



## Trojan Fund

All data as at 31 December 2017

www.taml.co.uk

The investment objective of the Trojan Fund is to achieve growth in capital and income in real terms over the longer term. The policy is to invest substantially in UK and overseas equities and fixed interest securities but may also invest in collective investment schemes and money market instruments. Any comparisons against indices are for illustrative purposes only.

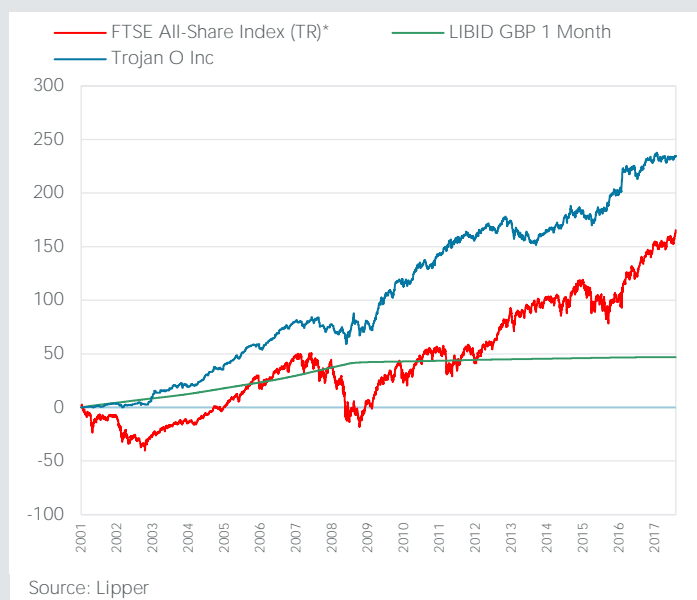
### Prices

305.43p 'O' accumulation shares  
251.41p 'O' income shares

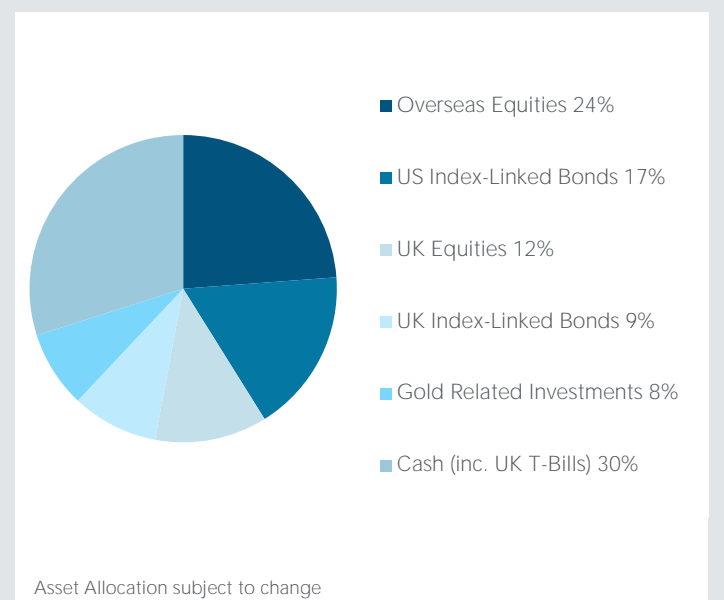
### Fund Size

£4,475m

### Percentage Growth from 31/05/2001 to 31/12/2017



### Asset Allocation



Total Return to 31 December 2017	31/05/01 Since launch	31/12/07 10 years	31/12/12 5 years	31/12/14 3 years	31/12/16 1 year	30/06/17 6 months
Trojan Fund O Inc	+234.2%	+82.1%	+27.3%	+20.6%	+4.1%	+0.7%
LIBID GBP 1 Month <sup>†</sup>	+47.0%	+9.5%	+1.6%	+0.8%	+0.2%	+0.1%
IA Flexible Investment	+142.0%	+69.0%	+56.5%	+30.3%	+11.4%	+5.0%
FTSE All-Share Index (TR) <sup>*</sup>	+165.4%	+84.5%	+63.0%	+33.3%	+13.1%	+7.2%

Discrete Calendar Annual Returns	2001 <sup>#</sup>	2002	2003	2004	2005	2006	2007	2008	2009
Trojan Fund O Inc #7 months from 31 May 2001	+0.6%	+4.1%	+15.4%	+10.3%	+15.9%	+12.0%	+6.1%	+1.1%	+11.6%
<sup>†</sup> London Inter Bank Bid Rate									
	2010	2011	2012	2013	2014	2015	2016	2017	
	+14.4%	+8.5%	+2.1%	-3.1%	+8.9%	+3.2%	+12.3%	+4.1%	

<sup>\*</sup>© FTSE International Limited 2017.

Past performance is not a guide to future performance

Source: Lipper

### December Commentary

Your Fund returned +0.8% during the month compared to +4.8% for the FTSE All-Share Index (TR).

