



10.00

10.05

10.50

AIG.UN

ACUITY
GROWTH & INCOME TRUST

F I R S T Q U A R T E R R E P O R T

2 0 0 4

TABLE OF CONTENTS

INVESTMENT PROFILE OF THE TRUST	PAGE 2
PORTFOLIO REVIEW AND OUTLOOK	PAGE 2
MANAGEMENT DISCUSSION AND ANALYSIS	PAGE 3
FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS	PAGE 4
STATEMENT OF OPERATIONS	PAGE 4
STATEMENT OF CHANGES IN NET ASSETS	PAGE 5
STATEMENT OF NET REALIZED GAIN ON SALE OF INVESTMENTS	PAGE 5
STATEMENT OF FINANCIAL HIGHLIGHTS	PAGE 5
STATEMENT OF INVESTMENT PORTFOLIO	PAGE 6
NOTES TO FINANCIAL STATEMENTS	PAGE 7
CORPORATE DIRECTORY	IBC

INVESTMENT PROFILE OF THE TRUST

Acuity Growth & Income Trust (TSX: AIG.UN) is a closed-end investment trust with the investment objectives of providing holders of Units with monthly distributions, preserving capital throughout the life of the Trust and enhancing the long-term total return within the Portfolio.

The net cash proceeds of the Offering, together with amounts drawn down under the Loan Facility, will be invested in a diversified portfolio of securities consisting primarily of units of income funds and common shares.

PORTFOLIO REVIEW AND OUTLOOK

The growth rate of the North American economy moderated slightly in the most recent quarter, but remained solid. Retail sales activity continued to be supported by low interest rates, and manufacturing posted the strongest growth rate in orders since the 1980's. The U. S. Federal Reserve maintained interest rates at stimulative levels and signalled its intention to be patient before adjusting rates higher. For its part, the Bank of Canada cut rates 0.25% in the face of moderating growth due to the strong currency.

The equity markets started off the year with a rally as solid economic growth generated strong corporate earnings. However, concerns about the sustainability of the rally, along with disappointing U. S. employment numbers in January and February, caused the markets to decline toward the latter part of the quarter. Driven by rising commodity prices, Canadian stocks outpaced their U. S. counterparts. Income trusts were propelled by a strong RRSP season, coupled with investors seeking alternatives to fixed income securities in a low interest rate environment.

At the beginning of 2004, the Trust was approximately 70% invested after closing its initial public offering the previous month. The remainder of the cash was deployed in January, and by the end of March the Trust had employed half of its 20% loan facility. As of March 31, almost 60% of the Trust was invested in income trusts, just over 20% was invested in dividend paying common equities, and just over 20% was invested in common shares with no dividend.

From a sectoral perspective, the Trust is emphasizing economically sensitive sectors such as consumer discretionary, basic materials, industrials, and information technology. This growth-oriented stance reflects our view that the economic and market backdrop is favourable. The North American economy continues to exhibit strength, with participation from all sectors, which should bode well for corporate earnings growth. In addition, interest rate policy remains accommodative both north and south of the border. We are somewhat concerned about the potential for a moderate rise in bond yields due to the strong economy, and are underweight in interest sensitive securities such as financials, power and pipeline trusts, and REITs. We believe that this asset mix should enable the Trust to achieve its objectives, and are optimistic about the outlook for the Trust.

MANAGEMENT DISCUSSION AND ANALYSIS

Cash Distributions

The Trust made three monthly distributions of \$0.058333 as scheduled during the first quarter of 2004, for a total of \$0.17.

Portfolio Performance

As of March 31, the Trust's net asset value ("NAV") per unit was \$10.68, representing a gain of approximately 9.8% over the December 31, 2003 NAV of \$9.73 per unit.

Net assets under management were \$145,153,526 as of March 31, an increase of 15% over the year end 2003 total of \$126,426,171. The increase was due to strong portfolio performance, coupled with the receipt of the overallotment from the syndicate of underwriters.

Closed end trusts may trade above, at or below their net asset value per unit. On March 31, the Trust's unit market value, as established by trading on the Toronto Stock Exchange, was \$10.10. This price represented a 5.4% discount to the underlying net asset value.

