



## Electric & General Investment Fund

31 December 2016

[www.electricandgeneral.com](http://www.electricandgeneral.com)

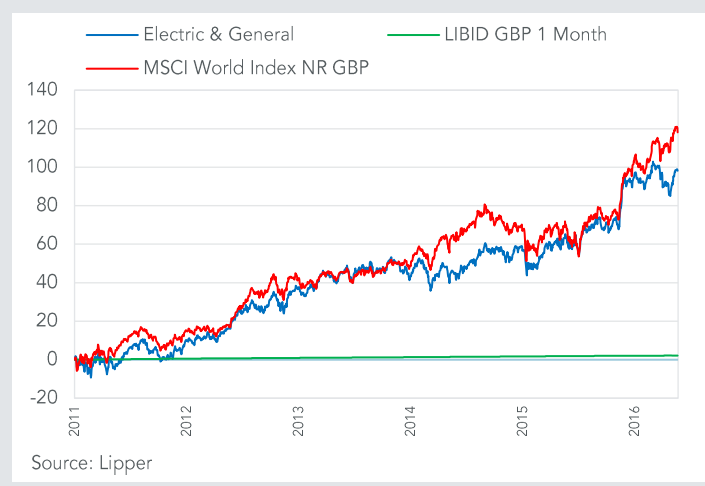
The investment objective of the Electric & General Investment Fund is to seek to achieve long-term capital growth with some potential for income. The company's investment policy is to invest principally in global equities, and it may also invest in other transferable securities, bonds, collective investment 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.

**Prices**  
**177.40p**

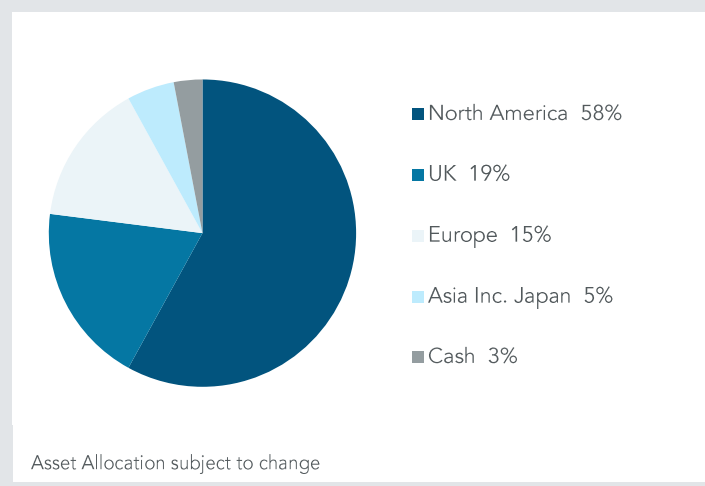
**Net Yield**  
**1.7%**

**Fund Size**  
**£102,452,465**

### Percentage Growth from 12/08/2011 to 31/12/2016



### Asset Allocation



Total Return to 31 December 2016	12/08/11 Since Launch	31/12/13 3 years	31/12/14 2 years	31/12/15 1 year	30/06/16 6 months
<b>Electric &amp; General Investment Fund</b>	+98.1%	+36.2%	+37.1%	+20.5%	+8.6%
LIBID* (1 month GBP)	+2.1%	+1.0%	+0.7%	+0.3%	+0.1%
IA Global	+93.1%	+39.3%	+29.5%	+24.5%	+15.9%
MSCI World Index NR (£)	+118.2%	+49.9%	+34.5%	+28.2%	+15.6%

Discrete Calendar Annual Returns	2012	2013	2014	2015	2016
<b>Electric &amp; General Investment Fund</b>	+18.7%	+25.4%	-0.7%	+13.7%	+20.5%

\*London Inter-bank Bid Rate

**Past performance is not a guide to future performance**

Source: Lipper

### December Commentary

Your Fund returned +3.6% during the month compared to +3.5% for the MSCI World Index NR (£). 2016 was an exceptionally strong year for global equities and the Fund returned +20.5% lagging the MSCI World Index NR (£) return of +28.2%.

