

# THE ESTABLISHMENT INVESTMENT TRUST PLC

Half-year report for the six months  
ended 30 September 2008



# THE ESTABLISHMENT INVESTMENT TRUST PLC

## **Directors**

Dr. James King (Chairman)  
Sir David Cooksey  
Henry Thornton  
Richard Thornton  
Tom Waring  
Harry Wells

## **Investment Manager**

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Monthly updates are announced on the website of the London Stock Exchange  
and are available from the Investment Manager

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## **Registrars**

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## **Registered auditors**

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The Establishment Investment Trust plc  
Registered in England 4355437

# THE ESTABLISHMENT INVESTMENT TRUST PLC

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# THE ESTABLISHMENT INVESTMENT TRUST PLC

## The Establishment Investment Trust plc

The Establishment Investment Trust plc is an investment trust listed on the London Stock Exchange. The Company invests primarily in equity and equity related securities (such as convertible bonds and warrants), although investment may also be made in collective investment schemes, bonds and other forms of debt instruments.

## Objective of the Company

To achieve long-term capital growth from a managed international portfolio of securities. The preservation of capital is of primary importance to the investment objective.

## Benchmark

The Company aims to achieve absolute returns and is not managed by reference to any equity or bond index or benchmark.

## Financial Highlights

### Performance comparisons in the current performance period (1 April 2008 - 30 September 2008)

	31 March 2008	<b>30 September 2008</b>	<b>Change</b>
Share Price	145.00p	<b>119.00p</b>	<b>(17.93)%</b>
Net asset value	164.39p	<b>133.06p</b>	<b>(19.06)%</b>
Performance Fee Hurdle #	197.05p	<b>206.90p</b>	<b>5.00%</b>
Adjusted Market Capitalisation#	161.24p	<b>139.37p</b>	<b>(13.56)%</b>
FTSE APCIMS Stock Market Balanced Index			(6.4)%
UK Equity *			(12.51)%
World Equity *			(7.00)%
Japan*			(5.83)%
Asia ex Japan Equity *			(20.89)%
UK Bond *			0.89%

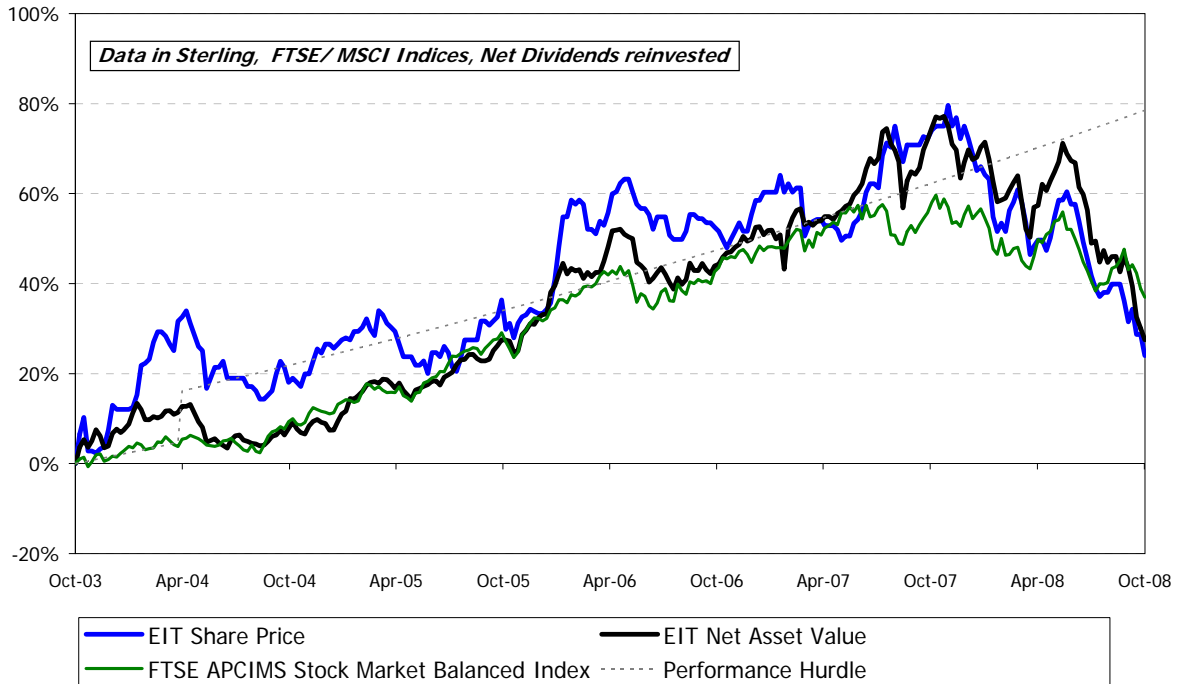
# The Adjusted Market Capitalisation of an Ordinary Share at 30 September 2008 is based on the average share price for September 2008 of 126.32p plus dividends paid of 13.05p since the last performance fee was paid. As this was below the Performance Fee Hurdle of 206.90p at the half-year end, no performance fee provision has been made.

