

TROJAN INVESTMENT FUNDS - TROJAN INCOME FUND - GBP

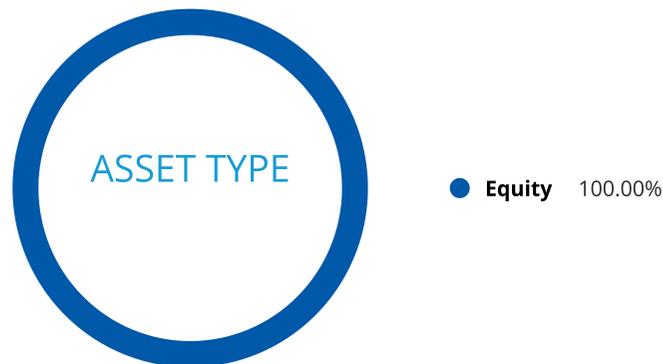
INVESTMENT RESEARCH NOTE
FEBRUARY 2024

Risk warning: The past is not necessarily a guide to future performance. The value of your investment and the income from it can fall as well as rise and is not guaranteed. You may not get back the full amount invested. Our views are based upon our understanding of current legislation in England. Levels and bases of, and reliefs from, taxation are subject to change and their value to you will depend upon your personal circumstances. You should not act on any of the information without seeking professional advice. clarity Ltd is authorised and regulated by the Financial Conduct Authority (FCA).

DESCRIPTION

SUMMARY

The Troy Trojan Income Fund has a tried and tested approach to UK equity income investing and aims to achieve an attractive total return. The majority of investments will be large cap UK equities, however the Manager has the flexibility to invest across the full capitalisation spectrum and hold up to 20% in international securities. Given the income mandate the dividend yield (and its sustainability) is an important consideration. The Manager's natural style bias towards those equities which have high returns on capital, with significant competitive advantages, has led to consistent performance since inception and significantly lower drawdowns versus the market in heightened periods of stress. The ability to protect capital, in combination with the compounding effect of regular dividend payments, has led to good total returns for investors on both an absolute and risk adjusted basis. The Fund has been managed by Francis Brooke since inception (2004). Francis was previously a director at Merrill Lynch managing £1bn of UK equities and was at F&C for 9 years. He brings a significant amount of experience and expertise to the management of the Fund.



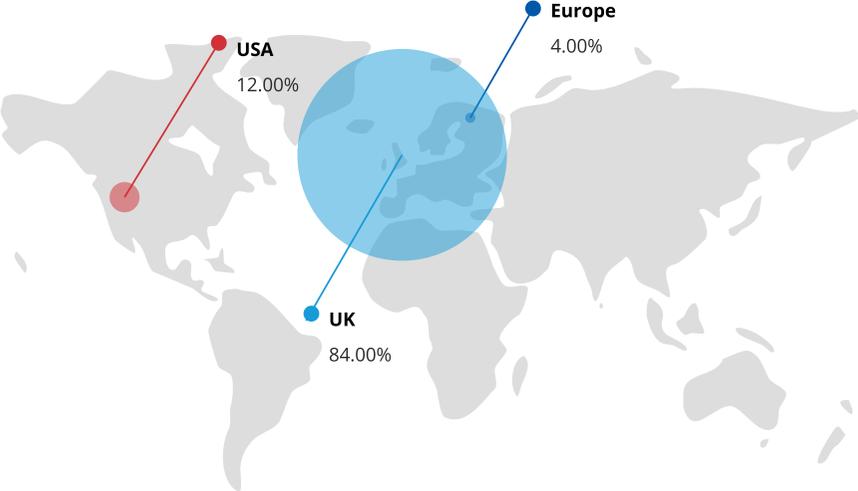
INVESTMENT PROCESS

The strategy has a unique starting point in so far as it should first and foremost focus on not losing money. The Fund is benchmark agnostic in pursuit of its goals to deliver an attractive level of income and growth. This allows the Manager to stay clear of the heavy bias towards a small concentration of dividend payers in the FTSE100 and achieve an optimal blend of investments for investors based on thorough investment research. The Fund follows a bottom up stock selection construction methodology, which considers diversification and managing risk as the key. An example of this is the tactical use of cash of up to 20% of the value of The Fund when they believe it has optimum value on a tactical basis. Investments are made with a long term view in mind and as such this allows the Manager to take advantage of any short term mispricing. Dividend yield, price-to-book and return on capital are key valuation criteria. From time to time the team will selectively use options to increase the level of yield. The Manager seeks the following qualities in potential investments:

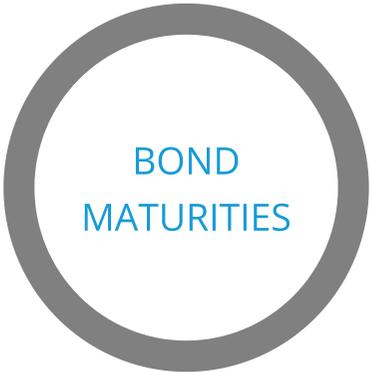
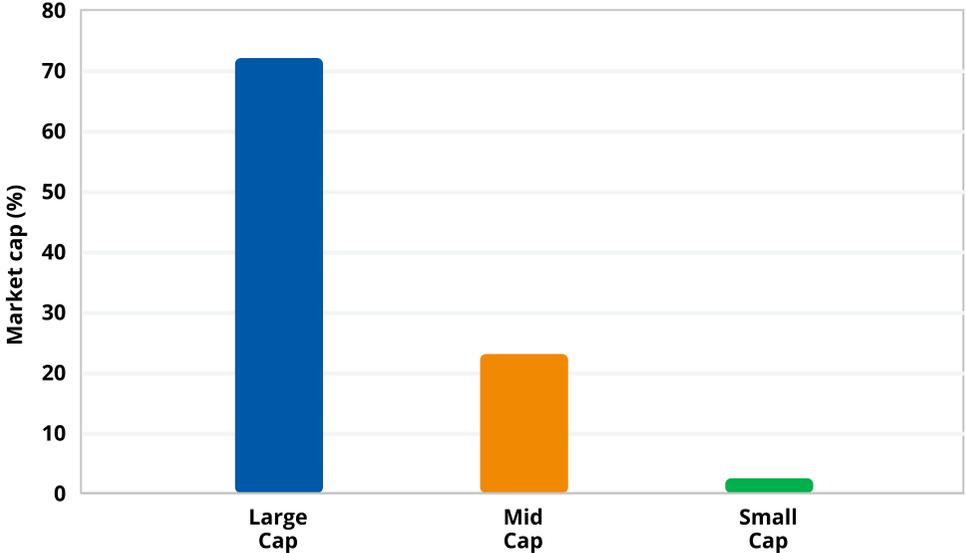
- High returns on invested capital
- Competitive advantages
- Strong predictable cash flows which are delivered in earnings and dividends
- Companies with special assets such as brands, relationships, IP, networks etc
- Soundly financed balance sheets
- Good management who act in shareholders interests
- Attractively priced in relation to future cash flows

AGGREGATED NET EXPOSURE

REGIONAL EXPOSURE



EQUITY MARKET CAP (%)



