SENECA INVESTMENT MANAGERS

Multi-Asset Value Investing

MONEY OBSERVER RATED FUND 2017

Seneca Global Income & Growth Trust plc

April 2017

Research area

Asset allocation
UK equities
Specialist assets
Fixed income
Global equity & investment themes

Investment team

Peter Elston - chief investment officer *
Mark Wright - fund manager
Richard Parfect - fund manager
Alan Borrows - senior fund manager *
Tom Delic - assistant fund manager

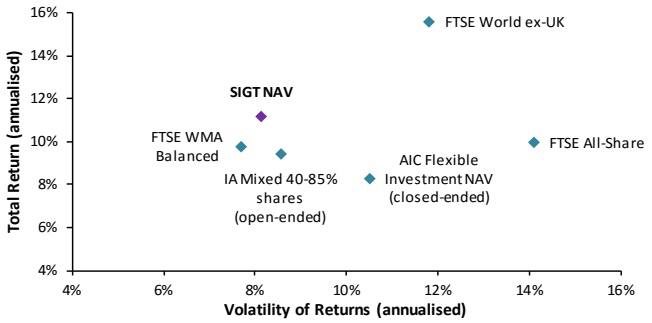
* Named fund managers

Investment objective

The company's investment objective is to seek to outperform 3 month LIBOR plus 3.0 per cent over the longer term, with low volatility and the prospect of income and capital growth, through investment in a multi-asset portfolio.

The manager takes active allocation decisions within defined ranges. These tactical moves are made through a combination of direct investment and commitments to third party funds, both open and closed end.

Volatility vs return since mandate change (%)



Source: Cantor, Morningstar & Financial Express from mandate change 18.01.2012 until 31.03.2017. Performance & Volatility vs. comparative indices (FTSE World, FTSE WMA Balanced, AIC Flexible Investment Sector and FTSE All Share)

Commentary

- The Fed raised short term interest rates for the third time, as inflation pressures continued to grow
- FOMC committee members on average expect a further two increases this year, accelerating the pace of the last two years
- In the UK, prime minister May triggered Article 50, thereby formally starting divorce proceedings with the EU
- We lowered the funds' equity overweight from 2% to 1% during the month, as recent market rises had made valuations less compelling
- Good results from several holdings, including Arrow Global, OneSavings Bank, Polypipe and Ultra Electronics
- Bovis Homes attracted takeover interest from Redrow and Galliford Try
- Cullen North American High Dividend Value Equity Fund was reduced, following a decrease in the tactical asset allocation for North American equities
- Royal London Short Duration High Yield Bond Fund was increased as a low risk alternative to holding cash
- We increased Doric Nimrod Air 2 due to the aircraft leasing vehicle's valuation offering a lot of protection against a negative outcome on residual value on the A380
- We reduced Ranger Direct Lending as we feel the risks of disappointment in US credit quality may not be fully reflected in the valuation

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Since 18.01.2012
Trust share price (bid)	7.2	9.2	26.2	44.6	102.3	104.3
Trust NAV	5.7	8.5	18.1	31.5	66.2	73.0
Benchmark	0.8	1.7	3.5	11.1	19.4	20.4

Discrete annual performance (%)	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Trust share price (bid)	26.2	4.5	9.7	8.4	29.0
Trust NAV	18.1	1.7	9.5	7.4	17.6
Benchmark	3.5	3.6	3.6	3.6	3.7

Sources: PATAC Limited. Share prices calculated on a total return basis with net dividends reinvested.
NAV returns based on NAVs excluding income and with debt valued at par. Returns do not include current year revenue. Benchmark: composite index 8% pa to 18.01.2012 thereafter LIBOR GBP 3 Months +3%. Launch date 19.08.2005
Past performance should not be seen as an indication of future performance. The information on this factsheet is as at 31.03.2017 unless otherwise stated. The value of investments and any income may fluctuate and investors may not get back the full amount invested. .

