Frostrow CAPITAL

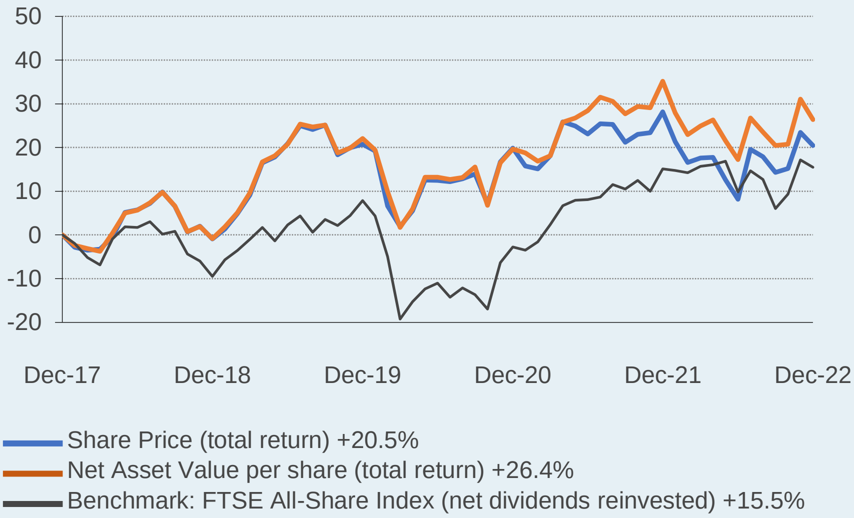
Finsbury Growth & Income Trust PLC
Factsheet as at 31 December 2022

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.



Source: Morningstar

Ten Largest Holdings as at 31 December 2022 (% of total investments)

Name	Sector	Total
RELX	Consumer Discretionary	11.5
Diageo	Consumer Staples	11.5
London Stock Exchange	Financials	9.6
Unilever	Consumer Staples	9.4
Burberry Group	Consumer Discretionary	8.6
Mondelez Int.	Consumer Staples	7.8
Experian	Industrials	6.5
Sage Group	Technology	6.4
Schroders	Financials	6.4
Remy Cointreau	Consumer Staples	5.2
Total		**82.9**

LINDSELL TRAIN

Portfolio Manager Nick Train

Fast Facts
As at 31 December 2022

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	213,630,211 Ordinary shares of 25p 11,361,092 (in treasury)
Number of Holdings	22
Net Assets (£m)	£1,880.2m
Market Capitalisation (£m)	£1,800.9m
Dividend Per Share**	18.1p
Current Net Yield	2.1%
Gearing	1.9%
Leverage***	Gross 101.9% Commitment 101.9%
Share Price (p)	843.00
NAV (p) (cum income)	880.12
(Discount) / Premium to NAV	(4.2%)
Portfolio Turnover p.a.	5.2%
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 December 2022 (%)

Consumer Staples	42.2
Consumer Discretionary	23.1
Financials	21.8
Industrials	6.5
Technology	6.4
Total	**100.0**

Discrete Performance – Calendar Years (%)

	2018	2019	2020	2021	2022
NAV	-0.8	23.1	-2.0	13.0	-6.5
Share Price	-0.9	21.8	-0.7	6.9	-6.0
Index	-9.5	19.2	-9.8	18.3	0.3

*Cumulative since Manager appointment in December 2000

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	1m	3m	YTD	1yr	3yr	5yr	10yr	Since Manager Appointment
NAV	-3.6	5.0	-6.5	-6.5	3.5	26.4	178.6	591.4
Share Price	-2.4	5.4	-6.0	-6.0	-0.2	20.5	164.9	672.3
Index	-1.4	8.9	0.3	0.3	7.1	15.5	88.2	192.4

Source: Morningstar.

* Index source: FTSE International Limited ("FTSE") © FTSE 2023

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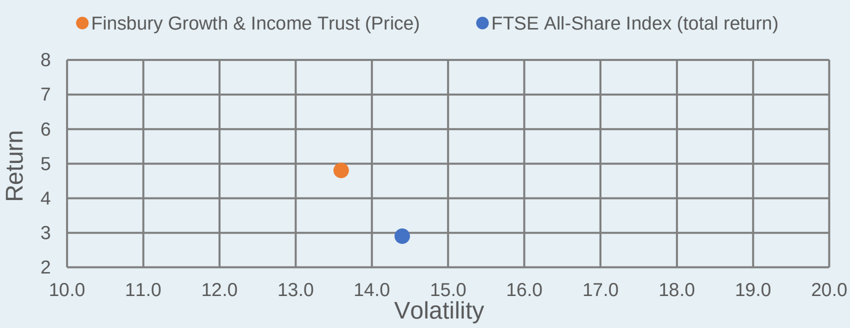
Return vs Volatility (5 Years Annualised) – Chart (%)



Commentary

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

***1st Interim paid 13 May 22 :(Year ended Sep 22) 8.3p*

2nd Interim paid 4 Nov 22 :(Year ended Sep 22) 9.8p

****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 a 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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In December, the NAV was down 3.6% on a total return basis and the share price was down 2.4%, on a total return basis, while the index was down 1.4%.

