

SVM Continental Europe 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 ex UK Index. The Fund will identify investment opportunities in undervalued companies in European equity markets which will not necessarily be prominent in mainstream indices. The Fund will invest at least 80% in equities and equity related instruments dealt in or traded on 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

European equity markets shrugged off the fact that the Eurozone entered a double dip recession in the first quarter of 2021 with the April rise in the MSCI Europe ex UK Index reaching a healthy +4.4%. The focus remained on the prospect of a strong growth resurgence as the region's economies emerge from their pandemic induced lockdowns. With vaccination programmes picking up speed, all be it at varying degrees of velocity, the prospect of a return to pre-pandemic levels of activity drew ever closer, and to reflect this many equity markets pushed back through the highs last seen in March 2020.

The Q1 reporting season also got underway with, in many instances, companies giving full year guidance which backed this return to growth momentum. Further endorsement, or perhaps a safety net, came from ECB president, Christine Lagarde, who stressed the continued liquidity support her institution was willing and ready to provide giving no hint of any reason why this policy stance should alter in the foreseeable future. This, combined with continued fiscal measures from governments globally, goes a long way to explain the market enthusiasm. Under such a scenario inflationary pressure has the potential to derail the recovery and the EU reported year on year harmonized CPI at 2.10% towards the month end which is the first time this data point has topped 2.00% in two years. Time will tell if this is simply a blip as restocking takes place following the dramatic drop in demand experienced last year or if there is a more sustained trend in place.

The return to global growth will be accompanied by a resurgence in emissions as factories increase their production and consumption returns to pre-pandemic levels and travel is once more on the agenda. With

impeccable timing Joe Biden committed in April to cut GHG emissions by 50% prompting a strong rally for renewable energy stocks. Although welcome, his announcement is perhaps not as ambitious as many had hoped for and we will have to wait for the COP 26 meeting in Glasgow later in the year to see if further progress can be made. In the meantime, we continue to favour stocks exposed to this theme including Aker Carbon Capture, Energiekontor and PNE Wind.

The fund outperformed the index with an increase of +5.4%. A number of stocks increased by more than 20% with the stand-out performer Hexatronic of Sweden whose shares rose by 41%. This fibre optic equipment supplier to the telecoms industry is a clear beneficiary of the underlying demand for bandwidth as societies continue to digitalise, a trend brought forward by the increase in working from home. Veolia Environment also contributed strongly to the performance as the company successfully gained agreement for its takeover of rival Suez SA. The move presents clear synergy opportunities making the long protracted fight well worthwhile. Many hoops still exist but the probability of success is now strongly skewed in Veolia's favour hence the strong share price reaction. Few stocks ended the month in the red with digital games publisher Nacon the worst performer falling -6.31% on no particular news flow. There were no outright buys over the course of the month and two sales, our small holding in Swiss pharmaceutical Novartis where we now see upside for the shares as limited, and software house Lime Technologies where we have taken profits following a good run for the shares.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 20 March 2000

Benchmark Index:
MSCI Europe ex UK Index

IA Sector: Europe ex UK

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

Fund Size: £26.6m

Fund Manager:

Hugh Cuthbert (Fund Manager)
Appointed: 23/01/2006
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.

Consumer Cyclical	21.4	
Defensive	17.1	
Unstable Financial	15.6	
Technology	15.5	
Cyclical	12.3	
Stable Financial	10.9	
Oil & Gas	1.2	
Mining	0.0	
Cash	5.9	

Consumer Cyclical 21.4%

Aluflexpack	3.0
Jost Werke	2.9
Schibsted	2.7
Verallia	2.6
Pirelli	2.2

Defensive 17.1%

Thales Group	3.0
Energiekontor	2.5
PNE	2.4
Veolia	2.2
Aker Carbon Capture	1.9

Unstable Financial 15.6%

Mediobanca	4.3
AXA	3.3
Banca Mediolanum	3.0
BNP Paribas	2.5
Allianz	2.4

Technology 15.5%

United Internet	3.2
Hexatronic Group	2.9
Crayon	2.9
SESA	2.8
Nagarro	2.4

Cyclical 12.3%

Capgemini	3.4
Dustin	3.4
H+H International	2.9
Wienerberger	2.6

Stable Financial 10.9%

Ringkøbing Landbobank	3.2
Patrizia	2.5
Partners Group Holding	1.9
S IMMO	1.8
LEG Immobilien	1.5

