

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).

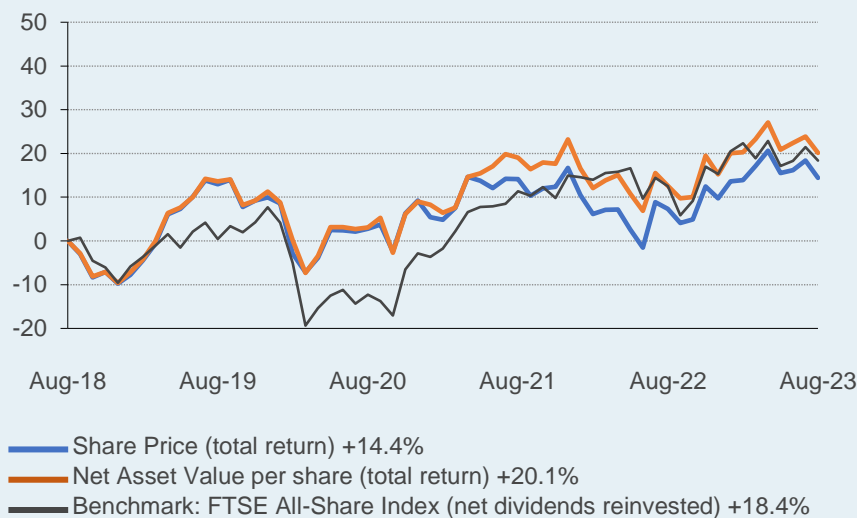
LINDSELL TRAIN



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 August 2023 (% of total investments)

Name	Sector	Total
RELX	Consumer Discretionary	12.4
London Stock Exchange	Financials	11.2
Diageo	Consumer Staples	10.3
Burberry Group	Consumer Discretionary	9.0
Unilever	Consumer Staples	8.7
Sage Group	Technology	8.1
Mondelez Int.	Consumer Staples	7.1
Experian	Industrials	6.9
Schroders	Financials	5.5
Heineken	Consumer Staples	4.9
Total		84.1

Fast Facts

As at 31 August 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	205,995,759 Ordinary shares of 25p 18,995,544 (in treasury)
Number of Holdings	22
Net Assets (£m)	£1,873.4m
Market Capitalisation (£m)	£1,794.2m
Dividend Per Share**	18.3p
Current Net Yield	2.1%
Gearing	1.0%
Leverage***	Gross 101.0% Commitmen 101.6%
Share Price (p)	871.00
NAV (p) (cum income)	909.44
(Discount) / Premium to NAV	(4.2%)
Portfolio Turnover p.a.	1.4%
Active Share	85.3%

Codes

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 August 2023 (%)

Consumer Staples	39.1
Consumer Discretionary	24.2
Financials	21.7
Technology	8.1
Industrials	6.9
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 (%)

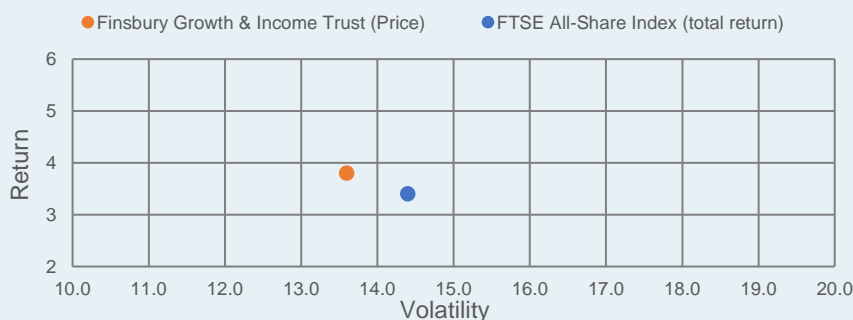
Percentage Growth 12 Month Return								Since Manager Appointment
	1m	3m	YTD	1yr	3yr	5yr	10yr	
NAV	-3.0	-0.6	4.3	6.7	16.5	20.1	133.3	619.1
Share Price	-3.3	-0.9	4.3	6.6	11.4	14.4	121.0	705.6
Index	-2.5	1.1	2.7	5.2	34.9	18.4	70.6	200.1

Source: Morningstar.

