

## LF Seneca Diversified Income Fund

For retail investors only

Month end November 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, specialist assets and managed liquidity\*\* held through third party funds.

### Income

Historic net yield <sup>1</sup>	5.2 %
Distributions	monthly

### 5 year performance chart (%)



### Commentary

- Brexit related news dominated events, with a number of key resignations following the PM's presentation to Parliament of her Withdrawal Agreement that she had agreed with Brussels.
- Equity markets remained soggy, though at the end of the month hopes were raised of positive developments on the trade front at the G20 summit.
- After having fallen in October, developed market safe haven bond yields and the oil price continued to slide.
- Marks & Spencer announced interim results that were ahead of expectations. Cash generation was strong, but the outlook statement was cautious.
- Morgan Advanced Materials released a positive trading update. Revenue growth has been 7% during the first 10 months of the year.
- We participated in the launch of Merian Chrysalis Investment Company to gain exposure to late-stage pre-initial public offering companies as attractive well performing private companies are deciding to remain private for longer.
- A J Bell Holdings announced the price range of its imminent initial public offering. The planned valuation will result in a material uplift in value for this long term unlisted investment.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Income Fund	-1.9	-1.9	-1.4	19.1	28.7	116.9
IA Mixed Investment 20-60% Shares	-3.3	-2.6	-1.7	14.5	22.7	100.5

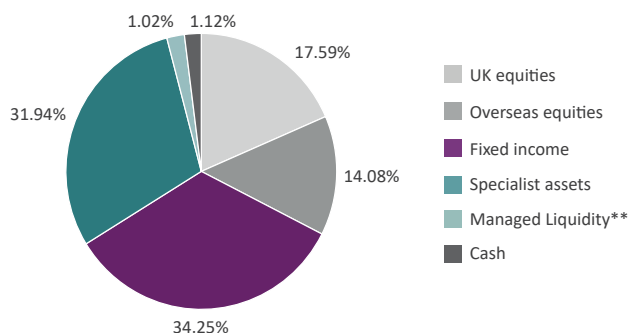
Discrete annual performance (%)	30.11.2018	30.11.2017	30.11.2016	30.11.2015	30.11.2014
LF Seneca Diversified Income Fund	-1.4	12.2	7.6	4.3	3.5
IA Mixed Investment 20-60% Shares	-1.7	8.3	7.5	1.4	5.7

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 30.11.2018 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



Source: Seneca IM

## Top five holdings

### UK Direct Equities\*

1. Marston's	1.5%
2. BT Group	1.2%
3. Dairy Crest Group	1.1%
4. Marks & Spencer	1.0%
5. Legal & General Group	0.9%

### Overseas Equities

1. CIM Dividend Income Fund	2.9%
2. Prusik Asian Equity Income Fund	2.1%
3. Liontrust European Enhanced Income Fund	2.0%
4. Blackrock World Mining Trust	1.9%
5. Invesco Perpetual European Equity Income Fund	1.7%

### Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	8.8%
2. Muzinich Short Duration High Yield Fund	7.7%
3. Royal London Sterling Extra Yield Bond Fund	6.4%
4. Templeton Emerging Markets Bond Fund	5.0%
5. TwentyFour Select Monthly Income Fund	4.0%

### Specialist Assets

1. AJ Bell Holdings Limited <sup>1</sup>	4.1%
2. International Public Partnerships	3.0%
3. Doric Nimrod Air Two	2.2%
4. Sequoia Economic Infrastructure	2.1%
5. Fair Oaks Income Fund	2.1%

\* Investment may also be made in UK equities via other third party funds.

Source: Seneca IM

## Key facts

Launch date	8 April 2002
Size	£115.77m
A Class month end price	88.45p
B Class month end price	106.60p
N Class month end price	104.93p
Total holdings	60
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.83%	1.18%	1.43%
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 30.09.2018

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<sup>1</sup> Unquoted Investment. The AJ Bell valuation is shown at pre initial public offering (IPO) carrying valuation, as at end November. The company subsequently underwent an IPO, 07.12.2018

## Important information

\*\*Managed Liquidity is a term used to describe assets that can be quickly converted into cash. This category includes investments in open ended funds which invest in short dated corporate bonds and covered bonds (these will have a minimum credit rating of AA-) and money market instruments (these will have a minimum credit rating of A). These funds offer very low risk exposure to interest rate, credit spread and currency risks.

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