



Electric & General Investment Fund

Interim Report including long form financial statements
for the six months ended 31 December 2023

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Authorised status

The Electric & General Investment Fund (the 'Company'/the 'Fund') is an investment company with variable capital (ICVC) under regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 and is managed in accordance with the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL).

The Electric & General Investment Fund is a UCITS Scheme which complies with the requirement of the FCA 'COLL Rules', including the investment and borrowing powers in Chapter 5.

Shareholders are not liable for the debts of the Company.

Fund information

Investment objective and policy

The Company's investment objective is to seek to achieve long term (at least five years) capital growth with some potential for income.

To achieve the investment objective, the Company's investment policy is to invest principally (at least 80%) in a portfolio of global equities, and may also invest in other transferable securities, bonds (both corporate and government debt securities), collective investment schemes ('CIS'), warrants, money market instruments, cash, near cash and deposits. The Company may borrow and may enter into underwriting arrangements. It is the ACD's intention that derivatives and forward currency transactions will only be used for the purposes of efficient portfolio management, including hedging, as defined by the Regulations.

The Company is actively managed and has, with the exception of the above noted minimum, no limit to which it can be invested in each sector or asset type, nor is there any particular geographic focus. The Portfolio Manager has full flexibility to adjust the proportion of the property of the Company depending on their view of market conditions and the assets which it believes are most likely to achieve the Company's investment objective. From time to time the liquidity of the Company may be increased substantially if judged to be in the interests of investors.

The Company may invest in CIS which have different investment strategies or restrictions than the Company, including the ability to invest in derivatives for investment purposes and to gain exposure to assets which are not expressly listed above. Investment in CIS will usually be limited to those which invest primarily in the assets listed above and without exception, CIS will only be held in so far as the rules permit the Company to gain exposure to the assets held by those CIS.

A Glossary of Definitions which provides definitions to some of the technical language used in this document is available from www.yealand.com/policies.

The Company benefits from an Independent Director whose duties include the oversight of key elements of the Company's operation.

Comparator benchmark

To gauge the relative performance of the Fund, Shareholders may compare the Fund's performance against the Investment Association's Global Sector. This is not a performance target nor constrains the way in which the Fund is managed. For further information on the Sector and its intended use, please refer to the Fund's Prospectus.

Fund information
continued

Target market

Electric & General Investment Fund may be suitable for all eligible investors (be they retail clients, professional clients or eligible counterparties, each as defined in glossary to the UK Financial Conduct Authorities Handbook of Rules and Guidance) who are seeking long-term capital growth with some potential for income by investing principally in a portfolio of global equities, provided they can meet any minimum age and minimum investment amounts. Financial experience is not considered a necessity. However, investors must at least understand a product where capital is at risk and have the capacity to bear losses (possibly total) on their original investment, accepting risk to their capital.

The Fund may be suitable as a component of a portfolio and for investors who are looking to set aside their capital for the long term (at least five years), though shares may be redeemed on a daily basis.

The risk and reward profile for the Fund is set out in the Key Investor Information Document(s) for the Fund.

Any investor should be willing to accept price fluctuations.

Electric & General Investment Fund is unlikely to be compatible with the requirements of an investor:

- investors looking for guaranteed income or return;
- seeking full capital protection;
- who does not have sufficient resources to bear any loss resulting from the investment;
- who is not able to evaluate the risks and merits of the Fund; and/or
- with a short-term (less than five years) investment horizon

Investment manager

The investment manager to the Fund is Troy Asset Management Limited.

Distribution

Shareholders may own accumulation and/or income shares, which entitle them to a share in any allocation/distribution of income made by the Company. Normal distribution dates are the last day of February and 31 August for income accrued as at 31 December and 30 June respectively.

Future distributions may fluctuate depending on the mix of assets over any specific reporting period.

Annual Management Charge (AMC)

The AMC due to the Authorised Corporate Director is 0.04% per annum. An administration fee is payable to the Authorised Corporate Director at 0.12% on the first £50m, 0.08% on next £50m and 0.04% on the remaining NAV per annum.

The investment manager, Troy Asset Management Limited, receives a fee of 0.60% per annum.

If the Fund invests in a collective investment scheme operated by the above management group, then the Fund will receive rebates of any management fees on these investments or pay a reduced investment management fee to reflect this.

Investment manager's report for the six months ending 31 December 2023

Portfolio review

Fears that interest rates would stay higher for longer quickly gave way to expectations for multiple rate cuts in 2024. Inflation data continued to show moderating trends and bond yields fell dramatically from their multi-year highs. Economic and market data suggest no immediate concerns of corporate or consumer distress. These circumstances created ideal conditions for equities, particularly those that are more economically or interest-rate sensitive. Global equity markets rallied hard towards the end of the period to finish at their highs.

