



# Trojan Ethical Income Fund

All data as at 31 July 2022

taml.co.uk

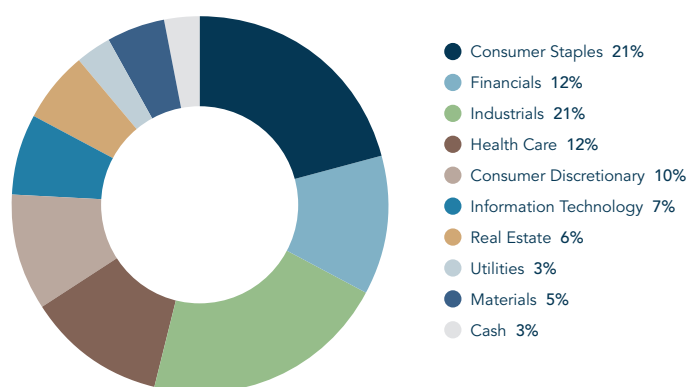
The investment objective of the Trojan Ethical Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). Its investment policy is to invest at least 80% of its assets in UK and overseas equities, including investment trusts and real estate investment 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		YIELD*	FUND SIZE
139.48p	118.16p	2.5%	£318m
O' accumulation shares		O' income shares	O' income shares
		*historic dividend yield	

## PERCENTAGE GROWTH FROM 06/01/2016 TO 31/07/2022



## ASSET ALLOCATION



Source: Factset, Asset Allocation subject to change.

Total Return to 31 July 2022	06/01/16 Since launch	31/07/17 5 Years	31/07/19 3 years	31/07/21 1 year	31/01/22 6 months
Trojan Ethical Income Fund O Acc	+39.5%	+21.7%	+0.8%	-3.5%	-1.4%
FTSE All-Share Index (TR)*	+55.4%	+21.5%	+9.9%	+5.5%	-0.1%

Discrete Calendar Annual Returns	2016#	2017	2018	2019	2020	2021	2022 YTD
Trojan Ethical Income Fund O Acc	+8.0%	+10.2%	-2.9%	+23.9%	-6.0%	+12.1%	-7.6%

\*© FTSE International Limited 2022  
#from 6 January 2016

Source: Lipper

Past performance is not a guide to future performance.

## July Commentary

Your Fund delivered a total return of +6.6% during the month, compared with +4.4% from the FTSE All-Share Index (TR).

For much of the year to date, as rising inflation and interest rates have been absorbed by markets, more lowly valued stocks and commodity companies have enjoyed a period of ascendancy. However, since mid-June the rising probability of a slowing economy has started to shape daily equity market moves and a preference for higher quality and more defensive equities has re-emerged.

In the current inflationary environment, the significant majority of your portfolio's investments are demonstrating real operating resilience. The last week of July saw a flurry of trading statements from some of the largest holdings in the fund, including RELX, GlaxoSmithKline, Reckitt, Unilever, Nestlé, Compass and Croda. Over the year to date these stocks have made up roughly one quarter of the portfolio and, without exception, have demonstrated a compelling combination of pricing power and robust demand.

Unilever released a confident set of results for the first half of 2022, highlighting that they were able to put through substantial product price increases with only a minimal impact on sales volumes. The company, whose failed acquisition efforts in the first months of the year put

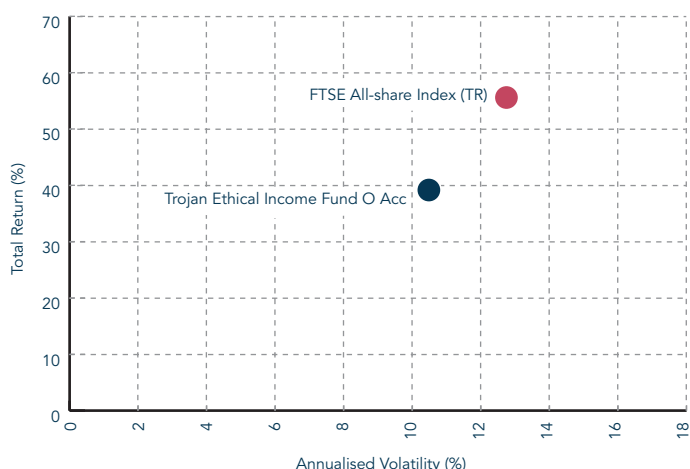
significant downward pressure on the share price, are now showing a year to date return ahead of that of the market, a stark reminder to investors of the durability of consumer good stocks. Reckitt and Nestlé have both announced similarly strong results.

