

Electric & General Investment Trust plc: As at 30.06.08

International / Equity Growth

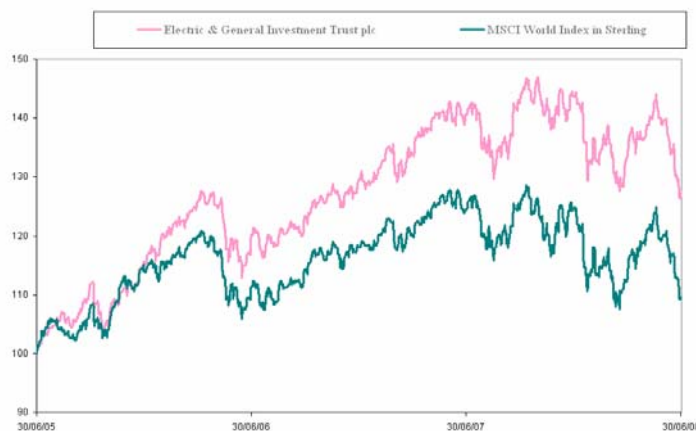
Investment Manager's Commentary

June saw a continued retreat in World equity markets with the oil price rise continuing towards \$140 per barrel. The month also saw some tightening measures in China and India to try to slow inflationary pressures and some commodity prices have softened, perhaps against this background. News on the house-building side of the UK and US economies deteriorated in a predictable way and, despite further refinancing being secured by banks in both countries, financial stocks continued to fall. The range of sectors caught up in the bear market has broadened - insurance stocks are joining the declines as are the leisure and media sectors. On the other hand, the month saw a slight and un-remarked increase in cash-led corporate activity: Dai-Ichi Sankyo bidding for Ranbaxy Pharma in India; Verizon bidding for Alltel; MTN merging with Reliance Communications; Kodak announcing an increased share buy-back and higher overall share repurchase numbers in larger Japanese companies. While the number of profit warnings is increasing, many stocks are performing poorly because of concerns on their funding arrangements rather than their trading. We have added to the positions in Repsol and Newcrest Mining and continue to add to Orkla and Toray. We also added to the position in Inpex Holdings, which we started last month. Inpex is Japan's state gas company established in the 1960s



to ensure stable gas supplies for the country. It has participated in a range of exploration projects, especially in South-East Asia and now has stakes in many of the region's best gas developments. The recent acquisition of a stake in Santos' Australian reserves by Petronas has established a new valuation for reserves, as does BG Group's bid approach for Origin Energy. Inpex shares a number of Western Australian fields with Santos as well as having a number of Malaysian, Indonesian, Khazakh and Caspian fields proving to be larger than expected. The company is not very well understood by investors and, in consequence, sells at a relatively modest valuation when measured against its global peer group. During the month we continued to sell holdings in Bank of Kyoto, Addax and Deutsche Postbank. We also started to sell the position in Prudential which has held up very well against most financials on the basis of their successes in Asian markets. Asian markets have recently been weak, as have other UK Life Assurance stocks, leaving Prudential looking relatively expensive. We also started selling the holding in ACE, the holding company for Air Canada, which span out a regional jet business - Jazz Air - and Aeroplan, its air-miles loyalty programme. We felt it was prudent to sell as airlines and associated businesses struggle with oil prices at these levels.

NAV per Share Performance 01.06.05 (rebased to £100) to 30.06.08



Source: Bloomberg

Top Ten Holdings (as at close 30.06.08)		
1	SNC LAVALIN GROUP COM NPV CAD	2.45%
2	NEWCREST MINING A\$0.50	2.17%
3	ING GROEP NV CVA EUR0.24	2.16%
4	ROYAL DUTCH SHELL EUR0.07 'B' SHS(UK LIST)	2.09%
5	NESTLE SA CHF1 (REGD)	2.03%
6	VODAFONE GROUP USD0.11428571	1.95%
7	REPSOL YPF SA EUR1	1.89%
8	HUTCHISON WHAMPOA HKD0.25	1.88%
9	ELECTRICITE DE FRANCE EUR0.5	1.85%
10	PETRO-CANADA COM STK NPV CAD	1.84%

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 30.06.08 (%)

NAV Per Share (P)	Ordinary Share Price (P)		1 Month	YTD	1 Year	3 Year	5 Year	10 Year
431.95	384.00	Ordinary Price	-9.11	-9.54	-10.28	25.29	73.76	11.47
Yield	Discount	NAV	-8.79	-11.38	-9.35	27.40	60.83	14.21
1.98%	-11.10%	Morgan Stanley Capital International World Index in Sterling	-8.57	-11.89	-11.77	9.75	33.68	8.11

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.

Electric & General Investment Trust plc: As at 30.06.08

International / Equity Growth



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:

£289.0m (As at 30.06.08)

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

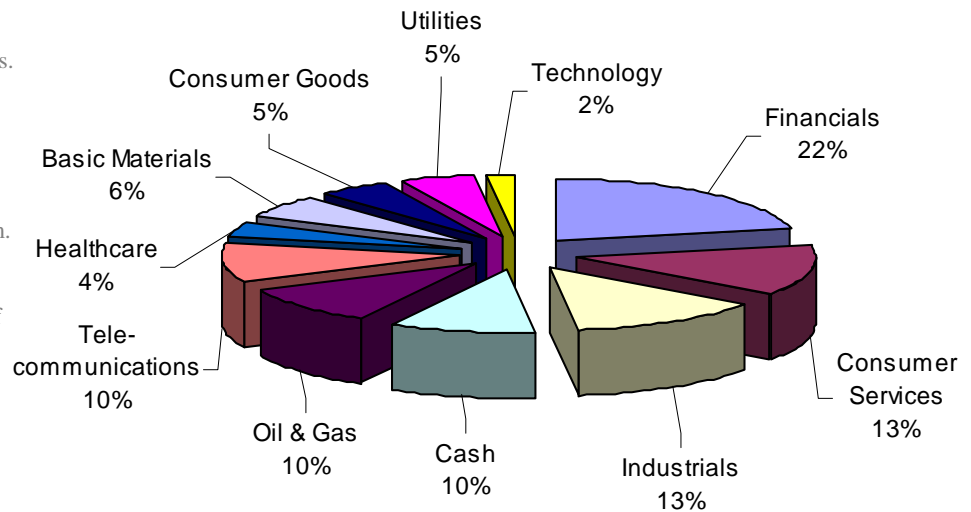
Wrapped Products

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

