Finsbury Growth & Income Trust PLC

Portfolio Manager

Nick Train

LINDSELL TRAIN

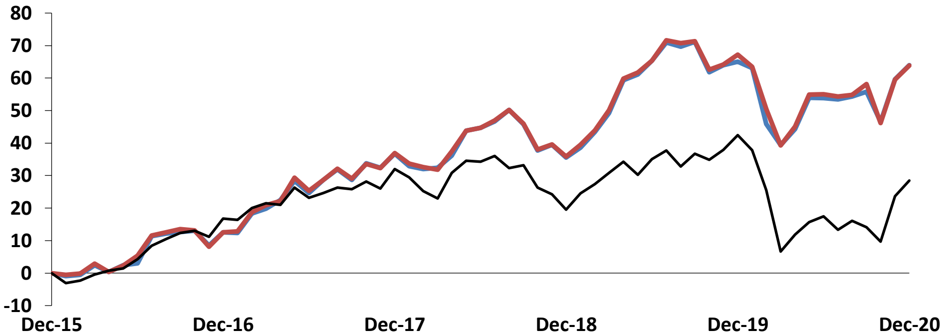
Fund Information as at 31 December 2020 www.finsburygt.com @FinsburyGT

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) +63.8%
Share Price (total return) +64.0%
Benchmark: FTSE All-Share Index (net dividends reinvested) +28.5%
Source: Morningstar

Commentary

In December, the NAV was up 2.7% on a total return basis and the share price was up 2.7%, on a total return basis, while the index was up 3.9%.

The last 12 months have been as challenging as I can recall as a professional investor. Of course, for all of us as individuals it has been challenging and distressing too. Over the course of 2020 your company's NAV was relatively resilient, compared to steeper falls across the UK stock market. We believe this resilience is the result of the quality of the companies we have chosen to invest in – their predictability and conservatism. However, through December and indeed the final quarter of the year, the NAV has lagged the FTSE All-Share Index, as confidence about the deployment of vaccines has brought a big bounce in shares of companies worst hit by the virus. Of course, we hope the vaccines will be successful and economies and stock markets will continue to recover. It is important to note that the Company closed the year modestly geared, c1% – in other words effectively fully invested. This is because we want to ensure that investors who have entrusted their savings to us get as full participation as possible in the short-and long-term rewards from investing in the strategy.

As we enter a new year, there are several observations I believe are relevant about the structure of the investment portfolio and the outlook for future performance.

First, the portfolio remains, as always, very predominantly made up of big companies. Just about 90% is invested in FTSE100 companies, or their equivalent, where we own non-UK names. Having said that, many of these so-called "big" companies we hold are, to our minds, still small companies relative to their future potential and warranted value. For instance, we hope that FTSE 100 holdings Burberry, Hargreaves Lansdown, LSE and RELX could grow to be very much bigger companies in years to come; remember, according to the company, Diageo only accounts for 4% of the world's booze consumption – plenty more to go for.

In passing, there are three non-UK holdings – Heineken, Mondelez and Remy Cointreau. Mondelez is an inherited holding, deriving from our investment in Cadbury at the time of its takeover. Mondelez increased its dividend by 10.5% in 2020, as its iconic brands, led by Cadbury and Oreos, continued their steady growth in markets around the world. The other two are, not coincidentally, both family-controlled alcoholic beverage businesses, where the eponymous brands, Heineken and Remy Martin, account for much of the value of the companies. We very much like investing in such situations, observing that many of the world's most enduring family fortunes have been based on multi-decade or even multi-century ownership of iconic booze brands. As discussed below, Heineken had a difficult 2020. However, even at its depressed end of 2020 price, Heineken shares are up 24-fold since 1990, for an annualised compound growth rate of 11%. We believe there is every reason the shares could do as well over the next few decades. Meanwhile, Remy was our best performer in 2020, up 48% - as drinkers around the world, especially Asia, drowned their sorrows in premium cognac.

Next, the way we think about the structure of the portfolio is as follows.

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 December 2020 (% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	11.0
Diageo	Consumer Goods	10.0
RELX	Consumer Services	9.7
Unilever	Consumer Goods	9.5
Mondelez Int.	Consumer Goods	8.5
Schroders	Financials	7.9
Burberry Group	Consumer Goods	7.3
Hargreaves Lansdown	Financials	6.0
Heineken	Consumer Goods	5.2
Sage Group	Technology	4.9
Total		**80.0**

Sector Breakdown as at 31 December 2020 (%)

Consumer Goods	48.8
Financials	26.9
Consumer Services	17.3
Technology	4.9
Industrials	2.1
Total	**100.0**

Discrete Performance – Calendar Years (%)

Percentage Growth	2016	2017	2018	2019	2020
NAV	12.5	21.7	-0.8	23.1	-2.0
Share Price	12.6	21.5	-0.9	21.8	-0.7
Benchmark	16.8	13.1	-9.5	19.2	-9.8

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Dec 15-Dec 16	Dec 16-Dec 17	Dec 17-Dec 18	Dec 18-Dec 19	Dec 19-Dec 20
NAV	12.5	21.7	-0.8	23.1	-2.0
Share Price	12.6	21.5	-0.9	21.8	-0.7
Index	16.8	13.1	-9.5	19.2	-9.8

Source: Morningstar.
* Index source: FTSE International Limited ("FTSE") © FTSE 2020
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 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.

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").

