

The Establishment Investment Trust plc

Interim Management Statement covering the period 1st April 2009 to 31st July 2009

Material Events

There are no material events to report in the period under review.

Material Transactions

There has been no significant or strategic alteration to the portfolio or investment strategy in the period under review. The top ten equity holdings, the top ten absolute return vehicles and bond holdings and the Company's currency, market and sector exposures are detailed on the BDT Invest website. The shares went ex a 1.9p dividend on 15th July 2009.

General description of financial position

The gross assets of the Company stood at £31.67mn at the end of July, the net assets stood at £31.67mn. This represents an increase of 27.5% and 27.5% respectively from 31st March 2009. Gearing stood at 0.0% at the end of July compared to 0.0% at 31st March 2009.

General description of financial performance

The share price rose from 106.0p at 31st March 2009 to 145.0p at 31st July 2009, an increase of 36.8%. The net asset value rose from 124.20p to 158.34p, an increase of 27.5%. Including dividends paid the total return of the share price and the net asset value was +38.6% and +29.0% respectively. The discount thus narrowed from 14.7% to 8.4%. For comparative purposes the FTSE APCIMS Private Investor Series Balanced Portfolio Total Return Index rose 10.9% over the period.

Performance Review

The share price rose 6.6% during July while the net asset value increased 5.8%. In Sterling terms the MSCI World Index rose 7.0%, MSCI Japan Index rose 2.8% and the MSCI Asia ex Japan Index climbed 11.4%. In addition the shares went ex a 1.9p dividend during the month. The shares stood at an 8.4% discount to net asset value at the end of the month.

During the month we added to the Company's positions in Mermaid Maritime, Chunghwa Telecom, Johnson Electric and Jasa Marga and sold the remaining scrap of Siam Steel Services. In Japan we added to our positions in Tokyo Electron and Daiichi Sankyo. Sony Financial and Mitsubishi UFJ Leasing were sold and a position in SMFG was initiated. In consequence of these transactions the effective exposure to equities is close to 80% - this is very much at the high end of the 60-80% range your managers feel comfortable with.

