution Tables

for the year ended 31 December 2019

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2019

Group 2 Final Shares purchased on or between 1 January 2019 and 31 December 2019

Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	5.1644	-	5.1644	2.5159
Group 2	(p)	(p)	(p)	(p)
Final	2.4984	2.6660	5.1644	2.5159

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	10.0983	-	10.0983	7.2411
Group 2	(p)	(p)	(p)	(p)
Final	4.7122	5.3861	10.0983	7.2411

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

World Equity Fund

Authorised Fund Manager's Report

for the year ended 31 December 2019

Investment Objective and Policy

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 its peers in the IA Global Growth Sector (second quartile and above).

The IA Global Sector has been selected as the target benchmark for the fund; it contains a peer group of funds with broadly similar characteristics investing in the same asset classes making it an appropriate benchmark. Comparison of the Fund's performance against the above target benchmark will allow investors to determine whether the Fund has achieved its aim.

The Fund will invest in a portfolio of global equities and other equity related instruments such as Exchange Traded Funds.

Synthetic Risk and Reward Indicator

Typically lower rewards, lower risks ←				Typically higher rewards, higher risks →		
1	2	3	4	5	6	7

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.

The following risks are relevant for this Fund:

- The Fund should generally be regarded as a longer term investment. The price of shares in the Fund can go down as well as up and is not guaranteed.
- Currency movements may cause the value of your investment to fall as well as rise.
- The Fund is exposed to currency risk. The Fund may use currency management techniques, including hedging and entering into derivatives contracts, for efficient portfolio management (EPM) purposes. Full details on EPM can be found in Appendix A of the Prospectus.
- Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio.
- The Fund is exposed to credit and settlement risk through its dealings with Counter Parties. If a Counter Party business fails, the Fund may incur losses.
- 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.

Investment Review

Performance	31/12/14 to 31/12/15 %	31/12/15 to 31/12/16 %	31/12/16 to 31/12/17 %	31/12/17 to 31/12/18 %	31/12/18 to 31/12/19 %
World Equity Fund	7.3	21.1	12.0	(13.6)	29.6

Source: Lipper Hindsight, mid to mid, UK net to 31 December 2019.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the year ended 31 December 2019

Market Review

The year began positively for global equity markets as a combination of dovish central bank statements and robust economic data reassured investors. Brexit, however, overshadowed the UK market for much of the year. Sterling fluctuated on the likelihood at any given point of a 'hard' or 'soft' Brexit. The announcement of a December General Election, and subsequent Conservative majority, led to a strong year-end rally for UK equities. Trade tensions between the US and China escalated during the year, with tit-for-tat tariff announcements and policy uncertainty having a cooling effect on the global economy. Protests in Hong Kong, triggered by an unpopular extradition bill, also heightened investor nervousness. Economic growth consequently disappointed through the year. European economic data was largely stagnant. Germany, particularly, suffered given the importance of its manufacturing sector and exposure to global trade. While US economic data proved more resilient, more was expected following the fiscal impetus of President Trump's tax cuts. Central banks, which were widely expected at the beginning of 2019 to increase rates throughout the year, either held rates flat or, most notably in the case of the US Federal Reserve, cut.

The Fund returned 29.62% versus the average fund that returned 22.2%.

Portfolio Review

At a stock-specific level, the largest positive contributor to Fund performance was software company, Microsoft. Over the last five years Microsoft has repositioned itself by diversifying into enterprise-based and cloud-based software solutions. We believe it is one of the highest quality companies in the world and it has delivered another year of strong revenue and earnings growth. Jadestone Energy, an oil and gas E&P company, also outperformed. Alongside strong operational performance throughout the year, the company announced the acquisition of a 69% interest in the Maari Project, Offshore New Zealand, from OMV. The exceptional financial returns on the transaction demonstrate the attractive opportunities available to Jadestone and we expect further deals over the next twelve months. Team 17, a developer and publisher of computer games, delivered a string of revenue and profit upgrades throughout the year. The market has failed to recognise the strength of the company's back-catalogue, development pipeline and lower-risk approach to game development. Hitachi outperformed as investors welcomed the group's continuing portfolio simplification. Elsewhere, the Fund's low-cost airline stocks, Ryanair and Wizz, rallied into the year-end as they benefited from an improving supply and demand outlook for the European aviation market.

