

SVM All Europe SRI Fund

The objective of the Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI Europe Index. It adopts a positive engagement approach toward investment and enters into meaningful dialogue with companies regarding environmental, social and corporate governance issues. The Fund will invest at least 80% in equities and equity related instruments which are dealt in or traded on all European Eligible Securities Markets. The Fund may invest in other permitted securities.



June 2022 | Share Class B

Factsheet as at 31 May 2022



Monthly Fund Commentary

The outlook for inflation and by extension interest rates once again determined market direction. Equities sold off early in the month but rallied post the release of the minutes of the latest Federal Reserve Board meeting. Investors were comforted that members of the FOMC appeared to realise the nuances around the inflation outlook and that the Fed was not stuck on autopilot. The positive sentiment was reinforced by strong earnings from US retailers Dollar Tree and Macy's, which reassured investors post disappointing updates from Target and Walmart. The pattern of consumption maybe changing but overall expenditure currently remains robust. The fund returned -1.1% versus the MSCI Europe GTR that returned 0.6%.

The economic outlook remains clouded. The conflict in Ukraine is ongoing and continues to put upward pressure on commodities, most notably wheat and oil. China is zealously pursuing its zero Covid policy with the obvious impact on economic growth. Chinese retail sales fell 11% in April. Elsewhere both consumer and business confidence have sharply deteriorated. Despite these headwinds, earnings expectations are holding up reasonably well. This has been interpreted negatively in some quarters as many investors believe we need to witness more significant downwards revisions for the market to bottom. Equities may remain choppy over summer until the outlook for earnings becomes clearer, but should the economy prove more resilient than the current negative consensus then the upside in some sectors and stocks could be significant. Interestingly, in the last month corporate executives in the US bought shares in their companies at the highest rate since the financial crisis.

With unemployment low and wage growth robust we believe the risk of the much-vaunted consumer crisis is overdone. Our faith in the resilience of the consumer was well established before the Chancellor unveiled his latest package of support. As such the economic merits of the additional help for the consumer are debatable but the political reality was clear. In Europe the economic picture is more mixed. The ECB has stated its desire to normalise monetary policy although determining what that is at the current juncture is incredibly difficult. Europe has not had the same level of fiscal stimulus as the US, or to a lesser degree the UK, and inflation has been predominantly driven by supply side factors. Medium to long term inflation expectations remain well anchored and the prospect of excessive wage growth seems unlikely given the slack in the economy. Yet the ECB continues to ratchet up its tightening rhetoric and risks making a policy mistake. The spread between German bunds and the periphery has widened and consequently monetary policy is not being transmitted equally across the continent.

Cyclicals rallied as investors took comfort from the resilience of corporate earnings. Automotive/industrial exposed names Jost Werke and TI Fluids responded positively. Brick producer, Forterra, rose as a trading update revealed that trading had been resilient and that profit for the current year would be materially ahead of expectations. The company's new Desford facility will come on stream late next year resulting in a step up in profitability. The small holding in software company, ActiveOps, was the worst performer.

Trading activity was limited.

Fund and index performance source: FE fundinfo

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
MSCI Europe Index

IA Sector: Europe inc UK

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

Fund Size: £16.9m

Fund Managers:

Neil Veitch (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 15 Industry Experience: 24

Hugh Cuthbert (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 15 Industry Experience: 26

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:



The Synthetic Risk & Reward Indicator ('SRRI') may be a guide to the level of risk of the Fund compared with other funds. The SRRI is calculated based on the historical volatility of the fund over the last 5 years and it may not be a reliable indication of the future risk and reward profile of the fund.

- This Fund has been classed as 6 because it has experienced high volatility historically.
- The SRRI category shown is not guaranteed and may change over time.
- The lowest category (1) does not mean risk free and extreme adverse market circumstances can mean you suffer losses in all cases.

As at 31/12/2021

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.

