

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.



November 2021 | Share Class B

Factsheet as at 31 October 2021



Monthly Fund Commentary

Investors' minds are fixated on the forthcoming Federal Reserve meeting and the prospects for monetary policy. The focus is on the inflation outlook and, in particular, what this will mean for the performance of different investment styles. In contrast to September, where a steepening yield curve led to substantial outperformance of value, more hawkish commentary from central bankers drove a flattening of the curve and 'growth' outperforming. The fund returned 1.0% versus 2.8% for the MSCI Europe index.

The pandemic, however, continues to obscure the outlook for both the economy and markets. The underlying economy appears strong, but lingering Covid concerns and ongoing supply chain issues are impacting growth. Within what was a generally impressive US earnings season, there was a significant divergence between companies whose supply chains are largely digital and those whose are longer and more complex. The discrepancy was evident in the results of the world's two most valuable companies, Microsoft and Apple. Both reported exceptionally strong earnings, but Apple stated that supply chain issues had cost the company \$6bn in revenue and the impact would be greater in the current quarter. Microsoft reported that both revenues and earnings were ahead of expectations and that the outlook was positive. The increasing impact on supply chains is evident from our conversations with many companies. Executives are keen to point out the strength of demand but are cautioning that supply bottlenecks are creating problems and that pricing discussion are becoming more challenging. The strength of demand should ensure earnings forecasts remain intact but in many instances any potential upside may be removed. If earnings revisions don't turn materially negative then we believe the equity market rally will continue, driven by supportive policy and a robust economic outlook.

Trading updates from portfolio companies were reassuring. Norcros announced that

its impressive operating performance had continued. Revenue was now expected to be 18% ahead of pre-pandemic levels and consequently earnings will be significantly ahead of the board's previous expectations. Both the UK and South African businesses are benefitting from higher demand as well as market-share gains. Despite facing similar supply chain challenges to many businesses, Norcros has delivered a steady stream of earnings upgrades. It is not immune to the economic cycle but its strategy of consolidating the fragmented bathroom accessory market, acquiring niche brands and extending their distribution, offers excellent long-term growth. The balance sheet has minimal debt, providing significant financial flexibility for further acquisitions. Lloyds rose as its trading update led analysts to revise their earnings projections upwards. Stripping out provision releases, results were 15% ahead of market expectations with all key P&L drivers better than anticipated. Further strong capital generation provides scope for significant capital returns post February's strategic review. CapGemini gained as it raised its full year outlook post an excellent third quarter. For the quarter revenue was up 13% organically with bookings up 15%. Management now expects organic revenue growth of 14.5-15% and operating margins of more than 12.7%. The company continues to benefit from very strong demand from large corporations for its digitalisation services.

Creo Medical declined, suffering from ongoing indigestion post its recent capital increase. Despite this year's lacklustre share price performance, we remain very excited about the company's prospects. The shares are not without risk, but the scale of the opportunity is significant and we believe the long-term value of the company could be a multiple of the current share price.

There was minimal trading activity

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: £19.9m

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 02/07/2021

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	41.0	
Unstable Financial	19.4	
Consumer Cyclical	17.0	
Defensive	13.8	
Technology	6.7	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	2.2	

Cyclical 41.0%

Synthomer	6.7
Alpha FMC	6.0
Smurfit Kappa Group	5.6
Rexel	4.1
CRH	4.1

Unstable Financial 19.4%

Prudential	5.2
AXA	4.8
Lloyds Banking Group	4.7
OSB Group	4.5
Jackson Financial	0.2

Consumer Cyclical 17.0%

Norcros	7.3
Nordic Entertainment Group	3.6
JOST Werke	3.3
Tesco	2.7

Defensive 13.8%

Uniphar	8.2
DCC	3.1
Smith & Nephew	1.6
Apontis Pharma	0.9

Technology 6.7%

Creo Medical Group	3.6
LungLife AI	2.1
ActiveOps	1.1

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

Alpha Financial

Alpha Financial is a UK based consulting company focussing on the financial sector with a specific expertise in asset management. Such a business model requires a well-developed human resources function in order to attract and retain skilled and experienced fee earners who are responsible for the bulk of the company's revenues. We are able to assess the company's success in this area through a host of metrics but most important is the degree of staff turnover. Not only does this act as an indicator of staff well-being and satisfaction but is also critical to the

company's financial success where staff utilisation can have a material impact on profit margins. Here, Alpha scores well with only 8% turnover in the past twelve months which is well below the industry average which is in the mid-teens.

Alpha financial has seen an overall improvement in ESG disclosure over the years and, unusually, we have recently been talking to the company regarding their lack of fanfare over their environmental credentials. A combination of both emission reduction initiatives and carbon off-setting has made the company close to, or at

least, well on the way to, net zero. Although the environment is not a material concern for this form of business, we believe credit should still be given where progress is made, however small and incremental the steps may be, and look forward to further information from the company in upcoming publications.

As Alpha now have a respected and growing ESG consulting business it is great to see that they have now also got their own house in order making their proposition all the more credible and successful.

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.

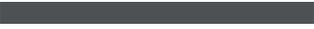
Top 10 Holdings

	(%)	
Uniphar	8.2	
Norcros	7.3	
Synthomer	6.7	
Alpha FMC	6.0	
Smurfit Kappa Group	5.6	
Prudential	5.2	
AXA	4.8	
Lloyds Banking Group	4.7	
OSB Group	4.5	
Rexel	4.1	
Rest of Portfolio	42.9	

Country Breakdown

	No. of Stocks	(%)	
UK	16	59.2	
Ireland	3	17.9	
France	3	12.8	
Germany	2	4.2	
Sweden	1	3.6	
Other	-	0.0	

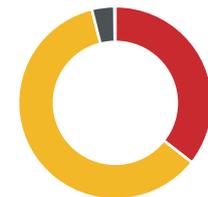
Sector Breakdown

	(%)	
Industrials	28.3	
Materials	19.4	
Financials	19.4	
Health Care	16.3	
Information Technology	4.9	
Communication Services	3.6	
Consumer Discretionary	3.2	
Consumer Staples	2.7	
Energy	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	4.8
Large Cap (<€50bn)	22.1
Mid Cap (<€10bn)	41.7
Small Cap (<€1bn)	29.2



Currency Exposure

	(%)
Euro	34.8
Sterling	59.2
Swedish Krona	3.6
Other	0.2

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Calls may be recorded

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Share Class B GB00B1FL7V46

MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

Sedol GBP B1FL7S1
Sedol GBP B1FL7V4

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INDEPENDENT THINKING

Fund Performance

to 31/10/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	1.0	24.1	48.6	46.1	64.3	332.7
MSCI Europe Index	2.8	15.3	33.7	34.5	51.4	170.3
IA Europe inc UK Sector**	2.6	14.7	32.3	39.9	54.7	179.8

Source: FE fundinfo, as at 31/10/2021, 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 30 September

	2021	2020	2019	2018	2017
SVM All Europe SRI Fund B	41.3	-2.8	-4.0	2.4	21.9
MSCI Europe Index	22.7	-4.9	5.7	3.2	19.1
Performance Difference	+18.6	+2.1	-9.7	-0.8	+2.8

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 All Europe SRI Fund B

Source: FE fundinfo, as at 31/10/2021, 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. 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.