

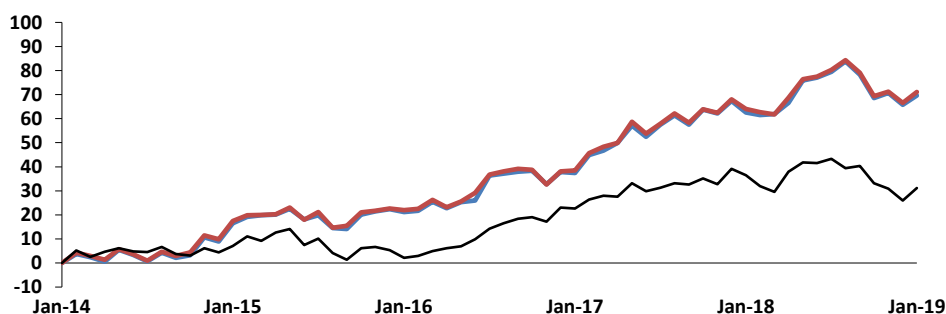


Investment Objective and Benchmark Index

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) +71.1%

Share Price (total return) +69.6%

Benchmark: FTSE All-Share Index (net dividends reinvested) +31.2%

Source: Morningstar

Commentary

In January, the NAV was up 2.7% on a total return basis, the share price was up 2.3% on a total return basis, while the index was up 4.2%.

Many portfolio companies delivered trading updates or reported results during January. Share price reactions to the news from each company were mixed, but, genuinely, we were encouraged by them all.

Amongst January fallers in the portfolio – all triggered by their reports - notable were Hargreaves Lansdown, Unilever and Pearson. Yet, to our mind, you don't have to work too hard to see the bright side to what each company had to say. Even if other investors chose to focus on the negative.

For instance, it is undeniable that growth slowed at Hargreaves Lansdown, during a very tricky time for UK politics and global stock markets. Nonetheless the business did grow and, importantly, took share – now representing 39% of the D2C Platform market and nearly 32% share of the Stock Broking market. We liked some of the two year statistics the company shared. Over that period the number of clients is up 30% to 1.1m; transactions on the site have climbed from 5.4m to 6.1m pa. The number of calls to the help desk has increased from 680k to 890k pa, while – and I love this statistic – the time taken to answer a client call has fallen from 30 to 18 seconds. In short, Hargreaves has and continues to invest heavily in its client service. When confidence and volumes recover, we'd expect HL to deliver explosive growth. In the meantime the shares were down 30% from their highs at the January lows.

Unilever reported earnings growth of 13%, admittedly in constant currency, driven by its best volume growth in three years. Not enough, evidently – because the shares fell 3%. We thought Bernstein's analysis of the results was helpful. It noted the growth in Unilever's revenues from Emerging Markets has steadily slowed every year since 2012, when they peaked, up 11%. Last year they grew 5%. But as Bernstein argues, 5% growth for 59% of your total revenues isn't so bad. And you can make up your own minds about the prospects for reacceleration over the next few years. The double digit revenue growth Unilever was able to report from its Indian subsidiary last year inclines us to optimism.

As to Pearson, I participated in a round table discussion about UK investment prospects with a Fidelity investment director during January and we noted the only common holding between your fund and the Fidelity Special Situation Fund is Pearson. I was thrilled to hear Fidelity's argument about the extent of the undiscounted change at Pearson, in particular the growing success of its digital services. Thrilled, but somewhat mortified to recall myself arguing for the same more than 10 years ago. And even after a much better year in 2018, Pearson's stock is only marginally higher than it was in 2007. Let's hope Fidelity's timing – already much better than mine - turns out to be inspired and that it will be a special situation for all the right reasons. Certainly, the next couple of years, as Pearson's Global Learning Platform is rolled out, will be critical for the company.

Several companies delivered positive surprises and unlike the above were rewarded by higher stock prices. We thought the 14% advertising growth delivered by MailOnline was truly significant and suggestive of real value building in that asset – shares up over 5%. Also notable was the c11% organic growth reported by Sage in its biggest geography, the USA – c30% of the whole. With c£550m revenues in the US and an accelerating "cloud" story to tell – both there and increasingly globally – we're pleased to see Sage's stock up 9% so far in 2019.

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 January 2019 (% of total investments)

Name	Sector	Total
Diageo	Consumer Goods	10.8
RELX	Consumer Services	10.4
Unilever	Consumer Goods	9.6
London Stock Exchange	Financials	8.6
Mondelez Int.	Consumer Goods	8.5
Burberry Group	Consumer Goods	7.2
Schroders	Financials	7.1
Hargreaves Lansdown	Financials	6.9
Sage Group	Technology	6.0
Heineken	Consumer Goods	5.4
Total		80.5

Sector Breakdown as at 31 January 2019 (%)

Consumer Goods	47.2
Financials	25.7
Consumer Services	21.1
Technology	6.0
Total	100.0

Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2014	2015	2016	2017	2018	YTD
NAV	6.9	11.6	12.5	21.7	-0.8	2.7
Share Price	5.9	12.4	12.6	21.5	-0.9	2.3
Index	1.2	1.0	16.8	13.1	-9.5	4.2

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jan 14- Jan 15	Jan 15- Jan 16	Jan 16- Jan 17	Jan 17- Jan 18	Jan 18- Jan 19
NAV	17.4	4.0	13.5	18.4	4.3
Share Price	16.5	4.1	13.4	18.3	4.3
Index	7.1	-4.6	20.1	11.3	-3.8

Source: Morningstar.

* Index source: FTSE International Limited ("FTSE") © FTSE 2019

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.

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 January 2019

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	181,611,712 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	22
Net Assets (£m)	£1,396.5m
Market Capitalisation (£m)	£1,398.4m
Dividend Per Share**	15.3p
Current Net Yield	2.0%
Gearing	2.2%
Leverage***	Gross 102.2% Commitment 102.6%
Share Price (p)	770.00
NAV (p) (cum income)	768.93
Premium / (Discount) to NAV (p)	0.1%

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.

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

Email: info@frostrow.com

