



## Trojan Ethical Income Fund

All data as at 31 October 2017

[www.taml.co.uk](http://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\*. Any comparisons against indices are for illustrative purposes only.

### Prices

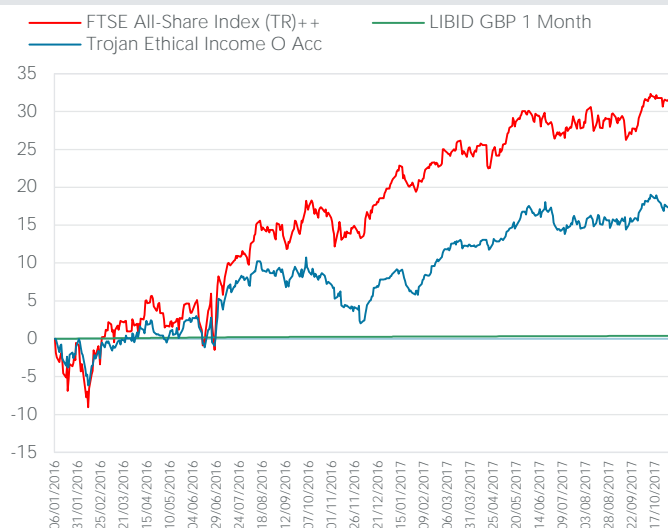
117.33p	112.07p
'O' accumulation shares	'O' income shares

### Dividend Yield Fund Size

3.0%	£64m
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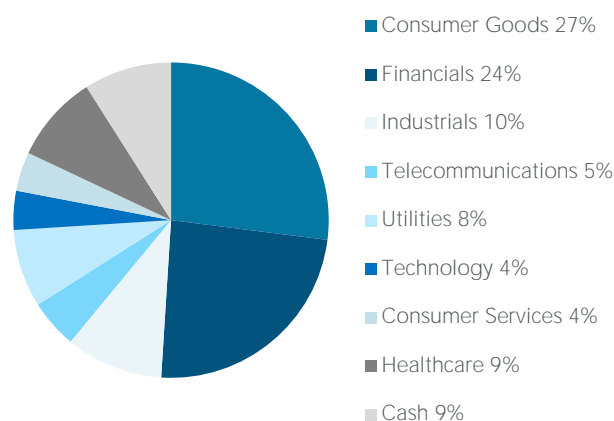
'O' income shares

### Percentage Growth from 06/01/2016 to 31/10/2017



Source: Lipper

### Asset Allocation



Asset allocation subject to change

Total Return to 31 October 2017	06/01/16 Since launch	31/10/16 1 year	30/04/17 6 months
Trojan Ethical Income Fund O Acc	+17.3%	+9.4%	+4.0%
LIBID GBP 1 Month*	+0.4%	+0.1%	+0.1%
FTSE All-Share Index (TR)+	+31.5%	+13.4%	+5.9%

Discrete Calendar Annual Returns	2016*	2017 YTD
Trojan Ethical Income Fund O Acc	+8.0%	+8.6%

\*London Inter Bank Bid Rate

#from 6 January 2016

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Past performance is not a guide to future performance

Source: Lipper

### October Commentary

The Fund produced a return of +0.6% in October compared to +1.9% for the FTSE All-Share Index (TR) which again clambered to new highs. Strong global manufacturing data and robust global earnings growth added to confidence in a synchronised global recovery.

In what was a fairly subdued month for the portfolio the performance of Hisco (+11.6%) and Lancashire (+12.6%) stood out. Both companies operate, although to slightly different degrees, in the catastrophe insurance markets and as such experienced significant volatility in September as storm Harvey and hurricanes Irma and Maria made their tragic impact.

Such events serve to remind investors of the substantial, albeit uncorrelated, risks involved in writing insurance and may drive the 'yield tourists' out of the sector. Although we will not receive a special dividend from either company in 2017, future returns look attractive. We expect insurance rates to harden over the New Year renewals season and this would signal a return to the proper pricing of catastrophe risk.

The catastrophe insurance market is not alone in having become increasingly mispriced in recent years; areas of both bond and equity markets show similar symptoms. It often takes violent dislocations to reassert the balance of

risk and reward. These events can be physical, political, economic or financial, but regardless of the nature of the shock it remains our first priority to seek to protect our investors' capital in such circumstances.

We were very pleased to welcome Mark Wharrier into Troy's UK equity income team at the beginning of the month. His 20 years of experience in managing UK equities will be an invaluable asset as we strive to deliver sustainable, less volatile returns to our investors.

## 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:

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.

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.

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	4.2
Lloyds	3.7
Equiniti	3.1
GlaxoSmithKline	3.0
National Grid	2.9
Reckitt Benckiser	2.8
Next	2.7
American Express	2.7
Schroders	2.6
Wells Fargo	2.5
Total Top 10	30.2
36 other holdings	60.8
Cash & Equivalent	9.0
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 Link Fund Solutions Ltd, the Fund's Authorised Corporate Director and Link Fund 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: 1.15% 'S' (charity) shares: 0.90% 'I' (intermediary) shares: 1.65%	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 Link Fund Administrators Ltd
Fund Manager Hugo Ure	Dividend Pay Dates 30 September (interim), 31 March (final)	Auditor Ernst & Young LLP Depository BNY Mellon Trust & Depository (UK) Ltd
Currency £ Sterling	Dividend Yield 3.03%	Bloomberg (O shares) TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)
Launch Date 06 January 2016	Authorised Corporate Director Link Fund Solutions Limited Tel: 0345 300 2110	SEDOL (O shares) BYMLFK3 (O Acc), BYMLFL4 (O Inc)
	ISIN GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc) GB00BYMLFN68 (I Inc), GB00BYMLFM51 (I Acc) GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc)	Pricing "O" share class prices published daily in the FT

## Important Information

Fund performance data provided is calculated net of fees unless stated otherwise. Past performance is not a guide to future performance. All references to benchmarks are for comparative purposes only. Overseas investments may be affected by movements in currency exchange rates. The value of an investment and any income from it may fall as well as rise and investors may get back less than they invested. Neither the views nor the information contained within this document constitute investment advice or an offer to invest or to provide discretionary investment management services and should not be used as the basis of any investment decision. Any decision to invest should be based on information contained in the prospectus, the relevant key investor information document and the latest report and accounts. The investment policy and process of the fund(s) may not be suitable for all investors. If you are in any doubt about whether the fund(s) is/are suitable for you, please contact a professional adviser. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities.

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