



## Trojan Ethical Fund

All data as at 31 August 2021

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

**129.07p**

'O' accumulation shares

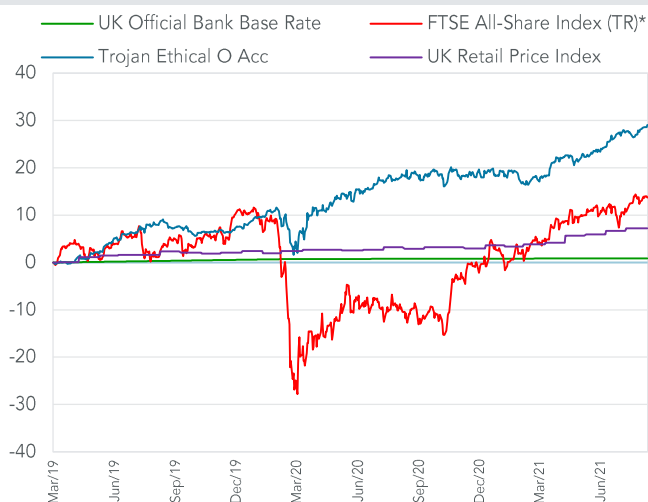
**128.82p**

'I' income shares

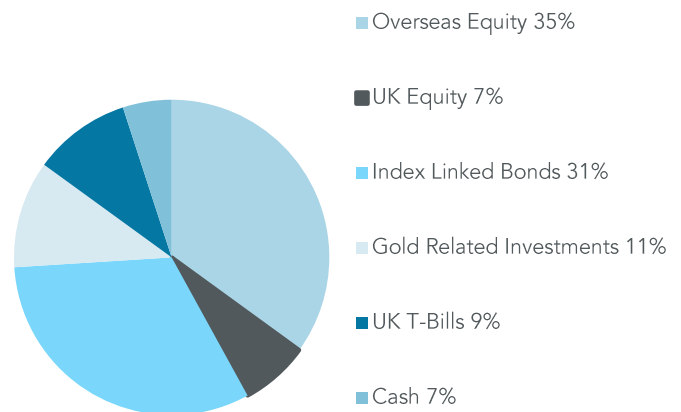
### Fund Size

**£445m**

### Percentage Growth from 22/03/2019 to 31/08/2021



### Asset Allocation



Source: Factset, Asset Allocation subject to change.

Total Return to 31 August 2021	22/03/19 Since launch	31/08/20 1 year	28/02/21 6 months
Trojan Ethical Fund O Acc	+29.1%	+9.0%	+10.6%
UK Official Bank Base Rate	+0.9%	+0.1%	+0.1%
UK Retail Price Index	+7.2%	+4.2%	+3.2%
FTSE All-Share Index (TR)*	+13.7%	+26.9%	+13.3%
Discrete Calendar Annual Returns	2019#	2020	2021 YTD
Trojan Ethical Fund O Acc	+7.1%	+10.9%	+8.6%

\*© FTSE International Limited 2021  
#from 22 March 2019

Past performance is not a guide to future performance

Source: Lipper

### August Commentary

Your Fund returned +1.0% during the month compared to +2.7% for the FTSE All-Share Index (TR).

August saw increased volatility in Treasury yields after a steady decline since the March peak. 10-year yields started August at 1.2%, down from a March high of 1.7%. Through August, increased concerns around inflation and early tapering drove 10-year yields higher to a peak of 1.35%. Real yields also moved higher with the 10-year real yield moving from -1.2% at the end of July to -1.0% at the end of August.

Treasury yields are the key determinant of the cost of capital for investors and businesses around the world, which in turn impacts equity markets. They also affect the affordability of the significant debt owed by governments around the world.

Volatility in Treasury yields was likely to increase during the illiquid summer months and as investors analysed every word spoken at the Federal Reserve's Jackson Hole Economic Symposium during August. Some regional Federal

Reserve representatives had publicly spoken about early tapering ahead of the event.

