

HIGHLIGHTS

- Over the six months to 30 September 2024, net asset value per share increased by 2.8% to 99.45p and the share price gained 6.5% compared to a return of 6.2% in the chosen comparator, the IA UK All Companies Sector Average.
- Over the five years to 30 September 2024, net asset value per share has fallen 10.7% and the share price 24.7%, against the comparator return of 25.5%.
- Consumer discretionary and financial services were the best performing sectors in the portfolio over the six month review period.
- Consumer confidence is improving and the portfolio is positioned to benefit from lower inflation and interest rates.

Long term capital growth from investments in smaller UK companies. The Fund’s aim is to outperform the IA UK All Companies Sector Average on a total return basis

Financial Highlights

	6 months	3 years	5 Years	10 Years
Net Asset Value	2.8%	-31.8%	-10.7%	52.7%
Share Price	6.5%	-43.3%	-24.7%	28.4%
Comparator *	6.2%	9.0%	25.5%	72.0%

*The comparator for the Fund is the IA UK All Companies Sector Average.

CHAIRMAN’S STATEMENT

During the six months to 30 September 2024, net asset value per share increased by 2.8% to 99.45 and the share price gained 6.5% compared to a return of 6.2% in the chosen comparator, the IA UK Companies Sector Average. Over the five years to 30 September 2024, net asset value per share has fallen 10.7% and the share price 24.7%, against the comparator return of 25.5%.

This year, investors have favoured businesses seen as “quality”, with strong balance sheets and less debt risk. Before this rally began, smaller and medium sized London-listed companies had fallen to long term low valuations relative to the largest global businesses. The period under review has seen a broadening of stock market performance, with investors looking for growing businesses in out-of-favour areas. Despite the challenges for the global economy there appears potential for more catch up from small and medium-sized businesses.

The strongest contributions to performance over the period were Marks & Spencer (M&S), JTC, Cranston’s, Tesco and Alpha Group International. M&S was the largest positive contributor to returns. Consumer discretionary stocks typically perform well at this point in the cycle, but M&S also benefited from indications that it was continuing to take share in both food and clothing. Insurers, Beasley and Conduit also gained. Negative performers included 4Imprint Group, Melrose Industries, Man Group, Boku and DiscoverIE Group. The holding in Unite Group was reduced against a background of concern on the growth outlook for student accommodation.

Positive real wage growth has supported a recovery in consumer confidence, with the potential for further improvement from release of excess savings. UK smaller companies are more exposed to the domestic economy and typically more cyclical. They are also more geared to central bank base rates and should benefit from easing of inflation and interest rates. UK inflation has reduced and forecasts for growth of the UK economy for 2025 exceed both the US and the Eurozone.

The portfolio focuses on resilient growing businesses, with low exposure to commodities, oils and banks. Portfolio investments are typically scalable businesses with a competitive edge. The Fund remains fully invested with minimal gearing.

At the Annual General Meeting in September, all resolutions were passed. I reiterated that your Board is focused on the scheduled continuation vote in 2025 and is continuing to look at a range of options. This strategic review will include assessing the discount and consulting with shareholders before reverting to shareholders with a formal recommendation. In order to reduce costs, the Manager has continued to waive its management fee.

Peter Dicks
Chairman
8 November 2024

INVESTMENT OBJECTIVE and POLICY

The investment objective of SVM UK Emerging Fund plc (the “Fund” or the “Company”) is long term capital growth from investments in smaller UK companies. Its aim is to outperform the IA UK All Companies Sector Average on a total return basis.

The Fund aims to achieve its objective and to diversify risk by investing in shares and related instruments, controlled by a number of limits on exposures. Appropriate guidelines for the management of the investments, gearing and financial instruments have been established by the Board. This is an abridged version of the Fund’s investment policy. The full investment policy can be found in the Strategic Report within the Fund’s latest Annual Report & Accounts.

DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Report in accordance with applicable law and regulations.

The Directors confirm that to the best of their knowledge:

- (i) the condensed set of financial statements have been prepared in accordance with the Financial Reporting Council Statement 104 “Interim Financial Reporting” on a going concern basis and give a true and fair view of the assets, liabilities, financial position and gain or loss of the Fund;
- (ii) the Half Yearly Report includes a fair review of the information required by the Disclosure and Transparency Rules DTR 4.2.7R (an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year); and DTR 4.2.8R (disclosure of related party transactions and changes therein that could have a material effect on the financial position or performance of the Fund during the first six months of the current financial year).
- (iii) No related party transactions have taken place during the first six months of the year that have materially affected the financial position of the Fund during the period and there have been no changes in the related party transactions as described in the Annual Report & Accounts for the year end 31 March 2024 that could do so.

