

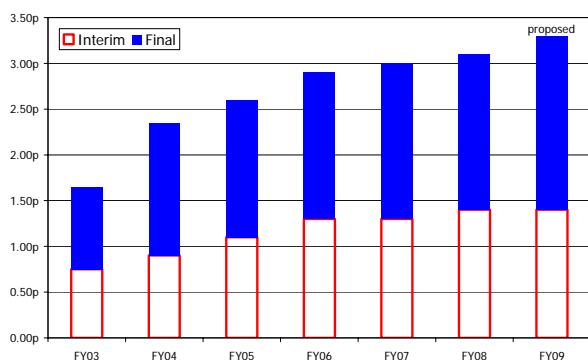
Performance Review

The share price rose by 2.3% during June while the net asset value was unchanged. The discount narrowed to 9.2% at month end. In Sterling terms the MSCI World Index and the MSCI Asia ex Japan Index both fell by 2.3% while the MSCI Japan Index declined by 0.2%.

For the first half of 2009 the share price and net asset value advanced by 22.0% and 13.6% respectively. In comparison the MSCI Asia ex Japan Index rose by 20.1% while the MSCI World Index and the MSCI Japan Index declined by 5.9% and 9.2% respectively.

The results for the year to 31st March 2009 were announced in early June. The Company recorded a revenue return on ordinary activities after tax of £757,000. A final dividend of 1.9p has been proposed and, assuming this motion is carried at the forthcoming AGM, the dividend will be paid in early August. The shares will trade ex dividend on 15th July 2009.

Establishment Trust – Annual Dividend



The Annual General Meeting will be held at the offices of BDT Invest LLP at 2.30pm on Monday 27th July. Shareholders are encouraged to attend.

Leverage

In recent client meetings our deflationary macro views have met with stiff resistance. We have been genuinely surprised by the widespread view that inflationary times lie ahead, a consequence of the widespread introduction of quantitative easing (QE). We would argue that QE has been introduced precisely because deflationary pressures (principally resulting from the onset of a deleveraging cycle which has years to run) are so strong. We would also point to Japan where a prolonged period of QE failed to produce any inflation at all. The US saving rate rose from 0.0% in April 2008 to 6.9% in May 2009 – this is unprecedented, necessary and hugely deflationary. The US capacity utilisation rate fell from 80.2% in February 2008 to 68.3% in May 2009. The EU capacity utilisation rate fell from 83.7% in 2Q08 to 70.5% in 2Q09. Likewise these moves are without precedent and very deflationary.

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Key Data (as at 30th June 2009)

Share Price	136.00p
Net Asset Value	149.73p
Premium/(Discount)	(9.2%)
Shares Outstanding	20m
Market Capitalisation	£27.2m
Historic Yield	2.4%
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
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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.
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Management Fee	One per cent of the market capitalisation of the Company annually.
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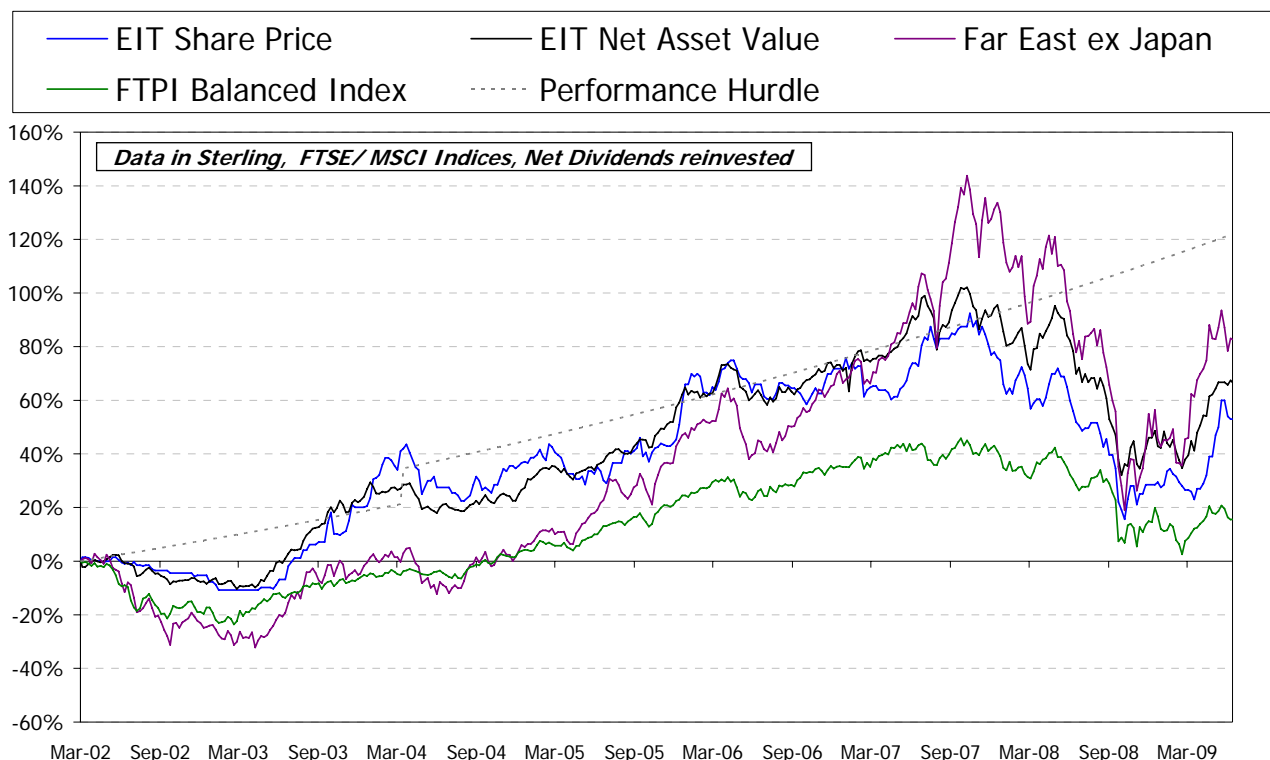
Performance Fee	10% of any gain in the market capitalisation of the company that exceeds the 10% performance hurdle annually.
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Financial Year	31 st March
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Net Asset Value	Calculated weekly on Friday's closing prices and published the following Monday or Tuesday.
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Indeed the inevitable deleveraging is proceeding at a pace in the US. For example Citigroup's asset to equity ratio improved from 19.3x at 4Q07 to 12.5x by 1Q09. In Europe, however, progress is difficult to spot. For example Barclays' asset to equity ratio rose from 40.3x at 4Q07 to 43.3x by 4Q08. It appears the coffee has not been poured, let alone smelt and we note with some incredulity that the UK savings rate actually declined in 1Q09 from 4.0% to 3.0%. What is this country smoking? The reasoning behind Andrew Hunt's recent forecast of a 5% decline in GDP in the UK in 2010 is both impeccable and massively disturbing for those of us who reside and pay tax in this country.

