SVM UK Growth Fund

The objective of this Fund is to achieve capital growth over the long term (5 years or more) and it aims to outperform the MSCI United Kingdom IMI. The Fund will identify investment opportunities in UK companies that can grow faster than the wider markets and are capable of sustained growth. The Fund will invest at least 80% in equities and equity related instruments in UK companies. The Fund may invest in other permitted securities.

December 2021 | Share Class B

Factsheet as at 30 November 2021

svm INDEPENDENT THINKING

Monthly Fund Commentary

The UK stock market was weak in November, as optimism about economic recovery from the pandemic moved to concern about new virus variants, policy tightening, supply shortages and inflation. The market correction looks healthy, with most portfolio companies continuing to deliver positive updates. While press headlines have focussed on virus transmissibility; indications are of much reduced impact. New treatments continue to arrive.

As inflation picks-up, it is becoming clearer that supply disruption is broadly based. Initially, the surge in demand after lockdown was blamed. But labour shortages have constrained services, and higher energy prices have affected transportation and delivery. And, we can see now that significant supply disruption has been triggered by unforeseen consequences from action on sustainability.

For some activists, no move on reducing carbon emissions is too quick, but the world economy is a complex adaptive system. It is a challenge to single issue policies effectively. The result is disarray amongst the developed economies, with countries stepping back from carbon commitments and fuel poverty widening inequalities. Politicians must now deal with the unintended consequences.

Car manufacturers unable to source sufficient microchips for their electric vehicles are being forced to abruptly stop sales of other vehicles to meet carbon rules. Well intentioned policy cascades onto unexpected bad outcomes. The problem is the lack of clean alternatives for goods transportation at this stage, exacerbating distribution problems. Much of the pressure is on corporates and investors to drive change, but ultimately a shift in consumer behaviour and new technology is needed for this to happen quickly.

No-one disagrees with sustainability, but the UK's national resilience has clearly been hit by its much faster move on carbon - allowing us to lecture other nations, but wrecking consumer markets for green energy as successive suppliers fail. Expecting too much of investors for problems that society as a whole owns, is an approach likely to fail. Good practice does not come from narrow focus. Better to assess impact and revise.

Has ESG become too focused on climate? Today's pre-occupation with carbon risks drawing attention away from governance. This was core investment work long before ESG or even socially responsible investing. Companies that back-up their business strategy with sound stewardship driven by the board usually win over the long term. Good governance is the part of stewardship that plays to investors' strengths and where they are most credible, even if not currently fashionable.

Performance

In November, SVM UK Growth Fund returned -4.0% compared with the return of -2.2% for the MSCI UK IMI TR Index and -2.5% for the average fund in the IA UK All Companies sector. For the 5 years to 30 November, the Fund is top quartile, returning 62.2%, compared to a return of 27.1% for the MSCI UK IMI TR Index and 35.7% for the average fund in the IA UK All Companies sector.

Trading and results

Over the month, there were positive contributions to performance from Impax Asset Management, Croda, Segro, Marks & Spencer and Diploma. The main negatives in the month were Entain, Ceres Power, Wizz Air and Jet2.

In November, additional and new investments were made in Instem, DiscoverIE, Volution and Indivior. To fund these, part sales were made of Kerry Group, Beazley and CRH. Investment was also made into LondonMetric and Industrials REIT, reflecting our positive view on the infrastructure needed for UK logistics and industrial estates. There is a need to strengthen UK supply chains, and this brings potential for expanding services in multi-let industrial estates. Europe lags the UK in this market, which is being addressed by portfolio investment Segro.

Your Fund remains fully invested, including likely recovery beneficiaries and strong growth businesses.

Fund and index performance source: FE fundinfo

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.

Fund Facts

Launch Date: 20 March 2000

Benchmark Index:
MSCI United Kingdom IMI Index

IA Sector: UK All Companies

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

Fund Size: £194.4m

Fund Managers:

Margaret Lawson (Co Fund Manager)
Appointed: 31/10/2005
Years at SVM: 30 Industry Experience: 40

Colin McLean (Co Fund Manager)
Appointed: 29/02/2008
Years at SVM: 30 Industry Experience: 46

Fund Charges (OCF*):

Share Class A	1.71%
Share Class B	0.96%

*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:

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

1	2	3	4	5	6	7

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

INDEPENDENT THINKING

Portfolio Analysis

Strategies

The SVM UK Growth fund aims to identify best in class companies that can grow faster than the wider market over the medium term. Portfolio businesses are drawn from those that are dominant in their sector, usurpers that will come to own their space and hero franchises utilising fast growing channels. We aim to identify those opportunities earlier than our peers, not at the pioneering stage but when the model is accelerating.