Cyclical	45.3	
Unstable Financial	21.2	
Consumer Cyclical	14.7	
Defensive	11.8	
Technology	6.2	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	0.9	

Cyclical 45.3%

Alpha FMC	8.0
Rexel	5.6
Smurfit Kappa Group	5.5
Synthomer	5.1
CRH	4.5

Unstable Financial 21.2%

OSB Group	5.1
AXA	4.7
Lloyds Banking Group	4.4
Prudential	4.2
Legal & General	2.7

Consumer Cyclical 14.7%

Norcros	6.7
Tesco	3.0
Dalata Hotel Group	2.5
Jost Werke	2.4

Defensive 11.8%

Uniphar	4.5
DCC	3.3
Smith & Nephew	2.7
Sedana Medical	0.7
Apointis Pharma	0.6

Technology 6.2%

Creo Medical Group	2.7
LungLife AI	1.9
Calnex Solutions	1.1
ActiveOps	0.5

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

Calnex Solutions

There is a burgeoning demand for the equipment and technology that will fuel the further digitisation of our lives in the years to come. A host of new technologies exist to deliver smart cities brimming with voice activation, data collecting sensors and autonomous driving cars. But for this to become a reality something more mundane is required to host the sophisticated new products and services, and that is an efficient and effective telecoms network to provide the backbone for this exciting new future. Despite its relatively small size, with a market capitalisation under £150m, Calnex Solutions plays a significant global role in delivering the quality of network required to

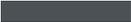
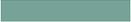
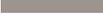
meet this need. The company's products are responsible for testing and maintaining both networks and datacentres and has seen robust growth in recent years. Customers appear to have faith in the products they supply evidenced by the average customer retention rate of some 9 years. Following a strategy of quality over quantity the company has become a reliable partner for telecoms company's worldwide who are happy to pay a premium for reliability particularly when testing and maintenance represents only a small portion of their overall capex budgets. This also allows Calnex Solutions to boast healthy gross margins, in some instances as high as 80%.

While focussing on managing the exponential growth they have experienced the company has been less successful in providing a comprehensive ESG strategy and reporting structure. We have had discussions with the company's CFO regarding this issue and we are promised improvements in the upcoming annual report (the company has a March year-end). Improvements in this area should not only reduce the company's underlying ESG risk profile but also enhance shareholder value in what is already an attractive investment proposition.

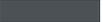
Portfolio Structure

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

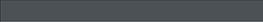
Top 10 Holdings

	(%)	
Alpha FMC	8.0	
Norcros	6.7	
Rexel	5.6	
Smurfit Kappa Group	5.5	
OSB Group	5.1	
Synthomer	5.1	
AXA	4.7	
Uniphar	4.5	
CRH	4.5	
Lloyds Banking Group	4.4	
Rest of Portfolio	45.9	

Country Breakdown

	No. of Stocks	(%)	
UK	18	64.0	
Ireland	4	17.0	
France	3	14.4	
Germany	2	3.0	
Sweden	1	0.7	
Other	-	0.0	

Sector Breakdown

	(%)	
Industrials	32.2	
Financials	21.2	
Materials	18.9	
Health Care	13.1	
Information Technology	5.7	
Consumer Discretionary	5.1	
Consumer Staples	3.0	
Energy	0.0	
Communication Services	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	0.0
Large Cap (<€50bn)	30.3
Mid Cap (<€10bn)	37.5
Small Cap (<€1bn)	31.2



Currency Exposure

	(%)
Euro	34.4
Sterling	64.0
Swedish Krona	0.7

Enquiries

www.svmonline.co.uk
Calls may be recorded

Investor Services and Dealing:

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

General Enquiries

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

ISIN:

Share Class A GB00B1FL7S17
Share Class B GB00B1FL7V46

MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

Sedol GBP B1FL7S1
Sedol GBP B1FL7V4

Registered Office:

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

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

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Fund Performance

to 31/05/2022

Cumulative Performance, % change

	One month	2022 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	-1.1	-12.0	-8.4	29.7	25.7	287.3
MSCI Europe Index	0.6	-5.0	2.5	25.1	29.0	162.8
IA Europe inc UK Sector**	0.1	-7.5	-0.5	27.1	28.6	164.1

Source: FE fundinfo, as at 31/05/2022, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

*The Fund was launched on 31 October 2006

**IA is provided as a comparator

Percentage growth year on year to 31 March

	2022	2021	2020	2019	2018
SVM All Europe SRI Fund B	1.2	58.9	-17.7	-4.7	9.6
MSCI Europe Index	9.1	30.9	-10.6	4.3	2.6
Performance Difference	-7.9	+28.0	-7.1	-9.0	+7.0

Source: FE fundinfo, as at 31/03/2022, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: FE fundinfo, as at 31/05/2022, 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. 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.