The Fund returned a total return of +7.1% which compares to the IA Global sector's average of +5.5%. The drag from the Fund's significant investments in traditionally defensive sectors (including consumer staples and healthcare) was more than offset by broad gains made elsewhere – from large investments in software, communication services, data services, and payments.

The top five contributors were Intuit, Alphabet, Meta Platforms, Booking Holdings ('Booking') and Adobe. All five participate in various ways in the growth of the digital economy which, despite a volatile few years, continues to outpace global GDP. They also stand to benefit from the latest advances in data science and AI.

The bottom five contributors were Diageo, Roche, LVMH, PayPal and Alcon. Healthcare stocks fell out of favour as equities rose sharply and both Alcon and Roche's earnings experienced unfavourable currency effects on their earnings. Diageo's profits will be lower than previously expected because of consumer downtrading in Latin America and excess inventories. LVMH's growth is slowing from unusually high levels. PayPal faces uncertainty due to competitive pressure and management change.

The Fund will provisionally pay an interim dividend of 0.553 pence per share on the income share class on 29 February 2024.

Portfolio activity

The Fund acquired a new holding in information services provider RELX (formerly Reed Elsevier) at an attractive free-cash-flow (FCF) yield. RELX is the leading provider of data, software and research services to lawyers, corporates, and academics. It also has a world-leading trade show business. We are attracted to RELX's exceptional financial productivity, the quality and diversity of its data assets, and the improving growth profile of its online professional publishing businesses.

The purchase of RELX was funded by a reduction in the Fund's investment in Adobe, which has become more richly valued. Holdings in Booking, Intuit and Microsoft were also reduced for valuation reasons. The Fund's small holding of Sandoz shares, inherited in a spinoff from Novartis in October, was sold outright. Sandoz does not meet our criteria for business quality. Its spinoff completes a multi-year process to focus Novartis on innovative medicines. The investment in Novartis was reduced now that this progress is reflected in the company's share price and valuation.

Elsewhere, the Fund took advantage of attractive valuations by making additional purchases of Diageo and London Stock Exchange Group.

The Fund ended the period with 28 investments.

Outlook

The last six months highlight several themes that are instructive for the future. The sell-off in the autumn and the rally to close 2023 shows how macro-economics and the outlook for monetary policy can define short-term periods of performance. This is especially true when the consensus of opinion is wrong-footed by reality. For the time-being at least, a widely anticipated economic hard landing has been avoided. Interest rates that only a few months ago were set to remain at elevated levels are now expected to be cut multiple times in 2024. Investors cannot know exactly what the future will bring, but we can be sure that there will be further unexpected twists and turns. The Fund's strategy avoids investment decisions based on economic forecasts by emphasising the long-term ownership of companies that can be held with confidence throughout the economic cycle.

Our confidence partly stems from accessing powerful structural trends that are driving sustainable growth in certain parts of the economy – including cloud computing, data services and AI, social media, and digital payments. Many of the leaders of these industries drove the Fund's return in the period. We expect continued growth from these companies even if the economy takes a turn for the worse.

Investment manager's report
for the six months ending 31 December 2023
continued

Finally, divergent performance within the Fund creates opportunities to reallocate capital towards those areas that offer the best prospective returns. The dramatic events of the last few years – marked by pandemic, supply-chain shortages, inflation, rate hikes and war – continue to send confusing signals to business leaders and investors. We carefully manage valuations by maintaining our longer-term perspective and by taking advantage of mispricing opportunities as they arise.

Although stock prices have generally rebounded from depressed levels over the last 12 months, this pattern is not uniform. In some places valuations appear stretched and in others they are near historic lows. On balance, the Fund's FCF yield is at a similar level as popular global indices, despite the Fund's far superior operating metrics and growth potential. We also estimate the portfolio's underlying FCF grew in the mid-teens in 2023, suggesting operating momentum is driving most of the Fund's return. Future returns are likely to remain lumpy in the near term as investor sentiment responds to the changing macro-economic outlook. The quality and growth of the Fund's companies gives us confidence that returns will ultimately be determined by the strong operating performance of its underlying businesses.

