



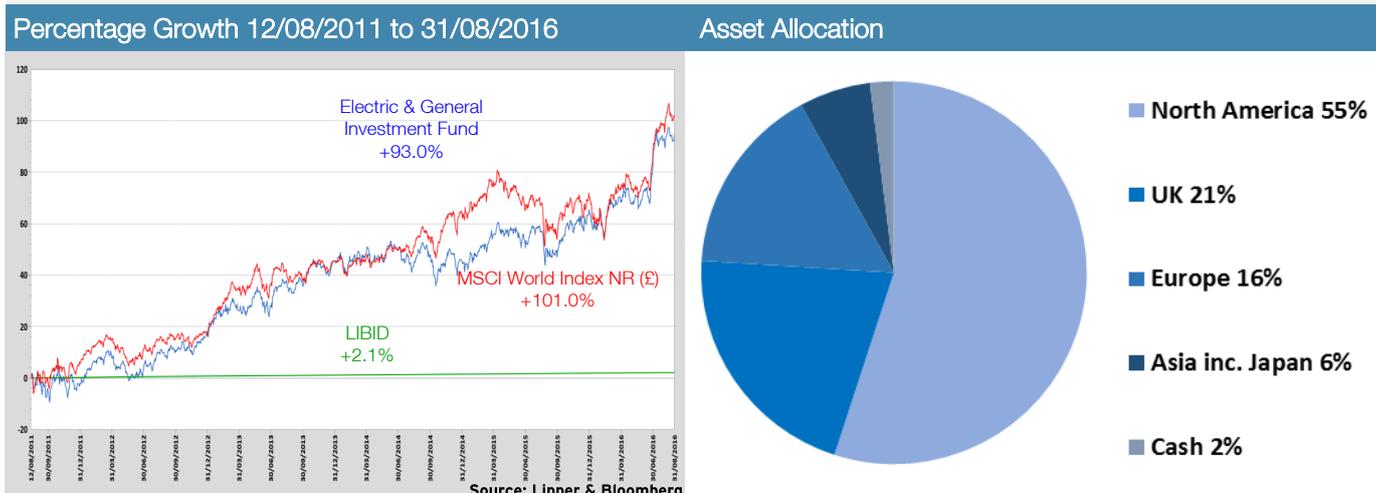
## Electric & General Investment Fund

www.electricandgeneral.com

August 2016

The investment objective of the Electric & General Investment Fund is to seek to achieve long-term capital growth with some potential for income. The company's investment policy is to invest principally in global equities, and it may also invest in other transferable securities, bonds, collective investment schemes, warrants, money market instruments, cash, near cash and deposits. There is no limit to which the company can be invested in each sector or asset type, nor is there any particular geographic focus.

| Price   | All data as at 31 August 2016 | Net Yield | Fund Size    |
|---------|-------------------------------|-----------|--------------|
| 173.70p |                               | 1.7%      | £100,680,118 |



| Total Return to 31 August 2016                    | 12/08/2011<br>Since launch | 31/08/13<br>3 years | 31/08/14<br>2 years | 31/08/15<br>1 year | 29/02/16<br>6 months |
|---|----------------------------|---------------------|---------------------|--------------------|----------------------|
| Electric & General Investment Fund                | +93.0%                     | +45.2%              | +29.4%              | +28.4%             | +15.3%               |
| LIBID (GBP 1 Month)<br>London Inter Bank Bid Rate | +2.1%                      | +1.1%               | +0.8%               | +0.4%              | +0.2%                |
| IA Global   | +80.6%                     | +37.7%              | +25.1%              | +21.9%             | +18.7%               |
| MSCI World Index NR (£)                           | +101.0%                    | +46.3%              | +29.7%              | +25.3%             | +19.7%               |

| Discrete Calendar Annual Returns   | 2012   | 2013   | 2014  | 2015   | 2016<br>YTD |
|------------------------------------|--------|--------|-------|--------|-------------|
| Electric & General Investment Fund | +18.7% | +25.4% | -0.7% | +13.7% | +17.4%      |

Source: Lipper & Bloomberg **Past performance is not a guide to future performance.**

### August Commentary

Your Fund returned +0.4% during the month compared to +1.5% for the MSCI World Index NR (£).

