

# FINSBURY GROWTH & INCOME TRUST

April 2006

All data as at 31st Apr 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)	13.3	15.3	Consumer Branded Goods	30.7	35.3
Diageo	7.9	9.1	Financial Services	27.9	32.2
Cadbury Schweppes	6.5	7.5	Technology/Media	22.0	25.3
Wolverhampton & Dudley	6.3	7.3	Preference Shares	13.6	15.7
AG Barr	5.5	6.3	Energy	4.3	4.9
Lloyds TSB	5.4	6.3	Industrials	1.2	1.3
Pearson	4.9	5.7	Other	0.4	0.5
Bradford & Bingley	4.5	5.2	<b>Total</b>	<b>100.0</b>	<b>115.2</b>
Sage Group	4.4	5.1			
London Stock Exchange	4.4	5.1			
					<b>£</b>
			Total Investments	a	161.0
			Net Cash	b	(1.2)
			Borrowings	c	(20.0mn)
			<b>Net Assets (a+b+c)</b>	d	<b>139.8</b>
			Gearing ((a-d)/d)		15.2%

Fund Exposure	Bonds	Prefs	Equity	Funds	Cash	Total
UK %	2.1	13.5	98.6	0.9	-	<b>115.2</b>
Other %	-	-	-	-	-	-
<b>Total %</b>	<b>2.1</b>	<b>13.5</b>	<b>98.6</b>	<b>0.9</b>	<b>-</b>	<b>115.2</b>

## 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	+8.1
FGT Price TR%	-9.7	-23.9	+28.5	+46.8	+29.2	+7.4
FTSE All Share TR%	-13.3	-23.2	+22.0	+14.1	+22.0	+9.2

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	<b>+21.8</b>
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	<b>+29.2</b>
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	+2.4	-2.0									<b>+8.1</b>
Price TR %★	+2.3	+2.2	+3.3	-2.5									<b>+7.4</b>
Since Appointment NAV TR %	+41.5	+44.7	+50.0	+47.5									
Since Appointment Price TR %	+66.9	+70.6	+78.8	+74.3									

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.

<b>Market Capitalisation</b>	£ 142.7mn
<b>Net Asset Value</b>	£ 2.8781
<b>Share Price</b>	£ 2.9400
<b>Premium (Discount)</b>	2.2%
<b>Estimated Gross Yield<sup>▲</sup></b>	2.7%

Source: Bloomberg. ▲Source: LT & Close Finsbury AM

<b>Fund Manager:</b>	Nick Train
<b>Launch Date:</b>	1926
<b>Denominated Currency:</b>	Sterling
<b>Year End:</b>	30th September
<b>Dividend:</b>	
<i>Interim:</i>	Ex-Date - June Payable - June
<i>Final:</i>	Ex-Date - November Payable - January
<b>Benchmark:</b>	FTSE All Share Index (net dividends reinvested)
<b>Investment Trust Sector:</b>	UK Growth & Income
<b>Annual Mgmt Fee:</b>	0.65% of average market capitalisation
<b>Performance Fees:</b>	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.
<b>The Board:</b>	MAF Reeve JP Allard VE Renwick GWB Warman
<b>ISIN:</b>	GB0007816068
<b>Bloomberg:</b>	FGT LN
<b>Listing:</b>	London Stock Exchange

## Fund Manager's Comments

April was a dull month for our strategy, hampered by our relatively low exposure to resource company shares, which hogged the limelight. On the plus side, the London Stock Exchange, the largest holding in the account, gained 17.0%, as NASDAQ snapped up 15.0% of its equity, at a significantly higher price than the level of NASDAQ's earlier, informal offer for the London exchange. It is never obvious how to maximise returns from such a situation, but our inclination is to hold on to your interest in LSE, observing it to be a unique corporate asset, which has now attracted tangible interest from a global and very strategic investor. Elsewhere, we were disappointed with the short term performance of one of our favourite investments, software company Sage. Its shares fell 9.0% in April, in reaction to the company refusing to increase its offer for a complementary Scandinavian business, when its bid became contested. We applaud the discipline of Sage's board in not paying up and believe that investors' response is harsh. This acquisition was by no means crucial for the success of Sage's overall strategy and we expect the company's growth rate to accelerate as the technology and capital investment cycles finally recover from the 1998-2000 excesses. If this happens we have no doubt that Sage is significantly undervalued.

We watch the willingness of investors to push resource shares ever higher, particularly the more speculative of the breed, with disquiet. Partly because we dislike being gooseberries, partly because we sense the exuberance is becoming irrational. In our view, there are plenty of ways to participate in the development of the Emerging Markets, without having to bet on the sustainability of the coking coal or zinc prices. We look forward to strong revenue growth from Western companies supplying consumer goods to these parts of the world, expecting the current industrial boom to be succeeded by a consumption boom. Key holdings in Cadbury, Diageo and Unilever are set to benefit, we expect.

## FINSBURY GROWTH & INCOME TRUST

*All data as at 31st Apr 2006*

**Investment Manager:  
Close Finsbury Asset  
Management**

10 Crown Place  
London EC2A 4FT

Freephone Helpline 0800 169 6968  
Fax 020 7247 4722  
[www.CloseFinsbury.com](http://www.CloseFinsbury.com)  
[info@CloseFinsbury.com](mailto:info@CloseFinsbury.com)

**Discretionary Investment Advisor:  
Lindsell Train Limited  
35 Thurloe Street  
London SW7 2LQ**

Phone: +44 20 7225 6400  
Fax: +44 20 7225 6499  
[www.LindsellTrain.com](http://www.LindsellTrain.com)  
[enquiry@LindsellTrain.com](mailto:enquiry@LindsellTrain.com)

**Lindsell Train is authorised and  
regulated by the Financial  
Services Authority.**

Reports can be found on our  
website at [www.LindsellTrain.com](http://www.LindsellTrain.com)

This document is intended for use by persons who are authorised by the UK Financial Services Authority ("FSA") and those who are permitted to receive such information in the UK. The information contained in this document does not constitute an offer or invitation to buy or sell any investments. Nothing in this document constitutes investment, legal, tax or other advice. Lindsell Train and/or persons connected with it may have an interest in this investment.

The value of any investment in securities or funds and the income generated from them may go down as well as up and are not guaranteed. Past performance cannot be used as a guide or guarantee of future performance. You may not get back the original amount you have invested. Changes in foreign exchange rates may cause the value of your investment to go up or down. Some funds with higher gearing may be subject to higher volatility and the investment value may change substantially. The net asset value (NAV) performance of an investment trust is not the same as its market share price performance.

Issued by Lindsell Train Limited. Authorised and regulated by the Financial Services Authority. 14-Aug-06 LTL 000-036-6