



# Trojan Income Fund

All data as at 31 December 2022

taml.co.uk

The investment objective of the Trojan Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). The Fund must invest at least 80% of its assets in UK equities.

**PRICES**

334.60p

'O' accumulation shares

165.65p

'O' income shares

**YIELD\***

2.8%

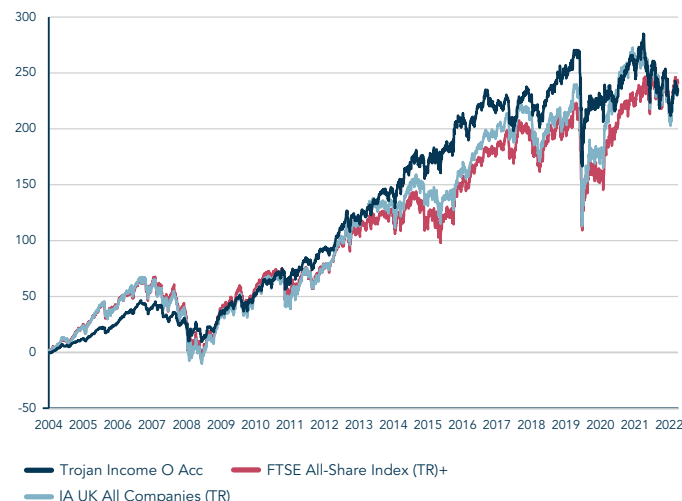
'O' income shares

\*historic dividend yield

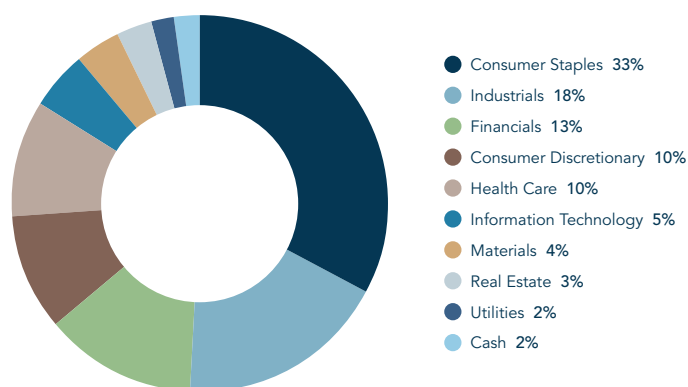
**FUND SIZE**

£1,604m

**PERCENTAGE GROWTH FROM 30/09/2004 TO 31/12/2022**



**ASSET ALLOCATION**



Source: Factset. Asset Allocation is subject to change.

| Total Return to 31 December 2022 | 30/09/04<br>Since launch | 31/12/12<br>10 years | 31/12/17<br>5 years | 31/12/19<br>3 years | 31/12/21<br>1 year | 30/06/22<br>6 months |
|----------------------------------|--------------------------|----------------------|---------------------|---------------------|--------------------|----------------------|
| Trojan Income Fund O Acc         | +234.6%                  | +75.0%               | +2.2%               | -8.7%               | -12.5%             | +2.7%                |
| IA UK All Companies (TR)         | +235.7%                  | +84.1%               | +8.5%               | -0.3%               | -9.3%              | +4.1%                |
| FTSE All-Share Index (TR)*       | +241.1%                  | +88.2%               | +15.5%              | +7.1%               | +0.3%              | +5.1%                |

| Discrete Calendar Annual Returns | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011  | 2012   | 2013   |
|----------------------------------|--------|--------|--------|--------|--------|--------|-------|--------|--------|
| Trojan Income Fund O Acc         | +11.7% | +16.8% | +5.0%  | -12.1% | +14.7% | +14.4% | +6.3% | +9.9%  | +20.2% |
|                                  | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020  | 2021   | 2022   |
| Trojan Income Fund O Acc         | +10.0% | +10.7% | +10.2% | +6.3%  | -7.1%  | +20.4% | -9.6% | +15.6% | -12.5% |

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Past performance is not a guide to future performance.

Source: Lipper

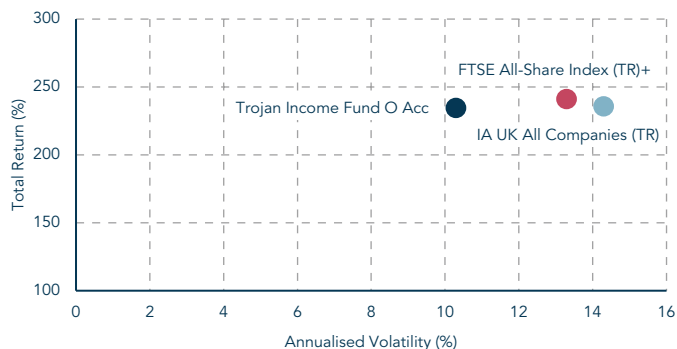
## December Commentary

Your Fund delivered a return of -1.1% during the month compared to -1.4% for the FTSE All-Share Index (TR GBP). For 2022 as a whole, US and Global indices delivered negative returns with the S&P 500 and MSCI World both returning -18.2% (TR USD). Your Fund also had a poor year, returning -12.5% (TR GBP). In contrast, the FTSE All-Share (TR GBP) returned +0.3%. The FTSE's outperformance was driven largely by its comparatively high exposure to Energy, Mining, and Banking stocks which benefited from high inflation or increasing interest rates. At Troy, we tend not to invest in these sectors, owing to their capital intensity and cyclical nature. Instead, we prefer resilient, high-quality, cash-generative companies, able to deliver consistent long-term dividend growth. While this stance has served the Fund well for much of its life, it was a headwind to returns in 2022.

