

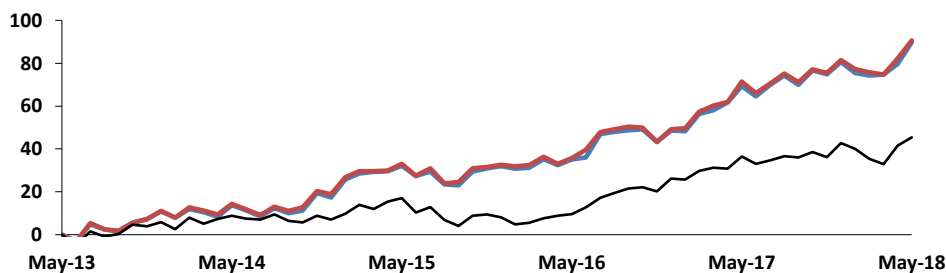


## Investment Objective and Benchmark Index

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) +90.6%

Share Price (total return) +89.8%

Benchmark: FTSE All-Share Index (net dividends reinvested) +45.4%

Source: Morningstar

## Commentary

In May, the NAV was up 4.6% on a total return basis, the share price was up 5.6%, while the index was up 2.8%.

There were three double digit gainers in the portfolio this month – Burberry, Remy Cointreau and Manchester United, the latter up over 16%. Is there a common denominator? How about all three being global, elite brands with a strong presence in Asia? The near 7% rise in Diageo in May confirms this supposition - it too offering exposure to luxury and emerging markets. By contrast, Unilever had a quiet month, slightly underperforming the All-Share with a gain of 2.8%. Nonetheless and returning to the theme of this paragraph, we note that Hindustan Unilever closed up 7% on the month at a new all-time high and up 18% year to date. Unilever owns 67% of Hindustan Unilever and its sales represent about 8% of the total for the parent. As the company says – on any given day 9 out of every 10 Indians uses one of its products. It remains one of the jewels in Unilever's crown.

What I'm saying here is that there is no doubt that when optimism about global economic growth picks up and bond yields rise there is a headwind for parts of our portfolio. People want exposure to mining or cyclical companies, to which we have little or no exposure. But it is important to recognise that we are invested in some companies which are also big beneficiaries of global growth and their share prices will, sooner or later, reflect that. And the most obvious beneficiaries are the owners of global premium brands.

Daily Mail ended the month down 1%. At one point though it was up 15% on the month. The switchback reflects the good news that its 30%-owned subsidiary Zoopla has received a bid, which crystallises a substantial gain for DMGT. Indeed the company has made 14x on its original investment. Offset by the unsurprising news that management remain cautious about current trading. On balance we're encouraged by developments. The Zoopla stake will bring c£640m into the company, or over 25% of the current market capitalisation and more than wipes out outstanding debt. We continue to think that the discount to warranted NAV the company trades at – and of course the full name of the company is Daily Mail and GENERAL TRUST – is too wide. And that what will be a newly unlevered balance sheet will give executives the opportunity to build further value across its range of digital assets. The shares are still up over 11% in 2018, as investors recognise the potential.

## 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 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.

## Ten Largest Holdings as at 31 May 2018 (% of total investments)

Name	Sector	Total
Diageo	Consumer Goods	9.9
Unilever	Consumer Goods	9.2
RELX	Consumer Services	9.1
London Stock Exchange	Financials	8.7
Hargreaves Lansdown	Financials	8.1
Burberry Group	Consumer Goods	7.6
Heineken	Consumer Goods	5.8
Schroders	Financials	5.7
Sage Group	Technology	5.3
Mondelez Int.	Consumer Goods	5.2
<b>Total</b>		<b>74.6</b>

## Sector Breakdown as at 31 May 2018 (%)

Consumer Goods	45.5
Financials	25.6
Consumer Services	20.2
Technology	8.7
<b>Total</b>	<b>100.0</b>

## Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2013	2014	2015	2016	2017	YTD
NAV	34.9	6.9	11.6	12.5	21.7	5.0
Share Price	35.1	5.9	12.4	12.6	21.5	5.1
Index	20.8	1.2	1.0	16.8	13.1	1.9

## Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	May 13- May 14	May 14- May 15	May 15- May 16	May 16- May 17	May 17- May 18
NAV	14.4	16.3	2.0	26.4	11.2
Share Price	13.8	16.1	2.3	25.4	12.0
Index	8.9	7.5	-6.3	24.5	6.5

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](http://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 May 2018

<b>Launch Date</b>	1926
<b>AIC Sector</b>	UK Equity Income
<b>Date of Appointment of Lindsell Train</b>	December 2000
<b>Annual Management Fee</b> (payable by the company) †	
<b>Ongoing charges*</b>	0.7%
<b>Year / interim end</b>	30 September/ 31 March
<b>Capital Structure</b>	167,836,712 Ordinary shares of 25p

## Trust Characteristics

<b>Number of Holdings</b>	25
<b>Net Assets (£m)</b>	£1,344.2m
<b>Market Capitalisation (£m)</b>	£1,354.4m
<b>Dividend Per Share**</b>	14.6p
<b>Current Net Yield</b>	1.8%
<b>Gearing (AIC basis)</b>	2%
<b>Leverage***</b>	
<b>Gross &amp; Commitment</b>	102%
<b>Share Price (p)</b>	807.00
<b>NAV (p) (cum income)</b>	800.89
<b>Premium / (Discount) to NAV (p)</b>	0.8%

## Codes

<b>Sedol</b>	0781606
<b>ISIN</b>	GB0007816068
<b>Legal Entity Identifier</b>	213800NN4ZKX2LG1GQ40
<b>Bloomberg</b>	FGT LN
<b>Epic</b>	FGT

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

\*\*1st Interim payable 17 May 18 :(Year ended Sep 18) 7.2p  
2nd Interim paid 10 Nov 17 :(Year ended Sep 17) 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.

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