



Trojan Ethical Income Fund

All data as at 31 March 2018

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

111.93p

'O' accumulations shares

105.29p

'O' income shares

Dividend Yield

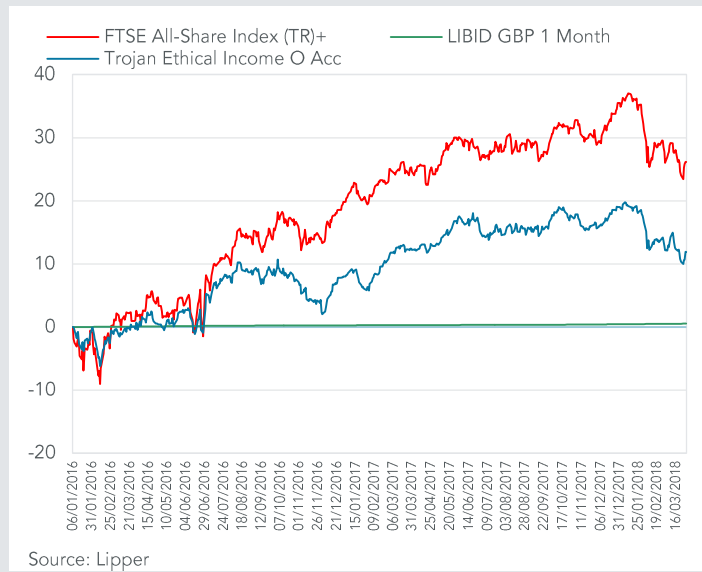
3.2%

'O' income shares

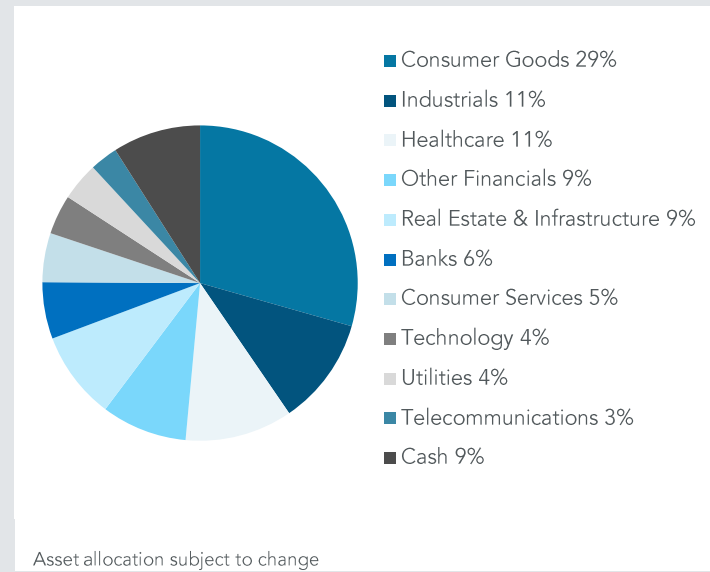
Fund Size

£74m

Percentage Growth from 06/01/2016 to 31/03/2018



Asset Allocation



Total Return to 31 March 2018	06/01/16 Since launch	31/03/17 1 year	30/09/17 6 months
Trojan Ethical Income Fund O Acc	+11.9%	-0.3%	-4.0%
LIBID GBP 1 Month*	+0.5%	+0.2%	+0.2%
FTSE All-Share Index (TR)*	+26.2%	+1.2%	-2.3%

Discrete Calendar Annual Returns	2016#	2017	2018 YTD
Trojan Ethical Income Fund O Acc	+8.0%	+10.2%	-6.0%

*London Inter Bank Bid Rate

#from 6 January 2016

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Past performance is not a guide to future performance

Source: Lipper

March Commentary

Your Fund produced a return of -1.6% during the month compared to -1.8% for the FTSE All-Share Index (TR). In what was another difficult month for equity markets two of the strongest positive contributions to the portfolio's performance came from GlaxoSmithKline (GSK) and Reckitt Benckiser (RB). This is noteworthy for two reasons.

Firstly, both stocks had been cited as participants in the auction for Pfizer's consumer healthcare unit. The assets, which include major US vitamins brand Centrum and analgesics brand Advil, were for sale with a price tag in the region of \$20bn - a sum that neither suitor could

sensibly afford. For this reason the market responded positively to announcements towards the end of the month that both companies had withdrawn from the process. RB can now concentrate on digesting last year's acquisition of Mead Johnson and rebuilding its balance sheet. GSK also made what we believe to be an important capital allocation decision. The company chose to buy in the remaining 36.5% of its consumer healthcare JV with Novartis, rather than pursue the Pfizer portfolio. The JV is an asset GSK already knows intimately and the cost of taking full control was a more modest \$13bn. In a time of cheap debt

such displays of capital discipline are all too rare.

The other noteworthy point about these two stocks is that they have both experienced a significant de-rating over the last 18 months. For the first time in many years GlaxoSmithKline and Reckitt Benckiser are trading at discounts to their ten-year average valuations (as measured by the multiple of earnings on which the share price trades). And they are not alone. An increasing number of our core stocks are nearing this threshold, indicating a significant improvement in the long-term returns that are available from the portfolio for today's investor.

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	5.3
GlaxoSmithKline	4.2
Lloyds	3.7
Nestlé	3.6
Compass Group	3.4
Reckitt Benckiser	3.3
Experian	3.0
Procter & Gamble	2.8
Colgate-Palmolive	2.7
Sage	2.7
Total Top 10	34.7
36 other holdings	56.3
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%	Dealing Daily at noon Tel: 0345 608 0950
Investment Adviser Troy Asset Management Limited 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 Limited
Fund Manager Hugo Ure	Dividend Pay Dates 30 September (interim), 31 March (final)	Auditor Ernst & Young LLP
Currency £ Sterling	Dividend Yield 3.27%	Depository The Bank of New York Mellon (International) Limited
Launch Date 06 January 2016	Authorised Corporate Director Link Fund Solutions Limited Tel: 0345 300 2110	Bloomberg (O shares) TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)
	ISIN GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O 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

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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