

CENTRAL GOLDTRUST



6th Annual Report

December 31, 2008

The Role of Central GoldTrust

To serve investors as “The Gold Bullion Trust”™.

To hold gold bullion on a secure basis for the convenience of investors.

Investment Policies & Restrictions The Declaration of Trust requires that at least 90% of Central GoldTrust’s (“GoldTrust”) assets be held in physical gold bullion at all times. This cannot be changed without the approval of Unitholders.

GoldTrust’s physical gold holdings may not be loaned, pledged, subjected to options or otherwise encumbered in any way.

Safeguards Gold bullion is stored on an allocated, segregated and insured basis in the underground treasury vaults of the Canadian Imperial Bank of Commerce, one of the largest banks in Canada.

The Bank may not release any of GoldTrust’s physical bullion holdings without receipt of an authorizing resolution of the Board of Trustees of GoldTrust.

Bullion holdings and bank vault security are inspected annually and spot inspected periodically by Trustees and/or officers of GoldTrust. On each occasion, inspections are required to be performed in the presence of both GoldTrust’s external auditors and Bank personnel.

GoldTrust is subject to the regulations and reporting requirements of the NYSE Alternext U.S. (formerly the American Stock Exchange), the Toronto Stock Exchange, and various Canadian provincial and U.S. securities regulatory authorities.

Conveniences GoldTrust’s Units are listed on the NYSE Alternext U.S.(GTU) and on the Toronto Stock Exchange (GTU.UN in Canadian dollars and GTU.U in U.S. dollars). Making a gold bullion investment through ownership of GoldTrust Units is as easy as calling one’s stockbroker or investment dealer. GoldTrust is advised that its Units are eligible for most types of Canadian and United States regulated capital accounts where physical bullion investment is often not permitted.

GoldTrust’s stock exchange listings provide readily quoted, liquid markets for the Units. The bid/ask spreads are usually considerably less than the buying and selling price spreads of direct bullion purchases, especially for small transactions.

Unlike many other forms of bullion investment, there are no storage or other direct costs paid by the investor. As well, there are no assay charges to the Unitholder to verify the legitimacy and/or actual gold content upon sale, redemption or liquidation of GoldTrust Units.

Trustees' Report to Unitholders

Central GoldTrust is a passive, self-governing, single purpose trust, with voting Units, that is focused upon the secure holding of gold bullion on behalf of its Unitholders.

Year-end net assets were 97.8% invested in gold. Gold holdings consisted of 151,969 fine ounces of gold bullion and 4,785 ounces of gold bullion certificates for a total of 156,754 fine ounces at December 31, 2008.

The accounts of GoldTrust are denominated in United States dollars and, unless otherwise noted, discussion in this Report refers to United States dollars.

A part of the Management's Discussion and Analysis (MD&A) for the year ended December 31, 2008, with additional comments on pages 13 to 18 hereof, is as follows:

Net Assets – Net assets increased by \$12,742,932 or 10.1% during the year to a total of \$138,597,513. The increase in net assets was attributable to the net proceeds of \$9,992,623 from the public offering completed on February 12, 2008 and the increased market price of gold during the year.

Net Income – The net income for the year ended December 31, 2008 amounted to \$2,750,309 (\$0.75 per Unit) compared to \$28,481,389 (\$7.30 per Unit) for the year ended December 31, 2007, after deducting expenses of \$878,714 (2007: \$622,843). Virtually all of the net income for the year represents the unrealized appreciation of holdings, which is not distributable income.

Audit fees increased significantly due to the additional preparation and audit required to comply with United States Sarbanes-Oxley legislation requirements.

Annual Expenses – Expenses as a percentage of the average month-end net assets during the 2008 fiscal year were 0.63% compared with 0.61% in 2007.

Liquidity – All of the assets of GoldTrust are liquid and consist of gold bullion, gold certificates, cash and interest-bearing cash deposits.

According to legal and tax counsel, the Units of GoldTrust qualify for investment by individuals and most types of Canadian and U.S. retirement accounts, trusts, financial entities and institutions.

We are committed to the secure stewardship of Central GoldTrust and its gold bullion holdings to fulfill its purpose and mandate as "The Gold Bullion Trust"™.

Sincerely,
On behalf of the Board of Trustees,



J.C. Stefan Spicer, President & CEO

February 12, 2009

STATEMENTS OF NET ASSETS

(expressed in U.S. dollars)

	<i>As at December 31,</i>	
	<i>2008</i>	<i>2007</i>
Net assets:		
Gold at market (Note 3)	\$ 135,592,210	123,546,031
Cash	147,728	58,249
Short-term deposits (Note 4)	2,937,792	2,347,380
Prepaid expenses and other	68,620	27,563
	138,746,350	125,979,223
Accrued liabilities (Note 6)	(148,837)	(124,642)
Net assets representing unitholders' equity	\$ 138,597,513	125,854,581
Represented by:		
Capital (Note 5)		
Units issued 4,279,500 (2007: 3,992,500)	\$ 76,279,600	66,286,977
Retained earnings inclusive of unrealized appreciation of holdings	62,317,913	59,567,604
	\$ 138,597,513	125,854,581
Net asset value per Unit	\$ 32.39	31.52
Net asset value per Unit expressed in Canadian dollars	\$ 39.66	31.15
Exchange rate:	U.S. \$1.00 = Cdn.	\$ 1.2246
		0.9881

See accompanying notes to financial statements.

