

Church House Balanced Equity Income Fund (CHBE)

Fund at a glance

The Balanced Equity Income Fund (CHBE) was launched in 2000 to provide Church House private clients with an income stream from a low volatility portfolio comprising higher yielding UK equities and some alternative assets.

Why invest in this Fund?

- ◆ The Fund has a particular focus on 'quality' companies defined as:
 - Balance sheet strength
 - Stability of cash flow returns
 - Ability to pay and grow dividends in the future
- ◆ CHBE is a focused portfolio at the stock level
 - approximately 50 holdings
- ◆ The Fund is also focused at the sector level with a tendency to overweight Pharmaceutical & Healthcare and Property, and underweight Oil Production & Services.

Investment philosophy

The objective of the CHBE is to provide income and capital growth over the long term. The focus of the Fund is on larger capitalisation UK companies (minimum 70% in UK equities). This equity exposure is balanced with holdings of up to 30% in other assets, which was originally focussed on UK fixed interest stock.

We aim for a beta to the FTSE All-Share of around 0.8 and resulting lower volatility for investors, which has been the case: over five years (to end 2020) the Fund's volatility is 10.7% as opposed to 14.1% for the FTSE All-Share Index.

The steep fall in yields in the fixed interest markets over the past few years has made it increasingly unattractive to utilise these instruments, particularly at longer dates, so we have switched more towards alternative assets, notably in infrastructure and specialist areas of property investment such as social housing.

Performance since launch of CH Balanced Equity Income B share class



— SVS Church House - Balanced Equity Income B Acc in GB
 — FTSE 100 TR in GB
 — FTSE 350 Higher Yield TR in GB

18/06/2014–30/04/2021
 Source: FE fundinfo 2021

Fund manager



James Mahon

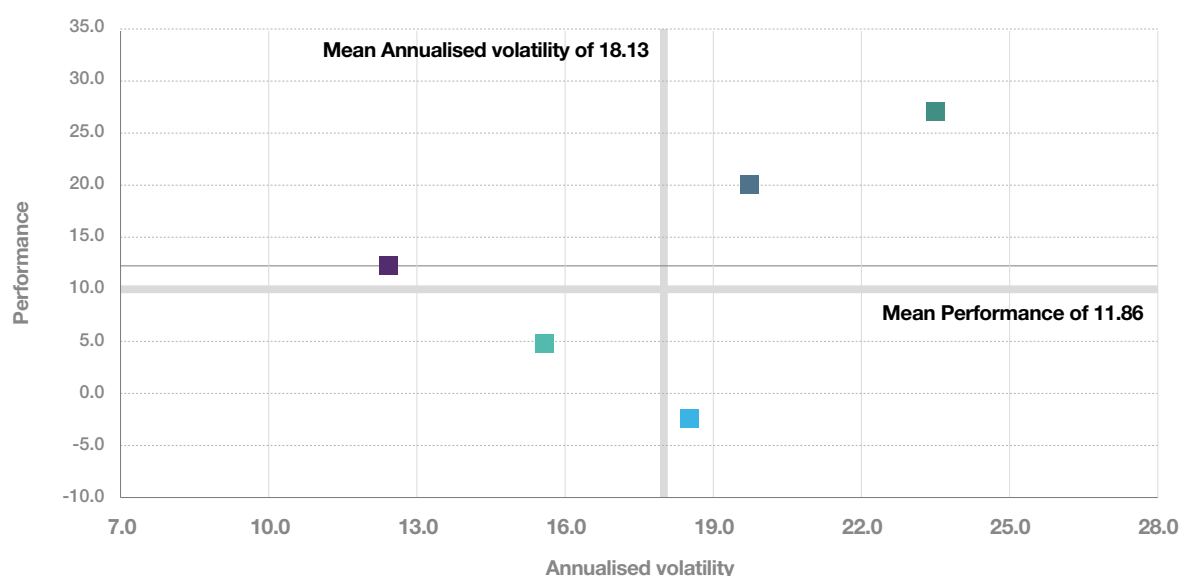
James was instrumental in the establishment of Church House Investment Management in 1999 and brings many years of experience to his role. He became a member of the London Stock Exchange in 1980 and has held a number of senior posts including being a partner in stockbrokers Galloway & Pearson, a director of Hoare Govett and Managing Director of Archdale Securities. James is a Chartered Fellow of the Chartered Institute for Securities & Investment.

James has co-managed Tenax with Jeremy Wharton since 2007, UK Equity Growth since 2000 and Esk Global Equity from 2009.

Volatility adjusted returns

Low volatility of returns

Pricing spread: Bid-Bid · Currency: Pounds Sterling



Name	Performance	Volatility
FTSE AIM All-Share TR in GB	26.32	23.86
FTSE 250 TR in GB	19.44	19.95
SVS Church House – Balanced Equity Income B Acc in GB	11.78	12.45
FTSE 100 TR in GB	4.40	15.69
FTSE 350 Higher Yield TR in GB	-2.66	18.71

Source: FE fundinfo 2021