



# Electric & General Investment Fund

31 January 2018

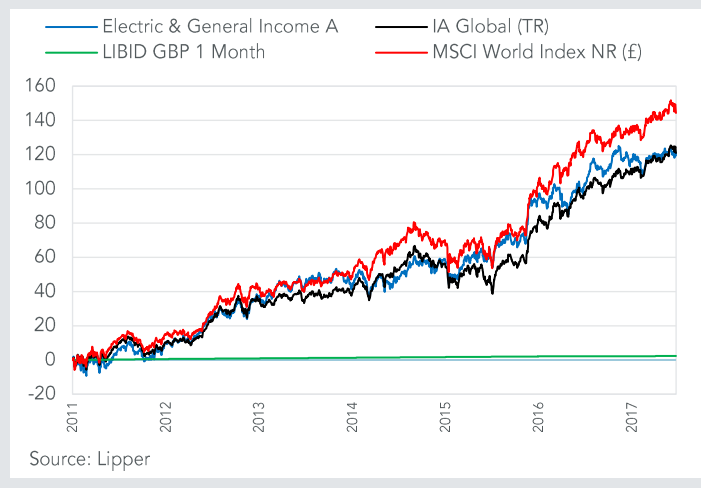
[www.electricandgeneral.com](http://www.electricandgeneral.com)

The investment objective of the Electric & General Investment Fund is to seek to achieve long-term capital growth with some potential for income. The investment policy is to invest principally in global equities, 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.

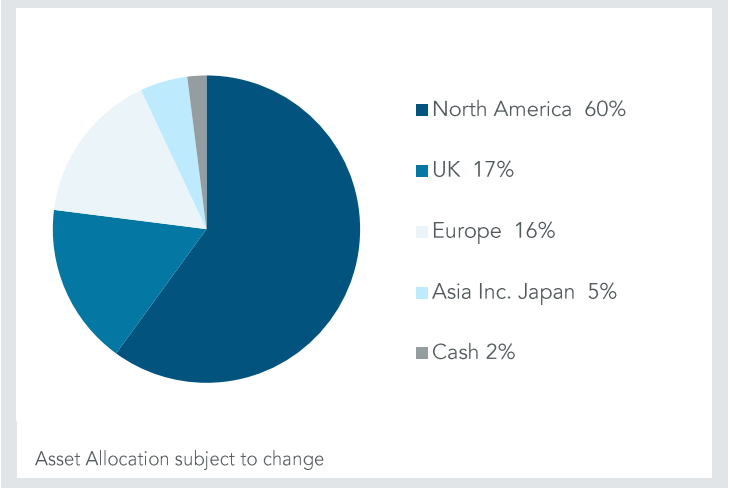
<b>Prices</b>	<b>Net Yield</b>
<b>193.40p</b>	<b>1.6%</b>

<b>Fund Size</b>
<b>£100,583,204</b>

## Percentage Growth from 12/08/2011 to 31/01/2018



## Asset Allocation



Total Return to 31 January 2018	12/08/11 Since Launch	01/07/15 Since Troy Appt	31/01/13 5 years	31/01/15 3 years	31/01/17 1 year	31/07/17 6 months
<b>Electric &amp; General Income A</b>	+119.5%	+43.3%	+75.8%	+49.5%	+9.6%	+1.6%
<b>LIBID* (1 month GBP)</b>	+2.4%	+0.7%	+1.6%	+0.8%	+0.2%	+0.1%
<b>IA Global (TR)</b>	+120.9%	+42.6%	+80.7%	+45.1%	+13.0%	+5.7%
<b>MSCI World Index NR (£)</b>	+144.3%	+46.1%	+93.7%	+47.7%	+11.3%	+5.4%

Discrete Calendar Annual Returns	2012	2013	2014	2015	2016	2017	2018 YTD
<b>Electric &amp; General Income A</b>	+18.7%	+25.4%	-0.7%	+13.7%	+20.5%	+11.3%	-0.5%

\*London Inter-bank Bid Rate

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

Source: Lipper

## January Commentary

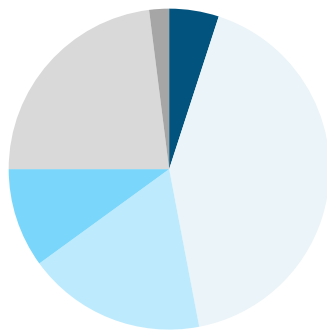
Your Fund returned -0.5% during the month compared to +0.1% for the MSCI World Index NR (£).