On behalf of the Board of Trustees:

"John P. Embry"

"Bruce D. Heagle"

STATEMENTS OF CHANGES IN NET ASSETS

(expressed in U.S. dollars)

	<i>Years ended December 31,</i>		
	<i>2008</i>	<i>2007</i>	<i>2006</i>
Net assets at beginning of year	\$ 125,854,581	79,286,552	64,659,747
Net issuance of Units (Note 5)	9,992,623	18,086,640	-
Net income inclusive of unrealized appreciation of holdings	2,750,309	28,481,389	14,626,805
Increase in net assets during the year	12,742,932	46,568,029	14,626,805
Net assets at end of year	\$ 138,597,513	125,854,581	79,286,552

See accompanying notes to financial statements.

STATEMENTS OF INCOME*(expressed in U.S. dollars)*

	<i>Years ended December 31,</i>		
	<i>2008</i>	<i>2007</i>	<i>2006</i>
Income:			
Interest	\$ 89,771	101,672	57,286
Change in unrealized appreciation of holdings	3,539,252	29,002,560	15,084,106
	<u>3,629,023</u>	<u>29,104,232</u>	<u>15,141,392</u>
Expenses:			
Administration fees (Note 6)	410,796	319,255	245,223
Safekeeping, insurance and bank charges	131,494	96,684	72,749
Auditors' fees	125,050	41,266	52,424
Legal fees (Note 6)	74,081	48,646	48,522
Trustees' fees and expenses (Note 6)	43,221	41,726	39,561
Regulatory filing fees	36,018	25,132	16,143
Unitholder information	21,320	18,492	13,701
Stock exchange fees	20,966	16,023	14,724
Registrar and transfer agent fees	14,196	14,059	11,506
Miscellaneous	541	786	394
Foreign currency exchange loss (gain)	1,031	774	(360)
Total expenses	<u>878,714</u>	<u>622,843</u>	<u>514,587</u>
Net income			
inclusive of unrealized appreciation of holdings	\$ 2,750,309	28,481,389	14,626,805
Net income per Unit (Note 2 (c)):			
inclusive of unrealized appreciation of holdings	\$ 0.75	7.30	4.46

See accompanying notes to financial statements.

STATEMENTS OF UNITHOLDERS' EQUITY*(expressed in U.S. dollars)*

	<i>Years ended December 31,</i>		
	<i>2008</i>	<i>2007</i>	<i>2006</i>
Capital (Note 5):			
Units: 4,279,500 (2007: 3,992,500; 2006: 3,277,500)	\$ 76,279,600	66,286,977	48,200,337
Retained earnings:			
Balance at beginning of year	59,567,604	31,086,215	16,459,410
Net income	2,750,309	28,481,389	14,626,805
Balance at end of year	62,317,913	59,567,604	31,086,215
Unitholders' equity	<u>\$ 138,597,513</u>	<u>125,854,581</u>	<u>79,286,552</u>

See accompanying notes to financial statements.

Notes to Financial Statements*For the years ended December 31, 2008, 2007 and 2006**(amounts expressed in U.S. dollars unless otherwise stated)*

1. Central GoldTrust ("GoldTrust" or the "Trust") is a passive, self-governing, single purpose trust, with voting Units, established under the laws of Ontario on April 28, 2003. The governing Declaration of Trust was amended and restated on April 26, 2008, among other things, to transition a slight change in the name of the Trust from "Central Gold-Trust" to "Central GoldTrust", to affirm the right of Central Gold Managers Inc. to appoint two of the Trustees and to reduce the scale of fees payable to Central Gold Managers Inc. under the Administration Agreement, effective from January 1, 2008, to the scale of fees described in Note 6 below.

2. Summary of significant accounting policies:

On January 1, 2008, the Trust adopted Canadian Institute of Chartered Accountants ("CICA") Section 1535, Capital Disclosures; Section 3862, Financial Instruments - Disclosures; and Section 3863, Financial Instruments - Presentation. The adoption of these standards did not affect the Trust's net assets or its results of operations.

GoldTrust's accounting policies, which conform with Canadian and United States generally accepted accounting principles ("GAAP"), are summarized below:

(a) Foreign currency exchange translation:

Canadian dollar cash deposits are translated at the rates of exchange prevailing at year end. Any difference between the year-end exchange rate and the exchange rate at the time such deposits were acquired is recorded in the Statements of Income as foreign currency exchange loss (gain). Expenses incurred in Canadian dollars are translated at the rates of exchange prevailing when the transactions occur.

