



# Trojan Ethical Income Fund

All data as at 28 February 2021

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**

**130.32p**

'O' accumulation shares

**113.05p**

'O' income shares

**Dividend Yield**

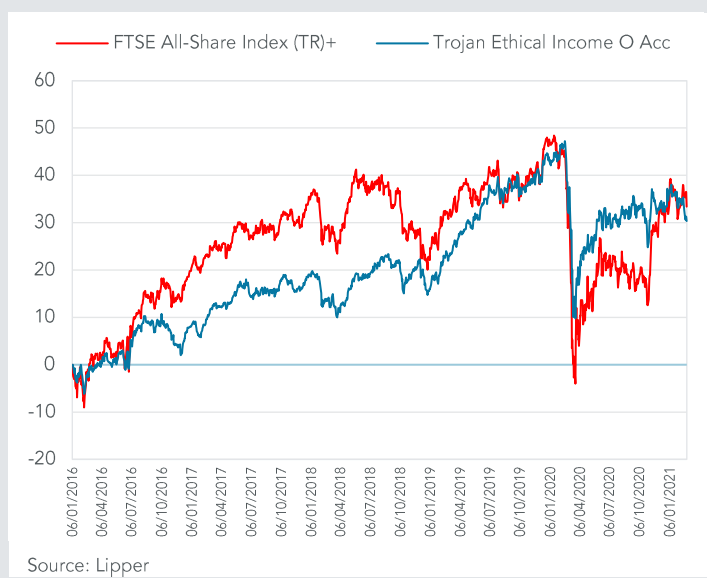
**2.2%**

'O' income shares

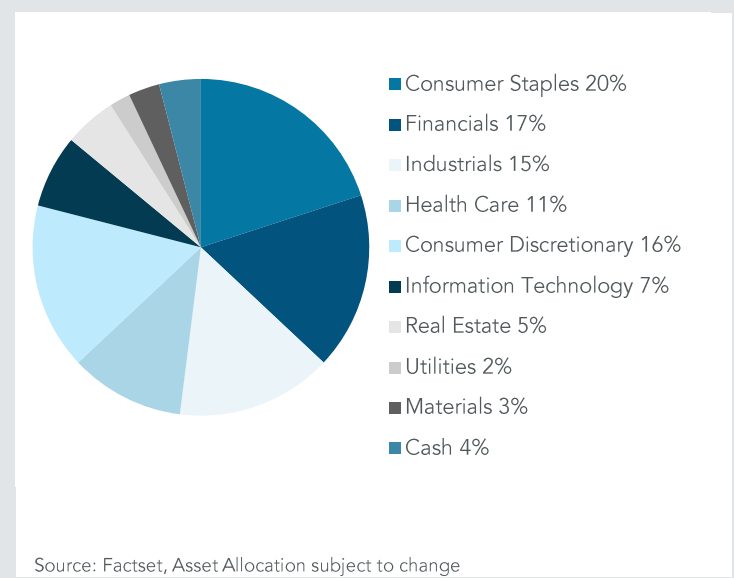
**Fund Size**

**£274m**

**Percentage Growth from 06/01/2016 to 28/02/2021**



**Asset Allocation**



Total Return to 28 February 2021	06/01/16 Since launch	29/02/16 5 Years	28/02/18 3 years	29/02/20 1 year	31/08/20 6 months
<b>Trojan Ethical Income Fund O Acc</b>	+30.3%	+31.8%	+14.6%	-1.7%	-1.3%
<b>FTSE All-Share Index (TR)+</b>	+33.4%	+33.0%	+3.8%	+3.5%	+12.0%

Discrete Calendar Annual Returns	2016#	2017	2018	2019	2020	2021 YTD
<b>Trojan Ethical Income Fund O Acc</b>	+8.0%	+10.2%	-2.9%	+23.9%	-6.0%	-3.2%

Source: Lipper

#from 6 January 2016

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

**February Commentary**

Your Fund delivered a total return of -2.1% during the month compared to +2.0% for the FTSE All-Share Index (TR). The market rotation that emerged in November following the announcement of the first successful vaccine trials was once again starkly apparent in February. Commodity stocks, banks and those set to benefit from the reopening of the economy continued to lead the market higher.

