The Equity Partnership Investment Company PLC

APRIL UPDATE

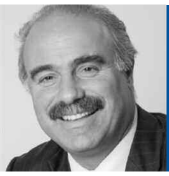
Stock Codes	Capital Shares	Income Shares	ZDP Shares
Topic	EQPC	EQPI	EQPZ
Bloomberg	EQPC LN	EQPI LN	EQPZ LN
Reuters	EQP.L	EQPi.L	EQPZo.L
ISIN	GB0030735483	GB0030735376	GB00B114S147

30 April 2009	Capital Shares	Income Shares	ZDP Shares
Mid Price	30.00p	69.50p	113.50p
NAV	53.57p	104.12p	119.12p

Issue twenty-one

April 2009

Fund Manager:
EPIC Asset Management Limited (EPAM)



Fund Manager Profile
Jo Welman

Jo Welman graduated in economics from Exeter University in 1979. He joined Baring Brothers where he managed several large segregated UK and US public company pension funds and The Barings UK Smaller Companies Unit Trust. In 1989 he was recruited by Rea Brothers to become the managing director of their investment management subsidiary. He resigned as a director of Rea Brothers Group plc in August 1999 following the bank's take-over by Close Brothers and became Chairman of Brit Insurance Holdings PLC. He resigned from Brit in September 2002 and is Chairman of EPIC Asset Management Limited, the investment manager to the Company.

Corporate Details

Launch Date:	17 August 2001	
Launch Assets:	£67.63m (net of expenses)	
Total Assets:	£67.41m	
Capital Structure:	**Capital Shares:**	40,304,312
	Income Shares:	20,736,333
	ZDP Shares:	20,000,000
ZDP Shares:	**Redemption Price:**	139.3p due 31 July 2011
	At time of issue this equated to a 6.5% GRY	
Year End:	31 July	
NAV:	Monthly	
Directors:	Dr C McPhail,Chairman, DC McCrickard, M Richardson, PP Scales	
Winding up Provisions:	31 July 2011	
Annual Management Fee:	1%	
Brokers:	Numis Securities Limited	

Investment Objective

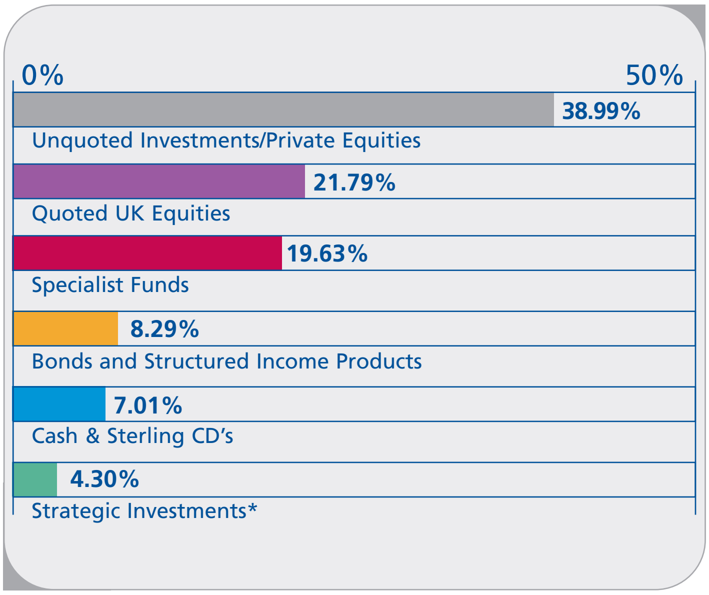
The Company can invest in quoted and unquoted equities, bonds and structured income products and investment funds to generate capital growth for capital shares and an initial 10% yield for income shares.

