

SVS Church House Tenax Absolute Return Strategies Fund

Monthly Commentary

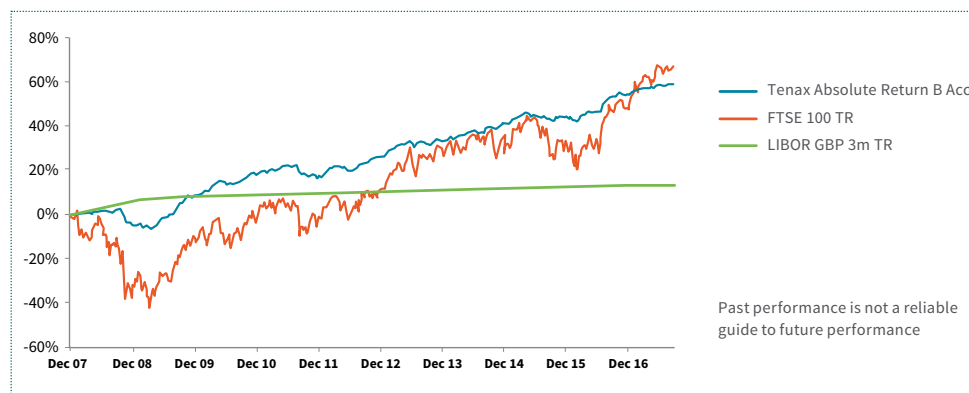
Supposedly a quiet month, August was dominated by rockets and sabre-rattling in the Far East as the rhetoric between North Korea and America escalated. Ten-year interest rates edged down in response, close to 1% in London, 2.1% in America and 0.4% in Germany. Despite some wobbles, stocks were little changed, London was marginally ahead while New York was close to unchanged (concealing a much better month for NASDAQ). Japanese stocks did slip but not Chinese, which were buoyed by better economic stats. It is interesting to note the renewed strength in base metals; copper and iron ore prices have gathered pace during the summer. This would seem to be reflecting global growth prospects, the question is whether inflation will (finally) confirm this with a general increase (not just in the UK).

Sterling weakened again, plumbing lows against the euro not seen since 2009. The Brexit negotiations are blamed, along with a concern that the UK might miss out on the general recovery because of the whole Brexit process. Quite possibly the sell-off in sterling has run its course.

The Fund had a quietly positive month with a continuation of low volatility. We were active in seeking specific opportunities though we did not alter the tactical asset allocation. Direct equity allocation was lower as we closed a position in UK banks, we re-aligned the holdings in social infrastructure companies and added further to the convertible positions.

Performance (B Shares) v. UK Indices (and other)

The comparison to FTSE 100 TR is for illustrative purposes only and the fund is not benchmarked against this index.



Source: FE Analytics. Total Return Nav-Nav line chart (from 01 December 2007 to 31 August 2017) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	0.51	4.12	14.37	29.33
Index: FTSE 100 TR	0.01	13.97	22.29	56.97
Benchmark: LIBOR GBP 3 Months TR	0.07	0.34	1.48	2.56

Source: FE Analytics. Total Return Nav-Nav month end (31 August 2017) performance table from UK UT and OEICs universe.

Calendar Year Total Returns (%)

	YTD	2016	2015	2014	2013	2012
SVS Church House Tenax Absolute Return Strategies B Acc in GB	2.58	7.85	1.62	6.23	5.63	7.04

Source: FE Analytics. Total Return Nav-Nav discrete calendar performance table, of SVS Church House Tenax Absolute Return Strategies Fund (B Acc) from UK Investment Association universe.

The Authorised Corporate Director of the Fund is:
Smith & Williamson Fund Administration Limited

Fund Managers



James Mahon



Jeremy Wharton

Objective and Policy

Tenax has an absolute return objective, aiming to achieve positive returns over rolling twelve-month periods at low levels of volatility. Capital invested in the Fund is at risk, there is no guarantee that a positive return will be achieved over a rolling twelve-month, or any other, period. The portfolio is diverse across asset classes; investments are principally direct (it is not a fund-of-funds) but other funds may be held to provide further diversification. The benchmark for the Fund is three-month £ LIBOR. Capital preservation is key; the Fund is prepared to hold high proportions in cash and other low-risk assets.

Key Information

A Share Class Min. investment £5,000
Management fee 1.25%
OCF 1.27%

B Share Class For investment advisers and intermediaries only
Management fee 0.875%
OCF 0.91%
Inc shares SEDOL: BNGY2T9
Inc shares ISIN: GB00BNGY2T93
Acc shares SEDOL: B28KSK1
Acc shares ISIN: GB00B28KSK12

B Share Price 159.2p (Acc)

Sector Targeted Absolute Return

Trust Type OEIC – Non-UCITS Retail Scheme

Launch Date November 2007

Dividend Payment May & November

Yield 0.97% (B Acc)

Fund Value £143.0m

All prices and data in the Fact Sheet are as at 31 August 2017.

