

## Seneca Global Income & Growth Trust plc

Month end April 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

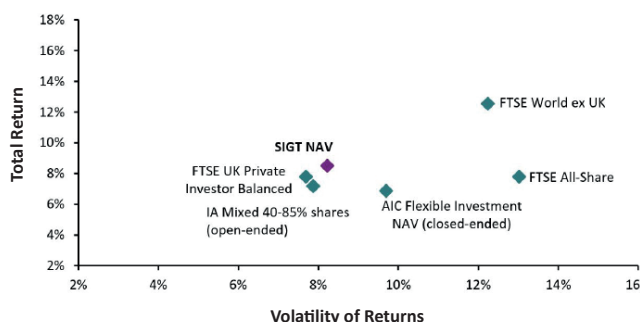
\* Portfolio oversight (process implementation, cash and cashflow management)

### Investment objective

Over a typical investment cycle<sup>1</sup>, 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 Performance over 5 years (%) Annualised



Source: SenecaIM, Bloomberg & Morningstar from 30.04.2013 to 30.04.18. 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

- Weaker than expected inflation and growth data in the UK caused sterling and the probability of a May rate hike to fall.
- Bank of England governor Mark Carney also commented that Brexit uncertainty may also delay interest rate hike.
- Gilt yields had risen earlier in the month but fell back following the aforementioned data releases and Carney's comments.
- Equity markets generally rose while the US dollar also continued to recover from February lows.
- Essentra delivered a good Q1 trading update. The Components division was strong across all geographies, whilst both the Filters and Packaging divisions are stabilising.
- Senior reported an in-line trading update. 2017 should prove to be a year in which profit margins troughed. Order books are strong for both the Flexonics and larger Aerospace division.
- Holding in the Somerset Emerging Markets Dividend Growth Fund was exited with the proceeds reinvested into the HMG Global Emerging Markets Equity Fund.
- Small addition to the TwentyFour Select Monthly Income Fund, bringing the position to our target weight.
- Due to an attractive relative valuation against other REITs investing on a similar basis we added to the holding of AEW UK REIT which was trading around NAV.
- We participated in the further capital raise of Primary Health Properties which is expanding its portfolio of health centres in Ireland and the UK.
- We received the capital on the planned wind up of Aberdeen Private Equity Fund.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years
Trust share price (bid)	-0.1	-0.4	5.7	39.2	67.0
Trust NAV	0.3	0.0	6.1	27.9	50.4
Benchmark	2.0	3.7	7.2	15.0	23.3

Discrete annual performance (%)	30/04/2018	30/04/2017	30/04/2016	30/04/2015	30/04/2014
Trust share price (bid)	5.7	20.7	9.2	9.2	9.9
Trust NAV	6.1	19.6	0.8	9.8	7.1
Benchmark	7.2	3.5	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, Trading Economics & Morningstar. Share prices calculated on a total return basis with net dividends reinvested. NAV returns based on NAVs including income and with debt valued at par. Returns do not include current year revenue. Benchmark: CPI plus 6% from 06.07.17. Previously LIBOR GBP 3 Months plus 3%, all after costs. For the period ending 30.04.18, a forecast CPI is used. The information on this factsheet is as at 30.04.2018 unless otherwise stated.

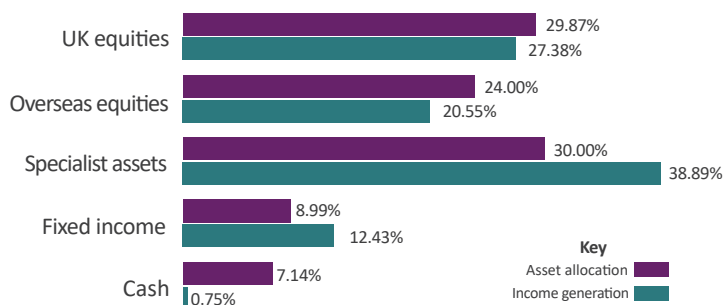
<sup>1</sup> Seneca IM defines a typical investment cycle as one which spans 5-10 years, and in which returns from various asset classes are generally in line with their very long term averages.



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## Asset allocation & income generation (% of total)

The income generation % is calculated according to a forecast for the next twelve months, based on historic dividends, and is not guaranteed.



## Top five holdings

### UK Direct Equities

1. Marston's	1.6%
2. Marks & Spencer	1.5%
3. Ultra Electronic Holdings	1.5%
4. BT Group	1.5%
5. Babcock International Group	1.5%

### Overseas Equities

1. HMG Global Emerging Markets Equity Fund	3.0%
2. CC Japan Income & Growth Trust	2.9%
3. Samarang Asian Prosperity	2.8%
4. European Assests Trust	2.8%
5. Schroder Asian Income Maximiser Fund	2.7%

### Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	4.1%
2. TwentyFour Select Monthly Income Fund	1.9%
3. Templeton Emerging Markets Bond Fund	1.8%
4. Royal London Sterling Extra Yield Bond Fund	1.0%
5. N/A	

### Specialist Assets

1. AJ Bell Holdings Limited <sup>1</sup>	3.2%
2. International Public Partnership	2.5%
3. Doric Nimrod Air Two	2.1%
4. Fair Oaks Income Fund	2.0%
5. DP Aircraft Ltd	1.6%

<sup>1</sup> 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 22.02.2018

Source: Bloomberg / RNS

## Key facts

Current dividend yield <sup>1</sup>	3.58%
Total gross assets	£88.46m
Debt	£7.0m
Total net assets <sup>2</sup>	£81.46m
Gearing <sup>3</sup>	8.6%
NAV with income	172.92p
Share price (mid)	174.75p
Premium (discount)	1.1%
Ongoing charges <sup>4</sup>	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. Current yield: the yield calculation is based on the latest quarterly dividend, annualised, compared against the month end share price. 2. Excl. current period revenue and debt. 3. Gearing is the proportion of the company's debt to its total net assets. 4. 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

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## Multi-Asset Value Investing