

Fund Insight

# Finsbury Growth & Income Trust (FGT)

## Looking Through the Data Sell-Off

March 2026 | Winterflood Research | [researchcontact@winterflood.com](mailto:researchcontact@winterflood.com)

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# Dashboard

### Team & Strategy

**Investment Objective:** FGT aims to achieve capital and income growth by investing in a highly concentrated portfolio of predominantly UK equities, with a low turnover approach.

**Team:** The fund has been managed by Nick Train, who has over 40 years' investment management experience, since December 2000. He is supported by deputy manager Madeline Wright.

**Philosophy:** The investment approach is based on that of Warren Buffett and involves building a concentrated portfolio of high-quality businesses and holding them for the long term.

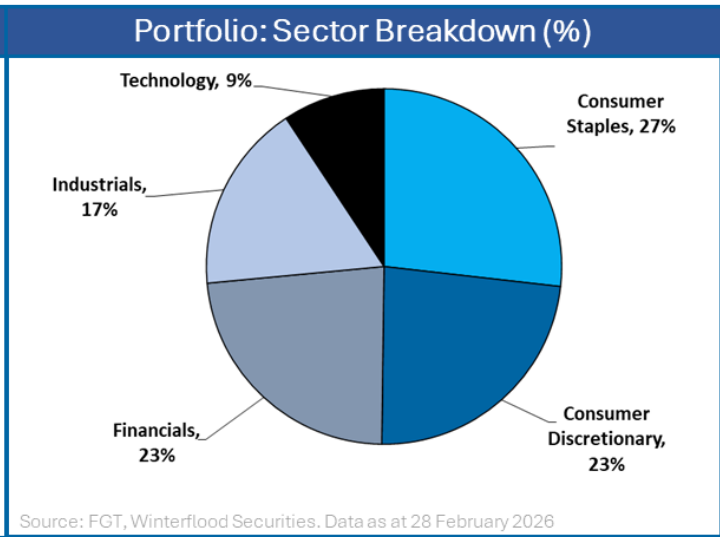
**Dividend:** The fund aims to increase or at least to maintain the total dividend each year. The historical yield is currently 2.8%.

**Recent Developments:** Following a period of underperformance, the Board held a continuation vote at the AGM in January 2026, which was passed with 97% of votes cast in favour.

### Portfolio: Top 10 Holdings

Top 10	% of Net Assets
Unilever	12.5%
London Stock Exchange	11.6%
Experian	10.0%
RELX	9.6%
Diageo	9.5%
Schroders	9.3%
Sage Group	7.4%
Burberry Group	6.0%
Rightmove	5.8%
Intertek Group	3.8%
<b>Total</b>	<b>85.5%</b>

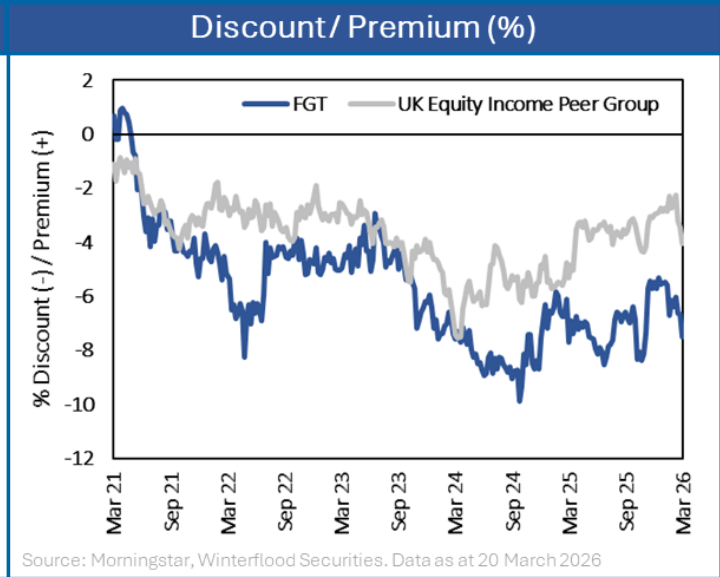
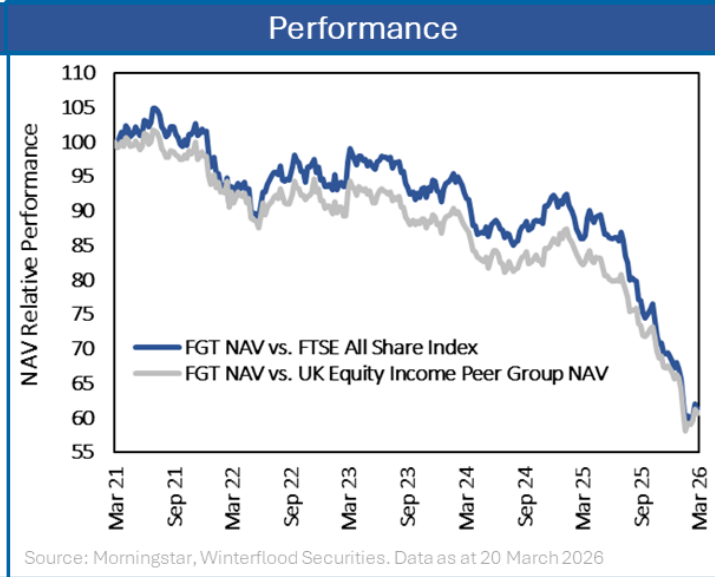
Source: FGT, Winterflood Securities. Data as at 28 February 2026



### Key Figures

£807m	Market Capitalisation (20 Mar 2026)	21	No. of Holdings (28 Feb 2026)
-8%	Discount to NAV (20 Mar 2026)	89%	Active Share vs FTSE All Share (28 Feb 2026)
0.62%	Ongoing Charges (% of NAV) (FY to 30 Sep 2025)	28 Yrs	Average Holding Period (10Y to 30 Sep 2025)
£298m	Buybacks Over Last 12m (6 Mar 2025)	5.2%	Lead Manager Share Ownership (9 Mar 2026)

Source: FGT, Morningstar, Winterflood Securities.



