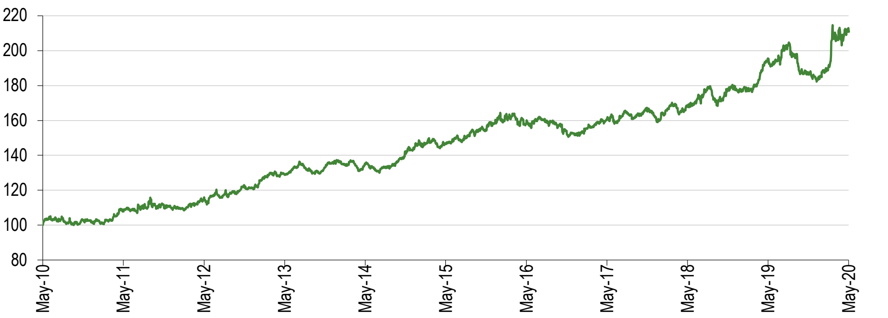
Finsbury Growth & Income Trust

Another new addition to the fund – Fever-Tree

Investment trusts
UK equities

Finsbury Growth & Income Trust (FGT) has been managed by Nick Train since January 2001. Given the economic uncertainty due to the global COVID-19 pandemic, he stresses the importance of determining which companies will survive and thrive, and which could ultimately fail. The manager also seeks to invest in firms that can take advantage of the upsurge in digital and software services, as technology is advancing at an accelerating pace. While Train rarely initiates new holdings in the fund, in recent months he has added a position in premium mixer producer Fever-Tree, taking advantage of a significant pullback in its share price. FGT has a very strong performance record and has outpaced the broad UK market over the last one, three, five and 10 years.

Long-term NAV outperformance versus the UK market



Source: Refinitiv, Edison Investment Research

The market opportunity

While there is much economic uncertainty as a result of the coronavirus pandemic, global markets have recovered considerably from their lows, helped by a raft of supportive government policies. It should be noted that historically equity indices have shaken off negative events, however painful they appeared at the time, and subsequently set new highs; witness in recent decades the dotcom bust in 2001–02 and the global financial crisis in 2007–09.

Why consider investing in FGT?

- Long-term record of outperformance from a concentrated portfolio of high-quality companies.
- NAV and share price absolute returns of 14.4% and 14.7% pa respectively over the last decade.
- Progressive dividend policy, compounding at a rate of 8.0% pa over the last five years.

Shares trading close to NAV

FGT is currently trading at a 0.2% discount to its cum-income NAV versus the range of a 1.8% premium to an 11.7% discount over the last 12 months. This compares with the 0.0% to 0.4% range of average premiums over the last one, three, five and 10 years. Based on its current share price, FGT offers a 2.0% dividend yield.

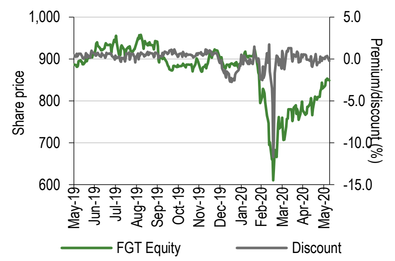
9 June 2020

Price	**849.0p**
Market cap	**£1,836m**
AUM	**£1,863m**
NAV*	848.2p
Premium to NAV	0.1%
NAV**	850.8p
Discount to NAV	0.2%

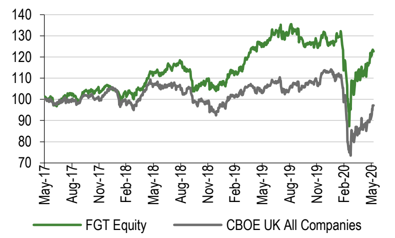
*Excluding income. **Including income. As at 5 June 2020.

Yield	2.0%
Ordinary shares in issue	216.3m
Code	FGT
Primary exchange	LSE
AIC sector	UK Equity Income

Share price/discount performance



Three-year performance vs index



52-week high/low	958.0p	611.0p
NAV** high/low	954.6p	663.1p

**Including income.

Gearing

Gross*	1.3%
Net*	1.3%

*As at 30 April 2020.