(b) Holdings:

Gold bullion and gold certificates are valued at market value at the final daily London fixing rate. The change in unrealized appreciation of holdings represents the change in the difference between the market value and the average cost of holdings in the period and is recorded in the Statements of Income in accordance with CICA Accounting Guideline 18. Investment transactions are accounted for on the trade date. Realized gains and losses and unrealized appreciation and depreciation are calculated on the average cost basis.

(c) Per Unit amounts:

The calculation of net income per Unit is based on the weighted average number of Units outstanding during the year. The calculation of the net asset value per unit is based on the number of Units outstanding at year end. GoldTrust has no dilutive instruments.

(d) Income taxes:

GoldTrust is taxed as a "Mutual Fund Trust" for income tax purposes. The Trustees may distribute all net realized capital gains and all taxable income directly earned by GoldTrust to its Unitholders and deduct such distributions for income tax purposes. Accordingly, there is no provision for income taxes.

(e) Future accounting policy:

In February 2008, Canada's Accounting Standards Board confirmed that Canadian GAAP, as used by publicly accountable enterprises, will be replaced by International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Public companies and trusts will be required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Trust's reporting for the first quarter of the fiscal year to commence on January 1, 2011 and for which the current and comparative information will be prepared under IFRS. The Trust has commenced to assess the impact of the transition to IFRS.

3. Gold bullion:

Details of gold bullion holdings are as follows:

<u>Gold holdings at December 31</u>	<u>2008</u>	<u>2007</u>
Gold bullion in fine ounces	151,969	142,909
Gold certificates in fine ounces	4,785	4,785
<u>Total fine ounces of gold</u>	<u>156,754</u>	<u>147,694</u>
Cost	\$ 70,824,435	62,426,808
Market – per fine ounce	\$ 865.00	836.50
Market value	\$ 135,592,210	123,546,031

4. Short-term cash deposits:

As at December 31, 2008, GoldTrust held two U.S. dollar fixed deposits with a Canadian bank: \$1,300,000 at a rate of 3.0% with a maturity date of January 16, 2009; and, \$1,200,000 at a rate of 2.2% with a maturity date of April 16, 2009. GoldTrust also held one Canadian dollar flexible GIC with a Canadian bank in the amount of CDN.\$536,115 at a rate of 2.3% with a maturity date of September 18, 2009.

As at December 31, 2007, GoldTrust held two U.S. dollar fixed deposits with a Canadian bank: \$245,000 at a rate of 4.35% with a maturity date of January 2, 2008; and, \$1,480,000 at a rate of 4.7% with a maturity date of March 5, 2008. GoldTrust also held one Canadian dollar flexible GIC with a Canadian bank in the amount of CDN.\$615,000 at a rate of 4.10% with a maturity date of September 18, 2008.

5. Capital:

Under the Declaration of Trust, an unlimited number of Units may be issued. Each Unit carries one vote at all meetings of Unitholders. Each Unit is transferable and represents an equal, undivided, beneficial interest in GoldTrust, in any distributions therefrom and in the net assets in the event of the termination or winding up of GoldTrust. There were 4,279,500 Units issued and outstanding at December 31, 2008 (2007: 3,992,500).

The Units of GoldTrust are redeemable by a holder at any time at a price equal to the lesser of: 90% of the weighted average of the market prices during a 10 day trading period commencing immediately following the date on which the Units were tendered for redemption; and 100% of the closing market price on the redemption date.

On February 12, 2008, the Trust, through a public offering, issued 287,000 Units for proceeds of \$10,097,808, net of underwriting fees of \$420,742. Costs relating to this public offering were \$105,185 and net proceeds were \$9,992,623. This issue increased the number of outstanding Units by 7%, from 3,992,500 to 4,279,500. The net proceeds from this public offering were used to purchase 9,060 fine ounces of gold in physical bar form at a cost of \$8,397,627. The balance of \$1,594,996 was retained by the Trust in interest-bearing cash deposits for working capital purposes.

On April 5, 2007, GoldTrust, through a public offering, issued 715,000 Units for proceeds of \$18,086,640, net of underwriting fees of \$753,610. This issue increased the number of outstanding Units by 22%, from 3,277,500 to 3,992,500. The net proceeds from this public offering were used to purchase 24,787 fine ounces of gold in physical bar form at a cost of \$16,523,169. The balance of \$1,563,471 was retained by GoldTrust in interest-bearing cash deposits for working capital purposes.

