

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).

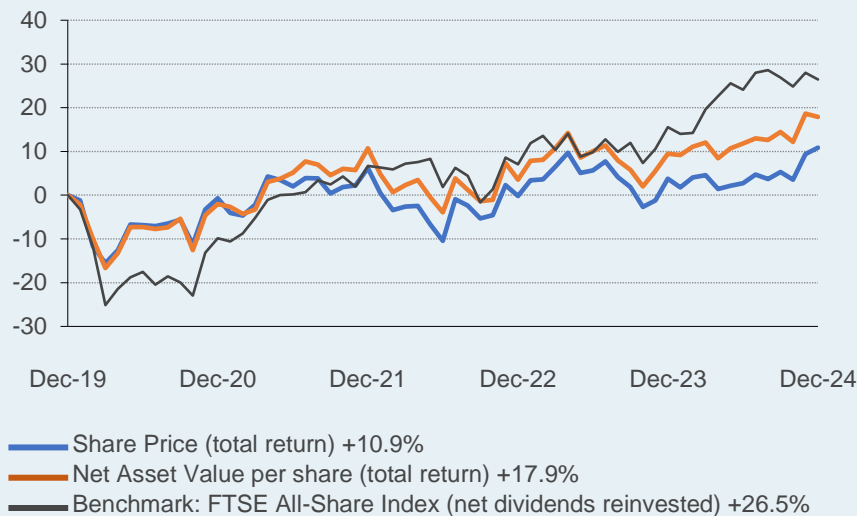
LINDSELL TRAIN



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 December 2024 (% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	12.8
RELX	Consumer Discretionary	12.3
Sage Group	Technology	12.3
Unilever	Consumer Staples	11.6
Experian	Industrials	11.5
Diageo	Consumer Staples	11.3
Rightmove	Consumer Discretionary	6.0
Hargreaves Lansdown	Financials	5.9
Schroders	Financials	4.4
Burberry Group	Consumer Discretionary	4.3
Total		92.4

Fast Facts

As at 31 December 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	153,841,134 Ordinary shares of 25p 71,150,169 (in treasury)
Number of Holdings	22
Net Assets (£m)	£1,478.2m
Market Capitalisation (£m)	£1,376.9m
Dividend Per Share**	19.6p
Current Net Yield	2.2%
Gearing	1.9%
Leverage***	Gross 101.9% Commitment 101.9%
Share Price (p)	895.00
NAV (p) (cum income)	960.86
(Discount) / Premium to NAV	(6.9%)
Portfolio Turnover p.a.	6.4%
Active Share^	83.9%

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 December 2024 (%)

Consumer Staples	25.8
Financials	24.7
Consumer Discretionary	24.4
Industrials	12.8
Technology	12.3
Total	100.0

Discrete Performance – Calendar Years (%)

	2020	2021	2022	2023	2024
NAV	-2.0	13.0	-6.5	5.8	7.7
Share Price	-0.7	6.9	-6.0	3.9	6.9
Index	-9.8	18.3	0.3	7.9	9.5

Standardised Discrete Performance (%)

	1m	3m	YTD	1yr	3yr	5yr	10yr	Since Manager Appointment**
NAV	-0.6	3.0	7.7	7.7	6.5	17.9	120.0	688.6
Share Price	1.4	5.3	6.9	6.9	4.4	10.9	105.7	757.8
Index	-1.2	-0.4	9.5	9.5	18.5	26.5	81.9	245.4

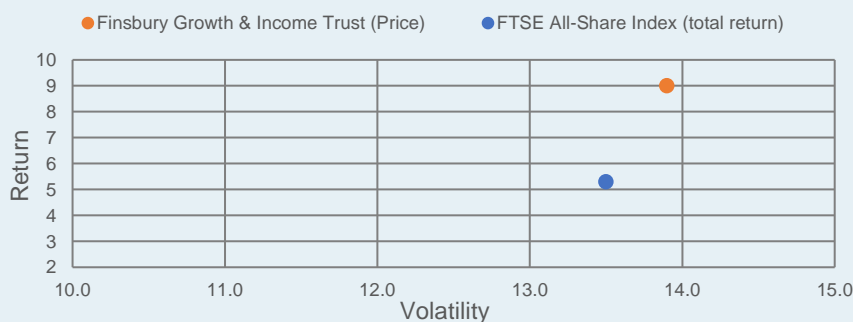
Source: Morningstar.