This leads to a flexible diversified portfolio blending a core of sustainable growth stocks, tactical mid-term cyclical holdings and innovative business models focussing on future trends.

Industrials	35.3%
Keystone Law	4.0
Ceres Power	3.6
Experian	2.6
Diploma	2.5
Wizz Air	2.3

Consumer Discretionary	18.0%
JD Sports Fashion	4.0
Entain	3.1
Flutter Entertainment	1.8
Games Workshop	1.7
AB Dynamics	1.3

Information Technology	15.2%
Kainos	3.5
AVEVA	1.5
Softcat	1.4
Oxford Instruments	1.4
Boku	1.2

Financials	10.5%
Intermediate Capital	2.6
Impax Asset Management	1.9
JTC	1.7
London Stock Exchange	1.3
Molten Ventures	1.2

Communication Services	7.4%
Gamma Communications	2.9
Future	1.9
Team17	1.4
Dianomi	0.9
4imprint Group	0.3

Health Care	7.4%
Dechra Pharmaceuticals	4.1
Kooth	1.3
Genus	0.6
Instem	0.5
Indivior	0.5

Real Estate	7.2%
Segro	2.3
Unite Group	2.1
Watkin Jones	1.5
Londonmetric Property	1.2
Industrials REIT	0.1

Materials	6.6%
Croda	4.6
CRH	1.0
Smurfit Kappa Group	1.0

Consumer Staples	4.0%
Cranswick	2.1
Hilton Food Group	1.4
Revolution Beauty	0.3
Kerry Group	0.2

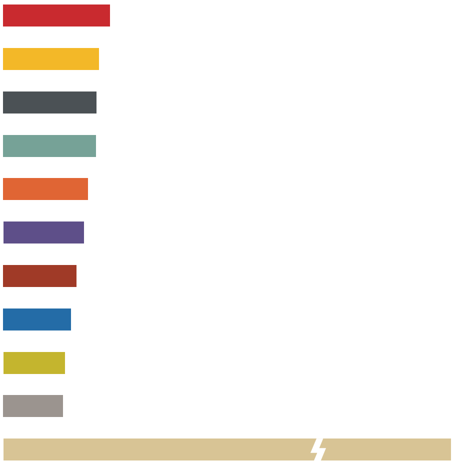
Utilities	0.0%

Energy	0.0%

Portfolio Structure

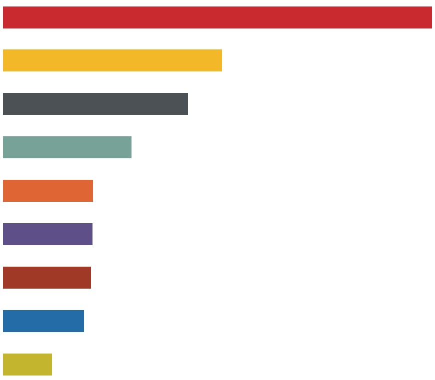
As an unconstrained fund we invest in our highest conviction ideas irrespective of market capitalisation, though there will be an emphasis on large cap holdings, or sector. As a consequence The SVM UK Growth Fund portfolio will vary considerably from the benchmark index and from other funds that are in the same IA sector.

Top 10 Long Holdings	(Gross %)
Croda	4.6
Dechra Pharmaceuticals	4.1
JD Sports Fashion	4.0
Keystone Law	4.0
Ceres Power	3.6
Kainos	3.5
Entain	3.1
Gamma Communications	2.9
Experian	2.6
Intermediate Capital	2.6
Rest of Porfolio	**65.0**



Size Analysis	(Gross %)
Large Cap	47.1
Med/Mid 250	42.9
Small/Small Cap	21.6

Sector Breakdown	(%)
Industrials	35.3
Consumer Discretionary	18.0
Information Technology	15.2
Financials	10.5
Communication Services	7.4
Health Care	7.4
Real Estate	7.2
Materials	6.6
Consumer Staples	4.0
Energy	0.0
Utilities	0.0



This Month's Featured Stock

Ryanair

Ryanair is Europe's leading low-cost airline. The company flies over 2,400 routes across the continent with its fleet of over 600 aircraft. As the aviation industry across Europe continues to recover from the unprecedented impact of Covid, Ryanair is emerging in a stronger competitive position than ever.

