

SVM

World Equity Fund

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 its peers in the IA Global Sector (second quartile and above).

August 2020 | Share Class B

Figures as at 31 July 2020



Fund Manager



Neil Veitch
Fund Manager

Industry Experience: 24

Years at SVM: 14

Appointed: 01/12/2010

Monthly Fund Commentary

Markets remained volatile during July. Economic data was mixed during the month as was progress in combating COVID. Second quarter GDP figures for all major economies were unsurprisingly weak, showing year-on-year declines that would have been almost unimaginable at the start of the year. Your fund returned -2.6% during the month versus the average fund which returned -0.1%.

Towards the end of the month an increasing number of COVID cases in many European countries has led to fears that we may be entering a 'second wave' of the pandemic. Such concerns may be premature. While it is right that governments continue to act with heightened vigilance, we are in a far better place to deal with any future spikes than was the case earlier in the year. Improved test and trace capabilities, a better understanding of how to manage the disease therapeutically, and the shielding of those at highest risk should all help mitigate any flare-up of the disease. While US case levels remain elevated, there does appear to be some flattening of new cases in some of the most severely affected states. Progress in developing a vaccine continues at a remarkable pace, with positive news released from a number of clinical studies during the month.

The US presidential election is looming larger in investors' minds. The Donald continues to trail Joe Biden in the polls, with the Democrats increasingly confident of also winning both houses of Congress. A Democrat takeover is normally considered investor unfriendly, with the party typically supporting higher taxes and increased regulation. In this case, however, we think these

fears would largely be offset by the view that a Biden presidency is likely to be less erratic than that of the previous four years. Tensions between China and the US remain elevated, as events in Hong Kong drew international condemnation.

Uniphar, the Irish healthcare service company, was the largest single contributor to performance. The company released a trading update which demonstrated the resilient nature of its business. Management expect profits to grow across all three of its core operating divisions during the current year. Team17, the producer and publisher of computer games, rose as it announced the signing of a publishing agreement with Tencent Games' Next Studios. While unlikely to have any short-term impact on the group's performance, this highlights the attractiveness of Team17 as a partner for video game developers and should also strengthen the group's position in the important Chinese market. Capgemini, the French IT services company, also performed strongly as it released a reassuring set of H1 results. Organic revenues declined by only 3% and operating profits were markedly ahead of consensus expectations.

Visa, the global payments services provider, was the main detractor from performance as Q3 results showed weaker cross-border payments volumes. While these headwinds are likely to persist until greater progress is made managing the pandemic, the underlying long-term strengths of Visa's business remains unchanged.

Trading activity was limited during the month.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 1 December 2010

IA Sector: Global

Type of Shares: Accumulation

XD Date: 31 December

Pay Date: 30 April

Fund Size: £12.3m

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 10/07/2020

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

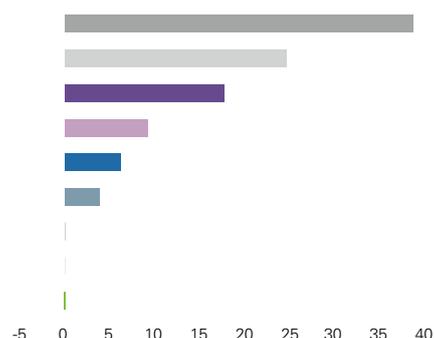
Portfolio Analysis

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 %)
Technology	38.7
Cyclical	24.6
Consumer Cyclical	17.7
Defensive	9.2
Oil & Gas	6.2
Unstable Financial	3.8
Stable Financial	0.0
Mining	0.0
Cash	-0.1



Technology: 38.7%

(%)

Alphabet	9.4
Microsoft	9.4
SK Hynix	4.5

Cyclical: 24.6%

(%)

CRH	4.3
Synthomer	4.2
Capgemini	4.0

Consumer Cyclical: 17.7%

(%)

Visa	8.6
GVC Holdings	3.7
Ryanair	3.5

Defensive: 9.2%

(%)

Uniphar	4.9
Roche Holdings	4.3

Oil & Gas: 6.2%

(%)

Jadestone Energy	3.6
Energiean	2.1
Savannah Energy	0.5

Unstable Financial: 3.8%

(%)

Prudential	3.8
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Stable Financial: 0.0%

(%)

Mining: 0.0%

(%)

This Month's Featured Stock

Uniphar

Uniphar is an Irish pharmaceutical and medical technology service business which IPO'd in late July 2019. The group operates three core divisions: Supply Chain & Retail (48% of gross profit) manages a growing chain of pharmacies and is also Ireland's largest pharmaceutical wholesaler; Commercial & Clinical (42%) provides sales and marketing services to pharmaceuticals and medtech manufacturers; and Product Access (10%) provides access to innovative and hard-to-source medicines.

