

### 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).

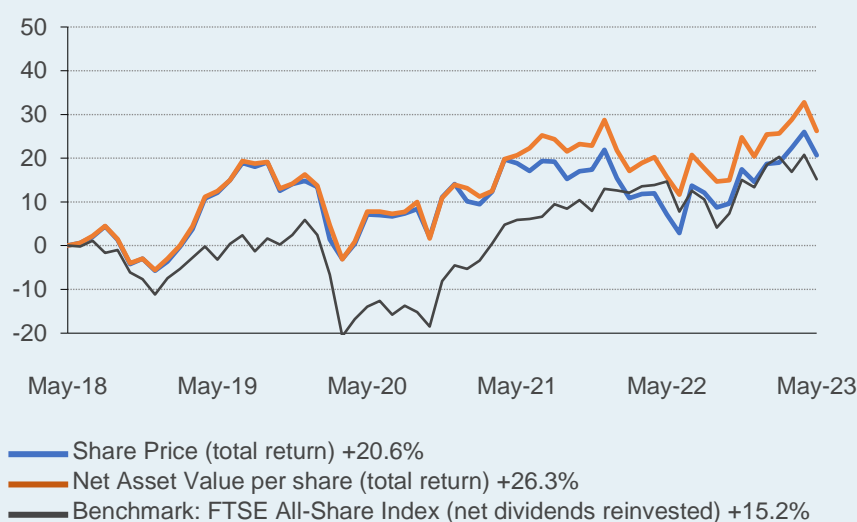
## LINDSELL TRAIN



Portfolio Manager Nick Train

### 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 May 2023 (% of total investments)

Name	Sector	Total
RELX	Consumer Discretionary	12.2
London Stock Exchange	Financials	11.5
Diageo	Consumer Staples	10.4
Burberry Group	Consumer Discretionary	8.7
Unilever	Consumer Staples	8.6
Mondelez Int.	Consumer Staples	7.4
Sage Group	Technology	7.1
Experian	Industrials	6.7
Schroders	Financials	6.1
Heineken	Consumer Staples	5.3
<b>Total</b>		<b>84.0</b>

Fast Facts	As at 31 May 2023
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	207,699,556 Ordinary shares of 25p 17,291,747 (in treasury)
Number of Holdings	22
Net Assets (£m)	£1,900.3m
Market Capitalisation (£m)	£1,825.7m
Dividend Per Share**	18.3p
Current Net Yield	2.1%
Gearing	1.5%
Leverage***	Gross 101.5% Commitment 101.7%
Share Price (p)	879.00
NAV (p) (cum income)	914.95
(Discount) / Premium to NAV	(3.9%)
Portfolio Turnover p.a.	2.0%
Active Share	85.3%
<b>Codes</b>	
Sedol	0781606
ISIN	GB0007816068
Legal Entity Identifier (LEI)	213800NN4ZKX2LG1GQ40
Global Intermediary Identification Number (GIIN)	QH4BH0.99999.SL.826
Bloomberg	FGT LN
EPIC	FGT

### Sector Breakdown as at 31 May 2023 (%)

Consumer Staples	39.8
Consumer Discretionary	23.5
Financials	22.9
Technology	7.1
Industrials	6.7
<b>Total</b>	<b>100.0</b>

### 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 (%)

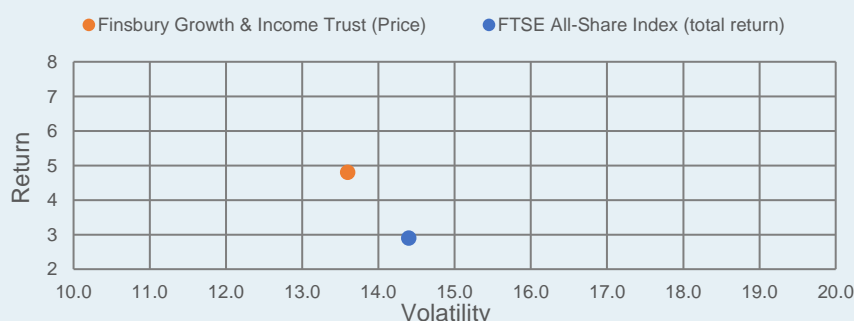
Percentage Growth 12 Month Return								Since Manager Appointment
	1m	3m	YTD	1yr	3yr	5yr	10yr	
NAV	-4.9	0.5	4.9	9.1	17.2	26.3	140.7	626.7
Share Price	-4.2	1.4	5.3	12.6	12.7	20.6	129.0	713.0
Index	-4.6	-4.2	1.6	0.4	33.9	15.2	67.5	197.0

Source: Morningstar.

