



Trojan Ethical Income Fund

All data as at 31 March 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. Any comparisons against indices are for illustrative purposes only. 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.

Prices

112.23p

'O' accumulations shares

108.90p

'O' income shares

Dividend Yield

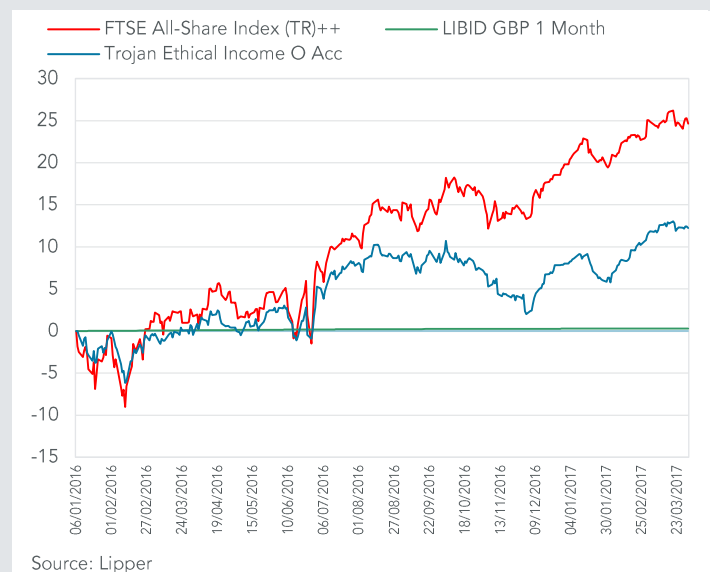
3.1%

'O' income shares

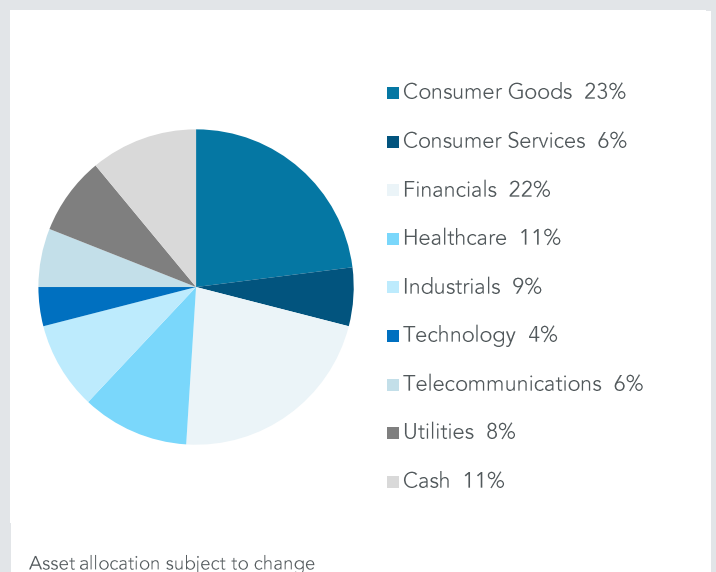
Fund Size

£57m

Percentage Growth from 06/01/2016 to 31/03/2017



Asset Allocation



**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 31 March 2017 | 06/01/2016 Since launch | 31/03/16 1 year | 30/09/16 6 months |
|----------------------------------|----------------------------|--------------------|----------------------|
| Trojan Ethical Income Fund O Acc | +12.2% | +11.6% | +3.8% |
| LIBID GBP 1 Month* | +0.3% | +0.2% | +0.1% |
| FTSE All-Share Index (TR)* | +24.6% | +22.0% | +8.1% |

| Discrete Calendar Annual Returns | 2016 [#] | 2017 YTD |
|----------------------------------|-------------------|----------|
| Trojan Ethical Income Fund | +8.0% | +3.9% |

*London Inter Bank Bid Rate

[#]from 6 January 2016

*© FTSE International Limited 2017.

Past performance is not a guide to future performance

Source: Lipper

March Commentary

Your Fund returned +1.3% during the month compared to +1.2% for the FTSE All-Share Index (TR). The market was led higher during the month by a much broader spectrum of companies than has typically been the case in recent months. Inmarsat led the way for the Fund, rising by 20%, but amongst the best performers was Next plc.

We have been steadily adding to our holding in this company as the valuation has become more attractive, most recently buying shares at the beginning of March. We continue to see the franchise as robust and to admire the management team for its disciplined

approach to capital allocation. The business faces considerable challenges but remains highly cash generative.

This rigour has manifested itself not only in the management's reinvestment decisions but also in their readiness to return excess cash to shareholders, whether by share buybacks or more latterly via quarterly 45p special dividends.

Special dividends have become increasingly popular in recent years (making up over 7% of all dividend payments in 2016) as companies seek to return surplus retained earnings to

shareholders. The Fund has benefited from Troy's natural inclination to invest in cash-generative companies with a higher than average propensity to pay specials.

This trend is complimented within the Fund's portfolio by a robust and growing stream of ordinary dividends. The devaluation of sterling undoubtedly remains a tailwind but we also see material room for underlying dividend growth within many of our preferred sectors. The announcement of a 12% uplift in Unilever's ordinary dividend at its recent strategic review is a timely demonstration of this potential.

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 Sub-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 the Oil & Gas sector are also excluded.

| Top 10 holdings | % Fund |
|------------------------------|--------------|
| Unilever | 4.3 |
| GlaxoSmithKline | 3.8 |
| Lloyds | 3.3 |
| Royal Mail | 3.0 |
| National Grid | 3.0 |
| Novartis | 2.9 |
| American Express | 2.7 |
| Land Securities | 2.6 |
| Compass Group | 2.6 |
| Colgate-Palmolive | 2.6 |
| Total Top 10 | 30.8 |
| 35 other holdings | 57.9 |
| Cash & Equivalent | 11.3 |
| TOTAL | 100.0 |

Source: Troy Asset Management Limited

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.

INVESTMENT PERFORMANCE WILL NOT BE SHOWN UNTIL ONE CALENDAR YEAR AFTER THE FUND'S LAUNCH DUE TO REGULATORY REQUIREMENTS.

| | | |
|--|---|--|
| 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 3.1% | Depositary BNY Mellon Trust & Depositary (UK) Ltd |
| Launch Date 06 January 2016 | Authorised Corporate Director Capita Financial Managers Ltd Tel: 0345 300 2110 | Bloomberg (O shares) TEIFOAC_LN (Acc), TEIFOIN_LN (Inc) |
| | | SEDOL (O shares) BYMLFK3 (Acc), BYMLFL4 (Inc) |
| | | Pricing "O" share class prices published daily in the FT |

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