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.

September 2021 | Share Class B

Factsheet as at 31 August 2021

svm INDEPENDENT THINKING

Monthly Fund Commentary

St Ledger's Day is rapidly approaching. And according to the old city adage investors should have returned from their summer break in a positive mood. Yet Covid continues to dominate the headlines and even with the success of the vaccination campaign infections are rising, supply chains are faltering, and economic momentum is slowing. But despite the recent deceleration the underlying economy is strong. Consumer and corporate balance sheets are robust and there is considerable pent-up demand. The reflation trade has paused but is not over. The fund returned 0.9% versus 3.5% for the MSCI ACWI Index.

In a much anticipated speech to the Jackson hole gathering of central bankers, the chair of the Federal Reserve sent a strong hint that the Fed will begin tapering this year. The psychological impact of the move will be considerably greater than its mechanistic impact. Investors should focus on the positive signal that tapering sends; the economy is healing and stimulus can begin to be withdrawn. Tapering may lead to a short term increase in volatility but it will not derail the bull market. Equity markets function as a discounting mechanism and will not correct until collectively investors believe the end of the economic cycle is in sight. Many things can change that collective mindset, often with little warning, but for the moment the path of least resistant is higher.

Elsewhere Chinese internet stocks had another volatile month, making new lows before staging something of a recovery. As always much of the shrill commentary was misplaced. But the episode highlights the somewhat capricious nature of Chinese capital markets. Not only can political priorities change but we remain uncomfortable with the legal structures used to enable Chinese corporates to list in the US. One positive of the apparent desire of the Chinese authorities to bring investment back onshore may less corporate complexity.

The fund's two largest holdings Alphabet and Microsoft both outperformed. Alphabet continued to benefit from last month's blowout quarter. Microsoft rose as it announced price rises on Office 365 suites, the first major price increase since 365's 2011 launch. The decision to raise prices demonstrates the strength of the group's proposition and is indicative of its market leadership position in many critical areas of software. Prudential Plc gained as it released well received interim results. Numbers were strong across the board with new business sales growing 21%. Post the demerger of Jackson National later this month the group will be an Asian focused insurer trading at a significant discount to its nearest peers.

Creo Medical declined as it announced an equity raise to fund expansion. The early stage of the company's product suite makes it almost impossible to value the business accurately. However, it offers a range of products with strong IP backing that can dramatically improve patient outcomes and reduce costs. Its MicroBlate tissue ablation device has recently been used to treat patients with unresectable pancreatic tumors with very encouraging results. Magnachip Semiconductor declined as speculation mounted that the US government would block its acquisition by a Chinese related entity

A new holding was started in Smith & Nephew.

Fund and index performance source: Lipper

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: 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: £19.7m

Fund Manager:

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

Fund Charges (OCF*):

Share Class A	1.97%
Share Class B	1.22%

*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

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	30.2
Consumer Cyclical	23.2
Cyclical	22.2
Defensive	9.1
Oil & Gas	5.9
Unstable Financial	3.3
Stable Financial	0.0
Mining	0.0
Cash	6.0

Technology	30.2%
Alphabet	9.3
Microsoft	8.7
SK Hynix	3.5

Consumer Cyclical	23.2%
Visa	6.8
Entain	5.0
Ryanair	3.1

Cyclical	22.2%
Synthomer	4.8
Hitachi	4.1
Alpha FMC	3.6

Defensive	9.1%
Uniphar	5.0
Bristol-Myers Squibb	2.7
Smith & Nephew	1.4

Oil & Gas	5.9%
Jadestone Energy	2.7
Pantheon Resources	1.3
Longboat Energy	1.2

Unstable Financial	3.3%
Prudential	3.3

Stable Financial	0.0%

Mining	0.0%

This Month's Featured Stock

Synthomer

Synthomer is a speciality polymers company. It is a global leader in the manufacture of nitrile butadiene reflex (NBR), the key raw material used in the production of nitrile rubber gloves. This industry has been in structural growth for many years, driven by increasing global hygiene standards and the substitution of traditional rubber gloves, which are not suitable for those with latex allergies. The coronavirus crisis has led to a surge in demand for rubber gloves, with some producers quoting lead times for new orders of over 6 months. With manufacturing sites running at full capacity, and limited new volume coming on-stream over the next 18 months, unit margins should remain elevated.