Troy Asset Management Limited
18 January 2024

Net asset value per share, price record and comparative tables

Change in net asset value per share

All prices quoted are based on bid price

	Income shares			Accumulation shares		
	Six months ended 31 December 2023 p	Year ended 30 June 2023 p	Year ended 30 June 2022 p	Six months ended 31 December 2023 p	Year ended 30 June 2023 p	Year ended 30 June 2022 p
Opening net asset value per share	304.14	260.88	292.94	312.59	266.72	298.40
Return before operating charges†	23.05	47.40	(28.50)	23.63	48.35	(29.16)
Operating charges	(1.35)	(2.48)	(2.52)	(1.35)	(2.48)	(2.52)
Return after operating charges†	21.70	44.92	(31.02)	22.28	45.87	(31.68)
Distributions on income shares						
Interim	(0.55)	(0.25)	(0.10)	n/a	n/a	n/a
Final	-	(1.42)	(0.94)	n/a	n/a	n/a
Total distributions on income shares	(0.55)	(1.66)	(1.04)	n/a	n/a	n/a
Closing net asset value per share	325.29	304.14	260.88	334.87	312.59	266.72
Retained distributions on accumulation shares						
Interim	n/a	n/a	n/a	0.57	0.25	0.10
Final	n/a	n/a	n/a	-	1.45	0.95
†after direct transaction costs of	0.08	0.08	0.06	0.08	0.08	0.06

Performance

Return after operating charges	7.1%	17.2%	(10.6)%	7.1%	17.2%	(10.6)%
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Other information

Closing net asset value (NAV)	£105,836,445	£101,103,408	£94,615,263	£1,492,045	£1,522,887	£1,385,216
Closing number of shares	32,536,302	33,242,624	36,267,220	445,565	487,177	519,351
Operating charges	0.87%	0.88%	0.86%	0.87%	0.88%	0.86%
Direct transaction costs	0.03%	0.03%	0.02%	0.03%	0.03%	0.02%

Prices (p)

Highest	327.8	305.6	319.0	336.8	312.6	324.9
Lowest	292.1	259.7	251.6	300.2	265.5	256.3

KIID risk and reward profile

The numerical risk and reward indicator as published in the latest Key Investor Information Document (KIID) is a rating of 6 for both the income and accumulation share class (2022: category 6). The share classes are ranked in risk category 6 as funds of this type have experienced much higher rises and falls historically.

For more information on the Fund risk and reward profile please refer to the most up to date KIID which is available from the Authorised Corporate Director or at www.yealand.com/fund/electric-general-investment-fund/ under documents.

Assessment of value report

We are required to undertake a formal review of the Fund in order to assess the value which Shareholders are receiving from their investments. This assessment considers elements such as the fees which are paid, the quality of services provided and the investment performance obtained. We are required to publish a report which summarises the outcome of the review and, if relevant, to take steps to address any instances of poor value. We publish an Assessment of value report specific to each Yealand Fund by 31 January each year. Copies of these reports can be obtained from the Yealand website, via the document link on each respective Fund page - <https://yealand.com/funds/>.

Approval of the interim report by the Authorised Corporate Director (ACD)

In accordance with the requirements of a UCITS which complies with the requirements of the FCA COLL as per COLL 4.5.8B R, we hereby approve the report on behalf of Yealand Fund Services Limited for the six months ended 31 December 2023.

Rob Leedham
On behalf of Yealand Fund Services Limited,
the Authorised Fund Manager
29 February 2024

Simon Longfellow
Independent Director
29 February 2024

Portfolio statement
as at 31 December 2023

Holding	Investment	Market value £'000	% of total net assets
EQUITIES - 98.08% (99.65%)			
Europe (ex UK) - 21.51% (23.80%)			
France - 4.40% (4.35%)			
6,000	L'Oréal	2,344	2.18
3,750	LVMH Moët Hennessy Louis Vuitton	2,384	2.22
		<u>4,728</u>	<u>4.40</u>
Netherlands - 5.76% (5.98%)			
93,155	Heineken Holding	6,186	5.76
Switzerland - 11.35% (13.47%)			
52,639	Alcon	3,226	3.01
38,107	Novartis	3,019	2.81
25,984	Roche Holding	5,931	5.53
		<u>12,176</u>	<u>11.35</u>
	Total Europe (ex UK)	<u>23,090</u>	<u>21.51</u>
North America - 61.42% (63.83%)			
5,642	Adobe Systems	2,637	2.46
37,776	Agilent Technologies	4,114	3.83
66,705	Alphabet 'A'	7,301	6.80
22,218	American Express Company	3,261	3.04
7,181	Becton Dickinson & Company	1,372	1.28
1,291	Booking Holdings	3,583	3.34
48,912	Fiserv	5,091	4.74
6,004	Intuit	2,940	2.74
17,253	Mastercard 'A'	5,766	5.37
44,287	Medtronic	2,859	2.66
17,429	Meta Platforms 'A'	4,833	4.50
18,459	Microsoft	5,439	5.07
6,939	Moody's	2,123	1.98
58,461	PayPal Holdings	2,812	2.62
6,781	S&P Global	2,341	2.18
18,992	Take-Two Interactive Software	2,395	2.23
34,607	Visa 'A'	7,059	6.58
		<u>65,926</u>	<u>61.42</u>

