

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	158.4p (Acc) XD
Sector	Targeted Absolute Return
Trust Type	OEIC – Non-UCITS Retail Scheme
Launch Date	November 2007
Dividend Payment	May & November
Yield	0.58% (B Acc)
Fund Value	£251m

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

The Tenax Fund's share price fell one half of one per cent over what rapidly became a rough month in the markets. Over the period since London stocks peaked-out in May, the Tenax share price has been steady. US ten-year bond yields moved up again over the first week of the month. This combined with the list of worries dogging markets at the moment to trigger a sharp sell-off in US stocks that spread rapidly around other world markets. 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.

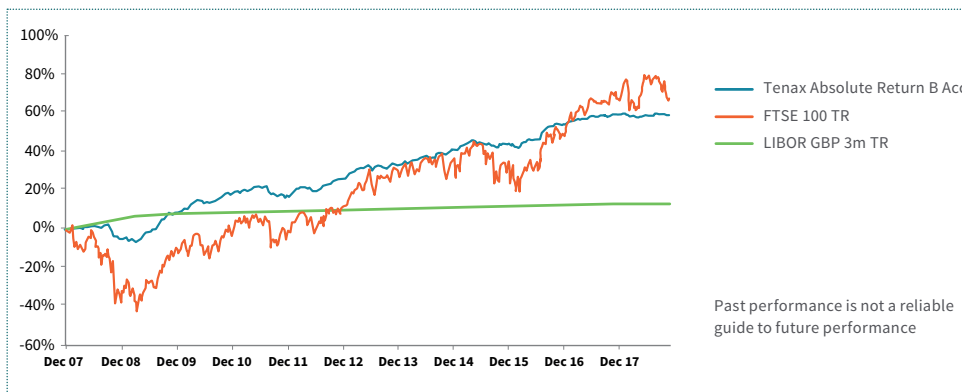
London stocks followed a similar pattern with a late rally leaving the All-Share Index down 5.4% after 9% at the worst, while smaller companies (notably AIM stocks) suffered more, a trend that was visible in a number of markets. European stocks followed the path as did the Far East; the Shanghai Composite 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.

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.

The Fund was active during the month with new flows, the maturity of several short-dated bonds and sharp moves in a number of risk assets. We have continued the process of selling-down floating rate note issues linked to 3-Month LIBOR with maturities beyond December 2021 (after which banks are not required to support the LIBOR calculation). We have just two holdings left in this category now, accounting for around 2.4% of the portfolio. As the SONIA-linked FRN market grows, we acquired a new issue from another of the supra-nationals. There are few zero dividend preference shares that meet our tests at present, though we did add to two of our holdings during the month. After further meetings with the managers, we took a placing of new shares in **Triple Point Social Housing**, adding to our existing holding. As equity markets sank we were quite active picking-up stock in a number of areas, taking the overall equity exposure up to 9.4% the highest level for a while. We were also able to increase our equity 'optionality' with a further increase in the convertible section to 8.4%.

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 2018) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	-0.44	-0.44	9.85	18.37
Index: FTSE 100 TR	-6.89	-0.86	26.33	28.28
Benchmark: LIBOR GBP 3 Months TR	0.20	0.66	1.54	2.66

Source: FE Analytics. Total Return Nav-Nav month end (31 October 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	-0.63	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 (%)

30.5% of Portfolio

Total number of holdings: 128

EIB FRN (SONIA) 06/2023	4.0%	UK Treasury Bill 12/10/2018	2.9%
IBRD FRN (SONIA) 10/2023	4.0%	Lloyds Float (SONIA) 09/2021	2.8%
Santander Float (SONIA) 09/2021	3.6%	ADB FRN (SONIA) 10/2023	2.8%
RBS Covered FRN 05/2020	3.2%	GS Group Cap/Floor FRN 06/2023	2.0%
EIB 0.625% 01/2020	3.2%	EIB FRN 02/2020	2.0%

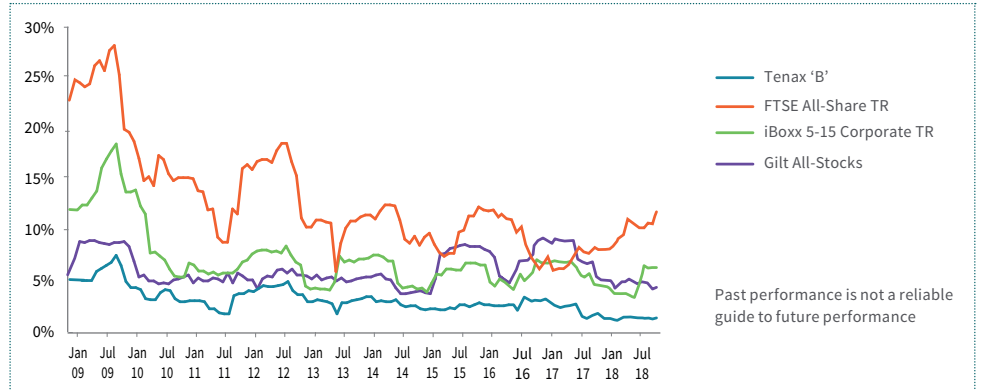
Disposition



Cash Deposits	3.9%
Treasury/T-Bills	8.8%
FRN (AAA)	38.8%
Floating Rate Notes	9.0%
Fixed Interest	16.6%
Index-Linked	0.5%
Infrastructure	1.8%
Convertibles	8.4%
Hedge Funds	0.5%
Property / Real	2.4%
Equities	9.3%

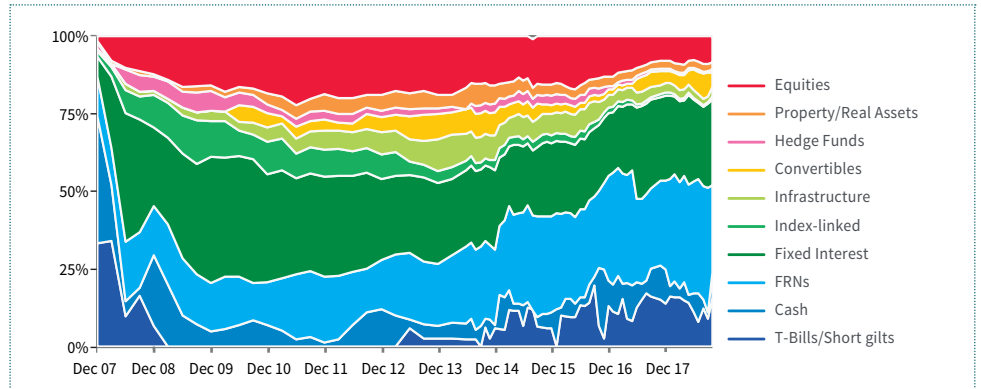
Source: Church House

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

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.