\* MSCI Indices converted into sterling, except the UK Bond which is a FTSE index. All total return.

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Financial Highlights continued

**Share Price performance relative to the net asset value,  
Performance Hurdle and FTSE APCIMS Stock Market Balanced Index  
since 1 October 2003 to 30 September 2008 (total return).**



# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Chairman's Statement

The first half of the financial year has proved disappointing with the share price and net asset value falling by 17.9% and 19.1% respectively. These returns exclude the final dividend of 1.7p, in respect of the year ended 31 March 2008, that was paid to Shareholders on 23 July 2008.

Dr King, your Chairman, has had to undergo a lengthy period of hospital treatment and as a result I have been appointed his Deputy until his return. We wish him a speedy recovery.

Previous interim and annual reports of the Company have highlighted the excessive leverage across Western economies and the likely impediments to global growth that would result from any unwinding of this debt. The virtual implosion of global debt markets in recent months, and the concurrent total loss of trust between financial institutions, is without recent precedent as, indeed, is the recent effective nationalisation of large swathes of the banking sectors in the United States, the United Kingdom and across much of Europe.

The Company has not escaped the devastating fall in markets across the globe where rapidly rising risk aversion and the prospect of a sharp decline in global growth have combined with harsh consequences for Asian equity valuations. Whether measured by price earnings ratios, price to book ratios or dividend yields, Asian markets have returned to valuations previously observed at market lows. In the past, periods of economic stress have always provided great opportunities for those brave enough to stay with, and build, their portfolio whilst the world at large is in a state of near panic.

In addition your investment manager has accumulated a fair measure of liquidity which serves to underpin the net asset value and is available for deployment as investment opportunities present themselves.

The Board has noted the sharp fall in valuations accorded to smaller listed investment companies during the past year. Recognising this, subsequent to the half-year period we have decided to reduce the formula valuation of BDT Invest and Bedlam Asset Management plc to an average of book value, 2% of funds under management and 2x annualised run rate revenues, since the Board believes this results in a more prudent and realistic valuation of the Company's interest in these investments.

The Board has declared an interim dividend of 1.4p per ordinary share, unchanged from the previous year.

**Richard Thornton**  
**Deputy Chairman,**  
25 November 2008

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Investment Manager's Report

The share price and net asset value recorded declines of 17.9% and 19.1% respectively during the first half of the Company's financial year. This compares unfavourably with the 12.5% and 7.0% declines in the MSCI UK and World Indices and the 0.9% increase in the FTSE Gilt Index. MSCI Japan posted a 5.8% decline while MSCI Asia ex Japan declined 20.9%.

In the Annual Report we wrote "your investment manager is cautiously optimistic that the extreme volatility in equity markets at around the time of the Federal Reserve sponsored rescue of Bear Stearns marked the low point of the correction". The MSCI Asia ex Japan Index and the MSCI Japan Index have subsequently hit levels 38% and 17% below those March lows in sterling terms and we must confess that the speed and severity with which the current financial crisis has unravelled has surprised your Investment Manager. In early September we moved to dispose of a number of investments and eliminate the gearing of the Company thereby substantially increasing the liquidity position in the portfolio. While this action undoubtedly served to cushion the blow of the "post Lehman" sell off, it remains the case that the Company retains significant exposure to Japanese and Asian equities.

The root cause of the current financial turmoil remains clear – over-leveraged consumers and over-extended financial systems colliding with bursting housing bubbles on both sides of the Atlantic. To suggest that there are no such problems in the Asian region would be foolhardy, it seems clear that Korea in particular has excessive leverage at many levels, but broadly speaking there is a distinct lack of leverage across the region at a Government, bank, corporate or consumer level. It is noteworthy that Asian financial institutions have accounted for less than 4% of the global write downs and credit losses reported by financial institutions since last summer.