* 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

	2020	2021	2022	2023	2024
Dividend Rate	16.6p	17.1p	18.1p	19.0p	19.6p
YoY% Growth	-	3.0	5.8	5.0	3.2

*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 8 Nov 24 :(Year ended Sep 24) 10.8p

***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 December, the NAV was down 0.6% on a total return basis and the share price was up 1.4%, on a total return basis, while the index was down 1.2%.

The final quarter of 2024 saw welcome relative outperformance from your Company. This was the result of continued share price gains from several of the investments that worked well for the portfolio throughout the year. But also from a bounce in some of the shares that have held back performance over the same period.

Amongst the first category were Data and Software companies Sage, LSEG, Rightmove and RELX, all of which outperformed by gaining 24%, 10%, 4% and 3% respectively during Q4. We remain optimistic that the secular business growth being delivered by these companies will accelerate in 2025, attracting higher valuations from investors in the process and leading to further share price gains.

Sticking to this group, we must note the setback in the shares of important holding Experian, which fell 8% in December and 12% over the quarter (though still ending calendar year 2024 up 9%). Experian is a secular-growth Data business, we are sure. However, at the margin, its growth rate is sensitive to the propensity of consumers to borrow. For this reason expectations about the course of interest rates do influence Experian's share price. And to that point, December was a month when investors worried that global interest rates may fall more slowly through 2025 than previously hoped. Whilst not denying the influence of these cyclical factors, we think they simply slow the rate of Experian's short-term growth and do not detract from its long-term opportunity. We have been adding to the holding when we can.

There were also partial recoveries in some depressed share prices in the Company. Burberry rose 40% in Q4 and Diageo finally stabilized then rallied 8% in December. On the other hand, Fever-Tree shares remained under pressure, falling 18% over the quarter. We recognize the, sometimes self-inflicted, issues these companies face, but we remain firmly of the view that the strategic outlook for truly global brands in growing categories is excellent. Over the next decade we expect global economies to expand, global consumer confidence to recover and consumer predilection for luxury and premium products to become even more pronounced. Burberry and Fever-Tree's eponymous brands and the best of Diageo's brands offer UK investors rare access to that global potential, we believe. So we must hope and think it not impossible, that 2024 was the low-point for their fortunes and for investor sentiment.

Much has been written about the prospects for UK and Global economies in 2025, and about the potential for more competitive returns from the UK stock market, too. We are always wary of making macro predictions, but as it's the beginning of a new year and in the spirit of affording myself some optimism, we see Trump's election victory as tending to make peace more likely worldwide and to strengthen the US economy and the US Dollar. If peace does eventuate, we'd expect to see declining energy and commodity prices, with concomitant falling inflation and rising consumer confidence. This would likely be a favourable set of conditions for world equity markets. We'd also expect the UK equity market to participate and sincerely hope our portfolios, focused on world-class UK Data and Software companies and global consumer brand owners, would generate attractive absolute and relative returns.

To emphasise the potential in the portfolio, if those themes and economic trends do generate the returns we aspire to, please consider the top-10 holdings in the Company on Page 1 and the proportion of the whole they represent. To us this really is a collection of outstanding businesses, with robust market positions and compelling growth opportunities. The concentration of the portfolio has worked against your Company in recent years, but in the past it has produced market-beating returns and we are sure it can do so again.

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

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As we hinted a couple of months ago, we have initiated two new holdings for the portfolio, namely Clarkson and Intertek. We have followed both companies for years, but our work on the pair intensified during 2023/4 as we looked to add to the proportion of the Company invested in world-class, UK-listed Intellectual Property and/or Data companies. We think that both fit that criteria. Timing the initiation of new holdings is always tricky, but the weakness in the share prices of both during the second half of 2024 was the trigger. The companies are beneficiaries of the growth of global trade, and rising macro-economic concerns about the prospects for global trade in H2 2024 have created an opportunity to invest on favourable terms. We attach summaries of the buy-case for Clarkson and Intertek below.

