

FINSBURY GROWTH & INCOME TRUST

October 2005

All data as at 31st Oct 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)	14.4	16.9	Consumer Branded Goods	33.4	39.2
Diageo	8.2	9.6	Financial Services	23.9	28.1
Cadbury Schweppes	7.7	9.0	Technology/Media	20.3	23.8
Wolverhampton & Dudley	6.7	7.9	Preference Shares	15.9	18.7
AG Barr	6.3	7.4	Energy	4.8	5.7
Lloyds TSB	5.4	6.4	Industrials	1.1	1.3
Royal Dutch Shell	4.8	5.7	Other	0.5	0.6
Sage Group	4.5	5.2	Total	100.0	117.2
Reed Elsevier	4.4	5.1			
Reuters	3.9	4.6			
					£
			Total Investments	a	133.8
			Net Cash	b	(2.1)
			Borrowings	c	(17.5mn)
			Net Assets (a+b+c)	d	113.8
			Gearing ((a-d)/d)		17.2%

Fund Exposure	Bonds	Prefs	Equity	Funds	Cash	Total
UK %	2.6	16.0	97.5	1.1	-	117.2
Other %	-	-	-	-	-	-
Total %	2.6	16.0	97.5	1.1	-	117.2

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	+12.9
FGT Price %	-9.7	-23.9	+28.5	+46.8	+16.9
FTSE All Share %	-13.3	-23.2	+22.0	+14.1	+13.7

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 TR %★	+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 TR %★	+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 TR %	-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 TR %	-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	YE 2005
NAV TR %★	+0.7	+2.8	+1.4	-3.0	+4.6	+3.1	+0.1	+0.4	+3.8	-2.3			+12.9
Price TR %★	+5.8	+3.6	-2.3	+0.3	+3.7	+3.6	-0.7	+0.6	+4.5	-3.0			+16.9
Since Appointment NAV TR %	+13.7	+16.2	+17.8	+14.6	+19.2	+23.2	+23.2	+23.9	+28.8	+26.5			
Since Appointment Price TR %	+33.6	+38.4	+35.3	+35.7	+40.7	+45.8	+44.8	+45.6	+52.1	+47.6			

Source: LTL and S&P Micropal unless otherwise indicated. TR=Total Return (with dividends reinvested) LTL was appointed to FGIT in Dec 2000.

★ Source: Monthly performance is sourced from LTL and Bloomberg.

Market Capitalisation	£ 113.5mn
Net Asset Value	£ 2.4840
Share Price	£ 2.5250
Premium (Discount)	1.7%
Gross Yield[▲]	3.5%

Source: Bloomberg. ▲ Source: LTL & 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

October was an amazing month for the FT All-Share, which at one point fell over 6.0% from its end September levels. However, on the final trading day, Monday 31st, the index bounced 2.0% to leave the damage for the month contained at 2.9%. The NAV of your Company fared somewhat better than the Index, with a loss of c.2.25%. We do not expect shareholders to celebrate this modest outperformance from the rooftops and, in truth, were disappointed that some of our major holdings had a tough time in October. However, the previous quarter had been a poor one relatively for our strategy and we are relieved that there was some respite. October saw a burst of profit taking in the oil and mining sectors, to which we are lowly exposed and it remains the case that, in the short term, the relative performance of your Company is inversely correlated to that of the commodity extractors. During the month BP's stock fell by 7.3%, while Diageo was up 2.4% - such moves are very helpful to our strategy.

What caused the market to rally so strongly on the last day of the month was the extraordinary announcement of 4 separate takeover bids in one stockmarket session. Unfortunately, your Company did not own any of the bid targets (mind you, two of them, Mowlem and Pilkington, have been terrible long term investments - both share prices below their 1991 levels, even after these takeover approaches). However, we are encouraged by the upsurge in merger and acquisition activity, which we believe is at its early stages and could drive the London stockmarket much higher. Globalisation, whatever the term actually means, demands consolidation in many industries in order to create the scale necessary to exploit business opportunities worldwide. As an open capital market, London will see a disproportionate amount of bid activity, because global corporations know that deals can be done here. It is no accident that Pilkington was approached by a Japanese company, rather than vice versa - still as unthinkable as the French allowing one of their "national champions" to be acquired. There are political ramifications from London's openness, of course, but for investors it creates opportunity. We believe the "market proxies" we own in your Company - the LSE, Reuters, Rathbone, Pearson, Royalblue and others should benefit from these higher levels of capital market activity. Who knows, perhaps one or more of them might actually get bid for into the bargain!

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All data as at 31st Oct 2005

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