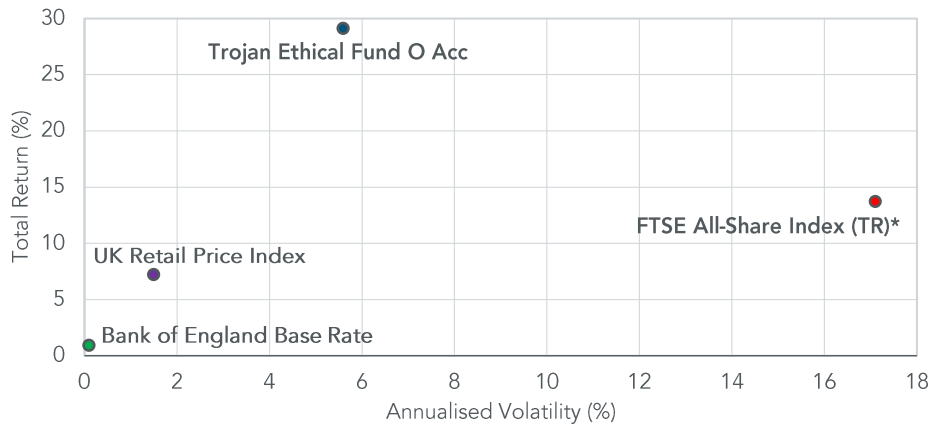
Jerome Powell spent a large portion of his speech explaining his view that recent headline inflation of +5.4% (core +4.3%) was transitory. The speech rightly highlighted that the drivers of the current inflation are concentrated in a small selection of very cyclical sectors benefitting from reopening, including used cars and hotels. Some other sectors have also had short-term supply constraints and wage growth has yet to rise to concerning levels.

The spread of the delta variant in the US, particularly in the Southern states where restrictions have largely eased, is also a cause for concern. Recent consumer confidence and employment data suggests the coronavirus may yet affect the economic recovery.

The speech at Jackson Hole gave some reassurance to Treasury markets that any tapering will be delayed until later in the year, at the earliest. It is worth remembering that the Federal Reserve is currently purchasing \$80bn of Treasuries and \$40bn of mortgage-backed securities each month. The Fed's ownership of the Treasury market has expanded from 6% in 2009 to 22% in 2021. The Fed purchased 82% of Treasury issuance since March 2020, meaning fiscal largesse has been effectively funded by the central bank.

Despite the uncertainty on short-term inflation and the timeline on tapering, we remain of the view that the vast debts amassed during Covid require a negative real yield to reduce the burden on governments around the world. We continue to hold TIPS and gold to protect against the heightened risk of inflation and financial repression.

## 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	+29.1%	+13.7%
Max Drawdown <sup>1</sup>	-8.9%	-35.3%
Best Month	+4.6%	+12.7%
Worst Month	-2.0%	-15.1%
Positive Months	+69.0%	+65.5%
Annualised Volatility <sup>2</sup>	+5.6%	+17.1%

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

Top 10 holdings (excluding government bonds)	% Fund
Invesco Physical Gold	7.9
Alphabet	6.0
Microsoft	5.9
Visa	4.1
Medtronic	4.0
WisdomTree Physical Gold	3.3
Unilever	3.1
Nestlé	3.0
American Express	3.0
Agilent Technologies	2.4
Total Top 10	42.7
8 other equity holdings	10.9
Index-Linked Bonds	30.7
UK T-Bills	9.3
Cash	6.4
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 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> GB00BJPOXY24 (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>Net Yield (historic 'O' Inc shares)</b> 0%	<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. 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. 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. 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). All reference to FTSE indices or data used in this presentation is © FTSE International Limited ("FTSE") 2021. '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: Hill House, 1 Little New Street, London EC4A 3TR. Copyright Troy Asset Management Ltd 2021.