

SVM UK Opportunities Fund

Short Report



Period to 30 June 2009

Investment Objective

The objective of this Fund is to achieve above average capital growth over the medium to long-term (although short-term investment opportunities will also be considered) and it aims to outperform the FTSE All-Share Index.

Risk Profile

The Fund is exposed to market risk. It invests in companies outside the FTSE 100 Index which can be less liquid and may carry greater risk and volatility. The Fund is exposed to stockmarket fluctuations.

Distribution

XD date: 31 December

Payment date: 30 April (Accumulation shares)

The following distribution was accumulated over the last accounting period.

Income		
	31/12/08 pence per share	31/12/07 pence per share
UK Opportunities A class	1.0909	Nil
UK Opportunities B class	2.5219	1.4714

Total Expense Ratio (TER)

The TER shows the annualised operating expenses of the Fund. It does not include transaction expenses.

Fund Total Expense Ratio (p.a.)	Class A Shares	Class B Shares
UK Opportunities Fund	1.78 %	1.03 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 6 months X 100

The above figures were calculated by SVM Asset Management using data sourced from the 30 June 2009 Report and Accounts. The figures are intended to provide an indication of the Total Expenses Ratio and will vary from year to year.

Fund Performance

Percentage growth for each year to last quarter end	30/06/04 30/06/05	30/06/05 30/06/06	30/06/06 30/06/07	30/06/07 30/06/08	30/06/08 30/06/09
UK Opportunities	+19.0	+28.3	+29.1	-24.2	-26.4

Source: Lipper Hindsight, mid to mid, UK net. Past performance should not be seen as an indication of future performance. All performance data refers to the A (retail) share class.

Comparative Tables

Net Asset Values

	Net asset value of shares £'000	Net asset value in pence in pence per share	Shares in issue
As at 30/06/09			
UK Opportunities A class	30,171	146.5	20,591,783
UK Opportunities B class	9,979	152.4	6,546,934
As at 31/12/08			
UK Opportunities A class	24,342	105.3	23,110,151
UK Opportunities B class	9,513	110.2	8,629,011

Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 30/06/09			
UK Opportunities A class	151.5	89.38	147.3
UK Opportunities B class	159.1	93.69	154.8
During period to 31/12/08			
UK Opportunities A class	233.2	88.42	104.0
UK Opportunities B class	242.3	92.42	108.8














Top 10 Holdings: 30/06/09 %

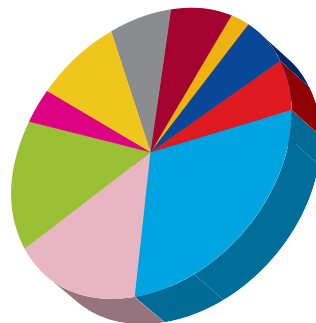
Healthcare Locums	5.7
Pace	5.4
Afren	5.1
FirstGroup	4.1
Melrose	3.7
International Power	3.5
C&C	3.5
Valiant Petroleum	3.4
Innovation	3.1
Norseman	2.9
Total	40.4

Top 10 Holdings: 31/12/08 %

Tullow Oil	5.9
Healthcare Locums	5.3
Novae Group PLC	4.0
Invensys	3.8
Chemring	3.8
BAE Systems	3.6
International Power	3.6
AstraZeneca	3.3
Carillion	3.3
Interserve	3.1
Total	39.6

Sector Analysis

	30/06/09	31/12/08
 Basic Materials	7.5%	8.2%
 Consumer Goods	2.5%	–
 Consumer Services	6.6%	7.2%
 Financials	6.1%	8.0%
 Healthcare	–	3.3%
 Industrials	26.9%	37.9%
 Oil & Gas	16.0%	13.1%
 Technology	15.1%	10.6%
 Telecommunications	–	–
 Utilities	3.5%	3.6%
 Europe Excluding UK	9.0%	5.7%
 North America	–	0.3%
 Net Current Assets	6.8%	2.1%



Fund Manager



Neil Veitch

Following a very difficult 2008, your Fund has enjoyed a much better start to 2009 rising 41.6% in the six months to June versus the FTSE-All Share up 0.8%. While the last twelve months have clearly been very challenging, we are pleased that our focus on company fundamentals is now being rewarded. A number of the Fund's bigger holdings that suffered in last year's indiscriminate sell-off have recovered strongly. Pace Plc, for example, which declined by c.40% in the latter part of 2008 has since increased in value by almost 300%. The exceptional volatility witnessed over the last six months has provided considerable opportunities and caused the level of portfolio turnover to be higher than average. This reflects a number of stocks reaching their price targets rather than any shift towards a more aggressive trading strategy.

In our last report, we commented on the fear that was dominating market psychology and the opportunities it afforded. Six months later, whilst this sense of desperation has abated, the majority of market participants continue to view the glass as half empty. Although there remains very legitimate longer term concerns as to the nature of any recovery, we believe that equities are attractively valued. Stocks are no longer priced for depression (as they were at the end of 2008) but, despite the rally, we do not believe that they are discounting anything more than a relatively anaemic recovery. Some sectors have unquestionably moved too far, too quickly but we remain convinced that overall there remains considerable upside.

Further Information

Further information about the share price, activities and performance of the Fund for this and previous periods, together with related product literature and further information on the Manager can be found on our website at www.svmonline.co.uk

Report and Accounts

This document is a short report for a sub-fund of the SVM Funds ICVC taken from the Report and Accounts for the period ending 30 June 2009. The Long Form version of the Report and Accounts is available on written request to the Marketing Department, SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH or by e-mail to info@svmonline.co.uk

Investment Warning

Past performance should not be seen as an indication of future performance. The value of an investment may fall as well as rise and investors may not get back the amount originally invested. Currency movements may cause the value of your investment to fall as well as rise. Investing in smaller companies may increase the volatility of your investment.

Contacts

Authorised Corporate Director and Investment Manager

SVM Asset Management Limited
7 Castle Street
Edinburgh
EH2 3AH
Email: info@svmonline.co.uk
Web: www.svmonline.co.uk
Authorised and regulated by the Financial Services Authority

Administrator

BNP Paribas Fund Services UK Limited
Block C, Western House
Peterborough Business Park
Lynchwood
Peterborough
PE2 6BP
Shareholder Services: 0845 358 1108
Dealing: 0845 066 1110
Fax: 01733 285 681

Depository

Royal Bank of Scotland plc
Trustee & Depository Services
The Broadstone
50 South Gyle Crescent
Edinburgh
EH12 9UZ

Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Auditors

Ernst & Young
Ten George Street
Edinburgh
EH2 2DZ