

# SVS Church House Tenax Absolute Return Strategies Fund

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

## Fund Managers



**James Mahon**



**Jeremy Wharton**

## Objective and Policy

Tenax has an absolute return objective, aiming to achieve positive returns over rolling twelve-month periods at low levels of volatility. Capital invested in the Fund is at risk, there is no guarantee that a positive return will be achieved over a rolling twelve-month, or any other, period. The portfolio is diverse across asset classes; investments are principally direct (it is not a fund-of-funds) but other funds may be held to provide further diversification. The benchmark for the Fund is three-month £ LIBOR. Capital preservation is key; the Fund is prepared to hold high proportions in cash and other low-risk assets.

## Key Information

**A Share Class** Min. investment £5,000  
Management fee 1.21%  
OCF 1.27%

**B Share Class** For investment advisers and intermediaries only  
Management fee 0.85%  
OCF 0.91%  
Inc shares SEDOL: BNGY2T9  
Inc shares ISIN: GB00BNGY2T93  
Acc shares SEDOL: B28KSK1  
Acc shares ISIN: GB00B28KSK12

**B Share Price** 158.5p (Acc)

**Sector** Targeted Absolute Return

**Trust Type** OEIC – Non-UCITS Retail Scheme

**Launch Date** November 2007

**Dividend Payment** May & November

**Yield** 0.80% (B Acc)

**Fund Value** £199m

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

All fund performance data is based on the B Acc shares and shown after the deduction of fees and charges. Yield data refers to the past 12 months.

Ongoing Charges Figure (OCF) based on accounts as at 30/09/2017.

## Monthly Commentary

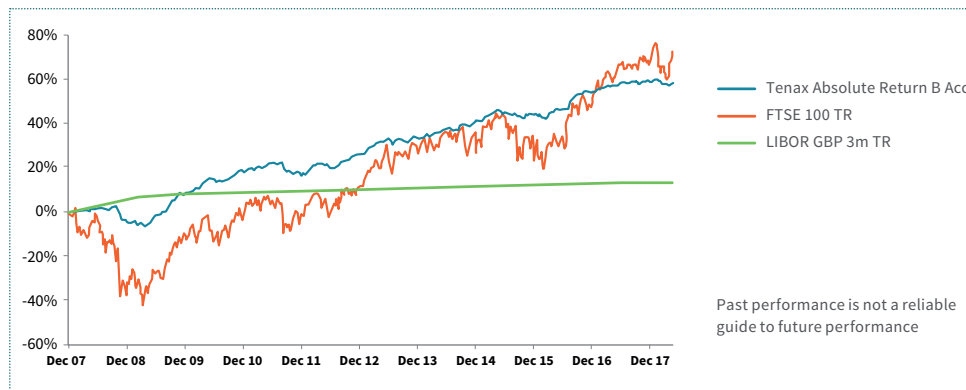
A sharp tap on the brakes for expectations of a rate rise knocked sterling off its perch and helped to cheer-up UK equity markets after the miserable first quarter, but the ten-year gilt yield rose over the month to 1.42% from 1.35%. Three-month GBP LIBOR came off best levels around 79bp to close unchanged on the month at 71bp. It would appear to be more a case of 'normalisation' deferred rather than cancelled. Our floating rate note (FRN) book has seen more quarterly coupon re-fixes at higher levels while April 2018 covered issues from **Swedbank** and **Nationwide Building Society** matured. We participated in two new covered FRN issues from **Santander UK** and **Nationwide**, maturing in April 2021 and 2023 respectively. At 34%, the covered FRN book remains the largest slice of the Fund's pie.

In the fixed interest area of the portfolio, the **Bank of America** 7.75% 2018 stock matured as did our reverse convertible note from JP Morgan, the only addition was to the holding in **Nordea Bank** USD FRN. In the equity slice, we participated in a new issue of **Odyssean Investment Trust** and added further to the holding in **Standard Chartered**. Alternatively, we have been reducing exposure to **RIT Capital Partners**, which has been an excellent investment with the right beta characteristics for us, but is now trading at a significant premium to underlying assets.

The weakness in sterling was actually more of a reflection of dollar strength: the USD put in its first meaningful rally after 2017's fall, the USD Index rose by almost 2% over the month. The US ten-year headed back up towards the 3% level, while the long bond edged-up to 3.12%. The flat yield curve in America is getting more noticeable and causing some concerns, we suspect that it can persist for a while, albeit at higher overall levels. US stocks had a quieter month, closing barely changed, despite further good figures emerging in the reporting season: in most cases an initial positive response to good earnings was reversed amidst talk of 'peak earnings'.

