

CF Seneca Diversified Income Fund

April 2017



Research area

Asset allocation
UK equities
Specialist assets
Fixed income
Global equity &
investment themes

Investment team

Peter Elston - chief investment officer
Mark Wright - fund manager
Richard Parfect - fund manager *
Alan Borrows - senior fund manager *
Tom Delic - assistant fund manager

* Named fund managers

Investment aim

To generate a high level of income with the prospect of maintaining the real value of capital over the long term, by investing in a multi-asset portfolio managed with a focus on value. The fund may include directly invested UK equities with a bias towards mid cap stocks, and overseas equity, fixed interest and specialist investments held through third party funds.

Income

Historic net yield ¹	4.92%
Distributions	monthly

Commentary

- The Fed raised short term interest rates for the third time, as inflation pressures continued to grow
- FOMC committee members on average expect a further two increases this year, accelerating the pace of the last two years
- In the UK, prime minister May triggered Article 50, thereby formally starting divorce proceedings with the EU
- We lowered the funds' equity overweight from 2% to 1% during the month, as recent market rises had made valuations less compelling
- Sainsbury's was exited, in order to facilitate a 1% reduction in the TAA to UK equities
- Good results from several holdings, including Arrow Global, OneSavings Bank, Polypipe and Ultra Electronics
- Bovis Homes attracted takeover interest from Redrow and Galliford Try
- Positions in Royal London Short Duration Global High Yield Bond Fund and Muzinich Short Duration High Yield Bond fund were increased to maintain portfolio income as equity exposure was reduced
- We increased Doric Nimrod Air 2 due to the aircraft leasing vehicle's valuation offering a lot of protection against a negative outcome on residual value on the A380
- We reduced Ranger Direct Lending as we feel the risks of disappointment in US credit quality may not be fully reflected in the valuation

5 year performance chart (%)



Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Income Fund	4.3	7.3	14.1	24.4	46.4	109.6
IA Mixed Investment 20-60% Shares	2.9	4.3	12.9	19.6	36.6	97.9

Discrete annual performance (%)	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
CF Seneca Diversified Income Fund	14.1	1.4	7.5	4.6	12.5
IA Mixed Investment 20-60% Shares	12.9	-2.5	8.6	3.6	10.2

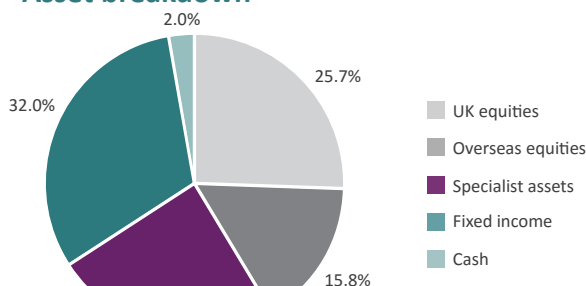
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 31.03.2017 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' share class, unadjusted for the lower fees of the 'B' share class. Past performance is not a guide to future returns. The value of investments and any income may fluctuate and investors may not get back the full amount invested.

Morningstar
Rating
3 Year



CF Seneca Diversified Income Fund

Asset breakdown



Source: Seneca IM

UK direct equities*

1	Phoenix Group	1.6%
2	Marston's	1.4%
3	One Savings Bank	1.4%
4	Polypipe	1.3%
5	Bovis Homes Group	1.3%

Overseas equities

1	Prusik Asian Equity Income	2.5%
2	Liontrust European Enhanced Income	2.3%
3	Blackrock World Mining	2.2%
4	Invesco Perpetual European Equity Income	2.1%
5	Schroder Asian Income Max	2.1%

Fixed income

1	Royal London Short Duration Global High Yield Bond	6.6%
2	Muzinich Short Duration High Yield	6.5%
3	Royal London Sterling Extra Yield Bond	6.3%
4	Templeton Emerging Markets Bond	5.6%
5	TwentyFour Select Monthly Inc	4.1%

Specialist assets

1	AJ Bell Holdings ²	3.4%
2	Doric Nimrod Air Two	1.8%
3	Fair Oaks Income	1.6%
4	LondonMetric Property	1.4%
5	International Public Part'	1.3%

* Investment may also be made in UK equities via other third party funds.

² Unquoted investment Source: Capita Financial

Key facts

Launch date	8 April 2002
Size	£101.72m
A Class month end price	94.09p
B Class month end price	112.41p
N Class month end price	111.02p
Total holdings	56
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.84%	1.19%	1.44%
Min lump sum	£3,000	£100,000	£1,000
Min reg saver	£50	-	£50
ISIN	GB0031467961	GB00B7JTF560	GB00B61Y0911
SEDOL	3146796	B7JTF56	B61Y091

* Based on expenses as at 30.09.2016

Contact us

David Thomas - chief executive

D 0151 906 2480 M 07469 392 164 E david.thomas@senecaim.com

Steve Hunter - head of business development

D 0151 906 2481 M 07470 478 974 E steve.hunter@senecaim.com

Cathy Growney - marketing manager

D 0151 906 2477 E catherine.growney@senecaim.com

Seneca dealing line – Capita Financial Managers

T 0345 608 1497

Important information

1. The Historic Yield reflects distributions declared over the past twelve months as a percentage of the unit price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. A portion of the fund's expenses are charged to Capital. This has the effect of increasing the distribution(s) for the year and constraining the fund's capital performance to an equivalent extent.

The views expressed are those of the fund manager at the time of writing and are subject to change without notice. They are not necessarily the views of Seneca Investment Managers and do not constitute investment advice. Whilst Seneca Investment Managers has used all reasonable efforts to ensure the accuracy of the information contained in this communication, we cannot guarantee the reliability, completeness or accuracy of the content. This document is provided for the purpose of information only and if you are unsure of the suitability of this investment you should take independent advice. Before investing you must read the key investor information document (KIID) as it contains important information regarding the fund, including charges, tax and fund specific risk warnings and will form the basis of any investment. This fund may experience high volatility due to the composition of the portfolio or the portfolio management techniques used. The prospectus, KIID and application forms are available from Capita Financial Managers, the Authorised Corporate Director of the Fund (0345 608 1497). Seneca Investment Managers Limited, the Investment Manager of the Fund (0151 906 2450) is authorised and regulated by the Financial Conduct Authority and is registered in England No. 4325961 with its registered office at Tenth Floor, Horton House, Exchange Flags, Liverpool, L2 3YL.

Three Years Morningstar Rating™ as of 31.03.2017, copyright © 2017 Morningstar, all rights reserved, the information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely; neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. All rights reserved. FP17/114

Seneca Investment Managers Limited

Tenth Floor, Horton House, Exchange Flags, Liverpool, L2 3YL

T 0151 906 2450 E info@senecaim.com W senecaim.com

Multi-Asset Value Investing