



# Trojan Income Fund

All data as at 31 January 2020

www.taml.co.uk

The investment objective of the Trojan Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). The Fund must invest at least 80% of its assets in UK equities.

## Prices

**363.45p**

'O' accumulation shares

**196.01p**

'I' income shares

**Net Dividend Yield**

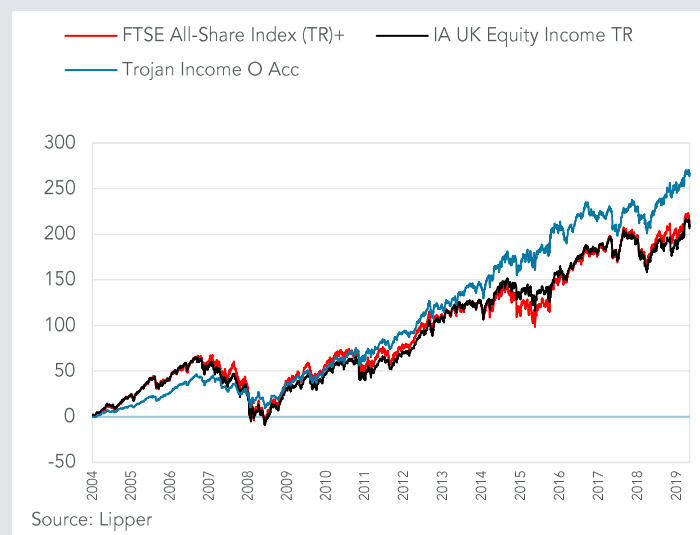
**4.0%**

'O' income shares

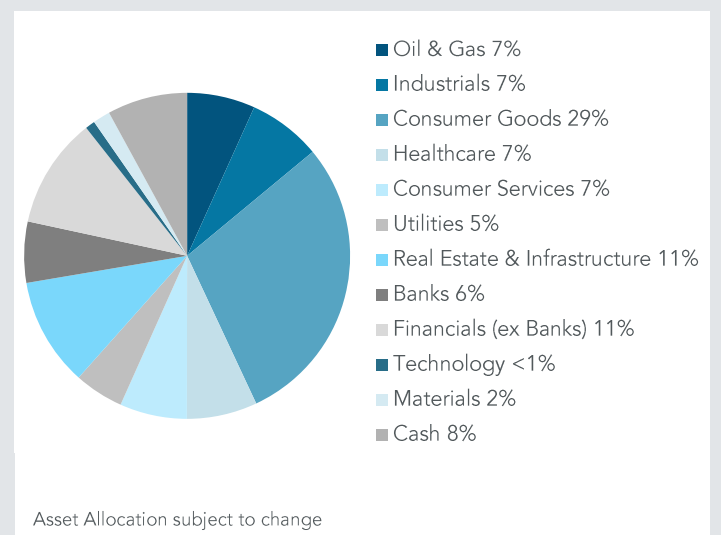
**Fund Size**

**£3,435m**

## Percentage Growth from 30/09/2004 to 31/01/2020



## Asset Allocation



Total Return to 31 January 2020	30/09/04 Since launch	31/01/10 10 years	31/01/15 5 years	31/01/17 3 years	31/01/19 1 year	31/07/19 6 months
<b>Trojan Income Fund O Acc</b>	+263.5%	+157.1%	+37.4%	+19.6%	+16.0%	+3.1%
<b>IA UK Equity Income (TR)</b>	+206.2%	+130.0%	+30.2%	+16.5%	+11.2%	+4.3%
<b>FTSE All-Share Index (TR)+</b>	+208.2%	+119.0%	+35.6%	+18.4%	+10.7%	+0.1%

Discrete Calendar Annual Returns	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD
<b>Trojan Income Fund O Acc</b>	+11.7%	+16.8%	+5.0%	-12.1%	+14.7%	+14.4%	+6.3%	+9.9%	+20.2%	+10.0%	+10.7%	+10.2%	+6.3%	-7.1%	+20.4%	-0.8%

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Past performance is not a guide to future performance.

Source: Lipper

## January Commentary

The Fund produced a return of -0.8% during January, retaining more of the late 2019 gains than the broader market. The FTSE All-Share Index (TR) fell -3.2% in the month as the exuberance that followed a decisive general election outcome was exposed to the cold analysis of the New Year. Over the Fund's reporting year, which ended on the 31<sup>st</sup> January, your Fund delivered a total return of +16.0%, well ahead of a strong UK equity market which returned +10.7%.

