

Seneca Global Income & Growth Trust plc

December 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

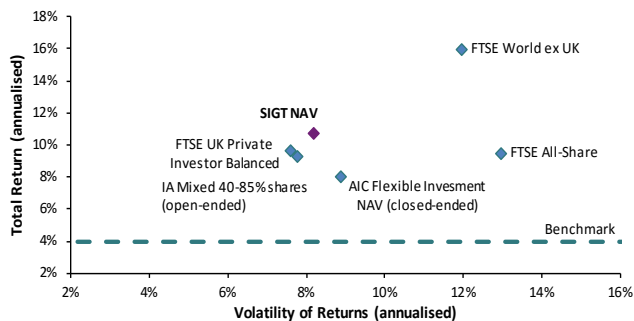
* Portfolio oversight (process implementation, cash and cashflow management)

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 30.11.2012 to 30.11.2017. 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

- Equity target reduced from 58% to 57%. This was related to decision to exit one of our UK companies (see below) but is consistent with gradual reduction in risk as business cycle matures
- Economic news was generally good during the month, with employment and inflation conditions improving in key jurisdictions
- The Bank of England raised its base rate from 0.25% to 0.5% as expected, though this was as much a response to high inflation induced by the weak currency as to broad economic strength
- Conviviality was exited on valuation grounds and because we had some concerns regarding two accounting errors. Having yielded close to 6% back in January, the yield had fallen closer to 3% when we exited following strong performance
- A good update from Bovis Homes in which net cash was guided to be higher by the year end than previously forecast, supporting substantial shareholder returns by way of special dividends
- Goodhart Michinori Japan Equity Fund was exited, with proceeds reinvested into the CC Japan Income & Growth Trust, an existing holding which is delivering a growing dividend to shareholders
- Schroder Asian Income Maximiser Fund was added to in order to bring the position to target weight
- Small additions to Royal London Short Duration Global High Yield Bond Fund and Templeton EM Bond Fund to invest share issuance proceeds
- Due to the successful deployment of initial capital proceeds through 2017 by Civitas Social Housing REIT, we participated in the C share offer
- Fair Oaks Income Fund announced further equity issuance in order to finance additional investments into new Collateralised Loan Obligations where they are taking a controlling equity stake

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Sharpe ratio ¹
Trust share price (bid)	-1.4	1.4	13.5	43.6	93.9	2.57
Trust NAV	-1.8	0.9	14.0	34.0	66.5	1.21
Benchmark	2.2	4.0	5.7	13.4	21.6	0.88

Discrete annual performance (%)	30.11.2017	30.11.2016	30.11.2015	30.11.2014	30.11.2013
Trust share price (bid)	13.5	15.6	9.5	5.6	27.8
Trust NAV	14.0	10.6	6.3	4.2	19.3
Benchmark	5.7	3.6	3.6	3.6	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 30.11.2017 unless otherwise stated. The value of investments and any income may fluctuate and investors may not get back the full amount invested.

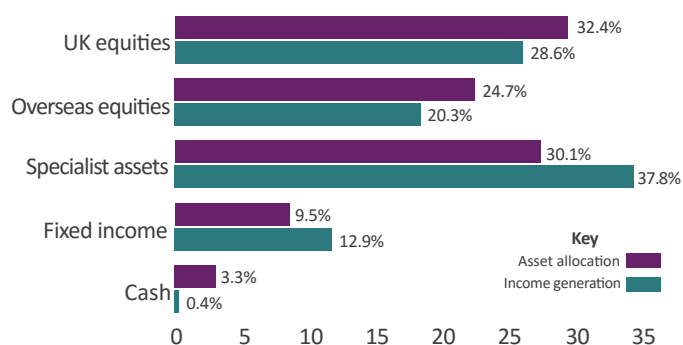


¹ A risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 60-month period by dividing a fund's excess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

Seneca Global Income & Growth Trust plc

Asset allocation & income generation (%)



UK direct equities

1	Halfords Group	1.6%
2	Marston's	1.6%
3	Kier Group	1.6%
4	BT Group	1.6%
5	Marks & Spencer	1.6%

Overseas equities

1	Aberdeen Asian Income	3.8%
2	European Assets Trust	3.0%
3	Schroder Asian Income Maximiser	3.0%
4	CC Japan Income & Growth Trust	2.6%
5	Liontrust European Enhanced Income	2.5%

Fixed income

1	Royal London Short Duration Global High Yield Bond	4.3%
2	Templeton EM Bond	2.0%
3	TwentyFour Select Monthly Inc	2.0%
4	1.1% Royal London Sterling Extra Yield Bond	
5	N/A	

Specialist assets

1	AJ Bell Holdings*	2.9%
2	International Public Partnership	2.4%
3	Doric Nimrod Air Two	2.1%
4	Aberdeen Private Equity	2.0%
5	Fair Oaks Income	2.0%

* 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**	3.7%
Total gross assets	£83.03m
Debt	£7.0m
Total net assets ¹	£76.03m
Gearing ²	9.2%
NAV with income	170.30p
Share price (mid)	173.13p
Premium (discount)	1.7%
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, based on historic dividends, and is not guaranteed.

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Multi-Asset Value Investing