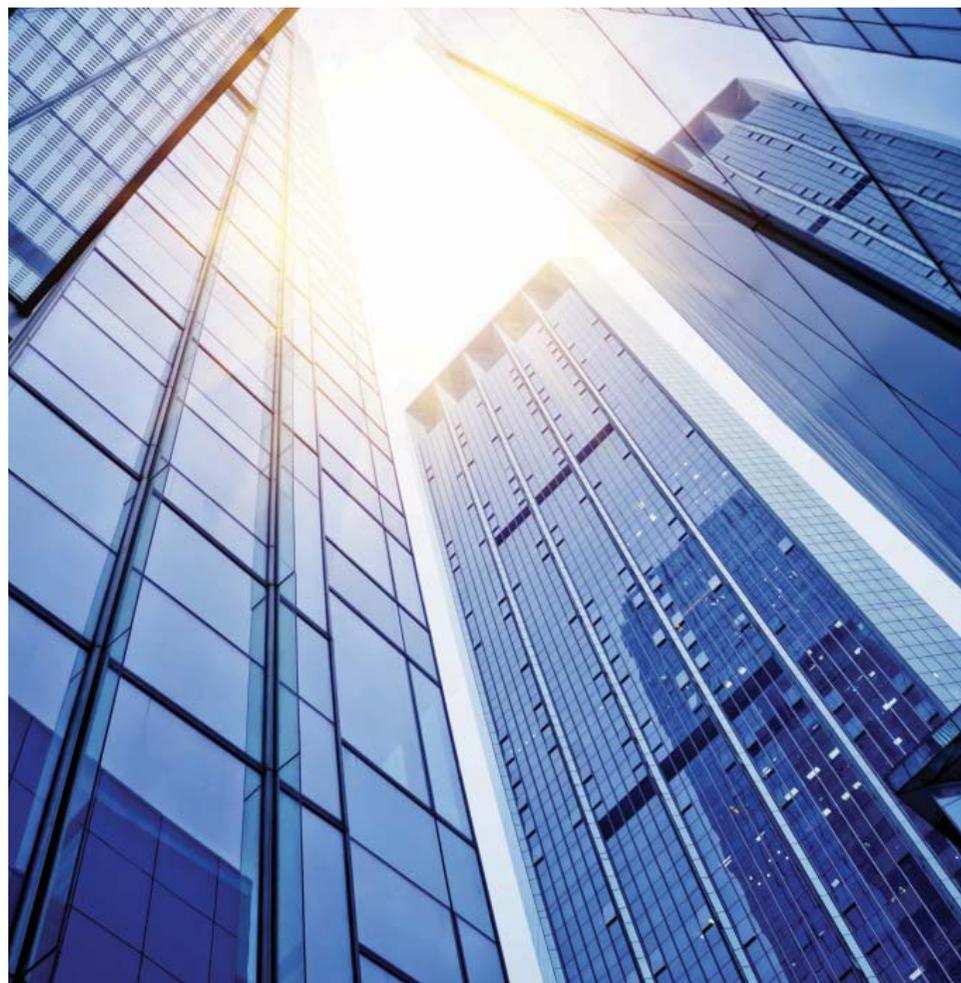


CF Seneca Investment Funds

Interim Unaudited Report and Financial Statements
30 September 2017

CF Seneca Diversified Growth Fund
CF Seneca Diversified Income Fund



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Telephone: 0870 607 2555 Fax: 0870 607 2550
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K.J. Midl
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Link Fund Administrators Limited
Customer Service Centre:
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CF SENECA INVESTMENT FUNDS ACD'S REPORT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

AUTHORISED STATUS

CF Seneca Investment Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000342 and authorised by the Financial Conduct Authority with effect from 5 October 2004. The Company has unlimited duration.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The Company is a UCITS scheme and the base currency of the Company and each sub-fund is Pounds Sterling.

IMPORTANT INFORMATION

With effect from 1 July 2017, the minimum periodic fee charged by the BNY Mellon Trust & Depository (UK) Limited ('the Depository') to each of the sub-funds of the Company for acting as Depository was increased. Please refer to the Charges, Fees and Expenses section of the Company's Prospectus for further details regarding the charge.

With effect from 16 October 2017, the address of the ACD has changed to 6th Floor, 65 Gresham Street, London EC2V 7NQ.

As a result of the completion of the acquisition of Capita Financial Managers Limited by Link Administration Holdings Limited on 3 November 2017, the name of the ACD has changed to Link Fund Solutions Limited. Additionally the Registrar of the Company in which you are invested has changed its name from Capita Financial Administrators Limited to Link Fund Administrators Limited and our trading name has changed from Capita Asset Services to Link Asset Services.

CROSS HOLDINGS

No sub-funds had holdings in any other sub-fund of the Company at the end of the period.

SECURITIES FINANCING TRANSACTIONS

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

CF SENECA INVESTMENT FUNDS
DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

N. BOYLING

LINK FUND SOLUTIONS LIMITED
ACD of CF Seneca Investment Funds
28 November 2017

CF SENECA DIVERSIFIED GROWTH FUND
ACD'S REPORT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

IMPORTANT INFORMATION

Refer to the 'Important Information' section on page 3.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of CF Seneca Diversified Growth Fund ('the Fund') is to achieve long-term capital growth by investing in a balanced and well diversified portfolio of UK and international equities, and fixed interest securities including government and corporate bonds. Investments will also be made in regulated collective investment schemes, money markets and cash deposits to provide further diversification to the Fund in accordance with applicable regulations.

LINK FUND SOLUTIONS LIMITED
ACD of CF Seneca Diversified Growth Fund
28 November 2017

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

For the half year ended 30 September 2017

INVESTMENT MANAGER'S REPORT

INVESTMENT APPROACH

Seneca Investment Managers is a fund management company specialising in multi-asset investing. This form of investing combines traditional securities, such as equities and bonds, with non-traditional approaches, such as specialist assets* 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 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.

ASSET ALLOCATION

FUND ASSET STRUCTURE AS AT 30 SEPTEMBER 2017

There have been no changes to the strategic asset allocation for the Fund over the period. The strategic asset allocation has been set to achieve the Fund's investment objectives over the long term and, as such, is likely to change infrequently, being subject to review every 12 months.

* Property, private equity, specialist financial and infrastructure.

Asset Class	Fund %	Strategic Asset Allocation %
Equities	58.5	60.0
UK	22.0	20.0
North America	2.9	8.0
Europe	8.8	8.0
Japan	7.9	8.0
Asia (exc. Japan)	10.5	8.0
Emerging Markets	4.4	8.0
Other Overseas	2.0	–
Fixed Income	11.0	15.0
Specialist Assets	25.0	25.0
Cash	5.5	–
Total	100.0	100.0

Source: Seneca Investment Managers Limited.

Recent months saw equity markets advance, as global growth continued to strengthen. As expected, the Federal Reserve ('the Fed') increased interest rates in June by a further quarter point, citing growth and inflation expectations that remained on track in the medium term if not the short term (core inflation in fact fell below the 2% target in the second quarter). The Fed remains the only major central bank to have increased interest rates this cycle, though the case for hikes in the UK, eurozone and Japan appears to be strengthening, though probabilities of such are higher in the former than the latter.

Unemployment across the developed world during the period continued to fall. In the US, the unemployment rate is a whisker away from its pre-crisis low, while in the UK the rate hit 4.3% in September, slightly below the pre-crisis low of 4.7% seen in 2005. Despite this, there were no signs of tightness in labour markets translating into higher wage pressures. It has been argued that a combination of structural slack in labour markets as well as rising availability of labour alternatives has resulted in a shift in the Phillips Curve. Essentially, this means that employment may continue to rise before wage pressures become entrenched.