As indicated in the July factsheet, ongoing changes to the portfolio have resulted in a reduction in the final dividend which has been provisionally set at 4.0646p (O Income). This will be paid as usual on March

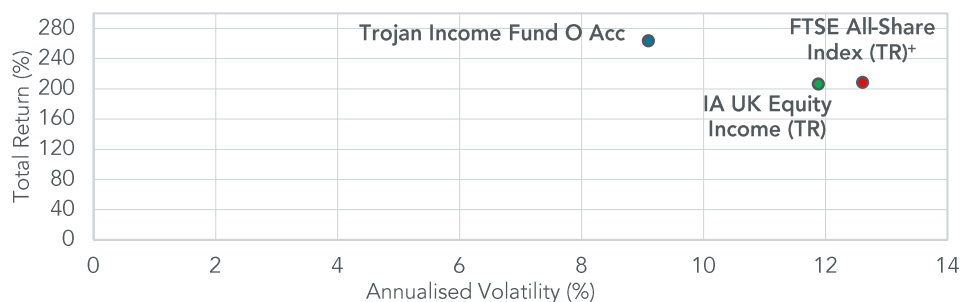
31<sup>st</sup>. As a consequence the full-year dividend for the year to 31<sup>st</sup> January is -8.7% below that of last year. Over the past year, capital has been gradually shifted from some high-yielding companies with limited growth potential into stocks on lower yields but with better long-term dividend growth prospects.

These changes, which are ongoing, have lowered the running yield of the portfolio to 3.6%, and we believe that the Fund will be stronger as a result. For some time we have highlighted the overly concentrated income profile of the UK equity market. Overreliance on the dividends of a few very large companies means that the current market yield is distorted as a result. In our

view, to continue to anchor the portfolio to a yield with minimal growth potential would not be in the interests of our investors. In the context of the meagre income returns available from asset classes such as cash and gilts, an equity yield of 3.6%, which can grow, is attractive by comparison.

The Fund's long-term performance record has been achieved by balancing the contribution of both capital and income returns, and we have always been clear that pursuing yield at the expense of capital was never an option. By making these changes now, after a period of strong investment performance, we believe that the portfolio can continue to thrive.

## Return vs volatility since launch (30/09/2004)

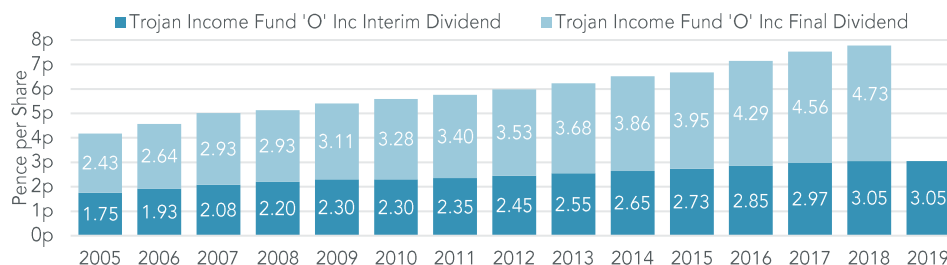


Source: Lipper

Risk analysis since launch (30/09/04)	Fund	IA <sup>2</sup>	Index*
Max Drawdown <sup>1</sup>	-25.2%	-44.9%	-45.6%
Annualised Volatility <sup>3</sup>	+9.1%	+11.9%	+12.6%

<sup>1</sup>Measures the worst investment period <sup>2</sup>IA UK Equity Income (TR) <sup>\*</sup>FTSE All-Share Index (TR) <sup>3</sup>Measured by standard deviation of annual returns Source: Lipper

## Dividend Track Record Since 31 January 2005 Full year to 31 January



Source: Troy Asset Management Limited 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. **The Trojan Income Fund is closed to new direct investments, but is still available to new investors through major fund platforms.**

<b>Structure</b> Sub-fund of Trojan Investment Funds UCITS	<b>Ongoing Charges</b> 'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%	<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: busdev@taml.co.uk	<b>Dividend Ex Dates</b> 1 August (interim), 1 February (final)	<b>Registrar</b> Link Fund Administrators 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>Currency</b> £ Sterling	<b>Authorised Corporate Director</b> Link Fund Solutions Limited Tel: 0345 300 2110	<b>Depository</b> The Bank of New York Mellon (International) Limited
<b>Launch Date</b> 30 September 2004	<b>ISINs</b> GB00B01BNW49 (O Inc), GB00B01BP176 (O Acc) GB00B05M9W55 (S Inc), GB00B05M9V49 (S Acc)	<b>Bloomberg</b> TROJINC_LN (O Acc), TROJINI_LN (O Inc)
<b>Net Yield (historic 'O' Inc shares)</b> 3.98%	<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</b> B01BP17 (O Acc), B01BNW4 (O Inc)
		<b>Pricing</b> "O" share class prices published daily in the FT

Top 10 holdings	% Fund
Unilever	5.0
GlaxoSmithKline	4.5
Lloyds	4.0
National Grid	4.0
Compass	3.8
RELX	3.8
British American Tobacco	3.8
Reckitt Benckiser	3.6
Experian	3.5
Royal Dutch Shell	3.4
Total Top 10	39.3
31 other holdings	52.6
Cash & Equivalent	8.0
TOTAL	100.0

Holdings subject to change

## Fund Ratings



## 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. 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. 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.

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