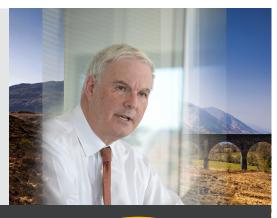
SVM UK Emerging Fund plc

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.

October 2023

Figures as at 30 September 2023





Quarterly Fund Commentary

During the period under review the UK economy continued to grow despite the rise in interest rates. However, there was market concern that the delay in bringing UK inflation under control would involve a longer period of tight monetary policy, constraining demand. This led to falls in shares in consumer discretionary and consumer staples. The sectors that performed best reflected mainly global factors; energy, healthcare, materials and industrials.

Over the quarter, the Fund returned -2.9% (NAV) and the share price was unchanged versus returns of 0.8% in the IA UK All Companies Sector average, and 2.4% in the MSCI UK Investable Market Index. This took the Fund's 12 month performance to 8.7% (NAV) and -1.5% (share price), versus IA UK All Companies Sector average and MSCI UK IMI returns of 12.7% and 13.9%, respectively (to 30 September 2023). (total return, FE fundinfo data, average and index returns for comparison purposes).

The strongest contributions to performance over the period were 4Imprint Group, Instem, Keystone Law, Howden and Kooth. Instem and Kape Technologies were taken over. Merger and acquisition activity may point to recognition that share prices of some successful British businesses have become attractive to corporate or private equity buyers. Negatives included Alpha Group, Oxford Instruments, Flutter, Entain and Jet2. Sales included Activeops, Revolution Beauty, Frontier Developments, Molten Ventures, Genus, Libertine and Impax. The holding in Watches of Switzerland was reduced after its prospects were adversely impacted by a change in

strategy of Rolex,its main supplier. The sales funded new and additional investments in JTC, CRH, Intercontinental Hotels, Greggs, Informa and Compass Group. Portfolio changes emphasised improved liquidity, growth prospects and earnings visibility.

The UK economy has held up better in 2023 than feared. Consumer spending has proved resilient, driven by significant excess savings. Amongst international investors, the UK continues to be out of favour, with historically low valuations of smaller and medium-sized companies. There is a risk both in the UK and US of excessive tightening by central banks, possibly misunderstanding the supply-side nature of current inflation. In September, US political uncertainty drove up yields on medium and longer dated bonds globally- a move that often precedes recession. Typically, the higher yields are initially a negative for the valuation of growth businesses. However, against a background of slower global growth, investors may recognise the attractions of companies that are less influenced by the economic cycle and operate in niches or with product differentiation.

As the year progresses, there may be more thought to the possibility of a change in the UK government in 2024, and the prospect that even in the run-up to that there may be moves to rein back on austerity and invest for growth. The portfolio focuses on resilient growing businesses, with low exposure to commodities, oil and banks. Portfolio investments are typically scalable businesses with a competitive edge. The Fund remains fully invested with minimal gearing.

Fund Facts

Launch Date: 18 October 2000

Benchmark Index:

IA UK All Companies Sector Average

Fund type: Investment Trust

Registered No: SC211841

Fund Manager:

Colin McLean (Fund Manager)

Appointed: 18/10/2000

Years at SVM: 32 Industry Experience: 48

Listed:

London Stock Exchange

Investments: £5.4m Share Price: 66.50p NAV: 89.17p

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	(Net %)		
4imprint A	6.8		
Alpha Group	4.0		
Unite Students	3.4		
Beazley	3.2		
Rentokil Initial	3.2		
Howden Joinery Group	3.0		
Whitbread	2.9		
Ashtead Group	2.9		
Games Workshop	2.9		
JD Sports	2.6		

Sector Breakdown	(%)
Industrials	27.1
Consumer Discretionary	24.7
Financials	12.3
Information Technology	11.9
Communication Services	10.5
Real Estate	5.4
Consumer Staples	3.3
Materials	3.0
Health Care	1.8
Energy	0.0
Utilities	0.0
Portfolio Analysis	(%)
AIM	18.1
Large Cap	35.2
Mid Cap	37.5
Small Cap	9.3

Enquiries

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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 30/09/2023

Percentage growth year on year to 30 September

	2023	2022	2021	2020	2019
SVM UK Emerging NAV	8.7	-43.7	38.9	-5.8	-13.3
IA UK All Companies Average	12.7	-15.3	32.4	-12.7	0.0
Performance difference	-4.0	-28.4	+6.5	+6.9	-13.2

Source: SVM/FE fundinfo, as at 30/09/2023, 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.