Oil & Gas 1.2%

Total	1.2
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Mining 0.0%

This Month's Featured Stock

Ipsos

French market research company Ipsos is an interesting play on the ever-increasing need for companies and public bodies to gather data and knowledge of their consumers behaviours and preferences as well as the success or otherwise of their products and services. The fact that the way in which such data collection is constantly changing means that the addressable market for Ipsos is benefitting from increased growth as they shift from the traditional model of surveys and panels toward new services such as big data, online analytics, social media monitoring, passive

behaviour monitoring and neuroscience.

This more sophisticated profile has also likely made the company weather the past turbulent months in better shape than had they still been confined to the world of surveys and panels. Although the company took a large revenue hit of some 25% in the second quarter of 2020 by the fourth quarter they had already returned to organic growth. At the same time the company managed to dramatically pay down debt. For 2021 management are now suggesting that revenue could already return to the levels seen in 2019












which implies strong growth for the year to come. Such a forecast does of course heavily depend on the Covid-19 outlook although, even here, the company has benefited from large contracts as health authorities seek to determine how successful they have been in managing the crisis.

With a lowly valuation, particularly in comparison to recent deals seen in the sector, and the ability to bolster growth with bolt on acquisitions Ipsos is very well placed in the current market environment.











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 Continental Europe Fund portfolio will vary considerably from the benchmark index and from other funds that are in the same IA sector.












Top 10 Holdings

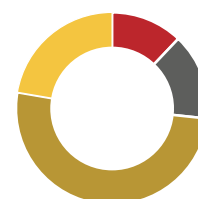
	(%)	
Mediobanca	4.3	
Capgemini	3.4	
Dustin	3.4	
AXA	3.3	
Ringkøbing Landbobank	3.2	
United Internet	3.2	
Thales Group	3.0	
Banca Mediolanum	3.0	
Aluflexpack	3.0	
H+H International	2.9	
Rest of Portfolio	67.0	

Country Breakdown

	No. of Stocks	(%)	
France	10	23.3	
Germany	9	21.0	
Italy	4	12.3	
Norway	4	9.1	
Sweden	3	8.1	
Switzerland	3	6.7	
Denmark	2	6.2	
Austria	2	4.4	
Netherlands	1	1.7	
Other		1.3	

Sector Breakdown

	(%)	
Financials	20.7	
Industrials	15.7	
Information Technology	13.9	
Materials	11.1	
Communication Services	11.1	
Consumer Discretionary	7.1	
Real Estate	5.8	
Health Care	3.6	
Utilities	2.2	
Consumer Staples	1.7	
Energy	1.2	



Size Analysis

	(%)
Mega Cap (>€50bn)	11.4
Large Cap (<€50bn)	13.7
Mid Cap (<€10bn)	48.0
Small Cap (<€1bn)	21.0



Currency Exposure

	(%)
Euro	64.0
Norwegian Krone	9.1
Swiss Franc	6.7
Danish Krone	6.2
Swedish Krona	8.1

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Share Class A SXCER
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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 Continental Europe Fund B	5.4	6.8	69.9	54.4	113.0	504.1
MSCI Europe ex UK Index	4.4	7.2	34.2	28.5	77.5	227.5
IA Europe ex UK Sector	4.2	6.5	35.6	27.2	74.6	240.2

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 20 March 2000

Percentage growth year on year to 31 March

	2021	2020	2019	2018	2017
SVM Continental Europe Fund B	71.2	-8.8	-2.8	9.3	20.9
MSCI Europe ex UK Index	34.4	-7.5	3.1	3.7	28.4
Performance Difference	+36.8	-1.3	-5.9	+5.6	-7.5

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 Continental Europe Fund B ■ MSCI Europe ex UK 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.