

Trojan Investment Funds

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019



Trojan Fund

Trojan Ethical Income Fund

Trojan Global Income Fund

Trojan Global Equity Fund

Trojan Income Fund

Crystal Fund

Spectrum Fund

AUTHORISED CORPORATE DIRECTOR ('ACD')

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ACD'S REPORT

for the year ended 31 January 2019

Authorised Status

Trojan Investment Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000280 and authorised by the Financial Conduct Authority ('FCA') with effect from 14 November 2003. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The Company is a UCITS scheme and the base currency of the Company and each sub-fund is pounds sterling.

Important Information

As a result of a scheme of arrangement, effective 25 May 2018, the Spectrum Fund has received the property of the Spectrum Income Fund.

The Spectrum Income Fund had its last valuation on 25 May 2018. Approval for the sub-fund to be terminated on 31 July 2018 was granted by Financial Conduct Authority on 13 July 2018.

On 22 March 2019, a new sub-fund, the Trojan Ethical Fund was launched. Further details on this sub-fund are available in the latest Company Prospectus.

With effect from 1 April 2019, the Investment Manager has agreed, on a discretionary basis, to waive an appropriate portion of their fee in respect of the ongoing charges applicable to Trojan Ethical Income Fund, in order to seek to achieve an Ongoing Charges Figure that does not exceed the rate referred to below:

- 'I' share class 1.52%;
- 'O' share class 1.02%; and
- 'S' share class 0.77%.

Shareholders will be given 60 days prior notice if the Investment Manager ceases this arrangement.

With effect from 1 April 2019, the 'Z' Accumulation and 'Z' Income Share classes were closed in the Trojan Fund and Trojan Income Fund. These share classes were used by other funds ("feeder funds") that only invested into these funds and are no longer required following a decision by those feeder funds to invest in other financial instruments.

Cross Holdings

No sub-funds had holdings in any other sub-fund of the Company at the end of the year.

ACD'S REPORT *continued*

Remuneration Policy

Link Fund Solutions Limited ('LFSL') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. LFSL's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within LFSL including in respect of the risk profile of the funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable LFSL to achieve and maintain a sound capital base.

LFSL acts as the operator of both UCITS funds and AIFs.

LFSL delegates portfolio management for the funds to various investment management firms. The portfolio managers' fees and expense for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive. This disclosure is in respect of LFSL activities (including activities performed by its sister company Link Fund Administrators Limited (LFAL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. LFSL staff do not perform duties in respect of particular funds, nor are they remunerated by reference to the performance of any individual fund. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Company itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. However, following the acquisition by Link Administration Holdings Limited on 3 November 2017, LFSL changed its accounting reference date to 30 June to align with that of its new parent, and its most recent account period was therefore for the six months to 30 June 2018. To provide investors with transparency and comparability, this report includes remuneration disclosures for both this shortened accounting period and the previous one, for the calendar year ended 31 December 2017. As at 30 June 2018, LFSL operated 96 UCITS and 59 AIFs (31.12.17: 95 UCITS and 59 AIFs), whose respective assets under management ('AuM') were £39,632 million and £17,801 million (31.12.17: £41,425 million and £16,780 million). This Company was valued at £7,671 million as at 30 June 2018 and represented 13.36% of LFSL's total AuM and 19.36% of its UCITS AuM (31.12.17: this Company was valued at £8,420 million and represented 14.47% of LFSL's total AuM and 20.33% of its UCITS AuM).

ACD'S REPORT *continued***Remuneration Policy** *continued*

The disclosure below represents that required under COLL 4.5.7R (7) for funds subject to UCITS obligations.

2018	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial period to 30 June 2018	149	3,249	924	4,173
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial period to 30 June 2018				
Senior management (including all Board members)	6	356	348	704
Staff engaged in control functions	4	182	59	241
Risk takers and other identified staff	15	561	205	766
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	–	–	–	–

2017	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial year to 31 December 2017	188	5,497	633	6,130
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 31 December 2017				
Senior management (including all Board members)	6	551	132	683
Staff engaged in control functions	4	310	–	310
Risk takers and other identified staff	15	995	19	1,014
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	–	–	–	–

LFSL's remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by the Company as a whole, rather than the performance of any individual fund. Subject to satisfactory Company performance, bonuses may then be paid to staff to reflect their contribution to the Company's success. The precise metrics used will vary by function, but consideration is given to both qualitative and quantitative measures.

ACD'S REPORT *continued*

Remuneration Policy *continued*

None of LFSL's staff receives remuneration based on the performance of any individual fund.

Further details can be found at www.linkfundsolutions.co.uk/assets/media/LFS_Explanation_of_Compliance_with_Remuneration_Code.pdf.

Securities Financing Transactions

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Investment Funds

17 May 2019

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Investment Funds

17 May 2019

STATEMENT OF ACD'S RESPONSIBILITIES

The Collective Investment Schemes sourcebook published by the FCA ('the COLL Rules') requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company and of the net income/expense and net capital gains/losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the ACD, which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

REPORT OF THE DEPOSITARY

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED

Depositary of Trojan Investment Funds

17 May 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TROJAN INVESTMENT FUNDS

Opinion

We have audited the financial statements of Trojan Investment Funds ('the Company') for the year ended 31 January 2019 which comprise the Statement of Total Return and Statement of Change in Net Assets Attributable to Shareholders together with the Balance Sheet for each of the Company's sub-funds, the accounting policies of the Company, the related notes for each sub-fund and the Distribution Tables, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 January 2019 and of the net revenue and the net capital gains and losses on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TROJAN INVESTMENT FUNDS *continued*

Other Information

The other information comprises the information included in the annual report, other than the financial statements for each sub-fund and our auditor's report thereon. The ACD is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the follow matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit

Responsibilities of Authorised Corporate Director ('ACD')

As explained more fully in the ACD's responsibilities statement set out on page 14, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TROJAN INVESTMENT FUNDS *continued*

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the company's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP

Statutory Auditor

London

17 May 2019

ACCOUNTING AND DISTRIBUTION POLICIES

for the year ended 31 January 2019

1. Accounting Policies

The principal accounting policies, which have been applied to the financial statements of the sub-funds in both the current and prior year, are set out below. These have been applied consistently across all sub-funds unless otherwise stated in the Notes to the Financial Statements of each sub-fund.

(A) BASIS OF ACCOUNTING

The financial statements of each sub-fund have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

(B) RECOGNITION OF REVENUE

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Reportable income from funds with 'Reporting Fund' status for UK tax purposes is recognised when the information is made available by the Reporting Fund.

Revenue on debt securities is accounted for on an effective yield basis.

Rebates of annual management charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue, or capital in line with the allocation of the annual management charge between capital and revenue of the underlying investments.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged initially against revenue.

(D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES AND SUB-FUNDS

Any revenue or expense not directly attributable to a particular share class or sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and sub-funds, unless a different allocation method is more appropriate.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

ACCOUNTING AND DISTRIBUTION POLICIES *continued*

(E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(F) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

Quoted investments are valued at fair value which generally is the bid price, excluding any accrued interest in the case of debt securities. Accrued interest on debt securities is included in revenue.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

Open forward currency contracts are valued based on the difference between the contract value and the market value adjusted by the prevailing spot rate and swap curve.

(G) EXCHANGE RATES

The base and functional currency of the sub-funds is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the exchange rate prevailing at close of business on the last business day of the financial year.

(H) DILUTION LEVY

The ACD may require a dilution levy on the purchase and redemption of shares in the Trojan Fund, the Trojan Ethical Income Fund, the Trojan Income Fund, the Spectrum Fund, the Trojan Global Equity Fund and the Trojan Global Income Fund if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property of a sub-fund is in continual decline; on a sub-fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the relevant sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining shareholders require the imposition of a dilution levy.

ACCOUNTING AND DISTRIBUTION POLICIES *continued*

(I) DIRECT TRANSACTION COSTS

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Debt security investments have no separately identifiable transaction costs as they form part of the dealing spread. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

2. Distribution Policies

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion. Final distributions are made in accordance with the COLL Sourcebook.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the sub-fund.

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

TROJAN FUND ACD'S REPORT

for the year ended 31 January 2019

Important Information

Refer to the 'Important Information' section of the Company on page 9.

Investment Objective and Policy

The investment objective of the Trojan Fund ('the Fund') is to achieve growth in capital and income in real terms over the longer term. The Fund's policy is to invest substantially in UK and overseas equities and fixed interest securities, but may also invest in collective investment schemes and money market instruments.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Fund

17 May 2019

TROJAN FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2019

Market Review

Following a period of calm in 2017, the 12 months under review saw volatility return to global asset markets. The year got off to a poor start with equities and bonds falling in unison in February, prompted by fears of higher interest rates and rising inflation in the US. Whilst US equities had recovered much of their poise by May, the same could not be said for many Asian and Emerging Markets.

Until October, US equities, underpinned by solid corporate earnings growth and a robust economy, stood out as a bastion of strength from the rest of the world. However, US equities were not immune to a rapid deterioration in investor sentiment during the fourth quarter of 2018. Starting in October and ending with a lurch down in December, equity markets fell on concerns that the global economy was slowing and that the US could enter into recession in the next year or two. This led to a shift in market leadership. Highly valued growth stocks sold off aggressively, alongside cyclical and economically sensitive businesses. Energy companies, in particular, were hard hit following a collapse in the oil price. In contrast, more defensive and predictable utilities and consumer staples businesses held up relatively well.

Credit and loan markets were also impacted, highlighted by a widening in high-yield spreads, a lack of new issuance in December, and selling pressure in leveraged loan funds. Whilst a sharp bounce in January has alleviated much of the pressure, trading conditions in December were instructive in highlighting the liquidity mismatch inherent in vehicles that provide daily dealing but invest in assets that cannot easily be redeemed.

Although the majority of assets ended 2018 in negative territory, it was reassuring to see gold act as a safe haven during times of stress. The yellow metal rose more than +10%, in US dollar terms, between the beginning of October and the end of January 2019.

Portfolio Review

The market sell-off in the first quarter gave us the opportunity to add to some of our core holdings at lower valuations. These included Unilever and Procter & Gamble where we believe that a combination of sector rotation away from so-called 'bond-proxies' and short-term concerns over disruptive factors in their respective markets led valuations to overshoot to the downside. Our equity exposure has not however risen in aggregate on account of some portfolio sales.

In March we sold the Fund's holding of Becton, Dickinson and Company. Becton was first acquired for the Fund in 2010. We were attracted then by the company's pristine balance sheet, the shares' lowly valuation, management's sensible attitude towards capital allocation and the business model of selling repetitively consumable medical devices, such as syringes, to healthcare providers across the globe. Becton was clearly a suitable candidate for long-term investment and the shares have performed well. More recently however, Becton's management has placed greater emphasis on acquiring growth and scale through transformative acquisitions. The latest business to be bought, CR Bard, is a similarly wonderful franchise but its acquisition has come at the expense of balance sheet strength and will depress Becton's returns on invested capital for years to come. We prefer our investee companies to create goodwill rather than expensively acquire it.

TROJAN FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Dr Pepper Snapple and Hershey, both wonderful businesses and consistent compounders of earnings, were also sold as a result of such M&A activity. In both instances, financial leverage has increased significantly and future returns on capital are likely to be lower than in the past given the multiples paid for acquisitions. Dr Pepper was effectively acquired by Keurig Green Mountain whilst Hershey paid 48x adjusted earnings for Amplify Snack Brands at the end of 2017.

In July, we sold the Fund's small holding in Reckitt Benckiser. The shares had re-rated from their lows and we had concerns over the sustainability of the company's margins. A series of one-off issues point to the fact that the company may have been run too aggressively. Reckitt's CEO has since announced his retirement and we will monitor with interest the next steps for this company, which still houses an attractive portfolio of consumer brands.

The proceeds from the Reckitt sale were reinvested into the Coca-Cola Company, an existing holding for the Trojan Fund. The stock was originally acquired for the Fund in 2009 and performed very strongly for the first four years but has since made little progress. The company suffered from a number of headwinds, which we believe are coming to an end. The most important change is the reversion to a capital-light, franchise-based business model. In October 2017 Coca-Cola completed its transition to return its US bottling operations to local partners. This refranchising, along with a wider, global effort, will improve margins, cash generation, returns on capital and strengthen the balance sheet. A change in management and increased dynamism on innovation should enable the company to continue to successfully transform its portfolio for changing consumer tastes.

We added to the Fund's gold exposure in August after sentiment had dropped to a multi-year low. Gold has proven, over the long term, to have a negative correlation with stock markets; it thus provides important insurance in the Fund. The depressed gold price also enabled us to add to the Fund's shares in Franco Nevada in October as they hovered around a 12-month low. Franco Nevada is a resource royalty and stream company whose management has proven adept at allocating capital counter-cyclically and which does not run the operational risk of a mining business. This, combined with the portfolio's physically-backed gold exposure, provided support in the final quarter as other asset classes faltered.

In November we sold the Fund's holding in Henkel, the German adhesives and consumer staples company. We still rate this company highly but are concerned that management of its consumer franchise has deteriorated just at a point where the adhesives business is likely to face greater cyclical headwinds. The company has since issued a profit warning for 2019.

In tobacco, it was announced in December that Altria was paying nearly \$13bn for a 35% stake in JUUL, the US e-cigarette company. The JUUL vaping device was first produced in 2015 and recent actions from the FDA (Food and Drug Administration) have sought to regulate the products more strictly. Few financial details of the transaction have been provided but it is clear that Altria is paying a multiple of almost 40x 2018 revenue for its minority stake. We believe it will be difficult to generate attractive returns on investment, particularly at a time when the US e-cigarette market is undergoing greater regulatory scrutiny. We sold the Fund's shares in Altria in January over concerns about management's lack of capital allocation discipline and the company's increased financial leverage.

TROJAN FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Meanwhile, we added to the Fund's holding in British American Tobacco, also in January. This is in the context of a substantial de-rating of the shares, leading to the stock trading on a PE multiple of 8x earnings. We believe that this more than reflects increased risks from US regulation and next-generation products.

During the year, real yields continued to rise in the US, enabling greater reinvestment of the portfolio's cash into short-duration Treasury Inflation-Protected Securities. These have been purchased at real yields of around 1%. This is particularly attractive given that short-dated bonds are less volatile than their longer-dated counterparts. The weighted average duration of the index-linked exposure is now just under three years. It remains our belief that in an environment where QE has lifted all boats, both bonds and equities could fall simultaneously with its removal. In this scenario, longer-duration index-linked bonds will be the hardest hit. It is at such a point that we would seek to lengthen the duration of the index-linked exposure.

Outlook

If quantitative easing helped to inflate asset prices, quantitative tightening has the potential to undermine them, especially given that the economic cycle that is already long in the tooth. Having benefited from the ready availability of cheap capital in recent years, we believe the corporate environment is likely to become more challenging over the next few years, particularly given the quantity of debt that pervades the global economy.

We continue to monitor a select group of franchises, including several not yet held in the Fund. When these reach our valuation targets, we will increase the Fund's allocation to equities. Where companies are more cyclical, one must be wary of apparently low multiples of earnings but where the earnings are at or near a cyclical peak.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

18 February 2019

TROJAN FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Debt securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a debt security is also affected by its credit rating.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables**

Where the Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

'O' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	249.81	243.53	218.33
Return before operating charges*	(0.32)	9.82	28.61
Operating charges	(2.51)	(2.55)	(2.50)
Return after operating charges	(2.83)	7.27	26.11
Distributions	(1.80)	(0.99)	(0.91)
Closing net asset value per share	245.18	249.81	243.53
* after direct transaction costs of:	0.03	0.05	0.03

PERFORMANCE

Return after charges	(1.13)%	2.99%	11.96%
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OTHER INFORMATION

Closing net asset value (£'000)	435,012	974,197	1,458,797
Closing number of shares	177,424,102	389,980,967	599,021,874
Operating charges	1.02% ¹	1.02% ¹	1.06%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	251.74	254.88	245.71
Lowest share price	240.02	243.18	218.00

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'O' ACCUMULATION SHARES**

(THIS CLASS IS ALSO AVAILABLE FOR INVESTMENT BY THE
GLOBAL FLEXIBLE, A SUB-FUND OF ARISTEA SICAV)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	303.85	295.04	263.53
Return before operating charges*	(0.39)	11.91	34.53
Operating charges	(3.06)	(3.10)	(3.02)
Return after operating charges	(3.45)	8.81	31.51
Distributions	(2.19)	(1.20)	(1.10)
Retained distributions on accumulation shares	2.19	1.20	1.10
Closing net asset value per share	300.40	303.85	295.04
* after direct transaction costs of:	0.04	0.06	0.04

PERFORMANCE

Return after charges	(1.14)%	2.99%	11.96%
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OTHER INFORMATION

Closing net asset value (£'000)	993,094	1,503,214	1,475,063
Closing number of shares	330,587,922	494,719,715	499,957,123
Operating charges	1.02% ¹	1.02% ¹	1.06%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	307.21	308.79	297.44
Lowest share price	291.94	294.61	263.21

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	247.99	242.05	217.43
Return before operating charges*	(0.33)	9.79	28.41
Operating charges	(3.71)	(3.78)	(3.66)
Return after operating charges	(4.04)	6.01	24.75
Distributions	(0.56)	(0.07)	(0.13)
Closing net asset value per share	243.39	247.99	242.05
* after direct transaction costs of:	0.03	0.05	0.03

PERFORMANCE

Return after charges	(1.63)%	2.48%	11.38%
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OTHER INFORMATION

Closing net asset value (£'000)	6,750	9,840	11,631
Closing number of shares	2,773,262	3,967,762	4,805,280
Operating charges	1.52% ¹	1.52% ¹	1.56%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	250.07	252.85	244.59
Lowest share price	238.09	241.70	217.14

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	289.26	282.27	253.41
Return before operating charges*	(0.38)	11.39	33.13
Operating charges	(4.33)	(4.40)	(4.27)
Return after operating charges	(4.71)	6.99	28.86
Distributions	(0.65)	(0.08)	(0.15)
Retained distributions on accumulation shares	0.65	0.08	0.15
Closing net asset value per share	284.55	289.26	282.27
* after direct transaction costs of:	0.04	0.05	0.04

PERFORMANCE

Return after charges	(1.63)%	2.48%	11.39%
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OTHER INFORMATION

Closing net asset value (£'000)	78,966	110,514	115,657
Closing number of shares	27,750,716	38,205,246	40,973,404
Operating charges	1.52% ¹	1.52% ¹	1.56%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	291.69	294.87	285.22
Lowest share price	277.72	281.86	253.06

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' INCOME SHARES****(REGISTERED CHARITIES ONLY)**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	250.01	243.72	218.50
Return before operating charges*	(0.31)	9.84	28.63
Operating charges	(1.90)	(1.93)	(1.91)
Return after operating charges	(2.21)	7.91	26.72
Distributions	(2.42)	(1.62)	(1.50)
Closing net asset value per share	245.38	250.01	243.72
* after direct transaction costs of:	0.03	0.05	0.03

PERFORMANCE

Return after charges	(0.88)%	3.25%	12.23%
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OTHER INFORMATION

Closing net asset value (£'000)	339,370	393,666	353,717
Closing number of shares	138,303,504	157,462,444	145,130,350
Operating charges	0.77% ¹	0.77% ¹	0.81%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	251.96	255.33	246.08
Lowest share price	240.30	243.38	218.18

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' ACCUMULATION SHARES**
(REGISTERED CHARITIES ONLY)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	312.28	302.46	269.49
Return before operating charges*	(0.39)	12.22	35.34
Operating charges	(2.38)	(2.40)	(2.37)
Return after operating charges	(2.77)	9.82	32.97
Distributions	(3.03)	(2.01)	(1.85)
Retained distributions on accumulation shares	3.03	2.01	1.85
Closing net asset value per share	309.51	312.28	302.46
* after direct transaction costs of:	0.04	0.06	0.04

PERFORMANCE

Return after charges	(0.89)%	3.25%	12.23%
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OTHER INFORMATION

Closing net asset value (£'000)	75,100	91,772	62,288
Closing number of shares	24,264,541	29,388,047	20,593,781
Operating charges	0.77% ¹	0.77% ¹	0.81%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	316.14	316.87	304.74
Lowest share price	300.15	302.03	269.18

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'Z' INCOME SHARES****(NO LONGER AVAILABLE FOR INVESTMENT)**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	122.73	119.65	107.24
Return before operating charges*	(0.15)	4.82	14.09
Operating charges	(0.02)	(0.02)	(0.07)
Return after operating charges	(0.17)	4.80	14.02
Distributions	(2.10)	(1.72)	(1.61)
Closing net asset value per share	120.46	122.73	119.65
* after direct transaction costs of:	0.02	0.02	0.02

PERFORMANCE

Return after charges	(0.14)%	4.01%	13.07%
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OTHER INFORMATION

Closing net asset value (£'000)	275,798	392,304	229,118
Closing number of shares	228,947,652	319,648,800	191,489,282
Operating charges	0.02% ¹	0.02% ¹	0.06%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	123.72	125.71	121.15
Lowest share price	118.10	119.48	107.11

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'Z' ACCUMULATION SHARES**
(NO LONGER AVAILABLE FOR INVESTMENT)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	128.12	123.45	109.58
Return before operating charges*	(0.45)	4.70	13.94
Operating charges	(0.03)	(0.03)	(0.07)
Return after operating charges	(0.48)	4.67	13.87
Distributions	(1.90)	(1.50)	(1.51)
Retained distributions on accumulation shares	1.90	1.50	1.51
Closing net asset value per share	127.64	128.12	123.45
* after direct transaction costs of:	0.02	0.02	0.02

PERFORMANCE

Return after charges	(0.37)%	3.78%	12.66%
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OTHER INFORMATION

Closing net asset value (£'000)	—	—	—
Closing number of shares	250	250	250
Operating charges	0.02% ¹	0.02% ¹	0.06%
Direct transaction costs	0.01%	0.02%	0.01%

PRICES

Highest share price	130.05	129.61	124.28
Lowest share price	123.22	123.28	109.36

¹ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'X' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18¹ pence per share
Opening net asset value per share	100.40	100.00
Return before operating charges*	(0.12)	0.60
Operating charges	(0.86)	(0.14)
Return after operating charges	(0.98)	0.46
Distributions	(0.88)	(0.06)
Closing net asset value per share	98.54	100.40
* after direct transaction costs of:	0.01	–

PERFORMANCE

Return after charges	(0.98)%	0.46%
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OTHER INFORMATION

Closing net asset value (£'000)	1,207,107	771,477
Closing number of shares	1,225,040,355	768,437,531
Operating charges	0.87% ³	0.87% ^{2,3}
Direct transaction costs	0.01%	0.11% ²

PRICES

Highest share price	101.18	101.38
Lowest share price	96.48	100.00

¹ From 1 December 2017.² Annualised figure due to share class launched less than 1 year.³ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'X' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18¹ pence per share
Opening net asset value per share	100.45	100.00
Return before operating charges*	(0.13)	0.59
Operating charges	(0.86)	(0.14)
Return after operating charges	(0.99)	0.45
Distributions	(0.88)	(0.05)
Retained distributions on accumulation shares	0.88	0.05
Closing net asset value per share	99.46	100.45
* after direct transaction costs of:	0.01	–

PERFORMANCE

Return after charges	(0.99)%	0.45%
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OTHER INFORMATION

Closing net asset value (£'000)	624,891	229,691
Closing number of shares	628,291,047	228,672,109
Operating charges	0.87% ³	0.87% ^{2,3}
Direct transaction costs	0.01%	0.11% ²

PRICES

Highest share price	101.64	101.38
Lowest share price	96.53	100.00

¹ From 1 December 2017.² Annualised figure due to share class launched less than 1 year.³ The operating charges as at 31 January 2019 and 31 January 2018 do not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at those dates.

TROJAN FUND
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Fund Performance to 31 January 2019 (%)

	1 year	3 years	5 years
Trojan Fund	(1.41)	13.62	29.94

The performance of the Fund is based on the published price per 'O' Income share with income reinvested.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 58 to 61.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT**

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	DEBT SECURITIES – 53.87% (31.01.18 – 47.27%)		
£100,000,000	UK Treasury 0% 18/2/2019	99,971	2.48
£35,000,000	UK Treasury 0% 4/3/2019	34,979	0.87
£72,000,000	UK Treasury 0% 25/3/2019	71,934	1.78
£120,000,000	UK Treasury 0% 15/4/2019	119,839	2.97
£230,000,000	UK Treasury 0% 23/4/2019	229,653	5.69
£106,498,500	UK Treasury 0.125% index-linked 22/3/2024	140,115	3.47
£90,447,000	UK Treasury 1.875% index-linked 22/11/2022	145,848	3.61
£33,604,000	UK Treasury 2.5% index-linked 16/4/2020	120,495	2.99
US\$360,000,000	US Treasury 0.125% Inflation Protected Securities 15/4/2019	292,579	7.25
US\$100,000,000	US Treasury 0.125% Inflation Protected Securities 15/4/2020	80,745	2.00
US\$222,000,000	US Treasury 0.125% Inflation Protected Securities 15/4/2021	176,528	4.37
US\$352,616,000	US Treasury 0.125% Inflation Protected Securities 15/1/2022	293,166	7.26
US\$97,562,000	US Treasury 0.625% Inflation Protected Securities 15/7/2021	82,991	2.06
US\$134,000,000	US Treasury 1.125% Inflation Protected Securities 15/1/2021	118,031	2.92
US\$150,000,000	US Treasury 2.375% Inflation Protected Securities 15/1/2025	167,411	4.15
	TOTAL DEBT SECURITIES	2,174,285	53.87
	EQUITIES – 33.69% (31.01.18 – 37.50%)		
	UNITED KINGDOM – 11.16% (31.01.18 – 11.43%)		
4,288,417	A.G. Barr	32,335	0.80
4,478,000	British American Tobacco	120,257	2.98
2,200,000	Diageo	63,833	1.58
3,200,000	GlaxoSmithKline	47,257	1.17

TROJAN FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
462,625	Mithras Investment Trust ^{1,2}	333	0.01
11,700,000	Sage	73,242	1.81
2,848,889	Unilever	113,500	2.81
	TOTAL UNITED KINGDOM	450,757	11.16
	CONTINENTAL EUROPE – 2.33% (31.01.18 – 3.46%)		
1,420,600	Nestlé	94,093	2.33
	NORTH AMERICA – 20.20% (31.01.18 – 22.61%)		
940,000	American Express	73,373	1.82
380	Berkshire Hathaway 'A'	89,262	2.21
4,070,000	Coca-Cola	149,440	3.70
907,000	Colgate-Palmolive	44,597	1.11
895,190	Franco-Nevada	52,815	1.31
3,200,000	Imperial Oil	68,849	1.71
1,980,000	Microsoft	157,157	3.89
1,500,000	Philip Morris International	87,506	2.17
1,252,650	Procter & Gamble	91,884	2.28
	TOTAL NORTH AMERICA	814,883	20.20
	TOTAL EQUITIES	1,359,733	33.69
	GOLD – 8.90% (31.01.18 – 7.09%)		
814,850	ETFS Physical Swiss Gold ¹	79,159	1.96
2,964,900	Gold Bullion Securities ¹	280,296	6.94
	TOTAL GOLD	359,455	8.90
	FORWARD CURRENCY CONTRACTS – 1.26% (31.01.18 – 1.18%)		
US\$(2,240,000,000)	Vs £1,747,469,679 (expiry 15/4/2019)	50,763	1.26

TROJAN FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	Portfolio of investments	3,944,236	97.72
	Net other assets	91,852	2.28
	Net assets	4,036,088	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Collective investment scheme.

