

SVS Church House Esk Global Equity Fund

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

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

B Share Class For investment advisers and intermediaries only
Management fee 0.87%
OCF 0.95%
Inc shares SEDOL: BNBNG3
Inc shares ISIN: GB00BNBNG34
Acc shares SEDOL: BBNRH4
Acc shares ISIN: GB00BNBNRH41

Bid Price of Income Units 286.1p (B)

Sector Global

Trust Type Authorised unit trust / UCITS

Launch Date November 1996

Dividend Payment May & Nov

Yield 0.50% (A Inc)

Fund Value £40.7m

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 30/09/2017.

Monthly Commentary

As Q3 comes to a close, equity market volatility was evident in UK and European markets again. In contrast, US stocks were positive (again) and much less volatile. The best performance came from Japan, where stocks rallied quite significantly. The first two weeks of September saw London stocks sink to a level around 10% from the high in May before staging a rally (which does not look that convincing) to close with a small positive. Ten-year bond yields are moving up again and this could easily lead to renewed equity market weakness. The US ten-year yield is over 3% again and the thirty-year (long bond) is moving too, so, despite recent concerns, the US yield curve is steepening again. The UK ten-year rose to 1.6%, even the German bund yield rose, moving back over 0.5%. The wild card here is Italian bond yields, which, after edging down a bit early in the month, 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.

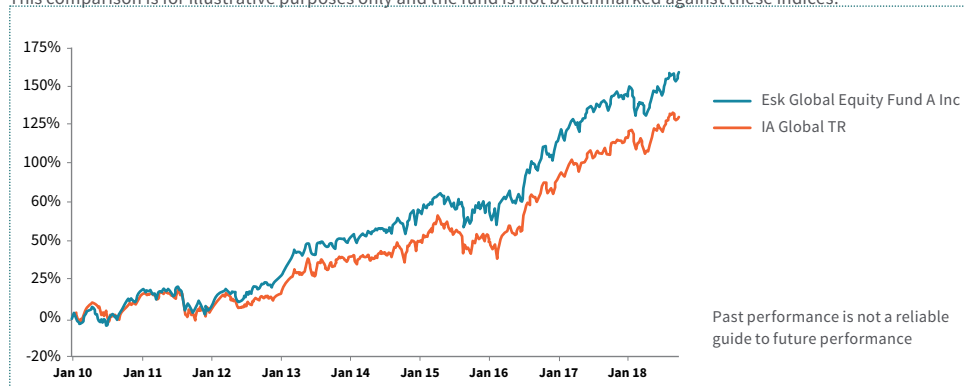
The oil price broke up through \$80, putting yet more pressure on emerging markets and on inflation generally. Sterling is still volatile in response to Brexit negotiations but managed a modest rally against the dollar and euro.

The Esk Global Equity Fund had a busy month and closed with a small positive. Having opened the month with cash at elevated levels, we had the opportunity to add to a number of holdings as many markets sank over the first two weeks: **BHP Billiton**, **BASF** and **Total** (which we added to again late in the month) in the materials and oil sectors, **Unilever**, **Nestlé** and **Anheuser-Busch** among the staples and **Morgan Stanley** in financials. **Christian Dior** has been an excellent investment for the Fund, but with so little stock left as 'free float' we have now switched across into the parent **LVMH**. Later in the month we also added to the holdings in **Relx** and **Stryker Corp**.

Amongst the other banks, we closed the position in **Danske Bank**, concerned with investigations into their Estonian branch and the likely escalation of this, and added to the existing holding in **Sumitomo Mitsui Financial Group**. Banks, of course, should be beneficiaries of rising rates in a benign economic environment... Finally we switched out of **HSBC Holdings** into **Standard Chartered**, which looks significantly cheaper and in much better shape now, yet has performed abysmally.

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 28 September 2018) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Esk Global Equity A Inc TR	4.93	9.70	59.08	75.49
Sector : IA Global TR	3.87	11.63	61.82	72.19

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 Esk Global Equity A Inc TR	5.78	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.

Top Ten Holdings (%)
24.7% of Portfolio

Total number of holdings: 55

Microsoft Corp	3.1%	Roche Holding AG-Genusschein	2.3%
Stryker Corp	3.1%	Alphabet Inc-CL A	2.3%
Illumina Inc	2.8%	Total SA	2.2%
Nestle SA-REG	2.4%	Apple Inc	2.1%
LVMH	2.3%	Unilever NV-CVA	2.1%

Disposition



London	10.9%
New York	42.2%
N. Europe*	23.5%
Nordic**	4.7%
Zurich	4.7%
Far East***	7.9%
Cash	6.2%

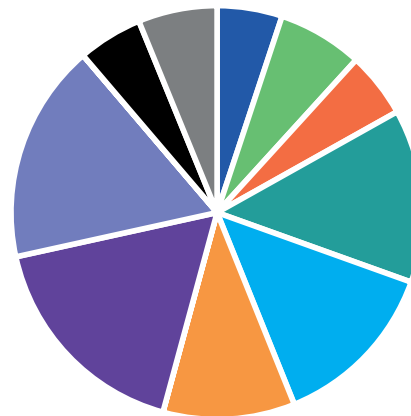
Source: Church House

* Amsterdam, Paris, Frankfurt

** Copenhagen, Stockholm, Oslo

*** Singapore, Tokyo

Sector Allocations



Oil Production	5.1%
Mining	6.7%
Industrials	5.1%
Consumer Staples	13.6%
Pharmaceuticals	13.4%
Discretionary	10.4%
Utilities	0.0%
Technology	17.3%
Financials	17.2%
Property	0.0%
Investment Companies	5.1%
Cash	6.2%

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.