



FINSBURY GROWTH & INCOME TRUST plc

Half Year Report & Financial Statements
for the six months ended 31 March 2017

Frostrow
CAPITAL

LINDSELL TRAIN

About Finsbury Growth & Income Trust PLC

Finsbury Growth & Income Trust PLC aims to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index.

Further details of the Company's investment policy are set out on page 1.

Keep up to date with Finsbury Growth & Income Trust PLC

For more information about Finsbury Growth & Income Trust PLC visit the website at www.finsburygt.com

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Financial Calendar

Financial Year End	30 September
Final Results Announced	December
Annual General Meeting	February
Half Year End	31 March
Half Year End Results Announced	May
Dividends Payable	May and November

Winner:

- Moneywise, Investment Trust of the Year 2017, 2016, 2015, 2014, 2012 and 2011 UK Equity Income Category
- Rated Fund: Money Observer Rated Funds 2015
- FT & Investors' Chronicle Awards 2015, Best Income Fund
- Shares Awards 2014, Best Investment Trust
- Investment Week, Investment Trust of the Year 2016, 2015, 2013, 2012 and 2011, UK Equity Income Category
- What Investment Trust 2016, Best UK Investment Trust

Company Summary

The Company

The Company is an investment trust and its shares are listed on the premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company is a member of The Association of Investment Companies ("AIC").

Investment Objective

The Company's investment objective is to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index.

Investment Policy

The Company invests principally in the securities of UK listed companies, whilst up to a maximum of 20% of the Company's portfolio, at the time of acquisition, can be invested in quoted companies worldwide. Where possible, a minimum position size of 1% of the Company's gross assets is held unless the holding concerned is being built or disposed of.

The portfolio will normally comprise up to 30 investments. Unless driven by market movements, securities in FTSE 100 companies and comparable companies listed on overseas stock exchanges will normally represent between 50% and 100% of the portfolio; securities in FTSE 350 companies and comparable companies listed on overseas stock exchanges will normally represent at least 70% of the portfolio.

Performance

Performance is measured against the FTSE All-Share Index (total return).

Management

Frostrow Capital LLP ("Frostrow") is the appointed Alternative Investment Fund Manager ("AIFM") and provides company management, company secretarial, administrative and marketing services. Lindsell Train Limited ("Lindsell Train") is the appointed Portfolio Manager.

Dividends

A first interim dividend of 6.8p per share (2016: 6.1p) will be paid on 10 May 2017 to shareholders who were registered at the close of business on 7 April 2017. The associated ex-dividend date was 6 April 2017.

It is expected that a second interim dividend will be declared in September 2017 and paid in November 2017.

All dividends are distributed from revenue reserves.

Capital Structure

At 31 March 2017 the Company had 151,245,712 shares of 25p each in issue (30 September 2016: 142,318,212). During the six months under review 8,927,500 new shares were issued raising £57.5 million net of expenses. Since the end of the half-year, to 8 May 2017, being the latest practical date, a further 1,510,000 new shares have been issued raising £10.6 million. As at 8 May 2017, the Company had 152,755,712 shares in issue.

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Gearing

The Company has a three-year secured fixed term revolving credit facility (the "Facility") of £75 million (with an additional £25 million facility available if required) with Scotiabank Europe PLC. As at 31 March 2017 a total of £34.5 million has been drawn down from this facility (30 September 2016: £34.5 million).

ISA Status

The Company's shares are eligible for Individual Savings Accounts ("ISAs") and for Junior ISAs.

Company Summary/Company Performance

Financial Highlights

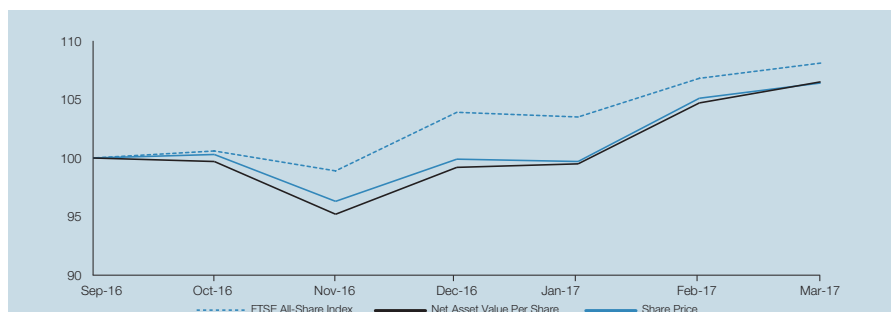
	As at 31 March 2017	As at 30 September 2016	% Change
Share price	692.5p	658.0p	+5.2
Net asset value per share	693.1p	657.7p	+5.4
(Discount)/premium of share price to net asset value per share	(0.1%)	0.0%	–
Gearing ¹	2.5%	2.2%	–
Shareholders' funds	£1,048.2m	£936.0m	+12.0
Number of shares in issue	151,245,712	142,318,212	+6.3
	Six months to 31 March 2017	One year to 30 September 2016	
Share price (total return) ²	+6.4%	+20.8%	
Net asset value per share (total return) ²	+6.5%	+20.6%	
FTSE All-Share Index (total return) (Company benchmark) ^{2,3}	+8.1%	+16.8%	
	Year ending 30 September 2017	Year ended 30 September 2016	
First interim dividend	6.8p	6.1p	
Second interim dividend	Yet to be declared	7.0p	

