

Shareholders' Report for the Twenty-Fourth Annual General Meeting
of **Seneca Global Income & Growth Trust plc**

on Tuesday 21 July 2020 at 12.30 p.m.

at the offices of PATAC Limited, 21 Walker Street, Edinburgh

Present: Two Directors in person, appointed as proxies for Shareholders.
One representative of the Company Secretary in person, appointed as a proxy for a Shareholder.
Two Directors by video conference.
One representative of the Manager in person.
Three representatives of the Manager by video conference.

In light of UK Government's COVID-19 restrictions and guidance, the Board had decided to proceed with the Annual General Meeting on its scheduled date but had asked Shareholders not to attend and to submit proxy forms and questions for the Board and Managers in advance. Those Directors living in or near Edinburgh attended the meeting in person and the other Directors were present by video conference.

Chair: Ms Inglis, who attended the meeting in person, was appointed as Chair of the meeting. The meeting then proceeded to the formal business and the following is the transcript.

Notice of Meeting: The Annual Report and Accounts for the year ended 30 April 2020, containing the Notice of the Annual General Meeting on pages 55 to 59, has been in your hands for the statutory period, and, with your permission, I shall take this as read.

We are encouraged to provide information concerning the number of proxy votes received in relation to each resolution. I do not propose to announce the number of proxy votes after each resolution but in broad terms, 12.76 million votes were cast by Shareholders, 28.2% of the total shares in issue. At least 99.2% of those votes cast are in favour of all resolutions.

Minutes: I have before me the minutes of the Annual General Meeting held on 16 July 2019 and, with your permission, I shall take these as read.

Auditor's Report: The Independent Auditor's Report to the Members of the Company is contained on pages 32 to 37 of the Annual Report and, with your permission, I shall take this as read.

Resolution 1: is to receive and adopt the reports of the Directors and the Auditor and the Audited Financial Statements for the Year Ended 30 April 2020. The Directors' responsibilities in relation to the Financial Statements are set out on page 31 of the Annual Report.

I propose that the reports of the Directors and the Auditor and the Audited Financial Statements for the year ended 30 April 2020 be received and adopted.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,756,960

Against: 5,763

Withheld: 0]

Resolution 2:

is to approve the Directors' Remuneration Report for the year ended 30 April 2020. The Directors' Remuneration Report is on pages 29 and 30 of the Annual Report.

I propose that the Directors' Remuneration Report for the year ended 30 April 2020 be approved.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,649,071 Against: 88,253 Withheld: 25,399]

Resolution 3:

is to approve the Directors' Remuneration Policy for the three-year period ending 30 April 2023. The Directors' Remuneration Policy is on pages 29 of the Annual Report.

I propose that the Directors' Remuneration Policy for the three-year period ending 30 April 2023 be approved.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,649,085 Against: 88,239 Withheld: 25,399]

Resolution 4:

is to approve the dividend policy of the Company. The dividend policy is set out on page 22 of the Annual Report.

I propose that the dividend policy be approved.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,756,725 Against: 5,998 Withheld: 0]

Resolution 5:

is to re-elect Mr Richard Ramsay, who retires from office as a Director and offers himself for re-election.

I propose that Mr Richard Ramsay be re-elected as a Director of the Company.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,676,070 Against: 51,795 Withheld: 34,858]

Resolution 6:

is to re-elect Mr James McCulloch, who retires from office as a Director and offers himself for re-election.

I propose that Mr James McCulloch be re-elected as a Director of the Company.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,676,070 Against: 51,795 Withheld: 34,858]

As the next resolution relates to my own re-election, I shall pass the Chair to Mr McCulloch.

Resolution 7:

is to re-elect Ms Sue Inglis who retires from office as a Director and offers herself for re-election.

I propose that Ms Sue Inglis be re-elected as a Director of the Company.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,671,509 Against: 56,356 Withheld: 34,858]

I will now pass the Chair back to Ms Inglis.

Resolution 8:

is to elect Ms Anne Gilding who was appointed as a Director on 16 June 2020.

