

SVM World Equity 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 ACWI IMI. The Fund will identify investment opportunities in companies globally whose future growth is not reflected in current market expectations. The Fund will invest at least 80% in global equities and other equity related instruments. The Fund may invest in other permitted securities.



August 2021 | Share Class B

Factsheet as at 31 July 2021



Monthly Fund Commentary

Global equities made new highs in July. The US market outperformed led by the FANG stocks. Markets elsewhere were more subdued as the Delta variant continued to spread. A significant positive was the slowdown in the UK's Covid daily infection rate. Not only have vaccines decidedly broken the link between infections and hospitalisations, but new cases are falling. Outside of the UK the Delta variant continues to spread with recent outbreaks in Asia bringing into question the sustainability of eradication strategies. The proliferation of the Delta variant continues to obscure the underlying strength of the global economy. Despite US inflation reaching 5.1%, the bond market rallied further. Various reasons have been put forward for the strength in bonds with mixed economic data and increased Covid uncertainty seeming the most likely culprits. Consistent with the decline in bond yields, growth stocks outperformed. However, as the impact of the delta variant wanes, we expect the reflation trade to reassert itself in the second half and for value to outperform. Your fund rose 1.1% versus -0.1% for the MSCI ACWI IMI NR Index.

We believe the global economy remains robust. Consumer and corporate balance sheets have been protected by government handouts. Our strong belief is that neither household's or businesses have fundamentally altered their desired cash balances in response to the crisis and any excess savings will ultimately be spent. Even if the impact of the delta variant persists for longer than anticipated, policy support will be extended. The earnings season has got off to a positive start and looks to be fuelling a new capex cycle. This suggests that despite concerns over peaking growth and a slowdown in the second derivative, the outlook for equities remains positive. Multiples in certain sectors

may appear extended, but valuation in isolation has historically been a very poor predictor of returns. With policy supportive and earnings strong we believe the current rally has further to run.

Alphabet jumped as the company delivered another blowout quarter. Each business unit grew faster than expected and the operating profit margin exceeded 30%. YouTube was the standout, with revenue growing 84% compared to a year ago. While growth was flattered by the pandemic, management estimate that 70% of YouTube's reach was delivered to an audience not reached by advertisers traditional TV media. Shares have performed strongly but offer a compelling combination of organic growth, operating leverage, and capital returns. Pantheon Resources gained as management further upgraded the potential size of the group's Alaskan acreage. Interestingly, a portion of the resources were moved from prospective to contingent resource. There is still a long way to go before the commerciality of the field is proven, but the scale of the opportunity is significant. Uniphar rose as a trading update demonstrated solid progress and a confident outlook.

The fund's semiconductors holdings were weak. Magnachip was buffeted by regulatory concerns over its proposed acquisition by a consortium with links to China. The shares now trade substantially below the offer price and the risk/reward looks positive. SK Hynix and Micron fell as investors digested the potential impact of the global chip shortage on supply chains. In the near-term DRAM pricing may come under pressure but in the longer-term the industry's outlook appears robust, even if the Chinese add significant capacity.

The position in Roche was exited as the shares had reached our price target.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 1 December 2010

Benchmark Index:
MSCI ACWI IMI Index

IA Sector: Global

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

Fund Size: £19.2m

Fund Manager:

Neil Veitch (Fund Manager)
Appointed: 01/12/2010
Years at SVM: 15 Industry Experience: 24

Fund Charges (OCF*):

Share Class A 1.97%
Share Class B 1.22%

*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:



The Synthetic Risk & Reward Indicator ('SRRI') may be a guide to the level of risk of the Fund compared with other funds. The SRRI is calculated based on the historical volatility of the fund over the last 5 years and it may not be a reliable indication of the future risk and reward profile of the fund.

- This Fund has been classed as 6 because it has experienced high volatility historically.
- The SRRI category shown is not guaranteed and may change over time.
- The lowest category (1) does not mean risk free and extreme adverse market circumstances can mean you suffer losses in all cases.

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.

Technology	34.2	
Consumer Cyclical	23.1	
Cyclical	22.0	
Defensive	8.6	
Oil & Gas	6.0	
Unstable Financial	3.0	
Stable Financial	0.0	
Mining	0.0	
Cash	3.1	

Technology

34.2%

Alphabet	8.8
Microsoft	8.3
Micron Technology	5.1

Consumer Cyclical

23.1%

Visa	7.4
Entain	4.8
Ryanair	3.3

Cyclical

22.0%

Hitachi	4.3
Synthomer	4.3
Alpha FMC	3.6

Defensive

8.6%

Uniphar	5.8
Bristol-Myers Squibb	2.8

Oil & Gas

6.0%

Jadestone Energy	2.8
Pantheon Resources	1.3
Longboat Energy	1.1

Unstable Financial

3.0%

Prudential	3.0
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Stable Financial

0.0%

Mining

0.0%

This Month's Featured Stock

Microsoft

Microsoft is one of the world's largest technology companies. The group develops, licenses, supports and sells computer software, consumer electronics, personal computers, and related services.