Note: Past performance is not a reliable indicator of future results  
 Finsbury Growth & Income Trust: Looking Through the Data Sell-Off (March 2026)

# Our Insight

## Advantages:



**Differentiated Positioning:** FGT's portfolio is highly differentiated from most UK equity funds, including a >50% allocation to data, platform or software companies that the manager expects to benefit from AI. If this materialises, in contrast to recent market rhetoric that has negatively impacted these holdings' share prices, this would be positive for absolute and relative performance.

**Discount Control:** The fund's shares are currently trading at a c.8% discount. Downside risk from the current level is limited by the discount control policy, which seeks to limit the discount to 5% and has seen c.50% of share capital repurchased since mid-2021.

**Shareholder Alignment:** Nick Train has a significant personal shareholding in FGT (>5% of shares), which demonstrates his conviction in the strategy and represents strong shareholder alignment. The fact that management fees are charged on market cap, rather than net assets, also offers good shareholder alignment, as the team is incentivised to deliver strong share price returns rather than to simply grow assets.

**Long-Term Approach:** The long-term, high conviction investment approach is well suited to the closed-ended fund structure, as there is no requirement to manage inflows and outflows.

## Challenges:

**Concentrated Portfolio:** FGT's portfolio is highly concentrated, with the top 10 holdings accounting for over 85% of net assets. As such, the fund is exposed to significant stock-specific risk and performance is likely to differ considerably from that of a UK market index.

**Low Yield:** The fund's 2.8% dividend yield is the lowest in the UK Equity Income peer group and is slightly lower than the average yield of the FTSE All Share (2.9% as at 28 February). As such, there are likely to be more suitable options for investors seeking an above-average income return. In addition, portfolio revenue will be negatively impacted by Diageo's dividend cut and the takeover of Schroders, putting pressure on the fund's ability to continue to deliver dividend growth.

**Underperformance:** FGT has notably underperformed its benchmark and peer group over the last five years. This may raise questions over the efficacy of the strategy or the team's stock picking ability, and could potentially trigger the Board to implement changes. However, the fund has delivered outperformance for sustained periods in the past and the manager has not altered his high-conviction, growth-focused investment approach. Furthermore, strong shareholder support for the fund to continue in its current form was demonstrated at the continuation vote in January 2026.

## Our Insight:

**Buffet-Inspired 'Best Ideas' Portfolio:** FGT's investment philosophy is based on that of Warren Buffett, aiming to build a concentrated portfolio of high-quality growth business listed in the UK. This strategy has experienced a challenging period of returns over the last five years, but the companies in FGT's portfolio may well benefit more than the broader index in terms of share price re-rating if quality and growth factors return to prominence, or if concerns over the impact of AI on data and software companies alleviate over time.

**Use of Structure:** The fund's highly long-term approach and concentrated portfolio utilises the investment trust structure well, as does the use of gearing (albeit limited). This has led to the investment trust outperforming its open-ended fund (WS Lindsell Train UK Equity Fund) over the last three, five and ten years.

**Experienced Manager:** Nick Train has considerable experience, having started his investment management career in 1981. As such, he is well-placed to navigate a range of market environments and maintain a long-term view. However, his high profile and long tenure also adds an element of 'key man risk', with the potential for selling pressure in the event of his retirement.

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# Team & Strategy

# Team & Strategy



**Team:** Finsbury Growth & Income Trust (FGT) has been managed by Nick Train of Lindsell Train since December 2000. Nick began his career as an investment manager at GT Management in 1981, and his previous roles include being Head of Global Equities at M&G. He co-founded Lindsell Train in 2000, alongside Michael Lindsell. Nick is part of a six-strong investment team and since 2012 has been supported by deputy portfolio manager, Madeline Wright.



**Objective:** To achieve capital and income growth, providing a total return in excess of the FTSE All Share Index, by investing in a portfolio of predominantly UK equities.



**Philosophy:** The investment philosophy is based on that of Warren Buffett and involves building a concentrated portfolio of what the manager believes are “exceptional” businesses. The characteristics that define a quality company for the managers of FGT are durability, high return on equity and low capital intensity/high free cash flow generation.



**Process:** The managers aim to buy stocks that are priced below their estimate of the company’s intrinsic value, and then hold them for the long term, regardless of short-term volatility. Holdings are only sold if the team no longer considers them quality companies or when they become too large a proportion of the portfolio. This investment approach results in extremely low portfolio turnover.



**Dividend:** The fund pays semi-annual dividends and its aim is to increase or at least to maintain the total dividend each year. It delivered annualised dividend growth of +4.5% over the last ten financial years to 30 September 2025.



**Gearing:** Limited gearing usage, subject to a limit of 25% of net assets, with a maximum of 10% of gross assets able to be held in cash. FGT had net gearing of 2.5% as at 28 February 2026.



**Fees:** The fund charges a tiered annual management fee of 0.405% of market cap up to £1.5bn and 0.36% thereafter. There is no performance fee. Additionally, AIFM services provider Frostrow receives a fee of 0.135% p.a. of the fund’s market cap up to £1.5bn, reducing to 0.12% thereafter. The fee was reduced to this level with effect from 1 January 2026, providing a cost saving of c.£600k p.a. *Note: shareholders do not pay these costs directly.*

## The Manager Says:

“Like every other FGT shareholder I want the next 25 years to be even more rewarding than the last 25 years.”

# Portfolio



# Portfolio: Characteristics



**Concentration:** The portfolio is managed on a highly concentrated basis, normally comprising up to 30 equity holdings. It contained just 21 stocks at the end of February, when the top ten accounted for 86% of the portfolio. The active share relative to the FTSE All Share was 89%.



**Sector Exposure:** FGT’s largest sector exposure is Consumer Staples (27% at 28 February), followed by Consumer Discretionary (23%), Financials (23%), Industrials (17%) and Technology (9%).



**Geographic Exposure:** Up to 20% of the portfolio, at the time of acquisition, can be invested in non-UK stocks, and historically the overseas allocation has been close to this limit. However, there are currently no overseas holdings, reflecting a view that UK equities remain attractively valued relative to global peers.