December saw the 14<sup>th</sup> consecutive positive month for the S&P 500, the first time this has happened in the index's 90-year history. Numerous indicators are signalling excessively bullish investor sentiment. US mutual fund cash allocations (according to ICI data) are at multi-decade lows whilst the volatility of the S&P, as measured by the CBOE's 'VIX' index, is still below 10; this compares with

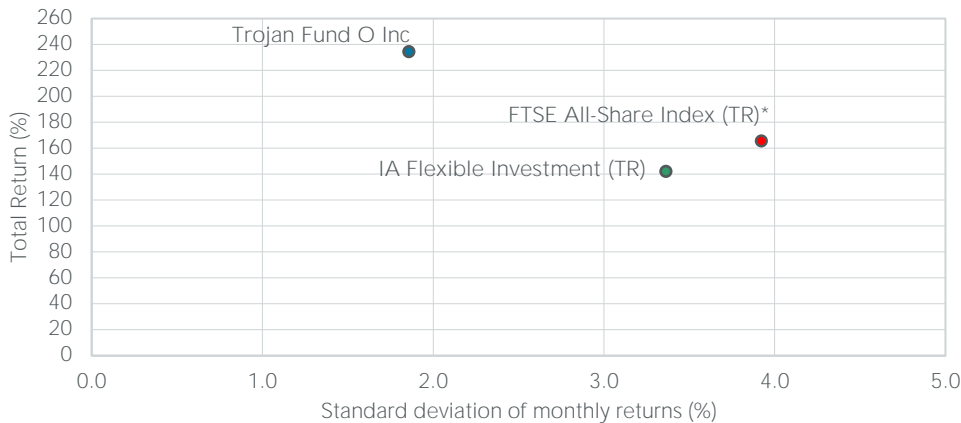
a high of 81 in 2008. Since we wrote about the corporate bond market in August, spreads on US corporate bonds have tightened further.

Whilst 2017 saw an improvement in global growth, the increase in asset prices has more than reflected this. Following two years of standstill, the earnings of the S&P 500's companies are estimated to have increased +12% in 2017; the index's price level rose +19%. Earnings for the US stock market are projected to increase +12% in 2018, before accounting for the expected

one-off tax benefit. Expectations are high.

We entered 2017 with considerable caution and we venture into 2018 with more. It is unclear when the reality check arrives. The fault of our being early shows up in the Fund's small positive return versus the market's larger one. By virtue of expressing our pessimism through a low equity allocation and high liquidity, strong markets should not hurt us in absolute terms. Conversely, lower valuations would enable us to invest our cash and generate higher returns in the future.

## Return vs volatility since launch (31/05/2001)



Source: Lipper

Risk analysis since launch (31/05/01)	Fund	Index*
Total Return	+234.2%	+165.4%
Max Drawdown <sup>1</sup>	-13.7%	-45.6%
Best Month	+8.9%	+9.9%
Worst Month	-4.7%	-13.2%
Positive Months	+66.8%	+59.3%
Annualised Volatility	+6.4%	+13.6%

<sup>1</sup> Measures the worst investment period

\* FTSE All-Share Index (TR)

Top 10 holdings (excluding government bonds)	% Fund
Gold Bullion Securities	5.5
British American Tobacco	4.2
Microsoft	3.4
Philip Morris	2.6
Coca-Cola	2.2
Sage	2.1
Altria	2.1
Nestlé	2.0
Dr Pepper Snapple	1.9
Berkshire Hathaway	1.9
<b>Total Top 10</b>	<b>27.9</b>
22 other holdings	42.2
Cash & Equivalent	29.9
<b>TOTAL</b>	<b>100.0</b>

Holdings subject to change

## Fund Manager Awards



## 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.

The Trojan Fund is closed to new direct investments, but is still available to new investors through major fund platforms.

<b>Structure</b> Sub-fund of Trojan Investment Funds UCITS	<b>Ongoing Charges</b> 'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%	<b>Dealing</b> Daily at noon Tel: 0345 608 0950
<b>Investment Adviser</b> Troy Asset Management Ltd 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: busdev@taml.co.uk	<b>Dividend Ex Dates</b> 1 August (interim), 1 February (final)	<b>Registrar</b> Link Fund Administrators Ltd
<b>Fund Manager</b> Sebastian Lyon <b>Assistant Fund Manager</b> Sean Beck <b>Investment Manager</b> Charlotte Yonge	<b>Dividend Pay Dates</b> 30 September (interim), 31 March (final)	<b>Auditor</b> Ernst & Young LLP <b>Depository</b> The Bank of New York Mellon (International) Limited
<b>Currency</b> £ Sterling	<b>Fund Yield (historic 'O' Inc shares)</b> 0.36%	<b>Bloomberg</b> CFTR0JA_LN (O Acc), CFTR0JI_LN (O Inc)
<b>Launch Date</b> 31 May 2001	<b>Authorised Corporate Director</b> Link Fund Solutions Ltd Tel: 0345 608 0950	<b>SEDOL</b> B01BP95 (O Acc), 3424373 (O Inc)
	<b>ISIN</b> GB0034243732 (O Inc), GB00B01BP952 (O Acc) GB00B05M9T27 (S Inc), GB00B05M9S10 (S Acc)	<b>Pricing</b> "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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