



# Multi-Asset Value Investing



| Multi-asset experts

| Value ethos

| Team research

| Process driven

| Simple active management

| Risk aware

| Quality outcomes

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# | Introduction

There is growing recognition that investors may need to search wider than traditional asset classes to achieve their investment goals.

As multi-asset investors we are experts in this wider search. This is all we have done since 2002. Uniquely in the field of multi-asset, we are also committed value investors. We call what we do 'Multi-Asset Value Investing'. We focus on valuation and quality in all of our investment decisions, whether regarding individual companies, third party funds, or entire markets and asset classes.

We align ourselves to the interests of our clients both through wide share ownership in the Seneca business and through co-investment in the funds we manage. Our money and your money are treated exactly the same.

*David Thomas. CEO, Seneca Investment Managers*

# | Multi-Asset Experts

## Investment solutions managed by multi-asset experts

“We have a long heritage and expertise in multi-asset – it is all we do, all we have ever done and all we intend to do “

– David Thomas CEO Seneca Investment Managers

### Our Credentials

At Seneca Investment Managers we have a long track record of delivering returns by investing across a wide range of assets. This diversified approach to investment has the potential to both enhance returns and reduce risk for our investors.

We are outcome based investors, meaning our investment aims are clearly defined. Our specialism in Multi-Asset Value Investing means we have significant expertise, combined with a heritage and single focus stretching back for over a decade.

### What Makes Us Different?

As a fund management company, we specialise in multi-asset investing. This form of investing combines traditional securities, such as equities and bonds, with non-traditional approaches, such as specialist investments\* to deliver specific outcomes.

Our investment approach differs in that we make decisions using a value investing ethos. We believe this approach makes it easier to achieve investor objectives and offers the prospect of superior long term returns and avoidance of permanent loss of capital.

The bible of value investing is Security Analysis, written by Benjamin Graham and David Dodd and published in 1934. They set out a framework for assessing the intrinsic value of stocks, then proposed that investors should only buy stocks below their intrinsic value.

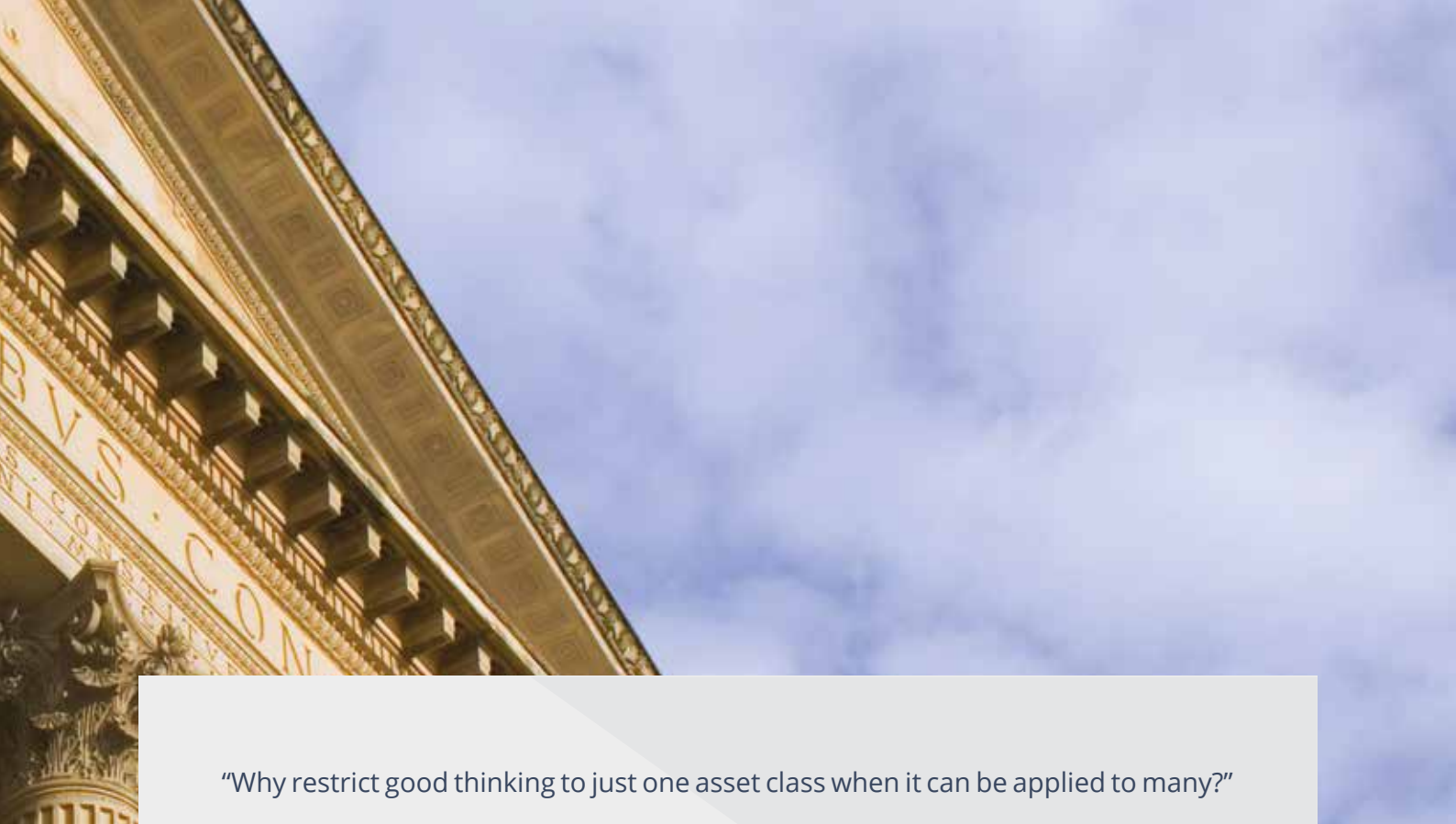
At Seneca we use these principles to assess different asset classes, select stocks and when picking third party funds, to choose managers who employ value investing techniques. Our value investing approach means that our funds are actively managed and different, both from common benchmarks and from the competition.