Elsewhere, unemployment in the eurozone continued to fall, albeit from high levels. Unlike the US and the UK, unemployment in the eurozone only peaked in 2013, and at high levels, so still has a long way to fall (indeed it only fell below 10% towards the end of 2016). This means that inflation pressures will remain weak and European Central Bank policy loose for the foreseeable future.

In Japan, the unemployment rate remained below 3% during the period. On the face of it, this appears very low, though it is still well below historical lows of 1-2% seen during the 60s and 70s. Thus, wage pressures in Japan remain very weak, and in fact core inflation has once again turned negative. Deflationary forces were perhaps also exacerbated by the strength in the yen seen throughout much of 2015 and 2016.

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 30 September 2017

ASSET ALLOCATION (continued)

FUND ASSET STRUCTURE AS AT 30 SEPTEMBER 2017 (continued)

In the emerging world, inflation also continued to improve, meaning that generally it fell where it was too high (Brazil and Russia) and rose where it was too low (China). This improvement has allowed emerging market currencies to continue to strengthen, following several years of weakness.

Safe haven bond performance was mixed, with any fall in inflation cancelled out by a rise in real interest rates.

In light of the strong performance of equities and the mixed performance of bonds, as well as decent performance at a holding level, the Fund performed well in absolute terms, relative to peers, as well as relative to comparator indices.

PORTFOLIO ACTIVITY

UK EQUITIES

There were no exits during the interim period and only one new investment (**Babcock International**) which was funded by trimming existing holdings within UK equities. Overall, the tactical asset allocation (TAA) weighting to UK equities fell by 1% to 21%, as we feel it is prudent to gradually reduce overall risk within the Fund, given where broader market valuations are and that we are over 8 years into an equity bull market.

Only one new investment during the period, in **Babcock International**. The group has unjustifiably been tarnished with the same brush as other support service companies, such as Capita, Interserve and Mitie, which have warned on profits at various times over the last few years. This has left the shares offering a dividend yield higher than at any other time during the last 10 years.

We believe the company is fundamentally different to others in its sector. The workforce is highly skilled and increasingly in short supply. The company operates in complex, highly regulated and often secretive industries, so barriers to entry are high. Contracts are long term in nature and have a gain/pain sharing mechanism with customers. Unlike many peers, Babcock International does not depend on cost-plus contracts that often rely on add-on work at high margins to earn a decent overall return.

Examples of specialist contracts include the refit work for all UK nuclear submarines and three quarters of the UK's naval ships. The group also maintains the London Fire Brigade's fire engine fleet and operates search and rescue, as well as air ambulance fleets. Babcock International also trains pilots, provides engineering support to the military, as well as operational, design and project management support to the nuclear industry. The latter has strong growth prospects, including new build (Hinkley Point C) and decommissioning (Sellafield).

Company updates and results were generally positive. **Intermediate Capital** delivered stellar full year results, albeit partly boosted by one-off accounting gains. A new dividend policy was announced that better links ordinary distributions to the performance of the fund management business. The ordinary dividend was increased 17% and the Board guided that it should grow at mid to high single digits going forward. The company also has a history of paying special dividends.

Cash performance was particularly strong during the first half of **Victrex's** financial year. This increases the chances of a special dividend later in the year, now that the company has over £85 million net cash on the balance sheet. Victrex is a serial innovator, creating new forms and uses for its special polymer with unique characteristics – polyetheretherketone (PEEK). Core volumes across the business grew 19%.

Under the new leadership of Greg Fitzgerald, who built a strong track record previously at the helm of Galliford Try, **Bovis Homes** committed to a substantially increased ordinary dividend, as well as a series of special dividends over the next three years. The special dividends will be largely funded by reducing the capital intensity of the business.

Conviviality Retail was the strongest performer, after releasing strong results that were ahead of market expectations with good cash generation evident. The company guided that additional cost savings are possible and customers appear to be responding positively to the 'one-stop solution' that the group now offers.

OVERSEAS EQUITIES

Whilst there were no new outright purchases or exits over the period, we made several transactions across existing holdings. The most significant was the reduction to the holding in **Heptagon Yackman US Equity**, which we reduced following a reduction to the tactical asset allocation weight to North America.

Elsewhere, we added to **BlackRock World Mining**, after the vehicle moved to a double-digit discount to net asset value. In Europe and Japan, we reduced **European Assets**, **Invesco Perpetual European Equity Income** and **Goodhart Partners Horizon Michinori Japan Equity** after good performance moved weights above target. In Emerging Markets, we reduced **MI Somerset Emerging Markets Dividend Growth**.

During the period Richard Aston, fund manager of the **CC Japan Income & Growth**, gave us an update on the portfolio. Changing senior management behaviour in corporate Japan continues to make the country an attractive area of equity income opportunities. A low payout ratio and net cash balance sheets support a growing dividend stream. In June, the company announced a 15% increase in the interim dividend, which reflects the shareholder friendly activities across the portfolio of businesses. The small size of the trust also allows the manager to invest in businesses with small market capitalisations, often a fertile hunting ground for opportunities.

We also spoke with Sean Lenihan, fund manager of the **Goodhart Partners Horizon Michinori Japan Equity**. Mr Lenihan operates a 'best ideas' approach, investing in high quality businesses that should benefit from a changing Japan, whilst ensuring he is not overpaying for the business. An example is Raito Kogyo, a civil engineering business focused on niche areas such as tunnel repairs, slope stabilisation and ground improvement. Government expenditure on disaster prevention and tighter building standards for the private sector are both tailwinds to the business. Additionally, the business trades on a single digit P/E ratio with a net cash balance sheet. The fund is very active, with over half of capital invested in the portfolio's top 10 holdings.

FIXED INCOME

There was only one change made to fixed income holdings, namely an addition to the existing position in the **Royal London Short Duration Global High Yield Bond Fund**. We continue to believe that the short end of the sub-investment grade corporate bond market offers value and will be defensive as interest rates rise.

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 30 September 2017

SPECIALIST ASSETS

We participated in the launch of **PRS REIT** which raised equity to build a portfolio of modern purpose built houses in the private rented sector (PRS). The purpose is to run the assets on a professional basis and benefit from significant economies of scale, both in the construction of the homes and in their subsequent maintenance and running of the portfolio. Initial plans are for 2,500 units, however, as sites become available in the future, this is likely to increase as the country strives to address its significant shortfall in housing supply. The vehicle intends to pay a 5% dividend yield rising to 6% by year three, with the added opportunity for modest capital appreciation.

We have commenced an exit program from **Blue Capital Alternative Income Fund (BCAI)**. While the trust has done a reasonable job in terms of NAV returns, the shares continue to languish at a discount to NAV and we feel it is too small with little prospect of getting larger. Furthermore, the frequent change in ownership of the manager has created uncertainty. Our reduction was commenced prior to the series of hurricane and earthquake events that have hit the Americas. In order to capitalise on the likely resultant increase in reinsurance premium rates the trust will wish to raise new equity however it is difficult to see how this may be achieved while demand for the ordinary shares has proved to be insufficient. At the period end, the holding had been materially reduced but not fully exited as liquidity disappeared once the 2017 hurricane season arrived.

We exited **Ranger Direct Lending** as we were unhappy with the implications on the manager's due diligence process that has resulted in difficulties in part of their loan portfolio. Fortunately, we moved swiftly as signs of deterioration emerged and our exit was achieved before the shares moved to a wide discount to net asset value. Participation in this 'alternative finance' space is now achieved with **Funding Circle SME Income**, which avoids overseas currency risk as the portfolio is predominantly secured lending to UK Small & Medium sized enterprises (SMEs). We invested in the 'C' share issue of the trust in April and we have been satisfied with the deployment of capital to date.

