



# Trojan Ethical Income Fund

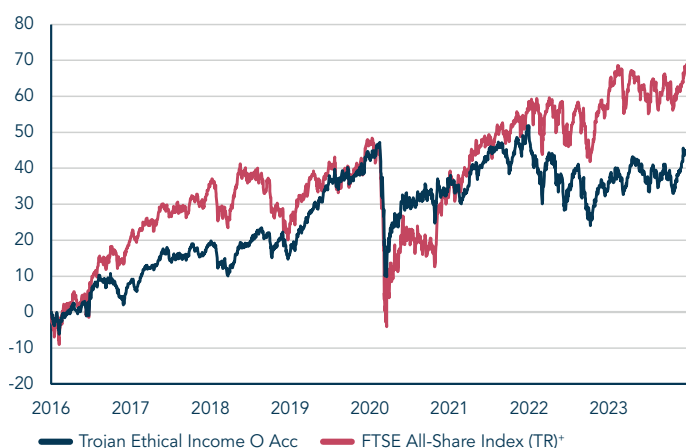
All data as at 31 December 2023

taml.co.uk

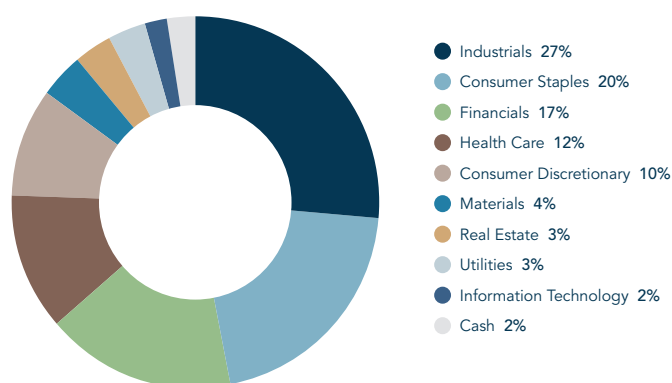
The investment objective of the Trojan Ethical Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). Its investment policy is to invest at least 80% of its assets in UK and overseas equities, including investment trusts and real estate investment 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
145.01p	118.29p	2.6%	£222m
‘O’ accumulation shares ‘O’ income shares		‘O’ income shares *historic dividend yield	

## PERCENTAGE GROWTH FROM 06/01/2016 TO 31/12/2023



## ASSET ALLOCATION



Source: Factset, Asset Allocation subject to change.

Total Return to 31 December 2023	06/01/16 Since Launch	31/12/18 5 years	31/12/20 3 years	31/12/22 1 year	30/06/23 6 months
Trojan Ethical Income Fund O Acc	+45.0%	+25.5%	+7.7%	+8.2%	+5.8%
FTSE All-Share Index (TR)*	+68.9%	+37.7%	+28.1%	+7.9%	+5.2%

Discrete Calendar Annual Returns	2016#	2017	2018	2019	2020	2021	2022	2023
Trojan Ethical Income Fund O Acc	+8.0%	+10.2%	-2.9%	+23.9%	-6.0%	+12.1%	-11.2%	+8.2%

\*© FTSE International Limited 2024  
#from 6 January 2016

Past performance is not a guide to future performance.

Source: Lipper

## December Commentary

Your Fund returned +4.1% during the month compared to +4.5% for the FTSE All-Share Index (TR). Equity markets had a strong end to the year as investors cheered more benign inflation data than was widely expected. 2023 began with very high inflation prints of +10.1% in the UK and +6.4% in the US, however November's Consumer Price Index (CPI) readings reflected annual inflation of +3.9% and +3.1% respectively. It has become increasingly likely that interest rates have peaked for this cycle and, with the UK bank rate still at +5.25%, the debate has turned to how soon rates might start to fall.

Unsurprisingly given this backdrop, smaller companies and interest rate-sensitive sectors such as Real Estate performed strongly over the month. Gains across the Fund were also broad-based including strong returns from credit bureau Experian (+10%), branded hotel company InterContinental Hotels Group (+16%), specialty chemicals company Croda (+13%) and UK digital savings companies AJ Bell (+23%) and IntegraFin (+23%). The Fund's Consumer Staples allocation was the only sector that detracted as investors shunned these more defensive stocks in the month.

A strong December helped the Fund deliver a +8.2% total return for the year as a whole. This compares to the FTSE All-Share's return of +7.9%.

