

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.

Figures as at 30 June 2014



July 2014 | Share Class A



Fund Managers



Neil Veitch
Co Fund Manager

Industry Experience: 19

Years at SVM: 8

Appointed: 31/10/2006



Hugh Cuthbert
Co Fund Manager

Industry Experience: 19

Years at SVM: 8

Appointed: 31/10/2006

Monthly Fund Commentary

Equities struggled to make progress over the month as markets continue to be buffeted by a raft of contradictory data. Your fund declined 2.8% versus the FTSE World Europe Index that declined 2.0%.

Attempting to 'trade' the data – as many macro-oriented hedge funds have recently discovered – is fraught with difficulty. In an economic environment characterised by unconventional monetary and fiscal policies, effectively distinguishing the 'signal' from the 'noise' is particularly challenging. Investors not only have to interpret the economic data but understand whether historical assumptions are valid. Despite the apparent contradictions in much of the data, we continue to believe that the global economy is slowly recovering. Nevertheless, considerable uncertainty remains and rational individuals can draw valid, yet contradictory, conclusions from the same data-set.

More so than ever we think it is important for investors to think probabilistically and focus on risk-control. That does not mean, however, simply buying mega-cap low-beta stocks. While such a strategy would have rewarded investors over the last six months, we believe many of these companies can more accurately be described as 'expensive but not so defensive'. We would rather control risk by running higher than average cash levels. Such a strategy will result in a more esoteric portfolio but one which should produce superior returns over the longer term. As always our success, or otherwise, will be

determined by the strength of our stock-picking as opposed to any asset allocation call.

At a stock-specific level the fund enjoyed strong performances from FDM Group, Ithaca Energy, and Flowtech. New issue, FDM Group, enjoyed a strong market debut. The company has an impressive track record and we are optimistic this will continue. Ithaca Energy rose as the latest flow-test from their Greater Stella field exceeded expectations. Flowtech, has performed very well in a short period of time and has met our price target. Consequently the holding has now been exited. The main disappointments were Lufthansa and Flybe. The former announced that profitability would be below expectations for a variety of reasons, not least intense competition on Asian routes out of Europe. We have exited our position for a small overall loss. In the aftermath of this news, and a profit warning by Jet2, Flybe's share price has come under pressure. We retain a strong belief in the company's competitive position and the ability of CEO, Saad Hammad, to improve profitability and have added to our holding.

Positions were initiated in Faroe Petroleum, FDM Group, Allied Minds, Kendrion, and Nokia. Holdings in Lufthansa, Credit Suisse, DS Smith, and Flowtech were exited.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
FTSE World Europe Index

IMA Sector: Europe inc UK

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

Fund Size: £19.5m

Fund Price:
Share Class A 211.00p
Share Class B 223.50p

Fund Charges:

	Initial	OCF*
Share Class A	5.25%	2.01%
Share Class B	0.00%	1.26%

* 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

Availability:
Direct/ISA Cofunds
FundsNetwork Standard Life Wrap
Transact

Ratings:



Source & Copyright: CITYWIRE. Neil Veitch is A rated by Citywire for his 3 year risk adjusted performance for the period 30/06/2011 - 30/06/2014.



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Past performance is not a guide to future performance. All financial instruments involve a degree of risk. The value of your investments and the income from them can go down as well as up and you may not get back the amount originally invested.

HAWK-EYED STOCKPICKERS

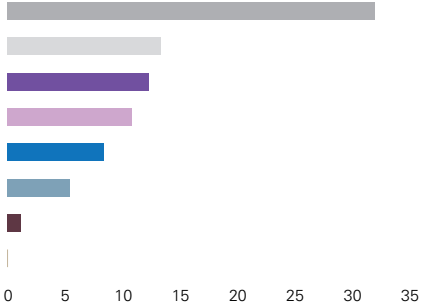
Portfolio Analysis

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 as 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	32.0
Defensive	13.4
Unstable Financials	12.3
Technology	10.9
Consumer Cyclical	8.4
Oil & Gas	5.4
Stable Financials	1.1
Mining	0.0



Cyclical: 32.0%	(%)
GKN	3.7
Pirelli	3.1
Norcros	3.0
Kendrion	2.6
Polypipe Group	2.5

Defensive: 13.4%	(%)
Novartis (Registered)	2.5
Verizon Communications (LDN)	2.1
BT Group	2.0
Zon Optimus	2.0
Manx Telecom	1.9

