

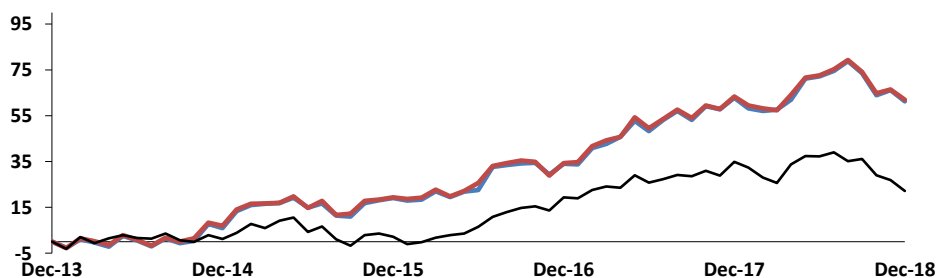


Investment Objective and Benchmark Index

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).

Five Years Performance (%)

Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as arise and is not guaranteed; An investor may receive back less than the original amount invested.



Net Asset Value per share (total return) +62.0%

Share Price (total return) +61.3%

Benchmark: FTSE All-Share Index (net dividends reinvested) +22.1%

Source: Morningstar

Commentary

In December, the NAV was down 2.7% on a total return basis, the share price was down 2.8% on a total return basis, while the index was down 3.8%.

A rotten month to end a dispiriting year. We're pleased we outperformed, for the month and 2018, but as my wife reminded me on Christmas morning – relative performance butters no parsnips.

I have a few grains of encouragement to share this month – mostly stock specific titbits, which I'll leave to you to add up to a bull case for FGT and UK Equities.

The Queen wore a stylish Burberry scarf as she arrived at King's Lynn Station for her holidays. You don't get many better celebrity endorsements than that - and it's free! About the same time, Mrs Train fell in love with some of Riccardo Tisci's new collection and sales spiked at Burberry's Scotch Corner store.

Versace was sold to Michael Kors last September for a reputed \$2.0bn. It looks as though the deal got done at over 4.0x Versace's annual sales. You can buy Burberry in the stock market on c2.5x.

MYOB (Mind Your Own Business), an Australian accounting software company, is currently being bid for by KKR – admittedly in a complex transaction. Even so, today MYOB's market value is 5.0x annual sales. At its recent lows Sage got down to 3.0x sales.

I mention those takeovers in part because they are useful comparators for some of our holdings. But also because 2018 turned out to be the second biggest year ever for global Merger and Acquisition activity, up nearly 5% on 2017 in terms of number of deals tracked by Bloomberg's M&A ticker. At \$5.4 trillion of mooted or completed deals, only 2015's £\$5.6 trillion beats it. Huge deals announced in the pharmaceutical sector in the first few days of 2019 suggest this year will see a lot of action too. The takeovers of Dr Pepper and Fidessa certainly helped our performance last year.

Back to Sage. One of its clear differentiating qualities compared to its newer rivals is its helpdesk. It is not trivial that the company receives c25,000 requests for help or advice every single day of the year – that creates high switching costs for its customers reliant on this service. By extension it is also not trivial that 71% of Hargreaves Lansdown's client base has spoken to a human being on its helpdesk. The telephone may be "old" technology, but nonetheless that interaction builds trust – which is exceptionally valuable for accounting and financial service franchises.

Schroders had a tough month and year and I'm not going to revisit all the uncertainties. But Citigroup's reminder that the company has £2.7bn cash, of which c£1.3bn is excess to regulatory requirements gave me some comfort. At its recent lows Schroders' market capitalisation got as low as c£6.5bn.

Although the growth rate slowed, still 145 million minutes were spent every day by visitors to MailOnline, up 2% year on year. That's the equivalent of 275 years spent every day on the site. That's a lot of attention focused on one place.

Guinness is only 256 years into a 9,000 year lease at St James' Gate Brewery, Dublin.