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

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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 19 May 23 :(Year ended Sep 23) 8.5p  
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.

## Commentary

In May, the NAV was down 4.9% on a total return basis and the share price was down 4.2%, on a total return basis, while the index was down 4.6%.

The strong rally in US technology shares so far in 2023 picked up intensity during May, as investors rushed to get exposure to companies likely to benefit from the propagation of Artificial Intelligence. NASDAQ ended the month up 25% year-to-date.

Doubtless NASDAQ will continue to offer a wild and unpredictable ride, but the lesson of its recent surge seems clear to me, as I write here in the context of being the portfolio manager of a UK Equity Trust. That lesson is that any portfolio manager who hopes to earn satisfactory returns as we move deeper into the third decade of the 21st century must find ways to offer his/her clients exposure to the secular growth and, often, exceptional profitability of companies that are winning with Technology. Famously and regrettably that lesson has proven difficult to act on for investors in UK equities, because of the paucity of substantive UK-listed tech winners.

However, just because such winners are rare does not mean they are non-existent. Indeed, while always acknowledging the highly concentrated nature of LTL's investment approach, we have been able to allocate circa 40% of your portfolio to the shares of UK-quoted Data, Analytics, Software and Platform Service companies, all of which have been highly successful businesses over time – certainly in terms of delivering growth and exceptional profitability. There are five of them in the portfolio - Experian, Hargreaves Lansdown, London Stock Exchange Group, RELX and Sage. And, by the way, all these can credibly claim to be beneficiaries of Artificial Intelligence, at least in terms of being able to harness AI's power to enhance their own products and services.

RELX in particular looks well placed to utilise AI to enrich its proprietary datasets to the benefit of scientists, lawyers and risk professionals around the world. You may have seen the widely reported news story toward the end of May about the US lawyer who recently used ChatGPT to help submit a court filing, but to his chagrin discovered several of the legal case precedents he referenced did not actually exist. The AI had invented them. RELX shares ended May down 5%, as investors worried about the possibility of AI eating its lunch, but that anecdote must be a salutary reminder to professional data users that sticking to data delivered by reputable professional data service providers is probably best for your career prospects. In fact, even after May's fall, RELX shares are still up 10% in 2023. (They are also up 4.5-fold since the start of the 21st century, which is actually rather better than NASDAQ over the same period. See, the UK is home to at least one digital winner!).

Sage was the best performer in the portfolio in May, up 6% and now up 17% in 2023, as its shares hit a 22-year high. Management seems increasingly confident the company has entered a new phase of growth, providing cloud-delivered software services to small and mid-cap companies worldwide. The 16% organic revenue growth it reported at its Interim results this month in its biggest market, the USA, is certainly supportive of that confidence. It's nice to see a UK software company doing well in the home of tech.

Burberry was a poor performer in May, down 17%, as it and other global luxury companies suffered from profit-taking after a strong run. To put the fall in context, Burberry's shares are still up over 40% from their lows of mid-2022. In our mind, luxury goods companies remain a good proxy for participating in the growth and new wealth created by technology worldwide and if that is right, Burberry shares ought to be a good long-term proxy for NASDAQ too. The 26% increase in Burberry's final dividend, announced last month, along with a new £400m share buyback (that is worth nearly 5% of the current outstanding equity) suggest that the Burberry board remains optimistic about its business prospects and in the undervaluation of its shares.

## 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").

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

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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](http://www.finsburygt.com).*

*The Company can borrow to purchase investments, this could potentially magnify any losses or gains made by the Company.*