

SVS Church House Tenax Absolute Return Strategies Fund

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 1.21%
OCF 1.27%

B Share Class For investment advisers and intermediaries only
Management fee 0.85%
OCF 0.91%
Inc shares SEDOL: BNGY2T9
Inc shares ISIN: GB00BNGY2T93
Acc shares SEDOL: B28KSK1
Acc shares ISIN: GB00B28KSK12

B Share Price 159.1p (Acc)

Sector Targeted Absolute Return

Trust Type OEIC – Non-UCITS Retail Scheme

Launch Date November 2007

Dividend Payment May & November

Yield 0.58% (B Acc)

Fund Value £227m

All prices and data in the Fact Sheet are as at 31 July 2018.

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 30/09/2017.



Monthly Commentary

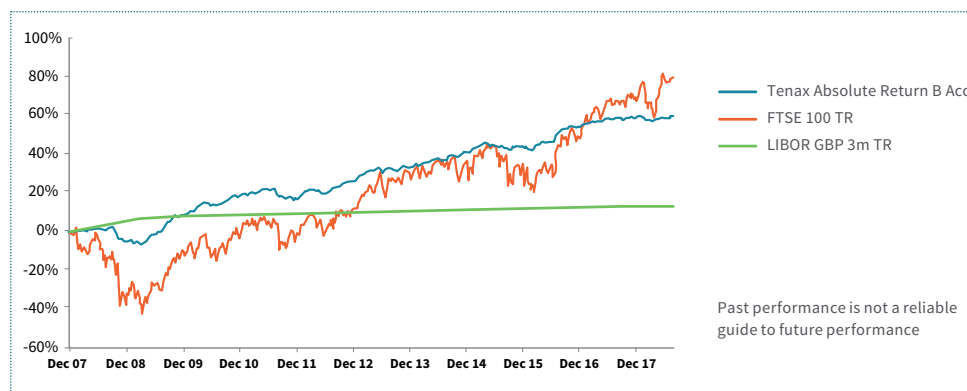
July saw the leading equity markets regain more of the losses of the first quarter, led by the American markets, while emerging markets continue to struggle with a strong US dollar, rising US rates and trade wars. Ten-year rates edged higher but are still bafflingly low in most areas while the Bank of England finally lifted base interest rates to the dizzying heights of 75bps. This latter did little to encourage sterling, which continues to drift under a Brexit cloud, despite the more hawkish tone adopted by the Bank. The US dollar reigns supreme for the moment while emerging market currencies sink.

The Tenax Fund had a positive month and was active in a number of areas. The shortest-dated UK gilt holding in our 'treasury' book matured leading us to add to **Treasury** 1.75% 2019 stock and further to the RBS floating rate note (FRN) holding due in 2020. The increase in short-term rates lifts the coupons on our FRN holdings as they re-fix over the quarter. One of the few small holdings that we have in index-linked stock, an issue from **National Grid**, matured, leaving us with just 0.5% exposure in this area. The infrastructure sector was enlivened by a bid for **John Laing Infrastructure**, the bid being carefully pitched at just over the previous high point for the stock in 2016, prior to the politically inspired slump over the past year. The offer has been recommended by JLIIF and we expect it to go through, we sold half of the Fund's holding.

We added some risk to the Fund early in the month with further purchases of two convertibles in the telecommunications sector and additions to three of the international equity holdings. We also participated in a new issue of **Tritax Eurobox** in the area of huge logistics warehouses, which we consider to be one of the few 'growth' opportunities in property.

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 July 2018) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	0.38	0.32	10.57	20.07
Index: FTSE 100 TR	4.12	9.44	30.36	41.46
Benchmark: LIBOR GBP 3 Months TR	0.17	0.54	1.48	2.59

Source: FE Analytics. Total Return Nav-Nav month end (31 July 2018) performance table from UK UT and OEICs universe.