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Finsbury Growth & Income Trust is a research client of Edison Investment Research Limited

Exhibit 1: Trust at a glance

Investment objective and fund background

FGT's investment objective is to achieve capital and income growth and provide shareholders with a total return above that of the broad UK market index. It invests principally in the securities of companies either listed in the UK or otherwise incorporated, domiciled or having significant business operations within the UK, while up to a maximum of 20% of the portfolio, at the time of acquisition, may be invested in companies not meeting this criteria.

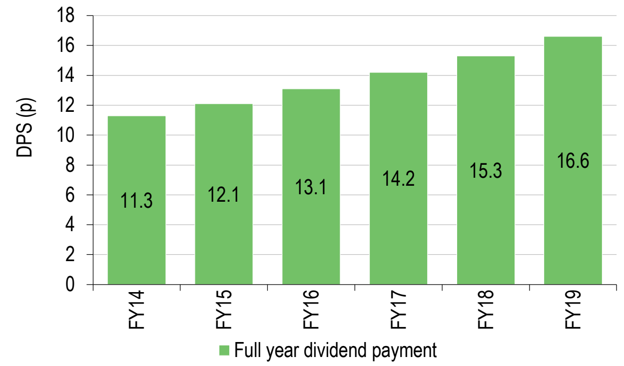
Recent developments

- 12 May 2020: Non-executive director David Hunt retired from the board with immediate effect.
- 12 May 2020: Six-month results to 31 March 2021. NAV TR -18.7% versus benchmark TR -22.0%. Share price TR -18.5%.
- 16 March 2020: First interim dividend of 8.0p per share declared (flat y-o-y).
- 28 February 2020: Non-executive director Neil Collins retired from the board with immediate effect.

Forthcoming		Capital structure		Fund details	
AGM	February 2021	Ongoing charges	0.61% (H120)	Group	Frostrow Capital
Annual results	December 2020	Net gearing	1.3%	Manager	Lindsell Train
Year end	30 September	Annual mgmt fee	Tiered (see page 8)	Address	25 Southampton Buildings, London, WC2A 1AL
Dividend paid	May, November	Performance fee	None		
Launch date	January 1926	Trust life	Indefinite	Phone	+44 (0)20 3008 4910
Continuation vote	None	Loan facilities	£50m (see page 8)	Website	www.finsburygt.com

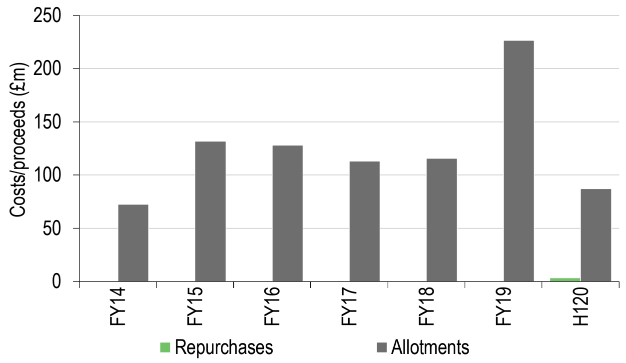
Dividend policy and history (financial years)

Two dividends paid annually in May and November. The dividend is expected to rise over the longer term.

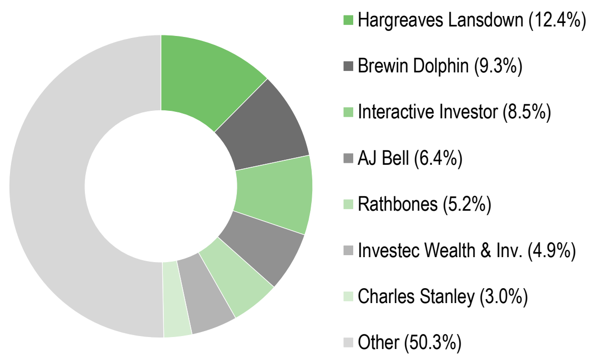


Share buyback policy and history (financial years)

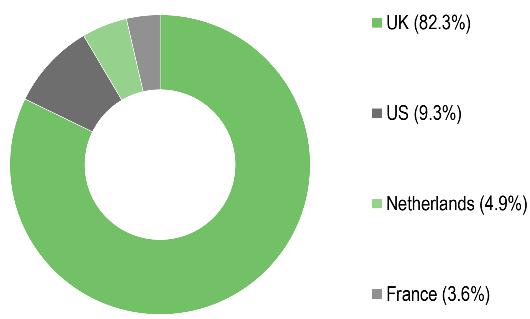
Renewed annually, the trust has the authority to purchase up to 14.99% and allot up to 10% of issued share capital.



