



Finsbury Growth & Income Trust PLC

Managed by
Frostrow Capital LLP

Investment Manager
Lindsell Train Limited



Nick Train

Fund Information as at 31 December 2007

www.finsburygt.com

Investment Objective and Benchmark Index

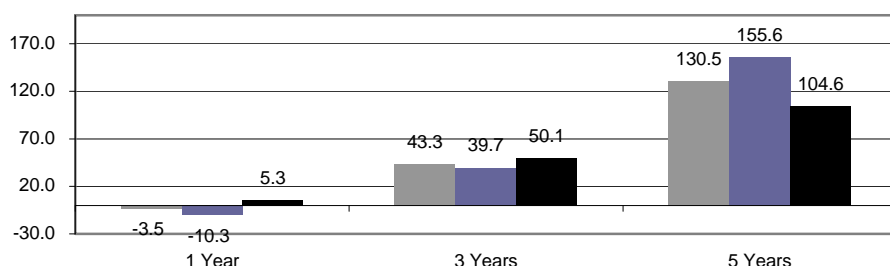
Finsbury Growth & Income Trust PLC invests in the shares of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

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	2002	2003	2004	2005	2006	2007
NAV	-21.7	22.4	31.4	21.7	21.9	-3.5
Share Price	-23.6	27.6	43.4	29.2	20.5	-10.3
Index	-22.7	20.9	12.8	22.0	16.8	5.3

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

Investment Outlook

December saw the NAV fall by 1.1% compared to the index rise of 0.3%. There were some substantial moves in important holdings, both up and down. On the downside, banks remained under pressure, with HBOS falling 8.5%, after its pre-close trading update. We understand why investors remain nervous during the "credit crunch" and recognize that the trend in HBOS' earnings has muddled as a result. The overriding impression from the trading statement, though, is that HBOS remains an immensely strong institution, with diversified sources of funding and a significant growth opportunity for its "savings" franchise, offsetting, to an extent, a likely tougher period for its lending activities. The shares offer a dividend yield of over 6.0% net, almost double that of a Gilt and the dividend is covered 2.3x by current year earnings. On this basis, the shares are probably very cheap. Investments in some of the smaller companies, Barr, Fidessa and Youngs' were also fallers, as investors withdraw capital from this part of the market. We may add to these positions, expecting, in the long run, their earnings performance rather than their size to dictate the return we earn as shareholders.

Gainers were led by Reed Elsevier and London Stock Exchange, both up c10%. Reed confirmed the sale of its education division and an imminent return of cash to shareholders from the proceeds. In the meantime, Reed's remaining business is trading strongly and looks well-placed to withstand any possible slowdown in global economic activity. Reed has been a dull stock market performer for a number of years, hit, in part, by the strength of Sterling (it is a big Dollar earner). With Sterling falling, Reed's recent gains could be the start of a sustained move, we expect. LSE remains the prize asset in the consolidation of global exchanges and has benefited from profit upgrades, as stock exchange volumes continue at record levels.

Cadbury was unchanged on the month, despite the excitement surrounding the announcement of an increased stake in the company by US arbitrageur, Nelson Peltz, now up to 4.5%. His additional purchase was accompanied by a public letter to Cadbury's board outlining his case for the shares being much too cheap and vulnerable to a takeover bid. Peltz' target price is £9.70, way above the market quote of £6.20, but very close to the strategic target Lindsell Train set for its investment in Cadbury, when we made it several years ago.

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 £515m as at 30 November 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.

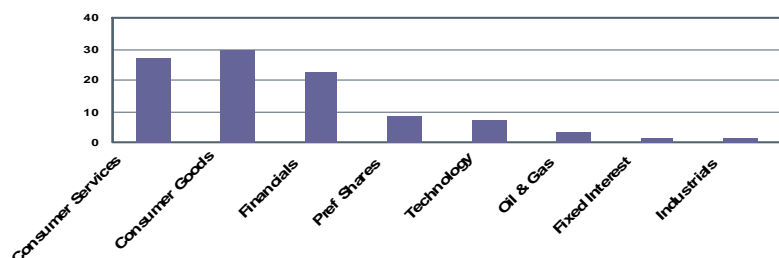
Finsbury Growth & Income Trust PLC

Ten Largest Holdings as at 31 December 2007 (% of total investments)

Name	Sector	Total
HBOS	Financials	9.7
Diageo	Consumer Goods	8.9
Cadbury Schweppes	Consumer Goods	7.9
Unilever	Consumer Goods	7.6
Marston's	Consumer Services	5.9
Barr (AG)	Consumer Goods	5.4
Reed Elsevier	Consumer Services	5.0
Reuters	Consumer Services	4.6
Pearson	Consumer Services	4.6
Lloyds TSB	Financials	4.5
Total		64.1

HBOS shares are split: Ordinary shares 4.0% & Preference shares 5.7%

Sector Breakdown as at 31 December 2007 (%)



Share Price Total Return on £100 (£) as at 31 December 2007

YTD	89.7
1 year	89.7
3 years	139.7
5 years	255.6

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

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Dec 02- Dec 03	Dec 03- Dec 04	Dec 04- Dec 05	Dec 05- Dec 06	Dec 06- Dec 07
NAV	22.4	31.4	21.7	21.9	-3.5
Share Price	27.6	43.4	29.2	20.5	-10.3
Index	20.9	12.8	22.0	16.8	5.3

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 31 December 2007

Launch Date	1926
Annual Management Fee (payable by the Trust)	0.50% of the market capitalisation <u>plus</u> £200,000
Performance fee	See Annual Report for details
Year / interim end	30 September / 31 March
Capital Structure	52,450,027 Ordinary shares of 25p 347,396 Treasury shares

Trust Characteristics

Number of Holdings	27
Net Assets (£m)	£156.3m
Dividend Policy	Provisional dates: June & October
Current Net Yield	3.2%
Gearing (AIC basis)	114
Share Price (p)	283.00
Undiluted NAV (p)	297.96
Fully Diluted NAV (p)	297.86
(Discount) / Premium	Undiluted (5.02%)
(Discount) / Premium	Fully diluted (4.99%)

Codes

Sedol	0781606
ISIN	GB0007816068
Bloomberg	FGT LN
Epic	FGT

ISA, PEP and Savings Scheme

Close Investments have recently announced their intention to terminate their ISA, PEP, Savings Scheme and MileStones plans. Existing holders of this trust through those plans have been given several options, including the option to transfer their holdings to Alliance Trust Savings with effect from March 2008.

For all queries concerning this change, please contact the Client Services Team on 0845 600 1213 or via: www.closeinvestments.com.

New investors can invest through similar plans available via: www.alliancetrust.co.uk

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Authorised and regulated by the Financial Services Authority.

