

CAPITA

TROY
ASSET MANAGEMENT



Trojan Investment Funds

Annual Report and Financial Statements
31 January 2013

Trojan Fund
Trojan Capital Fund
Trojan Income Fund
Crystal Fund
Spectrum Fund

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CONTENTS

ACD's Report	7
Authorised Status	7
Director's Statement	8
Statement of ACD's Responsibilities in Relation to the Financial Statements.....	8
Statement of Depositary's Responsibilities	9
Report of the Depositary	9
Independent Auditor's Report to the Members of Trojan Investment Funds	10
AGGREGATED FINANCIAL STATEMENTS	
Aggregated Statement of Total Return	12
Aggregated Statement of Change in Net Assets Attributable to Shareholders	12
Aggregated Balance Sheet	13
Notes to the Aggregated Financial Statements	14

TROJAN FUND

ACD's Report	24
Investment Objective and Policy	24
Investment Manager's Report	25
Fund Information	28
Portfolio Statement	32
Summary of Material Portfolio Changes	36

FINANCIAL STATEMENTS

Statement of Total Return	38
Statement of Change in Net Assets Attributable to Shareholders	38
Balance Sheet	39
Notes to the Financial Statements	40
Distribution Tables	48

TROJAN CAPITAL FUND

ACD's Report	50
Investment Objective and Policy	50
Investment Manager's Report	51
Fund Information	54
Portfolio Statement	58
Summary of Material Portfolio Changes	62

FINANCIAL STATEMENTS

Statement of Total Return	64
Statement of Change in Net Assets Attributable to Shareholders	64
Balance Sheet	65
Notes to the Financial Statements	66
Distribution Tables	74

TROJAN INCOME FUND

ACD's Report	76
Investment Objective and Policy	76
Investment Manager's Report	77
Fund Information	80
Portfolio Statement	84
Summary of Material Portfolio Changes	88

FINANCIAL STATEMENTS

Statement of Total Return	90
Statement of Change in Net Assets Attributable to Shareholders	90
Balance Sheet	91
Notes to the Financial Statements	92
Distribution Tables	99

CRYSTAL FUND

ACD's Report	101
Investment Objective and Policy	101
Investment Manager's Report	102
Fund Information	105
Portfolio Statement	107
Summary of Material Portfolio Changes	111

FINANCIAL STATEMENTS

Statement of Total Return	113
Statement of Change in Net Assets Attributable to Shareholders	113
Balance Sheet	114
Notes to the Financial Statements	115
Distribution Tables	122

SPECTRUM FUND

ACD's Report	123
Investment Objective and Policy	123
Investment Manager's Report	124
Fund Information	128
Portfolio Statement	132
Summary of Material Portfolio Changes	135

FINANCIAL STATEMENTS

Statement of Total Return	137
Statement of Change in Net Assets Attributable to Shareholders	137
Balance Sheet	138
Notes to the Financial Statements	139
Distribution Tables	146
General Information	147

ACD'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2013

AUTHORISED STATUS

Trojan Investment Funds is an open-ended investment company with variable capital incorporated in England and Wales under registration number IC280 and authorised by the Financial Services Authority (note that the Financial Services Authority was replaced by the Financial Conduct Authority on 1 April 2013) with effect from 14 November 2003.

Shareholders are not liable for the debts of the Company. A shareholder is 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 is pounds sterling.

As a sub-fund is not a legal entity, if the assets of one sub-fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the sub-funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the sub-funds.

CAPITA FINANCIAL MANAGERS LIMITED
ACD of Trojan Investment Funds
17 May 2013

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

CAPITA FINANCIAL MANAGERS LIMITED
ACD of Trojan Investment Funds
17 May 2013

STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Company for that year. In preparing those financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the IMA SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended (the 'OEIC Regulations'), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

REPORT OF THE DEPOSITARY FOR THE YEAR ENDED 31 JANUARY 2013

Having carried out such procedures as we considered 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 Authorised Corporate Director:

- (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 COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

BNY MELLON TRUST & DEPOSITARY (UK) LIMITED
Depositary of Trojan Investment Funds
17 May 2013

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

We have audited the financial statements of Trojan Investment Funds ('the Company') for the year ended 31 January 2013 which comprise the Aggregated Statement of Total Return, Aggregated Statement of Change in Net Assets Attributable to Shareholders, Aggregated Balance Sheet and the related notes 1 to 13, together with the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet, the related notes and the Distribution Table for each sub-fund. 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).

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 (formerly the Financial Services 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.

RESPECTIVE RESPONSIBILITIES OF THE AUTHORISED CORPORATE DIRECTOR (ACD) AND AUDITOR

As explained more fully in the ACD's responsibilities statement set out on page 8, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company and of its sub-funds as at 31 January 2013 and of the net revenue and the net capital gains on the scheme property of the Company and its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

OPINION ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY (FORMERLY THE FINANCIAL SERVICES 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 (formerly the Financial Services 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;
- 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; and
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

ERNST & YOUNG LLP
Statutory Auditor
London
17 May 2013

AGGREGATED FINANCIAL STATEMENTS
AGGREGATED STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Income:					
Net capital gains	2		145,094,066		158,114,658
Revenue	3	78,246,612		47,970,299	
Expenses	4	(33,841,455)		(19,035,475)	
Finance costs: Interest	6	–		(22,432)	
Net revenue before taxation		44,405,157		28,912,392	
Taxation	5	(2,607,200)		(1,259,875)	
Net revenue after taxation			41,797,957		27,652,517
Total return before distributions			186,892,023		185,767,175
Finance costs: Distributions	6		(49,380,790)		(30,975,319)
Change in net assets attributable to shareholders from investment activities			137,511,233		154,791,856

AGGREGATED STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Opening net assets attributable to shareholders			2,401,284,821		1,251,381,519
Amounts receivable on issue of shares		1,193,444,247		1,022,876,133	
Amounts payable on cancellation of shares		(62,284,042)		(44,023,872)	
			1,131,160,205		978,852,261
Dilution levy charged	1(k)		8,611,472		5,935,198
Stamp duty reserve tax, net of credit	1(g)		(439,040)		(165,696)
Change in net assets attributable to shareholders from investment activities			137,511,233		154,791,856
Retained distribution on Accumulation shares			17,822,515		10,489,683
Closing net assets attributable to shareholders			3,695,951,206		2,401,284,821

AGGREGATED BALANCE SHEET
AS AT 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
ASSETS					
Investment assets			3,529,267,813		2,242,417,474
Other assets					
Debtors	7	19,689,160		24,301,650	
Cash and bank balances		236,002,027		153,956,548	
Total other assets			255,691,187		178,258,198
Total assets			3,784,959,000		2,420,675,672
LIABILITIES					
Investment liabilities			(7,957,300)		–
Other liabilities					
Creditors	8	(53,710,361)		(2,472,627)	
Bank overdrafts		(5,041,354)		(2,615,361)	
Distribution payable on Income shares		(22,298,779)		(14,302,863)	
Total other liabilities			(81,050,494)		(19,390,851)
Total liabilities			(89,007,794)		(19,390,851)
Net assets attributable to shareholders			3,695,951,206		2,401,284,821

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

(a) *Basis of accounting*

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

(b) *Basis of aggregation*

The aggregated financial statements represent the sum of the relevant items from the financial statements of the individual sub-funds within the umbrella company.

(c) *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.

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 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.

(d) *Treatment of stock and special dividends*

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.

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.

(e) *Treatment of expenses*

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

(f) *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 considered more appropriate.

(g) *Taxation*

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

1. ACCOUNTING POLICIES (continued)

(g) *Taxation (continued)*

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.

Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

(h) *Distribution policy*

Surplus revenue after 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.

The annual management charge for the Trojan Income Fund is transferred to capital for distribution purposes in line with the sub-fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

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.

(i) *Basis of valuation of investments*

Quoted investments are valued at closing bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period. Accrued interest on fixed interest securities is included in revenue.

Collective investment schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

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 on the last business day of the accounting period.

(j) *Exchange rates*

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 closing exchange rates ruling on that date.

1. ACCOUNTING POLICIES (continued)

(k) Dilution levy

The actual cost of purchasing, selling or switching assets and investments in a sub-fund may deviate from the mid-market value used in calculating its share price, due to dealing charges, taxes, and any spread between buying and selling prices of the sub-fund's underlying investments. It is not possible to predict accurately whether dilution is likely to occur. These costs could have an adverse effect on the value of a sub-fund, known as 'dilution'. In order to mitigate the effect of dilution the Regulations allow the ACD to make a dilution levy on the purchase, sale or switch of shares in a sub-fund. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD, but is paid into the sub-fund.

The ACD does not currently charge a dilution levy on the purchase or sale of shares in respect of Crystal Fund but may introduce a dilution charge in future. The ACD currently charges a 0.5% dilution levy on the purchase or sale of shares in the Trojan Fund, Trojan Income Fund, Trojan Capital Fund and Spectrum Fund.

	31.01.13 £	31.01.12 £
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	145,150,864	160,112,529
Derivative contracts	76,634	–
Forward currency contracts	6,459,232	(4,123,747)
Transaction charges	(9,013)	(9,406)
Currency (losses)/gains	(6,583,651)	2,135,282
Net capital gains	<u>145,094,066</u>	<u>158,114,658</u>
3. REVENUE		
Non-taxable dividends	57,745,112	33,216,457
Taxable dividends	124,149	7,885
UK property income distributions	331,624	171,323
Unfranked interest	19,767,152	14,532,982
AMC rebates from underlying investments	44,564	41,317
Bank interest	233,994	335
Other interest	17	–
Total revenue	<u>78,246,612</u>	<u>47,970,299</u>

4. EXPENSES

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's periodic charge	32,697,637	18,269,818
Legal and professional fees	87,905	–
Printing costs	26,181	27,456
Registration fees	106,070	74,334
	<u>32,917,793</u>	<u>18,371,608</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fees	516,417	345,079
Safe custody and other bank charges	304,245	233,462
	<u>820,662</u>	<u>578,541</u>

Other expenses:

FCA fee	300	280
Fees paid to auditor – audit fees	40,500	40,500
– tax fees	15,000	15,000
Publication costs	33,124	29,546
Postage and distribution costs	14,076	–
	<u>103,000</u>	<u>85,326</u>

Total expenses	<u>33,841,455</u>	<u>19,035,475</u>
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5. TAXATION

a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	2,607,200	1,259,914
Adjustments in respect of prior periods	–	(39)
Current tax charge (note 5b)	<u>2,607,200</u>	<u>1,259,875</u>
Deferred tax – origination and reversal of timing differences	–	–
Total taxation	<u>2,607,200</u>	<u>1,259,875</u>

5. TAXATION (continued)

b) Factors affecting current 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%) (31.01.12 : 20%) for the reasons explained below.

	31.01.13 £	31.01.12 £
Net revenue before taxation	44,405,157	28,912,392
Corporation tax at 20%	8,881,031	5,782,478
Effects of:		
Non-taxable dividends	(11,549,022)	(6,643,292)
RPI movement on UK index-linked gilts	(1,913,301)	(1,177,227)
Unutilised excess management expenses	4,581,292	2,038,041
Corporation tax charge	–	–
Overseas tax	2,607,200	1,259,914
Adjustments in respect of prior periods	–	(39)
Current tax charge (note 5a)	2,607,200	1,259,875

6. FINANCE COSTS

Distributions

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

	31.01.13 £	31.01.12 £
Interim	25,345,817	17,353,047
Final	31,735,567	19,551,911
	57,081,384	36,904,958
Add: Revenue deducted on cancellation of shares	360,776	250,410
Deduct: Revenue received on issue of shares	(8,061,370)	(6,180,049)
Net distributions for the year	49,380,790	30,975,319
Interest	–	22,432
Total finance costs	49,380,790	30,997,751

6. FINANCE COSTS (continued)

Distributions represented by:

Net revenue after taxation	41,797,957	27,652,517
Allocations to Capital:		
Expenses, net of tax relief	7,566,081	3,187,003
Revenue deficit	2,758	136,364
Equalisation on conversions*	13,936	–
	7,582,775	3,323,367
Balance brought forward	861	296
Balance carried forward	(803)	(861)
Net distributions for the year	49,380,790	30,975,319

* 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 last distribution to conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

7. DEBTORS

Amounts receivable for issue of shares	13,233,497	18,889,867
Accrued revenue:		
Non-taxable dividends	4,438,862	3,599,871
Unfranked interest	1,371,228	964,547
AMC rebates from underlying investments	19,871	12,479
Bank interest	26,633	63
	5,856,594	4,576,960
Dilution levy	135,202	119,293
Prepaid expenses	23,055	23,375
Refund of safe custody fee	–	4,050
Taxation recoverable:		
Income tax	19,878	17,997
Overseas withholding tax	420,934	670,108
	440,812	688,105
Total debtors	19,689,160	24,301,650

	31.01.13 £	31.01.12 £
8. CREDITORS		
Amounts payable for cancellation of shares	2,150,399	156,240
Purchases awaiting settlement	47,966,220	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,277,688	2,082,275
Legal and professional fees	4,673	–
Printing costs	14,089	13,972
Registration fees	10,557	7,688
	3,307,007	2,103,935
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	49,640	35,596
Transaction charges	3,019	2,633
Safe custody and other bank charges	123,103	93,449
	175,762	131,678
Other expenses	65,763	70,500
Taxation payable:		
Stamp duty reserve tax	45,210	10,274
Total creditors	53,710,361	2,472,627

9. RELATED PARTY TRANSACTIONS

Management and legal and professional fees payable to Capita Financial Managers Limited ('the ACD'), registration fees payable to Capita Financial Administrators Limited and printing costs payable to Capita Business Services Limited (both companies are associates of the ACD) are disclosed in note 4 and amounts due at the year end are disclosed in note 8.

The aggregate monies received and paid by the ACD through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 12 and amounts due at the year end are disclosed in notes 7 and 8.

9. RELATED PARTY TRANSACTIONS (continued)

Capita Financial Managers Limited and its associates (including other authorised investment funds managed by Capita Financial Managers) had the following shareholdings in the sub-funds:

	Held at 31.01.13	Change in year	Held at 31.01.12
Trojan Fund			
'O' Income	4,744,556	950,120	3,794,436
'O' Accumulation	4,707,465	806,150	3,901,315
'I' Accumulation	405,061	320,845	84,216
Trojan Capital Fund			
'O' Income	16,434	29	16,405
'O' Accumulation	434,071	99,466	334,605
'I' Accumulation	7,583	7,583	–
Trojan Income Fund			
'O' Income	3,518,188	2,454,346	1,063,842
'O' Accumulation	931,107	292,813	638,294
'I' Income	247,110	198,084	49,026
'I' Accumulation	89,945	78,147	11,798
Spectrum Fund			
'O' Accumulation	163,705	89,556	74,149

As part of the investment strategy, the Company may from time to time hold shares in other Collective Investment Schemes managed by the same ACD. At the balance sheet date the value of these holdings was as follows:

	31.01.13 £	31.01.12 £
Spectrum Fund		
ACD in common	9,679,417	8,067,668

10. SHAREHOLDER FUNDS

The Company has three share classes which are available as Income and Accumulation shares. The annual management charges per share class for Trojan Fund, Trojan Capital Fund and Trojan Income Fund are shown below:

'O' shares	1.00%
'I' shares	1.50%
'S' shares	0.75%

The Spectrum Fund has two share classes which are available as Income and Accumulation. The annual management charges per share class are shown below.

'O' shares	0.65%
'I' shares	1.15%

The Crystal Fund has one share class, available as Income and the annual management charge is 1.00%.

11. CONTINGENT LIABILITIES AND COMMITMENTS

Disclosure is made in note 11 of the Notes to the Financial Statements of the sub-funds.

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing the investment objectives 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 hedging purposes.

The main risks from the Company'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 funds. 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 funds managed.

i. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Company 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 Company has fulfilled its obligations. The Company only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

The bond investments held are exposed to credit risk which reflects the ability of the issuer to meet its obligations. All of the bonds in which the sub-funds invest are investment grade listed bonds or government securities which are lower risk.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Company'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 securities and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. These risks are not actively managed.

Investment in collective investment schemes exposes the Company 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.

Numerical disclosure of the interest rate risk profile is made in note 12 of the Notes to the Financial Statements of the sub-funds.

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

iii. 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. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates. These risks are not actively managed.

Numerical disclosure of the foreign currency risk profile is made in note 12 of the Notes to the Financial Statements of the sub-funds.

iv. Liquidity risk

The main liability of the Company is the cancellation of any shares that investors want to sell. Investments may have to be sold to fund such cancellations 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 Company's assets consist of readily realisable securities.

v. Market price risk

Market price risk is the risk that the value of the Company'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 Company holds.

Market price risk represents the potential loss the Company may suffer through holding market positions in the face of price movements. The Company's investment portfolio's are exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objectives and policies. For an equity portfolio the risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adherence to investment guidelines and avoidance of 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.

vi. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

vii. Derivatives

Disclosure is made in note 12 of the Notes to the Financial Statements of the sub-funds.

13. PORTFOLIO TRANSACTION COSTS

Disclosure is made in note 13 of the Notes to the Financial Statements of the sub-funds.

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.

CAPITA FINANCIAL MANAGERS LIMITED
 ACD of Trojan Fund
 17 May 2013

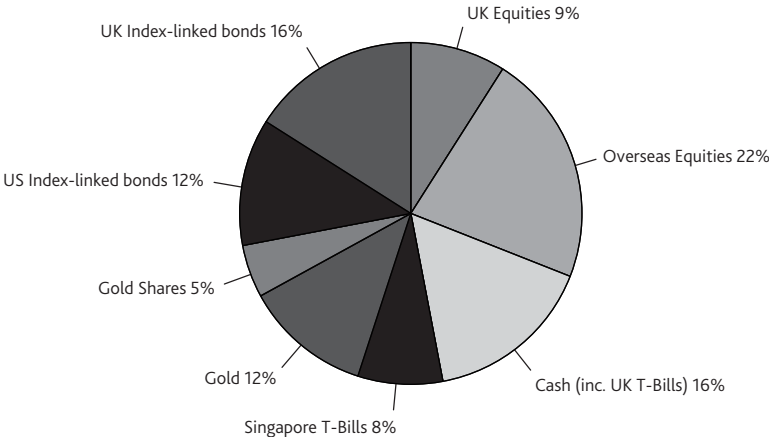
INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the year to 31 January 2013, the Fund's 'O' Income share class produced a total return of +3.6% compared to a return of +0.5% in the LIBID Index (total return)* and +16.3% in the FTSE All-Share Index (total return)*.

(Source: Lipper, bid to bid basis, net income reinvested at ex-dividend date, Sterling terms).

ASSET ALLOCATION AS AT 31 JANUARY 2013



Source: Troy Asset Management.

MARKET REVIEW

Investors were well-rewarded for taking risk for the year to 31 January 2013. The first half of the year was relatively subdued and stock market returns were modest at best. For the six months to 31 July, the UK stock market returned +2.2% but in the second half of the year investors were dragooned by central bankers to take more risk. Mario Draghi's call to arms in June, "to do whatever it takes to preserve the euro", lit the fire in investors' bellies for a concerted advance in markets.

"Risk", according to Elroy Dimson of the London Business School, means "more things can happen than will happen". This sums up why the year surprised on the upside. Things that might have gone wrong didn't. The dangers of the euro imploding, a Chinese slowdown, or the US teetering off it's fiscal cliff, were averted (or at least postponed). The absence of awful news trumped the permanence of just bad news in forging investor psychology. Crisis fatigue set in and tired of earning nothing on cash, investors embraced risk assets.

* The indices are used by the Investment Manager for comparative purposes only. No benchmarks are required to be disclosed as per the Prospectus.

TROJAN FUND

ACD's Report (continued)

Investment Manager's Report (continued)

MARKET REVIEW *(continued)*

While unorthodox monetary stimuli managed to prod the financial markets awake, they have, so far, failed to revive Western economies. The eurozone, the United Kingdom and United States all posted negative GDP growth for the fourth quarter of 2012, while corporate profits growth also disappointed. According to Citigroup, back in late 2011, UK corporate earnings were forecast to grow by +9.7% in 2012. A year on, the outcome looks more like -7.1%, an implied downgrade of -15.3%, yet UK stocks rose by 12%. This disconnect between corporate profits and share prices may continue, but not indefinitely. Rising stock markets in 2012 were merely a function of reduced risk aversion.

The Fund's cautious positioning meant that the portfolio failed to respond to the burst of investor enthusiasm in the second half of the year. On the contrary, a number of core holdings lagged, in particular gold bullion, gold shares and index-linked gilts. In this challenging 'risk on/risk off' environment our aim is to preserve wealth rather than to capture short term moves in markets.