Results from Operations

During the period from December 31, 2003 to March 31, 2004, the Trust realized \$1,714,672 in gains on sale of investments and had a further unrealized gain on investments of \$12,885,450. The portfolio had investment income (largely distributions from investments) of \$1,607,333. Management fees during the quarter were \$415,898. Distribution payments to unitholders totalled \$2,382,104. Expenses for the period were \$733,126.

Liquidity and Capital Resources

The Trust is authorized to borrow for the purpose of making investments in accordance with its investment objectives, policies and restrictions. The Trust's loan facility allows it to borrow up to 20% of the market value of the Trust's assets to a maximum \$32,250,000. As of March 31, the Trust had borrowed \$14,245,211 against the facility, representing approximately 10% of the Trust's assets.

The Trust derives substantially all its income from investment sources. Working capital liquidity is maintained through drawings or repayments on the revolving credit facility.

Mandatory Market Purchase Program

Under the Mandatory Market Purchase Program, the Trust is obligated to purchase any units offered in the market at the then-prevailing market price, if at any time the market price for any units offered for sale is less than 95 per cent of the most recently calculated and published net asset value per unit (i.e., a 5 per cent discount to NAV). The maximum number of units may not exceed 1.25 per cent of the total number of units outstanding at the beginning of the quarter.

This program is designed to decrease any potential spread between the NAV per unit and the market price of the units. It will also enhance liquidity. Both of these characteristics could have a beneficial effect on the value of the Trust for unitholders who remain invested. Units are repurchased for cancellation at market prices rather than at the net asset value, increasing the NAV for the remaining units.

During the first quarter, the Trust repurchased 23,700 units under this program, which were subsequently cancelled.

ACUITY GROWTH & INCOME TRUST STATEMENT OF NET ASSETS

As at	(unaudited) March 31, 2004	(audited) December 31, 2003
Assets		
Investments, at market value	\$ 163,130,858	\$ 89,835,271
Cash and short-term investments	194,343	42,121,402
Accrued revenue	668,190	474,737
	<u>163,993,391</u>	<u>132,431,410</u>
Liabilities		
Accounts payable and accrued liabilities	(390,531)	(875,871)
Distributions payable to unitholders	(793,113)	-
Payable for investments purchased	(3,411,010)	(5,129,368)
Loan Facility	(14,245,211)	-
	<u>(18,839,865)</u>	<u>(6,005,239)</u>
Net assets	<u>\$ 145,153,526</u>	<u>\$ 126,426,171</u>
Units outstanding	<u>13,596,300</u>	<u>13,000,000</u>
Net asset value per unit	<u>\$ 10.68</u>	<u>\$ 9.73</u>

ACUITY GROWTH & INCOME TRUST STATEMENT OF OPERATIONS

	(unaudited) Three months ended March 31, 2004	(audited) For the period December 17 to 31, 2003
Investment Income		
Income from investment trust units	\$ 1,390,931	\$ 333,197
Dividends	172,272	20,364
Interest	44,130	76,878
	<u>1,607,333</u>	<u>430,439</u>
Expenses		
Management fees (Note 4)	415,898	61,152
Custodian fees	9,039	3,222
Service fees (Note 4)	151,236	22,237
Interest and bank charges	65,799	-
Administration	91,154	11,510
	<u>733,126</u>	<u>98,121</u>
Net investment income	<u>874,207</u>	<u>332,318</u>
Net realized gain on sale of investments	<u>1,714,672</u>	<u>747,348</u>
Change in unrealized appreciation of investments	<u>12,885,450</u>	<u>2,949,255</u>
	<u>14,600,122</u>	<u>3,696,603</u>
Increase in net assets from operations	<u>\$ 15,474,329</u>	<u>\$ 4,028,921</u>

The accompanying notes are an integral part of these financial statements.

