

### Investment Manager's Commentary

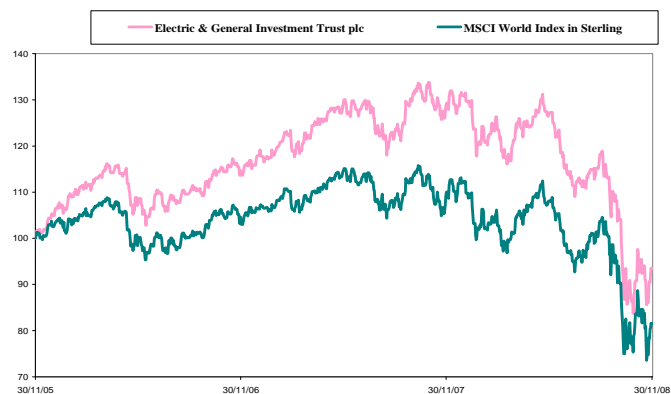
Equity markets experienced further turbulence for much of November as concerns grew over the deteriorating economic outlook. Mid-month, fears for the survival of the US motor industry and uncertainty over the outlook for the banking giant Citigroup triggered further volatility. The oil price plummeted, yields on US government bonds fell to historic lows and both the US dollar and the Japanese Yen strengthened. Towards the end of the period, however, the effect of lower interest rates, the US rescue plan for Citigroup and the prospect of further financial packages in both the US and Europe enabled markets to recover some of the earlier losses. The sharp fall in economic activity and confidence in October was caused by the real fear of a complete collapse in the banking system. Now that the authorities have strengthened the banks, perhaps some improvement could be expected. Although a comprehensive recovery looks to be some way off, expectations are at such low levels that any signs of stabilisation will be well received. During November we spent a small proportion of the liquidity topping up holdings across the board. We participated in a private placement of QBE, the best run of Australia's general insurers. QBE needs A\$2bn to fund a number of acquisitions. The Company did not receive as many shares as desired in the placement so the position was topped up in the market. We also added to the holding in Royal Bank of Scotland: under the terms of the rights issue, the Company was entitled to purchase 18 shares for every 13 owned. We felt it appropriate to double the holding only and achieved this by purchasing shares in the open market at a considerably lower price.

Two new purchases were made in November, Land Securities and News Corporation. Land Securities is a conservative, well-run property company with a good spread of UK commercial properties. It also owns Trillium, a leading property outsourcing company which owns, manages and maintains property. Trillium is a potentially valuable asset which the company has been trying to sell. DirecTV, the US satellite television company, has performed very well with a return of more than 60% since we made the initial investment. We have, therefore, decided to realise this profit and reinvest the proceeds in News Corporation. News Corporation is a media conglomerate with the Murdoch family as its largest shareholder. The valuation of News Corporation has declined by more than two-thirds from its peak and has been badly affected by the decline in advertising spending and the bleak outlook, especially for the US economy. We feel that News Corporation's assets are world class and unique and although they are, like any other business, exposed to the economic cycle, there are substantial interests which should be resilient. We believe that this is an opportunity to participate in a good long term growth story, where the valuation is excessively depressed by the current economic difficulties. The Company continued to sell Clearwire, Mitsubishi Heavy and Tokyu Corp, and completed the sale of National Grid. The Japanese holdings in Kurita Water and Sekisui House were also reduced. As with the other Japanese sales, these companies benefited from the strong Yen.

