



Finsbury Growth & Income Trust

Finsbury Growth & Income Trust PLC

Factsheet as at 31 January 2025



Portfolio Manager
Nick Train

Fast Facts

As at 31 January 2025

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 149,411,248 Ordinary
shares of 25p
75,580,055
(in treasury)

Number of Holdings 22

Net Assets (£m) £1,536.0m

Market Capitalisation (£m) £1,437.3m

Dividend Per Share** 19.6p

Current Net Yield 2.0%

Gearing 1.7%

Leverage*** Gross 101.7%
Commitment 101.7%

Share Price (p) 962.00

NAV (p) (cum income) 1028.05

(Discount) / Premium to NAV (6.4%)

Portfolio Turnover p.a. 6.4%

Active Share[^] 84.0%

Codes

Sedol 0781606

ISIN GB0007816068

Legal Entity Identifier (LEI)
213800NN4ZKX2LG1GQ40

**Global Intermediary Identification Number
(GIIN)** QH4BH0.99999.SL.826

Bloomberg FGT LN

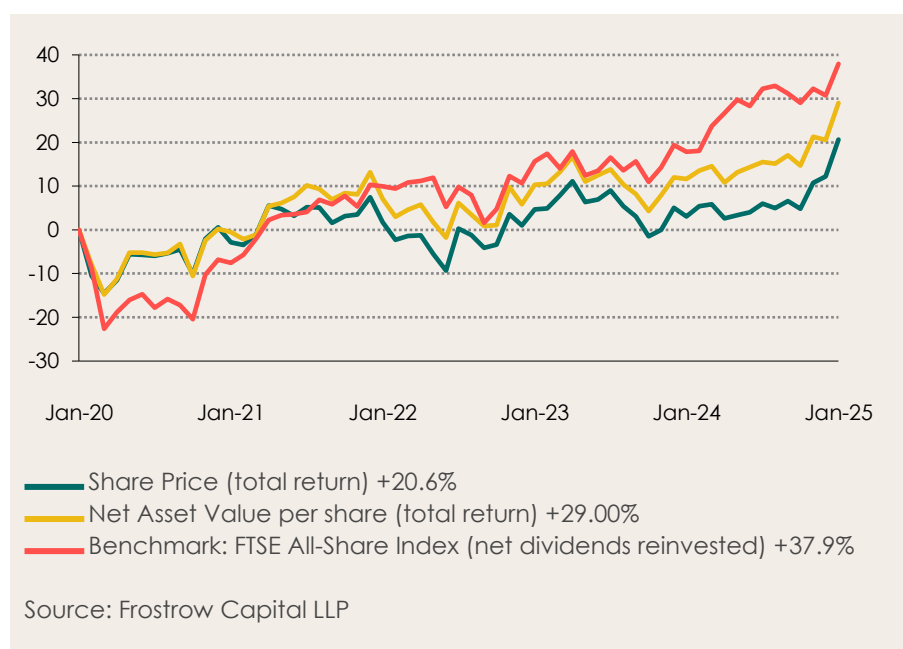
EPIC FGT

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.



Ten Largest Holdings as at 31 January 2025 (% of total investments)

Name	Sector	Total
Experian	Industrials	12.7
RELX	Consumer Discretionary	12.6
London Stock Exchange	Financials	12.4
Sage Group	Technology	12.2
Unilever	Consumer Staples	10.8
Diageo	Consumer Staples	10.4
Rightmove	Consumer Discretionary	6.2
Hargreaves Lansdown	Financials	5.0
Burberry Group	Consumer Discretionary	5.0
Schroders	Financials	4.5
Total		91.8



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Sector Breakdown as at 31 January 2025 (%)

Consumer Discretionary	25.3
Consumer Staples	24.2
Financials	23.6
Industrials	14.7
Technology	12.2
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	7.0	12.5	7.0	15.6	20.4	29.0	120.5	743.9
Share Price	7.5	15.1	7.5	17.1	18.6	20.6	106.7	822.0
Index	5.5	6.9	5.5	17.1	25.5	37.9	87.1	264.4

Source: Frostrow Capital LLP

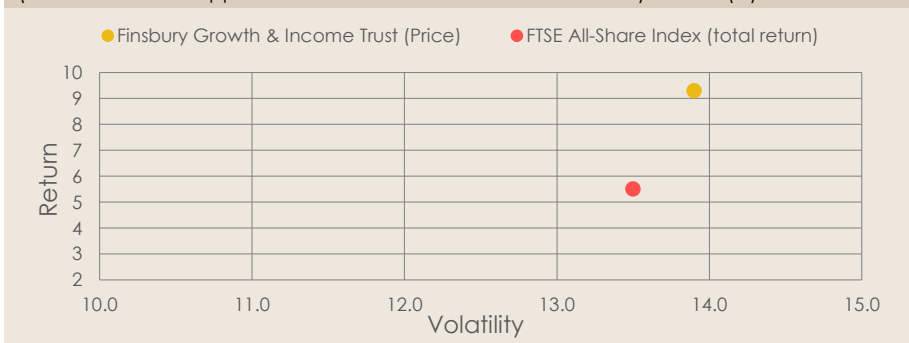
* Index source: FTSE International Limited ("FTSE") © FTSE 2025

**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	6.6p	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.

* Index source: FTSE International Limited ("FTSE") © FTSE 2025

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Commentary

In January, the NAV was up 7.0% on a total return basis and the share price was up 7.5%, on a total return basis, while the index was up 5.5%.

