

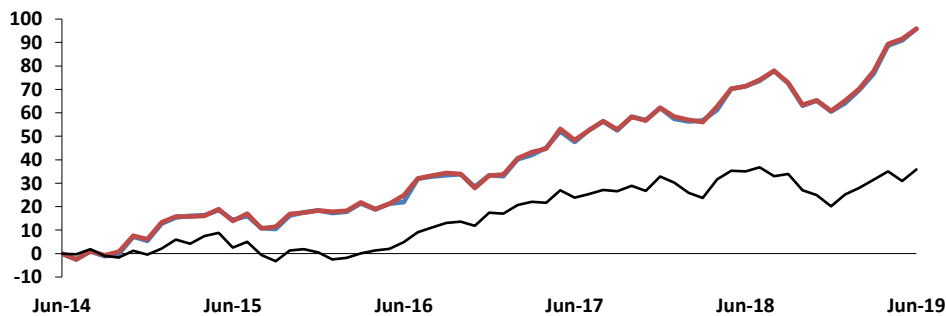


Investment Objective and Benchmark Index

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) +95.9%

Share Price (total return) +95.9%

Benchmark: FTSE All-Share Index (net dividends reinvested) +35.8%

Source: Morningstar

Commentary

In June, the NAV was up 2.3% on a total return basis and the share price was up 2.6%, on a total return basis, while the index was up 3.7%.

Lindsell Train Limited (LT) is affected by the Woodford affair in a number of ways.

First, what has happened is damaging to the whole active management industry, including us. At the margin we expect intermediaries to become even more likely to recommend their clients use passive products to capture equity exposure. And we expect individuals to become even warier about investing their savings in any kind of equity vehicle. This is a shame for the UK economy and society in general.

Second, Woodford's relationship with Hargreaves Lansdown (HL) has raised questions about ours too. HL's share price has fallen and it is a matter of public record that LT is not only a significant shareholder in HL, but also a big recipient of HL client savings. As at 30 June, Finsbury Growth & Income Trust's (FGT) holding in HL was 7.2% of the portfolio and HL clients owned 12.5% of FGT. Two questions arise. First - is there a conflict of interest? Next - has the investment case for HL been permanently impaired?

As to a possible conflict of interest - LT is a regulated company (as is HL, of course) and it is critical for both companies' reputations and the maintenance of our regulatory status that we give consideration to and avoid any conflicts that might harm our clients. So, of course we do consider on an ongoing basis the possibility that the investment decision to invest in HL, that Mike and I first took as long ago as 2007 could lead to such a conflict. We do not believe there is a conflict, because we cannot conceive how our investment in HL shares could influence that company's investment experts to recommend purchasing or selling our funds to its customers. We don't mean to trivialise the situation - but is it really credible that LT would so openly pursue a business strategy that relied on us using our clients' savings to try and persuade a reputable counterparty to recommend our funds against its better judgement? No. We made the investment precisely because we admire the integrity, independence of thought and investment acumen of the professionals who work there.

But in the current environment we can understand why questions might be asked.

The commentary continues on page 3.

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 outside the UK. 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 30 June 2019 (% of total investments)

Name	Sector	Total
RELX	Consumer Services	10.4
Unilever	Consumer Goods	10.1
Diageo	Consumer Goods	10.0
Mondelez Int.	Consumer Goods	8.7
London Stock Exchange	Financials	8.3
Schroders	Financials	7.5
Hargreaves Lansdown	Financials	7.2
Burberry Group	Consumer Goods	7.2
Sage Group	Technology	6.7
Heineken	Consumer Goods	5.7
Total		81.8

Sector Breakdown as at 30 June 2019 (%)

Consumer Goods	47.9
Financials	25.7
Consumer Services	19.6
Technology	6.8
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	21.8
Share Price	5.9	12.4	12.6	21.5	-0.9	22.0
Index	1.2	1.0	16.8	13.1	-9.5	13.0

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jun 14- Jun 15	Jun 15- Jun 16	Jun 16- Jun 17	Jun 17- Jun 18	Jun 18- Jun 19
NAV	14.0	9.5	19.0	15.4	14.3
Share Price	14.3	6.7	21.0	16.1	14.3
Index	2.6	2.2	18.1	9.0	0.6

Source: Morningstar.

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

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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.

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 June 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	196,016,712 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	23
Net Assets (£m)	£1,769.7m
Market Capitalisation (£m)	£1,783.8m
Dividend Per Share**	16.1p
Current Net Yield	1.8%
Gearing	1.0%
Leverage***	Gross 101.0% Commitment 101.9%
Share Price (p)	910.00
NAV (p) (cum income)	902.85
Premium / (Discount) to NAV (p)	0.8%

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 paid 9 Nov 18 :(Year ended Sep 18) 8.1p

1st Interim payable 16 May 19 :(Year ended Sep 19) 8.0p

***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.

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What of the investment case for HL shares? We want to be careful about what we say on this matter, because the size of our holding means that we are to a degree *parti pris* or committed to a view. Of course we hope that HL will continue to prosper as a business and be a good investment for our clients. But we would say that, wouldn't we? So I will limit my comments to a factual account. HL's shares fell 15% in June and were thus the biggest detractor to our performance over the month. We were not surprised by the fall and agree that HL's reputation has taken a blow. We also agree it is appropriate that the media, regulator and politicians should review HL's role in the affair, if for no other reason than to help us all understand and address areas where we can better manage risks and serve the needs of investors. As I write this report HL shares have recovered from the lows of June – up some 9% from that level. We take this as investors coming to the conclusion that HL's reputation can recover – over time. We agree and accordingly have added to our holding over the last few weeks.

The final ramification of all this, and of greatest concern to LT, is the shocking sight of a run on a UK open-ended fund. It demonstrates the bad things that can happen when investment managers take risk with portfolio concentration and illiquidity. And the truth is – as we seek to communicate to all our investors – that there is risk inherent in the concentrated nature of our portfolio and to an extent with liquidity too. However, to be clear, we do not invest in unquoted shares in our open-ended funds and to an overwhelming extent only invest in substantive companies. Both our Global and UK funds are at least 99% invested in companies with market capitalisations of over £1bn. FGT has 97.5% invested in quoted companies over £1bn in size and one unquoted investment, Frostrow Capital LLP, which is the responsibility of the FGT Board and which represents 0.1% of the portfolio.

There is no question that if we were required to return a big proportion of the capital entrusted to us in short order – say 20% or more - whilst we are confident we could do so, we would have to take discounts on some of our holdings in order to raise cash that would damage the value of fund units at least in the short term. Michael Lindsell has recently written a more detailed note on these issues, which is available on the Lindsell Train website and which we counsel all investors in our funds, or potential investors, to read.

Actually what really concerns us is that the episode has arisen at a time when LT's long and short term performance and inflows into our funds have been so strong. Elevated expectations for future returns and a growing predominance of new fund holders set up the circumstances for possible disappointment.

In light of the above, Mike and I make the following observations:

We should not alter our investment style or process in response to the recent events or the scale of our business. We have always invested on the assumption that the money entrusted to us is permanent (even though we know it is not necessarily so). That assumption has allowed and encouraged us to take truly strategic views about the companies we invest in – it is central to our ability to capture returns.

Most importantly, we intend to remain as frank and transparent as possible about the risks intrinsic to our funds. We encourage individuals and institutions to consider whether the risks we take are acceptable to them.