ACUITY GROWTH & INCOME TRUST
STATEMENT OF CHANGES IN NET ASSETS

	(unaudited) Three months ended March 31, 2004	(audited) For the period December 17 to 31, 2003
Net Assets , beginning of period	\$ 126,426,171	\$ -
Increase in net assets from operations		
Net investment income	874,207	332,318
Net realized gain on sale of investments	1,714,672	747,348
Change in unrealized appreciation of investments	12,885,450	2,949,255
	15,474,329	4,028,921
Unitholder distributions (Note 5)	(2,382,104)	-
Unitholder transactions		
Cancellation of units (Note 6)	(239,370)	-
Issuance of Trust units	6,200,000	130,000,000
Cost of issue	(325,500)	(7,602,750)
	5,635,130	122,397,250
Net assets , end of period	\$ 145,153,526	\$ 126,426,171

ACUITY GROWTH & INCOME TRUST
STATEMENT OF NET REALIZED GAIN ON SALE OF INVESTMENTS

	(unaudited) Three months ended March 31, 2004	(audited) For the period December 17 to 31, 2003
Proceeds from sales of investments	\$ 39,867,781	\$ 2,250,752
Cost of investments , beginning of period	86,886,016	-
Exchange Offering	-	7,691,030
Return of capital	(546,063)	(75,784)
Cost of investments purchased	99,109,309	80,774,174
	185,449,262	88,389,420
Cost of investments , end of period	147,296,153	86,886,016
Cost of investments sold , during the period	38,153,109	1,503,404
Net realized gain on sale of investments	\$ 1,714,672	\$ 747,348

ACUITY GROWTH & INCOME TRUST
STATEMENT OF FINANCIAL HIGHLIGHTS

	(unaudited) Three months ended March 31, 2004	(audited) For the period December 17 to 31, 2003
Net asset value , beginning of period	\$ 9.73	\$ 9.42*
Investment Income		
Net Investment Income	0.06	0.02
Net realized and unrealized gain on investments	1.06	0.29
	1.12	0.31
Unitholder distributions	(0.17)	-
Net change, during the period	0.95	0.31
Net asset value, end of period	\$ 10.68	\$ 9.73

*initial offering price of \$10.00, net of costs of issue of \$0.58

The accompanying notes are an integral part of these financial statements.

ACUITY GROWTH & INCOME TRUST
STATEMENT OF INVESTMENT PORTFOLIO (unaudited)

March 31, 2004 (in thousands of dollars)

		AVERAGE COST	MARKET VALUE	% OF TOTAL
UNITS	INCOME TRUSTS			
105,000	Amtelecom Income Fund	1,208	1,328	
68,800	Baytex Energy Trust Units	758	774	
150,000	Borealis Real Estate Investment Trust	1,790	1,935	
216,300	CCS Income Trust	6,410	6,597	
125,000	Chartwell Seniors Housing Real Estate Inv.	1,561	1,728	
38,100	Connors Brothers Income Fund	643	671	
60,000	Connors Brothers Income Fund - Sub. Rec.	1,035	1,041	
336,200	Crescent Point Energy Trust	4,176	5,295	
1,300	Davis + Henderson Income Trust	21	25	
420,600	Energy Savings Income Fund	5,796	7,003	
309,500	Harvest Energy Trust Units	4,072	4,642	
243,600	Innvest Real Estate Investment Trust	2,751	2,680	
113,500	Keyspan Facilities Inc. Fund-April 01,2004	1,430	1,362	
379,900	NAV Energy Trust	3,671	4,084	
362,100	Newalta Income Fund	5,766	6,905	
144,300	Peyto Energy Trust	3,884	4,459	
377,000	Priszm Canadian Income Fund	3,901	4,332	
102,200	Sleep Country Canada Income Fund	1,412	1,436	
411,200	Transforce Income Fund Units	4,056	4,445	
524,700	Trinidad Energy Serv. Units	3,737	4,323	
230,900	UE Waterheater Income Fund	2,379	2,725	
589,700	Ultima Energy Trust	3,502	4,494	
239,700	Vermilion Energy Trust	3,707	4,386	
127,200	Wellco Energy Services Trust	1,031	1,285	
90,000	Wellco Energy Services Trust-Aug. 02, 2004	855	909	
175,000	Wellco Energy Services Trust-May 29, 2004	1,146	1,767	
192,850	Yellow Pages Income Fund	2,190	2,386	
Total Income Trusts		72,888	83,017	57.2
SHARES	CANADIAN EQUITIES			
98,800	ATI Technologies Inc.	2,102	2,107	
41,875	Alcan Inc.	2,518	2,441	
113,700	Altagas Services Inc.	2,239	2,493	
552,500	Atlas Energy Ltd.	2,106	1,906	
582,900	Badger Daylighting Inc.	2,730	2,973	
438,258	Bombardier Inc.	2,484	2,572	
85,000	CI Fund Management Inc.	1,212	1,283	
33,200	CSI Wireless Inc.	94	94	
40,830	Canadian Imperial Bank of Commerce	2,543	2,793	
20,700	Canadian National Railway Co.	1,129	1,061	
86,000	Canfor Corp.	956	1,200	
150,000	Cedara Software Corp.	1,500	1,305	
161,200	Compton Petroleum Corp.	1,135	1,230	
198,000	Coreco Inc.	1,257	1,386	
389,300	Corriente Resources Inc.	1,293	1,713	
913,100	Crystallex International Corp.	3,392	3,671	
600,000	Cygnal Technologies Corp.- July 05, 2004	1,500	1,470	
110,000	Dorel Industries Inc. CL B SUB Vtg	4,358	4,883	
1,351,900	Dynatec Corp.	2,161	2,149	
45,000	Equitable Group Inc.	788	1,043	
300,000	Etruscan Resources Inc.- August 02, 2004	690	645	
2,638,300	Eurozinc Mining Corp.- August 06, 2004	1,583	1,636	
51,000	Fairmont Hotels & Resorts Inc.	1,843	1,685	
155,000	Iamgold Corp.	1,428	1,330	
363,300	Jaguar Nickel Inc.	325	323	
14,500	Magna International Inc. - CL A	1,540	1,499	
506,600	Peak Energy Services Ltd.	2,234	2,498	
300,000	Petrofalcon Corp.- July 18, 2004	660	624	

