

SVM All Europe SRI Fund Short Report

Year to 31 December 2007



Key Objectives

The investment objective of this Fund is to achieve above average capital growth over the medium to long-term (although short-term investment opportunities will also be considered) and it aims to outperform the FTSE World Europe Index. The Fund will adopt a positive engagement approach towards investment and enter into meaningful and consistent dialogue with companies to ensure investors in the Fund have their assets working effectively.

Risk Profile

The Fund is exposed to market and currency risks as it invests in European companies. It also invests in companies outside the FTSE 100 Index which can be less liquid and may carry greater risk and volatility. The Fund is exposed to Sterling and a variety of European currencies as well as stockmarket fluctuations. The Fund does not actively hedge the currency risk of the portfolio.

Distribution

XD date: 31 December

Payment date: 30 April (Accumulation shares).

The following distribution was accumulated over the last accounting period.

Income

	31/12/07 pence per share	31/12/06 pence per share
All Europe SRI A Class	Nil	Nil
All Europe SRI B Class	Nil	Nil

Total Expense Ratio (TER)

The TER shows the annualised operating expenses of the Fund. It does not include transaction expenses.

Fund Total Expense Ratio (p.a.)

Class A Shares

Class B Shares

All Europe SRI Fund

1.78 %

1.03 %

Total Expense Ratio = Total Annualised Expenses / Average Net Asset Value over 12 months X 100

The above figures were calculated by SVM Asset Management using data sourced from the 31 December 2007 Report and Accounts. The figures are intended to provide an indication of the Total Expense Ratio and will vary from year to year.

Fund Performance

Percentage growth for each year to last quarter end	31/10/06 (launch) 31/12/06	31/12/06 31/12/07
All Euro SRI	+6.4	+12.9

Source: Lipper Hindsight, mid to mid, UK net. Past performance should not be seen as an indication of future performance. All performance data refers to the A (retail) share class.

Comparative Tables

Net Asset Values

	Net asset value of shares £ 000	Net asset value in pence per share	Shares in issue
As at 31/12/07			
All Europe SRI A class	509	118.74	428,542
All Europe SRI B class	483	119.84	402,795
As at 31/12/06			
All Europe SRI A class	19	106.0	17,717
All Europe SRI B class	209	106.3	196,946

Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 31/12/07			
All Europe SRI A class	130.3	105.0	120.1
All Europe SRI B class	130.9	105.4	121.3
During period to 31/12/06			
All Europe SRI A class	106.6	99.96	106.4
All Europe SRI B class	106.9	99.96	106.7











Top 10 Holdings: 31/12/07 %

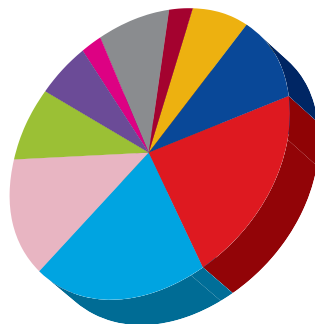
Premier Oil	5.2%
Tullow Oil	3.9%
Hunting	3.5%
Innovation	3.4%
Allianz	3.1%
Brisa Auto Estradas	2.9%
Cable & Wireless	2.9%
France Telecom	2.9%
Linde	2.7%
Bank Of Cyprus	2.7%

Top 10 Holdings: 31/12/06 %

KloECKner	3.0%
Aberdeen Asset Management	2.9%
CRH	2.8%
International Power	2.8%
Brisa Auto Estradas	2.8%
Whitbread	2.7%
Intertek Testing	2.7%
TNT	2.6%
TK Development	2.6%
Unicredito Italiano	2.6%

Sector Analysis

	31/12/07	31/12/06
 Basic Materials	2.8%	6.9%
 Consumer Goods	7.2%	10.4%
 Consumer Services	10.9%	11.8%
 Financials	20.5%	22.5%
 Industrials	20.7%	30.8%
 Oil & Gas	14.4%	7.7%
 Technology	7.8%	2.0%
 Telecommunications	5.6%	0.0%
 Utilities	2.3%	6.1%
 Net Current Assets	7.8%	1.8%



Fund Managers



Neil Veitch



Hugh Cuthbert

To borrow a phrase from cliché-prone football commentators, 2007 was a game of two halves. Markets made steady progress for most of the first half as investors responded positively to solid corporate news flow and ongoing M&A activity. However, growing complacency amongst investors was shattered by the first signs of severe problems in credit markets and the equity markets finished the year well off their highs. As risk-aversion increased, small and mid-cap stocks were particularly hard-hit.

Considering the Fund was underweight in both financials and retailers and had an overweight stance on resources, performance was disappointing. In general our positive sector positioning was more than offset by our exposure to small-cap stocks. While this has resulted in short-term frustration, we continue to believe that today's small-caps are the large-caps of tomorrow. The Fund also suffered from the depreciation of sterling against the euro. The Fund enjoyed strong performances from Tullow Oil, Pace Micro, W.S. Atkins, and Baywa. Holdings in British Airways, Invensys, Ashtead, and Barratt were disappointing.

The Fund has the ability to invest across the full market cap range and we will continue to utilise this in order to maximise returns for our investors. While there is clearly considerable uncertainty with regards to the economic outlook, we believe that this is more than compensated for by attractive valuations and ongoing monetary easing. This leads us to have a cautiously optimistic attitude for equities in the year ahead.

Further Information

Further information about the share price and activities of the Fund together with related product literature and further information on the Manager can be found on our website at www.svmonline.co.uk

Report and Accounts

This document is a short report for a sub-fund of the SVM Funds ICVC taken from the Interim Report and Accounts for the period ending 31 December 2007. The Long Form version of the Report and Accounts is available on written request to the Marketing Department, SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH or by e-mail to info@svmonline.co.uk

Investment Warning

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. Investing in smaller companies may increase the volatility of your investment. Currency movements may cause the value of your investment to fall as well as rise.

Contacts

Authorised Corporate Director and Investment Manager

SVM Asset Management Limited
7 Castle Street
Edinburgh
EH2 3AH
Email: info@svmonline.co.uk
Web: www.svmonline.co.uk
Authorised and regulated by the Financial Services Authority

Administrator

BNP Paribas Fund Services UK Limited
Block C, Western House
Peterborough Business Park
Lynchwood
Peterborough
PE2 6BP
Shareholder Services: 0845 358 1108
Dealing: 0845 066 1110
Fax: 01733 285 681

Depository

Royal Bank of Scotland plc
Trustee & Depository Services
The Broadstone
50 South Gyle Crescent
Edinburgh
EH12 9UZ

Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Auditors

Ernst & Young
Ten George Street
Edinburgh
EH2 2DZ