



Troy International Equity Strategy

Primer

July 2025

This document is intended for accredited investors and qualified purchasers only.



Troy International Equity Strategy

Troy's International Equity Strategy is a high-conviction, low-turnover portfolio of quality businesses designed to deliver long-term capital growth. We aim to outperform the MSCI EAFE Index by 200bps (net p.a.) over 5+ years. Our focus is on durable growth, strong capital allocation, and competitively advantaged businesses, underpinned by a consistent, disciplined investment process and focussed, long-term research. Led by Tomasz Boniek and an experienced team, the Strategy reflects Troy's core philosophy of patient, quality-driven investing, with a proven track record in global equities and a commitment to continual improvement.



Tomasz Boniek
Senior Fund Manager

What quality means to us

First, we like to evidence a long runway for growth. We believe that durability of growth can be more important than the pace of growth, as the market typically fades the growth of quality businesses prematurely.

Secondly, we observe that a small cohort of high quality businesses can sustain $ROIC/CFROI > WACC^1$ over extended periods of time. Our belief is that those businesses have identifiable attributes that provide the basis for sustained long-term success. Our research process is focused on identifying and monitoring these businesses.

We further believe that the long-term compounding power and competitive advantages that these high-quality businesses exhibit tend to be undervalued by the market. This is a function of the shorter time horizon taken by many market participants.

We see that the best businesses tend to surprise positively, whilst mediocre businesses are prone to do the opposite. The tendency towards improving their competitive advantage and outlook can lead to improving ROIC and growth prospects, prompting revisions in pricing by the market, thereby enhancing longer term returns. Capturing these trends by 'running our winners' through long holding periods is essential to the returns we seek and allowing businesses with exceptional economics the time to compound is central to the way we invest.

Our focus on the drivers of long-term returns and enduring growth leads us to spend time considering intangible factors such as the durability of a company's competitive advantages and the strength of its management team. The quality of management and their ability to allocate capital efficiently and adapt to changing market conditions and new opportunities is crucial. An appraisal of governance factors is therefore fundamental to what we do.

Who we are

Troy Asset Management Limited ("Troy") is a London based, independent fund management business with \$15bn in AUM. Our independence allows us to be long-term and patient. We believe this gives us a sustainable advantage compared to the market.

With a 10+ year track record in Global Equity, and a 20+ year track record in Multi-Asset, Troy launched its International Equity Strategy in May 2025. We manage high conviction and low turnover portfolios, combined with

¹ ROIC (Return on Invested Capital), CFROI (Cash Flow Return on Investment), WACC (Weighted Average Cost of Capital).



low staff turnover ensures a high level of accumulated knowledge in the team, driving better decision making and performance.

The Strategy is led by Tomasz Boniek (Senior Fund Manager), alongside Gabrielle Boyle (Investment Director) and George Viney (Senior Fund Manager). They are supported by the remaining 10 members of Troy's Investment Team. Tomasz joined Troy in 2017 from Susa Fund Management, a European equity fund launched by a former Citadel PM where Tomasz covered European stocks. He previously worked as an Associate at Bain Capital Credit investing in credit securities of European companies.

How we research

Since the founding of Troy in 2000, our investment process has been deeply aligned with our philosophy. Our intention is to be patient holders of quality businesses at reasonable valuations, and we assess whether the drivers of returns for a business are evolving in a way that will sustain value creation over time.

Our research process is rigorous, collaborative and deliberately sceptical. Our insights are shaped through extensive reading, company visits, and traveling to understand businesses in their full context. We do not begin with a spreadsheet. We begin with a question: will this business be bigger, better and more valuable in ten years?

To answer this, we:

- Study the financials, looking back a decade or more
- Need to understand how the business has arrived at where it is today
- Evaluate competitive strategy, governance, and industry structure
- Meet management teams regularly and test our views with peers and sector specialists
- Seek to understand how a company creates, sustains and protects economic value - and what might threaten that trajectory

A key aspect of our analysis is assessing management teams. We favour companies led by management that allocates capital sensibly and who prioritise sustainable, long-term growth over short-term performance. This typically involves the presence of anchor shareholders, well-designed incentive structures, and a clear focus on shareholder value creation. Businesses with leadership focused on managing thoughtfully for the future stand out as candidates for enduring investments.