Competitor airlines across Europe have either failed or had to shrink their businesses drastically just to survive. Airports, eager to stimulate a swift recovery in passenger numbers, have been keen to offer growth incentives to those airlines that can offer long-term growth prospects. Indeed, such is management's optimism, that CEO Michael O'Leary has described the current market landscape as the best he has seen in his 30+ years with the airline.

While Ryanair's recently released interim results were impacted by the travel restrictions that were in place across Europe earlier in the year, the outlook was much more promising. Ryanair is close to flying a full flight schedule and load factors are recovering towards pre-Covid norms. The fare environment for peak periods next year is looking very promising. Demand has recovered strongly and total European short haul capacity is likely to still be 10-20% below 2019 levels. The group also upped its medium term passenger number guidance and now expects to carry 225m customers each year by 2026.

Ryanair is not immune from all the challenges facing the airline industry: increasing fuel prices and higher carbon costs will need to be offset and they'd obviously be impacted by any resurgence in Covid. What is true, though, is that the above will have a far more serious impact on many of Ryanair's peers. Ryanair has a robust balance sheet, expected to be in a net cash position in 18-24 months, and a cost advantage that will only be enhanced as new aircraft are delivered in upcoming years.

Fund Performance

to 30/11/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM UK Growth Fund B	-4.0	10.9	19.8	42.5	62.2	372.4
MSCI United Kingdom IMI Index	-2.2	13.3	17.6	14.0	27.1	170.0
IA UK All Companies Sector**	-2.5	12.3	17.3	23.1	35.7	166.6

Source: FE fundinfo, as at 30/11/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.
*The Fund was launched on 20 March 2000

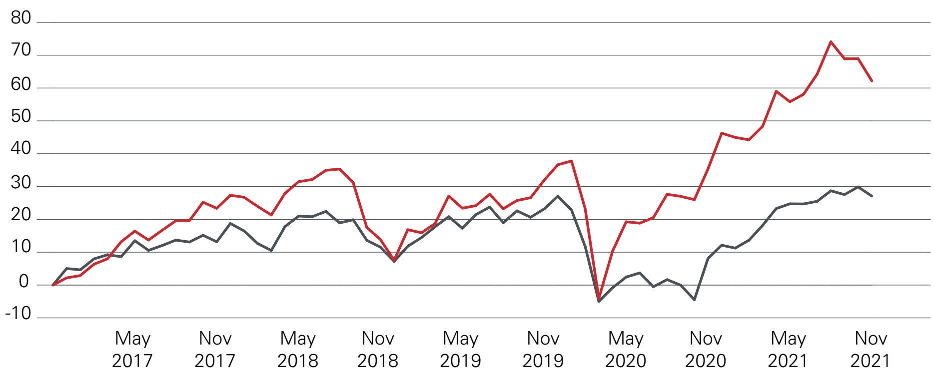
**IA is provided as a comparator

Percentage growth year on year to 30 September

	2021	2020	2019	2018	2017
SVM UK Growth Fund B	33.0	1.0	-4.2	9.7	17.7
MSCI United Kingdom IMI Index	27.6	-18.5	2.3	6.0	11.8
Performance Difference	+5.4	+19.5	-6.5	+3.7	+5.9

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 (%)



Source: FE fundinfo, as at 30/11/2021, 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 uses Contracts for Difference (CFDs) for efficient portfolio management (EPM) purposes. This may create gearing and could lead to greater fluctuations in the Net Asset Value of the Fund. 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. 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.

Enquiries

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ISIN:

Share Class A	GB0032064635
Share Class B	GB0032084708

MEX:

Share Class A	SXSR
Share Class B	SXSI

SEDOL:

Sedol GBP	3206463
Sedol GBP	3208470

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