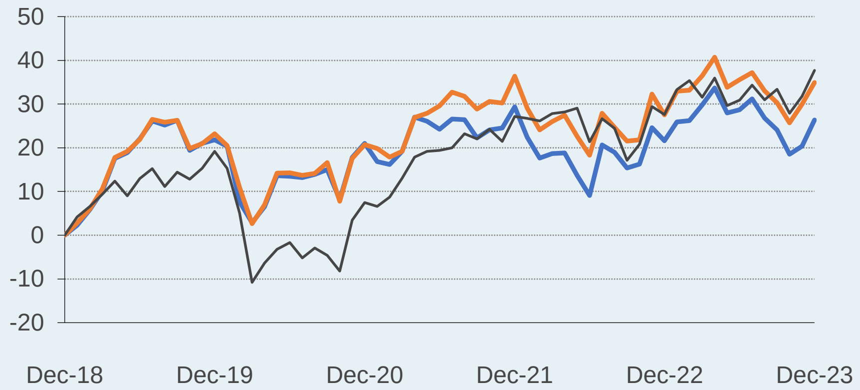
Finsbury Growth & Income Trust PLC
Factsheet as at 31 December 2023

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) +26.4%
Net Asset Value per share (total return) +34.8%
Benchmark: FTSE All-Share Index (net dividends reinvested) +37.7%

Source: Morningstar

Ten Largest Holdings as at 31 December 2023 (% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	12.3
RELX	Consumer Discretionary	12.2
Experian	Industrials	10.6
Sage Group	Technology	9.9
Diageo	Consumer Staples	9.5
Unilever	Consumer Staples	8.2
Mondelez Int.	Consumer Staples	6.2
Burberry Group	Consumer Discretionary	5.9
Schroders	Financials	5.7
Heineken	Consumer Staples	4.0
Total		**84.5**

LINDSELL TRAIN

Portfolio Manager Nick Train

Fast Facts
As at 31 December 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	198,560,237 Ordinary shares of 25p 26,431,066 (in treasury)
Number of Holdings	23
Net Assets (£m)	£1,809.6m
Market Capitalisation (£m)	£1,701.7m
Dividend Per Share**	19.0p
Current Net Yield	2.2%
Gearing	2.0%
Leverage***	Gross 102.0% Commitment 102.0%
Share Price (p)	857.00
NAV (p) (cum income)	911.37
(Discount) / Premium to NAV	(6.0%)
Portfolio Turnover p.a.	3.9%
Active Share	85.1%

Codes

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

Frostrow CAPITAL

Finsbury Growth & Income Trust PLC
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Sector Breakdown as at 31 December 2023 (%)

Consumer Staples	34.3
Financials	22.9
Consumer Discretionary	22.3
Industrials	10.6
Technology	9.9
Total	**100.0**

Discrete Performance – Calendar Years (%)

	2019	2020	2021	2022	2023
NAV	23.1	-2.0	13.0	-6.5	5.8
Share Price	21.8	-0.7	6.9	-6.0	3.9
Index	19.2	-9.8	18.3	0.3	7.9

Standardised Discrete Performance (%)

	1m	3m	YTD	1yr	3yr	5yr	10yr	Since Manager Appointment**
NAV	3.8	3.5	5.8	5.8	11.7	34.8	118.4	631.7
Share Price	5.0	1.9	3.9	3.9	4.4	26.4	103.9	702.6
Index	4.5	3.2	7.9	7.9	28.1	37.7	68.2	215.5

Source: Morningstar.

* Index source: FTSE International Limited ("FTSE") © FTSE 2024

**Cumulative since Manager appointment in December 2000

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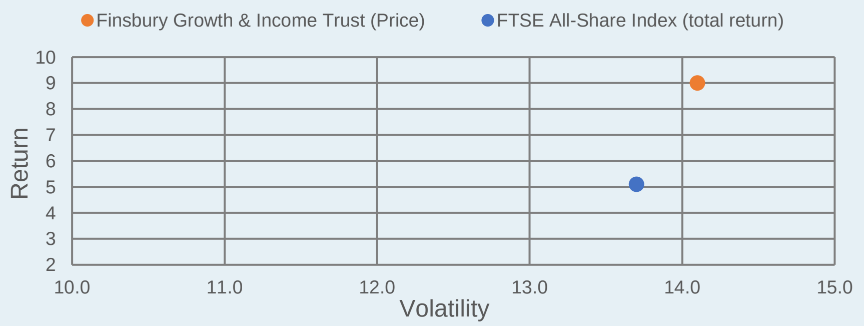
Return vs Volatility (Annualised since Appointment of Lindsell Train: December 2000) – Chart (%)



Dividend Growth – 5 Years History

	2019	2020	2021	2022	2023
Dividend Rate	16.6p	16.6p	17.1p	18.1p	19.0p
YoY% Growth	8.5	-	3.0	5.8	5.0

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

***1st Interim paid 19 May 23 :(Year ended Sep 23) 8.5p*

2nd Interim paid 10 Nov 23 :(Year ended Sep 23) 10.5p

****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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Commentary

In December, the NAV was up 3.8% on a total return basis and the share price was up 5.0%, on a total return basis, while the index was up 4.5%.