We have increased the targeted allocations to **International Public Partnerships ('INPP')** and **UK Mortgages ('UKML')** as we believe both of these offer scope for low volatility of net asset value with little economic cyclicality. UKML has demonstrated a very low level of bad credit history in its portfolios of UK mortgages. In the case of INPP, there is the added benefit of an explicit high linkage in the underlying revenue stream from its infrastructure investments to inflation.

OUTLOOK

Although equity markets were strong during the period, they on the whole remain good value (yields are in general slightly below long-term averages which means they have scope to fall further). Furthermore, yield curves are far from being inverted, which should continue to provide support at least for the next few months.

Safe haven long bond yields remain expensive, as evidenced by inflation linked long-term yields that are either low (US) or negative (UK, Europe, Japan). Our central case scenario is that the global economy continues to strengthen in the medium terms, which would mean a relatively low likelihood of yields falling further.

From a business cycle perspective, we have seen the UK and the US moving further into expansion phase and Europe and Japan continuing to progress through recovery phase. This means we are likely to continue to reduce the Fund's overall equity exposure over the next two or so years, in anticipation of further monetary policy tightening leading to inverted yield curves towards the end of 2019.

SENECA INVESTMENT MANAGERS LIMITED

Investment Manager

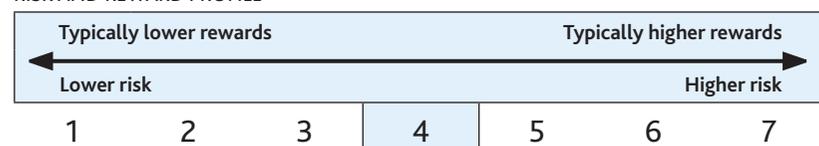
25 October 2017

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings.

Currency Risk: As the Fund invests in overseas securities movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

COMPARATIVE TABLES

Information for 30 September 2017 relates to the 6 month period ending 30 September 2017. The operating charges relate to the expenses incurred on an *ex post* basis over the 6 month period ending 30 September 2017, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

COMPARATIVE TABLES (continued)

	30.09.17 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)	31.03.15 ¹ (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	252.05	214.08	223.07	209.15
Return before operating charges*	17.64	42.43	(4.70)	18.99
Operating charges	(2.48)	(4.46)	(4.29)	(5.07)
Return after operating charges	15.16	37.97	(8.99)	13.92
Distributions	(3.04)	(5.36)	(3.53)	(2.88)
Retained distributions on accumulation shares	3.04	5.36	3.53	2.88
Closing net asset value per share	267.21	252.05	214.08	223.07
* after direct transaction costs of:	0.07	0.36	0.48	0.94
Performance				
Return after charges	6.01%	17.74%	(4.03)%	6.66%
Other Information				
Closing net asset value (£'000)	42,757	43,367	44,040	75,917
Closing number of shares	16,001,589	17,205,884	20,571,482	34,032,648
Operating charges	1.88% ³	1.93%	1.96%	1.98% ²
Direct transaction costs	0.02%	0.15%	0.22%	0.37% ²
Prices				
Highest share price	269.67	253.57	230.42	225.33
Lowest share price	251.91	207.65	198.68	195.32

¹ 14.5 month period due to change of annual accounting date.

² Annualised figure.

³ The operating charges at 30 September 2017 differs to the Key Investor Information Document (KIID) due to a decrease in collective investment schemes during the period.

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.09.17 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)	31.03.15 ¹ (p/share)
'B' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	150.41	126.95	131.42	122.24
Return before operating charges*	10.54	25.22	(2.78)	11.19
Operating charges	(0.97)	(1.76)	(1.69)	(2.01)
Return after operating charges	9.57	23.46	(4.47)	9.18
Distributions	(2.33)	(4.08)	(2.92)	(2.66)
Retained distributions on accumulation shares	2.33	4.08	2.92	2.66
Closing net asset value per share	159.98	150.41	126.95	131.42
* after direct transaction costs of:	0.04	0.22	0.28	0.55

Performance

Return after charges	6.36%	18.48%	(3.40)%	7.51%
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Other Information

Closing net asset value (£'000)	74,819	70,433	64,154	52,876
Closing number of shares	46,768,968	46,828,264	50,534,728	40,235,744
Operating charges	1.23% ³	1.28%	1.31%	1.33% ²
Direct transaction costs	0.02%	0.15%	0.22%	0.37% ²

Prices

Highest share price	161.37	151.29	135.78	132.73
Lowest share price	150.38	123.33	117.71	114.73

¹ 14.5 month period due to change of annual accounting date.

² Annualised figure.

³ The operating charges at 30 September 2017 differs to the Key Investor Information Document (KIID) due to a decrease in collective investment schemes during the period.

	30.09.17 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)	31.03.15 ¹ (p/share)
'N' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	148.45	125.59	130.33	121.61
Return before operating charges*	10.39	24.94	(2.74)	11.08
Operating charges	(1.15)	(2.08)	(2.00)	(2.36)
Return after operating charges	9.24	22.86	(4.74)	8.72
Distributions	(2.10)	(3.69)	(2.58)	(2.27)
Retained distributions on accumulation shares	2.10	3.69	2.58	2.27
Closing net asset value per share	157.69	148.45	125.59	130.33
* after direct transaction costs of:	0.04	0.21	0.28	0.55

Performance

Return after charges	6.22%	18.20%	(3.64)%	7.17%
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Other Information

Closing net asset value (£'000)	97	93	52	72
Closing number of shares	61,485	62,523	41,089	55,108
Operating charges	1.48% ³	1.53%	1.56%	1.58% ²
Direct transaction costs	0.02%	0.15%	0.22%	0.37% ²

Prices

Highest share price	159.10	149.33	134.65	131.64
Lowest share price	148.40	121.93	116.49	113.91

¹ 14.5 month period due to change of annual accounting date.

² Annualised figure.

³ The operating charges at 30 September 2017 differs to the Key Investor Information Document (KIID) due to a decrease in collective investment schemes during the period.

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 SEPTEMBER 2017 (%)

	6 months	1 year	3 years	5 years
CF Seneca Diversified Growth Fund	5.76	15.30	29.77	53.78

The performance of the Fund is based on the published price per 'A' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

PORTFOLIO STATEMENT AS AT 30 SEPTEMBER 2017

Holding	Portfolio of Investments	Value £'000	30.09.17 %
	FIXED INCOME INVESTMENTS – 10.99% (31.03.17 – 9.86%)		
	<i>CORPORATE BONDS – 8.88% (31.03.17 – 7.74%)</i>		
4,475,000	Royal London Short Duration Global High Yield Bond ¹	4,095	3.48
3,170,000	Royal London Sterling Extra Yield Bond ¹	3,426	2.91
2,950,000	TwentyFour Select Monthly Income ¹	2,935	2.49
		<u>10,456</u>	<u>8.88</u>
	<i>EMERGING MARKET DEBT – 2.11% (31.03.17 – 2.12%)</i>		
292,375	Templeton Emerging Markets Bond ¹	2,482	2.11
	TOTAL FIXED INTEREST INVESTMENTS	<u>12,938</u>	<u>10.99</u>
	EQUITY & EQUITY RELATED – 58.45% (31.03.17 – 61.46%)		
	<i>UNITED KINGDOM – 22.02% (31.03.17 – 23.58%)</i>		
222,000	Arrow Global	945	0.80
106,000	Babcock International	877	0.75
112,863	Bovis Homes	1,235	1.05
135,000	Britvic	1,019	0.87
390,000	BT	1,107	0.94
96,500	Clinigen ²	1,029	0.87
214,500	Conviviality Retail ²	881	0.75
166,000	Dairy Crest	1,018	0.87
85,000	Diploma	902	0.77
178,000	Essentra	983	0.84
330,000	Halfords	1,156	0.98
87,500	Intermediate Capital	818	0.70
92,000	Kier	1,070	0.91
435,000	Legal & General	1,129	0.96
315,000	Marks & Spencer	1,112	0.94
1,210,000	Marston's	1,313	1.12
335,000	Morgan Advanced Materials	1,042	0.89
265,000	National Express	938	0.80
315,000	OneSavings Bank	1,270	1.08
130,000	Phoenix	982	0.83
222,500	Polypipe	938	0.80
132,500	RPC	1,311	1.10