Source: THS

Top Ten Holdings (as at close 30.11.08)		
1	NESTLE SA CHF1 (REGD)	2.70%
2	FRANCE TELECOM EUR4	2.54%
3	ROYAL DUTCH SHELL EUR0.07 'B' SHS	2.29%
4	VODAFONE GROUP USD0.11428571	2.15%
5	NEWCREST MINING A\$0.50	2.06%
6	SNC LAVALIN GROUP COM NPV CAD	2.05%
7	ANF EUR1	1.91%
8	ELECTRICITE DE FRANCE EUR0.5	1.88%
9	HSBC HOLDINGS PLC ORD USD0.50	1.83%
10	CARREFOUR EUR2.50	1.76%

NAV per Share Performance 01.12.05 (rebased to £100) to 30.11.08



Source: Bloomberg

Discrete Annual Performance (%) 12 Months Ending					
	September 2008	September 2007	September 2006	September 2005	September 2004
Ordinary Price	-19.98	10.95	9.53	28.82	16.28
NAV	-18.50	15.48	10.18	28.32	3.21
Morgan Stanley Capital International World Index in Sterling	-17.26	9.06	6.24	19.51	5.76

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 30.11.08 (%)

NAV Per Share (P)	Ordinary Share Price (P)		1 Month %	YTD %	1 Year %	3 Year %	5 Year %	10 Year %
347.47	289.00	Ordinary Price	-2.61	-27.61	-31.68	-19.10	20.70	-10.03
Yield	Discount	NAV	3.05	-22.29	-27.67	-6.48	21.21	-3.06
2.74%	-16.83%	Morgan Stanley Capital International World Index in Sterling	-2.48	-20.42	-25.88	-18.46	2.46	-12.83

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

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# Electric & General Investment Trust plc: As at 30.11.08

## 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:**  
 £234.0m (As at 30.11.08)

**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 Securities Services

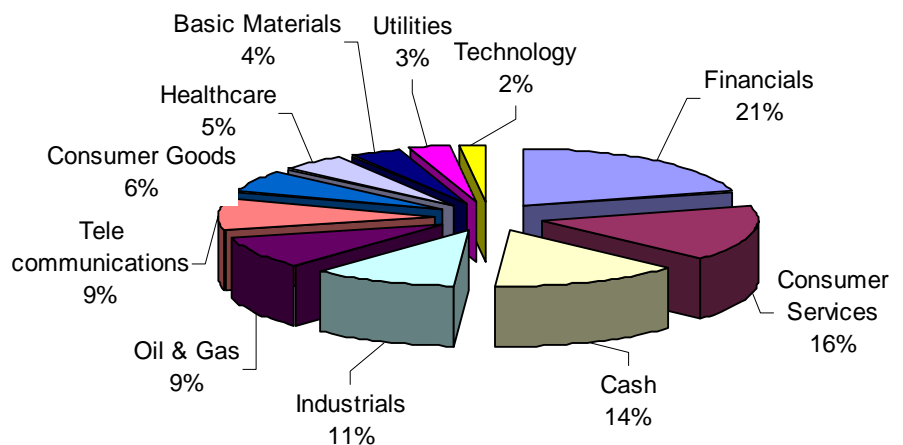
**Registrar:**

Computershare Investor Services PLC

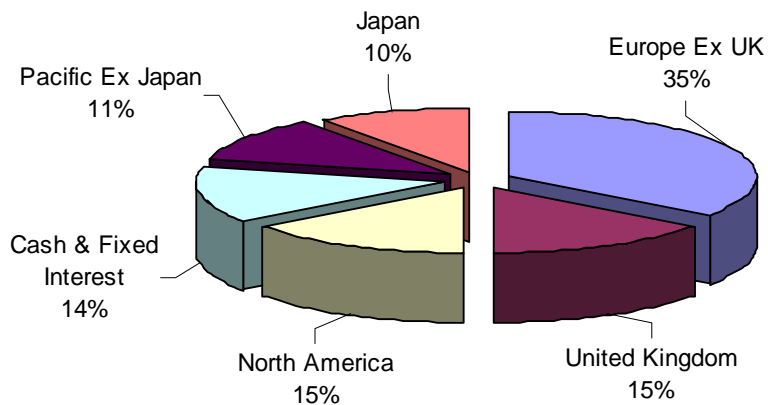
### Wrapped Products

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.

### Sector Allocation



### Geographical Allocation



Source: THS

### 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).