

Canadian General Investments

Long-term growth and income

Canadian General Investments (CGI) is a TSX- and LSE-listed investment company that provides selective broad exposure to Canadian equities. CGI's NAV total return has outperformed the S&P/TSX Composite benchmark over one, three, five and 10 years. In terms of risk-adjusted returns, Sharpe ratios of 2.0 and 0.5 over one and three years place CGI at or close to the top of the peer group. CGI's share price discount to NAV has gradually widened from c 20% in 2009 and has remained above 30% since January 2014. A recently revised approach to dividends to provide greater certainty to shareholders has the potential to reduce this discount.

12 months ending	Total share price return (%)	Total NAV return (%)	S&P/TSX Composite TR C\$ (%)	FTSE Canada TR C\$ (%)	FTSE World TR C\$ (%)	MSCI Canada TR C\$ (%)
31/05/11	26.4	32.4	20.4	15.5	19.2	18.0
31/05/12	(16.3)	(10.7)	(14.2)	(14.3)	(5.5)	(15.1)
31/05/13	12.1	11.3	13.3	13.4	27.2	13.7
30/05/14	20.8	24.5	19.0	18.4	24.4	19.1

Note: *Twelve-month rolling discrete performance.

Investment strategy: Canadian stock selection

CGI targets broad exposure to Canadian equities using a bottom-up stock selection process based on fundamental research. A top-down overlay of the manager's macro outlook influences stock selection but no sector or geographic allocations are specifically targeted. Where broader investment themes are identified with no suitable opportunities in the Canadian market, within certain restrictions, exposure can be gained through foreign equities. CGI maintains a well-diversified exposure and new investments typically represent 1.0% to 1.5% of the portfolio. A long-term approach is taken and portfolio turnover has averaged 26% over the last five years. Investment decisions are driven by total return expectations rather than yield giving the portfolio a growth bias. C\$150m nominal preference shares provide leverage.

Market outlook: Continuing steady improvement

Having performed well in relation to other developed market economies during the global financial crisis and subsequent recovery, and outgrowing the US economy in 2010, 2011 and 2013, the Canadian economy looks set to be outpaced by the US in 2014 and 2015. However, as Canada's major export market, a strengthening US economy should benefit Canadian manufacturers and the weakness of the Canadian dollar over the last year provides further aid to exporters, supporting the outlook for continuing steady improvement in economic growth. The resources sector has lagged the broader market and an apparent stabilisation of the Chinese economy underpinning global commodity demand together with the increased capital discipline evident in the sector could lead to a medium-term recovery in this area of the market.

Valuation: Discount has gradually widened

Over the last five years, CGI's share price discount to NAV has gradually widened from c 20% in 2009 to over 25% in 2012, and has remained above 30% since January 2014. The board implemented a revised approach to dividend payments in 2014 and this has the potential to narrow the discount.

Canadian General Investments is a research client of Edison Investment Research Limited

Investment companies

3 June 2014

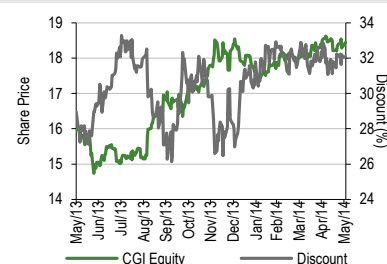
Price	C\$18.45
Market cap	C\$384.9m
AUM	C\$721.5m

NAV*	C\$27.17
Discount to NAV	32.1%
Yield**	2.6%
Yield***	4.1%

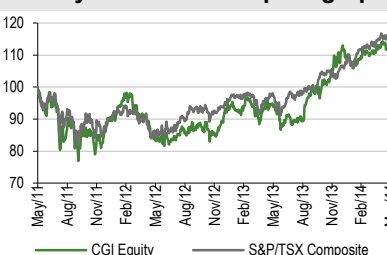
*As at 2 June 2014. **12 months projected, excluding special capital gains dividend. ***FY13 total, including special capital gains dividend.

Ordinary shares in issue	20.9m
Code	CGI
Primary exchange	TSX
Secondary exchange	LSE
AIC sector	North America

Share price/discount performance*



Three-year cumulative perf. graph



52-week high/low	C\$18.63	C\$14.74
NAV high/low	C\$27.62	C\$20.75

Gearing

Gross*	26.6%
Net*	26.4%

*As at 30 April 2014.