Our analysis prioritises free cash flow over earnings, capital allocation over short-term profitability, and repeatability over ambition. We are particularly interested in intangible factors such as culture, incentives and adaptability which does not show up in models but drive outcomes over time. Sustainable returns are embedded into our understanding of business quality and shared by all members of the Investment Team.

We strive to keep things focused, and whilst scrutinising quarterly results we avoid getting distracted by short term noise. Reducing noise is critical to maintaining a clear, long-term perspective and we avoid unnecessary complexity. This applies not only to our process but also to the businesses we choose to invest in; we have to be able to understand the business model and mechanics deeply prior to investing. We avoid common errors that can lead to permanent impairment of capital, specifically:

- Weak business models (business risk)
- Excessive debt (financial risk)
- Very high valuations (valuation risk)
- Poor capital allocation



We strive to learn and get better

The paradox of successful investing is that one must hold fast to a core set of principles while remaining open to evolution. At Troy, we embrace this tension. Our foundation is based on quality, patience and discipline and this has remained unchanged, but how we apply these principles is subject to constant scrutiny and refinement. For example, we recently added new processes for reviewing underperforming holdings, as well as further enhancing risk management through the introduction of quarterly portfolio oversight meetings.

We believe enduring performance requires a mindset of deliberate, ongoing improvement embedded in our culture. It shows up in the way we approach decisions, challenge assumptions, and reflect on outcomes. Each member of our Investment Team is therefore expected not just to contribute, but to continuously learn from the market, from each other, and from past mistakes. This is supported through structured forums for reflection and challenge such as:

- Offsites to step back and assess how we're thinking and working.
- Post-mortems to understand why certain decisions succeeded or did not.
- Bull/bear debates to stress test ideas from opposing perspectives.
- Behavioural reviews to guard against bias and complacency.

This commitment to improvement also manifests in our portfolio construction discipline. While our Strategy is bottom-up and unconstrained, it is not loose. We apply a deliberately high bar to portfolio entry. Businesses must not only be exceptional, they must also be better than what we already own, based on quality and valuation.

Once invested, no position in the portfolio stays static. We continually monitor and evaluate opportunity cost, especially when operational performance lags or valuations rise. Our process encourages active debate around underperformers and seeks to ensure capital is allocated where the long-term risk-reward is most attractive. For example, we have observed that our largest, highest-conviction holdings tend to be our strongest long-term performers. This insight, born of experience and data, has led us to embrace greater concentration over time, allocating more to the ideas that matter most and trimming those that dilute returns or distract attention.

We are also keenly aware of the behavioural pitfalls that long-term investors face, especially the endowment effect (the tendency to overvalue what we already own). To mitigate against this we:

- Run automated alerts when a stock falls 10%+ in a day, or underperforms by 20% over 12 months. These alerts do not force action but do force debate.
- Challenge ourselves: if this company were not in the portfolio, would we buy it today?

Although all five strategies managed by Troy have full autonomy, we share learnings across the firm. If a stock is sold by one strategy team, the rationale is discussed transparently across the entire Investment Team and remaining holders are expected to re-evaluate their thesis. These shared reflections build our institutional memory of how and why decisions are made in addition to the track record of returns.

Over time, recorded inputs can reveal patterns where we have been strong, where we have erred and how individual and group decision-making has evolved. This feedback loop strengthens our collective judgement and helps inform our future behaviour.



Portfolio construction and decision making

The Strategy contains a concise list of 25-30 holdings, constructed according to a bottom-up assessment of the companies and their valuation. We aim to strike a deliberate balance between growth, profile of earnings and valuation to create a mix of high-quality companies with different characteristics, risk profiles and growth drivers.

We target opportunities where there is a compelling combination of business quality, valuation, and long-term potential. Particular opportunities to invest may arise where markets suffer a dislocation, or be overly concerned about a short term business specific issue.

We adopt a two-step process. Firstly, we rank businesses against each other along four metrics; valuation, corporate governance, scope for sustained operational improvement and confidence in the growth opportunity. This process allows us to rank our holdings, giving us a capital allocation baseline.

Secondly, we adjust these baseline weights to ensure that we are not taking large unintended bets at the portfolio level. To achieve that, we aim to diversify the portfolio from a country and sector perspective. Additionally, we would look at stock correlation and factor exposure together with our Risk & Analytics Team. Over the long term, by investing at reasonable starting valuations, we aim for returns to be driven primarily by:

- Reinvestment of free cash flow (FCF) by corporate management at attractive incremental returns on invested capital
- Growth in FCF per share; and
- Returns of capital to shareholders via dividends and share repurchase.

