Finsbury Growth & Income Trust PLC

Factsheet as at 28 February 2025

Finsbury Growth & Income Trust

Portfolio Manager
Nick Train

Fast Facts

As at 28 February 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	147,739,549 Ordinary shares of 25p 77,251,754 (in treasury)
Number of Holdings	20
Net Assets (£m)	£1,454.2m
Market Capitalisation (£m)	£1,356.2m
Dividend Per Share**	19.6p
Current Net Yield	2.1%
Gearing	1.7%
Leverage***	Gross 101.7% Commitment 101.9%
Share Price (p)	918.00
NAV (p) (cum income)	984.28
(Discount) / Premium to NAV	(6.7%)
Portfolio Turnover p.a.	6.4%
Active Share^	84.3%

Codes

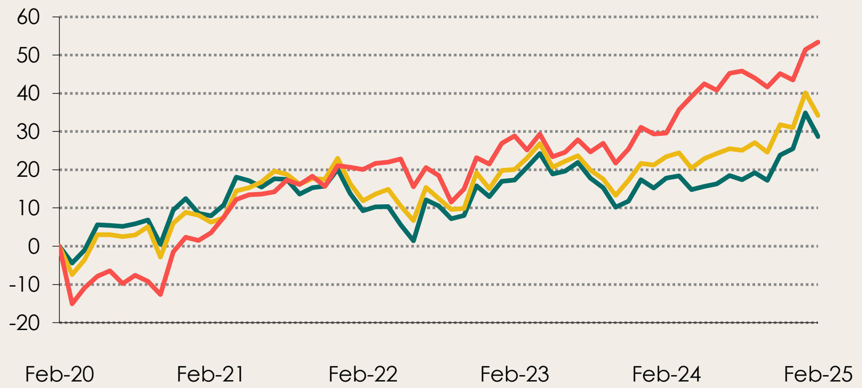
Sedol	0781606
ISIN	GB0007816068
Legal Entity Identifier (LEI)	213800NN4ZKX2LG1GQ40
Global Intermediary Identification Number (GIIN)	**QH4BH0.99999.SL.826**
Bloomberg	FGT LN
EPIC	FGT

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.



Share Price (total return) +28.7%
Net Asset Value per share (total return) +34.2%
Benchmark: FTSE All-Share Index (net dividends reinvested) +53.4%

Source: Frostrow Capital LLP

Ten Largest Holdings as at 28 February 2025

(% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	12.7
Experian	Industrials	12.3
RELX	Consumer Discretionary	12.3
Sage Group	Technology	12.1
Unilever	Consumer Staples	11.0
Diageo	Consumer Staples	9.9
Rightmove	Consumer Discretionary	6.6
Hargreaves Lansdown	Financials	4.9
Schroders	Financials	4.9
Burberry Group	Consumer Discretionary	4.8
Total		**91.5**

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Sector Breakdown as at 28 February 2025 (%)

Consumer Discretionary	25.1
Financials	24.3
Consumer Staples	23.7
Industrials	14.8
Technology	12.1
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	-4.3	1.8	2.4	8.8	19.9	34.2	106.6	706.6
Share Price	-4.6	4.0	2.6	9.2	17.8	28.7	92.7	779.9
Index	1.3	5.7	6.9	18.4	27.7	53.4	82.7	269.2

Source: Frostrow Capital LLP

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

**Cumulative since Manager appointment in December 2000

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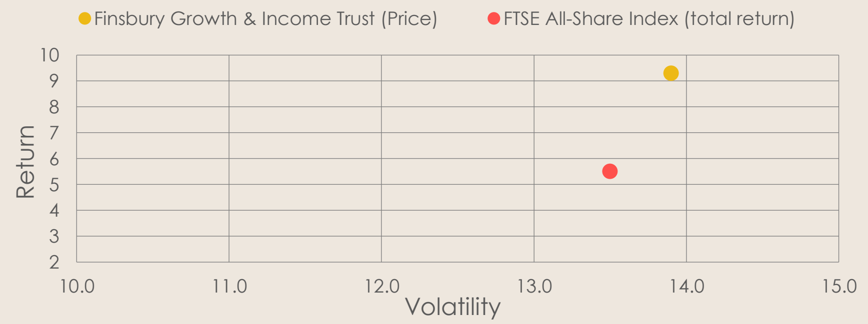
Return vs Volatility

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



Dividend Growth – 5 Years History

	2020	2021	2022	2023	2024
Dividend Rate	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.

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

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Commentary

In February, the NAV was down 4.3% on a total return basis and the share price was down 4.6%, on a total return basis, while the index was up 1.3%.

What can we say about Diageo? We felt the company did a decent job with its interim results and perhaps even more so at its presentation at the CAGNY (Consumer Analyst Group of New York) conference a week later, to reassure investors that, first, the company has some great brands and market positions and, second, that its current issues are, to a material extent, temporary; though tariffs introduce a political aspect to those headwinds that is hard to predict. Perhaps the crux for Diageo, from the perspective of investors, is what one makes of the fact the company earns half of its profits from the US. Doubtless that fact has discouraged some, given it is in the US that, arguably, the COVID-spirits boom and bust was most pronounced and where the social experiment with weight-loss drugs is most advanced. In addition, there are the impending tariffs on Mexican tequila and Canadian whiskey, both categories where Diageo is a leader.