The coronavirus pandemic has led to significant changes in how businesses and organisations around the world operate. A shift towards hybrid working patterns has led to increased demand for both collaboration software and cloud service products. Microsoft, with its MS Teams and Azure suite of products, has been a key enabler of this

transition and should continue to benefit in years to come.

At its most recent update, Microsoft showed that Teams continues to gain traction. Nearly 3,000 organisations around the world now have more than over 10,000 Teams users and, in total, there are close to 250m monthly active users. Azure revenues increased by over 50% y/y in the most recent quarter, as demand for its consumption-based services remained high. Even Microsoft's more consumer-facing businesses (Surface tablets; Xbox), which have faced some short-












term challenges from disruptions in their supply chains, saw revenues increase by double-digits during the last quarter.

Microsoft currently trades on a free cash flow yield to enterprise value of c.3%. Despite having revenues in excess of \$150bn, Microsoft has consistently been able to deliver double-digit top-line growth. We think the rating fails to reflect Microsoft's position as one of the strongest companies in the world or its excellent growth opportunities.






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









Top 10 Holdings

	(%)	
Alphabet	8.8	
Microsoft	8.3	
Visa	7.4	
Uniphar	5.8	
Micron Technology	5.1	
Entain	4.8	
Hitachi	4.3	
Synthomer	4.3	
SK Hynix	3.8	
MagnaChip Semiconductor	3.8	
Rest of Portfolio	43.6	

Geographic Stock Analysis (%)

North America	40.4	
United Kingdom	34.7	
Europe (excluding UK)	11.0	
Asia Pacific (excluding Japan)	4.5	
Japan	6.3	
Latin America	0.0	
Other	0.0	

Sector Breakdown

	(%)	
Information Technology	29.5	
Industrials	18.1	
Health Care	11.9	
Consumer Discretionary	11.6	
Communication Services	8.8	
Materials	7.9	
Energy	6.0	
Financials	3.0	
Consumer Staples	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>£50bn)	38.7
Large Cap (<£50bn)	17.1
Mid Cap (<£10bn)	18.3
Small Cap (<£1bn)	22.8



Net Currency Exposure

	(%)
Euro	11.0
Sterling	34.7
US Dollar	40.4
Japanese Yen	6.3
Others	4.5

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Calls may be recorded

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Share Class B SXUAB

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Fund Performance

to 31/07/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM World Equity Fund B	1.1	21.1	47.3	50.6	102.8	253.3
MSCI ACWI IMI Index	-0.1	11.3	27.1	37.6	81.2	219.3

Source: Lipper, as at 31/07/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

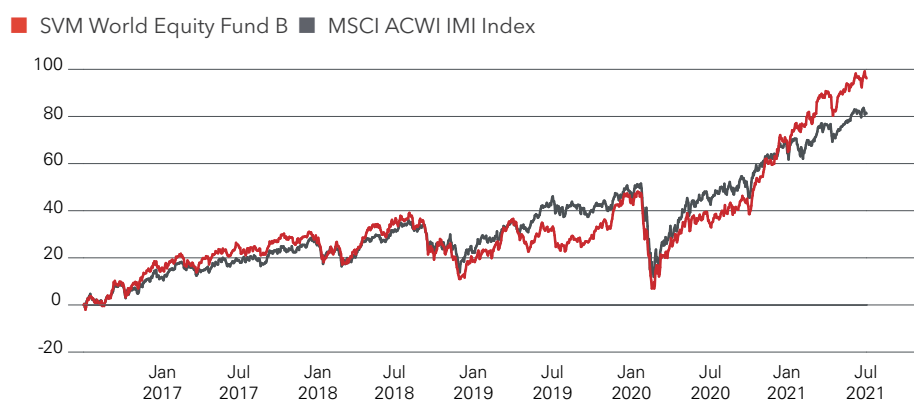
*The Fund was launched on 01 December 2010

Percentage growth year on year to 30 June

	2021	2020	2019	2018	2017
SVM World Equity Fund B	41.8	4.9	3.1	8.1	29.3
MSCI ACWI IMI Index	26.1	4.2	8.5	9.4	22.5
Performance Difference	+15.7	+0.7	-5.4	-1.3	+6.8

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 (%)



Source: Lipper, as at 31/07/2021, 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 long term (5 years or more) 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.

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.