



Trojan Ethical Fund

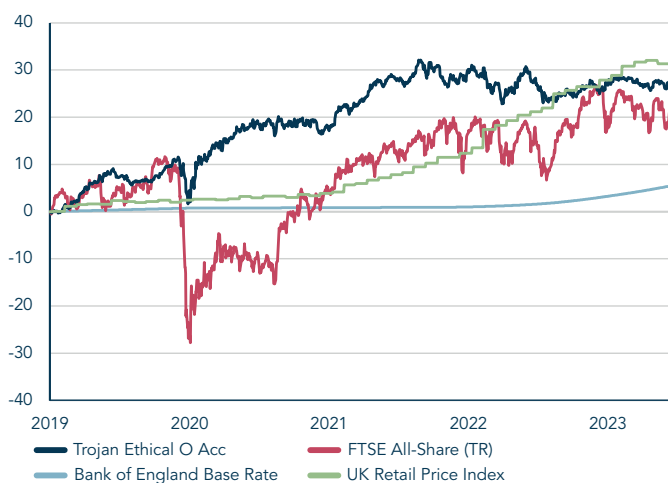
All data as at 31 August 2023

taml.co.uk

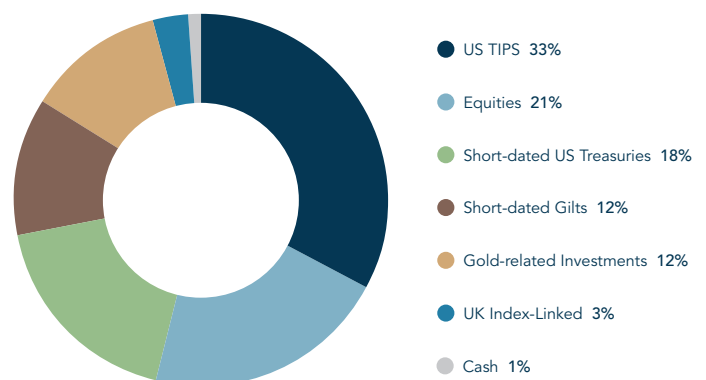
The investment objective of the Trojan Ethical Fund is to provide capital growth (net of fees), ahead of inflation (UK Retail Price Index), over the longer term (5 to 7 years). Its investment policy is to invest across a broad range of asset classes. Whilst asset allocation will vary, in general, the 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		FUND SIZE
128.01p	127.91p	£793m
'O' accumulation shares	'O' income shares	

PERCENTAGE GROWTH FROM 22/03/2019 TO 31/08/2023



ASSET ALLOCATION



Source: Factset. Asset Allocation is subject to change.

Total Return to 31 August 2023	22/03/19 Since Launch	31/08/20 3 years	31/08/22 1 year	28/02/23 6 months
Trojan Ethical Fund O Acc	+28.0%	+8.2%	-0.1%	+2.4%
UK Official Bank Base Rate	+5.4%	+4.6%	+3.9%	+2.3%
UK Retail Price Index	+31.3%	+27.6%	+8.4%	+2.7%
FTSE All-Share Index (TR)*	+20.9%	+34.9%	+5.2%	-3.2%

Discrete Calendar Annual Returns	2019 [#]	2020	2021	2022	2023 YTD
Trojan Ethical Fund O Acc	+7.1%	+10.9%	+10.1%	-4.6%	+2.5%

*© FTSE International Limited 2023
#from 22 March 2019

Past performance is not a guide to future performance.

Source: Lipper

August Commentary

Your Fund returned +0.3% during the month compared to -2.5% for the FTSE All-Share Index (TR).

The past 18 months have witnessed a remarkable step up in the cost of capital. Whilst equity markets have not in aggregate moved to reflect the change, bond yields have risen markedly. The yield on the US 10-year Treasury Note rose above 4.3% in August, its highest level since November 2007. This is reflective of an increasingly widespread view that the Fed will be able to leave interest rates higher for longer thanks to the economy's resilience in the face of these higher rates. The narrative has shifted from one where rates are necessarily marching upwards to combat inflation, to one where rates can stabilise at a higher level because economic growth is resilient. The inflation piece of the narrative, as actual inflation is declining, is increasingly taking a back seat.

This is certainly what index-linked bond markets are saying. Both UK and US index-linked markets are reflecting higher nominal yields¹ but similar or slightly lower inflation to the start of the year. This has led real yields² (which are inversely related to prices) to rise. We have taken advantage of this by reinvesting some of our shortest-dated bonds into 3-year index-linked bonds, both UK and US. We have locked in a real yield of c. 2.6% on the US TIPS³ and a real yield of c. 1.6% on the UK index-linked bond. Holding to maturity, these will deliver a return of the real yield, plus whatever inflation turns out to be. This bird-in-the-hand return is particularly attractive at a time when equity markets are expensive. We expect that both economies, but particularly the UK where mortgages are typically fixed for 2-5 years, will be more sensitive to rates than markets expect. And as a result, it is probable that current interest rates can only be justified if inflation stays high. This is not in the price for index-linked bonds.