Analysts

Gavin Wood	+44 (0)20 3681 2503
Andrew Mitchell	+44 (0)20 3681 2500
investmenttrusts@edisongroup.com	

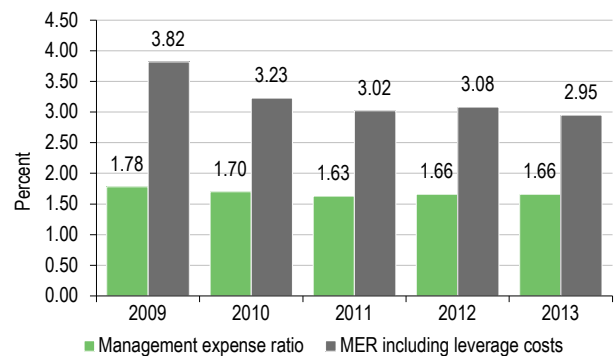
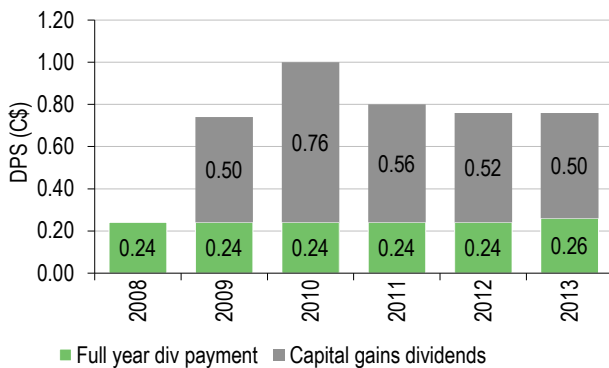
[Edison profile page](#)

Exhibit 1: Company at a glance

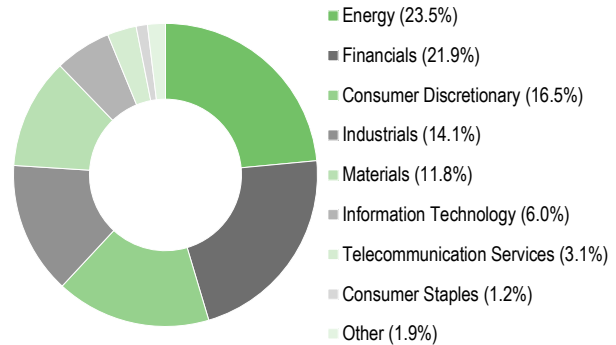
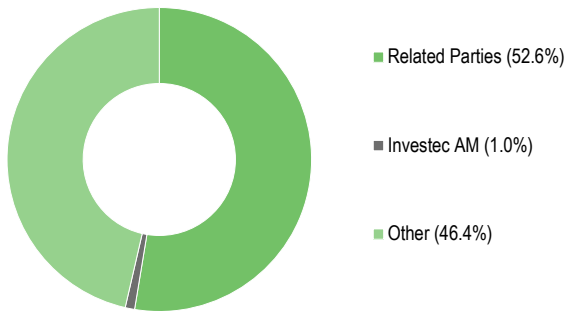
Investment objective and fund background	Recent developments
Canadian General Investments' investment objective is to provide better than average returns to investors by investing in a diversified portfolio of primarily Canadian equities. It aims to achieve this through prudent security selection, timely recognition of capital gains/losses and appropriate income generating instruments.	11 February 2014: 50% q-o-q increase in quarterly dividend to C\$0.12 per share. 11 February 2014: Change in dividend policy – intention to pay steady to rising quarterly dividends. 22 October 2013: 33% q-o-q increase in quarterly dividend to C\$0.08 per share.

Forthcoming	Capital structure	Fund details
AGM April 2015	Mgmt. expense ratio 1.66% (2.95%) – see below	Group Morgan Meighen & Associates
Preliminary results February 2015	Net gearing 26.4%	CEO Jonathan A. Morgan
Year end 31 December	Annual mgmt fee 1.0% of gross assets	Address 10 Toronto Street, Toronto, Ontario, Canada M5C 2B7
Dividend paid Quarterly	Performance fee None	Phone +1 416 366 2931
Launch date January 1930	Company life Indefinite	Website www.mminvestments.com
Continuation vote N/A	Loan facilities C\$150m preference shares	

Dividend policy and history	Management expense ratio (MER) and history
CGI revised its dividend policy in 2014 and intends to pay steady to rising quarterly dividends. Capital gains dividends are also distributed annually.	CGI pays a monthly management fee at 1.0% pa of gross assets. Leverage costs include preference share dividends, interest and financing charges.