The stated and recorded capital of GoldTrust as at December 31, 2008, 2007 and 2006 was as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Stated capital – 4,279,500 Units (2007: 3,992,500; 2006: 3,277,500)	\$ 76,991,494	66,893,686	48,807,046
Less: Unit issue costs	711,894	606,709	606,709
Capital	\$ 76,279,600	66,286,977	48,200,337
Weighted average Units outstanding	4,246,566	3,808,363	3,277,500

6. Related party transactions:

GoldTrust is party to an agreement with Central Gold Managers Inc. (the "Administrator"), which is related to GoldTrust through certain of its officers and Trustees. Administration fees remitted to Central Gold Managers for the year ended December 31, 2008 increased to \$410,796 from \$319,255 due to the increase in the value of assets under administration. Included in accrued liabilities at December 31,

2008 is \$33,849 (2007: \$31,639) due to the Administrator. The Administrator furnishes administrative, regulatory compliance and marketing services to GoldTrust. For such services, effective January 1, 2008, GoldTrust has agreed to pay an administrative fee, on a monthly basis, equal to 0.30% per annum for the first \$100,000,000 of GoldTrust's total assets, 0.225% per annum for any excess over \$100,000,000 up to \$200,000,000 and 0.15% per annum for any excess over \$200,000,000 of total assets. No Trustees' fees are paid by GoldTrust to Trustees who are nominees of the Administrator of GoldTrust.

GoldTrust incurred legal fees amounting to \$74,081 for the year ended December 31, 2008 (2007: \$48,646; 2006: \$48,522), of which \$67,213 (2007: \$41,654; 2006: \$40,468) was payable to a legal firm to which one of GoldTrust's officers is Counsel. A balance of \$7,453 relating to these services was included in accrued liabilities at December 31, 2008 (2007: \$4,102).

7. Financial Highlights

	<i>Years ended December 31,</i>				
	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
<i>Per unit performance:</i>					
Net asset value per Unit at beginning of year	\$31.52	\$24.19	\$19.73	\$17.01	\$16.29
Net loss before unrealized appreciation of holdings	(0.19)	(0.14)	(0.14)	(0.10)	(0.10)
Unrealized appreciation of holdings	0.83	7.47	4.60	2.82	0.82
Total increase ⁽¹⁾	0.64	7.33	4.46	2.72	0.72
Net asset value per Unit at end of year	\$32.39	\$31.52	\$24.19	\$19.73	\$17.01
Total return	2.8%	30.3%	22.6%	16.0%	4.4%
<i>Percentages and supplemental data:</i>					
Ratios as a percentage of average net assets:					
Expenses	0.63%	0.61%	0.67%	0.68%	0.64%
Net loss before unrealized appreciation of holdings	0.56%	0.51%	0.60%	0.60%	0.59%

Based on the weighted average number of Units during the year except for the net asset values which are based on actual number of Units outstanding at the relevant time.

⁽¹⁾ This table is not meant to be a reconciliation of opening to ending NAV.

8. Management of financial risks:

The Trust has risk management policies and procedures in place to identify risks related to financial instruments. The objectives of these policies and procedures are to identify and mitigate risk. The Trust's compliance with these policies and procedures are closely monitored by the Senior Officers, the Audit Committee and the Trustees of the Trust.

Market fluctuations are unpredictable and outside the control of the Trust. New risk factors may emerge from time to time and it is not possible for the Trust to predict all such risk factors.

Changes in the market price of gold are the primary cause of changes in the net asset value per Unit. Assuming as a constant exchange rate, the rate which existed on December 31, 2008 of \$1.2246 Canadian for each U.S. dollar together with the holdings of gold bullion which existed on that date, a 10% change in the price of gold would increase or decrease the net asset value per Unit by approximately U.S. \$3.17 per unit or Cdn. \$3.88 per Unit.

When expressed in U.S. dollar terms, GoldTrust's net asset value per unit is largely unaffected by changes in the U.S./Canadian dollar exchange rate due to the fact that nearly all of GoldTrust's net assets are gold, which is priced in U.S. dollars. However, changes in the value of the U.S. dollar relative to the Canadian dollar have a direct impact on net assets as expressed in Canadian dollars. This arises because over 98% of GoldTrust's net assets are denominated in U.S. dollars, including gold bullion and cash deposits. An increase in the value of the Canadian dollar relative to the U.S. dollar means that the aforementioned U.S. dollar denominated assets are worth less when expressed in Canadian dollar terms. Assuming constant gold prices, a 10% increase or decrease in the value of the U.S. dollar relative to the Canadian dollar would change the net asset value per Unit as expressed in Canadian dollars in the same direction by approximately the same percentage.

9. Principal differences between Canadian and United States generally accepted accounting principles:

There are no differences between Canadian and United States generally accepted accounting principles which would require a reconciliation in the financial statements of GoldTrust.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, to increase consistency and comparability in fair value measurements and to expand their disclosures. The new standard includes a definition of fair value as well as a framework for measuring fair value. The standard is effective for fiscal periods beginning after November 15, 2007 and should be applied prospectively. In connection with the requirement of this standard, GoldTrust's policy and practice is to utilize only broadly quoted market values (Level 1 inputs) at all times when valuing its assets. As a result, no differences were identified between the United States and Canadian generally accepted accounting principles with respect to the impact of the requirements of SFAS No. 157 on the financial statements of the Trust.

