



# **LWM Consultants Ltd**

## **Meeting the Fund Manager**

### **SVM UK Growth Fund – Margaret Lawson**

We currently hold the SVM Global Fund PLC in our more adventurous portfolios, when we met with the fund manager we also had the opportunity to meet with Margaret Lawson who is the fund manager of the SVM UK Growth Fund.

The fund is not one that we have included in our portfolios but it is one that we will monitor over the next 12 months.

#### **What does the fund look to achieve?**

The Fund's aim is to achieve medium to long term capital growth from an equity portfolio selected from UK listed stocks and other permitted securities. Its objective is to beat the FTSE All-Share Index.

SVM UK Growth Fund aims to consistently outperform. The three pronged approach blends a core of large cap growth stocks with a similar weight in aggressive tactical plays, giving it the flexibility to vary the style as the investment climate changes. Special situations add some spice as an Alpha Kicker. The resultant portfolio is concentrated into around 50 to 60 stocks representing the Manager's strongest ideas, an approach that has delivered exceptional returns over recent years.

#### **Introducing the fund manager**

Margaret joined SVM in 1990 as a founding director, and is the lead manager of the SVM UK Growth Fund. Prior to joining SVM, Margaret worked for FS Assurance as manager of the FS Balanced Growth Fund. Margaret is A rated by Citywire for her 3 year risk adjusted performance for the period 31/03/2009 - 31/03/2012. Our main concern is that SVM are a boutique fund manager and the fund is really about Margaret.

#### **How the fund is managed?**

The fund is not a highly traded fund. Margaret is keen to bring stability into the fund focusing on companies which offer sustainable growth regardless of what is happening around them.

As Margaret becomes more comfortable with a stock and that stock delivers then she will increase her holding, the normal maximum holding is 4%. The portfolio is made up of core holdings where she will look to hold stocks for 3 to 5 years. She uses three tactics which includes alpha kicker where businesses are undergoing change and offer the potential for growth (i.e. their value is perceived as low in the market)

The style of long term holding is a style we like and Margaret has proved through her long term performance that the blend of core stocks and more aggressive convictions can deliver excellent returns. Two other points came out from the meeting one of which we have heard time and again about good management, she will not invest in a business if she doesn't understand it and when looking at stocks she is looking for businesses that have a global audience as UK centric businesses are difficult to grow.

Clearly Margaret as a founding director is committed to SVM and she is passionate about this fund. It may be a strange comment to make but sometimes we meet managers who are almost going through the process of management. The size of the fund provides flexibility and the blend of styles works well. Our only concern would be the size of the management team but this is no necessarily a reason not to hold this fund.

## **Conclusion**

We have been supports of the SVM Global Fund for many years. Although this is not in our portfolios we will continue to monitor this as clearly Margaret has an excellent fund which has consistently delivered.

The source of information in this note has been provided by SVM and is correct to the end of March 2012. These are notes from meeting the fund manager and should not be seen as a recommendation to purchase this fund. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. You should also note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.