Shareholder base (as at 8 May 2014)	Distribution of portfolio (as at 30 April 2014)
-------------------------------------	---



Top 10 holdings (as at 30 April 2014)			Portfolio weight %		Active weight %
Company	Country	Industry	30 April 2014	30 April 2013*	30 April 2014
Dollarama	Canada	Consumer Discretionary	4.6	4.3	4.3
Enbridge	Canada	Energy	3.7	4.1	1.5
Canadian Pacific Railway	Canada	Industrials	3.1	2.6	1.6
Bank of Montreal	Canada	Financials	2.9	2.8	0.5
Element Financial	Canada	Financials	2.6	N/A	2.5
Methanex	Canada	Materials	2.6	N/A	2.3
Royal Bank of Canada	Canada	Financials	2.5	2.4	(2.7)
Brookfield Canada Office Properties	Canada	Financials	2.3	3.7	2.3
Stantec	Canada	Industrials	2.3	N/A	2.2
Home Capital Group	Canada	Financials	2.3	N/A	2.1
Top 10			28.9	N/A	

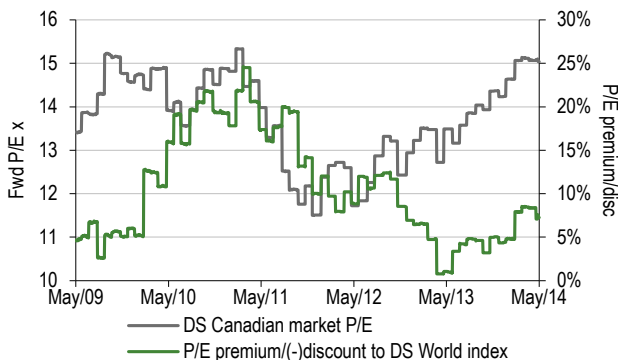
Source: Canadian General Investments, Bloomberg, Edison Investment Research. Note: *Where no figure is shown for 2013 portfolio weight, the stock was not in the top 10.

Market outlook: Continuing steady improvement

Having performed well in relation to other developed market economies during the global financial crisis and subsequent recovery and outgrowing the US economy in 2010, 2011 and 2013, the Canadian economy looks set to be outpaced by the US in 2014 and 2015. However, as Canada's major export market, a strengthening US economy should benefit the Canadian manufacturing sector and the weakening of the Canadian dollar over the last 12 months should provide a further aid to Canadian exporters. These factors support expectations for a continuing steady improvement in the Canadian economic growth rate from 1.7% in 2012 and 2.0% in 2013, and the IMF's April 2014 World Economic Outlook projects growth of 2.3% and 2.4% in 2014 and 2015.

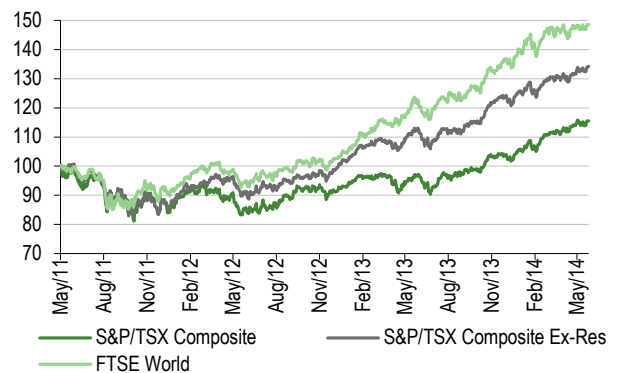
As illustrated in Exhibit 2, the Canadian market has benefited from a steady re-rating over the last two years and the market's forward P/E multiple is currently at the upper end of its five-year range. This implies that earnings growth will need to be delivered in order for the market to maintain its upward trajectory. However, the Canadian market's valuation premium to world markets is at the lower end of its five-year range, suggesting that growth expectations for the Canadian economy are more conservative than for many other markets. On a forward P/E multiple basis, the Canadian market is trading at a 5% discount to the US market, having seen a steady relative de-rating from the peak 16% premium reached in September 2010.