While the outlook for global growth, historically a vital stimulant for the trade orientated Asian economies, remains dire, it is this lack of leverage that puts the region in a uniquely strong position. It appears inevitable to us that rising domestic consumption in key regional economies, but especially China, will begin to supplant exports as the long term driver of economic growth. This will be a long process that will take a decade or longer to evolve fully but, perversely perhaps given the recent collapse of markets in the region, the looming long and painful recession in the West will prove to have been the catalyst to initiate change. The Company's portfolio remains almost exclusively tilted toward companies that are well positioned to benefit from this trend.

The sensitivity of Asia to global growth and high volatility of regional equity markets have combined to send equity valuations crashing during the past twelve months. The record valuation of nearly three times price to book last October for the Asia ex Japan region has been compressed to just over one times price to book at recent lows. This is similar to valuations witnessed in the aftermath of both the Asian crisis, TMT bust and the SARS related lows seen in 1998, 2001 and 2003. The Japanese market has recently sunk to price to book levels not seen in the modern era.

Your Investment Manager is uncomfortably aware that the decline in the net asset value of approximately one third in the past year has not only undone a substantial part of the relatively steady progress of the Company since launch but has also fallen far short of the investment objective, that of capital preservation.

## THE ESTABLISHMENT INVESTMENT TRUST PLC

The outlook for the global economy and the regional markets remains far from good but we believe much of the bad news is reflected following the sharp fall in the Japanese and other regional equity markets. Indeed we would argue that valuations registered at the recent market low can only be sustained while forced sellers remain in evidence. Deleveraging may continue for a while but cannot last indefinitely. The Company retains a strong liquidity position.

Your Investment Manager intends to take advantage of opportunities to purchase assets trading at either a discount to their replacement cost or offering a double digit yield or where the current valuation assumes little growth in the business ever again.

**BDT Invest LLP**  
**Investment Manager**  
25 November 2008

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Income Statement

		<b>Six months ended 30 September 2008</b>		
	Notes	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
(Losses)/gains on investments		-	(6,110)	(6,110)
Losses on derivatives		-	-	-
Exchange differences		-	(312)	(312)
Income	5	851	-	851
Investment management fees		4	40	44
Other expenses		<u>(158)</u>	<u>(3)</u>	<u>(161)</u>
<b>Net return/(loss) before finance costs and taxation</b>		<b>697</b>	<b>(6,385)</b>	<b>(5,688)</b>
Interest payable and similar charges		<u>(14)</u>	<u>(54)</u>	<u>(68)</u>
<b>Return/(loss) on ordinary activities before tax</b>		<b>683</b>	<b>(6,439)</b>	<b>(5,756)</b>
Tax on ordinary activities	8	<u>(173)</u>	<u>3</u>	<u>(170)</u>
<b>Return/(loss) on ordinary activities after tax for the period</b>		<b><u>510</u></b>	<b><u>(6,436)</u></b>	<b><u>(5,926)</u></b>
<b>Return/(loss) per Ordinary Share</b>	9	<b>2.55p</b>	<b>(32.18)p</b>	<b>(29.63)p</b>

All revenue and capital items in the above statement derive from continuing operations.

The total columns of this statement represent the profit and loss accounts of the Company. The revenue and capital columns are supplementary to this and are prepared under the guidance published by the Association of Investment Companies.

A statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

No operations were acquired or discontinued during the period.

## THE ESTABLISHMENT INVESTMENT TRUST PLC

Revenue	Six months ended 30 September 2007		Revenue	Year ended 31 March 2008	
	Capital	Total		Capital	Total
£'000	£'000	£'000	£'000	£'000	£'000
-	3,723	3,723	-	439	439
-	(72)	(72)	-	(72)	(72)
-	83	83	-	(134)	(134)
956	-	956	1,246	-	1,246
(26)	(72)	(98)	(51)	(123)	(174)
<u>(153)</u>	<u>(1)</u>	<u>(154)</u>	<u>(326)</u>	<u>(2)</u>	<u>(328)</u>
777	3,661	4,438	869	108	977
<u>(26)</u>	<u>(98)</u>	<u>(124)</u>	<u>(52)</u>	<u>(210)</u>	<u>(262)</u>
751	3,563	4,314	817	(102)	715
<u>(185)</u>	<u>51</u>	<u>(134)</u>	<u>(155)</u>	<u>100</u>	<u>(55)</u>
<u>566</u>	<u>3,614</u>	<u>4,180</u>	<u>662</u>	<u>(2)</u>	<u>660</u>
2.83p	18.07p	20.90p	3.31p	(0.01)p	3.30p

