Frostrow CAPITAL

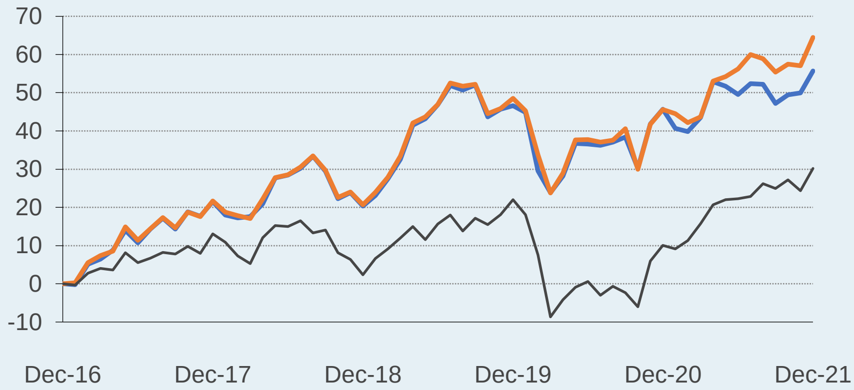
Finsbury Growth & Income Trust PLC
Factsheet as at 31 December 2021

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) +55.7%
Net Asset Value per share (total return) +64.5%
Benchmark: FTSE All-Share Index (net dividends reinvested) +30.2%

Source: Morningstar

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

Name	Sector	Total
Diageo	Consumer Staples	12.5
RELX	Consumer Discretionary	12.1
Mondelez Int.	Consumer Staples	8.9
London Stock Exchange	Financials	8.0
Unilever	Consumer Staples	7.9
Schroders	Financials	7.7
Burberry Group	Consumer Staples	6.8
Sage Group	Technology	6.6
Remy Cointreau	Consumer Staples	5.9
Heineken	Consumer Staples	4.9
Total		**81.3**

LINDSELL TRAIN

Portfolio Manager Nick Train

Fast Facts

As at 31 December 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	224,084,964 Ordinary shares of 25p 906,339 (in treasury)
Number of Holdings	24
Net Assets (£m)	£2,153.9m
Market Capitalisation (£m)	£2,054.9m
Dividend Per Share**	17.1p
Current Net Yield	1.9%
Gearing	0.0%
Leverage***	Gross 99.0% Commitment 100.2%
Share Price (p)	917.00
NAV (p) (cum income)	961.19
(Discount) / Premium to NAV	(4.6%)
Portfolio Turnover p.a.	1.9%
Active Share	85.7%

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 December 2021 (%)

Consumer Staples	51.0
Financials	22.7
Consumer Discretionary	15.4
Technology	6.6
Industrials	4.3
Total	**100.0**

Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	Since Manager Appointment*	2016	2017	2018	2019	2020	YTD
NAV	642.2	12.5	21.7	-0.8	23.1	-2.0	13.0
Share Price	721.5	12.6	21.5	-0.9	21.8	-0.7	6.9
Index	191.4	16.8	13.1	-9.5	19.2	-9.8	18.3

*Cumulative since Manager appointment in December 2000

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Dec16-Dec 17	Dec 17-Dec 18	Dec 18-Dec 19	Dec 19-Dec 20	Dec 20-Dec 21
NAV	21.7	-0.8	23.1	-2.0	13.0
Share Price	21.5	-0.9	21.8	-0.7	6.9
Index	13.1	-9.5	19.2	-9.8	18.3

Source: Morningstar.

* Index source: FTSE International Limited (“FTSE”) © FTSE 2022

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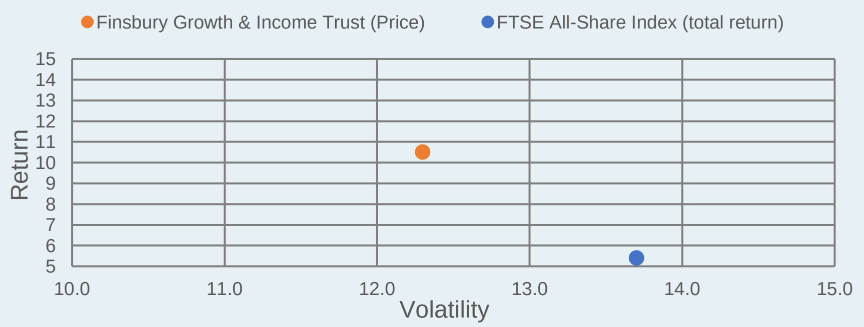
Return vs Volatility (5 Years Annualised) – Chart (%)



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

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

2nd Interim paid 12 Nov 21 :(Year ended Sep 21) 9.1p

***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).

Share Buy-back and Issuance Mechanism

The Directors have adopted a share buy-back 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 date and it is the intention of the Board that any re-sale of treasury shares would only take place at a premium to the 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 NAV per share.

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Commentary

In December, the NAV was up 4.7% on a total return basis and the share price was up 3.9%, on a total return basis, while the index was up 4.7%.

