



# Trojan Ethical Income Fund

All data as at 30 September 2020

www.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

**132.53p**

'O' accumulation shares

**116.25p**

'O' income shares

## Dividend Yield

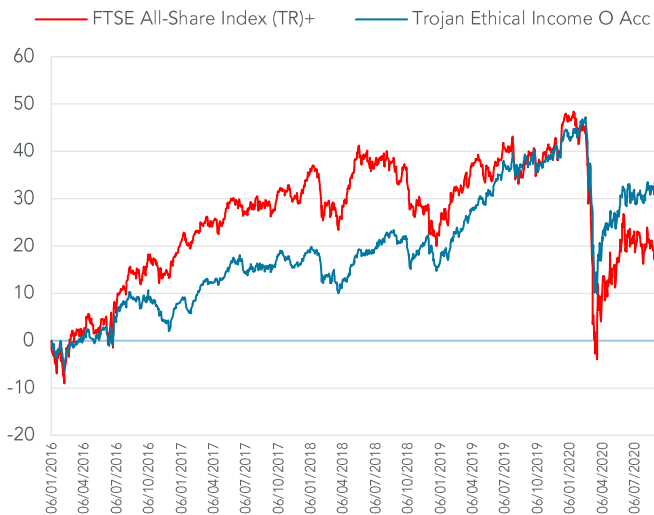
**2.5%**

'O' income shares

## Fund Size

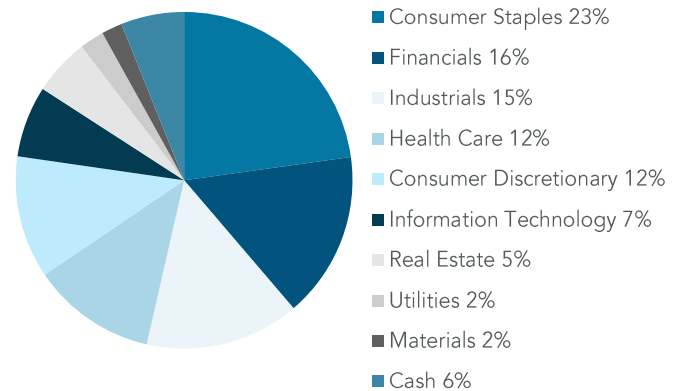
**£266m**

## Percentage Growth from 06/01/2016 to 30/09/2020



Source: Lipper

## Asset Allocation



Source: Factset, Asset Allocation subject to change

Total Return to 30 September 2020	06/01/16 Since launch	30/09/17 3 years	30/09/19 1 year	31/03/20 6 months
Trojan Ethical Income Fund O Acc	+32.5%	+13.6%	-5.2%	+9.9%
FTSE All-Share Index (TR)+	+17.1%	-9.3%	-16.6%	+7.0%

Discrete Calendar Annual Returns	2016 <sup>#</sup>	2017	2018	2019	2020 YTD
Trojan Ethical Income Fund O Acc	+8.0%	+10.2%	-2.9%	+23.9%	-7.4%

<sup>#</sup>Source: Lipper

<sup>#</sup>from 6 January 2016

\*© FTSE International Limited 2020.

Past performance is not a guide to future performance

## September Commentary

Your Fund delivered a total return of +0.4% during the month compared to -1.7% the return of the FTSE All-Share Index (TR) in what was a lacklustre month for UK equities.

Throughout the summer and early autumn, the UK equity market struggled to maintain the positive momentum seen in April and May. Negotiations around the UK's future trading relationship with Europe have loomed large and Britain's handling of the Covid-19 pandemic has not been faultless. Both factors undoubtedly create some market-specific risk but this does not wholly explain the weakness.

The performance of a market cap-weighted index is disproportionately influenced by its largest constituents. In the same way as the performance of the S&P 500 Index has been dominated, up until the end of August at least, by the stellar performance of half a dozen tech stocks, the FTSE 100 has been held back by a

handful of large oil and bank names. Equally weighted, the FTSE 100 would have delivered a positive return in the third quarter, rather than a decline of -4.0%. It is for this reason that we invest unconstrained by the shape of the index.

