



Finsbury Growth & Income Trust PLC

Managed by
Frostrow Capital LLP

Investment Manager
Lindsell Train Limited



Nick Train

Fund Information as at 30 September 2008

www.finsburygt.com

Investment Objective and Benchmark Index

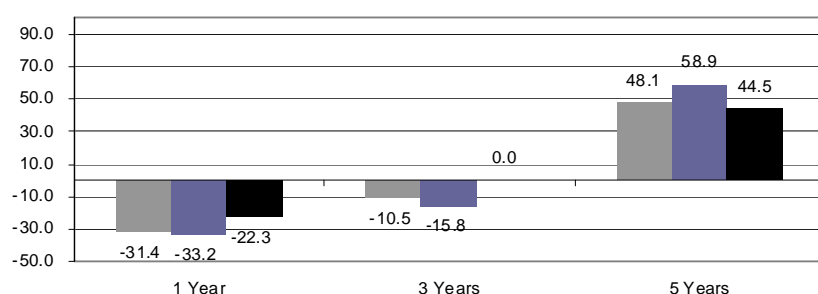
Finsbury Growth & Income Trust PLC invests in the shares of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

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	2003	2004	2005	2006	2007	YTD
NAV	22.4	31.4	21.7	22.0	-3.5	-28.5
Share Price	27.6	43.4	29.2	20.5	-10.3	-27.4
Index	20.9	12.8	22.0	16.8	5.3	-22.0

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

Investment Outlook

During the month of September the NAV fell 13.3% while the index fell 13.2%.

We are content with the broad shape of the strategy – overweight consumer staples (with big positions in Diageo, Unilever, Cadbury and Barr) and B2B Media and Software (led by Pearson, Reed Elsevier, Sage and Fidessa), while underweight Commodities (no metal exposure) and Bank ordinary shares. However, there are areas of concern - most obvious being the total exposure to HBOS. Here we sold one third of our ordinary shares in September, switching into Lloyds Bank, shortly after the announcement of the merger. At the month end the position in HBOS ords was 0.7% and Lloyds 4.6%. In addition, the Trust had 5.0% of assets in HBOS preference shares – an illiquid security. We must hope that the Lloyds/HBOS deal is consummated (at almost any price for the HBOS ords) because this would significantly improve the security of the preference dividends, we judge.

We are also disappointed by the sharp fall in Marston shares, hit by worries about poor pub trading and its not inconsiderable indebtedness. Marston is a highly profitable and cash generative business, with its assets concentrated on community pubs (which have utility-type characteristics, we believe). Accordingly we regard the risk of covenant breach as remote and the dividend to be safe in all but the most torrid economic conditions. Pub company shares are closely correlated with the property sector, which, in turn, responds to changes in interest rate expectations. As a general proposition today, we wonder how investors would feel if Sterling interest rates were 3% and oil at \$80, both of which appear increasingly likely. We guess sentiment to consumer stocks would improve markedly.

We do not know what will happen next and recognize the uncertainty afflicting all investors – but we comfort ourselves with the words of the poet Arthur Clough – “If hopes were dupes, fears may be liars”. Of course some of our hopes have been dashed, but this does not imply that all terrors have to come to pass.

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 around £456m as at 30 June 2008. 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.

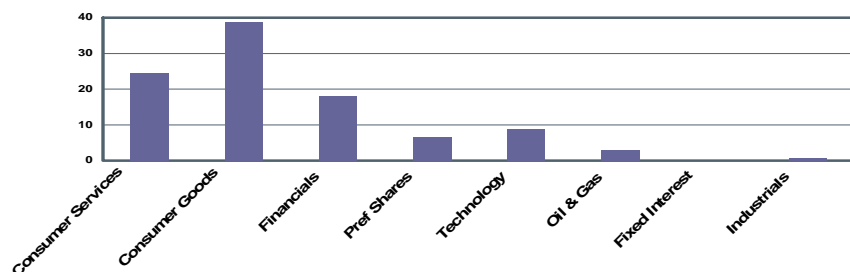
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Ten Largest Holdings as at 30 September 2008 (% of total investments)

Name	Sector	Total
Diageo	Consumer Goods	11.3
Unilever	Consumer Goods	9.7
Barr (AG)	Consumer Goods	7.5
Cadbury	Consumer Goods	6.9
Pearson	Consumer Services	5.7
HBOS	Financials	5.7
Reed Elsevier	Consumer Services	5.1
Sage	Technology	4.9
Rathbone Brothers	Financials	4.9
Lloyds TSB	Financials	4.6
Total		66.3

HBOS shares are split: Ordinary shares 0.7% & Preference shares 5.0%

Sector Breakdown as at 30 September 2008 (%)



Share Price Total Return on £100 (£) as at 30 September 2008

YTD	72.6
1 year	66.9
3 years	84.2
5 years	158.9

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

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Sep 03- Sep 04	Sep 04- Sep 05	Sep 05- Sep 06	Sep 06- Sep 07	Sep 07- Sep 08
NAV	26.1	31.2	22.0	6.9	-31.4
Share Price	37.4	37.3	19.6	5.3	-33.2
Index	15.7	24.9	14.7	12.2	-22.3

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

Fast facts

As at 30 September 2008

Launch Date	1926
Annual Management Fee (payable by the Trust)	0.60% of the market capitalisation <u>plus</u> £70,000
Performance fee	See Annual Report for details
Year / interim end	30 September/ 31 March
Capital Structure	50,950,673 Ordinary shares of 25p 1,846,750 Treasury shares

Trust Characteristics

Number of Holdings	28
Net Assets (£m)	£106.9m
Dividend Policy	Provisional dates: May & October
Current Net Yield	4.6%
Gearing (AIC basis)	112
Share Price (p)	202.00
NAV (p)	Undiluted 209.75
(Discount) / Premium	Undiluted (3.69%)
NAV (p)	Fully-diluted 209.48
(Discount) / Premium	Fully-diluted (3.57%)

Codes

Sedol	0781606
ISIN	GB0007816068
Bloomberg	FGT LN
Epic	FGT

Private Investors

New and existing holders can access the Trust via: www.alliancetrust.co.uk

How to Contact Us

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