



Investment Manager's Commentary

October saw a frenetic sell-off in global equity markets with levels of volatility unseen in recent years. At one stage the global index had fallen by 20%, though it bounced 9% by month end. We felt that the measures announced were substantial and that many of the elements to allow banks to start lending again are now in place. We feel that equities offer good long-term value at these levels despite there being many signs of recession and forecast downgrades to come. In the last week of the month volatility tailed off and LIBOR rates softened suggesting the remedial measures taken by the authorities in the banking market may be starting to work.

Alongside continued evidence of recession, we saw runs in many emerging market currencies. Oil and commodities fell in the face of slowing demand. Earnings expectations for leading stocks are being pulled back around the world. We saw profit warnings in Williams-Sonoma and Carnival Cruise, though the latter's shares are now surprisingly little down on last month's average. Three new holdings were started during the month, McKesson, Nintendo and Hennes & Mauritz. We topped up the holding in HSBC during a period of share price weakness. McKesson is the largest pharmaceutical distributor in the US, Canada and Mexico, with about \$76 billion in drug distribution revenue. Nintendo is the world's largest video game console maker whose products tend to appeal to a broader customer base including more females and older people. Its 'Wii' console has been a spectacular success and we believe that sales will hold up even in the current slowdown. Hennes & Mauritz trades from over 1,400 stores in high-traffic locations in 28 countries. The company has grown rapidly with sales rising 11%.

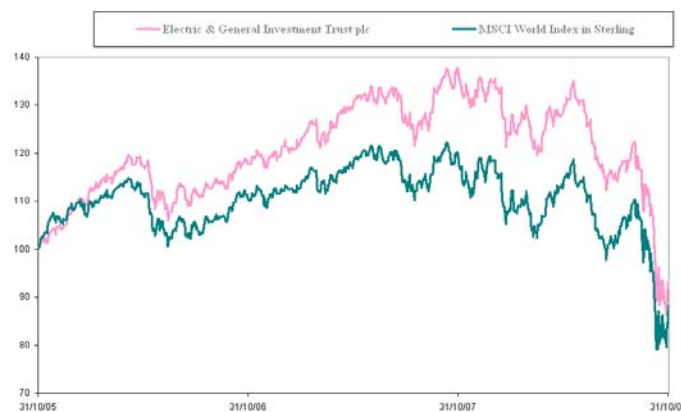
HSBC is one of the global banks to have emerged from the credit crunch financially strong. Overall, the value of the Japanese portfolio held up well with the Yen rising by 6% against the Dollar and 16% against Sterling in the month. With a fragile economy and profit warnings from exporters, we are taking a cautious view and are reducing our position in Japanese equities from our current level of around 13%. We sold the remaining holdings in Nippon Telegraph & Telephone and Anglo American and started to trim National Grid. We have trimmed the holding in Mitsubishi Heavy Industries following a strong performance, especially since the rapid rise in the Yen. We have started to sell the Tokyu holding which has held up well, especially compared with real estate stocks in other global markets. Also the slowing domestic Japanese economy will frustrate Tokyu's plans for condominium sales and for expanding retail space in Tokyo. We visited Clearwire in Seattle and have decided to start selling the holding. The WiMax technology and licences they have secured will allow them to build a medium sized business in medium speed (1Mbps) datacards in the US. Unfortunately, they have not been able to secure funding from Sprint as a partner for this rollout and the new plan is to offer a substantial stake in the company to Google, Intel and others. We fear this will dilute the investment potential of our minority position. We are reducing our exposure to National Grid which has been one of this year's successes, holding its value while all else has fallen.

