

### 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).

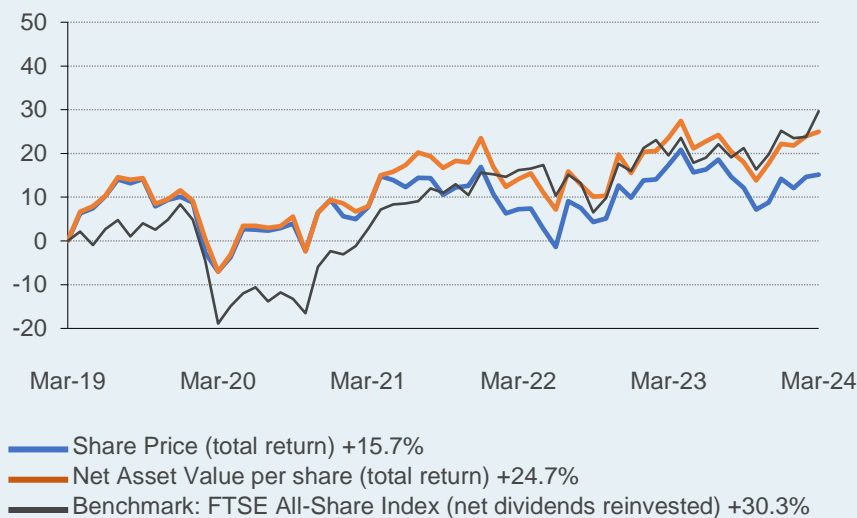
## LINDSELL TRAIN



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 rise and is not guaranteed; An investor may receive back less than the original amount invested.



Source: Morningstar

### Ten Largest Holdings as at 31 March 2024 (% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	12.6
RELX	Consumer Discretionary	12.4
Experian	Industrials	11.9
Sage Group	Technology	11.2
Diageo	Consumer Staples	10.5
Unilever	Consumer Staples	8.7
Burberry Group	Consumer Discretionary	5.2
Schroders	Financials	4.9
Mondelez Int.	Consumer Staples	4.3
Rightmove	Consumer Discretionary	3.5
<b>Total</b>		<b>85.2</b>

### Fast Facts

As at 31 March 2024

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	187,444,294 Ordinary shares of 25p 37,547,009 (in treasury)
Number of Holdings	21
Net Assets (£m)	£1,747.3m
Market Capitalisation (£m)	£1,619.5m
Dividend Per Share**	19.3p
Current Net Yield	2.2%
Gearing	1.1%
Leverage***	Gross 101.1% Commitment 101.5%
Share Price (p)	864.00
NAV (p) (cum income)	932.17
(Discount) / Premium to NAV	(7.3%)
Portfolio Turnover p.a.	6.0%
Active Share	84.7%

### Codes

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

### Sector Breakdown as at 31 March 2024 (%)

Consumer Staples	31.9
Consumer Discretionary	22.6
Financials	22.4
Industrials	11.9
Technology	11.2
<b>Total</b>	<b>100.0</b>

### 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	0.8	2.3	2.3	1.1	15.8	24.7	123.0	644.2
Share Price	0.5	0.8	0.8	-1.9	6.9	15.7	106.3	709.2
Index	4.8	3.6	3.6	8.4	26.1	30.3	75.3	226.7

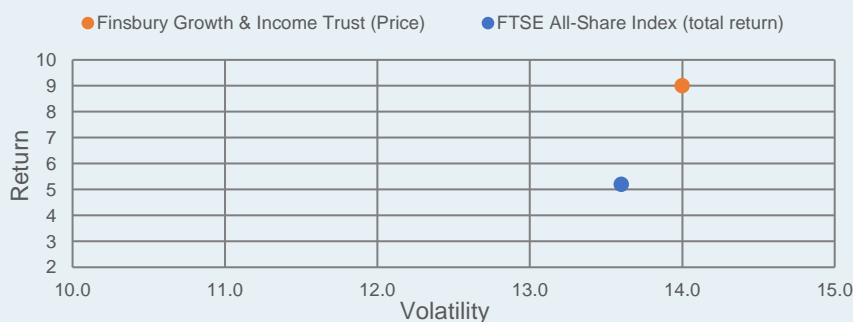
Source: Morningstar.

\* 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 payable 17 May 24 :(Year ended Sep 24) 8.8p

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.

### Commentary

In March, the NAV was up 0.8% on a total return basis and the share price was up 0.5%, on a total return basis, while the index was up 4.8%.

