

# **FINSBURY GROWTH & INCOME TRUST PLC**

## **Interim Management Statement – three months to 30 June 2014 (unaudited)**

**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 the FTSE All-Share Index. A maximum of 20% of the Company's portfolio, at the time of acquisition, can be invested in quoted companies worldwide.**

In the 3 month period ended 30 June 2014 the Company's net asset value total return was 1.0% and the share price total return was 0.9%. These results compare to the total return from the FTSE All-Share Index, the Company's benchmark, of 2.2% over the same period. Post period end, to 1 August 2014, the Company's net asset value total return was -3.2% and the share price total return was -3.7%. The total return from the benchmark index was -1.0%.

The Company paid a first interim dividend of 5.1p per share (first interim dividend 2013: 4.8p per share) on 6 May 2014 in respect the year ending 30 September 2014.

During the 3 month period the Company issued 4,025,000 new shares at a premium to the higher of the Company's cum or ex income net asset value per share prevailing at the time of their issue raising £20.6 million. Following the period end, to 5 August 2014, the Company has issued a further 1,050,000 new shares at a premium to the Company's cum income net asset value per share prevailing at the time of their issue raising a further £5.5 million. As at 5 August 2014 the Company has 96,385,212 shares in issue.

### **General Meeting**

Due to the number of shares issued, the Directors convened a General Meeting, on Monday, 14 July 2014, at which shareholder permission was obtained to enable the Board to continue the policy of issuing new shares into the market in accordance with the above mentioned policy at a premium to the higher of the cum or ex income NAV per share when demand arose. Resolutions empowering the Directors to allot new equity shares to an amount equal to approximately 10% of the issued share capital of the Company and a to disapply pre-emption rights in respect of any such issuance were duly passed.

### **Change of Auditors**

The Company Announced on 19 June 2014 that it had appointed PricewaterhouseCoopers LLP as auditors to the Company. This followed a competitive tender process and was on the recommendation of, and overseen by, the Audit Committee. PricewaterhouseCoopers LLP will be proposed for re-appointment as auditors to the Company at the next Annual General Meeting to be held in February 2015.

In accordance with Section 520(2) of the Companies Act, a letter to confirm this, dated 19 June 2014, was posted to Shareholders.

### **Appointment of Alternative Investment Fund Manager and Depository**

The Directors of the Company announced on 21 July 2014 that the Company had adjusted its operational arrangements to ensure that it will comply with AIFMD. The Directors of the Company further announced the appointment of Frostrow Capital LLP ('Frostrow') as the designated Alternative Investment Fund Manager for the Company on the terms and subject to the conditions of the alternative investment fund management agreement between the Company and Frostrow (the 'AIFM Agreement'), which terminates and replaces the existing management, administrative and secretarial services agreement between the Company and Frostrow (the 'Existing Management Agreement'). The AIFM Agreement is based on the Existing Management

Agreement and only differs to the extent necessary to ensure that the relationship between the Company and Frostrow is compliant with the requirements of AIFMD, except that the Company and Frostrow have voluntarily agreed to delete all provisions relating to the performance fee payable by the Company to Frostrow under the Existing Management Agreement.

Lindsell Train Limited ('Lindsell Train') will continue to be responsible for the management of the Company's portfolio of investments under a new portfolio management agreement with Lindsell Train (the 'PMA') and Frostrow, which terminates and replaces the existing investment management agreement between the Company and Lindsell Train (the 'Existing IMA'). The PMA is based on the Existing IMA and only differs to the extent necessary to ensure that the relationship between the Company, Lindsell Train and Frostrow is compliant with the requirements of AIFMD, except that the Company and Lindsell Train have voluntarily agreed to delete all provisions relating to the performance fee payable by the Company to Lindsell Train under the Existing Portfolio Management Agreement.

The Company has also appointed BNY Mellon Trust & Depository (UK) Limited (the 'Depository') as its depository in accordance with AIFMD on the terms and subject to the conditions of the depository agreement between the Company, Frostrow and the Depository (the 'Depository Agreement'). The Depository Agreement will replace the existing custody agreement between the Company and the Bank of New York Mellon. Under the terms of the Depository Agreement the Company has agreed to pay the Depository a fee of 2 basis points of the Company's gross assets including cash, plus any applicable VAT.

Each of the AIFM Agreement, the PMA and the Depository Agreement entered into effect on 22 July 2014.