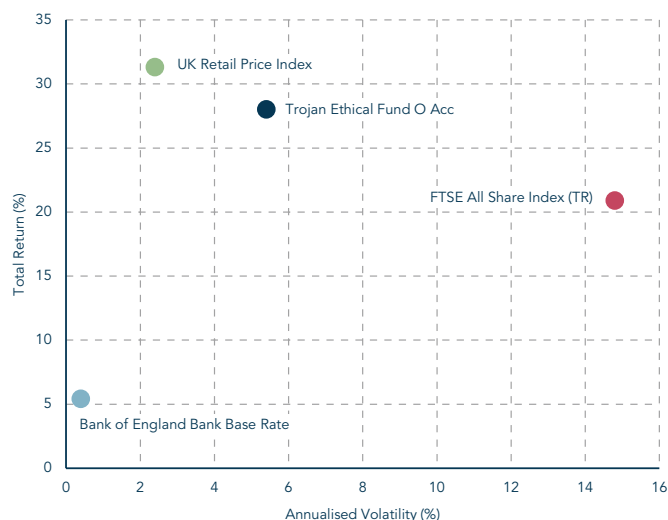
¹ The nominal yield is the stated interest rate of a bond.

² The real yield, unlike the nominal yield, factors inflation into the equation, to give investors a more accurate measure of their return. For example, if a bond lists a 6% nominal yield and the inflation rate is 4%, then the real yield is actually only 2%.

³ Treasury Inflation Protected Securities



RETURN VS VOLATILITY SINCE LAUNCH (22/03/2019)



Source: Lipper

TOP 10 HOLDINGS (EXCLUDING GOVERNMENT BONDS)

Invesco Physical Gold	8.6%
Royal Mint Physical Gold	3.1%
Visa	2.9%
Microsoft	2.7%
Unilever	2.3%
Alphabet	2.3%
Becton Dickinson	2.0%
Nestlé	1.9%
Experian	1.4%
Intuit	1.2%
Total Top 10	28.2%
5 Other Equity Holdings	4.6%
US TIPS	32.8%
Short-dated US Treasuries	18.3%
Short-dated Gilts	12.0%
UK Index-Linked	3.0%
Cash	1.1%
TOTAL	100.0%

Source: Factset. Holdings subject to change.

RISK ANALYSIS

Risk analysis since launch (22/03/19)	Trojan Ethical Fund O Acc	FTSE All-Share Index (TR)
Total Return	+28.0%	+20.9%
Max Drawdown ⁴	-8.9%	-35.3%
Best Month	+4.6%	+12.7%
Worst Month	-2.9%	-15.1%
Positive Months	+64.2%	+60.4%
Annualised Volatility ⁵	+5.4%	+14.8%

⁴ Measures the worst investment period

⁵ Measured by standard deviation of annual returns

Source: Lipper **Past performance is not a guide to future performance**

RESPONSIBLE INVESTMENT



NET ZERO ASSET MANAGERS INITIATIVE



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.

<p>Structure Sub-fund of Trojan Investment Funds UK UCITS</p> <hr/> <p>Investment Manager 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>Fund Manager Charlotte Yonge</p> <hr/> <p>Currency £ Sterling</p> <hr/> <p>Launch Date 22 March 2019</p> <hr/> <p>Authorised Corporate Director Link Fund Solutions Limited Tel: 0345 300 2110</p>	<p>Dividend Ex Dates 1 August (interim), 1 February (final)</p> <hr/> <p>Dividend Pay Dates 30 September (interim), 31 March (final)</p> <hr/> <p>Dividend Yield ('O' Inc shares) 0.08%</p> <hr/> <p>Benchmarks For more information on the benchmarks used please refer to the 'use of benchmarks' section in the fund information sheet, available from our website</p> <hr/> <p>Registrar Link Fund Administrators Limited</p> <hr/> <p>Auditor Ernst & Young LLP</p> <hr/> <p>Depository The Bank of New York Mellon (International) Limited</p>	<p>Dealing Daily at noon Tel: 0345 608 0950</p> <hr/> <p>ISIN GB00BJP0XY24 (O Inc), GB00BJP0XX17 (O Acc) GB00BJP0Y054 (S Inc), GB00BJP0XZ31 (S Acc)</p> <hr/> <p>SEDOL BJP0XY2 (O Inc), BJP0XX1 (O Acc) BJP0Y05 (S Inc), BJP0XZ3 (S Acc)</p> <hr/> <p>Bloomberg TROETO LN (O Acc) TROETI LN (O Inc)</p> <hr/> <p>Ongoing Charges (capped) 'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%</p> <hr/> <p>Pricing "O" share class prices published daily in the FT</p>
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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. 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. The fund may use currency forward derivatives for the purpose of efficient portfolio management. The UK RPI figures shown are a combination of the actual rate of RPI, as calculated by the Office of National Statistics, and estimates for the previous month.

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