



Trojan Fund

All data as at 31 January 2022

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

385.38p

'O' accumulation shares

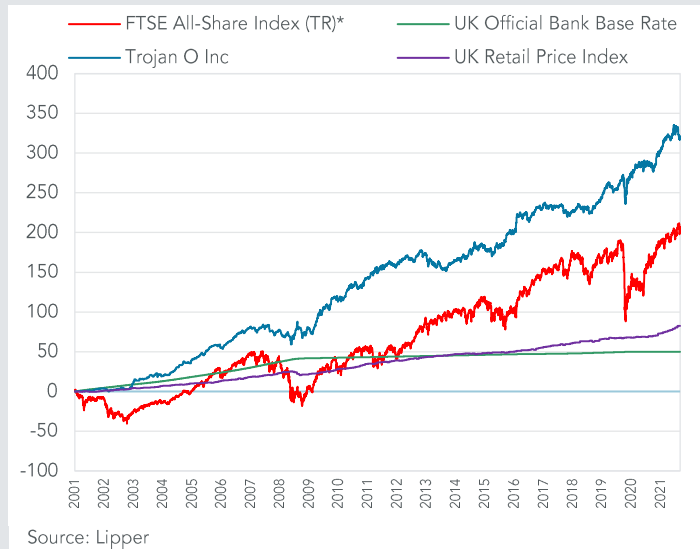
311.93p

'I' income shares

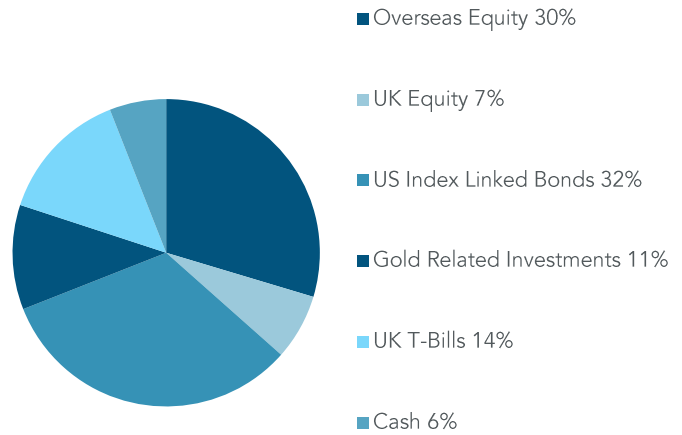
Fund Size

£6,110m

Percentage Growth from 31/05/2001 to 31/01/2022



Asset Allocation



Source: FactSet, Asset Allocation subject to change.

Total Return to 31 January 2022	31/05/01 Since launch	31/01/12 10 years	31/01/17 5 years	31/01/19 3 years	31/01/21 1 year	31/07/21 6 months
Trojan Fund O Inc	+321.6%	+62.0%	+30.4%	+28.5%	+9.7%	+0.5%
UK Official Bank Base Rate	+50.0%	+4.4%	+1.9%	+1.0%	+0.1%	+0.1%
UK Retail Price Index	+82.4%	+33.5%	+19.7%	+12.3%	+7.8%	+4.0%
FTSE All-Share Index (TR)*	+204.5%	+104.4%	+30.2%	+21.7%	+18.9%	+5.6%

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	2022 YTD
	+2.1%	-3.1%	+8.9%	+3.2%	+12.3%	+4.1%	-3.0%	+10.7%	+7.4%	+12.1	-2.5%

*© FTSE International Limited 2022
#from 30 June 2001

Past performance is not a guide to future performance

Source: Lipper

January Commentary

Your Fund returned -2.5% during the month compared to -0.3% for the FTSE All-Share Index (TR).

The US stock market experienced its worst start to the year since 2009, with the S&P 500 finishing January down -5.3%. In the UK market, more highly-rated equities fell sharply (as reflected in the FTSE 250's price decline of -6.6%), offset by sectors such as energy and financials. The de-rating has been most pronounced for a number of US technology stocks, with the tech-focused Nasdaq falling -9% in the month. Single share price moves have been particularly dramatic with the likes of Netflix or Facebook plunging more than -25% in a day.

These are not the markers of a rational, well-functioning market. Myriad forces are at play but the proximate cause of share price falls is the fear of higher inflation feeding into tighter monetary policy. December's US Consumer Price Index (CPI) print of 7% was the highest since June 1982 and bond markets responded in kind, pricing in five interest rate hikes this year. Several factors, most notably energy

