

Trojan Investment Funds

Annual Report and Financial Statements
31 January 2018

Trojan Fund
Trojan Ethical Income Fund
Trojan Global Income Fund
Trojan Global Equity Fund
Trojan Income Fund
Crystal Fund
Spectrum Fund
Spectrum Income Fund (closing)



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TROJAN INVESTMENT FUNDS
ACD'S REPORT
 FOR THE YEAR ENDED 31 JANUARY 2018

AUTHORISED STATUS

Trojan Investment Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000280 and authorised by the Financial Conduct Authority ('FCA') with effect from 14 November 2003. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The Company is a UCITS scheme and the base currency of the Company and each sub-fund is pounds sterling.

IMPORTANT INFORMATION

With effect from 1 July 2017, the minimum periodic fee charged by the BNY Mellon Trust & Depositary (UK) Limited ('the Depositary') to each of the sub-funds of the Company for acting as Depositary was increased. Please refer to the Charges, Fees and Expenses section of the Company's Prospectus for further details regarding the charge.

With effect from 16 October 2017, the address of the ACD has changed to 6th Floor, 65 Gresham Street, London EC2V 7NQ.

As a result of the completion of the acquisition of Capita Financial Managers Limited by Link Administration Holdings Limited on 3 November 2017, the name of the ACD has changed to Link Fund Solutions Limited. Additionally, the Registrar of the Company has changed its name from Capita Financial Administrators Limited to Link Fund Administrators Limited and the trading name of the ACD and Administrator has changed from Capita Asset Services to Link Asset Services.

On 1 December 2017, the following share classes were launched in the Trojan Fund and the Trojan Income Fund:

- 'X' Accumulation; and
- 'X' Income.

With effect from 15 December 2017, the following Depositary changes were made:

- Name change from BNY Mellon Trust & Depositary (UK) Limited to The Bank of New York Mellon (International) Limited;
- Registered and head office address to One Canada Square, London E14 5AL; and
- The Depositary is authorised by the Prudential Regulation Authority and is dual regulated by the Financial Conduct Authority and Prudential Regulation Authority.

As a result of a scheme of arrangement, effective 25 May 2018, whereby the Spectrum Fund has received the property of the Spectrum Income Fund. The Spectrum Income Fund had its last valuation on 25 May 2018 which will lead to the termination of the sub-fund.

CROSS HOLDINGS

No sub-funds had holdings in any other sub-fund of the Company at the end of the year.

REMUNERATION POLICY

Link Fund Solutions Limited ('LFSL') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. LFSL's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within LFSL including in respect of the risk profile of the funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable LFSL to achieve and maintain a sound capital base.

LFSL acts as the operator of both UCITS funds and AIFs.

LFSL delegates portfolio management for the funds to various investment management firms. The portfolio managers' fees and expense for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive. This disclosure is in respect of LFSL activities (including activities performed by its sister company Link Financial Administrators Limited (LFAL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. LFSL staff do not perform duties in respect of particular funds, nor are they remunerated by reference to the performance of any individual fund. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Company itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 31 December 2017, being the most recent accounting period for which accounts have been prepared for LFSL prior to the production of these accounts. As at 31 December 2017, LFSL operated 95 UCITS and 59 AIFs, whose respective assets under management ('AuM') were £41,425 million and £16,780 million. This Company was valued at £8,420 million as at that date and represented 14.47% of LFSL's total AuM and 20.33% of its UCITS AuM.

The disclosure below represents that required under COLL 4.5.7R (7) for funds subject to UCITS obligations.

	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial year to 31 December 2017	188	5,497	633	6,130
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 31 December 2017				
Senior management (incl all Board members)	6	551	132	683
Staff engaged in control functions	4	310	–	310
Risk takers and other identified staff	15	995	19	1,014
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	–	–	–	–

TROJAN INVESTMENT FUNDS

ACD's Report (continued)

For the year ended 31 January 2018

REMUNERATION POLICY *(continued)*

LFSL's remuneration arrangements include fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by the Company as a whole, rather than the performance of any individual fund. Subject to satisfactory Company performance, bonuses may then be paid to staff to reflect their contribution to the Company's success. The precise metrics used will vary by function, but consideration is given to both qualitative and quantitative measures.

None of LFSL's staff receives remuneration based on the performance of any individual fund.

Further details can be found at www.linkfundsolutions.co.uk/assets/media/LFS_Explanation_of_Compliance_with_Remuneration_Code.pdf

SECURITIES FINANCING TRANSACTIONS

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Investment Funds

30 May 2018

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Investment Funds

30 May 2018

STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company, comprising each of its sub-funds, and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Company's sub-funds for that year. In preparing those financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the IA SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In relation to this last requirement, for the reasons stated in the ACD's report and as disclosed in Note 1(a), the ACD has prepared the financial statements of the Spectrum Income Fund on a break-up basis as this sub-fund is not a going concern.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company's sub-funds and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company's sub-funds and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

TROJAN INVESTMENT FUNDS STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the ACD, which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

REPORT OF THE DEPOSITARY FOR THE YEAR ENDED 31 JANUARY 2018

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED
Depositary of Trojan Investment Funds
30 May 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TROJAN INVESTMENT FUNDS

OPINION

We have audited the financial statements of Trojan Investment Funds ('the Company') for the year ended 31 January 2018 which comprise the Statement of Total Return and Statement of Change in Net Assets Attributable to Shareholders together with the Balance Sheet for each of the Company's sub-funds, the accounting policies of the Company, the related notes for each sub-fund and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. The financial statements of the Spectrum Income Fund are being prepared on a break-up basis as disclosed in Note 1(a). The financial statements of the remaining sub-funds continue to be prepared on a going concern basis.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 January 2018 and of the net revenue and the net capital gains on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

The financial statements of the Spectrum Income Fund have been prepared on a break-up basis as disclosed in Note 1(a).

In relation to the remaining sub-funds, we have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information.

OTHER INFORMATION (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF AUTHORISED CORPORATE DIRECTOR (ACD)

As explained more fully in the ACD's Responsibilities Statement set out on page 13, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP
Statutory Auditor
London
30 May 2018

TROJAN INVESTMENT FUNDS
ACCOUNTING AND DISTRIBUTION POLICIES
AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied to the financial statements of the sub-funds in both the current and prior year, are set out below. These have been applied consistently across all sub-funds unless otherwise stated in the Notes to the Financial Statements of each sub-fund.

(a) *Basis of accounting*

The financial statements of each sub-fund have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

The Spectrum Income Fund has merged with the Spectrum Fund on 25 May 2018. As a result the financial statements of the Spectrum Income Fund only, have been prepared on a break-up basis. Under this basis all assets are recorded at their recoverable value and all liabilities at their expected settlement value. Any additional costs in respect of the wind up will be borne by the Investment Manager.

(b) *Recognition of revenue*

Dividends on quoted equities are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Reportable income from funds with 'Reporting Fund' status for UK tax purposes is recognised when the information is made available by the Reporting Fund.

Revenue on debt securities is accounted for on an effective yield basis.

Premiums received in respect of written call options, where the express purpose is to generate extra revenue, are recognised as revenue on receipt.

Rebates of annual management charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue, or capital in line with the allocation of the annual management charge between capital and revenue of the underlying investments.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(c) *Treatment of stock and special dividends*

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

1. ACCOUNTING POLICIES (*continued*)

(c) *Treatment of stock and special dividends (continued)*

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

(d) *Treatment of expenses*

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax are charged initially against revenue.

Expenses incurred by tax transparent funds are recognised when the information is made available by the Reporting Fund.

(e) *Allocation of revenue and expenses to multiple share classes and sub-funds*

Any revenue or expense not directly attributable to a particular share class or sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and sub-funds, unless a different allocation method is more appropriate.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(f) *Taxation*

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(g) *Basis of valuation of investments*

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price, excluding any accrued interest in the case of debt securities. Accrued interest on debt securities is included in revenue.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

Open forward currency contracts are valued based on the difference between the contract value and the market value adjusted by the prevailing spot rate and swap curve.

TROJAN INVESTMENT FUNDS

Accounting and Distribution Policies (continued)

As at 31 January 2018

1. ACCOUNTING POLICIES (*continued*)

(h) *Exchange rates*

The base and functional currency of the sub-funds is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at close of business on the last business day of the financial year.

(i) *Dilution levy*

The ACD may require a dilution levy on the purchase and redemption of shares in the Trojan Fund, the Trojan Ethical Income Fund, the Trojan Income Fund, the Spectrum Income Fund, the Spectrum Fund, the Trojan Global Equity Fund and the Trojan Global Income Fund if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property of a sub-fund is in continual decline; where a sub-fund is experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the relevant sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

(j) *Direct transaction costs*

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Debt security investments have no separately identifiable transaction costs as they form part of the dealing spread. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

2. DISTRIBUTION POLICIES

Surplus revenue after taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the sub-fund.

TROJAN FUND

ACD'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Trojan Fund ('the Fund') is to achieve growth in capital and income in real terms over the longer term. The Fund's policy is to invest substantially in UK and overseas equities and fixed interest securities, but may also invest in collective investment schemes and money market instruments.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Fund

30 May 2018

TROJAN FUND

ACD's Report (continued)

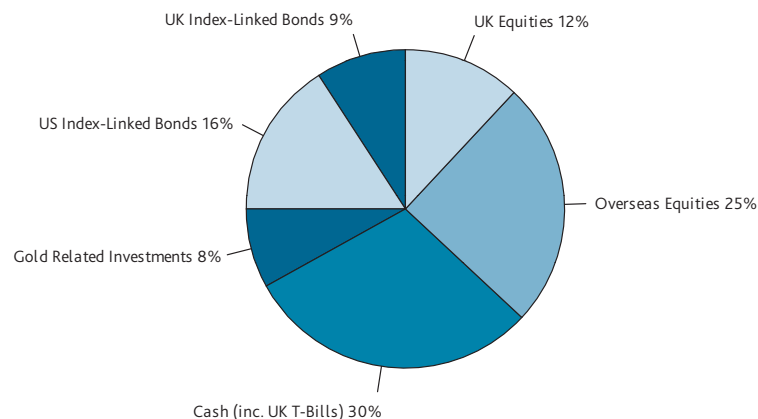
For the year ended 31 January 2018

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

Over the twelve months under review Class 'O' Income Shares of the Fund produced a total return of +2.9% while the total return on UK Retail Prices Index was 4.7%¹ and cash (LIBID²) amounted to +0.2%¹ compared to a rise of +11.3%¹ in the FTSE All-Share Index (Total Return).

TROJAN FUND – ASSET ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

MARKET REVIEW

The last financial year proved to be a remarkable one for investors as impressive asset price returns went hand in glove with low volatility. January 2018 saw the 15th consecutive positive month for the S&P 500 Index, the first time this has happened in the index's ninety-year history. Remarkable also is the observation that 2017 was the first calendar year in which the S&P 500 Index did not decline from high to low by more than three per cent. It is a comic conundrum that a president as volatile as Donald Trump should oversee such financial tranquillity. We are concerned that an increasing number of investors have come to see the equity market as an accommodating and dependable distributor of riskless return. General investor equanimity is likely to prove unwise and has no historical basis.

It is clear that long-duration assets such as stocks and bonds have benefitted enormously from the collapse in the interest rates used to discount future cash flows into present values. The fall in rates has led to massive marginal purchasing of financial instruments by price-insensitive buyers. Thus it seems logical to suppose that a rise in rates could lead to disorderly price-insensitive selling. The Federal Reserve (the 'Fed') is also committed to gradually reducing the size of its balance sheet and so withdrawing the huge injection of liquidity it has dripped into

¹ Source: Lipper. The Investment Manager uses the above mentioned indices and the LIBID for comparison only. No benchmark is required to be disclosed per the Prospectus.

² London Interbank Bid Rate.

financial markets for nearly a decade. Those who have experienced market panics will appreciate that liquidity is the inverse of volatility. We should therefore expect this tightening to lead to market gyrations as the monetary magicians at the Fed slowly try to pull the tablecloth out from under the highly priced crystal.

PORTFOLIO

We bade farewell to the gold miner, Agnico-Eagle Mines ('Agnico'). The best companies to own are those that require little capital investment, but provide shareholders with prodigious free cash flows. Sadly our last meeting with Agnico's management confirmed that it has no shortage of 'opportunities' in which to invest shareholder funds. In our judgement these expenditures are only likely to produce middling returns. Gold-related securities remain core holdings of the Fund and so some of the proceeds from the Agnico disposal have been reinvested into the Canadian precious metals royalty and stream company Franco-Nevada ('Franco'). Royalties and streams are economic interests that provide the holder the right to revenue or production from underlying mineral deposits. Crucially, Franco does not operate mines or conduct exploration. It is not on the hook for ongoing capital expenditure or unanticipated operating cost increases. Instead the company's business model is focused on managing and growing a portfolio of cash-generative streams and royalties. Management can call upon the company's net cash balances to afford capital to operators that have over-extended their own balance sheets.

In July, British American Tobacco ('BAT') completed its acquisition of the 58 per cent it did not already own of its US associate, Reynolds American ('Reynolds'). Reynolds has been a stellar performer for the Fund and is an exemplar of the money that can be made by investing in and holding onto cheap, high-return, cash-generative businesses. The Fund will retain an exposure to the US tobacco oligopoly structure through its enlarged holding of BAT and its stake in Altira.

Companies that exhibit repeat revenues, generated from goods or services that customers purchase regularly out of habit, loyalty or necessity, have been in vogue for some time as investors have come to appreciate predictability and dependability. This has meant that our investment universe has travelled further out into an expensive orbit. There is, therefore, the temptation to move down the quality hierarchy, but patience in investing means shunning mediocre ideas. Pleasingly a few former shooting stars burned up a bit and we were able to add to the holdings of Diageo, Hershey's, Nestlé and Dr Pepper Snapple at reasonable valuations. Towards the end of January, Keurig Green Mountain agreed a merger with Dr Pepper Snapple that is a takeover in all but name.

Even in a market as expensive as this one, there are the occasional bargains on offer. We were able to purchase two new consumer staples stocks for the Fund: Reckitt Benckiser ('Reckitt') and Henkel. Reckitt owns a number of over-the-counter acquired medicines such as Strepsils and Gaviscon but the acquisition of infant formula maker, Mead Johnson, has caused some balance sheet and share price indigestion presenting us the opportunity to buy a modest holding. The lesser-known German business Henkel operates globally in three areas: laundry & home care, beauty care and adhesives. Henkel remains family controlled and has a very strong balance sheet affording it, and now investors in the Fund, the opportunity to participate in any future corporate activity in more distressed times.

TROJAN FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 January 2018

PORTFOLIO (continued)

We also added to our holdings of government-issued short-dated, inflation-indexed bonds. The single-minded focus of central banks to prevent deflation has led to a supervisory approach that largely ignores debt. The increasing debt burdens around the world mean that run-of-the-mill economic downturns could prove calamitous and so unthinkable. If the UK or US economies show signs of running out of puff we can expect the Bank of England and the Federal Reserve to respond aggressively. Higher levels of inflation remain a confident prediction in the medium term

OUTLOOK

The prevailing and prolonged equity bull market has continued its rise with few investors exhibiting exuberance. Despite many investors not thinking bullishly, they are acting bullishly. The absence of widespread euphoria is suggestive of markets that can withstand bad news. However, many savers have invested in income-producing stocks on the basis that there is no alternative. Today that narrative is more prologue than epilogue with US cash instruments and short-dated Treasury Bills now offering up a veritable feast compared to recent crumbs. The reconciliation between very expensive equity and corporate bond markets and a rising risk-free rate of return may occur with savers yawning as they switch back into cash-like instruments. This collective sigh, if it transpires, would allow us to increase the Fund's participation in high-quality businesses at more advantageous levels of valuation. Higher market interest rates will challenge asset price resilience. The Fund begins the new financial year with low equity participation and high levels of liquidity to exploit the episodes of volatility we anticipate.

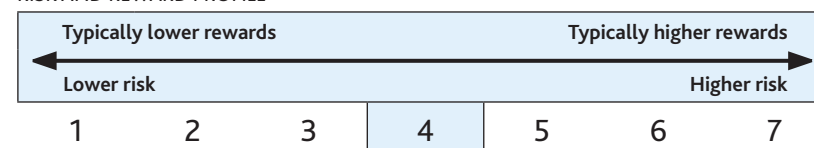
TROY ASSET MANAGEMENT LIMITED

Investment Manager

13 March 2018

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Debt securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a debt security is also affected by its credit rating.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

'S' Income and 'S' Accumulation shares available to registered charities only.

'Z' Income and 'Z' Accumulation shares can be bought and sold only by the Trojan Feeder Fund (Ireland), a sub-fund of Trojan Funds (Ireland) Plc.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

TROJAN FUND
ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'O' Income shares			
Change in net assets per share			
Opening net asset value per share	243.53	218.33	215.81
Return before operating charges*	9.82	28.61	5.73
Operating charges	(2.55)	(2.50)	(2.25)
Return after operating charges	7.27	26.11	3.48
Distributions	(0.99)	(0.91)	(0.96)
Closing net asset value per share	249.81	243.53	218.33
* after direct transaction costs of:	0.05	0.03	0.03
Performance			
Return after charges	2.99%	11.96%	1.61%
Other Information			
Closing net asset value (£'000)	974,197	1,458,797	993,387
Closing number of shares	389,980,967	599,021,874	454,988,441
Operating charges	1.02% ¹	1.06%	1.05%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	254.88	245.71	218.90
Lowest share price	243.18	218.00	204.75

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

'O' Accumulation shares
(this class is also available for investment by the Global Flexible, a sub-fund of Aristeia SICAV)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
Change in net assets per share			
Opening net asset value per share	295.04	263.53	259.30
Return before operating charges*	11.91	34.53	6.94
Operating charges	(3.10)	(3.02)	(2.71)
Return after operating charges	8.81	31.51	4.23
Distributions	(1.20)	(1.10)	(1.16)
Retained distributions on accumulation shares	1.20	1.10	1.16
Closing net asset value per share	303.85	295.04	263.53
* after direct transaction costs of:	0.06	0.04	0.03
Performance			
Return after charges	2.99%	11.96%	1.63%
Other Information			
Closing net asset value (£'000)	1,503,214	1,475,063	913,015
Closing number of shares	494,719,715	499,957,123	346,456,587
Operating charges	1.02% ¹	1.06%	1.05%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	308.79	297.44	263.86
Lowest share price	294.61	263.21	246.81

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

TROJAN FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Income shares			
Change in net assets per share			
Opening net asset value per share	242.05	217.43	215.18
Return before operating charges*	9.79	28.41	5.70
Operating charges	(3.78)	(3.66)	(3.30)
Return after operating charges	6.01	24.75	2.40
Distributions	(0.07)	(0.13)	(0.15)
Closing net asset value per share	247.99	242.05	217.43
* after direct transaction costs of:	0.05	0.03	0.03
Performance			
Return after charges	2.48%	11.38%	1.12%
Other Information			
Closing net asset value (£'000)	9,840	11,631	44,110
Closing number of shares	3,967,762	4,805,280	20,286,562
Operating charges	1.52% ¹	1.56%	1.55%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	252.85	244.59	217.71
Lowest share price	241.70	217.14	204.08

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	282.27	253.41	250.64
Return before operating charges*	11.39	33.13	6.62
Operating charges	(4.40)	(4.27)	(3.85)
Return after operating charges	6.99	28.86	2.77
Distributions	(0.08)	(0.15)	(0.17)
Retained distributions on accumulation shares	0.08	0.15	0.17
Closing net asset value per share	289.26	282.27	253.41
* after direct transaction costs of:	0.05	0.04	0.03
Performance			
Return after charges	2.48%	11.39%	1.11%
Other Information			
Closing net asset value (£'000)	110,514	115,657	171,951
Closing number of shares	38,205,246	40,973,404	67,855,755
Operating charges	1.52% ¹	1.56%	1.55%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	294.87	285.22	253.73
Lowest share price	281.86	253.06	237.85

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

TROJAN FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'S' Income shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	243.72	218.50	215.97
Return before operating charges*	9.84	28.63	5.75
Operating charges	(1.93)	(1.91)	(1.72)
Return after operating charges	7.91	26.72	4.03
Distributions	(1.62)	(1.50)	(1.50)
Closing net asset value per share	250.01	243.72	218.50
* after direct transaction costs of:	0.05	0.03	0.03
Performance			
Return after charges	3.25%	12.23%	1.87%
Other Information			
Closing net asset value (£'000)	393,666	353,717	275,078
Closing number of shares	157,462,444	145,130,350	125,896,087
Operating charges	0.77% ¹	0.81%	0.80%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	255.33	246.08	219.33
Lowest share price	243.38	218.18	204.94

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'S' Accumulation shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	302.46	269.49	264.52
Return before operating charges*	12.22	35.34	7.08
Operating charges	(2.40)	(2.37)	(2.11)
Return after operating charges	9.82	32.97	4.97
Distributions	(2.01)	(1.85)	(1.84)
Retained distributions on accumulation shares	2.01	1.85	1.84
Closing net asset value per share	312.28	302.46	269.49
* after direct transaction costs of:	0.06	0.04	0.03
Performance			
Return after charges	3.25%	12.23%	1.88%
Other Information			
Closing net asset value (£'000)	91,772	62,288	53,872
Closing number of shares	29,388,047	20,593,781	19,990,263
Operating charges	0.77% ¹	0.81%	0.80%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	316.87	304.74	269.82
Lowest share price	302.03	269.18	252.13

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

TROJAN FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'Z' Income shares <i>(this class is only available for investment by the Trojan Feeder Fund (Ireland))</i>			
Change in net assets per share			
Opening net asset value per share	119.65	107.24	105.99
Return before operating charges*	4.82	14.09	2.84
Operating charges	(0.02)	(0.07)	(0.06)
Return after operating charges	4.80	14.02	2.78
Distributions	(1.72)	(1.61)	(1.53)
Closing net asset value per share	122.73	119.65	107.24
* after direct transaction costs of:	0.02	0.02	0.01
Performance			
Return after charges	4.01%	13.07%	2.62%
Other Information			
Closing net asset value (£'000)	392,304	229,118	131,943
Closing number of shares	319,648,800	191,489,282	123,038,218
Operating charges	0.02% ¹	0.06%	0.05%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	125.71	121.15	108.04
Lowest share price	119.48	107.11	100.63

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'Z' Accumulation shares <i>(this class is only available for investment by the Trojan Feeder Fund (Ireland))</i>			
Change in net assets per share			
Opening net asset value per share	123.45	109.58	106.68
Return before operating charges*	4.70	13.94	2.96
Operating charges	(0.03)	(0.07)	(0.06)
Return after operating charges	4.67	13.87	2.90
Distributions	(1.50)	(1.51)	(1.65)
Retained distributions on accumulation shares	1.50	1.51	1.65
Closing net asset value per share	128.12	123.45	109.58
* after direct transaction costs of:	0.02	0.02	0.01
Performance			
Return after charges	3.78%	12.66%	2.72%
Other Information			
Closing net asset value (£'000)	–	–	–
Closing number of shares	250	250	250
Operating charges	0.02% ¹	0.06%	0.05%
Direct transaction costs	0.02%	0.01%	0.01%
Prices			
Highest share price	129.61	124.28	109.60
Lowest share price	123.28	109.36	102.12

¹ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

COMPARATIVE TABLES (continued)

	31.01.18 ¹ (p/share)
'X' Income shares	
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.60
Operating charges	(0.14)
Return after operating charges	0.46
Distributions	(0.06)
Closing net asset value per share	100.40
* after direct transaction costs of:	–
Performance	
Return after charges	0.46%
Other Information	
Closing net asset value (£'000)	771,477
Closing number of shares	768,437,531
Operating charges	0.87% ^{2,3}
Direct transaction costs	0.11% ²
Prices	
Highest share price	101.38
Lowest share price	100.00

¹ From 1 December 2017.

² Annualised figure due to share class launched less than 1 year.

³ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

	31.01.18 ¹ (p/share)
'X' Accumulation shares	
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.59
Operating charges	(0.14)
Return after operating charges	0.45
Distributions	(0.05)
Retained distributions on accumulation shares	0.05
Closing net asset value per share	100.45
* after direct transaction costs of:	–
Performance	
Return after charges	0.45%
Other Information	
Closing net asset value (£'000)	229,691
Closing number of shares	228,672,109
Operating charges	0.87% ^{2,3}
Direct transaction costs	0.11% ²
Prices	
Highest share price	101.38
Lowest share price	100.00

¹ From 1 December 2017.

² Annualised figure due to share class launched less than 1 year.

³ The operating charges as at 31 January 2018 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

TROJAN FUND

ACD's Report (continued)
Fund Information (continued)

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	3 years	5 years
Trojan Fund	2.88	17.18	23.35

The performance of the Fund is based on the published price per 'O' Income share with income reinvested.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 57 to 60.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

PORTFOLIO STATEMENT AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	DEBT SECURITIES – 47.27% (31.01.17 – 45.39%)		
£287,000,000	Treasury 0% 12/2/2018	286,968	6.41
£100,000,000	Treasury 0% 19/2/2018	99,983	2.24
£100,000,000	Treasury 0% 26/2/2018	99,977	2.23
£100,000,000	Treasury 0% 5/3/2018	99,968	2.23
£72,000,000	Treasury 0% 9/4/2018	71,962	1.61
£77,639,700	Treasury 0% 16/4/2018	77,594	1.73
£150,000,000	Treasury 0% 23/4/2018	149,899	3.35
£94,600,000	Treasury 0% 30/4/2018	94,528	2.11
£106,498,500	Treasury 0.125% 22/3/2024	136,169	3.04
£90,447,000	Treasury 1.875% 22/11/2022	144,588	3.23
£33,604,000	Treasury 2.5% 16/4/2020	121,805	2.72
US\$302,000,000	US Treasury 0.125% Inflation Protected Securities 15/4/2020	222,769	4.98
US\$79,000,000	US Treasury 0.125% Inflation Protected Securities 15/4/2021	57,313	1.28
US\$352,616,000	US Treasury 0.125% Inflation Protected Securities 15/1/2022	267,496	5.98
US\$97,562,000	US Treasury 0.625% Inflation Protected Securities 15/7/2021	76,089	1.70
US\$134,000,000	US Treasury 1.125% Inflation Protected Securities 15/1/2021	108,829	2.43
	TOTAL DEBT SECURITIES	2,115,937	47.27
	EQUITIES – 37.50% (31.01.17 – 38.40%)		
	UNITED KINGDOM – 11.43% (31.01.17 – 10.51%)		
4,288,417	A.G. Barr	27,446	0.61
3,783,663	British American Tobacco	182,335	4.07
2,200,000	Diageo	55,715	1.25
3,200,000	GlaxoSmithKline	42,253	0.95
462,625	Mithras Investment Trust*	1,009	0.02
633,000	Reckitt Benckiser	43,063	0.96
11,700,000	Sage	87,656	1.96
1,800,000	Unilever	72,000	1.61
	TOTAL UNITED KINGDOM	511,477	11.43

TROJAN FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 January 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	CONTINENTAL EUROPE – 3.46% (31.01.17 – 1.22%)		
695,000	Henkel	68,492	1.53
1,420,600	Nestlé	86,400	1.93
	TOTAL CONTINENTAL EUROPE	154,892	3.46
	NORTH AMERICA – 22.61% (31.01.17 – 26.67%)		
1,750,000	Altria	86,599	1.94
940,000	American Express	65,705	1.47
400,000	Becton Dickinson	68,372	1.53
380	Berkshire Hathaway 'A'	86,128	1.92
2,900,000	Coca-Cola	97,071	2.17
907,000	Colgate-Palmolive	47,357	1.06
1,212,000	Dr Pepper Snapple	101,746	2.27
636,579	Franco-Nevada	34,196	0.76
620,058	Hershey's	48,107	1.07
3,200,000	Imperial Oil	70,928	1.58
2,400,000	Microsoft	160,653	3.59
1,500,000	Philip Morris International	113,108	2.53
530,000	Procter & Gamble	32,194	0.72
	TOTAL NORTH AMERICA	1,012,164	22.61
	TOTAL EQUITIES	1,678,533	37.50
	GOLD – 7.09% (31.01.17 – 8.79%)		
814,850	ETFs Physical Swiss Gold*	74,554	1.66
2,726,600	Gold Bullion Securities*	243,065	5.43
	TOTAL GOLD	317,619	7.09
	FORWARD CURRENCY CONTRACTS – 1.18% (31.01.17 – 0.23%)		
US\$(1,468,000,000)	Vs £1,082,308,532 (expiry 12/4/2018)	52,797	1.18

	Value £'000	31.01.18 %
Portfolio of investments	4,164,886	93.04
Net other assets	311,789	6.96
Net assets	4,476,675	100.00

The investments have been valued in accordance with note 1(g) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

* Collective investment scheme.

TROJAN FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 16) **911,806**

Purchases	Cost £'000
US Treasury 1.625% Inflation Protected Securities 15/1/2018	245,802
US Treasury 0.125% Inflation Protected Securities 15/4/2020	241,358
US Treasury 1.125% Inflation Protected Securities 15/1/2021	123,551
Henkel	68,626
Hershey's	46,901
Reckitt Benckiser	43,171
Nestlé	39,897
US Treasury 0.125% Inflation Protected Securities 15/4/2021	31,542
British American Tobacco	22,084
Dr Pepper Snapple	21,787
Franco-Nevada	14,943
Diageo	12,144

In addition to above, purchases of £3,761,029,000 were made in short term investments during the year.

Total sales for the year £'000 (note 16) **349,314**

Sales	Proceeds £'000
US Treasury 1.625% Inflation Protected Securities 15/1/2018	241,357
Reynolds American	63,312
Agnico-Eagle Mines	38,722
Better Capital 2012	4,119
Mithras Investment Trust	1,804

In addition to above, sales of £3,630,195,000 were made in short term investments during the year.

The summary of material portfolio changes represents all of the purchases and sales during the year.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Income:					
Net capital gains	3		95,570		316,315
Revenue	4	62,758		47,090	
Expenses	5	(38,743)		(30,113)	
Interest payable and similar charges	7	(2)		(9)	
Net revenue before taxation		24,013		16,968	
Taxation	6	(3,767)		(3,670)	
Net revenue after taxation			20,246		13,298
Total return before distributions			115,816		329,613
Distributions	8		(19,679)		(13,557)
Change in net assets attributable to shareholders from investment activities			96,137		316,056

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR ENDED 31 JANUARY 2018

	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Opening net assets attributable to shareholders		3,706,271		2,583,356
Amounts receivable on issue of shares	859,588		898,522	
Amounts payable on redemption of shares	(192,430)		(96,890)	
		667,158		801,632
Change in net assets attributable to shareholders from investment activities		96,137		316,056
Retained distributions on Accumulation shares		7,109		5,227
Closing net assets attributable to shareholders		4,476,675		3,706,271

TROJAN FUND
Financial Statements (continued)
BALANCE SHEET
AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		4,164,886	3,439,881
Current assets			
Debtors	9	10,422	21,535
Cash and bank balances	10	310,446	251,616
Total assets		<u>4,485,754</u>	<u>3,713,032</u>
LIABILITIES			
Creditors			
Distribution payable	11	(5,098)	(3,317)
Other creditors	11	(3,981)	(3,444)
Total liabilities		<u>(9,079)</u>	<u>(6,761)</u>
Net assets attributable to shareholders		<u>4,476,675</u>	<u>3,706,271</u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current and prior year.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current and prior year.

