

LF Seneca Diversified Growth Fund

For retail investors only

Month end May 2018



Research area

Asset allocation
UK equities
Specialist assets
Fixed Income & Overseas Eq (EM)
Fixed Income & Overseas Eq (Dev)

Investment team

Peter Elston - chief investment officer
Mark Wright - fund manager*
Richard Parfect - fund manager
Tom Delic - fund manager *
Gary Moglione - 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

- Political uncertainty in Italy caused safe haven bond yields to fall sharply in May, though they recovered somewhat towards the end of the month .
- US dollar strength that had begun in April continued into May.
- Developed economy wage data announced in May continued to show acceleration, suggesting that upward pressure on inflation will be maintained.
- We reduced the fund's equity target, taking advantage of general market buoyancy in April and May.
- Diploma delivered strong interim results. Revenues grew an impressive 7% organically, the interim dividend was increased 10% and the positive outlook led to earnings upgrades.
- Healthy cash generation at Victrex and a strong balance sheet has led the Board to further review its dividend policy. The company has already paid a large special dividend this year.
- Added to the BlackRock World Mining Trust, which sits at an attractive discount to net asset value of 11% and offers a yield of 3.8%.
- Addition to the Royal London Short Duration Global High Yield Bond Fund in order to bring to target weight.
- Relative valuation against similarly positioned REITs by type and geography has lead us to reduce the target weight of Custodian REIT.
- Evidence that management are close to deploying the remainder of their available capital into pools of mortgage assets moved us to increase the target weight of UK Mortgages Ltd.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Growth Fund	0.6	1.0	4.6	20.9	43.1	144.2
IA Mixed Investment 40-85% Shares	2.3	2.1	4.3	19.7	38.1	180.6

Discrete annual performance (%)	31.05.2018	31.05.2017	31.05.2016	31.05.2015	31.05.2014
LF Seneca Diversified Growth Fund	4.6	22.2	-5.4	10.7	6.9
IA Mixed Investment 40-85% Shares	4.3	19.1	-3.6	10.4	4.6

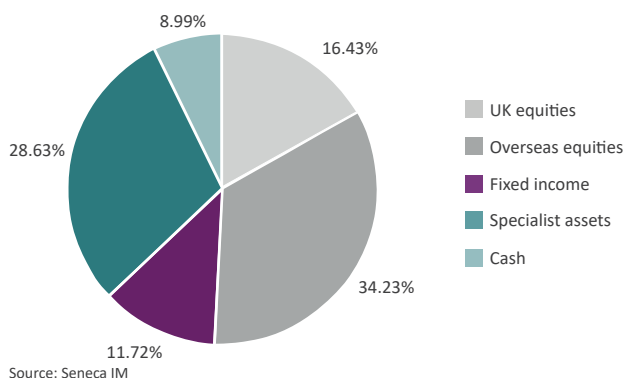
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 31.05.2018 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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



Top five holdings

UK Direct Equities*	
1. OneSavings Bank	1.1%
2. Marston's	1.0%
3. Babcock International Group	1.0%
4. Kier Group	0.9%
5. BT Group	0.9%

Overseas Equities	
1. Invesco Perpetual European Equity Income Fund	5.7%
2. Goodhart Michinori Japan Equity Fund	5.5%
3. HMG Global Emerging Markets Equity Fund	4.3%
4. Samarang Asian Prosperity Fund	4.0%
5. Prusik Asian Equity Income Fund	3.5%

Fixed Income	
1. Royal London Short Duration Global High Yield Bond Fund	4.5%
2. Royal London Sterling Extra Bond Fund	2.9%
3. TwentyFour Select Monthly Income Fund	2.4%
4. Templeton Emerging Markets Bond Fund	1.9%
5. N/A	

Specialist Assets	
1. AJ Bell Holdings Limited ¹	3.8%
2. International Public Partnership	2.6%
3. Doric Nimrod Air Two	2.1%
4. Fair Oaks Income Fund	2.0%
5. Sequoia Economic Infrastructure	1.7%

* 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	£117.90m
A Class month end price	272.27p
B Class month end price	163.72p
N Class month end price	161.11p
Total holdings	59
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