Shareholder base (as at 31 May 2020)



Portfolio exposure by geography (as at 30 April 2020)



Top 10 holdings (as at 30 April 2020)

			Portfolio weight %	
Company	**Country**	**Sector**	**30 April 2020**	**30 April 2019**
London Stock Exchange	UK	Financials	12.0	8.0
RELX	UK	Consumer services	10.6	10.0
Diageo	UK	Consumer goods	10.4	10.1
Unilever	UK	Consumer goods	10.1	10.1
Mondelēz International	US	Consumer goods	9.3	8.4
Schroders	UK	Financials	7.4	7.8
Hargreaves Lansdown	UK	Financials	6.3	8.7
Burberry Group	UK	Consumer goods	6.3	7.5
Sage Group	UK	Technology	6.2	6.2
Heineken	Netherlands	Consumer goods	4.9	5.5
Top 10 (% of portfolio)			**83.5**	**82.3**

Source: FGT, Edison Investment Research, Bloomberg, Morningstar.

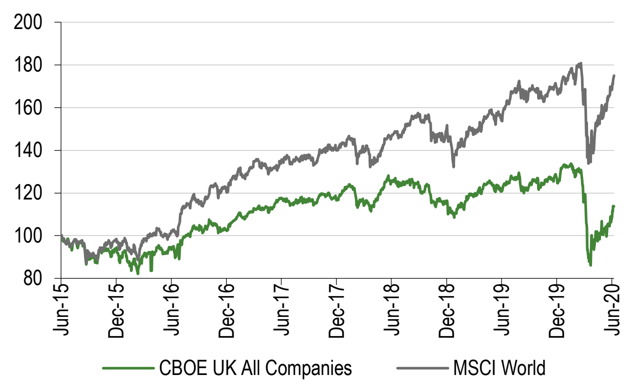
Market outlook: Focus on high-quality companies

Following on from a period of above-average total returns in 2019, investors have had a tough time in 2020. Share prices both in the UK and globally fell significantly in response to the spread of the coronavirus, and while broad markets have recovered meaningfully from their lows, there has been a wide divergence in performance between high-quality companies with long-term growth potential and those that will be challenged by the current economic slowdown due to COVID-19.

In the table below, we highlight a range of valuation metrics for both UK and global shares; however, these numbers should be taken with a pinch of salt as corporate earnings estimates are in a state of flux. Until economic uncertainty abates, investors may continue to be well served by investing in high-quality companies with strong balance sheets, which are able to thrive in an environment of rapid technological change.

Exhibit 2: Market performance and valuation

Performance of indices (last five years – £ adjusted)



Valuation metrics (as at 8 June 2020)

	Last	High	Low	10-year average	Last as % of average
Datastream UK index					
P/E 12 months forward (x)	16.2	16.2	8.5	12.6	128
Price to book (x)	1.0	2.0	0.7	1.4	69
Dividend yield (%)	3.8	6.3	2.7	3.5	107
Return on equity (%)	7.0	14.9	3.6	10.1	69
Datastream World index					
P/E 12 months forward (x)	18.8	18.8	9.8	13.7	137
Price to book (x)	2.0	2.2	1.4	1.8	113
Dividend yield (%)	2.3	3.5	2.2	2.6	90
Return on equity (%)	9.6	13.3	9.3	11.2	85

Source: Refinitiv, Edison Investment Research

Fund profile: Subtle change in investment policy

FGT is a well-established investment trust, launched on 15 January 1926 and listed on the Main Market of the London Stock Exchange. Since January 2001, the fund has been managed by Nick Train, co-founder of Lindsell Train, who has 39 years of investment experience; he says he 'is proud to have retained the confidence of the board and shareholders for so long'. The manager aims to generate capital and income growth and a total return in excess of that of the broad UK stock market from a concentrated portfolio of primarily UK companies. FGT's short stock list and overseas exposure mean performance can vary significantly from that of the benchmark.