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

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.

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



Dividend Growth – 5 Years History

	2018	2019	2020	2021	2022
Dividend Rate	15.3p	16.6p	16.6p	17.1p	18.1p
YoY% Growth	7.7	8.5	-	3.0	5.8

*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 August, the NAV was down 3.0% on a total return basis and the share price was down 3.3%, on a total return basis, while the index was down 2.5%.

Back in 2019/20 Diageo CEO Sir Ivan Menezes, very sadly no longer with us, told us he had set a stretch goal for the company, of taking its share of the global TBA (total beverage alcohol) market from 4% in 2020 to 6% in 2030. That would be a 50% increase in share in a growing industry and struck us as a worthwhile, if ambitious, target. Particularly if it could be achieved without impairing Diageo's existing high rates of return (ROC 17%, ROE 48%).

We were impressed, therefore, to hear from Ivan's successor, Debra Crew, that by the close of its fiscal year 2022/3, as announced in its annual results in August, its share of global TBA had increased from 4% to 4.7%; well on the way to achieving the 2030 objective.

It is, we think, well worth considering Debra Crew's comments about the objective and the resources Diageo can bring to bear in achieving it. "Even as the leading company in international spirits," she said, "we are a relatively small player with a diversified geographic footprint and advantaged portfolio in a very large and attractive industry." In other words, Diageo, with great brands, global distribution and a strong balance sheet, has a long growth runway ahead of it.

It is also worth considering some of the company-specific qualities of Diageo that make its blue-sky goals achievable. First, note its revenues in 2022/3 are 30% higher than in 2019. Covid really gave a boost to existing trends in global beverage consumption, notably consumption of premium spirits. Diageo's "premium" sales now stand at 63% of total, up 7% since 2019. And its three biggest categories, which amount to c.50% of net sales, continue to grow well. Scotch is the largest and up 30% since 2019. In 2022/3 scotch sales grew another 12%, led by Johnnie Walker, up 15% and further reinforcing its position as the world's number one international spirits brand. Next is beer, which grew at 9%, led by Guinness at 16%. Guinness has just reported the single best year in its history and its prospects look brighter than ever. Third is tequila, where revenues have quadrupled since 2019 and grew 19% in 2022/3. Key brands Don Julio and Casamigos were up 20% and 16%, respectively. Diageo is global number one in tequila, with those two brands in the top two positions. The growth in tequila has, so far, been largely a US phenomenon. We like Debra Crew's call to arms: "My ambition is simple. I want to take tequila around the world. We are the people who have done that successfully with so many brands... And there is no one better placed to do it." To give that ambition more credibility, she noted that net tequila sales in Europe doubled last year, albeit from low levels.

Given these trends and Diageo's competitive advantages, we think its capital allocation policy is sensible. Debt was up £2.5bn last year to £15.2bn – 20% higher than 2019, though still at the bottom end of Diageo's target debt/EBITDA range (earnings are up 30% since 2019). Uses for that additional capital include capex (£1.2bn), laying down more stocks of precious maturing liquid, and the continuing buyback of shares. Diageo retired £1.4bn of stock in 2022/3 and announced a further £800m buyback for 2024. Evidently Diageo is both investing into its clear growth opportunity and, at the same time, taking advantage of its anomalously low share price (at least low in our minds). On that point, we note Diageo's decision to change its currency of formal account, from sterling to US dollars. It is doing so because the US represents a growing proportion of both Diageo's revenues (it is its biggest market) and its shareholder register. Around 45% of shareholders are US and, apart from Lindsell Train, there is no other active UK investor in the top-10 holders. Within that top-10, both the Bill Gates Foundation and Berkshire Hathaway sit as reassuring long-term and growth-oriented investors.

Diageo shares closed down 5.5% in August and are down over 10% year-to-date. Short-term disappointment, as Covid sales growth slows, but on Bloomberg's estimated 19x 2024 earnings, full of promise and value, we hope.

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

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.

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



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.