PORTFOLIO

Our bias is often toward inactivity and we made few changes to the portfolio during the year. We continue to construct the portfolio around the four pillars of blue chip equities, gold bullion & gold shares, index-linked bonds and cash, as we described in the last interim report. Recent strong moves in equity markets have made us even less optimistic about the prospective returns for stocks and the allocation has drifted lower – to around 40%. This has been in favour of cash. Cash is no longer a nil risk asset but it remains low risk. We have decided taking the certain real loss (after inflation) of holding cash is preferable to the uncertain risk of a material loss to capital through the purchase of overpriced equities and most bonds.

During the year, as new money came into the Fund, we added selectively to a few of our favoured holdings including Imperial Oil, Becton Dickinson and Company, Sage Group and Microsoft Corporation. We sold out of holdings in Vodafone Group, Centrica and Tesco. Notably, all of these sales are in highly capital intensive businesses that are not in charge of their own destiny. Vodafone Group is challenged by pricing pressures, changing regulation as well as the spending demands on fourth generation mobile infrastructure. In addition, the company has to pay the cost of renewing spectrum licences. The above average dividend yield is an incentive for shareholder loyalty but we question the sustainability of the pay-out. Over many years we have made good gains from Centrica. Rising gas prices have been one of the major contributors to the Retail Price Index over the past decade and we became concerned that the company was likely to become subject to a harsher regulatory environment. Finally, we are likely to sell holdings that fail to meet our own expectations. Tesco was sold after a profits warning.

It is almost four years since stock markets bottomed and after a strong and sustained rally it is harder to find new investments at attractive valuations. We added one new holding during the year. Altria Group, the parent of Philip Morris USA, has shown few difficulties in generating high margins and rising profits and therefore contrasts with the three holdings that we sold. The company has very little need for capital and rewards its shareholders handsomely with a dividend that has been increased 45 times in the past 43 years. This has been supplemented with share buybacks. Altria fits one of our main investment criteria; we want to invest in companies that pay us to own them, not vice versa. Altria also has a 27% stake in SABMiller, the emerging market brewer, which is on the books for \$5.5 billion, versus a market derived value of \$22 billion. Its sale would wipe out the group's debt and the stake provides shareholders with some hidden value.

OUTLOOK

Unorthodox monetary policies will not end well. Central bankers are guilty of style drift by shifting their stance from 'inflation targets' to 'targeting inflation'. They have, so far, failed to generate economic growth and frustration may lead them to ever more radical rigging of markets. Currency crises may not be far away as the race to debase currencies heats up. Remember inflation is dreadful for financial assets – bonds and equities.

There are no guarantees of an immediate reversal of stocks but the margin of safety is becoming thin again. Back in March 2009, in the days when cash was king, Jeremy Grantham of GMO wrote a prescient note called 'Reinvesting When Terrified'. His message was that you can never time the market bottom but it was time to begin to increase exposure to equities, in a methodical way. He called the bottom within days.

Four years on, we seem to be almost at the opposite extreme. In the same way that you will never catch the low you will not catch the high either. Rather than reinvesting when terrified, it is also appropriate to divest when fearless. Markets have a tendency to climb the stairs and go down in the lift. We are not market timers but we are value investors. If and when we cannot find value, we will bide our time – this may be a long and painful process, but at least we aim to protect your capital.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

22 February 2013

TROJAN FUND
ACD's Report (continued)
FUND INFORMATION

PERFORMANCE RECORD

'O' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	154.91	130.87	3.3885
2009	167.42	135.58	3.7058
2010	187.95	161.35	2.4673
2011	202.11	180.36	2.5743
2012	209.88	198.45	2.0062
2013*	208.56	203.10	0.6089

'O' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	169.66	145.38	4.2865
2009	190.74	152.77	3.5021
2010	217.25	184.79	2.8233
2011	236.81	209.54	3.0025
2012	248.33	233.49	2.3278
2013*	246.77	240.31	0.7211

'I' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	154.72	130.37	3.2023
2009	166.80	135.42	2.7984
2010	187.39	161.17	1.5310
2011	201.56	180.17	1.6779
2012	209.40	197.85	1.0012
2013*	207.78	202.41	0.0935

'I' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	168.95	144.92	3.6053
2009	188.99	151.99	2.8305
2010	214.20	183.00	1.7337
2011	232.58	206.50	1.9743
2012	242.83	228.77	1.1614
2013*	240.95	234.72	0.1078

'S' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	155.12	131.14	3.5791
2009	167.51	135.67	4.3804
2010	188.19	161.40	2.7647
2011	202.36	180.46	2.9900
2012	210.13	198.69	2.4223
2013*	208.97	203.47	0.8702

'S' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	171.11	146.60	4.5520
2009	192.61	154.10	3.8000
2010	219.43	186.65	3.1226
2011	239.70	211.70	3.4719
2012	251.86	236.57	2.8708
2013*	250.46	243.87	1.0419

* To 31 January 2013.

TROJAN FUND

ACD's Report (continued)

Fund Information (continued)

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.01.11	'O' Income	420,787,012	233,323,772	180.34
	'O' Accumulation	245,905,832	117,356,083	209.54
	'I' Income	27,852,416	15,459,596	180.16
	'I' Accumulation	82,115,373	39,764,271	206.51
	'S' Income	93,604,267	51,877,312	180.43
	'S' Accumulation	20,869,253	9,858,339	211.69
31.01.12	'O' Income	698,856,183	346,050,488	201.95
	'O' Accumulation	502,760,718	211,571,036	237.63
	'I' Income	78,067,711	38,706,828	201.69
	'I' Accumulation	264,097,416	113,250,142	233.20
	'S' Income	191,983,131	95,007,936	202.07
	'S' Accumulation	44,401,871	18,455,194	240.59
31.01.13	'O' Income	874,755,377	422,913,785	206.84
	'O' Accumulation	717,518,181	292,321,709	245.45
	'I' Income	113,898,988	55,140,801	206.56
	'I' Accumulation	432,212,134	180,356,763	239.64
	'S' Income	286,413,851	138,370,013	206.99
	'S' Accumulation	54,187,702	21,750,284	249.14

ONGOING CHARGES FIGURE

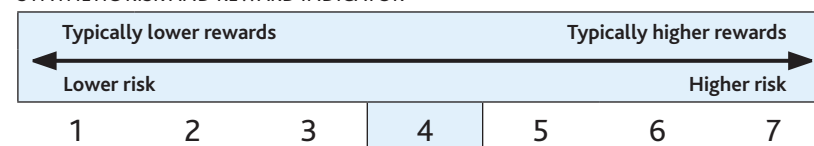
Expense Type	31.01.13 %		
	'O'	'I'	'S'
ACD's periodic charge	1.00	1.50	0.75
Other expenses	0.03	0.03	0.03
	1.03	1.53	0.78
Collective investment scheme costs	0.05	0.05	0.05
Ongoing charges figure	1.08	1.58	0.83

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund, expressed as a percentage of the average net assets during the accounting period.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

This report adopts the latest rules for UCITS and presents the OCF; the presentation of the Total Expense Ratio has been discontinued.

SYNTHETIC RISK AND REWARD INDICATOR



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.

FUND PERFORMANCE TO 31 JANUARY 2013 (%)

	1 year	3 years	5 years
Trojan Fund	3.63	32.60	54.10

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

Details of the distributions per share for the year are shown in the Distribution Table on pages 48 and 49.

TROJAN FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 JANUARY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	DEBT SECURITIES			
SG\$58,000,000	Singapore Treasury Bill 0% 01.02.13	29,554,495	1.19	
SG\$53,000,000	Singapore Treasury Bill 0% 08.02.13	27,006,154	1.09	
SG\$36,500,000	Singapore Treasury Bill 0% 15.02.13	18,597,452	0.75	
SG\$51,500,000	Singapore Treasury Bill 0% 01.03.13	26,238,067	1.06	
SG\$110,250,000	Singapore Treasury Bill 0% 08.03.13	56,167,295	2.26	
SG\$71,000,000	Singapore Treasury Bill 0% 01.04.13	36,165,160	1.46	
SG\$26,250,000	Singapore Treasury Bill 0% 05.04.13	13,370,606	0.54	
£23,800,000	UK Treasury 0% 04.02.13	23,799,340	0.96	
£26,200,000	UK Treasury 0% 11.02.13	26,196,739	1.06	
£124,500,000	UK Treasury 0% 25.02.13	124,473,315	5.02	
£20,000,000	UK Treasury 0% 04.03.13	19,994,338	0.81	
£22,000,000	UK Treasury 0% 11.03.13	21,992,880	0.89	
£80,500,000	UK Treasury 0% 25.03.13	80,464,598	3.24	
£103,025,500	UK Treasury 0.125% index-linked 2024	114,940,193	4.64	
£99,603,000	UK Treasury 1.875% index-linked 2022	154,798,799	6.24	
£32,496,000	UK Treasury 2.5% index-linked 2020	123,228,114	4.97	
US\$178,050,000	US Treasury 0.125% inflation indexed 2022	123,597,595	4.99	
US\$94,500,000	US Treasury 0.625% inflation indexed 2021	69,036,814	2.78	
US\$64,000,000	US Treasury 1.25% inflation indexed 2020	50,527,300	2.04	
US\$65,400,000	US Treasury 1.375% inflation indexed 2020	52,064,476	2.10	
	TOTAL DEBT SECURITIES	1,192,213,730	48.09	45.20
	EQUITIES			
	UNITED KINGDOM			
	OIL & GAS			
620,000	OIL & GAS PRODUCERS BG Group	6,940,900	0.28	0.50

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	CONSUMER GOODS			
	BEVERAGES			
291,519	Barr (A.G.)	1,566,915	0.06	
1,252,500	Diageo	23,503,162	0.95	
		25,070,077	1.01	1.06
	FOOD PRODUCERS			
1,264,000	Unilever	32,446,880	1.31	1.45
	TOBACCO			
2,096,000	British American Tobacco	68,801,200	2.77	2.84
	TOTAL CONSUMER GOODS	126,318,157	5.09	5.35
	HEALTH CARE			
	PHARMACEUTICALS & BIOTECHNOLOGY			
1,337,000	GlaxoSmithKline	19,326,335	0.78	1.06
	CONSUMER SERVICES			
	FOOD & DRUG RETAILERS			
1,757,022	Greggs	8,365,182	0.34	2.17
	TELECOMMUNICATIONS	–	–	0.91
	UTILITIES	–	–	1.45
	FINANCIALS			
	REAL ESTATE INVESTMENT TRUSTS	–	–	0.18

TROJAN FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	<i>EQUITY INVESTMENT INSTRUMENTS</i>			
9,091,011	Better Capital	13,591,061	0.55	
3,385,000	Mithras Investment Trust	3,791,200	0.15	
		<u>17,382,261</u>	<u>0.70</u>	<u>0.58</u>
	TOTAL FINANCIALS	<u>17,382,261</u>	<u>0.70</u>	<u>0.76</u>
	<i>TECHNOLOGY</i>			
	<i>SOFTWARE & COMPUTER SERVICES</i>			
10,000,000	Sage Group (The)	32,260,000	1.30	0.79
	TOTAL UNITED KINGDOM	<u>210,592,835</u>	<u>8.49</u>	<u>12.99</u>
	<i>CONTINENTAL EUROPE</i>			
752,000	Nestlé	33,288,109	1.34	1.54
	<i>AUSTRALIA</i>			
2,814,000	Newcrest Mining	43,320,554	1.75	1.69
	<i>NORTH AMERICA</i>			
1,000,000	Agnico-Eagle Mines	28,744,341	1.16	
2,304,150	Altria Group	48,947,803	1.97	
1,230,000	Becton, Dickinson and Company	65,175,815	2.63	
490	Berkshire Hathaway	45,082,961	1.82	
1,690,000	Coca-Cola Company (The)	39,685,341	1.60	
437,000	Colgate-Palmolive Company	29,611,294	1.20	
2,625,108	Imperial Oil	72,589,235	2.93	
567,500	Johnson & Johnson	26,452,132	1.07	
5,872,000	Microsoft Corporation	101,703,747	4.10	
2,150,000	Newmont Mining	58,257,669	2.35	
558,334	Philip Morris International	31,057,307	1.25	
1,359,000	Reynolds American	37,698,586	1.52	
	TOTAL NORTH AMERICA	<u>585,006,231</u>	<u>23.60</u>	<u>20.21</u>
	<i>COMMODITIES</i>			
129,531	BlackRock Gold and General*	1,534,948	0.06	
786,900	ETFS Physical Swiss Gold*	81,546,905	3.29	
2,190,000	Gold Bullion Securities*	221,563,824	8.94	
	TOTAL COMMODITIES	<u>304,645,677</u>	<u>12.29</u>	<u>12.12</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	<i>FORWARD CURRENCY CONTRACTS</i>			
US\$(729,000,000)	Vs £452,422,696 (expiry 18.03.13)	(7,486,054)	(0.30)	0.18
	Portfolio of investments#	2,361,581,082	95.26	93.93
	Net other assets	117,405,151	4.74	6.07
	Net assets	<u>2,478,986,233</u>	<u>100.00</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements and are ordinary shares unless stated otherwise.

All debt securities held are investment grade.

* Collective investment scheme.

Includes derivative liabilities.

TROJAN FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2013

Total purchases for the year (note 13) £5,428,897,782

Major purchases	Cost £
UK Treasury 0% 01.10.12	134,978,256
UK Treasury 0% 03.09.12	134,969,562
UK Treasury 0% 29.10.12	119,969,323
US Treasury 0.125% inflation indexed 2022	118,454,918
UK Treasury 0.125% index-linked 2024	109,303,764
UK Treasury 0% 25.02.13	124,474,620
UK Treasury 0% 28.01.13	103,963,187
Gold Bullion Securities	96,335,626
UK Treasury 0% 19.03.12	89,984,123
UK Treasury 0% 09.07.12	89,979,983
UK Treasury 0% 06.08.12	89,978,602
UK Treasury 0% 11.06.12	89,978,602
UK Treasury 0% 14.05.12	89,972,392
UK Treasury 0% 16.04.12	89,972,047
UK Treasury 0% 10.09.12	84,986,959
UK Treasury 0% 08.10.12	84,986,307
UK Treasury 0% 25.06.12	84,982,395
UK Treasury 0% 13.08.12	84,981,095
UK Treasury 0% 16.07.12	84,979,791
UK Treasury 0% 23.07.12	84,979,791

Total sales for the year (note 13) £4,788,741,996

Major sales	Proceeds £
UK Treasury 0% 03.09.12	135,000,000
UK Treasury 0% 01.10.12	135,000,000
UK Treasury 0% 29.10.12	120,000,000
UK Treasury 0% 20.02.12	115,000,000
UK Treasury 0% 28.01.13	104,000,000
UK Treasury 0% 19.03.12	90,000,000
UK Treasury 0% 16.04.12	90,000,000
UK Treasury 0% 14.05.12	90,000,000
UK Treasury 0% 11.06.12	90,000,000
UK Treasury 0% 09.07.12	90,000,000
UK Treasury 0% 06.08.12	90,000,000
UK Treasury 0% 02.04.12	85,000,000
UK Treasury 0% 30.04.12	85,000,000
UK Treasury 0% 28.05.12	85,000,000
UK Treasury 0% 18.06.12	85,000,000
UK Treasury 0% 25.06.12	85,000,000
UK Treasury 0% 16.07.12	85,000,000
UK Treasury 0% 23.07.12	85,000,000
UK Treasury 0% 13.08.12	85,000,000
UK Treasury 0% 10.09.12	85,000,000
UK Treasury 0% 08.10.12	85,000,000
UK Treasury 0% 31.12.12	85,000,000

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

TROJAN FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Income:					
Net capital gains	2		47,726,510		135,387,385
Revenue	3	42,080,197		30,231,587	
Expenses	4	(23,910,733)		(14,198,191)	
Finance costs: Interest	6	—		(21,508)	
Net revenue before taxation		18,169,464		16,011,888	
Taxation	5	(2,030,346)		(967,769)	
Net revenue after taxation			16,139,118		15,044,119
Total return before distributions			63,865,628		150,431,504
Finance costs: Distributions	6		(16,153,114)		(15,043,757)
Change in net assets attributable to shareholders from investment activities			47,712,514		135,387,747

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Opening net assets attributable to shareholders			1,780,167,030		891,134,153
Amounts receivable on issue of shares		677,641,671		764,020,608	
Amounts payable on cancellation of shares		(39,004,015)		(21,944,873)	
			638,637,656		742,075,735
Dilution levy charged	1(k)		5,253,200		4,384,591
Stamp duty reserve tax, net of credit	1(g)		(139,567)		(52,185)
Change in net assets attributable to shareholders from investment activities			47,712,514		135,387,747
Retained distribution on Accumulation shares			7,355,400		7,236,989
Closing net assets attributable to shareholders			2,478,986,233		1,780,167,030

BALANCE SHEET
AS AT 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
ASSETS					
Investment assets			2,369,067,136		1,672,122,316
Other assets					
Debtors	7	7,169,757		14,320,269	
Cash and bank balances		167,702,404		101,959,171	
Total other assets			174,872,161		116,279,440
Total assets			2,543,939,297		1,788,401,756
LIABILITIES					
Investment liabilities			(7,486,054)		—
Other liabilities					
Creditors	8	(48,629,923)		(1,713,271)	
Bank overdrafts		(5,006,312)		(2,424,338)	
Distribution payable on Income shares		(3,830,775)		(4,097,117)	
Total other liabilities			(57,467,010)		(8,234,726)
Total liabilities			(64,953,064)		(8,234,726)
Net assets attributable to shareholders			2,478,986,233		1,780,167,030

TROJAN FUND

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 JANUARY 2013

1. ACCOUNTING POLICIES

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements.

2. NET CAPITAL GAINS

The net capital gains during the year comprise:

	31.01.13 £	31.01.12 £
Non-derivative securities	47,498,590	137,203,183
Forward currency contracts	6,599,551	(3,809,142)
Transaction charges	(2,763)	(2,997)
Currency (losses)/gains	(6,368,868)	1,996,341
Net capital gains	<u>47,726,510</u>	<u>135,387,385</u>

3. REVENUE

Non-taxable dividends	23,192,816	16,054,799
UK property income distributions	46,747	65,446
Unfranked interest	18,704,746	14,111,083
Bank interest	135,888	259
Total revenue	<u>42,080,197</u>	<u>30,231,587</u>

4. EXPENSES

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's periodic charge	23,281,103	13,749,892
Legal and professional fees	22,782	–
Printing costs	6,800	6,710
Registration fees	69,055	52,782
	<u>23,379,740</u>	<u>13,809,384</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fees	298,425	196,489
Safe custody and other bank charges	204,467	172,861
	<u>502,892</u>	<u>369,350</u>

4. EXPENSES (continued)

Other expenses:

FCA fee	60	56
Fees paid to auditor – audit fees	8,100	8,100
– tax fees	3,000	3,000
Publication costs	8,223	8,301
Postage and distribution costs	8,718	–
	<u>28,101</u>	<u>19,457</u>
Total expenses	<u>23,910,733</u>	<u>14,198,191</u>

5. TAXATION

a) Analysis of charge for the year

Corporation tax at 20%	–	–
Overseas tax	2,030,346	967,769
Current tax charge (note 5b)	<u>2,030,346</u>	<u>967,769</u>
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	<u>2,030,346</u>	<u>967,769</u>

b) Factors affecting current 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%) (31.01.12 : 20%). The difference is explained below.

	31.01.13 £	31.01.12 £
Net revenue before taxation	18,169,464	16,011,888
Corporation tax at 20%	3,633,893	3,202,377
Effects of:		
Non-taxable dividends	(4,638,563)	(3,210,960)
Non-taxable RPI movement on UK index-linked gilts	(1,877,579)	(1,144,935)
Unutilised excess management expenses	2,882,249	1,153,518
Corporation tax charge	–	–
Overseas tax	2,030,346	967,769
Current tax charge (note 5a)	<u>2,030,346</u>	<u>967,769</u>

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

5. TAXATION (continued)

c) Deferred tax

At the year end there is a potential deferred tax asset of £5,028,311 (31.01.12 : £2,146,062) 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.

6. FINANCE COSTS

Distributions

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

	31.01.13 £	31.01.12 £
Interim	11,236,948	10,748,066
Final	6,359,747	6,978,763
	<u>17,596,695</u>	<u>17,726,829</u>
Add: Revenue deducted on cancellation of shares	86,047	34,766
Deduct: Revenue received on issue of shares	(1,529,628)	(2,717,838)
Net distributions for the year	<u>16,153,114</u>	<u>15,043,757</u>
Interest	–	21,508
Total finance costs	<u>16,153,114</u>	<u>15,065,265</u>

Details of the distributions per share are set out in the tables on pages 48 and 49.

