Frostrow CAPITAL

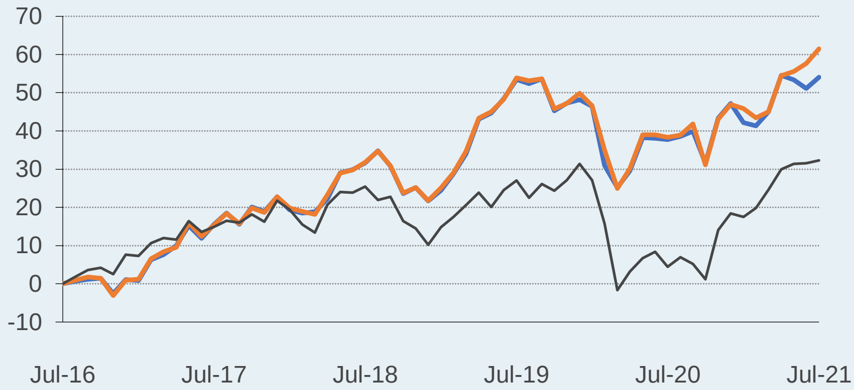
Finsbury Growth & Income Trust PLC
Factsheet as at 31 July 2021

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 Year 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.



Share Price (total return) +54.0%
Net Asset Value per share (total return) +61.5%
Benchmark: FTSE All-Share Index (net dividends reinvested) +32.3%

Source: Morningstar

Ten Largest Holdings as at 31 July 2021 (% of total investments)

Name	Sector	Total
Diageo	Consumer Staples	11.4
RELX	Consumer Discretionary	10.6
London Stock Exchange	Financials	8.4
Mondelez Int.	Consumer Staples	8.3
Unilever	Consumer Staples	8.2
Schroders	Financials	8.0
Burberry Group	Consumer Staples	7.7
Hargreaves Lansdown	Financials	5.8
Sage Group	Technology	5.4
Remy Cointreau	Consumer Staples	5.2
Total		**79.0**

LINDSELL TRAIN

Portfolio Manager Nick Train

Fast Facts

As at 31 July 2021

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 Ratio ('OCR')*	0.6%
Year / interim end	30 September/ 31 March
Capital Structure	224,991,303 Ordinary shares of 25p
Number of Holdings	25
Net Assets (£m)	£2,124.9m
Market Capitalisation (£m)	£2,040.7m
Dividend Per Share**	16.6p
Current Net Yield	1.8%
Gearing	0.9%
Leverage***	Gross 100.9% Commitment 101.6%
Share Price (p)	907.00
NAV (p) (cum income)	944.44
(Discount) / Premium to NAV	(4.0%)
Portfolio Turnover p.a.	1.5%
Active Share	85.6%

Codes

Sedol	0781606
ISIN	GB0007816068
Legal Entity Identifier (LEI)	213800NN4ZKX2LG1GQ40
Global Intermediary Identification Number (GIIN)	QH4BH0.99999.SL.826
Bloomberg	FGT LN
EPIC	FGT

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Sector Breakdown as at 31 July 2021 (%)

Consumer Staples	49.2
Financials	24.5
Consumer Discretionary	18.2
Technology	5.4
Industrials	2.7
Total	**100.0**

Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2016	2017	2018	2019	2020	YTD
NAV	12.5	21.7	-0.8	23.1	-2.0	9.9
Share Price	12.6	21.5	-0.9	21.8	-0.7	4.6
Index	16.8	13.1	-9.5	19.2	-9.8	11.7

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jul 16-Jul 17	Jul 17-Jul 18	Jul 18-Jul 19	Jul 19-Jul 20	Jul 20-Jul 21
NAV	15.4	14.2	16.8	-10.1	16.7
Share Price	15.6	13.9	16.6	-10.3	11.8
Index	14.9	9.2	1.3	-17.8	26.6

Source: Morningstar.

