

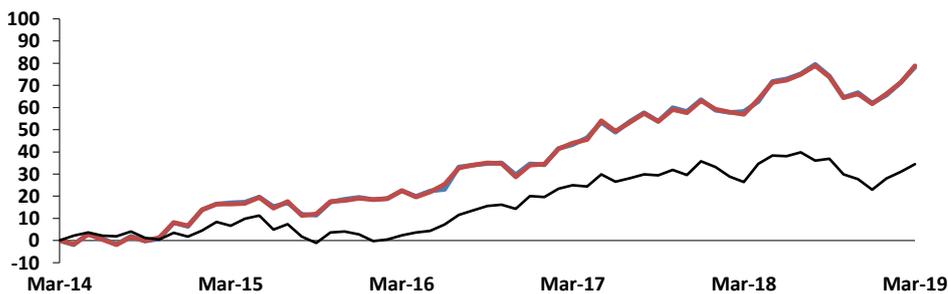


## Investment Objective and Benchmark Index

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 Years Performance (%)

Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as arise and is not guaranteed; An investor may receive back less than the original amount invested.



Net Asset Value per share (total return) +78.8%

Share Price (total return) +78.3%

Benchmark: FTSE All-Share Index (net dividends reinvested) +34.5%

Source: Morningstar

## Commentary

In March, the NAV was up 4.4% on a total return basis and the share price was up 4.0%, on a total return basis, while the index was up 2.7%.

RELX was the only major portfolio holding to drop in price last month, down 5% and leaving it up less than 2% over the quarter. Meanwhile in March, the other 4 of the top 5 positions were up at least 5.4% (LSE) to as much as 9.7% (Unilever).

RELX fell as news emerged of a handful more universities cancelling subscriptions to Elsevier's scientific journals. Elsevier is the largest division in RELX (30% of the whole group) and the most profitable. Journal subscriptions account for around half of Elsevier's revenues, sold to c. 12,000 research institutions. To date the cancellations have had the effect of slowing Elsevier's growth, rather than putting the division into reverse. However it is understandable that some investors are cautious. The digitisation of content or information across the Media industry has brought price deflation and in some cases outright disintermediation of previously highly valued print materials. Who is to say that scientific journals won't be the next subset to have its profit margins cut out from under it? Perhaps in due course all scientific papers will simply be available as a free public resource.

We met with senior RELX management last month and, as always, were impressed by the considered and disciplined way they run the company. We were also impressed by the passionate defence they make of Elsevier's position in global science and its commitment to remain a friend to and facilitator of scientific progress – just as it has over the last 140 years. That commitment can be seen in the persistent investment made by Elsevier in acquiring new data sets and creating new tools to assist scientists to make sense of that burgeoning data. It can also be understood in the company's claim that it essentially has 100% of its market – in the sense that there is no substantive research institution anywhere that doesn't use and pay for one Elsevier service or another. Even those universities that have recently switched off their journal subscriptions will likely remain as customers for other Elsevier products.

To us, it is highly likely that Elsevier will still be an important service provider to research institutions in, let's say, 20 years' time. Even if the services it provides two decades hence are as different from those it provides today, as today's search engines are to the book cases full of print journals Elsevier offered 20 years ago.

Of course most UK companies in most industries face strategic challenges today – and often, it seems to us, more threatening challenges than those confronting Elsevier. But you shouldn't value companies on today's revenues and products alone. One must also give consideration to the optionality that arises to strong companies from the application of innovation to today's strong market positions funded by today's strong cash flows. This is an optionality that offers the possibility of new products or services to be introduced over time that are more or less unthought of and so undiscounted in share prices today. As a comparison, consider this observation from Unilever's new CEO, Alan Jope. He notes that when he joined Unilever over 30 years ago Beauty and Personal Care represented only 8% of group revenues. Today it is 40% and that transition over the decades, funded by Unilever's strong cash flows, has created much value for shareholders. The brands that paid Unilever's dividends in 1985 are not the same brands that pay Unilever's dividends today – but the dividend history is unbroken and wonderful. Who knows what will be paying Unilever's or RELX's dividends in 2050?

RELX continues to buy back its own shares. At current prices we think this is an excellent use of some of the company's cash. We too are adding to holdings.

## 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 of 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 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).

## Discount/ Premium 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. 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 higher of the cum or ex income NAV 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 March 2019 (% of total investments)

Name	Sector	Total
Diageo	Consumer Goods	10.5
Unilever	Consumer Goods	10.1
RELX	Consumer Services	9.6
Mondelez Int.	Consumer Goods	8.6
London Stock Exchange	Financials	8.2
Hargreaves Lansdown	Financials	7.7
Burberry Group	Consumer Goods	7.6
Schroders	Financials	7.1
Sage Group	Technology	6.4
Heineken	Consumer Goods	5.8
<b>Total</b>		<b>81.6</b>

## Sector Breakdown as at 31 March 2019 (%)

Consumer Goods	48.4
Financials	25.8
Consumer Services	19.5
Technology	6.3
<b>Total</b>	<b>100.0</b>

## Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2014	2015	2016	2017	2018	YTD
NAV	6.9	11.6	12.5	21.7	-0.8	10.6
Share Price	5.9	12.4	12.6	21.5	-0.9	10.1
Index	1.2	1.0	16.8	13.1	-9.5	9.4

## Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Mar 14- Mar 15	Mar 15- Mar 16	Mar 16- Mar 17	Mar 17- Mar 18	Mar 18- Mar 19
NAV	16.4	5.2	17.5	9.0	13.9
Share Price	17.0	4.6	17.0	10.4	12.7
Index	6.6	-3.9	22.0	1.3	6.4

Source: Morningstar.

\* Index source: FTSE International Limited ("FTSE") © FTSE 2019

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.

## 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](http://www.finsburygt.com).

The Company can borrow to purchase investments, this could potentially magnify any losses or gains made by the Company.

## Important Information

Finsbury Growth & Income Trust PLC (the Company) is a public limited company whose shares are premium 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").

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[www.finsburygt.com](http://www.finsburygt.com)  @FinsburyGT

## Fast Facts

As at 31 March 2019

<b>Launch Date</b>	1926
<b>AIC Sector</b>	UK Equity Income
<b>Date of Appointment of Lindsell Train</b>	December 2000
<b>Annual Management Fee</b> (payable by the company) †	
<b>Ongoing charges*</b>	0.7%
<b>Year / interim end</b>	30 September/ 31 March
<b>Capital Structure</b>	188,126,712 Ordinary shares of 25p

## Trust Characteristics

<b>Number of Holdings</b>	22
<b>Net Assets (£m)</b>	£1,557.0m
<b>Market Capitalisation (£m)</b>	£1,559.6m
<b>Dividend Per Share**</b>	16.1p
<b>Current Net Yield</b>	1.9%
<b>Gearing</b>	1.3%
<b>Leverage***</b>	Gross 101.3% Commitment 102.1%
<b>Share Price (p)</b>	829.00
<b>NAV (p) (cum income)</b>	827.61
<b>Premium / (Discount) to NAV (p)</b>	0.2%

## Codes

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

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

\*\*2nd Interim paid 9 Nov 18 :(Year ended Sep 18) 8.1p

1st Interim payable 16 May 19 :(Year ended Sep 19) 8.0p

\*\*\*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% of the market capitalisation of the company that is equal to or less than £1 billion, 0.405% in excess of £1 billion.

Frostrow – 0.15% of the market capitalisation of the company that is equal to or less than £1 billion, 0.135% in excess of £1 billion.

## How to Contact Us

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