

LF Seneca Diversified Growth Fund

For retail investors only

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

5 year performance chart (%)



Commentary

- All equity regions posted negative returns in December.
- The Fed raised rates by 0.25% to 2.50% but softened their forward guidance on economic growth expectations.
- The US Treasury market is signalling a slowdown as the yield curve flattens.
- AJ Bell enjoyed a successful initial public offering (IPO) at 160p amidst very difficult market conditions, subsequently rallying to 240p. We sold 50 percent of our holding into the issue and the remaining holding has been moved into UK equities from specialist assets.
- Participated in equity raise by Kier Group. Clients in the industry are increasingly focussing on contractor balance sheets, thus the equity raise should help Kier in winning future work.
- The deadline for Apollo Global Management to make a formal takeover approach for RPC was extended to 18th January.
- Added to the BlackRock World Mining Trust which saw its discount to net asset value widen during the month.
- We made an additional investment in the Goodhart Michinori Japan Equity Fund, which brings the position closer to target weight.
- We initiated a position in Woodford Patient Capital Trust. We feel the discount to NAV does not reflect the recent advances demonstrated by underlying early-stage companies within the portfolio.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Growth Fund	-1.0	-0.2	-1.5	24.8	35.2	179.3
IA Mixed Investment 40-85% Shares	-7.9	-6.6	-6.1	16.6	25.5	127.6

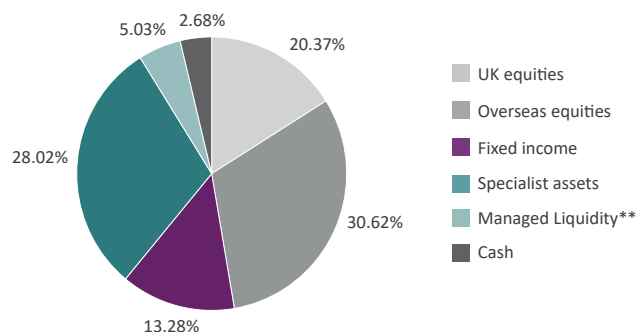
Discrete annual performance (%)	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
LF Seneca Diversified Growth Fund	-1.5	15.3	9.9	7.1	1.2
IA Mixed Investment 40-85% Shares	-6.1	10.0	12.9	2.7	4.9

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 31.12.2018 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

Top five holdings

UK Direct Equities*

1. AJ Bell Holdings Limited	5.2%
2. Marston's	1.7%
3. OneSavings Bank	1.0%
4. BT Group	1.0%
5. Kier Group	0.9%

Overseas Equities

1. Goodhart Michinori Japan Equity Fund	4.8%
2. HMG Global Emerging Markets Equity Fund	4.6%
3. Invesco Perpetual European Equity Income Fund	4.5%
4. Samarang Asian Prosperity Fund	3.5%
5. Prusik Asian Equity Income Fund	3.4%

Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	5.9%
2. Royal London Sterling Extra Yield Bond Fund	2.8%
3. TwentyFour Select Monthly Income Fund	2.4%
4. Templeton Emerging Markets Bond Fund	2.1%
5. N/A	

Specialist Assets

1. International Public Partnership	2.7%
2. Doric Nimrod Air Two	2.2%
3. Sequoia Economic Infrastructure	2.1%
4. Merian Chrysalis Investment Company	1.9%
5. UK Mortgages Ltd	1.7%

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

Source: Seneca IM

Key facts

Launch date	8 April 2002
Size	£117.90m
A Class month end price	269.92p
B Class month end price	162.92p
N Class month end price	160.09p
Total holdings	57
IA sector	Mixed Investment 40-85% shares
Share type	Accumulation only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.87%	1.22%	1.47%
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 30.09.2018

Contact us

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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.

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Multi-Asset Value Investing