Although the company only has a short track record as a listed company, it has thus far delivered on the promises made at the time of IPO. Uniphar's strategy is a simple one: use

the cash-generated from the low-growth, but highly profitable, SC&R business to reinvest in the faster-growing C&C and PA divisions. Management believe this should allow the group to double EBITDA within 5 years from 2018 levels. In C&C, Uniphar has a particularly strong position in the medtech space where competitors tend to be regional and focused on a few niche markets. With a sales presence across the UK, Benelux, and Nordics, Uniphar is well placed to expand both organically and through targeted M&A. In PA, the 2019 acquisition of Durbin means Uniphar now has a presence in over 160 countries. This gives

Uniphar the platform to overtake Clinigen, the current global market leader.

Currently trading on an estimated 2021 PE of 13x, neither the resilience of Uniphar's SC&R business nor the potential of its C&C and PA businesses are reflected in the stock's valuation. A recent trading update has demonstrated its resilience through the COVID crisis, with overall group organic revenue growth of 5% in the first half of the year and net cash on the balance sheet. We expect this robust operating performance to continue and for returns to be augmented by bolt-on acquisitions.

Portfolio Analysis

Top 10 Holdings	(%)
Alphabet	9.4
Microsoft	9.4
Visa	8.6
Unipharm	4.9
SK Hynix	4.5
Micron Technology	4.5
Roche Holdings	4.3
CRH	4.3
Synthomer	4.2
Capgemini	4.0
Total	58.1

Size Analysis	(%)
Mega Cap (>£50bn)	31.7
Large Cap (<£50bn)	28.2
Mid Cap (<£10bn)	17.4
Small Cap (<£1bn)	22.8

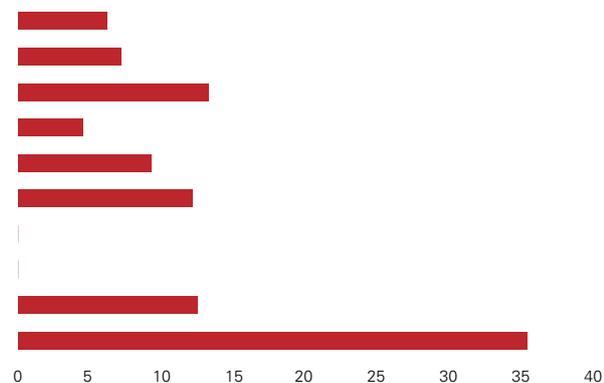
Total Number of Stocks	
Number of Holdings	26

Net Currency Exposure	(%)
Euro	16.6
Sterling	30.5
Europe non-Euro	4.3
US Dollar	36.7
Japanese Yen	6.7
Others	5.6

Sector Analysis

Sector Breakdown (%)

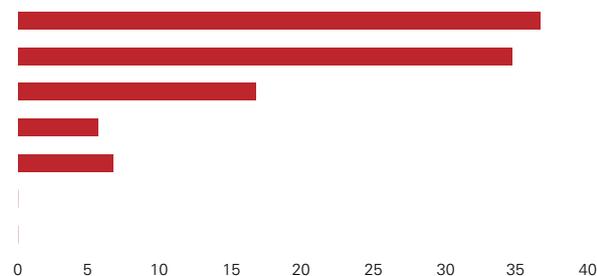
Oil & Gas	6.2
Basic Materials	7.1
Industrials	13.3
Consumer Goods	4.5
Health Care	9.3
Consumer Services	12.1
Telecommunications	0.0
Utilities	0.0
Financials	12.4
Technology	35.3



Geographic Stock Analysis

Geographic Stock Analysis (%)

North America	36.6
United Kingdom	34.6
Europe (excluding UK)	16.6
Asia Pacific (excluding Japan)	5.6
Japan	6.7
Latin America	0.0
Other	0.0



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

Fund Performance to 31/07/2020

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MEX:

Share Class A SXUAT
Share Class B SXUAB

SEDOL:

Sedol GBP B0KXRB8
Sedol GBP B0KXSK4

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Cumulative Performance, % change

	One month	2020 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	-2.6	-6.1	0.5	10.8	44.6	139.9
IA Global Sector	-0.1	0.8	0.5	22.7	63.2	148.5

Source: Lipper, as at 31/07/2020, 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

	2020	2019	2018	2017	2016
SVM World Equity Fund B	4.9	3.1	8.1	29.3	0.7
IA Global Sector	5.3	7.9	9.8	23.6	9.2
Performance Difference	-0.4	-4.8	-1.7	+5.7	-8.5

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 31/07/2020, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

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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. 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.