

## LF Seneca Diversified Growth Fund For retail investors only

March 2018



### Research area

Asset allocation  
UK equities  
Specialist assets  
Fixed income &  
Overseas equity

### Investment team

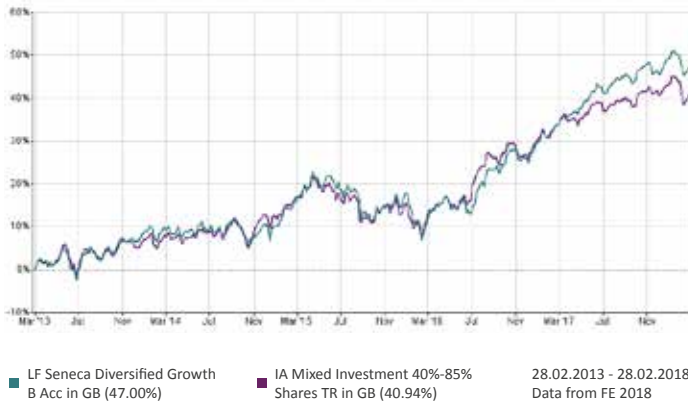
Peter Elston - chief investment officer  
Mark Wright - fund manager \*  
Richard Parfect - fund manager  
Tom Delic - fund manager \*

\* 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

- February will be remembered for the sharp fall in equity markets around the world during the first week of the month.
- We did not believe this to be the start of something more protracted but merely markets 'letting off steam' following months of rises
- The US dollar was strong but this must be viewed in the context of significant weakness over the last year
- Inflation rates in the developed world either rose or stayed the same, indicating continued strength in the global economy
- Results from Senior suggested margins have troughed. The shares trade on a price to sales below 1.2x vs a historical peak of over 1.6x, meaning there is plenty of scope for a continued re-rating in the valuation.
- Phoenix announced a major acquisition - Standard Life Assurance, which will enable the dividend to increase 3% and enhance its sustainability. The shares yield 6.4% on a flat dividend.
- New holding in the HMG Global Emerging Markets Equity Fund. The manager invests in a portfolio of emerging market listed subsidiaries of large multi-national organisations. The Fund adheres to the principles of value investing, with a bias to small capitalisation companies.
- No activity in fixed income over the month.
- We exited the ordinary shares of Civitas Social Housing REIT due to the financial problems at one of its leaseholder Housing Associations which we feel will hold the shares back.
- The expansionary fund raising of PRS REIT gave us an opportunity to bolster the position as it rolls out its portfolio of build to rent family homes.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Growth Fund	0.4	1.2	9.9	26.1	47.0	179.0
IA Mixed Investment 40-85% Shares	-0.3	0.8	5.4	20.4	40.9	138.6

Discrete annual performance (%)	28.02.2018	28.02.2017	28.02.2016	28.02.2015	28.02.2014
LF Seneca Diversified Growth Fund	9.9	20.1	-4.5	6.1	9.9
IA Mixed Investment 40-85% Shares	5.4	18.6	-3.6	8.2	8.1

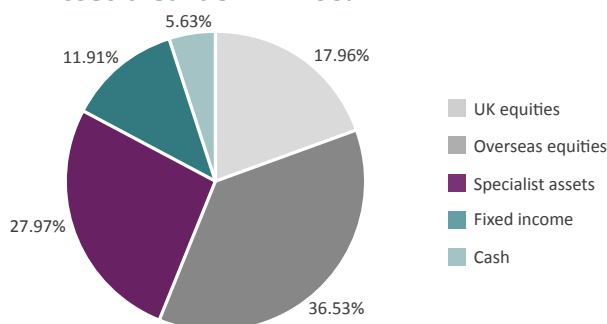
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 28.02.2018 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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.



# LF Seneca Diversified Growth Fund

## Asset breakdown - 100%



Source: Seneca IM

### UK direct equities\*

1	OneSavings Bank	1.1%
2	Marston's	1.1%
3	Ultra Electronics Group	1.1%
4	Kier Group	1.0%
5	Babcock International Group	1.0%

### Overseas equities

1	Invesco Perpetual European Equity Income	5.9%
2	Goodhart Michinori Japan Equity	5.3%
3	Samarang Asian Prosperity	4.8%
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	4.3%
2	Royal London Sterling Extra Yield 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 <sup>1</sup>	3.9%
2	International Public Partnership	2.6%
3	Doric Nimrod Air Two	2.2%
4	Fair Oaks Income	1.9%
5	Aberdeen Private Equity	1.5%

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

<sup>1</sup> Unquoted investment Source: Link Fund Solutions

## Key facts

Launch date	8 April 2002
Size	£116.52m
A Class month end price	271.18p
B Class month end price	162.79p
N Class month end price	160.30p
Total holdings	60
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**