Unstable Financials: 12.3%	(%)
Danske Bank	3.9
Lloyds Banking Group	3.8
HSBC Holdings	2.9
Bank of Ireland (LDN)	1.4
Partnership Assurance Group	0.3

Technology: 10.9%	(%)
Innovation Group	3.8
FDM Group	2.7
Micro Focus	2.5
Nokia A	1.5
Mind+Machines Group	0.4

Consumer Cyclical: 8.4%	(%)
BMW	4.9
Flybe	1.9
McColl's Retail Group	1.6

Oil & Gas: 5.4%	(%)
Faroe Petroleum	1.9
Salamander Energy	1.9
Ithaca Energy	1.7

Stable Financials: 1.1%	(%)
Euronext NV	1.1

Mining: 0.0%	(%)
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This Month's Featured Stock

Kendrion

Kendrion, the Dutch industrial company, manufactures and markets highly innovative electromagnetic and mechatronic solutions for a range of industrial customers including Bosch, Daimler and Continental. The company's products are used in a wide range of systems including braking systems, door-locking systems, lifts and medical equipment. The company generates annual sales of approximately €400m.

For what is a relatively small company, Kendrion's social and environmental reporting is excellent and the company has scored well in our screening process. In the environment section, credit was given for the company's reporting on a wide range of key performance

indicators including emissions and power consumption. While not all of Kendrion's operating businesses have environmental management systems that have been certified to ISO 14001 standard, it is pleasing that the company aims to increase coverage throughout the next few years.

Elsewhere, in the society and stakeholders section credit was given for the company's commitment to local communities in the areas where it operates. Kendrion is involved in a number of local investment programmes and maintains good relationships with local bodies. The company also requires that suppliers sign up to a code of conduct which covers issues such as the environment,

human rights and working conditions. Audits are conducted to ensure compliance with this. In the employees section, credit was given for the company's training and development programmes for its workers.

While there are, as always, some areas for improvement, Kendrion provides an excellent example to follow for small-cap companies.

Stock Analysis

Top 10 Holdings	(%)
BMW	4.9
Danske Bank	3.9
Lloyds Banking Group	3.8
Innovation Group	3.8
GKN	3.7
Pirelli	3.1
Norcros	3.0
HSBC Holdings	2.9
FDM Group	2.7
Kendrion	2.6
Total	34.3

Currency Exposure	(%)
Euro	20.4
Sterling	53.1
Norwegian Krone	0.0
Swiss Franc	4.0
Danish Krone	3.9
Swedish Krona	0.0
Other	2.1

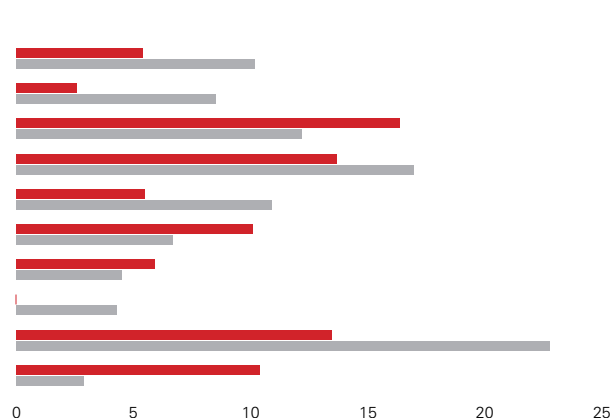
Size Analysis	(%)
Mega Cap (>€50bn)	13.2
Large Cap (<€50bn)	12.2
Mid Cap (<€10bn)	21.6
Small Cap (<€1bn)	36.5

Total Number of Stocks	
United Kingdom	28
Other	13

Sector Analysis

Fund vs FTSE World Europe (%)