Over two COVID-scarred calendar years your portfolio NAV per share has outperformed its benchmark, with a total return since January 2020 of 10.7%, compared to 6.7% from the FTSE All-Share Index. Admittedly, this outperformance was all generated during 2020, as the "quality" characteristics of the portfolio protected value in a falling market. In 2021, your Company's NAV lagged the benchmark, up 13.0% versus up 18.3%. This was in part because there wasn't as much scope for a rebound from its constituents, but also because a handful of important holdings had disappointing share price performances in 2021 – for a variety of reasons. Of these the London Stock Exchange Group was the most serious detractor, falling over 20%.

Of course, in early 2022 what matters now is – what next? And, in particular, will your portfolio be appropriately invested to participate in whatever does come next? As to the first question, I offer below a brief paragraph I provided to a financial publication, asking us for New Year prognostications.

"It seems safest to assume that current mega-trends in global equity markets will continue into 2022 and beyond (of course there will be corrections to these trends, but no fundamental change of direction). This means investors should expect to see Digital Technology creating ever more new wealth around the world, and at an accelerating rate. But in addition to see older industries and business models losing relevance, at an accelerating pace too. Consumers' predilection for luxury and aspirational products and experiences will also intensify. In all, the backdrop for investing in equities remains hugely encouraging. I can barely remember a time in my 40-year career when there have been so many opportunities, especially in the deeply unloved UK equity market – where there are compelling growth stories on much lower valuations than global peers." Of course, I have no special insights that guarantee those opinions will turn out to be correct, but I reiterate them here, so shareholders can understand the effects we are looking to capture with our company selections and make up their own minds if the portfolio can generate the returns we all hope for.

Perhaps the most important part of the argument above is my contention that the UK Equity market can give exposure to those "global mega-trends" and can do so from valuations that are demonstrably lower than for global peers. Note, we are not saying that the whole of the UK equity market is necessarily undervalued – though it may be. Instead, that it is possible to invest in UK companies with credible, long-term growth opportunities and that the valuations of such companies may have been penalised in recent years by global asset allocators' disenchantment with all Sterling equity assets. In fact, looking at your portfolio, I would argue that as 2021 progressed, investors began to acknowledge the calibre of some of the UK's best secular growth companies and reward them with better share price performance – after, in some cases, years in the doldrums. So, for instance, the two biggest holdings in the portfolio, Diageo and RELX, ended up with very satisfactory share price returns, up 43% and 37% respectively for the full year. This pair absolutely fit the requirements outlined in my New Year forecast of providing products that meet "consumers' predilection for luxury and aspirational products" (Diageo). And "digital technology creating ever more new wealth" (RELX's data services). That contention is reinforced by the share price performance of other important portfolio holdings last year. In digital/data/analytics Experian was up 32%, Sage gained 50% (at last!) and Daily Mail generated a total return of c50% (before being taken over at the close of the year). In luxury, our other premium spirits investment, Remy Cointreau (admittedly not a UK company, but European, of course) was up 33%.

Returning to my forecast; if the backdrop for investing in UK equities is attractive, then we maintain it is also attractive to invest in UK wealth management franchises, that can help UK savers take advantage of the wealth being created around the world, including the UK. To demonstrate that this aspiration is not just wishful thinking, consider the share price performance of Rathbones in 2021, by common consent a very high-quality private wealth manager, whose shares were up 34%.

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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You won't be surprised to read that all of the holdings mentioned in the previous paragraphs remain core positions (with the exception now of Daily Mail) and we hope that 2021's returns are just a foretaste of further business growth and share rerating. However, what is really critical for our performance is that some of the holdings that did less well in 2021 also begin to participate and make up for, again in some cases, several years of mediocre share price performance.

For instance, returning to the luxury theme, both Burberry and Fever-Tree failed to deliver relative outperformance in 2021, up only 4% and 8% respectively and both of them closed the year notably below their all-time highs, reached in 2019 and 2018 respectively. Unquestionably both these companies have resonant global brands and opportunities for growth. If they can capture those opportunities their shares could do a lot better.

In wealth management, we hope Hargreaves Lansdown and Schroders will also deliver better share price returns – in 2021 down 8% and up a market-lagging 10% respectively. This was disappointing, given the strategic progress and business growth both HL and Schroders were able to report in 2021. New customer acquisition at HL remained strong and Schroders was able to announce several strategically consistent and earnings-accretive acquisitions toward the end of the year.

And in data and analytics, we also hope the LSE will conclusively demonstrate the wisdom of its acquisition of Refinitiv. On paper the combined business looks like one of the best-positioned of any such market infrastructure and data company in the world and, after a dismal year for LSE's share price, the valuation differential between it and US peers is marked. The 6% jump in LSE's share price in December shows that investors are worried the company may prove its sceptics wrong.

In summary, we believe your portfolio is structured around a collection of substantive and strategically-advantaged growth companies that allow participation in powerful investment themes, all at valuations hard to match anywhere else in the world.

Thank you for your interest in and support for our strategy and best wishes for your investment endeavours in 2022.

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.