



# Trojan Ethical Income Fund

All data as at 31 October 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

**124.79p**

'O' accumulation shares

**109.46p**

'O' income shares

### Dividend Yield

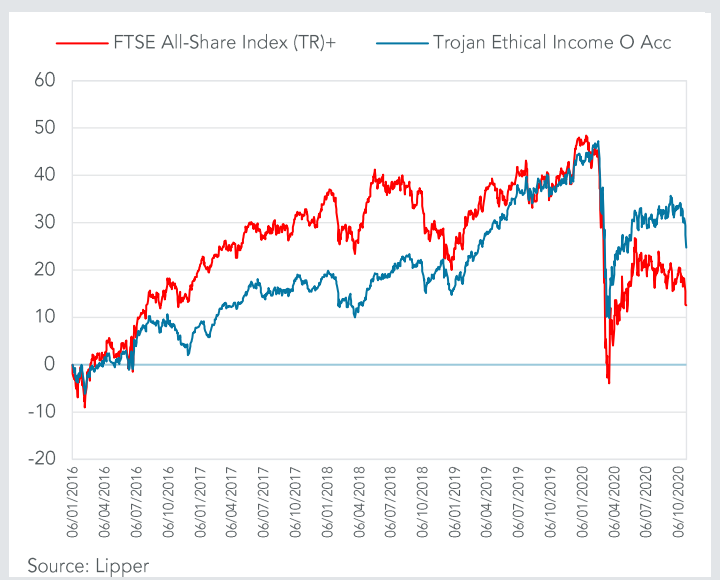
**2.6%**

'O' income shares

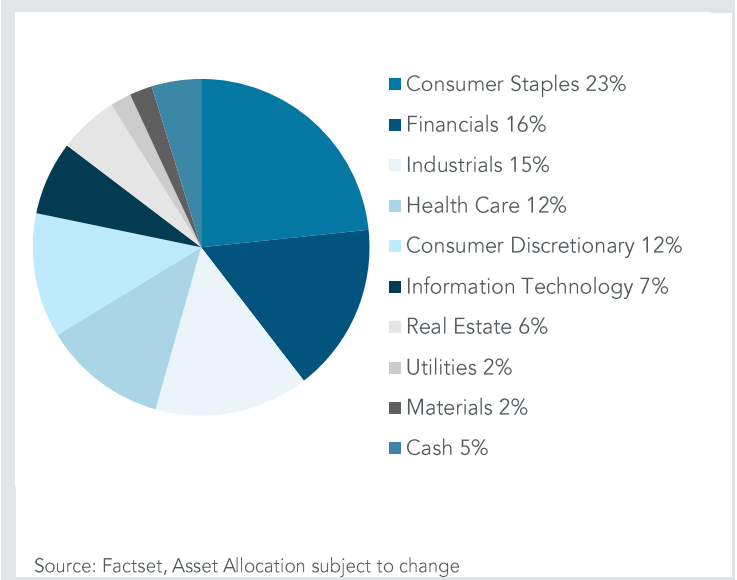
### Fund Size

**£247m**

### Percentage Growth from 06/01/2016 to 31/10/2020



### Asset Allocation



| Total Return to 31 October 2020  | 06/01/16<br>Since launch | 31/10/17<br>3 years | 31/10/19<br>1 year | 30/04/20<br>6 months |
|----------------------------------|--------------------------|---------------------|--------------------|----------------------|
| Trojan Ethical Income Fund O Acc | +24.8%                   | +6.4%               | -9.9%              | -2.1%                |
| FTSE All-Share Index (TR)+       | +12.6%                   | -14.4%              | -18.6%             | -2.0%                |

| 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% | -12.8%   |

<sup>6</sup>Source: Lipper

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

<sup>\*</sup>© FTSE International Limited 2020.

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

### October Commentary

Your Fund delivered a total return of -5.8% during the month compared to -3.8% the return of the FTSE All-Share Index (TR). This was a difficult month for markets as a growing 'second wave' of coronavirus in many countries prompted renewed restrictions on populations. The economic rebound seen in the summer months has stalled and market concerns about the soaring cost of economic support have returned to the fore.

Although your Fund has held up well since the crisis began in February/March, the share prices of some of the largest and hitherto most resilient holdings suffered setbacks in October. These included Unilever, Reckitt Benckiser, RELX, and AstraZeneca. These companies are all core holdings in the portfolio and we regard this rotation away from consumer goods names in particular to be a temporary feature of recent market volatility.