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Reconciliation of Movements in Shareholders' Funds

	Share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30 September 2008</b>					
At 31 March 2008	5,000	14,701	12,488	689	32,878
Return on ordinary activities after tax for the period	-	-	(6,436)	510	(5,926)
Dividends paid	-	-	-	(340)	(340)
<b>At 30 September 2008</b>	<b>5,000</b>	<b>14,701</b>	<b>6,052</b>	<b>859</b>	<b>26,612</b>

	Share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30 September 2007</b>					
At 31 March 2007	5,000	14,701	12,490	647	32,838
Return on ordinary activities after tax for the period	-	-	3,614	566	4,180
Dividends paid	-	-	-	(340)	(340)
<b>At 30 September 2007</b>	<b>5,000</b>	<b>14,701</b>	<b>16,104</b>	<b>873</b>	<b>36,678</b>

	Share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31 March 2008</b>					
At 31 March 2007	5,000	14,701	12,490	647	32,838
Return on ordinary activities after tax for the year	-	-	(2)	662	660
Dividends paid	-	-	-	(620)	(620)
<b>At 31 March 2008</b>	<b>5,000</b>	<b>14,701</b>	<b>12,488</b>	<b>689</b>	<b>32,878</b>

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Balance Sheet

	<b>30 September 2008</b>	30 September 2007	31 March 2008
	<b>Unaudited</b>	Unaudited	Audited
	<b>£'000</b>	£'000	£'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	<u>23,974</u>	<u>39,638</u>	<u>33,612</u>
<b>Current assets</b>			
Debtors	1,371	226	213
Cash at bank	<u>1,673</u>	<u>1,567</u>	<u>5,109</u>
	<b>3,044</b>	1,793	5,322
Creditors: amounts falling due within one year	<u>(397)</u>	<u>(4,740)</u>	<u>(6,049)</u>
<b>Net current assets/(liabilities)</b>	<u>2,647</u>	<u>(2,947)</u>	<u>(727)</u>
<b>Total assets less current liabilities</b>	<b>26,621</b>	36,691	32,885
Provision for liabilities and charges	<u>(9)</u>	<u>(13)</u>	<u>(7)</u>
<b>Net assets</b>	<u>26,612</u>	<u>36,678</u>	<u>32,878</u>
<b>Capital and reserves</b>			
Called up share capital	5,000	5,000	5,000
Share premium	14,701	14,701	14,701
Capital reserve	6,052	16,104	12,488
Revenue reserve	<u>859</u>	<u>873</u>	<u>689</u>
<b>Equity shareholders' funds</b>	<u>26,612</u>	<u>36,678</u>	<u>32,878</u>
<b>Net asset value per Ordinary Share</b>	<b>6</b> <b>133.06p</b>	183.39p	164.39p