Benchmark

Capital Share NAV: Libor + 3% per annum

Income Shares: Entitled to 10% per annum with annual RPI increases (capped at 5% per annum)

Asset Allocation as at 30 April 2009



*Syndicate Asset Management PLC, Strand Partners Limited,
Note: *figures do not include the exposure to EPIC Securities PLC*

Contact

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Manager's Report

Market Commentary

Having opened the year at 2% and been cut in January to 1.5%, UK interest rates were reduced further to 1% in February against a backdrop of further weakening in economic data. In March a further cut of 0.5% was delivered where we, and the market in general, expected to remain for a considerable period. 3-month interbank rates continued to fall but by considerably less than the reduction in the base rate. Meanwhile the Bank of England, having depleted almost all of its traditional monetary ammunition, made explicit reference to the necessity to countenance non-traditional policy as a matter of urgency.

February

Some debate surrounds the possible effects of the massive depreciation in the GBP which occurred in recent months. Two things that might ordinarily arise from such a move - improving net exports and rising inflation - are being offset by weak demand. Any import inflation showing up in producer prices is leading simply to margin compression, particularly towards the retail end of the chain, and failing to have any material impact on consumer prices. We tend to view the weak pound as a consequence of the UK's position, rather than as a cause for optimism about future prospects. Housing, relatively, was perhaps less of a negative than other sectors, with the rate of decline looking to have peaked and the appearance of tentative signs of improvement in buyer interest relative to the supply of properties for sale. The labour market, meanwhile, looks very sick, with little prospect in the near term of any improvement; indeed, employment invariably reaches its nadir later than GDP. Having tightened considerably in January, swap spreads in February widened dramatically. This widening had a detrimental effect on corporate debt generally, and was accompanied also by a general equity market decline. Gilts were stronger overall, although their move was slight and far from in a straight line. The 2-year declined in yield by 6bp and the 5-year by 24bp, producing a flattening effect in anticipation of quantitative easing and its intended focus on maturities longer than 5 years.

In the US dismal employment data was released once again, with the US losing nearly 598,000 jobs in January, the highest number since records began and consistent with a near -5% per year decline in the size of the labour force. After five consecutive months of decline, retail sales rose surprisingly by 1% in January; however this was tempered by a fall in UoM Consumer confidence survey index erasing the gains during the last two months. The US House and Senate finally approved a compromised version of the stimulus plan, now worth $787bn. Mid-month, equity markets were hit by continuing weak economic data, with most activity and manufacturing indicators at levels not seen since 1950s. Q4 GDP data were released which highlighted the extent of the contraction, at -6.2% annualised, compared with the predicted value of -5.4%. Yields during the month moved along with economic data, with 2 year yields reaching a low on the 17th of the month, on the back of weak manufacturing figures.

Having delivered a 50bp interest rate cut in January amid an improving interbank market, the ECB left rates unchanged in February. Nevertheless, 3-month interbank rates fell by almost a further 0.30% in the month, reflecting increasingly dovish interest rate expectations. The Euro, meanwhile, remained stubbornly strong. Economic data released in February worsened, more so for Europe than for most of the developed world. Unemployment, a lagging indicator, has only increased enough to return to 2006 levels, but forward-looking indicators paint a bleaker picture, with a general plunge lower on most business sentiment measures and particular weakness being apparent across various measures of export demand. While the Euro area's smaller financial sector and lower indebtedness than other regions, such as the UK, made it less exposed to the earlier stages of the credit crisis, its export-dependence amid a collapse in global trade is now likely to render it a fuller participant in the recession in coming quarters.

Interbank rates continued to fall but by less than the reduction in the base rate. Meanwhile, quantitative easing got underway, with purchases of assets (mainly gilts) proceeding in earnest. While 9th March marked a weak point in equity markets and a multi-year low, the steady improvement in equity prices and corporate bond spreads that has characterised the subsequent several weeks has caused many commentators to suggest, cautiously, that the worst of the financial crisis may be over.

