

Finsbury Growth & Income Trust PLC



Portfolio Manager

Nick Train

LINDSELL TRAIN



Fund Information as at 30 September 2017

www.finsburygt.com

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Investment Objective and Benchmark Index

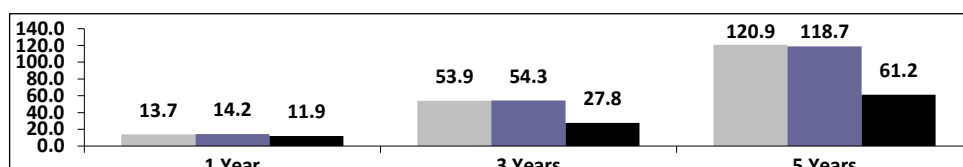
Finsbury Growth & Income Trust PLC invests principally in the securities of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

Cumulative Performance (%)

Trust: Finsbury Growth & Income Trust PLC – NAV (total return)

Trust: Finsbury Growth & Income Trust PLC – Share Price (total return)

Index: FTSE All-Share Index (net dividends reinvested) *



Discrete Performance – Calendar Years (%)

Percentage Growth	2012	2013	2014	2015	2016	YTD
NAV	23.6	35.1	6.9	11.7	12.5	14.7
Share Price	25.4	35.1	5.9	12.4	12.6	14.3
Index *	12.3	20.8	1.2	1.0	16.8	7.8

Source: Morningstar. Past performance is not a guide to future performance.

* Index source: FTSE International Limited ("FTSE") © FTSE 2017

Commentary

In September, the NAV was down 2.3% on a total return basis, the share price was down 2.5% while the index was down 0.4%.

Nearly 30% of our NAV decline in September was accounted for by an 8.5% drop in Heineken. This fall relates to the 2.5bn Euro placing that took place in Heineken stock during the month. The shares were sold by the FEMSA family, which had become a major shareholder in Heineken back in 2010, when it sold its Mexican beer operations and brands to the company and the block represented 25% of FEMSA's total holding. The shares were placed at a c5% discount to the prevailing September 2017 Heineken price. We noted and were encouraging that the Heineken family, which still controls Heineken itself, added to its holding at the placing, as did we for you. Given the scale of the transaction it is not surprising Heineken shares have stagnated subsequently, albeit above the placing level.

Perhaps FEMSA timed its sale well – at least tactically (over time we are sure Heineken equity will be much higher), because all the consumer staple holdings in our portfolio had a weak month. Diageo for instance down 5%. Not only have currency fluctuations given an excuse for profit taking in the staple stocks, but we are not surprised to see a rotation in some investor portfolios toward commodities and cyclical companies; after all global growth is purportedly picking up and certainly Emerging Market equities have begun to do better this year. We continue to believe that being optimistic about global and Emerging Market growth means that one should be very bullish about the prospects for Diageo, Mondelez, Unilever and Heineken too (to name some of our holdings) – because of their wonderful market positions in those geographies. But we accept investor preferences will swing to and fro in the interim.

In fact our biggest percentage faller last month was another share, Greene King, down 20%. The explanation for this is that there does genuinely seem to be a squeeze on UK consumer spending, which is currently challenging all the brewery/pub companies. But, sadly, Greene King has compounded the adverse effects of this squeeze by its acquisition in 2015 of Spirit, another pub owner. In the short term at least, that deal has lowered the quality of the combined group's estate, meaning that tougher conditions have had a worse effect than they would have done on the pre-Spirit Greene King. It is a shame and frustrating to me, because Greene King's capital allocation and business development had been exemplary for decades prior to this. There is mild consolation that we had allowed the Greene King holding to subside over the last 2 years, barely adding to it and occasionally using it as a source of cash. It is currently a 0.8% position in the portfolio. We have not yet decided whether we should rebuild the holding, but will keep you informed.