Source: THS

Top Ten Holdings (as at close 31.10.08)

1	NESTLE SA CHF1 (REGD)	2.74%
2	FRANCE TELECOM EUR4	2.35%
3	ROYAL DUTCH SHELL EUR0.07 'B' SHS(UK LIST)	2.22%
4	VODAFONE GROUP USD0.11428571	2.02%
5	BNP PARIBAS EUR2	1.97%
6	HSBC HOLDINGS PLC ORD USD0.50 (UK REGD)	1.95%
7	CARREFOUR EUR2.50	1.85%
8	SNC LAVALIN GROUP COM NPV CAD	1.84%
9	ELECTRICITE DE FRANCE EUR0.5	1.84%
10	INTEL CORPORATION COM USD0.001	1.80%

NAV per Share Performance 01.10.05 (rebased to £100) to 31.10.08



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 31.10.08 (%)

NAV Per Share (P)	Ordinary Share Price (P)		1 Month	YTD	1 Year	3 Year	5 Year	10 Year
338.01	296.75	Ordinary Price	-13.86	-25.67	-32.94	-12.91	20.88	-2.70
Yield	Discount	NAV	-13.88	-24.59	-32.15	-6.56	14.52	-0.41
2.42%	-12.20%	Morgan Stanley Capital International World Index in Sterling	-10.34	-18.40	-26.39	-11.73	4.88	-3.81

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 31.10.08

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:

£228.0m (As at 31.10.08)

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

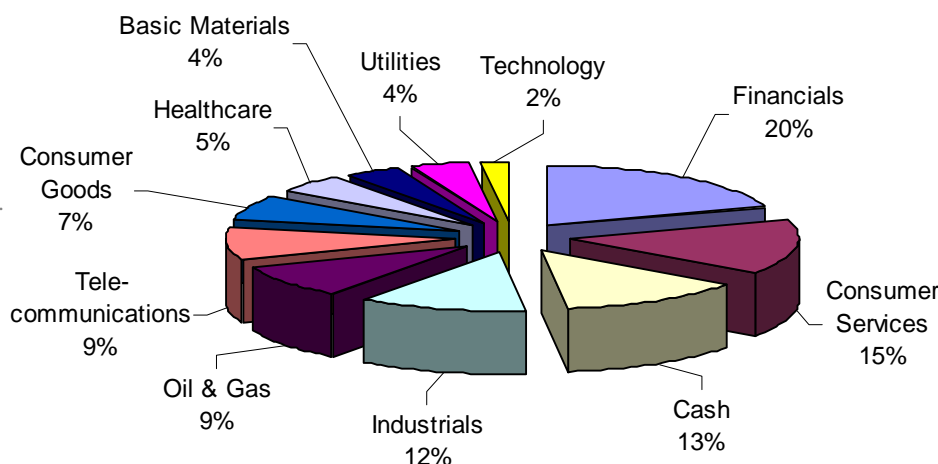
Registrar:

Computershare Investor Services PLC

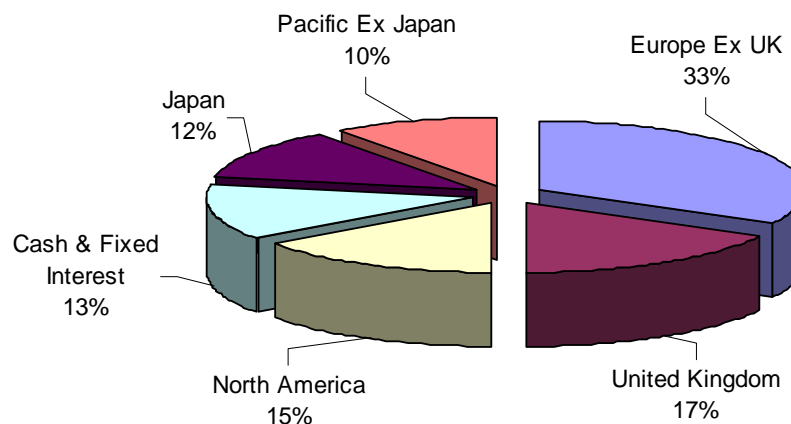
Wrapped Products

The shares of Electric & General Investment Trust plc ("Electric & General") are offered within the BNP Paribas Electric & General Savings Scheme 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.

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).