

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: BBNR88
Inc shares ISIN: GB00BNR888
Acc shares SEDOL: BBNR99
Acc shares ISIN: GB00BNR999

Bid Price of Income Units 195.9p (B)

Trust Type Authorised unit trust / UCITS

Launch Date February 2002

Dividend Payment May & Nov

Yield 2.96% (A Inc)

Fund Value £53.6m

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

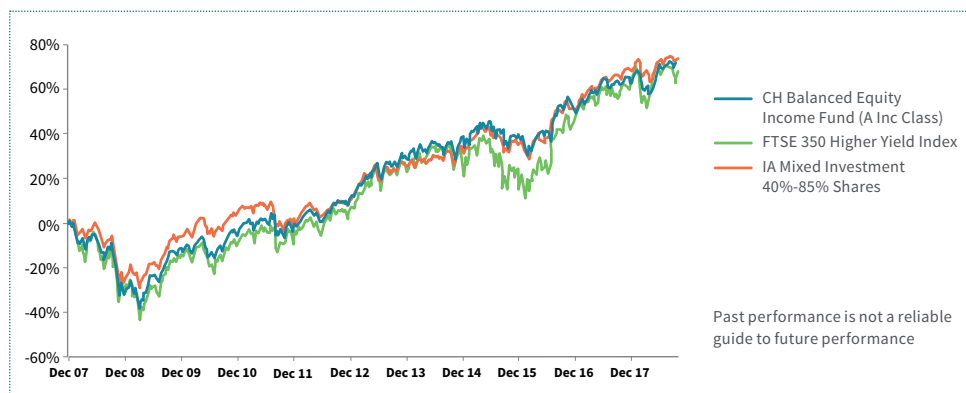
Equity market volatility was back in evidence in UK stocks in September. The first two weeks of the month saw London stock prices resume the August fall and sink to a level around 10% down from the high in May. A rally ensued from the lows, which does not look that convincing, and the month closed with a small positive for the leaders, though small and mid-cap stocks were still negative. In contrast, US stocks were positive (again) and much less volatile. Ten-year bond yields are moving up again generally and this could easily lead to renewed equity market weakness. The UK ten-year gilt yield rose to 1.6%, gilt prices were down, index-linked stocks also fell.

It has long been our view that UK (and European) rates have been kept too low for too long. Now we have a renewal of Italian concerns, where ten-year yields moved over 3.25% (a level last seen in 2014) after their EU-shocking budget. Quite possibly, the EU faces a more serious threat from this quarter than from Brexit. The oil price broke up through \$80, putting yet more pressure on emerging markets and on inflation generally. Sterling is still volatile in response to Brexit negotiations but managed a modest rally against the dollar and euro.

The Balanced Equity Income Fund had a positive month. We added to the holding in **BHP Billiton** as they fell sharply with the market in early September. Latterly, we added a new position in the packaging company, **D S Smith**, which, after recent falls, offer a growing dividend at a reasonable price in an area that looks set to keep growing. Amongst the smaller companies, we took some profit from **Craneware**, which had performed exceptionally for us and added to the holding in **Clinigen Group**; neither really being 'small' companies having market caps either side of £1bn.

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 28 September 2018) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3 yrs	5 yrs
SVS Church House Balanced Equity Income A Inc TR	1.49	5.80	28.66	37.26
Index : FTSE 350 Higher Yield TR	-0.92	5.80	43.38	38.28
Sector : IA Mixed Investment 40% 85% Shares TR	1.41	5.35	32.62	40.91

Source: FE Analytics. Total Return Bid-Bid month end (28 September 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	3.77	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 (%)

29.0% of Portfolio

Total number of holdings: **70**

Portfolio Beta: **0.78**

Royal Dutch Shell PLC - B SHS	4.5%	Relx NV	2.5%
GlaxoSmithkline PLC	3.6%	Craneware PLC	2.5%
HSBC Holdings PLC	3.5%	Diageo PLC	2.4%
BP PLC	2.9%	BHP Billiton PLC	2.4%
Unilever PLC	2.6%	AstraZeneca PLC	2.2%

Disposition



Index-Linked / Other	4.9%
Infrastructure	4.0%
Commercial Property	8.4%
FTSE 100 (Int'l)*	38.7%
FTSE 100 (UK)	18.4%
FTSE 250	10.9%
Smaller Cos	7.3%
Corporate Bonds	4.3%
Cash	3.1%

Source: Church House

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

Sector Allocations



Oil Production	8.9%
Mining	7.1%
Industrials	10.5%
Staples	13.9%
Pharmaceuticals	10.6%
Discretionary	8.6%
Utilities	5.5%
Technology	6.9%
Financials	14.8%
Property	10.1%
Investment Companies	3.2%

LEARN MORE ABOUT THIS FUND

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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.