A thought about investment, albeit slightly convoluted, from George Gilder, futurologist:

"The investor who never acts until "the financials" affirm his choice is doomed by trust in spurious rationality."

Gilder means that what is known no longer has any value in investment markets. You have to act before the news is known. In other words you have to have faith. Keep your spirits up!

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 up to 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/ Premium 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. In order to stop the share price trading at a significant premium to the NAV per share, the Company has the ability to issue new shares at a 0.7% premium to the higher of the cum or ex income NAV 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 31 December 2018 (% of total investments)

Name	Sector	Total
Diageo	Consumer Goods	10.8
RELX	Consumer Services	10.4
Unilever	Consumer Goods	9.9
Hargreaves Lansdown	Financials	8.1
London Stock Exchange	Financials	8.0
Mondelez Int.	Consumer Goods	7.8
Burberry Group	Consumer Goods	7.0
Schroders	Financials	6.8
Sage Group	Technology	5.8
Heineken	Consumer Goods	5.5
Total		80.1

Sector Breakdown as at 31 December 2018 (%)

Consumer Goods	47.0
Financials	25.9
Consumer Services	21.2
Technology	5.9
Total	100.0

Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2014	2015	2016	2017	2018
NAV	6.9	11.6	12.5	21.7	-0.8
Share Price	5.9	12.4	12.6	21.5	-0.9
Index	1.2	1.0	16.8	13.1	-9.5

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Dec 13- Dec 14	Dec 14- Dec 15	Dec 15- Dec 16	Dec 16- Dec 17	Dec 17- Dec 18
NAV	6.9	11.6	12.5	21.7	-0.8
Share Price	5.9	12.4	12.6	21.5	-0.9
Index	1.2	1.0	16.8	13.1	-9.5

Source: Morningstar.

* Index source: FTSE International Limited ("FTSE") © FTSE 2018

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Risk Warnings

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. Before investing in the Company, or any other investment product, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment. Shares of the Company are bought and sold on the London Stock Exchange (LSE). The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. Usually, at any given time, the price you pay for a share will be higher than the price you could sell it. For further information on the principal risks the Company is exposed to please refer to the Company's Annual Report or Investor Disclosure Document available at www.finsburygt.com.

The Company can borrow to purchase investments, this could potentially magnify any losses or gains made by the Company.

Important Information

Finsbury Growth & Income Trust PLC (the Company) is a public limited company whose shares are premium listed on the LSE and is registered with HMRC as an investment trust.

The Company has an indeterminate life.

This financial promotion is issued by Frostrow Capital LLP which is authorised and regulated by the Financial Conduct Authority ("FCA").

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Fast Facts

As at 31 December 2018

Launch Date	1926
AIC Sector	UK Equity Income
Date of Appointment of Lindsell Train	December 2000
Annual Management Fee (payable by the company) †	
Ongoing charges*	0.7%
Year / interim end	30 September/ 31 March
Capital Structure	178,851,712 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	22
Net Assets (£m)	£1,339.0m
Market Capitalisation (£m)	£1,346.8m
Dividend Per Share**	15.3p
Current Net Yield	2.0%
Gearing	2.2%
Leverage***	Gross 102.2% Commitment 102.5%
Share Price (p)	753.00
NAV (p) (cum income)	748.65
Premium / (Discount) to NAV (p)	0.6%

Codes

Sedol	0781606
ISIN	GB0007816068
Legal Entity Identifier (LEI)	213800NN4ZKX2LG1GQ40
Global Intermediary Identification Number (GIIN)	QH4BH0.99999.SL.826
Bloomberg	FGT LN
Epic	FGT

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

**2nd Interim payable 9 Nov 18 :(Year ended Sep 18) 8.1p
1st Interim paid 17 May 18 :(Year ended Sep 18) 7.2p

***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 £1billion, 0.405% in excess of £1 billion.

Frostrow – 0.15% of the market capitalisation of the company that is equal to or less than £1billion, 0.135% in excess of £1 billion.

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