10. Subsequent Event:

On January 14, 2009, GoldTrust, through a public offering, issued 1,123,500 Units for proceeds of \$36,487,685, net of underwriting fees of \$1,520,320. Costs relating to this public offering were approximately \$340,000 and net proceeds were approximately \$36,147,685. This issue increased the number of outstanding Units by 26%, from 4,279,500 to 5,403,500. The net proceeds from this public offering were used to purchase 40,900 fine ounces of gold in physical bar form at a cost of \$35,154,290. The balance of \$993,395 was retained by GoldTrust in interest-bearing cash deposits for working capital purposes.

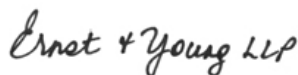
Auditors' Report to Unitholders

We have audited the statements of net assets of Central GoldTrust (the "Trust") as at December 31, 2008 and 2007 and the statements of income, changes in net assets and unitholders' equity for each of the years in the three-year period ended December 31, 2008. These financial statements are the responsibility of the Trust's senior officers. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Trust's senior officers, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2008 and 2007 and the results of its operations and the changes in its net assets for each of the years in the three-year period ended December 31, 2008 in accordance with Canadian generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Trust's internal control over financial reporting as of December 31, 2008 based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 9, 2009 expressed an unqualified opinion.



Chartered Accountants
Licensed Public Accountants

Toronto, Canada
February 9, 2009

*Report of Independent Registered Public Accounting Firm
To Unitholders of Central GoldTrust*

We have audited Central GoldTrust's (the "Trust") internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). The Trust's senior officers are responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in this Annual Report. Our responsibility is to express an opinion on the Trust's internal control over financial reporting based on our audit.

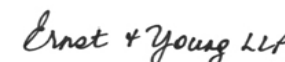
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A trust's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A trust's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the trust; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the trust are being made only in accordance with authorizations of senior officers and trustees of the trust; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Central GoldTrust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statements of net assets of Central GoldTrust as of December 31, 2008 and 2007, and the related statements of income, changes in net assets and unitholders' equity for each of the three years in the period ended December 31, 2008 and our report dated February 9, 2009 expressed an unqualified opinion thereon.



Chartered Accountants
Licensed Public Accountants

Toronto, Canada
February 9, 2009

Responsibility for Financial Reporting

The accompanying financial statements of Central GoldTrust and all of the information in this Annual Report are the responsibility of the Senior Executive Officers of the Trust and have been approved by the Board of Trustees and its Audit Committee.

The financial statements have been prepared by the Senior Executive Officers in accordance with Canadian generally accepted accounting principles. Financial statements may include certain amounts based on estimates and judgments. The Senior Executive Officers have determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. They have prepared financial information presented elsewhere in the Annual Report and have ensured that it is consistent with that in the financial statements.

GoldTrust maintains systems of internal accounting and records backup, as well as administrative and regulatory compliance controls of high quality, for a reasonable cost. Hard copies of transactions and monthly statements are retained in GoldTrust's files. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, retrievable and accurate and that GoldTrust's assets are appropriately accounted for and adequately safeguarded.

The Board of Trustees is responsible for guiding the Administrator and overseeing Senior Executive Officers in the Board's fulfillment of its responsibilities for financial reporting, and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee, which consists solely of independent Trustees.

The financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) on behalf of the Unitholders. Ernst & Young LLP has full and free access to the Audit Committee.

Ancaster, Canada, February 9, 2009



J.C. STEFAN SPICER
President & CEO



WILLIAM L. TRENCH
Chief Financial Officer

Management's Discussion and Analysis (MD&A)

The financial statements of Central GoldTrust ("GoldTrust") are prepared and reported in United States dollars in accordance with the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 18 and with Canadian generally accepted accounting principles, otherwise known as Canadian GAAP. Notes to the financial statements on pages 5 to 9 should be referred to as supplementary information to this discussion and analysis.

GoldTrust is a passive, self-governing, single purpose trust established by Declaration of Trust on April 28, 2003, which was amended and restated on April 24, 2008. Its purpose is to acquire, hold and secure gold bullion on behalf of its Unitholders. GoldTrust is not an operating entity nor does it have any employees, office facilities or the potential risks thereof. GoldTrust retains Central Gold Managers Inc. (the "Administrator") to attend to all administrative duties as delegated by the Administrative Services Agreement and as guided by the Trustees.

There are no off-balance sheet items, arrangements, contingencies or obligations. All accounts are fully disclosed and itemized in the financial statements.