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 September 2017

Holding	Portfolio of Investments	Value £'000	30.09.17 %
	UNITED KINGDOM – 22.02% (31.03.17 – 23.58%) (continued)		
342,500	Senior	943	0.80
58,000	Ultra Electronics	1,039	0.88
36,000	Victrex	853	0.72
	TOTAL UNITED KINGDOM	25,910	22.02
	OVERSEAS – 36.43% (31.03.17 – 37.88%)		
	NORTH AMERICA – 2.91% (31.03.17 – 4.08%)		
23,000	Heptagon Yacktman US Equity ¹	3,422	2.91
	CONTINENTAL EUROPE – 8.83% (31.03.17 – 8.95%)		
267,500	European Assets ¹	3,424	2.91
1,527,500	Invesco Perpetual European Equity Income ¹	6,964	5.92
	TOTAL CONTINENTAL EUROPE	10,388	8.83
	JAPAN – 7.88% (31.03.17 – 7.97%)		
2,085,000	CC Japan Income & Growth ¹	2,856	2.43
350,000	Goodhart Partners Horizon Michinori Japan Equity ¹	6,419	5.45
	TOTAL JAPAN	9,275	7.88
	ASIA PACIFIC (EXCLUDING JAPAN) – 10.46% (31.03.17 – 10.50%)		
14,700	Halley Asian Prosperity ¹	4,917	4.18
1,385,000	Pacific Assets Investment ¹	3,394	2.87
26,517	Prusik Asian Equity Income ¹	4,016	3.41
	TOTAL ASIA PACIFIC (EXCLUDING JAPAN)	12,327	10.46
	EMERGING MARKETS – 4.40% (31.03.17 – 4.60%)		
2,855,000	MI Somerset Emerging Markets Dividend Growth ¹	5,178	4.40
	OTHER OVERSEAS – 1.95% (31.03.17 – 1.78%)		
635,000	BlackRock World Mining ¹	2,297	1.95
	TOTAL OVERSEAS	42,887	36.43
	TOTAL EQUITY & EQUITY RELATED	68,797	58.45

Holding	Portfolio of Investments	Value £'000	30.09.17 %
	ALTERNATIVE INVESTMENTS – 25.06% (31.03.17 – 22.51%)		
	HEDGE FUNDS – 0.00% (31.03.17 – 0.00%)		
1,250,000	PSolve Alternatives PCC ^{1,3}	–	–
	PRIVATE EQUITY – 4.94% (31.03.17 – 4.81%)		
545,000	AJ Bell ⁴	4,207	3.57
1,265,000	Aberdeen Private Equity ¹	1,607	1.37
		5,814	4.94
	PROPERTY – 6.47% (31.03.17 – 5.27%)		
1,330,000	AEW UK REIT	1,343	1.14
1,000,000	Civitas Social Housing	1,110	0.94
1,125,000	Custodian REIT	1,294	1.10
800,000	LondonMetric Property	1,329	1.13
955,000	Primary Health Properties	1,165	0.99
1,343,438	PRS REIT	1,377	1.17
18,750,000	Speymill Deutsche Immobilien Company ^{1,3}	–	–
		7,618	6.47
	OTHER ALTERNATIVE – 13.65% (31.03.17 – 12.43%)		
598,787	Blue Capital Alternative Income ¹	413	0.35
183,013	Blue Capital Global Reinsurance ³	152	0.13
968,889	Doric Nimrod Air Two <i>preference shares</i>	2,163	1.84
1,490,000	DP Aircraft	1,199	1.02
2,519,858	Fair Oaks Income ¹	1,887	1.60
134,608	Funding Circle SME Income ¹	143	0.12
1,260,000	Funding Circle SME Income 'C' ¹	1,279	1.09
810,000	Greencoat UK Wind ¹	974	0.83
1,655,000	International Public Partnerships ¹	2,608	2.22
1,230,000	John Laing Environmental Assets ¹	1,331	1.13
8,000,000	Lehman Brothers 0% 2008 (linked to Tate & Lyle, Wolseley and Land Securities Group) ^{5,6}	–	–
1,150,000	RM Secured Direct Lending ¹	1,162	0.99
1,168,104	Sequoia Economic Infrastructure Income ¹	1,314	1.12
1,520,000	UK Mortgages ¹	1,421	1.21
		16,046	13.65
	TOTAL ALTERNATIVE INVESTMENTS	29,478	25.06

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 September 2017

Holding	Portfolio of Investments	Value £'000	30.09.17 %
	CASH EQUIVALENT INVESTMENTS – 4.49% (31.03.17 – 4.59%)		
5,272,789	Invesco Sterling Liquidity Portfolio ¹	5,273	4.49
	Portfolio of investments	116,486	98.99
	Net other assets	1,187	1.01
	Net assets	117,673	100.00

The investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Collective investment scheme.

² Quoted on the Alternative Investment Market (AIM).

³ Delisted security.

⁴ Unlisted security.

⁵ Structured product.

⁶ Illiquid security.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

Total purchases for the half year £'000	8,942
Major purchases	Cost £'000
Royal London Short Duration Global High Yield Bond	1,460
PRS REIT	1,343
Funding Circle SME Income 'C'	1,260
International Public Partnerships	1,120
Babcock International	871
Blue Capital Global Reinsurance	361
Marston's	285
Kier	259
UK Mortgages	243
Fair Oaks Income	216
Sequoia Economic Infrastructure	205
BT	177
BlackRock World Mining	162
OneSavings Bank	153
Ultra Electronics	141
Funding Circle SME	139
Templeton Emerging Markets Bond	109
Halfords	80
Prusik Asian Equity Income	78
Marks & Spencer	78

In addition to the above, purchases of the short term money market fund Invesco Sterling Liquidity Portfolio shares were made on a frequent basis totalling £7,754,000 for the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

CF SENECA DIVERSIFIED GROWTH FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

For the half year ended 30 September 2017

Total sales for the half year £'000 **10,192**

Major sales	Proceeds £'000
Heptagon Yacktman US Equity	980
Senior	818
Blue Capital Alternative Income	708
Arrow Global	621
Britvic	613
MI Somerset Emerging Markets Dividend Growth	579
Goodhart Partners Horizon Michinori Japan Equity	574
Ranger Direct Lending	514
Intermediate Capital	491
Victrex	490
Clinigen	417
European Assets	391
Invesco Perpetual European Equity Income	375
Polypipe	342
Morgan Advanced Materials	292
Aberdeen Private Equity	233
Blue Capital Global Reinsurance	227
Essentra	219
Diploma	204
Bovis Homes	174

