Finsbury Growth & Income Trust PLC

Factsheet as at 31 March 2025

Portfolio Manager
Nick Train

Fast Facts

As at 31 March 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	145,224,192 Ordinary shares of 25p 79,767,111 (in treasury)
Number of Holdings	19
Net Assets (£m)	£1,383.2m
Market Capitalisation (£m)	£1,286.7m
Dividend Per Share**	19.6p
Current Net Yield	2.2%
Net Cash	3.2%
Leverage***	Gross 96.8% Commitment 96.9%
Share Price (p)	886.00
NAV (p) (cum income)	952.47
(Discount) / Premium to NAV	(7.0%)
Portfolio Turnover p.a.	4.7%
Active Share^	84.4%

Codes

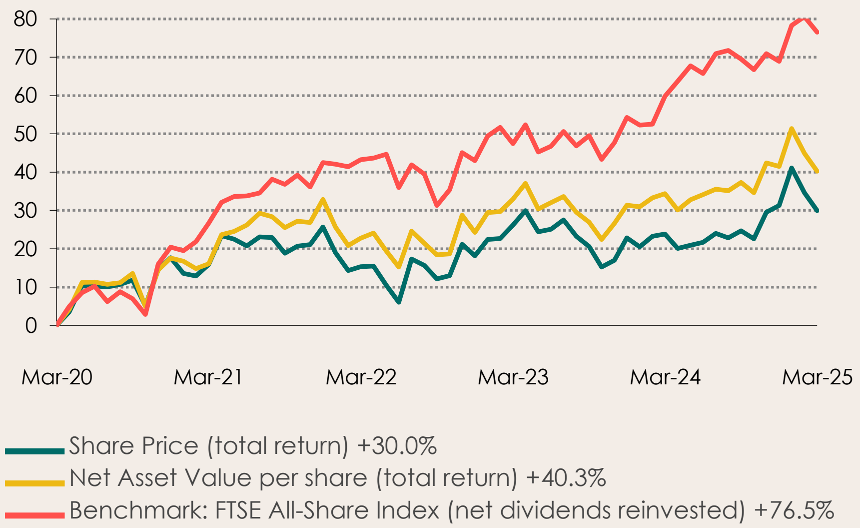
Sedol	0781606
ISIN	GB0007816068
Legal Entity Identifier (LEI)	213800NN4ZKX2LG1GQ40
Global Intermediary Identification Number (GIIN)	**QH4BH0.99999.SL.826**
Bloomberg	FGT LN
EPIC	FGT

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.



Source: Frostrow Capital LLP

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

Name	Sector	Total
RELX	Consumer Discretionary	13.6
London Stock Exchange	Financials	13.3
Experian	Industrials	12.9
Sage Group	Technology	12.6
Unilever	Consumer Staples	12.1
Diageo	Consumer Staples	10.2
Rightmove	Consumer Discretionary	7.5
Schroders	Financials	5.0
Burberry Group	Consumer Discretionary	3.7
Fevertree Drinks	Consumer Staples	2.0
Total		**92.9**

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Sector Breakdown as at 31 March 2025 (%)

Consumer Discretionary	26.1
Consumer Staples	25.7
Financials	20.1
Industrials	15.5
Technology	12.6
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	-3.2	-0.9	-0.9	4.4	14.3	40.3	99.8	678.6
Share Price	-3.5	-1.0	-1.0	4.9	12.7	30.0	85.0	749.2
Index	-2.2	4.5	4.5	10.5	23.3	76.5	81.7	260.9

Source: Frostrow Capital LLP

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

**Cumulative since Manager appointment in December 2000

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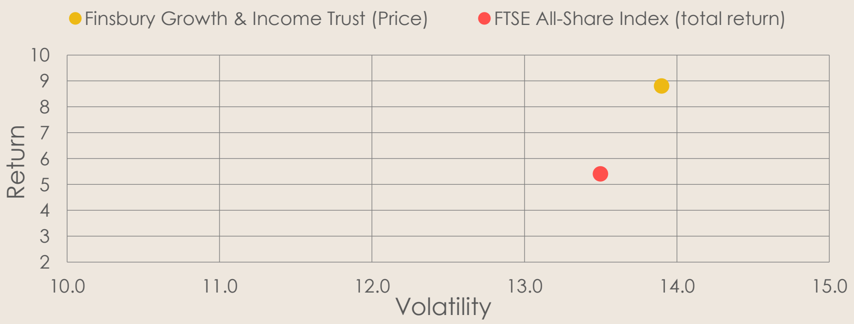
Return vs Volatility

(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 payable 16 May 25 :(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.