	31.01.18 £'000	31.01.17 £'000
3. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	(24,922)	404,750
Forward currency contracts	121,761	(88,291)
Transaction charges	(1)	–
AMC rebates from underlying investments	207	260
Currency losses	(1,475)	(404)
Net capital gains	<u>95,570</u>	<u>316,315</u>
4. REVENUE		
Non-taxable dividends	41,799	34,991
Interest on debt securities	20,872	11,955
Bank interest	87	144
Total revenue	<u>62,758</u>	<u>47,090</u>
5. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	37,954	29,459
Legal and professional fees	19	18
Typesetting and printing costs	2	9
Registration fees	100	100
	38,075	29,586
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	533	407
Safe custody and other bank charges	119	92
	652	499

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
5. EXPENSES (continued)		
Other expenses:		
Fees paid to auditor – audit	8	9
– tax services	(3)	3
Publication costs	6	7
Legal and professional fees	4	5
Portfolio monitoring fees	1	1
Postage and distribution costs	–	3
	16	28
Total expenses	<u>38,743</u>	<u>30,113</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

	31.01.18 £'000	31.01.17 £'000
6. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	3,767	3,670
Current tax charge	<u>3,767</u>	<u>3,670</u>
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>3,767</u>	<u>3,670</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:

	31.01.18 £'000	31.01.17 £'000
Net revenue before taxation	<u>24,013</u>	<u>16,968</u>
Corporation tax at 20%	4,803	3,394

	31.01.18 £'000	31.01.17 £'000
6. TAXATION (continued)		
Effects of:		
Non-taxable dividends	(8,360)	(6,998)
RPI movement on UK index-linked gilts	(3,324)	(1,853)
AMC rebates taken to capital	41	52
Unutilised excess management expenses	<u>6,840</u>	<u>5,405</u>
Corporation tax charge	–	–
Overseas tax	<u>3,767</u>	<u>3,670</u>
Total tax charge (note 6a)	<u>3,767</u>	<u>3,670</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £28,998,000 (31.01.17 : £22,158,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

	31.01.18 £'000	31.01.17 £'000
7. INTEREST PAYABLE AND SIMILAR CHARGES		
Interest	2	9
Total interest payable and similar charges	<u>2</u>	<u>9</u>

8. DISTRIBUTIONS

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	31.01.17 £'000
Interim	13,731	10,237
Final	<u>7,278</u>	<u>4,693</u>
	21,009	14,930
Add: Revenue deducted on redemption of shares	286	194
Deduct: Revenue received on issue of shares	<u>(1,616)</u>	<u>(1,567)</u>
Net distributions for the year	<u>19,679</u>	<u>13,557</u>

Details of the distributions per share are set out in the table on pages 57 to 60.

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
8. DISTRIBUTIONS (continued)		
Net revenue after taxation	20,246	13,298
Allocations to capital:		
Revenue deficit: – 'I' Income shares	148	19
– 'I' Accumulation shares	13	194
	161	213
Tax relief on capitalised AMC rebates from underlying securities	41	–
Equalisation on conversions*	(770)	45
Balance brought forward	–	1
Balance carried forward	1	–
Net distributions for the year	<u>19,679</u>	<u>13,557</u>
	31.01.18 £'000	31.01.17 £'000
9. DEBTORS		
Amounts receivable for issue of shares	6,592	19,497
Accrued revenue:		
Non-taxable dividends	2,282	682
Interest on debt securities	1,526	1,330
AMC rebates from underlying investments	18	22
	3,826	2,034
Prepaid expenses	4	4
Total debtors	<u>10,422</u>	<u>21,535</u>
10. CASH AND BANK BALANCES		
Bank balances	310,446	251,616
Total cash and bank balances	<u>310,446</u>	<u>251,616</u>

* Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

	31.01.18 £'000	31.01.17 £'000
11. CREDITORS		
Distribution payable	<u>5,098</u>	<u>3,317</u>
OTHER CREDITORS		
Amounts payable for redemption of shares	533	484
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	3,345	2,873
Legal and professional fees	1	2
Typesetting and printing costs	1	5
Registration fees	9	9
	3,356	2,889
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	48	40
Safe custody and other bank charges	30	17
	78	57
Other expenses	14	14
Total other creditors	<u>3,981</u>	<u>3,444</u>
12. RELATED PARTY TRANSACTIONS		
Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.		
The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 41 and amounts due at the year end are disclosed in notes 9 and 11.		
Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 6,268,404 (31.01.17 : 6,654,259) of the Fund's shares at the balance sheet date.		
13. CONTINGENT LIABILITIES AND COMMITMENTS		
There are no contingent liabilities or unrecorded outstanding commitments (31.01.17 : none).		

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. SHARES IN ISSUE

	'O' Income	'O' Accumulation	'I' Income
Annual Management Charge	1.00%	1.00%	1.50%
Opening shares in issue	599,021,874	499,957,123	4,805,280
Issues	102,423,815	104,560,755	272,174
Redemptions	(13,239,009)	(31,918,166)	(713,271)
Conversions	(298,225,713)	(77,879,997)	(396,421)
Closing shares in issue	<u>389,980,967</u>	<u>494,719,715</u>	<u>3,967,762</u>
	'I' Accumulation	'S' Income	'S' Accumulation
Annual Management Charge	1.50%	0.75%	0.75%
Opening shares in issue	40,973,404	145,130,350	20,593,781
Issues	1,617,924	20,087,739	9,367,044
Redemptions	(2,900,261)	(8,495,310)	(482,184)
Conversions	(1,485,821)	739,665	(90,594)
Closing shares in issue	<u>38,205,246</u>	<u>157,462,444</u>	<u>29,388,047</u>
	'Z' Income	'Z' Accumulation	'X' Income ¹
Annual Management Charge	–	–	0.85%
Opening shares in issue	191,489,282	250	–
Issues	151,814,563	–	13,215,555
Redemptions	(23,655,045)	–	(380,640)
Conversions	–	–	755,602,616
Closing shares in issue	<u>319,648,800</u>	<u>250</u>	<u>768,437,531</u>

¹ 'X' Income class launched on 1 December 2017.

14. SHARES IN ISSUE (continued)

	'X' Accumulation ¹
Annual Management Charge	0.85%
Opening shares in issue	–
Issues	2,784,853
Redemptions	(427,378)
Conversions	226,314,634
Closing shares in issue	<u>228,672,109</u>

¹ 'X' Accumulation class launched on 1 December 2017.

15. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. RISK MANAGEMENT POLICIES (continued)

i. Credit risk (continued)

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The ACD monitors the credit rating of bond holdings.

Credit Quality	31.01.18 %	31.01.17 %
Investment grade debt securities	47.27	45.39
Other investments	45.77	47.42
Net other assets	6.96	7.19
	<u>100.00</u>	<u>100.00</u>

There were forward currency contracts held at the balance sheet date. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.01.18

Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	52,797	–

31.01.17

Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	8,615	–

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Investment Manager believe that the expected return compensates for the overall risk. The Fund will at times have significant exposure to Interest rate risk. The ACD and Investment Manager continue to monitor the level of interest rate risk posed by the Fund's underlying investments on a regular basis using the DV01 method. As at 31 January 2018 a one basis point change in the yield would have an impact of £456,000 on the net asset of the Fund (31.01.17 : £433,000).

15. RISK MANAGEMENT POLICIES (continued)

ii. Interest rate risk (continued)

The table below shows the interest rate risk profile:

	31.01.18 £'000	31.01.17 £'000
Floating rate investments	732,496	410,527
Fixed rate investments	1,383,441	1,271,593
Investments on which interest is not paid	2,048,949	1,757,761
Total investments	<u>4,164,886</u>	<u>3,439,881</u>

The floating rate investments comprise securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalents.

Investments on which interest is not paid include equities, collective investment schemes and forward currency contracts.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and may not seek to hedge all foreign currency risk.

The table below shows the direct foreign currency risk profile:

	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Canadian dollars	70,928	–	70,928
Euros	68,492	–	68,492
Swiss francs	86,400	–	86,400
US dollars	1,992,197	(1,029,511)	962,686
	<u>2,218,017</u>	<u>(1,029,511)</u>	<u>1,188,506</u>
Pounds sterling	2,205,861	1,082,308	3,288,169
Net assets	<u>4,423,878</u>	<u>52,797</u>	<u>4,476,675</u>

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. RISK MANAGEMENT POLICIES (continued)

	31.01.17 Gross £'000	31.01.17 Hedged £'000	31.01.17 Net £'000
<i>iii. Foreign currency risk (continued)</i>			
Currency:			
Canadian dollars	122,136	–	122,136
Swiss francs	45,437	–	45,437
US dollars	1,614,633	(780,654)	833,979
	1,782,206	(780,654)	1,001,552
Pounds sterling	1,915,450	789,269	2,704,719
Net assets	3,697,656	8,615	3,706,271

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £59,425,000 on the net assets of the Fund (31.01.17 : £50,078,000).

iv. Leverage

The Fund did not employ any significant leverage during the current and prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio, excluding forward currency contracts, would have the effect of increasing the return and net assets by £205,604,000 (31.01.17 : £171,563,000). A 5% decrease would have the equal and opposite effect.

15. RISK MANAGEMENT POLICIES (continued)

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the holdings of such instruments, the net exposure to foreign currencies as at the balance sheet date, and details of the total losses on forward currency contracts during the year are set out in the Portfolio Statement, note 15iii and note 3, respectively. The counterparty for the forward currency contracts is the Bank of New York Mellon.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain or vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

16. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Ordinary shares	268,883	285	385	269,553
Debt securities	642,253	–	–	642,253
Purchases total	911,136	285	385	911,806
<i>Transaction cost % of purchases total</i>		0.03%	0.04%	
<i>Transaction cost % of average NAV</i>		0.01%	0.01%	
Ordinary shares	102,128	(93)	(1)	102,034
Collective investment schemes	5,926	(3)	–	5,923
Debt securities	241,357	–	–	241,357
Sales total	349,411	(96)	(1)	349,314
<i>Transaction cost % of sales total</i>		0.03%	–	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 31.01.18 is 0.04% (31.01.17 : 0.07%).

16. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Ordinary shares	107,034	153	234	107,421
Debt securities	134,997	–	–	134,997
Purchases total	242,031	153	234	242,418
<i>Transaction cost % of purchases total</i>		0.06%	0.10%	
<i>Transaction cost % of average NAV</i>		–	0.01%	
Ordinary shares	29,879	(38)	–	29,841
Collective investment schemes	1,315	–	–	1,315
Sales total	31,194	(38)	–	31,156
<i>Transaction cost % of sales total</i>		0.12%	–	
<i>Transaction cost % of average NAV</i>		–	–	

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

17. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.18				
Investment Assets	<u>4,112,089</u>	<u>52,797</u>	<u>–</u>	<u>4,164,886</u>
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.17				
Investment Assets	<u>3,424,082</u>	<u>15,799</u>	<u>–</u>	<u>3,439,881</u>

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.17	01.08.17
To	31.07.17	31.01.18

'O' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	0.6879	–	0.6879	0.7006
Group 2	0.2803	0.4076	0.6879	0.7006
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.3050	–	0.3050	0.2059
Group 2	0.1266	0.1784	0.3050	0.2059

'O' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	0.8334	–	0.8334	0.8477
Group 2	0.3371	0.4963	0.8334	0.8477
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.3705	–	0.3705	0.2492
Group 2	0.1514	0.2191	0.3705	0.2492

TROJAN FUND

Financial Statements (continued)

Distribution Table (continued)

'I' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	0.0670	–	0.0670	0.1267
Group 2	–	0.0670	0.0670	0.1267
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	–	–	–	–
Group 2	–	0.0000	–	–

'I' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	0.0790	–	0.0790	0.1512
Group 2	–	0.0790	0.0790	0.1512
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	–	–	–	–
Group 2	–	0.0000	–	–

'S' Income shares (Registered charities only)

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	0.9990	–	0.9990	0.9906
Group 2	0.4015	0.5975	0.9990	0.9906
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.6213	–	0.6213	0.5107
Group 2	0.3622	0.2591	0.6213	0.5107

'S' Accumulation shares (Registered charities only)

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	1.2399	–	1.2399	1.2190
Group 2	0.3436	0.8963	1.2399	1.2190
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.7739	–	0.7739	0.6308
Group 2	0.4645	0.3094	0.7739	0.6308

'Z' Income shares (this class is only available for investment by the Trojan Feeder Fund (Ireland))

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	0.9484	–	0.9484	0.9043
Group 2	0.4120	0.5364	0.9484	0.9043
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.7716	–	0.7716	0.7010
Group 2	0.4165	0.3551	0.7716	0.7010

'Z' Accumulation shares (this class is only available for investment by the Trojan Feeder Fund (Ireland))

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	0.8680	–	0.8680	0.9320
Group 2	0.8680	0.0000	0.8680	0.9320
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.6360	–	0.6360	0.5800
Group 2	0.6360	0.0000	0.6360	0.5800

TROJAN FUND

Financial Statements (continued)
Distribution Table (continued)

'X' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.0602	–	0.0602	n/a
Group 2	0.0198	0.0404	0.0602	n/a

'X' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.0522	–	0.0522	n/a
Group 2	–	0.0522	0.0522	n/a

The 'X' Income and 'X' Accumulation classes launched on 1 December 2017, therefore no interim distribution was made and no comparatives have been disclosed.

TROJAN ETHICAL INCOME FUND

ACD'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Trojan Ethical Income Fund ('the Fund') is to seek to provide income with the potential for capital growth in the medium term. The Fund's policy is to invest substantially in UK and overseas equities. It may also invest in fixed interest securities, indices, deposits, collective investment schemes and money market instruments.

The Fund will invest in accordance with the parameters of the Fund's ethical investment criteria, which consider ethical issues in relation to: fossil fuels, pornography, tobacco, alcohol, gambling, high interest rate lending and certain types of armaments. A document setting out the Fund's ethical investment criteria is available on the ACD's website.

The Investment Manager may employ derivatives for the purposes of Efficient Portfolio Management.

The Investment Manager operates screening whereby potential investments are screened against the Fund's ethical investment criteria, the details of which are included in the document on the ACD's website setting out the Fund's ethical investment criteria.

Where an investment is identified as not meeting the Fund's ethical investment criteria, the Investment Manager will seek to sell the investment within the following 90 days. The prices at which such an investment can be sold in these circumstances may be lower than the prices that might otherwise have been realised for the investment if such a sale was not required.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Ethical Income Fund

30 May 2018

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)

For the year ended 31 January 2018

INVESTMENT MANAGER'S REPORT

ETHICAL CRITERIA

The Fund will invest in accordance with the parameters of the Fund's ethical investment criteria which consider ethical issues in relation to fossil fuels, pornography, tobacco, alcoholic beverages, armaments, high interest rate lending and gambling. A document setting out the Fund's ethical investment criteria is available on the ACD's website.

INVESTMENT REVIEW

Over the twelve months under review 'O' Accumulation shares of the Fund produced a total return of +10.6%. Over the same period the FTSE All-Share (TR) Index produced a return of +11.3%¹, while the total return on cash (LIBID) amounted to +0.2%¹.

Notably strong returns were generated by the portfolio's information technology holdings. Both Equiniti and AVEVA returned more than 50%, the latter rising strongly after finally agreeing to a tie-up with Schneider Electric's software arm. Positive contributions to the Fund's absolute performance also came from consumer discretionary stocks including Next, WH Smith and Domino's Pizza which all thrived despite the uncertain UK backdrop. The diverse holdings within the financial sector also delivered a strong contribution. The only sector to significantly detract from performance on an absolute basis was the utility sector where the perception of increasing political risk, a regulatory review in the water sector and an uncertain interest rate environment put downward pressure on the Fund's holdings.

A final distribution of 1.7164p will be paid to holders of 'O' Income shares on 31 March 2018. When combined with the interim distribution of 1.735p the Fund's annual distribution equates to a yield of 3.1% on the year end share price. When compared to the prior full year dividend the distribution from the Fund has grown by 2.4%. A headwind from the strengthening of sterling, combined with elevated cash levels in the portfolio, meant that dividend growth was constrained. It remains our ambition to grow the dividend year on year whilst ensuring that we do not expose the Fund's capital to excessive risk.²

MARKET REVIEW

The 12 month period under review will stand out in the annals of investment history for the almost metronomic rise of share prices and the accompanying decline in equity market volatility. A favourable trifecta of robust corporate profitability, abundant liquidity and a synchronised pickup in global growth underpinned a period in which global equities³ delivered a positive total return in every month with the US market⁴ seeing a similarly robust track record. The UK equity market was barely more subdued despite the continued political and economic risks.

The Conservative Party's failure to win a parliamentary majority in the June snap General Election did nothing to strengthen Theresa May's hand in the Brexit negotiations and everything to diminish her ability to side-line the more radical Euro-sceptics in her party. Despite progress on the so called divorce bill and reaching agreement on a two year transition period, any clarity

¹ Source: Link Fund Solutions Limited and Lipper. The indices used by the Investment Manager are for comparison purposes. No benchmark is required to be disclosed per the Prospectus.

² Source: Bloomberg.

³ As measured by the MSCI World USD Total Return Index.

⁴ As measured by the S&P 500 Total Return Index.

on the UK's future trading relationship with Europe remains frustratingly elusive. The strength of sterling and the health of corporate Britain both remain hard to predict and an uncertain state of limbo is likely to persist until a direction of travel is agreed, if only within the fragmented Conservative Party.

At the beginning of November, the Bank of England ('BoE') implemented its first interest rate rise in over a decade; the central bank's Monetary Policy Committee voted seven to two to increase the UK interest rate to 0.5%. Although the increase was no more than a reversal of the 2016 post referendum cut it represented an important change in stance. With headline Consumer Price Index ('CPI') inflation in the UK having persisted at 3%, despite the deflationary impact of 12 months of strengthening sterling, the BoE has guided to further increases in the base rate.

The language from the BoE has largely reflected developments in the US where the economy has maintained a brisk pace of growth. A reduction in the corporate tax rate from 35% to 21%, and the promises of a significant boost to infrastructure spending helped brush off a number of potential concerns including angst over the US debt ceiling, a period of rising geopolitical tension on the Korean Peninsula and the impact of a damaging hurricane season highlighted by Hurricane Harvey. Against this backdrop the Federal Reserve ('the Fed') threw its quantitative easing programme into reverse and communicated its intention to normalise its \$4.5 trillion balance sheet by reducing the reinvestment of maturing securities in its portfolio. The US saw the third rate hike of 2017 implemented in December.

This nascent shift in monetary policy has driven a modest increase in bond yields. Although by the end of January the change had not yet made itself felt in the equity markets. The VIX⁵, a widely quoted (if not perfect) proxy for volatility, registered nine of its ten lowest levels in 2017 and global equities, including the UK, made new highs in January 2018.

PORTFOLIO

In the second half of the year in particular our focus has been on reinforcing the quality of the portfolio. As the market has moved higher and equity valuations have risen, we have sought to insulate our investors from the sporadic but sharp share price declines inflicted on companies who have failed to meet the market's demanding expectations. This has meant reducing the portfolio weighting to holdings such as Rotork, Domino's Pizza and Equiniti, all stocks which have performed well and where we continue to have confidence. However, in all three cases limited liquidity has the potential to exacerbate risk. Royal Mail was also reduced; in the second half of the year investors became concerned about deteriorating workforce relations and the rising risk of industrial action. Following a successful arbitration and a strike-free Christmas period the shares rebounded some 20% and we felt it now appropriate to reduce the Fund's exposure.

As the interest rate environment has become more uncertain we have also endeavored to reduce the Fund's exposure to stocks with the highest correlation to bond markets. Such stocks are often characterised by highly stable but low growth earnings, enhanced by the use of leverage. Most notably, within the utilities sector, we have reduced holdings in Pennon and Severn Trent.

We only exited two stocks in their entirety during the period. Following a bid from 21st Century Fox the holding in Sky was sold. The Fund's holding in Diageo was sold early in the year on valuation grounds, ahead of the implementation of the enhanced ethical criteria.

⁵ Chicago Board Options Exchange SPX Volatility Index.

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)

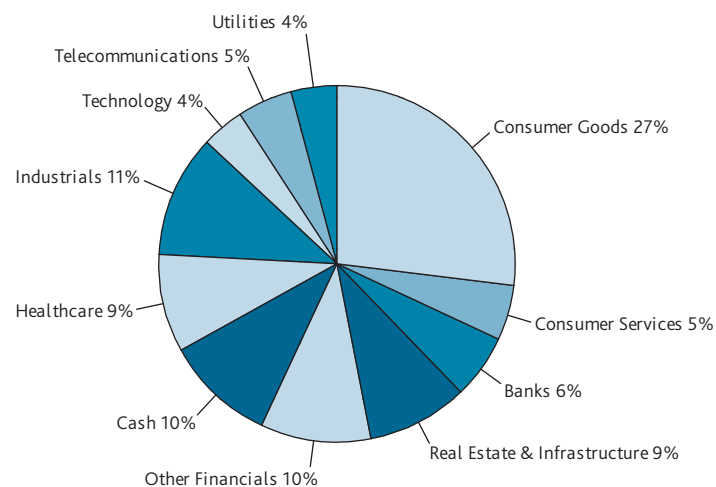
Investment Manager's Report (continued)

For the year ended 31 January 2018

PORTFOLIO (continued)

We reallocated the capital raised from these transactions to both new and existing holdings. In the first half of the year new investments were made in NewRiver REIT and Domino's Pizza. During the second half of the year purchases were characterised by a drive to increase our exposure to the highest quality investments within our universe, particularly where we saw attractive valuations. We sought out investments where liquidity is more assured and where we believe the companies can continue to generate attractive free cash flow yields, without the need for high levels of leverage. A new holding was bought in RELX which, following a long and sometimes difficult transformation to a digital world offers a resilient free cash flow yield in excess of 5%. We used the weakness in Reckitt Benckiser's share price following litigation in South Korea and a cyberattack to continue to build a holding. We also added to Next, Colgate-Palmolive, Compass and Procter & Gamble amongst others. In each instance we have confidence that the current share prices undervalue these excellent businesses.

SECTOR ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

The chart above shows the period end sector weightings which have largely remained stable over the period.

OUTLOOK

With central bank interest rate increases now firmly on the agenda markets have again become intently focused on the expectations for inflation. US unemployment of 4.1% is now well below pre-crisis levels and there is a real risk that wage inflation gains traction. Jerome Powell, the Fed's newly appointed chair, has the unenviable task of second guessing the future inflationary impact of significant fiscal policy changes, including the aforementioned US corporation tax cuts and President Trump's \$1.5 trillion infrastructure spending pledge. The US central bank has forecasted three rate hikes in 2018. Markets will be quick to respond to any changes in that expectation. In the UK, CPI inflation has been resilient at 3%, well above the 2% target. Consequently, the implied probability of a UK rate hike by 2018 year-end stands at over 80%.

Closer to home, Theresa May will look to continue to balance the Conservative Party's factions on Brexit whilst discussing the transition period and negotiating a post-Brexit trade deal with the European Union ('EU'). The European Commission's chief negotiator, Michel Barnier, has already explicitly stated that any deal will be "along the same lines" as the ones signed between the EU and countries such as Canada, dashing Theresa May's hopes for a bespoke deal. Talks regarding the framework for the future trade relationship are due to begin in earnest in March and we would expect UK domestic earnings expectations and sterling to be particularly sensitive to the progress of negotiations.

There are undoubtedly significant risks to the trifecta of market drivers which have served to underpin rising equity markets as described at the beginning of this report. Monetary stimulus is being reined in and the credit cycle is starting to look mature. However, we believe the outlook for global corporate profitability is more benign. Positive global economic data, supported by the impact of US fiscal policy, means we have confidence in the ability of companies to generate cash and remain positive about the outlook for dividend growth.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

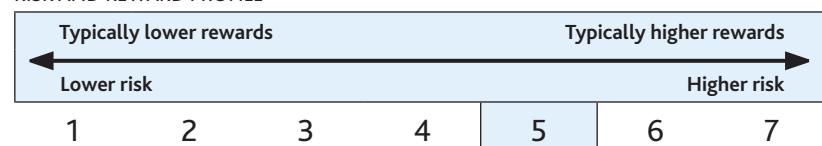
20 February 2018

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

Financial Techniques Impact: The Fund may invest in derivatives to generate additional capital or income. A movement in the value of the derivative's underlying asset may have a much larger negative impact on the value of the Fund than if the Fund were to hold the underlying investment itself.

Ethical Investments: The Fund is prevented from investing in certain sectors or companies for ethical reasons. This narrower range may constrain the Fund's performance.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

COMPARATIVE TABLES

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'O' Income shares			
Change in net assets per share			
Opening net asset value per share	102.85	98.81	100.00
Return before operating charges*	12.02	8.61	(0.98)
Operating charges	(1.26)	(1.21)	(0.14)
Return after operating charges	10.76	7.40	(1.12)
Distributions	(3.45)	(3.36)	(0.07)
Closing net asset value per share	110.16	102.85	98.81
* after direct transaction costs of:	0.19	0.34	0.03
Performance			
Return after charges	10.46%	7.49%	(1.12)%
Other Information			
Closing net asset value (£'000)	40,195	31,935	25,271
Closing number of shares	36,485,963	31,050,259	25,574,324
Operating charges	1.14%	1.17%	1.23% ²
Direct transaction costs	0.17%	0.33%	0.51% ²
Prices			
Highest share price	114.53	109.16	100.00
Lowest share price	102.64	93.82	96.25

¹ From 6 January 2016.

² Annualised figure due to share class launched less than 1 year.

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'O' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	106.00	98.83	100.00
Return before operating charges*	12.44	8.39	(1.01)
Operating charges	(1.31)	(1.22)	(0.16)
Return after operating charges	11.13	7.17	(1.17)
Distributions	(3.57)	(3.36)	(0.11)
Retained distributions on accumulation shares	3.57	3.36	0.11
Closing net asset value per share	117.13	106.00	98.83
* after direct transaction costs of:	0.20	0.34	0.03
Performance			
Return after charges	10.50%	7.25%	(1.17)%
Other Information			
Closing net asset value (£'000)	4,426	1,314	–
Closing number of shares	3,778,640	1,240,070	250
Operating charges	1.14%	1.17%	1.23% ²
Direct transaction costs	0.17%	0.33%	0.51% ²
Prices			
Highest share price	119.80	110.72	100.00
Lowest share price	105.78	93.84	96.22

¹ From 6 January 2016.

² Annualised figure due to share class launched less than 1 year.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'I' Income shares			
Change in net assets per share			
Opening net asset value per share	102.62	98.76	100.00
Return before operating charges*	12.30	8.89	(1.01)
Operating charges	(1.81)	(1.73)	(0.16)
Return after operating charges	10.49	7.16	(1.17)
Distributions	(3.59)	(3.30)	(0.07)
Closing net asset value per share	109.52	102.62	98.76
* after direct transaction costs of:	0.19	0.34	0.03
Performance			
Return after charges	10.22%	7.25%	(1.17)%
Other Information			
Closing net asset value (£'000)	–	–	–
Closing number of shares	250	250	250
Operating charges	1.64%	1.67%	1.73% ²
Direct transaction costs	0.17%	0.33%	0.51% ²
Prices			
Highest share price	114.17	108.94	100.00
Lowest share price	102.41	93.76	96.22

¹ From 6 January 2016.

² Annualised figure due to share class launched less than 1 year.

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'I' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	105.47	98.91	100.00
Return before operating charges*	12.36	8.30	(0.93)
Operating charges	(1.87)	(1.74)	(0.16)
Return after operating charges	10.49	6.56	(1.09)
Distributions	(3.54)	(3.22)	(0.08)
Retained distributions on accumulation shares	3.54	3.22	0.08
Closing net asset value per share	115.96	105.47	98.91
* after direct transaction costs of:	0.20	0.34	0.03
Performance			
Return after charges	9.95%	6.63%	(1.09)%
Other Information			
Closing net asset value (£'000)	16	11	–
Closing number of shares	13,486	9,867	250
Operating charges	1.64%	1.67%	1.73% ²
Direct transaction costs	0.17%	0.33%	0.51% ²
Prices			
Highest share price	118.63	110.38	100.00
Lowest share price	105.24	93.89	96.28

¹ From 6 January 2016.

² Annualised figure due to share class launched less than 1 year.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'S' Income shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	103.06	98.80	100.00
Return before operating charges*	12.05	8.60	(1.01)
Operating charges	(0.99)	(0.95)	(0.16)
Return after operating charges	11.06	7.65	(1.17)
Distributions	(3.45)	(3.39)	(0.03)
Closing net asset value per share	110.67	103.06	98.80
* after direct transaction costs of:	0.19	0.34	0.03
Performance			
Return after charges	10.73%	7.74%	(1.17)%
Other Information			
Closing net asset value (£'000)	24,404	16,350	–
Closing number of shares	22,050,730	15,864,692	250
Operating charges	0.89%	0.92%	0.98% ²
Direct transaction costs	0.17%	0.33%	0.51% ²
Prices			
Highest share price	114.94	109.33	100.00
Lowest share price	102.85	93.80	96.23

¹ From 6 January 2016.

² Annualised figure due to share class launched less than 1 year.

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'S' Accumulation shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	106.19	98.83	100.00
Return before operating charges*	12.47	8.32	(1.01)
Operating charges	(1.03)	(0.96)	(0.16)
Return after operating charges	11.44	7.36	(1.17)
Distributions	(3.58)	(3.49)	(0.03)
Retained distributions on accumulation shares	3.58	3.49	0.03
Closing net asset value per share	117.63	106.19	98.83
* after direct transaction costs of:	0.20	0.34	0.03
Performance			
Return after charges	10.77%	7.45%	(1.17)%
Other Information			
Closing net asset value (£'000)	130	52	–
Closing number of shares	110,493	49,143	250
Operating charges	0.89%	0.92%	0.98% ²
Direct transaction costs	0.17%	0.33%	0.51% ²
Prices			
Highest share price	120.29	110.83	100.00
Lowest share price	105.97	93.84	96.23

¹ From 6 January 2016.

² Annualised figure due to share class launched less than 1 year.

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	Since launch*
Trojan Ethical Income Fund	10.62	17.62

* Launch date 6 January 2016.