² Delisted security.

TROJAN FUND**ACD'S REPORT** *continued***SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the year ended 31 January 2019

Total purchases for the year £'000 (note 16)	1,148,618	Total sales for the year £'000 (note 16)	970,360
	Cost £'000		Proceeds £'000
Major purchases		Sales	
UK Treasury 1.25% index-linked 22/7/2018	387,645	UK Treasury 1.25% index-linked 22/7/2018	387,000
US Treasury 0.125% Inflation Protected Securities 15/4/2019	293,708	US Treasury 0.125% Inflation Protected Securities 15/4/2020	168,495
US Treasury 2.375% Inflation Protected Securities 15/1/2025	171,170	Dr Pepper Snapple	102,880
US Treasury 0.125% Inflation Protected Securities 15/4/2021	108,081	Altria	77,038
Coca-Cola	41,200	Becton Dickinson	62,922
Unilever	39,820	Henkel	60,807
Procter & Gamble	38,840	Hershey's	42,556
British American Tobacco	21,809	Reckitt Benckiser	40,805
Gold Bullion Securities	21,092	Microsoft	27,857
Altria	12,692		

In addition to the above, purchases of £2,171,415,000 and sales of £2,599,240,000 were made in short term investments during the year.

The summary of material portfolio changes represents the 10 largest purchases and all of the sales during the year.

TROJAN FUND

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 January 2019

	Notes	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Income:					
Net capital (losses)/gains	3		(83,104)		95,570
Revenue	4	77,348		62,758	
Expenses	5	(37,000)		(38,743)	
Interest payable and similar charges	7	–		(2)	
Net revenue before taxation		40,348		24,013	
Taxation	6	(3,903)		(3,767)	
Net revenue after taxation			36,445		20,246
Total return before distributions			(46,659)		115,816
Distributions	8		(36,798)		(19,679)
Change in net assets attributable to shareholders from investment activities			(83,457)		96,137

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 January 2019

	Note	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Opening net assets attributable to shareholders			4,476,675		3,706,271
Amounts receivable on issue of shares		396,750		859,588	
Amounts payable on redemption of shares		(766,981)		(192,430)	
			(370,231)		667,158
Dilution levy	1(H)		(95)		–
Change in net assets attributable to shareholders from investment activities			(83,457)		96,137
Retained distributions on Accumulation shares			13,195		7,109
Unclaimed distributions			1		–
Closing net assets attributable to shareholders			4,036,088		4,476,675

TROJAN FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 January 2019

	Notes	31.01.19 £'000	31.01.18 £'000
ASSETS			
Fixed assets			
Investments		3,944,236	4,164,886
Current assets			
Debtors	9	7,241	10,422
Cash and bank balances	10	126,440	310,446
Total assets		<u>4,077,917</u>	<u>4,485,754</u>
LIABILITIES			
Creditors			
Distribution payable	11	(11,794)	(5,098)
Other creditors	11	(30,035)	(3,981)
Total liabilities		<u>(41,829)</u>	<u>(9,079)</u>
Net assets attributable to shareholders		<u>4,036,088</u>	<u>4,476,675</u>

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2019

1. Accounting Policies

The accounting policies described on pages 19 to 21 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 21 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital (Losses)/Gains

The net capital (losses)/gains during the year comprise:

	31.01.19 £'000	31.01.18 £'000
Non-derivative securities	10,724	(24,922)
Forward currency contracts	(84,117)	121,761
Transaction charges	(1)	(1)
AMC rebates from underlying investments	202	207
Currency losses	(9,912)	(1,475)
Net capital (losses)/gains	(83,104)	95,570

4. Revenue

	31.01.19 £'000	31.01.18 £'000
Non-taxable dividends	46,117	41,799
Interest on debt securities	30,671	20,872
Bank interest	560	87
Total revenue	77,348	62,758

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

5. Expenses

	31.01.19 £'000	31.01.18 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	36,191	37,954
Legal and professional fees	24	19
Typesetting costs	3	2
Registration fees	100	100
	36,318	38,075
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	533	533
Safe custody and other bank charges	127	119
	660	652
Other expenses:		
Fees paid to auditor – audit fees	9	8
– tax services	–	(3)
Publication costs	9	6
Legal and professional fees	4	4
Portfolio monitoring fees	–	1
	22	16
Total expenses	37,000	38,743

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

6. Taxation

	31.01.19 £'000	31.01.18 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	3,903	3,767
Current tax charge	3,903	3,767
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	3,903	3,767

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.18: 20%). The difference is explained below:

	31.01.19 £'000	31.01.18 £'000
Net revenue before taxation	40,348	24,013
Corporation tax at 20%	8,070	4,803
Effects of:		
Non-taxable dividends	(9,223)	(8,360)
RPI movement on UK index-linked gilts	(1,847)	(3,324)
AMC rebates taken to capital	40	41
Unutilised excess management expenses	2,960	6,840
Corporation tax charge	–	–
Overseas tax	3,903	3,767
Total tax charge (note 6a)	3,903	3,767

c) Deferred tax

At the year end there is a potential deferred tax asset of £31,958,000 (31.01.18: £28,998,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

7. Interest Payable and Similar Charges

	31.01.19 £'000	31.01.18 £'000
Interest payable	—	2
Total interest payable and similar charges	—	2

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.19 £'000	31.01.18 £'000
Interim	16,333	13,731
Final	19,288	7,278
	35,621	21,009
 Add: Revenue deducted on redemption of shares	 1,934	 286
Deduct: Revenue received on issue of shares	(757)	(1,616)
Net distributions for the year	36,798	19,679

Details of the distributions per share are set out in the table on pages 58 to 61.

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Net revenue after taxation	36,445	20,246
Allocations to capital:		
Revenue deficit – 'I' Income shares	–	148
– 'I' Accumulation shares	–	13
	–	161
Tax relief on capitalised AMC rebates from underlying securities	40	41
Equalisation on conversions ¹	312	(770)
Balance brought forward	1	–
Balance carried forward	–	1
Net distributions for the year	36,798	19,679

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9. Debtors

	31.01.19 £'000	31.01.18 £'000
Amounts receivable for issue of shares	2,227	6,592
Accrued revenue:		
Non-taxable dividends	3,016	2,282
Interest on debt securities	1,853	1,526
AMC rebates from underlying investments	17	18
	4,886	3,826
Prepaid expenses	5	4
Taxation recoverable:		
Overseas withholding tax	123	–
Total debtors	7,241	10,422

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

10. Cash and Bank Balances

	31.01.19 £'000	31.01.18 £'000
Bank balances	126,440	310,446
Total cash and bank balances	126,440	310,446

11. Creditors

	31.01.19 £'000	31.01.18 £'000
Distribution payable	11,794	5,098
Other Creditors		
Amounts payable for redemption of shares	27,028	533
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	2,912	3,345
Legal and professional fees	–	1
Typesetting costs	1	1
Registration fees	9	9
	2,922	3,356
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	44	48
Safe custody and other bank charges	22	30
	66	78
Other expenses	19	14
Total other creditors	30,035	3,981

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

12. Related Party Transactions

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 42 and amounts due at the year end are disclosed in notes 9 and 11.

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 9,787,977 (31.01.18: 6,268,404) of the Fund's shares at the balance sheet date.

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.01.18: none).

14. Shares in Issue

	'O' Income	'O' Accumulation	'I' Income	'I' Accumulation
Annual Management Charge	1.00%	1.00%	1.50%	1.50%
Opening shares in issue	389,980,967	494,719,715	3,967,762	38,205,246
Issues	29,539,671	12,390,444	52,901	266,919
Redemptions	(41,921,627)	(77,043,509)	(578,768)	(5,380,598)
Conversions	(200,174,909)	(99,478,728)	(668,633)	(5,340,851)
Closing shares in issue	<u>177,424,102</u>	<u>330,587,922</u>	<u>2,773,262</u>	<u>27,750,716</u>

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	'S' Income	'S' Accumulation	'Z' Income
Annual Management Charge	0.75%	0.75%	–
Opening shares in issue	157,462,444	29,388,047	319,648,800
Issues	9,567,625	1,474,164	36,945,644
Redemptions	(31,384,163)	(6,818,621)	(127,646,792)
Conversions	2,657,598	220,951	–
Closing shares in issue	<u>138,303,504</u>	<u>24,264,541</u>	<u>228,947,652</u>
	'Z' Accumulation	'X' Income	'X' Accumulation
Annual Management Charge	–	0.85%	0.85%
Opening shares in issue	250	768,437,531	228,672,109
Issues	–	49,596,558	163,987,619
Redemptions	–	(93,333,746)	(72,202,234)
Conversions	–	500,340,012	307,833,553
Closing shares in issue	<u>250</u>	<u>1,225,040,355</u>	<u>628,291,047</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The ACD monitors the credit rating of bond holdings.

Credit Quality	31.01.19 %	31.01.18 %
Investment grade debt securities	53.87	47.27
Other investments	43.85	45.77
Net other assets	2.28	6.96
	<u>100.00</u>	<u>100.00</u>

There were forward currency contracts held at the balance sheet date. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.01.19 Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	50,763	–
31.01.18 Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	52,797	–

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Investment Manager believe that the expected return compensates for the overall risk. The Fund will at times have significant exposure to Interest rate risk. The ACD and Investment Manager continue to monitor the level of direct interest rate risk posed by the Fund's underlying investments on a regular basis using the DV01 method. As at 31 January 2019 a one basis point change in the yield would have an impact of £456,000 on the direct net asset of the Fund (31.01.18: £456,000).

The table below shows the direct interest rate risk profile:

	31.01.19 £'000	31.01.18 £'000
Floating rate investments	1,617,909	732,496
Fixed rate investments	556,376	1,383,441
Investments on which interest is not paid	1,769,951	2,048,949
Total investments	3,944,236	4,164,886

The floating rate investments comprise securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalents.

Investments on which interest is not paid include equities, collective investment schemes and forward currency contracts.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The table below shows the direct foreign currency risk profile:

	31.01.19 Gross £'000	31.01.19 Hedged £'000	31.01.19 Net £'000
Currency:			
Canadian dollars	68,849	—	68,849
Euros	123	—	123
Swiss francs	94,094	—	94,094
US dollars	2,318,499	(1,696,707)	621,792
	<u>2,481,565</u>	<u>(1,696,707)</u>	<u>784,858</u>
Pounds sterling	1,503,760	1,747,470	3,251,230
Net assets	<u>3,985,325</u>	<u>50,763</u>	<u>4,036,088</u>
	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Canadian dollars	70,928	—	70,928
Euros	68,492	—	68,492
Swiss francs	86,400	—	86,400
US dollars	1,992,197	(1,029,511)	962,686
	<u>2,218,017</u>	<u>(1,029,511)</u>	<u>1,188,506</u>
Pounds sterling	2,205,861	1,082,308	3,288,169
Net assets	<u>4,423,878</u>	<u>52,797</u>	<u>4,476,675</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £39,243,000 on the net assets of the Fund (31.01.18: £59,425,000).

(D) LEVERAGE

The Fund did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

TROJAN FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 January 2019

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio, excluding forward currency contracts, would have the effect of increasing the return and net assets by £194,674,000 (31.01.18: £205,604,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the holdings of such instruments, the net exposure to foreign currencies as at the balance sheet date, and details of the total losses on forward currency contracts during the year are set out in the Portfolio Statement, note 15(C) and note 3, respectively. The counterparty for the forward currency contracts is the Bank of New York Mellon.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain and vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

16. Portfolio Transaction Costs

31.01.19	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	166,542	74	307	166,923
Collective investment schemes	21,077	15	–	21,092
Debt securities	960,603	–	–	960,603
Purchases total	<u>1,148,222</u>	<u>89</u>	<u>307</u>	<u>1,148,618</u>
<i>Transaction cost % of purchases total</i>		0.01%	0.03%	
<i>Transaction cost % of average NAV</i>		–	0.01%	
Ordinary shares	415,063	(192)	(6)	414,865
Debt securities	555,495	–	–	555,495
Sales total	<u>970,558</u>	<u>(192)</u>	<u>(6)</u>	<u>970,360</u>
<i>Transaction cost % of sales total</i>		0.02%	–	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 31.01.19 is 0.06% (31.01.18: 0.04%).

TROJAN FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.18				
Ordinary shares	268,883	285	385	269,553
Debt securities	642,253	–	–	642,253
Purchases total	911,136	285	385	911,806
<i>Transaction cost % of purchases total</i>		0.03%	0.04%	
<i>Transaction cost % of average NAV</i>		0.01%	0.01%	
Ordinary shares	102,128	(93)	(1)	102,034
Collective investment schemes	5,926	(3)	–	5,923
Debt securities	241,357	–	–	241,357
Sales total	349,411	(96)	(1)	349,314
<i>Transaction cost % of sales total</i>		0.03%	–	
<i>Transaction cost % of average NAV</i>		–	–	

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;**Level 2:** Valuation techniques using observable inputs other than quoted prices within Level 1;**Level 3:** Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.19				
Investment assets	3,893,140	50,763	333	3,944,236
31.01.18				
Investment assets	4,112,089	52,797	–	4,164,886

TROJAN FUND**FINANCIAL STATEMENTS** *continued***DISTRIBUTION TABLE**

for the year ended 31 January 2019 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.18	01.08.18
To	31.07.18	31.01.19

‘O’ INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	0.8219	–	0.8219	0.6879
Group 2	0.4377	0.3842	0.8219	0.6879

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.9769	–	0.9769	0.3050
Group 2	0.7149	0.2620	0.9769	0.3050

‘O’ ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	0.9984	–	0.9984	0.8334
Group 2	0.6116	0.3868	0.9984	0.8334

Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	1.1941	–	1.1941	0.3705
Group 2	0.7141	0.4800	1.1941	0.3705

TROJAN FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'I' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	–	–	–	0.0670
Group 2	–	0.0000	–	0.0670
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.5604	–	0.5604	–
Group 2	0.2216	0.3388	0.5604	–

'I' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	–	–	–	0.0790
Group 2	–	0.0000	–	0.0790
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.6537	–	0.6537	–
Group 2	0.2359	0.4178	0.6537	–

'S' INCOME SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.1271	–	1.1271	0.9990
Group 2	0.6240	0.5031	1.1271	0.9990
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	1.2922	–	1.2922	0.6213
Group 2	0.5468	0.7454	1.2922	0.6213

TROJAN FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'S' ACCUMULATION SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	1.4085	–	1.4085	1.2399
Group 2	0.0034	1.4051	1.4085	1.2399
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	1.6222	–	1.6222	0.7739
Group 2	0.2265	1.3957	1.6222	0.7739

'Z' INCOME SHARES (NO LONGER AVAILABLE FOR INVESTMENT)

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.0038	–	1.0038	0.9484
Group 2	0.6304	0.3734	1.0038	0.9484
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	1.0958	–	1.0958	0.7716
Group 2	0.6646	0.4312	1.0958	0.7716

'Z' ACCUMULATION SHARES (NO LONGER AVAILABLE FOR INVESTMENT)

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	0.9240	–	0.9240	0.8680
Group 2	0.9240	0.0000	0.9240	0.8680
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.9720	–	0.9720	0.6360
Group 2	0.9720	0.0000	0.9720	0.6360

TROJAN FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'X' INCOME SHARES¹

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	0.4076	–	0.4076	n/a
Group 2	0.2781	0.1295	0.4076	n/a
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.4692	–	0.4692	0.0602
Group 2	0.2184	0.2508	0.4692	0.0602

'X' ACCUMULATION SHARES¹

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Paid 30.09.17
Group 1	0.4036	–	0.4036	n/a
Group 2	0.3115	0.0921	0.4036	n/a
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.4729	–	0.4729	0.0522
Group 2	0.3016	0.1713	0.4729	0.0522

¹ The 'X' Income and 'X' Accumulation classes launched on 1 December 2017, therefore no comparative interim distribution was made.

TROJAN ETHICAL INCOME FUND ACD'S REPORT

for the year ended 31 January 2019

Important Information

Refer to the 'Important Information' section of the Company on page 9.

Investment Objective and Policy

The investment objective of the Trojan Ethical Income Fund ('the Fund') is to seek to provide income with the potential for capital growth in the medium term. The Fund's policy is to invest substantially in UK and overseas equities. It may also invest in fixed interest securities, indices, deposits, collective investment schemes and money market instruments.

The Fund will invest in accordance with the parameters of the Fund's ethical investment criteria, which consider ethical issues in relation to: fossil fuels, pornography, tobacco, alcohol, gambling, high interest rate lending and certain types of armaments. A document setting out the Fund's ethical investment criteria is available on the ACD's website.

The Investment Manager may employ derivatives for the purposes of Efficient Portfolio Management.

The Investment Manager operates screening whereby potential investments are screened against the Fund's ethical investment criteria, the details of which are included in the document on the ACD's website setting out the Fund's ethical investment criteria.

Where an investment is identified as not meeting the Fund's ethical investment criteria, the Investment Manager will seek to sell the investment within the following 90 days. The prices at which such an investment can be sold in these circumstances may be lower than the prices that might otherwise have been realised for the investment if such a sale was not required.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Ethical Income Fund

17 May 2019

TROJAN ETHICAL INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2019

Ethical Criteria

The Fund will invest in accordance with the parameters of the Fund's ethical investment criteria which consider ethical issues in relation to fossil fuels, pornography, tobacco, alcoholic beverages, armaments, high interest rate lending and gambling. A document setting out the Fund's ethical investment criteria is available on the ACD's website.

Investment Review

Following a period of calm in 2017, the 12 months under review saw volatility return to global asset markets. The reporting year got off to a challenging start with broad equity and bond markets falling in unison in February, prompted by fears of higher US interest rates and rising inflation. While weakness continued through Q2 for many Asian and emerging markets, UK and US equities had recovered much of their poise by May, despite political uncertainties persisting in both geographies.

However, a relatively benign middle of the year gave way to some pronounced falls in equity markets in the final few months. Starting in October and ending with a lurch down in December markets fell on concerns that the global economy would slow in response to a programme of interest rate hikes planned by the US Federal Reserve ('the Fed'). When combined with the ongoing concerns about global trade resulting from the US/China standoff, this led to a shift in market leadership. Highly valued growth stocks sold off aggressively, alongside cyclical and economically sensitive businesses. Energy companies, in particular, were hard hit following a collapse in the oil price. In contrast, more defensive and predictable utilities and consumer staples businesses held up relatively well.

As a whole, market dynamics in the UK could be summarized by one thoroughly time-worn word: Brexit. Throughout the year various scenarios and deals have entered and left the limelight and at times markets have struggled to price in rapid changes in sentiment. However, in aggregate, the UK fell along with global markets but the still-present risk of some form of 'chaotic' exit from the EU weighed particularly heavy on domestically focussed UK companies.

Portfolio Review

The Fund's holdings in defensive healthcare investments, its 28% exposure to consumer staples and investments in high-quality industrials all made robust positive contributions over the 12 months. The portfolio's communication services and information technology holdings both detracted from the absolute return as did the Fund's investments in financials stocks. The latter, however, performed much better than the wider market financials sector.

A final distribution of 1.7557p will be paid to holders of 'O' Income shares on 31st March 2019. When combined with the interim distribution of 1.78p the Fund's annual distribution equates to a yield of 3.2% on the year-end share price. When compared to the prior full year dividend the distribution from the Fund has grown by 2.5%. It remains our ambition to grow the dividend year on year whilst ensuring that we do not expose the Fund's capital to excessive risk.¹

¹ Source: Bloomberg.

TROJAN ETHICAL INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

As noted in the interim report, much of our focus has been on incremental improvements to the quality and defensive characteristics of the portfolio. We remained wary of lofty valuations, however, market weakness in the final quarter opened up interesting opportunities for additions, leading to initiation of two new holdings in the Fund – Associated British Foods and Victrex. On the former, concerns over organic growth rates at Primark negatively impacted the shares. Capital allocation and diversification of business remain a key strength. We began purchasing at less than 17x forward P/E and continued to add on further weakness in December, levels that are substantially lower than the 36x the company was trading on in 2015.

Victrex is the market-leading manufacturer of PEEK, a premium high-performance plastic used in everything from airplane brackets, power trains of cars, mobile phone speakers, and knee and dental implants. While it is a highly profitable company and produces remarkable returns on invested capital, its end markets are cyclical and the shares were hit hard in the final months of 2018. With high confidence in the long-term structural growth story, we were happy to initiate a small holding following a de-rating from 25x forward earnings in October to 18x. Both of these additions give an interesting insight into the growing opportunity set we are seeing; if market volatility continues we will doubtless find further opportunities to add excellent companies with strong dividend track records to the Fund.

We added a third new holding through participation in the IPO of AJ Bell, a rapidly growing investment platform for both financial advisors and retail customers with c.£44bn under administration. We have met with management on several occasions over the past year and have been impressed by the quality of the business and the management team's stewardship. We see a powerful structural growth story and would look to increase the holding if a further liquidity event materialised.

While Brexit negotiations have caused the UK market to oscillate, there has been a clear de-rating in many domestic-focussed UK names which has at times understated the long-term value of many of these businesses. As a result we added to holdings in the retailers Next and WH Smith. Likewise we boosted the Fund's holding in Dairy Crest. The company continues to dominate the UK branded cheddar market and the long-promised returns from selling 'functional ingredients' are finally beginning to trickle through. In combination with a substantially improved balance sheet, we felt broad market weakness offered a sensible opportunity to increase the holding.

Following reductions over the past few months we exited the holding in Royal Mail. Our assessment was that the productivity gains the company has so far failed to deliver continue to be demanding. In addition, there remain concerns over governance and that cash cover of the dividend looks increasingly strained. Sales such as these are part of our constant drive to improve the quality of your portfolio by culling investments that fall short of our high expectations.

TROJAN ETHICAL INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Outlook

With none of the risk factors that caused the volatility towards the end of 2018 yet resolved, we entered 2019 with profound uncertainties overhanging markets and geopolitics. Lack of resolution has meant the vacillating markets of 2018 have spilled over in to 2019, with UK equities rising in January in contrast to the sharp December sell off. Along with the rise in sterling, this reflected the perception of reduced 'no-deal' Brexit risk following the second round of voting on May's deal at the end of the month. However, all possibilities seemingly remain open.

While murmurings of a recession accompanied the weak 2018 markets (and the odd weaker economic data point), January proved a swift turn in sentiment not only for the UK; it was the best month for global equity markets in more than seven years, following strong corporate earnings, optimism over US-China trade, comments from the Fed that further rate rises would likely be put on hold and a rebound in oil prices.

We cannot claim to know how the year will play out but we do know uncertainty can provide upside opportunity as well as downside risk. Although we have not positioned the Fund to reflect one particular outcome, there is no doubt that parts of the portfolio have been significantly depressed by the political environment and we have taken the opportunity to increase weightings where we have seen undue pessimism. Consequently, parts of the portfolio stand to benefit from a continuing upswing in sentiment towards the UK. At the same time, we have retained substantial holdings in core global defensive businesses, reflecting our concerns of further market instability as we move further into 2019. Underpinning the breadth of the portfolio are increasingly attractive yields and valuations which mean that, despite the short-term uncertainty, we are slowly becoming more optimistic about some of the long-term returns available to investors.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

19 February 2019

TROJAN ETHICAL INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

Financial Techniques Impact: The Fund may invest in derivatives to generate additional capital or income. A movement in the value of the derivative's underlying asset may have a much larger negative impact on the value of the Fund than if the Fund were to hold the underlying investment itself.

