

SVM All Europe SRI 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 Index. It adopts a positive engagement approach toward investment and enters into meaningful dialogue with companies regarding environmental, social and corporate governance issues. The Fund will invest at least 80% in equities and equity related instruments which are dealt in or traded on all European Eligible Securities Markets. The Fund may invest in other permitted securities.



July 2021 | Share Class B

Factsheet as at 30 June 2021



Monthly Fund Commentary

Equities traded sideways in June. The yield curve continued to flatten, especially in the immediate aftermath of this month's meeting of the Federal Reserve. Beneath the surface both defensive and growth stocks traded much better as investors fretted over the impact of the Delta Covid variant. The variant, which first originated in India, is now the dominant strain in many countries including the UK. While there is little sign that Delta causes more serious illness, it is clearly more transmissible and has brought into the question the speed of re-openings. The fund returned -1.3% versus the MSCI Europe Index that delivered +1.5%.

Despite the flattening of the yield curve, we think it is premature to anticipate the end of the cycle. Fiscal and monetary policy remain extremely supportive and much of the world has still to fully open-up. In those countries where vaccinations, and therefore re-opening, are furthest advanced, economies are robust. US house price growth accelerated at its fastest pace in over 30 years for the second month in a row with strong demand and a shortage of supply leading to prices increasing 14.6% year on year. In the UK, the June Nationwide house price index rose 13.4%. In both countries 'survey' measures of economic activity are strong across the board.

For the first time in many years the political consensus is very much in favour of fiscal stimulus. The political wrangling over President Biden's infrastructure bill continues but it is highly unlikely that the US will fall short in stimulating the economy. In Europe, the German finance minister, Olaf Scholz, dismissed suggestions that German and EU fiscal rules should be tightened. Strong economic growth, stimulative policy, and low real interest rates continue to fuel debate

over the inflation outlook. Substantially tighter monetary policy remains the biggest risk for asset markets but looks unlikely in the short-term. After a period of consolidation, we expect equities to move higher in the second half.

Roche gained as the unexpected US approval for Biogen's Aduhelm drug for the treatment of Alzheimer's increased interest in the potential for Roche's Gantenerumab product. The two drugs have the same mechanism of action and the upcoming results of Gantenerumab's Phase 3 trial should provide further insight. The market opportunity is significant as Alzheimer's patients are woefully underserved by current drug treatments. Rexel delivered a first-half trading update that indicated same day sales growth of 19% year on year. Admittedly this was against depressed pandemic activity, but nonetheless demonstrates the strength of the group's proposition. The company now expects full year sales of growth of 12-15% versus original expectations of 5-7%. Norcross, the fund's largest holding, is another company that has had a good crisis. It released full-year results that were in-line with recently upgraded guidance but indicated that the current year had started strongly. The shares have had a good run but continue to trade on an undemanding multiple. A net cash balance sheet leaves scope for further upside to earnings from acquisitions. Capgemini gained as technology stocks were back in favour.

There were no significant disappointments. The fund's financial stocks generally underperformed as bonds rallied and the yield curve flattened.

Trading activity was limited.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
MSCI Europe Index

IA Sector: Europe inc UK

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

Fund Size: £20.7m

Fund Managers:

Neil Veitch (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 15 Industry Experience: 24

Hugh Cuthbert (Co Fund Manager)
Appointed: 31/10/2006
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 09/04/2021

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.

Cyclical	42.7	
Unstable Financial	20.2	
Consumer Cyclical	14.4	
Defensive	11.7	
Technology	6.4	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	4.4	

Cyclical 42.7%

Alpha FMC	5.9
Smurfit Kappa Group	5.5
Rexel	5.5
Synthomer	5.5
CRH	4.1

Unstable Financial 20.2%

Prudential	4.6
Lloyds Banking Group	4.2
AXA	4.0
OSB Group	4.0
Allianz	3.5

Consumer Cyclical 14.4%

Norcros	7.3
Jost Werke	3.2
Tesco	2.1
Nordic Entertainment Group	1.7

Defensive 11.7%

Uniphar	6.2
DCC	2.9
Roche Holdings	2.6

Technology 6.4%

Creo Medical Group	3.3
Koninklijke Philips	1.9
ActiveOps	1.2

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

Norcros

Norcros is a UK listed supplier of kitchen and bathroom products for both commercial and domestic settings. The company operates under a number of brand names including Triton, Vado and Johnson Tiles. The key markets for the group are the UK, Ireland and South Africa as well as some other export countries. The focus is on both the new build segment and the repair and maintenance aftermarket. Norcros operates an integrated business model encompassing production right through to retail ensuring all segments of the value chain are addressed.