I propose that Ms Anne Gilding be elected as a Director of the Company.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,674,523 Against: 53,342 Withheld: 34,858]

Resolution 9:

is to appoint the auditors of the Company.

I propose that Ernst & Young LLP be re-appointed as auditor of the Company.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,675,359 Against: 85,335 Withheld: 2,029]

Resolution 10: is to authorise the Directors to determine the remuneration of Ernst & Young LLP as auditor of the Company.

I propose that the Directors be authorised to determine the remuneration of Ernst & Young LLP as auditor of the Company.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,720,519 Against: 25,959 Withheld: 16,245]

Resolution 11: is to authorise the Directors to allot shares in the Company up to an aggregate nominal amount of £3,669,720.

If approved, this authority will continue in effect until 21 October 2021 or, if earlier, the conclusion of the Company's next AGM.

This resolution is being proposed as an ordinary resolution.

I propose that Resolution 11, as set out in the Notice of Meeting, be approved.

I declare the Resolution carried.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,754,967 Against: 7,756 Withheld: 0]

Resolution 12: is to enable the Directors to issue new shares and to resell shares held in Treasury up to an aggregate nominal amount of £1,100,916 without regard to statutory pre-emption rights.

If approved, this authority will continue in effect until 21 October 2021 or, if earlier, the conclusion of the Company's next AGM.

This resolution is being proposed as a special resolution.

I propose that Resolution 12, as set out in the Notice of Meeting, be approved.

I declare the Resolution carried as a Special Resolution.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,698,932 Against: 45,391 Withheld: 18,400]

Resolution 13:

is to enable the Directors to issue further new shares and to resell shares held in Treasury up to an aggregate nominal amount of £2,201,832 without regard to statutory pre-emption rights, provided that the power conferred by this resolution is limited to the issue of new shares or the sale of Treasury shares in connection with the Company's discount control mechanism

If approved, this authority will continue in effect until 21 October 2021 or, if earlier, the conclusion of the Company's next AGM.

This resolution is being proposed as a special resolution.

I propose that Resolution 13, as set out in the Notice of Meeting, be approved.

I declare the Resolution carried as a Special Resolution.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,629,753 Against: 101,570 Withheld: 31,400]

Resolution 14:

is to renew the Company's authority to make market purchases of up to 14.99% of its own issued ordinary shares, which today equates to 6,601,093 shares.

If approved, this authority will continue in effect until 21 October 2021 or, if earlier, the conclusion of the Company's next AGM.

This resolution is being proposed as a Special Resolution.

I propose that Resolution 14, as set out in the Notice of Meeting, be approved.

I declare the Resolution carried as a Special Resolution.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,731,960 Against: 30,763 Withheld: 0]

Resolution 15:

is to approve the revised investment policy as out on page 54 of the Annual Report.

This resolution is being proposed as a special resolution.

I propose that resolution 15, as set out in the Notice of the Meeting, be approved.

I declare the Resolution carried as a Special Resolution.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,735,373 Against: 24,184 Withheld: 3,166]

Resolution 16: is to approve that the special reserve is available as distributable profits, to be used for all purposes permitted by the Companies Act 2006 and The Companies (Reduction of Share Capital) Order 2008.

This resolution is being proposed as a special resolution.

I propose that resolution 16, as set out in the Notice of the Meeting, be approved.

I declare the Resolution carried as a Special Resolution.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,722,775 Against: 26,948 Withheld: 13,000]

Resolution 17: deals with the minimum period of notice required for General Meetings of the Company (other than Annual General Meetings).

This resolution is being proposed as a special resolution.

I propose that the Company be authorised to hold General Meetings (other than Annual General Meetings) on not less than 14 days' clear notice. If approved, this authority will expire at the conclusion of the next Annual General Meeting of the Company.

I declare the Resolution carried as a Special Resolution.

[For the information of Shareholders, proxy votes lodged for this resolution were:

In favour: 12,665,613 Against: 97,110 Withheld: 0]

This concludes the formal business of the 2020 Annual General Meeting.