**Valuations<sup>1</sup>:** The portfolio’s weighted average 12-month forward Price-to-Earnings (P/E) ratio was 19x as at 28 February 2026, which is slightly higher than the FTSE All Share Index (17x), reflecting the fund’s growth bias. However, this represents a significant absolute and relative de-rating from a portfolio average forward P/E of 22x as at 31 December 2024 versus 12x for the FTSE All Share.

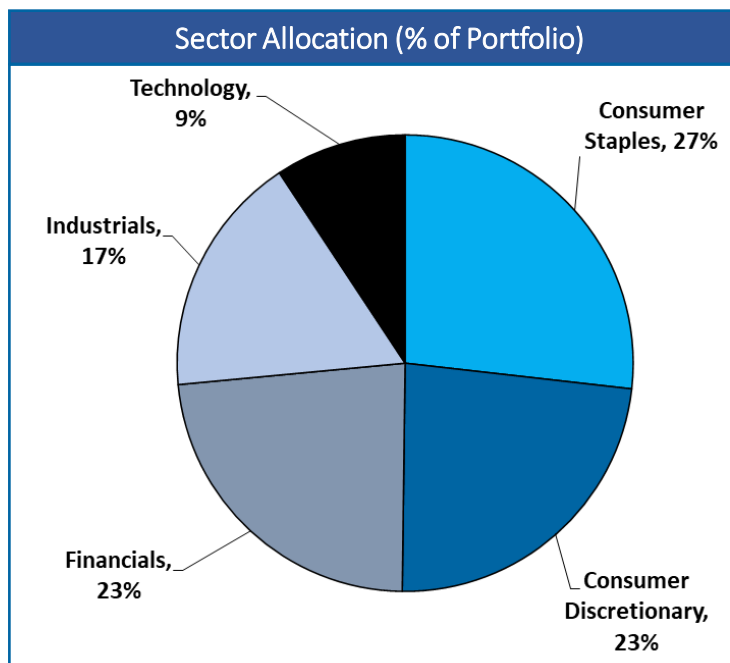


**Portfolio Turnover:** Over the last ten financial years to 30 September 2025, portfolio turnover has varied between 0.7% (FY19) and 9.1% (FY25) and has averaged 3.6%, which represents an average holding period of 28 years and is consistent with the manager’s long-term investment approach.

<sup>1</sup> Source: Lindsell Train, Bloomberg. Data as at 28 February 2026. Fund averages are approximate and indicative only.

Top 10 Holdings	Sector <sup>^</sup>	% of Net Assets
Unilever	Consumer Staples	12.5%
London Stock Exchange	Financials	11.6%
Experian	Industrials	10.0%
RELX	Consumer Discretionary	9.6%
Diageo	Consumer Staples	9.5%
Schroders	Financials	9.3%
Sage Group	Technology	7.4%
Burberry Group	Consumer Discretionary	6.0%
Rightmove	Consumer Discretionary	5.8%
Intertek Group	Industrials	3.8%
<b>Total</b>		<b>85.5%</b>

Source: FGT as at 28 February 2026. <sup>^</sup>As categorised by FGT



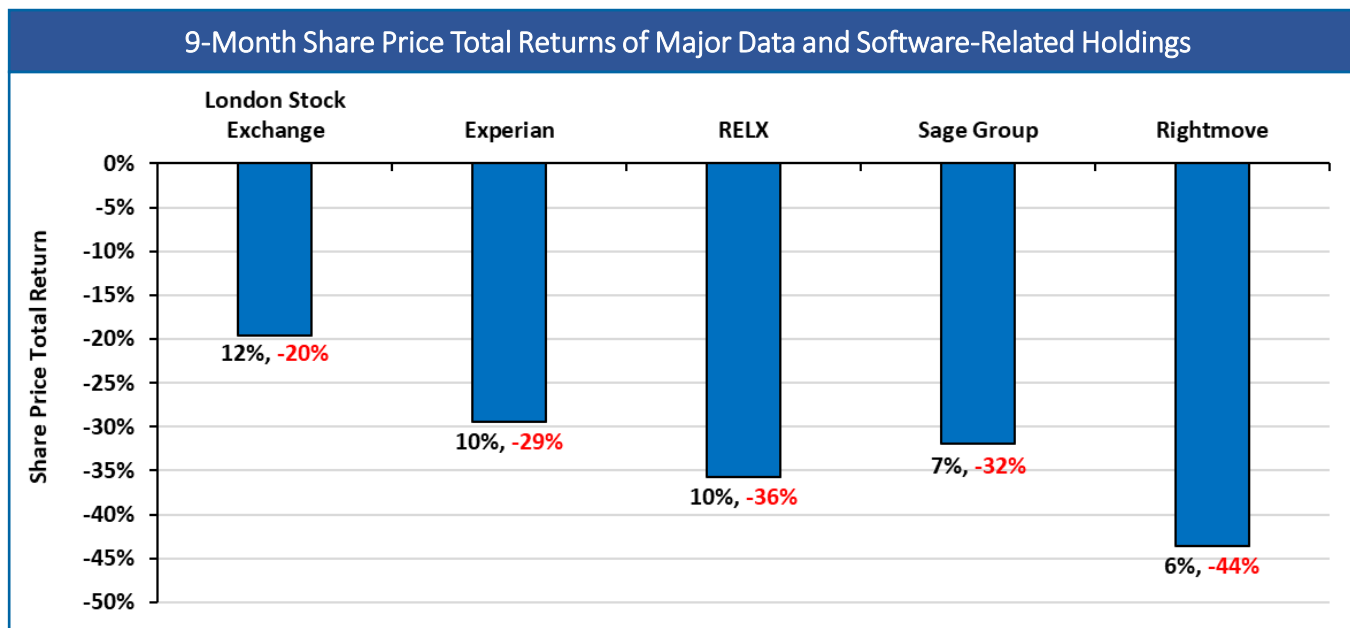
Source: FGT as at 28 February 2026

**The Manager Says:**  
 “I remain convinced that the investment opportunity we have captured in FGT’s portfolio offers significant upside to its shareholders, as well as being highly differentiated.”