Successful active management involves finding patterns in financial assets and taking advantage of them. Performing well for our investors is about finding value in multi-asset investing and making better decisions than other investors.

*\*Property, private equity, specialist financial and infrastructure.*

# | The Value of Seneca





“Why restrict good thinking to just one asset class when it can be applied to many?”

– Peter Elston, CIO Seneca Investment Managers

## Value Ethos

Applying a value ethos across multiple asset classes is, we believe, unique to Seneca.

In equities this simply means investing in under-appreciated companies with quality balance sheets, attractive yields and the potential to benefit from strong returns.

Why though should a value approach only be applied to equities, as has traditionally been the case, and not to asset allocation, fixed income and other kinds of investment as well?

At Seneca, we stick to our value principles in every aspect of investment, always seeking to buy assets at good value and sell them when they are expensive.

Value investing by its very nature should mean never buying at the top of the market, and constantly researching to find the opportunities that others may have missed.

# | Team Research

We believe that successful investment management is highly dependent on good people, teamwork and strong research.

Our team of five fund managers has over a century of combined experience in investment management.

Our fund managers work as a cohesive team, led by our Chief Investment Officer Peter Elston.

Our research based approach means that each fund manager leads the team's decision making in their particular area of research responsibility.

Once a decision is made, we ordinarily implement it in all of the funds we manage.

## **Peter Elston – Chief Investment Officer** Research responsibility – asset allocation

Peter's research responsibility for Seneca IM is asset allocation. Having joined the team as global investment strategist in November 2014, Peter was appointed chief investment officer in April 2015 and to the board of the company in January 2016. He has previously worked in investment roles at Mercury and Aberdeen, largely based in Asia. Peter graduated in Oriental Studies from Trinity College, Cambridge in 1988.





**Tom Delic – Fund Manager**  
Overseas equities & Fixed income

Tom is responsible for overseas equity, sector and thematic research across the Seneca IM mandates. Tom has worked in the investment industry since 2009 after graduating from the University of Liverpool with a first class degree in Mathematics with Finance. After beginning his career as an investment analyst for Royal Liver Asset Managers, he later joined Seneca IM in October 2011.



**Richard Parfect – Fund Manager**  
Research responsibility – specialist assets

Richard applies our value driven approach to his specific focus on specialist assets for Seneca IM. Richard is a Fellow of the CISI and was a founder of Seneca IM in 2002. Rich previously worked as a UK equity analyst at Merseyside Pension Fund and started his career at Neilson Cobbold.



**Mark Wright - Fund Manager**  
Research responsibility – UK equities

Mark is responsible for UK equity research across Seneca IM's investment mandates. Mark began his career at Seneca IM after graduating from University of York with a BSc degree in Economics. Mark is a CFA Charter holder and an accredited member of the CFA Institute.



# | Process Driven

We believe a simple, well managed investment process, consistently applied, is the best way of delivering the quality investment outcomes that many investors need and want.



