

### Investment Manager's Commentary

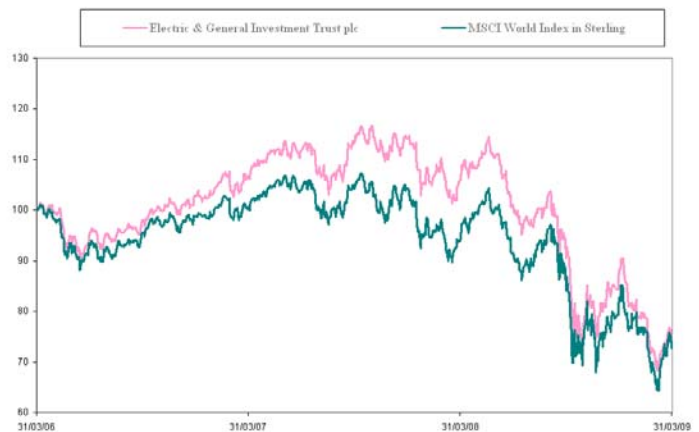
The first quarter of 2009 has seen some extreme movements, which included a bear and bull market all of its own. From the second week of the year to early March indices had lost over 20% of their value. Since then the rally has seen the majority of those losses reversed. The turn around coincided with US Treasury Secretary Tim Geithner announcing measures to stabilise the US banking system and Ben Bernanke, the Chairman of the Federal Reserve, saying he believed the US economic downturn could prove a short lived phenomena. Economic data indicates that the rate of decline for the world economy is slowing, or put another way, de-stocking is over but the recession is still with us. A degree of normality is returning to the financial community with JP Morgan and Citibank announcing that they were profitable in the first two months of the year. Governments globally continue to modify their support packages and find new ways of trying to stimulate economic activity and this will no doubt go on until it has the desired effect. Whether the recent rally in the stock market indicates that investor confidence has really changed it is still too early to tell. There is a lot of cash sitting on the sidelines but before investors seriously go back to the markets the extreme volatility that we have witnessed over the last six or seven months needs to abate somewhat - when it does it will probably be one of the best indicators that normality has returned. The Investment Managers continue to build up a position in Land Securities and subscribed to the company's rights issue and also continued to add to the holding in BP. Small additions were made to a number of holdings to bring them up to weight. The only new

holding started during the month was Telefonica. Telefonica is Spain's public telephone company which also owns significant fixed and mobile assets in South America, Eastern Europe and the o2 business in the UK and Germany. Concerns about the Spanish economy have depressed the rating of Telefonica over the last year, especially as this region was one of the weakest in Vodafone's results. Having met the company the Investment Managers feel that the rating now more than discounts price competition in domestic mobile and concerns about write-downs to the company's Venezuelan and Argentinian businesses (about 5% of total earnings). The stock trades on 9.5x this year's earnings and has a yield of 7.5%. The company has €44bn of debt supported by €73bn of equity and interest cover of 5x. During the month Petro Canada announced it had agreed a takeover/merger with Suncorp, which led to a good increase in the share price. Suncorp is one of the major Canadian oil sands operators, which means it is a relatively high price producer of oil. While the Investment Managers think oil shares are interesting, their preference is for companies with low production costs. They have therefore taken the opportunity to sell the entire holding of Petro Canada. The entire holdings of Rio Tinto and Manulife were also sold, the sale of Kurita Water was completed and the sale of Toray continues. Portugal Telecom was trimmed to make way for Telefonica.

Source: THS Partners

Top Ten Holdings (as at close 31.03.09)		
1	NESTLE SA CHF1 (REGD)	3.05%
2	NEWCREST MINING A\$0.50	2.80%
3	FRANCE TELECOM EUR4	2.72%
4	VODAFONE GROUP USD0.11428571	2.34%
5	ROYAL DUTCH SHELL EUR0.07 'B' SHS	2.30%
6	SNC LAVALIN GROUP COM NPV CAD	2.28%
7	INTEL CORPORATION COM USD0.001	2.20%
8	CARREFOUR EUR2.50	2.19%
9	HUTCHISON WHAMPOA HKD0.25	2.10%
10	VIVENDI UNIVERSAL EUR5.50	1.96%

NAV per Share Performance 01.04.06 (rebased to £100) to 31.03.09



Source: Bloomberg

	March 2009	March 2008	March 2007	March 2006	March 2005
<b>Ordinary Price</b>	-30.21	-2.87	4.24	28.57	24.10
<b>NAV</b>	-29.15	-0.24	6.38	30.40	8.60
<b>Morgan Stanley Capital International World Index in Sterling</b>	-22.17	-5.07	4.26	26.67	5.54

Note: Price is month-end mid-price. Benchmark is not total return index.  
Source: Bloomberg

Past performance is not a guide to the future. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested.

### Cumulative Performance to 31.03.09 (%)

Capital NAV Per Share (P)	Cum Income NAV Per Share (P)	Ordinary Share Price (P)		1 Month %	YTD %	1 Year %	3 Year %	5 Year %	10 Year %
320.46	323.36	283.00	<b>Ordinary Price</b>	4.14	-12.65	-30.21	-29.34	13.72	-20.04
			<b>NAV</b>	4.30	-15.04	-29.15	-24.86	7.33	-16.66
2.78%		-11.68%	<b>Morgan Stanley Capital International World Index in Sterling</b>	7.60	-10.81	-22.17	-26.65	-2.15	-23.44

Note: Price is month-end mid-price. Benchmark is not total return index.  
Source: Bloomberg

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# Electric & General Investment Trust plc: As at 31.03.09

## International / Equity Growth



### Investment Objective

The Company's investment objective is to maximise total return while pursuing a progressive dividend policy, where achievable, within the over-riding objective of capital growth.

