Finsbury Growth & Income Trust PLC

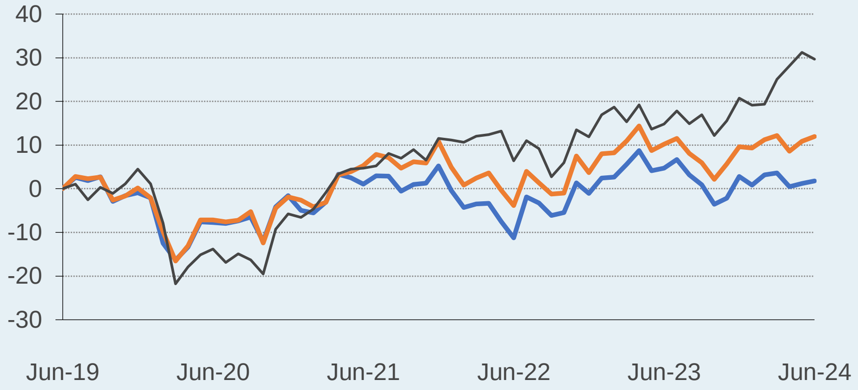
Factsheet as at 30 June 2024

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



Source: Morningstar

Ten Largest Holdings as at 30 June 2024 (% of total investments)

Name	Sector	Total
RELX	Consumer Discretionary	13.1
Experian	Industrials	12.8
London Stock Exchange	Financials	12.7
Sage Group	Technology	10.4
Unilever	Consumer Staples	10.1
Diageo	Consumer Staples	9.9
Hargreaves Lansdown	Financials	5.5
Schroders	Financials	5.0
Rightmove	Consumer Discretionary	4.1
Burberry Group	Consumer Discretionary	4.0
Total		**87.6**

Portfolio Manager Nick Train

Fast Facts

As at 30 June 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	177,872,367 Ordinary shares of 25p 47,118,936 (in treasury)
Number of Holdings	21
Net Assets (£m)	£1,639.5m
Market Capitalisation (£m)	£1,494.1m
Dividend Per Share**	19.3p
Current Net Yield	2.3%
Gearing	1.1%
Leverage***	Gross 101.1% Commitment 101.6%
Share Price (p)	840.00
NAV (p) (cum income)	921.70
(Discount) / Premium to NAV	(8.9%)
Portfolio Turnover p.a.	7.0%
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

Frostrow CAPITAL

Finsbury Growth & Income Trust PLC

Factsheet as at 30 June 2024

Sector Breakdown as at 30 June 2024 (%)

Consumer Staples	28.9
Financials	24.9
Consumer Discretionary	23.0
Industrials	12.8
Technology	10.4
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	1.0	-0.2	2.1	1.6	6.3	13.1	121.4	643.8
Share Price	0.6	-1.8	-1.0	-2.8	0.8	2.6	100.9	695.0
Index	-1.2	3.7	7.4	13.0	23.9	30.9	77.8	238.9

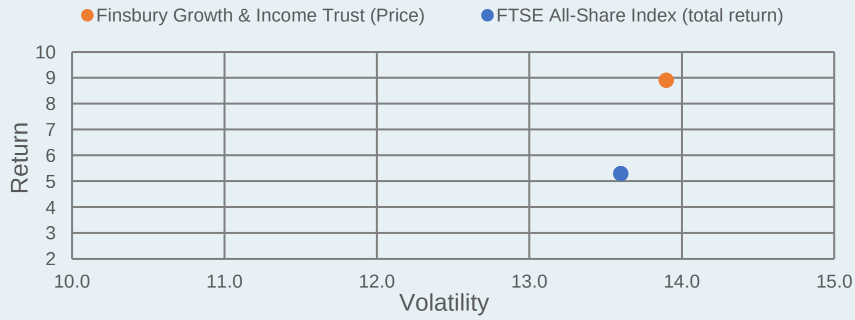
Source: Morningstar.

