Electric & General Investment Trust plc: As at 30.04.09

International / Equity Growth

Investment Manager's Commentary

Improving industrial surveys in the US, Europe and Japan have unleashed a powerful equity market rally. It has been given added impetus by comments from Ben Bernanke that, although things are still bad, there are signs that the pace of contraction is slowing – he then listed five developments: stabilising consumer spending, bottoming housing market, moderation in decline in foreign economic activity, progress in shedding unwanted inventories and improving financial conditions. He revised up his forecast for US growth to 2% in 2010 followed by 4% growth in 2011. While the size of the rally in recent days has been eye-catching, we are not quite back to the early-2008 levels seen in the broad indices and there is still a lot of value out there in the markets. During the month, liquidity was reduced by investing in existing holdings and Rights were taken up in HSBC, Premiere and Wolseley. The Investment Manager continued to sell Newcrest Mining, and the sale of Petro-Canada was completed. Ping An, the Chinese insurer, has performed well and made a pleasing profit when it was sold, and the Company continued to reduce its exposure to Japanese equities by completing the sale of Toray Industries and trimming Mediceo. New investments were made in Addax Petroleum, Bayer, CVS Caremark, Niko Resources and Prudential. Addax Petroleum is an oil exploration company, whose main area of activity is offshore Nigeria and the adjacent countries, where they have been very successful in finding oil. They also have a very interesting prospect in Kurdistan, but at present that is quite speculative because there has been as yet no agreement between the Kurdish government and the central Iraqi government as to how oil revenues should be split.

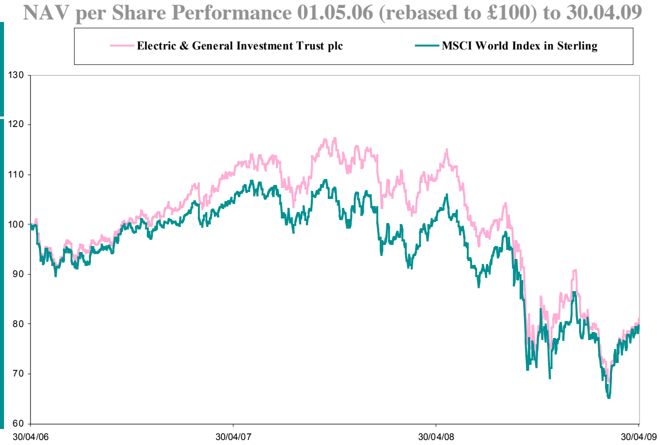
The Investment Manager has for a long time been cautious about drug companies, but now thinks that valuations are beginning to reflect the problems of the industry so has bought a small holding in Bayer. The company has three main divisions: crop protection, which is a good long term growth business; material science, which is heavily affected by the weak automobile sector, but where some recovery is expected; and finally the pharmaceutical division, which does not rely on an aging block buster drug. One of the major attractions is a pipeline product, Xarelto, which has potential in the treatment of blood clotting disorders. The Investment Manager has bought back the holding in CVS Caremark, the largest drug-store chain in the USA, which was sold in November 2007 at over $40 and is now being bought back at $29. The Investment Manager's investment case has not changed – CVS Caremark benefits from a move to greater share of generic drugs rather than more expensive patented drugs. Niko Resources is a Canadian exploration company with an interesting exploration portfolio ranging from Kurdistan, India and Bangladesh to Indonesia. Their really interesting asset is a 10% interest in Block D6 in the Godavarai river basin in Eastern India. This block has reserves of 9.2 trillion cubic feet of gas. This is the biggest gas field in this part of the world and, being in partnership with Reliance Industries, (India's largest company), makes this a very valuable field and an interesting indirect way of investing in India.