March

March finally began to bring some signs of recovery in sentiment, aided partly by US Treasury Secretary Tim Geithner's announcement of details of the Public-Private Investment Program which aims to remove between $500bn and $1trl in legacy loans and related structured notes from bank balance sheets. As a result equities climbed during the month closing 8.5% higher, with credit spreads narrowing slightly during the month. Economic data during the first quarter has been more encouraging than towards the end of last year, where many indices experienced a free fall. An important leading indicator of a recovery in this cycle is new home sales (increased by 4.7% from January) which like housing starts managed to bounce in February, albeit from very depressed levels. With house prices looking extremely affordable, and additional credit beginning to be injected back into the mortgage market by several banks, there are now clear positive signs that the housing market in the US has begun to bottom out. Initial jobless claims have begun to steady out over the past five months, but unemployment still remains a huge burden on the economy, standing at 8.1% in February, with market consensus suggesting that it can reach 9% by the end of the second quarter, the highest level for 25 years and taking the total cut in jobs to 5 million. Q4 GDP was downwardly revised to -6.3% from the preliminary estimate of -6.2%.

The ECB built on January's move and cut base borrowing costs a further 50bp bringing the repo rate to 1.50%. 1-month and 3-month interbank rates fell by almost as much – 0.40% and 0.32% respectively - reflecting the continued effectiveness of the money market as a conduit of policy, which had been in question some months earlier with a lack of response at certain points along the maturity spectrum.

Macroeconomic data continued to look similar to previous months with a general malaise in confidence measures, export order measures in particular, as unemployment continues to rise and output to contract. The Euro area seems particularly poorly placed for the collapse in global trade and, while some of the contraction is likely to be attributable to inventory reduction in the near-term, other indicators do not augur a pick up in underlying demand, hence any relaxation in the pace of decline should not automatically be interpreted as the beginning of a recovery. The retreat of inflation, while it has been relegated lower on most central banks' and economists' agendas, has been notable in the Eurozone for having taken place more rapidly than in the UK, despite the labour market in Europe being at an earlier stage in its deterioration, and the Euro area being regarded as a less flexible economy. Inevitably, the Euro's strength is being invoked as part of the explanation.

April

In April, the economic data continued to deteriorate, while the market's attention shifted to financial markets once again, with speculation that the results from the Fed's stress tests would indicate that US banks would require additional capital, and that 16 out of 19 banks would be technically insolvent. The FOMC concluded its two day meeting in April by keeping rates unchanged at 0.00%-0.25%. The FOMC indicated that the economy had continued to contract, although the pace of contraction appeared to be somewhat slower, household spending had shown signs of stabilising but remained constrained by ongoing job losses, lower housing wealth, and ongoing tight credit conditions. In terms of economics, Q1 2009 GDP was released on Wednesday reported the US economy contracting at a slightly slower pace of 6.1% after -6.3% in Q4, disappointing against expectations for a reading of -4.7%.

In the Eurozone economic data also began to suggest that the contraction in Q2 will be less severe than Germany's Ifo survey showed both the expectations and conditions components improving. The flash inflation estimate for the Eurozone released on Thursday was posted at 0.6% yoy for April, remaining at the record low since the introduction of the single currency. Much more negative news, however, arrived in the March employment report which showed the unemployment rate across the Eurozone increasing to its highest level since July 05 at 8.9%, from an upwardly revised 8.7% in February - the member state breakdown recorded unemployment in Germany at 7.6%, France at 8.8% and Spain at a remarkable 17.4%.

With much pain continuing to be felt both by businesses and households, with scant availability of credit, weak asset prices, and little scope for further government stimulus, the economic outlook remains bleak for now. That said, there are signs that the pace of further deterioration is slowing. The quantitative easing program is now underway and while it appears to have started to make some modest impact in the financial markets, we await its effects on the economy more broadly. Accordingly, interest rates are likely to be held at very low levels for a considerable period.

Quoted Equity

The FTSE All Share Index gained 4.5% during the period as investors anticipated a global economic recovery. No new holdings were added during the period and the composition of the portfolio was little changed. Several important holdings enjoyed the stock market's favour with Barclays, Cryo-Save and Lupus all more than doubling in price during the period. Kyrgyzstan miner Aurum repaid 33 pence per share in April, resulting in a payment of over £1.5 million to EPIC.