# Portfolio: Software Sell-Off



**AI – Opportunity or Threat?:** For many years, the portfolio has had a notable exposure to what Nick Train describes as “world class, London-listed data, platform and software companies”, including [London Stock Exchange](#), [RELX](#) and [Sage Group](#). In 2023, the allocation to this area was notably increased, including via new holdings, such as [Rightmove](#). However, the manager describes this as a “fateful decision” in light of the extremely weak share price performance of these stocks over the last nine months. This sell-off has been driven by concerns that new AI-powered competitors will erode the strong franchises of these businesses. However, Nick Train is seeing no evidence of this disintermediation yet and believes that companies that own proprietary data sets not accessible by general large language models (like ChatGPT or Anthropic) are actually well-positioned to benefit from AI, rather than be disrupted by it. In addition, they are integrating AI to improve their business offerings. As at 31 January 2026, 54% of FGT’s portfolio was invested in data, platform or software companies, compared with just 5% for the FTSE All Share.



Source: Winterflood Securities, Morningstar as at 20 March 2026

Note: Figures under bars show % of Portfolio Weighting as at 28 February 2026 and 9-Month Share Price Total Return

**The Manager Says:**  
 “FGT has very high exposure to the AI theme for a UK portfolio, making it highly differentiated from most peers”

# Portfolio: Recent Developments



**Diageo Dividend:** [Diageo](#) is a longstanding holding in the portfolio, with the position accounting for 10% of assets at the end of February. In November 2025, the company announced the appointment of Sir Dave Lewis as the new CEO effective from 1 January 2026. This was followed by a c.50% dividend cut announced in February. Nick Train is encouraged by the appointment of Lewis, who was previously CEO of Tesco, believing that he has the credentials and credibility to drive a turnaround of the business. The FGT team had engaged with the incoming CEO and highlighted their preference for a dividend cut over selling ‘crown jewel’ assets at depressed valuations. The fund continues to own Diageo, with the manager having no intention to sell at the current valuation. Train agrees with Lewis that there is a lot of long-term value in the business’ very strong brands, and thinks that the company could be an attractive recovery story.



**Schroders Surprise:** On 12 February, [Schroders](#) (9% of portfolio as at 28 February; 6% as at 31 January) received a cash takeover bid from US-based peer, Nuveen, at a c.30% uplift to the undisturbed share price. Train stated that the offer “*came as a surprise*” but he thinks that the valuation is acceptable, particularly given the clean cash exit offered. However, he notes that a counteroffer from another firm remains possible, albeit not his central expectation. FGT has not sold any shares following the announcement in anticipation of the receipt of the final dividend prior to the takeover completing.

Despite the expected loss of income from the Diageo dividend cut and the upcoming sale of Schroders, the manager highlights that he will not try to replace this at a cost to the portfolio’s quality, with investment decisions based on prospective total returns rather than yield.



**Additions:** The fund has a very low turnover approach, with new holdings initiated fairly infrequently. Two holdings have been introduced since the start of 2025: [Autotrader](#) (2.8% of portfolio as at 30 September 2025) and [Games Workshop](#) (0.1%). Train highlights the vast number of customers on Autotrader’s platform, enabling the company to utilise this proprietary data to sell more products and services. The team thinks that Games Workshop has “*extraordinary pricing power*” and an impressively high and consistent return on equity; the position size is small at present but the managers are looking for opportunities to build.



**Sales:** The manager’s long-term approach is also reflected in the fact that holdings are not disposed of often, with no complete exits from the portfolio in the last six months. However, following the de-merger from [Unilever](#), there is now a c.0.5% holding in [Magnum Ice Cream](#), which is likely to be sold given the small position size and the more attractive opportunities seen in digital growth businesses. In addition, when the takeover of [Schroders](#) completes, this holding will exit the portfolio and the fund will receive cash proceeds that will be reinvested into existing or new holdings.



# Performance, Rating & Yield

# Performance

Note: Past performance is not a reliable indicator of future results



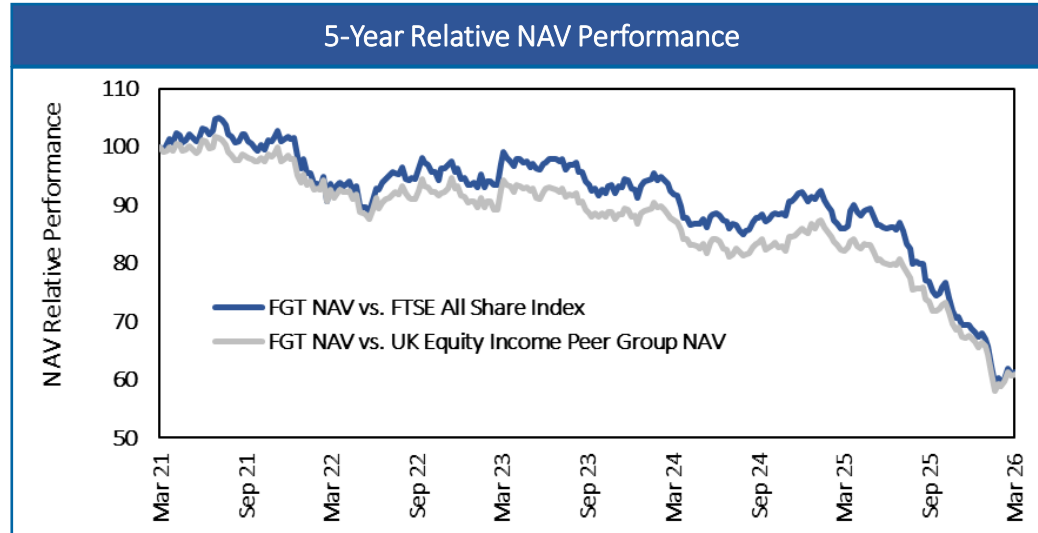
**Track Record:** Over the 10 years to 20 March 2026, FGT generated a NAV total return of +61% and a share price total return of +51%, compared with +124% for the FTSE All Share Index. The fund outperformed the FTSE All Share Index in 16 of the first 20 calendar years under Nick Train’s management (2001 – 2020), but has underperformed over the last five full calendar years (2021 – 2025) and is underperforming in 2026 year-to-date.