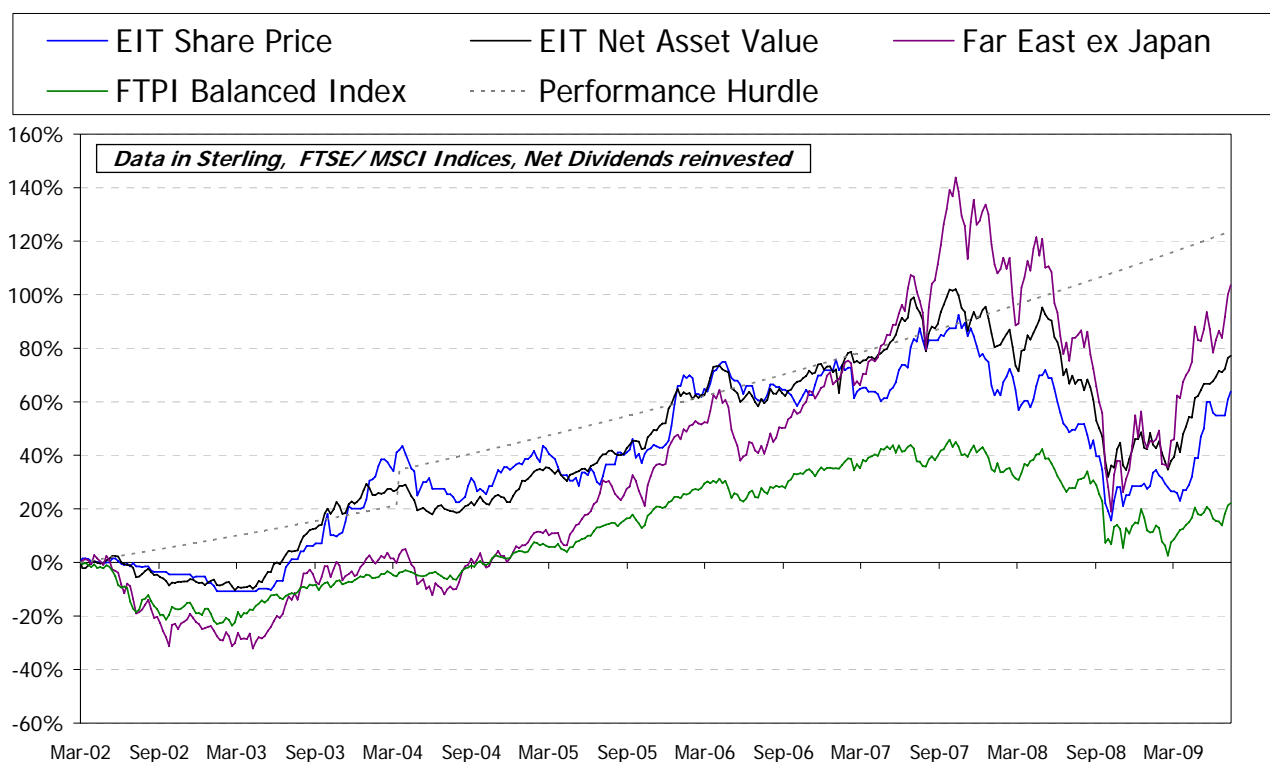
Issued by BDT Invest LLP which is authorised and regulated in the UK by the Financial Services Authority. The distribution of this document may be restricted by law and persons into whose possession it comes are required to inform themselves of and comply with any such restrictions. Readers of this document are therefore assumed to have the knowledge and experience in business and financial matters to enable them to evaluate the merits of, and risks of, investing in the Fund. Persons of any other description should not rely upon this document. This document does not constitute an offer or invitation to any person to subscribe for or purchase shares in the Fund. This document is for information only, the information and opinions contained have been compiled or arrived at from sources believed to be reliable and given in good faith but no representation or warranty is made as to their accuracy, completeness or correctness. All quoted returns are illustrative only. The Fund is an investment trust whose shares are quoted on the London Stock Exchange. The securities issued by investment trusts may trade in the market at prices which diverge from their net asset value per share. Investments may fall as well as rise and investors may lose a substantial portion or even all of their investment. Past performance is not necessarily a guide to future performance. In addition, changes in rates of exchange may be one of the causes for the value of investments to go up or down.

Key Data (as at 31st July 2009)

Share Price	145.00p
Net Asset Value	158.34p
Premium/(Discount)	(8.4%)
Shares Outstanding	20m
Market Capitalisation	£29.0m
Historic Yield	2.3%
Listed	London Stock Exchange
Bloomberg Ticker	ET/ LN <Equity>
ISIN	GB0031336919
Website	www.bdtinvest.com
Manager	BDT Invest LLP 4 th Floor, 52 Jermyn St London, SW1Y 6LX +44 (020) 7659 1300 www.bdtinvest.com
Investor Relations Administrator	Ian Furtado (020) 7659 1305 Phoenix Administration Services
Sponsor	JPMorgan Cazenove
Directors	Dr James King (Chairman) Sir David Cooksey Henry Thornton Richard Thornton Harry Wells Thomas Waring
Investment Objective	To achieve long-term capital growth from a managed international portfolio of securities. The preservation of capital will be of primary importance to the investment objective.
Management Fee	One per cent of the market capitalisation of the Company annually.
Performance Fee	10% of any gain in the market capitalisation of the company that exceeds the 10% performance hurdle annually.
Financial Year	31 st March
Net Asset Value	Calculated weekly on Friday's closing prices and published the following Monday or Tuesday.

The ability of the S&P500 to hold the key support level of 875 in mid July, together with continued weakness in the US Dollar, appears to have stiffened the resolve of investors. Then again, there is always the danger of the "silly season" at this time of year and we wonder whether Mr Darling started it with his recent comment "I want to make sure that we have a competitive banking system in this country." Is this the same Government that just 11 months forced two of the largest banks in the country, with a combined 28% share of the mortgage market, to merge?