There were few significant disappointments during the year.

Outlook

Despite the difficulties faced by the global economy in 2019, we are constructive on the outlook for 2020. While economic growth weakened throughout the previous year, consumer demand remained relatively healthy. The announcement of a 'phase one' trade deal between China and the US is a positive and a more stable domestic political situation in the UK should lead to less uncertainty for both businesses and consumers. A less volatile political backdrop will benefit emerging markets, which have been caught in the trade war crossfires and hindered by US dollar strength. We continue to believe that the significant imbalances in the real economy or financial sector that typically emerge at the end of the cycle are not currently apparent.

The Fund remains overweight to the UK as Sterling remains undervalued and we expect both it and the UK economy to outperform versus consensus expectations. We believe the portfolio offers a very attractive risk vs reward profile at current levels although volatility may remain elevated as investors seek to discern the strength of the global economy.

SVM Asset Management Limited

January 2020

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

World Equity Fund

Portfolio Statement

as at 31 December 2019

	Holdings	Market Value £000	Total Net Assets %
UNITED KINGDOM (35.15%*)		6,210	28.87
Alpha Financial Markets Consulting	303,528	747	3.47
Creo Medical	220,000	392	1.82
Luxfer	91,530	1,292	6.01
Norcros	125,001	344	1.60
Pebble	132,857	179	0.83
Prudential	52,600	760	3.53
Savannah Petroleum	1,000,000	210	0.98
Synthomer	266,452	946	4.40
Team17	193,340	725	3.37
TI Fluid Systems	238,000	615	2.86
AUSTRALIA (0.16%*)		-	-
CANADA (4.27%*)		1,859	8.64
Canadian Pacific Railway	5,380	1,036	4.82
Jadestone Energy	894,500	823	3.82
CAYMAN ISLANDS (1.95%*)		291	1.35
JHL Biotech	250,000	291	1.35
GERMANY (1.15%*)		-	-
HONG KONG (6.46%*)		1,258	5.85
AIA	158,240	1,258	5.85
INDONESIA (1.65%*)		-	-
IRELAND (3.37%*)		1,737	8.08
Ryanair	105,100	1,305	6.07
Uniphar	420,000	432	2.01
ISLE OF MAN (3.05%*)		811	3.77
GVC	92,000	811	3.77
JAPAN (8.79%*)		1,863	8.67
Denka	26,300	599	2.79
Hitachi	39,190	1,264	5.88
JERSEY (4.26%*)		807	3.75
Wizz Air	20,680	807	3.75
SOUTH KOREA (3.51%*)		1,026	4.77
SK Hynix	16,660	1,026	4.77
SWITZERLAND (1.64%*)		-	-
UNITED STATES (24.14%*)		5,632	26.18
Alphabet	954	968	4.50
Delta Air Lines	8,230	366	1.70
MagnaChip Semiconductor	50,000	440	2.05
Microsoft	12,660	1,511	7.02
Visa	10,000	1,422	6.61
Walt Disney	8,500	925	4.30
DERIVATIVES (-0.42%*)		-	-
Portfolio of investments		21,494	99.93
Net other assets (0.87%*)		14	0.07
Total net assets		21,508	100.00

All investments held are listed on Regulated Exchanges, unless otherwise stated.

* Comparative figures shown in brackets relate to 31 December 2018.

