

# Electric & General Investment Trust plc: As at 28.02.09

## International / Equity Growth



### Investment Manager's Commentary

Equities started the month on a positive note, buoyed by expectations of the speedy introduction of President Obama's economic stimulus package. The upward trend, however, was short-lived. As the month progressed, indications of a deepening recession and renewed fears about the outlook for the banking sector sapped investor confidence. In the third week, key equity indices fell to multi-year lows, while gold, the traditional safe haven, rose strongly. The message is rather stark – until the Obama administration can come up with a coherent strategy to underpin the banking system markets are going to remain extremely nervous. At present they seem to be fire-fighting some extremely big fires while letting the shape of the bank bail out descend into political bickering rather than providing a clear lead, which is what was hoped for when they first came into office. The new President now has a lot to live up to. The US economy slowed down dramatically in the last three months - as a good point of reference freight car loadings were down 17%, which is almost unprecedented. However this is not just a US problem, similar things have happened in all the other major economies. This is the flip side of the global economic boom – instant communications and many businesses across the globe deciding to de-stock all at the same time. A key ingredient to getting business moving again is confidence and the world is looking towards America for that lead. On the currency front, during the month the US dollar rallied while the Euro declined on fears over the exposure of eurozone banks to

the slowdown in Eastern Europe. The Yen also depreciated, falling to its lowest level against the dollar since the start of the year.

There were no new purchases during the month. The Investment Manager continues to build up a position in BP and added to the holding in Hutchison Whampoa. There was also a placing of new shares in Newcrest Mining at Aus\$27, which at the time was a slight discount to the market price. Towards the end of the month, as gold briefly moved up above the \$1000 level, the Newcrest holding was trimmed at an average price of Aus\$32.67. During the month the holding in Hennes & Mauritz, the fashion retailer which was purchased last October, was sold, taking a nice profit. This holding was purchased when they were very depressed but the Investment Manager thinks they are probably premature, as comparable companies are now beginning to have a rather sad time, coupled with which the Chairman who founded the company has decided to hand over to his son, a move that the Investment Manager finds slightly worrying. The sale of Mitsubishi Heavy Industries was also completed and Kurita Water, whose main business is selling pure water and equipment to wash computer chips during the manufacturing process, continues to be sold. As consumer demand falls off, the electronics industry will no doubt suffer.

Source: THS Partners

### Top Ten Holdings (as at close 28.02.09)

Rank	Company	Weighting (%)
1	NESTLE SA CHF1 (REGD)	3.04%
2	FRANCE TELECOM EUR4	2.79%
3	NEWCREST MINING A\$0.50	2.50%
4	VODAFONE GROUP USD0.11428571	2.45%
5	HUTCHISON WHAMPOA HKD0.25	2.33%
6	ROYAL DUTCH SHELL EUR0.07 'B' SHS	2.29%
7	SNC LAVALIN GROUP COM NPV CAD	2.11%
8	CARREFOUR EUR2.50	1.97%
9	ANF EUR1	1.91%
10	INTEL CORPORATION COM USD0.001	1.87%

NAV per Share Performance 01.03.06 (rebased to £100) to 28.02.09



Source: Bloomberg

### Discrete Annual Performance (%) 12 Months Ending

	December 2008	December 2007	December 2006	December 2005	December 2004
<b>Ordinary Price</b>	-23.67	4.62	10.78	21.17	25.68
<b>NAV</b>	-22.49	10.95	12.38	24.35	6.84
<b>Morgan Stanley Capital International World Index in Sterling</b>	-19.81	5.69	3.75	19.74	5.05

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 28.02.09 (%)

Capital NAV Per Share (£)	Cum Income NAV Per Share (£)	Ordinary Share Price (£)	1 Month %	YTD %	1 Year %	3 Year %	5 Year %	10 Year %	
307.14	311.39	271.75	Ordinary Price	-9.57	-16.13	-34.52	-30.28	8.56	-21.12
Yield		Discount	NAV	-8.63	-18.54	-33.12	-25.49	3.11	-19.64
3.00%		-11.52%	Morgan Stanley Capital International World Index in Sterling	-9.77	-17.11	-28.62	-29.92	-8.62	-26.46

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

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## 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:**

£208.0m (As at 28.02.09)

**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

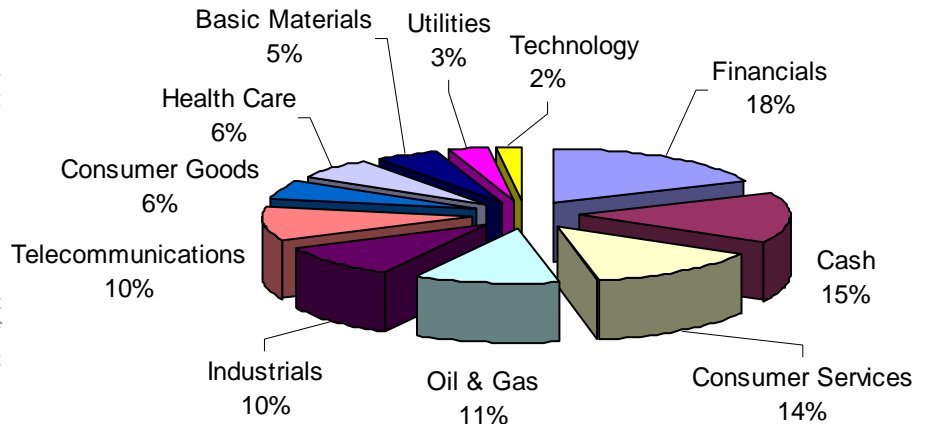
### Wrapped Products

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.

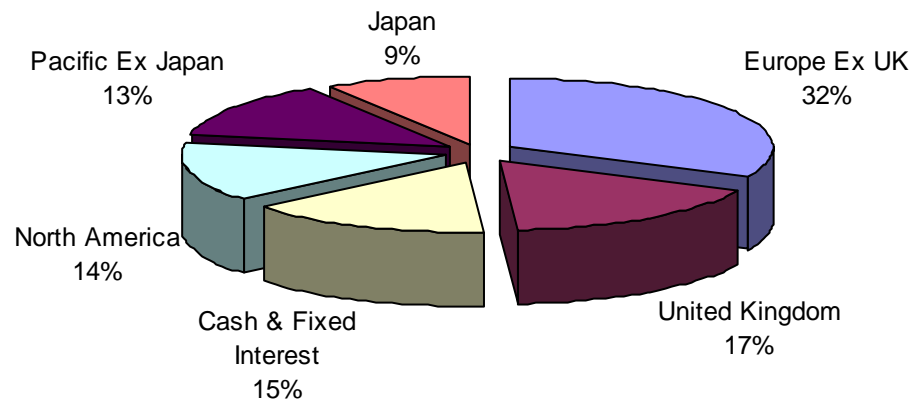
### Important Information

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