**Market Conditions:** FGT’s portfolio is tilted towards higher-growth stocks, and is therefore likely to perform better during periods when ‘growth’ investing is more in favour, such as in the low interest rate environment from 2010 to 2020. Conversely, the fund is more likely to underperform when ‘value’ investing is more in favour, for example over 2022 to 2025, when FGT’s NAV total return of -2% considerably underperformed the FTSE All Share’s return of +47% at the same time as the MSCI UK Growth Index notably underperformed the MSCI UK Value Index (+26% vs 82%). However, the extremely concentrated portfolio means that absolute and relative performance will primarily be driven by the fortunes of individual holdings, rather than broader market conditions.



**Stock Drivers:** The key stock detractors over the six months to 28 February 2026 were data/software/platform companies ([Experian](#), [RELX](#), [Sage Group](#), [Rightmove](#)) that are viewed as vulnerable to AI disruption, as discussed on page 9. Conversely, [Schroders](#) contributed positively over the period, with its share price rallying strongly following the receipt of a takeover bid (see page 10). In addition, [Unilever](#) has proven reasonably defensive, as the company is less exposed to AI disintermediation and geopolitical uncertainty.



Source: Winterflood Securities, Morningstar, FTSE as at 20 March 2026

	Total Return (£)							
	YTD	2025	2024	2023	2022	2021	2020	2019
FGT (NAV)	-10%	-8%	8%	6%	-6%	13%	-2%	23%
FGT (Share Price)	-12%	-6%	7%	4%	-6%	7%	-1%	22%
FTSE All Share Index	0%	24%	9%	8%	0%	18%	-10%	19%
UK Equity Income Peer Group (NAV)	-2%	20%	11%	10%	0%	23%	-5%	16%

Source: Winterflood Securities, Morningstar, FTSE as at 20 March 2026

# Rating & Yield



**Rating:** The fund traded at a -7.5% discount as at 20 March 2026, compared with a 1-year average discount of -7.0%, a 5-year average discount of -5.7% and a 10-year average discount of -2.7%. This compares to a current UK Equity Income peer group weighted average discount of -3.0%.



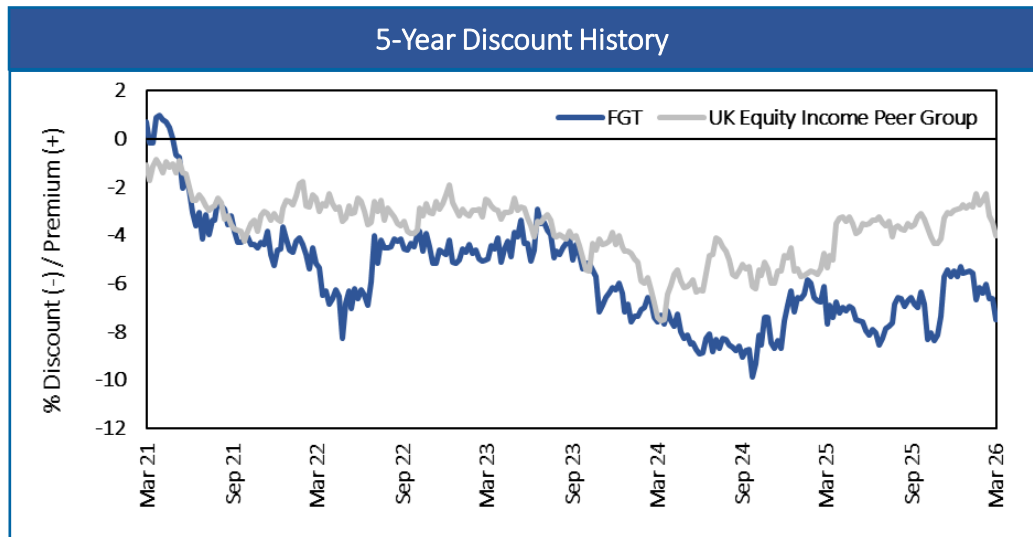
**Discount Control:** The Board aims to use share buybacks to limit the discount to 5%. There is also a share issuance programme to control the premium.



**Issuance & Buybacks:** Over the five years to the end of 2020, FGT’s shares traded at an average premium of +0.4%. Over this period, the fund issued a total of 96.8m shares at a premium to NAV, generating proceeds of £739m. Shares were only repurchased on one occasion, in June 2016 just before the EU referendum (50,000 shares bought back for £300,000). Since mid-2021, FGT has traded at an average discount of -6.1%, and the Board has repurchased a total of 113.7m shares, at a cost of £966m, equivalent to 50% of the starting share capital.



**Dividends:** The fund pays semi-annual dividends and its aim is to increase or at least to maintain the total dividend each year. It has delivered annualised dividend growth of +4.5% over the last ten financial years to 30 September 2025. The total dividend of 20.2p declared in respect of the 2025 financial year represented a +3.1% increase from the previous year and a dividend yield of 2.8% on the current share price (as at 20 March 2026).



Source: Winterflood Securities, Morningstar as at 20 March 2026

	Revenue & Dividends								
	FY25	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17
Revenue Return per Share (p)	18.9	20.8	20.0	20.6	18.1	16.5	18.3	16.5	15.8
Dividend Cover	94%	106%	105%	114%	106%	99%	110%	108%	111%
Ordinary Dividend per Share (p)	20.2	19.6	19.0	18.1	17.1	16.6	16.6	15.3	14.2
Dividend Growth YoY	3.1%	3.2%	5.0%	5.8%	3.0%	0.0%	8.5%	7.7%	8.4%
<b>Dividend CAGR FY17-25</b>	<b>4.5%</b>								

Source: Winterflood Securities, FGT as at 30 September 2025

# Peer Group



# Peer Group: Composition

The UK Equity Income peer group contains 17 investment trusts, with a range of investment approaches and styles. FGT is differentiated from its peers by its bias to higher growth stocks, as well as its concentrated portfolio.

