



Trojan Ethical Income Fund

All data as at 30 June 2017

www.taml.co.uk

The investment objective of the Trojan Ethical Income Fund is to provide income with the potential for capital growth in the medium term. Its investment policy is to invest substantially in UK and overseas equities. Trojan Ethical Income Fund 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 its ethical investment criteria, which consider ethical issues in relation to fossil fuels, pornography, tobacco and certain types of armaments*. Any comparisons against indices are for illustrative purposes only.

*From 28 July the ethical investment criteria will be changed, further details are outlined under Ethical Investment Criteria below.

Prices

115.01p

'O' accumulations shares

111.59p

'O' income shares

Dividend Yield

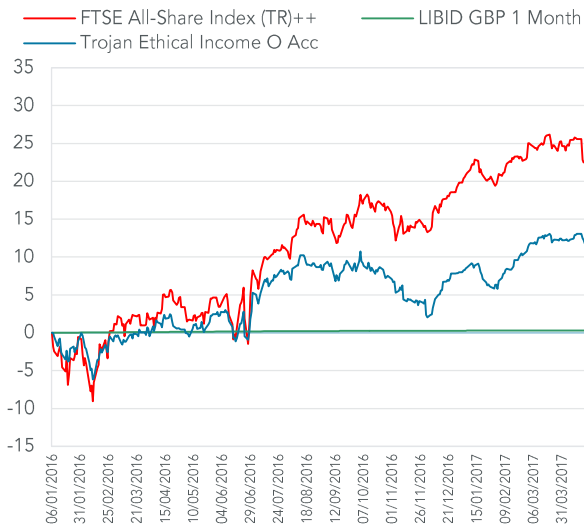
3.0%

'O' income shares

Fund Size

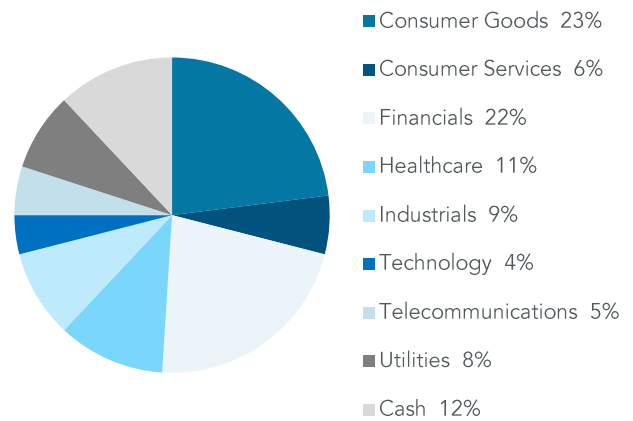
£61m

Percentage Growth from 06/01/2016 to 30/06/2017



Source: Lipper

Asset Allocation



Asset allocation subject to change

*The FTSE All Share (TR) is shown as a reference but the ethical restrictions placed on the portfolio mean that at all times the constitution of the portfolio will be markedly different from the index and therefore performance may vary significantly.

Total Return to 30 June 2017	06/01/2016 Since launch	30/06/16 1 year	31/12/16 6 months
Trojan Ethical Income Fund O Acc	+15.0%	+11.9%	+6.5%
LIBID GBP 1 Month*	+0.3%	+0.2%	+0.1%
FTSE All-Share Index (TR)*	+26.4%	+18.1%	+5.5%

Discrete Calendar Annual Returns	2016#	2017 YTD
Trojan Ethical Income Fund O Acc	+8.0%	+6.5%

*London Inter Bank Bid Rate

#from 6 January 2016

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Past performance is not a guide to future performance

Source: Lipper

June Commentary

The Fund produced a return of -1.9% in June compared to -2.5% for the FTSE All-Share Index (TR). This was a difficult month for equity markets and notably so for the UK. The inconclusive general election result achieved the opposite of the Prime Minister's stated aim to secure a clear majority and thus strengthen Britain's hand in the Brexit negotiations.