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Commentary

In March, the NAV was down 3.2% on a total return basis and the share price was down 3.5%, on a total return basis, while the index was down 2.2%.

The first quarter of 2025 proved a turbulent one from a political and macro perspective. The US president's widely publicised tariffs spurred fears of a global trade war leading to broad-based weakness across markets in March, led by consumer names (holdings Burberry and Diageo fell 21% and 20% in Q1, respectively) and technology stocks. Many of our "Digital Winners" (i.e. UK-listed data or technology owners), which make up c.60% of the portfolio, gave up strong gains from earlier in the quarter to finish in more moderate positive territory – RELX (+7%), Intertek (+6%), Experian (+4%) and London Stock Exchange Group (+2%) – whilst Sage fell 4%. These companies have had some correlation with the US mega caps in recent years, but they are fundamentally different businesses. Rather than having to be at the forefront of technology development in the same way as, for example, an Nvidia, the models of our Digital Winners rely on ownership of unique proprietary data that has been built up over many decades. By exploiting tech change to better manipulate that data, these companies are bringing more utility to their customers, allowing them to charge more for their services (more on that below). Currently, despite the warranted negative sentiment around tariffs, our data and software companies are unlikely to suffer the primary impacts from tariffs as they don't export, instead operating as cash generative subscription businesses selling software in local markets. We have used the indiscriminate selling to add to these positions where we can.

Despite the macro upheaval during the quarter and in recent weeks, there has been a considerable amount of positive news flow – both results and general news – around the underlying business performance of the companies in the portfolio. Regrettably this wasn't reflected in improved performance for your Company in Q1, but it does give us comfort that we are invested in a selection of exceptional businesses with a wide range of opportunities, even if the market backdrop continues to be challenging.

Before getting into these in more detail, a recognition that the cash weighting appears unusually high at the end of March, owing to the timing of the receipt of the proceeds of the Hargreaves Lansdown sale to private equity. The shares were delisted in late March and we have, this week (7th April), been able to put the cash to work both in existing positions where we have an opportunity to top-up, and at least one new holding.

Here are some of the highlights of recent news flow for our portfolio holdings:

Intertek

Intertek's relatively modest 6% share price gain over the quarter is a reflection of general fears around global trade and onshoring, rather than a response to its FY2024 results announced in March, which exceeded expectations. Intertek reported revenue and profit growth of just under 7%, as well as a welcome reminder of the judicious and disciplined capital allocation approach within the business – new acquisitions (an important part of Intertek's growth) delivered £200m in revenue with operating margins of 25%, well above the group average of 17.5%. Looking to the future, 18% of Intertek's revenues originate in China, which could come under some pressure if tariffs are here to stay. But ultimately, we believe that Intertek's product breadth, geographic agnosticism and driver shift from trade globalisation to the ever-increasing burden of regulatory compliance and enhanced product safety standards mean that it is well-positioned. Its ability to remain focused on successfully capitalising on these secular tailwinds will be much more integral to the long-term business case than passively riding the wave of growing or shrinking trade globalisation, or being too concerned with the location of its customers.

Clarkson

The 14% fall in Clarkson's share price following the publication of its FY2024 results in March reflected the CEO's comments that 2025 had "started with even more uncertainty than previous years", as the shipping market grapples with conflicts, tariffs and trade tensions resulting in falling freight rates. However, the results themselves were admirably strong: Clarkson delivered a record level of profit (+6% year on year), a dividend increase of 7% (marking the 22nd consecutive year of dividend growth) and an even stronger balance sheet with over £210m in ready cash, up from £175m the previous year. We continue to believe in the view espoused by the Chair, who compares the company to Goldman Sachs or Morgan Stanley – yet with a more dominant market position and considerably less competition. We'd also point out that unlike Goldmans or Morgan Stanley, Clarkson has net cash and does not take principal positions, which makes the business less risky. And of course, the wealth of data contained within the business offers it considerable opportunity and optionality into the future – so we were particularly interested to see that the Research (pure data) division posted double digit profit growth in 2024.

