

Seneca Global Income & Growth Trust plc

March 2018



Research area

Asset allocation
UK equities
Specialist assets
Fixed Income &
Overseas equity

Investment team

Peter Elston - chief investment officer *
Mark Wright - fund manager
Richard Parfect - fund manager
Tom Delic - fund manager

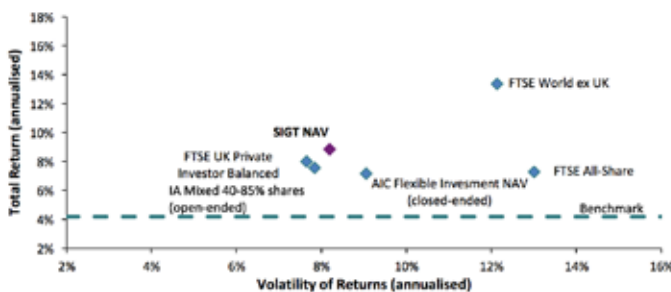
* Portfolio oversight (process implementation, cash and cashflow management)

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 Multi-Asset Value 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: SenecalM, Bloomberg & Morningstar from 31.01.2013 to 28.02.2018. 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

- February will be remembered for the sharp fall in equity markets around the world during the first week of the month
- We did not believe this to be the start of something more protracted but merely markets 'letting off steam' following months of rises
- The US dollar was strong but this must be viewed in the context of significant weakness over the last year
- Inflation rates in the developed world either rose or stayed the same, indicating continued strength in the global economy
- Results from Senior suggested margins have troughed. The shares trade on a price to sales below 1.2x vs a historical peak of over 1.6x, meaning there is plenty of scope for a continued re-rating in the valuation
- Phoenix announced a major acquisition - Standard Life Assurance, which will enable the dividend to increase 3% and enhance its sustainability. The shares yield 6.4% on a flat dividend.
- New holding in the HMG Global Emerging Markets Equity Fund. The manager invests in a portfolio of emerging market listed subsidiaries of large multi-national organisations. The Fund adheres to the principles of value investing, with a bias to small capitalisation companies.
- No activity in fixed income over the month
- We exited the ordinary shares of Civitas Social Housing REIT due to the financial problems at one of its leaseholder Housing Associations which we feel will hold the shares back
- The expansionary fund raising of PRS REIT gave us an opportunity to bolster the position as it rolls out its portfolio of build to rent family homes.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Sharpe ratio ¹
Trust share price (bid)	0.5	-0.9	10.2	38.3	73.8	0.98
Trust NAV	1.2	-0.6	8.8	29.9	52.6	2.16
Benchmark	1.7	4.0	6.7	14.4	22.7	0.75

Discrete annual performance (%)	28/02/2018	28/02/2017	28/02/2016	28/02/2015	28/02/2014
Trust share price (bid)	10.2	22.3	2.7	11.1	13.1
Trust NAV	8.8	21.0	-1.3	7.3	9.4
Benchmark	6.7	3.5	3.6	3.6	3.5

Morningstar Rating 3 Year



Morningstar Rating 5 Year



Past performance should not be seen as an indication of future performance. The value of investments and any income may fluctuate and investors may not get back the full amount invested.

Source: SenecalM, 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. The information on this factsheet is as at 28.02.2018 unless otherwise stated.

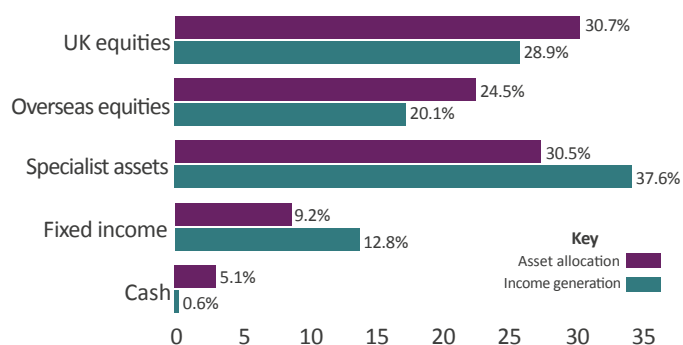


¹A risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 60-month period by dividing a fund's excess returns by the standard deviation of a fund's excess returns. 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	Ultra Electronics Holdings	1.6%
2	Kier Group	1.5%
3	Phoenix Group	1.5%
4	Marks & Spencer	1.5%
5	Babcock International Group	1.5%

Overseas equities

1	European Assets Trust	3.0%
2	Samarang Asian Prosperity	2.9%
3	CC Japan Income & Growth Trust	2.9%
4	Schroder Asian Income Maximiser	2.8%
5	Liontrust European Enhanced Income	2.4%

Fixed income

1	Royal London Short Duration Global High Yield Bond	4.2%
2	TwentyFour Select Monthly Inc	2.0%
3	Templeton EM Bond	1.9%
4	1.1% Royal London Sterling Extra Yield Bond	
5	N/A	

Specialist assets

1	AJ Bell Holdings*	3.3%
2	International Public Partnership	2.5%
3	Doric Nimrod Air Two	2.2%
4	Aberdeen Private Equity Fund	1.9%
5	Fair Oaks Income Fund	1.9%

* Unquoted investment Source: Seneca IM

Dividend payments

	2015	2016	2017	2018
March	1.40p	1.47p	1.52p	1.58p*
June	1.47p	1.52p	1.58p	1.58p*
September	1.47p	1.52p	1.58p	tba
December	1.47p	1.52p	1.58p*	tba

*Dividend note: Minimum, as stated in RNS dated 30.11.2017

Source: Bloomberg / RNS

Key facts

Current dividend yield**	3.6%
Total gross assets	£86.05m
Debt	£7.0m
Total net assets ¹	£79.05m
Gearing ²	8.9%
NAV with income	172.36p
Share price (mid)	174.00p
Premium (discount)	1.0%
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