* Index source: FTSE International Limited ("FTSE") © FTSE 2021

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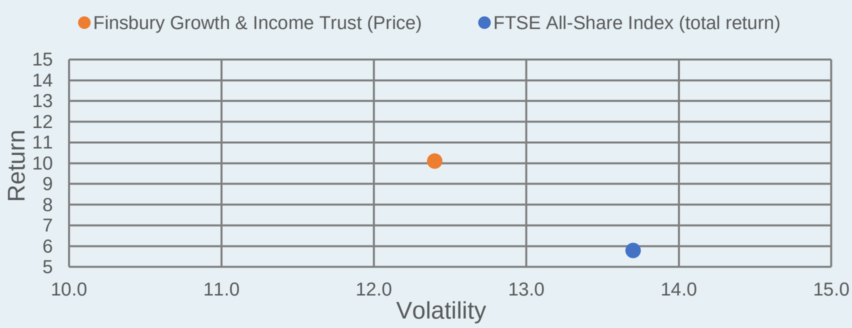
Return vs Volatility (5 Years Annualised) – Chart (%)



**Calculated at the financial year end, includes management fees and all other operating expenses.*

***1st Interim payable 14 May 21 :(Year ended Sep 21) 8.0p*

2nd Interim payable 13 Nov 20 :(Year ended Sep 20) 8.6p

****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.

Active Share is expressed as a percentage and shows the extent to which a fund's holdings and their weightings differ from those of the fund's benchmark index. A fund that closely tracks its index might have a low Active Share of less than 20% and be considered passive, while a fund with an Active Share of 60% or higher is generally considered to be actively managed.

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.

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Commentary

In July, the NAV was up 2.4% on a total return basis and the share price was up 1.9%, on a total return basis, while the index was up 0.5%.

Performance this month was helped by double digit gains from a trio of holdings, each of them companies owning globally significant digital, data and analytics assets. The three are Daily Mail & General Trust, Experian and RELX. The latter pair reported trading updates that not only reassured investors they are emerging on the other side of recent adversity, but, even more importantly, reaffirmed their credentials as growth companies.

Investors, particularly US investors, understand the value that digital and data companies generate for their owners when they grow. Their capital-intensity is low, meaning returns on capital are high and copious cash generated. I say particularly US investors, because companies with similar characteristics have been right at the forefront of the bull market there and very high valuations have been achieved.

Whether those high US valuations are justified is a moot point. But one thing is clear. Applying 20th century measures of what constitutes "value" to digital companies is a mistake. Their returns on capital are simply so structurally higher than analogue/bricks-and-mortar businesses that P/Es we might have regarded as excessive 20 years ago can now justifiably be designated "cheap".

What is particularly interesting is that UK companies with the above qualities are rare and those that control globally significant assets are even rarer. Experian and RELX are undoubtedly examples. And in your portfolio, we continue to believe the London Stock Exchange Group has these credentials too. What makes them even more intriguing is that Experian, LSE and RELX look less highly valued than their US counterparts. Now there are certainly some company-specific reasons why they have not achieved NASDAQ-type valuations; at least yet. But we also believe that their possible undervaluation can be ascribed to the lingering discount that global investors appear to demand to hold UK-listed companies, compared to those quoted on other markets around the world. Simply stated, if Experian, LSE or RELX were US companies we think they could be more highly valued.
That is not just an idle assertion on our part. There is confirmation when you see the current interest being shown by US corporations and US Private Equity houses to acquire UK corporate assets. The ostensible valuation gap looks attractive from the other side of the Atlantic too.

Turning to Daily Mail & General Trust, the reasons for its gains in July are related to the preceding discussion. This is an investment I must admit has called for patience on our part, but the underlying idea has never changed. This was our hope the company would be able to translate the success of its newspapers into digital format and that, in the meantime, the cash thrown off by the newspapers would allow DMGT to build and acquire valuable digital and data assets. In our opinion both expectations have been fulfilled – MailOnline is a standout success and its portfolio of digital assets was shrewdly accumulated. In 2021, at last, the success of DMGT's strategy has begun to be recognised and value crystallised. The shares are up 47% to the end of July. What has triggered the gain has been exactly as noted above. US companies have acquired constituent parts of DMGT at valuations that make sense to US companies, but much higher than UK investors were willing to ascribe to a UK company. Moreover, the controlling Rothermere family has now tabled an indicative offer to take the rump of the company private – confirming that nature abhors a vacuum and that if something stays too cheap for too long eventually someone will act to capture the value.

There was one other portfolio holding that went up more than 10% in July – AG Barr. Over time this has become a smaller position, but I note the gain because we hope it is significant for other portfolio holdings and, indeed, the whole UK stock market. In its trading update Barr was able to report a stronger than expected rebound in its sales, as hospitality reopens and to forecast profits that will be higher, not just than last year, but higher too than in the previous, pre-COVID year. This profit advance is the result of growth from new products developed by Barr, combined with what appear to be permanent cost-savings, accelerated by the crisis. As I say, we hope investors will be positively surprised by similar growth and productivity gains from UK companies in months to come.

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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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.