



# Trojan Ethical Income Fund

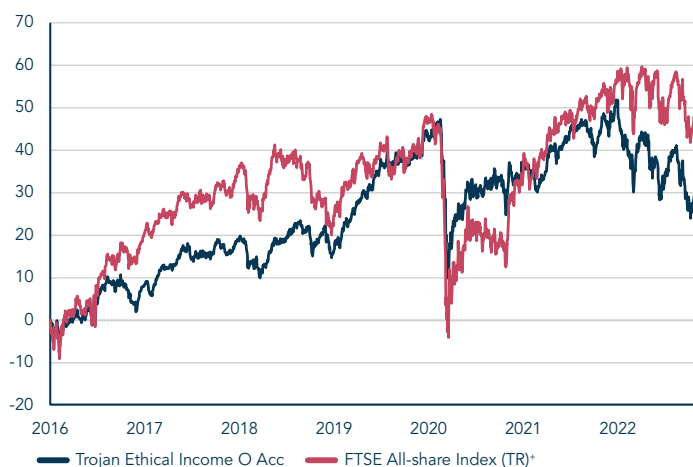
All data as at 31 October 2022

taml.co.uk

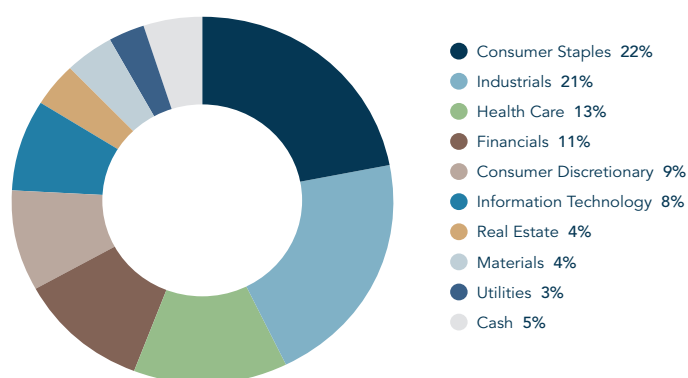
The investment objective of the Trojan Ethical Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). Its investment policy is to invest at least 80% of its assets in UK and overseas equities, including investment trusts and real estate investment trusts and equity-related securities. At least 60% of its assets will be invested in UK equities and equity-related securities. A maximum of 30% of its assets may also be invested in overseas equities and equity-related securities.

PRICES		YIELD*	FUND SIZE
130.10p	109.03p	2.7%	£295m
‘O’ accumulation shares ‘O’ income shares		‘O’ income shares	*historic dividend yield

## PERCENTAGE GROWTH FROM 06/01/2016 TO 31/10/2022



## ASSET ALLOCATION



Source: Factset, Asset Allocation subject to change.

Total Return to 31 October 2022	06/01/16 Since launch	31/10/17 5 Years	31/10/19 3 years	31/10/21 1 year	30/04/22 6 months
Trojan Ethical Income Fund O Acc	+30.1%	+10.9%	-6.0%	-9.6%	-9.4%
FTSE All-Share Index (TR)*	+48.2%	+12.7%	+7.1%	-2.8%	-5.8%

Discrete Calendar Annual Returns	2016#	2017	2018	2019	2020	2021	2022 YTD
Trojan Ethical Income Fund O Acc	+8.0%	+10.2%	-2.9%	+23.9%	-6.0%	+12.1%	-13.8%

\*© FTSE International Limited 2022  
#from 6 January 2016

Past performance is not a guide to future performance.

Source: Lipper

## October Commentary

Your Fund delivered a total return of +2.4% during the month, compared with +3.1% from the FTSE All-Share Index (TR).

Another month and another new Prime Minister and Chancellor. Thankfully, the more prudent fiscal agenda signalled by this new leadership has restored some poise to UK markets. Two-year UK gilt yields have retrenched from >4.6% to c.3.1% and sterling has rebounded from historical lows of 1.04 against the dollar to c.1.15. Many UK equities most impacted by last month's events have partially rebounded.

That said, there are signs of pressure in markets - a recent EY report notes that there were 86 profit warnings from UK-listed companies in Q3 - the highest number since 2008. In your portfolio, we continue to see notable resilience from global, diversified businesses. RELX and Bunzl reported rock-solid Q3 numbers and reiterated their full-year expectations. The large consumer staples holdings have so far demonstrated their ability to raise their prices with only modest impact on volumes. However, we do expect tougher tests ahead. Some of the domestically focussed holdings are showing some strain - the investment platforms such as SJP and AJ Bell

