

Seneca Global Income & Growth Trust plc

September 2017



Research area

Asset allocation
UK equities
Specialist assets
Fixed income
Overseas 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 - fund manager

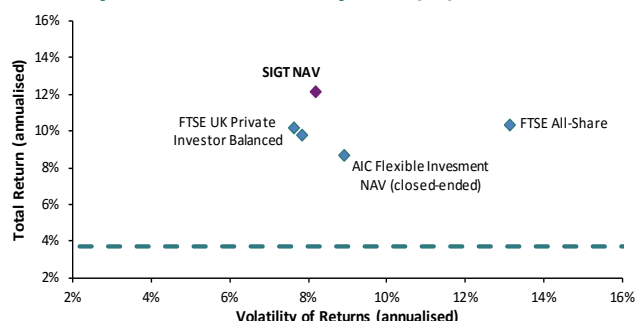
* Portfolio oversight (process implementation, cash and cashflow management)

Investment objective

Over a typical investment cycle, the Company will seek to achieve a total return of at least CPI plus 6 per cent per annum after costs with low volatility, and with the aim of growing aggregate annual dividends at least in line with inflation, through the application of a Multi-Asset Investment Policy.

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 over 5 years (%)



Source: SenecaIM, Bloomberg & Morningstar from 31.08.2012 to 31.08.2017. Performance & Volatility vs. comparative indices (FTSE World ex-UK, FTSE UK Private Investor Balanced, AIC Flexible Investment Sector, FTSE All Share and IA Mixed 40-85% shares)

Commentary

- Sterling slipped back in August following several months of strength as Brexit fears resurfaced
- Safe haven bond yields fell and gold rose, as tension on the Korean peninsula spooked markets
- Equity markets were mixed but on the whole firm as growth expectations continued to improve
- We reduced the fund's equity target by 1% and are now underweight in relation to strategic asset allocation; proceeds moved into fixed income and specialist assets
- A good update from Diploma, ahead of the company's financial year end. Total revenue growth is in the high teens, including 6% organic growth
- Steady interim results from Legal & General, which continues to offer an attractive dividend yield of close to 6%
- Following a reduction in the tactical asset allocation weight to North America, we exited the holding in the Cullen North American High Dividend Value Equity Fund
- Invesco Perpetual European Equity Income Fund and Liontrust European Enhanced Income Fund were both added to in order to bring the positions back to target weights
- Royal London Short Duration High Yield Bond Fund was added to following an increase in the tactical asset allocation to fixed income
- We increased the holding of UK Mortgages Limited now that it is close to fully invested and returns should now improve
- The high inflation linkage to returns from infrastructure projects within International Public Partnerships lead us to increase the weighting as a destination for capital raised from equities

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Sharpe ratio ¹
Trust share price (bid)	2.8	11.2	19.2	44.0	110.8	2.88
Trust NAV	2.8	9.4	17.2	36.4	77.3	1.35
Benchmark	1.7	2.6	4.3	11.9	20.0	0.91

Discrete annual performance (%)	31.08.2017	31.08.2016	31.08.2015	31.08.2014	31.08.2013
Trust share price (bid)	19.2	14.0	6.0	13.8	28.7
Trust NAV	17.2	13.0	3.0	8.5	19.8
Benchmark	4.3	3.6	3.6	3.5	3.6

Morningstar
Rating
3 Year



Morningstar
Rating
5 Year



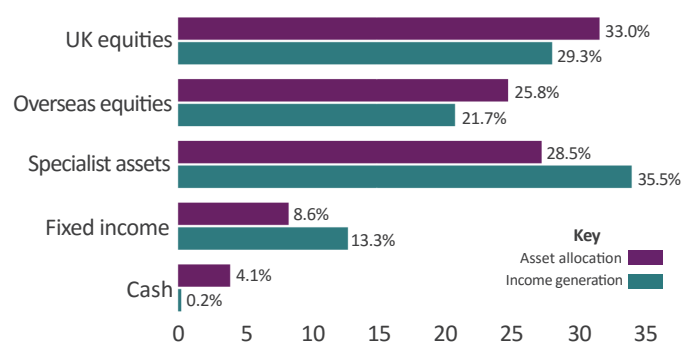
Source: SenecaIM, Bloomberg & Morningstar. Share prices calculated on a total return basis with net dividends reinvested. NAV returns based on NAVs excluding income and with debt valued at par. Returns do not include current year revenue. Benchmark: LIBOR GBP 3 Months +3% to 06.07.17 thereafter CPI plus 6 per cent after costs. Past performance should not be seen as an indication of future performance. The information on this factsheet is as at 31.08.2017 unless otherwise stated. The value of investments and any income may fluctuate and investors may not get back the full amount invested.



¹A risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 60-month period by dividing a fund's excess returns by the standard deviation of a fund's excess returns.

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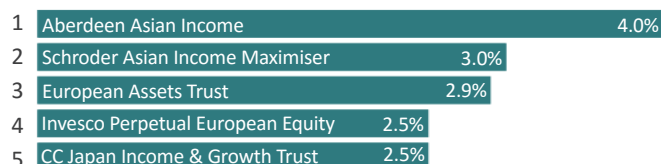
Asset allocation & income generation (%)



UK direct equities



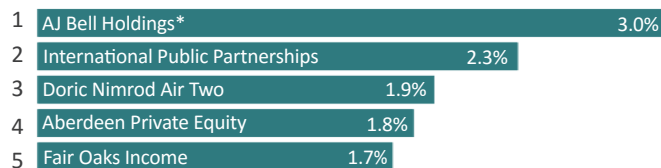
Overseas equities



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	1.58p
September	1.40p	1.47p	1.52p	1.58p
December	1.40p	1.47p	1.52p	1.58p*

*Dividend note: Minimum, as stated in RNS dated 09.08.2017

Source: Bloomberg / RNS

Key facts

Current dividend yield**	3.6%
Total gross assets	£80.25m
Debt	£7.0m
Total net assets ¹	£73.25m
Gearing ²	9.6%
NAV with income	175.00p
Share price (mid)	177.00p
Premium (discount)	1.1%
Ongoing charges ³	1.61%
Results to be announced	Final: June Interim: December
Year end	30 April
Next AGM	July 2018
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 30.04.2017. Annual Investment Management Fee. Based on Market Cap (from 01.07.2014): below £50m = 0.90%, above £50m = 0.65%
Source: PATAC limited, Seneca IM, Cantor Fitzgerald, Bloomberg

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Important information

Current yield**: the yield calculation is based on the latest quarterly dividend, annualised, 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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Multi-Asset Value Investing