In the H120 interim report FGT's board announced a subtle change to the trust's investment policy. Previously, the majority of the portfolio was invested in UK-listed companies, with up to 20% of the fund, at the time of investment, permitted in companies listed overseas. Now the policy is to invest principally in the securities of companies either listed in the UK or otherwise incorporated, domiciled or having significant business operations within the UK, while a maximum of 20% of the portfolio, at the time of acquisition, can be invested in companies not meeting this criteria. In practice, this means that the holding in Manchester United, which is listed on the New York Stock Exchange, but is essentially a UK business, is now classified within the UK rather than the US.

Investment guidelines state that ordinarily, 50–100% of the fund will be invested in the largest 100 UK companies or comparable companies listed on overseas stock exchanges, and at least 70% will be invested in the largest 350 UK companies or their overseas equivalents. While up to 10% may be held in cash, the manager prefers to remain fully invested. He employs a modest level of gearing (net gearing of 1.3% at end-April 2020) versus a maximum permitted 25% of NAV. Train regularly invests his own money in FGT, stressing the importance of having ‘skin in the game’.

The fund manager: Nick Train

The manager’s view: Remaining optimistic on equity markets

Train is unsurprised by how far global stock markets have rallied from their lows despite the uncertainty caused by the coronavirus outbreak, suggesting that one year of earnings and dividends is irrelevant compared with the long-term value of equities. The manager says that with government bond yields at 1%, implying a P/E multiple of 100x, this justifies very high valuations for businesses that will survive the pandemic, adding that ‘quality businesses should be rallying strongly’. Burberry has announced that it will not pay a final dividend, and future dividends will be reviewed at the end of the financial year, but the stock has rallied despite this. Train says that ‘the truth is that one year of dividends is not relevant for rational investors considering the true worth of substantive corporations’. While FGT does value income, the manager says that by not paying this year’s final dividend, Burberry saves £120m and with its high return on capital ‘could end up generating more value by investing this cash to grow its brand’. Train is reluctant to give a verdict on the current investment backdrop, saying ‘I know enough to know that I don’t know – there has not been a lockdown like this before’. He suggests that in such a situation, doing nothing ‘can be the most rational decision’. However, the manager is willing to share a couple of observations. So far in this crisis, ‘consumers have remained loyal to their beloved and trusted brands, which has reaffirmed the long-term value of companies fortunate enough to own these franchises’. Also, before the coronavirus outbreak, technological change was already brisk, but the global pandemic has really accelerated the trend. Train says that this has ‘radical implications, both positive and negative, for industries and businesses worldwide. Hence, it is more important than ever before to ensure that for portfolio companies, changing technology is a friend not a foe’.

The manager notes that he was interested by recent research from Sanford Bernstein that showed alcohol consumption in the US was stable or marginally higher than before the lockdown despite all bars being shut, which should be supportive for beverage companies with global brands. Train finds the fact that people are drinking at home rather than cutting back on their consumption ‘a fascinating development’. He is also encouraged by Burberry’s acceleration in its like-for-like sales growth prior to the outbreak of COVID-19, where the new collection by chief creative officer Riccardo Tisci was gaining traction worldwide. The manager also notes that Asian demand, especially for Burberry’s leather accessories, has accelerated appreciably since economies in the region reopened. Train says this shows that the company ‘has continuing relevance and resonance in this part of the world’.

Commenting on the potential for mergers and acquisitions (M&A), the manager ‘truly believes’ there is pent-up demand from companies to undertake transactions once the worst of the coronavirus pandemic is over. However, there are geopolitical questions as to whether democracies and societies will permit the required level of M&A, possibly favouring state aid for failing businesses instead. The manager argues that there is ‘absolutely no doubt that 20th century industries – as distinct from 21st century industries – desperately need to combine to increase their productivity’. He says that there is continued potential for a takeover of FGT’s largest position, London Stock Exchange (LSE), which he views as one of the relatively few globally significant technology-orientated businesses quoted in the UK, generating revenues from delivering digital products and services to the global economy. The manager considers LSE to be a ‘truly competitive global business with strategic relevance’; the company rebuffed a takeover bid from Hong Kong Exchanges and Clearing in October 2019.

