



Finsbury Growth & Income Trust PLC

Managed by
Frostrow Capital LLP

Investment Manager
Lindsell Train Limited



Nick Train

Fund Information as at 31 January 2010

www.finsburygt.com

Investment Objective and Benchmark Index

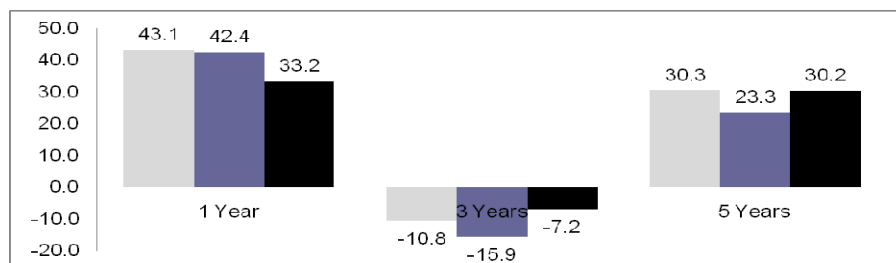
Finsbury Growth & Income Trust PLC invests in the shares of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

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	2005	2006	2007	2008	2009	YTD
NAV	21.7	22.0	-3.5	-31.3	35.3	-0.9
Share Price	29.2	20.5	-10.3	-29.6	33.7	-0.7
Index	22.0	16.8	5.3	-29.9	30.1	-3.6

Source: Morningstar. Past performance is not a guide to future performance.

Commentary

During the month the NAV fell 0.9% compared to the index which fell 3.6%.

Kraft's agreed deal with Cadbury crystallises a decent, though not exceptional, value for a major holding. The absence of a counterbid suggests that Kraft offered a fullish price. Nonetheless, we are sure that the acquisition improves Kraft's long term profitability and growth rate. In addition, we agree with Warren Buffett that Kraft equity was undervalued prior to the bid battle. The 4.2% dividend yield - double Cadbury's exit yield - is also attractive. We intend, therefore, to retain the inherited Kraft stock. The cash can usefully pay down debt, temporarily. However, given how cheap the borrowings are likely to remain, we are keen to re-establish "positive carry", by accessing sound common stock with a running dividend return higher than the interest rate.

In a down month for the FT All Share, we are encouraged by the performance of the Media and Technology shares in the strategy, continuing their strong relative run from 2009. Euromoney and Sage each gained 8%, with Fidessa and Thomson Reuters up another 6% and 5% respectively. Pearson was unchanged, despite announcing the possible disposal of its holding in IDC - a transaction that could reveal the hidden value in Pearson's portfolio of interests, we think. Portfolio exposure to TM (we avoid the other "T" of telecommunications) is meaningful and will drive returns in 2010, we hope.

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 £837m as at 30 September 2009. 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.

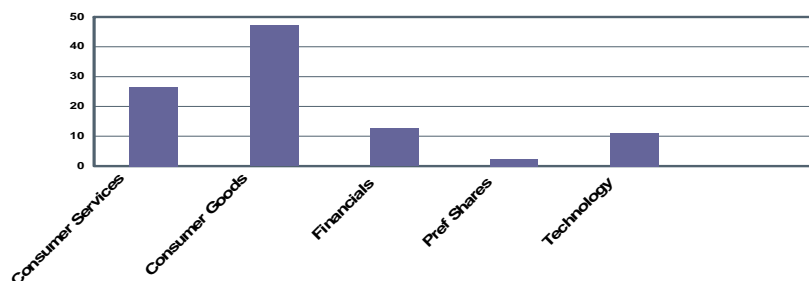
Finsbury Growth & Income Trust PLC

Ten Largest Holdings as at 31 January 2010 (% of total investments)

Name	Sector	Total
Diageo	Consumer Goods	10.9
Cadbury	Consumer Goods	10.9
Unilever	Consumer Goods	10.7
Barr (AG)	Consumer Goods	9.9
Pearson	Consumer Services	7.4
Fidessa	Technology	5.8
Sage	Technology	5.2
Schroders	Financials	4.4
Reed Elsevier	Consumer Services	4.3
Rathbone Brothers	Financials	4.1
Total		73.8

Lloyds Banking Group: Ordinary shares now 0% and Preference shares now 2.4%

Sector Breakdown as at 31 January 2010 (%)



Share Price Total Return on £100 (£) as at 31 January 2010

1 year	142.4
3 years	84.1
5 years	123.3

Source: Morningstar. Past performance is not a guide to future performance.

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jan 05- Jan 06	Jan 06- Jan 07	Jan 07- Jan 08	Jan 08- Jan 09	Jan 09- Jan 10
NAV	24.6	17.2	-11.2	-29.8	43.1
Share Price	24.9	17.3	-18.2	-27.8	42.4
Index	24.0	13.2	-3.6	-27.8	33.2

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 31 January 2010

Launch Date	1926
Annual Management Fee (payable by the Trust)	0.60% of the market capitalisation plus £70,000
Performance fee	See Annual Report for details
Year / interim end	30 September/ 31 March
Capital Structure	50,210,280 Ordinary shares of 25p 2,587,143 Treasury shares

Trust Characteristics

Number of Holdings	23
Net Assets (£m)	£126.9m
Dividend Policy	Provisional dates: May & October
Current Net Yield	3.9%
Gearing (AIC basis)	112
Share Price (p)	241.75
NAV (p)	Undiluted 252.72
(Discount) / Premium	Undiluted (4.34%)
NAV (p)	Fully-diluted 252.19
(Discount) / Premium	Fully-diluted (4.14%)

Codes

Sedol	0781606
ISIN	GB0007816068
Bloomberg	FGT LN
Epic	FGT

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