Ethical Investments: The Fund is prevented from investing in certain sectors or companies for ethical reasons. This narrower range may constrain the Fund's performance.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables****'O' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	110.16	102.85	98.81
Return before operating charges*	2.72	12.02	8.61
Operating charges	(1.23)	(1.26)	(1.21)
Return after operating charges	1.49	10.76	7.40
Distributions	(3.54)	(3.45)	(3.36)
Closing net asset value per share	108.11	110.16	102.85
* after direct transaction costs of:	0.16	0.19	0.34

PERFORMANCE

Return after charges	1.35%	10.46%	7.49%
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OTHER INFORMATION

Closing net asset value (£'000)	42,751	40,195	31,935
Closing number of shares	39,545,132	36,485,963	31,050,259
Operating charges	1.12%	1.14%	1.17%
Direct transaction costs	0.14%	0.17%	0.33%

PRICES

Highest share price	114.32	114.53	109.16
Lowest share price	103.47	102.64	93.82

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'O' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	117.13	106.00	98.83
Return before operating charges*	2.86	12.44	8.39
Operating charges	(1.32)	(1.31)	(1.22)
Return after operating charges	1.54	11.13	7.17
Distributions	(3.78)	(3.57)	(3.36)
Retained distributions on accumulation shares	3.78	3.57	3.36
Closing net asset value per share	118.67	117.13	106.00
* after direct transaction costs of:	0.17	0.20	0.34

PERFORMANCE

Return after charges	1.31%	10.50%	7.25%
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OTHER INFORMATION

Closing net asset value (£'000)	6,479	4,426	1,314
Closing number of shares	5,459,571	3,778,640	1,240,070
Operating charges	1.12%	1.14%	1.17%
Direct transaction costs	0.14%	0.17%	0.33%

PRICES

Highest share price	123.41	119.80	110.72
Lowest share price	110.01	105.78	93.84

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	109.52	102.62	98.76
Return before operating charges*	2.87	12.30	8.89
Operating charges	(1.77)	(1.81)	(1.73)
Return after operating charges	1.10	10.49	7.16
Distributions	(3.57)	(3.59)	(3.30)
Closing net asset value per share	107.05	109.52	102.62
* after direct transaction costs of:	0.16	0.19	0.34

PERFORMANCE

Return after charges	1.00%	10.22%	7.25%
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OTHER INFORMATION

Closing net asset value (£'000)	4	–	–
Closing number of shares	3,818	250	250
Operating charges	1.62%	1.64%	1.67%
Direct transaction costs	0.14%	0.17%	0.33%

PRICES

Highest share price	113.53	114.17	108.94
Lowest share price	102.83	102.41	93.76

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	115.96	105.47	98.91
Return before operating charges*	2.81	12.36	8.30
Operating charges	(1.89)	(1.87)	(1.74)
Return after operating charges	0.92	10.49	6.56
Distributions	(3.73)	(3.54)	(3.22)
Retained distributions on accumulation shares	3.73	3.54	3.22
Closing net asset value per share	116.88	115.96	105.47
* after direct transaction costs of:	0.17	0.20	0.34

PERFORMANCE

Return after charges	0.79%	9.95%	6.63%
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OTHER INFORMATION

Closing net asset value (£'000)	23	16	11
Closing number of shares	19,576	13,486	9,867
Operating charges	1.62%	1.64%	1.67%
Direct transaction costs	0.14%	0.17%	0.33%

PRICES

Highest share price	121.82	118.63	110.38
Lowest share price	108.82	105.24	93.89

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' INCOME SHARES****(REGISTERED CHARITIES ONLY)**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	110.67	103.06	98.80
Return before operating charges*	2.73	12.05	8.60
Operating charges	(0.96)	(0.99)	(0.95)
Return after operating charges	1.77	11.06	7.65
Distributions	(3.55)	(3.45)	(3.39)
Closing net asset value per share	108.89	110.67	103.06
* after direct transaction costs of:	0.16	0.19	0.34

PERFORMANCE

Return after charges	1.60%	10.73%	7.74%
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OTHER INFORMATION

Closing net asset value (£'000)	40,264	24,404	16,350
Closing number of shares	36,978,258	22,050,730	15,864,692
Operating charges	0.87%	0.89%	0.92%
Direct transaction costs	0.14%	0.17%	0.33%

PRICES

Highest share price	114.99	114.94	109.33
Lowest share price	103.99	102.85	93.80

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' ACCUMULATION SHARES**
(REGISTERED CHARITIES ONLY)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	117.63	106.19	98.83
Return before operating charges*	2.87	12.47	8.32
Operating charges	(1.03)	(1.03)	(0.96)
Return after operating charges	1.84	11.44	7.36
Distributions	(3.80)	(3.58)	(3.49)
Retained distributions on accumulation shares	3.80	3.58	3.49
Closing net asset value per share	119.47	117.63	106.19
* after direct transaction costs of:	0.17	0.20	0.34

PERFORMANCE

Return after charges	1.56%	10.77%	7.45%
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OTHER INFORMATION

Closing net asset value (£'000)	157	130	52
Closing number of shares	131,586	110,493	49,143
Operating charges	0.87%	0.89%	0.92%
Direct transaction costs	0.14%	0.17%	0.33%

PRICES

Highest share price	124.12	120.29	110.83
Lowest share price	110.52	105.97	93.84

TROJAN ETHICAL INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 31 January 2019 (%)

	1 year	3 years	Since launch ¹
Trojan Ethical Income Fund	1.04	20.16	18.84

¹ Launch date 6 January 2016.

The performance of the Fund is based on the published price per 'O' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 93 to 95.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT**

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	UNITED KINGDOM – 71.10% (31.01.18 – 70.24%)		
	BASIC MATERIALS – 0.33% (31.01.18 – 0.00%)		
	CHEMICALS – 0.33% (31.01.18 – 0.00%)		
12,864	Victrex	294	0.33
	INDUSTRIALS – 4.93% (31.01.18 – 7.42%)		
	INDUSTRIAL ENGINEERING – 1.84% (31.01.18 – 2.14%)		
600,000	Rotork	1,649	1.84
	INDUSTRIAL TRANSPORTATION – 0.00% (31.01.18 – 2.35%)	–	–
	SUPPORT SERVICES – 3.09% (31.01.18 – 2.93%)		
145,000	Experian	2,772	3.09
	TOTAL INDUSTRIALS	4,421	4.93
	CONSUMER GOODS – 13.84% (31.01.18 – 12.35%)		
	FOOD PRODUCERS – 4.31% (31.01.18 – 3.86%)		
130,000	A.G. Barr	980	1.09
45,000	Associated British Foods	1,074	1.20
375,000	Dairy Crest	1,813	2.02
		3,867	4.31
	HOUSEHOLD GOODS & HOME CONSTRUCTION – 4.42% (31.01.18 – 3.74%)		
330,000	PZ Cussons	590	0.66
57,500	Reckitt Benckiser	3,371	3.76
		3,961	4.42

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	PERSONAL GOODS – 5.11% (31.01.18 – 4.75%)		
115,000	Unilever	4,582	5.11
	TOTAL CONSUMER GOODS	12,410	13.84
	HEALTH CARE – 6.19% (31.01.18 – 5.11%)		
	PHARMACEUTICALS & BIOTECHNOLOGY – 6.19% (31.01.18 – 5.11%)		
27,000	AstraZeneca	1,493	1.66
275,000	GlaxoSmithKline	4,061	4.53
	TOTAL HEALTH CARE	5,554	6.19
	CONSUMER SERVICES – 12.83% (31.01.18 – 11.64%)		
	GENERAL RETAILERS – 3.85% (31.01.18 – 4.98%)		
37,000	Next	1,793	2.00
85,000	WHSmith	1,660	1.85
		3,453	3.85
	TRAVEL & LEISURE – 5.88% (31.01.18 – 5.16%)		
242,500	Compass	3,953	4.41
500,000	Domino's Pizza	1,324	1.47
		5,277	5.88
	MEDIA – 3.10% (31.01.18 – 1.50%)		
165,000	RELX	2,780	3.10
	TOTAL CONSUMER SERVICES	11,510	12.83
	TELECOMMUNICATIONS – 2.90% (31.01.18 – 3.60%)		
	MOBILE TELECOMMUNICATIONS – 2.90% (31.01.18 – 3.60%)		
150,000	Inmarsat	554	0.62
1,475,000	Vodafone	2,043	2.28
	TOTAL TELECOMMUNICATIONS	2,597	2.90

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	UTILITIES – 3.68% (31.01.18 – 4.30%)		
	GAS, WATER & MULTIUTILITIES – 3.68% (31.01.18 – 4.30%)		
400,000	National Grid	3,301	3.68
	FINANCIALS – 22.28% (31.01.18 – 21.93%)		
	BANKS – 4.23% (31.01.18 – 3.47%)		
6,550,000	Lloyds Banking	3,793	4.23
	NON-LIFE INSURANCE – 3.80% (31.01.18 – 3.98%)		
70,000	Hiscox	992	1.11
60,000	Jardine Lloyd Thompson	1,140	1.27
225,605	Lancashire	1,272	1.42
		3,404	3.80
	REAL ESTATE INVESTMENT TRUSTS – 7.28% (31.01.18 – 7.14%)		
1,850,000	Assura	1,106	1.23
150,000	Land Securities	1,298	1.45
875,000	LondonMetric Property	1,642	1.83
1,000,000	Primary Health Properties	1,152	1.29
335,000	Secure Income REIT	1,330	1.48
		6,528	7.28
	FINANCIAL SERVICES – 5.09% (31.01.18 – 5.59%)		
234,000	AJ Bell	607	0.68
800,000	Equiniti	1,656	1.85
35,000	Rathbone Brothers	810	0.90
72,500	Schroders	1,494	1.66
		4,567	5.09

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	EQUITY INVESTMENT INSTRUMENTS – 1.88% (31.01.18 – 1.75%)		
375,000	3i Infrastructure ¹	994	1.11
450,000	International Public Partnerships ¹	693	0.77
		1,687	1.88
	TOTAL FINANCIALS	19,979	22.28
	TECHNOLOGY – 4.12% (31.01.18 – 3.89%)		
	SOFTWARE & COMPUTER SERVICES – 4.12% (31.01.18 – 3.89%)		
57,500	AVEVA	1,565	1.75
340,000	Sage	2,128	2.37
	TOTAL TECHNOLOGY	3,693	4.12
	TOTAL UNITED KINGDOM	63,759	71.10
	CONTINENTAL EUROPE – 8.16% (31.01.18 – 5.15%)		
47,500	Nestlé	3,146	3.51
32,500	Novartis	2,154	2.40
10,000	Roche	2,022	2.25
	TOTAL CONTINENTAL EUROPE	7,322	8.16
	NORTH AMERICA – 15.55% (31.01.18 – 14.63%)		
29,000	American Express	2,264	2.52
79,000	Coca-Cola	2,901	3.24
69,500	Colgate-Palmolive	3,417	3.81
44,000	Procter & Gamble	3,227	3.60
57,500	Wells Fargo	2,137	2.38
	TOTAL NORTH AMERICA	13,946	15.55

TROJAN ETHICAL INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	Portfolio of investments	85,027	94.81
	Net other assets	4,651	5.19
	Net assets	89,678	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Collective investment scheme.

TROJAN ETHICAL INCOME FUND**ACD'S REPORT** *continued***SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the year ended 31 January 2019

Total purchases for the year £'000 (note 15)	31,410	Total sales for the year £'000 (note 15)	7,631
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Reckitt Benckiser	1,936	Royal Mail	1,256
Lloyds Banking	1,935	Burberry	960
Nestlé	1,907	Verizon Communications	924
Unilever	1,868	Pennon	697
RELX	1,850	Next	685
National Grid	1,511	Severn Trent	520
Compass	1,460	NewRiver REIT	392
GlaxoSmithKline	1,442	Nestlé	328
Colgate-Palmolive	1,418	RELX	325
Coca-Cola	1,340	Roche	301

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

TROJAN ETHICAL INCOME FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 January 2019

	Notes	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Income:					
Net capital (losses)/gains	3		(495)		4,295
Revenue	4	2,899		2,063	
Expenses	5	(848)		(640)	
Net revenue before taxation		2,051		1,423	
Taxation	6	(127)		(84)	
Net revenue after taxation			1,924		1,339
Total return before distributions			1,429		5,634
Distributions	7		(2,648)		(1,895)
Change in net assets attributable to shareholders from investment activities			(1,219)		3,739

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2019

	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Opening net assets attributable to shareholders		69,171		49,662
Amounts receivable on issue of shares	23,591		17,024	
Amounts payable on redemption of shares	(2,061)		(1,363)	
		21,530		15,661
Change in net assets attributable to shareholders from investment activities		(1,219)		3,739
Retained distributions on Accumulation shares		196		109
Closing net assets attributable to shareholders		89,678		69,171

TROJAN ETHICAL INCOME FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 January 2019

	Notes	31.01.19 £'000	31.01.18 £'000
ASSETS			
Fixed assets			
Investments		85,027	62,265
Current assets			
Debtors	8	434	839
Cash and bank balances	9	5,743	7,575
Total assets		<u>91,204</u>	<u>70,679</u>
LIABILITIES			
Creditors			
Distribution payable	10	(1,349)	(1,005)
Other creditors	10	(177)	(503)
Total liabilities		<u>(1,526)</u>	<u>(1,508)</u>
Net assets attributable to shareholders		<u>89,678</u>	<u>69,171</u>

TROJAN ETHICAL INCOME FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2019

1. Accounting Policies

The accounting policies described on pages 19 to 21 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 21 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy described below has also been applied to this Fund.

The Annual Management Charge is transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

3. Net Capital (Losses)/Gains

The net capital (losses)/gains during the year comprise:

	31.01.19 £'000	31.01.18 £'000
Non-derivative securities	(483)	4,129
Forward currency contracts	—	162
Transaction charges	(2)	(1)
Currency (losses)/gains	(10)	5
Net capital (losses)/gains	(495)	4,295

4. Revenue

	31.01.19 £'000	31.01.18 £'000
Non-taxable dividends	2,680	1,975
UK property income distributions	197	87
Bank interest	22	1
Total revenue	2,899	2,063

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

5. Expenses

	31.01.19 £'000	31.01.18 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	747	558
Legal and professional fees	14	14
Typesetting costs	3	3
Registration fees	25	19
	789	594
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	30	22
Safe custody and other bank charges	8	7
	38	29
Other expenses:		
Fees paid to auditor – audit fees	9	9
– tax services	–	(2)
Publication costs	6	6
Legal and professional fees	6	4
	21	17
Total expenses	848	640

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

6. Taxation

	31.01.19 £'000	31.01.18 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	127	84
Current tax charge	127	84
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	127	84

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.18: 20%). The difference is explained below:

	31.01.19 £'000	31.01.18 £'000
Net revenue before taxation	2,051	1,423
Corporation tax at 20%	410	285
Effects of:		
Non-taxable dividends	(536)	(395)
Unutilised excess management expenses	126	110
Corporation tax charge	–	–
Overseas tax	127	84
Total tax charge (note 6a)	127	84

c) Deferred tax

At the year end there is a potential deferred tax asset of £310,000 (31.01.18: £184,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

7. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.19 £'000	31.01.18 £'000
Interim	1,367	944
Final	1,461	1,076
	<u>2,828</u>	<u>2,020</u>
Add: Revenue deducted on redemption of shares	24	11
Deduct: Revenue received on issue of shares	(204)	(136)
Net distributions for the year	<u>2,648</u>	<u>1,895</u>

Details of the distributions per share are set out in the table on pages 93 to 95.

	31.01.19 £'000	31.01.18 £'000
Distributions represented by:		
Net revenue after taxation	1,924	1,339
Allocations to capital:		
Annual Management Charge, net of tax relief	724	556
Net distributions for the year	<u>2,648</u>	<u>1,895</u>

8. Debtors

	31.01.19 £'000	31.01.18 £'000
Amounts receivable for issue of shares	172	660
Accrued revenue:		
Non-taxable dividends	257	174
Prepaid expenses	5	4

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Taxation recoverable:		
Income tax	—	1
Total debtors	434	839

9. Cash and Bank Balances

	31.01.19 £'000	31.01.18 £'000
Bank balances	5,743	7,575
Total cash and bank balances	5,743	7,575

10. Creditors

	31.01.19 £'000	31.01.18 £'000
Distribution payable	1,349	1,005
Other Creditors		
Amounts payable for redemption of shares	4	—
Purchases awaiting settlement	81	427
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	68	54
Legal and professional fees	1	1
Typesetting costs	1	1
Registration fees	2	2
	72	58

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3	2
Safe custody and other bank charges	1	2
	4	4
Other expenses	16	14
Total other creditors	177	503

11. Related Party Transactions

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are disclosed associates of the ACD) in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 80 and amounts due at the year end are disclosed in notes 8 and 10.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date one shareholder held 34.35% of the shares in issue of the Fund (31.01.18: 45.19%).

12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.01.18: none).

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

13. Shares in Issue

	'O' Income	'O' Accumulation	'I' Income
Annual Management Charge	1.00%	1.00%	1.50%
Opening shares in issue	36,485,963	3,778,640	250
Issues	3,974,888	2,002,628	3,680
Redemptions	(915,719)	(321,697)	(112)
Closing shares in issue	<u>39,545,132</u>	<u>5,459,571</u>	<u>3,818</u>
	'I' Accumulation	'S' Income	'S' Accumulation
Annual Management Charge	1.50%	0.75%	0.75%
Opening shares in issue	13,486	22,050,730	110,493
Issues	7,657	15,545,522	21,093
Redemptions	(1,567)	(617,994)	–
Closing shares in issue	<u>19,576</u>	<u>36,978,258</u>	<u>131,586</u>

14. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

TROJAN ETHICAL INCOME FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 January 2019

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing mainly in equities and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and may not seek to hedge all foreign currency risk.

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The table below shows the direct foreign currency risk profile:

	31.01.19 £'000	31.01.18 £'000
Currency:		
Euros	62	34
Swiss francs	7,322	3,559
US dollars	14,025	10,172
	<u>21,409</u>	<u>13,765</u>
Pounds sterling	68,269	55,406
Net assets	<u>89,678</u>	<u>69,171</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £1,070,000 on the net assets of the Fund (31.01.18: £688,000).

(D) LEVERAGE

The fund did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £4,251,000 (31.01.18: £3,113,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Fund held no derivatives at the balance sheet date.

15. Portfolio Transaction Costs

31.01.19	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	30,860	13	104	30,977
Collective investment schemes	433	—	—	433
Purchases total	<u>31,293</u>	<u>13</u>	<u>104</u>	<u>31,410</u>
<i>Transaction cost % of purchases total</i>		0.04%	0.33%	
<i>Transaction cost % of average NAV</i>		0.02%	0.12%	
Ordinary shares	7,634	(3)	—	7,631
Sales total	<u>7,634</u>	<u>(3)</u>	<u>—</u>	<u>7,631</u>
<i>Transaction cost % of sales total</i>		0.04%	—	
<i>Transaction cost % of average NAV</i>		—	—	

Average portfolio dealing spread at 31.01.19 is 0.10% (31.01.18: 0.08%).

TROJAN ETHICAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.18				
Ordinary shares	19,656	24	71	19,751
Collective investment schemes	61	—	—	61
Purchases total	19,717	24	71	19,812
<i>Transaction cost % of purchases total</i>		0.12%	0.36%	
<i>Transaction cost % of average NAV</i>		0.04%	0.11%	
Ordinary shares	7,114	(10)	—	7,104
Sales total	7,114	(10)	—	7,104
<i>Transaction cost % of sales total</i>		0.14%	—	
<i>Transaction cost % of average NAV</i>		0.02%	—	

16. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.19				
Investment assets	85,027	—	—	85,027
31.01.18				
Investment assets	62,265	—	—	62,265

17. Subsequent Events

As at 15 May 2019, the net asset value of the Fund has risen by 43% compared to that at 31 January 2019, primarily due to the issue of shares. These accounts were approved on 17 May 2019.

TROJAN ETHICAL INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLE

for the year ended 31 January 2019 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.18	01.08.18
To	31.07.18	31.01.19

'O' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.7800	–	1.7800	1.7350
Group 2	0.6093	1.1707	1.7800	1.7350

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	1.7557	–	1.7557	1.7164
Group 2	0.7392	1.0165	1.7557	1.7164

'O' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	1.7800	–	1.7800	1.7350
Group 2	0.8281	0.9519	1.7800	1.7350

Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	2.0007	–	2.0007	1.8327
Group 2	0.5724	1.4283	2.0007	1.8327

TROJAN ETHICAL INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLE *continued*

'I' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.7800	–	1.7800	1.7350
Group 2	1.7800	0.0000	1.7800	1.7350
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	1.7851	–	1.7851	1.8520
Group 2	1.3727	0.4124	1.7851	1.8520

'I' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	1.7800	–	1.7800	1.7350
Group 2	1.0881	0.6919	1.7800	1.7350
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	1.9497	–	1.9497	1.8046
Group 2	0.3675	1.5822	1.9497	1.8046

'S' INCOME SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.7800	–	1.7800	1.7350
Group 2	0.9751	0.8049	1.7800	1.7350
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	1.7702	–	1.7702	1.7166
Group 2	0.6447	1.1255	1.7702	1.7166

TROJAN ETHICAL INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'S' ACCUMULATION SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	1.7800	–	1.7800	1.7350
Group 2	1.7800	0.0000	1.7800	1.7350
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	2.0188	–	2.0188	1.8414
Group 2	0.8387	1.1801	2.0188	1.8414

TROJAN GLOBAL INCOME FUND ACD'S REPORT

for the year ended 31 January 2019

Important Information

Refer to the 'Important Information' section of the Company on page 9.

Investment Objective and Policy

The investment objective of the Trojan Global Income Fund ('the Fund') is to provide income with the potential for capital growth in the medium term. The Fund's policy is to invest substantially in equities globally. It may also invest in fixed interest securities, indices, deposits, collective investment schemes and money market instruments.

The Investment Manager may employ derivatives and forward foreign exchange transactions for the purposes of Efficient Portfolio Management.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Global Income Fund

17 May 2019

TROJAN GLOBAL INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2019

Market Review

Following a period of calm in 2017, the 12 months under review saw volatility return to global asset markets. The year got off to a poor start with equities and bonds falling in unison in February, prompted by fears of higher interest rates and rising inflation in the US. Whilst US equities had recovered much of their poise by May, the same could not be said for many Asian and Emerging Markets.

Until October, US equities, underpinned by solid corporate earnings growth and a robust economy, stood out as a bastion of strength from the rest of the world. However, US equities were not immune to a rapid deterioration in investor sentiment during the fourth quarter of 2018. Starting in October and ending with a lurch down in December, equity markets fell on concerns that the global economy was slowing and that the US could enter into recession in the next year or two. This led to a shift in market leadership. Highly valued growth stocks sold off aggressively, alongside cyclical and economically sensitive businesses. Energy companies, in particular, were hard hit following a collapse in the oil price. In contrast, more defensive and predictable utilities and consumer staples businesses held up relatively well.

Credit and loan markets were also impacted, highlighted by a widening in high-yield spreads, a lack of new issuance in December, and selling pressure in leveraged loan funds. Whilst a sharp bounce in January has alleviated much of the pressure, trading conditions in December were instructive in highlighting the liquidity mismatch inherent in vehicles that provide daily dealing but invest in assets that cannot easily be redeemed.

Although the majority of assets ended 2018 in negative territory, it was notable that gold act as a safe haven during times of stress. The yellow metal rose more than +10%, in US dollar terms, between the beginning of October and the end of January 2019.

Portfolio Review

The market sell-off in the first quarter gave us the opportunity to add to some of our core holdings at lower valuations. These included Unilever and Procter & Gamble where we believe that a combination of sector rotation away from so-called 'bond-proxies' and short-term concerns over disruptive factors in their respective markets led valuations to overshoot to the downside. Similarly, we added to our healthcare holdings including Novartis, Johnson & Johnson and Medtronic at a favourable time.

Further we established new holdings in both Clorox and Reckitt Benckiser. In each case we were able to invest in what we consider to be high quality franchises with dominant market positions and attractive portfolios of consumer brands. We are confident they will be able to compound capital and income for years to come. This was funded by the sale of Dr Pepper Snapple, having been effectively acquired by Keurig Green Mountain, and Compass Group which although a good business is not quite as good as Reckitt Benckiser, as demonstrated by its substantially lower operating margin.

Finally, we sold our position in Sysco as a result of the competitive landscape changing following the acquisition of Whole Foods by Amazon. Although we acknowledge that it will take some time for Amazon to begin to impact the food distribution industry we are not minded to wait until this becomes apparent.

TROJAN GLOBAL INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Following a sharp market decline in December we established a meaningful position in British American Tobacco ('BAT'). BAT is a globally diversified tobacco company with a portfolio of established brands and distribution at scale in many markets around the world. Financial productivity for the company is excellent with high returns on capital and free cash flow generation. Despite these structural attractions, the shares have fallen to a ten-year valuation low owing to concerns relating to disruption from next generation products and ongoing regulatory concerns, notably in the US. For BAT these concerns have been exacerbated by what was, with hindsight, a poorly-timed purchase of the remainder of Reynolds Tobacco (which they already partly owned) at an elevated valuation. This increased exposure to the US just before the regulatory environment deteriorated, resulting in a weaker balance sheet. While this appears to be a litany of woes, we remind ourselves that you cannot have good news and good prices. Despite the foregoing, expectations for the company in terms of earnings, cash flow and dividends, excluding such temporary effects as foreign exchange, remain unchanged. We were therefore afforded the opportunity to invest in a world-class business franchise on a 9% free cash flow yield supporting an 8% and growing dividend yield. Although the debt level is uncomfortable, we believe it is manageable for a business of this quality. All of this is in the context of a broader market which remains, in our view, fully valued. To us this represents an outstanding long-term opportunity for a global income investor. This was funded from sales of Vodafone and SSE.

Also in December it was announced that Altria was paying nearly \$13bn for a 35% stake in JUUL, the US e-cigarette company. The JUUL vaping device was first produced in 2015 and recent actions from the FDA (Food and Drug Administration) have sought to regulate the products more strictly. Few financial details of the transaction have been provided but it is clear that Altria is multiple of almost 40x 2018 revenue for its minority stake. We believe it will be difficult to generate attractive returns on investment, particularly at a time when the US e-cigarette market is undergoing greater regulatory scrutiny. We sold the Fund's shares in Altria in January over concerns about management's capital allocation discipline and the company's increased financial leverage and reinvested to proceeds in Philip Morris.

Sales were also made of Inmarsat and Royal Mail the proceeds from which were reinvested into Domino's Pizza and IG Group.

Thus although activity within the portfolio has been higher than would normally be expected we have worked to continuously improve the quality of the portfolio as opportunities have presented themselves without diminishing the income generated.

Outlook

If quantitative easing helped to inflate asset prices, quantitative tightening has the potential to undermine them, especially given that the economic cycle that is already long in the tooth. Having benefited from the ready availability of cheap capital in recent years, we believe the corporate environment is likely to become more challenging over the next few years, particularly given the quantity of debt that pervades the global economy.

