

SVM

All Europe SRI Fund

The Fund aims to achieve medium to long-term capital growth and to outperform the FTSE World Europe Index. It adopts a positive engagement approach toward investment and enters into meaningful dialogue with companies regarding social and environmental issues. Investments are made in European stocks and other permitted securities.

July 2020 | Share Class B

Figures as at 30 June 2020



Fund Managers



Neil Veitch
Co Fund Manager

Industry Experience: 24

Years at SVM: 14

Appointed: 31/10/2006



Hugh Cuthbert
Co Fund Manager

Industry Experience: 25

Years at SVM: 14

Appointed: 31/10/2006

Monthly Fund Commentary

Equities rose for the third month in a row. Progress in combating COVID remained uneven and the global caseload continued to rise, led by the America's. Both China and Germany suffered significant outbreaks but outside of the US the disease generally appears to be in abeyance. The prospect of a sustained second wave continued to overhang asset markets. Liquidity, however, remains abundant. In its latest action to reassure investors, the Federal Reserve announced during the month that it would now directly purchase corporate bonds in the secondary market and not just via an ETF. The fund returned 3.8% versus the FTSE Europe that returned 4.1%.

The trade talks between the UK and the EU appear to be in a much better position than they have been for months. Post a call between Boris Johnson and three of the EU's presidents, both sides appear to be determined to break the current impasse. We continue to believe that the current talks are not analogous to other bilateral trade deals and that a compromise solution is likely.

The forthcoming US election is beginning to enter investors' consciousness. Recent opinion polls have not been kind to Donald. His approval rating has fell from a high of 47.4% in April to 42.8% currently. An opinion poll in the New York Times placed Biden ahead of the President by 14 points. The release of a book by former White House security advisor, John Bolton, that is highly critical of the President is unlikely to have improved his ratings.

Economic data continues to positively surprise relative to expectations but remains heavily distorted by COVID. The question for investors is whether economic momentum slows as

pent-up/precautionary demand subsides and the recovery becomes more muted. Critical to the path of economic activity will be the level of new infections in the developed world. The data has been more mixed of late, but we remain cautiously optimistic that a pronounced second wave will be avoided.

Creo Medical was the largest single contributor to performance. The company offers a novel suite of endoscopic surgery tools that have the potential to transform patient outcomes in a variety of therapeutic areas. During the month the tools gained CE certification, a key commercial milestone and a necessary pre-requisite to their launch in the UK and Europe. It also didn't hurt that a high-profile fund management house highlighted the company as one of the most exciting stocks they had seen in the UK market for many years. We expect to see further positive news flow over the rest of the year. US regulatory authorities are likely to follow those in the UK and Europe and approve the group's product suite. This is likely to be followed relatively quickly by a pick-up in activity. The successful deployment of the group's products is likely to be accompanied by greater investor awareness. Prudential gained as the company announced a reinsurance agreement for a portion of its US annuity liabilities alongside an equity investment in its US business. Axa rose as the company announced it would pay its 2019 dividend and offered the possibility of a special dividend later in the year. Synthomer was the main detractor after a broker downgraded their recommendation on the stock.

Trading activity was limited.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
FTSE World Europe Index

IA Sector: Europe inc UK

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

Fund Size: £20.5m

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 5 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 29/05/2020

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.

ACTIVE STOCKPICKERS

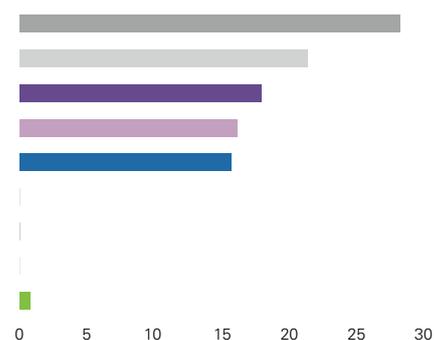
Portfolio Analysis

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.

	(Net %)
Cyclical	28.2
Consumer Cyclical	21.4
Defensive	17.9
Unstable Financial	16.1
Technology	15.6
Stable Financial	0.0
Mining	0.0
Oil & Gas	0.0
Cash	0.8



Cyclical: 28.2%

(%)

Smurfit Kappa Group	3.9
Capgemini	3.8
Synthomer	3.8
CRH	3.1
Forterra	2.9

Consumer Cyclical: 21.4%

(%)

Nestlé	5.2
Unilever	4.6
Tesco	3.9
Norcros	3.4
Jost Werke	2.1

Defensive: 17.9%

(%)

DCC	5.3
Roche Holdings	4.8
Uniphar	4.2
AstraZeneca	3.7

Unstable Financial: 16.1%

(%)

Prudential	5.4
AXA	4.1
Onesavings Bank	2.3
Lloyds Banking Group	1.8
Allianz	1.6

Technology: 15.6%

(%)

EssilorLuxottica	3.0
Creo Medical Group	2.7
SDL	2.3
Barco	2.1
Koninklijke Philips	2.0

Stable Financial: 0.0%

(%)

Mining: 0.0%

(%)

Oil & Gas: 0.0%

(%)

This Month's Featured Stock

Va-Q-tec

Over recent years, the rise of ESG investing has started to result in significant fund flows, which have increasingly concentrated into a limited pool of eligible and liquid investments. This appears to have pushed valuations in popular areas to high levels, but beyond some of the more well-known themes, there are intriguing sub-sectors that could be overlooked.

