



# Finsbury Growth & Income Trust PLC

Managed by  
Frostrow Capital LLP

Investment Manager  
Lindsell Train Limited



Nick Train

Fund Information as at 30<sup>th</sup> June 2007

[www.finsburygt.com](http://www.finsburygt.com)

## Investment Objective and Benchmark Index

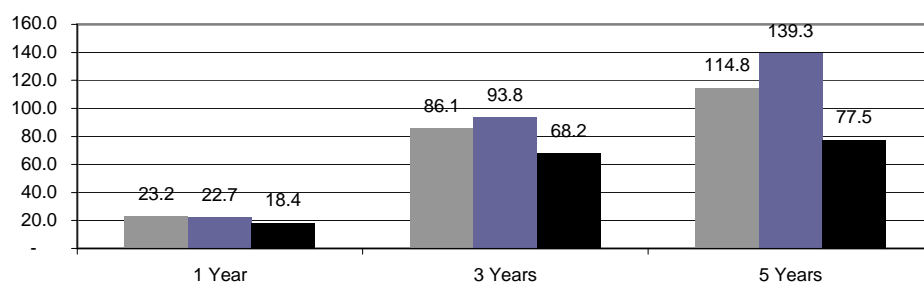
Finsbury Growth & Income Trust PLC invests in the shares of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of the its benchmark, the FTSE All-Share Index (net dividends reinvested).

## Cumulative Performance

Trust: Finsbury Growth & Income Trust PLC – NAV (total return)

Trust: Finsbury Growth & Income Trust PLC – Share Price (total return)

Index: FTSE All-Share Index (net dividends reinvested)



## Discrete Performance – Calendar Years (%)

Percentage Growth	2002	2003	2004	2005	2006	YTD
NAV	-21.7	22.4	31.4	21.7	21.9	4.6
Share Price	-23.6	27.6	43.4	29.2	20.5	3.1
Index	-22.7	20.9	12.8	22.0	16.8	7.6

## Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jun 02- Jun 03	Jun 03- Jun 04	Jun 04- Jun 05	Jun 05- Jun 06	Jun 06- Jun 07
NAV	-6.0	22.7	31.5	14.9	23.2
Share Price	-8.6	35.1	39.4	13.3	22.7
Index	-9.7	16.9	18.7	19.7	18.4

Source: Fundamental Data. Past performance is not a guide to future performance.

## Investment Outlook

June was a down month for the UK stock market and an unhelpful one for our strategy. The All-Share fell 0.8% while our NAV fell 5.2%. Several sectors were under the cosh. Most notably banks fell, hit by worrying, but possibly irrelevant, news about US subprime mortgage lending and by confirmation that the domestic UK mortgage market is getting increasingly competitive. HBOS was a near double digit faller. In addition, companies that have been implicated in bid excitement, particularly rumoured bids from private equity, dropped, as investors fretted that the rise in interest rates in both US and UK will undermine the takeover arithmetic. UK brewers such as Marstons were particularly hard hit, not least as the approach of the smoking ban raised questions about short term trading. Then for us, some of the shares that did so well in May gave up some of those gains. For instance, Media companies Pearson, Reed and Daily Mail all fell more than the market, having jumped after the actual bids for Dow Jones and Reuters last month.

In fact, we are currently more enthusiastic than for some time. We expect, over the next few months, for there to be a resolution to the uncertainties surrounding the shape or ownership of Cadbury and London Stock Exchange. We expect the consolidation of European banking, marked by the fiercely contested bid for ABN AMRO, to continue and to involve British banking franchises. Finally, we are sure the Media sector will provide more excitement, as companies jostle to control unique properties, such as the Financial Times or Reed's Science Direct.

## Biography

**Nick Train** began his career as an Investment Manager at GT Management in 1981, having graduated from Queen's College, Oxford with a second class honours in Modern History (1977-1980). He left GT in June 1998, after 17 years, on its acquisition by INVESCO. At his resignation he was a Director of GT Management (London), Investment Director of GT Unit Managers and Chief Investment Officer for Pan-Europe. He joined M&G in September 1998, as a Director of M&G Investment Management. In June 1999 he was appointed as Head of Global Equities at M&G. He left M&G in April 2000 to co-found Lindsell Train Limited. He is investment adviser to the Worshipful Company of Saddlers.

## Investment Manager Profile

Investment management services are provided by Lindsell Train Limited (Lindsell Train). Lindsell Train was formed in December 2000. However the principals, Michael Lindsell and Nick Train had worked together at GT Management from 1992 through to GT's takeover by INVESCO in 1998. Both Michael Lindsell and Nick Train went on to fulfil senior roles at INVESCO and M&G PLC respectively, where they continued to develop an in depth knowledge of investment processes and the world's stock markets. Their shared investment philosophy is to invest in durable businesses that are significantly under priced or less durable businesses that are valued by the market at a significant discount to their net balance sheet financial assets. This is achieved by choosing a concentrated portfolio of a small number of stocks with the intention of holding them for the medium to long term. Lindsell Train currently manages £540m as at 31 May 2007. Lindsell Train is authorised and regulated by the Financial Services Authority.

