

FINSBURY GROWTH & INCOME TRUST

February 2006

All data as at 28th Feb 2006

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	16.6	Consumer Branded Goods	30.5	35.2
Diageo	7.8	9.0	Financial Services	27.4	31.7
Cadbury Schweppes	7.0	8.1	Technology/Media	21.9	25.4
Wolverhampton & Dudley	6.0	7.0	Preference Shares	14.6	16.8
Lloyds TSB	5.7	6.6	Energy	4.0	4.6
AG Barr	5.3	6.1	Industrials	1.2	1.4
Sage Group	4.9	5.7	Other	0.4	0.5
Pearson	4.6	5.3	Total	100.0	115.5
Bradford & Bingley	4.4	5.1			
Royal Dutch Shell	4.0	4.6			
					£
			Total Investments	a	158.7
			Net Cash	b	(1.3)
			Borrowings	c	(20.0mn)
			Net Assets (a+b+c)	d	137.4
			Gearing ((a-d)/d)		15.5%

Fund Exposure	Bonds	Prefs	Equity	Funds	Cash	Total
UK %	2.4	14.4	97.7	1.0	-	115.5
Other %	-	-	-	-	-	-
Total %	2.4	14.4	97.7	1.0	-	115.5

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	2005	2006
FGT NAV TR%	-10.9	-22.0	+23.7	+33.2	+21.8	+5.9
FGT Price TR%	-9.7	-23.9	+28.5	+46.8	+29.2	+4.9
FTSE All Share TR%	-13.3	-23.2	+22.0	+14.1	+22.0	+4.1

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

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	+3.8	+4.7	+21.8
Price TR %★	+5.8	+3.6	-2.3	+0.3	+3.7	+3.6	-0.7	+0.6	+4.5	-3.0	+4.9	+5.4	+29.2
Since Appointment NAV TR %	+13.7	+16.2	+17.8	+14.6	+19.2	+23.2	+23.2	+23.9	+28.8	+26.5	+30.3	+36.5	
Since Appointment Price TR %	+33.6	+38.4	+35.3	+35.7	+40.7	+45.8	+44.8	+45.6	+52.1	+47.6	+54.8	+63.1	
2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2006
NAV TR %★	+3.7	+2.4											+5.9
Price TR %★	+2.3	+2.2											+4.9
Since Appointment NAV TR %	+41.5	+44.7											
Since Appointment Price TR %	+66.9	+70.6											

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	£ 136.5mn
Net Asset Value	£ 2.8676
Share Price	£ 2.9175
Premium (Discount)	1.7%
Estimated Gross Yield ▲	2.7%

Source: Bloomberg. ▲Source: LT & 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

February was a good month for your Company, with a gain in NAV of 2.3%, compared to that of the FT All-Share of c1.0%.

We struggle to discern much of a theme in the recent portfolio performance, although company results clearly have had an influence. Bank shares have done well, with holdings in Bradford & Bingley and Lloyds posting gains after encouraging results. HBOS, too, our largest bank holding, put on 7.4%. Stock market proxies, LSE, Rathbone, Royalblue and Schroders all advanced, between 17.5% (LSE) and 4.8% (Schroders) - not surprising, given the buoyant capital market conditions. Royalblue's results significantly exceeded analyst's expectations and we remain excited about the investment prospects for this company, even after a 22.0% gain in stock price in 2006. By contrast, Pearson, Reed and, especially, Reuters fell after results, the latter by 13.0%. We must not be complacent about these price declines and we understand why the Media sector is currently out of favour with investors. Nonetheless, the actual results from each of these three companies were not too bad, in our view - with Pearson growing its sales by 11.0%, Reed putting up its dividend by the same amount and Reuters returning to revenue growth for the first time in years and buying back its shares aggressively. We hope that these investments will do better later this year, perhaps when some of our current star performers run out of breath. We alert shareholders to the c5.0% returns in the month on both Cadbury and Diageo, the two largest equity holdings. Both gained after satisfactory results, that highlighted the opportunities for each in Emerging Economies. They are the biggest positions because we have greatest confidence, in the proverbial long term, that these cash-generative branded goods owners, like Cadbury and Diageo, will generate the capital gains and dividend growth shareholders deserve.

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