

SVM World Equity Fund

The objective of the Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI ACWI IMI. The Fund will identify investment opportunities in companies globally whose future growth is not reflected in current market expectations. The Fund will invest at least 80% in global equities and other equity related instruments. The Fund may invest in other permitted securities.



May 2021 | Share Class B

Factsheet as at 30 April 2021



Monthly Fund Commentary

Global equity markets made further progress in April. Strong corporate earnings and an improving economic outlook fuelled the gains. Global economic momentum is strong but with considerable variation between countries and regions. In places with advanced vaccination programs, such as the UK, infection rates and hospitalisations are falling dramatically and the economy is rebounding strongly. In contrast, Brazil and India are witnessing a significant rise in infections and their healthcare systems are struggling to cope. The fund rose 5.9% versus the MSCI ACWI IMI NR that returned 4.0%.

The unprecedented nature of the Covid recession was highlighted by data from The Office for National Statistics showing that household wealth had risen to record levels on the back of rising house prices, increased value of defined benefit pensions, and government support. Household net wealth rose to £11.4 trillion, the equivalent of £172k per person in the UK. The increase in household wealth at a time of increasing public sector indebtedness will invariably lead to further questions over the intergenerational fairness of the economy. With the preferences of the median voter continuing to shift leftwards, some form of wealth tax appears inevitable. The direction of travel is already evident in the US where President Biden is planning to roughly double the top rate of federal tax on capital and dividends.

As economies become older and wealthier, and the dependency ratio increases, the focus will not only be on taxation but the potential longer-term impact on inflation. The reintegration of Eastern Europe and China into the global economy generated a significant positive supply shock that reduced labour costs and kept inflation low. As demographics deteriorate there is every possibility that inflationary pressures increase. Inflation remains the biggest risk to equity markets both in the short and longer-term. The Federal Reserve faces a difficult task in balancing short-term

base effects against the risk of rising inflation expectations. We are positive on equity markets but expect volatility to increase.

The fund's cyclical stocks generally gained on the back of strong earnings and an improving global economy. Synthomer rose as it announced that current trading was ahead of expectations. The company is not only benefitting from the strength of the nitrile market but is also seeing a sharp rebound in its more cyclical activities. Norcross rose as it remarkably raised its profit guidance for the third time in a month. Entain gained as the company substantially increased their view of the size of the addressable market in the US. Online gaming remains in its infancy in the US, but the potential is significant. Alpha Financial Markets Consulting rose as the company delivered a positive trading update and investors looked forward to the potential of the North American market. Unipharm gained after a period of underperformance.

The fund's technology holdings continued to benefit from the digitalisation of the global economy. Alphabet delivered a spectacular set of results with net revenues increasing 35% y/y and operating margins reaching 36%, the highest since Q1 2015. YouTube was particularly impressive with revenues increasing 49%. These growth rates are even more remarkable given the size of the company. Microsoft's revenue grew 19% and operating profit grew 31%. As the company noted in its earnings release, despite being a year into the pandemic, digital adoption rates are not slowing down but accelerating and this is only the beginning. Despite all the 'noise' around technology stocks, we believe a number of them look very reasonably priced given their growth.

There were no particular disappointments during the month. Trading activity was minimal.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 1 December 2010

Benchmark Index:
MSCI ACWI IMI Index

IA Sector: Global

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

Fund Size: £17.3m

Fund Manager:

Neil Veitch (Fund Manager)
Appointed: 01/12/2010
Years at SVM: 15 Industry Experience: 24

Fund Charges (OCF*):

Share Class A 1.97%
Share Class B 1.22%

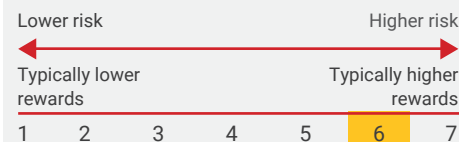
*Ongoing Charges Figure includes Annual Management Charge and additional expenses.

Minimum Investment:

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

**Discounted to £1,000 for Professional Advisers

Risk and Reward Profile:



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

This Fund has been classed as 6 because its volatility has been measured as high.

The historical data used for this purpose may not be a reliable indication of the future risk and reward profile for this Fund.

The risk category shown is not guaranteed and may change over time.

The lowest risk number does not mean risk free.