World Equity Fund

Portfolio Statement

(continued)

as at 31 December 2019

	Total Net Assets %	Total Net Assets %
	31/12/19	31/12/18
SECTOR ANALYSIS		
Basic Materials	7.2	9.6
Consumer Goods	6.2	4.6
Consumer Services	22.4	15.6
Financials	16.0	11.5
Health Care	3.2	5.6
Industrials	21.8	28.5
Oil & Gas	4.8	2.7
Technology	18.3	21.4
Derivatives	-	(0.4)
Net other assets (0.87%*)	0.1	0.9
Total net assets	100.0	100.0

World Equity Fund

Material Portfolio Changes

for the year ended 31 December 2019

	Cost £000		Proceeds £000
Major purchases		Major sales	
Visa	1,363	Alphabet	1,096
Walt Disney	903	Delta Air Lines	835
Uniphar	434	Microsoft	820
MagnaChip Semiconductor	423	Essentra	666
Aluflexpack	417	Allergan	570
Creo Medical	331	Melrose Industries	550
Ryanair	310	Wizz Air	522
Norcros	258	RPC	512
Savannah Petroleum	200	IWG	416
Wizz Air	195	Forterra	410

World Equity Fund

Comparative table

as at 31 December 2019

Net Asset Value and Ongoing Charges Figure

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class A - Accumulation			
Change in net assets per share			
Opening net asset value per share	258.87	299.92	267.97
Return before operating charges*	83.10	(35.17)	37.66
Operating charges	(5.97)	(5.88)	(5.71)
Return after operating charges*	77.13	(41.05)	31.95
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	336.00	258.87	299.92
*after direct transaction costs of:	0.29	0.62	0.63
Performance			
Return after charges	29.79%	(13.69%)	11.92%
Other information			
Closing net asset value (£'000)	2,083	1,980	2,482
Closing number of shares	619,959	764,717	827,487
Operating charges (ongoing charges figure)	1.98%	1.98%	1.98%
Direct transaction costs	0.10%	0.21%	0.22%
Prices			
Highest share price	339.00	323.20	304.50
Lowest share price	258.60	257.30	267.20
Price at year end	337.40	260.30	301.10

World Equity Fund

Comparative table

(continued)

as at 31 December 2019

	Final 31/12/19 (p)	Final 31/12/18 (p)	Final 31/12/17 (p)
Share Class B - Accumulation			
Change in net assets per share			
Opening net asset value per share	286.30	329.06	291.75
Return before operating charges*	92.13	(38.74)	41.19
Operating charges	(4.11)	(4.02)	(3.88)
Return after operating charges*	88.02	(42.76)	37.31
Distributions on accumulation shares	(1.96)	(1.47)	(1.42)
Retained distributions on accumulation shares	1.96	1.47	1.42
Closing net asset value per share	374.32	286.30	329.06
*after direct transaction costs of:	0.33	0.68	0.69
Performance			
Return after charges	30.74%	(12.99%)	12.79%
Other information			
Closing net asset value (£'000)	19,425	18,166	28,142
Closing number of shares	5,189,363	6,345,390	8,552,324
Operating charges (ongoing charges figure)	1.23%	1.23%	1.23%
Direct transaction costs	0.10%	0.21%	0.22%
Prices			
Highest share price	376.40	355.20	332.70
Lowest share price	285.00	283.50	290.70
Price at year end	374.60	286.90	329.40

World Equity Fund

Statement of Total Return

for the year ended 31 December 2019

	Notes	Year Ended 31 December 2019		Year Ended 31 December 2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		5,570		(3,329)
Revenue	3	420		511	
Expenses	4	(281)		(370)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		139		140	
Taxation	5	(24)		(27)	
Net revenue after taxation			115		113
Total return before distribution			5,685		(3,216)
Distribution	6		(119)		(120)
Change in net assets attributable to shareholders from investment activities			5,566		(3,336)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	Year Ended 31 December 2019		Year Ended 31 December 2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		20,146		30,624
Amounts receivable on creation of shares	713		750	
Less: Amounts payable on cancellation of shares	(5,019)		(7,985)	
		(4,306)		(7,235)
Change in net assets attributable to shareholders from investment activities		5,566		(3,336)
Retained distribution on accumulation shares		102		93
Closing net assets attributable to shareholders		21,508		20,146

Notes to the Financial Statements are on pages 81 to 86.