All fund performance data is based on the B Acc shares and shown after the deduction of fees and charges. Yield data refers to the past 12 months.

Ongoing Charges Figure (OCF) based on accounts as at 30/09/2016.



Top Ten Holdings (%)

20.64% of Portfolio

Total number of holdings: **121**

UK Treasury Bill 2017	7.1%	Santander Covered FRN 2020	1.5%
UK Treasury 1.25% 2018	4.3%	EIB FRN 2020	1.4%
UK Treasury 1% 2017	3.5%	Bank of Nova Scotia FRN 2019	1.4%
EIB 1.375% 2018	2.1%	RBS Covered FRN 2020	1.4%
Barclays Covered FRN 2020	2.1%	EIB FRN 2018	1.4%

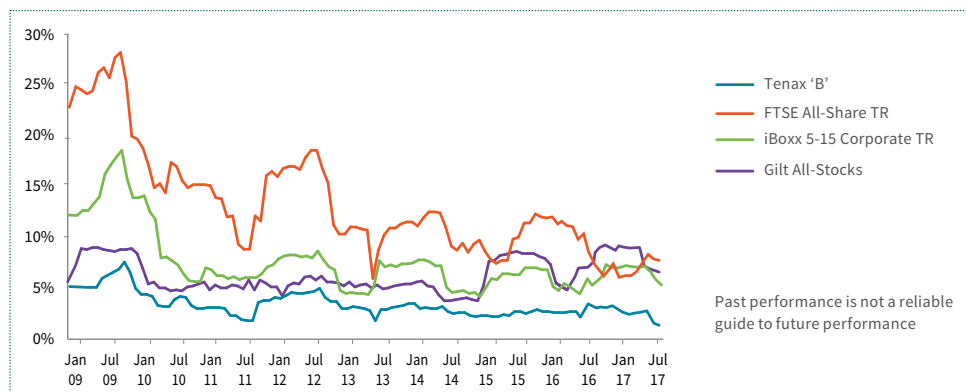
Disposition



Cash Deposits	4.3%
Treasury/T-Bills	17.1%
Floating Rate Notes	27.8%
Fixed Interest	29.3%
Index-Linked	1.0%
Infrastructure	3.6%
Convertibles	4.6%
Hedge Funds	0.9%
Property / Real	2.4%
Equities	9.1%

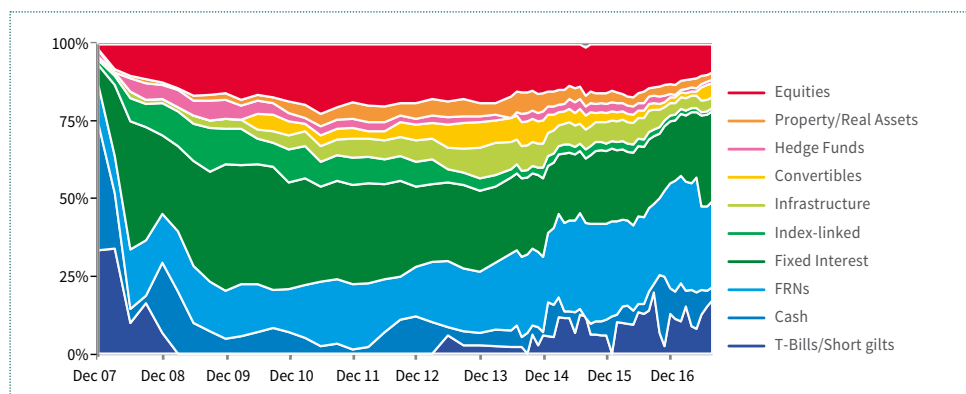
Source: Church House

Low Volatility Returns



Source: Church House, Bloomberg.

Asset Class Risk Profile as % of total VaR



Source: Church House.

LEARN MORE ABOUT THIS FUND

CALL: 0207 534 9877 and speak to our Sales Support Team
EMAIL: salesupport@church-house.co.uk

CALL: 0207 534 9879 for our Sales Director, Sam Liddle
EMAIL: s.liddle@church-house.co.uk

INVESTMENT RISK

Please note that the value of an investment in this fund and the income from it may go down as well as up and you may not get back your original investment. You should also be aware that past performance may not be a reliable guide to future performance.

IMPORTANT INFORMATION

This is a financial promotion for Professional Clients and/or distributors only. This is not intended as investment advice. You should read the Prospectus and the Key Investor Information Document (KIID for each fund in which you want to invest. The Prospectus and KIID can be found at www.ch-investments.co.uk. All information prepared within has been prepared by Church House Investments Limited, York House, Sherborne, DT9 4JW. Authorised and regulated by the Financial Conduct Authority. This document should not be published in hard copy, electronic form, via the web or in any other medium accessible to the public unless authorised by Church House Investments to do so. No warranty is given as to the accuracy or completeness of this information and no liability is accepted for errors or omissions in such information. This document may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such an offer or solicitation is unlawful or unauthorised. To help us continually improve our service, and in the interest of security, we may monitor and/or record your telephone calls with us.