A video presentation by the Manager is available on the Company's section of the Manager's website.

The Board received questions from two Shareholders in advance the meeting. The questions and the written responses provided are detailed below:

Question:

"Within an Annual report that conveyed disappointing news on performance for the last financial year was information recording a noteworthy change in the shareholding of Directors and staff of the investment management company (and their families). At the aggregate level the number of shares held by this group fell from 2.8 million shares (6% of issued share capital) as at 30 April 2019 to 1.94 million shares (3.9% of issued share capital) as at 30 April 2020. This represents a fall of 30% over the year and without explanation might suggest this shareholder group (with the notable exception of Richard Ramsey and James McCulloch) is not showing sufficient support and commitment to the company at a difficult time when they should be standing full square with other shareholders.

Would the Chairman care to comment?"

Response:

“Thank you for your question.

The disclosure you refer to in the Annual Report is the total shareholding of SIML’s directors and staff (‘SIML’ being Seneca Investment Managers Limited, the Company’s investment manager). This disclosure does not include the shareholdings of the Directors of the Company, these are disclosed separately on page 30 of the Annual Report.

Shares in the Company are widely held throughout the directors and staff of SIML. The change in the total holding over the past year was the result of disposals made for personal reasons and also staff changes. The transactions took place before the Company’s performance was impacted by the COVID-19 crisis and are not an indication of a reduction in support from SIML. Importantly, the current shareholdings continue to represent a significant personal commitment on the part of those involved.

As you note in your e-mail, the Directors of the Company have also continued to demonstrate their commitment, with two of the incumbent Directors increasing their shareholdings during the year and our new Director, Anne Gilding, purchasing shares just before her appointment.”

Question:

“Revenue return/share fell from 7.50p to 6.79p/share, with income falling and costs increasing. I cannot see any explanation of these two trends in the accounts, can you please help me understand what has happened?”

The trust underperformed the benchmark substantially in the year, and also for the last 5 years per the graph on the inside of the front cover of the ARA. This was caused by the Covid-collapse of markets. As the benchmark has rather different drivers to the asset classes of the trust, is the current benchmark an appropriate measure?”

Response:

“Thank you for your questions.

The reduction in income was the result of a number of factors. The COVID-19 crisis had a particularly negative influence as March and April are months in which many companies pay dividends and some companies either cut, cancelled or delayed their dividends as a result of the economic uncertainty. Changes within the portfolio over the year also had an impact as we reduced our exposure to higher yielding assets and increased exposure to non-yielding areas such as private equity. We also significantly increased our allocation to gold from 2.4% in April 2019 to 7.2% by the end of April 2020.

You will note from the analysis on page 44 of the ARA that the increase in costs is mainly due to an increase in Directors’ fees and audit fees. The increase in Directors’ fees is explained in the Directors’ Remuneration Report on page 29 of the ARA and was also highlighted by the Chairman in his 2019 ARA Statement. It had become clear that the Directors’ fees had fallen well behind market rates and so were increased to ensure that they reflected the current responsibilities and commitments of the Directors and to ensure that the Company continued to be able to attract high-calibre Directors in the future. The increase in audit fees reflects an increase in fee rates across the audit industry over the past year due to increasing regulatory requirements.

While the revenue return was impacted by the above factors, the Company was still able to meet its objective of growing the annual dividend at least in line with inflation in normal market circumstances.

The Company's objective is to seek to achieve a total return of at least CPI plus 6% per annum after costs with low volatility 'over a typical investment cycle'. The Manager defines a typical investment cycle as one which spans 5-10 years. This is the period over which the various asset classes are generally in line with their long-term averages, and CPI plus 6% is considered to be an appropriate benchmark over that period for the multi-asset nature of the portfolio.

While the performance for all periods up to 30 April 2020 was materially affected by the impact of COVID-19, the Company's NAV has increased 9% since then (and 31% since its lowest point in March), which is encouraging and does indicate the importance of assessing the Company's performance on a rolling basis over the long term."