Private Equity

The Private Equity division did not make any new investments during the period. The Manager is starting to see very good opportunities due to the current lack of liquidity, although it is currently very difficult to leverage such investments. The focus over the next 6-12 months will be confined to bolt-on acquisitions to the existing portfolio which may be required in order to achieve profitable disposals.

Manager and Investment Style

EPIC Private Equity ("EPE"), founded in 2001, has completed 42 transactions and deployed £88 million of capital in £270 million of Enterprise Value. EPE aims to generate a strong yield through investment in mezzanine debt coupled with significant capital appreciation by investing in equity stakes. EPE targets leveraged buyouts at EV/EBITDA valuations of less than 5.0x, backing experienced managers to leverage their positions within established, successful businesses and investment in growing smaller businesses in attractive niche markets with good prospects for growth. Investments in the latter take the form of significant minorities, generally no more than 29.9%.

EPE is seeing good investment opportunities due to the current lack of liquidity in the market, although leveraging such investments is proving to be difficult. The focus of the next 6-12 months will be on bolt-on investments to the existing portfolio.

The current Private Equity portfolio consists of £8.7 million of Mezzanine, yielding between 9% and 12.0% (blended yield 11.0%) interest, and £18.0 million of Equity and Shareholder Loans, invested in 9 companies. Private Equity totals £26.7m which equates to 39% of EPIC PLC's Gross Assets.

The businesses within the Private Equity portfolio are trading to expectations. Whilst the effects of the current recession can be seen in terms of lower growth rates in some of the companies, so far the impact has not been as large as anticipated. The Private Equity portfolio was valued at the end of January 2009 on a prudent basis, in line with the standard BVCA guidelines, and in the context of the recession. The current performance of the portfolio is in line with those valuations, and whilst it would not be prudent to make any write-ups until the economic outlook has improved, no further write-downs are currently anticipated.

Palatinate Schools Limited (20% of total PE funds invested, 8.1% of fund) is a schools group in central London, in which EPIC invested £3.0 million in mezzanine and £1.3 million in equity and shareholder loans, to fund a management buy out in February 2005. EPIC holds 29.9% of the share capital. Sales have grown in excess of 10% per annum since 2004, and were £8 million in 2008. EBITDA margins run at 30% on average. The business continues to perform to expectations. Comparable companies would be Alpha, Cognitas and Gems.

Pinnacle-psg Limited (18% of total PE funds invested, 7.3% of fund) is a social housing management company, in which EPIC invested £3.0 million of shareholder loans and equity in December 2001, as replacement and working capital. £1.0 million of shareholder loans have been returned. EPIC acquired a further 13.8% in September, and now holds 26.3% of the share capital. Sales achieved in the last 12 months were £55.0 million, sales CAGR ("Compound Annual Growth Rate") from 2003 to 2008 has been 28% and operating margin runs at around 5% on average. Comparable companies would be Inspace, Mouchel Parkman, Parkwood Holdings and Tribal.

Nexus Limited (19% of total PE funds invested, 7.4% of fund) is a distributor of electrical and wiring accessories. EPIC backed members of the existing management team to buy the business in January 2005, investing £3.1 million in mezzanine and £1.2 million in equity and shareholder loans. Sales have been stable since 2004, were £54 million in 2008 and EBITDA margin runs at around 8% on average. The business is currently performing to expectations, with the retail division significantly outperforming, and the wholesale channel slightly underperforming. Comparable companies would be Electrium Ltd, GET plc (recently delisted), Schneider (acquired GET plc) and Legrand SA.

Indicia Group (19% of total PE funds invested, 7.5% of fund) is a buy and build strategy in the marketing services sector. EPIC originally invested £0.7 million in October 2006 to acquire the first business, Marketing Databasics, and has since acquired Results Europe in December 2006 and most recently, Entire, in March 2008, with the investment in the buy-and-build strategy now totalling £4.4m. Recent underperformance in the public markets is expected to provide significant opportunities for acquiring assets from the larger, listed, marketing services groups. The business is performing to budget. Comparables are marketing services businesses such as Cello Group, Chime, M&C Saatchi, Direct Marketing Group and Media Square.

