

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 2022 | Share Class B

Factsheet as at 31 May 2022



Monthly Fund Commentary

The outlook for inflation and by extension interest rates once again determined market direction. Equities sold off early in the month but rallied post the release of the minutes of the latest Federal Reserve Board meeting. Investors were comforted that members of the FOMC appeared to realise the nuances around the inflation outlook and that the Fed was not stuck on autopilot. The positive sentiment was reinforced by strong earnings from US retailers Dollar Tree and Macy's, which reassured investors post disappointing updates from Target and Walmart. The pattern of consumption maybe changing but overall expenditure currently remains robust. The fund returned 1.1% versus the MSCI ACWI index that returned -0.3%.

The economic outlook remains clouded. The conflict in Ukraine is ongoing and continues to put upward pressure on commodities, most notably wheat and oil. China is zealously pursuing its zero covid policy with the obvious impact on economic growth. Chinese retail sales fell 11% in April. Elsewhere both consumer and business confidence have sharply deteriorated. Despite these headwinds, earnings expectations are holding up reasonably well. This has been interpreted negatively in some quarters as many investors believe we need to witness more significant downwards revisions for the market to bottom. Equities may remain choppy over summer until the outlook for earnings becomes clearer, but should the economy prove more resilient than the current negative consensus then the upside in some sectors and stocks could be significant. Interestingly, in the last month corporate executives in the US bought shares in their companies at the highest rate since the financial crisis.

Marks & Spencer rallied to post a reassuring update that demonstrated the resilience of their model. Clothing and home sales exceed 2019 levels as consumers faced less restriction

and the food business sustained its recent strong performance growing revenue 8%. Management haven't seen a slowdown in the business but are prudently expecting a weaker second half of the year and shaved forecasts slightly. Investors looked through the short-term downgrades and the shares bounced strongly. With unemployment low and wage growth robust we believe the risk of the much-vaunted consumer crisis is overdone.

Our faith in the resilience of the consumer was well established before the Chancellor unveiled his latest package of support. As such the economic merits of the additional help for the consumer are debatable but the political reality was clear. The case for partially funding the largesse via a windfall tax on energy companies, however, is misguided and short sighted. The UK cannot, and should not, try to compete with low tax jurisdictions such as Ireland. But rather should focus on providing a transparent and predictable fiscal regime, especially for long term capital projects where initial financial commitments are large. By introducing a windfall tax, the government has obscured the market's price signals and, in all likelihood, exacerbated the long-term supply situation.

On Semiconductor was the largest positive contributor to performance. The shares rose as earnings again came in ahead of expectations. Management continues to refocus the business towards higher value add chips. By voluntarily exiting many commodity areas the company has significantly improved gross margins. Anxiety remains over whether the company is over earning, but we believe it is well placed to ride out any downturn.

Trading activity was limited

Fund and index performance source: FE fundinfo

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: £20.9m

Fund Manager:

Neil Veitch (Fund Manager)
Appointed: 01/12/2010
Years at SVM: 15 Industry Experience: 24

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 31/12/2021

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	31.8	
Cyclical	26.2	
Consumer Cyclical	14.9	
Oil & Gas	12.1	
Unstable Financial	6.9	
Defensive	6.4	
Stable Financial	0.0	
Mining	0.0	
Cash	1.8	

Technology

31.8%

Alphabet	7.5
MagnaChip Semiconductor	5.5
Micron Technology	5.0

Cyclical

26.2%

Alpha FMC	4.4
Hitachi	4.4
Synthomer	3.9

Consumer Cyclical

14.9%

Entain	5.3
Norcros	2.9
Ryanair	2.6

Oil & Gas

12.1%

Jadestone Energy	4.4
Energear	3.4
Savannah Energy	2.5

Unstable Financial

6.9%

U.S. Bancorp	4.0
Prudential	2.9

Defensive

6.4%

Uniphar	4.4
Smith & Nephew	2.0

Stable Financial

0.0%

Mining

0.0%

This Month's Featured Stock

Marks & Spencer

Marks and Spencer (M&S), one of the UK's most venerable brands, is a retailer of food and clothing. The group operates over 1,000 stores in the UK and has a mixture of owned and franchised stores in over 60 international markets.

