



# Trojan Fund

All data as at 30 June 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**

**379.30p**

'O' accumulation shares

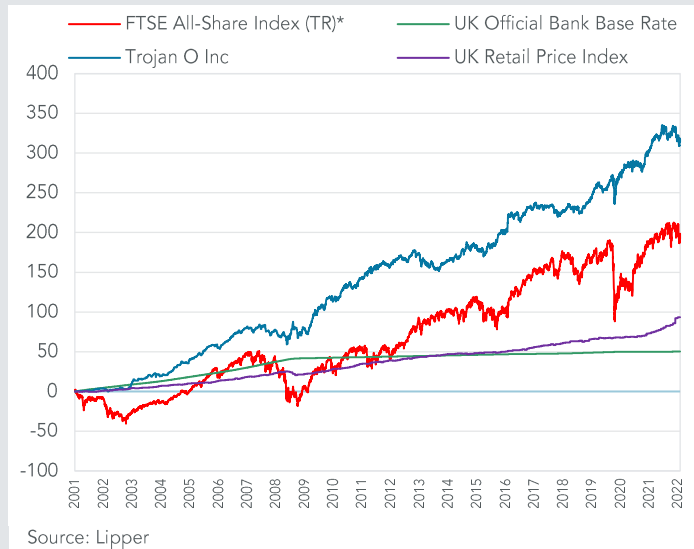
**307.02p**

'I' income shares

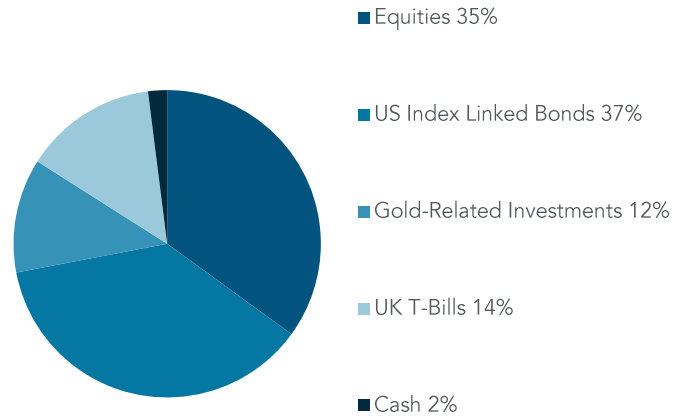
**Fund Size**

**£6,263m**

**Percentage Growth from 31/05/2001 to 30/06/2022**



**Asset Allocation**



Source: FactSet, Asset Allocation subject to change.

Total Return to 30 June 2022	31/05/01 Since launch	30/06/12 10 years	30/06/17 5 years	30/06/19 3 years	30/06/21 1 year	31/12/21 6 months
Trojan Fund O Inc	+315.0%	+58.7%	+25.0%	+18.2%	+1.5%	-4.0%
UK Official Bank Base Rate	+50.5%	+4.5%	+2.2%	+1.0%	+0.4%	+0.3%
UK Retail Price Index	+93.5%	+39.4%	+23.8%	+16.4%	+10.9%	+6.1%
FTSE All-Share Index (TR)*	+191.6%	+94.6%	+17.8%	+7.4%	+1.6%	-4.6%

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	-4.0%

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#from 30 June 2001

**Past performance is not a guide to future performance**

Source: Lipper

**June Commentary**

Your Fund returned -1.7% during the month compared to -6.0% for the FTSE All-Share Index (TR).

The bond market was volatile in June as investors continued to weigh the risk of persistent high inflation and the chances of a recession. It may be that we see both outcomes at different times. Inflation is likely to remain high with unemployment at record lows and broad money growth elevated. Similarly, the odds of a recession are rising as the US Federal Reserve is forced to raise interest rates as they attempt to tame inflation.

