



## Trojan Ethical Fund

All data as at 30 June 2022

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 Price 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 Exclusion Criteria.

### Prices

**124.87p**

'O' accumulation shares

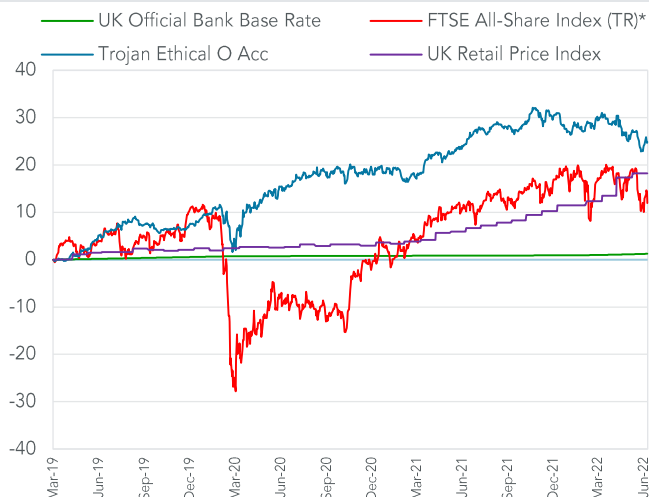
**124.63p**

'I' income shares

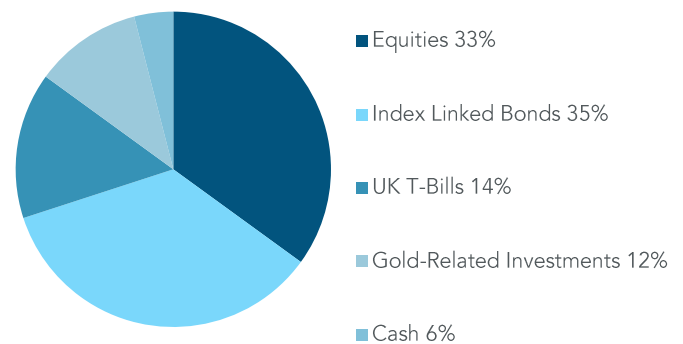
### Fund Size

**£716m**

### Percentage Growth from 22/03/2019 to 30/06/2022



### Asset Allocation



Source: Factset, Asset Allocation subject to change.

Total Return to 30 June 2022	22/03/19 Since launch	30/06/2019 3 years	30/06/21 1 year	31/12/21 6 months
Trojan Ethical Fund O Acc	+24.9%	+19.1%	+0.4%	-4.6%
UK Official Bank Base Rate	+1.3%	+1.0%	+0.4%	+0.3%
UK Retail Price Index	+18.3%	+16.4%	+10.9%	+6.1%
FTSE All-Share Index (TR)*	+12.0%	+7.4%	+1.6%	-4.6%
Discrete Calendar Annual Returns	2019 <sup>#</sup>	2020	2021	2022 YTD
Trojan Ethical Fund O Acc	+7.1%	+10.9%	+10.1%	-4.6%

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<sup>#</sup>from 22 March 2019

Past performance is not a guide to future performance

Source: Lipper

### June Commentary

Your Fund returned -1.9% during the month compared to -6.0% for the FTSE All-Share Index (TR).

The bond market was volatile in June as investors continued to weigh the risk of persistent high inflation and the chances of a recession. It may be that we see both outcomes at different times. Inflation is likely to remain high with unemployment at record lows and broad money growth elevated. Similarly, the odds of a recession are rising as the US Federal Reserve is forced to raise interest rates as they attempt to tame inflation.

At the start of June, 10-year US Treasury yields rose as investors considered the value of bonds paying a fixed coupon at a time when US inflation is running at +8.6% (year-on-year). At the same time, 10-year breakevens<sup>1</sup> declined, reflecting views on a possible recession bringing down the rate of inflation. These short-

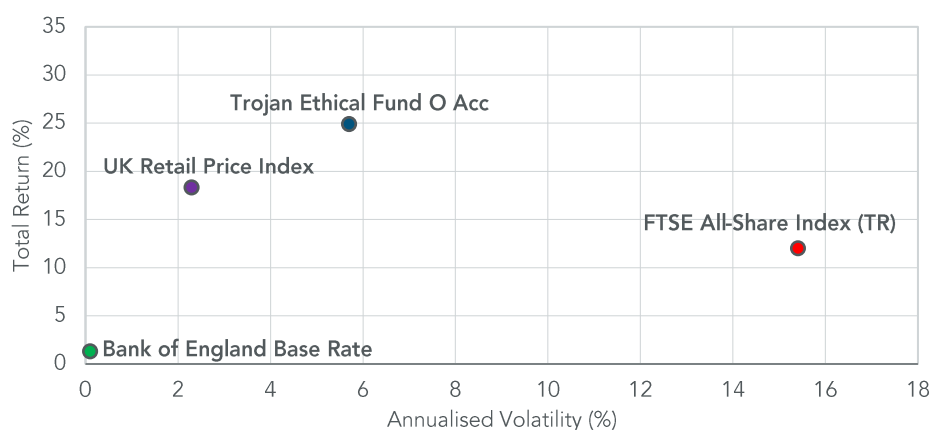
term moves appear inconsistent, as there is unlikely to be sustained high inflation and a significant recession at the same time. Such contradictions can temporarily appear as the Treasury Inflation-Protected Security (TIPS) market is relatively thinly traded compared to the large and easily traded Treasury market.