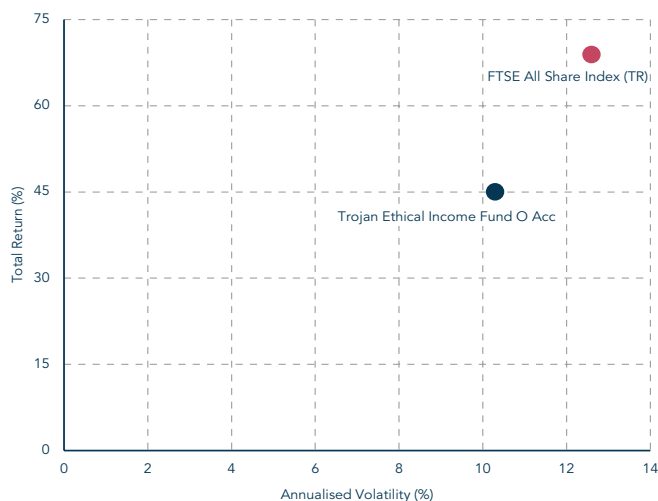
It was pleasing that the Fund delivered a robust positive absolute and relative return whilst suffering lower volatility than the index. Notably, the Fund protected capital better in each of the FTSE All-Share's down months (March, May, August and October). 2023 was also a good year for dividend growth across the portfolio and we expect to report healthy mid to high-single digit dividend growth for the Fund's fiscal year ending January 2024. This will compare favourably to the wider UK market, which we calculate saw aggregate payouts decline year on year.

Looking forward, we remain conscious that the lagged impact of higher rates will continue to dampen earnings growth for some areas of the market. However, we believe many UK equities are cheap and that peaking or even falling interest rates could well be supportive for valuations, particularly for higher-quality companies. Overall, the companies in which we invest have proven their resilience over various cycles and investors can reasonably expect healthy dividend growth from the Fund's holdings in 2024 and beyond.

Finally, we would very much like to wish readers a happy, healthy and prosperous New Year.



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



Source: Lipper

## TOP 10 HOLDINGS

RELX	6.6%
Unilever	6.5%
Reckitt Benckiser	5.5%
Experian	4.3%
Bunzl	4.0%
Compass Group	3.9%
GSK	3.5%
Nestlé	3.5%
National Grid	3.2%
Novartis	3.0%
<hr/>	
Total Top 10	43.9%
31 Other Equity holdings	53.6%
Cash	2.5%
<hr/>	
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	+45.0%	+68.9%
Max Drawdown <sup>1</sup>	-25.4%	-35.3%
Best Month	+6.6%	+12.7%
Worst Month	-9.1%	-15.1%
Positive Months	+62.1%	+62.1%
Annualised Volatility <sup>2</sup>	+10.3%	+12.6%

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

<sup>2</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 Waystone Management (UK) Limited, the Fund's Authorised Corporate Director, (Authorised and Regulated by the Financial Conduct Authority) at [www.waystone.com](http://www.waystone.com).

<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@tam1.co.uk
<b>Fund Manager</b>	Hugo Ure
<b>Currency</b>	£ Sterling
<b>Launch Date</b>	06 January 2016
<b>Authorised Corporate Director</b>	Waystone Management (UK) Limited Tel: 0345 608 0950

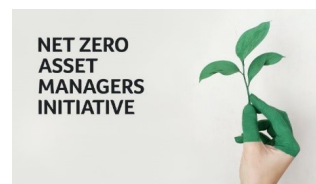
<b>Dividend Ex Dates</b>	1 August (interim), 1 February (final)
<b>Dividend Pay Dates</b>	30 September (interim), 31 March (final)
<b>Historic Dividend Yield</b>	('O' Inc shares) 2.60%
<b>Benchmarks</b>	For more information on the benchmarks used please refer to the 'use of benchmarks' section in the fund information sheet available from our <a href="http://www.waystone.com">website</a> .
<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>Dealing</b>	Daily at noon Tel: 0345 608 0950
<b>ISIN</b>	GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc) GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc)
<b>SEDOL</b>	BYMLFK3 (O Acc), BYMLFL4 (O Inc)
<b>Bloomberg</b>	TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)
<b>Ongoing Charges (capped)</b>	'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%
<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 with income reinvested unless stated otherwise. All performance and income data is in relation to the stated share class, performance of other share classes may differ. 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 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. Any reference to benchmarks are for comparative purposes only. Tax legislation and the levels of relief from taxation can change at any time. Any change in the tax status of a Fund or in tax legislation could affect the value of the investments held by the Fund or its ability to provide returns to its investors. The tax treatment of an investment, and any dividends received, will depend on the individual circumstances of the investor and may be subject to change in the future. The yield is not guaranteed and will fluctuate. Any objective will be treated as a target only and should not be considered as an assurance or guarantee of performance of the Fund or any part of it. The fund may use currency forward derivatives for the purpose of efficient portfolio management.

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.

The Fund is registered for distribution to the public in the UK but not in any other jurisdiction. The sub-funds are registered for distribution to professional investors only in Ireland.

The distribution of certain share classes of the sub-funds of Trojan Investment Funds ("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 documents or, as the case may be, the key information documents 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.

Certain sub-funds are registered in Singapore and the offer or invitation to subscribe for or purchase Shares in Singapore is an exempt offer made only: (i) to "institutional investors" (as defined in the Securities and Futures Act, 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.

All references to FTSE indices or data used in this presentation is © FTSE International Limited ("FTSE") 2024. 'FTSE' is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. Issued by Troy Asset Management Limited, 33 Davies Street, London W1K 4BP (registered in England & Wales No. 3930846). Registered office: 33 Davies Street, London W1K 4BP. 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). Registration with the SEC does not imply a certain level of skill or training. Any fund described in this document is neither available nor offered in the USA or to U.S. Persons.

© Troy Asset Management Ltd 2024.