### **Supplementary Prospectus**

On 21 July 2014 the Company published a supplementary prospectus which is supplemental to, and should be read in conjunction with, the Prospectus published on 16 December 2013 (the 'Prospectus') in connection with the placing of up to 30,000,000 shares.

The supplementary prospectus was required following the Company's announcement of the Appointment of Alternative Investment Fund Manager and Depository under the Alternative Investment Fund Manager Directive and the removal of performance fee provisions, which constitutes a significant new factor relating to information included in the Prospectus.

A copy of the supplementary prospectus was submitted to the National Storage Mechanism and is available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)

The supplementary prospectus is also available on the Company's website, [www.finsburygt.com](http://www.finsburygt.com)

A copy of both the Prospectus and the supplementary prospectus can also be viewed at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL.

### **Block Listing**

In connection with the Prospectus the Company made an application to the UK Listing Authority for a block listing, for general business purposes, of 10,000,000 Ordinary Shares of 25 pence each which were admitted to the Official List and to the London Stock Exchange for the shares to trade on its main market with effect from 23 July 2014.

## Trust Characteristics

	30 June 2014	31 March 2014
Number of holdings	25	25
Net assets (£m)	487.3	468.9
Net yield	2.1%	2.0%
Gearing (AIC basis)	4%	4%
Share price (p)	515.00	515.50
NAV (p) per share	508.39	510.44
Premium of share price to NAV per share	1.3%	1.0%

Source: Frostrow Capital LLP

## Sector Analysis

	% of investment portfolio at 30 June 2014	% of investment portfolio at 31 March 2014
Financials	21.0	21.8
Consumer Services	28.7	28.6
Consumer Goods	40.8	38.6
Technology	9.5	11.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: Frostrow Capital LLP

## Portfolio

Name	% of investment portfolio at 30 June 2014	% of investment portfolio at 31 March 2014
Unilever	9.2	9.0
Diageo	8.6	8.4
Pearson	6.9	6.5
Reed Elsevier	6.7	6.1
Heineken Holdings (A Shares)*	6.4	6.6
London Stock Exchange	5.9	6.0
A.G. Barr	5.4	5.4
Daily Mail & General Trust (A Shares)	5.1	5.4
Schroders	5.1	5.5
Burberry Group	5.0	3.0
<b>Top 10 Investments</b>	<b>64.3</b>	<b>61.9</b>
Fidessa	4.8	5.8
Sage Group	4.7	5.2
Rathbone Brothers	4.7	4.5
Hargreaves Lansdown	4.4	5.1
Greene King	3.0	3.4
Mondelez^	2.5	2.4
Dr Pepper Snapple^	2.2	2.2
Euromoney Institutional Investor	2.0	2.3
Thomson Reuters~	1.7	1.7
Young & Co's Brewery (non-voting)	1.6	1.5
<b>Top 20 Investments</b>	<b>95.9</b>	<b>96.0</b>
Kraft Foods Group^	1.5	1.5
Fuller Smith & Turner	1.3	1.3
The Lindsell Train Investment Trust	0.7	0.7
Celtic	0.4	0.4
Frostrow Capital LLP+	0.2	0.1
Celtic Convertible Preferred**	-	-
Celtic 6% (cum preference)**	-	-
<b>Total Investments</b>	<b>100.00</b>	<b>100.00</b>

Source: Frostrow Capital LLP

\* Listed in the Netherlands  
^ Listed in the United States  
~ Listed in Canada  
+ Unquoted Partnership Interest  
\*\* Non-Equity – Preference Shares

**Total Return Performance % (to 30 June 2014)**

	3 Months	Calendar Year to date	1 Year	3 Years
Share Price	0.9	0.5	15.0	62.0
NAV per share	1.0	0.5	16.1	61.2
Benchmark*	2.2	1.6	13.1	29.2

Source: Morningstar

\* Index source: FTSE International Limited (FTSE™) © FTSE 2014  
– FTSE All-Share Index measured on a total return basis.

Past performance is not a guide to future performance.

This Interim Management Statement has been prepared solely to provide information to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules.

This Interim Management Statement is available on the Company's website [www.finsburygt.com](http://www.finsburygt.com).

The Company's Net Asset Value per share is announced daily and is available, together with the share price, on the TrustNet website at [www.trustnet.com](http://www.trustnet.com)

SEDOL Code:

Ordinary Shares – 0781606

ISIN – Ordinary Shares GB0007816068

Bloomberg – FGT LN

Epic - FGT

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