

CF Seneca Diversified Income Fund

March 2017



Research area

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

Investment team

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

* Named fund managers

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 interest and specialist investments held through third party funds.

Income

Historic net yield ¹	4.97%
Distributions	monthly

Commentary

- February was a good month for financial assets across the board, as economic growth in many key countries continued to improve
- Sterling slipped slightly, following reports that the Scottish Nationalist Party was preparing for a second referendum on independence
- Equities overweight reduced from 3%pts to 2%pts as recent strength in markets has made valuations less compelling
- The 1% reduction came out of Europe ex UK where political risks are if anything still rising; the proceeds were moved into cash
- Essentra rose 33%, after reporting full year results. New CEO and turnaround specialist, Paul Forman, is going down well with investors.
- National Express and Morgan Advanced delivered healthy results ahead of expectations, as did Senior, although the latter had a cautious tone.
- Invesco Perpetual European Equity Income Fund was reduced, following a decrease in the tactical asset allocation for European equities.
- BlackRock World Mining Trust announced a valuation uplift to its investment in a Brazilian based mine, which has moved from development to commercial production.
- TwentyFour Dynamic Bond Fund was reduced to keep overall fixed income exposure at close to 30%
- Blue Capital Global Reinsurance saw its significant discount narrow to some degree as it continues to deliver relatively stable NAV returns.
- UK Mortgages Ltd announced the completion of its third acquisition of a parcel of mortgages which fully commits their initial capital in assets that are demonstrating solid credit quality.

5 year performance chart (%)



Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Income Fund	5.4	6.1	16.3	21.9	44.8	106.6
IA Mixed Investment 20-60% Shares	4.3	3.7	14.4	18.3	35.0	96.3

Discrete annual performance (%)	28.02.2017	28.02.2016	28.02.2015	28.02.2014	28.02.2013
CF Seneca Diversified Income Fund	16.3	-0.8	5.6	6.4	11.7
IA Mixed Investment 20-60% Shares	14.4	-3.4	7.0	5.4	8.2

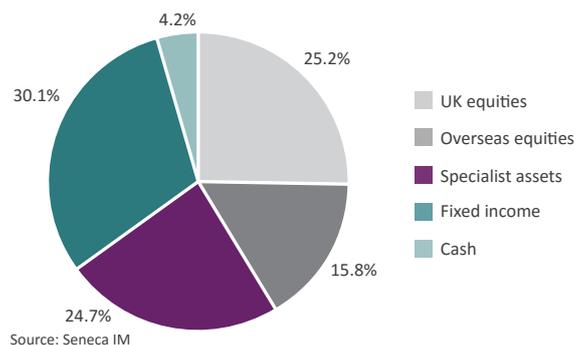
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 28.02.2017 and refers to the 'B' share class unless stated otherwise. Performance prior to 26.03.2012 is calculated using the 'A' share 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



UK direct equities*

1	Marston's	1.3%
2	One Savings Bank	1.3%
3	Essentra	1.3%
4	Phoenix Group	1.3%
5	Kier Group	1.2%

Overseas equities

1	Liontrust European Enhanced Income	2.5%
2	Prusik Asian Equity Income	2.4%
3	Schroder Asian Income Max	2.0%
4	Blackrock World Mining	2.0%
5	Invesco Perpetual European Equity Income	2.0%

Fixed income

1	Royal London Sterling Extra Yield Bond	6.3%
2	Muzinich Short Duration High Yield	5.9%
3	Royal London Short Duration Global High Yield Bond	5.8%
4	Templeton Emerging Markets Bond	5.2%
5	TwentyFour Select Monthly Inc	4.1%

Specialist assets

1	AJ Bell Holdings ²	3.4%
2	Doric Nimrod Air Two	1.6%
3	Fair Oaks Income	1.6%
4	International Public Part'	1.3%
5	AEW UK REIT	1.3%

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

² Unquoted investment Source: Capita Financial

Key facts

Launch date	8 April 2002
Size	£101.23m
A Class month end price	93.14p
B Class month end price	111.23p
N Class month end price	109.87p
Total holdings	58
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.84%	1.19%	1.44%
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 30.09.2016

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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