

Trojan Ethical Income Fund Ethical Investment Criteria

Trojan Ethical Income Fund (the “Sub-fund”), a sub-fund of Trojan Investment Funds, will invest based on specific ethical investment criteria as well as adhering to Troy Asset Management Limited’s (the “Investment Manager”) fundamental stock selection process. For inclusion in the Sub-fund’s investible universe, potential investments will be screened against these ethical investment criteria using a combination of third party data and the Investment Manager’s primary research. This screening process (the “Process”) is designed with the intention of excluding investments which do not fit within the Sub-fund’s ethical investment criteria as set out in this document. The present ethical investment criteria mean that the Sub-fund will not invest in any organisation which:

Armaments – (a) generates more than 10% of its total turnover from strategic military supplies relating to conventional weapons and/or (b) produces key parts of, or provides services for, cluster munitions systems, and/or (c) is alleged to have contravened the convention on anti-personnel mines in the last ten years and which has not addressed the allegations, and/or (d) manufactures products, or provides services, which are all or part of a nuclear weapons system.

Tobacco – makes more than 10% of its total turnover from tobacco products.

Pornography – derives more than 3% of its total turnover from pornography or adult entertainment.

Fossil Fuels – (a) derives more than 33% of its total turnover from the refining or extraction of, or generation of power from, fossil fuels and/or (b) derives more than 10% of its turnover from coal mining activities. Companies whose listing falls within the Oil & Gas sector are also excluded.

Alcohol – derives more than 10% of its total turnover from the sale or production of alcohol.

Gambling – derives more than 10% of its total turnover from gambling (including spread betting).

High Interest Rate Lending – derives more than 25% of its total turnover from high interest rate lending (high interest being defined as lending at an annual percentage rate (APR) of over 100%).

The Investment Manager employs Ethical Investment Research Services (EIRIS) Limited (“EIRIS”) to provide an ethical screening service and research in respect of the Sub-fund. The Investment Manager shall, for a fee agreed between the Investment Manager and EIRIS, which the Investment Manager shall bear, obtain data and research from EIRIS involving monitoring the behaviour and activities of businesses according to the Sub-fund’s ethical investment criteria. The Investment Manager will use the data and research provided by EIRIS as an element of the investment process.

Where an investment is identified as no longer meeting the Sub-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.

Investors should note that this document sets out the Sub-fund's ethical investment criteria as they currently stand. However, the Investment Manager hopes that investors and prospective investors will understand that the process of investing on a socially responsible basis is constantly evolving. Therefore, the Investment Manager's approach, and that of EIRIS, may change which, in turn, may mean that the Sub-fund's ethical investment criteria may be amended from time to time.

Risk Warnings

This document is not intended as an investment recommendation and should not be treated as such. Instead, it gives an overview of the current Process which is part of a wider, ongoing process of research which is carried out by the Investment Manager. Please be aware, that this analysis of ethical matters will form only part of what is considered in making an investment decision.

Readers should be aware that funds which undertake ethical screening in seeking to meet their investment objectives are unable to invest in certain sectors and/or companies. The exclusion of some sectors of the market or particular companies may result in periods of underperformance with respect to funds which are able to invest in the market generally. For instance, if tobacco stocks are enjoying extremely strong returns we would not be able to participate in their gains.

If you are unsure about an investment decision, please speak to a financial adviser.

If you wish to invest in the Sub-fund, you must read the relevant Key Investor Information Document, the Prospectus and the Additional Investor Information Document, particularly any section on risk factors. These will be made available at www.linkassetservices.co.uk.

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