



Trojan Ethical Fund

All data as at 31 July 2019

www.taml.co.uk

The investment objective of the Trojan Ethical Fund is to provide capital growth (net of fees), ahead of inflation (UK Retail Prices Index), over the longer term (5 to 7 years). Its investment policy is to invest across a broad range of asset classes. Whilst asset allocation will vary, in general, the investment universe will comprise high quality, developed market equities, developed market government bonds, gold-related investments, cash and money market instruments (such as treasury bills). The portfolio will be constructed with input from both top-down analysis (looking at an economy as a whole) and bottom-up analysis (study of individual securities). The Fund will invest in accordance with the parameters of its Ethical Investment Criteria.

Prices

107.55p

'O' accumulation shares

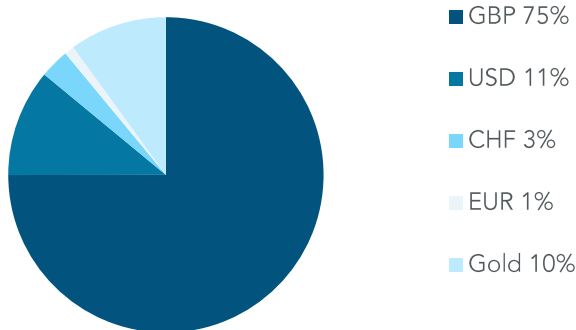
107.54p

'O' income shares

Fund Size

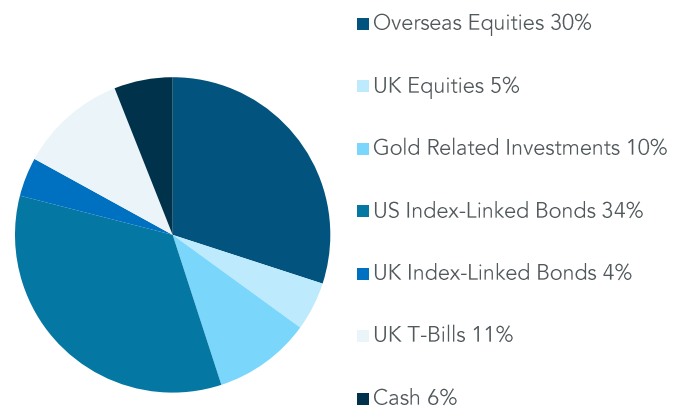
£65m

Currency Exposure*



*Currency forward contracts may be used in order to hedge some of the fund's overseas currency exposure.

Asset Allocation



Asset allocation subject to change

Source: Troy Asset Management Limited

July Commentary

The UK stock market continued to display the two-tiered characteristics we described in our latest investment report (N°60), offering the invidious choice of overvalued quality or cheap 'value' stocks that are cyclically or structurally challenged. To some extent these share price moves have been justified by the resilient earnings profiles of a number of our holdings. Company results for the first half of 2019 continued to demonstrate this backdrop of winners and losers. Retailers, banks and commercial

property continue to struggle while staples remain resilient.

Investors coalescing around a small number of successful companies brings its own dangers, particularly as it relates to valuation risk. We have looked to cut exposures in a rising market, acknowledging that the fragility of the current rally in part derives from ample liquidity and ultra-low interest rates.

As part of this we materially reduced our holding in Sage during the month. The shares had surged in 2019,

recovering from a management-induced wobble last year. The Trojan Ethical Fund has held the shares since launch but the valuation (26x prospective earnings) failed to reflect our concerns that Sage may be falling behind its accounting software peers in moving their business into the cloud. We do not doubt the defensive nature of their recurring revenues but a valuation this high must be justified by growth. Following our sale, Sage's shares closed the month down -10% after announcing worse than expected Q3 revenues.

Ethical Exclusion Criteria

The Trojan Ethical Fund will adhere to the following ethical investment criteria.

Equities

The present ethical investment criteria mean that the Fund will not invest in any organisation which:

Alcohol – derives more than 10% of its total turnover from the sale or production of alcohol.

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.

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.

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%).

Pornography – derives more than 3% of its total turnover from pornography or adult entertainment.

Tobacco – makes more than 10% of its total turnover from tobacco products.

