

LF Seneca Diversified Growth Fund For retail investors only

February 2018



Research area

Asset allocation
UK equities
Specialist assets
Fixed income &
Overseas equity

Investment team

Peter Elston - chief investment officer
Mark Wright - fund manager *
Richard Parfect - 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

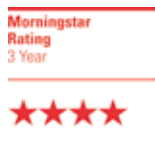
- The fund's equity target was reduced by 2%pt towards the end of the month, with proceeds being moved into cash
- The US dollar continued to decline in January, as prospects of looser fiscal policy and higher interest rates elsewhere increased
- Equity markets, commodities prices and bond yields all rose during the month
- The bond sell-off has been particularly pronounced, as investors priced in a stronger global economy and higher inflation
- The TAA reduction to UK equities was facilitated by reducing holding target weights across several holdings, rather than exiting a position
- Dairy Crest delivered a strong trading update with total revenue rising 7%, driven by strong sales of Cathedral City and Frylight
- We trimmed back positions in Japan, reducing both the CC Japan Income & Growth Trust and Goodhart Michinori Japan Equity Fund, following good performance
- Overweight positions in the BlackRock World Mining Trust and Somerset Emerging Markets Dividend Growth Fund were also brought back into line with their respective target weights
- Due to the sell-off experienced by the listed infrastructure vehicles regarding concern over PFI and exposure to Carillion, we added to the holding of International Public Partnerships which has the smallest exposure to PFI type assets and no material impact from Carillion.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Growth Fund	1.0	3.7	13.7	30.9	53.2	183.2
IA Mixed Investment 40-85% Shares	1.1	3.6	9.4	24.5	46.2	142.6

Discrete annual performance (%)	31.01.2018	31.01.2017	31.01.2016	31.01.2015	31.01.2014
LF Seneca Diversified Growth Fund	13.7	17.8	-2.3	6.8	9.6
IA Mixed Investment 40-85% Shares	9.4	18.0	-3.6	9.4	7.3

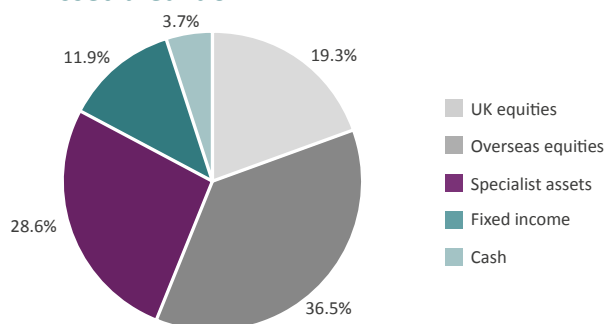
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 31.01.2018 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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.



LF Seneca Diversified Growth Fund

Asset breakdown



Source: Seneca IM

UK direct equities*

1	Marston's	1.2%
2	OneSavings Bank	1.1%
3	Legal & General Group	1.0%
4	Kier Group	1.0%
5	Ultra Electronics Group	1.0%

Overseas equities

1	Invesco Perpetual European Equity Income	6.0%
2	Goodhart Michinori Japan Equity	5.4%
3	Samarang Asian Prosperity	4.7%
4	Somerset EM Dividend Growth	3.5%
5	Prusik Asian Equity Income	3.0%

Fixed income

1	Royal London Short Duration Global High Yield Bond	4.3%
2	Royal London Sterling Extra Yield Bond	2.9%
3	TwentyFour Select Monthly Inc	2.4%
4	Templeton Emerging Markets Bond	2.1%
5	N/A	

Specialist assets

1	AJ Bell Holdings ¹	4.1%
2	International Public Partnership	2.5%
3	Doric Nimrod Air Two	2.2%
4	Fair Oaks Income	1.8%
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	£117.93m
A Class month end price	275.39p
B Class month end price	165.23p
N Class month end price	162.74p
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*	1.88%	1.23%	1.48%
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 30.09.2017

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Important information

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Multi-Asset Value Investing