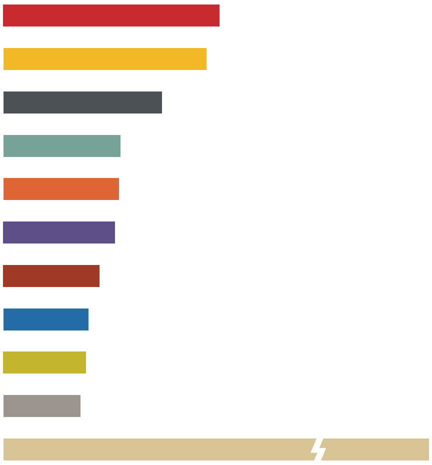
Commentary around Synthomer's recent H1 21 results understandably focused on the strength in NBR, as analysts debated how quickly margins would revert to more normal levels. This overshadowed the strength demonstrated by the rest of Synthomer's businesses. Demand for Synthomer's products from the construction and coatings industries has rebounded strongly while the integration of Omnova has delivered the expected synergies. Cash generation has been hugely impressive, with net debt to EBITDA is less than 1x.

While we are sorry to see the existing CEO and CFO leave the business, they leave Synthomer in a far stronger position than when they joined over 6 years ago. The incoming CEO, Michael Willome, has significant chemicals industry experience and should be more than capable of continuing the good work of his predecessors. We believe that the public equity market has failed to recognise the fundamental improvements made to the Synthomer business in recent years. If it continues to do so, we would not be surprised if other interested parties were taking a much closer look.

Portfolio Structure

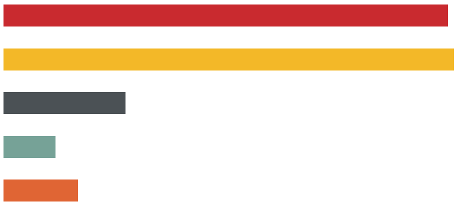
As an unconstrained fund we invest in our highest conviction ideas irrespective of market capitalisation, country or sector. As a consequence The SVM World Equity Fund portfolio will vary considerably from the benchmark index and from other funds that are in the same IA sector.

Top 10 Holdings	(%)
Alphabet	9.3
Microsoft	8.7
Visa	6.8
Uniphar	5.0
Entain	5.0
Synthomer	4.8
Hitachi	4.1
Alpha FMC	3.6
SK Hynix	3.5
MagnaChip Semiconductor	3.3
Rest of Porfolio	**45.8**



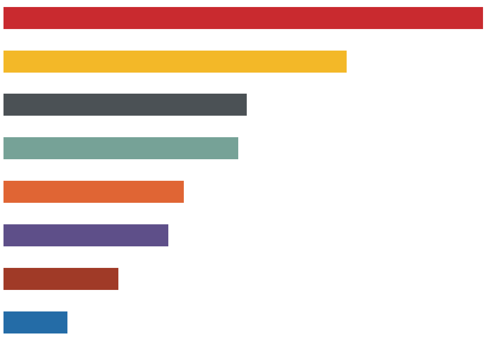
Size Analysis	(%)
Mega Cap (>£50bn)	31.5
Large Cap (<£50bn)	22.1
Mid Cap (<£10bn)	18.7
Small Cap (<£1bn)	21.6

Geographic Stock Analysis (%)	
North America	36.6
United Kingdom	37.0
Europe (excluding UK)	10.0
Asia Pacific (excluding Japan)	4.3
Japan	6.1
Latin America	0.0
Other	0.0



Net Currency Exposure	(%)
Euro	10.0
Sterling	40.7
US Dollar	38.7
Japanese Yen	6.1
Others	4.3

Sector Breakdown	(%)
Information Technology	24.8
Industrials	17.6
Consumer Discretionary	12.5
Health Care	12.1
Communication Services	9.3
Materials	8.5
Energy	5.9
Financials	3.3
Consumer Staples	0.0
Utilities	0.0
Real Estate	0.0



Please note that figures may not add up to 100% due to Cash holding.

Fund Performance

to 31/08/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	0.9	22.1	41.9	48.7	101.0	256.3
MSCI ACWI IMI Index	3.5	15.3	26.6	39.8	84.4	230.5

Source: Lipper, as at 31/08/2021, 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 30 June

	2021	2020	2019	2018	2017
SVM World Equity Fund B	41.8	4.9	3.1	8.1	29.3
MSCI ACWI IMI Index	26.1	4.2	8.5	9.4	22.5
Performance Difference	+15.7	+0.7	-5.4	-1.3	+6.8

Source: Lipper, as at 30/06/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)

Source: Lipper, as at 31/08/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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.

Enquiries

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ISIN:

Share Class A	GB00B0KXRB86
Share Class B	GB00B0KXSK43

MEX:

Share Class A	SXUAT
Share Class B	SXUAB

SEDOL:

Sedol GBP	B0KXRB8
Sedol GBP	B0KXSK4

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