



## Trojan Ethical Global Income Fund

All data as at 30 June 2022

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

The investment objective of the Trojan Ethical Global Income Fund is to seek to achieve income with the potential for capital growth in the medium term (3 to 5 years). The Fund's investment policy is to invest at least 80% of its assets globally in equities and equity-related securities. It may also invest in government and public securities (such as sovereign debt and treasury bills), corporate bonds, real estate (via REITs), cash, cash equivalents (including money-market instruments) and deposits. Any comparisons against indices are for illustrative purposes only. The Fund will invest in accordance with the parameters of its Ethical Exclusion Criteria.

### Prices

**99.58p**

'O' accumulations shares

**98.38p**

'O' income shares

### Historic Dividend Yield

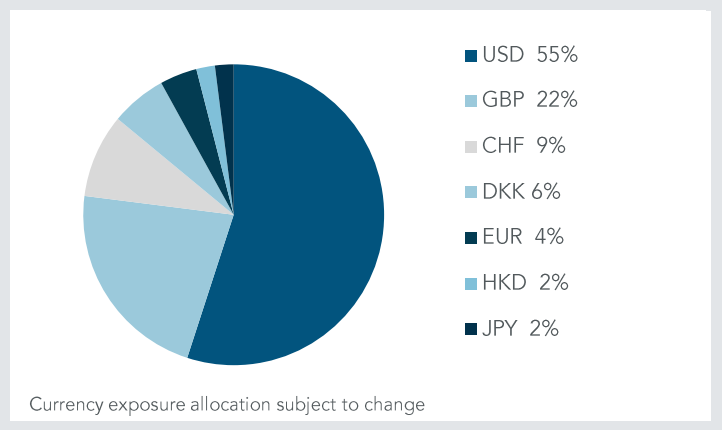
**1.2%**

'O' income shares

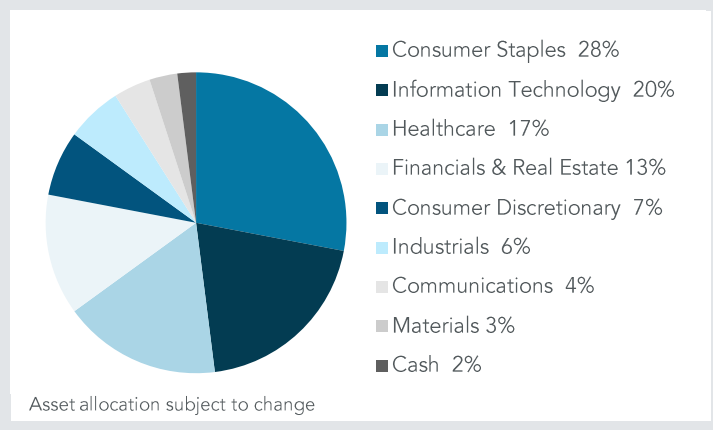
### Fund Size

**£32m**

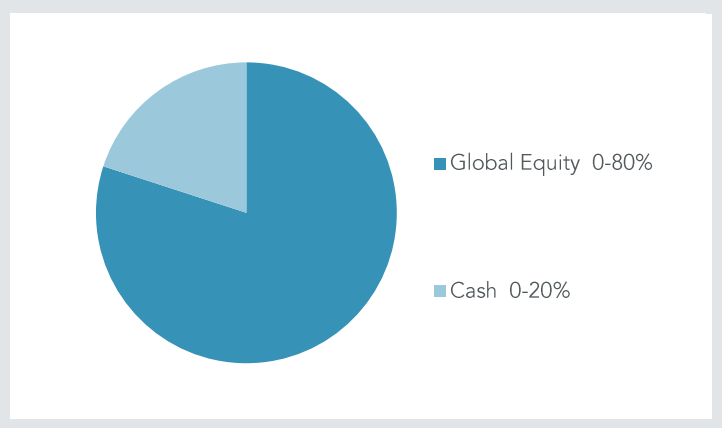
### Currency Exposure



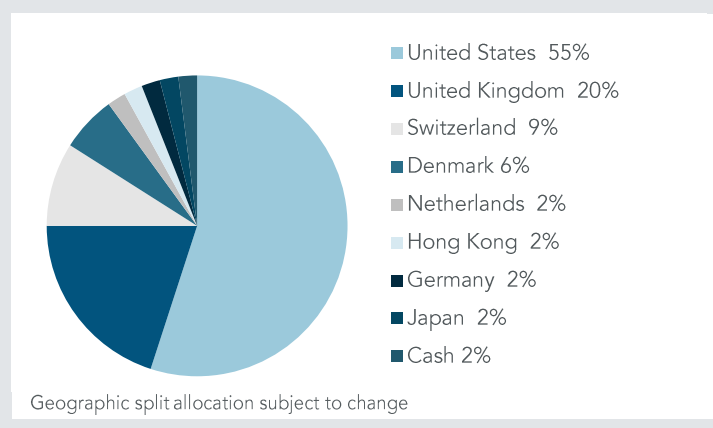
### Asset Allocation



### Asset Class Limits



### Geographic Split



### June Commentary

We have established an investment in Admiral Group funded by the sale of GSK. Although a longstanding holding, GSK has never been the most exciting company in our opinion. Recent performance has been strong for a variety of reasons. These include the upcoming hiving off of the consumer business following the failed bid by Unilever, a change in dividend policy and the recent strength of the US dollar (GSK has substantial US dollar earnings). Having been attractively valued for a considerable period this rise in the share price offered an attractive time to sell.

Conversely Admiral has performed poorly recently. During COVID Admiral's customers were paying premiums without being able to use their cars giving a short term bump to profits. This

was reflected in a strong share price. As this effect faded so too did the company's valuation.

A reallocation of capital from GSK to Admiral was therefore timely.

Admiral Group is an excellent business. Dominated by the UK car insurance business, Admiral's market leadership is based on its expertise in underwriting a specific cohort of the population, that being young men in fast cars. This specialisation leads to an extensive data set affording accurate pricing of risk. As such, and unusually for an insurance business, the company makes an underwriting profit over the cycle. This historically persistent and consistent profitability allows Admiral to offload the insurance risk to Munich Re but to retain much of the profitability. Costs are contained, giving the company a very