Despite a rally in December your Company's NAV underperformed during calendar 2023 and has now underperformed the FTSE All-Share Index for three consecutive years. This is disappointing to me and all my colleagues, because we work hard, we care and are invested in the strategy ourselves.

Of course, we well know the main contributors to our underperformance of the benchmark over the last three years. It has been the result of not owning the Oil sector and to a lesser extent no mining shares either. In addition, I have invested in some companies where my confidence in their earnings power and undervaluation has been misplaced, at least to date. Amongst these, Hargreaves Lansdown has been a big detractor from the returns, as have Burberry and, particularly in 2023, Diageo.

But I cannot spend too much time regretting or analysing past underperformance. What now matters most to shareholders and to me are future returns and that is what I am focused on. Is our investment approach still capable of delivering attractive absolute and relative returns and is the portfolio structured in such a way as to offer the possibility of such returns in 2024 and beyond? On those points, I can assure investors that our approach remains unchanged and that the structure of the portfolio makes it very likely to continue to perform very differently from the benchmark. Of course, we hope for the better. This is for two reasons. First, the portfolio remains highly concentrated in terms of the number of individual holdings, with, for instance, the top 10 holdings accounting for 86% of the total. Next, the portfolio is also concentrated on a handful of industry or investment themes. These are themes that in the past have created a lot of wealth for investors holding companies exposed to them.

In order to help shareholders decide what to do with their investment, I will outline those industry themes and discuss the top-10 portfolio holdings in their context.

We are living and investing in a period of accelerating technology change. In particular, as more products and services become digital, the software that drives those services becomes more important to their customers. At the same time, the digitization has created an explosion of data. This has meant that companies that have the tools to aggregate the data and make sense of it have a new growth opportunity. This last proposition relates to developments in Artificial Intelligence, which in our view looks set to be a key investment theme for the foreseeable future. Next, but intimately related to the technology change, there has been an evident increase in global wealth, deriving from the productivity gains brought by the technology and the "wealth effect" of the trillions of dollars of new market capitaliSation created by new industries and corporations. Consumers lucky enough to benefit from that wealth creation have tended to increasingly spend it on luxury and premium products.

What I have written in the previous paragraph may not be controversial. What is more so and crucial to the future performance of your Company is our contention that, contrary to common perception, the UK stock market provides a number of world class businesses that offer full participation to these themes of AI, software and luxury and premium-brand consumption. It is around these companies that we have built your portfolio and where we have the highest hopes for future share price gains.

Let's look at the top-10 holdings, in descending order:

RELX

2024 marks the 40th anniversary of the creation of the FTSE 100 Index. As has been recently reported, the best performing constituent of the original FTSE 100 has been RELX, turning a £100 investment into £35,000 since 1982 and, indeed, up 39% in 2023; the biggest holding in the portfolio and held in it for much of this century. It is trite, but true to say that RELX's prospects are better than ever and, in our view, the story for RELX's shares is still only just getting started. The company offers its customers access to trusted data in Science, Legal, Risk and Insurance. What is more, RELX has built AI-driven tools to help customers derive more value from the data. As a result, RELX is justifiably a proxy for the Data/AI bull market, that can still be purchased on a lower valuation than its global peers.

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* Index source: FTSE International Limited ("FTSE") © FTSE 2024

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Here I will add that occasionally we are required to sell some of our RELX shares, because price appreciation takes them close to the 12.5% maximum position size we permit ourselves for the portfolio. We have used some of the monies raised from these occasional sales in 2023 to initiate a holding in Rightmove, another highly profitable UK data business, a constituent of the FTSE 100 and already working with AI tools. We have taken advantage of a recent hit to Its shares, the result of concerns that a new entrant to the UK real estate platform market - the US company CoStar – will hurt Rightmove's prospects. This may be so, although Rightmove has a formidable competitive position, with an 86% share of visits to online property sites. What is worthy of note here, though, is that US investors value a successful digital growth company like CoStar on 67x prospective earnings. That's what you have to pay for a digital winner on the NASDAQ. Meanwhile, Rightmove, arguably a superior business, is valued at 22x prospective earnings. There is indeed a trans-Atlantic valuation gap.