Asset allocation

Investment process: Very concentrated portfolio

Train has a distinctive investment style focusing on growth businesses, with high-quality management teams, which are trading at a discount to their intrinsic value and can be held for the long term. He runs a very concentrated fund (currently 22 companies) and portfolio turnover is less than 5% pa, implying a holding period of more than 20 years.

The manager seeks companies with the following attributes:

- durability – businesses that can grow over the long term, regardless of the economic cycle;
- a high return on equity; and
- low capital intensity and high cash flow generation that can support sustained dividend growth.

Train's unconstrained investment approach means that the trust is invested in just four out of the 10 industry sectors – consumer goods, consumer services, financials and technology. There are also three broad themes within the portfolio: global consumer brands, owners of media/software intellectual property, and capital market proxies. The manager favours well-established firms (the average age of portfolio companies is c 150 years), and 13 out of FGT's 22 portfolio companies have a large family ownership.

While there are companies in FGT's portfolio that have cut their dividends as a result of the global healthcare pandemic, including AG Barr, Burberry, Fullers and Youngs, there have been modest dividend increases from investee firms Daily Mail & General Trust and Sage Group. Train also believes that his long-term strategy of focusing on strong companies 'will see us through this crisis', noting that more than a third of the portfolio is represented by companies with net cash on their balance sheets, including AG Barr, Fever-Tree, Hargreaves Lansdown, Rathbones and Schroders. The manager believes that investors tend to be too pessimistic about the outlook for stock markets, which creates attractive investment opportunities. His belief is that 'while there is always something to worry about, over time everything will probably work out just fine'.

Current portfolio positioning

FGT offers shareholders a concentrated portfolio; at the end of April 2020, the top 10 holdings made up 83.5% of the fund, broadly in line with 82.3% a year earlier, and all 10 names were common to both periods.

Unsurprisingly, given the trust's very low level of portfolio turnover, in terms of sector exposure there are only minimal changes over the 12 months to the end of April (Exhibit 3). FGT is invested in just four sectors, avoiding the other six, which together make up c 45% of the benchmark.

Exhibit 3: Portfolio sector exposure vs benchmark (% unless stated)

	Portfolio end-April 2020	Portfolio end-April 2019	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/ index weight (x)
Consumer goods	47.7	47.1	0.6	16.2	31.6	3.0
Financials	27.8	27.5	0.3	25.2	2.6	1.1
Consumer services	18.3	19.2	(0.9)	11.7	6.6	1.6
Technology	6.2	6.2	0.0	1.1	5.1	5.8
Telecommunications	0.0	0.0	0.0	2.3	(2.3)	0.0
Utilities	0.0	0.0	0.0	3.5	(3.5)	0.0
Basic materials	0.0	0.0	0.0	7.4	(7.4)	0.0
Oil & gas	0.0	0.0	0.0	9.2	(9.2)	0.0
Industrials	0.0	0.0	0.0	11.5	(11.5)	0.0
Healthcare	0.0	0.0	0.0	12.0	(12.0)	0.0
	100.0	**100.0**		**100.0**		

Source: Finsbury Growth & Income Trust, Edison Investment Research

Train highlights some recent activity in FGT's portfolio. In the early phase of the 2020 market downturn, there was an increase in the availability of Fever-Tree stock at attractive prices (this is the newest holding and is discussed below); it is now a c 1.5% position. More recently, the manager has been disproportionately adding to Heineken, whose share price fell by around a third and remains c 20% below the February 2020 high point. He says that while the weakness is understandable, and maybe the recovery in demand for beer is not as obvious as it is for spirits, 'it is not often that I can add to a position at share prices this far below their peak'.

Regarding FGT's new position in Fever-Tree. Train says that it is 'very unusual and highly praiseworthy that the company has created a new consumer category in premium mixers that positively enhance the experience of drinking premium spirits'. He comments that he 'was very slow to recognise the company's achievements', but 'better late than never'. Fever-Tree's share price has declined considerably, having reached a very high valuation before seeing a slowdown in sales in its core UK market, followed by coronavirus-led weakness. The manager believes that the company will be successful in its continental European and US expansion plans, given 'its products are notably different, which is an incredibly important aspect'.