attractive return profile. All of this together means the company has limited capital requirements and is therefore able to pay a healthy dividend.

Following the post-COVID decline we were able to invest in the company at an attractive valuation of 12.8x price to earnings ratio.

Strength in the US bond market has been a feature of the latter part of the month. Having been very weak as markets priced in a more inflationary backdrop, it is notable that the US 10 year Treasury bond has retraced from a 3.47% high to 2.88% at the beginning of July. Oil and other commodities have also been weak. Credit spreads continue to widen. This is all indicative of a weaker economic tone and suggests we may have already seen the cyclical peak in inflation.

## Ethical Exclusion Criteria

## Corporate securities

**Armaments** - (a) generates more than 10% of its total turnover from strategic military supplies relating to conventional weapons and/or (b) produces key parts of, or provides services for, cluster munitions systems, and/or (c) is alleged to have contravened the convention on anti-personnel mines in the last ten years and which has not addressed the allegations, and/or (d) manufactures products, or provides services, which are all or part of a nuclear weapons system.

**Tobacco** - makes more than 10% of its total turnover from tobacco products.

**Pornography** - derives more than 3% of its total turnover from pornography or adult entertainment.

**Fossil Fuels** - (a) derives more than 10% of its total turnover from the refining or extraction of, or generation of power from, fossil fuels and/or (b) derives more than 10% of its turnover from coal mining activities. Companies whose listing falls within the Oil & Gas sector are also excluded.

**Alcohol** - derives more than 10% of its total turnover from the sale or production of alcohol.

**Gambling** - derives more than 10% of its total turnover from gambling (including spread betting).

**High Interest Rate Lending** - derives more than 10% of its total turnover from high interest rate lending (high interest being defined as lending at an annual percentage rate (APR) of over 100%).