Experian

The biggest change in your portfolio over the last three years, I submit, is the building of the position in Experian from nil in 2020 to the third largest holding by end 2023. In our opinion, UK investors are fortunate that Experian chose to make its primary listing on the UK stock market when it went public in 2006. The company is the biggest credit bureau in the world, including the biggest in the biggest market for credit ratings, which is the US. As a result, Experian has, arguably, the biggest collection of data on businesses and consumers on the planet and, as the company says, almost more opportunities to create new services from that data than it can deal with. Experian has grown steadily since it listed and we expect an acceleration of that growth in coming years.

London Stock Exchange Group (LSEG)

It is three years since LSE closed its deal to acquire Refinitiv. Its shares are still below the levels of early 2021. There are several reasons why. First, there was understandable caution from investors that the company could digest a transaction of this scale and, associated, investors themselves have had to digest billions of pounds of LSEG shares, placed by the gradually-selling former owners of Refinitiv. There is also, we are sure, a worry that a company that contains the phrase "London Stock Exchange" in its name could not, surely, be a good investment – given how moribund the UK stock market itself has been in recent years. Despite all this, LSEG's shares rose 32% in 2023, as each of these objections have proven misplaced. The merger has gone well, the consortium has successfully disposed of the majority of its shares and the London Stock Exchange itself now amounts to less than 4% of the revenues of the parent. Meanwhile, a group has been created that, amongst other crucial strategic positions, is the biggest provider of real-time financial data in the world. LSEG is now a globally-significant provider of data, clearing and liquidity to financial institutions. The vindication of the creation of LSEG is, no doubt, the joint venture it has entered into with Microsoft. The JV combines LSEG's data and analytics tools with Microsoft's Cloud and AI capabilities and is evidently important for both companies. If only more constituents of the All-Share itself had been managed with the same ambition and strategic elan as its owner! Maybe the UK stock market and economy would be in a better place.

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Sage
LSEG is not the only UK company to partner with Microsoft. Sage too is working with Microsoft; to create an AI-enhanced Digital Assistant, designed to help Sage's millions of small and mid-size company software customers around the world run their businesses more efficiently. Sometimes investing requires patience and I acknowledge our investment in Sage has taken patience. There was a long period between 2016 and 2022 when the shares went sideways, but last year they were up 61%, hitting all-time highs in the process. Why has that happened? Well, in part because Sage has positively surprised investors by the success of its expensive transition to delivering its services via the Cloud. The company is growing more quickly and becoming more profitable as a result. But, to us, it is also important to note the change in Sage's share register. A few years ago, US investors made up less than 20% of Sage's ownership, now it is above 40% and climbing. US investors can see the growth opportunity presented to Sage, particularly in its biggest market, which is the US – even if UK institutions can't or won't.

In passing, shareholders may wonder why we have persisted with the disappointing investment in Hargreaves Lansdown. As with Sage, HL is in a period of investment in technology, designed to improve the experience and the investment returns of its customers. Last year, Miguel Baptista, HL's Chief Data Officer said this: "Rather than ask what areas of the business might have a use for AI, it is probably easier to say which won't." And as with Sage, if HL can get its technology services right, then business growth and share price recovery should follow.

I pause here to note that the six companies I have mentioned so far – RELX, Experian, London Stock Exchange Group, Sage, Hargreaves Lansdown and Rightmove – make up over 50% of the NAV and we hope to build the holding in Rightmove from more. The current weights of these companies in the FTSE All-Share Index amount to c7.5%. If we are right about the strategic opportunities available to these six businesses, then the size of our holdings could be very rewarding for Fund-holders.

Diageo
Diageo has slipped to the 5th position in the portfolio, as a result of the deeply disappointing 20% fall in its price in 2023. I wrote at length about the reasons for that fall last month and signaled that we continue to add to the holding. Diageo is another UK business with a growing proportion of its register made up of US shareholders. Indeed, this was a reason given by Diageo's CEO for the decision to alter its currency of accounting form Sterling to US Dollars. It is no surprise, we think, that US investors, even with all their domestic market to choose from, would, nonetheless, accumulate over 40% of Diageo's equity. Diageo is the world's biggest premium alcoholic beverage company, with exceptional economic returns and an obvious medium-term growth opportunity. Diageo offers us an opportunity to participate in the wealth created by the diffusion of technology, as consumers experiment or treat themselves to finer and rarer liquors.

On a related note, we hope our investment in Fever-Tree will benefit from similar trends. It looks as though 2023 will be a milestone year for the company, with its sales in the US exceeding those in its home market for the first time. There should be so much more growth to come from this unique and increasingly global brand.