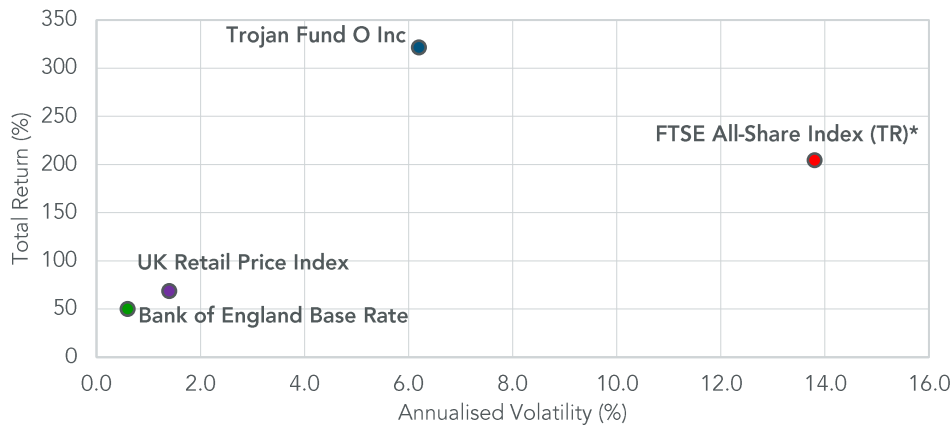
and goods prices, are driving up inflation. Much of this is pandemic-driven but the longer that consumers and businesses have to get used to higher prices, the more likely inflation is to become embedded. As wages move to reflect a higher cost of living, this has the potential to feed back into demand and create a wage-price spiral. What happens over the coming months will be important in determining longer-lasting mentalities.

But this moment in markets cannot be viewed in isolation or through a single lens. Notwithstanding Covid, the S&P 500 has been on an upward tear since March 2009. If you had taken a 6-month sabbatical in February 2020, you would not have noticed any aberration. The UK market has had a bumpier ride, but this is distorted by exposure to more cyclical and structurally challenged sectors. For most developed market equities with good long-term prospects, valuations have experienced a fair wind for many years. Now that interest rates and central bank liquidity threaten to reverse course, share prices are at risk.

It is for this reason that we remain conservative in our asset allocation, and selective in the stocks we own. Companies such as Alphabet do not trade on lofty multiples. They also have strong, structural tailwinds as evidenced by the company's Q4 profit growth of +40%. Whilst share prices such as Alphabet's may yet get caught in the cross-fire, we remain confident that the valuation considerably understates the long-term potential. At the same time, there are many businesses we would like to own but which remain expensive, notwithstanding the recent correction.

The conditions are ripe for volatility to persist. The Fund should fall considerably less than equity markets, but it will not be immune. Longer-term we are still confident that real interest rates can only rise so much. Short-term, sentiment and irrationality can reign supreme, especially when valuations have climbed so high. Our equity exposure and index-linked duration remain modest and our cash weighting has grown. We are well placed to take the other side of the trade when more excellent businesses start to trade on reasonable valuations.

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	+321.6%	+204.5%
Max Drawdown ¹	-13.7%	-45.6%
Best Month	+8.9%	+12.7%
Worst Month	-4.7%	-15.1%
Positive Months	+66.9%	+58.9%
Annualised Volatility ²	+6.2%	+13.8%

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

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

Structure Sub-fund of Trojan Investment Funds UK UCITS		Ongoing Charges 'O' (ordinary) shares: 1.01% 'S' (charity) shares: 0.76%		Dealing Daily at noon Tel: 0345 608 0950	
Investment Manager Troy Asset Management Limited 33 Davies Street London W1K 4BP Tel: 020 7499 4030 Fax: 020 7491 2445 email: busdev@taml.co.uk		Dividend Ex Dates 1 August (interim), 1 February (final)		Registrar Link Fund Administrators Limited	
Fund Manager Sebastian Lyon Assistant Fund Manager Charlotte Yonge		Dividend Pay Dates 30 September (interim), 31 March (final)		Auditor Ernst & Young LLP	
Currency £ Sterling		Authorised Corporate Director Link Fund Solutions Limited Tel: 0345 608 0950		Depository The Bank of New York Mellon (International) Limited	
Launch Date 31 May 2001		ISIN GB0034243732 (O Inc), GB00B01BP952 (O Acc) GB00B05M9T27 (S Inc), GB00B05M9S10 (S Acc)		Bloomberg CFTROJA_LN (O Acc), CFTROJI_LN (O Inc)	
Fund Historic Yield ('O' Inc shares) 0.04%		Benchmarks For more information on the benchmarks used please refer to the 'use of benchmarks' section in the fund information sheet, available from website		SEDOL B01BP95 (O Acc), 3424373 (O Inc)	
				Pricing "O" share class prices published daily in the FT	

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. 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. 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Top 10 holdings (excluding government bonds)	% Fund
Gold Bullion Securities	5.6
Microsoft	5.5
Alphabet	5.5
Visa	4.3
Unilever	3.4
Invesco Physical Gold	3.1
Nestlé	3.0
Diageo	2.8
American Express	2.7
Medtronic	2.4
Total Top 10	38.4
8 Other Equity holdings	9.1
Index Linked Bonds	32.5
UK T-Bills	14.0
Cash	6.0
TOTAL	100.0

Source: Factset, holdings subject to change.

Fund Manager Awards

