

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: Morningstar

LINDSELL TRAIN



Portfolio Manager Nick Train

Fast Facts

As at 31 August 2024

Launch Date	1926
AIC Sector	UK Equity Income
Date of Appointment of Lindsell Train:	
December 2000	
Annual Management Fee +	
(payable by the company)	0.6%
Ongoing Charges Ratio ('OCR')*	0.6%
Year / interim end	30 September/ 31 March
Capital Structure	171,083,657 Ordinary shares of 25p 53,907,646 (in treasury)
Number of Holdings	21
Net Assets (£m)	£1,588.3m
Market Capitalisation (£m)	£1,450.8m
Dividend Per Share**	19.3p
Current Net Yield	2.3%
Gearing	0.6%
Leverage***	Gross 100.6% Commitment 101.4%
Share Price (p)	848.00
NAV (p) (cum income)	928.37
(Discount) / Premium to NAV	(8.7%)
Portfolio Turnover p.a.	7.0%
Active Share^	84.5%

Codes

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

Ten Largest Holdings as at 31 August 2024 (% of total investments)

Name	Sector	Total
London Stock Exchange	Financials	13.5
Experian	Industrials	12.9
RELX	Consumer Discretionary	12.5
Unilever	Consumer Staples	11.8
Diageo	Consumer Staples	10.4
Sage Group	Technology	10.0
Hargreaves Lansdown	Financials	5.6
Schroders	Financials	4.7
Rightmove	Consumer Discretionary	4.6
Burberry Group	Consumer Discretionary	3.1
Total		89.1

Sector Breakdown as at 31 August 2024 (%)

Consumer Staples	29.4
Financials	25.7
Consumer Discretionary	22.0
Industrials	12.9
Technology	10.0
Total	100.0

Discrete Performance – Calendar Years (%)

	2019	2020	2021	2022	2023
NAV	23.1	-2.0	13.0	-6.5	5.8
Share Price	21.8	-0.7	6.9	-6.0	3.9
Index	19.2	-9.8	18.3	0.3	7.9

Standardised Discrete Performance (%)

	1m	3m	YTD	1yr	3yr	5yr	10yr	Since Manager Appointment**
NAV	-0.3	1.7	2.8	4.3	5.3	10.2	120.6	648.6
Share Price	-0.9	1.6	0.0	-0.4	-0.1	0.9	100.9	702.6
Index	0.5	2.4	11.3	17.0	24.4	37.9	80.9	251.1

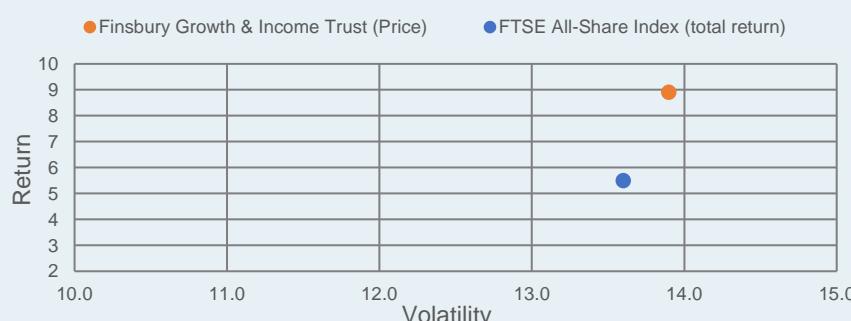
Source: Morningstar.

* Index source: FTSE International Limited ("FTSE") © FTSE 2024

**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

	2019	2020	2021	2022	2023
Dividend Rate	16.6p	16.6p	17.1p	18.1p	19.0p
YoY% Growth	8.5	-	3.0	5.8	5.0

*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 10 Nov 23 : (Year ended Sep 23) 10.5p

***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.

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.

Commentary

In August, the NAV was down 0.3% on a total return basis and the share price was down 0.9%, on a total return basis, while the index was up 0.5%.

August saw confirmation of the agreed offer by a Private Equity consortium to acquire Hargreaves Lansdown, which now stands at 5.6% of the Company.

We acknowledge that HL's independent directors have voted unanimously in favour of the final cash offer, having rejected two previous offers as inadequate. We know the directors will be privy to a level of information and insight about the ongoing status of the business that we as external shareholders can never be; and it is important information to shareholders that they deem this price acceptable. Also of significance, both symbolically and on a practical level (given the size of their combined holding), both of the founders have given their support to the proposal.

At this point, I salute the entrepreneurial achievement of Peter Hargreaves and Stephen Lansdown. They had a brilliant idea and turned it into a business worth over £5bn. Our current view is that we are in a price-finding phase for Hargreaves Lansdown to establish its worth. If no third party intervenes with a higher offer or no investor is willing to pay above the current offer price, that too sends a signal about the acceptability of the offer. We continue to talk to other shareholders and industry experts.

Elsewhere, we are far from being chartists or technical analysts, but we can't help feeling that the 8% share price gain of London Stock Exchange Group (LSEG) in August was significant. Not only did it mean the shares are now up 12% year-to-date, but it also took the price above its previous peak, set as long ago as February 2021. That three and a half year share price hiatus was the price investors have had to pay to ascertain the strategic benefits of the acquisition of Refinitiv. That acquisition was punchy and could have been value destructive. Instead, LSEG's interim results in early August reassured investors that the resultant business is worth more than the sum of the two parts. When you hear CEO David Schwimmer talk about the medium-term opportunities for LSEG it's easy to understand why the shares have made new highs.

The biggest detractor from performance last month was Sage, which fell 7%, caught up in the general sell-off in technology shares in August. It is true, Sage's 3rd Quarter trading update did not lead to analyst upgrades, though came in at 9% revenue growth, as forecast. Nonetheless, the news stories that Bloomberg reported about Sage through August were encouraging, we think. For instance, the story that Curemint, a platform solution provider to 2,000 Dental Support Organizations, is integrating with Sage Intacct, to ensure that its product "can work with the accounting software our customers use." Or news that LBMC Technology, a division of one of the biggest accountancy practices in the South East of the USA, has hired an executive specifically to help deploy Sage Intacct across LBMC's construction and real estate client base. Or, even more pertinently, Sage's own announcement of the roll-out of its successful US Accounts Payable Automation service globally, the first mid-market solution provider to offer this efficiency enhancing service outside the US. In the same news story, Sage reminded readers that in May 2024, Sage Intacct was TrustRadius' top-rated award-winner in seven categories: Accounting, Accounts Payable, ERP, Invoicing, Non-Profit Accounting, Revenue Management and Subscription Management. If you have read this far you may think I am over-scrutinizing developments at the company. But Sage is a £10bn market capitalization business (in other words a micro-cap by global standards) which appears to own a successful and scalable accounting product in the US, that it might, in addition, be able to deploy globally. That's a big prize and it is worth following developments at Sage closely, we think.

The top three absolute contributors to the Trust's performance in August were LSEG, Diageo and Unilever, and the top three absolute detractors were Sage, Schroders and Burberry.

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Frostrow
C A P I T A L

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.

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").