We are loathe to sell great businesses once we own them, and we recognise that such businesses have greater propensity to deliver their owners pleasant surprises, the compounding of which is essential to achieving the capital and income returns we target. When we do sell, it will be because we judge the prospective return to no longer be compelling. This will typically be for one of three reasons:

- If valuations have become too high for the quality of the business;
- If the fundamentals of the business deteriorate or we get it wrong; and
- If we have better ideas.

What our investors can expect from us

Our process is based on consistency in philosophy, behaviour, and execution. You can expect us to deliver:

- A high-conviction, low-turnover quality portfolio.
- Clear articulation of our thinking - especially when markets are turbulent.
- A disciplined, repeatable process.
- Behaviour aligned with long-term capital stewardship.

We believe that consistency of philosophy and execution is as important as stock selection. Many strategies fail not from poor ideas, but from poor behaviour under pressure. We strive to be patient, maintain discipline and communicate clearly.



Disclaimer

Please refer to Troy's Glossary of Investment terms [here](#).

This document is intended solely for use by U.S. investors who meet the definition of an "accredited investor" as defined under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended, and "qualified purchaser" as defined under Section 2(a)(51) of the Investment Company Act of 1940. This presentation relates to a U.S. private fund which is not available to the public.

The information shown relates principally to Troy International Equity Trust (the "Trust"). Performance data provided is either calculated as net or gross of fees as specified. Fees will have the effect of reducing performance. Past performance is not a guide to future performance. This presentation may also contain forward-looking statements that are based on current expectations, estimates, forecasts, and projections. These statements are not guarantees of future performance and involve certain risks and uncertainties which are difficult to predict. All references to benchmarks are for comparative purposes only. Overseas investments may be affected by movements in currency exchange rates. The value of an investment may fall as well as rise and investors may get back less than they invested. There is no guarantee that the Trust will achieve its objective. 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. Prospective investors should consult with their own professional advisors regarding the legal, tax, regulatory, financial, and accounting implications of any investment in a Delaware Statutory Trust. The investment policy and process of the Trust may not be suitable for all investors. 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. The Trust may invest in emerging market equities. Investing in companies in emerging markets involves higher risk than investing in developed markets. Emerging markets may involve a higher element of risk due to less well-regulated markets and political and economic instability.

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.

Ownership of beneficial interests in the Troy International Equity Trust is restricted to those who are U.S. "accredited investors" (as defined in Rule 501(a) of Regulation D of the Securities Act of 1933) and "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940 Act. Prospective investors will be required to demonstrate their qualification under the eligibility standards applicable under these laws. All offerings of interest by eligible investors must be made through the Trust's Offering Memorandum and Subscription Document, which contain important information regarding objectives, risks, fees, and expenses. Eligible investors must read these offering documents carefully to fully understand all risks before investing.

Although Troy's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Certain information herein ("Information") is reproduced by permission of MSCI Inc., its affiliates and information providers ("MSCI") ©2025. No reproduction or dissemination of the Information is permitted without an appropriate license. MSCI MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING MERCHANTABILITY OR FITNESS) AS TO THE INFORMATION AND DISCLAIMS ALL LIABILITY TO THE EXTENT PERMITTED BY LAW. No Information constitutes investment advice, except for any applicable Information from MSCI ESG Research. Subject also to [msci.com/disclaimer](https://www.msci.com/disclaimer).

Troy International Equity Trust ("TIET") is a statutory trust filed under and in accordance with the provisions of the Delaware Statutory Trust Act with file number 10172234. The name and business address of the Delaware Trustee of the Trust, having its principal place of business in the State of Delaware, are The Northern Trust Company of Delaware with registered address 1313N. Market Street, Suite 5300, Wilmington, DE 19801.

This document is issued by Troy Asset Management Limited, the investment manager of TIET with registered address 33 Davies Street, London W1K 4BP (registered in England & Wales No. 3930846). Registered office: 33 Davies Street, London W1K 4BP. Authorised and regulated by the Financial Conduct Authority (FRN: 195764) and registered with the U.S. Securities and Exchange Commission ("SEC") as an Investment Adviser (CRD: 319174). Registration with the SEC does not imply a certain level of skill or training.

© Troy Asset Management Limited 2025.