Electric & General Investment Trust plc: As at 31.07.09

International / Equity Growth

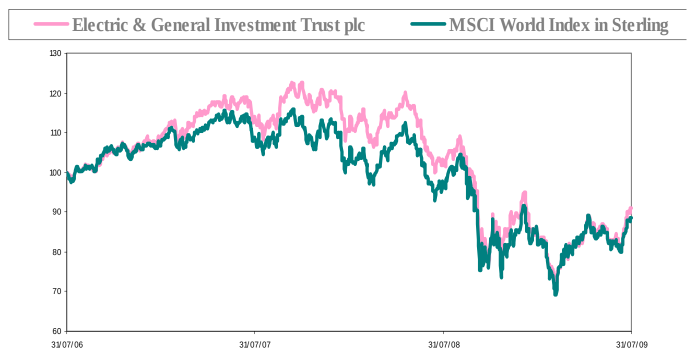
THS PARTNERS

Investment Manager's Commentary

Equity markets, having made a hesitant start to the month, rallied strongly in the second half of July with major indices worldwide producing record performances. The FTSE 100, for example, rose 8.45 per cent to its highest level since early in January this year - its best monthly gain for more than six years, and the S&P 500 and the MSCI Europe (in Euros) reached their highest levels since October 2008 and November 2008, respectively. Reassuring earnings figures, particularly from the banking sector, improving economic data and a surfeit of liquidity contributed to this robust recovery. Credit spreads of all durations and for all qualities have improved very markedly. For example, the five year crossover index of borderline investment grade credits declined a further 100 basis points over the month, bringing the total decline to almost 600 basis points from the widest levels seen in March. Similarly the Ted spread (a measure of the riskiness of banks) has narrowed to its lowest for two years. Credit markets have therefore been normalizing and this has driven shares higher and boosted confidence around the world. This period of recovery now appears to be well established and to have good momentum.

However, there will come a time when expectations are higher and comparables more demanding, when further progress will require a sustained recovery. Deficit countries such as the UK and US do need to rebalance their economies and this is likely to constrain growth. Elsewhere it does look as if the large emerging economies will be able to rely more heavily on domestic demand. Indeed, demand from emerging countries has led to a marked improvement in commodity prices during the month. Four new purchases were made in July: Cairn Energy, Rio Tinto, Singapore Telecom and Unilever, each of which has significant emerging market exposure. The Investment Manager continues to add to the holding in Niko Resources and a rights issue was taken up in Schibsted. The aluminium company Alcoa was sold following a recovery in the share price and the sale of Mediceo Paltac, the Japanese pharmaceutical wholesaler, continues.

NAV per Share Performance 01.08.06 (rebased to £100) to 31.07.09



Source: Bloomberg

Top Ten Holdings
(as at close 31.07.09)

1	SNC LAVALIN GROUP COM NPV CAD	2.80%
2	NESTLE SA CHF1 (REGD)	2.75%
3	HUTCHISON WHAMPOA HKD0.25	2.37%
4	FRANCE TELECOM EUR4	2.21%
5	HSBC HOLDINGS PLC ORD USD0.50	2.13%
6	INTEL CORPORATION COM USD0.001	2.04%
7	VODAFONE GROUP USD0.11428571	2.01%
8	ROYAL DUTCH SHELL EUR0.07 B SHS	2.01%
9	CARREFOUR EUR2.50	1.95%
10	BNP PARIBAS EUR2 (FR)	1.90%

Discrete Annual Performance (%) 12 Months Ending June 2009

	June 2009	June 2008	June 2007	June 2006	June 2005
Ordinary Price	-20.70	-10.28	13.00	23.57	21.39
NAV	-21.67	-9.35	16.87	20.25	12.41
Morgan Stanley Capital International World Index in Sterling	-16.86	-11.77	11.70	11.36	9.86

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 31.07.09 (%)

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 %
369.77	378.60	326.75	**Ordinary Price**	7.31	0.85	-11.57	-14.46	38.19	-9.83
Yield		Discount	**NAV**	9.44	-1.91	-11.38	-8.87	29.01	-9.11
2.40%		-11.63%	**Morgan Stanley Capital International World Index in Sterling**	7.65	-1.55	-8.66	-11.35	11.58	-17.39

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 maximize total return while pursuing a progressive dividend policy, where achievable, within the over-riding objective of capital growth.

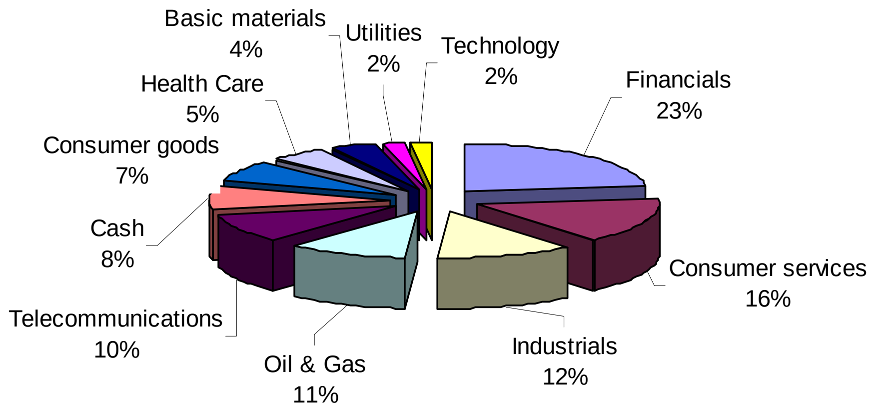
Charges

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).

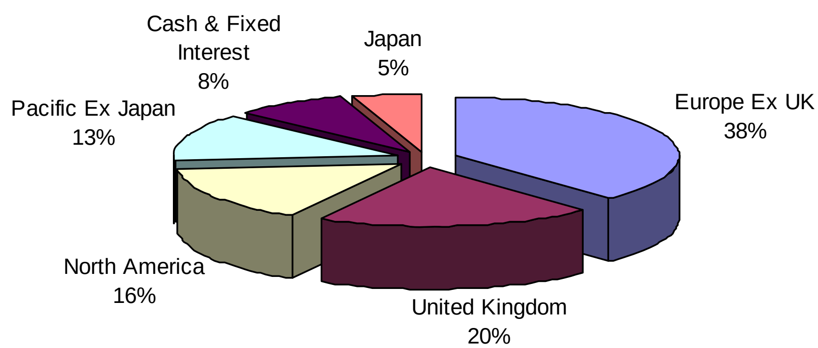
Fund Details

Total Gross Assets:
£249.0m (As at 31.07.09)
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

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).