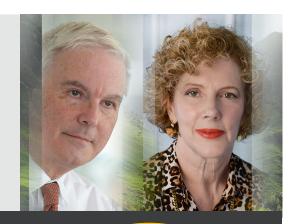
SVM UK Emerging Fund plc

The objective of the Fund is to achieve capital growth over the long term (5 years or more) from investments in smaller UK companies. The Fund's performance may be compared against the IA UK All Companies Sector on a total return basis, which represents a peer group of UK equity funds with broadly similar characteristics.

July 2022

Figures as at 30 June 2022





Quarterly Fund Commentary

Over the quarter, the Fund returned -20.2% (NAV) and -13.7% (share price) versus returns of -8.3% in the IA UK All Companies Sector average, and -4.5% in the MSCI UK Investable Market Index. This took the Fund's 12 month performance to -34.0% (NAV) and -26.3% (share price), versus IA UK All Companies Sector average and MSCI UK IMI returns of -8.5% and 3.7%, respectively (to 30 June 2022). Over five years to 30 June 2022 the Fund has returned -10.9% (NAV) and 1.3% (share price) versus IA UK All Companies Sector average and MSCI UK IMI returns of 11.0% and 17.0%, respectively. (total return, FE fundinfo data, average and index returns for comparison purposes).

The quarter was a difficult period for growth investors, with stockmarket interest focusing on perceived beneficiaries of inflation. Many growth companies delivered good results but their shares were de-rated. In the medium and longer term disinflationary pressures may reassert, but labour unrest in the UK increases the risk of embedding inflation in wages.

The risk for the UK is that it is moving towards stagnation even if the recession is shallow and brief. A combination of retrenching by consumers in the face of price rises, industrial action, supply disruption and labour shortages is holding back economic recovery. The Bank of England has talked of acting "forcefully" but it may simply add further problems for an already contracting economy, when much of inflation currently represents imported food, materials and energy costs.

A feature of investing this year is relatively low stockmarket turnover during the rotation from growth to value. This may not be a sign of complacency or illiquidity, as much as a maturity in investors recognising that rebounds can be rapid, and markets often run too far with a trend. There are also risks in some perceived "value" areas, not least from government intervention or cost inflation. Mid-cap B2B services may be much better protected in terms of passing on inflation.

The strongest positive contributions to performance during the quarter were from AB Dynamics, Frontier Developments, Beazley, Ideagen and NCC Group. Laggards included Impax, ITM Power, Alpha FX, Kin and Carta and Watches of Switzerland. Overall during the quarter, investors favoured value sectors over growth, but there was profit taking in metals and mining. Additional investment was made in 888 Holdings. Sales and part sales were made of ITM Power, Gamma Communications, Ideagen and Globaldata.

There is potential for the Pound to come under pressure if the UK economy starts to perform worse than Europe, or there is seen to be political instability. Any weakness in the Pound should be helpful to UK industrial and exporting businesses.

Your Fund focuses on businesses with pricing power which should be able to pay up for their inputs and raise wages. It remains fully invested with some additional gearing.

Fund Facts

Launch Date: 18 October 2000

Benchmark Index:

IA UK All Companies Sector Average

Fund type: Investment Trust

Registered No: SC211841

Fund Managers:

Margaret Lawson (Fund Manager)

Appointed: 01/10/2012

Years at SVM: 31 Industry Experience: 41

Colin McLean (Deputy Fund Manager)

Appointed: 18/10/2000

Years at SVM: 31 Industry Experience: 47

Listed:

London Stock Exchange

Investments: £5.4m Share Price: 75.50p NAV: 89.68p

The month end published NAV is calculated on a bid price basis.

Corporate Calendar

Year End: 31 March Half Year: 30 September

Codes:

RIC: SVME

ISIN: GB0000684174

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.

Portfolio Structure

Top 10 Long Holdings	Holdings (Net %)	
Alpha FX Group	4.8	
4imprint	4.1	
Watches of Switzerland	4.0	
Unite Students	4.0	
Dechra Pharmaceuticals	3.8	
Kape Technologies	3.2	
Beazley	2.9	
Hilton Food Group	2.8	
Keystone Law Group	2.6	
FDM Group	2.6	

Sector Breakdown	(%)
Industrials	22.5
Information Technology	22.4
Consumer Discretionary	16.2
Financials	9.7
Health Care	8.9
Communication Services	8.9
Real Estate	6.6
Consumer Staples	4.0
Materials	0.9
Energy	0.0
Utilities	0.0
Portfolio Analysis	(%)
AIM	36.1
Large Cap	20.5
Mid Cap	27.4
Small Cap	16.0

Enquiries

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Registrars (direct shareholders):

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Registered No. 125817

Issued by SVM Asset Management Limited who is authorised and regulated by the Financial Conduct Authority: 12 Endeavour Square London E20 1JN

Fund Performance

to 30/06/2022

Percentage growth year on year to 30 June

	2022	2021	2020	2019	2018
SVM UK Emerging NAV	-34.1	36.5	-11.4	-9.8	23.8
IA UK All Companies Average	-8.5	27.7	-11.0	-2.2	9.1
Performance difference	-25.6	+8.9	-0.4	-7.6	+14.8

Source: SVM/FE fundinfo, as at 30/06/2022, total return, UK net tax.

The Fund was launched on 18 October 2000.

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.

The fund is to be considered a long term (five years or more) investment option.

The Fund incurs the following key risks:

If an Investor redeems the investment shortly after investing, they may not get back the original amount due to 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. 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. A Fund with a concentrated portfolio carries a greater risk to that of a Fund with a larger spread of investments. Investment trusts can borrow money to make investments; this can lead to greater losses if markets fall. The Fund uses Contracts for Difference (CFDs) as part of the investment strategy; this can increase the risk profile and volatility of the Fund. Some unquoted investments may become difficult to realise as prices may not be readily available or a reliable indicator of value.