M&S's recently released full-year results provided clear evidence of the improvements made across the business. Clothing & Home (C&H) sales exceeded pre-pandemic levels, driven by a recovery of in-store sales as customers were less impacted by Covid restrictions. The group have streamlined C&H options by 20% over in recent years and focused on a more contemporary style. This has helped improve

value perception among customers and led to a reduction in product discounting. Online sales proved resilient against a tough, Covid-boosted, comparator. Having added a number of third-party brands to its online offering and improved its own infrastructure, M&S has built a strong platform for future growth. The group's food division had a stellar year, with revenue growth of 8% despite both travel and hospitality channels still being affected by the pandemic.

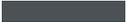
M&S continues to make headway in reshaping its legacy store estate, although it still has some way to go in shrinking from 247 full-line stores to the targeted 180. Like all retailers, M&S will face challenges in managing inflationary pressures

over the upcoming year. We feel, though, that management can still deploy a significant amount of self-help measures to support earnings and that these issues are more than adequately reflected in the current stock price. Currently trading on an estimated March 2023 PE of less than 9x, the revitalisation of the M&S brand fails to be underappreciated.

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	7.5	
MagnaChip Semiconductor	5.5	
Entain	5.3	
Micron Technology	5.0	
Alpha FMC	4.4	
Uniphar	4.4	
Jadestone Energy	4.4	
Hitachi	4.4	
ON Semiconducto	4.2	
SK Hynix	4.1	
Rest of Portfolio	50.7	

Geographic Stock Analysis (%)

United Kingdom	49.3	
North America	28.6	
Europe (excluding UK)	9.7	
Japan	5.8	
Asia Pacific (excluding Japan)	4.8	
Latin America	0.0	
Other	0.0	

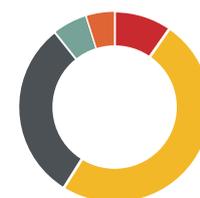
Sector Breakdown

	(%)	
Industrials	22.4	
Information Technology	21.9	
Energy	12.1	
Health Care	8.8	
Consumer Discretionary	8.5	
Materials	8.0	
Communication Services	7.5	
Financials	6.9	
Consumer Staples	2.2	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>£50bn)	23.1
Large Cap (<£50bn)	16.0
Mid Cap (<£10bn)	29.8
Small Cap (<£1bn)	29.3



Net Currency Exposure

	(%)
Euro	9.7
Sterling	49.2
US Dollar	30.5
Japanese Yen	5.8
Others	4.8

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Calls may be recorded

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Share Class B GB00B0KXSK43

MEX:

Share Class A SXUAT
Share Class B SXUAB

SEDOL:

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Sedol GBP B0KXSK4

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Fund Performance

to 31/05/2022

Cumulative Performance, % change

	One month	2022 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	1.1	-8.4	-0.8	51.5	60.0	238.7
MSCI ACWI IMI Index	-0.3	-6.4	4.3	38.7	56.0	220.2

Source: FE fundinfo, as at 31/05/2022, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

*The Fund was launched on 01 December 2010

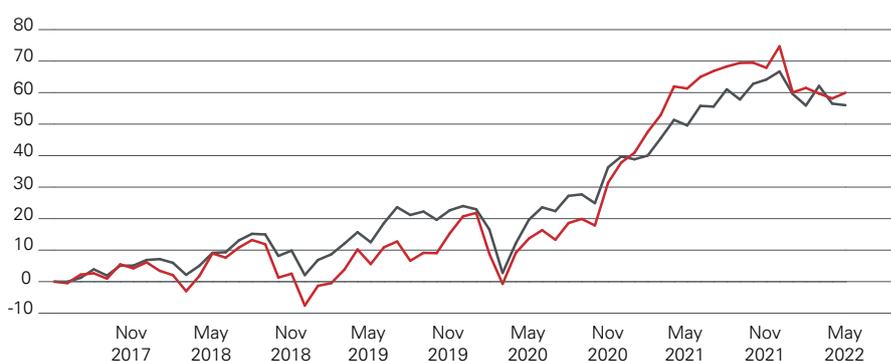
Percentage growth year on year to 31 March

	2022	2021	2020	2019	2018
SVM World Equity Fund B	4.4	54.0	-4.3	7.0	0.2
MSCI ACWI IMI Index	11.4	41.6	-8.3	9.7	2.5
Performance Difference	-7.0	+12.4	+4.0	-2.7	-2.3

Source: FE fundinfo, as at 31/03/2022, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)

■ SVM World Equity Fund B ■ MSCI ACWI IMI Index



Source: FE fundinfo, as at 31/05/2022, 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. 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.

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