

## Seneca Global Income & Growth Trust plc

Month end August 2018

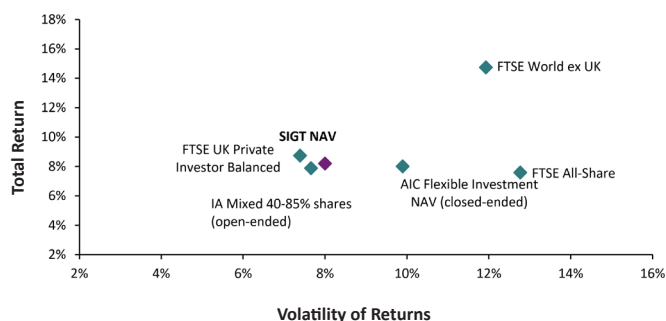


### Investment objective

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 31.08.2013 to 31.08.2018. 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)

| Cumulative performance (%) | 3 months | 6 months | 1 year | 3 years | 5 years |
|----------------------------|----------|----------|--------|---------|---------|
| Trust share price (bid)    | -0.4     | 1.4      | 0.5    | 36.5    | 64.7    |
| Trust NAV                  | -0.4     | 0.8      | 0.2    | 32.7    | 48.2    |
| Benchmark                  | 1.5      | 3.9      | 8.0    | 16.7    | 25.2    |

| Discrete annual performance (%) | 31/08/2018 | 31/08/2017 | 31/08/2016 | 31/08/2015 | 31/08/2014 |
|---------------------------------|------------|------------|------------|------------|------------|
| Trust share price (bid)         | 0.5        | 19.2       | 14.0       | 6.0        | 13.8       |
| Trust NAV                       | 0.2        | 17.2       | 13.0       | 3.0        | 8.5        |
| Benchmark                       | 8.0        | 4.3        | 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 31.08.2018, a forecast CPI is used. The information on this factsheet is as at 31.08.2018 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.

### Research area

Asset allocation  
UK equities  
Specialist assets  
Fixed Income & Overseas Eq (EM)  
Fixed Income & Overseas Eq (Dev)

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

### Investment team

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

### Commentary

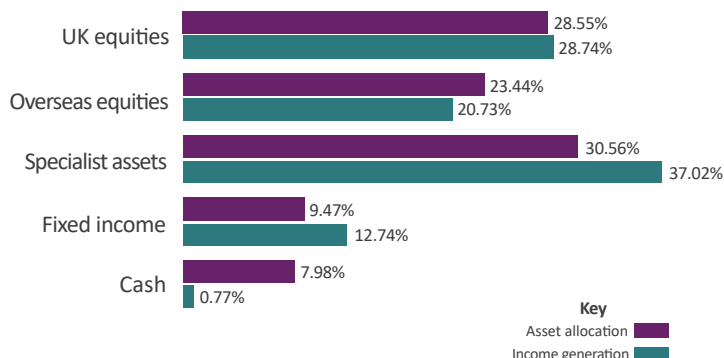
- The Bank of England, as expected, raised the Base Rate from 0.5% to 0.75%.
- Despite this, sterling was weak due to Brexit related concerns, though it did strengthen towards the end of the month.
- Emerging country currencies and financial markets continued in general to come under pressure as a result of problems faced by Argentina and Turkey, as well the strong dollar and trade concerns.
- There were no asset allocation target changes in August.
- Polypipe delivered a resilient set of interim results, against a backdrop of mixed market conditions. Second half trading has started well.
- Essentra returned to profit growth for the first time since 2015, as the company's recent transformation starts to bear fruit.
- No activity in Overseas Equities.
- Participated in new issue of equity by the TwentyFour Select Monthly Income Fund. The manager is seeing additional opportunities across the corporate bond market.
- We finalised the exit from Civitas Social Housing.
- Listed infrastructure assets benefited from a recommended cash offer for John Laing Infrastructure which has had a positive read across to International Public Partnerships and John Laing Environmental Assets in terms of potential valuation and attractions from overseas investors.



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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. BT Group                    | 1.7% |
| 2. Arrow Global Group          | 1.6% |
| 3. Marston's                   | 1.6% |
| 4. Babcock International Group | 1.6% |
| 5. Dairy Crest Group           | 1.6% |

### Overseas Equities

|  |      |
|--|------|
| 1. CIM Dividend Income Fund                | 4.6% |
| 2. CC Japan Income & Growth Trust          | 3.4% |
| 3. Samarang Asian Prosperity Fund          | 3.1% |
| 4. HMG Global Emerging Markets Equity Fund | 3.0% |
| 5. European Assets Trust                   | 3.0% |

### Fixed Income

|  |      |
|--|------|
| 1. Royal London Short Duration Global High Yield Bond Fund | 5.3% |
| 2. TwentyFour Select Monthly Income Fund                   | 2.2% |
| 3. Templeton Emerging Markets Bond Fund                    | 2.0% |
| 4. Royal London Sterling Extra Yield Bond Fund             | 1.2% |
| 5. N/A   |      |

### Specialist Assets

|  |      |
|--|------|
| 1. AJ Bell Holdings Limited <sup>1</sup> | 3.6% |
| 2. International Public Partnership      | 3.0% |
| 3. Doric Nimrod Air Two                  | 2.5% |
| 4. Fair Oaks Income Fund                 | 2.3% |
| 5. Sequoia Economic Infrastructure       | 2.2% |

<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 | 1.64p  |
| September | 1.47p | 1.52p | 1.58p | 1.64p* |
| December  | 1.47p | 1.52p | 1.58p | 1.64p* |

\*Dividend note: Minimum, as stated in RNS dated 15.05.2018

Source: Bloomberg / RNS

## Key facts

|                                     |                                      |
|-------------------------------------|--------------------------------------|
| Current dividend yield <sup>1</sup> | 3.8%                                 |
| Total gross assets                  | £89.57m                              |
| Debt                                | £7.0m                                |
| Total net assets <sup>2</sup>       | £82.57m                              |
| Gearing <sup>3</sup>                | 8.5%                                 |
| NAV with income                     | 170.46p                              |
| Share price (mid)                   | 173.25                               |
| Premium (discount)                  | 1.6%                                 |
| Ongoing charges <sup>4</sup>        | 1.45% Per Accounts                   |
| Results to be announced             | Final: June Interim: December        |
| Year end                            | 30 April                             |
| Next AGM                            | July 2019                            |
| 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 30.04.2018. 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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## Multi-Asset Value Investing