Source: THS Partners

Top Ten Holdings
(as at close 30.04.09)

1	NESTLE SA CHF1 (REGD)	2.65%
2	FRANCE TELECOM EUR4	2.40%
3	SNC LAVALIN GROUP COM NPV CAD	2.35%
4	HUTCHISON WHAMPOA HKD0.25	2.26%
5	VODAFONE GROUP USD0.11428571	2.20%
6	ROYAL DUTCH SHELL EUR0.07 B SHS	2.17%
7	CARREFOUR EUR2.50	2.06%
8	INTEL CORPORATION COM USD0.001	2.01%
9	BRITISH PETROLEUM PLC ORD USD0.25	1.90%
10	ANF EUR1	1.88%

NAV per Share Performance 01.05.06 (rebased to £100) to 30.04.09



Source: Bloomberg

Discrete Annual Performance (%) 12 Months Ending

	March 2009	March 2008	March 2007	March 2006	March 2005
Ordinary Price	-30.21	-2.87	4.24	28.57	24.10
NAV	-29.15	-0.24	6.38	30.40	8.60
Morgan Stanley Capital International World Index in Sterling	-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 30.04.09 (%)

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 %
344.35	348.93	305.50	Ordinary Price	7.95	-5.71	-26.12	-24.61	19.67	-16.94
Yield		Discount	NAV	7.49	-8.67	-25.63	-18.83	14.35	-14.71
2.43%		-11.28%	Morgan Stanley Capital International World Index in Sterling	7.28	-5.84	-20.90	-20.24	3.20	-21.31

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

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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.

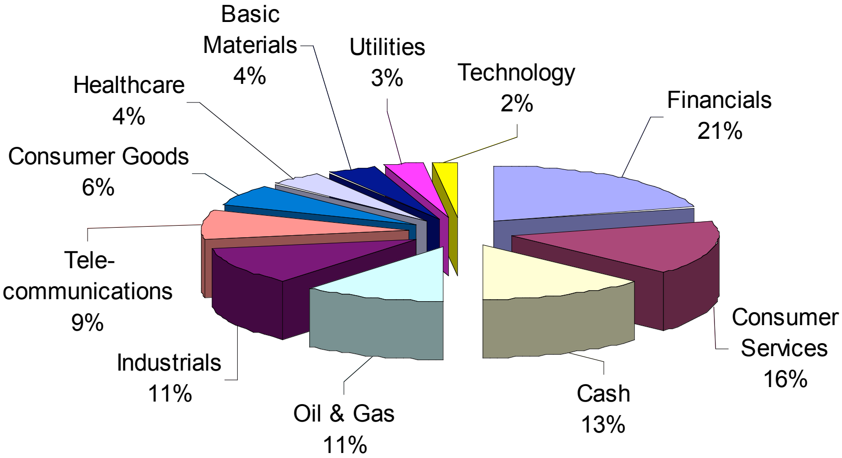
Charges

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).

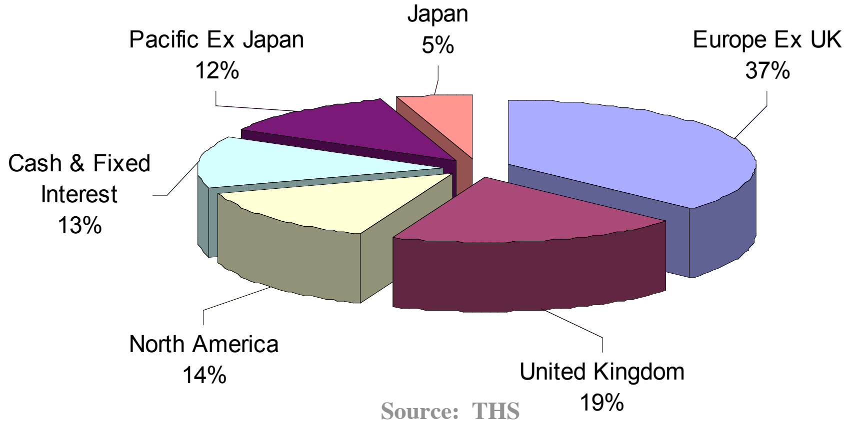
Fund Details

Total Gross Assets:
£232.0m (As at 30.04.09)
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
Stockboker:
JPMorgan Cazenove Limited
Administrator:
BNP Paribas Securities Services
Registrar:
Computershare Investor Services PLC

Sector Allocation



Geographical Allocation



Source: THS

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 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).