Biography

Nick Train began his career as an Investment Manager at GT Management in 1981, having graduated from Queen's College, Oxford with a second class honors in Modern History (1977-1980). He left GT in June 1998, after 17 years, on its acquisition by INVESCO. At his resignation he was a Director of GT Management (London), Investment Director of GT Unit Managers and Chief Investment Officer for Pan-Europe. He joined M&G in September 1998, as a Director of M&G Investment Management. In June 1999 he was appointed as Head of Global Equities at M&G. He left M&G in April 2000 to co-found Lindsell Train Limited. He is investment adviser to the Worshipful Company of Saddlers.

Portfolio Manager Profile

Portfolio management services are provided by Lindsell Train Limited (Lindsell Train). Lindsell Train was formed in December 2000. However the principals, Michael Lindsell and Nick Train had worked together at GT Management from 1992 through to GT's takeover by INVESCO in 1998. Both Michael Lindsell and Nick Train went on to fulfill senior roles at INVESCO and M&G PLC respectively, where they continued to develop an in depth knowledge of investment processes and the world's stock markets. Their shared investment philosophy is to invest in durable, cash generative businesses that are under-priced on their valuation analysis. They believe such businesses are rare and are under-valued by most other investors most of the time. They apply this approach by choosing a concentrated portfolio of approximately 30 stocks with the intention of holding them for the medium to long term. Lindsell Train is authorised and regulated by the Financial Conduct Authority.

Investment Policy

The Company has a concentrated portfolio of approximately 30 stocks with a low turnover, and aims to provide shareholders with a total return in excess of that of the FTSE All-Share Index. The Portfolio Manager uses a bottom-up stock picking approach and looks to invest in a universe of excellent listed companies that appear mostly undervalued. Up to 20% of the portfolio, at the time of acquisition, can be invested in quoted companies worldwide. The Company's policy is to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

Discount Control Mechanism

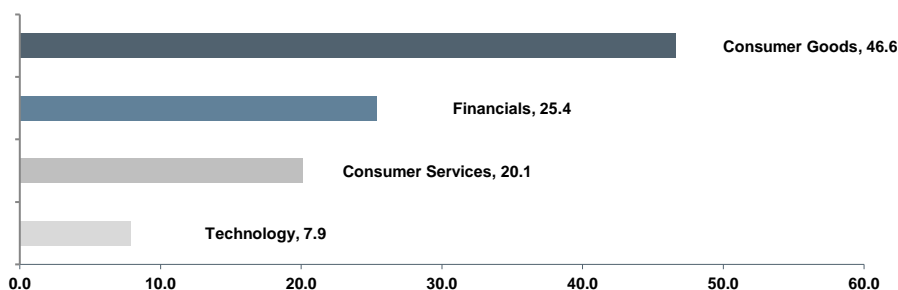
The Directors have adopted an active discount management policy to establish and support an improved rating in the Company's shares through the use of share buybacks, with a view to limiting the discount to NAV per share at which the shares trade to no more than 5%. Shares bought back may be held in treasury for reissue at later dates at no more than the discount at which they were purchased, and in any event at a discount no greater than 5% to the prevailing net asset value per share.

Finsbury Growth & Income Trust PLC conducts its affairs so that its shares can be recommended by independent financial advisers ("IFAs") to retail private investors. The shares are excluded from the Financial Conduct Authority's ("FCA's") restrictions which apply to non-mainstream investment products because they are shares in a UK-listed investment trust.

Ten Largest Holdings as at 30 September 2017 (% of total investments)

Name	Sector	Total
Unilever	Consumer Goods	10.1
Diageo	Consumer Goods	10.0
RELX	Consumer Services	9.3
London Stock Exchange	Financials	8.6
Hargreaves Lansdown	Financials	7.0
Burberry Group	Consumer Goods	6.9
Heineken	Consumer Goods	6.3
Schroders	Financials	6.3
Sage Group	Technology	5.7
Mondelez Int.	Consumer Goods	5.6
Total		75.8

Sector Breakdown as at 30 September 2017 (%)



Share Price Total Return on £100 (£) as at 30 September 2017

1 year	114.2
3 years	154.3
5 years	218.7

Source: Morningstar. Past performance is not a guide to future performance.