Unilever
We own Unilever because of the participation it offers to growing disposable income of the middle classes in Emerging Markets, notably India; as well as being the owner of many brands beloved by consumers in the developed world, from Magnum to Marmite. In coming years we hope that the focus on growth and profitability promised by the relatively newly-installed Chair, CEO and CFO will spark Unilever's business and share price performance. Slowing input cost pressures and, in due course, declining interest rates would also be welcome.

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Mondelez & Heineken

This pair of non-UK consumer branded goods companies have been portfolio constituents for many years; Mondelez inherited from our holding in Cadbury after its takeover in 2009. They have been steady performers, particularly Mondelez, which hit an all-time high in 2023. However, both now look more expensively valued than comparable UK-listed companies, notably Diageo. We may well use the pair as a source of cash to take advantage of the depressed valuations of existing or new UK holdings in 2024.

Burberry

Burberry listed in 2002 and since then its business has grown meaningfully, confirming the relationship I noted through this report between the growing wealth created by technology and consumer engagement with luxury brands. Revenues in 2002 were c.£500m and are forecast to be over £3bn for the year 2023. New management has set itself a medium-term goal of taking revenues to £5bn. Despite the company's successful long-term record of growth in revenues and earnings, investors are clearly dubious, as evidenced by the share price fall in 2023, triggered by industrywide concerns about slowing growth, particularly in China. Burberry is not and never will be an LVMH or an Hermes, but it does have a genuine global luxury brand, particularly its iconic outerwear franchise. Meanwhile, the shares are back to levels last seen in 2011, trading on a low-teens P/E and offering a dividend yield of over 4%. At these levels Burberry looks a bargain to us.

Talking about iconic UK trophy brands, we note the development at the end of December in the ownership saga of Manchester United, which is a c2.0% holding in the portfolio. There are still plenty of questions about Sir Jim Ratcliffe's proposal and still no certainty about the long-term ownership of the club, but it places a record high value on it of c£4bn, at a c60% premium to the current share price. This is quite amazing when you consider the Edwards family came close to selling the club for only £20m in 1990. At the least the offer confirms the well-established bull market in the value of globally-followed sports franchises.

Schroders

This is currently the 10th biggest holding in the portfolio, at c.5.5% of the NAV. Schroders and its wealth management arm Cazenove are two of the strongest franchises in European asset management. With the company still controlled by the eponymous family, Schroders has been financially conservative, but willing to take a long-term view in developing its services to clients globally. As a result, the company is well-positioned in private wealth management, private equity and the provision of fund products in China and India – all big opportunities. To us Schroders is another world-class UK company that is well-run, but suffering from the poor sentiment that afflicts UK equity assets. Schroders' dividend has effectively doubled over the last decade, but its shares currently offer a dividend yield of over 5%, backed by a pristine balance sheet, and trade on a low-teens P/E. Dividend yield is the last reason to buy an equity (we think), but when a growing company with a growing dividend is valued so cheaply you have to take notice.

Shareholders will not be surprised to read that I reaffirm the tenets of Lindsell Train's investment approach, as being the best way, for us at least, to deliver on our aspiration to deliver exceptional investment returns. Lindsell Train runs concentrated portfolios of what we believe to be excellent businesses. We hope and expect the value being created inside these companies, as measured by their sustainable Returns on Equity ("RoE"), will create wealth for our investors over time. The average weighted RoE for the Fund's portfolio in the second half of 2023 was 26%. We know what the effects can be of owning fine businesses in size over long periods, because we have already delivered them for our longest-standing clients. Over 20 years Diageo's share price has risen 4-fold (excluding dividends), LSEG 23-fold, RELX 6-fold and even Unilever is up 3-fold. Meanwhile, excluding dividends, the capital value of the FTSE All-Share over the 20 years is up just 92%. Concentration can cut both ways, as shareholders have experienced over the last three years, but if we can continue to hold and find new positions that can do for us what these have done over the next 20 years, then your Company certainly offers a differentiated and potentially rewarding investment approach.

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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.

Target Market

The Company is suitable for investors seeking an investment that aims to deliver total returns over the longer term (at least five years), is compatible with the needs for retail clients, professional clients and eligible counterparties, and is eligible for all distribution channels.

The Company may not be suitable for investors who are concerned about short-term volatility and performance, have low or no risk tolerance or are looking for capital protection, who are seeking a guaranteed or regular income, or a predictable return profile. The Company does not offer capital protection.

Value Assessment

Frostrow Capital LLP has conducted an annual Value Assessment on the Company in line with Financial Conduct Authority (FCA) rules set out in the Consumer Duty regulation. The Assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations.

Within this, the assessment considers quality of services, performance of the Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether vulnerable consumers are able to receive fair value from the product.

Frostrow Capital LLP concluded that the Company is providing value based on the above assessment.

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").