### Charges

Basic Management Fee: 0.4% of net assets per annum.  
Performance Fee: 10% of the outperformance versus the MSCI World Index in Sterling over the relevant performance period (maximum of 0.6% in a period of increase and 0.2% in a period of decrease of net assets).

### Fund Details

**Total Gross Assets:**  
£216.0m (As at 31.03.09)

**Dealing:**

Daily (Stockmarket)

**NAV Frequency:**

Daily

**Legal Status:**

UK Investment trust

**Type of Fund**

Closed-end fund

**Listing:**

London Stock Exchange

**Dividends:**

March, October

**Investment Manager:**

Taube Hodson Stonex Partners LLP

**Stockbroker:**

JPMorgan Cazenove Limited

**Administrator:**

BNP Paribas Securities Services

**Registrar:**

Computershare Investor Services PLC

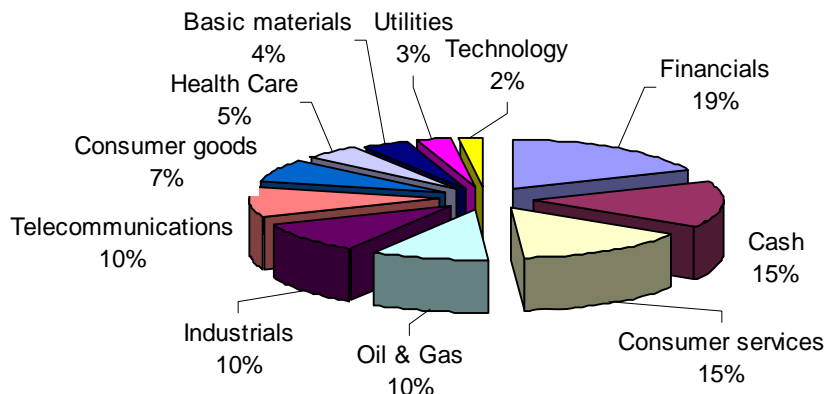
### Wrapped Products

The shares of Electric & General Investment Trust plc ("Electric & General") are offered within the BNP Paribas Electric & General Savings Scheme and ISA. Further details can be obtained from the 'How to Save' section of the Electric & General website on [www.electricandgeneral.com](http://www.electricandgeneral.com) or by calling the Investor Helpline on 0845 358 1113.

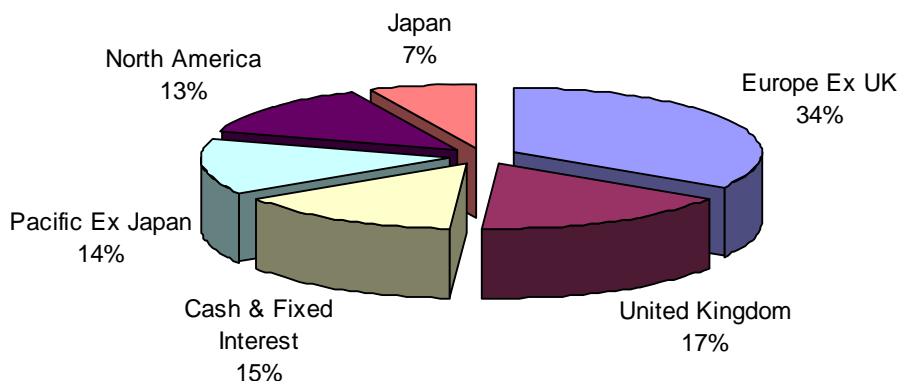
### Important Information

The prices of shares in investment trusts and income received from them can go down as well as up and investors may not get back the full amount invested. Past performance is no guarantee of future performance. Quoted yields are not guaranteed. Changes in the rates of currency exchanges may have an adverse effect on the value or price of the shares. Investments in a currency other than your own currency will be subject to movements in foreign exchange rates. Reference to any specific securities should not be construed as a recommendation to buy or sell these securities but is included for the purposes of illustration only. Investors should also note that the views expressed may no longer be current and may have already been acted upon. Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). The use of gearing can lead to volatility in the NAV, meaning that a relatively small movement, down or up, in the value of a company's assets will result in a magnified movement, in the same direction, of that NAV. Share price performance is not the same as NAV performance and investors may not realise returns the same as NAV performance. The Company may invest in emerging markets which tend to be more volatile than more established stock markets and the value of your investment could move sharply up or down. If you have any questions about the suitability of this investment for your portfolio, you should contact an independent financial adviser. Nothing in this factsheet should be construed as advice nor be considered an offer or solicitation to deal in investments. Issued by Taube Hodson Stonex Partners LLP which is authorised and regulated by the Financial Services Authority, (Firm No 480219). Registered office: Cassini House, 1st Floor, 57-59 St. James's Street, London, SW1A 1LD (OC333502).

### Sector Allocation



### Geographical Allocation



Source: THS