

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 158.4p (Acc)

Sector Targeted Absolute Return

Trust Type OEIC – Non-UCITS Retail Scheme

Launch Date November 2007

Dividend Payment May & November

Yield 0.98% (B Acc)

Fund Value £151m

All prices and data in the Fact Sheet are as at 29 September 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

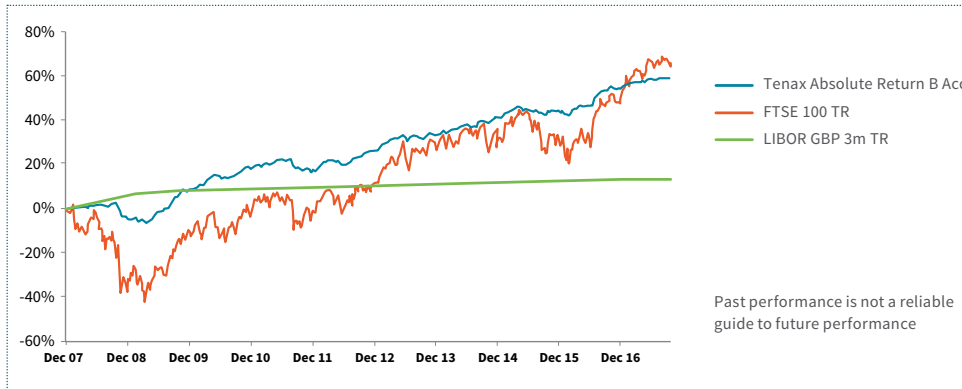
The disposition of the CH Tenax Absolute Return Strategies Fund is still at the cautious end of the spectrum as we distrust the current structure of interest rates. The conundrum that we have set out on a number of occasions remains in place: interest rates being at multi-year lows, markedly below the current rate of inflation, leaves few opportunities to earn a reasonable return without taking on undue risk. The slight increase in interest rates at the (very) short end has eased the problem of cash management, which was rapidly heading towards negative interest rates – it is still the case in much of Europe. Floating rate notes remain as one of our favoured solutions and many of the recent transactions have been in this area, maintaining the weighting and re-investing funds from maturing notes. Unsurprisingly, FRNs dominate the list of top holdings, interspersed with a few of the short-dated fixed interest holdings (essentially cash alternatives).

Bank of England Governor Carney appeared to capitulate during the month and a reversal of the post-Brexit quarter-point cut in the base rate is now widely expected this year. Ten-year yields moved sharply back up to January levels. This move encouraged a bounce in GBP, which rose 4% vs USD and slightly more vs EUR. The move in rates was not confined to the UK, with the US ten-year rising to 2.3% (encouragingly, taking the thirty-year higher at the same time), while the ten-year Bund flirted with 0.5%.

Direct equity exposure is at the lowest level for a number of years. We are not making a particular call on equity markets (though value with reasonable prospects of absolute return is hard to find at present), simply that we have found other opportunities in higher-risk assets that are likely to correlate with equities.

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 29 September 2017) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	0.06	3.19	13.55	28.16
Index: FTSE 100 TR	1.30	10.88	24.49	54.80
Benchmark: LIBOR GBP 3 Months TR	0.07	0.34	1.46	2.53

Source: FE Analytics. Total Return Nav-Nav month end (29 September 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	2.06	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 (%)

26.14% of Portfolio

Total number of holdings: **121**

UK Treasury 1.25% 2018	10.7%	EIB FRN 02/2020	1.3%
EIB 1.5% 02/2019	3.4%	Bank of Nova Scotia FRN 01/2019	1.3%
Barclays Covered FRN 05/2020	2.0%	RBS Covered FRN 05/2020	1.3%
EIB 1.375% 01/2018	2.0%	ABN Amro FRN 11/2018	1.3%
Santander Covered FRN 05/2020	1.4%	EIB FRN 05/2018	1.3%

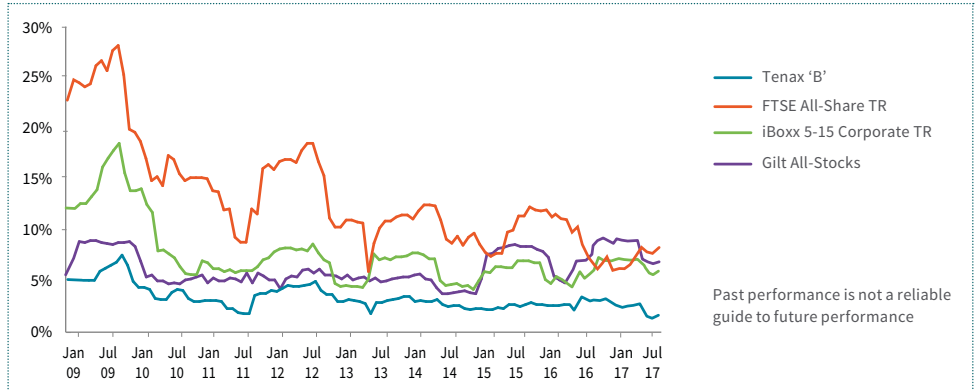
Disposition



Cash Deposits	9.0%
Treasury/T-Bills	16.1%
Floating Rate Notes	25.9%
Fixed Interest	28.7%
Index-Linked	0.9%
Infrastructure	3.3%
Convertibles	4.7%
Hedge Funds	0.9%
Property / Real	2.2%
Equities	8.5%

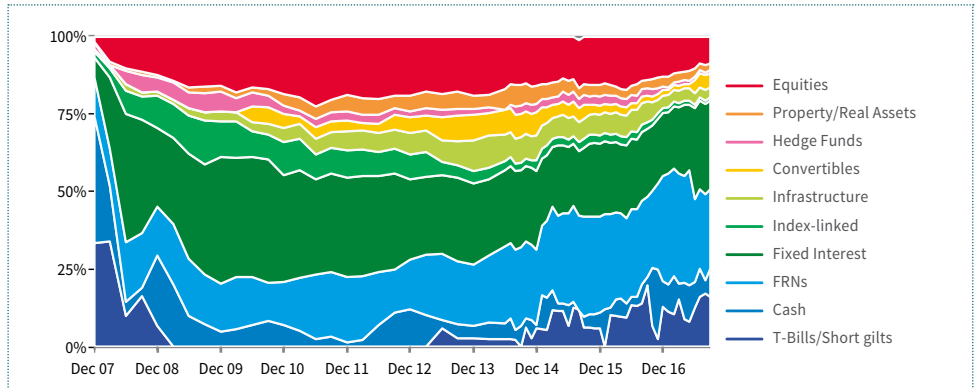
Source: Church House

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
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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

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