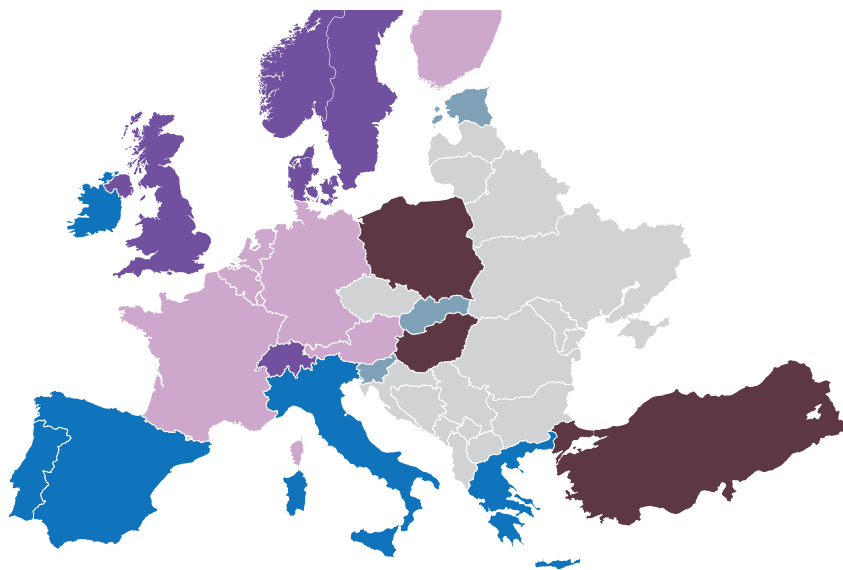
	Fund	Index
Oil & Gas	5.4	10.2
Basic Materials	2.6	8.5
Industrials	16.4	12.2
Consumer Goods	13.7	17.0
Health Care	5.5	10.9
Consumer Services	10.1	6.7
Telecommunications	5.9	4.5
Utilities	0.0	4.3
Financials	13.5	22.8
Technology	10.4	2.9



Geographic Analysis

Regional Breakdown

	(%)	No. of Stocks
Northern Europe	61.0	31
Euro Core	14.0	6
Euro Non Core	6.4	3
Developing Euro	0.0	0
Developing Non Euro	0.0	0



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ISIN:

A Share Class GB00B1FL7S17

B Share Class GB00B1FL7V46

MEX:

A Share Class SXSRIA

B Share Class SXSRI B

SEDOL:

A Share Class B1FL7S1

B Share Class B1FL7V4

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Registered No: 125817

Fund Performance to 30/06/2014

Cumulative Performance, % change

	One month	2014 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund A	-2.8	-0.2	14.4	26.6	116.9	111.0
FTSE World Europe Index	-2.0	2.7	15.0	21.5	82.1	50.5
IMA Europe inc UK Sector	-2.3	0.8	13.9	26.7	89.1	54.6

Source: Lipper, as at 30/06/2014, A Share Class, GBP, UK net tax with net income reinvested and no initial charges.

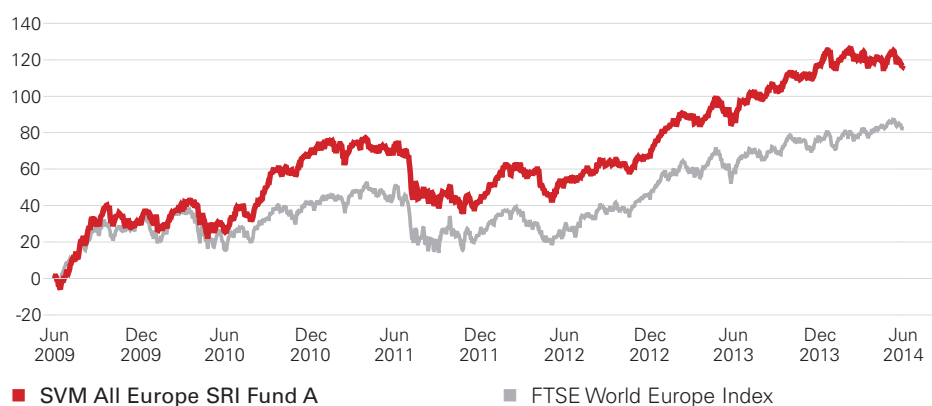
*The Fund was launched on 31 October 2006.

Percentage growth year on year to 30 June

	2014	2013	2012	2011	2010
SVM All Europe SRI Fund A	14.4	24.1	-10.9	36.1	25.9
FTSE World Europe Index	15.0	23.9	-14.8	28.1	17.1
Performance Difference	-0.6	+0.2	+3.9	+8.0	+8.8

Source: Lipper, as at 30/06/2014, A Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: Lipper, as at 30/06/2014, A 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 the income from them can go down as well as up and you may not get back the amount originally invested.

All potential investors should consider the risk factors that are relevant to the Fund.

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. The Fund is exposed to credit and settlement risk in its dealings with Counter Parties in day to day business. This may result in a loss to the Fund if a Counter Party business fails. Due to global and UK market fluctuations trading may become difficult and the Fund may not be able to realise some of the investments it has made nor may prices be readily available that are a reliable indication of value of the investments. 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. Further details are in the Prospectus.