



# Trojan Ethical Income Fund

All data as at 31 March 2023

taml.co.uk

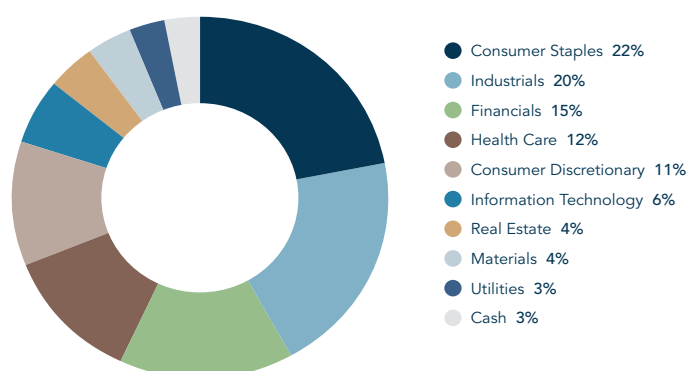
The investment objective of the Trojan Ethical Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). Its investment policy is to invest at least 80% of its assets in UK and overseas equities, including investment trusts and real estate investment 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
137.31p	113.33p	2.7%	£302m
‘O’ accumulation shares ‘O’ income shares		‘O’ income shares *historic dividend yield	

## PERCENTAGE GROWTH FROM 06/01/2016 TO 31/03/2023



## ASSET ALLOCATION



Source: Factset, Asset Allocation subject to change.

Total Return to 31 March 2023	06/01/16 Since Launch	31/03/18 5 years	31/03/20 3 years	31/03/22 1 year	30/09/22 6 months
Trojan Ethical Income Fund O Acc	+37.3%	+22.7%	+13.8%	-4.1%	+8.1%
FTSE All-Share Index (TR)*	+61.3%	+27.8%	+47.4%	+2.9%	+12.3%

Discrete Calendar Annual Returns	2016*	2017	2018	2019	2020	2021	2022	2023 YTD
Trojan Ethical Income Fund O Acc	+8.0%	+10.2%	-2.9%	+23.9%	-6.0%	+12.1%	-11.2%	+2.5%

\*© FTSE International Limited 2023  
#from 6 January 2016

Past performance is not a guide to future performance.

Source: Lipper

## March Commentary

Your Fund returned +0.5% during the month compared to -2.8% for the FTSE All-Share Index (TR).

In March, markets witnessed the first major US bank run since the global financial crisis. In order to meet mounting requests from customers for their cash deposits, Silicon Valley Bank was forced to crystallise a \$1.8bn loss on its treasury portfolio, leading to a failed emergency equity raising and the ultimate collapse of the bank. In the ensuing days, other banks, including Signature Bank and Credit Suisse, suffered varying degrees of contagion. It seems that the crisis has been contained for now, but these events unsettled investors, with the FTSE All-Share Banks index drawing down 16.9% in the month.

Your Fund does not hold any banks, despite the sector being the third largest in the UK index. This was to our detriment in much of 2022 as investors focused on the increasing lending margins and profits that rising rates initially support. But we remain wary. Banks are by their very nature extremely levered - shareholders' equity represents just a wafer-thin sliver between the huge loans book and deposit base. Small changes in asset

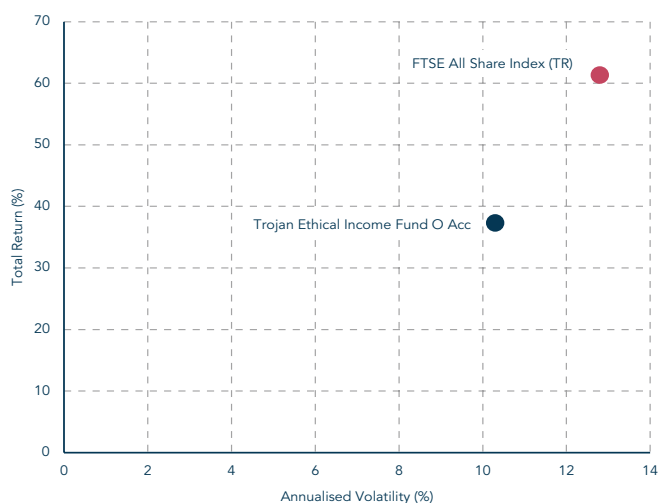
values can result in large and sudden movements in the equity and thus share prices. The same volatility tends to hold for dividends from the sector too. In periods of stress, capital is retained to shore up balance sheets, and dividends thus often disappear.