Calendar Year Total Returns (%)

	YTD	2017	2016	2015	2014	2013
SVS Church House Tenax Absolute Return Strategies B Acc in GB	-0.19	2.71	7.85	1.62	6.23	5.63

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.



SVS Church House Tenax

Absolute Return Strategies Fund

Top Ten Holdings (%)

28.9% of Portfolio

Total number of holdings: **122**

UK Treasury 1.75% 2019	4.4%	EIB FRN 04/2019	2.2%
EIB 06/2023	4.4%	Toronto Dominion Cvd FRN 6/2021	2.2%
RBS Covered FRN 05/2020	3.5%	IBRD FRN 05/2023	2.2%
EIB 0.625% 01/2020	3.5%	GS Group Cap/Floor FRN 06/2023	2.2%
EIB FRN 02/2020	2.2%	Santander Covered FRN 11/2022	2.1%

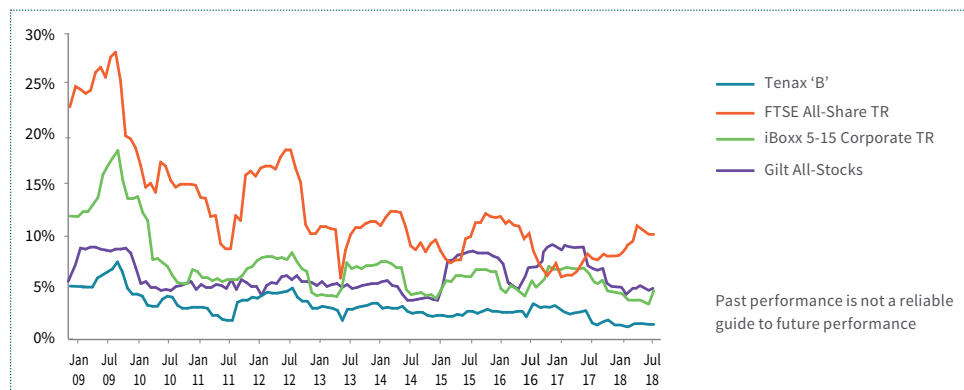
Disposition



Cash Deposits	9.2%
Treasury/T-Bills	7.9%
FRN (AAA)	36.9%
Floating Rate Notes	9.6%
Fixed Interest	15.0%
Index-Linked	0.5%
Infrastructure	2.3%
Convertibles	7.1%
Hedge Funds	0.6%
Property / Real	2.6%

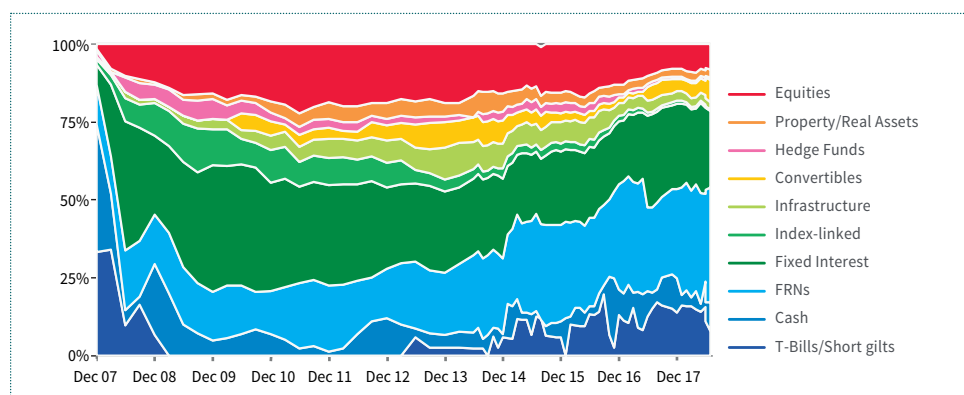
Source: Church House

Low Volatility Returns



Source: Church House, Bloomberg.

Asset Class Risk Profile as % of total VaR



Source: Church House.

LEARN MORE ABOUT THIS FUND

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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.