The performance of the Fund is based on the published price per 'O' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 93 to 95.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	UNITED KINGDOM – 70.24% (31.01.17 – 69.54%)		
	INDUSTRIALS – 7.42% (31.01.17 – 7.17%)		
	<i>INDUSTRIAL ENGINEERING – 2.14%</i> <i>(31.01.17 – 1.75%)</i>		
500,000	Rotork	1,477	2.14
	<i>INDUSTRIAL TRANSPORTATION – 2.35%</i> <i>(31.01.17 – 3.11%)</i>		
346,277	Royal Mail	1,625	2.35
	<i>SUPPORT SERVICES – 2.93% (31.01.17 – 2.31%)</i>		
125,000	Experian	2,027	2.93
	TOTAL INDUSTRIALS	5,129	7.42
	CONSUMER GOODS – 12.35% (31.01.17 – 13.25%)		
	<i>FOOD PRODUCERS – 3.86% (31.01.17 – 6.21%)</i>		
160,000	A.G. Barr	1,024	1.48
280,000	Dairy Crest	1,648	2.38
		2,672	3.86
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION</i> <i>– 3.74% (31.01.17 – 1.88%)</i>		
250,000	PZ Cussons	781	1.13
26,500	Reckitt Benckiser	1,803	2.61
		2,584	3.74
	<i>PERSONAL GOODS – 4.75% (31.01.17 – 5.16%)</i>		
36,000	Burberry	568	0.82
68,000	Unilever	2,720	3.93
		3,288	4.75
	TOTAL CONSUMER GOODS	8,544	12.35

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	HEALTH CARE – 5.11% (31.01.17 – 5.61%)		
	<i>PHARMACEUTICALS & BIOTECHNOLOGY – 5.11%</i> <i>(31.01.17 – 5.61%)</i>		
25,000	AstraZeneca	1,222	1.77
175,000	GlaxoSmithKline	2,311	3.34
	TOTAL HEALTH CARE	3,533	5.11
	CONSUMER SERVICES – 11.64% (31.01.17 – 8.96%)		
	<i>GENERAL RETAILERS – 4.98% (31.01.17 – 3.60%)</i>		
42,500	Next	2,160	3.12
60,000	WH Smith	1,283	1.86
		3,443	4.98
	<i>TRAVEL & LEISURE – 5.16% (31.01.17 – 2.84%)</i>		
150,000	Compass	2,224	3.21
400,000	Domino's Pizza	1,349	1.95
		3,573	5.16
	<i>MEDIA – 1.50% (31.01.17 – 2.52%)</i>		
66,415	RELX	1,035	1.50
	TOTAL CONSUMER SERVICES	8,051	11.64
	TELECOMMUNICATIONS – 3.60% (31.01.17 – 2.97%)		
	<i>MOBILE TELECOMMUNICATIONS – 3.60%</i> <i>(31.01.17 – 2.97%)</i>		
150,000	Inmarsat	697	1.01
800,000	Vodafone	1,796	2.59
	TOTAL TELECOMMUNICATIONS	2,493	3.60
	UTILITIES – 4.30% (31.01.17 – 6.52%)		
	<i>GAS, WATER & MULTIUTILITIES – 4.30%</i> <i>(31.01.17 – 6.52%)</i>		
220,000	National Grid	1,769	2.55
95,000	Pennon	682	0.99
26,852	Severn Trent	524	0.76
	TOTAL UTILITIES	2,975	4.30

TROJAN ETHICAL INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 January 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	FINANCIALS – 21.93% (31.01.17 – 21.73%)		
	<i>BANKS – 3.47% (31.01.17 – 3.53%)</i>		
3,450,000	Lloyds Banking	2,398	3.47
	<i>NON-LIFE INSURANCE – 3.98% (31.01.17 – 4.36%)</i>		
70,000	Hiscox	990	1.43
60,000	Jardine Lloyd Thompson	808	1.17
145,000	Lancashire	953	1.38
		<u>2,751</u>	<u>3.98</u>
	<i>REAL ESTATE INVESTMENT TRUSTS – 7.14%</i> <i>(31.01.17 – 7.16%)</i>		
1,118,380	Assura	688	0.99
150,000	Land Securities	1,501	2.17
549,673	LondonMetric Property	985	1.42
135,000	NewRiver REIT	405	0.59
600,000	Primary Health Properties	694	1.00
185,000	Secure Income REIT	668	0.97
		<u>4,941</u>	<u>7.14</u>
	<i>FINANCIAL SERVICES – 5.59% (31.01.17 – 4.42%)</i>		
562,407	Equiniti	1,524	2.20
30,000	Rathbone Brothers	818	1.18
57,500	Schroders	1,530	2.21
		<u>3,872</u>	<u>5.59</u>
	<i>EQUITY INVESTMENT INSTRUMENTS – 1.75%</i> <i>(31.01.17 – 2.26%)</i>		
330,000	3i Infrastructure*	662	0.96
363,165	International Public Partnership*	546	0.79
		<u>1,208</u>	<u>1.75</u>
	TOTAL FINANCIALS	<u>15,170</u>	<u>21.93</u>

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	TECHNOLOGY – 3.89% (31.01.17 – 3.33%)		
	<i>SOFTWARE & COMPUTER SERVICES – 3.89%</i> <i>(31.01.17 – 3.33%)</i>		
52,500	AVEVA	1,565	2.26
150,000	Sage	1,124	1.63
	TOTAL TECHNOLOGY	<u>2,689</u>	<u>3.89</u>
	TOTAL UNITED KINGDOM	<u>48,584</u>	<u>70.24</u>
	<i>CONTINENTAL EUROPE – 5.15% (31.01.17 – 6.74%)</i>		
19,500	Nestlé	1,186	1.71
22,000	Novartis	1,401	2.03
5,600	Roche	972	1.41
	TOTAL CONTINENTAL EUROPE	<u>3,559</u>	<u>5.15</u>
	<i>NORTH AMERICA – 14.63% (31.01.17 – 15.48%)</i>		
25,500	American Express	1,782	2.57
45,000	Coca-Cola	1,506	2.18
40,000	Colgate-Palmolive	2,089	3.02
33,500	Procter & Gamble	2,035	2.94
25,654	Verizon Communications	975	1.41
37,500	Wells Fargo	1,735	2.51
	TOTAL NORTH AMERICA	<u>10,122</u>	<u>14.63</u>
	<i>FORWARD CURRENCY CONTRACTS – 0.00%</i> <i>(31.01.17 – 0.10%)</i>		
		<u>-</u>	<u>-</u>
	Portfolio of investments	62,265	90.02
	Net other assets	6,906	9.98
	Net assets	<u>69,171</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(g) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

* Collective investment scheme.

TROJAN ETHICAL INCOME FUND
ACD's Report (continued)
SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 15) 19,812

Major purchases	Cost £'000
Schroders	1,602
Reckitt Benckiser	1,399
Domino's Pizza	1,197
RELX	1,091
Procter & Gamble	983
GlaxoSmithKline	914
Next	893
Compass	848
Colgate-Palmolive	804
Experian	795
Equiniti	706
Vodafone	665
National Grid	612
Wells Fargo	606
Rotork	586
Dairy Crest	531
Lloyds Banking	515
Inmarsat	490
NewRiver REIT	460
PZ Cussons	331

The summary of material portfolio changes represents the 20 largest purchases during the year.

Total sales for the year £'000 (note 15) 7,104

Sales	Proceeds £'000
Schroders	1,265
Sky	1,212
Diageo	1,184
Severn Trent	489
Verizon Communications	372
Novartis	351
Royal Mail	312
Equiniti	305
Nestlé	294
AstraZeneca	257
Sage	249
Rotork	218
Schroders	190
Domino's Pizza	163
Pennon	156
Land Securities	87

The summary of material portfolio changes represents all of the sales during the year.

TROJAN ETHICAL INCOME FUND
 FINANCIAL STATEMENTS
 STATEMENT OF TOTAL RETURN
 FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Income:					
Net capital gains	3		4,295		1,658
Revenue	4	2,063		1,228	
Expenses	5	(640)		(404)	
Net revenue before taxation		1,423		824	
Taxation	6	(84)		(51)	
Net revenue after taxation			1,339		773
Total return before distributions			5,634		2,431
Distributions	7		(1,895)		(1,115)
Change in net assets attributable to shareholders from investment activities			3,739		1,316

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
 FOR THE YEAR ENDED 31 JANUARY 2018

	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Opening net assets attributable to shareholders		49,662		25,271
Amounts receivable on issue of shares	17,024		23,324	
Amounts payable on redemption of shares	(1,363)		(277)	
		15,661		23,047
Change in net assets attributable to shareholders from investment activities		3,739		1,316
Retained distributions on Accumulation shares		109		28
Closing net assets attributable to shareholders		69,171		49,662

BALANCE SHEET
 AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		62,265	45,619
Current assets			
Debtors	8	839	1,178
Cash and bank balances	9	7,575	3,706
Total assets		70,679	50,503
LIABILITIES			
Creditors			
Distribution payable	10	(1,005)	(783)
Other creditors	10	(503)	(58)
Total liabilities		(1,508)	(841)
Net assets attributable to shareholders		69,171	49,662

TROJAN ETHICAL INCOME FUND

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current and prior year.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy described below has also been applied to this Fund.

The Annual Management Charge is transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

	31.01.18 £'000	31.01.17 £'000
3. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	4,129	2,000
Derivative contracts	–	3
Forward currency contracts	162	(483)
Transaction charges	(1)	–
Currency gains	5	138
Net capital gains	<u>4,295</u>	<u>1,658</u>
4. REVENUE		
Non-taxable dividends	1,975	1,164
UK property income distributions	87	56
Bank interest	1	3
Option premium	–	5
Total revenue	<u>2,063</u>	<u>1,228</u>
5. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	558	342
Legal and professional fees	14	14
Typesetting and printing costs	3	4
Registration fees	19	11
	<u>594</u>	<u>371</u>

	31.01.18 £'000	31.01.17 £'000
5. EXPENSES (continued)		
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees	22	13
Safe custody and other bank charges	7	3
	29	16
Other expenses:		
Fees paid to auditor – audit	9	8
– tax services	(2)	1
Publication costs	6	4
Legal and professional fees	4	4
	17	17
Total expenses	<u>640</u>	<u>404</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

	31.01.18 £'000	31.01.17 £'000
6. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	84	51
Current tax charge	84	51
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>84</u>	<u>51</u>
b) Factors affecting the tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:		
	31.01.18 £'000	31.01.17 £'000
Net revenue before taxation	1,423	824
Corporation tax at 20%	285	165

TROJAN ETHICAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
6. TAXATION (continued)		
Effects of:		
Non-taxable dividends	(395)	(233)
Unutilised excess management expenses	110	68
Corporation tax charge	–	–
Overseas tax	84	51
Total tax charge (note 6a)	<u>84</u>	<u>51</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £184,000 (31.01.17 : £74,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	31.01.17 £'000
Interim	944	578
Final	1,076	804
	<u>2,020</u>	<u>1,382</u>
Add: Revenue deducted on redemption of shares	11	3
Deduct: Revenue received on issue of shares	(136)	(270)
Net distributions for the year	<u>1,895</u>	<u>1,115</u>

Details of the distributions per share are set out in the table on pages 93 to 95.

	31.01.18 £'000	31.01.17 £'000
Distributions represented by:		
Net revenue after taxation	1,339	773
Allocations to capital:		
Annual Management Charge, net of tax relief	556	342
Net distributions for the year	<u>1,895</u>	<u>1,115</u>

	31.01.18 £'000	31.01.17 £'000
8. DEBTORS		
Amounts receivable for issue of shares	660	1,059
Accrued revenue:		
Non-taxable dividends	174	113
Prepaid expenses	4	5
Taxation recoverable:		
Income tax	1	1
Total debtors	<u>839</u>	<u>1,178</u>
9. CASH AND BANK BALANCES		
Bank balances	7,575	3,706
Total cash and bank balances	<u>7,575</u>	<u>3,706</u>
10. CREDITORS		
Distribution payable	1,005	783
OTHER CREDITORS		
Purchases awaiting settlement	427	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	54	39
Legal and professional fees	1	1
Typesetting and printing costs	1	4
Registration fees	2	1
	<u>58</u>	<u>45</u>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	2	2
Safe custody and other bank charges	2	1
	<u>4</u>	<u>3</u>
Other expenses	14	10
Total other creditors	<u>503</u>	<u>58</u>

TROJAN ETHICAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

11. RELATED PARTY TRANSACTIONS

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are disclosed associates of the ACD) in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 80 and amounts due at the year end are disclosed in note 8.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date one shareholder held 45.19% of the shares in issue of the Fund (31.01.17 : 53.04%).

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.17 : none).

13. SHARES IN ISSUE

	'O' Income	'O' Accumulation	'I' Income
Annual Management Charge	1.00%	1.00%	1.50%
Opening shares in issue	31,050,259	1,240,070	250
Issues	5,824,980	2,723,416	–
Redemptions	(201,855)	(184,846)	–
Conversions	(187,421)	–	–
Closing shares in issue	<u>36,485,963</u>	<u>3,778,640</u>	<u>250</u>

	'I' Accumulation	'S' Income	'S' Accumulation
Annual Management Charge	1.50%	0.75%	0.75%
Opening shares in issue	9,867	15,864,692	49,143
Issues	13,657	6,837,135	61,350
Redemptions	(10,038)	(837,891)	–
Conversions	–	186,794	–
Closing shares in issue	<u>13,486</u>	<u>22,050,730</u>	<u>110,493</u>

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed Investment Manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

- i. *Credit risk*
Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were no forward currency contracts held at the balance sheet date.

31.01.17

Counterparty	Forward currency contracts £'000	Net collateral pledged £'000
Bank of New York Mellon	48	–

- ii. *Interest rate risk*
Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

TROJAN ETHICAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. RISK MANAGEMENT POLICIES (continued)

ii. Interest rate risk (continued)

As the Fund seeks to obtain its return from investing mainly in equities and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and may not seek to hedge all foreign currency risk.

The table below shows the direct foreign currency risk profile:

	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Euros	34	–	34
Swiss francs	3,559	–	3,559
US dollars	10,172	–	10,172
	<u>13,765</u>	<u>–</u>	<u>13,765</u>
Pounds sterling	55,406	–	55,406
Net assets	<u>69,171</u>	<u>–</u>	<u>69,171</u>

	31.01.17 Gross £'000	31.01.17 Hedged £'000	31.01.17 Net £'000
Currency:			
Swiss francs	3,345	–	3,345
US dollars	7,727	(2,858)	4,869
	<u>11,072</u>	<u>(2,858)</u>	<u>8,214</u>
Pounds sterling	38,542	2,906	41,448
Net assets	<u>49,614</u>	<u>48</u>	<u>49,662</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £688,000 on the net assets of the Fund (31.01.17 : £411,000).

14. RISK MANAGEMENT POLICIES (continued)

iv. Leverage

The Fund did not employ any significant leverage during the current and prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £3,113,000 (31.01.17 : £2,279,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the total gains on forward currency contracts during the year are set out in note 3.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain or vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

TROJAN ETHICAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Ordinary shares	19,656	24	71	19,751
Collective investment schemes	61	–	–	61
Purchases total	19,717	24	71	19,812
<i>Transaction cost % of purchases total</i>		0.12%	0.36%	
<i>Transaction cost % of average NAV</i>		0.04%	0.11%	
Ordinary shares	7,114	(10)	–	7,104
Sales total	7,114	(10)	–	7,104
<i>Transaction cost % of sales total</i>		0.14%	–	
<i>Transaction cost % of average NAV</i>		0.02%	–	

Average portfolio dealing spread at 31.01.18 is 0.08% (31.01.17 : 0.07%).

15. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Ordinary shares	23,452	34	78	23,564
Purchases total	23,452	34	78	23,564
<i>Transaction cost % of purchases total</i>		0.14%	0.33%	
<i>Transaction cost % of average NAV</i>		0.10%	0.22%	
Ordinary shares	2,934	(4)	–	2,930
Sales total	2,934	(4)	–	2,930
<i>Transaction cost % of sales total</i>		0.14%	–	
<i>Transaction cost % of average NAV</i>		0.01%	–	

TROJAN ETHICAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.18				

Investment Assets	62,265	–	–	62,265
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	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.17				
Investment Assets	45,571	48	–	45,619

17. SUBSEQUENT EVENTS

As at 29 May 2018, the net asset value of the Fund has risen by 19.54% compared with that at 31 January 2018, primarily due to the issue of shares. These accounts were approved on 30 May 2018.

DISTRIBUTION TABLE FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.17	01.08.17
To	31.07.17	31.01.18

'O' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	1.7350	–	1.7350	1.7000
Group 2	0.9824	0.7526	1.7350	1.7000
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	1.7164	–	1.7164	1.6598
Group 2	0.4653	1.2511	1.7164	1.6598

'O' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	1.7350	–	1.7350	1.7000
Group 2	0.7550	0.9800	1.7350	1.7000
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	1.8327	–	1.8327	1.6634
Group 2	0.5416	1.2911	1.8327	1.6634

TROJAN ETHICAL INCOME FUND

Financial Statements (continued)

Distribution Table (continued)

'I' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	1.7350	–	1.7350	1.7000
Group 2	1.7350	0.0000	1.7350	1.7000
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	1.8520	–	1.8520	1.6000
Group 2	1.8520	0.0000	1.8520	1.6000

'S' Accumulation shares (Registered charities only)

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	1.7350	–	1.7350	1.7000
Group 2	0.8958	0.8392	1.7350	1.7000
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	1.8414	–	1.8414	1.7865
Group 2	1.8414	0.0000	1.8414	1.7865

'I' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	1.7350	–	1.7350	1.7000
Group 2	0.4568	1.2782	1.7350	1.7000
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	1.8046	–	1.8046	1.5207
Group 2	0.7743	1.0303	1.8046	1.5207

'S' Income shares (Registered charities only)

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	1.7350	–	1.7350	1.7000
Group 2	1.4559	0.2791	1.7350	1.7000
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	1.7166	–	1.7166	1.6855
Group 2	0.5896	1.1270	1.7166	1.6855

TROJAN GLOBAL INCOME FUND
ACD'S REPORT
 FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Trojan Global Income Fund ('the Fund') is to provide income with the potential for capital growth in the medium term. The Fund's policy is to invest substantially in equities globally. It may also invest in fixed interest securities, indices, deposits, collective investment schemes and money market instruments.

The Investment Manager may employ derivatives and forward foreign exchange transactions for the purposes of Efficient Portfolio Management.

LINK FUND SOLUTIONS LIMITED
 ACD of Trojan Global Income Fund
 30 May 2018

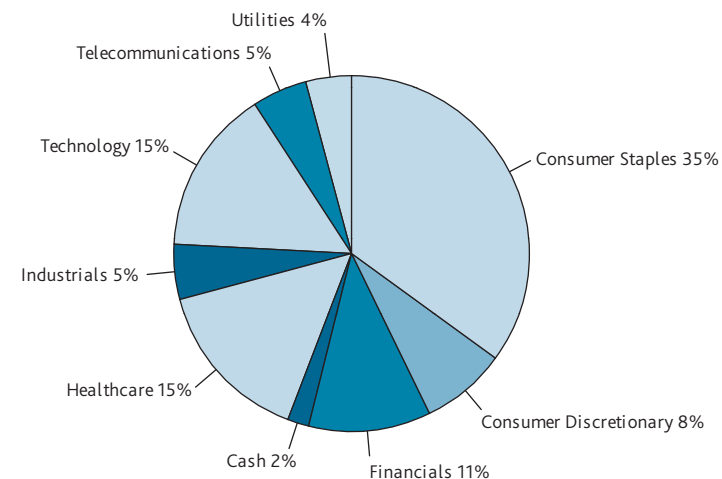
INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

The Fund was launched on the 1 November 2016.

Over the twelve months under review 'O' Accumulation shares of the Fund produced a total return of +7.5%¹. Over the same period the MSCI World Index (net return GBP) produced a return of +11.3%¹, while the total return on cash (LIBID) amounted to +0.2%¹.

SECTOR ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

MARKET REVIEW

Calendar year 2017 was the sixth year in a row of very strong global equity markets. The last time we had such an unbroken pattern of positive global equity returns was in the 1980s when every year of the decade was positive with one exception – 1987. The S&P 500 Index went up each calendar month in 2017, a monthly pattern not seen before. An improvement in growth momentum internationally meant that the strongest returns came from emerging markets (+25.4%), Asia ex Japan (+15.0%) and Europe ex UK (+15.8%). Japan rallied in the last few months of 2017 to end the year +13.3% in sterling terms. The United States (+10.7%) lagged, not helped by the weaker US dollar, and the UK (+11.7%) was also a relative laggard.²

¹ Source: Lipper. The Indices used by the Investment Manager are for comparison purposes. No benchmark is required to be disclosed per the Prospectus.

² Here and subsequent data comes from Bloomberg, as at 31 January 2018.

TROJAN GLOBAL INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 January 2018

MARKET REVIEW *(continued)*

At a sector level technology was a stand-out performer over the past calendar year representing a headwind to performance for the strategy owing to many of these companies being very large, highly valued and lacking in income generation via dividends. Against the backdrop of acceleration in global growth, the most cyclical sectors of materials, industrials and consumer discretionary were good performers. Consumer staples and healthcare lagged, particularly in the latter part of the year.

Currencies were a substantial headwind to the Fund's results last year with sterling rebounding from the depressed, post-Brexit lows to end January 2018 up around +13% against the US dollar, +6% against the Swiss franc and +9% against the Japanese yen. The majority of the Fund's US companies are multi-nationals, generating revenues all over the world, and they have battled against a rising US dollar for many years.

Against a backdrop of improving global economic growth and rising bond yields, equity markets are showing signs of strain in early 2018. The 'risk-on' trend prevailed in January with consumer discretionary, technology and industrials sectors all outperforming, but the return of volatility at the start of February is a stark reminder of the fragilities that exist in the financial system.

PORTFOLIO

The portfolio remains concentrated in companies and sectors which exhibit high and durable returns on capital employed balanced with some holdings that have attractive income generating characteristics sometimes at the expense of first class returns on capital. To that end we have material exposure to consumer staples, healthcare and technology with more limited exposure to areas such as telecommunications and utilities. Our financials exposure is both limited and highly selective.

Underlying revenues for the portfolio are as follows: North America 46%, Europe 19%, Asia 18%, UK 9%, Latin America 4% and Africa and the Middle East 4%.³

Our aim is to continuously strive to upgrade the quality of the underlying returns generated by the businesses in which we are invested without compromising on the income generated if and when opportunities globally present themselves. There are many companies in the Troy investment universe which would be appropriate for this strategy but whose valuations we do not yet deem attractive. We must be patient.

Having started the year with a cash position of 12.9% much of the activity within the Fund relates to the establishment of the portfolio. During the course of the year new investments were made in a number of companies including Accenture, Domino's Pizza, Dr Pepper Snapple Group, Hershey's and Medtronic. In each case these are companies that have attractive market positions, are relatively simple businesses to understand and have durable competitive advantages enabling the companies to earn attractive returns in their capital funding dependable dividends. Each holding represents the sort of business that one could envisage holding forever.

Sales were driven by both the opportunity to invest in better ideas or as a result of corporate activity. To that end we sold Centrica to fund the purchase of IG (bought in the Fund shortly before this period under review) which represented a good example of increasing underlying returns on capital in the portfolio without diminishing the income generated. Further we sold American Express following a substantial rerating which meant it no longer afforded an attractive dividend and sold Sky following the takeover offer from 21st Century Fox.

³ Source: FactSet, as at 31 January 2018.

We are encouraged that the underlying fundamentals of the companies we own remain excellent. The weighted average return on equity within the Fund is 34% relative the broader market of 10.9%. Despite this the portfolio is generating a free cash flow yield of 5.2% compared to the overall market of 4.6%. We therefore believe we have a portfolio that is fundamentally better than the wider market but that is less highly valued; this is an attractive combination.

The broad structure of the portfolio is largely unchanged over the period although the cash weighting has now been reduced to 2.0%.

OUTLOOK

We continue to have a cautious outlook with regard to the economy and equity markets. While strong and seemingly metronomic returns have been delivered to investors with very low volatility we should not allow this to lull us into a soporific state inured to the underlying risks we face. Rather we should recognise that the exogenous influence of monetary and, in the US (at least now), fiscal policy remain a powerful force in capital markets. Those that dismiss this as unimportant may be surprised when financial conditions are not so supportive of risk taking.

It is our belief that valuations remain elevated, that debt levels continue to climb and that years of very low interest rates have encouraged a widespread misallocation of capital in the global economy. Further that the framework within which policy decisions are made over-emphasises the short-term benefits of greater economic activity and consumption while underestimating the longer term damage to economies of poor capital allocation and a corresponding decline in productivity. Similarly, by underplaying: the structural impediments to growth and inflation of debt itself; the declining working age populations in many economies around the world (both developed and developing); and technological disruption, policymakers have struggled to understand why economies have absorbed so much stimulus without overheating.

Our key concern is therefore that in order to deliver moderate growth and inflation in debt-burdened and structurally deflationary economies we have, perhaps unwittingly, brought about levels of valuation and embedded risk that are far from moderate. Time will tell.

We will therefore continue to invest the Fund in a manner consistent with the above concerns but are ready to redeploy capital to favoured companies as opportunities present themselves.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

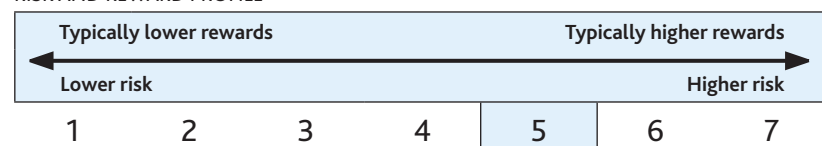
20 February 2018

TROJAN GLOBAL INCOME FUND

ACD's Report (continued)

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Counterparty Risk: As the Fund may enter into forward currency arrangements there is a risk that the other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

Financial Techniques Impact: The Fund may invest in derivatives to generate additional capital or income. A movement in the value of the derivative's underlying asset may have a much larger negative impact on the value of the Fund than if the Fund were to hold the underlying investment itself.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

COMPARATIVE TABLES

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'O' Income shares		
Change in net assets per share		
Opening net asset value per share	98.06	100.00
Return before operating charges*	8.45	(1.16)
Operating charges	(1.00)	(0.27)
Return after operating charges	7.45	(1.43)
Distributions	(3.04)	(0.51)
Closing net asset value per share	102.47	98.06
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.60%	(1.43)%
Other Information		
Closing net asset value (£'000)	40,592	20,903
Closing number of shares	39,614,168	21,317,349
Operating charges	0.97%	1.07% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	107.58	101.95
Lowest share price	97.26	94.50

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'O' Accumulation shares		
Change in net assets per share		
Opening net asset value per share	98.59	100.00
Return before operating charges*	8.57	(1.14)
Operating charges	(1.02)	(0.27)
Return after operating charges	7.55	(1.41)
Distributions	(3.09)	(0.47)
Retained distributions on accumulation shares	3.09	0.47
Closing net asset value per share	106.14	98.59
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.66%	(1.41)%
Other Information		
Closing net asset value (£'000)	17,097	8,944
Closing number of shares	16,107,665	9,071,433
Operating charges	0.97%	1.07% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	109.88	101.97
Lowest share price	97.79	94.51

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'I' Income shares		
Change in net assets per share		
Opening net asset value per share	97.88	100.00
Return before operating charges*	8.49	(1.17)
Operating charges	(1.51)	(0.39)
Return after operating charges	6.98	(1.56)
Distributions	(3.15)	(0.56)
Closing net asset value per share	101.71	97.88
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.13%	(1.56)%
Other Information		
Closing net asset value (£'000)	–	–
Closing number of shares	250	250
Operating charges	1.47%	1.57% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	107.16	101.85
Lowest share price	97.08	94.48

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'I' Accumulation shares		
Change in net assets per share		
Opening net asset value per share	98.46	100.00
Return before operating charges*	8.56	(1.15)
Operating charges	(1.54)	(0.39)
Return after operating charges	7.02	(1.54)
Distributions	(3.08)	(0.53)
Retained distributions on accumulation shares	3.08	0.53
Closing net asset value per share	105.48	98.46
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.13%	(1.54)%
Other Information		
Closing net asset value (£'000)	2,045	1,222
Closing number of shares	1,939,220	1,241,162
Operating charges	1.47%	1.57% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	109.25	101.85
Lowest share price	97.66	94.47

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'S' Income shares (Registered charities only)		
Change in net assets per share		
Opening net asset value per share	98.07	100.00
Return before operating charges*	8.46	(1.16)
Operating charges	(0.90)	(0.24)
Return after operating charges	7.56	(1.40)
Distributions	(3.04)	(0.53)
Closing net asset value per share	102.59	98.07
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.71%	(1.40)%
Other Information		
Closing net asset value (£'000)	10,454	5,165
Closing number of shares	10,190,198	5,266,597
Operating charges	0.87%	0.97% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	107.63	101.97
Lowest share price	97.27	94.52

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'S' Accumulation shares (Registered charities only)		
Change in net assets per share		
Opening net asset value per share	98.59	100.00
Return before operating charges*	8.23	(1.17)
Operating charges	(0.91)	(0.24)
Return after operating charges	7.32	(1.41)
Distributions	(3.21)	(0.56)
Retained distributions on accumulation shares	3.21	0.56
Closing net asset value per share	105.91	98.59
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.42%	(1.41)%
Other Information		
Closing net asset value (£'000)	–	–
Closing number of shares	250	250
Operating charges	0.87%	0.97% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	109.67	101.99
Lowest share price	97.78	94.55

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'F' Income shares		
Change in net assets per share		
Opening net asset value per share	98.07	100.00
Return before operating charges*	8.46	(1.16)
Operating charges	(0.90)	(0.24)
Return after operating charges	7.56	(1.40)
Distributions	(3.04)	(0.53)
Closing net asset value per share	102.59	98.07
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.71%	(1.40)%
Other Information		
Closing net asset value (£'000)	31,496	30,669
Closing number of shares	30,701,996	31,273,224
Operating charges	0.87%	0.97% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	107.63	101.97
Lowest share price	97.27	94.52

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 ¹ (p/share)
'F' Accumulation shares		
Change in net assets per share		
Opening net asset value per share	98.59	100.00
Return before operating charges*	8.58	(1.17)
Operating charges	(0.92)	(0.24)
Return after operating charges	7.66	(1.41)
Distributions	(3.09)	(0.53)
Retained distributions on accumulation shares	3.09	0.53
Closing net asset value per share	106.25	98.59
* after direct transaction costs of:	0.15	0.26
Performance		
Return after charges	7.77%	(1.41)%
Other Information		
Closing net asset value (£'000)	1,063	986
Closing number of shares	1,000,250	1,000,250
Operating charges	0.87%	0.97% ²
Direct transaction costs	0.14%	1.03% ²
Prices		
Highest share price	109.98	101.96
Lowest share price	97.79	94.51

¹ From 1 November 2016.

² Annualised figure due to share class launched less than 1 year.

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	Since launch*
Trojan Global Income Fund	6.96	5.93

* Launch date 1 November 2016.

