

SVM

All Europe SRI Fund

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

April 2020 | Share Class B

Figures as at 31 March 2020



Fund Managers



Neil Veitch
Co Fund Manager

Industry Experience: 24

Years at SVM: 14

Appointed: 31/10/2006



Hugh Cuthbert
Co Fund Manager

Industry Experience: 25

Years at SVM: 14

Appointed: 31/10/2006

Monthly Fund Commentary

Equity markets fell precipitously in March as the spread of COVID-19 became apparent. National governments responded to the pandemic by 'locking down' their economies in an attempt to contain the spread of the virus and prevent their health systems from being overwhelmed. The placing of the majority of the global economy into a form of suspended animation is unprecedented and has created significant financial and economic stress. Policy makers responded appropriately. Central banks injected significant liquidity into the system while national governments took steps to support household and corporate balance sheets. The significant policy response led to equities recouping some of their losses. Nonetheless, the FTSE Europe declined -12.0% over the month. The fund's performance was disappointing, returning -18.3%.

Last month we commented how we were positioned for a recovery in economic growth both in the UK and elsewhere. This was detrimental to the fund's performance in both February and March. The fund's financial holdings were weak with Prudential Plc, AXA, Lloyds and OneSavings Bank all declining. The most pernicious impact on the portfolio, however, was through those businesses who in normal circumstances should be fairly resilient. Building materials businesses with strong balance sheets such as Forterra and Norcros have traded through many downturns, but how strong does a balance sheet need to be if there is no revenue? SDL, Creo Medical and Alpha Financial Consulting have no debt and cash on the balance sheet but what will revenue be? All of these stocks were significant

negative contributors during the month. New holdings, Nestle, DSM, Astrazeneca and Roche all made meaningful positive contributions to performance.

Trading activity was significant. In response to the emerging economic threat from the coronavirus we reduced the cyclicity of the portfolio in late February and very early March. During this period the holdings in Ashtead, Informa, Biffa, Legal and General and Covestro were exited at significantly higher prices than available today. The holding in Wizz Air was reduced. The significant sell-off mid-month was used to add new positions in Nestle, Astrazeneca, Roche, and DSM. These are stocks which we have liked for some time but where we had felt the valuation was unattractive. The indiscriminate sell-off enabled us to initiate positions at very attractive prices.

We've written before about our unscientific, but hitherto wholly accurate, 'muddle-through' philosophy. Even in the depths of the global financial crisis, when investors could have been mistaken for thinking the sky was falling, we stuck to this tenet. While times were undeniably hard, the rhythm of daily life continued much the same as before. This is different. Coronavirus' impact is not limited to the financial realm, significant as this will be, but will influence how society is structured and people behave. In recognition of this uncertainty we have retained significant flexibility in order to respond to opportunities as they evolve.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
FTSE World Europe Index

IA Sector: Europe inc UK

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

Fund Size: £16.9m

Fund Charges:

OCF*
Share Class A 1.98%
Share Class B 1.23%

*Ongoing Charges Figure includes Annual Management Charge and additional expenses.

Minimum Investment:

	Initial	Subsequent
Share Class A	£1,000	£200
Share Class B	£250,000**	£200

**Discounted to £1,000 for Professional Advisers

Risk and Reward Profile:



This profile is a historical indication of the Fund's volatility. The higher the number, the greater the risk that the Fund will make losses as well as gains.

- This Fund has been classed as 5 because its volatility has been measured as high.
- The historical data used for this purpose may not be a reliable indication of the future risk and reward profile for this Fund.
- The risk category shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

As at 03/01/2020

Past Performance is not a guide to future performance. All financial instruments involve a degree of risk. The value of your investments and any income from them can go down as well as up and you may not get back the amount originally invested.

