



## Trojan Income Fund (Ireland)

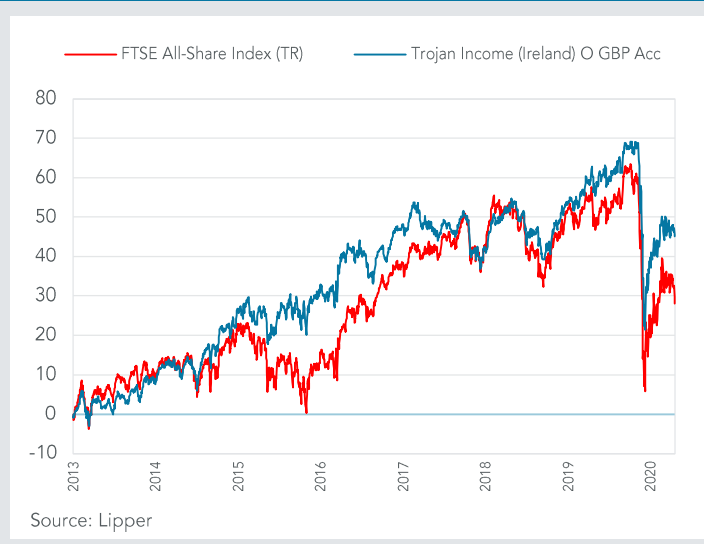
All data as at 31 July 2020

www.taml.co.uk

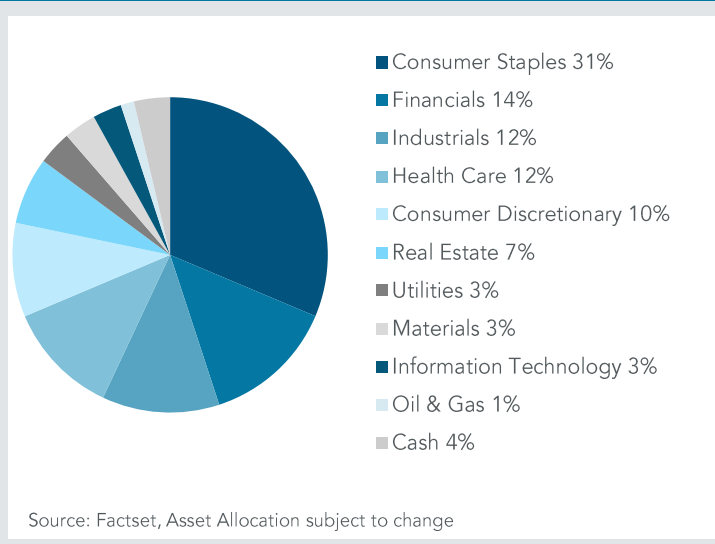
The Fund seeks to provide income with the potential for capital growth in the medium (3 to 5 years) term. The investment policy is to invest at least 80% of its Net Asset Value in UK equities and equity related securities.

Prices		Fund Size
1.4506 GBP O Acc	1.1075 GBP O Inc	£197m
1.5083 USD O Acc	1.1549 USD O Inc	Historic Yield
1.3651 EUR O Acc	1.0421 EUR O Inc	3.9%
1.4017 SGD O Acc	1.1267 SGD O Inc	

### Percentage Growth 15/04/2013 to 31/07/2020



### Asset Allocation



Total Return to 31 July 2020	15/04/2013 Since launch	31/07/15 5 years	31/07/17 3 years	31/07/19 1 year	31/01/20 6 months
Trojan Income Fund (Ireland) (O Acc GBP)	+45.1%	+15.3%	-1.2%	-9.9%	-12.6%
FTSE All-Share Index (TR) <sup>+</sup>	+28.1%	+8.4%	-9.1%	-17.8%	-17.8%

Discrete Calendar Annual Returns	2013	2014	2015	2016	2017	2018	2019	2020 YTD
Trojan Income Fund (Ireland) (O Acc GBP)	+6.3%	+9.7%	+10.5%	+9.9%	+6.1%	-7.2%	+20.0%	-13.3%

Source: Lipper

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

NB: Prior to its conversion on 29 March 2019 the Fund was a feeder fund called the Trojan Income Feeder Fund (Ireland).

### July Commentary

The Fund produced a return of -1.6% during the month compared to a return of -3.6% for the FTSE All-Share Index (TR).

In the month, we spoke with the management of Croda following their first half results. The company is a recent addition to the portfolio and exhibits many of the qualities we look for in a Troy stock. Croda is a speciality chemicals business that generates sales predominantly by producing ingredients derived from natural oils. One of the great attractions of Croda is their diversity: they sell thousands of products to thousands of customers, with their formulations used in everything from sunscreen, deodorants, and makeup, through to vaccines, textiles, and natural crop protections. Moreover, these ingredients are often critical to their product's function, but typically cost a fraction of the customer's raw material costs and retail sales value. To give

one well-known example, Croda's Matrixyl is the 'magic' ingredient in anti-ageing creams.