The performance of the Fund is based on the published price per 'I' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 127 to 131.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN GLOBAL INCOME FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	UNITED KINGDOM – 26.88% (31.01.17 – 19.83%)		
102,884	Compass	1,525	1.48
76,500	Diageo	1,937	1.89
600,000	Domino's Pizza	2,023	1.97
277,000	GlaxoSmithKline	3,657	3.56
380,000	IG	2,936	2.86
143,000	Imperial Brands	4,145	4.04
231,000	Inmarsat	1,073	1.04
88,000	RELX	1,381	1.34
230,000	Royal Mail	1,079	1.05
213,200	Sage	1,597	1.55
136,800	SSE	1,785	1.74
62,000	Unilever	2,534	2.47
866,000	Vodafone	1,945	1.89
	TOTAL UNITED KINGDOM	27,617	26.88
	CONTINENTAL EUROPE – 11.44% (31.01.17 – 16.32%)		
32,500	Nestlé	1,977	1.92
64,000	Novartis	4,076	3.97
17,300	Roche	3,003	2.92
77,600	Vonovia	2,699	2.63
	TOTAL CONTINENTAL EUROPE	11,755	11.44
	NORTH AMERICA – 52.97% (31.01.17 – 48.23%)		
16,500	Accenture	1,865	1.81
63,000	Altria	3,118	3.03
117,250	Cisco Systems	3,428	3.33
96,000	Coca-Cola	3,213	3.13
39,000	Dr Pepper Snapple	3,274	3.19
41,500	Emerson Electric	2,109	2.05
55,500	Eversource Energy	2,462	2.40
24,000	Hershey's	1,862	1.81
23,650	Johnson & Johnson	2,299	2.24
62,000	L Brands	2,183	2.12
20,900	McDonald's	2,515	2.45
34,500	Medtronic	2,084	2.03
51,500	Microsoft	3,447	3.35
68,300	Paychex	3,278	3.19
36,000	PepsiCo	3,046	2.96
37,150	Philip Morris International	2,801	2.73
48,000	Procter & Gamble	2,916	2.84
25,000	Sysco	1,106	1.08

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	NORTH AMERICA – 52.97% (31.01.17 – 48.23%) (continued)		
54,500	Verizon Communications	2,072	2.02
73,000	Wells Fargo	3,377	3.29
135,000	Western Union	1,974	1.92
	TOTAL NORTH AMERICA	54,429	52.97
	ASIA – 6.76% (31.01.17 – 5.49%)		
179,500	Japan Tobacco	4,175	4.06
20,200	Jardine Matheson	900	0.88
300,000	Link REIT	1,865	1.82
	TOTAL ASIA	6,940	6.76
	Portfolio of investments	100,741	98.05
	Net other assets	2,006	1.95
	Net assets	102,747	100.00

The investments have been valued in accordance with note 1(g) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

TROJAN GLOBAL INCOME FUND
ACD's Report (continued)
SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 15)	43,230
Major purchases	Cost £'000
Imperial Brands	3,591
Japan Tobacco	2,808
Dr Pepper Snapple	2,660
GlaxoSmithKline	2,619
Medtronic	2,079
Hershey's	2,001
Domino's Pizza	1,926
IG	1,688
Accenture	1,562
Paychex	1,483
Novartis	1,226
Coca-Cola	1,201
Cisco Systems	1,193
Wells Fargo	1,161
L Brands	1,150
Roche	1,043
Procter & Gamble	1,013
PepsiCo	970
Vonovia	949
Microsoft	944

Total sales for the year £'000 (note 15) **7,109**

Sales	Proceeds £'000
American Express	2,043
Sysco	1,638
Sky	1,311
Centrica	699
Royal Mail	596
Microsoft	414
Domino's Pizza	408

The summary of material portfolio changes represents the 20 largest purchases and all of the sales during the year.

FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 ¹ £'000
Income:					
Net capital gains/(losses)	3		3,601		(311)
Revenue	4	3,026		395	
Expenses	5	(841)		(155)	
Net revenue before taxation		2,185		240	
Taxation	6	(299)		(35)	
Net revenue after taxation			1,886		205
Total return before distributions			5,487		(106)
Distributions	7		(2,622)		(328)
Change in net assets attributable to shareholders from investment activities			2,865		(434)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2018

	£'000	31.01.18 £'000	£'000	31.01.17 ¹ £'000
Opening net assets attributable to shareholders		67,889		–
Amounts receivable on issue of shares	35,224		68,480	
Amounts payable on redemption of shares	(3,755)		(213)	
		31,469		68,267
Dilution adjustment		–		1
Change in net assets attributable to shareholders from investment activities		2,865		(434)
Retained distributions on Accumulation shares		524		55
Closing net assets attributable to shareholders		102,747		67,889

¹ The Fund launched 1 November 2016.

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

BALANCE SHEET

AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		100,741	61,012
Current assets			
Debtors	8	314	1,139
Cash and bank balances	9	2,504	7,867
Total assets		<u>103,559</u>	<u>70,018</u>
LIABILITIES			
Creditors			
Distribution payable	10	(583)	(302)
Other creditors	10	(229)	(1,827)
Total liabilities		<u>(812)</u>	<u>(2,129)</u>
Net assets attributable to shareholders		<u>102,747</u>	<u>67,889</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current year and prior period.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current year and prior period. The additional distribution policy described below has also been applied to this Fund.

The Annual Management Charge is transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

	31.01.18 £'000	For the period from 01.11.16 to 31.01.17 £'000
3. NET CAPITAL GAINS/(LOSSES)		
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	3,621	(323)
Derivative contracts	(8)	22
Transaction charges	(1)	(2)
Currency losses	(11)	(8)
Net capital gains/(losses)	<u>3,601</u>	<u>(311)</u>
4. REVENUE		
Non-taxable dividends	2,964	382
Taxable dividends	62	13
Total revenue	<u>3,026</u>	<u>395</u>
5. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	736	123
Legal and professional fees	19	4
Typesetting and printing costs	2	3
Registration fees	27	5
	<u>784</u>	<u>135</u>

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

5. EXPENSES (continued)

Payable to the Depositary, associates of the Depositary and agents of either of them:

	31.01.18 £'000	For the period from 01.11.16 to 31.01.17 £'000
Depositary's fees	32	6
Safe custody and other bank charges	10	1
	42	7
Other expenses:		
Fees paid to auditor – audit	8	8
– tax services	(3)	3
Publication costs	5	1
Legal and professional fees	5	1
	15	13
Total expenses	841	155

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration

6. TAXATION

a) Analysis of charge for the year

	31.01.18 £'000	For the period from 01.11.16 to 31.01.17 £'000
Corporation tax at 20%	–	–
Overseas tax	299	35
Current tax charge	299	35
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	299	35

6. TAXATION (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:

	31.01.18 £'000	For the period from 01.11.16 to 31.01.17 £'000
Net revenue before taxation	2,185	240
Corporation tax at 20%	437	48
Effects of:		
Non-taxable dividends	(593)	(76)
Unutilised excess management expenses	156	28
Corporation tax charge	–	–
Overseas tax	299	35
Total tax charge (note 6a)	299	35

c) Deferred tax

At the year end there is a potential deferred tax asset of £184,000 (31.01.17 : £28,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current year and prior period.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	For the period from 01.11.16 to 31.01.17 £'000
First Interim	610	–
Second Interim	838	–
Third Interim	597	–
Final	725	357
	2,770	357

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	For the period from 01.11.16 to 31.01.17 £'000
7. DISTRIBUTIONS (continued)		
Add: Revenue deducted on redemption of shares	11	1
Deduct: Revenue received on issue of shares	(159)	(30)
Net distributions for the year	<u>2,622</u>	<u>328</u>

Details of the distributions per share are set out in the table on pages 127 to 131.

	31.01.18 £'000	For the period from 01.11.16 to 31.01.17 £'000
Distributions represented by:		
Net revenue after taxation	1,886	205
Allocations to capital:		
Annual Management Charge	736	123
Net distributions for the year	<u>2,622</u>	<u>328</u>
	31.01.18 £'000	31.01.17 £'000
8. DEBTORS		
Amounts receivable for issue of shares	73	907
Accrued revenue:		
Non-taxable dividends	231	137
Prepaid expenses	5	3
Taxation recoverable:		
Overseas withholding tax	5	–
Amounts due from brokers	–	92
Total debtors	<u>314</u>	<u>1,139</u>

	31.01.18 £'000	31.01.17 £'000
9. CASH AND BANK BALANCES		
Bank balances	2,504	7,867
Total cash and bank balances	<u>2,504</u>	<u>7,867</u>
10. CREDITORS		
Distribution payable	<u>583</u>	<u>302</u>
OTHER CREDITORS		
Amounts payable for redemption of shares	137	–
Purchases awaiting settlement	–	1,760
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	73	47
Legal and professional fees	2	1
Typesetting and printing costs	1	3
Registration fees	3	2
	79	53
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3	2
Safe custody and other bank charges	2	–
	5	2
Other expenses	8	12
Total other creditors	<u>229</u>	<u>1,827</u>
11. RELATED PARTY TRANSACTIONS		

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 113 and amounts due at the year end are disclosed in notes 8 and 10.

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

11. RELATED PARTY TRANSACTIONS (continued)

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Pershing Nominees Limited	29.99% (31.01.17 : 40.71%)
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12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.17 : none).

13. SHARES IN ISSUE

	'O' Income	'O' Accumulation	'I' Income
Annual Management Charge	0.85%	0.85%	1.35%
Opening shares in issue	21,317,349	9,071,433	250
Issues	19,150,265	8,111,760	–
Redemptions	(867,338)	(1,061,819)	–
Conversions	13,892	(13,709)	–
Closing shares in issue	<u>39,614,168</u>	<u>16,107,665</u>	<u>250</u>
	'I' Accumulation	'S' Income	'S' Accumulation
Annual Management Charge	1.35%	0.75%	0.75%
Opening shares in issue	1,241,162	5,266,597	250
Issues	823,704	4,923,601	–
Redemptions	(125,646)	–	–
Conversions	–	–	–
Closing shares in issue	<u>1,939,220</u>	<u>10,190,198</u>	<u>250</u>

13. SHARES IN ISSUE (continued)

	'F' Income	'F' Accumulation
Annual Management Charge	0.75%	0.75%
Opening shares in issue	31,273,224	1,000,250
Issues	1,003,713	–
Redemptions	(1,574,941)	–
Conversions	–	–
Closing shares in issue	<u>30,701,996</u>	<u>1,000,250</u>

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed Investment Manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. RISK MANAGEMENT POLICIES (continued)

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing in equities and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.01.18	31.01.17
	£'000	£'000
Currency:		
Euros	6,656	4,380
Hong Kong dollars	1,865	854
Japanese yen	4,247	1,913
Swiss francs	9,056	6,704
US dollars	55,389	33,795
	<u>77,213</u>	<u>47,646</u>
Pounds sterling	25,534	20,243
Net assets	<u>102,747</u>	<u>67,889</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £3,861,000 on the net assets of the Fund (31.01.17 : £2,382,000).

iv. Leverage

The Fund did not employ any significant leverage during the current year and prior period.

14. RISK MANAGEMENT POLICIES (continued)

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £5,037,000 (31.01.17 : £3,051,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Fund held no derivatives of a material nature during the current year and prior period.

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Ordinary shares	43,107	57	66	43,230
Purchases total	43,107	57	66	43,230
<i>Transaction cost % of purchases total</i>		0.13%	0.15%	
<i>Transaction cost % of average NAV</i>		0.06%	0.07%	
Ordinary shares	7,118	(9)	–	7,109
Sales total	7,118	(9)	–	7,109
<i>Transaction cost % of sales total</i>		0.13%	–	
<i>Transaction cost % of average NAV</i>		0.01%	–	

Average portfolio dealing spread at 31.01.18 is 0.03% (31.01.17 : 0.05%).

15. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Ordinary shares	61,532	84	72	61,688
Purchases total	61,532	84	72	61,688
<i>Transaction cost % of purchases total</i>		0.14%	0.12%	
<i>Transaction cost % of average NAV</i>		0.14%	0.12%	
Ordinary shares	355	(1)	–	354
Sales total	355	(1)	–	354
<i>Transaction cost % of sales total</i>		0.15%	–	
<i>Transaction cost % of average NAV</i>		–	–	

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
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31.01.18

Investment Assets	100,741	–	–	100,741
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	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
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31.01.17

Investment Assets	61,012	–	–	61,012
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DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	First Interim	Second Interim	Third Interim	Final
From	01.02.17	01.05.17	01.08.17	01.11.17
To	30.04.17	31.07.17	31.10.17	31.01.18

'O' Income shares

First Interim	Net Revenue	Equalisation	Paid 30.06.17	
Group 1	0.7991	–	0.7991	
Group 2	0.3179	0.4812	0.7991	
Second Interim	Net Revenue	Equalisation	Paid 30.09.17	
Group 1	0.9058	–	0.9058	
Group 2	0.2780	0.6278	0.9058	
Third Interim	Net Revenue	Equalisation	Paid 31.12.17	
Group 1	0.6138	–	0.6138	
Group 2	0.2603	0.3535	0.6138	
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.7240	–	0.7240	0.5108
Group 2	0.3695	0.3545	0.7240	0.5108

TROJAN GLOBAL INCOME FUND
Financial Statements (continued)
Distribution Table (continued)
'O' Accumulation shares

First Interim	Net Revenue	Equalisation	Allocated 30.06.17	
Group 1	0.8036	–	0.8036	
Group 2	0.3642	0.4394	0.8036	
Second Interim	Net Revenue	Equalisation	Allocated 30.09.17	
Group 1	0.9174	–	0.9174	
Group 2	0.4406	0.4768	0.9174	
Third Interim	Net Revenue	Equalisation	Allocated 31.12.17	
Group 1	0.6275	–	0.6275	
Group 2	0.2782	0.3493	0.6275	
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.7445	–	0.7445	0.4743
Group 2	0.3585	0.3860	0.7445	0.4743

'I' Income shares

First Interim	Net Revenue	Equalisation	Paid 30.06.17	
Group 1	0.8400	–	0.8400	
Group 2	0.8400	0.0000	0.8400	
Second Interim	Net Revenue	Equalisation	Paid 30.09.17	
Group 1	0.9320	–	0.9320	
Group 2	0.9320	0.0000	0.9320	
Third Interim	Net Revenue	Equalisation	Paid 31.12.17	
Group 1	0.6280	–	0.6280	
Group 2	0.6280	0.0000	0.6280	
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.7520	–	0.7520	0.5600
Group 2	0.7520	0.0000	0.7520	0.5600

'I' Accumulation shares

First Interim	Net Revenue	Equalisation	Allocated 30.06.17	
Group 1	0.8019	–	0.8019	
Group 2	0.3522	0.4497	0.8019	
Second Interim	Net Revenue	Equalisation	Allocated 30.09.17	
Group 1	0.9148	–	0.9148	
Group 2	0.3333	0.5815	0.9148	
Third Interim	Net Revenue	Equalisation	Allocated 31.12.17	
Group 1	0.6244	–	0.6244	
Group 2	0.2692	0.3552	0.6244	
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.7406	–	0.7406	0.5274
Group 2	0.3858	0.3548	0.7406	0.5274

'S' Income shares (Registered charities only)

First Interim	Net Revenue	Equalisation	Paid 30.06.17	
Group 1	0.7997	–	0.7997	
Group 2	0.1970	0.6027	0.7997	
Second Interim	Net Revenue	Equalisation	Paid 30.09.17	
Group 1	0.9049	–	0.9049	
Group 2	0.4741	0.4308	0.9049	
Third Interim	Net Revenue	Equalisation	Paid 31.12.17	
Group 1	0.6141	–	0.6141	
Group 2	0.3161	0.2980	0.6141	
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.7246	–	0.7246	0.5309
Group 2	0.3362	0.3884	0.7246	0.5309

TROJAN GLOBAL INCOME FUND

Financial Statements (continued)

Distribution Table (continued)

'S' Accumulation shares (Registered charities only)

First Interim	Net Revenue	Equalisation	Allocated 30.06.17	
Group 1	0.8400	–	0.8400	
Group 2	0.8400	0.0000	0.8400	
Second Interim	Net Revenue	Equalisation	Allocated 30.09.17	
Group 1	0.9480	–	0.9480	
Group 2	0.9480	0.0000	0.9480	
Third Interim	Net Revenue	Equalisation	Allocated 31.12.17	
Group 1	0.6520	–	0.6520	
Group 2	0.6520	0.0000	0.6520	
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.7720	–	0.7720	0.5600
Group 2	0.7720	0.0000	0.7720	0.5600

'F' Income shares

First Interim	Net Revenue	Equalisation	Paid 30.06.17	
Group 1	0.7994	–	0.7994	
Group 2	0.7690	0.0304	0.7994	
Second Interim	Net Revenue	Equalisation	Paid 30.09.17	
Group 1	0.9057	–	0.9057	
Group 2	0.9057	0.0000	0.9057	
Third Interim	Net Revenue	Equalisation	Paid 31.12.17	
Group 1	0.6141	–	0.6141	
Group 2	0.6141	0.0000	0.6141	
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.7248	–	0.7248	0.5282
Group 2	0.7248	0.0000	0.7248	0.5282

'F' Accumulation shares

First Interim	Net Revenue	Equalisation	Allocated 30.06.17	
Group 1	0.8035	–	0.8035	
Group 2	0.8035	0.0000	0.8035	
Second Interim	Net Revenue	Equalisation	Allocated 30.09.17	
Group 1	0.9176	–	0.9176	
Group 2	0.9176	0.0000	0.9176	
Third Interim	Net Revenue	Equalisation	Allocated 31.12.17	
Group 1	0.6278	–	0.6278	
Group 2	0.6278	0.0000	0.6278	
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.7451	–	0.7451	0.5276
Group 2	0.7451	0.0000	0.7451	0.5276

The Fund launched on 1 November 2016, therefore comparatives have been shown for the distribution period from 1 November 2016 to 31 January 2017.

TROJAN GLOBAL EQUITY FUND
ACD'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Trojan Global Equity Fund ('the Fund') is to provide capital growth over the longer term. The Fund's policy is to invest substantially in UK and overseas equities but may also invest in collective investment schemes and money-market instruments.

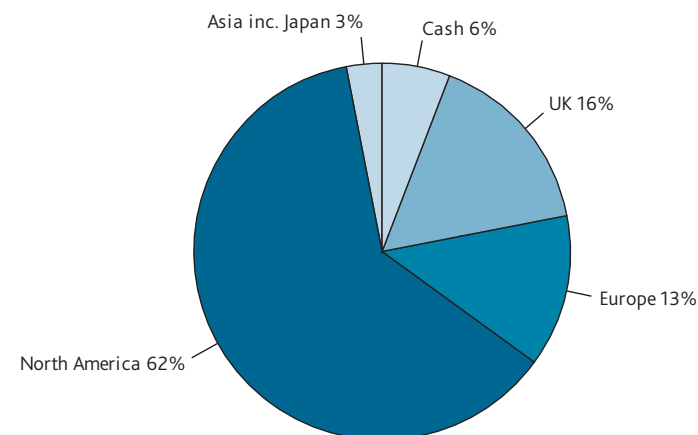
LINK FUND SOLUTIONS LIMITED
ACD of Trojan Global Equity Fund
30 May 2018

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

Over the twelve months under review 'O' Accumulation shares of the Fund produced a total return of +12.4%¹ while the total return on cash (LIBID)² amounted to +0.2%¹ compared to +11.3%¹ for the MSCI World Index (net return).

ASSET ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

Calendar year 2017 was the sixth year in a row of very strong global equity markets. The last time we had such an unbroken pattern of positive global equity returns was in the 1980s when every year of the decade was positive with one exception – 1987. The S&P 500 Index went up each calendar month in 2017, a monthly pattern not seen before. An improvement in growth momentum internationally meant that the strongest returns came from emerging markets (+25.4%), Asia ex Japan (+15.0%) and Europe ex UK (+15.8%). Japan rallied in the last few months of 2017 to end the year +13.3% in sterling terms. The United States (+10.7%) lagged, not helped by the weaker US dollar, and the UK (+11.7%) was also a relative laggard.¹

At a sector level, technology was the stand-out performer for both the Fund and the MSCI World Index NR GBP over the past calendar year. Against the backdrop of acceleration in global growth, the most cyclical sectors of materials, industrials and consumer discretionary were good performers. Consumer staples and healthcare lagged, particularly in the latter part of the year.

Currencies were a substantial headwind to the Fund's results last year with sterling rebounding from the depressed, post-Brexit lows to end January 2018 up around +13% against the US dollar, +6% against the Swiss franc and +9% against the Japanese yen. The majority of the Fund's

¹ Source: Lipper. The indices used by the Investment Manager are for comparison purposes. No benchmark is required to be disclosed per the Prospectus.

² London Interbank Bid Rate.

TROJAN GLOBAL EQUITY FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 January 2018

ASSET ALLOCATION AS AT 31 JANUARY 2018 *(continued)*

US companies are multi-nationals, generating revenues all over the world, and they have battled against a rising US dollar for many years. Some respite from this has been a welcome relief for underlying profits and the Fund's investments in the United States made the single biggest contribution to geographical returns during the year.

Against a backdrop of accelerating global economic growth and rising bond yields, equity markets are showing signs of strain in early 2018. The 'risk-on' trend prevailed in January with consumer discretionary, technology and industrials sectors all outperforming, but the return of volatility at the start of February is a stark reminder of the fragilities that exist in the financial system.

PORTFOLIO REVIEW

Markets have risen a long way and the MSCI World Index's benchmark price-to-earnings ('P/E') ratio for the next twelve months stands at a 10-year high of 22.2x. The exceptional companies we seek are hard to find at compelling valuations. The estimated average next twelve months P/E of the Fund is now 20.7x, below that of the broader market, but above the Fund's 18.5x multiple at the same time last year. We are more encouraged by the fact that the underlying fundamentals of the companies we own remain first class. The weighted-average return on equity for the Fund's holdings is 34% and their free cash flow margin is over 20%, both far in advance of the market average. Debt levels for our companies are also low. Revenues and profits both grew at a healthy pace in 2017, and our companies continue to generate plentiful amounts of excess cash. Whilst P/E multiples have expanded, the free cash flow yield for the Fund remains healthy at 5.4%, compared to 5.8% twelve months ago.

The Fund's turnover was minimal in the year with only one new company purchased for the first time for the Fund (online travel agency – Priceline.com) and two outright sales (the small holding in the UK software business – AVEVA and UK soft drinks manufacturer – A.G. Barr). Modest changes to the constituent parts of the Fund contrast with some important shifts in our sector allocations. The technology sector (as classified by the MSCI World Index) has grown to become the largest sector represented in the Fund. Our investments here are quite broad. They span holdings in the enterprise software companies Sage, Intuit and Microsoft, plus the payments businesses Visa, PayPal and Fiserv. Google's parent company, Alphabet, is the Fund's largest holding, but the portfolio otherwise has no exposure to the so-called FAANGs (Facebook, Amazon, Apple, Netflix, Google).

In contrast to technology, the Fund's investments in consumer staples companies have reduced in the past couple of years to the current level of just under 27%, of which investments in tobacco companies are about a third. We have added to holdings in healthcare over the past year, taking advantage of their relatively dull share price performance, so that their presence in the Fund is stable at just under 18%. Holdings in American Express and Wells Fargo were also increased in 2017 so that financials now represent just under 10% of the Fund.

In addition to these sector changes, the Fund has become more concentrated as we allocate capital to our best ideas. The top 10 holdings now stand at just under 48% of the Fund. The portfolio has 31 holdings in total.

OUTLOOK

We enter 2018 with stronger global economic growth than we have seen for many years. A stimulus package in the US in the form of tax cuts is accompanied by the US Federal Reserve's slow retreat from its ultra-loose monetary policy. Equities have reached all-time highs, the credit cycle appears close to its peak and the prices of the most cyclical assets (commodities, industrials, emerging market equities, high yield debt) have all moved up a long way. The prospect of an end to 10 years of Quantitative Easing looks set to bring some serious challenges to over-extended global asset markets. Meanwhile, the disruptive forces of technology are gaining pace across all industries and segments of the economy.

The Fund's approach to dealing with all of this uncertainty is, as ever, to invest in the healthiest companies we can find trading at reasonable stock-market valuations. We own companies at the vanguard of technological change (Alphabet, PayPal, Visa and Microsoft) and others where we believe they can navigate any future setbacks (such as Roche, Unilever and Philip Morris International). At the same time we continue to avoid the most cyclical companies and sectors, and those facing structural threats to their business models.

Against the backdrop of elevated equity market valuations, we are encouraged that the weighted average valuation and financial characteristics of the Fund remain attractive. The portfolio's free cash flow yield is 5.4%, whilst our companies' average free cash flow margin stands at just over 20%. These cash flows are stable, growing and backed by robust balance sheets, leaving us confident they can be resilient to any sudden turn in the economic outlook.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

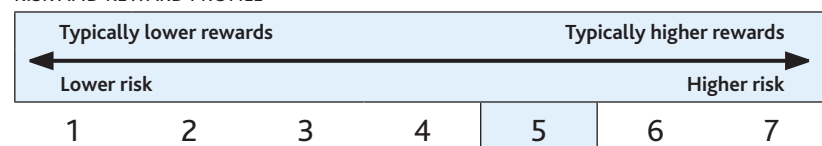
19 February 2018

TROJAN GLOBAL EQUITY FUND

ACD's Report (continued)

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

Concentrated Fund: The Fund may hold a large weighting in a small number of investments and may therefore be subject to larger than normal swings in its value.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundssolutions.co.uk, by following the link 'Fund Information'.

COMPARATIVE TABLES

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'O' Income shares			
Change in net assets per share			
Opening net asset value per share	226.99	187.75	177.21
Return before operating charges*	31.85	43.31	14.36
Operating charges	(2.30)	(2.14)	(2.06)
Return after operating charges	29.55	41.17	12.30
Distributions	(1.71)	(1.93)	(1.76)
Closing net asset value per share	254.83	226.99	187.75
* after direct transaction costs of:	0.06	0.22	0.02
Performance			
Return after charges	13.02%	21.93%	6.94%
Other Information			
Closing net asset value (£'000)	76,574	59,064	40,314
Closing number of shares	30,049,198	26,020,109	21,472,107
Operating charges ¹	0.93%	1.01%	1.13%
Direct transaction costs	0.02%	0.11%	0.01%
Prices			
Highest share price	260.33	233.85	193.26
Lowest share price	225.72	179.55	169.99

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.00% to 0.85%.

TROJAN GLOBAL EQUITY FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'O' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	269.45	220.97	206.57
Return before operating charges*	37.90	51.01	16.81
Operating charges	(2.74)	(2.53)	(2.41)
Return after operating charges	35.16	48.48	14.40
Distributions	(2.03)	(2.27)	(2.07)
Retained distributions on accumulation shares	2.03	2.27	2.07
Closing net asset value per share	304.61	269.45	220.97
* after direct transaction costs of:	0.07	0.27	0.03
Performance			
Return after charges	13.05%	21.94%	6.97%
Other Information			
Closing net asset value (£'000)	155,731	125,695	51,745
Closing number of shares	51,125,102	46,649,071	23,417,895
Operating charges ¹	0.93%	1.01%	1.13%
Direct transaction costs	0.02%	0.11%	0.01%
Prices			
Highest share price	310.62	277.07	226.88
Lowest share price	267.94	211.31	199.57

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.00% to 0.85%.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Income shares			
Change in net assets per share			
Opening net asset value per share	228.66	189.31	178.70
Return before operating charges*	32.09	43.58	14.46
Operating charges	(3.56)	(3.22)	(2.97)
Return after operating charges	28.53	40.36	11.49
Distributions	(0.66)	(1.01)	(0.88)
Closing net asset value per share	256.53	228.66	189.31
* after direct transaction costs of:	0.06	0.23	0.02
Performance			
Return after charges	12.48%	21.32%	6.43%
Other Information			
Closing net asset value (£'000)	1,057	1,056	826
Closing number of shares	411,886	461,676	436,338
Operating charges ¹	1.43%	1.51%	1.62%
Direct transaction costs	0.02%	0.11%	0.01%
Prices			
Highest share price	261.67	235.17	194.48
Lowest share price	227.37	181.01	171.36

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.50% to 1.35%.

TROJAN GLOBAL EQUITY FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	251.70	207.45	194.89
Return before operating charges*	35.35	47.79	15.81
Operating charges	(3.92)	(3.54)	(3.25)
Return after operating charges	31.43	44.25	12.56
Distributions	(0.72)	(1.11)	(0.96)
Retained distributions on accumulation shares	0.72	1.11	0.96
Closing net asset value per share	283.13	251.70	207.45
* after direct transaction costs of:	0.07	0.25	0.02
Performance			
Return after charges	12.49%	21.33%	6.44%
Other Information			
Closing net asset value (£'000)	9,414	9,167	6,294
Closing number of shares	3,325,025	3,641,937	3,033,980
Operating charges ¹	1.43%	1.51%	1.62%
Direct transaction costs	0.02%	0.11%	0.01%
Prices			
Highest share price	288.81	258.87	213.09
Lowest share price	250.28	198.35	187.76

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.50% to 1.35%.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'S' Income shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	227.13	187.84	177.28
Return before operating charges*	31.88	43.35	14.39
Operating charges	(2.06)	(1.80)	(1.59)
Return after operating charges	29.82	41.55	12.80
Distributions	(1.96)	(2.26)	(2.24)
Closing net asset value per share	254.99	227.13	187.84
* after direct transaction costs of:	0.06	0.23	0.02
Performance			
Return after charges	13.13%	22.12%	7.22%
Other Information			
Closing net asset value (£'000)	7,123	7,094	5,802
Closing number of shares	2,793,514	3,123,290	3,088,772
Operating charges	0.83%	0.85%	0.87%
Direct transaction costs	0.02%	0.11%	0.01%
Prices			
Highest share price	260.61	234.09	193.55
Lowest share price	225.86	179.65	170.10

TROJAN GLOBAL EQUITY FUND

ACD's Report (continued)
Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'S' Accumulation shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	271.33	222.16	207.15
Return before operating charges*	38.15	51.31	16.87
Operating charges	(2.46)	(2.14)	(1.86)
Return after operating charges	35.69	49.17	15.01
Distributions	(2.35)	(2.67)	(2.62)
Retained distributions on accumulation shares	2.35	2.67	2.62
Closing net asset value per share	307.02	271.33	222.16
* after direct transaction costs of:	0.08	0.27	0.03
Performance			
Return after charges	13.15%	22.13%	7.25%
Other Information			
Closing net asset value (£'000)	134	118	88
Closing number of shares	43,467	43,467	39,418
Operating charges	0.83%	0.85%	0.87%
Direct transaction costs	0.02%	0.11%	0.01%
Prices			
Highest share price	313.07	278.99	228.05
Lowest share price	269.80	212.46	200.42

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	3 years	5 years
Trojan Global Equity Fund	11.82	45.51	82.58

The performance of the Fund is based on the published price per 'I' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 160 to 162.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN GLOBAL EQUITY FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	UNITED KINGDOM – 16.15% (31.01.17 – 17.64%)		
116,300	British American Tobacco	5,605	2.24
169,000	Diageo	4,280	1.71
484,259	Experian	7,852	3.14
75,855	Reckitt Benckiser	5,160	2.06
669,940	Sage	5,019	2.01
471,000	Sky	4,988	2.00
187,000	Unilever	7,480	2.99
	TOTAL UNITED KINGDOM	40,384	16.15
	CONTINENTAL EUROPE – 12.38% (31.01.17 – 16.28%)		
83,200	Heineken	6,228	2.49
115,000	Nestlé	6,994	2.80
174,074	Novartis	11,087	4.43
38,300	Roche	6,648	2.66
	TOTAL CONTINENTAL EUROPE	30,957	12.38
	NORTH AMERICA – 62.24% (31.01.17 – 51.78%)		
17,235	Alphabet 'A'	14,341	5.74
150,500	Altria	7,447	2.98
194,960	American Express	13,628	5.45
58,300	Becton Dickinson	9,965	3.99
140,000	Coca-Cola	4,686	1.87
95,900	Colgate-Palmolive	5,007	2.00
446,826	eBay	12,751	5.10
85,500	Fiserv	8,467	3.39
43,000	Intuit	5,077	2.03
58,200	Johnson & Johnson	5,657	2.26
170,200	Medtronic	10,281	4.11
211,029	Microsoft	14,126	5.65
228,776	PayPal	13,744	5.50
71,000	Philip Morris International	5,354	2.14
1,800	Priceline.com	2,420	0.97
52,200	Procter & Gamble	3,171	1.27
96,577	Visa	8,438	3.37
239,000	Wells Fargo	11,057	4.42
	TOTAL NORTH AMERICA	155,617	62.24

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	ASIA – 3.38% (31.01.17 – 3.97%)		
223,700	Japan Tobacco	5,203	2.08
73,000	Jardine Matheson	3,253	1.30
	TOTAL ASIA	8,456	3.38
	Portfolio of investments	235,414	94.15
	Net other assets	14,619	5.85
	Net assets	250,033	100.00

The investments are have been valued in accordance with note 1(g) of the Accounting Policies and are ordinary shares listed on a regulatory market unless stated otherwise.