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Cash Flow Statement

	<b>Six months ended 30 September 2008 Unaudited £'000</b>	Six months ended 30 September 2007 Unaudited £'000	Year ended 31 March 2008 Audited £'000
Net cash inflow from operating activities	745	641	680
Servicing of finance	(100)	(164)	(269)
Taxation	(83)	(43)	(55)
Financial investment	<u>2,269</u>	<u>(816)</u>	<u>2,039</u>
Net cash inflow/(outflow) before financing	<b>2,831</b>	(382)	2,395
Equity dividends paid	<b>(340)</b>	(340)	(620)
Financing activities	<u>(5,898)</u>	<u>(144)</u>	<u>958</u>
(Decrease)/increase in cash in the period	<b><u>(3,407)</u></b>	<u>(866)</u>	<u>2,733</u>
<b>Reconciliation of net cash flow to movement in net funds/(debt)</b>			
(Decrease)/increase in cash in the period	<b>(3,407)</b>	(866)	2,733
Cash outflow/(inflow) from movement in net debt	<b>5,898</b>	144	(958)
Exchange movements	<b>(312)</b>	83	(134)
Opening net debt	<u>(506)</u>	<u>(2,147)</u>	<u>(2,147)</u>
<b>Closing net funds/(debt)</b>	<b><u>1,673</u></b>	<u>(2,786)</u>	<u>(506)</u>
<b>Represented by</b>			
Cash at bank	<b>1,673</b>	1,567	5,109
Bank loan	<b>-</b>	(4,353)	(5,615)
	<b><u>1,673</u></b>	<u>(2,786)</u>	<u>(506)</u>
<b>Reconciliation of operating (loss)/profit to net cash inflow from operating activities</b>			
Net (loss)/return before finance costs and taxation	<b>(5,688)</b>	4,438	977
Losses/(gains) on investments held at fair value	<b>6,110</b>	(3,723)	(439)
Losses/(gains) on exchange movements	<b>312</b>	(83)	134
Decrease/(increase) in other debtors	<b>45</b>	39	(2)
(Increase)/decrease in accrued income	<b>(58)</b>	(32)	25
Increase/(decrease) in creditors	<u>24</u>	<u>2</u>	<u>(15)</u>
<b>Net cash inflow from operating activities</b>	<b><u>745</u></b>	<u>641</u>	<u>680</u>

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Notes to the Financial Statements

1. The financial information for the year ended 31 March 2008 included in this half-year report has been based upon the Company's full accounts, which for the year to 31 March 2008 carry an unqualified audit report and did not include statements under Section 237(2) or (3) of the Companies Act 1985 and which have been filed with the Registrar of Companies.
2. The financial statements for the six months ended 30 September 2008 have been prepared on a basis consistent with the accounting policies adopted by the Company in its statutory accounts for the year ended 31 March 2008.
3. The Income Statement for the six months ended 30 September 2008, six months ended 30 September 2007 and year ended 31 March 2008 have been prepared in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued by The Association of Investment Companies in January 2003 (revised December 2005), which has been adopted by the Company.
4. The Income Statement includes the results of the Company and together with the Reconciliation of Movements in Shareholders' Funds, Balance Sheet and Cash Flow Statement at 30 September 2008, are unaudited and do not constitute full statutory accounts within the meaning of Section 240 of the Companies Act 1985.

5. Income

	<b>Six months ended 30 September 2008 Unaudited £'000</b>	Six months ended 30 September 2007 Unaudited £'000	Year ended 31 March 2008 Audited £'000
Overseas dividends	761	631	755
UK dividends	16	132	148
Fixed interest income	53	166	294
Deposit interest	21	27	49
	<u>851</u>	<u>956</u>	<u>1,246</u>

6. Net asset value per Ordinary Share

	<b>Six months ended 30 September 2008 Unaudited</b>	Six months ended 30 September 2007 Unaudited	Year ended 31 March 2008 Audited
Net assets attributable Ordinary Shares in issue at the period end	<b>£26,612,000</b>	£36,678,000	£32,878,000
	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Net asset value per Ordinary Share	<u>133.06p</u>	<u>183.39p</u>	<u>164.39p</u>

7. The aggregate maximum investments which may be made in BDT Products is 30% of net assets. Aggregate investments in BDT Products at 30 September 2008 totalled 19.84% of net assets. BDT Invest rebates management fees in respect of BDT Products back to the Company. The Company additionally owns shares in BDT Investment Management Limited which equate to 2.66% of net assets.

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Notes to the Financial Statements continued

### 8. Effective rate of tax

The effective rate of tax reported in the revenue column of the income statement for the six months ended 30 September 2008 is 25.33% (year ended 31 March, 2008: 18.97% and six months ended 30 September 2007: 24.63%) based on revenue return before tax of £683,000 (year ended 31 March 2008: £817,000 and six months ended 30 September 2007: £751,000). This differs from the standard rate of tax, 28% (year ended 31 March 2008 and six months ended 30 September 2007: 30%) as a result of income not taxable for Corporation Tax purposes.