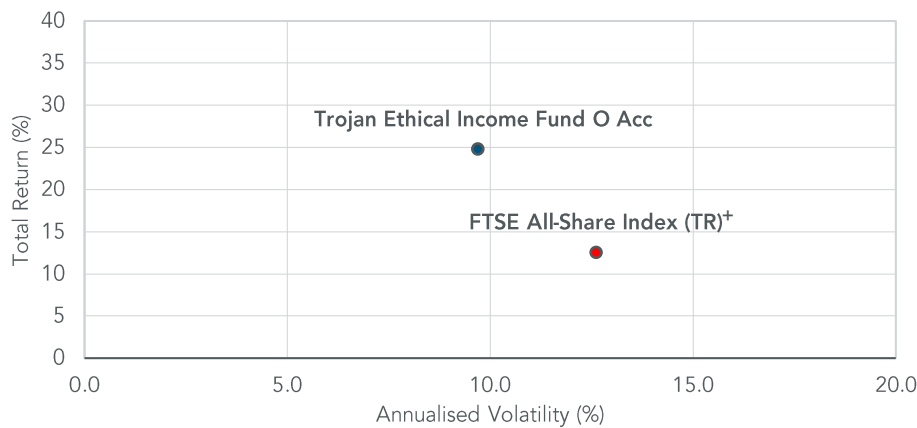
Areas of the market that held up better in the month included utilities like National Grid and some of our REIT holdings such as Assura Group and Primary Healthcare Properties. These businesses continue to deliver consistent dividend and capital growth as they build out their GP surgery portfolio.

The Covid-inspired global economic shock has prompted huge amounts of sovereign bond issuance at ultra-low interest rates as Governments scramble to support their battered economies. There seems little likelihood of rising interest rates in the short term and central banks continue to inject additional liquidity through quantitative easing. This is likely to continue to support asset prices, but leaves economies vulnerable to a turn in the interest rate cycle when it eventually happens.

UK equities have suffered the twin impact of the Covid-19 crisis and the uncertainty surrounding the Brexit talks with the EU. Although a free trade deal is still possible, the likelihood of 'no deal' being agreed before the end of the transition period on December 31<sup>st</sup> is increasing. The economic impact of this is hard to judge but we do believe that UK assets, particularly public companies with strong international franchises, are reaching valuation levels that make them very attractive to overseas buyers. We would not be surprised to see an increase in mergers & acquisition activity in 2021 when the outcome of negotiations is clear.

No significant changes were made to the portfolio this month. However, we remain alert to new opportunities, especially amidst any further volatility. Reassuringly, our pipeline of potential new ideas remains in good shape.

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



Source: Lipper

| Risk analysis since launch (06/01/16) | Trojan Ethical Income Fund O Acc | FTSE All-Share Index (TR) |
|---------------------------------------|----------------------------------|---------------------------|
| Total Return                          | +24.8%                           | +12.6%                    |
| Max Drawdown <sup>1</sup>             | -25.4%                           | -35.3%                    |
| Best Month                            | +5.7%                            | +6.4%                     |
| Worst Month                           | -9.1%                            | -15.1%                    |
| Positive Months                       | +61.4%                           | +59.6%                    |
| Annualised Volatility <sup>2</sup>    | +9.7%                            | +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          | 5.9    |
| RELX              | 4.7    |
| Experian          | 4.1    |
| Colgate-Palmolive | 3.9    |
| Reckitt Benckiser | 3.9    |
| Nestlé            | 3.8    |
| Paychex           | 3.2    |
| AstraZeneca       | 2.9    |
| Procter & Gamble  | 2.8    |
| Intertek Group    | 2.7    |
| Total Top 10      | 38.0   |
| 34 other holdings | 57.3   |
| Cash & Equivalent | 4.7    |
| 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><br>Sub-fund of Trojan Investment Funds<br>UCITS   | <b>Ongoing Charges</b><br>'O' (ordinary) shares: 1.02%<br>'S' (charity) shares: 0.77%                   | <b>Dealing</b><br>Daily at noon<br>Tel: 0345 608 0950                    |
| <b>Investment Manager</b><br>Troy Asset Management Limited<br>33 Davies Street<br>London W1K 4BP<br>Tel: 020 7499 4030<br>Fax: 020 7491 2445<br>email: busdev@taml.co.uk                   | <b>Dividend Ex Dates</b><br>1 August (interim), 1 February (final)                                      | <b>Registrar</b><br>Link Fund Administrators Limited                     |
| <b>Fund Manager</b> Hugo Ure   | <b>Dividend Pay Dates</b><br>30 September (interim), 31 March (final)                                   | <b>Auditor</b><br>Ernst & Young LLP                                      |
| <b>Currency</b> £ Sterling   | <b>Net Yield (historic 'O' Inc shares)</b> 2.62%  | <b>Depository</b><br>The Bank of New York Mellon (International) Limited |
| <b>Launch Date</b> 06 January 2016   | <b>Authorised Corporate Director</b><br>Link Fund Solutions Limited<br>Tel: 0345 300 2110               | <b>Bloomberg (O shares)</b><br>TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)    |
| <b>Benchmarks</b><br>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>ISIN</b><br>GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc)<br>GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc) | <b>SEDOL (O shares)</b><br>BYMLFK3 (O Acc), BYMLFL4 (O Inc)              |
|  |   | <b>Pricing</b><br>"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