Pharmacy2U Limited (4.0% of total PE funds invested, 1.7% of fund) is an internet based medicine retailer and deliverer of NHS prescriptions to the home using the government approved Electronic Transmission of Prescriptions protocol. EPIC invested £0.25 million of growth capital in Pharmacy2U in November 2002 and now holds 8.2% of the equity, having sold 20% of EPIC's stake in 2005 to EMIS to de-risk the initial position. Sales budget is £20 million for 2009, sales have grown by 37% per annum since 2002. The business is cash flow positive and profitable. Operating margin is not disclosed. No UK comparables but similar companies exist in the US, and Doc Morris in Europe.

Ryness Electrical Supplies Limited (4.0% of total PE funds invested, 1.5% of fund) supplies electrical goods via high street, wholesale and internet channels. EPIC originally invested £0.7 million to acquire the company. Sales mix strategy has shifted towards wholesale (c.50% of sales) with the acquisition in August 2008 of Lama Electrical Limited, a wholesaler with two outlets in West London. The acquisition was funded with £0.4 million bank debt and a further £0.1 million from EPIC, bringing total funds invested to £0.9 million including rolled-up interest. In September the company acquired a further wholesale outlet funded via cash flow. The business is performing ahead of budget despite challenging retail conditions, and is expected to achieve c.£11.0 million sales to June 2009. Comparable companies are Maplin and Robert Dyas.

Other investments (15% of total PE funds invested, 6.2% of fund) are Bighead Bonding, a small precision engineering business, Evolving Media, a digital media agency, and Driver Require, a temporary driver recruitment business.

Specialist Funds

The Specialist Funds portfolio is targeted at diversifying assets to achieve non-correlated returns in excess of the Company's Libor + 3% per annum performance benchmark. The largest investments by market value are commented upon below.

EEA Life Settlement Fund ($3.9 million) is a Guernsey domiciled. Regulated Class B Fund listed on the Channel Island Stock Exchange and its objectives are to purchase, hold and manage a portfolio of US life settlements, provide a minimum benchmark return of 8% per annum and generate a consistent total net return of between 9% and 10% per annum. The Fund provides an opportunity to invest in an asset class that is wholly uncorrelated with traditional investments and continues to achieve consistent and stable returns. The Fund continues to enjoy positive price movements with 41 months of continuous growth.

CCFM Bristol & Stone Baltic Property Limited (€2.8 million) is incorporated in the Isle of Man and registered as an Exempt International Scheme, focused on property investment in the Baltic States of Estonia, Latvia and Lithuania. The Company's British property advisers are based in Tallinn and have considerable experience of property development, investment and design in the region. In 2004 the Baltic States joined both the EU and NATO and were the fastest growing economic region in Europe for some years. Whilst the portfolio was secured at attractive levels through the availability of "off-market" opportunities at prices that offered some insulation against the inevitable slowing of economic growth in the region following the financial crisis affecting the region's neighbours and trading partners we have marked down the value of our investment by ca.€1,000,000 (36%).

CCD Leisure Investments ($2.7 million) has been set up to invest in prestige holiday developments in emerging destinations. The first investment has been into the popular emerging tourist destination of Grenada which is located south of the usual hurricane path and whose tourist industry remains relatively undeveloped.The land for the project has been bought cheaply and potential returns therefore remain high. A small number of major players, such as Four Seasons Hotel Resorts, have highlighted the Island as an attractive emerging destination with direct flights from London and Frankfurt. Properties are priced at a fraction of its better known competitors in the Caribbean and the Island has strong potential for boutique and eco-sensitive development.ERA's and CBRE's research and analysis suggests a significant price uplift can be achieved even in the present financial climate. Notwithstanding this we have marked down our investment by $500,000 (15%) to be prudent.

King & Shaxson (£1.2 million) continued to outperform the general market. The current stance is a weighting towards large international companies rather than UK domestics.

