

# SVS Church House Investment Grade Fixed Interest Fund

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

## Fund Manager



**Jeremy Wharton**

## Objective and Policy

The Fund is a 100% investment grade bond fund in the IA UK Corporate Bond sector. As a further quality control, the fund will always hold 25%-35% in AAA rated debt. The fund managers maintain a diverse portfolio in excess of 100 holdings and the focus is on high quality issuance which helps to maintain low volatility.

Within the bounds of investing in Investment Grade corporate bonds and UK Government Gilts, the fund is flexible in the underlying duration of its holdings and seeks to protect against both credit and interest rate risk.

## Key Information

<b>Bid price, Income / Accumulation</b>	114.5p (XD) /166.1p
<b>Sector</b>	Sterling Corporate Bond
<b>Trust Type</b>	Authorised unit trust / UCITS
<b>Launch Date</b>	December 2000
<b>Dividend Payment</b>	Feb, May, Aug & Nov
<b>Minimum Subscription</b>	£5,000
<b>Yield</b>	2.3%
<b>Management Fee</b>	0.75% OCF 0.84%
<b>Fund Value</b>	£299m
<b>ISIN Number</b>	Inc: GB0004743828 Acc: GB00B11DPK96
<b>SEDOL No.</b>	Inc: 0474382 Acc: B11DPK9

All prices and data in the Fact Sheet are as at 30 April 2018.

All fund performance data is based on the 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.

The management fee is 1.25% on the first £25m then 0.75% thereafter.

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

## Monthly Commentary

The macro picture remains clouded as tariff threats abound, Trump randomness continues and Brexit negotiations take on the realms of 'fantasy' according to the EU (apparently the BoE is prepared for a chaotic Brexit). The Euro has its own problems as Italian politics continue to dwell in their own 5 star fantasy land. Italian credit has suffered some sharp moves wider and Draghi will have to continue to do what it takes to prevent yields on BTP's finding a realistic level.

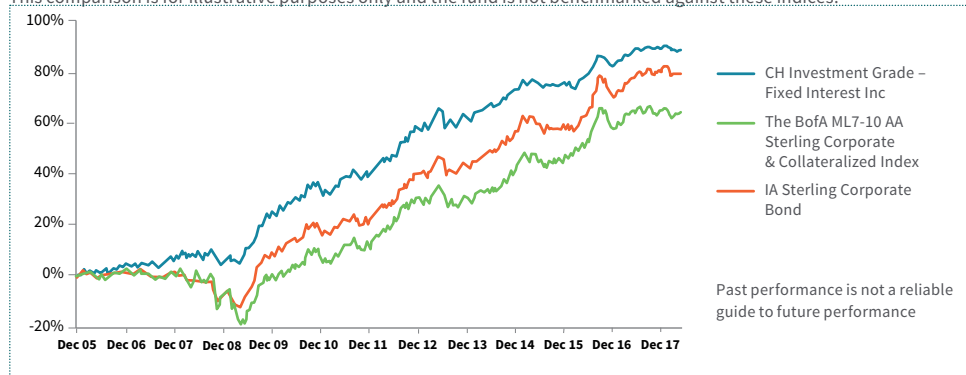
Central banks on both sides of the Atlantic paused as the Fed took time out from its hiking cycle. As normalisation continues and the Federal Reserve reduces its balance sheet at the same time as the Federal Government increases its borrowing, US funding requirements will reach \$400bn a quarter. Governor Carney and the MPC suffered from stage fright, yet again. He defended his U-turn in front of MP's but the Banks guidance remains pointless. He also confirmed his departure next June but his deputy and possible successor then ruined his own chances with crass comments regarding the state of the UK economy. The first quarter slowdown is understandable in my mind but the Office for National Statistics have a different opinion, loftily declaring that the severe weather had had little effect, analysis based on a fairly narrow survey by all accounts. Wage growth leading to increased personal consumption increasingly looks like the UK economy's lifeline.