Clarkson

Clarkson is by far the world's #1 shipbroking company, according to Lloyd's List (the industry bible). #2 is another London-listed company, Braemar Holdings. Clarkson's revenues of £630m in 2023 are over 4x greater than Braemar's and its market value is 13x higher. The other eight of the top 10 shipbrokers are privately held or subsidiaries of diversified groups and have reported revenues of between £15m and £30m per annum. Clarkson is #1 or #2 in every shipping market, giving it scale and access to flows/deals/data that its smaller, sometimes niche competitors cannot match. History suggests Clarkson's scale, estimated by the house broker at a 25-40% share, has conferred competitive advantages and delivered attractive returns on capital for its owners – 9% p.a. over the last decade. It is an example of a world-class UK company that few people have heard of.

Shipping is a cyclical industry, with booms and busts, driven by trends in global trade and excess or shortages of capacity. This means shipbroking is cyclical too; but not to such a great extent, because shipbrokers are intermediaries, not ship owners or principal risk-takers. Since Andi Case became CEO in 2008, the biggest decline in annual revenues was 30% in 2009 and there was a similar fall in earnings in 2015. Despite the cyclical nature, over the last 20 years, Clarkson's share price has risen nearly 7-fold, in line with a 7-fold increase in revenues. If it can do the same out to 2044 shareholders won't mind some cyclical nature in the business. Clarkson is essentially a toll-booth company, providing hard-to-replicate transaction and data services to a \$2trn industry. Anyway, shipping is better understood as not so much "cyclical" as "multi-cyclical" and this means it has been rare for all parts of Clarkson's business to be pressurized at the same time.

What is interesting about shipbroking and Clarkson is that it seems that both are participating in the structural trends driving all financial markets: the electrification of trading; the embedding of technology through the trade process; and the growth in demand for data and the tools to analyse it. Clarkson claims market-leading data services that in its own words "underpin the workflows and decision making of thousands of organizations across the global maritime industry."

The company has established an arms-length subsidiary, Sea, "an intelligent marketplace for fixing freight", that is currently loss-making, but appears to be gaining users and market share. By December 2023, 80% of the world's iron-ore producers were using Sea-Fix.

Clarkson has net cash of c.£130m, over 10% of the market value. It trades on c.14x prospective earnings and has a dividend yield of 2.7%. Profits have been very strong over the last two years, which is making analysts (and us) cautious. But we believe Clarkson is more of a data business than the valuation implies, and we are hopeful that your Company will benefit from exposure to not only the growth of global trade but also a rerating, as the data/platform revenues grow as a proportion of the whole.

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Intertek

As one of only four genuinely global testing and assurance businesses, Intertek is another true toll-booth company. We think it is well placed to benefit from the ever-increasing burden of global regulation and end user demand for demonstrable quality and compliance with a widening range of metrics, not only safety but increasingly traceability and supply chain visibility. Intertek operates across a huge range of countries and industries, including product testing, cargo inspections and quality assurance for large resources projects. We view Intertek as likely to benefit from the green transition as all energy generation requires quality testing and assurance. Indeed, the green transition is bringing entirely new categories such as carbon certification, which didn't exist 10 years ago.

Intertek enjoys high barriers to entry – its expertise, scale, capital, heritage and customer trust (it is a B2B marque of quality with considerable brand recognition amongst its business customers) have all taken a long time to build up and would be difficult for a new player to disintermediate. The competitive landscape is stable with each global testing and assurance company dominating specific verticals with little overlap. There is also a significant opportunity in the form of the real competitors being Intertek's customers, which have a genuine incentive to shift from in-house testing to third party as regulation becomes more complex and the penalties for non-compliance more onerous. In addition, "assurance" has gone from 10% of revenues in 2015 to 20% today, representing a meaningful step-up in revenue quality. Assurance is more than just testing a product in Intertek's lab – it is owning the quality standard IP, and supplying it to companies as reassurance that the product is compliant. Intertek has an ROE of 24% and is trading on a prospective P/E multiple of c.18.5x, which we think more than reasonable given the market position and clear growth opportunity ahead of it.

The top three absolute contributors to the Company's performance in December were Diageo, Burberry and Schroders, and the top three absolute detractors were Experian, Sage and Unilever.

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 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").