	31.01.13 £	31.01.12 £
Distributions represented by:		
Net revenue after taxation	16,139,118	15,044,119
Allocations to capital:		
Equalisation on conversions*	13,953	–
Balance brought forward	583	221
Balance carried forward	(540)	(583)
Net distributions for the year	<u>16,153,114</u>	<u>15,043,757</u>

* 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 last distribution to conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

	31.01.13 £	31.01.12 £
7. DEBTORS		
Amounts receivable for issue of shares	5,137,477	11,970,385
Accrued revenue:		
Non-taxable dividends	455,851	806,150
Unfranked interest	1,259,625	949,457
Bank interest	18,017	–
	<u>1,733,493</u>	<u>1,755,607</u>
Dilution levy	76,709	79,652
Prepaid expenses	5,822	5,844
Refund of safe custody fees	–	2,160
Taxation recoverable:		
Income tax	13,089	13,089
Overseas withholding tax	203,167	493,532
	<u>216,256</u>	<u>506,621</u>
Total debtors	<u>7,169,757</u>	<u>14,320,269</u>
8. CREDITORS		
Amounts payable for cancellation of shares	1,948,851	30,426
Purchases awaiting settlement	44,281,309	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,237,141	1,567,021
Legal and professional fees	1,206	–
Printing costs	3,472	3,256
Registration fees	6,652	5,226
	<u>2,248,471</u>	<u>1,575,503</u>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	28,170	20,980
Transaction charges	1,192	860
Safe custody and other bank charges	84,846	67,489
	<u>114,208</u>	<u>89,329</u>

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

	31.01.13 £	31.01.12 £
8. CREDITORS (continued)		
Other expenses	16,712	14,100
Taxation payable:		
Stamp duty reserve tax	20,372	3,913
Total creditors	<u>48,629,923</u>	<u>1,713,271</u>

9. RELATED PARTY TRANSACTIONS

Disclosure is made in note 9 of the Notes to the Aggregated Financial Statements.

10. SHAREHOLDER FUNDS

Disclosure is made in note 10 of the Notes to the Aggregated Financial Statements.

11. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.12 : none).

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 12 of the Notes to the Aggregated Financial Statements. Disclosures specific to this sub-fund are made below in relation to numeric disclosure of interest rate risk, numeric disclosure of foreign currency risk and derivatives.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

	31.01.13 £	31.01.12 £
Floating rate assets:		
Singapore dollars	42,048	70,103
US dollars	295,226,185	171,418,940
Pounds sterling	560,627,462	357,796,985
	<u>855,895,695</u>	<u>529,286,028</u>
Floating rate liabilities:		
Pounds sterling	(5,006,312)	(2,424,338)
Fixed rate assets:		
Singapore dollars	207,099,229	102,424,063
Pounds sterling	296,921,210	274,947,505
	<u>504,020,439</u>	<u>377,371,568</u>

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

	31.01.13 £	31.01.12 £
i. Interest rate risk (continued)		
Assets on which interest is not paid:		
Australian dollars	43,320,554	30,093,945
Canadian dollars	101,333,576	62,095,143
Swiss francs	33,491,276	27,526,677
US dollars	787,006,648	512,019,941
Pounds sterling	671,293,805	506,738,440
	<u>1,636,445,859</u>	<u>1,138,474,146</u>
Liabilities on which interest is not paid:		
Australian dollars	(12,690,181)	–
US dollars	(491,499,878)	(256,729,986)
Pounds sterling	(8,179,389)	(5,810,388)
	<u>(512,369,448)</u>	<u>(262,540,374)</u>
Net assets	<u>2,478,986,233</u>	<u>1,780,167,030</u>

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents and index-linked securities that earn interest at rates adjusted by changes in the UK Retail Price Index (RPI) or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities other than equities and Collective Investment Schemes, which do not have maturity dates.

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

	31.01.13 Gross £	31.01.13 Hedged £	31.01.13 Net £
Currency:			
Australian dollars	30,630,373	–	30,630,373
Canadian dollars	101,333,576	–	101,333,576
Singapore dollars	207,141,277	–	207,141,277
Swiss francs	33,491,276	–	33,491,276
US dollars	1,050,641,705	(459,908,750)	590,732,955
	<u>1,423,238,207</u>	<u>(459,908,750)</u>	<u>963,329,457</u>
Pounds sterling	1,063,234,080	452,422,696	1,515,656,776
Net assets	<u>2,486,472,287</u>	<u>(7,486,054)</u>	<u>2,478,986,233</u>

TROJAN FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

ii. Foreign currency risk (continued)

	31.01.12 Gross £	31.01.12 Hedged £	31.01.12 Net £
Currency:			
Australian dollars	30,093,945	–	30,093,945
Canadian dollars	62,095,143	–	62,095,143
Singapore dollars	102,494,166	–	102,494,166
Swiss francs	27,526,677	–	27,526,677
US dollars	683,438,881	(256,729,986)	426,708,895
	<u>905,648,812</u>	<u>(256,729,986)</u>	<u>648,918,826</u>
Pounds sterling	871,281,197	259,967,007	1,131,248,204
Net assets	<u>1,776,930,009</u>	<u>3,237,021</u>	<u>1,780,167,030</u>

iii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward currency 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/(losses) on forward currency contracts during the year are set out in the Portfolio Statement, note 12ii and note 2, respectively.

The intention in using the forward currency contracts is, where deemed appropriate, to reduce the risk profile of the sub-fund by managing the exposure of the sub-fund to currency exchange risk and leave the sub-fund primarily exposed to the underlying market risk 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 the interests of efficient portfolio management.

	31.01.13 £	31.01.12 £
13. PORTFOLIO TRANSACTION COSTS		
Analysis of total purchase costs		
Purchases in year before transaction costs	5,428,190,960	2,808,614,396
Transaction costs:		
Commissions	573,613	462,068
Stamp duty and other charges	133,209	243,957
	<u>706,822</u>	<u>706,025</u>
Gross purchases total	<u>5,428,897,782</u>	<u>2,809,320,421</u>
Analysis of total sale costs		
Gross sales before transaction costs	4,788,841,228	2,099,109,444
Transaction costs:		
Commissions	(99,211)	(6,330)
Other charges	(21)	(10)
	<u>(99,232)</u>	<u>(6,340)</u>
Total sales net of transaction costs	<u>4,788,741,996</u>	<u>2,099,103,104</u>

TROJAN FUND

Financial Statements (continued)

DISTRIBUTION TABLES

FOR THE YEAR ENDED 31 JANUARY 2013 – IN PENCE PER SHARE

Interim

Group 1 – Shares purchased prior to 1 February 2012

Group 2 – Shares purchased on or after 1 February 2012 and on or before 31 July 2012

'O' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	1.1517	–	1.1517	1.6386
Group 2	0.5620	0.5897	1.1517	1.6386

'O' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	1.3258	–	1.3258	1.9055
Group 2	0.6243	0.7015	1.3258	1.9055

'I' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	0.5932	–	0.5932	1.1844
Group 2	0.2400	0.3532	0.5932	1.1844

'I' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	0.6880	–	0.6880	1.3607
Group 2	0.2706	0.4174	0.6880	1.3607

'S' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	1.3885	–	1.3885	1.8751
Group 2	0.5220	0.8665	1.3885	1.8751

'S' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	1.6485	–	1.6485	2.1996
Group 2	0.1575	1.4910	1.6485	2.1996

Final

Group 1 – Shares purchased prior to 1 August 2012

Group 2 – Shares purchased on or after 1 August 2012 and on or before 31 January 2013

'O' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.6089	–	0.6089	0.8545
Group 2	0.2290	0.3799	0.6089	0.8545

'O' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	0.7211	–	0.7211	1.0020
Group 2	0.2647	0.4564	0.7211	1.0020

'I' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.0935	–	0.0935	0.4080
Group 2	0.0000	0.0935	0.0935	0.4080

'I' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	0.1078	–	0.1078	0.4734
Group 2	0.0000	0.1078	0.1078	0.4734

'S' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.8702	–	0.8702	1.0338
Group 2	0.2962	0.5740	0.8702	1.0338

'S' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	1.0419	–	1.0419	1.2223
Group 2	0.3178	0.7241	1.0419	1.2223

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). 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.

TROJAN CAPITAL FUND
ACD'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2013

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Trojan Capital 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.

CAPITA FINANCIAL MANAGERS LIMITED
ACD of Trojan Capital Fund
17 May 2013

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the year to 31 January 2013 the Fund's 'I' Accumulation share class produced a total return of +10.0% compared to a total return of +0.5% for the LIBID Index* and +16.1% for the MSCI World Index*.

(Source: Lipper, net income reinvested at ex-dividend date, Sterling terms).

MARKET REVIEW

The twelve months to 31 January 2013 turned out to be a strong year for equities and many markets ended the period at multi-year highs. Most major markets produced solid mid-teens returns for the year and, somewhat surprisingly, European equities were the strongest performing region in sterling terms. Positive features underlying these moves included some recovery in US housing, a belief that shale gas production will underpin US competitiveness, a Chinese economy not being as weak as feared and healthy corporate cash-flows. However, the global economy was lacklustre at best and Europe was particularly weak. Asset prices continue to be buoyed by the forces of Quantitative Easing and zero interest rates, the so-called 'financial repression'. As we have discussed many times in Troy missives, the unintended long term economic and social consequences of this monetary experiment are an ever-present concern.

The Fund produced a strong absolute return for the twelve months but lagged the benchmark MSCI World Index as our liquidity, held in cash and gold, weighed on relative performance. Although 2012 was characterised by very strong performance from more economically sensitive stocks, which we tend not to own, many of our more stable consumer companies, including Diageo, Heineken, Altria and Reckitt Benckiser Group, also performed well over the twelve months. Healthcare stocks Roche Holdings, Novartis, Medtronic and Johnson & Johnson all made a valuable contribution, and there were strong share price gains from a number of medium and smaller sized companies such as Ted Baker, PayPoint and Société BIC.

Detractors to performance included the gold miners Newmont and Newcrest and the shares of oil companies BG Group, BP and Imperial Oil. The holding in Microsoft Corporation was also a drag as the launch of Windows 8 failed to inspire. Microsoft Corporation continues to dominate the business software market, generates prodigious amounts of cash and enjoys a rock solid balance sheet. It is returning substantial amounts of cash to shareholders and Microsoft Corporation remains a core holding in the Fund.

PORTFOLIO

Eight new stocks were added to the portfolio in the twelve months to the end of January 2013 and three companies were sold. The geographical orientation of the Fund has changed such that European equities now represent 20% of the portfolio, up from 8% in January 2012. North America is now 27% (up from 25%) and the UK weight has fallen to 36% from 42%. Asia now represents 4% of assets and cash levels have come down to 5% (from 16%). The Fund continues to have an exposure to gold with a holding in Gold Bullion Securities.

* The indices are used by the Investment Manager for comparative purposes only. No benchmarks are required to be disclosed as per the Prospectus.

TROJAN CAPITAL FUND

ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO (continued)

At Troy we aim to invest in companies that can compound solid returns over time. In order to achieve these great compounded returns the companies need to have strong competitive advantages over their rivals and maintain high barriers to entry that restrict the arrival of new competitors. They must produce high and sustainable returns on their capital, generate healthy cash flows and operate with low levels of debt. In addition, it is very important to us that our companies are run by people we can trust and whose interests are aligned with ours as shareholders. Finally, we need to be able to buy these great companies at an attractive price.

With all of this in mind we invested in the Dutch brewer Heineken in February of 2012, a company we have known and admired for many years. Heineken has brewed beer since 1864 and the Heineken family still control 51% of the company. The business has operated in America since just after the end of Prohibition and it has been in Asia since 1937. Heineken is the largest brewer in Europe and generates more than half of its profits from developing countries such as Nigeria, Vietnam and Mexico where beer consumption per capita is growing with rising incomes. In addition, an on-going cost efficiency programme underpins margins and cash flow, whilst their recent purchase of the remaining shares of Asia Pacific Breweries gives them control of one of the most attractive assets in the global beer industry. Valued at a current year price-to-earnings ('P/E') multiple of 16.5x and a free cash flow yield of 5.5%, Heineken's shares are not a steal, but they do compare favourably to other global consumer staples companies of a similar calibre.

We have made a number of investments in the healthcare sector this year by adding new companies to the portfolio and increasing existing holdings such that the sector now represents over 21% of the Fund. The global healthcare industry is not without its challenges as public health budgets come under pressure in developed markets and popular drugs lose their patent protection from generic competition. However, there are some exceptional companies in this area that generate significant amounts of cash, have high returns on capital and continue to grow revenues and profits despite the more challenging industry backdrop. Valuations fell to very compelling levels last year and Swiss pharmaceutical company Novartis was purchased for the Fund. We also added to existing holdings in Roche Holding and medical device businesses Medtronic and Becton, Dickinson and Company.

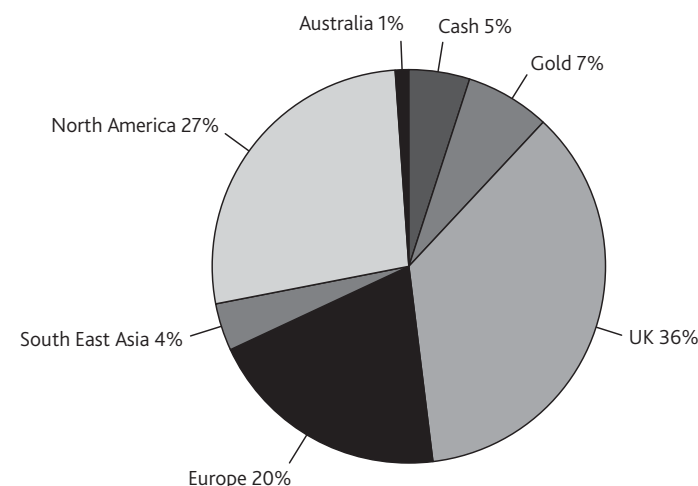
Further afield, an investment was made in the Indonesian tobacco group Gudang Garam ('GG'). Gudang Garam is Indonesia's second largest tobacco company and the only independent quoted company left after the other main competitors were purchased by Philip Morris International and British American Tobacco. GG dominates the clove segment in Indonesia, which represents 90% of cigarettes smoked. Revenues are growing in excess of 10% a year, cash flow is strong, dividends have increased by more than 30% in recent years and returns on capital are well above average. We believe Gudang Garam provides interesting overseas diversification for the Fund.

Staying in Asia, Jardine Matheson Holdings was added to the portfolio late in 2012. Founded in 1832 as a trading business, and still controlled by the Keswick family, Jardine Matheson Holdings is a diversified group of businesses with interests across Asia. Management have proven to be excellent stewards of capital and are true long term investors with a track record of delivering consistent growth and returns over many years.

Tesco, Dechra Pharmaceuticals and Centrica were sold from the portfolio. Tesco was a disappointing investment as its management struggled to deal with the changing face of the retail market. Too much capacity has been added to the industry, merchandising has been poor, the consumer is under pressure and the Internet has changed customer behaviour forever. Tesco has executed poorly, not helped by their wasteful foray into the US. The veterinary specialist Dechra Pharmaceuticals was sold on the announcement of an expensive acquisition which displayed poor capital discipline by management. Having served the Fund well, Centrica was sold in November 2012.

We are encouraged that, despite the very challenging macro-economic backdrop, the overall financial characteristics of the Fund are very healthy. The Fund has a weighted average p/e of 14.6x, a return on equity of 36% and a free cash flow yield just over 5%. The average financial gearing as measured by total debt to earnings before interest, tax, depreciation and amortization is low at 1.4x and a number of our companies have net cash. The Fund has a weighted average market capitalisation of £50 billion and 23% of the portfolio is invested in companies with a market capitalisation of less than £5 billion.

ASSET ALLOCATION AS AT 31 JANUARY 2013



Source: Troy Asset Management.

OUTLOOK

We enter 2013 with many of the same challenges we have faced for the past few years; very high levels of public debt, aggressive and unorthodox monetary policies compressing global asset yields, and low levels of economic growth. Our response as equity investors to this very difficult environment is to own the best companies we can find that are growing and delivering high returns on capital and where valuations offer a decent margin of safety. We expect that the exceptionally low levels of stock market volatility we are currently seeing will not last and so we retain some liquidity in anticipation of stormier times.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

22 February 2013

TROJAN CAPITAL FUND

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'O' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	111.65	86.05	1.9966
2009	112.40	86.62	3.2400
2010	126.46	107.65	2.2439
2011	132.52	118.24	1.9941
2012	139.51	128.56	1.6490
2013*	144.00	135.30	0.4343

'O' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	112.20	87.47	2.7151
2009	121.49	92.04	2.7574
2010	139.50	117.12	2.4392
2011	147.03	131.06	2.2204
2012	158.30	144.72	1.8705
2013*	163.39	153.52	0.5028

'I' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	111.22	85.63	1.6710
2009	113.41	87.50	3.0650
2010	127.39	108.75	1.7251
2011	133.48	119.27	1.4397
2012	140.65	129.54	1.0279
2013*	144.96	136.25	0.1095

'I' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	114.41	89.92	1.6417
2009	117.51	89.37	2.2176
2010	134.27	113.22	1.7897
2011	141.02	126.02	1.5065
2012	151.05	138.35	1.1128
2013*	155.68	146.33	0.1175

'S' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	111.52	85.84	1.8496
2009	112.31	86.75	3.6600
2010	126.44	107.72	2.0680
2011	132.72	118.32	2.1326
2012	139.63	128.73	2.0249
2013*	144.24	135.50	0.6215

'S' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2008	114.01	89.37	2.3576
2009	120.76	91.57	2.8440
2010	138.64	116.40	2.3280
2011	146.33	130.31	2.3360
2012	157.79	144.11	2.1604
2013*	163.00	153.12	0.7081

* To 31 January 2013.

TROJAN CAPITAL FUND

ACD's Report (continued)

Fund Information (continued)

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.01.11	'O' Income	21,950,869	18,125,955	121.10
	'O' Accumulation	34,434,828	25,654,149	134.23
	'I' Income	53,140	43,479	122.22
	'I' Accumulation	406,199	314,565	129.13
	'S' Income	19,517	16,111	121.14
	'S' Accumulation	334	250	133.43
31.01.12	'O' Income	18,583,022	14,185,517	131.00
	'O' Accumulation	40,833,373	27,691,836	147.46
	'I' Income	279,581	211,497	132.19
	'I' Accumulation	2,566,146	1,817,679	141.18
	'S' Income	21,176	16,159	131.05
	'S' Accumulation	367	250	146.75
31.01.13	'O' Income	22,851,708	16,023,145	142.62
	'O' Accumulation	53,653,575	33,054,176	162.32
	'I' Income	702,268	488,056	143.89
	'I' Accumulation	8,336,343	5,390,334	154.65
	'S' Income	4,248,037	2,977,476	142.67
	'S' Accumulation	52,322	32,312	161.93

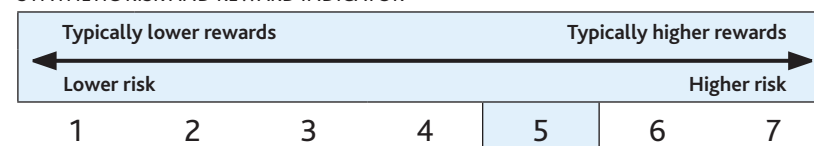
ONGOING CHARGES FIGURE

Expense Type	31.01.13 %		
	'O'	'I'	'S'
ACD's periodic charge	1.00	1.50	0.75
Other expenses	0.14	0.14	0.14
Ongoing charges figure	1.14	1.64	0.89

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund, expressed as a percentage of the average net assets during the accounting period.

This report adopts the latest rules for UCITS and presents the OCF; the presentation of the Total Expense Ratio has been discontinued.

SYNTHETIC RISK AND REWARD INDICATOR



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.

FUND PERFORMANCE TO 31 JANUARY 2013 (%)

	1 year	3 years	5 years
Trojan Capital Fund	9.98	35.28	52.17

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

Details of the distributions per share for the year are shown in the Distribution Tables on pages 74 and 75.