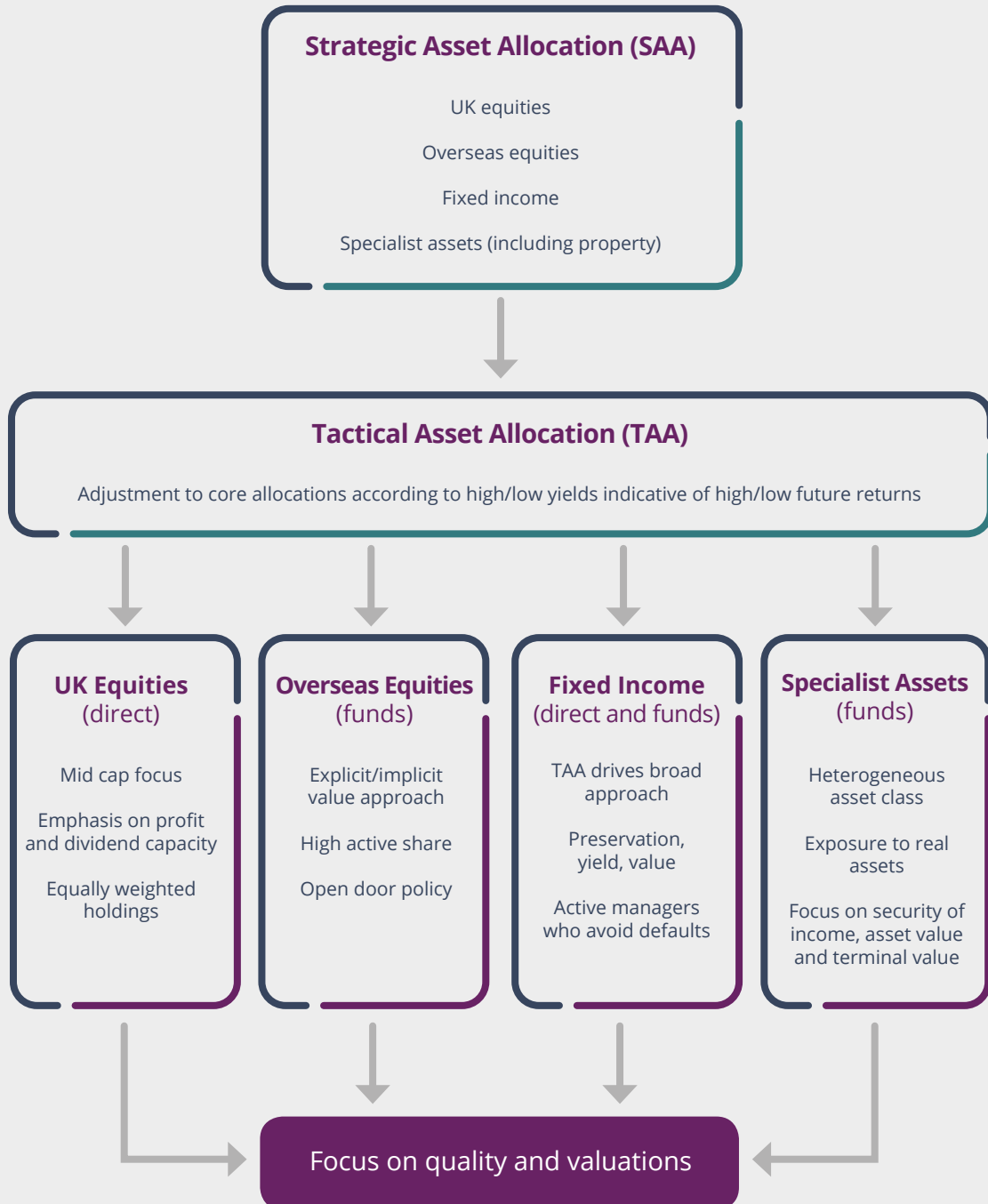
Our investment process is at the heart of everything we do. Rigorous adherence to each aspect of our process underpins our ability to deliver quality investment outcomes to our clients.

Each of our funds has a strategic asset allocation, which is the long term asset allocation between UK equities, overseas equities, fixed income and specialist assets.

In conjunction with the strategic asset allocation, we use tactical asset allocation decisions to vary our asset allocation based on our view of the outlook for specific asset classes and of the global business cycle.

Within each asset class, we select individual investments in UK equities, overseas equities, fixed income and specialist assets, all the while focusing on quality and valuation in every decision.