TROJAN GLOBAL EQUITY FUND
ACD's Report (continued)
SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 15) **33,467**

Purchases	Cost £'000
American Express	3,697
eBay	3,328
Experian	3,264
Wells Fargo	3,147
Alphabet 'A'	3,095
Priceline.com	2,538
Novartis	2,382
Medtronic	2,293
Reckitt Benckiser	1,811
PayPal	1,781
Visa	1,721
Japan Tobacco	1,429
Roche	1,024
Philip Morris International	724
Nestlé	653
Microsoft	580

Total sales for the year £'000 (note 15) **5,021**

Sales	Proceeds £'000
Sky	1,595
AVEVA	1,193
PayPal	1,174
A.G. Barr	1,059

The summary of material portfolio changes represents all of the purchases and sales during the year.

FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Income:					
Net capital gains	3		25,641		24,755
Revenue	4	4,325		3,082	
Expenses	5	(2,227)		(1,512)	
Net revenue before taxation		2,098		1,570	
Taxation	6	(548)		(463)	
Net revenue after taxation			1,550		1,107
Total return before distributions			27,191		25,862
Distributions	7		(1,560)		(1,114)
Change in net assets attributable to shareholders from investment activities			25,631		24,748

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2018

	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Opening net assets attributable to shareholders			202,194	105,069
Amounts receivable on issue of shares	36,841			85,269
Amounts payable on redemption of shares	(15,693)			(13,665)
			21,148	71,604
Change in net assets attributable to shareholders from investment activities			25,631	24,748
Retained distributions on Accumulation shares			1,060	773
Closing net assets attributable to shareholders			250,033	202,194

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

BALANCE SHEET

AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		235,414	181,312
Current assets			
Debtors	8	417	4,060
Cash and bank balances	9	14,657	17,372
Total assets		<u>250,488</u>	<u>202,744</u>
LIABILITIES			
Creditors			
Distribution payable	10	(153)	(126)
Other creditors	10	(302)	(424)
Total liabilities		<u>(455)</u>	<u>(550)</u>
Net assets attributable to shareholders		<u>250,033</u>	<u>202,194</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current and prior year.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current and prior year.

	31.01.18 £'000	31.01.17 £'000
3. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	25,656	24,891
Currency losses	(15)	(136)
Net capital gains	<u>25,641</u>	<u>24,755</u>
4. REVENUE		
Non-taxable dividends	4,321	3,074
Bank interest	2	8
Interest on receipt of withholding tax reclaims	2	–
Total revenue	<u>4,325</u>	<u>3,082</u>
5. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	2,053	1,362
Legal and professional fees	14	14
Typesetting and printing costs	2	6
Registration fees	71	44
	2,140	1,426
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	57	45
Safe custody and other bank charges	15	12
	72	57

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
5. EXPENSES (continued)		
Other expenses:		
Fees paid to auditor – audit	9	9
– tax services	(3)	3
– other related tax services	–	5
Publication costs	7	7
Legal and professional fees	3	5
	15	29
Total expenses	<u>2,227</u>	<u>1,512</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

	31.01.18 £'000	31.01.17 £'000
6. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	562	270
Adjustments in respect to withholding tax reclaims	(14)	193
Current tax charge	548	463
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>548</u>	<u>463</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:

	31.01.18 £'000	31.01.17 £'000
Net revenue before taxation	<u>2,098</u>	<u>1,570</u>
Corporation tax at 20%	420	314

	31.01.18 £'000	31.01.17 £'000
6. TAXATION (continued)		
Effects of:		
Non-taxable dividends	(864)	(615)
Unutilised excess management expenses	444	301
Corporation tax charge	–	–
Overseas tax	562	270
Adjustments in respect to withholding tax reclaims	(14)	193
Total tax charge (note 6a)	<u>548</u>	<u>463</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £1,798,000 (31.01.17 : £1,354,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	31.01.17 £'000
Interim	1,202	960
Final	432	360
	<u>1,634</u>	<u>1,320</u>
Add: Revenue deducted on redemption of shares	44	45
Deduct: Revenue received on issue of shares	(118)	(251)
Net distributions for the year	<u>1,560</u>	<u>1,114</u>

Details of the distributions per share are set out in the table on pages 160 to 162.

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
7. DISTRIBUTIONS (continued)		
Distributions represented by:		
Net revenue after taxation	1,550	1,107
Allocations to capital:		
Revenue deficit – 'I' Income	1	–
Revenue deficit – 'I' Accumulation	6	6
	7	6
Equalisation on conversions*	3	1
Net distributions for the year	<u>1,560</u>	<u>1,114</u>
<p>* Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.</p>		
	31.01.18 £'000	31.01.17 £'000
8. DEBTORS		
Amounts receivable for issue of shares	80	3,890
Accrued revenue:		
Non-taxable dividends	320	157
Prepaid expenses	4	5
Taxation recoverable:		
Overseas withholding tax	13	8
Total debtors	<u>417</u>	<u>4,060</u>
9. CASH AND BANK BALANCES		
Bank balances	14,657	17,372
Total cash and bank balances	<u>14,657</u>	<u>17,372</u>
10. CREDITORS		
Distribution payable	<u>153</u>	<u>126</u>

	31.01.18 £'000	31.01.17 £'000
10. CREDITORS (continued)		
OTHER CREDITORS		
Amounts payable for redemption of shares	86	246
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	186	148
Typesetting and printing costs	1	3
Registration fees	7	5
	194	156
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	5	5
Safe custody and other bank charges	4	2
	9	7
Other expenses	13	15
Total other creditors	<u>302</u>	<u>424</u>

11. RELATED PARTY TRANSACTIONS

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 147 and amounts due at the year end are disclosed in notes 8 and 10.

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 556,139 (31.01.17 : 531,098) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Pershing Nominees Limited 38.55% (31.01.17 : 37.72%)

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.17: none).

13. SHARES IN ISSUE

	'O' Income	'O' Accumulation	'I' Income
Annual Management Charge	0.85%	0.85%	1.35%
Opening shares in issue	26,020,109	46,649,071	461,676
Issues	2,634,009	9,498,910	49,712
Redemptions	(1,993,856)	(2,949,682)	(65,412)
Conversions	3,388,936	(2,073,197)	(34,090)
Closing shares in issue	<u>30,049,198</u>	<u>51,125,102</u>	<u>411,886</u>
	'I' Accumulation	'S' Income	'S' Accumulation
Annual Management Charge	1.35%	0.75%	0.75%
Opening shares in issue	3,641,937	3,123,290	43,467
Issues	891,849	42,931	–
Redemptions	(401,609)	(372,707)	–
Conversions	(807,152)	–	–
Closing shares in issue	<u>3,325,025</u>	<u>2,793,514</u>	<u>43,467</u>

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed Investment Manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

14. RISK MANAGEMENT POLICIES (continued)

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing in equities, it has no significant exposure to interest rate risk and therefore no interest rate risk table or sensitivity analysis has been presented.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.01.18 £'000	31.01.17 £'000
Currency:		
Euros	6,257	4,652
Japanese yen	5,293	4,507
Swiss francs	24,729	20,231
US dollars	159,001	116,410
	<u>195,280</u>	<u>145,800</u>
Pounds sterling	54,753	56,394
Net assets	<u>250,033</u>	<u>202,194</u>

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. RISK MANAGEMENT POLICIES (continued)

iii. Foreign currency risk (continued)

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £9,764,000 on the net assets of the Fund (31.01.17 : £7,290,000).

iv. Leverage

The Fund did not employ any significant leverage during the current and prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £11,771,000 (31.01.17 : £9,067,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Fund held no derivatives during the current and prior year.

15. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Ordinary shares	33,413	45	9	33,467
Purchases total	33,413	45	9	33,467
<i>Transaction cost % of purchases total</i>		0.13%	0.03%	
<i>Transaction cost % of average NAV</i>		0.02%	–	
Ordinary shares	5,027	(6)	–	5,021
Sales total	5,027	(6)	–	5,021
<i>Transaction cost % of sales total</i>		0.12%	–	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 31.01.18 is 0.04% (31.01.17 : 0.04%).

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Ordinary shares	68,868	97	54	69,019
Purchases total	68,868	97	54	69,019
<i>Transaction cost % of purchases total</i>		0.14%	0.08%	
<i>Transaction cost % of average NAV</i>		0.07%	0.04%	
Ordinary shares	10,078	(6)	–	10,072
Sales total	10,078	(6)	–	10,072
<i>Transaction cost % of sales total</i>		0.06%	–	
<i>Transaction cost % of average NAV</i>		–	–	

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.18				
Investment Assets	235,414	–	–	235,414
31.01.17				
Investment Assets	181,312	–	–	181,312

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.17	01.08.17
To	31.07.17	31.01.18

'O' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	1.2546	–	1.2546	1.5072
Group 2	0.2871	0.9675	1.2546	1.5072
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.4565	–	0.4565	0.4208
Group 2	0.1621	0.2944	0.4565	0.4208

'O' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	1.4839	–	1.4839	1.7730
Group 2	0.2675	1.2164	1.4839	1.7730
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.5448	–	0.5448	0.4997
Group 2	0.1825	0.3623	0.5448	0.4997

'I' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	0.6559	–	0.6559	1.0145
Group 2	0.1972	0.4587	0.6559	1.0145
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	–	–	–	–
Group 2	–	0.0000	–	–

'I' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	0.7204	–	0.7204	1.1137
Group 2	0.3177	0.4027	0.7204	1.1137
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	–	–	–	–
Group 2	–	0.0000	–	–

'S' Income shares (Registered charities only)

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	1.3771	–	1.3771	1.7234
Group 2	0.2258	1.1513	1.3771	1.7234
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.5832	–	0.5832	0.5334
Group 2	0.2581	0.3251	0.5832	0.5334

TROJAN GLOBAL EQUITY FUND

Financial Statements (continued)

Distribution Table (continued)

'S' Accumulation shares (Registered charities only)

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	1.6450	–	1.6450	2.0384
Group 2	1.6450	0.0000	1.6450	2.0384
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.7012	–	0.7012	0.6361
Group 2	0.7012	0.0000	0.7012	0.6361

TROJAN INCOME FUND

ACD'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Trojan Income Fund ('the Fund') is to provide an above average income with the potential for capital growth in the medium term. The Fund's policy is to invest substantially in UK and overseas equities and fixed interest securities but may also invest in collective investment schemes and money market instruments.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Income Fund

30 May 2018

TROJAN INCOME FUND

ACD's Report (continued)

For the year ended 31 January 2018

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

Over the twelve months under review class 'O' Accumulation shares of the Fund produced a total return of +6.2%. Over the same period the FTSE All-Share Index TR produced a return of +11.3%¹, while the total return on cash (LIBID)² amounted to +0.2%¹. At the 31 January 2018 the Fund size was £3,156 million.

A distribution of 4.5700p will be paid to holders of 'O' Income shares on 31 March 2018 which, combined with the interim dividend of 2.97p paid on 30 September 2017, makes a total distribution of 7.5400p. This represents an increase of 5.6% over the previous year and continues the Fund's track record of unbroken dividend growth since its launch in 2004.

Positive contribution to the Fund's absolute performance was driven by a range of companies with an international bias, including Unilever, Royal Dutch Shell and Vodafone. Consumer discretionary stocks including Next, WH Smith and Domino's Pizza also thrived despite the uncertain UK backdrop. The diverse holdings within the financial sector also delivered a strong contribution. However, performance was constrained by the utilities sector where the perception of increasing political risk, a regulatory review in the water sector and an uncertain interest rate environment put downward pressure on the Fund's holdings. A modest holding in Provident Financial also impacted performance, where a long-term period of strong returns was abruptly reversed through a poorly executed change in strategy. The position was subsequently sold.

PORTFOLIO

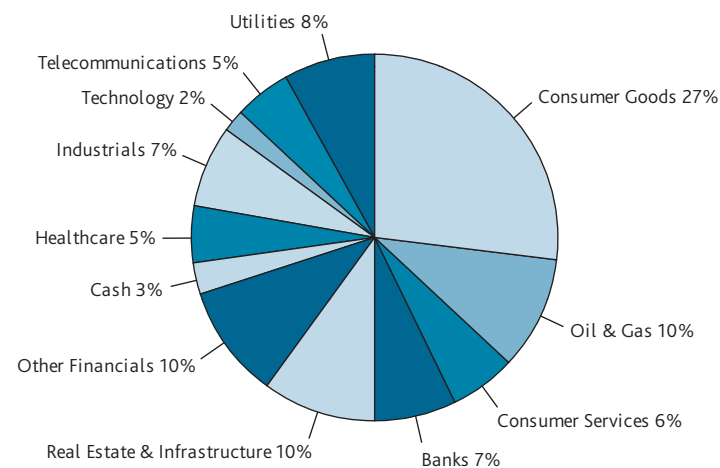
In the second half of the year in particular our focus has been on reinforcing the quality of the portfolio. As the market has moved higher and equity valuations have risen, we have sought to insulate our investors from the sporadic but sharp share price declines inflicted on companies who have failed to meet the market's demanding expectations. This has meant reducing the portfolio weighting to holdings such as WH Smith and NEX, stocks which have performed well and where valuation has become less compelling. Sky was also sold following the bid approach from 21st Century Fox. Royal Mail was also reduced; in the second half of the year investors became concerned about deteriorating workforce relations and the rising risk of industrial action. Following a successful arbitration and a strike-free Christmas period the shares rebounded some 20% and we felt it was then appropriate to reduce the Fund's exposure.

As the interest rate environment has become more uncertain we have also endeavoured to reduce the Fund's exposure to stocks with the highest correlation to bond markets. Such stocks are often characterised by highly stable but low growth earnings, enhanced by the use of leverage. Most notably, within the utilities sector, we have reduced holdings in Pennon and Severn Trent. The aggregate position in the tobacco sector was reduced following the successful bid for Reynolds American, which was exchanged for a combination of cash and British American Tobacco shares.

We reallocated the capital raised during these transactions to existing holdings such as Royal Dutch Shell, Next and IG in the first half of the year. From the second half of the year purchases were characterised by a drive to increase our exposure to the highest quality investments within our universe, particularly where we saw attractive valuations. We sought out investments where

liquidity is more assured and where we believe the companies can continue to generate attractive free cash flow yields, without the need for high levels of leverage. A new holding was bought in RELX which, following a long and sometimes difficult transformation to a digital world, offers a resilient free cash flow yield in excess of 5%. We used the weakness in Reckitt Benckiser's share price following litigation in South Korea and a cyberattack to continue to build a holding. We also started a new position in Procter & Gamble. The company has an excellent long term record of cash generation which should be enhanced by management action in recent years to dispose of peripheral businesses and focus on its core strengths.

TROJAN INCOME FUND – SECTOR ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

OUTLOOK

With central bank interest rate increases now firmly on the agenda markets have again become intently focused on the expectations for inflation. US unemployment of 4.1% is now well below pre-crisis levels and there is a real risk that wage inflation gains traction. Jerome Powell, the Federal Reserve's newly appointed chair, has the unenviable task of second guessing the future inflationary impact of significant fiscal policy changes, including the aforementioned US corporation tax cuts and President Trump's \$1.5 trillion infrastructure spending pledge. The US central bank has forecasted three rate hikes in 2018. Markets will be quick to respond to any changes in that expectation. In the UK Consumer Price Index inflation has been resilient at 3%, well above the 2% target. Consequently, the implied probability of a UK rate hike by 2018 year-end stands at over 80%.

¹ Source: Lipper. The indices used by the Investment Manager are for comparison purposes. No benchmark is required to be disclosed per the Prospectus.

² London Interbank Bid Rate.

TROJAN INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 January 2018

OUTLOOK (continued)

Closer to home, Theresa May will look to continue to balance the Conservative Party's factions on Brexit whilst discussing the transition period and negotiating a post-Brexit trade deal with the European Union ('EU'). The European Commission's chief negotiator, Michel Barnier, has already explicitly stated that any deal will be "along the same lines" as the ones signed between the EU and countries such as Canada, dashing Theresa May's hopes for a bespoke deal. Talks regarding the framework for the future trade relationship are due to begin in earnest in March and we would expect UK domestic earnings expectations and sterling to be particularly sensitive to the progress of negotiations.

There are undoubtedly significant risks to the trifecta of market drivers which have served to underpin rising equity markets as described at the beginning of this report. Monetary stimulus is being reined in and the credit cycle is starting to look mature. However, we believe the outlook for global corporate profitability is more benign. Positive global economic data, supported by the impact of US fiscal policy mean we have confidence in the ability of companies to generate cash and remain positive about the outlook for dividend growth.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

22 February 2018

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Financial Techniques Impact: The Fund may invest in derivatives to generate additional capital or income. A movement in the value of the derivative's underlying asset may have a much larger negative impact on the value of the Fund than if the Fund were to hold the underlying investment itself.

Counterparty Risk: As the Fund may enter into forward currency hedging agreements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, receiving less than is due or receiving nothing.

'S' Income and 'S' Accumulation shares available to registered charities only.

'Z' Income and 'Z' Accumulation shares can be bought and sold only by the Trojan Feeder Fund (Ireland), a sub-fund of Trojan Funds (Ireland) Plc.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'O' Income shares			
Change in net assets per share			
Opening net asset value per share	180.26	171.61	170.16
Return before operating charges*	13.06	17.64	9.90
Operating charges	(1.94)	(1.85)	(1.77)
Return after operating charges	11.12	15.79	8.13
Distributions	(7.54)	(7.14)	(6.68)
Closing net asset value per share	183.84	180.26	171.61
* after direct transaction costs of:	0.14	0.20	0.18
Performance			
Return after charges	6.17%	9.20%	4.78%
Other Information			
Closing net asset value (£'000)	1,181,644	1,732,001	1,352,549
Closing number of shares	642,744,678	960,820,938	788,152,225
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	199.80	191.46	180.94
Lowest share price	179.91	161.45	161.89

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'O' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	302.56	277.15	264.44
Return before operating charges*	21.95	28.42	15.48
Operating charges	(3.29)	(3.01)	(2.77)
Return after operating charges	18.66	25.41	12.71
Distributions	(12.74)	(11.60)	(10.45)
Retained distributions on accumulation shares	12.74	11.60	10.45
Closing net asset value per share	321.22	302.56	277.15
* after direct transaction costs of:	0.23	0.32	0.29
Performance			
Return after charges	6.17%	9.17%	4.81%
Other Information			
Closing net asset value (£'000)	645,194	775,976	526,241
Closing number of shares	200,858,235	256,470,286	189,876,411
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	335.32	313.88	283.21
Lowest share price	301.96	260.70	255.58

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Income shares			
Change in net assets per share			
Opening net asset value per share	170.66	163.29	162.73
Return before operating charges*	12.36	16.76	9.44
Operating charges	(2.73)	(2.61)	(2.51)
Return after operating charges	9.63	14.15	6.93
Distributions	(7.12)	(6.78)	(6.37)
Closing net asset value per share	173.17	170.66	163.29
* after direct transaction costs of:	0.13	0.19	0.18
Performance			
Return after charges	5.64%	8.66%	4.26%
Other Information			
Closing net asset value (£'000)	33,995	39,088	49,809
Closing number of shares	19,631,130	22,904,292	30,503,447
Operating charges	1.52%	1.52%	1.52%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	188.84	181.41	172.75
Lowest share price	170.32	153.60	154.26

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	292.55	269.33	258.27
Return before operating charges*	21.21	27.56	15.07
Operating charges	(4.72)	(4.34)	(4.01)
Return after operating charges	16.49	23.22	11.06
Distributions	(12.29)	(11.25)	(10.19)
Retained distributions on accumulation shares	12.29	11.25	10.19
Closing net asset value per share	309.04	292.55	269.33
* after direct transaction costs of:	0.22	0.31	0.28
Performance			
Return after charges	5.64%	8.62%	4.28%
Other Information			
Closing net asset value (£'000)	75,908	83,672	115,181
Closing number of shares	24,562,321	28,601,358	42,765,868
Operating charges	1.52%	1.52%	1.52%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	323.69	303.99	275.44
Lowest share price	291.96	253.30	248.90

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'S' Income shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	185.91	176.54	174.61
Return before operating charges*	13.47	18.16	10.16
Operating charges	(1.51)	(1.44)	(1.37)
Return after operating charges	11.96	16.72	8.79
Distributions	(7.79)	(7.35)	(6.86)
Closing net asset value per share	190.08	185.91	176.54
* after direct transaction costs of:	0.14	0.20	0.19
Performance			
Return after charges	6.43%	9.47%	5.03%
Other Information			
Closing net asset value (£'000)	302,913	311,589	271,116
Closing number of shares	159,357,492	167,604,222	153,573,526
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	206.23	197.37	185.81
Lowest share price	185.55	166.10	166.43

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'S' Accumulation shares (Registered charities only)			
Change in net assets per share			
Opening net asset value per share	305.61	279.24	265.77
Return before operating charges*	22.17	28.66	15.57
Operating charges	(2.51)	(2.29)	(2.10)
Return after operating charges	19.66	26.37	13.47
Distributions	(12.88)	(11.70)	(10.52)
Retained distributions on accumulation shares	12.88	11.70	10.52
Closing net asset value per share	325.27	305.61	279.24
* after direct transaction costs of:	0.23	0.33	0.29
Performance			
Return after charges	6.43%	9.44%	5.07%
Other Information			
Closing net asset value (£'000)	16,475	14,548	13,415
Closing number of shares	5,065,132	4,760,182	4,804,412
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	338.99	316.79	285.23
Lowest share price	305.00	262.68	257.23

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'Z' Income shares <i>(this class is only available for investment by the Trojan Income Feeder Fund (Ireland))</i>			
Change in net assets per share			
Opening net asset value per share	127.37	120.03	117.82
Return before operating charges*	9.23	12.39	6.88
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	9.20	12.36	6.85
Distributions	(5.35)	(5.02)	(4.64)
Closing net asset value per share	131.22	127.37	120.03
* after direct transaction costs of:	0.10	0.14	0.13
Performance			
Return after charges	7.22%	10.29%	5.82%
Other Information			
Closing net asset value (£'000)	165,285	150,623	116,063
Closing number of shares	125,960,830	118,260,844	96,694,430
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	141.64	134.82	125.68
Lowest share price	127.13	112.96	112.73

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'Z' Accumulation shares <i>(this class is only available for investment by the Trojan Income Feeder Fund (Ireland))</i>			
Change in net assets per share			
Opening net asset value per share	147.47	133.78	126.42
Return before operating charges*	10.74	13.72	7.39
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	10.71	13.69	7.36
Distributions	(6.27)	(5.63)	(5.02)
Retained distributions on accumulation shares	6.27	5.63	5.02
Closing net asset value per share	158.18	147.47	133.78
* after direct transaction costs of:	0.11	0.16	0.14
Performance			
Return after charges	7.26%	10.23%	5.82%
Other Information			
Closing net asset value (£'000)	–	–	–
Closing number of shares	250	250	250
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.07%	0.11%	0.11%
Prices			
Highest share price	164.01	152.49	136.48
Lowest share price	147.18	125.88	122.83

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.01.18 ¹ (p/share)
'X' Income shares	
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	1.71
Operating charges	(0.15)
Return after operating charges	1.56
Distributions	(0.40)
Closing net asset value per share	101.16
* after direct transaction costs of:	0.01
Performance	
Return after charges	1.56%
Other Information	
Closing net asset value (£'000)	667,992
Closing number of shares	660,338,384
Operating charges	0.87% ²
Direct transaction costs	0.42% ²
Prices	
Highest share price	104.56
Lowest share price	100.00

¹ From 1 December 2017.

² Annualised figure due to share class launched less than 1 year.

	31.01.18 ¹ (p/share)
'X' Accumulation shares	
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	1.71
Operating charges	(0.15)
Return after operating charges	1.56
Distributions	(0.40)
Retained distributions on accumulation shares	0.40
Closing net asset value per share	101.56
* after direct transaction costs of:	0.01
Performance	
Return after charges	1.56%
Other Information	
Closing net asset value (£'000)	66,221
Closing number of shares	65,201,929
Operating charges	0.87% ²
Direct transaction costs	0.42% ²
Prices	
Highest share price	104.56
Lowest share price	100.00

¹ From 1 December 2017.

² Annualised figure due to share class launched less than 1 year.

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	3 years	5 years
Trojan Income Fund	6.18	21.93	59.37

The performance of the Fund is based on the published price per 'O' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on page 199 to 202.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

PORTFOLIO STATEMENT AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	UNITED KINGDOM – 88.40% (31.01.17 – 83.38%)		
	OIL & GAS – 9.70% (31.01.17 – 7.58%)		
	<i>OIL & GAS PRODUCERS – 9.70% (31.01.17 – 7.58%)</i>		
23,750,000	BP	119,011	3.77
7,500,000	Royal Dutch Shell 'B'	187,200	5.93
	TOTAL OIL & GAS	306,211	9.70
	INDUSTRIALS – 5.45% (31.01.17 – 5.55%)		
	<i>INDUSTRIAL TRANSPORTATION – 2.62% (31.01.17 – 2.79%)</i>		
17,612,440	Royal Mail	82,655	2.62
	<i>SUPPORT SERVICES – 2.83% (31.01.17 – 2.76%)</i>		
5,500,000	Experian	89,182	2.83
	TOTAL INDUSTRIALS	171,837	5.45
	CONSUMER GOODS – 17.88% (31.01.17 – 14.37%)		
	<i>FOOD PRODUCERS – 0.93% (31.01.17 – 0.96%)</i>		
5,000,000	Dairy Crest	29,425	0.93
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION – 4.31% (31.01.17 – 2.71%)</i>		
1,500,000	Burberry	23,677	0.75
1,650,000	Reckitt Benckiser	112,249	3.56
		135,926	4.31
	<i>PERSONAL GOODS – 5.32% (31.01.17 – 4.83%)</i>		
4,200,000	Unilever	168,000	5.32
	<i>TOBACCO – 7.32% (31.01.17 – 5.87%)</i>		
2,750,000	British American Tobacco	132,523	4.20
3,400,000	Imperial Brands	98,549	3.12
		231,072	7.32
	TOTAL CONSUMER GOODS	564,423	17.88

TROJAN INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 January 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	HEALTH CARE – 5.33% (31.01.17 – 6.65%)		
	<i>PHARMACEUTICALS & BIOTECHNOLOGY – 5.33%</i> (31.01.17 – 6.65%)		
1,400,000	AstraZeneca	68,411	2.17
7,550,000	GlaxoSmithKline	99,690	3.16
	TOTAL HEALTH CARE	168,101	5.33
	CONSUMER SERVICES – 10.96% (31.01.17 – 9.73%)		
	<i>GENERAL RETAILERS – 5.18% (31.01.17 – 3.53%)</i>		
1,700,000	Next	86,394	2.74
3,600,000	WH Smith	76,968	2.44
		163,362	5.18
	<i>TRAVEL & LEISURE – 4.28% (31.01.17 – 3.19%)</i>		
7,000,000	Compass	103,775	3.29
9,247,305	Domino's Pizza	31,182	0.99
		134,957	4.28
	<i>MEDIA – 1.50% (31.01.17 – 3.01%)</i>		
3,047,139	RELX	47,474	1.50
	TOTAL CONSUMER SERVICES	345,793	10.96
	TELECOMMUNICATIONS – 4.12% (31.01.17 – 3.84%)		
	<i>MOBILE TELECOMMUNICATIONS – 4.12%</i> (31.01.17 – 3.84%)		
5,250,000	Inmarsat	24,381	0.77
47,000,000	Vodafone	105,539	3.35
	TOTAL TELECOMMUNICATIONS	129,920	4.12
	UTILITIES – 8.23% (31.01.17 – 10.89%)		
	<i>ELECTRICITY – 1.93% (31.01.17 – 2.24%)</i>		
4,675,000	SSE	60,985	1.93

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	GAS, WATER & MULTIUTILITIES – 6.30% (31.01.17 – 8.65%)		
42,000,000	Centrica	56,028	1.78
11,000,000	National Grid	88,473	2.80
4,000,000	Pennon	28,720	0.91
1,304,255	Severn Trent	25,472	0.81
		198,693	6.30
	TOTAL UTILITIES	259,678	8.23
	FINANCIALS – 24.36% (31.01.17 – 22.90%)		
	<i>BANKS – 4.12% (31.01.17 – 3.50%)</i>		
187,000,000	Lloyds Banking	129,984	4.12
	<i>NON-LIFE INSURANCE – 4.80% (31.01.17 – 3.99%)</i>		
4,558,389	Hiscox	64,456	2.04
3,500,000	Jardine Lloyd Thompson	47,110	1.49
6,085,000	Lancashire	40,009	1.27
		151,575	4.80
	<i>REAL ESTATE INVESTMENT TRUSTS – 7.87%</i> (31.01.17 – 6.88%)		
59,847,351	Assura	36,806	1.17
7,900,000	Land Securities	79,079	2.50
30,584,467	LondonMetric Property	54,807	1.74
7,800,000	NewRiver REIT [^]	23,400	0.74
19,274,000	Primary Health Properties	22,281	0.70
8,891,050	Secure Income REIT	32,097	1.02
		248,470	7.87
	<i>FINANCIAL SERVICES – 5.36% (31.01.17 – 6.36%)</i>		
5,870,270	IG	45,348	1.44
1,609,500	Rathbone Brothers	43,875	1.39
2,150,000	Schroders	79,916	2.53
		169,139	5.36

TROJAN INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 January 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	<i>EQUITY INVESTMENT INSTRUMENTS – 2.21%</i> (31.01.17 – 2.17%)		
18,000,000	3i Infrastructure*	36,090	1.15
22,303,125	International Public Partnerships*	33,544	1.06
		<u>69,634</u>	<u>2.21</u>
	TOTAL FINANCIALS	<u>768,802</u>	<u>24.36</u>
	<i>TECHNOLOGY – 2.37% (31.01.17 – 1.87%)</i>		
	<i>SOFTWARE & COMPUTER SERVICES – 2.37%</i> (31.01.17 – 1.87%)		
9,972,648	Sage	74,715	2.37
	TOTAL UNITED KINGDOM	<u>2,789,480</u>	<u>88.40</u>
	<i>CONTINENTAL EUROPE – 1.60% (31.01.17 – 1.56%)</i>		
830,000	Nestlé	50,480	1.60
	<i>NORTH AMERICA – 8.23% (31.01.17 – 9.79%)</i>		
1,125,000	Altria	55,671	1.76
1,250,000	Coca-Cola	41,841	1.33
739,489	Procter & Gamble	44,919	1.42
900,000	Verizon Communications	34,220	1.08
1,800,000	Wells Fargo	83,276	2.64
	TOTAL NORTH AMERICA	<u>259,927</u>	<u>8.23</u>
	<i>FORWARD CURRENCY CONTRACTS – 0.00%</i> (31.01.17 – 0.05%)		
		<u>–</u>	<u>–</u>
	Portfolio of investments	3,099,887	98.23
	Net other assets	55,740	1.77
	Net assets	<u>3,155,627</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(g) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

^ Quoted on the Alternative Investment Market (AIM).

