

VT Seneca Diversified Income Fund For retail investors only

Month end August 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	4.9%
Distributions	monthly

5 year performance chart (%)



Commentary

- There were no asset allocation target changes during the month.
- August saw a rise in risk aversion, with equities generally weak and safe haven assets strong.
- The beginning of the month saw US President Trump impose 10% tariffs on \$300 billion of Chinese goods that had yet to be impacted, a move that was met with retaliation from China three weeks later.
- Ultra Electronics released strong interim results that included a healthy order book and revenue growth.
- Kier Group plc released a positive trading update, in which net debt came in at the lower end of guidance.
- A small addition was made to the TwentyFour Select Monthly Income Fund, which seeks exposure to the less liquid areas of the fixed income market.
- Hipgnosis Songs Fund announced, and we participated in, the issue of further equity to enable it to further broaden its portfolio of music royalty income.
- Merian Chrysalis announced further deployment of capital into disruptive “fintech” companies: Klarna (a global payments provider) and Sorted (a delivery management platform helping retailers manage stock delivery and returns).

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since launch
VT Seneca Diversified Income Fund	0.6	2.8	7.3	21.9	36.2	137.2
IA Mixed Investment 20-60% Shares	3.2	5.3	3.0	12.8	25.3	113.5

Discrete annual performance (%)	31.08.2019	31.08.2018	31.08.2017	31.08.2016	31.08.2015
VT Seneca Diversified Income Fund	7.3	0.6	12.9	9.1	2.5
IA Mixed Investment 20-60% Shares	3.0	2.1	7.2	10.2	0.9

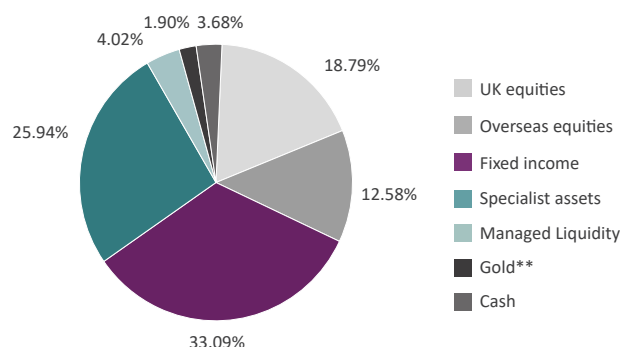
Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. The information on this factsheet is as at 31.08.2019 and refers to the 'B' share class with the exception of performance prior to 26.03.2012 which is calculated using the 'A' 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.



VT Seneca Diversified Income Fund

Asset breakdown



Source: Seneca IM

Top five holdings

UK Direct Equities*

1. iShares Core FTSE 100	3.2 %
2. AJ Bell	2.8 %
3. Marston's	1.5 %
4. BT Group	1.0 %
5. Babcock Intl Group	1.0 %

Overseas Equities

1. CIM Dividend Income Fund	3.3 %
2. Investec Global Gold Fund	2.7 %
3. Prusik Asian Equity Income Fund	1.6 %
4. Liontrust European Enhanced Income Fund	1.4 %
5. HMG Global Emerging Markets Equity Fund	1.0 %

Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	9.1 %
2. Muzinich Short Duration High Yield Fund	8.1 %
3. Royal London Sterling Extra Yield Bond Fund	6.2 %
4. Templeton Emerging Markets Bond Fund	4.5 %
5. TwentyFour Select Monthly Income Fund	3.2 %

Specialist Assets

1. International Public Partnerships	2.4 %
2. Fair Oaks Income Fund	2.1 %
3. Merian Chrysalis	1.9 %
4. Sequoia Economic Infrastructure	1.8 %
5. Hipgnosis Songs Fund	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	£164.02m
A Class month end price	92.99p
B Class month end price	112.56p
N Class month end price	110.62p
Total holdings	63
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

Share class info	A	B	N
OCF*	1.79%	1.14%	1.39%
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 21.05.2019

Contact us

Steve Hunter - head of business development

D 0151 906 2481 M 07470 478 974 E steve.hunter@senecaim.com

Helen O'Loughlin - business development consultant

D 0151 906 2483 M 07789 745 214 E helen.oloughlin@senecaim.com

Lucy Dolan - business development consultant

D 0151 906 2479 M 07384 116 526 E lucy.dolan@senecaim.com

David Thomas - chief executive

D 0151 906 2480 M 07469 392 164 E david.thomas@senecaim.com

Seneca Dealing Line - Valu-Trac Administration Services

T 01343 880344

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.

The views expressed are those of the fund manager at the time of writing and are subject to change without notice. They are not necessarily the views of Seneca Investment Managers and do not constitute investment advice. Whilst Seneca Investment Managers has used all reasonable efforts to ensure the accuracy of the information contained in this communication, we cannot guarantee the reliability, completeness or accuracy of the content. This document is provided for the purpose of information only and if you are unsure of the suitability of this investment you should take independent advice. Before investing you must read the key investor information document (KIID) as it contains important information regarding the fund, including charges, tax and fund specific risk warnings and will form the basis of any investment. This fund may experience high volatility due to the composition of the portfolio or the portfolio management techniques used. The prospectus, KIID and application forms are available in English from Valu-Trac Administration Services (01343 880344).

Seneca Investment Managers Limited, the Investment Manager of the Fund (0151 906 2450) is authorised and regulated by the Financial Conduct Authority and is registered in England No. 4325961 with its registered office at Tenth Floor, Horton House, Exchange Flags, Liverpool, L2 3YL. All calls are recorded. Your capital is at risk.

Ratings: Morningstar Rating™ as of 31.07.2019 copyright ©2019. Morningstar, all rights reserved, the information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely; neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. FE Crown Fund Ratings as of 31.08.2019 do not constitute investment advice offered by FE and should not be used as the sole basis for making any investment decision. All rights reserved. FP19 294

Seneca Investment Managers Limited

Tenth Floor, Horton House, Exchange Flags, Liverpool, L2 3YL

T 0151 906 2450 E info@senecaim.com W senecaim.com

Multi-Asset Value Investing