¹ See glossary on pages 19 and 20

² Source – Morningstar

³ Source – FTSE International Limited ("FTSE") © FTSE 2017*

Six Month Total Return Performance to 31 March 2017



Figures are rebased to 100 at 30 September 2016

Source: Morningstar

This report contains terminology that may be unfamiliar to some readers. The Glossary on pages 19 and 20 gives definitions for frequently used terms.

Reviews/Chairman's Statement

Performance

In the six months to 31 March 2017 the Company delivered a net asset value total return of 6.5% and a share price total return of 6.4%. The results compare to a total return from the FTSE All Share index of 8.1%. The principal contributors to the Company's net asset value performance were Burberry Group, Unilever and London Stock Exchange. The main detractors were Sage Group, Pearson and Greene King. Further information on the Company's portfolio can be found in our Portfolio Manager's Review beginning on page 5.

Share Capital

Consistent demand for the Company's shares has led to the issue of a total of 8,927,500 new shares in this half year, raising £57.5 million (net of expenses). As at 31 March 2017 the Company had 151,245,712 shares of 25p each in issue (31 March 2016: 129,531,212) no shares have been held in treasury by the Company since May 2010. Since the end of the half-year, to 8 May 2017, a further 1,510,000 new shares have been issued raising £10.6 million. As at 8 May 2017, the Company had 152,755,712 shares in issue.

Since 1 October 2016, the following steps have been taken to address the demand for your Company's shares:

- a new block listing authority was obtained from the UK Listing Authority in November 2016 to enable shares to be issued as cost effectively as possible;
- a prospectus was published in December 2016 in order that the Company can continue to issue shares in accordance with the Prospectus Directive; and



Anthony Townsend
Chairman

- shareholder authority to issue further shares equal to 10% of the Company's issued share capital on a non-pre-emptive basis was renewed at the Company's Annual General Meeting held in January 2017.

The Company will continue to be proactive in managing its share price premium/discount and will issue new shares at a small premium to net asset value per share as demand arises. Such share issuance is accretive to net asset value per share, improves the liquidity of the Company's shares and controls the premium to net asset value at which the shares trade. In addition, operating costs are spread over a larger capital base, reducing the ongoing charges ratio.

Management Fees

It is also pleasing to report that the Company's market capitalisation reached £1 billion during the period. I remind shareholders that both Lindsell Train Ltd and Frostrow Capital LLP have agreed to reduce their fee rates by 10% to 40.5 bps and 13.5 bps respectively, on that part of the market capitalisation over £1 billion, thereby contributing to a reduction to the ongoing charges ratio as the Company grows in excess of £1 billion.

Reviews/Chairman's Statement

Dividend

The Board has declared a first interim dividend of 6.8p per share, compared to last year's first interim dividend of 6.1p per share, an increase of 11.5%. The Board remains conscious that the disparity between the first and second interim dividends should be reduced as far as possible. The dividend will be paid on Wednesday, 10 May 2017 to shareholders who were on the register on Friday, 7 April 2017. The associated ex-dividend date was Thursday, 6 April 2017.

The Board expects to declare the second dividend for the year ending 30 September 2017 in late September 2017 and for it to be paid to shareholders in November 2017.

Gearing

The Company is in the first year of its three-year secured fixed term multicurrency revolving credit facility with Scotiabank Europe PLC (the "Facility" of £75 million (with an additional £25 million facility)). The amount drawn under the Facility lies comfortably within the Company's gearing limit and remains within the constraints of the Company's investment policy.

Board Composition

Vanessa Renwick and John Allard, as the longest standing members of the Board, will retire from the Board at the 2018 Annual General Meeting. Vanessa and John have both been highly valued directors over their tenure and I and my other fellow directors will be very sorry to see them leave the Board. The Board has begun the process of director recruitment.

Brexit

While the Board at present believes that Brexit will have only a limited impact on the Company's business model, it is mindful of the impact that it may have on the companies in which it invests. To this end the Board carefully monitors the portfolio valuation together with the Company's AIFM and Portfolio Manager and receives regular updates from both parties.

Future Half Year Report and Accounts

In common with many other companies the Company is doing what it can to reduce its carbon footprint. As part of this strategy, and also to produce cost savings for the shareholders, the Company will no longer be producing printed copies of its Half Year Report and Accounts after this one. This document will, however, continue to be available on the Company's website at www.finsburygt.com. The Company's Annual Report will continue to be available in print copy.