TROJAN CAPITAL FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 JANUARY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	UNITED KINGDOM			
	OIL & GAS			
	<i>OIL & GAS PRODUCERS</i>			
166,500	BG Group	1,863,968	2.07	
260,000	BP	1,213,550	1.35	
		<u>3,077,518</u>	<u>3.42</u>	<u>5.02</u>
	INDUSTRIALS			
	<i>SUPPORT SERVICES</i>			
202,500	Experian	2,189,025	2.43	
100,000	PayPoint	825,500	0.92	
		<u>3,014,525</u>	<u>3.35</u>	<u>4.04</u>
	CONSUMER GOODS			
	<i>BEVERAGES</i>			
105,180	Barr (A.G.)	565,342	0.63	
530,000	Britvic	2,374,400	2.64	
118,000	Diageo	2,214,270	2.46	
		<u>5,154,012</u>	<u>5.73</u>	<u>3.33</u>
	<i>FOOD PRODUCERS</i>			
152,000	Unilever	3,901,840	4.34	3.96
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION</i>			
67,500	Reckitt Benckiser Group	2,836,350	3.16	–
	<i>TOBACCO</i>			
93,000	British American Tobacco	3,052,725	3.40	
96,000	Imperial Tobacco Group	2,251,200	2.51	
		<u>5,303,925</u>	<u>5.91</u>	<u>7.20</u>
	TOTAL CONSUMER GOODS	<u>17,196,127</u>	<u>19.14</u>	<u>14.49</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	HEALTH CARE			
	<i>PHARMACEUTICALS & BIOTECHNOLOGY</i>			
106,000	GlaxoSmithKline	1,532,230	1.71	3.75
	<i>CONSUMER SERVICES</i>			
	<i>FOOD & DRUG RETAILERS</i>			
270,000	Greggs	1,285,470	1.43	5.33
	<i>GENERAL RETAILERS</i>			
35,000	Ted Baker	415,450	0.46	0.41
	TOTAL CONSUMER SERVICES	<u>1,700,920</u>	<u>1.89</u>	<u>5.74</u>
	UTILITIES	–	–	0.85
	FINANCIALS			
	<i>REAL ESTATE INVESTMENT TRUSTS</i>			
1,300,000	London Metric Property	1,431,300	1.59	2.19
	<i>FINANCIAL SERVICES</i>			
155,000	Rathbone Brothers	2,080,100	2.32	2.85
	TOTAL FINANCIALS	<u>3,511,400</u>	<u>3.91</u>	<u>5.04</u>
	TECHNOLOGY			
	<i>SOFTWARE & COMPUTER SERVICES</i>			
801,000	Sage Group (The)	2,584,026	2.88	2.94
	TOTAL UNITED KINGDOM	<u>32,616,746</u>	<u>36.30</u>	<u>41.87</u>
	CONTINENTAL EUROPE			
21,900	Heineken	971,068	1.08	
40,200	Heineken Holding	1,497,872	1.67	
74,000	Nestlé	3,275,691	3.65	

TROJAN CAPITAL FUND
ACD's Report (continued)
Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	CONTINENTAL EUROPE <i>(continued)</i>			
97,800	Novartis	4,200,500	4.67	
30,300	Roche Holding	4,227,392	4.70	
20,000	SAP	1,034,424	1.15	
34,000	Société BIC	2,872,260	3.20	
	TOTAL CONTINENTAL EUROPE	18,079,207	20.12	7.66
	AUSTRALIA			
71,000	Newcrest Mining	1,093,020	1.22	2.59
	NORTH AMERICA			
126,000	Altria Group	2,676,659	2.98	
58,100	Becton, Dickinson and Company	3,078,630	3.43	
14,000	Coach	450,348	0.50	
84,000	Coca-Cola Company (The)	1,972,526	2.20	
35,200	Colgate-Palmolive Company	2,385,166	2.65	
80,200	Imperial Oil	2,217,683	2.47	
60,000	Johnson & Johnson	2,796,701	3.11	
97,000	Medtronic	2,849,235	3.17	
232,300	Microsoft Corporation	4,023,464	4.48	
50,000	Newmont Mining	1,354,830	1.51	
	TOTAL NORTH AMERICA	23,805,242	26.50	24.95
	ASIA			
540,000	Gudang Garam	1,807,906	2.01	
50,000	Jardine Matheson Holdings	2,043,913	2.28	
		3,851,819	4.29	–
	COMMODITIES			
62,000	Gold Bullion Securities*	6,272,583	6.98	7.15

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	FORWARD CURRENCY CONTRACTS			
€(5,950,000)	Vs £4,785,844 (expiry 25.02.13)	(309,467)	(0.34)	
IDR(29,180,000,000)	Vs £1,868,656 (expiry 06.03.13)	(15,551)	(0.02)	
	TOTAL FORWARD CURRENCY CONTRACTS	(325,018)	(0.36)	–
	Portfolio of investments#	85,393,599	95.05	84.22
	Net other assets	4,450,654	4.95	15.78
	Net assets	89,844,253	100.00	100.00

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements and are ordinary shares unless stated otherwise.

* Collective investment schemes.

Includes derivative liabilities.

TROJAN CAPITAL FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2013

Total purchases for the year (note 13) £31,039,385

Major purchases	Cost £
Novartis	3,565,694
Altria Group	2,511,595
Reckitt Benckiser Group	2,459,980
Britvic	2,069,150
Gold Bullion Securities	2,001,371
Gudang Garam	1,921,739
Jardine Matheson Holdings	1,896,568
Roche Holding	1,816,893
Becton, Dickinson and Company	1,414,756
Microsoft Corporation	1,245,221
Heineken Holding	1,137,486
Nestlé	1,043,221
Imperial Oil	1,012,145
SAP	993,644
Heineken	695,264
Société BIC	676,416
Dechra Pharmaceuticals	652,708
Unilever	634,960
Medtronic	593,228
Sage Group (The)	526,420

Total sales for the year (note 13) £4,631,767

Sales	Proceeds £
Tesco	1,403,704
Dechra Pharmaceuticals	1,385,802
Greggs	833,081
Centrica	581,294
PayPoint	351,251
Dechra Pharmaceuticals <i>rights</i>	76,635

The summary of material portfolio changes represents the 20 largest purchases and all of the sales during the year.

TROJAN CAPITAL FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Income:					
Net capital gains	2		6,592,389		4,424,304
Revenue	3	1,860,604		1,628,178	
Expenses	4	(902,397)		(652,489)	
Finance costs: Interest	6	—		—	
Net revenue before taxation		958,207		975,689	
Taxation	5	(125,491)		(75,753)	
Net revenue after taxation			832,716		899,936
Total return before distributions			7,425,105		5,324,240
Finance costs: Distributions	6		(832,687)		(899,947)
Change in net assets attributable to shareholders from investment activities			6,592,418		4,424,293

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Opening net assets attributable to shareholders			62,283,665		56,864,887
Amounts receivable on issue of shares		25,112,987		8,518,635	
Amounts payable on cancellation of shares		(4,891,440)		(8,210,494)	
			20,221,547		308,141
Dilution levy charged	1(k)		178,566		89,608
Stamp duty reserve tax, net of credit	1(g)		(11,758)		(8,286)
Change in net assets attributable to shareholders from investment activities			6,592,418		4,424,293
Retained distribution on Accumulation shares			579,815		605,022
Closing net assets attributable to shareholders			89,844,253		62,283,665

BALANCE SHEET
AS AT 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
ASSETS					
Investment assets			85,718,617		52,453,038
Other assets					
Debtors	7	360,320		327,255	
Cash and bank balances		4,750,940		9,752,242	
Total other assets			5,111,260		10,079,497
Total assets			90,829,877		62,532,535
LIABILITIES					
Investment liabilities			(325,018)		—
Other liabilities					
Creditors	8	(571,978)		(167,153)	
Distribution payable on Income shares		(88,628)		(81,717)	
Total other liabilities			(660,606)		(248,870)
Total liabilities			(985,624)		(248,870)
Net assets attributable to shareholders			89,844,253		62,283,665

TROJAN CAPITAL FUND
Financial Statements (continued)
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 JANUARY 2013

1. ACCOUNTING POLICIES

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements.

	31.01.13	31.01.12
	£	£
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	6,786,626	4,560,724
Derivative contracts	76,634	–
Forward currency contracts	(308,188)	(148,084)
Transaction charges	(886)	(331)
Currency gains	38,203	11,995
Net capital gains	<u>6,592,389</u>	<u>4,424,304</u>
3. REVENUE		
Non-taxable dividends	1,812,591	1,600,048
UK property income distributions	35,100	28,125
Bank interest	12,906	5
Other interest	7	–
Total revenue	<u>1,860,604</u>	<u>1,628,178</u>
4. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	795,263	586,206
Legal and professional fees	22,782	–
Printing costs	5,112	5,503
Registration fees	4,710	3,418
	<u>827,867</u>	<u>595,127</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	36,361	27,778
Safe custody and other bank charges	17,573	10,127
	<u>53,934</u>	<u>37,905</u>

	31.01.13	31.01.12
	£	£
4. EXPENSES (continued)		
Other expenses:		
FCA fee	60	56
Fees paid to auditor – audit fees	8,100	8,100
– tax fees	3,000	3,000
Publication costs	8,413	8,301
Postage and distribution costs	1,023	–
	<u>20,596</u>	<u>19,457</u>
Total expenses	<u>902,397</u>	<u>652,489</u>
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	125,491	75,753
Current tax charge (note 5b)	<u>125,491</u>	<u>75,753</u>
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	<u>125,491</u>	<u>75,753</u>
b) Factors affecting current 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%) (31.01.12 : 20%) for the reasons explained below.		
	31.01.13	31.01.12
	£	£
Net revenue before taxation	<u>958,207</u>	<u>975,689</u>
Corporation tax at 20%	191,641	195,138
Effects of:		
Non-taxable dividends	(362,518)	(320,010)
Unutilised excess management expenses	<u>170,877</u>	<u>124,872</u>
Corporation tax charge	–	–
Overseas tax	<u>125,491</u>	<u>75,753</u>
Current tax charge (note 5a)	<u>125,491</u>	<u>75,753</u>

TROJAN CAPITAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

5. TAXATION (continued)

c) Deferred tax

At the year end there is a potential deferred tax asset of £425,283 (31.01.12 : £254,406) 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.

6. FINANCE COSTS

Distributions

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

	31.01.13 £	31.01.12 £
Interim	615,912	620,025
Final	261,387	266,860
	<u>877,299</u>	<u>886,885</u>
Add: Revenue deducted on cancellation of shares	24,157	44,589
Deduct: Revenue received on issue of shares	(68,769)	(31,527)
Net distributions for the year	<u>832,687</u>	<u>899,947</u>
Interest	–	–
Total finance costs	<u>832,687</u>	<u>899,947</u>

Details of the distributions per share are set out in the tables on pages 74 and 75.

	31.01.13 £	31.01.12 £
Distributions represented by:		
Net revenue after taxation	832,716	899,936
Balance brought forward	12	23
Balance carried forward	(41)	(12)
Net distributions for the year	<u>832,687</u>	<u>899,947</u>

31.01.13
£

31.01.12
£

7. DEBTORS

Amounts receivable for issue of shares	200,149	216,786
Accrued revenue:		
Non-taxable dividends	96,375	72,818
Bank interest	759	–
	<u>97,134</u>	<u>72,818</u>
Dilution levy	1,460	1,584
Prepaid expenses	5,631	5,844
Refund of safe custody fees	–	390
Taxation recoverable:		
Income tax	–	2,245
Overseas withholding tax	55,946	27,588
	<u>55,946</u>	<u>29,833</u>
Total debtors	<u>360,320</u>	<u>327,255</u>

8. CREDITORS

Amounts payable for cancellation of shares	9,506	89,224
Purchases awaiting settlement	458,719	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	76,787	53,829
Legal and professional fees	1,206	–
Printing costs	2,778	2,763
Registration fees	455	336
	<u>81,226</u>	<u>56,928</u>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3,377	2,530
Transaction charges	370	25
Safe custody and other bank charges	6,170	4,143
	<u>9,917</u>	<u>6,698</u>

	31.01.13	31.01.12
	£	£
8. CREDITORS <i>(continued)</i>		
Other expenses	11,387	14,100
Taxation payable:		
Stamp duty reserve tax	1,223	203
Total creditors	<u>571,978</u>	<u>167,153</u>

9. RELATED PARTY TRANSACTIONS

Disclosure is made in note 9 of the Notes to the Aggregated Financial Statements.

10. SHAREHOLDER FUNDS

Disclosure is made in note 10 of the Notes to the Aggregated Financial Statements.

11. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.12 : none).

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 12 of the Notes to the Aggregated Financial Statements. Disclosures specific to this sub-fund are made below in relation to numeric disclosure of interest rate risk, numeric disclosure of foreign currency risk and derivatives.

i. *Interest rate risk*

The table below shows the direct interest rate risk profile:

	31.01.13	31.01.12
	£	£
Floating rate assets:		
Pounds sterling	4,750,940	9,752,242
Assets on which interest is not paid:		
Australian dollars	1,093,020	1,611,365
Canadian dollars	2,217,683	1,386,491
Euros	6,375,624	1,412,698
Indonesian rupiah	1,807,906	–
Swiss francs	11,759,529	3,381,076
US dollars	29,929,486	18,617,082
Pounds sterling	39,550,189	26,371,581
	<u>92,733,437</u>	<u>52,780,293</u>

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS *(continued)*

	31.01.13	31.01.12
	£	£
i. <i>Interest rate risk (continued)</i>		
Liabilities on which interest is not paid:		
Euros	(5,095,311)	–
Indonesian rupiah	(1,884,207)	–
US dollars	(458,719)	–
Pounds sterling	(201,887)	(248,870)
	<u>(7,640,124)</u>	<u>(248,870)</u>
Net assets	<u>89,844,253</u>	<u>62,283,665</u>

The floating rate financial assets comprise bank balance positions which earn interest at rates linked to the Bank of England base rate or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities other than equities and Collective Investment Schemes, which do not have maturity dates.

ii. *Foreign currency risk*

The table below shows the direct foreign currency risk profile:

	31.01.13	31.01.13	31.01.13
	Gross £	Hedged £	Net £
Currency:			
Australian dollars	1,093,020	–	1,093,020
Canadian dollars	2,217,683	–	2,217,683
Euros	6,375,624	(5,095,311)	1,280,313
Indonesian rupiah	1,807,906	(1,884,207)	(76,301)
Swiss francs	11,759,529	–	11,759,529
US dollars	29,470,767	–	29,470,767
	<u>52,724,529</u>	<u>(6,979,518)</u>	<u>45,745,011</u>
Pounds sterling	37,444,742	6,654,500	44,099,242
Net assets	<u>90,169,271</u>	<u>(325,018)</u>	<u>89,844,253</u>

TROJAN CAPITAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

ii. Foreign currency risk (continued)

	31.01.12 Gross £	31.01.12 Hedged £	31.01.12 Net £
Currency:			
Australian dollars	1,611,365	–	1,611,365
Canadian dollars	1,386,491	–	1,386,491
Euros	1,412,698	–	1,412,698
Swiss francs	3,381,076	–	3,381,076
US dollars	18,617,082	–	18,617,082
	<u>26,408,712</u>	<u>–</u>	<u>26,408,712</u>
Pounds sterling	35,874,553	–	35,874,953
	<u>62,283,665</u>	<u>–</u>	<u>62,283,665</u>
Net assets			
	<u>62,283,665</u>	<u>–</u>	<u>62,283,665</u>

iii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward currency 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/(losses) on forward currency contracts during the year are set out in the Portfolio Statement, note 12ii and note 2, respectively.

The intention in using the forward currency contracts is, where deemed appropriate, to reduce the risk profile of the sub-fund by managing the exposure of the sub-fund to currency exchange risk and leave the sub-fund primarily exposed to the underlying market risk 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 the interests of efficient portfolio management.

	31.01.13 £	31.01.12 £
13. PORTFOLIO TRANSACTION COSTS		
Analysis of total purchase costs		
Purchases in year before transaction costs	30,948,176	2,271,958
Transaction costs:		
Commissions	50,516	3,437
Stamp duty and other charges	40,693	1,441
	<u>91,209</u>	<u>4,878</u>
Gross purchases total	<u>31,039,385</u>	<u>2,276,836</u>
Analysis of total sale costs		
Gross sales before transaction costs	4,638,277	7,709,766
Transaction costs:		
Commissions	(6,483)	(11,513)
Other charges	(27)	(15)
	<u>(6,510)</u>	<u>(11,528)</u>
Total sales net of transaction costs	<u>4,631,767</u>	<u>7,698,238</u>

TROJAN CAPITAL FUND

Financial Statements (continued)

DISTRIBUTION TABLES

FOR THE YEAR ENDED 31 JANUARY 2013 – IN PENCE PER SHARE

Interim

Group 1 – Shares purchased prior to 1 February 2012

Group 2 – Shares purchased on or after 1 February 2012 and on or before 31 July 2012

'O' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	1.0777	–	1.0777	1.4093
Group 2	0.6047	0.4730	1.0777	1.4093

'O' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	1.2209	–	1.2209	1.5709
Group 2	0.6093	0.6116	1.2209	1.5709

'I' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	0.7658	–	0.7658	1.1354
Group 2	0.3437	0.4221	0.7658	1.1354

'I' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	0.8237	–	0.8237	1.1938
Group 2	0.3859	0.4378	0.8237	1.1938

'S' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	1.2788	–	1.2788	1.5823
Group 2	1.2574	0.0214	1.2788	1.5823

'S' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	1.3884	–	1.3884	1.7040
Group 2	0.8543	0.5341	1.3884	1.7040

Final

Group 1 – Shares purchased prior to 1 August 2012

Group 2 – Shares purchased on or after 1 August 2012 and on or before 31 January 2013

'O' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.4343	–	0.4343	0.5713
Group 2	0.1877	0.2466	0.4343	0.5713

'O' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	0.5028	–	0.5028	0.6496
Group 2	0.1787	0.3241	0.5028	0.6496

'I' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.1095	–	0.1095	0.2621
Group 2	0.0000	0.1095	0.1095	0.2621

'I' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	0.1175	–	0.1175	0.2891
Group 2	0.0000	0.1175	0.1175	0.2891

'S' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.6215	–	0.6215	0.7461
Group 2	0.1697	0.4518	0.6215	0.7461

'S' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	0.7081	–	0.7081	0.7720
Group 2	0.5734	0.1347	0.7081	0.7720

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). 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.

TROJAN INCOME FUND
ACD'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2013

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.

CAPITA FINANCIAL MANAGERS LIMITED
ACD of Trojan Income Fund
17 May 2013

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

Over the twelve months under review the Fund's 'O' Accumulation share class produced a total return of +16.2%. Over the same period the FTSE All-Share Index* produced a total return of +16.3%, while the total return on cash (LIBID Index)* amounted to +0.5%. At the 31 January 2013 the Fund size was £1,002 million.

(Source: Lipper, net income reinvested at ex dividend date, Sterling terms).

A distribution of 3.5328p will be paid to holders of 'O' Income shares on 28 March, which combined with the interim dividend of 2.45p paid on 28 September, makes a total distribution of 5.9828p. This represents an increase of 4.0% over the previous year and continues the Fund's track record of unbroken dividend growth since its launch in 2004.

The animal spirits which dictate so much of the short and medium term movement in markets are a function of swings between hope and fear. In the first months of the year these two sentiments seemed evenly balanced and the returns for investors were modest. UK corporates were in good health but earnings growth, especially for domestically orientated companies, was muted. However, in the second quarter, concerns about slowing Chinese growth and the indebtedness of the peripheral European states were again the catalyst for another of the sharp pull backs that have been a feature of equity markets since 2009. The FTSE All-Share fell more than 10% and the Spanish market lost more than 30% of their value. It was in response to this crisis that Mario Draghi announced in July that the previously cautious European Central Bank ('ECB') was prepared to do "whatever it takes" to preserve the euro. Although this statement did not in itself improve the solvency of any of the eurozone members, or reduce the levels of non-performing loans that continue to haunt the banking sector, it did provide a material boost to confidence and ensured that hope dominated markets for the remainder of the year.

In this latter half of the reporting period the FTSE All-Share returned an impressive total return of 14.1%*. As has previously been the case the defensive characteristics that enabled the Fund to hold its value well through the market fall of March to May meant that the portfolio did not participate fully in the early stages of this recovery. But, as the rally progressed into 2013, it broadened out and in January the Fund returned nearly 6%. The Fund ended the year broadly in line with the market whilst having subjected investors to much lower volatility.

* The indices are used by the Investment Manager for comparative purposes only. No benchmarks are required to be disclosed as per the Prospectus.

TROJAN INCOME FUND

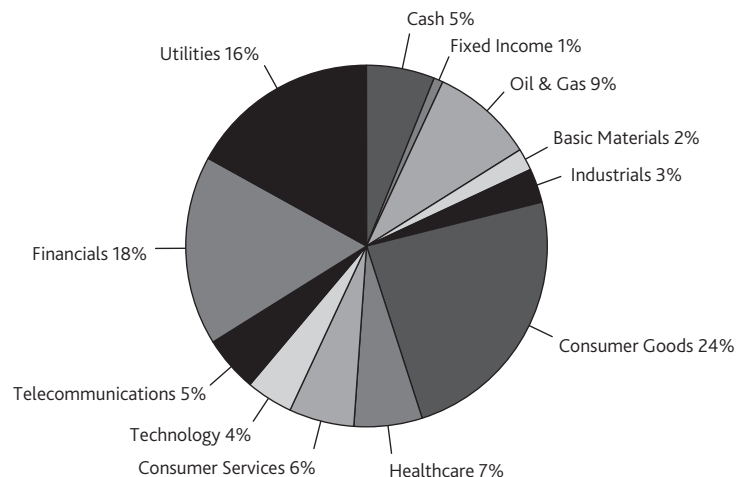
ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO

As at 31 January 2013 there were 43 equity holdings and 1 corporate bond in the portfolio. 4.8% of assets were held as cash. The asset and sector allocations as at the end of January 2013 are shown below. As has been the case in recent years turnover was low.

