

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.



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 5.5% versus the MSCI Europe that returned 4.3%.

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. In Europe, the German Green Party is pushing Angela Merkel's conservative coalition hard in the polls and is proposing a wealth tax to help cover its spending plans.

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 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. Shares in Norcross jumped as it remarkably raised its profit guidance for the third time in a month. 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. One Savings Bank climbed as full-year results revealed that the previously announced exceptional provision would not be increased. The outlook for the group remains robust, with the UK housing market buoyant.

There were no particular disappointments during the month. The holding in RWS was materially reduced.

Fund and index performance source: Lipper

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: £20.5m

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:



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.

Cyclical	40.3	
Unstable Financial	21.6	
Consumer Cyclical	17.2	
Defensive	10.9	
Technology	6.9	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	3.0	

Cyclical 40.3%

Synthomer	5.7
Smurfit Kappa Group	5.3
Alpha FMC	4.9
Rexel	4.2
Forterra	4.1

Unstable Financial 21.6%

Prudential	5.2
AXA	4.5
Lloyds Banking Group	4.1
OSB Group	4.1
Allianz	3.7

Consumer Cyclical 17.2%

Norcros	6.6
Jost Werke	3.6
Vistry Group	3.0
Tesco	2.1
Nordic Entertainment Group	1.8

Defensive 10.9%

Uniphar	5.5
DCC	3.1
Roche Holdings	2.3

Technology 6.9%

Creo Medical Group	3.5
Koninklijke Philips	2.2
ActiveOps	1.2

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

Nordic Entertainment Group

Nordic Entertainment Group is a Swedish domiciled media group with a dominant position in pay TV. The company's subscriber video on demand service (SVOD) enjoys over 20% market share, however, as SVOD has only 50% penetration within its targeted Nordic market, and as management believes that figure has the potential to reach 95%, then the company is likely to enjoy strong growth for many years to come. To maintain this strong position, the company has, since 2016, commissioned its own proprietary content which, when combined with additional services such as cable, broadband TV and radio,

has secured its number one position in the region. This strategy has of course led to a considerable increase in the supplier base of the company where the potential lies for poor working conditions and practices with the risk of harm to both the welfare of employees and the reputation of Nordic Entertainment itself as the purchaser of these goods and services. Our engagement with the company has led us to understand that work is underway on this very topic with a framework set up for a supplier due diligence process which the company intends to evaluate over the coming

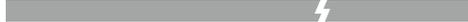
months. Currently the system covers only direct suppliers but once this work is complete the whole value chain can be addressed. Meanwhile the aim is to have all suppliers deemed high risk surveyed by the end of 2021.

We have no reason to suspect that there are any issues with the supply chain of the Nordic Entertainment Group but, by encouraging and supporting such proactive steps from the company, we can hopefully safeguard this risk for the future should any malpractice occur.

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.

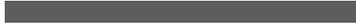
Top 10 Holdings

	(%)	
Norcros	6.6	
Synthomer	5.7	
Uniphar	5.5	
Smurfit Kappa Group	5.3	
Prudential	5.2	
Alpha FMC	4.9	
AXA	4.5	
Rexel	4.2	
Lloyds Banking Group	4.1	
OSB Group	4.1	
Rest of Portfolio	49.9	

Country Breakdown

	No. of Stocks	(%)	
UK	17	59.2	
France	3	11.6	
Ireland	2	10.8	
Germany	3	9.0	
Switzerland	1	2.3	
Netherlands	1	2.2	
Sweden	1	1.8	
Other		0.0	

Sector Breakdown

	(%)	
Industrials	26.6	
Financials	21.6	
Materials	20.6	
Health Care	13.5	
Consumer Discretionary	6.5	
Information Technology	4.1	
Consumer Staples	2.1	
Communication Services	1.8	
Energy	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	10.5
Large Cap (<€50bn)	20.4
Mid Cap (<€10bn)	34.8
Small Cap (<€1bn)	31.2



Currency Exposure

	(%)
Euro	37.5
Sterling	55.4
Swiss Franc	2.3
Swedish Krona	1.8

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Calls may be recorded

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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

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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 All Europe SRI Fund B	5.5	17.0	50.5	27.3	69.8	307.9
MSCI Europe Index	4.3	7.7	31.0	21.5	64.8	152.3
IA Europe inc UK Sector	4.6	7.7	32.8	25.4	67.7	157.7

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 31 October 2006

Percentage growth year on year to 31 March

	2021	2020	2019	2018	2017
SVM All Europe SRI Fund B	58.9	-17.8	-4.7	9.6	17.6
MSCI Europe Index	30.9	-10.6	4.3	2.6	27.0
Performance Difference	+28.0	-7.2	-9.0	+7.0	-9.4

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 (%)



■ SVM All Europe SRI Fund B ■ MSCI Europe Index

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. 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.