The Directors consider that the Half Yearly Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Fund’s performance and strategy,

The Half Yearly Report has not been audited or reviewed by the Fund’s auditors.

By Order of the Board
Peter Dicks
Chairman
8 November 2024

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UNAUDITED ACCOUNTS

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Income Statement

Å	Å Six months to 30 September 2024			Å Six months to 30 September 2023		
Å	Revenue Å£â€™'000	Capital Å£â€™'000	Total Å£â€™'000	Revenue Å£â€™'000	Capital Å£â€™'000	Total Å£â€™'000
Å	Å	Å	Å	Å	Å	Å
Net gain/(loss) on investments at fair value	-	153	153	-	(214)	(214)
Income Å	98	Å	98	95	-	95
Investment management fees	-	-	-	-	(17)	(17)
Other expenses	(80)	-	(80)	(76)	-	(76)
Gain/(loss) before finance costs and taxation	18	153	171	19	(231)	(212)
Finance costs	(8)	-	(8)	(17)	-	(17)
Gain/(loss) on ordinary activities before taxation	10	153	163	2	(231)	(229)
Taxation	-	-	-	-	-	-
Gain/(loss) attributable to ordinary shareholders	10	153	163	2	(231)	(229)
Gain/(loss) per Ordinary Share	0.17p	2.55p	2.72p	0.03p	(3.85)p	Å (3.82)p

Å	Å Year ended 31 March 2024 (audited)			Å	Å	Å
Å	Revenue Å£â€™'000	Capital Å£â€™'000	Total Å£â€™'000	Å	Å	Å
Å	Å	Å	Å	Å	Å	Å
Net gain on investments at fair value	-	272	272	Å	Å	Å
Income Å	140	-	140	Å	Å	Å
Investment management fees	-	(17)	(17)	Å	Å	Å
Other expenses	(143)	-	(143)	Å	Å	Å
(Loss)/Gain before finance costs and taxation	(3)	255	252	Å	Å	Å
Finance costs	(30)	-	(30)	Å	Å	Å
(Loss)/Gain on ordinary activities before taxation	(33)	255	222	Å	Å	Å
Taxation	-	-	-	Å	Å	Å
(Loss)/Gain attributable to ordinary shareholders	Å	Å	Å	Å	Å	Å
	(33)	255	222	Å	Å	Å
(Loss)/Gain per Ordinary Share	Å	Å	Å	Å	Å	Å
	(0.55)p	4.25p	3.70p	Å	Å	Å

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Å	Å	Å	Å	Å
Å	Å	Å	Å	Å
Å	Å	Å	Å	Å
Balance Sheet	Å	Å	Å	Å
Å	Å	Å	Å	Å
	As at 30 September 2024 (unaudited) Å£â€™'000	As at 31 March 2024 (audited) Å£â€™'000	As at 30 September 2023 (unaudited) Å£â€™'000	Å
Å	Å	Å	Å	Å
Fixed Assets	Å	Å	Å	Å
Investments at fair value through profit or loss	5,606	5,485	4,836	Å
Å	Å	Å	Å	Å
Total current assets	479	522	979	Å
Creditors: Å amounts falling due within one year	(123)	(208)	Å Å Å (467)	Å
Net current assets	356	314	512	Å
Å	Å	Å	Å	Å
Total assets less current liabilities	5,962	5,799	5,348	Å
Å	Å	Å	Å	Å
Capital and Reserves	5,962	5,799	5,348	Å
Equity shareholders: Å funds	5,962	5,799	5,348	Å
Å	Å	Å	Å	Å
Net asset value per Ordinary Share	99.45p	96.73p	89.21p	Å

