

Seneca Global Income & Growth Trust plc

Month end July 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*

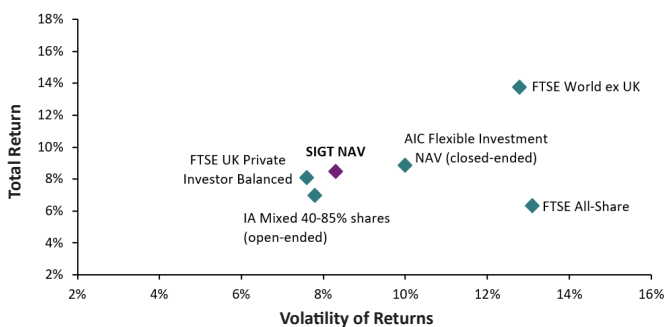
* Portfolio oversight (process implementation, cash and cashflow management)

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 31.07.2014 to 31.07.2019. 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

- Sterling fell sharply as the new Johnson government ramped up its 'no deal' rhetoric.
- The Federal Reserve lowered the Fed Funds rate for the first time in 11 years, with Fed Chair Powell citing trade related weakness.
- Future prospects for global trade took a hit at the end of the month when US president Trump suggested officials in Beijing were not negotiating in good faith.
- The proposed all-share combination of OneSavings Bank and Charter Court Financial Services was cleared by the CMA but it still requires regulatory approval by the FCA and PRA.
- Essentra's interim results reported revenue and profit growth in all three divisions and a simplified portfolio of businesses, as the company's turnaround gains traction.
- We reduced European Assets Trust following a lowering of its target weight in June.
- We added to the Templeton Emerging Markets Bond Fund, which takes high conviction, contrarian positions across emerging market sovereign debt markets.
- We have increased the target weight to Doric Nimrod Air 3 and reduced the amount ascribed for Doric Nimrod Air 2. This is in order to extend the date of expiry of the A380 leases with Emirates we have exposure to and to increase the period for which we receive income from these.

Cumulative performance (%)	3 months	6 months	1 year	3 years	5 years
Trust share price (bid)	0.5	8.0	6.0	32.7	57.4
Trust NAV	0.2	7.4	7.2	32.2	50.2
Benchmark	1.9	4.6	8.2	21.7	30.6

Discrete annual performance (%)	31/07/2019	31/07/2018	31/07/2017	31/07/2016	31/07/2015
Trust share price (bid)	6.0	2.5	22.1	6.5	11.4
Trust NAV	7.2	2.7	20.1	5.7	7.5
Benchmark	8.2	8.7	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.

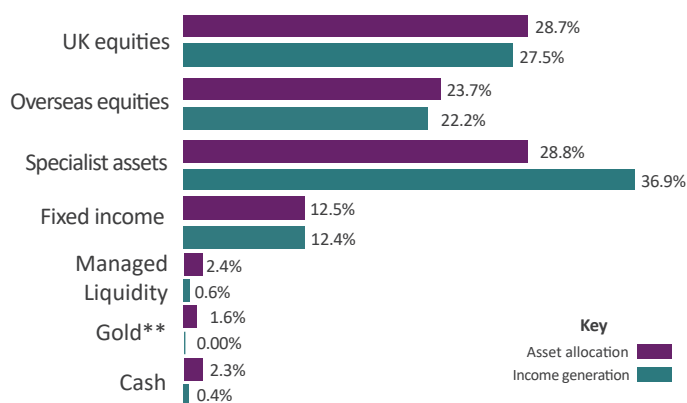
Source: Seneca IM, Bloomberg, Trading Economics & Morningstar. Share prices calculated on a total return basis with net dividends reinvested. NAV returns based on NAVs including income and with debt valued at par. Returns do not include current year revenue. Benchmark: CPI plus 6% from 06.07.17. Previously LIBOR GBP 3 Months plus 3%, all after costs. For the period ending 31.07.2019, a forecast CPI is used. The information on this factsheet is as at 31.07.2019 unless otherwise stated. ¹Seneca 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	4.0 %
2. iShares Core FTSE 100	2.0 %
3. Arrow Global Group	1.8 %
4. Ultra Electronics Holdings	1.8 %
5. Babcock Intl Group	1.6 %

Overseas Equities	
1. CIM Dividend Income Fund	4.5 %
2. HMG Global Emerging Markets Equity Fund	3.5 %
3. Samarang Asian Prosperity Fund	3.5 %
4. CC Japan Income & Growth Trust	2.8 %
5. Prusik Asian Equity Fund	2.4 %

Fixed Income	
1. Royal London Short Duration Global High Yield Bond Fund	8.1 %
2. Templeton Emerging Markets Bond Fund	2.1 %
3. TwentyFour Select Monthly Income Fund	2.0 %
4. Royal London Sterling Extra Yield Bond Fund	1.1 %
5. N/A	

Specialist Assets	
1. Merian Chrysalis	2.5 %
2. Sequoia Economic Infrastructure	2.4 %
3. Doric Nimrod Air Two	2.4 %
4. Fair Oaks Income Fund	2.3 %
5. International Public Partnerships	2.3 %

* 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 ¹	3.7%
Total gross assets	£91.51m
Debt	£7.0m
Total net assets ²	£84.51m
Gearing ³	8.3%
NAV with income	177.78p
Share price (mid)	177.50p
Premium (discount)	-0.2%
Ongoing charges ⁴	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

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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