Exhibit 2: Canadian market P/E ratio over five years



Source: Thomson Datastream, Edison Investment Research

Exhibit 3: Canadian and World indices over three years



Source: Thomson Datastream, Edison Investment Research

Exhibit 3 illustrates the Canadian market's relatively weaker performance compared to world markets in general over the last three years and highlights the impact of the resources sector, which has significantly lagged the rest of the Canadian market over the last 18 months.

Fund profile: Canadian equities focus

Canadian General Investments (CGI) is a TSX- and LSE-listed closed-end equity fund launched in January 1930, focused on medium- to long-term investments primarily in Canadian corporations. Its objective is to provide better than average returns to investors through prudent security selection, timely recognition of capital gains/losses and appropriate income generating instruments. Since 1998, with the issuance of its Series 1 preference shares, CGI has employed gearing with the aim of enhancing returns to common shareholders. CGI has been managed since 1956 by Morgan Meighen & Associates (MMA) and it is majority-owned by directors of MMA. D Greg Eckel, senior vice-president of MMA, is the portfolio manager responsible for the management of CGI's investment portfolio.

The fund manager: D Greg Eckel

The manager's view: Increased focus on exporters

Greg Eckel considers that the Canadian market is likely to continue to make steady progress driven increasingly by its exposure to economies outside of Canada, particularly the US, which are expected to outpace the domestic economy in the near term. He sees continuing signs of improvement in the US economy, Canada's main export market, with the housing recovery continuing and declining unemployment. He also considers that the Chinese economy is showing signs of stabilisation, which should benefit major resource exporters such as Canada.

The manager believes the portfolio is well positioned to benefit from economic recovery outside of Canada with top 20 holdings in companies such as automotive parts supplier Magna International, infrastructure and facilities consultancy Stantec, and commercial finance provider Element Financial. In addition, he expects continuing strength in the energy sector, considering oil and gas prices to be resilient due to robust global oil demand driven by economic recovery and gas demand being supported by sustained re-stocking activity particularly evident in the US, where gas storage levels are at five-year lows. While there have been limited signs of recovery in the materials sector, he anticipates mining sector investment opportunities potentially arising towards the end of 2014 with concerns over Chinese commodity demand receding and supply constrained by improved capital discipline with the sector.

Illustrating the manager's long-term approach are the investments in Element Financial and Methanex that have contributed significantly to CGI's performance over the last year. The investment in Element Financial was made at its 2011 IPO and Methanex has been a portfolio holding since 2009. Both have risen to become top 10 holdings during the last 12 months and remain core holdings with their exposure to growth outside of Canada. Element Financial is a North American commercial finance provider that has been broadening its offering and increasing its presence in the fast-growing US market. Methanex is a leading methanol producer that has been rapidly growing its global market share while Chinese demand for fuel-blending has been a major factor driving market growth.

Asset allocation

Investment process: Bottom-up with top-down overlay

CGI's investment process is primarily based on bottom-up stock selection within the Canadian market. The manager first seeks to identify individual companies with attractive investment potential then assesses broader industry and global trends affecting those companies. Where broader investment themes are identified and suitable opportunities cannot be identified in the Canadian market, exposure can be gained through foreign equities (predominantly US-listed) with the restriction that CGI's investment corporation status requires at least 85% of its gross revenues to be derived from Canadian sources. New investments typically represent 1.0% to 1.5% of the portfolio and holdings larger than this reflect investment gains. A long-term approach is taken and portfolio turnover has averaged 26% over the last five years. CGI's ability to pay dividends from capital gains as well as dividend income means that investment decisions are driven by total return expectations rather than yield. This investment approach can lead to sector weightings differing substantially from those of the benchmark. CGI attempts to mitigate risk by maintaining a well-diversified portfolio.