Jupiter Hyde Park Hedge Fund Limited (£1.0 million). We sold our US$ position in Jupiter Hyde Park Hedge Fund Limited, and reinvested £1m in its Sterling Fund. Jupiter Hyde Park Hedge Fund Limited is an open-ended limited liability company incorporated in Bermuda. The fund is run by Philip Gibbs and is mandated to invest in a wide range of international investments. Although volatility has picked up significantly over the past year, the fund enjoyed a marked long-term out-performance and has consistently shown a low level of correlation with equity markets in general.

Avarae Global Coins plc (£0.9 million) is an AIM listed specialist investment company which is in the process of purchasing an impressive portfolio of high quality rare coins which will be held for the long term. The shares were purchased at a price which the Managers believe to be at a significant discount to the underlying value of assets which are generating growing interest among investors globally as an alternative asset class. Delivery of the shares has been delayed as they were caught in the freeze on the assets of Landsbanki in the UK we are presently seeking to resolve this issue.

Strategic Investments

Following the fall in the share price the Fund's exposure to Syndicate Asset Management PLC is now almost exclusively represented by the 6% loan stock, issued as part of the EIP sale consideration. Having breached certain banking covenants, the company has now agreed an eighteen month stand off with their lending bank which may require the postponement of the next loan stock coupon due in December 2009. However, the Company has now raised additional equity capital and with the recent recovery in equity markets the underlying business profitability has improved.

Negotiations over the past month have culminated in a reconstruction of Strand Partners which has resulted in a return of approximately £275,000 to the Fund through a capital distribution. The Company retains a 9.75% shareholding in New Strand.

Market Data

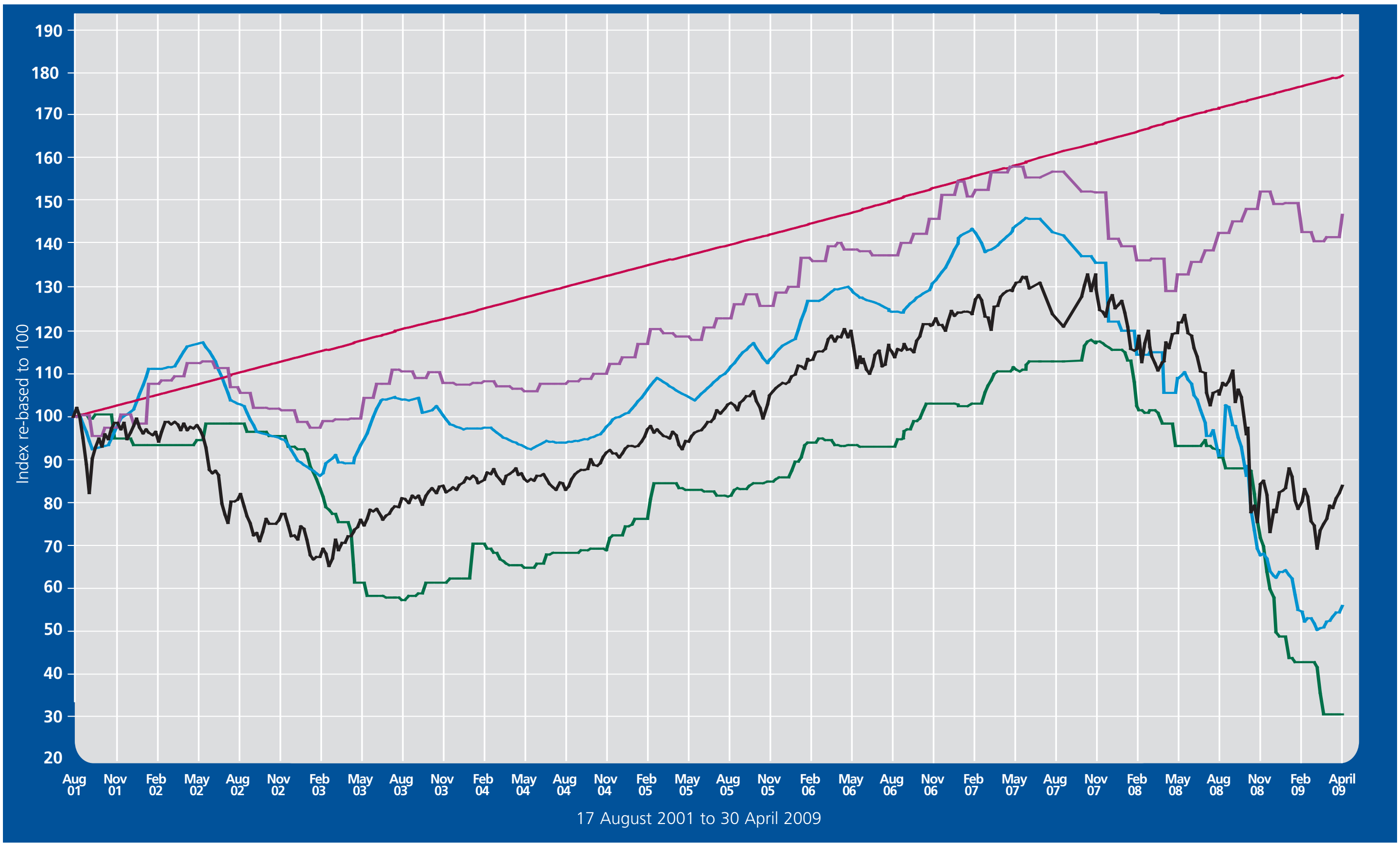
	92.5 months since launch
Capital Shares	-69.70%
FTSE All Share Index	-16.12%
NAV	-44.22%
Benchmark	81.07%