### 9. Return per Ordinary Share

	<b>Six months ended 30 September 2008 Unaudited £'000</b>	Six months ended 30 September 2007 Unaudited £'000	Year ended 31 March 2008 Audited £'000
<b>Total return per Ordinary Share</b>			
Total return	<b>£(5,926,000)</b>	£4,180,000	£660,000
Weighted average number of Ordinary Shares in issue during the period	<b>20,000,000</b>	20,000,000	20,000,000
Total return per Ordinary Share	<b>(29.63)p</b>	20.90p	3.30p

The total return per Ordinary Share detailed above can be further analysed between revenue and capital, as below:

#### Revenue return per Ordinary Share

Revenue return	<b>£510,000</b>	£566,000	£662,000
Weighted average number of Ordinary Shares in issue during the period	<b>20,000,000</b>	20,000,000	20,000,000
Revenue earnings per Ordinary Share	<b>2.55p</b>	2.83p	3.31p

#### Capital return per Ordinary Share

Capital return	<b>£(6,436,000)</b>	£3,614,000	£(2,000)
Weighted average number of Ordinary Shares in issue during the period	<b>20,000,000</b>	20,000,000	20,000,000
Capital return per Ordinary Share	<b>(32.18)p</b>	18.07p	(0.01)p

### 10. Interim dividend

The Directors have declared an interim dividend of 1.40p per Ordinary Share in respect of the year ending 31 March 2009. The shares will be quoted ex-dividend on 3 December 2008 and the dividend will be paid on 19 December 2008, to Shareholders on the register on 5 December 2008.

11. The Company holds (via a 17.04% ownership of BDT Investment Management Limited) an effective economic interest of 15.50% (fully diluted) in the Investment Manager, BDT Invest LLP. Accordingly, the shares in BDT Investment Management Limited are accounted for and disclosed in the same way as other investments in the portfolio. The valuation of the Company's investment in BDT Investment Management Limited is calculated at the end of each quarter on the basis of fair value as determined by Directors of the Company.

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Notes to the Financial Statements continued

The valuation process during and as at the end of the half-year period to 30 September 2008 was based on the average of book value of BDT Invest LLP, 4% of the value of funds under management and four times its annual management charges (excluding performance fees).

Subsequent to the half-year period, as noted in the Chairman's Statement, the Board decided to reduce the formula valuation of BDT Invest to an average of book value, 2% of funds under management and 2x annualised run rate revenues which the Board believes results in a more prudent and realistic valuation of the Company's interest in the business. The revised valuation has now been implemented.

12. Following the publication of the Investment Entities (Listing Rules and Conduct of Business) Instrument 2003, on 20 October 2003 the Company announced that it is the Company's policy to invest no more than 15% of its gross assets in other UK listed investment companies (including UK listed investment trusts) as defined in Listing Rule 15.
13. It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an Investment Trust Company set out in Section 842 of the Income and Corporation Taxes Act 1988.

By order of the Board

**Phoenix Administration Services Limited**

Secretary

25 November 2008

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure and Transparency Rules and consider that the Chairman's Statement and the Investment Manager's Report on pages 4 to 6 of this Report, the following statement on related party transactions and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the six months ended 30 September 2008.

The Directors confirm that no related party transactions were undertaken by the Company in the first six months of the current financial year. There have been no changes to the related party disclosures set out in the Annual Report of the Company for the year ended 31 March 2008.

The half-year report for the six months ended 30 September 2008 has not been reviewed by the Company's Auditors Grant Thornton UK LLP.

## Directors' Responsibility Statement

The Directors listed at the front of this half-year report being the persons responsible, confirm that to the best of their knowledge:

- (a) the condensed set of Financial Statements, which has been prepared in accordance with the Accounting Standards Board's pronouncements on interim reporting, gives a true and fair view of the assets, liabilities and financial position and profit of the Company;
- (b) the Interim Management Report includes a fair review; as required by Disclosure and Transparency Rule 4.2.7 R; of important events that have occurred during the first six months of the financial year, their impact on the condensed set of Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (c) the Interim Management Report includes a fair review of the information concerning related parties transactions as required by Disclosure and Transparency Rule 4.2.8 R.