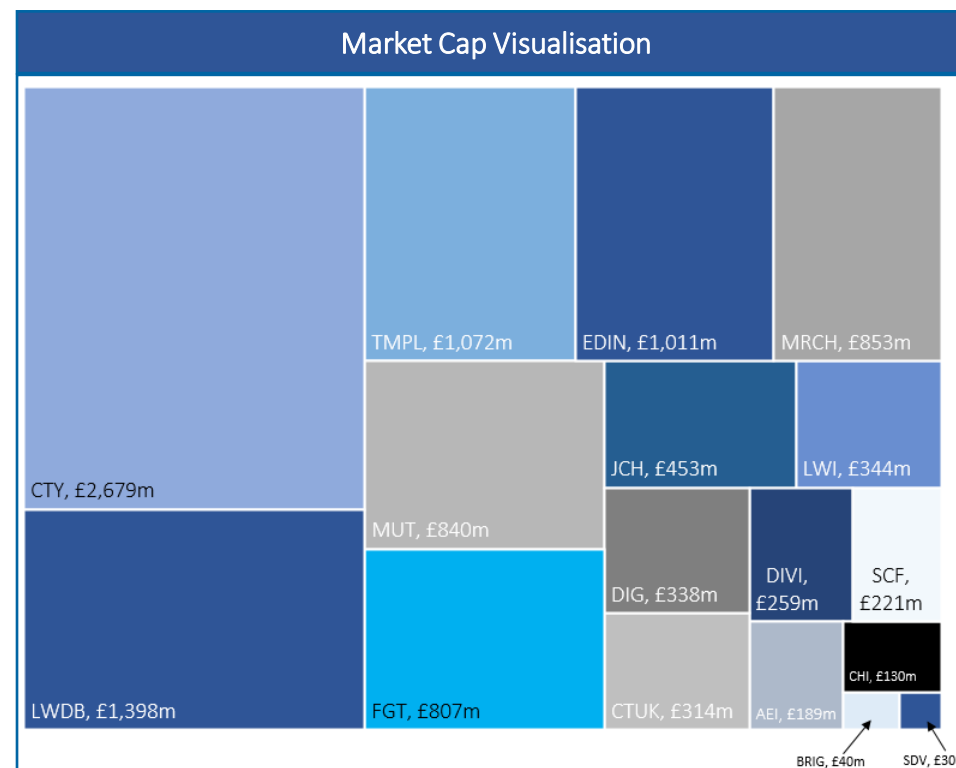


**Concentration:** The peer group contains the following funds, with FGT being notably the most concentrated in terms of the proportion of NAV invested in the top 10 holdings in the portfolio:

Ticker	Name	% of Portfolio in Top 10 Holdings
AEI	Aberdeen Equity Income	36%
BRIG	BlackRock Income & Growth	48%
SDV	Chelverton UK Dividend	28%
CTY	City of London	40%
CHI	CT UK High Income	44%
CHIB	CT UK High Income B Class	44%
CTUK	CT UK Capital & Income	37%
DIVI	Diverse Income Trust	25%
DIG	Dunedin Income Growth	40%
EDIN	Edinburgh Investment Trust	50%
FGT	Finsbury Growth & Income*	89%
JCH	JPMorgan Claverhouse	39%
LWDB	Law Debenture	24%
LWI	Lowland	18%
MRCH	Merchants	39%
MUT	Murray Income	39%
SCF	Schroder Income Growth	30%
TMPL	Temple Bar	41%
<b>Average</b>		<b>40%</b>
<b>Weighted Average</b>		<b>41%</b>

Source: Winterflood Securities, Morningstar as at latest available date

**Market Cap:** FGT has the seventh largest market cap in the UK Equity Income peer group (£807m as at 20 March 2026).



Source: Winterflood Securities, Morningstar as at 20 March 2026

# Peer Group: Size & Style



**Size:** According to Morningstar, FGT is more large-cap oriented than a number of its peers, although most funds are broadly in line on this metric.

**Style:** According to Morningstar, FGT has the most significant growth bias amongst all funds in the UK Equity Income peer group, with much of the peer group having a value bias. However, the differential is less extreme than it has been in the past, with FGT's portfolio now classified as 'Core', versus 'Core-Growth' six months ago, following a de-rating of the fund's underlying holdings.



Source: Winterflood Securities, Morningstar as at latest available data

# Peer Group: Metrics



**Rating:** As at 20 March 2026, FGT was trading on a -7.5% discount to NAV, wider than the weighted average discount of -3.0% for the peer group.

**Yield:** The fund's 2.8% dividend yield (as at 20 March) is the lowest in the income-focused peer group, with a weighted average yield of 4.1% and a simple average of 4.7%.

**Net Issuance<sup>2</sup>:** FGT has bought back by far the most shares in the peer group, on a net basis, as a proportion of its current market cap (36% vs weighted average of 3%).

**Cost:** FGT's ongoing charges ratio is equal to 0.6% of net assets. This compares with a simple average for the peer group of 0.8% and a weighted average of 0.6%.