Disclosure Controls and Procedures

The Senior Executive Officers have ensured that there are disclosure controls and procedures that provide reasonable assurance that material information relating to GoldTrust is disclosed on a timely basis. They believe these disclosure controls and procedures have been effective during the fiscal year ended December 31, 2008.

Results of Operations – Changes in Net Assets

Changes in net assets, as reported in U.S. dollars, from period to period, are primarily a result of any Unit offerings and the changing market price of gold. The following table summarizes gold prices and the changes in net assets in U.S. dollars:

	<i>Years ended December 31</i>		
	<i>2008</i>	<i>2007</i>	<i>2006</i>
Change in unrealized appreciation of holdings (in millions)	\$3.5	\$29.0	\$15.1
Net income for the period (in millions)	\$2.8	\$28.5	\$14.6
Net income per Unit	\$0.75	\$7.30	\$4.46
Total net assets (in millions)	\$138.6	\$125.9	\$79.3
Change in net assets from prior year (in millions)	\$12.7	\$46.6	\$14.6
% change from prior year	10.1%	58.7%	22.6%
Gold price (U.S. \$ per fine ounce)	\$865.00	\$836.50	\$635.70
% change from prior year	3.4%	31.6%	23.9%

In fiscal 2008, net assets as reported in U.S. dollars increased by 10.1% or \$12.7 million. A large portion of this increase was attributable to the public offering completed on February 12, 2008 as described in Note 5 to the financial statements. The Unit issue was completed at a premium to the net asset value per Unit at the time of pricing, such that there was no dilution of the interests of existing Unitholders. Net proceeds from the issue were \$9,992,623, of which \$8,397,627 was used to purchase 9,060 fine ounces of gold bullion in physical bar form. The balance of the net proceeds, \$1,594,996, was retained by GoldTrust in interest-bearing cash deposits for working capital purposes. The balance of the increase in net assets of \$2.7 million was primarily attributable to a 3.4% increase in the price of gold during the year. The increase in net assets was nominally affected by the loss before unrealized appreciation of holdings during the year.

In fiscal 2007, net assets as reported in U.S. dollars increased by 58.7% or \$46.6 million. A portion of this increase was attributable to the public offering completed on April 5, 2007 as described in Note 5 to the financial statements. The Unit issue was completed at a premium to the net asset value per unit at the time of pricing, such that there was no dilution of the interests of existing Unitholders. Net proceeds from the issue were \$18,086,640, of which \$16,523,169 was used to purchase 24,787 fine ounces of gold bullion in physical bar form. The balance of the net proceeds, \$1,563,471, was retained by GoldTrust in interest-bearing cash deposits for working capital purposes. The balance of the increase in net assets of \$28.5 million was primarily attributable to a 31.6% increase in the price of gold during the year. The increase in net assets was nominally affected by the loss before unrealized appreciation of holdings during the year.

In fiscal 2006, net assets as reported in U.S. dollars increased by 22.6% or \$14.6 million. The increase in net assets was attributable to a 23.9% increase in the price of gold during the year. The increase in net assets was nominally affected by the loss before unrealized appreciation of holdings during the year.

Summary of Quarterly Financial Information

<i>2008</i>	<i>Quarter ended (in US\$)</i>				<i>Year ended (in US\$)</i>
	<i>Dec. 31</i>	<i>Sept. 30</i>	<i>Jun. 30</i>	<i>Mar. 31</i>	<i>Dec. 31</i>
Income (loss) inclusive of unrealized appreciation (depreciation) of holdings	\$ (3,107,269)	(7,173,384)	(482,311)	14,391,987	3,629,023
Net income (loss) inclusive of unrealized appreciation (depreciation) of holdings	\$ (3,300,147)	(7,362,696)	(736,716)	14,149,868	2,750,309
Net income (loss) per Unit inclusive of unrealized appreciation (depreciation) of holdings	\$ (0.77)	(1.72)	(0.17)	3.41	0.75
<i>2007</i>	<i>Dec. 31</i>	<i>Sept. 30</i>	<i>Jun. 30</i>	<i>Mar. 31</i>	<i>Dec. 31</i>
Income (loss) inclusive of unrealized appreciation (depreciation) of holdings	\$ 13,845,299	13,734,491	(1,696,895)	3,221,337	29,104,232
Net income (loss) inclusive of unrealized appreciation (depreciation) of holdings	\$ 13,680,430	13,582,157	(1,846,639)	3,065,441	28,481,389
Net income (loss) per Unit inclusive of unrealized appreciation (depreciation) of holdings	\$ 3.42	3.40	(0.46)	0.94	7.30
<i>2006</i>	<i>Dec. 31</i>	<i>Sept. 30</i>	<i>Jun. 30</i>	<i>Mar. 31</i>	<i>Dec. 31</i>
Income (loss) inclusive of unrealized appreciation (depreciation) of holdings	\$ 4,460,318	(1,736,445)	3,922,987	8,494,532	15,141,392
Net income (loss) inclusive of unrealized appreciation (depreciation) of holdings	\$ 4,333,319	(1,858,328)	3,791,542	8,360,272	14,626,805
Net income (loss) per Unit inclusive of unrealized appreciation (depreciation) of holdings	\$ 1.32	(0.57)	1.16	2.55	4.46