In addition to the above, sales of the short term money market fund Invesco Sterling Liquidity Portfolio shares were made on a frequent basis totalling £7,703,000 for the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

	£'000	30.09.17 £'000	£'000	30.09.16 £'000
Income:				
Net capital gains		5,428		6,941
Revenue	2,233		2,196	
Expenses	(634)		(601)	
Net revenue before taxation	1,599		1,595	
Taxation	(7)		(8)	
Net revenue after taxation		1,592		1,587
Total return before distributions		7,020		8,528
Distributions		(1,595)		(1,587)
Change in net assets attributable to shareholders from investment activities		5,425		6,941

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

	£'000	30.09.17 £'000	£'000	30.09.16 £'000
Opening net assets attributable to shareholders		113,893		108,246
Amounts receivable on issue of shares	2,536		359	
Amounts payable on redemption of shares	(5,758)		(6,971)	
		(3,222)		(6,612)
Change in net assets attributable to shareholders from investment activities		5,425		6,941
Retained distributions on Accumulation shares		1,577		1,539
Closing net assets attributable to shareholders		117,673		110,114

The above statement shows the comparative closing net assets at 30 September 2016 whereas the current accounting period commenced 1 April 2017.

CF SENECA DIVERSIFIED GROWTH FUND*Interim Financial Statements (unaudited) (continued)***BALANCE SHEET**

AS AT 30 SEPTEMBER 2017

	30.09.17	31.03.17
	£'000	£'000
ASSETS		
Fixed assets		
Investments	116,486	112,090
Current assets		
Debtors	399	1,188
Cash and bank balances	1,204	1,038
Total assets	<u>118,089</u>	<u>114,316</u>
LIABILITIES		
Creditors		
Other creditors	(416)	(423)
Total liabilities	<u>(416)</u>	<u>(423)</u>
Net assets attributable to shareholders	<u>117,673</u>	<u>113,893</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2017

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2017 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

CF SENECA DIVERSIFIED INCOME FUND
ACD'S REPORT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

IMPORTANT INFORMATION

Refer to the 'Important Information' section on page 3.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of CF Seneca Diversified Income Fund ('the Fund') is to provide a high level of growing income by investing in a balanced and well diversified portfolio of UK and International equities, fixed interest securities including government and corporate bonds. Investments will also be made in regulated collective investment schemes, money markets and cash deposits to provide further diversification to the Fund in accordance with applicable regulations.

LINK FUND SOLUTIONS LIMITED

ACD of CF Seneca Diversified Income Fund
28 November 2017

INVESTMENT MANAGER'S REPORT

INVESTMENT APPROACH

Seneca Investment Managers is a fund management company specialising in multi-asset investing. This form of investing combines traditional securities, such as equities and bonds, with non-traditional approaches, such as alternative 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 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.

ASSET ALLOCATION

FUND STRUCTURE AS AT 30 SEPTEMBER 2017

There have been no changes to the strategic asset allocation for the Fund over the period. The strategic asset allocation has been set to achieve the Fund's investment objectives over the long term and, as such, is likely to change infrequently, being subject to review every 12 months.

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

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 30 September 2017

ASSET ALLOCATION (continued)

FUND STRUCTURE AS AT 30 SEPTEMBER 2017 (continued)

Asset Class	Fund %	Strategic Asset Allocation %
Equities	39.3	40.0
UK	24.2	22.5
North America	–	2.5
Europe	5.7	5.0
Japan	1.0	2.0
Asia Pacific (exc. Japan)	5.3	5.5
Emerging Markets	1.0	2.5
Global/Other Overseas	2.1	–
Fixed Income	31.1	35.0
Specialist Assets	26.2	25.0
Cash	3.4	–
Total	100.0	100.0

Source: Seneca Investment Managers Limited.

Recent months saw equity markets advance, as global growth continued to strengthen. As expected, the Federal Reserve ('the Fed') increased interest rates in June by a further quarter point, citing growth and inflation expectations that remained on track in the medium term if not the short term (core inflation in fact fell below the 2% target in the second quarter). The Fed remains the only major central bank to have increased interest rates this cycle, though the case for hikes in the UK, eurozone and Japan appears to be strengthening, though probabilities of such are higher in the former than the latter.

Unemployment across the developed world during the period continued to fall. In the US, the unemployment rate is a whisker away from its pre-crisis low, while in the UK the rate hit 4.3% in September, slightly below the pre-crisis low of 4.7% seen in 2005. Despite this, there were no signs of tightness in labour markets translating into higher wage pressures. It has been argued that a combination of structural slack in labour markets as well as rising availability of labour alternatives has resulted in a shift in the Phillips Curve. Essentially, this means that employment may continue to rise before wage pressures become entrenched.

Elsewhere, unemployment in the eurozone continued to fall, albeit from high levels. Unlike the US and the UK, unemployment in the eurozone only peaked in 2013, and at high levels, so still has a long way to fall (indeed it only fell below 10% towards the end of 2016). This means that inflation pressures will remain weak and European Central Bank policy loose for the foreseeable future.

In Japan, the unemployment rate remained below 3% during the period. On the face of it, this appears very low, though it is still well below historical lows of 1-2% seen during the 60s and 70s. Thus, wage pressures in Japan remain very weak, and in fact, core inflation has once again turned negative. Deflationary forces were perhaps also exacerbated by the strength in the yen seen throughout much of 2015 and 2016.

In the emerging world, inflation also continued to improve, meaning that generally it fell where it was too high (Brazil and Russia) and rose where it was too low (China). This improvement has allowed emerging market currencies to continue to strengthen, following several years of weakness.

Safe haven bond performance was mixed, with any fall in inflation cancelled out by a rise in real interest rates.

In light of the strong performance of equities and the mixed performance of bonds, as well as decent performance at a holding level, the Fund performed well in absolute terms, relative to peers, as well as relative to comparator indices.

PORTFOLIO ACTIVITY

UK EQUITIES

There were no exits during the interim period and only one new investment (**Babcock International**) which was funded by trimming existing holdings within UK equities. Overall, the tactical asset allocation (TAA) weighting to UK equities fell by 1% to 23.5%, as we feel it is prudent to gradually reduce overall risk within the Fund, given where broader market valuations are and that we are over eight years into an equity bull market.

Only one new investment during the period, in **Babcock International**. The group has unjustifiably been tarnished with the same brush as other support service companies, such as Capita, Interserve and Mitie, which have warned on profits at various times over the last few years. This has left the shares offering a dividend yield higher than at any other time over the last 10 years.

We believe the company is fundamentally different to others in its sector. The workforce is highly skilled and increasingly in short supply. The company operates in complex, highly regulated and often secretive industries, so barriers to entry are high. Contracts are long term in nature and have a gain/pain sharing mechanism with customers. Unlike many peers, Babcock International doesn't depend on cost-plus contracts that often rely on add-on work at high margins to earn a decent overall return.

Examples of specialist contracts include the refit work for all UK nuclear submarines and three quarters of the UK's naval ships. The group also maintains the London Fire Brigade's fire engine fleet and operates search and rescue, as well as air ambulance fleets. Babcock International also trains pilots, provides engineering support to the military, as well as operational, design and project management support to the nuclear industry. The latter has strong growth prospects, including new build (Hinkley Point C) and decommissioning (Sellafield).

Company updates and results were generally positive. **Intermediate Capital** delivered stellar full year results, albeit partly boosted by one-off accounting gains. A new dividend policy was announced that better links ordinary distributions to the performance of the fund management business. The ordinary dividend was increased 17% and the board guided that it should grow at mid to high single digits going forward. The company also has a history of paying special dividends.

