

## Seneca Global Income & Growth Trust plc

Month end August 2019

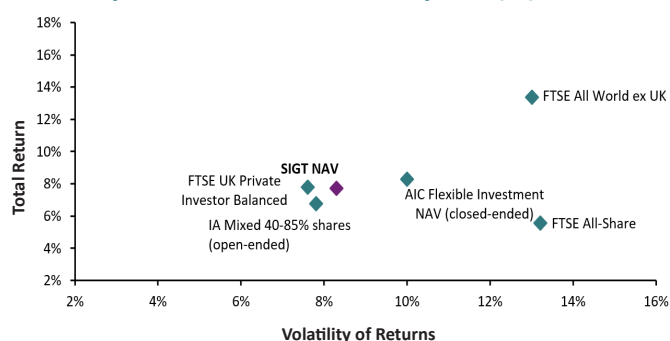


### Investment objective

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 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 31.08.2014 to 31.08.2019. 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)

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years
Trust share price (bid)	0.1	4.8	5.9	26.8	53.2
Trust NAV	0.1	2.9	6.2	24.7	45.1
Benchmark	2.1	4.7	8.0	22.5	31.5

Discrete annual performance (%)	31/08/2019	31/08/2018	31/08/2017	31/08/2016	31/08/2015
Trust share price (bid)	5.9	0.5	19.2	14.0	6.0
Trust NAV	6.2	0.2	17.2	13.0	3.0
Benchmark	8.0	8.8	4.3	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 31.08.2019, a forecast CPI is used. The information on this factsheet is as at 31.08.2019 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)

### 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)

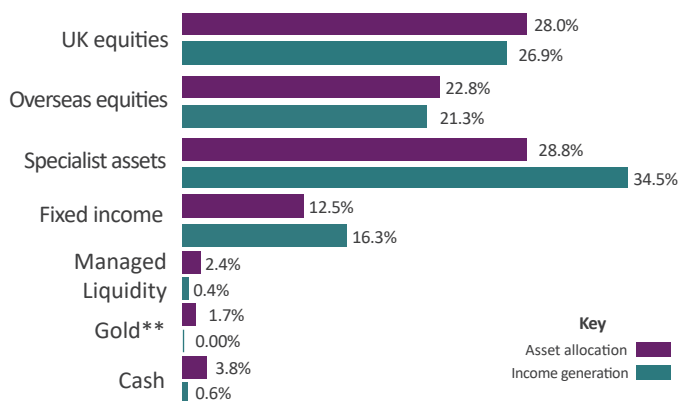
### Commentary

- There were no asset allocation target changes during the month.
- August saw a rise in risk aversion, with equities generally weak and safe haven assets strong.
- The beginning of the month saw US President Trump impose 10% tariffs on \$300 billion of Chinese goods that had yet to be impacted, a move that was met with retaliation from China three weeks later.
- Ultra Electronics released strong interim results that included a healthy order book and revenue growth.
- Kier Group released a positive trading update, in which net debt came in at the lower end of guidance.
- We added to the Royal London Short Duration Global High Yield Bond Fund. Less interest rate sensitive fixed income remains our preferred exposure.
- Hipgnosis Songs Fund announced, and we participated in, the issue of further equity to enable it to further broaden its portfolio of music royalty income.
- Merian Chrysalis announced further deployment of capital into disruptive “fintech” companies: Klarna (a global payments provider) and Sorted (a delivery management platform helping retailers manage stock delivery and returns).

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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	3.5 %
2. iShares Core FTSE 100	2.3 %
3. Marston's	1.9 %
4. Babcock Intl Group	1.7 %
5. BT Group	1.7 %

Overseas Equities	
1. CIM Dividend Income Fund	4.2 %
2. Samarang Asian Prosperity Fund	3.4 %
3. HMG Global Emerging Markets Equity Fund	3.3 %
4. CC Japan Income & Growth Trust	2.8 %
5. Prusik Asian Equity Fund	2.3 %

Fixed Income	
1. Royal London Short Duration Global High Yield Bond Fund	8.5 %
2. TwentyFour Select Monthly Income Fund	2.0 %
3. Templeton Emerging Markets Bond Fund	2.0 %
4. Royal London Sterling Extra Yield Bond Fund	1.1 %
5. N/A	

Specialist Assets	
1. Merian Chrysalis	2.5 %
2. Doric Nimrod Air Two	2.4 %
3. International Public Partnerships	2.4 %
4. Fair Oaks Income Fund	2.2 %
5. Sequoia Economic Infrastructure	2.2 %

\* Investment may also be made in UK equities via other third party funds.  
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	1.68p
September	1.52p	1.58p	1.64p	1.68p*
December	1.52p	1.58p	1.64p	1.68p*

\*Dividend note: Minimum, as stated in RNS dated 16.05.2019

Source: Bloomberg / RNS

## Key facts

Current dividend yield <sup>1</sup>	3.8%
Total gross assets	£91.19m
Debt	£7.0m
Total net assets <sup>2</sup>	£84.19m
Gearing <sup>3</sup>	8.3%
NAV with income	174.08p
Share price (mid)	176.50p
Premium (discount)	1.4%
Ongoing charges <sup>4</sup>	1.47% Per Accounts
Results to be announced	Final: June Interim: December
Year end	30 April
Next AGM	July 2020
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 30.04.2019. 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

## Contact us

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## Important information

\*\* Exposure to physical gold is achieved through investments in exchange traded certificates (ETC) which aim to provide the performance of gold, as measured by the LBMA Gold Price (PM), which is a recognised benchmark for gold. A Gold ETC is a certificate which is secured by gold bullion, held within the vaults of a nominated custodian.

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## Multi-Asset Value Investing