Outlook

The forthcoming General Election in the UK will inevitably give rise to some uncertainty and volatility in stock markets. However your Board continues to believe that our Portfolio Manager's strategy of investing for the long-term in durable cash generative franchises capable of sustained dividend growth will continue to deliver superior investment returns to shareholders.

Anthony Townsend
Chairman

9 May 2017

Reviews/Portfolio Manager's Review

Your strategy underperformed over the last six months – for which we apologise to shareholders - as other investors anticipated a period of accelerating global economic growth and a sustained upswing in commodity prices. This anticipation encouraged a rally in the “value” and “cyclical” sectors of the UK stock market to which we have little or no exposure and never have had. We have no particular view as to whether this “new” economic outlook will prevail, but would not change the current disposition of the portfolio even if we did. This is because we analyse there to be far more fundamental and powerful reasons to be bullish on UK equities. And that relative to those reasons the question of whether the prices of coal or copper go up or down over the next six months is actually of little importance. Instead we look for a continuation of the current secular bull market in UK equities – a bull market we think will be best captured by investing in those companies best exposed to these fundamental and powerful trends.

I want to reiterate this last point. Sometimes other investors designate the companies we invest in as “defensive”, with the presumption that you would only invest in, for instance, Diageo or RELX because you are cautious about stock markets and feeling, therefore, “defensive”. This is absolutely not the way we look at it at all. By contrast, we are very optimistic about the outlook for the global economy and stock markets, driven by the steady increase in spending power of consumers around the world, with corporate growth and increased profitability being delivered by technology change. In short – Emerging Markets and the Internet. We are invested in companies which continue to offer exposure to these powerful, secular trends.

Turning to the most significant event for your portfolio over the half year – Kraft Heinz' (KHC) approach to Unilever (ULVR) in February 2017 has important investment implications for our strategy.



Nick Train
Lindsell Train Limited
Portfolio Manager

First, the size of the proposed transaction was a wake-up call for corporations all over the world – and their investors. In our reports we have repeatedly pointed to the growing scale of global M&A activity. 2015 was by far the biggest year for M&A in history and 2016 the second – at just short of \$5 trillion, admittedly down c12% on the previous year. But even I would not have regarded ULVR as a likely takeover candidate. Not just because of its, in our opinion, more than satisfactory business record, but because the ticket – well over £100 billion – seemed implausibly high, even in an era of low interest rates. In the light of KHC's willingness to engage – you now have to ask: Is any company too big to be bought? Note that so far in calendar 2017 proposed global M&A is running at \$2.0 trillion, up over 70% year-on-year, we are sure there is more to come.

Next, we think it important to consider KHC's motivation – both public and implied. Of course there was probable profit margin uplift from the proposed combination. KHC's high 20% profit margin seems unsustainably high to us, but ULVR's in the mid teens can likely be enhanced, as indeed is confirmed in ULVR's strategy response after the proposal. But this is relatively trivial stuff. Far more germane for KHC shareholders, we suspect, was the fact that it is predominantly a continent-locked North American business, 70%+ of revenues. And, crucially, only 10% derive from Emerging Markets. But, as ULVR CEO Paul Polman put it memorably a couple of years ago – Emerging Markets are where all the people are. To us KHC's opportunistic approach was likely driven far more by its desire to take advantage of the

Reviews/Portfolio Manager's Review

current relative unpopularity of Emerging Markets than short term quibbles about what ULVR's profit margins should be. It's ULVR's unique market positions in India, Indonesia, Brazil etc that were the real prize here. Thankfully ULVR investors have rebuffed the prospect of losing their full ownership of these strategic assets in return for a few and possibly temporary, basis points of profit uplift. Thinking about the prospects for Emerging Markets, the weakness of the Oil price in Q1 2017, down nearly 10%, is very bullish for consumer expenditure around the world and particularly so for EM consumers, where lower energy costs quickly translate into greater disposable income. We expect an acceleration in sales growth here for not just Unilever, but other global brand owners if this continues.

Another consideration is valuation. For at least five years we've been dealing with shareholder scepticism about the valuation of ULVR and similar companies. And that scepticism intensified, of course, following that late 2016/early 2017 sell-off in government bonds and rally in commodities. "Cyclical value" is now commonly expected to do better than "quality growth" – for an indefinite period. However and contrary to this expectation, one must note that the two biggest shareholders of KHC, namely Warren Buffett, who knows more about valuation than most and 3G, arguably the most successful private equity concern of the last decade (they own over 50% of KHC combined), placed a £40 sighting shot on ULVR's equity. Who knows how much more would have been tabled to close a transaction? That £40 is 20% above ULVR's average price over the last year. And it's pretty much double the price it was five years ago. We don't like to think too hard about how much precious ULVR equity has changed hands over the last five years – on, in hindsight, misplaced concerns about its valuation. All we can reiterate is that obviously special companies like ULVR (look at the dividend history) are very rare and very

valuable. Of course there must be a price that is too high, but that is unlikely to be so at current levels where the earnings yield is still in touch with 5% or a P/E of 20x.