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 30 September 2017

PORTFOLIO ACTIVITY (continued)

UK EQUITIES (continued)

Cash performance was particularly strong during the first half of **Victrex's** financial year. This increases the chances of a special dividend later in the year, now that the company has over £85 million net cash on the balance sheet. Victrex is a serial innovator, creating new forms and uses for its special polymer with unique characteristics – polyetheretherketone (PEEK). Core volumes across the business grew 19%.

Under the new leadership of **Greg Fitzgerald**, who built a strong track record previously at the helm of Galliford Try, **Bovis Homes** committed to a substantially increased ordinary dividend, as well as a series of special dividends over the next three years. The special dividends will be largely funded by reducing the capital intensity of the business.

Conviviality Retail was the strongest performer, after releasing strong results that were ahead of market expectations with good cash generation evident. The company guided that additional cost savings are possible and customers appear to be responding positively to the 'one-stop solution' that the group now offers.

OVERSEAS EQUITIES

Whilst there were no new outright purchases or exits over the period, we made several transactions across existing holdings. We reduced **European Assets** and **Invesco Perpetual European Equity Income** after good performance moved weights above target. Across Asia and Japan, we reduced the positions in **CC Japan Income & Growth** and **Schroder Asian Income Maximiser**. Finally, we made a small reduction to **MI Somerset Emerging Markets Dividend Growth**.

During the period **Richard Aston**, fund manager of the **CC Japan Income & Growth**, gave us an update on the portfolio. Changing senior management behaviour in corporate Japan continues to make the country an attractive area of equity income opportunities. A low payout ratio and net cash balance sheets support a growing dividend stream. In June, the company announced a 15% increase in the interim dividend, which reflects the shareholder friendly activities across the portfolio of businesses. The small size of the trust also allows the manager to invest in businesses with small market capitalisations, often a fertile hunting ground for opportunities.

We also spoke with **Richard Sennitt**, fund manager of the **Schroder Asian Income Maximiser**. As the popular, high performing technology stocks in North America continue to drive market returns, the same situation is unfolding in Asia. Chinese internet companies have had a stellar year, based on investor enthusiasm for the untapped market opportunity across the country, which investors believe offer very high growth rates for these businesses. A conservative, income-focused approach as the one employed by Mr Sennitt will struggle on a relative basis in this environment, where he continues to focus on sectors with attractive dividend yields such as real estate and banking. Whilst the Asian technology sector has provided high returns recently, valuations have reached what appear to be expensive levels versus history. The highest yielding areas however remain historically cheap, meaning the stocks in which Mr Sennitt invests in, could give investors attractive returns despite not providing the glamour that currently has many investors excited.

FIXED INCOME

There were only limited changes made to fixed income holdings over the period.

The holdings in the **Royal London Short Duration Global High Yield Bond** and the **Muzinich Short Duration High Yield Bond** were increased. We continue to believe that the short end of the sub-investment grade corporate bond market offers value and will be defensive as interest rates rise.

Small reductions were made to other high yield bond positions to, in part, finance a more defensive positioning within the fixed income portfolio.

SPECIALIST ASSETS

We participated in the launch of **PRS REIT** which raised equity to build a portfolio of modern purpose built houses in the private rented sector (PRS). The purpose is to run the assets on a professional basis and benefit from significant economies of scale, both in the construction of the homes and in their subsequent maintenance and running of the portfolio. Initial plans are for 2,500 units, however, as sites become available in the future this is likely to increase as the country strives to address its significant shortfall in housing supply. The vehicle intends to pay a 5% dividend yield rising to 6% by year three, with the added opportunity for modest capital appreciation.

We have commenced an exit program from **Blue Capital Alternative Income Fund (BCAI)**. While the trust has done a reasonable job in terms of NAV returns, the shares continue to languish at a discount to NAV and we feel it is too small with little prospect of getting larger. Furthermore, the frequent change in ownership of the manager has created uncertainty. Our reduction was commenced prior to the series of hurricane and earthquake events that have hit the Americas. In order to capitalise on the likely resultant increase in reinsurance premium rates the trust will wish to raise new equity, however, it is difficult to see how this may be achieved while demand for the ordinary shares has proved to be insufficient. At the period end, the holding had been materially reduced but not fully exited as liquidity disappeared once the 2017 hurricane season arrived.

We exited **Ranger Direct Lending** as we were unhappy with the implications on the manager's due diligence process that has resulted in difficulties in part of their loan portfolio. Fortunately, we moved swiftly as signs of deterioration emerged and our exit was achieved before the shares moved to a wide discount to net asset value. Participation in this 'alternative finance' space is now achieved with **Funding Circle SME Income**; which avoids overseas currency risk as the portfolio is predominantly secured lending to UK Small & Medium sized enterprises (SMEs). We invested in the 'C' share issue of the trust in April and we have been satisfied with the deployment of capital to date.

We have increased the targeted allocations to **International Public Partnerships ('INPP')** and **UK Mortgages ('UKML')** as we believe both of these offer scope for low volatility of net asset value with little economic cyclicality. UKML has demonstrated a very low level of bad credit history in its portfolios of UK mortgages. In the case of INPP, there is the added benefit of an explicit high linkage in the underlying revenue stream from its infrastructure investments to inflation.

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the half year ended 30 September 2017

OUTLOOK

Although equity markets were strong during the period, they on the whole remain good value (yields are in general slightly below long-term averages which means they have scope to fall further). Furthermore, yield curves are far from being inverted, which should continue to provide support at least for the next few months.

Safe haven long bond yields remain expensive, as evidenced by inflation linked long-term yields that are either low (US) or negative (UK, Europe, Japan). Our central case scenario is that the global economy continues to strengthen in the medium terms, which would mean a relatively low likelihood of yields falling further. From a business cycle perspective, we have seen the UK and the US moving further into expansion phase and Europe and Japan continuing to progress through recovery phase. This means we are likely to continue to reduce the Fund's overall equity exposure over the next two or so years, in anticipation of further monetary policy tightening leading to inverted yield curves towards the end of 2019.

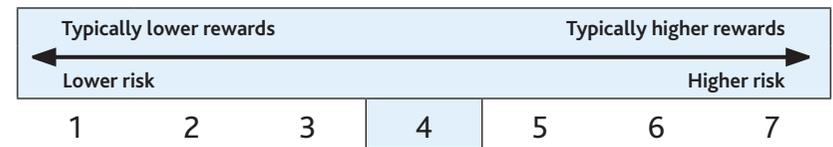
SENECA INVESTMENT MANAGERS LIMITED

Investment Manager

25 October 2017

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Credit Risk: Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating.

Liquidity Risk: Smaller companies' securities are often traded less frequently than those of larger companies which means they may be more difficult to buy and sell. Their prices may also be subject to short term swings.

Currency Risk: As the Fund invests in overseas securities movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES

Information for 30 September 2017 relates to the 6 month period ending 30 September 2017. The operating charges relate to the expenses incurred on an *ex post* basis over the 6 month period ending 30 September 2017, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

	30.09.17 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)	31.03.15 ¹ (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	93.67	86.25	90.68	90.57
Return before operating charges*	5.34	13.63	1.88	7.70
Operating charges	(0.86)	(1.66)	(1.66)	(2.18)
Return after operating charges	4.48	11.97	0.22	5.52
Distributions	(2.28)	(4.55)	(4.65)	(5.41)
Closing net asset value per share	95.87	93.67	86.25	90.68
* after direct transaction costs of:	0.05	0.14	0.14	0.16
Performance				
Return after charges	4.78%	13.88%	0.24%	6.09%
Other Information				
Closing net asset value (£'000)	35,673	36,581	36,632	63,467
Closing number of shares	37,210,112	39,053,271	42,473,974	69,989,266
Operating charges	1.80%	1.85%	1.88%	2.00% ²
Direct transaction costs	0.05%	0.16%	0.16%	0.15% ²
Prices				
Highest share price	96.53	94.17	93.05	91.64
Lowest share price	93.80	82.91	81.88	85.68

¹ 14.5 month period due to change of annual accounting date.