Pearson has been a problematic holding within FGT's portfolio for some time. However, its share price has performed relatively better this year as there has been a step change in many industries in the last few months towards embracing digital products and services. The manager is maintaining FGT's position in Pearson as he believes there is an increased possibility that its digital investment may be paying off. The transition from an analogue to a digital product offering could ultimately be highly value-creative; however, it has taken a lot longer and been more expensive than originally thought. Train cannot yet say that the investment thesis is wrong, although he acknowledges that if in the next two academic years there is no business traction, he will have to admit that 'owning Pearson was not a good idea'.

Performance: Strong absolute and relative record

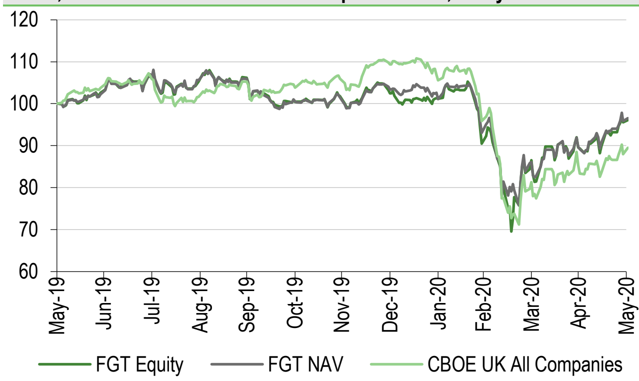
Exhibit 4: Five-year discrete performance data

12 months ending	Share price (%)	NAV (%)	CBOE UK All Companies (%)	CBOE UK 350 (%)	MSCI World (%)
31/05/16	2.3	2.0	(5.8)	(5.9)	1.3
31/05/17	25.4	26.4	24.4	24.2	32.0
31/05/18	12.0	11.2	6.6	6.6	8.8
31/05/19	12.1	12.4	(3.4)	(3.4)	5.9
31/05/20	(4.5)	(4.2)	(12.0)	(12.0)	9.5

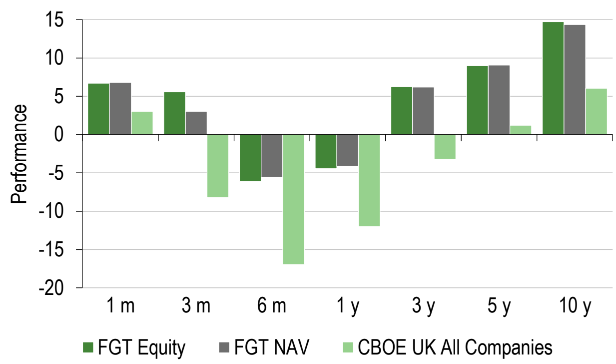
Source: Refinitiv. Note: All % on a total return basis in pounds sterling.

Exhibit 5: Investment trust performance to 31 May 2020

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)



Source: Refinitiv, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised.

In H120 (ending 31 March), FGT's NAV and share price total returns of -18.7% and -18.5% respectively were ahead the benchmark's -22.0% total return, demonstrating the resilience of the companies in the portfolio during a period of uncertainty around the ultimate impacts of the COVID-

19 global health crisis and the ongoing Brexit negotiations. For the first three months of H120, FGT underperformed its benchmark as investors were selling out of quality growth stocks; it then outperformed in the subsequent three months as this trend reversed, with Train commenting 'that there was a realisation that cyclical "value" stocks were not good value after all'.

In absolute terms, over the last decade to the end of May, the trust has generated NAV and share price total returns of 14.4% and 14.7% pa respectively, demonstrably higher than the 6.0% pa total return of the broad UK market over the period (Exhibit 5, RHS).