We have bought more ULVR for Lindsell Train clients since the deal fell through, but we have also added to Diageo, Heineken and, especially, Mondelez. All the above considerations make these companies look strategically undervalued to us.

Elsewhere, the loss of value in our longstanding holding in Pearson over the period is really mortifying for us. We have kept the investment – although assure shareholders that there are circumstances when we would sell, without hesitating. Pearson's strategy of taking its business from analogue to digital is progressing and its new digital products are growing. These were the reasons we first made the investment many years ago. Meanwhile, the balance sheet is not of immediate concern and may well be improved by proposed disposals. We think it apparent to everyone that if Pearson could achieve its goal of becoming a successful provider of digital learning tools to global educational establishments it might both grow again and more quickly and be very much more highly valued by investors. On balance we think it right to hold on while this outcome remains possible – but monitoring the situation closely.

Nick Train
Director
Lindsell Train Limited
Portfolio Manager

9 May 2017

Reviews/Investment Portfolio

as at 31 March 2017

Investments	Sector	Market Value £'000	% of portfolio
Unilever	Food Producers	109,676	10.2
RELX	Media	103,986	9.7
Diageo	Beverages	103,260	9.6
London Stock Exchange	Financial Services	84,666	7.9
Burberry Group	Personal Goods	78,080	7.3
Heineken ¹	Beverages	67,930	6.3
Hargreaves Lansdown	Financial Services	66,494	6.2
Schroders	Financial Services	65,669	6.1
Sage Group	Software & Computer Services	57,256	5.3
Mondelez International ²	Food Producers	53,053	4.9
Top 10 Investments		790,070	73.5
Daily Mail & General Trust (non-voting)	Media	43,426	4.0
Remy Cointreau ³	Beverages	32,143	3.0
Fidessa	Software & Computer Services	30,066	2.8
Rathbone Brothers	Financial Services	29,267	2.7
Dr.Pepper Snapple ²	Beverages	27,678	2.6
Pearson	Media	26,189	2.5
A.G. Barr	Beverages	25,158	2.3
The Kraft Heinz Company ²	Food Producers	18,155	1.7
Greene King	Travel & Leisure	12,898	1.2
Young & Co's Brewery (non-voting)	Travel & Leisure	10,290	1.0
Top 20 Investments		1,045,340	97.3
Euromoney Institutional Investor ⁴	Media	9,913	0.9
The Lindsell Train Investment Trust plc	Financial Services	7,800	0.8
Fuller Smith & Turner	Travel & Leisure	6,825	0.6
Celtic [*]	Travel & Leisure	3,138	0.3
Frostrow Capital LLP ^{5**}	Financial Services	1,480	0.1
Total Investments		1,074,496	100.0

All of the above investments are equities listed in the UK, unless otherwise stated.

¹ Listed in the Netherlands.

² Listed in the United States.

³ Listed in France.

⁴ An Associate company of Daily Mail & General Trust.

⁵ Unquoted partnership interest.

* Includes Celtic 6% cumulative convertible preference shares, fair value £105,000.

** Includes Frostrow Capital LLP AIFM Investment, fair value £480,000.

Reviews/Comparison of Sector Weightings with the FTSE All-Share Index

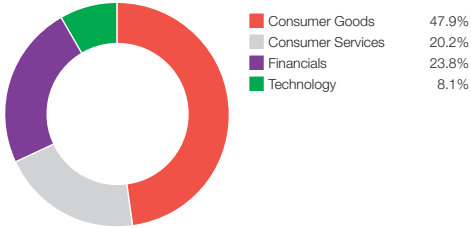
as at 31 March 2017

Sector	Finsbury Growth & Income	FTSE All-Share Index	Finsbury Growth & Income (under)/overweight
	%	%	%
Consumer Goods	47.9	15.5	32.4
Consumer Services	20.2	11.4	8.8
Financials	23.8	25.7	(1.9)
Technology	8.1	0.8	7.3
Oil & Gas	–	11.9	(11.9)
Basic Materials	–	7.0	(7.0)
Industrials	–	10.9	(10.9)
Telecommunications	–	3.8	(3.8)
Utilities	–	3.6	(3.6)
Health care	–	9.4	(9.4)
Total	100.0	100.0	–