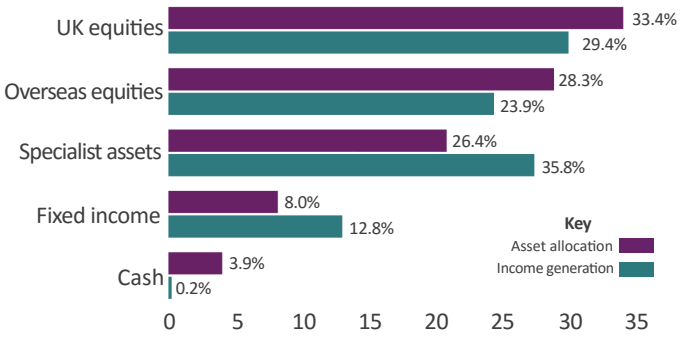
Morningstar Rating 3 Year ★★★★ TM

Morningstar Rating 5 Year ★★★★ TM

FE CROWN FUND RATING

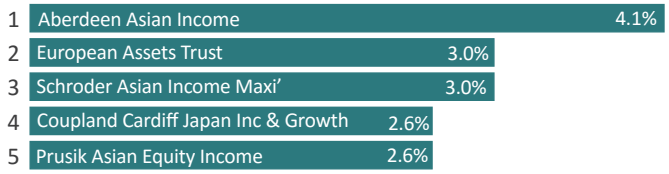
Seneca Global Income & Growth Trust plc

Asset allocation & income generation (%)

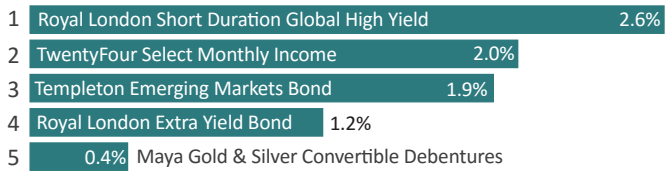


UK direct equities

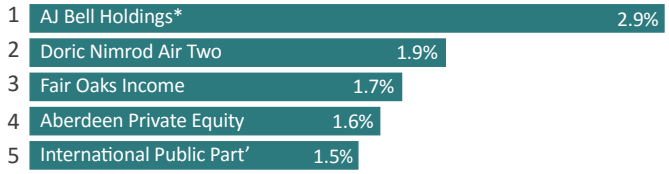
Overseas equities



Fixed income



Specialist assets



* Unquoted investment

Source: Seneca IM

Dividend payments

	2014	2015	2016	2017
March	1.34p	1.40p	1.47p	1.52p
June	1.40p	1.47p	1.52p	1.52p*
September	1.40p	1.47p	1.52p	tba
December	1.40p	1.47p	1.52p	tba

***Dividend note:** Minimum, as stated in RNS dated 08.02.2017

Source: Bloomberg / RNS

Key facts

Current dividend yield*	3.6%
Total gross assets	£73.0m
Debt	£ 7.0m
Total net assets[1]	£66.0m
Gearing[2]	10.6%
NAV with income	166.37p
Share price (mid)	168.50p
Premium (discount)	1.3%
Ongoing charges[3]	1.60%
Results to be announced	Final: June Interim: December
Year end	30 April
Next AGM	July 2017
Bloomberg	SIGT LN
SEDOL	0876999
Financial Times	Investment companies
AIC sector	Flexible Investment
ISA eligible	Yes, the trust is fully ISA eligible

1. Excl. current period revenue and debt 2. Gearing is the proportion of the company's debt to its total net assets 3. Based on expenses as at 30.04.2016. Annual Investment Management Fee. Based on Market Cap (from 01.07.2014): below £50m = 0.90%. above £50m = 0.65%
Source: PATAC, Seneca IM

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Important information

Current yield*: the yield calculation is based on the next four dividends anticipated, compared against the month end share price.

The income generation % is calculated according to a forecast for the next twelve months and is not guaranteed.

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