SECTOR ALLOCATION AS AT 31 JANUARY 2013



Source: Troy Asset Management.

During the year the Fund received steady inflows of new capital. This was invested predominantly by adding to existing holdings where valuations remained favourable. Through this process the more attractively valued holdings grew as a percentage of the total Fund whilst those stocks trading closer to fair value were allowed to decline as a proportion of total assets. Relatively few new investments were made and a similarly small number of holdings were sold entirely.

At the start of the financial year we bought a new holding in Altria Group because US tobacco has become an increasingly attractive subset of the wider global market. The legal headwinds that culminated in the Engle class action have subsided and it is now the strength of the US legal system and its intellectual property laws that make it less likely that the Australian experiment in plain packaging will be repeated in the States. We also believe that a rational and favourable pricing environment will persist. The per pack prices in the US are roughly half that of the UK implying that there is still material room to sustainably grow revenues and earnings into the medium term.

As the markets rose into the second quarter we took the opportunity to sell selected holdings. We had owned Tesco since early 2006 but despite the stock having delivered steady returns with much lower volatility than the market over most of that period it had become apparent that the company was generating limited returns on invested capital from expansion into new geographies and product lines.

We also sold the Fund's holding in Smiths Group. This diversified engineering group was bought in August 2011 at very modest valuation of 12x earnings. After a rapid re-rating it was sold out of the portfolio on close to 16x earnings. Like Smiths Group, the online clothing retailer Brown (N) Group had been bought because the company has a strong niche market position and also because it offered a very attractive dividend yield. However, as the weakness of the UK consumer persisted, even the modest expectations for future growth looked to be at risk. As the market dropped in May and Brown (N) Group continued to hold its value we took the opportunity to sell the shares.

The final stock that was sold outright during the year was the Fund's holding in Close Brothers Group. We have held this diversified financials franchise as the business has undergone a substantial restructuring. As we entered December we felt that the share price reflected a successful execution of this new strategy and underestimated the substantial risks that remained.

The notable feature of markets driven more by hope and sentiment than by economic growth, is that stock prices can rise without a commensurate increase in earnings. This results in increased valuation risk. Where this increase in valuation is modest, holdings are allowed to become a smaller part of a growing portfolio, but where valuations have increased more materially holdings were more actively reduced. For this reason in December we sold half of our holding in the beverages company, Diageo. The stock has re-rated from a yield of over 4.5% in early 2009 to below 2.5%. The Fund's holdings in Associated British Foods and PayPoint were also reduced after similar share price rises.

OUTLOOK

As ever we shy away from making short term market forecasts but what is clear to us is that the rally in bonds and equities prompted by the comments of the ECB President will need to be accompanied by more rapid growth in revenues and profits if it is to prove sustainable. Hope needs to develop into something more tangible otherwise it dissipates. It is therefore important that the nascent US economic recovery is not derailed by sporadic periods of weakness and that the complex issues around the federal budget and debt ceiling are resolved effectively. We do not expect the UK and European economies to be anything more than sluggish this year but we do think the mechanisms are now in place to stave off the immediate collapse of any of the individual eurozone economies. Further reductions in perceived economic risk across all geographies will allow equity markets to move higher

What provides additional comfort is that the Fund predominantly holds companies which have low levels of financial leverage and operate strong franchises across a range of sectors which are resilient in difficult economic conditions. These companies also have the scope to benefit from any improvement in the outlook for economic growth. Whichever of these outcomes comes to pass, we expect the portfolio of companies to continue to deliver dividend growth and thereby a steadily increasing income stream to the investors in the Fund.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

22 February 2013

TROJAN INCOME FUND

ACD's Report (continued)

FUND INFORMATION

PERFORMANCE RECORD

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	127.79	94.87	5.1325
2009	117.99	91.85	5.2337
2010	128.94	109.16	5.4057
2011	133.24	116.68	5.6321
2012	139.13	126.48	5.8546
2013*	145.66	138.31	3.5328

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	141.71	110.02	6.3034
2009	144.01	109.64	5.6054
2010	164.99	136.90	6.6681
2011	175.07	156.15	7.2763
2012	194.71	173.81	7.9091
2013*	203.85	193.56	4.9226

'I' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	126.66	93.63	5.0984
2009	115.74	90.49	5.1814
2010	125.85	106.87	5.3111
2011	129.75	113.53	5.5115
2012	134.57	122.63	5.7056
2013*	140.67	133.62	3.3465

'I' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	142.64	110.65	6.3720
2009	144.21	110.22	5.6671
2010	164.44	136.78	6.6862
2011	174.05	155.16	7.2711
2012	192.38	172.06	7.8722
2013*	201.11	191.02	4.7631

'S' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	128.83	95.84	5.1674
2009	119.55	92.86	5.2848
2010	130.97	110.68	5.4761
2011	135.49	118.72	5.7131
2012	141.98	128.89	5.9587
2013*	148.76	141.22	3.6523

'S' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	141.37	109.66	6.2600
2009	143.20	109.17	5.5468
2010	164.14	136.15	6.6363
2011	174.41	155.59	7.2175
2012	194.58	173.51	7.8869
2013*	203.88	193.54	4.9823

* To 31 January 2013.

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.01.11	'O' Income	176,663,137	144,797,418	122.01
	'O' Accumulation	9,964,374	6,215,347	160.32
	'I' Income	8,477,006	7,119,212	119.07
	'I' Accumulation	3,160,126	1,978,588	159.72
	'S' Income	28,698,398	23,156,715	123.93
	'S' Accumulation	1,826,065	1,144,589	159.54
31.01.12	'O' Income	274,261,050	216,901,916	126.44
	'O' Accumulation	38,714,497	22,279,800	173.77
	'I' Income	28,420,142	23,145,708	122.79
	'I' Accumulation	41,352,006	24,003,658	172.27
	'S' Income	65,588,271	50,937,472	128.76
	'S' Accumulation	3,996,419	2,305,347	173.35
31.01.13	'O' Income	508,547,699	361,062,321	140.85
	'O' Accumulation	144,110,553	71,322,344	202.06
	'I' Income	80,011,056	58,796,467	136.08
	'I' Accumulation	128,109,118	64,270,679	199.33
	'S' Income	135,608,157	94,309,352	143.79
	'S' Accumulation	5,873,668	2,906,520	202.09

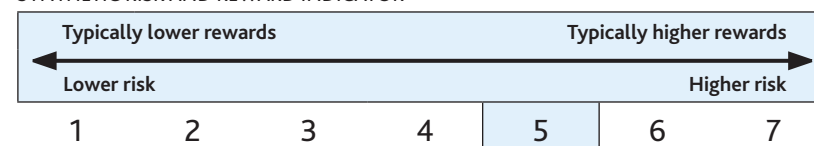
ONGOING CHARGES FIGURE

Expense Type	31.01.13		
	%		
	'O'	'I'	'S'
ACD's periodic charge	1.00	1.50	0.75
Other expenses	0.04	0.04	0.04
Ongoing charges figure	1.04	1.54	0.79

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund, expressed as a percentage of the average net assets during the accounting period.

This report adopts the latest rules for UCITS and presents the OCF; the presentation of the Total Expense Ratio has been discontinued.

SYNTHETIC RISK AND REWARD INDICATOR



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.

FUND PERFORMANCE TO 31 JANUARY 2013 (%)

	1 year	3 years	5 years
Trojan Income Fund	16.19	43.15	54.50

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

Details of the distributions per share for the year are shown in the Distribution Tables on pages 99 and 100.

TROJAN INCOME FUND

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 JANUARY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
\$12,000,000	DEBT SECURITIES			
	Aberdeen Asset Management 7.9% 2013	7,605,211	0.76	—
	UNITED KINGDOM			
	OIL & GAS			
	<i>OIL & GAS PRODUCERS</i>			
1,430,000	BG Group	16,008,850	1.60	
8,180,000	BP	38,180,150	3.81	
1,600,000	Royal Dutch Shell 'B'	36,704,000	3.66	
		90,893,000	9.07	8.58
	INDUSTRIALS			
	<i>GENERAL INDUSTRIALS</i>	—	—	1.03
	<i>SUPPORT SERVICES</i>			
2,400,000	Experian	25,944,000	2.59	
700,000	PayPoint	5,778,500	0.58	
		31,722,500	3.17	3.86
	TOTAL INDUSTRIALS	31,722,500	3.17	4.89
	CONSUMER GOODS			
	<i>BEVERAGES</i>			
4,050,000	Britvic	18,144,000	1.81	
400,000	Diageo	7,506,000	0.75	
		25,650,000	2.56	3.23
	<i>FOOD PRODUCERS</i>			
1,200,000	Associated British Foods	20,988,000	2.09	
2,770,000	Dairy Crest Group	11,517,660	1.15	
1,125,000	Unilever	28,878,750	2.88	
		61,384,410	6.12	6.87

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION</i>			
650,000	Reckitt Benckiser Group	27,313,000	2.73	1.23
	<i>TOBACCO</i>			
950,000	British American Tobacco	31,183,750	3.11	
1,615,000	Imperial Tobacco Group	37,871,750	3.78	
		69,055,500	6.89	6.96
	TOTAL CONSUMER GOODS	183,402,910	18.30	18.29
	HEALTH CARE			
	<i>PHARMACEUTICALS & BIOTECHNOLOGY</i>			
875,000	AstraZeneca	26,709,375	2.67	
2,700,000	GlaxoSmithKline	39,028,500	3.89	
		65,737,875	6.56	4.61
	CONSUMER SERVICES			
	<i>FOOD & DRUG RETAILERS</i>			
2,100,000	Greggs	9,998,100	1.00	2.87
	<i>GENERAL RETAILERS</i>			
3,800,000	WH Smith	25,289,000	2.52	3.96
	<i>TRAVEL & LEISURE</i>			
3,600,000	Compass Group	27,486,000	2.74	3.13
	TOTAL CONSUMER SERVICES	62,773,100	6.26	9.96
	TELECOMMUNICATIONS			
	<i>MOBILE TELECOMMUNICATIONS</i>			
2,500,000	Inmarsat	16,125,000	1.61	
21,000,000	Vodafone Group	36,141,000	3.60	
		52,266,000	5.21	3.77

TROJAN INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	UTILITIES			
	<i>ELECTRICITY</i>			
2,350,000	SSE	33,346,500	3.33	2.83
	<i>GAS, WATER & MULTIUTILITIES</i>			
8,800,000	Centrica	30,808,800	3.07	
4,900,000	National Grid	33,883,500	3.38	
4,800,000	Pennon Group	32,424,000	3.24	
2,030,000	Severn Trent	32,886,000	3.28	
		130,002,300	12.97	9.52
	TOTAL UTILITIES	163,348,800	16.30	12.35
	FINANCIALS			
	<i>BANKS</i>			
4,750,000	HSBC Holdings	34,038,500	3.40	3.04
	<i>NON-LIFE INSURANCE</i>			
6,000,000	Amlin	22,998,000	2.29	
2,400,000	Jardine Lloyd Thompson Group	18,840,000	1.88	
		41,838,000	4.17	2.93
	<i>REAL ESTATE INVESTMENT TRUSTS</i>			
10,000,000	London Metric Property	11,010,000	1.10	
2,727,000	Primary Health Properties	9,612,675	0.96	
		20,622,675	2.06	2.44
	<i>FINANCIAL SERVICES</i>			
3,050,000	Aberdeen Asset Management	12,270,150	1.22	
4,500,000	ICAP	14,670,000	1.46	
1,000,000	Provident Financial	14,430,000	1.44	
889,632	Rathbone Brothers	11,938,861	1.19	
1,133,550	Schroders	21,922,857	2.19	
		75,231,868	7.50	7.89

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	<i>EQUITY INVESTMENT INSTRUMENTS</i>			
11,000,000	3i Infrastructure	13,728,000	1.37	1.86
	TOTAL FINANCIALS	185,459,043	18.50	18.16
	TECHNOLOGY			
	<i>SOFTWARE & COMPUTER SERVICES</i>			
6,250,000	Sage Group (The)	20,162,500	2.01	2.14
	TOTAL UNITED KINGDOM	855,765,728	85.38	82.75
	CONTINENTAL EUROPE			
300,000	Nestlé	13,279,831	1.32	1.77
	NORTH AMERICA			
600,000	Altria Group	12,745,994	1.27	
700,000	Coca-Cola Company (The)	16,437,715	1.64	
900,000	Microsoft Corporation	15,588,108	1.56	
580,000	Newmont Mining	15,716,023	1.57	
600,000	Reynolds American	16,643,967	1.66	
	TOTAL NORTH AMERICA	77,131,807	7.70	7.63
	Portfolio of investments	953,782,577	95.16	92.15
	Net other assets	48,477,674	4.84	7.85
	Net assets	1,002,260,251	100.00	100.00

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements and are ordinary shares unless stated otherwise.

TROJAN INCOME FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2013

Total purchases for the year (note 13) £495,407,389

Major purchases	Cost £
GlaxoSmithKline	27,640,312
Pennon Group	27,397,559
Vodafone Group	21,770,988
BP	21,140,691
Royal Dutch Shell 'B'	20,122,297
Centrica	19,230,582
National Grid	18,837,354
British American Tobacco	18,820,431
SSE	18,687,764
Severn Trent	18,535,803
Reckitt Benckiser Group	17,410,226
Imperial Tobacco Group	17,288,658
AstraZeneca	16,248,445
Unilever	14,187,508
Amlin	13,498,264
Schroders	12,495,558
HSBC Holdings	12,364,461
BG Group	12,356,319
Altria Group	11,959,092
Experian	11,648,967

Total sales for the year (note 13) £42,546,367

Sales	Proceeds £
Tesco	8,927,600
Diageo	7,502,135
Brown (N) Group	7,036,507
PayPoint	5,126,589
Smiths Group	5,079,626
Close Brothers Group	5,079,142
Associated British Foods	3,794,768

The summary of material portfolio changes represents the 20 largest purchases and all of the sales during the year.

TROJAN INCOME FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Income:					
Net capital gains	2		83,848,283		12,033,536
Revenue	3	32,593,605		14,716,641	
Expenses	4	(7,974,093)		(3,338,386)	
Finance costs: Interest	6	—		—	
Net revenue before taxation		24,619,512		11,378,255	
Taxation	5	(388,382)		(164,589)	
Net revenue after taxation			24,231,130		11,213,666
Total return before distributions			108,079,413		23,247,202
Finance costs: Distributions	6		(31,797,269)		(14,400,454)
Change in net assets attributable to shareholders from investment activities			76,282,144		8,846,748

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Opening net assets attributable to shareholders			452,332,385		228,789,106
Amounts receivable on issue of shares		477,190,847		224,272,425	
Amounts payable on cancellation of shares		(16,222,764)		(13,456,992)	
			460,968,083		210,815,433
Dilution levy charged	1(k)		3,099,393		1,337,572
Stamp duty reserve tax, net of credit	1(g)		(285,752)		(104,146)
Change in net assets attributable to shareholders from investment activities			76,282,144		8,846,748
Retained distribution on Accumulation shares			9,863,998		2,647,672
Closing net assets attributable to shareholders			1,002,260,251		452,332,385

BALANCE SHEET
AS AT 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
ASSETS					
Investment assets			953,782,577		416,825,084
Other assets					
Debtors	7	12,017,242		9,116,104	
Cash and bank balances		55,775,789		36,793,520	
Total other assets			67,793,031		45,909,624
Total assets			1,021,575,608		462,734,708
LIABILITIES					
Other liabilities					
Creditors	8	(1,147,663)		(476,906)	
Distribution payable on Income shares		(18,167,694)		(9,925,417)	
Total other liabilities			(19,315,357)		(10,402,323)
Total liabilities			(19,315,357)		(10,402,323)
Net assets attributable to shareholders			1,002,260,251		452,332,385

TROJAN INCOME FUND
Financial Statements (continued)
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 JANUARY 2013

1. ACCOUNTING POLICIES

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements.

	31.01.13	31.01.12
	£	£
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	83,976,088	12,003,034
Transaction charges	(2,917)	(2,457)
Currency (losses)/gains	(124,888)	32,959
Net capital gains	<u>83,848,283</u>	<u>12,033,536</u>
3. REVENUE		
Non-taxable dividends	31,595,550	14,610,422
UK property income distributions	249,000	76,664
Unfranked interest	669,290	29,493
Bank interest	79,765	62
Total revenue	<u>32,593,605</u>	<u>14,716,641</u>
4. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	7,702,301	3,187,003
Legal and professional fees	22,782	–
Printing costs	5,832	5,958
Registration fees	28,156	14,630
	<u>7,759,071</u>	<u>3,207,591</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	125,903	76,434
Safe custody and other bank charges	65,945	34,904
	<u>191,848</u>	<u>111,338</u>

4. EXPENSES (continued)

Other expenses:

	31.01.13	31.01.12
	£	£
FCA fee	60	56
Fees paid to auditor – audit fees	8,100	8,100
– tax fees	3,000	3,000
Publication costs	8,265	8,301
Postage and distribution costs	3,749	–
	<u>23,174</u>	<u>19,457</u>
Total expenses	<u>7,974,093</u>	<u>3,338,386</u>

5. TAXATION

a) Analysis of charge for the year

	31.01.13	31.01.12
	£	£
Corporation tax at 20%	–	–
Overseas tax	388,382	164,589
Current tax charge (note 5b)	<u>388,382</u>	<u>164,589</u>
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	<u>388,382</u>	<u>164,589</u>

b) Factors affecting current 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%) (31.01.12 : 20%) for the reasons explained below.

	31.01.13	31.01.12
	£	£
Net revenue before taxation	24,619,512	11,378,255
Corporation tax at 20%	4,923,902	2,275,651
Effects of:		
Non-taxable dividends	(6,319,110)	(2,922,084)
Unutilised excess management expenses	<u>1,395,208</u>	<u>646,433</u>
Corporation tax charge	–	–
Overseas tax	388,382	164,589
Current tax charge (note 5a)	<u>388,382</u>	<u>164,589</u>

TROJAN INCOME FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

5. TAXATION (continued)

c) Deferred tax

At the year end there is a potential deferred tax asset of £2,567,208 (31.01.12 : £1,172,000) 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.

6. FINANCE COSTS

Distributions

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

	31.01.13 £	31.01.12 £
Interim	13,124,847	5,552,775
Final	24,884,696	12,107,677
	38,009,543	17,660,452
Add: Revenue deducted on cancellation of shares	248,587	170,064
Deduct: Revenue received on issue of shares	(6,460,861)	(3,430,062)
Net distributions for the year	31,797,269	14,400,454
Interest	–	–
Total finance costs	31,797,269	14,400,454

Details of the distributions per share are set out in the tables on pages 99 and 100.

	31.01.13 £	31.01.12 £
Distributions represented by:		
Net revenue after taxation	24,231,130	11,213,666
Allocations to Capital:		
ACD's periodic charge, net of tax relief	7,566,081	3,187,003
Equalisation on conversions*	(17)	–
	7,566,064	3,187,003
Balance brought forward	266	51
Balance carried forward	(191)	(266)
Net distributions for the year	31,797,269	14,400,454

* 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 last distribution to conversion date. The yield differential at the point of conversion is an equalisation which will be offset by capital erosion for the converted investor.

7. DEBTORS

	31.01.13 £	31.01.12 £
Amounts receivable for issue of shares	7,835,682	6,265,195
Accrued revenue:		
Non-taxable dividends	3,860,195	2,681,250
Unfranked interest	102,979	–
Bank interest	6,948	63
	3,970,122	2,681,313
Dilution levy	56,579	35,869
Prepaid expenses	5,780	5,844
Refund of safe custody fees	–	1,500
Taxation recoverable:		
Income tax	4,777	–
Overseas withholding tax	144,302	126,383
	149,079	126,383
Total debtors	12,017,242	9,116,104

8. CREDITORS

Amounts payable for cancellation of shares	182,009	36,590
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	882,458	390,406
Legal and professional fees	1,206	–
Printing costs	3,043	2,937
Registration fees	3,067	1,824
	889,774	395,167
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	13,182	7,802
Transaction charges	450	746
Safe custody and other bank charges	26,427	16,347
	40,059	24,895
Other expenses	12,240	14,100

	31.01.13 £	31.01.12 £
8. CREDITORS <i>(continued)</i>		
Taxation payable:		
Stamp duty reserve tax	23,581	6,154
Total creditors	<u>1,147,663</u>	<u>476,906</u>

9. RELATED PARTY TRANSACTIONS

Disclosure is made in note 9 of the Notes to the Aggregated Financial Statements.

