

Share class: A

Base currency: GBP

Fund objective: Growth

### Monthly Commentary

At the year's half way point, a review of year to date asset returns reveals some interesting outcomes. Perhaps counter intuitively, peripheral European equities proved to be the star performers, with Italy's FTSE MIB and Spain's IBEX Indices returning +12.2% and +10.2% respectively. US Equities also ground higher, the S&P 500 returning +6.1%, supported by loose monetary policy. This was in contrast to the UK's FTSE All Share Index, which mustered a negative return of -0.3%. From a multi asset perspective, it was also interesting to note the revival of investor interest in gold and oil. Geo-political worries in the Gulf and Ukraine drove the prices of both Commodities higher; US West Texas Intermediate and Gold Bullion returning +7.1% and +10.1% respectively. Curiously, Fixed Interest returns across the spectrum were also positive. As an aside, it is very unusual to see this level of positive asset return correlation and it appears suspiciously closely linked with quantitative easing.

UK Equities – Within the FTSE 100, Shire Pharmaceuticals was exited on valuation grounds; the share price having been driven higher by Merger & Acquisition rumour and returning over 50% on cost. Within the FTSE 250, both Alent and Morgan Advanced Materials were sold, in response to strong share price performance. National Express, the public transport operator, was a new holding based on its depressed valuation and in hope of positive UK rail franchise renewal.

Overseas Equities – The Fund's overweight Asian Equity asset allocation was further increased; some capital being rotated out of European Equities, where returns had been strong. One of our key investment tenets is active capital rotation driven by relative valuations. The Fund's Emerging Market exposure was also upped, through participation in Terry Smith's Fundsmith Emerging Market Equities Trust IPO, which has gotten off to a flying start.

Fixed Interest – Reductions were made to several Fixed Interest holdings, where yields had compressed. Sometimes it is better to travel than arrive. Twenty Four Income Fund (which has returned +35.1% since it launched in mid-January last year) and Twenty Four Dynamic Bond Fund were trimmed, while the Conygar 5.5% 2019 Zero Dividend Preference Bond was exited.

### Cumulative Performance (%)

	YTD	1 year	3 years	5 years	Since launch
<b>Fund</b>	0.0	+9.0	+17.7	+65.9	+104.8
<b>Sector Average</b>	+1.4	+8.2	+20.0	+60.5	+83.8

### Discrete Annual Performance (%)

	30.06.2014	30.06.2013	30.06.2012	30.06.2011	30.06.2010
<b>Fund</b>	+9.0	+13.1	-4.5	+16.5	+21.0
<b>Sector Average</b>	+8.2	+15.0	-3.5	+14.5	+16.8

### Fund Managers

#### Simon Callow

Lead manager since	July 2011
Years in industry	18 years
Time with company	9 years



#### Mark Wright

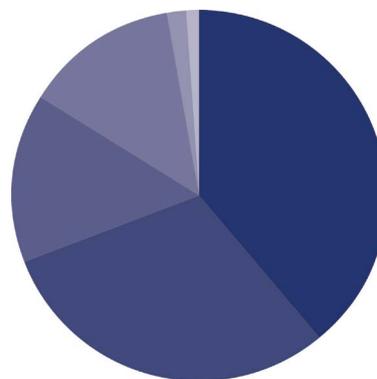
Deputy manager since	July 2011
Years in industry	8 years
Time with company	8 years

### Investment Objective

The investment objective of the CF Seneca Diversified Growth Fund is to achieve long-term capital growth by investing in a balanced and well diversified portfolio of UK and International equities, and fixed interest securities including government and corporate bonds.

Investments will also be made in regulated collective investment schemes, money markets and cash deposits to provide further diversification to the fund in accordance with applicable regulations.

### Asset Breakdown



UK Equities	39.1
Overseas Equities	30.1
Fixed Interest	14.8
Alternative Assets	13.4
Property	1.7
Cash	0.9

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### Key Facts

Fund Launch Date	8 April 2002
Fund Size	£140.1m
A Class month end unit price	206.16p
B Class month end unit price	120.86p
N Class month end unit price	120.09p
Number of Holdings	86
IMA Sector	IMA Mixed Investment 40-85% Shares
Type of Share	Accumulation
Max. Initial Charge	5.00% (fully discounted)
Valuation Point	12:00 midday

### Three Year Fund Statistics

	Fund	Sector Average
Annualised Volatility %	8.9	8.9
Annualised Alpha %	-0.5	0.0
Beta	1.0	1.0
FE Risk Rating	63	59

**Annualised Volatility:** A measure which describes the fluctuation of a fund's price over time. While volatility is specific to a fund's particular mix of investments, higher volatility is generally considered to equate to higher risk.

**Annualised Alpha:** A measure of a fund's performance by comparison to its sector representing the return of the fund when the sector is assumed to have a return of zero and indicates the extra value that the manager's activities have contributed.

**Beta:** A statistical estimate of a fund's volatility by comparison to that of its sector. A fund with a Beta close to 1 means that the fund will move generally in line with the sector. Higher than 1 and the fund is more volatile than the sector.

**FE Risk Rating:** Measures the volatility of the fund relative to the FTSE 100 index, which has a risk rating of 100. Funds more volatile than the FTSE 100 have a score above 100 and vice versa.

### Top 5 "direct equities" (%)

Lancashire Holdings Ltd	1.3
Arrow Global Group plc	1.3
Rentokil Initial plc	1.2
Stock Spirits Group plc	1.2
Essentra plc	1.2

### Top 5 "other holdings" (%)

AJ Bell Holdings Ltd*	4.5
Halley Asian Prosperity Fund	2.3
Fair Oaks Income Fund Ltd	2.1
Royal London GBP Extra Yield Bond Fund	1.9
R&M World Recovery Fund	1.8

\*Unquoted Investment

### Performance Since Inception (%)



### Share Class Information

Share class	Ongoing charges <sup>1</sup>	Minimum Lump Investment	Minimum Regular Saver	ISIN
A	1.95%	£3,000	£50	GB0031467631
B	1.30%	£100,000	N/A	GB00B7FPW579
N	1.55%	£1,000	£50	GB00B7FW0099

1. Based on expenses as at 15.01.2014

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Capita Dealing Line

0845 608 1497

Lines are open from 9am to 5pm (Monday to Friday excluding Bank Holidays). Telephone calls to the dealing line may be recorded for monitoring and training purposes

### Important Information

The information on this factsheet is as at 30.06.2014 and refers to the A share class unless stated otherwise. 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. This fund may experience high volatility due to the composition of the portfolio or the portfolio management techniques used. 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 should 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.

The prospectus, KIID and application forms are available from Capita Financial Managers, the Authorised Corporate Director of the Fund (0845 608 1497). 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.

Source for all performance data: FE Analytics. Basis: Bid to bid, net income reinvested and net of fees in UK Sterling terms. FP14/36.