



# Trojan Ethical Global Income Fund

All data as at 31 January 2022

[www.taml.co.uk](http://www.taml.co.uk)

The investment objective of the Trojan Ethical Global Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). The Fund's investment policy is to invest at least 80% of its assets globally in equities and equity-related securities. It may also invest in government and public securities (such as sovereign debt and treasury bills), corporate bonds, real estate (via REITs), cash, cash equivalents (including money-market instruments) and deposits. Any comparisons against indices are for illustrative purposes only. The Fund will invest in accordance with the parameters of its Ethical Exclusion Criteria.

## Prices

**99.61p**

'O' accumulations shares

**99.63p**

'O' income shares

**Estimated Dividend Yield\***

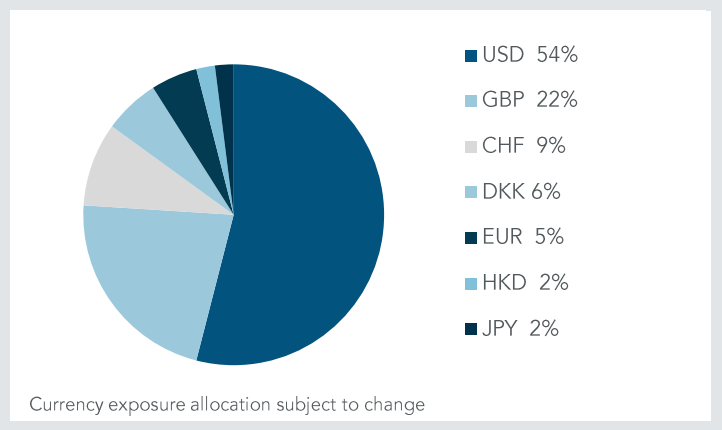
**2.2%**

'O' income shares

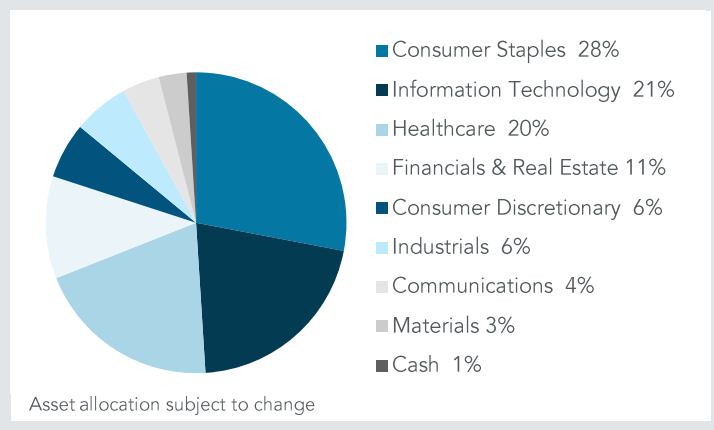
**Fund Size**

**£22m**

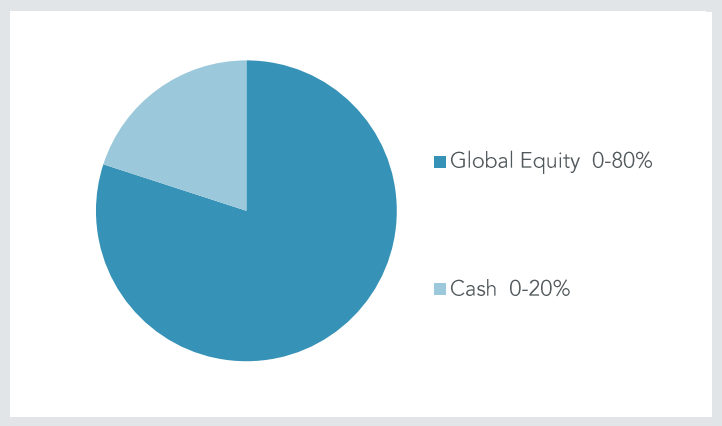
## Currency Exposure



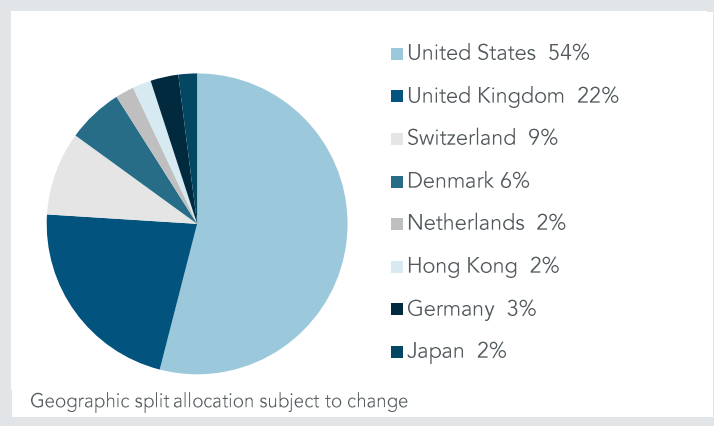
## Asset Allocation



## Asset Class Limits



## Geographic Split



## January Commentary

January has had a distinctly chilly feel to it in global capital markets. Years of accommodative policy, that could be prosecuted with abandon so long as inflation remained contained, suddenly looks finite.

We have long worried that policymakers have been too focused on price inflation while allowing asset inflation to rip. Not only is this likely to lead to unpleasant side effects such as inequality and the misallocation of capital but also leaves valuations vulnerable should it be necessary to reign in the supportive policy. That moment appears to have arrived.

