

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 September 2016



October 2016 | Share Class B



Fund Managers



Neil Veitch
Co Fund Manager

Industry Experience: 20

Years at SVM: 11

Appointed: 31/10/2006



Hugh Cuthbert
Co Fund Manager

Industry Experience: 22

Years at SVM: 11

Appointed: 31/10/2006

Monthly Fund Commentary

European business surveys suggest that the economy is relatively resilient. Manufacturing increased above its long-term average in September, and production is now expanding at around trend. Financial conditions have eased sharply since Draghi made his "...whatever it takes..." speech and, despite the latest noise around Deutsche Bank, are unlikely to change much. European growth will likely remain in the 1-1.5% rate. In the UK much of the debate in the post-referendum period has focused on the eventual nature of Brexit. Will it be 'hard' or 'soft'? Such nomenclature matters little. It is the philosophical underpinning that will prove more important. Will the UK's attitude to the rest of the world be open or closed? The May government's recent rhetoric in this regard has not been promising. Of course, they may well just be playing to their 'base' and eventually deliver a completely different outcome. Nonetheless, we feel the government is putting political expediency above the country's long-term economic interests. Britain would be best served by presenting a liberal view of the world as opposed to some sort of British nationalism. With the official opposition in disarray and 'bond market vigilantes' largely neutered by QE, it will be left to the forex markets to 'keep the government honest'. Currency movements will continue to play a central role in the performance of UK equities. Your fund returned 0.3% versus the FTSE World Europe index that returned 1.7%.

At a stock-specific level the fund enjoyed strong performances from a number of holdings. Micro Focus celebrated its promotion to the FTSE 100 index by announcing its intention to acquire the software division of Hewlett Packard Enterprises. Over the last couple of years the market has increasingly recognised the attractiveness of legacy software businesses and the extent to which their strong cash generation can be utilised for the benefit of shareholders. Although the HPE transaction is the largest in the company's history and poses integration

challenges, we believe the upside is significant. Micro Focus has an impressive track record of acquiring and integrating similar, albeit smaller, businesses. Another consolidator, RPC, also performed strongly. The company is consolidating the European plastic packaging industry. Despite making a number of acquisitions over the last few years, the company still controls less than ten percent of the market. As the largest purchaser of its raw material in Europe it has significant purchasing power, which can then be applied to the companies it acquires. We believe RPC can continue to grow through a mixture of organic and inorganic growth for a number of years. Despite its strong performance and scope for further growth it continues to trade at a discount to its nearest comparators. Melrose Plc rose as investors sought exposure to the company following its recent acquisition of Nortek, a US industrial. Melrose has an enviable track record of acquiring businesses, improving their financial performance, selling them on and returning capital to shareholders. We see scope for significant value creation from this transaction. Aurelius rose as the company announced the acquisition of the European business activities of Office Depot. This is an important deal that could create substantial value for the group.

There were no significant disappointments. UK domestic stocks Lloyds, Norcros, Ladbrokes, and Stagecoach declined as some of the recent optimism around the UK's economic performance waned.

There was little trading activity. Positions were initiated in Hollywood Bowl and Synthomer. The holdings in Smurfit Kappa and Imagination Technologies were exited.

Fund and index performance source: Lipper

Fund Facts

Launch Date: 31 October 2006

Benchmark Index:
FTSE World Europe Index

IA Sector: Europe inc UK

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

Fund Size: £21.0m

Fund Price:
Share Class A 241.50p
Share Class B 260.40p

Fund Charges:

	Initial	OCF*
Share Class A	5.25%	2.00%
Share Class B	0.00%	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

Ratings:



Hugh Cuthbert is rated +.
The fund is Silver rated in the European Equities sector.
Citywire ratings are sourced from Citywire.

