

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.



November 2023 | Share Class B

Factsheet as at 31 October 2023



Monthly Fund Commentary

October, as is often the case, was a challenging month for equities. The prospect of higher US growth and concerns over government debt sent long-term US interest rates to 16-year highs. The surge in rates led to fears that the tightening in financial conditions would increase the downside risks to the economic outlook and increase the possibility of financial market breakdowns. The co-ordinated attacks launched by Hamas into Israel from the Gaza Strip negatively impacted sentiment further. With increased risk aversion, small and mid-cap stocks underperformed. The fund returned -5.2% versus the MSCI Europe Index that fell 3.2.

The tragic events in the Middle East gave rise to concerns that additional countries would be drawn in, resulting in a wider regional conflict. It is difficult to see, though, how any of the regional powers would emerge from a broader conflict in a better position. Our base case therefore is that, like the war in Ukraine, it will eventually become more horrific background noise than something that is going to meaningfully impact financial markets. The outlook for inflation will remain the key determinant of equity market direction. Recent news flow has been encouraging. Inflationary pressures continue to ebb and the Federal Reserve voted unanimously to leave rates unchanged at its latest meeting.

The economic outlook for 2024 has weakened and earnings in cyclical sectors may come under pressure, but financial markets are a

discounting mechanism. Small and mid-cap stocks have been in a bear market since 2021 in anticipation of weaker economic growth. However, as investors begin to anticipate the turn in the interest rate cycle, and better economic times ahead, the outlook becomes much brighter. Cyclical stocks consistently return significantly more than defensives in the twelve months after a recession is declared.

UK banks were weaker as results from Natwest led to fears that increased deposit pricing would significantly impact earnings. While there has been some erosion of profitability this is more than reflected in valuations. Both Lloyds and Natwest trade at significant discounts to tangible net assets yet deliver mid-teens returns. Aixtron fell as investors speculated that emerging weakness in the Silicon Carbide market would negatively impact demand for their machines. Puma declined as its third quarter announcement revealed that the acceleration in activity earlier in the summer had not been sustained and that results would merely be in-line with expectations. Cyclical stocks were generally weak.

Alpha Financial Consulting rose as its interim results revealed that improved operational momentum gave it confidence for the full year. Post a previous cautious outlook statement, investors had been concerned that its full year profit guidance was unachievable.

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: £13.5m

Fund Managers:

Neil Veitch (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 17 Industry Experience: 26

Hugh Cuthbert (Co Fund Manager)
Appointed: 31/10/2006
Years at SVM: 17 Industry Experience: 28

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 31/12/2022

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	38.6	<div></div>
Unstable Financial	19.8	<div></div>
Consumer Cyclical	18.3	<div></div>
Defensive	11.8	<div></div>
Technology	4.4	<div></div>
Stable Financial	0.0	
Mining	0.0	
Oil & Gas	0.0	
Cash	7.0	<div></div>

Cyclical 38.6%

CRH	6.5
Smurfit Kappa Group	5.2
Capgemini	4.8
IMI	4.3
Alpha FMC	4.3

Unstable Financial 19.8%

Lloyds Banking Group	4.9
Prudential	4.4
AXA	3.6
Legal & General	2.7
OSB Group	2.1

Consumer Cyclical 18.3%

Norcros	5.1
Tesco	4.0
Marks & Spencer	3.5
Dalata Hotel Group	2.8
Puma	2.0

Defensive 11.8%

DCC	3.4
Uniphar	3.2
Roche Holdings	2.8
Smith & Nephew	2.4

Technology 4.4%

Creo Medical Group	2.2
LungLife AI	1.5
ActiveOps	0.7

Stable Financial 0.0%

Mining 0.0%

Oil & Gas 0.0%

This Month's Featured Stock

Forterra

Formed from a coalition of UN agencies the Science Based targets Initiative (SBTi) is an organisation that encourages businesses to set net zero targets grounded in climate science and giving validation to the methodology that companies adopt. Best practice is defined by sector and technical assistance is provided to participants to help ensure lofty ambitions are credible and make a contribution to limit global warming appropriate for the industry involved. The initiative also has the advantage in greatly helping investors with their engagement efforts providing an independent assurance of companies' climate ambitions as well as a stick, or indeed a carrot, to encourage action on this all

important matter.

A recent example of our interactions in this area was with UK brick manufacturer Forterra who currently have not set a Science Based Target. This is neither surprising nor unusual as currently, globally, of the 6,569 companies already committed to setting a target, only 3,776 have so far had their ambitions approved. Forterra's CFO outlined the complexity of the task involved for the company to meet the demands of the SBTi emphasising the fact that the appropriate methodology for their particular sector has yet to be refined. Despite this the company has committed to an alternative regime "Race to Zero" while ensuring the targets they have made align

with the more general principles provided by the SBTi. Further complicating matters is the recent shift from the SBTi requiring companies to align their targets with a global warming scenario of below 1.5°C where previously 2°C was permitted and indeed was where Forterra had set their ambitions.

Clearly a complex and ever-changing subject but it is heartening that companies such as Forterra are putting time and resource into overcoming the obstacles necessary to achieve the appropriate standard.

