

SVM CONTINENTAL EUROPE FUND

August 2010

Figures as at 31 July 2010

Fast Facts

Key Sales Points

One of the top funds in the Europe Ex UK sector - returning 52.55% since launch (20/03/00).

The SVM Continental Europe Fund comprises a tightly controlled portfolio of stocks from the European markets excluding the UK.

Stock selection is driven by a bottom up analysis approach rather than by geographical area.

Risk management is deeply rooted in the business. Risk is managed at both stock and portfolio level.

Portfolio comprises of stocks often overlooked or ignored by analysts and large institutions.

At the core is a robust, proven research process which is driven by the analysis of key business figures and by questioning company management.

The approach allows the Fund Manager to make decisions with conviction and take action quickly and dispassionately.

Monthly Fund Commentary

July saw the first positive monthly return for the FTSE World Europe ex UK index since March with a return of 6.7%. Two key factors underpinned this performance. First was the start of the second quarter reporting season which not only allowed companies to give an update on their progress year to date but, perhaps more importantly, to give an outlook for the remainder of the year. Although difficult to draw any conclusions at this early stage markets certainly took well a clutch of reports which beat consensus expectations by a wide mark whilst outlook statements appear to be somewhat vague and lacking in visibility. Importantly disappointments so far appear to be few and far between suggesting either analysts' estimates have been too low or we are seeing a continuation of the economic recovery. Secondly the results of the banking stress test were announced combined with a certain relaxation of the banking rule book as governed by the Basel 3 agreement. This resulted in clear outperformance from the financial sector.

These two events are clearly positive for the equity market though the threat of a drag on economic growth from public austerity measures still remains. The stress tests came as no surprise to us as many of the banks had been open about their ability to pass. The relaxation of the Basel 3 rules is, however, more significant and we have increased our exposure to the financial sector accordingly.

Source: Lipper hindsight to 31.07.10

Fund Performance to 31/07/2010

Cumulative Performance, % change

	One mth	2010 yr to date	One yr	Three yrs	Five yrs	Since launch*
SVM Continental Europe Fund A	7.9	-0.7	17.0	-15.9	37.0	52.6
Sector Average	5.7	-4.9	12.7	-10.1	26.3	13.7
Ranking	10/109	14/108	16/105	69/90	17/81	5/60
Quartile	1	1	1	4	1	1

Source: Lipper Hindsight, Europe ex-UK, mid to mid, UK net, since launch to 31/07/2010

*The Fund was originally launched offshore on 20 March 2000.

Past performance should not be seen as an indication of future performance. The value of an investment may fall as well as rise and investors may not get back the amount originally invested. Currency movements may cause the value of your investment to fall as well as rise. Investing in smaller companies may increase the volatility of your investment. All performance data refers to the Retail share class of the SVM Continental Europe Fund.



HAWK-EYED STOCKPICKERS

Retail Share Class A

FOR PROFESSIONAL ADVISERS ONLY

Fund Objective

The aim of the Fund is to achieve medium to long-term capital growth from a tightly controlled list of European stocks and other permitted securities. The Fund aims to outperform the FTSE World Europe ex UK Index.

Launch Date: 20 March 2000

Fund Manager: Hugh Cuthbert

Deputy: Neil Veitch

Fund Size: £22.1m

Fund Price: 231.10p

IMA Sector: Europe ex UK

Ratings:

OBSR A
Lipper Leader Consistent Return
Lipper Leader Total Return

Note: Information about ratings can be found on our website

Award Winning Performance



Best Equity Group - Small
Lipper Fund Awards 2008

Best European Fund
Moneywise Fund Awards 2007

Enquiries

0800 0199 110

www.svmonline.co.uk

Adviser email:

adviser@svmonline.co.uk

Adviser Fax:

0131 226 7799

Registered Office:

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

Issued by SVM Asset Management who is authorised and regulated by the Financial Services Authority:
25 The North Colonnade
Canary Wharf
London E14 5HS

© SVM Asset Management Limited.