In the run up to the New Year a journalist asked me to write a brief prediction piece for the UK stock market. Now, I ascribe as much weight to these year-end prognostications as you do. However, such is my frustration with the recent performance of FGT and the UK stock market in general, I thought I should make an effort to rally the troops. Here is what I wrote:

"According to Bloomberg, the UK stock market rose 2,500-fold during the 70-year reign of Queen Elizabeth II. To date, under her son, the FTSE All-Share is up 3%. So, there is plenty more to go for.

In November 2022 alone the FTSE All Share was up 7% and for no apparent reason. But when any index or individual share price has been depressed or out of favour for a long period that's what happens. Everyone who wants to sell has already sold, sentiment is terrible and there is attractive value everywhere you look. Suddenly and apparently randomly, prices rally. And prices can carry on rising for a long time, simply if the news is not as bad as expected (and investors' expectations for the UK stock market are for terrible news). And if the news turns out better than expected – well, that is the stuff of multi-year bull markets.

The UK stock market is home to some fine companies. In resources – Shell and RTZ. In healthcare – Astra and Glaxo. In luxury and premium brands – Burberry and Diageo. In data and analytic services – Experian and RELX. And many more. (Some of the above we own, but not all).

As a result, we see no structural reason why the UK stock market shouldn't deliver attractive absolute and relative returns in 2023 and beyond. That would be a surprise. But it is virtually the definition of financial markets that they deliver returns that confound consensus."

A few days into 2023 and UK stocks are up another 3% - already a competitive return compared to many markets, notably the US. And to my mind there have been two recent developments for UK companies since I wrote the copy that reinforce the case for looking on them constructively.

The first is a takeover story that broke in the first few days of January and will not now happen (or not for 6 months at least). But the revelation that First Abu Dhabi bank had given serious consideration to making a bid for Standard Chartered Bank shouldn't be dismissed as an aberration. It should be seen more as an indication of the likelihood that serious corporations around the world are noting the value offered by serious UK corporations whose share prices happen to have been handicapped by their UK stock market listing in recent years. We do not own Standard Chartered Bank and claim no expertise in valuing it. But we know it is a substantive Asian banking franchise, with assets and market positions that would be difficult or expensive for competitors to replicate. Meanwhile, its shares command no more than 8x earnings. Standard's price rallied 20% on the news of the possible bid, but even after that rally it trades below levels last seen as long ago as 1997 and 60% below the peak, set in 2010. This is a £20bn institution and there are many other substantive UK companies with similarly disappointing long-term share price histories. That makes them vulnerable to bid approaches.

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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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Next was the announcement in December of a joint venture and alliance between the London Stock Exchange Group (LSEG) and Microsoft. As part of the arrangements LSEG is to welcome a senior Microsoft executive as a non-executive director and Microsoft to acquire a c4% stake in LSEG. The relationship is clearly intended to be more than a casual date. One of our clients wrote me an email on the morning the story broke with a one-word heading: “Massive”. We agree. To us it is a massive endorsement of LSEG’s strategy and the potential of its assets. At the ensuing analyst meeting Microsoft’s Chief Commercial Officer, Judson Althoff, who is driving its side of the venture said this:

“Look, LSEG is unique in the market in that they have systemic market infrastructure, data assets and workspace technologies that bring data forward to the folks that actually need to make decisions in real time.”

Microsoft’s excitement is matched by LSEG executives. Note, for instance, what Anna Manz, the finance director had to say:
The venture “will have a 50-100bps impact on our EBITDA margins (of c50%) over the next three years, which is frankly quite a modest investment for what is a big opportunity.”

We feel fortunate to have the opportunity to invest in such an important global company for our UK fund and hope that better times for the constituents of the London Stock Exchange might bring better times, in share price terms, for its parent.

Turning to your portfolio, I conclude this report by highlighting that whatever the share price performance of some of our holdings (and there were some share price moves that dismayed me in 2022) the actual business performances of the underlying companies were for the most part satisfactory. And where it really counts, we note that by value of the portfolio, well over 90% of the holdings increased their dividends in 2022 and c85% also either paid a special dividend or conducted a share buyback. Only companies with strong balance sheets and cash flows can do this. Share buybacks are particularly valuable for long-term shareholders when the shares repurchased are temporarily depressed, as we hope is the case for many of our holdings.

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.