The start of the year proved a busy one for news flow for our companies, as well as welcome outperformance with your Company returning 7.5% against the index's 5.5%. Part of this was due to sustained strength in many of the Data, IP and Software companies, which today make up c.64% of the portfolio (up from c.40% in 2019). Amongst these, Experian (+17%), RELX (+11%), LSEG (+7%) and Sage (+7%) all outperformed in January – as did our two newest holdings, global testing and assurance business Intertek and data-owning shipbroker Clarkson, both up 8%.

In Clarkson's case the gain came off the back of a well-received trading update, which confirmed that results for FY2024 should come in ahead of expectations and proved reassuring against a challenging macro backdrop for shipping and general jitters about global trade. Intertek, meanwhile, rose on the news that rival European testing companies, Bureau Veritas and SGS, had entered talks to merge. Intertek's was also boosted by the subsequent revelation that it had initially been Bureau Veritas's first choice for a tie-up before talks came to an end. Whilst neither combination came to fruition, this news underscores the appetite for consolidation in the testing and certification sector – and, more importantly, highlights the breadth and depth of global opportunity that such consolidation seeks to tap into. The first huge opportunity exists in the form of testing companies' most important competitor – that being its own clients. Intertek's clients conduct a surprising amount of testing in-house and are slowly choosing (or being pushed by regulation) to switch to third party testing. But perhaps the more significant opportunity is the shift from simply testing to Assurance; i.e. ownership of IP in the form of quality standards and databases, and the ability to certify and drive transparency throughout much more of the supply chain. Intertek's 20% of revenues from Assurance puts it ahead of other testing companies, and we believe that its expertise here will only become more valuable over time as this IP becomes standard across industries and ultimately drives wider uptake.

Elsewhere in the portfolio, there was strong performance last month from two consumer brand companies, Burberry and Fever Tree, both detractors from returns in 2024. Burberry gained over 20% and Fever Tree just under 19%, on results and corporate action, respectively. Burberry's third quarter 2024 results were significantly better than expected, with like-for-like retail sales growth at -4% compared to analyst consensus expectations of -12%. In addition, the company has updated its profit outlook, now expecting that its first half operating loss will be offset in the second half, even after accounting for

£12m in one-off restructuring costs. These are encouraging early signs of a turnaround and we note with interest that new CEO Joshua Schulman felt confident to share that the brand's new autumn and winter marketing campaigns have resonated with new and existing customers, and that the restructured tiered pricing (ranging from entry level scarves at £420 to ultra luxury outerwear at £2,000+) and new products have been well received. We think it noteworthy that a handful of products have sold out. However, there remain plenty of reasons to be cautious. We should not forget that during this period of better trading Burberry has been discounting in store, which will have undeniably had some effect. In addition, retail sales growth of -4%, while not as bad as the expected -12%, is still shrinkage in absolute terms, and will need to return to positive territory if the brand is to thrive in the longer term.

Fever Tree announced at the end of January that US beer producer Molson Coors has taken an 8.5% stake in the company, and will be taking over production and distribution of Fever Tree products in the USA. Molson Coors will be purchasing Fever Tree US, which holds sales contracts, employees and inventory, and will be remitting profits back to the UK as a royalty. We were nonetheless reassured by Fever Tree management that the crucial Fever Tree brand IP will remain entirely in the UK. According to Fever Tree, Molson Coors approached them and were keen to take a stake in what they view as a "trophy asset" and a key component of the company's "beyond beer" strategy. The appeal of Molson to Fever Tree is its comprehensive system of over 400 distributors covering the whole of the USA, as well as its ability to maximise the benefits of scale in production. Interestingly, Molson Coors has made royalty level guarantees, which we are told by Fever Tree is unusual and indicative of its commitment and confidence. We can certainly see the appeal of Fever Tree being able to tap into Molson's network of varied distributors, serving a wide range of new end markets including big box stores, restaurants, liquor stores and bars. There are perhaps also benefits in having access to Molson's superior scale and ability to source raw materials. Inevitably there will be an impact to Fever Tree US's profits and most likely revenues in the short term – not least because marketing spend has been guaranteed to increase – so our expectations are tempered on a one to two year view. But if the Fever Tree brand really is as unique and compelling as we believe it to be, Molson's ability to get bottles and cans into American hands at a much faster rate could prove to be a turning point for the company. We will be watching progress with great interest.

The top three absolute contributors to the Trust's performance in January were Experian, RELX and Burberry, and the top three absolute detractors were Diageo, Manchester United and Young & Co.'s Brewery.



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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.

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.

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").

Contact Us

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