Credit spreads have seen some volatility and both iTraxx IG and Crossover indices have given up April's gains. LT2 bank capital in particular has seen some marked widening bringing some issues, nearly back to a level where they offer value. Primary issuance has been fairly muted but what we have seen has been met with continued demand.

Buyers of last year's Argentinian 100 year Government bond were reminded of inherent sovereign risk and were probably not delighted as rates were hiked to 40% and \$30bn sought from the IMF.

## Performance v. UK Indices

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



Source: FE Analytics. Net Return Bid-Bid line chart (from 01 December 2005 to 30 April 2018) from UK IA universe.

## Performance Summary (%)

	3m	1 yr	3yrs	10yrs
SVS Church House Investment Grade Fixed Interest Inc GTR in GB	-0.48	0.57	7.38	74.89
Sector: IA Sterling Corporate Bond GTR in GB	-0.88	1.22	12.23	80.46
Index: The BofA ML 7 10 Year AA Sterling Corporate & Collateralized TR in GB	0.23	-0.62	12.16	63.87

Source: FE Analytics. Gross Total Return (net of fees, gross of tax) Bid-Bid month end (30 April 2018) performance table from UK Investment Association universe.

## Calendar Year Total Returns (%)

	YTD	2017	2016	2015	2014	2013	2012
SVS Church House Investment Grade Fixed Interest Inc GTR in GB	-0.85	3.47	5.14	0.74	8.01	1.24	12.40

Source: FE Analytics. Gross Total Return (net of fees, gross of tax) Bid-Bid discrete calendar performance table, of SVS Church House Investment Grade Fixed Interest Fund from UK Investment Association universe.

## Church House Investment Management

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Church House Investment Management is the trading name of Church House Investments Limited

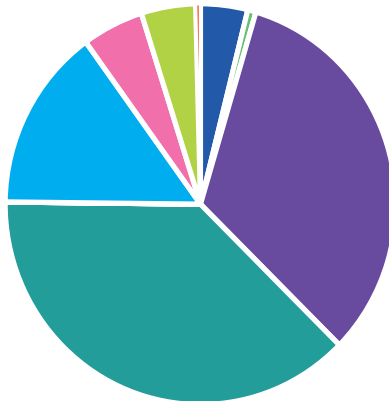
Authorised and regulated by the Financial Conduct Authority

[www.ch-investments.co.uk](http://www.ch-investments.co.uk)

Top Ten Holdings (%)  
20.1% of Portfolio

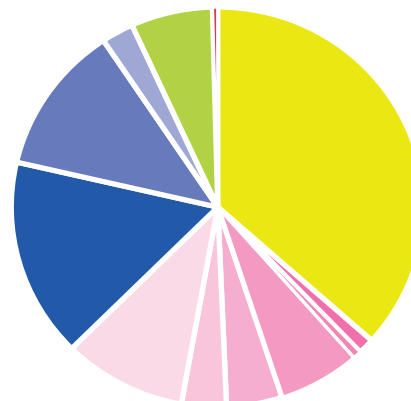
Goldman Sachs Group 7.25% 2028	2.8%	Citigroup 5.15% 2026	1.9%
Santander Covered FRN 11/2022	2.2%	BAA Funding LTD Class B 6% 2020	1.8%
Treasury 4.75% 2020	2.2%	AP Moller-Maersk 4% 2025	1.8%
RBS Covered 2020	2.1%	SSE Hybrid 2049	1.7%
Orange SA Hybrid 2022/49	2.0%	Close Brothers Group PLC 2.75% 2026	1.7%

Disposition



Government Guaranteed	3.9%
Supranational	0.7%
Senior / Debenture	32.8%
Senior unsecured	37.8%
Un-subordinated	0.0%
Subordinated	14.8%
Lower tier	5.1%
Preferred & Ordinary	4.5%
Cash	0.4%

Rating Split (S&P / equivalent)



AAA	36.6%
AA+	1.3%
AA	0.7%
AA-	6.4%
A+	4.3%
A	3.5%
A-	9.7%
BBB+	16.1%
BBB	12.0%
BBB-	2.5%
Un-rated	6.4%
Cash	0.4%

Source: Church House, Bloomberg

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**

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