

## CF Seneca Diversified Growth Fund

September 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 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

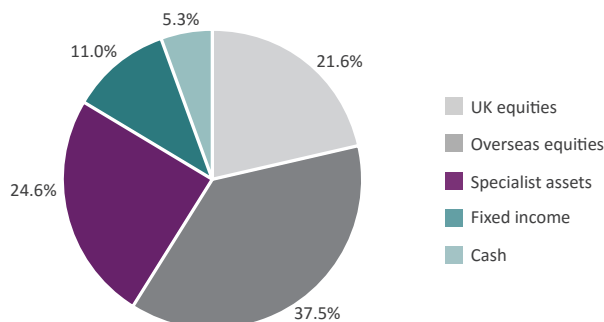
  

Discrete annual performance (%)	31.08.2017	31.08.2016	31.08.2015	31.08.2014	31.08.2013
CF Seneca Diversified Growth Fund	17.9	8.4	2.4	8.7	12.8
IA Mixed Investment 40-85% Shares	10.6	12.6	1.5	7.8	13.6

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.

# 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

## 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

### Helen O'Loughlin - business development consultant

D 0151 906 2483 M 07789 745 214 E helen.oloughlin@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

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.

Ratings: Three Years Morningstar Rating™ as of 31.08.2017, 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. FP17/392

## 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