

Finsbury Growth & Income Trust PLC



Portfolio Manager

Nick Train

LINDSELL TRAIN



Fund Information as at 31 August 2016

www.finsburygt.com

@FinsburyGT

Investment Objective and Benchmark Index

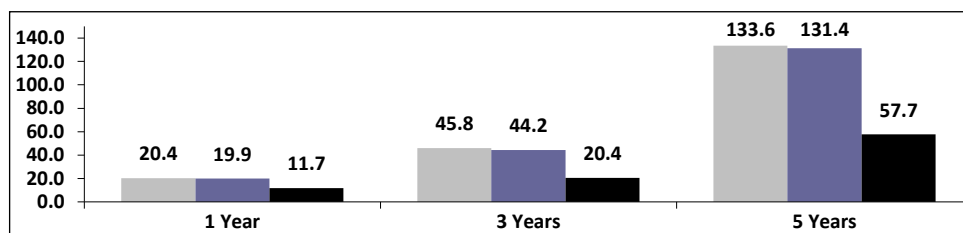
Finsbury Growth & Income Trust PLC invests principally in the securities of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

Cumulative Performance (%)

Trust: Finsbury Growth & Income Trust PLC – NAV (total return)

Trust: Finsbury Growth & Income Trust PLC – Share Price (total return)

Index: FTSE All-Share Index (net dividends reinvested) *



Discrete Performance – Calendar Years (%)

Percentage Growth	2011	2012	2013	2014	2015	YTD
NAV	3.7	23.6	35.1	6.9	11.7	11.5
Share Price	4.1	25.4	35.1	5.9	12.4	12.2
Index *	-3.5	12.3	20.8	1.2	1.0	10.5

Source: Morningstar. Past performance is not a guide to future performance.

* Index source: FTSE International Limited ("FTSE") © FTSE 2016

Commentary

In August, the NAV was up 0.3% on a total return basis, the share price was up 0.7% while the index was up 1.9%.

Things settling down in the aftermath of a fraught period. No clear themes or stories over the month. Therefore I provide at random some facts or observations gleaned over the summer that strike me as interesting or important:

Of the 30 companies in the Dow Jones when Warren Buffett took over at Berkshire Hathaway in 1964, only 3 remain. If the Dow had done as well as Berkshire since then, it would today be trading not at 18,500 but at 11,534,000.

1.2 million people die annually in auto accidents. Car makers are terrified of Tesla and driverless vehicles. So should auto-insurer GEICO and its parent Berkshire Hathaway.

Cognac represents 1% of the global spirits industry volumes but 4% of its value. African Americans drink 60% of all the cognac consumed in the US. "Yak".

Post 3G's merger of Kraft with Heinz, operating margins there are forecast to rise from 21% in 2015 to 30% by 2017. Recent organic revenues were down 0.5%, but EBITDA was up 23%.

Sage processes more than 1 billion payslips annually. 52% of all UK businesses pay employees using Sage.

In the 1970s senior business executives would receive c 1,000 external communications annually, by 2014 this was c30,000.

The average lifespan of a constituent of the S&P500 in 1958 was 61 years. By 2011 this had fallen to 18 years.

According to a recent YouGov poll only 5% of Britons think the world is getting to be a better place.

And – I attribute this one to Baillie Gifford – "Aren't the market capitalisations of the world's leading companies absurdly small?"

Make of these what you will.

Biography

Nick Train began his career as an Investment Manager at GT Management in 1981, having graduated from Queen's College, Oxford with a second class honors in Modern History (1977-1980). He left GT in June 1998, after 17 years, on its acquisition by INVESCO. At his resignation he was a Director of GT Management (London), Investment Director of GT Unit Managers and Chief Investment Officer for Pan-Europe. He joined M&G in September 1998, as a Director of M&G Investment Management. In June 1999 he was appointed as Head of Global Equities at M&G. He left M&G in April 2000 to co-found Lindsell Train Limited. He is investment adviser to the Worshipful Company of Saddlers.

Portfolio Manager Profile

Portfolio management services are provided by Lindsell Train Limited (Lindsell Train). Lindsell Train was formed in December 2000. However the principals, Michael Lindsell and Nick Train had worked together at GT Management from 1992 through to GT's takeover by INVESCO in 1998. Both Michael Lindsell and Nick Train went on to fulfill senior roles at INVESCO and M&G PLC respectively, where they continued to develop an in depth knowledge of investment processes and the world's stock markets. Their shared investment philosophy is to invest in durable, cash generative businesses that are under-priced on their valuation analysis. They believe such businesses are rare and are under-valued by most other investors most of the time. They apply this approach by choosing a concentrated portfolio approximately 30 stocks with the intention of holding them for the medium to long term. Lindsell Train is authorised and regulated by the Financial Conduct Authority.