## Clarity of Process





# Simple Active Management

## Simple Active Management Explained

At Seneca, we believe in keeping things simple. Our funds at Seneca do not use any complex investments or strategies. On the contrary, we invest only in companies, funds or assets of which we have a clear understanding, and where we believe we can convey that understanding to investors in our funds.

We believe our approach sits nicely between, on the one hand, traditional balanced funds that invest in bonds and equities only, and, on the other, complex structures that are hard to understand and explain.

Active management for us does not mean constantly trading in our portfolios. On the contrary, it means setting conventional measures and benchmarks to one side and investing with conviction, based on our value and quality criteria and the strength of our ongoing research.



## | Risk Aware

Having a clear and consistently applied process is just one part of our approach to mitigating risk for our investors.

Risk comes in many forms. We believe the main risk that our investors face is the risk of permanent loss of capital. By buying assets at below fair market value, we build in a 'margin of safety' in everything we do, which helps to guard against this risk.

Another important risk faced by investors is that of volatility, i.e. the unpredictability of shorter term returns. The diverse nature of our portfolios helps to moderate this concern.

Finally, there is the risk that funds do not achieve the outcome an investor expects. Whilst we cannot remove this risk altogether, everything you have read about so far is designed to minimise this risk. We believe that our long-standing expertise in multi-asset investment, our team focus on research, our investment process, our simple, active approach and our awareness of risk all support our aim of delivering the quality outcomes investors expect.

# | Quality Outcomes

We believe that investors select an investment with an expectation of how that investment will perform and what risk it will take to achieve those returns.

Having the outcome implicit to our approach means that our interests in achieving those aims are perfectly aligned with those of investors.

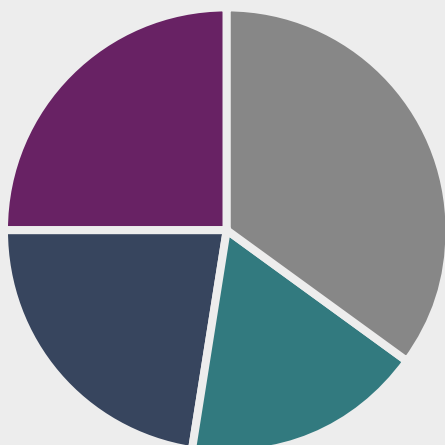
**For income, growth or both, the Seneca range offers choice with consistency of approach and quality outcomes**

You can choose from the LF Seneca Diversified Income Fund, the LF Seneca Diversified Growth Fund, both of which are OEICs (Open Ended Investment Companies), and the Seneca Global Income & Growth Trust plc, which is an Investment Trust.

## LF Seneca

### Diversified Income Fund

**Investment Association  
Mixed 20-60% Shares Sector**

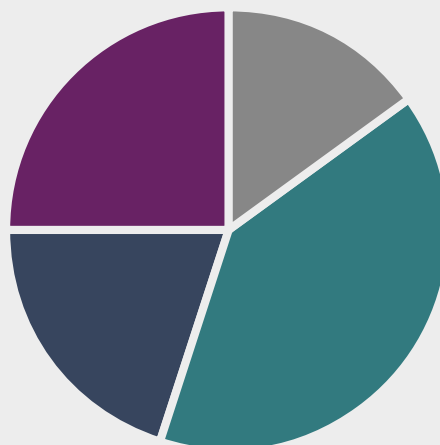


The aim of the fund is to generate a total return of CPI\* +5%<sup>†</sup> per annum after costs whilst delivering a high level of potentially growing income and seeking to avoid permanent loss of capital

## LF Seneca

### Diversified Growth Fund

**Investment Association  
Mixed 40-85% Shares Sector**



The aim of the fund is to generate a return of CPI\* +6%<sup>†</sup> per annum after costs

\* The Consumer Price Index, which is a measure of UK inflation.

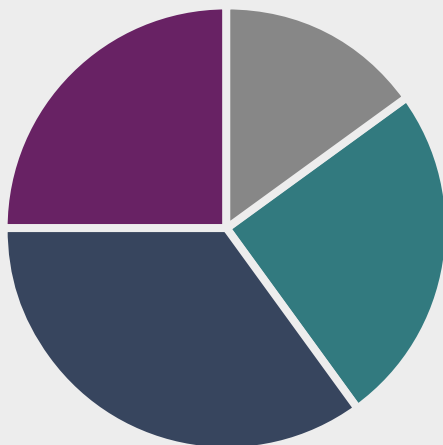
† The return figures quoted are Seneca Investment Managers estimates based on expectations over a typical investment cycle which we define as one which spans 5-10 years, and in which returns from various asset classes are generally in line with their very long term averages.