The accompanying notes are an integral part of these financial statements.

ACUITY GROWTH & INCOME TRUST
STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (cont'd)

March 31, 2004 (in thousands of dollars)

		AVERAGE COST	MARKET VALUE	% OF TOTAL
32,700	Research In Motion Ltd.	2,287	4,002	
122,800	Rogers Communications Inc. - CL B	2,668	3,009	
21,500	Saputo Inc.	705	711	
123,500	Teck Cominco Ltd. - CL B	2,801	3,022	
54,146	Telus Corp.- Non voting shares	1,335	1,191	
189,700	Transat A.T. Inc.	2,290	2,988	
100,000	VFC Inc.	1,034	1,092	
150,000	Wheaton River Minerals Ltd.	561	672	
Total Canadian Equities		61,481	66,700	46.0
SHARES	FOREIGN EQUITIES			
25,000	Bed Bath & Beyond Inc.	1,288	1,376	
20,000	Citigroup Inc.	1,260	1,359	
122,300	Darden Restaurants Inc.	3,689	3,984	
26,500	Lowe's Companies Inc.	2,082	2,153	
26,000	Merrill Lynch & Co. Inc.	2,044	2,035	
16,000	Republic Services Inc.	973	1,010	
39,000	Texas Instruments Inc.	1,591	1,497	
Total Foreign Equities		12,927	13,414	9.2
Total Portfolio		\$147,296	\$163,131	112.4%
Cash Equivalents and Other Net Assets			(17,977)	(12.4)%
Net Assets			\$145,154	100.0%
Fund Units Issued and Outstanding			13,596,300	
Net Asset Value Per Unit			\$10.68	

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

(unaudited)

1. ORGANIZATION OF THE TRUST

Acuity Growth & Income Trust (the "Trust") is a closed-end investment trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated November 27, 2003 and began operations on December 17, 2003. Acuity Funds Ltd., (the "Manager"), a corporation incorporated under the laws of the Province of Ontario, is the manager and the trustee of the Trust. Canadian Imperial Bank of Commerce is the custodian of the Trust's assets.

2. INTERIM FINANCIAL STATEMENTS

These unaudited interim financial statements have been prepared by management following the same accounting policies and methods of their application as the most recent annual financial statements. The note disclosure for annual financial statements provides additional disclosure to that required for interim financial statements. Accordingly, these interim financial statements should be read in conjunction with the audited financial statements included in the Trust's 2003 annual report.