World Equity Fund

Balance Sheet

as at 31 December 2019

	Notes	31/12/19 £000	31/12/18 £000
Fixed Assets			
Investments		<u>21,494</u>	<u>20,056</u>
Current assets:			
Debtors	8	29	13
Cash and bank balances		<u>61</u>	<u>284</u>
Total assets		<u>21,584</u>	<u>20,353</u>
Liabilities:			
Investment liabilities		<u>-</u>	<u>(86)</u>
Creditors:			
Other creditors	9	<u>(76)</u>	<u>(121)</u>
Total other liabilities		<u>(76)</u>	<u>(121)</u>
Total liabilities		<u>(76)</u>	<u>(207)</u>
Net assets attributable to shareholders		<u><u>21,508</u></u>	<u><u>20,146</u></u>

Notes to the Financial Statements are on pages 81 to 86.

World Equity Fund

Notes to the Financial Statements

as at 31 December 2019

1. Accounting basis and policies

Please see page 9 for accounting basis and policies.

2. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
Non-derivative securities	5,601	(3,244)
Forward foreign exchange currency contracts	86	(90)
Currency losses	(116)	(17)
Handling charges	(1)	22
Net capital gains/(losses)	5,570	(3,329)

3. Revenue

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
UK dividends	189	229
Overseas taxable revenue	(1)	(1)
Overseas non-taxable revenue	231	278
Bank interest	1	5
Total revenue	420	511

4. Expenses

	01/01/19 to 31/12/19	01/01/18 to 31/12/18
	£000	£000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD's periodic charge	177	232
Registration fees	64	67
	241	299
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	18	18
Safe custody fees	1	2
	19	20
Other expenses:		
Administration fee	32	32
Audit fee	9	9
Printing, publishing and postage fees	1	1
Other expenses	3	12
	45	54
Expenses rebate *	(24)	(3)
	281	370

*The ACD has agreed to cap the expenses as described in the ACD's report (see page 3).

as at 31 December 2019

5. Taxation

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	24	27
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2018: 20%). The differences are explained below:		
Net revenue before taxation	139	140
Corporation tax of 20% (2018: 20%)	28	28
Effects of:		
UK dividends*	(38)	(46)
Overseas non-taxable revenue*	(46)	(56)
Movement in excess management expenses	56	74
Irrecoverable overseas tax	24	27
Current tax charge for year (note 5a)	24	27

*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £804,742 (31/12/18: £748,448) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

6. Distributions

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Final	102	93
Add: Revenue deducted on cancellation of shares	20	29
Deduct: Revenue received on creation of shares	(3)	(2)
Net distribution for the year	119	120

Details of the distribution per share is set out in the Distribution Tables on page 87.

7. Movement between net revenue and net distribution

	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Net revenue after taxation	115	113
Share class A shortfall funded from capital	4	7
Net distribution for the year	119	120

as at 31 December 2019

8. Debtors

	31/12/19	31/12/18
	£000	£000
Amounts receivable for issue of shares	13	2
Accrued revenue	11	7
Accrued expenses rebate due from ACD*	3	4
Overseas tax recoverable	2	-
Total debtors	<u>29</u>	<u>13</u>

*This is a related party (see note 10).

9. Creditors

	31/12/19	31/12/18
	£000	£000
Amounts payable for cancellation of shares	32	57
Accrued ACD's periodic charge*	15	16
Accrued depositary fee*	2	2
Accrued other expenses	27	46
Total creditors	<u>76</u>	<u>121</u>

*This is a related party (see note 10).

10. Related party transactions

SVM Asset Management Limited, ("the ACD") is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Fund.