Our estimates are derived from various third party sources, as well as the knowledge and experience of the Seneca investment team. They are intended to be conservative, representing what Seneca hopes to achieve from each asset class in the way of income and capital return.

There is no guarantee that the investment aims will be achieved over the period stated or any time period and you may not get back some or all of your original investment.

## Seneca Global Income & Growth Trust plc

Association of Investment Companies  
Flexible Investment Sector



The Company will seek to achieve a total return of at least CPI\* +6%† per annum after costs with low volatility, and the aim of growing aggregate annual dividends at least in line with inflation

# Fund Availability

You can make a direct investment in the LF Seneca income and growth funds through Link Fund Solutions. The Seneca Global Income & Growth Trust plc is fully quoted on the London Stock Exchange and shares can be bought directly in the market, or through many stockbrokers. Our investment products are also available through a wide range of online investment portals.

All of our investment products are suitable for general investment accounts (GIA), individual savings accounts (ISA), self-invested personal pensions (SIPP), other pensions and most other tax wrappers.

## For Professional and Institutional Investors

	LF Seneca Funds	Seneca Global Income & Growth Trust plc
Direct Investment	Link Fund Solutions Limited: 0345 608 1497	Publically Traded Company
Aegon Arc	✓	
AJ Bell Investcentre	✓	✓
All Funds	✓	
Ascentric	✓	✓
Aviva Wrap	✓	
AXA Elevate	✓	✓
Canada Life	✓	✓
Canada Life International	✓	
Cofunds	✓	
Cofunds Institutional	✓	
Fidelity Funds Network	✓	
James Hay	✓	✓
Liberty SIPP	✓	✓
Novia	✓	
Nucleus	✓	✓
Old Mutual Wealth	✓	
Raymond James	✓	✓
SEI Investments	✓	✓
Seven IM	✓	✓
Standard Life	✓	
Transact	✓	✓
True Potential	✓	✓
Zurich (Sterling ISA Managers)	✓	✓



## For Private Investors

	LF Seneca Funds	Seneca Global Income & Growth Trust plc
Direct Investment	Link Fund Solutions Limited: 0345 608 1497	Publically Traded Company
AJ Bell Youinvest	✓	
Alliance Trust Savings	✓	✓
Barclays Stockbrokers	✓	✓
Bestinvest	✓	✓
Cavendish Online	✓	
Charles Stanley Direct	✓	✓
Close Brothers	✓	✓
Commshare	✓	
Fidelity Personal Investing	✓	
Financial Discounts Direct	✓	
Fund Expert	✓	
Fundsnet	✓	
Chelsea FS Fundstore	✓	
Halifax Sharedealing	✓	✓
Hargreaves Lansdown	✓	✓
Interactive Investor (iii)	✓	✓
InvestingZone*	✓	
ISA Ltd	✓	
iWeb	✓	✓
James Brearley	✓	✓
Liberty SIPP	✓	✓
MoneySpider	✓	
PlatformOne	✓	✓
rplan	✓	
Selftrade	✓	✓
Seymour Sinclair	✓	
SFS InvestDirect	✓	
Sharecentre	✓	✓
StockTrade	✓	✓
SVS Securities		✓
TD Direct Investing	✓	✓
Telegraph Investor	✓	✓
TQ Invest	✓	
True Potential	✓	✓
Trustnet Direct	✓	✓
Willis Owen	✓	
x-o.co.uk		✓

\* LF Seneca Diversified Income Fund only

# | Want to Know More?

Should you wish to discuss anything further, your key contacts are:



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The LF Seneca Investment Funds may experience high volatility due to the composition of the portfolio or the portfolio management techniques used. Before investing you must read the key investor information document (KIID) as it contains important information regarding the funds, including charges, tax and fund specific risk warnings and will form the basis of any investment. The prospectus, KIID and application forms are available from Link Fund Solutions, the Authorised Corporate Director of the Funds (0345 608 1497).

Before investing in the Seneca Global Income & Growth Trust you should refer to the latest Annual Report for details of the principle risks and information on the trust's fees and expenses. Net Asset Value (NAV) performance may not be linked to share price performance, and shareholders could realise returns that are lower or higher in performance. The annual investment management charge and other charges are deducted from income and capital.

Seneca Investment Managers Limited is the Investment Manager of the Funds (0151 906 2450) and is authorised and regulated by the Financial Conduct Authority and is registered in England No. 4325961 with its registered office at Tenth Floor, Horton House, Exchange Flags, Liverpool, L2 3YL. FP17/371





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