

Seneca Global Income & Growth Trust plc

January 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

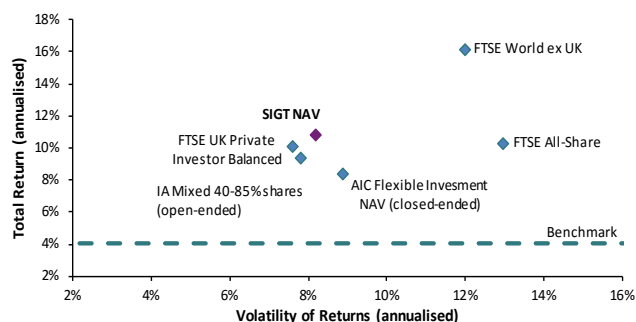
* Portfolio oversight (process implementation, cash and cashflow management)

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 a 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: SenecaIM, Bloomberg & Morningstar from 31.12.2012 to 31.12.2017. 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

- There were no asset allocation target changes in December
- Equity markets were generally buoyant after a somewhat tepid November
- Inflation rose in the UK, the US, Europe and Japan, indicating continued economic strength
- The Federal Reserve increased its Fed Funds rate by a further 25 basis points as expected
- Strong results from Victrex; healthy cash generation enabled the company to announce a larger than expected special dividend
- Positive trading update from Legal & General. The shares offer an attractive dividend yield of 6%
- A new position was initiated in the Samarang Asian Prosperity Fund. The manager Greg Fisher, focuses on small cap Asian equities that are undervalued and not on the radar of most investors
- To fund the purchase of Samarang, the Aberdeen Asian Income Fund was reduced to a smaller position size
- There were no fixed income transactions during the month
- Following the announcement that Aberdeen Private Equity Fund is to be wound up at NAV we reduced the position following the 16% leap in the share price
- We participated in the equity raise for Ediston Properties Investment Company which has bought a portfolio of retail parks with asset management opportunities

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years	Sharpe ratio ¹
Trust share price (bid)	0.7	3.4	15.2	46.1	94.6	2.6
Trust NAV	1.1	4.8	14.4	38.8	67.3	1.2
Benchmark	2.3	4.5	6.3	14.0	22.2	0.9

Discrete annual performance (%)	31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013
Trust share price (bid)	15.2	14.3	11.0	6.1	25.4
Trust NAV	14.4	12.5	7.8	2.7	17.4
Benchmark	6.3	3.6	3.6	3.6	3.5

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: 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. The information on this factsheet is as at 31.12.2017 unless otherwise stated.

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.

Morningstar
Rating
3 Year

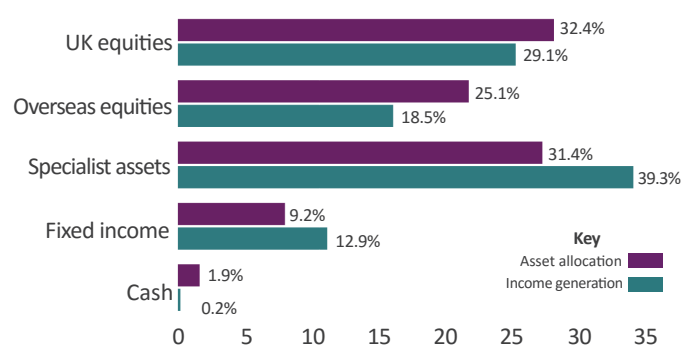


Morningstar
Rating
5 Year



Seneca Global Income & Growth Trust plc

Asset allocation & income generation (%)



UK direct equities

1	Kier Group	1.6%
2	OneSavings Bank	1.6%
3	BT Group	1.6%
4	National Express Group	1.6%
5	Marks & Spencer	1.6%

Overseas equities

1	CC Japan Income & Growth Trust	3.1%
2	European Assets Trust	3.0%
3	Samarang Asian Prosperity	3.0%
4	Schroder Asian Income Maximiser	2.9%
5	Liontrust European Enhanced Income	2.5%

Fixed income

1	Royal London Short Duration Global High Yield Bond	4.2%
2	TwentyFour Select Monthly	2.0%
3	Templeton EM Bond	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	2.5%
3	Doric Nimrod Air Two	2.2%
4	Fair Oaks Income	2.1%
5	Aberdeen Private Equity	2.0%

* Unquoted investment Source: Seneca IM

Dividend payments

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

*Dividend note: Minimum, as stated in RNS dated 15.11.2017

Source: Bloomberg / RNS

Key facts

Current dividend yield**	3.6%
Total gross assets	£85.41m
Debt	£7.0m
Total net assets ¹	£78.41m
Gearing ²	8.9%
NAV with income	175.17p
Share price (mid)	176.13p
Premium (discount)	0.5%
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