

SVS Church House Esk Global Equity Fund

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

Monthly Commentary

The Esk Fund suffered with international markets, though its unit price was also XD at the beginning of the month, as a sharp sell-off in US stocks spread rapidly around other world markets. American ten-year bond yields moved up again over the first week of the month combining with the list of other worries dogging markets at the moment, triggered the sell-off. A late rally helped the monthly stats a bit: the S&P 500 fell 7%, after 10% a few days earlier, while the NASDAQ led the way, down 9% after 14%. The FANGs fell between 9% and 18% over the month.

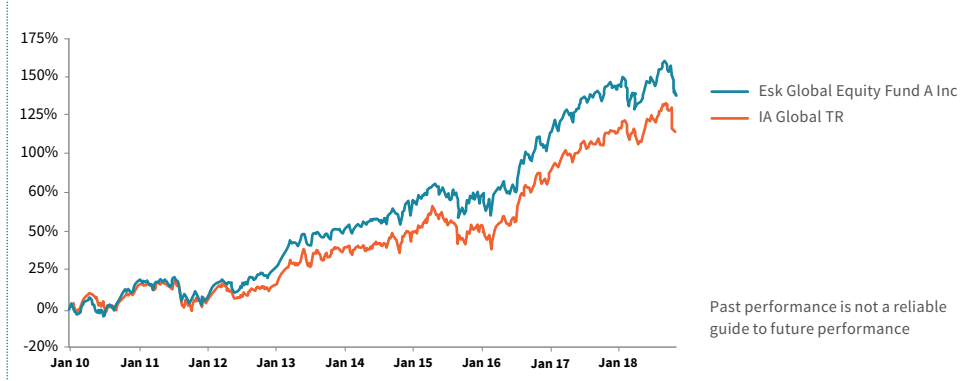
European stocks followed the path as did the Far East; the Shanghai Composite closed the month around 27% down from January's level, putting it firmly into 'bear market' territory and, possibly, encouraging President Trump's view that China will negotiate in trade talks. Notable, though, has been the President's assertion that the sell-off in US stocks was the Fed's fault, the previous gains having been his. London stocks followed a similar pattern with a late rally leaving the market down 5.4% after 9% at the worst, while smaller companies suffered more, a trend that was visible in a number of markets.

It was notable that US yields remained higher for the month as a whole, against the usual pattern (that did emerge in the UK and Europe) of yields falling as money heads for the comfort of sovereign bonds. The rapid switch to pessimism also knocked the oil price off its perch, down 8.5% over the month, though the concessions to Iran over a number of their export markets also played a part here.

With liquidity in hand and a portfolio beta below 1.0, we did not make any significant changes to the Fund's portfolio during the month. We did take the opportunity to look at 2019 forecasts for all the holdings in the portfolio and test their on-going 'quality'. Overall, the portfolio offered an earnings yield of 7.4% (P/E of 13.5) with a dividend yield of 2.5% (cover c. 3 times), levels that we did not consider to be stretched.

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 2009 to 31 October 2018) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Esk Global Equity A Inc TR	-4.43	-0.95	39.90	58.91
Sector: IA Global TR	-5.46	0.79	41.44	54.01

Source: FE Analytics. Total Return Bid-Bid month end (31 October 2018) performance table from UK Investment Association universe.

Calendar Year Total Returns (%)

	YTD	2017	2016	2015	2014	2013
SVS Church House Esk Global Equity A Inc TR	-1.17	13.92	23.12	3.01	12.20	18.49

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

Fund Manager



James Mahon

Objective and Policy

This is an international equity fund with a medium to long-term capital growth objective; the income yield is low. The Fund invests principally in direct equity holdings but may also invest in international investment companies to gain further market access and diversification. Occasionally, fixed interest or convertible securities may be included.

Key Information

A Share Class	Min. investment £50,000 Management fee 1.24% OCF 1.32% Inc shares SEDOL: 0506832 Inc shares ISIN: GB0005068324 Acc shares SEDOL: BNF4L3 Acc shares ISIN: GB00BNFX4L36
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B Share Class	For investment advisers and intermediaries only Management fee 0.87% OCF 0.95% Inc shares SEDOL: BBNRG3 Inc shares ISIN: GB00BNBNRG34 Acc shares SEDOL: BBNNRH4 Acc shares ISIN: GB00BNBNRH41
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Bid Price of Income Units	265.7p (B) XD
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Sector	Global
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Trust Type	Authorised unit trust / UCITS
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Launch Date	November 1996
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Dividend Payment	May & Nov
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Yield	0.54% (A Inc)
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Fund Value	£38.6m
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All prices and data in the Fact Sheet are as at 31 October 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 30/09/2017.

Top Ten Holdings (%)

24.8% of Portfolio

Total number of holdings: **55**

Microsoft Corp	3.2%	Apple Inc	2.2%
Stryker Corp	3.0%	Alphabet Inc-CL A	2.2%
Nestle SA-REG	2.6%	Mondelez International Inc-A	2.2%
Illumina Inc	2.5%	Muenchener Rueckver AG-REG	2.2%
Roche Holding AG-Genusschein	2.5%	Unilever NV-CVA	2.2%

Disposition



London	10.6%
New York	42.4%
N. Europe*	22.8%
Nordic**	4.7%
Zurich	5.0%
Far East***	7.6%
Cash	6.9%

Source: Church House

* Amsterdam, Paris, Frankfurt

** Copenhagen, Stockholm, Oslo

*** Singapore, Tokyo

Sector Allocations



Oil Production	5.0%
Mining	6.5%
Industrials	4.9%
Consumer Staples	13.8%
Pharmaceuticals	13.3%
Discretionary	10.9%
Utilities	0.0%
Technology	16.5%
Financials	17.0%
Property	0.0%
Investment Companies	5.1%
Cash	6.9%

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.