The half-year report was approved by the Board on 25 November 2008 and the above Responsibility Statement was signed on its behalf by:

**Richard Thornton**  
**Deputy Chairman**

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Portfolio Holdings at 30 September 2008

*(All equity shares unless otherwise stated)*

Holding	Company	Fair value £'000	% of total assets
69,622	BDT Invest Asia Fund Distributor	3,451	12.97
€4,000,000	Bundesobligation 3.5% 10/10/2008	3,152	11.84
2,546,550	Siam Steel Service Center	1,319	4.96
1,128,000	China Insurance	1,182	4.44
3,744,000	First Ship Lease Trust	1,175	4.41
725,000	SR Europe Investment Trust	1,153	4.33
100,000	BDT Invest Oriental Focus Fund 'B'	797	2.99
60,000	BDT Invest Japan Fund Distributor	770	2.89
128,012	BDT Investment Management Limited*	708	2.66
1,055,000	Top Glove Corp	688	2.59
1,000,000	Lafarge Malayan Cement	590	2.22
31,000	Bharat Heavy Electricals	589	2.21
32,000,000	TMB Bank Public Company	530	1.99
1,850,000	Minth Group	508	1.91
200,000	Bedlam Asset Management Plc*	462	1.74
504,001	Taiwan Semiconductor	460	1.73
1,000,000	Ezra	443	1.66
15,000	Takeda Pharmaceutical	416	1.56
1,280,000	Sino-Environment Technology	412	1.55
450	NTT Docomo	399	1.50
1,325,000	Yuanta Financial	395	1.48
1,500	Nintendo	344	1.29
614,000	Farglory Land Development	332	1.25
150	Sony Financial Holdings	329	1.24
2,100,000	Hung Sheng Construction	315	1.18
65,000	Mitsubishi UFJ Financial	307	1.15
12,900,000	Rexcapital Financial Holdings	298	1.12
35,000	Stanley Electric	281	1.06
1,000,000	GK Goh	275	1.03
2,000	Lindsell Train Investment Trust	274	1.03
60,000	BDT Invest Japanese Smaller Companies Fund 'B'	263	0.99
7,000	Nidec Corp	236	0.89
140,000	Isuzu Motors	210	0.79
3,000	Orix Corp	199	0.75
262,500	Cathay Financial	198	0.74
37,000	Nippon Electric Glass	181	0.68
75	Japan Tobacco	156	0.59
5,000	Tokyo Electron	123	0.46
129,627	Chinatrust Financial	39	0.15
645,420	Vigilant Technology	8	0.03
145,000	SR Europe Investment Trust (Subscription Shares)	7	0.03
	Total investments	23,974	90.08
	Net current assets	2,647	9.95
	Provision for liabilities and charges	(9)	(0.03)
	<b>Net assets</b>	<b>26,612</b>	<b>100.00</b>

\* Unlisted investments

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Portfolio Analysis at 30 September 2008

<b>Sector Analysis</b>	<b>Fair value £'000</b>	<b>% of total assets</b>
Investment Companies	7,885	29.63
Euro Bonds	3,152	11.84
Speciality & Other Finance	2,143	8.04
Insurance	1,709	6.42
Industrial	1,336	5.03
Steel & Other Materials	1,319	4.96
Electronic & Electronic Equipment	922	3.47
Real Estate	647	2.43
Construction & Building Materials	590	2.22
Engineering & Machinery	589	2.21
Non Cyclical Consumer Goods	572	2.15
Banks	569	2.14
Cyclical Consumer Goods	554	2.08
Automobiles	508	1.91
Financials	506	1.90
Transport	443	1.66
Communications	399	1.50
Technology	131	0.49
<b>Total investments</b>	<b>23,974</b>	<b>90.08</b>
Net current assets	2,647	9.95
Provision for liabilities and charges	(9)	(0.03)
<b>Net assets</b>	<b>26,612</b>	<b>100.00</b>
<b>Geographical Analysis (based on listing or domicile)</b>	<b>Fair value £'000</b>	<b>% of total assets</b>
United Kingdom	7,893	29.66
Japan	3,181	11.96
Europe	3,152	11.84
Singapore	2,305	8.65
Hong Kong	1,988	7.47
Thailand	1,849	6.95
Taiwan	1,739	6.53
Malaysia	1,278	4.81
India	589	2.21
<b>Total investments</b>	<b>23,974</b>	<b>90.08</b>
Net current assets	2,647	9.95
Provision for liabilities and charges	(9)	(0.03)
<b>Net assets</b>	<b>26,612</b>	<b>100.00</b>
<b>Classification of Assets</b>	<b>Fair value £'000</b>	<b>% of total assets</b>
Equities	20,822	78.24
Fixed Interest Securities	3,152	11.84
Net current assets	2,647	9.95
Provision for liabilities and charges	(9)	(0.03)
<b>Net assets</b>	<b>26,612</b>	<b>100.00</b>

The Establishment Investment Trust plc  
Registered in England 4355437