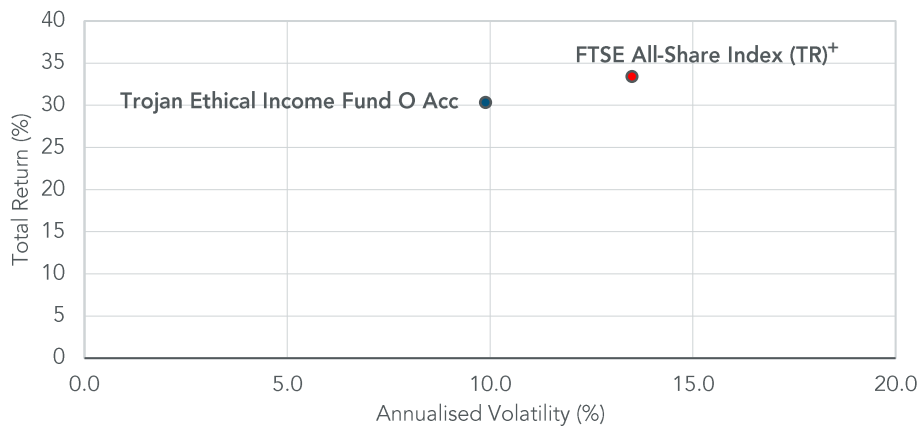
In response to higher levels of anticipated economic activity and a commitment by governments to deliver huge stimulus packages, inflation expectations increased. This was reflected in the yield on the US 10-year government bond which rose sharply to the 1.5% level. A move of this magnitude last occurred in late 2016 when the election of Donald Trump precipitated a similar 'risk on' rally. As in late 2016, profitable, well-

financed, and sustainable companies experienced selling pressure as investors' heads were turned by more exciting short-term opportunities. Although the portfolio does contain recovery stocks like WH Smith and Compass, which generated total returns for the month of +25% and +11% respectively, core holdings such as Experian, Unilever, RELX and Nestlé were significant detractors from the portfolio's performance. Importantly the share price declines experienced by these stocks during the month reflect a de-rating of the shares rather than a rebasing of earnings expectations. All four companies can be expected to continue to deliver earnings and dividend growth over the coming years and all delivered robust performances through the pandemic. As such, we believe these stocks now offer more attractive future returns than they have at any time

over the last six months. Exuberance need not fall much before higher quality companies regain favour with investors.

Following the Fund's January year end, a dividend of 1.2967p was announced for the 'O' Income shares. The move to retain cash during the pandemic meant ordinary dividend distributions from UK companies fell -38% in 2020. Against this backdrop your Fund's final dividend declined -22% when compared to the prior year; less than the decline inferred by the level of the interim dividend. Importantly, the pandemic also provided an opportunity to add a number of exciting new dividend growth stocks to the portfolio, including Medtronic, Intertek and Hargreaves Lansdown. We expect such additions to help underpin the Fund's prospective dividend growth from this rebased level.

## 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	+30.3%	+33.4%
Max Drawdown <sup>1</sup>	-25.4%	-35.3%
Best Month	+6.5%	+12.7%
Worst Month	-9.1%	-15.1%
Positive Months	+60.7%	+60.7%
Annualised Volatility <sup>2</sup>	+9.9%	+13.5%

Source: Lipper 1. Measures the worst investment period <sup>2</sup> Measured by standard deviation of annual returns

Top 10 holdings	% Fund
RELX	5.0
Unilever	5.0
Reckitt Benckiser	4.9
Compass Group	3.5
Experian	3.1
Paychex	3.1
Nestlé	3.1
Aveva Group	2.9
American Express	2.8
Next	2.7
Total Top 10	36.0
37 other holdings	60.5
Cash & Equivalent	3.5
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> Sub-fund of Trojan Investment Funds UK 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>Fund Manager</b> Hugo Ure	<b>Dividend Pay Dates</b> 30 September (interim), 31 March (final)	<b>Auditor</b> Ernst & Young LLP
<b>Currency</b> £ Sterling	<b>Net Yield (historic 'O' Inc shares)</b> 2.21%	<b>Depository</b> The Bank of New York Mellon (International) Limited
<b>Launch Date</b> 06 January 2016	<b>Authorised Corporate Director</b> Link Fund Solutions Limited Tel: 0345 300 2110	<b>Bloomberg (O shares)</b> TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)
<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>ISIN</b> GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc) GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc)	<b>SEDOL (O shares)</b> BYMLFK3 (O Acc), BYMLFL4 (O Inc)
<b>Important Information</b> 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 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. Registered office: Hill House, 1 Little New Street, London EC4A 3TR. All reference to FTSE indices or data used in this presentation is © FTSE International Limited ("FTSE") 2021. 'FTSE' is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. Issued by Troy Asset Management Limited, 33 Davies Street, London W1K 4BP (registered in England & Wales No. 3930846). Authorised and regulated by the Financial Conduct Authority (FRN: 195764). Copyright Troy Asset Management Limited 2021	<b>Pricing</b> "O" share class prices published daily in the FT	