Results of Operations – Net Income

GoldTrust's earned income objective is secondary to its purpose of holding almost all of its net assets in gold bullion. Generally, GoldTrust seeks only to maintain adequate cash reserves to enable it to pay the expenses of maintaining the Trust. GoldTrust's actual revenues are a nominal percentage of its net assets. However, the CICA Accounting Guideline 18, requires GoldTrust to record the change in unrealized appreciation (depreciation) of holdings in income. Accordingly, for the last three fiscal periods, GoldTrust has included the change in unrealized appreciation (depreciation) in net income. GoldTrust expects to generate some cash flow from its holdings of cash equivalents. Should GoldTrust not have sufficient cash to meet its needs, minor portions of GoldTrust's gold holdings may be sold to provide working capital and to pay for redemptions (if any) of Units.

GoldTrust does not anticipate the payment of regular distributions. In the event of any sales of gold that result in capital gains, as indicated in note 2(d) to the financial statements on page 6, distributions may be made.

Fiscal 2008 Compared to Fiscal 2007

Net income of \$2,750,309 for the 2008 fiscal year was 90.3% lower than the 2007 net income of \$28,481,389. The major component of this decrease was the lower amount of unrealized appreciation of holdings. Interest income was lower compared to the prior year due to the decline in bank interest rates.

The increase in net assets during the year had an impact on several expense categories. Administration fees, which are calculated monthly based on net assets at each month-end, increased during the year as a direct result of the higher level of net assets. Similarly, safekeeping fees, stock exchange fees and some other expenses increased to reflect the increased dollar prices of gold bullion being held. Audit fees increased significantly due to the additional preparation and audit required to comply with United States Sarbanes-Oxley legislation requirements.

The expenses of maintaining GoldTrust, expressed as a percentage of the average of the month-end net assets were 0.63% for fiscal 2008 compared with 0.61% in fiscal 2007.

Fiscal 2007 Compared to Fiscal 2006

Net income of \$28,481,389 for the 2007 fiscal year was 94.7% higher than the 2006 net income of \$14,626,805. The major component of this increase was the unrealized appreciation of holdings. Interest income was higher compared to the prior year as both the average balances of interest-bearing cash deposits and bank interest rates increased.

The increase in net assets during the year had an impact on several expense categories. Administration fees, which are calculated monthly based on net assets at each month-end, increased during the year as a direct result of the higher level of net assets. Similarly, safekeeping fees, stock exchange fees and some other expenses increased to reflect the increased dollar prices of gold bullion being held.

The expenses of maintaining GoldTrust, expressed as a percentage of the average of the month-end net assets were 0.61% for fiscal 2007 compared with 0.67% in fiscal 2006.

Liquidity and Capital Resources

All of GoldTrust's assets are liquid. GoldTrust holds small cash reserves that generate some interest income primarily to be applied to pay expenses. At December 31, 2008, GoldTrust's cash reserves, including cash equivalents, were \$3,085,520. The comparable figure at December 31, 2007 was \$2,405,629. The ability of GoldTrust to have sufficient cash to pay the expenses of maintaining the Trust and to meet demands for redemption (if any), is primarily dependent upon its ability to realize cash flow from its cash equivalents. Should GoldTrust not have sufficient cash to meet its needs in the future, minor portions of GoldTrust's gold holdings may be sold to provide working capital and to pay for redemptions (if any) of Units. Sales of gold could result in GoldTrust realizing either capital losses or gains. During the fiscal year ended December 31, 2008, GoldTrust's cash reserves increased by \$679,891. The primary sources and uses of cash were as follows:

Sources of Cash

The primary inflow of cash was the cash portion retained from the proceeds of the issuance of Units from the February 2008 public offering of \$9,992,623. An additional \$90,216 was interest income earned on short-term cash deposits.

Uses of Cash

The primary outflow of cash during the year involved the purchase of gold bullion with the proceeds from the Unit issue referred to above. GoldTrust paid \$8,397,627 to purchase 9,060 fine ounces of gold.

During fiscal 2008, total expenses were \$878,714 while \$1,005,321 was paid out. The difference of \$126,607 reflects changes in accruals and the foreign currency exchange gain between the 2007 and 2008 year ends.

Risk Factors

The avoidance of risk is uppermost in the purpose, construct and defensive stewardship of GoldTrust. Gold bullion owned by GoldTrust is stored in segregated safekeeping in the treasury vaults of the Canadian Imperial Bank of Commerce (the "Bank") and insurance is maintained by the Bank.