On the other hand and a view we have sympathy with, is that Diageo's position in the US is of enormous value to its shareholders, despite the short-term uncertainties. To earn half your profits from the sale of predominantly high margin premium spirits in the world's wealthiest (and getting wealthier) economy, with a growing population (and a young population that appears to be willing to consume spirits at an earlier age and in greater volumes than previous cohorts) is a good thing, we think. We know, for instance, that a strategic objective for Unilever is to increase its exposure to the US market, because that is where the hard currency growth is. Diageo already has an enviable position, with evidently big opportunities ahead of it in tequila, American whiskey and Guinness. The US president has already surprised observers by his ability to deliver change – possibly malign in the case of tariffs. But perhaps he may also surprise by being able to deliver on the $4trn of tax cuts he has promised. A turbo-charged US domestic recovery, associated, conceivably, with a strong Dollar, would likely be very beneficial for Diageo's earnings indeed.

Finally on Diageo, we should acknowledge that what the company has said for the last nine months has been largely right. That spirits consumption in the US has been bottoming and that within that flat market, Diageo has been taking share. It is only one month's numbers, but note that in January 2025 the value of all US spirits sold was up 0.2% year-on-year, compared to a decline of 1.8% in December 2024. Meanwhile, the value of Diageo's sales was up 3.9% in January and was up 1.1% in December. Too soon to be sure, but the narrative of the US spirits market stabilising and Diageo taking share and growing more quickly, appears to be playing out. Not unreasonably, clients ask us what the catalyst will be for a recovery in Diageo's share price. Probably it will be confirmation of improving business trends in its largest and most profitable market. By the way, the sight of the victorious Philadelphia Eagles drinking Don Julio out of the neck in the locker-room after the Super Bowl and on national TV was both incredible free advertising, and a further confirmation of the growing US curiosity about and experimentation with, high quality tequila. As another observer noted about the huge growth of Diageo's sales of smaller (50ml) bottles of premium tequila: "How much there is to drink is inconsequential. They're not drinking to get drunk. They're drinking to experience a taste of a lifestyle that's promised by this brand." "They're not drinking to get drunk" – that's the essence of the secular bull case for Diageo. Consumers drinking less, but drinking more premium products, for the taste, for the provenance, for the cachet.

There were some drawdowns in the shares of UK-listed Data companies, despite reporting strong results in February, which contributed to the Company giving back much of the gain made in the first month of the year. An opportunity to buy more of these companies, we believe. Let me quote a couple of recent comments from management teams and industry experts that make us confident that is the case.

First for LSEG, CEO David Schwimmer noted at the post results analyst meeting: "So much of a user's workflow can be done without leaving the Workspace environment." Of course, that is a data and software service provider's dream; that its customers become "captive" in this way – not toggling between other company's products. And this second quote from Schwimmer clarifies the opportunity: "Over time what customers will really experience is an entire eco-system, seamlessly combining Microsoft's enterprise applications and LSEG's workflows and data." These are grand ambitions, and transformative for LSEG's profits if they can be executed on. But the joint venture between Microsoft and LSEG looks uniquely well-positioned to act on those ambitions.

Next, we asked RELX what the company made of Deepseek. The lengthy and persuasive answer given to us can be condensed to this quote from JPMorgan's RELX analyst: "We believe Deepseek highlights the likely commoditisation of large language models, increased LLM competition and lower costs per query. This should drive wider AI adoption and more of the value accruing to companies with curated, high quality datasets and trusted, domain-specific outputs. RELX is very well placed to bring the benefits of generative AI to legal, healthcare and research settings." This too is a big opportunity for RELX and its investors.

Finally and against the trend of profit-taking, Rightmove's shares rose after its results. The debate about competition from a new entrant is not yet resolved. But Rightmove's numbers allowed the CEO to say: "Our data leadership and ability to serve the market is actually strengthening all the time." Every single day that Rightmove receives 250 million consumer data signals and its competitors don't, is another day when its competitive position gets stronger.

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Elsewhere, we were intrigued to see a 4% stake being taken in Schroders by French Private Equity house Tikehau. Its CEO was quoted as saying that Schroders is "highly undervalued" and its future "bright". We hope the latter is true, but as to the undervaluation, consider: Tikehau has a market capitalisation of c.£3bn and AUM of c.£40bn. Meanwhile, Schroders' market cap is little more than double that of the French company, but its AUM is 19x greater. Of course, the margins and growth rates will be different, but it demonstrates the prize for Schroders' investors if the company can get growing again.

The top three absolute contributors to the Trust's performance in February were Schroders, Clarkson and Rightmove, and the top three absolute detractors were Diageo, Experian and Sage.

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.