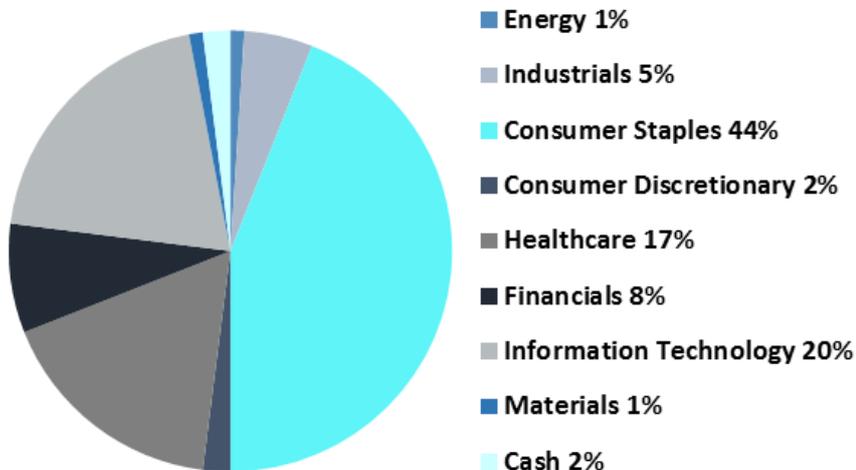
Against the backdrop of very strong global equity markets in 2016 our investment in Sky has been disappointing and the shares are down -23.7% year to date. The de-rating of Sky has been driven by a host of factors. These include content cost inflation, most notably for football rights, increased competition from the likes of BT and Netflix and the hangover from Sky taking full ownership of their German and Italian subsidiaries. The absorption of the

European businesses has diluted group margins and substantially increased the debt burden.

Sky has, however, carried on innovating and managing the business with a strong eye on costs. Subscriptions, product mix, pricing and advertising revenues have all improved and revenues are growing at a mid-single digit rate. Operating costs have come down as a percentage of revenues and there is more to be done with the integration of the German and Italian businesses onto a single platform. Television is obviously a much more competitive arena today but we are encouraged

that Sky is facing the challenge head on with new initiatives such as Sky Q, Now TV and AdSmart. These innovations allow Sky to tailor its services to individual customers, provide flexibility and price accordingly. There are undoubtedly threats to be managed but Sky is well placed to retain their position as the leading pay-TV service in the UK, whilst Europe provides long-term scope for growth. Cash generation remains strong. The shares trade on 15x earnings with a dividend yield of 3.8% which is at a discount to many other holdings in the Fund.

Asset Allocation by Sector



Top 10 Holdings % Fund

|                          |              |
|--------------------------|--------------|
| Microsoft                | 5.8          |
| Philip Morris            | 4.9          |
| Altria                   | 4.8          |
| British American Tobacco | 4.2          |
| Novartis                 | 3.9          |
| Roche Holdings           | 3.9          |
| Nestlé                   | 3.8          |
| Johnson & Johnson        | 3.6          |
| Wells Fargo              | 3.5          |
| Unilever                 | 3.4          |
| <b>Total Top 10</b>      | <b>41.8</b>  |
| 26 other holdings        | 56.6         |
| Cash & equivalent        | 1.6          |
| <b>Total</b>             | <b>100.0</b> |

| Risk analysis since launch 12/08/2011 | Fund   | Index*  |
|---------------------------------------|--------|---------|
| Total return                          | +93.0% | +101.0% |
| Max drawdown <sup>1</sup>             | -11.9% | -16.2%  |
| Best month                            | +8.7%  | +7.8%   |
| Worst month                           | -7.1%  | -5.3%   |
| Positive months                       | +63.3% | +68.3%  |
| Annualised Volatility                 | +12.3% | +10.2%  |

<sup>1</sup> Measures the worst investment period      \* MSCI World Index NR (£)

Fund Information

A copy of the latest Prospectus upon which you should base your investment decision is available from Carvetian Capital Management Ltd, the Company's Authorised Corporate Director on 0845 850 0255 or at [www.electricandgeneral.com](http://www.electricandgeneral.com).

|  |   |  |
|--|---|--|
| <b>Structure</b><br>UCITS  | <b>Annual Management Charge</b><br>Income shares: 0.75%   | <b>Dealing</b><br>Daily<br>Tel: 0845 850 0255  |
| <b>Investment Manager</b><br>Troy Asset Management Ltd<br>33 Davies Street<br>London W1K 4BP<br><br>Tel: 020 7499 4030<br>Fax: 020 7491 2445<br>email: info@taml.co.uk | <b>Dividend Ex Dates</b><br>2 Jan (Interim), 1 Jul (Final)<br><b>Dividend Pay Dates</b><br>End Feb (Interim), end Aug (Final)<br><b>Net Yield (historic): 1.7%</b><br><b>Authorised Corporate Director</b><br>Carvetian Capital Management Ltd<br>Stuart House<br>St John's Street<br>Peterborough<br>PE1 5DD<br>Tel: 0845 850 0255 | <b>Registrar</b><br>Yealand Administration Ltd<br><b>Auditor</b><br>Shipleys LLP<br><b>Depository</b><br>National Westminster Bank plc<br><b>SEDOL</b><br>B52CBS3<br><b>Pricing</b><br>Available at <a href="http://www.electricandgeneral.com">www.electricandgeneral.com</a> |
| <b>Fund Manager</b> Gabrielle Boyle  |   |  |
| <b>Currency</b> £ Sterling   |   |  |
| <b>Initial Fee</b> Nil   |   |  |
| <b>Launch Date</b> 12 August 2011  |   |  |

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