

SVS Church House Tenax Absolute Return Strategies Fund

Monthly Commentary

The Fund's share price rose over the month, which saw an apparent return to 'taps fully open' for monetary policy in major economies and strong equity markets in response to this and a (correctly anticipated) truce in the trade war. It remains hard to reconcile rock-bottom bond yields with the S&P 500 at new all-time highs, while the unedifying sight of President Trump cosy-ing-up to Kim Jong-un, close on the heels of his Putin show, is hard to watch; patience and available liquidity are key.

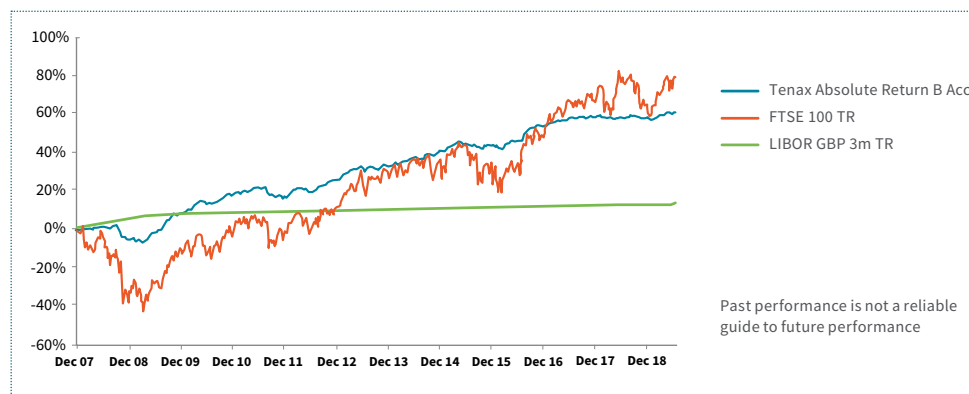
A digression this month into liquidity as a number of investors are (rightly) raising the question in the light of some high profile problems. We have no concerns as to the liquidity of Tenax' portfolio, but felt that we should address the topic. Looking around our asset pie chart: cash and treasury holding are immediate liquidity, next is the AAA-rated senior, secured, covered floating rate notes (FRNs), these are very strong credits and highly liquid money market instruments. Currently these categories alone account for 55% of the portfolio. Moving through the other fixed interest categories, we should point out that these are largely short-dated, investment grade instruments in good names (we do not hold any 'private', 'off-the-run' or 'retail' issues), which is naturally the most liquid area of the market with the tightest spreads (c. 23% of the portfolio).

In the remaining broad asset categories (infrastructure, convertibles, hedge funds, property and equity), we should state first that we do not invest in un-quoted/un-listed or illiquid securities or physical assets (and have no intention to do so). Investments are direct in listed securities and via listed closed-end investment companies. We are not holding any hedge fund investments at present, we are permitted to hold up to 10% of the portfolio in open-ended funds but limit this to sub 5%, current exposure being 4.3% (all daily-dealing funds). Of course, there are some investments in the portfolio that could take slightly longer to sell if required, perhaps up to a week, but this would amount to no more than 10% of the Fund's portfolio.

Necessarily, this is a brief tour around the liquidity characteristics of the portfolio, please get in touch if you would like more detail, which we would be happy to provide.

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 28 June 2019) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	1.00	1.96	8.76	17.88
Index: FTSE 100 TR	3.79	2.54	28.90	34.41
Benchmark: LIBOR GBP 3 Months TR	0.19	0.83	1.71	2.88

Source: FE Analytics. Total Return Nav-Nav month end (28 June 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	2.55	-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

A Share Class Min. investment £5,000
Management fee 1.25%
OCF 1.32%

B Share Class 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 Share Price 161.1p (Acc)

Sector Targeted Absolute Return

Trust Type OEIC – Non-UCITS Retail Scheme

Launch Date November 2007

Dividend Payment May & November

Yield 0.64% (B Acc)

Fund Value £370m

All prices and data in the Fact Sheet are as at 28 June 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.

Top Ten Holdings (%)

27.9% of Portfolio

Total number of holdings: **125**

UK Treasury 4.75% 04/2020	4.2%	IBRD FRN (SONIA) 10/2023	2.7%
Santander Float (SONIA) 09/2021	3.0%	Toronto Dominion Cvd FRN (SONIA)	2.7%
EIB FRN (SONIA) 03/2026	2.9%	ADB FRN (SONIA) 10/2023	2.6%
EIB FRN (SONIA) 06/2023	2.7%	ANZ FRN 01/2022	2.2%
Coventry B/S (SONIA) 11/2023	2.7%	RBS Covered FRN 05/2020	2.2%

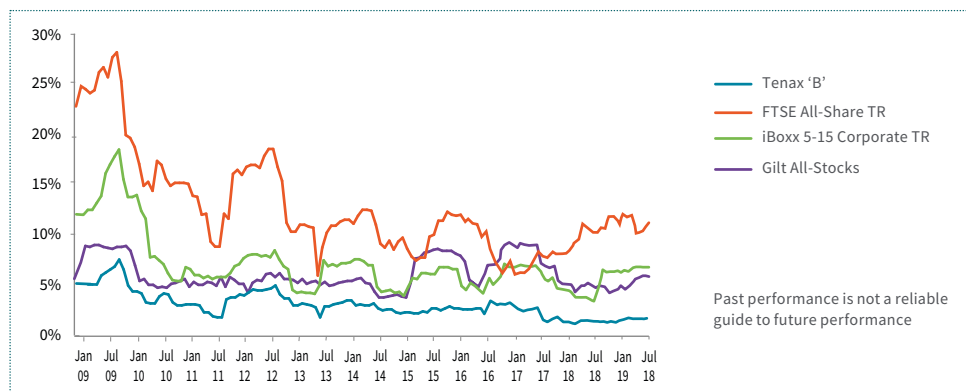
Disposition



Cash Deposits	4.2%
Treasury/T-Bills	4.2%
FRN (AAA)	46.9%
Floating Rate Notes	4.9%
Fixed Interest	17.4%
Index-Linked	0.4%
Infrastructure	3.2%
Convertibles	9.5%
Hedge Funds	0.0%
Property / Real	1.8%
Equities	7.6%

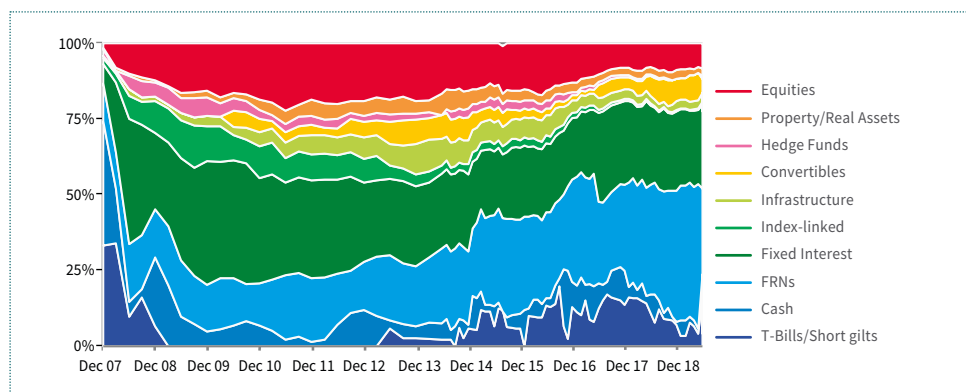
Source: Church House

Low Volatility Returns



Source: Church House, Bloomberg.

Asset Class Risk Profile as % of total VaR



Source: Church House.

LEARN MORE ABOUT THIS FUND

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.