

Church House Investment Grade Fixed Interest Fund (CHIG)



Fund at a glance

CHIG was launched in 2000 to provide investors with real risk diversification from equities and other risk assets whilst generating a good yield by investing only in investment grade corporate bonds.

Why invest in this Fund?

Although CHIG sits in the IA Sterling Corporate Bond sector, its true position is in the middle of that sector, the Strategic Bond sector and the Targeted Absolute Return sector, providing investors with a very low level of volatility and downside risk throughout an investment cycle.

Within the risk controls, the Fund is traded actively to eke out excess returns, rather than holding credits to maturity.

Buy/sell discipline is largely relative value trades of individual credit spreads over gilts, buying when spreads widen, and selling when they tighten.

Investment philosophy

CHIG operates under strict risk controls the aim of which is to provide a Fund with low volatility, a fair yield and an emphasis on absolute returns, not relative.

- ◆ 100% investment grade debt only
- ◆ Minimum 25% AAA credit exposure
- ◆ Maximum holding size 3%
- ◆ Maximum counter party exposure, 4%
- ◆ Maximum subordinated debt, 30%
- ◆ Maximum gilts, 20%
- ◆ Maximum unrated debt, 15% (must read across to investment grade)
- ◆ Typical duration range 3-10 years

Proven performance



Fund manager



Jerry Wharton

Jerry began his career on the gilt desk at Laurie Milbank in 1986 prior to 'Big Bang' and developed his investment style as a trader on the sell side before honing it while trading his own book for five years prior to joining Church House in 2004.

Jerry is a director and shareholder of Church House, CEO and Joint CIO. As such he is committed to the long-term future of the company and his Fund.

Jerry also manages the fixed interest allocations in the Church House Tenax Absolute Return Strategies Fund, in which he looks at sub-investment grade bonds as well as the investment grade bonds managed in both funds.

The Investment Grade Fixed Interest Fund has since provided fixed income exposure for Church House clients since it was launched in 2000 and as such is wholly aligned with other managers of private client assets.

Volatility adjusted returns