Sage

Sage is growing its revenues at around 10% and owns Sage Intacct, which, we believe, has a chance of becoming a global standard product for the supply of digital services to small and mid-cap companies. Both the CFO and the Chair of Sage have recently indicated that they believe the company is close to achieving the "rule of 40%" – i.e. when the combination of revenue growth and operating margin sums to more than 40%. Sage's current margins are in the high 20%s, implying Sage expects an acceleration in its revenues to above

10% per annum in the near future. Given that US comparators trade on much higher multiples than Sage's 5x revenues (Salesforce trades on 8.5x revenues for 12% growth; Intuit on 9x for 12%; Xero on 12x for 20% and Atlassian on 12.5x for 18% growth), this suggests to us that there could be significant further upside in Sage's share price.

Rightmove

Rightmove's shares rose after its full year results in March, which delivered solid revenue and profit growth of 7% and 4%, respectively. Encouragingly, the company's strategic growth areas of Commercial Property, Mortgages and Rental Services together grew sales 27% year-on-year, vindicating the company's longstanding view that these important ancillary ventures have "significant runways for growth". Looking at the business overall, the debate about competition from new entrant CoStar is not yet resolved. But Rightmove remains the leading UK property platform by a significant margin – 80% of all consumer time spent on UK property portals is spent on Rightmove, which made it the fourth most visited UK digital platform in 2024, only behind the likes of the BBC and Gov.uk. Every day that Rightmove receives 250 million consumer data signals and its competitors don't, is another day that its competitive position gets stronger.

London Stock Exchange Group (LSEG)

The company recently reported that it had been able to increase revenues just under 8% in FY2024, with growth in all divisions. Profits grew ahead of revenues, at +9%. We have been optimistic about the LSEG/Microsoft joint venture's potential to take share from Bloomberg, and were encouraged to learn that this "continues to have strong momentum", with the first products now officially in the market. The CEO said at the recent results presentation: "Over time, what customers will really experience is an entire eco-system, seamlessly combining Microsoft's enterprise applications and LSEG's workflows and data." No other industry participant can make such a claim or deliver a comparable service.

Diageo

Diageo's share price sank in the wake of its H1 results and – we think especially – on the unhelpfully timed threat of tariffs, which the company estimates could have a c.$200m impact on profits. The potential for these tariffs to have a direct impact on Mexican-produced tequila and Canadian-produced whisky, two very strong categories for Diageo, is frustrating. Yet looking at the results and some more recent data in detail, the narrative that Diageo is navigating the difficult macro environment better than its competitors does appear to be playing out. Revenues grew by 1% in the first half of the current financial year and Diageo has been taking market share in the US – a crucial geography for the company given it comprises half its profits, and is the focus of the debate around whether the spirits industry's current challenges are cyclical or structural. In January the US spirits market by value grew 0.2% year-on-year, compared to a decline of 1.8% in December 2024. Against this backdrop, the value of Diageo's sales was up 3.9% in January, following 1.1% growth in December. Clearly these are short-term figures and it is too soon to draw definitive conclusions. But if this indicates that the issues have been cyclical, that the US spirits market is beginning to stabilise, and that Diageo is taking share and growing more quickly than its competitors – this could prove to be an important catalyst for the recovery in Diageo's share price.

RELX

Last month, RELX reported FY2024 revenue growth of 7% and profit growth ahead of that at 10%. Its Legal and Risk divisions, notably the most advanced in terms of the higher value algorithms and tools overlaying their datasets, grew at 7% and 8%, respectively. To our minds the Science, Medical and Technical divisions, whilst still growing well at 4%, have excellent potential to accelerate to the same kind of growth rate as the other two divisions – something which, according to RELX, seems to already be happening as "higher growth segments represent [an] increasing proportion of revenue" and growth is being "driven by higher value-add analytics and decision tools". In the wake of these results we asked management whether the advent of Deepseek is likely to make an impact on the company. The response was that commoditisation of AI and the associated lower costs would be a benefit to chip-agnostic RELX, as wider AI takeup would only serve to enhance the value of trusted, high quality and profession-specific datasets such as those owned by the company.

Experian

We believe investors may be underestimating the extent to which earnings growth will accelerate for London-listed data and software businesses, as the companies apply new analytical tools and capabilities to their data assets and provide deeper and wider-reaching utility to their customers. Experian's capital-light business model and return on equity of 27% means that accelerating earnings growth could deliver a big change in warranted value – significant given the current gap between Experian's c.30x price-to-earnings multiple and those of its US peers, such as FICO on c.60x or TransUnion on c.43x. This quarter Experian reported a strong set of Q3 results, with underlying group revenue growth of 8%. Given the subdued lending environment, this indicates a continued ability to build, hone and monetise those analytical tools and capabilities rather than simply relying on growth of volumes of credit scores.

