

FINSBURY GROWTH & INCOME TRUST

April 2005

All data as at 30th Apr 2005

Fund Objective

Finsbury Growth & Income Trust invests in UK company shares with the objective of achieving capital and income growth and providing a total return in excess of that of the FTSE All-Share Index.

Fund Breakdown

Top 10 Holdings	% Gross	% NAV	Industry Breakdown	% Gross	% NAV
HBOS (Ord & Pref)	14.6	16.9	Consumer Branded Goods	34.7	40.2
Cadbury Schweppes	8.2	9.5	Financial Services	21.0	24.3
Diageo	7.5	8.7	Technology/Media	21.0	24.4
AG Barr	7.5	8.7	Preference Shares	16.3	18.9
Wolverhampton & Dudley	6.8	7.9	Energy	5.0	5.8
Lloyds TSB	5.7	6.6	Industrials	1.3	1.5
Shell Transport & Trading	5.0	5.8	Other	0.6	0.7
Reed Elsevier	5.0	5.8	Total	100.0	115.7
Reuters	4.6	5.3			
Bradford & Bingley	4.0	4.7			
					£
			Total Investments	a	113.1mn
			Net Cash	b	2.1mn
			Borrowings	c	(17.5mn)
			Net Assets (a+b+c)	d	97.8mn
			Gearing ((a-d)/d)		15.7%

Fund Exposure	Bonds	Prefs	Equity	Funds	Cash	Total
UK %	2.9	16.0	95.7	1.2	-	115.7
Other %	-	-	-	-	-	-
Total %	2.9	16.0	95.7	1.2	-	115.7

Fund Performance

Past performance is not a guide to future performance. The price of units and the income from them may go down as well as up. Investors may not get back what they invested.

5 Year History (Jan-Dec)	2001	2002	2003	2004	YTD 2005
FGT NAV %	-10.9	-22.0	+23.7	+33.2	+2.1
FGT Price %	-9.7	-23.9	+28.5	+46.8	+7.5
FTSE All Share %	-13.3	-23.2	+22.0	+14.1	+0.7

Source: S&P Micropal. Based in GBP with dividends reinvested, unadjusted. LTL was appointed to FG&IT in Dec 2000.

2004	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YE 2004
NAV %	+3.4	+3.1	-1.4	+1.9	+0.2	+2.3	-3.8	+2.8	+5.0	+3.3	+1.3	+9.8	+33.2
Price %	+7.5	+3.5	-0.3	+3.5	+0.1	+3.3	-4.5	+3.9	+6.8	+2.6	+2.7	+8.3	+46.8
Since Appointment NAV %	-11.4	-8.7	-10.0	-8.2	-8.1	-6.0	-9.5	-7.0	-2.4	+0.9	+2.2	+12.2	
Since Appointment Price %	-5.4	-2.1	-2.4	+1.1	+1.2	+4.5	-0.2	+3.7	+10.7	+13.6	+16.6	+26.2	
2005	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2005
NAV %	+1.3	+2.2	+1.4	-2.7									+2.1
Price %	+5.8	+3.6	-2.3	+0.3									+7.5
Since Appointment NAV %	+13.7	+16.2	+17.8	+14.6									
Since Appointment Price %	+33.6	+38.4	+35.3	+35.7									

Source: S&P Micropal. Based in GBP with dividends reinvested, unadjusted. LTL was appointed to FG&IT in Dec 2000.

Market Capitalisation	£ 100.5mn
Net Asset Value[▲]	£ 2.2937
Share Price[▲]	£ 2.3575
Premium (Discount)	2.8%
Gross Yield	2.1%

Source: Bloomberg and [▲]Close Finsbury AM

Fund Manager:	Nick Train
Launch Date:	1926
Denominated Currency:	Sterling
Year End:	30th September
Dividend:	
<i>Interim:</i>	Ex-Date - June Payable - June
<i>Final:</i>	Ex-Date - November Payable - January
Benchmark:	FTSE All Share Index (net dividends reinvested)
Investment Trust Sector:	UK Growth & Income
Annual Mgmt Fee:	0.65% of average market capitalisation
Performance Fees:	15% of any increase in Trust's mkt capitalisation in any year, subject to an absolute return hurdle being the sum of the increase in the Retail Price Index in the year plus 6%. Total fee payable capped 1.25% of average market capitalisation.
The Board:	MAF Reeve JP Allard VE Renwick GWB Warman
ISIN:	GB0007816068
Bloomberg:	FGT LN
Listing:	London Stock Exchange

Fund Manager's Comments

April was a poor month for the FT All-Share, which declined 2.3%. The Trust's NAV fared worse, down 2.8%. Investors were and remain concerned that expectations for economic growth and hence for corporate profits are too high, both for the UK and the World. At the forefront of these concerns is the consumer, on both sides of the Atlantic. Evidence is mounting in the UK of a slowdown in both spending and willingness to borrow, clearly signalled by stagnant house prices and volumes of house sales. This evidence has hit the share prices of retailers and building companies in the UK, of which we own none on your behalf. However, it has also, not unreasonably, hurt investor sentiment towards the pub/brewing industry and the banks, both sectors where your company has significant exposure. In particular, it is likely that banks' bad debts will rise for the next few years. We remain optimistic about our bank investments, believing that their low valuations already discount much of the bad news. In addition, we think that the likelihood of merger activity in the sector is high.

The slowdown is by no means all bad news for the All-Share, or your portfolio. A slowing UK economy could lead to a decline in the value of Sterling - indeed the Pound has begun to fall against the US Dollar. Because such a high proportion of UK company earnings derive from overseas any fall in the level of Sterling acts as a boost to profits. Major holdings in your Trust, such as Cadbury, Diageo, Reed, Reuters and Sage are beneficiaries. Next, the slowdown reduces investor fears about rising inflation and raises thoughts that the next move in interest rates could be down. Government bonds around the world have been quick to react to this possibility, with strong capital gains (bonds are outperforming stocks again in the UK and elsewhere in 2005). Rising gilt prices are good for your company, in part because we own a few, but more importantly because it is likely that where gilt prices go, the price of our preference shares will follow, a much more significant part of the portfolio.

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