

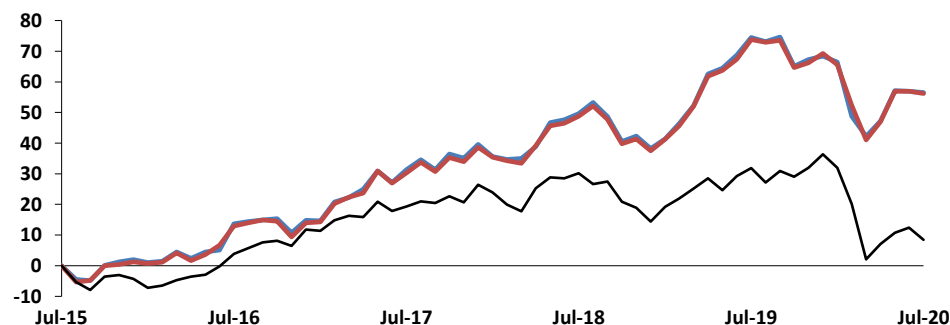


## Investment Objective and Benchmark Index

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) +56.2%

Share Price (total return) +56.5%

Benchmark: FTSE All-Share Index (net dividends reinvested) +8.5%

Source: Morningstar

## Commentary

In July, the NAV was down 0.5% on a total return basis and the share price was down 0.2%, on a total return basis, while the index was down 3.6%.

A fair number of portfolio constituents reported results or offered trading statements in July and this in turn occasioned a fair amount of share price volatility during what was evidently already a volatile month for asset markets. Thirteen of the holdings had share price moves of 5% or more in July – over half of the portfolio by number.

On the positive tack – Sage, Hargreaves Lansdown, Remy Cointreau, Unilever, Rathbones and Fever-Tree were all up at least 5%, with Rathbones the biggest absolute gainer, up 14%. However, there were notable losers too – Burberry, RELX, Manchester United, Daily Mail, Pearson, Youngs and Fullers were all down more than 5%, with Fullers the biggest faller, down 23% (although this is a tiny holding currently).

What can be said about this disparate set of price moves? I should note that dividend announcements, when made, were as expected – although it was pleasing to see double digit increases from the LSE and Mondelez. Elsewhere – Pearson, Rathbones, RELX, Schroders and Unilever all maintained the dividends they announced at the same level as last year. Fullers confirmed it is not currently paying a dividend.

It is clear that businesses that rely on face-to-face human interaction continue to have a tough time, still unable to predict the bottom for their operations. In particular the companies we hold that derive some of their earnings from exhibitions had a poor month in share price terms – notably RELX and Daily Mail. The two pub companies fall into this category, despite the longed-for reopening of their estates in July. The biggest detractor this month was Burberry, whose shares were down over 20%. This too is a company that relies on tourism, buzzing cities and consumer confidence. All in short supply – at least for now.

On the flip side of that coin, we have seen analysis that points to a sharp uptick in the savings ratio in the UK, as consumers cut back on travel and out of home entertainment and instead save more of their income against what might turn out to be rainier days to come. It may be that what is bad for consumer spending may benefit those companies we own which are exposed to an increased propensity to consumer saving – Hargreaves, Rathbones and Schroders. In a market marked by big swings in sentiment and with, understandably, little clarity about the prospects for many businesses, we stick to a favoured adage – “when in doubt do nothing”.

## 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. The Company's investment policy is to invest principally in the securities of companies either listed in the UK or otherwise incorporated, domiciled or having significant business operations within the UK, whilst up to a maximum of 20% of the Company's portfolio, at the time of acquisition, can be invested in companies not meeting this criteria. 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 NAV 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 July 2020 (% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	12.7
Unilever	Consumer Goods	10.6
Diageo	Consumer Goods	10.2
Mondelez Int.	Consumer Goods	9.1
RELX	Consumer Services	8.8
Schroders	Financials	7.6
Hargreaves Lansdown	Financials	7.3
Sage Group	Technology	6.6
Burberry Group	Consumer Goods	5.4
Heineken	Consumer Goods	5.3
<b>Total</b>		<b>83.6</b>

## Sector Breakdown as at 31 July 2020 (%)

Consumer Goods	48.2
Financials	29.7
Consumer Services	15.5
Technology	6.6

**Total 100.0**

## Discrete Performance – Calendar Years (%)

Percentage Growth	2015	2016	2017	2018	2019	YTD
NAV	11.6	12.5	21.7	-0.8	23.1	-7.7
Share Price	12.4	12.6	21.5	-0.9	21.8	-7.1
Benchmark	1.0	16.8	13.1	-9.5	19.2	-20.5

## Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jul 15-Jul 16	Jul 16-Jul 17	Jul 17-Jul 18	Jul 18-Jul 19	Jul 19-Jul 20
NAV	12.9	15.4	14.2	16.8	-10.1
Share Price	13.6	15.6	13.9	16.6	-10.3
Index	3.8	14.9	9.2	1.3	-17.8

Source: Morningstar.

\* Index source: FTSE International Limited ("FTSE") © FTSE 2020

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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 per share 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 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 July 2020

<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>	217,466,303 Ordinary shares of 25p
<b>Number of Holdings</b>	24
<b>Net Assets (£m)</b>	£1,794.4m
<b>Market Capitalisation (£m)</b>	£1,798.4m
<b>Dividend Per Share**</b>	16.6p
<b>Current Net Yield</b>	2.0%
<b>Gearing</b>	1.1%
<b>Leverage***</b>	Gross 101.1% Commitment 102.0%
<b>Share Price (p)</b>	827.00
<b>NAV (p) (cum income)</b>	825.13
<b>Premium / (Discount) to NAV (p)</b>	0.2%

## Codes

<b>Sedol</b>	0781606
<b>ISIN</b>	GB0007816068
<b>Legal Entity Identifier (LEI)</b>	213800NN4ZKX2LG1GQ40
<b>Global Intermediary Identification Number (GIIN)</b>	QH4BH0.99999.SL.826
<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 8 Nov 19 : (Year ended Sep 19) 8.6p  
1st Interim payable 15 May 20 : (Year ended Sep 20) 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% pa of the Company's adjusted market capitalisation up to a value of £1 billion, such fee reducing to 0.405% pa of the Company's adjusted market capitalisation in excess of £1 billion up to a value of £2 billion, such fee reducing to 0.36% pa of the Company's adjusted market capitalisation in excess of £2 billion.

Frostrow – 0.15% pa of the Company's adjusted market capitalisation up to a value of £1 billion, such fee reducing to 0.135% pa of the Company's adjusted market capitalisation in excess of £1 billion up to a value of £2 billion, such fee reducing to 0.12% pa of the Company's adjusted market capitalisation in excess of £2 billion.

## How to Contact Us

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