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

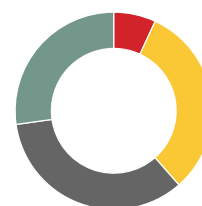
	(%)	
CRH	6.5	
Smurfit Kappa Group	5.2	
Norcros	5.1	
Lloyds Banking Group	4.9	
Capgemini	4.8	
Prudential	4.4	
IMI	4.3	
Alpha FMC	4.3	
Tesco	4.0	
AXA	3.6	
Rest of Portfolio	52.9	

Country Breakdown

	No. of Stocks	(%)	
UK	22	63.5	
Ireland	3	11.2	
France	2	8.4	
Germany	3	7.0	
Switzerland	1	2.8	
Other	-	0.0	

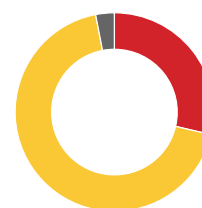
Sector Breakdown

	(%)	
Industrials	24.2	
Financials	19.8	
Materials	14.6	
Health Care	12.1	
Information Technology	8.2	
Consumer Staples	7.5	
Consumer Discretionary	6.6	
Energy	0.0	
Communication Services	0.0	
Utilities	0.0	
Real Estate	0.0	



Size Analysis

	(%)
Mega Cap (>€50bn)	6.4
Large Cap (<€50bn)	29.4
Mid Cap (<€10bn)	31.9
Small Cap (<€1bn)	25.3



Currency Exposure

	(%)
Euro	26.6
Sterling	63.5
Swiss Franc	2.8

Enquiries

www.svmonline.co.uk
Calls may be recorded

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Literature Request: 0800 0199 110

ISIN:

Share Class A GB00B1FL7S17
Share Class B GB00B1FL7V46

MEX:

Share Class A SXSRIA
Share Class B SXSRI B

SEDOL:

Sedol GBP B1FL7S1
Sedol GBP B1FL7V4

Registered Office:

SVM Asset Management Limited
7 Castle Street
Edinburgh
EH2 3AH
Registered No. 125817

SVM Asset Management Limited is authorised and regulated in the United Kingdom by the FCA with Firm Reference Number 146873. It is registered in Scotland with Company Number SC125817 and has its registered office at 7 Castle Street, Edinburgh, EH2 3AH. SVM Asset Management Limited is the Authorised Corporate Director of the SVM Funds ICVC.

SVM Asset Management Limited is a subsidiary of River and Mercantile Group Limited (together with its other subsidiaries the "Group"). River and Mercantile Group Limited is registered in England and Wales with Company Number 04035248 and has its registered office at 30 Coleman Street, London, EC2R 5AL. Other members of the Group include River and Mercantile Asset Management LLP. The Group is part of AssetCo plc.

Fund Performance

to 31/10/2023

Cumulative Performance, % change

	One month	2023 yr to date	One year	Three years	Five years	Since launch*
SVM All Europe SRI Fund B	-5.2	-5.0	-0.4	11.5	9.6	224.5
MSCI Europe Index	-3.2	3.7	10.5	36.5	37.3	175.9
IA Europe inc UK Sector**	-3.7	2.0	8.4	26.3	33.6	167.6

Source: FE fundinfo, as at 31/10/2023, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

*The Fund was launched on 31 October 2006

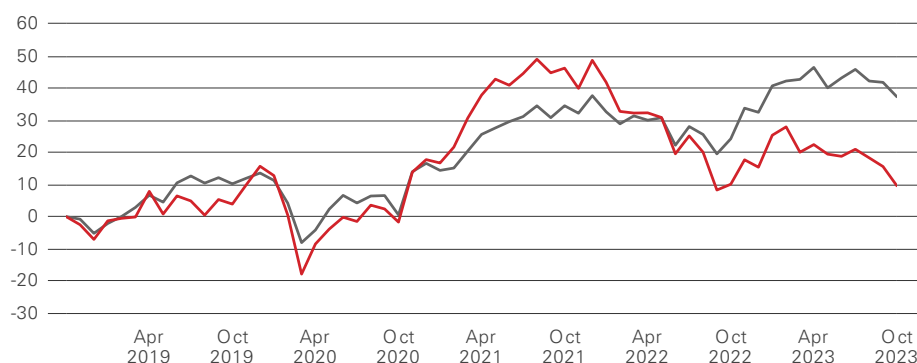
**IA is provided as a comparator

Percentage growth year on year to 30 September

	2023	2022	2021	2020	2019
SVM All Europe SRI Fund B	6.7	-25.2	41.3	-2.8	-4.0
MSCI Europe Index	18.6	-8.6	22.7	-4.9	5.7
Performance Difference	-11.9	-16.6	+18.6	+2.1	-9.7

Source: FE fundinfo, as at 30/09/2023, B Share Class, GBP, UK net tax with net income reinvested and no initial charges.

Five Year Performance (%)



■ SVM All Europe SRI Fund B ■ MSCI Europe Index

Source: FE fundinfo, as at 31/10/2023, 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. The effect of currency movements can be significant where investments are denominated in currencies other than Sterling and may adversely affect the value of your investment. 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 assurance that any appreciation in value of investments will occur. There is no guarantee that the Fund will achieve its objective. The price of shares in the Fund can go down as well as up and is not guaranteed. The Fund may enter into derivative contracts for efficient portfolio management (EPM) purposes. There is no guarantee that the Fund will achieve the objective for which it entered into a transaction in relation to EPM, this may result in losses for Shareholders. Full details on EPM can be found in Appendix B 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. 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.