The company's decentralised nature, where

subsidiaries are given operating independence, makes an overall ESG assessment both time consuming and difficult, even giving a potentially inaccurate picture of the credentials of the listed entity in which we have a shareholding. Consequently, we have been asking the company to improve its overall ESG disclosure at the group level in order to allow a more accurate assessment of the standards being reached and any progress being made.

We are pleased to report considerable improvement on this front. As the key outlet for the information we require, the company's

annual report and accounts now includes 3 times the ESG commentary seen in previous years' reports. Perhaps more importantly, and for the first time ever, the company has also included ESG in the "Principal Risks" section of the 2021 Annual Report. This is a great move forward as it means that environmental, societal and governance factors are now a strategic focus for both senior management and the supervisory board. We welcome this development and look forward to further progress from Norcros over the coming years.

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

Top 10 Holdings

	(%)	
Norcros	7.3	
Uniphar	6.2	
Alpha FMC	5.9	
Smurfit Kappa Group	5.5	
Rexel	5.5	
Synthomer	5.5	
Prudential	4.6	
Lloyds Banking Group	4.2	
CRH	4.1	
AXA	4.0	
Rest of Portfolio	47.3	

Country Breakdown

	No. of Stocks	(%)	
UK	15	56.3	
France	3	12.5	
Ireland	2	11.7	
Germany	3	8.7	
Switzerland	1	2.6	
Netherlands	1	1.9	
Sweden	1	1.7	
Other		0.0	

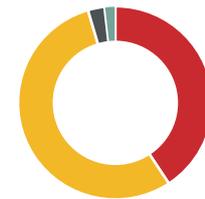
Sector Breakdown

	(%)	
Industrials	28.9	
Materials	20.8	
Financials	20.2	
Health Care	14.1	
Information Technology	4.2	
Consumer Discretionary	3.5	
Consumer Staples	2.1	
Communication Services	1.7	
Energy	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	6.1
Large Cap (<€50bn)	29.5
Mid Cap (<€10bn)	27.1
Small Cap (<€1bn)	32.9



Currency Exposure

	(%)
Euro	38.9
Sterling	52.3
Swiss Franc	2.6
Swedish Krona	1.7

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Share Class B GB00B1FL7V46

MEX:

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Share Class B SXSRI B

SEDOL:

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Sedol GBP B1FL7V4

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Fund Performance

to 30/06/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	-1.3	19.6	41.1	28.4	78.2	317.0
MSCI Europe Index	1.5	11.1	21.5	24.7	62.9	160.3
IA Europe inc UK Sector	1.3	10.7	23.2	26.7	67.9	170.2

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

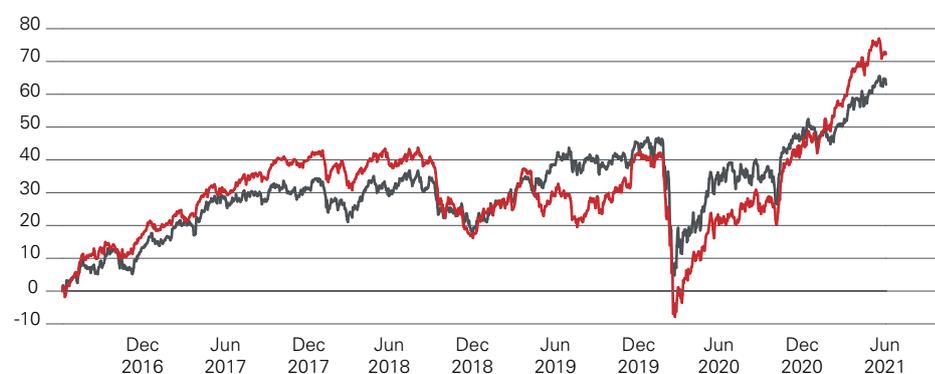
*The Fund was launched on 31 October 2006

Percentage growth year on year to 30 June

	2021	2020	2019	2018	2017
SVM All Europe SRI Fund B	41.1	-6.2	-3.0	7.3	29.3
MSCI Europe Index	21.5	-3.5	6.4	4.2	25.4
Performance Difference	+19.6	-2.7	-9.4	+3.1	+3.9

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 (%)



■ SVM All Europe SRI Fund B ■ MSCI Europe Index

Source: Lipper, as at 30/06/2021, 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.