² Annualised figure.

	30.09.17 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)	31.03.15 ¹ (p/share)
'B' Income shares				
Change in net assets per share				
Opening net asset value per share	111.91	102.50	107.27	106.47
Return before operating charges*	6.32	16.11	2.02	8.91
Operating charges	(0.66)	(1.28)	(1.28)	(1.73)
Return after operating charges	5.66	14.83	0.74	7.18
Distributions	(2.73)	(5.42)	(5.51)	(6.38)
Closing net asset value per share	114.84	111.91	102.50	107.27
* after direct transaction costs of:	0.06	0.17	0.16	0.19
Performance				
Return after charges	5.06%	14.47%	0.69%	6.74%
Other Information				
Closing net asset value (£'000)	67,584	64,436	61,831	49,145
Closing number of shares	58,851,481	57,577,447	60,320,764	45,812,885
Operating charges	1.15%	1.20%	1.23%	1.35% ²
Direct transaction costs	0.05%	0.16%	0.16%	0.15% ²
Prices				
Highest share price	115.57	112.49	110.15	108.28
Lowest share price	112.07	98.67	97.25	101.12

¹ 14.5 month period due to change of annual accounting date.

² Annualised figure.

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.09.17 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)	31.03.15 ¹ (p/share)
'N' Income shares				
Change in net assets per share				
Opening net asset value per share	110.53	101.44	106.34	105.81
Return before operating charges*	6.26	15.98	2.07	8.91
Operating charges	(0.79)	(1.53)	(1.52)	(2.05)
Return after operating charges	5.47	14.45	0.55	6.86
Distributions	(2.69)	(5.36)	(5.45)	(6.33)
Closing net asset value per share	113.31	110.53	101.44	106.34
* after direct transaction costs of:	0.05	0.17	0.16	0.19

Performance

Return after charges	4.95%	14.24%	0.52%	6.48%
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Other Information

Closing net asset value (£'000)	286	273	275	314
Closing number of shares	252,247	246,671	271,289	295,345
Operating charges	1.40%	1.45%	1.48%	1.60% ²
Direct transaction costs	0.05%	0.16%	0.16%	0.15% ²

Prices

Highest share price	114.05	111.11	109.17	107.35
Lowest share price	110.68	97.60	96.27	100.34

¹ 14.5 month period due to change of annual accounting date.

² Annualised figure.

DISTRIBUTIONS

Share Class	First Interim 30.04.17 (p/share)	Second Interim 31.05.17 (p/share)	Third Interim 30.06.17 (p/share)
'A' Income	0.3800	0.3800	0.3800
'B' Income	0.4541	0.4542	0.4544
'N' Income	0.4484	0.4485	0.4485

Share Class	Fourth Interim 31.07.17 (p/share)	Fifth Interim 31.08.17 (p/share)	Sixth Interim 30.09.17 (p/share)
'A' Income	0.3800	0.3800	0.3800
'B' Income	0.4547	0.4548	0.4550
'N' Income	0.4487	0.4490	0.4490

FUND PERFORMANCE TO 30 SEPTEMBER 2017 (%)

	6 months	1 year	3 years	5 years
CF Seneca Diversified Income Fund	4.77	12.09	26.28	47.66

The performance of the Fund is based on the published price per 'A' Income share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 30 SEPTEMBER 2017

Holding	Portfolio of Investments	Value £'000	30.09.17 %
	FIXED INCOME INVESTMENTS – 31.12% (31.03.17 – 31.88%)		
	<i>CORPORATE BONDS – 25.91% (31.03.17 – 26.25%)</i>		
18,750	MI TwentyFour Dynamic Bond ¹	2,139	2.07
80,000	Muzinich Short Duration High Yield Bond ¹	7,077	6.83
7,950,000	Royal London Short Duration Global High Yield Bond ¹	7,275	7.03
5,725,000	Royal London Sterling Extra Yield Bond ¹	6,187	5.97
4,175,000	TwentyFour Select Monthly Income ¹	4,154	4.01
		<u>26,832</u>	<u>25.91</u>
	<i>EMERGING MARKET DEBT – 5.21% (31.03.17 – 5.63%)</i>		
635,000	Templeton Emerging Markets Bond Fund ¹	5,391	5.21
	TOTAL FIXED INCOME INVESTMENTS	<u>32,223</u>	<u>31.12</u>
	EQUITY & EQUITY RELATED – 39.34% (31.03.17 – 41.31%)		
	UNITED KINGDOM – 24.23% (31.03.17 – 25.58%)		
210,000	Arrow Global	894	0.86
110,000	Babcock International	910	0.88
110,000	Bovis Homes	1,203	1.16
125,000	Britvic	944	0.91
380,000	BT	1,079	1.04
235,000	Conviviality Retail ²	965	0.93
160,000	Dairy Crest	981	0.95
200,000	Essentra	1,104	1.07
350,000	Halfords	1,226	1.18
100,000	Intermediate Capital	935	0.90
120,000	Kier	1,396	1.35
450,000	Legal & General	1,168	1.13
400,000	Marks & Spencer	1,412	1.36
1,400,000	Marston's	1,519	1.47
350,000	Morgan Advanced Materials	1,088	1.05
290,000	National Express	1,026	0.99
280,000	OneSavings Bank	1,129	1.09
160,000	Phoenix	1,209	1.17
230,000	Polypipe	969	0.94
97,000	RPC	960	0.93

Holding	Portfolio of Investments	Value £'000	30.09.17 %
	UNITED KINGDOM – 24.23% (31.03.17 – 25.58%) (continued)		
350,000	Senior	964	0.93
60,000	Ultra Electronics	1,075	1.04
39,250	Victrex	930	0.90
	TOTAL UNITED KINGDOM	<u>25,086</u>	<u>24.23</u>
	OVERSEAS – 15.11% (31.03.17 – 15.73%)		
	CONTINENTAL EUROPE – 5.75% (31.03.17 – 5.96%)		
110,000	European Assets ¹	1,408	1.36
500,000	Invesco Perpetual European Equity Income ¹	1,979	1.91
2,025,000	Liontrust European Enhanced Income ¹	2,565	2.48
	TOTAL CONTINENTAL EUROPE	<u>5,952</u>	<u>5.75</u>
	JAPAN – 0.96% (31.03.17 – 1.01%)		
725,000	CC Japan Income & Growth ¹	993	0.96
	ASIA PACIFIC (EXCLUDING JAPAN) – 5.34% (31.03.17 – 5.59%)		
500,000	Aberdeen Asian Income ¹	1,070	1.03
16,583	Prusik Asian Equity Income ¹	2,511	2.43
3,300,000	Schroder Asian Income Maximiser ¹	1,945	1.88
	TOTAL ASIA PACIFIC (EXCLUDING JAPAN)	<u>5,526</u>	<u>5.34</u>
	EMERGING MARKETS – 0.96% (31.03.17 – 1.01%)		
655,000	MI Somerset Emerging Markets Dividend Growth ¹	998	0.96
	OTHER OVERSEAS – 2.10% (31.03.17 – 2.16%)		
600,000	BlackRock World Mining ¹	2,171	2.10
	TOTAL OVERSEAS	<u>15,640</u>	<u>15.11</u>
	TOTAL EQUITY & EQUITY RELATED	<u>40,726</u>	<u>39.34</u>
	ALTERNATIVE INVESTMENTS – 26.21% (31.03.17 – 24.83%)		
	HEDGE FUNDS – 0.00% (31.03.17 – 0.00%)		
5,900,000	PSource Structured Debt ^{1,3}	–	–