TROJAN GLOBAL INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

We continue to monitor a select group of businesses which we would like to add to the portfolio should valuations become attractive. Meanwhile despite our concerns about the broader market backdrop we are confident in the free cash flow generating properties of the companies in which we are invested funding an attractive and growing income stream.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

15 February 2019

TROJAN GLOBAL INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Counterparty Risk: As the Fund may enter into forward currency arrangements there is a risk that the other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

Financial Techniques Impact: The Fund may invest in derivatives to generate additional capital or income. A movement in the value of the derivative's underlying asset may have a much larger negative impact on the value of the Fund than if the Fund were to hold the underlying investment itself.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables****'O' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17¹ pence per share
Opening net asset value per share	102.47	98.06	100.00
Return before operating charges*	5.82	8.45	(1.16)
Operating charges	(0.99)	(1.00)	(0.27)
Return after operating charges	4.83	7.45	(1.43)
Distributions	(3.29)	(3.04)	(0.51)
Closing net asset value per share	104.01	102.47	98.06
* after direct transaction costs of:	0.09	0.15	0.26

PERFORMANCE

Return after charges	4.71%	7.60%	(1.43)%
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OTHER INFORMATION

Closing net asset value (£'000)	57,794	40,592	20,903
Closing number of shares	55,563,617	39,614,168	21,317,349
Operating charges	0.96%	0.97%	1.07% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	110.06	107.58	101.95
Lowest share price	93.85	97.26	94.50

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'O' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17¹ pence per share
Opening net asset value per share	106.14	98.59	100.00
Return before operating charges*	6.13	8.57	(1.14)
Operating charges	(1.04)	(1.02)	(0.27)
Return after operating charges	5.09	7.55	(1.41)
Distributions	(3.45)	(3.09)	(0.47)
Retained distributions on accumulation shares	3.45	3.09	0.47
Closing net asset value per share	111.23	106.14	98.59
* after direct transaction costs of:	0.10	0.15	0.26

PERFORMANCE

Return after charges	4.80%	7.66%	(1.41)%
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OTHER INFORMATION

Closing net asset value (£'000)	23,346	17,097	8,944
Closing number of shares	20,987,948	16,107,665	9,071,433
Operating charges	0.96%	0.97%	1.07% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	116.78	109.88	101.97
Lowest share price	97.21	97.79	94.51

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17¹ pence per share
Opening net asset value per share	101.71	97.88	100.00
Return before operating charges*	5.77	8.49	(1.17)
Operating charges	(1.49)	(1.51)	(0.39)
Return after operating charges	4.28	6.98	(1.56)
Distributions	(3.35)	(3.15)	(0.56)
Closing net asset value per share	102.64	101.71	97.88
* after direct transaction costs of:	0.09	0.15	0.26

PERFORMANCE

Return after charges	4.21%	7.13%	(1.56)%
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OTHER INFORMATION

Closing net asset value (£'000)	—	—	—
Closing number of shares	250	250	250
Operating charges	1.46%	1.47%	1.57% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	108.74	107.16	101.85
Lowest share price	93.06	97.08	94.48

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17¹ pence per share
Opening net asset value per share	105.48	98.46	100.00
Return before operating charges*	6.06	8.56	(1.15)
Operating charges	(1.56)	(1.54)	(0.39)
Return after operating charges	4.50	7.02	(1.54)
Distributions	(3.42)	(3.08)	(0.53)
Retained distributions on accumulation shares	3.42	3.08	0.53
Closing net asset value per share	109.98	105.48	98.46
* after direct transaction costs of:	0.09	0.15	0.26

PERFORMANCE

Return after charges	4.27%	7.13%	(1.54)%
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OTHER INFORMATION

Closing net asset value (£'000)	2,128	2,045	1,222
Closing number of shares	1,934,705	1,939,220	1,241,162
Operating charges	1.46%	1.47%	1.57% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	115.57	109.25	101.85
Lowest share price	96.53	97.66	94.47

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' INCOME SHARES****(REGISTERED CHARITIES ONLY)**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17¹ pence per share
Opening net asset value per share	102.59	98.07	100.00
Return before operating charges*	5.84	8.46	(1.16)
Operating charges	(0.89)	(0.90)	(0.24)
Return after operating charges	4.95	7.56	(1.40)
Distributions	(3.30)	(3.04)	(0.53)
Closing net asset value per share	104.24	102.59	98.07
* after direct transaction costs of:	0.09	0.15	0.26

PERFORMANCE

Return after charges	4.83%	7.71%	(1.40)%
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OTHER INFORMATION

Closing net asset value (£'000)	13,424	10,454	5,165
Closing number of shares	12,878,335	10,190,198	5,266,597
Operating charges	0.86%	0.87%	0.97% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	110.27	107.63	101.97
Lowest share price	93.97	97.27	94.52

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' ACCUMULATION SHARES**
(REGISTERED CHARITIES ONLY)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 ¹ pence per share
Opening net asset value per share	105.91	98.59	100.00
Return before operating charges*	5.84	8.23	(1.17)
Operating charges	(0.93)	(0.91)	(0.24)
Return after operating charges	4.91	7.32	(1.41)
Distributions	(3.55)	(3.21)	(0.56)
Retained distributions on accumulation shares	3.55	3.21	0.56
Closing net asset value per share	110.82	105.91	98.59
* after direct transaction costs of:	0.10	0.15	0.26

PERFORMANCE

Return after charges	4.64%	7.42%	(1.41)%
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OTHER INFORMATION

Closing net asset value (£'000)	—	—	—
Closing number of shares	250	250	250
Operating charges	0.86%	0.87%	0.97% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	116.36	109.67	101.99
Lowest share price	96.98	97.78	94.55

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'F' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17¹ pence per share
Opening net asset value per share	102.59	98.07	100.00
Return before operating charges*	5.84	8.46	(1.16)
Operating charges	(0.89)	(0.90)	(0.24)
Return after operating charges	4.95	7.56	(1.40)
Distributions	(3.30)	(3.04)	(0.53)
Closing net asset value per share	104.24	102.59	98.07
* after direct transaction costs of:	0.09	0.15	0.26

PERFORMANCE

Return after charges	4.83%	7.71%	(1.40)%
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OTHER INFORMATION

Closing net asset value (£'000)	37,845	31,496	30,669
Closing number of shares	36,306,812	30,701,996	31,273,224
Operating charges	0.86%	0.87%	0.97% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	110.27	107.63	101.97
Lowest share price	93.97	97.27	94.52

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'F' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17¹ pence per share
Opening net asset value per share	106.25	98.59	100.00
Return before operating charges*	6.13	8.58	(1.17)
Operating charges	(0.93)	(0.92)	(0.24)
Return after operating charges	5.20	7.66	(1.41)
Distributions	(3.46)	(3.09)	(0.53)
Retained distributions on accumulation shares	3.46	3.09	0.53
Closing net asset value per share	111.45	106.25	98.59
* after direct transaction costs of:	0.10	0.15	0.26

PERFORMANCE

Return after charges	4.89%	7.77%	(1.41)%
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OTHER INFORMATION

Closing net asset value (£'000)	1,115	1,063	986
Closing number of shares	1,000,250	1,000,250	1,000,250
Operating charges	0.86%	0.87%	0.97% ²
Direct transaction costs	0.09%	0.14%	1.03% ²

PRICES

Highest share price	117.00	109.98	101.96
Lowest share price	97.33	97.79	94.51

¹ From 1 November 2016.² Annualised figure due to share class launched less than 1 year.

TROJAN GLOBAL INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 31 January 2019 (%)

	1 year	Since launch ¹
Trojan Global Income Fund	3.29	9.42

¹ Launch date 1 November 2016.

The performance of the Fund is based on the published price per 'I' Accumulation share with income reinvested.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 126 to 131.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT**

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	UNITED KINGDOM – 25.78% (31.01.18 – 26.88%)		
157,000	British American Tobacco	4,216	3.11
83,500	Diageo	2,423	1.79
1,600,000	Domino's Pizza	4,237	3.12
370,000	GlaxoSmithKline	5,464	4.03
500,000	IG	3,175	2.34
170,000	Imperial Brands	4,292	3.16
47,000	Reckitt Benckiser	2,756	2.03
182,000	RELX	3,067	2.26
317,500	Sage	1,988	1.47
82,500	Unilever	3,356	2.47
	TOTAL UNITED KINGDOM	34,974	25.78
	CONTINENTAL EUROPE – 13.59% (31.01.18 – 11.44%)		
41,000	Nestlé	2,716	2.00
93,000	Novartis	6,163	4.54
27,300	Roche	5,520	4.07
106,000	Vonovia	4,042	2.98
	TOTAL CONTINENTAL EUROPE	18,441	13.59
	NORTH AMERICA – 53.02% (31.01.18 – 52.97%)		
17,250	Accenture	2,013	1.48
149,000	Cisco Systems	5,352	3.95
24,000	Clorox	2,707	2.00
148,000	Coca-Cola	5,434	4.01
55,500	Emerson Electric	2,762	2.04
83,000	Eversource Energy	4,383	3.23
50,000	Hershey	4,032	2.97
40,700	Johnson & Johnson	4,148	3.06
19,000	McDonald's	2,588	1.91
60,700	Medtronic	4,088	3.01
50,000	Microsoft	3,969	2.93
82,500	Paychex	4,440	3.27
64,300	PepsiCo	5,507	4.06

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
95,000	Philip Morris International	5,542	4.09
74,900	Procter & Gamble	5,494	4.05
64,000	Verizon Communications	2,677	1.97
110,400	Wells Fargo	4,103	3.02
193,000	Western Union	2,676	1.97
	TOTAL NORTH AMERICA	71,915	53.02
	ASIA – 5.94% (31.01.18 – 6.76%)		
209,000	Japan Tobacco	4,013	2.96
14,000	Jardine Matheson	711	0.52
400,000	Link REIT	3,331	2.46
	TOTAL ASIA	8,055	5.94
	Portfolio of investments	133,385	98.33
	Net other assets	2,267	1.67
	Net assets	135,652	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless otherwise stated.

TROJAN GLOBAL INCOME FUND**ACD'S REPORT** *continued***SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the year ended 31 January 2019

Total purchases for the year £'000 (note 15)	47,555	Total sales for the year £'000 (note 15)	17,656
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
British American Tobacco	4,410	Dr Pepper Snapple	3,260
Philip Morris International	3,198	Altria	2,609
Reckitt Benckiser	2,768	SSE	1,831
Domino's Pizza	2,463	Compass	1,517
PepsiCo	2,278	L Brands	1,431
Clorox	2,165	Vodafone	1,394
Hershey	1,925	Sysco	1,089
Coca-Cola	1,878	Inmarsat	905
Novartis	1,849	IG	716
Roche	1,779	Royal Mail	636

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

TROJAN GLOBAL INCOME FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 January 2019

	Notes	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Income:					
Net capital gains	3		2,740		3,601
Revenue	4	4,197		3,026	
Expenses	5	(1,064)		(841)	
Net revenue before taxation		3,133		2,185	
Taxation	6	(420)		(299)	
Net revenue after taxation			2,713		1,886
Total return before distributions			5,453		5,487
Distributions	7		(3,650)		(2,622)
Change in net assets attributable to shareholders from investment activities			1,803		2,865

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2019

	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Opening net assets attributable to shareholders		102,747		67,889
Amounts receivable on issue of shares	36,360		35,224	
Amounts payable on redemption of shares	(5,988)		(3,755)	
		30,372		31,469
Change in net assets attributable to shareholders from investment activities		1,803		2,865
Retained distributions on Accumulation shares		730		524
Closing net assets attributable to shareholders		135,652		102,747

TROJAN GLOBAL INCOME FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 January 2019

	Notes	31.01.19 £'000	31.01.18 £'000
ASSETS			
Fixed assets			
Investments		133,385	100,741
Current assets			
Debtors	8	7,256	314
Cash and bank balances	9	4,002	2,504
Total assets		<u>144,643</u>	<u>103,559</u>
LIABILITIES			
Creditors			
Distribution payable	10	(851)	(583)
Other creditors	10	(8,140)	(229)
Total liabilities		<u>(8,991)</u>	<u>(812)</u>
Net assets attributable to shareholders		<u>135,652</u>	<u>102,747</u>

TROJAN GLOBAL INCOME FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2019

1. Accounting Policies

The accounting policies described on pages 19 to 21 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 21 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy described below has also been applied to this Fund.

The Annual Management Charge is transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

3. Net Capital Gains

The net capital gains during the year comprise:

	31.01.19 £'000	31.01.18 £'000
Non-derivative securities	2,745	3,621
Derivative contracts	—	(8)
Transaction charges	(1)	(1)
Currency losses	(4)	(11)
Net capital gains	2,740	3,601

4. Revenue

	31.01.19 £'000	31.01.18 £'000
Non-taxable dividends	4,103	2,964
Taxable dividends	85	62
Bank interest	9	—
Total revenue	4,197	3,026

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

5. Expenses

	31.01.19 £'000	31.01.18 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	937	736
Legal and professional fees	19	19
Typesetting costs	3	2
Registration fees	35	27
	994	784
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	39	32
Safe custody and other bank charges	11	10
	50	42
Other expenses:		
Fees paid to auditor – audit fees	8	8
– tax services	–	(3)
Publication costs	6	5
Legal and professional fees	6	5
	20	15
Total expenses	1,064	841

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

6. Taxation

	31.01.19 £'000	31.01.18 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	420	299
Current tax charge	420	299
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	420	299

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.18: 20%). The difference is explained below:

	31.01.19 £'000	31.01.18 £'000
Net revenue before taxation	3,133	2,185
Corporation tax at 20%	627	437
Effects of:		
Non-taxable dividends	(821)	(593)
Unutilised excess management expenses	194	156
Corporation tax charge	–	–
Overseas tax	420	299
Total tax charge (note 6a)	420	299

c) Deferred tax

At the year end there is a potential deferred tax asset of £378,000 (31.01.18: £184,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

7. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.19 £'000	31.01.18 £'000
First Interim	960	610
Second Interim	979	838
Third Interim	786	597
Final	1,057	725
	<u>3,782</u>	<u>2,770</u>
Add: Revenue deducted on redemption of shares	31	11
Deduct: Revenue received on issue of shares	<u>(163)</u>	<u>(159)</u>
Net distributions for the year	<u>3,650</u>	<u>2,622</u>

Details of the distributions per share are set out in the table on pages 126 to 131.

	31.01.19 £'000	31.01.18 £'000
Distributions represented by:		
Net revenue after taxation	2,713	1,886
Allocations to capital:		
Annual Management Charge	<u>937</u>	<u>736</u>
Net distributions for the year	<u>3,650</u>	<u>2,622</u>

8. Debtors

	31.01.19 £'000	31.01.18 £'000
Amounts receivable for issue of shares	6,839	73
Accrued revenue:		
Non-taxable dividends	399	231
Prepaid expenses	5	5

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Taxation recoverable:		
Overseas withholding tax	13	5
Total debtors	7,256	314

9. Cash and Bank Balances

	31.01.19 £'000	31.01.18 £'000
Bank balances	4,002	2,504
Total cash and bank balances	4,002	2,504

10. Creditors

	31.01.19 £'000	31.01.18 £'000
Distribution payable	851	583
Other Creditors		
Amounts payable for redemption of shares	21	137
Purchases awaiting settlement	8,011	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	88	73
Legal and professional fees	2	2
Typesetting costs	1	1
Registration fees	3	3
	94	79

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	4	3
Safe custody and other bank charges	2	2
	6	5
Other expenses	8	8
Total other creditors	8,140	229

11. Related Party Transactions

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 10.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 113 and amounts due at the year end are disclosed in notes 8 and 10.

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 150,260 (31.01.18: 138,528) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Pershing Nominees Limited	33.19% (31.01.18: 29.99%)
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12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.01.18: none).

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

13. Shares in Issue

	'O' Income	'O' Accumulation	'I' Income	'I' Accumulation
Annual Management Charge	0.85%	0.85%	1.35%	1.35%
Opening shares in issue	39,614,168	16,107,665	250	1,939,220
Issues	18,795,125	6,466,376	–	162,004
Redemptions	(2,845,676)	(1,586,093)	–	(166,519)
Closing shares in issue	<u>55,563,617</u>	<u>20,987,948</u>	<u>250</u>	<u>1,934,705</u>

	'S' Income	'S' Accumulation	'F' Income	'F' Accumulation
Annual Management Charge	0.75%	0.75%	0.75%	0.75%
Opening shares in issue	10,190,198	250	30,701,996	1,000,250
Issues	3,043,061	–	6,438,105	–
Redemptions	(354,924)	–	(833,289)	–
Closing shares in issue	<u>12,878,335</u>	<u>250</u>	<u>36,306,812</u>	<u>1,000,250</u>

14. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

TROJAN GLOBAL INCOME FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 January 2019

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing in equities and has no significant direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The table below shows the direct foreign currency risk profile:

	31.01.19 £'000	31.01.18 £'000
Currency:		
Euros	10,515	6,656
Hong Kong dollars	3,331	1,865
Japanese yen	4,108	4,247
Swiss francs	14,399	9,056
US dollars	72,759	55,389
	<u>105,112</u>	<u>77,213</u>
Pounds sterling	30,540	25,534
Net assets	<u>135,652</u>	<u>102,747</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £5,256,000 on the net assets of the Fund (31.01.18: £3,861,000).

(D) LEVERAGE

The Fund did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £6,669,000 (31.01.18: £5,037,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Fund held no derivatives during the current year and held no derivatives of a material nature in the prior year.

15. Portfolio Transaction Costs

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.19				
Ordinary shares	47,461	22	72	47,555
Purchases total	47,461	22	72	47,555
<i>Transaction cost % of purchases total</i>		0.05%	0.15%	
<i>Transaction cost % of average NAV</i>		0.02%	0.06%	
Ordinary shares	17,665	(8)	(1)	17,656
Sales total	17,665	(8)	(1)	17,656
<i>Transaction cost % of sales total</i>		0.05%	0.01%	
<i>Transaction cost % of average NAV</i>		0.01%	–	

Average portfolio dealing spread at 31.01.19 is 0.03% (31.01.18: 0.03%).

TROJAN GLOBAL INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.18				
Ordinary shares	43,107	57	66	43,230
Purchases total	43,107	57	66	43,230
<i>Transaction cost % of purchases total</i>		0.13%	0.15%	
<i>Transaction cost % of average NAV</i>		0.06%	0.07%	
Ordinary shares	7,118	(9)	—	7,109
Sales total	7,118	(9)	—	7,109
<i>Transaction cost % of sales total</i>		0.13%	—	
<i>Transaction cost % of average NAV</i>		0.01%	—	

16. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.19				
Investment assets	133,385	—	—	133,385
31.01.18				
Investment assets	100,741	—	—	100,741

17. Subsequent Events

As at 15 May 2019, the net asset value of the Fund has risen by 15% compared to that at 31 January 2019, primarily due to the issue of shares. These accounts were approved on 17 May 2019.

TROJAN GLOBAL INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLE

for the year ended 31 January 2019 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	First Interim	Second Interim	Third Interim	Final
From	01.02.18	01.05.18	01.08.18	01.11.18
To	30.04.18	31.07.18	31.10.18	31.01.19

'O' INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 30.06.18	Paid 30.06.17
Group 1	0.8992	–	0.8992	0.7991
Group 2	0.4847	0.4145	0.8992	0.7991

Second Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	0.9000	–	0.9000	0.9058
Group 2	0.5439	0.3561	0.9000	0.9058

Third Interim	Net Revenue	Equalisation	Paid 31.12.18	Paid 31.12.17
Group 1	0.6808	–	0.6808	0.6138
Group 2	0.2759	0.4049	0.6808	0.6138

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.8114	–	0.8114	0.7240
Group 2	0.2545	0.5569	0.8114	0.7240

TROJAN GLOBAL INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'O' ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 30.06.18	Allocated 30.06.17
Group 1	0.9313	–	0.9313	0.8036
Group 2	0.4625	0.4688	0.9313	0.8036
Second Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	0.9409	–	0.9409	0.9174
Group 2	0.3588	0.5821	0.9409	0.9174
Third Interim	Net Revenue	Equalisation	Allocated 31.12.18	Allocated 31.12.17
Group 1	0.7178	–	0.7178	0.6275
Group 2	0.3678	0.3500	0.7178	0.6275
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.8617	–	0.8617	0.7445
Group 2	0.4612	0.4005	0.8617	0.7445

'I' INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 30.06.18	Paid 30.06.17
Group 1	0.9040	–	0.9040	0.8400
Group 2	0.9040	0.0000	0.9040	0.8400
Second Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	0.9080	–	0.9080	0.9320
Group 2	0.9080	0.0000	0.9080	0.9320

TROJAN GLOBAL INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

Third Interim	Net Revenue	Equalisation	Paid 31.12.18	Paid 31.12.17
Group 1	0.7040	–	0.7040	0.6280
Group 2	0.7040	0.0000	0.7040	0.6280

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.8320	–	0.8320	0.7520
Group 2	0.8320	0.0000	0.8320	0.7520

‘I’ ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 30.06.18	Allocated 30.06.17
Group 1	0.9248	–	0.9248	0.8019
Group 2	0.4813	0.4435	0.9248	0.8019

Second Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	0.9335	–	0.9335	0.9148
Group 2	0.4863	0.4472	0.9335	0.9148

Third Interim	Net Revenue	Equalisation	Allocated 31.12.18	Allocated 31.12.17
Group 1	0.7109	–	0.7109	0.6244
Group 2	0.0837	0.6272	0.7109	0.6244

Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.8521	–	0.8521	0.7406
Group 2	0.4123	0.4398	0.8521	0.7406

TROJAN GLOBAL INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'S' INCOME SHARES (REGISTERED CHARITIES ONLY)

First Interim	Net Revenue	Equalisation	Paid 30.06.18	Paid 30.06.17
Group 1	0.9006	–	0.9006	0.7997
Group 2	0.2818	0.6188	0.9006	0.7997
Second Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	0.9012	–	0.9012	0.9049
Group 2	0.6987	0.2025	0.9012	0.9049
Third Interim	Net Revenue	Equalisation	Paid 31.12.18	Paid 31.12.17
Group 1	0.6818	–	0.6818	0.6141
Group 2	0.3372	0.3446	0.6818	0.6141
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.8135	–	0.8135	0.7246
Group 2	0.8135	0.0000	0.8135	0.7246

'S' ACCUMULATION SHARES (REGISTERED CHARITIES ONLY)

First Interim	Net Revenue	Equalisation	Allocated 30.06.18	Allocated 30.06.17
Group 1	0.9520	–	0.9520	0.8400
Group 2	0.9520	0.0000	0.9520	0.8400
Second Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	0.9680	–	0.9680	0.9480
Group 2	0.9680	0.0000	0.9680	0.9480

TROJAN GLOBAL INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

Third Interim	Net Revenue	Equalisation	Allocated 31.12.18	Allocated 31.12.17
Group 1	0.7440	–	0.7440	0.6520
Group 2	0.7440	0.0000	0.7440	0.6520

Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.8840	–	0.8840	0.7720
Group 2	0.8840	0.0000	0.8840	0.7720

‘F’ INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 30.06.18	Paid 30.06.17
Group 1	0.9004	–	0.9004	0.7994
Group 2	0.9004	0.0000	0.9004	0.7994

Second Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	0.9011	–	0.9011	0.9057
Group 2	0.3780	0.5231	0.9011	0.9057

Third Interim	Net Revenue	Equalisation	Paid 31.12.18	Paid 31.12.17
Group 1	0.6819	–	0.6819	0.6141
Group 2	0.4730	0.2089	0.6819	0.6141

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.8135	–	0.8135	0.7248
Group 2	0.8135	0.0000	0.8135	0.7248

TROJAN GLOBAL INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'F' ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 30.06.18	Allocated 30.06.17
Group 1	0.9322	–	0.9322	0.8035
Group 2	0.9322	0.0000	0.9322	0.8035
Second Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	0.9421	–	0.9421	0.9176
Group 2	0.9421	0.0000	0.9421	0.9176
Third Interim	Net Revenue	Equalisation	Allocated 31.12.18	Allocated 31.12.17
Group 1	0.7187	–	0.7187	0.6278
Group 2	0.7187	0.0000	0.7187	0.6278
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.8629	–	0.8629	0.7451
Group 2	0.8629	0.0000	0.8629	0.7451

TROJAN GLOBAL EQUITY FUND ACD'S REPORT

for the year ended 31 January 2019

Important Information

Refer to the 'Important Information' section of the Company on page 9.

Investment Objective and Policy

The investment objective of the Trojan Global Equity Fund ('the Fund') is to provide capital growth over the longer term. The Fund's policy is to invest substantially in UK and overseas equities but may also invest in collective investment schemes and money-market instruments.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Global Equity Fund

17 May 2019

TROJAN GLOBAL EQUITY FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2019

Market Review

Following a period of calm in 2017, the 12 months under review saw volatility return to global asset markets. The year got off to a poor start with equities and bonds falling in unison in February, prompted by fears of higher interest rates and rising inflation in the US. Whilst US equities had recovered much of their poise by May, the same could not be said for many Asian and Emerging Markets.

Indeed, 2018 proved to be a particularly difficult year for investors in developing markets. There were a number of significant headwinds, including a strong US dollar, a slowing global economy and greater risk aversion following significant currency devaluations in Argentina and Turkey. A tightening of lending standards in China, as well as an escalation in its trade war with the US, also proved unhelpful.

Until October, US equities, underpinned by solid corporate earnings growth and a robust economy, stood out as a bastion of strength from the rest of the world. However, US equities were not immune to a rapid deterioration in investor sentiment during the fourth quarter of 2018. Starting in October and ending with a lurch down in December, equity markets fell on concerns that the global economy was slowing and that the US could enter into recession in the next year or two. This led to a shift in market leadership. Highly valued growth stocks sold off aggressively, alongside cyclical and economically sensitive businesses. Energy companies, in particular, were hard hit following a collapse in the oil price. In contrast, more defensive and predictable utilities and consumer staples businesses held up relatively well.

Credit and loan markets were also impacted, highlighted by a widening in high-yield spreads, a lack of new issuance in December, and selling pressure in leveraged loan funds. Whilst a sharp bounce in January has alleviated much of the pressure, trading conditions in December were instructive in highlighting the liquidity mismatch inherent in vehicles that provide daily dealing but invest in assets that cannot easily be redeemed.

Although the majority of assets ended 2018 in negative territory, gold acted as a safe haven during times of stress. The yellow metal rose more than +10%, in US dollar terms, between the beginning of October and the end of January 2019.

Portfolio Review

The Fund's returns were led by companies involved in software services (Microsoft, Intuit) and payment service providers (Visa, American Express), which all reported strong levels of earnings growth during the year. Fiserv, the provider of payment processing and software services to small and medium-sized financial institutions in the US, sits at the intersection of these two areas. The company was also a Top 5 contributor to returns as another year of robust earnings growth at Fiserv was followed by an announcement in January 2019 of its intention to merge with First Data Corporation, news which sent the share price higher.

The Top 5 detractors to returns came from tobacco stocks (British American Tobacco, Altria, Philip Morris International), eBay and Wells Fargo. The tobacco companies had a torrid year, weighed down by a long list of concerns, some more apparent (e.g. adverse US regulation) and others more real (e.g. foreign-exchange headwinds and uncertainty surrounding novel reduced-risk products). eBay disappointed investors by announcing

TROJAN GLOBAL EQUITY FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

slowing operational momentum in its core Marketplaces business, despite it making rising levels of investment. Wells Fargo was lower due to general macro-economic concerns about the health of the US economy and the direction of credit markets, combined with more company-specific regulatory issues related to the company's misselling scandal, details of which first emerged in 2016.