* Index source: FTSE International Limited (“FTSE”) © FTSE 2024

**Cumulative since Manager appointment in December 2000

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 (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 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.

Finsbury Growth & Income Trust PLC
Factsheet as at 30 June 2024

Commentary

In June, the NAV was up 1.0% on a total return basis and the share price was up 0.6%, on a total return basis, while the index was down 1.2%.

Lindsell Train Limited has a clear investment approach and we have a clear investment strategy for our UK Equity portfolios. Those make for a useful start, but we need investment performance to validate the approach and to validate the choices we have made of the individual securities that give access to our strategy. We do not enjoy the current investment performance.

The quarter saw a continuation of recent mixed trends within the portfolio.

On one hand, our holdings in UK Data and Software companies offered encouragement about the investment theme they represent. Experian and RELX both rose 8% in the second quarter and hit all-time highs in the process. But I have to acknowledge our other important commitments to the theme, London Stock Exchange Group and Sage, were, respectively, unchanged or, in Sage's case, down 13%. For all these technology-type investments to work their revenues must grow ahead of investor expectations, as is evidently the case with Experian and RELX. Equally evidently, given its flat share price, LSEG has something to prove to investors and, in the short term, imminent updates about the efficacy and popularity of its new suite of products and services, developed with its joint venture partner Microsoft, will need to be encouraging. Meanwhile, Sage failed to meet more optimistic hopes at its May interim results, guiding to revenue growth of only c.9% for the rest of the year. Those of us invested in Sage for 5 years or longer might be delighted with this forecast of near double digit revenue growth, because it is indeed a much faster growth rate than the company was able to deliver 5-10 years ago. Perhaps profit taking in Sage stock, after its 60%+ gain in 2023 to an all-time high, is unsurprising. However, if the revenue growth rate stays around 10%, as management is guiding, we'd expect the shares to make new highs soon enough. There is no doubt Sage has a big growth opportunity, especially in the US.

On the other hand, almost everything we have invested in consumer brands underperformed over the quarter. And the greater the exposure to luxury or premium brands, the worse the performance of the shares. Of course we have high conviction that investing in luxury and premium brands will provide growth and durability for decades to come – that is why we have built the holdings in such brand owners. But that conviction has resulted in us owning shares in Burberry and Diageo both of which saw double digit share price declines in the second quarter. Diageo's problems are temporary, we believe. Meanwhile, we agree with the new Burberry CEO Joshua Schulman's comments in July that Burberry is an "extraordinary luxury brand, quintessentially British, equal parts heritage and innovation." But it is clear he and his fellow executives need to rethink how to fulfil the brand's potential. We continue to engage with executives and the board at what is an important juncture for the business.
Merger and Acquisition activity has picked up in the UK during 2024, recently running at almost double the levels of 2023. This includes a possible bid for Hargreaves Lansdown, an important holding in the portfolio whose shares had fallen too far in recent years (as evidenced by the 50%+ price gain in the quarter after the bid approach). In our opinion, HL is by no means the only holding in your portfolio whose market value does not match the strategic value of its business. And we expect that while these valuation gaps persist there will be further bids for portfolio companies or contiguous ones. Note, for instance, Carlsberg's takeover approach to soft-drink maker Britvic, which we do not own, and its implications for strongly branded comparators AG Barr and Fever-Tree, which we do.

Our investment approach involves constructing concentrated portfolios built around companies where we have high conviction about the business quality. Sometimes we can be wrong about the quality of the companies we choose to invest in, although I do not believe that is the case for any I have highlighted in this report. When we do make a mistake, or when areas of the market we are not invested in do well, the concentration of the portfolio can result in disappointing returns. However, concentration does indeed cut both ways and if we are right today about the business prospects for the majority of portfolio holdings and their undervaluation there could be material upside.

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

Finsbury Growth & Income Trust PLC

Factsheet as at 30 June 2024

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").