

# VT SENECA DIVERSIFIED INCOME FUND

## MONTH END MARCH 2020

### FOR PROFESSIONAL ADVISORS ONLY

#### 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 (INC B SHARECLASS ONLY)

Historic Net Yield	6.4% <sup>1</sup>
Distributions	Monthly

#### FIVE YEAR PERFORMANCE CHART (%)



CUMULATIVE PERFORMANCE (%)	3 months	6 months	1 year	3 years	5 years	Since Launch
VT Seneca Diversified Income Fund Inc	-22.9	-21.0	-19.0	-10.4	3.7	87.9
VT Seneca Diversified Income Fund Acc**	n/a	n/a	n/a	n/a	n/a	n/a
IA Mixed Investment 20-60% Shares	-12.9	-11.4	-7.2	-3.7	6.0	90.5

DISCRETE ANNUAL PERFORMANCE (%)	31 Mar 2020	31 Mar 2019	31 Mar 2018	31 Mar 2017	31 Mar 2016
VT Seneca Diversified Income Fund Inc	-19.0	7.5	3.0	14.1	1.4
VT Seneca Diversified Income Fund Acc**	n/a	n/a	n/a	n/a	n/a
IA Mixed Investment 20-60% Shares	-7.2	2.9	0.8	12.9	-2.5

\*\*The VT Seneca Diversified Income Fund Accumulation Shareclass was launched in Oct 2019

Cumulative & Discrete figures are sourced from 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 31.03.2020 and refers to the 'B' Inc 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' Inc share class.

RESEARCH AREA	INVESTMENT TEAM
UK Equities	Mark Wright - Fund Manager
Specialist Assets	Richard Parfect - Fund Manager*
Fixed Income & Overseas Eq (EM)	Tom Delic - Fund Manager*
Fixed Income & Overseas Eq (Dev)	Gary Moglione - Fund Manager

\* Portfolio oversight (process implementation, cash and cashflow management)

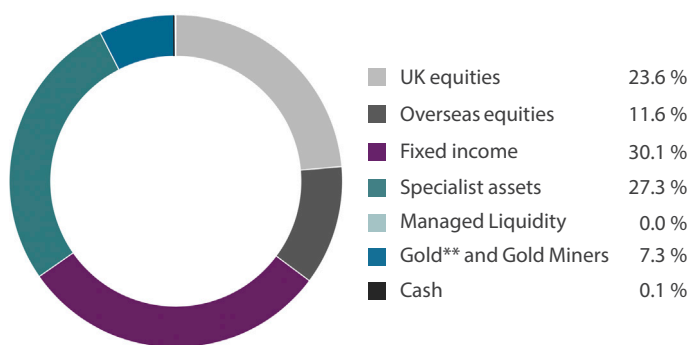
#### COMMENTARY

- March has been one of the most turbulent months in market history as the COVID-19 outbreak results in significant falls across most asset classes
- A new position was started in Dotdigital, which offers clients an omni-channel platform for managing marketing campaigns. The platform, Engagement Cloud, leverages AI to boost customer conversion.
- Several positions were added to following significant share price falls. Valuations have reached extremes in many cases.
- The recent market volatility gave us the opportunity to increase the weight of the HMG Global Emerging Markets Equity Fund. The Fund trades at one of its lowest P/E ratios since inception.
- In order to fund investment across equities and specialist assets, we reduced our weight to fixed income funds managed by Royal London and Muzinich.
- Due to relative valuations, we have reduced the size of renewable infrastructure trusts in favour of broader invested infrastructure vehicles such as International Public Partnerships and Sequoia Economic Infrastructure. We also built up the new position in Syncona which benefits from significant cash resources.
- Some REITs have found themselves placed on excessively material discounts to NAV when viewed on the medium term perspective. Ediston, LXI REIT, LondonMetric and AEWUK were all added to, whilst we also reintroduced Assura plc when it briefly fell heavily.
- We have added to aircraft leasing as valuations are at a discount to contracted lease income from Emirates, which we believe to be financially resilient.

Your capital is at risk. Past performance should not be seen as an indication of future performance. The value of investments and any income may fluctuate and investors may not get back the full amount invested.



## ASSET BREAKDOWN



Source: Seneca IM

## TOP FIVE HOLDINGS

UK EQUITIES	
1. iShares Core FTSE 100	4.6 %
2. Phoenix Group Holdings	1.9 %
3. Legal & General Group	1.6 %
4. Babcock International	1.5 %
5. OneSavings Bank	1.3 %

OVERSEAS EQUITIES	
1. CIM Dividend Income Fund	3.6 %
2. HMG Global Emerging Markets Equity Fund	2.0 %
3. Liontrust European Enhanced Income Fund	1.4 %
4. Prusik Asian Equity Income Fund	1.4 %
5. Morant Wright Fuji Yield Fund	1.3 %

FIXED INCOME	
1. Muzinich Short Duration High Yield Bond Fund	7.1 %
2. Royal London Short Duration High Yield Bond Fund	7.0 %
3. Royal London Sterling Extra Yield Bond Fund	5.2 %
4. Absalon Emerging Markets Corporate Debt Fund	4.5 %
5. TwentyFour Select Monthly Income Fund	3.3 %

SPECIALIST ASSETS	
1. International Public Partnerships	3.1 %
2. Hipgnosis Songs Fund	2.5 %
3. Sequoia Economic Infrastructure	2.2 %
4. Merian Chrysalis	2.0 %
5. AEW UK REIT	1.6 %

## KEY FACTS

Launch date	8 April 2002
Size	£136.02m
A Class month end price	71.20p
B (INC) Class month end price	86.51p
B (ACC) Class month end price	79.39p
N Class month end price	84.90p
Total holdings	59
IA sector	Mixed Investment 20-60% shares
Share type	Monthly income only
Valuation point	12:00 midday

SHARE CLASS INFO	A	B (INC)	B (ACC)	N
OCF*	1.78%	1.13%	1.13%	1.38%
Min lump sum	£3,000	£100,000	£100,000	£1,000
Min reg saver	£50	-	-	£50
ISIN	GB0031467961	GB00B7JTF560	GB00BKV4HY34	GB00B61Y0911
SEDOL	3146796	B7JTF56	BKV4HY3	B61Y091

\*Based on expenses and the net asset value as at 31.12.2019

## CONTACT US

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## 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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