The ACD acts as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, with £19,461 (31/12/18: £55,431) due in respect of share transactions at the year end. Details of the ACD's periodic charge and the expense rebate paid to the ACD, or its associates are shown in note 4. Amounts due to the ACD in respect of these transactions at the year end are included in the Balance Sheet.

Amounts paid to SVM Asset Management Limited in respect of ACD fees and ACD rebates are disclosed in note 4, with £11,345 (31/12/18: £12,160) due at the year end.

Amounts paid to SVM Asset Management Limited in respect of the Depositary are disclosed in note 4, with £1,529 (31/12/18: £1,529) due at the year end.

At the balance sheet date the following shareholders held more than 20% of the shares in the fund:

	31/12/19	31/12/18
The Bank of New York (Nominees) Limited	34.9%	36.0%

11. Share classes

The Fund has two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 77 to 78.

The distribution per share class is given in the Distribution Tables on page 87.

All share classes have the same rights on winding up.

as at 31 December 2019

Reconciliation of the share movement in the year:

	31/12/18	01/01/19 to 31/12/19		31/12/19
	Opening shares in issue	Creations	Cancellations	Shares converted Closing shares in issue
Share Class A - Accumulation	764,717	13,097	(157,855)	- 619,959
Share Class B - Accumulation	6,345,390	196,564	(1,352,591)	- 5,189,363
Total	7,110,107	209,661	(1,510,446)	- 5,809,322

12. Capital commitments and contingent liabilities

On 31 December 2019, the Fund had no capital commitments (31/12/18: £nil) and no contingent liabilities (31/12/18: £nil).

13. Financial instruments

A statement of the sub-fund's objective and the policy for achieving it has been included on page 72. The risks inherent in the sub-fund's investment portfolio are as follows:

(a) Currency risk

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

As at 31 December the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 31/12/19 £000	Currency exposure 31/12/18 £000
Australian dollar	-	33
Canadian dollar	2	1
Euro	1,740	911
Hong Kong dollar	1,258	1,302
Indonesian rupiah	-	332
Japanese yen	1,863	(2,607)
South Korean won	1,026	707
Taiwanese dollar	291	392
US dollar	7,986	11,302
Total	14,166	12,373

The possible effects on fair value and cash flows that could arise as a result of changes in currencies are taken into account when making investment decisions.

(b) Interest rate risk profile of financial assets and liabilities

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates.

The sub-fund's net cash holding of £60,616 (31/12/18: holding £284,026) is held in a floating rate deposit account whose rate is determined by reference to rates supplied by the Depositary.

(c) Liquidity risk

Liquidity risk is the risk of low market liquidity, through reduced trading volumes, affecting the ability of the sub-fund to trade financial instruments at values previously indicated by financial brokers.

The main liability of each sub-fund is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions. It is therefore important to ensure that the sub-fund's assets comprise mainly readily realisable securities.

Applying the FCA's definition of liquid assets, the ACD monitors the liquidity composition of the sub-funds on a real-time basis to ensure liquidity remains within management limits. This is further reviewed by the Compliance department on a regular basis and reported to the Fund managers weekly.

as at 31 December 2019

(d) Market price risk and fair value of financial assets and liabilities

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the rules of the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

(e) Counterparty risk

Counterparty risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered into.

The largest counterparty risk is with State Street Bank and Trust Company, the ICVC's custodian and banker, who holds the sub-fund's investments and maintains the bank accounts. Bankruptcy or insolvency of State Street Bank and Trust Company may cause the sub-fund's rights with respect to securities and cash held by the custodian to be delayed or limited.

The Depository receives and reviews an annual report on the internal controls in place at State Street Bank and Trust Company.

14. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000	01/01/19 to 31/12/19 £000	01/01/18 to 31/12/18 £000
Equities	5,676	12,594	9,860	18,519
Commissions				
Equities	5	11	(10)	(19)
Taxes				
Equities	5	26	(1)	(3)
Total costs	10	37	(11)	(22)
Total net trades in the year after transaction costs	5,686	12,631	9,849	18,497

Total transaction cost expressed as a percentage of asset type cost.