The Fund's turnover increased modestly in comparison to previous years as we saw more volatile market conditions as an opportunity to reallocate capital. Purchases of L'Oréal and Facebook were described in the Fund's last Interim Report, together with details of the sale of Sky plc.

The sale of Jardine Matheson was completed in the second half of the year in order to fund investment ideas where we have greater conviction. We also reduced holdings in Coca-Cola, PayPal and Fiserv where valuations appear somewhat stretched, and reduced holdings in both eBay and Sage as we adjusted to news of their weaker operational progress. The holding in Wells Fargo was also reduced to fund investments elsewhere.

We added to existing holdings in Booking Holdings, British American Tobacco, Colgate-Palmolive, Heineken and Visa, at what we consider to be attractive valuations.

Outlook

Investors entered 2018 with reassuring economic forecasts for 'synchronised global growth'. Subsequent returns have proven, yet again, that asset prices and economies rarely move in tandem. Having all but ignored the 'trio of risks' identified in the Outlook for the Fund's Interim Report – historically high asset prices, tightening US monetary policy and the rising threat of trade wars – these three now receive a lot of investors' attention, almost to the exclusion of everything else.

As ever, the portfolio is shaped by our analysis of businesses, not economies or politics. We acknowledge that many risks remain capable of compressing valuation multiples, yet we are encouraged by the general resilience of the companies in the portfolio. Not only do they enjoy stable and recurring patterns of demand for their products and services – from computing software, to shampoo and medical devices – they also generate tremendous amounts of cash, giving them the luxury of time to adapt and grow. There is no room for complacency. As cyclical pressures mount elsewhere, technological change continues unabated, intensifying competition. These will present challenges for our businesses, as well as opportunities.

TROJAN GLOBAL EQUITY FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

The portfolio has a weighted average FCF margin of 24.0%¹ and a FCF yield of 5.3%¹. We feel that these metrics indicate a healthy balance between the quality of earnings within the portfolio and the price we are asked to pay for that quality. We look forward to taking advantage of any future stock-market dislocation to continue to improve the growth, earnings quality and value credentials within the portfolio.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

15 February 2019

¹ Source: Bloomberg.

TROJAN GLOBAL EQUITY FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

Concentrated Fund: The Fund may hold a large weighting in a small number of investments and may therefore be subject to larger than normal swings in its value.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables****'O' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	254.83	226.99	187.75
Return before operating charges*	13.25	31.85	43.31
Operating charges	(2.43)	(2.30)	(2.14)
Return after operating charges	10.82	29.55	41.17
Distributions	(1.91)	(1.71)	(1.93)
Closing net asset value per share	263.74	254.83	226.99
* after direct transaction costs of:	0.07	0.06	0.22

PERFORMANCE

Return after charges	4.25%	13.02%	21.93%
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OTHER INFORMATION

Closing net asset value (£'000)	81,345	76,574	59,064
Closing number of shares	30,842,302	30,049,198	26,020,109
Operating charges ¹	0.93%	0.93%	1.01%
Direct transaction costs	0.03%	0.02%	0.11%

PRICES

Highest share price	280.63	260.33	233.85
Lowest share price	233.99	225.72	179.55

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.00% to 0.85%.

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'O' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	304.61	269.45	220.97
Return before operating charges*	15.83	37.90	51.01
Operating charges	(2.91)	(2.74)	(2.53)
Return after operating charges	12.92	35.16	48.48
Distributions	(2.28)	(2.03)	(2.27)
Retained distributions on accumulation shares	2.28	2.03	2.27
Closing net asset value per share	317.53	304.61	269.45
* after direct transaction costs of:	0.08	0.07	0.27

PERFORMANCE

Return after charges	4.24%	13.05%	21.94%
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OTHER INFORMATION

Closing net asset value (£'000)	125,800	155,731	125,695
Closing number of shares	39,618,511	51,125,102	46,649,071
Operating charges ¹	0.93%	0.93%	1.01%
Direct transaction costs	0.03%	0.02%	0.11%

PRICES

Highest share price	337.08	310.62	277.07
Lowest share price	279.70	267.94	211.31

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.00% to 0.85%.

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	256.53	228.66	189.31
Return before operating charges*	13.31	32.09	43.58
Operating charges	(3.76)	(3.56)	(3.22)
Return after operating charges	9.55	28.53	40.36
Distributions	(0.61)	(0.66)	(1.01)
Closing net asset value per share	265.47	256.53	228.66
* after direct transaction costs of:	0.07	0.06	0.23

PERFORMANCE

Return after charges	3.72%	12.48%	21.32%
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OTHER INFORMATION

Closing net asset value (£'000)	986	1,057	1,056
Closing number of shares	371,332	411,886	461,676
Operating charges ¹	1.43%	1.43%	1.51%
Direct transaction costs	0.03%	0.02%	0.11%

PRICES

Highest share price	283.04	261.67	235.17
Lowest share price	235.38	227.37	181.01

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.50% to 1.35%.

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	283.13	251.70	207.45
Return before operating charges*	14.68	35.35	47.79
Operating charges	(4.15)	(3.92)	(3.54)
Return after operating charges	10.53	31.43	44.25
Distributions	(0.67)	(0.72)	(1.11)
Retained distributions on accumulation shares	0.67	0.72	1.11
Closing net asset value per share	293.66	283.13	251.70
* after direct transaction costs of:	0.07	0.07	0.25

PERFORMANCE

Return after charges	3.72%	12.49%	21.33%
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OTHER INFORMATION

Closing net asset value (£'000)	6,364	9,414	9,167
Closing number of shares	2,167,238	3,325,025	3,641,937
Operating charges ¹	1.43%	1.43%	1.51%
Direct transaction costs	0.03%	0.02%	0.11%

PRICES

Highest share price	312.39	288.81	258.87
Lowest share price	259.79	250.28	198.35

¹ Effective 1 July 2016, the Annual Management Charge reduced from 1.50% to 1.35%.

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' INCOME SHARES****(REGISTERED CHARITIES ONLY)**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	254.99	227.13	187.84
Return before operating charges*	13.27	31.88	43.35
Operating charges	(2.17)	(2.06)	(1.80)
Return after operating charges	11.10	29.82	41.55
Distributions	(2.17)	(1.96)	(2.26)
Closing net asset value per share	263.92	254.99	227.13
* after direct transaction costs of:	0.07	0.06	0.23

PERFORMANCE

Return after charges	4.35%	13.13%	22.12%
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OTHER INFORMATION

Closing net asset value (£'000)	6,823	7,123	7,094
Closing number of shares	2,585,308	2,793,514	3,123,290
Operating charges	0.83%	0.83%	0.85%
Direct transaction costs	0.03%	0.02%	0.11%

PRICES

Highest share price	280.84	260.61	234.09
Lowest share price	234.18	225.86	179.65

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' ACCUMULATION SHARES**
(REGISTERED CHARITIES ONLY)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	307.02	271.33	222.16
Return before operating charges*	15.96	38.15	51.31
Operating charges	(2.62)	(2.46)	(2.14)
Return after operating charges	13.34	35.69	49.17
Distributions	(2.62)	(2.35)	(2.67)
Retained distributions on accumulation shares	2.62	2.35	2.67
Closing net asset value per share	320.36	307.02	271.33
* after direct transaction costs of:	0.08	0.08	0.27

PERFORMANCE

Return after charges	4.34%	13.15%	22.13%
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OTHER INFORMATION

Closing net asset value (£'000)	124	134	118
Closing number of shares	38,802	43,467	43,467
Operating charges	0.83%	0.83%	0.85%
Direct transaction costs	0.03%	0.02%	0.11%

PRICES

Highest share price	339.95	313.07	278.99
Lowest share price	281.96	269.80	212.46

TROJAN GLOBAL EQUITY FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 31 January 2019 (%)

	1 year	3 years	5 years
Trojan Global Equity Fund	3.34	41.22	83.10

The performance of the Fund is based on the published price per 'I' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 160 to 162.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT**

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	UNITED KINGDOM – 13.21% (31.01.18 – 16.15%)		
163,156	British American Tobacco	4,382	1.98
147,288	Diageo	4,274	1.93
436,827	Experian	8,352	3.77
58,984	Reckitt Benckiser	3,458	1.56
313,306	Sage	1,961	0.89
171,271	Unilever	6,823	3.08
	TOTAL UNITED KINGDOM	29,250	13.21
	CONTINENTAL EUROPE – 15.09% (31.01.18 – 12.38%)		
98,264	Heineken	6,489	2.93
15,861	L'Oréal	2,904	1.31
92,042	Nestlé	6,096	2.75
156,605	Novartis	10,378	4.69
37,395	Roche	7,562	3.41
	TOTAL CONTINENTAL EUROPE	33,429	15.09
	NORTH AMERICA – 64.44% (31.01.18 – 62.24%)		
14,575	Alphabet 'A'	12,476	5.64
137,476	Altria	5,160	2.33
152,781	American Express	11,926	5.39
47,689	Becton Dickinson	9,041	4.08
3,643	Booking	5,076	2.29
116,410	Coca-Cola	4,274	1.93
102,507	Colgate-Palmolive	5,040	2.28
265,878	eBay	6,797	3.07
54,589	Facebook	6,915	3.12
106,524	Fiserv	6,716	3.03
32,982	Intuit	5,410	2.44
39,324	Johnson & Johnson	4,007	1.81
166,471	Medtronic	11,211	5.06
168,547	Microsoft	13,378	6.04
174,407	PayPal	11,767	5.32
57,771	Philip Morris International	3,370	1.52

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
35,107	Procter & Gamble	2,575	1.16
108,841	Visa	11,167	5.04
171,927	Wells Fargo	6,390	2.89
	TOTAL NORTH AMERICA	142,696	64.44
	ASIA – 1.28% (31.01.18 – 3.38%)		
147,230	Japan Tobacco	2,827	1.28
	Portfolio of investments	208,202	94.02
	Net other assets	13,240	5.98
	Net assets	221,442	100.00

The investments are have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulatory market.

TROJAN GLOBAL EQUITY FUND**ACD'S REPORT** *continued***SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the year ended 31 January 2019

Total purchases for the year £'000 (note 15)	22,718	Total sales for the year £'000 (note 15)	56,056
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Facebook	6,941	Sky	6,327
Booking	3,267	eBay	5,517
L'Oréal	2,583	Fiserv	3,962
Visa	1,480	Jardine Matheson	3,471
British American Tobacco	1,336	American Express	3,439
Heineken	1,075	PayPal	3,091
Colgate-Palmolive	949	Wells Fargo	3,004
eBay	541	Microsoft	2,895
American Express	523	Sage	2,416
Medtronic	494	Alphabet 'A'	2,118

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

TROJAN GLOBAL EQUITY FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 31 January 2019

	Notes	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Income:					
Net capital gains	3		6,104		25,641
Revenue	4	4,196		4,325	
Expenses	5	(2,086)		(2,227)	
Net revenue before taxation		2,110		2,098	
Taxation	6	(523)		(548)	
Net revenue after taxation			1,587		1,550
Total return before distributions			7,691		27,191
Distributions	7		(1,587)		(1,560)
Change in net assets attributable to shareholders from investment activities			6,104		25,631

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 January 2019

	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Opening net assets attributable to shareholders		250,033		202,194
Amounts receivable on issue of shares	27,033		36,841	
Amounts payable on redemption of shares	(62,679)		(15,693)	
		(35,646)		21,148
Dilution levy		29		–
Change in net assets attributable to shareholders from investment activities		6,104		25,631
Retained distributions on Accumulation shares		922		1,060
Closing net assets attributable to shareholders		221,442		250,033

TROJAN GLOBAL EQUITY FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 January 2019

	Notes	31.01.19 £'000	31.01.18 £'000
ASSETS			
Fixed assets			
Investments		208,202	235,414
Current assets			
Debtors	8	1,217	417
Cash and bank balances	9	13,659	14,657
Total assets		<u>223,078</u>	<u>250,488</u>
LIABILITIES			
Creditors			
Distribution payable	10	(206)	(153)
Other creditors	10	(1,430)	(302)
Total liabilities		<u>(1,636)</u>	<u>(455)</u>
Net assets attributable to shareholders		<u>221,442</u>	<u>250,033</u>

TROJAN GLOBAL EQUITY FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2019

1. Accounting Policies

The accounting policies described on pages 19 to 21 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 21 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains

The net capital gains during the year comprise:

	31.01.19 £'000	31.01.18 £'000
Non-derivative securities	6,127	25,656
Transaction charges	(1)	–
Currency losses	(22)	(15)
Net capital gains	<u>6,104</u>	<u>25,641</u>

4. Revenue

	31.01.19 £'000	31.01.18 £'000
Non-taxable dividends	4,166	4,321
Bank interest	30	2
Interest on receipt of withholding tax reclaims	–	2
Total revenue	<u>4,196</u>	<u>4,325</u>

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

5. Expenses

	31.01.19 £'000	31.01.18 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,913	2,053
Legal and professional fees	14	14
Typesetting costs	3	2
Registration fees	67	71
	1,997	2,140
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	55	57
Safe custody and other bank charges	14	15
	69	72
Other expenses:		
Fees paid to auditor – audit fees	8	9
– tax services	–	(3)
Publication costs	6	6
Legal and professional fees	6	3
	20	15
Total expenses	2,086	2,227

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

6. Taxation

	31.01.19 £'000	31.01.18 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	523	562
Adjustments in respect to withholding tax reclaims	–	(14)
Current tax charge	523	548
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	523	548

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.18: 20%). The difference is explained below:

	31.01.19 £'000	31.01.18 £'000
Net revenue before taxation	2,110	2,098
Corporation tax at 20%	422	420
Effects of:		
Non-taxable dividends	(833)	(864)
Unutilised excess management expenses	411	444
Corporation tax charge	–	–
Overseas tax	523	562
Adjustments in respect of prior periods	–	(14)
Total tax charge (note 6a)	523	548

c) Deferred tax

At the year end there is a potential deferred tax asset of £2,209,000 (31.01.18: £1,798,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

7. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.19 £'000	31.01.18 £'000
Interim	1,054	1,202
Final	506	432
	<u>1,560</u>	<u>1,634</u>
Add: Revenue deducted on redemption of shares	97	44
Deduct: Revenue received on issue of shares	(70)	(118)
Net distributions for the year	<u>1,587</u>	<u>1,560</u>

Details of the distributions per share are set out in the table on pages 160 to 162.

	31.01.19 £'000	31.01.18 £'000
Distributions represented by:		
Net revenue after taxation	1,587	1,550
Allocations to capital:		
Revenue deficit – 'I' Income	–	1
– 'I' Accumulation	–	6
	–	7
Equalisation on conversions ¹	–	3
Net distributions for the year	<u>1,587</u>	<u>1,560</u>

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

8. Debtors

	31.01.19 £'000	31.01.18 £'000
Amounts receivable for issue of shares	880	80
Accrued revenue:		
Non-taxable dividends	328	320
Prepaid expenses	5	4
Taxation recoverable:		
Overseas withholding tax	4	13
Total debtors	1,217	417

9. Cash and Bank Balances

	31.01.19 £'000	31.01.18 £'000
Bank balances	13,659	14,657
Total cash and bank balances	13,659	14,657

10. Creditors

	31.01.19 £'000	31.01.18 £'000
Distribution payable	206	153
Other Creditors		
Amounts payable for redemption of shares	210	86
Purchases awaiting settlement	1,030	–

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	160	186
Legal and professional fees	1	–
Typesetting costs	1	1
Registration fees	6	7
	168	194
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	5	5
Safe custody and other bank charges	3	4
	8	9
Other expenses	14	13
Total other creditors	1,430	302

11. Related Party Transactions

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 147 and amounts due at the year end are disclosed in notes 9 and 11.

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 550,814 (31.01.18: 556,139) of the Fund's shares at the balance sheet date.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Pershing Nominees Limited 47.88% (31.01.18: 38.55%)

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.01.18: none).

13. Shares in Issue

	'O' Income	'O' Accumulation	'I' Income
Annual Management Charge	0.85%	0.85%	1.35%
Opening shares in issue	30,049,198	51,125,102	411,886
Issues	2,087,658	5,652,760	30,695
Redemptions	(2,413,125)	(16,250,316)	(54,697)
Conversions	1,118,571	(909,035)	(16,552)
Closing shares in issue	<u>30,842,302</u>	<u>39,618,511</u>	<u>371,332</u>

	'I' Accumulation	'S' Income	'S' Accumulation
Annual Management Charge	1.35%	0.75%	0.75%
Opening shares in issue	3,325,025	2,793,514	43,467
Issues	1,446,163	20,417	–
Redemptions	(2,595,740)	(228,623)	(4,665)
Conversions	(8,210)	–	–
Closing shares in issue	<u>2,167,238</u>	<u>2,585,308</u>	<u>38,802</u>

14. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

TROJAN GLOBAL EQUITY FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 January 2019

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing in equities, it has no significant direct exposure to interest rate risk and therefore no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The table below shows the direct foreign currency risk profile:

	31.01.19 £'000	31.01.18 £'000
Currency:		
Euros	9,397	6,257
Japanese yen	2,897	5,293
Swiss francs	24,036	24,729
US dollars	142,876	159,001
	<u>179,206</u>	<u>195,280</u>
Pounds sterling	42,236	54,753
Net assets	<u>221,442</u>	<u>250,033</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £8,960,000 on the net assets of the Fund (31.01.18: £9,764,000).

(D) LEVERAGE

The Fund did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £10,410,000 (31.01.18: £11,771,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Fund held no derivatives during the current or prior year.

15. Portfolio Transaction Costs

31.01.19	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	22,691	11	16	22,718
Purchases total	22,691	11	16	22,718
<i>Transaction cost % of purchases total</i>		0.05%	0.07%	
<i>Transaction cost % of average NAV</i>		0.01%	0.01%	
Ordinary shares	56,085	(27)	(2)	56,056
Sales total	56,085	(27)	(2)	56,056
<i>Transaction cost % of sales total</i>		0.05%	—	
<i>Transaction cost % of average NAV</i>		0.01%	—	

Average portfolio dealing spread at 31.01.19 is 0.03% (31.01.18: 0.04%).

TROJAN GLOBAL EQUITY FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.18				
Ordinary shares	33,413	45	9	33,467
Purchases total	33,413	45	9	33,467
<i>Transaction cost % of purchases total</i>		0.13%	0.03%	
<i>Transaction cost % of average NAV</i>		0.02%	–	
Ordinary shares	5,027	(6)	–	5,021
Sales total	5,027	(6)	–	5,021
<i>Transaction cost % of sales total</i>		0.12%	–	
<i>Transaction cost % of average NAV</i>		–	–	

16. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.19				
Investment assets	208,202	–	–	208,202
31.01.18				
Investment assets	235,414	–	–	235,414

TROJAN GLOBAL EQUITY FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLE

for the year ended 31 January 2019 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.18	01.08.18
To	31.07.18	31.01.19

'O' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.3084	–	1.3084	1.2546
Group 2	0.3735	0.9349	1.3084	1.2546

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.5989	–	0.5989	0.4565
Group 2	0.2176	0.3813	0.5989	0.4565

'O' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	1.5650	–	1.5650	1.4839
Group 2	0.3985	1.1665	1.5650	1.4839

Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.7194	–	0.7194	0.5448
Group 2	0.2990	0.4204	0.7194	0.5448

TROJAN GLOBAL EQUITY FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'I' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	–	–	–	0.6559
Group 2	–	0.0000	–	0.6559
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.6063	–	0.6063	–
Group 2	–	0.6063	0.6063	–

'I' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	–	–	–	0.7204
Group 2	–	0.0000	–	0.7204
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.6697	–	0.6697	–
Group 2	–	0.6697	0.6697	–

'S' INCOME SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.4347	–	1.4347	1.3771
Group 2	0.6275	0.8072	1.4347	1.3771
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.7354	–	0.7354	0.5832
Group 2	0.4126	0.3228	0.7354	0.5832

TROJAN GLOBAL EQUITY FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'S' ACCUMULATION SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	1.7280	–	1.7280	1.6450
Group 2	1.7280	0.0000	1.7280	1.6450
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.8908	–	0.8908	0.7012
Group 2	0.6415	0.2493	0.8908	0.7012

TROJAN INCOME FUND

ACD'S REPORT

for the year ended 31 January 2019

Important Information

Refer to the 'Important Information' section of the Company on page 9.

Investment Objective and Policy

The investment objective of the Trojan Income Fund ('the Fund') is to provide an above average income with the potential for capital growth in the medium term. The Fund's policy is to invest substantially in UK and overseas equities and fixed interest securities but may also invest in collective investment schemes and money market instruments.

LINK FUND SOLUTIONS LIMITED

ACD of Trojan Income Fund

17 May 2019

TROJAN INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2019

Investment Review

Following a period of calm in 2017, the 12 months under review saw volatility return to global asset markets. The reporting year got off to a challenging start with broad equity and bond markets falling in unison in February, prompted by fears of higher US interest rates and rising inflation. While weakness continued through Q2 for many Asian and emerging markets, UK and US equities had recovered much of their poise by May, despite political uncertainties persisting in both geographies.

However, a relatively benign middle of the year gave way to some pronounced falls in equity markets in the final few months. Starting in October and ending with a lurch down in December markets fell on concerns that the global economy would slow in response to a programme of interest rate hikes planned by the US Federal Reserve ('the Fed'). When combined with the ongoing concerns about global trade resulting from the US/China standoff, this led to a shift in market leadership. Highly valued growth stocks sold off aggressively, alongside cyclical and economically sensitive businesses. Energy companies, in particular, were hard hit following a collapse in the oil price. In contrast, more defensive and predictable utilities and consumer staples businesses held up relatively well.

As a whole, market dynamics in the UK could be summarized by one thoroughly time-worn word: Brexit. Throughout the year various scenarios and deals have entered and left the limelight and at times markets have struggled to price in rapid changes in sentiment. However, in aggregate, the UK fell along with global markets with the still-present risk of some form of 'chaotic' exit from the EU weighed particularly heavy on domestically focussed UK companies.

Portfolio Review

The Fund's holdings in defensive healthcare investments, energy and utilities companies all made robust positive contributions over the 12 months. The portfolio's telecommunications and consumer staples holdings both detracted from the absolute return as did the Fund's investments in financials stocks. The latter, however, performed much better than the wider market financials sector.

A final distribution of 4.7441p will be paid to holders of 'O' Income shares on 31st March 2019. When combined with the interim distribution of 3.05p the Fund's annual distribution equates to a yield of 4.3% on the year-end share price. When compared to the prior full year dividend the distribution from the Fund has grown by 3.4%. It remains our ambition to grow the dividend year on year whilst ensuring that we do not expose the Fund's capital to excessive risk.¹

As noted in the interim report, much of our focus has been on incremental improvements to the quality and defensive characteristics of the portfolio. We remained wary of lofty valuations, however, market weakness in the final quarter opened up interesting opportunities for additions, leading to initiation of two new holdings in the

¹ Source: Bloomberg.

TROJAN INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Fund – Associated British Foods and Victrex. On the former, concerns over organic growth rates at Primark negatively impacted the shares. Capital allocation and diversification of business remain a key strength. We began purchasing at less than 17x forward P/E and continued to add on further weakness in December, levels that are substantially lower than the 36x the company was trading on in 2015.

Victrex is the market-leading manufacturer of PEEK, a premium high-performance plastic used in everything from airplane brackets, power trains of cars, mobile phone speakers, and knee and dental implants. While it is a highly profitable company and produces remarkable returns on invested capital, its end markets are cyclical and the shares were hit hard in the final months of 2018. With high confidence in the long-term structural growth story, we were happy to initiate a small holding following a de-rating from 25x forward earnings in October to 18x. Both of these additions give an interesting insight into the growing opportunity set we are seeing; if market volatility continues we will doubtless find further opportunities to add excellent companies with strong dividend track records to the Fund.

While Brexit negotiations have caused the UK market to oscillate, there has been a clear de-rating in many domestic-focussed UK names which has at times understated the long-term value of many of these businesses. As a result we added to holdings in the retailers Next and WH Smith, both of which have continued to demonstrate exceptional capital discipline, maintaining solid operating performance through what proved to be torrid trading conditions in the latter half of the year for many on the high street. Likewise we boosted the Fund's holding in Dairy Crest. The company continues to dominate the UK branded cheddar market and the long-promised returns from selling 'functional ingredients' are finally beginning to trickle through. In combination with a substantially improved balance sheet, we felt broad market weakness offered a sensible opportunity to increase the holding.

We exited the Fund's holding in US tobacco giant Altria following its announcement that it would take a 35% stake in e-cigarette maker JUUL for \$12.8bn, valuing the business at \$38bn or >38x sales. The cost equates to three years' free cash flow and will push net debt/EBITDA to ~2.6x, which for us does not seem prudent capital allocation. Following reductions over the past few months we also exited the holding in Royal Mail. Our assessment was that the productivity gains the company has so far failed to deliver continue to be demanding. In addition, there remain concerns over governance and that cash cover of the dividend looks increasingly strained. Sales such as these are part of our constant drive to improve the quality of your portfolio by culling investments that fall short of our high expectations.

Outlook

With none of the risk factors that caused the volatility towards the end of 2018 yet resolved, we entered 2019 with profound uncertainties overhanging markets and geopolitics. Lack of resolution has meant the vacillating markets of 2018 have spilled over in to 2019, with UK equities rising in January in contrast to the sharp December sell off. Along with the rise in sterling, this reflected the perception of reduced 'no-deal' Brexit risk following the second round of voting on May's deal at the end of the month. However, all possibilities seemingly remain open.

TROJAN INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

While murmurings of a recession accompanied the weak 2018 markets (and the odd weaker economic data point), January proved a swift turn in sentiment not only for the UK; it was the best month for global equity markets in more than seven years, following strong corporate earnings, optimism over US-China trade, comments from the Fed that further rate rises would likely be put on hold and a rebound in oil prices.

We cannot claim to know how the year will play out but we do know uncertainty can provide upside opportunity as well as downside risk. Although we have not positioned the Fund to reflect one particular outcome, there is no doubt that parts of the portfolio have been significantly depressed by the political environment and we have taken the opportunity to increase weightings where we have seen undue pessimism. Consequently, parts of the portfolio stand to benefit from a continuing upswing in sentiment towards the UK. At the same time, we have retained substantial holdings in core global defensive businesses, reflecting our concerns of further market instability as we move further into 2019. Underpinning the breadth of the portfolio are increasingly attractive yields and valuations which mean that, despite the short-term uncertainty, we are slowly becoming more optimistic about some of the long-term returns available to investors.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

18 February 2019

TROJAN INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Financial Techniques Impact: The Fund may invest in derivatives to generate additional capital or income. A movement in the value of the derivative's underlying asset may have a much larger negative impact on the value of the Fund than if the Fund were to hold the underlying investment itself.