Current portfolio positioning

As illustrated in Exhibit 4, CGI's portfolio sector allocations can vary considerably over time and may also diverge substantially from the benchmark index. As at 30 April 2014, similar to a year earlier, energy and financials sectors were the largest exposures and together currently represent 45% of the portfolio's equity exposure. There have been significant changes to portfolio weightings across other sectors, with the largest being a 5.5 point increase in the consumer discretionary sector weighting and a 6.2 point reduction in the materials sector weighting. Portfolio concentration can also vary over time, as reflected by the weighting of the top 10 holdings reducing from 34.6% at 30 April 2013 to 28.9% at 30 April 2014. Although portfolio turnover increased markedly to 23.8% in 2013 from 13.1% in 2012, it remains below the five-year average of 26.0%. Despite portfolio turnover increasing and portfolio weightings changing significantly, the portfolio remains relatively stable with six of the current top 10 portfolio investments having been top 10 holdings a year ago (see Exhibit 1), reflecting the fund's medium- to long-term investment approach. The manager reports that the portfolio yield is around 1.9% compared with the yield on the S&P/TSX Composite index of 2.8%, which indicates that there is something of a growth bias to the portfolio.

Exhibit 4: Portfolio, benchmark and relative sector weightings						
	End April 2014	End April 2013	Change	S&P/TSX Composite index weight	Active weight vs benchmark	Portfolio weight/Index weight
Energy	23.5	21.3	2.2	27.0	-3.4	0.9
Financials	21.9	22.3	-0.4	32.9	-11.0	0.7
Consumer Discretionary	16.5	11.0	5.5	6.2	10.3	2.7
Industrials	14.1	9.8	4.3	7.1	7.0	2.0
Materials	11.8	18.0	-6.2	11.4	0.4	1.0
Information Technology	6.0	4.3	1.7	1.7	4.3	3.5
Telecommunication Services	3.1	4.2	-1.1	4.6	-1.5	0.7
Consumer Staples	1.2	0.7	0.5	3.9	-2.7	0.3
Utilities	1.1	3.4	-2.3	2.3	-1.2	0.5
Health Care	0.7	5.1	-4.4	2.8	-2.1	0.2
	100.0	100.0		100.0		

Source: Canadian General Investments, Edison Investment Research. Note: Portfolio figures represent sector weightings excluding cash.

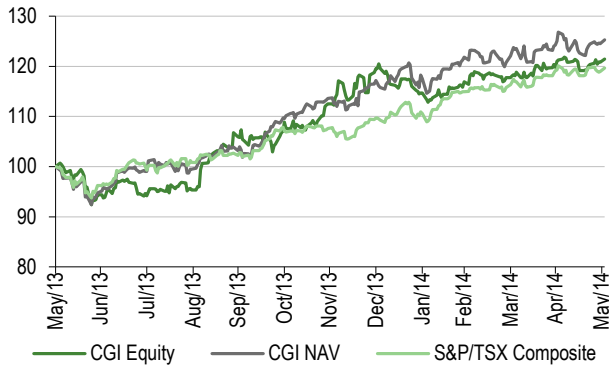
At 30 April 2014, the portfolio's 16.5% consumer discretionary and 14.1% industrials sector exposures represented CGI's highest active weightings relative to its benchmark index. Although the financials sector comprised the portfolio's second largest sector exposure at 21.9%, it is CGI's largest underweight position relative to the benchmark index. Although exposure to the energy sector has increased, the portfolio remains underweight compared with the benchmark. A sharp reduction in exposure to the health care sector reflects the sale of the investment in Catamaran, which had been the portfolio's largest holding.

Performance: Outperformance over one to 10 years

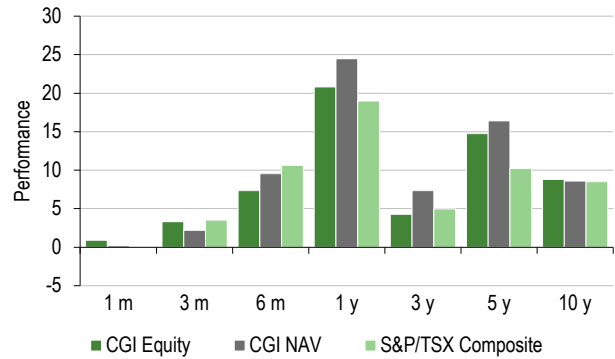
As Exhibit 5 illustrates, CGI has outperformed its S&P/TSX Composite benchmark in terms of NAV total return over one, three, five and, marginally, 10 years. CGI's share price performance has lagged NAV performance over one, three, five and 10 years due to the gradually widening discount. As illustrated by Exhibit 7, CGI experienced a period of relative underperformance from mid-2007 to mid-2009, which the manager reports as being due to its overweight small-cap and underweight potash sector exposures. In contrast, from mid-2004 to mid-2007 and from mid-2009 to date, CGI delivered steady outperformance. In terms of risk-adjusted returns, CGI's Sharpe ratios of 2.0 and 0.5 over one and three years are at or close to the top of the peer group range. Over five years CGI's Sharpe ratio of 1.2 is ahead of the peer group average.