GoldTrust's purpose is to hold gold on behalf of its Unitholders. GoldTrust's gold assets are traded internationally and are denominated in U.S. dollars. As at December 31, 2008, GoldTrust's assets consisted of 94.8% gold bullion, 3.0% gold certificates and 2.2% cash and interest-bearing cash deposits and other working capital.

GoldTrust does not engage in any borrowing, leasing, lending or hedging activities involving its assets. Consequently, the value of GoldTrust's Units will depend on, and typically fluctuate with, the changing prices of gold.

The principal factors affecting the price of GoldTrust's Units are factors which affect the currency prices of gold. The gold price may be affected at any time by various unpredictable international, economic, monetary and political factors. Macroeconomic considerations include: expectations of future inflation rates; fluctuations in the exchange rates of the U.S. dollar, the principal currency in which gold is quoted; interest rate volatility; and, unexpected global, or regional, political or economic incidents.

Related party information

Please refer to Note 6 commencing on page 7 of this Annual Report.

Other

GoldTrust maintains its accounting records, purchases gold and reports its financial position and results in U.S. currency. However, certain of GoldTrust's expenses are paid, and GoldTrust's Units trade, in Canadian currency as well as U.S. currency. Therefore, because exchange rate fluctuations are beyond GoldTrust's control, there can be no assurance that such fluctuations will not have an effect on GoldTrust's accounts or on the trading value of GoldTrust's Units in Canadian dollars.

The Administrator anticipates U.S. dollar denominated prices of gold bullion will increase over time. The impact of inflation should be reflected in GoldTrust's financial statements which are prepared to report market values, and in the market value of the 4,279,500 voting Units issued and outstanding.

The Trustees will consider, from time to time, the issue of additional Units at a net price that would be non-dilutive to present Unitholders' interests. Additional Unit issues to enlarge GoldTrust's asset base should enable a reduction in the expense ratio per unit and broaden exchange trading liquidity to the advantage of all Unitholders of GoldTrust.

GoldTrust is advised that U.S. investors investing in GoldTrust Units for taxable accounts should acquaint themselves with Passive Foreign Investment Company (PFIC) rules and Qualifying Election Forms (QEF's) which may apply to their investment in GoldTrust Units.

This Report dated February 12, 2009, Annual Information Forms, Notices of Annual Meetings and Information Circulars, Press Releases, financial and other information are available at www.sedar.com and www.gold-trust.com.

Corporate Information

Trustees

John P. Embry (E) (I)
 Brian E. Felske (A) (I)
 Bruce D. Heagle (A) (C) (I)
 Ian M.T. McAvity (C) (I) (L)
 Robert R. Sale (A) (C) (I)
 Philip M. Spicer (N) (E)
 J.C. Stefan Spicer (N) (E)

(A) - Member of Audit Committee
 (C) - Member of Corporate Governance & Nominating Committee
 (E) - Member of Executive Committee
 (I) - Independent Trustee
 (L) - Lead Trustee
 (N) - Nominee of the Administrator

Administrator

Central Gold Managers Inc.
 Ancaster, Ontario, Canada

Auditors

Ernst & Young LLP
 Toronto, Ontario, Canada

Legal Counsel

Fraser Milner Casgrain LLP
 Toronto, Ontario, Canada

Dorsey & Whitney LLP
 Toronto, Ontario Canada

Unit Asset Value Information

The net asset value per Unit is calculated daily and is available by calling Central GoldTrust at (905) 304-GOLD (4653). The total net assets, the net asset value per Unit and the detailed basis of their calculations are posted daily at www.gold-trust.com and www.gold-trust.ca.

Officers

John P. Embry, Co-Chairman
 Philip M. Spicer, Co-Chairman
 J.C. Stefan Spicer, President & CEO
 John S. Elder, Q.C., Secretary
 J.L. Michele Spicer, Assistant-Secretary
 William L. Trench, A.C.I.S., CFO
 Krystyna S. Bylinowski, Treasurer

Custodian

Canadian Imperial Bank of Commerce
 Toronto, Ontario, Canada

Registrar and Transfer Agent

CIBC Mellon Trust Company, Canada
 Mellon Investor Services LLC, U.S.A.

Stock Exchange Listings

NYSE Alternext U.S. Symbol : GTU (U.S.\$)
 (formerly the American Stock Exchange)

TSX Symbols: GTU.UN (Cdn \$)
 GTU.U (U.S. \$)



CENTRAL GOLDTRUST

“The Gold Bullion Trust”

Phone: 905-304-GOLD (4653)
Fax: 905-648-4196
E-Mail: info@gold-trust.com

www.gold-trust.com
www.goldtrust.ca

Mailing Address:

P.O. Box 10106
Ancaster, Ontario
Canada L9K 1P3

Courier Address:

55 Broad Leaf Crescent
Ancaster, Ontario
Canada L9G 3P2