

# SVS Church House Balanced Equity Income Fund

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

## Fund Manager



**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 1.55%  
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 0.93%  
Inc shares SEDOL: BBNRB8  
Inc shares ISIN: GB00BNB888  
Acc shares SEDOL: BBNRC9  
Acc shares ISIN: GB00BNB888C95

**Bid Price of Income Units** 192.8p (B)

**Trust Type** Authorised unit trust / UCITS

**Launch Date** February 2002

**Dividend Payment** May & Nov

**Yield** 3.01% (A Inc)

**Fund Value** £52.0m

All prices and data in the Fact Sheet are as at 29 June 2018.

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 31/03/2018.

## Monthly Commentary

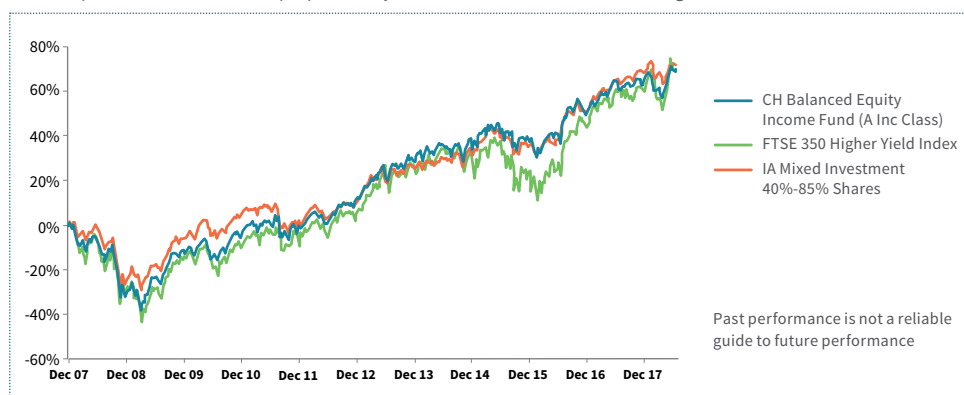
The Balanced Equity Income Fund was just in the black for the month and positive for the half year. We made a number of small additions to existing holdings over the month: the specialist chemical company **Croda International**, as their stock dipped, while continuing to build the new holding in **Micro Focus International** on weakness. We also added to **Dairy Crest Group**, whose share price has been under pressure, their stock has fallen around 25% over the past year. Finally, we bought some more **BT Group**, their stock has had a dreadful time, more than halving in value since late 2015, the imminent departure of their CEO, Gavin Patterson, combined with increased capex and a re-based dividend should provide the impetus for a revival.

June looked increasingly problematic for stock markets. The US is tightening monetary policy, the ECB and BoE are talking about it, the USD moved up again, taking a toll on emerging markets, and President Trump's 'easy to win' trade war appears to be escalating. The equity rally from the March lows duly ran out of steam June, FTSE 100 closed down 0.5% and marginally more for H1 while the higher yield Index fell slightly more and was down 1.6% for H1. Mid-cap stocks, as represented by FTSE 250, held onto a small gain for H1. A quieter month in bond markets saw index-linked and conventional gilts falling around 0.6% while corporates were a shade worse.

The Bank of England's MPC voted 6-3 to maintain rates at 0.5% but hinted at increases to come; the August MPC meeting is likely to lift rates (of course, only at a "gradual pace and to a limited extent"), let's hope they don't flunk it again. The Bank also stated that they will maintain their stock of gilts at £435bn until base rates get back to 1.5%, at the current pace that could be a long time coming. The US Federal Reserve stands out as an oasis of sense, the FOMC lifted rates again and issued a bullish statement indicating further increases to come. The Fed's balance sheet is now contracting by \$40bn per month – quantitative tightening under way.

## 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 June 2018) from UK IA universe.

## Performance Summary (%)

	3m	1 yr	3 yrs	5 yrs
SVS Church House Balanced Equity Income A Inc TR	8.05	5.32	22.50	40.63
Index : FTSE 350 Higher Yield TR	9.91	8.19	33.50	44.83
Sector : IA Mixed Investment 40% 85% Shares TR	4.89	4.85	24.08	43.36

Source: FE Analytics. Total Return Bid-Bid month end (29 June 2018) performance table from UK Investment Association universe.

## Calendar Year Total Returns (%)

	YTD	2017	2016	2015	2014	2013
SVS Church House Balanced Equity Income A Inc TR	2.24	8.25	10.25	2.00	3.90	18.02

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 (%)**

**29.4% of Portfolio**

Total number of holdings: **68**

Portfolio Beta: **0.79**

Royal Dutch Shell PLC - B SHS	4.7%	Unilever PLC	2.6%
HSBC Holdings PLC	3.8%	Diageo PLC	2.5%
GlaxoSmithkline PLC	3.7%	Rio Tinto PLC	2.2%
BP PLC	2.9%	BHP Billiton PLC	2.2%
Relx NV	2.7%	AstraZeneca PLC	2.0%

**Disposition**



Index-Linked / Other	4.2%
Infrastructure	3.8%
Commercial Property	8.7%
FTSE 100 (Int'l)*	39.4%
FTSE 100 (UK)	19.5%
FTSE 250	10.6%
Smaller Cos	6.4%
Corporate Bonds	3.6%
Cash	3.8%

Source: Church House

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

**Sector Allocations**



Oil Production	9.0%
Mining	6.6%
Industrials	10.8%
Staples	14.2%
Pharmaceuticals	10.2%
Discretionary	8.5%
Utilities	6.0%
Technology	6.3%
Financials	15.0%
Property	10.3%
Investment Companies	3.1%

**LEARN MORE ABOUT THIS FUND**

**CALL: 0207 534 9877 and speak to our Sales Support Team**

**EMAIL: [salesupport@church-house.co.uk](mailto:salesupport@church-house.co.uk)**

**CALL: 0207 534 9879 for our Sales Director, Sam Liddle**

**EMAIL: [s.liddle@church-house.co.uk](mailto: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.