

# SVS Church House Tenax Absolute Return Strategies Fund

## Monthly Commentary

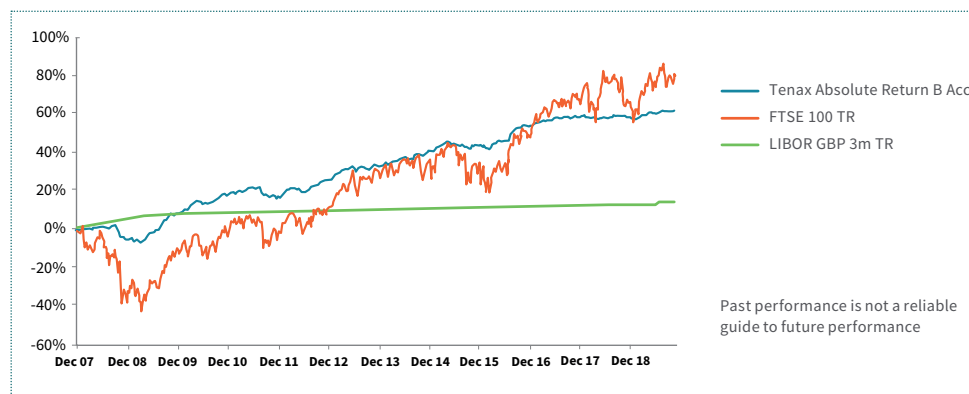
As we shift from Brexit concerns to General Election concerns, let's just hope that we don't end up with another hung Parliament... and back to Brexit again. Fixed interest markets continue to grab much of our attention again this month as the UK ten-year yield jumped 15bp. The German bund moved by a similar amount as did Japanese rates. It appears that there is a re-pricing under way with an accompanying steepening of yield curves. Our view remains that the lows for yields around the end of August and beginning of September probably marked the end of this cycle. The Federal Reserve made a 'final' quarter point cut in base rates stating that there will be no more without a material deterioration in the economy.

Equity markets were mixed. In America, the S&P made new highs, determined to look on the bright side of the on-going trade talks between China and the US, we remain sceptical that any deal will be particularly meaningful. China appears content to allow some steam out of their economy, particularly while there is someone else to blame. UK markets came off as optimism over an eventual Brexit deal triggered a sharp rise in sterling, more than 5% v. USD, while the more domestically based Mid-250 Index rose. Japanese stocks put in another good month and the Hang Seng Index managed a recovery though it remains hard to be optimistic for Hong Kong.

A quiet month for transactions within the Fund with the share price continuing its gradual increase over the year. We added one new floating rate issue from **CIBC** (Canadian Imperial Bank of Commerce) paying us SONIA+48bp and a modest amount of conventional fixed interest stock from **CK Hutchison Group**, both new issues during the month. Elsewhere, we had the opportunity to add to our two relatively new energy efficiency holdings in the **Gresham House Energy Storage Fund** and the **SDCL Energy Efficiency Income Trust**, both of which came to the market to raise further funds. A new addition to the portfolio is a position in the **Hipgnosis Songs Fund**, which also raised funds during the month. In the equity portion, we took profits in our UK mid-cap exposure after a buoyant month.

## 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 October 2019) from UK IA universe.

## Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	0.12	2.15	4.72	16.05
Index: FTSE 100 TR	-2.34	7.45	19.80	36.63
Benchmark: LIBOR GBP 3 Months TR	0.19	0.82	1.83	2.96

Source: FE Analytics. Total Return Nav-Nav month end (31 October 2019) performance table from UK UT and OEICs universe.

## Calendar Year Total Returns (%)

	YTD	2018	2017	2016	2015	2014
SVS Church House Tenax Absolute Return Strategies B Acc in GB	3.12	-1.44	2.71	7.85	1.62	6.23

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.



## 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

<b>A Share Class</b>	Min. investment £5,000 Management fee 1.25% OCF 1.32%
<b>B Share Class</b>	For investment advisers and intermediaries only Management fee 0.875% OCF 0.96% Inc shares SEDOL: BNGY2T9 Inc shares ISIN: GB00BNGY2T93 Acc shares SEDOL: B28KSK1 Acc shares ISIN: GB00B28KSK12
<b>B Share Price</b>	162.0p (Acc) XD
<b>Sector</b>	Targeted Absolute Return
<b>Trust Type</b>	OEIC – Non-UCITS Retail Scheme
<b>Launch Date</b>	November 2007
<b>Dividend Payment</b>	May & November
<b>Yield</b>	0.71% (B Acc)
<b>Fund Value</b>	£413m

All prices and data in the Fact Sheet are as at 31 October 2019.