	Purchases		Sales	
	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %
Commissions				
Equities	0.09	0.09	0.10	0.10
Taxes				
Equities	0.09	0.21	0.01	0.02

Total transaction cost expressed as a percentage of average net asset value.

	01/01/19 to 31/12/19 %	01/01/18 to 31/12/18 %
Commissions	0.07	0.11
Taxes	0.03	0.10
Total costs	0.10	0.21

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.40% (31/12/2018: 0.46%).

Where the authorised fund manager believes the spread on the balance sheet date is not representative of the typical spread throughout the year, this fact should be disclosed.

as at 31 December 2019

15. Fair value

Valuation technique	31/12/19		31/12/18	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	21,203	-	20,056	-
Level 2	-	-	-	(86)
Level 3	291	-	-	-
Total fair value	<u>21,494</u>	<u>-</u>	<u>20,056</u>	<u>(86)</u>

Level 1: The unadjusted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e for which market data is unavailable) for the asset or liability.

World Equity Fund

Distribution Tables

for the year ended 31 December 2019

Distribution in pence per share

Group 1 Final Shares purchased prior to 1 January 2019

Group 2 Final Shares purchased on or between 1 January 2019 and 31 December 2019

Share Class A - Accumulation

There is no distribution in respect of the current and prior periods.

Share Class B - Accumulation

	Net revenue	Equalisation	Distribution payable on 30/04/20	Distribution paid on 30/04/19
Group 1	(p)	(p)	(p)	(p)
Final	1.9621	-	1.9621	1.4651
Group 2	(p)	(p)	(p)	(p)
Final	0.3947	1.5674	1.9621	1.4651

A shareholder receives this distribution, excluding equalisation, as follows:

Final - 100% of the distribution is a dividend distribution.

Final - 0.00% of the distribution is an interest distribution.

Corporate Tax

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

General Information

About OEICs

The SVM Funds ICVC (the "ICVC") is an umbrella Open Ended Investment Company ("OEIC"). An OEIC is a collective investment vehicle with variable capital. Investments in OEIC funds are pooled with those of other investors. This means investments can be spread across a far wider range of securities, helping investors to spread the risk to their money. The ICVC has separate sub-funds. Each sub-fund is managed in accordance with the investment objectives set out in the Prospectus and the FCA Collective Investment Schemes sourcebook ("COLL").

It should be remembered that the value of your shares will be affected by fluctuations in the relevant markets and foreign currency exchange rates (where applicable) and may, therefore, go down as well as up. You should view your investment over the medium to long-term.

Please contact us on 0845 358 1100 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as schemes which comply with Chapter 5 of the COLL sourcebook.

The base currency of the Company is Sterling.

Shares

The Company currently offers 2 share classes; Class A and Class B. Each share class has a different ACD fee.

Prices and Dealing Times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0845 066 1110.

Shares may be bought or sold between 9.00am and 5.00pm on Mondays to Fridays inclusive.

Protected Cell Regime

The ICVC has adopted a 'protected cell regime' which means that the liabilities of each sub-fund are now segregated from the other sub-funds, so the debts of each sub-fund cannot therefore be passed to another. This has the benefit of providing stronger investor protection.

Cross Holdings

There were no cross holdings between sub-funds in SVM ICVC as at 31 December 2019.

Prospectus

The Prospectus, which is available from the ACD free of charge, outlines how the ICVC is managed and gives details of the types of assets in which each sub-fund may invest. The Prospectus and (where applicable) the Instrument of Incorporation have been amended during the year to 31 December 2019 (as noted in the ACD's Report). Full terms and conditions are available from the ACD.

Personal Taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisors if they are in any doubt about their position.

Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact the ACD. Please supply details of your holding (including surname, initials and account number).