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Sep 12-Sep 13	Sep 13-Sep 14	Sep 14-Sep 15	Sep 15-Sep 16	Sep 16-Sep 17
NAV	31.6	9.0	12.1	20.7	13.7
Share Price	30.5	8.6	11.8	20.8	14.2
Index	18.9	6.1	-2.3	16.8	11.9

Awards

Winner: Money Observer, Best UK Income Trust Awards 2017
Winner: What Investment Trust 2016, Best UK Investment Trust
Winner: Moneywise, Investment Trust Of The Year Awards 2016, 2015
 Category: UK Equity Income
Winner: FT & Investors' Chronicle Awards 2015, Best Income Fund
Winner: Investment Week, Investment Company Of The Year Awards 2016, 2015
 Category: UK Equity Income

Important Information

Finsbury Growth & Income Trust PLC (the "Company") is a UK investment trust premium listed on the London Stock Exchange and is a member of the Association of Investment Companies. As this Company may implement a gearing policy investors should be aware that the share price movement may be more volatile than movements in the price of underlying investments. Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed. An investor may not get back the original amount invested. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Investment Trust share prices may not fully reflect underlying net asset values. There may be a difference between the prices at which you may purchase ("the offer price") or sell ("the bid price") a share on the stock market which is known as "bid-offer" or "dealing" spread. This is set by the market makers and varies from share to share. This spread typically averages 1-2% each way on the mid-market price (the price halfway between the bid and offer prices), and can fluctuate and at times be higher than average. Net Asset Value per share is calculated in accordance with the guidelines of the Association of Investment Companies. Net assets are stated inclusive of income received. Any opinions on individual stocks are those of the Company's Investment Manager and no reliance should be given on any such views. Any research in this document has been procured and may have been acted upon by Lindsell Train Limited for its own purposes. The results are being made available to you only incidentally. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of Frostrow Capital LLP and no assurances are made as to their accuracy. Before investing in an investment company referred to in this document, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

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Fast Facts

As at 30 September 2017

Launch Date	1926
Annual Management Fee (payable by the company) †	
Ongoing charges*	0.7%
Year / interim end	30 September/ 31 March
Capital Structure	158,896,712 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	26
Net Assets (£m)	£1,164.4m
Market Capitalisation (£m)	£1,170.3m
Dividend Per Share**	14.2p
Current Net Yield	1.9%
Gearing (AIC basis)	2%
Leverage***	
Gross & Commitment	102%
Share Price (p)	736.50
NAV (p) (cum income)	732.81
Premium / (Discount) to NAV (p)	0.5%

Codes

Sedol	0781606
ISIN	GB0007816068
Legal Entity Identifier	213800NN4ZKX2LG1GQ40
Bloomberg	FGT LN
Epic	FGT

*Calculated at the financial year end, includes management fees and all other operating expenses.

**1st Interim paid 10 May 17 : (Year ended Sep 16) 6.8p

2nd Interim payable 10 Nov 17 : (Year ended Sep 16) 7.4p

***The Board has set the leverage limit for both the Gross and the Commitment basis at 125% of the Company's Net Asset Value.

†Lindsell Train – 0.45% of the market capitalisation of the company that is equal to or less than £1 billion, 0.405% in excess of £1 billion.

Frostrow – 0.15% of the market capitalisation of the company that is equal to or less than £1 billion, 0.135% in excess of £1 billion. Frostrow also receives a fixed fee of £70,000 per annum but this will cease to be payable with effect from the 1st of October.

How to Contact Us

Frostrow Capital LLP

25 Southampton Buildings
 London, WC2A 1AL
 Tel.: 0203 008 4910
 Fax: 0203 043 8889
 Website: www.frostrow.com

Grant Challis

Tel.: 0203 008 4912
grant.challis@frostrow.com

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