Government and Public Securities

Investment in government debt is limited to that issued by Canada, France, Germany, Italy, Japan, the UK and the US (commonly known as the "G7"). The Fund will not invest in the securities of any sovereign issuer which is subject to a sanction issued by either the United Nations or the European Union. The Investment Manager would only consider investing more than 35% of the Fund's assets in UK or US government issued transferable securities or approved money market instruments.

Gold Related Investments

The Fund will seek to minimise exposure to gold mined prior to 2012, which is the date after which it can be ascertained that gold has been sourced in compliance with the London Bullion Market Association's Responsible Gold Guidance.

Please read the Fund's Ethical Investment Criteria before investing (available at www.linkfundsolutions.co.uk)

Top 10 holdings	% Fund
ETFS Physical Gold	8.9
Microsoft	5.1
Medtronic	3.6
Unilever	3.4
Coca-Cola	2.9
Nestlé	2.8
Alphabet	2.8
Visa	2.4
Berkshire Hathaway	2.4
American Express	1.9
Total Top 10	36.2
18 other holdings	46.6
UK T-Bills	11.0
Cash	6.2
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 at www.linkfundsolutions.co.uk.

Structure Sub-fund of Trojan Investment Funds UCITS	Dividend Ex Dates 1 August (interim), 1 February (final)	Dealing Daily at noon Tel: 0345 608 0950
Investment Manager Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: busdev@taml.co.uk	Dividend Pay Dates 30 September (interim), 31 March (final)	Registrar Link Fund Administrators Limited
Fund Manager Charlotte Yonge	Authorised Corporate Director Link Fund Solutions Limited	Auditor Ernst & Young LLP
Currency £ Sterling	ISIN GB00BJP0XY24 (O Inc), GB00BJP0XX17 (O Acc) GB00BJP0Y054 (S Inc), GB00BJP0XZ31 (S Acc)	Depository The Bank of New York Mellon (International) Limited
Launch Date 22 March 2019	Benchmarks For more information on the benchmarks used please refer to the 'use of benchmarks' section in the fund information sheet, available from our website	SEDOL (O shares) BJP0XY2 (O Inc), BJP0XX1 (O Acc) BJP0Y05 (S Inc), BJP0XZ3 (S Acc)
Ongoing Charges (capped) 'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%		Pricing "O" share class prices published daily in the FT

Important Information

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 may not be suitable for all investors. If you are in any doubt about whether the Fund is 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. Although Troy Asset Management Limited considers the information included in this document to be reliable, no warranty is given as to its accuracy or completeness. The opinions expressed are expressed at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. Third party data is provided without warranty or liability and may belong to a third party. The fund is (or will be) registered for distribution to the public in the UK and Ireland but not in any other jurisdiction. In line with the Fund's prospectus, the Fund is authorised to invest in transferable securities and money market instruments issued or guaranteed by an EEA state, one or more local authorities, a third country, or a public international body to which one or more EEA states belong. The Investment Manager would only consider investing more than 35% of the Fund's assets in UK or US government issued transferable securities or approved money market instruments. The distribution of shares of sub-funds of Trojan Investment Fund ("Shares") in Switzerland is made exclusively to, and directed at, qualified investors ("Qualified Investors"), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended, and its implementing ordinance. Qualified Investors can obtain the prospectus, the key investor information document(s) (edition for Switzerland), the instrument of incorporation, the latest annual and semi-annual report, and further information free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva, Switzerland. In Singapore, the offer or invitation to subscribe for or purchase Shares is an exempt offer made only: (i) to "institutional investors" pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the "Act"), (ii) to "relevant persons" pursuant to Section 305(1) of the Act, (iii) to persons who meet the requirements of an offer made pursuant to Section 305(2) of the Act, or (iv) pursuant to, and in accordance with the conditions of, other applicable exemption provisions of the Act. This document may not be provided to any other person in Singapore. Issued by Troy Asset Management Limited, 33 Davies Street, London W1K 4BP (registered in England & Wales No. 3930846). Registered office: Hill House, 1 Little New Street, London EC4A 3TR. Authorised and regulated by the Financial Conduct Authority (FRN: 195764). All references to FTSE indices or data used in this document is © FTSE International Limited ("FTSE") 2019. 'FTSE ®' is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. Copyright Troy Asset Management Limited 2019