At the start of June, 10-year US Treasury yields rose as investors considered the value of bonds paying a fixed coupon at a time when US inflation is running at +8.6% (year-on-year). At the same time, 10-year breakevens<sup>1</sup> declined, reflecting views on a possible recession

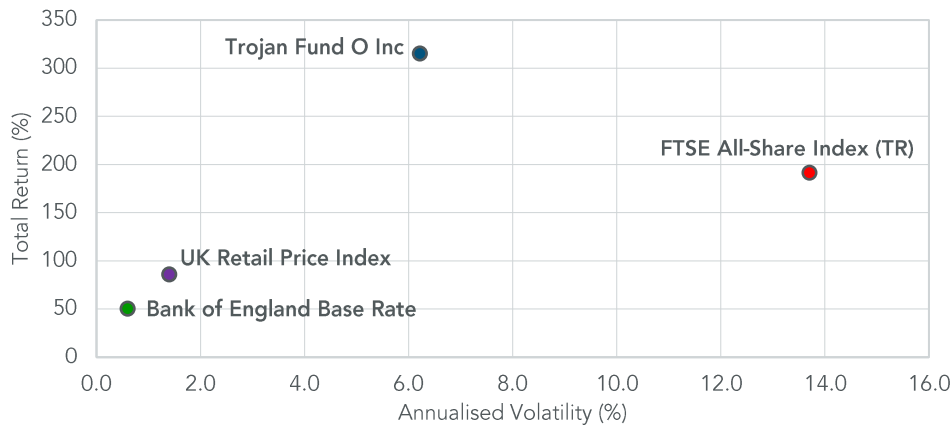
bringing down the rate of inflation. These short-term moves appear inconsistent, as there is unlikely to be sustained high inflation and a significant recession at the same time. Such contradictions can temporarily appear as the Treasury Inflation-Protected Security (TIPS) market is relatively thinly traded compared to the large and easily traded Treasury market.

The Fund does not own conventional Treasury bonds, instead preferring the inflation protection of TIPS. During June, existing TIPS holdings were added to, taking advantage of the +1% real yields available and adjusting the weighted-average duration of the index-linked portfolio to approximately six years. With inflation at a 40-year high, an asset that offers a positive real yield is attractive when trying to preserve the real value of capital. TIPS represented 37% of the Fund at the end of June.

Looking further out, inflation expectations within the TIPS market for 2027-2032 have fallen to +2% per annum. The benign inflation being priced into TIPS does not factor in any premium for protection against higher inflation running for a prolonged period of time. With the Fed still significantly behind the curve when it comes to interest rate rises, we view TIPS as attractively priced. In the event of a recession, having a bond guaranteed by the US government should also benefit from investors' search for safe haven assets.

<sup>1</sup>Breakevens give an estimate of the market's inflation expectation by comparing Treasury Inflation-Protected Securities (TIPS) yields to Treasuries.

## 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	+315.0%	+191.6%
Max Drawdown <sup>1</sup>	-13.7%	-45.6%
Best Month	+8.9%	+12.7%
Worst Month	-4.7%	-15.1%
Positive Months	+66.4%	+58.9%
Annualised Volatility <sup>2</sup>	+6.2%	+13.7%

Source: Lipper <sup>1</sup>Measures the worst investment period <sup>2</sup> 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.**

<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> CFTR0JA_LN (O Acc), CFTR0JL_LN (O Inc)	
<b>Historic Dividend Yield ('O' Inc shares)</b> 0.00%		<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

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. The UK RPI figures shown are a combination of the actual rate of RPI, as calculated by the Office of National Statistics, and estimates for the previous month. 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Top 10 holdings (excluding government bonds)	% Fund
Gold Bullion	6.1
Microsoft	4.9
Alphabet	4.8
Visa	4.2
Invesco Physical Gold	3.3
Unilever	3.3
Nestlé	2.9
Franco-Nevada	2.8
Diageo	2.6
American Express	2.3
Total Top 10	37.3
8 Other Equity holdings	9.5
Index Linked Bonds	37.4
UK T-Bills	14.1
Cash	1.7
TOTAL	100.0

Source: Factset, holdings subject to change.

## Fund Manager Awards