* Collective investment scheme.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 16) **404,252**

Major purchases	Cost £'000
Reckitt Benckiser	50,795
RELX	50,205
Procter & Gamble	49,184
Royal Dutch Shell 'B'	26,604
Domino's Pizza	25,218
Next	19,386
National Grid	17,979
British American Tobacco	17,745
BP	17,561
Wells Fargo	14,303
Lloyds Banking	13,316
IG	12,371
Provident Financial	11,647
Severn Trent	11,106
Imperial Brands	10,721
Land Securities	8,406
NEX	6,891
Experian	6,474
LondonMetric Property	5,472
Burberry	4,874

Total sales for the year £'000 (note 16) **327,933**

Sales	Proceeds £'000
Sky	89,623
Reynolds American	42,357
AstraZeneca	39,897
NEX	37,676
Provident Financial	20,325
Unilever	20,296
Severn Trent	18,917
Royal Mail	15,811
Pennon	10,106
Verizon Communications	9,458
Experian	7,737
WH Smith	4,992
Land Securities	4,476
NewRiver REIT	3,461
3i Infrastructure	2,801

The summary of material portfolio changes represents the 20 largest purchases and all of the sales during the year.

TROJAN INCOME FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Income:					
Net capital gains	3		93,713		149,188
Revenue	4	137,814		114,339	
Expenses	5	(32,432)		(27,410)	
Interest payable and similar charges	7	–		(9)	
Net revenue before taxation		105,382		86,920	
Taxation	6	(1,882)		(2,458)	
Net revenue after taxation			103,500		84,462
Total return before distributions			197,213		233,650
Distributions	8		(118,952)		(110,109)
Change in net assets attributable to shareholders from investment activities			78,261		123,541

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2018

	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Opening net assets attributable to shareholders		3,107,497		2,444,374
Amounts receivable on issue of shares	362,137		623,120	
Amounts payable on redemption of shares	(424,855)		(115,464)	
		(62,718)		507,656
Stamp duty reserve tax		(6)		–
Change in net assets attributable to shareholders from investment activities		78,261		123,541
Retained distributions on Accumulation shares		32,593		31,926
Closing net assets attributable to shareholders		3,155,627		3,107,497

BALANCE SHEET
AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		3,099,887	2,945,309
Current assets			
Debtors	9	12,931	18,833
Cash and bank balances	10	114,490	205,302
Total assets		3,227,308	3,169,444
LIABILITIES			
Creditors			
Distribution payable	11	(44,619)	(53,230)
Other creditors	11	(27,062)	(8,717)
Total liabilities		(71,681)	(61,947)
Net assets attributable to shareholders		3,155,627	3,107,497

TROJAN INCOME FUND

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current and prior year.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy described below has also been applied to this Fund.

The Annual Management Charge is transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

	31.01.18 £'000	31.01.17 £'000
3. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	88,306	163,926
Derivative contracts	–	(12)
Forward currency contracts	4,870	(5,493)
Transaction charges	(1)	(1)
Currency gains/(losses)	538	(9,232)
Net capital gains	<u>93,713</u>	<u>149,188</u>
4. REVENUE		
Non-taxable dividends	130,206	107,920
UK property income distributions	7,586	5,078
Bank interest	22	153
Option premium	–	1,188
Total revenue	<u>137,814</u>	<u>114,339</u>
5. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	31,767	26,808
Legal and professional fees	19	19
Typesetting and printing costs	3	10
Registration fees	100	100
	<u>31,889</u>	<u>26,937</u>

	31.01.18 £'000	31.01.17 £'000
5. EXPENSES (continued)		
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees:	434	370
Safe custody and other bank charges	93	81
	<u>527</u>	<u>451</u>
Other expenses:		
Fees paid to auditor – audit	8	9
– tax services	(3)	3
Publication costs	6	7
Legal and professional fees	5	2
Postage and distribution costs	–	1
	<u>16</u>	<u>22</u>
Total expenses	<u>32,432</u>	<u>27,410</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

	31.01.18 £'000	31.01.17 £'000
6. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	1,882	2,458
Current tax charge	<u>1,882</u>	<u>2,458</u>
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>1,882</u>	<u>2,458</u>
b) Factors affecting the tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:		
	31.01.18 £'000	31.01.17 £'000
Net revenue before taxation	<u>105,382</u>	<u>86,920</u>
Corporation tax at 20%	21,076	17,384

TROJAN INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
6. TAXATION (continued)		
Effects of:		
Non-taxable dividends	(26,041)	(21,584)
Unutilised excess management expenses	4,965	4,200
Corporation tax charge	–	–
Overseas tax	1,882	2,458
Total tax charge (note 6a)	<u>1,882</u>	<u>2,458</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £21,498,000 (31.01.17 : £16,533,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

	31.01.18 £'000	31.01.17 £'000
7. INTEREST PAYABLE AND SIMILAR CHARGES		
Interest	–	9
Total interest payable and similar charges	<u>–</u>	<u>9</u>

8. DISTRIBUTIONS

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	31.01.17 £'000
Interim	53,300	44,131
Final	62,622	73,401
	<u>115,922</u>	<u>117,532</u>
Add: Revenue deducted on redemption of shares	7,187	1,535
Deduct: Revenue received on issue of shares	(4,157)	(8,958)
Net distributions for the year	<u>118,952</u>	<u>110,109</u>

Details of the distributions per share are set out in the table on pages 199 to 202.

	31.01.18 £'000	31.01.17 £'000
8. DISTRIBUTIONS (continued)		
Distributions represented by:		
Net revenue after taxation	103,500	84,462
Allocations to capital:		
Annual Management Charge, net of tax relief	30,404	25,646
Equalisation on conversions*	(14,953)	–
Balance brought forward	–	1
Balance carried forward	1	–
Net distributions for the year	<u>118,952</u>	<u>110,109</u>

* Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

	31.01.18 £'000	31.01.17 £'000
9. DEBTORS		
Amounts receivable for issue of shares	2,732	4,452
Sales awaiting settlement	–	7,555
Accrued revenue:		
Non-taxable dividends	10,087	6,789
Prepaid expenses	4	4
Taxation recoverable:		
Overseas withholding tax	108	33
Total debtors	<u>12,931</u>	<u>18,833</u>
10. CASH AND BANK BALANCES		
Bank balances	114,490	205,302
Total cash and bank balances	<u>114,490</u>	<u>205,302</u>

TROJAN INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
11. CREDITORS		
Distribution payable	44,619	53,230
OTHER CREDITORS		
Amounts payable for redemption of shares	6,073	5,374
Purchases awaiting settlement	18,334	698
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	2,570	2,567
Legal and professional fees	2	2
Typesetting and printing costs	1	4
Registration fees	9	9
	2,582	2,582
Amounts payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees	36	35
Safe custody and other bank charges	23	14
	59	49
Other expenses	14	14
Total other creditors	27,062	8,717

12. RELATED PARTY TRANSACTIONS

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 184 and amounts due at the year end are disclosed in notes 9 and 11.

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 3,951,801 (31.01.17 : 6,323,447) of the Fund's shares at the balance sheet date.

13. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.17 : none).

14. SHARES IN ISSUE

	'O' Income	'O' Accumulation	'I' Income
Annual Management Charge	1.00%	1.00%	1.50%
Opening shares in issue	960,820,938	256,470,286	22,904,292
Issues	110,058,250	30,349,305	766,289
Redemptions	(76,414,218)	(64,066,215)	(2,124,547)
Conversions	(351,720,292)	(21,895,141)	(1,914,904)
Closing shares in issue	642,744,678	200,858,235	19,631,130
	'I' Accumulation	'S' Income	'S' Accumulation
Annual Management Charge	1.50%	0.75%	0.75%
Opening shares in issue	28,601,358	167,604,222	4,760,182
Issues	852,485	6,665,692	2,571,519
Redemptions	(4,216,595)	(15,453,812)	(2,266,569)
Conversions	(674,927)	541,390	-
Closing shares in issue	24,562,321	159,357,492	5,065,132
	'Z' Income	'Z' Accumulation	'X' Income
Annual Management Charge	-	-	0.85%
Opening shares in issue	118,260,844	250	-
Issues	21,587,252	-	3,261,799
Redemptions	(13,887,266)	-	(3,989,135)
Conversions	-	-	661,065,720
Closing shares in issue	125,960,830	250	660,338,384

TROJAN INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. SHARES IN ISSUE (continued)

	'X' Accumulation
Annual Management Charge	0.85%
Opening shares in issue	–
Issues	1,253,327
Redemptions	(1,152,494)
Conversions	65,101,096
	<hr/>
Closing shares in issue	<u>65,201,929</u>

15. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed Investment Manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

15. RISK MANAGEMENT POLICIES (continued)

i. Credit risk (continued)

There were no forward currency contracts held at the balance sheet date. As at 31.01.17 there were forward currency contracts held.

31.01.17

Counterparty	Forward currency contracts £'000	Net collateral pledged £'000
Bank of New York Mellon	1,636	–

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing mainly in equities, it has no significant exposure to interest rate risk and therefore no interest rate risk table or sensitivity analysis has been presented.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and may not seek to hedge all foreign currency risk.

TROJAN INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. RISK MANAGEMENT POLICIES (continued)

iii. Foreign currency risk (continued)

The table below shows the direct foreign currency risk profile:

	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Euros	1,993	–	1,993
Swiss francs	50,480	–	50,480
US dollars	261,105	–	261,105
	<u>313,578</u>	<u>–</u>	<u>313,578</u>
Pounds sterling	2,842,049	–	2,842,049
Net assets	<u>3,155,627</u>	<u>–</u>	<u>3,155,627</u>

	31.01.17 Gross £'000	31.01.17 Hedged £'000	31.01.17 Net £'000
Currency:			
Swiss francs	48,312	–	48,312
US dollars	304,775	(126,971)	177,804
	<u>353,087</u>	<u>(126,971)</u>	<u>226,116</u>
Pounds sterling	2,752,774	128,607	2,881,381
Net assets	<u>3,105,861</u>	<u>1,636</u>	<u>3,107,497</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £15,679,000 on the net assets of the Fund (31.01.17 : £11,306,000).

iv. Leverage

The Fund did not employ any significant leverage during the current and prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

15. RISK MANAGEMENT POLICIES (continued)

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £154,994,000 (31.01.17 : £147,184,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the total gains on forward currency contracts during the year are set out in note 3.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain or vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

TROJAN INCOME FUND
Financial Statements (continued)
Notes to the Financial Statements (continued)
As at 31 January 2018
16. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Ordinary shares	398,451	508	1,576	400,535
Collective investment schemes	3,717	–	–	3,717
Purchases total	<u>402,168</u>	<u>508</u>	<u>1,576</u>	<u>404,252</u>
<i>Transaction cost % of purchases total</i>		0.13%	0.39%	
<i>Transaction cost % of average NAV</i>		0.01%	0.05%	
Ordinary shares	328,271	(338)	–	327,933
Sales total	<u>328,271</u>	<u>(338)</u>	<u>–</u>	<u>327,933</u>
<i>Transaction cost % of sales total</i>		0.10%	–	
<i>Transaction cost % of average NAV</i>		0.01%	–	

Average portfolio dealing spread at 31.01.18 is 0.06% (31.01.17 : 0.07%).

16. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Ordinary shares	567,842	776	2,172	570,790
Collective investment schemes	2,859	–	–	2,859
Purchases total	<u>570,701</u>	<u>776</u>	<u>2,172</u>	<u>573,649</u>
<i>Transaction cost % of purchases total</i>		0.14%	0.38%	
<i>Transaction cost % of average NAV</i>		0.03%	0.07%	
Ordinary shares	126,614	(165)	(1)	126,448
Sales total	<u>126,614</u>	<u>(165)</u>	<u>(1)</u>	<u>126,448</u>
<i>Transaction cost % of sales total</i>		0.13%	–	
<i>Transaction cost % of average NAV</i>		0.01%	–	

TROJAN INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

17. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.18				
Investment Assets	<u>3,099,887</u>	<u>–</u>	<u>–</u>	<u>3,099,887</u>
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.17				
Investment Assets	<u>2,943,673</u>	<u>1,636</u>	<u>–</u>	<u>2,945,309</u>

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.17	01.08.17
To	31.07.17	31.01.18

'O' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	2.9700	–	2.9700	2.8500
Group 2	0.8793	2.0907	2.9700	2.8500
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	4.5700	–	4.5700	4.2896
Group 2	1.5982	2.9718	4.5700	4.2896

'O' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	4.9845	–	4.9845	4.6019
Group 2	1.7025	3.2820	4.9845	4.6019
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	7.7505	–	7.7505	7.0007
Group 2	2.6031	5.1474	7.7505	7.0007

TROJAN INCOME FUND
Financial Statements (continued)
Distribution Table (continued)

'I' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	2.9700	–	2.9700	2.8500
Group 2	1.2779	1.6921	2.9700	2.8500
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	4.1501	–	4.1501	3.9262
Group 2	1.4113	2.7388	4.1501	3.9262

'I' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	5.0910	–	5.0910	4.6995
Group 2	2.0615	3.0295	5.0910	4.6995
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	7.1961	–	7.1961	6.5499
Group 2	2.2685	4.9276	7.1961	6.5499

'S' Income shares (Registered charities only)

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	2.9700	–	2.9700	2.8500
Group 2	1.1683	1.8017	2.9700	2.8500
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	4.8165	–	4.8165	4.5041
Group 2	1.9348	2.8817	4.8165	4.5041

'S' Accumulation shares (Registered charities only)

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	4.8818	–	4.8818	4.5074
Group 2	1.1493	3.7325	4.8818	4.5074
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	7.9941	–	7.9941	7.1955
Group 2	4.5712	3.4229	7.9941	7.1955

'Z' Income shares (this class is only available for investment by the Trojan Income Feeder Fund (Ireland))

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	2.1000	–	2.1000	2.0000
Group 2	0.6278	1.4722	2.1000	2.0000
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	3.2514	–	3.2514	3.0154
Group 2	0.9263	2.3251	3.2514	3.0154

'Z' Accumulation shares (this class is only available for investment by the Trojan Income Feeder Fund (Ireland))

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	2.4480	–	2.4480	2.2219
Group 2	2.4480	0.0000	2.4480	2.2219
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	3.8200	–	3.8200	3.4040
Group 2	3.8200	0.0000	3.8200	3.4040

TROJAN INCOME FUND
Financial Statements (continued)
Distribution Table (continued)

'X' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.4026	–	0.4026	n/a
Group 2	–	0.4026	0.4026	n/a

'X' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.4034	–	0.4034	n/a
Group 2	–	0.4034	0.4034	n/a

The 'X' Income and 'X' Accumulation share classes launched 1 December 2017, therefore no interim distribution was made and no comparatives have been disclosed.

CRYSTAL FUND
ACD'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Crystal Fund ('the Fund') is to achieve growth in capital over the longer term with a particular emphasis on preservation. The Fund's policy is to invest substantially in UK and overseas equities and fixed interest securities, but may also invest in collective investment schemes and money market instruments.

LINK FUND SOLUTIONS LIMITED

ACD of Crystal Fund
30 May 2018

CRYSTAL FUND

ACD's Report (continued)

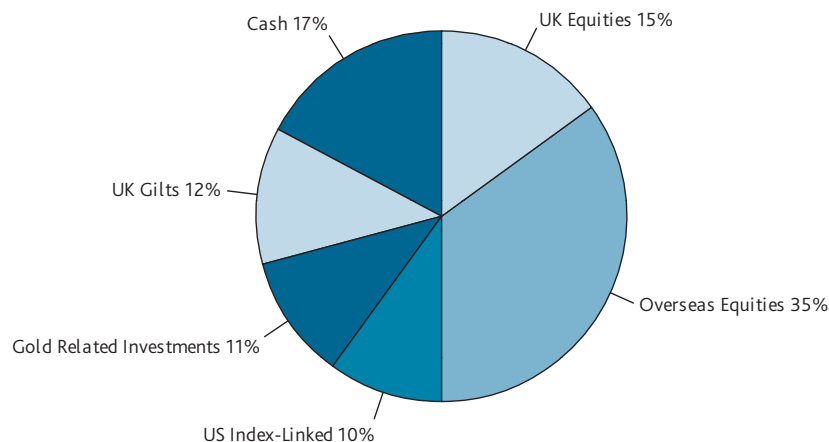
For the year ended 31 January 2018

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the year to 31 January 2018, the Income shares of the Fund produced a total return of +5.8% compared to a return +0.2%¹ on cash (LIBID) and +11.3%¹ in the FTSE All-Share Index (total return).

ASSET ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

MARKET REVIEW

The last financial year proved to be a remarkable one for investors as impressive asset price returns went hand in glove with low volatility. January 2018 saw the 15th consecutive positive month for the S&P 500 Index, the first time this has happened in the index's ninety-year history. Remarkable also is the observation that 2017 was the first calendar year in which the S&P 500 Index did not decline from high to low by more than three per cent. It is a comic conundrum that a president as volatile as Donald Trump should oversee such financial tranquillity. We are concerned that an increasing number of investors have come to see the equity market as an accommodating and dependable distributor of riskless return. General investor equanimity is likely to prove unwise and has no historical basis.

It is clear that long-duration assets such as stocks and bonds have benefitted enormously from the collapse in the interest rates used to discount future cash flows into present values. The fall in rates has led to massive marginal purchasing of financial instruments by price-insensitive buyers. Thus it seems logical to suppose that a rise in rates could lead to disorderly price-insensitive selling. The Federal Reserve ('the Fed') is also committed to gradually reducing the size of its balance sheet and so withdrawing the huge injection of liquidity it has dripped into

¹ Source: Link Fund Solutions Limited and Lipper, net income reinvested at ex-dividend date, sterling terms. The indices used by the investment manager are for comparison purposes. No benchmark is required to be disclosed per the Prospectus.

financial markets for nearly a decade. Those who have experienced market panics will appreciate that liquidity is the inverse of volatility. We should therefore expect this tightening to lead to market gyrations as the monetary magicians at the Fed slowly try to pull the tablecloth out from under the highly priced crystal.

PORTFOLIO

The longer the bull market lasts, the more imaginative and emboldened we are finding company management in allocating shareholder capital. When capital and confidence are in oversupply it is perhaps inevitable that risk aversion is abandoned and investment standards are relaxed. We have certainly seen these behaviours in practice amongst several of our portfolio companies and have taken action. Indeed the last twelve months have been a relatively busy trading period for us, resulting in a material reduction in the Fund's allocation to equities. We recognise that the calibre of capital allocation decisions taken by the boards of companies that the Fund owns will cumulatively and over time determine the long-term success of our investment decisions.

We exited the holding of US handbag designer and retailer Coach. Coach's dominant market position in the US turned out to be weaker than we originally envisaged and so the company has been undergoing a necessary turnaround. Market excitement over the acquisition of rival, Kate Spade, allowed us to exit into share price strength.

We also bade farewell to the gold miner, Agnico-Eagle Mines. The best companies to own are those that require little capital investment, but provide shareholders with prodigious free cash flows. Sadly our latest meeting with Agnico's management confirmed that it has no shortage of 'opportunities' in which to invest shareholder funds. In our judgement these expenditures are only likely to produce middling returns. Gold-related securities remain core holdings of the Fund and so some of the proceeds from the Agnico disposal have been reinvested into the Canadian precious metals royalty and stream company Franco-Nevada ('Franco'). Royalties and streams are economic interests that provide the holder the right to revenue or production from underlying mineral deposits. Crucially, Franco does not operate mines or conduct exploration. It is not on the hook for ongoing capital expenditure or unanticipated operating cost increases. Instead the company's business model is focused on managing and growing a portfolio of cash-generative streams and royalties. Management can call upon the company's net cash balances to afford capital to operators that have over-extended their own balance sheets.

The period also saw us reduce each of our four tobacco holdings, principally on valuation concerns. For most of our careers, tobacco companies have traded on big price-to-earnings ('P/E') discounts and dividend yield premiums to comparably productive companies. Favourable valuations have thus contributed to stellar shareholder returns in the past. However, owners have become addicted to good returns from tobacco investments and gains in the past have been extrapolated into the future, judging by sector valuations. We therefore reduced the holdings in Altria, British America Tobacco ('BAT') and Philip Morris International. The sale of BAT shares was also encouraged by its now completed takeover of its American associate, Reynolds American. It was an expensive deal and increased BAT's indebtedness late into the present economic cycle. We also therefore reduced the holding of Reynolds American before we received further shares in BAT as part of the deal.

CRYSTAL FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 January 2018

PORTFOLIO (continued)

Two of the Fund's healthcare holdings, Becton Dickinson and Johnson & Johnson ('J&J'), were also reduced on management capital allocation concerns. J&J 'won' an auction to expensively acquire the Swiss pharmaceutical company, Actelion, whilst Becton has paid through the nose to acquire the well-run medical device company, C.R. Bard, in its second transformative deal in recent years. Bold deals tend to occur when confidence is high, money is cheap and disappointment is just around the corner.

Companies that exhibit repeat revenues, generated from goods or services that customers purchase regularly out of habit, loyalty or necessity, have been in vogue for some time as investors have come to appreciate predictability and dependability. This has meant that our investment universe has travelled further out into an expensive orbit. We have attempted to keep value with the Fund grounded and elected to further accept profits in Coca-Cola, Microsoft, Nestlé and Unilever.

Even in a market as expensive as this one, there are the occasional bargains on offer and we were encouraged to initiate new holdings in two Continental European firms with impressive histories and promising futures. The first purchase was a holding in Société Bic, the French family-controlled manufacturer of stationery, lighters and shavers. It is a business we have owned in the past and precipitous share price weakness has afforded us the opportunity to initiate this holding on a P/E multiple of around 16. The second acquisition was that of Henkel. Henkel operates globally in three areas: laundry & home care, beauty care and adhesives. Henkel remains family controlled and has a very strong balance sheet affording it, and now us, to benefit from any future corporate activity in more distressed times. We continue to be drawn to companies that are controlled by stewards and so are able to make decisions for the benefit of long-term shareholders.

We also added to our holdings of government-issued short-dated, inflation-indexed bonds. The single-minded focus of central banks to prevent deflation has led to a supervisory approach that largely ignores debt. The increasing debt burdens around the world mean that run-of-the-mill economic downturns could prove calamitous and so unthinkable. If the UK or US economies show signs of running out of puff we can expect the Bank of England and the Fed to respond aggressively. Higher levels of inflation remain a confident prediction in the medium term.

OUTLOOK

The prevailing and prolonged equity bull market has continued its rise with few investors exhibiting exuberance. Despite many investors not thinking bullishly, they are acting bullishly. The absence of widespread euphoria is suggestive of markets that can withstand bad news. However, many savers have invested in income-producing stocks on the basis that there is no alternative. Today that narrative is more prologue than epilogue with US cash instruments and short-dated Treasuries now offering up a veritable feast compared to recent crumbs. The reconciliation between very expensive equity and corporate bond markets and a rising risk-free rate of return may occur with savers yawning as they switch back into cash-like instruments. This

collective sigh, if it transpires, would allow us to increase the Fund's participation in high-quality businesses at more advantageous levels of valuation. Higher market interest rates will challenge asset price resilience. The Fund begins the new financial year with low equity participation and high levels of liquidity to exploit the episodes of volatility we anticipate.

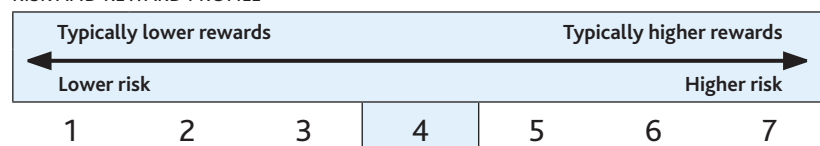
TROY ASSET MANAGEMENT LIMITED

Investment Manager

20 February 2018

CRYSTAL FUND
ACD's Report (continued)
FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Debt securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a debt security is also affected by its credit rating.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund and the Fund receiving less than is due or receiving nothing.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

COMPARATIVE TABLE

Where the Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
Income shares			
Change in net assets per share			
Opening net asset value per share	240.48	212.02	209.98
Return before operating charges*	16.54	32.73	5.54
Operating charges	(2.93)	(2.74)	(2.38)
Return after operating charges	13.61	29.99	3.16
Distributions	(2.27)	(1.53)	(1.12)
Closing net asset value per share	251.82	240.48	212.02
* after direct transaction costs of:	0.06	0.01	0.05
Performance			
Return after charges	5.66%	14.14%	1.50%
Other Information			
Closing net asset value (£'000)	51,350	50,046	46,312
Closing number of shares	20,391,762	20,810,632	21,843,393
Operating charges	1.16%	1.17%	1.15%
Direct transaction costs	0.02%	0.01%	0.02%
Prices			
Highest share price	257.85	244.78	212.64
Lowest share price	240.16	210.75	199.20

CRYSTAL FUND

ACD's Report (continued)
Fund Information (continued)

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	3 years	5 years
Crystal Fund	5.76	22.57	31.47

The performance of the Fund is based on the published price per share with income reinvested.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on page 228.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

PORTFOLIO STATEMENT AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	DEBT SECURITIES – 34.73% (31.01.17 – 25.73%)		
£2,500,000	Treasury 0% 26/2/2018	2,499	4.87
£4,000,000	Treasury 0% 5/3/2018	3,999	7.78
£3,046,300	Treasury 0.125% index-linked 22/3/2024	3,895	7.59
£1,518,000	Treasury 1.875% index-linked 22/11/2022	2,427	4.73
US\$2,000,000	US Treasury 0.125% Inflation Protected Securities 15/4/2018	1,503	2.92
US\$3,166,000	US Treasury 0.125% Inflation Protected Securities 15/1/2022	2,402	4.68
US\$1,500,000	US Treasury 0.125% Inflation Protected Securities 15/1/2023	1,109	2.16
	TOTAL DEBT SECURITIES	17,834	34.73
	EQUITIES – 50.09% (31.01.17 – 56.72%)		
	UNITED KINGDOM – 14.40% (31.01.17 – 14.25%)		
128,091	A.G. Barr	820	1.60
40,334	British American Tobacco	1,944	3.78
31,356	Diageo	794	1.55
47,000	GlaxoSmithKline	621	1.21
124,555	PZ Cussons	389	0.76
180,000	Sage	1,348	2.62
37,000	Unilever	1,480	2.88
	TOTAL UNITED KINGDOM	7,396	14.40
	CONTINENTAL EUROPE – 6.02% (31.01.17 – 3.77%)		
8,900	Henkel	789	1.54
25,000	Nestlé	1,521	2.96
9,675	Société Bic	781	1.52
	TOTAL CONTINENTAL EUROPE	3,091	6.02
	NORTH AMERICA – 29.67% (31.01.17 – 38.70%)		
24,000	Altria	1,188	2.31
15,000	American Express	1,048	2.04
5,300	Becton Dickinson	906	1.76
6	Berkshire Hathaway 'A'	1,360	2.65
50,000	Coca-Cola	1,674	3.26
16,000	Colgate-Palmolive	835	1.63

CRYSTAL FUND

ACD's Report (continued)

Portfolio Statement (continued)

As at 31 January 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	NORTH AMERICA – 29.67% (31.01.17 – 38.70%) (continued)		
16,000	Dr Pepper Snapple	1,343	2.62
9,310	Franco-Nevada	500	0.97
5,966	Hershey's	463	0.90
50,604	Imperial Oil	1,122	2.19
10,000	Johnson & Johnson	972	1.89
26,000	Microsoft	1,740	3.39
20,000	Philip Morris International	1,508	2.94
9,500	Procter & Gamble	577	1.12
	TOTAL NORTH AMERICA	15,236	29.67
	TOTAL EQUITIES	25,723	50.09
	COMMODITIES – 10.76% (31.01.17 – 11.46%)		
66,363	BlackRock Gold and General*	587	1.14
24,746	ETFS Physical Swiss Gold*	2,264	4.41
30,000	Gold Bullion Securities*	2,675	5.21
	TOTAL COMMODITIES	5,526	10.76
	FORWARD CURRENCY CONTRACTS – 1.28% (31.01.17 – 0.36%)		
US\$(18,200,000)	Vs £13,418,267 (expiry 12/4/2018)	655	1.28
	Portfolio of investments	49,738	96.86
	Net other assets	1,612	3.14
	Net assets	51,350	100.00

The investments have been valued in accordance with note 1(g) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

* Collective investment scheme.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 15) 3,887

Purchases	Cost £'000
US Treasury 0.125% Inflation Protected Securities 15/4/2018	1,623
Société Bic	815
Henkel	791
Hershey's	433
Franco-Nevada	225

In addition to the above, purchases of £20,590,000 were made in short term investments during the year.