As at 01/01/2021

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








INDEPENDENT THINKING

Portfolio Analysis

Risk Baskets

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

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

Technology	37.8	
Cyclical	21.8	
Consumer Cyclical	20.4	
Defensive	9.6	
Oil & Gas	4.3	
Unstable Financial	3.8	
Stable Financial	0.0	
Mining	0.0	
Cash	2.2	

Technology

37.8%

Alphabet	8.2
Microsoft	7.7
SK Hynix	5.0

Cyclical

21.8%

Synthomer	4.6
Hitachi	4.1
Alpha FMC	3.4

Consumer Cyclical

20.4%

Visa	5.7
Entain	4.9
Ryanair	3.8

Defensive

9.6%

Uniphar	5.1
Roche Holdings	2.7
Bristol-Myers Squibb	1.8

Oil & Gas

4.3%

Jadestone Energy	2.7
Pantheon Resources	0.9
Savannah Energy	0.8

Unstable Financial

3.8%

Prudential	3.8
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Stable Financial

0.0%

Mining

0.0%

This Month's Featured Stock

TI Fluid Systems

TI Fluid Systems (TI) is a manufacturer of fluid control systems and fuel tanks for the automotive industry. The group is a global leader in the brake and fuel line market, with over 30% market share, supplying major OEMs such as Volkswagen, Daimler, and Toyota.

The automotive market is transitioning rapidly from internal combustion engine (ICE) cars towards hybrid-electric and battery-electric vehicles (HEV/BEV). At its recent Capital Markets Day, TI outlined why it is well-positioned to thrive in such an environment. The cooling requirements for a BEV are significant because of the heat

generated by their batteries. TI provides the coolant and refrigerant lines required to maintain optimal operating temperatures. In ICE cars, TI has an average content per vehicle of €56 with a maximum of €288. In BEV's, the average is €135 with a maximum of €480. Hybrid vehicles offer more upside from these figures, with the requirement for pressure-resistant fuel tanks playing into a segment of the market where TI is particularly strong.

As the pace at which OEMs launch new BEV platforms accelerates, TI has been successful in ensuring that its products are represented. Of the

46 key BEV platforms coming to market in Europe and North America between 2020 and 2022, TI is present on more than two-thirds. Combined with a strong product development strategy, the group is well positioned to increase its content per vehicle significantly.

Currently trading on an estimated 2022 EV/EBITDA of 4.5x, we believe the market has failed to recognise TI's growth potential. With a strong track record of cash generation and robust balance sheet, the group is also well-positioned to participate in returns-enhancing M&A activity if the opportunity presents.

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	8.2	
Microsoft	7.7	
Visa	5.7	
Unipharm	5.1	
SK Hynix	5.0	
Micron Technology	5.0	
Entain	4.9	
MagnaChip Semiconductor	4.6	
Synthomer	4.6	
Hitachi	4.1	
Rest of Portfolio	44.9	

Geographic Stock Analysis (%)

North America	38.1	
United Kingdom	34.8	
Europe (excluding UK)	11.6	
Asia Pacific (excluding Japan)	5.8	
Japan	7.5	
Latin America	0.0	
Other	0.0	

Sector Breakdown

	(%)	
Information Technology	35.7	
Health Care	13.4	
Industrials	12.0	
Communication Services	10.4	
Consumer Discretionary	10.4	
Materials	7.9	
Energy	4.3	
Financials	3.8	
Consumer Staples	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>£50bn)	39.1
Large Cap (<£50bn)	13.8
Mid Cap (<£10bn)	22.1
Small Cap (<£1bn)	22.8



Net Currency Exposure

	(%)
Euro	8.9
Sterling	37.4
Europe non-Euro	2.7
US Dollar	38.4
Japanese Yen	7.5
Others	5.8

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Share Class B GB00B0KXSK43

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Share Class A SXUAT
Share Class B SXUAB

SEDOL:

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Fund Performance

to 30/04/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	5.9	17.5	48.4	59.1	117.6	242.9
MSCI ACWI IMI Index	4.0	8.3	34.9	44.1	102.1	210.6

Source: Lipper, as at 30/04/2021, 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 31 March

	2021	2020	2019	2018	2017
SVM World Equity Fund B	54.0	-4.4	7.0	0.2	28.3
MSCI ACWI IMI Index	41.6	-8.3	9.7	2.5	32.6
Performance Difference	+12.4	+3.9	-2.7	-2.3	-4.3

Source: Lipper, as at 31/03/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: Lipper, as at 30/04/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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Past performance is not a guide to future performance.

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

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

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

The Fund incurs the following key risks:

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

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.