



## 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.

Technology	31.6	
Consumer Cyclical	24.5	
Cyclical	22.3	
Defensive	9.3	
Oil & Gas	8.5	
Unstable Financial	3.3	
Stable Financial	0.0	
Mining	0.0	
Cash	0.4	

#### Technology

31.6%

Alphabet	9.0
Microsoft	8.5
MagnaChip Semiconductor	4.1

#### Consumer Cyclical

24.5%

Visa	6.9
Entain	5.6
Ryanair	3.3

#### Cyclical

22.3%

Hitachi	4.7
Synthomer	4.6
Alpha FMC	3.7

#### Defensive

9.3%

Uniphar	5.4
Bristol-Myers Squibb	2.5
Smith & Nephew	1.3

#### Oil & Gas

8.5%

Jadestone Energy	3.2
Energiean	1.7
Pantheon Resources	1.6

#### Unstable Financial

3.3%

Prudential	3.2
Jackson Financial	0.1

#### Stable Financial

0.0%

#### Mining

0.0%

## This Month's Featured Stock

### Entain

Entain is a multinational sports betting and gaming company that operates through both online and retail channels. In the UK, the group operates brands such as Ladbrokes and Coral. In the US, the group has a 50% stake, alongside MGM Resorts International, in BetMGM.

When news broke during the month that Entain had received a bid approach, we were unsurprised. The sizable opportunity of the nascent US market has sparked a wave of consolidation in the sector, as large US casino operators seek to acquire the online and technological expertise of companies like Entain.

The identity of Entain's suitor did, however, raise eyebrows. The assumption was that MGM Resorts would eventually return with a higher bid following the failed approach earlier in the year. Few expected DraftKings, a US leader in fantasy sports betting, to enter the fray.

DraftKings have proposed an offer of £28 per Entain share, with a cash component of £6.30 and the remainder in DraftKings equity. We believe the headline price represents a fair starting point for negotiations, reflecting the scale of opportunities available to Entain not just in the US but also in markets like Latin America

and Africa. We would, however, like to see the cash component of any eventual deal raised to make the terms more attractive to Entain's shareholders, many of whom will be either reluctant or unable to hold DraftKings paper.

Comments from MGM Resorts would suggest that they appear relaxed about DraftKings' approach and are unlikely to counter with a higher offer. If DraftKings' approach is unsuccessful, though, the rationale for MGM Resorts to eventually acquire Entain remains unchanged. With the stock currently trading at a level c.25% below DraftKings' offer, we believe

## Portfolio Structure

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

### Top 10 Holdings

	(%)	
Alphabet	9.0	
Microsoft	8.5	
Visa	6.9	
Entain	5.6	
Uniphar	5.4	
Hitachi	4.7	
Synthomer	4.6	
MagnaChip Semiconductor	4.1	
Alpha FMC	3.7	
SK Hynix	3.5	
<b>Rest of Portfolio</b>	<b>43.9</b>	

### Geographic Stock Analysis (%)

United Kingdom	41.1	
North America	36.9	
Europe (excluding UK)	10.6	
Japan	6.8	
Asia Pacific (excluding Japan)	4.3	
Latin America	0.0	
Other	0.0	

### Sector Breakdown

	(%)	
Information Technology	25.6	
Industrials	18.5	
Health Care	13.2	
Consumer Discretionary	13.0	
Communication Services	9.0	
Energy	8.5	
Materials	8.3	
Financials	3.3	
Consumer Staples	0.0	
Utilities	0.0	
Real Estate	0.0	



### Size Analysis

	(%)
Mega Cap (>£50bn)	31.1
Large Cap (<£50bn)	23.4
Mid Cap (<£10bn)	20.7
Small Cap (<£1bn)	24.5



### Net Currency Exposure

	(%)
Euro	10.6
Sterling	41.3
US Dollar	37.1
Japanese Yen	6.8
Others	4.3

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### MEX:

Share Class A SXUAT  
Share Class B SXUAB

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## Fund Performance

to 30/09/2021

### Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	0.7	22.9	41.3	51.4	100.1	258.7
MSCI ACWI IMI Index	-2.0	13.3	24.1	39.3	82.5	242.4

Source: FE fundinfo, as at 30/09/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

\*The Fund was launched on 01 December 2010

### Percentage growth year on year to 30 September

	2021	2020	2019	2018	2017
SVM World Equity Fund B	41.3	9.9	-2.5	10.9	19.2
MSCI ACWI IMI Index	24.1	5.0	6.9	13.4	15.6
Performance Difference	+17.2	+4.9	-9.4	-2.5	+3.6

Source: FE fundinfo, as at 30/09/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

### Five Year Performance (%)

■ SVM World Equity Fund B



Source: FE fundinfo, as at 30/09/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but it neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

### 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 long term (5 years or more) 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. 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 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. 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.

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