## Performance (B Shares) v. UK Indices (and other)

The comparison to FTSE 100 TR is for illustrative purposes only and the fund is not benchmarked against this index.



Source: FE Analytics. Total Return Nav-Nav line chart (from 01 December 2007 to 30 April 2018) from UK IA universe.

## Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	-0.31	0.70	9.63	20.21
Index: FTSE 100 TR	0.39	8.51	21.29	41.12
Benchmark: LIBOR GBP 3 Months TR	0.16	0.45	1.45	2.55

Source: FE Analytics. Total Return Nav-Nav month end (30 April 2018) performance table from UK UT and OEICs universe.

## Calendar Year Total Returns (%)

	YTD	2017	2016	2015	2014	2013
SVS Church House Tenax Absolute Return Strategies B Acc in GB	-0.56	2.71	7.85	1.62	6.23	5.63

Source: FE Analytics. Total Return Nav-Nav discrete calendar performance table, of SVS Church House Tenax Absolute Return Strategies Fund (B Acc) from UK Investment Association universe.



### Top Ten Holdings (%)

**29.54% of Portfolio**

Total number of holdings: **124**

UK Treasury 1.25% 2018	8.3%	Santander Covered FRN 11/2022	2.4%
EIB 0.625% 01/2020	4.1%	Sparebanken Covered FRN 12/2022	2.3%
EIB FRN 02/2020	2.6%	TD Covered FRN 02/2019	1.6%
EIB FRN 04/2019	2.6%	RBS Covered FRN 05/2020	1.5%
EIB 1.125% 09/2021	2.6%	Barclays Covered FRN 05/2020	1.5%

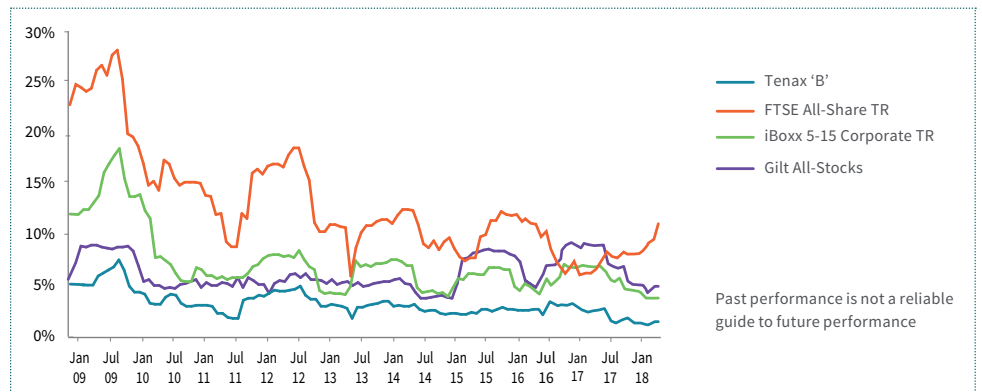
### Disposition



Cash Deposits	5.9%
Treasury/T-Bills	14.9%
Floating Rate Notes	34.4%
Fixed Interest	24.2%
Index-Linked	0.7%
Infrastructure	2.8%
Convertibles	4.8%
Hedge Funds	0.7%
Property / Real	2.6%
Equities	9.1%

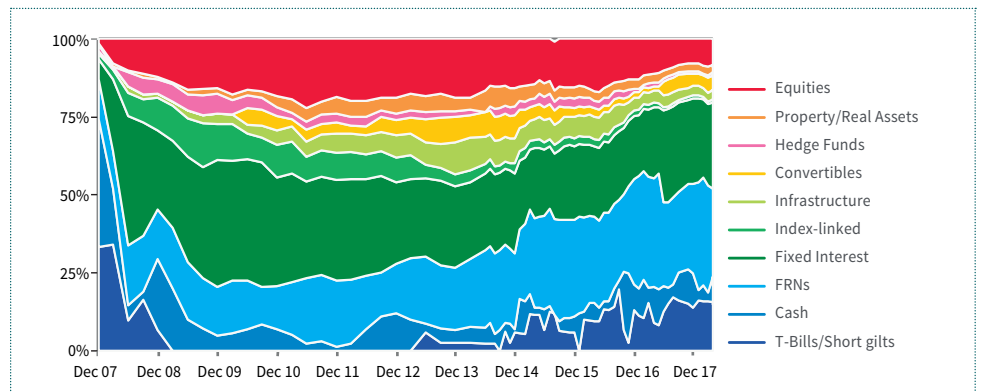
Source: Church House

### Low Volatility Returns



Source: Church House, Bloomberg.

### Asset Class Risk Profile as % of total VaR



Source: Church House.

### 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.