



## Trojan Fund

All data as at 31 August 2019

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

The investment objective of the Trojan Fund is to seek to achieve growth in capital (net of fees), ahead of inflation (UK Retail Prices Index), over the longer term (5 to 7 years). The policy is to invest globally in government and public securities (such as sovereign debt and treasury bills), corporate bonds, equities and equity-related securities, private equity, precious metals, cash, cash equivalents and deposits.

### Prices

**330.64p**

'O' accumulation shares

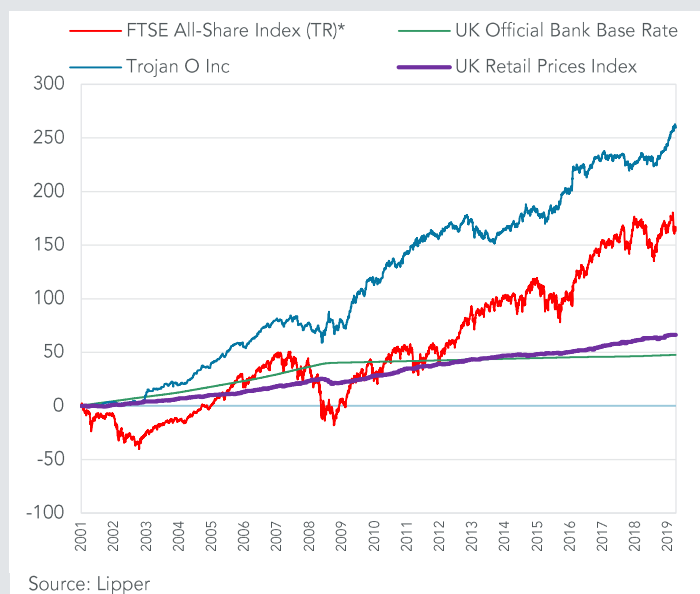
**268.73p**

'O' income shares

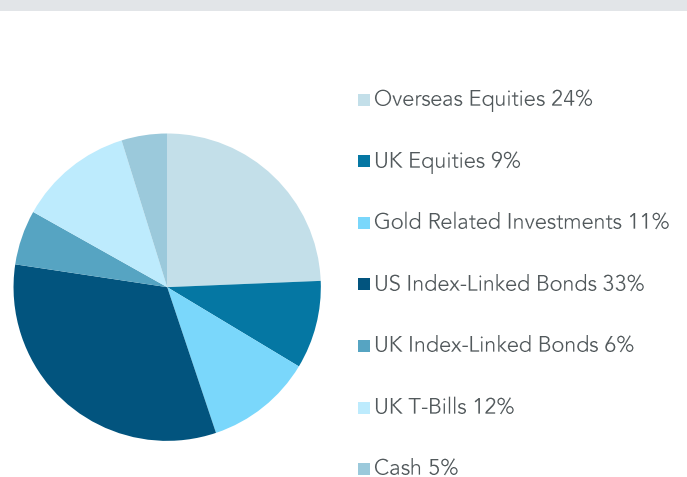
### Fund Size

**£4,309m**

### Percentage Growth from 31/05/2001 to 31/08/2019



### Asset Allocation



| Total Return to 31 August 2019    | 31/05/01 Since launch | 31/08/09 10 years | 31/08/14 5 years | 31/08/16 3 years | 31/08/18 1 year | 28/02/19 6 months |
|-----------------------------------|-----------------------|-------------------|------------------|------------------|-----------------|-------------------|
| <b>Trojan Fund O Inc</b>          | +261.7%               | +91.7%            | +33.7%           | +12.7%           | +9.0%           | +9.5%             |
| <b>UK Official Bank Base Rate</b> | +47.6%                | +5.1%             | +2.5%            | +1.4%            | +0.8%           | +0.4%             |
| <b>UK Retail Prices Index</b>     | +66.2%                | +35.0%            | +12.6%           | +9.5%            | +1.9%           | +1.6%             |
| <b>FTSE All-Share Index (TR)*</b> | +167.0%               | +124.8%           | +31.2%           | +20.2%           | +0.4%           | +4.3%             |

