

Seneca Global Income & Growth Trust plc

Month end February 2019



Research area

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

Investment team

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

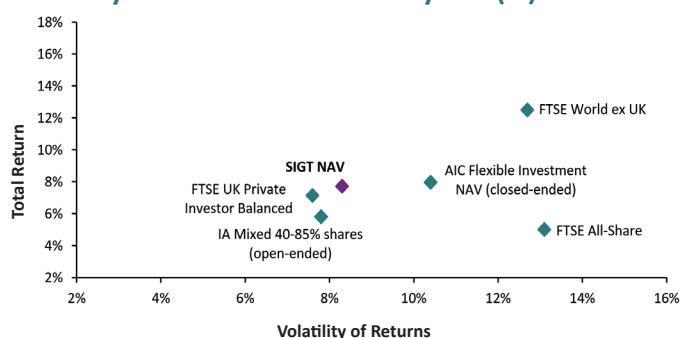
* Portfolio oversight (process implementation, cash and cashflow management)

Investment objective

Over a typical investment cycle¹, 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 Performance over 5 years (%) Annualised



Source: Seneca IM, Bloomberg & Morningstar from 28.02.2014 to 28.02.2019. 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

- Global equity markets in general rose in February, building further on their strong performance the previous month.
- A more dovish stance from the Federal Reserve in relation to interest rate hikes this year as well as the end of balance sheet reduction also buoyed markets.
- Increased likelihood of a Brexit delay saw sterling rally hard.
- The Board of Dairy Crest recommended an all cash offer by Canadian based Saputo which was at a 34% premium to the 90 day volume weighted average price.
- Marks & Spencer announced it was entering into a JV with Ocado that should help accelerate growth. A rights issue will provide the financing. The dividend was also re-based.
- Britvic was reduced, following a strong re-rating in the shares over the last 12 months.
- A reduction was made to European Assets Trust, in order to bring in line with target weight.
- An additional investment made to the existing holding of the Royal London Short Duration Global High Yield Bond Fund.
- We participated in the placing of extra shares of Greencoat UK Wind PLC at 127p.
- The news of Airbus planning to cease production of the A380 saw the shares of DNA2 retreat. However we have added to the holding as we feel the operational future of the aircraft is unaffected.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years
Trust share price (bid)	5.6	1.0	2.5	38.0	57.5
Trust NAV	8.1	3.2	3.9	36.8	45.0
Benchmark	0.8	2.7	7.4	18.6	27.3

Discrete annual performance (%)	28/02/2019	28/02/018	28/02/2017	29/02/2016	28/02/2015
Trust share price (bid)	2.5	10.2	22.3	2.7	11.1
Trust NAV	3.9	8.8	21.0	-1.3	7.3
Benchmark	7.4	6.7	3.5	3.6	3.6

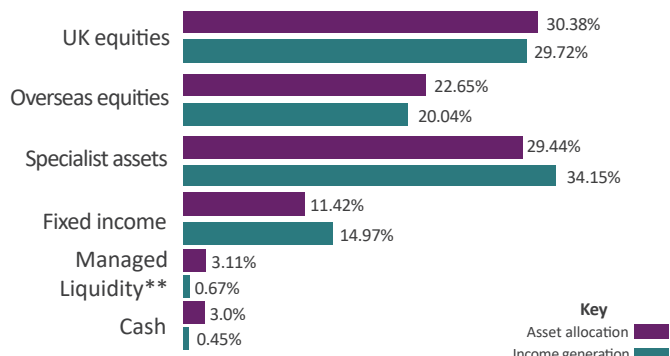
Past performance should not be seen as an indication of future performance. The value of investments and any income may fluctuate and investors may not get back the full amount invested.

Source: Seneca IM, 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 28.02.2019, a forecast CPI is used. The information on this factsheet is as at 28.02.2019 unless otherwise stated. ¹ 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)



Source: Seneca IM

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. AJ Bell Holdings Limited	5.6 %
2. Kier Group	1.8 %
3. Marston's	1.6 %
4. OneSavings Bank	1.5 %
5. Legal & General Group	1.4 %

Overseas Equities

1. CIM Dividend Income Fund	4.0 %
2. Samarang Asian Prosperity Fund	3.1 %
3. HMG Global Emerging Markets Equity Fund	3.0 %
4. CC Japan Income & Growth Trust	2.6 %
5. Prusik Asian Equity Income Fund	2.2 %

Fixed Income

1. Royal London Short Duration Global High Yield Bond Fund	6.6 %
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. International Public Partnership	2.6 %
2. Doric Nimrod Air Two	2.1 %
3. Sequoia Economic Infrastructure	1.9 %
4. Fair Oaks Income Fund	1.9 %
5. Merian Chrysalis Investment Company	1.9 %

Source: Seneca IM

Dividend payments

	2016	2017	2018	2019
March	1.47p	1.52p	1.58p	1.64p
June	1.52p	1.58p	1.64p	1.64p*
September	1.52p	1.58p	1.64p	TBA
December	1.52p	1.58p	1.64p	TBA

*Dividend note: Minimum, as stated in RNS dated 21.02.2019

Source: Bloomberg / RNS

Key facts

Current dividend yield ¹	3.9%
Total gross assets	£86.43m
Debt	£7.0m
Total net assets ²	£79.43m
Gearing ³	8.8%
NAV with income	170.73p
Share price (mid)	170.00p
Premium (discount)	-0.4%
Ongoing charges ⁴	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, Bloomberg

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Important information

**Managed Liquidity is a term used to describe assets that can be quickly converted into cash. This category includes investments in open ended funds which invest in short dated corporate bonds and covered bonds (these will have a minimum credit rating of AA-) and money market instruments (these will have a minimum credit rating of A). These funds offer very low risk exposure to interest rate, credit spread and currency risks.

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Multi-Asset Value Investing