Exhibit 5: Investment company performance

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)



Source: Thomson Datastream, Edison Investment Research. Note: Three, five and 10-year performance figures annualised.

Exhibit 6: Share price and NAV total return performance, versus benchmarks (percentage points)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to S&P/TSX Composite	1.0	(0.2)	(3.3)	1.8	(2.4)	36.3	5.4
NAV relative to S&P/TSX Composite	0.3	(1.3)	(1.0)	5.5	7.9	51.3	1.6
Price relative to FTSE Canada	1.1	(0.2)	(2.6)	2.4	(1.8)	50.8	4.9
NAV relative to FTSE Canada	0.4	(1.3)	(0.3)	6.1	8.5	65.7	1.1
Price relative to FTSE World	(0.1)	1.5	(1.9)	(3.6)	(36.2)	3.0	57.8
NAV relative to FTSE World	(0.8)	0.4	0.3	0.1	(25.9)	18.0	54.0

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-May 2014 and indices C\$ adjusted.

Exhibit 7: NAV total return performance relative to benchmark

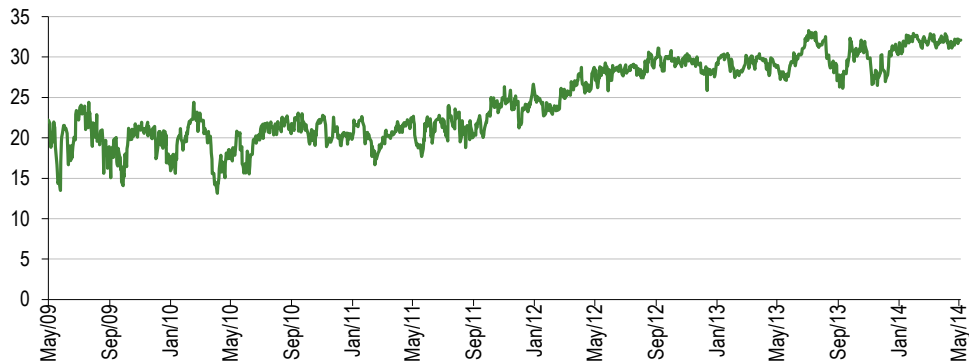


Source: Thomson Datastream, Edison Investment Research

Discount: Gradual widening over five years

Exhibit 8 illustrates that, over the last five years, CGI's share price discount to NAV has gradually widened from c 20% in 2009, moving to over 25% in 2012 and has remained above 30% since January 2014. As an investment corporation, CGI is restricted from repurchasing its shares to manage the discount. We note that the revised approach to dividends implemented in 2014 (see Dividend policy) has the potential to narrow this discount though a positive change in sentiment towards the Canadian market or resource sector would be likely to be more decisive.

Exhibit 8: Discount over five years (%)



Source: Thomson Datastream, Edison Investment Research. Note: Positive values indicate a discount.

Capital structure and fees

CGI has 20.9m common shares and C\$150m nominal cumulative, redeemable Class A preference shares in issue. C\$75m nominal 3.90% Series 3 preference shares are redeemable in June 2016. C\$75m nominal 3.75% Series 4 preference shares redeemable in June 2023 were issued in May 2013 following the redemption of Series 2 preference shares. CGI is authorised to issue an unlimited number of common shares while its investment corporation status restricts it from repurchasing shares.

Structural gearing is provided by the preference shares and CGI does not hold any bank debt. In May 2013, CGI entered into a credit agreement giving it access to a C\$75m credit facility to fund the redemption of Series 2 preference shares. The C\$75m was repaid in full and the credit facility cancelled. At 30 April 2014, CGI had gross gearing of 26.5% and net gearing of 26.4%.

