

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.



June 2021 | Share Class B

Factsheet as at 31 May 2021



Monthly Fund Commentary

Equity markets edged higher over the month. Growth stocks generally underperformed with the technology-heavy NASDAQ index posting a negative return. Investors remain focused on the threats of a vaccine-evading variant and the potential for tighter monetary policy to short-circuit the equity bull market. Both threats receded slightly during the month with vaccinations accelerating and bond yields stabilising. The fund returned -0.4% versus -1.2% for the MSCI ACWI IMI NR index.

The Bank of England became the second major central bank to announce it was going to slow the pace of its asset purchase program. Bank officials were at pains to emphasise that the targeted stock of purchased assets would remain the same and the stance of monetary policy was unaffected. Whether this constitutes tapering, or not, is a question of semantics. Either way, the decision represents the first stage in an eventual tightening of policy. In response, GBP rallied against both USD and the Euro. The ECB meanwhile has recently accelerated its rate of bond buying under its Pandemic Emergency Purchase Programme (PEPP). With the economy rapidly improving as the number of vaccinations steps up, it will likely come under pressure from the 'hawks' to slow purchases. The Federal Reserve reiterated its determination to keep policy accommodative and, despite the US economy growing 6.4% in 1Q21, is arguably the most dovish of the main central banks.

As economies recover central banks face a delicate balancing act as they withdraw stimulus. The paradox of QE is that the more successful policymakers have been in encouraging investors to purchase riskier assets, the more difficult it is to 'normalise' policy without a significant dislocation in markets. As Gertjan Vlieghe, an external member of the Bank of England's Monetary Policy Committee noted, 'What will ultimately

tell us to what extent inflation pressures need a monetary policy response is the passage of time.' Despite ongoing tension between markets and policy we feel this is more likely to be a 2022 issue for equity investors.

Alpha Financial Consulting rose as the company announced the acquisition of Lionpoint, a specialist consultant focused on the 'alternatives' marketplace. The deal extends AFM's presence in the US market and elsewhere. Not only is Lionpoint a strong cultural fit, but it was acquired at an attractive multiple and offers significant revenue synergies. Despite the share's strong recent performance, we think considerable upside remains. Lloyds gained as analysts revised their profit forecasts higher in response to the group's positive 1Q21 update. The bank continues to benefit from the UK's economic recovery with net interest margins resilient and a decline in loan loss provisions. Irish medical distributor, Uniphar, climbed as investors sought exposure to attractively valued growth stocks. The shares were also buoyed by takeover activity in the sector.

The fund's technology holdings were generally weaker as growth stocks came under pressure. DRAM manufacturers, SK Hynix and Micron, fell as investors fretted over whether we have reached the top of the pricing cycle. Menzies, a provider of aviation services, declined as the company announced a small placing to facilitate growth. In a trading update which accompanied the placing, current trading was revealed as being ahead of expectations with commercial momentum strong. Menzies, to put it mildly, has been a frustrating stock. We finally sense, however, that the business has reached an inflection point and is well placed to benefit from the uptick in air travel as pandemic restrictions ease.

Trading activity was limited.

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: £17.2m

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%

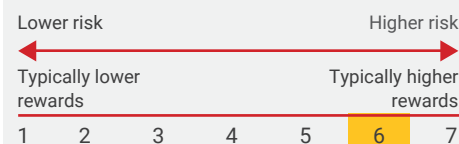
*Ongoing Charges Figure includes Annual Management Charge and additional expenses.

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 09/04/2021

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	36.7	
Cyclical	21.4	
Consumer Cyclical	20.0	
Defensive	10.8	
Oil & Gas	4.4	
Unstable Financial	3.7	
Stable Financial	0.0	
Mining	0.0	
Cash	3.1	

Technology

36.7%

Alphabet	8.1
Microsoft	7.5
SK Hynix	4.8

Cyclical

21.4%

Synthomer	4.8
Hitachi	4.4
Alpha FMC	4.4

Consumer Cyclical

20.0%

Visa	5.5
Entain	4.9
Ryanair	3.8

Defensive

10.8%

Uniphar	6.0
Roche Holdings	2.9
Bristol-Myers Squibb	1.9

Oil & Gas

4.4%

Jadestone Energy	2.9
Pantheon Resources	0.8
Savannah Energy	0.7

Unstable Financial

3.7%

Prudential	3.7
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Stable Financial

0.0%

Mining

0.0%

This Month's Featured Stock

Uniphar

Uniphar is an Irish pharmaceutical and medical technology service business. The group operates three core divisions: Supply Chain & Retail (44% of gross profit) manages a growing chain of pharmacies and is also Ireland's largest pharmaceutical wholesaler; Commercial & Clinical (42%) provides sales and marketing services to pharmaceuticals and medtech manufacturers; and Product Access (14%) provides access to innovative and hard-to-source medicines.

