

CF Seneca Diversified Income Fund

November 2017



Research area

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

Investment team

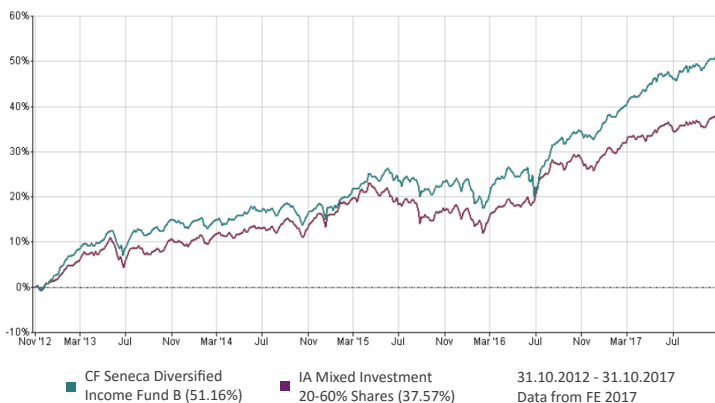
Peter Elston - chief investment officer
Mark Wright - fund manager
Richard Parfect - fund manager *
Alan Borrows - senior fund manager *
Tom Delic - fund manager

* 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	4.68%
Distributions	monthly

Commentary

- Equity weight lowered further to 38% as further evidence of continued progression of the business cycle emerged in the form of stronger purchasing manager indices
- The reduction came in the UK, with proceeds spread between short duration high yield and specialist assets where yields still look decent
- European markets were boosted by the European Central Bank's announcement that its asset purchase program would be extended for nine months
- Intermediate Capital was exited on valuation grounds following strong performance and in order to instigate the asset allocation reduction to UK equities. The dividend yield had close to halved since 2014, to stand at just 3%
- Corporate activity within the specialist lending sector highlighted the value that exists in the sector. First Rand approached Aldermore, providing some readacross to OneSavings Bank
- The holding in the Royal London Short Duration High Yield Bond was added to following an increase in the tactical asset allocation to corporate bonds
- We supported the further equity raising by Greencoat UK Wind having previously taken profits at higher price levels. The management team have built a solid portfolio of wind assets
- After a solid first 10 months building a conservatively balanced portfolio of asset backed loans, we participated in the further equity issuance by RM Secured Direct Lending

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Income Fund	2.0	4.5	12.5	29.7	51.2	122.7
IA Mixed Investment 20-60% Shares	1.5	3.2	6.9	21.1	37.6	104.3

Discrete annual performance (%)	31.10.2017	31.10.2016	31.10.2015	31.10.2014	31.10.2013
CF Seneca Diversified Income Fund	12.5	8.9	5.8	1.4	15.0
IA Mixed Investment 20-60% Shares	6.9	9.8	3.2	2.5	10.9

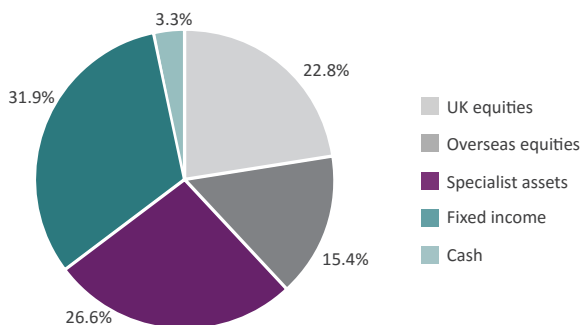
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 31.10.2017 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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	1.4%
2	Marks & Spencer	1.3%
3	Kier Group	1.3%
4	OneSavings Bank	1.1%
5	Phoenix Group	1.1%

Overseas equities

1	Prusik Asian Equity Income	2.5%
2	Lionstrust European Enhanced Income	2.4%
3	BlackRock World Mining	2.2%
4	Invesco Perpetual European Equity Income	2.0%
5	Schroder Asian Income Maximiser	1.9%

Fixed income

1	Royal London Short Duration High Yield Bond	7.6%
2	Muzinich Short Duration High Yield	7.0%
3	Royal London Sterling Extra Yield Bond	6.1%
4	Templeton Emerging Markets Bond	4.9%
5	TwentyFour Select Monthly Inc	3.9%

Specialist assets

1	AJ Bell Holdings	4.2%
2	International Public Partnership	2.2%
3	Fair Oaks Income Fund	1.8%
4	Doric Nimrod Air Two	1.8%
5	John Laing Enviro'	1.3%

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

† Unquoted investment Source: Link Fund Solutions

Key facts

Launch date	8 April 2002
Size	£106.22m
A Class month end price	96.95p
B Class month end price	116.19p
N Class month end price	114.62p
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

Contact us

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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