I analyse the month of March and the first quarter of 2024 from two perspectives: What Didn't Work and What Did. In the process I include some comments about important individual holdings. Finally an update on portfolio activity.

What Didn't Work for the strategy in the first quarter was Luxury, particularly Luxury exposed to the Chinese consumer. Our worst performers were Burberry and Remy Cointreau, both down well over 10%, both with important franchises in Asia and Greater China. It is frustrating to note that the two are now trading at below half the peak share prices they set in 2023 (Burberry) and 2022 (Remy). And that what has undermined them has been justified concerns about weakening Chinese demand for western luxury products. We must hope these big share price falls have created future opportunity. We know both companies continue to invest behind their brands in the region and that one day growth and consumer confidence in Asia will recover. Another luxury-related holding, Diageo, with its premium spirits portfolio, marginally underperformed during the quarter, with a gain of 3.5%. Diageo was able to reassure investors that its problems in Latin America, which hit its share price in 2023, are easing and many, including us, now hope for an improvement in its sales performance elsewhere.

Also what didn't work were our two holdings in UK fund management companies, with the 9% drop in Schroders' share price a notable detractor (Rathbones, a smaller holding, is the other). We understand the reasons the industry is out of favour, but believe the companies we hold have differentiated and winning strategies and, as a result, their share prices have become undervalued. For instance, Schroders has a clearly-articulated and patiently-executed strategy to shift its business mix to higher growth and higher margin segments, such as Private Wealth and Private Equity and the strategy is clearly working. After recent results, management was keen to point out the value that has been created within Schroders, through its investment in new business lines that have, to date, been cost centres, rather than profit generators. For instance, Schroders' private wealth joint venture with Lloyds Bank has now reached c.£14bn of AUM, but last year contributed only £2m to group profits. Management now predict the JV could deliver £40m p.a. and growing in coming years. You pay 11x earnings for Schroders today, a business with 30% EBITDA margins and valued at c.£6bn, with £750bn AUM, c.£600m of surplus capital and a dividend yield of just shy of 6%. If the company can deliver even a smidgen of secular growth then that rating and share price could change meaningfully for the better.

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What Did Work for your Company during the first quarter was the investment we have in world-class, UK-listed Data and Software companies. Notably, RELX was up 10% and Experian and Sage 8% and 9%, respectively. Our other big holding in this area, LSEG was up 2% in the quarter, thereby underperforming the index, but creeping back toward the share price peak it hit in 2021, now c.4% adrift. We hope that further business progress for LSEG and a likely final placing of the Refinitiv vendors' stake will clear the way for new share price highs in due course. A welcome winner was Fever-Tree, which gained 14% over the quarter, after reporting encouraging growth at its final results, accompanied by even more encouraging forecasts about the global potential that remains for its unique brand. Ostensibly, Fever-Tree shares look "expensive", but they will look a bargain if the company can fulfil its potential. Another global brand owner which outperformed was Unilever, up 5%. Here, the trio of new Chair, CEO and CFO has begun to make its mark on the business. By announcing the sale or demerger of Unilever's ice-cream division, the global market leader in a growing category, these senior executives have demonstrated their ambition to highlight and realise the growth and value intrinsic in the group's portfolio.

In terms of what we did over the quarter, we continued to add to our newest holding, Rightmove. The position now stands at 3.5% of NAV. We have been able to build this position easily, because there are ready sellers at current prices. Those sellers are concerned that UK interest rates higher for longer will continue to retard the UK housing market and, in addition, that new competition may challenge Rightmove's market share and profitability. As to the former worry, we note that 2023 saw the lowest number of housing transactions in the UK, 1 million, in a decade. Nonetheless, revenues for 2023 were up 10%, as the company develops new products and services which help its customers close more deals, more efficiently in a difficult market. Regarding the latter, I will simply quote the author of the Telegraph's Questor column, recently recommending a purchase of Rightmove shares: "Indeed it would not be an exaggeration to state that Estate Agents in the UK who do not use the company's services are likely to find it very difficult to successfully operate."

A smart shareholder asked me recently – which of your holdings really has the potential to double or treble profits over the next decade or more and, as a result, become a much bigger market capitalized company and higher share price? My answer was that we believe in all our companies – you have to be a true long-term investor. But that amongst the large-cap holdings in the Fund, it is readily conceivable that RELX and Sage have transformative profit potential ahead. And of our mid and smaller capped holdings, Fever-Tree, Hargreaves Lansdown and Rightmove have clear roadmaps to being much bigger businesses, if, of course, they can execute on the opportunities.

### **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.*

### **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").