

Electric & General Investment Trust plc: As at 31.07.08

International / Equity Growth

Investment Manager's Commentary

July 2008 was another volatile month. Stock markets bottomed in the middle of July and then recovered most of the month's losses. There were more good recoveries in the worst affected areas but commodity related companies struggled as the oil price declined. The biggest positive contributors to performance were Vivendi and BNP Paribas, both up approximately 10%, and Carnival Corporation, which also performed well as falling oil prices will ultimately help their profit and loss account. Oil stocks were the worst performers across the board. There is now a feeling that the various dislocations in the world economy are at least beginning to stabilise. Although economic updates continue to point to a weakening global economy, this does now seem to be discounted in forecasts and valuations. In a growing number of places in the US, houses are now beginning to sell again, having in some cases fallen as much as 50-60% in price. It now looks as though the Chinese economy is beginning to slow from its very overheated state, which probably means that some of the excesses in the commodity markets will be brought back towards equilibrium.



THS
PARTNERS

Only one new purchase was made during the month, in Ping An Insurance. Ping An is the second largest life insurance company and the third largest property and casualty insurance company in China, accounting for about 17% and 10% of premiums respectively. The company also provides commercial banking and brokerage services via its subsidiaries. HSBC Holdings owns 20% of Ping An and is one of its major shareholders. It has recently bought into a 50:50 global joint-venture in fund management with Fortis. Like many leading Chinese companies, Ping An's share price has halved over the last year with rising concerns of a global slowdown and rising inflation. The stock now trades on around 1.7 times next year's embedded value and we believe it will continue to grow its savings business solidly, given the growth in the Chinese middle-class and regulatory changes which allow it to offer more stable investment products. We continued to add to the holding in Orkla and finished selling the holdings in Ace Aviation and Bank of Kyoto. We also started to sell Chiba Bank and continue to reduce Netcare and Prudential.

NAV per Share Performance 01.07.05 (rebased to £100) to 31.07.08

Top Ten Holdings (as at close 31.07.08)

1	SNC LAVALIN GROUP COM NPV CAD	2.53%
2	ING GROEP NV CVA EUR0.24	2.33%
3	NEWCREST MINING A\$0.50	2.24%
4	NESTLE SA CHF1 (REGD)	2.07%
5	FRANCE TELECOM EUR4	1.98%
6	ROYAL DUTCH SHELL EUR0.07 'B' SHS(UK LIST)	1.93%
7	VODAFONE GROUP USD0.11428571	1.86%
8	HUTCHISON WHAMPOA HKD0.25	1.85%
9	ANF EUR1	1.82%
10	BNP PARIBAS EUR2	1.82%



Source: Bloomberg

Discrete Annual Performance (%) 12 Months Ending

	June 2008	June 2007	June 2006	June 2005	June 2004
Ordinary Price	-10.28	13.00	23.57	21.39	14.25
NAV	-9.35	16.87	20.25	12.41	12.30
Morgan Stanley Capital International World Index in Sterling	-11.77	11.70	11.36	9.86	10.88

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 31.07.08 (%)

NAV Per Share (P)	Ordinary Share Price (P)		1 Month	YTD	1 Year	3 Year	5 Year	10 Year
417.50	369.50	Ordinary Price	-3.78	-12.96	-11.50	12.48	59.27	2.35
Yield	Discount	NAV	-3.27	-14.27	-9.83	17.64	49.28	8.11
1.92%	-11.50%	Morgan Stanley Capital International World Index in Sterling	-2.12	-13.77	-10.64	1.91	24.98	3.86

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

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Company Objective

The Company is a closed-end fund. The aim of the Company is to produce above average capital growth by investing in an international portfolio of companies.

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:

£280.0m (As at 31.07.08)

Dealing:

Daily (Stockmarket)

NAV Frequency:

Daily

Legal Status:

UK Investment trust

Listing:

London Stock Exchange

Dividends:

March, October

Investment Manager:

Taube Hodson Stonex Partners LLP

Stockbroker:

JPMorgan Cazenove Limited

Administrator:

BNP Paribas Fund Services UK Limited

Registrar:

Computershare Investor Services PLC

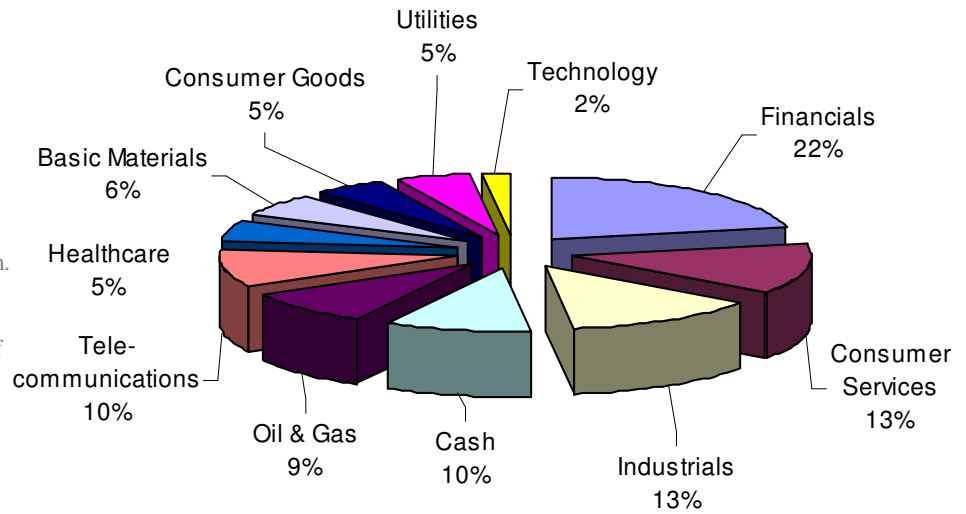
Wrapped Products

The shares of Electric & General Investment Trust plc ("Electric & General") are offered within the BNP Paribas Electric & General Savings Scheme, ISA and PEP. Further details can be obtained from the Share Saving Scheme 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).

Sector Allocation



Geographical Allocation

