

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 159.4p (Acc)

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 £237m

All prices and data in the Fact Sheet are as at 31 August 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 was mildly positive over the month, leaving the B accumulation shares unchanged over the year. August was a month of non-stop political volatility that continued to undermine Far East and Emerging markets, along with the emerging market currencies, while the US dollar reigned supreme. Sterling had a roller-coaster of a month as Brexit rumour and counter-rumour came and went. European stocks were volatile and weaker overall while in America the S&P 500 cruised onwards. UK stocks attempted to follow Wall Street but succumbed towards the end of the month and definitely felt weaker.

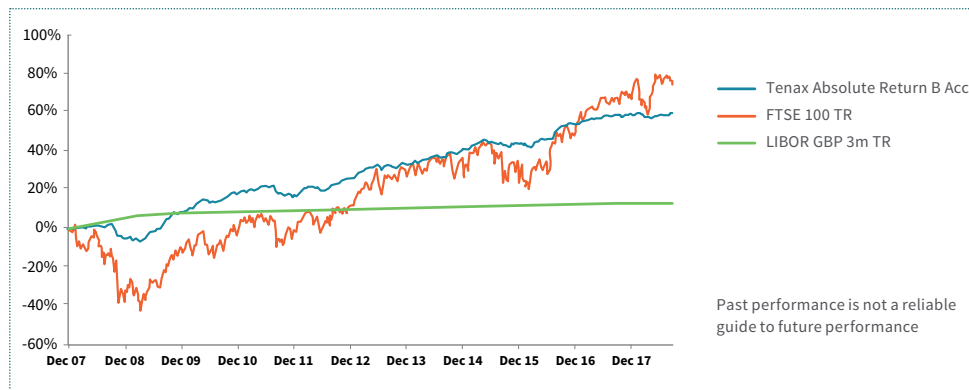
Following the Bank of England's move on Base rates at the beginning of the month, UK ten-year yields edged-up around 10bps. US ten-year rates were a touch lower despite a general expectation that the Federal Reserve will raise rates again shortly, the ten-year has subsequently moved back up to test 3% again so, for the moment, the yield curve remains positive. US and UK rates look set to increase further while Europe is so far behind in the slow lane that it is hard to discern any movement. All, of course, subject to the next round of protectionism, a policy that, if pursued a lot longer, is likely to prove to be disastrous for its instigator.

The Fund had a busy month. Cash and near-cash assets (principally triple-A rated FRNs), were a shade lower at just over half the portfolio, with the FRNs continuing to benefit from the rise in 3-month LIBOR (and, increasingly, SONIA). Activity in this near-cash area (we view it as treasury), was principally replacing maturing notes and the addition of short-dated Treasury Bills awaiting renewed primary market activity in September. We sold two of the short-dated fixed interest holdings (from **Centrica** and **Travis Perkins**), concerned about deteriorating credit while adding to existing issues from **Aviva** and **SSE**.

Infrastructure reduces further as we sold the remaining **John Laing Infrastructure Fund**, while the proportion held in convertibles increased again, notably with two purchases of a recent issue from **Swiss RE** of 3.25% stock convertible until 2024. The equity portion also increased with the addition of a successful IPO in the UK healthcare sector.

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 August 2018) from UK IA universe.

Performance Summary (%)

	3m	1 yr	3yrs	5yrs
SVS Church House Tenax Absolute Return Strategies B Acc	0.69	0.13	11.55	21.08
Index: FTSE 100 TR	-1.40	5.03	36.52	40.39
Benchmark: LIBOR GBP 3 Months TR	0.18	0.58	1.49	2.61

Source: FE Analytics. Total Return Nav-Nav month end (31 August 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	0.00	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 (%)

31.1% of Portfolio

Total number of holdings: **124**

UK Treasury 1.75% 2019	4.4%	EIB FRN 02/2020	2.2%
EIB 06/2023	4.4%	EIB FRN 04/2019	2.2%
UK Treasury Bill 10/2018	4.4%	Toronto Dominion Cvd FRN 6/2021	2.2%
RBS Covered FRN 05/2020	3.5%	IBRD FRN 05/2023	2.2%
EIB 0.625% 01/2020	3.5%	GS Group Cap/Floor FRN 06/2023	2.2%

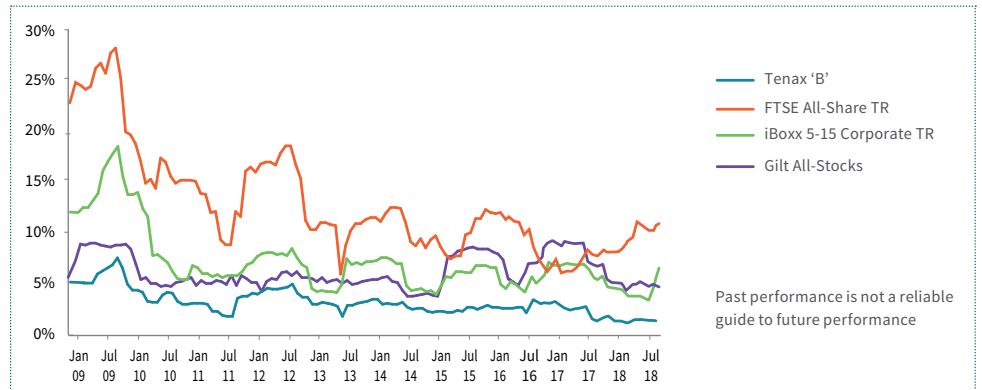
Disposition



Cash Deposits	2.9%
Treasury/T-Bills	12.2%
FRN (AAA)	36.7%
Floating Rate Notes	9.9%
Fixed Interest	15.7%
Index-Linked	0.5%
Infrastructure	2.0%
Convertibles	8.1%
Hedge Funds	0.5%
Property / Real	2.6%
Equities	8.9%

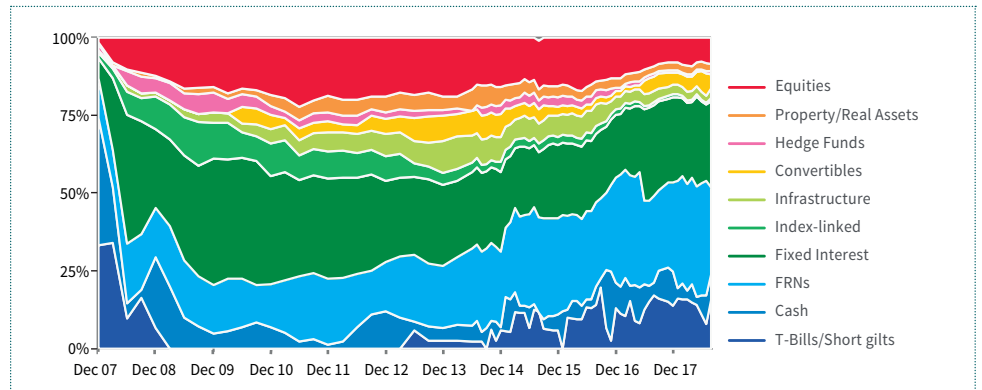
Source: Church House

Low Volatility Returns



Source: Church House, Bloomberg.

Asset Class Risk Profile as % of total VaR



Source: Church House.

LEARN MORE ABOUT THIS FUND

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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.