NOTES TO FINANCIAL STATEMENTS (cont'd)

March 31, 2004

(unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements of the Trust have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They follow the same accounting policies and methods of application as the Trust's financial statements for the period ended December 31, 2003.

4. MANAGEMENT FEES AND OPERATING EXPENSES

Pursuant to the terms of the Declaration of Trust, The Manager is entitled to a fee at an annual rate of 1.10% of the net asset value ("NAV") plus an amount equal to the Service Fee payable to registered dealers. Fees payable to the Manager will be calculated and payable monthly based on the NAV calculated at each Valuation Time during that month. The Manager will pay to dealers the service fee (calculated and paid at the end of each calendar quarter) equal to 0.40% annually of the NAV per unit for each Unit held by clients of the dealers.

In addition to the Manager's fee and the service fee and any debt service costs under the loan facility, the Trust is responsible for payment of all expenses relating to the operation and the carrying on of its business, including the trustee's fees, custodial fees, directors' fees and insurance, the preparation of tax filings, legal, accounting, audit and valuation fees, unitholder reporting costs, website maintenance costs, registrar and transfer agency costs, printing and mailing costs, listing fees and expenses, taxes and other administrative expenses, costs to be incurred in connection with the Trust's continuous public filing and other obligations, and commissions, fees and other expenses associated with the execution of transactions in respect of the portfolio.

5. DISTRIBUTIONS

The Trust paid cash distributions to unitholders of \$0.058333 per unit for record dates through to March 31, 2004 as follows:

Month	Record Date	Payment Date
January	January 30, 2004	February 12, 2004
February	February 27, 2004	March 11, 2004
March	March 31, 2004	April 15, 2004

The per unit amount of \$0.058333 is in line with the Indicative Distribution for the first 12 months of \$0.70 per unit as described in the Prospectus.

6. CANCELLATION OF UNITS

As part of Mandatory Market Purchase Program described in the Prospectus, if, at any time following the date of closing of the Public Offering, the price at which Unitholders are then offering their Units for sale on the TSX (or such other exchange or market on which the Units are then listed) is less than 95% of the NAV per Unit, subject to compliance with any applicable regulatory requirements, the Trust shall purchase any such Units offered on such exchanges or market at the then prevailing market price. During the quarter 23,700 Units were purchased at an average price of \$10.19. The Units were subsequently cancelled. As a result, these units were not used in the calculation of the March 31 NAV.

CORPORATE DIRECTORY

DIRECTORS OF THE MANAGER:

IAN O. IHNATOWYCZ

N. WILLIAM C. ROSS

WAYNE T. EGAN

ALAN H. HUBBS

ROBERT A. MITCHELL

OFFICERS AND SENIOR MANAGEMENT OF THE MANAGER:

IAN O. IHNATOWYCZ
President, Chief Executive Officer and Director

GEORGE HENRY
Chief Financial Officer

STEPHEN CRAWFORD
Senior Vice President, National Sales

LISA CHARETTE
Manager, Investor Relations

PORTFOLIO MANAGEMENT:

IAN O. IHNATOWYCZ
*President, Chief Executive Officer and
Chief Investment Officer*

HUGH MCCAULEY
Director/Equities, Lead Portfolio Manager

DAVID STONEHOUSE
Portfolio Manager

WARREN FENTON
Portfolio Manager

MARTIN GROSSKOPF
Investment Analyst, Manager of Sustainability Research

AUDITORS:

DELOITTE & TOUCHE LLP
Toronto, Canada

BANKERS:

CIBC
Toronto, Canada

TRANSFER AGENT:

COMPUTERSHARE INVESTOR SERVICES INC.
Toronto, Canada

COUNSEL:

BORDEN LADNER GERVAIS LLP
Toronto, Canada

CUSTODIAN:

CIBC MELLON GLOBAL SECURITIES SERVICES COMPANY
Toronto, Canada

STOCK EXCHANGE LISTING:

TORONTO STOCK EXCHANGE: AIG.UN



ACUITY
GROWTH & INCOME TRUST

Head Office

65 Queen Street West, Suite 1800
Toronto, Ontario M5H 2M5
Tel: 416-366-9933/800-461-4570
Fax: 416-366-2568/888-957-4125
www.acuityfunds.com

