

SVS Church House Balanced Equity Income Fund

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

Fund Managers



James Mahon



Carol Hooper

Objective and Policy

The Balanced Equity 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

A Share Class Min. investment £5,000
Management fee 1.50%
OCF 1.57%
Inc shares SEDOL: 3133602
Inc shares ISIN: GB0031336026
Acc shares SEDOL: B11DQ39
Acc shares ISIN: GB00B11DQ393

B Share Class For investment advisers and intermediaries only
Management fee 0.88%
OCF 0.95%
Inc shares SEDOL: BBNRB8
Inc shares ISIN: GB00BNB888
Acc shares SEDOL: BBNRC9
Acc shares ISIN: GB00BNB888

Bid Price of Income Units 191.0p (B)

Trust Type Authorised unit trust / UCITS

Launch Date February 2002

Dividend Payment May & Nov

Yield 3.14% (A Inc)

Fund Value £49.3m

All prices and data in the Fact Sheet are as at 29 December 2017.

All fund performance data is based on the A Inc shares and shown after the deduction of fees and charges. Yield data refers to the past 12 months and is based on a bid-basis.

Ongoing Charges Figure (OCF) based on accounts as at 31/03/2017.

Monthly Commentary

The Balanced Equity Income Fund has an objective to provide income and capital growth for UK investors at lower levels of volatility. To achieve this, the Fund invests principally in UK equities, with an emphasis on dividends, but 'balances' this with a portfolio of index-linked and other fixed interest securities and investments in property and infrastructure companies. At the year-end, equity represented 77% of the portfolio with a balance of 23%. The yield on the Fund was 3.1% and total return for the year (accumulation units) was 8.3%. Volatility is running at just over 6%, around three quarters of FTSE 100 volatility, as has been the case for the past five years.

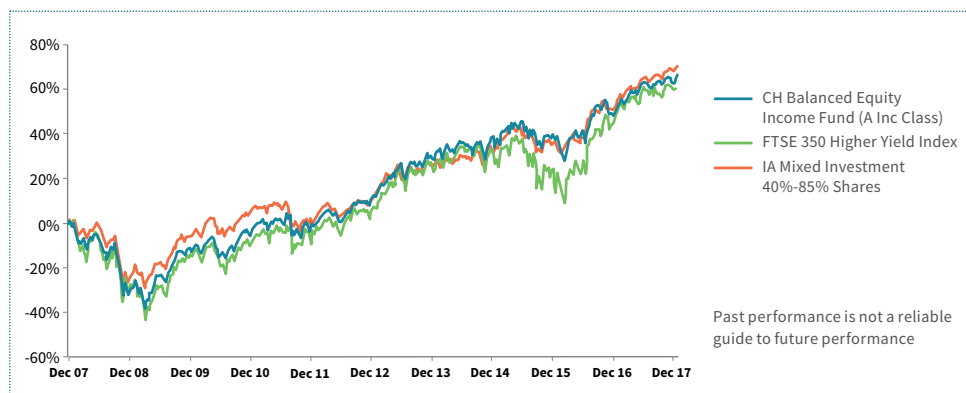
London was the laggard amongst the major markets over 2017; internationally, stocks were led by the American markets which, in turn, were led by technology, the NASDAQ recording an increase of 28% for the year. UK leading stocks were held back by a ten per cent recovery in sterling v. the US dollar, once again, Mid and Small-Cap stocks out-performed, as they have all year. Index-linked stocks picked-up in December but have changed little over the year; conventional fixed interest indices were marginally positive over the month but negative for the year as a whole. The conventional fixed interest holdings in the portfolio include two short-dated floating rate notes, as the current structure of rates is unattractive.

The Fund aims to achieve its lower volatility returns by virtue of the balance set out above and by maintaining a diverse equity portfolio. At the end of the year, there were 57 equity holdings and a further ten in the other categories.

There were few significant changes to the portfolio in December as the market recovered from a dull November. We did add to the holding in **Bunzl**, the distributor of (rather dull) items to food service companies, grocers and convenience stores. Their share price had weakened markedly under a, supposed, threat from Amazon.

Performance (A Shares) v. UK Indices

This comparison is for illustrative purposes only and the fund is not benchmarked against these indices.



Source: FE Analytics. Total Return Bid-Bid line chart (from 01 December 2007 to 29 December 2017) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3 yrs	5 yrs
SVS Church House Balanced Equity Income A Inc TR	1.96	8.25	21.73	49.28
Index : FTSE 350 Higher Yield TR	5.54	10.38	30.61	58.14
Sector : IA Mixed Investment 40% 85% Shares TR	3.35	9.98	27.44	52.98

Source: FE Analytics. Total Return Bid-Bid month end (29 December 2017) performance table from UK Investment Association universe.

Calendar Year Total Returns (%)

	YTD	2016	2015	2014	2013	2012
SVS Church House Balanced Equity Income A Inc TR	8.25	10.25	2.00	3.90	18.02	11.52

Source: FE Analytics. Total Return Bid-Bid discrete calendar performance table, of SVS Church House Balanced Equity Income Fund (A Inc) from UK Investment Association universe.

Top Ten Holdings (%)

30.3% of Portfolio

Total number of holdings: **69**

Portfolio Beta: **0.81**

Royal Dutch Shell PLC - B SHS	4.6%	BP PLC	2.8%
HSBC Holdings PLC	4.3%	Unilever PLC	2.7%
GlaxoSmithkline PLC	3.3%	Diageo PLC	2.6%
Relx NV	2.9%	Rio Tinto PLC	2.2%
AstraZeneca PLC	2.9%	Imperial Brands PLC	2.1%

Disposition

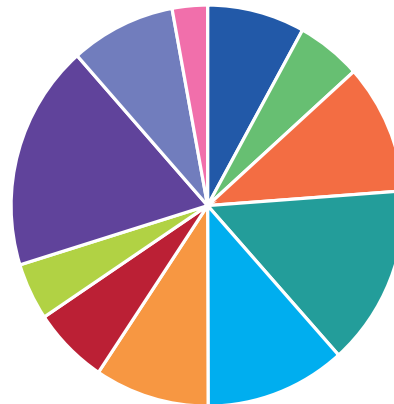


Index-Linked / Other	8.4%
Infrastructure	4.3%
Commercial Property	8.8%
FTSE 100 (Int'l)*	39.1%
FTSE 100 (UK)	21.1%
FTSE 250	11.5%
Smaller Cos	5.7%
Cash	1.1%

Source: Church House

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

Sector Allocations



Oil Production	8.5%
Mining	5.9%
Industrials	10.1%
Staples	14.1%
Pharmaceuticals	10.7%
Discretionary	9.5%
Utilities	6.1%
Technology	4.9%
Financials	17.2%
Property	10.2%
Investment Companies	2.8%

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.