10. SHAREHOLDER FUNDS

Disclosure is made in note 10 of the Notes to the Aggregated Financial Statements.

11. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.12 : none).

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 12 of the Notes to the Aggregated Financial Statements. Disclosures specific to this sub-fund are made below in relation to numeric disclosure of interest rate risk, numeric disclosure of foreign currency risk and derivatives.

i. *Interest rate risk*

The table below shows the direct interest rate risk profile:

	31.01.13 £	31.01.12 £
Floating rate assets:		
US dollars	1	–
Pounds sterling	55,775,788	36,793,520
	<u>55,775,789</u>	<u>36,793,520</u>
Fixed rate assets:		
US dollars	7,605,211	–
Assets on which interest is not paid:		
Euros	54,833	29,940
Swiss francs	13,360,882	8,072,139
US dollars	77,405,935	34,540,604
Pounds sterling	867,372,958	383,298,505
	<u>958,194,608</u>	<u>425,941,188</u>

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS *(continued)*

	31.01.13 £	31.01.12 £
i. <i>Interest rate risk (continued)</i>		
Liabilities on which interest is not paid:		
Pounds sterling	(19,315,357)	(10,402,323)
Net assets	<u>1,002,260,251</u>	<u>452,332,385</u>

The floating rate financial assets comprise bank balances which earn interest at rates linked to the Bank of England base rate or its international equivalents.

Fixed Rate Financial Assets				
Currency	Weighted average interest rate		Weighted average period for which rate is fixed	
	31.01.13	31.01.12	31.01.13	31.01.12
US dollars	7.9%	–	4 months	–

There are no material amounts of non-interest bearing financial assets and liabilities other than equities, which do not have maturity dates.

ii. *Foreign currency risk*

The table below shows the direct foreign currency risk profile:

	31.01.13 £	31.01.12 £
Currency:		
Euros	54,833	29,940
Swiss francs	13,360,882	8,072,139
US dollars	85,011,147	34,540,604
	<u>98,426,862</u>	<u>42,642,683</u>
Pounds sterling	903,833,389	409,689,702
Net assets	<u>1,002,260,251</u>	<u>452,332,385</u>

iii. *Derivatives*

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

	31.01.13	31.01.12
	£	£
13. PORTFOLIO TRANSACTION COSTS		
Analysis of total purchase costs		
Purchases in year before transaction costs	492,594,330	231,489,953
Transaction costs:		
Commissions	741,999	373,396
Stamp duty and other charges	2,071,060	926,678
	2,813,059	1,300,074
Gross purchases total	<u>495,407,389</u>	<u>232,790,027</u>
Analysis of total sale costs		
Gross sales before transaction costs	42,608,939	43,404,825
Transaction costs:		
Commissions	(62,542)	(61,186)
Other charges	(30)	(72)
	(62,572)	(61,258)
Total sales net of transaction costs	<u>42,546,367</u>	<u>43,343,567</u>

DISTRIBUTION TABLES
FOR THE YEAR ENDED 31 JANUARY 2013 – IN PENCE PER SHARE

Interim

Group 1 – Shares purchased prior to 1 February 2012

Group 2 – Shares purchased on or after 1 February 2012 and on or before 31 July 2012

'O' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	2.4500	–	2.4500	2.3500
Group 2	0.8388	1.6112	2.4500	2.3500

'O' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	3.3671	–	3.3671	3.0888
Group 2	1.2498	2.1173	3.3671	3.0888

'I' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	2.4500	–	2.4500	2.3500
Group 2	0.9254	1.5246	2.4500	2.3500

'I' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	3.4372	–	3.4372	3.1521
Group 2	1.4485	1.9887	3.4372	3.1521

'S' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	2.4500	–	2.4500	2.3500
Group 2	1.1729	1.2771	2.4500	2.3500

'S' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	3.2998	–	3.2998	3.0262
Group 2	0.9995	2.3003	3.2998	3.0262

TROJAN INCOME FUND

Financial Statements (continued)

Distribution Tables (continued)

Final

Group 1 – Shares purchased prior to 1 August 2012

Group 2 – Shares purchased on or after 1 August 2012 and on or before 31 January 2013

'O' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	3.5328	–	3.5328	3.4046
Group 2	1.4145	2.1183	3.5328	3.4046

'O' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	4.9226	–	4.9226	4.5420
Group 2	1.7670	3.1556	4.9226	4.5420

'I' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	3.3465	–	3.3465	3.2556
Group 2	1.3442	2.0023	3.3465	3.2556

'I' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	4.7631	–	4.7631	4.4350
Group 2	1.8754	2.8877	4.7631	4.4350

'S' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	3.6523	–	3.6523	3.5087
Group 2	1.4145	2.2378	3.6523	3.5087

'S' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	4.9823	–	4.9823	4.5871
Group 2	0.7664	4.2159	4.9823	4.5871

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares).

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.

CRYSTAL FUND

ACD'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2013

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.

CAPITA FINANCIAL MANAGERS LIMITED

ACD of Crystal Fund

17 May 2013

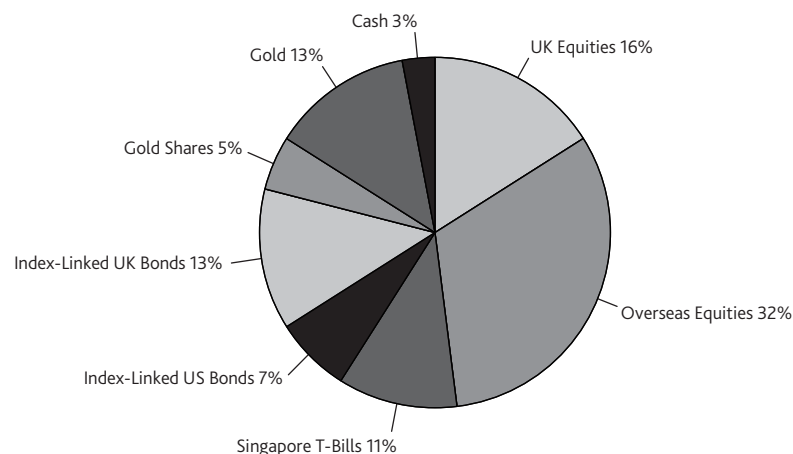
INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the year to 31 January 2013, the Fund produced a total return of +5.6% compared to a return +0.5% in the LIBID Index (total return)* and +16.3% in the FTSE All-Share Index (total return)*.

(Source: Lipper Hindsight & Bloomberg, bid to bid basis, net income reinvested at ex-dividend date, Sterling terms).

ASSET ALLOCATION AS AT 31 JANUARY 2013



Source: Troy Asset Management.

MARKET REVIEW

Investors were well-rewarded for taking risk for the year to 31 January 2013. The first half of the year was relatively subdued and stock market returns were modest at best. For the six months to 31 July, the UK stock market returned +2.2% but in the second half of the year investors were dragged down by central bankers to take more risk. Mario Draghi's call to arms in June, "to do whatever it takes to preserve the euro", lit the fire in investors' bellies for a concerted advance in markets.

"Risk", according to Elroy Dimson of the London Business School, means "more things can happen than will happen". This sums up why the year surprised on the upside. Things that might have gone wrong didn't. The dangers of the euro imploding, a Chinese slowdown, or the US teetering off its fiscal cliff, were averted (or at least postponed). The absence of awful news trumped the permanence of just bad news in forging investor psychology. Crisis fatigue set in and tired of earning nothing on cash, investors embraced risk assets.

* The indices are used by the Investment Manager for comparative purposes only. No benchmarks are required to be disclosed as per the Prospectus.

While unorthodox monetary stimuli managed to prod the financial markets awake, they have, so far, failed to revive Western economies. The eurozone, the United Kingdom and United States all posted negative or stagnant GDP growth for the fourth quarter of 2012, while corporate profit growth also disappointed. According to Citigroup, back in late 2011, UK corporate earnings were forecast to grow by +9.7% in 2012. A year on, the outcome looks more like -7.1%, an implied downgrade of -15.3%, yet UK stocks rose by +12%. This disconnect between corporate profits and share prices may continue, but not indefinitely.

The Fund's cautious positioning meant that the Fund failed to respond to the burst of investor enthusiasm in the second half of the year. On the contrary, a number of core holdings lagged, in particular, gold bullion, gold shares and index-linked gilts. In this challenging 'risk on/risk off' environment our aim is to preserve wealth rather than to capture short term moves in markets.

PORTFOLIO

Our bias is often toward inactivity and we made few changes to the portfolio during the year. We continue to construct the portfolio around the four pillars of blue chip equities, gold bullion & gold shares, index linked bonds and cash, as we described in the last interim report. Recent strong moves in equity markets have made us even less optimistic about the prospective returns for stocks and the allocation has drifted lower – to around 45%. This has been in favour of cash. Cash is no longer a nil risk asset but it remains low risk. We have decided taking the certain real loss (after inflation) of holding cash is preferable to the uncertain risk of a material loss to capital through the purchase of overpriced equities and most bonds.

When and where attractive valuations collided with ugly sentiment we were able to add selectively to a few of our favoured holdings including Imperial Oil, Becton Dickinson & Company and Microsoft Corporation. We sold out of holdings in Vodafone Group, Centrica and Tesco. Notably all of these sales are in highly capital intensive businesses and they are not in charge of their own destiny. Vodafone is challenged by pricing pressures, changing regulation as well as the spending demands on fourth generation mobile infrastructure. In addition, the company has to pay the cost of renewing spectrum licences. The above average dividend yield is an incentive for shareholder loyalty but we question the sustainability of the pay-out. Over many years we have made good gains from Centrica. Rising gas prices have been one of the major contributors to the Retail Price Index over the past decade and we became concerned that the Company was likely to become subject to a harsher regulatory environment. Finally, we are likely to sell holdings that fail to meet our own expectations. Tesco was sold after a profits warning.

It is almost four years since stock markets bottomed and after a strong and sustained rally it is harder to find new investments at attractive valuations. We added just two new holdings during the year. Altria Group, the parent of Philip Morris USA, has shown few difficulties in generating high margins and rising profits and therefore contrasts with the three holdings that we sold. The company has very little need for capital and rewards its shareholders handsomely with a dividend that has been increased 45 times in the past 43 years. This has been supplemented with share buybacks. Altria therefore fits one of our main investment criteria; we want to invest in companies that pay us to own them, not vice versa. Altria also has a 27% stake in SABMiller, the emerging market brewer, which is on the books for \$5.5 billion, versus a market derived value of \$22 billion. A sale would wipe out the group's debt and the stake provides shareholders with some hidden value.

CRYSTAL FUND

ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO (continued)

The other new addition to the Fund was a purchase of Coach. Coach is an American designer, marketer and retailer of premium fashion accessories. It has 30% share of the US handbag market and a growing presence overseas. Fears over the sustainability of Coach's market-leading position in the US has led to a severe decline in its share price over recent months. However, such a reaction fails to appreciate the business's attractive menu of growth opportunities in Asia, Latin America and perhaps even Europe. Furthermore, management are approaching maturing growth in the US sensibly. The business has little need for on-going capital expenditure so prodigious cashflows, afforded by 30 per cent margins, are being directed towards worthy beneficiaries...existing shareholders. Coach initiated a maiden dividend in 2009 and that quarterly dividend payment has now grown by 300% and should continue to grow over the medium-term. Capital discipline is also evidenced by share buybacks at reasonable prices. The lowly valuation of 13x earnings combined with an unlevered return on equity of over 50% makes the investment case compelling.

OUTLOOK

Unorthodox monetary policies will not end well. Central bankers are guilty of style drift by shifting their stance from 'inflation targets' to 'targeting inflation'. They have, so far, failed to generate economic growth and frustration may lead them to ever more radical rigging of markets. Currency crises may not be far away as the race to debase currencies heats up. Remember inflation is dreadful for financial assets – bonds and equities.

There are no guarantees of an immediate reversal of stocks but the margin of safety is becoming thin again. Back in March 2009, in the days when cash was king, Jeremy Grantham of GMO wrote a prescient note called 'Reinvesting When Terrified'. His message was that you can never time the market bottom but it was time to begin to increase exposure to equities, in a methodical way. He called the bottom within days.

Four years on, we seem to be almost at the opposite extreme. In the same way that you will never catch the low you will not catch the high either. Rather than reinvesting when terrified, it is also appropriate to divest when fearless. Markets have a tendency to climb the stairs and go down in the lift. We are not market timers but we are value investors. If and when we cannot find value, we will bide our time – this may be a long and painful process, but at least we aim to protect your capital.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

26 February 2013

FUND INFORMATION

PERFORMANCE RECORD

Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008	153.22	124.58	4.8080
2009	156.41	128.31	4.7258
2010	177.93	152.00	2.5937
2011	190.40	169.26	2.8548
2012	199.92	187.40	2.4148
2013*	199.62	194.29	0.6925

* To 31 January 2013.

NET ASSET VALUE

Date	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.01.11	38,600,776	22,830,467	169.08
31.01.12	43,292,369	22,792,263	189.94
31.01.13	44,948,288	22,702,429	197.99

ONGOING CHARGES FIGURE

Expense Type	31.01.13 %
ACD's periodic charge	1.00
Other expenses	0.11
	1.11
Collective investment scheme costs	0.08
Ongoing charges figure	1.19

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund, expressed as a percentage of the average net assets during the accounting period.

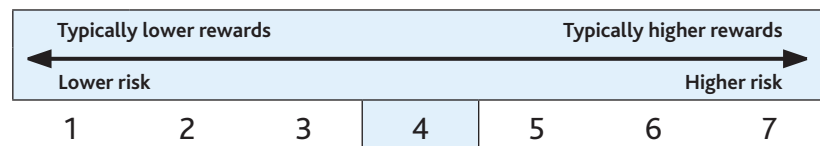
The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

This report adopts the latest rules for UCITS and presents the OCF; the presentation of the Total Expense Ratio has been discontinued.

CRYSTAL FUND

ACD's Report (continued)
Fund Information (continued)

SYNTHETIC RISK AND REWARD INDICATOR



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.

FUND PERFORMANCE TO 31 JANUARY 2013 (%)

	1 year	3 years	5 years
Crystal Fund	5.64	37.22	55.10

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

Details of the distributions per share for the year are shown in the Distribution Tables on page 122.

PORTFOLIO STATEMENT AS AT 31 JANUARY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets 31.01.13 %	31.01.12 %
DEBT SECURITIES				
SG\$3,400,000	Monetary Authority of Singapore 0% 01.02.13	1,732,505	3.86	
SG\$470,000	Monetary Authority of Singapore 0% 08.02.13	239,488	0.53	
SG\$300,000	Monetary Authority of Singapore 0% 08.03.13	152,836	0.34	
SG\$1,600,000	Monetary Authority of Singapore 0% 01.04.13	814,990	1.81	
SG\$230,000	Monetary Authority of Singapore 0% 05.04.13	117,152	0.26	
SG\$3,400,000	Monetary Authority of Singapore 0% 26.04.13	1,731,517	3.85	
£3,046,300	UK Treasury 0.125% index-linked 2024	3,398,599	7.56	
£1,518,000	UK Treasury 1.875% index-linked 2022	2,359,212	5.25	
US\$1,500,000	US Treasury 1.375% inflation-protected Securities 2020	1,194,139	2.66	
US\$3,166,000	US Treasury 0.125% inflation-protected Securities 2022	2,197,753	4.89	
	TOTAL DEBT SECURITIES	13,938,191	31.01	25.93
EQUITIES				
UNITED KINGDOM				
OIL & GAS				
31,000	<i>OIL & GAS PRODUCERS</i> BG Group	347,045	0.77	1.02
CONSUMER GOODS				
50,500	<i>BEVERAGES</i> Diageo	947,633	2.11	2.95
62,000	<i>FOOD PRODUCERS</i> Unilever	1,591,540	3.54	2.93

CRYSTAL FUND
ACD's Report (continued)
Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
47,000	TOBACCO			
	British American Tobacco	1,542,775	3.43	4.04
	TOTAL CONSUMER GOODS	4,081,948	9.08	9.92
70,475	HEALTH CARE			
	PHARMACEUTICALS & BIOTECHNOLOGY			
	GlaxoSmithKline	1,018,716	2.27	2.29
94,186	CONSUMER SERVICES			
	FOOD & DRUG RETAILERS			
	Greggs	448,419	1.00	2.88
	TELECOMMUNICATION	–	–	2.08
	UTILITIES	–	–	2.00
	FINANCIALS			
304,000	REAL ESTATE INVESTMENT TRUSTS & SERVICES	–	–	0.13
	EQUITY INVESTMENT INSTRUMENTS			
	Better Capital	454,480	1.01	0.85
255,000	TOTAL FINANCIALS	454,480	1.01	0.98
	TECHNOLOGY			
	SOFTWARE & COMPUTER SERVICES			
	Sage Group (The)	822,630	1.83	1.73
36,000	TOTAL UNITED KINGDOM	7,173,238	15.96	22.90
	CONTINENTAL EUROPE			
	Nestlé	1,593,580	3.55	3.95

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
35,000	AUSTRALIA			
	Newcrest Mining	538,813	1.20	1.83
15,500	NORTH AMERICA			
	Agnico-Eagle Mines	445,537	0.99	
	Altria Group	934,706	2.08	
	Becton, Dickinson and Company	1,186,942	2.64	
	16 Berkshire Hathaway	1,472,097	3.28	
	8,300 Coach	266,992	0.59	
	65,500 Coca-Cola Company (The)	1,538,100	3.42	
	8,000 Colgate-Palmolive Company	542,083	1.21	
	50,604 Imperial Oil	1,399,297	3.11	
	22,000 Johnson & Johnson	1,025,457	2.28	
	111,000 Microsoft Corporation	1,922,533	4.28	
24,958	Philip Morris International	1,388,288	3.09	
	48,000 Reynolds American	1,331,518	2.96	
	TOTAL NORTH AMERICA	13,453,550	29.93	25.23
111,363	COMMODITIES			
	BlackRock Gold & General*	1,319,655	2.94	
	24,746 ETFS Physical Swiss Gold*	2,564,442	5.70	
30,000	Gold Bullion Securities*	3,035,121	6.75	
	TOTAL COMMODITIES	6,919,218	15.39	17.47
US\$(14,800,000)	FORWARD CURRENCY CONTRACTS			
	Vs £9,190,739 (expiry 18.03.13)	(146,228)	(0.33)	0.20

CRYSTAL FUND

ACD's Report (continued)

Portfolio Statement (continued)

	Value £	Total Net Assets	
		31.01.13 %	31.01.12 %
Portfolio of investments#	43,470,362	96.71	97.51
Net other assets	1,477,926	3.29	2.49
Net assets	<u>44,948,288</u>	<u>100.00</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements and are ordinary shares unless stated otherwise.

All debt securities held are investment grade.

* Collective investment scheme.

