

# 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 1.25%  
OCF 1.27%

**B Share Class** For investment advisers and intermediaries only  
Management fee 0.875%  
OCF 0.91%  
Inc shares SEDOL: BNGY2T9  
Inc shares ISIN: GB00BNGY2T93  
Acc shares SEDOL: B28KSK1  
Acc shares ISIN: GB00B28KSK12

**B Share Price** 159.1p (Acc)

**Sector** Targeted Absolute Return

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

**Launch Date** November 2007

**Dividend Payment** May & November

**Yield** 0.97% (B Acc)

**Fund Value** £156m

All prices and data in the Fact Sheet are as at 31 October 2017.

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 30/09/2016.

## Monthly Commentary

US stocks cruised ahead to make further new highs, ostensibly encouraged by prospects for tax reform/reductions, but, more significantly, in the wake of some expectation-busting figures from the leading tech stocks. The NASDAQ led the market, as it has all year. Whether or not this White House team can actually deliver on their tax plans remains an open question. After the modest lurch in September, UK equities recovered their poise and returned FTSE to 7500, awaiting interest rate decisions and, largely, ignoring the messy political backdrop. Market volatility is still low, the same is certainly not true of individual stocks, which are reacting dramatically to bad/good news, perhaps this will spread to the general market before long. Japanese markets had their best month for several years, taking them back up to 2006/7 levels.

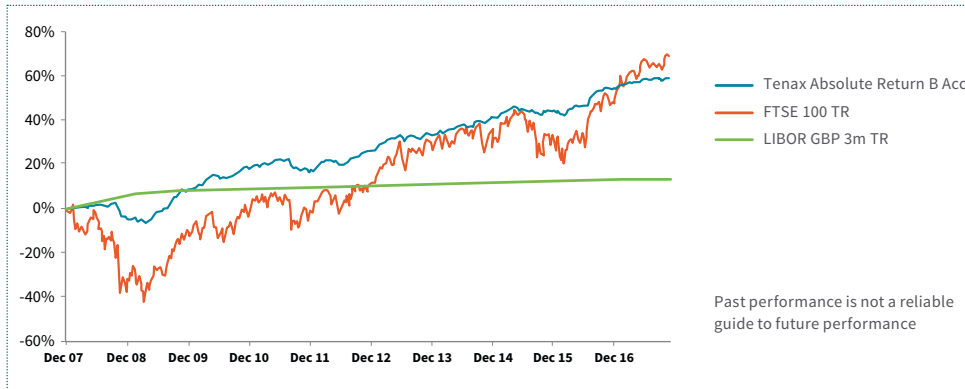
The Catalan referendum came and went, much like the fleeing Presidente Puigdemont to Brussels, Austria elected the 31 year-old Sebastian Kurz as its Chancellor, Shinzo Abe consolidated his position in the Japanese Election and in China, President Xi Jinping went even further and indoctrinated his thinking into the Chinese constitution, thus elevating his status to that of Chairman Mao.

Ten-year bond yields were inclined a shade lower in the UK and Europe but a touch higher in America, awaiting the BoE decision here and the appointment of a new Federal Reserve Chairman in America. The Bank of England has subsequently reversed the 'emergency' rate cut imposed after the Brexit vote last year, we are reluctant to refer to it as an increase, rates are too low and still at emergency levels. Sterling had a quieter month while the euro drifted and the US dollar edged better. Oil continued its rally to close over \$60 by the end of the month.

The Fund had a quietly positive month, the overall allocation to asset classes is little changed from the end of September though the proportion in floating rate note (FRN) paper has increased. By value, the greatest number of transactions was in the FRN book where we added to several existing positions and established a new holding at issue. The increase in 3-month LIBOR (from around 28bps to more than 50bps now) over the past three months is leading to steadily higher re-fixes for FRN coupons, we continue to like this sub-class of assets. Risk exposure has reduced a shade further with lower equity and conventional fixed interest exposure.