*Please note that shareholders do not pay these costs directly.*

Ticker	Name	Sector	Premium (+) / Discount (-)	Average Premium (+) / Discount (-)	Z-Score	Market Capitalisation	Dividend Yield	Gearing (+) / Net Cash (-)	Net Issuance	Ongoing Charges incl. Perf Fee
			(NAV)	12m	12m	(£m)	12m	%NAV	12m	%NAV
AEI	Aberdeen Equity Income	UK: Equity Income	51.1%	0.6%	15.6	189	6.0%	9.2%	7.4%	0.8%
BRIG	BlackRock Income & Growth	UK: Equity Income	-9.1%	-11.7%	1.8	40	3.6%	6.7%	-4.1%	1.2%
SDV	Chelverton UK Dividend	UK: Equity Income	-4.0%	-4.1%	0.0	30	8.6%	-0.3%	0.4%	2.8%
CTY	City of London	UK: Equity Income	-0.1%	1.5%	-1.9	2,679	4.1%	5.4%	3.2%	0.4%
CHI	CT UK High Income	UK: Equity Income	-2.5%	0.1%	-1.3	97	5.5%	13.1%	7.3%	1.0%
CHIB	CT UK High Income B Class	UK: Equity Income	-1.0%	-3.4%	0.7	33	5.5%	13.1%	1.1%	1.0%
CTUK	CT UK Capital & Income	UK: Equity Income	-3.8%	-4.0%	0.4	314	4.0%	5.3%	-4.5%	0.7%
DIVI	Diverse Income Trust	UK: Equity Income	-6.9%	-6.8%	0.0	259	4.2%	-2.8%	0.0%	1.1%
DIG	Dunedin Income Growth	UK: Equity Income	-9.1%	-8.0%	-1.7	338	5.8%	10.3%	-9.7%	0.6%
EDIN	Edinburgh Investment Trust	UK: Equity Income	-8.3%	-7.7%	-0.6	1,011	4.0%	4.9%	-9.1%	0.5%
FGT	Finsbury Growth & Income*	UK: Equity Income	-7.5%	-7.0%	-0.6	807	2.8%	2.7%	-35.8%	0.6%
JCH	JPMorgan Claverhouse	UK: Equity Income	-6.0%	-5.3%	-1.1	453	4.4%	4.9%	-1.4%	0.6%
LWDB	Law Debenture	UK: Equity Income	-1.4%	0.0%	-0.8	1,398	3.4%	8.8%	0.6%	0.6%
LWI	Lowland	UK: Equity Income	-9.9%	-8.5%	-1.0	344	4.2%	13.0%	-9.5%	0.7%
MRCH	Merchants	UK: Equity Income	-5.2%	-5.6%	0.2	853	5.1%	14.0%	-0.4%	0.5%
MUT	Murray Income	UK: Equity Income	-7.6%	-8.2%	0.4	840	4.6%	5.7%	-4.0%	0.5%
SCF	Schroder Income Growth	UK: Equity Income	-6.8%	-7.9%	0.8	221	4.4%	8.9%	-3.3%	0.8%
TMPL	Temple Bar	UK: Equity Income	-0.4%	-0.4%	0.0	1,072	4.2%	4.2%	4.7%	0.6%
	<b>Average</b>	UK: Equity Income	<b>-2.1%</b>	<b>-4.8%</b>	<b>0.6</b>	<b>610</b>	<b>4.7%</b>	<b>7.1%</b>	<b>-3.2%</b>	<b>0.8%</b>
	<b>Weighted Average</b>	UK: Equity Income	<b>-3.0%</b>	<b>-3.2%</b>	<b>-0.4</b>		<b>4.1%</b>	<b>6.6%</b>	<b>-3.1%</b>	<b>0.6%</b>

Source: Winterflood Securities, Morningstar as at 20 March 2026

<sup>2</sup> Net share issuance (net share buybacks if negative) over the last 12 months as a percentage of current market capitalisation. Excludes issuance/buybacks resulting from IPOs, Tenders, Redemptions, Share Conversions, Consideration Shares and Treasury Share cancellations.

# Peer Group: Performance

Note: Past performance is not a reliable indicator of future results



**NAV Total Return:** As at 20 March 2026, FGT's NAV total return over the last 12 months (-16%) was the second-worst in the UK Equity Income peer group (weighted average NAV total return of +13%). The fund's performance is the worst in the peer group over the last 3 years (-8%) and the third-worst over the last 5 years (+2%).

**Share Price Total Return:** As at 20 March, FGT's share price total return is the worst in the 17-strong peer group over the last 1, 3 and 5 years.

Much of the negative return over the last five years is attributable to the sell-off in data and software-related names in recent months, driven by concerns over the impact of AI, as covered earlier in this report.

Ticker	Name	Sector	NAV Performance (Total Return)						Price Performance (Total Return)					
			1M	3M	6M	1Y	3Y	5Y	1M	3M	6M	1Y	3Y	5Y
AEI	Aberdeen Equity Income	UK: Equity Income	-40%	-35%	-28%	-18%	-3%	-1%	-11%	-3%	8%	24%	48%	62%
BRIG	BlackRock Income & Growth	UK: Equity Income	-10%	-3%	4%	8%	31%	49%	-6%	1%	7%	14%	28%	44%
SDV	Chelverton UK Dividend	UK: Equity Income	-7%	-2%	-2%	6%	6%	-4%	-7%	-3%	-3%	2%	-5%	-4%
CTY	City of London	UK: Equity Income	-7%	2%	10%	20%	55%	85%	-9%	0%	8%	21%	51%	79%
CHI	CT UK High Income	UK: Equity Income	-10%	-1%	7%	13%	51%	49%	-10%	-7%	9%	18%	57%	59%
CHIB	CT UK High Income B Class	UK: Equity Income	-11%	-3%	6%	12%	48%	47%	-10%	-3%	11%	18%	52%	59%
CTUK	CT UK Capital & Income	UK: Equity Income	-10%	-2%	2%	6%	31%	36%	-9%	-3%	2%	7%	31%	32%
DIVI	Diverse Income Trust	UK: Equity Income	-6%	5%	8%	27%	47%	30%	-6%	5%	12%	25%	46%	22%
DIG	Dunedin Income Growth	UK: Equity Income	-7%	-4%	2%	2%	23%	30%	-7%	-6%	1%	3%	18%	23%
EDIN	Edinburgh Investment Trust	UK: Equity Income	-7%	-4%	-1%	4%	34%	60%	-7%	-6%	-2%	6%	35%	59%
FGT	Finsbury Growth & Income*	UK: Equity Income	-5%	-11%	-14%	-16%	-8%	2%	-6%	-12%	-15%	-17%	-10%	-6%
JCH	JPMorgan Claverhouse	UK: Equity Income	-8%	-2%	7%	17%	49%	61%	-9%	-2%	5%	17%	47%	56%
LWDB	Law Debenture	UK: Equity Income	-8%	0%	6%	22%	54%	82%	-11%	1%	6%	20%	49%	77%
LWI	Lowland	UK: Equity Income	-10%	0%	8%	27%	52%	64%	-14%	-1%	9%	24%	49%	62%
MRCH	Merchants	UK: Equity Income	-11%	-2%	6%	13%	31%	59%	-11%	-2%	9%	13%	23%	51%
MUT	Murray Income	UK: Equity Income	-9%	-3%	3%	6%	22%	35%	-9%	-3%	1%	10%	23%	34%
SCF	Schroder Income Growth	UK: Equity Income	-10%	-3%	5%	13%	40%	54%	-8%	-5%	8%	18%	33%	42%
TMPL	Temple Bar	UK: Equity Income	-9%	-2%	6%	21%	72%	88%	-10%	-4%	6%	25%	83%	92%
<b>Average</b>		UK: Equity Income	<b>-10%</b>	<b>-4%</b>	<b>2%</b>	<b>10%</b>	<b>35%</b>	<b>46%</b>	<b>-9%</b>	<b>-3%</b>	<b>5%</b>	<b>14%</b>	<b>37%</b>	<b>47%</b>
<b>Weighted Average</b>		UK: Equity Income	<b>-8%</b>	<b>-2%</b>	<b>4%</b>	<b>13%</b>	<b>42%</b>	<b>62%</b>	<b>-9%</b>	<b>-2%</b>	<b>4%</b>	<b>15%</b>	<b>41%</b>	<b>59%</b>
FTSE All-Share Index		UK: Equity Income	-7%	1%	8%	17%	47%	66%	-7%	1%	8%	17%	47%	66%

