

## LF Seneca Diversified Growth Fund

For retail investors only

Month end March 2019



### 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 (%)



### 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)

### Commentary

- We lowered the fund's equity target by 1% at the end of March as per our gradual reduction roadmap. Specifically, targets were reduced in UK and Asia ex Japan equities, with proceeds moved into short duration high yield bonds.
- Safe-haven bond yields fell sharply in March as fears spread of weakening global economic growth. Notably, the yield curve in the US turned negative; historically this has been a reliable recession indicator.
- Following weakness across the industrial sector, the target weights of both Morgan Advanced Materials and Senior were increased.
- Better than expected cash conversion and a confident outlook boosted shares in Ultra Electronics.
- We introduced the Investec Global Gold Fund to the portfolio. Gold mining equities provide a "leveraged" exposure to the gold price, which we anticipate will start to regain more of its shine, as central banks continue to pursue extraordinary monetary policies.
- To fund the purchase of the Investec fund, we reduced our position in the BlackRock World Mining Trust.
- In Fixed Income, we made additional investments to the Templeton Emerging Markets Bond Fund and TwentyFour Select Monthly Income Fund.
- Due to the strong performance of Primary Health Properties that has pushed the shares to a larger premium to Net Asset Value, we have reduced the holding and reintroduced Assura plc which is a very similar Healthcare REIT sitting on a lower valuation.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Growth Fund	6.7	5.6	9.6	35.9	44.5	197.9
IA Mixed Investment 40-85% Shares	6.4	-2.0	4.3	24.0	33.2	142.2

Discrete annual performance (%)	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
LF Seneca Diversified Growth Fund	9.6	5.2	17.9	-2.6	9.2
IA Mixed Investment 40-85% Shares	4.3	1.5	17.1	-2.9	10.6

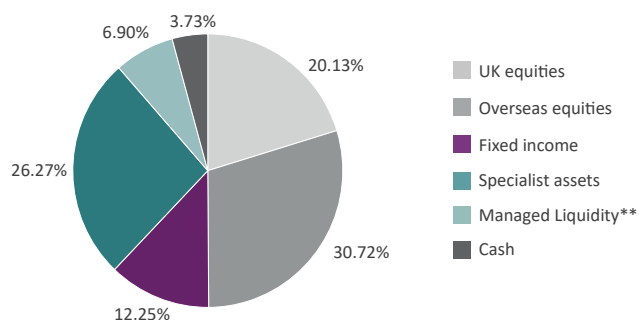
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as 31.03.2019 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' share 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	6.2 %
2. Marston's	1.0 %
3. OneSavings Bank	0.9 %
4. Arrow Global Group	0.9 %
5. Ultra Electronics Holdings	0.8 %

### Overseas Equities

1. Goodhart Michinori Japan Equity Fund	4.6 %
2. HMG Global Emerging Markets Equity Fund	4.4 %
3. Invesco Perpetual European Equity Income Fund	4.1 %
4. Samarang Asian Prosperity Fund	3.9 %
5. Prusik Asian Equity Income Fund	3.3 %

### Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	5.3 %
2. TwentyFour Select Monthly Income Fund	2.6 %
3. Royal London Sterling Extra Yield Bond Fund	2.5 %
4. Templeton Emerging Markets Bond Fund	2.0 %
5. N/A	

### Specialist Assets

1. International Public Partnership	2.6 %
2. Fair Oaks Income Fund	2.0 %
3. Doric Nimrod Air Two	1.9 %
4. Merian Chrysalis Investment Company	1.8 %
5. Sequoia Economic Infrastructure	1.8 %

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

Source: Seneca IM

## Key facts

Launch date	8 April 2002
Size	£133.15m
A Class month end price	287.52p
B Class month end price	173.81p
N Class month end price	170.66p
Total holdings	60
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

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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