The Fund does not own conventional Treasury bonds, instead preferring the inflation protection of TIPS. During June, existing TIPS holdings were added to, taking advantage of the +1% real yields available and adjusting the weighted-average duration of the index-linked portfolio to approximately six years. With inflation at a 40-year high, an asset that offers a positive real yield is attractive when trying to preserve the real value of capital. TIPS represented 37% of the Fund at the end of June.

Looking further out, inflation expectations within the TIPS market for 2027-2032 have fallen to +2% per annum. The benign inflation being priced into TIPS does not factor in any premium for protection against higher inflation running for a prolonged period of time. With the Fed still significantly behind the curve when it comes to interest rate rises, we view TIPS as attractively priced. In the event of a recession, having a bond guaranteed by the US government should also benefit from investors' search for safe haven assets.

<sup>1</sup>Breakevens give an estimate of the market's inflation expectation by comparing Treasury Inflation-Protected Securities (TIPS) yields to Treasuries.

## Return vs volatility since launch (22/03/2019)



Source: Lipper

Risk analysis since launch (22/03/19)	Trojan Ethical Fund O Acc	FTSE All-Share Index (TR)
Total Return	+24.9%	+12.0%
Max Drawdown <sup>1</sup>	-8.9%	-35.3%
Best Month	+4.6%	+12.7%
Worst Month	-2.4%	-15.1%
Positive Months	+64.1%	+61.5%
Annualised Volatility <sup>2</sup>	+5.7%	+15.4%

Source: Lipper 1. Measures the worst investment period <sup>2</sup> Measured by standard deviation of annual returns**Past performance is not a guide to future performance**

Top 10 holdings (excluding government bonds)	% Fund
Invesco Physical Gold	8.7
Microsoft	4.8
Alphabet	4.3
Visa	4.1
WisdomTree Physical Gold	3.2
Medtronic	2.5
Unilever	2.3
American Express	2.2
Agilent Technologies	2.1
Nestlé	2.1
<b>Total Top 10</b>	<b>36.2</b>
6 Other equity holdings	8.7
Index-Linked Bonds	34.9
UK T-Bills	14.5
Cash	5.7
<b>Total</b>	<b>100.0</b>

Source: Factset, 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](http://www.linkfundsolutions.co.uk).

<b>Structure</b> Sub-fund of Trojan Investment Funds UK UCITS	<b>Dividend Ex Dates</b> 1 August (interim), 1 February (final)	<b>Dealing</b> Daily at noon Tel: 0345 608 0950
<b>Investment Manager</b> Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: <a href="mailto:busdev@taml.co.uk">busdev@taml.co.uk</a>	<b>Dividend Pay Dates</b> 30 September (interim), 31 March (final)	<b>Registrar</b> Link Fund Administrators Limited
<b>Fund Manager</b> Charlotte Yonge	<b>Authorised Corporate Director</b> Link Fund Solutions Limited	<b>Auditor</b> Ernst & Young LLP
<b>Currency</b> £ Sterling	<b>ISIN</b> GB00BJP0XY24 (O Inc), GB00BJP0XX17 (O Acc) GB00BJP0Y054 (S Inc), GB00BJP0XZ31 (S Acc)	<b>Depository</b> The Bank of New York Mellon (International) Limited
<b>Launch Date</b> 22 March 2019	<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>SEDOL (O shares)</b> BJP0XY2 (O Inc), BJP0XX1 (O Acc) BJP0Y05 (S Inc), BJP0XZ3 (S Acc)
<b>Ongoing Charges (capped)</b> 'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%	<b>Historic Dividend Yield (historic 'O' Inc shares)</b> 0.00%	<b>Pricing</b> "O" share class prices published daily in the FT

## 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. 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. The historic dividend yield reflects distributions declared over the past twelve months as a percentage of the fund's price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The yield is not guaranteed and will fluctuate. The fund may use currency forward derivatives for the purpose of efficient portfolio management. The UK RPI figures shown are a combination of the actual rate of RPI, as calculated by the Office of National Statistics, and estimates for the previous month. 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. 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. 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 fund(s) is/are registered for distribution to the public in the UK but not in any other jurisdiction. 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](http://www.carnegie-fund-services.ch). The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva, Switzerland. The offer or invitation to subscribe for or purchase shares in the Funds (the "Shares") is an exempt offer made only: (i) to "institutional investors" (as defined in the SFA) pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified (the "SFA"); (ii) to "relevant persons" (as defined in Section 305(5) of the SFA) pursuant to Section 305(1) of the SFA, and where applicable, the conditions specified in Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; (iii) to persons who meet the requirements of an offer made pursuant to Section 305(2) of the SFA; or (iv) pursuant to, and in accordance with the conditions of, any other applicable exemption provisions of the SFA. Authorised and regulated by the Financial Conduct Authority (FRN: 195764) and registered with the U.S. Securities and Exchange Commission ("SEC") as an Investment Adviser (CRD: 319174). 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