This dynamic reached its zenith during COVID. The authorities, terrified by the potentially catastrophic economic effects of lockdowns put in place policy, both fiscal and monetary, which they knew to be irresponsible – even reckless – but did not think they had a choice. Perhaps

March 2020, rather than representing a cycle low, put in place the conditions to drive policy which created the cycle high.

Thus the 2 year treasury note in the US has moved from 0.2% in September to 1.17% at the end of this month as investors have anticipated rising short term interest rates. Interestingly longer-term rates have been more measured with the US 10 year moving from 1.29% to 1.78% over the same period. As a result, the yield curve has “flattened” suggesting that the mooted rate rises may precipitate a slowdown.

At the same time Central Banks around the world have indicated that they will cease and reverse quantitative easing.

All together this represents a far less emollient policy backdrop for risk assets and makes recent weakness in equity and credit markets

unsurprising. It is likely that a normalisation of policy will lead to a normalisation of valuation which will be felt most keenly by the most fully priced assets.

Portfolio holding Unilever made the headlines this month. It has been a tough year for Unilever culminating in the failed attempt to buy the split off consumer assets from GlaxoSmithKline following investor dissatisfaction (shared by us).

The company is somewhat under a cloud as investors have worried that the business has suffered from sluggish execution, exposure to slow-growing categories and muddled communication. We believe these issues are all fixable. Longer term we consider Unilever to be an attractive asset for the global income growth investor which owing to the concerns outlined is attractively valued. We are maintaining our investment.

## Ethical Exclusion Criteria

**Corporate securities**

**Armaments** - (a) generates more than 10% of its total turnover from strategic military supplies relating to conventional weapons and/or (b) produces key parts of, or provides services for, cluster munitions systems, and/or (c) is alleged to have contravened the convention on anti-personnel mines in the last ten years and which has not addressed the allegations, and/or (d) manufactures products, or provides services, which are all or part of a nuclear weapons system.

**Tobacco** - makes more than 10% of its total turnover from tobacco products.

**Pornography** - derives more than 3% of its total turnover from pornography or adult entertainment.

**Fossil Fuels** - (a) derives more than 10% of its total turnover from the refining or extraction of, or generation of power from, fossil fuels and/or (b) derives more than 10% of its turnover from coal mining activities. Companies whose listing falls within the Oil & Gas sector are also excluded.

**Alcohol** - derives more than 10% of its total turnover from the sale or production of alcohol.

**Gambling** - derives more than 10% of its total turnover from gambling (including spread betting).

**High Interest Rate Lending** - derives more than 10% of its total turnover from high interest rate lending (high interest being defined as lending at an annual percentage rate (APR) of over 100%).

**Government and public securities**

The Fund will not invest in the securities of any sovereign issue which is issued or guaranteed by any issuer which is subject to a sanction issued by either the United Nations or the European Union.

When investing assets in government and public securities the Fund will only invest in the securities issued or guaranteed by the following countries: Canada, France, Germany, Italy, Japan, the United States of America, the United Kingdom of Great Britain and Northern Ireland (commonly known as the "G7"), or by a single local authority or public authority of those countries.

Please read the Fund's Ethical Exclusion Criteria before investing (available [here](#))

Top 10 holdings	% Fund
Paychex	5.3
Unilever	4.9
CME Group	4.9
PepsiCo	4.8
Reckitt Benckiser	4.7
ADP	4.3
Microsoft	4.1
Roche Holdings	3.7
Johnson & Johnson	3.6
Novartis	3.5
<b>Total Top 10</b>	<b>44.0</b>
<b>23 other holdings</b>	<b>54.6</b>
<b>Cash &amp; Equivalent</b>	<b>1.4</b>
<b>TOTAL</b>	<b>100.0</b>

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).

**INVESTMENT PERFORMANCE WILL NOT BE SHOWN UNTIL ONE CALENDAR YEAR AFTER THE FUND'S LAUNCH DUE TO REGULATORY REQUIREMENTS.**

<b>Structure</b> Sub-fund of Trojan Investment Funds UK UCITS	<b>Dividend Ex Dates</b> 1 May, 1 August, 1 November, 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 email: <a href="mailto:buscdev@taml.co.uk">buscdev@taml.co.uk</a>	<b>Dividend Pay Dates</b> 30 June, 30 September, 31 December, 31 March (final)	<b>Registrar</b> Link Fund Administrators Limited
<b>Co-Managers</b> James Harries Tomasz Boniek	<b>Estimated Dividend Yield*</b> (O Inc) 2.20% <small>*based on historic yield of portfolio holdings as at launch, this yield may not be achieved</small>	<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> 01 November 2021	<b>ISINs</b> GB00BNR5HJ67 (O Acc), GB00BNR5HK72 (O Inc) GB00BNR5HL89 (S Acc), GB00BP8Z0C36 (S Inc)	<b>Bloomberg</b> TREGIOG_LN (O Acc), TREGIOB_LN (O Inc)
<b>Ongoing Charges (capped)</b> 'O' (ordinary) shares: 0.92% 'S' (charity) shares: 0.82%	<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>Pricing</b> "O" share class prices published daily in the FT

## Important Information:

Please refer to Troy's Glossary of Investment terms [here](#). Neither past nor projected performance are guides 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 yield is not guaranteed and will fluctuate. It does not include any preliminary charge and investors may be subject to tax on their distributions. 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. Morningstar logo (© 2022 Morningstar, Inc. All rights reserved.) contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The fund(s) is/are registered for distribution to the public in the UK but not in any other jurisdiction. 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). Copyright Troy Asset Management Ltd 2022.