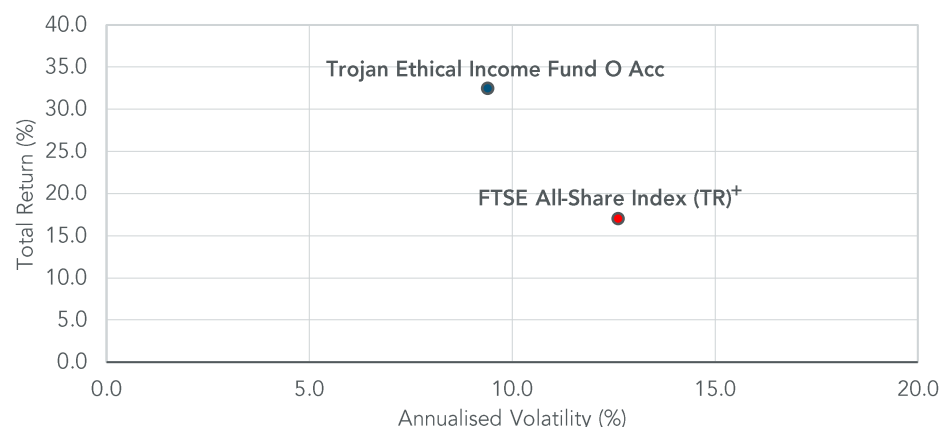
Despite being unwilling to invest in some relatively large parts of the index, we find the UK contains more than enough excellent companies to create a focussed portfolio of good-quality, dividend growth stocks. By way of illustration, the top ten contributors to the Fund's performance over the month contained stocks such as Domino's Pizza, Intertek, Hiscox, PZ Cussons and Fever-Tree. Intertek, the largest of these stocks by market cap, makes up little more than 0.5% of the index but nearly 3% of the portfolio.

We also ignore the sectoral make-up of the UK equity market when constructing portfolios. Whilst diversification is important, we are

happy to invest with conviction in those sectors that we believe can generate the profile of returns we seek. The ability of the consumer staples sector to steadily compound returns, whilst shielding investors from the worst of market volatility, has meant it has long commanded a 20-25% share of the Fund's capital. Software, financial platforms and data-focussed companies are also significantly better represented in the portfolio than in the FTSE All-Share. Collectively, they represent just under a quarter of the assets and are likely to contribute meaningfully to the Fund's future dividend growth. Equally, we feel no need to expose investors to the risks of a host of sub-sectors or companies with return profiles that are incompatible with our investment philosophy, however large they may be.

By investing in this way, we construct portfolios that are materially different to the index and so can also deliver differentiated returns.

## Return vs volatility since launch (06/01/2016)



Source: Lipper

Risk analysis since launch (22/03/19)	Trojan Ethical Income Fund O Acc	FTSE All-Share Index (TR)
Total Return	+32.5%	+17.1%
Max Drawdown <sup>1</sup>	-25.4%	-35.3%
Best Month	+5.7%	+6.4%
Worst Month	-9.1%	-15.1%
Positive Months	+62.5%	+60.7%
Annualised Volatility <sup>2</sup>	+9.4%	+12.6%

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

Top 10 holdings	% Fund
Unilever	6.0
RELX	5.0
Reckitt Benckiser	4.0
Experian	3.9
Nestlé	3.7
Colgate-Palmolive	3.6
AstraZeneca	2.9
Intertek Group	2.9
Paychex	2.9
Compass Group	2.6
Total Top 10	37.5
35 other holdings	56.4
Cash & Equivalent	6.1
Total	100.0

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 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 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>Net Yield (historic 'O' Inc shares)</b>	2.46%
<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	

## Important Information

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. 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. 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. 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(s) is/are registered for distribution to the public in the UK and Ireland 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. 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 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. 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 reference to FTSE indices or data used in this presentation is © FTSE International Limited ("FTSE") 2020. 'FTSE' is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. Copyright Troy Asset Management Limited 2020