

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.



January 2022 | Share Class B

Factsheet as at 31 December 2021



Monthly Fund Commentary

Financial markets have spent the last eighteen months looking over their shoulder for new and potentially more dangerous Covid variants. The arrival of the more transmissible Omicron in late November initially looked like it may herald what many had feared. Governments responded by putting in place restrictions and activity sagged. Yet despite soaring infection rates and a pick-up in hospitalisations, deaths have remained low. Investors interpreted this as the 'market clearing event' that facilitates the transition to a more normalised environment. Equity markets rebounded and made new all-time highs. The fund returned 6.2% versus the MSCI Europe Index that returned 4.1%

The minutes of the December Federal Reserve Board showed participants believed that higher inflation and a tight labour market could necessitate lifting short-term rates "sooner or at a faster pace than participants had earlier anticipated." Officials also now expect to end the expansion of the Fed's balance sheet in March. The practical impact of these moves is limited but the 'signalling' effect is more significant and has driven a sharp rotation out of 'growth' stocks into 'value'. Despite the initial intra market volatility, monetary conditions are not about to dramatically tighten. Investors will, however, need to navigate the transition from a liquidity driven bull market to one driven by earnings. Volatility has increased and the recent sector rotation will likely continue. But with a strong underlying global economy and significantly negative real interest rates the equity bull market is intact. The fund adopts a 'value' approach to investing and the ongoing rotation away from 'growth' has

been beneficial. In line with this approach the fund has significant exposure to the UK market which trades at a material discount to other developed equity markets.

The emerging consensus that Omicron, while more transmissible, is considerably less virulent positively impacted numerous sectors. Increased confidence in the economic outlook drove a recovery in cyclical stocks, benefitting Smurfit Kappa and Rexel. Travel related stocks rebounded strongly as confidence grew that the worst of any Covid disruption was behind us. Alpha Financial Consulting sustained its outperformance post its very well received interims. Uniphar gained as it announced three small acquisitions that led to analysts nudging up their profit forecasts. Despite the very strong performance from both stocks over the last twelve months further upside remains. One Savings Bank and Axa outperformed as financials benefitted from a steepening in the yield curve.

Synthomer was the largest detractor from performance. The shares slumped as brokers raised concerns over the outlook for the synthetic rubber glove market. We believe a more regular market is already factored into market expectations but unfortunately this will only become apparent with time. Even if conditions prove to be weaker than anticipated, the company is more diversified than it has been in the past and the valuation attractive. A number of smaller holdings drifted on little news flow.

There was limited trading activity.

Fund and index performance source: FE fundinfo

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: £20.2m

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:



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 31/12/2021

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	18.8	
Defensive	12.6	
Consumer Cyclical	12.0	
Technology	6.4	
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	7.6	

Cyclical 42.7%

Alpha FMC	7.9
Smurfit Kappa Group	5.9
Synthomer	5.2
CRH	4.5
Rexel	4.2

Unstable Financial 18.8%

AXA	4.9
OSB Group	4.8
Lloyds Banking Group	4.4
Prudential	4.3
Jackson Financial	0.3

Defensive 12.6%

Uniphar	5.0
DCC	3.0
Smith & Nephew	2.2
Sedana Medical	1.6
Apontis Pharma	0.8

Consumer Cyclical 12.0%

Norcros	6.8
Tesco	2.9
Jost Werke	2.4

Technology 6.4%

Creo Medical Group	3.4
LungLife AI	2.0
ActiveOps	1.0

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

Apontis Pharma

Apontis Pharma's innovative single pill not only saves lives but also helps alleviate the cost pressures on stretched healthcare budgets.

By combining commonly co-prescribed generic drugs into a single pill, the Apontis product helps patients stick to their dosing regimen. These regimes commonly consist of multiple doses which, particularly for elderly users, can result in non-compliance.

A recent study of the concept for cardiology patients highlighted the 49% reduction in mortality risk as a result of incorporating this innovative product into treatment plans. While

this statistic alone justifies the use of the single pill, the study also noted the 34% reduction in overall cost to payors as users avoided the need for costly hospital stays and further treatments. This has led the European Society of Cardiology to update its guidelines recommending single pill usage as well as insurers, such as Axa promising to provide reimbursement.