Portfolio statement
 as at 31 December 2023
continued

Holding	Investment	Market value £'000	% of total net assets
EQUITIES - 98.08% (99.65%) - continued			
United Kingdom - 15.15% (12.02%)			
108,215	Diageo	3,091	2.88
151,417	Experian	4,847	4.52
29,186	London Stock Exchange	2,707	2.52
85,160	RELX	2,648	2.47
77,921	Unilever	2,961	2.76
		<u>16,254</u>	<u>15.15</u>
	TOTAL EQUITIES	<u>105,270</u>	<u>98.08</u>
	Portfolio of investments	105,270	98.08
	Net other assets	<u>2,059</u>	<u>1.92</u>
	Net assets	<u>107,329</u>	<u>100.00</u>
	Summary portfolio of investments	Market value £'000	% of investments
	Equities	<u>105,270</u>	<u>100.00</u>
	Portfolio of investments	<u>105,270</u>	<u>100.00</u>

*Figures in brackets refer to the proportion of the Fund invested in the equivalent investments as at 30 June 2023.
 All equities are in ordinary stocks and shares except where otherwise stated.*

Summary of major portfolio changes

The total purchases and top ten sales for the reporting period

Purchases	Cost £'000	Sales	Proceeds £'000
RELX	2,172	Adobe Systems	2,661
Diageo	727	Intuit	1,575
London Stock Exchange	727	Novartis	1,132
Experian	502	Microsoft	1,066
Agilent Technologies	411	Booking Holdings	870
LVMH Moet Hennessy Louis Vuitton	408	Experian	596
Fiserv	208	Meta Platforms 'A'	513
Heineken Holding	207	Fiserv	269
Roche Holding	207	Alphabet 'A'	218
		S&P Global	215

Statement of total return (unaudited)
 for the six months ended 31 December 2023

	31 December 2023		31 December 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		7,164		1,480
Revenue	433		364	
Expenses	(452)		(433)	
Net expense before taxation	(19)		(69)	
Taxation	(3)		(41)	
Net expense after taxation		(22)		(110)
Total return before distributions		7,142		1,370
Distributions		(186)		(88)
Change in net assets attributable to shareholders from investment activities		6,956		1,282

Statement of change in net assets attributable to shareholders (unaudited)
 for the six months ended 31 December 2023

	31 December 2023		31 December 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		102,626		96,000
Amounts receivable on issue of shares	1,311		2,741	
Amounts payable on cancellation of shares	(3,567)		(7,895)	
		(2,256)		(5,154)
Change in net assets attributable to shareholders from investment activities (see above)		6,956		1,282
Retained distribution on accumulation shares		3		1
Closing net assets attributable to shareholders		107,329		92,129

Balance sheet (unaudited)
 as at 31 December 2023

	31 December 2023	30 June 2023
	£'000	£'000
Assets		
Investments	105,270	102,274
Current assets		
Debtors	42	83
Cash and bank balances	2,286	917
	<u>2,328</u>	<u>1,000</u>
Total assets	<u>107,598</u>	<u>103,274</u>
Liabilities		
Creditors		
Distributions payable	(179)	(471)
Other creditors	(90)	(177)
	<u>(269)</u>	<u>(648)</u>
Total liabilities	<u>(269)</u>	<u>(648)</u>
Net assets attributable to shareholders	<u>107,329</u>	<u>102,626</u>

Notes to the financial statements (unaudited)
 as at 31 December 2023

Accounting policies

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, updated June 2017.

The financial statements have been prepared on the going concern basis.

Distribution table

for the six months ended 31 December 2023
 in pence per share

Income shares
Interim dividend

Group 1 shares - Shares purchased prior to 1 July 2023

Group 2 shares - Shares purchased from 1 July 2023 to 31 December 2023

	Net revenue	Equalisation	Payable on 29 February 2024	Paid on 28 February 2023
Group 1	0.5530	-	0.5530	0.2479
Group 2	0.2472	0.3058	0.5530	0.2479

Accumulation shares
Interim dividend

Group 1 shares - Shares purchased prior to 1 July 2023

Group 2 shares - Shares purchased from 1 July 2023 to 31 December 2023

	Net revenue	Equalisation	Allocation on 29 February 2024	Allocated on 28 February 2023
Group 1	0.5703	-	0.5703	0.2513
Group 2	0.2901	0.2802	0.5703	0.2513

Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares, and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax, but must be deducted from the cost of shares for capital gains tax purposes.