Counterparty Risk: As the Fund may enter into currency hedging agreements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, receiving less than is due or receiving nothing.

'S' Income and 'S' Accumulation shares available to registered charities only.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables****'O' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	183.84	180.26	171.61
Return before operating charges*	(2.63)	13.06	17.64
Operating charges	(1.85)	(1.94)	(1.85)
Return after operating charges	(4.48)	11.12	15.79
Distributions	(7.79)	(7.54)	(7.14)
Closing net asset value per share	171.57	183.84	180.26
* after direct transaction costs of:	0.07	0.14	0.20

PERFORMANCE

Return after charges	(2.44)%	6.17%	9.20%
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OTHER INFORMATION

Closing net asset value (£'000)	451,867	1,181,644	1,732,001
Closing number of shares	263,375,178	642,744,678	960,820,938
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	191.36	199.80	191.46
Lowest share price	169.57	179.91	161.45

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'O' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	321.22	302.56	277.15
Return before operating charges*	(4.86)	21.95	28.42
Operating charges	(3.25)	(3.29)	(3.01)
Return after operating charges	(8.11)	18.66	25.41
Distributions	(13.71)	(12.74)	(11.60)
Retained distributions on accumulation shares	13.71	12.74	11.60
Closing net asset value per share	313.11	321.22	302.56
* after direct transaction costs of:	0.13	0.23	0.32

PERFORMANCE

Return after charges	(2.52)%	6.17%	9.17%
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OTHER INFORMATION

Closing net asset value (£'000)	404,851	645,194	775,976
Closing number of shares	129,301,622	200,858,235	256,470,286
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	337.71	335.32	313.88
Lowest share price	298.34	301.96	260.70

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	173.17	170.66	163.29
Return before operating charges*	(2.47)	12.36	16.76
Operating charges	(2.59)	(2.73)	(2.61)
Return after operating charges	(5.06)	9.63	14.15
Distributions	(7.32)	(7.12)	(6.78)
Closing net asset value per share	160.79	173.17	170.66
* after direct transaction costs of:	0.07	0.13	0.19

PERFORMANCE

Return after charges	(2.92)%	5.64%	8.66%
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OTHER INFORMATION

Closing net asset value (£'000)	23,046	33,995	39,088
Closing number of shares	14,333,541	19,631,130	22,904,292
Operating charges	1.52%	1.52%	1.52%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	179.80	188.84	181.41
Lowest share price	159.00	170.32	153.60

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	309.04	292.55	269.33
Return before operating charges*	(4.66)	21.21	27.56
Operating charges	(4.65)	(4.72)	(4.34)
Return after operating charges	(9.31)	16.49	23.22
Distributions	(13.16)	(12.29)	(11.25)
Retained distributions on accumulation shares	13.16	12.29	11.25
Closing net asset value per share	299.73	309.04	292.55
* after direct transaction costs of:	0.12	0.22	0.31

PERFORMANCE

Return after charges	(3.01)%	5.64%	8.62%
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OTHER INFORMATION

Closing net asset value (£'000)	44,894	75,908	83,672
Closing number of shares	14,977,870	24,562,321	28,601,358
Operating charges	1.52%	1.52%	1.52%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	324.07	323.69	303.99
Lowest share price	286.83	291.96	253.30

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables****'S' INCOME SHARES***(REGISTERED CHARITIES ONLY)*

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	190.08	185.91	176.54
Return before operating charges*	(2.73)	13.47	18.16
Operating charges	(1.44)	(1.51)	(1.44)
Return after operating charges	(4.17)	11.96	16.72
Distributions	(8.07)	(7.79)	(7.35)
Closing net asset value per share	177.84	190.08	185.91
* after direct transaction costs of:	0.08	0.14	0.20

PERFORMANCE

Return after charges	(2.19)%	6.43%	9.47%
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OTHER INFORMATION

Closing net asset value (£'000)	263,427	302,913	311,589
Closing number of shares	148,122,619	159,357,492	167,604,222
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	198.10	206.23	197.37
Lowest share price	175.73	185.55	166.10

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'S' ACCUMULATION SHARES**
(REGISTERED CHARITIES ONLY)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	325.27	305.61	279.24
Return before operating charges*	(4.93)	22.17	28.66
Operating charges	(2.49)	(2.51)	(2.29)
Return after operating charges	(7.42)	19.66	26.37
Distributions	(13.90)	(12.88)	(11.70)
Retained distributions on accumulation shares	13.90	12.88	11.70
Closing net asset value per share	317.85	325.27	305.61
* after direct transaction costs of:	0.13	0.23	0.33

PERFORMANCE

Return after charges	(2.28)%	6.43%	9.44%
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OTHER INFORMATION

Closing net asset value (£'000)	13,493	16,475	14,548
Closing number of shares	4,245,145	5,065,132	4,760,182
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	342.41	338.99	316.79
Lowest share price	302.20	305.00	262.68

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'Z' INCOME SHARES****(NO LONGER AVAILABLE FOR INVESTMENT)**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	131.22	127.37	120.03
Return before operating charges*	(1.89)	9.23	12.39
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	(1.92)	9.20	12.36
Distributions	(5.59)	(5.35)	(5.02)
Closing net asset value per share	123.71	131.22	127.37
* after direct transaction costs of:	0.05	0.10	0.14

PERFORMANCE

Return after charges	(1.46)%	7.22%	10.29%
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OTHER INFORMATION

Closing net asset value (£'000)	160,766	165,285	150,623
Closing number of shares	129,955,378	125,960,830	118,260,844
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	137.26	141.64	134.82
Lowest share price	122.04	127.13	112.96

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'Z' ACCUMULATION SHARES**
(NO LONGER AVAILABLE FOR INVESTMENT)

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	158.18	147.47	133.78
Return before operating charges*	(2.37)	10.74	13.72
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	(2.40)	10.71	13.69
Distributions	(6.80)	(6.27)	(5.63)
Retained distributions on accumulation shares	6.80	6.27	5.63
Closing net asset value per share	155.78	158.18	147.47
* after direct transaction costs of:	0.06	0.11	0.16

PERFORMANCE

Return after charges	(1.52)%	7.26%	10.23%
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OTHER INFORMATION

Closing net asset value (£'000)	—	—	—
Closing number of shares	250	250	250
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.04%	0.07%	0.11%

PRICES

Highest share price	167.19	164.01	152.49
Lowest share price	147.12	147.18	125.88

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'X' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18¹ pence per share
Opening net asset value per share	101.16	100.00
Return before operating charges*	(1.45)	1.71
Operating charges	(0.87)	(0.15)
Return after operating charges	(2.32)	1.56
Distributions	(4.29)	(0.40)
Closing net asset value per share	94.55	101.16
* after direct transaction costs of:	0.04	0.01

PERFORMANCE

Return after charges	(2.29)%	1.56%
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OTHER INFORMATION

Closing net asset value (£'000)	1,118,636	667,992
Closing number of shares	1,183,062,351	660,338,384
Operating charges	0.87%	0.87% ²
Direct transaction costs	0.04%	0.42% ²

PRICES

Highest share price	105.38	104.56
Lowest share price	93.44	100.00

¹ From 1 December 2017.² Annualised figure due to share class launched less than 1 year.

TROJAN INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'X' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18¹ pence per share
Opening net asset value per share	101.56	100.00
Return before operating charges*	(1.53)	1.71
Operating charges	(0.88)	(0.15)
Return after operating charges	(2.41)	1.56
Distributions	(4.34)	(0.40)
Retained distributions on accumulation shares	4.34	0.40
Closing net asset value per share	99.15	101.56
* after direct transaction costs of:	0.04	0.01

PERFORMANCE

Return after charges	(2.37)%	1.56%
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OTHER INFORMATION

Closing net asset value (£'000)	161,238	66,221
Closing number of shares	162,626,289	65,201,929
Operating charges	0.87%	0.87% ²
Direct transaction costs	0.04%	0.42% ²

PRICES

Highest share price	106.86	104.56
Lowest share price	94.35	100.00

¹ From 1 December 2017.² Annualised figure due to share class launched less than 1 year.

TROJAN INCOME FUND
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Fund Performance to 31 January 2019 (%)

	1 year	3 years	5 years
Trojan Income Fund	(2.83)	13.02	40.36

The performance of the Fund is based on the published price per 'O' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 199 to 202.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

TROJAN INCOME FUND
ACD'S REPORT *continued*
PORTFOLIO STATEMENT
as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	UNITED KINGDOM – 87.47% (31.01.18 – 88.40%)		
	OIL & GAS – 9.98% (31.01.18 – 9.70%)		
	OIL & GAS PRODUCERS – 9.98% (31.01.18 – 9.70%)		
24,500,000	BP	127,425	4.82
5,750,000	Royal Dutch Shell 'B'	136,189	5.16
	TOTAL OIL & GAS	263,614	9.98
	BASIC MATERIALS – 0.33% (31.01.18 – 0.00%)		
	CHEMICALS – 0.33% (31.01.18 – 0.00%)		
385,901	Victrix	8,814	0.33
	TOTAL BASIC MATERIALS	8,814	0.33
	INDUSTRIALS – 3.33% (31.01.18 – 5.45%)		
	INDUSTRIAL TRANSPORTATION – 0.00% (31.01.18 – 2.62%)	–	–
	SUPPORT SERVICES – 3.33% (31.01.18 – 2.83%)		
4,600,000	Experian	87,952	3.33
	TOTAL INDUSTRIALS	87,952	3.33
	CONSUMER GOODS – 18.12% (31.01.18 – 17.88%)		
	FOOD PRODUCERS – 1.91% (31.01.18 – 0.93%)		
900,000	Associated British Foods	21,483	0.81
6,000,000	Dairy Crest	29,004	1.10
		50,487	1.91

TROJAN INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	HOUSEHOLD GOODS & HOME CONSTRUCTION – 4.11% (31.01.18 – 4.31%)		
1,850,000	Reckitt Benckiser	108,466	4.11
	PERSONAL GOODS – 5.65% (31.01.18 – 5.32%)		
3,750,000	Unilever	149,400	5.65
	TOBACCO – 6.45% (31.01.18 – 7.32%)		
3,150,000	British American Tobacco	84,593	3.20
3,400,000	Imperial Brands	85,850	3.25
		170,443	6.45
	TOTAL CONSUMER GOODS	478,796	18.12
	HEALTH CARE – 6.46% (31.01.18 – 5.33%)		
	PHARMACEUTICALS & BIOTECHNOLOGY – 6.46% (31.01.18 – 5.33%)		
950,000	AstraZeneca	52,516	1.99
8,000,000	GlaxoSmithKline	118,144	4.47
	TOTAL HEALTH CARE	170,660	6.46
	CONSUMER SERVICES – 12.10% (31.01.18 – 10.96%)		
	GENERAL RETAILERS – 4.64% (31.01.18 – 5.18%)		
1,200,000	Next	58,164	2.20
3,300,000	WH Smith	64,449	2.44
		122,613	4.64
	TRAVEL & LEISURE – 4.91% (31.01.18 – 4.28%)		
5,850,000	Compass	95,355	3.61
13,000,000	Domino's Pizza	34,424	1.30
		129,779	4.91

TROJAN INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	MEDIA – 2.55% (31.01.18 – 1.50%)		
4,000,000	RELX	67,400	2.55
	TOTAL CONSUMER SERVICES	319,792	12.10
	TELECOMMUNICATIONS – 2.83% (31.01.18 – 4.12%)		
	MOBILE TELECOMMUNICATIONS – 2.83% (31.01.18 – 4.12%)		
5,250,000	Inmarsat	19,393	0.73
40,000,000	Vodafone	55,392	2.10
	TOTAL TELECOMMUNICATIONS	74,785	2.83
	UTILITIES – 6.82% (31.01.18 – 8.23%)		
	ELECTRICITY – 1.00% (31.01.18 – 1.93%)		
2,250,000	SSE	26,314	1.00
	GAS, WATER & MULTIUTILITIES – 5.82% (31.01.18 – 6.30%)		
42,000,000	Centrica	57,267	2.17
11,700,000	National Grid	96,548	3.65
		153,815	5.82
	TOTAL UTILITIES	180,129	6.82
	FINANCIALS – 25.14% (31.01.18 – 24.36%)		
	BANKS – 4.43% (31.01.18 – 4.12%)		
202,000,000	Lloyds Banking	116,958	4.43
	NON-LIFE INSURANCE – 5.42% (31.01.18 – 4.80%)		
3,700,000	Hiscox	52,429	1.98
2,850,000	Jardine Lloyd Thompson	54,150	2.05
6,500,067	Lancashire	36,660	1.39
		143,239	5.42

TROJAN INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	REAL ESTATE INVESTMENT TRUSTS – 8.70% (31.01.18 – 7.87%)		
59,847,351	Assura	35,789	1.36
7,100,000	Land Securities	61,415	2.32
30,584,467	LondonMetric Property	57,407	2.17
23,500,000	Primary Health Properties	27,072	1.03
12,122,609	Secure Income REIT	48,127	1.82
		<u>229,810</u>	<u>8.70</u>
	FINANCIAL SERVICES – 3.98% (31.01.18 – 5.36%)		
4,000,000	IG	25,400	0.96
1,200,000	Rathbone Brothers	27,768	1.05
2,000,000	Schroders	52,140	1.97
		<u>105,308</u>	<u>3.98</u>
	EQUITY INVESTMENT INSTRUMENTS – 2.61% (31.01.18 – 2.21%)		
13,592,210	3i Infrastructure ¹	36,026	1.36
21,340,575	International Public Partnerships ¹	32,864	1.25
		<u>68,890</u>	<u>2.61</u>
	TOTAL FINANCIALS	<u>664,205</u>	<u>25.14</u>
	TECHNOLOGY – 2.36% (31.01.18 – 2.37%)		
	SOFTWARE & COMPUTER SERVICES – 2.36% (31.01.18 – 2.37%)		
9,972,648	Sage	62,429	2.36
	TOTAL UNITED KINGDOM	<u>2,311,176</u>	<u>87.47</u>
	CONTINENTAL EUROPE – 2.60% (31.01.18 – 1.60%)		
1,037,107	Nestlé	68,693	2.60

TROJAN INCOME FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	NORTH AMERICA – 6.50% (31.01.18 – 8.23%)		
1,375,000	Coca-Cola	50,487	1.91
739,489	Procter & Gamble	54,242	2.06
1,800,000	Wells Fargo	66,899	2.53
	TOTAL NORTH AMERICA	171,628	6.50
	Portfolio of investments	2,551,497	96.57
	Net other assets	90,721	3.43
	Net assets	2,642,218	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Collective investment scheme.

TROJAN INCOME FUND**ACD'S REPORT** *continued***SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the year ended 31 January 2019

Total purchases for the year £'000 (note 16)	207,494	Total sales for the year £'000 (note 16)	589,478
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
Associated British Foods	20,755	Royal Mail	71,621
Nestlé	17,201	Royal Dutch Shell 'B'	51,347
RELX	14,267	Altria	43,098
British American Tobacco	12,653	Next	37,233
Reckitt Benckiser	11,874	Verizon Communications	32,464
Secure Income REIT	11,795	Burberry	31,995
BP	11,671	SSE	30,729
Domino's Pizza	11,576	Pennon	29,058
Next	10,417	Severn Trent	25,716
Victrix	9,124	AstraZeneca	25,262

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

TROJAN INCOME FUND

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 January 2019

	Notes	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Income:					
Net capital (losses)/gains	3		(166,493)		93,713
Revenue	4	127,839		137,814	
Expenses	5	(25,897)		(32,432)	
Interest payable and similar charges	7	(20)		—	
Net revenue before taxation		101,922		105,382	
Taxation	6	(1,963)		(1,882)	
Net revenue after taxation			99,959		103,500
Total return before distributions			(66,534)		197,213
Distributions	8		(123,730)		(118,952)
Change in net assets attributable to shareholders from investment activities			(190,264)		78,261

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 January 2019

	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Opening net assets attributable to shareholders		3,155,627		3,107,497
Amounts receivable on issue of shares	184,432		362,137	
Amounts payable on redemption of shares	(535,588)		(424,855)	
		(351,156)		(62,718)
Stamp duty reserve tax		—		(6)
Change in net assets attributable to shareholders from investment activities		(190,264)		78,261
Retained distributions on Accumulation shares		28,011		32,593
Closing net assets attributable to shareholders		2,642,218		3,155,627

TROJAN INCOME FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 January 2019

	Notes	31.01.19 £'000	31.01.18 £'000
ASSETS			
Fixed assets			
Investments		2,551,497	3,099,887
Current assets			
Debtors	9	10,253	12,931
Cash and bank balances	10	146,098	114,490
Total assets		<u>2,707,848</u>	<u>3,227,308</u>
LIABILITIES			
Creditors			
Distribution payable	11	(55,733)	(44,619)
Other creditors	11	(9,897)	(27,062)
Total liabilities		<u>(65,630)</u>	<u>(71,681)</u>
Net assets attributable to shareholders		<u>2,642,218</u>	<u>3,155,627</u>

TROJAN INCOME FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2019

1. Accounting Policies

The accounting policies described on pages 19 to 21 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 21 have been applied to the financial statements of the Fund in the current and prior year. The additional distribution policy has been described below:

The Annual Management Charge is transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

3. Net Capital (Losses)/Gains

The net capital (losses)/gains during the year comprise:

	31.01.19 £'000	31.01.18 £'000
Non-derivative securities	(166,406)	88,306
Forward currency contracts	—	4,870
Transaction charges	(2)	(1)
Currency (losses)/gains	(85)	538
Net capital (losses)/gains	(166,493)	93,713

4. Revenue

	31.01.19 £'000	31.01.18 £'000
Non-taxable dividends	119,639	130,206
UK property income distributions	7,877	7,586
Bank interest	323	22
Total revenue	127,839	137,814

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

5. Expenses

	31.01.19 £'000	31.01.18 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	25,290	31,767
Legal and professional fees	23	19
Typesetting costs	3	3
Registration fees	100	100
	25,416	31,889
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	371	434
Safe custody and other bank charges	89	93
	460	527
Other expenses:		
Fees paid to auditor – audit fees	8	8
– tax services	–	(3)
Publication costs	9	6
Legal and professional fees	4	5
	21	16
Total expenses	25,897	32,432

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

6. Taxation

	31.01.19 £'000	31.01.18 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	1,963	1,882
Current tax charge	1,963	1,882
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	1,963	1,882

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.18: 20%). The difference is explained below:

	31.01.19 £'000	31.01.18 £'000
Net revenue before taxation	101,922	105,382
Corporation tax at 20%	20,384	21,076
Effects of:		
Non-taxable dividends	(23,927)	(26,041)
Unutilised excess management expenses	3,543	4,965
Corporation tax charge	–	–
Overseas tax	1,963	1,882
Total tax charge (note 6a)	1,963	1,882

c) Deferred tax

At the year end there is a potential deferred tax asset of £25,041,000 (31.01.18: £21,498,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

7. Interest Payable and Similar Charges

	31.01.19 £'000	31.01.18 £'000
Interest payable	20	–
Total interest payable and similar charges	20	–

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.19 £'000	31.01.18 £'000
Interim	46,651	53,300
Final	72,451	62,622
	119,102	115,922
Add: Revenue deducted on redemption of shares	7,711	7,187
Deduct: Revenue received on issue of shares	(3,083)	(4,157)
Net distributions for the year	123,730	118,952

Details of the distributions per share are set out in the table on pages 199 to 202.

	31.01.19 £'000	31.01.18 £'000
Distributions represented by:		
Net revenue after taxation	99,959	103,500
Allocations to capital:		
Annual Management Charge, net of tax relief	23,775	30,404

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Equalisation on conversions ¹	(5)	(14,953)
Balance brought forward	1	–
Balance carried forward	–	1
Net distributions for the year	<u>123,730</u>	<u>118,952</u>

¹ Where an investor converts to a class with a higher income yield, the investor will receive an equalisation as if they had held the new class throughout the period from the last distribution to the conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

9. Debtors

	31.01.19 £'000	31.01.18 £'000
Amounts receivable for issue of shares	1,740	2,732
Accrued revenue:		
Non-taxable dividends	8,481	10,087
UK Property Income distributions	10	–
	8,491	10,087
Prepaid expenses	5	4
Taxation recoverable:		
Overseas withholding tax	17	108
Total debtors	<u>10,253</u>	<u>12,931</u>

10. Cash and Bank Balances

	31.01.19 £'000	31.01.18 £'000
Bank balances	<u>146,098</u>	<u>114,490</u>
Total cash and bank balances	<u>146,098</u>	<u>114,490</u>

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

11. Creditors

	31.01.19 £'000	31.01.18 £'000
Distribution payable	55,733	44,619
Other Creditors		
Amounts payable for redemption of shares	2,226	6,073
Purchases awaiting settlement	5,649	18,334
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	1,948	2,570
Legal and professional fees	–	2
Typesetting costs	1	1
Registration fees	9	9
	1,958	2,582
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	30	36
Safe custody and other bank charges	15	23
	45	59
Other expenses	19	14
Total other creditors	9,897	27,062

12. Related Party Transactions

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 185 and amounts due at the year end are disclosed in notes 9 and 11.

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 4,129,437 (31.01.18: 3,951,801) of the Fund's shares at the balance sheet date.

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.01.18: none).

14. Shares in Issue

	'O' Income	'O' Accumulation	'I' Income	'I' Accumulation
Annual Management Charge	1.00%	1.00%	1.50%	1.50%
Opening shares in issue	642,744,678	200,858,235	19,631,130	24,562,321
Issues	22,812,669	3,311,817	841,899	270,520
Redemptions	(138,054,375)	(49,389,971)	(1,712,802)	(5,523,097)
Conversions	(264,127,794)	(25,478,459)	(4,426,686)	(4,331,874)
Closing shares in issue	263,375,178	129,301,622	14,333,541	14,977,870

	'S' Income	'S' Accumulation	'Z' Income	'Z' Accumulation
Annual Management Charge	0.75%	0.75%	–	–
Opening shares in issue	159,357,492	5,065,132	125,960,830	250
Issues	8,655,246	27	25,907,948	–
Redemptions	(21,234,389)	(820,014)	(21,913,400)	–
Conversions	1,344,270	–	–	–
Closing shares in issue	148,122,619	4,245,145	129,955,378	250

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	‘X’ Income	‘X’ Accumulation
Annual Management Charge	0.85%	0.85%
Opening shares in issue	660,338,384	65,201,929
Issues	71,388,218	12,907,085
Redemptions	(35,590,310)	(6,723,707)
Conversions	486,926,059	91,240,982
Closing shares in issue	<u>1,183,062,351</u>	<u>162,626,289</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

As the Fund seeks to obtain its return from investing mainly in equities, it has no significant exposure to interest rate risk and therefore no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and may not seek to hedge all foreign currency risk.

The table below shows the direct foreign currency risk profile:

	31.01.19 £'000	31.01.18 £'000
Currency:		
Euros	1,689	1,993
Swiss francs	68,693	50,480
US dollars	173,000	261,105
	<u>243,382</u>	<u>313,578</u>
Pounds sterling	2,398,836	2,842,049
Net assets	<u>2,642,218</u>	<u>3,155,627</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £12,169,000 on the net assets of the Fund (31.01.18: £15,679,000).

TROJAN INCOME FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 January 2019

(D) LEVERAGE

The Fund did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £127,575,000 (31.01.18: £154,994,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the total gains on forward currency contracts during the year are set out in note 3.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain and vice versa. The Investment Manager will only engage in currency hedging to be in interests of Efficient Portfolio Management.

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

16. Portfolio Transaction Costs

31.01.19	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	206,613	78	803	207,494
Purchases total	206,613	78	803	207,494
<i>Transaction cost % of purchases total</i>		0.04%	0.39%	
<i>Transaction cost % of average NAV</i>		–	0.03%	
Ordinary shares	586,801	(261)	(2)	586,538
Collective investment schemes	2,941	(1)	–	2,940
Sales total	589,742	(262)	(2)	589,478
<i>Transaction cost % of sales total</i>		0.04%	–	
<i>Transaction cost % of average NAV</i>		0.01%	–	

Average portfolio dealing spread at 31.01.19 is 0.07% (31.01.18: 0.06%).

31.01.18	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	398,451	508	1,576	400,535
Collective investment schemes	3,717	–	–	3,717
Purchases total	402,168	508	1,576	404,252
<i>Transaction cost % of purchases total</i>		0.13%	0.39%	
<i>Transaction cost % of average NAV</i>		0.01%	0.05%	
Ordinary shares	328,271	(338)	–	327,933
Sales total	328,271	(338)	–	327,933
<i>Transaction cost % of sales total</i>		0.10%	–	
<i>Transaction cost % of average NAV</i>		0.01%	–	

TROJAN INCOME FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.19				
Investment assets	2,551,497	—	—	2,551,497
31.01.18				
Investment assets	3,099,887	—	—	3,099,887

TROJAN INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLE

for the year ended 31 January 2019 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.18	01.08.18
To	31.07.18	31.01.19

'O' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	3.0500	–	3.0500	2.9700
Group 2	1.2188	1.8312	3.0500	2.9700

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	4.7441	–	4.7441	4.5700
Group 2	2.1828	2.5613	4.7441	4.5700

'O' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	5.3279	–	5.3279	4.9845
Group 2	1.8806	3.4473	5.3279	4.9845

Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	8.3828	–	8.3828	7.7505
Group 2	2.6524	5.7304	8.3828	7.7505

TROJAN INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'I' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	2.8694	–	2.8694	2.9700
Group 2	0.7276	2.1418	2.8694	2.9700
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	4.4546	–	4.4546	4.1501
Group 2	1.5152	2.9394	4.4546	4.1501

'I' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	5.1201	–	5.1201	5.0910
Group 2	2.0087	3.1114	5.1201	5.0910
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	8.0418	–	8.0418	7.1961
Group 2	2.2006	5.8412	8.0418	7.1961

'S' INCOME SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	3.1552	–	3.1552	2.9700
Group 2	–	3.1552	3.1552	2.9700
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	4.9110	–	4.9110	4.8165
Group 2	1.4781	3.4329	4.9110	4.8165

TROJAN INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'S' ACCUMULATION SHARES (REGISTERED CHARITIES ONLY)

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	5.3982	–	5.3982	4.8818
Group 2	–	5.3982	5.3982	4.8818
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	8.5006	–	8.5006	7.9941
Group 2	3.3028	5.1978	8.5006	7.9941

'Z' INCOME SHARES (NO LONGER AVAILABLE FOR INVESTMENT)

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	2.1817	–	2.1817	2.1000
Group 2	0.7194	1.4623	2.1817	2.1000
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	3.4048	–	3.4048	3.2514
Group 2	0.5981	2.8067	3.4048	3.2514

'Z' ACCUMULATION SHARES (NO LONGER AVAILABLE FOR INVESTMENT)

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	2.6350	–	2.6350	2.4480
Group 2	2.6350	0.0000	2.6350	2.4480
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	4.1640	–	4.1640	3.8200
Group 2	4.1640	0.0000	4.1640	3.8200

TROJAN INCOME FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'X' INCOME SHARES¹

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.6785	–	1.6785	n/a
Group 2	0.4458	1.2327	1.6785	n/a
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	2.6118	–	2.6118	0.4026
Group 2	0.6780	1.9338	2.6118	0.4026

'X' ACCUMULATION SHARES¹

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	1.6853	–	1.6853	n/a
Group 2	0.4671	1.2182	1.6853	n/a
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	2.6521	–	2.6521	0.4034
Group 2	0.8558	1.7963	2.6521	0.4034

¹ The 'X' Income and 'X' Accumulation classes launched on 1 December 2017, therefore no comparative interim distribution was made.