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

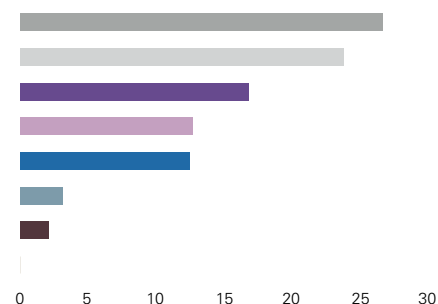
Portfolio Analysis

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, 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 %)
Defensive	26.6
Cyclical	23.7
Technology	16.7
Unstable Financials	12.6
Consumer Cyclical	12.4
Oil & Gas	3.1
Stable Financials	2.1
Mining	0.0



Defensive: 26.6%	(%)
Novartis	5.8
AstraZeneca	4.8
Roche Holdings	4.5
Swisscom	4.4
BT	3.7

Cyclical: 23.7%	(%)
RPC Group	6.5
British Land	3.2
Melrose	2.3
Stagecoach Holdings	2.1
Johnson Service Group	2.0

Technology: 16.7% (%)

Micro Focus	6.9
FDM Group	3.6
Blue Prism	2.4
Gamma	1.2
Atlantis Resources	0.9

Unstable Financials: 12.6% (%)

Prudential	3.3
Lloyds Banking Group	3.1
Legal & General	2.4
Axa	2.0
Bank of Ireland	1.1

Consumer Cyclical: 12.4% (%)

Vonovia	5.6
Bellway	3.3
Norcros	2.5
Basic Fit	1.1

Oil & Gas: 3.1% (%)

Faroe Petroleum	1.9
Ithaca Energy	1.3

Stable Financials: 2.1% (%)

Aurelius	2.1
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Mining: 0.0% (%)

This Month's Featured Stock

RPC

RPC is one of Europe's leading manufacturers of plastic packaging. The company has made a number of acquisitions in recent years and has also benefited from the ongoing shift towards plastic packaging from alternative mediums.

Environmental considerations are of the utmost importance for RPC, given the raw materials used and the manufacturing processes involved in the production of plastic packaging. The company has incorporated environmental considerations at each stage of the plastic product lifecycle. In terms of procurement, the company has invested in

the use of biopolymers and increased the percentage of recycled polymers used in the production process. During the manufacturing process the company has reduced both its electricity usage and water usage per tonne in recent years. In conjunction with their customers, the group has also sought to reduce food wastage through packaging that prolongs shelf life. RPC's manufacturing sites have externally certified energy management systems and the company is also a signatory to a number of industry schemes such as 'Operation Clean Sweep'.

Elsewhere in our social and environmental screening process, credit was given for RPC's personnel policies including its health and safety awareness programmes. Underlying safety performance at RPC's sites showed continuous progress over the past year, but the performance of acquired sites still has room for improvement. The company's code of business ethics outlines RPC's core social values and information on community involvement is also provided.

Stock Analysis

Top 10 Holdings

	(%)
Micro Focus	6.9
RPC Group	6.5
Novartis	5.8
Vonovia	5.6
AstraZeneca	4.8
Roche Holdings	4.5
Swisscom	4.4
BT	3.7
FDM Group	3.6
Orange	3.4
Total	49.2

Size Analysis

	(%)
Mega Cap (>€50bn)	15.1
Large Cap (<€50bn)	30.2
Mid Cap (<€10bn)	29.3
Small Cap (<€1bn)	22.6

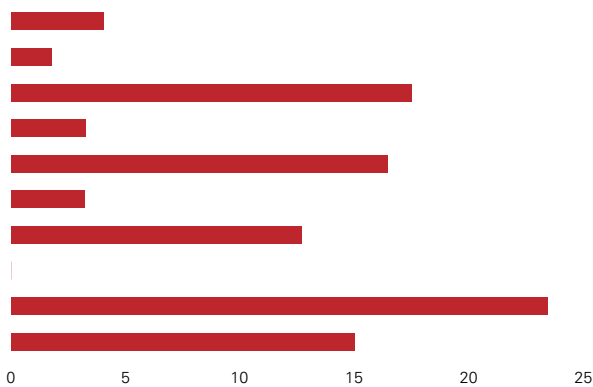
Currency Exposure

	(%)
Euro	18.2
Sterling	64.3
Norwegian Krone	0.0
Swiss Franc	14.7
Danish Krone	0.0
Swedish Krona	0.0
Other	0.0