Uniphar's recent full-year results show that it

has continued to successfully implement its longer-term strategy of using the cash-generated from the low-growth, but highly profitable, SC&R business to reinvest in the faster-growing C&C and PA divisions. In C&C, Uniphar has a particularly strong position in the medtech space where competitors tend to be regional and focused on a few niche markets. Organic gross profits in this division grew by c.10% in 2020, despite facing challenges as Covid reduced the number of elective procedures being performed in hospitals.

PA, which saw organic gross profits grow by c.30%, benefited during the year from the large number of new programme wins made over the last couple of years.

A string of recent acquisitions in the sector have highlighted the attraction of businesses like Uniphar to private equity buyers. We believe that the resilience of Uniphar's SC&R business, the potential of its C&C and PA businesses, and its attractive as a 'take-out' candidate are not reflected in the stock's current valuation.

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	8.1	
Microsoft	7.5	
Uniphar	6.0	
Visa	5.5	
Entain	4.9	
Synthomer	4.8	
SK Hynix	4.8	
Micron Technology	4.8	
Hitachi	4.4	
Alpha FMC	4.4	
Rest of Portfolio	44.8	

Geographic Stock Analysis (%)

North America	34.8	
United Kingdom	36.3	
Europe (excluding UK)	12.7	
Asia Pacific (excluding Japan)	5.6	
Japan	7.6	
Latin America	0.0	
Other	0.0	

Sector Breakdown (%)

Information Technology	28.4	
Industrials	17.7	
Health Care	14.6	
Consumer Discretionary	10.1	
Communication Services	10.0	
Materials	8.0	
Energy	4.4	
Financials	3.7	
Consumer Staples	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>£50bn)	38.2
Large Cap (<£50bn)	11.9
Mid Cap (<£10bn)	23.4
Small Cap (<£1bn)	23.4



Net Currency Exposure

	(%)
Euro	9.8
Sterling	37.0
Europe non-Euro	2.9
US Dollar	36.1
Japanese Yen	7.6
Others	5.6

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Share Class B GB00B0KXSK43

MEX:

Share Class A SXUAT
Share Class B SXUAB

SEDOL:

Sedol GBP B0KXRB8
Sedol GBP B0KXSK4

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Fund Performance

to 31/05/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	-0.4	17.0	41.9	48.1	109.6	241.5
MSCI ACWI IMI Index	-1.2	7.1	25.0	37.1	98.1	207.0

Source: Lipper, as at 31/05/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

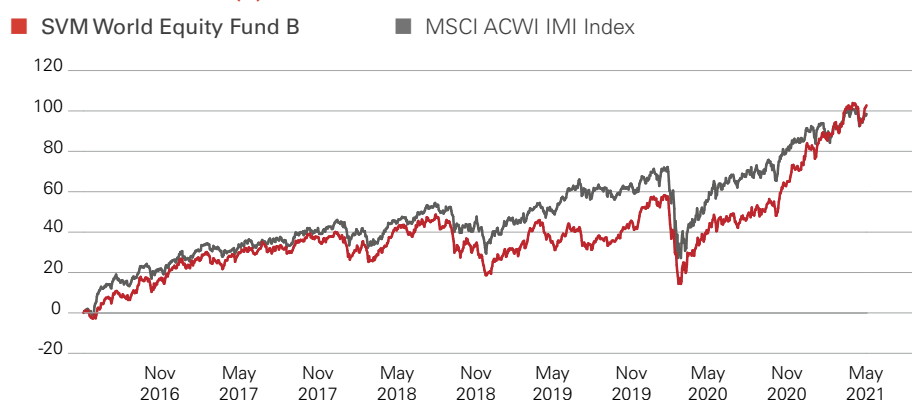
*The Fund was launched on 01 December 2010

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 31/05/2021, 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.