

CF Seneca Diversified Income Fund

October 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 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.

Income

Historic net yield ¹	4.71%
Distributions	monthly

Commentary

- Sterling rose sharply in September on signs of rising inflation, an improving economy, and progress in Brexit talks
- Inflation also rose in other parts of the developed world which helped quell concerns over weakness in recent months
- Equity markets were generally firm, reflecting the improved inflation, and by implication growth, picture
- There were no asset allocation changes during the month
- New holding in Babcock International, which has unjustifiably been tarnished with the same brush as other support service companies, such as Capita, Interserve and Mitie. Dividend yield at 10 year high at time of investment
- Good results from Kier Group, in which the dividend was increased 5%. Shares yield close to 6%
- There were no changes to Overseas Equities during the month
- There were no changes to Fixed Income holdings during the month
- International Public Partnerships announced a solid set of results for the 6 months to June 2017. The primary risk surrounding this space is the scope for political interference
- We are seeing trusts that have delivered on their stated objectives announce further capital raisings to enlarge their portfolios. We are reviewing these opportunities to assess whether we participate

5 year performance chart (%)



Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Income Fund	2.2	5.1	12.7	28.2	51.6	120.2
IA Mixed Investment 20-60% Shares	0.6	1.8	6.2	19.4	36.2	101.4

Discrete annual performance (%)	30.09.2017	30.09.2016	30.09.2015	30.09.2014	30.09.2013
CF Seneca Diversified Income Fund	12.7	10.5	3.0	3.6	14.2
IA Mixed Investment 20-60% Shares	6.2	12.1	0.3	5.1	8.6

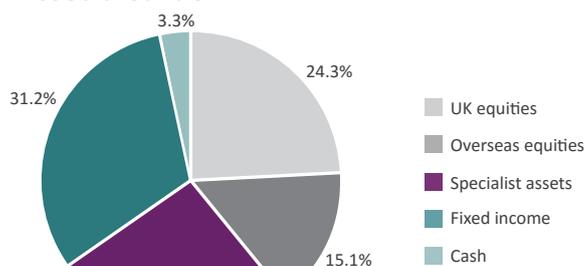
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 30.09.2017 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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	Marston's	1.5%
2	Marks & Spencer	1.4%
3	Kier Group	1.3%
4	Halfords	1.2%
5	Phoenix Group	1.2%

Overseas equities

1	Liontrust European Enhanced Income	2.5%
2	Prusik Asian Equity Income	2.4%
3	Blackrock World Mining	2.1%
4	Invesco Perpetual European Equity Income	1.9%
5	Schroder Asian Income Maximiser	1.9%

Fixed income

1	Royal London Short Duration Global High Yield Bond	7.0%
2	Muzinich Short Duration High Yield	6.8%
3	Royal London Sterling Extra Yield Bond	6.0%
4	Templeton Emerging Markets Bond	5.2%
5	TwentyFour Select Monthly Inc	4.0%

Specialist assets

1	AJ Bell Holdings ¹	3.7%
2	International Public Part'	1.9%
3	Doric Nimrod Air Two	1.9%
4	Fair Oaks Income	1.6%
5	John Laing Enviro'	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	£103.89m
A Class month end price	96.27p
B Class month end price	115.32p
N Class month end price	113.79p
Total holdings	61
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.85%	1.20%	1.45%
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 31.03.2017

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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