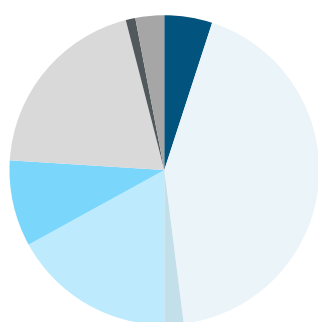
The drivers of the Fund's returns in 2016 included investments in US equities (averaging over 50% of the Fund in 2016) which returned +31% for the year. Particular highlights included Microsoft, Fiserv, J&J and Intuit all of which returned more than +35% in sterling\*. At an industry level, holdings in the technology sector were significant contributors including eBay and Alphabet. The consumer staples sector

underperformed last year but investments in Altria, Philip Morris International, Procter & Gamble and BAT produced high returns. The healthcare sector was disappointing with Novartis and Roche notably weak. Becton Dickinson was the exception producing a decent result for the year. Elsewhere Jardine Matheson had an excellent year and our two financials, American Express and Wells Fargo, finished 2016 strongly. The relative weakness of sterling was a major factor driving GBP returns last year. Corporate activity wasn't as big a feature compared to 2015 but we were pleased to receive the bid by 21st Century Fox for Sky Plc in December at a +39% premium to the recent lows.

The Fund's relative underperformance in 2016 can largely be explained by our low exposure to energy, materials, industrials and financials, all of which recovered very strongly after recording heavy losses in 2015. The high capital intensity, low margins and economic sensitivity of these industries make them challenging areas for long-term investors. We prefer to invest in companies with low capital intensity, high margins, strong balance sheets and consistent revenue streams. The returns of these businesses tend to be less exciting but far more dependable over the longer term.

\*Source: Troy, Bloomberg 31st December 2016

## Asset Allocation by Sector



- Industrials 5%
- Consumer Staples 43%
- Consumer Discretionary 2%
- Healthcare 17%
- Financials 9%
- Information Technology 20%
- Materials 1%
- Cash 3%

Top 10 holdings	% Fund
Microsoft	5.8
Phillip Morris	4.7
Altria	4.7
Wells Fargo	4.0
British American Tobacco	4.0
Roche Holdings	3.8
Novartis	3.8
American Express	3.7
Johnson & Johnson	3.6
Nestlé	3.6
<b>Total Top 10</b>	<b>41.7</b>
<b>24 other holdings</b>	<b>55.6</b>
<b>Cash &amp; Equivalent</b>	<b>2.7</b>
<b>TOTAL</b>	<b>100.0</b>

Risk analysis since launch (12/08/11)	Fund	Index*
Total Return	+98.1%	+118.2%
Max Drawdown <sup>1</sup>	-11.9%	-16.2%
Best Month	+8.7%	+7.8%
Worst Month	-7.1%	-5.3%
Positive Months	+64.1%	+68.8%
Annualised Volatility	+12.3%	+10.1%

1. Measures the worst investment period

\*MSCI World Index NR (£)

Holdings subject to change

## 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> UCITS	<b>Annual Management Charge</b> Income shares 0.75%	<b>Dealing</b> Daily Tel: 0845 850 0255
<b>Investment Adviser</b> Troy Asset Management Ltd 33 Davies Street London W1K 4BP  Tel: 020 7499 4030 Fax: 020 7491 2445 email: <a href="mailto:info@taml.co.uk">info@taml.co.uk</a>	<b>Dividend Ex Dates</b> 2 January (interim), 1 July (final)	<b>Registrar</b> Yealand Administrators Ltd
<b>Fund Manager</b> Gabrielle Boyle	<b>Dividend Pay Dates</b> End February (interim), end August (final)	<b>Auditor</b> Shipleys LLP <b>Depository</b> National Westminster Bank plc
<b>Currency</b> £ Sterling	<b>Net Yield (historic)</b> 1.69%	<b>SEDOL</b> B52CB53
<b>Initial Fee</b> Nil	<b>Authorised Corporate Director</b> Carvetian Capital Management Ltd Stuart House St John's Street Peterborough PE1 5DD Tel: 0845 850 0255	<b>Pricing</b> Available at <a href="http://www.electricandgeneral.com">www.electricandgeneral.com</a>
<b>Launch Date</b> 12 August 2011		

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