

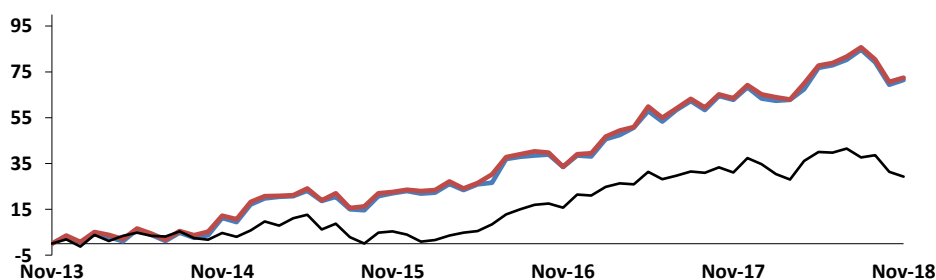


## Investment Objective and Benchmark Index

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) +72.5%

Share Price (total return) +71.5%

Benchmark: FTSE All-Share Index (net dividends reinvested) +29.2%

Source: Morningstar

## Commentary

In November, the NAV was up 1.1% on a total return basis, the share price was up 1.3% on a total return basis, while the index was down 1.6%.

Four of the best five performing holdings in November – measured by their contribution to the return – were so-called defensives. Led by Mondelez, up 7% last month, with RELX, Diageo and Unilever also registering nice gains. Of course some - perhaps most - of their rally is a response to the perturbation that global equity investors evidently feel as 2018 comes to a close. For as long as I can remember portfolio investors' instinctive reaction to uncertainty has been to buy shares in good old dependable Unilever, or whisky and chocolate; or Heineken, which also outperformed last month. Is there any more to their bounce than this? Well, it is worth noting that their rally coincided with a big down month for Oil, which lost over 20%. I long ago learned not to extrapolate anything from swings in the Oil market, but it is undeniable that lower energy costs are good for global consumers and what is good for consumers is probably also good for consumer goods companies.

But there's also the steady flow of news from these companies, demonstrating the intention and ability to improve the quality of their earnings and to keep their brand equity per share high during a period when 20th century brand equity is challenged by 21st century ideas of what constitutes a valued brand. So we were encouraged to see Diageo's announcement last month of the sale of 19 secondary US brands at a price that, admittedly, will be dilutive to earnings in the first year, but will increase the profit margin and growth rate of the company over time, as the lower margin and lower growth sales fall away. Meanwhile, the combination of Fevertree's renovation of the mixer market with the heritage of Tanqueray has meaningfully enhanced the value of that venerable brand. Diageo's global gin sales were up 14% last year. Tanqueray is nearly 190 years old, but I don't think it fanciful to claim that the brand is both bigger and more valuable today than it has ever been.

The same is true for Horlicks. Many Brits d'un certain age – notably me- will rub their eyes at the prospect of homely comfort drink Horlicks, created as long ago as 1873, commanding a valuation of £3bn. But it does and Unilever has paid it. And it probably makes sense to have done so. Certainly another 2% gain on HindustanLever's share price in response to the news – taking HUVR to an all-time high and up 35% in 2018 says that investors are still ready to back a credible Emerging Market consumption growth story – when brand and distribution capability come together.

Talking about investors being ready to back credible growth stories, it is also noteworthy that another big contributor was Pearson, up 7% in November. We cannot and must not think that this move, or even the 30% gain in Pearson's shares so far in 2018, demonstrate that we have been right to retain our investment in the company, or that the bull case is by any means proven. It is not. But it is for sure that today it sounds less absurd than it would have done a year ago to claim Pearson is having early success in propagating digital versions of its IP and that this could result in a sustained period of profitable growth.

## 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 cum 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 30 November 2018 (% of total investments)

Name	Sector	Total
Diageo	Consumer Goods	10.7
RELX	Consumer Services	10.3
Unilever	Consumer Goods	10.0
Mondelez Int.	Consumer Goods	8.5
Hargreaves Lansdown	Financials	8.1
London Stock Exchange	Financials	7.7
Burberry Group	Consumer Goods	7.0
Schroders	Financials	6.7
Heineken	Consumer Goods	5.6
Sage Group	Technology	5.4
<b>Total</b>		<b>80.0</b>

## Sector Breakdown as at 30 November 2018 (%)

Consumer Goods	47.8
Financials	25.7
Consumer Services	21.1
Technology	5.4
<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	1.9
Share Price	35.1	5.9	12.4	12.6	21.5	2.0
Index	20.8	1.2	1.0	16.8	13.1	-6.0

## Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Nov 13- Nov 14	Nov 14- Nov 15	Nov 15- Nov 16	Nov 16- Nov 17	Nov 17- Nov 18
NAV	12.2	9.2	9.0	22.4	5.5
Share Price	11.2	9.7	9.4	22.1	5.3
Index	4.7	0.6	9.8	13.4	-1.5

Source: Morningstar.

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

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 receive back less than the original amount invested.

## 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 30 November 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>	177,561,712 Ordinary shares of 25p

## Trust Characteristics

<b>Number of Holdings</b>	23
<b>Net Assets (£m)</b>	£1,366.1m
<b>Market Capitalisation (£m)</b>	£1,376.1m
<b>Dividend Per Share**</b>	15.3p
<b>Current Net Yield</b>	2.0%
<b>Gearing</b>	2.4%
<b>Leverage***</b>	Gross 102.4% Commitment 102.6%
<b>Share Price (p)</b>	775.00
<b>NAV (p) (cum income)</b>	769.34
<b>Premium / (Discount) to NAV (p)</b>	0.7%

## 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.

\*\*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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