Conversely, we retain our preference for the steady compounders that can underpin the Fund's own resilient dividend growth. By way of example, we recently add to our holding in Roche, one of the world's largest pharmaceutical businesses and leading medical diagnostics company. In our view, Roche has robust intellectual property, an enviable track record of new drug innovation and a high-growth diagnostics business which combine to make it an attractive long-term investment. However, short-term pipeline uncertainty and post-Covid normalisation has resulted in recent share price weakness, meaning that today Roche shares are inexpensive, trading with an earnings yield<sup>1</sup> of over 7% and dividend yield of 3.7%. If the company can return to delivering a defensive, mid-to-high single digit earnings growth, as we expect, then this represents an attractive opportunity to embed further resilient dividend growth into the portfolio.

<sup>1</sup> A company's earnings yield represents its last 12-month earnings divided by its share price.



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



Source: Lipper

## TOP 10 HOLDINGS

RELX	7.1%
Unilever	6.8%
Reckitt Benckiser	5.6%
Compass Group	4.1%
Nestlé	3.9%
Novartis	3.5%
Experian	3.4%
Bunzl	3.4%
CME Group	3.4%
National Grid	3.4%
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Total	44.7%
32 Other Holdings	52.6%
Cash & Equivalent	2.7%
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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	+37.3%	+61.3%
Max Drawdown <sup>2</sup>	-25.4%	-35.3%
Best Month	+6.6%	+12.7%
Worst Month	-9.1%	-15.1%
Positive Months	+62.8%	+61.6%
Annualised Volatility <sup>3</sup>	+10.3%	+12.8%

<sup>2</sup> Measures the worst investment period

<sup>3</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 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.

<p><b>Structure</b> Sub-fund of Trojan Investment Funds UK UCITS</p> <hr/> <p><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</p> <hr/> <p><b>Fund Manager</b> Hugo Ure</p> <hr/> <p><b>Currency</b> £ Sterling</p> <hr/> <p><b>Launch Date</b> 06 January 2016</p> <hr/> <p><b>Authorised Corporate Director</b> Link Fund Solutions Limited Tel: 0345 300 2110</p>	<p><b>Dividend Ex Dates</b> 1 August (interim), 1 February (final)</p> <hr/> <p><b>Dividend Pay Dates</b> 30 September (interim), 31 March (final)</p> <hr/> <p><b>Historic Dividend Yield</b> (‘O’ Inc shares) 2.66%</p> <hr/> <p><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></p> <hr/> <p><b>Registrar</b> Link Fund Administrators Limited</p> <hr/> <p><b>Auditor</b> Ernst &amp; Young LLP</p> <hr/> <p><b>Depository</b> The Bank of New York Mellon (International) Limited</p>	<p><b>Dealing</b> Daily at noon Tel: 0345 608 0950</p> <hr/> <p><b>ISIN</b> GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc) GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc)</p> <hr/> <p><b>SEDOL</b> BYMLFK3 (O Acc), BYMLFL4 (O Inc)</p> <hr/> <p><b>Bloomberg</b> TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)</p> <hr/> <p><b>Ongoing Charges (capped)</b> ‘O’ (ordinary) shares: 1.02% ‘S’ (charity) shares: 0.77%</p> <hr/> <p><b>Pricing</b> “O” share class prices published daily in the FT</p>
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## 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. 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. 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.

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