

CF Seneca Diversified Growth Fund

(from 18 December 2017 the fund name will change to LF Seneca Diversified Growth Fund)

December 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

- Equity target reduced from 57% to 55%. This was related to decision to exit one of our UK companies (see below) but is consistent with gradual reduction in risk as business cycle matures
- Economic news was generally good during the month, with employment and inflation conditions improving in key jurisdictions
- The Bank of England raised its base rate from 0.25% to 0.5% as expected, though this was as much a response to high inflation induced by the weak currency as to broad economic strength
- Conviviality was exited on valuation grounds and because we had some concerns regarding two accounting errors. Having yielded close to 6% back in January, the yield had fallen closer to 3% when we exited following strong performance
- A good update from Bovis Homes in which net cash was guided to be higher by the year end than previously forecast, supporting substantial shareholder returns by way of special dividends
- After good performance across the Fund's Japanese holdings, reductions were made in order to bring weights back towards target size
- Due to the successful deployment of initial capital proceeds through 2017 by Civitas Social Housing REIT, we participated in the C share offer
- Fair Oaks Income Fund announced further equity issuance in order to finance additional investments into new Collateralised Loan Obligations where they are taking a controlling equity stake

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Growth Fund	0.7	3.5	16.2	32.5	58.8	177.8
IA Mixed Investment 40-85% Shares	1.1	2.2	11.3	25.3	52.6	139.3

Discrete annual performance (%)	30.11.2017	30.11.2016	30.11.2015	30.11.2014	30.11.2013
CF Seneca Diversified Growth Fund	16.2	8.0	5.5	2.7	16.7
IA Mixed Investment 40-85% Shares	11.3	9.7	2.6	6.1	14.8

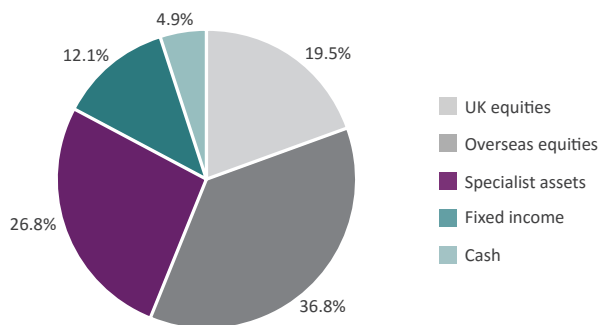
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 30.11.2017 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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	Marston's	1.2%
2	OneSavings Bank	1.0%
3	Legal & General Group	1.0%
4	BT Group	1.0%
5	RPC Group	1.0%

Overseas equities

1	Invesco Perpetual European Equity Income	5.9%
2	Goodhart Michinori Japan Equity	5.6%
3	Samarang Asian Prosperity	4.5%
4	Somerset EM Dividend Growth	4.4%
5	Prusik Asian Equity Income	3.5%

Fixed income

1	Royal London Short Duration Global High Yield Bond	4.5%
2	Royal London Sterling Extra Yld Bond	2.9%
3	TwentyFour Select Monthly Inc	2.5%
4	Templeton Emerging Markets Bond	2.1%
5	N/A	

Specialist assets

1	AJ Bell Holdings ¹	4.1%
2	International Public Partnership	2.2%
3	Fair Oaks Income	2.0%
4	Doric Nimrod Air Two	2.0%
5	Aberdeen Private Equity	1.5%

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

¹ Unquoted investment Source: Link Fund Solutions

Key facts

Launch date	8 April 2002
Size	£118.59m
A Class month end price	270.41p
B Class month end price	162.07p
N Class month end price	159.69p
Total holdings	61
IA sector	Mixed Investment 40-85% shares
Share type	Accumulation only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.88%	1.23%	1.48%
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 30.09.2017

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Important information

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Multi-Asset Value Investing