General information

Buying and selling shares through Yealand Fund Services Limited

On purchasing shares, you will receive a contract note confirming your purchase, which will be issued the business day after the deal has been priced. As proof of ownership, your name will be recorded on the register following receipt of payment and full registration details.

The Company is valued daily at 10:00a.m. Monday to Friday. The prices calculated at these valuations will determine the price at which your deal is transacted. The Company is priced on a forward basis, i.e. all deals struck before the 10:00 a.m. valuation point receive prices calculated at that valuation point.

The ACD may vary the initial charge up to the maximum permitted by giving the Depositary notice of the change and amending the Prospectus.

Subject to the COLL Rules, the basis upon which prices may be calculated and any discounts on the initial charge are at the discretion of the ACD.

The minimum initial investment in the Fund which any one person can purchase, and the minimum holding in Income Shares and Accumulation Shares is £1,000. The ACD at its discretion can waive these requirements.

Shares may be purchased or redeemed by telephoning 0345 850 0255 or writing to: Yealand Fund Services Limited, Stuart House, St John's Street, Peterborough, PE1 5DD. For your protection calls are recorded. A contract note will be issued to confirm any sale of shares with payment being issued on the third business day following the pricing of the sale and all necessary renunciation documentation being received by the ACD. The time for telephone deals is 09:00 – 17:00 every business day.

Shares can also be bought and sold through a regulated financial adviser or fund supermarket.

ACD's approach to dilution

Unusually high levels of buying and selling may increase the Company's dealing costs and affect the value of its assets. This is known as 'dilution'.

To prevent this and to protect the interests of the majority of shareholders, the ACD at its discretion may charge a dilution levy. If charged, the dilution levy will be paid into the Company for the benefit of shareholders and will become part of the property of the Company.

Revenue

The Company offers accumulation and income shares which entitle shareholders to a share in any distribution of the revenue made by the Company, less expenses and applicable taxation, provided they retain those shares until and including the Company's dividend dates i.e. 31 December and 30 June each year. Any revenue to be distributed to shareholders is paid out on the Company's dividend pay dates i.e. end of February and the end of August each year. The revenue may be paid to shareholders directly to certain bank and building society accounts (BACS), by cheque or reinvested in the Company.

Tax

Capital gains

Authorised Funds are currently exempt from capital gains tax on the disposal of their investments. UK residents who are individuals or trusts may be liable to UK taxation of capital gains arising from the sale or other disposal of shares in the Company, if their total gains from all sources exceed the exemption limit for the tax year in which the disposal takes place. UK corporates will be subject to corporation tax on chargeable gains on profits made on the disposal of their shares in the Company.

Income tax

The following paragraphs summarise the basis of taxation on distributions, based on current legislation. It should be noted that the bases and levels of taxation are subject to change.

UK resident individuals are taxed on the sum of their distributions in excess of the tax-free dividend allowance of £1,000. Basic rate taxpayers will pay 8.75% income tax on dividends received in excess of the dividend allowance, higher rate taxpayers will pay 33.75% income tax, and additional rate taxpayers will pay 39.35% income tax. The dividend allowance is not available to Trusts.

Investors are advised to seek professional advice.

General information

continued

Tax - continued

Corporate holders

For corporate shareholders, where the gross income from which the dividend distribution is made is not wholly franked investment income, part of the distribution is received as an annual payment. Corporate shareholders will be subject to corporation tax on the non-franked element of distributions, which will be covered by the tax withheld by the Fund.

The amount of tax recoverable on dividends deemed to be annual payments will match the corporation tax paid by the Fund.

It should be noted that levels and bases of tax are subject to change.

If investors are in any doubt as to their taxation position they should consult their professional advisor.

Further information

The information in this report is designed to enable shareholders to make an informed judgement on the activities of the Company during the period it covers and the result of those activities at the end of the period.

The following are available online at www.yealand.com or at the registered office of the ACD:

- Current
 - Price
 - Yield
 - Distribution rates
- Key Investor Information Document (KIID)
- Report & Accounts

The Company Prospectus is available free of charge on request from the ACD.

For more information about the activities and performance of the Company during the period, please contact the ACD at the address as noted on page 16, or online at <http://electricandgeneral.com>.

Directory

Authorised Corporate Director (the ACD)

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Website: www.yealand.com

*(Authorised and regulated by
the Financial Conduct Authority)*

Independent Director of Electric & General Investment Fund

Simon Longfellow

Fund administration, dealing and registration

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