

## CF Seneca Diversified Income Fund

(from 18 December 2017 the fund name will change to LF Seneca Diversified Income 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 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 income and specialist investments held through third party funds.

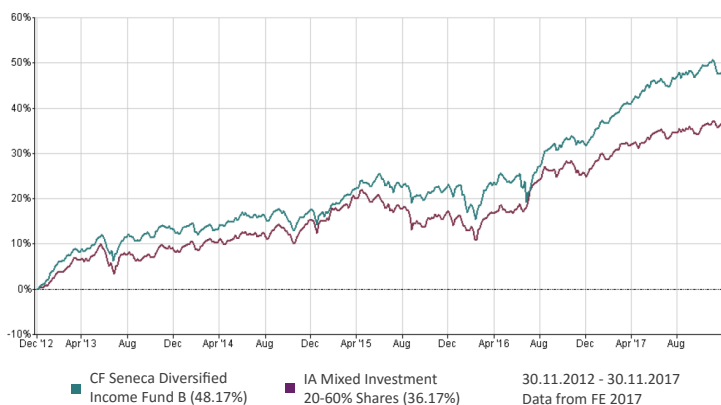
### Income

Historic net yield <sup>1</sup>	4.76%
Distributions	monthly

### Commentary

- Equity target reduced from 38% to 37%. 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
- Schroder Asian Income Maximiser Fund was added to in order to bring the position to target weight
- Small additions to three existing fixed income holdings to maintain weightings following cash inflows early in the month
- 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

### 5 year performance chart (%)



Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
CF Seneca Diversified Income Fund	0.1	1.5	12.2	26.0	48.2	120.0
IA Mixed Investment 20-60% Shares	0.5	1.2	8.3	18.1	36.2	103.9

Discrete annual performance (%)	30.11.2017	30.11.2016	30.11.2015	30.11.2014	30.11.2013
CF Seneca Diversified Income Fund	12.2	7.6	4.3	3.5	13.5
IA Mixed Investment 20-60% Shares	8.3	7.5	1.4	5.7	9.2

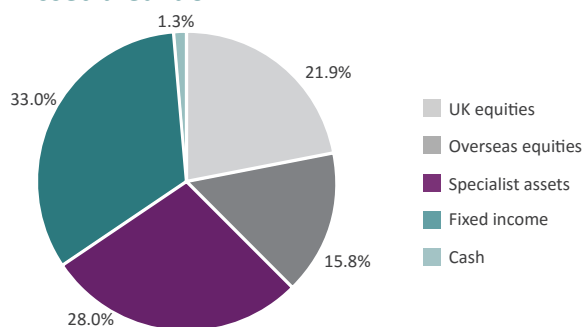
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 30.11.2017 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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 Income Fund

## Asset breakdown



Source: Seneca IM

### UK direct equities\*

1	Marston's	1.7%
2	Kier Group	1.5%
3	Halfords Group	1.3%
4	Marks & Spencer	1.2%
5	Phoenix Group	1.2%

### Overseas equities

1	Prusik Asian Equity Income	2.5%
2	Liontrust European Enhanced Income	2.5%
3	BlackRock World Mining	2.2%
4	Schroder Asian Income Maximiser	2.0%
5	Invesco Perpetual European Equity Income	2.0%

### Fixed income

1	Royal London Short Duration Global High Yield Bond	7.8%
2	Muzinich Short Duration High Yield	7.3%
3	Royal London Sterling Extra Yield Bond	6.6%
4	Templeton Emerging Markets Bond	5.2%
5	TwentyFour Select Monthly Inc	4.0%

### Specialist assets

1	AJ Bell Holdings <sup>1</sup>	4.3%
2	International Public Partnership	2.2%
3	Fair Oaks Income Fund	2.1%
4	Doric Nimrod Air Two	2.0%
5	Greencoat UK Wind	1.3%

\* 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	£103.63m
A Class month end price	95.33p
B Class month end price	114.29p
N Class month end price	112.73p
Total holdings	61
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.80%	1.15%	1.40%
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 30.09.2017

## Contact us

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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