## Government and public securities

The Fund will not invest in the securities of any sovereign issue which is issued or guaranteed by any issuer which is subject to a sanction issued by either the United Nations or the European Union.

When investing assets in government and public securities the Fund will only invest in the securities issued or guaranteed by the following countries: Canada, France, Germany, Italy, Japan, the United States of America, the United Kingdom of Great Britain and Northern Ireland (commonly known as the "G7"), or by a single local authority or public authority of those countries.

Please read the Fund's Ethical Exclusion Criteria before investing (available [here](#))

Top 10 holdings	% Fund
Paychex	5.6
PepsiCo	5.1
ADP	4.9
Reckitt Benckiser	4.8
Unilever	4.8
CME Group	4.8
Johnson & Johnson	4.2
Microsoft	3.8
Novartis	3.8
Roche Holding	3.6
<b>Total Top 10</b>	<b>45.3</b>
<b>23 other holdings</b>	<b>53.0</b>
<b>Cash &amp; Equivalent</b>	<b>1.7</b>
<b>TOTAL</b>	<b>100.0</b>

Holdings subject to change

## 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 at [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**INVESTMENT PERFORMANCE WILL NOT BE SHOWN UNTIL ONE CALENDAR YEAR AFTER THE FUND'S LAUNCH DUE TO REGULATORY REQUIREMENTS.**

<b>Structure</b> Sub-fund of Trojan Investment Funds UK UCITS	<b>Dividend Ex Dates</b> 1 May, 1 August, 1 November, 1 February (final)	<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 email: busdev@taml.co.uk	<b>Dividend Pay Dates</b> 30 June, 30 September, 31 December, 31 March (final)	<b>Registrar</b> Link Fund Administrators Limited
<b>Co-Managers</b> James Harries Tomasz Boniek	<b>Historic Dividend Yield (O Inc)</b> 1.24%	<b>Auditor</b> Ernst & Young LLP
<b>Currency</b> £ Sterling	<b>Authorised Corporate Director</b> Link Fund Solutions Limited Tel: 0345 300 2110	<b>Depository</b> The Bank of New York Mellon (International) Limited
<b>Launch Date</b> 01 November 2021	<b>ISINs</b> GB00BNR5HJ67 (O Acc), GB00BNR5HK72 (O Inc) GB00BNR5HL89 (S Acc), GB00BP8Z0C36 (S Inc)	<b>Bloomberg</b> TREGIOG_LN (O Acc), TREGIOB LN (O Inc)
<b>Ongoing Charges (capped)</b> 'O' (ordinary) shares: 0.92% 'S' (charity) shares: 0.82%	<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>Pricing</b> "O" share class prices published daily in the FT

## Important Information:

Please refer to Troy's Glossary of Investment terms [here](#). Neither past nor projected performance are guides 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 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. 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. Morningstar logo (© 2022 Morningstar, Inc. All rights reserved.) contained herein: (i) is proprietary to Morningstar and/or its content providers; (ii) may not be copied or distributed; and (iii) 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. The fund(s) is/are registered for distribution to the public in the UK 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 documents or, as the case may be, the key information documents 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. The offer or invitation to subscribe for or purchase shares in Singapore is an exempt offer made only: (i) to "institutional investors" (as defined in the Securities and Futures Act, pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified (the "SFA")); (ii) to "relevant persons" (as defined in Section 305(5) of the SFA) pursuant to Section 305(1) of the SFA, and where applicable, the conditions specified in Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; (iii) to persons who meet the requirements of an offer made pursuant to Section 305(2) of the SFA; or (iv) pursuant to, and in accordance with the conditions of, any other applicable exemption provisions of the SFA. 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) 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. The fund described in this document is neither available nor offered in the USA or to U.S. Persons. Copyright Troy Asset Management Ltd 2022.