

# SVM Global Opportunities Fund

## Short Report



Year to 31 December 2008

### Investment Objective

The 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 Index.

### Risk Profile

The Fund is exposed to currency and market risks as it invests in global funds. The Fund is exposed to Sterling and a variety of global 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		
	31/12/08 pence per share	31/12/07 pence per share
Global Opps A class	Nil	Nil
Global Opps B class	Nil	Nil

### Total Expense Ratio (TER)

The TER shows the annualised operating expenses of the Fund. It includes the manager's performance fee, which was 0.46% p.a for A Shares and 0.57% p.a for B Shares during the period, but it does not include transaction expenses.

Fund Total Expense Ratio (p.a.)

Class A Shares

Class B Shares

Global Opportunities Fund

1.99%

1.48%

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 2008 Report and Accounts. The figures are intended to provide an indication of the Total Expenses Ratio and will vary from year to year.

## Fund Performance

Percentage growth for each year to last quarter end	15/05/06 (launch) 31/12/06	31/12/06 31/12/07	31/12/07 31/12/08
Global Opportunities	+12.7	+8.2	-40.7

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 31/12/08			
Global Opportunities A class	31,280	70.33	44,473,386
Global Opportunities B class	7,977	71.36	11,178,283
As at 31/12/07			
Global Opportunities A class	40,890	119.91	34,100,092
Global Opportunities B class	15,109	121.13	12,472,025

### Share Price Performance

	Highest share price in pence	Lowest share price in pence	Price as at period end
During period to 31/12/08			
Global Opportunities A class	122.4	71.73	72.26
Global Opportunities B class	123.5	72.77	73.32
During period to 31/12/07			
Global Opportunities A class	125.5	112.9	121.9
Global Opportunities B class	126.5	113.3	123.0







### Top 10 Holdings: 31/12/08 %

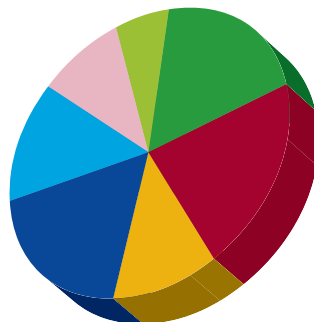
Japan Opportunities Fund	4.8
Quorum Oil & Gas	4.1
Jupiter Adria Limited	3.8
Acheron Portfolio Corp	3.5
Juridica Investments	2.7
Ceres Agricultural Fund	2.4
Private Equity Investor	2.4
Ecofin Water & Power Opportunities	2.4
Eurovestech	2.3
LMS Capital	2.2
Total	30.6

### Top 10 Holdings: 31/12/07 %

Vostok Nafta Investment SDR	3.3
Ecofin Water & Power Opportunities	2.6
Saltus European Debt Strategy	2.4
China Real Estate Opportunities	2.3
Quorum Oil & Gas Technology	2.3
Jupiter Green IT	2.2
Oryx International Growth Fund	2.2
Equest Balkan Properties	2.1
Prosperity Voskhod Fund	2.1
KGR ABS Return Asia Dynamics	2.1
Total	23.6

## Portfolio Analysis

	31/12/08	31/12/07
 <b>Hedge</b>	<b>19.6%</b>	23.7%
 <b>Specialist Funds</b>	<b>20.6%</b>	20.1%
 <b>Resources</b>	<b>11.6%</b>	19.2%
 <b>Property</b>	<b>20.1%</b>	16.7%
 <b>Private Equity</b>	<b>13.0%</b>	12.5%
 <b>Others</b>	<b>9.0%</b>	7.4%
 <b>Cash</b>	<b>6.1%</b>	0.4%



## Fund Managers



**Donald Robertson**

2008 proved to be arguably the most challenging year in living memory. There were few asset classes that produced positive performances in the year. Indeed the majority of the ones that were positive did so due to the relative weakness in Sterling, which depreciated in the year. This weakness masked some material and in some cases unprecedented and unjustified falls. Although it is likely that there will be a short global recession, market reaction was swift and savage with increased volatility as investor sentiment turned negative.

For a fund of funds, 2008 was doubly disappointing. Investment trust discounts widened substantially as investors took fright and sold assets that were identified as risky, preferring the perceived safe havens of government securities and the US dollar. Discounts on certain asset classes moved out to levels where the shares were priced at levels below the uncommitted cash on their balance sheets; effectively giving a less than zero value for the remaining assets. Undoubtedly,



**Colin McLean**

certain funds have and will see asset value falls but our feeling is that this has been more than priced in. Indeed, in the first quarter of 2009, a number of funds, principally in the property sector, have been subject to opportunistic takeover approaches as trade buyers identify value.

The Fund has remained fully invested and is approximately 50% exposed to equity markets and skewed towards emerging markets. These markets continue to offer above average growth and, with 2008 stockmarket falls, now offer exceptional value. The Fund retains its broad thematic approach and has selectively increased its exposure to those heavily discounted funds that offer attractive risk reward characteristics. As markets stabilise and ultimately recover, discounts will narrow from the extreme levels experienced in 2008. This creates an outstanding opportunity for investors.

## 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](http://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 Report and Accounts for the year ending 31 December 2008. 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](mailto: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. Currency movement may cause the value of your investment to fall as well as rise.

## Contacts

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Authorised and regulated by the Financial Services Authority

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