Includes derivative liabilities.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 JANUARY 2013

Total purchases for the year (note 13) **£41,849,934**

Major purchases	Cost £
UK Treasury 0.125% index-linked 2024	3,231,961
Monetary Authority of Singapore 0% 14.09.12	2,546,068
Monetary Authority of Singapore 0% 04.01.13	2,540,516
Monetary Authority of Singapore 0% 12.10.12	2,522,537
US Treasury 0.125% inflation-protected Securities 2022	2,088,067
Monetary Authority of Singapore 0% 26.04.13	1,731,795
Monetary Authority of Singapore 0% 01.02.13	1,718,740
Monetary Authority of Singapore 0% 99.96 17.08.12	1,521,309
Monetary Authority of Singapore 0% 06.07.12	1,514,826
Monetary Authority of Singapore 0% 13.04.12	1,513,296
Monetary Authority of Singapore 0% 16.03.12	1,506,709
Monetary Authority of Singapore 0% 11.05.12	1,498,777
Monetary Authority of Singapore 0% 08.06.12	1,487,669
Monetary Authority of Singapore 0% 99.98 17.08.12	1,016,225
Monetary Authority of Singapore 0% 02.03.12	1,013,176
Monetary Authority of Singapore 0% 30.03.12	1,003,908
Monetary Authority of Singapore 0% 20.07.12	1,001,516
Monetary Authority of Singapore 0% 22.06.12	1,001,215
Monetary Authority of Singapore 0% 27.04.12	1,000,987
Monetary Authority of Singapore 0% 25.05.12	995,237

CRYSTAL FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

Total sales for the year (note 13) £42,350,412

Major sales	Proceeds £
UK Treasury 1.25% index-linked 2017	3,223,947
Monetary Authority of Singapore 0% 12.10.12	2,549,367
Monetary Authority of Singapore 0% 04.01.13	2,536,134
Monetary Authority of Singapore 0% 14.09.12	2,525,649
US Treasury 1.625% inflation-protected Securities 2018	1,584,469
Monetary Authority of Singapore 0% 99.96 17.08.12	1,525,831
Monetary Authority of Singapore 0% 06.07.12	1,521,122
Monetary Authority of Singapore 0% 13.04.12	1,511,811
Monetary Authority of Singapore 0% 08.06.12	1,511,235
Monetary Authority of Singapore 0% 16.03.12	1,510,841
Monetary Authority of Singapore 0% 11.05.12	1,488,143
Monetary Authority of Singapore 0% 99.98 17.08.12	1,017,221
Monetary Authority of Singapore 0% 20.07.12	1,014,769
Monetary Authority of Singapore 0% 03.02.12	1,014,081
Monetary Authority of Singapore 0% 02.03.12	1,006,683
Monetary Authority of Singapore 0% 16.02.12	1,004,623
Monetary Authority of Singapore 0% 22.06.12	1,004,386
Monetary Authority of Singapore 0% 25.05.12	998,114
Monetary Authority of Singapore 0% 27.04.12	994,788
Monetary Authority of Singapore 0% 30.03.12	993,937

The summary of material portfolio changes represents the 20 largest purchases and sales during the year.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Income:					
Net capital gains	2		1,825,012		4,765,231
Revenue	3	1,059,919		1,143,707	
Expenses	4	(488,249)		(460,211)	
Finance costs: Interest	6	—		(533)	
Net revenue before taxation		571,670		682,963	
Taxation	5	(62,981)		(51,803)	
Net revenue after taxation			508,689		631,160
Total return before distributions			2,333,701		5,396,391
Finance costs: Distributions	6		(508,680)		(631,161)
Change in net assets attributable to shareholders from investment activities			1,825,021		4,765,230

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE YEAR ENDED 31 JANUARY 2013

	Note	£	31.01.13 £	£	31.01.12 £
Opening net assets attributable to shareholders			43,292,369		38,600,776
Amounts receivable on issue of shares		179,574		245,378	
Amounts payable on cancellation of shares		(348,676)		(319,010)	
			(169,102)		(73,632)
Stamp duty reserve tax	1(g)		—		(5)
Change in net assets attributable to shareholders from investment activities			1,825,021		4,765,230
Closing net assets attributable to shareholders			44,948,288		43,292,369

CRYSTAL FUND
Financial Statements (continued)
BALANCE SHEET
AS AT 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
ASSETS					
Investment assets			43,616,590		42,213,490
Other assets					
Debtors	7	46,468		77,575	
Cash and bank balances		<u>3,685,668</u>		<u>1,292,840</u>	
Total other assets			3,732,136		1,370,415
Total assets			<u>47,348,726</u>		<u>43,583,905</u>
LIABILITIES					
Investment liabilities			(146,228)		–
Other liabilities					
Creditors	8	(2,061,954)		(58,355)	
Bank overdrafts		(35,042)		(34,569)	
Distribution payable on Income shares	6	<u>(157,214)</u>		<u>(198,612)</u>	
Total other liabilities			(2,254,210)		(291,536)
Total liabilities			<u>(2,400,438)</u>		<u>(291,536)</u>
Net assets attributable to shareholders			<u>44,948,288</u>		<u>43,292,369</u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 JANUARY 2013

1. ACCOUNTING POLICIES

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements.

2. NET CAPITAL GAINS

The net capital gains during the year comprise:

	31.01.13 £	31.01.12 £
Non-derivative securities	1,787,153	4,809,530
Forward currency contracts	167,869	(114,517)
Transaction charges	(1,340)	(1,775)
Currency (losses)/gains	<u>(128,670)</u>	<u>71,993</u>
Net capital gains	<u>1,825,012</u>	<u>4,765,231</u>

3. REVENUE

Non-taxable dividends	772,255	796,220
UK property income distributions	777	1,088
Unfranked interest	284,834	346,399
Bank interest	2,052	–
Other interest	<u>1</u>	<u>–</u>
Total revenue	<u>1,059,919</u>	<u>1,143,707</u>

4. EXPENSES

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's periodic charge	441,527	415,924
Legal and professional fees	4,207	–
Printing costs	3,367	3,837
Registration fees	<u>1,902</u>	<u>1,898</u>
	451,003	421,659

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fees	21,193	19,964
Safe custody and other bank charges	<u>4,746</u>	<u>7,432</u>
	25,939	27,396

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

	31.01.13 £	31.01.12 £
4. EXPENSES (continued)		
Other expenses:		
FCA fee	60	56
Fees paid to auditor – audit fees	8,100	8,100
– tax fees	3,000	3,000
Postage and distribution costs	147	–
	11,307	11,156
Total expenses	488,249	460,211
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Overseas tax	62,981	51,803
Current tax charge (note 5b)	62,981	51,803
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	62,981	51,803
b) Factors affecting current 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%) (31.01.12 : 20%). The difference is explained below.		
	31.01.13 £	31.01.12 £
Net revenue before taxation	571,670	682,963
Corporation tax at 20%	114,334	136,593
Effects of:		
Non-taxable dividends	(154,451)	(159,244)
Non-taxable RPI movement on UK index-linked gilts	(35,722)	(32,292)
Unutilised excess management expenses	75,839	54,943
Corporation tax charge	–	–
Overseas tax	62,981	51,803
Current tax charge (note 5a)	62,981	51,803

5. TAXATION (continued)

c) Deferred Tax

At the year end there is a potential deferred tax asset of £211,544 (31.01.12 : £135,705) 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.

6. FINANCE COSTS

Distributions

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

	31.01.13 £	31.01.12 £
Interim	350,568	432,181
Final	157,214	198,612
	507,782	630,793
Add: Revenue deducted on cancellation of shares	1,324	990
Deduct: Revenue received on issue of shares	(426)	(622)
Net distributions for the year	508,680	631,161
Interest	–	533
Total finance costs	508,680	631,694

Details of the distributions per share are set out in the tables on page 122.

	31.01.13 £	31.01.12 £
Distributions represented by:		
Net revenue after taxation	508,689	631,160
Balance brought forward	–	1
Balance carried forward	(9)	–
Net distributions for the year	508,680	631,161
7. DEBTORS		
Accrued revenue:		
Non-taxable dividends	19,892	39,653
Unfranked interest	8,624	15,090
Bank interest	423	–
	28,939	54,743

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

	31.01.13 £	31.01.12 £
7. DEBTORS (continued)		
Prepaid expenses	10	9
Taxation recoverable:		
Income tax	–	218
Overseas withholding tax	17,519	22,605
	17,519	22,823
Total debtors	46,468	77,575
8. CREDITORS		
Purchases awaiting settlement	2,003,749	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	37,653	36,909
Legal and professional fees	237	–
Printing costs	2,041	2,288
Registration fees	164	162
	40,095	39,359
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1,807	1,771
Transaction charges	512	571
Safe custody and other bank charges	1,640	2,554
	3,959	4,896
Other expenses	14,151	14,100
Total creditors	2,061,954	58,355
9. RELATED PARTY TRANSACTIONS		
Disclosure is made in note 9 of the Notes to the Aggregated Financial Statements.		
10. SHAREHOLDER FUNDS		
Disclosure is made in note 10 of the Notes to the Aggregated Financial Statements.		
11. CONTINGENT LIABILITIES AND COMMITMENTS		
There are no contingent liabilities or unrecorded outstanding commitments (31.01.12 : none).		

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 12 of the Notes to the Aggregated Financial Statements. Disclosures specific to this sub-fund are made below in relation to numeric disclosure of interest rate risk, numeric disclosure of foreign currency risk and derivatives.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

	31.01.13 £	31.01.12 £
Floating rate assets:		
Singapore dollars	7,545	2,644
US dollars	3,391,892	2,746,760
Pounds sterling	9,435,934	6,742,127
	12,835,371	9,491,531
Floating rate liabilities:		
Pounds sterling	(35,042)	(34,569)
Fixed rate assets:		
Singapore dollars	4,788,488	3,027,289
Assets on which interest is not paid:		
Australian dollars	538,813	794,335
Canadian dollars	1,844,834	1,511,472
Swiss francs	1,611,099	1,722,967
US dollars	17,211,706	15,308,349
Pounds sterling	17,709,154	18,700,875
	38,915,606	38,037,998
Liabilities on which interest is not paid:		
Singapore dollars	(1,731,794)	–
US dollars	(9,608,922)	(6,972,913)
Pounds sterling	(215,419)	(256,967)
	(11,556,135)	(7,229,880)
Net assets	44,948,288	43,292,369

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents and index-linked securities that earn interest at rates adjusted to changes in the UK Retail Prices Index (RPI) or its international equivalent.

There are no material amounts of non-interest bearing financial assets and liabilities other than equities and Collective Investment Schemes, which do not have maturity dates.

CRYSTAL FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

	31.01.13 Gross £	31.01.13 Hedged £	31.01.13 Net £
Currency:			
Australian dollars	538,813	–	538,813
Canadian dollars	1,844,834	–	1,844,834
Singapore dollars	3,064,239	–	3,064,239
Swiss francs	1,611,099	–	1,611,099
US dollars	20,331,643	(9,336,967)	10,994,676
	27,390,628	(9,336,967)	18,053,661
Pounds sterling	17,703,888	9,190,739	26,894,627
Net assets	45,094,516	(146,228)	44,948,288

	31.01.12 Gross £	31.01.12 Hedged £	31.01.12 Net £
Currency:			
Australian dollars	794,335	–	794,335
Canadian dollars	1,511,472	–	1,511,472
Singapore dollars	3,029,933	–	3,029,933
Swiss francs	1,722,967	–	1,722,967
US dollars	18,055,109	(6,972,913)	11,082,196
	25,113,816	(6,972,913)	18,140,903
Pounds sterling	18,090,679	7,060,787	25,151,466
Net assets	43,204,495	87,874	43,292,369

iii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward currency 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/(losses) on forward currency contracts during the year are set out in the Portfolio Statement, note 12ii and note 2, respectively.

The intention in using the forward currency contracts is, where deemed appropriate, to reduce the risk profile of the sub-fund by managing the exposure of the sub-fund to currency exchange risk and leave the sub-fund primarily exposed to the underlying market risk 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 the interests of efficient portfolio management.

13. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs

Purchases in year before transaction costs	41,841,948	25,389,190
Transaction costs:		
Commissions	4,275	5,919
Stamp duty and other charges	3,711	–
	7,986	5,919
Gross purchases total	41,849,934	25,395,109

Analysis of total sale costs

Gross sales before transaction costs	42,357,901	24,953,251
Transaction costs:		
Commissions	(7,451)	(6,616)
Other charges	(38)	(21)
	(7,489)	(6,637)
Total sales net of transaction costs	42,350,412	24,946,614

CRYSTAL FUND

Financial Statements (continued)

DISTRIBUTION TABLES

FOR THE YEAR ENDED 31 JANUARY 2013 – IN PENCE PER SHARE

Interim

Group 1 – Shares purchased prior to 1 February 2012

Group 2 – Shares purchased on or after 1 February 2012 and on or before 31 July 2012

Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	1.5434	–	1.5434	1.8930
Group 2	1.5434	0.0000	1.5434	1.8930

Final

Group 1 – Shares purchased prior to 1 August 2012

Group 2 – Shares purchased on or after 1 August 2012 and on or before 31 January 2013

Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.6925	–	0.6925	0.8714
Group 2	0.2202	0.4723	0.6925	0.8714

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). 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.

SPECTRUM FUND

ACD'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2013

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.

CAPITA FINANCIAL MANAGERS LIMITED

ACD of Spectrum Fund

17 May 2013

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the year to 31 January 2013 the Fund's 'O' Accumulation share class produced a total return of +7.1% compared to a rise of +0.5% in the LIBID Index (total return)* and a rise of +16.1% in the MSCI World (£) Index (total return)*. The FTSE All-Share Index (total return)* produced a return of +16.3%*.

(Source: Lipper Hindsight & Bloomberg, net income reinvested at ex-dividend date, Sterling terms).

MARKET REVIEW

Investors were well-rewarded for taking risk for the year to 31 January 2013. However, strong annual returns for most world stock markets belied negative momentum for the first six months. The behaviour of most stock markets resembled a topsy-turvy football match and was definitely 'a game of two halves'. During the first half of the year, sovereign indebtedness and fears over a marked slow-down in Chinese economic growth caused many markets to swoon. For example, for the six months to 31 July 2012, the Spanish stock market produced a negative total return of -19%; the Chinese market a negative return of -6%; and the UK mustered only a +2.2% rise. Moreover, in the second half, greed overcame fear, and risks became opportunities. The stirring half-time team-talk came from the President/manager of the European Central Bank ('ECB'), Mario Draghi. In a speech in late July he pledged "to do whatever it takes to preserve the euro. And believe me, it will be enough". He also promised to tackle high sovereign borrowing costs in the European periphery. Talk is usually cheap, but Draghi's words were priceless and initiated a dramatic rally in both credit and equity markets. So in the second half of the year, the Spanish stock market rose by +27%; and the Chinese and UK markets by a still impressive +13% (all total return). The only modest deceleration in Chinese growth also spurred optimism.

PORTFOLIO

Spectrum is intended to give investors an efficient way of holding a diversified global portfolio of collective investments. We aim to fully understand how our carefully selected managers invest on the investors behalf and so comprehend how they should perform in different market environments. We seek to back managers over the long term and so Spectrum's turnover will typically be low. If Spectrum had a motto, perhaps it would come from the former UK Prime Minister, Lord Salisbury who said: "All change is for the worse, so let us have as little change as possible". Over the course of the year there were only two changes to the top 10 holdings and both of the demoted remain core components of the portfolio. The promotion of CG Portfolio Real Return and HAL into the top 10 and the relegation of ETFS Physical Swiss Gold and Better Capital are merely the reflection of how we have allocated cash inflows.

Top 10 Holdings January 2013

	% Fund
CF Ruffer European	7.5
Gold Bullion Securities	7.1
CG Portfolio Real Return	6.5
Findlay Park American	6.1
Polar Capital Global Insurance	5.7
First State Asia Pacific Leaders	5.5
Jupiter Absolute Return	4.6
CF Morant Wright Japan	4.6
HAL	4.5
BlackRock Gold and General	4.1
Total Top 10	56.2
Plus 20 other holdings	40.3
Cash	3.5
Total	100.0

Top 10 Holdings January 2012

	% Fund
CF Ruffer European	7.1
BlackRock Gold and General	6.6
Findlay Park American	6.5
Polar Capital Global Insurance	5.9
First State Asia Pacific Leaders	5.8
Jupiter Absolute Return	5.8
Gold Bullion Securities	5.6
CF Morant Wright Japan	5.6
ETFS Physical Swiss Gold	4.2
Better Capital	4.0
Total Top 10	57.1
Plus 14 other holdings	35.9
Cash	7.0
Total	100.0

Source: Troy Asset Management Limited.

* The indices are used by the Investment Manager for comparative purposes only. No benchmarks are required to be disclosed as per the Prospectus.

SPECTRUM FUND

ACD's Report (continued)

Investment Manager's Report (continued)

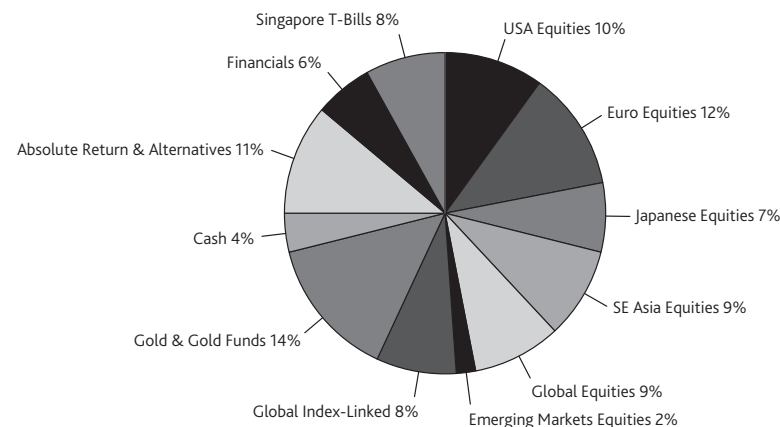
PORTFOLIO (continued)

More meaningful changes came from initiating new holdings in the Heptagon Yacktman US Equity fund and the British Empire Securities and General trust. The Heptagon Yacktman team favours buying companies that have formidable market positions, strong balance sheets and that sell products or services with a fairly predictable demand. These quality characteristics are frequently undervalued by other investors who prefer to gamble on 'get rich quick' stocks. However, the firm's long-term track record demonstrates that buying above average companies at below average prices does ultimately lead to above average returns for investors. The managers are conviction investors who run a concentrated portfolio of between 30 to 40 stocks. Large and familiar holdings include PepsiCo, News Corporation, Procter & Gamble and Microsoft Corporation. Conversely, British Empire invests in companies that are trading at material discounts to the manager's estimated net asset values. The manager occupies a deep value niche and at the time of our purchases was seeing lots of opportunities, with the prices of several holdings at record discounts to NAV. Value investing has been deeply out of favour as evidenced by British Empire's own discount to (a deeply discounted) NAV widening out for much of 2012. A discount on a discount is akin to a man wearing both belt and braces and so provides a greater margin of safety. Most of our managers march to a different drum beat to that of the UK stock market; they are genuinely innovative and do something very different. Within this spirit we added to the long-standing holding of CG Real Return Portfolio. This provides a portfolio of inflation protected bonds in diversified currencies and continues to be an excellent safe haven.

For large parts of the year, the focus of investors was on Europe and the possibility of a Greek exit ('Grexit') from the euro. Sentiment toward European equities was particularly low in the early summer. Our contrarian instincts led us to actually increase Spectrum's exposure to Europe through further purchases of the core holdings of CF Ruffer European and HAL. On most reliable measures of valuation and hence potential prospective return, European equities looked good value and still do despite the recent rally. Spectrum did however, have its own European exits over the course of the year. We received the proceeds from the liquidation of the SR Europe investment trust and there was also a change of manager in the Senhouse European Focus fund, which triggered our disposal of that holding.

The majority of Spectrum's fund managers produced either impressive or credible performances in what we would describe as a 'challenging' investment climate. Our friends at CF Ruffer European first protected your investment during the initial market setback and then meaningfully participated in the subsequent advance. The Polar Capital Global Insurance fund benefited from a strong insurance pricing environment and the investment teams working at Lindsell Train (Global Equity); Findlay Park (American and Latin American) and First State (Asia Pacific Leaders) all delivered good returns led by their characteristic high quality stock-picking. The one area of weakness over the year was Spectrum's allocation to gold and gold mining securities. Over the twelve months under review gold bullion was down a little over -5% and the holding of BlackRock Gold and General was down over -20%. Disappointing production volumes and increasing cost pressures were endemic to the entire gold mining industry and the managers at BlackRock were unable to rise above this industry tide. Gold miners ultimately derive their value from the bullion they unearth, which in turn should derive greater value from the on-going debasement of paper money. We have faith that an ultimately higher gold price will trump bad industry economics and drive the price and valuation of the gold mining sector higher.

ASSET ALLOCATION AS AT 31 JANUARY 2013



Source: Troy Asset Management.

OUTLOOK

Zero interest rates act as a huge gravitational force pushing prospective returns, across most asset classes, to the floor. The current investment menu is unappetising with cash yielding nothing; 10 year bonds, gilts and treasuries providing no more than 2%; reliable corporate bonds just a morsel more than that and global equities, on average, yielding less than 3%. Many investors are turning to progressively more exotic instruments such as junk bonds and emerging market debt to maintain incomes. They are unwittingly accepting greater risks to their capital for lower income returns. This is a dilemma for savers in a zero interest rate environment, but the market is not so charitable that it will furnish you with high returns just because you wish for them. Spectrum remains cautiously positioned and hopefully this goes some way to explain our cantering rather than galloping performance over the past twelve months.

Optimism currently abounds everywhere and caution has been thrown to the wind. This concerns us as pessimism is the typical backdrop for successful investing. Monetary policy has ensured that nearly all assets are expensive. Most investors seem to have decided that the lesser of all evils is to spend their cash and buy the least bad assets that are available today. They have taken the view that it is better to buy quite expensive equities rather than grossly overvalued bonds. We are not compelled to be always fully invested and we believe when to invest is just as important as what to invest in. Currently, there are few attractive opportunities to increase our Fund holdings, but we are very confident that opportunities (as in the previous four years) will present themselves to those that have remained patient and have kept their powder dry.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

22 February 2013

SPECTRUM FUND
ACD's Report (continued)
FUND INFORMATION

PERFORMANCE RECORD

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008#	101.62	88.53	–
2009	113.72	87.38	1.5102
2010	134.06	110.50	–
2011	134.40	125.66	–
2012	138.02	129.18	0.0297
2013*	143.04	137.13	0.1310

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2008#	101.70	88.60	–
2009	115.62	88.74	1.5625
2010	136.31	112.35	–
2011	136.66	127.78	–
2012	140.37	131.35	0.0414
2013*	145.47	139.45	0.1330

'I' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2011##	133.30	127.17	–
2012	137.15	128.68	–
2013*	142.03	136.20	–

'I' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2011##	135.57	129.34	–
2012	139.51	130.89	–
2013*	144.46	138.54	–

From 21 February 2008.