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 September 2017

Holding	Portfolio of Investments	Value £'000	30.09.17 %
	<i>PRIVATE EQUITY – 4.67% (31.03.17 – 4.47%)</i>		
500,000	AJ Bell ⁴	3,860	3.73
770,000	Aberdeen Private Equity ¹	978	0.94
802,666	International Oil & Gas Technology ^{1,2}	–	–
		<u>4,838</u>	<u>4.67</u>
	<i>PROPERTY – 6.42% (31.03.17 – 5.82%)</i>		
1,225,000	AEW UK REIT	1,237	1.20
850,000	Civitas Social Housing	944	0.91
900,000	Custodian REIT	1,035	1.00
700,000	LondonMetric Property	1,163	1.12
850,000	Primary Health Properties	1,037	1.00
1,200,000	PRS REIT	1,230	1.19
14,000,000	Speymill Deutsche Immobilien ^{1,3}	–	–
		<u>6,646</u>	<u>6.42</u>
	<i>OTHER ALTERNATIVE – 15.12% (31.03.17 – 14.54%)</i>		
4,350,000	Barclays S.I.M.P.L.E Notes linked to the Assured Fund Tracking Index due 12/2/2018 ⁵	847	0.82
681,971	Blue Capital Alternative Income ¹	470	0.45
192,318	Blue Capital Global Reinsurance ³	160	0.15
873,889	Doric Nimrod Air Two <i>preference shares</i>	1,951	1.88
1,480,000	DP Aircraft	1,191	1.15
2,344,000	Fair Oaks Income ¹	1,756	1.70
125,584	Funding Circle SME Income	133	0.13
1,120,000	Funding Circle SME Income 'C'	1,137	1.10
850,000	Greencoat UK Wind ¹	1,022	0.99
1,273,339	International Public Partnerships ¹	2,007	1.94
1,200,000	John Laing Environmental Assets ¹	1,299	1.25
1,200,000	RM Secured Direct Lending ¹	1,212	1.17
1,100,000	Sequoia Economic Infrastructure Income ¹	1,238	1.19
1,325,000	UK Mortgages ¹	1,239	1.20
		<u>15,662</u>	<u>15.12</u>
	TOTAL ALTERNATIVE INVESTMENTS	<u>27,146</u>	<u>26.21</u>
	<i>CASH EQUIVALENT INVESTMENTS – 2.99% (31.03.17 – 3.41%)</i>		
3,101,280	Invesco Sterling Liquidity Portfolio ¹	<u>3,101</u>	<u>2.99</u>

	Value £'000	30.09.17 %
Portfolio of investments	103,196	99.66
Net other assets	347	0.34
Net assets	<u>103,543</u>	<u>100.00</u>

The investments are ordinary shares listed on a regulated market unless stated otherwise.

¹ Collective investment scheme.

² Quoted on the Alternative Investment Market (AIM).

³ Delisted security.

⁴ Unlisted security.

⁵ Structured product.

CF SENECA DIVERSIFIED INCOME FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

Total purchases for the half year £'000 **13,561**

Major purchases	Cost £'000
Phoenix	1,846
PRS REIT	1,208
Funding Circle SME Income 'C'	1,120
Babcock International	905
RPC	889
Muzinich Short Duration High Yield Bond	886
Royal London Short Duration Global High Yield Bond	867
International Public Partnerships	764
Marks & Spencer	566
Intermediate Capital	479
Marston's	393
Blue Capital Global Reinsurance	378
Kier	332
UK Mortgages	303
BT	288
Sequoia Economic Infrastructure Income	226
Ultra Electronics	222
Halfords	217
Fair Oaks Income	198
OneSavings Bank	185

In addition to the above, purchases of the short term money market fund Invesco Sterling Liquidity Portfolio shares were made on a frequent basis totalling £12,077,000 for the half year.

The summary of material portfolio changes represents the 20 largest purchases during the half year.

Total sales for the half year £'000 **15,632**

Major sales	Proceeds £'000
Phoenix	2,241
Intermediate Capital	1,082
Blue Capital Alternative Income	699
Senior	588
Conviviality Retail	536
Victrex	511
OneSavings Bank	493
Polypipe	490
Arrow Global	474
MI TwentyFour Dynamic Bond	474
Bovis Homes	471
Ranger Direct Lending	467
Marks & Spencer	464
Royal London Sterling Extra Yield Bond	394
Dairy Crest	364
Britvic	353
Muzinich Short Duration High Yield Bond	351
LondonMetric Property	334
Essentra	314
National Express	314

In addition to the above, sales of the short term money market fund Invesco Sterling Liquidity Portfolio shares were made on a frequent basis totalling £12,431,000 for the half year.

The summary of material portfolio changes represents the 20 largest sales during the half year.

CF SENECA DIVERSIFIED INCOME FUND
 INTERIM FINANCIAL STATEMENTS (UNAUDITED)
 STATEMENT OF TOTAL RETURN
 FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

	£'000	30.09.17 £'000	£'000	30.09.16 £'000
Income:				
Net capital gains		2,888		4,036
Revenue	2,759		3,044	
Expenses	(554)		(554)	
Net revenue before taxation	2,205		2,490	
Taxation	(132)		(131)	
Net revenue after taxation		2,073		2,359
Total return before distributions		4,961		6,395
Distributions		(2,452)		(2,568)
Change in net assets attributable to shareholders from investment activities		2,509		3,827

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
 FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

	£'000	30.09.17 £'000	£'000	30.09.16 £'000
Opening net assets attributable to shareholders		101,290		98,738
Amounts receivable on issue of shares	6,725		2,900	
Amounts payable on redemption of shares	(6,983)		(5,804)	
		(258)		(2,904)
Change in net assets attributable to shareholders from investment activities		2,509		3,827
Unclaimed distributions		2		3
Closing net assets attributable to shareholders		103,543		99,664

The above statement shows the comparative closing net assets at 30 September 2016 whereas the current accounting period commenced 1 April 2017.

BALANCE SHEET
 AS AT 30 SEPTEMBER 2017

	30.09.17 £'000	31.03.17 £'000
ASSETS		
Fixed assets		
Investments	103,196	102,735
Current assets		
Debtors	747	509
Cash and bank balances	379	210
Total assets	104,322	103,454
LIABILITIES		
Creditors		
Distribution payable	(410)	(396)
Other creditors	(369)	(1,768)
Total liabilities	(779)	(2,164)
Net assets attributable to shareholders	103,543	101,290

CF SENECA DIVERSIFIED INCOME FUND

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2017

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2017 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

GENERAL INFORMATION

STRUCTURE OF THE COMPANY

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

CF Seneca Diversified Growth Fund
CF Seneca Diversified Income Fund

In the future there may be other sub-funds of the Company.

CLASSES OF SHARES

The Company can issue Income and Accumulation classes of share.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual or interim accounting period.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

VALUATION POINT

The valuation point of the Company is 12.00pm (London time) on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING SHARES

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 608 1497.

PRICES

The prices of all shares are published in the *Financial Times* and are on the ACD's website: www.linkfundsolutions.co.uk and on www.senecaim.com. The prices of shares may also be obtained by calling 0345 608 1497 during the ACD's normal business hours.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