With another strong set of quarterly earnings during the month, Microsoft's shares added to their big gains made in 2017. When Troy first invested in the company in 2010, amidst fears of heightened competition, we correctly assumed that users would prove loyal to Microsoft's products. What we didn't fully appreciate at the time was the investment the company was making to become a leader in cloud computing.

The delivery of its software over the internet has deepened and broadened Microsoft's existing customer relationships. Its Office suite is becoming more sophisticated by integrating with new methods of online communication, cybersecurity, business analytics and, eventually, artificial intelligence. Moreover, by renting its computing power to others, Microsoft has entered the very large database market previously owned by its rivals. The transition to cloud services has a long way to go before it matures and as it gains in scale it has the power to

accelerate group revenue growth at improving profit margins. In the last six months, Microsoft has grown its revenues and profits by double digits, and increased its free cash flow by +14%, much of which goes back to shareholders in dividends and buybacks. There is \$54bn of net cash sitting idle on the balance sheet ready to be deployed. These facts help to justify a share price which has substantially re-rated. At a free cash flow yield of 4.8% we still see reasonable value in the shares.

## Asset Allocation by Sector



- Industrials 5%
- Consumer Staples 42%
- Healthcare 18%
- Financials 10%
- Information Technology 23%
- Cash 2%

Asset Allocation subject to change

Risk analysis since launch (12/08/11)	Fund	IA Global (TR)	Index*
Total Return	+119.5%	+120.9%	+144.3%
Max Drawdown <sup>1</sup>	-11.9%	-16.9%	-16.2%
Best Month	+8.7%	+7.9%	+7.7%
Worst Month	-7.1%	-5.2%	-5.3%
Positive Months	+62.3%	+66.2%	+70.1%
Annualised Volatility	+11.8%	+10.1%	+9.5%

1. Measures the worst investment period

\*MSCI World Index NR (£)

Source: Lipper

Top 10 holdings	% Fund
Microsoft	6.0
Philip Morris	4.6
American Express	4.5
Novartis	4.5
British American Tobacco	4.3
Wells Fargo	4.3
Roche Holdings	4.1
Unilever	3.9
Becton Dickinson	3.9
Nestlé	3.9
<b>Total Top 10</b>	<b>44.0</b>
20 other holdings	54.1
Cash & Equivalent	1.9
<b>TOTAL</b>	<b>100.0</b>

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 Limited, the Company's Authorised Corporate Director on 0845 850 0255 or by emailing [carvetian@yealand.com](mailto:carvetian@yealand.com).

<b>Structure</b> UCITS	<b>Ongoing Charges</b> Income shares 1.12%	<b>Dealing</b> Daily Tel: 0845 850 0255
<b>Investment Adviser</b> Troy Asset Management Limited 33 Davies Street London W1K 4BP  Tel: 020 7499 4030 Fax: 020 7491 2445 email: busdev@taml.co.uk	<b>Dividend Ex Dates</b> 2 January (interim), 1 July (final)	<b>Registrar</b> Yealand Administration Limited
<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> 1.58%	<b>SEDOL</b> B52CBS3
<b>Initial Fee</b> Nil	<b>Authorised Corporate Director</b> Carvetian Capital Management Limited Stuart House St John's Street Peterborough PE1 5DD Tel: 0845 850 0255 <a href="http://www.carvetian.com">www.carvetian.com</a>	<b>Pricing</b> Available at <a href="http://www.electricandgeneral.com">www.electricandgeneral.com</a> and <a href="http://www.yealand.com">www.yealand.com</a>
<b>Launch Date</b> 12 August 2011		

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