From 1 August 2011.

* To 31 January 2013.

NET ASSET VALUE

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
31.01.11	'O' Income	34,247,181	26,624,114	128.63
	'O' Accumulation	1,745,416	1,334,494	130.79
31.01.12	'O' Income	49,359,932	37,142,481	132.89
	'O' Accumulation	13,582,441	10,051,768	135.12
	'I' Income	331	250	132.56
	'I' Accumulation	266,668	197,762	134.84
31.01.13	'O' Income	59,168,537	41,578,301	142.31
	'O' Accumulation	19,664,699	13,575,708	144.85
	'I' Income	91,278	64,542	141.42
	'I' Accumulation	987,667	686,589	143.85

SPECTRUM FUND

ACD's Report (continued)

Fund Information (continued)

ONGOING CHARGES FIGURE

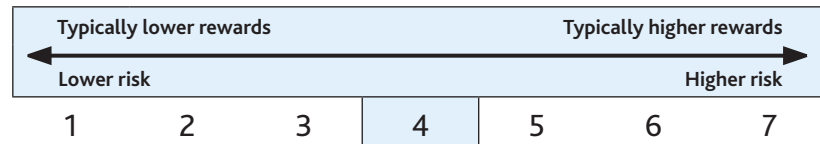
Expense Type	31.01.13	
	% 'O'	'I'
ACD's periodic charge	0.65	1.15
Other expenses	0.12	0.12
	0.77	1.27
Collective investment scheme costs	0.63	0.63
Ongoing charges figure	1.40	1.90

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund, expressed as a percentage of the average net assets during the accounting period.

The collective investment scheme costs represent the OCFs, or a reasonable substitute, of the underlying funds which are held as portfolio investments. Their inclusion has been calculated on a weighted basis against the Fund's net assets at the balance sheet date.

This report adopts the latest rules for UCITS and presents the OCF; the presentation of the Total Expense Ratio has been discontinued.

SYNTHETIC RISK AND REWARD INDICATOR



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.

FUND PERFORMANCE TO 31 JANUARY 2013 (%)

	1 year	3 years	Since launch*
Spectrum Fund	7.14	29.44	45.47

* Launch date: 21 February 2008.

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

Details of the distributions per share for the year are shown in the Distribution Tables on page 146.

SPECTRUM FUND
ACD's Report (continued)
PORTFOLIO STATEMENT
AS AT 31 JANUARY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	DEBT SECURITIES			
SG\$2,400,000	Monetary Authority of Singapore 0% 01.02.13	1,222,945	1.53	
SG\$2,350,000	Monetary Authority of Singapore 0% 08.02.13	1,197,443	1.50	
SG\$1,500,000	Monetary Authority of Singapore 0% 01.03.13	764,215	0.96	
SG\$1,500,000	Monetary Authority of Singapore 0% 08.03.13	764,181	0.96	
SG\$1,100,000	Monetary Authority of Singapore 0% 01.04.13	560,305	0.70	
SG\$1,150,000	Monetary Authority of Singapore 0% 05.04.13	585,760	0.73	
SG\$2,400,000	Monetary Authority of Singapore 0% 26.04.13	1,222,248	1.53	
	TOTAL DEBT SECURITIES	6,317,097	7.91	4.79
	INDEX-LINKED BONDS			
9,246	CG Portfolio Dollar Fund	1,292,085	1.62	
27,129	CG Portfolio Real Return	5,176,769	6.48	
	TOTAL INDEX-LINKED BONDS	6,468,854	8.10	4.94
	EUROPEAN EQUITIES			
1,434,814	CF Ruffer European#	6,020,337	7.53	
43,180	HAL**	3,591,577	4.49	
	TOTAL EUROPEAN EQUITIES	9,611,914	12.02	13.33
	UNITED STATES EQUITIES			
131,094	Findlay Park American	4,843,766	6.06	
36,803	Heptagon Yacktman US Equity	2,797,966	3.50	
	TOTAL UNITED STATES EQUITIES	7,641,732	9.56	6.51
	EMERGING MARKETS EQUITIES			
122,450	Findlay Park Latin American	1,674,437	2.10	2.16
	JAPANESE EQUITIES			
1,794,458	CF Morant Wright Japan#	3,659,080	4.58	
3,816,782	Lindsell Train Japanese Equity	2,040,130	2.55	
	TOTAL JAPANESE EQUITIES	5,699,210	7.13	8.73

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.01.13 %	31.01.12 %
	ASIAN EQUITIES			
998,373	First State Asia Pacific Leaders	4,369,079	5.47	
9,009	Veritas Asian	2,828,428	3.54	
	TOTAL ASIAN EQUITIES	7,197,507	9.01	9.67
	GLOBAL EQUITIES			
400,000	British Empire Securities and General*	2,016,000	2.52	
4,000	Camellia**	440,000	0.55	
2,271,087	Lindsell Train Global Equity	2,818,192	3.53	
180,300	RIT Capital Partners*	2,136,555	2.67	
	TOTAL GLOBAL EQUITIES	7,410,747	9.27	7.17
	ABSOLUTE RETURNS & ALTERNATIVES			
1,504,385	Aberforth Geared Income <i>zdp</i> *	1,970,744	2.47	
2,088,709	Better Capital**	3,122,620	3.91	
7,625,616	Jupiter Absolute Return	3,661,058	4.58	
750,000	Jupiter Second Split*	215,625	0.27	
	TOTAL ABSOLUTE RETURNS & ALTERNATIVES	8,970,047	11.23	13.42
	FINANCIALS			
1,672,873	Polar Capital Global Insurance	4,596,888	5.75	5.88
	COMMODITIES			
278,778	BlackRock Gold and General	3,303,521	4.13	
24,125	ETFS Physical Swiss Gold***	2,500,088	3.13	
56,250	Gold Bullion Securities***	5,690,851	7.12	
	TOTAL COMMODITIES	11,494,460	14.38	16.43

	Value £	Total Net Assets	
		31.01.13 %	31.01.12 %
Portfolio of investments	77,082,893	96.46	93.03
Net other assets	2,829,288	3.54	6.97
Net assets	<u>79,912,181</u>	<u>100.00</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements and are Collective Investment Schemes unless stated otherwise.

All debt securities held are investment grade.

* Investment trust.

** Equity.

*** Exchange traded fund.

Related party holding (see note 9).

Definition:

zdp – zero dividend preference.

**SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE YEAR ENDED 31 JANUARY 2013**

Total purchases for the year (note 13) £73,685,883

Major purchases	Cost £
CG Portfolio Real Return	3,235,813
Monetary Authority of Singapore 0% 17.08.12	3,048,676
Monetary Authority of Singapore 0% 09.04.12	3,033,403
Monetary Authority of Singapore 0% 29.06.12	3,010,175
Monetary Authority of Singapore 0% 04.05.12	3,006,349
Monetary Authority of Singapore 0% 20.07.12	3,004,549
Monetary Authority of Singapore 0% 22.06.12	3,003,644
Monetary Authority of Singapore 0% 01.06.12	2,984,486
Monetary Authority of Singapore 0% 24.08.12	2,562,694
Heptagon Yacktmán US Equity	2,560,720
Monetary Authority of Singapore 0% 07.12.12	2,557,031
Monetary Authority of Singapore 0% 14.09.12	2,546,068
Monetary Authority of Singapore 0% 09.11.12	2,541,533
Monetary Authority of Singapore 0% 21.09.12	2,526,840
Monetary Authority of Singapore 0% 12.10.12	2,522,537
Monetary Authority of Singapore 0% 19.10.12	2,521,518
Monetary Authority of Singapore 0% 27.07.12	2,514,988
Gold Bullion Securities	2,149,912
Monetary Authority of Singapore 0% 04.01.13	1,781,823
British Empire Securities and General	1,781,631

SPECTRUM FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

Total sales for the year (note 13) £60,754,004

Major sales	Proceeds £
Monetary Authority of Singapore 0% 17.08.12	3,051,663
Monetary Authority of Singapore 0% 20.07.12	3,044,308
Monetary Authority of Singapore 0% 29.06.12	3,030,499
Monetary Authority of Singapore 0% 01.06.12	3,024,282
Monetary Authority of Singapore 0% 22.06.12	3,013,159
Monetary Authority of Singapore 0% 09.04.12	3,006,590
Monetary Authority of Singapore 0% 04.05.12	2,984,832
Monetary Authority of Singapore 0% 09.11.12	2,561,219
Monetary Authority of Singapore 0% 07.12.12	2,555,132
Monetary Authority of Singapore 0% 19.10.12	2,551,659
Monetary Authority of Singapore 0% 12.10.12	2,549,367
Monetary Authority of Singapore 0% 27.07.12	2,539,212
Monetary Authority of Singapore 0% 14.09.12	2,525,649
Monetary Authority of Singapore 0% 24.08.12	2,525,467
Monetary Authority of Singapore 0% 21.09.12	2,510,541
Senhouse European Focus	1,936,215
Monetary Authority of Singapore 0% 04.01.13	1,775,294
Monetary Authority of Singapore 0% 03.02.12	1,521,122
Monetary Authority of Singapore 0% 09.03.12	1,516,928
Monetary Authority of Singapore 0% 02.03.12	1,510,025

The summary of material portfolio changes represents the 20 largest purchases and sales during the year.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Income:					
Net capital gains	2		5,101,872		1,504,202
Revenue	3	652,287		250,186	
Expenses	4	(565,983)		(386,198)	
Finance costs: Interest	6	—		(391)	
Net revenue/(expense) before taxation		86,304		(136,403)	
Taxation	5	—		39	
Net revenue/(expense) after taxation			86,304		(136,364)
Total return before distributions			5,188,176		1,367,838
Finance costs: Distributions	6		(89,040)		—
Change in net assets attributable to shareholders from investment activities			5,099,136		1,367,838

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR ENDED 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
Opening net assets attributable to shareholders			63,209,372		35,992,597
Amounts receivable on issue of shares		13,319,168		25,819,087	
Amounts payable on cancellation of shares		(1,817,147)		(92,503)	
			11,502,021		25,726,584
Dilution levy charged	1(k)		80,313		123,427
Stamp duty reserve tax	1(g)		(1,963)		(1,074)
Change in net assets attributable to shareholders from investment activities			5,099,136		1,367,838
Retained distribution on Accumulation shares			23,302		—
Closing net assets attributable to shareholders			79,912,181		63,209,372

SPECTRUM FUND
Financial Statements (continued)
BALANCE SHEET
AS AT 31 JANUARY 2013

	Notes	£	31.01.13 £	£	31.01.12 £
ASSETS					
Investment assets			77,082,893		58,803,546
Other assets					
Debtors	7	95,373		460,447	
Cash and bank balances		<u>4,087,226</u>		<u>4,158,775</u>	
Total other assets			4,182,599		4,619,222
Total assets			<u>81,265,492</u>		<u>63,422,768</u>
LIABILITIES					
Other liabilities					
Creditors	8	(1,298,843)		(56,942)	
Distribution payable on Income shares		<u>(54,468)</u>		<u>(156,454)</u>	
Total other liabilities			(1,353,311)		(213,396)
Total liabilities			<u>(1,353,311)</u>		<u>(213,396)</u>
Net assets attributable to shareholders			<u>79,912,181</u>		<u>63,209,372</u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 JANUARY 2013

1. ACCOUNTING POLICIES

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements.

	31.01.13 £	31.01.12 £
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	5,102,407	1,536,058
Forward currency contracts	–	(52,004)
Transaction charges	(1,107)	(1,846)
Currency gains	572	21,994
Net capital gains	<u>5,101,872</u>	<u>1,504,202</u>

3. REVENUE

Non-taxable dividends	371,900	154,968
Taxable dividends	124,149	7,885
Unfranked interest	108,282	46,007
AMC rebates from underlying investments	44,564	41,317
Bank interest	3,383	9
Other interest	9	–
Total revenue	<u>652,287</u>	<u>250,186</u>

4. EXPENSES

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's periodic charge	477,443	330,793
Legal and professional fees	15,352	–
Printing costs	5,070	5,448
Registration fees	2,247	1,606
	<u>500,112</u>	<u>337,847</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary's fees	34,535	24,414
Safe custody and other bank charges	11,514	8,138
	<u>46,049</u>	<u>32,552</u>

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

	31.01.13 £	31.01.12 £
4. EXPENSES (continued)		
Other expenses:		
FCA fee	60	56
Fees paid to auditor – audit fees	8,100	8,100
– tax fees	3,000	3,000
Publication costs	8,223	4,643
Postage and distribution costs	439	–
	19,822	15,799
Total expenses	565,983	386,198
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Adjustments in respect of prior periods	–	(39)
Current tax charge (note 5b)	–	(39)
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	–	(39)

b) Factors affecting current 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%) (31.01.12 : 20%) for the reasons explained below.

	31.01.13 £	31.01.12 £
Net revenue/(expense) before taxation	86,304	(136,403)
Corporation tax at 20%	17,261	(27,281)
Effects of:		
Non-taxable dividends	(74,380)	(30,994)
Unutilised excess management expenses	57,119	58,275
Corporation tax charge	–	–
Adjustments in respect of prior periods	–	(39)
Current tax charge (note 5a)	–	(39)

5. TAXATION (continued)

c) Deferred tax

At the year end there is a potential deferred tax asset of £166,752 (31.01.12 : £109,633) 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.

6. FINANCE COSTS

Distributions

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

	31.01.13 £	31.01.12 £
Interim	17,542	–
Final	72,523	–
	90,065	–
Add: Revenue deducted on cancellation of shares	661	–
Deduct: Revenue received on issue of shares	(1,686)	–
Net distributions for the year	89,040	–
Interest	–	391
Total finance costs	89,040	391

Details of the distributions per share are set out in the tables on page 146.

	31.01.13 £	31.01.12 £
Distributions represented by:		
Net revenue/(expense) after taxation	86,304	(136,364)
Allocations to Capital:		
Revenue deficit		
‘O’ Income	–	113,924
‘O’ Accumulation	–	22,140
‘I’ Income	186	1
‘I’ Accumulation	2,572	299
	2,758	136,364
Balance brought forward	–	–
Balance carried forward	(22)	–
Net distributions for the year	89,040	–

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

	31.01.13 £	31.01.12 £
7. DEBTORS		
Amounts receivable for issue of shares	60,189	437,501
Accrued revenue:		
Non-taxable dividends	6,549	–
AMC rebates from underlying investments	19,871	12,479
Bank interest	486	–
	26,906	12,479
Dilution levy	454	2,188
Prepaid expenses	5,812	5,834
Taxation recoverable:		
Income tax	2,012	2,445
Total debtors	95,373	460,447
8. CREDITORS		
Amounts payable for cancellation of shares	10,033	–
Purchases awaiting settlement	1,222,443	–
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	43,649	34,110
Legal and professional fees	818	–
Printing costs	2,755	2,728
Registration fees	219	140
	47,441	36,978
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	3,104	2,513
Transaction charges	495	431
Safe custody and other bank charges	4,020	2,916
	7,619	5,860
Other expenses	11,273	14,100
Taxation payable:		
Stamp duty reserve tax	34	4
Total creditors	1,298,843	56,942

9. RELATED PARTY TRANSACTIONS

Disclosure is made in note 9 of the Notes to the Aggregated Financial Statements.

10. SHAREHOLDER FUNDS

Disclosure is made in note 10 of the Notes to the Aggregated Financial Statements.

11. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.01.12 : none).

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 12 of the Notes to the Aggregated Financial Statements. Disclosures specific to this sub-fund are made below in relation to numeric disclosure of interest rate risk, numeric disclosure of foreign currency risk and derivatives.

i. Interest rate risk

The table below shows the direct interest rate risk profile:

	31.01.13 £	31.01.12 £
Floating rate assets:		
Singapore dollars	6,321,478	3,028,536
Pounds sterling	10,551,699	7,281,287
	16,873,177	10,309,823
Floating rate liabilities:		
Pounds sterling	–	(156,454)
Assets on which interest is not paid:		
Euros	3,591,577	1,575,366
Japanese yen	2,040,130	1,954,135
US dollars	17,513,657	11,669,880
Pounds sterling	41,246,951	37,913,564
	64,392,315	53,112,945
Liabilities on which interest is not paid:		
Singapore dollars	(1,222,443)	–
Pounds sterling	(130,868)	(56,942)
	(1,353,311)	(56,942)
Net assets	79,912,181	63,209,372

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents and collective investment schemes that pay UK interest distributions.

SPECTRUM FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

12. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

ii. Foreign currency risk

The table below shows the direct foreign currency risk profile:

	31.01.13 £	31.01.12 £
Currency:		
Euros	3,591,577	1,575,366
Japanese yen	2,040,130	1,954,135
Singapore dollars	5,099,035	3,028,536
US dollars	17,513,657	11,669,880
	<u>28,244,399</u>	<u>18,227,917</u>
Pounds sterling	51,667,782	44,981,455
Net assets	<u>79,912,181</u>	<u>63,209,372</u>

iii. Derivatives

The Investment Manager has the power to manage exposure to currency movements by using forward currency 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/(losses) on forward currency contracts during the year are set out in the Portfolio Statement, note 12ii and note 2, respectively.

The intention in using the forward currency contracts is, where deemed appropriate, to reduce the risk profile of the sub-fund by managing the exposure of the sub-fund to currency exchange risk and leave the sub-fund primarily exposed to the underlying market risk 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 the interests of efficient portfolio management.

13. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs

Purchases in year before transaction costs	73,651,012	45,994,805
Transaction costs:		
Commissions	7,973	5,270
Stamp duty and other charges	26,898	3,491
	<u>34,871</u>	<u>8,761</u>
Gross purchases total	<u>73,685,883</u>	<u>46,003,566</u>

Analysis of total sale costs

Gross sales before transaction costs	60,754,618	23,954,552
Transaction costs:		
Commissions	(613)	(1,080)
Other charges	(1)	(3,689)
	<u>(614)</u>	<u>(4,769)</u>
Total sales net of transaction costs	<u>60,754,004</u>	<u>23,949,783</u>

SPECTRUM FUND

Financial Statements (continued)

DISTRIBUTION TABLES

FOR THE YEAR ENDED 31 JANUARY 2013 – IN PENCE PER SHARE

Interim

Group 1 – Shares purchased prior to 1 February 2012

Group 2 – Shares purchased on or after 1 February 2012 and on or before 31 July 2012

'O' Income Shares	Net Revenue	Equalisation	Paid 30.09.12	Paid 30.09.11
Group 1	0.0297	–	0.0297	–
Group 2	0.0233	0.0064	0.0297	–

'O' Accumulation Shares	Net Revenue	Equalisation	Allocated 30.09.12	Allocated 30.09.11
Group 1	0.0414	–	0.0414	–
Group 2	0.0328	0.0086	0.0414	–

Final

Group 1 – Shares purchased prior to 1 August 2012

Group 2 – Shares purchased on or after 1 August 2012 and on or before 31 January 2013

'O' Income Shares	Net Revenue	Equalisation	Payable 31.03.13	Paid 31.03.12
Group 1	0.1310	–	0.1310	–
Group 2	0.0564	0.0746	0.1310	–

'O' Accumulation Shares	Net Revenue	Equalisation	Allocation 31.03.13	Allocated 31.03.12
Group 1	0.1330	–	0.1330	–
Group 2	0.0666	0.0664	0.1330	–

The 'I' Income and 'I' Accumulation share class did not distribute in the current or prior year.

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares).

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.

GENERAL INFORMATION

Head Office: Ibex House, 42 – 47 Minorities, London EC3N 1DX.

Address for Service: The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency: The base currency of the Company is pounds sterling. Each sub-fund and class is designated in pounds sterling.

Share Capital: The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the sub-funds.

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 and the agreement of the Depositary. 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 Capital Fund
Trojan Income Fund
Crystal Fund
Spectrum 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 Capital Fund, the Trojan Income Fund and the Spectrum Fund is 12.00 noon on each business day. The valuation point of the Crystal Fund is 12.00 noon on each Thursday 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 and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

PRICES

The most recent prices of 'O' shares, with the exception of the Crystal Fund, are published in the *Financial Times*, and are also available on the Capita Financial Group's website at www.capitafinancial.co.uk, under the heading Troy Asset Management Ltd. The price of shares may also be obtained by calling 0845 608 1488 during 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 can be found on our website, www.capitafinancial.com, 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 South Quay Plaza, 183 Marsh Wall, 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.

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.