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to CBOE UK All Companies	3.6	15.1	13.1	8.6	32.4	44.8	119.8
NAV relative to CBOE UK All Companies	3.7	12.2	13.7	8.9	32.3	45.4	112.9
Price relative to CBOE UK 350	3.5	14.9	13.1	8.5	32.3	45.1	124.2
NAV relative to CBOE UK 350	3.6	12.1	13.7	8.9	32.2	45.7	117.2
Price relative to MSCI World	(0.3)	1.1	(5.4)	(12.7)	(4.9)	(8.8)	30.8
NAV relative to MSCI World	(0.2)	(1.4)	(4.8)	(12.4)	(5.0)	(8.4)	26.8

Source: Refinitiv, Edison Investment Research. Note: Data to end-May 2020. Geometric calculation.

FGT's relative returns are shown in Exhibit 6 above. The trust has an enviable track record, outperforming its benchmark in both NAV and share price terms over all periods shown. Despite the very strong returns of the dominant US market in recent years, FGT has also outperformed the MSCI World index over the last decade in both NAV and share price terms.

Commenting on the trust's relative performance so far this year, Train says that 'most of FGT's largest holdings have held up relatively well', including defensive business Unilever, London Stock Exchange, Mondelēz International (a beneficiary of robust demand for snacks and comfort foods in difficult times) and RELX (despite having an exhibitions business). Holdings that have done less well include luxury fashion house Burberry, whose share price more than halved between mid-January and mid-March 2020, but has since rallied significantly from the low point.

Exhibit 7: NAV total return performance relative to benchmark over three years

Source: Refinitiv, Edison Investment Research

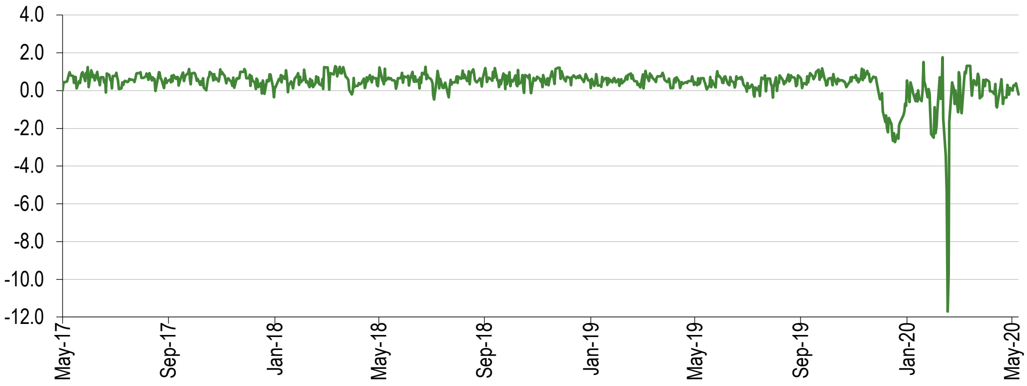
Discount: Return to trading close to NAV

FGT's board has actively managed the trust's discount/premium since 2004, buying back shares when the discount exceeds 5% and issuing shares at a small premium when there are unfulfilled buy orders in the market. In H120, 0.5m shares were bought back at a cost of £3.4m (the first buybacks since 2010) but were subsequently reissued for £3.5m during the period; a total of 10.3m shares were issued, raising £87.3m.

The trust typically trades close to NAV, but moved to a discount in late 2019, perhaps reflecting a period of relative underperformance. This was followed by high volatility in FGT's valuation during the coronavirus-induced stock market sell-off, reaching a decade-wide discount of 11.7% on

18 March 2020, from which it swiftly bounced back. The trust's current 0.2% discount to cum-income NAV is broadly in line with the average premiums of 0.0%, 0.4%, 0.4% and 0.3% over the last one, three, five and 10 years respectively.

Exhibit 8: Share price premium/discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Capital structure and fees

FGT is a conventional investment trust with one class of share. There are currently 216.3m ordinary shares outstanding. The trust has a £50m (with the option of a further £50m) multicurrency revolving credit facility with Scotiabank Europe at a rate of Libor +1.05%, which expires in October 2022. At end-April 2020, net gearing was a modest 1.3%. Train was not tempted to increase FGT's gearing following the recent market sell-off as he considers the trust's concentrated portfolio already brings an element of risk.