## Investment Policy

The Company has a concentrated portfolio of 25-30 stocks with a low turnover, and aims to have an above-market dividend yield. The Investment Manager uses a bottom-up stock picking approach and looks to invest in a universe of excellent UK listed businesses that appear mostly undervalued. The Company's policy is to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

## Discount Control Mechanism

The Directors have adopted an active discount management policy to establish and support an improved rating in the Company's shares through the use of share buybacks, with a view to limiting the discount to NAV per share at which the shares trade to no more than 5%. Up to 10% of the shares bought back may be held in treasury for reissue at later dates at no more than the discount at which they were purchased.

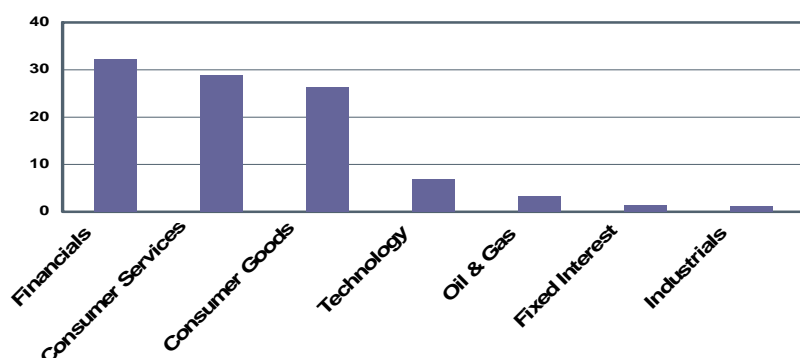
# Finsbury Growth & Income Trust PLC

## Ten Largest Holdings as at 30 June 2007 (% of total investments)

Name	Sector	Total
HBOS	Financials	10.5
Cadbury Schweppes	Consumer Goods	7.7
Diageo	Consumer Goods	7.6
Marston's	Consumer Services	6.3
Barr (AG)	Consumer Goods	5.8
Unilever	Consumer Goods	5.6
Reuters	Consumer Services	4.8
Pearson	Consumer Services	4.7
Lloyds TSB	Financials	4.7
Reed Elsevier	Consumer Services	4.2
<b>Total</b>		<b>61.9</b>

HBOS shares are split: Ordinary shares 4.7% & Preference shares 5.8%

## Sector Breakdown as at 30 June 2007 (%)



## Share Price Total Return on £100 (£) as at 30 June 2007

YTD	103.1
1 year	122.7
3 years	193.8
5 years	239.3

Source: Fundamental Data. Past performance is not a guide to future performance.

## Awards

### Highly Commended 2006 & 2007

Moneywise Magazine  
Category: UK Growth & Income

### Winner 2004

Investment Trust Magazine  
Best Growth & income Trust 2004

## Important Information

Finsbury Growth & Income Trust PLC (the "Company") is a UK investment trust listed on the London Stock Exchange and is a member of the Association of Investment Companies. As this Company may implement a gearing policy investors should be aware that the share price movement may be more volatile than movements in the price of underlying investments. Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed. An investor may not get back the original amount invested. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Investment Trust share prices may not fully reflect underlying net asset values. There may be a difference between the prices at which you may purchase ("the offer price") or sell ("the bid price") a share on the stock market which is known as "bid-offer" or "dealing" spread. This is set by the market makers and varies from share to share. This spread typically averages 1-2% each way on the mid-market price (the price halfway between the bid and offer prices), and can fluctuate and at times be higher than average. Net Asset Value per share is calculated in accordance with the guidelines of the Association of Investment Companies in that income received by the company in the period since the last annual accounts is excluded. Total net assets are stated inclusive of income received. Any opinions on individual stocks are those of the Company's Investment Manager and no reliance should be given on any such views. Any research in this document has been procured and may have been acted upon by Lindsell Train Limited for its own purposes. The results are being made available to you only incidentally. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of Frostrow Capital LLP and no assurances are made as to their accuracy.

[www.finsburygt.com](http://www.finsburygt.com)

## Fast facts

As at 30 June 2007

<b>Launch Date</b>	1926
<b>Annual Management Charge</b>	0.65% of average market capitalisation (payable by the Trust)
<b>Performance fee</b>	See Annual Report for details
<b>Year / interim end</b>	30 September / 31 March
<b>Capital Structure</b>	52,422,423 Ordinary shares of 25p

## Trust Characteristics

<b>Number of Holdings</b>	26
<b>Net Assets (£m)</b>	£172.0m
<b>Dividend Policy</b>	Provisional dates: June & October
<b>Current Net Yield</b>	2.5%
<b>Gearing (AIC basis)</b>	114
<b>Share Price (p)</b>	330.25
<b>NAV (p)</b>	328.10
<b>(Discount) / Premium</b>	0.7%

## Codes

<b>Sedol</b>	0781606
<b>ISIN</b>	GB0007816068
<b>Bloomberg</b>	FGT LN
<b>Epic</b>	FGT

## ISA, PEP and Savings Scheme

The trust is available within the Close Investments ISA, PEP, Savings Scheme and MileStones Plan.

For all queries concerning these products, please contact the Client Services Team on 0845 600 1213 or via [www.closeinvestments.com](http://www.closeinvestments.com).

## How to Contact Us

**Frostrow Capital LLP**  
25 Southampton Buildings, London, WC2A 1AL  
Tel.: 0203 008 4910  
Fax: 0203 043 8889  
Website: [www.frostrow.com](http://www.frostrow.com)

**Grant Challis**  
Tel.: 0203 008 4912  
grant.challis@frostrow.com

Authorised and regulated by the Financial Services Authority.