| Discrete Calendar Annual Returns                       | 2001# | 2002  | 2003   | 2004   | 2005   | 2006   | 2007   | 2008  | 2009   | 2010     |
|--|-------|-------|--------|--------|--------|--------|--------|-------|--------|----------|
| <b>Trojan Fund O Inc</b><br>#7 months from 31 May 2001 | +0.6% | +4.1% | +15.4% | +10.3% | +15.9% | +12.0% | +6.1%  | +1.1% | +11.6% | +14.4%   |
|  |       | 2011  | 2012   | 2013   | 2014   | 2015   | 2016   | 2017  | 2018   | 2019 YTD |
|  |       | +8.5% | +2.1%  | -3.1%  | +8.9%  | +3.2%  | +12.3% | +4.1% | -3.0%  | +11.6%   |

\*© FTSE International Limited 2019.

Past performance is not a guide to future performance

Source: Lipper

### August Commentary

Your Fund returned +0.5% during the month compared to -3.6% for the FTSE All-Share Index (TR).

August has seen bond yields fall precipitously. Towards the end of May, we sold some of the Fund's holdings in short-dated UK index-linked gilts, trading on negative real yields, and reinvested the proceeds into 20-year US TIPS (Treasury Inflation Protected Securities). The real yield on these bonds has since more than halved, leading to a c. 15% price appreciation.

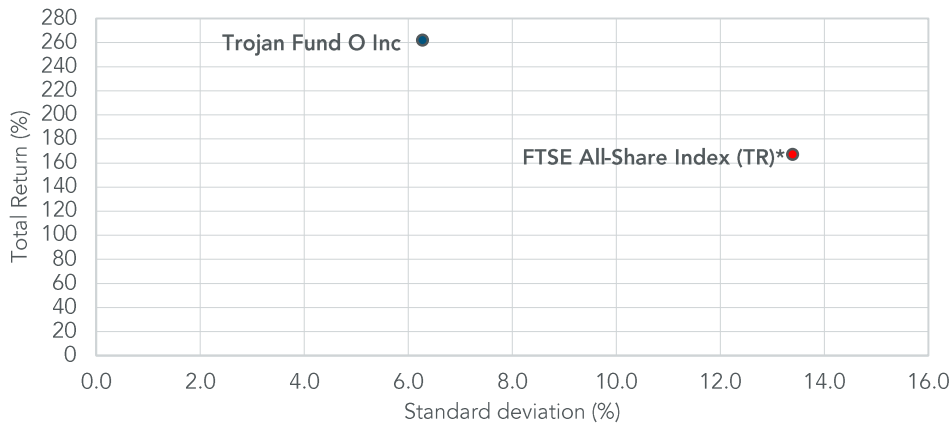
This is a microcosm of the wider bond market. In the US, the 30-year conventional bond fell below 2% for the first time. Elsewhere in the world investors are actually paying to lend. At the end of August the amount of negative-yielding debt (both sovereign and corporate) reached \$17trn globally.

Lower yields indicate a number of things. They are first an output, reflecting the bond market's expectations for future interest rates, based on estimations of economic growth. By this measure the outlook has deteriorated significantly.

They are also an input. Financial institutions with long-dated liabilities, measure the present value of these liabilities with reference to long-term rates. A lower discount rate means a larger liability. As a result, institutions from pension funds to life insurance companies are faced with deteriorating balance sheets and a consequent need to maximise returns to fund these deficits. This is leading to higher risk taking at a time when assets are expensive.

The Fund's cautious stance reflects growing risks to valuations and cash flows.

## Return vs volatility since launch (31/05/2001)



Source: Lipper

| Risk analysis since launch (31/05/01) | Trojan Fund O Inc | FTSE All-Share Index (TR) |
|---------------------------------------|-------------------|---------------------------|
| Total Return                          | +261.7%           | +167.0%                   |
| Max Drawdown <sup>1</sup>             | -13.7%            | -45.6%                    |
| Best Month                            | +8.9%             | +9.9%                     |
| Worst Month                           | -4.7%             | -13.2%                    |
| Positive Months                       | +67.1%            | +58.4%                    |
| Annualised Volatility <sup>2</sup>    | +6.3%             | +13.4%                    |