Source: Winterflood Securities, Morningstar as at 20 March 2026

# Outlook

An abstract graphic consisting of a large, dark blue circle. Inside this circle, there is a smaller, solid black circle. To the left of the black circle, a series of concentric, wavy lines of small white and light blue dots form a pattern that resembles a stylized 'C' or a partial ring. The dots are arranged in a grid-like fashion, creating a sense of depth and movement.

# Manager's Outlook



**UK Equity Market:** Nick Train continues to view UK equity valuations as attractive within the areas that the fund focuses on. While some areas of the market have re-rated over the last year, he finds that this is primarily concentrated amongst 'value' stocks. The manager therefore does not intend to diversify out the UK as the team is still finding significant value and growth opportunities.



**Interest Rates:** The manager acknowledges that the rising or higher for longer interest rate environment seen over the last c.4 years has had a bigger than expected negative impact on FGT's portfolio of growth stocks. Conversely, if interest rates start falling more quickly than investors expect, this should prove beneficial for the portfolio.



**Digital Winners:** Despite the recent sell-off of a number of 'UK digital winners' in the portfolio, as discussed on page 9, Nick Train continues to anticipate strong long-term returns from these companies and expects AI to be a tailwind for the businesses, enabling them to create more valuable products for customers or improve efficiency. He does not believe that AI will be able to replicate their services (at a lower cost) due to the significant importance of the companies' proprietary data sets that are not available to general AI models. Furthermore, the businesses have continued to deliver revenue and earnings growth while their share prices have fallen, leading to even more attractive valuations.

## The Manager Says:

"The UK equity market is having a value bounce. If investors begin to look beyond this towards growth businesses, FGT should benefit"

# Glossary & Disclaimer

# Glossary



- ✓ **Active Share:** The degree to which the composition of the portfolio diverges from its benchmark or reference index, expressed as a percentage of NAV.
- ✓ **AIFM:** An Alternative Investment Fund Manager (AIFM) is a regulated entity responsible for the portfolio management and risk management of a collective investment vehicle.
- ✓ **Discount/Premium to NAV:** The percentage difference between the share price of an investment trust and its NAV per share. A positive difference is a Premium to NAV, while a negative difference is a Discount to NAV.
- ✓ **Gearing:** The debts of a fund, used as leverage to increase exposure, expressed as a percentage of NAV.
- ✓ **Growth / Value Stocks:** Growth stocks are those of companies that are considered to have the potential to outperform the overall market over time because of their future potential. Value stocks are companies that are currently trading below what they are estimated to be truly worth.
- ✓ **NAV:** Net Asset Value, the difference between a fund's assets and liabilities.
- ✓ **Net Issuance:** In the context of this report, the term Net Issuance is used to indicate net share issuance (net share buybacks if negative) over the last 12 months as a percentage of current Market Capitalisation. Excludes issuance/buybacks resulting from IPOs, Tenders, Redemptions, Share Conversions, Consideration Shares and Treasury Share cancellations.
- ✓ **Ongoing Charges:** Annual percentage reduction in shareholder returns as a result of a fund's recurring operational expenses, assuming markets remain static and the portfolio is not traded.
- ✓ **P/E Ratio:** Price to Earnings (P/E) ratio is a company's share price divided by its earnings per share.
- ✓ **Portfolio Turnover:** Measures how frequently the assets in an investment portfolio are bought and sold over a given period; annual portfolio turnover calculated as the lower of the value of purchases and sales in a financial year, divided by the average portfolio value over the year.
- ✓ **Total Return:** Investment returns over a given period, assuming any dividends paid over this period have been reinvested.
- ✓ **Z Score:** Statistical indicator of current Discount/Premium deviation from 12-month average.

For more, see <https://www.theaic.co.uk/aic/glossary>

# Disclaimer

## Important Information

Please read this information to help you understand what this material is and how you should use it

### Key Risks

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- Past performance is **not indicative** of future results.
- Levels and bases of **taxation** may change.
- In the case of investments for which there is no recognised market, it may be **difficult for you to sell your investments** or to obtain reliable information about their value or the extent of the risk to which they are exposed.
- **Consult your own investment advisers** before you make any investment referred to in this document about suitability for you. **Make sure you** understand the risks and that statements regarding future prospects may not be realised.
- This investment is intended to form part of a **diversified investment portfolio**.
- **Look at the Key Links** (see panel on right) for further information of the risks and explanation of key terms.
- **Investment trusts** can use **gearing** which can offer the chance to boost the trust's profit but also **increases the risk**.

### Key Links

- [Glossary of Key Terms](#)
- [AIC Guide to Investment Trusts](#)
- [Key Information Document](#) (FGT)
- [Investor Disclosure Document](#) (FGT)
- [Annual Report](#) (FGT)
- [Factsheet](#) (FGT)
- [Homepage](#) (FGT)

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