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Statement of Changes in Equity	Å	Å	Å	Å	Å	Å	Å
Å	Å	Å	Å	Å	Å	Å	Å
For the period to 30 September 2024	Å	Å	Å	Å	Å	Å	Å
Å	Å	Å	Å	Å	Å	Å	Å
	Share capital Å£â€™'000	Share premium Å£â€™'000	Special reserve* Å£â€™'000	Capital redemption reserve** Å£â€™'000	Capital reserve** Å£â€™'000	Revenue reserve* Å£â€™'000	Å Total Å£â€™'000
As at 1 April 2024	300	314	5,136	27	649	(627)	5,799
Gain attributable to shareholders	-	-	-	-	153	10	163
As at 30 September 2024	300	314	5,136	27	802	(617)	5,962
Å	Å	Å	Å	Å	Å	Å	Å
Å	Å	Å	Å	Å	Å	Å	Å
For the year to 31 March 2024	Å	Å	Å	Å	Å	Å	Å
Å	Å	Å	Å	Å	Å	Å	Å
	Share capital Å£â€™'000	Share premium Å£â€™'000	Special reserve* Å£â€™'000	Capital redemption reserve** Å£â€™'000	Capital reserve** Å£â€™'000	Revenue reserve* Å£â€™'000	Å Total Å£â€™'000
As at 1 April 2023	300	314	5,136	27	394	(594)	5,577
Loss attributable to shareholders	-	-	-	-	255	(33)	222
As at 31 March 2024	300	314	5,136	27	649	(627)	5,799
Å	Å	Å	Å	Å	Å	Å	Å
Å	Å	Å	Å	Å	Å	Å	Å
Å	Å	Å	Å	Å	Å	Å	Å

For the period to 30 September 2023

	Share capital £m	Share premium £m	Special reserve* £m	Capital redemption reserve** £m	Capital reserve** £m	Revenue reserve* £m	£m
As at 1 April 2023	300	314	5,136	27	394	(594)	5,577
Gain/(loss) attributable to shareholders	-	-	-	-	(231)	2	(229)
As at 30 September 2023	300	314	5,136	27	163	(592)	5,348

*Distributable reserves comprise of the Special Reserve and the Revenue Reserve and were £4,519,000 at 30 September 2024 (31 March 2024: £4,509,000).

**Non-distributable reserves comprise the Capital Redemption Reserve and Capital Reserve and were £829,000 at 30 September 2024 (31 March 2024 : £676,000).

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Investment Portfolio as at 30 September 2024

Stock	Market Exposure 2024 £000	% of Net Assets	Sector analysis as at 30 September 2024	% of Gross Exposure
1 Beazley Group	238	4.0	Industrials	
2 4Imprint Group	236	4.0	Financials	
3 Howden		3.7	Consumer Discretionary	
4 Marks and Spencer Group	217	3.6	Consumer Staples	
5 Experian	196	3.3	Communication Services	
6 Cranswick	196	3.3	Real Estate	
7 Alpha Group International	189	3.2	Information Technology	
8 Games Workshop Group	188	3.1	Materials	
9 Tesco	183	3.1	Healthcare	
10 Ashtead Group	181	3.0	Total	
Ten largest investments	2,042	34.3		
11 JTC	173	2.9		
12 CRH	168	2.8		
13 Compass Group	168	2.8		
14 Serco Group	168	2.8		
15 Conduit Holdings	165	2.8		
16 Boku	160	2.7		
17 Jet2	160	2.7		
18 IMI	158	2.7		
19 InterContinental Hotels Group	150	2.5		
20 London Metric Property	145	2.4		
Twenty largest investments	3,657	61.4		
21 Computacenter	143	2.4		
22 Keystone Law Group	143	2.4		
23 Unite Group	142	2.4		
24 Whitbread	142	2.4		
25 Renew	134	2.2		
26 Hilton Food Group	132	2.2		
27 Greggs	131	2.2		
28 Flutter Entertainment	126	2.1		
29 Segro	120	2.0		
30 Auto Trader Group	114	1.9		
Thirty largest investments	4,984	83.6		
Other investments (15 holdings)**	950	15.9		
CFD positions	(378)	(6.3)		
CFD unrealised gains	50	0.8		
Total investments	5,606	94.0		
CFD unrealised losses	(21)	(0.3)		
Net current assets**	377	6.3		
Net assets	5,962	100.0		

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Risks and Uncertainties

The major risks inherent within the Fund are market risk, liquidity risk, credit risk and interest rate risk. The Fund has an established environment for the management of these risks which are continually monitored by the Manager. Appropriate guidelines for the management of its financial instruments and gearing have been established by the Board of Directors. The Fund has no significant exposure to foreign currency assets and therefore does not use currency hedging. It does not use derivatives within the portfolio with the exception of CFDs. An explanation of these risks and how they are mitigated is explained in the 2024 Annual Report, which is available on the Manager's website: www.river.global. These principal risks and uncertainties have not changed from those disclosed in the 2024 Annual Report.