Not Applicable



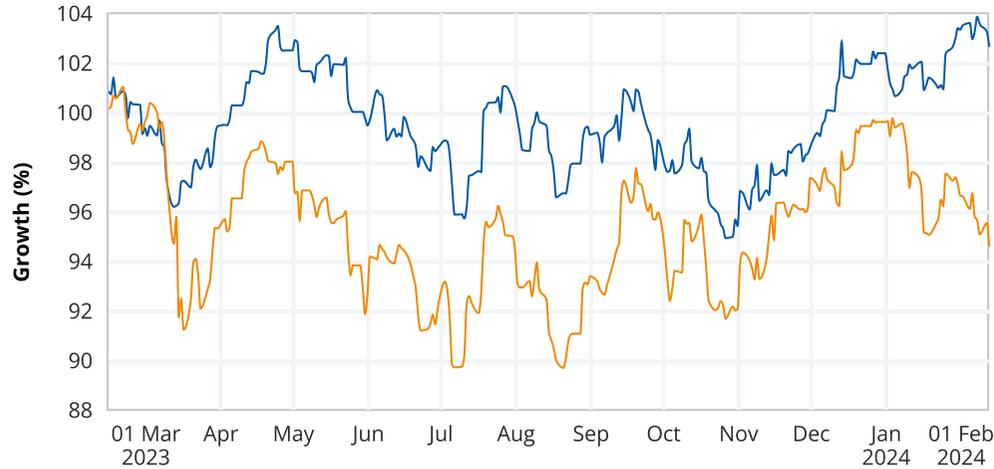
Not Applicable

OVERALL PERFORMANCE

● TROJAN INCOME FUND-O INC ● UK Equity Income TR

GROWTH (%) - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024



GROWTH (%) - FROM INCEPTION

1 Oct 2004 - 13 Feb 2024



DRAWDOWN (%) - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024



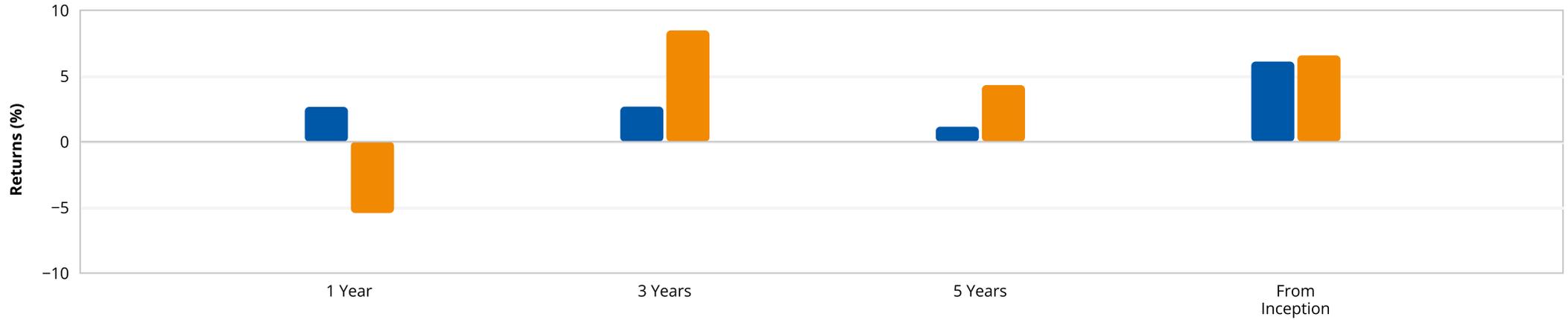
DRAWDOWN (%) - FROM INCEPTION

1 Oct 2004 - 13 Feb 2024



RETURNS

● TROJAN INCOME FUND-O INC ● UK Equity Income TR



MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	0.99	-0.73											0.25
2023	1.03	0.73	0.31	3.08	-2.66	-1.23	2.02	-1.11	-0.55	-3.25	2.80	4.11	5.10
2022	-7.26	-1.99	2.99	0.11	-3.90	-5.40	7.56	-4.08	-5.31	2.32	3.83	-1.06	-12.51
2021	-1.80	-2.76	4.04	4.41	0.39	1.59	2.02	1.49	-1.87	1.42	0.98	4.97	15.55
2020	-0.78	-8.29	-10.79	6.78	2.32	-2.38	-1.63	1.48	0.85	-6.00	6.71	1.25	-11.48
2019	3.07	2.29	3.77	1.83	-1.40	2.62	2.84	-2.12	1.64	-0.86	2.40	1.24	18.54

Capped to 6 years.

ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Trojan Income Fund-O INC	2.65	2.67	1.14	6.10
UK Equity Income TR	-5.43	8.47	4.31	6.57

CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Trojan Income Fund-O INC	2.64	8.20	5.82	213.15
UK Equity Income TR	-5.41	27.48	23.35	151.01

ANNUALISED ANALYTICS

● TROJAN INCOME FUND-O INC ● UK Equity Income TR

PERFORMANCE - OVER 1 YEAR

14 Feb 2023 - 13 Feb 2024

	TROJAN INCOME FUND-O INC	UK Equity Income TR
RETURNS (%)	2.65	-5.43
VOLATILITY (%)	9.55	13.07
ALPHA	-0.20 *	
BETA	0.52 *	1.00
CORRELATION	0.57 *	1.00
SHARPE RATIO	-0.15	-0.68
SORTINO RATIO	-0.22	-0.92
MAX DRAWDOWN (%)	-8.27	-11.21

PERFORMANCE - FROM INCEPTION

1 Oct 2004 - 13 Feb 2024

	TROJAN INCOME FUND-O INC	UK Equity Income TR
RETURNS (%)	6.10	6.57
VOLATILITY (%)	11.43	15.96
ALPHA	0.17	
BETA	0.64	1.00
CORRELATION	0.78	1.00
SHARPE RATIO	0.37	0.36
SORTINO RATIO	0.50	0.50
MAX DRAWDOWN (%)	-28.11	-37.74

*Calculated over a 3 year period where history permits.

SIMPLE STRESS TEST DRAWDOWN (%)

14 Feb 2023 - 13 Feb 2024



Stress test notes

This chart shows the calculated drawdown over the last year. The Review Point is the fund intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown hit the review point, then this indicates that market conditions may be abnormal. This is the point that we would consider taking immediate action for an extreme market event.

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