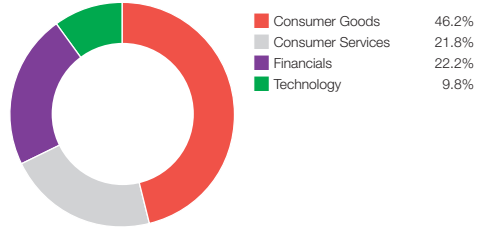
Reviews/Portfolio Distribution

Portfolio Sector Weightings

as at 31 March 2017

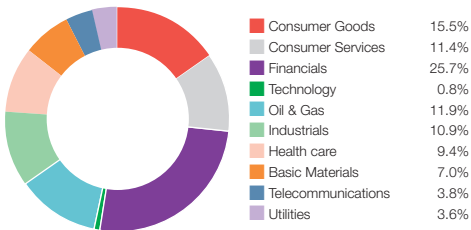


as at 30 September 2016

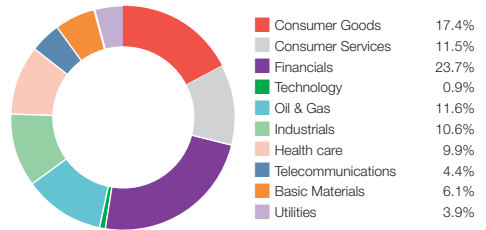


FTSE All-Share Sector Weightings*

as at 31 March 2017



as at 30 September 2016

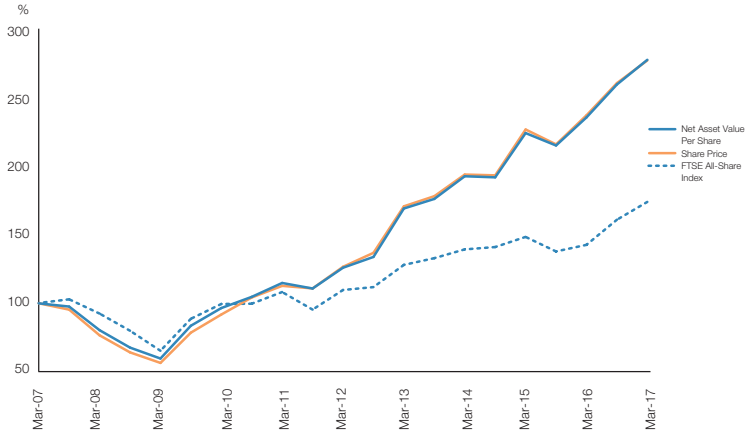


*Source: FTSE International Limited ("FTSE") © FTSE 2017

*Source: FTSE International Limited ("FTSE") © FTSE 2016

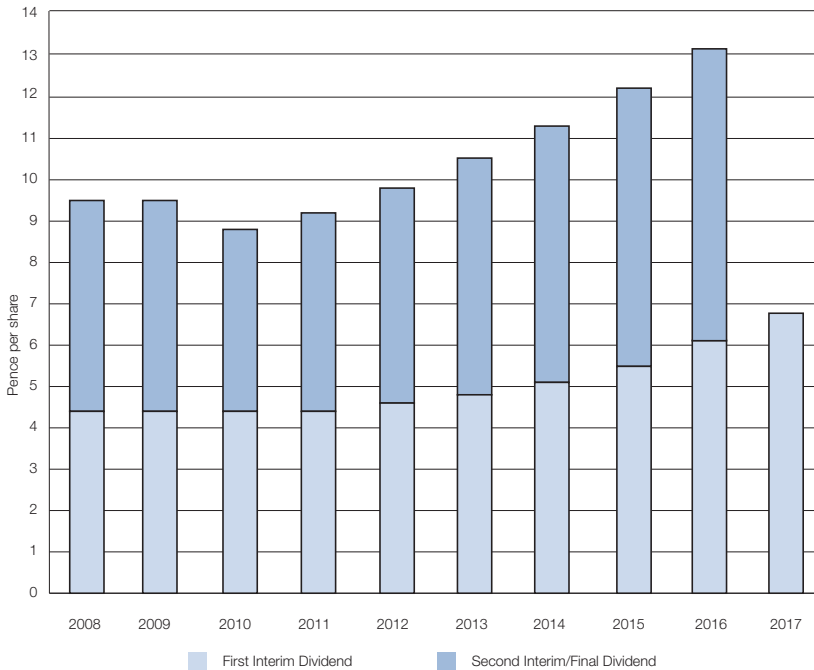
Reviews/Performance

Ten year total return performance to 31 March 2017



Rebased to 100 as at 31 March 2007
 Source: Morningstar

Ten year dividend record



Source: Frostrow Capital LLP

Financial Statements/Income Statement

For the six months ended 31 March 2017

	(Unaudited)			(Unaudited)		
	Six months ended 31 March 2017			Six months ended 31 March 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments designated at fair value through profit or loss	–	60,260	60,260	–	62,236	62,236
Exchange differences	–	(59)	(59)	–	(77)	(77)
Income (note 2)	8,330	–	8,330	6,450	–	6,450
AIFM and Portfolio Management fees (note 3)	(974)	(1,978)	(2,952)	(736)	(1,495)	(2,231)
Other expenses	(534)	(32)	(566)	(454)	–	(454)
Return on ordinary activities before finance charges and taxation	6,822	58,191	65,013	5,260	60,664	65,924
Finance charges	(123)	(249)	(372)	(105)	(213)	(318)
Return on ordinary activities before taxation	6,699	57,942	64,641	5,155	60,451	65,606
Taxation on ordinary activities	(11)	–	(11)	(149)	–	(149)
Return on ordinary activities after taxation	6,688	57,942	64,630	5,006	60,451	65,457
Return per share – basic (note 4)	4.5p	39.3p	43.8p	4.0p	47.9p	51.9p

The "Total" column of this statement represents the Company's profit and loss account. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by The Association of Investment Companies ("AIC").