Investment Policy

The Company has a concentrated portfolio of approximately 30 stocks with a low turnover, and aims to have an above-market dividend yield. 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 worldwide. The Company's policy is to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

Discount Control Mechanism

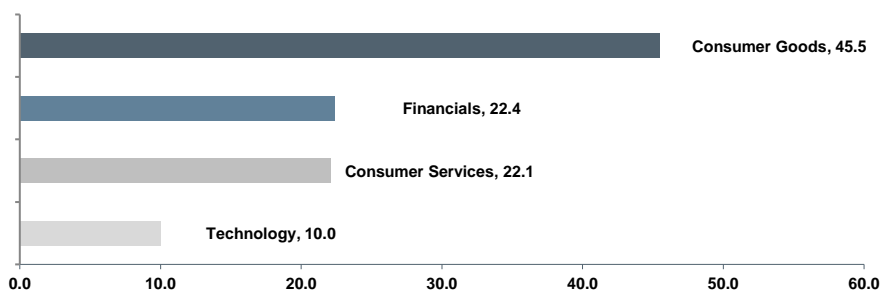
The Directors have adopted an active discount management policy to establish and support an improved rating in the Company's shares through the use of share buybacks, with a view to limiting the discount to NAV per share at which the shares trade to no more than 5%. Shares bought back may be held in treasury for reissue at later dates at no more than the discount at which they were purchased, and in any event at a discount no greater than 5% to the prevailing net asset value per share.

Finsbury Growth & Income Trust PLC conducts its affairs so that its shares can be recommended by independent financial advisers ("IFAs") to retail private investors. The shares are excluded from the Financial Conduct Authority's ("FCA's") restrictions which apply to non-mainstream investment products because they are shares in a UK-listed investment trust.

Ten Largest Holdings as at 31 August 2016 (% of total investments)

Name	Sector	Total
Unilever	Consumer Goods	9.7
Relx	Consumer Services	9.7
Diageo	Consumer Goods	9.5
London Stock Exchange	Financials	7.0
Sage Group	Technology	6.8
Heineken	Consumer Goods	6.6
Schroders	Financials	6.0
Hargreaves Lansdown	Financials	6.0
Burberry Group	Consumer Goods	5.8
Mondelez Int.	Consumer Goods	4.6
Total		71.7

Sector Breakdown as at 31 August 2016 (%)



Share Price Total Return on £100 (£) as at 31 August 2016

1 year	119.9
3 years	144.2
5 years	231.4

Source: Morningstar. Past performance is not a guide to future performance.

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Aug 11-Aug 12	Aug 12-Aug 13	Aug 13-Aug 14	Aug 14-Aug 15	Aug 15-Aug 16
NAV	19.2	34.3	10.5	9.7	20.4
Share Price	19.3	34.5	9.6	9.8	19.9
Index	10.2	18.9	10.3	-2.3	11.7

Awards

Winner: What Investment Trust 2016, Best UK Investment Trust
Winner: Moneywise, Investment Trust Of The Year Awards 2015, 2016
 Category: UK Equity Income
Winner: Money Observer 2015, Highly Commended: Best UK Equity Trust
Money Observer Rated Fund 2015
Winner: Investment Week, Investment Trust Of The Year Awards 2015
 Category: UK Income

Important Information

Finsbury Growth & Income Trust PLC (the "Company") is a UK investment trust listed on the London Stock Exchange and is a member of the Association of Investment Companies. As this Company may implement a gearing policy investors should be aware that the share price movement may be more volatile than movements in the price of underlying investments. 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 not get back the original amount invested. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. 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. Investment Trust share prices may not fully reflect underlying net asset values. There may be a difference between the prices at which you may purchase ("the offer price") or sell ("the bid price") a share on the stock market which is known as "bid-offer" or "dealing" spread. This is set by the market makers and varies from share to share. This spread typically averages 1-2% each way on the mid-market price (the price halfway between the bid and offer prices), and can fluctuate and at times be higher than average. Net Asset Value per share is calculated in accordance with the guidelines of the Association of Investment Companies. Net assets are stated inclusive of income received. Any opinions on individual stocks are those of the Company's Investment Manager and no reliance should be given on any such views. Any research in this document has been procured and may have been acted upon by Lindsell Train Limited for its own purposes. The results are being made available to you only incidentally. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of Frostrow Capital LLP and no assurances are made as to their accuracy.

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Fast Facts

As at 31 August 2016

Launch Date	1926
Annual Management Fee (payable by the company) 0.60% of the market capitalisation plus £70,000	
Ongoing charges*	0.8%
Year / interim end	30 September/ 31 March
Capital Structure	140,573,212 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	25
Net Assets (£m)	£917.0m
Market Capitalisation (£m)	£920.8m
Dividend Per Share**	12.7p
Current Net Yield	1.9%
Gearing (AIC basis)	2%

Leverage***	
Gross & Commitment	102%
Share Price (p)	655.00
NAV (p) (cum income)	652.32
Premium / (Discount) to NAV (p)	0.4%

Codes

Sedol	0781606
ISIN	GB0007816068
Bloomberg	FGT LN
Epic	FGT

*Calculated at the financial year end, includes management fees and all other operating expenses.

**1st Interim paid 11 May 16 ;(Year ended Sep 16) 6.1p

2nd Interim paid 12 Nov 15 ;(Year ended Sep 15) 6.6p

***The Board has set the leverage limit for both the Gross and the Commitment basis at 125% of the Company's Net Asset Value.

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