

LF Seneca Diversified Income Fund

For retail investors only

Month end April 2019



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 ¹	4.8%
Distributions	monthly

5 year performance chart (%)



LF Seneca Diversified Income B Inc TR in GB (40.42%) IA Mixed Investment 20-60% Shares TR in GB (25.84%) 30.04.2014 - 30.04.2019 Data from FE 2019

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
LF Seneca Diversified Income Fund	5.2	9.9	8.3	29.5	40.4	139.6
IA Mixed Investment 20-60% Shares	4.1	4.2	2.5	18.7	25.8	108.9

Discrete annual performance (%)	30.04.2019	30.04.2018	30.04.2017	30.04.2016	30.04.2015
LF Seneca Diversified Income Fund	8.3	3.8	15.2	1.2	7.1
IA Mixed Investment 20-60% Shares	2.5	3.0	12.5	-2.2	8.4

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 30.04.2019 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.

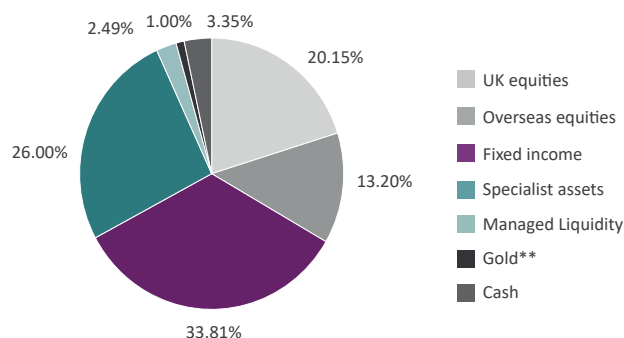


Commentary

- After a strong first quarter, equity markets continued to rise, driven by moderate inflation and the prospects of accommodative monetary policy.
- There were no changes in asset allocation targets during the month.
- Cash proceeds were received from the takeover of Dairy Crest by Canadian based Saputo. The target weight was consequently reduced to zero and temporarily increased for a passive ETF.
- AJ Bell delivered a positive trading update in which the company stated that it expects interim results to be ahead of market expectations.
- We continued to build the fund's position in the Investec Global Gold Fund, funded from the reduction in weight to the BlackRock World Mining Trust.
- Additions were made across fixed income, increasing investments in the Muzinich, Templeton and Royal London funds.
- Following share price strength we have reduced the positions in infrastructure names Greencoat UK Wind plc and International Public Partnerships.
- We increased the allocation to private equity trusts, Merian Chrysalis and Woodford Patient Capital Trust as we have witnessed good advances in their investee portfolio names.

LF Seneca Diversified Income Fund

Asset breakdown



Source: Seneca IM

Top five holdings

UK Direct Equities*

1. AJ Bell Holdings Limited	6.7 %
2. Marston's	1.3 %
3. BT Group	1.1 %
4. Kier Group	1.0 %
5. Phoenix Group	1.0 %

Overseas Equities

1. CIM Dividend Income Fund	3.1 %
2. Investec Global Gold Fund	2.0 %
3. Prusik Asian Equity Income Fund	1.8 %
4. Liontrust European Enhanced Income Fund	1.6 %
5. HMG Global Emerging Markets Equity Fund	1.0 %

Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	9.3 %
2. Muzinich Short Duration High Yield Fund	7.9 %
3. Royal London Sterling Extra Yield Bond Fund	6.0 %
4. Templeton Emerging Markets Bond Fund	4.8 %
5. TwentyFour Select Monthly Income Fund	3.6 %

Specialist Assets

1. International Public Partnership	2.5 %
2. Fair Oaks Income Fund	1.8 %
3. Doric Nimrod Air Two	1.8 %
4. Merian Chrysalis Investment Company	1.7 %
5. Sequoia Economic Infrastructure	1.6 %

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

Source: Seneca IM

Key facts

Launch date	8 April 2002
Size	£144.90m
A Class month end price	96.04p
B Class month end price	116.00p
N Class month end price	114.09p
Total holdings	61
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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On 24 May 2019 the ACD of the fund is changing to Valu-Trac Investment Management Limited. On that date the name of the fund will change to VT Seneca Diversified Income Fund.

Important information

** Exposure to physical gold is achieved through investments in exchange traded certificates (ETC) which aim to provide the performance of gold, as measured by the LBMA Gold Price (PM), which is a recognised benchmark for gold. A Gold ETC is a certificate which is secured by gold bullion, held within the vaults of a nominated custodian.

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