Total sales for the year £'000 (note 15) 7,049

Sales	Proceeds £'000
Reynolds American	1,659
Coach	1,222
Microsoft	789
Agnico-Eagle Mines	581
Nestlé	489
Johnson & Johnson	480
Philip Morris International	452
British American Tobacco	379
Becton Dickinson	259
Unilever	248
Altria	240
Coca-Cola	199
Better Capital 2012	52

In addition to the above, sales of £16,502,000 were made in short term investments during the year.

The summary of material portfolio changes represents all of the purchases and sales during the year.

CRYSTAL FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Income:					
Net capital gains	3		2,348		6,121
Revenue	4	1,114		979	
Expenses	5	(574)		(557)	
Net revenue before taxation		540		422	
Taxation	6	(73)		(93)	
Net revenue after taxation			467		329
Total return before distributions			2,815		6,450
Distributions	7		(467)		(329)
Change in net assets attributable to shareholders from investment activities			2,348		6,121

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2018

	31.01.18 £'000	31.01.17 £'000
Opening net assets attributable to shareholders	50,046	46,312
Amounts payable on redemption of shares	(1,044)	(2,387)
Change in net assets attributable to shareholders from investment activities	2,348	6,121
Closing net assets attributable to shareholders	51,350	50,046

BALANCE SHEET
AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		49,738	47,176
Current assets			
Debtors	8	304	21
Cash and bank balances	9	1,526	3,277
Total assets		51,568	50,474
LIABILITIES			
Creditors			
Distribution payable	10	(159)	(128)
Other creditors	10	(59)	(300)
Total liabilities		(218)	(428)
Net assets attributable to shareholders		51,350	50,046

CRYSTAL FUND

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current and prior year.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current and prior year.

3. NET CAPITAL GAINS

The net capital gains during the year comprise:

	31.01.18 £'000	31.01.17 £'000
Non-derivative securities	828	8,032
Forward currency contracts	1,666	(1,855)
Transaction charges	(1)	–
AMC rebates from underlying investments	2	4
Currency losses	(147)	(60)
Net capital gains	<u>2,348</u>	<u>6,121</u>

4. REVENUE

Non-taxable dividends	724	767
Interest on debt securities	385	210
Bank interest	5	2
Total revenue	<u>1,114</u>	<u>979</u>

5. EXPENSES

Payable to the ACD, associates of the ACD and agents of either of them:

Annual Management Charge	519	500
Legal and professional fees	3	3
Typesetting and printing costs	2	5
Registration fees	16	15
	<u>540</u>	<u>523</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fees	19	18
Safe custody and other bank charges	3	4
	<u>22</u>	<u>22</u>

5. EXPENSES (continued)

Other expenses:

	31.01.18 £'000	31.01.17 £'000
Fees paid to auditor – audit	8	8
– tax services	(3)	4
Representation fee	7	–
	<u>12</u>	<u>12</u>
Total expenses	<u>574</u>	<u>557</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

6. TAXATION

a) Analysis of charge for the year

	31.01.18 £'000	31.01.17 £'000
Corporation tax at 20%	–	–
Overseas tax	73	93
Current tax charge	<u>73</u>	<u>93</u>
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>73</u>	<u>93</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:

	31.01.18 £'000	31.01.17 £'000
Net revenue before taxation	<u>540</u>	<u>422</u>
Corporation tax at 20%	108	84
Effects of:		
Non-taxable dividends	(145)	(154)
RPI movement on UK index-linked gilts	(50)	(28)
AMC rebates taken to capital	–	1
Unutilised excess management expenses	87	97
Corporation tax charge	<u>–</u>	<u>–</u>

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
6. TAXATION (continued)		
Overseas tax	73	93
Total tax charge (note 6a)	<u>73</u>	<u>93</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £633,000 (31.01.17 : £546,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

7. DISTRIBUTIONS

The distributions take account of revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	31.01.17 £'000
Interim	305	197
Final	<u>159</u>	<u>128</u>
	464	325
Add: Revenue deducted on redemption of shares	<u>3</u>	<u>4</u>
Net distributions for the year	<u>467</u>	<u>329</u>

Details of the distributions per share are set out in the table on page 228.

	31.01.18 £'000	31.01.17 £'000
8. DEBTORS		
Sales awaiting settlement	264	–
Accrued revenue:		
Non-taxable dividends	<u>28</u>	<u>12</u>
Unfranked interest	<u>10</u>	<u>9</u>
	38	21
Prepaid expenses	<u>2</u>	<u>–</u>
Total debtors	<u>304</u>	<u>21</u>

	31.01.18 £'000	31.01.17 £'000
9. CASH AND BANK BALANCES		
Bank balances	1,526	3,277
Total cash and bank balances	<u>1,526</u>	<u>3,277</u>
10. CREDITORS		
Distribution payable	<u>159</u>	<u>128</u>
OTHER CREDITORS		
Amounts payable for redemption of shares	–	240
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	<u>44</u>	<u>43</u>
Typesetting and printing costs	<u>1</u>	<u>2</u>
Registration fees	<u>2</u>	<u>1</u>
	47	46
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	<u>2</u>	<u>2</u>
Safe custody and other bank charges	<u>1</u>	<u>–</u>
	3	2
Other expenses	<u>9</u>	<u>12</u>
Total other creditors	<u>59</u>	<u>300</u>

11. RELATED PARTY TRANSACTIONS

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 214. There were no amounts outstanding at the year end.

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

11. RELATED PARTY TRANSACTIONS (continued)

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholders held in excess of 20% of the shares in issue of the Fund:

Fundsettle Nominees Limited	66.62% (31.01.17 : 67.00%)
Another shareholder	33.04% (31.01.17 : 33.00%)

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.17 : none).

13. SHARES IN ISSUE

	Income
Annual Management Charge	1.00%
Opening shares in issue	20,810,632
Issues	–
Redemptions	(418,870)
Closing shares in issue	<u>20,391,762</u>

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

14. RISK MANAGEMENT POLICIES (continued)

i. Credit risk (continued)

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The ACD monitors the credit rating of bond holdings.

Credit Quality	31.01.18 %	31.01.17 %
Investment grade debt securities	34.73	25.73
Other investments	62.13	68.54
Net other assets	3.14	5.73
	<u>100.00</u>	<u>100.00</u>

There were forward currency contracts held at the balance sheet date. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.01.18

Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	655	–

31.01.17

Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	178	–

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. RISK MANAGEMENT POLICIES (continued)

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Investment Manager believe that the expected return compensates for the overall risk. The ACD and Investment Manager continue to monitor the level of interest rate risk posed by the Fund's underlying investments on a regular basis using the DV01 method. As at 31 January 2018 a one basis point change in the yield would have an impact of £5,000 on the net asset of the Fund (31.01.17 : £6,000).

The table below shows the direct interest rate risk profile:

	31.01.18 £'000	31.01.17 £'000
Floating rate investments	11,336	10,378
Fixed rate investments	6,498	2,500
Investments on which interest is not paid	31,904	34,298
Total investments	<u>49,738</u>	<u>47,176</u>

The floating rate investments comprise securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalents.

Investments on which interest is not paid include equities, collective investment schemes and forward currency contracts.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and may not seek to hedge all foreign currency risk.

14. RISK MANAGEMENT POLICIES (continued)

iii. Foreign currency risk (continued)

The table below shows the direct foreign currency risk profile:

	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Canadian dollars	1,122	–	1,122
Euros	1,570	–	1,570
Swiss francs	1,520	–	1,520
US dollars	25,066	(12,763)	12,303
	<u>29,278</u>	<u>(12,763)</u>	<u>16,515</u>
Pounds sterling	21,417	13,418	34,835
Net assets	<u>50,695</u>	<u>655</u>	<u>51,350</u>

	31.01.17 Gross £'000	31.01.17 Hedged £'000	31.01.17 Net £'000
Currency:			
Canadian dollars	1,901	–	1,901
Swiss francs	1,886	–	1,886
US dollars	28,143	(16,131)	12,012
	<u>31,930</u>	<u>(16,131)</u>	<u>15,799</u>
Pounds sterling	17,938	16,309	34,247
Net assets	<u>49,868</u>	<u>178</u>	<u>50,046</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £826,000 on the net assets of the Fund (31.01.17 : £790,000).

iv. Leverage

The Fund did not employ any significant leverage during the current and prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. RISK MANAGEMENT POLICIES (continued)

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio, excluding forward currency contracts, would have the effect of increasing the return and net assets by £2,454,000 (31.01.17 : £2,350,000). A 5% decrease would have the equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the holdings of such instruments, the net exposure to foreign currencies as at the balance sheet date, and details of the total gains on forward currency contracts during the year are set out in the Portfolio Statement, note 15iii and note 3, respectively. The counterparty for the forward currency contracts is the Bank of New York Mellon.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain or vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

15. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Ordinary shares	2,260	2	2	2,264
Debt securities	1,623	–	–	1,623
Purchases total	3,883	2	2	3,887
Transaction cost % of purchases total		0.05%	0.05%	
Transaction cost % of average NAV		–	–	
Ordinary shares	7,005	(8)	–	6,997
Collective investment schemes	52	–	–	52
Sales total	7,057	(8)	–	7,049
Transaction cost % of sales total		0.11%	–	
Transaction cost % of average NAV		0.02%	–	

Average portfolio dealing spread at 31.01.18 is 0.06% (31.01.17 : 0.08%).

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Ordinary shares	359	1	–	360
Debt securities	1,298	–	–	1,298
Purchases total	1,657	1	–	1,658
<i>Transaction cost % of purchases total</i>		0.06%	–	
<i>Transaction cost % of average NAV</i>		–	–	
Ordinary shares	1,259	(2)	–	1,257
Collective investment schemes	457	–	–	457
Debt securities	1,449	–	–	1,449
Sales total	3,165	(2)	–	3,163
<i>Transaction cost % of sales total</i>		0.06%	–	
<i>Transaction cost % of average NAV</i>		0.01%	–	

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.18				
Investment Assets	48,496	1,242	–	49,738
31.01.17				
Investment Assets	46,264	912	–	47,176

CRYSTAL FUND

Financial Statements (continued)

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.17	01.08.17
To	31.07.17	31.01.18

Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	1.4847	–	1.4847	0.9123
Group 2	1.4847	0.0000	1.4847	0.9123
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.7808	–	0.7808	0.6151
Group 2	0.7808	0.0000	0.7808	0.6151

SPECTRUM FUND

ACD'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Spectrum Fund ('the Fund') is to produce long term capital growth. The Fund's policy is diversified investment predominantly in collective investment schemes, though the Fund may be invested in bonds, equities, cash and other eligible instruments from time to time. The Fund may invest up to 100% of its assets in collective investment schemes.

LINK FUND SOLUTIONS LIMITED

ACD of Spectrum Fund

30 May 2018

SPECTRUM FUND

ACD's Report (continued)

For the year ended 31 January 2018

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the year to 31st January 2018 the Class 'O' Accumulation Shares of the Fund produced a total return of +8.8% compared to +0.2%¹ on cash (LIBID) and a rise of +11.3%¹ in the MSCI World Index (net return). The FTSE All-Share Index (total return) produced a return of +11.3%¹.

MARKET REVIEW

The period under review proved to be a benign one for investors. Volatility remained at historic lows and equity markets continued their march higher. In the US, improving earnings and robust economic growth, as well as the approval of a much-anticipated tax reform bill, underpinned the S&P 500 Index's 21.8%² rise during 2017. Large technology companies, including Apple, Amazon, Microsoft, Facebook and Alphabet, were among the standout performers.

Emmanuel Macron's convincing victory in the French election eased fears of a further fracturing of the European Union, boosting the Euro and European equity markets. The success of Japan's Prime Minister Abe in another election helped bolster Japanese equities. The Liberal Democratic Party's landslide victory should allow Mr Abe to initiate further economic reforms aimed at stimulating Japan's economy and focusing corporate Japan's attention on improving shareholder returns.

A synchronous pick-up in global economic growth, as well as a weak US dollar, reinforced the appeal of emerging markets for many investors. The MSCI Emerging Markets Index climbed 37.8%² during the calendar year, buoyed by strong capital flows and the impressive performance of Chinese technology companies Tencent and Alibaba.

Despite the US Federal Reserve raising interest rates three times in 2017 and commencing its programme of 'Quantitative Tightening', bond markets were remarkably quiescent in the US and elsewhere. In general, the yields on investment grade and high yield rated bonds remained compressed, with credit spreads tight and default rates low.

Stronger global economic growth, along with stricter supply-side reforms in China, acted as a boon for industrial commodity prices. Following a sluggish start to the year, energy markets recovered their poise, helped by the Organization of the Petroleum Exporting Countries' resolve to maintaining a balance between supply and demand by curbing oil production. Gold continued to shine, performing particularly well during the summer as political tensions escalated on the Korean peninsula.

PORTFOLIO

Morant Wright Sakura, Egerton Capital Equity and Odey Allegra Developed Markets were among the top contributors to Spectrum's performance during the period.

Established in 1999, Morant Wright is a boutique asset management company focusing entirely on Japanese equity markets. The Sakura fund is managed by an experienced team of six fund managers who invest in companies with strong balance sheets and sound business franchises. The fund has a value bias and the portfolio often trades at a significant valuation discount to the wider market.

¹ Source: Lipper. The indices used by the Investment Manager are for comparison purposes. No benchmark is required to be disclosed as per the prospectus.

² Source: Bloomberg

Egerton Capital Equity is the Fund's largest constituent. The fund has an enviable investment track record and has delivered strong absolute and relative returns since it was established in 1995. Egerton Capital Equity invests in equities listed across the globe, albeit with an emphasis on developed markets. The main drivers of the fund's performance during 2017 included S&P Global Index, Airbus, Tencent, Activision Blizzard and Applied Materials.

The Odey Allegra Developed Markets is managed by James Hanbury, who invests in an eclectic mix of businesses that he believes are underappreciated by other investors. One example, and the top performer for the fund over the period, is Plus500. The promise of greater regulation of the spread betting and contracts for difference industry caused a significant fall in Plus500's shares at the end of 2016. However, the share price rebounded strongly during 2017 as better-than-expected earnings led investors to reappraise the company's prospects.

CG Portfolio Dollar, CG Portfolio Real Return and BlackRock Gold & General were among the main detractors to Spectrum's performance over the course of the year. CG Portfolio Dollar and CG Portfolio Real Return invest in index-linked bonds, with an emphasis on US treasury inflation protected securities. Whilst both funds continue to play an important role in diversifying the Fund's portfolio, the strength of sterling versus the US dollar acted as a headwind in 2017. Having performed extremely well in 2016, gold equities had a relatively poor year, displaying a reduced sensitivity to a higher gold price.

There was little turnover in the portfolio between 1 February 2017 and 31 January 2018. As discussed in the interim report, Better Capital PCC redeemed and cancelled ~83% of its shares on 28th June 2017, returning £222 million to investors following the successful sale of Gardner Aerospace to a Chinese buyer. We have invested the proceeds in EPE Special Opportunities, another closed-ended private equity trust. The holding is small (<1%) as EPE Special Opportunities is relatively illiquid and more concentrated than many of Spectrum's other investments. These risks are highlighted by the fact that EPE's shares have fallen since we initiated the holding, following difficulties at Luceco, the trust's largest holding. We will continue to closely monitor developments at Luceco but retain our belief that Giles Brand, EPE's investment manager, can deliver strong returns over the long term.

Other portfolio changes included topping up the holdings in Polar Capital Global Insurance and the Aurora Investment Trust. Having added to the investment in the Findlay Park Latin American in August 2015, we trimmed the holding in October 2017. Findlay Park Latin American has performed extremely well over the last couple of years. However, regional equity valuations have risen and are no longer as compellingly cheap as they were back in 2015. We also reduced the holding in the Heptagon Yacktman US Equity and used the proceeds to add to our holding of Findlay Park American. Both funds have had a significant weighting to cash over the last few years. However, Findlay Park has delivered superior returns whilst also investing in the team by adding more analysts.

SPECTRUM FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 January 2018

PORTFOLIO (continued)

Top Holdings 30 January 2017

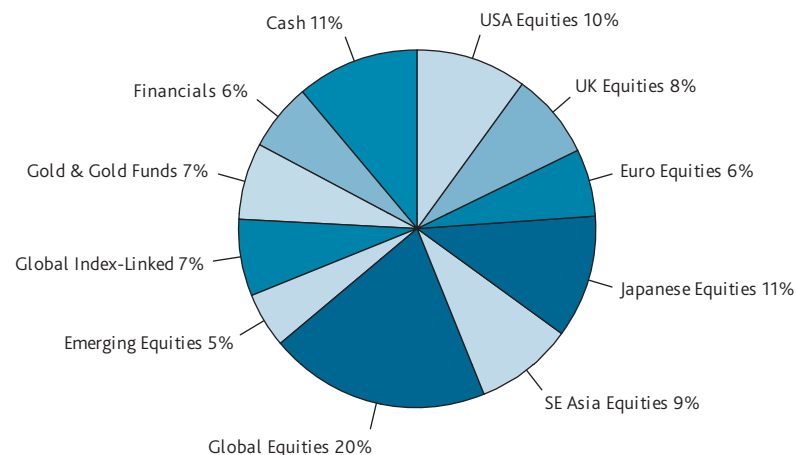
	% Fund
Egerton Capital Equity	7.3
Morant Wright Sakura	6.3
Findlay Park American	5.6
Heptagon Yacktman US Equity	5.6
Evenlode Income	5.5
Polar Capital Global Insurance	5.4
CG Portfolio Real Return	5.2
Odey Allegra Developed Markets	4.8
BlackRock Gold & General	4.5
Lindsell Train Global Equity	4.5
Total Top 10	54.7
Plus 13 other holdings	37.9
Cash & equivalent	7.4
Total	100.0

Top Holdings 30 January 2018

	% Fund
Egerton Capital Equity	7.5
Morant Wright Sakura	6.8
Findlay Park American	6.6
Polar Capital Global Insurance	5.4
Evenlode Income	5.4
Lindsell Train Global Equity	5.0
Odey Allegra Developed Markets	5.0
Samarang Asia Prosperity	4.7
Stewart Investors Asia Pacific Leaders	4.4
Lindsell Train Japanese Equity	4.4
Total Top 10	55.2
Plus 14 other holdings	35.1
Cash & equivalent	9.7
Total	100.0

Source: Troy Asset Management Limited.

ASSET ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

OUTLOOK

Despite a benign economic backdrop, high valuations across most asset classes are likely to result in prospective returns being lower than those enjoyed by investors over the last few years. We believe this necessitates a conservative approach, especially as we move from an era of central bank largesse to one where monetary support is gradually withdrawn.

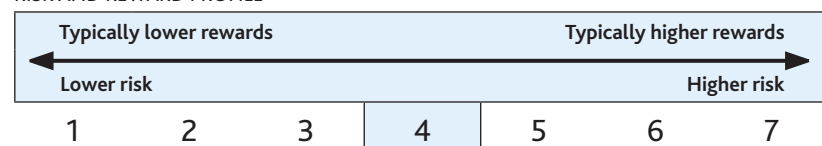
As financial conditions tighten, we feel it is becoming increasingly important for investors to take an active approach to investing rather than a passive one. The Spectrum Fund purposefully allocates capital to fund managers who are active and discerning. The boutique equity asset managers we favour eschew benchmarks and make their investments only after a thorough appraisal of a company's value and prospects. They also pay close attention to the downside risks. We believe this should stand them in good stead if the market and economic environment takes a turn for the worse.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

20 February 2018

RISK AND REWARD PROFILE



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund may invest in overseas securities and collective investment schemes, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Some of the collective investment schemes held by the Fund invest in debt securities. Such debt securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a debt security is also affected by its credit rating.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

COMPARATIVE TABLES

Where the Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'O' Income shares			
Change in net assets per share			
Opening net asset value per share	191.31	153.57	155.99
Return before operating charges*	19.18	41.32	0.64
Operating charges	(3.05)	(2.66)	(2.46)
Return after operating charges	16.13	38.66	(1.82)
Distributions	(1.35)	(0.92)	(0.60)
Closing net asset value per share	206.09	191.31	153.57
* after direct transaction costs of:	0.02	-	0.01
Performance			
Return after charges	8.43%	25.17%	(1.17)%
Other Information			
Closing net asset value (£'000)	86,213	80,391	64,513
Closing number of shares	41,833,405	42,021,230	42,008,114
Operating charges ¹	1.50%	1.50%	1.58%
Direct transaction costs	0.01%	-	0.01%
Prices			
Highest share price	211.56	194.92	165.90
Lowest share price	190.84	150.19	148.04

¹ From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee in relation to the 'O' Income share class, in order to seek to achieve an Ongoing Charges Figure ('OCF') of 1.50%. Therefore, the OCF is capped at 1.50% until further notice.

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'O' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	197.83	158.03	159.91
Return before operating charges*	19.84	42.54	0.65
Operating charges	(3.16)	(2.74)	(2.53)
Return after operating charges	16.68	39.80	(1.88)
Distributions	(1.40)	(0.95)	(0.62)
Retained distributions on accumulation shares	1.40	0.95	0.62
Closing net asset value per share	214.51	197.83	158.03
* after direct transaction costs of:	0.02	–	0.01
Performance			
Return after charges	8.43%	25.19%	(1.18)%
Other Information			
Closing net asset value (£'000)	33,221	26,064	20,861
Closing number of shares	15,487,206	13,175,225	13,200,429
Operating charges ¹	1.50%	1.50%	1.58%
Direct transaction costs	0.01%	–	0.01%
Prices			
Highest share price	219.26	200.91	170.06
Lowest share price	197.29	154.60	151.88

¹ From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee in relation to the 'O' Accumulation share class, in order to seek to achieve an Ongoing Charges Figure ('OCF') of 1.50%. Therefore, the OCF is capped at 1.50% until further notice.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Income shares			
Change in net assets per share			
Opening net asset value per share	189.20	151.93	154.50
Return before operating charges*	18.95	40.82	0.64
Operating charges	(4.02)	(3.50)	(3.21)
Return after operating charges	14.93	37.32	(2.57)
Distributions	(0.35)	(0.05)	–
Closing net asset value per share	203.78	189.20	151.93
* after direct transaction costs of:	0.02	–	0.01
Performance			
Return after charges	7.89%	24.56%	(1.66)%
Other Information			
Closing net asset value (£'000)	74	60	50
Closing number of shares	36,456	31,976	32,949
Operating charges ¹	2.00%	2.00%	2.08%
Direct transaction costs	0.01%	–	0.01%
Prices			
Highest share price	208.71	192.23	164.14
Lowest share price	188.72	148.60	146.33

¹ From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee in relation to the 'I' Income share class, in order to seek to achieve an Ongoing Charges Figure ('OCF') of 2.00%. Therefore, the OCF is capped at 2.00% until further notice.

COMPARATIVE TABLES (continued)

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 (p/share)
'I' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	192.65	154.67	157.28
Return before operating charges*	19.30	41.54	0.67
Operating charges	(4.09)	(3.56)	(3.28)
Return after operating charges	15.21	37.98	(2.61)
Distributions	(0.30)	(0.05)	–
Retained distributions on accumulation shares	0.30	0.05	–
Closing net asset value per share	207.86	192.65	154.67
* after direct transaction costs of:	0.02	–	0.01

Performance

Return after charges	7.90%	24.56%	(1.66)%
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Other Information

Closing net asset value (£'000)	454	528	437
Closing number of shares	218,362	273,814	282,834
Operating charges ¹	2.00%	2.00%	2.09%
Direct transaction costs	0.01%	–	0.01%

Prices

Highest share price	212.52	195.69	167.10
Lowest share price	192.13	151.28	148.97

¹ From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee in relation to the 'I' Accumulation share class, in order to seek to achieve an Ongoing Charges Figure ('OCF') of 2.00%. Therefore, the OCF is capped at 2.00% until further notice.

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	3 years	5 years
Spectrum Fund	8.79	34.94	48.39

The performance of the Fund is based on the published price per 'O' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on page 257 and 258.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

SPECTRUM FUND
ACD's Report (continued)
PORTFOLIO STATEMENT
AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
£1,700,000	DEBT SECURITIES – 1.42% (31.01.17 – 1.59%) Treasury 0% 5/3/2018	1,699	1.42
20,770	INDEX-LINKED BONDS – 6.57% (31.01.17 – 8.25%) CG Portfolio Dollar	2,919	2.43
27,129	CG Portfolio Real Return	4,963	4.14
	TOTAL INDEX-LINKED BONDS	7,882	6.57
1,476,546	UNITED KINGDOM EQUITIES – 7.91% (31.01.17 – 7.44%) Aurora Investment Trust	3,042	2.54
3,075,409	Evenlode Income	6,438	5.37
	TOTAL UNITED KINGDOM EQUITIES	9,480	7.91
30,715	EUROPEAN EQUITIES – 6.00% (31.01.17 – 6.61%) EI Sturdza Strategic Europe Value	4,354	3.63
21,301	HAL Trust*	2,847	2.37
	TOTAL EUROPEAN EQUITIES	7,201	6.00
99,727	UNITED STATES EQUITIES – 10.08% (31.01.17 – 11.24%) Findlay Park American	7,959	6.63
30,459	Heptagon Yacktman US Equity	4,134	3.45
	TOTAL UNITED STATES EQUITIES	12,093	10.08
240,416	EMERGING MARKETS EQUITIES – 5.18% (31.01.17 – 5.45%) Findlay Park Latin American	3,070	2.56
2,047,946	MI Somerset Emerging Markets Dividend Growth	3,150	2.62
	TOTAL EMERGING MARKETS EQUITIES	6,220	5.18
3,976,277	JAPANESE EQUITIES – 11.11% (31.01.17 – 10.59%) Lindsell Train Japanese Equity	5,226	4.36
479,662	Morant Wright Sakura	8,096	6.75
	TOTAL JAPANESE EQUITIES	13,322	11.11

Holding	Portfolio of Investments	Value £'000	31.01.18 %
18,018	ASIAN EQUITIES – 9.05% (31.01.17 – 8.82%) Samarang Asian Prosperity	5,595	4.66
747,873	Stewart Investors Asia Pacific Leaders	5,266	4.39
	TOTAL ASIAN EQUITIES	10,861	9.05
35,438	GLOBAL EQUITIES – 20.21% (31.01.17 – 19.44%) Egerton Capital Equity	9,012	7.51
2,037,629	Lindsell Train Global Equity	6,005	5.01
68,332	McInroy & Wood Balanced	3,259	2.72
32,007	Odey Allegra Developed Markets	5,966	4.97
	TOTAL GLOBAL EQUITIES	24,242	20.21
168,605	ABSOLUTE RETURNS & ALTERNATIVES – 0.58% (31.01.17 – 0.94%) Better Capital PCC*	103	0.09
370,000	EPE Special Opportunities*	592	0.49
	TOTAL ABSOLUTE RETURNS & ALTERNATIVES	695	0.58
1,051,525	FINANCIALS – 5.41% (31.01.17 – 5.36%) Polar Capital Global Insurance	6,495	5.41
452,429	COMMODITIES – 6.75% (31.01.17 – 8.43%) BlackRock Gold and General	4,004	3.34
45,950	Gold Bullion Securities	4,096	3.41
	TOTAL COMMODITIES	8,100	6.75
	Portfolio of investments	108,290	90.27
	Net other assets	11,672	9.73
	Net assets	119,962	100.00

The investments have been valued in accordance with note 1(g) of the Accounting Policies and are collective investments schemes unless stated otherwise.

* Ordinary shares.

SPECTRUM FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 15) **4,948**

Purchases	Cost £'000
MI Somerset Emerging Markets Dividend Growth	1,625
Findlay Park American	1,226
EPE Special Opportunities	1,152
Aurora Investment Trust	600
Polar Capital Global Insurance	345

In addition to above, purchases totalling £5,097,000 were made in short term investments during the year.

Total sales for the year £'000 (note 15) **6,262**

Sales	Proceeds £'000
Heptagon Yacktman US Equity	2,039
Stewart Investors Global Emerging Markets	1,614
Better Capital PCC	1,061
Odey Allegra Developed Markets	470
Findlay Park Latin American	458
Lindsell Train Japanese Equity	401
BlackRock Gold and General	219

In addition to above, sales totalling £5,100,000 were made in short term investments during the year.

The summary of material portfolio changes represents all of the purchases and sales during the year.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Income:					
Net capital gains	3		8,230		21,072
Revenue	4	1,448		1,060	
Expenses	5	(684)		(547)	
Net revenue before taxation		764		513	
Taxation	6	–		–	
Net revenue after taxation			764		513
Total return before distributions			8,994		21,585
Distributions	7		(764)		(513)
Change in net assets attributable to shareholders from investment activities			8,230		21,072

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR ENDED 31 JANUARY 2018

	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Opening net assets attributable to shareholders		107,043		85,861
Amounts receivable on issue of shares	7,650		2,845	
Amounts payable on redemption of shares	(3,167)		(2,860)	
		4,483		(15)
Change in net assets attributable to shareholders from investment activities		8,230		21,072
Retained distributions on Accumulation shares		206		125
Closing net assets attributable to shareholders		119,962		107,043

SPECTRUM FUND
Financial Statements (continued)
 BALANCE SHEET
 AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		108,290	100,791
Current assets			
Debtors	8	812	453
Cash and bank balances	9	11,356	6,162
Total assets		<u>120,458</u>	<u>107,406</u>
LIABILITIES			
Creditors			
Distribution payable	10	(372)	(259)
Other creditors	10	(124)	(104)
Total liabilities		<u>(496)</u>	<u>(363)</u>
Net assets attributable to shareholders		<u>119,962</u>	<u>107,043</u>

NOTES TO THE FINANCIAL STATEMENTS
 AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current and prior year.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy described below has also been applied to the Fund.

	31.01.18 £'000	31.01.17 £'000
3. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	8,248	21,817
Forward currency contracts	36	(721)
AMC rebates from underlying investments	3	4
Currency losses	(57)	(28)
Net capital gains	<u>8,230</u>	<u>21,072</u>
4. REVENUE		
Non-taxable dividends	1,274	782
Taxable dividends	168	105
Interest on debt securities	3	163
AMC rebates from underlying investments	2	7
Bank interest	1	3
Total revenue	<u>1,448</u>	<u>1,060</u>
5. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	748	645
Rebate of Annual Management Charge	(171)	(205)
Legal and professional fees	10	9
Typesetting and printing costs	3	5
Registration fees	35	29
	<u>625</u>	<u>483</u>

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
5. EXPENSES (continued)		
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees:	39	35
Safe custody and other bank charges	7	6
	46	41
Other expenses:		
Fees paid to auditor – audit	8	9
– tax services	(3)	3
Publication costs	6	8
Legal and professional fees	2	3
	13	23
Total expenses	<u>684</u>	<u>547</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration. From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a proportion of its fee, in order to seek to achieve an Ongoing Charges Figure of 1.50% for the 'O' Income and Accumulation shares classes, and 2.00%, for the 'I' Income and Accumulation share classes.

