



## Trojan Fund

All data as at 31 August 2021

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 Price 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

**387.32p**

'O' accumulation shares

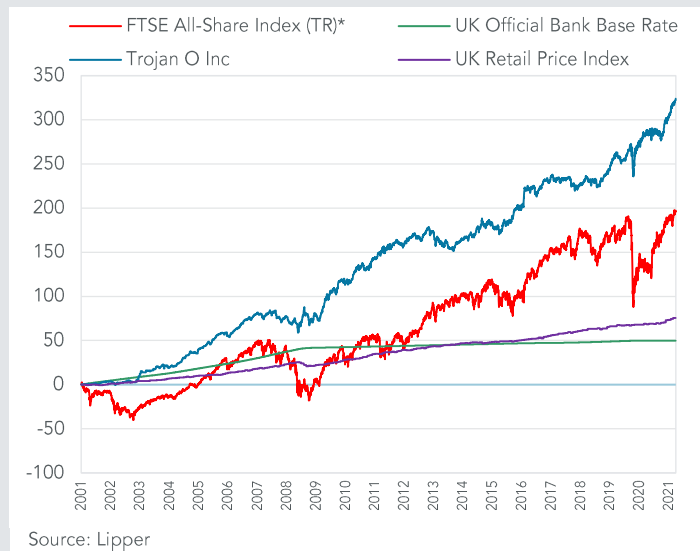
**313.51p**

'I' income shares

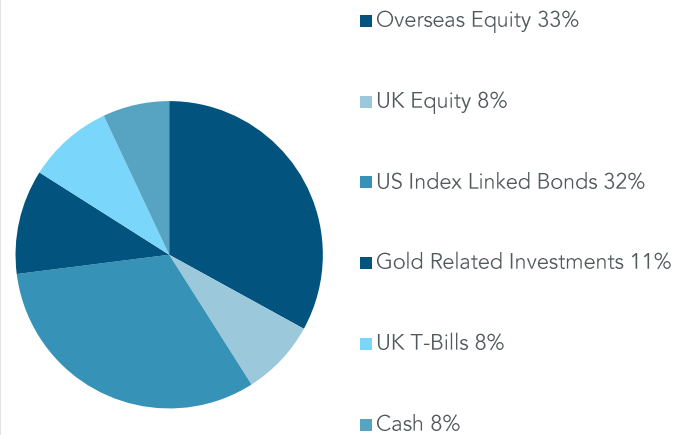
### Fund Size

**£5,945m**

### Percentage Growth from 31/05/2001 to 31/08/2021



### Asset Allocation



Source: FactSet, Asset Allocation subject to change.

Total Return to 31 August 2021	31/05/01 Since launch	31/08/11 10 years	31/08/16 5 years	31/08/18 3 years	31/08/20 1 year	28/02/21 6 months
Trojan Fund O Inc	+323.8%	+67.2%	+32.0%	+27.7%	+10.2%	+12.2%
UK Official Bank Base Rate	+49.9%	+4.6%	+2.0%	+1.3%	+0.1%	+0.1%
UK Retail Price Index	+75.4%	+29.4%	+15.5%	+7.5%	+4.2%	+3.2%
FTSE All-Share Index (TR)*	+196.1%	+110.2%	+33.3%	+11.4%	+26.9%	+13.3%

Discrete Calendar Annual Returns	2001#	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trojan Fund O Inc	+0.6%	+4.1%	+15.4%	+10.3%	+15.9%	+12.0%	+6.1%	+1.1%	+11.6%	+14.4	+8.5%
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
		+2.1%	-3.1%	+8.9%	+3.2%	+12.3%	+4.1%	-3.0%	+10.7%	+7.4%	+9.9%

\*© FTSE International Limited 2021  
#from 30 June 2001

Past performance is not a guide to future performance

Source: Lipper

### August Commentary

Your Fund returned +1.1% during the month compared to +2.7% for the FTSE All-Share Index (TR).

August saw increased volatility in Treasury yields after a steady decline since the March peak. 10-year yields started August at 1.2%, down from a March high of 1.7%. Through August, increased concerns around inflation and early tapering drove 10-year yields higher to a peak of 1.35%. Real yields also moved higher with the 10-year real yield moving from -1.2% at the end of July to -1.0% at the end of August.

Treasury yields are the key determinant of the cost of capital for investors and businesses around the world, which in turn impacts equity markets. They also affect the affordability of the significant debt owed by governments around the world.

Volatility in Treasury yields was likely to increase during the illiquid summer months and as investors analysed every word spoken at the Federal Reserve's Jackson Hole Economic

Symposium during August. Some regional Federal Reserve representatives had publicly spoken about early tapering ahead of the event.