Apontis can apply this principle to a host of indications where multiple dosing regimes are recommended so the growth prospects for the company are extremely good. In addition, the company is currently confined to its domestic












market, Germany, but this is likely to change in the foreseeable future as the balance sheet is strong. Due to the proceeds of the IPO, geographical expansion has become a strategic imperative.

In the meantime, we are pushing management for more ESG disclosure in company literature which currently is sorely lacking. This is put down to the recent listing of the company and improvements are promised for the coming year's annual report.






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

	(%)	
Alpha FMC	7.9	
Norcros	6.8	
Smurfit Kappa Group	5.9	
Synthomer	5.2	
Uniphar	5.0	
AXA	4.9	
OSB Group	4.8	
CRH	4.5	
Lloyds Banking Group	4.4	
Prudential	4.3	
Rest of Portfolio	46.4	

Country Breakdown

	No. of Stocks	(%)	
UK	17	59.3	
Ireland	3	15.3	
France	3	13.1	
Germany	2	3.2	
Sweden	1	1.6	
Other	-	0.0	

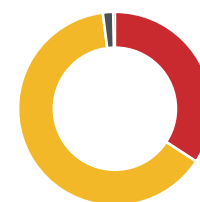
Sector Breakdown

	(%)	
Industrials	29.1	
Financials	18.8	
Materials	18.7	
Health Care	15.0	
Information Technology	5.0	
Consumer Discretionary	3.0	
Consumer Staples	2.9	
Energy	0.0	
Communication Services	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	4.9
Large Cap (<€50bn)	28.2
Mid Cap (<€10bn)	28.3
Small Cap (<€1bn)	31.1



Currency Exposure

	(%)
Euro	31.6
Sterling	59.0
Swedish Krona	1.6
Other	0.3

Fund Performance

to 31/12/2021

Cumulative Performance, % change

	One month	2021 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	6.2	26.2	26.2	59.8	58.9	339.9
MSCI Europe Index	4.1	18.1	18.1	45.2	52.3	176.6
IA Europe inc UK Sector**	3.7	17.1	17.1	51.9	56.2	185.6

Source: FE fundinfo, as at 31/12/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

*The Fund was launched on 31 October 2006

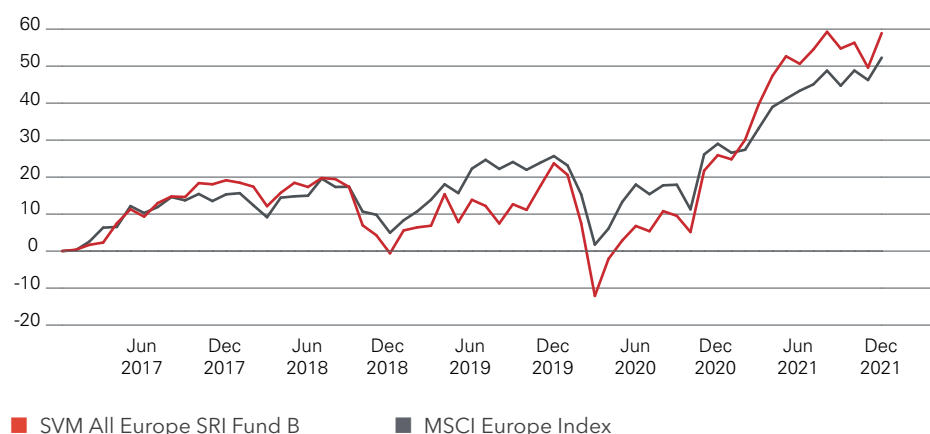
**IA is provided as a comparator

Percentage growth year on year to 31 December

	2021	2020	2019	2018	2017
SVM All Europe SRI Fund B	26.2	1.8	24.5	-16.6	19.1
MSCI Europe Index	18.1	2.7	19.8	-9.0	15.3
Performance Difference	+8.1	-0.9	+4.7	-7.6	+3.8

Source: FE fundinfo, as at 31/12/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: FE fundinfo, as at 31/12/2021, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Data provided by FE fundinfo. Care has been taken to ensure that the information is correct but it neither warrants, represents nor guarantees the contents of the information, nor does it accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

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. 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.

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MEX:

Share Class A SXSRIA
Share Class B SXSRI B

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