Va-Q-tec, as a pioneer in the niche of environmentally friendly vacuum insulation panels, offers a good illustration. With ten times the insulation efficiency compared to

foam and constant temperature conditions for 4 to 10 days, the company's products save energy and enable the transportation of sensitive high value goods such as life-saving medications. This includes blood plasma, but also Covid-19 test kits for example, which in many cases need a temperature below -20 degrees.

As a small and recently listed entity however, the company is still in its infancy as regards to ESG reporting disclosure and metrics. This results in data gaps and an attractive investment case that remains under the radar for many

funds. We are of the view that there are some unique opportunities to help companies like Va-Q-tec improve and communicate on the most relevant ESG topics, and thereby also their visibility and valuation. The market has also penalised Va-Q-tec for a period of heavy investment, but with increased cold chain penetration and regulation, we believe the company is now embarking on a payback period of strong and resilient profit growth.

Stock Analysis

Top 10 Holdings	(%)
Prudential	5.4
DCC	5.3
Nestlé	5.2
Roche Holdings	4.8
Unilever	4.6
Uniphar	4.2
AXA	4.1
Smurfit Kappa Group	3.9
Tesco	3.9
Capgemini	3.8
Total	45.2

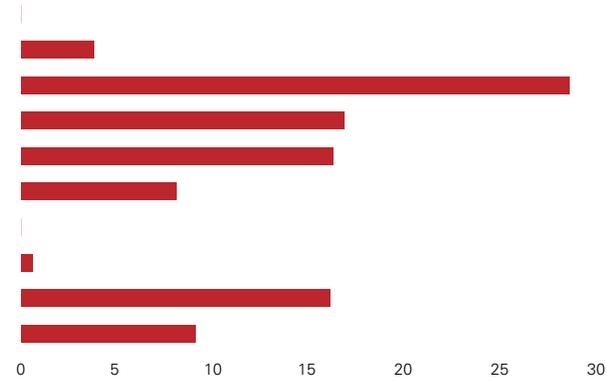
Size Analysis	(%)
Mega Cap (>€50bn)	19.9
Large Cap (<€50bn)	29.3
Mid Cap (<€10bn)	22.8
Small Cap (<€1bn)	27.1

Currency Exposure	(%)
Euro	39.5
Sterling	43.1
Norwegian Krone	1.3
Swiss Franc	10.0
Danish Krone	0.0
Swedish Krona	5.3
Other	0.0

Sector Analysis

Sector Breakdown (%)

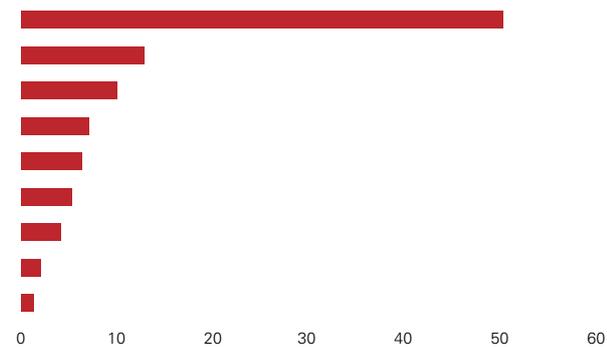
Oil & Gas	0.0
Basic Materials	3.8
Industrials	28.5
Consumer Goods	16.8
Health Care	16.2
Consumer Services	8.1
Telecommunications	0.0
Utilities	0.6
Financials	16.1
Technology	9.1



Geographic Analysis

Country Breakdown

	No. of Stocks	(%)
UK	18	50.2
France	4	12.8
Switzerland	2	10.0
Netherlands	3	7.1
Germany	4	6.4
Sweden	2	5.3
Ireland	1	4.2
Other		2.1
Norway	1	1.3



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

Fund Performance to 30/06/2020

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MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

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Sedol GBP B1FL7V4

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Cumulative Performance, % change

	One month	2020 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	3.8	-13.7	-6.2	-2.3	22.0	195.6
FTSE World Europe Index	4.1	-6.0	-3.2	6.9	41.1	114.5
IA Europe inc UK Sector	3.2	-3.8	-0.4	9.7	45.3	112.0

Source: Lipper, as at 30/06/2020, 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 30 June

	2020	2019	2018	2017	2016
SVM All Europe SRI Fund B	-6.2	-3.0	7.3	29.3	-3.4
FTSE World Europe Index	-3.2	6.0	4.2	25.4	5.3
Performance Difference	-3.0	-9.0	+3.1	+3.9	-8.7

Source: Lipper, as at 30/06/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: Lipper, as at 30/06/2020, 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.