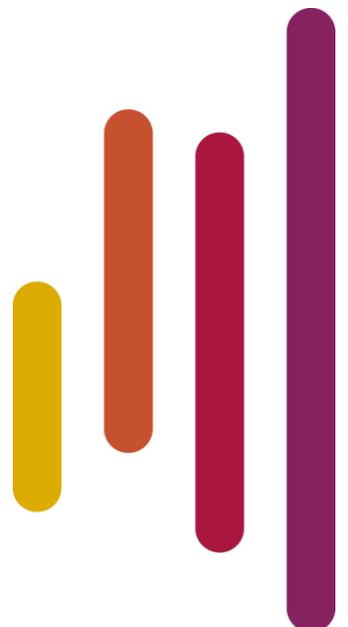




**Church House
Quarterly Risk
Profile Update Note
Q3 2019**



Summary

Fund	Weighted average asset allocation [^]	Latest historical asset allocation [*]	Comparable DT volatility [†]	Assigned risk profile	Status
SVS Church House Tenax Absolute Return Strategies Fund	3 (3)	3 (3)	2 (2)	3	

Our analysis indicates that the assigned risk profile remains appropriate.

We have based our review on the approach that was agreed at the start of the risk profiling service and used the DT capital market assumptions for Q3 2019. There have been no changes to the risk profile boundaries this quarter.

Process

The methodology for profiling the Fund was largely based on an understanding of how risk is managed. As the risk target does not change on a quarterly basis, we would not expect our profile to change unless we perceived that the target and/or the DT boundary were breached.

() Analysis based on data to the end of March 2019 are shown in brackets.

[^] The weighted average approach incorporates the strategic asset allocation (if applicable) and the distribution of the historical asset allocations.

^{*} This column provides the position of the expected volatility based on the latest historical asset allocation (i.e. June 2019). The figure in brackets illustrates the position of the volatility based on the previous quarter's allocation.

[†] DT has a set of asset allocation models which are managed to operate within each profile's boundaries. This column compares the annualised rolling volatility of each solution to the DT models and shows which model has been closest since inception. The rolling volatility period in each instance is assessed based on the performance data provided.

Please see Appendix for the Red, Amber & Green status descriptions.

Comments and notes from previous reviews

Q2 2019

Our analysis indicates that the assigned risk profile remains appropriate.

Q2 2018

The AA of the fund continues to be below the DT3 boundaries, however we remain comfortable based on the volatility target and process as discussed in our initial review.

Q1 2018

Our analysis indicates that the assigned risk profile remains appropriate.

We have reviewed again our original analysis of this Fund and the structure behind the process. Though the allocations of the Fund are within the DT 2 boundaries we remain comfortable with the assigned profile both based upon our expectations of a DT 2 Fund and the volatility targets of this Fund, which reach to the high end of DT 3.

Q4 2017

Our analysis indicates that the assigned risk profile remains appropriate.

We note that the ex-ante volatilities of the latest asset allocations of the Fund have declined below the assigned risk boundaries due to an increase in cash and short-dated bonds at the expense of equity holdings. We will maintain the green status for now and if next quarter the Fund continues to overweight cash and bonds, we will look to place the Fund on amber status pending discussions with the manager.

Q4 2016 – Q2 2017

Our analysis indicates that the assigned risk profile remains appropriate.

Q2 2016

Our analysis indicates that the assigned risk profile remains appropriate.

The recent achieved volatility over 36 months is below the minimum expected volatility. However, over the long term, the Fund has been very close to the DT 2 & 3 boundary. In addition to this, the expected volatilities of the allocations remain safely within the DT 3 boundary; therefore, we are comfortable with the assigned profile.

Appendix

Status descriptions



A **red** status indicates that the solution's current risk profile is no longer appropriate to the DT scale and that it will be changed at next quarter's review unless action is taken by the asset management team.



An **amber** status indicates that one or more of the measures considered may indicate the possibility of an alternative risk profile. This could be due to short-term tactical positioning within the solution or other market considerations and does not imply that the long-term risk profile should necessarily change.



A **green** status indicates that the solution is in line with the assigned risk profile and no action is needed.

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