CGI pays MMA a monthly management fee at a rate of 1.0% pa of the market value of CGI's investments adjusted for cash, portfolio accounts receivable and portfolio accounts payable. These fees cover portfolio management as well as provision of administrative services. No performance fees are payable. The officers of CGI are remunerated by MMA in their capacity as directors and/or officers of MMA and receive no compensation from CGI. In 2013, the management expense ratio (MER) was 1.66% excluding preference share dividends, interest and finance charges (more comparable with the UK ongoing charge) and 2.95% including these costs (see Exhibit 1).

Dividend policy

From 1999 to 2013, CGI paid common shareholders a flat C\$0.06 per share quarterly dividend as well as an annual capital gains dividend, whereby CGI is able to recoup capital gains taxes. In February 2014, the board announced a change in approach to dividend payments and henceforth intends to provide shareholders with steady to rising quarterly dividends. At the same time, the quarterly dividend was increased to C\$0.12 per share. The distribution of capital gains dividends will continue but year-end special dividends will be de-emphasised. The board believes that payment of a greater proportion of annual distributions through the four quarterly dividends should provide shareholders with greater reliability as to their expected dividend income and potentially greater scope for share price appreciation.

Peer group comparison

Exhibit 9 illustrates a closed-ended peer group comparison across a selected group of funds investing primarily in Canadian equities. CGI's NAV total returns over one, three and five years rank it at the higher-end of the peer group, comfortably ahead of peer group averages. In terms of risk-adjusted returns, CGI's 1-year Sharpe ratio of 2.0 is above the peer group average and, although low, its 3-year Sharpe ratio of 0.5 leads the peer group. CGI's 32.1% share price discount to NAV is the highest in the peer group and is appreciably wider than the 15.2% average, while its 1.66% management expense ratio is at the top of the peer group range. CGI's 2.6% dividend yield, which reflects only the quarterly dividend, ranks it at the median of the peer group but below the 3.6% average. Including the special capital gains dividend CGI's FY13 dividend yield was 4.1%.

Exhibit 9: Canadian equities peer group

% unless stated	Market cap C\$m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	Sharpe 1y (NAV)	Sharpe 3y (NAV)	Discount (ex par)	MER	Net Gearing	Dividend yield
Canadian General Investments Ord	384.9	7.6	11.6	106.8	2.0	0.5	(32.1)	1.66	113	2.6
Canoe EIT Income Fund Ord	1,016.1	3.5	3.4	85.4	2.4	0.4	(16.4)	1.33	111	9.6
Central Fund of Canada Ord	3,642.5	(21.5)	(36.9)	21.8	(0.6)	(0.5)	(6.8)	0.31	99	0.1
Economic Investment Trust Ord	505.4						(25.0)	0.36	100	0.7
Middlefield Canadian Income Ord	223.3	3.5	10.3	148.8	0.3	0.2	1.1	1.37	82	4.4
Mint Income Fund Ord	131.6	(0.5)	2.0	94.3	2.3	0.5	(3.9)	1.63	113	6.7
United Corporations Ord	948.3						(23.3)	0.47	103	1.0
Simple average		(1.5)	(1.9)	91.4	1.3	0.2	(15.2)	1.02	103	3.6
Weighted average		(13.2)	(22.9)	46.8	0.3	(0.2)	(13.0)	0.62	102	2.1

Source: Morningstar 2 June 2014. Note: TR=total returns, MER=management expense ratio excluding preference share dividends, interest and finance charges. The Sharpe ratio is a measure of risk-adjusted return. The ratios we show are calculated by Morningstar for the past 36-month period by dividing a fund's annualised excess returns over the risk-free rate by its annualised standard deviation. Net gearing is total assets less cash/cash equivalents as percentage of shareholders' funds.

The board

The board comprises seven directors, four of whom are independent of the investment manager. The non-independent directors are Vanessa Morgan (chairman of CGI and president and CEO of MMA), Jonathan Morgan (president and CEO of CGI and executive vice president of MMA) and Michael Smedley (executive vice president and CIO of MMA). The independent directors are James Billett, James Cook, R Neil Raymond and Richard O'C Whittall. The average length of service as a director is 14 years and there have been no changes to the board composition since 2005.

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington. Edison is authorised and regulated by the Financial Conduct Authority (www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. www.edisongroup.com

DISCLAIMER

Copyright 2014 Edison Investment Research Limited. All rights reserved. This report has been commissioned by Canadian General Investments and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.