

CF Seneca Diversified Growth 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 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 weight lowered further to 56% 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 and North America, 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
- Following a reduction to the tactical asset allocation weight to North America, the Yacktman US Equity Fund was reduced
- The holding in the Royal London Short Duration High Yield Bond Fund was increased following a lift 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 Growth Fund	2.8	7.5	15.5	37.0	61.4	180.5
IA Mixed Investment 40-85% Shares	2.4	4.9	9.8	29.6	54.6	139.8

Discrete annual performance (%)	31.10.2017	31.10.2016	31.10.2015	31.10.2014	31.10.2013
CF Seneca Diversified Growth Fund	15.5	11.7	6.2	0.2	17.6
IA Mixed Investment 40-85% Shares	9.8	12.4	5.0	2.1	16.8

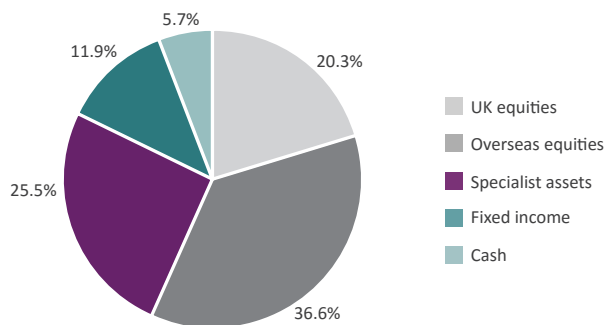
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 31.10.2017 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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 Growth Fund

Asset breakdown



Source: Seneca IM

UK direct equities*

1	Marston's	1.1%
2	OneSavings Bank	1.1%
3	RPC Group	1.0%
4	Legal & General Group	1.0%
5	BT Group	0.9%

Overseas equities

1	Invesco Perpetual European Equity Income	5.8%
2	Goodhart Michinori Japan Equity	5.7%
3	Halley Asian Prosperity	4.4%
4	Somerset EM Dividend Growth	4.4%
5	Prusik Asian Equity Income	3.5%

Fixed income

1	Royal London Short Duration High Yld Bond	4.5%
2	Royal London Sterling Extra Yld Bond	2.9%
3	TwentyFour Select Monthly Inc	2.5%
4	Templeton Emerging Markets Bond	2.0%
5	N/A	

Specialist assets

1	AJ Bell Holdings	4.0%
2	International Public Partnership	2.2%
3	Doric Nimrod Air Two	1.7%
4	Fair Oaks Income	1.6%
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	£120.05m
A Class month end price	273.23p
B Class month end price	163.67p
N Class month end price	161.30p
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*	1.93%	1.28%	1.53%
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 31.03.2017

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Important information

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Multi-Asset Value Investing