Burberry

After making a strong start to the year, Burberry's share price was hit hard in March by general worries around a possible US recession and a drop in consumer confidence – something which took on particular significance given its US sales numbers reported in January were a positive surprise in the company's Q3 2024 results. Overall, these 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 updated its profit outlook, now projecting that its first half operating loss will be offset in the second half, even after accounting for £12m in one-off restructuring costs. New CEO Joshua Schulman felt confident enough to share that the brand's new autumn and winter marketing campaigns 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, with a handful selling out. The company reports its preliminary results in May and we look forward to seeing whether any more progress has been made.

Unilever

Unilever's shares were up a modest 2% in the quarter, having fallen in the wake of the CEO sounding a slightly more cautious note for 2025 in his commentary on the FY2024 results: "We anticipate a slower start to 2025 with subdued market growth in the near term." Yet we felt there was plenty to be encouraged by in the 2024 numbers themselves – 4.2% sales growth helpfully driven by volume growth (+2.9%), operating profit growth of 12.6% and an expanded operating margin of 18.4%. We noted that the company was confident enough to raise its quarterly dividend by just over 6%.

Fever Tree

Following reports in January that US beer producer Molson Coors has taken an 8.5% stake and will be assuming responsibility for production and distribution of Fever Tree products in the USA, Fever Tree released a strong set of FY2025 results in March detailing share gains in all geographies. We noted that non-tonic products (chiefly ginger beer, but increasingly other products such as Pink Grapefruit) are now c.30% of Fever Tree's UK sales – a welcome diversification given the historical slant to tonic water – and that in the US, the company has been able to grow its #1 value share in Ginger Beer and Tonic to 32% and 27%, respectively. Clearly these share gains have had a substantial overall impact on the brand globally – the CEO recently shared that Fever Tree is now the biggest ginger beer brand in the world by value.

Schroders

French private equity house Tikehau has recently taken a 4% stake in Schroders, with its CEO quoted as saying that Schroders is "highly undervalued" and its future "bright". Tikehau has a market capitalisation of c.£3bn and assets under management of c.£40bn. Meanwhile, Schroders' market cap is little more than double that of the French company, but its AUM is 19x greater. Schroders is perhaps one of the cheapest companies we own, though we have been saying this for some time and it's difficult to see how the company can command a significantly higher valuation until it starts to grow again. We met with CEO Richard Oldfield after the publication of their FY2024 results in March, which detailed AUM growth of 4%. The £130bn of gross inflows last year seem to demonstrate that clients agree with Oldfield's view that Schroders has "a great franchise, great talent and, currently, great investment performance" (although the net outflows of just under £5bn were still disappointing). The company has laid out a plan to save £150m a year – without damaging its growth opportunity – and Oldfield explained that this will bring the cost/income ratio back below 70%, add 30% to current profits, and go some way to getting the dividend growing again. We view this as a rational thing to do, and hope that Schroders is able to use some of these cost savings to invest in the business to drive growth.

Rathbones

Private wealth is recognised as one of the few areas in Asset Management where demand for services and the value of assets under management is rising. Post-merger with Investec, Rathbones' £110bn of AUM – and the increase in operating margin from 22% to 25% reported in its FY2024 results last quarter – is enough to potentially make it an interesting asset for a consolidator. Today Rathbones is valued at around 1.5% of its AUM, significantly lower than is justified, in our view.

AG Barr

AG Barr reported FY2024 soft drinks revenue growth of just under 6.5%, well ahead of the market's 3.9%. Despite being 124 years old, the Irn-Bru brand itself (a third of all revenues) managed to grow at 6.4%. Intriguingly, 40% of all Irn-Bru is now sold south of the Scottish border after "another year of double-digit growth" – making it now a top five UK carbonate brand. The company believes this is a genuine growth opportunity and has serious ambitions to step up the marketing campaign and expand the brand's reach even further into England and Wales. We will be watching with interest.

Madeline Wright, 9th April 2025

The top three absolute contributors to the Company's performance in March were FeverTree, Unilever and RELX, and the top three absolute detractors were Burberry, Diageo and Experian.

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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

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