



# Finsbury Growth & Income Trust PLC

Managed by  
Frostrow Capital LLP

Investment Manager  
Lindsell Train Limited



Nick Train

Fund Information as at 30 September 2009

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

## Investment Objective and Benchmark Index

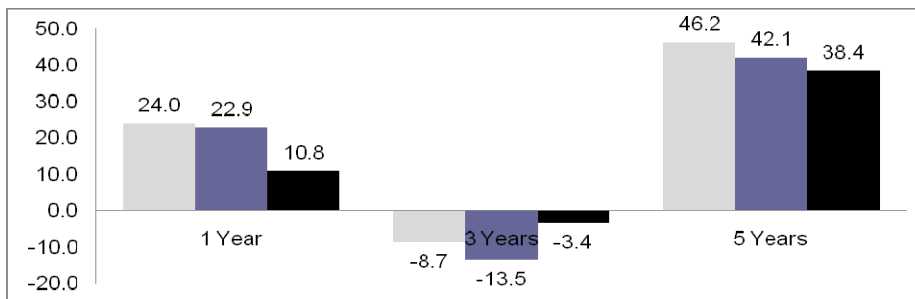
Finsbury Growth & Income Trust PLC invests in the shares of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

## 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	2004	2005	2006	2007	2008	YTD
NAV	31.4	21.7	22.0	-3.5	-31.3	29.5
Share Price	43.4	29.2	20.5	-10.3	-29.6	26.8
Index	12.8	22.0	16.8	5.3	-29.9	23.4

Source: Fundamental Data. Past performance is not a guide to future performance.

## Commentary

During the month the NAV rose 10.7% compared to the index which rose 4.7%.

Kraft's approach to Cadbury has not as yet developed into a formal bid. Nonetheless, we regard it as an important event for your Company. Cadbury's shares have made a major gain, up the best part of 40% since the news broke. At c£8.00 per share Cadbury is now very much closer to our longstanding estimate of its "true" value of c£9.50-10.00. At the moment it seems possible that Kraft may have to sweeten its indicative bid meaningfully in order to take full control of this wonderful company.

It is worth emphasizing just how valuable a company Cadbury has been for its owners. The shares had outperformed the FT All Share over 1, 3, 10 and 20 years – before the approach. In fact £1,000 invested into Cadbury in 1964 would be worth £290,000 today – many times more than the gain in the benchmark. They have done so well because the company owns timeless brands - that appeal across the generations – brands that are highly profitable and cash generative. Such properties are very rare in the context of the thousands of quoted companies across the UK market and should almost always be highly prized by investors, we think. The rest of our portfolio may not be of quite such high quality as Cadbury, though Diageo runs it close – but we do own an array of others with valuable, durable brands and market positions – from Burberry, via IRN-BRU and the FT, through to Unilever's Marmite and Walls. We have no expectation that these companies will receive bid approaches, indeed we hope not – but the potential for further positive developments is high, we hope.

## 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 honours 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.

## Investment Manager Profile

Investment 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 fulfil 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 businesses that are significantly under priced or less durable businesses that are valued by the market at a significant discount to their net balance sheet financial assets. This is achieved by choosing a concentrated portfolio of a small number of stocks with the intention of holding them for the medium to long term. Lindsell Train currently manages around £572m as at 30 June 2009. Lindsell Train is authorised and regulated by the Financial Services Authority.

## Investment Policy

The Company has a concentrated portfolio of 25-30 stocks with a low turnover, and aims to have an above-market dividend yield. The Investment Manager uses a bottom-up stock picking approach and looks to invest in a universe of excellent UK listed businesses that appear mostly undervalued. 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%. Up to 10% of the shares bought back may be held in treasury for reissue at later dates at no more than the discount at which they were purchased.

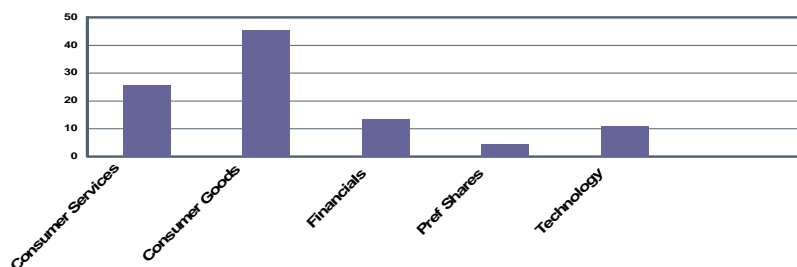
## Finsbury Growth & Income Trust PLC

### Ten Largest Holdings as at 30 September 2009 (% of total investments)

Name	Sector	Total
Barr (AG)	Consumer Goods	10.4
Diageo	Consumer Goods	10.2
Unilever	Consumer Goods	10.1
Cadbury	Consumer Goods	9.6
Lloyds Banking Group	Financials	6.6
Pearson	Consumer Services	6.6
Fidessa	Technology	5.6
Sage	Technology	5.2
Marston's	Consumer Services	4.4
Rathbone Brothers	Financial	4.3
<b>Total</b>		<b>73.0</b>

Lloyds Banking Group shares are split: Ordinary shares 2.2% & Preference shares 4.4%

### Sector Breakdown as at 30 September 2009 (%)



### Share Price Total Return on £100 (£) as at 30 September 2009

YTD	126.8
1 year	122.9
3 years	86.5
5 years	142.1

Source: Fundamental Data. Past performance is not a guide to future performance.

### Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Sep 04-Sep 05	Sep 05-Sep 06	Sep 06-Sep 07	Sep 07-Sep 08	Sep 08-Sep 09
NAV	31.2	22.0	7.0	-31.1	24.0
Share Price	37.3	19.6	5.3	-33.2	22.9
Index	24.9	14.7	12.2	-22.3	10.8

### Awards

**Highly Commended 2006 & 2007**  
Moneywise Magazine  
Category: UK Growth & Income

**Winner 2004**  
Investment Trust Magazine  
Best Growth & income Trust 2004

### 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 in that income received by the company in the period since the last annual accounts is excluded. Total 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.

www.finsburygt.com

### Fast facts

As at 30 September 2009

<b>Launch Date</b>	1926
<b>Annual Management Fee</b> (payable by the Trust)	0.60% of the market capitalisation <u>plus</u> £70,000
<b>Performance fee</b>	See Annual Report for details
<b>Year / interim end</b>	30 September/ 31 March
<b>Capital Structure</b>	51,271,673 Ordinary shares of 25p 1,525,750 Treasury shares

### Trust Characteristics

<b>Number of Holdings</b>	22
<b>Net Assets (£m)</b>	£125.0m
<b>Dividend Policy</b>	Provisional dates: May & October
<b>Current Net Yield</b>	4.1%
<b>Gearing (AIC basis)</b>	111
<b>Share Price (p)</b>	231.00
<b>NAV (p)</b>	Undiluted 243.89
<b>(Discount) / Premium</b>	Undiluted (5.29%)
<b>NAV (p)</b>	Fully-diluted 243.52
<b>(Discount) / Premium</b>	Fully-diluted (5.14%)

### Codes

<b>Sedol</b>	0781606
<b>ISIN</b>	GB0007816068
<b>Bloomberg</b>	FGT LN
<b>Epic</b>	FGT

### How to Contact Us

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Authorised and regulated by the Financial Services Authority.