ACTIVE STOCKPICKERS

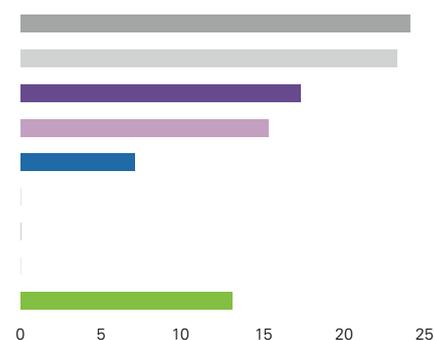
Portfolio Analysis

Risk Baskets

To help understand the overall balance of the portfolio, stocks are allocated to one of eight risk groups: defensive, cyclical, stable financial, unstable financial, consumer cyclical, oil & gas, mining and finally technology. Most of these groups are self explanatory but financials deserve some clarity. All financials are inherently unstable but in the main, Lloyd's underwriters and General Insurers take less balance sheet risk, so are relatively more stable than Banks or Life Assurers.

Seeing the portfolio broken down into these categories allows an understanding of how aggressive or defensive the overall portfolio is, and where risk is being taken.

	(Net %)
Defensive	24.1
Cyclical	23.3
Consumer Cyclical	17.3
Unstable Financial	15.3
Technology	7.0
Stable Financial	0.0
Mining	0.0
Oil & Gas	0.0
Cash	13.0



Defensive: 24.1%

(%)

Unilever	5.2
DCC	4.8
AstraZeneca	3.8
Uniphar	3.6
Koninklijke	3.5

Cyclical: 23.3%

(%)

Smurfit Kappa Group	4.1
Synthomer	4.0
Capgemini	3.4
Forterra	3.1
TI Fluid Systems	2.7

Consumer Cyclical: 17.3%

(%)

Nestlé	5.9
Tesco	3.8
Norcros	3.4
Jost Werke	2.6
Wizz Air	1.6

Unstable Financial: 15.3%

(%)

Prudential	5.6
AXA	4.2
Onesavings Bank	2.6
Lloyds Banking Group	2.3
M&G	0.7

Technology: 7.0%

(%)

SDL	2.3
Creo Medical Group	1.8
Lime Technologies	1.6
Crayon	1.1
Simec Atlantis Energy	0.4

Stable Financial: 0.0%

(%)

Mining: 0.0%

(%)

Oil & Gas: 0.0%

(%)

This Month's Featured Stock

Forterra

Forterra is a good example of the opportunities available to funds that are able and willing to apply targeted scrutiny on ESG performance. This approach is particularly relevant for energy intensive industries, where outliers can often be operating under meaningful competitive advantages or disadvantages.

Forterra, a UK-based brick and block manufacturer, had several unusually long-running targets (10 years) around energy, carbon emissions, waste to landfill and water usage, which are now being updated. We believe this long period resulted in the

targets falling out of date, as well as a lack of initiative on improvements, and are hoping the company will be widening and sharpening their ambitions when the new ones are announced.

The group only uses one non-financial metric in its six key performance indicators, the lost time incident frequency rate, which has even deteriorated to levels last seen before its IPO. It also experienced a serious injury incident in 2017 that resulted in a fine. That is partly offset by other examples however, such as a strong commitment to addressing something

like Hand Arm Vibration Syndrome (HAVS), a widespread issue in the construction sector. Meanwhile although advances have been made on environmental performance, it has been measured on an intensity basis, and has been warped by changes in capacity utilisation and product mix.

By applying an industry-specific approach across Europe, we will be in a good position to be able to fairly scrutinise Forterra's progress and engage on the most relevant areas for further improvement.

Stock Analysis

Top 10 Holdings	(%)
Nestlé	5.9
Prudential	5.6
Unilever	5.2
DCC	4.8
AXA	4.2
Smurfit Kappa Group	4.1
Synthomer	4.0
AstraZeneca	3.8
Tesco	3.8
Uniphar	3.6
Total	45.0

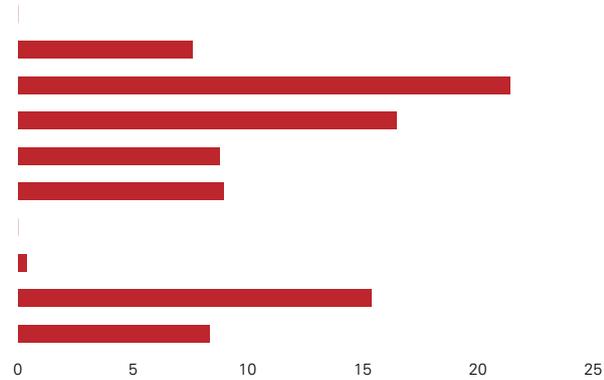
Size Analysis	(%)
Mega Cap (>€50bn)	18.0
Large Cap (<€50bn)	22.7
Mid Cap (<€10bn)	19.2
Small Cap (<€1bn)	27.0