Going Concern

The Board, having made appropriate enquiries, has a reasonable expectation that the Fund has adequate resources and sufficient liquidity to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. This conclusion takes into account the Directors' assessment of the continuing risks and impacts from the geopolitical risks relating to the conflict between Russia and Ukraine, the conflict in the Middle East, and economic factors that are influencing the current market volatility, such as inflation, interest rates and supply chains. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

Notes

- The Financial Statements have been prepared on a going concern basis in accordance with FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 104 Interim Financial Reporting and under the Association of Investment Companies Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts (ASOP) issued in April 2021. The Company is exempt from presenting a Cash Flow Statement as a Statement of Changes in Equity is presented and substantially all of the Company's investments are liquid and are carried at market value. These financial statements have been prepared in accordance with the accounting policies used for the financial year ended 31 March 2024.
- During the period no shares were bought back (2023: no shares were bought back during the period).

The number of shares in issue at 30 September 2024 was 6,005,000 (2023: 6,005,000).
 Returns per share are based on a weighted average of 5,995,000 (2023: 5,995,000) ordinary shares, being the number of shares in issue during the period excluding the 10,000 shares held in Treasury.
 Total return per share is based on the total gain for the period of £163,000 (2023: loss of £229,000). Capital return per share is based on the capital gain for the period of £153,000 (2023: loss of £231,000). Revenue return per share is based on the revenue gain after taxation for the period of £10,000 (2023: gain of £2,000).

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All investments are held at fair value. At 30 September 2024 no unlisted investments were held with value attributed (31 March 2024: same; 30 September 2023: same).

Investments have been classified using the fair value hierarchy:

	September 2024		March 2024	
	£000	£000	£000	£000
Classification of financial instruments	Assets	Liabilities	Assets	Liabilities
Level 1	5,556	-	5,436	-
Level 2	50	21	49	9
Level 3	-	-	-	-

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. The CFD positions are the sole Level 2 investments at 30 September 2024 and 31 March 2024.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data. The Board has instructed the Manager not to make any new investments in unlisted shares.

There are two (March 2023 - two) investments in the Fund which have values of £nil where the respective share prices have been suspended, or are stale. The Fair Value and Pricing Committee oversees and has ratified the positions.

The Board has established guidelines to grant the Manager a limited authority to invest in CFDs to achieve some degree of gearing and/or hedging without incurring the gross cost of the investment. The Board requires the Manager to operate within certain risk limits, as detailed in the Annual Report. The following table details the CFD positions:

Number of CFD holdings at 30 September 2024: four (31 March 2024: four)

CFD positions	September 2024	March 2024
	£000	£000
Gross exposure	378	389
Net exposure	378	389
Unrealised gains	50	49
Unrealised losses	21	9

The gearing ratio is 1.1% at 30 September 2024 (31 March 2024: 0.7%). The gearing ratio indicates the extra amount by which the shareholders' funds would change if total assets (including CFDs position exposure and netting off cash and cash equivalents) were to rise or fall. A figure of zero per cent means that the Company has a nil geared position.

River Global Investors LLP provides investment management and secretarial services to the Fund. The Manager is entitled to a fee for these services, payable quarterly in arrears, equivalent to 0.75% per annum of the total assets of the Fund, less current liabilities. The Manager has elected to waive the investment management fee from 1 September 2023 until further notice.

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The above figures do not constitute full or statutory accounts in terms of Sections 434 and 435 of the Companies Act 2006. All information shown for the six months to 30 September 2024 is unaudited. The accounts for the year to 31 March 2024, on which the auditors issued an unqualified report, have been lodged with the Registrar of Companies and did not contain a statement required under Section 498 of the Companies Act 2006.

For further information, please contact:

River Global on +44 (0) 20 3327 5100.

Alternatively, information is available on the website: www.river.global. The Manager is not permitted to give you financial or tax advice. If you are in any doubt, please consult your financial adviser.

SVM UK EMERGING FUND plc
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CORPORATE INFORMATION

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 Ian Gray
 Jeremy Harris

Investment Manager and Secretary

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Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association

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Authorised and regulated by the Financial Conduct Authority

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Registered Number

SC211841

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Manager's Website
www.river.global

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