All items in the above statement derive from continuing operations. The Company had no recognised gains or losses other than those declared in the Income Statement.

There is no material difference between the net return on ordinary activities before taxation and the net return on ordinary activities after taxation stated above and their historical cost equivalents.

Financial Statements/Statement of Changes in Equity

for the six months ended 31 March 2017

(Unaudited) Six months ended 31 March 2017	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2016	35,579	463,833	3,453	12,424	403,417	17,316	936,022
Net return from ordinary activities	–	–	–	–	57,942	6,688	64,630
Second interim dividend (7.0p per share) for the year ended 30 September 2016	–	–	–	–	–	(9,982)	(9,982)
Issue of shares	2,232	55,401	–	–	–	–	57,633
Cost of share issuance	–	(89)	–	–	–	–	(89)
At 31 March 2017	37,811	519,145	3,453	12,424	461,359	14,022	1,048,214

(Unaudited)
 Six months ended 31 March 2016

At 30 September 2015	30,241	341,188	3,453	12,424	273,166	13,218	673,690
Net return from ordinary activities	–	–	–	–	60,451	5,006	65,457
Second interim dividend (6.6p per share) for the year ended 30 September 2015	–	–	–	–	–	(8,008)	(8,008)
Issue of shares	2,335	46,756	–	–	–	–	49,091
Cost of share issuance	–	(108)	–	–	–	–	(108)
At 31 March 2016	32,576	387,836	3,453	12,424	333,617	10,216	780,122

Financial Statements/Statement of Financial Position

as at 31 March 2017

	(Unaudited) 31 March 2017 £'000	(Audited) 30 September 2016 £'000
Fixed assets		
Investments designated at fair value through profit or loss (note 1)	1,074,496	956,592
Current assets		
Debtors	2,940	3,284
Cash and cash equivalents	5,977	12,198
	8,917	15,482
Current liabilities		
Creditors: amounts falling due within one year	(699)	(1,552)
Bank loan	–	(34,500)
	(699)	(36,052)
Net current assets/(liabilities)	8,218	(20,570)
Total assets less current liabilities	1,082,714	936,022
Creditors: amounts falling due after one year		
Bank loan	(34,500)	–
Net assets	1,048,214	936,022
Capital and reserves		
Share capital	37,811	35,579
Share premium account	519,145	463,833
Capital redemption reserve	3,453	3,453
Special reserve	12,424	12,424
Capital reserve	461,359	403,417
Revenue reserve	14,022	17,316
Total shareholders' funds	1,048,214	936,022
Net asset value per share – basic and diluted (note 5)	693.1p	657.7p

Financial Statements/Statement of Cash Flows

for the six months ended 31 March 2017

	(Unaudited) 31 March 2017 £'000	(Unaudited) 31 March 2016 £'000
Net cash inflow from operating activities before interest (note 7)	4,612	3,175
Interest paid	(372)	(318)
Net cash inflow from operating activities	4,240	2,857
Investing activities		
Purchase of investments	(58,553)	(56,260)
Sale of investments	–	3,148
Net cash outflow from investing activities	(58,553)	(53,112)
Financing activities		
Equity dividends paid	(9,982)	(8,008)
Shares issued	58,222	50,063
Drawdown of loans	–	2,000
Cost of share issuance	(89)	(108)
Net cash inflow from financing activities	48,151	43,947
Decrease in cash and cash equivalents	(6,162)	(6,308)
Exchange movements	(59)	(77)
Cash and cash equivalents at 1 October	12,198	8,440
Cash and cash equivalents at 31 March	5,977	2,055

Financial Statements/Notes to the Financial Statements

1. Basis of preparation

The condensed Financial Statements for the six months to 31 March 2017 have been prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with FRS 104 'Interim Financial Reporting' and with the AIC's Statement of Recommended Practice ("the SORP") for Investment Trust Companies and Venture Capital Trusts issued January 2017.

The accounting policies used for the year ended 30 September 2016 have been applied.