## 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 31 October 2017) from UK IA universe.

## Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	0.32	2.91	14.05	27.18
Index: FTSE 100 TR	2.79	12.06	28.48	56.24
Benchmark: LIBOR GBP 3 Months TR	0.08	0.34	1.44	2.51

Source: FE Analytics. Total Return Nav-Nav month end (31 October 2017) performance table from UK UT and OEICs universe.

## Calendar Year Total Returns (%)

	YTD	2016	2015	2014	2013	2012
SVS Church House Tenax Absolute Return Strategies B Acc in GB	2.51	7.85	1.62	6.23	5.63	7.04

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 (%)

**26.85% of Portfolio**

Total number of holdings: **118**

UK Treasury 1.25% 2018	10.5%	Nordea Covered FRN 01/2019	1.6%
EIB 1.5% 02/2019	3.3%	Bank of Montreal Covered FRN 07/2020	1.6%
RBS Covered FRN 05/2020	2.0%	Santander Covered FRN 05/2020	1.4%
Barclays Covered FRN 05/2020	2.0%	EIB FRN 02/2020	1.3%
EIB 1.375% 01/2018	2.0%	National Bank of Canada FRN 09/2021	1.3%

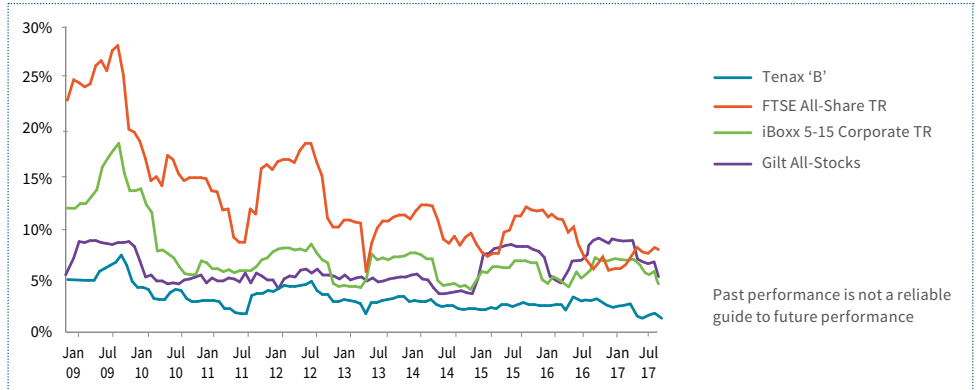
## Disposition



Cash Deposits	8.0%
Treasury/T-Bills	15.7%
Floating Rate Notes	28.3%
Fixed Interest	27.7%
Index-Linked	0.9%
Infrastructure	3.1%
Convertibles	4.6%
Hedge Funds	0.9%
Property / Real	2.5%
Equities	8.3%

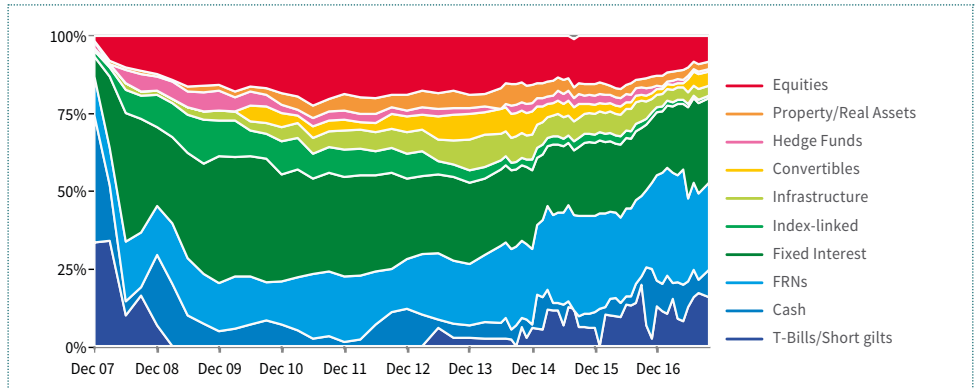
Source: Church House

## 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.