

CF Seneca Diversified Income Fund

July 2017



Research area

Asset allocation
UK equities
Specialist assets
Fixed income
Overseas 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 - fund manager

* Portfolio oversight (process implementation, cash and cashflow management)

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 income and specialist investments held through third party funds.

5 year performance chart (%)



Income

Historic net yield ¹	4.74%
Distributions	monthly

Commentary

- Equity exposure reduced by 1% bringing weighting to neutral position against Strategic Asset Allocation
- Equity market valuations look less compelling following further strength this year
- Reduction in equity weighting taken from UK equities
- Rise in interest rates in the United States with commentators beginning to focus on higher rates in the UK and Europe following Draghi and Carney comments
- New investment in RPC, following share price weakness. Company has grown its dividend for 24 consecutive years and we believe it will continue to grow at a healthy rate.
- Good trading update from Kier Group, whilst the new CEO of Bovis Homes further increased his shareholding in the company.
- In Europe, we trimmed the holdings in Invesco Perpetual European Equity Income Fund and European Assets Trust.
- Somerset Emerging Markets Dividend Growth Fund was reduced to bring in line with target weight.
- Holding in TwentyFour Select Monthly Income Fund was reduced following strong performance over the past 12 months
- Gilt yields rose to highest level for 3 months towards the end of the period following more hawkish comments by Mark Carney
- A recovery from previously "oversold" levels in LondonMetric allowed us to move the position back down to its target weight.
- Following our participation in the recent equity raising in Sequoia Economic Infrastructure the shares returned to their previous strength, consequently we took some of the profit.

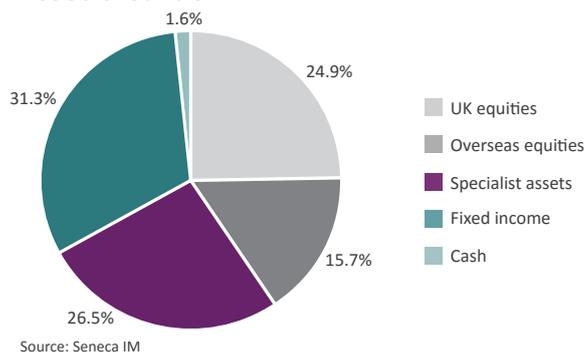
Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Income Fund	2.8	7.2	19.7	25.2	53.7	115.6
IA Mixed Investment 20-60% Shares	1.2	4.2	11.9	19.3	40.6	100.3

Discrete annual performance (%)	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
CF Seneca Diversified Income Fund	19.7	-1.0	5.6	7.6	14.1
IA Mixed Investment 20-60% Shares	11.9	1.9	4.7	7.1	10.1

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 30.06.2017 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.

CF Seneca Diversified Income Fund

Asset breakdown



UK direct equities*

1	Marston's	1.5%
2	Marks & Spencer	1.4%
3	Intermediate Capital Group	1.3%
4	Legal & General	1.3%
5	BT Group	1.2%

Overseas equities

1	Prusik Asian Equity Income	2.5%
2	Liontrust European Enhanced Income	2.4%
3	Blackrock World Mining	2.1%
4	Invesco Perpetual European Equity Income	2.0%
5	Schroder Asian Income Max	2.0%

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	6.2%
4	Templeton Emerging Markets Bond	5.4%
5	TwentyFour Select Monthly Inc	4.0%

Specialist assets

1	AJ Bell Holdings ¹	3.7%
2	Doric Nimrod Air Two	1.9%
3	Fair Oaks Income	1.7%
4	International Public Part'	1.6%
5	AEW UK REIT	1.3%

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

¹ Unquoted investment Source: Capita Financial

Key facts

Launch date	8 April 2002
Size	£103.34m
A Class month end price	95.49p
B Class month end price	114.24p
N Class month end price	112.77p
Total holdings	60
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

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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.

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Multi-Asset Value Investing