Fair Value

Under FRS 102 and FRS 104 investments have been classified using the following fair value hierarchy:

Level 1 – quoted prices in active markets

Level 2 – prices of recent transactions for identical instruments

Level 3 – valuation techniques using observable and unobservable market data.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 March 2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total
Equity investments	1,072,911	–	–	1,072,911
Limited liability partnership interest (Frostrow Capital LLP)	–	–	1,000	1,000
AIFM Capital contribution (Frostrow Capital LLP)	–	–	480	480
Preference shares investment	105	–	–	105
	1,073,016	–	1,480	1,074,496

As at 30 September 2016

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total
Equity investments	955,100	–	–	955,100
Limited liability partnership interest (Frostrow Capital LLP)	–	–	1,000	1,000
AIFM Capital contribution (Frostrow Capital LLP)	–	–	420	420
Preference shares investment	72	–	–	72
	955,172	–	1,420	956,592

Financial Statements/Notes to the Financial Statements

2. Income

	(Unaudited) Six months ended 31 March 2017 £'000	(Unaudited) Six months ended 31 March 2016 £'000
Income from investments		
Franked investment income		
– dividends	7,278	5,441
Unfranked investment income		
– overseas dividends	1,031	990
– limited liability partnership – priority profit-share on AIFM Capital Contribution	21	19
Total income	8,330	6,450

3. AIFM and Portfolio Management fees

	(Unaudited) Six months ended 31 March 2017 £'000	(Unaudited) Six months ended 31 March 2016 £'000
AIFM fee	764	584
Portfolio management fee	2,188	1,647
Total fees	2,952	2,231

4. Return per share

The total return per share is based on the total return attributable to equity shareholders of £64,630,000 (six months ended 31 March 2016: return of £65,457,000) and on 147,584,316 shares (six months ended 31 March 2016: 126,322,532), being the weighted average number of shares in issue during the period.

The revenue return per share is calculated by dividing the net revenue return of £6,688,000 (six months ended 31 March 2016: return of £5,006,000) by the weighted average number of shares in issue as above.

The capital return per share is calculated by dividing the net capital return attributable to shareholders of £57,942,000, (six months ended 31 March 2016: return of £60,451,000) by the weighted average number of shares in issue as above.

Financial Statements/Notes to the Financial Statements

5. Net asset value per share

The net asset value per share is based on net assets attributable to shares of £1,048,214,000 (30 September 2016: £936,022,000) and on 151,245,712 shares in issue (30 September 2016: 142,318,212).

6. Transaction costs

Purchase transaction costs for the six months ended 31 March 2017 were £259,000 (six months ended 31 March 2016: £300,000). These comprise of stamp duty costs of £215,000 (31 March 2016: £246,000) and commission of £44,000 (31 March 2016: £54,000).

Sales transaction costs for the six months ended 31 March 2017 were £nil (six months ended 31 March 2016: £3,000). These comprise solely of commission.

These transaction costs are included within the gains on investments within the Income Statement.

7. Reconciliation of total return before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 31 March 2017 £'000	(Unaudited) Six months ended 31 March 2016 £'000
Total return before finance charges and taxation	65,013	65,924
Less: capital return before finance charges and taxation	(58,191)	(60,664)
Net revenue before finance costs and taxation	6,822	5,260
Increase in accrued income and prepayments	(165)	(523)
Increase in creditors	56	38
Taxation – irrecoverable overseas tax paid	(91)	(105)
AlFM and portfolio management fees charged to capital	(1,978)	(1,495)
Other expenses charged to capital	(32)	–
Net cash inflow from operating activities	4,612	3,175

8. 2016 accounts

The figures and financial information for the year to 30 September 2016 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the year.

Those accounts have been delivered to the Registrar of Companies and included the Report of the Auditor which was unqualified and did not contain a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 498 of the Companies Act 2006.

Governance/Interim Management Report

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company were explained in detail within the Annual Report for the year ended 30 September 2016. The Directors are not aware of any new risks or uncertainties and in the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors, having made relevant enquiries, are satisfied that it is appropriate to prepare financial statements on the going concern basis as the net assets of the Company consist primarily of liquid securities, all of which, with the exception of the partnership interest in Frostrow Capital LLP, are traded on recognised stock exchanges.

Alternative Performance Measures

The Financial Statements (on pages 11 to 17) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, which are summarised on page 2 and explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on page 21 of the Company's Annual Report.

Directors' Responsibilities

Each Director confirms that, to the best of his/her knowledge:

- (i) the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with applicable accounting standards; and
- (ii) the interim management report includes a true and fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

The Half Year Report has not been reviewed or audited by the Company's Auditor.

The Half Year Report was approved by the Board on 9 May 2017 and the above responsibility statement was signed on its behalf by:

Anthony Townsend
Chairman

Further Information/Glossary of Terms

AIC

The Association of Investment Companies.

AIFMD

The Alternative Investment Fund Manager Directive (the "Directive") is a European Union Directive that entered into force on 22 July 2013. The Directive regulates EU fund managers that manage alternative investment funds (this includes investment trusts).

AIFM Rules

AIFMD and all applicable rules and regulations implementing AIFMD in the UK, including without prejudice to the generality of the foregoing the Alternative Investment Fund Managers Regulations 2013 (SI2013/1773) and all relevant provisions of the FCA Handbook.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

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Gearing

Gearing is calculated by dividing total assets (less cash/cash equivalents) by shareholders' funds, expressed as a percentage (equivalent to AIC definition of net gearing).