Manager Lindsell Train receives an annual fee of 0.450% of FGT's market cap up to £1bn, 0.405% between £1bn and £2bn, and 0.360% above £2bn, and no performance fee is payable. Frostrow Capital is the trust's Alternative Investment Fund Manager, providing company management, secretarial, administrative and marketing services, and receives an annual fee of 0.150% of FGT's market cap up to £1bn, 0.135% between £1bn and £2bn, and 0.120% above £2bn. In H120, FGT's ongoing charges declined by 5bp to 0.61% compared with 0.66% in FY19.

Dividend policy and record

FGT pays dividends twice a year out of revenue reserves, in May and November. The board employs a progressive dividend policy, aiming to grow the trust's annual distribution at a rate above the level of UK inflation. The FY19 dividend of 16.6p per share was 8.5% higher year-on-year and was 1.1x covered by revenue. Over the last five years, FGT's annual dividend has compounded at a rate of 8.0% pa. So far in FY20, an 8.0p per share interim dividend has been paid (unchanged year-on-year). Based on its current share price, FGT offers a 2.0% dividend yield.

Peer group comparison

FGT is the largest of the 25 funds in the AIC UK Equity Income sector. In Exhibit 9 we show the 13 members with market caps greater than £250m. FGT's NAV total returns are above average over all periods shown, ranking fifth over the last 12 months and comprehensively first over three, five and 10 years. At the date shown, the trust was one of four funds not trading at a discount. Its ongoing charge is in line with the mean, and it has a below-average level of gearing. Befitting FGT's focus on total return rather than income, it has the lowest dividend yield in the selected peer group, 3.0pp below average.

Exhibit 9: Selected peer group as at 8 June 2020*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield
Finsbury Growth & Income	1,836.1	(1.2)	22.8	61.6	289.6	0.3	0.6	No	101	2.0
BMO Capital & Income	301.6	(7.8)	(2.7)	24.8	111.6	1.1	0.6	No	106	4.1
City of London	1,492.8	(7.0)	(4.7)	12.8	124.6	0.6	0.4	No	108	5.3
Diverse Income Trust	321.2	1.2	0.9	25.1		(7.1)	1.2	No	100	4.3
Dunedin Income Growth	389.7	1.8	8.0	28.7	129.3	(7.1)	0.6	No	109	4.8
Edinburgh Investment	865.6	(11.7)	(22.6)	(3.7)	111.7	(12.5)	0.6	No	107	5.7
JPMorgan Claverhouse	362.9	(11.1)	(6.5)	12.6	108.9	4.0	0.7	No	111	4.6
Law Debenture Corporation	650.2	(0.8)	4.4	28.5	157.0	(7.1)	0.3	No	117	4.7
Lowland	275.6	(14.4)	(19.9)	(5.5)	133.2	(9.9)	0.6	Yes	113	5.9
Merchants Trust	497.0	(5.1)	(3.6)	8.0	106.6	(0.5)	0.6	No	114	6.5
Murray Income Trust	518.3	1.3	6.9	30.9	135.4	(5.7)	0.7	No	106	4.4
Perpetual Income & Growth	501.1	(16.6)	(27.3)	(18.7)	85.3	(15.3)	0.7	No	111	6.4
Temple Bar	580.5	(17.5)	(16.1)	(2.4)	86.9	(13.3)	0.5	No	105	5.9
Average (13 funds)	**661.0**	**(6.8)**	**(4.6)**	**15.6**	**131.7**	**(5.6)**	**0.6**		**108**	**5.0**
Trust rank in selected peer group	**1**	**5**	**1**	**1**	**1**	**4**	**6**		**12**	**13**

Source: Morningstar, Edison Investment Research. Note: *Performance data to 5 June 2020 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

There are five directors on FGT's board, all of whom are non-executive and independent of the manager. Chairman Anthony Townsend re-joined the board on 1 February 2005 and assumed his current role on 30 January 2008. The other four directors and their dates of appointment are: Simon Hayes (senior independent director, 29 June 2015); Kate Cornish-Bowden and Lorna Tilbian (both on 26 October 2017); and Sandra Kelly (chairman of the audit committee, 9 October 2019). Townsend will retire at the 2021 AGM, at which time Hayes will become chairman.

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