

# SVM UK100 Select Fund

## Short Report

Period to 30 June 2008



### Investment Objective

The objective of this Fund is to achieve above average capital growth over the medium to long-term (although short-term investment opportunities will also be considered) and it aims to outperform the FTSE 100 Index.

### Risk Profile

The Fund is exposed to market risk as it invests mainly in large companies listed on the FTSE 100 index. The Fund holds a concentrated portfolio of around 30-40 companies and is exposed to stockmarket fluctuations.

### Distribution

XD date: 31 December

Payment date: 30 April (Accumulation shares)

The following distribution was accumulated over the last accounting period.

Income		
	31/12/07 pence per share	31/12/06 pence per share
UK100 Select A class	1.1094	2.3891
UK100 Select B class	2.0578	2.9463

### Total Expense Ratio (TER)

The TER shows the annualised operating expenses of the Fund. It does not include transaction expenses.

Fund Total Expense Ratio (p.a.)	Class A Shares	Class B Shares
UK100 Select Fund	1.48 %	0.98 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 6 months

The above figures were calculated by SVM Asset Management using data sourced from the 30 June 2008 Interim Report and Accounts. The figures are intended to provide an indication of the Total Expenses Ratio and will vary from year to year.

## Fund Performance

Percentage growth for each year to last quarter end	30/06/03 30/06/04	30/06/04 30/06/05	30/06/05 30/06/06	30/06/06 30/06/07	30/06/07 30/06/08
UK100 Select	+11.1	+14.7	+21.7	+20.7	+2.3

Source: Lipper Hindsight, mid to mid, UK net. Past performance should not be seen as an indication of future performance. All performance data refers to the A (retail) share class.

## Comparative Tables

### Net Asset Values

	Net asset value of shares £'000	Net asset value in pence in pence per share	Shares in issue
As at 30/06/08			
UK100 Select A class	2,397	188.67	1,207,544
UK100 Select B class	100	193.17	51,578
As at 31/12/07			
UK100 Select A class	1,442	186.63	772,408
UK100 Select B class	97	190.60	51,266

### Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 30/06/08			
UK100 Select A class	205.3	164.9	188.8
UK100 Select B class	210.1	168.5	193.4
During period to 31/12/07			
UK100 Select A class	194.9	162.2	187.0
UK100 Select B class	198.6	165.2	191.0











### Top 10 Holdings: 30/06/08 %

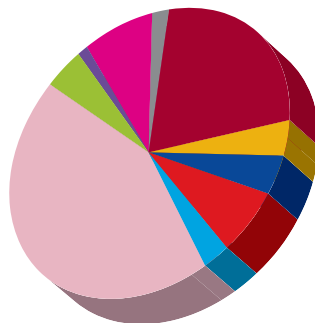
BG Group	9.1
Xstrata	7.2
Royal Dutch Shell 'B'	6.8
Tullow Oil	5.5
Cairn Energy	5.0
British Energy	4.3
Invensys	4.1
Eurasian Natural Resources	3.9
BP	3.8
Hunting	3.6

### Top 10 Holdings: 31/12/07 %

Xstrata	8.3
BG Group	7.4
BP	6.5
International Power	4.8
Randgold	4.1
Man	4.0
Tullow Oil	4.0
Cairn Energy	4.0
Tesco	3.9
Royal Dutch Shell 'B'	3.8

## Sector Analysis

	30/06/08	31/12/07
 <b>Basic Materials</b>	<b>23.8%</b>	20.6%
 <b>Consumer Goods</b>	<b>3.9%</b>	9.4%
 <b>Consumer Services</b>	<b>4.1%</b>	7.5%
 <b>Financials</b>	<b>6.8%</b>	7.7%
 <b>Industrials</b>	<b>2.7%</b>	9.3%
 <b>Oil &amp; Gas</b>	<b>43.9%</b>	25.7%
 <b>Technology</b>	<b>4.1%</b>	1.8%
 <b>Telecommunications</b>	<b>1.1%</b>	5.3%
 <b>Utilities</b>	<b>7.8%</b>	6.7%
 <b>Net Current Assets</b>	<b>1.8%</b>	6.0%



## Fund Managers



**Margaret Lawson**



**Colin McLean**

In the six months to 30 June 2008, SVM UK100 Select Fund gained 1.0%. This represents a significant outperformance relative to the FTSE 100 Index which fell 10.8% and the broader FTSE All-Share Index which fell more than 11%. Performance over the period was helped by the Fund's emphasis on resources, its relatively low exposure to financials and consumer cyclicals, and also by good results from a number of businesses in more difficult sectors that beat expectations. These included Compass Group, Morrison Supermarkets, Invensys and Man Group.

The best individual performances were in Tullow Oil and Randgold Resources. Since the period end, profit has been taken in a number of the mining investments, bringing the portfolio exposure to the sector down to a market average exposure, but focusing on major diversified mining groups. BG Group and Tullow Oil reported good drilling results, but some profit has also been taken in the Fund's oil investments.

Although many major banks have raised finance to repair their balance sheets after losses, we believe that difficult credit conditions will persist into 2009. Accordingly, the Fund is maintaining a defensive stance, focusing on businesses that we believe should prove resilient against this background. These include pharmaceuticals, utilities and tobacco, in addition to selected oil & gas businesses with strong drilling programmes.

## Further Information

Further information about the share price, activities and performance of the Fund for this and previous periods, together with related product literature and further information on the Manager can be found on our website at [www.svmonline.co.uk](http://www.svmonline.co.uk)

## Report and Accounts

This document is a short report for a sub-fund of the SVM Funds ICVC taken from the Interim Report and Accounts for the period ending 30 June 2008. The Long Form version of the Report and Accounts is available on written request to the Marketing Department, SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH or by email to [info@svmonline.co.uk](mailto:info@svmonline.co.uk)

## Investment Warning

Past performance should not be seen as an indication of future performance. The value of an investment may fall as well as rise and investors may not get back the amount originally invested.

## Contacts

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