But robust performance has not just been the preserve of the staples sector. Compass, the leading outsourced catering company, released a very positive trading statement; despite significant exposure to wage and food cost inflation the company was able to maintain margins whilst increasing its revenue growth guidance. This reflects our expectation that, as a hyper-efficient service provider, Compass Group can use the challenging market backdrop to grow its market share. Elsewhere, Croda's role as the supplier of value added and active ingredients to the consumer care and life science sector, has allowed the company to maintain margins while growing sales organically by 17%. A stark demonstration of real pricing power.

Whilst these companies operate very different business models, they all find a place in the portfolio's top 15 holdings because of their resilience. It is this preference for quality and stability that gives us confidence in your portfolio's ability to generate steady cash flow and dividend growth through what may yet become a more challenging environment.



## RETURN VS VOLATILITY SINCE LAUNCH (06/01/2016)



Past performance is not a guide to future performance

Source: Lipper

## TOP 10 HOLDINGS

RELX	6.7
Unilever	6.5
Reckitt Benckiser	5.5
Experian	4.6
Compass Group	4.0
Paychex	3.6
Nestlé	3.5
Bunzl	3.2
National Grid	3.2
Procter & Gamble	3.0
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Total Top 10	43.8%
31 other holdings	53.5%
Cash & Equivalent	2.7%
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Total	100.0%

Source: Factset. Holdings subject to change.

## RISK ANALYSIS

Risk analysis since launch (06/01/16)	Trojan Ethical Income Fund O Acc	FTSE All-Share Index (TR)
Total Return	+39.5%	+55.4%
Max Drawdown <sup>1</sup>	-25.4%	-35.3%
Best Month	+6.6%	+12.7%
Worst Month	-9.1%	-15.1%
Positive Months	+62.8%	+62.8%
Annualised Volatility <sup>2</sup>	+10.3%	+12.7%

<sup>1</sup> Measures the worst investment period

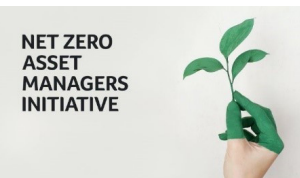
<sup>2</sup> Measured by standard deviation of annual returns

Source: Lipper

## RESPONSIBLE INVESTMENT



Signatory of:



## 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.

<p><b>Structure</b> Sub-fund of Trojan Investment Funds UK UCITS</p> <hr/> <p><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</p> <hr/> <p><b>Fund Manager</b> Hugo Ure</p> <hr/> <p><b>Currency</b> £ Sterling</p> <hr/> <p><b>Launch Date</b> 06 January 2016</p> <hr/> <p><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></p>	<p><b>Ongoing Charges</b> 'O' (ordinary) shares: 1.02% 'S' (charity) shares: 0.77%</p> <hr/> <p><b>Dividend Ex Dates</b> 1 August (interim), 1 February (final)</p> <hr/> <p><b>Dividend Pay Dates</b> 30 September (interim), 31 March (final)</p> <hr/> <p><b>Historic Dividend Yield</b> ('O' Inc shares) 2.47%</p> <hr/> <p><b>Authorised Corporate Director</b> Link Fund Solutions Limited Tel: 0345 300 2110</p> <hr/> <p><b>ISIN</b> GB00BYMLFL45 (O Inc), GB00BYMLFK38 (O Acc) GB00BYMLFR07 (S Inc), GB00BYMLFQ99 (S Acc)</p>	<p><b>Dealing</b> Daily at noon Tel: 0345 608 0950</p> <hr/> <p><b>Registrar</b> Link Fund Administrators Limited</p> <hr/> <p><b>Auditor</b> Ernst &amp; Young LLP</p> <p><b>Depository</b> The Bank of New York Mellon (International) Limited</p> <hr/> <p><b>Bloomberg (O shares)</b> TEIFOAC_LN (O Acc), TEIFOIN_LN (O Inc)</p> <hr/> <p><b>SEDOL (O shares)</b> BYMLFK3 (O Acc), BYMLFL4 (O Inc)</p> <hr/> <p><b>Pricing</b> "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 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 dividend 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.

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