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

| Top 10 holdings (excluding government bonds) | % Fund       |
|--|--------------|
| Gold Bullion Securities                      | 7.4          |
| Microsoft                                    | 4.9          |
| Unilever                                     | 3.3          |
| Coca-Cola                                    | 3.0          |
| Nestlé                                       | 2.8          |
| British American Tobacco                     | 2.8          |
| Procter & Gamble                             | 2.4          |
| ETFS Physical Swiss Gold                     | 2.3          |
| Berkshire Hathaway                           | 2.1          |
| American Express                             | 2.0          |
| <b>Total Top 10</b>                          | <b>33.0</b>  |
| 20 other holdings                            | 50.1         |
| UK T-Bills                                   | 12.1         |
| Cash   | 4.8          |
| <b>TOTAL</b>                                 | <b>100.0</b> |

Holdings subject to change

## Fund Manager Awards



## 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 Fund is closed to new direct investments, but is still available to new investors through major fund platforms.**

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| <b>Structure</b><br>Sub-fund of Trojan Investment Funds<br>UCITS   |  | <b>Ongoing Charges</b><br>'O' (ordinary) shares: 1.02%<br>'S' (charity) shares: 0.77%  |  | <b>Dealing</b><br>Daily at noon<br>Tel: 0345 608 0950                    |  |
| <b>Investment Manager</b><br>Troy Asset Management Limited<br>33 Davies Street<br>London W1K 4BP<br>Tel: 020 7499 4030<br>Fax: 020 7491 2445<br>email: busdev@taml.co.uk |  | <b>Dividend Ex Dates</b><br>1 August (interim), 1 February (final)   |  | <b>Registrar</b><br>Link Fund Administrators Limited                     |  |
| <b>Fund Manager</b> Sebastian Lyon<br><b>Assistant Fund Manager</b> Charlotte Yonge  |  | <b>Dividend Pay Dates</b><br>30 September (interim), 31 March (final)  |  | <b>Auditor</b><br>Ernst & Young LLP                                      |  |
| <b>Currency</b> £ Sterling   |  | <b>Authorised Corporate Director</b><br>Link Fund Solutions Limited<br>Tel: 0345 608 0950  |  | <b>Depository</b><br>The Bank of New York Mellon (International) Limited |  |
| <b>Launch Date</b> 31 May 2001   |  | <b>ISIN</b><br>GB0034243732 (O Inc), GB00B01BP952 (O Acc)<br>GB00B05M9T27 (S Inc), GB00B05M9S10 (S Acc)  |  | <b>Bloomberg</b><br>CFTROJA_LN (O Acc), CFTROJI_LN (O Inc)               |  |
| <b>Fund Yield (historic 'O' Inc shares)</b> 0.78%  |  | <b>Benchmarks</b><br>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><br>B01BP95 (O Acc), 3424373 (O Inc)                         |  |
|  |  |  |  | <b>Pricing</b><br>"O" share class prices published daily in the FT       |  |

## Important Information

Fund performance data provided is calculated net of fees unless stated otherwise. 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. 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. In line with the Fund's prospectus, the Fund is authorised to invest in transferable securities and money market instruments issued or guaranteed by an EEA state, one or more local authorities, a third country, or a public international body to which one or more EEA states belong. The Investment Manager would only consider investing more than 35% of the Fund's assets in UK or US government issued transferable securities or approved money market instruments. The fund(s) is/are registered for distribution to the public in the UK and Ireland 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](http://www.carnegie-fund-services.ch). The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva, Switzerland. In Singapore, the offer or invitation to subscribe for or purchase Shares is an exempt offer made only: (i) to "institutional investors" pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the "Act"), (ii) to "relevant persons" pursuant to Section 305(1) of the Act, (iii) to persons who meet the requirements of an offer made pursuant to Section 305(2) of the Act, or (iv) pursuant to, and in accordance with the conditions of, other applicable exemption provisions of the Act. This document may not be provided to any other person in Singapore. 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). All reference to FTSE indices or data used in this presentation is © FTSE International Limited ("FTSE") 2019. 'FTSE' is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. Morningstar logo (© 2019 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. Copyright Troy Asset Management Ltd 2019