Currency Exposure	(%)
Euro	29.2
Sterling	42.3
Norwegian Krone	1.1
Swiss Franc	9.0
Danish Krone	0.0
Swedish Krona	5.4
Other	0.0

Sector Analysis

Sector Breakdown (%)

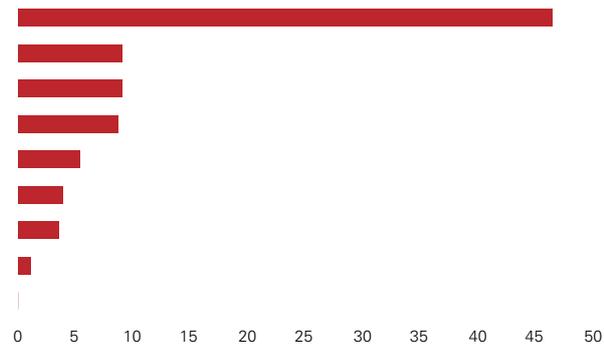
Oil & Gas	0.0
Basic Materials	7.6
Industrials	21.3
Consumer Goods	16.4
Health Care	8.8
Consumer Services	8.9
Telecommunications	0.0
Utilities	0.4
Financials	15.3
Technology	8.3



Geographic Analysis

Country Breakdown

	No. of Stocks	(%)
UK	17	46.3
Switzerland	2	9.0
France	3	9.0
Netherlands	2	8.7
Sweden	2	5.4
Germany	2	3.9
Ireland	1	3.6
Norway	1	1.1
Other		0.0



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

Fund Performance to 31/03/2020

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12 Endeavour Square
London E20 1JN

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Cumulative Performance, % change

	One month	2020 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	-18.3	-29.0	-17.8	-14.1	2.3	143.3
FTSE World Europe Index	-12.0	-19.3	-10.8	-4.6	15.4	84.2
IA Europe inc UK Sector	-12.3	-18.8	-10.0	-4.5	15.2	79.5

Source: Lipper, as at 31/03/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

*The Fund was launched on 31 October 2006

Percentage growth year on year to 31 March

	2020	2019	2018	2017	2016
SVM All Europe SRI Fund B	-17.8	-4.7	9.6	17.6	1.3
FTSE World Europe Index	-10.8	3.9	3.0	26.5	-4.4
Performance Difference	-7.0	-8.6	+6.6	-8.9	+5.7

Source: Lipper, as at 31/03/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: Lipper, as at 31/03/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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Past performance is not a guide to future performance.

The value of your investments and any income from them can go down as well as up and you may not get back the amount originally invested.

This material should not be considered as advice or an investment recommendation. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

The Fund is to be considered a medium to long term investment option.

The Fund incurs the following key risks:

In the event a preliminary charge is levied and an Investor then redeems the investment shortly after investing, they may not get back the original amount due to the initial charges; regardless of any market movements. Tax treatment can change at any time without notice and is beyond control of the Fund. Expenses incurred by the Fund that are chargeable can reduce income and restrain the capital growth of the Fund. Currency movements may cause the value of your investment to fall as well as rise. Stock market volatility may impact the Fund's ability to trade in, or obtain accurate valuations for, securities held in the Fund's portfolio. There can be no guarantee that the investment objective of a Fund will be achieved or provide the returns sought by the Fund. The Fund may enter into derivative contracts for efficient portfolio management (EPM) purposes. Full details on EPM can be found in Appendix A of the Prospectus. Further information about the risk factors relevant to the Fund can be found in the Prospectus and the Key Investor Information Document.

Unless otherwise stated all data is sourced to SVM.

Enquiries

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Share Class B GB00B1FL7V46

MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

Share Class A B1FL7S1
Share Class B B1FL7V4

Registered Office:

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