

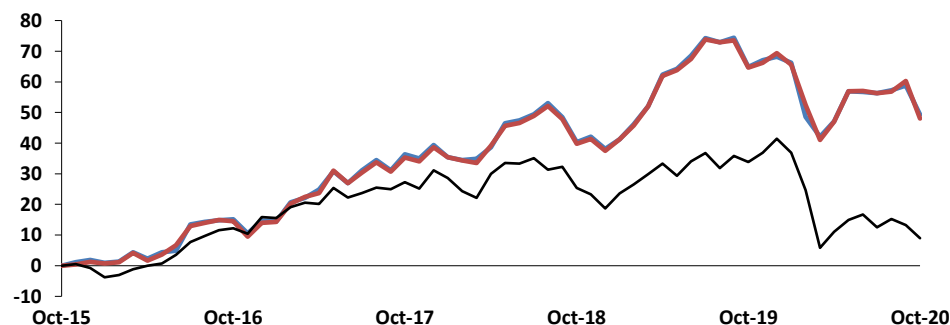


## Investment Objective and Benchmark Index

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) +48.1%

Share Price (total return) +49.3%

Benchmark: FTSE All-Share Index (net dividends reinvested) +8.9%

Source: Morningstar

## Commentary

In October, the NAV was down 7.6% on a total return basis and the share price was down 6.0%, on a total return basis, while the index was down 3.8%.

The five biggest fallers over the month, in terms of detracting from the NAV were: RELX, Hargreaves Lansdown, Burberry, Sage and Unilever. Unilever was down 7%, the others down double digits. We have been adding to them all.

Four of the five updated investors over October with news about business performance.

The exception was Burberry, which is due to report its interim results in the second week of November. Burberry shares have been both very weak and very volatile during 2020. They fell 13% in October, having rallied 24% between July and end September. At their October closing price Burberry shares are down a sobering 39% in 2020 to date. FGT shareholders may or may not have their own views about the justification of such a collapse in Burberry's value. But to us it is unwarranted, even accepting that the company is having a difficult year. Burberry is a top-10 global luxury brand and such brand equity is neither built overnight, nor destroyed in a hurry. We hope that when the company reports in November it will be able to reassure investors about recovery across its business and, in particular, growth in Asia.

As to the other four fallers, who did share news with the market in October, candidly I would've expected the shares to go up on their reports, rather than fall. This may demonstrate how profoundly pessimistic other participants in the UK stock market have become. And you may judge from the summary of each below.

RELX reported Quarter 3 results, which detailed moderate year-on-year growth in three of its four divisions, amounting to 84% of the total, with improvement for each since the half year. Meanwhile, the other – Exhibitions – suffered a 70% decline in revenues, for obvious reasons. All four of RELX's businesses are of exceptional quality, in our opinion – including Exhibitions – and offer a combination of secular, technology-led growth and strong cash generation. Similar assets in other countries are valued very highly indeed, certainly in comparison to RELX today. To us RELX is one of the UK's very few obvious globally-significant digital leaders and we are frustrated that it has not been able to participate in the bull market for such companies that is so pronounced in the United States.

Hargreaves Lansdown's first quarter report showed revenues up 12% on the preceding year, partly driven by the signing up of another 31,000 new clients, nearly double the same period last year. Actual new assets of £800m were in line with 2019. Double digit sales growth is rather rare around the world today, except in Silicon Valley.

*Continues 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. 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 October 2020 (% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	11.5
Unilever	Consumer Goods	10.7
Diageo	Consumer Goods	9.9
Mondelez Int.	Consumer Goods	9.3
RELX	Consumer Services	9.1
Schroders	Financials	7.1
Burberry Group	Consumer Goods	6.2
Sage Group	Technology	6.1
Hargreaves Lansdown	Financials	6.0
Remy Cointreau	Consumer Goods	5.2
<b>Total</b>		<b>81.1</b>

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

Consumer Goods	49.6
Financials	26.5
Consumer Services	16.1
Technology	6.1
Industrials	1.7
<b>Total</b>	<b>100.0</b>

## Discrete Performance – Calendar Years (%)

Percentage Growth	2015	2016	2017	2018	2019	YTD
NAV	11.6	12.5	21.7	-0.8	23.1	-12.5
Share Price	12.4	12.6	21.5	-0.9	21.8	-11.2
Benchmark	1.0	16.8	13.1	-9.5	19.2	-23.0

## Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Oct 15- Oct 16	Oct 16- Oct 17	Oct 17- Oct 18	Oct 18- Oct 19	Oct 19- Oct 20
NAV	14.5	18.1	3.3	17.8	-10.1
Share Price	15.2	18.4	2.9	17.5	-9.4
Index	15.2	13.4	-1.5	6.8	-18.6

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 October 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>	219,486,303 Ordinary shares of 25p

## Trust Characteristics

<b>Number of Holdings</b>	25
<b>Net Assets (£m)</b>	£1,699.0m
<b>Market Capitalisation (£m)</b>	£1,716.4m
<b>Dividend Per Share**</b>	16.6p
<b>Current Net Yield</b>	2.1%
<b>Gearing</b>	1.6%
<b>Leverage***</b>	Gross 101.6% Commitment 103.2%
<b>Share Price (p)</b>	782.00
<b>NAV (p) (cum income)</b>	774.06
<b>Premium / (Discount) / to NAV (p)</b>	1.0%

## 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 13 Nov 20 : (Year ended Sep 20) 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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Sage did not actually update on financial performance last month, but it did host a “Project Strategy and Technology Vision” seminar for analysts and investors at the very end of September. Sage remains a work-in-progress as it looks to migrate its still substantial “last generation” customer base to cloud-based software services. And even after that migration, Sage will then need to demonstrate it can win new customers in a competitive market for the bull case for the shares to really persuade sceptics. All you can say, though, is that the company is definitely making some progress. We were impressed by the statistics the company shared that 25% of all UK VAT returns are currently submitted over Sage Business Cloud and that there were 6.7 million logins to that service last month, up 50% year-on-year. There is something to build on here.

Finally, Unilever's Q3 sales came in with a rise of 4.4% over the corresponding period last year – driven, as was reported in the media, by “people stocking up on ice-cream, mayo and bleach.” Although we might prefer to put it - people turning to the great taste of Magnum and Hellmann's and the trusted efficacy of Domestos. What we thought was of particular encouragement was, first, the 76% increase in e-commerce sales in the period, taking the group total to 10% - demonstrating the owners of beloved and trusted brands can not only negotiate but harness digital disruption. We expect to see this e-commerce proportion grow much more and, at the margin, to improve group profitability. Next, we were impressed that HindustanLever – majority owned by Unilever and India being ULVR's biggest emerging market – grew its own revenues 16% in the quarter. Overall Unilever's emerging market sales went up 5.3% year-on-year and remain a key growth driver for the company.

