

Finsbury Growth & Income Trust PLC



Portfolio Manager

Nick Train

LINDSELL TRAIN



Fund Information as at 30 September 2016

www.finsburygt.com

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Investment Objective and Benchmark Index

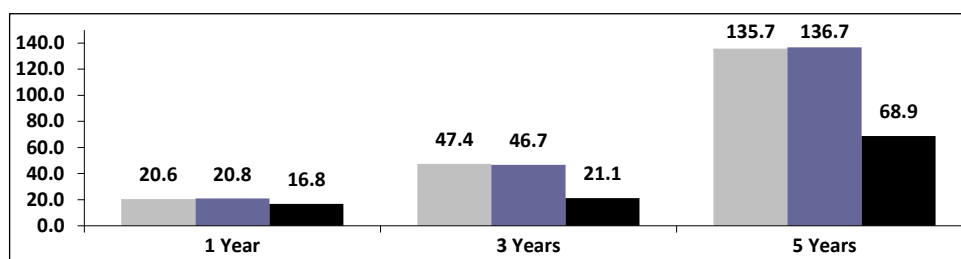
Finsbury Growth & Income Trust PLC invests principally in the securities of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

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	12.3
Share Price	4.1	25.4	35.1	5.9	12.4	12.7
Index *	-3.5	12.3	20.8	1.2	1.0	12.4

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

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

Commentary

In September, the NAV was up 0.7% on a total return basis, the share price was up 0.5% while the index was up 1.7%.

Two interesting corporate developments for portfolio companies last month; typical of the sort of stuff we watch out for:

Hargreaves Lansdown's full year dividend was declared on the 7th September. The total pay out for the year increased by 3%. However, behind this headline figure there is a significant underlying change. For a number of years Hargreaves has been paying a special dividend alongside its final, but this year the special dividend was cut by 13% compared to last. Despite this, as noted above, the total dividend for the year, including this reduced special payment, was increased by 3%. This is the result of the ordinary dividend being up 15% for the year. In other words the "quality" of Hargreaves total dividend is improving, as the "special" or possibly non-recurring proportion of it declines. Hargreaves remains a formidable machine – in terms both of its commercial success and its ability to generate cash.

Daily Mail recently reported pre-close numbers for the first 11 months of its financial year. Within these the Daily Mail newspaper's advertising revenues were down 3%. But again this headline figure masks an interesting divergence. Print advertising was down 13%, while digital advertising (MailOnline) rose 18%. We are getting closer – or so we must hope - to the point at which digital revenue growth compensates for the decline in print and total advertising starts to grow again. To be fair and delaying that sweet point, it looks as though the rate of print advertising decline is getting even worse over the last few weeks. Even so there is an important change here. Lowly valued print revenues are shrinking, being replaced by possibly very highly valued and growing digital advertising revenues. So even though total earnings from the Mail may be static or declining, the valuation you might apply to those earnings is increasing. What value do you put on a media asset that in August 2016 attracted 248 million global unique browsers, up 30 million from the year before? That's what the MailOnline drew to its site – a site that is now generating an annualised run-rate of advertising of £100 million. The answer is it's probably very valuable, even in the context of the group's £2.7bn market capitalisation.

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 have an above-market dividend yield. 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

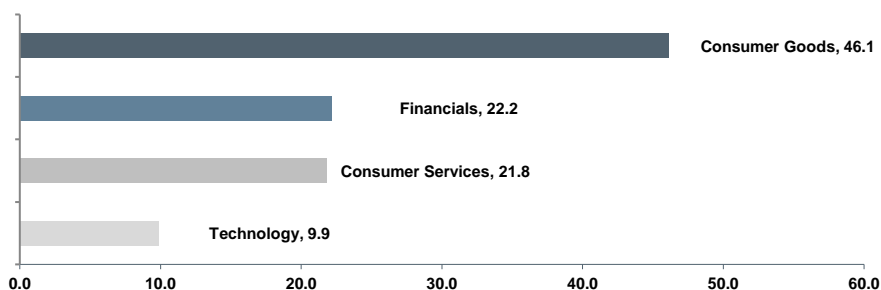
The Directors have adopted an active discount management policy to establish and support an improved rating in the Company's shares through the use of share buybacks, with a view to limiting the discount to NAV per share at which the shares trade to no more than 5%. Shares bought back may be held in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

Name	Sector	Total
Diageo	Consumer Goods	9.9
Unilever	Consumer Goods	9.9
Relx	Consumer Services	9.7
London Stock Exchange	Financials	7.3
Sage Group	Technology	6.8
Heineken	Consumer Goods	6.6
Burberry Group	Consumer Goods	6.1
Schroders	Financials	5.9
Hargreaves Lansdown	Financials	5.7
Daily Mail & General Trust	Consumer Services	4.5
Total		72.4

Sector Breakdown as at 30 September 2016 (%)



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

1 year	120.8
3 years	146.7
5 years	236.7

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

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Sep 11-Sep 12	Sep 12-Sep 13	Sep 13-Sep 14	Sep 14-Sep 15	Sep 15-Sep 16
NAV	21.1	32.0	9.0	12.2	20.6
Share Price	23.6	30.5	8.6	11.8	20.8
Index	17.3	18.9	6.1	-2.3	16.8

Awards

Winner: What Investment Trust 2016, Best UK Investment Trust
Winner: Moneywise, Investment Trust Of The Year Awards 2015, 2016
 Category: UK Equity Income
Winner: Money Observer 2015, Highly Commended: Best UK Equity Trust
Money Observer Rated Fund 2015
Winner: Investment Week, Investment Trust Of The Year Awards 2015
 Category: UK 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.

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Fast Facts

As at 30 September 2016

Launch Date	1926
Annual Management Fee (payable by the company) 0.60% of the market capitalisation plus £70,000	
Ongoing charges*	0.8%
Year / interim end	30 September/ 31 March
Capital Structure	142,318,212 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	25
Net Assets (£m)	£936.0m
Market Capitalisation (£m)	£936.5m
Dividend Per Share**	13.1p
Current Net Yield	1.9%
Gearing (AIC basis)	2%

Leverage***	
Gross & Commitment	102%
Share Price (p)	658.00
NAV (p) (cum income)	657.70
Premium / (Discount) to NAV (p)	0.1%

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.

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