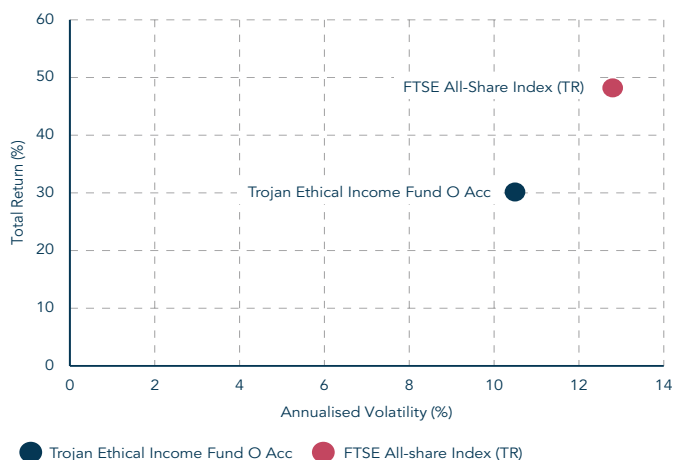
reported slower organic growth against prior year comparators. However, the market already anticipated this and we continue to be very pleased by the relative operational strength of these companies against peers. Their investment cases remain compelling.

We all know that the coming months will bring challenges, and the portfolio remains defensively positioned, but we are increasingly excited about valuations and prospective returns. Sentiment on the UK market remains subdued. Because of its major index constituents, the UK has often traded at a discount to other markets. However, the current level of discount is stark; on a price-to-earnings basis<sup>1</sup>, the MSCI UK index now trades at a >40% discount to the MSCI World index - a level that has never been lower as far back as we can see on this comparison (almost two decades). While there is likely further capitulation to come on corporate earnings forecasts, we do not expect the UK malaise to be a permanent feature. We have always managed to find exceptional businesses in the UK market and our shopping list is growing, both among existing holdings and potential new ones.

<sup>1</sup> Price to Earnings is a valuation metric which compares a firm's stock price to its earnings per share.



## RETURN VS VOLATILITY SINCE LAUNCH (06/01/2016)



Source: Lipper

## TOP 10 HOLDINGS

RELX	7.0%
Unilever	6.9%
Reckitt Benckiser	5.5%
Experian	4.3%
Compass Group	4.1%
Paychex	3.7%
Nestlé	3.6%
GSK	3.5%
Procter & Gamble	3.3%
Bunzl	3.3%
<hr/>	
Total	45.2%
30 other holdings	49.9%
Cash & Equivalent	4.8%
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TOTAL	100.0%

Source: Factset. Holdings subject to change.

## RISK ANALYSIS

Risk analysis since launch (06/01/16)	Trojan Ethical Income Fund O Acc	FTSE All-Share Index (TR)
Total Return	+30.1%	+48.2%
Max Drawdown <sup>2</sup>	-25.4%	-35.3%
Best Month	+6.6%	+12.7%
Worst Month	-9.1%	-15.1%
Positive Months	+61.7%	+61.7%
Annualised Volatility <sup>3</sup>	+10.5%	+12.7%

<sup>2</sup> Measures the worst investment period

<sup>3</sup> Measured by standard deviation of annual returns

Source: Lipper

**Past performance is not a guide to future performance**

## 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.

<b>Structure</b>	Sub-fund of Trojan Investment Funds UK UCITS
<b>Investment Manager</b>	Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: busdev@taml.co.uk
<b>Fund Manager</b>	Hugo Ure
<b>Currency</b>	£ Sterling
<b>Launch Date</b>	06 January 2016
<b>Benchmarks</b>	For more information on the benchmarks used please refer to the 'use of benchmarks' section in the fund information sheet available from our <a href="#">website</a>

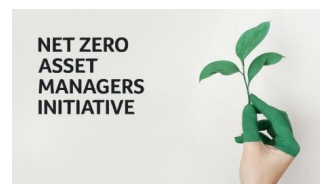
<b>Ongoing Charges</b>	'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%
<b>Dividend Ex Dates</b>	1 August (interim), 1 February (final)
<b>Dividend Pay Dates</b>	30 September (interim), 31 March (final)
<b>Historic Dividend Yield</b>	('O' Inc shares) 2.70%
<b>Authorised Corporate Director</b>	Link Fund Solutions Limited Tel: 0345 300 2110
<b>ISIN</b>	GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc) GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc)

<b>Dealing</b>	Daily at noon Tel: 0345 608 0950
<b>Registrar</b>	Link Fund Administrators Limited
<b>Auditor</b>	Ernst & Young LLP
<b>Depository</b>	The Bank of New York Mellon (International) Limited
<b>Bloomberg (O shares)</b>	TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)
<b>SEDOL (O shares)</b>	BYMLFK3 (O Acc), BYMLFL4 (O Inc)
<b>Pricing</b>	"O" share class prices published daily in the FT

## RESPONSIBLE INVESTMENT



Signatory of:





## Important Information

Please refer to Troy's Glossary of Investment terms [here](#). 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. Investments in mid and smaller cap companies are higher risk than investments in larger companies. 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. The historic yield reflects distributions declared over the past twelve months as a percentage of the fund's price, as at the date shown. The yield is not guaranteed and will fluctuate. It does not include any preliminary charge and investors may be subject to tax on their distributions.

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. Derivatives (whose value is linked to that of another investment, e.g. company shares, currencies) may be used to manage the risk profile of the fund.

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