Sector Analysis

Sector Breakdown (%)

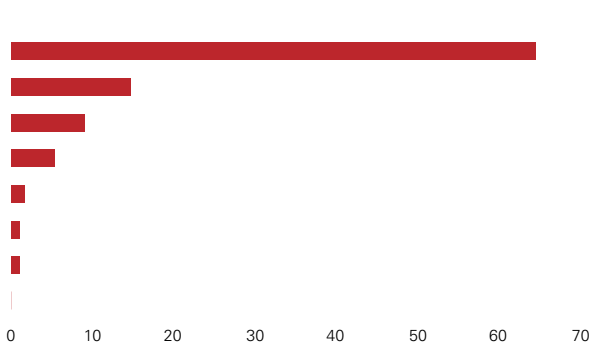
Oil & Gas	4.0
Basic Materials	1.8
Industrials	17.5
Consumer Goods	3.3
Health Care	16.4
Consumer Services	3.2
Telecommunications	12.7
Utilities	0.0
Financials	23.4
Technology	15.0



Geographic Analysis

Country Breakdown

	No. of Stocks	(%)
UK	27	64.3
Switzerland	3	14.7
Germany	3	9.0
France	2	5.4
Finland	1	1.7
Ireland	1	1.1
Netherlands	1	1.1
Other		0.0



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ISIN:

Share Class A GB00B1FL7S17

Share Class B GB00B1FL7V46

MEX:

Share Class A SXSRIA

Share Class B SXSRI B

SEDOL:

Share Class A B1FL7S1

Share Class B B1FL7V4

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7 Castle Street
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Registered No. 125817

Fund Performance to 30/09/2016

Cumulative Performance, % change

	One month	2016 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	0.3	3.6	10.7	25.9	80.7	160.4
FTSE World Europe Index	1.7	14.2	20.3	24.7	76.9	73.5
IA Europe inc UK Sector	0.6	9.4	16.2	28.7	83.2	89.8

Source: Lipper, as at 30/09/2016, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

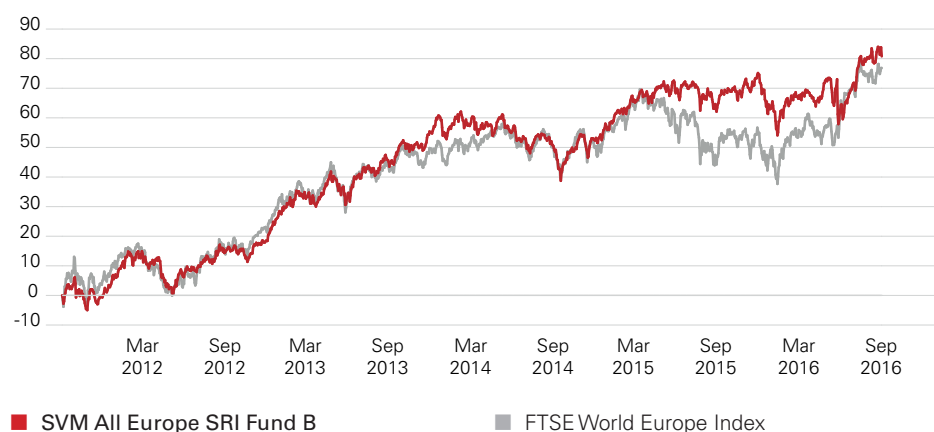
*The Fund was launched on 31 October 2006

Percentage growth year on year to 30 September

	2016	2015	2014	2013	2012
SVM All Europe SRI Fund B	10.7	8.6	4.7	25.1	14.7
FTSE World Europe Index	20.3	-2.3	6.1	24.6	13.9
Performance Difference	-9.6	+10.9	-1.4	+0.5	+0.8

Source: Lipper, as at 30/09/2016, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



Source: Lipper, as at 30/09/2016, 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 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 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. 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.