Despite a disappointing past year, we are optimistic about the outlook for high-quality UK equities. The two big unknowns for markets in 2023 are likely to be i) the path of interest rates and therefore valuations and ii) the ability of companies to navigate a difficult earnings environment. With regards to the former, whilst we do not expect a fast reversal, the most severe valuation falls driven by central bank rate increases are most likely behind us. The UK market is trading at lower valuation multiples relative to long-run levels and compared to other markets. Low valuations tend to bode well for prospective returns. With regard to earnings, corporate profits will likely be under pressure from inflation and a weak economic backdrop. However, given Troy's quality bias, your Fund is overwhelmingly exposed to sectors and businesses whose earnings and dividends should prove more defensive than the wider market, much as they have done in past downturns.



## RETURN VS VOLATILITY SINCE LAUNCH (30/09/2004)



Source: Lipper

## RISK ANALYSIS

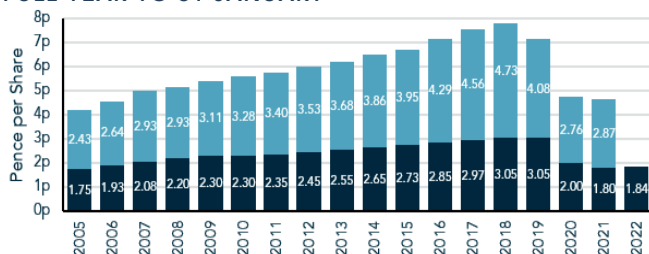
| Risk analysis since launch (30/09/04) | Fund   | IA <sup>2</sup> | Index <sup>+</sup> |
|---------------------------------------|--------|-----------------|--------------------|
| Max Drawdown <sup>1</sup>             | -28.1% | -46.5%          | -45.6%             |
| Annualised Volatility <sup>3</sup>    | +10.3% | +14.3%          | +13.3%             |

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

<sup>2</sup> IA UK All Companies (TR) +FTSE All-Share Index (TR) <sup>3</sup>Measured by standard deviation of annual returns

Source: Lipper

## DIVIDEND TRACK RECORD SINCE 31 JANUARY 2005 FULL YEAR TO 31 JANUARY



■ Trojan Income Fund 'O' Inc Interim Dividend

■ Trojan Income Fund 'O' Inc Final Dividend

Past performance is not a guide to future performance

## 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 Income 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>UK UCITS   | <b>Dividend Ex Dates</b><br>1 August (interim), 1 February (final)   | <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@tam.l.co.uk | <b>Dividend Pay Dates</b><br>30 September (interim), 31 March (final)  | <b>ISINs</b><br>GB00B01BNW49 (O Inc), GB00B01BP176 (O Acc)<br>GB00B05M9W55 (S Inc), GB00B05M9V49 (S Acc) |
| <b>Fund Manager</b><br>Blake Hutchins<br><b>Assistant Fund Manager</b><br>Fergus McCorkell  | <b>Historic Dividend Yield</b><br>(historic 'O' Inc shares) 2.84%  | <b>SEDOL</b><br>B01BP17 (O Acc), B01BNW4 (O Inc)   |
| <b>Currency</b><br>£ Sterling   | <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>Bloomberg</b><br>TROJINC_LN (O Acc), TROJINI_LN (O Inc)   |
| <b>Launch Date</b><br>30 September 2004   | <b>Registrar</b><br>Link Fund Administrators Limited   | <b>Ongoing Charges</b><br>'O' (ordinary) shares: 1.02%<br>'S' (charity) shares: 0.77%                    |
| <b>Authorised Corporate Director</b><br>Link Fund Solutions Limited<br>Tel: 0345 300 2110   | <b>Auditor</b><br>Ernst & Young LLP  | <b>Pricing</b><br>"O" share class prices published daily in the FT                                       |
|   | <b>Depository</b><br>The Bank of New York Mellon (International) Limited   |  |

## TOP 10 HOLDINGS

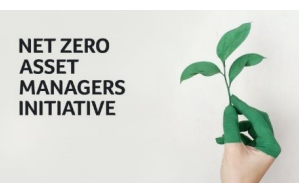
|                          |               |
|--------------------------|---------------|
| Unilever                 | 7.7%          |
| Diageo                   | 7.2%          |
| RELX                     | 6.6%          |
| Reckitt Benckiser        | 5.7%          |
| Experian                 | 4.5%          |
| Compass Group            | 4.5%          |
| GSK                      | 4.3%          |
| British American Tobacco | 4.1%          |
| Procter & Gamble         | 3.6%          |
| Paychex                  | 3.3%          |
| <b>Total</b>             | <b>51.5%</b>  |
| 28 other holdings        | 46.3%         |
| Cash & Equivalent        | 2.2%          |
| <b>TOTAL</b>             | <b>100.0%</b> |

Source: Factset. Holdings subject to change.

## FUND MANAGER AWARDS



## RESPONSIBLE INVESTMENT





## 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 yield reflects distributions declared over the past twelve months as a percentage of the fund's price, as at the date shown. 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. 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.

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