

Finsbury Growth & Income Trust PLC



Portfolio Manager

Nick Train

LINDSELL TRAIN



Fund Information as at 30 November 2016

www.finsburygt.com

@FinsburyGT

Investment Objective and Benchmark Index

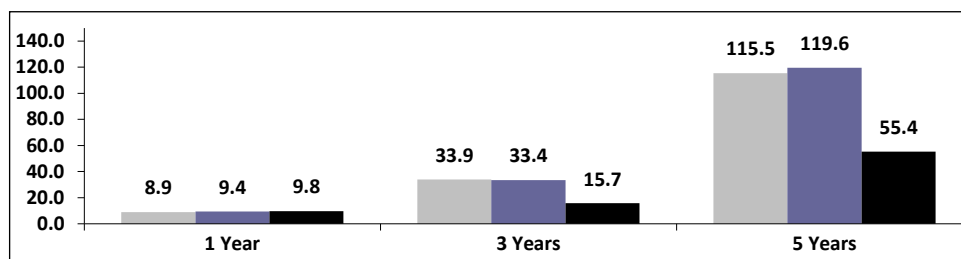
Finsbury Growth & Income Trust PLC invests principally in the securities of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

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	2011	2012	2013	2014	2015	YTD
NAV	3.7	23.6	35.1	6.9	11.7	8.0
Share Price	4.1	25.4	35.1	5.9	12.4	8.5
Index *	-3.5	12.3	20.8	1.2	1.0	11.2

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

* Index source: FTSE International Limited ("FTSE") © FTSE 2016

Commentary

In November, the NAV was down 4.4% on a total return basis, the share price was down 4.0% while the index was down 1.6%.

It was a tough month for the strategy. In the aftermath you will have your own views about the new absolute and relative valuations of the 5 big-cap detractors from our performance in November – Diageo, Heineken, RELX, Sage and Unilever. To us, after falls of up to 11% in the case of Heineken, they look attractive and we have been adding. In our opinion these 5 are better understood and valued as “growth” companies, not government bond proxies. In support, consider that their most recent dividend increases, when averaged across the quintet, were over 10%. It can't be said often enough - government bonds do not do this, ever. Admittedly, there was some help from the depreciating Pound, but still all 5 are delivering growing dividends at a rate well ahead of inflation. And they are doing so from starting dividend yields also well ahead of inflation. If this continues – real dividend growth, from a starting dividend yield higher than inflation – then these companies will continue to be fine investments.

We note the continued drag on performance from the stock market proxies in the portfolio – in particular the 3 FTSE 100 constituents. Of these Hargreaves Lansdown shares are down 20% in calendar 2016, Schroders down 6% and the LSE virtually unchanged. This is a bit surprising; given the FTSE itself is up 8% year-to-date and, in the past, these shares have tended to act as geared plays on the direction of the index. But that's fine. Sometimes longstanding relationships don't work or don't work for a period of time and, to be fair, the politics of the LSE's attempted deal with DB is very murky. What we do think is worth reminding ourselves of, though, is the exceptional profitability of the 3. As measured by their 3 year average operating margins, each of Schroders, LSE and HL are in the top 20 companies of the FTSE100 in terms of profit margin – at c30%, 40% and, for HL, over 50% respectively. While one can see forthcoming downward pressures on these profit margins (although ways for the companies to mitigate those margin pressures too), the fact is any uptick or continued growth for the 3 is very, very accretive for shareholders. And certainly we are bullish for the business outlooks for Hargreaves, LSE (with or without the merger) and Schroders. Sooner or later the shares should respond.

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 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

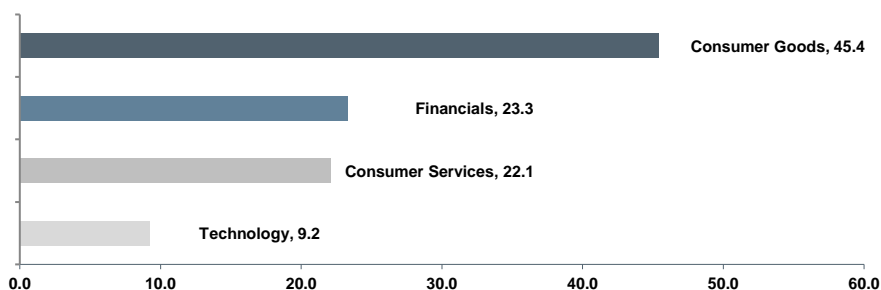
The Directors have adopted an active discount management policy to establish and support an improved rating in the Company's shares through the use of share buybacks, with a view to limiting the discount to NAV per share at which the shares trade to no more than 5%. Shares bought back may be held in 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 November 2016 (% of total investments)

Name	Sector	Total
RELX	Consumer Services	9.5
Diageo	Consumer Goods	9.3
Unilever	Consumer Goods	9.3
London Stock Exchange	Financials	7.5
Burberry Group	Consumer Goods	6.7
Sage Group	Technology	6.3
Schroders	Financials	6.3
Heineken	Consumer Goods	6.2
Hargreaves Lansdown	Financials	6.0
Daily Mail & General Trust	Consumer Services	4.9
Total		72.0

Sector Breakdown as at 30 November 2016 (%)



Share Price Total Return on £100 (£) as at 30 November 2016

1 year	109.4
3 years	133.4
5 years	219.6

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

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Nov 11- Nov 12	Nov 12- Nov 13	Nov 13- Nov 14	Nov 14- Nov 15	Nov 15- Nov 16
NAV	22.9	31.0	12.6	9.3	8.9
Share Price	25.7	30.9	11.2	9.7	9.4
Index	12.1	19.8	4.7	0.6	9.8

Awards

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' Chronical Awards 2015, Best Income Fund
Money Observer Rated Fund 2015
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 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.

www.finsburygt.com @FinsburyGT

Fast Facts

As at 30 November 2016

Launch Date	1926
Annual Management Fee (payable by the company) †	
Ongoing charges*	0.7%
Year / interim end	30 September/ 31 March
Capital Structure	146,548,212 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	25
Net Assets (£m)	£908.2m
Market Capitalisation (£m)	£918.9m
Dividend Per Share**	13.1p
Current Net Yield	2.1%
Gearing (AIC basis)	3%

Leverage***	
Gross & Commitment	103%
Share Price (p)	627.00
NAV (p) (cum income)	619.72
Premium / (Discount) to NAV (p)	1.2%

Codes

Sedol	0781606
ISIN	GB0007816068
Bloomberg	FGT LN
Epic	FGT

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

**1st Interim paid 11 May 16 :(Year ended Sep 16) 6.1p

2nd Interim payable 11 Nov 16 :(Year ended Sep 16) 7.0p

***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 following the date at which the company's market capitalisation attains a level of £1 billion.

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

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

**FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

