



**Fund Manager**  
**James Mahon**

### Monthly Commentary

The Federal Reserve decided not to commence its tapering of QE (though the minutes reveal that this was not a unanimous view). The USD fell and sterling was a particular beneficiary, rising nearly 5% against USD over the month. London stocks rose modestly and ten-year gilt yields fell back slightly having briefly touched 3% earlier in the month.

With better news from Syria and Iran, oil and gold fell. Unfortunately, what should be a better backdrop for risk assets is now being overshadowed by the interminable wrangling over the US Budget and potentially the US debt ceiling – what a way to run the world's major economy and keeper of its reserve currency.

Transactions during the month were limited to a small addition to the holding in **Vodafone**, now the largest position in the Fund, and taking up the offer of new shares in **GCP Infrastructure**.

### Policy and Objectives

The Balanced Value and Income Fund is principally invested in UK equities, but a proportion (typically around 15%) is invested in Index-Linked, other fixed interest securities and infrastructure investment companies. Equities listed overseas may be included to a limited extent.

The objective of the Fund is to provide investors with medium to long-term capital and income growth at a level of volatility that is lower than the equity market generally.

### Key Information

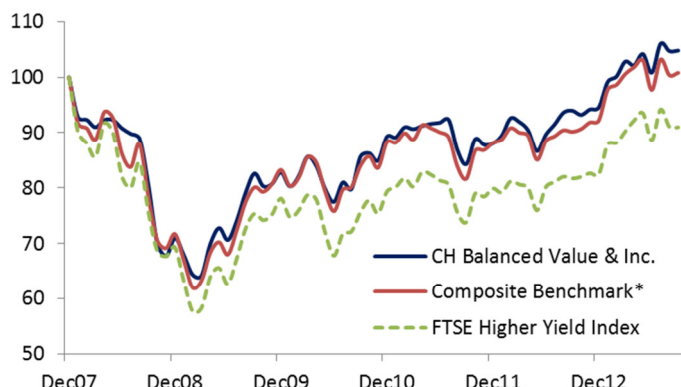
Bid price of Income Units	<b>164.2p</b>
Trust Type	Authorised unit trust/UCITS
Launch Date	February 2002
Dividend Payment	May & Nov
Last Ex Div Date	1 April 2013
Minimum Subscription	£5,000
Yield	3.0%
Management Fee	1.5%
Performance Fee	No
Fund Value	£34.6m
ISIN Number	GB0031336026
SEDOL No.	3133602

The value of an investment and the income from it can fall as well as rise as a result of market and other fluctuations, and you may not get back the amount originally invested. The information provided is not meant as investment advice, but may form part of your overall research. All data in this factsheet is at the date above unless otherwise stated. We may record telephone calls for our mutual protection.

The Authorised Fund Manager of the fund is: Smith & Williamson Fund Administration Ltd.

*This information is for professional investors and advisers only and should not be issued to, or relied upon by, retail investors.*

### Performance v. UK Indices



**Past performance is not a reliable guide to future performance**

Source: Church House, Bloomberg. Capital performance, CH BV is bid-to-bid.

Performance over past:	3m	1yr	3yrs	5yrs
CH Balanced Value & Income	4.0%	11.5%	22.4%	30.3%
Composite Benchmark Index*	3.2%	11.8%	20.1%	28.7%
FTSE Higher Yield Index	2.7%	11.4%	20.4%	20.4%
<b>CH BV Fund - Volatility</b>		<b>8.5%</b>	<b>8.9%</b>	<b>13.0%</b>

\*Composite Index currently: 45% FTSE Higher Yield, 42% FTSE All-Share, 13% FTSE Index-Linked All-Stocks

Source: Church House, Bloomberg. Capital performance, CH BV is income units, bid-to-bid net of fees

### Calendar Year Total Returns

YTD	2012	2011	2010	2009
12.8%	11.5%	1.5%	11.0%	20.8%

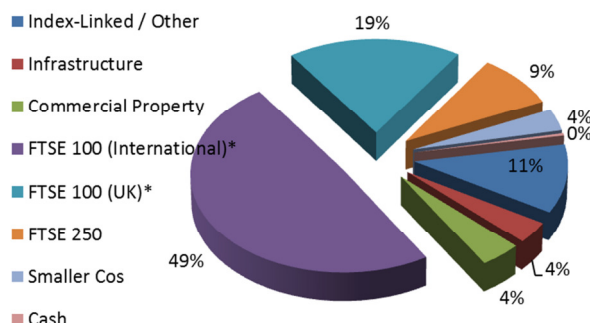
Source: Church House. Accumulation units, bid-to-bid

### Top Ten Holdings - 36% of Portfolio

Vodafone	5.7%	Diageo	2.8%
Royal Dutch Shell	5.6%	BHP Billiton	2.4%
HSBC Holdings	5.3%	AstraZeneca	2.3%
GlaxoSmithkline	4.5%	Tesco	2.2%
BP	3.2%	Reckitt Benckiser	2.2%

Total number of holdings: 61 | Portfolio Beta: 0.82

### Disposition



Source: Church House

\* our definition: companies with more than 75% of sales overseas

*Please remember that past performance is not a reliable guide to future performance.*

### Church House Investment Management

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Church House Investment Management is the trading name of Church House Investments Ltd

**Authorised and regulated by the Financial Conduct Authority (FCA no.190548)**