CRYSTAL FUND

ACD'S REPORT

for the year ended 31 January 2019

Important Information

Refer to the 'Important Information' section of the Company on page 9.

Investment Objective and Policy

The investment objective of the Crystal Fund ('the Fund') is to achieve growth in capital over the longer term with a particular emphasis on preservation. The Fund's policy is to invest substantially in UK and overseas equities and fixed interest securities, but may also invest in collective investment schemes and money market instruments.

LINK FUND SOLUTIONS LIMITED

ACD of Crystal Fund

17 May 2019

CRYSTAL FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2019

Market Review

Following a period of calm in 2017, the 12 months under review saw volatility return to global asset markets. The year got off to a poor start with equities and bonds falling in unison in February, prompted by fears of higher interest rates and rising inflation in the US. Whilst US equities had recovered much of their poise by May, the same could not be said for many Asian and Emerging Markets.

Until October, US equities, underpinned by solid corporate earnings growth and a robust economy, stood out as a bastion of strength from the rest of the world. However, US equities were not immune to a rapid deterioration in investor sentiment during the fourth quarter of 2018. Starting in October and ending with a lurch down in December, equity markets fell on concerns that the global economy was slowing and that the US could enter into recession in the next year or two. This led to a shift in market leadership. Highly valued growth stocks sold off aggressively, alongside cyclical and economically sensitive businesses. Energy companies, in particular, were hard hit following a collapse in the oil price. In contrast, more defensive and predictable utilities and consumer staples businesses held up relatively well.

Credit and loan markets were also impacted, highlighted by a widening in high-yield spreads, a lack of new issuance in December, and selling pressure in leveraged loan funds. Whilst a sharp bounce in January has alleviated much of the pressure, trading conditions in December were instructive in highlighting the liquidity mismatch inherent in vehicles that provide daily dealing but invest in assets that cannot easily be redeemed.

Although the majority of assets ended 2018 in negative territory, it was reassuring to see gold act as a safe haven during times of stress. The yellow metal rose more than +10%, in US dollar terms, between the beginning of October and the end of January 2019.

Portfolio Review

The market sell-off in the first quarter gave us the opportunity to add to some of our core holdings at lower valuations. This included Procter & Gamble where we believe that a combination of sector rotation away from so-called 'bond-proxies' and short-term concerns over disruptive factors in their respective markets led valuations to overshoot to the downside. Our equity exposure has not however risen in aggregate on account of some portfolio sales.

In March we sold the Fund's holding of Becton, Dickinson and Company. Becton was first acquired for the Fund in 2010. We were attracted then by the company's pristine balance sheet, the shares' lowly valuation, management's sensible attitude towards capital allocation and the business model of selling repetitively consumable medical devices, such as syringes, to healthcare providers across the globe. Becton was clearly a suitable candidate for long-term investment and the shares have performed well. More recently however, Becton's management has placed greater emphasis on acquiring growth and scale through transformative acquisitions. The latest business to be bought, CR Bard, is a similarly wonderful franchise but its acquisition has come at the expense of balance sheet strength and will depress Becton's returns on invested capital for years to come. We prefer our investee companies to create goodwill rather than expensively acquire it.

CRYSTAL FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Dr Pepper Snapple and Hershey, both wonderful businesses and consistent compounders of earnings, were also sold as a result of such M&A activity. In both instances, financial leverage has increased significantly and future returns on capital are likely to be lower than in the past given the multiples paid for acquisitions. Dr Pepper was effectively acquired by Keurig Green Mountain whilst Hershey paid 48x adjusted earnings for Amplify Snack Brands at the end of 2017.

We reduced the Fund's holding in Nestlé in June. We still have conviction in the strength of the company's brands across a broad range of attractive categories. However, as consumer tastes and channels are fragmenting, particularly in food which is becoming more local, it is not clear that the company's scale translates into the same advantage that it has been historically. The company has recently lost market share in a number of categories as it has failed to move fast enough to cater to changing consumer demands. CEO Mark Schneider joined the company at the start of last year and noted that the challenges in the industry were even greater than he had realised. It is reassuring that management are acknowledging this and we will continue to monitor the steps they take in adapting the business. Equity allocation for the Fund was reduced further through a sale of PZ Cussons in June and by trimming holdings in American Express and A.G. Barr in the third quarter.

In June, following redemptions, we sold the Fund's holding in Blackrock Gold & General, reflecting lower conviction the underlying mining companies' ability to allocate capital efficiently. In October, a more depressed gold price gave us the opportunity to add to the Fund's holding in Franco Nevada, a resource royalty and stream company. Franco's management has proven adept at allocating capital counter-cyclically and does not run the operational risk of a mining business. This, combined with the gold exposure held through Gold Bullion Securities, a physically-backed exchange-traded fund, provided support in the final quarter as other asset classes faltered.

In November we sold the Fund's holding in Henkel, the German adhesives and consumer staples company. We still rate this company highly but are concerned that management of its consumer franchise has deteriorated just at a point where the adhesives business is likely to face greater cyclical headwinds. The company has since issued a profit warning for 2019.

It was announced in December that Altria was paying nearly \$13bn for a 35% stake in JUUL, the US e-cigarette company. The JUUL vaping device was first produced in 2015 and recent actions from the FDA (Food and Drug Administration) have sought to regulate the products more strictly. Few financial details of the transaction have been provided but it is clear that Altria is paying a multiple of almost 40x 2018 revenue for its minority stake. It will be difficult to generate attractive returns on this investment, particularly at a time when the US e-cigarette market is undergoing greater regulatory scrutiny. We sold the Fund's shares in Altria in January over concerns about management's lack of capital allocation discipline and the company's increased financial leverage.

Meanwhile, we added to the Fund's holding in British American Tobacco, also in January. This is in the context of a substantial de-rating of the shares, leading to the stock trading on a PE multiple of 8x earnings. We believe that this more than reflects increased risks from US regulation and next-generation products.

CRYSTAL FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

During the year, real yields continued to rise in the US, enabling greater reinvestment of the portfolio's cash into short-duration Treasury Inflation-Protected Securities. These have been purchased at real yields of around 1%. This is particularly attractive given that short-dated bonds are less volatile than their longer-dated counterparts. The weighted average duration of the index-linked exposure is now just under three years. It remains our belief that in an environment where QE has lifted all boats, both bonds and equities could fall simultaneously with its removal. In this scenario, longer-duration index-linked bonds will be the hardest hit. It is at such a point that we would seek to lengthen the duration of the index-linked exposure.

Outlook

If quantitative easing helped to inflate asset prices, quantitative tightening has the potential to undermine them, especially given that the economic cycle that is already long in the tooth. Having benefited from the ready availability of cheap capital in recent years, we believe the corporate environment is likely to become more challenging over the next few years, particularly given the quantity of debt that pervades the global economy.

We continue to monitor a select group of franchises, including several not yet held in the portfolio. When these reach our valuation targets, we will increase the Fund's allocation to equities. Where companies are more cyclical, one must be wary of apparently low multiples of earnings but where the earnings are at or near a cyclical peak.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

18 February 2019

CRYSTAL FUND
ACD'S REPORT *continued*
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Debt securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a debt security is also affected by its credit rating.

Counterparty Risk: As the Fund may enter into currency hedging arrangements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund and the Fund receiving less than is due or receiving nothing.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

CRYSTAL FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Table**

Where the Fund has significant investments in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the share class at that date.

INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	251.82	240.48	212.02
Return before operating charges*	(1.27)	16.54	32.73
Operating charges	(2.71)	(2.93)	(2.74)
Return after operating charges	(3.98)	13.61	29.99
Distributions	(2.58)	(2.27)	(1.53)
Closing net asset value per share	245.26	251.82	240.48
* after direct transaction costs of:	0.03	0.06	0.01

PERFORMANCE

Return after charges	(1.58)%	5.66%	14.14%
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OTHER INFORMATION

Closing net asset value (£'000)	48,835	51,350	50,046
Closing number of shares	19,911,179	20,391,762	20,810,632
Operating charges	1.10% ¹	1.16%	1.17%
Direct transaction costs	0.02%	0.02%	0.01%

PRICES

Highest share price	251.46	257.85	244.78
Lowest share price	240.31	240.16	210.75

¹ The operating charges as at 31 January 2019 does not take account of the ongoing charges incurred in underlying schemes as the Fund did not have significant investments in collective investment schemes at that date.

CRYSTAL FUND
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Fund Performance to 31 January 2019 (%)

	1 year	3 years	5 years
Crystal Fund	(2.00)	18.25	34.38

The performance of the Fund is based on the published price per share with income reinvested.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on page 227.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

CRYSTAL FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT**

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	DEBT SECURITIES – 45.54% (31.01.18 – 34.73%)		
£3,000,000	UK Treasury 0% 18/2/2019	2,999	6.14
£3,000,000	UK Treasury 0% 4/3/2019	2,998	6.14
£2,000,000	UK Treasury 0.125% index-linked 22/3/2024	2,631	5.39
£1,518,000	UK Treasury 1.875% index-linked 22/11/2022	2,448	5.01
US\$2,300,000	US Treasury 0.125% Inflation Protected Securities 15/4/2019	1,869	3.83
US\$3,166,000	US Treasury 0.125% Inflation Protected Securities 15/1/2022	2,632	5.39
US\$1,500,000	US Treasury 0.125% Inflation Protected Securities 15/1/2023	1,218	2.50
US\$3,600,000	US Treasury 1.125% Inflation Protected Securities 15/1/2021	3,171	6.49
US\$3,000,000	US Treasury 2.25% 29/2/2020	2,272	4.65
	TOTAL DEBT SECURITIES	22,238	45.54
	EQUITIES – 40.90% (31.01.18 – 50.09%)		
	UNITED KINGDOM – 13.01% (31.01.18 – 14.40%)		
86,091	A.G. Barr	649	1.33
55,750	British American Tobacco	1,497	3.07
31,356	Diageo	910	1.86
47,000	GlaxoSmithKline	694	1.42
180,000	Sage	1,127	2.31
37,000	Unilever	1,474	3.02
	TOTAL UNITED KINGDOM	6,351	13.01
	CONTINENTAL EUROPE – 4.35% (31.01.18 – 6.02%)		
9,675	BiC	735	1.50
21,000	Nestlé	1,391	2.85
	TOTAL CONTINENTAL EUROPE	2,126	4.35

CRYSTAL FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	NORTH AMERICA – 23.54% (31.01.18 – 29.67%)		
9,000	American Express	702	1.44
6	Berkshire Hathaway 'A'	1,409	2.88
50,000	Coca-Cola	1,836	3.76
16,000	Colgate-Palmolive	787	1.61
11,392	Franco-Nevada	672	1.37
50,604	Imperial Oil	1,089	2.23
10,000	Johnson & Johnson	1,019	2.09
23,000	Microsoft	1,826	3.74
20,000	Philip Morris International	1,167	2.39
13,500	Procter & Gamble	990	2.03
	TOTAL NORTH AMERICA	11,497	23.54
	TOTAL EQUITIES	19,974	40.90
	COMMODITIES – 8.79% (31.01.18 – 10.76%)		
24,746	ETFS Physical Swiss Gold ¹	2,404	4.92
20,000	Gold Bullion Securities ¹	1,891	3.87
	TOTAL COMMODITIES	4,295	8.79
	FORWARD CURRENCY CONTRACTS – 1.13% (31.01.18 – 1.28%)		
US\$(24,300,000)	Vs £18,956,924 (expiry 15/4/2019)	551	1.13
	Portfolio of investments	47,058	96.36
	Net other assets	1,777	3.64
	Net assets	48,835	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Collective investment scheme.

CRYSTAL FUND**ACD'S REPORT** *continued***SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the year ended 31 January 2019

Total purchases for the year £'000 (note 16)		8,305	Total sales for the year £'000 (note 16)		10,285
Purchases		Cost £'000	Major sales		Proceeds £'000
US Treasury 1.125% Inflation Protected Securities 15/1/2021		3,111	US Treasury 0.125% Inflation Protected Securities 15/4/2018		1,535
US Treasury 2.25% 29/2/2020		2,238	Dr Pepper Snapple		1,358
US Treasury 0.125% Inflation Protected Securities 15/4/2019		1,875	UK Treasury 0.125% index-linked 22/3/2024		1,348
British American Tobacco		543	Altria		1,015
Procter & Gamble		215	Gold Bullion Securities		910
Altria		127	Becton Dickinson		834
Franco-Nevada		101	Henkel		817
Henkel		95	BlackRock Gold and General		561
			American Express		484
			Hershey		409

In addition to the above, purchases of £21,967,000 and sales of £22,500,000 were made in short term investments during the year.

The summary of material portfolio changes represents all of the purchases and the 10 largest sales during the year.

CRYSTAL FUND

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 January 2019

	Notes	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Income:					
Net capital (losses)/gains	3		(1,341)		2,348
Revenue	4	1,124		1,114	
Expenses	5	(545)		(574)	
Interest payable and similar charges	7	(1)		–	
Net revenue before taxation		578		540	
Taxation	6	(60)		(73)	
Net revenue after taxation			518		467
Total return before distributions			(823)		2,815
Distributions	8		(518)		(467)
Change in net assets attributable to shareholders from investment activities			(1,341)		2,348

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Opening net assets attributable to shareholders	51,350	50,046
Amounts payable on redemption of shares	(1,174)	(1,044)
Change in net assets attributable to shareholders from investment activities	(1,341)	2,348
Closing net assets attributable to shareholders	48,835	51,350

CRYSTAL FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 January 2019

	Notes	31.01.19 £'000	31.01.18 £'000
ASSETS			
Fixed assets			
Investments		47,058	49,738
Current assets			
Debtors	9	72	304
Cash and bank balances	10	1,982	1,526
Total assets		<u>49,112</u>	<u>51,568</u>
LIABILITIES			
Creditors			
Distribution payable	11	(221)	(159)
Other creditors	11	(56)	(59)
Total liabilities		<u>(277)</u>	<u>(218)</u>
Net assets attributable to shareholders		<u>48,835</u>	<u>51,350</u>

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2019

1. Accounting Policies

The accounting policies described on pages 19 to 21 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 21 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital (Losses)/Gains

The net capital (losses)/gains during the year comprise:

	31.01.19 £'000	31.01.18 £'000
Non-derivative securities	(381)	828
Forward currency contracts	(1,032)	1,666
Transaction charges	(1)	(1)
AMC rebates from underlying investments	2	2
Currency gains/(losses)	71	(147)
Net capital (losses)/gains	(1,341)	2,348

4. Revenue

	31.01.19 £'000	31.01.18 £'000
Non-taxable dividends	689	724
Interest on debt securities	421	385
Bank interest	14	5
Total revenue	1,124	1,114

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

5. Expenses

	31.01.19 £'000	31.01.18 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	496	519
Legal and professional fees	3	3
Typesetting costs	3	2
Registration fees	15	16
	517	540
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	18	19
Safe custody and other bank charges	3	3
	21	22
Other expenses:		
Fees paid to auditor – audit fees	8	8
– tax services	–	(3)
Representation fee	(3)	7
Legal and professional fees	2	–
	7	12
Total expenses	545	574

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

6. Taxation

	31.01.19 £'000	31.01.18 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	60	73
Current tax charge	60	73
Deferred tax – origination and reversal of timing differences (note 6c)	–	–
Total taxation (note 6b)	60	73

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.18: 20%). The difference is explained below:

	31.01.19 £'000	31.01.18 £'000
Net revenue before taxation	578	540
Corporation tax at 20%	116	108
Effects of:		
Non-taxable dividends	(138)	(145)
RPI movement on UK index-linked gilts	(27)	(50)
Unutilised excess management expenses	49	87
Corporation tax charge	–	–
Overseas tax	60	73
Total tax charge (note 6a)	60	73

c) Deferred tax

At the year end there is a potential deferred tax asset of £682,000 (31.01.18: £633,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

7. Interest Payable and Similar Charges

	31.01.19 £'000	31.01.18 £'000
Interest payable	1	–
Total interest payable and similar charges	1	–

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.19 £'000	31.01.18 £'000
Interim	296	305
Final	221	159
	517	464
Add: Revenue deducted on redemption of shares	1	3
Net distributions for the year	518	467

Details of the distributions per share are set out in the table on page 227.

9. Debtors

	31.01.19 £'000	31.01.18 £'000
Sales awaiting settlement	–	264
Accrued revenue:		
Non-taxable dividends	38	28
Interest on debt securities	33	10
	71	38
Prepaid expenses	1	2
Total debtors	72	304

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

10. Cash and Bank Balances

	31.01.19 £'000	31.01.18 £'000
Bank balances	1,982	1,526
Total cash and bank balances	1,982	1,526

11. Creditors

	31.01.19 £'000	31.01.18 £'000
Distribution payable	221	159
Other Creditors		
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	41	44
Typesetting costs	1	1
Registration fees	1	2
	43	47
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	2	2
Safe custody and other bank charges	1	1
	3	3
Other expenses	10	9
Total other creditors	56	59

12. Related Party Transactions

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 213. There were no amounts outstanding at the year end.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Fundsettle Nominees Limited	66.52% (31.01.18: 66.62%)
Another shareholder	33.13% (31.01.18: 33.04%)

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.01.18: none).

14. Shares in Issue

	Income
Annual Management Charge	1.00%
Opening shares in issue	20,391,762
Redemptions	<u>(480,583)</u>
Closing shares in issue	<u>19,911,179</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The ACD monitors the credit rating of bond holdings.

Credit Quality	31.01.19 %	31.01.18 %
Investment grade debt securities	45.54	34.73
Other investments	50.82	62.13
Net other assets	3.64	3.14
	<u>100.00</u>	<u>100.00</u>

There were forward currency contracts held at the balance sheet date. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.01.19 Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	551	–
31.01.18 Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	655	–

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Investment Manager believe that the expected return compensates for the overall risk. The ACD and Investment Manager continue to monitor the level of direct interest rate risk posed by the Fund's underlying investments on a regular basis using the DV01 method. As at 31 January 2019 a one basis point change in the yield would have an impact of £5,000 on the direct net assets of the Fund (31.01.18: £5,000).

The table below shows the interest rate risk profile:

	31.01.19 £'000	31.01.18 £'000
Floating rate investments	13,969	11,336
Fixed rate investments	8,269	6,498
Investments on which interest is not paid	24,820	31,904
Total investments	47,058	49,738

The floating rate investments comprise securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalents.

Investments on which interest is not paid include equities, collective investment schemes and forward currency contracts.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The table below shows the direct foreign currency risk profile:

	31.01.19 Gross £'000	31.01.19 Hedged £'000	31.01.19 Net £'000
Currency:			
Canadian dollars	1,089	—	1,089
Euros	736	—	736
Swiss francs	1,391	—	1,391
US dollars	25,910	(18,406)	7,504
	<u>29,126</u>	<u>(18,406)</u>	<u>10,720</u>
Pounds sterling	19,158	18,957	38,115
Net assets	<u>48,284</u>	<u>551</u>	<u>48,835</u>

	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Canadian dollars	1,122	—	1,122
Euros	1,570	—	1,570
Swiss francs	1,520	—	1,520
US dollars	25,066	(12,763)	12,303
	<u>29,278</u>	<u>(12,763)</u>	<u>16,515</u>
Pounds sterling	21,417	13,418	34,835
Net assets	<u>50,695</u>	<u>655</u>	<u>51,350</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £536,000 on the net assets of the Fund (31.01.18: £826,000).

(D) LEVERAGE

The Fund did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

CRYSTAL FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 January 2019

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio, excluding forward currency contracts, would have the effect of increasing the return and net assets by £2,325,000 (31.01.18: £2,454,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the holdings of such instruments, the net exposure to foreign currencies as at the balance sheet date, and details of the total gains on forward currency contracts during the year are set out in the Portfolio Statement, note 15(C) and note 3, respectively. The counterparty for the forward currency contracts is the Bank of New York Mellon.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain and vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

16. Portfolio Transaction Costs

31.01.19	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Ordinary shares	1,078	—	3	1,081
Debt securities	7,224	—	—	7,224
Purchases total	8,302	—	3	8,305
<i>Transaction cost % of purchases total</i>		—	0.04%	
<i>Transaction cost % of average NAV</i>		—	0.01%	
Ordinary shares	5,933	(3)	—	5,930
Collective investment schemes	1,472	—	—	1,472
Debt securities	2,883	—	—	2,883
Sales total	10,288	(3)	—	10,285
<i>Transaction cost % of sales total</i>		0.03%	—	
<i>Transaction cost % of average NAV</i>		0.01%	—	

Average portfolio dealing spread at 31.01.19 is 0.08% (31.01.18: 0.06%).

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.18				
Ordinary shares	2,260	2	2	2,264
Debt securities	1,623	–	–	1,623
Purchases total	<u>3,883</u>	<u>2</u>	<u>2</u>	<u>3,887</u>
<i>Transaction cost % of purchases total</i>		0.05%	0.05%	
<i>Transaction cost % of average NAV</i>		–	–	
Ordinary shares	7,005	(8)	–	6,997
Collective investment schemes	52	–	–	52
Sales total	<u>7,057</u>	<u>(8)</u>	<u>–</u>	<u>7,049</u>
<i>Transaction cost % of sales total</i>		0.11%	–	
<i>Transaction cost % of average NAV</i>		0.02%	–	

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;**Level 2:** Valuation techniques using observable inputs other than quoted prices within Level 1;**Level 3:** Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.19				
Investment assets	<u>46,507</u>	<u>551</u>	<u>–</u>	<u>47,058</u>
31.01.18				
Investment assets	<u>48,496</u>	<u>1,242</u>	<u>–</u>	<u>49,738</u>

CRYSTAL FUND**FINANCIAL STATEMENTS** *continued***DISTRIBUTION TABLE**

for the year ended 31 January 2019 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.18	01.08.18
To	31.07.18	31.01.19

INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	1.4658	–	1.4658	1.4847
Group 2	1.4658	0.0000	1.4658	1.4847

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	1.1117	–	1.1117	0.7808
Group 2	1.1117	0.0000	1.1117	0.7808

SPECTRUM FUND

ACD'S REPORT

for the year ended 31 January 2019

Important Information

Refer to the 'Important Information' section of the Company on page 9.

Investment Objective and Policy

The investment objective of the Spectrum Fund ('the Fund') is to produce long term capital growth. The Fund's policy is diversified investment predominantly in collective investment schemes, though the Fund may be invested in bonds, equities, cash and other eligible instruments from time to time. The Fund may invest up to 100% of its assets in collective investment schemes.

LINK FUND SOLUTIONS LIMITED

ACD of Spectrum Fund

17 May 2019

SPECTRUM FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the year ended 31 January 2019

Market Review

Following a period of calm in 2017, the 12 months under review saw volatility return to global asset markets. The year got off to a poor start with equities and bonds falling in unison in February, prompted by fears of higher interest rates and rising inflation in the US. Whilst US equities had recovered much of their poise by May, the same could not be said for many Asian and Emerging Markets.

Indeed, 2018 proved to be a particularly difficult year for investors in developing markets. There were a number of significant headwinds, including a strong US dollar, a slowing global economy and greater risk aversion following significant currency devaluations in Argentina and Turkey. A tightening of lending standards in China, as well as an escalation in its trade war with the US, also proved unhelpful.

Until October, US equities, underpinned by solid corporate earnings growth and a robust economy, stood out as a bastion of strength from the rest of the world. However, US equities were not immune to a rapid deterioration in investor sentiment during the fourth quarter of 2018. Starting in October and ending with a lurch down in December, equity markets fell on concerns that the global economy was slowing and that the US could enter into recession in the next year or two. This led to a shift in market leadership. Highly valued growth stocks sold off aggressively, alongside cyclical and economically sensitive businesses. Energy companies, in particular, were hard hit following a collapse in the oil price. In contrast, more defensive and predictable utilities and consumer staples businesses held up relatively well.

Credit and loan markets were also impacted, highlighted by a widening in high-yield spreads, a lack of new issuance in December, and selling pressure in leveraged loan funds. Whilst a sharp bounce in January has alleviated much of the pressure, trading conditions in December were instructive in highlighting the liquidity mismatch inherent in vehicles that provide daily dealing but invest in assets that cannot easily be redeemed.

Although the majority of assets ended 2018 in negative territory, it was reassuring to see gold act as a safe haven during times of stress. The yellow metal rose more than +10%, in US dollar terms, between the beginning of October and the end of January 2019.

Portfolio Review

Lindsell Train Global Equity, Polar Capital Global Insurance and CG AM Real Return were among the top contributors to the Fund's performance in the period under review.

Lindsell Train Global Equity, in particular, performed very strongly, rising +13.5% during the year to the end of January, compared to an increase of +1.2% for the MSCI World NR (GBP)¹. This performance was underpinned by a more than doubling in value of World Wrestling Entertainment (WWE), as well as good results from Intuit, Pearson and Diageo.

¹ Source: Bloomberg. The indices used by the Investment Manager are for comparison purposes. No benchmark is required to be disclosed per the Prospectus.

SPECTRUM FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT *continued*

Morant Wright Sakura, Samarang Asian Prosperity and MI Somerset Emerging Market Dividend Growth were the main detractors from the Fund's performance, reflecting significant weakness in Japanese, Asian and Emerging Market equities during 2018.