Largest Investments

Largest Investments as at 30 April 2009	Cost	Market Value	% of total investments
Pinnacle-Ordinary Shares	4,920,717.00	4,921,008.00	8.07%
Nexus-£1m Convertible Loan Note	7,398,925.00	4,748,446.00	7.79%
Alpha Real Estate GmBH 8% February 2010	3,446,137.00	4,471,272.08	7.33%
Indicia DDB	4,236,538.00	4,428,538.00	7.26%
Palatinate DDB	4,250,007.00	4,250,007.00	6.97%
Barclays	2,609,689.80	2,810,000.00	4.61%
EEA Life Settlement Fund (USD)	1,579,268.85	2,597,790.13	4.26%
Syndicate Asset Management PLC-Loan Note 6% Dec 2010	2,502,450.00	2,502,450.00	4.10%
Diploma PLC	1,771,901.43	2,099,272.68	3.44%
CCD Leisure Investments Conv Loan	1,613,833.75	1,801,859.83	2.96%
Evolving Media DDB	1,707,408.00	1,465,116.00	2.40%
Cryo Save Group (DI)	419,438.67	1,421,944.56	2.33%
Bighead DDB	1,414,276.00	1,414,276.00	2.32%
King and Whaxson Premier Fund Limited	1,000,000.02	1,215,475.65	1.99%
CCFM Bristol and Stone Limited	2,298,290.21	1,174,968.21	1.93%
Total of Largest 15 Holdings	**41,168,880.73**	**41,322,424.14**	**67.78%**
Other investments	**39,387,565.40**	**15,374,178.67**	**25.22%**
BGI Sterling Liquidity Fund and Cash deposits	**4,272,032.72**	**4,272,032.72**	**7.01%**
	84,828,478	**60,968,635**	**100.00%**

Capital Share Price
Capital Share NAV
Benchmark (Libor + 3%)
FTSE All Share Index
NAV + Inc Nav (Div Reinvested)

Share Price and NAV Performance vs Benchmark (from 17 August 2001 to 30 April 2009 - re-based to 100)



IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP. Telephone +44 (0)1624 681250 - Fax +44 (0)1624 681392. Registered in The Isle of Man Number 103447C at the above address. The Equity Partnership Investment Company PLC is listed on the London Stock Exchange and is managed by EPIC Asset Management Limited and EPIC Private Equity LLP.