Instead, a minority government, supported by the DUP, is entering into the most complex process the UK has undertaken for fifty years. This political uncertainty, combined with weakening consumer demand in the UK and inflation is eroding real earnings and sapping spending power. With the UK savings ratio

falling to an all-time low of 1.7% of disposable income, and consumer credit still rising, the pressure to relax the purse strings on public spending is coming from both sides of the political aisle. Growth in the first quarter of 2017 slowed to just 0.2% - the slowest rate in the G7.

It is hard to be optimistic about equities at present, but when such a sentiment is widely held it can be a bullish indicator. The portfolio contains holdings in many companies that are well able to generate sufficient cash flow to grow their dividends and, although there are plenty of dark clouds at present, we remain confident about the income generation potential of the Fund.

On the 28th July an enhancement of the Fund's ethical investment criteria will be formally introduced. Restrictions on investment in alcohol, gambling and high interest rate lending will be implemented and the criteria on armaments will be modified. The new investment criteria are shown overleaf. The Fund has been compliant with these additional criteria for some months. We believe these changes assist in meeting the needs of investors seeking an ethically invested fund. The change will not alter the investment style, the management approach, or effect the risk profile of the fund.

Ethical Investment Criteria

Trojan Ethical Income Fund will invest based on specific ethical investment criteria as well as adhering to Troy's fundamental stock selection process. For inclusion in the Fund's investible universe, potential investments will be screened against ethical investment criteria using a combination of third party data and the Investment Manager's primary research. The present ethical investment criteria mean that the Fund will not invest in any organisation which:

Armaments – (a) produces key parts of, or provides services for, cluster munitions systems, (b) 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 (c) manufactures products, or provides services, which are all or part of a nuclear weapons system. Companies whose listing falls within the Aerospace & Defence sector are also excluded.

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 Oil & Gas sector are also excluded.

Additional/Amended criteria, effective 28 July 2017

Armaments (amendment from the above criteria) - (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.

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%).

Source: Troy Asset Management Limited

Top 10 holdings	% Fund
Unilever	4.4
GlaxoSmithKline	3.5
Lloyds	3.3
Novartis	2.9
Royal Mail	2.9
National Grid	2.8
Nestlé	2.7
Compass Group	2.6
AstraZeneca	2.6
American Express	2.6
Total Top 10	30.3
35 other holdings	57.4
Cash & Equivalent	12.3
Total	100.0

Holdings subject to change

Fund information

A copy of the latest Prospectus and the KIID for each class (in English) upon which you should base your investment decision is available from Capita Financial Managers Ltd, the Fund's Authorised Corporate Director and Capita Financial Administrators Ltd (Authorised and Regulated by the Financial Conduct Authority) on 0345 608 0950.

Structure Sub-fund of Trojan Investment Funds UCITS	Ongoing Charges 'O' (ordinary) shares: 1.18% 'S' (charity) shares: 0.93% 'I' (intermediary) shares: 1.68%	Dealing Daily at noon Tel: 0345 608 0950
Investment Adviser Troy Asset Management Ltd 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: busdev@taml.co.uk	Dividend Ex Dates 1 August (interim), 1 February (final)	Registrar Capita Financial Administrators Ltd
Fund Manager Hugo Ure	Dividend Pay Dates 30 September (interim), 31 March (final)	Auditor Ernst & Young LLP
Currency £ Sterling	Dividend Yield 3.01%	Depository BNY Mellon Trust & Depository (UK) Ltd
Launch Date 06 January 2016	Authorised Corporate Director Capita Financial Managers Ltd Tel: 0345 300 2110	Bloomberg (O shares) TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)
	ISIN GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc) GB00BYMLFN68 (I Inc), GB00BYMLFM51 (I Acc) GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc)	SEDOL (O shares) BYMLFK3 (O Acc), BYMLFL4 (O Inc)
		Pricing "O" share class prices published daily in the FT

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