The Establishment Investment Trust plc



We quote from a House of Commons Paper dated 15th December 2008. The OFT found that the creation of that merger situation may be expected to result in a *“substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including personal current accounts, banking services to small and medium enterprises (SMEs), and mortgages.”*

We remain surprised by, and the Company incorrectly positioned for, the continued strength in Sterling. The economic data releases of late have suggested that it is the American, not European, economy that is showing some signs of recovery.

BDT Invest LLP
4th August 2009

Currency Exposure		Asset Type		Direct Equity by Country		Equity by Sector	
US Dollar	25.9%	Listed Equities	69.3%	Hong Kong	21.4%	Financials	31.9%
Hong Kong Dollar	21.4%	Cash	5.7%	Singapore	11.6%	Industrial	9.5%
Singapore Dollar	11.6%	Sovereign Bonds	9.0%	Japan	6.5%	Consumer Discretionary	5.9%
Taiwan Dollar	9.9%	Absolute Return Vehicles	9.5%	Malaysia	7.1%	Information Technology	5.8%
Japanese Yen	7.6%	Gold Bullion	5.4%	Taiwan	9.8%	Health Care	4.6%
Malaysian Ringgit	7.1%	Unlisted Equities	1.2%	India	5.0%	Telecoms	4.6%
Indian Rupee	5.0%	Derivatives	0.0%	Thailand	1.9%	Materials	3.1%
Sterling	4.7%	Other	0.0%	UK	0.8%	Energy	2.4%
Korean Won	2.1%	Loan	0.0%	Other Asian	5.2%	Property	1.5%
Thai Baht	1.9%			Other non Asian	0.0%	Consumer Staple	0.0%
Other	3.0%					Utilities	0.0%

Top Ten Equity Holdings		Top Bond & ARV Holdings		Performance		
China Insurance	7.9%	US Treasury 2.75% 2/19	9.0%	18-Mar-02	31-Jul-09	+/- %
Rexlot Holdings	6.2%	SR European IT	4.0%	EIT Share Price #	100.0	145.0 45.0%
First Ship Lease Trust	5.1%	BDT Invest Oriental Focus \$	3.5%	EIT Net Asset Value #	100.0	158.3 58.3%
Chunghwa Telecom	4.6%	BDT Invest Japan Small Cos	1.1%	Premium/Discount		-8.4%
MintH Grp	4.1%	Lindsell Train Inv Trust	0.9%	UK Equity #	670.2	566.8 -15.4%
Top Glove	3.6%			World Equity #	714.8	625.7 -12.5%
Jardine Matheson	3.3%			Asia Free ex Japan #	153.8	260.5 69.3%
Lafarge Malayan Cement	3.1%					
Bharat Heavy Electricals	2.6%					
Mermaid Maritime	2.4%					

excluding dividends
all MSCI indices in Sterling terms

Issued by BDT Invest LLP which is authorised and regulated in the UK by the Financial Services Authority. The distribution of this document may be restricted by law and persons into whose possession it comes are required to inform themselves of and comply with any such restrictions. Readers of this document are therefore assumed to have the knowledge and experience in business and financial matters to enable them to evaluate the merits of, and risks of, investing in the Fund. Persons of any other description should not rely upon this document. This document does not constitute an offer or invitation to any person to subscribe for or purchase shares in the Fund. This document is for information only, the information and opinions contained have been compiled or arrived at from sources believed to be reliable and given in good faith but no representation or warranty is made as to their accuracy, completeness or correctness. All quoted returns are illustrative only. The Fund is an investment trust whose shares are quoted on the London Stock Exchange. The securities issued by investment trusts may trade in the market at prices which diverge from their net asset value per share. Investments may fall as well as rise and investors may lose a substantial portion or even all of their investment. Past performance is not necessarily a guide to future performance. In addition, changes in rates of exchange may be one of the causes for the value of investments to go up or down.