Leverage

The AIFM Directive (the "Directive") has introduced the obligation on the Company and its AIFM in relation to leverage as defined by the Directive. The Directive leverage definition is slightly different to the Association of Investment Companies method of calculating gearing and is as follows; any method by which the AIFM increases the exposure of an AIFM it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions.

There are two methods for calculating leverage under the Directive – the Gross Method and the Commitment Method. The process for calculating exposure under each methodology is largely the same, except where certain conditions are met, the Commitment Method enables instruments to be netted off to reflect 'netting' or 'hedging' arrangements and the entity exposure is effectively reduced.

The Board has set the leverage limit for both the Gross basis and the Commitment basis at 125%. These limits are monitored by both the Board and the AIFM.

Further Information/Glossary of Terms

Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, less any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

Net Asset Value Total Return

The total return on an investment over a specified period assuming dividends paid to shareholders were reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in discounts or premiums.

Share Price Total Return

The change in capital value of a company's shares over a given period, plus dividends paid to shareholders, expressed as a percentage of the opening value. The assumption is that dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex dividend.

Treasury Shares

Shares previously issued by a company that have been bought back from shareholders to be held by the Company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

Further Information/How to Invest

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	http://www.youinvest.co.uk/
Alliance Trust Savings	http://www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	https://www.barclaysstockbrokers.co.uk/
Bestinvest	http://www.bestinvest.co.uk/
Charles Stanley Direct	https://www.charles-stanley-direct.co.uk/
Club Finance	http://www.clubfinance.co.uk/
FundsDirect	http://www.fundsdirect.co.uk/Default.asp
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	http://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Saxo Capital Markets	http://uk.saxomarkets.com/
TD Direct Investing	http://www.tddirectinvesting.co.uk/

Capita Asset Services – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Capita Asset Services, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, investor code, full postcode and your date of birth. Your investor code can be found on your share certificate. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service, please contact: www.capitadeal.com (online dealing) Telephone: 0371 664 0445 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 8.00 a.m. – 4.30 p.m., Monday to Friday excluding public holidays in England and Wales).

Further Information/How to Invest

Risk Warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined, in part, by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, some of the holdings in the portfolio are currently denominated in currencies other than sterling and therefore they will be affected by movements in exchange rates. As a result, the value of your investment will rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

Further Information/Company Information

Directors

Anthony Townsend (Chairman)
John Allard
Neil Collins
Simon Hayes
David Hunt, FCA (Chairman of the Audit Committee and Senior Independent Director)
Vanessa Renwick

Registered Office

50 Lothian Road,
Festival Square,
Edinburgh EH3 9WJ

Website

www.finsburygt.com

Company Registration Number

SC013958 (Registered in Scotland)
The Company is an investment company as defined under Section 833 of the Companies Act 2006.

AIFM, Company Secretary and Administrator

Frostrow Capital LLP
25 Southampton Buildings,
London WC2A 1AL
Telephone: 0203 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com

Authorised and regulated by the Financial Conduct Authority.
If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

Portfolio Manager

Lindsell Train Limited
5th Floor,
66 Buckingham Gate,
London SW1E 6AU
Telephone: 0207 808 1225
Website: www.lindselltrain.com

Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Depository

BNY Mellon Trust & Depository (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street,
London EC4V 4LA
Website: www.bnymellon.com

Global Custodian

Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA

Registrars

Capita Asset Services
The Registry,
34 Beckenham Road,
Beckenham,
Kent BR3 4TU
Telephone (in UK): 0871 664 0300+
Telephone (from overseas): +44 371 664 0300
E-Mail: shareholderenquiries@capita.co.uk
Website: www.capitaassetservices.com
Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

+Calls cost 12p per minute plus your phone company's access charge and may be recorded for training purposes. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Lending Banker

Scotiabank Europe PLC
201 Bishopsgate, 6th Floor
London EC2M 3NS

Stockbrokers

Winterflood Investment Trusts
The Atrium Building,
Cannon Bridge,
25 Dowgate Hill
London EC4R 2GA

Solicitors

Eversheds Sutherland
1 Wood Street
London EC2V 7WS

Share Price Listings

The price of your shares can be found in various publications including the Financial Times. The Company's net asset value per share is announced daily on the TrustNet website at www.trustnet.com.

Identification Codes

Shares:	SEDOL:	0781606
	ISIN:	GB0007816068
	BLOOMBERG:	FGT LN
	EPIC:	FGT

Legal Entity Identifier

213800NN42KX2LGI6Q40

Foreign Account Tax Compliance Act ("FATCA")

IRS Registration Number (GIIN):
QH4BH0.99999.SL.826



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- Shares Awards 2014, Best Investment Trust
- Investment Week, Investment Trust of the Year 2016, 2015, 2013, 2012 and 2011, UK Equity Income Category
- What Investment Trust 2016, Best UK Investment Trust

Finsbury Growth & Income Trust PLC

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www.finsburygt.com