Fast Facts

As at 31 December 2020

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*	0.6%
Year / interim end	30 September/ 31 March
Capital Structure	222,861,303 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	25
Net Assets (£m)	£1,932.1m
Market Capitalisation (£m)	£1,950.0m
Dividend Per Share**	16.6p
Current Net Yield	1.9%
Gearing	1.4%
Leverage***	Gross 101.4% Commitment 101.8%
Share Price (p)	875.00
NAV (p) (cum income)	867.31
Premium / (Discount) / to NAV (p)	0.9%

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 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

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

Continued from page 1

Around 40% is invested in companies which we believe have the potential to be digital winners. This proportion includes not only obvious data analytics or technology businesses such as RELX or Sage, but companies in other industries that are doing value-creating things with data or technology to deepen their relationships with their customers, such as Daily Mail & General Trust and even Manchester United.
Next, we have c35% in companies which own beloved and trusted consumer brands. The biggest holdings here include Diageo, Heineken, Mondelez and Unilever. The way consumers have flocked to such brands in 2020, perhaps for reassurance, has certainly been reassuring for their investors.

There is an additional 15.5% in companies which own luxury or premium brands (and note, I have included 2% in this category from our holding in Diageo, to represent the c20% of DGE's revenues that derive from its wonderful and rapidly growing reserve/premium brands). Burberry and Remy Cointreau are other important positions.

The balance is held in what we call stock market proxies, specifically asset management companies with growing private wealth franchises, with Schroders the biggest. We see the provision of private wealth advice as another service that has an opportunity to harness 21st century technology to improve customer experience and shareholder returns.

This portfolio structure has not changed much in recent years. To us these are four, long term, winning ideas that we hope will go on winning.

However, at the margin we would like and expect to see the 40% in Digital Winners and the 15.5% in Luxury and Premium go up further – as a result of capital appreciation and us deploying more capital. And to demonstrate our intent, we have initiated two new holdings during 2020, taking advantage of the tumultuous conditions. Namely, Experian, now built to a 2% position – which is certainly one of the UK's very rare multi-billion market cap, globally relevant digital leaders. And then in premium, we were lucky to find a very depressed point to initiate in Fever-Tree, now also a c2% holding. We intend to add to both.

A final observation. I am always cautious about making any investment call based on macro-economics or politics – because my track record in doing so is poor. Nonetheless in recent years, as a longstanding practitioner in the UK Equity market I have had a strong sense that the uncertainty surrounding the UK's protracted divorce from Europe has discouraged global investors from allocating to the London stock market and positively encouraged hedge funds to short London shares and go long of other markets without the same political and currency worries. Certainly, we have watched wider and wider divergences develop between the share price performance and the valuations of similar UK and non-UK companies. For instance, would Remy's share price have been up 48% in 2020 if it were a London-listed security? Would Diageo have been down 10%, except for its UK domicile? We expect not. There are many other examples and for us, therefore, it is no accident that the UK stock market has rallied since the Brexit deal was announced. A big uncertainty has been removed and investors can now shop for bargains.

To conclude this report, I want to share some company specific observations with you. These are pieces of information that have recently been revealed about portfolio companies that we regard as relevant and encouraging. They are the sort of data points or anecdotes we monitor all the time.

So – for instance, one of the best pieces of good news I have heard for months was revealed in RELX' 9-month results. The company was able to report that submissions to its subscription scientific journals had accelerated in 2020 and were up 25% year-on-year. Meanwhile, submissions of articles to its rapidly growing open-access journals have doubled in 2020. Why is that good news? Well because it shows the continuing relevance of Elsevier as a place for scientists to get their research recognised in a digital world. But the even better news is that scientists are clearly redoubling their efforts to find solutions to humanity's problems. We wish them well.

In Unilever's most recent quarterly results the company reported its e-commerce revenues were up 76% year-on-year, up to 10% of the total. This does not mean that Unilever is turning into an Internet business, but it does give reassurance that its brands - from Ben & Jerry's to Domestos – can remain relevant in an increasingly digital world. By the way – have you tried Unilever's new Marmite-infused peanut butter? It's divine.

Heineken had a very tough year, as bars and clubs across Europe have been and still are shuttered. So, we weren't surprised to see at its 9 month results that organic volumes of its beverages around the world were down 8% in aggregate, with profits down a lot more than that. However, within that volume number we note that the volumes of Heineken's biggest and most profitable brand were actually up. That's the Heineken brand itself, of course and admittedly they were up only 1%. Nonetheless, we thought to deliver any growth was a notable achievement in the circumstances, partly driven by the success of its newly launched alcohol-free Heineken 0.0 and shows the potential that is still available to this truly global brand. There was a 20% bounce in Heineken shares on the Pfizer vaccine news and we hope more to come as the world reopens.

Another company that had a tough 2020, again unsurprisingly, is Manchester United, which has just reported a quarterly loss – in part because of loss of revenues from match days. I mentioned above that we include Man Utd amongst our hoped-for digital winners. The reason is we expect the digital technology platforms to push up the value of the sports broadcast rights as they increasingly compete against each other – Amazon, of course has led the way, already acquiring a parcel of Premiership rights. And there is no doubt about the continuing global fascination for football. Consider one growth statistic Man Utd was able to share at its results. Over the last 12 months hits to the club's social media sites numbered 1.1bn, up 24% over last year. In a digital world such attention is increasingly valuable. Manchester United's shares have rallied over 20% since the start of November – but still offer meaningful strategic value, in our opinion.

There are many other examples I could share, but the point should be clear. In a year like 2020 it is so important not to confuse short term, one-off, difficulties with underlying and long-term strategic progress. We believe almost all the companies in your portfolio are more valuable today than they were at the start of 2020 (even if their share prices have not yet reflected that value). Either because they have proven themselves resilient during the most stressful circumstances or they have found new ways to create profitable value, often by exploiting digital technology.