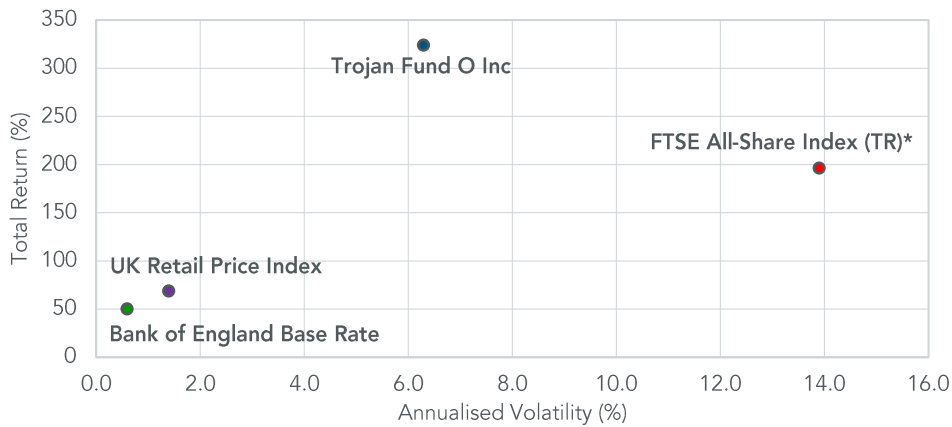
Jerome Powell spent a large portion of his speech explaining his view that recent headline inflation of +5.4% (core +4.3%) was transitory. The speech rightly highlighted that the drivers of the current inflation are concentrated in a small selection of very cyclical sectors benefitting from reopening, including used cars and hotels. Some other sectors have also had short-term supply constraints and wage growth has yet to rise to concerning levels.

The spread of the delta variant in the US, particularly in the Southern states where restrictions have largely eased, is also a cause for concern. Recent consumer confidence and employment data suggests the coronavirus may yet affect the economic recovery.

The speech at Jackson Hole gave some reassurance to Treasury markets that any tapering will be delayed until later in the year, at the earliest. It is worth remembering that the Federal Reserve is currently purchasing \$80bn of Treasuries and \$40bn of mortgage-backed securities each month. The Fed's ownership of the Treasury market has expanded from 6% in 2009 to 22% in 2021. The Fed purchased 82% of Treasury issuance since March 2020, meaning fiscal largesse has been effectively funded by the central bank.

Despite the uncertainty on short-term inflation and the timeline on tapering, we remain of the view that the vast debts amassed during Covid require a negative real yield to reduce the burden on governments around the world. We continue to hold TIPS and gold to protect against the heightened risk of inflation and financial repression.

## 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	+323.8%	+196.1%
Max Drawdown <sup>1</sup>	-13.7%	-45.6%
Best Month	+8.9%	+12.7%
Worst Month	-4.7%	-15.1%
Positive Months	+67.1%	+59.3%
Annualised Volatility <sup>2</sup>	+6.3%	+13.9%

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
Alphabet	5.9
Microsoft	5.9
Gold Bullion Securities	5.7
Unilever	3.7
Visa	3.6
Nestlé	3.4
Diageo	3.2
Medtronic	3.2
Invesco Physical Gold	3.1
Agilent Technologies	2.6
<b>Total Top 10</b>	<b>40.3</b>
9 Other Equity holdings	11.7
Index Linked Bonds	31.9
UK T-Bills	8.5
Cash	7.6
<b>TOTAL</b>	<b>100.0</b>

Source: Factset, 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> Sub-fund of Trojan Investment Funds UK UCITS	<b>Ongoing Charges</b> 'O' (ordinary) shares: 1.01% 'S' (charity) shares: 0.76%	<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> Sebastian Lyon <b>Assistant Fund Manager</b> Charlotte Yonge	<b>Dividend Pay Dates</b> 30 September (interim), 31 March (final)	<b>Auditor</b> Ernst & Young LLP
<b>Currency</b> £ Sterling	<b>Authorised Corporate Director</b> Link Fund Solutions Limited Tel: 0345 608 0950	<b>Depository</b> The Bank of New York Mellon (International) Limited
<b>Launch Date</b> 31 May 2001	<b>ISIN</b> GB0034243732 (O Inc), GB00B01BP952 (O Acc) GB00B05M9T27 (S Inc), GB00B05M9S10 (S Acc)	<b>Bloomberg</b> CFTROJA_LN (O Acc), CFTROJI_LN (O Inc)
<b>Fund Historic Yield ('O' Inc shares)</b> 0.04%	<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>SEDOL</b> B01BP95 (O Acc), 3424373 (O Inc)
		<b>Pricing</b> "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. 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. 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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. 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