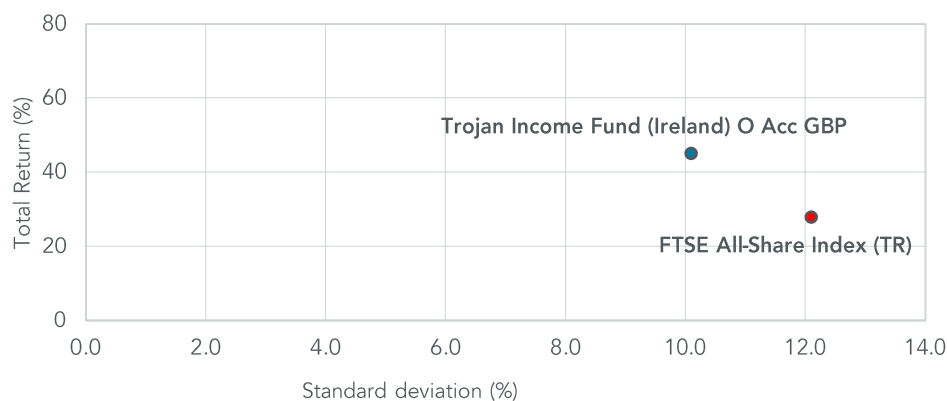
Diversity, vital products, and plenty of proprietary know-how mean Croda generates far more attractive economics than commodity chemicals businesses. The quality of the business model has enabled them to comfortably weather COVID-related impacts so far, with no furloughing or cutting of staff. Sales and profits were modestly down, but operating margins remained high at 24% and free cash flow (FCF) generation continues to be healthy.

The company have long paid a sensible dividend equating to around 50% of FCF in any given year. This level of pay-out leaves ample cash to reinvest in the business for future growth, while still allowing the company to announce recently their 29<sup>th</sup> successive year of dividend growth.

Not all companies in the wider market, or indeed the Fund, have proven as robust as Croda through the global pandemic. The challenges so far this year have been crystallised for investors through wide-ranging cancellations, cuts, or deferrals of dividends. In the UK market, Q2 dividends were less than half the level paid out last year.

Whilst your Fund has been more resilient so far, it has not been immune, and will pay out an interim dividend of 2.0p versus 3.05p a year ago. The reduction also reflects our active portfolio decisions taken over the past ~18 months to bolster dividend growth and sustainability at the expense of headline yield, of which our investment in Croda is a good example. In spite of this re-basing, we are confident that recent and ongoing changes improve the durability of underlying FCF growth, thereby supporting the Fund's long-term potential for future income.

## Return vs volatility since launch



Top 10 holdings	% Fund
Reckitt Benckiser	6.3
Unilever	6.3
Experian	5.1
GlaxoSmithKline	4.7
RELX	4.6
AstraZeneca	4.6
Nestlé	4.0
British American Tobacco	3.6
Diageo	3.5
Paychex	3.0
<b>Total Top 10</b>	<b>45.7</b>
29 other holdings	50.6
Cash & Equivalent	3.7
<b>TOTAL</b>	<b>100.0</b>

Risk analysis since launch (15/04/2013)	Trojan Income Fund (Ireland) O Acc GBP	FTSE All-Share Index (TR)
Total Return	+45.1%	+28.1%
Max Drawdown <sup>1</sup>	-28.2%	-35.3%
Best Month	+6.8%	+6.8%
Worst Month	-10.9%	-15.1%
Positive Months	+55.2%	+57.5%
Annualised Volatility <sup>2</sup>	+10.1%	+12.1%

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Source: Lipper <sup>1</sup>Measures the worst investment period <sup>2</sup>Measured by standard deviation of annual returns.

Source: Factset. Holdings subject to change

## Fund information

A copy of the latest Prospectus (in English) and the KIIDs for each class (in English and German) upon which you should base your investment decision, is available from Link Fund Administrators (Ireland) Ltd, the Fund's Administrator and Registrar (Authorised and Regulated by the Central Bank of Ireland) on (+353) 1 400 5300.

<b>Structure</b> Sub-fund of Trojan Funds (Ireland) plc UCITS authorised by the Central Bank of Ireland	<b>Ongoing Charges</b> 'O' (ordinary) shares: 1.16%	<b>Dealing</b> Daily at 11am (UK) Tel: (+353) 1 400 5300
<b>Investment Manager</b> Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: +44 (0)20 7499 4030 Fax: +44 (0)20 7491 2445 email: info@taml.co.uk	<b>Dividend Ex Dates</b> 1 August (interim), 1 February (final)	<b>Registrar</b> Link Fund Administrators (Ireland) Limited
<b>Co-managers</b> Francis Brooke Blake Hutchins Hugo Ure	<b>Dividend Pay Dates</b> 30 September (interim), 31 March (final)	<b>Auditor</b> Ernst & Young LLP
<b>Currencies</b> £ Sterling, \$ US Dollar*, *Hedged share class € Euro*, \$ SGD*	<b>Fund Yield Historic ('O' Inc GBP share)</b> Yield: 3.94%	<b>Depository</b> The Bank of New York Mellon SA/NV, Dublin branch
<b>Fund Launch Date</b> 15 April 2013	<b>Administrator</b> Link Fund Administrators (Ireland) Limited 2 Grand Canal Square Grand Canal Harbour Dublin 2, Ireland Tel: (+353) 1 400 5300	<b>Bloomberg</b> TJIFOGI_ID (GBP O Inc), TJIFOGA_ID (GBP O Acc)
<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>Minimum Investment</b> £ Sterling, \$ US Dollar, € Euro, \$ SGD 250,000  (An initial charge of 5% applies, which may be waived)	<b>ISIN</b> IE00B943NN14 (GBP O Inc), IE00B8255S12 (GBP O Acc) IE00B96BR644 (USD O Inc), IE00B95WTH31 (USD O Acc) IE00B947ZW64 (EUR O Inc), IE00B96MWN96 (EUR O Acc) IE00BGM16D79 (SGD O Inc), IE00BGM16F93 (SGD O Acc)

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