

## LF Seneca Diversified Income Fund

For retail investors only

Month end August 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 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>	4.99%
Distributions	monthly

### 5 year performance chart (%)



LF Seneca Diversified Income B Inc TR in GB (34.55%)  
IA Mixed Investment 20-60% Shares TR in GB (30.17%)  
30.08.2013 - 31.08.2018  
Data from FE 2018

### Commentary

- The Bank of England, as expected, raised the Base Rate from 0.5% to 0.75%.
- Despite this, sterling was weak due to Brexit related concerns, though it did strengthen towards the end of the month.
- Emerging country currencies and financial markets continued in general to come under pressure as a result of problems faced by Argentina and Turkey, as well the strong dollar and trade concerns.
- There were no asset allocation target changes in August.
- Polypipe delivered a resilient set of interim results, against a backdrop of mixed market conditions. Second half trading has started well.
- Essentra returned to profit growth for the first time since 2015, as the company's recent transformation starts to bear fruit.
- No activity in Overseas Equities.
- Participated in new issue of equity by the TwentyFour Select Monthly Income Fund. The manager is seeing additional opportunities across the corporate bond market.
- Addition to existing holding in Royal London Sterling Extra Yield Bond Fund.
- We finalised the exit from Civitias Social Housing.
- Listed infrastructure assets benefited from a recommended cash offer for John Laing Infrastructure which has had a positive read across to International Public Partnerships and John Laing Environmental Assets in terms of potential valuation and attractions from overseas investors.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Income Fund	0.0	0.6	0.6	23.9	34.6	121.1
IA Mixed Investment 20-60% Shares	0.8	2.1	2.1	20.7	30.2	107.3

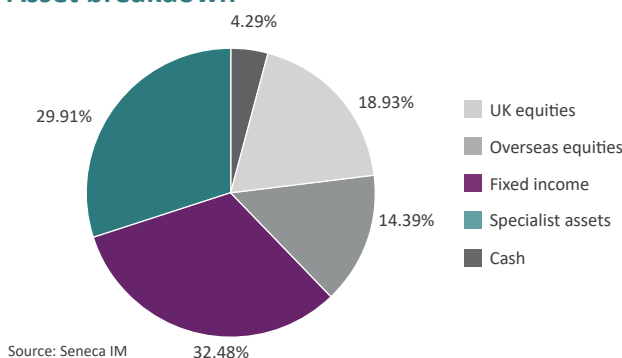
Discrete annual performance (%)	31.08.2018	31.08.2017	31.08.2016	31.08.2015	31.08.2014
LF Seneca Diversified Income Fund	0.6	12.9	9.1	2.5	6.0
IA Mixed Investment 20-60% Shares	2.1	7.2	10.2	0.9	6.9

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 31.08.2018 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 Income Fund

## Asset breakdown



## Top five holdings

### UK Direct Equities\*

1. Marston's	1.4%
2. Kier Group	1.2%
3. BT Group	1.1%
4. Dairy Crest Group	1.0%
5. Marks & Spencer	1.0%

### Overseas Equities

1. CIM Dividend Income Fund	2.9%
2. Liontrust European Enhanced Income Fund	2.1%
3. Prusik Asian Equity Income Fund	2.1%
4. Invesco Perpetual European Equity Income Fund	1.8%
5. Blackrock World Mining Trust	1.8%

### Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	7.7%
2. Muzinich Short Duration High Yield Fund	7.6%
3. Royal London Sterling Extra Yield Bond Fund	6.4%
4. Templeton Emerging Markets Bond Fund	4.5%
5. TwentyFour Select Monthly Income Fund	3.9%

### Specialist Assets

1. AJ Bell Holdings Limited <sup>1</sup>	3.5%
2. International Public Partnership	2.6%
3. Doric Nimrod Air Two	2.3%
4. Fair Oaks Income Fund	2.1%
5. Sequoia Economic Infrastructure	1.8%

\* 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	£118.45m
A Class month end price	91.98p
B Class month end price	110.70p
N Class month end price	109.03p
Total holdings	58
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.81%	1.16%	1.41%
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 31.03.2018

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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