	31.01.18 £'000	31.01.17 £'000
6. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Current tax charge	–	–
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>–</u>	<u>–</u>

6. TAXATION (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:

	31.01.18 £'000	31.01.17 £'000
Net revenue before taxation	764	513
Corporation tax at 20%	153	103
Effects of:		
Non-taxable dividends	(255)	(156)
AMC rebates taken to capital	1	–
Unutilised excess management expenses	101	53
Corporation tax charge	–	–
Total tax charge (note 6a)	<u>–</u>	<u>–</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £515,000 (31.01.17 : £414,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	31.01.17 £'000
Interim	254	171
Final	515	343
	769	514
Add: Revenue deducted on redemption of shares	2	3
Deduct: Revenue received on issue of shares	(7)	(4)
Net distributions for the year	<u>764</u>	<u>513</u>

Details of the distributions per share are set out in the table on pages 257 and 258.

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
8. DEBTORS		
Amounts receivable for issue of shares	283	87
Accrued revenue:		
Non-taxable dividends	67	73
AMC rebates from underlying investments	–	3
	67	76
Prepaid expenses	5	5
Amounts due from the Investment Manager:		
Refund of expenses	451	279
Taxation recoverable:		
Overseas withholding tax	6	6
Total debtors	812	453
9. CASH AND BANK BALANCES		
Bank balances	11,356	6,162
Total cash and bank balances	11,356	6,162
10. CREDITORS		
Distribution payable	372	259
OTHER CREDITORS		
Amounts payable for redemption of shares	35	21
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	67	59
Legal and professional fees	1	1
Typesetting and printing costs	1	1
Registration fees	3	3
	72	64
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3	3
Safe custody and other bank charges	2	1
	5	4

	31.01.18 £'000	31.01.17 £'000
10. CREDITORS (continued)		
Other expenses	12	15
Total other creditors	124	104

11. RELATED PARTY TRANSACTIONS

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 243 and amounts due at the year end are disclosed in notes 8 and 10.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Pershing Nominees Limited 68.84% (31.01.17 : 72.06%)

Link Financial Managers Limited and its associates (including other authorised investment funds managed by Link Financial Managers Limited or its associates) held 141,251 (31.01.17 : 121,620) of the Fund's shares at the balance sheet date.

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.17 : none).

13. SHARES IN ISSUE

	'O' Income	'O' Accumulation
Annual Management Charge	0.65%	0.65%
Opening shares in issue	42,021,230	13,175,225
Issues	521,008	3,044,847
Redemptions	(708,833)	(772,109)
Conversions	–	39,243
Closing shares in issue	41,833,405	15,487,206

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

13. SHARES IN ISSUE (continued)

	'1'	'1'
	Income	Accumulation
Annual Management Charge	1.15%	1.15%
Opening shares in issue	31,976	273,814
Issues	5,756	30,516
Redemptions	(1,276)	(45,518)
Conversions	–	(40,450)
	<u>36,456</u>	<u>218,362</u>
Closing shares in issue		

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed Investment Manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The ACD monitors the credit rating of bond holdings. The bond in which the Fund invests is a government security which is lower risk.

There were no forward currency contracts held at the balance sheet date.

14. RISK MANAGEMENT POLICIES (continued)

i. Credit risk (continued)

31.01.17

Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	1	–

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Investment Manager believe that the expected return compensates for the overall risk. The Fund invests predominantly in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. The ACD and Investment Manager continue to monitor the level of interest rate risk posed by the Fund's underlying investments on a regular basis. As the Fund has no significant direct exposure to interest rate risk, no sensitivity analysis has been presented.

The table below shows the direct interest rate risk profile:

	31.01.18 £'000	31.01.17 £'000
Floating rate investments	7,882	8,834
Fixed rate investments	1,699	1,699
Investments on which interest is not paid	98,709	90,258
Total investments	<u>108,290</u>	<u>100,791</u>

The floating rate investments comprise securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalents and collective investment schemes that pay UK interest distributions.

Investments on which interest is not paid include equities and collective investment schemes.

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. RISK MANAGEMENT POLICIES (continued)

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and may not seek to hedge all foreign currency risk.

The table below shows the direct foreign currency risk profile:

	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Euros	2,847	–	2,847
Japanese yen	5,226	–	5,226
US dollars	19,259	–	19,259
	<u>27,332</u>	<u>–</u>	<u>27,332</u>
Pounds sterling	92,630	–	92,630
Net assets	<u>119,962</u>	<u>–</u>	<u>119,962</u>

	31.01.17 Gross £'000	31.01.17 Hedged £'000	31.01.17 Net £'000
Currency:			
Euros	3,187	–	3,187
Japanese yen	4,606	(4,492)	114
US dollars	19,378	–	19,378
	<u>27,171</u>	<u>(4,492)</u>	<u>22,679</u>
Pounds sterling	79,871	4,493	84,364
Net assets	<u>107,042</u>	<u>1</u>	<u>107,043</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £1,367,000 on the net assets of the Fund (31.01.17 : £1,134,000).

iv. Leverage

The Fund did not employ any significant leverage during the current and prior year.

14. RISK MANAGEMENT POLICIES (continued)

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £5,415,000 (31.01.17 : £5,040,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the total gains on forward currency contracts during the year are set out in note 3.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain or vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Collective investment schemes	4,940	2	6	4,948
Purchases total	4,940	2	6	4,948
<i>Transaction cost % of purchases total</i>		0.04%	0.12%	
<i>Transaction cost % of average NAV</i>		–	0.01%	
Collective investment schemes	6,264	–	(2)	6,262
Sales total	6,264	–	(2)	6,262
<i>Transaction cost % of sales total</i>		–	0.03%	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 31.01.18 is 0.09% (31.01.17 : 0.12%).

15. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Collective investment schemes	1,254	–	–	1,254
Purchases total	1,254	–	–	1,254
<i>Transaction cost % of purchases total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	
Collective investment schemes	4,215	(2)	–	4,213
Sales total	4,215	(2)	–	4,213
<i>Transaction cost % of sales total</i>		0.05%	–	
<i>Transaction cost % of average NAV</i>		–	–	

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.18				
Investment Assets	<u>9,337</u>	<u>98,953</u>	<u>–</u>	<u>108,290</u>
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.17				
Investment Assets	<u>9,090</u>	<u>91,701</u>	<u>–</u>	<u>100,791</u>

17. SUBSEQUENT EVENTS

As a result of a scheme of arrangement, effective 25 May 2018 the capital value of the Spectrum Income Fund and the shareholders were transferred to the Spectrum Fund.

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.17	01.08.17
To	31.07.17	31.01.18

'O' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	0.4584	–	0.4584	0.3074
Group 2	0.4332	0.0252	0.4584	0.3074
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.8890	–	0.8890	0.6163
Group 2	0.7838	0.1052	0.8890	0.6163

'O' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	0.4739	–	0.4739	0.3163
Group 2	0.3857	0.0882	0.4739	0.3163
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.9217	–	0.9217	0.6360
Group 2	0.6904	0.2313	0.9217	0.6360

SPECTRUM FUND

Financial Statements (continued)
Distribution Table (continued)

'I' Income shares

Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	0.3483	–	0.3483	0.0450
Group 2	0.3468	0.0015	0.3483	0.0450

'I' Accumulation shares

Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	0.3015	–	0.3015	0.0461
Group 2	0.3014	0.0001	0.3015	0.0461

There were no interim distributions for 'I' Income or 'I' Accumulation shares in the current and prior year.

SPECTRUM INCOME FUND

ACD'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section of the Company on page 10.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Spectrum Income Fund ('the Fund') is to seek to provide income with the potential for capital growth over the longer term.

The Fund may invest up to 100% of its assets in collective investment schemes.

The Fund's investment policy is to invest predominantly in collective investment schemes which invest in equities, fixed interest securities, other transferable securities, indices, money market instruments and deposits.

The Fund may also invest directly in bonds, equities, cash, near cash (including money market instruments), other transferable securities, indices, deposits and other collective investment schemes.

The Investment Manager may employ derivatives for the purposes of Efficient Portfolio Management in accordance with the ACD's Risk Management Policy, a copy of which is available on request from the ACD.

The Fund is in the course of being terminated and is no longer available for investment.

LINK FUND SOLUTIONS LIMITED

ACD of Spectrum Income Fund
30 May 2018

SPECTRUM INCOME FUND

ACD's Report (continued)

For the year ended 31 January 2018

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the year to 31 January 2018 the 'O' Accumulation shares of the Fund produced a total return of +6.8% compared to +0.2%¹ on cash (LIBID) and +11.3%¹ in the MSCI World Index (net return). The FTSE All-Share Index (total return) produced a return of +11.3%¹.

MARKET REVIEW

The period under review proved to be a benign one for investors. Volatility remained at historic lows and equity markets continued their march higher. In the US, improving earnings and robust economic growth, as well as the approval of a much-anticipated-tax reform bill, underpinned the S&P 500 Index's 21.8%² rise during 2017. Large technology companies, including Apple, Amazon, Microsoft, Facebook and Alphabet, were among the standout performers.

Emmanuel Macron's convincing victory in the French election eased fears of a further fracturing of the European Union, boosting the euro and European equity markets. The success of Japan's Prime Minister Abe in another election helped bolster Japanese equities. The Liberal Democratic Party's landslide victory should allow Mr Abe to initiate further economic reforms aimed at stimulating Japan's economy and focusing corporate Japan's attention on improving shareholder returns.

A synchronous pick-up in global economic growth, as well as a weak US dollar, reinforced the appeal of emerging markets for many investors. The MSCI Emerging Markets Index climbed 37.8%² during the calendar year, buoyed by strong capital flows and the impressive performance of Chinese technology companies Tencent and Alibaba.

Despite the US Federal Reserve raising interest rates three times in 2017 and commencing its programme of 'Quantitative Tightening', bond markets were remarkably quiescent in the US and elsewhere. In general, the yields on investment grade and high yield rated bonds remained compressed, with credit spreads tight and default rates low.

Stronger global economic growth, along with stricter supply-side reforms in China, acted as a boon for industrial commodity prices. Following a sluggish start to the year, energy markets recovered their poise, helped by the Organization of the Petroleum Exporting Countries resolve to maintaining a balance between supply and demand by curbing oil production. Gold continued to shine, performing particularly well during the summer as political tensions escalated on the Korean peninsula.

PORTFOLIO

CC Japan Income & Growth, Evenlode Income and MI Somerset Emerging Markets Dividend Growth were among the top contributors to the Fund's performance during the year.

CC Japan Income & Growth is managed by Richard Aston who invests in Japanese companies with strong balance sheets and sound business franchises. The manager remains optimistic about the outlook for the companies in the portfolio. In general, growth in earnings and dividends remain strong, whilst economic reforms continue to focus corporate Japan's attention on improving shareholder returns.

¹ Source: Lipper. The indices used by the Investment Manager are for comparison purposes. No benchmark is required to be disclosed per the prospectus.

² Source: Bloomberg

Evenlode Income, managed by Hugh Yarrow and Ben Peters, invests in capital-light, cash-generative businesses with strong franchises that earn high returns on capital. This approach has led to strong capital appreciation since the fund's launch and should continue to underpin a steady growth in dividend income over time.

Although MI Somerset Emerging Markets Dividend Growth posted strong absolute returns between 1 February 2017 and 31 January 2018, it lagged the broader market. Much of the underperformance can be explained by the fund's lack of exposure to China's large technology companies Tencent and Alibaba, which more than doubled during the period. We continue to believe Edward Lam, the fund's manager, is an excellent custodian of our clients' capital.

The CG Portfolio Dollar was the largest detractor to performance over the course of the year. CG Portfolio Dollar invests in US treasury inflation protected securities. Whilst the fund continues to play an important role in diversifying the Fund's portfolio, the strength of sterling versus the US dollar acted as a headwind in 2017.

Holdings January 2018	% Fund
Evenlode Income	16.5
Artemis Global Income	14.7
RWC Enhanced Income	12.4
CG Portfolio Dollar Fund	10.9
MI Somerset Capital Emerging Markets	9.6
CC Japan Income & Growth	9.4
Sequoia Infrastructure Debt	9.4
MI TwentyFour Dynamic Bond	7.4
Total Top 10	90.3
Cash & equivalent	9.7
Total	100.0

Holdings January 2017	% Fund
Evenlode Income	15.6
Artemis Global Income	14.2
RWC Enhanced Income	13.5
CG Portfolio Dollar Fund	12.9
Sequoia Infrastructure Debt	9.1
MI Somerset Capital Emerging Markets	8.7
CC Japan Income & Growth	8.0
MI TwentyFour Dynamic Bond	7.5
Total Top 10	89.5
Cash & equivalent	10.5
Total	100.0

Source: Troy Asset Management Limited.

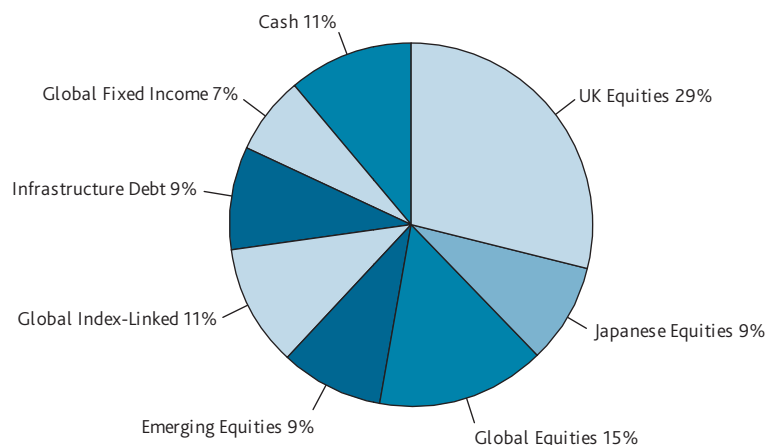
SPECTRUM INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 January 2018

ASSET ALLOCATION AS AT 31 JANUARY 2018



Source: Troy Asset Management Limited.

OUTLOOK

Despite a benign economic backdrop, high valuations across most asset classes are likely to result in prospective returns being lower than those enjoyed by investors over the last few years. We believe this necessitates a conservative approach, especially as we move from an era of central bank largesse to one where monetary support is gradually withdrawn.

As financial conditions tighten, we feel it is becoming increasingly important for investors to take an active approach to investing rather than a passive one. The Fund purposefully allocates capital to fund managers who are active and discerning. The boutique equity asset managers we favour eschew benchmarks and make their investments only after a thorough appraisal of a company's value and prospects. They also pay close attention to the downside risks. We believe this should stand them in good stead if the market and economic environment takes a turn for the worse.

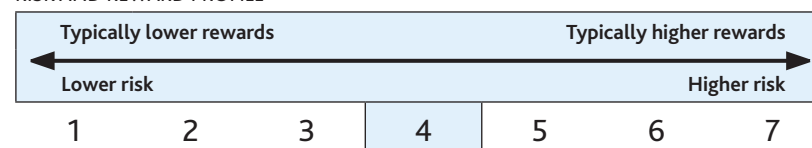
TROY ASSET MANAGEMENT LIMITED

Investment Manager

20 February 2018

FUND INFORMATION

RISK AND REWARD PROFILE



This indicator shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund may invest indirectly in overseas securities, exchange rate movements may, when not hedged, cause the value of your investment to increase or decrease.

Some of the collective investment schemes held by the Fund invest in debt securities. Such debt securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a debt security is also affected by its credit rating.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

SPECTRUM INCOME FUND

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Where the Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'O' Income shares			
Change in net assets per share			
Opening net asset value per share	104.57	93.61	100.00
Return before operating charges*	8.03	15.54	(3.83)
Operating charges	(1.62)	(1.51)	(0.52)
Return after operating charges	6.41	14.03	(4.35)
Distributions	(3.31)	(3.07)	(2.04)
Closing net asset value per share	107.67	104.57	93.61
* after direct transaction costs of:	0.01	0.01	0.05
Performance			
Return after charges	6.13%	14.99%	(4.35)%
Other Information			
Closing net asset value (£'000)	8,452	10,116	10,328
Closing number of shares	7,849,486	9,674,071	11,033,658
Operating charges	1.50% ³	1.50% ³	1.61% ²
Direct transaction costs	0.01%	0.01%	0.05%
Prices			
Highest share price	111.60	107.74	101.06
Lowest share price	104.00	91.33	93.57

¹ From 27 April 2015.

² Annualised figure due to share class launched less than 1 year.

³ From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee in relation to the 'O' Income share class, in order to achieve an Ongoing Charges Figure ('OCF') of 1.50%. Therefore, the OCF is capped at 1.50% until further notice.

	31.01.18 (p/share)	31.01.17 (p/share)	31.01.16 ¹ (p/share)
'O' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	110.03	95.64	100.00
Return before operating charges*	8.49	15.94	(3.83)
Operating charges	(1.72)	(1.55)	(0.53)
Return after operating charges	6.77	14.39	(4.36)
Distributions	(3.50)	(3.16)	(2.07)
Retained distributions on accumulation shares	3.50	3.16	2.07
Closing net asset value per share	116.80	110.03	95.64
* after direct transaction costs of:	0.01	0.01	0.05
Performance			
Return after charges	6.16%	15.05%	(4.36)%
Other Information			
Closing net asset value (£'000)	180	61	24
Closing number of shares	154,247	55,386	25,250
Operating charges	1.50% ³	1.50% ³	1.61% ²
Direct transaction costs	0.01%	0.01%	0.05%
Prices			
Highest share price	119.06	111.57	101.06
Lowest share price	109.43	93.26	93.57

¹ From 27 April 2015.

² Annualised figure due to share class launched less than 1 year.

³ From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee in relation to the 'O' Accumulation share class, in order to achieve an Ongoing Charges Figure ('OCF') of 1.50%. Therefore, the OCF is capped at 1.50% until further notice.

SPECTRUM INCOME FUND

ACD's Report (continued)
Fund Information (continued)

FUND PERFORMANCE TO 31 JANUARY 2018 (%)

	1 year	Since launch*
Spectrum Income Fund	6.80	17.45

* Launch date 27 April 2015.

The performance of the Fund is based on the published price per 'O' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on page 281.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

PORTFOLIO STATEMENT AS AT 31 JANUARY 2018

Holding	Portfolio of Investments	Value £'000	31.01.18 %
	DEBT SECURITIES – 0.00% (31.01.17 – 5.90%)	–	–
	BOND FUNDS – 18.31% (31.01.17 – 20.41%)		
6,707	CG Portfolio Dollar	942	10.91
5,611	MI TwentyFour Dynamic Bond	639	7.40
	TOTAL BOND FUNDS	1,581	18.31
	UNITED KINGDOM – 38.31% (31.01.17 – 38.28%)		
681,550	Evenlode Income	1,427	16.53
13,077	RWC Enhanced Income	1,073	12.43
740,719	Sequoia Economic Infrastructure Income	807	9.35
	TOTAL UNITED KINGDOM	3,307	38.31
	EMERGING MARKETS EQUITIES – 9.57% (31.01.17 – 8.71%)		
536,808	MI Somerset Emerging Markets Dividend Growth	826	9.57
	JAPANESE EQUITIES – 9.43% (31.01.17 – 7.98%)		
47,855	CC Japan Income & Growth	814	9.43
	GLOBAL EQUITIES – 14.73% (31.01.17 – 14.27%)		
1,220,336	Artemis Global Income	1,271	14.73
	Portfolio of investments	7,799	90.35
	Net other assets	833	9.65
	Net assets	8,632	100.00

The investments have been valued in accordance with note 1(g) of the Accounting Policies and are collective investment schemes unless stated otherwise.

SPECTRUM INCOME FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2018

Total purchases for the year £'000 (note 15) **95**

Purchases	Cost £'000
------------------	-----------------------

Sequoia Economic Infrastructure Income	95
--	----

In addition to above, purchases totalling £2,399,000 were made in short term investments during the year.

Total sales for the year £'000 (note 15) **1,798**

Sales	Proceeds £'000
--------------	---------------------------

Evenlode Income	314
RWC Enhanced Income	282
Artemis Global Income	265
CG Portfolio Dollar	225
Sequoia Economic Infrastructure Income	211
MI Somerset Emerging Markets Dividend Growth	183
CC Japan Income & Growth	168
MI TwentyFour Dynamic Bond	150

In addition to above, sales totalling £3,000,000 were made in short term investments during the year.

The summary of material portfolio changes represents all of the purchases and sales during the year.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Income:					
Net capital gains	3		375		1,246
Revenue	4	341		361	
Expenses	5	(86)		(88)	
Net revenue before taxation		255		273	
Taxation	6	-		-	
Net revenue after taxation			255		273
Total return before distributions			630		1,519
Distributions	7		(314)		(335)
Change in net assets attributable to shareholders from investment activities			316		1,184

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR ENDED 31 JANUARY 2018

	£'000	31.01.18 £'000	£'000	31.01.17 £'000
Opening net assets attributable to shareholders		10,177		10,352
Amounts receivable on issue of shares	174		59	
Amounts payable on redemption of shares	(2,041)		(1,422)	
		(1,867)		(1,363)
Dilution adjustment		2		2
Change in net assets attributable to shareholders from investment activities		316		1,184
Retained distributions on Accumulation shares		4		2
Closing net assets attributable to shareholders		8,632		10,177

SPECTRUM INCOME FUND

Financial Statements (continued)

BALANCE SHEET

AS AT 31 JANUARY 2018

	Notes	31.01.18 £'000	31.01.17 £'000
ASSETS			
Fixed assets			
Investments		7,799	9,724
Current assets			
Debtors	8	105	88
Cash and bank balances	9	889	550
Total assets		<u>8,793</u>	<u>10,362</u>
LIABILITIES			
Creditors			
Distribution payable	10	(143)	(163)
Other creditors	10	(18)	(22)
Total liabilities		<u>(161)</u>	<u>(185)</u>
Net assets attributable to shareholders		<u>8,632</u>	<u>10,177</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 JANUARY 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 18 to 20 have been applied to the financial statements of the Fund in the current and prior year.

2. DISTRIBUTION POLICIES

The distribution policies described on page 20 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy described below has also been applied to the Fund.

The Annual Management Charge is transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

	31.01.18 £'000	31.01.17 £'000
3. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	375	1,246
Net capital gains	<u>375</u>	<u>1,246</u>
4. REVENUE		
Non-taxable dividends	283	295
Taxable dividends	20	9
Interest distributions on CIS holdings	37	56
Bank interest	1	1
Total revenue	<u>341</u>	<u>361</u>
5. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	67	71
Rebate of Annual Management Charge	(17)	(24)
Legal and professional fees	5	5
Typesetting and printing costs	3	4
Registration fees	3	4
	<u>61</u>	<u>60</u>

SPECTRUM INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
5. EXPENSES (continued)		
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	11	6
Safe custody and other bank charges	1	1
	12	7
Other expenses:		
Fees paid to auditor – audit	8	9
– tax services	(3)	3
Publication costs	6	7
Legal and professional fees	2	2
	13	21
Total expenses	<u>86</u>	<u>88</u>

The Investment Management fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration. From 3 August 2015 the Investment Manager has agreed, on a discretionary basis, to waive a portion of its fee, in order to seek to achieve an Ongoing Charges Figure of 1.50%.

	31.01.18 £'000	31.01.17 £'000
6. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Current tax charge	–	–
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	<u>–</u>	<u>–</u>
b) Factors affecting the tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.17 : 20%). The difference is explained below:		
	31.01.18 £'000	31.01.17 £'000
Net revenue before taxation	<u>255</u>	<u>273</u>
Corporation tax at 20%	51	55

	31.01.18 £'000	31.01.17 £'000
6. TAXATION (continued)		
Effects of:		
Non-taxable dividends	(57)	(59)
Unutilised excess management expenses	6	4
Corporation tax charge	–	–
Total tax charge (note 6a)	<u>–</u>	<u>–</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £14,000 (31.01.17 : £8,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.18 £'000	31.01.17 £'000
Interim	144	154
Final	146	164
	<u>290</u>	<u>318</u>
Add: Revenue deducted on redemption of shares	26	17
Deduct: Revenue received on issue of shares	(2)	–
Net distributions for the year	<u>314</u>	<u>335</u>
Details of the distributions per share are set out in the table on page 281.		
	31.01.18 £'000	31.01.17 £'000
Distributions represented by:		
Net revenue after taxation	255	273
Allocations to capital:		
Annual Management Charge, net of tax relief	59	62
Net distributions for the year	<u>314</u>	<u>335</u>

SPECTRUM INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

	31.01.18 £'000	31.01.17 £'000
8. DEBTORS		
Amounts receivable for issue of shares	6	2
Accrued revenue:		
Non-taxable dividends	24	26
Interest on CIS holdings	7	7
	31	33
Prepaid expenses	5	5
Amounts due from the Investment Manager:		
Refund of expenses	55	38
Taxation recoverable:		
Income tax	8	10
Total debtors	105	88
9. CASH AND BANK BALANCES		
Bank balances	889	550
Total cash and bank balances	889	550
10. CREDITORS		
Distribution payable	143	163
OTHER CREDITORS		
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	5	6
Typesetting and printing costs	2	3
	7	9
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1	1
Other expenses	10	12
Total other creditors	18	22

11. RELATED PARTY TRANSACTIONS

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting and printing costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 269 and amounts due at the year end are disclosed in note 8.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Pershing Nominees Limited	69.65% (31.01.17 : 75.88%)
Troy Asset Management	24.99% (31.01.17 : 20.56%)

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.17 : none).

13. SHARES IN ISSUE

	'0' Income	'0' Accumulation
Annual Management Charge	0.65%	0.65%
Opening shares in issue	9,674,071	55,386
Issues	36,323	118,203
Redemptions	(1,860,908)	(19,342)
Closing shares in issue	7,849,486	154,247

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for efficient portfolio management and hedging purposes.

SPECTRUM INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

14. RISK MANAGEMENT POLICIES (continued)

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the fund. The ACD requires that the appointed Investment Manager to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The ACD monitors the credit rating of bond holdings.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund invests in collective investment schemes only and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. As the Fund has no significant direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

iii. Foreign currency risk

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk. The Fund has no significant foreign currency risk in the current and prior year.

14. RISK MANAGEMENT POLICIES (continued)

iv. Leverage

The Fund did not employ any significant leverage during the current and prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £390,000 (31.01.17 : £486,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Fund held no derivatives during the current and prior year.

SPECTRUM INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

15. PORTFOLIO TRANSACTION COSTS

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.18				
Collective investment schemes	95	-	-	95
Purchases total	95	-	-	95
<i>Transaction cost % of purchases total</i>		-	-	
<i>Transaction cost % of average NAV</i>		-	-	
Collective investment schemes	1,799	-	(1)	1,798
Sales total	1,799	-	(1)	1,798
<i>Transaction cost % of sales total</i>		-	0.06%	
<i>Transaction cost % of average NAV</i>		-	0.01%	

Average portfolio dealing spread at 31.01.18 is 0.30% (31.01.17 : 0.27%).

15. PORTFOLIO TRANSACTION COSTS (continued)

	Purchases /sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases /net sales £'000
31.01.17				
Collective investment schemes	704	-	1	705
Purchases total	704	-	1	705
<i>Transaction cost % of purchases total</i>		-	0.14%	
<i>Transaction cost % of average NAV</i>		-	0.01%	
Collective investment schemes	2,150	-	-	2,150
Sales total	2,150	-	-	2,150
<i>Transaction cost % of sales total</i>		-	-	
<i>Transaction cost % of average NAV</i>		-	-	

SPECTRUM INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 January 2018

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: The unadjusted quoted price in an active market for identical assets that the Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.18				
Investment Assets	–	7,799	–	7,799
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.17				
Investment Assets	600	9,124	–	9,724

17. SUBSEQUENT EVENTS

As at 29 May 2018, the net asset value of the Fund has fallen by 100% compared to that at 31 January 2018, this is a result of the scheme of arrangement, effective 25 May 2018. The capital value of the Spectrum Income Fund and the shareholders were transferred into the Spectrum Fund.

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 JANUARY 2018 – IN PENCE PER SHARE

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.17	01.08.17
To	31.07.17	31.01.18

'O' Income shares

Interim	Net Revenue	Equalisation	Paid 30.09.17	Paid 30.09.16
Group 1	1.4854	–	1.4854	1.3890
Group 2	0.6756	0.8098	1.4854	1.3890
Final	Net Revenue	Equalisation	Payable 31.03.18	Paid 31.03.17
Group 1	1.8208	–	1.8208	1.6837
Group 2	0.7131	1.1077	1.8208	1.6837

'O' Accumulation shares

Interim	Net Revenue	Equalisation	Allocated 30.09.17	Allocated 30.09.16
Group 1	1.5616	–	1.5616	1.4268
Group 2	0.8346	0.7270	1.5616	1.4268
Final	Net Revenue	Equalisation	Allocation 31.03.18	Allocated 31.03.17
Group 1	1.9433	–	1.9433	1.7376
Group 2	0.5691	1.3742	1.9433	1.7376

GENERAL INFORMATION

STRUCTURE OF THE COMPANY

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

Trojan Fund
Trojan Ethical Income Fund
Trojan Global Income Fund
Trojan Global Equity Fund
Trojan Income Fund
Crystal Fund
Spectrum Fund
Spectrum Income Fund (closing)

In the future there may be other sub-funds of the Company.

CLASSES OF SHARES

The Company can issue different classes of shares in respect of any sub-fund.

Holders of Income shares are entitled to be paid the income attributable to such shares, in respect of each annual or interim accounting period.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

VALUATION POINT

The valuation point of the Trojan Fund, the Trojan Ethical Income Fund, the Trojan Global Income Fund, the Trojan Global Equity Fund, the Trojan Income Fund, the Spectrum Fund and the Spectrum Income Fund is 12.00 noon (London time) on each business day. The valuation point of the Crystal Fund is 12.00 noon (London time) on each Thursday which is a business day and the last business day of each month. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING SHARES

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 608 0950.

PRICES

The prices of Class 'O' shares in the Trojan Fund, Trojan Ethical Income Fund, Trojan Income Fund, Trojan Global Income Fund, Trojan Global Equity Fund, Spectrum Fund and Spectrum Income Fund are published in the *Financial Times*. The prices of shares in the Crystal Fund are not currently published in the *Financial Times*. The prices of all shares are available on the website: www.linkfundsolutions.co.uk. Prices of all shares may also be obtained by calling 0345 608 0950 during the ACD's normal business hours.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

DATA PROTECTION ACT

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

INFORMATION FOR SWISS QUALIFIED INVESTORS

The distribution of shares of the Fund in Switzerland made exclusively to, and directed at, qualified investors ('Qualified Investors') as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended, and its implementing ordinance. The Swiss representative for the Fund is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent for the Fund is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. Investors in Switzerland can obtain the documents of the Fund, such as the Prospectus, the Key Investor Information Documents (edition for Switzerland), the Instrument of Incorporation, the latest annual or semi-annual report, and further information free of charge from the Swiss representative. This document may only be issued, circulated or distributed in Switzerland to Qualified Investors. Recipients of the document in Switzerland should not pass it on to anyone other than a Qualified Investor. In respect of shares distributed in Switzerland the place of jurisdiction is at the registered office of the representative in Switzerland.

Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of shares.

