

Seneca Global Income & Growth Trust plc

October 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

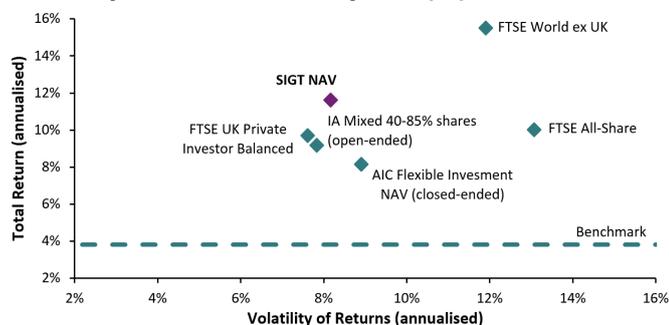
* Portfolio oversight (process implementation, cash and cashflow management)

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 30.09.2012 to 30.09.2017. 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 rose sharply in September on signs of rising inflation, an improving economy, and progress in Brexit talks
- Inflation also rose in other parts of the developed world which helped quell concerns over weakness in recent months
- Equity markets were generally firm, reflecting the improved inflation, and by implication growth, picture
- There were no asset allocation changes during the month
- New holding in Babcock International, which has unjustifiably been tarnished with the same brush as other support service companies, such as Capita, Interserve and Mitie. Dividend yield at 10 year high at time of investment
- Good results from Kier Group, in which the dividend was increased 5%. Shares yield close to 6%
- Aberdeen Asian Income Fund was added to in order to bring to target weight. The Trust trades at a 4% discount to net asset value.
- There were no changes to Fixed Income holdings during the month
- International Public Partnerships announced a solid set of results for the 6 months to June 2017. The primary risk surrounding this space is the scope for political interference
- We are seeing trusts that have delivered on their stated objectives announce further capital raisings to enlarge their portfolios. We are reviewing these opportunities to assess whether we participate

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Sharpe ratio ¹
Trust share price (bid)	2.6	6.7	16.5	42.0	102.4	2.76
Trust NAV	3.7	7.1	16.0	38.9	73.3	1.3
Benchmark	2.2	3.1	4.8	12.5	20.6	0.86

Discrete annual performance (%)	30.09.2017	30.09.2016	30.09.2015	30.09.2014	30.09.2013
Trust share price (bid)	16.5	16.2	5.0	12.5	26.7
Trust NAV	16.0	15.4	3.8	3.9	20.0
Benchmark	4.8	3.6	3.6	3.5	3.5

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 30.09.2017 unless otherwise stated. The value of investments and any income may fluctuate and investors may not get back the full amount invested.

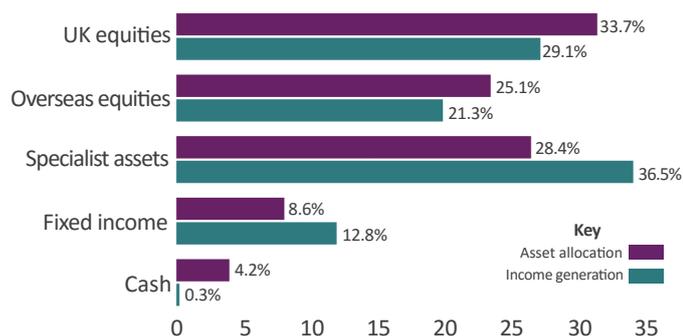


¹ A risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 60-month period by dividing a fund's excess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

² Seneca IM defines a typical investment cycle as one which spans 5-10 years, and in which returns from various asset classes are generally in line with their very long term averages.

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Asset allocation & income generation (%)



UK direct equities

1	Halfords Group	1.6%
2	Marks & Spencer	1.6%
3	Marston's	1.6%
4	Bovis Homes Group	1.5%
5	Polypipe	1.5%

Overseas equities

1	Aberdeen Asian Income	3.6%
2	Schroder Asian Income Maximiser	2.9%
3	European Assets Trust	2.8%
4	Liontrust European Enhanced Income	2.5%
5	Invesco Perpetual European Equity	2.5%

Fixed income

1	Royal London Short Duration Global High Yield Bond	3.6%
2	Templeton Emerging Markets Bond	2.0%
3	TwentyFour Select Monthly Income	2.0%
4	Royal London Extra Yield	1.1%
5	N/A	

Specialist assets

1	AJ Bell Holdings*	3.0%
2	International Public Partnerships	2.2%
3	Doric Nimrod Air Two	1.9%
4	Aberdeen Private Equity	1.8%
5	Fair Oaks Income	1.7%

* 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	£81.32m
Debt	£7.0m
Total net assets ¹	£74.32m
Gearing ²	9.4%
NAV with income	174.92p
Share price (mid)	176.50p
Premium (discount)	0.9%
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