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 30/09/2018.

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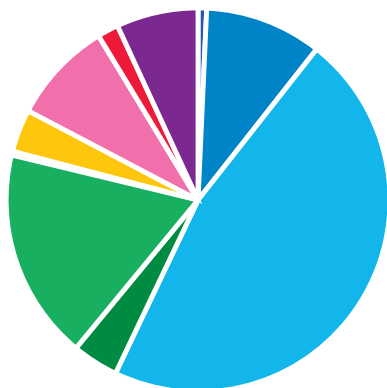
## Top Ten Holdings (%)

**27.9% of Portfolio**

Total number of holdings: **121**

UK Treasury 2% 07/2020	3.7%	EIB FRN (SONIA) 06/2023	2.5%
UK Treasury 4.75% 03/2020	3.7%	Coventry B/S (SONIA) 11/2023	2.5%
Toronto Dominion Cvd FRN (SONIA)	2.9%	Nationwide FRN (SONIA) 08/2022	2.5%
Santander Float (SONIA) 09/2021	2.7%	UK T-Bill 28th Oct 2019	2.5%
EIB FRN (SONIA) 03/2026	2.6%	IBRD FRN (SONIA) 10/2023	2.5%

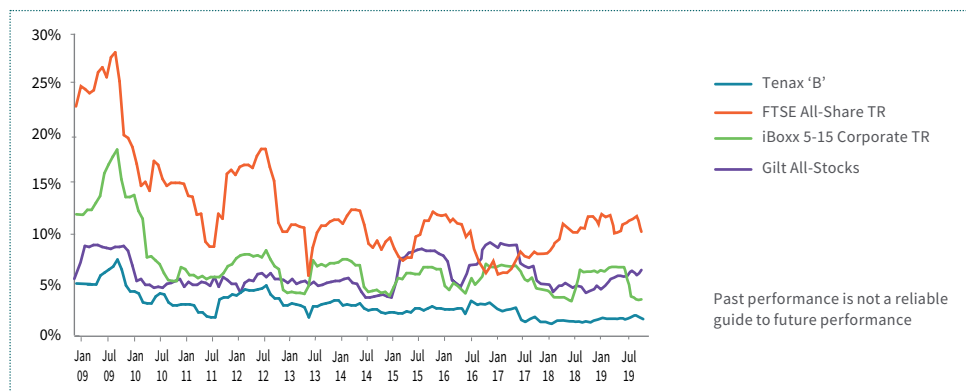
## Disposition



Cash Deposits	0.7%
Treasury/T-Bills	9.9%
FRN (AAA)	46.5%
Floating Rate Notes	3.9%
Fixed Interest	17.8%
Index-Linked	0.3%
Infrastructure	3.6%
Convertibles	8.6%
Hedge Funds	0.0%
Property / Real	1.8%
Equities	6.9%

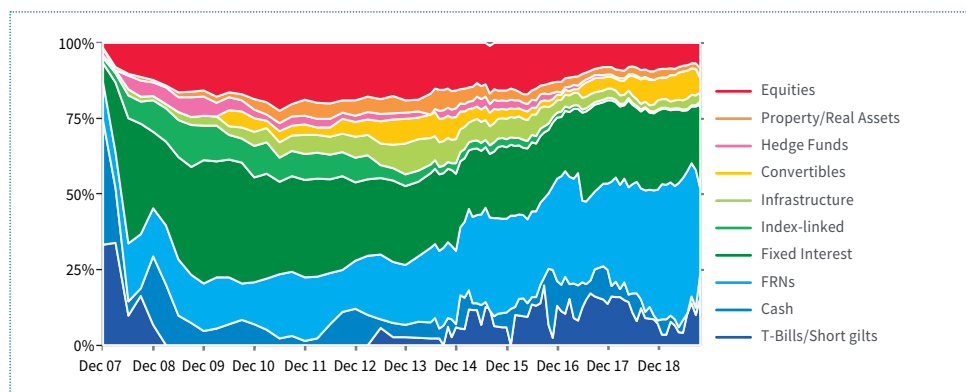
Source: Church House

## 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:**  
**salessupport@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](http://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.