

## CF Seneca Diversified Growth Fund

September 2017



### Research area

### Investment team

Asset allocation	Peter Elston - chief investment officer
UK equities	Mark Wright - fund manager *
Specialist assets	Richard Parfect - fund manager
Fixed income	Alan Borrows - senior fund manager
Overseas equity & investment themes	Tom Delic - fund manager *

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

### Investment aim

To generate long term capital growth 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 assets held through third party funds.

### 5 year performance chart (%)



### Commentary

- Sterling slipped back in August following several months of strength as Brexit fears resurfaced
- Safe haven bond yields fell and gold rose, as tension on the Korean peninsula spooked markets
- Equity markets were mixed but on the whole firm as growth expectations continued to improve
- We reduced the fund's equity target by 2%pts and are now underweight in relation to strategic asset allocation; proceeds moved into fixed income and specialist assets
- Several holdings were reduced, in order to facilitate the 1% reduction in TAA to UK equities
- A good update from Diploma, ahead of the company's financial year end. Total revenue growth is in the high teens, including 6% organic growth
- Following a reduction in the tactical asset allocation weight to North America, we reduced the holding in the Yacktman US Equity Fund.
- Overweight positions in the Goodhart Michinori Japan Equity Fund and Somerset Emerging Markets Dividend Growth Fund were reduced back towards target weights
- Royal London Short Duration Global High Yield Bond Fund was added to following an increase in the tactical asset allocation to fixed income
- We increased the holding of UK Mortgages Limited now that it is close to fully invested and returns should now improve
- The high inflation linkage to returns from infrastructure projects within International Public Partnerships led us to increase the weighting as a destination for capital raised from equities

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Growth Fund	2.8	8.6	17.9	30.9	60.6	175.8
IA Mixed Investment 40-85% Shares	1.1	4.5	10.6	26.4	54.9	136.7

Discrete annual performance (%)	31.08.2017	31.08.2016	31.08.2015	31.08.2014	31.08.2013
CF Seneca Diversified Growth Fund	17.9	8.4	2.4	8.7	12.8
IA Mixed Investment 40-85% Shares	10.6	12.6	1.5	7.8	13.6

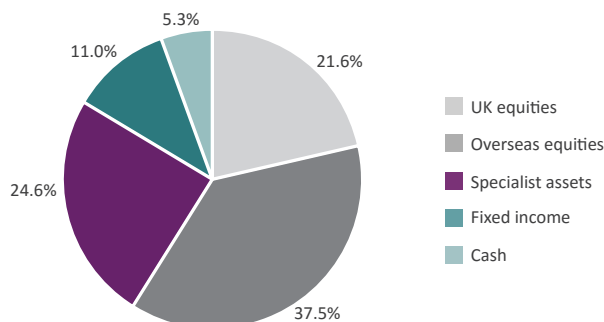
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 31.08.2017 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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 Growth Fund

## Asset breakdown



Source: Seneca IM

## UK direct equities\*

1	RPC Group	1.2%
2	Marston's	1.1%
3	OneSavings Bank	1.1%
4	Bovis Homes Group	1.0%
5	Legal & General Group	1.0%

## Overseas equities

1	Invesco Perpetual European Equity Income	6.0%
2	Goodhart Michinori Japan Equity	5.7%
3	Somerset EM Dividend Growth	4.5%
4	Halley Asian Prosperity	4.3%
5	Prusik Asian Equity Income	3.6%

## Fixed income

1	Royal London Short Duration Global High Yield	3.5%
2	Royal London Sterling Extra Yield Bond	2.9%
3	TwentyFour Select Monthly Income	2.5%
4	Templeton Emerging Markets Bond	2.1%
5	N/A	

## Specialist assets

1	AJ Bell Holdings <sup>1</sup>	4.3%
2	International Public Part <sup>1</sup>	2.1%
3	Doric Nimrod Air Two	1.8%
4	Fair Oaks Income	1.5%
5	Aberdeen Private Equity	1.4%

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

<sup>1</sup> Unquoted investment Source: Capita Financial

## Key facts

Launch date	8 April 2002
Size	£118.44m
A Class month end price	268.94p
B Class month end price	160.93p
N Class month end price	158.66p
Total holdings	59
IA sector	Mixed Investment 40-85% shares
Share type	Accumulation only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.93%	1.28%	1.53%
Min lump sum	£3,000	£100,000	£1,000
Min reg saver	£50	-	£50
ISIN	GB0031467631	GB00B7FPW579	GB00B7FW0099
SEDOL	3146763	B7FPW57	B7FW009

\* Based on expenses as at 31.03.2017

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## Important information

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## Multi-Asset Value Investing