We took advantage of this weakness to add to the Fund's holding in Samarang Asian Prosperity. The fund invests across Asia, focusing on companies that are delivering steady operational results and trade on attractive valuations. It currently has a high weighting to smaller Japanese companies, as well as a significant holding in Vietnamese utility companies such as Pha Lai Thermal Power. Following last year's sell-off, Greg Fisher, the fund's manager, believes valuations are particularly attractive. At the end of January 2019, the fund traded on an estimated price-to-earnings of 8x, a price-to-book of 0.8x and has a gross dividend yield of 4.6%.

We also used equity market volatility to increase Spectrum's holdings in the Aurora Investment Trust and HAL Trust. Aurora invests in UK-listed stocks and has a significant weighting to companies with a domestic focus. Given the uncertainty surrounding Brexit, as well as the more general market malaise, many of these stocks sold off significantly in the latter part of the year. We believe they are now trading on attractive valuations. HAL Trust is a Dutch-listed holding company that owns a collection of both publicly listed and private businesses, including stakes in Grandvision, Boskalis and Vopak. Having taken profits in 2015, at a price in excess of €160, we have repurchased shares at prices that are significantly lower. We continue to believe that HAL has a valuable collection of assets and is an excellent custodian of our investors' capital.

As discussed in the interim report, we sold BlackRock Gold & General and bought small holdings in BH Macro and BH Global during the year. In January 2019, we also partially reduced the Fund's exposure to the US dollar, through the use of currency forwards. We hedged the US dollar exposure which derives from CG AM The Dollar and CG AM Real Return's investments in US Treasury Inflation Protected Securities (TIPS). As these funds are held as diversifiers within the Fund's portfolio, we thought it prudent to remove the risk of any large currency swings that will likely ensue as we approach the 29th March deadline for the UK to leave the EU.

Outlook

If quantitative easing helped to inflate asset prices, quantitative tightening has the potential to undermine them, especially given that the economic cycle that is already long in the tooth. Having benefited from the ready availability of cheap capital in recent years, we believe the corporate environment is likely to become more challenging over the next few years, particularly given the quantity of debt that pervades the global economy.

With this in mind, we believe that it is becoming ever more important for investors to be selective. The Fund has a balanced portfolio of talented managers, as well as good diversification by geography and asset class, leaving it well placed to navigate a range of different market environments.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

15 February 2019

SPECTRUM FUND
ACD'S REPORT *continued*
FUND INFORMATION

Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Currency Risk: As the Fund may invest in overseas securities and collective investment schemes, movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Some of the collective investment schemes held by the Fund invest in debt securities. Such debt securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a debt security is also affected by its credit rating.

Counterparty Risk: As the Fund may enter into currency hedging arrangements, there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, and the Fund receiving less than is due or receiving nothing.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

SPECTRUM FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables**

Where the Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

'O' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	206.09	191.31	153.57
Return before operating charges*	5.00	19.18	41.32
Operating charges	(3.13)	(3.05)	(2.66)
Return after operating charges	1.87	16.13	38.66
Distributions	(1.14)	(1.35)	(0.92)
Closing net asset value per share	206.82	206.09	191.31
* after direct transaction costs of:	0.01	0.02	–

PERFORMANCE

Return after charges	0.91%	8.43%	25.17%
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OTHER INFORMATION

Closing net asset value (£'000)	87,655	86,213	80,391
Closing number of shares	42,381,896	41,833,405	42,021,230
Operating charges ¹	1.50%	1.50%	1.50%
Direct transaction costs	0.01%	0.01%	–

PRICES

Highest share price	217.02	211.56	194.92
Lowest share price	198.41	190.84	150.19

¹ The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Ongoing Charge Figure of 1.50%.

SPECTRUM FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'O' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	214.51	197.83	158.03
Return before operating charges*	5.19	19.84	42.54
Operating charges	(3.26)	(3.16)	(2.74)
Return after operating charges	1.93	16.68	39.80
Distributions	(1.19)	(1.40)	(0.95)
Retained distributions on accumulation shares	1.19	1.40	0.95
Closing net asset value per share	216.44	214.51	197.83
* after direct transaction costs of:	0.01	0.02	–

PERFORMANCE

Return after charges	0.90%	8.43%	25.19%
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OTHER INFORMATION

Closing net asset value (£'000)	30,168	33,221	26,064
Closing number of shares	13,938,224	15,487,206	13,175,225
Operating charges ¹	1.50%	1.50%	1.50%
Direct transaction costs	0.01%	0.01%	–

PRICES

Highest share price	226.35	219.26	200.91
Lowest share price	206.51	197.29	154.60

¹ The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Ongoing Charge Figure of 1.50%.

SPECTRUM FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	203.78	189.20	151.93
Return before operating charges*	4.95	18.95	40.82
Operating charges	(4.12)	(4.02)	(3.50)
Return after operating charges	0.83	14.93	37.32
Distributions	(0.11)	(0.35)	(0.05)
Closing net asset value per share	204.50	203.78	189.20
* after direct transaction costs of:	0.01	0.02	–

PERFORMANCE

Return after charges	0.41%	7.89%	24.56%
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OTHER INFORMATION

Closing net asset value (£'000)	78	74	60
Closing number of shares	37,985	36,456	31,976
Operating charges ¹	2.00%	2.00%	2.00%
Direct transaction costs	0.01%	0.01%	–

PRICES

Highest share price	214.48	208.71	192.23
Lowest share price	196.05	188.72	148.60

¹ The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Ongoing Charge Figure of 2.00%.

SPECTRUM FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'I' ACCUMULATION SHARES**

CHANGE IN NET ASSETS PER SHARE	31.01.19 pence per share	31.01.18 pence per share	31.01.17 pence per share
Opening net asset value per share	207.86	192.65	154.67
Return before operating charges*	5.03	19.30	41.54
Operating charges	(4.20)	(4.09)	(3.56)
Return after operating charges	0.83	15.21	37.98
Distributions	(0.07)	(0.30)	(0.05)
Retained distributions on accumulation shares	0.07	0.30	0.05
Closing net asset value per share	208.69	207.86	192.65
* after direct transaction costs of:	0.01	0.02	–

PERFORMANCE

Return after charges	0.40%	7.90%	24.56%
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OTHER INFORMATION

Closing net asset value (£'000)	401	454	528
Closing number of shares	192,072	218,362	273,814
Operating charges ¹	2.00%	2.00%	2.00%
Direct transaction costs	0.01%	0.01%	–

PRICES

Highest share price	218.76	212.52	195.69
Lowest share price	199.97	192.13	151.28

¹ The Investment Manager has agreed, on a discretionary basis, to waive a portion of their fee, to seek to achieve an Ongoing Charge Figure of 2.00%.

SPECTRUM FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 31 January 2019 (%)

	1 year	3 years	5 years
Spectrum Fund	(0.28)	36.15	50.85

The performance of the Fund is based on the published price per 'O' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the year end, rather than the year end return after operating charges.

Details of the distributions per share for the year are shown in the Distribution Table on pages 255 and 256.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

SPECTRUM FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT**

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	DEBT SECURITIES – 5.24% (31.01.18 – 1.42%)		
£6,200,000	UK Treasury 0% 18/2/2019	6,198	5.24
	INDEX-LINKED BONDS – 7.33% (31.01.18 – 6.57%)		
27,129	CG AM Real Return	5,124	4.33
23,711	CG AM The Dollar	3,546	3.00
	TOTAL INDEX-LINKED BONDS	8,670	7.33
	UNITED KINGDOM EQUITIES – 8.85% (31.01.18 – 7.91%)		
2,215,389	Aurora Investment Trust	4,431	3.75
2,838,835	TB Evenlode Income	6,036	5.10
	TOTAL UNITED KINGDOM EQUITIES	10,467	8.85
	EUROPEAN EQUITIES – 6.27% (31.01.18 – 6.00%)		
23,342	El Sturdza Strategic Europe Value	3,353	2.83
34,399	HAL Trust ¹	4,063	3.44
	TOTAL EUROPEAN EQUITIES	7,416	6.27
	UNITED STATES EQUITIES – 12.01% (31.01.18 – 10.08%)		
103,130	Findlay Park American	8,989	7.60
34,599	Heptagon Yacktmán US Equity	5,222	4.41
	TOTAL UNITED STATES EQUITIES	14,211	12.01
	EMERGING MARKETS EQUITIES – 5.38% (31.01.18 – 5.18%)		
240,416	Brown Advisory Latin American	2,924	2.47
2,584,755	MI Somerset Emerging Markets Dividend Growth	3,443	2.91
	TOTAL EMERGING MARKETS EQUITIES	6,367	5.38
	JAPANESE EQUITIES – 8.79% (31.01.18 – 11.11%)		
3,360,664	Lindsell Train Japanese Equity	4,602	3.89
395,764	Morant Wright Sakura	5,793	4.90
	TOTAL JAPANESE EQUITIES	10,395	8.79

SPECTRUM FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	ASIAN EQUITIES – 9.33% (31.01.18 – 9.05%)		
20,413	Samarang Asian Prosperity	5,498	4.65
760,751	Stewart Investors Asia Pacific Leaders	5,542	4.68
	TOTAL ASIAN EQUITIES	11,040	9.33
	GLOBAL EQUITIES – 22.15% (31.01.18 – 20.21%)		
128,500	BH Global	1,953	1.65
66,865	BH Macro	1,648	1.39
35,438	Egerton Capital Equity	9,234	7.81
1,786,059	Lindsell Train Global Equity	5,926	5.01
57,829	McInroy & Wood Balanced	2,759	2.33
25,898	Odey Allegra Developed Markets	4,691	3.96
	TOTAL GLOBAL EQUITIES	26,211	22.15
	ABSOLUTE RETURNS & ALTERNATIVES – 0.62% (31.01.18 – 0.58%)		
475,150	EPE Special Opportunities ¹	729	0.62
	FINANCIALS – 6.60% (31.01.18 – 5.41%)		
1,213,880	Polar Capital Global Insurance	7,805	6.60
	COMMODITIES – 3.95% (31.01.18 – 6.75%)		
49,461	Gold Bullion Securities	4,676	3.95
	FORWARD CURRENCY CONTRACTS – 0.20% (31.01.18 – 0.00%)		
US\$10,500,000	Vs £8,189,280 (expiry 15/4/2019)	236	0.20

SPECTRUM FUND**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 31 January 2019

Holding	Portfolio of Investments	Value £'000	31.01.19 %
	Portfolio of investments	114,421	96.72
	Net other assets	3,881	3.28
	Net assets	118,302	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are collective investments schemes unless stated otherwise.

¹ Ordinary shares.

SPECTRUM FUND**ACD'S REPORT** *continued***SUMMARY OF MATERIAL PORTFOLIO CHANGES**

for the year ended 31 January 2019

Total purchases for the year £'000 (note 16)	11,290	Total sales for the year £'000 (note 16)	11,827
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
BH Global	1,818	BlackRock Gold and General	3,867
HAL Trust	1,609	Odey Allegra Developed Markets	1,907
Aurora Investment Trust	1,514	Morant Wright Sakura	1,551
BH Macro	1,430	El Sturdza Strategic Europe Value	1,047
Polar Capital Global Insurance	1,024	Lindsell Train Japanese Equity	921
Odey Allegra Developed Markets	855	Lindsell Train Global Equity	832
Samarang Asian Prosperity	700	McInroy & Wood Balanced	500
Findlay Park American	666	TB Evenlode Income	500
Heptagon Yacktmán US Equity	639	Findlay Park American	399
Gold Bullion Securities	324	Stewart Investors Asia Pacific Leaders	199

In addition to above, purchases totalling £22,371,000 and sales totalling £19,100,000 were made in short term investments during the year.

The summary of material portfolio changes represents the 10 largest purchases and sales during the year.

SPECTRUM FUND

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the year ended 31 January 2019

	Notes	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Income:					
Net capital gains	3		425		8,230
Revenue	4	1,527		1,448	
Expenses	5	(860)		(684)	
Interest payable and similar charges	7	(1)		—	
Net revenue before taxation		666		764	
Taxation	6	—		—	
Net revenue after taxation			666		764
Total return before distributions			1,091		8,994
Distributions	8		(666)		(764)
Change in net assets attributable to shareholders from investment activities			425		8,230

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 January 2019

	£'000	31.01.19 £'000	£'000	31.01.18 £'000
Opening net assets attributable to shareholders		119,962		107,043
Transfer in from Spectrum Income Fund	6,541		—	
Amounts receivable on issue of shares	5,120		7,650	
Amounts payable on redemption of shares	(13,920)		(3,167)	
		(2,259)		4,483
Change in net assets attributable to shareholders from investment activities		425		8,230
Retained distributions on Accumulation shares		174		206
Closing net assets attributable to shareholders		118,302		119,962

SPECTRUM FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 31 January 2019

	Notes	31.01.19 £'000	31.01.18 £'000
ASSETS			
Fixed assets			
Investments		114,421	108,290
Current assets			
Debtors	9	394	812
Cash and bank balances	10	3,938	11,356
Total assets		<u>118,753</u>	<u>120,458</u>
LIABILITIES			
Creditors			
Distribution payable	11	(296)	(372)
Other creditors	11	(155)	(124)
Total liabilities		<u>(451)</u>	<u>(496)</u>
Net assets attributable to shareholders		<u>118,302</u>	<u>119,962</u>

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 January 2019

1. Accounting Policies

The accounting policies described on pages 19 to 21 have been applied to the financial statements of the Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 21 have been applied to the financial statements of the Fund in the current and prior year.

3. Net Capital Gains

The net capital gains during the year comprise:

	31.01.19 £'000	31.01.18 £'000
Non-derivative securities	205	8,248
Forward currency contracts	236	36
Transaction charges	(1)	–
AMC rebates from underlying investments	3	3
Currency losses	(18)	(57)
Net capital gains	425	8,230

4. Revenue

	31.01.19 £'000	31.01.18 £'000
Non-taxable dividends	1,198	1,274
Non-taxable stock dividends	57	–
Taxable dividends	216	168
Interest on debt securities	29	3
AMC rebates from underlying investments	–	2
Bank interest	27	1
Total revenue	1,527	1,448

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

5. Expenses

	31.01.19 £'000	31.01.18 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	801	748
Rebate of Annual Management Charge	(59)	(171)
Legal and professional fees	10	10
Typesetting costs	3	3
Registration fees	37	35
	792	625
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	41	39
Safe custody and other bank charges	7	7
	48	46
Other expenses:		
Fees paid to auditor – audit fees	8	8
– tax services	–	(3)
Publication costs	6	6
Legal and professional fees	6	2
	20	13
Total expenses	860	684

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services are paid by the ACD out of its remuneration.

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

6. Taxation

	31.01.19 £'000	31.01.18 £'000
a) Analysis of charge for the year		
Corporation tax at 20%	—	—
Current tax charge	—	—
Deferred tax – origination and reversal of timing differences (note 6c)	—	—
Total taxation (note 6b)	—	—

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.01.18: 20%). The difference is explained below:

	31.01.19 £'000	31.01.18 £'000
Net revenue before taxation	666	764
Corporation tax at 20%	133	153
Effects of:		
Non-taxable dividends	(251)	(255)
AMC rebates taken to capital	1	1
Unutilised excess management expenses	117	101
Corporation tax charge	—	—
Total tax charge (note 6a)	—	—

c) Deferred tax

At the year end there is a potential deferred tax asset of £632,000 (31.01.18: £515,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior year.

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

7. Interest Payable and Similar Charges

	31.01.19 £'000	31.01.18 £'000
Interest payable	1	–
Total interest payable and similar charges	1	–

8. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on redemption of shares, and comprise:

	31.01.19 £'000	31.01.18 £'000
Interim	265	254
Final	398	515
	663	769
Add: Revenue deducted on redemption of shares	12	2
Deduct: Revenue received on issue of shares	(9)	(7)
Net distributions for the year	666	764

Details of the distributions per share are set out in the table on pages 255 and 256.

9. Debtors

	31.01.19 £'000	31.01.18 £'000
Amounts receivable for issue of shares	21	283
Accrued revenue:		
Non-taxable dividends	72	67
Prepaid expenses	5	5
Amounts due from the Investment Manager:		
Refund of expenses	288	451

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Taxation recoverable:		
Income tax	2	–
Overseas withholding tax	6	6
	8	6
Total debtors	394	812

10. Cash and Bank Balances

	31.01.19 £'000	31.01.18 £'000
Bank balances	3,938	11,356
Total cash and bank balances	3,938	11,356

11. Creditors

	31.01.19 £'000	31.01.18 £'000
Distribution payable	296	372
Other Creditors		
Amounts payable for redemption of shares	62	35
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	65	67
Legal and professional fees	6	1
Typesetting costs	1	1
Registration fees	4	3
	76	72

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.19 £'000	31.01.18 £'000
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3	3
Safe custody and other bank charges	1	2
	4	5
Other expenses	13	12
Total other creditors	155	124

12. Related Party Transactions

Annual Management Charge and legal and professional fees payable to Link Fund Solutions Limited ('the ACD'), registration fees payable to Link Fund Administrators Limited and typesetting costs payable to Link Alternative Fund Administrators Limited (both companies are associates of the ACD) are disclosed in note 5 and amounts due at the year end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 241 and amounts due at the year end are disclosed in notes 9 and 11.

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholder held in excess of 20% of the shares in issue of the Fund:

Pershing Nominees Limited 70.21% (31.01.18: 68.84%)

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held 132,142 (31.01.18: 141,251) of the Fund's shares at the balance sheet date.

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (31.01.18: none).

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

14. Shares in Issue

	'O' Income	'O' Accumulation	'I' Income	'I' Accumulation
Annual Management Charge	0.65%	0.65%	1.15%	1.15%
Opening shares in issue	41,833,405	15,487,206	36,456	218,362
Issues	3,911,084	1,550,247	1,684	32,947
Redemptions	(3,362,593)	(3,099,229)	(155)	(59,237)
Closing shares in issue	<u>42,381,896</u>	<u>13,938,224</u>	<u>37,985</u>	<u>192,072</u>

15. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

SPECTRUM FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 31 January 2019

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The ACD monitors the credit rating of bond holdings. The bond in which the Fund invests is a government security which is lower risk.

There were forward currency contracts held at the balance sheet date. Details of individual contracts are disclosed separately in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

31.01.19 Counterparty	Forward currency contracts £'000	Net cash collateral pledged £'000
Bank of New York Mellon	236	–

There were no forward currency contracts held at 31.01.18.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Fund takes on interest rate risk within its investment portfolio where the ACD and Investment Manager believe that the expected return compensates for the overall risk. The Fund invests predominantly in collective investment schemes and as such does not have any significant direct exposure to interest rate risk. The Fund may indirectly be exposed to interest rate risk through its investment in collective investment schemes. The ACD and Investment Manager continue to monitor the level of interest rate risk posed by the Fund's underlying investments on a regular basis. As the Fund has no significant direct exposure to interest rate risk, no sensitivity analysis has been presented.

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

The table below shows the direct interest rate risk profile:

	31.01.19 £'000	31.01.18 £'000
Floating rate investments	8,670	7,882
Fixed rate investments	6,198	1,699
Investments on which interest is not paid	99,553	98,709
Total investments	114,421	108,290

The floating rate investments comprise securities that earn interest at rates adjusted by changes in the UK Retail Prices Index (RPI) or its international equivalents and collective investment schemes that pay UK interest distributions.

Investments on which interest is not paid include equities, collective investment schemes and forward currency contracts.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The table below shows the direct foreign currency risk profile:

	31.01.19 Gross £'000	31.01.19 Hedged £'000	31.01.19 Net £'000
Currency:			
Euros	4,063	—	4,063
Japanese yen	4,601	—	4,601
Swiss francs	1	—	1
US dollars	21,811	(7,953)	13,858
	30,476	(7,953)	22,523
Pounds sterling	87,590	8,189	95,779
Net assets	118,066	236	118,302

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	31.01.18 Gross £'000	31.01.18 Hedged £'000	31.01.18 Net £'000
Currency:			
Euros	2,847	–	2,847
Japanese yen	5,226	–	5,226
US dollars	19,259	–	19,259
	<u>27,332</u>	<u>–</u>	<u>27,332</u>
Pounds sterling	92,630	–	92,630
Net assets	<u>119,962</u>	<u>–</u>	<u>119,962</u>

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £1,126,000 on the net assets of the Fund (31.01.18: £1,367,000).

(D) LEVERAGE

The Fund did not employ any significant leverage in the current or prior year.

(E) LIQUIDITY RISK

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

(F) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio, excluding forward currency contracts, would have the effect of increasing the return and net assets by £5,709,000 (31.01.18: £5,415,000). A 5% decrease would have an equal and opposite effect.

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

(G) DERIVATIVES

The Investment Manager has the power to manage exposure to currency movements by using forward contracts. Details of the holdings of such instruments, the net exposure to foreign currencies as at the balance sheet date, and details of the total gains on forward currency contracts during the year are set out in the Portfolio Statement, note 15(c) and note 3, respectively. The counterparty for the forward currency contracts is the Bank of New York Mellon.

The intention in using forward currency contracts is, where deemed appropriate, to reduce the risk profile of the Fund to currency exchange risk by managing the exposure of the Fund to currency exchange risk and leave the Fund primarily exposed to the underlying market of overseas investments. Therefore, where the value of overseas investments falls due to currency movements, the forward currency contract generates a gain and vice versa. The Investment Manager will only engage in currency hedging when they consider such hedging to be in interests of Efficient Portfolio Management.

16. Portfolio Transaction Costs

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.19				
Ordinary shares	1,608	1	–	1,609
Collective investment schemes	9,676	2	3	9,681
Purchases total	11,284	3	3	11,290
<i>Transaction cost % of purchases total</i>		0.03%	0.02%	
<i>Transaction cost % of average NAV</i>		0.01%	–	
Ordinary shares	104	–	–	104
Collective investment schemes	11,725	–	(2)	11,723
Sales total	11,829	–	(2)	11,827
<i>Transaction cost % of sales total</i>		–	0.02%	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 31.01.19 is 0.11% (31.01.18: 0.09%).

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 31 January 2019

	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.01.18				
Collective investment schemes	4,940	2	6	4,948
Purchases total	4,940	2	6	4,948
<i>Transaction cost % of purchases total</i>		0.04%	0.12%	
<i>Transaction cost % of average NAV</i>		–	0.01%	
Collective investment schemes	6,264	–	(2)	6,262
Sales total	6,264	–	(2)	6,262
<i>Transaction cost % of sales total</i>		–	0.03%	
<i>Transaction cost % of average NAV</i>		–	–	

17. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.01.19				
Investment assets	22,050	92,371	–	114,421
31.01.18				
Investment assets	9,337	98,953	–	108,290

SPECTRUM FUND**FINANCIAL STATEMENTS** *continued***DISTRIBUTION TABLE**

for the year ended 31 January 2019 – in pence per share

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares – the applicable distribution periods for each distribution are shown below). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Group 2	Interim	Final
From	01.02.18	01.08.18
To	31.07.18	31.01.19

‘O’ INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	0.4426	–	0.4426	0.4584
Group 2	0.2888	0.1538	0.4426	0.4584

Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.6988	–	0.6988	0.8890
Group 2	0.5899	0.1089	0.6988	0.8890

‘O’ ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	0.4607	–	0.4607	0.4739
Group 2	0.3627	0.0980	0.4607	0.4739

Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.7290	–	0.7290	0.9217
Group 2	0.5018	0.2272	0.7290	0.9217

SPECTRUM FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE *continued*

'I' INCOME SHARES

Interim	Net Revenue	Equalisation	Paid 30.09.18	Paid 30.09.17
Group 1	–	–	–	–
Group 2	–	0.0000	–	–
Final	Net Revenue	Equalisation	Payable 31.03.19	Paid 31.03.18
Group 1	0.1090	–	0.1090	0.3483
Group 2	0.0452	0.0638	0.1090	0.3483

'I' ACCUMULATION SHARES

Interim	Net Revenue	Equalisation	Allocated 30.09.18	Allocated 30.09.17
Group 1	–	–	–	–
Group 2	–	0.0000	–	–
Final	Net Revenue	Equalisation	Allocation 31.03.19	Allocated 31.03.18
Group 1	0.0745	–	0.0745	0.3015
Group 2	0.0073	0.0672	0.0745	0.3015

GENERAL INFORMATION

Structure of the Company

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

Trojan Fund
Trojan Ethical Income Fund
Trojan Global Income Fund
Trojan Global Equity Fund
Trojan Income Fund
Crystal Fund
Spectrum Fund
Trojan Ethical Fund

In the future there may be other sub-funds of the Company.

Classes of Shares

The Company can issue different classes of shares in respect of any sub-fund.

Holders of Income shares are entitled to be paid the income attributable to such shares, in respect of each annual or interim accounting period.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The valuation point of the Trojan Fund, the Trojan Ethical Income Fund, the Trojan Global Income Fund, the Trojan Global Equity Fund, the Trojan Income Fund and the Spectrum Fund is 12.00 noon (London time) on each business day. The valuation point of the Crystal Fund is 12.00 noon (London time) on each Thursday which is a business day and the last business day of each month. Valuations may be made at other times under the terms contained within the Prospectus.

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 608 0950.

GENERAL INFORMATION *continued*

Prices

The prices of Class 'O' shares in the Trojan Fund, Trojan Ethical Income Fund, Trojan Income Fund, Trojan Global Income Fund, Trojan Global Equity Fund and Spectrum Fund are published in the *Financial Times*. The prices of shares in the Crystal Fund are not currently published in the *Financial Times*. The prices of all shares are available on the website: www.linkfundsolutions.co.uk. Prices of all shares may also be obtained by calling 0345 608 0950 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Data Protection Act

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

Information for Swiss Qualified Investors

The distribution of shares of the Fund in Switzerland 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. The Swiss representative for the Fund is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent for the Fund is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. Investors in Switzerland can obtain the documents of the Fund, such as the Prospectus, the Key Investor Information Documents (edition for Switzerland), the Instrument of Incorporation, the latest annual or semi-annual report, and further information free of charge from the Swiss representative. The place of jurisdiction regarding the distribution of interests to qualified investors in Switzerland is Geneva. This document may only be issued, circulated or distributed in Switzerland to Qualified Investors. Recipients of the document in Switzerland should not pass it on to anyone other than a Qualified Investor. In respect of shares distributed in Switzerland the place of jurisdiction is at the registered office of the representative in Switzerland.

Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of shares.



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