The Establishment Investment Trust plc



By way of contrast portfolio holding Siam Commercial Bank's equity to asset ratio has ranged between 8.3x and 10.6x over the past five years and, despite this lack of leverage, the bank has generated an average return of equity of 19.6% over the period.

It appears to your Manager, therefore, simply a matter of time before the US Dollar appreciates significantly against both Sterling and the Euro. The Company is well positioned for this event with over 90% of assets invested in US Dollars or Asian currencies. Last month we took advantage of the weaker bond market to establish a decent position in a ten year US Treasury.

We sold positions in Standard Chartered, FarGlory and LPN Developments and lightened our holdings in Techtronics. All have had super runs and look technically vulnerable. We purchased Chunghwa Telecom and added to Samsung F&M. As one might expect given our deflationary outlook, the portfolio is essentially void of energy, commodity and cyclical issues and remains firmly parked on the doorstep of the Asian consumer.

BDT Invest LLP
2nd July 2009

Currency Exposure US Dollar 24.4% Hong Kong Dollar 18.2% Taiwan Dollar 13.0% Singapore Dollar 10.5% Japanese Yen 8.5% Malaysian Ringgit 7.3% Sterling 6.3% Indian Rupee 5.1% Thai Baht 2.3% Korean Won 2.0% Other 2.4%	Asset Type Listed Equities 63.1% Cash 11.3% Sovereign Bonds 9.5% Absolute Return Vehicles 9.3% Gold Bullion 5.6% Unlisted Equities 1.3% Derivatives 0.0% Other 0.0% Loan 0.0%	Direct Equity by Country Hong Kong 18.1% Singapore 10.5% Japan 7.4% Malaysia 7.3% Taiwan 7.2% India 5.1% Thailand 2.3% UK 0.8% Other Asian 5.6% Other non Asian 0.0%	Equity by Sector Financials 29.7% Industrial 8.4% Information Technology 5.9% Consumer Discretionary 5.5% Health Care 4.2% Materials 3.6% Telecoms 3.0% Property 1.5% Energy 1.0% Consumer Staple 0.5% Utilities 0.0%
Top Ten Equity Holdings China Insurance 5.9% Rexlot Holdings 5.9% First Ship Lease Trust 5.4% Minth Group 3.8% Top Glove 3.6% Jardine Matheson 3.3% Lafarge Malayan Cement 3.2% Bharat Heavy Electricals 2.7% HDFC 2.4% Chunghwa Telecom 2.1%	Top Bond & ARV Holdings US Treasury 2.75% 2/19 9.5% SR European IT 4.0% BDT Invest Oriental Focus \$ 3.4% BDT Invest Japan Small Cos 1.1% Lindsell Train Inv Trust 0.9%	Performance 18-Mar-02 30-Jun-09 +/- % EIT Share Price # 100.0 136.0 36.0% EIT Net Asset Value # 100.0 149.7 49.7% Premium/Discount -9.2% UK Equity # 670.2 526.7 -21.4% World Equity # 714.8 585.6 -18.1% Asia Free ex Japan # 153.8 234.5 52.4% <i># excluding dividends all MSCI indices in Sterling terms</i>	

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